RELIABLE SINCE 1921

583 San Ysidro Road
Santa Barbara, CA 93108-2124

Phone: 805.969.2271
Email: info@montecitowater.com
Web: montecitowater.com

Board of Directors
Brian Goebel, President
Cori Hayman, Vice President
Kenneth Coates, Director
Tobe Plough, Director
Floyd Wicks, Director

General Manager and Board Secretary
Nick Turner

REGULAR MEETING
of the
BOARD OF DIRECTORS
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

TUESDAY, JANUARY 27, 2026
9:30 A.M.

Attend in Person or Join by Teleconference:
https://www.zoomgov.com/j/1615373080?pwd=iWhN5hr8CibfsUntzF3Dk3ZCkePs4l.1
Meeting ID: 161 537 3080; Passcode: 205634
Tel: (669) 254 5252

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

AGENDA

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

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC FORUM**

   This portion of the agenda may be utilized by any member of the public to address and ask questions of the Board of Directors on any matter not on the agenda within the jurisdiction of the Montecito Water District. Depending upon the subject matter, the Board of Directors may be unable to respond at this time, or until the specific item is placed on the agenda at a future MWD Board meeting in accordance with the Ralph M. Brown Act.

4. **CONSENT CALENDAR**

   The following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

   ∗A. Meeting Minutes of November 18, 2025

   ∗B. Meeting Minutes of December 23, 2025

   ∗C. Meeting Minutes of January 19, 2026

   ∗D. Payment of Bills for November and December 2025

   ∗E. Investment of District Funds as of December 31, 2025

* Indicates attachment included for this item

*F. Unaudited Monthly Financial Report for November 2025

*G. Unaudited Monthly Financial Report for December 2025

*H. Waterworks Reports for November and December 2025

*I. Proposed Termination of Water Main Extension Agreement for 810 Cima Del Mundo

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

*A. INFORMATIONAL: Review of the Highline Preliminary Design Report Methodology

*B. ACTION ITEM: Consideration and Possible Approval of a Memorandum of Understanding Between the Montecito Water District, Montecito Sanitary District, and Summerland Sanitary District for Coordination and Collaboration for the Advancement of Special District Reorganization

C. INFORMATIONAL: Quarterly Water Supply Update

*D. INFORMATIONAL: Customer Relations and Public Information Update

E. INFORMATIONAL: General Manager Report

6. DISTRICT BUSINESS REPORT

A. Discussion of Auditing Services for Fiscal Year 2025-26

7. MONTECITO WATER DISTRICT FINANCING CORPORATION

*A. ACTION ITEM: Adjourn to the Annual Meeting of the Montecito Water District Financing Corporation

8. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

B. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(4) Conference with Legal Counsel – Initiation of Litigation; 2 cases

C. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(2) Anticipated Litigation – 4 cases.

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

Agency designated representative: Nicholas Turner, General Manager
Employee organization: SEIU

E. CLOSED SESSION: Pursuant to Government Code §54959.8 Conference with Real Property Negotiators

Property: State Water Project assets
Agency negotiator: Nicholas Turner, General Manager
Negotiating Parties: Solomon Hills Developer
Under negotiation: Price and Terms of Payment

* Indicates attachment included for this item

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS (CONT'D)

*F. ACTION ITEM: Adoption of the 2026 Employee Handbook

G. INFORMATIONAL: Update on Cachuma Conservation Release Board Activities

9. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Goebel

B. Operations & Customer Relations Committee: Director Wicks

C. Finance Committee: Director Hayman

D. Strategic Planning Committee: Director Coates

E. Central Coast Water Authority: Director Coates

F. Cachuma Operation and Maintenance Board: Director Hayman

G. Cachuma Conservation Release Board: Director Plough

H. Santa Barbara County Chapter of the California Special Districts Association: Director Wicks

I. ACWA JPIA: Director Wicks

J. CalDesal: Director Wicks

K. Ad hoc Committee: Water Rights Opportunities: Director Coates

L. Directors' List of Compensable and Reimbursable Meetings (Government Code §53232.1 and §53232.3)

10. DIRECTOR REQUESTS

Requests from Directors for items other than regular agenda items for the next regular Board meeting tentatively scheduled for Tuesday, February 24, 2026, or any future meeting.

