Notice of Availability

City of Santa Barbara

Water Supply Management Report

Draft: November 24, 2026

The draft of the City's annual Water Supply Management Report is available for public review and comment. The draft can be viewed on-line at: SantaBarbaraCA.gov/water

The document is tentatively scheduled to be reviewed by the City Council at its regular meeting on December 15, 2026. Comments are requested by December 14, 2026, and should be submitted to:

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Draft: November 24, 2026

City of Santa Barbara

Water Supply Management Report

Water Year 2025-2026

Prepared by Water Supply & Services Division, Water Resources Department

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Introduction

The City of Santa Barbara operates the water utility to provide water for its citizens, certain out-of-City areas, and visitors. Santa Barbara has an arid climate, so providing an adequate water supply requires careful management of water resources. The City has a diverse water supply portfolio, including local reservoirs (Lake Cachuma and Gibraltar Reservoir), groundwater, State Water Project water, desalination, and recycled water. As a condition of participating in the Central Coast State Water Project Extension, the City is required to show compliance with the City's water management plan, provide reasonable estimates of total supplies available, report on groundwater basin water conditions, and describe expected water use for the next water year[1]. The City's Enhanced Urban Water Management Plan (EUWMP) was adopted by City Council on June 29, 2021. It detailed the City's water supply and management strategy for the next 30 years and updated the Long-Term Water Supply Plan (LTWSP), the City's guiding water supply planning document. The 2025 Urban Water Management Plan (UWMP), adopted by Council on June 16, 2026, updated water demand projections found in the 2020 EUWMP, and addressed new requirements and regulations while aligning with the City's LTWSP.

This annual report summarizes the following information:

- The status of water supplies at the end of the water year (WY), September 30, 2026
- Water supply outlook
- Water conservation and demand
- Major capital projects that facilitate the City's ability to provide reliable, safe drinking water
- Significant issues that affect the security and reliability of the City's water supplies
- Groundwater management
- Current groundwater conditions

Water Supplies

The City has one of the most diverse water supply portfolios in the state, including local surface water; local groundwater (which includes water that seeps into Mission Tunnel); State Water Project (SWP) water; desalinated seawater; and recycled water. The City also considers water conservation an important tool for balancing water supply and demand. Typically, most of the City's demand is met by local surface water reservoirs, desalination, and recycled water, and is augmented as necessary by local groundwater and SWP water.

The City's local surface water comes from Gibraltar Reservoir and Lake Cachuma, both located in the upper Santa Ynez River watershed. The inflow to these reservoirs is rainwater, so rainfall data

[1] Resolution of the Central Coast Water Authority Approving Settlement Agreement and Adopting Condition, Central Coast Water Authority Resolution No. 92-11, (1992).

for Gibraltar Reservoir has important water supply management implications. Figure 1 shows rainfall for the past ten years as compared to the 10-year average. Rainfall at Gibraltar in WY 2026 was 39.93 inches, approximately 32% above the 10-year average.

Figure 1. 10-Year Rainfall History at Gibraltar Reservoir

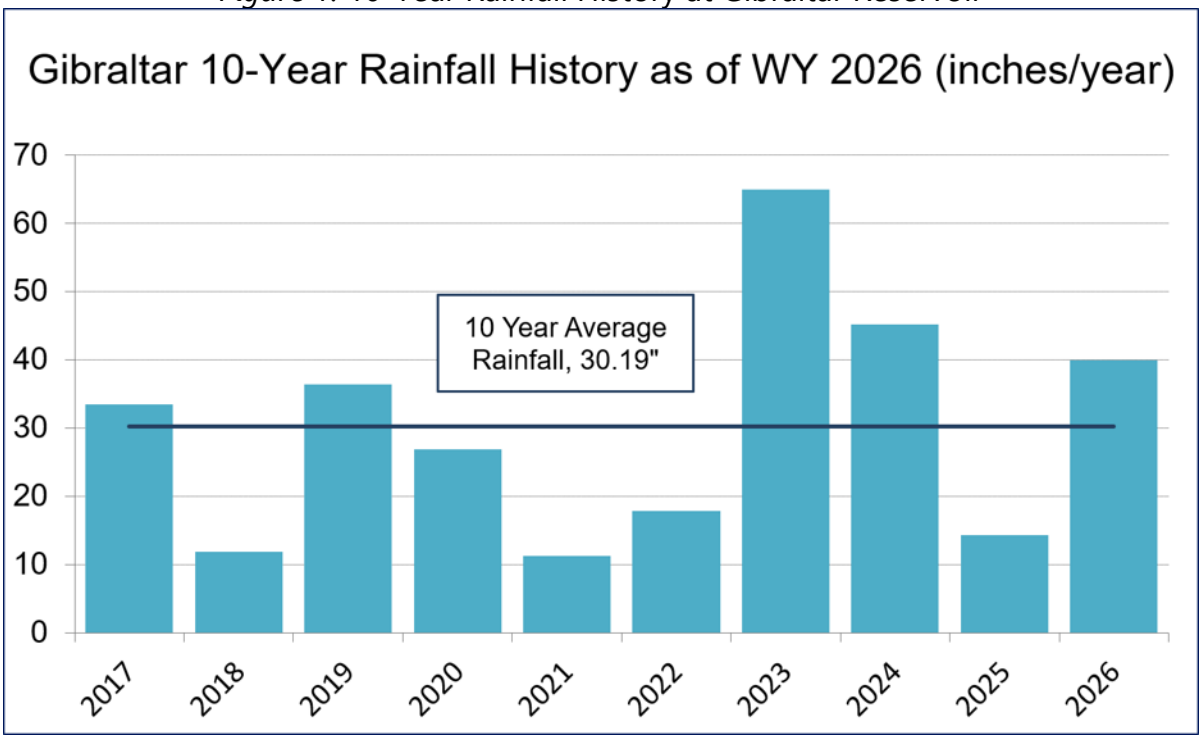
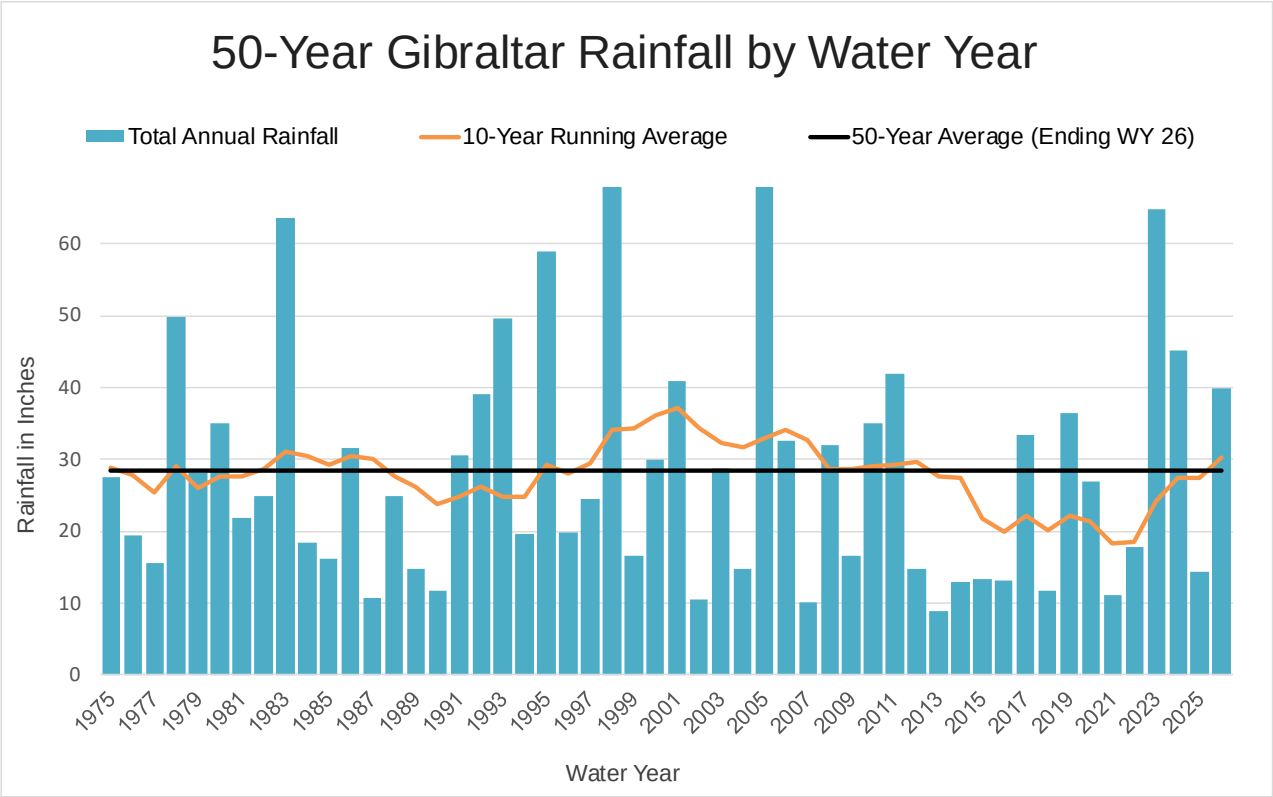


Figure 2 provides additional historic rainfall information by showing 50 years of rainfall data, the 50-year average rainfall, and a 10-year running average rainfall. Rainfall in the Santa Ynez River watershed during WY 2026 as measured at Gibraltar was 40% greater than the 50-year rainfall average, with most of the rain falling in November and December. Runoff generated by average rainfall is generally enough to fill Gibraltar; however, it typically takes above-average rainfall to produce any significant inflow to Cachuma. Gibraltar Reservoir spilled from December 24, 2025, through May 13, 2026. The above average rainfall also caused Cachuma's Bradbury Dam to spill on December 31, 2025, and the City lost approximately 21,000 AF of stored carryover water. The dam continued to spill, and surplus conditions remained through March 20, 2026. While in surplus conditions, all Cachuma water used by Cachuma Member Units is not deducted from the current year's water allocation and the City utilized 955 AF of surplus water.

