



# FISCAL YEAR 2025

## ANNUAL BUDGET

Adopted  
June 25, 2024

[www.montecitowater.com](http://www.montecitowater.com) | 805.969.2271

## MISSION STATEMENT

*The mission of Montecito Water District is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland, at the most reasonable cost.*



*In carrying out this mission, the District places particular emphasis on providing outstanding customer service, conducting its operations in an environmentally sensitive manner, and working cooperatively with other agencies.*

# **MONTECITO WATER DISTRICT**

## **Board of Directors**

Ken Coates, President  
Brian Goebel, Vice President  
Cori Hayman  
Tobe Plough  
Floyd Wicks

*This budget was prepared under the direction of:*

## **General Manager/Board Secretary**

Nicholas Turner

## **Staff Contributors**

Olivia Rojas, Business Manager  
Adam Kanold, Assistant General Manager / Engineering Manager  
Chad Hurshman, Treatment and Production Superintendent  
Richie Romero, Distribution Superintendent  
Laura Camp, Public Information Officer  
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Montecito Water District  
California**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morill*

Executive Director

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The Distinguished Budget Presentation Award is granted by the Government Finance Officers Association of the United States and Canada (GFOA). To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award represents a significant achievement and reflects the commitment of Montecito Water District's Board of Directors, management, and staff in meeting the highest principles of governmental budgeting.

The Fiscal Year Beginning July 1, 2023, is in review by the GFOA and meets all GFOA criteria.

# District Transparency Certificate of Excellence

September 2019 – September 2021

The Special District Leadership Foundation is proud to present this  
District Transparency Certificate of Excellence to

## Montecito Water District

In recognition of the district's completion of all transparency program requirements  
designed to promote transparency in their operations and governance  
to the public and other stakeholders.

  
David Aranda, SDLF Board President



  
Neil McCormick, SDLF Chief Executive Officer

---

The Transparency Certification program focuses on transparency to the public in the operations and governance of Special Districts. Applications are subject to rigorous review, and award recipients are approved by the Special District Leadership Foundation of the California Special Districts Association (CSDA), which was formed to promote good governance and best practices among California's Special Districts. In order to receive this award, a Special District must fulfill numerous requirements to demonstrate transparency in three main subject areas: Basic Transparency, Website, and Outreach. In recognition of its efforts toward full transparency to its citizens and ratepayers, Montecito Water District was awarded the District Transparency Certificate of Excellence in 2019.



## GREEN BUSINESS CERTIFICATION **The Montecito Water District**

implemented practices to prevent pollution, reduce waste, conserve energy, save water, operate more sustainably and exceed regulatory requirements.

This business is hereby granted certification  
as a California Green Business on

**December 21st, 2022**

*Kori Nielsen*

*Kori Nielsen*

*Program Director*

EXPIRATION:

**December 21, 2026**

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The California Green Business Network provides certification based on a combination of mandatory and voluntary measures. Checklists are used to evaluate business operations, determine sustainability measures already in place, and assist in implementing additional measures to earn certification. Green Business staff conduct site visits to assess, verify, and aid organizations in meeting the requirements in these main areas: Energy, Waste & Recycling, Pollution Prevention, Water Conservation, and Wastewater. Montecito Water District received certification as a Green Business in December 2022. The District's strong work in community partnership and water conservation messaging initiated eligibility for the Innovator status, which required completion of additional checklist requirements and assessments. "Innovator" is the highest level of certification, recognizing Community Leadership in addition to outstanding policies and practices.

**RESOLUTION NO. 2287**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ADOPTING A BUDGET FOR FISCAL YEAR 2025**

**WHEREAS**, the Montecito Water District (“District”) is a County Water District organized and existing under and by virtue of Water Code §§30000 – 33901; and

**WHEREAS**, the District manages water resources to deliver a safe and reliable supply of high-quality water to over 4,650 residential, commercial, institutional, agricultural and non-potable customers in the Montecito and Summerland communities; and

**WHEREAS**, the District prepares and adopts an annual budget that provides a financial plan to assist with the implementation of the District’s necessary programs, projects and work plan for the fiscal year; and

**WHEREAS**, District management prepared a budget for Fiscal Year 2025 that estimates expenses required for funding operations, maintenance, capital improvements, debt service, prudent reserve requirements, and other expenses of the District; and the revenues from all sources to fund those expenses; and

**WHEREAS**, District management has determined that the activities proposed in the Fiscal Year 2025 budget are consistent with the June 2024 *Water Rate Study*. District Management proposes a balanced budget for Fiscal Year 2025, which if implemented will ensure that the District’s revenue will be sufficient to fund all of the District’s planned expenses for the budgeted period; and

**WHEREAS**, the proposed Fiscal Year 2025 budget has been reviewed and considered by the Finance Committee, and by the Board of Directors at a Board workshop held on May 21, 2024, and feedback received at those public meetings has been incorporated into the budget; and

**WHEREAS**, it has been determined to be in the best interest of the District to adopt the Fiscal Year 2025 budget for the continued sound financial operation of the District;

**NOW THEREFORE BE IT RESOLVED** by the Board of Directors of Montecito Water District as follows:

1. The certain documents referred to as the “Montecito Water District Fiscal Year 2025 Budget” and all schedules, exhibits, and policies contained therein, which are incorporated herein by this reference and included as Attachment A, are hereby adopted as the annual budget of the District for the fiscal year beginning on July 1, 2024, and ending June 30, 2025.
2. That the amounts stated in the proposed budget shall become and thereafter be assigned to the departments, activities, and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specific in said budget, subject

to applicable California law, and the authority granted in Resolution 2144, a resolution covering the authority of officers to execute contracts and instruments.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 25<sup>th</sup> day of June 2024 by the following roll call vote:

AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSENT:

ABSTAIN:

APPROVED:

  
Kenneth Coates, Board President

ATTEST:

  
Nicholas Turner, Board Secretary

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# BUDGET MESSAGE



## SECTION 1: BUDGET MESSAGE

### LETTER OF TRANSMITTAL

#### **To our Customers, Board of Directors, and Stakeholders of the Montecito Water District:**

We are pleased to present for your consideration the Fiscal Year Ending 2025 (July 1, 2024, through June 30, 2025) Operating and Capital Improvement Budget for the Montecito Water District (District). Beginning in January 2024, department heads, managers and the Board of Directors collaborated on creating this budget. Together with Directors, Staff went through an extensive review and analysis of the operational and capital improvement project needs that support the replacement, maintenance and development of infrastructure and dependable water delivery.

This budget identifies and estimates financial revenues and expenditures including capital improvements and debt service. It also serves as a policy document that guides management actions during the fiscal year in alignment with the Strategic Plan. The 2022 Strategic Plan defines the priorities and guides the development of the Fiscal Year Ending (FYE) 2025 budget. The budget provides focus on sound financial management, dependable service to customers, efficient operations, achievable goals and objectives, and transparent reporting.

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#### BUDGET ASSUMPTIONS

A Zero-based budgeting methodology was used to prepare the FYE2025 budget. Zero-based budgeting requires that all expenses be justified for each new period. Every department within the District participates in an extensive review and analysis of the operational and capital improvement project needs during the proposed budget period.

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#### FISCAL YEAR ENDING 2024 IN REVIEW

##### **Second Consecutive Wet Winter**

After nearly a decade of ongoing drought, with some years being the driest on record, the last two winters have brought much needed drought reprieve statewide. The 2023/24 winter brought above average rainfall locally and average rainfall nearly statewide, topping off and/or spilling most surface water reservoirs. With rainfall in Santa Barbara County reaching between 150 to 200% respectively, of the historical average, both the Cachuma Project and Jameson Lake filled and spilled this past winter. Additionally, rainfall and snowpack in Northern California, particularly in the Sierra Nevada Mountains, which is indicative of the availability of State Water Project (SWP) supplies, were about average producing a 40% SWP allocation for 2024. As of June 1, 2024, the US Drought Monitor indicates nearly 99% of the state, including Santa Barbara County, is without drought conditions.

As a result of the continued wet conditions, the District's 3-year water supply outlook indicates adequate water supplies to meet projected customer water demand through 2027 without projected water shortages, or the need for SWP or supplemental water supplies.

### **Water Transfer Agreement with Homer LLC Secured**

In alignment with its *2022 Strategic Plan*, the District finalized a multi-year agreement with Homer LLC for the transfer or sale of the District's surplus State Water Project (SWP) water. This agreement is a water transfer arrangement between the District and Homer whereby the District annually determines the quantity of SWP water that is surplus to its needs, if any, and Homer is then obligated to purchase that water at a predetermined price. The transfer of surplus water will help offset the cost of local reliable water supplies, including ocean desalination, and will help avoid the physical loss of SWP supplies to events such as paper spills during wet conditions.

### **Recycled Water Development on Hold**

Since completion of the *Enhanced Recycled Water Feasibility Study* in 2022, the District has collaborated with Montecito Sanitary District (MSD) on the implementation of the recommended Indirect Potable Reuse Project (Project) which involves the advanced treatment of MSD's wastewater at MSD followed by storage in the Carpinteria Groundwater Basin. In September 2023, the District was selected for a \$1M grant through the United States Bureau of Reclamation (USBR) WaterSmart: Water Recycling and Desalination Planning Program to fund preliminary design (30% design) and environmental review for this Project. Since 2022, capital costs for public works projects have increased substantially. In early 2024, Carollo and WSC, the consultants that prepared the *Enhanced Recycled Water Feasibility Study*, projected that the Project's capital costs had likely risen by nearly 40% to approximately \$65M. With the availability of State and Federal grants being limited, the project cost increases made the continued pursuit of the Project financially challenging. At its March 25, 2024, meeting, the District's Board of Directors decided to place the project on hold and forgo the \$1M USBR WaterSMART grant. If in the future additional planning and construction grant funding opportunities arise and/or the anticipated unit cost of water reuse decreases making a recycled water project financially viable, the District will consider reinitiating a recycled water project.

### **Maximized Storage of Surplus SWP Water for Future Use**

Following two consecutive above average wet winters, the District stored over 2,900-acre feet of surplus State Water Project water in Semitropic Banking and Exchange Program in FYE2024. As of the end of FYE2024, the District has over 5,100-acre feet of water stored in Semitropic and available for future use.

## **2024 Asset Management Plan Completed**

In mid-2024, the District finalized the development of the *2024 Asset Management Plan*. The purpose of this plan is to effectively record the assets managed by the District, document their condition throughout the asset lifecycle, and predict asset replacements to most effectively maintain the lowest lifecycle cost. The plan optimizes the rehabilitation, repair, and replacement of District assets and assists with prioritizing capital improvements and annual maintenance. The plan includes asset management software that is updated as infrastructure is maintained, rehabilitated and replaced.

## **\$10M Grant and 0% Loan for Reservoir Retrofit and Replacement Project**

The District nearly finalized an agreement for a capital project involving the retrofit and/or replacement of eight of the District's existing water storage reservoirs. The agreement involves 30% loan forgiveness or up to \$10M grant and a 0% loan through the Department of Water Resources' Additional Supplemental Appropriation for Disaster Relief Act (ASADRA) program. Project funding approval is expected in late 2024. Once completed, the project will bring all eight reservoirs into full compliance with current seismic design codes and regulations.

## **Smart Meter Program Roll Out**

The District Advanced Metering Infrastructure Program (Smart Meter Program) replaced aging customer water meters with new ultrasonic water meters along with the addition of smart radios and installation of a fixed network to collect hourly customer water usage. The smart meter program provides a customer portal with nearly real time water usage, which went live in September 2023. The customer portal has been a powerful tool for customers and staff and will reduce lost water from leaks, and improve water use efficiency on properties.

## **Distinguished Budgeting Award...**

The Distinguished Budgeting Award is presented to state and local governments that prepare budget documents of the very highest quality and that reflect both the guidelines and best practices established by the National Advisory Council on State and Local Budgeting and by the Government Finance Officers Association of the United States and Canada (GFOA). To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool. The District's FYE2024 Budget is being reviewed by the GFOA for recognition. The Government Finance Officers Association of the United States and Canada (GFOA) presented the District with a *Distinguished Budget Presentation Award* for its Annual Budget for FYE2023, which was the first year the District applied for and achieved this prestigious recognition.

## **Certified Green Business...**

The District participates in the Green Business Program of Santa Barbara (GBPSBC) in alignment with the District's mission to conduct its operations in an environmentally sensitive manner. The GBPSBC, which is part of the California Green Business Program, a network of local programs operated by counties and cities throughout California, certified the District as a Green Business and Innovator in December 2022. The District's strong work in community partnership and messaging for water conservation made it eligible for the Innovator distinction. The Innovator level is the highest level of certification and recognizes Community Leadership and cutting-edge policies and practices.

## **The District also:**

- Achieved a clean financial audit prepared by Nigro & Nigro PC for FYE2023.
- Completed over \$3.5M of Capital Improvement Projects, of which nearly \$2.7M involved the replacement of aging pipelines and \$0.5M improved operational resilience with backup generators.
- Nearly completed a Master Plan for the District headquarters property located at 583 San Ysidro Road.
- Completed \$5.4M in repairs to water system infrastructure damaged by the extraordinary January 2023 storms, with repair costs covered 95% by the Federal Emergency Management Agency (FEMA).

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## **FISCAL YEAR 2025 PRIORITIES & CONSIDERATIONS**

This budget reflects the District's continuing commitment to reliably deliver water that meets the highest of standards, while striving to be a good steward of water resources, the environment and customer relationships. As stated in the District's Strategic Plan: "The intent as we embark on a new century in 2022 is to be well positioned to ensure a future of ongoing dependability and resilience."

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## **CUSTOMER DEMAND & CONSERVATION**

Customer water use (sales) is highly dependent on several factors including weather, conservation, and economic conditions. For example, in FYE2023 and FYE2024, between 150 to 200% of normal rainfall was received in Santa Barbara County, and water use dropped below budget by nearly 15%. In comparison, during FYE2021 and FYE2022, extreme drought conditions existed with approximately 48% and 63% of normal rainfall received and water use increased to nearly 25% and 15% over budget, respectively. Despite these swings in hydrologic conditions,

customer water use remains relatively stable at between 3,750 acre-feet per year (AFY) and 4,300 AFY, which is about 30% less water used than pre-drought (2013) levels. The 5-year average billed consumption is 3,987 AF.

Sporadic hydrologic conditions have necessitated various declared water shortage emergency conditions in recent years. Following a second consecutive winter with above average rainfall, the District repealed its February 28, 2023, declared Stage 1 water shortage condition through adoption of Ordinance No. 99, which became effective on July 25, 2024. Ordinance No. 99 establishes water use efficiency policies and recommendations irrespective of hydrologic conditions.



With the institution of the District's conservation campaign over the last decade, including the development and implementation of its first ever *Water Use Efficiency Plan* (December 2022), much of the water use behaviors and efficiencies have become permanent such as drought tolerant landscaping and reduced waste from water leaks resulting in a reduction in overall water use District-wide. Among other actions, the *Water Use Efficiency Plan* instituted a water conservation rebate program that rewards water saving actions such as landscape conversions and use of efficient household appliances. Additionally, the District's Advanced Metering Infrastructure Program provides customers with a tool to help monitor and manage water use on individual properties to achieve efficient water use and avoid water waste. The June 2024 repeal of the District's declared water shortage conditions reflects the improved water supply condition and is not expected to result in a significant increase in overall water use.

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## WATER SUPPLY OUTLOOK

After years of extreme drought, with some being the driest on record, the 2022/23 and 2023/24 winters brought much needed drought reprieve statewide, including in Santa Barbara County. The 2023/24 winter brought above average rainfall locally and average rainfall nearly statewide, topping off and/or spilling most surface water reservoirs. With rainfall in Santa Barbara County reaching between 150 to 200% respectively, of the historical average, both the Cachuma Project and Jameson Lake filled and spilled this past winter. Additionally, rainfall and snowpack in Northern California, particularly in the Sierra Nevada Mountains, which is indicative of the availability of State Water Project (SWP) supplies, were about average producing a 40% SWP allocation for 2024. As of June 1, 2024, the US Drought Monitor indicates nearly 99% of the state, including Santa Barbara County, is without drought conditions.

Despite the severe weather swings that continue to impact water supply availability across the State, the District remains well positioned to respond. District actions over the past eight years, such as the Water Supply Agreement (WSA) with the City of Santa Barbara for ocean desalination, local groundwater management for the Montecito Groundwater Basin, regional groundwater banking in Semitropic, and enhanced management of customer water use have significantly improved long-term water supply reliability. The WSA delivers approximately one-third of the District's annual water supply needs irrespective of rainfall. Additionally, the District has over 5,100-acre feet of water banked in Semitropic as of the end of FYE2024, which is over one year's supply that is available for future use.

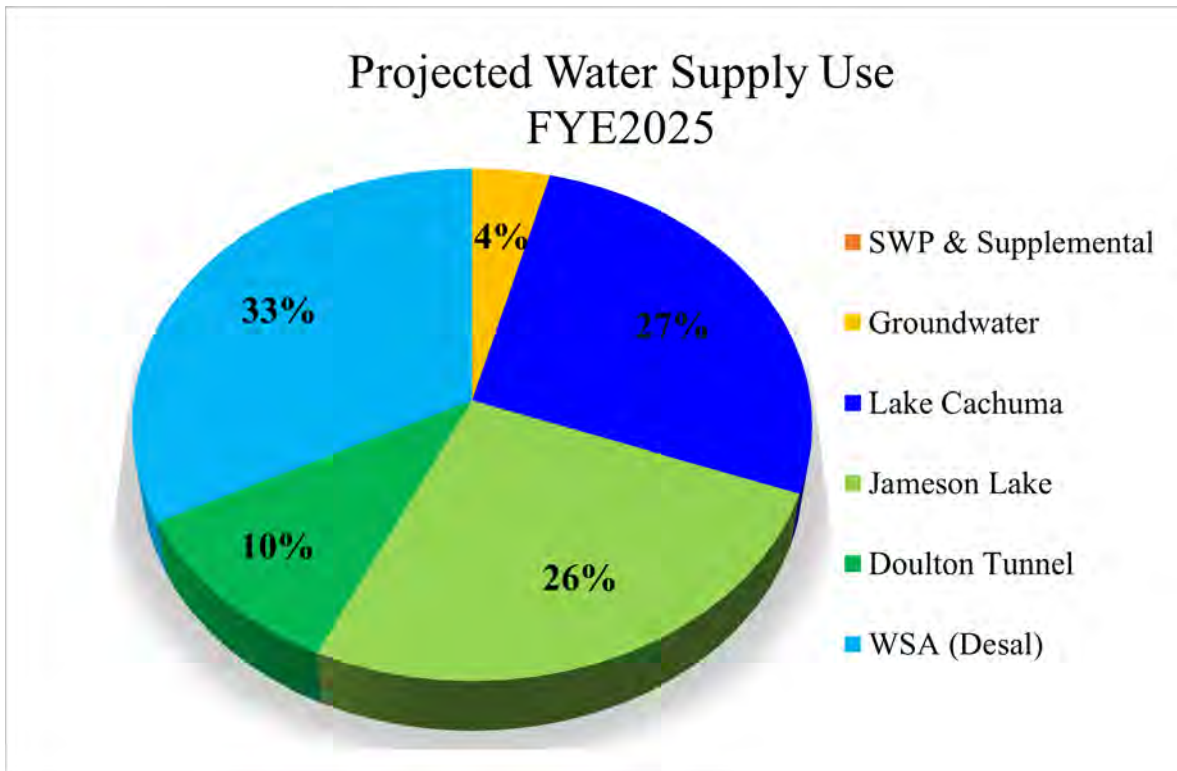
The District's 3-year water supply outlook indicates adequate water supply to meet projected customer demand through FYE2027 with no anticipated water shortages and no need for imported water. Water production for FYE2025 is projected to be approximately 4,300 acre-feet (AF), which is the 5-year average. Sources of water supplies used to meet customer demands in FYE2024 are local, including the City of Santa Barbara (ocean desalination), Jameson Lake, Doulton Tunnel, and the Cachuma Project.

The District continuously evaluates water supply conditions and the need for additional demand-management measures to ensure water supply availability over a three-year planning period and beyond.

Figure 1-1, on the following page, shows the distribution of planned water use by source for FYE2025. Desalinated water is the greatest use at 33% of total supply followed by Lake Cachuma at 27% and Jameson Lake at 26%. It is notable that local water sources collectively account for 100% of planned water supply use in FYE2025.

Despite favorable water supply outlook, efficient water use remains necessary to extend the availability of the District's limited surface water supplies and to bolster long-term water supply reliability. Many of the District's ongoing water use efficiency related initiatives continue, including implementation of the Water Use Efficiency Plan with conservation rebates, monthly leak notifications, automated metering infrastructure, development of parcel water budgets, and continued pursuit of additional rainfall independent water supplies.

**Figure 1-1: Planned Water Supply Use**



## BUDGET IN BRIEF

The budget as presented is consistent with the District's 2024 5-year Water Rate Study, as prepared by Raftelis and dated May 1, 2024. The District also acknowledges that extraordinary financial market conditions and other factors continue to negatively impact the costs of certain District initiatives, including undertaking capital improvement projects. Despite cost increases, the budget for FYE2025 is balanced, and if implemented, it will ensure the District's revenue will be sufficient to fund all the District's planned expenses for the budget period.

**Figure 1-2: Budget in Brief**

BUDGET IN BRIEF	FYE 2023 AUDITED	FYE 2024 ADOPTED BUDGET (Revision 1)	FYE 2025 BUDGET	% OF TOTAL REVENUE
Water Sales	14,908,705	17,390,982	18,169,061	53%
Monthly Meter Charges	4,715,236	4,799,996	6,149,380	18%
Water Availability Charge (WAC)	306,415	300,000	300,000	1%
Other Operating Revenues	357,790	325,884	398,673	1%
OPERATING REVENUE	20,288,145	22,816,863	25,017,113	73%
Water Sources, Treatment & Distribution	(14,174,488)	(17,316,834)	(18,526,022)	-54%
Other Operating Expenses	(4,584,795)	(5,017,421)	(5,128,190)	-15%
OPERATING EXPENSE	(18,759,283)	(22,334,255)	(23,654,212)	-69%
<b>OPERATING INCOME/(LOSS) before Depreciation</b>	<b>1,528,862</b>	<b>482,608</b>	<b>1,362,901</b>	<b>4%</b>
DEPRECIATION (NON-CASH)	(1,335,844)	(1,820,533)	(1,961,087)	-6%
NON-OPERATING INCOME/(LOSS)	610,208	(266,700)	(209,632)	-1%
CAPITAL CONTRIBUTIONS	607,037	1,703,624	3,458,400	10%
SPECIAL ITEMS (FEMA)	-	3,683,400	5,338,938	16%
<b>NET SURPLUS/(DEFICIT)</b>	<b>1,410,263</b>	<b>3,782,399</b>	<b>7,989,520</b>	<b>23%</b>
BOND PRINCIPAL PAYMENTS	(1,215,000)	(1,260,000)	(1,315,000)	-4%
Prior Period Committed Rate Revenue		1,835,020	-	0%
Vehicles & Equipment	(159,378)	(576,500)	(485,000)	-1%
Capital Improvement Program	(4,758,940)	(5,710,000)	(7,396,000)	-22%
NET CAPITAL EXPENDITURES	(4,918,318)	(4,451,480)	(7,881,000)	-23%
<b>NET IMPACT AFTER DEBT &amp; CAPITAL</b>	<b>(4,723,056)</b>	<b>(1,929,081)</b>	<b>(1,206,480)</b>	<b>-4%</b>
REMOVE NON CASH ACTIVITY	1,137,470	(231,153)	1,760,207	5%
<b>Cash Impact before Net Transfers</b>	<b>(3,585,585)</b>	<b>(2,160,234)</b>	<b>553,727</b>	<b>2%</b>
Transfers In	3,585,585	4,330,929	-	0%
Transfers Out		(2,170,695)	(553,727)	-2%
<b>NET CASH IMPACT ON FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

## HIGHLIGHTS

- Water rates and charges increase as of July 1, 2024, by 9.0% in accordance with the District's 2024 5-year Water Rate Study. This rate increase came one year earlier than planned due to extraordinary inflationary pressure since 2021 impacting liquidity and debt coverage compliance.
- Water consumption or sales in Fiscal Year ending (FYE) June 30, 2025, is projected to return to the 5-year average of 3,987-acre feet, which is approximately 14% greater than the prior fiscal year actuals. FYE2024 water sales were under budget by 12% as a result of an above average wet 2023/24 winter.
- Operating expenses are projected to be 13.5% greater than the prior year. Inflationary pressure on electricity, chemicals, fuel, and labor drives the increase.
- Debt service is consistent with the District's various debt schedules include the 2020 COP Bonds, and two Cater JPA loans.
- Planned capital expenditures are consistent with the District's 10-year Capital Improvement Plan, which is informed by the 2024 Asset Management Plan.
- Net Capital expenditures are projected to increase over the prior year for several reasons including construction material and labor costs increases resulting from ongoing inflationary pressure, and delays in material procurement. Some of the increased capital expenditures are offset by reimbursements from prior fiscal year activity.
- Rate stabilization fund transfers help insulate from inflationary pressure.

## ABOUT THE DISTRICT



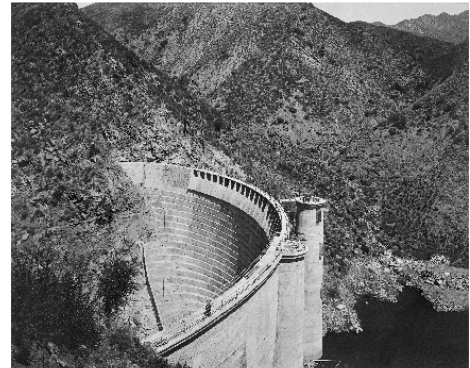
## SECTION 2: ABOUT THE DISTRICT

For over a century, the District has reliably delivered water that meets the highest of standards, while striving to be a good steward of water resources, the environment and customer relationships.

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### HISTORIC MILESTONES

The District was formed in 1921 to address the challenge of providing sufficient water to a growing community in a semi-arid region. Over the past century, the District's ability to achieve its mission has required relentless foresight and action. A myriad of variable factors including population, climate, environment, and regulations have prompted responsive and pro-active historic achievements.



*Juncal Dam at Jameson Lake*

The District's most noteworthy accomplishments include: the creation of Jameson Lake in the 1920s; participation in the Cachuma Project in the 1950s; participation in the State Water Project in the 1990s, and most recently investing in desalination with the City of Santa Barbara in 2020.

As drought conditions reached unprecedented levels over the past decade, the District identified opportunities to maximize its investments and to shore up water supply reliability amidst an ever-changing climate. Recent notable advancements include: (1) Groundwater Banking to allow for the storing of excess water when available and saving it for use when needed most, (2) the 50-year Water Supply Agreement with the City of Santa Barbara to provide the security of ocean desalination, a local rainfall independent supply, (3) establishment of a Groundwater Sustainability Agency (GSA) and its development and implementation of a Groundwater Sustainability Plan (GSP) to ensure the long term health of the Montecito Groundwater Basin, (4) an extensive infrastructure replacement program to improve resilience and increase the longevity of District assets, and (5) implementation of a Water Use Efficiency Plan targeting efficient and responsible water use and the avoidance of water waste.

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### FORM OF GOVERNMENT

Montecito Water District (District) is an Independent Special District. It is a local, nonprofit, government agency overseen by an elected Board of Directors. Since 1921, the District has reliably delivered safe drinking water supplies to residents of the Montecito and Summerland communities. The District currently serves an estimated population of approximately 13,300,

which includes transient populations such as college students, service industry professionals, and those whose residence in Montecito or Summerland is considered a second home.

The District was incorporated on November 10, 1921, as Montecito County Water District under the provisions of Chapter 387, Statutes of 1913 of the State of California. The 1913 Act was superseded by the present County Water District Act found in Division 12 of the State of California Water Code. Montecito County Water District changed its name to "Montecito Water District" in July 1979 pursuant to Section 31006 of the Water Code. The District was formed for the purpose of furnishing potable water within its service area. In 1995, the Summerland County Water District, contiguous with the Montecito Water District service boundary, merged with the Montecito Water District.

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## AUTHORITY

The District is a County Water District organized and existing under the laws of the State of California, including the County Water District Act found in Division 12 of the State of California Water Code (*Division 12 added by Stats. 1949, Ch. 274*).

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## MISSION STATEMENT

The mission of Montecito Water District is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland at the most reasonable cost.

In carrying out this mission, the District places particular emphasis on providing outstanding customer service, conducting its operations in an environmentally sensitive manner, and working cooperatively with other agencies.

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## VISION STATEMENT

The District's vision is to ensure long term sustainability through further development of local water resources and to be recognized in the community for our transparency, integrity, and dedication to providing high-quality drinking water to our customers. (District's 2022 Strategic Plan)

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## GOVERNANCE

The District is governed by a five-member Board of Directors (Board) elected to four-year terms by registered voters residing within the District's service area boundary. The Board is responsible for setting District policy. Policies include water supply policy, financial planning, infrastructure investment, and adoption of water rates. The Board participates in monthly Board and Committee meetings. All Board meetings are open to the public and conducted in accordance

with the Ralph M. Brown Act. Schedules and agendas are available at the District office, and on its web site, [www.montecitowater.com](http://www.montecitowater.com).

Public elections are held every two years with staggered terms to ensure continuity. Terms begin and end in December of the applicable year. Board members also provide representation to affiliated agencies including joint power agencies and professional organizations.

## BOARD OF DIRECTORS



### Ken Coates, President

Term Expires: 12/2026

Committees Served:

- Strategic Planning Committee
- Operations & Customer Relations Committee (Alternate)
- Central Coast Water Authority (CCWA)
- Alternate Representative to California Special Districts Association (SBCSDA)



### Brian Goebel, Vice President

Term Expires: 12/2026

Committees Served:

- Operations & Customer Relations Committee
- Finance Committee (Alternate)
- Alternate Representative to Cachuma Conservation and Release Board (CCRB)



### Cori Hayman, Director

Term Expires: 12/2026

Committees Served:

- Finance Committee
- Representative to Cachuma Operations and Maintenance Board (COMB)
- Alternate Representative to CalDesal



### Tobe Plough, Director

Term Expires: 12/2024

Committees Served:

- Finance Committee
- Strategic Planning Committee
- Representative to Cachuma Conservation Release Board (CCRB)
- Alternate Representative to Cachuma Operation and Maintenance Board (COMB)
- Alternate Representative to Central Coast Water Authority (CCWA)
- Alternate Representative to Association of California Water Agencies (ACWA-JPIA)



### Floyd E. Wicks, Director

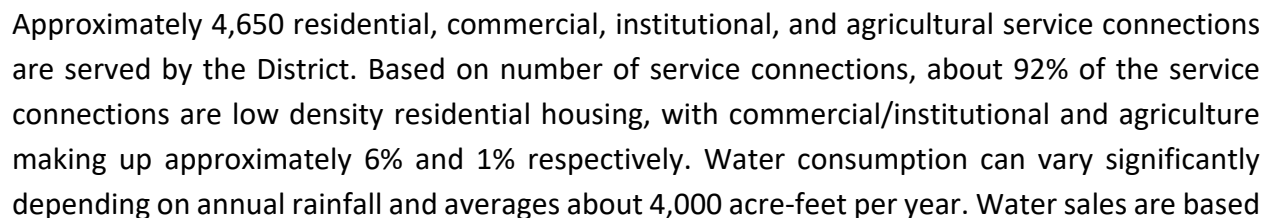
Term Expires: 12/2024

Committees Served:

- Operations & Customer Relations Committee
- Strategic Planning Committee (Alternate)
- Representative to Association of California Water Agencies (ACWA-JPIA)
- Representative to California Special Districts Association (SBCSDA)
- Representative to CalDesal

The District is located in the southern coastal portion of Santa Barbara County and provides service to approximately 9,888 acres (15.5 square miles) bounded by the Santa Ynez Mountains coastal range and the Pacific Ocean to the north and south and the City of Santa Barbara and the Carpinteria Valley to the west and east.

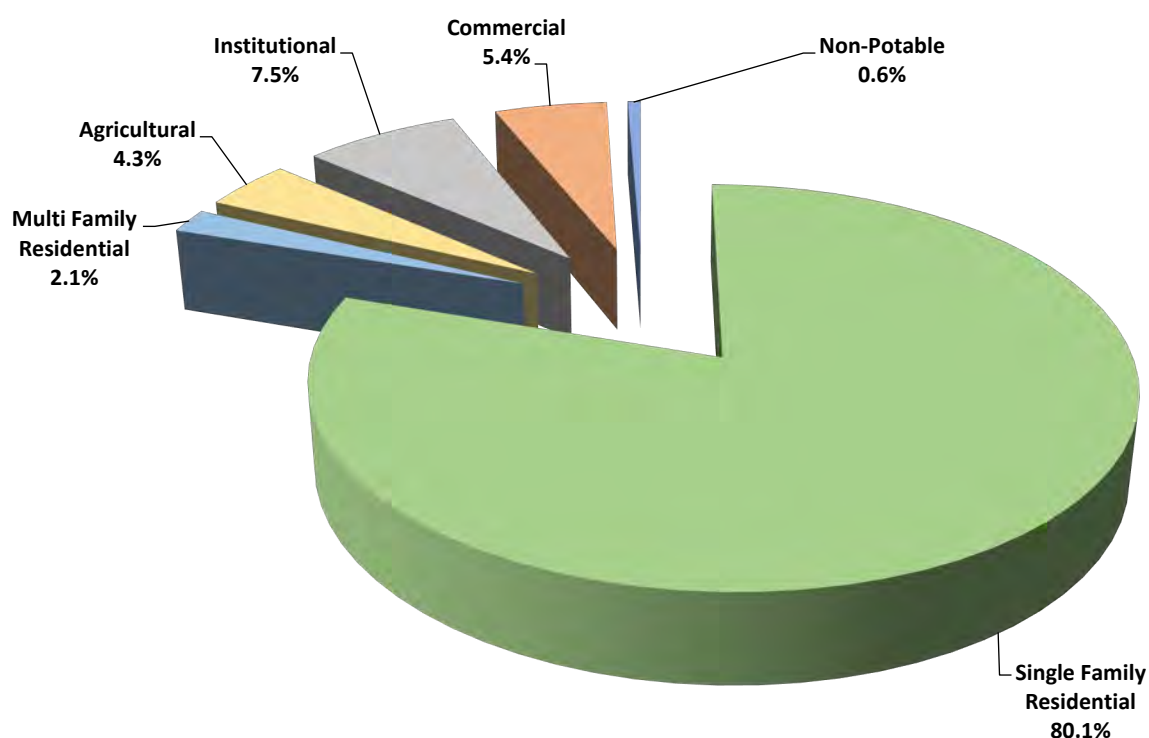
The map below shows the District's service area.



on the actual quantity of water delivered through a District issued water meter, measured in increments of one hundred cubic feet (HCF). 1 HCF = 748 gallons.

Figure 2-1 depicts average consumption by customer class, with residential customers consuming about 80% of the total water supplied. Most of the water use in the community, estimated between 75% and 85%, is used outdoors for irrigation of landscapes.

**Figure 2-1: Average Consumption by Customer Class**



District terrain is relatively steep, varying in elevation from sea level to 1,800 feet in the coastal foothills in the northern part of the service area. The water system is primarily gravity-fed from a series of reservoirs with numerous pressure zones, controlled by pumps and pressure regulating stations, with water delivered directly from Jameson Lake, Doulton Tunnel, and groundwater wells. Cachuma Project, State Water Project, supplemental water if needed, and ocean desalinated water from the City of Santa Barbara is delivered through turnouts along the Cachuma Project South Coast Conduit (SCC) and subsequently pumped to District storage reservoirs.

The local climate is generally characterized as Mediterranean coastal with mild, dry summers and cool winters. High temperatures average about 80 degrees while low temperatures rarely fall below 40 degrees. The area is semi-arid with average rainfall of approximately 18 inches per year, primarily occurring between November and March.



The major activities of the District encompass acquisition, treatment, and delivery of water from multiple sources including surface water from Jameson Lake, Cachuma Project, State Water Project, groundwater from Doulton Tunnel and the Montecito Groundwater Basin and ocean desalination from the City of Santa Barbara.

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## ORGANIZATIONAL STRUCTURE

Pursuant to the Water Code, Sections 30540, 30580 and 30581, management of the District is delegated to the General Manager, who reports directly to the Board. General Counsel and the District's Auditors also report directly to the Board.

The General Manager oversees day-to-day operations. Four departments report to the General Manager: Water Treatment, Distribution, Engineering, and Business.

The Treatment Department is responsible for the operation and maintenance of groundwater wells and associated treatment facilities, pump stations, one surface water reservoir and dam, nine water storage reservoirs (or tanks), and two potable water treatment facilities.

The Distribution Department is responsible for the operation and maintenance of more than 114 miles of water distribution mains, isolation valves, pressure regulators and approximately 4,650 service connections.

The Engineering Department is responsible for planning, organizing, managing, and providing administrative direction and oversight for all functions and activities related to the District's water supply infrastructure.

The Business Department is responsible for the District's accounting, customer service, information systems, personnel functions, and financial reporting.