11. ADJOURNMENT

Note: Montecito Water District conducts its meeting 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 23, 2026. 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 Board after distribution of the agenda packet are available on the District website.

* Indicates attachment included for this item

Page left intentionally blank.

RELIABLE SINCE 1921

583 San Ysidro Road
Santa Barbara, CA 93108-2124

Phone: 805.969.2271
Email: info@montecitowater.com
Web: montecitowater.com

Board of Directors
Brian Goebel, President
Cori Hayman, Vice President
Kenneth Coates, Director
Tobe Plough, Director
Floyd Wicks, Director

General Manager and Board Secretary
Nick Turner

REGULAR MEETING MINUTES
of the
BOARD OF DIRECTORS
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

TUESDAY, NOVEMBER 18, 2025
9:30 A.M.

AGENDA

1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

President Coates called the meeting to order at 9:35 a.m.

Directors present:
Directors Ken Coates, Brian Goebel, Cori Hayman, Tobe Plough, and Floyd Wicks participated in person.

Staff present (In Person and via Zoom):
Nick Turner, General Manager
Adam Kanold, Asst. GM/Engineering Mgr.
Emma Godinez, Business Manager
Laura Camp, Public Information Officer
Christina Perry, Administrative/HR Assistant
James Algert, Sr. Office Tech/Staff Accountant

Counsel present (In Person):
Walt Wendelstein, Wendelstein Law Group PC, District Counsel

Special Counsel present (via Zoom):
Guillermo Frias, Best Best & Krieger LLP

Consultants present (via Zoom):
Jared Solmonsen. Nigro & Nigro, PC
Brett Bovee, WestWater Research

Others present:
None

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

No members of the public were present during this item.

4. CONSENT CALENDAR

The following items were approved or accepted by vote on one motion:

A. Meeting Minutes of October 28, 2025

B. Payment of Bills for October 2025

C. Investment of District Funds as of October 31, 2025

D. Unaudited Monthly Financial Report for October 2025

E. Waterworks Reports for October 2025

Director Plough moved to approve the Consent Calendar. The motion was seconded by Director Wicks and carried after a roll call vote with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

Item 7-B was moved for consideration prior to Item 5-A

7. DISTRICT BUSINESS REPORT

B. ACTION ITEM: Receive, Accept and File the Audited Financial Statements for Fiscal Year Ending June 30, 2025

Mr. Turner introduced Jared Solmonsen of Nigro & Nigro, who presented the item. Staff and Mr. Solmonsen answered questions from the Board.

Director Plough moved to receive, accept and file the Audited Financial Statements for Fiscal Year Ending June 30, 2025. The motion was seconded by Director Goebel and carried after a roll call vote with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

5. BOARD OF DIRECTORS

A. ACTION ITEM: Election of Board Officers, Appointment of Committee Members and Regional Board Representatives, and Other Organizational Business for 2026

Mr. Turner presented the item. Staff responded to questions from the Board.

Following discussion by the Board, Director Plough moved to approve or accept the following by vote on motion:

1. Elect Brian Goebel as Board President and Director Hayman Vice President
2. Reappoint the General Manager as Board Secretary
3. Reappoint the Business Manager as Assistant Board Secretary and Auditor
4. Designate American Riviera Bank as depository for District operating funds
5. Designate Charles Schwab as depository for District investment funds

6. Designate the District office located at 583 San Ysidro Road as the place for all regular meetings of the Board of Directors, to be scheduled generally at 9:30 AM on the fourth Tuesday of every month
7. Continue to retain Wendelstein Law Group PC as District Counsel

The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

Board officers and committee and regional appointments for 2026 are as follows:

MWD Officers	**Member**		
President	Goebel		
Vice-President	Hayman		
MWD Committees	**Committee Chair**	**Committee Member**	**Alternate Member**
Operations & Customer Relations	Wicks	Plough	Coates
Finance	Hayman	Goebel	Plough
Strategic Planning	Coates	Plough	Wicks
Ad Hoc - Water Rights Opportunities	Coates	Wicks	
Regional Boards and Others	**Representative**	**Alternate**	
ACWA-JPIA	Wicks	Plough	
Cachuma Operation & Maintenance Board (COMB)	Hayman	Plough	
Cachuma Conservation & Release Board (CCRB)	Plough	Goebel	
Central Coast Water Authority (CCWA)	Coates	Plough	
Santa Barbara County California Special Districts Association (SBCCSDA)	Wicks	Coates	
Cal Desal	Wicks	Hayman	

B. ACTION ITEM: Adoption of 2026 Board of Directors and Committee Meeting Calendars

Mr. Turner presented the item. Staff responded to questions from the Board.

