The La Cumbre Mutual Water Company has acquired water and developed the facilities necessary to provide water service to its customers since 1925. Water to develop these lands was not readily available from other agencies since Hope Ranch was far removed from the City of Santa Barbara. The Goleta Water District did not exist until 1944. The Water Company currently acquires water from several sources. The principal water supply sources are:

- <u>local groundwater</u> from the Goleta Central and Foothill groundwater aquifers;
- <u>imported water</u> from the California State Water Project (SWP);
- reclaimed water and surplus potable water from the City of Santa Barbara (City); and
- <u>surplus water</u> purchased from other water agencies.

The cost and availability of most of these supplies vary from year-to-year based on local and Statewide precipitation, regulatory requirements, and other constraints.

In the early years the Water Company drilled wells to supply the needs of our customers. The Water Company service area was included in the planning for Lake Cachuma. However, the Water Company was not allowed to directly receive water since it was not a 'public agency'. In 1962 the Water Company entered into a 40-year agreement with Goleta Water District to purchase water from Lake Cachuma. Near the end of that agreement, the Water Company made many attempts to negotiate a new contract with the Goleta Water District, but the terms of the new agreement were unacceptable, so a new contract was not established.

Development of suburban municipal and industrial land use in the Goleta Valley stressed the water supply from the Goleta Groundwater Basin. Allocation and management of that supply were judicially established in *Wright v. Goleta Water District (1989)*. From that legal action, the Water Company is limited to 1,000 acre-feet per year on a ten-year running average from this groundwater source. On average, we receive, pump, and deliver approximately 500 AFY from the Goleta Groundwater Basin.

In 1991, the Water Company entered into a water supply agreement with the Central Coast Water Authority to receive up to 1,100 acre-feet of water per year from the SWP. While the pipelines and treatment facilities needed to convey SWP were being built, the Water Company negotiated a long-term agreement with the City of Santa Barbara to convey and treat our SWP water. This 1993 agreement also addressed our use of local groundwater extracted from the Foothill Basin and limits our extraction to 300-acre feet per year on a five-year running average. On average, we receive approximately 500 AFY from the SWP. The agreement with the City was expanded in 2021 to provide for the delivery of up to 100-acre AFY of recycled water that is used on the grounds of the La Cumbre Country Club.

Each of the natural water sources available to the Water company has its own pattern of availability during wet and dry periods. Generally, a single dry year has little effect on the availability of the Water Company supplies because the Water Company can rely on local groundwater storage from previous wetter years and multiyear reservoir storage in the SWP system. During multi-year droughts, we rely on the local groundwater sources as our main source of water supply. If these sources are not sufficient to meet the needs of our customers, the Water Company purchases water from other available 'market' sources throughout the state.

In order to provide a more reliable water supply, the Water Company is currently evaluating additional supplies, facilities and agreements. These agreements include water banking and ocean desalination.