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MAY 15 2008
SWRCB-DFA

Santa Barbara County Public Works Department
Flood Control & Water Agency

May 15, 2008

Mr. Scott Couch
State Water Resources Control Board
Division of Financial Assistance
1001 I Street, 16th Floor
Sacramento, CA 95814

Re: Draft Funding Recommendations, Round 2 of Proposition 50 Implementation Grants

Dear Mr. Couch:

Santa Barbara County is pleased to submit this comment letter regarding the Proposition 50 Round 2 Integrated Regional Water Management (IRWM) draft funding recommendations. Santa Barbara County is submitting this letter on behalf of the Santa Barbara Countywide Cooperating Partners, the 29 regional water agencies that participated in the IRWM Plan and Proposition 50 IRWM Round 2 grant application.

Santa Barbara County would like to commend the State for its recent recommendation to provide $25 million in Proposition 50 grant funding to the region. We appreciate the hard work required to development these recommendations. In addition, we would like to clarify questions raised by reviewers and request a re-evaluation of scoring with the goal of raising the region's draft score.

Round 2 Awards Bring Balanced Funding to the North and South

The State decision to fully fund the Santa Barbara County region was made in an objective and balanced fashion. The State's thorough analysis of the Santa Barbara Countywide Proposition 50 grant application resulted in a highly competitive score for the region. However, in a broader context, the overall recommendations would provide southern California with an additional $50 million. This sum, which includes the $25 million granted to the San Diego region, brings the total funds granted to southern California to $206 million. The total funds granted to Northern California are over $244. Although the northern part of the state received substantially more total funding ($40 million), the draft recommendations go a long way toward achieving parity.

Additional Information on Application Scoring

Santa Barbara County would like to clarify that the overall matching funds percentage provided by the region is 44%. Confusion regarding a State Revolving Fund loan to one project led State reviewers to conclude that the funding match totaled 21.4%. Information provided below supports the corrected 44% total matching amount.

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Public Works Director

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Deputy Public Works Director

In addition, the revised total monetized economic benefit for all projects is $292,203,768 (total was $266,646,925 in the submitted grant application). Consultation with SWRCB reviewers led to a re-evaluation of Project 15 (Lompoc Regional Wastewater Treatment Plant). The revised total monetized economic benefit to Project 15 now includes the economic benefit to agriculture of $25.6 million over the life of the project. The Project 15 total monetized economic benefit is now 38,964,679 (total was $13,407,836 in the submitted grant application).

Matching Funds Clarification

The State reviewers requested clarification on two items related to Funding Match:

1. Review of Project 15 (Lompoc Regional Wastewater Treatment Plant) included a note that the primary source of Funding Match is an SRF Loan. The SRF Loan funding was inadvertently included in Funding Match, and the sources of local Funding Match were not broken down in detail. The Reviewer reduced the Funding Match amount for this project by $84 Million, which resulted in an overall Funding Match of 21.4%, and a score of 2.

   The accurate Funding Match amount for this project is $31,440,575 in 2006 dollars. The funding match comes from Vandenberg Village Community Services District (VVCSD) wastewater ratepayer revenues, a City of Lompoc 2007 Revenue Bond and Vandenberg Air Force Base (Vandenberg AFB) federal funding (see table below). These changes result in an overall Funding Match of $61,689,572 or **44%,** which should receive a score of 3 instead of 2.

Project 15 Funding Match Source	Amount
Vandenberg Village CSD – Wastewater Ratepayer Revenues	$ 5,043,313
City of Lompoc – February 2007 Bond	$12,866,721
Vandenberg Air Force Base – Federal Funding	$14,258,846
Total	**$31,440,575**

Information to substantiate the revised funding match breakdown can be found in Attachments "A" through "E" to this comment letter. The information includes:

- **Attachment A - Budget Tables** Two revised budget tables from the grant application show the recalculated funding match. Those revised budget tables include the budget table for Project 15 and summary budget table. The attached tables show highlighted changes for a clarification on the local funding match for Project 15. **Payment Tables** – Lompoc Regional Wastewater Treatment Plant Upgrade Project - Local Funding Breakdown by Fiscal Year" showing payments made by Vandenberg Village CSD and Vandenberg AFB to the City of Lompoc for Project 15.
- **Attachment B** - Invoices from City of Lompoc to Vandenberg Village CSD indicating payments made and due for wastewater services.
- **Attachment C** - Vandenberg Village "Wastewater Service Agreement – Lompoc Valley Regional Wastewater Management System" (refer to page 9, item B "Future Facility Requirements" that discusses the apportionment of costs) and City of Lompoc "May 2, 1978 Revision to Agreement of June 1, 1974".

- **Attachment D -** Contract between Vandenberg Air Force Base and the City of Lompoc for wastewater services
- **Attachment E -** City of Lompoc "Lompoc Public Financing Authority – 2007 Revenue Bonds"

2. Review of Project 13 (Laguna County Sanitation District) shows that a source of Funding Match is through a Prop 50 Water Recycling Grant, which is not eligible for Funding Match. The Reviewer requested clarification on the source of this funding. Santa Barbara County would like to clarify that Project 13 will not be using Prop 50 Water Recycling Grant funding. A funding match for Project 13 for the same amount will come from the Laguna County Sanitation District connection fee capital reserve fund. This comment is just to follow-up on the Reviewer's request for clarification and **no changes need to be made to the amount of the Funding Match.**

Economic Analysis Clarification

Clarification of reviewer comments and questions

1. **"The $1500/AFY value may be appropriate when shortage costs are avoided, but may overstate benefits when existing raw water supplies are replaced (State review comment)."**

   As mentioned in the Proposal text, SWP water is the only alternative source of water supply, besides desalination. Shortages during summer months would occur in all water year types due future demand levels, decreasing reservoir capacity, and a lack of feasible alternatives.

   Project 1 (Cachuma Operation and Maintenance Board), 5 (City of Guadalupe), and 7 (City of Santa Maria) assess benefits based on the $1,500/AFY value of SWP water. In Project 1 and 7 water supplies are increased through an expanded pipeline and wastewater treatment system, respectively, and stated in the project description. Only in Project 5 are existing wastewater supplies replaced. In this scenario it is stated in the project description that improved wastewater, treated at tertiary levels instead of secondary levels, would be used for landscape irrigation. Title 22 does not allow the use of secondary treated water for residential landscaping and therefore the treated water can be viewed as a new water supply. This is identified in the text because the existing system would "preclude using the treated wastewater for [this] beneficial use". Therefore, benefits are not overstated in these scenarios.

2. **"About 55% of costs are incurred for the Vandenberg CSD Lompoc WWTP upgrade. Quantified benefits are only 12% of costs. An alternative cost approach or more quantitative estimation for reduced treatment and operations costs, or household and recreation benefits seem appropriate (State review comment)."**

   Reduced treatment and operation costs are included in the analysis. "In this analysis it is assumed that initial operation costs will be reduced by $500,000 per year. This is based on the fact that city is challenging the SWRCB molybdenum discharge standard because the natural molybdenum level is higher than the current discharge standard." This is reflected in the capital and O&M costs.

Additional Economic Benefits from Project 15

The following identifies $25.6 million in additional economic benefits to agriculture in the Lompoc Plain Groundwater Basin (Basin) from the upgrade to the Lompoc Regional Wastewater Reclamation Plant (LRWRP) (Project 15). The additional economic benefits bring the project total benefits to $38,964,679 from $13,407,836.

A discussion of the general water quality and agricultural assumptions made for the analysis is followed by a more detailed synopsis of the benefits.

Assumptions
Several assumptions were made when estimating the improved groundwater quality in the Basin:

- Approximately 90 percent of the LRWRP effluent, along with Santa Ynez River water, percolates into the Basin before entering the Pacific Ocean ("Evaluation of Water Supply", September 23, 1997, prepared by Todd Engineers).
- Average annual yield from the LRWRP totals 3,920 AF.
- Average annual flows in the Santa Ynez River below the LRWRP totals 1,421 AF.
- The Lompoc Plain groundwater basin contains 100,000 AF of usable groundwater.

Agricultural Economic Benefits

The LRWRP is a regional wastewater treatment facility operated by the City of Lompoc that receives wastewater from Lompoc, Vandenberg Village, and Vandenberg Air Force Base. The upgrade to the LRWRP would improve the quality of the average 3.2 million gallon per day of wastewater which is treated and discharged into San Miguelito Creek, a tributary to the Santa Ynez River. Approximately 90 percent of the treated wastewater percolates into the Basin, which serves as the only source of water for agricultural production in the area.

The planned upgrades will be installed within the existing LRWRP complex. The improvements will allow the plant to achieve the total dissolved solids (TDS) target of 1,100 mg/L. Reducing TDS in the wastewater that percolates into the Basin will improve the productivity of agricultural production.

Existing TDS in the Basin ranges from 700 to 2,000 TDS (County of Santa Barbara Public Works, Water Resource Division). These levels of TDS do reduce the productivity of most vegetable, row, tree, and vine crops (UC Davis Extension Publication 8066). Reducing the TDS in the LRWRP wastewater from 1,300 to 1,100 TDS, and blending with the Santa Ynez River will improve the quality of the Basin water used for agricultural crops.

Weighting each of the three water supplies, Basin groundwater, Santa Ynez River, and LRWRP, by their respective yield and TDS provides an estimate of the improved water quality levels in the Basin with the LRWRP upgrade. These improvements will continue on an annual basis throughout the life of the project as wastewater from the LRWRP continually percolates into the Basin. Yield and TDS estimates are provided in Table 1. Blending these supplies with the improved LRWRP wastewater reduces TDS by 6.17 in the first year and by 127.4 in year 50.

TABLE 1
Lompoc Groundwater Basin Annual Water Supply and Quality

Supply	AFY	TDS
LRWRP Without Upgrade	3,226	1,300
LRWRP With Upgrade	3,226	1,100
Santa Ynez River	1,279	625
Lompoc Plain Groundwater	100,000	1,350*

*Estimated average TDS

Source: County of Santa Barbara Public Works, Water Resources Division

Agricultural production is impacted by the TDS in irrigation water pumped from the Basin. Higher levels of TDS can reduce crop yield significantly. The agricultural land between the LRWRP consists of high value crops such as artichoke, lettuce, broccoli, and flowers. The higher value crops can gross from $10,000 to $30,000 per acre. To estimate the agricultural impact of upgrading the LRWRP, the sensitivity of vegetable, row, vine, and tree crops was evaluated. Using UC Davis extension information for these crops a function was developed to estimate the average reduction in crop production with increasing TDS levels.

Based on the average decline in vegetable, row, tree, and vine crop production from increased TDS, reducing the Basin's TDS by 6.17 in year 1 would increase the production of agricultural operations by 0.14 percent. In year 50 a reduction of TDS by 127.4 would improve crop production by 2.90 percent. With approximately 600 acres of agriculture in the Basin, and high value crops grossing an average of $20,000 per acre, the economic benefit of the LRWRP upgrade to agriculture would total $25.6 million over the life of the project.

Supporting Information

Attachment F includes the following to substantiate the new agricultural benefits:

- Revised Prop 50 Round 2 grant application economic benefit tables for Project 15 (Lompoc Regional Wastewater Treatment Plant) and for the all projects,
- Todd Report Excerpt,
- UC Davis Extension Salinity Report,
- "Water Resources of Santa Barbara County" (Santa Barbara County Public Works Department), cover page, 2000,
- "Water Resources of Santa Barbara County" (Santa Barbara County Public Works Department), groundwater excerpt, 2000,
- "Water Resources of Santa Barbara County" (Santa Barbara County Public Works Department), water quality excerpt, 2000, and
- Revised table from PSP, EXHIBIT 8-O2, Project 15 - Annual Costs of Avoided Projects (2006 Dollars).

We thank you for the opportunity to provide comments on your draft recommendations. We again commend the staff of DWR and WRCB for the effort necessary to score the lengthy and complex proposals submitted. We look forward to working with WRCB to implement our projects and with DWR on further development of the area-wide IRWMP pursuant to Proposition 84.

