REGULAR MEETING
of the
OPERATIONS & CUSTOMER RELATIONS COMMITTEE
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

JANUARY 21, 2026
9:30 A.M.

Attend in Person or Join by Teleconference:
https://www.zoomgov.com/j/1602517360?pwd=xa8pI72ahM8y3mR2q3b7k1FwwDoyjr.1
Meeting ID: 160 251 7360 Passcode: 922 959
Tel: (669) 900-6833

Remote Meeting Location:
Reef House, Crown Point, Bequia Island
St Vincent and the Grenadines VC400, West Indies

AGENDA

1. **CALL TO ORDER, DETERMINATION OF COMMITTEE QUORUM**

2. **PUBLIC FORUM**

   NOTE: This portion of the agenda may be utilized by any person to address the Operations & Customer Relations Committee on any matter within the jurisdiction of the Committee. No consideration or discussion shall be undertaken by Committee members at this time on any item not appearing on this agenda except as permitted by the Ralph M. Brown Act. Discussion items receiving recommendations by the Committee, and/or items requiring action will be placed on the agenda of a future meeting of the Montecito Water District Board of Directors.

3. **ITEMS FOR COMMITTEE CONSIDERATION**

   A. Review of Calcification Study for Treating Jameson Lake and Doulton Tunnel Water

   * B. Review of the Highline Preliminary Design Methodology

   * C. Consideration of a Termination of Agreement for 810 Cima Del Mundo Private Fireline

   * D. Review of Urban Water Use Objective Reporting

   * E. Review of the 2022 LAFCO Municipal Services Review Recommendations

   * F. Review of Annual Risk Assessment Results from District Insurance

   * G. Review of Juncal Dam Inspection Report from the State Division of Safety of Dams

** Indicates attachment included for this item*

H. Update on Possible Sale of Surplus District Property

I. Update on Reservoir Seismic Retrofit and Replacement Project (ASADRA)

J. Update on FEMA Projects and Reimbursements

* K. Customer Relations and Public Information Update

4. CLOSED SESSION

A. CLOSED SESSION: Pursuant to Government Code §54957.6 Conference with Labor Negotiators

Agency designated representative: Nicholas Turner
Employee organization: SEIU

5. ITEMS FOR A FUTURE AGENDA

6. ADJOURNMENT

Montecito Water District conducts its meetings in-person in accordance with the Brown Act and also provides alternative methods of participation which permit members of the public to observe and address public meetings telephonically and/or electronically. These methods of participation can be accessed through the internet link provided at the top of this agenda.

This agenda was posted on the District website, and at the Montecito Water District outside display case at 5:00 p.m. on January 16, 2025. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services, or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 805-969-2271. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.

Agendas, agenda packets, and additional materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available on the District website.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 3-B

DATE: JANUARY 21, 2026

TO: OPERATIONS AND CUSTOMER RELATIONS COMMITTEE

FROM: ASSISTANT GENERAL MANAGER

SUBJECT: REVIEW OF THE HIGHLINE PRELIMINARY DESIGN METHODOLOGY

RECOMMENDATION:

Informational.

DISCUSSION:

The District entered into a contract with Wood Rodgers in late 2023 for the development of a Preliminary Design Report (PDR) for the Highline, a critical District transmission pipeline. The Highline is approximately 7 miles in length, with approximately 4 miles constructed between 1924 and 1940. The purpose of the PDR is to evaluate options for replacement of the 4 miles of aging Highline and ultimately identify the most feasible and cost-effective approach. Additionally, the PDR provides a long-range budget and phasing plan for execution.

Before preparing the draft Highline PDR, Wood Rodgers and staff are seeking Committee input on the proposed methodology used to prepare the Highline PDR. Wood Rodgers will be present at the meeting to present the methodology and preliminary results as shown in Attachment 1.

Wood Rodgers will incorporate Committee feedback into the Highline PDR. Staff anticipate returning to the Committee in March 2026 with the draft Highline PDR . Given the significance of the Highline replacement project (approx. $18M-$20M over 10 years), staff are seeking support from the Committee to present this methodology to the Board of Directors prior to Wood Rodgers completing the draft Highline PDR.

FISCAL IMPACT:

Wood Rodgers' approved budget to complete the preparation of the Highline PDR was Board authorized in September 2023. Staff anticipate the project will be completed within budget.

ATTACHMENTS:

1. Presentations - Overview of the Proposed Highline Preliminary Design Report Methodology

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HIGHLINE PIPELINE PRELIMINARY DESIGN REPORT METHODOLOGY REVIEW

January 21, 2026

Meeting of the Operations Committee

Agenda for Presentation

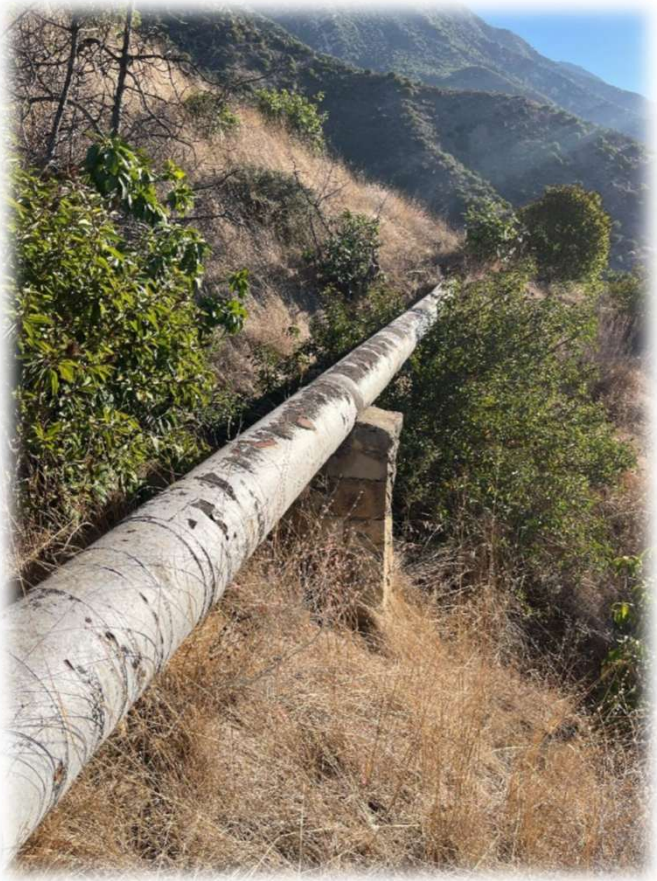
- Purpose
- Existing Highline
- Data Gathering
- Segment Development
- Replacement Options
- Evaluation Methodology & Process
- Segment Prioritization

Purpose

- The Preliminary Design Report (PDR) is a concept level planning study for the replacement of approx. 4 miles (out of 7 total) of pre-1940s “Highline” pipeline
  - Evaluates options for replacement and helps to identify the most feasible and cost-effective approach
  - Provides a long-range budget and phasing plan for execution
- The PDR is a conceptual guide for future detailed design of each segment

Existing Highline

- **Purpose:** Conveys water from Jameson Lake to Terminal Reservoir, connects to 8 storage reservoirs and serves as the backbone of the system
- **Length:** Approximately 7 miles long
- **Diameter:** 12” – 18”
- **Material:** Welded steel, riveted steel, cast iron, ductile iron
- **Age:** Originally installed in 1924, some segments replaced as recently as 2019
- **Location:** Significant portion is located in difficult terrain with limited access



Data Gathering

- Walked entire length of the Highline
- Collected photos and data using GIS tools
- Discussed challenges with Operations staff
- Review easements and right of way
- Performed utility research
- Conducted desktop environmental assessment

Segment Development

4 miles of Highline was divided into 27 segments

Segmentation was an iterative process considering:

- Points of Connection to Existing Highline
- Topography (Creek Crossings, Steep Slopes, Etc.)
- Nearby Vehicular Access or Travel Ways
- Location & Grouping of Customer Services
- Pipeline Segment Length

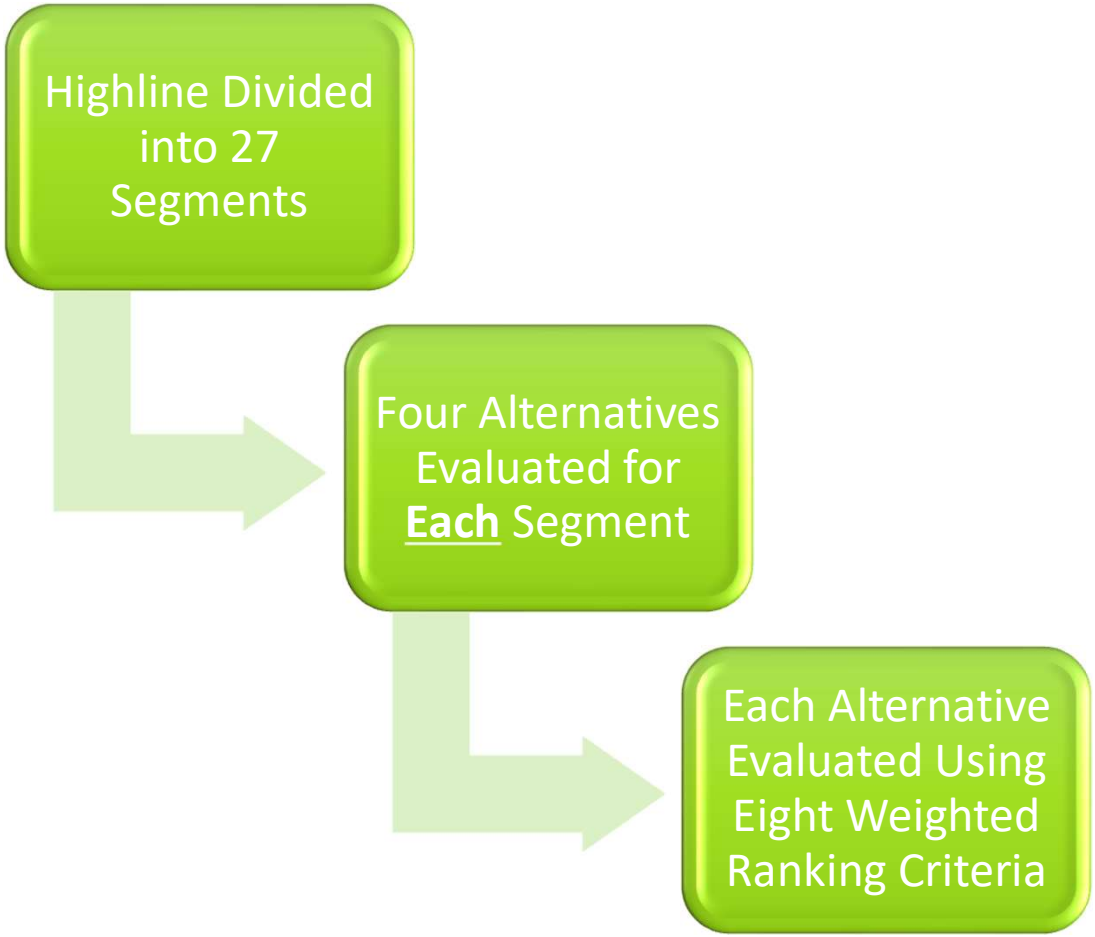
WOOD RODGERS

Replacement & Upgrade Approach

Four options for replacing Highline segments include:

1. **Replacement in Place:** replace pipeline within existing alignment
   - Requires temporary bypass during construction
2. **Replacement Within Easement:** replace pipe immediately adjacent to existing Highline
3. **Rehabilitation in Place:** install pipe liner instead of replacement.
   - Ideal for long lengths of pipe, minimal appurtenances, or areas with challenging access
4. **Replacement Out of Easement:** move the pipeline to a more preferrable alignment either due to topography, surface impediments, or nearby right of way.

Evaluation Process



Weighted Ranking Criteria

Ranking Criteria	Criteria Definition	Weight (1-5)
Hydraulic Performance	Hydraulic performance of new pipeline. Do pressures, and HGL's meet District Criteria?	2
Construction Risk and Constructability	Is the location of the proposed alternative in an accessible area? For rehabilitation, are there several connections that require transitions?	4
Probable Construction Costs	Probable construction costs based on the upgrade methodology.	4
Future Maintenance and Operation of Pipeline	Is the proposed alignment in a location that would pose significant challenges for equipment and personnel to access?	5
Environmental Constraints	Are there any environmental constraints in the proposed pipeline location?	2
Outside Stakeholder Coordination	Will the proposed pipeline location need coordination with NGO's or other stakeholders other than property owners?	1
Need for a New Easement	Would the pipeline require a new easement, or the revision of an existing easement to accommodate a relocated pipeline?	2
Useful Service Life	Estimated useful service life of either the rehabilitation product or that of the replaced pipeline.	3

Preliminary Results

Alternative	Number of Segments	Appx. Total Existing Length (ft)
Replace in Place	2	760
Replace within Easement	6	3,160
Relocate Out of Easement	11	11,630
Rehabilitate	8	4,800

Segment	Type of Replacement/Rehabilitation
1	Relocate Outside of Easement
2	Rehabilitate in Place
3	Rehabilitate in Place
4	Replace Within Easement
5	Replace Within Easement
6	Replace Within Easement
7	Rehabilitate in Place
8	Replace in Place
9	Rehabilitate in Place
10	Rehabilitate in Place
11	Replace Within Easement
12	Relocate Outside of Easement
13	Replace Within Easement
14	Replace Within Easement
15	Rehabilitate in Place
16	Replace in Place
17	Relocate Outside of Easement
18	Relocate Outside of Easement
19	Relocate Outside of Easement
20	Relocate Outside of Easement
21	Relocate Outside of Easement
22	Relocate Outside of Easement
23	Relocate Outside of Easement
24	Relocate Outside of Easement
25	Rehabilitate in Place
26	Rehabilitate in Place
27	Relocate Outside of Easement

WOOD RODGERS

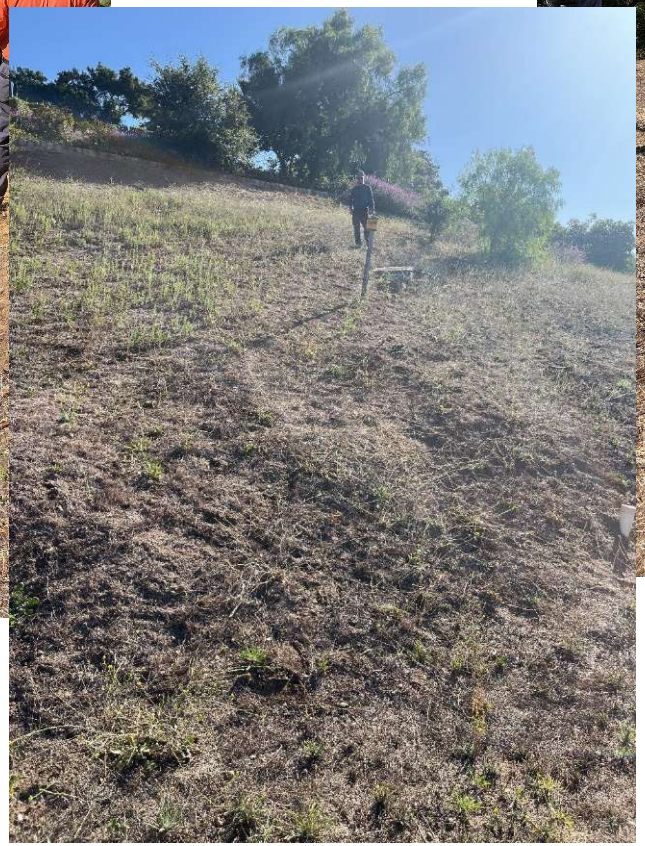
Replace in Place Segment 16

Replace in Place Segment 16

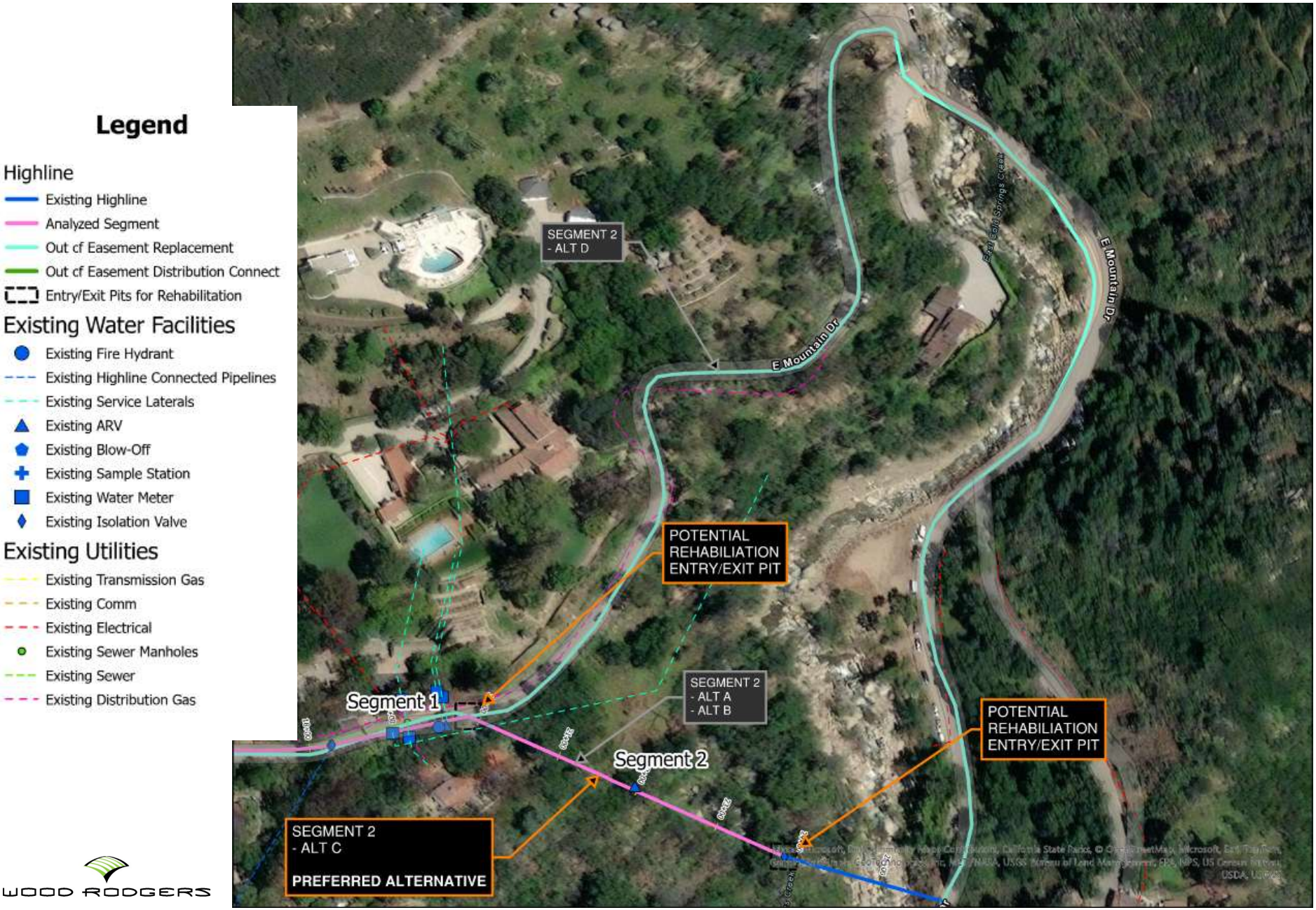
WOOD RODGERS

Replace within Easement Segment 5

Replace within Easement Segment 5



Rehabilitate in Place Segment 2



Rehabilitate in Place Segment 2

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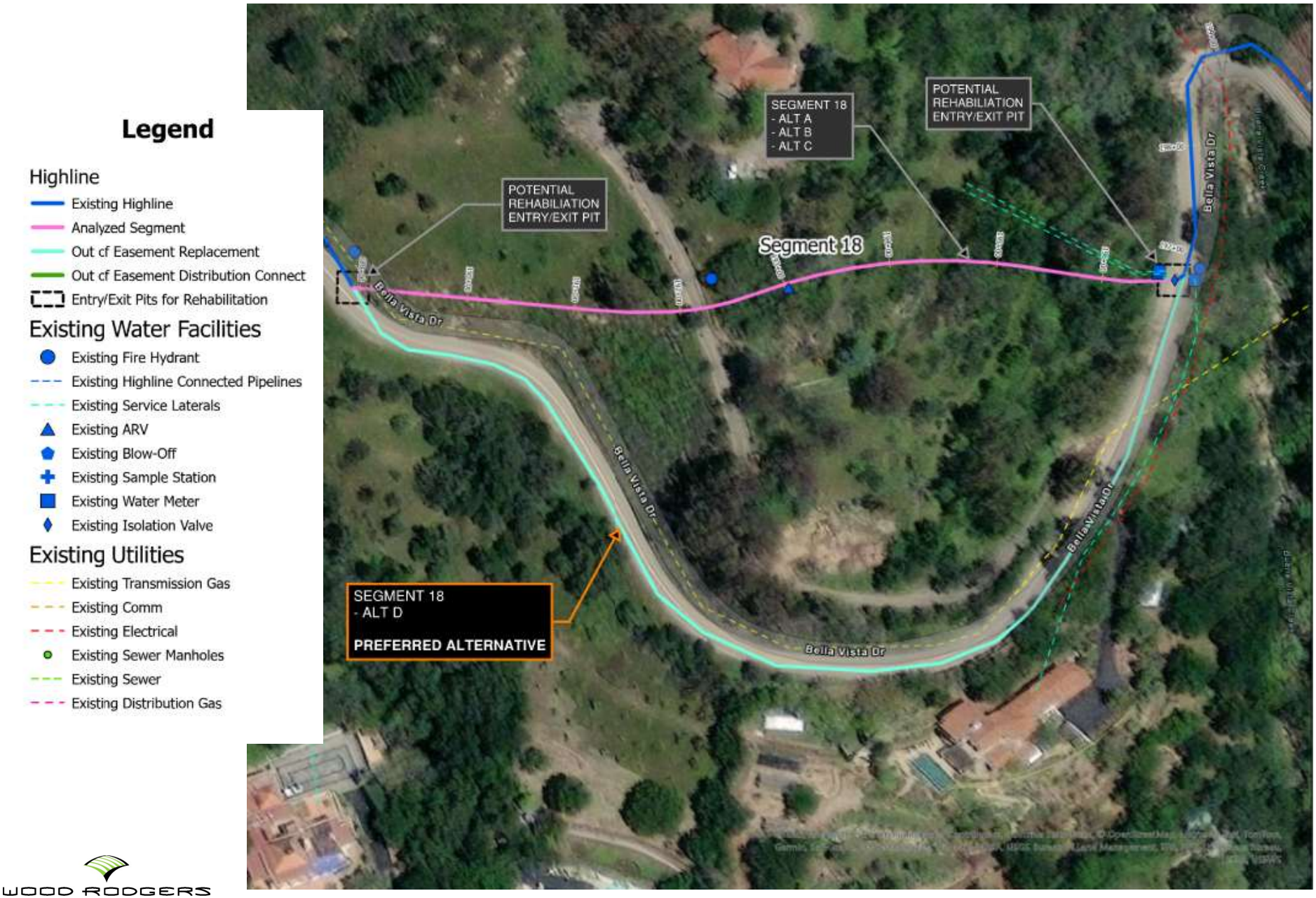
Rehabilitate in Place Segment 25