Director Plough moved to adopt the 2026 Board and Committee Meeting Calendar as proposed in the attachment to the staff report for this agenda item. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

C. ACTION ITEM: Adoption of Resolution No. 2315 Adopting the *Directors' Compensation, Expense Reimbursement, and Benefits Policy for 2026*

Mr. Turner presented the item. Staff responded to questions from the Board.

Director Goebel moved to adopt Resolution No. 2315 Adopting a *Directors' Compensation, Expense Reimbursement, and Benefits Policy for 2026*, once revised to remove Draft Resolution Item 4-e pertaining to a one-time reimbursement per term of office for the purchase, operation and/or maintenance of office equipment necessary to effectively perform the duties of the office. It was also the consensus of the Board that Director health insurance and retirement benefits should not be pursued or vetted at this time. The motion was seconded by Director Plough and carried after a roll call vote, with Directors Coates, Goebel, Plough, and Wicks in favor, and Director Hayman opposed.

6. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS (continued)

Item 6-A was moved for consideration following Closed Session

B. ACTION ITEM: Adoption of Resolution No. 2316 Adopting an Updated Maximum Contribution Cap for District Coverage of Medical Premiums

Mr. Turner presented the item.

Director Plough moved to adopt Resolution No. 2316 Adopting an Updated Maximum Contribution Cap for District Coverage of Medical Premiums for Dependents. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

C. INFORMATIONAL: Customer Relations and Public Information Update

Ms. Camp presented the item and responded to questions from the Board.

D. INFORMATIONAL: General Manager Report

Mr. Turner presented the item and staff responded to questions from the Board.

7. DISTRICT BUSINESS REPORT (continued)

A. INFORMATIONAL: Receipt of Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for fiscal year beginning July 1, 2025

Mr. Turner presented the item. The Board recognized special contributions by staff, particularly Ray Willefert who acted as Interim Business Manager during the finalization of the budget.

Item 7-B was moved for consideration prior to Item 5-A as noted herein.

C. ACTION ITEM: Adoption of Resolution No. 2317 Adopting Fiscal Year 2025-26 Budget Amendment No. 1

Mr. Turner presented the item and, with Business Manager Emma Godinez, responded to questions from the Board.

Director Plough moved to adopt Resolution No. 2317 Adopting Fiscal Year 2025-26 Budget Amendment No. 1. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

The Board paused for a break at 10:55 a.m. and returned at 11:14 a.m.

8. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Coates reported no items.

B. Operations & Customer Relations Committee: Director Goebel reported that relevant items will be discussed in Closed Session.

C. Finance Committee: Director Plough reported that all relevant items were previously addressed.

D. Strategic Planning Committee: Director Coates reported that a future meeting may be held with the Strategic Planning Committees of Montecito Water District, Montecito Sanitary District, and Summerland Sanitary District concerning special district reorganization.

E. Central Coast Water Authority: Director Coates reported that a meeting will be held on Thursday, November 20th to interview and select potential candidates to replace Executive Director Ray Stokes who is retiring in April 2026.

F. Cachuma Operation and Maintenance Board: Director Hayman reported the postponement of the Lauro Reservoir Bypass Channel Improvement Project pending approval by FEMA/CalOES, as well as updates on the Sheffield Tunnel Pipeline Rehabilitation Project and maintenance to the South Coast Conduit pipeline.

Director Hayman also reported that COMB received a grant through the ACWA JPIA Risk Control Grant Program for the acquisition of safety equipment.

G. Cachuma Conservation Release Board: Director Plough reported the USBR has agreed to accept CCRB's assistance with preparing the Biological Assessment for the Cachuma Project renewal contract.

H. Santa Barbara County Chapter of the California Special Districts Association: Director Wicks reported no items.

I. ACWA JPIA: Director Wicks reported that he will attend the ACWA JPIA Membership Summit and ACWA Fall Conference in December.