Sincerely

Robert B. Almy, Manager
Santa Barbara County Water Agency

Cc: Tracy Billington
Santa Barbara County Area-wide IRWMP Cooperating Partners

Attachment A – Budget Tables

Revised Summary Budget Tables from Grant Application and tables supporting clarification of local Funding Match

Table 2 – Budget, 2006 dollars

Proposal Title: Santa Barbara Countywide Implementation Grant Proposal

Project Title: Summary Budget

	Budget Category	Other State Funds	Non-State Share (Funding Match)	Requested Grant Funding	Total	% Funding Match
(a)	Direct Project Administration Costs	$0.00	$992,693.36	$0.00	$992,693.36	
(b)	Land Purchase/Easement	$0.00	$328,560.00	$0.00	$328,560.00	
(c)	Planning/Design/Engineering/Environmental Documentation	$678,208.00	$3,907,061.20	$317,400.00	$4,902,669.20	
(d)	Construction/Implementation	$53,216,553.00 ~~$121,600.00~~	$38,520,715.45 ~~$91,615,668.45~~	$24,357,700.00	$116,094,968.45	
(e)	Environmental Compliance/ Mitigation/Enhancement	$0.00	$602,105.00	$0.00	$602,105.00	
(f)	Construction Administration	$0.00	$3,350,946.31	$39,600.00	$3,390,546.31	
(g)	Other Costs	$0.00	$659,530.00	$0.00	$659,530.00	
(h)	Construction/Implementation Contingency	$0.00	$13,327,960.78	$285,300.00	$13,613,260.78	
(i)	Grand Total (Sum rows (a) through (h) for each column)	$53,894,761.00 ~~$121,600.00~~	$61,689,572.09 ~~$114,784,525.09~~	$25,000,000.00	$140,584,333.09	
(j)	Calculation of Funding Match % (Used in Funding Match Scoring Criterion) *Optional for individual component projects .*		$61,689,572.09 ~~$114,784,525.09~~		$140,584,333.09	**44%** ~~**82%**~~
Sources of Funds for Non-State Share (Funding Match) and Other State Funds		*See Individual Project Tables* *Other State Funds includes $53,894,761 of SRF Loan Funding for Project 15.* *See clarification Sources for Non-State Share (Funding Match) in Budgets for Projects 13 and 15.*				

Table B-1 – Budget (continued), 2006 dollars

Proposal Title: Santa Barbara Countywide Implementation Grant Proposal

Project Title: Project 15 - Vandenberg Village Community Services District, Lompoc Regional Wastewater Reclamation Plant Upgrade

	Budget Category	Other State Funds	Non-State Share (Funding Match)	Requested Grant Funding	Total	% Funding Match
(a)	Direct Project Administration Costs	$0.00	$115,684.00	$0.00	$115,684.00	
(b)	Land Purchase/Easement	$0.00	$0.00	$0.00	$0.00	
(c)	Planning/Design/Engineering/Environmental Documentation	$0.00	$0.00	$0.00	$0.00	
(d)	Construction/Implementation	$52,094,953.00 ~~$0.00~~	$22,347,420.00 ~~$75,442,373.00~~	$4,000,000.00	$79,442,373.00	
(e)	Environmental Compliance/ Mitigation/Enhancement	$0.00	$0.00	$0.00	$0.00	
(f)	Construction Administration	$0.00	$1,148,918.00	$0.00	$1,148,918.00	
(g)	Other Costs	$0.00	$0.00	$0.00	$0.00	
(h)	Construction/Implementation Contingency	$0.00	$7,944,237.00	$0.00	$7,944,237.00	
(i)	Grand Total (Sum rows (a) through (h) for each column)	$52,094,953.00 ~~$0.00~~	$31,556,259.00 ~~$84,651,212.00~~	$4,000,000.00	$88,651,212.00	
(j)	Calculation of Funding Match % (Used in Funding Match Scoring Criterion) *Optional for individual component projects.*					
Sources of Funds for Non-State Share (Funding Match) and Other State Funds		*VVCSD will utilize wastewater ratepayer revenues as to provide $5,043,313 of the Non-State Share (Funding Match). The City of Lompoc will use funding from Bonds issued in Febuary 2007 for $12,138,416 of Non-State Share (Funding Match).Vandenberg Air Force base will use Federal funding for their Funding Match share of $14,258,846.* *Source of Other State Funds is SRF Loan Funding.*				

VANDENBERG VILLAGE
COMMUNITY SERVICES DISTRICT
3757 Constellation Road • Vandenberg Village • Lompoc, CA 93436
Telephone: (805) 733-2475 • Fax: (805) 733-2109

Lompoc Regional Wastewater Reclamation Plant Upgrade Project
Local Funding Payment Breakdown by Fiscal Year

	Local Match (Payments to City of Lompoc)			
Fiscal Year	**VVCSD**	**VAFB**	*City of Lompoc Share*	**PROJECT TOTAL**
30-Jun-05	81,769	0	*0*	81,769
30-Jun-06	383,980	102,406	*419,813*	906,199
30-Jun-07	43,126	102,387	*419,732*	565,245
30-Jun-08	340,671	274,677	*856,571*	1,471,919
30-Jun-09	353,342	293,037	*903,073*	1,549,451
30-Jun-10	353,323	293,763	*906,088*	1,553,174
30-Jun-11	873,832	1,378,236	*3,666,280*	5,918,348
30-Jun-12	874,446	1,379,687	*3,670,840*	5,924,973
30-Jun-13	874,232	1,441,224	*3,668,904*	5,984,360
30-Jun-14	873,962	1,440,910	*3,668,103*	5,982,975
30-Jun-15	874,380	1,441,414	*3,669,386*	5,985,181
30-Jun-16	873,971	1,441,696	*3,670,103*	5,985,770
30-Jun-17	874,224	1,441,562	*3,669,762*	5,985,548
30-Jun-18	874,352	1,442,219	*3,671,435*	5,988,005
30-Jun-19	874,322	1,441,252	*3,668,973*	5,984,546
30-Jun-20	874,203	1,441,117	*3,668,629*	5,983,949
30-Jun-21	873,995	1,440,613	*3,667,347*	5,981,954
30-Jun-22	874,362	1,441,874	*3,670,558*	5,986,795
30-Jun-23	873,863	1,440,426	*3,666,872*	5,981,161
30-Jun-24	873,930	1,440,721	*3,667,623*	5,982,274
30-Jun-25	873,870	1,440,529	*3,667,134*	5,981,534
30-Jun-26	873,684	1,440,994	*3,668,317*	5,982,995
30-Jun-27	874,019	1,440,692	*3,667,548*	5,982,259
30-Jun-28	874,191	1,440,983	*3,668,290*	5,983,464
30-Jun-29	874,094	1,441,668	*3,670,033*	5,985,796
30-Jun-30	873,831	1,440,557	*3,667,206*	5,981,594
30-Jun-31	131,584	356,141	*906,624*	1,394,350
30-Jun-32	131,696	357,068	*908,984*	1,397,748
30-Jun-33	131,606	356,078	*906,463*	1,394,147
30-Jun-34	131,316	356,682	*908,001*	1,396,000
30-Jun-35	131,569	356,389	*907,253*	1,395,211
30-Jun-36	131,588	192,258	*489,429*	813,275
30-Jun-37	131,372	191,943	*488,626*	811,941
Total	19,958,704	31,931,204	*82,394,002*	134,283,910

The costs for this project have been financed by the City of Lompoc but all costs are shared with Vandenberg Village Community Services District (VVCSD) and Vandenberg Air Force Base (VAFB) proportionally to the utilization of plant capacity. The total project cost is $134 Million, including interest from financing. VVCSD will pay $20 Million (16.18%) funded by wastewater rates, VAFB will pay $32 Million (23.64%) from federal funding, and the City of Lompoc will pay the remaining $82 Million (60.18%) from wastewater service fees.

VANDENBERG VILLAGE
COMMUNITY SERVICES DISTRICT
3757 Constellation Road • Vandenberg Village • Lompoc, CA 93436
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Lompoc Regional Wastewater Reclamation Plant Upgrade Project
Proposition 50 Local Funding Match Breakdown by Fiscal Year
2006 Dollars

Fiscal Year	Discount Factor	Payments to City of Lompoc VVCSD	Payments to City of Lompoc VAFB	City of Lompoc Share[1]	FUNDING MATCH TOTAL
30-Jun-05	-	-	-	-	-
30-Jun-06	-	-	-	-	-
30-Jun-07	1.06	40,685	96,592	12,138,416	12,275,691
30-Jun-08	1.12	303,196	244,462	-	547,658
30-Jun-09[2]	1.19	-3,703,328	246,039	-	-3,457,288
30-Jun-10	1.26	279,865	232,688	-	512,553
30-Jun-11	1.34	652,978	1,029,898	-	1,682,876
30-Jun-12	1.42	616,450	972,625	-	1,589,075
30-Jun-13	1.50	581,414	958,497	-	1,539,911
30-Jun-14	1.59	548,335	904,045	-	1,452,379
30-Jun-15	1.69	517,544	853,171	-	1,370,715
30-Jun-16	1.79	488,021	805,035	-	1,293,056
30-Jun-17	1.90	460,530	759,397	-	1,219,927
30-Jun-18	2.01	434,526	716,739	-	1,151,264
30-Jun-19	2.13	409,916	675,715	-	1,085,631
30-Jun-20	2.26	386,661	637,407	-	1,024,068
30-Jun-21	2.40	364,687	601,117	-	965,805
30-Jun-22	2.54	344,189	567,589	-	911,778
30-Jun-23	2.69	324,521	534,923	-	859,445
30-Jun-24	2.85	306,176	504,748	-	810,924
30-Jun-25	3.03	288,825	476,114	-	764,939
30-Jun-26	3.21	272,419	449,309	-	721,728
30-Jun-27	3.40	257,097	423,787	-	680,885
30-Jun-28	3.60	242,592	399,880	-	642,473
30-Jun-29	3.82	228,835	377,425	-	606,260
30-Jun-30	4.05	215,818	355,787	-	571,604
30-Jun-31	4.29	30,659	82,980	-	113,639
30-Jun-32	4.55	28,948	78,487	-	107,435
30-Jun-33	4.82	27,291	73,839	-	101,130
30-Jun-34	5.11	25,689	69,778	-	95,467
30-Jun-35	5.42	24,282	65,774	-	90,056
30-Jun-36	5.74	22,911	33,474	-	56,385
30-Jun-37	6.09	21,579	31,528	-	53,106
Total		**5,043,313**	**14,258,846**	**12,138,416**	**31,440,575**

Begin Prop 50 Cost Match

[1]City of Lompoc share includes Revenue Bond issued in 2007, annual payments not attributed to funding match because the City of Lompoc has taken out an SRF Loan to finance their remaining share of the project.
[2]Total for 2009 FY includes subtraction of $4,000,000 Prop 50 Grant Award from funding match for VVCSD

Attachment B – Invoices

Invoices from City of Lompoc to Vandenberg Village Community Services District indicating payments made and due for Wastewater Services

REMIT TO:
FINANCE DEPARTMENT
100 CIVIC CENTER PLAZA
LOMPOC, CALIFORNIA 93438
805-875-8238

REC'D MAY 2 2008

INVOICE

No. 67949

DATE
22-APR-08

REVENUE
53-40-40053-46591

To:

VVCSD
3757 CONSTELLATION ROAD
LOMPOC, CA 93436

~~70,862.17~~ *
~~-60,212.72~~ *
~~60,125.35~~
~~-17,826.43~~
~~29,672.50~~

DESCRIPTION	CHARGE	TOTAL
MARCH 2008	70,862.17	
MARCH 2008 ESTIMATE	-60,212.72	
APRIL 2008 ESTIMATE	60,125.35	
LESS 1/4 CREDIT DUE FOR OVERPYMT IN FY 06/07	-17,826.43	
PLUS 1/4 OF DEBT SVC FOR FY 07/08	29,672.50	
TOTAL AMOUNT DUE		82,620.8

PAID
MAY - 6 2008
14768

ALL BILLS ARE DUE AND PAYABLE UPON PRESENTATION–RETURN CANARY COPY WITH PAYMENT

ORIGINAL

Than You

REMIT TO:
FINANCE DEPARTMENT
100 CIVIC CENTER PLAZA
LOMPOC, CALIFORNIA 93438
805-875-8238

REC'D MAR 17 2008

INVOICE
No. 67598

DATE
031308

REVENUE	
53-40-40053-46591	63,790.57
	-45,188.45
	60,212.72
	-17,826.43
	29,672.50

To:

VVCSD
3757 CONSTELLATION ROAD
LOMPOC, CA 93436

ESCRIPTION	CHARGE	TOTAL
FEBRUARY 2008	63,790.57	
FEBRUARY 2008 ESTIMATE	-45,188.45	
MARCH 2008 ESTIMATE	60,212.72	
LESS 1/4 OF CREDIT DUE FOR OVERPYMT IN FY 06/07	-17,826.43	
PLUS 1/4 OF DEB SERVICE FOR FY 07/08	29,672.50	
TOTAL AMOUNT DUE		90,660.9

PAID
APR - 7 2008
14707

ALL BILLS ARE DUE AND PAYABLE UPON PRESENTATION–RETURN CANARY COPY WITH PAYMENT
ORIGINAL

Thank You

REMIT TO:
FINANCE DEPARTMENT
100 CIVIC CENTER PLAZA
LOMPOC, CALIFORNIA 93438
805-875-8238

REC'D FEB 19 2008

INVOICE

No. 67319

DATE
12-FEB-08

REVENUE
53-40-40053-46591

To:

VVCSD
3757 CONSTELLATION ROAD
LOMPOC, CA 93436

ESCRIPTION	CHARGE	TOTAL
JANUARY 2008	63,395.92	
JANUARY 2008 ESTIMATE	-53,206.67	
FEBRUARY 2008 ESTIMATE	45,188.45	
LESS 1/4 OF CREDIT DUE FOR OVERPYMT IN FY 06/07	-17,826.43	
PLUS 1/4 OF DEBT SVC FOR FISCAL YEAR ~~06/07~~ 07/08	29,672.50	
TOTAL AMOUNT DUE		67,223.77

PL

PAID
MAR - 6 2008
14637

ALL BILLS ARE DUE AND PAYABLE UPON PRESENTATION–RETURN CANARY COPY WITH PAYMENT

ORIGINAL

Thank You

Attachment C – VVCSD Agreement

Vandenberg Village "Wastewater Service Agreement – Lompoc Valley Regional Wastewater Management System"

June 1, 1974

AGREEMENT

WASTEWATER SERVICE
LOMPOC VALLEY REGIONAL WASTEWATER MANAGEMENT SYSTEM

THIS AGREEMENT, by and between PARK WATER COMPANY, a corporation, hereinafter referred to as PWC, LOMPOC UTILITIES SERVICES COMPANY, a corporation, hereinafter referred to as LUS, and the CITY OF LOMPOC, a municipal corporation, hereinafter referred to as CITY.