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## MANAGEMENT

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**Nick Turner**  
General  
Manager &  
Board Secretary



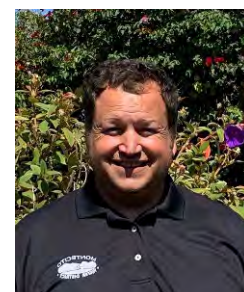
**Adam Kanold**  
Assistant General  
& Engineering  
Manager



**Olivia Rojas**  
Business Manager



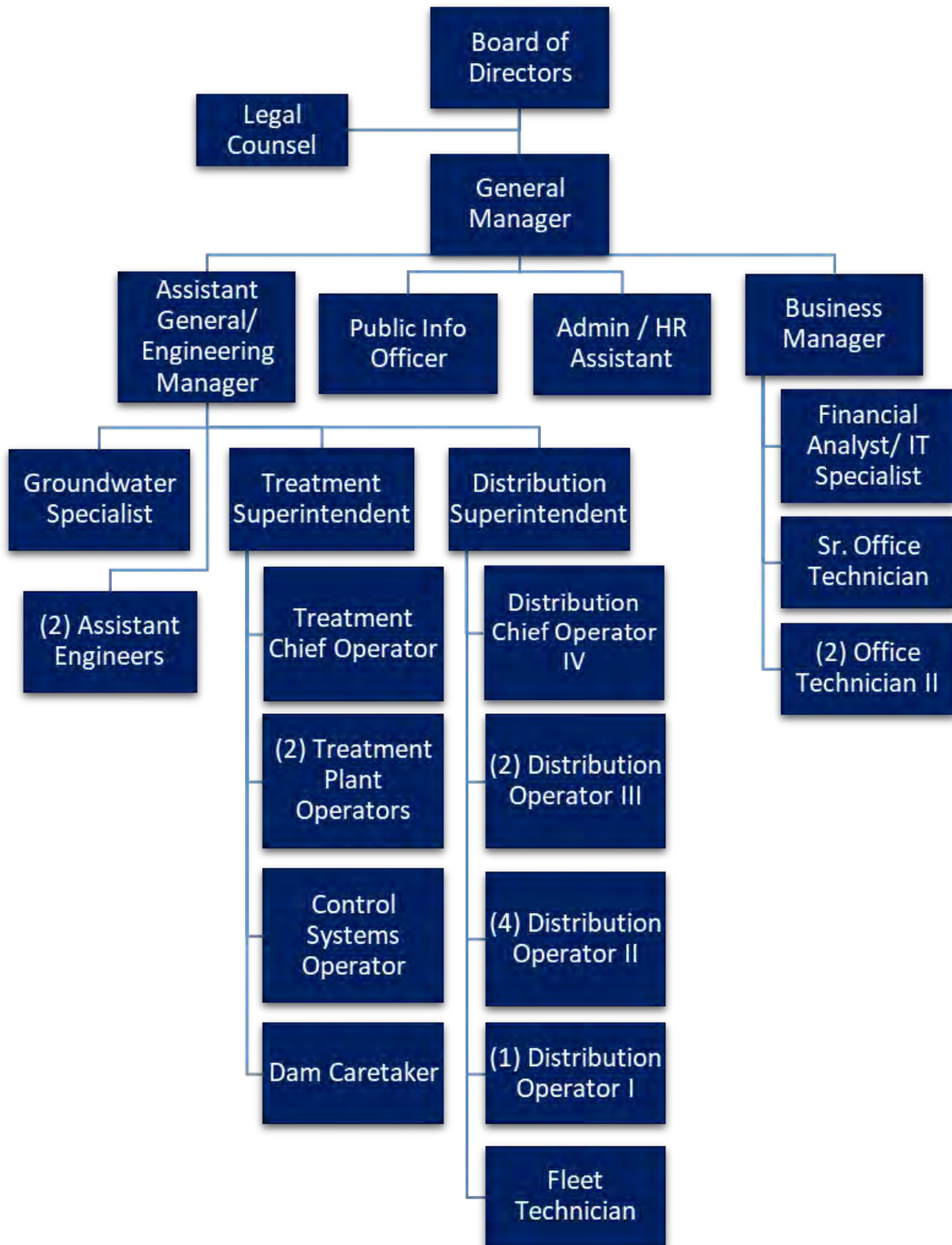
**Chad Hurshman**  
Treatment &  
Production  
Superintendent



**Richie Romero**  
Distribution  
Superintendent

Management oversees a staff of 28 full time employees, including engineers, certified water treatment and distribution system operators, water conservation experts, and communications, finance, and administrative staff. The Budget is prepared under the direction of General Manager and adopted by the Board of Directors.

## ORGANIZATIONAL CHART



# STRATEGIC & LONG-RANGE FINANCIAL PLANS



## SECTION 3: STRATEGIC & LONG-RANGE FINANCIAL PLANS

### PLANNING FOR THE FUTURE

The District maintains several long-range planning tools.

- 2020 5-year Urban Water Management Plan
- 2022 Water Use Efficiency Plan
- 2022 5-year Strategic Plan
- 2024 5-year Water Rate Study
- 2024 Asset Management Plan

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### 2022 5-YEAR STRATEGIC PLAN

In March 2022, the District finalized its first **5-year Strategic Plan** outlining the actions it intends to take through 2027 to ensure it continues to achieve its mission and vision over the next century.

The plan identifies strategic goals and objectives to be pursued over the next 5 years in support of the District's mission to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland, at the most reasonable cost. Through numerous public workshops, priorities, goals and specific initiatives were identified to address various anticipated future challenges including a projected water shortage, aging infrastructure/facilities and workforce, the need for employee development, impacts of water policy, efficient management of water supplies and implementation of water reuse.



### THE DISTRICT'S OBJECTIVES

The objectives of the District over the next 5 years are to:

1. Bolster water supply reliability through additional diversification.
2. Enhance infrastructure dependability through enhanced replacement/rehabilitation.
3. Achieve operational excellence through improved planning and investment in qualified personnel.
4. Be included in development of water policy at all levels to ensure representation of the community's unique needs by continued involvement with community organizations and joint agency ventures.

## **ACTIONS TAKEN IN FISCAL YEAR 2024**

1. Completion and implementation of the *2022 Water Use Efficiency Plan*, prepared by Maddaus Water Management dated December 2022, including a water conservation rebate program and a smart meter program.
2. Completion of the *Enhanced Recycled Water Feasibility Study*, prepared by Carollo dated January 2023.
3. Completion of an *Evaluation of Water Supply Reliability Options*, focusing on potential expansion of the regional groundwater banking operations, prepared by WestWater Research dated March 2023.
4. Completion of a *Special District Consolidation Study*, involving the District and Montecito Sanitary District, prepared by Raftelis dated September 2023.
5. Replacement of 1.8 miles of aging distribution pipelines.
6. Completion of the *2024 Asset Management Plan*, prepared by Wood Rodgers dated June 2024.
7. Maximized storage of surplus State Water Project water in Semitropic Groundwater Banking and Exchange Program, exceeding 4,500-acre feet of water in storage.
8. Collaborated with the District's lobbyist, Carter Wetch & Associates, for the development of legislation that provides a credit incentive for desalination as part of the Urban Water Use Objective regulation.

## **ACTION PLAN FOR FISCAL YEAR 2025**

1. Targeting replacement of 1.1 miles of distribution pipelines per year, consistent with the recommendations of the *2024 Asset Management Plan*.
2. Prepare a preliminary design report for the replacement of 4 miles of the Highline water transmission pipeline.
3. Completion of an evaluation of the storage of surplus surface water in the Montecito Groundwater Basin, prepared by GSI.
4. Completion of an evaluation of the storage of surplus surface water in the Carpinteria Groundwater Basin, prepared by Montgomery and Associates.
5. Completion of a Master Plan for the District's Office Property and initiation of the design of a new Distribution Department EOC, office and shop building.
6. Develop a *Succession Plan*.
7. Store approximately 1,500-acre feet of surplus State Water Project Water in Semitropic, following two consecutive years of above average rainfall statewide.
8. In collaboration with the District's lobbyist, Carter Wetch & Associates, reach conclusion on the development of legislation that provides a credit incentive for desalination as part of the State's Urban Water Use Objective regulation.

## 2024 WATER RATE STUDY

The District engaged Raftelis, a local government and utilities consultant, in late 2023 to complete a Water Cost Rate Study. This rate study came one year earlier than planned due to the impacts that extraordinary inflation has had on cash flow and debt coverage over the last several years. The study consisted of reviewing the District's long-range financial plan, developing a cost-of-service analysis, and designing and calculating water rates for the study period.

The study encompasses a five-year financial planning period from Fiscal Year ending (FYE) June 30, 2025, to FYE2029 and five years of proposed rates for adoption beginning July 2024 and in July of every year thereafter. The proposed rates were adopted by the Board of Directors on June 25, 2024, and are provided in Figure 3-1.

**Figure 3-1: Water Rates (\$/HCF) Adopted June 2024**

Line	Water Usage Rates (\$/HCF)	Monthly Tiers (HCF)	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Residential						
2	Tier 1	0-9	\$6.09	\$6.45	\$6.83	\$7.23	\$7.65
3	Tier 2	10-35	\$13.01	\$13.76	\$14.56	\$15.40	\$16.29
4	Tier 3	35+	\$15.38	\$16.27	\$17.21	\$18.20	\$19.25
5	Commercial		\$11.15	\$11.80	\$12.48	\$13.20	\$13.96
6	Institutional		\$11.76	\$12.44	\$13.16	\$13.92	\$14.73
7	Agriculture		\$5.46	\$5.78	\$6.12	\$6.48	\$6.86
8	Non-Potable		\$2.00	\$2.12	\$2.25	\$2.38	\$2.52

Raftelis collaborated closely with the District's staff and Board of Directors to design and derive rates that meet the District's policy objectives.

The main objectives that informed the study include:

1. Adequately recovering all cost requirements to maintain the District's financial sufficiency;
2. Maintaining compliance with coverage requirements for all existing and planned debt.
3. Minimizing rate impacts to customers while maintaining adequate reserves for all years of the study;
4. Fairly and equitably allocating costs between customer classes.
5. Developing a rate structure that is defensible, promotes the efficient use of water, and is easy for customers to understand.
6. Confirming that the proposed rates developed within the study are fair and equitable and compliant with Proposition 218.

In preparation for the planned annual rate adjustments, the District plans to continue to engage Raftelis to prepare an updated 5-year financial plan to ensure the approved rate increases remain necessary.

Figure 3-2 provides excerpts from the Water Rate Study dated May 1, 2024, including financial plan assumptions, and a current to prior year comparison of revenues and expenses through FYE2029.

Core Assumptions:

- Approx. 3,987 AF of water sales in FYE2025 and beyond
- New connection growth of 0.25% per year
- Inflationary escalation

**Figure 3-2: Financial Plan Assumptions and Year Comparisons**

Line	Escalation Factors	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%
2	Salary / COLA	4.00%	4.00%	4.00%	4.00%	4.00%
3	Salary / Employee Benefits	6.00%	6.00%	6.00%	6.00%	6.00%
4	Electricity	6.00%	6.00%	6.00%	6.00%	6.00%
5	Capital	6.00%	6.00%	6.00%	6.00%	6.00%
6	Non-Rate Revenue Escalation	2.00%	2.00%	2.00%	2.00%	2.00%
7	Reserve Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%

Revenue Projections	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
2024 Rate Study					
Water Sales	\$ 22,702,730	\$ 22,749,548	\$ 22,796,482	\$ 22,843,534	\$ 22,890,704
Service Charges	2,043,246	3,473,287	4,991,377	6,602,779	8,313,072
Total	\$ 24,745,976	\$ 26,222,835	\$ 27,787,859	\$ 29,446,313	\$ 31,203,775

O&M Expenses	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
2024 Rate Study					
JPA Operating (External O&M)					
Cachuma	\$ 1,050,000	\$ 1,081,500	\$ 1,113,945	\$ 1,147,363	\$ 1,181,784
Cater Treatment	919,000	942,070	965,832	999,307	1,034,056
State Water	4,429,164	4,328,885	4,608,342	4,679,337	5,275,081
Desal	7,469,248	7,605,036	7,747,457	7,896,839	7,757,169
Montecito Water District (Internal O&M)	9,438,532	9,867,463	10,276,835	10,704,951	11,152,735
Total - O&M Expenses	\$ 23,305,944	\$ 23,824,953	\$ 24,712,412	\$ 25,427,798	\$ 26,400,825

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## 2020 URBAN WATER MANAGEMENT PLAN

The Urban Water Management Act (Act) became part of the California Water Code (CWC) with the passage of Assembly Bill 797 during the 1983-1984 regular session of the California Legislature. The CWC requires every urban water supplier providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually (AFY) to adopt and submit an Urban Water Management Plan (UWMP) every five years to the California Department of Water Resources (DWR). The specific planning requirements are in the CWC Division 6, Part 2.6 Urban Water Management Planning.

Subsequent legislation has been passed that updates and provides for additional requirements for UWMPs and water management. Senate Bill X7-7 Water Conservation, known as 20x2020, required the State to achieve a 20% reduction in urban per capita water use by December 31, 2020. Reporting of 20x2020 compliance is incorporated into the 2020 UWMP requirements. Senate Bill 606 and Assembly Bill 1668 establish a new framework for long-term improvements in urban water use efficiency and drought planning. Urban retail water suppliers are required to calculate an Urban Water Use Objective (UWUO), assess whether their actual water use met the UWUO, and report the outcome and supporting information in their Annual Water Use Report to the DWR by January 1 of each year, starting in 2024.

The core requirements for the UWMP include a description of the water service area, a description of the existing and planned supply sources, estimates of past, present, and projected water use, 20x2020 analysis and target compliance, a description of water conservation Demand Management Measures (DMMs) already in place and planned, and other conservation measures, a 5-Year Drought Risk Assessment, and a Water Shortage Contingency Plan.

The District's 2020 UWMP demonstrated full compliance with the targeted 20% reduction in per-capita (per-person) urban water consumption in 2020. The Plan anticipates a reliable source of supply to meet expected demands under various circumstances for the foreseeable future. Under normal conditions, the District projects a need for approximately 5,000 acre-feet (AF) to meet expected demands in 2040. To meet this demand, the District has developed new reliable supplies, including a desalinated water purchase agreement with the City of Santa Barbara and a contract for long-term water storage at Semitropic Groundwater Banking and Exchange Program (Semitropic). These newly obtained supplies have made the District less reliant on imported water and rainfall-dependent sources of supply.

The District anticipates full compliance with its newly mandated UWUO, which limits urban consumption for residential, commercial and institutional customer classes. The preliminary UWUO for these categories of water use was 5,348-acre feet. The 2022 calendar year District

usage for these categories was 3,718-acre feet. The resulting difference between actual use in 2022 and the preliminary UWUO was 1,630-acre feet.

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## 2022 WATER USE EFFICIENCY PLAN

The District has taken significant actions to counter the impact of droughts including securing groundwater banking, implementing local groundwater management, and acquiring ocean desalination as a new non-rainfall-dependent water source. Equally critical is the management of customer water use, also known as demand management, to ensure water use remains efficient and not wasteful. Water conserved or not wasted is water available for future use, improving future water security.

The District has historically taken steps to achieve water conservation such as performing free onsite water conservation audits, participating in the County of Santa Barbara's Regional Water Efficiency Program (RWEPP), and performing public outreach. In 2022, the District took its management of customer water use to a new level with the development and implementation of a Water Use Efficiency Plan. This long-term plan targets changing the way customers view water use, consistent with the State's goal of *Making Conservation a Way of Life*. The plan encompasses water use efficiency goals, forecasted budget spending for water use efficiency programs such as rebates, analyses of demand forecasts, and the identification of new actions and associated water savings. The plan supports the District's efforts to comply with the States UWUO regulations.



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## 2024 ASSET MANAGEMENT PLAN

In mid-2024, the District finalized the development of an Asset Management Plan. The purpose of this plan is to effectively record the assets managed by the District, document their condition throughout their lifecycles, and predict asset replacements to most effectively maintain the lowest overall lifecycle cost. The plan optimizes the rehabilitation, repair, and replacement of District assets and assists with prioritizing capital improvements and annual maintenance. The plan includes asset management software that is updated as infrastructure is maintained, rehabilitated and replaced and used for long range financial planning.

The plan found the majority of District assets to be in good to excellent condition. For those assets in a poorer condition, the plan prioritizes projects and funding requirements to ensure the best use of District funds over the planning period. The plan calculates a 50-year average spending requirement of \$5.1M per year. This spending requirement has been incorporated into the District's 10-year capital improvement program, 2024 Water Rate Study, and this FYE2025 Budget.



# WATER OPERATIONS



## SECTION 4: WATER OPERATIONS

### WATER SUPPLY PORTFOLIO

The District has a diverse water supply portfolio consisting of a variety of local, regional, and imported water supplies. Actual water availability varies from year to year based on weather conditions, environmental, hydrological, and regulatory constraints and is subject to hydraulic constraints. All water supplies are secured through collaborative agreements with Federal, State, and local partners or are owned by the District.

The District's foundational water resource management documents, which include the *Urban Water Management Plan* (UWMP) and the *Future Demand and Water Supply Options Analysis*, were last updated in 2021 and 2020, respectively. The GSP for the Montecito Groundwater Basin was adopted by the Montecito Groundwater Basin Groundwater Sustainability Agency on May 19, 2023.

State-mandated urban water use regulations are outlined in Senate Bill X7-7, and more recently in Senate Bill 606 and Assembly Bill 1668. Senate Bill X7-7 targeted a 20% reduction in urban water use by 2020, limiting the District's maximum annual urban water use to approximately 4,800 acre-feet (AF), which includes agricultural deliveries and unaccounted-for water. On June 22, 2021, the District adopted its 2020 UWMP, which demonstrated full compliance with Senate Bill X7-7. Senate Bill 606 and Assembly Bill 1668 established a new framework for long-term improvements in urban water use efficiency and drought planning. Urban retail water suppliers are required to calculate an Urban Water Use Objective (UWUO), assess whether their actual water use met the UWUO, and report the outcome and supporting information in their Annual Water Use Report to the DWR by January 1 of each year, starting in 2024. The UWUO is based on an aggregate estimate of efficient urban water use for the previous year based on the adopted urban water use efficiency standards and local service area characteristics for that year.

The District's FYE2025 budget reflects an anticipated annual water production of approximately 4,300 AF, which equates to approximately 3,950 AF in sales, consistent with the 5-year average water sales (2019-2023 CY). This projection is based on historical customer usage trends and increased water availability but is highly variable depending on customer water use behaviors and hydrologic conditions both regionally and statewide.

### DESALINATION

Pursuant to a long-term Water Supply Agreement (WSA) between the District and the City of Santa Barbara, the District receives 1,430 AF annually supported by the City's desalination facility.

The September 2020 agreement guarantees the District approximately 119 AF of water monthly for a term of 50 years irrespective of hydrologic conditions. Water deliveries began on January 1, 2022, and serve as the District's base supply. Deliveries are made through the District's various turnouts on the Cachuma Project South Coast Conduit (SCC). Approximately 35% of the District's annual water supply needs are met with this local reliable water supply.



### **JAMESON LAKE**

Jameson Lake is a District-owned surface water reservoir on the upper Santa Ynez River. Ownership and diversion rights were transferred from the City of Santa Barbara to the District in 1928 pursuant to the 1928 Juncal Dam Transfer Agreement. During normal conditions, annual diversions from Jameson Lake average about 1,500 AFY and are limited to a maximum of 2,000 AFY in accordance with the 1933 Gin Chow decision by the California Supreme Court. During average conditions, approximately 30% of the District's annual water supply needs are met with this regional water supply.



The current total storage capacity is approximately 4,848 AF, 70% of the original capacity of nearly 7,000 AF. Jameson Lake received significant inflows the past two winters, filling and spilling on January 9, 2023, and December 21, 2023. As of June 2024, Jameson Lake remains at 100% of current full storage capacity.

The Modified Operational Rule Curve for the reservoir, updated as part of the 2020 *Future Water Demands & Water Supply Options Analysis*, recommends maximum annual diversion based on the current lake level. Deliveries from Jameson Lake are expected to provide approximately 1,200 AF of water in FYE2025.

## **DOULTON TUNNEL**

A 2.3-mile-long tunnel through the Santa Ynez Mountains connecting Jameson Lake and the District's service area, the Doulton Tunnel serves as a conduit for Jameson Lake deliveries and acts as a horizontal well collection tunnel for intrusion water or groundwater. This water is collected and conveyed, along with water delivered from Jameson Lake to the District for treatment.



Annual intrusion has historically varied widely depending on the hydrology and can range from above 1,000 AFY to the low hundreds. Due to 2023/24 wet winter, deliveries from Doulton Tunnel have increased and are projected to average approximately 500 AF for FYE2025.

## **CACHUMA PROJECT**

The Cachuma Project (Lake Cachuma) has historically been used to meet approximately 40% of annual demand under normal conditions. In accordance with water supply agreements with United States Bureau of Reclamation (USBR), Santa Barbara County Water Agency (SBCWA) and the Cachuma Member Units (CMUs), the District is entitled to 2,651 AF of Cachuma supplies annually under normal conditions.



The USBR owns the Cachuma Project and is responsible for the operations of Bradbury Dam. The Cachuma Operation and Maintenance Board (COMB), a Joint Powers Authority of which the District is a member, is responsible for the operations and maintenance of the balance of the Cachuma Project facilities, including the Tecolote Tunnel, the South Coast Conduit (SCC), and regulating reservoirs and appurtenances. COMB delivers water to the CMUs on the south coast, including the District and maintains project infrastructure to ensure ongoing sustainability of the Cachuma Project.

Over the last decade, availability of water from the Cachuma Project has varied widely due to extreme weather swings, in some years providing a 0% allocation and in others providing a 100% allocation. The Cachuma Project received significant inflows this past winter and began spilling in early February 2024. As of June 2024, the Cachuma Project remains at 100% of full storage capacity. The USBR issued a 100% Cachuma Project allocation for Water Year 2024, which began October 1, 2023, equating to 2,651 AF. Due to the full lake level, the Water Year 2025 and 2026 allocations are expected to be 100%. Cachuma Project supplies not used in the water year

allocated become carryover water and are stored in the Lake until used. The District anticipates utilizing about 1,150 AF of Cachuma supplies in FYE2025. During average conditions, approximately 40% of the District's annual water supply needs are met with this local reliable water supply

## **GROUNDWATER**

The Montecito Groundwater Basin is a locally controlled and reliable water source for the District. Since 2018, management of the Montecito Groundwater Basin (Basin) is the responsibility of the Montecito Groundwater Basin Groundwater Sustainability Agency (GSA) and in accordance with the 2014 Sustainable Groundwater Management Act (SGMA). The District formed the GSA in 2018 as a single agency GSA and was tasked with developing a Groundwater Sustainability Plan (GSP) for the Basin by 2024. The GSP for the Montecito Groundwater Basin was adopted by the GSA on May 19, 2023, and subsequently submitted to DWR for review and approval, of which may take up to two years.

The District has twelve active groundwater wells, six potable and six non-potable. Diversions from the Basin have historically ranged from 5% to 15% of the District's annual water supply depending on hydrologic conditions. The basin reached a historic low level in 2016 following four consecutive years of drought conditions but is experiencing recovery following two consecutive winters of above average rainfall locally. Extractions from the basin in FYE2025 are expected to be minimal to help promote basin recharge.

## **STATE WATER PROJECT (AND SUPPLEMENTAL WATER)**

The District participates in the State Water Project (SWP) through the Central Coast Water Authority (CCWA), a Joint Powers Authority with responsibility for the ownership and operations of the treatment and distribution of SWP supplies in Santa Barbara and San Luis Obispo Counties. In accordance with water supply agreements between DWR, Santa Barbara County Flood



Control and Water Conservation District and the District, the District is entitled to 3,300 AF of SWP supplies annually under normal conditions. SWP water provides the District with a drought buffer which is used to offset reductions in local and regional surface water supplies. The availability of SWP water varies year-to-year based on hydrologic condition primarily in northern and central California. The District stores undelivered portions of its annual entitlement either in San Luis Reservoir, Cachuma Project or in Semitropic.

SWP and supplemental water deliveries are limited due to a capacity limitation in infrastructure used for delivery to the Cachuma Project. The District's annual deliveries utilizing these facilities vary depending on the delivery point at Cachuma Project, up to a maximum of about 3,800 AF per year. Additional capacity may be available depending on other South Coast agencies' use of the pumping and transmission facilities.

The District projects no SWP deliveries to the Cachuma Project in FYE2025 due to the increased availability of other surface water supplies including Cachuma and Jameson Lakes. All SWP supplies stored in San Luis Reservoir in CY2024 will be used to satisfy the District's obligation under the Santa Ynez River/State Water Project Exchange Agreement (Exchange Agreement) dated February 1, 1993, or moved to Semitropic to be stored.

When needed, the District purchases supplemental water through the Central Coast Water Authority's (CCWA) Supplemental Water Purchase Program. Between 2014 and 2022, the District purchased 17,806 AF of supplemental water. The District does not anticipate a need to acquire supplemental water in FYE2025.

Additionally, in May 2024, the District secured a five-year agreement with Homer LLC for the transfer (or sale) of surplus SWP water to help offset the cost of local reliable water supplies, including ocean desalination, and to avoid the physical loss of SWP supplies to events such as paper spills during wet conditions. The water transfer arrangement involves the District determining annually the quantity of SWP water that is surplus to its needs, if any, and Homer is then obligated to purchase that water at a predetermined price. Due to the timing of the late execution of various agreements required to transfer surplus water, the District does not anticipate transferring water to Homer in FYE2025 and instead surplus SWP water will be stored in Semitropic.

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## WATER SUPPLIES FACILITIES

The District's water supply treatment and distribution system is comprised of two water treatment plants, Bella Vista and Doulton, nine potable water reservoirs totaling 11.56 million gallons (MG), over 114 miles of pipeline, 12 active groundwater wells, and 9 pump stations. All

District water is treated to meet all federal and state drinking water standards. All water delivered from Lake Cachuma, whether SWP, supplemental, and/or Cachuma Project water, is treated at the City of Santa Barbara's regional Cater Water Treatment Plant and subsequently delivered to the District through nine metered turnouts on the SCC.

The District's Bella Vista Treatment plant is a 2.2 MG per day (6.7 AF per day) treatment facility that is used to treat water received from Jameson Lake and Doulton Tunnel. The Bella Vista Treatment Plant went into service in 1994 and provides approximately 30% of the District's potable water supply during average water supply conditions.



Doulton Treatment Plant, a secondary 0.15 MG per day (0.46 AF per day) treatment facility, is located at the top of Toro Canyon Road. The Doulton Treatment Plant also went into service in 1994 and treats the same water supply as Bella Vista Treatment Plant. This treatment plant is used to deliver treated water to a small, isolated portion of the District's service area located on upper Toro Canyon Road.

District groundwater production includes six potable groundwater wells capable of producing up to approximately 75 AF per month. Each potable groundwater well has well head treatment which includes disinfection and filtration of iron and manganese.

## WATER OPERATIONS: COST OF SERVICE

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### DIRECT & INDIRECT EXPENSES

Due to extraordinary inflation over the last several years, planned expenditures have increased above projections included in the *5-year Financial Plan* and *Water Cost of Service and Rate Study*, dated May 7, 2020, and adopted by the Board of Directors on June 25, 2020. Therefore, the District completed a subsequent Water Rate Study, prepared by Raftelis, in May 2024. The 2024 Water Rate Study aligns water rates and charges with the increased costs of providing water service.

Planned operating expenditures are separated into three categories consisting of Water Supply Expenses, and MWD Direct and Indirect Expenses. Operating expenditures are described and shown below.

Water Supply Expenses, which include Joint Powers Authority (JPA) operating expenses (fixed and variable costs associated with COMB, CCRB, CATER, and CCWA), the WSA with the City of Santa Barbara and groundwater banking, account for about 54% of total District expenditures. Direct expenses, which include operations & maintenance expenses directly associated with providing water service to District customers, represent 19% of total expenditures and include costs related to management of District owned Jameson Lake, water treatment, testing, and distribution. Indirect expenses, which includes operations & maintenance expenses indirectly associated with providing water service to District customers, represent 22% of total expenditures, and include costs related to engineering services, finance, public information, fleet, administrative services, liability insurance, legal and others. Of Direct and Indirect expenses, personnel costs represent 20% of total expenditures, which consist of wages, benefits, and other post-employment benefits.

**Figure 4-1: FYE2025 Planned Operating Expenses**

<b>FISCAL YEAR 2024-2025 BUDGET</b>	<b>FYE 2023 AUDITED</b>	<b>FYE 2024 ADOPTED BUDGET</b>	<b>FYE 2024 FORCAST</b>	<b>FYE 2025 BUDGET</b>	<b>BUDGET VS FORCAST</b>
<b>Operating Expenses</b>					
<b>Source of supply-water purchases</b>					
Cachuma Lake	(1,064,775)	(1,000,336)	(1,062,193)	(1,209,378)	14%
Cater Water Treatment Plant	(666,501)	(561,100)	(496,122)	(933,998)	88%
State Water Project (SWP)	(3,827,429)	(4,352,473)	(4,233,881)	(4,343,815)	3%
WSA Water purchase (DESAL)	(5,129,066)	(6,989,586)	(6,654,970)	(7,410,562)	11%
Supplemental Water Purchases	(79,004)	-	(125,000)	-	-100%
Water Marketing & Storage (Semitropic/Westwater)	(37,955)	(59,354)	(54,572)	(111,540)	104%
<b>Total Source of supply-water purchases</b>	<b>(10,804,729)</b>	<b>(12,962,849)</b>	<b>(12,626,739)</b>	<b>(14,009,293)</b>	<b>11%</b>
<b>MWD Direct expenses</b>					
Jameson Lake	(248,622)	(375,584)	(296,309)	(526,419)	78%
Water treatment	(1,490,190)	(2,087,530)	(1,867,412)	(2,149,540)	15%
Transmission and distribution	(1,630,946)	(1,890,871)	(1,703,641)	(1,840,770)	8%
<b>Total MWD Direct expenses</b>	<b>(3,369,759)</b>	<b>(4,353,985)</b>	<b>(3,867,363)</b>	<b>(4,516,729)</b>	<b>17%</b>
<b>Total Direct expenses</b>	<b>(14,174,488)</b>	<b>(17,316,834)</b>	<b>(16,494,102)</b>	<b>(18,526,022)</b>	<b>12%</b>
<b>MWD Indirect expenses</b>					
Customer services	(484,289)	(372,801)	(457,616)	(600,898)	31%
Conservation	(48)	(215,529)	(148,126)	(289,635)	96%
Fleet	(248,742)	(296,220)	(264,334)	(289,888)	10%
Engineering	(1,498,446)	(1,431,695)	(1,047,536)	(1,355,920)	29%
Administration	(1,630,074)	(2,158,244)	(2,029,177)	(2,074,527)	2%
Legal	(249,117)	(323,000)	(234,035)	(287,000)	23%
Public Information	(151,589)	(219,932)	(167,228)	(230,322)	38%
Extraordinary Expense	(322,380)	-	(3,593)	-	-100%
Budget Contingency	(110)	-	-	-	0%
General & administrative	(4,100,506)	(4,644,620)	(3,894,030)	(4,527,292)	16%
<b>Total Indirect expenses</b>	<b>(4,584,795)</b>	<b>(5,017,421)</b>	<b>(4,351,646)</b>	<b>(5,128,190)</b>	<b>18%</b>
<b>Total Operating Expenses</b>	<b>(18,759,283)</b>	<b>(22,334,255)</b>	<b>(20,845,748)</b>	<b>(23,654,212)</b>	<b>13%</b>

## JOINT POWERS AUTHORITIES (JPA)

The District is a member of Joint Power Authorities (JPAs) for the purchase, management, treatment and delivery of water. These JPAs include the Cachuma Operations & Maintenance Board (COMB), Cachuma Conservation & Release Board (CCRB), Cater Treatment Plant (Cater), and Central Coast Water Authority (CCWA). Additionally, the JPA category of expenditures includes the Water Supply Agreement (WSA) with the City of Santa Barbara and groundwater banking with Semitropic. Budget items associated with JPAs are determined and controlled by the individual JPAs pursuant to agreements.

## **CACHUMA OPERATION AND MAINTENANCE BOARD (COMB)**

The Cachuma Operation and Maintenance Board (COMB) is a Joint Powers Agency formed in 1956 pursuant to an agreement with the United States Bureau of Reclamation (USBR). The agreement transferred to COMB the responsibility to operate, repair and maintain all Cachuma Project facilities, except Bradbury Dam, which the USBR continues to operate. COMB is responsible for diversion of water to the South Coast through the Tecolote Tunnel, and the operation and maintenance of the South Coast Conduit (SCC) pipeline, flow control valves, meters, and instrumentation at control stations and turnouts along the SCC and at four regulating reservoirs. COMB's member agencies (Cachuma Member Units) include the City of Santa Barbara, Goleta Water District, Montecito Water District, Carpinteria Valley Water District, and, formerly, Santa Ynez River Water Conservation District-Improvement District No. 1 (SYRWCD ID#1). COMB's Board of Directors is made up of elected representatives from each of its member agencies.



The District's percentage of participation for this JPA is 11.50%. This provides for the payment of the operation and maintenance of the Cachuma Project south coast facilities including the Tecolote Tunnel, the SCC water transmission facilities and the COMB managing office and maintenance facility. The budget also covers fish passage obligations in the Santa Ynez River and its tributaries located downstream of Bradbury dam at Lake Cachuma.

The JPA expense identified as USBR in the COMB budget is the District's proportionate share of costs stipulated in the September 12, 1949, agreement between the United States Department of the Interior, Bureau of Reclamation (USBR) and the Santa Barbara County Water Agency (the "SBCWA") for the Cachuma Project construction. The District entered into a separate agreement with the County to purchase water from the Cachuma Project. The agreement is to operate and maintain the Cachuma Project facilities at Lake Cachuma, including Bradbury Dam. The 1995 Cachuma Project contract with USBR expired in September 2020. USBR and COMB entered into a 3-year interim contract in September 2020 to allow additional time for the contract renewal process between USBR, the County and CMUs. A second 3-year interim contract extension was enacted prior to the September 2023 contract expiration.

## **CACHUMA CONSERVATION RELEASE BOARD (CCRB)**

The Cachuma Conservation Release Board (CCRB) is a Joint Powers Agency formed in January 1973 between Montecito Water District (MWD), Carpinteria Valley Water District (CVWD), Goleta Water District (GWD), and the City of Santa Barbara (City). CCRB was established to jointly

represent the water agencies in protecting the Cachuma Project water rights and interests. In 2011, CVWD withdrew from CCRB, increasing the percentage of participation for the remaining member agencies. The District's current percentage of expenses for CCRB is 13.09%. CCRB's Board of Directors is made up of an elected representative from each of the three remaining member agencies.

The withdrawal of CVWD from CCRB in 2011 also caused a fundamental change in the organization's purpose to focus its activities on water rights advocacy and the Cachuma Project Biological Opinion (BO) Re-consultation and State Water Resources Control Board (SWRCB) Water Rights Orders. All extraneous CCRB programs, not having to do with water rights, including fish passage projects and related studies of the Santa Ynez River and its tributaries, were transferred to COMB.

CCRB does not have any contractual water rights. The actual Cachuma Project water rights are held by the USBR. The water rights orders issued by the SWRCB include provisions protecting the Santa Ynez River water interests and rights of certain Cachuma Lake downstream parties. In 1990 the SWRCB added additional provisions that now require the release of Cachuma Project water into the lower Santa Ynez River for fish restoration purposes. The Lower Santa Ynez River Fish Management Plan (FMP) is a comprehensive plan to provide fish passage and management strategies to protect, restore and create new habitat for the spawning and rearing of endangered steelhead.

Currently the National Marine Fisheries Service (NMFS) and USBR are in re-consultation over the Cachuma Project, and detailed studies and reports are being compiled to ascertain the status of fish passage and restoration activities funded by CCRB. Re-consultation is a process that results in the development of a Biological Opinion (BO). The new BO could adversely affect the Cachuma Project water supply by requiring more releases of water from the Cachuma Project for fish passage purposes.

Additionally, CCRB is currently assisting USBR with the preparation of certain biological and hydrologic plans in response to the State Water Resources Control Board's (SWRCB) Order 2019-0148, issued September 17, 2019. The intent of these plans is to address the effects of the SWRCB's Order 2019-0148 water flow regime on the Lower Santa Ynez River, which will ultimately have an impact on releases of water from the Cachuma Project.

## CENTRAL COAST WATER AUTHORITY (CCWA)

On June 4, 1991, District voters approved participation in the California State Water Project (SWP) allowing the District to participate in the formation of the Central Coast Water Authority (CCWA). The CCWA was formed on August 1, 1991, as a JPA under Government Code Section 6500, Article 1, Chapter 5, Division 7, Title 1 providing for a total of 45,486 AF of SWP Table "A" and drought buffer water supplies to Santa Barbara County. The actual right to the 45,486 AF of State Water is held by the Santa Barbara County Flood Control and Water Conservation District, which acquired the SWP supply in 1963.



CCWA, by way of a transfer agreement, is the agency responsible for managing the financing, construction, operation and maintenance of the SWP facilities necessary for the delivery of SWP water and other supplemental supplies to the eight participating agencies, which includes the Cities of Buellton, Guadalupe, Santa Barbara and Santa Maria; Carpinteria Valley Water District; Goleta Water District; Montecito Water District and the Santa Ynez River Water Conservation District Improvement District#1. SWP Table "A" water is water made available to SWP contractors on a calendar year basis as established by the California Department of Water Resources (DWR). Annual Table "A" allocations vary from year to year due to hydrologic and environmental conditions and have ranged from 5% to 100% allocation. According to DWR, the long-range reliability of the SWP, excluding any potential delta conveyance project is as low as 41%, but has averaged approximately 59% since deliveries to Santa Barbara County began in 1997.

The CCWA Board of Directors is made up of one representative from each participating entity. In general, votes on the Board are apportioned based on an allocated percentage of SWP Table "A" water under the governing rules and obligations of CCWA. The District has a voting percentage of 9.5% in CCWA.

CCWA water treatment and conveyance facilities include the 43 MGD Polonio Pass Water Treatment Plant, 143 miles of transmission pipelines, pump stations, five storage tanks, ten turnouts and the CCWA office and maintenance facility in Buellton, CA. CCWA has a staff of approximately 30 full time employees. The District's full SWP Table "A" allocation is 3,000 AF,



which includes a 300 AF drought buffer. For the 2024 calendar year, DWR issued an SWP allocation of 40%, which for the District translates to 1,320 AF.

