

November 7, 2005

MEMORANDUM

TO: Goleta Water Board  
FROM: Cheryl D. Justice  
CC: Kevin Walsh, General Manger  
805 964-7002  
RE: November 8 Hearing

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Enclosed please find a letter from my husband and myself which we would like to have distributed to the members of the Board before tomorrow's hearing. Your consideration in honoring our request is appreciated.

Cheryl D. Justice  
1550 Farren Road  
Goleta, CA 93117

## A Letter To The Board of Directors of the Goleta Water District re The November 8, 2005 Hearing on the Agenda Memorandum

We are neighbors of Jack Ruskey on Farren Road and attorneys with more than 50 years of experience between us as civil litigators with a large international law firm headquartered in Los Angeles, California.

We share Mr. Ruskey's concerns and complaints about the processes of the staff of the District and the Board as to the lack of prior notice and the providing of adequate information concerning various key issues involving the budget process and the possible fixing of new rates for water. These complaints and objections are especially applicable to the upcoming Board of Directors meeting scheduled for this Tuesday, the 8th of November during which the new agricultural account policies and the amendment of the District Code will be considered.

As the proposed changes will affect not only the District's customers but every landowner within the District, every landowner within the District should have received a mailed notice of the meeting to consider the proposed changes. To attempt to change prices of agricultural water without subjecting that process to public comment or scrutiny violates state statutes and raises federal constitutional concerns. The elected members of the Board must realize that they each owe a fiduciary duty to all landowners in the equitable and just administration of the Board's monopoly of a vital resource needed by every member of the community. Yet, the Board is on the verge of adopting a plan extremely damaging to agricultural users with no facts whatsoever to support any claim that farmers have been or will continue to increase their water use. The only explanation is that the Board prefers to eliminate agricultural use in order to make more water available for greater urbanization. If the Board wishes to cover the mountains of the District with housing, then it should announce its true intentions to the residents of the District.

When a fiduciary Board acts without sufficient facts and proper technical analysis of the issues, as this Board is about to do, its decisions are deemed capricious and arbitrary. Where such capricious and arbitrary decisions cause economic harm, the fiduciary can be held legally responsible for compensated those injured thereby.

We are aware that the District's own expert, Amy Vickers and Associates, was hired to do an exhaustive and in depth survey of all water usage in the District and she made a written Report dated June 30, 2005 to the Board containing the following conclusion about use of water by the local farmers:

"Only about 5 percent of agricultural irrigated acreage in the District's service area depends on conventional sprinkler (primarily hand move) systems, with over 95% of irrigated acreage utilizing the highly water efficient micro irrigation (spray and drip) systems, as shown on figure 2-29. In contrast to the U.S. national average with only 4% of agricultural acreage using micro irrigation, the District's farmers are FAR MORE ADVANCED WHEN IT COMES TO EFFICIENT IRRIGATION."(Emphasis added)

The District itself proclaimed at recent meetings that the local farmers are leaders in the state at conserving water. Water is like liquid gold to the Goleta farmers. With the continuing rising costs for labor, fertilizer, fuel and water, no farmer can afford to waste a drop of water.

Further, the Water Supply Assessment contains a very detailed analysis of the sources of supply and how they could be allocated over the next 20 years. It even factored in a 5.3% growth factor for increased use of agricultural water during the time period covered. The analysis took into consideration periods of drought and the assumption was made that every piece of undeveloped land in the District would be fully built out in accordance with all current zoning.

The Assessment concluded:

**"A comparison of the available water supplies and demands, inclusive of the Isla Vista development, indicate that the district will have adequate supplies to meet demands through the year 2025 assuming full build out of all available land."**

The Board certified this Assessment as being true and correct in every aspect. Thus, the Assessment conclusively rules out any and all supply issues which would justify the need to restrict the use of agricultural water with rate increases.

The District staff has repeatedly advised the Board that the District's farmers are the models for water conservation in the entire state. The District's own expert reported just a few months ago that the local farmers are among the best in the entire country at using water efficiently. There have been no contentions by the staff of the District that the local farmers are wasting water.

The high cost of local land and the Board's pricing of new agricultural meter fees insure that no available vacant land will be placed into agricultural production in the future. The economic pressures are building for commercial and residential uses of all existing land, including existing agricultural properties. The agricultural that currently exists is not going to increase in the number of new operations and what we have now is all that will be there in the future. The new water charge already instituted by the District is an effective road block to allowing new agricultural to start in the District and is geared to stopping any existing farmers from trying to expand their existing operations. The community is well aware of the above facts and has made it known loud and clear that keeping local agricultural as a significant part of the Goleta Valley is a very high priority. No one wants the area to be developed into an Orange County type community.

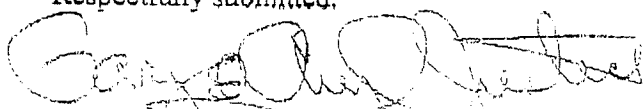
The users of the District's water have without equivocation backed the Board past and recent actions on the special pricing of agricultural water which has the effect of increasing their own monthly water bills by a few dollars at worst. Even the recent rate increase of 8% for all users except agricultural users, which was increased 5%, has been accepted by the urban customers as appropriate. The community wishes to pay to continue the benefits of a significant farming presence.

The State of California's economy and general well being is based upon the continuation of a diverse and viable agricultural community. The state has enacted legislation per AB 2587 that requires the State to be a net exporter of table food. The loss of farmers through the proposed action in creating a water budget base line is in contravention of the public policy of the State and is a valid reason for the outright rejection of the proposals.

In addition, it is the policy of the County of Santa Barbara to protect the viability of agricultural in the County. Accordingly, if the proposed changes in the pricing of agricultural water are adopted, the Board will be acting contrary to the wishes of the District's landowners, the County of Santa Barbara, and the State of California.

We expect the Board to require a showing by the staff, by clear and convincing evidence, that the alleged problems with the current structure actually exist and that the proposed tiered pricing structure will indeed conserve water. To date, there has been no such evidence.

Respectfully submitted,



Gary and Cheryl Justice