WITNESSETH:

WHEREAS, projected increases in population and disposal of wastewater require coordinated efforts to properly provide for the collection, conveyance, treatment and disposal of wastewater to protect the health and safety of the public in the Lompoc Valley; and

WHEREAS, the California Regional Water Quality Control Board, Central Coast Region, has imposed waste discharge requirements upon CITY, PWC and LUS, Lompoc Utility Services which requirements contemplate the establishment of a Lompoc Valley Regional Wastewater Management System composed of the parties hereto, and which requirements shall become effective upon the completion of the proposed regional system or on June 1, 1975, whichever first occurs; and

WHEREAS, the parties hereto have previously authorized and shared the costs of a preliminary engineering and design study for a Lompoc Valley Regional Wastewater Management System which was performed by the firm of Brown and Caldwell, consulting engineers, Alhambra, California; and

WHEREAS, Brown and Caldwell, Consulting Engineers, have filed their project report entitled "Lompoc Regional Wastewater Management System - Stage 2 Improvements," dated September, 1972, which report recommends a regional wastewater management system composed of the parties hereto and the Federal Correctional Institution, an agency of the U.S. Government; and

WHEREAS, the parties hereto have previously authorized the firm of Brown and Caldwell to proceed with final engineering services in connection with the design and construction of the recommended Lompoc Valley Regional Wastewater Management System - Stage 2 Improvements, and the parties have entered into an agreement for the sharing of costs for said engineering services; and

WHEREAS, CITY, PWC and LUS, each have the power and authority to provide for the collection, conveyance, treatment and disposal of wastewater and have the further power to contract with each other regarding the joint exercise of such powers; and

WHEREAS, CITY owns, operates and maintains existing facilities and LUS and PWC desire to acquire certain capacity rights therein together with certain capacity rights in the proposed regional facilities to be constructed by CITY; and

WHEREAS, the parties hereto are desirous of providing for the apportionment of the costs of engineering, design, construction, reconstruction, enlargement, maintenance and operation of said existing and proposed facilities and for the treatment and disposal of all wastewater, sanitary sewage and industrial waste.

NOW, THEREFORE, IT IS AGREED by and between the parties as follows:

CHAPTER I. DEFINITIONS. The glossary of "Water and Wastewater Control Engineering" published by the Joint Editorial Board Representing the American Public Health Association, American Society of Civil Engineers, American Water Works Association and Water Pollution Control Federation, dated 1969, shall be used in general for definitions of terminology. Other terms are as follows:

A. PROJECT REPORT - A project report prepared by Brown and Caldwell, consulting engineers, Alhambra, California, dated September, 1972 as amended in March, 1974 and entitled "Lompoc Valley Regional Wastewater Management System - Stage 2 Improvements." A copy of said report is on file in the office of the City Clerk, City of Lompoc and copies have been supplied to all the parties hereto.

B. CITY - City of Lompoc, a municipal corporation, which owns, operates and maintains existing wastewater disposal facilities, which facilities presently serve the CITY.

C. LUS - Lompoc Utilities Services Company, a corporation, which is a privately owned public utility and which owns, operates and maintains existing wastewater disposal facilities which facilities presently serve the unincorporated urban area commonly known as Mission Hills.

D. PWC - Park Water Company, a corporation, which is a privately owned public utility and which owns, operates and maintains existing wastewater disposal facilities which facilities presently serve the unincorporated urban area commonly known as Vandenberg Village.

E. CITY EXISTING TREATMENT PLANT - Facilities located on 49 acres of City-owned land located approximately at the northeast corner of Central and Bailey Avenues in the City of Lompoc. This facility provides secondary treatment by means of biological filtration and has an average dry weather flow (ADWF) capacity of 1.76 millions gallons per day (mgd).

F. TREATMENT PLANT EXPANSION - The proposed enlargement or expansion of the CITY's existing treatment plant from the present capacity of 1.76 mgd. to 5 mgd. This expansion or enlargement is described as the "recommended project" in the project report and said expansion will be as finally designed and constructed by CITY.

G. REGIONAL WASTEWATER RECLAMATION PLANT - The CITY's existing treatment plant (E) together with the prepared treatment plant expansion (F), having a total average dry weather flow treatment capacity of 5 mgd.

H. REGIONAL WASTEWATER MANAGEMENT SYSTEM - The total system which will include a wastewater conveyance system, the regional wastewater reclamation plant, and a reclaimed water system.

CHAPTER II. EXISTING FACILITIES.

A. CAPACITY RIGHTS OF LUS AND PWC - LUS and PWC shall hereby acquire capacity rights in CITY's existing treatment plant in such manner that, together with LUS and PWC's capacity rights in the treatment plant expansion, they shall have the permitted capacity rights in the regional wastewater management system as set forth in Chapter IV hereof.

B. PAYMENT OF COSTS - LUS shall pay to CITY the sum of $23,600.00 for capacity rights in CITY's existing treatment plant described herein. PWC shall pay to CITY the sum of $80,400.00 for capacity rights in CITY's existing treatment plant described herein. Payments to the CITY for these capacity rights shall be amortized as follows: 15 equal annual payments which are based on the above established costs to LUS and PWC with interest on the unpaid balance at the rate of 8.5% per year and which will be totally paid and completely amortized on the date of the 15th payment. Said payments shall commence July 1, 1975 and shall be payable on the 1st day of July each year thereafter until paid in full.

CHAPTER III. NEW FACILITIES.

A. DESCRIPTION OF REGIONAL WASTEWATER MANAGEMENT SYSTEM - The parties hereto contemplate by this agreement, and hereby agree, that the following described facilities shall be designed and constructed by CITY for the benefit of all parties hereto. The facilities proposed to be constructed are those facilities described in the project report, designated "recommended project" commencing on page 57 of said report, except that said facilities shall be as finally designed, constructed, and accepted by CITY. Provided, however, that although facilities proposed for the inclusion of the Federal Correctional Institution were included in said project report, said Federal Correctional Institution has advised the parties hereto that FCI is not to be included in this regional project, and, for that reason, all facilities designed exclusively for the benefit of the Federal Correctional Institution shall be deemed deleted from said project report for the purposes of this agreement.

The new facilities to be designed and constructed are generally described as follows:

1. A wastewater conveyance system consisting of approximately 32,740 feet of 8 to 30 inch interceptor sewers and force mains within a regional service area and a raw wastewater pumping station.

2. A regional wastewater reclamation plant, together with necessary flood protection, with an initial capacity of 5 mgd average dry weather flow.

3. A reclaimed water system, including a pumping station and approximately 18,780 feet of 24 inch reclaimed water transmission main.

The parties hereto agree and acknowledge that CITY has entered into agreements with Brown and Caldwell, consulting engineers, for engineering services for the design and construction of the abovementioned facilities, referred to as the Lompoc Valley Regional Wastewater Management System - Stage 2 Improvements. The parties hereto have heretofore entered into an agreement for the sharing of costs for said engineering services and, by this agreement, hereby ratify said prior cost sharing agreement.

B. OWNERSHIP OF FACILITIES - At all times hereinmentioned, and during the design and construction, and following completion of the construction, CITY shall be the sole and exclusive owner of the total regional wastewater management system described in this agreement and in the project report, including all land, improvements, facilities, and equipment. LUS and PWC hereby agree and acknowledge that they shall have no ownership interest, either jointly or severally, in said system. Provided, however, that LUS and PWC shall have the capacity rights in said system provided by this agreement, together with any and all other rights provided herein for said parties.

C. RESPONSIBILITY OF CITY - CITY shall have the responsibility to design and construct the above mentioned new facilities and to provide a treated effluent that will satisfy the discharge requirements contained in the California Regional Water Quality Control Board, Central Coast Region Order No. 72-62, dated August 11, 1972.

D. RESPONSIBILITY OF CITY, LUS AND PWC FOR COSTS - The parties hereto agree to share the cost of construction, additional land and rights of way, interest on any short-term loans required during construction to meet cash flow requirements and administration associated with the proposed new facilities, after deduction of the federal and state grant funds contributed to the project, in accordance with the following schedule:

Construction costs - the State Water Resources Control Board (SWRCB) will determine the extent of the construction costs that will be eligible for Federal and State grant funds. For those project elements listed in Table 1, the allocation of local construction costs will be based on costs in the awarded contracts and the share indicated in Table 1. For the wastewater interceptor system, each party's share of the construction costs will consist of either (1) their share of the non-eligible costs; or (2) their share of the eligible costs. The share attributable to each party will be calculated on a prorata basis of design capacity for each party. The design capacity for each party is indicated in Table 2.

Additional land and rights of way costs - Allocation based on the share indicated in Tables 1 or 2 of facility associated with the additional land and/or rights of way.

Interest on short-term loans and administrative costs - Allocation based on the total local costs for each party for construction of all facilities, prorata according to the shares of all construction costs determined after award of contracts to construct all facilities listed in Tables 1 and 2.

Table 1. Allocation of Local Costs

Facility	Allocation, percent City	PWC	LUS
Wastewater Reclamation Plant - Bid Item A minus Bid Item D minus Bid Item E[a] MH Pump STA	78	17.8 17	5
Mission Hills Pumping Station - Bid Item E[a]	0	0	100
Reclaimed Water System - Schedule 3 plus Schedule 5 minus Bid Items 1 through 7[b]	67	21	12

[a]As described in the Lompoc Regional Wastewater Reclamation Plant and Mission Hills Pumping Station construction contract.

[b]As described in the Lompoc Regional Wastewater Reclamation System, Vandenberg Village Interceptor, Mission Hills Interceptor and Reclaimed Water System construction contract.

Table 2. Wastewater Interceptor System

Facility[a]	Design Capacity, mgd City	PWC	LUS
Vandenberg Village Interceptor			
VV1, VV2, VV3 - Schedule 1 plus Schedule 2 minus Bid Item 8	0	2.5	0
CA1 - Bid Item 8	2.0	2.5	0
Mission Hills Interceptor			
MH2, MH3 - Schedule 4	0	0	1.5
CA9 - Bid Item 1	2.8	0	1.5
CA8 - Bid Item 2	3.1	0	1.5
CA7 - Bid Item 3	3.7	0	1.5
CA6 - Bid Item 4	4.3	0	1.5
CA5 - Bid Item 5	9.8	0	1.5
CA4 - Bid Item 6	10.3	0	1.5
CA3 - Bid Item 7	10.6	2.1	1.5
CA2 - Bid Item D[b]	11.4	2.1	1.5

[a]As described in the Lompoc Regional Wastewater Reclamation System, Vandenberg Village Interceptor, Mission Hills Interceptor and Reclaimed Water System construction contract.

[b]Unless otherwise noted, as described in the Lompoc Regional Wastewater Reclamation Plant and Mission Hills Pumping Station construction contract.

PWC and LUS shall pay to the CITY, within 30 days after submittal by CITY, their share of the approved construction and other project cost payments with interest to be paid on any unpaid balance at a rate of 8% per annum.

E. CONTRACT APPROVAL - PWC and LUS hereby acknowledge that they have each heretofore approved the contract for engineering services for the design and construction of Lompoc Valley Regional Wastewater Management System - Stage 2 Improvements, by and between CITY and Brown and Caldwell. All further contracts and agreements, including plans and specifications, for the design and construction of new facilities shall be prepared or reviewed by CITY and shall be subject to approval by PWC and LUS. Provided, however, that PWC and LUS shall not unreasonably withhold approval of said contracts or agreements.

F. GRANT APPLICATION - CITY shall make application for such federal and state grant funds as may be reasonably available for the engineering, design and construction of the above mentioned regional wastewater management system. Deductions by way of credit for all federal and state grant funding shall be made prior to determining the total local share set forth in Chapter III, paragraph D above. Provided, however, that deduction by way of credit shall be made only for those project elements or facilities which are determined to be eligible for federal/state grant funding.

CHAPTER IV. CAPACITY RIGHTS OF LUS AND PWC.

A. CAPITAL CONTRIBUTION - The amount and percentage of payment of costs by LUS and PWC, as set forth in Chapter III, Paragraph D above, as payment for each one's share of the proposed new facilities, shall be deemed a capital outlay payment by LUS and PWC for purchase of its capacity rights in the proposed Lompoc Valley Regional Wastewater Management System, including CITY's existing treatment plant and all proposed new facilities.

B. PERMITTED FLOWS - At and after commencement of operation of the proposed regional wastewater management system, CITY agrees to permit LUS and PWC to deliver wastewater for conveyance, treatment and disposal up to and including the following flow rates:

Party	Wastewater Reclamation Plant ADWF, mgd	Interceptor Sewer PWWF, mgd
PWC	0.89	2.5
LUS	0.28	1.5

The ADWF for the wastewater reclamation plant shall not average more than the above in any consecutive two week period. The peak wet weather flow (PWWF) shall be that peak rate during any continuous 15 minute period.

C. EXCEEDING PERMITTED FLOWS - Except as otherwise herein provided, the allocated capacity rights of LUS and PWC shall not be exceeded except by mutual agreement of CITY and the party proposing to exceed its capacity rights.

CITY shall have the option, in its sole discretion, to accept wastewater emanating from LUS or PWC in an amount in excess of the above defined permitted flows, provided capacity is available in the Regional Wastewater Management System. The acceptance by CITY of such excess shall in no way constitute an allotment of additional capacity to either LUS or PWC in excess of that provided in Paragraph B above, without express written approval of CITY.

