



SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1

IMPORTANT INFORMATION ABOUT THE WATER SYSTEM

The State of California is poised to make changes to drinking water regulations that will require significant modifications to the water system and will affect the way water is delivered.

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April 14, 2014

Attention All Santa Ynez River Water Conservation District, Improvement District No.1 Customers:

On behalf of the Santa Ynez River Water Conservation District, ID No.1 ("ID No.1") Board of Trustees and as the General Manager, it is important to inform you of an extremely important matter that our water district and hundreds of districts throughout the state will be immediately facing.

The State of California Department of Public Health ("CDPH") recently developed a draft of a new drinking water regulation that will impact how the ID No.1 treats and distributes water supplies to your homes, businesses, and agriculture. ***The new regulation will set a drinking water limit for a certain type of Chromium that is commonly found in thousands of water supplies throughout California.***

Chromium is a naturally occurring element found in rocks, plants, soil and ground water throughout the State of California. It is an essential nutrient in small amounts and is critical to the production of insulin and the metabolism of fats and sugars in your body.

Hexavalent Chromium ("Cr6"), is one of several naturally occurring forms of chromium and is the form the CDPH wishes to regulate. For decades the CDPH has limited the total amount of chromium to 50 parts per billion; it now believes that the Cr6 should be further limited to 10 parts per billion.

Even though this regulation is not yet in its final form and may still change, ID No.1 proactively decided to test all of its wells and supply sources and has found several wells that will be close to or just over the new limit. ID No.1 has also assembled a team of experts to study and develop a plan that will determine how it can best come into compliance with this new regulation.

Several options are on the table in this study; ranging from not using wells that exceed the new limit and utilizing alternate sources, to blending supplies throughout the system, to constructing and operating treatment facilities. There are many things to consider when evaluating this issue, such as finding alternative water supplies especially in a drought, meeting emergency fire flows, supplying agricultural water at all times, the cost associated with drilling new wells, building new pipelines, tanks, and pump stations, and funding the construction and operations of water treatment plants.

As should be apparent, exercising any of these actions will come at a price. The Association of California Water Agencies estimates that the initial cost for water agencies across California will be \$4.1 billion. ID No.1 is developing a series of potential solutions that are expected to range in capital costs from \$1 million to \$2 million to as much as \$35 million.

After the regulation is finalized by the State of California, the ID No.1 Board of Trustees will make a final decision regarding implementing the best and most cost-effective solution.

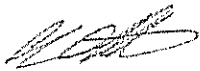
ID No.1 will provide additional and detailed information in our forthcoming newsletter and soon on our website. Please review this information. While you can be assured that your water will always meet all state and federal standards, the decisions made will affect what you pay for water in the future. **The ID No.1 staff and Board will hold a public workshop this summer that will explain the regulatory issues, the range of solutions and will provide a forum for you to get your questions answered.**

As new information becomes available, the ID No.1 staff will provide you with timely updates. New information will also be available on the ID No.1's website:

www.SYRWD.org

Thank you for taking the time to review this important notice. Should you have any questions, please contact the ID No.1 office.

Sincerely,



Chris Dahlstrom
General Manager