J. CalDesal: Director Wicks reported that he will attend the CalDesal Fall Mixer on December 3, 2025.

K. Ad hoc Committee – Water Rights Opportunities: Director Coates reported that relevant items will be discussed in Closed Session.

9. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

No report.

The Board recessed to Closed Session at 11:29 a.m.

The Board paused for lunch at 12:17 p.m. and returned at 12:53 p.m.

The Board returned to Open Session at 2:23 p.m.

B. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(4) Conference with Legal Counsel – Initiation of Litigation; 2 cases

As to Item 9-B, the Board received an update and no action was taken.

C. CLOSED SESSION: CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Central Coast Water Authority et. al. v. Santa Barbara County Flood Control and Water Conservation District, et. al, Santa Barbara Superior Court Case No. 21CV02432

As to Item 9-C, the Board received an update from counsel and no action was taken.

D. CLOSED SESSION: Pursuant to Government Code 54959.8 Conference with Real Property Negotiators

Property: State Water Project assets
Agency negotiator: Nicholas Turner, General Manager
Negotiating Parties: Solomon Hills Developer
Under negotiation: Price and Terms of Payment

As to Item 9-D, the Board received an update from the Real Property Negotiator and no action was taken.

Item 9-E was removed from the agenda.

F. CLOSED SESSION: Pursuant to Government Code Section 54957(b)(1) (Personnel Exemption), Employee Performance Evaluation - General Manager

As to Item 9-F, the Board discussed the performance of the General Manager in Closed Session. In Open Session, the Board recommended a salary increase of $10,000 for the General Manager, resulting in a new salary of $344,000 and an additional bonus payment of $15,000. The General Manager car allowance remains unchanged.

Director Wicks moved for approval. The motion was seconded by Director Plough and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

6. <u>DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS (continued)</u>

A. ACTION ITEM: Authorization of a supplemental payment to Central Coast Water Authority for increased State Water Project fixed and variable costs for Fiscal Year 2026 in the amount of $572,483

Director Plough moved to authorize a supplemental payment to Central Coast Water Authority (CCWA) in the amount of $572,483 to cover increased State Water Project (SWP) fixed and variable costs for Fiscal Year 2026, using unrestricted funds currently on account with CCWA. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

10. DIRECTOR REQUESTS

No requests were made.

11. ADJOURNMENT

The meeting was adjourned at 2:27 p.m.

APPROVED:

_____
Brian Goebel, Board President

ATTEST:

_____
Nicholas Turner, Secretary

Page left intentionally blank.

RELIABLE SINCE 1921

583 San Ysidro Road
Santa Barbara, CA 93108-2124

Phone: 805.969.2271
Email: info@montecitowater.com
Web: montecitowater.com

Board of Directors
Brian Goebel, President
Cori Hayman, Vice President
Kenneth Coates, Director
Tobe Plough, Director
Floyd Wicks, Director

General Manager and Board Secretary
Nick Turner

SPECIAL MEETING MINUTES
of the
BOARD OF DIRECTORS
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

TUESDAY, DECEMBER 23, 2025
12:45 P.M.

AGENDA

1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

President Coates called the meeting to order at 12:50 p.m.

Directors present:
Directors Ken Coates, Brian Goebel, Tobe Plough, and Floyd Wicks participated in person. Director Cori Hayman joined the meeting in person at 12:58 p.m.

Staff present (In Person):
Nick Turner, General Manager
Adam Kanold, Asst. GM/Engineering Mgr.

Counsel present (via Zoom):
Walt Wendelstein, Wendelstein Law Group PC, District Counsel

Special Counsel present (via Zoom):
Guillermo Frias, Best Best & Krieger LLP

Public present:
None

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

No members of the public were present.

4. LEGAL MATTERS

The Board recessed to Closed Session at 12:51 p.m.

President Coates exited the meeting at 1:45 p.m. Vice-President Goebel presided over the remainder of the meeting.

The Board returned to Open Session at 2:00 p.m.

A. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(4) Conference with Legal Counsel – Initiation of Litigation; 1 case

As to Item 4-A, a discussion was held with Counsel. No action was taken and direction was given to Staff and Counsel.

5. <u>ADJOURNMENT</u>

The meeting was adjourned at 2:01 p.m.

