

SCHULTE RANCHES

Dos Pueblos Ranch
Route 1 Box 228
Goleta CA 93117-9700
(805) 968-1116

DATE: November 3, 2005

TO: Goleta Water District

ATTENTION: Kevin Walsh, General Manager

FAX NUMBER: (805) 964-7002

FROM: Henry Schulte

COMMENTS:

Please see the attached letter voicing
our dissent to the proposed rate hike.

OF COPIES IN FAX INCLUDING COVER PAGE: 2

Schulte Ranches
Dos Pueblos Ranch
RR1, Box 228
Goleta, CA 93117

November 2, 2005

Goleta Water Board:

We have been farming for over thirty years and have been quite successful in a very difficult business. During those years we have incorporated a number of practices from fertilizer to water consumption trying to make the best use of the soil and the natural resources available to us. In Santa Barbara County water has always been a contentious issue but never more so than when it comes to farming. We have made every effort to stretch a drop of water as far as we can without hurting our orchards and it appears for those efforts we are now going to be severely penalized.

In the interest of economics and conservation, we have made every effort to use as little of Cachuma water as possible. In 2004 we found it impossible to survive without it. With the ever-growing uncertainty of Avocado farming considering Mexico has recently entered the fray, making a profit will most definitely become even more difficult. Your records will indicate we purchased nearly \$50,000 of water in 2004. Based upon your proposed rate increase that number would nearly triple for the same amount if used next year.

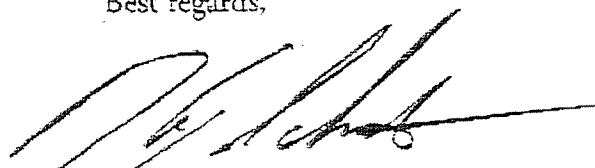
With 500 acres of orchards to irrigate, using your thirteen-year basis, we would only have enough water to irrigate 20 to 25 acres before the out-of-line increase would hit. Should we have another drought year, and we most certainly will, and have to pay the exorbitant urban rate; remaining a viable operation will be impossible. We're already operating on a very thin budget and should we have to absorb another \$150,000 or \$250,000 or more, it just won't be practical.

Already the pressure to develop is upon us and we have resisted for thirty years. Our intention is to resist for another thirty years plus. Should we be forced to absorb this new rate proposal we may as well throw our hands up now.

As you will know, Bradbury Dam was built by farmers for farmers, why hurt those who made the source possible? Why put the burden on the backs of those who struggle to continue making a living at a dying business? Do you really need the cash that bad? Is there another motive behind this outrageous gouging? If we're forced to work within our budget you should be obligated to do the same.

As it stands, we already pay close to \$3,000/year for the meter. We've kept up our end of the bargain we expect you to do the same.

Best regards,



Henry Schulte
Schulte Ranches