D. IN GENERAL - LUS and PWC shall, by virtue of this agreement, acquire a continuing right for the term hereof to have its wastewater treated and disposed of by CITY as herein provided. Nothing herein, and no use resulting to LUS and PWC by reason of such treatment and disposal, shall be deemed to give any ownership, easement or other property right in any of the existing and proposed facilities or in the lands or easements on which such facilities are located and used in common hereunder, and it shall have no right to claim that it has a right to enter on and pass through said existing system other than the rights herein provided.

CHAPTER V. WASTEWATER QUALITY

A. REQUIREMENTS - All wastewater emanating from LUS, PWC and CITY shall be treated sufficiently by CITY to meet effluent and receiving water requirements established by the State and Federal governments.

B. MUTUAL RIGHT OF INSPECTION. Each party may inspect and inquire into the manner in which the other is maintaining and operating its wastewater system and controls to the end that it shall be maintained and operated in good working order and repair.

C. INFLUENT WASTEWATER QUALITY RESTRICTIONS - CITY proposes to adopt a waste source control ordinance restricting and controlling the quality of wastewater flowing into the wastewater management system. Each party agrees to comply with the provisions of said ordinance, as finally adopted by CITY, and all amendments thereto. LUS and PWC further agree to establish, enact and enforce tariff and regulations within their respective jurisdictions which will control the quality of influent wastewater and thus insure compliance with the provisions of the above mentioned ordinance.

If influent wastewater quality from LUS and/or PWC does not comply with provisions of the above mentioned ordinance thereby causing the CITY to violate its prescribed effluent and/or receiving water requirements, then the party that is in noncompliance will be liable for its equitable share of any associated costs incurred by the CITY including any civil penalty or other fines which may be assessed against the CITY for such violation.

D. INFLUENT WASTEWATER SAMPLING AND ANALYSIS - As part of the operation of the Regional Wastewater Management System the CITY shall monitor the influent wastewater quality from each party. Three composite wastewater samples shall be taken from each party

during each of the flow meas .g periods referred to in Chapter , Paragraph A.3. The composite samples shall be over a 24-hour period and shall be composited proportionately with respect to flow. Sampling devices shall be of types that are mutually approved by the parties. Two of the nine samples collected from each party during the year shall be collected on either a Saturday or a Sunday; the remaining samples shall be collected on days during the remainder of the week. Analyses of the samples shall include, at a minimum, suspended solids (SS) and 5-day biochemical oxygen demand (BOD_5). The average strength of the influent wastewater quality (as measured by its SS and BOD_5) shall be determined by the CITY for each party and this computed average strength shall be used, in conjunction with wastewater flow, in apportioning maintenance, operating and administration costs. The basis for the apportionment shall be the same as, or logically equate to, the basis adopted by the CITY by ordinance or resolution and used by it to vary service charges to high strength users of the system which latter basis shall be adopted pursuant to state and/or federal requirements that users of any municipal sewage treatment system shall be required to bear the costs thereof according to the varying strength of their discharges. Analysis shall be conducted in accordance with the most recent edition of "Standard Methods for Examination of Water and Wastewater", jointly published by the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation.

The CITY may take other samples for analyses of any constituents that would indicate whether or not any party is meeting the restrictions contained in the waste source control ordinance. If a party is not complying with the restrictions, it will be liable for such violation and the CITY has the right to fine the party in accordance with the enforcement provisions of the ordinance.

CHAPTER VI. MAINTENANCE, OPERATION AND REPLACEMENT.

A. RESPONSIBILITIES

1. CITY - CITY shall maintain, operate and control the Regional Wastewater Management System in a manner that will satisfy existing effluent and receiving water requirements of the State and Federal governments and the California Regional Water Quality Control Board, Central Coast Region Order No. 72-62, dated August 11, 1972. CITY shall use reasonable diligence to provide regular and uninterrupted service to LUS and PWC, but shall not be liable for damages, breach of contract or otherwise to LUS or PWC for failure, suspension, diminution or other variations of service occasioned by or in consequence of any cause beyond its reasonable control.

2. LUS AND PWC - LUS and PWC shall give reasonable notice to CITY insofar as possible of any material changes proposed in volume or characteristic of sewage to be discharged to the facilities.

3. CITY, LUS AND PWC. METERING - As part of the Regional Wastewater Management System the CITY shall acquire metering devices and cause to be constructed facilities necessary for the purpose of metering the quantity of LUS, PWC and CITY wastewater delivered to the said Wastewater Reclamation Plant. Said metering devices and any necessary facilities shall be of sufficient capacity to measure the quantity of wastewater contemplated by this agreement and shall be of a quality agreed upon by the parties hereto. Said devices shall be of the type and be located in a manner to be mutually approved by the parties.

At a minimum, wastewater flows from the CITY, PWC and LUS shall be metered on three separate occasions during the year; each flow measuring period shall be for a duration of two weeks. Wastewater flows from each party do not have to be measured concurrently, however, the flows shall be measured continuously for the two week period. Wastewater flows shall be measured at some time during the months of 1) July/August, 2) October/November, and 3) April/May. The average wastewater flow measured during the six week period shall be determined by the CITY for each party and the ratio of these computed average daily flows (in mgd) shall be used, in conjunction with wastewater quality, in apportioning maintenance, replacement, operating and administration costs.

The CITY may measure the wastewater flow during periods of wet weather to determine actual PWWF rates. If these rates indicate that the party is exceeding the permitted PWWF rates referred to in Chapter IV, paragraph B and this is being caused by an infiltration/inflow rate greater than 1,000 gallons per acre per day (gad), the said party shall expend reasonable efforts to assure that the infiltration/inflow rate is reduced to less than 1,000 gad.

CITY shall keep and maintain the records and readings of the metering devices and said devices and records shall be at all times open to the inspection by any party upon reasonable notice to CITY.

B. FUTURE FACILITY REQUIREMENTS.

If it shall be necessary for CITY to improve wastewater treatment or the effluent thereof, due to laws, regulations or requirements by higher authorities including the State and Federal Governments, or if it shall be necessary to install additional facilities or to improve or extend or enlarge any part of said facilities used to serve CITY, LUS and PWC, the cost thereof shall be apportioned among and paid by the parties hereto in the ratio that the required additional facilities are attributable to the requirements of the parties hereto, and said improvements or extensions shall be subject to such other terms and conditions as are agreed upon by the parties hereto at the time they are required. A final official order in proper form by any such authority shall be considered conclusive by the parties hereto as to the necessity of an expenditure of funds for such improved treatment or for such additional facilities.

C. MAINTENANCE, OPERATION AND REPLACEMENT COSTS.

1. DEFINITION. Maintenance and operation costs shall include the cost of labor (including social security, retirement and other taxes and employee benefits such as vacation, sick leave and hospitalization and such other direct labor costs as are incurred in the operation and maintenance of said facilities), materials, chemicals, utilities, supplies, equipment, engineering and other expenses of operation and maintenance of the said Regional Wastewater Management System, including CITY's administration thereof. Administration costs shall be deemed to be 10% of the maintenance and operation costs as hereinabove defined. Replacement costs of said facilities shall include an annual amount attributed to depreciation of buildings, fixtures and equipment in accordance with generally accepted accounting principles and requirements of the State Water Resources Control Board.

2. DETERMINATION. LUS and PWC shall pay to CITY its proportionate share of said maintenance and operation costs, administrative and replacement costs on an equitable basis considering the average wastewater flow from each party (as determined in Chapter VI, Paragraph A.3) and the average wastewater quality (as determined in Chapter V, Paragraph D); except that, as to the Vandenberg Village Interceptor described in Table 2, Section D of Chapter III, any such costs caused thereby shall be paid by PWC, and, as to the Mission Hills Interceptor described in Table 2, and Mission Hills Pumping Station described in Table 1, Section D of Chapter III, any such costs caused thereby shall be paid by LUS.

3. EXTRAORDINARY COSTS. In addition to ordinary maintenance, operation, replacement and administrative costs, LUS, PWC and CITY shall pay any reasonable and necessary extraordinary costs incurred or to be incurred in assuring effective operation of the system, in the ratio of their respective average actual use of the regional wastewater reclamation plant during the prior fiscal year (July 1-June 30). Provided, however, if such extraordinary costs are more properly attributable to conveyance or treatment of a specific party's influent wastewater, such costs shall be equitably apportioned on such basis.

SEE ATT. AMENDMENT DTD. 5/3/77

A 4. PAYMENT. Maintenance and operation costs, administrative costs, and ~~replacement costs~~ shall be estimated and budgeted by CITY on an annual basis at the time of adoption, by CITY, of its annual fiscal year budget (July 1 to June 30). A billing statement for the amount estimated to be attributed to each party shall be submitted to LUS and PWC on or before September 1 of each year. Upon receipt thereof LUS and PWC shall pay to CITY their respective amount, as estimated and billed, in 12 equal monthly installments, commencing October 1 and continuously thereafter on the first day of each month until paid. Interest in the amount of 8% per annum shall run only upon any balance not paid within 30 days of the first day of the month upon which it becomes due.

On or before September 1 of each year, the actual apportioned share (considering the measured wastewater flow and strength) of each party shall be determined for the previous fiscal year (July 1 to June 30) and each party shall either be credited or debited, as the case may be, in accordance with the difference between the actual and estimated share for the prior annual fiscal year period. Such credit or debit shall be applied to the billing statement submitted for the current fiscal year, which credit or debit shall either decrease or increase the amount payable by each party for the future billing and payment period.

5. RECORDS INSPECTION. All maintenance, operation, administrative and replacement cost records upon which said statements are to be based shall be available for inspection by LUS and PWC at any time during normal business hours and CITY agrees to make said records available at said time.

CHAPTER VII. LUS AND PWC WASTEWATER RATES.

State Water Resources Control Board Clean Water Grant Program Regulations require that all participating agencies in a grant funded project implement a revenue program that complies with the SWRCBRevenue Program Guidelines for Wastewater Agencies. LUS and PWC agree to develop a proposed wastewater rate structure that complies with PL 92-500, Federal Water Pollution Control Act Amendments of 1972 and its rules and regulations formulated by the Environmental Protection Agency as interpreted by the guidelines. LUS and PWC further agree to forthwith submit said proposed wastewater rate structure to the State of California Public Utilities Commission for approval and expend reasonable and good faith efforts to secure said approval.

CHAPTER XX. EFFECTIVE DATE OF AGREEMENT.

The effective date of this agreement shall be June 1, 1974.

IN WITNESS WHEREOF, the Regional Wastewater Management System has caused this instrument to be executed by its respective officials.

ATTEST:

/s/ Wilma Thomas
City Clerk

(Corporate Seal)

CITY OF LOMPOC

By: /s/ E. C. Stevens
Mayor

LOMPOC UTILITIES SERVICE

By: /s/ Diana Williams
President

PARK WATER COMPANY

By: /s/ Kenneth E. Dodd
Vice-President

(Corporate Seal)

APPROVED AS TO FORM:

/s/ Alan D. Davidson
City Attorney

COPY

AGREEMENT
(Wastewater Management System, Park Water Company)

THIS AGREEMENT is made by and between Park Water Company, a corporation, hereinafter referred to as PWC, and the City of Lompoc, a municipal corporation, hereinafter referred to as CITY.

RECITALS

WHEREAS, the CITY and PWC entered into a contract on June 1, 1974 for participation in the regional wastewater management system agreed to be established and paid for under said contract, and the construction time for said system has been extended 20 months and the reclaimed water system thereunder has been temporarily abandoned, and

WHEREAS, the parties hereto have need of further and additional terms and conditions governing their relationship, and

WHEREAS, the California State Water Resources Control Board has published guidelines for the equitable apportionment of costs relating to the transportation and treatment of sanitary sewage and industrial waste and the computation of total revenue requirements for grant funded wastewater facilities entitled "Revenue Program Guidelines for Wastewater Agencies" dated September, 1974 which are applicable to the Lompoc Valley Regional Wastewater Facilities,

NOW, THEREFORE, the parties hereto in consideration of the following promises, covenants and conditions do hereby agree as follows:

1. Referring to Chapter II, Subsection B of said contract, payment of costs, the payment therein provided to be paid to CITY by PWC shall be governed by the following provisions:

> PWC shall pay to CITY the sum of $80,400 for capacity rights in the CITY's existing treatment plant therein described in 16 annual payments. Payment to the CITY for these capacity rights shall include interest on the unpaid balance at the rate of 8.5 percent per year accruing from date of connection to the treatment plant. The first payment shall be payable on June 30, 1977 and shall consist of interest accrued through that date. The 15 remaining payments shall be in the amount of $9,682 each payable June 30, 1978 and June 30 each year thereafter with the principal amount being fully paid on the date of the 15th such payment.

2. Any provision in said contract (Paragraph VI, C.4) to the contrary notwithstanding, maintenance and operation charges shall be handled as follows:

Payments due CITY are for the principal portion of amounts payable for capacity rights in CITY's existing treatment plant as specified in Chapter II, Paragraph B of this Agreement. These payments are due to the CITY to discharge PWC's duty to pay $80,400 to the CITY under Chapter II, Subsection B of this contract and these payments shall be made whether or not PWC's customers pay user charge contributions, connection charges or any other fees or charges and whether or not PWC has paid any sums into the WCRF and payment will not depend upon the balance in PWC's sub-account.

