



Central Coast Water Authority

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For Immediate Release

Central Coast Water Authority files legal action against Santa Barbara County regarding management of the State Water Project

Buellton, CA: The Central Coast Water Authority (CCWA) and its eight member cities and water districts has filed a significant and unprecedented lawsuit in Santa Barbara Superior Court against the County of Santa Barbara regarding management of the State Water Project.

CCWA manages, operates and finances the portion of the State Water Project in Santa Barbara County. Its members, all of whom sit on CCWA's governing board, are: the cities of Santa Barbara, Santa Maria, Buellton, and Guadalupe; and water districts including Montecito, Carpinteria, Goleta and Santa Ynez (which contracts a portion of its State Water Project supply to the City of Solvang).

CCWA and its member cities and water districts have the authority and responsibility to provide a reliable and adequate supply of clean and safe water to their customers. For decades, CCWA's members have made every significant decision regarding State Water. The reason is simple: they contract for the supply and pay 100% of the costs.

The lawsuit was necessary because the County Board of Supervisors has now infringed on the rights CCWA and its members have as independent agencies, and inserted themselves into decisions about how to manage State Water supplies (when the County does not deliver State Water and has no financial responsibility for it). The County incorrectly believes that it is better suited to take water management decisions out of the hands of the 44 elected officials who govern these eight cities and water districts and who act on behalf of their ratepayers.

As set forth in the lawsuit, the County's actions are unlawful and will deprive the cities and water districts of their ability to manage their State Water supplies without interference from the County. The County's actions frustrate the cities' and water districts' water supply and water management planning efforts and will result in increased costs of water service to the ratepayers.

Specifically, the lawsuit was filed after the County imposed significant and unreasonable conditions on sales and exchanges of State Water, depriving the cities and water districts of new contract amendments (i.e. management policies) offered by the State of California, which owns and operates the State Water Project. These new contract amendments are designed to improve the flexibility and efficiency of buying and selling water across the State Water Project, creating a robust transfer market that will modernize and streamline water exchanges to better manage supplies during drought and climate challenges.

They also provide significant financial benefits to CCWA and the cities and water districts by creating opportunities to either offset the expense of State Water for the benefit of their customers or help offset the cost of developing local supplies. Without the market-driven efficiency that the new policies allow, financing and development of local water conservation projects, such as desalinization, potable reuse and recycled water may be impaired. Water could be wasted as surplus supplies that could have been transferred won't be, water in groundwater storage banks that could have been transferred won't be, and carryover water in SWP reservoirs that could have been transferred won't be.

As water managers statewide are preparing for the resumption of unprecedented drought conditions and new climate change challenges, water transfers and financing will be critical. That is what the new contract amendments provide and that is why water agencies throughout the State have approved the amendments – without extraneous and limiting conditions as the County has done. To put policy and political restraints on these complex decisions will deprive CCWA water suppliers of the tools that otherwise would be available to them — resulting in a waste of water and increased costs for the cities, districts, and ratepayers.

Prepared statements from CCWA member agencies:

Farfalla Borah, Director, Goleta Water District *“In the face of changing climate and water supply conditions locally and state-wide, the Goleta Water District requires every tool in its water management portfolio to remain flexible and ensure a continued reliable source of water supply for the communities it serves. Water agencies in Santa Barbara County should be afforded the same rights and opportunities as all other agencies throughout the state.”*

Floyd Wicks, Director, Montecito Water District *“The various water agencies in the County have taken on the financial responsibility of bringing water into the County, from the State Water Project. Originally, the County was financially committed to paying the high fixed cost of the Coastal Branch Aqueduct; however, it abrogated its responsibility to the Central Coast Water Authority and its members, nearly three decades ago. The assets of the Coastal Branch Aqueduct are now being paid for by tax-paying citizens within the various water agency boundaries, not the County. These same citizens elected their local representatives to manage those assets in such a way as to produce the least cost water possible. For the County to impose restrictions on maximizing the return on those assets, without having an ownership interest in same, does not serve the interests of those same citizens.”*

Additional Background

In 1991, 80% of county voters approved bonds to construct infrastructure to connect the central coast to California's State Water Project; rightly placing authority for future State Water decisions with the cities and water districts that actually pay for the supply (Guadalupe, Santa Maria, Buellton, Santa Ynez, Goleta, Santa Barbara, Montecito and Carpinteria).

Over the past several years, the CA Department of Water Resources (DWR) and State Water agency participants negotiated long-term water management tools to better manage State water. With the exception of Santa Barbara County, all the major State water contractors statewide signed on to the new water management tools.

Decades-old rules were inefficient and complicated. The new ones are designed to improve the flexibility and efficiency of buying and selling water between SWP Contractors, creating a robust transfer market. The new tools modernize and streamline water exchanges to allow the cities and water districts to better manage their water supplies for the benefit of their customers, especially as needed to address drought/climate challenges.

Of the 29 public water agencies representing 27 million Californians that make up the State Water Project, Santa Barbara County was the significant holdout that decided to impose its own restrictions that frustrate the benefits of the new water management tools.

In April 2021, the County Board of Supervisors adopted policies that usurped authority from the CCWA and its member cities and water districts to make essential State Water management decisions regarding temporary water transfers and sales to other State Water partners across the state. It is this decision that CCWA is now challenging.

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