



WATER RATE UPDATE!

MONTECITO WATER DISTRICT HAS PLANS FOR DELIVERING A SECURE WATER FUTURE

We've heard from our customers, who want their drinking water to come from local, reliable supplies with stable, predictable, and affordable rates.

THE CHALLENGES

- Our current water sources are projected to be insufficient to meet our community's future needs.
- In the most recent drought surface supplies dwindled, groundwater was relied on heavily and became severely depleted. High-risk supplemental water had to be purchased to cover our community's needs, even though customers cut their water use. Future droughts are forecast to last longer and be more severe. Climate change is one factor.
- Environmental and regulatory restrictions are expanding, which further limits supplies from the State Water Project and Lake Cachuma.
- Water storage is an ongoing concern. Capacity in Jameson Lake and Lake Cachuma has been permanently reduced as a result of silting and fires, which also impacts water quality.
- Many parts of Montecito and Summerland rely on water infrastructure that is almost 100 years old and becomes less reliable each day.

OUR SOLUTION INCLUDES

- A comprehensive plan to provide for water needs moving forward.
- Negotiating a long-term Water Supply Agreement (WSA) with the City of Santa Barbara. The City's desalination plant provides the foundation for the WSA, which will cement a regional partnership in water management and provide our customers with a flexible, drought-resilient supply at a guaranteed cost for the next 50 years.
- Continuing to modernize our water system to better ensure reliability, with planned investments of more than \$11.7 million over the next five years.

WHAT'S NEXT

MID-MAY 2020

Proposition 218 Notice mailed to all customers detailing potential rate changes. Video presentation and more information explaining proposed rates available at montecitowater.com.

MAY 26, 2020

District Board Regular Meeting

JUNE 3, 2020 (TENTATIVE)

Public open house (in person or virtual/by phone as conditions allow)

JUNE 25, 2020

District Board Hearing to consider rate changes (in person or virtual/by phone as conditions allow)

JULY 1, 2020

New rates go into effect if approved by District Board



MONTECITO WATER DISTRICT IS CONSIDERING CHANGES TO HOW IT CHARGES FOR WATER SERVICE

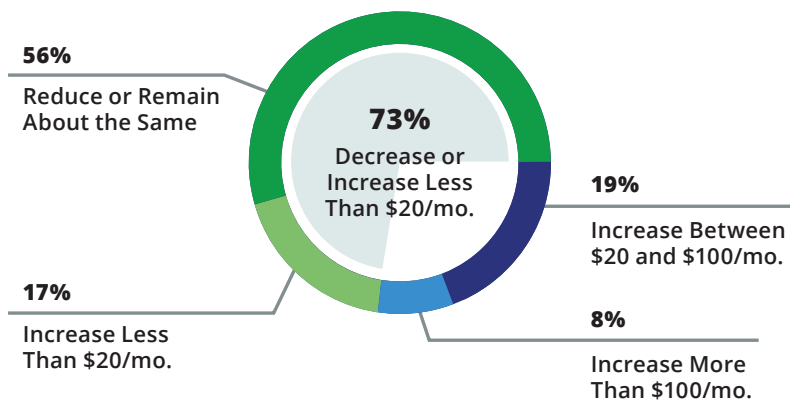
The rate study determined that the District requires 2.8 percent more revenue each year for five years, beginning July 1, 2020, to fund operating and capital costs, maintain adequate reserve balances, and meet existing debt service obligations. The results of the rate study allowed us to develop a proposed rate structure that:

- Keeps things simple and transparent; making it easy for our customers to monitor their water use to encourage water efficiency.
- Adjusts tiered volumetric rates to more accurately reflect how customers use water today, and to reinforce our commitment to conservation.
- Funds critical water supply investments and infrastructure improvements to ensure water supply availability long term and prevent/reduce service disruptions and associated water loss.
- Adjusts rates to be aligned with total District consumption and include drought related expenses to avoid the need for a surcharge.
- Solidifies MWD's long-term financial plan and builds responsible reserve funds that will help maintain gradual, predictable future rate increases.

IF NEW RATES ARE ADOPTED, WHAT CHANGES CAN RESIDENTIAL CUSTOMERS EXPECT ON THEIR BILLS THIS YEAR?

If the new proposed rate structure is implemented July 2020, approximately 56% of customers will see a decrease in their bills for the next 12 months, assuming their water consumption remains the same as it has been in the past.

MONTHLY CUSTOMER BILL IMPACTS 2020



While we do everything we can to maximize efficiencies to keep costs low, costs are increasing about 2% annually due to inflation as tracked by the consumer price index in our region. Costs for imported water and capital needs are increasing as much as 6%.

LEARN MORE!

For more information, to discuss future plans or share how we can better serve you, MWD representatives we are always available – our contact information is below.

www.montecitowater.com | 805-969-2271 | customerservice@montecitowater.com

WE'RE IN THIS TOGETHER DURING COVID-19

While at this time the State of California continues to observe Governor Newsom's Stay at Home order, we know customers are all looking forward to phases of reopening. For any buildings that will be reoccupied after a prolonged absence or water use interruption, here are some important tips:

- Buildings and large service connections such as commercial properties and institutions that shut down or significantly reduce water use have an increased risk of Legionella growth, low disinfectant (chlorine) levels, and leaching of lead and copper.
- It is recommended that these properties flush hot and cold points of use (e.g., sink faucets, showers).
- The purpose of building flushing is to replace all water inside building piping with fresh water. Flushing may need to occur in segments (e.g., floors or individual rooms) due to facility size and water pressure.
- Flush until the hot water reaches its maximum temperature. Then flush cold water for the same time frame.
- Further resources are available at the CDC website: <https://www.cdc.gov/coronavirus/2019-ncov/php/building-water-system.html>

Reminder: Customers can continue to use and drink tap water as usual. Montecito Water District is delivering water that meets the highest quality standards. California's comprehensive safe drinking water standards include disinfection processes for drinking water which are effective against viruses, including coronaviruses such as COVID-19.