Figure 2. 50-Year Gibraltar Rainfall by Water Year



To enhance rainfall, the City has historically participated in the cloud-seeding program administered by the County of Santa Barbara. Cloud seeding was not needed in fiscal year 2026 as the region maintained adequate water supplies due to very wet winters in WYs 2023 and 2024. The City does not plan to participate in cloud seeding during fiscal year 2027 because enhanced rainfall could increase the likelihood of Cachuma spilling and the loss of Member Units' stored carryover water.

Figure 3 below shows the total AF provided by each of the City's water supply sources. Total water supplied in WY 2026 is 12,412 AF; this is inclusive of all water sales or transfers to adjacent water purveyors, potable water transfers to the recycled water system for blending, and groundwater recharge, which total 1,945 AF.

Figure 3. WY 2026 Supply Sources and Total AF Supplied

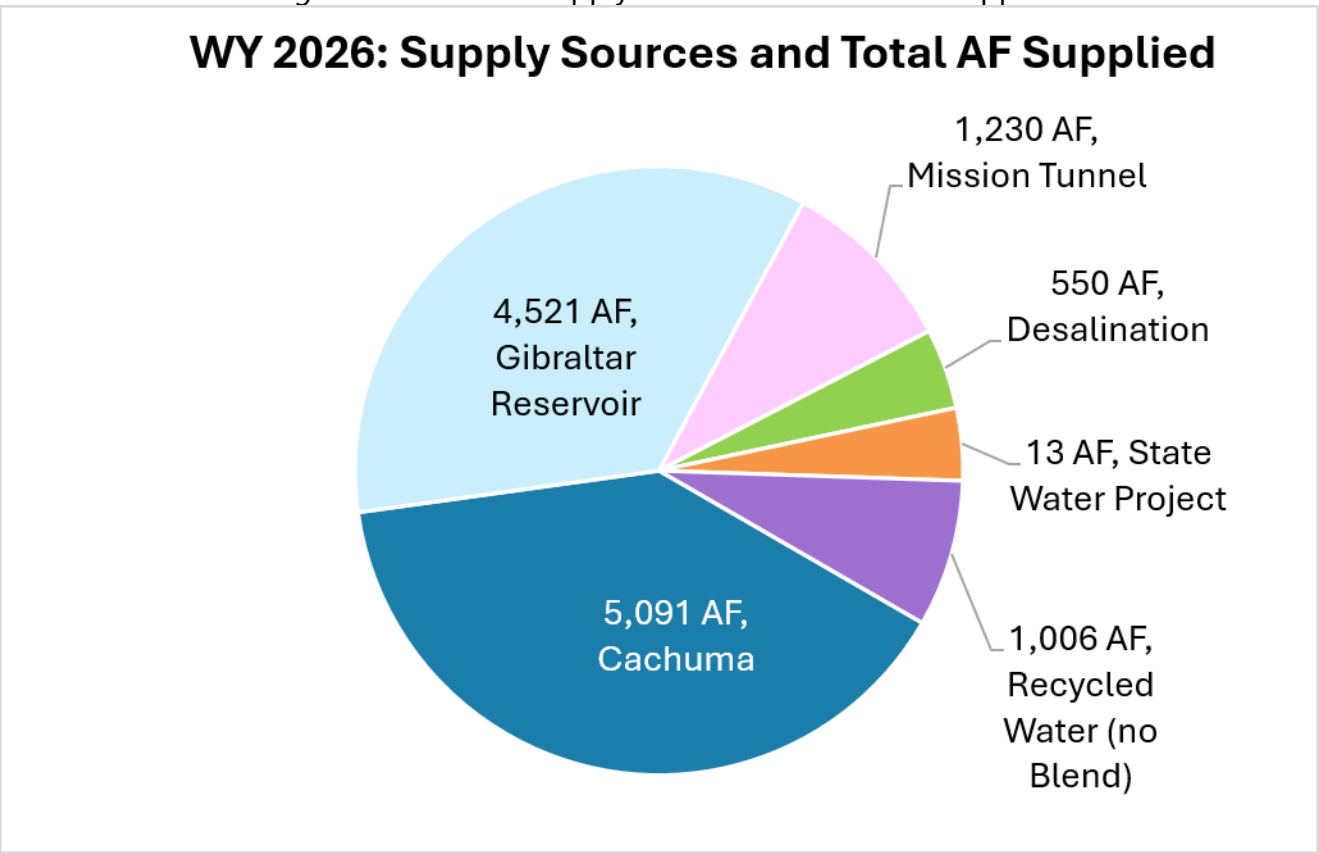


Figure 4 summarizes the supply status of each of the City's water supply sources and provides more details about the amount used to meet demands in WY 2026. The recycled water number shown includes 258 AF of process water at El Estero Water Resource Center (El Estero). Additionally, the recycled system demands were supplemented with 134 AF of potable blend water while Cachuma was in surplus conditions, which reduced chemical and energy costs.

Figure 4. Summary Table Showing Status and Use of City Water Supplies for WY 2026.

Source of Supply	**Supply Status (as of September 30, 2025)**	**WY 2026 Actual Production**
Gibraltar Reservoir and Devil's Canyon Creek	Total Capacity: 4,490 AF (September 2024 survey) End of Year Storage: 1,199 AF (26% of Total Capacity)	4,521.3 AF 36% of total water supply
Lake Cachuma[2]	Total Capacity: 192,978 AF (2021 capacity revision surcharged to 753 feet spill elevation for fish release water) End of Year Storage: 165,053 AF (86% of total capacity)	5,091.3 AF 41% of total water supply
Mission Tunnel	10 year average infiltration is 1,077 AFY	1,230.4 AF 10% of total water supply
State Water Project	Total Allocation for City: 3,300 AF "Table A" WY 2026 Allocation: 45%, 1,485 AF	13 AF, <1% of total water supply
Desalination	Total Plant Capacity: 3,125 AF	550 AF 4% of total water supply
Groundwater	Sustainable Yield (AFY): Foothill Basin: 270 (City portion of basin) Storage Unit 1: 700	0 AF, 0% of total water supply
Recycled Water	n/a	1,006 AF, 8% of total water supply
	Total Production	12,412 AF
Net Other Supplies[3]	n/a	-1,989 AF
	Total Production for City Use (subtracts net other potable supplies)	10,423 AF

[2] Note that the City receives an approximate 300 AF annual transfer from Montecito Water district per the Juncal Dam Water Exchange Agreement of 1928; the annual transfer is added to the City's Cachuma Project balance.

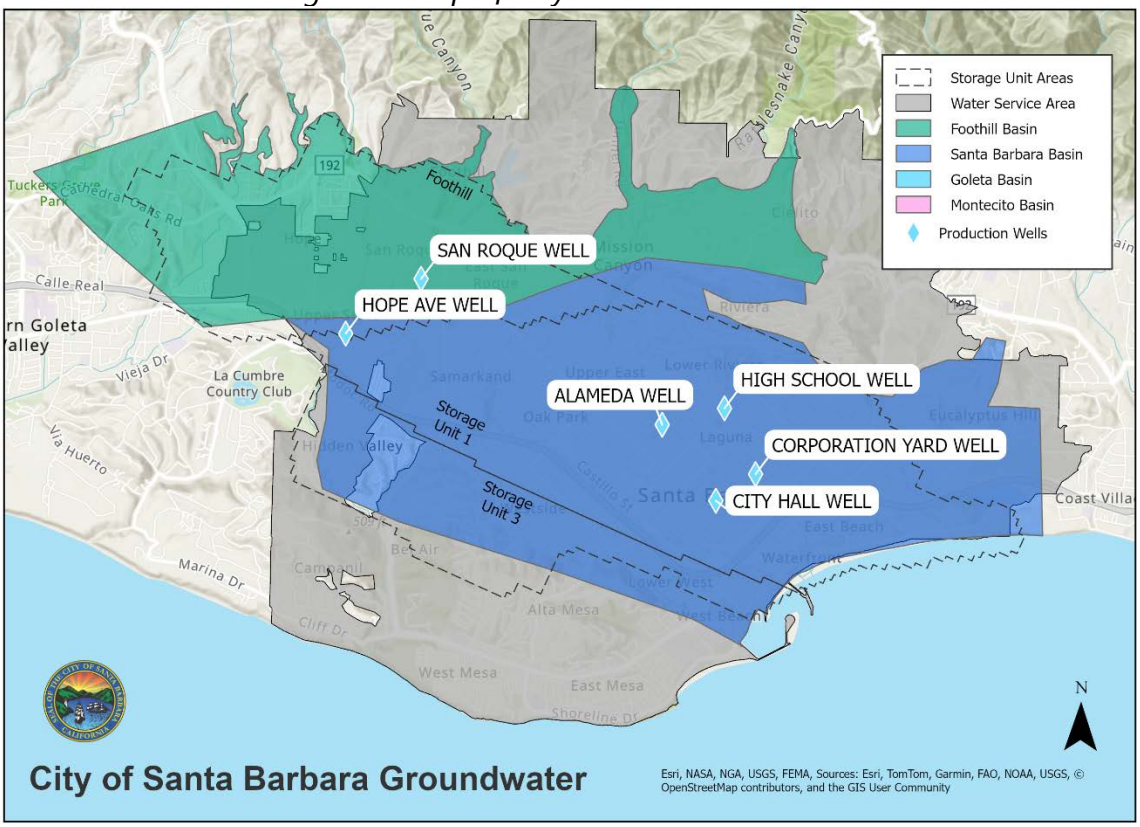
[3] Production water used from the distribution system for purposes such as sales or transfers to adjacent water purveyors, potable water transfers to the recycled water system for blending, or groundwater recharge (negative values).