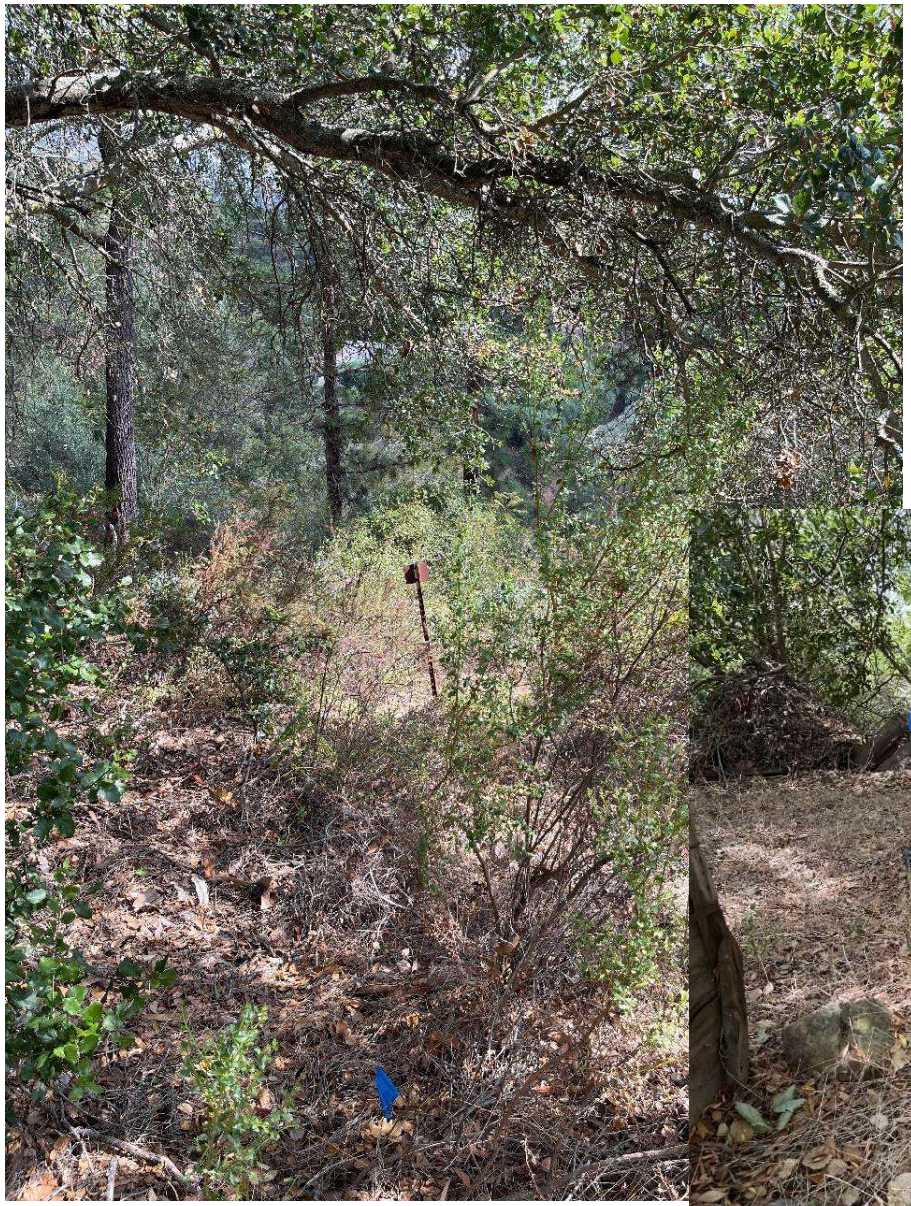
Rehabilitate in Place Segment 25

WOOD RODGERS

Relocate Outside of Easement Segment 18

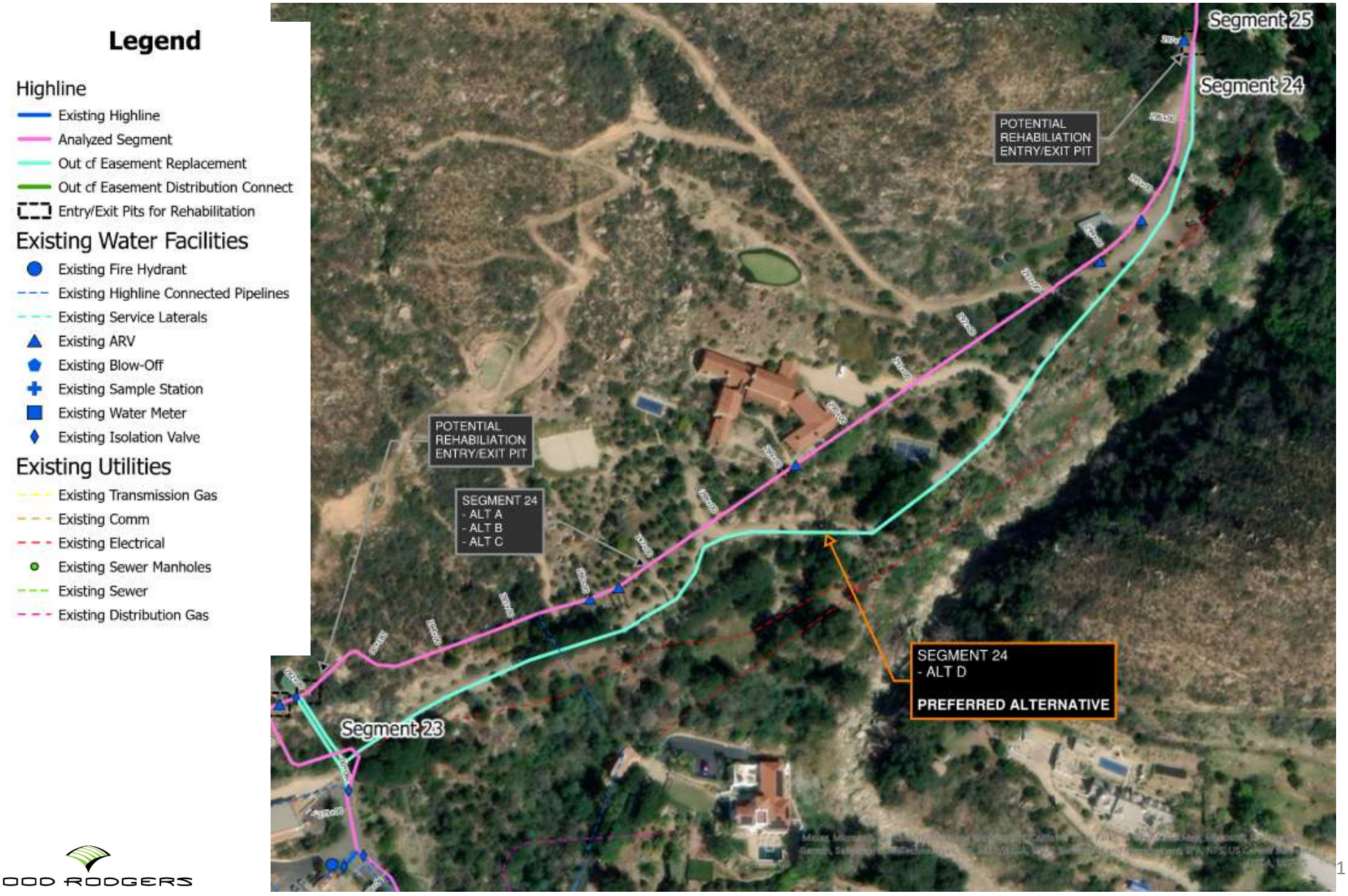


Relocate Outside of Easement Segment 18



WOOD RODGERS

Relocate Outside of Easement Segment 24

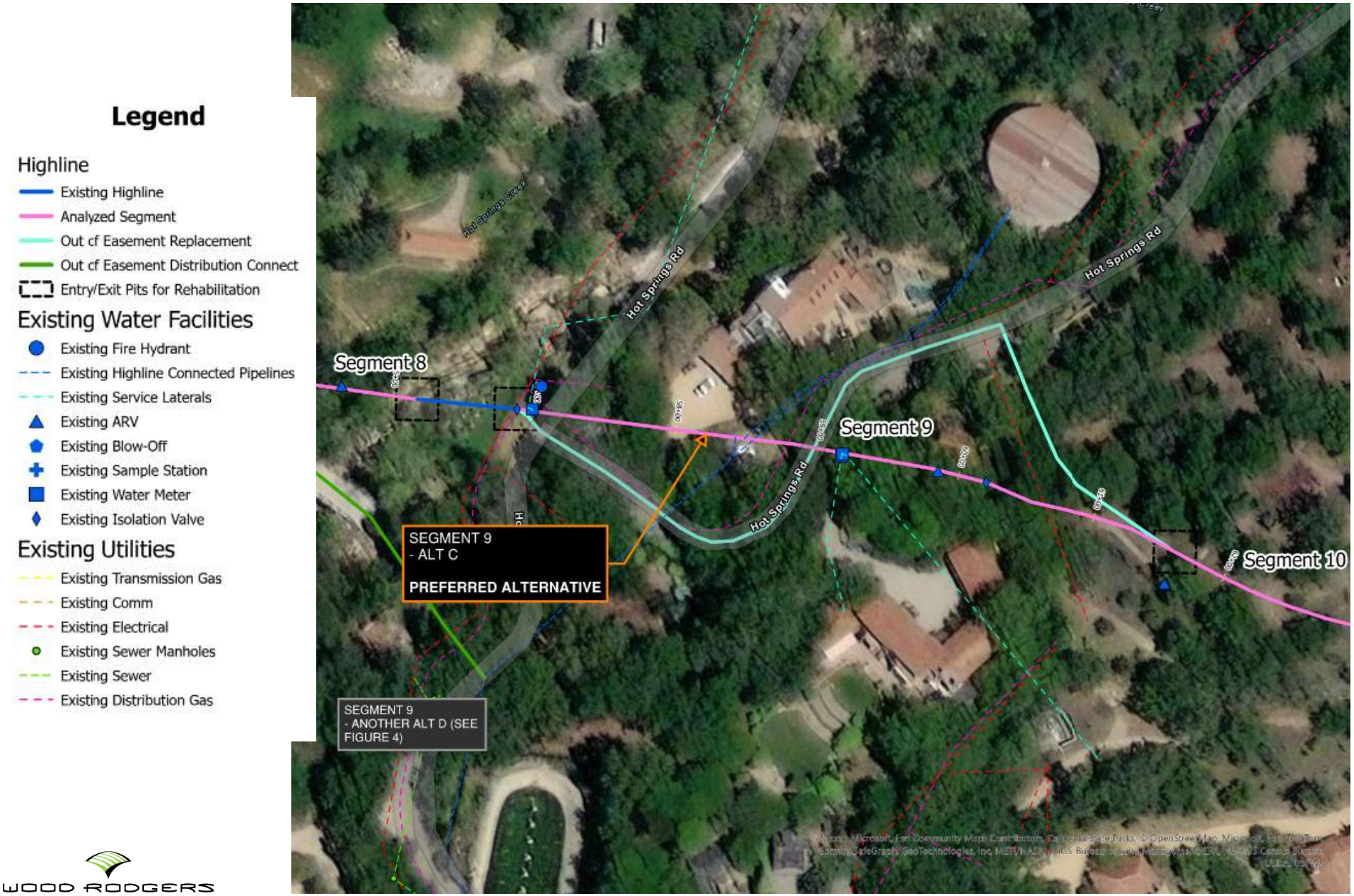


WOOD RODGERS

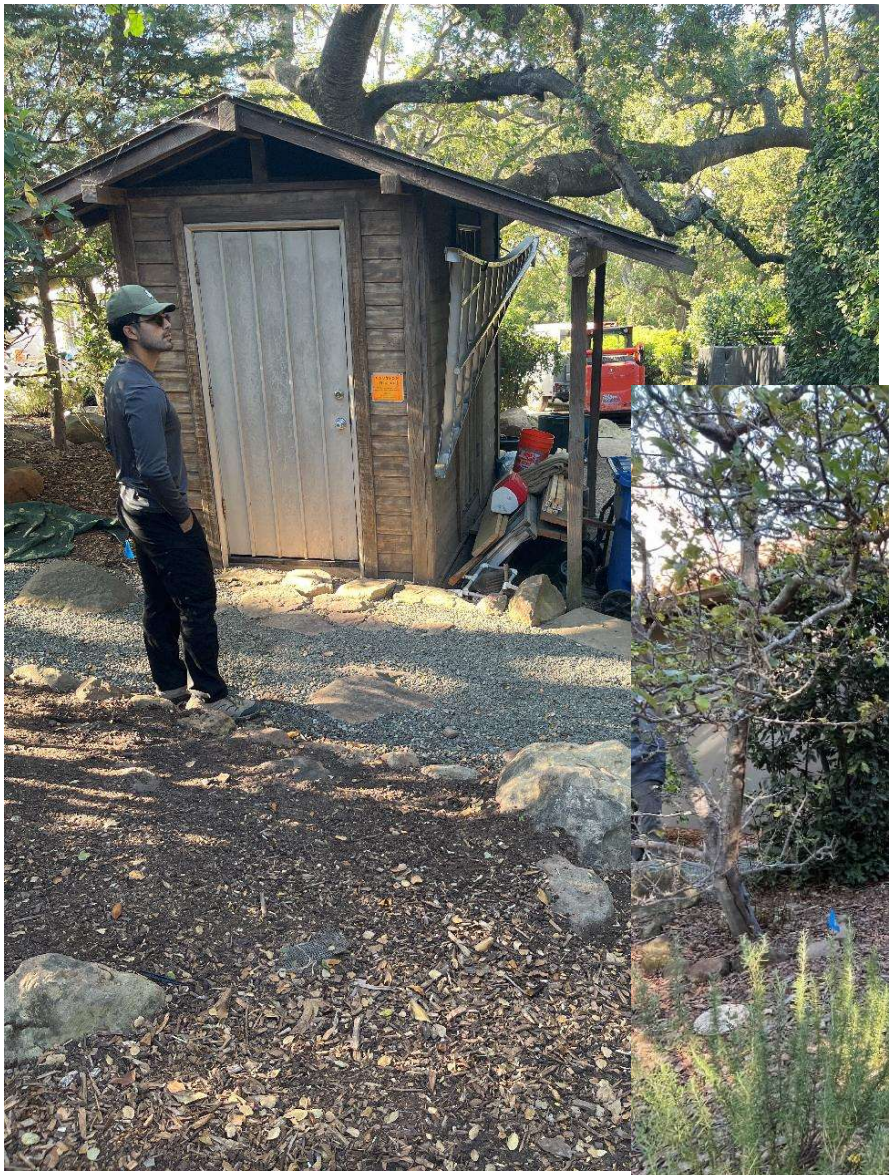
Relocate Outside of Easement Segment 24

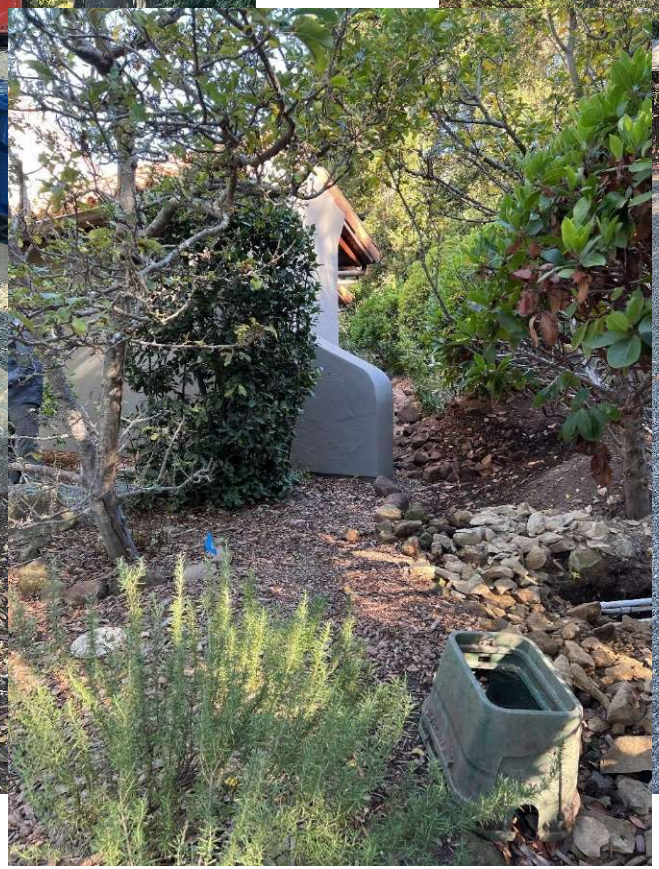
WOOD RODGERS

Examples of Locations with Impediments Segment 9

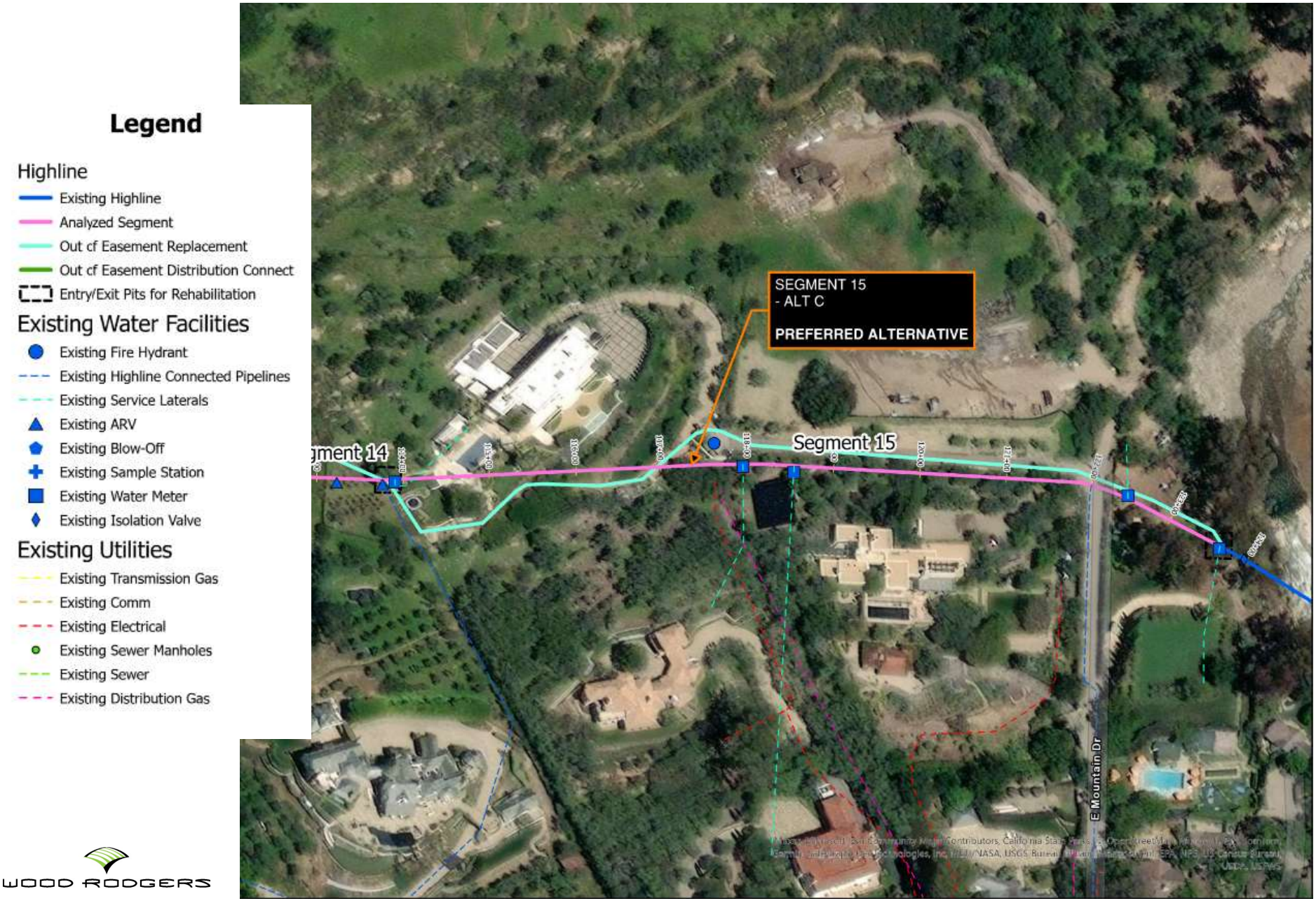


Examples of Locations with Impediments Segment 9





Examples of Locations with Impediments Segment 15



Examples of Locations with Impediments Segment 15

WOOD RODGERS

Prioritization Approach

Wood Rodgers proposes to prioritize segments based on:

- Asset Management Plan Consequence / Risk of Failure Ratings (higher risk scores scheduled sooner)
- Group Similar Project Types and Locations
- Group Segments to Achieve Target Annual Project Size
- Assumed 12-Yr Program to match 5 year Rate Study

Next Steps

- Receive Committee feedback on the evaluation criteria and weighting
- Prepare draft Highline Preliminary Design Report
- Return to Committee for review

Questions?

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 3-C

DATE: JANUARY 21, 2026

TO: OPERATIONS AND CUSTOMER RELATIONS COMMITTEE

FROM: ASSISTANT GENERAL MANAGER

SUBJECT: CONSIDERATION OF A TERMINATION OF AGREEMENT FOR 810 CIMA DEL MUNDO PRIVATE FIRELINE

RECOMMENDATION:

That the Operations and Customer Relations Committee recommend the Board of Directors authorize the execution of a Termination of Agreement for the private fireline originally constructed for the property at 810 Cima del Mundo, to be provided for Board review at their next regular meeting.

DISCUSSION:

The Cima del Mundo Road development in Montecito consists of private residential properties. The internal roads are private; however, the District holds an easement to install and maintain water mains and has maintained an 8-inch water main, five fire hydrants, and eight service laterals within the development since 1999. In 2008, development at 810 Cima del Mundo was required by the Montecito Fire Protection District (MFPD) to install a new 6-inch private fire line. The owner installed a 6-inch water main, backflow device, and fire hydrant near the front entrance. The hydrant is located on a private driveway used by other residents and by the Pacifica Graduate Institute to the east. Residents of the neighborhood and Pacifica Graduate Institute have expressed a desire for the hydrant to be a public hydrant to ensure it is properly maintained in the future. They are concerned that a new owner could neglect to maintain the system and the hydrant would no longer benefit the neighborhood. The owner and neighbors have requested the private hydrant be made public to ensure long term operation of the pipeline and hydrant. There is also a District benefit to ownership of the pipeline. This pipeline would be beneficial to loop the watermain system in the future, when the highline is relocated.

District legal counsel is drafting a Termination of Agreement to document the change in pipeline ownership. The draft Termination of Agreement will be provided at the regular Board meeting. Staff are seeking Committee feedback on the proposed conditions above.

ATTACHMENTS:

1. Map of Private Fireline Serving 810 Cima del Mundo

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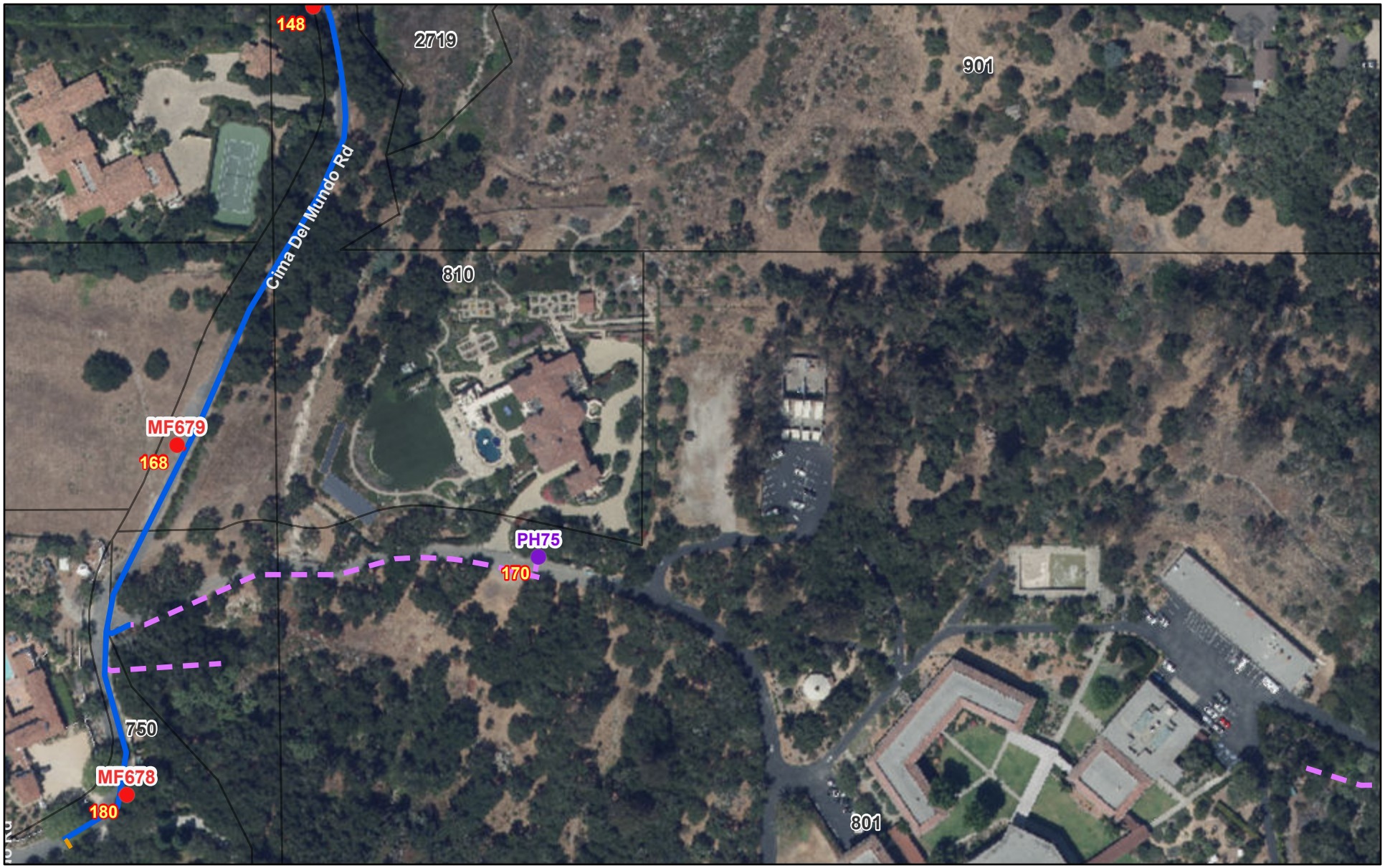
Montecito Water District



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Fire Hydrants
MWD
Private
ZWG_MWD_Jameson_Lake_3INCH_2024.sid
Red: Band_1
Green: Band_2
Blue: Band_3
ZWG_Montecito_Region_3INCH_2024.sid
Red: Band_1
Green: Band_2
Blue: Band_3
Montecito Water District Boundary
Fire Hydrants With PSI Labels
Appurtenance Pipes
Fire Hydrant Laterals
Pipe Mains
Private Firelines
Parcels
Street Labels

1:2,257

0 0.01 0.03 0.06 mi

0 0.03 0.05 0.1 km

Sources: Esri, Vantor, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland,

Montecito Water District

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **3-D**

DATE: **JANUARY 21, 2026**

TO: **OPERATIONS AND CUSTOMER RELATIONS COMMITTEE**

FROM: **ASSISTANT GENERAL MANAGER & GENERAL MANAGER**

SUBJECT: **SUMMARY OF URBAN WATER USE OBJECTIVE REPORTING TO THE STATE WATER BOARD FOR FISCAL YEAR 2025**

RECOMMENDATION:

Information only.

DISCUSSION:

In 2024, the State Water Resources Control Board (State Water Board) approved a regulation to *Make Conservation a California Way of Life*. The regulation establishes:

- Efficiency standards for urban water use
- Formulas to calculate standard-based budgets and urban water use objectives
- Performance measures for Commercial, Institutional, and Industrial (CII) water use
- Annual reporting requirements.

The *Making Conservation a California Way of Life* regulation requires urban retail water suppliers, including the District, to annually calculate their Urban Water Use Objective (UWUO), which is the sum of efficiency budgets for a subset of urban water uses: residential indoor water use, residential outdoor water use, real water loss, and commercial, industrial and institutional landscapes with dedicated irrigation meters. Each efficiency budget is calculated using a statewide efficiency standard and local service area characteristics such as population, climate, and landscape area. Where relevant, suppliers may also include in their objective "variances" for unique uses, or a bonus incentive for potable recycled water use. Figure 1 shows the factors used to calculate the UWUO.

Retail water purveyors, including the District, are required to submit an annual UWUO report by January 1 of each year, reporting on the prior fiscal year (July to June).

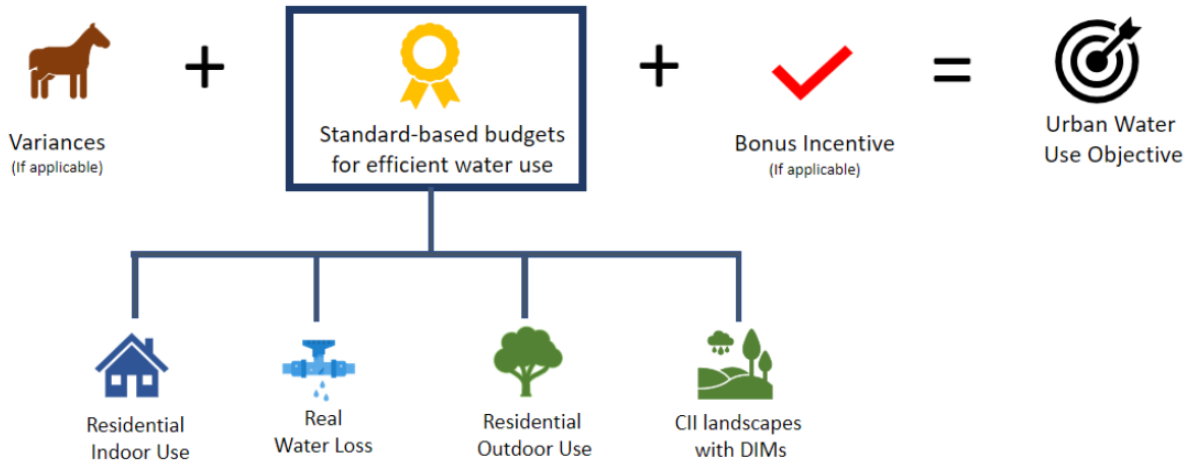

Figure 1 – Equation for Calculating the Urban Water Use Objective

Results of District Fiscal Year 2025 Annual Report

Under State regulations, the District is classified as a "capped" supplier, meaning the District's allowable water use is limited by the SBX7-7 conservation target since the SBX7-7 target is lower than the Urban Water Use Objective (UWUO) calculation. The cap is based on the District's 2015 Urban Water Management Plan, where the baseline daily per-capita water use from 2001 to 2010 was 422 gallons per capita per day (GPCD), and the 2020 SBX7-7 target for 2020 was 338 GPCD, resulting a 20 percent reduction. The 2020 SBX7-7 target is the District's new state mandated objective and is calculated by applying the 338 GPCD target to the District's residential service area population and days in the year and then subtracting excluded demands. Excluded demands include water use from commercial, institutional, and non-potable customers. For the purposes of the UWUO, the state is only comparing the objective to actual water use from single family residential customers, multi family residential customers, actual water system losses. The objective does not quantitatively regulate demand from commercial, institutional, non-potable and agricultural customers. Water use in these categories is being managed by the state using state defined best management practices such as smart meters and customer portal, agency specific water budgets, and other conservation measures which the District is already implementing.

On December 24, 2025, the District submitted its Fiscal Year (FY) 2025 UWUO report to the state. For FY 2025, the District's capped objective was 3,809 acre feet (AF). The District's actual water use applicable to the objective was 3,012 AF. The capped objective and the actual water use values include single and multi-family residential water use plus water loss. The report shows District actual water use was 797 acre feet AF below the established UWUO for FY 2025. The next UWUO report will be submitted by January 1, 2027, for the reporting period July 1, 2025, to June 30, 2026.