Debt principal payments as follows to the City of Lompoc are due annually on June 30th and shall be made as of that date:

YEAR	AMOUNT	YEAR	AMOUNT	YEAR	AMOUNT
1978	$2,848	1983	$4,282	1988	$6,439
1979	3,090	1984	4,646	1989	6,986
1980	3,353	1985	5,041	1990	7,580
1981	3,637	1986	5,470	1991	8,224
1982	3,947	1987	5,934	1992	8,923

Payments to Pacific Mutual Insurance Company, due October 25th each year, are as follows:

YEAR	AMOUNT
1977 through 1997	$ 12,786.00
1998	144,908.00

Disbursements from the WCRF of amounts due shall be made to PWC at least five days prior to the date for payment to the Pacific Mutual Insurance Company.

The delayed payments to and disbursements from the WCRF as provided herein shall be specifically approved by the State Water Resources Control Board or staff.

5. In lieu of the allocation percentages shown in Table 1 and in Table 2 of Chapter III, D, PWC shall be responsible for 17.8 percent of the local costs of the water reclamation plant and of system engineering studies, and for 100 percent of the local eligible costs of the Vandenberg Village Interceptor.

6. Any funds advanced by PWC or CITY in excess of its computed local share of construction, engineering, administration, start-up and metering costs following audit of said costs and final

grant payments shall be considered as short term loans. Interest on such funds shall be computed at the rate of 8 percent per annum with such interest expense to be shared in accordance with the provisions of the basic agreement.

PARK WATER COMPANY

By Daniel M. Conway

Daniel M. Conway

Title Vice-President

(Corporate Seal)

CITY OF LOMPOC

By Charlotte Benton

Mayor

ATTEST:

Wilma Thomas

Wilma Thomas, City Clerk, City of Lompoc

APPROVED AS TO FORM:

Alan D. Davidson

Alan D. Davidson, City Attorney

Signed May 3, 1977

CITY OF
LOMPOC

VALLEY OF FLOWERS

March 2, 1978

Mr. Dan Conway
Park Water Company
Post Office Box "J"
Downey, California 90241

Re: Revision to Agreement of
June 1, 1974.

Dear Dan:

Please indicate your approval of deletion of the second sentence in Chapter VI, section C. paragraph 1. Definition of our agreement effective June 1, 1974 which reads as follows, "Administration costs shall be deemed to be 10% of the maintenance and operation costs as hereinabove defined."

The reason for the request is twofold:

a. Increasing costs to monitor and comply with new federal regulations.

b. The sentence conflicts and was superseded by the first paragraph on page 2 of our agreement which amended the subject agreement.

Very truly yours,

Marvin D. Loney

Marvin D. Loney
Budget Officer

MDL/pmn

APPROVED:

PARK WATER COMPANY

By Daniel M. Conway

Daniel M. Conway
Vice-President
Revenue Requirements

March 28, 1978

APPROVED:

CITY OF LOMPOC

By _____

AUG 1991
RECEIVED
VVCSD

CONSENT

The CITY OF LOMPOC (the "City"), a municipal corporation, hereby consents to the proposed assignment by PARK WATER COMPANY ("Park"), a California corporation, to the VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT (the "District") of that certain Waste Water Service Agreement effective June 1, 1974, among Park, the City and LOMPOC UTILITIES SERVICE COMPANY, and to the assumption by the District of all of Park's obligations and responsibilities thereunder.

Dated: November 16, 1988 CITY OF LOMPOC

By Marvin D. Loney
Marvin D. Loney
Its Mayor

Attachment D – VAFB Contract

Contract between Vandenberg Air Force Base and the City of Lompoc for Wastewater Services

CONTRACTUAL CONTENTS

This contract consists of the following:

a. Utility Service Contract, 14 Pages, dated 78JUL01

b. Special Provisions, 10 Pages, dated 78JUL01

c. Exhibit A-1, Sewage Service Specifications, 1 Page, dated 78JUL01

d. Exhibit A-1-1, Area Drawing, showing point of delivery, dated 78JUL01, 2 Sheets

e. Exhibit A-1-2, One Line Diagram, dated 78JUL01, 1 Sheet

f. Exhibit B-1, Rate Schedule, 3 Pages, dated 78JUL01

g. Exhibit C, Connection and Connection Privilege Charge Clause, 1 Page, dated 78JUL01

h. Exhibit C-1, Installed Facilities and Connection Privilege Charge Cost Breakdown, 1 page, dated 78JUL01

CCWW21

UTILITY SERVICE CONTRACT

DEPARTMENT OF THE AIR FORCE Purchase Request F04610 7045 0002 NEGOTIATED SERVICE CONTRACT	CONTRACT NUMBER F04684 78 D0008

PREMISES TO BE SERVED	CITY	COUNTY	STATE
Vandenberg Air Force Base, California	Lompoc	Santa Barbara	California 93437

CONTRACTOR	CONTRACTOR'S ADDRESS (Include Zip Code)
City of Lompoc	119 West Walnut Avenue Lompoc, CA 93438

PREMISES ARE	SYMBOL NUMBER OF LEASE	NAME OF LESSOR
[X] GOVERNMENT OWNED [ ] GOVERNMENT LEASED	N/A	N/A

ESTIMATED ANNUAL COST HEREUNDER	BILLS WILL BE RENDERED	PAYMENTS WILL BE MADE
$ 223,700	TO 4392 AEROSG/DEEE (Base Civil Engineer)	BY Accounting & Finance Officer
CONNECTION CHARGE $ (Estimated) 55,000.00	AT Vandenberg AFB, CA 93437	AT Vandenberg AFB, CA 93437

TERMINATION LIABILITY	APPROPRIATION CHARGEABLE (All orders for delivery of services hereunder will contain a citation of the appropriation chargeable.)
$ NONE	Connection Charge 57X3300 247 6717 P321 7-367 S594100 $55,000.00

This contract is negotiated pursuant to 10 U.S.C. 2304(a)(10).

THIS CONTRACT, entered into as of 78JUL01, by and between the UNITED STATES OF AMERICA, hereinafter called the Government, represented by the Contracting Officer executing this contract, and City of Lompoc, a municipal corporation, organized and existing under the laws of the State of California whose address is 119 W. Walnut Ave, Lompoc, CA 93438, hereinafter called the Contractor.

SCOPE OF CONTRACT. Subject to the terms and conditions hereinafter set forth, the Contractor shall furnish, and the Government shall purchase and receive sewage service (hereinafter called service) requested by the Government from the Contractor at the premises to be served hereunder (hereinafter called the service location), in accordance with the General and Technical Provisions and the sewage service specifications attached hereto and made a part hereof.

TERM OF CONTRACT. This contract shall continue in effect until terminated at the option of the Government by the giving of written notice not less than ninety (90) days in advance of the effective date of termination. (SEE SP-03)

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written. AUG 21

City of Lompoc, California Name of Contractor	UNITED STATES OF AMERICA
BY Joe H. Valencia Signature	BY Joseph A. Zielinski 78 Nov 02 Signature of Contracting Officer and Date
Joe H. Valencia Typed Name	JOSEPH A ZIELINSKI Typed Name of Contracting Officer
TITLE Mayor	

APPROVED AS TO FORM
City Attorney

GENERAL PROVISIONS

1. DEFINITIONS (1962 FEB) As used throughout this contract, the following terms shall have the meanings set forth below:

a. The term "Head of the Agency" or "Secretary" means the Secretary, the Under Secretary, any Assistant Secretary, or any other head or assistant head of the executive or military department or other Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Head of the Agency or the Secretary.

b. The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

c. Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2. PAYMENT a. The Contractor shall be paid by the designated disbursing officer for service furnished hereunder at the rates specified; provided, that the Government shall be liable for the minimum monthly charge, if any, specified in this contract commencing with the billing period in which service is initially furnished and continuing until this contract is terminated, except that the minimum monthly charge shall be equitably prorated for the billing period in which commencement and termination of this contract shall become effective.

b. Payments hereunder shall be contingent upon the availability of appropriations therfor and shall not be made in advance of the service rendered.

c. All bills for service shall be paid without penalty or interest and the Government shall be entitled to any discounts customarily applicable to payment of bills by all customers of the Contractor.

d. Invoices for service rendered hereunder shall contain statements of the meter readings at the beginning of the billing period, meter constants, consumption during the billing period, and such other pertinent data as shall be required by the Government.

e. The Contractor hereby declares that rates are not in excess of the lowest rates now available to any existing or prospective customer under like conditions of service, or of the same classification, and agrees that during the life of this contract the Government shall continue to billed at the lowest available rate for similar conditions of service.

SP-10 - Permitted Flows (Continued)

The Contractor may check the wastewater flow during periods of wet weather to determine actual PWWF. If these rates indicate that the Government is exceeding the permitted PWWF referred to, the Government shall expend reasonable efforts to assure that the infiltration/inflow rate is reduced.

SP-11 - Notification of Unusual Influent

The Government agrees that when unusual influent will result from actions taken by the Government or Government's contractors, notification will be given to the Contractor at the earliest possible time, and in no case less than eight hours previous. These unusual influents include, but are not limited to, sewage main cleaning and roding, swimming pool dumping, industrial waste dumping, and other similar actions.

SP-12 - Costs of Compelled Upgrading

If it shall be necessary for the Contractor to improve wastewater treatment or the effluent thereof, due to laws, regulations or requirements by higher authorities including the State and Federal governments, then Government shall participate on a proportionate basis in the cost of said improvements or additional facilities required by any such Federal, State regulatory body or agency. The proportionate cost of any construction or addition to the contractor's plant that the Government must pay for is subject to approval and appropriation by Congress. If Congress does not appropriate funds for the construction or addition to the contractor's plant, the Government will renegotiate the rate to cover the proportionate cost.

SP-13 - Rates and Charges

Rates and charges, cost calculations, etc shall be as provided in the attached Sewage Service Specifications and Exhibit B-1 thereto.

Capital Recovery Charges shall be zero and the parties hereto shall cooperate in obtaining any necessary governmental waivers of any requirement for Contractor to charge, and Government to pay, for Capital Recovery Charges.

This agreement and the charges and rates to be paid by Government are consistent with the Revenue Program Guideline for Wastewater Agencies of the California State Water Resources Control Board (SWRCB) and the "fair and equitable" clause of Contractor's Clean Water Grant. The parties will cooperate in securing approval of this agreement by the SWRCB and a determination by the Environmental Protection Agency (EPA) that it conforms to the requirements of the "fair and equitable" clause.

Attachment E – 2007 Revenue Bonds

City of Lompoc "Lompoc Public Financing Authority – 2007 Revenue Bonds"

REC'D MAR 15 2007

NEW ISSUE - FULL BOOK-ENTRY

INSURED RATING: Moody's: "Aaa"
UNDERLYING RATING: Moody's: "A3"
See "Ratings"

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2007 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$17,080,000
LOMPOC PUBLIC FINANCING AUTHORITY
2007 Revenue Bonds
(Water and Wastewater Projects)

Dated: Date of Delivery **Due: March 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the "2007 Bonds") are being issued by the Lompoc Public Financing Authority (the "Authority") under a resolution adopted by the Board of Directors of the Authority on December 5, 2006, and an Indenture of Trust, dated as of January 1, 2007 (the "Indenture") by and between the Authority and U.S. Bank National Association, as trustee for the 2007 Bonds (the "Trustee"). Under this authority, the 2007 Bonds may be issued in a principal amount not to exceed $20,000,000. See "THE 2007 BONDS – Authority for Issuance."

Use of Proceeds. The 2007 Bonds are being issued to provide funds to (i) acquire and construct improvements to the municipal enterprise owned and operated by the City of Lompoc (the "City") for the supply, treatment and distribution of water (the "Water System"), (ii) acquire and construct improvements to the municipal enterprise owned and operated by the City for the collection, treatment and disposal of wastewater (the "Wastewater System"), (iii) provide a reserve account for the 2007 Bonds, and (iv) pay the costs of issuing the 2007 Bonds. See "FINANCING PLAN."

Security for the 2007 Bonds. The 2007 Bonds are payable from and secured by a first pledge of and lien on "Revenues" received by the Authority under an Installment Sale Agreement dated as of January 1, 2007, by and between the City and the Authority, consisting primarily of installment payments (the "Installment Payments") made by the City under the Installment Sale Agreement. The City's Installment Payments are payable from and secured by "Net Revenues" of the Water System and the Wastewater System, which are generally defined as "Gross Revenues" received from the Water System and the Wastewater System, minus the amount required to pay all "Operation and Maintenance Costs" of the Water System and the Wastewater System. The 2007 Bonds are also secured by certain funds on deposit under the Indenture. See "SECURITY FOR THE 2007 BONDS."

Parity Obligations. The Installment Payments are payable on a parity with (a) installment payments (the "1998 Installment Payments") payable by the City as the purchase price under an installment sale agreement dated as of July 1, 1998, between the Authority and the City, (b) installment payments (the "2005 Installment Payments") payable by the City as the purchase price under an installment sale agreement dated as of March 1, 2005, between the Authority and the City, and (c) an outstanding Wet Well Loan (the "Wet Well Loan") obtained by the City from the U.S. Department of Commerce, Economic Development Administration, in 1978. The City may issue or incur additional obligations and bonds on a parity with or subordinate to the Installment Payments, the 2005 Installment Payments, the 1998 Installment Payments and the Wet Well Loan, provided that the conditions set forth in the Installment Sale Agreement are met. See "SECURITY FOR THE 2007 BONDS – Additional Debt."