APPROVED:

_____
Brian Goebel, Board President

ATTEST:

_____
Nicholas Turner, Secretary

RELIABLE SINCE 1921

583 San Ysidro Road
Santa Barbara, CA 93108-2124

Phone: 805.969.2271
Email: info@montecitowater.com
Web: montecitowater.com

Board of Directors
Brian Goebel, President
Cori Hayman, Vice President
Kenneth Coates, Director
Tobe Plough, Director
Floyd Wicks, Director

General Manager and Board Secretary
Nick Turner

SPECIAL MEETING MINUTES
of the
BOARD OF DIRECTORS
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

MONDAY, JANUARY 19, 2026
11:30 A.M.

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

AGENDA

1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

President Goebel called the meeting to order at 11:30 a.m.

Directors present:
Directors Ken Coates, Brian Goebel, Cori Hayman, and Floyd Wicks participated in person. Director Tobe Plough participated remotely.

Staff present (In Person and via Zoom):
Nick Turner, General Manager
Adam Kanold, Asst. GM/Engineering Mgr.
Christina Perry, Administrative/HR Assistant
Ray Willefert, Financial Analyst/IT Specialist

Counsel present (via Zoom):
Walt Wendelstein, Wendelstein Law Group PC, District Counsel
Guillermo Frias, Best Best & Krieger, LLP

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

No members of the public were present.

4. LEGAL MATTERS

A. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(4) Conference with Legal Counsel – Initiation of Litigation; 1 case

The Board recessed to Closed Session at 11:32 a.m.

The Board returned to Open Session at 12:28 p.m.

As to Item 4-A, the Board voted 5-0 in favor to initiate litigation and provided direction to staff and counsel.

The particulars of the litigation shall be disclosed upon formal commencement of the action, in accordance with the requirements of the Government Code.

5. ADJOURNMENT

The meeting was adjourned at 12:28 p.m.

APPROVED:

_____
Brian Goebel, Board President

ATTEST:

_____
Nicholas Turner, Secretary

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 4-D

DATE: JANUARY 27, 2026

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER / BUSINESS MANAGER

SUBJECT: PAYMENT OF DISTRICT BILLS FOR NOVEMBER & DECEMBER 2025

RECOMMENDATION:

For information and discussion only.

BACKGROUND:

District staff are responsible for ensuring that District bills and payment obligations are paid in a timely manner. For this to occur, District staff pay bills and obligations when due and then seek ratification from the Board of Directors during the following regular Board meeting. For ratification, District staff prepare a summary of all disbursements as well as a copy of the check register. These items are taken to the Board as a consent item.

ATTACHMENTS:

1. Ratification Summary & Check Registers – NOVEMBER & DECEMBER 2025

Page left intentionally blank.

MONTECITO WATER DISTRICT
PAYMENT OF BILLS
TOTAL DISBURSEMENTS SUMMARY
FOR MONTH ENDED
November 30, 2025

SECTION: 4-D

AP CHECK REGISTER			**1,693,472**
NET PAYROLL DIRECT DEPOSITS [1]			
CHECK DATE	11/17/2025	90,770	
CHECK DATE	12/1/2025	109,568	
		Payroll Direct Deposits	**200,337**
EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS [2]			
	CALPERS; EE BENEFITS; PAYROLL TAXES	159,213	
	WQTS ACH	8,000	
		Subtotal External Wire Transfers	**167,213**
		TOTAL DISBURSEMENTS	**2,061,023**
INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS [3]			
N/A		0.00	
		NET INTERNAL WIRE TRANSFERS	**0**

[1] The Net Payroll Direct Deposits are the payroll amounts that are deposited into employee bank accounts through an ACH. Payments for employee benefits, both the employee and employer portions, are recorded on the Check Register, therefore are not included.

[2] External Wire Transfers Out are wire transfers which are made periodically for items such as debt service payments, the fixed portion of the State Water Project payment, supplemental water purchases and transfers to open new District bank or investment accounts.

[3] Internal Wire Transfers Between Accounts held by Montecito Water District are made periodically for items such as transfers between investment accounts and bank accounts or for transfers to open new bank or investment accounts.