ATTACHMENTS:

None

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **3-E**

DATE: **JANUARY 21, 2026**

TO: **OPERATIONS AND CUSTOMER RELATIONS COMMITTEE**

FROM: **ASSISTANT GENERAL MANAGER & GENERAL MANAGER**

SUBJECT: **REVIEW OF LAFCO 2022 MUNICIPAL SERVICES REVIEW RECOMMENDATIONS**

RECOMMENDATION:

Information only.

DISCUSSION:

In 2022, the Santa Barbara County Local Agency Formation Commission (LAFCO) completed an update of their Municipal Services Review (MSR). The Cortese-Knox-Hertzberg Act requires LAFCO conduct periodic reviews and updates of the Spheres of Influence of all Cities and Districts in Santa Barbara County (Government Code section 56425(e)). The Act also requires LAFCO to conduct a review of municipal services provided before adopting Sphere of Influence updates (Government Code section 56430).

The MSR report "*provides information about the services and boundaries of Cities and Special Districts providing water, wastewater, recycled water and stormwater services in Santa Barbara County. The report is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process*." District staff provided input on the 2022 MSR which was incorporated by LAFCO into the final MSR. Because the MSR is over 1,000 pages, text strictly related to the Montecito Water District (Chapter 3, Section K) is provided in Attachment 1.

The MSR reviewed portions of the District service area overlapping the service areas of the City of Santa Barbara (City) and Carpinteria Valley Water District (CVWD). The "service area" refers to the area where the agency currently provides service and the "Sphere of Influence" is a long-range planning boundary for the agency's probably ultimate physical boundary. For the purposes of this memorandum, the "service area" and "Sphere of Influence" are used interchangeably since the District's service area and Sphere of Influence are coterminous.

Because special district consolidation was being considered by the District and Montecito Sanitary District (MSD) in 2022, the MSR also included discussion of potential boundary overlap with a Consolidated water and sanitation District and Carpinteria Sanitary District (CSD) or the City.

LAFCO has recommended any action for these areas be put on hold until consolidation discussions are closer to completion, if pursued at all.

The MSR includes twelve study areas for the District where an overlap in service providers exists, or parcels are not included in any agency's sphere of influence. Attachment 1 provides maps of these 12 study areas. The report recommends either expanding (annexing) or retracting (detaching) each of these twelve areas from the District service area. The process of annexation or detachment requires consent by the property owners included in the proposed area to be modified. If 100 percent property owner consent cannot be obtained, the area is subject to an election by which the property owners must vote, and a 25% or more protest vote would disallow the proposed modification.

Each study area has been carefully reviewed and its proposed path forward discussed with LAFCO. The study areas can be grouped into three categories, prioritized by the level of effort required by the District:

- **Category 1 – No Action.** The LAFCO recommendations for these areas either do not require District action (such as vacant land already within the District service area) or are not relevant until such time that consolidation with MSD would occur.

- **Category 2 – Modify the District Sphere of Influence**. These areas are currently served water by one agency, but boundaries do not accurately reflect which agency provides water service. For these areas, each property owner would be asked to provide written consent to either annex or detach their parcel(s) from the District service area.

- **Category 3 – Modify <u>both</u> Existing Water Service Agreements with the City and Modify District Sphere of Influence**. These areas require additional District coordination with the City of Santa Barbara to terminate prior agreements outlining which agency will serve specific parcels. The result is customers receiving water from one agency but monthly statements from the other entity, which causes confusion. For these areas, the existing water service agreements would be terminated. Consent from property owners, similar to Category 2 parcels, would be required.

Category 1 – No Action

The following areas are included in this category:

- <u>Study Area 2 – Sierra Vista Road.</u> This area is located outside the existing District service area and was included in the 2022 MSR due to potential future overlap in sanitary boundaries caused by potential consolidation with MSD at the time of the report. No action is recommended for this area at this time.

- Study Area 4 – APN 013-070-024 (Vacant Land). This parcel is located inside the existing District service area, and the District has the closest water infrastructure available to the property. No action is needed since the area is already within the District service area.

- Study Area 7 – Overlap with Carpinteria Sanitary (Padaro Lane to Sentar Road). These 117 parcels are both located inside and outside the existing District eastern boundary and were included in the 2022 MSR due to potential future overlap in sanitary boundaries caused by potential consolidation with MSD at the time of the report. No action is recommended for this area at this time.

- Study Area 8a - Coast Village & Westmont Drive. This area includes 88 of the 96 parcels included in Study Area 8. All 88 parcels are located inside the existing District service area and were only included in the 2022 MSR due to potential future overlap in sanitary boundaries caused by potential consolidation with MSD at the time of the report. No action is recommended for this area at this time.

Category 2 – Modify the District Sphere of Influence (Annex or Detach)

The following areas are included in this category.

- Study Area 6 – Detach Assessors Parcel Number (APN) 013-240-007. The City currently serves water to this parcel, and the District does not have water infrastructure available to serve the parcel. This area includes 1 parcel of 4.5 acres.

- Study Area 8b – Detach Summit Road & Golf Road. This area includes eight (8) of the 96 parcels included in Study Area 8. The City currently serves water to these parcels, and the District does not have water infrastructure available to serve these parcels. Study Area 8 includes 96 parcels but only eight (8) are proposed for detachment, totaling 29.5 acres.

- Study Area 9 – Detach Skyview, El Rancho & Calle Elegante. The City currently serves water to these parcels, and the District does not have water infrastructure available to serve these parcels. This area includes 31 parcels at 30.7 acres.

- Study Area 10 – Detach APNs 013-240-008, 009-091-003, and 009-091-037 (Eucalyptus Hill and Alston Road). The City currently serves water to these parcels, and the District does not have water infrastructure available to serve the parcels. This area includes 3 parcels at 8.6 acres.

- Study Area 11 – Annex Bella Vista Drive. This area is an island of vacant land inside the District service area that could potentially be developed in the future. The District is the only water service provider with infrastructure near the parcel. This annexation would include 2 parcels totaling approximately 81 acres.

- Study Area 12 – Detach APNs 005-390-080 and 005-390-078. CVWD currently serves water to these parcels on Padaro Lane. The District has water mains in the area, but the customer has expressed a desire to remain a customer of CVWD. This area includes 2 parcels totaling 1.0 acre.

Category 3 – Terminate Existing Water Service Agreements with the City and Modify District Sphere of Influence

The following areas are included in this category:

- Study Area 1 – Detach Barker Pass Agreement Parcels. This area includes six (6) parcels totaling 5.6 acres served by the City but billed by the District per the 1979 Barker Pass Agreement. Detaching these properties from the District would clarify water service provider messaging and billing for these parcels. This detachment would require (1) detachment by the District and (2) the City to agree to an Out of Agency Agreement whereby the City agrees to serve these six (6) parcels located outside their existing service area and consider annexing these parcels in the future. It is unknown if the City will be supportive of such actions at this time. The District's process to detach these parcels would require consent from property owners, or an election.

- Study Area 3 – Annex Coyote Road Agreement Parcels. This area includes 21 parcels totaling 78.5 acres which are the subject area of the 1955 Coyote Road Agreement. While the infrastructure currently supplying water to these parcels is owned by the District, the City bills these parcels for water use. These parcels should be annexed into the District service area and billed by the District. The District's process to annex these parcels would require consent from property owners or an election if 100% consent is not obtained.

- Study Area 5 – City to Detach Lower Coyote Road Additions. This area includes 3 parcels totaling 6.95 acres served by the District but billed by the City. These parcels are located outside the City boundary and inside the District boundary. These parcels should be detached by the City and billed by the District moving forward.

SUMMARY:

The proposed actions in Category 2 and Category 3 described above would detach certain parcels totaling 86.9 acres from the District service area and annex other certain parcels totaling 159.5 acres into the District service area. The net change in District service area would be an increase of 72.6 acres.

Committee feedback on the proposed actions described above is requested. If supported by the Committee, and Board, staff would begin contacting property owners in the proposed annex and detachment areas to seek their consent. Staff would return to the Committee once the consent process has been completed and LAFCO documentation is ready to be reviewed.

SCHEDULE:

The proposed actions for Category 2 parcels is anticipated to be completed within one year but could be impacted by response times from customers during the consent process. The proposed actions for Category 3 parcels is likely to require 1-2 years given the coordination required with the City to terminate prior agreements.

FISCAL IMPACT:

The cost of the proposed annexations, detachments, and termination of existing agreements with the City is anticipated to be $40,000 to $60,000. LAFCO fees would be $5,000 for annexations or detachments greater than 20 acres. Each parcel would require a land survey to develop legal descriptions and maps which are estimated to cost approximately $30,000-$40,000 for the 43 parcels described in Category 2. Legal descriptions from prior agreements are likely to be used for Category 3 parcels. The remaining expense would be District staff time to coordinate the process with the City and LAFCO. The District would pursue a cost share for any annexations or detachments involving the City of Santa Barbara or Carpinteria Valley Water District.

ATTACHMENTS:

1. Chapter 3, Section K of the 2022 LAFCO Municipal Services Review

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K. Montecito Water District

Administrative Office:	583 San Ysidro Road, Montecito, CA 93108
Phone:	805/969-2271
Fax:	805/969-7261
Email:	nturner@montecitowater.com
Website:	www.montecitowater.com
General Manager:	Nick Turner
Treatment Supervisor:	Chad Hurshman

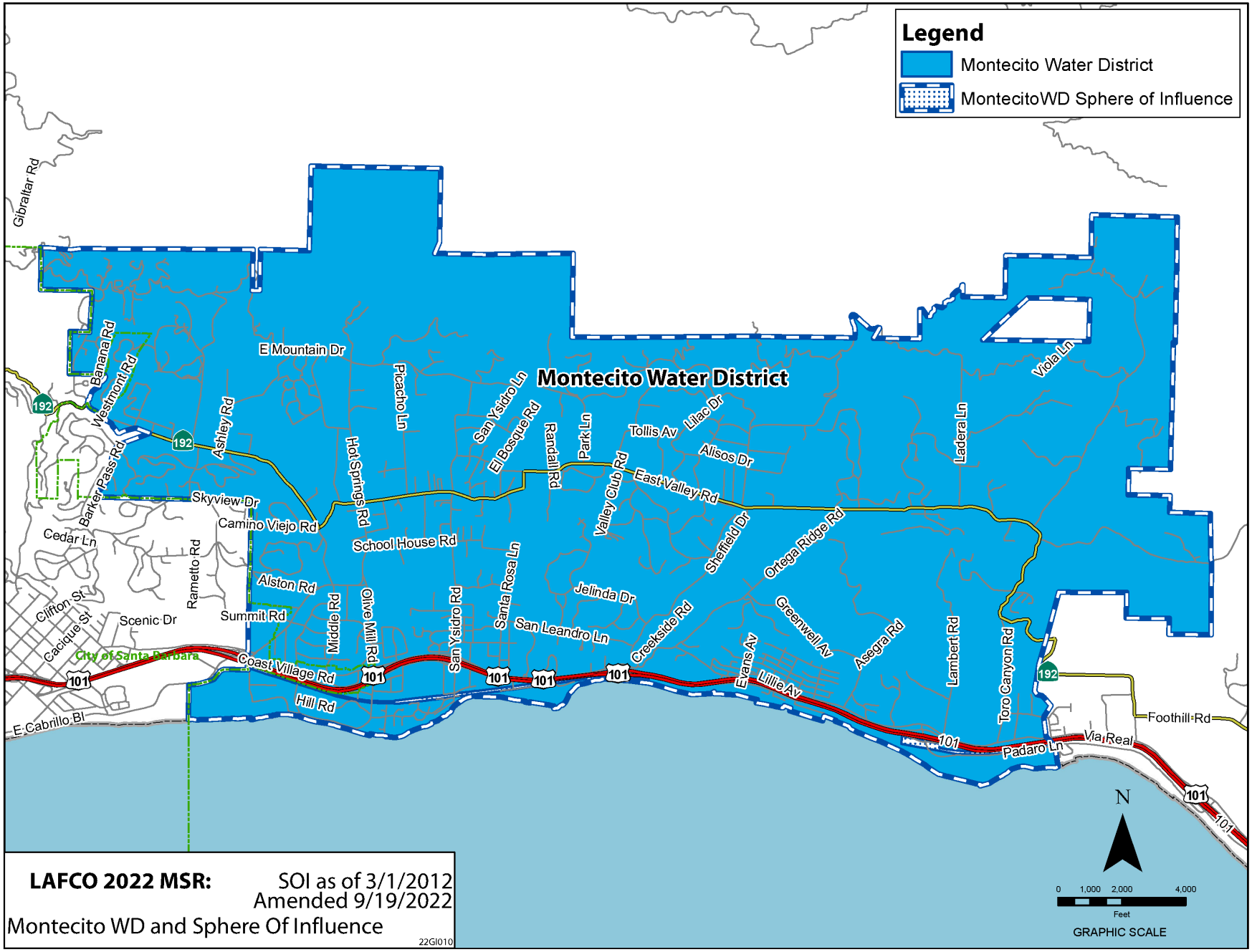
SUMMARY

The Montecito Water District (MWD) provides potable water to the Montecito and Summerland residential, commercial and agricultural customers in the surrounding unincorporated areas to approximately 11,769 people throughout 15.4 square miles in southern Santa Barbara County from east of Toro Canyon Road on the east to the City of Santa Barbara on the west. MWD serves as the Groundwater Sustainability Agency for the Montecito Groundwater Basin. The District produces approximately 4,300 AFY of water for the service area in an average year. MWD's boundary is the same as its Sphere of Influence. Sphere expansion areas are studied some relate to the feasibility studies on consolidation work underway by both districts. The District receives financial support at a rate of approximately $2,201 per resident and maintains a fund balance to meet future needs. MWD has financial procedures in place to ensure the preparation of timely agency audits.

BACKGROUND

The Montecito Water District was formed in 1921. In the early beginnings water was provided by numerous small private water companies that tapped into springs, creeks, and water wells that were at times unreliable due to inadequate seasonal rainfall. The community was rooted in its agricultural estate beginnings consisting of a number of large estates. Following the formation, the District set out to build Juncal Dam and Jameson Lake, the 2-1/4-mile long Doulton tunnel through the Santa Ynez coastal range, and 50 miles of distribution pipelines within its service boundary. The District has 10.3 percent of the Lake Cachuma reservoir's current annual safe yield. In addition to the State Water Project, supplemental water purchases are made from around the State, desalination, and groundwater are current supplies.

The Montecito Water District overlaps the Montecito Fire Protection District, Montecito Sanitary District, City of Santa Barbara, Carpinteria/Summerland Fire Protection District, Summerland Sanitary District, Carpinteria Sanitary District, County Service Areas 11 (Parks) and 32 (Law Enforcement), Santa Barbara Metropolitan Transit District, Santa Barbara Mosquito and Vector Control District, Cachuma RCD, County Flood Control & Water Agency, and a portion of Carpinteria Cemetery District.


Legend
Montecito Water District
MontecitoWD Sphere of Influence
Montecito Water District
Gibraltar Rd
Banana Rd
Westmont Rd
E Mountain Dr
Picacho Ln
San Ysidro Ln
El Bosque Rd
Randall Rd
Park Ln
Tollis Av
Lilac Dr
Alisos Dr
Viola Ln
Ladera Ln
East Valley Rd
Valley Club Rd
Sheffield Dr
Ortega Ridge Rd
Ashley Rd
Hot Springs Rd
Barker Pass Rd
Skyview Dr
Camino Viejo Rd
School House Rd
Cedar Ln
Rametto Rd
Alston Rd
Clifton St
Cacique St
Scenic Dr
Summit Rd
Middle Rd
Olive Mill Rd
San Ysidro Rd
Santa Rosa Ln
Jelinda Dr
San Leandro Ln
Creekside Rd
Greenwell Av
Asegra Rd
Evans Av
Lillie Av
Lambert Rd
Toro Canyon Rd
Foothill Rd
Via Real
Padaro Ln
City of Santa Barbara
Coast Village Rd
Hill Rd
E Cabrillo Bl
192
101
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0 1,000 2,000 4,000
Feet
GRAPHIC SCALE
LAFCO 2022 MSR:
SOI as of 3/1/2012
Amended 9/19/2022
Montecito WD and Sphere Of Influence
22GI010

The District estimated it serves a population of 11,769 people, with 1,335 living within City of Santa Barbara. The District anticipates a growth rate of less than one (1) percent a year within its boundaries in the coming years. In 2020, it was estimated that the District serves 5,478 parcels, with approximately 223 in City of Santa Barbara, 611 in Summerland, and 4,644 in Montecito serving approximately 4,640 connections.

OPERATIONS

The General Manager oversees day-to-day operations of the different departments which include Water Treatment, Distribution, Engineering and Business and groundwater management. The District has a staff of 28 full time employees; including engineers (2), certified treatment (6) and distribution operators (10), water conservation experts (1), finance (4) and administrative staff (2), General Manager (1), Assistant General manager (1), and Business Manager (1).

Montecito Water District provides safe and reliable water supplies to residents in the Montecito and Summerland communities. Most of the District's general revenues come from service charges, water availability charge, and water sales. Also, it receives revenue through groundwater sustainability fees, grants, and rental revenue. The District has created specific reserves to replace needed equipment and buildings. On June, 2021, the unrestricted reserves for MWD and the GSA total $5,137,500.

The major activities of the District include acquisition, treatment and delivery of water from multiple sources including Jameson Lake, Cachuma Project, State Water Project, Doulton Tunnel, Montecito Groundwater Basin and the City of Santa Barbara. In September 2020, the District effectuated a long-term Water Supply Agreement with the City of Santa Barbara, in connection with its Charles E. Meyer Desalination Facility, for delivery of 1,430 acre-feet of water annually for 50 years. This new source, which commenced delivery on January 1, 2022, provides approximately 35% of District's current annual water supply needs and significantly improves the overall water supply reliability. In addition, the District also acquires supplemental water on an as-needed basis from various water agencies and private entities throughout the State.

The District Board of Directors is composed of five members who are elected at-large to four- year terms. The Board meets the fourth Tuesday of every month (third Tuesday in November & December due to holidays) at District Board Room located at 583 San Ysidro Road at 9:30 a.m. The District maintains a website which includes a list of members of the Board of Directors, agendas of upcoming meetings, and minutes of past meetings.

OPPORTUNITIES & CHALLENGES

The Montecito Water District currently is collaborating with the Montecito Sanitary District to study the possible addition of recycled water supply to the MWD supply portfolio. The study is to be completed by the end of 2022 and could offset a portion of MWD customer potable use with

recycled wastewater.

MWD is also currently analyzing the expansion of its current regional groundwater banking capabilities to further shore up the reliability of water supplies for the community for years to come. This analysis is expected to be complete near the end of 2022.

In March 2022, Montecito Water District prepared a 5-year Strategic Plan that seven priority challenges have been identified and will be addressed to ensure the reliability of water service as the District enters its second century. These challenges were identified as:

1. Projected Water Supply Shortage.
   The impact of climate change is becoming more evident as worsening drought conditions reduce the District's available water supplies. Increasing supply options, reducing customer water use, or a combination of the two is necessary to avoid a potential future water supply shortage.

2. Aging Infrastructure and Facilities.
   Much of the District's infrastructure, including transmission and distribution piping and facilities, is nearly 100 years old, is approaching its useful lifespan, and is prone to failure. Increasing near-term action on infrastructure replacement could improve the reliability of the community's water system and service.

3. Aging Workforce.
   Several of the District's employees have retired in the last 5 years and many more are expected to reach retirement age within the next decade. Succession planning is vital to the successful transition of District leadership should a planned or unplanned change take place.

4. Need for Employee Development.
   Too often the lack of time and / or resources can delay or prevent employees from acquiring training necessary for development which can lead to a reduction in efficiency, increased costs, and employee turnover. Providing development opportunities and training to employees allows the District to pinpoint knowledge and skills needed and desired to build on excellence and promote fulfillment.

5. Water Policy Impacts.
   Water policy is continually becoming more restrictive, resulting in both a reduction in availability water supplies and increased limitations on its uses. Often this policy is established at a State or Federal level. Despite its small size, the District must find ways to be impactful in the public policy making process.

6. Managing Water Supplies Efficiently.

Rapidly changing conditions in almost every arena - climate, policy, technology, population – complicate the already complex world of water supply management. Navigating these changes effectively requires a comprehensive and long-term approach to water management with consideration of all sources of available water supply including surface water, groundwater, stormwater, and wastewater.

7. Implementing Water Reuse.
   "Recycling" water is not as easy as it sounds – it comes with variables such as high cost for infrastructure, potential limited use options, uncertainty of pending State and Federal regulations, and a relatively low quantity of water available for "recapture." Maximizing the beneficial reuse of the community's wastewater is critical to improving long-term water supply reliability for the District and for reducing the discharge of treated wastewater to the Pacific Ocean.

LAFCO of Santa Barbara County encourages the District and the Montecito Sanitary District to consider options for recycled water along with similar agreements with the City of Santa Barbara to diversify its water portfolio. Generally, both Districts serve the same residents and evaluating the feasibility of consolidation may provide benefits for effective governance and municipal services.

Governance Structure Options

In September 2021, the Joint Strategic Planning Committee, made up of Directors from Montecito Water District and Montecito Sanitary District, directed management to acquire proposals from qualified firms to assist with the evaluation of the feasibility of Special District consolidation. In January 31, 2022, the Joint Committee interviewed the two short listed firms and identified Raftelis as the consulting firm to perform this work. The Districts are seeking consulting assistance and expertise to prepare a preliminary assessment to determine if there is a business case affirming that the two Districts can and should consolidate. The report will detail the information collected, the analysis conducted, and give a recommendation. It is estimated completion will be near the end of 2022.

LAFCO staff sees value in local agencies collaborating and exploring opportunities to improve delivery of municipal services. It is still unknown whether it is feasible for the two Districts to consolidate to assume responsibilities would benefit the area. Therefore, LAFCO staff recommends that the District continue to discuss partnerships with each other for recycled water options and other neighboring agencies. If an agreement is made, where all affected parties agree in the transfer of responsibilities, then a change of organization may be considered at that point.

Regional Collaboration

The District is a member of four 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), Central Coast Water Authority (CCWA) and Cater Treatment Plant.

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 has continued to operate. COMB's member agencies (Cachuma Member Units) include City of Santa Barbara, Goleta Water District, Montecito Water District, and Carpinteria Valley Water District. 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%.

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 this JPA is 13.09%. CCRB's Board of Directors is made up of an elected representative from each of the three remaining member agencies.

On June 4, 1991, District voters approved participation in the California State Water Project (SWP) which allowed 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 District, which acquired the State Water Project 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 Central and South Coast SWP contractors, which include the Cities of Buellton, Guadalupe, Santa Barbara and Santa Maria; Carpinteria Valley Water District; Goleta Water District; Montecito Water District and Santa Ynez River Water Conservation District Improvement District No. 1 (ID#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). The Board of Directors is made up of one representative from each participating entity. Votes on the Board are apportioned based on an allocated percentage of SWP Table "A" water under the governing rules and obligations of CCWA. MWD has a voting percentage of 9.5% in CCWA.

The District entered into a JPA with the City of Santa Barbara and 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 remain in 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 would be the most efficient and cost-effective means to treat this water supply. Under the JPA, neither Montecito nor Carpinteria Valley Water Districts have any ownership in the Cater Treatment facility.

In September 2020, the District and the City of Santa Barbara 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.

Santa Barbara County Water Agency established in partnership with eighteen local water purveyors the Regional Water Efficiency Program (RWEP). Through the RWEP collaborative water conservation partnership among purveyors, co-funds projects and programs, acts as a clearinghouse for information on water use efficiency, manages specific projects and programs, and monitors local, state and national legislation related to efficient water use. Some local water purveyors, are required to implement certain Best Management Practices (BMPs) identified by the U.S. Bureau of Reclamation (USBR). The list of the 18 water purveyors include: City of Buellton, Carpinteria Valley Water District, Casmalia Community Services District, Cuyama Community Services District, Goleta Water District, Golden State Water Company, Orcutt, City of Guadalupe, La Cumbre Mutual Water Company, City of Lompoc, Los Alamos Community Services District, Mission Hills Community Services District, Montecito Water District, City of Santa Barbara, City of Santa Maria, Santa Ynez River Conservation District ID #1, City of Solvang, Vandenberg Space Force Base, Vandenberg Village Community Services District.

The District participates in the Integrated Regional Water Management Plan (IRWMP) process. The intent of the Integrated Regional Water Management Program in Santa Barbara County is to promote and practice integrated regional water management strategies to ensure sustainable water uses, reliable water supplies, better water quality, environmental stewardship, efficient urban development, protection of agricultural and watershed awareness.

The District also cooperates in the County-wide Integrated Stormwater Resources Plan including eight Cooperating Entities: five cities (Buellton, Carpinteria, Goleta, Guadalupe, and Solvang), two water districts (Carpinteria Valley and Montecito), and UCSB. The SWRP is a regional, watershed-based plan intended to improve the management of stormwater resources throughout Santa Barbara County by identifying water system improvements which increase user self-reliance on local water supplies.

SPHERE OF INFLUENCE & BOUNDARIES

The Sphere of Influence for the Montecito Water District's boundaries are coterminous with its service area. The District currently has no Sphere of Influence beyond the boundary it serves. A map of the District's Sphere of Influence and boundaries can be seen at the beginning of this profile.

While no significant changes are anticipated to the District boundaries, any pending applications under review will be considered as a separate action and those applications will not be evaluated under this service review. The District has requested expansion and reduction to their Sphere of Influence based on past request from landowners. Montecito Water and the Sanitary Districts are currently evaluating the feasibility of consolidation. Both service areas generally follow the same territory, with MWD being 40% larger and only a few minor deviations. In addition, existing service area agreements and overlapping boundaries with the City of Santa Barbara and Carpinteria Sanitary District are considered within this review. These areas along with a few others, that would potentially close any gaps between neighboring agencies, are considered for study purposes. Subsequent municipal service review reports will continue to monitor the District's need to expand their Sphere of Influence.