Groundwater Management

The City's groundwater basins are relatively small, but groundwater has played an important role in meeting demand during drought and emergency periods. Located on the southern side of the Santa Ynez Mountains, groundwater and desalination are the City's only existing potable water supplies that are truly local. This is important in case of a potential catastrophic interruption of one or both tunnels (Tecolote Tunnel and Mission Tunnel) that convey water supplies to the City through the Santa Ynez Mountains, such as in a seismic event.

The City relies on two groundwater basins for water supply: the Foothill Basin and the Santa Barbara Basin, which is comprised of Storage Units I and III. The City maintains six groundwater wells – four in Storage Unit I, and two in Foothill. Figure 5 depicts the groundwater basins and City groundwater wells.

Figure 5. Map of City Groundwater Basins



In 2014, the State of California adopted the Sustainable Groundwater Management Act (SGMA). In addition, the State developed rankings of recognized groundwater basins based on their condition. For State-ranked "high" or "medium" priority basins, SGMA requires the formation of a local groundwater sustainability agency (GSA) and adoption of locally based management plans. The City's groundwater basins are currently ranked by the State as "very low" priority and

the City is not required to form a GSA or develop a groundwater management plan to comply with SGMA. However, the EUWMP made two recommendations regarding groundwater management in the City:

1. The City should work with the United States Geological Survey (USGS) to update the City's sustainable yield estimate and drought storage estimate for the Foothill Basin and Storage Unit I.

2. The City should prepare an annual report on the current basin conditions to inform annual water supply planning efforts. The City could consider creating a Groundwater Sustainability Plan (GSP) in accordance with SGMA, or an equivalent GSP that meets the City's needs, but is outside of SGMA compliance and reporting requirements.

The City contracted USGS from 2022-2025 to analyze and better define sustainable yield and drought storage. USGS developed Excel dashboards[4] for each basin that display modeled output based on the City's management goals. The management goal for Foothill basin is to utilize groundwater resources while not depleting the basin. The management goal for SU1 is to utilize groundwater resources without causing sea water intrusion. When managed to meet these goals, the City's groundwater resources can be utilized sustainably. The City's share of sustainable yield for Foothill basin was determined to be 272 acre-feet (AF) per year[5] and the sustainable yield for SU1 basin is 700 AF per year. Per the EUWMP, the City currently conjunctively manages its groundwater, increasing groundwater pumping during periods of drought to replace diminished surface water sources and ceasing groundwater pumping when surface water sources are abundant. With a better understanding of the annual sustainable yield for each groundwater basin, there is an opportunity to utilize groundwater each year as part of the City's baseline water supply, along with surface water, desalination and recycled water. Staff are evaluating how to sustainably utilize groundwater as part of a long term water supply management strategy.

Current Groundwater Status

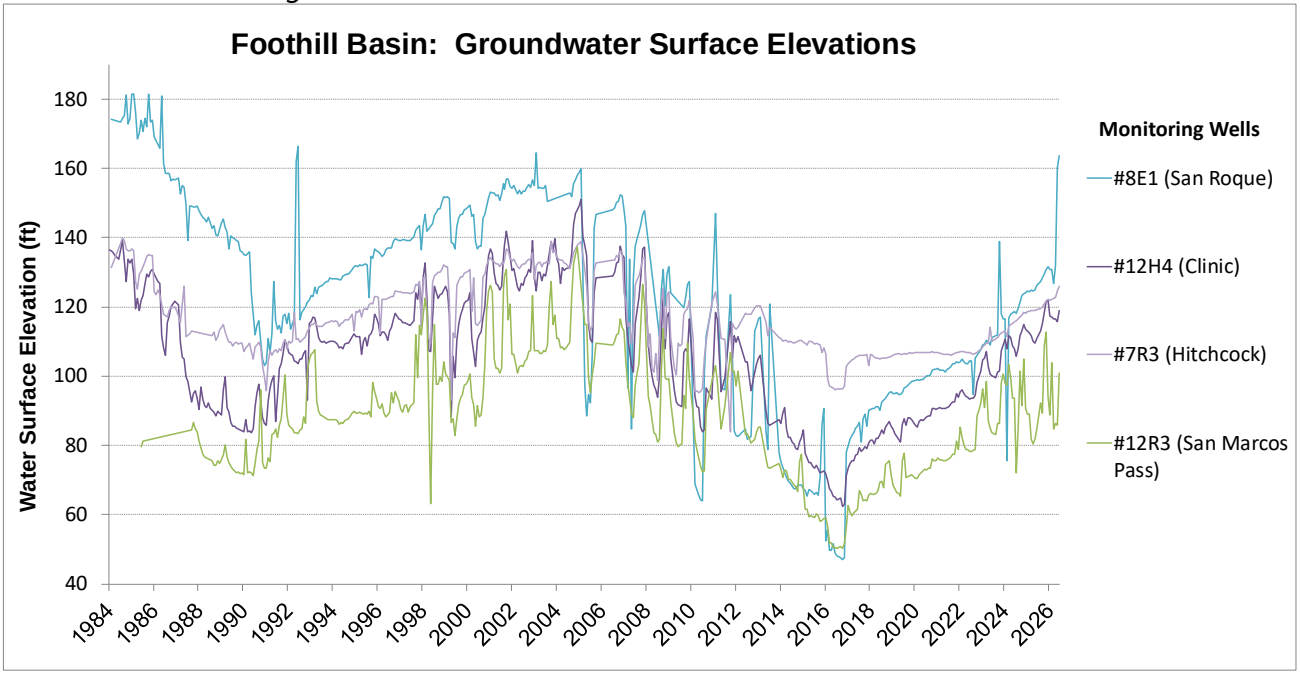
As a condition of participating in the SWP, the City is required to utilize SWP water to offset any demonstrated groundwater basin overdraft before using SWP for other purposes. The City works with USGS to monitor water levels and water quality of the groundwater basins. Current water levels for Foothill Basin are close to 2010 (pre-drought) levels, as shown in Figure 6. The City received an Aquifer Storage and Recovery (ASR) permit in March 2026, from the California State Water Resources Control Board (State Board). The ASR permit allows the City to inject potable water into the Foothill Basin at San Roque Well. Injections began in July 2026 and totaled 92 AF

[4] Stanko, Z.P., and Jachens, E.R., 2025, Santa Barbara Post-Optimization Scenarios: U.S. Geological Survey data release, https://doi.org/10.5066/P14SVJUP

[5] The City shares Foothill basin with La Cumbre Mutal Water Company, which can pump up to 300 AF per year. Per City Agreement No 16,838 Ordinance No. 4800, 1993, Water Conveyance Agreement (State Water Project Water) City of Santa Barbara – La Cumbre Mutual Water Company.

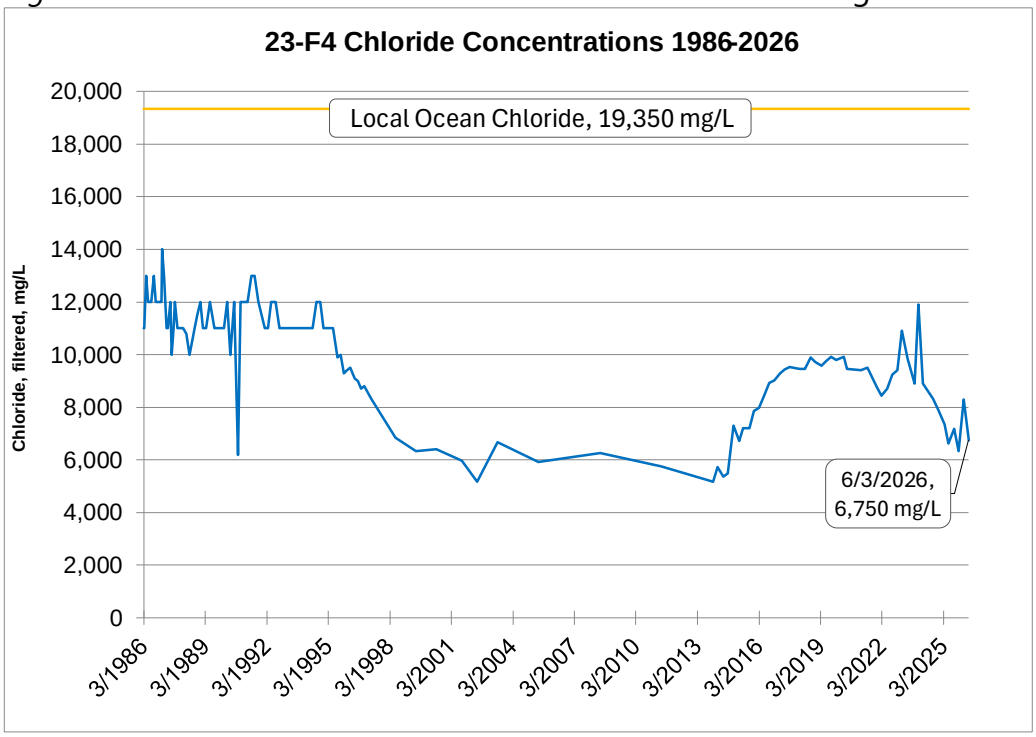
for WY 2026.

