



MINUTES
Board of Water Commissioners
David Gebhard Public Meeting Room
630 Garden Street (Parking lot Site Entrance)
Monday, February 18, 2016, 8:00 a.m. – 10 a.m.

- COMMISSIONERS PRESENT: Barry Keller, Mike Kielborn, Dave Davis, Michael Jordan, Megan Birney
- STAFF PRESENT: Joshua Haggmark, Water Resources Manager; Kelley Dyer, Water Supply Manager; Lisa Arroyo, Wastewater System Manager; Anne Van Belkom, Administrative Assistant
- PUBLIC: Deborah L. Schwartz, Planning Commission Liaison; Pete Dal Bello, International Chiari Association.
1. **CALL TO ORDER:** The meeting was called to order at 8 a.m.
 2. **ROLL CALL** All present
 3. **CHANGES TO THE AGENDA:** Item 6b has no recommendation.
 4. **COMMENTS BY THE PUBLIC:** None
 5. **CONSENT ITEMS:**
 - a. **MEETING MINUTES FOR JANUARY 21, 2016:** MOTION (Birney/Jordan 5-0-0): to approve the minutes as submitted.
 6. **ADMINISTRATIVE ITEMS:**
 - a. **POLICY INPUT ON FISCAL YEAR 2017 WASTEWATER RATES:** Water Commissioners provided policy input on proposed changes to the wastewater rate structure for FY17 indicating a preference for a status quo rate structure this year. Given the other rate increases proposed for Water, Water Commission had concerns about compounding increases to low water users. There was strong support for a gradual change to a larger fixed rate component that was more aligned with the actual cost of operating the wastewater system. Water Commission asked for wastewater rates to be brought back before the Rate Hearing in June for further discussion. Commissioners stressed the importance of minimizing financial impacts on lower residential water users by spreading out the changes in the rate structure over multiple years. MOTION (Kielborn/ Jordan 5-0-0): to approve staff's recommendation to have Council provide policy input on the FY 17 proposed rate changes; to recommend that Council consider in the future a transition to a larger fixed rate structure; and to continue to explore a time to move to a larger fixed rate structure implemented over several years. Commissioner Jordan requested earlier access to the agenda packets if possible. Commissioner Birney requested a presentation at a future meeting that identified the water and wastewater rates proposed for FY17.
 - b. **STATE 3 DROUGHT UPDATE:** Rainfall for the last four years has averaged less than half of the long-term average. Water conservation was 29% for January and 34% for the cumulative average reduction since the declaration of the Stage Three Drought Emergency. Staff hopes to avoid the need for desalination treatment plant expansion and distribution improvements for possibly two years by increasing the conservation target and purchasing supplemental water. Currently, 5,000 AF of prior water purchases will need to be paid back within the next nine years. Assuming drought conditions continue, a water supply strategy with a 35% conservation target is being explored. This item will be brought back for further discussion in March 2016 with a final strategy to be adopted in late April 2016.
 - c. **POLICY INPUT ON FISCAL YEAR 2017 WATER RATES:** The 2013 Comprehensive Water Rate Study (Study) done by Raftelis is the basis for the current water structure. As part of the 2013 Study, Raftelis developed a water rate model to evaluate cost of service in compliance with Prop 218 requirements. The model was updated to incorporate the financial impacts of the drought for FY15-FY16. Two reserve management scenarios were presented: the first scenario assumed reserves would meet policy requirements in FY17, the

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second scenario requirements in FY19. Commissioners favored Scenario 1 for public noticing that would have a larger rate increase but bring reserves back to policy levels within a one-year period. Further discussion would take place at the Water Commission prior to the public hearing in June in order to consider any updates regarding the water supply or reserves management. New rates would become effective on July 1, 2016. MOTION (Jordan/Davis 5-0-0): to recommend that the public noticing in March/April reflect rates for Scenario 1 but that the Water Commission revisit the proposed rates for more discussion before the public hearing in June.

7. **WATER RESOURCES MANAGER'S REPORT:** Staff has added a residential only portion to the City of Santa Barbara Water Use In Gallons Per Capita Per Day (GPCD) graph. With a 2020 goal of 117 GPCD, Santa Barbara is well below this goal with a GPCD of 89 for the current 12 month average and a GPCD of 59 for the residential only portion of the GPCD water use. The El Estero influent flow for the month of December 2015 reached a new low that was under 6 MGD. So far for CY16, there have been two public sewer spills. Mr. Haggmark responded to Commissioner Birney's question about status of the Pass Through Agreement (executed in 1989) by stating that no new progress had been made since January and there continued to be efforts by the parties to the agreement to delay the implementation of the Warren Act (an account method) for storage and conveyance of Pass Through water in Lake Cachuma.
8. **DATE OF NEXT SCHEDULED MEETING:** March 17, 2016, David Gebhard Public Meeting Room, 630 Garden Street (Parking Lot Side Entrance)

The meeting was adjourned at 10:07 AM

Approved: March 17, 2016