Sphere of Influence Study Areas

For study purposes, LAFCO staff has prepared the following table and map that includes 11 areas to be considered as the Study Areas for the Sphere of Influence. The Study Areas are used to help analyze and identify which properties should be added, remain, or excluded from the Sphere of Influence. A summary of the Study Areas is listed in the table below:

Table K-1: Montecito Water Study Areas

Study Area	Description	Acres	Existing Zoning	Prime AG Land	Constraints
1	Barker Pass Agreement	5.61	Single-Family Residential 2-E-1	No	Existing service agreement
2	Sierra Vista Additions	14	Single-Family Residential 2-E-1	No	Unknown
3	Coyote Road Agreement	78.5	Single-Family Residential RS-1A & P-R	No	Unknown Existing service agreement
4	Coyote Road APN 013-070-024	0.81	Single-Family Residential 2-E-1	No	Unknown
5	Coyote Road OASA APN 013-070-022 & 032 and 013-250-003	6.95	Single-Family Residential 2-E-1	No	Existing service agreement
6	APN 013-240-007 Detach	4.52	Single-Family Residential 5-E-1	No	Unknown
7	Carpinteria Sanitary Overlap	135.6	Single-Family Residential 1-E-1 20-R-1 3-E-1 Rec/O.S.	Yes	Unknown Overlapping providers
8	City of Santa Barbara Overlap	50.4 Westmont Rd. 89 Coast Village Rd	Single-Family Residential RS-6 SP5 -WC A-2/S-D-3 & C-1/S-D-3	No	Unknown Existing service agreement
9	Skyview Dr/El Rancho Rd & Calle Hermoso/Calle Elegante	30.7	Single-Family Residential 2-E-1	No	Unknown
10	Eucalyptus Hill (APN 013-240-008) & Alston Rd (APNs 009-091-003 & 037)	8.61	Single-Family Residential 5-E-1 2-E-1	No	Unknown

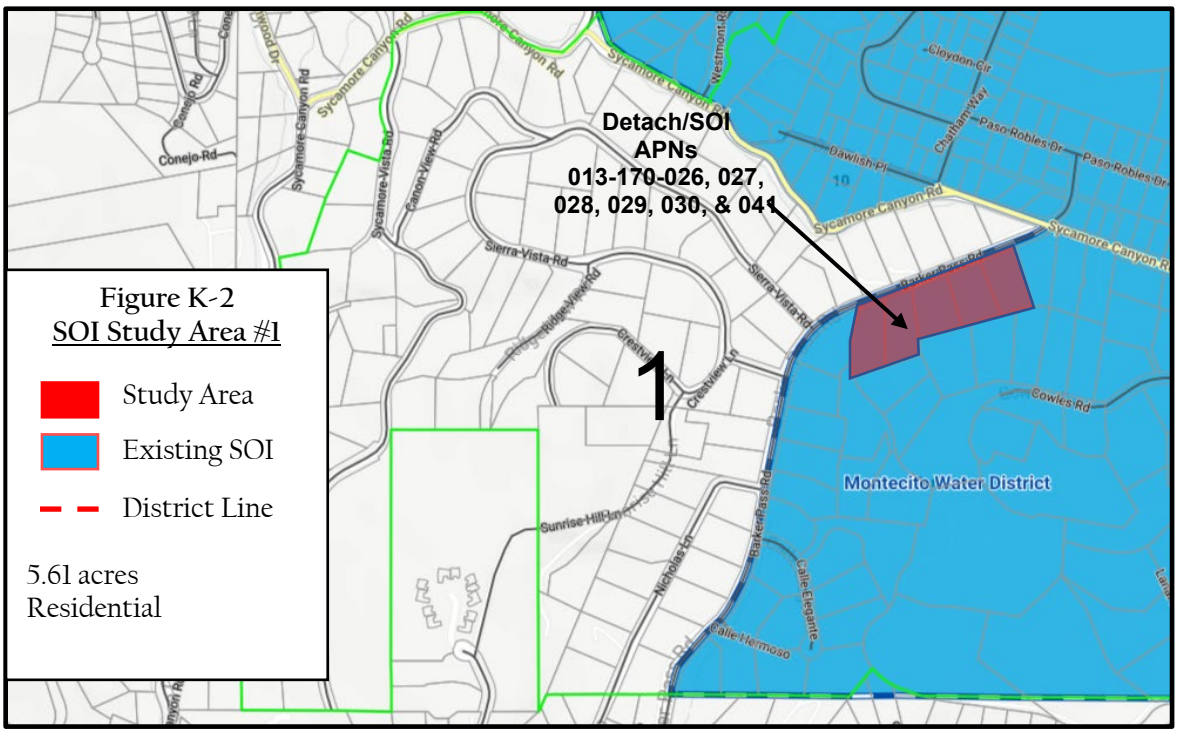
11	Island south of Toro Canyon (APN 155-010-006 & 045)	80.7	Mountainous Area MA 40 & MA 100	No	Mountainous Hillside
12	Carpinteria Valley Water Overlap	1.01	Single-Family Residential 8-R-1	Yes	Unknown Overlapping providers
	Totals	506.5			

The Study Areas are described in more detail below and include: a map that focuses on the particular area and the recommendation made by LAFCO Staff. The discussion addresses the size and location of the area, current zoning and other relevant information. The staff recommendation for each area is based upon the information in this Municipal Service Review and information provided by the District. These 11 Study Areas are either outside the District's service area, currently have an out-of-agency service agreement, or may need amending if future consolidation were to occur between the Montecito Water and Sanitary Districts into a new District. This could align the service area and Sphere of Influence and/or makes a logical boundary.

SOI Study Area #1 – Barker Pass Agreement (Located in SB County; Within SOI). These six parcels total 5.61 acres located along Barker Pass Road. APNs are 013-170-026, 027, 028, 029, 030, & (formerly 013-210-027 now 013-210-053). The City and District entered into the Barker Pass Agreement in 1979, as a result of the Districts deteriorating 12-inch waterline that excessively caused costly repairs, interruption of service, and waste of water during breaks. The City had an existing 8-inch water main fronting the properties capable of serving the area. The MWD customers are currently provided City of Santa Barbara water through the City's infrastructure, however, they are billed by the MWD at the Districts rates. The District computes the total amount of water metered during each monthly billing and reports it to the City who then deducts this amount plus ten (10) percent contingency loss factor from the water received by the City from the District via the Coyote and Alston Road Agreements.

Adjustment of these six parcels would clarify billing, avoid staff time for both agencies to true up water usage each month, accurately reflect MWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise. The District has requested these parcels should be billed by the City and not MWD and ultimately be detached from the District. The area consists of six existing single-family residences each on approximately 1-acres lots, built between 1959 and 1964, with the newest in year 2000. The area is within unincorporated County designated single-family residential and zoned 2-E-1. The nearest City limit boundary is approximately 0.37 miles southerly along Barker Pass Road. The six parcels are separated by ten intermediate parcels in order to be annexed into the City. Study

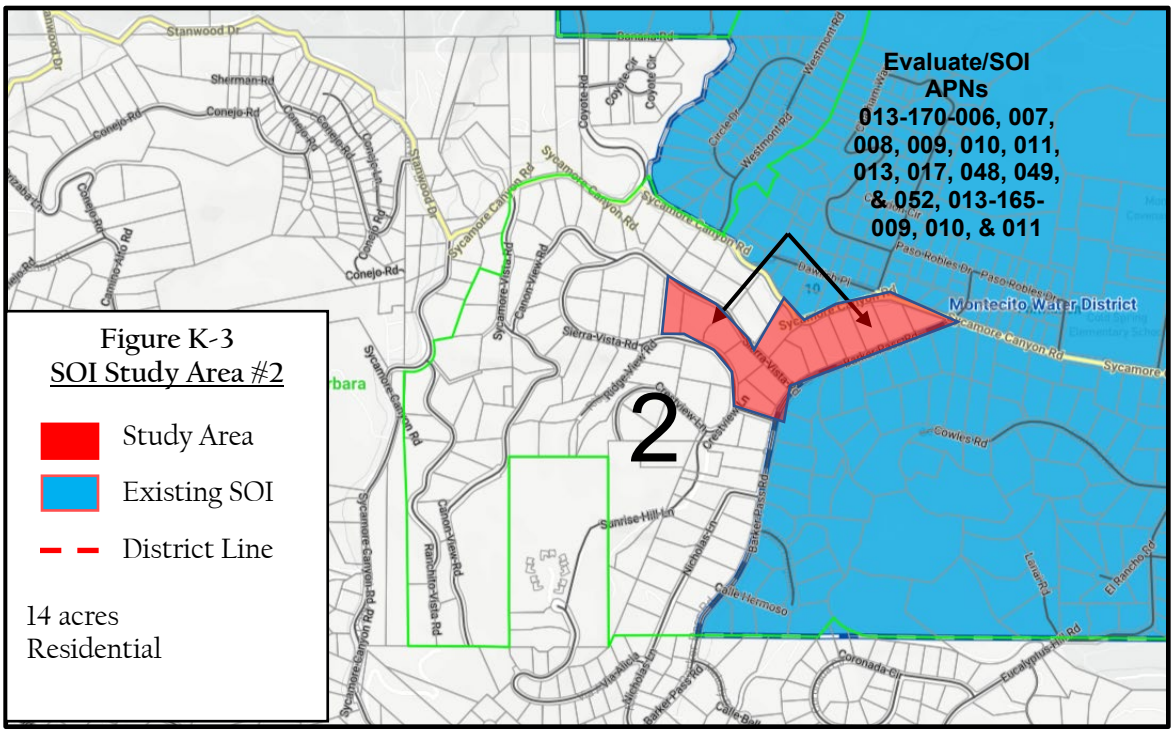
Area 8 includes the intermediate parcels that would create a contiguous boundary.



LAFCO Staff Recommendation. The SOI and eventual detachment could be cleaned up at some point in Study Area One. Staff recommendation is maintaining the existing Sphere of Influence and note the clean-up actions necessary at some point in the future. The existing Barker Pass Agreement allows the City to provide water services to these six parcels. LAFCO would agree that cleaning up the Barker Pass Agreement area would clarify billing, avoid staff time for both agencies to true up water usage each month, accurately reflect MWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise, it might be premature if the Montecito Water and Sanitary District were to pursue consolidation. Montecito Sanitary currently provides wastewater collection and treatment to these six parcels and the surrounding parcels. If a new Community Services District or other consolidated agency were to be formed or MWD activated latent power of wastewater services, then the six parcels would need to be included within the District service boundary. At the conclusion of the consolidation feasibility study, if no follow-up actions are recommended or acted upon, then the District may request detachment and sphere amendment from its boundary. A negative sphere of influence in this area would suggest a future detachment should be considered, however, the area may need service from a future consolidated district. The Barker Pass Agreement may remain in place as necessary, which would allow the City to provide water service to a non-contiguous area from a recognized prior out-of-agency agreement.

SOI Study Area #2 – Sierra Vista Additions (Located in SB County; Outside SOI). These 15 parcels total approximately 14-acres located northernly Barker Pass Road and Sierra Vista Road. APNs are 013-170-006, 007, 008, 009, 010, 011, 013, 017, 048, 049, & 052, 013-165-009, 010, & 011. Fourteen (14) of these parcels are served by the Montecito Sanitary District (MSD) and one is being studied for addition to SOI of MSD. The area consists of 14 existing single-family residences (013-165-009 is vacant) each on approximately 0.47 to 1.25-acres lots, built in the 1950's and 1970's. The area is within unincorporated County designated single-family residential and zoned 2-E-1.

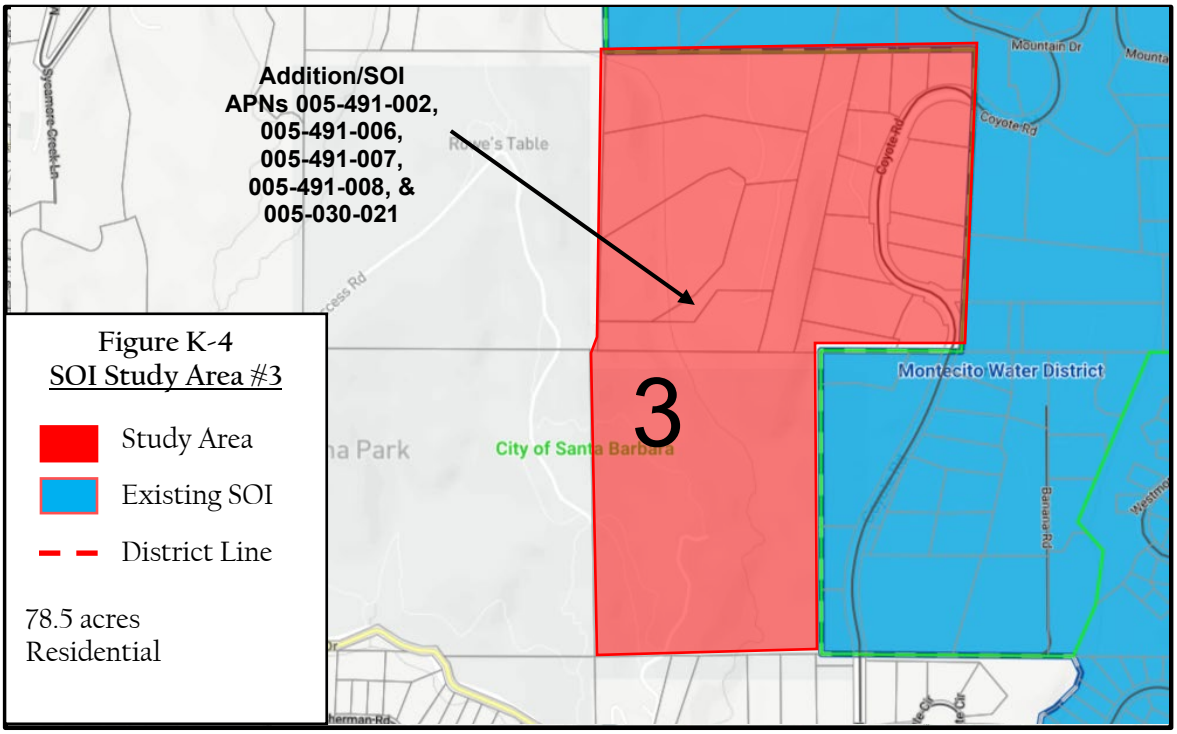
The District did not request these parcels be added to the sphere of influence, however, they are being studied because the Montecito Water and Sanitary Districts are considering consolidation. At the conclusion of the consolidation feasibility study, if a new Community Services District or other consolidated agency were to be formed or MWD activated latent power of wastewater services, then the 15 parcels would need to be included within the Districts service boundary. The Montecito Water District does not currently have infrastructure in the area and providing such service would incur significant costs. The area is currently served water by private wells. The City of Santa Barbara does have an existing 8-inch water main line within Barker Pass Road.



LAFCO Staff Recommendation. Staff recommendation is to maintaining the existing Sphere of Influence in Study Area Two. The District currently does not have infrastructure in the area and providing services would be difficult. At the conclusion of the consolidation feasibility study, if adjustment to the Sphere of Influence and service area boundary are necessary, LAFCO can consider this request at that time. The Study Area and alignment concern is only being raised here to document the need if consolidation or activated of latent wastewater power is requested.

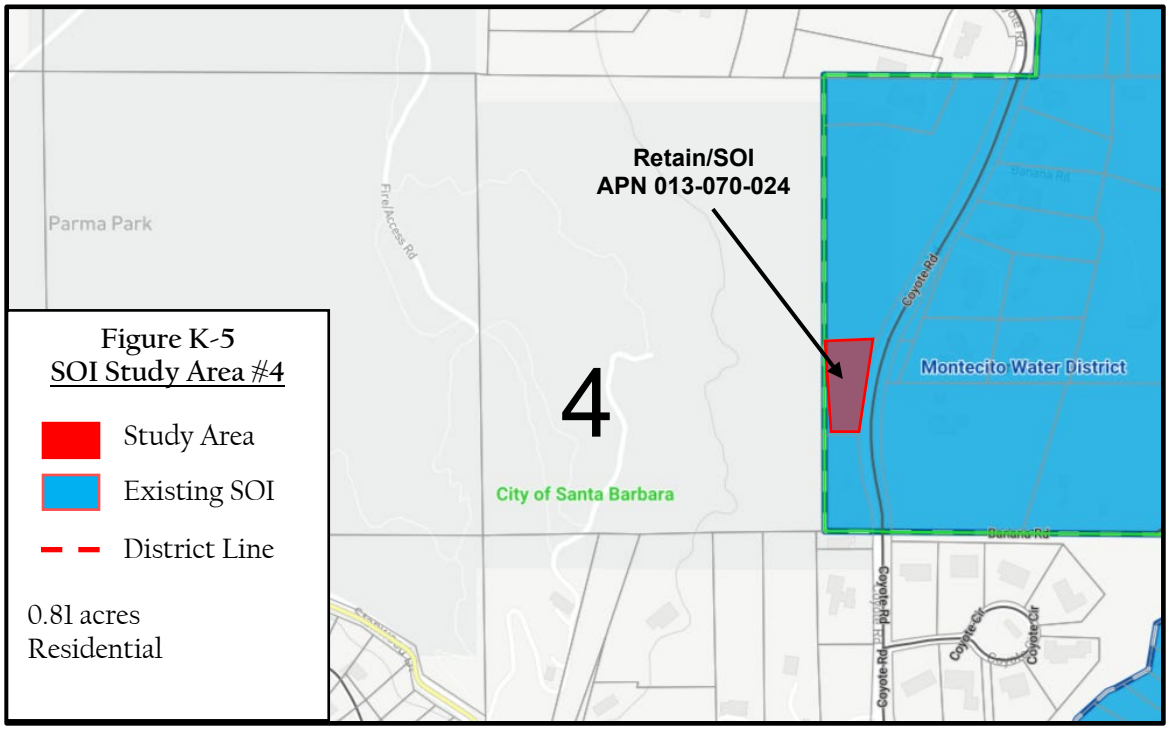
SOI Study Area #3 – Coyote Road Agreement (Located in SB City; Outside SOI). These 21 parcels total 78.5 acres located within the City limits of Santa Barbara along Coyote Road. APNs are 021-061-002, 003, 004, 005, 006, 007, 008, 009, 013, 014, 020, 021, 022, 023, & 024, 021-062-001, 002, 004, 005, & 006, and 021-130-002. The City and District entered into the Coyote Road Agreement in 1955, as a result of the finding that it was infeasible for the City to supply water to the area customers and the District had water mainlines in the area at the junction of Mountain Drive and Coyote Road. The City incurred costs and labor to install and complete a 6-inch water main from the District's existing line in exchange for water delivered to Bothin Reservoir to cover the water usage. The City customers are currently provided MWD water through the District's infrastructure, however, they are billed by the City at the City rates.

Adjustment of these 21 parcels would clarify billing, avoid staff time for both agencies to true up water usage each month, accurately reflect MWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise. The District has requested these parcels be added to the District sphere of influence and billed by the MWD and not the City and ultimately be annexed into the District. The area consists of 16 existing single-family residences each lots vary in size from 0.7 to 7-acres, APN 021-130-002 is 30-acres. Five (5) parcels are vacant with APN 021-062-004 being a small 0.07-acre sliver and not buildable. The few homes were built between 1957 and 1972, with most of them between 2006 and 2019. The area is within incorporated City designated single-family residential and zoned RS-1A and P-R.



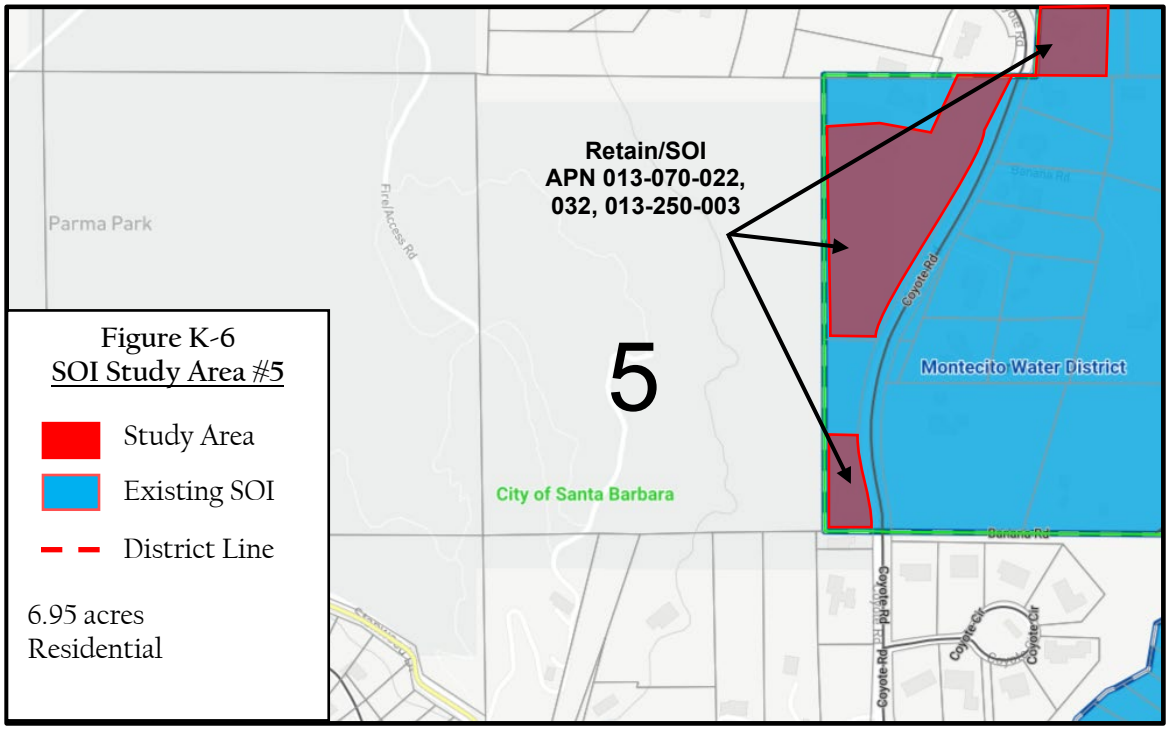
LAFCO Staff Recommendation. The SOI should include Study Area Three. Staff recommendation is to include Study Area Three that would allow the Montecito Water District to correctly bill customers for water service received by the District. Adjustment of these 21 parcels would clarify billing, avoid staff time for both agencies to true up water usage each month, accurately reflect MWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise. The District has requested these parcels be added to the District Sphere of Influence and billed by the MWD and not the City and ultimately be annexed into the District. This would create an overlap of service providers, however, the City of Santa Barbara and MWD currently overlap in a number of other places and would not be unusual between the two agencies.

SOI Study Area #4 – Coyote Road (APN 013-070-024) (Located in SB County; Within SOI). This single parcel totals 0.81 acres located west side of Coyote Road. The vacant parcel is within unincorporated County designated single-family residential and zoned 2-E-1. The property can only be served MWD water due to location of existing water mains.



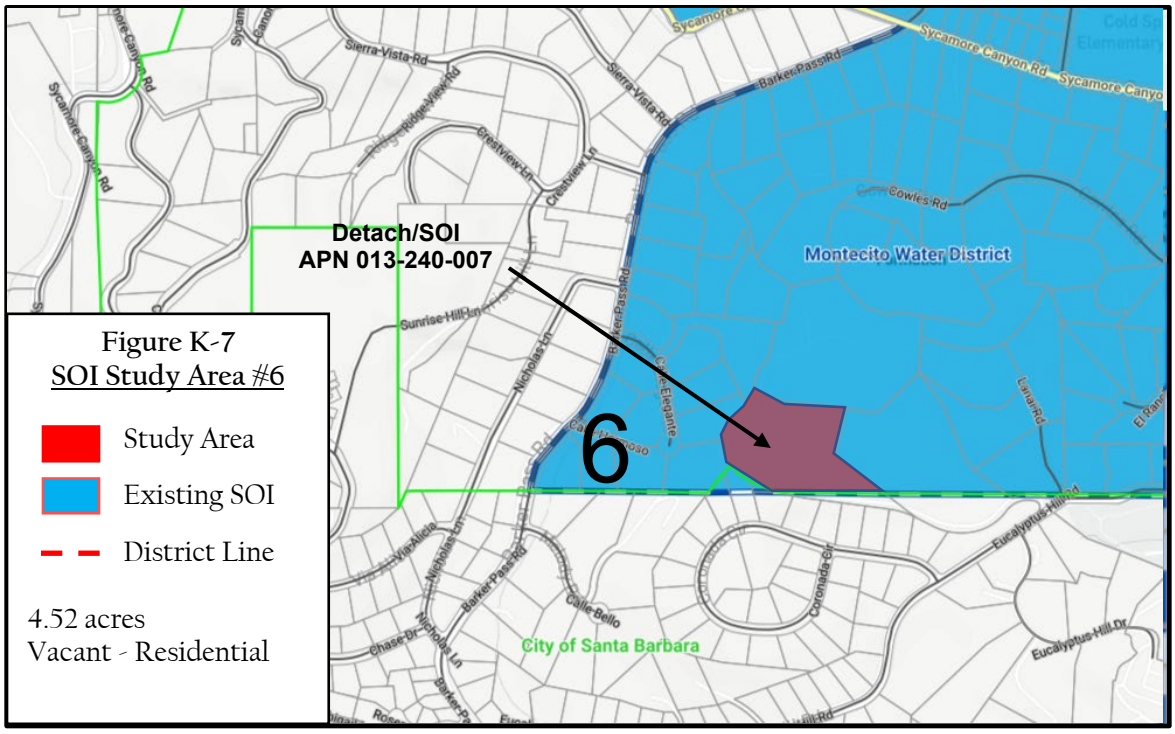
LAFCO Staff Recommendation. The SOI should remain in Study Area Four. Staff recommendation is to maintain Study Area Four within Montecito Water District service area and Sphere of Influence. The District currently has infrastructure in the area and the property can only be served by MWD. The surrounding properties evaluated as Study Area Five are currently being served by the City of Santa Barbara under prior Agreement. No changes are required to the boundary.

SOI Study Area #5 – Coyote Road OASA (APN 013-070-022 & 032 and 013-050-003) (Located in SB County; Within SOI). These three parcels total 6.95 acres located west side of Coyote Road. All three parcels are within unincorporated County designated single-family residential and zoned 2-E-1. The properties are being served and billed by City of Santa Barbara. The properties should be served MWD water due to location of existing water mains.



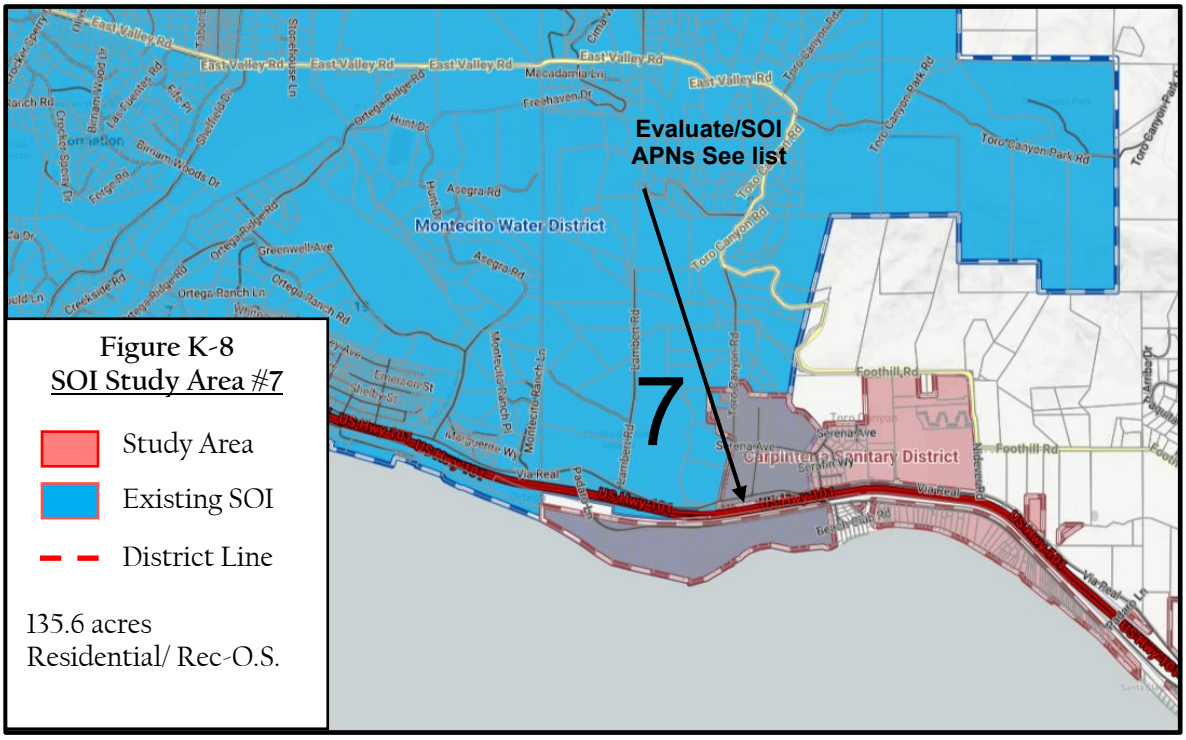
LAFCO Staff Recommendation. The SOI should remain in Study Area Five. Staff recommendation is to maintain Study Area Five within Montecito Water District service area and Sphere of Influence. The District currently has infrastructure in the area and the property should be served by MWD. These three properties are currently being billed by the City of Santa Barbara; however, the water supply comes from the MWD. The two agencies need to clear up customer billing records. This would clarify billing, avoid staff time for both agencies to true up water usage each month, accurately reflect MWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise. No changes are required to the boundary.