Figure 6. Foothill Basin Groundwater Surface Elevations



Pumped groundwater levels recover quickly in SU1. The primary groundwater management concern in SU1 is sea water intrusion. Groundwater monitoring wells are sampled for chloride (Cl) concentrations. Monitoring well 23-F4 is the closest groundwater monitoring well to the ocean and is showing a decreasing trend in Cl level concentrations, see Figure 7.

Figure 7. Chloride Concentrations at Groundwater Monitoring Well 23-F4



In 2018, USGS modeled SU1 and Foothill Basins using a 10-year drought period to find the maximum drought yield[6]. Drought yield is an important management tool for the City, since it represents the maximum groundwater that could be pumped from the basin in case of a long-term drought. Figure 8 shows the 10-year drought yield (established by the 2018 USGS study) and the 10-year actual pumping total. The City is the primary groundwater producer in SU1, while the City shares Foothill Basin with La Cumbre Mutual Water Company (LCMWC). From WY 2017 through WY 2026 the City pumped a total of 444 AF and LCMWC pumped a total of 2,060 AF.

Figure 8. 10-year Drought Storage and Actual Groundwater Production

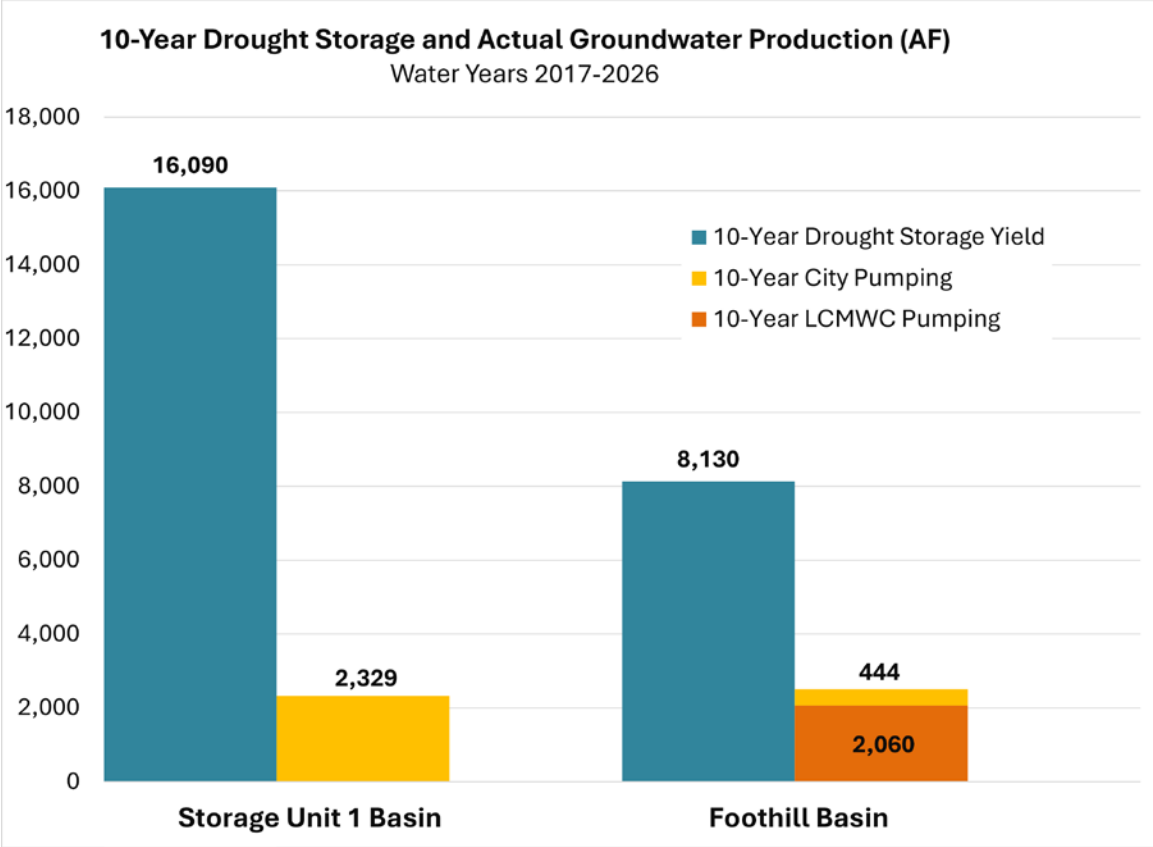
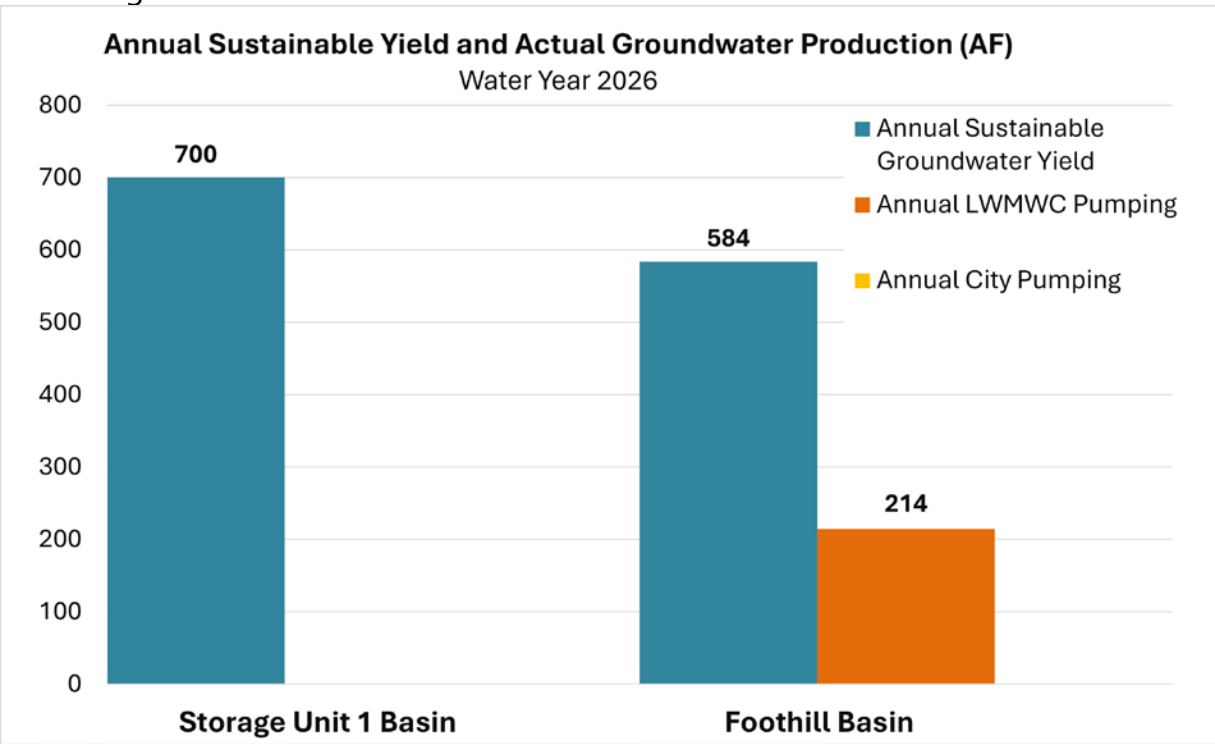


Figure 9 shows the annual pumping yield established by the 2025 USGS study and Total Groundwater production for WY 2026. Groundwater production is less than the drought yield, and WY 2026 groundwater production is less than the sustainable yield for each basin. SU1 and Foothill groundwater basins are not in an overdraft condition.

[6] Nishikawa, Tracy, ed., 2018, Santa Barbara and Foothill groundwater basins geohydrology and optimal water resources management - developed using density dependent solute transport and optimization models: U.S. Geological Survey Scientific Investigations Report 2018-5059, 4 chap. (A-D), variously paged, https://doi.org/10.3133/sir20185059

Figure 9. Annual Sustainable Yield and Annual Groundwater Production.