Bond Terms; Book-Entry Only. The 2007 Bonds will bear interest at the rates shown below, payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2007, and will be issued in fully registered form without coupons in the denomination of $5,000 or any integral multiple of $5,000. The 2007 Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the 2007 Bonds will not receive certificates representing their interests in the 2007 Bonds. Payments of the principal of, premium, if any, and interest on the 2007 Bonds will be made by to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2007 Bonds. See "THE 2007 BONDS – General Provisions."

Redemption. **The 2007 Bonds are subject to optional redemption, mandatory redemption from insurance, sale or condemnation proceeds, and mandatory sinking fund redemption prior to maturity. See "THE 2007 BONDS – Redemption."**

Bond Insurance. Payment of the principal of and interest on the 2007 Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the 2007 Bonds.

Ambac

Financial Advisor. This issue has been structured by the following firm as financial advisor to the Authority and the City:

KNN public finance
A Division of Zions First National Bank

NEITHER THE 2007 BONDS, NOR THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE INSTALLMENT PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE 2007 BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE 2007 BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE 2007 BONDS.

The 2007 Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney. It is anticipated that the 2007 Bonds will be delivered in book-entry form through DTC on or about February 14, 2007.

The date of this Official Statement is: January 30, 2007

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FINANCING PLAN

The 2007 Water Project

General. The City intends to use a portion of the proceeds of the 2007 Bonds to f the cost of the "2007 Water Project," which is generally defined as improvements to the L Water Treatment Plant and related improvements to the Water System.

(Under the Indenture, the City has the option of applying the proceeds of th Bonds to any other capital project integral to the Water System.)

The 2007 Water Project is being carried out as part of the City's capital impro program. See "COMBINED ENTERPRISE FINANCIAL INFORMATION – Capital Impro Program" and "APPENDIX G – Consulting Engineer's Report" for further information planned improvements to the Water System.

Construction of 2007 Water Project. The 2007 Water Project is anticipate complete by approximately March 2008. See "COMBINED ENTERPRISE FIN/ INFORMATION – Capital Improvement Program."

The 2007 Wastewater Project

General. The City intends to use a portion of the proceeds of the 2007 Bonds to the cost of the "2007 Wastewater Project," which is generally defined as necessary upg the Lompoc Regional Wastewater Reclamation Plant (the "Wastewater Reclamation which are anticipated to include: improvements that will upgrade the treatment le secondary to tertiary, including nutrient removal; replacement of the current c disinfection system with ultraviolet disinfection; and the installation of a new (Supervisory Control and Data Acquisition) system. These improvements are designed the City to more consistently and reliably meet new, more stringent discharge requi The 2007 Wastewater Project is also anticipated to include the payment of the costs related improvements to the Wastewater System.

(Under the Indenture, the City has the option of applying the proceeds of t Bonds to any other capital project integral to the Wastewater System.)

The 2007 Wastewater Project is being carried out as part of the City' improvement program. See "COMBINED ENTERPRISE FINANCIAL INFORMATION Improvement Program" and "APPENDIX G – Consulting Engineer's Report" fo information on the planned improvements to the Wastewater Reclamation Plant.

Construction of 2007 Wastewater Project. The Wastewater Reclamati improvement project is scheduled to be completed in Fiscal Year 2009-10. See "CC ENTERPRISE FINANCIAL INFORMATION – Capital Improvement Program."

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the 2007 Bonds are as follows:

Sources:	
Principal Amount of 2007 Bonds	$17,080,000.00
Less Net Original Issue Discount	(195,452.35)
Less Underwriter's Discount	(92,118.76)
TOTAL SOURCES	$16,792,428.89
Uses:	
Deposit to Water Account of the Project Fund [1]	$2,437,028.79
Deposit to Wastewater Account of the Project Fund [2]	13,992,720.85
Deposit to Costs of Issuance Fund [3]	362,679.25
TOTAL USES	$16,792,428.89

[1] Represents funds to be used to finance a portion of the costs of the 2007 Water Project. See "– The 2007 Water Project" above.

[2] Represents funds to be used to finance a portion of the costs of the 2007 Wastewater Project. See "– The 2007 Wastewater Project" above.

[3] Represents funds to be used to pay Costs of Issuance, which include legal fees, financial advisor's fee, bond insurance premium, reserve account surety premium, printing costs, rating agency fees and other miscellaneous expenses.

Attachment F – Water Quality Benefits

Updated tables from Grant Application and supporting documentation

TABLE 8-1
Proposal Benefit and Cost Summary

Project	Total Project Costs	Water Supply and Quality Benefits	Other Benefits	Total Benefits
1. Cachuma Operation and Maintenance Board South Coast Conduit Upper Reach Reliability Pipeline	$12,296,842	$76,008,354	N/A	$76,008,354
2. Carpinteria Sanitary District Bluffs Sewer Relocation	$2,448,109	$345,021	Non-monetized	$345,021
3. Carpinteria Valley Water District Central Zone Pipeline Improvements and Demonstration ASR Well	$3,105,658	$4,538,463	$231,144	$4,769,607
4. Casmalia Community Services District Water System Retrofit	$778,511	$974,802	N/A	$974,802
5. City of Guadalupe Wastewater Treatment Plant Improvement	$11,307,007	$7,816,745	Non-monetized	$7,816,745
6. City of Santa Barbara Lower Mission Creek Flood Control and Restoration Project	$2,397,331	Non-monetized	$4,586,197	$4,586,197
7. City of Santa Maria Wastewater Treatment Plant Expansion Phase 2	$23,377,588	$28,050,643	N/A	$28,050,643
8. County of Santa Barbara Agricultural Commissioner's Office Santa Ynez River Tamarisk and Arundo Project	$263,990	Non-monetized	Non-monetized	Non-monetized
9. Cuyama Community Services District Wastewater Treatment Plant Effluent Disinfection	$338,565	$193,956	N/A	$193,956
10. Cuyama Community Services District Water Supply Improvements	$382,930	Non-monetized	N/A	Non-monetized
11. Goleta Sanitary District Fairview Avenue/San Pedro Creek Sewer Line Relocation	$3,283,854	Non-monetized	N/A	Non-monetized

TABLE 8-1
Proposal Benefit and Cost Summary

Project	Total Project Costs	Water Supply and Quality Benefits	Other Benefits	Total Benefits
12. Goleta Water District ASR San Ricardo Well Rehabilitation Project	$1,459,927	$5,588,984	Non-monetized	$5,588,984
13. Laguna County Sanitation District Recycled Water System Improvement Project	$3,317,292	$2,154,265	N/A	$2,154,265
14. Santa Barbara County Flood Control District Santa Maria River Levee Reinforcement	$25,092,119	N/A	$122,750,515	$122,750,515
15. Vandenberg Village Community Services District Lompoc Regional Wastewater Treatment Plant Upgrade	$111,356,474	~~$13,407,836~~ $38,964,679	N/A	~~$13,407,836~~ $38,964,679
Summary	**$201,206,197**	**~~$139,079,069~~** **$164,639,912**	**$127,567,856**	**~~$266,646,925~~** **$292,203,768**

TABLE 8-31
Project 15 – Benefit and Cost Summary
Vandenberg Village Community Services District, Lompoc Regional Wastewater Treatment Plant Upgrade

Type of Benefit/Cost	Present Value
Capital and O&M Costs	$111,356,474
Quantitative Benefits	
Avoided Regulatory Fines	$13,407,836
Agricultural	$25,556,843
Qualitative Benefits	Qualitative Indicator
Water Quality Improvements	++
Recreational	+
Environmental	+

+ indicates net benefits are likely to increase
++ indicates net benefits are likely to increase significantly
This is based on qualitative assessment found in description of benefits.

EXHIBIT 8-O2

Project 15 - Annual Costs of Avoided Projects (2006 Dollars)

Vandenberg Village Community Services District, Lompoc Regional Wastewater Reclamation Plant Upgrade

	Costs				Discounting Calculations		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Alternative: Avoided Water Quality Standard Violation and Agricultural Yield Reduction Costs						
YEAR	Avoided Capital Costs	Avoided Agricultural Yield Reduction Costs	Avoided Water Quality Fines	Total Cost Avoided for Individual Alternatives (b) + (c) + (d)	Total Cost Avoided for All Alternatives (Sum of Total Cost Avoided for Individual Alternatives)	Discount Factor	Discounted Costs (f) ÷ (g)
2007	$ -	$ -	$ -	$ -	$ -	1.06	$ -
2008	$ -	$ -	$ -	$ -	$ -	1.12	$ -
2009	$ -	$ -	$ -	$ -	$ -	1.19	$ -
2010	$ -	$ -	$ -	$ -	$ -	1.26	$ -
2011	$ -	$ 234,911	$ 1,125,000	$ 1,359,911	$ 1,359,911	1.34	$ 1,016,205
2012	$ -	$ 459,697	$ 1,125,000	$ 1,584,697	$ 1,584,697	1.42	$ 1,117,149
2013	$ -	$ 674,794	$ 1,125,000	$ 1,799,794	$ 1,799,794	1.50	$ 1,196,966
2014	$ -	$ 880,620	$ 1,125,000	$ 2,005,620	$ 2,005,620	1.59	$ 1,258,351
2015	$ -	$ 1,077,574	$ 1,125,000	$ 2,202,574	$ 2,202,574	1.69	$ 1,303,700
2016	$ -	$ 1,266,038	$ 1,125,000	$ 2,391,038	$ 2,391,038	1.79	$ 1,335,143
2017	$ -	$ 1,446,379	$ 1,125,000	$ 2,571,379	$ 2,571,379	1.90	$ 1,354,570
2018	$ -	$ 1,618,947	$ 1,125,000	$ 2,743,947	$ 2,743,947	2.01	$ 1,363,657
2019	$ -	$ 1,784,076	$ 1,125,000	$ 2,909,076	$ 2,909,076	2.13	$ 1,363,888
2020	$ -	$ 1,942,088	$ 1,125,000	$ 3,067,088	$ 3,067,088	2.26	$ 1,356,576
2021	$ -	$ 2,093,288	$ 1,125,000	$ 3,218,288	$ 3,218,288	2.40	$ 1,342,879
2022	$ -	$ 2,237,972	$ 1,125,000	$ 3,362,972	$ 3,362,972	2.54	$ 1,323,821
2023	$ -	$ 2,376,419	$ 1,125,000	$ 3,501,419	$ 3,501,419	2.69	$ 1,300,303
2024	$ -	$ 2,508,899	$ 1,125,000	$ 3,633,899	$ 3,633,899	2.85	$ 1,273,114
2025	$ -	$ 2,635,668	$ 1,125,000	$ 3,760,668	$ 3,760,668	3.03	$ 1,242,950
2026	$ -	$ 2,756,974	$ 1,125,000	$ 3,881,974	$ 3,881,974	3.21	$ 1,210,418
2027	$ -	$ 2,873,050	$ 1,125,000	$ 3,998,050	$ 3,998,050	3.40	$ 1,176,048
2028	$ -	$ 2,984,123	$ 1,125,000	$ 4,109,123	$ 4,109,123	3.60	$ 1,140,303
2029	$ -	$ 3,090,409	$ 1,125,000	$ 4,215,409	$ 4,215,409	3.82	$ 1,103,583
2030	$ -	$ 3,192,113	$ 1,125,000	$ 4,317,113	$ 4,317,113	4.05	$ 1,066,234
2031	$ -	$ 3,289,434	$ 1,125,000	$ 4,414,434	$ 4,414,434	4.29	$ 1,028,557
2032	$ -	$ 3,382,559	$ 1,125,000	$ 4,507,559	$ 4,507,559	4.55	$ 990,807
2033	$ -	$ 3,471,671	$ 1,125,000	$ 4,596,671	$ 4,596,671	4.82	$ 953,202
2034	$ -	$ 3,556,942	$ 1,125,000	$ 4,681,942	$ 4,681,942	5.11	$ 915,929
2035	$ -	$ 3,638,537	$ 1,125,000	$ 4,763,537	$ 4,763,537	5.42	$ 879,143
2036	$ -	$ 3,716,615	$ 1,125,000	$ 4,841,615	$ 4,841,615	5.74	$ 842,974
2037	$ -	$ 3,791,328	$ 1,125,000	$ 4,916,328	$ 4,916,328	6.09	$ 807,531
2038	$ -	$ 3,862,820	$ 1,125,000	$ 4,987,820	$ 4,987,820	6.45	$ 772,900
2039	$ -	$ 3,931,231	$ 1,125,000	$ 5,056,231	$ 5,056,231	6.84	$ 739,151
2040	$ -	$ 3,996,693	$ 1,125,000	$ 5,121,693	$ 5,121,693	7.25	$ 706,340
2041	$ -	$ 4,059,333	$ 1,125,000	$ 5,184,333	$ 5,184,333	7.69	$ 674,509
2042	$ -	$ 4,119,274	$ 1,125,000	$ 5,244,274	$ 5,244,274	8.15	$ 643,686
2043	$ -	$ 4,176,630	$ 1,125,000	$ 5,301,630	$ 5,301,630	8.64	$ 613,893
2044	$ -	$ 4,231,515	$ 1,125,000	$ 5,356,515	$ 5,356,515	9.15	$ 585,140
2045	$ -	$ 4,284,033	$ 1,125,000	$ 5,409,033	$ 5,409,033	9.70	$ 557,431
2046	$ -	$ 4,334,289	$ 1,125,000	$ 5,459,289	$ 5,459,289	10.29	$ 530,764
2047	$ -	$ 4,382,377	$ 1,125,000	$ 5,507,377	$ 5,507,377	10.90	$ 505,131
2048	$ -	$ 4,428,393	$ 1,125,000	$ 5,553,393	$ 5,553,393	11.56	$ 480,521
2049	$ -	$ 4,472,426	$ 1,125,000	$ 5,597,426	$ 5,597,426	12.25	$ 456,916
2050	$ -	$ 4,514,561	$ 1,125,000	$ 5,639,561	$ 5,639,561	12.99	$ 434,297

EXHIBIT 8-O2

Project 15 - Annual Costs of Avoided Projects (2006 Dollars)

Vandenberg Village Community Services District, Lompoc Regional Wastewater Reclamation Plant Upgrade

	Costs				Discounting Calculations		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
YEAR	Alternative: Avoided Water Quality Standard Violation and Agricultural Yield Reduction Costs				Total Cost Avoided for All Alternatives (Sum of Total Cost Avoided for Individual Alternatives)	Discount Factor	Discounted Costs (f) ÷ (g)
	Avoided Capital Costs	Avoided Agricultural Yield Reduction Costs	Avoided Water Quality Fines	Total Cost Avoided for Individual Alternatives (b) + (c) + (d)			
Proposal Life	$ -	$ 117,774,700	$ 45,000,000	$ 162,774,700	$ 162,774,700	…	
						Total Present Value of Discounted Costs (Sum of Column (h))	~~$13,407,836~~ $38,964,670
						% Avoided Cost Claimed by Proposal	100%
						Total Present Value of Discounted Avoided Project Costs Claimed by Proposal (Total Present Value of Discounted Costs x % Avoided Cost Claimed by Proposal)	~~$13,407,836~~ $38,964,670

Comment Box: The expected useful life of the project is 40 years.