SOI Study Area #6 – APN 013-240-007 (Located in SB County; Outside SOI). This vacant single parcel totals 4.52 acres located northerly of Eucalyptus Hill Road. The parcel is within unincorporated County designated single-family residential and zoned 5-E-1. The property is better served by City of Santa Barbara due to location of existing water mains in the area.



LAFCO Staff Recommendation. The SOI and eventual detachment should be cleaned up at some point in Study Area Six. Staff recommendation is maintaining the existing Sphere of Influence and note the clean-up actions necessary at some point in the future. At the conclusion of the consolidation feasibility study, if adjustment to the Sphere of Influence and service area boundary are necessary, LAFCO can consider this request at that time. The Study Area and alignment concern is only being raised here to document the need if consolidation or activated of latent wastewater power is requested. It might be premature if the Montecito Water and Sanitary District were to pursue consolidation. Montecito Sanitary currently provides wastewater collection and treatment to this parcel and the surrounding parcels. If a new Community Services District or other consolidated agency were to be formed or MWD activated latent power of wastewater services, then the parcel would need to be included within the District service boundary. At the conclusion of the consolidation feasibility study, if no follow-up actions are recommended or acted upon, then the District may request detachment and sphere amendment from its boundary. A negative sphere of influence in this area would suggest a future detachment should be considered, however, the area may need service from a future consolidated district.

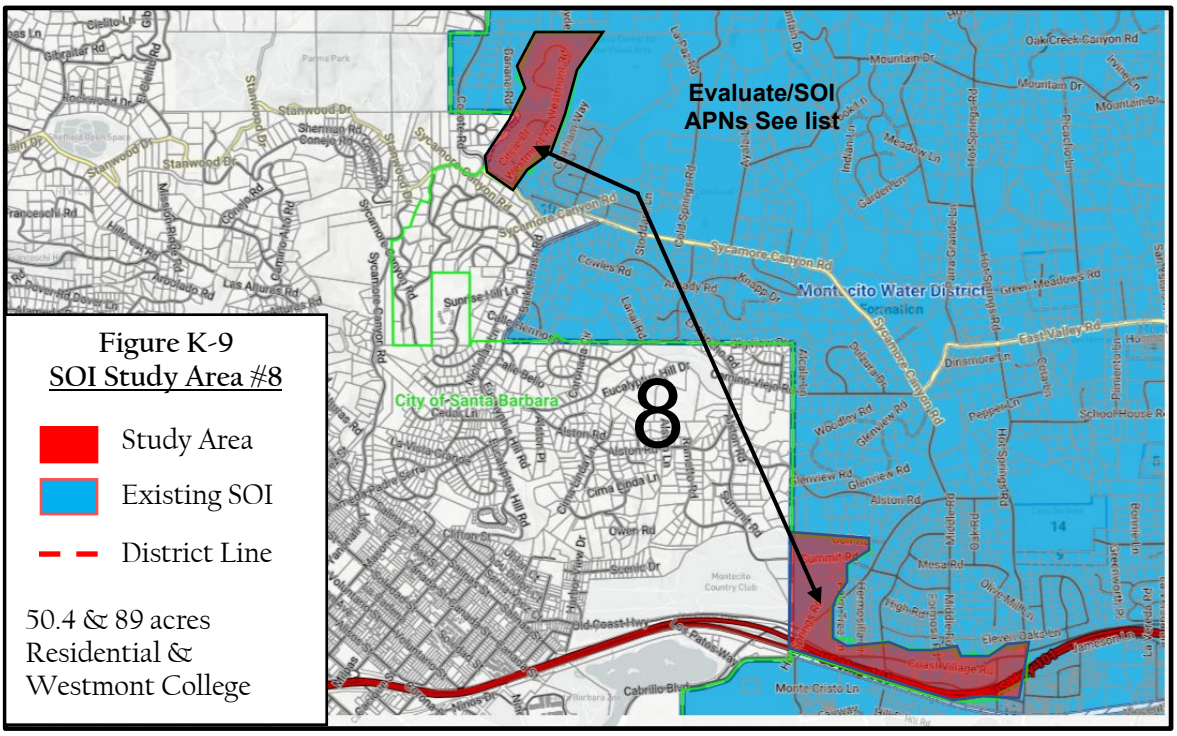
SOI Study Area #7 – Carpinteria Sanitary Overlap (Located in SB County; Within SOI). These 117 parcels total 135.6 acres located along both sides of US Highway 101 from Padaro Lane to Sentar Road. The area in located in the unincorporated County designated residential and recreation open space zoning varies between 1-E-1, 20-R-1, 3-E-1, and Rec/O.S. Prime soils existing within the area. The Montecito Water District currently provides water service to the area. Carpinteria Sanitary District currently provides wastewater collection and treatment in the area.



LAFCO Staff Recommendation. The SOI should remain in Study Area Seven. Staff recommendation is to maintain Study Area Seven within Montecito Water District service area and Sphere of Influence. The District currently has infrastructure in the area and provides water service. The Study Area and alignment concern is only being raised here to document the potential overlap of service providers if consolidation or activated of latent wastewater power is requested. It might be premature if the Montecito Water and Sanitary Districts were to pursue consolidation. If a new Community Services District (CSD) or other consolidated agency were to be formed or MWD activated latent power of wastewater services, then the Carpinteria Sanitary District and new CSD would require some contractual agreement arrangement, so that, Carpinteria Sanitary District is identified as the primary service provider for wastewater services.

SOI Study Area #8 – <u>City of Santa Barbara Overlap (Located in SB City; Within SOI)</u>. This area is divided into two distinct and separate overlapping areas. The first area consists of 96 parcels within the Westmont College and surrounding residential subdivision. The City designation is residential and zoned SP5-WC and RS-6. The MWD provides services to the area. The second overlapping area is located near Coast Village Road between Golf Road to the north and US Hwy 101 along the southern boundary to Olive Mill Road at the eastern edge. This area consists of approximately 90 parcels with mixed designations of residential and commercial areas along the Coast Village corridor. The City zoning is A-2/S-D-3 and C-1/S-D-3. Uses include CVS Pharmacy to the east with restaurants and business and Vons Center & Montecito Country Mart where the boundary turns northerly. The Montecito Club is located in this overlapping area. The area is served by both the MWD and City of Santa Barbara. The City general served the western

portion and the MWD serves the eastern portion.



LAFCO Staff Recommendation. The SOI should remain in a portion of Study Area Eight. Staff recommendation is a mix of maintaining and reducing areas within Study Area Eight. The Westmont College Road area should remain within Montecito Water District service area and Sphere of Influence. The District currently has infrastructure in the area and provides water service.

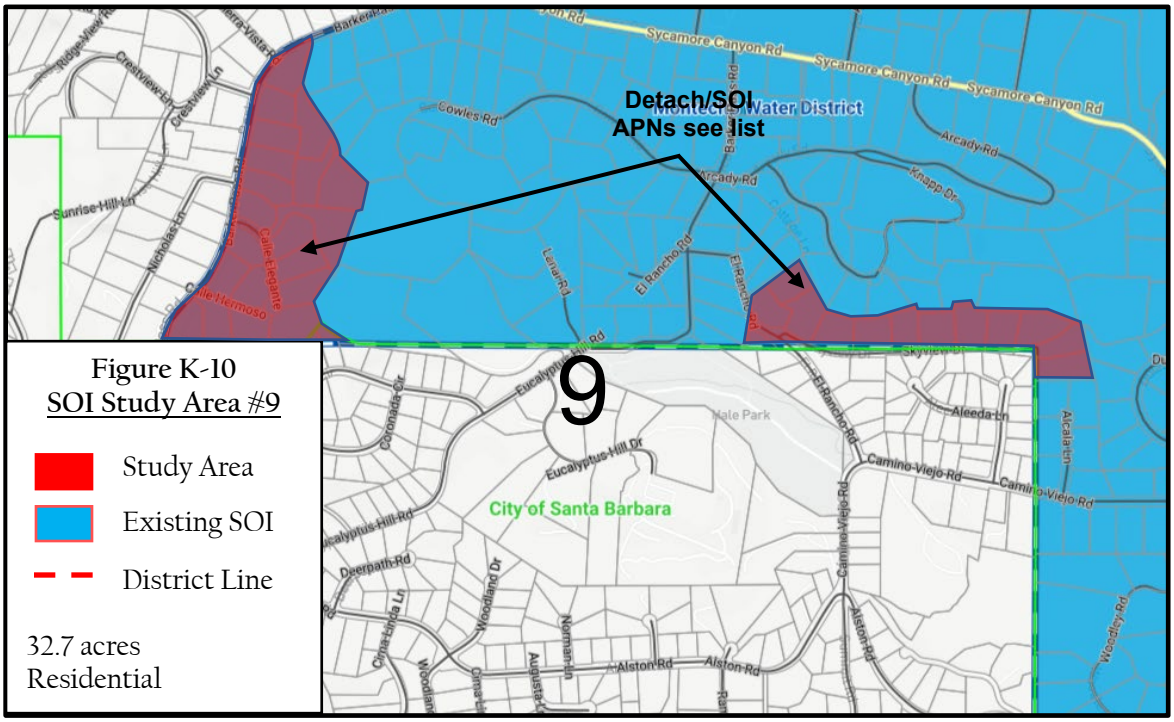
The southeastern portion along Coast Village Road is a mixture of City of Santa Barbara service and MWD service. Most of this area is built out with the western portion being served by the City. MWD does not have any infrastructure in the western portion. This area includes the area from Golf Road southerly to Hot Springs Road containing eight parcels (009-151-006, 007, 009-091-014, 019, 020, 026, 027, & 028). These parcels should be removed from the MWD's SOI. The Montecito Water District does have infrastructure from Hot Springs Road to Olive Mill Road and provides water service to this area. The recommendation is to maintain the Sphere of Influence and service area over this portion of Study Area Eight. Adjustment of these boundaries would clarify billing, avoid water availability charge on property tax roll, accurately reflect MWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise.

SOI Study Area #9 – Skyview Dr/El Rancho Rd & Calle Hermoso/Calle Elegante (Located in SB County; Within SOI). These parcels total 30.7 acres located north of the City of Santa Barbara limit line. A total of 20 parcels totaling 20.5-acres are nearest to Calle Hermoso/Calle Elegante

that are developed with residential single-family homes. The other area consists of 11 parcels nearest Skyview Dr/El Rancho Rd totals 10.2-acres also developed with residential single-family homes.

The MWD does not have infrastructure in the area. The City currently provided City of Santa Barbara water through the City's infrastructure. Some of the customers are charged MWD water availability charges (property tax) but not receiving benefits of the District.

Adjustment of these 31 parcels would clarify billing, avoid water availability charge on property tax roll, accurately reflect MWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise. The District has requested these parcels should be detached from the District. The area is within unincorporated County designated single-family residential and zoned 2-E-1. The nearest City limit boundary is contiguous to the City of Santa Barbara.

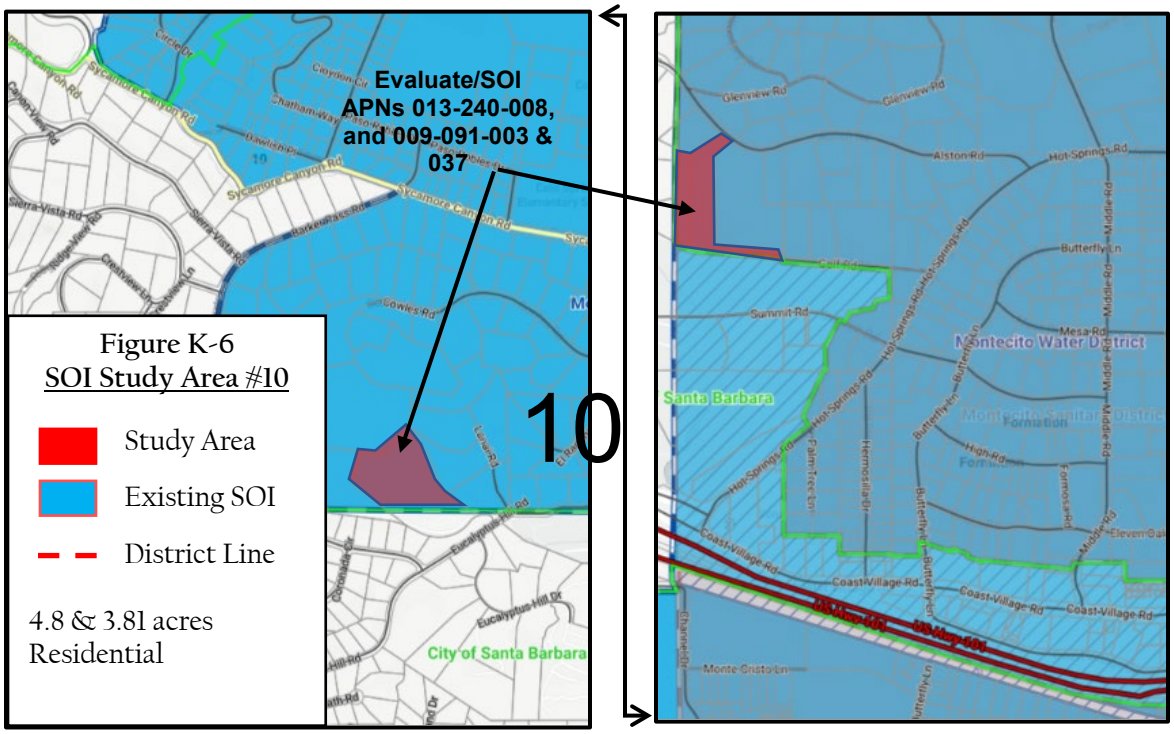


LAFCO Staff Recommendation. Staff recommendation is to maintaining the existing Sphere of Influence in Study Area Nine. The District currently does not have infrastructure in the area however, future connection could be possible. At the conclusion of the consolidation feasibility study, if adjustment to the Sphere of Influence and service area boundary are necessary, LAFCO can consider this request at that time. The Study Area and alignment concern is only being raised here to document the need if consolidation or activated of latent wastewater power is requested. Adjustment of these 31 parcels would clarify billing, avoid water availability charge on property tax roll, accurately reflect MWD service boundary, and provide clear messaging to the customers

about water source and water related emergencies/notices as they arise. The District has requested these parcels be detached from the District. The City of Santa Barbara either already serves or could serve these parcels. The area is contiguous to the City boundary and dual action of adjustment to the City of Santa Barbara Sphere of Influence and detachment would make some sense once the outcome of the consolidation study is known.

SOI Study Area #10 – Eucalyptus Hill (APN 013-240-008) & Alston Rd (APNs 009-091-003 & 037) (Located in SB County; Outside SOI). These three parcels total 8.61 acres located contiguous to the City of Santa Barbara limit line. The Eucalyptus Hill parcel is adjacent to Study Area Six. The parcel is within unincorporated County designated single-family residential and zoned 5-E-1. The property is better served by City of Santa Barbara due to location of existing water mains in the area.

The Alston Road parcels are just north of southeastern portion of Study Area Eight. These two parcels are within unincorporated County designated single-family residential and zoned 2-E-1. The property is better served by City of Santa Barbara due to location of existing water mains in the area.

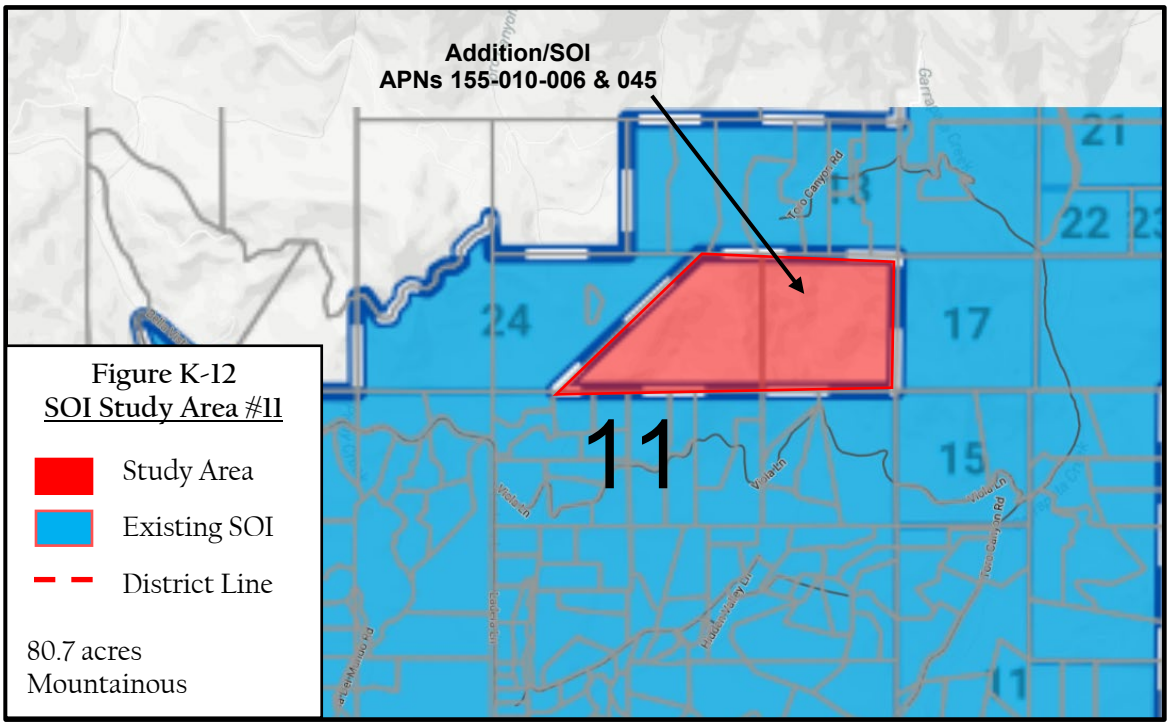


LAFCO Staff Recommendation. The SOI and eventual detachment should be cleaned up at some point in Study Area Ten. Staff recommendation is maintaining the existing Sphere of Influence and note the clean-up actions necessary at some point in the future. At the conclusion of the consolidation feasibility study, if adjustment to the Sphere of Influence and service area boundary are necessary, LAFCO can consider this request at that time. The Study Area and alignment concern is only being raised here to document the need if consolidation or activated of latent

wastewater power is requested. It might be premature if the Montecito Water and Sanitary District were to pursue consolidation. Montecito Sanitary currently provides wastewater collection and treatment to this parcel and the surrounding parcels. If a new Community Services District or other consolidated agency were to be formed or MWD activated latent power of wastewater services, then the parcel would need to be included within the District service boundary. At the conclusion of the consolidation feasibility study, if no follow-up actions are recommended or acted upon, then the District may request detachment and sphere amendment from its boundary. A negative sphere of influence in this area would suggest a future detachment should be considered, however, the area may need service from a future consolidated district.

Along with Study Area Eight Recommendation, if the area along the Golf Road southerly to Hot Springs Road were to be amended (i.e., detached from the MWD and expanded into the City of Santa Barbara Sphere of Influence), then these two parcels should be included in that action.

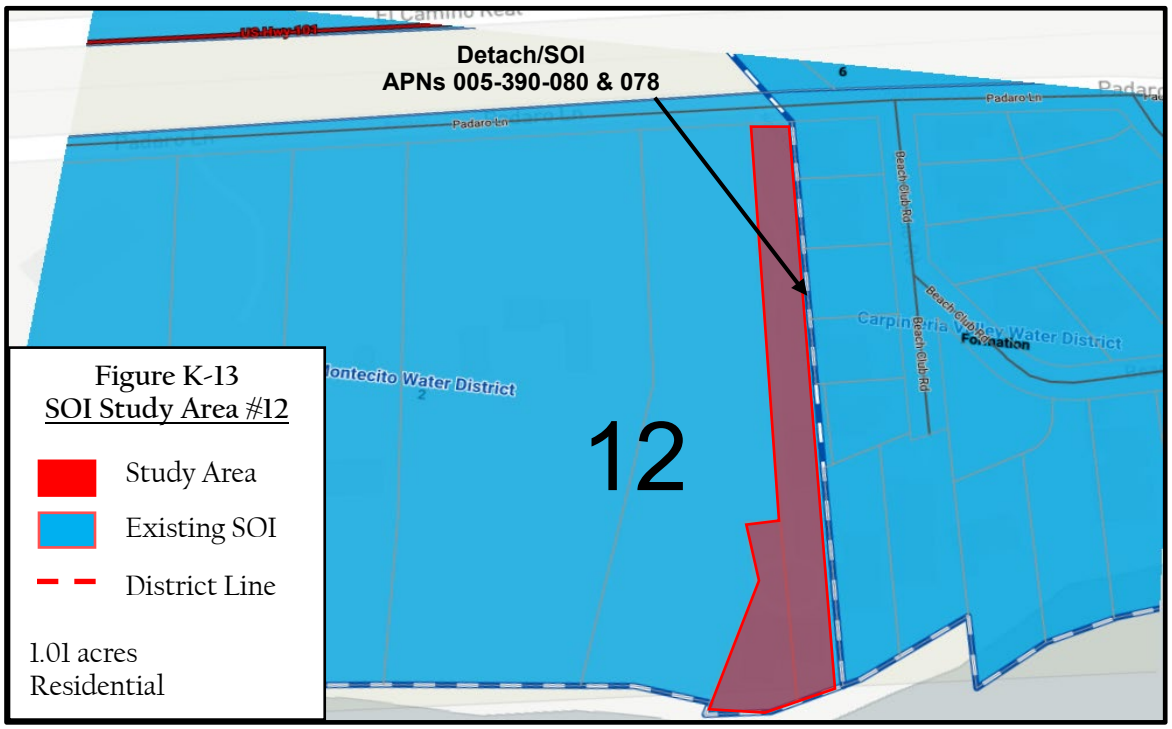
SOI Study Area #11 – Island South of Toro Canyon (Located in SB County; Outside SOI). These two parcels total 80.7 acres located northwestern portion of the MWD service boundary surrounded by other served properties. The area is designated Mountainous within the unincorporated County. The area creates an island who can only be served by the MWD.



LAFCO Staff Recommendation. The SOI should include Study Area Eleven. Staff recommendation is to include Study Area Eleven that would allow the Montecito Water District to serve the parcels. The District is the only logical service provider and this would clean up an island territory.

SOI Study Area #12 – Carpinteria Valley Water Overlap (Located in SB County; Within SOI). These two parcels total 1.01 acres located along the shared boundary between MWD and CVWD. APNs 005-390-080 and 005-390-078. The property is developed with a residential single-family home and adjacent vacant lot.

The CVWD and MWD have infrastructure in the area. The CVWD currently provides water through their existing infrastructure. The customers are charges MWD water availability charges but not receiving benefits of the District. Both parcels are outside of the CVWD Sphere and service area.



LAFCO Staff Recommendation. The SOI should be reduced in Study Area Twelve. Staff recommendation is to retract Study Area Twelve within Montecito Water District service area and Sphere of Influence. The Carpinteria Valley Water District currently has infrastructure in the area and is currently providing service to the property and should remain the service provider. Otherwise, the two agencies would need to clear up customer billing records. This would clarify billing, avoid staff time for both agencies to true up water usage each month, accurately reflect MWD and CVWD service boundary, and provide clear messaging to the customers about water source and water related emergencies/notices as they arise. A negative Sphere of Influence in this area would suggest a future detachment should be considered. A reorganization between the MWD and CVWD to reflect accurate service area would be required.

BOUNDARIES

Jurisdictional Boundary

Montecito Water District's existing boundary spans approximately 15.4 square miles in size and covers 9,888 acres (parcels and public rights-of-ways) of contiguous areas with slightly more than one percent in City of Santa Barbara. Nearly 98.9% of the jurisdictional service boundary is unincorporated and under the land use authority of the County of Santa Barbara. The remaining portion of jurisdictional service lands, approximately 1.1% of the total is incorporated and under the land use authority of the City of Santa Barbara. The District serves one area outside of its jurisdictional service area under exchange agreements. Overall, there are 8,571 registered voters within the jurisdictional boundary.

Montecito Water District jurisdictional boundary spans 15.4 square miles with 98.9% being unincorporated and under the land use authority of the County of Santa Barbara. The remainder of the jurisdictional boundary lies within the City of Santa Barbara.

Montecito Water | Boundary Breakdown By Service Area

Service Area	Total Assessor Parcel Acres	% of Total Accessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
Montecito Water	9,300	93.5%	5,478	8,571
City of Santa Barbara	(103.5)	1.1%	(223)	TBD
Summerland	(505)	5.4%	(611)	(940)
Totals	9,300	100.0%	7,787	8,571

Montecito Water | Boundary Breakdown By Land Use Authority

Land Use Authority	Total Assessor Parcel Acres	% of Total Accessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
County of Santa Barbara	9,196.5	95.0%	5,255	8,571
City of Santa Barbara	103.5	5.0%	223	TBD
Totals	9,300	100.0%	5,478	8,571

Total assessed value (land and structure) is set at $16.0 billion as of April 2022, and translates to a per acre value ratio of $1.7 million. The former amount further represents a per capita value of $1.3 million based on the estimated service population of 11,769. Montecito Water District does not receive annual property tax revenue generated within its jurisdictional boundary, but rather operates entirely using water sales, water service charges, water surcharges, and water availability charges as operating revenue and groundwater sustainability fee, grant funding, and rental revenue as non-operating revenue. Montecito Water District receives $4.8 million dollars in annual charges for service and water availability in revenue generated within its jurisdictional boundary.

The jurisdictional boundary is currently divided into 5,748 legal parcels and spans 9,300 acres, with the remaining jurisdictional acreage consists of public right-of-ways. Approximately 91% of the parcel acreage is under private ownership with 85% having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage is entirely undeveloped and consists of approximately 491 vacant parcels that collectively total 1,283 acres.

Close to 91% of the jurisdictional boundary is under private ownership, and of this amount approximately 85% having been developed.

Montecito Water District
Formation, Revenues, Attributes, Types of Service, and Resources

District Formation and Duties	
Formation Date	1921
Legal Authority	County Water District Law, Water Code, section 30000 et seq.
Board of Directors	Five Directors elected to four-year terms through at-large elections.
Agency Duties	Provide water sales/treatment and distribution services for potable and recycled water to residential, commercial and agricultural customers

POPULATION AND GROWTH

Population

The U.S. Census Bureau estimated the 2020 population of Montecito to be 8,955. Santa Barbara County Association of Governments prepared a Regional Growth Forecast for 2010-2040 in 2012. The Forecast for 2050 in 2019 forecasted projects for the Cities while the 2012 report included unincorporated communities by sub regions. That report used a conservative trend-base allocation methodology estimating Santa Barbara unincorporated areas estimated at 78,320 population by 2020. Between 2010 and 2020, the population of Santa Barbara unincorporated area increased by 11,104 people (14.1 percent or 1.4 percent per year). However, Montecito Urban Water Management Plan 2020 estimated population and historic trends using a variety of methods because the district service area and census data boundary do not align or residents reside elsewhere. The District UWMP estimated 11,769 people by 2020.

Demographics for the Montecito are based on an age characteristic report by SBCAG in 2017 and American Community Survey. These statistics are cited herein, which identified the largest age group represented in Montecito as 35 to 54 group at 50.7 percent. Approximately 38.9 percent of

the population was in the 65 or older years age group. Approximately 10.4 percent of the residents were under the age of 18 group.