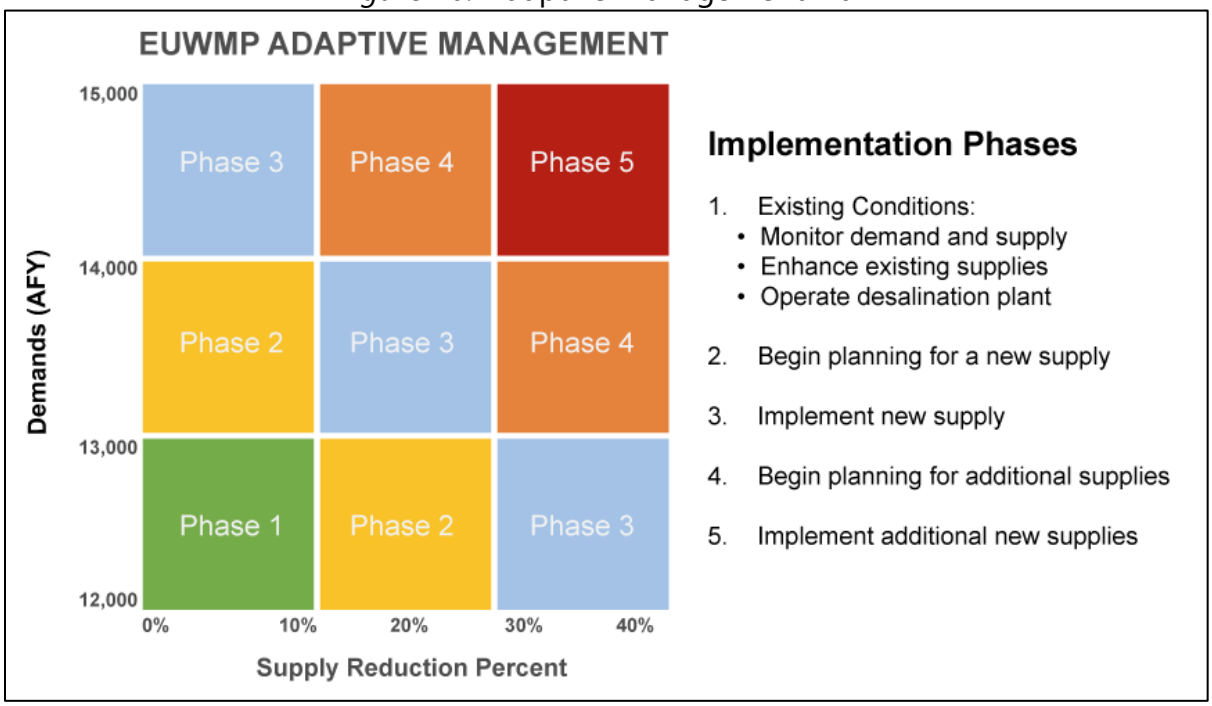


Monitoring Water Supply and Demand

In June 2021, City Council adopted the 2020 Enhanced Urban Water Management Plan (EUWMP). As part of the EUWMP effort, the City also updated its Long-Term Water Supply Plan, reassessing the adequacy, reliability, resiliency, and sustainability of the City's water supply portfolio. A triple-bottom line analysis was performed to measure the performance of a diverse range of possible future water supply portfolios against social, environmental, and financial criteria. Results of this analysis indicate that expanding the City's Charles E. Meyer Desalination facility from a production capacity of 3,125 acre-feet per year (AFY) to 5,000 AFY is the City's best performing new supply when balancing social, environmental, and financial criteria as part of an adaptive water management approach. The timing for expanding the desalination plant will depend on the pace of demand growth and the ongoing availability and reliability of existing supplies.

The EUWMP outlines an Adaptive Implementation Plan (Figure 10) that prioritizes water conservation, leverages the City's current supplies, and identifies supply and demand triggers and corresponding next steps to guide the City in adapting to future changes in water supply and demand conditions. Total system production for WY 2026 was 12,412 AF, which includes water produced to meet all water obligations, and places the City within Phase 1 of the Adaptive Implementation Plan. Staff is monitoring supplies and demands and will notify Water Commission and City Council when it is time to move into Phase 2 and start planning for a new supply.

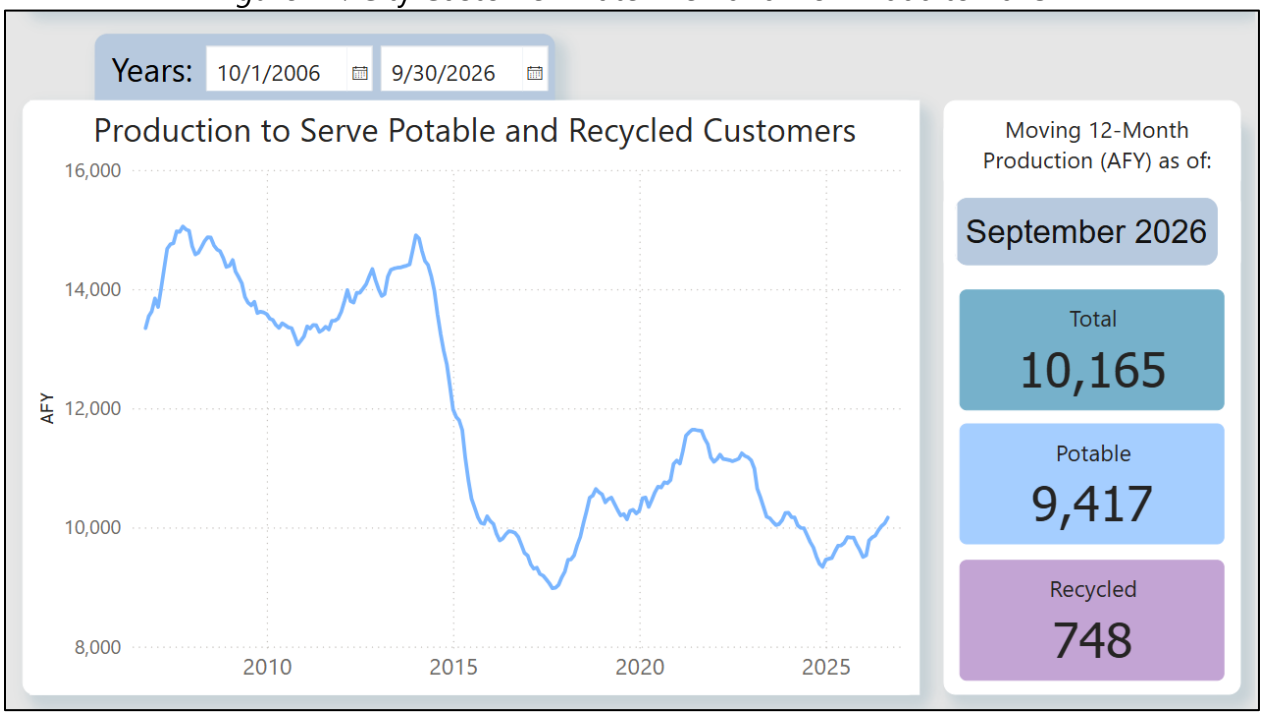
Figure 10. Adaptive Management Plan



The 2025 Urban Water Management Plan (UWMP), adopted by Council on June 16, 2026, updated the 2020 EUWMP and addressed new requirements and regulations while aligning with the City's LTWSP. The 2025 UWMP provides water supply planning for a 25-year period in five-year increments, identifying water supplies needed to meet future needs out to 2050. Analysis in the 2025 UWMP demonstrates the City has sufficient supplies to meet demands through 2050 in normal year, single-dry year, and multiple dry-year conditions. The five-year drought risk assessment shows that, under current assumptions, the City has sufficient supplies to meet demands even if dry conditions persist, although extraordinary conservation would be needed during the fifth year.

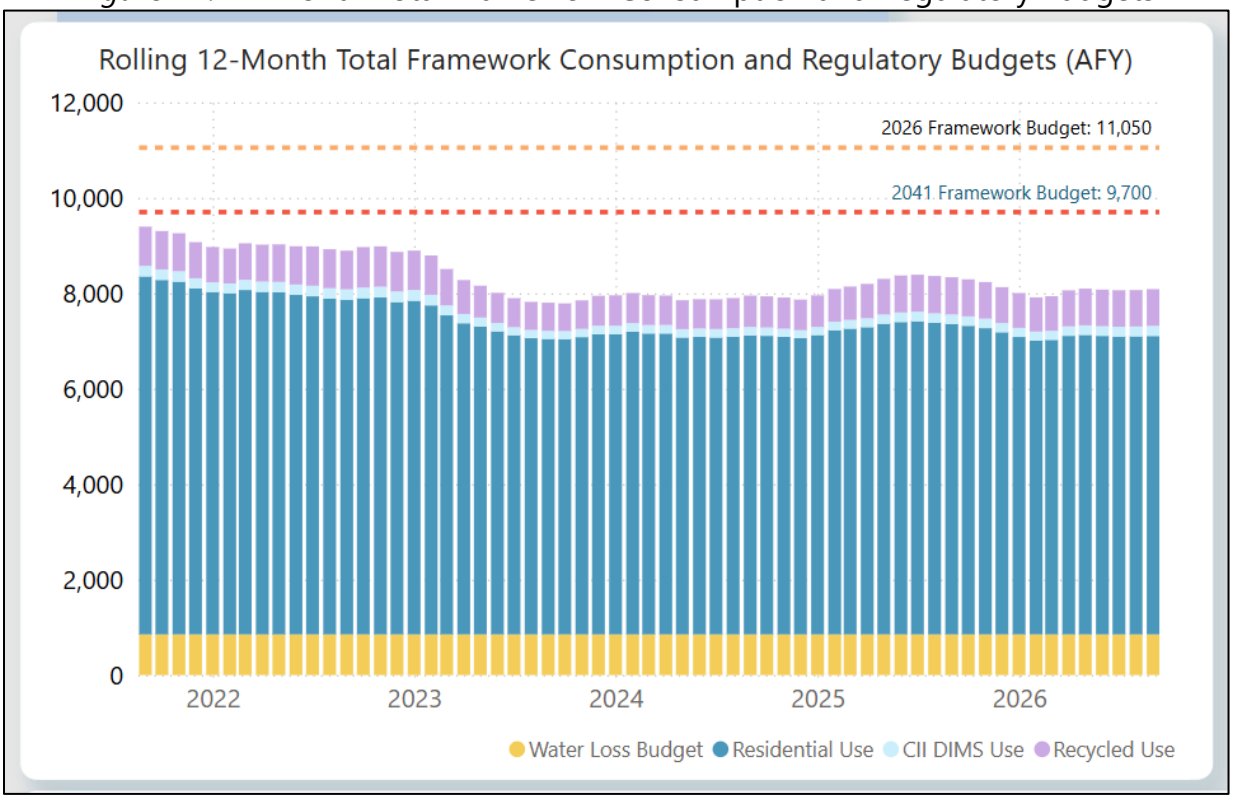
City customer water demand has historically been measured by total water production, which is the total amount of supply from all sources needed to serve City customer demands on the potable and recycled distribution systems. Figure 10 illustrates historical demands based on total water supply produced, including recycled water, to meet City customer demand. Total water production for City customers was 10,165 AF for WY 2026 (excluding 1,989 AF for non-City customer demand and 258 AF of water produced for El Estero's process demands). The demands in Figure 11 show a decline beginning in 2015 in response to the Stage 2 and 3 drought conditions that instituted mandatory reductions of water use. There was a slight rebound in demand from WY 2017 to WY 2022, then system production decreased over the course of WY 2023 and WY 2024 as heavy winter rains reduced irrigation demand for all customers. Demands rose slightly in WY 2025 and WY 2026 but still have not reached predrought water demands.