The TODD ENGINEERS

GROUNDWATER • WATER RESOURCES • HYDROGEOLOGY • ENVIRONMENTAL ENGINEERING

September 23, 1997

MEMORANDUM

To: T.K. Keller
Vandenberg Village Community Services District

From: Iris Priestaf

Re: Evaluation of Water Supply

Introduction

Vandenberg Village Community Services District (District) has provided water supply to the community of Vandenberg Village since December 1988 and now serves nearly 2,140 connections. In recent years, the District has increased the number of water service connections without significantly increasing its groundwater pumping. The District has achieved this efficiency, among other ways, through consumer conservation efforts and its Conservation Plan, which mandates the retrofit (or commensurate fees) of five existing residences for each new residential connection or equivalent connection.

The District also has adopted a Strategic Plan for capital improvements which foresees 600 additional residential units within the planning horizon (buildout). However, the Conservation Plan is incapable of providing sufficient water for buildout because too few existing homes remain to be retrofitted. Accordingly, if the District proceeds toward planned buildout, groundwater pumping would need to be increased.

Numerous investigations of groundwater conditions in the Lompoc Basin have concluded that the basin is in overdraft. In addition, some investigators have indicated that the Lompoc Upland subbasin, from which the District pumps its groundwater, also is in overdraft. Such an overdraft condition would mean that the District water supply (existing or buildout) cannot be

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course at 325 AFY; this was simply doubled to include Purisima golf course for a total of 650 AFY. Second, the golf courses were assumed to encompass 90 acres each and to apply 2.3 acre-feet per acre (AF/AC) annually for irrigation, based on average golf courses areas and irrigation application rates in the Carmel, California area. This computation results in a lower estimate of 414 AFY.

Agricultural pumping was calculated using the estimated irrigated area of 495 acres (675 total acres minus 180 acres for both golf courses). The representative annual irrigation rate is 1.82 AF/AC, derived from the SBCWA Lompoc Upland irrigation rate of 21.87 inches/year (see Table 1). Accordingly, agricultural irrigation pumping is calculated to be 901 AFY.

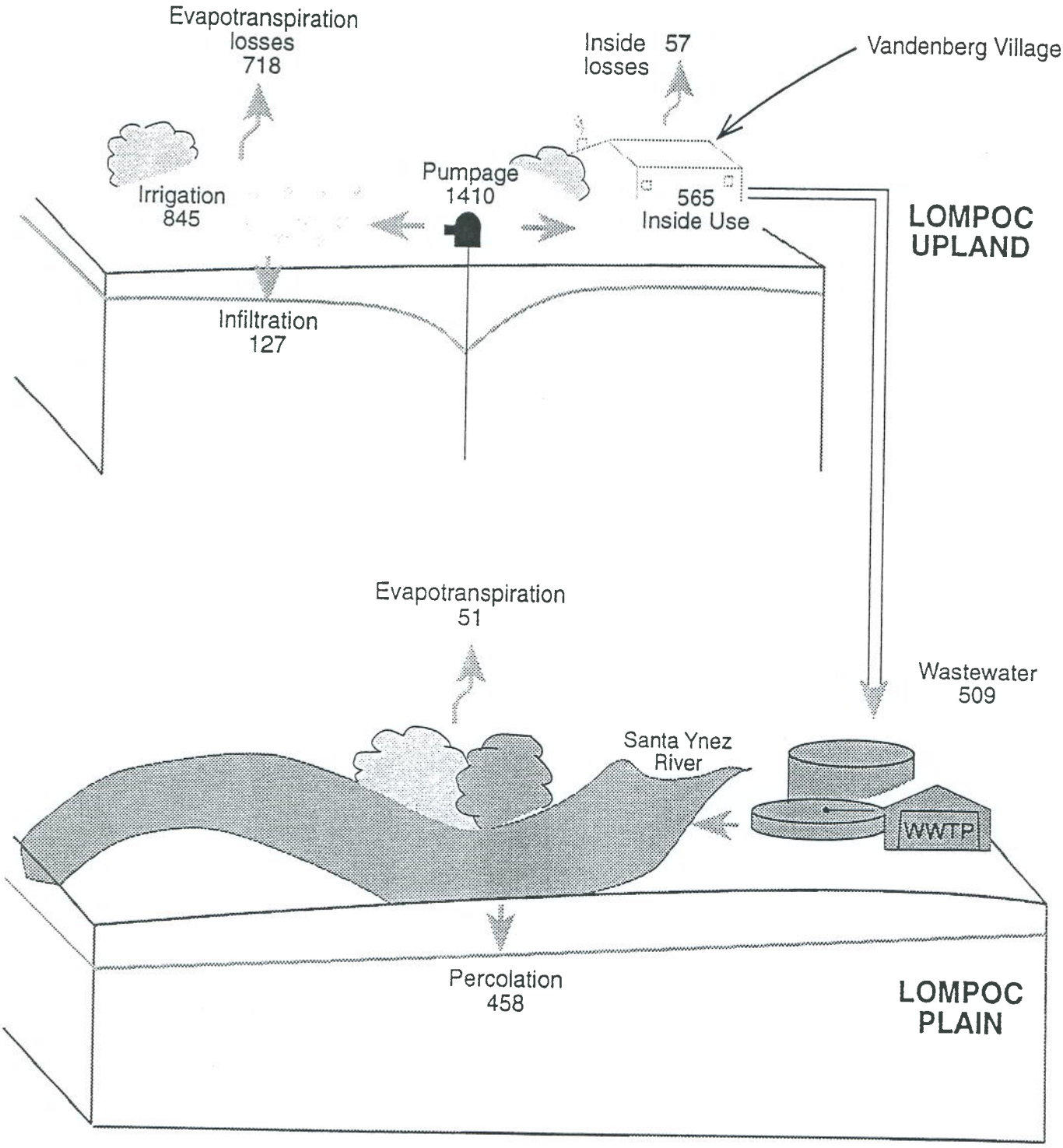
Total pumping amounts to 2,045 AFY for the municipal pumpers and 1,315 to 1,551 AFY for the irrigators, for a grand total of 3,360 to 3,596 AFY. These amounts represent gross pumping and do not account for return flows* to groundwater. For the irrigation groundwater pumpers, a return flow of 20 percent was assumed, consistent with the SBCWA analysis of Buellton rainfall recharge (Ahlroth and Holland, 1995). This means that 80 percent of gross pumping for irrigation was consumed by evapotranspiration. Accordingly, if 1,315 AFY were pumped, 263 AFY percolated to groundwater and 1,052 AFY was consumed.

Figure 6 is a schematic diagram illustrating groundwater consumption and return flows from Vandenberg Village. As shown, 1,410 AFY are pumped by the District; of this amount, 60 percent (845 AFY) is assumed to be used outdoors for landscape irrigation. In this diagram, 15 percent (127 AFY) is assumed as return flow**, while 85 percent (718 AFY) is consumed. Of the indoor use (565 AFY), 10 percent or 57 AFY is assumed to be evaporative losses, while the remainder (509 AFY) is exported from the Upland to the Plain as wastewater. Of this wastewater, which is treated and released to the river, 10 percent is lost to evapotranspiration and 90 percent is assumed to percolate to groundwater in the Plain.

---

* The amount of return flow is a subject of discussion because of the occurrence of low-permeability zones in Upland sediments. For this study, it is assumed that the low-permeability zones are not really extensive, and allow eventual percolation to groundwater of both rainfall and return flows. It is acknowledged that return flows are lost to evapotranspiration where the water is close to the ground surface. This occurs in the vicinity of Vandenberg Village, but has not been quantified beyond the evapotranspiration losses by trees and shrubs already included in the SBCWA soil moisture model.

** This is consistent with water balance computations prepared by Todd Engineers for litigation support in Jordan vs. The City of Santa Barbara.



Flows are in Acre Feet per Year (AFY)

September 1997

TODD ENGINEERS
Emeryville, California

Figure 6
Schematic Water Balance for Vandenberg Village

PUBLICATION 8066 FWQP REFERENCE SHEET 9.10

Irrigation Water Salinity and Crop Production

STEPHEN R. GRATTAN, Plant-Water Relations Specialist, University of California, Davis

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Farm Water Quality Planning
A Water Quality and Technical Assistance Program for California Agriculture
http://waterquality.ucanr.org

This Reference Sheet is part of the **Farm Water Quality Planning (FWQP)** series, developed for a short course that provides training for growers of irrigated crops who are interested in implementing water quality protection practices. The short course teaches the basic concepts of watersheds, nonpoint source pollution (NPS), self-assessment techniques, and evaluation techniques. Management goals and practices are presented for a variety of cropping systems.

UC PEER REVIEWED

Irrigation water quality can have a profound impact on crop production. All irrigation water contains dissolved mineral salts, but the concentration and composition of the dissolved salts vary depending on the source of the irrigation water. For example, snow melt or water supplies from the Sierra Nevada contain very small amounts of salt whereas groundwater or wastewater typically has higher salt levels. Too much salt can reduce or even prohibit crop production while too little salt can reduce water infiltration, which indirectly affects the crop. An understanding of the quality of water used for irrigation and its potential negative impacts on crop growth is essential to avoid problems and to optimize production. For more information on any of the issues found in this publication, please contact your local University of California Cooperative Extension office.

DISSOLVED SALTS

Dissolved salts in irrigation water form ions. The most common salts in irrigation water are table salt (sodium chloride, NaCl), gypsum (calcium sulfate, $CaSO_4$), Epsom salts (magnesium sulfate, $MgSO_4$), and baking soda (sodium bicarbonate, $NaHCO_3$). Salts dissolve in water and form positive ions (cations) and negative ions (anions). The most common cations are calcium (Ca^{2+}), magnesium (Mg^{2+}), and sodium (Na^+) while the most common anions are chloride (Cl^-), sulfate (SO_4^{2-}), and bicarbonate (HCO_3^-). The ratios of these ions, however, vary from one water supply to another. Potassium (K^+), carbonate (CO_3^{2-}), and nitrate (NO_3^-) also exist in water supplies, but concentrations of these constituents are comparatively low. In addition, some irrigation waters, particularly from groundwater sources, contain boron at levels that may be detrimental to certain crops.

It should be noted that substantial salinization potential is realized through natural weathering and dissolution of soil parent materials, and these salt contributions will attenuate or augment irrigation water ionic constituents.

CHARACTERIZING SALINITY

There are two common water quality assessments that characterize the salinity of irrigation water. The salinity of irrigation water is sometimes reported as the total salt concentration or total dissolved solids (TDS). The units of TDS are usually expressed in milligrams of salt per liter (mg/L) of water. This term is still used by commercial analytical laboratories and represents the total number of milligrams of salt that would remain after 1 liter of water is evaporated to dryness. TDS is also often reported as parts per million (ppm) and is the same numerically as mg/L. The higher the TDS, the higher the salinity of the water.

The other measurement that is documented in water quality reports from commercial labs is specific conductance, also called electrical conductivity (EC). EC is a much more useful measurement than TDS because it can be made instantaneously and easily by irrigators or farm managers in the field. Salts that are dissolved in water

Table 1. Estimated yield of tree and vine crops with long-term use of irrigation water with different levels of soil salinity (potential yields are based on a 15 to 20 percent leaching fraction and do not account for the effects of specific elements)

	ECw (mmhos/cm)				
	Yield potential[1]				
Tree and vine crops	**100%**	**90%**	**75%**	**50%**	**Rating[2]**
Almond	1.0	1.4	1.9	2.8	S
Apple	—	—	—	—	S
Apricot[3]	1.1	1.3	1.8	2.5	S
Avocado[3]	—	—	—	—	S
Blackberry	1.0	1.3	1.5	2.5	S
Boysenberry	1.0	1.3	1.8	2.5	S
Cherry	—	—	—	—	S
Date Palm	2.7	4.5	7.3	12.0	T
Fig[3]	—	—	—	—	MT
Grape[3]	1.0	1.7	2.7	4.5	MS
Grapefruit	1.2	1.6	2.2	3.3	S
Lemon	1.0	1.5	2.3	3.6	S
Lime	—	—	—	—	S
Olive	—	—	—	—	MT
Orange	1.1	1.6	2.2	3.2	S
Peach	1.1	1.5	1.9	2.7	S
Pear	—	—	—	—	S
Pecan	—	—	—	—	MS
Persimmon	—	—	—	—	S
Pistachio	—	—	—	—	MS–MT
Plum	1.0	1.4	1.9	2.9	S
Pomegranate[3]	—	—	—	—	MS
Walnut[3]	—	—	—	—	S

— Data not available.