According to the 2020 U.S. Census, approximately 90.4 percent of the total population identified themselves as non-Hispanic white. The Hispanic population, which is the second largest ethnic group in Montecito, comprised 10.4 percent of the total population.

Projected Growth and Development

The County of Santa Barbara General Plan serves as the Community's vision for long-term land use, development and growth, and provides the community's vision within the Planning Area. The Community Plan was adopted in 1995, although the Housing Element is updated every 8 years in accordance with state regulations and spans the 2023-2031 planning period.

The current County of Santa Barbara Housing Element (2023-2031) identifies an estimated growth rate of less than 1 percent within Montecito. The County's General Plan covers the Montecito and surrounding areas. The following population projections within the City portion of overlapping service area are based on the Department of Finance Table E4 estimate and SBCAG regional forecast as a percentage of Santa Barbara unincorporated projections.

Table K-2. Population Growth and Projections (2010–2040)

	2010	2015	2020	2035*	2040*
Montecito Water District	11,292	11,370	11,769	12,250	12,730
County	423,895	441,963	451,840	501,500	513,300

* Assumes trend-based land use capacity within the City. SBCAG regional forecast model.
** DOF Table E4 projections.

Disadvantaged Unincorporated Communities

Senate Bill (SB) 244 of 2011 requires LAFCO to identify and consider disadvantaged unincorporated communities (DUCs) when preparing MSRs and Sphere updates for Cities and Special Districts that provide sewer, water, or structural fire protection services. A DUC is defined by the Water Code as one in which the median annual household income (MHI) is 80 percent of the statewide average. Incorporated communities also are defined as disadvantaged when the MHI falls below 80 percent. In 2022, the statewide MHI was $80,440, 80 percent of that is $64,352. The MHI for Montecito was $181,316 in 2022, which does not qualify the community as a disadvantaged community. In addition, review of the State DAC Mapping Tool and CalEnviroScreen 4.0 was used to verify disadvantaged status with other applications of the definition. CalEnviroScreen is a screening tool used to help identify communities disproportionately burdened by multiple sources of pollution and with population characteristics that make them more sensitive to pollution. The County prepared an update to its Integrated

Regional Water Management Plan in 2019. This was in part for the purposes of grants for the Central Coast Funding Area for which a disadvantaged communities' assessment was conducted based on requirements for water and wastewater needs or deficiency within a service area. The Environmental Protection Agency (EPA) has developed an Environmental Justice Screening and Mapping Tool Version 2.0 (EJScreen) that provides nationally consistent data combining environmental and demographic data related to the protection of public health and the environment. This Mapping Tool was evaluated for indicators to assist in identifying a disadvantaged community. Lastly, EPA has also developed an EnviroAtlas Interactive Map Tool in collaboration with EJScreen that overlays geospatial data and other resources related to ecosystem services, their chemical and non-chemical stressors, and human health to better understand human health and well-being, since these are closely tied to the environment, which provides benefits such as clean water, clean air, and protection from natural hazards. In combination a stronger representation of underserved communities can be identified that may be a leading indicator to health and well-being or precursor to DUC. In all cases, the Montecito Water District's Sphere of Influence does not qualify under the definition of disadvantaged community for the present and probable need for public facilities and services nor are the areas contiguous to the Sphere of Influence qualify as a disadvantaged community.

Montecito Water District
Formation, Revenues, Attributes, Types of Service, and Resources

Attributes	
District area (est. square miles): • Entire District	15.4
Population (2020 Census): • Entire District	11,769
Assessed Valuation (FY 21-22: District portion)	$16,065,736,078
Number of Treatment Plants	2
Regular Financial Audits	Annual
Annual Revenue Per Capita, Entire District (FY 20-21)	$2,201
Average Portion of County 1% Property Tax Received	N/A
Ending Total Fund Balance (June 2021)	$52,426,159
Change in Total Fund Balance (from June 2016 to June 2021)	50.8%
Total Fund Balance/Annual Revenue Total (FY 20-21)	202%

Source: District area estimated utilizing County of Santa Barbara GIS Data; Population estimated utilizing 2020 US Census Data; Assessed Valuation and Portion of County Property Tax Received are from County of Santa Barbara Auditor-Controller's Office; Fund Balance Information from District Audit; Other information from District.

SERVICES

Overview

Montecito Water District (MWD) operates and maintains two water treatment facilities (Bella Vista and Doulton Treatment Plants), nine pump stations, a surface water reservoir (Jameson Lake) and an associated State registered dam (Juncal Dam) on the upper Santa Ynez River, nine water storage tanks, six potable water production wells and six non-potable production wells, and over 114 miles of pipelines, valves and pressure regulators necessary to deliver water to its customers. Treated water is delivered and sold to approximately 4,633 residential, agricultural, institutional and commercial customers. The District is staffed by 28 full-time staff.

GROUNDWATER MANAGEMENT

Groundwater Sustainability Agency

In accordance with SGMA, the Montecito Groundwater Sustainability Agency (Montecito GSA) was formed in 2018 for the purpose of sustainably managing groundwater and developing a Groundwater Sustainability Plan (GSP) for the Montecito Groundwater Basin. DWR Basin No. 3-049 has been classified as a medium-priority basin, and thereby required to comply with SGMA by forming a groundwater sustainability agency (GSA) and adopt GSP or submit an alternative to a GSP. The District acts as the sole GSA for the areas of the Montecito Groundwater Basin (MGWB). The Agency Board has formed two advisory committees, the Stakeholder Advisory Committee and the Technical Advisory Committee, with the express goal of gaining public involvement.

Groundwater Sustainability Plans

The District is currently preparing a Groundwater Sustainability Plan which is expected to be completed by June 2023. The draft the Montecito Groundwater Basin (MGB) Groundwater Sustainability Plan (GSP) is organized into four major parts, as follows: Chapter 2: Basin Setting, Chapter 3: Sustainable Management Criteria, Chapter 4: Projects and Management Actions to Achieve Sustainability Goal, and Chapter 5: Implementation Plan. Chapter 1 is an Introduction section.

WATER INFRASTRUCTURE AND PUBLIC FACILITIES

Water Supply

All District potable water is treated to meet all federal and state drinking water standards. The Cachuma water supply and State Water Project water are treated by the City of Santa Barbara regional Cater Water Treatment Plant. This treated supply is then conveyed to the District via the USBR owned SCC transmission pipeline. The Jameson Lake water supply is treated at the District's Bella Vista and Doulton Water Treatment Plants. Groundwater for potable use is treated at each well site.

Jameson Lake

Between 1924 and 1930, the District completed the building of Juncal Dam to form Jameson Lake. Doulton Tunnel conveys water from the lake to the District's treatment and distribution system. This was the District's primary supply of water for decades, until the construction of Lake Cachuma.

Categorized as a "surface supply," Jameson Lake remains an important local source of water.

Doulton Tunnel

Doulton Tunnel is a 2.2-mile-long tunnel that conveys surface water from Jameson Lake through the Santa Ynez Mountains to the District's Bella Vista treatment plant.

Groundwater infiltration through Doulton Tunnel is a distinct and important source of water supply for the District. During consecutive years of normal rainfall, groundwater infiltration through the tunnel produces approximately 300-to-350-acre feet per year. This groundwater is commingled with surface water being conveyed from Jameson Lake, but is considered as a separate source. When no water is being delivered from Jameson Lake, groundwater infiltration continues to flow through the tunnel. In fact, the water needs of the District were entirely supplied from Doulton tunnel between 1924 and 1927, before it was holed through to meet the reservoir.

Groundwater pumped from District wells makes up 10-15% of our water supply portfolio (approximately 600 AFY), and is a local and reliable source of supply. MWD's monthly groundwater production varies, averaging about 50 AF per month. Groundwater supplies remain depleted from the extreme drought began in 2011. MWD forecasts that it will take several consecutive years of above average rainfall for the groundwater basin to recover.

Proper management of this essential resource is necessary and required in accordance with the State's Sustainable Groundwater Management Act (SGMA).

The Cachuma Project, completed in 1953, provides an important source of water to Montecito Water District and other south coast water purveyors. The federally owned facilities include Lake Cachuma (an open surface water reservoir), Bradbury Dam, related infrastructure, and conveyance pipelines.

Water from the Santa Ynez Rivershed is impounded in Lake Cachuma by Bradbury Dam, and this is categorized as a "Surface Supply." The Cachuma Project can provide more than 50% of the District's consumption in average or above-average rainfall years when full allocations are received.

The Cachuma Project also receives, stores, and delivers State Water Project Allocations and Supplemental Water Purchases.

The California State Water Project (SWP) is a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants extending more than 700 miles—two-thirds the length of California. Planned, constructed, and operated by the Department of Water Resources, the SWP is the nation's largest state-built, multi-purpose, user-financed water project. It supplies water to more than 27 million people in northern California, the Bay Area, the San Joaquin Valley, the Central Coast, and Southern California. SWP water also irrigates about 750,000 acres of farmland, mainly in the San Joaquin Valley.

Popular vote approved the construction of the State Water Project Coastal Branch Aqueduct following a serious drought between 1987 and 1991. Deliveries of State Water to Montecito began in 1999. In some drought years, MWD has relied on the SWP and its facilities for imported water to meet more than 80% of customer demand.

MWD has relied heavily on Supplemental Water purchases from other agencies and private entities when local surface supplies are depleted or State Water Project (SWP) allocations are reduced.

For example, in 2018, MWD purchased 2,800 AF of supplemental water. This allows them to continue maximizing deliveries from San Luis Reservoir to Lake Cachuma, using pipeline capacity that otherwise would not be filled since State Water allocations are reduced.

Supplemental water purchases that remain stored in distant reservoirs year to year may be at risk of spill and/or evaporation. In 2017, MWD initiated a regional groundwater banking program with Semitropic Water Storage District which allows them to store surplus SWP water and other supplemental water purchased without risk of spill or evaporation. This protects these purchases and improves water supply reliability. Currently, MWD has 1,800 AF stored in the Semitropic Groundwater Banking and Exchange program. This water can be accessed in the future if/when needed.

A Potential Source

The District's Urban Water Management Plan (UWMP) specifies the development of local, reliable water supplies could be one component of a well-diversified water supply portfolio.

The City of Santa Barbara's Charles D. Meyer Desalination Facility

Originally constructed in 1991 in response to the water supply crisis that occurred in the late 1980s, the plant operated for only five months. In 1992 abundant rainfall relieved the drought condition and the plant was put on stand-by and eventually decommissioned. MWD and Goleta Water District were initial investors in the plant and held five-year contracts which neither were renewed. In 2016, the plant was reactivated to mitigate the drought crisis and to provide long-

term water supplies in the region. The City has incorporated this supply into its long-range planning as a permanent water source.

Recycled Water is a potential new source for the District which would extend drinking water supplies, enhance water supply reliability, and reduce reliance on imported water supplies.

The District's Urban Water Management plan (2020) identified Recycled Water as a long-term local reliable supply and projects the District may add 1,000-acre feet to its annual water portfolio by 2025.

A comprehensive Recycled Water Feasibility Plan (RWFP) was completed in late 2018. It was funded in half by a grant the District applied for and received from the State Water Resources Control Board, and identified potentially viable water reuse projects. The top recommended recycled water project was non-potable reuse (NPR) for large irrigation users with the option of indirect potable reuse (IPR) pending a hydrogeologic investigation of the Montecito Groundwater Basin.

In January, 2019, MWD's Board voted unanimously in favor of the additional technical studies required to move forward with recommended projects from the RWFP.

In February, 2019, MWD's Strategic Planning Committee began meeting jointly with Montecito Sanitary District's Administration and Operations Committee.

In September, 2019, MWD's Board adopted Resolution 2187 regarding a Joint Recycled Water Pilot Project in Montecito.

In October, 2019, results from a Groundwater Augmentation Feasibility Study indicated limited potential for an Indirect Potable Reuse Project (groundwater injection).

In November, 2019, MWD's Board adopted Resolution 2189, further refining its plan for recycled water.

MWD and the City of Santa Barbara have agreed to a Long-Term Water Supply Agreement to provide a structure for ongoing regional collaboration on water supply. 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. While this is typically discussed in the context of purchasing delivery from the City of Santa Barbara's newly recommissioned Charles D. Meyer Desalination Facility, the City could fulfill the delivery from a different source.

MWD and MSD are currently collaborating on an enhanced recycled water feasibility study to evaluate four reuse projects, with particular focus on potable reuse. This enhanced study is in

response to nearly released state guidelines on potable reuse. The study is projected to be completed by the end of 2022.

Recycled Water Available for Delivery

Eligible property owners within Montecito Water District's service area can participate in Goleta Water District's Recycled Water Hauling Program to have recycled water delivered and applied to their landscape.

Treatment System

The Bella Vista Treatment Plant and its smaller companion, the Doulton Treatment Plant, were completed in 1993 and serve the District exclusively. Jameson Lake water supply is treated at the Bella Vista and Doulton Water Treatment Plants. The 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 intrusion. The Bella Vista Treatment Plant went into service in 1994 and provides up to 30% of the District's potable water supply during normal 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 section of the District's customers located on upper Toro Canyon Road.

Upgrades were made to the Bella Vista water treatment plant to reduce the potential for the development of disinfection byproducts (DBPs) in the future. These upgrades will make the District more resilient to future wildfire impacts. The District implemented a treatment improvement project at its Bella Vista water treatment facility to respond to the increased presence of ash and other debris that react during the treatment process. Deliveries from Jameson Lake were 983 and 991 AF in 2019 and 2020, respectively.

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

The Cater Water Treatment Plant has a production capacity of 37 MGD and is owned and operated by the City of Santa Barbara. The City of Santa Barbara and the Montecito and Carpinteria Valley Water Districts jointly participate in the Cater Treatment Plant. The District has a 20 percent interest in the Cater facility.

The William B. Cater Water Treatment Plant treats raw water received from Lakes Gibraltar and Cachuma to drinking water standards, producing more treated water than any other source within the South Coast water system. It provides the City of Santa Barbara with the majority of its drinking water while also supplying treated water to the Districts of Montecito Water, Carpinteria Valley Water, Goleta Water, and La Cumbre Water.

The plant employs a conventional treatment process of coagulation, flocculation, sedimentation, and filtration to treat up to 37 million gallons of water per day (mgd). Constructed in 1964 with an original capacity of 10 mgd, it is the oldest treatment plant within the South Coast water system. In 1981, addition of five new filters increased water production to the plant's present capacity.

Over the past 40 years, drinking water regulations have become more stringent while various components within the plant have worn out or become obsolete. Though challenged by these circumstances, plant staff consistently produced a safe and reliable drinking water supply for the citizens they serve. Improvements completed in 2004 are one step in a series of upgrades that allow the William B. Cater Water Treatment Plant to continue to provide a reliable source of treated water that meets increasingly more stringent regulatory requirements for the foreseeable future.

In May 2017, the Charles E. Meyer Desalination Plant began treating water. A lot has changed in desalination technology since the plant was built in 1991.

The reactivated plant…

- Uses 40 percent less energy than the original design, greatly reducing its electricity demand and carbon footprint, by using high-efficiency pumps, motors, and improved filter technology.
- Uses ocean intake pipes equipped with wedge wire screens recognized by the State Water Resources Control Board as a best available technology for screened open ocean intakes. The screens are made of durable copper-nickel alloy and have one-millimeter openings to minimize marine life entrapment and impingement.

Distribution

The distribution system is complex due to the geographical features of the area and its semi-arid climate. The major features of this system, including the SWP South Coast Conduit, Doulton tunnel, reservoirs, conduits, treatment plants, groundwater wells, storage tanks, and pipelines. The District built Juncal Dam, the 2-1/4-mile long Doulton tunnel through the Santa Ynez coastal range, and 50 miles of distribution pipelines within its service boundary. The majority of the District's potable water distribution system was designed and operated as gravity-fed system with a series of pressure regulating stations. The hydraulic grade line of the SCC was below the operational grade line of District's storage reservoirs which required the construction of pump

stations at the SCC turnouts to boost water into the District's distribution system. Currently, the District's potable water treatment and distribution system is comprised of two surface water treatment plants, nine storage reservoirs, approximately 114 miles of pipeline, nine pumping stations, six potable water production wells and six non-potable production wells. Much of MWD's potable water distribution system dates from the late 1920s to the late 1940s. MWD's distribution system was severely affected during the January 9, 2018, debris flows resulting from heavy rains on recently fire-affected hillsides in the service area. Damage primarily consisted of water distribution pipelines, fire hydrants, and water services which have since been repaired.

Recycled Water

The Montecito Water District does not currently use any recycled water but is pursuing options for recycled water supplies. The District completed a Recycled Water Feasibility Plan in 2018, which was funded in part by the State Water Resources Control Board Water Recycling Funding Program grant. In 2019, the District began discussions with MSD to further explore options. The District is also monitoring the evolving regulations around direct potable reuse (DPR) to ensure the selected recycled water project is the best long-term solution for the community. At this time, it is difficult to estimate future recycled water deliveries given the uncertainty of future regulations, possibilities for regional cooperation, and technical limitations such as required brine flow rates. For the purposes of the 2020 UWMP, the District assumes 500 AFY of recycled water supply starting in 2030. The 2030 timeline allows for the release of DPR regulations from the state and further study of recycled water project options. The District and Montecito Sanitary District are currently collaborating on an enhanced recycled water feasibility study to evaluate four reuse projects, with particular focus on potable reuse. This enhanced study is in response to nearly released state guidelines on potable reuse. The study is projected to be completed by the end of 2022.

At least 920 parcels are served by septic tanks, including a significant portion of residents in the Toro Canyon area. Conversion of septic units to one of the wastewater collection and treatment systems will increase the overall wastewater volume and potential recycled water supplies.

Stormwater

The District does not consider stormwater a quantifiable source of water supply to the District, Due to hydrogeologic, available land, treatment challenges, high cost, and other limitations, it is not expected to provide a measurable amount of water over the planning horizon.

Types of Services	
Collection	-
Treatment	X
Disposal	-
Recycled	X
Other*	X

* note other includes groundwater management

Montecito Water District
Formation, Revenues, Attributes, Types of Service, and Resources

Treatment Plant, Tanks & Booster Stations			
Address	Acquired/Built	Condition	Size/Capacity
2750 Bella Vista -Treatment, Santa Barbara	1992	Good	4,400 sqft on 5.5 acres 2.2 MGD 1,800 gpm
1075 Toro Canyon -Doulton Water Treatment, Santa Barbara	1992	Good	800 sqft on 42 acres 0.15 MGD 105 gpm
South Coast Conduit (9 MWD turnouts)		Good	8,200 gpm
Groundwater Wells		Good	580 gpm
Terminal, storage		Good	2.94 MG
Cold Springs, storage		Good	0.91 MG
Hot Springs, storage		Good	0.81 MG
Park Lane, storage		Good	1.13 MG
Romero, storage		Good	0.82 MG
Buena Vista, storage		Good	0.78 MG
Bella Vista, storage		Good	2.13 MG
Toro Canyon, storage		Good	0.73 MG
Doulton, storage		Good	0.20 MG
Ortega, storage		Good	12.36 MG
Barker Pass Pump Station, 585 Barker Pass Road		Good	125 hp, 900 gpm
Office Pump Station, 583 San Ysidro Road		Good	2 x 60 hp, 1,850 gpm
East Valley Pump Station, 2297 East Valley Road		Good	2 x 100 hp, 2,050 gpm
Ortega Ridge Pump Station, 484 Ortega Ridge Road		Good	120 hp, 1,000 gpm
Mountain Drive Pump Station, 495 East Mountain Drive		Good	160hp, 1,500 gpm

Romero Pump Station LP, 777 Romero Canyon Road		Good	150 hp, 625 gpm
Romero Pump Station HP, 777 Romero Canyon Road		Good	125 hp, 210 gpm
Buell Pump Station, APN: 155-090-024		Good	10 hp, 72 gpm
Bella Vista Pump Station, 2750 Bella Vista		Good	17.5 hp, 200 gpm
Doulton Pump Station, 1275 Toro Canyon Road		Good	2 x 10 hp, 320 gpm

Connections		
Type	**# of Acct**	**% of Total**
Single-Family	4,251	91.9%
Multi-Family	66	1.4%
Commercial/Institutional	266	5.7%
Non-Potable (golf course)	8	<0.1%
Agricultural	42	0.9%

Total Staffing		
	Personnel	Per 1,000 population
Full time Treatment Operators	9	0.76
Emergency Operators	9	0.76
Administrative Personnel	3	0.25
Other District Staff (incl. other Operators)	16	1.35

Montecito Water has a total of 28 permanent full-time employees.

Staffing Experience/Tenure (average)		
	Years in Industry	Year w/ District
General Manager (1)	n/a	7
Asst GM/Engineering Manager (1)	n/a	6
Treatment Chief Operator (1)	n/a	21
Treatment Superintendent (1)	n/a	21
Operator II (2)	n/a	29
Control System Tech (1)	n/a	17
Distribution Superintendent (1)	n/a	21
Operator III (3)	n/a	25
Operator II (4)	n/a	9.25
Fleet Tech/ Operator I (1)	n/a	12
Engineering Assistant (2)	n/a	3
Water Conservation Specialist (1)	n/a	16
Groundwater Specialist (1)	n/a	3
Dam Caretaker (1)	n/a	5
Business Manager (1)	n/a	1
Financial Analysis (1)	n/a	1
Public Information Officer (1)	n/a	6
Administrative Assistant (1)	n/a	1
Administrative Personnel (3)	n/a	1

Water Capacity

The Montecito Water service area's maximum daily capacity of water to the Treatment Facilities for treatment and distribution is delivered from all sources is 3.1 million gallons per day. Additional deliveries from the City of Santa Barbra Cater facility of 37 million gallons per day.

Montecito Water has a permitted treatment capacity at the Bella Vista Treatment plant of 2.2 MG per day, Doulton Treatment Plant, a secondary 0.15 MG per day, and the Cater Water Treatment Plant has a production capacity of 37 MGD which is owned and operated by the City of Santa Barbara. The District also produces up to approximately 50 AF per month of groundwater. The capacities of each are shown in the table below.

Name	Capacity (gpm)
Bella Vista Treatment Plant	1,800
Doulton Treatment Plant	105
South Coast Conduit (9 MWD turnouts)	8,200
Groundwater Wells	580
Total	**10,685**

System Demands

Montecito Water service area's water demand in 2020 generated for treatment and distribution 1,463 million gallons per year, or 4,492 afy. It also translates to an estimated 318 gallons per capita per day (excluding non-potable and agricultural use); it also translates to 860 gallons per day per service connection.

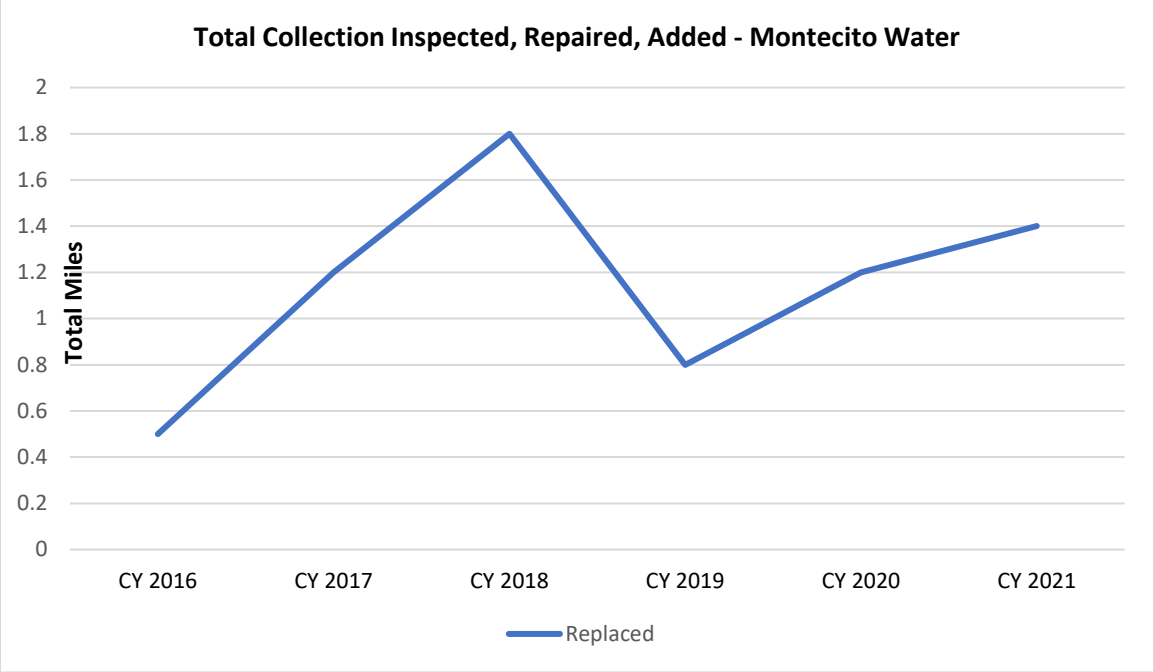
The estimated average annual water generated during the report period among Montecito Water users in the service area has been 1.4 billion gallons per year.

Service Performance

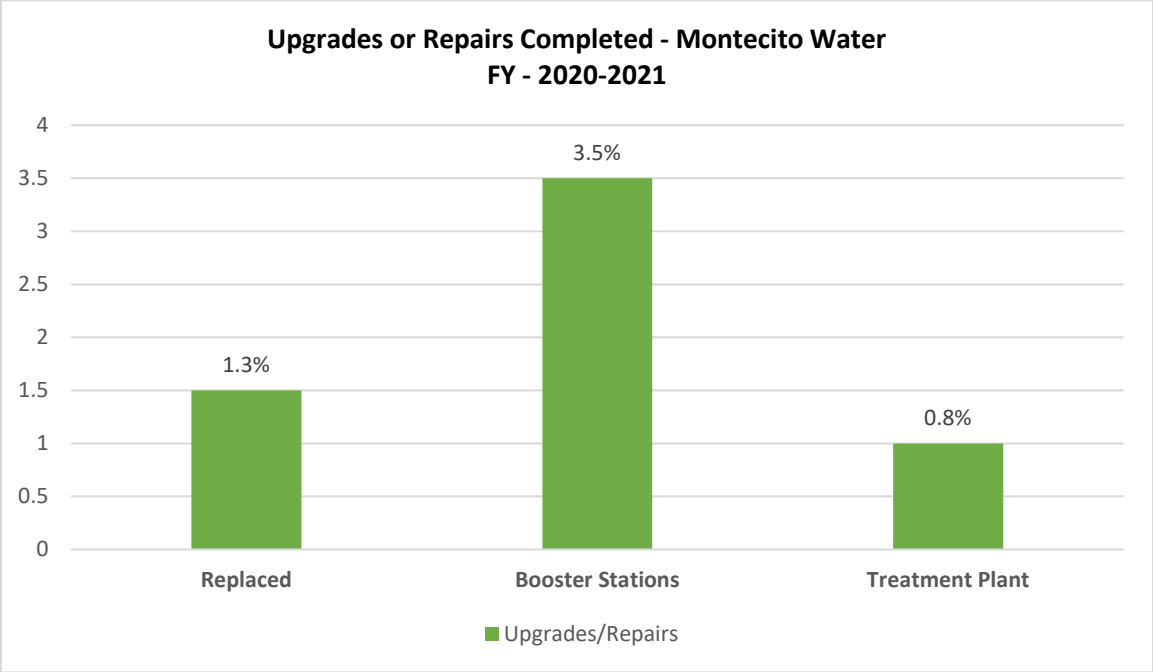
Montecito Water service area's average annual water demand generated during 2020 for subsequent treatment and distribution was 4,492 afy. Of this amount, it is estimated by LAFCO this represents 26% of permitted supplies. The District estimated supplies and demands over the next 5 years assuming the next 5 years are as dry as the 2012-2016 drought. The results indicate that the District does not have sufficient supplies to meet unconstrained demands without implementing WSCP actions during four out of five years of the simulated drought. A Stage 1 Water Shortage Condition, as described in the District's Water Shortage Contingency Plan in the following chapter, is necessary for the first year and third years of the drought, and the more serious Stage 2 Water Shortage Condition would be invoked in the last two years of drought.