In June of each year, the District is responsible for paying fixed capital cost components for its share of the construction loan costs for the pipeline and facilities built by the DWR. The District also pays a variable water treatment and delivery cost to DWR and CCWA for all SWP deliveries.

Each Santa Barbara County SWP participant, including the District, has entered into a Water Supply Agreement to provide for the development, financing, construction, operation and maintenance of the CCWA Project. The purpose of the Water Supply Agreement is to assist in carrying out the role of CCWA: (1) requiring CCWA to sell, and the SWP participants to buy, a specified amount of water from CCWA (take or pay); and (2) assigning the Santa Barbara County SWP contractors entitlement rights in the SWP to CCWA. Although the District has an ongoing financial responsibility pursuant to the Water Supply Agreement between the District and CCWA, the District does not have an equity interest as defined by GASB Code Sec. J50.105.

Each Santa Barbara County SWP participant is required to pay to CCWA an amount equal to its proportionate share of the “fixed project cost component” and certain other proportionate costs established in the Water Supply Agreement. These costs include the Santa Barbara County SWP participant’s share of payments to the DWR under the State Water Supply Contract (including capital, operation, maintenance, power, and replacement costs of the DWR facilities) and all CCWA operating and administrative costs.

Each Santa Barbara County SWP participant is required to make payments under its Water Supply Agreement solely from the revenues of its water system. Each participant has agreed in its Water Supply Agreement to fix, prescribe, and collect rates and charges for its water system which will be at least sufficient to yield each fiscal year net revenues equal to 125% of the sum of (1) the payments required pursuant to the Water Supply Agreement, and (2) debt service on any existing participant obligation for which revenues are also pledged.

### **CATER TREATMENT PLANT**

All water delivered from Lake Cachuma, which includes Cachuma Project, SWP and supplemental water, is treated at the City of Santa Barbara’s Regional Cater Treatment Plant (Cater) located at the northerly terminus of San Roque Road in the City of Santa Barbara. The District entered into a JPA with the City of Santa Barbara and Carpinteria Valley Water Districts (CVWD) on July 5, 1978, followed by contract amendments for payment of



the capital cost and debt service for treatment plant construction and all future capital improvements needed to maintain compliance with state and federal water quality standards. It was decided by MWD, CVWD and the City that the construction of a regional water treatment facility was the most efficient and cost-effective means to treat this water supply. Under the JPA, neither the District nor CVWD have ownership in Cater.

The District signed a subsequent agreement with the City of Santa Barbara, effective November 1, 2003, for participation in a California Drinking Water State Revolving Fund loan contract totaling \$19.2 million to fund improvements required at Cater. The District's proportionate share is 19.7% or about \$3.5 million to be financed over 20 years. Interest is payable semi-annually at a rate of 2.5132% per annum. The District's share of the outstanding balance on June 30, 2024, is \$338,125. The District's payments for its share of the debt service are \$225,416 per year through 2025. In December 2004, the Cater Water Treatment Plant project was completed. Interest and principal payments on the loan began on July 1, 2005.

The City entered into a \$20M Cater upgrade project, (Ozone Project) in 2011 to comply with regulations regarding post-treatment of total trihalomethanes levels which, at times, were at or in excess of the EPA Stage II disinfection byproducts rule maximum contaminant level. This project is financed by a 2.5% State Revolving Fund loan held by the City of Santa Barbara. The District and the City entered into a contribution agreement on June 28, 2011, where the District is invoiced by the City for its 24.63% share of costs. The District has no ownership of the Cater Ozone treatment facilities. Construction of the Ozone Project was completed in June 2013 with MWD's final cost obligation of \$4.3M. The District's payments for its share of debt service are \$276,346 per year thru July 2035.

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## WSA WATER PURCHASE

### WATER SUPPLY AGREEMENT WITH CITY OF SANTA BARBARA

In September 2020, the District and the City of Santa Barbara (City) effectuated a 50-year Water Supply Agreement (WSA) whereby the City is obligated to supply, and the District is obligated to accept, 1,430 AF of water annually irrespective of hydrologic conditions. The WSA was pursued by the District because its current water supply sources are increasingly affected by changing regulations, environmental, and climatic challenges. The District's acquisition of this new reliable water source is supported by its *Future Water Demand and Water Supply Options 2020 Update* analysis prepared by Dr. Steve Bachman in May 2020 indicating moderate to extensive shortages experienced under certain anticipated future conditions. Despite the District having a diverse water supply portfolio, history has shown that its supplies are insufficient to meet customer needs during extended periods of below-normal rainfall and droughts, which are projected by experts to be of increased intensity, longer duration and more frequent in the future. This agreement provides the District with a new local water supply that is nearly 100% reliable and will help protect against ongoing and future droughts and climate change.



The water unit pricing is based on the financing and operational costs of the City's Charles E. Meyer Desalination Plant and, if expanded to 5,000 AFY capacity, the Conveyance Pipeline, including additional payments in consideration of the City's past investments and risks. The estimated unit cost of water in accordance with the WSA is \$3,194 per AF based on the current production capacity of the Desalination Plant. Desalination Plant financing and operational costs are the basis for the water unit pricing because it is the water produced by the Desalination Plant that creates the surplus water supply enabling the City to enter into the WSA. As the Desalination Plant increases in capacity, the District will benefit from economies of scale. The City has indicated it currently has no plans to expand the Desalination Plant. Although the water pricing is based on the Desalination Plant costs, the District has no ownership rights in the Desalination Plant or other City water facilities and does not have control over its operations. The City is required to maintain the Desalination Plant's ability to produce water, which, at a minimum, means that the Desalination Plant will be able to promptly resume operation in event of a shut-down if resumption of operations is necessary to meet City's delivery obligation under the WSA.

Based on WSA cost projections for FYE2025, the WSA unit price for water has increased by about 11% over FYE2024. The year over year increase in the cost of desalinated water is due to a combination of inflation and added costs. Inflation continues to be extraordinary impacting all

costs, in particular electricity and chemicals by about 40%. Increased City staffing needs continue for managing the Desalination facility and its contract operator IDE Americas. Additionally, in Spring 2024, the existing contract for operation of the desalination facility between the City of Santa Barbara and IDE Americas was renewed for a five-year term. As of June 2024, the City and IDE Americas remain in negotiations over certain contract terms, including costs which may result in an increase in the District's proportionate share of costs for water deliveries pursuant to the WSA. The District's FYE2025 budget includes an anticipated \$500/AF increase in operational costs associated with the ongoing negotiations. The District is not obligated to pay the increased costs in FYE2025 until the negotiations between the City and IDE Americas conclude and an agreement is reached.

Additionally, the District is performing an audit of City finances in FYE2024 to confirm appropriateness of all City planned expenses relating to the WSA. This audit is expected to extend into FYE2025.

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## **WATER MARKETING & STORAGE**

### **SEMITROPIC WATER BANKING AND EXCHANGE PROGRAM**

The District participates in the Semitropic Groundwater Banking and Exchange Program (Semitropic). Often during average or wet conditions, the District stores its surplus SWP water in Semitropic, a groundwater banking program located in the Central Valley (Kern County) for future use during below average or dry conditions. Participation in this program provides a guaranteed right to withdraw or recover up to 1,500-acre feet per year of District-stored water and store up to 4,500-acre feet at any time. The District's contract with Semitropic allows for the storage of water in excess of the stored water right of 4,500-acre feet if Semitropic has available capacity within their groundwater banking program. As of June 2024, the District anticipated having in excess of 5,100-acre feet of water stored in Semitropic. Storing surplus SWP supplies in Semitropic bolsters the District's drought supplies and reduces the risk of loss of this water to spill conditions.

## FUNDS & RESERVES



## SECTION 5: FUNDS & RESERVES

### FUND SUMMARY

The District manages three separate funds:

- 1) The District's day-to-day finance and accounting is managed using its **OPERATIONS FUND**. This method of reporting is used to account for operations that are financed and operated in a manner similar to a private business enterprise. The costs (including replacement of existing assets) of providing water and services to its customers on a continuing basis should be financed or recovered primarily through user charges, and the costs should be borne by the customers who are receiving the benefit of the assets. The Enterprise Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Enterprise Fund manages the day-to-day Water operations, carries debt to fund Capital Improvements and maintains Fixed Assets.
- 2) The District manages the **GROUNDWATER SUSTAINABILITY AGENCY (GSA) FUND**. The GSA has a separate directive and is a separate entity with separate financial reporting, and a separate budget.
- 3) The District's RESERVE **FUNDS** are composed of: Restricted funds; Board Committed and Assigned funds; and any other Board designated reserves. These Funds help mitigate the impact of inflationary pressure or water consumption on cyclical peaks and valleys.

**Figure 5-1: Funds and Purpose**

FUND NAME	FUND	TYPE	DESCRIPTION
Operations	1	Enterprise	The purpose of this fund is to track receipt of water revenues and expenditures for day-to-day operations. This includes customer billing, water purchases and funding in case of water-related operating emergencies and unforeseen circumstances.
Groundwater Sustainability Agency	2	Governmental	The purpose of this fund is to track day-to-day operations, grant funding and fund GSA related operating emergencies and unforeseen circumstances. The GSA is a separate agency with a Board and separate set of records.
Reserve Fund	3	Reserve	The purpose of this fund is to segregate reserves from the Operations Fund, mitigate the impact of cyclical financial peaks and valleys, and stabilize debt service coverage.

**Figure 5-2: 3-Year Fund Balance Summary**

FUND	FY 2023		FY 2024		FY 2025	
	Begin Bal	End Bal	Begin Bal	End Bal	Begin Bal	End Bal
OPERATIONS FUND	\$28,306,202	\$31,527,790	\$31,527,790	\$30,050,867	\$30,050,867	\$31,766,892
GSA FUND	704,944	1,247,433	1,247,433	1,806,883	1,806,883	1,185,559
RESERVE FUND	10,400,000	8,200,182	8,200,182	8,200,182	8,200,182	6,273,495
TOTAL	\$39,411,146	\$40,975,406	\$40,975,406	\$40,057,931	\$40,057,931	\$39,225,946

## RESERVES SUMMARY

Maintaining adequate reserve balances is important to the financial health of the District. In June 2017, the District adopted Resolution 2155 defining reserves to be held by the District. Since then, the District reserve policy has been updated annually. At its meeting of June 25, 2024, the Board of Directors adopted an updated Reserve Policy for FYE2025, District Resolution No. 2282, reflecting modifications incorporated in the referenced 2024 Water Rate Study and other District needs.

## RESTRICTED RESERVES

Restricted Reserves are reserves that have restrictions on their use imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with the District or outlined within the debt covenants of a debt financing.

As of June 30, 2024, the District is projected to have a total of \$14,259,788 in cash and investments in various financial institutions. Restricted Reserves totaling \$4,506,917, are held in trustee accounts to satisfy debt covenants, debt agreements, and other contractual requirements and are not available for use. The remaining \$9,752,871 is available for District operating, capital needs and unrestricted reserves.

**Figure 5-3: District Restricted Reserves as of July 1, 2024**

RESTRICTED RESERVES	AS OF 7/1/2024
CCWA RATE COVERAGE RESERVE	\$ 1,495,258
WSA DEBT SERVICE COVERAGE DEPOSIT	481,580
WSA DEBT SERVICE RESERVE DEPOSIT	1,037,248
THOMAS FIRE/DEBRIS FLOW CALOES/FEMA RESERVE	1,492,831
TOTAL RESTRICTED RESERVES	\$ 4,506,917

The following provides a description of the Restricted Reserves:

### *CCWA Rate Coverage Reserve*

The CCWA Rate Coverage Reserve are reserve funds held by CCWA that approximate 25% of the annual charge by CCWA to the District for the fixed and variable charges from the SWP, in addition to the proportionate share of CCWA's administrative costs.

### *WSA Debt Service Coverage Deposit and Reserve*

The WSA Debt Service Coverage Deposit and WSA Debt Service Reserve are reserve funds held by the City of Santa Barbara and represent an amount equal to the District's portion of City's debt service coverage deposit and reserve required pursuant to the City's State Revolving Fund loan for the desalination plant.

### *Thomas Fire/Debris Flow Cal OES/FEMA Reserve*

A result of the settlement between the District and Southern California Edison in connection with damages caused by the 2017 Thomas Fire, a portion of the settlement (referred to as "holdback funds") was held in escrow until reconciliation of project funding was complete. The reconciliation determined \$1,492,830.71 is due back to California Office of Emergency Services (CalOES). These funds remain in reserve until CalOES requests they be returned.

## **UNRESTRICTED RESERVES**

Unrestricted Reserves are reserves that do not have external restrictions imposed on their use. The use of Unrestricted Funds is at the discretion of the Board. Unrestricted Funds may be designated for a specific purpose, determined by the Board. The Board may also redirect the use of these funds as needs change. Unrestricted Reserves are subdivided into "Committed", "Assigned" and "Unassigned" Funds. Committed Funds refer to the fund balance amounts that have constraints imposed by formal action of the Board. Once adopted, the limitation imposed remains in effect until an additional modifying action is taken. Assigned funds refer to fund balance amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. Unassigned funds refer to fund balances that are not restricted, committed, or assigned. The District's Unrestricted Reserves are outlined below.

## **BOARD COMMITTED FUNDS**

As of July 1, 2024, the District's Board Committed Funds consist of a Rate Stabilization Fund and a SWP Prefunding Reserve. The Board desires a minimum Rate Stabilization Fund balance target of \$2,091,165 and the SEP Prefunding Reserve is funded monthly with a maximum target of \$4,171,718 by the June 1 SWP payment. The Board Committed fund balances for FYE2025 are

shown in Figure 5-4 below. These funds are legally accessible for use to fund operations and are held in various financial accounts.

**Figure 5-4: \*Board Committed Fund(s)**

COMMITTED FUNDS	AS OF 7/1/2024
RATE STABILIZATION FUND	\$ 2,091,165
OPERATING RESERVE	3,682,330
CAPITAL AND EMERGENCY RESERVE	500,000
TOTAL COMMITTED FUNDS	\$ 6,273,495

\* SWP Prefunding Reserve is funded monthly in the amount of \$347,643 and is fully funded each year on June 1. The fully funded amount for FYE2025 is \$4,171,718.

The following provides a description of Board Committed fund(s).

*Rate Stabilization Fund.*

*Minimum: \$2,091,165*

The Rate Stabilization Fund is comprised of cash reserves that can mitigate the impacts of operational, debt service and capital expenditure fluctuations year over year. Reserves can be transferred out of the Rate Stabilization Fund and used to help meet debt service coverage requirements. Rate Stabilization Funds can help smooth revenue variability and ensure adequate fiscal resources during periods that might otherwise require rate increases. The minimum fund balance represents 30 days cash on hand, or approximately 8 percent of the District's annual operating costs plus debt service payments. The target fund balance is 55 days, or approximately 15 percent of the District's annual operating costs plus debt service payments.

The District may withdraw all or a portion of these funds and transfer such amounts to be accounted for as revenues in the calculation of debt service coverage. Any transfers in or out of the Rate Stabilization Fund shall be in accordance with the District's legal documents and accounted for appropriately. All retained earnings from water rates not allocated to any other funds may be placed in the Rate Stabilization Fund, subject to the transfer mechanics outlined herewith pursuant to the District's legal documents.

*Operating Reserve.*

*Minimum: \$3,682,330*

The Operating Reserve may be utilized to pay the cost of operating the District's system, including unanticipated costs associated with operations and to meet routine cash flow needs. This minimum fund balance represents 50-60 days cash on hand, or approximately 14 - 16 percent of the District's annual operating costs and the target fund balance is 75 days, or approximately 20 percent of the District's annual operating costs.

The District may withdraw all or a portion of these funds to pay operating expenses, but such amounts are not accounted for as revenues and not included in the calculation of debt service coverage.

*Capital and Emergency Reserve.*

*Minimum: \$500,000*

The Capital and Emergency Reserve is comprised of reserves used for the funding of new capital assets or the replacement of capital assets when they reach the end of their useful life and in the event of an emergency in which the District's infrastructure is severely damaged. The District may use the funds herein for either capital or emergency purposes. This minimum fund balance represents \$500,000 to cover emergency needs. The targeted balance represents the planned pay-go capital costs plus \$500,000 emergency funds. The District plans to use funds in this reserve on planned capital projects throughout the year pursuant to the Budget.

*SWP Prefunding Reserve.*

*Monthly set-aside - Annual Maximum: \$4,176,390*

The State Water Project (SWP) Prefunding Reserve is used to fund the District's annual SWP fixed payment. The reserve is funded through current rates and funds the subsequent fiscal years SWP payment. The SWP payment is for the District's proportionate share of Central Coast Water Authority's SWP fixed payments, which includes Department of Water Resources fixed payments. The District's SWP payment for FYE2025, as budgeted, is \$4,429,164. The FYE2026 prepayment due on June 1, 2025, is \$4,171,718 and set aside in monthly increments of \$347,643 per month.

**BOARD ASSIGNED FUNDS**

Board Assigned Fund balances can vary over the fiscal year depending on their intended use. No Board Assigned Funds are established for FYE 2025.

**BOARD UNASSIGNED FUNDS**

The Board desires to allocate retained earnings not allocated to any other fund, i.e., unassigned funds, to the Operating Reserve and to maintain a Board Unassigned Funds balance of \$0.

# BUDGET ASSUMPTIONS



## SECTION 6: BUDGET ASSUMPTIONS

### BASIS OF BUDGET AND ACCOUNTING

The District utilizes fund accounting and the accrual basis for budgeting purposes, and for accounting and financial reporting. The accrual method recognizes revenues and expenses in the period in which they are earned and incurred. The accrual method conforms with Generally Accepted Accounting Principles (GAAP) as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The District uses Zero Based Budgeting and targets a Balanced Budget.

### REVENUE ASSUMPTIONS

Revenue for FYE2025 is expected to increase by 14% over FYE2024 primarily as a result of water sales revenue in FYE2024 being below budget 10-15% and the planned increase in water rates and charges for FYE2025.

### WATER RATE INCREASE IMPLEMENTED

A water rate increase of 9.0% becomes effective on July 1, 2024, and is consistent with Resolution No. 2287. On June 25, 2024, the Board of Directors adopted Resolution No. 2287 adopting water rates and charges based on the *2024 5-year Water Rate Study* prepared by Raftelis Financial Consultants, Inc., dated May 1, 2024. The study covers the period of FYE2025 through FYE2029 and plans a 9.0% increase in water rates for FYE2025, followed by 5.75% each fiscal year thereafter through FYE2029.

**Figure 6-1: Water Usage Rates**

Line	Water Usage Rates (\$/HCF)	Monthly Tiers (HCF)	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	Residential						
2	Tier 1	0-9	\$6.09	\$6.45	\$6.83	\$7.23	\$7.65
3	Tier 2	10-35	\$13.01	\$13.76	\$14.56	\$15.40	\$16.29
4	Tier 3	35+	\$15.38	\$16.27	\$17.21	\$18.20	\$19.25
5	Commercial		\$11.15	\$11.80	\$12.48	\$13.20	\$13.96
6	Institutional		\$11.76	\$12.44	\$13.16	\$13.92	\$14.73
7	Agriculture		\$5.46	\$5.78	\$6.12	\$6.48	\$6.86
8	Non-Potable		\$2.00	\$2.12	\$2.25	\$2.38	\$2.52

### MONTHLY METER AND PRIVATE FIRE LINE CHARGES INCREASE IMPLEMENTED

Resolution No. 2287 also established Monthly Meter Charges and Private Fire Line Charges over the same period.

The Monthly Meter Charge is a fixed amount based on meter size, and is billed monthly to each customer to recover a portion of the District's fixed costs to provide water service. While the District's fixed costs represent approximately 70% of its total costs, the total Monthly Meter Charges collected from customers recovers approximately 26.5% of all fixed costs.

The Monthly Private Fire Line Charge is a fixed amount based on fire line capacities, and is billed monthly only to customers with dedicated fire lines serving their property.

**Figure 6-2: Monthly Meter and Private Fire Line Charge(s)**

Line	Meter Size	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	3/4-inch	\$63.89	\$67.57	\$71.46	\$75.57	\$79.92
2	1-inch	\$104.80	\$110.83	\$117.21	\$123.95	\$131.08
3	1 1/2-inch	\$184.84	\$195.47	\$206.71	\$218.60	\$231.17
4	2-inch	\$291.56	\$308.33	\$326.06	\$344.81	\$364.64
5	3-inch	\$1,003.03	\$1,060.71	\$1,121.71	\$1,186.21	\$1,254.42
6	4-inch	\$1,963.51	\$2,076.42	\$2,195.82	\$2,322.08	\$2,455.60
7	6-inch	\$4,453.64	\$4,709.73	\$4,980.54	\$5,266.93	\$5,569.78

Line	Fire Line Diameter	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	2-inch	\$22.23	\$23.51	\$24.87	\$26.31	\$27.83
2	4-inch	\$101.41	\$107.25	\$113.42	\$119.95	\$126.85
3	6-inch	\$281.28	\$297.46	\$314.57	\$332.66	\$351.79
4	8-inch	\$591.52	\$625.54	\$661.51	\$699.55	\$739.78

**WATER CONSUMPTION OR SALES IS ESTIMATED AT 3,987 ACRE FEET (AF) OR REVENUES OF \$18,254,061.**

Estimates for FYE2025 are based on 5-year averaged consumption beginning January 1, 2019, and ending December 31, 2024. This time-period has a combination of wet, dry, and average hydrologic years. The District's demand projections are periodically updated with the latest data, but inherently there is a high degree of uncertainty due to changes in the weather.

The FYE2025 water sales projection is 14% greater than the water sales forecast for FYE2024 due to reduced water sales this past winter resulting from an above average wet 2023/24 winter, and 6% less than the actual water sales for FYE2023.

Figure 6-3 shows projected water sales and associated Revenues by Customer classification. Tier 1 Residential consumption includes Agricultural dwelling consumption. Tiers 2 and 3 apply only to Residential.

**Figure 6-3: Projected Consumption By Customer Class For FYE2025**

Customer Classification	FYE25 RATES	6/30/2025	Acre Feet
Tier 1: 9 hcf	\$ 6.09	\$ 2,592,527	977
Tier 2: 10-35 hcf	\$ 13.01	\$ 8,058,712	1422
Tier 3: 36 +hcf	\$ 15.38	\$ 4,441,673	663
Commercial	\$ 11.15	\$ 1,125,005	232
Institutional	\$ 11.76	\$ 1,265,173	247
Agriculture	\$ 5.46	\$ 657,097	275
Non-Potable	\$ 2.00	\$ 113,874	131
Projected FY24/25 Water Sales Revenue		\$ 18,254,061	3947

## **WATER AVAILABILITY CHARGE PROGRAM CONTINUED**

Pursuant to Resolution No. 2275, the District's Water Availability Charge (WAC) Program continues in FYE2025.

## **WATER LOSS ADJUSTMENTS**

The District provides some financial relief to customers that experience water loss on their property due to circumstances beyond their reasonable control. The financial relief, referred to as a water loss adjustment, is outlined in District Resolution No. 2285. Based on water loss adjustments granted in FYE2024, the FYE2025 Budget includes a decrease in revenue of \$120,000 for water loss adjustments.

## **WATER CONSERVATION REBATES**

Consistent with the District's 2022 Water Use Efficiency Plan, the District offers its customers rebates for certain water conservation actions made on their property that result in a reduction in long term water use. Based on rebates granted in FYE2024, the FYE2025 Budget includes a decrease in revenue of \$25,000 for water conservation rebates.

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## **EXPENSE ASSUMPTIONS**

- Total Operating Expenses are projected to increase by approximately 13% over FYE2024.
- Joint Powers Agreement (JPA) expenditures are projected to increase by 11% due to:

- Inclusion of WSA Pay-go capital expenses being funded using operating revenues rather than reserves.
  - Increases in WSA variable costs associated with the IDE operating contract.
  - Increases in Cater JPA O&M costs associated with increased planned water deliveries through Cater Water Treatment Plant.
- Treatment and Distribution expenses are projected to increase 5% due to inflationary pressure.
- COLA for FYE2025 is 4%.
- Total Indirect Expenses, including the COLA, are projected to be 17% greater than FYE2024 expenses.
- Capital equipment purchases are \$306,500 of which \$249,000 is for a vehicle replacement approved in FYE2024. Two vehicle purchases are proposed for FYE2025.
- Approximately \$7.8M of capital improvement projects are proposed for the capital budget for FYE2025.

## BUDGET CALENDAR

**Figure 6-4: Budget Calendar for FYE2025**

<b>FYE2025 Budget Calendar (R 04.23.24)</b>	
<b>DATE (S)</b>	
<b>ITEM</b>	
Last Week in January	DRAFT depart & fiscal year budget templates and prelim budget calendar created
Tuesday, February 6, 2024	Department DRAFT Budget Workbooks distributed.
Tuesday, February 13, 2024	DRAFT Personnel & Water Sources (JPA) Budget templates created.
Tuesday, February 20, 2024	Finance Committee - FYE24 Actuals & FYE25 budget status.
Tuesday, February 27, 2024	Board Meeting FYE25 budget progress report and opportunity for preliminary feedback.
Tuesday, February 27, 2024	Department & CIP FYE24 Projections & FYE25 Draft Requests due to Budget Staff.
Tuesday, March 5, 2024	Department & CIP DRAFT Budgets are distributed.
Tuesday, March 12, 2024	Department & CIP Final Budget requests due to Budget Staff.
Tuesday, March 19, 2024	Finance Committee - MGMT reviews FYE25 DRAFT Budget
Tuesday, March 26, 2024	Board Meeting - Finalize Revenue & Expenditure projections.
Tuesday, April 2, 2024	GM reviews Draft Budget
Tuesday, April 9, 2024	DRAFT BUDGET FINALIZED
Monday, April 15, 2024	Operations Committee - Discussion on proposed CIP
Tuesday, April 16, 2024	Finance Committee - Budget assumptions and Draft Budget review & discussion
Monday, April 29, 2024	Board Meeting - Budget Message and Draft Budget Draft Due
Tuesday, April 30, 2024	PRELIMINARY Budget Due. CIP PENDING
Sunday, May 5, 2024	Raftelis provides draft Updated Rate Analysis for Staff review
Monday, May 6, 2024	RATES: Publish Prop 218 notice for rate study (45 days min prior to rate adoption, targeting 50 days per Colantuono)
Monday, May 13, 2024	Board Workshop Tentative
Wednesday, May 15, 2024	Finance Committee - Review of Updated Rate Analysis; PRELIMINARY Budget; and continuation of WAC and association draft resolution, review proposed updated fees and charges, and associated resolution, and Capital Cost Recovery and Connection Fees.
Tuesday, May 21, 2024	Board Meeting - Board to review proposed updated fees and charges and give staff direction to issue public notice of proposed increase of fees and charges.
June 3 - 14, 2024	Public meeting to present rate study. Laura to coordinate notice of this public meeting in late May. Meeting data TBD
Wednesday, June 12, 2024	Publishing of Rate Study Ordinance (MJ on Wednesday)
Tuesday, June 18, 2024	Finance Committee - Final Draft Budget due
Tuesday, June 25, 2024	Board Meeting - MWD Board considers adoption of FYE25 Budget Resolution; of rate study ordinance; WAC FY25 resolution; and schedule of miscellaneous fees and charges resolution.
JUNE 30	END OF FISCAL YEAR
Thursday, July 25, 2024	Rate Study Ordinance becomes effective (30 days following adoption)
August 2024	New rates to become effective with August billing; likely July 29 which corresponds with meter reading and the beginning of the next billing cycle.
Thursday, August 1, 2024	August Billing with new rates
Tuesday, August 27, 2024	RATES: Board to perform initial reading of Ordinance 100 (rate ordinance).
Tuesday, September 24, 2024	RATES: Board to perform second reading of rate Ordinance 100 and consider its adoption.
Preliminary Budget means the draft budget submitted for initial consideration by the Board, which shall be a complete or substantially complete budget for the budget year, and which is accompanied by a budget justification.	

# BUDGET SUMMARY



## SECTION 7: BUDGET SUMMARY

### OPERATING REVENUE

Water sales and monthly meter charges are 73% and 25% respectively of operating revenue. Conservation Rebates are budgeted consistent with the adoption of the District's 2023 Water Use Efficiency Plan and are intended to reward water saving actions such as landscape conversions and use of efficient household appliances. Operating Revenue is 73% of Total Revenue.

Revenue for FYE2025 is expected to increase by 14% over FYE2024 primarily a result of water sales revenue in FYE2024 being below budget 10-15% and the planned increase in water rates and charges for FYE2025.

**Figure 7-1: Fiscal Year 2024-2025 Budgeted Operating Revenue**

<b>FISCAL YEAR 2024-2025 BUDGET</b>	<b>FYE 2023 AUDITED</b>	<b>FYE 2024 ADOPTED BUDGET</b>	<b>FYE 2024 FORECAST</b>	<b>FYE 2025 BUDGET</b>	<b>BUDGET VS FORECAST</b>
<b>Operating Revenue</b>					
Water Sales - Single Family	11,869,518	13,893,950	13,186,529	14,796,861	12%
Water Sales - Multi Family	298,434	321,442	320,376	296,051	-8%
Water Sales - Commercial	961,335	1,041,679	981,784	1,125,005	15%
Water Sales - Institu / Public	1,290,587	1,298,763	1,368,850	1,265,173	-8%
Water Sales - Agricultural	586,529	751,297	628,072	657,097	5%
Water Sales - Non Potable	80,721	133,851	109,106	113,874	4%
Water Sales - Customer Classes	15,087,123	17,440,982	16,594,717	18,254,061	10%
Water Sales - Construction	84,554	50,000	70,692	60,000	-15%
Water Sales - Surplus SWP Sales	-	-	-	-	0%
Water Loss Adjustments	(219,423)	-	(131,402)	(120,000)	-9%
Water Conservation Rebates	(21,128)	(100,000)	(36,926)	(25,000)	-32%
Customer Credits (Fee Reversals, Misread rebills)	(22,421)	-	(1,852)	-	-100%
<b>Total Water Sales</b>	<b>14,908,705</b>	<b>17,390,982</b>	<b>16,495,229</b>	<b>18,169,061</b>	<b>10%</b>
Monthly meter charges	4,715,236	4,799,996	4,818,533	6,149,380	28%
Water Availability Charge (WAC)	306,415	300,000	328,549	300,000	-9%
Other operating revenues	357,790	325,884	362,592	398,673	10%
<b>Total Operating Revenue</b>	<b>20,288,145</b>	<b>22,816,863</b>	<b>22,004,902</b>	<b>25,017,113</b>	<b>14%</b>

## DIRECT OPERATING EXPENSES

Source of supply water purchases and MWD Direct expenses are projected to increase 11% over the prior fiscal year due to inflationary pressure, such as increased cost of electricity and chemicals, and increased cost of Capital Improvements and obtaining desalinated water supplies. Total Direct Operating Expenses are 54% of Total Revenue.

**Figure 7-2: Fiscal Year 2024-2025 Direct Operating Expenses**

<b>FISCAL YEAR 2024-2025 BUDGET</b>	<b>FYE 2023 AUDITED</b>	<b>FYE 2024 ADOPTED BUDGET</b>	<b>FYE 2024 FORECAST</b>	<b>FYE 2025 BUDGET</b>	<b>BUDGET VS FORECAST</b>
<b>Operating Expenses</b>					
<b>Source of supply-water purchases</b>					
Cachuma Lake	(1,064,775)	(1,000,336)	(1,062,193)	(1,209,378)	14%
Cater Water Treatment Plant	(666,501)	(561,100)	(496,122)	(933,998)	88%
State Water Project (SWP)	(3,827,429)	(4,352,473)	(4,233,881)	(4,343,815)	3%
WSA Water purchase (DESAL)	(5,129,066)	(6,989,586)	(6,654,970)	(7,410,562)	11%
Supplemental Water Purchases	(79,004)	-	(125,000)	-	-100%
Water Marketing & Storage (Semitropic/Westwater)	(37,955)	(59,354)	(54,572)	(111,540)	104%
<b>Total Source of supply-water purchases</b>	<b>(10,804,729)</b>	<b>(12,962,849)</b>	<b>(12,626,739)</b>	<b>(14,009,293)</b>	<b>11%</b>
<b>MWD Direct expenses</b>					
Jameson Lake	(248,622)	(375,584)	(296,309)	(526,419)	78%
Water treatment	(1,490,190)	(2,087,530)	(1,867,412)	(2,149,540)	15%
Transmission and distribution	(1,630,946)	(1,890,871)	(1,703,641)	(1,840,770)	8%
<b>Total MWD Direct expenses</b>	<b>(3,369,759)</b>	<b>(4,353,985)</b>	<b>(3,867,363)</b>	<b>(4,516,729)</b>	<b>17%</b>
<b>Total Direct expenses</b>	<b>(14,174,488)</b>	<b>(17,316,834)</b>	<b>(16,494,102)</b>	<b>(18,526,022)</b>	<b>12%</b>

## INDIRECT OPERATING EXPENSES

MWD indirect expenses are 17.8% greater than the prior year and 15% of Total Revenue.

Conservation increases 95.5% due to being fully staffed. Engineering increases 30% due to needed infrastructure maintenance and repairs and consultant rendered project feasibility studies.

Total operating income before depreciation is \$1,362,901 and is 3.98% of Total Revenue.

**Figure 7-3: Fiscal Year 2024-2025 Indirect Operating Expenses**

<b>FISCAL YEAR 2024-2025 BUDGET</b>	<b>FYE 2023 AUDITED</b>	<b>FYE 2024 ADOPTED BUDGET</b>	<b>FYE 2024 FORCAST</b>	<b>FYE 2025 BUDGET</b>	<b>BUDGET VS FORCAST</b>
<b>MWD Indirect expenses</b>					
Customer services	(484,289)	(372,801)	(457,616)	(600,898)	31%
Conservation	(48)	(215,529)	(148,126)	(289,635)	96%
Fleet	(248,742)	(296,220)	(264,334)	(289,888)	10%
Engineering	(1,498,446)	(1,431,695)	(1,047,536)	(1,355,920)	29%
Administration	(1,630,074)	(2,158,244)	(2,029,177)	(2,074,527)	2%
Legal	(249,117)	(323,000)	(234,035)	(287,000)	23%
Public Information	(151,589)	(219,932)	(167,228)	(230,322)	38%
Extraordinary Expense	(322,380)	-	(3,593)	-	-100%
Budget Contingency	(110)	-	-	-	0%
General & administrative	(4,100,506)	(4,644,620)	(3,894,030)	(4,527,292)	16%
<b>Total Indirect expenses</b>	<b>(4,584,795)</b>	<b>(5,017,421)</b>	<b>(4,351,646)</b>	<b>(5,128,190)</b>	<b>18%</b>
<b>Total Operating Expenses</b>	<b>(18,759,283)</b>	<b>(22,334,255)</b>	<b>(20,845,748)</b>	<b>(23,654,212)</b>	<b>13%</b>
<b>Operating income before depreciation</b>	<b>1,528,862</b>	<b>482,608</b>	<b>1,159,154</b>	<b>1,362,901</b>	<b>18%</b>
Depreciation Expense	(1,335,844)	(1,820,533)	(1,827,480)	(1,961,087)	7%
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>193,018</b>	<b>(1,337,925)</b>	<b>(668,326)</b>	<b>(598,186)</b>	<b>-10%</b>

## NET NON-OPERATING ACTIVITY & NET POSITION

Net non-operating income/(loss) is 1% of Total Revenue.

There is a favorable \$8 million impact on Net Position before Debt Service and Capital, primarily a result of the receipt of FEMA reimbursements from prior fiscal year capital projects.

**Figure 7-4: Fiscal Year 2024-2025 Net Non-Operating Activity & Net Position**

<b>FISCAL YEAR 2024-2025 BUDGET</b>	<b>FYE 2023 AUDITED</b>	<b>FYE 2024 ADOPTED BUDGET</b>	<b>FYE 2024 FORCAST</b>	<b>FYE 2025 BUDGET</b>	<b>BUDGET VS FORCAST</b>
<b>Non-operating revenues:</b>					
Rental Revenue	59,808	47,280	86,982	47,280	-46%
Investment earnings	425,443	360,000	403,679	400,000	-1%
Other non-operating revenues	1,011,719	84,400	473,701	14,400	-97%
<b>Total Non-operating revenues</b>	<b>1,496,970</b>	<b>491,680</b>	<b>964,362</b>	<b>461,680</b>	<b>-52%</b>
<b>Non-operating expenses:</b>					
Interest Expense - 2020A Bonds	(159,961)	(110,884)	(98,734)	(30,047)	-70%
Cater treatment plant obligations	(507,437)	(507,993)	(507,993)	(501,762)	-1%
GSA fee payment	(219,364)	(139,503)	(139,504)	(139,503)	0%
<b>Total Non-operating expenses:</b>	<b>(886,762)</b>	<b>(758,380)</b>	<b>(746,231)</b>	<b>(671,312)</b>	<b>-10%</b>
<b>Non-operating income (loss)</b>	<b>610,208</b>	<b>(266,700)</b>	<b>218,131</b>	<b>(209,632)</b>	<b>-196%</b>
<b>Net Position</b>					
<b>Change in net position before capital contributions</b>	<b>803,226</b>	<b>(1,604,625)</b>	<b>(450,194)</b>	<b>(807,817)</b>	<b>79%</b>
<b>Capital Contributions</b>					
Capital cost recovery fees	481,183	241,820	506,867	200,000	-61%
Connection fees	125,854	73,520	115,703	80,000	-31%
Capital Grants & Other Reimbursements	-	1,388,284	30,000	3,178,400	10495%
<b>Total Capital Contributions</b>	<b>607,037</b>	<b>1,703,624</b>	<b>652,570</b>	<b>3,458,400</b>	<b>430%</b>
<b>Change in net position before special items</b>	<b>1,410,263</b>	<b>98,999</b>	<b>202,375</b>	<b>2,650,583</b>	<b>1210%</b>
<b>Special Items</b>					
FEMA reimbursements	-	3,683,400	1,220,790	5,338,938	337%
<b>Total Special Items</b>	<b>-</b>	<b>3,683,400</b>	<b>1,220,790</b>	<b>5,338,938</b>	<b>337%</b>
<b>Change in net postion</b>	<b>1,410,263</b>	<b>3,782,399</b>	<b>1,423,165</b>	<b>7,989,520</b>	<b>461%</b>
<b>Total Revenues</b>	<b>22,392,152</b>	<b>28,695,567</b>	<b>24,842,623</b>	<b>34,276,131</b>	<b>38%</b>
<b>Total Expenditures</b>	<b>(20,981,889)</b>	<b>(24,913,168)</b>	<b>(23,419,458)</b>	<b>(26,286,611)</b>	<b>12%</b>
<b>Surplus before Debt and Capital</b>	<b>1,410,263</b>	<b>3,782,399</b>	<b>1,423,165</b>	<b>7,989,520</b>	<b>461%</b>
<b>Net Position-Beginning</b>	<b>56,963,641</b>	<b>57,642,818</b>	<b>58,373,904</b>	<b>59,797,069</b>	<b>2%</b>
<b>Net Position-End</b>	<b>58,373,904</b>	<b>61,425,217</b>	<b>59,797,069</b>	<b>67,786,589</b>	<b>13%</b>

## DEBT SERVICE & CAPITAL EXPENDITURE

Debt service is on schedule per the 2020 Bond Schedule and is 4% of Total Revenue. The Cash Impact before net inter-fund transfers is favorable \$553,727.