[1] Based on data from Maas and Grattan 1999.

[2] Tolerance to soil salinity is rated as sensitive (S), moderately sensitive (MS), moderately tolerant (MT), and tolerant (T).

[3] Tolerance is based on growth or injury rather than yield.

Table 2. Estimated yield of vegetable and row crops with long-term use of irrigation water of different qualities (potential yields are based on a 15 to 20 percent leaching fraction and do not account for the effects of specific elements)

	ECw (mmhos/cm)					
	Yield potential[1]				Rating[2]	
Vegetable and row crops	**100%**	**90%**	**75%**	**50%**	**Salt**	**Boron**
Asparagus	2.7	6.1	11.1	19.4	T	VT
Bean	0.7	1.0	1.5	2.4	S	S
Beet, red	2.7	3.4	4.5	6.4	MT	T
Broccoli	1.9	2.6	3.7	5.5	MS	MS
Cabbage	1.2	1.9	2.9	4.6	M	MT
Carrot	0.7	1.1	1.9	3.0	S	MS
Cauliflower	1.9	2.6	3.7	5.5	MS	MT
Celery	1.2	2.3	3.9	6.6	MS	VT
Corn, sweet	1.1	1.7	2.5	3.9	MS	VT
Cucumber	1.7	2.2	2.9	4.2	MS	MS
Eggplant	0.7	1.7	3.1	5.6	MS	—
Lettuce	0.9	1.4	2.1	3.4	MS	MS
Onion	0.8	1.2	1.8	2.9	S	S
Pepper	1.0	1.5	2.2	3.4	MS	MS
Potato	1.1	1.7	2.5	3.9	MS	MS
Radish	0.8	1.3	2.1	3.4	MS	—
Spinach	1.3	2.2	3.5	5.7	MS	—
Squash, scallop	2.1	2.6	3.2	4.2	MS	MT
Squash, zucchini	3.1	3.8	4.9	6.7	MT	MT
Strawberry	0.7	0.9	1.2	1.7	S	S
Sweet potato	1.0	1.6	2.5	4.0	MS	—
Tomato	1.7	2.3	3.4	5.0	MS	T
Turnip	0.6	1.3	2.5	4.3	MS	MT

— Data not available.

[1] Based on data from Maas and Grattan 1999.

[2] Sensitive (S), moderately sensitive (MS), moderately tolerant (MT), tolerant (T), and very tolerant (VT).

Water Resources

of Santa Barbara County

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Buellton Uplands Groundwater Basin

Physical Characteristics:

The Buellton Uplands Groundwater Basin encompasses about 29 square miles located about 18 miles east of the Pacific Ocean and directly north of the Santa Ynez River. The basin boundaries include the impermeable bedrock of the Purisima Hills to the north, the Santa Ynez River Fault to the south, a limited connection to the Santa Ynez Upland Groundwater Basin to the east and a topographic (drainage) divide with the Lompoc Basin to the west.

The Santa Ynez River Riparian Basin sediments overlie portions of the Buellton Uplands in the southeast part of the basin. Due to the hydrologic gradient (generally north to south), it is likely that the Buellton Uplands Basin discharges into the Santa Ynez River Riparian Basin. The Santa Ynez River Riparian Basin is discussed later in this section.

The SBCWA has estimated average annual rainfall in the basin to be about 16 inches per year.

Water Quality:

Current water quality data for the basin is limited. However, data from late 1950s and early 1960s indicate TDS concentrations between 300 and 700 mg/L for several wells within the basin.

Basin Supply and Demand:

The Buellton Uplands Basin has been a recognized hydrologic unit for decades and is designated on the groundwater basin maps adopted into the *Santa Barbara County Comprehensive Plan* (Santa Barbara County Planning and Development Department, 1994). Until 1990-91, however, this basin was not subject to detailed analysis by either the USGS or the SBCWA. At that time, the SBCWA evaluated this basin and found it to be in a moderate state of overdraft (Baca, 1994). Subsequently, further analysis of the basin was conducted and the SBCWA (Almy *et al.*, 1995) determined that the basin is in a state of surplus.

Available Storage in the Buellton Uplands Basin is estimated to be 154,000 AF. The total volume of water in storage in this basin is estimated by the SBCWA to be about 1.4 million AF (assumes a specific yield of 10%). Safe Yield for consumptive use (Net Yield) is estimated to be 2,768 AFY (Almy *et al.*, 1995). Based on an estimated average of 26% return flows, Safe Yield for gross pumpage (Perennial Yield) is estimated to be 3,740 AFY. Estimated pumpage from the basin is 2,599 AFY (gross) and 1,932 AFY (net). Thus, the basin is considered by the SBCWA to be in a state of surplus with natural recharge exceeding pumpage by a net 800 AFY. This surplus represents the amount of groundwater from the Buellton Uplands Basin that discharges annually into the Santa Ynez River Riparian Basin.

Recharge to the basin is from deep percolation of rainfall, stream seepage, underflow into the basin from adjacent basins and return flow from agriculture. As stated above, the basin discharges to the Santa Ynez River via natural seepage.

Approximately 80% of the 2,599 AFY of pumpage in the basin is attributable to agricultural irrigation. The remaining 20% is used by the City of Buellton and scattered farmsteads around the rural area.

Lompoc Groundwater Basin

Physical Characteristics:

The Lompoc Groundwater Basin consists of three hydrologically connected subbasins: the Lompoc Plain, Lompoc Terrace, and Lompoc Uplands. Together, these subbasins encompass about 76 square miles. The basin surrounds the lower reach of Santa Ynez River and is bordered on the north by the Purisima Hills, on the east by a topographic

divide (the Santa Rita Hills) with the Buellton Uplands Basin, on the South by the Lompoc Hills and on west by the Pacific Ocean. The Lompoc Plain Alluvial Subbasin is divided into three horizontal zones: an upper, middle and main zone. Based on recent hydrologic and water quality studies, these zones have points of hydrologic continuity and exchange limited amounts of water.

Precipitation within the basin is influenced by orographic effects and other meteorological factors. The maximum average rainfall is about 18 inches and occurs near the southern edge of the basin in the Lompoc Hills; near the Pacific Ocean precipitation averages approximately 10 inches per year. The average rainfall in the City of Lompoc is 13 inches. Rainfall averages about twelve inches per year over the entire basin.

Water Quality:

Water quality in the shallow zone of the Lompoc Plain tends to be poorest near the coast and in heavily irrigated areas of the subbasin. TDS concentrations of up to 8,000 mg/L near the coast were measured in the late 1980s. The poor quality water in this area is attributed to upwelling of poor quality connate waters, reduction in fresh water recharge from the Santa Ynez River beginning in the early 1960s, agricultural return flows, and downward leakage of seawater from an overlying estuary in the western portion of the basin (Bright, *et al.*, 1992). The presence of elevated boron and nitrates (constituents common in seawater and agricultural return flow, respectively) supports this conclusion.

In the middle zone, water samples taken from below agricultural areas of the northeastern Plain contained TDS concentrations averaging over 2,000 mg/L. However, some middle zone groundwater from the western plain exhibited TDS levels below 700 mg/L. Areas of recharge, adjacent to the Santa Ynez River, contained TDS concentrations of less than 1,000 mg/L in the eastern plain. It is believed that leakage from the shallow zone is responsible for elevated TDS levels in the middle zone in the northeastern plain.

Central coast oak woodland

Groundwater from the main zone exhibited TDS concentrations as high as 4,500 mg/L near the coast. It is thought that contamination of the main zone (mainly near the coast) is due to percolation of seawater through estuary lands and upward migration of poor quality connate waters from the underlying rock. Groundwater of the Lompoc Terrace and Lompoc Upland Subbasin is generally of better quality than that of the Lompoc Plain, averaging less than 700 mg/L TDS. Some of the natural seepage from these subbasins is of excellent quality. For an in-depth discussion of water quality, see the Water Quality section of this report and documents referenced therein.

Groundwater users and public agencies within the basin are working to clarify and resolve water quality concerns.

Basin Supply and Demand:

The supply/demand status of this basin was updated in 1998 (Ahlroth, 1998).

Available Storage within the Lompoc Groundwater Basin is estimated to be approximately 170,000 AF (Santa Barbara County Planning and Development, 1994). Safe Yield is estimated by the SBCWA to be 28,537 AFY (gross or Perennial Yield) and 21,468 AFY (net). Net pumpage or consumptive use from the Lompoc Basin is estimated to be 22,459 AFY. Based on water level trends evaluated in 1998, the basin is in a state of overdraft with net extractions exceeding recharge by 991 AFY.

Groundwater is the only source of water supply within the basin. Agricultural uses account for 70% of the total water consumed within the basin. Municipal uses account for the remaining demand and include the City of Lompoc, the Vandenberg Village Community Services District and the Mission Hills Community Services District.

The general direction of groundwater flow is from east to west, parallel to the Santa Ynez River. Historically, underflow from the Lompoc Uplands and Lompoc Terrace contributed to recharge of the Lompoc Plain. As a result of a long-term decline in water levels, very little underflow will move from the Lompoc Upland to the Lompoc Plain in the future. Localized depressions in the water table occur in areas of heavy pumping. One such area is in the northern part of the Lompoc Plain where the City operates municipal supply wells. Pumping depressions are also present in the Mission Hills and Vandenberg Village areas. Sources of recharge to the basin include percolation of rainfall and stream flow (including Lake Cachuma releases), agricultural water return flow and underflow into the basin.

The City is consulting with upstream entities regarding concern over worsening water quality in the Lompoc Plain. Although the cause of the trend is much debated, future Groundwater Management Plans created in accordance with AB 3030 could address the problem. Both the USGS and the City of Lompoc have developed numerical models of the basin that might be used during the implementation of these plans. In addition, the City of Lompoc has implemented recycling and conservation programs. The City and the Santa Ynez River Water Conservation District have also initiated a Groundwater Management Plan for the Lompoc Plain portion of the basin.

Row crops over the Lompoc Plain portion of the Lompoc Groundwater Basin

In many areas of the county, SWP water is blended with other, lower quality water, which results in a higher overall quality of the water distributed to customers. For the South Coast water purveyors, SWP water is conveyed through Lake Cachuma where it mixes with local surface water. The water is then directed to local water treatment plants, after which it is distributed to customers.

According to the USGS figures for 1998 (Agajanian *et al*., 1998) the TDS for the rivers in Santa Barbara County range from 518 mg/L to 1,130 mg/L (see below). Water quality sampling was completed in October, April and May of the 1998 Water Year. Some of the variations in water quality seen along the Santa Ynez River are a partial result of the addition of SWP water mentioned above.

Total Dissolved Solids in Local Rivers - 1998

Cuyama River	1,130 mg/L
Santa Maria River	1,030 mg/L
Sisquoc River	862 mg/L
Santa Ynez River	
at Jameson Lake	842 mg/L
at Lake Cachuma	518 mg/L
below Lake Cachuma	625 mg/L

(Source: Agajanian *et al*., 1998)

The Health and Safety Code of California State Law plays a role in maintaining surface water quality throughout California by preventing bodily contact of water that serves as drinking water supply. Sections 115825 (a) and (b) prevent bodily contact with water in Lake Cachuma:

(a) It is hereby declared to be the policy of this state that multiple use should be made of all public water within the state, to the extent that multiple use is consistent with public health and public **safety**. (b) Except as provided in Sections 115840, 115840.5, and 115841, recreational uses shall not, with respect to a reservoir in which water is stored for domestic use, include **recreation** in which there is **bodily contact** with the water by any participant.

For More Information

Carpenter, A.G.; King, N.J. and Montoya, I. 1994. *Water Quality Control Plan: Central Coast Region - Region 3*. State of California, Regional Water Quality Control Board - Central Coast Region.

Environmental Protection Agency; Water Quality - Surf Your Watershed: http://www.epa.gov/surf/surf_search.html/

State of California, The Resources Agency, Department of Water Resources, Division of Local Assistance. 1995. *Quality Assurance Technical Document 3: Compilation of Federal and State Drinking Water Standards and Criteria*.

Water Treatment

General Information

Portions of the following information have been adapted from: *The City of Santa Barbara Water and Wastewater Systems Inventory* (1998) and *the City of Lompoc Urban Water Management Plan 1995 - 2000* (1995).

Surface water acquires its characteristics (taste, odor, chemical and mineral make up, temperature, corrosiveness, and clarity) from the environment with which it has contact. Thus surface water quality varies by location and season. During the late summer and early fall, surface water deteriorates slightly in quality because of the growth of algae. Water taken from surface water supplies may contain various contaminants. Possible contaminants include silts and clays, dissolved minerals and salts, organic material from vegetation and wildlife, algae, bacteria, protozoans, viruses and man-made pollutants. In order to remove these contaminants and to comply with state and federal water quality standards, water is treated before it is distributed for consumption.