LAFCO estimates Montecito Water is presently operating at 26% capacity within its service area. (This estimate includes service agreements outside of its service boundary.

Montecito Water District
Formation, Revenues, Attributes, Types of Service, and Resources



Source: MWD Data.
Note: Information is for the entire District. Also, this table tabulates miles of replaced.



Source: MWD Data.
Note: Information is for the entire District.

The Montecito Water provides water services to its constituents directly and plans for them in various planning documents, including the Future Water Demand and Supply Options, 2020 Urban Water Management Plan, Capital Improvement Plan, Recycled Water Feasibility Study, and Strategic Plan prepared in 2022. The County's Montecito Community Plan, which was last updated in 1995, contains a Land Use, Public Facility, and Resource Constraints.

MWD Snapshot: FY2022	
Planning Reports	Year Updated
Community Plan	1995
Joint Powers Agreements	N/A
GSP	2023
UWMP	2020
5-Yr Strategic Plan	2022
Capital Improvement Plan	annually
Demand/Supply Options	2020
Rate Study	2020
Recycled Water Study	2022
Climate Plan	N/A

FINANCES

The District prepares an annual budget and financial statement, which includes details for each of its government and capital project and replacement funds. The District maintains a separate capital fund for replacement needs, meaning that charges for services are intended to pay for the costs of providing such services. MWD received $23,617.88 from the State Water Resources Control Board "water Arrearage Program" for customer accounts in arrears from March 2020 through June 2021. A total of $22,929.98 was applied to customer accounts and $687.90 was used to cover MWD administrative costs.

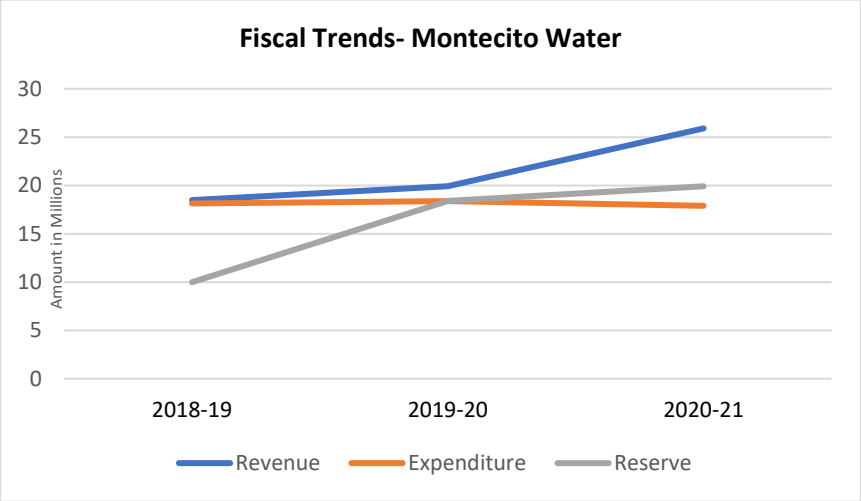
District Revenues	2019-2020		2020-2021	
	Amount	% of Total	Amount	% of Total
Water Sales	$9,317,500	46.8%	$19,065,915	73.6%
Charges for services	$4,276,307	21.5%	$4,486,101	17.3%
Surcharges	$5,753,179	28.9%	$306,330	1.2%
Rental Income	$42,785	0.2%	$43,905	0.2%
Investment income	$192,392	0.9%	$31,515	0.1%
Groundwater Sustainability fees	$0	0%	$1,002,486	3.9%
Grants	$0	0%	$286,330	1.1%
Other operating revenues	$135,111	0.7%	$334,142	1.3%
Other non-operating revenues	$209,752	1.0%	$347,972	1.3%
Revenue total	$19,927,026	100.0%	$25,904,696	100.0%

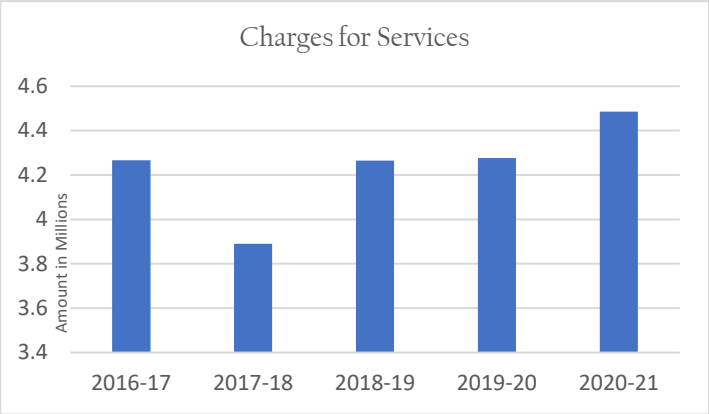
Source: Montecito Water, Financial Statements, June 30, 2020 and 2021, Statement of Revenues, Expenditures and Changes in Fund Balances – All Fund types.

Fiscal Indicators

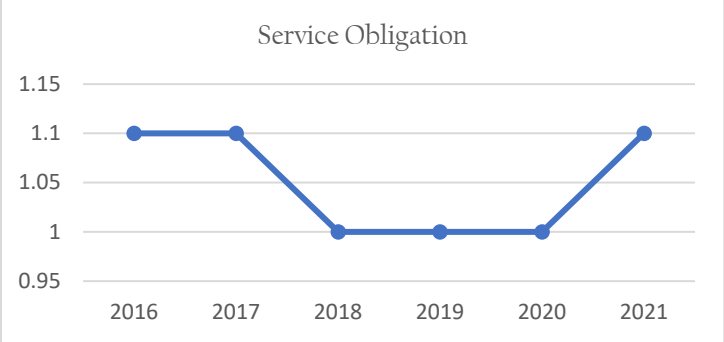
Select fiscal indicators are shown graphically below. Over the past three fiscal years, the District's expenditures relatively flat in comparison to its revenues. The District's reserve balances have sufficient funds to absorb relatively small revenue imbalances. The line graph below shows the current financial trend in millions. These indicators provide a measurement of the agency's financial condition over time.

MONTECITO WATER





This indicator addresses the extent to which charges for service covered expenses. Charges for Services is the primary funding source for Water Districts. Represented below a ratio of one or higher indicates that the service is self-supporting.



A Service Obligation ratio of one or more indicates if revenues were sufficient to pay for operations. It is calculated by operating revenues divided by operating expenditures.

Fiscal Year	Operating Revenues	Operating Expenditures	Ratio
2016	$ 20,255,716	$ 18,405,473	1.1
2017	$ 18,753,778	$ 15,922,692	1.1
2018	$ 18,794,431	$ 17,183,831	1.0
2019	$ 18,484,264	$ 18,149,093	1.0
2020	$ 19,927,026	$ 18,381,215	1.0
2021	$ 25,904,696	$ 17,892,820	1.4

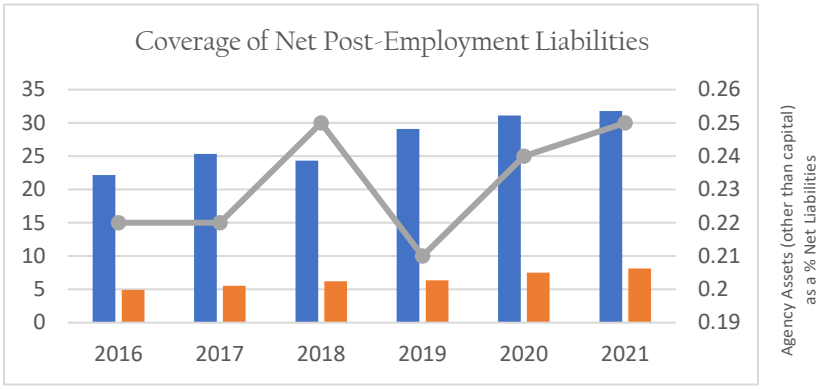
Post-Employment Liabilities

The two charts below identify the funding status and asset coverage of the pension and OPEB plans.

Pension	2018	2019	2020	2021	Trend
Funded ratio (plan assets as a % of plan liabilities)	75.5%	76.8%	75.6%	74.2%	
Net liability, pension (plan liabilities - plan assets)	$ 4,469,835	$ 4,401,585	$ 4,845,784	$ 5,286,724	→

Other Post-Employment Benefits (OPEB)	
Funded ratio (plan assets as a % of plan liabilities)	2020 year of OPEB reporting: 0%
Net liability, OPEB (plan liabilities - plan assets)	$ 2,868,492

The net liability amounts are essentially unfunded liabilities of the agency. The figure below shows if the agency has enough assets (other than capital) to cover the liabilities. A declining trend indicates liabilities continuing to exceed agency assets.



	2016	2017	2018	2019	2020	2021
Agency Assets (other than capital)	$22,193,269	$25,342,382	$24,338,864	$29,102,225	$31,090,727	$31,783,394
Net Liabilities (pension & OPEB)	$4,924,294	$5,564,686	$6,211,192	$6,341,718	$7,526,962	$8,155,216

Pension Obligations and Payments

The District provides retirement benefits through the California Public Employees Retirement System (CalPERS). All qualified employees are required to participate in the District's, "The Plan". CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law. The District's net pension liability recognized on the balance sheet at June 30, 2021, was $5,286,724 as compared to $4,845,784 at June 30, 2020.

Deferred Compensation Plan

The District offers its employees either a CalPERS deferred compensation plan and/or Lincoln Financial Plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred, all property and the rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries. As of June 30, 2021, ten employees were participating in the CalPERS plan and eight employees participate in the Lincoln Financial plan.

OPEB Obligations and Payments

The District has adopted a pay-as-you-go basis for funding retiree medical benefits. The District provides health insurance benefits through the Association of California Water Agencies (ACWA/JPIA), Blue Cross plan and Kaiser Permanente (small business plan) to some employees who retire. The medical, dental, and vision benefits are paid for life for retiring employees that were hired on or before May 16, 2013. For employees hired after May 16, 2013, the District will not provide group medical, vision care, and dental health insurance plans after their retirement.

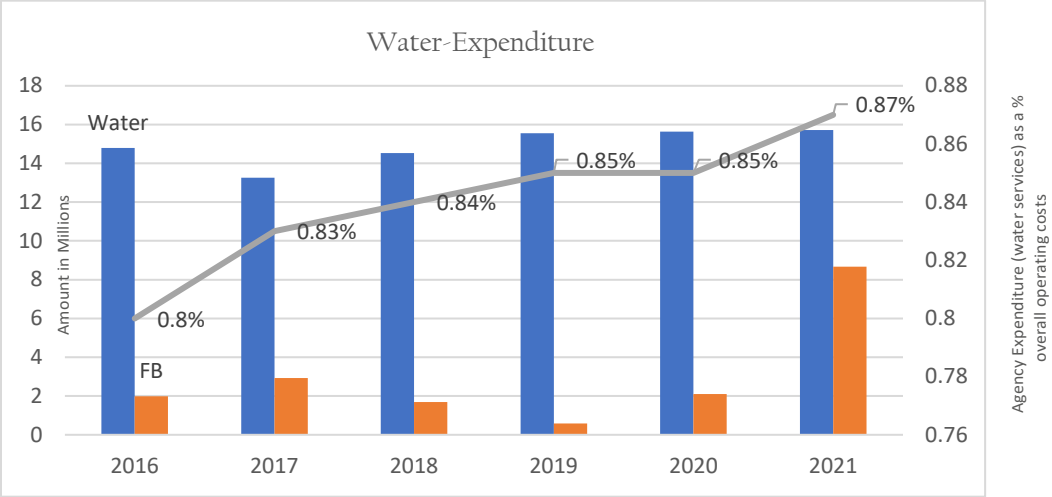
The spouse of an eligible retiree is also eligible to receive benefits from this plan, and benefits continue for the lifetime of the spouse. As of the June 30, 2020, measurement date, the following current and former employees were covered by the benefit terms under the plan:

- Retired employees – 10
- Active employees – 27

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2021, the District's contributions totaling $64,205 in current year premium payments.

Enterprise Funding

The District budget includes water services for direct and indirect Funds. In FY 2020/2021, the District's actual budget direct expense for JPA was $7,839,106 and direct expenses was $3,175,133. Indirect expenses were $6,255,651. The District decreased these to $7,560,583 (JPA), $3,270,214 (direct), and indirect expenses increased to $9,262,118 for FY 2021/2022. The following chart shows a six-year trend. The graph below shows the current financial trend in millions. This indicator provides a measurement of the agency's expenditure over time.



Asset Maintenance and Repair

The District's budget includes improvement budgeting to maintain and repair District equipment, including vehicles and heavy machinery such as backhoes and dump trucks along with repairs to transmission and distribution system. In FY 2020/2021, the District budgeted $2,090,583 and increased that to $4,540,000 for FY 2021/2022 and in FY 22-23 total expenditures for equipment capital replacement were $4,509,000.

Capital Improvements

The District has a 10-year capital improvement plan (CIP) that guides annual CIP budgets. The 10-year CIP includes infrastructure improvements for all District assets including pipelines, reservoirs, pump stations, groundwater wells, equipment, Jameson Lake and Juncal Dam assets,

and extraordinary projects. The FY 22-23 Summary includes a list of major improvements including the following:

Projects Budgeted or Estimated 2022 to 2023

- Ennisbrook 5 Updates (VFD, storage, cl analyzer) $20,000
- Barker Pass Generator Grant Match (25%) $150,000
- Emergency Operations Center/Shop Area Design $150,000
- Bella Vista Storage Building $50,000
- Replace Office Generator (requesting additional budget of $27k) $110,000
- Alder Creek Flume (FEMA 6.25% match) (Approved 12/15/20) $100,000
- Smart Metering Program Implementation (Approved 8/25/20) $280,000
- ASADRA Reservoir Replacement/Retrofit Project (Approved 3/23/21) $90,000
- Monte Cristo and Channel Drive Water Main Replacements $480,000
- Buena Vista Water Main Replacement $500,000
- San Ysidro Roundabout Water Main Replacement $170,000
- US101 Crossing Abandonments (Miramar and Olive Mill) $75,000
- US101 Segment 4C Crossing Construction Phase $700,000
- Ortega Reservoir Cleaning & Repairs (CVWD split 50%) $140,000
- Reservoir Mixers Doulton and Cold Springs $36,000
- Doulton Pump and Motor Replacements $120,000
- Bella Vista Treatment Plant Improvements $250,000
- Doulton Treatment Plant Improvements $115,000
- Office and Romero PLC Replacements $28,000
- Doulton Generator Site Work $40,000
- Ennisbrook 2 Backwash Recycling System $90,000
- Juncal Dam Emergency Release Valve Rehabilitation Project $500,000
- Barker Pass Pump Station Improvements (meter, vault, site) $80,000
- Asphalt and Valve Repairs in County Roadways $50,000
- Pressure Regulator Repairs $50,000
- Alder Creek Modeling $70,000
- Office Servers Replacement $35,000

- Office Demonstration Garden $30,000

Long-term Liabilities and Debts

In December 2003, the District entered into a direct borrowing loan agreement, along with Carpentaria Valley Water District, with the Department of Water Resources (DWR) for a loan of 10,840,000, which was increased to $19,900,000 in July 2006. The District's share of this loan is 50% of the total amount, which is a total of $9,950,000 The District pledged its water sales revenue as collateral to secure the loan and those revenues will be used to pay all outstanding debt principal and interest in the event of a default. The proceeds from this loan were being used to refinance the construction of a roof on the Ortega Reservoir. California Bank & Trust is the fiscal agent responsible for acting as trustee for the loan repayment with semi-annual payments of $295,210 including principal and interest at an annual rate of 2.5132% The District was required to fund its share of a reserve fund equal to two semi-annual payments. The funds are to be accumulated within a ten-year period and be held by a trustee. In fiscal year 2021, the District paid off this loan early in full.

In 1998, $13,690,000 of Series 1998A revenue certificates of participation were issued. Payments of interest only were due through fiscal year 2014. Annual principal payments of $340,000 to $1,290,000 plus interest were due for the years ending June 30, 2014, through June 30, 2027, with a true interest cost of 5.37% over the life of the bonds. On April 8, 2010, the District refinanced the 1998 COPs with the 2010A COPS.

In 2010, $13,360,000 of Series 2010A Refunding Revenue Certificates of Participation were issued for the purpose of refinancing the Series 1998A Revenue Certificates of Participation. Scheduled annual interest payments are $690,463 for the years ending June 30, 2010, through June 30, 2022. Annual principal payments of $1,385,004 to $1,990,000 plus interest are due beginning in fiscal year 2023 and ending in fiscal year 2030 with a true interest cost of 5.25% over the life of the bonds. On September 9, 2020, the District refinanced the 2010A COPS with the 2020 COP Refunding Bonds.

On September 9, 2020, the District took advantage of the decline in interest rates and the funding received from the legal settlement to refinance (defease) its DWR – Ortega Loan and the 2010A Refunding Revenue Certificates of Participation Bonds with a new $11,390,000/ 2020 Certificate of Participation Refunding Bonds debt offering. The District achieved a net present value savings from the defeasance of $3,302,335. These bonds mature in various amounts through July 1, 2029. Principal and interest are payable annually on July 1 at rates ranging from 4.00% to 5.00%.

On June 4, 1991, the voters of the District approved participation in the California State Water Project (WP). As a result, the District joined in the formation of the Central Coast Water Authority (CCWA) in September 1991. The purpose of the CCWA is to provide for the financing,

construction, operation and maintenance of certain local (non-state owned) facilities required to deliver water from the SWP to certain water purveyors and users in Santa Barbara County. Each Santa Barbara County State Water Project participant, including the District, has entered into a Water Supply Agreement in order to provide for the development, financing, construction, operation and maintenance of the CCWA Project. The projected required costs of State water Project for the District do not reflect the effects of prepayments and credits held at CCWA. The prepayments and credits lower the future of payments to CCWA for the State water Project. Estimates of the District's share of the project fixed costs of the State Water Project (SWP) are provided annually by the State. The estimates are subject to future increases or decreases resulting from changes in planned facilities, refinements in cost estimates and inflation. During the next five years and thereafter, payments under the State Water Contract, exclusive of variable power costs, *are currently* estimated by the State and CCWA to be as follows:

- 2022 $3,630,599
- 2023 $4,033,497
- 2024 $4,038,457
- 2025 $4,126,616
- 2026 $4,067,863
- Thereafter $40,959,436

On June 24, 2020, the District approved the Montecito GSA Groundwater Sustainability Fee to develop and implement the GSP. The fee is based on customer parcel-size and is designed to equitably recover costs of the GSA while ensuring that the benefit received from sustainable management of the Montecito Groundwater Basin is proportional to the fees paid. The fee is scheduled for five-years beginning in the fiscal year ending June 30, 2021. The District is also receiving state grant funding to support the required preparation of the GSP.

Opportunities for Shared Facilities

The District has an existing exchange agreement and JPA with the City of Santa Barbara. The Montecito Water District currently is collaborating with the Montecito Sanitary District to study the possible addition of recycled water supply to the MWD supply portfolio. Otherwise, the District does not currently share facilities or services with other agencies, nor have any opportunities to do so have been identified by staff or in the preparation of this report.

Rate Structure

Water rates for the District were last updated and adopted by the Board of Directors in June 2020. The rates are based on a 2020 Cost of Services and Rate Study prepared by Raftelis Financial Consultants, Inc. and undergo periodic review and adjustment, per District policy.

Water Fees (Effective July 1, 2022)

A. Meter Charges (represents share of capital costs) per month

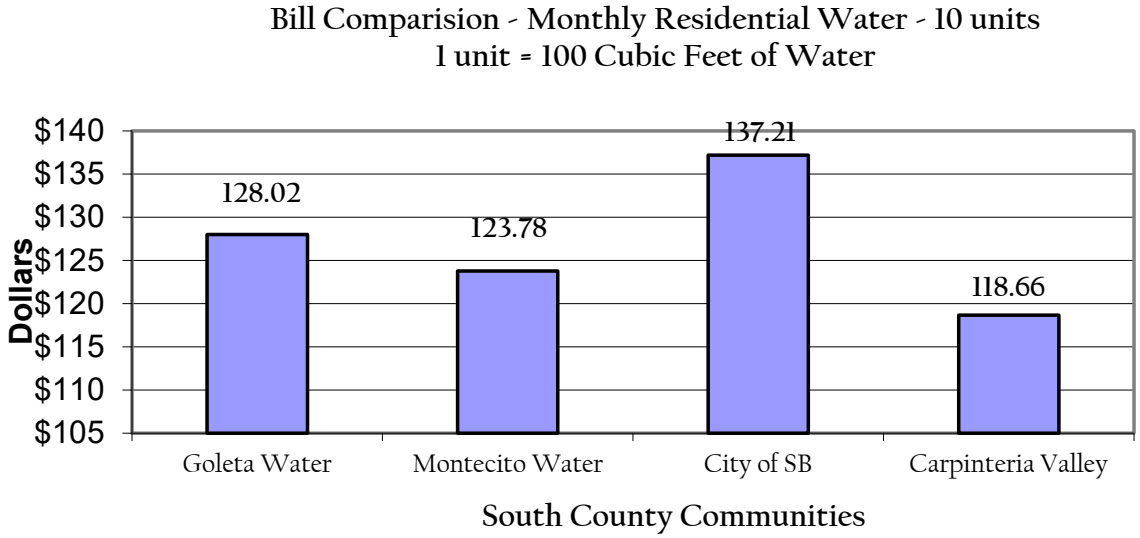
Residential – ranges from $49.53 per ¾" meter to $3,431.36 per 6" meter. Private Fire Charges - $20.46 per 2" meter to $571.69 per 8" meter.

B. User Fee per Month

Residential Tier Rates*

Residential	$/HCF
Tier 1 (9 HCF)	$6.94
Tier 2 (10-35 HCF)	$11.79
Tier 3 (36+ HCF)	$13.02
Commercial	$10.18
Institutional	$11.19
Agriculture	$5.82
Non-Potable	$1.92

Figures K-4 shows a rate comparison for five South County Communities. The following charts show the comparison of one City and three water Districts. Overall, Montecito Water, water rates for residential customers are slightly **lower** than other communities in the South County area. The charts are based upon a sample billing using "10 units" as a basis.



ORGANIZATION

Governance

Montecito Water District's governance authority is established under the County Water District Law of 1913 ("principal act") and codified under Water Code Sections 30000. This principal act empowers Montecito Water to provide a moderate range of municipal services. A list comparing active and latent powers follows.

Active Service Powers	Latent Service Powers
- Water	Sewer/Wastewater
- Recycled Water	Fire Protection
- Groundwater Management	Recreation Facilities
- Stormwater	Garbage/Refuse

Governance of Montecito Water District is independently provided through its five-member Board of Directors that are elected at-large to staggered four-year terms. The District meets the fourth Tuesday of every month (third Tuesday in November and December due to holidays) at District Board Room located at 583 San Ysidro Road at 9:30 am. A current listing of Board of Directors along with respective backgrounds follows.

Montecito Water | Current Governing Board Roster

Member	Position	Background	Years on District
Tobe Plough	President	Management Consultant	6
Ken Coates	Vice President	Finance	4
Cori Hayman	Director	Attorney	4
Brian Goebel	Director	Attorney	4
Floyd Wicks	Director	Water Consultant	6

Website Transparency

The table, on the next page, is not an exhaustive inventory of website criteria required under current law. Rather, it identifies key components, required by the Government Code and/or recommended by the California Special Districts Association and other organizations, for websites to enhance transparency and accountability.

Government Code Sections 54954.2 and 54957.5 require agencies to post all agendas 72 hours in advance on their websites. Government Code Section 6253 requires that agencies post content most requested by constituents and most often requested via Public Record Act requests. Because of the difficulty for LAFCO staff to verify this information, these criteria are not included in the

website checklist. However, agencies should address these criteria to comply with current website requirements.

Montecito Water District Website Checklist website accessed 7/25/22 http://www.montecitowater.com			
Required			
		Yes	***No***
Government Code §53087.8	Agency maintains a website with current contact information? *(required for independent Special Districts by 1/1/2020)*	X	
Government Code §6270.5	Agency has created an Enterprise System Catalog and posted it to website?	X	
Government Code §54954.2	Agency has current agenda posted to website homepage and is accessible through a prominent, direct link?	X	
Government Code §53908	Agency's website provides information on compensation of elected officials, officers and employees or has link to State Controller's Government Compensation website?	X	
The following criteria are recommended for agency websites by a number of governance associations and organizations.			
		Yes	***No***
Description of services?		X	
Service area map?		X	
Board meeting schedule?		X	
Budgets (past 3 years)?		X	
Audits (past 3 years)?		X	
List of elected officials and terms of office?		X	
List of key agency staff with contact information?		X	
Meeting agendas/minutes (last six months)?		X	
Notes: Montecito Water District is an independent board-governed District. Refer to http://www.montecitowater.com for the required checklist items.			

Survey Results

The table below includes a list of questions asked of area residents by LAFCO to assess if satisfactory water, wastewater, and stormwater services met their needs and/or identify any unmet needs. The questions identify key components recommended by LAFCO staff.

Montecito Water District Questionnaire
Revenues, Types of Service, and Resources

Montecito Water | Responses by Respondence			
Questions	Satisfactory	Unsatisfactory	Undecided
1. Overall, are you satisfied with the level of water, wastewater, or stormwater services?	-	-	-
2. Overall, are adequate staffing and equipment provided with the level of water, wastewater, or stormwater service?	-	-	-
3. Do you feel an adequate level of funding is provided given the level of service?	-	-	-
4. Personnel arrived in a timely manner and were professional?	-	-	-
5. Personnel was knowledgeable, answer questions, and were informative?	-	-	-

No responses were provided by the public related to Montecito Water District at this time.

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 3-F

DATE: JANUARY 21, 2026

TO: OPERATIONS AND CUSTOMER RELATIONS COMMITTEE

FROM: ASSISTANT GENERAL MANAGER / GENERAL MANAGER

SUBJECT: REVIEW OF ANNUAL RISK ASSESSMENT RESULTS FROM DISTRICT INSURANCE

RECOMMENDATION:

Information only.

DISCUSSION:

On November 17, 2025, a representative from the District's insurance carrier, the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), visited the District as part of an annual risk assessment review process. The ACWA JPIA representative and key staff meet every year to review District practices and policies and industry best practices for limiting liability for the District. The meetings also include field visits to certain infrastructure to ensure the equipment is being properly maintained and tested.

The summary report from ACWA JPIA is provided as Attachment 1 to this memorandum. The report notes that the District has key safety programs and infrastructure best practice plans in place such as the Asset Management Plan. The visit and report highlighted several risk-reduction initiatives such as changes to recent fall protection standards, available cybersecurity resources, and offered assistance with the District's ergonomics program. District staff will follow up with ACWA JPIA representatives to schedule recommended training and revise District programs as needed.

Additionally, on December 1, 2025, the District applied for a $10,000 grant from ACWA JPIA from their Risk Control Grant Program for the purchase of high accuracy pipe locating equipment.