**Figure 7-5: Debt Service & Capital Expenditure**

FISCAL YEAR 2024-2025 BUDGET	FYE 2023 AUDITED	FYE 2024 ADOPTED BUDGET	FYE 2024 FORCAST	FYE 2025 BUDGET	BUDGET VS FORCAST
<b>Surplus before Debt and Capital</b>	1,410,263	3,782,399	1,423,165	7,989,520	461%
<b>Net Position-Beginning</b>	56,963,641	57,642,818	58,373,904	59,797,069	2%
<b>Net Position-End</b>	58,373,904	61,425,217	59,797,069	67,786,589	13%
<b>Debt Service</b>					
Principal: 2020 COP Refunding Bonds	(1,215,000)	(1,260,000)	(1,260,000)	(1,315,000)	4%
<b>Total Debt Service</b>	<b>(1,215,000)</b>	<b>(1,260,000)</b>	<b>(1,260,000)</b>	<b>(1,315,000)</b>	<b>4%</b>
<b>Capital &amp; Equipment</b>					
Prior Period Committed Rate Revenue		1,835,020	1,835,020	-	-100%
Vehicles & Equipment	(159,378)	(576,500)	(314,690)	(485,000)	54%
Pipelines	(1,171,639)	(2,685,000)	(1,291,736)	(2,160,000)	67%
Capital Improvement Program	(4,758,940)	(5,710,000)	(5,408,787)	(7,396,000)	37%
<b>Net capital &amp; equipment expenditures</b>	<b>(4,918,318)</b>	<b>(4,451,480)</b>	<b>(3,888,457)</b>	<b>(7,881,000)</b>	<b>103%</b>
<b>Total OutFlows: Expenditures, Debt &amp; Capital Expd</b>	<b>(27,115,207)</b>	<b>(30,624,648)</b>	<b>(28,567,915)</b>	<b>(35,482,611)</b>	<b>24%</b>
<b>Remove Non-cash activity</b>					
Bond Interest Amortization	(288,639)	(288,666)	(288,666)	(288,666)	0%
Inventory Disbursements	90,265	72,000	66,308	87,786	32%
Depreciation Expense	1,335,844	1,820,533	1,827,480	1,961,087	7%
CIP TRANSFERS IN	-	(1,835,020)	(1,835,020)	-	-100%
<b>Total Non-cash activity</b>	<b>1,137,470</b>	<b>(231,153)</b>	<b>(229,897)</b>	<b>1,760,207</b>	<b>-866%</b>
<b>Total OutFlows less Non-Cash activity</b>	<b>(25,977,737)</b>	<b>(30,855,801)</b>	<b>(28,797,812)</b>	<b>(33,722,404)</b>	<b>17%</b>
<b>Total Revenues</b>	<b>22,392,152</b>	<b>28,695,567</b>	<b>24,842,623</b>	<b>34,276,131</b>	<b>38%</b>
<b>Cash Impact before Net Transfers</b>	<b>(3,585,585)</b>	<b>(2,160,234)</b>	<b>(3,955,189)</b>	<b>553,727</b>	<b>-114%</b>
Transfers In	3,585,585	4,330,929	4,330,924		-100%
Transfers Out		(2,170,695)	(375,735)	(553,727)	47%
<b>MWD CASH IMPACT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

# WATER SALES & RELATED FEES AND CHARGES



## SECTION 8: WATER SALES & RELATED FEES AND CHARGES

### FYE2025 WATER RATES & MISCELLANEOUS FEES

Water Sales are projected to be approximately 73% of the District's total annual revenue and are billed according to each customers' metered usage. The District has distinct water rates for each customer class, which are updated periodically based on an updated financial plan and cost of service study. The current financial plan, cost of service study and associated water rates were developed and adopted by the Board of Directors on June 25, 2024, with the first of five annual rate increases scheduled to occur on July 1, 2024.

**Projected water consumption or sales for FYE2025 are 3,987 AF (or approx. 4,300 AF total production).** The FYE2025 water sales projections are 10% over FYE2024 water sales forecast, and 21% over the water sales for FYE2023. Projections of water sales for FYE2025 were developed using a customer demand analysis of water use trends for the period of January 2019 through December 2023. The analysis considers 5-year average water use by customer by water use tier, where applicable. The January 2019 through December 2023 period encompasses wet, dry, and average conditions.

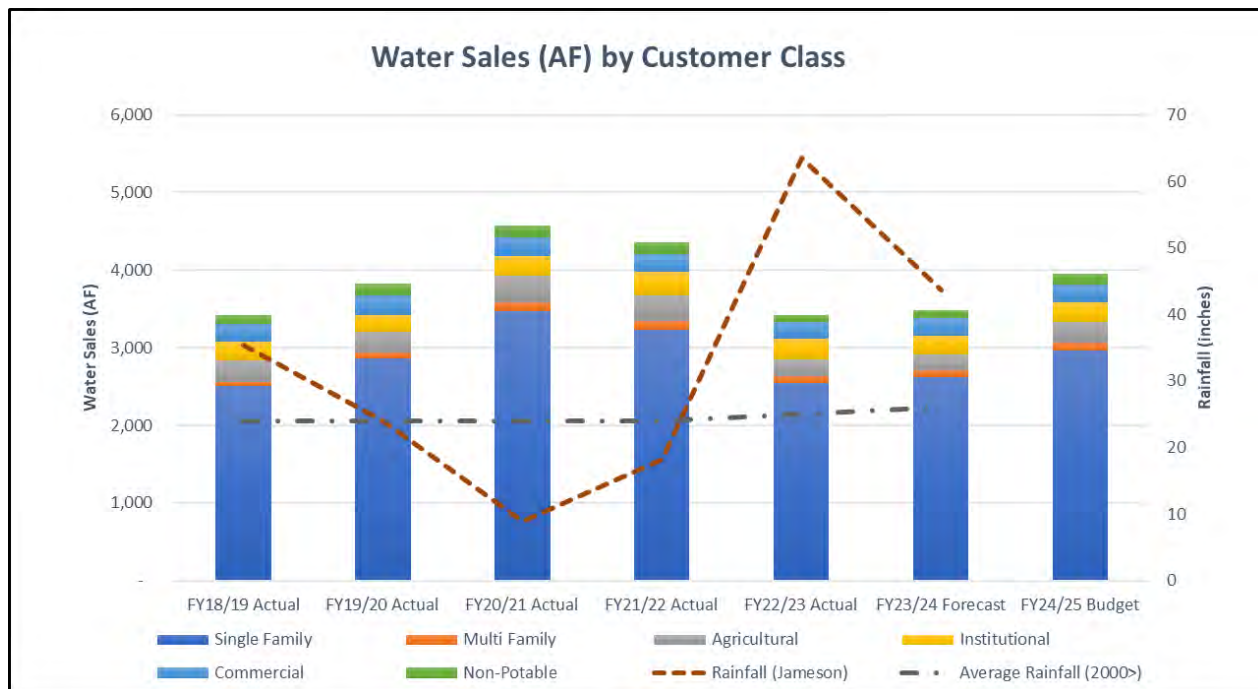
The demand analysis uses the latest available data concerning several key factors including recent water use trends, the weather, water rates, new connections, and conservation. Understanding these factors can help determine the projected change year over year in water use.

- *Weather Variability:* FYE2024 ended with above average rainfall totals for the second consecutive year. As of July 1, 2025, nearly the entire State, including Santa Barbara County is out of drought conditions, according to the US Drought Monitor. Despite the wet winter, demands are expected to return to normal in early summer.
- *Conservation:* Common sense conservation actions remain in effect and efficient water use is essential. Enhanced water use efficiency remains a top priority to extend the longevity of the District's limited surface water supplies.

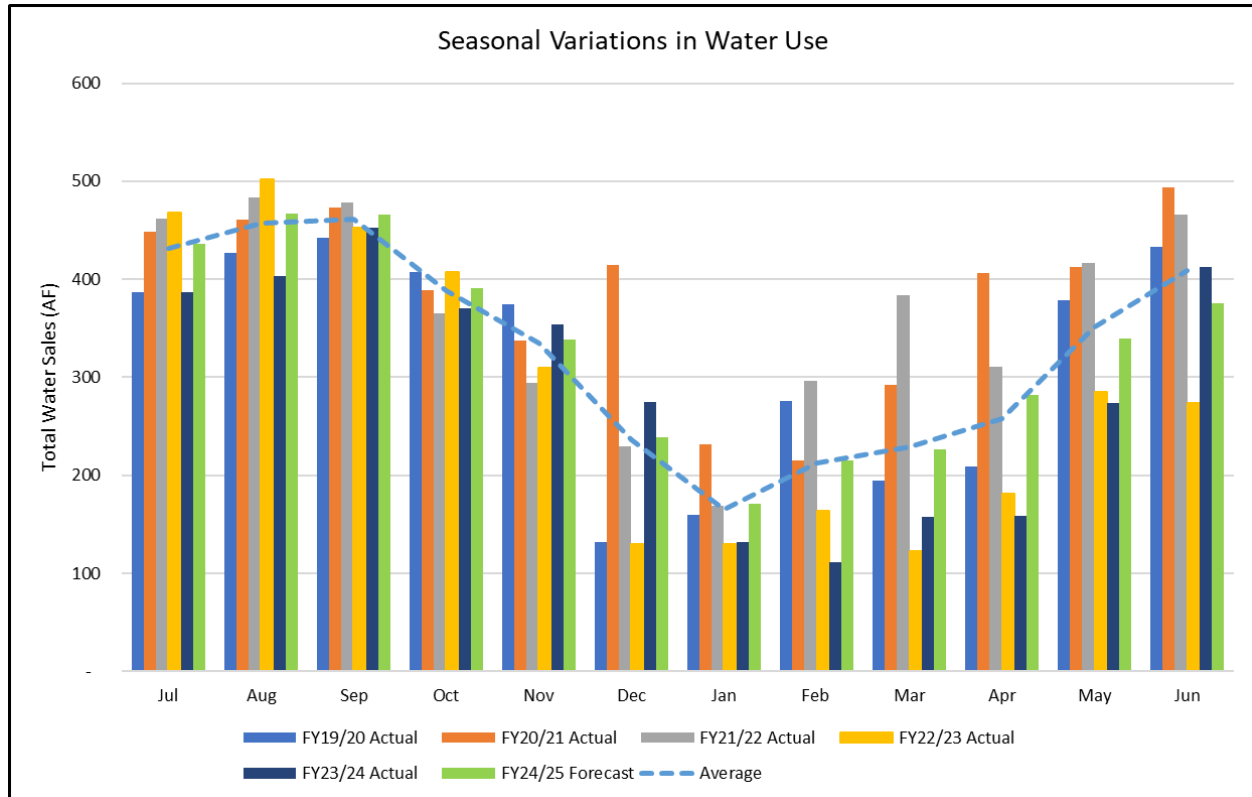
Water sales vary widely across customer classes and can vary significantly month to month depending upon weather conditions. Residential customers, which includes single- and multi-family residential customers, make up approximately 92% of the District's customer base and are responsible for about 80% of total water sales. Of this use, approximately 80% is used for irrigation of landscapes with the remaining being indoor use, such as: showering, toilet flushing, clothes-washing, and dishwashing. As a result, water sales often increase significantly during warm and/or dry periods and decrease significantly during cooler and/or wet periods consistent with irrigation needs. Monthly water use can vary by about five times between summer and

winter months. Additionally, water use in a particular month can vary by as much as four times depending upon rainfall conditions. This variability can make projecting customer water demand challenging.

**Figure 8-1: Comparison of Water Sales**



**Figure 8-2: Comparison of Seasonal Water Use Variations**



## MONTHLY METER CHARGE

All active water service connections pay a Monthly Meter Charge, irrespective of water use based on the size of the meter. Meter charges do not change month to month and help cover costs such as system capacity costs to meet peak demands, meter reading, meter servicing, billing, and other customer service functions. Based on the District's 2024 *Water Rate Study* and water use projections for FYE2025, approximately 25% of total revenue will come from the fixed Monthly Meter Charge. Approximately 83% of District connections are  $\frac{3}{4}$  inch or 1-inch meters, which have the smallest capacities and are charged the lowest Monthly Meter Charges. The District offers water meters ranging from  $\frac{3}{4}$ -inch to 6-inch in size which are selected based on the customer's actual water needs.

In accordance with the 2024 Water Rate Study adopted by the Board of Directors on June 25, 2024, the Monthly Meter Charges for FYE2025 are shown in Figure 8-3.

**Figure 8-3: Monthly Meter Charges**

Line	Meter Size	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	3/4-inch	\$63.89	\$67.57	\$71.46	\$75.57	\$79.92
2	1-inch	\$104.80	\$110.83	\$117.21	\$123.95	\$131.08
3	1 1/2-inch	\$184.84	\$195.47	\$206.71	\$218.60	\$231.17
4	2-inch	\$291.56	\$308.33	\$326.06	\$344.81	\$364.64
5	3-inch	\$1,003.03	\$1,060.71	\$1,121.71	\$1,186.21	\$1,254.42
6	4-inch	\$1,963.51	\$2,076.42	\$2,195.82	\$2,322.08	\$2,455.60
7	6-inch	\$4,453.64	\$4,709.73	\$4,980.54	\$5,266.93	\$5,569.78

### **WATER AVAILABILITY CHARGE**

Subject to an annual public hearing and approval by the Board, the Budget includes the Water Availability Charge (WAC), assessed annually on the County of Santa Barbara tax roll, for the sole purpose of funding needed capital improvements. In general, the WAC is a \$30/acre charge for the first five acres or fraction of an acre levied on all properties within the District's service area, including those properties not currently served by the District. The charge is used solely to pay the cost of replacing and enhancing the water distribution and treatment systems.

The District held the annual public hearing for the WAC at its regular Board meeting on June 25, 2024, and the charge was continued for FYE2025 via Resolution 2275 and is expected to provide approximately \$300,000.

### **MONTHLY PRIVATE FIRE LINE CHARGE**

Private fire line revenue is anticipated to be \$275,673 based on the current number of private fire lines. The District has approximately 115 private fire lines.

The monthly private fire line charges for FYE2025 are shown in Figure 8-4.

**Figure 8-4: Monthly Private Fire Line Charges**

Line	Fire Line Diameter	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
1	2-inch	\$22.23	\$23.51	\$24.87	\$26.31	\$27.83
2	4-inch	\$101.41	\$107.25	\$113.42	\$119.95	\$126.85
3	6-inch	\$281.28	\$297.46	\$314.57	\$332.66	\$351.79
4	8-inch	\$591.52	\$625.54	\$661.51	\$699.55	\$739.78

## LATE CHARGE

Pursuant to Resolution Nos. 2279 and 2288, a late charge is applied to the past due amount of a monthly bill. The past due amount is assessed a late charge of 6% the first month late, followed by an additional 1.5% fee for each month late thereafter. It covers the District's costs of financing late payments from customers with delinquent accounts.

## CAPITAL COST RECOVERY AND CONNECTION FEES

The District has invested, and continues to invest, in significant public waterworks projects necessary to acquire, treat, and deliver a reliable supply of potable water to its customers. Individuals desiring to become District customers and receive potable water service are responsible for (1) funding a proportionate share of the District's facilities, referred to as a Capital Cost Recovery Fee and (2) the actual cost including direct labor, materials and equipment necessary for physically connecting to the District's water system, referred to as a Connection Fee. Capital Cost Recovery and Connection fees are one-time charges paid by individuals prior to receiving potable water service from the District.

The Capital Cost Recovery and Connection Fees are adjusted annually at the beginning of each fiscal year and were last updated on June 25, 2024, with adoption of Resolution No. 2280. The updated Capital Cost Recovery and Connection Fees become effective on July 1 each year.

The Capital Cost Recovery and Connection Fees for FYE2025 are shown below. The FYE2025 budget projects five new ¾-inch and five new 1-inch water services connections.

**Figure 8-5: FYE2025 Capital Cost Recovery & Connection Fees**

Meter Size	Connection Fee	Capital Cost Recovery Fee
3/4"	\$9,048	\$24,917
1"	\$9,349	\$42,827
1.5"	\$11,320	\$77,867
2"	\$12,454	\$124,587
3" - 6"	*	**
* Conditions typically vary widely for larger size meters. Connection fee is determined on a case-by-case basis based on time & materials including (1) actual cost of direct labor and (2) actual cost of materials and equipment usage.		
** Contact the District for a determination of Capital Cost Recovery Fees for 3-inch and larger meters.		

# WATER SUPPLY DIRECT & INDIRECT EXPENDITURES



## SECTION 9: WATER SUPPLY DIRECT & INDIRECT EXPENDITURES

### JPA OPERATING EXPENSE

The Joint Power Agencies (JPA) are each responsible for preparing their own fiscal year budgets which are then passed on to the participating JPA members.

### CACHUMA OPERATION AND MAINTENANCE BOARD (COMB) \$616,436

This is the District's share of the COMB FYE2025 budget and is the District's 11.45% share of COMB operating costs. Costs include the management of the Cachuma Project including Lake Cachuma, Tecolote Tunnel and the South Coast Conduit, and various fish passage improvement projects. These amounts are based on the COMB budget adopted by the COMB Board on May 20, 2024.

### CACHUMA CONSERVATION AND RELEASE BOARD (CCRB) \$188,365

This is the District's share of the Cachuma Conservation and Release Board's (CCRB) FYE2025 Budget. The CCRB budget is ratified annually by the District's Board of Directors which occurred on May 21, 2024.

### UNITED STATES BUREAU OF RECLAMATION (USBR) \$226,820

This is the District's share of the U.S. Bureau of Reclamation's annual costs for the operation and maintenance of Bradbury dam and associated facilities. This budget is consistent with prior years. These amounts are based on the COMB budget approved by the COMB Board on May 20, 2024.

### CATER WATER TREATMENT PLANT \$933,998

This amount includes Cater Water Treatment Plant operations and maintenance costs, the variable water treatment costs related to all water delivered from Lake Cachuma (\$853,998), as well as the City of Santa Barbara's anticipated Cater Water Treatment Plant capital projects (\$80,000). The operations and maintenance costs are shared with the City of Santa Barbara and the Carpinteria Valley Water District and are allocated as a percentage of water deliveries to each agency. The current amount is based on the City of Santa Barbara's FYE2025 proposed budget received in February 2024.

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STATE WATER PROJECT (DWR/CCWA): FIXED COST \$4,176,390

The District pays an annual fixed costs payment to the CCWA for its proportionate share of construction loan costs for the SWP facilities built by DWR and pipeline and facilities built by CCWA. The total DWR and CCWA fixed costs are budgeted based on estimates provided by CCWA in its approved FYE2025 Budget. Note that CCWA operates on a fiscal year schedule with the fixed payment due on or before June 1 of each year. The CCWA budget was adopted by the CCWA Board of Directors on April 25, 2024.

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STATE WATER PROJECT (DWR/CCWA): VARIABLE COST \$167,425

CCWA variable costs include the treatment and delivery of State Water to Lake Cachuma. This budget was adopted by the CCWA Board of Directors on April 25, 2024.

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2020 WSA W/ SANTA BARBARA (DESAL) \$7,410,562

This item includes the costs to take receipt of 1,430 AF of water annually from the City of Santa Barbara in accordance with the September 2, 2020, Water Supply Agreement. Water deliveries commenced on January 1, 2022.

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SUPPLEMENTAL WATER ACQUISITION \$0.00

This item includes the cost of taking receipt of supplemental water deliveries. No supplemental water purchases are budgeted for during FYE2025.

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MWD DIRECT EXPENSES

MWD Direct Expenses are 79% (excluding depreciation) of the District's total operating expenses which include indirect administrative costs.

MWD direct expenses consist of the direct cost of delivering water to the District's customers. Direct expenses include the cost of operating and maintaining the water treatment facilities, the transmission and distribution system pipelines, pump stations and storage reservoirs.

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JAMESON LAKE \$526,419

Jameson Lake Operations & Maintenance expenses include one employee's labor (Dam Caretaker), supplies, contracting services, and Division of Safety of Dams (DSOD) Dam fees for the District's Jameson Lake, Juncal Dam and Doulton Tunnel facilities.

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TREATMENT \$2,149,540

Treatment Operations and Maintenance budget includes the costs to operate and maintain the District's Bella Vista and Doulton water treatment plants, and potable and non-potable wells. This item consists of labor, supplies, contracted services, training, and electricity.

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TRANSMISSION & DISTRIBUTION	\$1,840,770
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The Transmission and Distribution Operations & Maintenance budget includes maintenance of the District's 114 miles of pipelines, approximately 4,650 service laterals and water meters, reservoirs, valves and fire hydrants. The budgeted amount includes an estimate of labor, supplies, utilities, contracted services, and training.

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INDIRECT EXPENSES

CUSTOMER SERVICE	\$600,898
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This item includes costs for the Smart Meter Program, bill printing service, merchant credit card and bank fees and payroll for customer service personnel and customer utility billing.

CONSERVATION	\$289,635
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This item includes costs for managing the District's Water Use Efficiency Program.

FLEET	\$289,888
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This item includes the costs to maintain and repair District equipment, including vehicles and heavy machinery such as backhoes and dump trucks. This includes labor for one employee (mechanic), materials and outside services to maintain the District's fleet.

ENGINEERING	\$1,355,920
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The Engineering department plans, organizes, manages, and provides administrative direction and oversight for all functions and activities related to the District's water supply infrastructure. The Engineering department performs long-term and short-term project planning, environmental programs/planning and compliance, and design, construction, permitting, and construction management of facility improvements. The Engineering department also coordinates assigned activities with other District departments and outside agencies and provides administrative and technical support to the General Manager, Business Manager and Board of Directors.

ADMINISTRATION (INCLUDING LEGAL)	\$2,074,527
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This item includes general and administrative costs necessary to keep the District functioning on a day-to-day basis. Administration works with elected officials to analyze, manage and deliver programs and services to ensure public safety and provide public services.

PUBLIC INFORMATION	\$230,322
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This item includes costs for public outreach, events, website development, and public notices.

# DEBT SERVICE & DEBT SERVICE COVERAGE RATIO



## SECTION 10: PARITY DEBT & DEBT SERVICE COVERAGE RATIO

### CATER LOANS

#### CATER WATER TREATMENT PLANT

The District currently receives approximately 30% of its water supplies from or through the Cachuma Project. These surface water supplies are treated at the City of Santa Barbara's Cater Water Treatment Plant. The District entered into a joint powers agreement with the City of Santa Barbara, effective November 1, 2003, in which the District agreed to participate in a California Drinking Water State Revolving Fund contract financing totaling \$19.2 million to fund improvements required at the Cater Water Treatment plant. The District's annual payments for its share of the debt service are \$225,416 per year.

#### CATER OZONE PROJECT

The District currently receives approximately 30% of its water supplies from or through the Cachuma Project. These surface water supplies are treated at the City of Santa Barbara's Cater Water Treatment Plant. The District entered into a joint powers agreement with the City of Santa Barbara, effective November 1, 2003, in which the District agreed to participate in a California Drinking water State Revolving Fund contract to fund improvements required at the Cater Water Treatment Plant. The District's annual payments for its share of the debt service are \$276,738 per year.

### REFUNDING REVENUE BONDS, SERIES 2020A

On September 9, 2020, the District refinanced 2010A Revenue Refunding bonds and a 2004 DWR Ortega Loan with Refunding Revenue Bonds, Series 2020A. The 2020A bonds were issued to provide an estimated net present value savings from cashflow of \$3,302,335 over the life of the bonds. The bond covenants require a 1.25 debt coverage ratio. Principal payments commenced in FYE2022 and continue through the life of the bonds ending in FYE2030. The combination of the coupon rate of 4% for FYE2021 through FYE2026 and 5% for FYE2027 through FYE2030, borrowing costs and the investor yield is a true overall borrowing cost of 1.21%.

The Refunding Revenue Bonds, Series 2020A are rated "A-1" by Standard & Poor.

Figure 10-1 lists the principal and interest due to the bond holders per fiscal year:

**Figure 10-1: 2020A Bond Debt Service**

<b>Bond Debt Service</b>				
MONTECITO WATER DISTRICT				
REFUNDING REVENUE BONDS, SERIES 2020A				
Final Pricing				
	Dated Date	9/9/2020		
	Delivery Date	9/9/2020		
Period Ending	Principal	Coupon	Interest	Debt Service
6/30/2021	160,000	4.000%	160,222.23	320,222.23
6/30/2022	335,000	4.000%	501,900.00	836,900.00
6/30/2023	1,165,000	4.000%	471,900.00	1,636,900.00
6/30/2024	1,215,000	4.000%	424,300.00	1,639,300.00
6/30/2025	1,260,000	4.000%	374,800.00	1,634,800.00
6/30/2026	1,315,000	4.000%	323,300.00	1,638,300.00
6/30/2027	1,375,000	5.000%	262,625.00	1,637,625.00
6/30/2028	1,445,000	5.000%	192,125.00	1,637,125.00
6/30/2029	1,525,000	5.000%	117,875.00	1,642,875.00
6/30/2030	1,595,000	5.000%	39,875.00	1,634,875.00
	11,390,000		2,868,922.23	14,258,922.23

#### **DEBT SERVICE COVERAGE RATIO (DSCR)**

The debt service coverage ratio is a measurement of the District's available cash flow to pay current debt obligations. It is equal to Net Operational Surplus/(Deficit) less interest payments and non-cash adjustments, such as depreciation, divided by Total Debt Service.

Pursuant to the 2020A bond covenants, the District must maintain a debt service coverage ratio of 1.25 or above to meet debt service covenant requirements. The District's most recent ratio as of FYE2023 Audited Financials was 1.67.

The DSCR is a dynamic component which is updated throughout the year as economic conditions, cashflow and District debt service needs change.



# PERSONNEL BUDGET



## SECTION 11: PERSONNEL BUDGET

### ADMINISTRATIVE STAFF & OPERATIONS

Providing high quality service depends on a partnership between an elected Board of Directors, and a skilled and dedicated personnel staff of managers, technicians, operators, and field crews with shared expertise in engineering, finance, water conservation, treatment, distribution, business management, technology, and communication. The purpose of this section is to summarize staff Total Compensation per department and delineate the number of Full-Time Equivalent (FTE) positions. Personnel expenses are embedded within the MWD Direct and MWD Indirect Expenses. Total Compensation includes Wages, Overtime & Standby, Vacation, Sick, PTO, Employer Payroll Taxes, CalPERS Employer contributions and Annual Unfunded Liability, worker's compensation and benefits.

Salaries and wages, excepting the General Manager's, are governed by a Board-adopted salary matrix. The matrix is updated annually with a Board adopted cost-of-living adjustment (COLA). The FYE2025 adopted COLA is 4% pursuant to Resolution 2278 (see **Error! Reference source not found.**).

### PERSONNEL COST PER DEPARTMENT

**Figure 11-1: Department Personnel Costs**

DEPARTMENT	FTE	INTERN/ TEMP	MGRS & SUPER	TOTAL COMP
ENGINEERING	3	1	1	771,330
CONSERVATION	1			152,039
DISTRIBUTION	7		1	1,405,728
FLEET & EQUIPMENT	1			183,288
CUSTOMER SERVICE	3			362,898
ADMIN & GENERAL	6	1	2	973,219
TREATMENT	6	1	1	1,159,921
JAMESON LAKE	1			150,774
ORTEGA	1			10,371
PUBLIC INFORMATION	1			140,818
BOARD OF DIRECTORS	5			28,582
	<b>35</b>	<b>3</b>	<b>5</b>	<b>5,338,969</b>

### TREATMENT, ORTEGA & JAMESON LAKE

**\$1,321,066**

Treatment staff is based at the District's Bella Vista Treatment plant and Doulton, with a caretaker at Jameson Lake. Treatment is led by a Treatment Superintendent who oversees a Chief Operator, two Plant Operators, the Jameson Lake Dam Caretaker, and a Control Systems

Operator. Treatment staff are responsible for monitoring, treating, and testing the District's water sourced from divergent sources including Jameson Lake and groundwater. The Dam Caretaker resides at Jameson Lake year-round.

#### TRANSMISSION & DISTRIBUTION, FLEET & CUSTOMER SERVICE \$1,951,914

Distribution, Fleet & Customer Service staff are housed at the main District administrative building and shop. Distribution staff reports to a Distribution Superintendent who oversees a Chief Operator IV, two Operator IIIs, four Operator IIs and the Fleet Technician. Distribution staff are responsible for the repair and maintenance of the infrastructure necessary to transport and deliver water to approximately 4,650 service connections.

Customer Service staff includes two dedicated Office Tech IIs and a rotating Distribution staff member. The two Office Tech IIs report to the Business Manager and are tasked with responding to customer inquiries either by dispatching Distribution, Conservation or Engineering staff or assisting with billing or other customer questions. Customer Service handles all revenue related billing and payments and maintains customer information.

#### ENGINEERING \$771,330

The Engineering Department is overseen by the Assistant General Manager/Engineering Manager (AGM). The Treatment and Distribution Superintendents report to the AGM as do two Assistant Engineers. The Engineering department is responsible for monitoring and complying with changing regulations and overseeing a variety of District facilities along with the Capital Improvement Program Budget. District facilities include:

- Jameson Lake & Juncal Dam
- Doulton Tunnel
- Two Surface Water Treatment Plants
- 9 Pump Stations
- 9 Reservoirs
- 12 Active Groundwater Wells
- 114 Miles of Water Distribution Pipe

The Engineering staff is also responsible for implementing and maintaining the District's smart meter program.

## CONSERVATION & PUBLIC INFORMATION

\$292,857

There is one Water Conservation Specialist (WCS) and one Public Information Officer (PIO). The WCS reports to the Assistant General Manager and the PIO reports to the General Manager.

The WCS assists with the District's Water Conservation Program, including the identification, evaluation, coordination, promotion, and implementation of Water Efficiency Measures with an emphasis on landscape irrigation efficiency and California-friendly horticulture/landscape design. The WCS coordinates with other agencies; responds to public inquiries for landscape conversion and water efficiency practices, makes site visits and performs water conservation audits, analysis, and reporting.

The PIO is responsible for planning, coordinating, and participating in a variety of communications, public information, marketing, community relations, and outreach activities and initiatives. The position is responsible for communications, media, website content, and other related materials and collaborates with the Board of Directors, Committees, District management and staff, District constituencies and various media outlets. In support of the District's Emergency Response Plan and public notification responsibilities, this position serves as a critical resource and liaison, and assists to develop and disseminate accurate, accessible, and complete information in the event of an emergency or incident.

## ADMINISTRATION & GENERAL

\$973,219

The General Manager serves as the District's Chief Executive Officer and receives policy direction from the Board of Directors. The position is responsible for enforcement of all District ordinances, policies, and procedures, the conduct of all financial activities and the efficient and economical performance of the District's operations. The General Manager exercises general direction and supervision to the entire District staff through subordinate levels of supervision.

The Assistant General Manager/Engineering Manager and Business Manager report directly to the General Manager.

The Business Department is responsible for the financial planning and analysis, internal controls and auditing, cash and investments, budgeting, information technology, insurance, payroll, customer service, utility billing, collecting revenue, procuring goods and services, human resources, and general office management functions.

The business department staff is directed by the Business Manager. Staff includes a Financial Analyst/IT Specialist, a Senior Office Tech responsible for accounts payable and payroll processing; two Office Tech IIs responsible for customer service, utility billing and accounts receivable; and a Human Resources/admin assistant.

**BOARD OF DIRECTORS COMPENSATION****\$28,582**

The District is governed by five publicly elected Directors. Public elections are held every two years and Directors serve four-year terms that are staggered for continuity.

Directors attend monthly meetings, serve on committees that meet monthly, and attend external committees and occasional special meetings.

Figure 11-2 details the composition of staff total compensation.

**Figure 11-2: Staff Total Compensation**

DEPARTMENT	FTE	INTERN/ TEMP	MGRS & SUPER	SALARIES & WAGES	OT & STANDBY	VACPTO & SICK	ERTAXES	CALPERS ER CONT	CALPERS AUL	WORKER'S COMP	BENEFITS	TOTAL COMP
ENGINEERING	3	1	1	421,615	14,926	41,508	34,923	52,786	114,336	25,237	65,998	771,330
CONSERVATION	1			108,346	-	6,636	8,668	8,527	352	5,078	14,433	152,039
DISTRIBUTION	7		1	751,724	39,333	103,816	63,285	87,085	163,343	46,957	150,184	1,405,728
FLEET & EQUIPMENT	1			98,495	-	12,691	7,880	12,332	26,711	1,202	23,979	183,288
CUSTOMER SERVICE	3			226,516	7,201	18,048	18,697	21,974	24,633	2,528	43,302	362,898
ADMIN & GENERAL	6	1	2	720,413	-	55,204	57,633	55,060	2,270	5,998	76,643	973,219
TREATMENT	6	1	1	634,453	6,403	95,102	51,269	76,829	166,415	40,147	89,303	1,159,921
JAMESON LAKE	1			82,765	-	8,913	6,621	10,362	22,445	5,104	14,563	150,774
ORTEGA	1			5,339	-	883	427	668	1,448	342	1,264	10,371
PUBLIC INFORMATION	1			96,844	-	10,427	7,748	7,622	314	783	17,080	140,818
BOARD OF DIRECTORS	5			26,270	-	-	2,102	-	-	210	-	28,582
	<b>35</b>	<b>3</b>	<b>5</b>	<b>3,172,780</b>	<b>67,864</b>	<b>353,228</b>	<b>259,252</b>	<b>333,245</b>	<b>522,266</b>	<b>133,587</b>	<b>496,747</b>	<b>5,338,969</b>

\*The number of temporary positions is subject to change



# CAPITAL IMPROVEMENT PROGRAM



## SECTION 12: CAPITAL IMPROVEMENT PROGRAM

The District's Capital Improvement Program (CIP) is a planning and fiscal management tool for capital asset repair or replacement which enables the District to sustain District facilities, infrastructure, equipment and networks in good working condition at the lowest life cycle cost. The CIP was created to ensure the reliable delivery of high-quality water to customers presently and into the future. District assets include 2 Surface Water Treatment Plants; 9 Storage Reservoirs; over 114 miles of Pipeline; 943 Fire Hydrants; 9 Pumping Stations; 12 Groundwater Wells; one Surface Water Reservoir; a Concrete Arch Dam and a 2-mile-long Groundwater Conveyance Tunnel. The District also has a 29-vehicle fleet along with other specialized equipment.



The 2024 Asset Management Plan was used to inform the 10-year Capital Improvement Plan. The Asset Management Plan prioritizes the repair or replacement of assets over a 50-year planning horizon using criteria such as age, criticality, and condition. Given limited annual resources that can be dedicated to infrastructure replacement and repairs, the program ensures annual budgets include projects with the greatest need.

Using the Asset Management software, all Capital Assets are now recorded and tracked in the program. The program delivers Repair and Replacement schedules which in turn informs the Capital Improvement Program.

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### CAPITAL EXPENDITURES

The operating budget is not impacted by capital asset expenditures. Capital asset expenditures are tracked separately on the Statement of Net Position instead of the Revenue and Expense Statement. The cumulative amount paid for a given piece of equipment or constructed asset is assigned a life and the total cost is equally divided over the assigned lifespan and recorded as depreciation each year.

For example, a \$40,000 truck with a lifespan of 5 years is depreciated at the rate of  $(\$40,000/5)$  or \$8,000.00 per year over 5 years.

Asset lives are governed by the District’s Capitalization Policy, adopted on June 25, 2024 via Resolution No. 2284 and the government code.

Fixed assets and equipment can include the necessary designs, planning and preparatory expenses to construct or purchase an item.

## EQUIPMENT

The FYE2025 budget includes \$485,000 of equipment capital expenditures. The budgeted equipment includes one Distribution “break” truck to replace an aging and high mileage vehicle used by District staff to perform critical daily operations. The budget also includes a replacement backup generator at Romero Pump Station and two new vehicles, one for the conservation department and one for the engineering department.



**Figure 12-1: FYE2025 Budgeted Capital Equipment Purchases**

VEHICLES & EQUIPMENT	BUDGET
P118 Romero Backup Generator Installation	165,000.00
Distribution Break Truck #H002	230,000.00
ENGINEERING - Colorado Truck (to replace Camry)	45,000.00
CONSERVATION - Colorado Truck (to replace Colorado)	45,000.00
<b>TOTAL VEHICLES &amp; EQUIPMENT</b>	<b>485,000.00</b>

## SYSTEM PROJECTS

The FYE2025 budget includes \$7,396,000 in infrastructure improvements, shown in Figure 12-2. FYE2025 projects include approximately \$2.2M in replacement of aging pipelines, \$3.7M in replacement or rehabilitation of reservoirs, approximately \$1.5M in treatment plant improvements, Juncal Dam valve replacements, and extraordinary projects.

