



Welcome to

Goleta Water District News

SPRING/SUMMER 2011



We are committed to sensible management of District water resources, infrastructure, and finances to meet the water needs of our customers today and in the future.

GENERAL MANAGER'S MESSAGE –

A Stable Future for Your Water District

If you've been reading the paper and our mailings, you know that the District recently moved to increase water and meter rates, after four years of no changes. A sixteen percent increase goes into effect July 1, 2011, with smaller increases over the next four years. A summary of our process for coming to this difficult decision is on page 2. A detailed rate sheet may be found on our website, www.GoletaWater.com.

This decision was reached only after the District took major steps during the past fiscal year to significantly reduce and defer costs. Once the rate proposal was developed, it was sent to all customers in a special, three-page mailing. The rate proposal was discussed at multiple public workshops with our Board starting in January. Important to note, our new rates remain well within the range of other local communities—Santa Barbara, Montecito and Carpinteria—and after the new rates go into effect, your water will still cost less than a penny a gallon.

I have been at the District for about a year and a half, having been selected by the District's new Board to serve as General Manager. The Board and I inherited an agency with very large and rising fixed costs for water supplies that we have little control over and incur each and every year. Next year, we expect these costs to increase to \$7.4 million for voter-approved State Water and \$2.5 million for Lake Cachuma water. In total, securing these water supplies represents a significant ongoing portion of our \$23 million annual operating budget.

We also inherited a District that had put off important infrastructure work and whittled reserves down to next-to-nothing, an obviously perilous position for your water system to be in. We have delayed essential projects as long as possible and have operated without the safety net of needed reserves. This is a situation we must correct and why the new rates are now essential.

Another type of expense is our payroll. During my tenure as General Manager, District staffing levels have remained fixed and are in fact lower than in years past. I have replaced retiring department heads with new professional managers, earning salaries within the same pay range as their predecessors, and well within industry standards. We are a much larger district than others on the South Coast, and we serve a greater geographic area, a larger population, and a more diverse customer base. In fact, our workforce-to-customer ratio is one of the leanest for retail water districts in California. This means, we do more with fewer people.

All of us at the District work very hard for you. Our most fundamental obligation to our customers is to be sure that the District is on solid footing and able to continue bringing high quality water to you every day. I believe the decision on rates makes it possible for us to move forward in this way, so that you will always have a stable and strong District serving you.

John McInnes

General Manager



ENSURING RELIABLE, QUALITY WA

One of the District's most important responsibilities is keeping our community's water system reliable and safe. We do that through long-range planning, proactive maintenance, extensive staff training programs, and so

New Rates and Charges Will Fund Critical Investments in Your Water Supply System

Like most water agencies in California, the District has seen revenues fall in the past two years. The economic downturn and reduced water usage because of abundant rains have combined with increasing costs to put the squeeze on municipal water budgets up and down the state. Forecasting the impact of these factors on our operating budget, District management began to aggressively reduce roughly \$3 million in costs by deferring capital improvement projects, refinancing debt, and minimizing expenditures.

Before even looking at water rates, the District reduced expenditures by \$3 million.

However, even after these cuts, a longer term solution was needed. Accordingly, in 2010, the District began analyzing its rates and charges through a Cost of Service Study and 5-Year Financial Plan. Prepared with the assistance of expert consultants, this plan illustrated the need for additional revenue to keep the District on a sound financial footing. The District engaged the public

in an ongoing conversation about these revenue issues, including:

- Holding 24 public meetings of Board Committees, 3 Public Workshops with the full Board and dozens of smaller meetings with stakeholders and customers to review study findings and discuss solutions.
- Launching a special section of our website dedicated to providing information on the study and receiving customer comments.
- Actively working with the local media to get the word out about our efforts, which resulted in numerous news stories detailing the District's proactive planning for the future.

After weighing options and receiving public input, the Board of Directors voted on June 1, 2011 to increase water rates and meter charges on a sliding scale over time, starting at 16% the first year. New rates take effect July 1, 2011. The Board also approved an increase in the New Water Supply Charge, which is a one-time fee paid by those applying to the District to develop a new water use on a property. This charge, which reduces the burden on existing customers, will be adjusted in steps over a three year period.

