



MINUTES

Board of Water Commissioners

David Gebhard Public Meeting Room
630 Garden Street, Parking Lot Side Entrance

Thursday, May 19, 2016, from 8:00 a.m. – 10:00 a.m.

- COMMISSIONERS PRESENT: Barry Keller, Mike Kielborn, Dave Davis, Michael Jordan, Megan Birney
- STAFF PRESENT: Joshua Haggmark, Water Resources Manager; Cathy Taylor, Water System Manager; Lisa Arroyo, Wastewater System Manager; Kelley Dyer, Water Supply Manager; Anne Van Belkom, Administrative Assistant; Patricia Fletcher, Administrative Assistant
- PUBLIC: Tom Fayram, County of Santa Barbara Deputy Public Works Director; Pete Dal Bello.
1. **CALL TO ORDER:** The meeting was called to order at 8:00 a.m.
 2. **ROLL CALL** All present
 3. **CHANGES TO THE AGENDA:** Agenda Item 6B has been eliminated since this agreement is still under discussion.
 4. **COMMENTS BY THE PUBLIC:** None
 5. **CONSENT ITEMS:**
 - a. Meeting Minutes for May 19, 2016: The revised minutes were approved with the spelling correction of the word "~~State~~" to "Stage" in the last sentence of Administration Item 6b, so it reads "Stage 3 Drought".
 - b. Professional Services Contract for Cater Valve Replacement Project:

MOTION (Davis/Birney 5-0-0): to approve the revised minutes as submitted and to approve the staff recommendation.
 6. **ADMINISTRATIVE ITEMS:**
 - a. **Stage Three Drought Update:** Mr. Haggmark updated the Water Commission on the current status of the drought. He also informed the Water Commissioners that the actual conservation percentage in April was 41%, not 27%, with a cumulative conservation average of 35% as of May 2016. Staff has successfully purchased supplemental water supplies and state water deliveries have been reinstated to 60% of allotments. Since conveyance capacity constraints limit the amount of water that can be delivered in a particular month, the Central Coast Water Authority is evaluating options to increase the operational capacity of the pipeline to ensure more water can be delivered to Lake Cachuma during peak delivery periods. No new conservation regulations are considered at this time, as long as the public can sustain the 35% conservation goal. If the supply situation worsens due to conveyance limitations, or conservation efforts do not achieve 35%, increased restrictions on outdoor watering may be considered.
 - i. **Draft Urban Water Management Plan (UWMP) Review:** Ms. Dyer described the steps needed to obtain Council approval authorizing the Public Works Director to transmit the City's updated 2015 UWMP (Plan) to the Department of Water Resources. The Plan may include modifications to ensure compliance with State UWMP requirements, as long as these modifications are consistent with the City's Long Term Water Supply Plan (LTWSP). The Plan adopts a 2020 target of 117 gallons per capita per day (GPCD) and an interim 2015 target of 123.4 GPCD. The City plans to update the LTWSP after the current drought emergency has ended and as new information of operational yield of existing supplies becomes available in order to update the City's LTWSP before the next required 2020 UWMP update. The updated Plan updates the 2010 UWMP and uses the 2011 LTWSP as the basis for water supply projections. The Draft Plan was posted on the City's website on April 29, 2016, for the State-

required 60-day public review period. The Final Draft Plan was provided to Mayor and Council for their review. On June 28, 2016, Council will hold a Public Hearing regarding the adoption of the Plan, which is due to the State by July 1, 2016. Commissioner Birney requested that 2018 be targeted as a future date to begin the process for re-evaluating this document in order to have any modifications or updated information ready by 2020.

ii. **Santa Barbara County Water Agency – Lake Cachuma Status Update:** Mr. Fayram, Deputy Public Works Director, provided an update on the status of Lake Cachuma. Mr. Fayram's responsibility includes overseeing the Santa Barbara County Water Agency (Agency) and the Flood Control District. Mr. Fayram provided an overview of the Agency, a California Special District administered by the County Board of Supervisors. Mr. Fayram described the programs managed through the Agency and explained the Agency's funding sources, and its role in monitoring. Mr. Fayram described and explained the functions of the minimum pool at Lake Cachuma and the impact it has on the lake's overall health. Lake Cachuma is managed under a contract between the Agency and the Bureau of Reclamation. The contract is set to expire in 2020. Mr. Fayram expects the contract renewal to take two to three years to complete. The updated contract will address several issues including how to handle future evaporation and redefine the critical drought period.

iii. **Recycled Water Status Update:** Mr. Haggmark gave this update.

b. **Montecito Water District Funding Agreement:** This agenda item was deleted since no final decision was reached regarding this funding agreement. This item will be brought back at a future time.

c. **Proposed Fiscal Year Water Rates and Fees:** Ms. Dyer summarized the proposed Fiscal Year 2017 water rates which reflect drought related expenses, a continuation of the 35% water conservation goal, and the need to maintain a Debt Coverage Ratio of 125%. In addition, Fiscal Year 2016 revenues in excess of Debt Service requirements (up to two million dollars) will be added to the Rate Stabilization Fund. Santa Barbara's rates were shown in comparison to those of nearby communities and customer impacts from the rate increases were presented for low, moderate, and high water use customers. Ms. Taylor explained which water service fees were being increased and why the increase was needed. This item will be returned to the Water Commission for further discussion. MOTION (Birney/Jordan 5-0-0): to approve staff's recommendation.

d. **Proposed FY17 Wastewater Rates and Fees:** Ms. Arroyo reviewed the Fiscal Year 2017 Wastewater rates and revenue plan. The proposed 5.5% increase in wastewater rates takes into consideration the public's conservation efforts, the additional CIP funding, and the need to maintain reserves. Ms. Arroyo described overall Operational and Capital expenses for the Collection system, the lift stations, and El Estero, and discussed plans for debt service repayment. The sewer tap rescheduling fee will be increased from \$331.00 to \$363.00. Future rate and fee work will include a fee study in 2017/2018 and a residential rate structure study in 2018/19 designed to bring the fixed cost component up since the volumetric component has steadily gone down. MOTION (Davis/Jordan 5-0-0): approve staff's recommendation.

7. **WATER RESOURCES MANAGER'S REPORT:** Mr. Haggmark reported that the current 12-month average GPCD is 87 which exceeds the 2020 goal of 117. The Santa Barbara residential average is 50 GPCD. The forecast continues to be for above average temperatures for the next three months. Staff is trying to add evapotranspiration (ETo) levels to the monthly graphs to show how much drier and warmer it has been. By mid-June there will be little to no water in the Fish Accounts, and the Adaptive Management Committee is working to come up with a solution for the Steelhead Trout. Public sewer spills remain at three spills to date. Work on the Warren Act continues to move forward with the finalization of the Environmental Assessment and the completion of the CEQA analysis. The contract with Stanek for the design of water mains for the next year has gone to Council for approval. The annual Collection System Report will go to Council on Tuesday, May 24, 2016. Mr. Haggmark and Commissioners Kielborn, Keller, and Jordan are unavailable for the June Water Commission meeting. Water Commissioners will be notified shortly by Mr. Haggmark as to whether the June meeting is to be cancelled or rescheduled, and what the status will be regarding the August meeting, which is traditionally cancelled.

8. **DATE OF NEXT SCHEDULED MEETING:** Staff will poll Commissioners to determine the date for the next Water Commission meeting.