**Figure 12-2: FYE2025 Budgeted Infrastructure Improvements**

<b>MONTECITO WATER DISTRICT FISCAL YEAR ENDING JUNE 30, 2025 DRAFT BUDGET SUMMARY</b>	<b>'FYE 2023 AUDITED ACUTALS</b>	<b>FYE 2024 ADOPTED BUDGET (Revision 1)</b>	<b>'FYE 2024 FORCAST AS OF JUNE 30, 2024</b>	<b>FYE 2025 DRAFT BUDGET</b>	<b>DRAFT VS FORCAST</b>
Pipelines	(1,171,639)	(2,685,000)	(1,291,736)	(2,160,000)	67%
Reservoirs	(123,811)	(60,000)	(19,965)	(3,700,000)	18432%
Pumping/Wells/Valves/Treatment Plant	(1,075,472)	(70,000)	(85,973)	(420,000)	389%
Other Projects	(122,853)	-	-	(743,000)	n/a
Extraordinary Projects	(2,265,165)	(2,895,000)	(4,011,113)	(373,000)	-91%
Capital Improvement Program	(4,758,940)	(5,710,000)	(5,408,787)	(7,396,000)	37%

Figure 12-3 lists Total Capital Improvement Funding for FYE2025. These funding opportunities include public assistance grants from the Federal Emergency Management Agency (FEMA), cost shares from the Santa Barbara County Association of Governments (SBCAG), or the ASADRA funding opportunity through the State Water Resources Control Board (SWRCB).

**Figure 12-3: FYE2025 Total Capital Improvement Funding**

<b>CAPITAL IMPROVEMENT PLAN FUNDING</b>	<b>ACTUALS</b>
A1 ENG Alder Creek Flume (FEMA 6.25% match)	20,000
P54 ENG ASADRA Reservoir Replacement/Retrofit Project	2,668,000
F24 FEMA JUNCAL PIPELINE REPAIR	5,235,938
F25 FEMA HIGHLINE REPLACEMENT PROJECT	83,000
P79 ENG US101 Segment 4C Crossing Construction Phase	466,400
	<b>8,473,338</b>

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## CAPITAL IMPROVEMENT PROGRAM FYE2025

### PIPELINE REPLACEMENTS

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Figure 12-4 lists Capital Improvement Pipeline expenditures for FYE2025. The proposed work for FYE2025 includes replacement of approximately 3,500 feet of aging water mains and design of approximately 1.1 miles of water main replacements in subsequent Fiscal Years and a Preliminary Design Report for the Highline transmission pipeline.

**Figure 12-4: FYE2025 Pipeline Expenditures**

PIPELINES	BUDGET
P95 Las Tunas Water Main Replacement Project (Construction)	935,000.00
P98 Freehaven Water Main Replacement Project (Construction)	990,000.00
P99 Highline Water Main Rplcmnt Preliminary Design Report	25,000.00
P115 East Valley, Ladera and Lambert Water Main Replacements (Design)	150,000.00
P116 US101 Crossing Abandonment at Coast Village Road	60,000.00
<b>TOTAL PIPELINES</b>	<b>2,160,000.00</b>

#### **LAS TUNAS ROADWATER MAIN REPLACEMENT (\$935,000)**

This project will replace approximately 1,800 feet of existing 1924 6-inch cast iron water mains with new 8-inch ductile iron pipe. This water main has experienced significant water main breaks in the last 10 years. The project also includes replacement of three fire hydrants and 14 service lines. This project will replace an aging main with frequent main breaks and known hydraulic deficiencies.

#### **FREEHAVEN DR. WATER MAIN REPLACEMENT PROJECT (\$990,000)**

This project will replace approximately 1,800 feet of 6-inch 1960s cast iron water main with 8-inch ductile iron water main. This water main has experienced significant water main breaks in the last 5 years. The project also includes replacement of four fire hydrants and 17 service lines. This project will replace an aging main with frequent main breaks and known hydraulic deficiencies.

#### **HIGHLINE WATER MAIN REPLACEMENT PRELIMINARY DESIGN REPORT (\$25,000)**

The District's "highline" is a 14-18-inch steel transmission main that conveys water between critical District facilities along the northern boundaries of the service area. The highline has been replaced in segments as needed over the last several decades, but the majority (about 4 miles) of the 7.5-mile pipeline is 1920s era pipelines scheduled for replacement in the coming years.

Given the access and environmental constraints due to the presence of private property easements, steep terrain, and remote work areas, the scope of work for this project in FYE2025 is to complete the Preliminary Design Report that will provide a detailed assessment of the optimal replacement methods, costs and strategies for the 4 miles of highline. Most of the PDR was completed in FYE2024. The PDR will inform construction phasing and costs for the subsequent fiscal years.

#### **EAST VALLEY RD., LADERA LN. AND LAMBERT RD. WATER MAIN REPLACEMENTS (\$150,000)**

This project includes the engineering design for replacing 1.1 miles of aging, critical cast iron water mains. This includes three separate water mains on Ladera, East Valley and Lambert Road identified as the most critical water main replacements in the Asset Management Plan. The project also includes replacement of one pressure regulator, nine fire hydrants and 50 service lines. The construction of this project will occur in a subsequent Fiscal Year.

#### **US101 CROSSING ABANDONMENT AT COAST VILLAGE ROAD (\$60,000)**

This project includes abandoning approximately 200 feet of the existing 6-inch 1920s era water main underneath the US101 and Union Pacific Railroad. The design of this abandonment was completed in house during prior fiscal years and has been approved by Caltrans. The project will cut both sides of the water main, fill the water main with a low strength concrete slurry, and cap the water main on both sides. At the time of this budgeting period, the Board of Directors has elected not to reinstate this water main since it is not essential to District operations. Reinstatement may be reconsidered in the future.

#### ASADRA RESERVOIR REPLACEMENT/RETROFIT PROJECT

**Figure 12-5: FYE2025 Reservoirs Expenditures**

RESERVOIRS	BUDGET
P54 ENG ASADRA Reservoir Replacement/Retrofit Project	350,000.00
P54 ENG ASADRA Reservoir Replacement/Retrofit Project	3,350,000.00
<b>TOTAL RESERVOIRS</b>	<b>3,700,000.00</b>

#### **ASADRA RESERVOIR REPLACEMENT/RETROFIT PRE-CONSTRUCTION (\$350,000)**

The Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) provides funding for water and wastewater resiliency projects in California communities impacted by the 2017/18 wildfires. This project includes project management during the grant agreement and pre-

construction preparation stage and six months of construction for the first two reservoirs which are Hot Springs and Bella Vista Reservoirs.

#### **ASADRA RESERVOIR REPLACEMENT/RETROFIT CONSTRUCTION (\$3,350,000)**

This project will replace or retrofit eight District storage tanks (reservoirs) over the next several years. The work for FYE2025 includes six months of construction for the first two reservoirs which are Hot Springs and Bella Vista Reservoirs.

#### **PUMPING/WELLS/VALVES & TREATMENT PLANT**

**Figure 12-6: FYE2025 Pumping/Wells/Valves & Treatment Plant**

PUMPING/WELLS/VALVES/TREATMENT PLANT	
P88 Juncal Dam Emergency Release Valve #2 Reconstruction	250,000.00
P127 Barker Pass Regulator Vault Replacement	130,000.00
P128 Office Pump & Motor	40,000.00
<b>TOTAL PUMPING/WELLS/VALVES/TREATMENT PLANT</b>	<b>420,000.00</b>

#### **JUNCAL DAM EMERGENCY RELEASE VALVE #2 RECONSTRUCTION (\$250,000)**

This project is required by the Division of Safety of Dams. The Juncal Dam has two 36-inch emergency release valves that are operated to lower lake elevations in the event of an emergency. The valve and valve controls are 90 years old and require rehabilitation. Valve #1 was rehabilitated during prior years. The project will complete the rehabilitation of the second valve. The project includes disassembling the valve, repairing the valve components, reassembly of the valve, replacement of the electric valve actuator, and installation of new valve controls at the top of the dam.

#### **BARKER PASS INTERTIE VAULT REPLACEMENT (\$310,000)**

The Barker Pass Intertie Vault is at the corner of Barker Pass and Sycamore Canyon (Highway 192). The vault contains an intertie meter for water shared between the District and the City of Santa Barbara. The vault has caved in recently and requires full replacement. This project includes excavating and removing the old vault, installation of a new vault, new water meter, valving, and traffic rated lid.

#### **OFFICE PUMP STATION PUMP & MOTOR REPLACEMENT (\$40,000)**

The office pump and motor pump water from the South Coast Conduit into the largest District pressure zone. These two pumps and motors were identified as the most inefficient in the District during a 2010 efficiency audit by Southern California Edison. The District opted to wait until the

pumps failed to replace them. Failure occurred in mid-2024 and this project proposes to replace both of the pumps and motors at this pump station.

## OTHER

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**Figure 12-7: FYE2025 Other Capital Expenditure Projects**

OTHER PROJECTS	
P119 Distribution Building Design & Permitting	325,000.00
P121 Hot Springs Reservoir Security Fencing	55,000.00
P122 Doulton Treatment Plant Road Replacement (stairs & asphalt)	83,000.00
P123 Doulton Residence Roof and HVAC Replacement	70,000.00
P125 Juncal Dam Arch Drain Replacement	210,000.00
<b>TOTAL OTHER PROJECTS</b>	<b>743,000.00</b>

### **DISTRIBUTION BUILDING DESIGN & PERMITTING (\$325,00)**

This capital project includes architectural and engineering design and permitting effort for the new distribution building at the office property. This project builds upon the office master plan prepared in FYE2024. The design and permitting phase will likely span several years given the permitting timeline. Additional design and permitting may occur in subsequent fiscal years.

### **HOT SPRINGS RESERVOIR SECURITY FENCING (\$55,000)**

The District operates 9 storage reservoirs. The Hot Springs Reservoir was identified in the District's 2021 American Water Infrastructure Act (AWIA) Risk and Resilience Assessment (RRA) as the only reservoir without security fencing around the property. This presents a risk to District infrastructure and water supply. This project would install chain link fencing with security wire atop the fencing around the reservoir and would include one personnel gate and one driving gate for future access. The fence layout is the same as is proposed in the final design drawings for the ASADRA Project.

### **DOULTON TREATMENT PLANT ROAD REPLACEMENT (STAIRS & ASPHALT) (\$83,000)**

The District operates two treatment plants. The Doulton Treatment Plant was constructed in the 1970s and the asphalt driveway, parking area, and work area surrounding the reclaim water tanks is likely original asphalt. Additionally, there are no stairs between the reservoir above and the reclaim tanks below, requiring the operator extra time to walk between the two locations. Installation of stairs was a recommendation of the District insurance carrier to reduce the risks of staff slipping or falling on the slope. This project will replace approximately 8,000 square feet

of asphalt and 1,000 square feet of failed subgrade. The project also includes construction of a new stairway between the treatment plant and the reclaim tanks.

#### **DOULTON RESIDENCE ROOF AND HVAC REPLACEMENT (\$70,000)**

The Doulton Treatment Plant property has a residence on site housing an employee. This residence was constructed in the 1920s as part of the construction of the Doulton Tunnel. The roof on the residence is in disrepair, causing rainfall to leak into the house. The roof also does not have gutters, causing roof water to settle near the walls and foundation, and soak into the house floors. The house also does not have air conditioning despite temperatures often reaching over 100 degrees, and the heater is an inefficient propane heater. This project will replace the rooftop with a new composite shingle roof and add gutters. The project will also install a new heating and air-conditioning unit that uses electricity instead of propane.

#### **JUNCAL DAM ARCH DRAIN REPLACEMENT (\$250,000)**

This project is recommended by the Division of Safety of Dams. The District owns and operates the Juncal Dam. The “Dam” actually consists of three separate dams, the large arch dam and intake structure, the gravity dam section, and the multi-arch section. The multi arch section of the dam experiences small amounts of water that flows through the cracks in the dam. These flow rates increase as lake levels increase and are currently higher than average given the lake has been full for several years. The water that flows through the dam is not abnormal, but it does require a drain system on the downstream side to capture these flows and carry them away from the dam structure so the soil beneath the dam doesn’t become over-saturated. The existing drain system was built in the 1950s and has several broken sections requiring frequent repairs and rooting equipment to clear out plant roots and sediment buildup. Additionally, when the pipes back up, the water flows down the access road, making the road impassable. The Division of Safety of Dams has recommended the District replace the drain system. This project includes engineering design and construction to install an entirely new drain system within each “bay” of the multi-arch dam to safely convey water away from the dam. The water ultimately flows into the highline which carries water to the District. District Wide Fire Hydrant Improvements (\$100,000 - Current FY)

## EXTRAORDINARY PROJECTS

**Figure 12-8: FYE2025 Extraordinary Capital Expenditure Projects**

EXTRAORDINARY PROJECTS	
A1 ENG Alder Creek Flume (FEMA 6.25% match)	23,000.00
F24 FEMA JUNCAL PIPELINE REPAIR	185,000.00
F25 FEMA HIGHLINE REPLACEMENT PROJECT	165,000.00
<b>TOTAL CARRYOVER CIP</b>	<b>373,000.00</b>

### **FEMA ALDER CREEK FLUME (FEMA 6.25% MATCH) (\$23,000)**

The Alder Creek Flume Repair is an ongoing project using 94% FEMA funding to repair damaged portions of the Alder Creek Flume following the 2017 Thomas Fire and subsequent debris flow. The fiscal year budget includes completion of the permitting process with the United States Forest Service. Construction is expected in the subsequent fiscal years.

### **FEMA JUNCAL PIPELINE REPAIR PROJECT (\$185,000)**

This project includes the final field monitoring and reporting required for the Juncal Pipeline emergency repairs due to the 2023 federally declared disaster. A District consultant will complete their monitoring work by the end of 2024. The project costs also include payment to the United States Forest Service for their staff to monitor construction of the project in the prior fiscal year.

### **FEMA HIGHLINE REPLACEMENT PROJECT (\$165,000)**

This project has been on hold due to cash flow constraints caused by the Juncal Pipeline project in the prior fiscal year. The project is expected to begin in late 2024 with the design, survey and geotechnical work to be performed by Wood Rodgers, as previously approved by the Board of Directors in FYE2024. The work will remain on hold until FEMA approvals and reimbursements begin.

**Figure 12-9: FYE2025 CIP RECAP**

<b>FYE CAPITAL IMPROVEMENT PLAN (CIP)</b>	
<b>VEHICLES &amp; EQUIPMENT</b>	<b>BUDGET</b>
P118 Romero Backup Generator Installation	165,000.00
Distribution Break Truck #H002	230,000.00
ENGINEERING - Colorado Truck (to replace Camry)	45,000.00
CONSERVATION - Colorado Truck (to replace Colorado)	45,000.00
<b>TOTAL VEHICLES &amp; EQUIPMENT</b>	<b>485,000.00</b>
<b>PIPELINES</b>	<b>BUDGET</b>
P95 Las Tunas Water Main Replacement Project (Construction)	935,000.00
P98 Freehaven Water Main Replacement Project (Construction)	990,000.00
P99 Highline Water Main Rplcmnt Preliminary Design Report	25,000.00
P115 East Valley, Ladera and Lambert Water Main Replacements (Design)	150,000.00
P116 US101 Crossing Abandonment at Coast Village Road	60,000.00
<b>TOTAL PIPELINES</b>	<b>2,160,000.00</b>
<b>RESERVOIRS</b>	<b>BUDGET</b>
P54 ENG ASADRA Reservoir Replacement/Retrofit Project	350,000.00
P54 ENG ASADRA Reservoir Replacement/Retrofit Project	3,350,000.00
<b>TOTAL RESERVOIRS</b>	<b>3,700,000.00</b>
<b>PUMPING/WELLS/VALVES/TREATMENT PLANT</b>	<b>BUDGET</b>
P88 Juncal Dam Emergency Release Valve #2 Reconstruction	250,000.00
P127 Barker Pass Regulator Vault Replacement	130,000.00
P128 Office Pump & Motor	40,000.00
<b>TOTAL PUMPING/WELLS/VALVES/TREATMENT PLANT</b>	<b>420,000.00</b>
<b>OTHER PROJECTS</b>	<b>BUDGET</b>
P119 Distribution Building Design & Permitting	325,000.00
P121 Hot Springs Reservoir Security Fencing	55,000.00
P122 Doulton Treatment Plant Road Replacement (stairs & asphalt)	83,000.00
P123 Doulton Residence Roof and HVAC Replacement	70,000.00
P125 Juncal Dam Arch Drain Replacement	210,000.00
<b>TOTAL OTHER PROJECTS</b>	<b>743,000.00</b>
<b>EXTRAORDINARY PROJECTS</b>	<b>BUDGET</b>
A1 ENG Alder Creek Flume (FEMA 6.25% match)	23,000.00
F24 FEMA JUNCAL PIPELINE REPAIR	185,000.00
F25 FEMA HIGHLINE REPLACEMENT PROJECT	165,000.00
<b>TOTAL CARRYOVER CIP</b>	<b>373,000.00</b>
<b>TOTAL CIP PROJECTS</b>	<b>7,396,000.00</b>
<b>TOTAL FYE25 CAPITAL EXPENDITURES</b>	<b>7,881,000.00</b>

## NET IMPACT FROM CAPITAL EXPENDITURES FOR FYE2024

- Total Capital Expenditures funding \$8,473,338
- Less: Total planned Expenditures \$7,881,000
- Net Capital Expenditures fund available FYE2025 \$ 592,338

Net funds available are held in the Capital Reserve fund for future CIP projects.

## LONG-TERM CAPITAL EXPENDITURE PLANNING

Figures 12-10 is the District's FYE2025 through FYE2034 Long-Range Capital Expenditure Plan subject to Board approval and adoption on a year-to-year basis.

**Figure 12-10: Long-Range Capital Improvement Program Plan**

Capital Improvement Plan	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	TOTAL CIP
Replace Ortega Pump Station Generator	-	-	-	-	80,294	184,407	-	-	-	-	264,701
Replace Romero Pump Station Generator	165,000	-	-	-	-	-	-	-	-	-	165,000
Replace Bella Vista Generator	-	140,068	-	-	-	-	-	-	-	-	140,068
Replace East Valley Pump Station Generator	-	-	71,461	164,122	-	-	-	-	-	-	235,583
Replace Mountain Drive Pump Station Generator	-	-	-	75,749	173,969	-	-	-	-	-	249,718
Production Meters - Repair & Replace	-	15,900	17,865	-	20,073	-	22,554	-	25,342	-	101,734
Backhoe Replacement (compliance)	-	-	-	-	347,939	-	-	-	-	-	347,939
Dump Truck	-	-	-	-	-	354,630	-	-	-	-	354,630
Vehicle Replacement (Transmission & Distribution Dept.)	230,000	-	67,754	176,747	-	-	-	-	-	-	474,501
Vehicle Replacement (Treatment Dept.)	-	84,270	71,461	-	-	-	-	-	-	-	155,731
Vehicle Replacement (Engineering Dept.)	45,000	56,180	-	-	-	-	-	-	-	-	101,180
Vehicle Replacement (Conservation Dept.)	45,000	2,700	-	-	-	-	-	-	-	-	47,700
Las Tunas Water Main Replacement	935,000	56,100	-	-	-	-	-	-	-	-	991,100
Freehaven Water Main Replacement	990,000	59,400	-	-	-	-	-	-	-	-	1,049,400
Highline Transmission Main Replacements (Cash funded long-term)	25,000	-	117,922	1,387,147	1,431,901	1,766,056	1,161,554	1,410,556	1,654,633	1,949,785	10,904,554
East Valley, Ladera and Lambert Water Main Replacements	150,000	3,644,576	-	-	-	-	-	-	-	-	3,794,576
Olive Mill Lane, Buena Vista, and High Road Water Main Replacements	-	168,540	3,457,400	-	-	-	-	-	-	-	3,625,940
Cold Springs and Dawlish Water Main Replacements	-	-	178,652	4,352,263	-	-	-	-	-	-	4,530,915
Sheffield, Toro Canyon and Edgecliff Water Main Replacements	-	-	-	189,372	4,108,486	-	-	-	-	-	4,297,858
East Valley and El Bosque Water Main Replacements	-	-	-	-	200,734	4,404,927	-	-	-	-	4,605,661
East Valley (Orchard to Park Lane) Water Main Replacement	-	-	-	-	-	212,778	4,693,206	-	-	-	4,905,984
Lateral 1, Cota Lane, and Pepper Lane Water Main Replacements	-	-	-	-	-	-	225,545	5,030,902	-	-	5,256,447
Parra Grande, Oak Road, and Hidden Valley Water Main Replacements	-	-	-	-	-	-	-	239,077	5,200,808	-	5,439,885
Toro Canyon, Knapp, and Arcady Water Main Replacements	-	-	-	-	-	-	-	-	253,422	5,378,901	5,632,323
Toro Canyon and Mesa Road Water Main Replacements	-	-	-	-	-	-	-	-	-	268,627	268,627
US101 Abandonments or Relocations	60,000	-	-	-	-	-	-	-	-	-	60,000
Other US101 Crossing at Danielson - Open cut	-	224,720	238,203	-	-	-	-	-	-	-	462,923
Other US101 Crossing at Mirmar - Open cut	-	224,720	238,203	-	-	-	-	-	-	-	462,923
Reservoir Projects[1]	3,755,000	5,361,163	9,945,336	10,894,018	5,338,532	-	-	-	-	-	35,294,049
Juncal Dam Emergency Release Valve Modifications	250,000	67,360	119,102	-	-	-	-	-	-	-	436,462
Juncal Dam Arch Drain Repairs	210,000	(51,000)	-	-	-	-	-	-	-	-	159,000
Pressure Regulator Repairs	130,000	22,216	71,461	75,749	80,294	85,111	90,218	-	-	-	555,049
Groundwater Well - Pump and Motor Replacement	40,000	23,600	35,730	-	40,147	-	45,109	-	50,684	-	235,270
Groundwater Well - Treatment System Media Replacement	-	-	47,641	-	-	-	60,145	-	-	-	107,786
Pump Station - Pump and Motor Replacement	-	33,708	-	37,874	-	42,556	-	47,815	-	53,725	215,678
Pump Station - Variable Freq Drive Replacement	-	33,708	-	37,874	-	42,556	-	47,815	-	53,725	215,678
Bella Vista Treatment Plant Media Replacement	-	-	-	100,998	-	-	-	-	135,158	-	236,156
Doulton Treatment Plant Media Replacement	-	-	-	-	26,765	-	-	-	-	-	26,765
District Master Planning (Office/Shop Remodel, BVTP, etc)	325,000	99,000	-	-	-	-	-	-	-	-	424,000
Fire Hydrant Improvements	-	112,360	-	-	-	-	-	-	-	-	112,360
MWD 6.25% FEMA/CalOES Match - Thomas Incident (Alder Flume)	23,000	175,750	-	-	-	-	-	-	-	-	198,750
MWD 6.25% FEMA/CalOES Match - JANUARY 2023 STORMS	350,000	-	-	-	-	-	-	-	-	-	350,000
Wildfire and Flood Protection Measures (fireproofing, flood protection)	-	56,180	59,551	63,124	66,911	-	-	-	-	-	245,766
Asphalt Replacement Projects (Bella Vista, Buell, etc)	83,000	79,180	59,551	126,248	-	-	-	-	-	-	347,979
County and Caltrans Asphalt Paving Repairs	-	56,180	59,551	63,124	66,911	70,926	75,182	79,692	84,474	89,542	645,582
Doulton Residence Repairs (foundation, roof, septic pipe, HVAC)	70,000	36,000	-	-	-	-	-	-	-	-	106,000
Jameson Communications & Surveillance	-	128,216	-	-	-	-	-	-	-	-	128,216
Jameson Boat Dock	-	179,776	-	-	-	-	-	-	-	-	179,776
<b>Total CIP</b>	<b>7,881,000</b>	<b>11,090,571</b>	<b>14,856,844</b>	<b>17,744,409</b>	<b>11,982,956</b>	<b>7,163,947</b>	<b>6,373,513</b>	<b>6,855,857</b>	<b>7,404,521</b>	<b>7,794,305</b>	<b>99,147,923</b>

# FINANCIAL POLICIES



## SECTION 13: FINANCIAL POLICIES

All policies were adopted by the Board of Directors on June 25, 2024.

**RESOLUTION NO. 2271**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE MONTECITO WATER DISTRICT**  
**UPDATING ITS POLICY REGARDING THE PROCUREMENT OF MATERIALS**  
**AND SERVICES**

**WHEREAS**, Montecito Water District (the "District") is a County Water District organized and existing under and pursuant to the County Water District Law [Water Code §§30000 – 33901]; and

**WHEREAS**, the District has a Procurement Policy that defines policies and procedures governing its procurement of supplies, materials, and equipment (referred to collectively as "materials"), and professional, construction and capital improvement related services, (referred to collectively as "services"), for District use pursuant to California Government Code Section 54202 and Water Code 31004 and 31005.

**WHEREAS**, the District's Procurement Policy was last updated and adopted by the Board of Directors on January 17, 2017; and

**WHEREAS**, a comprehensive review and update of the District's Procurement Policy has been performed and presented to the District's Operations and Customer Relations Committee and the Board of Directors; and

**WHEREAS**, the Board of Directors has reviewed Resolution No. 2271 and the updated Procurement Policy and has determined that it is in the best interest of the District to adopt the updated Procurement Policy in order to receive the highest quality and best value for District procurements while operating in a fair, open, transparent and non-discriminatory manner and in accordance with the highest ethical standards.

**THEREFORE, BE IT RESOLVED** by the Board of Directors of the Montecito Water District as follows:

1. Resolution No. 2271 including the updated Procurement Policy attached as Exhibit "A" is hereby adopted.
2. The District's latest Procurement Policy, adopted by the Board of Directors at its meeting of January 17, 2017, is hereby replaced in its entirety with Resolution No. 2271.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 23 day of January 2024 by the following roll call vote:

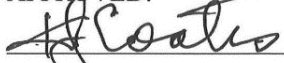
AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSENT:

ABSTAIN:

APPROVED:



Kenneth Coates, Board President

ATTEST



Nick Turner, Secretary

## **Exhibit "A" to Resolution No 2271**

### **Procurement Policy**

#### **SECTION 1: Introduction**

This procurement policy is established to ensure efficiency and effectiveness in procuring materials and services for the Montecito Water District ("District"). It establishes sound business practices and ensures the District receives the highest quality and best value for funds expended. It requires that the District operate in a fair, open, transparent, and non-discriminatory manner in the marketplace and establishes procedures for the conscious management of the risk inherent in all procurements. Finally, it mandates that all individuals involved in the procurement process operate in accordance with the highest ethical standards.

#### **SECTION 2: Definitions**

- A. "Board of Directors" shall refer to the Board of Directors of the Montecito Water District.
- B. "Contract" means any written agreement to perform or not to perform a certain act, including, without limitation, a purchase or sale contract, lease, contract for services, purchase order, employment agreement, labor agreement, and any addendum, amendment, extension, modification and/or revision to any contract. "Contract" and "agreement" are synonymous as used herein.
- C. "District" shall mean the Montecito Water District, duly organized under and by virtue of the County Water District Law.
- D. "Business Manager" shall refer to the person appointed pursuant to Water Code §30544 to manage the financial affairs of the District.
- E. "General Manager" shall refer to the person appointed pursuant to Water Code §30540 and exercising the authority granted under Water Code §30580 and §30581 and any designee delegated that authority by the General Manager in the discretion of the General Manager as authorized by Water Code §30580.
- F. "Instrument" shall mean any document that states some contractual relationship or grants some right, including without limitation deeds, promissory notes, powers of attorney, and negotiable instruments.
- G. "President" shall refer to the person designated as the President of the Board under Water Code §30016 and exercising the authority granted under Water Code §30578.
- H. "Vice President" shall refer to the person designated as the Vice President of the Board under Water Code §30544.

### SECTION 3: Purchase Approval Authority

Purchase approval authority for procurements made on behalf of the District shall be delegated in relation to the value of the procurement, the nature of the material or service procured and the term of the contract. An approval of the Board of Directors constitutes an affirmative action made by a majority of the Board of Directors during a public meeting and subsequently recorded in meeting minutes in accordance with Water Code §30523 and §30525.

- A. Materials and Services:** The General Manager is responsible for approving all budgeted purchases, and purchase orders, for services and supplies, including Fixed Assets, totaling \$200,000 or less (including installation, tax, and shipping) except as otherwise noted herein.

The Board of Directors shall approve all purchases of services and supplies, including construction services, for non-budgeted items totaling more than \$50,000, except that the General Manager may make emergency procurements of supplies and services in excess of \$50,000 without bids to protect the health, safety or property of private individuals and public entities. Prior to emergency procurement of supplies and services in excess of \$50,000 due to an emergency, the General Manager or their designee executing the contract or instrument must contact the Board President, or Vice President, and obtain their assent prior to executing the instrument. If the Board President or Vice President is unavailable, the General Manager or their designee must contact two other Board members and obtain their unanimous assent. Subsequent to executing any contract or instrument for construction services, or the lease or purchase of materials, supplies and equipment due to an emergency, the Board must be notified as soon as possible of any emergency contract or instrument and must ratify the contract or instrument at the next regular Board meeting.

- B. Property:** The Board of Directors shall approve all purchases of real property regardless of value.
- C. Professional Services:** The Board of Directors shall approve all contracts for budgeted professional services in excess of \$200,000 and all non-budgeted professional services in excess of \$50,000. The General Manager shall approve all contracts for budgeted professional services totaling \$200,000 or less and all non-budgeted professional services totaling \$50,000 or less.
- D. Long-term Agreements:** The Board of Directors shall approve all contracts with a term longer than 12 months.
- E. Other Utilities:** The General Manager shall approve other budgeted utility services such as gas or electric.
- F. Delegation:** The General Manager in their discretion may delegate authority for approving purchases as necessary to ensure efficiency and effectiveness of District Operations.

- F. Internal Controls:** The General Manager and Business Manager shall establish and maintain a system of internal controls that provides an audit trail for all purchases and provides transparency in the procurement process including the following controls:
1. More than one person must be involved in each transaction, end-to-end;
  2. Utilize purchase orders to obtain prior approval of purchases to the greatest extent feasible;
  3. Certification of receipt of procured materials; and
  4. Reconciliation of any purchase order with the invoice and final payment.
- G. Petty Cash:** A Petty Cash Fund is not utilized by the District.
- H. Code of Ethics:** In exercising procurement authority, it is essential that each individual maintain an unimpeachable standard of integrity and foster the highest possible standard of professional competence. Complying with both the letter and the spirit of the principles of ethical behavior is essential. In doing so, each individual must declare any personal interest that may impinge, or might reasonably be deemed by others to impinge, upon a person's impartiality in any procurement decision.
- I. Counsel Review:** Where practicable, all contracts for procurements are to be reviewed by District Counsel prior to their execution. Such review may include, but does not require, a statement of opinion by District Counsel that the contract or instrument, as closely as possible, embodies the agreement made between the parties concerning the subject of the contract.

**RESOLUTION NO. 2277**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ADOPTING THE INVESTMENT POLICY FOR THE FISCAL YEAR 2025**

**WHEREAS**, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code “CGC” §53600.6 and §53630.1); and

**WHEREAS**, the legislative body of a local agency may invest surplus moneys not required for the immediate necessities of the local agency in accordance with the provisions of CGC §§53600 – 53610 et seq. and §§5920 – 5925 et seq.

**NOW, THEREFORE, BE IT RESOLVED:**

1. It shall be the goals of the Montecito Water District (District) to invest funds in a manner that will safeguard the principal, meet the daily cash flow and/or liquidity needs of the District, provide the highest investment return with the maximum security, while conforming to all applicable statutes and requirements governing the investment of District funds;
2. The Business Manager (Chief Fiscal Officer of the District) shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the District Board of Directors at a public meeting (CGC §53646(a)(2));
3. The specifics of the District investment policy for the fiscal year 2025 are set forth on “Attachment A” to this Resolution, which attachment is incorporated into this Resolution by reference as though fully set forth herein.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 25th day of June 2024 by the following roll call vote:

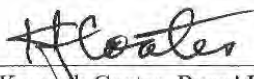
AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSENT:

ABSTAIN:

APPROVED:

  
Kenneth Coates, Board President

ATTEST:

  
Nicholas Turner, Secretary

ATTACHMENT "A"  
TO  
INVESTMENT POLICY FOR FISCAL YEAR 2025

1. **SCOPE**

This investment policy applies to all financial assets of the Montecito Water District ("District"). These funds are accounted for in the *Annual Financial Report* and include reserves, and operational and savings accounts. Funds not included in the policy include deferred compensation funds.

2. **PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. The Board of Directors, Business Manager (Chief Fiscal Officer of the District), and any other persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the "prudent investor" standard (CGC §53600.3). When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of CGC §53600.3 and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

3. **OBJECTIVES**

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the primary objectives, in priority order, of the investment activities of the District shall be: (1) **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio; (2) **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated; and (3) **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

**4. DELEGATION OF AUTHORITY**

Authority to manage the investment program is derived from CGC §§53600 -53610, et seq. Management responsibility for the investment program is hereby delegated to the Business Manager (Chief Fiscal Officer of the District) pursuant to CGC §53607, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Business Manager (Chief Fiscal Officer of the District). The Business Manager (Chief Fiscal Officer of the District) shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code Section 53600.3, the Business Manager (Chief Fiscal Officer of the District) is a trustee and a fiduciary subject to the prudent investor standard.

**5. ETHICS AND CONFLICTS OF INTEREST**

All persons authorized to make investment decisions on behalf of the District shall refrain from personal business activity that could cause a conflict of interest which could impair their ability to make impartial investment decisions, and which would impair, impede, or interfere with the proper execution of this Investment Policy.

**6. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Business Manager (Chief Fiscal Officer of the District) will maintain a list of financial institutions, selected on the basis of creditworthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Business Manager (Chief Fiscal Officer of the District) shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers, or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Business Manager (Chief Fiscal Officer of the District) shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

**7. AUTHORIZED AND SUITABLE INVESTMENTS**

The District is empowered by CGC §53601 et seq. to invest in the following:

- A. Bonds issued by the District.
- B. United States Treasury notes, bonds, bills, or certificates of indebtedness.
- C. Registered state warrants or treasury notes or bonds issued by the State of California.
- D. Bonds, notes, warrants or other evidence of indebtedness of a local agency within the State of California.
- E. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.
- F. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association, or a federal association. Not more than 30% of surplus funds can be invested in certificates of deposit.
- G. Any other investment security not specifically set forth above, but which is authorized under the provisions of CGC §53601 and §5922.

*Prohibited Investments.* Under the provisions of CGC §53601.6, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero-interest accrual if held to maturity.

**8. COLLATERALIZATION**

All certificates of deposit must be collateralized by U.S. Treasury obligations. Collateral must be held by a third-party trustee and valued on a monthly basis.

**9. SAFEKEEPING AND CUSTODY**

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC §53601.

**10. DIVERSIFICATION**

The District will diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. Portfolio maturities are matched versus liabilities to avoid undue concentration in a specific maturity sector.
- B. Maturities selected shall provide for stability of income and liquidity.

- C. Disbursement and payroll dates shall be covered through maturing investments, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

#### **11. REPORTING**

In accordance with CGC §53646(b) (1), the Business Manager (Chief Fiscal Officer of the District) shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, and the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in CGC §53646 (e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the District will meet its expenditure obligations for the next six months as required by CGC §53646 (b) (2) and (3), respectively. The Business Manager (Chief Fiscal Officer of the District) shall maintain a complete and timely record of all investment transactions.

#### **12. ANNUAL INVESTMENT POLICY REVIEW**

This Investment Policy shall be reviewed on an annual basis, and modifications will be approved by the District Board of Directors.



