

MEMBER UNITS EXHIBIT NUMBER 1

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**WRITTEN POLICY STATEMENT OF HAROLD P. FAIRLY
City Council Member, City of Santa Barbara
Director, Cachuma Conservation Release Board**

Submitted on behalf of the Cachuma Conservation Release Board and
the Santa Ynez River Water Conservation District, Improvement District No. 1

I am here to speak to you of the very serious need for water from the Cachuma Project. That serious need is felt in all of the cities and water districts in the southern half of Santa Barbara County, particularly so in the City of Santa Barbara, and in all of the Santa Ynez River valley as well.

Santa Barbara County is 3,789 square miles in size with a population of approximately 408,000. There are approximately 207,000 people living within the area served by the Cachuma Project. The Cachuma Project has been a principal water supply for Santa Barbara since it was constructed in the 1950's. It supplies about 65% of the water used within the area served.

The Cachuma Project is essential to Santa Barbara to contain the irregular rainfall and hold it for distribution in a useable manner. However, even with the Cachuma Project the region is subject to water supply shortages. Annual average rainfall for the County is only 16 inches a year, but it varies widely - in 1998, the City of Santa Barbara received over 48 inches of rain, in 1990 it received only 6.5 inches. The last nine years has been the wettest period since records have been kept starting in 1868, but we know that this wet weather will turn. Santa Barbara has suffered through a number of very dry weather cycles. Dry periods in which there was not enough water to sustain the agriculture, industry and people that were there.

In the most recent drought, 1989 - 1991, Santa Barbara drew down their surface water supplies, including the Cachuma Project, drew down their underground supplies and had to take on additional water supplies. The lack of water at that time presented a very real threat to health, safety and the welfare of the entire County of Santa Barbara. The City of Santa Barbara with

Goleta and Montecito water districts built a temporary desalination plant. Largely because of the shortages pointed out by the drought, voters approved and water agencies in Santa Barbara have financed a local permanent connection to the State Water Project (\$642 million for construction). The City of Santa Barbara added the temporary desalination facility to its permanent supply.

Because of the recent costly additions to the local water supply, the cost of water in Santa Barbara County is relatively high. The cost of ten units (100 hundred cubic feet) of water ranges from about \$45 per month per household to about \$30 per month per household.

Because of the concern over the reliability of local water supplies, including the Cachuma Project, Santa Barbara County has, since the 1980's, been a leader in California in water conservation. The efficiency programs developed in Santa Barbara County have become models for the rest of the State. These programs were emphasized and added to during the drought but, even in this current wet cycle, water conservation remains important. For example, average single family water use in the City of Santa Barbara is 13 units and the median is 9 units. The high cost of water noted above gives a price incentive that encourages conservation.

The Cachuma Project was finished at the end of a drought in the 1950's and filled to capacity for the first time 1958. It has been a principal water supply for Santa Barbara since it was finished. Water transmission lines were constructed to draw on the reservoir, and water treatment plants were built for service areas in the south of Santa Barbara County.

The service area organized Cachuma Operation and Maintenance Board (COMB) in 1957 to provide for the operation, replacement and maintenance of the project facilities and to pay for the costs of this very large and expensive project. The project was put to general use in the 1960's, used to its capacity in the 1970's and by the 1980's water shortages required the area to find additional water supplies.

Operational and administrative costs for the Cachuma Project were higher than anticipated so that

when the Bureau of Reclamation contracts were renewed in 1995, there were additional costs carried over into the new water rates. Santa Barbara County cities, districts and agencies paid for the costs for re-negotiations for water contracts, and for environmental and other costs associated with that renewal process.

Reconstruction of key features of the Cachuma Project was determined to be necessary in 1993 to protect against earthquakes and a portion (15%) of those costs will be paid by the water users in Santa Barbara.

The area around Santa Barbara was one of the first areas to develop in California. The City still incorporates water systems that were developed for the old Santa Barbara Mission. The City has a separate tunnel to a separate dam on the Santa Ynez River which also supplies water for the City. Montecito has additional water sources from the Santa Ynez watershed. The Santa Ynez Valley region, Goleta, Carpinteria, Santa Barbara and Montecito all use groundwater supplies as available to them. These areas all developed under the availability of water from the Cachuma Project. Since the 1980's all of these areas have had the need for additional water supplies. All have become part of the State Water project, with a delivery system and water treatment plants to be paid for by the water users of the County.

The Environmental Impact Report developed in 1995 for the project contract renewal estimated that some 207,000 people lived and worked in the area that receives Cachuma Project water, that 38,000 acres of cropland were irrigated by the Cachuma Project and that 73% of the water from Cachuma was used for municipal and industrial purposes.

The economy of the south county region of the County of Santa Barbara, including Montecito, Carpinteria, Goleta, and the City of Santa Barbara has large education, tourist and services sectors. Santa Barbara City has tourism and business services. The University of California, Westmont College, Santa Barbara City College and Brooks Photography Institute all have schools located within this general service area. In important ways, the water from the Cachuma Project

provides a benefit that is shared by much of California. The Santa Ynez Valley region of the County of Santa Barbara has horse ranches, Bed and Breakfast inns and 36 vineyards. The area provides recreation in the form of riding, hiking, cycling, backpacking and rockclimbing. Cachuma Lake, itself, provides recreational fishing, boating and a nature museum. Water from the Cachuma Project has widespread benefits that make these uses possible.

In 1999, the largest employer in the County was the University of California with 9000 employees located in the region served from the Cachuma Project. 16,400 workers were employed in agriculture, county-wide, another 17,614 employed in tourism, 33,408 in retail trade and 49,992 in other services industries. A total of 159,900 workers were employed in non-farm industries.

The average real wage in the County of Santa Barbara is estimated to be \$29,604. Average rent for the south coast for a two bedroom unit is \$1,223 per month. Average rent for a house in Santa Barbara is \$2,029 per month. The median selling price for a home in south coast Santa Barbara County in 1999 was \$475,086, twice the state-wide median home price.

In 1999, the south coast of Santa Barbara County had 20,837 visitors per day in the area served by this project. 10% of the people receiving benefit of the Cachuma Project were visitors to Santa Barbara.

County wide, agricultural production was 653 million dollars in 1999, with 725,000 acres of land harvested.

All of these uses, industries, lives and employment will be affected by the decisions made on the Cachuma Project by this Board.

I urge you to preserve the maximum reasonable and beneficial flow of water from the Cachuma Project for the health and economic well being of the County of Santa Barbara to continue.