Figure 11. City Customer Water Demand from 2006 to 2025



Senate Bill 606 (SB 606) and Assembly Bill 1668 (AB 1668) were signed into law in 2018. SB 606 and AB 1668, also known as the Long-term Framework (Framework), are intended to "Make Water Conservation a California Way of Life" by introducing a water budget-based approach to urban water conservation. The Framework sets water use standards for urban water providers in four components: 1) indoor residential water use, 2) outdoor residential water use, 3) non-residential irrigation meter use, and 4) a water loss standard for the supplier's water system. These water use standards are added together to calculate each urban water provider's total water use budget, and the standards grow incrementally more stringent until 2041. The State Board adopted the Framework Regulation on July 3, 2024. The City tracks its total water consumption subject to the Framework Regulation as "total framework consumption" shown in Figure 12. The total framework consumption is calculated by adding the total water loss budget, residential indoor and outdoor use, non-residential irrigation meter use (commercial, institutional, or industrial dedicated irrigation meters, CII DIMS), and recycled water used for irrigation). Figure 12 also includes the current Framework Regulation budget for 2026, and the final 2041 Framework Regulation budget. The total framework consumption for WY 2026 was 8,086 AF and is well below both the 2026 and 2041 framework budgets.

Figure 12. 12-Month Total Framework Consumption and Regulatory Budgets



Water Supply Outlook

WY 2026 included above average precipitation with total rainfall at Gibraltar Reservoir of 39.9 inches, 140% percent of an average water year. The City's local surface water supplies, Lake Cachuma and Gibraltar Reservoir, both spilled in winter 2025/2026. Cachuma storage was at 86% of capacity (163,053 AF) at the end of WY 2026. The U.S. Bureau of Reclamation (Reclamation) determines the Member Unit's allocation for the upcoming water year. Reclamation granted a 100% allocation for WY 2027. Gibraltar Reservoir (including Devil's Canyon Creek) supplied approximately 36%, or 4,521 AF, of the City's water supply in WY 2026. Additionally, the City released a total of 700 AF in July and August to downstream users per the Gin Chow Agreement. Gibraltar ended WY 2026 at 26% of capacity with 1,199 AF of storage.

Figure 13 shows the actual water supplies to meet demand over the past ten years (WY 2017–WY 2026) and the projected supplies to meet demands for WY 2027 – WY 2029.

Figure 13. Water Supplies to Meet Demand for Water Years 2017-2029

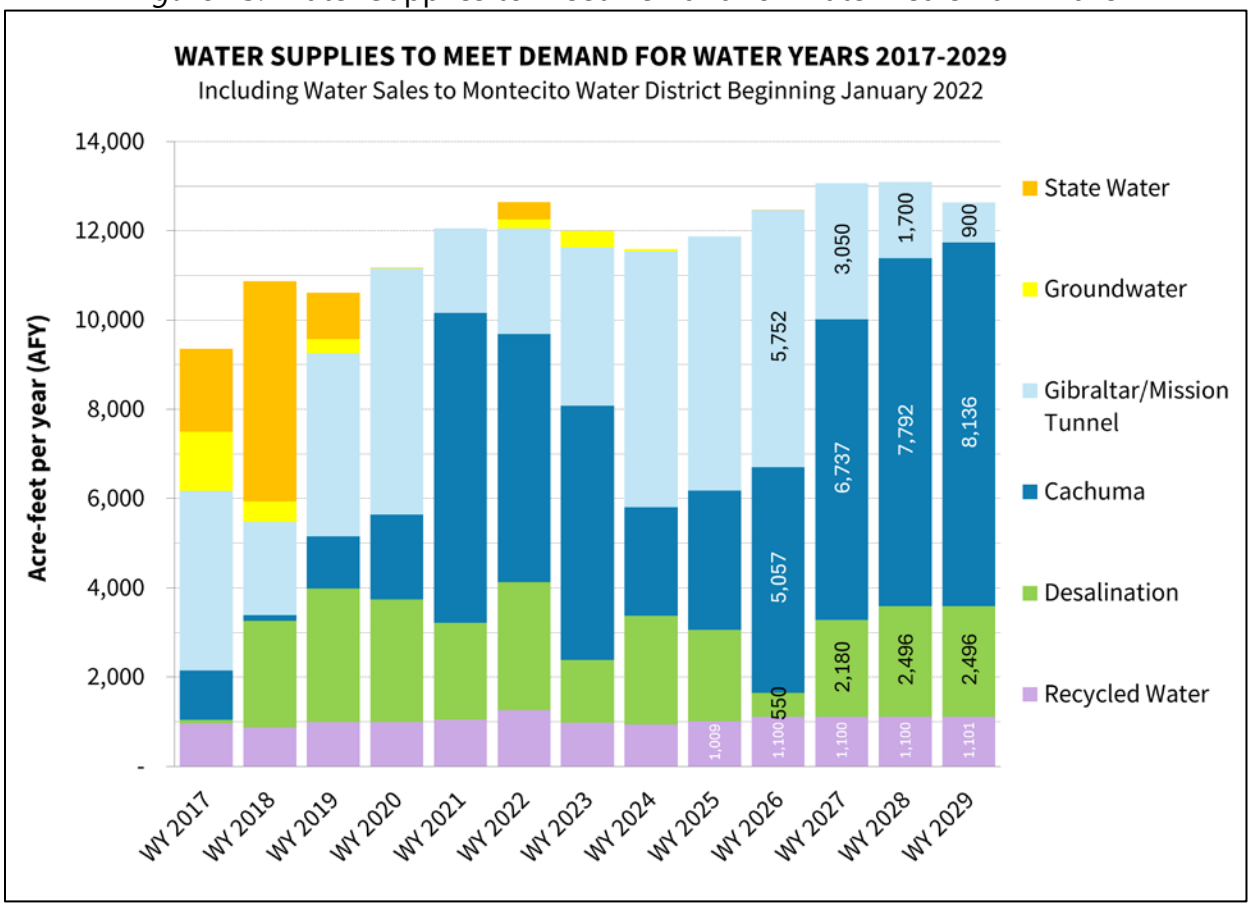
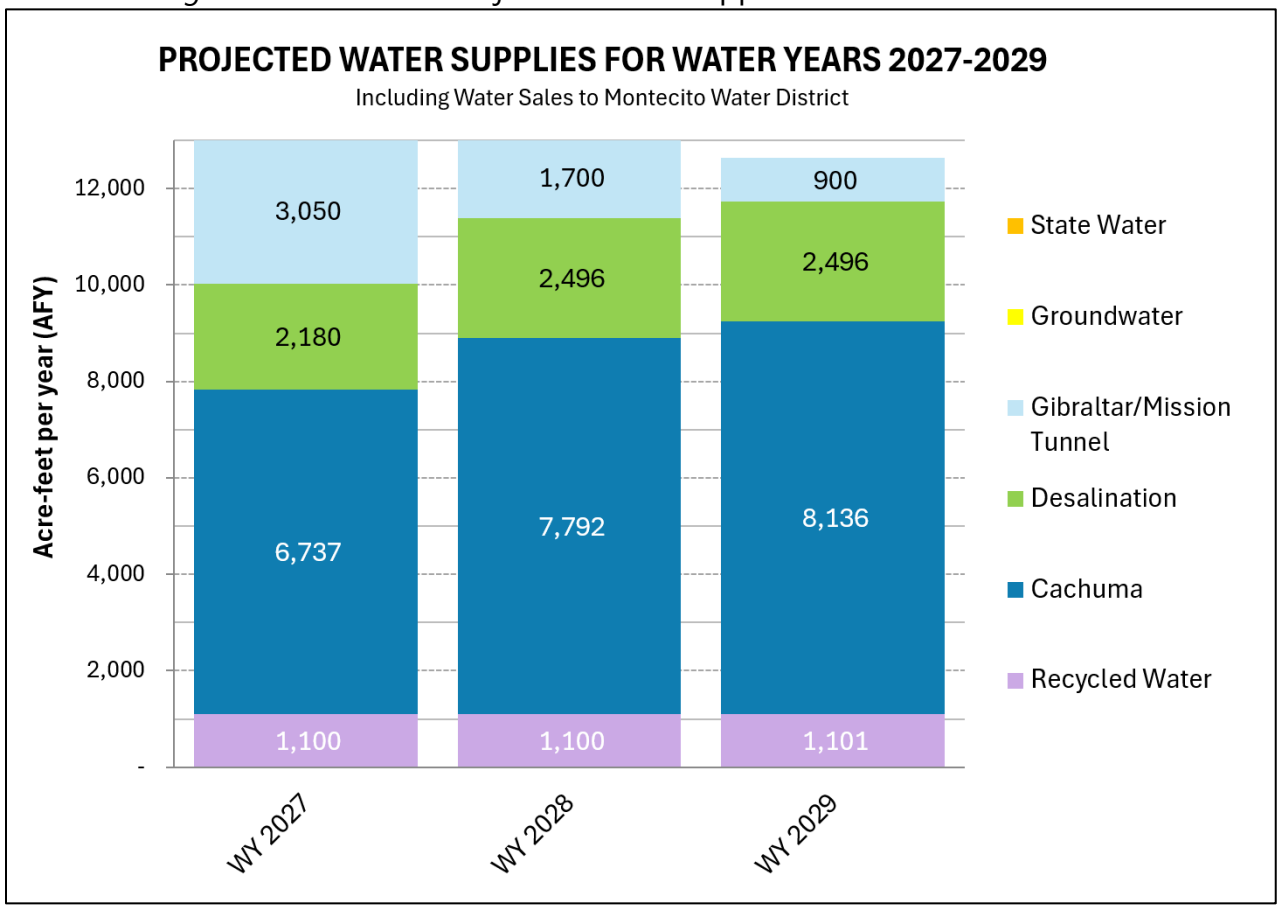


