

1. INTRODUCTION

This report regarding the Santa Maria Valley Water Conservation District was prepared by the Santa Barbara Local Agency Formation Commission (“LAFCO”) in accordance with Section 56430 of the California Government Code. It responds to the requirement that LAFCO conduct a Municipal Service Review (MSR) to study the delivery of municipal services and update spheres of influence.

The MSR evaluates services provided by the District and issues regarding its sphere of influence. MSR Guidelines prepared by the State Office of Planning and Research were referred to in developing information, performing analysis and organizing this study.

This report describes service delivery and related issues for LAFCO to consider and presents determinations as required by law. The decision to approve or disapprove any determinations or policies rests entirely with the Commission.

Written determinations regarding the MSR and sphere of influence update are provided for the Commission’s consideration. This report is an informational document and does not substitute for discretionary decisions that can only be made by the Commission.

This Report is subject to reconsideration and revision as directed by the LAFCO staff or by the Commission during the course of its deliberations.

2. MUNICIPAL SERVICE REVIEW

Description of District

The Santa Maria Valley Water Conservation District was created on February 23, 1937 and operates under provisions of the California Water Conservation Law of 1931, Water Code Section 74000 et seq.

The District overlaps the northern Santa Maria Valley in Santa Barbara County and extends slightly into San Luis Obispo County. It reaches west from the Sisquoc area, northeast of Orcutt above the confluence of the Sisquoc and Cuyama Rivers almost to the Pacific Ocean. The District includes the Cities of Guadalupe and Santa Maria.

The United States Bureau of Reclamation owns and the District operates and maintains (O&M) Twitchell Dam and Reservoir, which are actually outside the District boundaries on the Cuyama River northeast of the City of Santa Maria. Water produced by the Dam is managed by the District for water conservation and flood control. These services are the main purpose and function of District operations, and paramount in providing for the groundwater and flood control needs of the citizens of the Santa Maria Valley.

The District is governed by a seven-member board of directors, which is elected by division. The District Secretary is responsible for administrative functions and the Operation & Maintenance Director oversees Dam operations.

The District's boundaries and sphere of influence are coterminous. A map of the District and its sphere is included.

District Services

The District provides water conservation, groundwater basin recharge and flood control services. It operates Twitchell Dam and Reservoir, which were constructed to provide flood control and storage for groundwater recharge, and for purposes of irrigation, domestic, salinity control, municipal, industrial and recreational uses as provided in the water right license for the Twitchell Project. By utilizing the Dam to regulate the water flow from the Cuyama River, the District can reduce impacts on the Santa Maria Valley Flood Control levy system. Water is held during periods of high flow and released after the Sisquoc River recedes. Twitchell water is prevented from discharging directly to the Pacific Ocean.

Originally known as the Santa Maria Project, construction of Twitchell Dam by the Bureau of Reclamation was authorized by Congress in 1954. Operations and maintenance responsibility passed to the District with a 1956 contract between the Santa Barbara County Water Agency (SBCWA) and the Bureau of Reclamation and a related contract between SBCWA and the District.

In 1997 District voters approved a measure creating Improvement District No. 1 to conduct groundwater management planning. Because the Cities of Guadalupe and Santa Maria and the town of Sisquoc do not participate in the District's Groundwater Management Plan, lands in those areas have not been assessed for the Improvement District No. 1 activities. The special assessment levied for Improvement District No. 1 is not to exceed a period of 10 years and therefore, new assessment authority will be required after 2007.

The purposes of Improvement District No. 1 are to study and ascertain the hydro-geologic characteristics of the Santa Maria groundwater basin, relevant technical facts concerning the basin, and the extent of rights to extract groundwater from the basin.

Groundwater litigation between the District, Cities of Guadalupe and Santa Maria, the California Cities Water Company and numerous landowner parties has been ongoing since 1997. Certain of the parties have reached a proposed stipulated judgment. However, at this juncture the proposed stipulated judgment has not been entered by the court. The final phase of the trial court proceedings will commence in June 2006.

As currently proposed under the stipulated judgment, the Twitchell Management Authority would be a committee formed to administer the relevant provisions of the stipulation regarding the Santa Maria Valley Management Area. The Twitchell Management Authority would be comprised of one representative of each the City of Santa Maria, the City of Guadalupe, Southern California Water Company, the District, and Overlying Owners holding rights to Twitchell Yield, the total amount of groundwater allocated annually to the stipulating parties. The Twitchell Management Authority is not a public entity subject to the jurisdiction of LAFCO; rather, it is a committee established under the jurisdiction of the court.

As the monitoring party for the Santa Maria Valley Management Area, the Twitchell Management Authority would administer a monitoring program to determine land and water uses in the basin, sources of supply to meet those uses, groundwater conditions including groundwater levels and quality, the amount and disposition of developed water supplies and the amount and disposition of any other sources of water supply in the basin. Each year, the Twitchell Management Authority would accept public comments on and consider for adoption an annual report prepared by a management area engineer and submit the adopted annual report along with its recommendations to the court. The Twitchell Management Authority would also work with the District to develop an integrated operation and maintenance procedure manual for the Twitchell Project and provide recommendations for capitol and maintenance projects that are consistent with the operational parameters set forth in the proposed stipulation.

Other Governmental Agencies within the District

Local agencies that overlap the District include City of Guadalupe, City of Santa Maria, Cachuma Resource Conservation District, County Service Area 32 (Law Enforcement), Guadalupe Lighting District, Mosquito and Vector Management District of Santa Barbara

County, Santa Barbara County Fire Protection District, Guadalupe Cemetery District, and Santa Maria Cemetery District.

In addition to the agencies in northern Santa Barbara County, the District overlies a portion of San Luis Obispo County and the Nipomo Community Services District.