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EMPLOYEE CLASSIFICATION & SALARY RANGE SCHEDULE: RESOLUTION 2278

**RESOLUTION NO. 2278**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ESTABLISHING AN UPDATED EMPLOYEE CLASSIFICATION AND SALARY  
RANGE SCHEDULE EFFECTIVE WITH THE PAY PERIOD  
BEGINNING JULY 13, 2024**

**WHEREAS**, the Board of Directors of the Montecito Water District adopts an annual budget every June for the upcoming fiscal year which includes projected revenues and expenditures; and

**WHEREAS**, as part of its annual budgeting process, the Board of Directors evaluates District staffing and associated wages and salaries, including the necessity of updates to the (a) Biweekly Salary Range and Position Control Schedule and (b) Bi-Weekly Salary Rate Table.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. Resolution No. 2257, dated June 27, 2023, is rescinded in its entirety effective with the pay period ending July 12, 2024.
2. The Board of Directors hereby approves a Cost of Living Adjustment (COLA) to wages and salaries for Fiscal Year (FY) 2025 of 4.0%, which was determined using the U.S. Bureau of Labor Statistics *Consumer Price Index for All Urban Consumers (CPI-U)*, *Los Angeles-Long Beach-Anaheim, CA* report for the 12-month period ending on March 31.
3. The updated (a) Biweekly Salary Range and Position Control Schedule and (b) Bi-Weekly Salary Rate Table for FY 2025, as shown on Schedule A and B and the attachment thereto, are effective with the pay period beginning July 13, 2024.
4. The COLA affects all position classifications shown in the Biweekly Salary Range and Position Control Schedule, with the exception of the General Manager, and increases all steps on the Bi-Weekly Salary Rate Table for FY 2025.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 25<sup>th</sup> of June 2024, by the following roll call vote:

AYES: Coates, Goebel, Plough, Wicks

NOES:

ABSENT:

ABSTAIN:

APPROVED:

  
Kenneth Coates, Board President

ATTEST:

  
Nicholas Turner, Secretary

MWD Resolution No. 2278

Page 1 of 1

**BI-WEEKLY SALARY RANGE AND POSITION CONTROL SCHEDULE**

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Non-union represented employees

Schedule A to Resolution 2278

Classification	Number of Positions	Range #	Low	-	High*
General Manager (includes District Engineer, & Secretary)	1	GM	N/A**	-	N/A**
Assistant General Manager/Engineering Manager	1	AGM/EM	6,820.73	-	9,151.32
Engineering Manager	0	317	5,635.57	-	7,561.20
Business Manager (includes Assistant Secretary)	1	310	5,395.07	-	7,238.52
Distribution Superintendent	1	290	4,762.98	-	6,390.45
Treatment & Production Superintendent	1	290	4,762.98	-	6,390.45
Groundwater Specialist	1	295	4,913.70	-	6,592.66
Public Information Officer	1	221	3,098.67	-	4,157.46
Administrative Assistant/VHR Assistant	1	212	2,929.69	-	3,930.74
<b>Total Non-Union Represented Employees</b>	<b>8</b>				

Notes

\* High end of each range listed accounts for the fourth longevity step increase

\*\* GM salary is reviewed annually and determined by the Board of Directors

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

Non-union represented employees

Schedule A to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
100	1,458.05	1,530.96	1,607.50	1,687.88	1,772.27	1,816.58	1,862.00	1,908.55	1,956.26
101	1,467.17	1,540.53	1,617.56	1,698.44	1,783.36	1,827.94	1,873.64	1,920.48	1,968.49
102	1,476.34	1,550.15	1,627.66	1,709.04	1,794.50	1,839.36	1,885.34	1,932.48	1,980.79
103	1,485.57	1,559.84	1,637.84	1,719.73	1,805.71	1,850.86	1,897.13	1,944.56	1,993.17
104	1,494.85	1,569.59	1,648.07	1,730.47	1,817.00	1,862.42	1,908.98	1,956.71	2,005.62
105	1,504.19	1,579.40	1,658.37	1,741.29	1,828.36	1,874.07	1,920.92	1,968.94	2,018.16
106	1,513.59	1,589.27	1,668.74	1,752.17	1,839.78	1,885.78	1,932.92	1,981.24	2,030.77
107	1,523.06	1,599.21	1,679.17	1,763.13	1,851.29	1,897.57	1,945.01	1,993.63	2,043.47
108	1,532.57	1,609.20	1,689.66	1,774.15	1,862.85	1,909.43	1,957.16	2,006.09	2,056.24
109	1,542.16	1,619.27	1,700.23	1,785.24	1,874.50	1,921.36	1,969.40	2,018.63	2,069.10
110	1,551.79	1,629.38	1,710.85	1,796.39	1,886.21	1,933.37	1,981.70	2,031.25	2,082.03
111	1,561.49	1,639.57	1,721.55	1,807.62	1,898.01	1,945.46	1,994.09	2,043.94	2,095.04
112	1,571.25	1,649.81	1,732.30	1,818.91	1,909.86	1,957.61	2,006.55	2,056.71	2,108.13
113	1,581.07	1,660.12	1,743.13	1,830.28	1,921.80	1,969.84	2,019.09	2,069.56	2,121.30
114	1,590.95	1,670.50	1,754.02	1,841.72	1,933.81	1,982.16	2,031.71	2,082.50	2,134.56
115	1,600.90	1,680.95	1,764.99	1,853.24	1,945.90	1,994.55	2,044.42	2,095.53	2,147.91
116	1,610.90	1,691.45	1,776.02	1,864.82	1,958.06	2,007.01	2,057.19	2,108.62	2,161.33
117	1,620.97	1,702.02	1,787.12	1,876.48	1,970.30	2,019.56	2,070.05	2,121.80	2,174.84
118	1,631.10	1,712.66	1,798.29	1,888.21	1,982.62	2,032.18	2,082.99	2,135.06	2,188.44
119	1,641.30	1,723.37	1,809.54	1,900.01	1,995.01	2,044.89	2,096.01	2,148.41	2,202.12
120	1,651.57	1,734.15	1,820.85	1,911.90	2,007.49	2,057.68	2,109.12	2,161.85	2,215.89
121	1,661.88	1,744.98	1,832.23	1,923.84	2,020.03	2,070.53	2,122.29	2,175.35	2,229.74
122	1,672.27	1,755.88	1,843.67	1,935.86	2,032.65	2,083.47	2,135.55	2,188.94	2,243.67
123	1,682.71	1,766.85	1,855.19	1,947.95	2,045.35	2,096.48	2,148.90	2,202.62	2,257.68
124	1,693.23	1,777.89	1,866.78	1,960.12	2,058.13	2,109.58	2,162.32	2,216.38	2,271.79
125	1,703.81	1,789.00	1,878.45	1,972.37	2,070.99	2,122.76	2,175.83	2,230.23	2,285.98
126	1,714.45	1,800.18	1,890.18	1,984.69	2,083.93	2,136.03	2,189.43	2,244.16	2,300.27
127	1,725.16	1,811.42	1,901.99	1,997.09	2,096.95	2,149.37	2,203.10	2,258.18	2,314.64
128	1,735.94	1,822.74	1,913.87	2,009.57	2,110.04	2,162.80	2,216.87	2,272.29	2,329.09
129	1,746.79	1,834.13	1,925.84	2,022.13	2,123.24	2,176.32	2,230.73	2,286.49	2,343.66
130	1,757.71	1,845.60	1,937.88	2,034.77	2,136.51	2,189.92	2,244.67	2,300.79	2,358.31
131	1,768.70	1,857.13	1,949.99	2,047.49	2,149.86	2,203.61	2,258.70	2,315.17	2,373.05
132	1,779.75	1,868.74	1,962.17	2,060.28	2,163.30	2,217.38	2,272.81	2,329.63	2,387.87
133	1,790.88	1,880.42	1,974.44	2,073.17	2,176.82	2,231.25	2,287.03	2,344.20	2,402.81
134	1,802.07	1,892.18	1,986.79	2,086.13	2,190.43	2,245.19	2,301.32	2,358.86	2,417.83
135	1,813.34	1,904.00	1,999.20	2,099.16	2,204.12	2,259.22	2,315.70	2,373.60	2,432.94
136	1,824.67	1,915.91	2,011.70	2,112.29	2,217.90	2,273.35	2,330.19	2,388.44	2,448.15
137	1,836.08	1,927.88	2,024.28	2,125.49	2,231.77	2,287.56	2,344.75	2,403.37	2,463.45
138	1,847.55	1,939.93	2,036.92	2,138.77	2,245.71	2,301.85	2,359.40	2,418.38	2,478.84
139	1,859.10	1,952.05	2,049.66	2,152.14	2,259.75	2,316.24	2,374.15	2,433.50	2,494.34
140	1,870.71	1,964.25	2,062.46	2,165.59	2,273.87	2,330.71	2,388.98	2,448.70	2,509.92
141	1,882.41	1,976.53	2,075.35	2,179.12	2,288.08	2,345.28	2,403.91	2,464.01	2,525.61
142	1,894.17	1,988.88	2,088.32	2,192.74	2,302.37	2,359.93	2,418.93	2,479.40	2,541.39
143	1,906.00	2,001.30	2,101.37	2,206.44	2,316.76	2,374.68	2,434.05	2,494.90	2,557.27
144	1,917.92	2,013.82	2,114.51	2,220.23	2,331.24	2,389.53	2,449.26	2,510.50	2,573.26
145	1,929.90	2,026.40	2,127.72	2,234.10	2,345.81	2,404.45	2,464.57	2,526.18	2,589.33
146	1,941.96	2,039.06	2,141.01	2,248.07	2,360.47	2,419.48	2,479.97	2,541.97	2,605.52
147	1,954.10	2,051.81	2,154.40	2,262.12	2,375.22	2,434.60	2,495.47	2,557.86	2,621.80
148	1,966.32	2,064.64	2,167.87	2,276.26	2,390.07	2,449.83	2,511.07	2,573.85	2,638.20
149	1,978.60	2,077.53	2,181.41	2,290.48	2,405.01	2,465.13	2,526.76	2,589.93	2,654.68
150	1,990.97	2,090.51	2,195.04	2,304.79	2,420.03	2,480.53	2,542.55	2,606.11	2,671.26
151	2,003.41	2,103.58	2,208.76	2,319.19	2,435.15	2,496.03	2,558.43	2,622.39	2,687.95
152	2,015.93	2,116.72	2,222.56	2,333.69	2,450.37	2,511.63	2,574.42	2,638.78	2,704.75
153	2,028.52	2,129.95	2,236.45	2,348.27	2,465.68	2,527.33	2,590.51	2,655.27	2,721.65
154	2,041.20	2,143.26	2,250.42	2,362.94	2,481.09	2,543.12	2,606.70	2,671.86	2,738.66
155	2,053.96	2,156.65	2,264.49	2,377.71	2,496.60	2,559.01	2,622.99	2,688.56	2,755.77

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

Non-union represented employees

Schedule A to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
156	2,066.79	2,170.13	2,278.64	2,392.57	2,512.20	2,575.00	2,639.38	2,705.36	2,772.99
157	2,079.70	2,183.69	2,292.87	2,407.52	2,527.89	2,591.09	2,655.87	2,722.26	2,790.32
158	2,092.71	2,197.34	2,307.21	2,422.57	2,543.70	2,607.29	2,672.47	2,739.28	2,807.77
159	2,105.79	2,211.08	2,321.63	2,437.71	2,559.60	2,623.59	2,689.18	2,756.41	2,825.32
160	2,118.95	2,224.90	2,336.14	2,452.95	2,575.60	2,639.99	2,705.99	2,773.64	2,842.98
161	2,132.19	2,238.80	2,350.74	2,468.28	2,591.69	2,656.48	2,722.90	2,790.97	2,860.74
162	2,145.52	2,252.80	2,365.44	2,483.71	2,607.90	2,673.09	2,739.92	2,808.42	2,878.63
163	2,158.93	2,266.88	2,380.23	2,499.24	2,624.20	2,689.80	2,757.05	2,825.97	2,896.62
164	2,172.42	2,281.04	2,395.10	2,514.85	2,640.59	2,706.61	2,774.27	2,843.63	2,914.72
165	2,186.00	2,295.31	2,410.07	2,530.57	2,657.10	2,723.53	2,791.62	2,861.41	2,932.94
166	2,199.66	2,309.65	2,425.13	2,546.39	2,673.71	2,740.55	2,809.06	2,879.29	2,951.27
167	2,213.42	2,324.09	2,440.29	2,562.31	2,690.42	2,757.68	2,826.62	2,897.29	2,969.72
168	2,227.25	2,338.61	2,455.54	2,578.32	2,707.23	2,774.91	2,844.29	2,915.39	2,988.28
169	2,241.17	2,353.23	2,470.89	2,594.43	2,724.15	2,792.26	2,862.06	2,933.62	3,006.96
170	2,255.18	2,367.94	2,486.34	2,610.66	2,741.19	2,809.72	2,879.96	2,951.96	3,025.76
171	2,269.27	2,382.74	2,501.88	2,626.97	2,758.32	2,827.28	2,897.96	2,970.41	3,044.67
172	2,283.46	2,397.63	2,517.51	2,643.39	2,775.56	2,844.95	2,916.07	2,988.97	3,063.70
173	2,297.73	2,412.62	2,533.25	2,659.92	2,792.91	2,862.73	2,934.30	3,007.66	3,082.85
174	2,312.09	2,427.69	2,549.08	2,676.53	2,810.36	2,880.62	2,952.63	3,026.45	3,102.11
175	2,326.54	2,442.86	2,565.01	2,693.26	2,827.92	2,898.62	2,971.08	3,045.36	3,121.49
176	2,341.07	2,458.13	2,581.03	2,710.09	2,845.59	2,916.73	2,989.65	3,064.39	3,141.00
177	2,355.70	2,473.49	2,597.16	2,727.02	2,863.37	2,934.96	3,008.33	3,083.54	3,160.63
178	2,370.43	2,488.95	2,613.39	2,744.06	2,881.27	2,953.30	3,027.13	3,102.81	3,180.38
179	2,385.24	2,504.50	2,629.73	2,761.21	2,899.27	2,971.75	3,046.05	3,122.20	3,200.25
180	2,400.14	2,520.15	2,646.16	2,778.47	2,917.39	2,990.33	3,065.08	3,141.71	3,220.25
181	2,415.14	2,535.90	2,662.69	2,795.83	2,935.62	3,009.01	3,084.24	3,161.34	3,240.37
182	2,430.23	2,551.74	2,679.33	2,813.29	2,953.96	3,027.81	3,103.50	3,181.09	3,260.62
183	2,445.42	2,567.69	2,696.08	2,830.88	2,972.43	3,046.74	3,122.91	3,200.98	3,281.00
184	2,460.71	2,583.74	2,712.93	2,848.58	2,991.01	3,065.78	3,142.43	3,220.99	3,301.51
185	2,476.09	2,599.89	2,729.88	2,866.38	3,009.70	3,084.94	3,162.06	3,241.12	3,322.14
186	2,491.57	2,616.15	2,746.95	2,884.30	3,028.52	3,104.23	3,181.84	3,261.38	3,342.92
187	2,507.14	2,632.50	2,764.12	2,902.33	3,047.45	3,123.63	3,201.72	3,281.77	3,363.81
188	2,522.81	2,648.95	2,781.40	2,920.46	3,066.49	3,143.15	3,221.73	3,302.27	3,384.83
189	2,538.58	2,665.51	2,798.78	2,938.72	3,085.66	3,162.80	3,241.87	3,322.92	3,405.99
190	2,554.44	2,682.16	2,816.27	2,957.08	3,104.94	3,182.56	3,262.13	3,343.68	3,427.27
191	2,570.41	2,698.93	2,833.87	2,975.57	3,124.35	3,202.45	3,282.52	3,364.58	3,448.69
192	2,586.47	2,715.79	2,851.58	2,994.16	3,143.87	3,222.46	3,303.02	3,385.60	3,470.24
193	2,602.63	2,732.76	2,869.40	3,012.87	3,163.51	3,242.60	3,323.67	3,406.76	3,491.93
194	2,618.90	2,749.84	2,887.34	3,031.70	3,183.29	3,262.87	3,344.44	3,428.05	3,513.75
195	2,635.27	2,767.04	2,905.39	3,050.66	3,203.19	3,283.27	3,365.35	3,449.48	3,535.72
196	2,651.74	2,784.32	2,923.54	3,069.72	3,223.20	3,303.78	3,386.38	3,471.04	3,557.81
197	2,668.31	2,801.72	2,941.81	3,088.90	3,243.34	3,324.43	3,407.54	3,492.73	3,580.04
198	2,684.98	2,819.23	2,960.19	3,108.20	3,263.61	3,345.20	3,428.83	3,514.55	3,602.42
199	2,701.76	2,836.85	2,978.69	3,127.63	3,284.01	3,366.11	3,450.26	3,536.52	3,624.93
200	2,718.65	2,854.58	2,997.31	3,147.17	3,304.53	3,387.14	3,471.82	3,558.62	3,647.58
201	2,735.64	2,872.42	3,016.04	3,166.84	3,325.18	3,408.31	3,493.52	3,580.86	3,670.38
202	2,752.73	2,890.37	3,034.89	3,186.63	3,345.96	3,429.61	3,515.35	3,603.23	3,693.31
203	2,769.93	2,908.43	3,053.85	3,206.54	3,366.87	3,451.04	3,537.31	3,625.75	3,716.39
204	2,787.25	2,926.61	3,072.94	3,226.59	3,387.92	3,472.61	3,559.43	3,648.42	3,739.63
205	2,804.67	2,944.90	3,092.15	3,246.76	3,409.09	3,494.32	3,581.68	3,671.22	3,763.00
206	2,822.20	2,963.31	3,111.47	3,267.04	3,430.40	3,516.16	3,604.06	3,694.16	3,786.52
207	2,839.84	2,981.83	3,130.92	3,287.47	3,451.84	3,538.14	3,626.59	3,717.26	3,810.19
208	2,857.59	3,000.47	3,150.49	3,308.02	3,473.42	3,560.26	3,649.26	3,740.49	3,834.01
209	2,875.45	3,019.22	3,170.18	3,328.69	3,495.12	3,582.50	3,672.06	3,763.86	3,857.96
210	2,893.42	3,038.09	3,189.99	3,349.49	3,516.97	3,604.89	3,695.02	3,787.39	3,882.08
211	2,911.50	3,057.07	3,209.92	3,370.42	3,538.94	3,627.42	3,718.10	3,811.05	3,906.33

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

Non-union represented employees

Schedule A to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
212	2,929.69	3,076.18	3,229.99	3,391.48	3,561.06	3,650.09	3,741.34	3,834.87	3,930.74
213	2,948.01	3,095.41	3,250.18	3,412.68	3,583.32	3,672.90	3,764.72	3,858.84	3,955.31
214	2,966.44	3,114.76	3,270.50	3,434.02	3,605.72	3,695.87	3,788.26	3,882.97	3,980.04
215	2,984.97	3,134.22	3,290.93	3,455.48	3,628.25	3,718.96	3,811.93	3,907.23	4,004.91
216	3,003.63	3,153.81	3,311.50	3,477.07	3,650.93	3,742.20	3,835.76	3,931.65	4,029.94
217	3,022.40	3,173.52	3,332.20	3,498.81	3,673.75	3,765.59	3,859.73	3,956.22	4,055.13
218	3,041.29	3,193.36	3,353.02	3,520.67	3,696.71	3,789.13	3,883.85	3,980.95	4,080.47
219	3,060.30	3,213.31	3,373.98	3,542.68	3,719.81	3,812.81	3,908.13	4,005.83	4,105.98
220	3,079.43	3,233.40	3,395.07	3,564.82	3,743.06	3,836.64	3,932.55	4,030.87	4,131.64
221	3,098.67	3,253.60	3,416.28	3,587.10	3,766.45	3,860.61	3,957.13	4,056.06	4,157.46
222	3,118.03	3,273.93	3,437.63	3,609.51	3,789.99	3,884.74	3,981.86	4,081.40	4,183.44
223	3,137.53	3,294.40	3,459.12	3,632.08	3,813.68	3,909.02	4,006.75	4,106.92	4,209.59
224	3,157.14	3,314.99	3,480.74	3,654.78	3,837.52	3,933.46	4,031.79	4,132.59	4,235.90
225	3,176.87	3,335.71	3,502.50	3,677.62	3,861.50	3,958.04	4,056.99	4,158.41	4,262.37
226	3,196.73	3,356.56	3,524.39	3,700.61	3,885.64	3,982.78	4,082.35	4,184.41	4,289.02
227	3,216.71	3,377.54	3,546.42	3,723.74	3,909.93	4,007.67	4,107.87	4,210.56	4,315.83
228	3,236.82	3,398.66	3,568.59	3,747.02	3,934.37	4,032.73	4,133.55	4,236.89	4,342.81
229	3,257.04	3,419.89	3,590.89	3,770.43	3,958.96	4,057.93	4,159.38	4,263.36	4,369.95
230	3,277.40	3,441.27	3,613.34	3,794.00	3,983.70	4,083.29	4,185.38	4,290.01	4,397.26
231	3,297.89	3,462.79	3,635.93	3,817.72	4,008.61	4,108.82	4,211.54	4,316.83	4,424.75
232	3,318.50	3,484.42	3,658.65	3,841.58	4,033.66	4,134.50	4,237.86	4,343.81	4,452.40
233	3,339.24	3,506.20	3,681.51	3,865.59	4,058.86	4,160.34	4,264.34	4,370.95	4,480.23
234	3,360.11	3,528.11	3,704.52	3,889.74	4,084.23	4,186.34	4,291.00	4,398.27	4,508.23
235	3,381.11	3,550.16	3,727.67	3,914.06	4,109.76	4,212.50	4,317.82	4,425.76	4,536.40
236	3,402.24	3,572.35	3,750.97	3,938.52	4,135.44	4,238.83	4,344.80	4,453.42	4,564.76
237	3,423.50	3,594.68	3,774.41	3,963.13	4,161.29	4,265.32	4,371.96	4,481.25	4,593.29
238	3,444.90	3,617.14	3,798.00	3,987.90	4,187.30	4,291.98	4,399.28	4,509.26	4,621.99
239	3,466.42	3,639.74	3,821.73	4,012.82	4,213.46	4,318.80	4,426.77	4,537.44	4,650.87
240	3,488.09	3,662.50	3,845.62	4,037.90	4,239.80	4,345.79	4,454.44	4,565.80	4,679.94
241	3,509.89	3,685.39	3,869.66	4,063.14	4,266.30	4,372.96	4,482.28	4,594.34	4,709.19
242	3,531.83	3,708.42	3,893.84	4,088.53	4,292.96	4,400.28	4,510.29	4,623.04	4,738.62
243	3,553.90	3,731.60	3,918.18	4,114.09	4,319.79	4,427.78	4,538.48	4,651.94	4,768.24
244	3,576.11	3,754.91	3,942.66	4,139.79	4,346.78	4,455.45	4,566.84	4,681.01	4,798.03
245	3,598.46	3,778.38	3,967.30	4,165.67	4,373.95	4,483.30	4,595.38	4,710.27	4,828.02
246	3,620.96	3,802.00	3,992.10	4,191.71	4,401.29	4,511.33	4,624.11	4,739.71	4,858.20
247	3,643.58	3,825.76	4,017.05	4,217.90	4,428.80	4,539.52	4,653.00	4,769.33	4,888.56
248	3,666.35	3,849.67	4,042.15	4,244.26	4,456.47	4,567.89	4,682.08	4,799.14	4,919.11
249	3,689.27	3,873.73	4,067.42	4,270.79	4,484.33	4,596.44	4,711.35	4,829.13	4,949.86
250	3,712.33	3,897.94	4,092.84	4,297.48	4,512.36	4,625.17	4,740.79	4,859.31	4,980.80
251	3,735.53	3,922.31	4,118.42	4,324.34	4,540.56	4,654.07	4,770.43	4,889.69	5,011.93
252	3,758.88	3,946.82	4,144.16	4,351.37	4,568.94	4,683.16	4,800.24	4,920.25	5,043.25
253	3,782.37	3,971.49	4,170.06	4,378.57	4,597.49	4,712.43	4,830.24	4,951.00	5,074.77
254	3,806.01	3,996.31	4,196.12	4,405.93	4,626.22	4,741.88	4,860.43	4,981.94	5,106.48
255	3,829.80	4,021.29	4,222.35	4,433.47	4,655.14	4,771.52	4,890.81	5,013.08	5,138.41
256	3,853.74	4,046.42	4,248.74	4,461.18	4,684.24	4,801.35	4,921.38	5,044.41	5,170.52
257	3,877.82	4,071.71	4,275.29	4,489.06	4,713.51	4,831.35	4,952.13	5,075.94	5,202.83
258	3,902.06	4,097.16	4,302.02	4,517.12	4,742.97	4,861.55	4,983.09	5,107.66	5,235.36
259	3,926.44	4,122.76	4,328.90	4,545.34	4,772.61	4,891.93	5,014.23	5,139.58	5,268.07
260	3,950.98	4,148.53	4,355.96	4,573.75	4,802.44	4,922.50	5,045.56	5,171.70	5,301.00
261	3,975.68	4,174.46	4,383.19	4,602.34	4,832.46	4,953.27	5,077.10	5,204.03	5,334.13
262	4,000.52	4,200.55	4,410.57	4,631.10	4,862.66	4,984.22	5,108.83	5,236.55	5,367.46
263	4,025.52	4,226.80	4,438.14	4,660.04	4,893.04	5,015.37	5,140.75	5,269.27	5,401.01
264	4,050.68	4,253.21	4,465.87	4,689.16	4,923.62	5,046.71	5,172.88	5,302.20	5,434.76
265	4,075.99	4,279.79	4,493.78	4,718.47	4,954.39	5,078.25	5,205.21	5,335.34	5,468.72
266	4,101.46	4,306.53	4,521.86	4,747.95	4,985.35	5,109.99	5,237.74	5,368.68	5,502.90
267	4,127.09	4,333.44	4,550.12	4,777.62	5,016.50	5,141.92	5,270.46	5,402.23	5,537.28

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

Non-union represented employees

Schedule A to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
268	4,152.89	4,360.53	4,578.56	4,807.49	5,047.86	5,174.06	5,303.41	5,436.00	5,571.90
269	4,178.85	4,387.79	4,607.18	4,837.54	5,079.41	5,206.40	5,336.56	5,469.97	5,606.72
270	4,204.96	4,415.21	4,635.97	4,867.77	5,111.15	5,238.93	5,369.91	5,504.15	5,641.76
271	4,231.24	4,442.80	4,664.95	4,898.19	5,143.10	5,271.68	5,403.47	5,538.56	5,677.02
272	4,257.68	4,470.57	4,694.10	4,928.80	5,175.24	5,304.62	5,437.24	5,573.17	5,712.50
273	4,284.30	4,498.51	4,723.44	4,959.61	5,207.59	5,337.78	5,471.22	5,608.00	5,748.20
274	4,311.08	4,526.63	4,752.96	4,990.61	5,240.14	5,371.15	5,505.42	5,643.06	5,784.14
275	4,338.02	4,554.92	4,782.66	5,021.80	5,272.89	5,404.71	5,539.83	5,678.32	5,820.28
276	4,365.13	4,583.38	4,812.55	5,053.18	5,305.84	5,438.49	5,574.45	5,713.81	5,856.65
277	4,392.41	4,612.03	4,842.63	5,084.76	5,339.00	5,472.47	5,609.29	5,749.52	5,893.26
278	4,419.86	4,640.85	4,872.89	5,116.54	5,372.37	5,506.67	5,644.34	5,785.45	5,930.09
279	4,447.48	4,669.85	4,903.35	5,148.51	5,405.94	5,541.09	5,679.61	5,821.61	5,967.15
280	4,475.27	4,699.03	4,933.99	5,180.69	5,439.72	5,575.71	5,715.11	5,857.98	6,004.43
281	4,503.25	4,728.41	4,964.83	5,213.07	5,473.72	5,610.57	5,750.83	5,894.60	6,041.97
282	4,531.39	4,757.96	4,995.86	5,245.65	5,507.94	5,645.63	5,786.77	5,931.44	6,079.73
283	4,559.71	4,787.69	5,027.08	5,278.43	5,542.35	5,680.91	5,822.93	5,968.51	6,117.72
284	4,588.21	4,817.62	5,058.50	5,311.42	5,576.99	5,716.42	5,859.33	6,005.81	6,155.96
285	4,616.88	4,847.72	5,090.11	5,344.61	5,611.84	5,752.14	5,895.94	6,043.34	6,194.42
286	4,645.73	4,878.02	5,121.92	5,378.01	5,646.91	5,788.09	5,932.79	6,081.11	6,233.14
287	4,674.77	4,908.51	5,153.93	5,411.63	5,682.21	5,824.26	5,969.87	6,119.12	6,272.10
288	4,703.99	4,939.19	5,186.15	5,445.45	5,717.73	5,860.67	6,007.19	6,157.37	6,311.30
289	4,733.39	4,970.06	5,218.56	5,479.49	5,753.47	5,897.30	6,044.74	6,195.86	6,350.75
290	4,762.98	5,001.13	5,251.19	5,513.74	5,789.43	5,934.17	6,082.52	6,234.58	6,390.45
291	4,792.75	5,032.39	5,284.01	5,548.21	5,825.62	5,971.26	6,120.54	6,273.55	6,430.39
292	4,822.71	5,063.84	5,317.03	5,582.88	5,862.03	6,008.58	6,158.79	6,312.76	6,470.58
293	4,852.84	5,095.49	5,350.26	5,617.77	5,898.66	6,046.13	6,197.28	6,352.21	6,511.02
294	4,883.18	5,127.34	5,383.70	5,652.89	5,935.53	6,083.92	6,236.02	6,391.92	6,551.72
295	4,913.70	5,159.38	5,417.35	5,688.22	5,972.63	6,121.94	6,274.99	6,431.87	6,592.66
296	4,944.41	5,191.63	5,451.21	5,723.77	6,009.96	6,160.21	6,314.22	6,472.07	6,633.87
297	4,975.31	5,224.08	5,485.28	5,759.54	6,047.52	6,198.71	6,353.68	6,512.52	6,675.33
298	5,006.41	5,256.73	5,519.56	5,795.54	6,085.32	6,237.45	6,393.39	6,553.22	6,717.05
299	5,037.70	5,289.58	5,554.06	5,831.76	6,123.35	6,276.44	6,433.35	6,594.18	6,759.03
300	5,069.19	5,322.64	5,588.78	5,868.22	6,161.63	6,315.67	6,473.56	6,635.40	6,801.28
301	5,100.87	5,355.91	5,623.71	5,904.89	6,200.14	6,355.14	6,514.02	6,676.87	6,843.79
302	5,132.75	5,389.39	5,658.86	5,941.80	6,238.89	6,394.86	6,554.74	6,718.60	6,886.57
303	5,164.83	5,423.07	5,694.23	5,978.94	6,277.88	6,434.83	6,595.70	6,760.59	6,929.61
304	5,197.11	5,456.96	5,729.81	6,016.30	6,317.11	6,475.04	6,636.92	6,802.84	6,972.91
305	5,229.59	5,491.07	5,765.62	6,053.90	6,356.60	6,515.51	6,678.40	6,845.36	7,016.50
306	5,262.27	5,525.38	5,801.65	6,091.74	6,396.32	6,556.23	6,720.14	6,888.14	7,060.34
307	5,295.16	5,559.92	5,837.92	6,129.81	6,436.30	6,597.21	6,762.14	6,931.19	7,104.47
308	5,328.26	5,594.68	5,874.41	6,168.13	6,476.54	6,638.45	6,804.41	6,974.52	7,148.89
309	5,361.56	5,629.64	5,911.12	6,206.68	6,517.01	6,679.94	6,846.93	7,018.11	7,193.56
310	5,395.07	5,664.82	5,948.06	6,245.47	6,557.74	6,721.68	6,889.72	7,061.97	7,238.52
311	5,428.78	5,700.22	5,985.24	6,284.50	6,598.72	6,763.69	6,932.78	7,106.10	7,283.75
312	5,462.71	5,735.85	6,022.64	6,323.77	6,639.96	6,805.96	6,976.11	7,150.51	7,329.27
313	5,496.85	5,771.69	6,060.27	6,363.29	6,681.45	6,848.49	7,019.70	7,195.19	7,375.07
314	5,531.21	5,807.77	6,098.16	6,403.06	6,723.22	6,891.30	7,063.58	7,240.17	7,421.17
315	5,565.78	5,844.07	6,136.27	6,443.08	6,765.24	6,934.37	7,107.73	7,285.42	7,467.55
316	5,600.57	5,880.60	6,174.63	6,483.36	6,807.53	6,977.71	7,152.16	7,330.96	7,514.23
317	5,635.57	5,917.35	6,213.22	6,523.88	6,850.07	7,021.32	7,196.86	7,376.78	7,561.20
318	8,103.21	8,508.37	8,933.79	9,380.48	9,849.51	10,095.74	10,348.14	10,606.84	10,872.01
AGM/EM	6,820.73	7,161.77	7,519.86	7,895.85	8,290.64	8,497.91	8,710.36	8,928.12	9,151.32

**BI-WEEKLY SALARY RANGE AND POSITION CONTROL SCHEDULE**

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

SEIU Local 620 represented employees

Schedule B to Resolution 2278

Classification	Number of Positions	Range #	Low	-	High*
Financial Analyst/IT Specialist	1	263	4,025.52	-	5,401.01
Treatment Chief Operator	1	259	3,926.44	-	5,268.07
Distribution Chief Operator IV	1	259	3,926.44	-	5,268.07
Control System Technician/Treatment Operator	1	260	3,712.33	-	4,980.80
Engineering Assistant	2	227	3,216.71	-	4,315.83
Senior Office Technician/Staff Accountant	1	223	3,137.53	-	4,209.59
Treatment Plant Operator	2	223	3,137.53	-	4,209.59
Distribution Operator III	2	223	3,137.53	-	4,209.59
Mechanic/Distribution Operator I	1	214	2,966.44	-	3,980.04
Water Conservation Specialist, Dist. Operator/Grounds Keeper	1	210	2,893.42	-	3,852.08
Distribution Operator II	4	206	2,822.20	-	3,786.52
Office Technician II	2	181	2,415.14	-	3,240.37
Distribution Operator I	0	179	2,385.24	-	3,200.25
Dam Caretaker	1	174	2,312.09	-	3,102.11
<b>Total SEIU Local 620 Represented Employees</b>	<b>20</b>				

Notes

\*The high end of each range listed accounts for the fourth longevity step increase

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

SEIU Local 620 represented employees

Schedule B to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
100	1,458.05	1,530.96	1,607.50	1,687.88	1,772.27	1,816.58	1,862.00	1,908.55	1,956.26
101	1,467.17	1,540.53	1,617.56	1,698.44	1,783.36	1,827.94	1,873.64	1,920.48	1,968.49
102	1,476.34	1,550.15	1,627.66	1,709.04	1,794.50	1,839.36	1,885.34	1,932.48	1,980.79
103	1,485.57	1,559.84	1,637.84	1,719.73	1,805.71	1,850.86	1,897.13	1,944.56	1,993.17
104	1,494.85	1,569.59	1,648.07	1,730.47	1,817.00	1,862.42	1,908.98	1,956.71	2,005.62
105	1,504.19	1,579.40	1,658.37	1,741.29	1,828.36	1,874.07	1,920.92	1,968.94	2,018.16
106	1,513.59	1,589.27	1,668.74	1,752.17	1,839.78	1,885.78	1,932.92	1,981.24	2,030.77
107	1,523.06	1,599.21	1,679.17	1,763.13	1,851.29	1,897.57	1,945.01	1,993.63	2,043.47
108	1,532.57	1,609.20	1,689.66	1,774.15	1,862.85	1,909.43	1,957.16	2,006.09	2,056.24
109	1,542.16	1,619.27	1,700.23	1,785.24	1,874.50	1,921.36	1,969.40	2,018.63	2,069.10
110	1,551.79	1,629.38	1,710.85	1,796.39	1,886.21	1,933.37	1,981.70	2,031.25	2,082.03
111	1,561.49	1,639.57	1,721.55	1,807.62	1,898.01	1,945.46	1,994.09	2,043.94	2,095.04
112	1,571.25	1,649.81	1,732.30	1,818.91	1,909.86	1,957.61	2,006.55	2,056.71	2,108.13
113	1,581.07	1,660.12	1,743.13	1,830.28	1,921.80	1,969.84	2,019.09	2,069.56	2,121.30
114	1,590.95	1,670.50	1,754.02	1,841.72	1,933.81	1,982.16	2,031.71	2,082.50	2,134.56
115	1,600.90	1,680.95	1,764.99	1,853.24	1,945.90	1,994.55	2,044.42	2,095.53	2,147.91
116	1,610.90	1,691.45	1,776.02	1,864.82	1,958.06	2,007.01	2,057.19	2,108.62	2,161.33
117	1,620.97	1,702.02	1,787.12	1,876.48	1,970.30	2,019.56	2,070.05	2,121.80	2,174.84
118	1,631.10	1,712.66	1,798.29	1,888.21	1,982.62	2,032.18	2,082.99	2,135.06	2,188.44
119	1,641.30	1,723.37	1,809.54	1,900.01	1,995.01	2,044.89	2,096.01	2,148.41	2,202.12
120	1,651.57	1,734.15	1,820.85	1,911.90	2,007.49	2,057.68	2,109.12	2,161.85	2,215.89
121	1,661.88	1,744.98	1,832.23	1,923.84	2,020.03	2,070.53	2,122.29	2,175.35	2,229.74
122	1,672.27	1,755.88	1,843.67	1,935.86	2,032.65	2,083.47	2,135.55	2,188.84	2,243.67
123	1,682.71	1,766.85	1,855.19	1,947.95	2,045.35	2,096.48	2,148.90	2,202.62	2,257.68
124	1,693.23	1,777.89	1,866.78	1,960.12	2,058.13	2,109.58	2,162.32	2,216.38	2,271.79
125	1,703.81	1,789.00	1,878.45	1,972.37	2,070.99	2,122.76	2,175.83	2,230.23	2,285.98
126	1,714.45	1,800.18	1,890.18	1,984.69	2,083.93	2,136.03	2,189.43	2,244.16	2,300.27
127	1,725.16	1,811.42	1,901.99	1,997.09	2,096.95	2,149.37	2,203.10	2,258.18	2,314.64
128	1,735.94	1,822.74	1,913.87	2,009.57	2,110.04	2,162.80	2,216.87	2,272.29	2,329.09
129	1,746.79	1,834.13	1,925.84	2,022.13	2,123.24	2,176.32	2,230.73	2,286.49	2,343.66
130	1,757.71	1,845.60	1,937.88	2,034.77	2,136.51	2,189.92	2,244.67	2,300.79	2,358.31
131	1,768.70	1,857.13	1,949.99	2,047.49	2,149.86	2,203.61	2,258.70	2,315.17	2,373.05
132	1,779.75	1,868.74	1,962.17	2,060.28	2,163.30	2,217.38	2,272.81	2,329.63	2,387.87
133	1,790.88	1,880.42	1,974.44	2,073.17	2,176.82	2,231.25	2,287.03	2,344.20	2,402.81
134	1,802.07	1,892.18	1,986.79	2,086.13	2,190.43	2,245.19	2,301.32	2,358.86	2,417.83
135	1,813.34	1,904.00	1,999.20	2,099.16	2,204.12	2,259.22	2,315.70	2,373.60	2,432.94
136	1,824.67	1,915.91	2,011.70	2,112.29	2,217.90	2,273.35	2,330.19	2,388.44	2,448.15
137	1,836.08	1,927.88	2,024.28	2,125.49	2,231.77	2,287.56	2,344.75	2,403.37	2,463.45
138	1,847.55	1,939.93	2,036.92	2,138.77	2,245.71	2,301.85	2,359.40	2,418.38	2,478.84
139	1,859.10	1,952.05	2,049.66	2,152.14	2,259.75	2,316.24	2,374.15	2,433.50	2,494.34
140	1,870.71	1,964.25	2,062.46	2,165.59	2,273.87	2,330.71	2,388.98	2,448.70	2,509.92
141	1,882.41	1,976.53	2,075.35	2,179.12	2,288.08	2,345.28	2,403.91	2,464.01	2,525.61
142	1,894.17	1,988.88	2,088.32	2,192.74	2,302.37	2,359.93	2,418.93	2,479.40	2,541.39
143	1,906.00	2,001.30	2,101.37	2,206.44	2,316.76	2,374.68	2,434.05	2,494.90	2,557.27
144	1,917.92	2,013.82	2,114.51	2,220.23	2,331.24	2,389.53	2,449.26	2,510.50	2,573.26
145	1,929.90	2,026.40	2,127.72	2,234.10	2,345.81	2,404.45	2,464.57	2,526.18	2,589.33
146	1,941.96	2,039.06	2,141.01	2,248.07	2,360.47	2,419.48	2,479.97	2,541.97	2,605.52
147	1,954.10	2,051.81	2,154.40	2,262.12	2,375.22	2,434.60	2,495.47	2,557.86	2,621.80
148	1,966.32	2,064.64	2,167.87	2,276.26	2,390.07	2,449.83	2,511.07	2,573.85	2,638.20
149	1,978.60	2,077.53	2,181.41	2,290.48	2,405.01	2,465.13	2,526.76	2,589.93	2,654.68
150	1,990.97	2,090.51	2,195.04	2,304.79	2,420.03	2,480.53	2,542.55	2,606.11	2,671.26
151	2,003.41	2,103.58	2,208.76	2,319.19	2,435.15	2,496.03	2,558.43	2,622.39	2,687.95
152	2,015.93	2,116.72	2,222.56	2,333.69	2,450.37	2,511.63	2,574.42	2,638.78	2,704.75
153	2,028.52	2,129.95	2,236.45	2,348.27	2,465.68	2,527.33	2,590.51	2,655.27	2,721.65
154	2,041.20	2,143.26	2,250.42	2,362.94	2,481.09	2,543.12	2,606.70	2,671.86	2,738.66
155	2,053.96	2,156.65	2,264.49	2,377.71	2,496.60	2,559.01	2,622.99	2,688.56	2,755.77
156	2,066.79	2,170.13	2,278.64	2,392.57	2,512.20	2,575.00	2,639.38	2,705.36	2,772.99