Figure 14 shows the detailed water supply strategy for the next three water years, WY 2027 through 2029. Updates to the City's water supply planning strategy are conservative and assume drought conditions. Under the planning scenario, there is little to no rainfall assumed for three years, resulting in no inflows into Lake Cachuma. The City received a 100 percent allocation for WY 2027; a 100 percent Cachuma allocation is assumed for WY 2028, and an 80 percent allocation is assumed for WY 2029. With an 80% or lower allocation of Cachuma water, the City would stop ASR injections; total WY 2029 demands are lower than WY 27 and WY 28 because ~450 AFY of ASR injections are not included. At the end of WY 2026, Gibraltar reservoir was depleted to approximately 26% capacity. As the watershed is saturated from winter rains in 2025/2026, it is conservatively assumed that the City will receive inflow into Gibraltar for WY 2027 even with minimal rain, and then little to no inflow for WY 2028 and WY 2029. At Mission Tunnel, 900 AF of infiltration is assumed for WY 2026 through WY 2028.

The planning scenario also assumes that there are drought conditions statewide, which reduce the SWP water allocation to 25 percent in WY 2027 through WY 2029. The analysis assumes the desalination plant is operated continuously through WY 2029 at an 80 percent production rate (~2,500 AF). This conservative planning approach allows staff to evaluate if the City has sufficient water to meet demands under three years of extreme drought. The supply strategy reflects the management policies adopted in the 2020 EUWMP. While the water supply projections currently

show demands through WY 2029 being met through a combination of surface water from Gibraltar Reservoir and Lake Cachuma, desalination, and recycled water, staff may decide to incorporate the City's groundwater sustainable yield into the portfolio should analysis demonstrate it to be cost-effective and operationally feasible.

Figure 14. Details of Projected Water Supplies for Water Years 2027-2029



City Water Conservation Program

In accordance with the EUWMP and the Water Conservation Strategic Plan, the Water Conservation Program is operated to minimize the use of potable water supplies, implement the best management practices of the U.S. Bureau of Reclamation, and achieve compliance with State-mandated water conservation targets. Water conservation measures are evaluated for cost effectiveness based on the avoided cost of additional water supplies. Highlights of the City's Water Conservation Program include the following activities:

- WaterSmart Customer Portal: As part of the Automated Metering Infrastructure (AMI) project, the City launched the customer-facing water use and billing portal, WaterSmart, in March 2024. Through WaterSmart, customers can monitor water usage by the hour, day, and month; receive automated leak alerts; pinpoint reasons behind a high bill; customize alerts for unusual water use; and sign up for autopay and paperless billing. As of October 2, 2026, there

were 19,929 accounts registered, 65 percent of total utility accounts.

- Leak Alerts and Customer Support: Customer service is provided to customers to analyze water use patterns, investigate high water use, troubleshoot leaks, provide recommendations for water efficiency, explain the water rate structure, participate in rebate programs, and get WaterSmart support. By equipping customers with early leak detection and 24/7 access to water use information, staff have been able to transition to a supportive role offering guidance over the phone and through email versus in-person appointments. In WY 2026 there were 23,846 automated leak alerts sent via email, mail, or text. The estimated water savings from leak alerts in WY 2026 is 123 acre-feet. In WY 2026 there were 2,088 phone calls and 2,363 email/WaterSmart messages with customers.

- Marketing and Outreach: Implementation of regional outreach through the Countywide Regional Water Efficiency Program. Highlights from WY 2026 include: the 2026 WaterWise Garden Contest, countywide advertising about landscape transformations and irrigation repairs, WaterSmart portal enrollment outreach, and new Garden Wise TV show episodes.

- Water Education Program: The City offers free in-class presentations, take-home water efficiency kits, and musical assemblies to highlight where the City's water comes from and how to conserve it. 2,445 students participated in WY 2026.

- Rebate Program Participation: There were 44 high efficiency washing machine rebates, 102 mulch delivery rebates, 21 irrigation efficiency rebates, 9 Sustainable Lawn Replacement rebates, and 31 Flume device rebates in WY 2026.

Capital Projects

Staff continues work on a number of projects to improve the reliability and maintain quality of City water supplies:

- **Desal Product Water Pump Station:** This pump station is being upgraded so desalinated water can be pumped to the Cater Water Treatment Plant via the Conveyance Pipeline and repurposed existing transmission mains. The project is going through commissioning and startup. Piping modifications at Cater that are part of the Cater Reservoir Resiliency Project will also be needed as the final step to convey desalinated water into Cater's finished water reservoir. The project will provide the ability to convey desalinated water City-wide and to other South Coast water agencies.

- **Cater Reservoir Resiliency Project:** This project will enhance water treatment at Cater Water Treatment Plant by adding a dedicated chlorine contact time (CT) basin to the process prior to the existing finished water clear well. This will allow operational flexibility to address seismic deficiencies within the clear well, ensure chlorine contact time for

regulatory compliance, and add storage capacity and redundancy. The project includes installation of a 2.5 million gallon CT basin, modifications to the interior of the clear well, replacement of emergency generators, and a new biofiltration basin with associated stormwater piping. The project is currently under construction.

- **Groundwater Program:** The Groundwater Program addresses baseline capital improvements of the City's groundwater system. Specific projects include well cleaning, pump and motor replacements, well rehabilitation, and consultation for groundwater projects and management. The program will evaluate policies for using groundwater within the water supply portfolio and operational considerations.

Water Supply Issues

There are significant issues related to the City's water supplies, which are discussed below.

Cachuma Project State Water Rights Order

The U.S. Bureau of Reclamation (Reclamation) operates the Cachuma Project pursuant to a water rights permit issued by the State Water Resources Control Board (SWRCB). The project provides water to the City of Santa Barbara, Carpinteria Valley Water District, Goleta Water District, Montecito Water District, and Santa Ynez River Water Conservation District, Improvement District No. 1 (known collectively as the Cachuma Member Units). The first water rights permit for the Cachuma Project was issued in 1958. On September 17, 2019, the SWRCB adopted an order for a new water rights permit for the Cachuma Project. The 2019 Water Rights Order (order) is the culmination of nearly 20 years of legal proceedings to protect water rights holders and address long-term declines in native Southern California steelhead populations in the Lower Santa Ynez River (downstream of Lake Cachuma's Bradbury Dam). The 2019 order requires higher downstream flows during wet years, which reduces available storage in Lake Cachuma going into normal and dry years and reduces supplies available to Cachuma Member Units, including the City. The order also requires multiple operating plans from Reclamation. The Cachuma Conservation Release Board (CCRB) and the Cachuma Operations and Maintenance Board (COMB) are providing technical assistance to Reclamation in the development of these plans. The City is a member of both CCRB and COMB.

In WY 2025, CCRB assisted Reclamation in developing its Term 20 plan, an organizational outline describing how Reclamation will comply with the multiple other regulatory terms in the order. Reclamation submitted the plan in early 2020 and the SWRCB conditionally approved the Term 20 plan in August 2025. CCRB, in coordination with COMB and the downstream interests, reviewed and provided substantial commentary to Reclamation regarding the conditional approval. Of note, the conditional approval appears to add requirements that exceed those imposed in the 2019 order. Reclamation is considering its response to the SWRCB. Additionally, following assistance from CCRB, COMB, and other interested parties, Reclamation submitted to

the SWRCB its Term 24(a) plan to study potential options to provide steelhead passage around Bradbury Dam. CCRB and COMB continue to observe that Reclamation is releasing substantially more water from Lake Cachuma than is required by the 2019 order and are working with Reclamation staff to encourage them to adjust the releases to more closely meet the flows in the 2019 order, while still protecting fish. Reclamation is undertaking an outlet valve upgrade program which is expected to help this effort.