ATTACHMENTS

1. ACWA JPIA Liability, Property and Workers' Compensation Risk Assessment and Property Review

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November 21, 2025

Mr. Nicholas Turner, General Manager
Montecito Water District
583 San Ysidro Road
Santa Barbara, California 93108-2124

Re: Liability, Property, and Workers' Compensation Risk Assessment Visit

Dear Mr. Turner:

On November 17, 2025, I met with Adam Kanold, P.E., Assistant General Manager/Engineering Manager; Emma Godinez, Business Manager; Christina Perry, Administrative Assistant and Safety Officer Administrator; Richie Romero, Distribution System Superintendent; and Chad Hurshman, Water Treatment Superintendent. The purpose was to receive an operations update, review JPIA resources, follow up on training needs, and tour your facilities. Below are highlights of our discussions along with related JPIA resources.

The District has updated its safety program since the last visit and is familiar with emergency response training resources. Regarding capital projects, the Asset Management Plan completed in 2024 prioritizes pipe replacements and system upgrades at groundwater wells and various facilities. Additionally, the Reservoir Seismic Retrofit and Replacement Project, funded by ASADRA through the Federal EPA and California State Water Board, will include roof replacements and structural upgrades to its aging reservoirs. These initiatives align with *Infrastructure* best practices outlined in the JPIA's Commitment to Excellence Program (C2E).

JPIA Resources

Property Schedule – As a reminder, all property must be scheduled before loss or within 90 days of acquisition to ensure coverage applies; any additional contributions will be prorated. Using the RiskStar Member Dashboard, members are encouraged to review and update their Property Schedules throughout the year. If a loss occurs to unscheduled property, there is no coverage. Staff are encouraged to continue consulting the JPIA when questions arise regarding property claims. For assistance, please contact JPIA Member Services.

Commitment to Excellence (C2E) – The District is encouraged to review risk control practices and identify opportunities for improvement related to loss history and exposures in the following areas: vehicle operations, construction, infrastructure, employment practices, ergonomics/falls, and wildfire prevention. I have included a C2E Agreement for your review and your board's review.

Risk Control Grant Program and H.R. LaBounty Safety Award Program – Having a signed C2E Agreement on file with the JPIA is one criterion of the Risk Control Grant Program. The Grant Program is designed to promote the implementation of best practices to prevent or mitigate losses in

the JPIA's Workers' Compensation, Liability, and Property Programs. JPIA members are eligible for a grant of up to $10,000 to fund their risk management and safety program projects or equipment. Applications are open between October 1, 2025, and December 1, 2025.

Participation in the H.R. LaBounty Safety Awards Program is available to all JPIA members. This Program is designed to promote safe workplace behavior and practices, and reward employees who demonstrate safe behavior, take part in recognizable proactive activities, or participate in risk-reducing actions. Nominations are accepted year-round, with awards announced at the JPIA's Summit held each spring and fall.

JPIA Risk Control Focus Areas

Each fiscal year, the JPIA highlights risk-reduction and loss-control programs. Our goal is to measure the effectiveness of our best practices resources that may limit exposure and reduce losses to the membership.

Fall Protection Standards – During our meeting, we reviewed the OSHA Fact Sheet on General Industry Walking/Working Surfaces and Fall Protection Standards. The JPIA Risk Control team recently released a Splash Alert on the OSHA Final Rule to provide additional guidance on the fixed ladder standard. The District has several structures with fixed ladders extending more than 20 feet and uses a ladder safety system. This is a good opportunity to review those systems and plan retrofits that align with the OSHA standard. JPIA's C2E Ergonomics/Falls Loss Reduction Focus Area offers best practices and resources on fall protection, including the OSHA Fact Sheet.

Cybersecurity Resources – The JPIA provides tools to enhance cybersecurity programs, including KYND, an online assessment tool for identifying vulnerabilities, and KnowBe4, which offers employee awareness training and simulated phishing attacks. The District is aware of and utilizing these resources.

Additional cybersecurity resources can be found in Section 26, "Water/Wastewater Security," of the Risk Control Manual. JPIA's Cybersecurity Specialist, Hunter Sargent, is available to assist with getting started and making the most of these resources. For more information, please visit the JPIA's Cybersecurity Services page.

Ergonomics Strains and Sprains Program – The District does not have a formal ergonomic program, but it allocates an annual budget for ergonomic equipment, including sit-stand stations. The District is interested in scheduling in-person ergonomic training for both office and field staff through the JPIA. It is considering The Back School train-the-trainer option (CEAS I) for selected staff.

The JPIA provides various resources to help members develop and implement effective ergonomics programs. Members can access sample written programs, training materials, and assessment tools through the C2E Ergonomics/Falls Loss Reduction Focus Area and Section 16, Ergonomics, in the Risk Control Manual.

Loss Review

We discussed the District's loss history, focusing on experience modification rates (E-Mods). E-Mods are calculated for the Workers' Compensation and Liability Programs based on claims data from the previous three years. A modifier below 1.0 is positive and indicates savings. The E-mod for the Workers' Compensation Program increased to 1.23. For the Liability Program, the E-mod has decreased to 1.71. There is no E-Mod for the Property Program. I will continue advising the District on JPIA Commitment to Excellence (C2E) best practices to help reduce losses.

Training Opportunities

As a JPIA member, the District has access to training resources, many of which are available at no additional cost.

- The JPIA offers in-person awareness-level training on various safety topics such as Defensive Driving, Ergonomics, Accident Investigation, Confined Space Entry, and more. Upcoming open training sessions are available in the Training Calendar. The District has expressed interest in attending and hosting training sessions on Defensive Driving and Office/Industrial Ergonomics in the Santa Barbara area. I will reach out to nearby water districts to gauge their interest in attending training courses and will follow up with potential dates.
- The JPIA's Professional Development Program (PDP) hosts training conferences in Northern and Southern California, covering essential topics such as emergency response planning, performance management, DOT Reasonable Suspicion, and various safety topics for operations staff.
- VectorSolutions is an online training platform offered by the JPIA and currently supplements the District's existing training efforts. Here is a link to the most recent catalog, VectorSolutions Catalog.

Site Visit

We visited the Doulton Treatment Plant and the Doulton Tunnel Site. There is a residence located next to the treatment plant. The site is secured with perimeter fencing and an access gate. Pump upgrades have been completed, and a new emergency generator has been added. More updates to the treatment plant and storage tank are anticipated.

Thank you again for your time and assistance. The following risk assessment will be scheduled for November 2026. Should you need assistance from a risk management and safety standpoint, please do not hesitate to reach out at (310) 749-6222 or ipenales@acwajpia.com.

Sincerely,

Iris Penales
Senior Risk Control Advisor

Enc.: Montecito WD, Commitment to Excellence Agreement

1121:tl

c: Adam Kanold, P.E., Assistant General Manager/Engineering Manager
Chad Hurshman, Water Treatment Superintendent
Richie Romero, Distribution System Superintendent
Emma Godinez, Business Manager
Christina Perry, Administrative Assistant and Safety Officer Administrator
JPIA Risk Management Committee
JPIA Member Services
Floyd Wicks, JPIA Board Member

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **3-G**

DATE: **JANUARY 21, 2026**

TO: **OPERATIONS AND CUSTOMER RELATIONS COMMITTEE**

FROM: **ASSISTANT GENERAL MANAGER / ENGINEERING MANAGER**

SUBJECT: **REVIEW OF JUNCAL DAM INSPECTION REPORT FROM THE STATE DIVISION OF SAFETY OF DAMS**

RECOMMENDATION:

Information only.

DISCUSSION:

On May 14, 2025, the California Department of Water Resources (DWR) Division of Safety of Dams (DSOD) visited Juncal Dam, escorted by District staff, to perform their annual inspection of the main dam, multiple-arch dam, and ridgeline between the two dams. DSOD subsequently issued the 2025 Inspection Report, provided in Attachment 1. The DSOD inspection report included three "*descriptions, actions and recommendations*" as described below.

- **Redundant Valve Project Application Review** – DSOD notes that their agency is still reviewing the Districts application to install two new valves on the downstream face of the dam and intake riser on the water side of the dam. No District action is required at this time.
- **Maintenance of Existing 36-inch valves** – DSOD notes that the District will complete maintenance of the second of the two existing valves in the near future. No District action is required at this time.
- **Instrumentation Report Modifications** – DSOD requested several changes to the District instrumentation report to be submitted in April 2026. District staff will ensure these changes are completed as requested by DSOD.

The DSOD inspection report provides the following conclusion: *"From the known information and visual inspection, the dam, reservoir, and the appurtenances are judged safe for continued use."*

ATTACHMENTS:

1. Attachment 1 – 2025 DSOD Inspection of Dam and Reservoir Report

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STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
DIVISION OF SAFETY OF DAMS

INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Juncal Dam No. 34-2 County Santa Barbara
Type of Dam Variable radius arch Type of Spillway Ogee weir
Water is 0.77 feet below spillway crest and 6.77 feet below dam crest.
Water Surface Elevation El. 2,223.23'
Weather Conditions Sunny
Contacts Made Chad Hurshman, Dennis Hanson, David Wong, and Alan Pritchard with Montecito Water District
Reason for Inspection Periodic Maintenance Inspection

Important Observations, Recommendations or Actions Taken

Select if needed:		*Descriptions, actions, and recommendations:*
☐	Maintenance items required.	• The repair application filed on May 3, 2022, consists of installing two new downstream 36-inch valves and intake riser pipes on the upstream end of the two low-level outlet pipes. The application is still currently under review with DSOD. • The maintenance-level rehabilitation work to the two existing upstream valves is expected to be complete by June 2026. • For future instrumentation reports, the owner needs to address the comments provided in DSOD's letter dated May 22, 2025.
☐	Outlet/spillway valves/gates need to be fully cycled during the next DSOD inspection.	
☐	Instrumentation submittal overdue.	
☒	Open construction, alteration, enlargement, repair, or removal application.	
☐	No Action Items/ Recommendations.	
☒	Other.	

Conclusions

Hazard Classification: ☐ Extremely High ☒ High ☐ Significant ☐ Low
Condition Assessment: ☒ Satisfactory ☐ Fair ☐ Poor ☐ Unsatisfactory
Reservoir Restriction: ☐ Yes ☒ No

From the known information and visual inspection, the dam, reservoir, and the appurtenances are judged safe for continued use.

Photos taken? ☒ Yes ☐ No

Inspected by Tyler Clark TGC 10/30/2025
Date of Inspection 5/14/2025 CML 10/30/2025
Date of Report 10/9/2025 WFV 11/3/2025

(rev. 06/24)

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INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Juncal Dam No. 34-2

Date of Inspection 5/14/2025

Observations and Comments	
Dam	*Dam Description:* Jameson Lake is impounded by three dams, a concrete arch section (Main Dam), a gravity section (Gravity Dam), and a multiple arch section (Multiple Arch). The gravity section also sits atop a narrow natural ridge section (known as the Auxiliary Dam Ridge).
	Dam crest in satisfactory condition: ☒ Yes ☐ No *Maintenance needed*: None.
	Upstream/downstream slopes, abutments, and toe areas uniform, stable, and in satisfactory condition: ☒ Yes ☐ No *Maintenance needed*: None.
	Vegetation control satisfactory: ☒ Yes ☐ No *Maintenance needed*: None.
	Rodent control satisfactory: ☒ Yes ☐ No *Maintenance needed*: None
	Dam comments: The dam appeared to be in satisfactory condition.
Spillway	*Spillway Description*: The ogee weir runs across the main dam and acts as an overpour spillway.
	Are the spillway approach area, control section, and downstream exit clear: ☒ Yes ☐ No
	Maintenance needed: None.
	Spillway condition satisfactory: ☒ Yes ☐ No
	Maintenance needed: None.
	Spillway comments: The spillway appeared to be in satisfactory condition.
Outlet	*Outlet Type/Description*: The low-level outlet controls consist of two upstream 36-inch gate valves (north and south) located inside of the outlet tower and a downstream 18-inch blowoff valve. *Outlet Control:* ☒ Yes ☐ No
	Last Cycled (DSOD presence): See table *(by Owner):* See table

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INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Juncal Dam No. 34-2

Date of Inspection 5/14/2025

Observations and Comments

Outlet Component	Date last fully cycled by owner	Date last fully cycled in the presence of DSOD
U/S North 36-inch Gate Valve	2/21/2023	2/19/2013
U/S South 36-inch Gate Valve	2/21/2023	2/19/2013
D/S 18-inch Blowoff Valve	5/14/2025	6/18/2024

Comments: The owner has not fully cycled the north and south gate valves as there is a fear that they may not be able to close them. The owner has been in the process of rehabilitating the valves and the owner is still working on the north valve. The owner states that the work is still in progress and the work was slowed down due to weather and funding. The work is planned to be completed by the end of June 2026. The owner stated that they had a temporary flange installed on the south gate valve and they were able to cycle the valve with the flange installed. The owner stated that the flange can be removed in an emergency if needed.

Overall outlet condition satisfactory: ☐ Yes ☒ No

Is the outlet visually unobstructed: ☒ Yes ☐ No

Maintenance needed: None.

Outlet comments: Once the rehabilitation work is completed, the owner will need to fully cycled both valves in DSOD presence.

The repair application filed on May 3, 2022, consists of installing two new downstream 36-inch valves and intake riser pipers on the upstream end of the two low-level outlet pipes. The application is still currently under review with DSOD.

Instrumented seepage monitoring at the dam: ☒ Yes ☐ No

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INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Juncal Dam No. 34-2

Date of Inspection 5/14/2025

Observations and Comments

Seepage

Description and measurements: There are four seepage measuring points at this dam. There is an arch seepage point collecting seepage through the multiple arch dam section. The ridge drain seepage point measures the seepage through the ridge dam section. There are two weirs, No. 3 and No. 4, which measure seepage and rainfall at the auxiliary dam ridge. There were originally 4 weirs at this location, but weirs No.1 and No. 2 have not been measured since 2013 since they have consistently dry readings.

Drain	Flow (GPM)
Weir No. 3	9
Weir No. 4	0.85
Arch Seepage	21
Ridge Drain	22.71

Seepage observations and comments: There was seepage along the downstream face of the main dam near the right groin. The longstanding seepage at the gravity section at Sta 0+68 was present and appeared unchanged compared to previous inspections. There is also seepage through the multiple arch radius section, which is collected and measured. The owner plans to rehabilitate the seepage collection at the multiple arch radius dam and this work is considered maintenance.

Seepage conditions are consistent with past inspection observations. ☒ Yes ☐ No

Maintenance needed: None.

Dam instrumented: ☒ Yes ☐ No *Submittal required:* ☒ Yes ☐ No

Submittal frequency: Annually *Overdue:* ☐ Yes ☒ No

Latest instrumentation submittal: May 20, 2025 *Reporting period:* Through December 2024

Dam instrumentation: The instrumentation at this dam consists of 42 survey monuments, 14 piezometers, 5 observation wells, 15 horizontal ridge drains, 4 weirs, and multiple arch seepage.

Is the instrumentation at the dam adequate at this time? ☒ Yes ☐ No

Instrumentation review:

Survey: The owner submitted the survey data in a separate submittal. The submittal only contained raw data from the most recent survey completed. An analysis of the data cannot be completed as the data from previous surveys were not included. See below for the comments provided to the owner in a letter from DSOD dated May 22, 2025.

Seepage (Weirs and Multiple Arch): Weirs 1 through 4 are used to measure seepage at the auxiliary ridge dam and rainfall. The owner does not measure Weirs 1 and 2, as they have remained dry since 2013. Weir No. 3 appears to follow the reservoir level, while Weir No. 4 appears to remain at approximately 1 GPM or lower with little to no change. The multiple arch drain measures the

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INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Juncal Dam No. 34-2

Date of Inspection 5/14/2025

Observations and Comments

combined seepage from the multiple arch radius dam section. Overall, the multiple arch seepage remains constant with the reservoir, however the owner states that any spike in the seepage data has been due to rainfall. The seepage values appear to be within historic ranges with no unusual conditions noted.

Seepage (Auxiliary Ridge Drains): The 15 horizontal ridge drains were drilled into the Auxiliary Dam Ridge in 1992 for the reported purpose of lowering the piezometric levels within the ridge. Overall, the ridge drains appear to be within historic ranges. As previously reported, ridge drains 1, 2, and 3 remain dry during this reporting period. From the year 2005 through 2012 all three drains appeared to measure seepage values. The owner needs to investigate and provide a reasoning on why these three drains remain dry. Ridge drains 7, 8, 10, 11, and 12 appear to be constant with minimal influence from rainfall or reservoir level fluctuations. Ridge drains 9, 13, 14, and 15 appear to have a greater response to reservoir level. Ridge drain 4 and 6 have more apparent spikes in the seepage data, but return to historic values, which is most likely due to rainfall. For future instrumentation reports, the owner needs to explain any odd or erratic data in further detail.

Piezometers: The piezometers appear to be within historical limits with no unusual trends or conditions. Piezometers 2, 3, 6, 8, 10, 12, and 14 all appear to follow the reservoir level. The remaining piezometers are installed at a higher elevation and referred to as the shallow piezometers. These all remained dry during the reporting period.

Observation Wells: The observation wells appear to be within historical limits with no unusual trends or conditions. In general, all 5 observation wells appear to align with reservoir level fluctuations. It was previously requested that the owner investigate observation well 4 as it has shown erratic data since 2017. For future instrumentation reports, the owner needs to explain any odd or erratic data in further detail.

As stated in DSOD's letter dated May 22, 2025, the following comments need to be addressed in future instrumentation reports:

1. Future survey reports and data need to be included in the annual instrumentation report submittals to create a single standalone package.

2. Any submittal to DSOD must include a cover letter that, at the least, addresses the Division and summarizes the submittal contents.

3. Future submittals that contain survey data need to include survey data plots with an x-axis and y-axis that show the deflection movements of the survey points. Data plots need to include at least a short-term plot (3-5 years) and a long-term plot (10-plus years). The survey data must also include an engineer's evaluation of the data.

Also, for future instrumentation reports, the owner needs to include rainfall data to weir, observation wells, ridge drain, and piezometer graphs.

The instrumentation data indicate the dam is performing satisfactorily. ☒ Yes ☐ No

In accordance with Division 3, Part 1, Chapter 2, section 6029 of the California Water Code, the owner or operator of a dam or reservoir is responsible for the safe operation, performance, and maintenance of their

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dam or reservoir, and obtaining all necessary permits and approvals from other permitting agencies, as required.

Photo 1: View of the typical seepage at the auxiliary ridge dam section at Sta. 0+68.

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INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Juncal Dam No. 34-2

Date of Inspection 5/14/2025

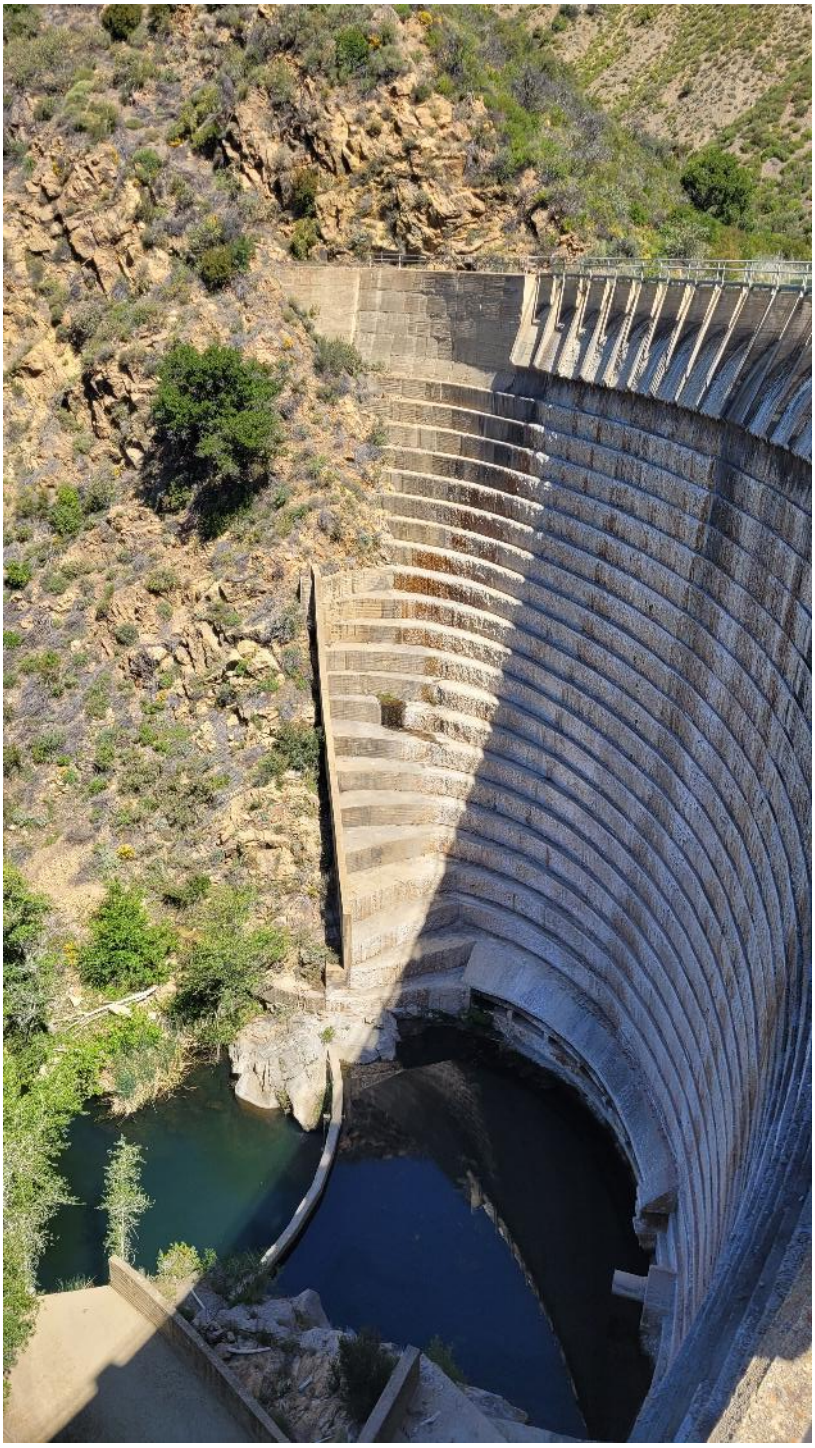

Photo 2: View of the downstream face of the main variable radius dam.

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INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Juncal Dam No. 34-2

Date of Inspection 5/14/2025

Photo 3: View of typical seepage through the multiple arch dam section.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 3-K

DATE: JANUARY 21, 2026

TO: OPERATIONS AND CUSTOMER RELATIONS COMMITTEE

FROM: PUBLIC INFORMATION OFFICER

SUBJECT: CUSTOMER RELATIONS AND PUBLIC INFORMATION UPDATE

RECOMMENDATION:

Information only.

DISCUSSION:

District outreach methods include e-News, bill inserts, bill messages, press releases, website updates, articles, social media posts, advertisements, regular updates in meeting presentations to community organizations, and participation in events. Communications are consistent with the District's 2022 5-Year Strategic Plan and regional and State initiatives including "Water Conservation is a California Way of Life". Recent outreach includes:

Rain Alerts Record setting rain brought customers the opportunity to reduce irrigation through late fall and early winter. Bill messaging, enews, and social media posts served to reinforce storm preparation and water use reduction messaging.

Demonstration Garden The District is reimagining the Demonstration Garden in front of the office to inform and inspire visitors about landscaping and efficient outdoor water use. Landscaping work has begun and will continue into spring. A web page is now available at www.montecitowater.com/garden. The flyer (Attachment 1) was distributed at Montecito Beautification Day and is posted at the office entrance through construction. Additional media outreach can be anticipated.

ATTACHMENTS:

1. Attachment 1 Demonstration Garden Flyer.

A NEW GARDEN IS SPROUTING!

MONTECITO WATER DISTRICT
A Reliable Supply Since 1921

Pardon the Dust...

We are reimagining the Demonstration Garden in front of the District office to inform and inspire visitors about landscaping and efficient outdoor water use.

Thank you for your patience while we are under construction.

COMMUNITY PARTNERS

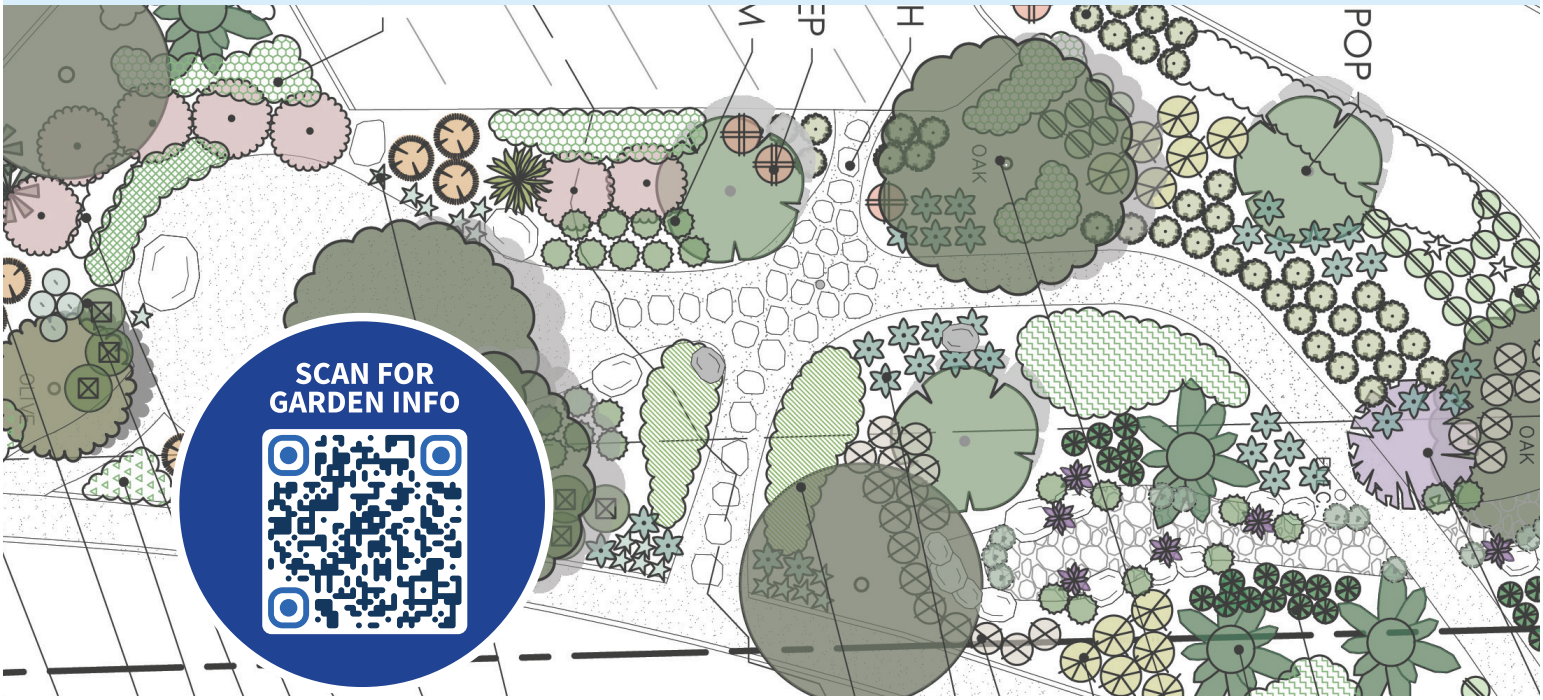
Montecito Community Foundation
Lotusland
...and more!

GARDEN LOCATION

In Front of the MWD District Office
583 San Ysidro Road
Montecito, CA 93108

CONSTRUCTION SCHEDULE

Construction Begins Fall 2025
Opening Spring 2026
To Be Announced



The Demonstration Garden is a top priority conservation measure identified in the District's 2022 Water Use Efficiency Plan. Building community partnership in efficient water use is a primary objective for ensuring water supply reliability in the District's Strategic Plan.

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