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

SEIU Local 620 represented employees

Schedule B to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
157	2,079.70	2,183.69	2,292.87	2,407.52	2,527.89	2,591.09	2,655.87	2,722.26	2,790.32
158	2,092.71	2,197.34	2,307.21	2,422.57	2,543.70	2,607.29	2,672.47	2,739.28	2,807.77
159	2,105.79	2,211.08	2,321.63	2,437.71	2,559.60	2,623.59	2,689.18	2,756.41	2,825.32
160	2,118.95	2,224.90	2,336.14	2,452.95	2,575.60	2,639.99	2,705.99	2,773.64	2,842.98
161	2,132.19	2,238.80	2,350.74	2,468.28	2,591.69	2,656.48	2,722.90	2,790.97	2,860.74
162	2,145.52	2,252.80	2,365.44	2,483.71	2,607.90	2,673.09	2,739.92	2,808.42	2,878.63
163	2,158.93	2,266.88	2,380.23	2,499.24	2,624.20	2,689.80	2,757.05	2,825.97	2,896.62
164	2,172.42	2,281.04	2,395.10	2,514.85	2,640.59	2,706.81	2,774.27	2,843.63	2,914.72
165	2,186.00	2,295.31	2,410.07	2,530.57	2,657.10	2,723.53	2,791.62	2,861.41	2,932.94
166	2,199.66	2,309.65	2,425.13	2,546.39	2,673.71	2,740.55	2,809.06	2,879.29	2,951.27
167	2,213.42	2,324.09	2,440.29	2,562.31	2,690.42	2,757.68	2,826.62	2,897.29	2,969.72
168	2,227.25	2,338.61	2,455.54	2,578.32	2,707.23	2,774.91	2,844.29	2,915.39	2,988.28
169	2,241.17	2,353.23	2,470.89	2,594.43	2,724.15	2,792.26	2,862.06	2,933.62	3,006.96
170	2,255.18	2,367.94	2,486.34	2,610.66	2,741.19	2,809.72	2,879.96	2,951.96	3,025.76
171	2,269.27	2,382.74	2,501.88	2,626.97	2,758.32	2,827.28	2,897.96	2,970.41	3,044.67
172	2,283.46	2,397.63	2,517.51	2,643.39	2,775.56	2,844.95	2,916.07	2,988.97	3,063.70
173	2,297.73	2,412.62	2,533.25	2,659.92	2,792.91	2,862.73	2,934.30	3,007.66	3,082.85
174	2,312.09	2,427.69	2,549.08	2,676.53	2,810.36	2,880.62	2,952.63	3,026.45	3,102.11
175	2,326.54	2,442.66	2,565.01	2,693.26	2,827.92	2,898.62	2,971.08	3,045.36	3,121.49
176	2,341.07	2,458.13	2,581.03	2,710.09	2,845.59	2,916.73	2,989.65	3,064.39	3,141.00
177	2,355.70	2,473.49	2,597.16	2,727.02	2,863.37	2,934.96	3,008.33	3,083.54	3,160.63
178	2,370.43	2,488.95	2,613.39	2,744.06	2,881.27	2,953.30	3,027.13	3,102.81	3,180.38
179	2,385.24	2,504.50	2,629.73	2,761.21	2,899.27	2,971.75	3,046.05	3,122.20	3,200.25
180	2,400.14	2,520.15	2,646.16	2,778.47	2,917.39	2,990.33	3,065.08	3,141.71	3,220.25
181	2,415.14	2,535.90	2,662.69	2,795.83	2,935.62	3,009.01	3,084.24	3,161.34	3,240.37
182	2,430.23	2,551.74	2,679.33	2,813.29	2,953.96	3,027.81	3,103.50	3,181.09	3,260.62
183	2,445.42	2,567.69	2,696.08	2,830.88	2,972.43	3,046.74	3,122.91	3,200.98	3,281.00
184	2,460.71	2,583.74	2,712.93	2,848.58	2,991.01	3,065.78	3,142.43	3,220.99	3,301.51
185	2,476.09	2,599.89	2,729.88	2,866.38	3,009.70	3,084.94	3,162.06	3,241.12	3,322.14
186	2,491.57	2,616.15	2,746.95	2,884.30	3,028.52	3,104.23	3,181.84	3,261.38	3,342.92
187	2,507.14	2,632.50	2,764.12	2,902.33	3,047.45	3,123.63	3,201.72	3,281.77	3,363.81
188	2,522.81	2,648.95	2,781.40	2,920.46	3,066.49	3,143.15	3,221.73	3,302.27	3,384.83
189	2,538.58	2,665.51	2,798.78	2,938.72	3,085.66	3,162.80	3,241.87	3,322.92	3,405.99
190	2,554.44	2,682.16	2,816.27	2,957.08	3,104.94	3,182.56	3,262.13	3,343.68	3,427.27
191	2,570.41	2,698.93	2,833.87	2,975.57	3,124.35	3,202.45	3,282.52	3,364.58	3,448.69
192	2,586.47	2,715.79	2,851.58	2,994.16	3,143.87	3,222.46	3,303.02	3,385.60	3,470.24
193	2,602.63	2,732.76	2,869.40	3,012.87	3,163.51	3,242.60	3,323.67	3,406.76	3,491.93
194	2,618.90	2,749.84	2,887.34	3,031.70	3,183.29	3,262.87	3,344.44	3,428.05	3,513.75
195	2,635.27	2,767.04	2,905.39	3,050.66	3,203.19	3,283.27	3,365.35	3,449.48	3,535.72
196	2,651.74	2,784.32	2,923.54	3,069.72	3,223.20	3,303.78	3,386.38	3,471.04	3,557.81
197	2,668.31	2,801.72	2,941.81	3,088.90	3,243.34	3,324.43	3,407.54	3,492.73	3,580.04
198	2,684.98	2,819.23	2,960.19	3,108.20	3,263.61	3,345.20	3,428.83	3,514.55	3,602.42
199	2,701.76	2,836.85	2,978.69	3,127.63	3,284.01	3,366.11	3,450.26	3,536.52	3,624.93
200	2,718.65	2,854.58	2,997.31	3,147.17	3,304.53	3,387.14	3,471.82	3,558.62	3,647.58
201	2,735.64	2,872.42	3,016.04	3,166.84	3,325.18	3,408.31	3,493.52	3,580.86	3,670.38
202	2,752.73	2,890.37	3,034.89	3,186.63	3,345.96	3,429.61	3,515.35	3,603.23	3,693.31
203	2,769.93	2,908.43	3,053.85	3,206.54	3,366.87	3,451.04	3,537.31	3,625.75	3,716.39
204	2,787.25	2,926.61	3,072.94	3,226.59	3,387.92	3,472.61	3,559.43	3,648.42	3,739.63
205	2,804.67	2,944.90	3,092.15	3,246.76	3,409.09	3,494.32	3,581.68	3,671.22	3,763.00
206	2,822.20	2,963.31	3,111.47	3,267.04	3,430.40	3,516.16	3,604.06	3,694.16	3,786.52
207	2,839.84	2,981.83	3,130.92	3,287.47	3,451.84	3,538.14	3,626.59	3,717.26	3,810.19
208	2,857.59	3,000.47	3,150.49	3,308.02	3,473.42	3,560.26	3,649.26	3,740.49	3,834.01
209	2,875.45	3,019.22	3,170.18	3,328.69	3,495.12	3,582.50	3,672.06	3,763.86	3,857.96
210	2,893.42	3,038.09	3,189.99	3,349.49	3,516.97	3,604.89	3,695.02	3,787.39	3,882.08
211	2,911.50	3,057.07	3,209.92	3,370.42	3,538.94	3,627.42	3,718.10	3,811.05	3,906.33
212	2,929.69	3,076.18	3,229.99	3,391.48	3,561.06	3,650.09	3,741.34	3,834.87	3,930.74
213	2,948.01	3,095.41	3,250.18	3,412.68	3,583.32	3,672.90	3,764.72	3,858.84	3,955.31

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

SEIU Local 620 represented employees

Schedule B to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
214	2,966.44	3,114.76	3,270.50	3,434.02	3,605.72	3,695.87	3,788.26	3,882.97	3,980.04
215	2,984.97	3,134.22	3,290.93	3,455.48	3,628.25	3,718.96	3,811.93	3,907.23	4,004.91
216	3,003.63	3,153.81	3,311.50	3,477.07	3,650.93	3,742.20	3,835.76	3,931.65	4,029.94
217	3,022.40	3,173.52	3,332.20	3,498.81	3,673.75	3,765.59	3,859.73	3,956.22	4,055.13
218	3,041.29	3,193.36	3,353.02	3,520.67	3,696.71	3,789.13	3,883.85	3,980.95	4,080.47
219	3,060.30	3,213.31	3,373.98	3,542.68	3,719.81	3,812.81	3,908.13	4,005.83	4,105.98
220	3,079.43	3,233.40	3,395.07	3,564.82	3,743.06	3,836.64	3,932.55	4,030.87	4,131.64
221	3,098.67	3,253.60	3,416.28	3,587.10	3,766.45	3,860.61	3,957.13	4,056.06	4,157.46
222	3,118.03	3,273.93	3,437.63	3,609.51	3,789.99	3,884.74	3,981.86	4,081.40	4,183.44
223	3,137.53	3,294.40	3,459.12	3,632.08	3,813.68	3,909.02	4,006.75	4,106.92	4,209.59
224	3,157.14	3,314.99	3,480.74	3,654.78	3,837.52	3,933.46	4,031.79	4,132.59	4,235.90
225	3,176.87	3,335.71	3,502.50	3,677.62	3,861.50	3,958.04	4,056.99	4,158.41	4,262.37
226	3,196.73	3,356.56	3,524.39	3,700.61	3,885.64	3,982.78	4,082.35	4,184.41	4,289.02
227	3,216.71	3,377.54	3,546.42	3,723.74	3,909.93	4,007.67	4,107.87	4,210.56	4,315.83
228	3,236.82	3,398.66	3,568.59	3,747.02	3,934.37	4,032.73	4,133.55	4,236.89	4,342.81
229	3,257.04	3,419.89	3,590.89	3,770.43	3,958.96	4,057.93	4,159.38	4,263.36	4,369.95
230	3,277.40	3,441.27	3,613.34	3,794.00	3,983.70	4,083.29	4,185.38	4,290.01	4,397.26
231	3,297.89	3,462.79	3,635.93	3,817.72	4,008.61	4,108.82	4,211.54	4,316.83	4,424.75
232	3,318.50	3,484.42	3,658.65	3,841.58	4,033.66	4,134.50	4,237.86	4,343.81	4,452.40
233	3,339.24	3,506.20	3,681.51	3,865.59	4,058.86	4,160.34	4,264.34	4,370.95	4,480.23
234	3,360.11	3,528.11	3,704.52	3,889.74	4,084.23	4,186.34	4,291.00	4,398.27	4,508.23
235	3,381.11	3,550.18	3,727.67	3,914.06	4,109.76	4,212.50	4,317.82	4,425.76	4,536.40
236	3,402.24	3,572.35	3,750.97	3,938.52	4,135.44	4,238.83	4,344.80	4,453.42	4,564.76
237	3,423.50	3,594.68	3,774.41	3,963.13	4,161.29	4,265.32	4,371.96	4,481.25	4,593.29
238	3,444.90	3,617.14	3,798.00	3,987.90	4,187.30	4,291.98	4,399.28	4,509.26	4,621.99
239	3,466.42	3,639.74	3,821.73	4,012.82	4,213.46	4,318.80	4,426.77	4,537.44	4,650.87
240	3,488.09	3,662.50	3,845.62	4,037.90	4,239.80	4,345.79	4,454.44	4,565.80	4,679.94
241	3,509.89	3,685.39	3,869.66	4,063.14	4,266.30	4,372.96	4,482.28	4,594.34	4,709.19
242	3,531.83	3,708.42	3,893.84	4,088.53	4,292.96	4,400.28	4,510.29	4,623.04	4,738.62
243	3,553.90	3,731.60	3,918.18	4,114.09	4,319.79	4,427.78	4,538.48	4,651.94	4,768.24
244	3,576.11	3,754.91	3,942.66	4,139.79	4,346.78	4,455.45	4,566.84	4,681.01	4,798.03
245	3,598.46	3,778.38	3,967.30	4,165.67	4,373.95	4,483.30	4,595.38	4,710.27	4,828.02
246	3,620.96	3,802.00	3,992.10	4,191.71	4,401.29	4,511.33	4,624.11	4,739.71	4,858.20
247	3,643.58	3,825.76	4,017.05	4,217.90	4,428.80	4,539.52	4,653.00	4,769.33	4,888.56
248	3,666.35	3,849.67	4,042.15	4,244.26	4,456.47	4,567.89	4,682.08	4,799.14	4,919.11
249	3,689.27	3,873.73	4,067.42	4,270.79	4,484.33	4,596.44	4,711.35	4,829.13	4,949.86
250	3,712.33	3,897.94	4,092.84	4,297.48	4,512.36	4,625.17	4,740.79	4,859.31	4,980.80
251	3,735.53	3,922.31	4,118.42	4,324.34	4,540.56	4,654.07	4,770.43	4,889.69	5,011.93
252	3,758.88	3,946.82	4,144.16	4,351.37	4,568.94	4,683.16	4,800.24	4,920.25	5,043.25
253	3,782.37	3,971.49	4,170.06	4,378.57	4,597.49	4,712.43	4,830.24	4,951.00	5,074.77
254	3,806.01	3,996.31	4,196.12	4,405.93	4,626.22	4,741.88	4,860.43	4,981.94	5,106.48
255	3,829.80	4,021.29	4,222.35	4,433.47	4,655.14	4,771.52	4,890.81	5,013.08	5,138.41
256	3,853.74	4,046.42	4,248.74	4,461.18	4,684.24	4,801.35	4,921.38	5,044.41	5,170.52
257	3,877.82	4,071.71	4,275.29	4,489.06	4,713.51	4,831.35	4,952.13	5,075.94	5,202.83
258	3,902.06	4,097.16	4,302.02	4,517.12	4,742.97	4,861.55	4,983.09	5,107.66	5,235.36
259	3,926.44	4,122.76	4,328.90	4,545.34	4,772.61	4,891.93	5,014.23	5,139.58	5,268.07
260	3,950.98	4,148.53	4,355.96	4,573.75	4,802.44	4,922.50	5,045.56	5,171.70	5,301.00
261	3,975.68	4,174.46	4,383.19	4,602.34	4,832.46	4,953.27	5,077.10	5,204.03	5,334.13
262	4,000.52	4,200.55	4,410.57	4,631.10	4,862.66	4,984.22	5,108.83	5,236.55	5,367.46
263	4,025.52	4,226.80	4,438.14	4,660.04	4,893.04	5,015.37	5,140.75	5,269.27	5,401.01
264	4,050.68	4,253.21	4,465.87	4,689.16	4,923.62	5,046.71	5,172.88	5,302.20	5,434.76
265	4,075.99	4,279.79	4,493.78	4,718.47	4,954.39	5,078.25	5,205.21	5,335.34	5,468.72
266	4,101.46	4,306.53	4,521.86	4,747.95	4,985.35	5,109.99	5,237.74	5,368.88	5,502.90
267	4,127.09	4,333.44	4,550.12	4,777.62	5,016.50	5,141.92	5,270.46	5,402.23	5,537.28
268	4,152.89	4,360.53	4,578.56	4,807.49	5,047.86	5,174.06	5,303.41	5,436.00	5,571.90
269	4,178.85	4,387.79	4,607.18	4,837.54	5,079.41	5,206.40	5,336.56	5,469.97	5,606.72
270	4,204.96	4,415.21	4,635.97	4,867.77	5,111.15	5,238.93	5,369.91	5,504.15	5,641.76

2024/25 BI-WEEKLY SALARY RATE TABLE

Effective Payperiod 7/13/2024 - 7/26/2024 Paydate 7/29/2024

Board Approval on June 25, 2024

Approved COLA 4.00%

SEIU Local 620 represented employees

Schedule B to Resolution 2278

RANGE #	STEP A	STEP B	STEP C	STEP D	STEP E	LONGEVITY (after 8 yrs) 2.5%	(after 14 yrs) 2.5%	(after 20 yrs) 2.5%	(after 26 yrs) 2.5%
271	4,231.24	4,442.80	4,664.95	4,898.19	5,143.10	5,271.68	5,403.47	5,538.56	5,677.02
272	4,257.68	4,470.57	4,694.10	4,928.80	5,175.24	5,304.62	5,437.24	5,573.17	5,712.50
273	4,284.30	4,498.51	4,723.44	4,959.61	5,207.59	5,337.78	5,471.22	5,608.00	5,748.20
274	4,311.08	4,526.63	4,752.96	4,990.61	5,240.14	5,371.15	5,505.42	5,643.06	5,784.14
275	4,338.02	4,554.92	4,782.66	5,021.80	5,272.89	5,404.71	5,539.93	5,678.32	5,820.28
276	4,365.13	4,583.38	4,812.55	5,053.18	5,305.84	5,438.49	5,574.45	5,713.81	5,856.65
277	4,392.41	4,612.03	4,842.63	5,084.76	5,339.00	5,472.47	5,609.29	5,749.52	5,893.26
278	4,419.86	4,640.85	4,872.89	5,116.54	5,372.37	5,506.67	5,644.34	5,785.45	5,930.09
279	4,447.48	4,669.85	4,903.35	5,148.51	5,405.94	5,541.09	5,679.61	5,821.61	5,967.15
280	4,475.27	4,699.03	4,933.99	5,180.69	5,439.72	5,575.71	5,715.11	5,857.98	6,004.43
281	4,503.25	4,728.41	4,964.83	5,213.07	5,473.72	5,610.57	5,750.83	5,894.60	6,041.97
282	4,531.39	4,757.96	4,995.86	5,245.65	5,507.94	5,645.63	5,786.77	5,931.44	6,079.73
283	4,559.71	4,787.69	5,027.08	5,278.43	5,542.35	5,680.91	5,822.93	5,968.51	6,117.72
284	4,588.21	4,817.62	5,058.50	5,311.42	5,576.99	5,716.42	5,859.33	6,005.81	6,155.96
285	4,616.88	4,847.72	5,090.11	5,344.61	5,611.84	5,752.14	5,895.94	6,043.34	6,194.42
286	4,645.73	4,878.02	5,121.92	5,378.01	5,646.91	5,788.09	5,932.79	6,081.11	6,233.14
287	4,674.77	4,908.51	5,153.93	5,411.63	5,682.21	5,824.26	5,969.87	6,119.12	6,272.10
288	4,703.99	4,939.19	5,186.15	5,445.45	5,717.73	5,860.67	6,007.19	6,157.37	6,311.30
289	4,733.39	4,970.06	5,218.56	5,479.49	5,753.47	5,897.30	6,044.74	6,195.86	6,350.75
290	4,762.98	5,001.13	5,251.19	5,513.74	5,789.43	5,934.17	6,082.52	6,234.58	6,390.45
291	4,792.75	5,032.39	5,284.01	5,548.21	5,825.62	5,971.26	6,120.54	6,273.55	6,430.39
292	4,822.71	5,063.84	5,317.03	5,582.88	5,862.03	6,008.58	6,158.79	6,312.76	6,470.58
293	4,852.84	5,095.49	5,350.26	5,617.77	5,898.66	6,046.13	6,197.28	6,352.21	6,511.02
294	4,883.18	5,127.34	5,383.70	5,652.89	5,935.53	6,083.92	6,236.02	6,391.92	6,551.72
295	4,913.70	5,159.38	5,417.35	5,688.22	5,972.63	6,121.94	6,274.99	6,431.87	6,592.66
296	4,944.41	5,191.63	5,451.21	5,723.77	6,009.96	6,160.21	6,314.22	6,472.07	6,633.87
297	4,975.31	5,224.08	5,485.28	5,759.54	6,047.52	6,198.71	6,353.68	6,512.52	6,675.33
298	5,006.41	5,256.73	5,519.56	5,795.54	6,085.32	6,237.45	6,393.39	6,553.22	6,717.05
299	5,037.70	5,289.58	5,554.06	5,831.76	6,123.35	6,276.44	6,433.35	6,594.18	6,759.03
300	5,069.19	5,322.64	5,588.78	5,868.22	6,161.63	6,315.67	6,473.56	6,635.40	6,801.28
301	5,100.87	5,355.91	5,623.71	5,904.89	6,200.14	6,355.14	6,514.02	6,676.87	6,843.79
302	5,132.75	5,389.39	5,658.86	5,941.80	6,238.89	6,394.86	6,554.74	6,718.60	6,886.57
303	5,164.83	5,423.07	5,694.23	5,978.94	6,277.88	6,434.83	6,595.70	6,760.59	6,929.61
304	5,197.11	5,456.96	5,729.81	6,016.30	6,317.11	6,475.04	6,636.92	6,802.84	6,972.91
305	5,229.59	5,491.07	5,765.62	6,053.90	6,356.60	6,515.51	6,678.40	6,845.36	7,016.50
306	5,262.27	5,525.38	5,801.65	6,091.74	6,396.32	6,556.23	6,720.14	6,888.14	7,060.34
307	5,295.16	5,559.92	5,837.92	6,129.81	6,436.30	6,597.21	6,762.14	6,931.19	7,104.47
308	5,328.26	5,594.68	5,874.41	6,168.13	6,476.54	6,638.45	6,804.41	6,974.52	7,148.89
309	5,361.56	5,629.64	5,911.12	6,206.68	6,517.01	6,679.94	6,846.93	7,018.11	7,193.56
310	5,395.07	5,664.82	5,948.06	6,245.47	6,557.74	6,721.68	6,889.72	7,061.97	7,238.52
311	5,428.78	5,700.22	5,985.24	6,284.50	6,598.72	6,763.69	6,932.78	7,106.10	7,283.75
312	5,462.71	5,735.85	6,022.64	6,323.77	6,639.96	6,805.96	6,976.11	7,150.51	7,329.27
313	5,496.85	5,771.69	6,060.27	6,363.29	6,681.45	6,848.49	7,019.70	7,195.19	7,375.07
314	5,531.21	5,807.77	6,098.16	6,403.06	6,723.22	6,891.30	7,063.58	7,240.17	7,421.17
315	5,565.78	5,844.07	6,136.27	6,443.08	6,765.24	6,934.37	7,107.73	7,285.42	7,467.55
316	5,600.57	5,880.60	6,174.63	6,483.36	6,807.53	6,977.71	7,152.16	7,330.96	7,514.23
317	5,635.57	5,917.35	6,213.22	6,523.88	6,850.07	7,021.32	7,196.86	7,376.78	7,561.20
318	8,103.21	8,508.37	8,933.79	9,380.48	9,849.51	10,095.74	10,348.14	10,606.84	10,872.01



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SCHEDULE OF MISCELLANEOUS FEES AND CHARGES: RESOLUTION 2279

**RESOLUTION NO. 2279**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ADOPTING AN UPDATED SCHEDULE OF MISCELLANEOUS FEES AND CHARGES  
FOR FISCAL YEAR 2025**

**WHEREAS**, Ordinance No. 82, adopted July 20, 1999, established a schedule of miscellaneous fees and charges to be paid for by Montecito Water District ("District") customers for certain services provided by the District; and

**WHEREAS**, Ordinance No. 82 provides that the schedule of miscellaneous fees and charges may be established from time to time by resolution of the Board of the District; and

**WHEREAS**, Ordinance No. 83, adopted April 18, 2000, updated Subsection 3.5 of Section 3 of Ordinance 82, modifying the schedule of miscellaneous fees and charges to include any other fee that the Board establishes by resolution; and

**WHEREAS**, Resolution No. 2012, adopted March 21, 2006, established a schedule of miscellaneous fees and charges associated with any payment for water service received by the District after the due date and time; and

**WHEREAS**, Resolution No. 2258, adopted June 27, 2023, established the most recent updated schedule of miscellaneous fees and charges for Fiscal Year 2024; and

**WHEREAS**, the Board of Directors of the District wishes to establish an updated schedule of miscellaneous fees and charges annually to be consistent with the District's costs to provide the service; and

**WHEREAS**, the District has complied with Government Code 66018 and 6062a in updating the District schedule of miscellaneous fees and charges;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Montecito Water District as follows:

1. Resolution 2258, dated June 27, 2023, is rescinded in its entirety effective June 30, 2024.
2. The Montecito Water District fees and charges for Fiscal Year 2025 as shown on the schedule in Exhibit A are consistent with the District's current costs to provide the services.
3. The updated fees and charges shall become effective on July 1, 2024.

**PASSED AND ADOPTED** by the Governing Board of the Montecito Water District this 25<sup>th</sup> of June 2024 by the following roll call vote:

AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

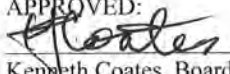
ABSTAIN:

ABSENT:

ATTEST:

  
Nick Turner, Secretary

APPROVED:

  
Kenneth Coates, Board President

MWD Resolution No. 2279

Page 1 of 2

**Exhibit A**  
**Resolution No. 2279**  
**Schedule of Miscellaneous Fees and Charges**  
**Effective Date: July 1, 2024**

	<b>Fee/Charge Description</b>	<b>FY 2024 Fee/Charge</b>	<b>FY 2025 Fee/Charge</b>
1	Late Charge for Non-Payment First Month Late (in Calendar Year) Following Months Late	6% of total bill 1.5% of past due amount	6% of total bill 1.5% of past due amount
2	Final Discontinuation Notice (Non-Payment)	\$21	\$22
3	Disconnection of Water Service (Non-Payment & Backflow Non-Compliance)	\$42	\$43
4	Reestablishment of Service	\$29	\$30
5	Lock Out Damaged/Broken Lock	\$59	\$60
6	After Hours Service Call	\$153	\$157
7	Notice of Lock Off (Backflow Non-Compliance)	\$28	\$29
8	Non-sufficient Funds check (NFS)	\$23	\$24
9	Hydrant Meter Use Deposit Installation/Removal Charge Monthly Rental Fee (billed monthly only) Water Unit Rate (\$\$/HCF)	\$837 \$129 \$34 \$11.51	\$837 \$133 \$35 \$11.76
10	Meter Flow Test	\$199	\$216
11	Fire Flow Test Fee	\$538	\$556
12	Meter Downsize/Upsize	T&M	T&M
13	Can and Will Serve Agreement (CWSA) Request (nonrefundable and due at time of request)	\$219	\$231
14	Manual Read if OPT-OUT of AMI (Monthly Charge)	\$16	\$19
15	Miscellaneous Service Request Charge	T&M	T&M

**RESOLUTION NO. 2281**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ADOPTING A FIXED ASSET DISPOSAL POLICY FOR FISCAL YEAR 2025**

**WHEREAS**, the Montecito Water District ("District") is a County Water District organized and existing under and by virtue of Water Code §§30000 – 33901; and

**WHEREAS**, the District continually acquires, maintains, and replaces assets including infrastructure, equipment, and appurtenances necessary to carry out its mission to supply safe and reliable high-quality water to the communities of Montecito and Summerland; and

**WHEREAS**, it is the District's responsibility to accurately account for, safeguard, and properly dispose of assets purchased with public funds; and

**WHEREAS**, the District's Capitalization Policy provides guidance for the capitalization and depreciation of capital assets including the estimated useful life of each in accordance with the requirements of Governmental Accounting Standard Board (GASB) Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments; and

**WHEREAS**, as an asset reaches the end of its useful life and/or it is determined that an asset, such as a vehicle or large equipment no longer meets the needs of daily, emergency and/or future operations, it is the policy of the District Board of Directors to make such a determination and to dispose of the asset in a manner that returns the appropriate value of that property to the District and its customers; and

**WHEREAS**, the District wishes to adopt a policy annually regarding determinations related to the disposal of publicly purchased assets and obtaining appropriate value for those publicly purchased assets at the time of disposal;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Montecito Water District that the Fixed Asset Disposal Policy as documented in "Attachment A", attached hereto and incorporated herein, is hereby approved as the Fixed Asset Disposal Policy for the District for Fiscal Year 2025.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 25<sup>th</sup> day of June 2024 by the following roll call vote:

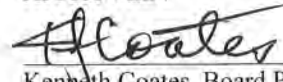
AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSENT:

ABSTAIN:

APPROVED:

  
Kenneth Coates, Board President

ATTEST:

  
Nicholas Turner, Secretary

MWD Resolution No. 2281 Attachment "A"

Page 1 of 1

**ATTACHMENT “A”  
TO  
RESOLUTION NO. 2281  
FIXED ASSET DISPOSAL POLICY**

The primary purpose of this policy is to allow management staff to determine if Montecito Water District vehicles, large equipment and other personal property no longer meet the needs of daily, emergency and/or future operations. It is the policy of the Board of Directors of the District to dispose of Surplus Personal Property purchased with public funds in a manner that returns the value of that property for the benefit of rate payers in a way that is simple to administer. The disposal of surplus personal property shall be handled according to this policy.

**1. Determination of Surplus Personal Property**

The term “Surplus Personal Property” shall mean any vehicles, large equipment and other personal property owned by the District that no longer has a business purpose but is still usable. The General Manager has the authority to deem property Surplus Personal Property.

**2. Prohibited Director, Officer, and Employee Transactions**

In accordance with Government Code Section 1090, all members of the District Board of Directors and District employees are prohibited from purchasing Surplus Personal Property.

**3. Disposal of Vehicles, Large Equipment and other Surplus Personal Property**

- a. At least once each fiscal year, the District General Manager will prepare a list of District vehicles, equipment and other personal property that are deemed Surplus Personal Property based on age, mileage and cost effectiveness to keep the asset in service.
- b. District management staff will establish values and set minimum bid prices for each vehicle or item of large equipment to be sold by public auction. If staff, during the process of establishing value for a vehicle or piece of large equipment, determines that the particular vehicle or equipment has nominal or no value, or the costs of preparation for sale and sale are greater than the value of the vehicle or equipment, then the General Manager is authorized to dispose of the property.
- c. The General Manager may authorize the sale of Surplus Personal Property with an estimated value of \$10,000 or less. Surplus Personal Property with an estimated value greater than \$10,000 will be sold as surplus following authorization by the Board of Directors at a public meeting.
- d. Vehicles or large equipment are to be sold at public auction.

**4. Guidelines Concerning the Sale of Surplus Vehicles, Large Equipment, and Other Personal Equipment**

Prior to the sale of surplus vehicles or large equipment, the District General Manager will direct staff to assist in the following:

- a. Remove all District equipment from the vehicle or large equipment (radio, decals, etc.).
- b. Clean and if necessary, repair the vehicle or large equipment if it presents an immediate safety issue.
- c. Vehicles or large equipment will be sold at public auction.
- d. Establish vehicle or large equipment value using an appropriate, publicly available valuation tool such as trade in value. If such a valuation tool is unavailable, use the closest approximation possible. Staff will prepare a written report concerning the valuation of the item and retain appropriate documentation.
- e. Arrange for the delivery and consignment of the item and in consultation with the General Manager and auctioneer, determine an appropriate reserve or minimum price for the item.
- f. When the vehicle or large equipment is sold, the General Manager or his/her designee will sign the "pink slip", bill of sale and any other documents required to complete the sale.
- g. After the vehicle or large equipment is sold, the General Manager or his/her designee will complete paperwork as required by DMV to report the sale of the vehicle or large equipment and return all completed forms and vehicle license plates to DMV.

All Surplus Personal Property offered for sale shall be "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale.

For Surplus Personal Property not sold, the General Manager has the authority to donate such items to another government agency or any non-discriminatory, tax-exempt non-profit organization qualified under Internal Revenue Code section 501(c)(3).

##### **5. Revenue from Disposal of Surplus Personal Property**

Revenue from the sale or trade-in of Surplus Personal Property shall be returned to the District's operating reserves unless otherwise specified by the Board of Directors. All sales shall be paid to the District by certified check, money order, or in any other manner agreeable to, and authorized by, the General Manager. The General Manager is authorized to sign bills of sale and any other documents evidencing the transfer of title to such Surplus Personal Property by and on behalf of the District.



**RESOLUTION NO. 2282**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ADOPTING A RESERVE POLICY FOR FISCAL YEAR 2025**

**WHEREAS**, the mission of Montecito Water District ("District") is to provide an adequate and reliable supply of high-quality water to the residents of the Montecito and Summerland communities at the most reasonable cost; and

**WHEREAS**, California Water Code Section 31000 grants the District express and implied powers to carry out its mission; and

**WHEREAS**, California Water Code Section 31001 authorizes the District generally to perform all acts necessary to carry out its mission; and

**WHEREAS**, California Water Code Section 31007 requires that rates and charges be collected and fixed so as to yield an amount sufficient to: pay operating expenses; provide for repairs and depreciation of works owned or operated by the District; pay interest on bonded debt; and provide a fund for the payment of the principal of bonded debt as it becomes due; and

**WHEREAS**, the adoption of an updated reserve policy will assist the District in accomplishing its general mission, and fulfilling the requirements of the Water Code;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Montecito Water District hereby adopts the Fiscal Year 2025 update to the "Montecito Water District Reserve Policy" that is attached to this Resolution as Exhibit "A" and incorporated herein by this reference.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 25<sup>th</sup> of June 2024 by the following roll call vote:


AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSENT:

ABSTAIN:

APPROVED:

  
Kenneth Coates, Board President

ATTEST:


  
Nicholas Turner, Secretary

Exhibit “A”  
To Resolution No. 2282



# MONTECITO WATER DISTRICT RESERVE POLICY

Adopted by the  
Board of Directors  
June 25, 2024

# Montecito Water District

## STATEMENT OF RESERVE POLICY

The mission of Montecito Water District is to provide an adequate and reliable supply of high-quality water to the residents of the Montecito and Summerland communities at the most reasonable cost. In addition to supplying high-quality water, the Board is also charged with responsibility for the construction, operation, maintenance, repair, and replacement of facilities to transport and deliver that water to District customers, and for the collection and accumulation of revenues necessary to accomplish these purposes. The reserve amounts stated in this Reserve Policy ("Reserve Policy") reflect the projected activity as of July 1, 2024, for FY 2025 and will be updated annually or as appropriate.

### POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Montecito Water District (District) desires to identify, and provide a calculation methodology to maintain, an appropriate level of reserve funds to meet the necessary existing and future needs of the District. The District's Board of Directors realize the importance of reserves in providing reliable service to its customers, financing unanticipated capital projects, and funding responses to emergencies, should they arise. To this extent, the District will at all times strive to have sufficient funding available to meet its operating, unanticipated capital, emergency, and debt service obligations, as well as to avoid significant rate fluctuations due to changes in cash flow requirements.

The Board will designate specific reserve funds and maintain minimum reserve balances consistent with statutory obligations that it has determined to be in the best interest of the District. The policy directives outlined in this Reserve Policy are intended to ensure that the District has sufficient funds to meet current and future needs. The Board reviews the types, as well as the amounts, of reserve funds annually. Determinations to continue existing reserve funds, discontinue existing reserve funds, or establish new reserve funds, are based on the following criteria:

- ♦ Purpose of the reserve.
- ♦ Availability and source of funds to continue, replenish or establish the reserve.
- ♦ Operating expenditure levels approved within the annual budget process.
- ♦ Future capital expenditure and debt service requirements of the District.
- ♦ Board approval of the Reserve Policy.

The District recognizes the importance of operating the District with a sound business plan in place that provides for unanticipated, or emergency costs should they arise within a budgeted fiscal year.