Increased revenues will be invested in the District's water system, funding the operational improvements and maintenance necessary to keep our high quality water delivery system in excellent shape into the future.



Water District workers replacing a valve.

Maintenance is a big job on a \$700 million system!

270 miles of pipeline, 8 reservoirs, 9 pump stations, 23 pumps, 5,768 valves, 16,600 meters, 1,366 hydrants, 6 production wells, and Corona Del Mar Water Treatment Plant.

WATER SERVICE

safe for our customers.
sound financial management.

**From Hydrology to Engineering,
Conservation to Laboratory Tests, and More**
*365 days a year, 7 days a week, 24 hours a day, District
employees are working to ensure your water system is secure,
reliable, and there when you need it.*

DID YOU KNOW?

- Our chemist and State certified water quality experts perform thousands of laboratory tests every year to ensure that the 4 billion gallons of water we distribute each year meets high quality standards.
- Our field crews perform at least 100 system repairs each year to maintain the integrity of the water distribution infrastructure.
- Our engineering and management teams maintain long-range maintenance and upgrade programs to keep our system operating around-the-clock and cost-effectively.
- Our water conservation staff performs dozens of site visits and makes hundreds of customer contacts promoting conservation and efficient use of water resources.
- Our safety team and entire staff perform so well that they earned a \$90,000 rebate from our insurance provider for avoiding accidents, keeping costs down and protecting employee health.



At work in the GWD water quality lab.

DISTRICT WATER SUPPLY MANAGEMENT PLAN APPROVED

On April 12, 2011, the Board of Directors approved a comprehensive blueprint for managing the District's four primary water supplies: Lake Cachuma, groundwater, State Water, and recycled water. The Water Supply Management Plan establishes a foundation for prudent planning of water resources to ensure the reliability and dependability of supplies during both drought and normal conditions.

The Plan determined that Goleta's supplies exceed current demand under normal conditions and are equal to demand when averaged over a multi-year drought period. However, in the driest single year of a drought, there could be about a 7% shortfall in supply at today's demand level.

Long term, the Water Supply Management Plan projects that there would be sufficient water to meet demand (under normal conditions) for the next 20 years. However, greater supply shortfalls could be experienced during times of drought, underscoring the importance of conservation and efficient water management now and into the future. The bottom line remains the same: Every drop counts!

*Lake Cachuma, the District's
primary water source.*



LEARN MORE at www.GoletaWater.com



GOLETA WATER DISTRICT

4699 Hollister Avenue
Goleta, CA 93110-1998
805-964-6761
www.GoletaWater.com

Visit Our Website

www.GoletaWater.Com is a great resource:
Water-Wise Landscaping Tips and Planting
Resources | Board Meeting Details, Agendas And
Minutes | Information About Rates | Water Quality
and more...

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GOLETA WATER DISTRICT

For water conservation, rebates, information and a complete database of water wise gardening plants and techniques, visit our website: www.goletawater.com/conservation/

Smart Planning for Cost Effective and Sustainable Service

EARTH DAY EVENT HELPS RESIDENTS SAVE WATER

On April 16 and 17, the District participated in the annual Santa Barbara Earth Day event. Our Earth Day display booth focused on water wise landscaping.

Our staff promoted the **Smart Landscape Rebate Program, which provides a rebate of up to \$1,000** to offset the cost of establishing a low water-use landscape.

To help customers get started, **the District distributed almost 400 small succulents**, which were propagated using clippings from the District's demonstration garden.



Free succulents were offered at the District's Earth Day booth.

Goleta Water District's booth on Earth Day 2011.

OCEAN FRIENDLY GARDENS ARE WATER SAVERS...

The District is pleased to announce **Surfrider Foundation's Ocean Friendly Gardens program**, because what's good for the ocean is good for the water supply. This program focuses on strategies to conserve water and reduce urban runoff into the ocean through conservation. The Ocean Friendly Garden program consists of a series of workshops, site visits, and hands-on training.

LEARN MORE

Visit the Ocean Friendly Garden website at ofg.surfrider.org



Board Meetings

The District's regularly scheduled Board of Directors meetings are at 5:30 p.m. on the second Tuesday of every month. The public is always welcome.