3 . M S R D E T E R M I N A T I O N S

Infrastructure Needs and Deficiencies

Originally Twitchell Reservoir had a storage capacity of 240,000 acre-feet with 89,000 acre-feet of the total storage capacity allocated to flood control. The remaining 151,000 acre-feet was dedicated to Active Conservation Storage. Silt deposits have reduced the storage allocation by about 41,000 acre-feet.

Although Twitchell Dam is currently in good condition, at some point in the future there may be a need for structural dam repairs, removal or management of accumulated silt in order to restore storage capacity. The District should develop a long-term master plan and capital improvement program for the dam's future.

Growth and Population Projections

The District provides services regardless of growth and economic development and does not directly charge water users for its services. Its annual funding is derived from a portion of the property tax generated within the District and in Improvement District No. 1 on a fixed cost per acre basis.

The District's services do not directly affect the rate or location of residential or other urban development.

The natural subsurface basin boundaries for the District have never been conclusively determined through scientific or engineering calculations or studies. Irrespective of governmental boundaries, water will flow into the groundwater basin containment. The District's function is to prevent excessive surface water discharge to the ocean and to prevent saltwater intrusion through effective groundwater recharge.

The trial court has determined that the Santa Maria Groundwater Basin is not in overdraft and the proposed stipulated judgment reflects this. The terms and conditions of the proposed stipulation are intended to impose a physical solution establishing a legal and practical means for ensuring the basin's long-term sustainability. The physical solution would govern groundwater, State Water Project water and storage space, and is intended to ensure that the basin continues to be capable of supporting all existing and future reasonable and beneficial uses. The groundwater, State Water Project water and storage space would be allocated and managed in the Santa Maria Valley Management Area, with a court-approved monitoring program and annual reports established to collect and analyze data regarding water supply and demand conditions.

Monitoring and reporting of changes in land and water use and demographic conditions are necessary to ensure that water supplies continue to be sufficient to support water uses.

Financing Constraints and Opportunities

Property taxes and Special Assessments are the District's primary revenue sources. Consequently, the District could be impacted by changes in the State's allocation of property taxes and/or modifications to the provisions of Proposition 13.

Through FY 2003-2004, District budgets provided for annual dam and reservoir operations and maintenance, debt repayment and groundwater management planning. A small emergency reserve fund with \$25,000, the minimum amount legally allowed, was maintained.

In FY 2003-2004, the District completed repayment of the 40-year Bureau of Reclamation construction loan. Starting in FY 2004-2005, the District began authorizing \$180,000 annually to pay for maintenance of the dam structure and grounds. In addition, \$100,000 was allocated for watershed planning and \$200,000 to the emergency fund on a one-time basis.

Completion of a long-term master plan as outlined in the stipulated judgment for Twitchell Dam and Reservoir will allow the District and the Twitchell Management Authority to determine whether the current \$180,000 annual funding level is sufficient to finance needed dam maintenance. The proposed stipulated judgment provides for the Twitchell Management Authority's development of an integrated operation and maintenance procedure manual for the Twitchell Project and its recommendations for capital and maintenance projects that are consistent with certain operational parameters.

Cost-Avoidance Opportunities

The District has reduced costs through competitive pricing for all large purchases. There are no other obvious cost avoidance opportunities.

Opportunities for Rate Restructuring

There are no obvious opportunities for rate restructuring in the operations of the District.

Opportunities for Shared Facilities

There are no obvious opportunities for shared facilities in the operations of the District.

Government Structure Options

Although the formation of the Twitchell Management Authority is not within LAFCO jurisdiction, it provides an opportunity for the District to combine resources to better serve the long term needs of the community.

Management Efficiencies

Given the limited resources of the District, it has historically performed well. However, the future may require additional resources and a longer view of operational needs. The Twitchell Management Authority’s administration of a monitoring program for the Santa Maria Valley Management Area and its development of an integrated operation and maintenance procedure manual for the Twitchell Project with the District, will enhance the efficient allocation and management of water resources.

Local Accountability and Governance

The seven-member Board of Directors is elected by and accountable to voters residing in their respective Divisions. Meeting agendas are posted in two public places and are available by request to interested parties by email, as are meeting minutes.

4. SPHERE OF INFLUENCE REVIEW

Description of Current Sphere of Influence

The District’s boundaries and sphere of influence are coterminous.

No Proposed Sphere Changes

In response to the MSR Request for Information, the District responded as follows:

Do you feel that your agency’s boundary is correct at this time? Yes.

Are there areas your agency desires or plans to serve that are not now within is boundaries or its sphere of influence? No

Are there areas your agency currently serves that might be served more efficiently by another agency? No

Sphere of Influence Determinations

Inasmuch as no changes in the sphere of influence are proposed at this time it is not necessary for the Commission to adopt or approve any determinations.

5. ACKNOWLEDGEMENTS & REFERENCES

The Santa Barbara LAFCO staff, with assistance from LAFCO consultant Pam Cosby, prepared this Municipal Service Review. Responsibility for any errors or omissions rests with those who prepared the report.

The Santa Maria Valley Water Conservation District provided the basic information and documents upon which the evaluation is based. The District Secretary, Debi Askew and the Board President, Arthur Tognazzini, were instrumental in providing data.

Mapping services were provided by JDL Mapping.

Available Documentation

The "Request for Information for Municipal Service Reviews" submitted by the District and the supporting documents referred to therein are available in the LAFCO office.

6 . R E C O M M E N D A T I O N S

In consideration of information gathered and evaluated during the Municipal Service Review it is recommended the Commission affirm the current Sphere of Influence and that it not be expanded or revised at this time.