It is the Board's intent through this Reserve Policy to describe how and why specific reserves are established and maintained by the District, and to provide the District's customers with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

## **DEFINITIONS**

This Reserve Policy describes the reserve funds to be maintained in connection with:

- I. **RESTRICTED FUNDS:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with the District or outlined within the debt covenants of a debt financing.
- II. **UNRESTRICTED FUNDS:** These funds have no externally imposed use restrictions. The use of Unrestricted Funds is at the discretion of the District's Board of Directors. Unrestricted Funds may be designated for a specific purpose, which would be determined by the Board. The Board also has the authority to redirect the use of these funds as the District's needs change.

The Unrestricted funds can further be subdivided into "Committed", "Assigned" and "Unassigned" funds. Committed funds refer to the fund balance amounts that have constraints imposed by formal action of the District's Board of Directors. Once adopted, the limitation imposed remains in effect until additional action is taken (a motion and/or the adoption of a new resolution) to remove or reverse the limitation. Assigned funds refer to fund balance amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. Unassigned funds refer to fund balances that are not Restricted, Committed, or Assigned.

To summarize:

- ♦ **Restricted Fund Balance Amounts** – Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use.
- ♦ **Board Committed Fund Balance Amounts** - Fund balance amounts that have constraints imposed by formal action of the District's Board of Directors.
- ♦ **Board Assigned Fund Balance Amounts** – Fund balance amounts that are constrained by the Board's intent to be used for a specific purpose.
- ♦ **Unassigned Fund Balance Amounts** – Fund balance that is not restricted, committed, nor assigned.

## **GENERAL PROVISIONS**

The District will maintain its operating and capital funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its customers. The fund balances are considered the minimum necessary to maintain the District's fiscal strength and flexibility and adequately provide for:

- ♦ Compliance with applicable statutory requirements.
- ♦ Financing of unanticipated or unplanned capital projects.
- ♦ Cash flow requirements.
- ♦ Economic uncertainties and other financial hardships or downturns in the economy.
- ♦ Contingencies arising from hydrological, meteorological, or man-made changes or emergencies.

Through a variety of policy documents and plans, the Board of Directors has set forth a number of long-term goals for the District. The fundamental purpose of the District's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so. The Board will continually evaluate the implementation of these policy documents and plans to ascertain adequate reserve fund balances are meeting the goals outlined in this Reserve Policy.

The District has established and will maintain the reserve funds outlined in the following sections. A principal tenet of the District's Reserve Policy shall be the generation of interest income on accumulated cash balances. Unless otherwise stated in this Reserve Policy, interest derived from reserve balances will be considered unrestricted and unassigned in nature. Reserve balances will be reviewed by the Business Manager on a monthly basis, as well as annually during the budget review process, in order to determine how reserve fund balances, compare with the budgeted projections and how they measure against the goals outlined in this Reserve Policy. The minimum established for each reserve fund represents the baseline financial condition that is acceptable to the District from risk and long-range financial planning perspectives. Maintaining reserve funds at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Board shall approve any reallocation of funds or any transfers among reserve funds.

#### **SPECIFIC PROVISIONS**

The District maintains the following reserve funds and respective target levels:

##### **1. Restricted Reserves**

###### **(a) CCWA Rate Coverage Reserve.**

These are reserve funds held by CCWA that approximate 25% of the annual charge by CCWA to the District for the fixed and variable charges from the State Water Project, in addition to the proportionate share of CCWA's administrative costs. The CCWA Rate Coverage Reserve is established in the amount of \$1,495,258.

###### **(b) WSA Debt Service Coverage Deposit.**

These reserve funds held by the City of Santa Barbara represent an amount equal to the District's portion of City's debt service coverage deposit required pursuant to the City's State Revolving Fund loan for the desalination plant. The WSA Debt Service Coverage Deposit is in the amount of \$481,580.

###### **(c) WSA Debt Service Reserve Deposit.**

These reserve funds held by the City of Santa Barbara represent the District's portion of the debt service reserve deposit required pursuant to the City's State revolving fund loan for the desalination plant. The WSA Debt Service Reserve Deposit at the end of FY2025 is in the amount of \$1,037,248.

###### **(d) Thomas Fire/Debris Flow CalOES/FEMA Reserve.**

Pursuant to the settlement between the District and Southern California Edison in connection with damages caused by the 2017 Thomas Fire, a portion of the settlement (referred to as

“holdback funds”) was held in escrow until reconciliation of project funding was complete. The reconciliation determined \$1,492,831 is due back to CalOES. These funds will remain in reserve until their return is requested by CalOES/FEMA.

## **2. Unrestricted Reserves**

### **Board Committed Funds**

The District’s Board Committed Funds consist of a Rate Stabilization Fund, Operating Reserve, Capital and Emergency Reserve, and SWP Prefunding Reserve. The District’s Board Committed Funds, excluding the SWP Prefunding Reserve, consist of a minimum balance equivalent to 90 days cash on hand and a targeted balance range of 160 - 200 days cash on hand. Funds appropriated to the Board Committed Funds may be invested in the same manner as other District funds, and the earnings thereon shall be credited to the Unrestricted Fund balance.

- (a) **Rate Stabilization Fund.** **Minimum: \$2,091,165**

The Rate Stabilization Fund is comprised of cash reserves that can mitigate the impacts of operational, debt service and capital expenditure fluctuations year over year. Reserves can be transferred out of the Rate Stabilization Fund and used to help meet debt service coverage requirements. Rate Stabilization Funds can help smooth revenue variability and ensure adequate fiscal resources during periods that might otherwise require rate increases. The minimum fund balance represents 30 days cash on hand, or approximately 8 percent of the District’s annual operating costs plus debt service payments. The target fund balance is 55 days, or approximately 15 percent of the District’s annual operating costs plus debt service payments.

The District may withdraw all or a portion of these funds and transfer such amounts to be accounted for as revenues in the calculation of debt service coverage. Any transfers in or out of the Rate Stabilization Fund shall be in accordance with the District’s legal documents and accounted for appropriately. All retained earnings from water rates not allocated to any other funds may be placed in the Rate Stabilization Fund, subject to the transfer mechanics outlined herewith pursuant to the District’s legal documents.
- (b) **Operating Reserve.** **Minimum: \$3,682,330**

The Operating Reserve may be utilized to pay the cost of operating the District’s system, including unanticipated costs associated with operations and to meet routine cash flow needs. This minimum fund balance represents 50-60 days cash on hand, or approximately 14 - 16 percent of the District’s annual operating costs and the target fund balance is 75 days, or approximately 20 percent of the District’s annual operating costs.

The District may withdraw all or a portion of these funds to pay operating expenses, but such amounts are not accounted for as revenues and not included in the calculation of debt service coverage.
- (c) **Capital and Emergency Reserve.** **Minimum: \$500,000**

The Capital and Emergency Reserve is comprised of reserves used for the funding of new capital assets or the replacement of capital assets when they reach the end of their useful life

and in the event of an emergency in which the District's infrastructure is severely damaged. The District may use the funds herein for either capital or emergency purposes. This minimum fund balance represents \$500,000 to cover emergency needs. The targeted balance represents the planned pay-go capital costs plus \$500,000 emergency funds. The District plans to use funds in this reserve on planned capital projects throughout the year pursuant to the Budget.

**(d) SWP Prefunding Reserve. \$4,176,390**

The State Water Project (SWP) Prefunding Reserve is used to fund the District's annual SWP fixed payment. The reserve is funded through current rates and funds the subsequent fiscal years SWP payment. The SWP payment is for the District's proportionate share of Central Coast Water Authority's SWP fixed payments, which includes California Department of Water Resources fixed payments. The District's SWP fixed payment for FY2025, as budgeted is \$4,176,390 and the monthly SWP prefunding amount is \$348,032.

**Board Assigned Funds**

No Board Assigned Funds are established for FY 2025.

**Board Unassigned Funds**

The Board desires to allocate retained earnings not allocated to any other fund, i.e., unassigned funds, to the Operating Reserve and to maintain a Board Unassigned Funds balance of \$0.

**3. Additional Reserves**

In addition to the reserves identified above, the Board may approve the creation of such additional reserve accounts and/or funds, whether temporary or permanent, as the Board deems necessary or appropriate, by amendment to this resolution or by simple motion. In such event, the Board will identify the purposes for which such additional reserve accounts and/or funds are created, provide guidance as to the amount which the District should endeavor to maintain in such reserve accounts and/or funds, and establish the limits and restrictions pertaining thereto.

**ANNUAL REPORTS**

Each year the District's General Manager or Business Manager shall provide the Board of Directors with a report indicating the beginning and ending balance for each of the Restricted and Unrestricted Reserves, or accounts created pursuant to this Reserve Policy, and the purposes for which expenditures have been made therefrom and shall make recommendations to replenish or augment fund or account balances as appropriate.



**RESOLUTION NO. 2283**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ADOPTING A DEBT MANAGEMENT POLICY FOR FY2025**

**WHEREAS**, the Montecito Water District (“District”) is a County Water District organized and existing under and by virtue of Water Code §§30000 – 33901; and

**WHEREAS**, the Montecito Water District (“District”) has outstanding debt and may issue additional debt in the future; and

**WHEREAS**, the District is committed to prudent financial management, systematic capital planning, and long-term financial planning; and

**WHEREAS**, Government Code §8855 requires the District to have a Debt Management Policy before issuing debt, and establishes the elements that must be included in a Debt Management Policy; and

**WHEREAS**, on February 26, 2019, the Board of Directors adopted a Debt Management Policy, setting forth parameters within which debt may be issued and administered by the District; and

**WHEREAS**, the Board of Directors last adopted an updated Debt Management Policy in June 2023; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Montecito Water District that the Debt Management Policy as documented in “Exhibit A”, attached hereto and incorporated herein, is hereby approved as the Debt Management Policy for the District for Fiscal Year 2025.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 25<sup>th</sup> day of June 2024 by the following roll call vote:

AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:


ABSENT:

ABSTAIN:

ATTEST:

  
Nicholas Turner, Board Secretary

APPROVED:

  
Kenneth Coates, President

**ATTACHMENT “A”  
TO  
RESOLUTION NO. 2283  
DEBT MANAGEMENT POLICY FOR THE FISCAL YEAR 2025**

**Purpose and Scope**

This Debt Management Policy ("Debt Policy") establishes the parameters within which debt may be issued and administered by the Montecito Water District (the "District"). This Debt Policy shall also apply to the Montecito Water District Financing Corporation.

This Debt Policy is intended to comply with Government Code Section 8855(i) and shall govern debt undertaken by the District.

The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to: changes in future revenue levels; construction, maintenance, and operating expenses; and the fluctuating cost of water supplies necessary to ensure effective accomplishment of the District's mission.
- Protect the District's credit-worthiness.
- Ensure that debt is structured in order to protect both current and future District customers.
- Ensure that the District's debt is consistent with its planning goals and objectives and the District's project or budget, as applicable.

**Purposes for Which Debt May Be Issued**

1. Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and improvement of facilities, equipment, land, and property (including water supplies) to be owned and/or operated by the District.
  - 1.1 Long-term debt financings are appropriate when the following conditions exist:
    - When the action to be financed is necessary and useful to the District's purpose.
    - When the action to be financed will provide benefit to District customers over multiple years.
    - When total debt does not constitute an unreasonable burden to the District's customers.
    - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
  - 1.2 Long-term debt financing will not generally be considered appropriate for current operating expenses and annual routine maintenance expenses.
  - 1.3 The District may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the District Board of Directors after reserves and cash flow have been discussed before incurring long-term debt.
  - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
  - The District estimates that sufficient revenues will be available to service the debt through its maturity.
  - The District determines that the issuance of the debt will comply with applicable state and federal laws.
2. Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance and other purposes as permitted by California law. Short term debt may also be used to finance short-lived capital, or water acquisition projects, or to provide interim financing for long-lived projects.

#### **Types of Debt**

The following types of debt are allowable under this Debt Policy:

- Bond or grant anticipation notes (BANs);
- Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions;
- Other revenue bonds and COPs;
- Installment purchase agreements as allowed by law;
- State Water Resources Control Board Loans and other government sponsored loans;
- Short-term notes authorized by the Water Code.

The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt through an action of the District Board without an amendment of this Debt Policy.

#### **Relationship of Debt to Capital Improvements and Budget**

The District is committed to long-term planning. The District intends to issue debt for the purposes stated in this Debt Policy, and to implement policy decisions regarding capital improvements, and acquisitions of land and water, that are necessary and useful to the successful operation of the District.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues, including the collection of assessments from District customers. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment.

### **Policy Goals Related to Planning Goals and Objectives**

The District is committed to long-term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the annual budget.

It is a policy goal of the District to utilize conservative financing methods and techniques so as to obtain the highest practical credit ratings and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related assessments, rates and charges.

The General Manager will periodically review existing District debt to identify refinancing opportunities. Refinancing will be considered by the Board if and when there is a net benefit of refinancing. Non-economic refinancing may be considered to achieve the District's goals relating to changes in covenants, call provisions, operational flexibility, tax status, or the District's debt service profile.

### **State Reporting Requirements**

Pursuant to Government Code section 8855(k), the District will submit annual debt transparency reports for any debt for which has submitted a report of final sale on or after January 21, 2017, every year until the later date on which the debt is no longer outstanding and the proceeds have been fully spent. The District shall also comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.

### **Internal Control Procedures**

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable laws and policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the District will periodically review the requirements of, and will remain in compliance with, the following:

- Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
- Any federal tax compliance requirements, including, without limitation, arbitrage, and rebate compliance.
- Investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the General Manager, or his or her written designee; or (b) by the District, to be held and accounted for in a separate fund, general account or project account, the expenditure of which will be carefully documented by the District.

On an as needed basis, the Business Manager will be responsible for reviewing and updating and/or revising this Policy which shall be reviewed at a Board meeting and adopted by the Board of Directors.



**RESOLUTION NO. 2284**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO WATER DISTRICT  
ADOPTING A CAPITALIZATION POLICY FOR FY2025**

**WHEREAS**, the Montecito Water District ("District") is a County Water District organized and existing under and by virtue of Water Code §§30000 – 33901; and

**WHEREAS**, for over a century the District has acquired, maintained, and replaced assets including infrastructure, equipment, and appurtenances necessary to carry out its mission to supply safe and reliable high-quality water to the communities of Montecito and Summerland; and

**WHEREAS**, to effectively manage District finances, these assets are expensed, or capitalized and depreciated, based on useful life of the assets and recorded accordingly in District financial statements; and

**WHEREAS**, a capitalization policy provides guidance for the capitalization and depreciation of capital assets in accordance with the requirements of Governmental Accounting Standard Board (GASB) *Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; and

**WHEREAS**, a capitalization policy includes capital asset descriptions, capitalization threshold levels, estimated useful lives, methods of depreciation, and the procedures to be used in effectively identifying, recording, and reporting capital assets; and

**WHEREAS**, the District desires to follow a uniform policy with respect to the acquisition, capitalization, management, and disposition of capital expenditures and other capital assets for financial statement purposes and for compliance with applicable state and/or federal requirements;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Montecito Water District that the Capitalization Policy as documented in Attachment A, attached hereto and incorporated herein by this reference, is hereby approved as the Capitalization Policy for the District for Fiscal Year 2025.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 25<sup>th</sup> day of June 2024, by the following roll call vote:

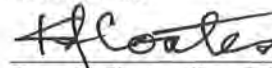
AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSENT:


ABSTAIN:

APPROVED:



Kenneth Coates, Board President

ATTEST:

  
Nicholas Turner, Secretary

ATTACHMENT “A”  
TO  
RESOLUTION NO. 2284  
CAPITALIZATION POLICY FOR FISCAL YEAR 2025

**A. Purpose of the Policy**

The purpose of this policy is to establish guidelines in identifying, capitalizing, depreciating, and accounting for District fixed assets.

**B. General Definitions**

A fixed asset (a.k.a. capital asset) is defined under this Policy as an asset owned by the District that 1) is acquired for use in District operations, 2) possesses physical substance, and 3) is long-term in nature (i.e., useful life exceeds 2 years), and 4) is subject to depreciation.

**Specific Capital Asset Definitions**

Specific capital assets are defined as follows:

1. *Land* – The investment in real estate other than buildings and building improvements. This asset does not depreciate.
2. *Buildings* – Physical property of a permanent nature.
3. *Building Improvements* – Physical property of a permanent nature that is not a physical building, such as fences, retaining walls, asphalt paving, concrete paving, fences, sidewalks, tunnels and manholes.
4. *Equipment* – moveable property of a relatively permanent nature with a significant value. “Significant value” is defined as a cost of \$10,000 or more. “Relatively permanent” is defined as a useful life that exceeds two years.
5. *Vehicles* – must be relatively permanent and have a significant value.
6. *Infrastructure*– Construction on street, road, site improvements, and water storage and/or delivery projects of a permanent nature.
7. *Maintenance and Alterations* – Expenditures which neither materially add to the value of the property nor appreciably prolong its life, but merely keep it in an ordinary, efficient operating condition. Maintenance and Alteration costs are not capitalized.
8. *Capitalized Expenditures (Betterments)* – Expenditures which materially add to the value of the property or appreciably extend its life. This amount should be added to the current book value of the asset where the original cost of a component being improved can be specifically identified. If a component is being replaced, the cost of the old component should be disposed and the new cost capitalized. Capitalized expenditures are on occasion referred to as betterments.
9. *Controlled Equipment* – Items which by their value, nature, and variety of uses should be specifically accounted for and inventoried periodically. Examples of such items include

cameras, calculators, small office equipment, furniture, and small tools or construction equipment. As a general rule, these are items with an individual cost of less than \$10,000.

**C. Statement of the Policy**

It is the policy of the District that the following types of assets will be considered Fixed Assets of the District:

1. Land
2. Land improvements with a limited life, such as driveways, walks, fences, landscaping, and parking lots
3. Buildings
4. Building improvements, such as HVAC equipment, remodeling costs, and landscaping
5. Hydrants, PRV stations, valves, and similar facilities
6. Transmission & distribution pipelines
7. Treatment facilities
8. Storage facilities, such as reservoirs
9. Pumps and wells
10. Water meters
11. Machinery and equipment, such as generators, compressors, jackhammers, tools, trimmers, etc.
12. Fleet equipment, such as cars, trucks, trailers, and backhoes
13. Office equipment, such as furniture and fixtures
14. Computer systems, purchased software, and phones
15. Planning documents, system modeling reports, and other documents directly related to capital improvements

**D. Capitalization Thresholds**

Fixed assets eligible for capitalization must have an estimated life of at least two years. The following capitalization thresholds shall be followed, and such criteria shall be applied to individual assets and not to groups of individual assets.

1. Land – All acquisition costs
2. Office Equipment - \$10,000
3. Field Equipment - \$10,000
4. Infrastructure - \$10,000
5. Buildings & Building Improvements - \$10,000

**E. Valuation Of Fixed Assets**

The actual cost of acquiring capital assets is recorded on the financial statements. Therefore, assets are reported at historical cost in accordance with Generally Accepted Accounting Practices. The value assigned to fixed assets shall be determined as follows:

**1. Purchased Fixed Assets**

The capitalized value of purchased fixed assets shall be determined using the historical cost of the asset. Specific costs eligible for capitalization are identified under Section 3.3 below. If the historical cost of an asset is not available or cannot be reasonably determined, an estimated cost may be utilized based upon the best available information.

**2. Self-Constructed Fixed Assets**

Only self-constructed water system infrastructure assets intended to be used in District operations are eligible for capitalization. The capitalized value of such self-constructed assets shall be determined using only direct costs associated with the construction up until the time the asset is complete and the infrastructure is ready for its intended use.

**3. Donated Fixed Assets**

The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separately from donated tangible fixed assets.

**F. Capitalizable Costs**

Costs eligible for capitalization under this policy are as follows:

**1. Land:**

- a. Purchase price or appraised value, whichever can be more readily determined;
- b. Closing costs, such as title fees, attorneys' fees, environmental assessments, appraisals, taxes and recording fees;
- c. Costs necessary to get the land ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- d. Assumptions of liens, encumbrances or mortgages;

**2. Purchased assets other than land:**

- a. Purchase price
- b. Sales tax
- c. Freight and handling charges
- d. Insurance costs while in transit
- e. Assembling and installation charges
- f. Professional fees of engineers, inspectors, attorneys, consultants, etc.

- g. Discounts or rebates shall be accounted for as a reduction to the purchase price
- h. Costs necessary to accommodate the equipment in its new location

**3. Self-constructed assets:**

- a. Direct labor costs (to include wages and benefits)
- b. Direct materials cost
- c. Professional fees of engineers, inspectors, attorneys, consultants, etc.
- d. Insurance premiums and related costs incurred during construction
- e. Costs necessary to get the site ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures
- f. Fair market or appraised value at date of donation
- g. Installation costs
- h. Professional fees of engineers, inspectors, attorneys, consultants, etc.
- i. Other normal or necessary costs required to place the asset in its intended location
- j. Location and condition for use

**4. Donated fixed assets:**

- a. Fair market or appraised value at date of donation
- b. Installation costs
- c. Professional fees of engineers, inspectors, attorneys, consultants, etc.
- d. Other normal or necessary costs required to place the asset in its intended location and condition for use

**G. Capitalization of Costs Subsequent to Acquisition**

Additional costs incurred after a fixed asset is placed in use shall be accounted for as follows:

**1. Additions**

An “Addition” is defined as an expenditure that either significantly extends the useful life or productivity of the existing fixed asset or creates a new fixed asset. All Additions to existing fixed assets should be capitalized as long as the asset meets the criteria of Section F above.

**2. Improvements and Replacements**

“Improvements and Replacements” are defined as expenditures that involve substituting a similar fixed asset, or portion thereof, for an existing one. All Improvements and Replacements to existing fixed assets should be capitalized as long as the asset meets the criteria of Section G above. If the existing asset’s book value is determinable, then the existing asset should be removed from the books at the time the replacement is recorded.

If the existing asset is not separately identifiable, then the replacement should still be capitalized as the existing asset's book value is assumed to be negligible.

### 3. **Rearrangement or Reinstallation**

"Rearrangement or Reinstallation" costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All Rearrangement or Reinstallation costs should be expensed in the period incurred.

### 4. **Repairs and Maintenance**

"Repairs and Maintenance" costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All Repairs and Maintenance costs should be expensed in the period incurred.

## **H. Depreciation of Fixed Assets**

Fixed assets shall be depreciated on a straight-line basis beginning the first day of the month following acquisition in accordance with the following schedule (Note, management may determine a useful life other than these listed below if a determination is made that the useful lives listed below are not appropriate for the asset):

<b>LAND</b>	
<b>Capitalization Threshold</b>	<b>All Acquisition Costs</b>
Non-Depreciable	
<b>OFFICE EQUIPMENT</b>	
<b>Capitalization Threshold</b>	<b>\$10,000</b>
Computers	4 Years
Computer Software	3 Years
Phone & Telecommunications Equipment	4 Years
Office Furniture & Fixtures	7 Years
Network Servers	5 Years
Copy Machines	5 Years
Printers	5 Years
<b>FIELD EQUIPMENT</b>	
<b>Capitalization Threshold</b>	<b>\$10,000</b>
Vehicles	5 Years
Heavy equipment, Backhoes, Forklifts, etc.	10 Years
Machinery & Equipment	10 Years
Generators	10 Years

<b>INFRASTRUCTURE</b>	
<b>Capitalization Threshold</b>	<b>\$10,000</b>
Transmission and Distribution	
Pipelines	60 Years
Reservoirs	60 Years
Pumps	25 Years
Pump Stations	25 Years
Wells	25 Years
Hydrants	30 Years
Valves	30 Years
Treatment Facilities	30 Years
 <b>BUILDINGS &amp; BUILDING IMPROVEMENTS</b>	
<b>Capitalization Threshold</b>	<b>\$10,000</b>
Buildings	30 Years
Building Improvements	10 Years
Air Conditioners	15 Years
Plumbing Fixtures	15 Years
Shop Building	30 Years

**I. PHYSICAL INVENTORY**

A physical inventory of the following categories of fixed assets shall be performed annually:

1. Inventory items
2. Machinery and equipment
3. Fleet equipment
4. Office furniture and fixtures
5. Computer equipment, purchased software and telephones

The results of the physical inventory shall be reconciled with the District's asset inventory system.

**J. DISPOSAL OF FIXED ASSETS**

Fixed assets that have become obsolete or impaired or no longer of use to the District shall be disposed of in accordance with District's Resolution 2281 *Fixed Asset Disposal Policy*.



**RESOLUTION NO. 2286**

**RESOLUTION OF THE BOARD OF DIRECTORS OF MONTECITO WATER  
DISTRICT ADOPTING WATER RATES AND CHARGES**

**WHEREAS**, Ordinance No. 82, adopted by the Board on July 20, 1999, establishes water user classifications and provides, among other things, that the Board may establish from time to time, certain fees, rates and charges for its customers; and

**WHEREAS**, Ordinance No. 90, adopted by the Board on August 20, 2008, amends Ordinance 82 and clarifies water use classifications; and

**WHEREAS**, on June 25, 2020, the Board adopted Resolution No. 2200, which established such water rates, fees and charges for Fiscal Years ending June 30, 2021, through 2025; and

**WHEREAS**, at the request of the District, Raftelis, an independent financial consulting firm specializing in cost of services analyses and rate setting, has prepared a financial plan, which determines rate-based revenue increases required to meet annual expenses, cash reserve targets, debt service and a proposed annual capital outlay for the Fiscal Years ending 2025 through 2029; and

**WHEREAS**, at the request of the District, Raftelis has prepared a water cost of service analysis, which determines a fair, proportional and equitable rate structure for the District's customer classes, based upon budgeted costs and actual and estimated customer demand characteristics; and

**WHEREAS**, Raftelis has prepared a Water Rate Study dated May 1, 2024, which combines the rate-based revenue requirements of the financial plan with the recommended rate structure of the water cost of service analysis to determine proposed water usage rates, monthly meter service charges and monthly private fire line charges by customer classification ("Proposed Rates"); and

**WHEREAS**, on June 25, 2024, the Board held a full and fair public hearing on the proposed rate increase. At the hearing, all interested persons had an opportunity to provide oral and written testimony regarding the proposed rate increases; and

**WHEREAS**, in accordance with the requirements of Section 6 of Article XIID of the California Constitution and Government Code section 53755, the June 25, 2024, public hearing was held not less than 45 days after mailing notice of the hearing to the District's customers of record; and

**WHEREAS**, the District accepted and caused the tabulation of all written protests against the proposed rate increase received prior to the conclusion of the public comment portion of the Public Hearing in accordance with Government Code section 53755 and District Resolution 2274.

Based upon the results of this tabulation, a majority protest against the proposed rate increases did not exist; and

**WHEREAS**, based on the information presented at the June 25, 2024, public hearing, including but not limited to the financial plan, water cost of service analysis, the Water Rate Study, and oral and written testimony and protests from members of the public, the Board determines that:

- A. Revenues derived from the proposed rates are not expected to exceed the funds required to provide water service.
- B. Revenues derived from the proposed rates may not be used for any purpose other than to provide water service.
- C. The amount of the proposed rates imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of water service attributable to the parcel.
- D. The proposed rates are imposed upon a parcel only where water service is actually used by, or immediately available to, the parcel.

**WHEREAS**, this resolution does not constitute a project under the California Environmental Quality Act ("CEQA") Guidelines as set forth in Title 14, section 15378 of the California Code of Regulations, because it amends a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (§ 15378(b)(4)) and is an administrative activity of government that will not result in direct or indirect physical changes in the environment (§15378(b)(5)). Furthermore, if this resolution were a project, it would be categorically exempt from CEQA pursuant to Title 14, Section 15273(a) of the California Code of Regulations, because it establishes rates and charges to fund current operating expenses of the District; and

**WHEREAS**, the Board now finds it necessary to adopt new rates and charges to serve the purposes discussed in the financial plan, consistent with the classifications established in Ordinance No. 90 and pursuant to its authority under Ordinance No. 82 to adopt new fees, rates and charges, and in accordance with authority granted by Water Code Section 30523 to act by ordinance, resolution or motion;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Montecito Water District as follows:

Section 1: Repeal

Resolution No. 2200 is hereby repealed in its entirety and shall have no further force or effect as of the effective date of this Resolution.

Section 2: New Rates and Charges

District water rates and charges are hereby established as follows, with all terms as defined and described in Ordinance No. 90.

Section 2.1: Water Rates: The water usage rates per hundred cubic feet ("HCF") by customer classification are as follows:

A Line	B Water Usage Rates (\$/HCF)	C Monthly Tiers (HCF)	D FY 2025	E FY 2026	F FY 2027	G FY 2028	H FY 2029
1	Residential						
2	Tier 1	0-9	\$6.09	\$6.45	\$6.83	\$7.23	\$7.65
3	Tier 2	10-35	\$13.01	\$13.76	\$14.56	\$15.40	\$16.29
4	Tier 3	35+	\$15.38	\$16.27	\$17.21	\$18.20	\$19.25
5	Commercial		\$11.15	\$11.80	\$12.48	\$13.20	\$13.96
6	Institutional		\$11.76	\$12.44	\$13.16	\$13.92	\$14.73
7	Agriculture		\$5.46	\$5.78	\$6.12	\$6.48	\$6.86
8	Non-Potable		\$2.00	\$2.12	\$2.25	\$2.38	\$2.52

1. "DU" – dwelling unit
2. "HCF" – hundred cubic feet (1 HCF = 748.05 gallons)
3. Agricultural customers are allocated 9 HCF per month at Tier 1 residential rates for each DU. Water use above 9 HCF multiplied by the number of DUs is then billed at the Agriculture rate shown above.
4. "Residential" customer classification includes Single Family and Multi Family Residential uses as defined in Ordinance 90.

Section 2.2: Monthly Meter Charge: The monthly meter charge for each meter size is as follows:

A Line	B Meter Size	C FY 2025	D FY 2026	E FY 2027	F FY 2028	G FY 2029
1	3/4-inch	\$63.89	\$67.57	\$71.46	\$75.57	\$79.92
2	1-inch	\$104.80	\$110.83	\$117.21	\$123.95	\$131.08
3	1 1/2-inch	\$184.84	\$195.47	\$206.71	\$218.60	\$231.17
4	2-inch	\$291.56	\$308.33	\$326.06	\$344.81	\$364.64
5	3-inch	\$1,003.03	\$1,060.71	\$1,121.71	\$1,186.21	\$1,254.42
6	4-inch	\$1,963.51	\$2,076.42	\$2,195.82	\$2,322.08	\$2,455.60
7	6-inch	\$4,453.64	\$4,709.73	\$4,980.54	\$5,266.93	\$5,569.78

Section 2.3: Monthly Private Fire Charge: The monthly private fire charge for each fire line size is as follows:

A Line	B Fire Line Diameter	C FY 2025	D FY 2026	E FY 2027	F FY 2028	G FY 2029
1	2-inch	\$22.23	\$23.51	\$24.87	\$26.31	\$27.83
2	4-inch	\$101.41	\$107.25	\$113.42	\$119.95	\$126.85
3	6-inch	\$281.28	\$297.46	\$314.57	\$332.66	\$351.79
4	8-inch	\$591.52	\$625.54	\$661.51	\$699.55	\$739.78

Note: The Monthly Private Fire Line Charge applies to customers with dedicated fire lines serving their property and are based on fire line capacities.

Section 3: Reservation of Powers. Nothing in this Resolution shall prevent the District from exercising any of its powers under the California Water Code, including but not limited to its power to declare a water shortage emergency or a threat of water shortage and to adopt ordinances, resolutions, rules or regulations in response thereto.

Section 4: Recitals. Each of the matters set forth in the recitals of this Resolution is true and correct. All recitals constitute findings associated with the matters addressed in this Resolution.

Section 5: Severability. If any subdivision, paragraph, sentence, clause, or phrase of this Resolution is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this Resolution. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

Section 7: Effective Date. All rates and charges set forth in this Resolution shall become effective on July 1, 2024, and shall remain in effect until changed by the Board.

**PASSED AND ADOPTED** by the Governing Board of the Montecito Water District this 25<sup>th</sup> of June 2024 by the following roll call vote:

AYES: Coates, Goebel, Hayman, Plough, Wicks

NOES:

ABSTAIN:

ABSENT:

APPROVED:



Kenneth Coates, Board President

ATTEST:

  
Nicholas Turner, Board Secretary

# GLOSSARY



## SECTION 14: GLOSSARY

### TERMINOLOGY & DEFINITIONS

**ACRE-FOOT (AF):** A unit of measure equivalent to one acre covered by one foot of water (equal to 325,851 gallons or 435.6 hundred cubic feet of water).

**ACCOUNT:** A financial tool for tracking revenues, expenditures and other financial transactions.

**ACCRUAL BASIS:** The method of accounting that recognizes income when earned and expenses when incurred regardless of when cash is received or disbursed.

**APPROPRIATION:** a sum of money or total of assets devoted to a special purpose.

**ARBITRAGE:** the simultaneous buying and selling of securities, currency, or commodities in different markets or in derivative forms in order to take advantage of differing prices for the same asset.

**AUDIT:** an official inspection of an individual's or organization's accounts, typically by an independent body.

**BALANCED BUDGET:** A budget in which the expenditures incurred during a given period are matched by revenues.

**BOND:** A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

**REVENUE BOND:** A bond backed by either the revenue produced by the capital improvement or by commitment of a specific revenue source.

**BUDGET:** A financial plan that identifies anticipated revenues, projected expenses, and establishes the amount of funding allocated for each.

**CAPITAL IMPROVEMENT:** Construction of facilities in accordance with the District's water master plans that have a cost of \$35,000 or more.

**CAPITAL PROJECTS FUND:** Utilized to account for financial resources used in the acquisition or construction of major capital facilities.

**CAPITAL EXPENDITURE (OUTLAY):** Individual item purchases of furniture, fixtures, machinery, vehicles, and equipment with an individual cost of at least \$10,000 and having a useful life of two years or more.

**CERTIFICATES OF PARTICIPATION (COP):** A form of lease-purchase financing used to construct or acquire capital facilities and equipment.

**DEBT COVERAGE:** A margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

**DEBT SERVICE:** The payment of principal and interest on borrowed funds such as bonds and other debt instruments according to a pre-determined schedule.

**DEBT SERVICE RESERVES:** Reserves required by the District's bond covenants, usually 10% of the initial bond issue amount.

**DEFICIT:** The excess of expenditures over revenues during an accounting period.

**DEPRECIATION:** a reduction in the value of an asset with the passage of time, due in particular to wear and tear

**ENTERPRISE FUND:** Utilized to account for operations that are financed and operated in a manner similar to private sector enterprises where the cost of providing services to the general public is recovered primarily through user charges.

**EXPENDITURE:** Decrease in net financial resources. Represents the actual payment for goods and services or the accrual thereof.

**FISCAL YEAR:** A twelve-month time period signifying the beginning and ending period for recording financial transactions. The District's fiscal year begins July 1 and ends June 30.

**FUND:** An accounting entity with a set of self-balancing accounts for recording the financial resources and transactions of specific activities for a governmental organization.

**FUND BALANCE:** the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP).

**HCF:** A unit of measurement equivalent to one Hundred Cubic Feet; the unit in which water is billed to customers.

**OPERATING EXPENDITURES:** Costs relating to labor, materials, repairs, equipment, and other costs required for daily operation of a department or fund.

**OPERATING RESERVES:** Reserve funds equal to 20% of the budgeted operating expenditures as stipulated in the District's water and sewer Master Resolution.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS):** An agent, multiple employers, public retirement system to which the District contributes that acts as a common investment and administrative agent for participating public entities within the State of California.

**PROGRAM:** An activity or group of similar activities organized as a subunit of a department for planning and performance measurement purposes.

**RATE STABILIZATION FUND:** The Rate Stabilization Fund is comprised of cash reserves that can mitigate the impacts of operational, debt service and capital expenditure fluctuations year over year. Reserves can be transferred out of the Rate Stabilization Fund and used to help meet debt service coverage requirements. Rate Stabilization Funds can help smooth revenue variability and ensure adequate fiscal resources during periods that might otherwise require rate increases.

**RESTRICTED FUNDS:** Funds set aside or restricted for a specific purpose by legal commitment, by law, or by Board action.

**REVENUE:** Income received through such sources as taxes, fines, fees, grants or service charges which can be used to finance operations or capital assets.

**SURPLUS:** The excess of revenues over expenditures during an accounting period.

## ACRONYMS AND ABBREVIATIONS

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ACWA:	Association of California Water Agencies
AF:	Acre Feet
AFY:	Acre Feet per Year
AWWA:	American Water Works Association
BMP:	Best Management Practices
CCRB:	Cachuma Conservation and Release Board
CCWA:	Central Coast Water Authority
CIP:	Capital Improvement Project
CMU:	Cachuma Member Units
COLA:	Cost of Living Adjustment
COMB:	Cachuma Operation and Maintenance Board
COP:	Certificate of Participation
CY:	Calendar Year
DISTRICT:	Montecito Water District
DWR:	California Department of Water Resources
FYE:	Fiscal Year End
GFOA:	Government Finance Officers Association
GSP:	Groundwater Sustainability Plan
GSA:	Groundwater Sustainability Agency
HCF or CCF:	Hundreds of Cubic Feet (1 CCF = 748 Gallons)
JPA:	Joint Powers Agency
MG:	Million Gallons
MOU:	Memorandum of Understanding
MSD:	Montecito Sanitary District
MWD:	Montecito Water District
PEPRA:	Public Employees' Pension Reform Act
O&M:	Operation & Maintenance
CalPERS:	California Public Employees' Retirement System
SEMITROPIC:	Semitropic Groundwater Banking and Exchange Program
SBCWA:	Santa Barbara County Water Agency
SBCFCWC:	Santa Barbara County Flood Control and Water Conservation District
SCC:	South Coast Conduit
SEIU:	Service Employees International Union, Local 620
SGMA:	Sustainable Groundwater Management Act
SWP:	State Water Project
SWRCB:	California State Water Resource Control Board

WAC:	Water Availability Charge
WSA:	Water Supply Agreement
WY:	Water Year
USBR:	United States Bureau of Reclamation
UWMP:	Urban Water Management Plan
UWUO:	Urban Water Use Objective