Cachuma Project Biological Opinion

In 2000, a Biological Opinion (BO) was issued by the National Marine Fisheries Service (NMFS) for Reclamation's operation and maintenance of Bradbury Dam (the Cachuma Project). NMFS is the federal agency that oversees management of Southern California steelhead, which was federally listed as endangered in 1997. The BO addresses the effects of the Cachuma Project's operations on steelhead and its designated critical habitat in accordance with Section 7 of the Endangered Species Act of 1973. Reclamation, in cooperation with the Cachuma Project Member Units, submitted a new Biological Assessment (BA) in 2013, which included proposed revisions to Cachuma Project operations to improve habitat conditions for steelhead while still maintaining water supplies. In 2016, NMFS issued a draft BO, for which the BA served as a basis document. Reclamation could not accept aspects of NMFS's draft BO and submitted a new proposed operating plan and supporting BA in early 2019. However, as noted above, the SWRCB issued its new water rights order in September 2019, imposing a new and enhanced flow regime on the Cachuma Project. After additional informal exchange with NMFS, Reclamation provided NMFS a revised BA in December 2020 that is based on the new flow regime of the 2019 order. Since that time, CCRB has continued to assist Reclamation in responding to NMFS's input and requests for additional information regarding the revised BA. In WY 2025, CCRB, coordinating with Reclamation, COMB, and the downstream interests, provided project management and technical expertise to coordinate and compile draft chapters of the BA to expedite production of a technically sound BA reflecting the current Cachuma Project. When this BA is finalized and submitted by Reclamation to initiate formal Section 7 consultation, NMFS will use it to produce a new BO that governs Cachuma Project operations. The desired outcome of this BO process is a non-jeopardy determination for steelhead by NMFS. Similar to the State water rights decision, the new BO is important because it could affect Cachuma Project operations and the amount of water supply available to the City and other Cachuma members.

Cachuma Contract

The SBCWA was formed in 1945 by the State Legislature via the SBCWA Act (Act) to facilitate development of the Cachuma Project by the federal government to provide a water supply to the City of Santa Barbara, Carpinteria Valley Water District, Goleta Water District, Montecito Water District, Summerland Water District[7], and Santa Ynez Water Conservation District Improvement District No. 1, known collectively as the "Cachuma Member Units." The Act designates the County Board of Supervisors as the legislative body of the SBCWA and limits its

[7] Summerland Water District was subsequently merged into the Montecito Water District.

authority to supply water to the Cachuma Member Units.
In 1949, the SBCWA entered a long-term agreement, the Original Master Contract, with the Bureau of Reclamation (Reclamation) for the development of the Cachuma Project and supplying water to the Cachuma Member Units. Concurrently with the execution of the Original Master Contract, the SBCWA executed essentially identical water supply agreements with each of the Cachuma Member Units. The Member Units remain the beneficiaries of the water supplied by the Cachuma Project and are responsible for the associated payments to Reclamation[8].

In 1996, SBCWA, "acting as agent of the Cachuma Member Units," entered a renewed Master Contract with the Bureau set to expire in September 2020. When it came time for the next contract renewal, Reclamation instead opted for a short-term contract extension rather than negotiate a long-term Master Contract renewal. In 2020 when the first of these short-term extensions was signed, the SBCWA and City concurrently executed an amendment incorporating current and future amendments and extensions of the Master Contract into the City's individual water supply contract with SBCWA. Reclamation has now signed three contract amendments with the SBCWA for short-term extensions of the Master Contract. The first two were each for a period of three years, extending the contract to 2023 and 2026, respectively. Most recently the Bureau and SBCWA executed a contract amendment in September 2026 extending the contract for 5 years, out to September 2031. Reclamation has conveyed that they will not be pursuing a long-term renewal to the Master Contract until NMFS publishes an updated final Biological Opinion governing Cachuma Project operations.

Gibraltar Pass Through Operations

Gibraltar Reservoir is prone to siltation, especially from fire events in its watershed, which reduce the storage capacity of the reservoir. To preserve the City's ability to store water on the Santa Ynez River, the City entered into the 1989 Upper Santa Ynez River Operations Agreement (the "Pass Through Agreement") with other Santa Ynez River water agencies. The City agreed to defer its planned enlargement of Gibraltar Reservoir in exchange for provisions that would allow the City to "pass through" a portion of its Gibraltar water to Lake Cachuma for storage and delivery through Cachuma Project facilities. In 2008, after siltation from the 2007 Zaca Fire resulted in the loss of over 1,400 AF of storage in Gibraltar Reservoir, the City elected to commence the "pass through" phase of operations outlined in the agreement. The City has been trying to negotiate a Warren Act Contract with Reclamation as the preferred approach for accounting for the City's Pass Through water since that time. Reclamation has indicated that they are unlikely to finalize the Warren Act Contract until a new Biological Opinion is issued by NMFS. Pass Through operations will allow the City to maximize its Gibraltar water rights, while the reservoir continues to lose capacity from sediment settling in the reservoir. As of the August 2026 Gibraltar Lake Capacity Study Report, Gibraltar's maximum storage volume is 4,422 AF.

[8] The Member Units paid off the capital component of the Cachuma Project in 2015.

State Water Project/Delta Issues

Delta Conveyance

The Sacramento-San Joaquin Delta is a critical conveyance link for all water moved from northern California to southern California by the SWP. However, the reliability of State Water supply is at risk due to drought, environmental restrictions, and seismic events.

Following Governor Gavin Newsom's executive order directing state agencies to develop a comprehensive statewide strategy to build a climate-resilient water system, DWR began the environmental review and planning process for the Delta Conveyance Project. This project proposes a single tunnel through the Sacramento-San Joaquin Delta with the goal of protecting water supplies from disruptions due to sea-level rise, saltwater intrusion into the Delta, and earthquakes. The project has completed environmental and planning milestones including approval of the Final Environmental Impact Report, Environmental Impact Statement, issuance of an Incidental Take Permit, and completion of the Endangered Species Act Section 7 consultation process. A pending milestone is a final ruling from the Delta Stewardship Council on the project's consistency and alignment with the Delta Plan, which is expected December 2026. DWR has also filed a petition with the SWRCB to change the point of diversion for DWR's water rights for the SWP to allow for the addition of two new intake locations in the north Delta. This process is ongoing.

The project is funded through participating State Water Contractors (SWC), which are agencies that hold contracts with DWR for water supplies through the SWP. The Central Coast Water Authority (CCWA) is one of the 29 SWC. CCWA represents the Member Agencies on SWP matters. CCWA Member Agencies include the City, Santa Ynez River Water Conservation District Improvement District No. 1, City of Buellton, City of Santa Maria, Montecito Water District, Goleta Water District, City of Guadalupe, and Carpinteria Valley Water District. CCWA and its members have chosen not to participate in the Delta Conveyance Project at this time. This does not preclude individual agencies from possibly purchasing SWP water from a participating SWP agency in the future.

There are some concerns that by not participating in the project, CCWA members will have less secure water banking opportunities in the state's San Luis Reservoir. The Delta Conveyance Project is anticipated to cause the San Luis Reservoir to spill more frequently (every other year versus every ten years, historically), resulting in a loss of available storage to CCWA. For this reason, CCWA undertook a Water Management Strategies Study to identify and evaluate cost-effective strategies to optimize the yield from the SWP. The report included recommendations for water management alternatives that CCWA is now investigating further, including groundwater banking and water exchanges and transfers that involve SWP water and other supplies. The City is actively engaged in evaluating water management projects independently and along with CCWA, including water banking, transfer, and exchange opportunities to optimize its benefit from its SWP water. This work is ongoing.

Subsidence

Soil subsidence is gradual, often permanent, settling of land caused by human activity, primarily the overpumping of groundwater. As land settles and land surface elevation drops, the physical alignment and capacity of aqueducts are compromised, leading to inefficiencies, rising maintenance costs, and diminished performance of California's water delivery systems, including the SWP. More than 200 of the nearly 705 miles of the SWP have been affected, creating low points along the canals that disrupt the grade of these facilities. The turnout for the Coastal Branch, which delivers SWP water to central coast water agencies including the City, is located at a spot on the California Aqueduct that is particularly affected by subsidence. Without near-term repairs, the California Department of Water Resources (DWR) estimates an 87% loss in delivery capability by 2043.

Both short-term solutions such as raising the concrete liner along the aqueducts, and long-term solutions, such as adding additional earthen embankments, are being pursued. Low-lift pumping plants are also being considered to facilitate water deliveries from the California Aqueduct to the Coastal Branch. The State Water Contractors (SWC) are advocating for the cost for this solution to be shared by all SWP users, not just the Coastal Branch users, since the need for this improvement is driven by subsidence. The SWC are also requesting that DWR modify their definition of acceptable freeboard, or the vertical distance between the water surface and the top of the channel, to improve operational flexibility. Overall, it's estimated that the cost of addressing past and projected subsidence will be about $3.9 billion split between state ($2.96 billion) and federal ($0.95 billion) agencies. DWR is pursuing multiple funding avenues including California's General Fund, CA Proposition 4 (a bond passed by voters in 2024), and working with Reclamation to obtain federal funds.

State Water Contract Assignment

The City of Santa Barbara receives imported water from the SWP through the CCWA. The CCWA is a JPA formed in 1991 to finance, construct, manage and operate regional treatment and conveyance facilities that deliver State Water to its member agencies, including the City of Santa Barbara. While the CCWA is responsible for financial and operational management of regional SWP facilities, the CCWA did not originally hold the State Water Contract with DWR. The State Water Contract with DWR was first executed in 1963 and was held by the SBCWA. On October 31, 2017, the Santa Barbara City Council authorized amending existing agreements with CCWA to effectuate the assignment of the State Water Contract from the County to CCWA. All of the CCWA member agencies also provided such authorization. CCWA also received written confirmation of DWR's willingness to accept assignment of the contract to CCWA. However, the County Board of Supervisors did not take any action to work toward contract reassignment. Ultimately contract reassignment from the County to CCWA was included in a 2025 settlement agreement resolving a lawsuit between the parties regarding the unreasonable conditions the County imposed upon CCWA Member Agencies in their

amended contracts for SWP water. The contract reassignment was approved by the CCWA Board and the County Board of Supervisors in October 2025 and by DWR in March 2026, officially assigning full contractual authority to CCWA. Overall, contract reassignment improves accountability and streamlines management of SWP supplies for the benefit of local water suppliers and their customers.