MONTECITO WATER DISTRICT
CHECK REGISTER
NOVEMBER 30, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14031	11/24/2025	ACWA-JPIA	25-26 MWD LIABILITY INSURANCE	276,039.73	
14032	11/24/2025	ACWA-JPIA	EMPLOYEE BENEFITS MWD	59,228.10	335,267.83
13964	11/17/2025	AG ENT INC	DOULTON RES BACKFLOW REPAIR	247.66	247.66
13965	11/17/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P HYDRANT PAINT	85.26	
13965	11/17/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P CANDY PENS WHITEOUT TAPE FOIL	254.02	
14033	11/24/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P STAPLER TP POPCORN CANDY BATTERY	375.38	
14033	11/24/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P CANDY RESTOCK	3.97	
14033	11/24/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P NOTEBOOKS	34.58	
14033	11/24/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P CREAMER COFFEE, POST-ITS, BATTERY	496.81	
14033	11/24/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P HANGING FILE FOLDERS	68.49	1,318.51
14034	11/24/2025	ANACAPA PLUMBING	11/10 ADMIN DRAIN CLEAR	185.00	185.00
14035	11/24/2025	ANTHEM BLUE CROSS	324A62737 POST EE BENEFITS QUARTER	1,610.91	
14036	11/24/2025	ANTHEM BLUE CROSS	649A63301 POST EE BENEFITS QUARTER	1,262.79	2,873.70
14037	11/24/2025	ANTHRACITE FILTER MEDIA COMPANY, INC.	11872 P147 BVTP FILTER #1 NEW MEDIA	26,576.91	26,576.91
13966	11/17/2025	AT&T MOBILITY	MWD CELL PHONES	1,009.65	1,009.65
14038	11/24/2025	AUTOMATED ENTRY SYSTEMS	OFFICE GATE REPAIR	82.50	82.50
13967	11/17/2025	AUTOMATION DIRECT, INC.	1227346 ATTABOX ENCLOSURE	199.34	
13967	11/17/2025	AUTOMATION DIRECT, INC.	1227346 NEMA ENCLOSURE	549.53	748.87
14039	11/24/2025	AWWA	35584 2026 MEMBER DUES - EE # 125	539.00	
14039	11/24/2025	AWWA	3795611 2026 MEMBER DUES - EE # 128	347.00	886.00
13968	11/17/2025	BANK UP CORPORATION	10.25 LOCKBOX FEES	1,727.36	1,727.36
14040	11/24/2025	BEYOND SOFTWARE SOLUTIONS	AMI DATABASE PROJECT	8,320.00	8,320.00
14041	11/24/2025	BLUE EARTH LABS, LLC	P147 BVTP FILTER MEDIA #2 CLEANING	28,207.02	
14041	11/24/2025	BLUE EARTH LABS, LLC	CREDIT - DTP GRATING AC MEDIA RETAINER	(2,886.10)	25,320.92
13969	11/17/2025	BLUE-WHITE INDUSTRIES	ANALYZERS BVTP FILTERS # 1 & 2	19,468.85	19,468.85
13970	11/17/2025	BRIAN BANKS	SURPLUS PROPERTY CONSULTING	500.00	500.00
13971	11/17/2025	CACHUMA CONSERV RELEASE BOARD	FY26 2ND QTR ASSESSMENT	47,615.00	47,615.00
13972	11/17/2025	CALIFORNIA ELECTRIC SUPPLY	HU-68080 TROUGH COVER	91.66	
14042	11/24/2025	CALIFORNIA ELECTRIC SUPPLY	HU-68080 ELECT BUSHINGS & CONNECTORS	109.96	201.62
14043	11/24/2025	CANON FINANCIAL SERVICES, INC.	7-19-70-46-01 OFFICE COPIER LEASE	1,553.00	1,553.00
13973	11/17/2025	CARAHSOFT TECHNOLOGY CORPORATION	MWD005 ZOOM PHONE FORWARDING OVERAGES	9.36	9.36
13974	11/17/2025	CARPINTERIA VALLEY WATER DISTRICT	26Q1 O&M + CAPITAL	339,897.57	
14044	11/24/2025	CARPINTERIA VALLEY WATER DISTRICT	04-002 ORTEGA RES COSTS	2,423.05	342,320.62
14045	11/24/2025	CITY OF SANTA BARBARA	CCRB EVALUATION COST SHARING	7,165.25	
14046	11/24/2025	CITY OF SANTA BARBARA	14651 WSA DESAL	655,159.00	662,324.25
13975	11/17/2025	COSB PUBLIC WORKS - TRANSPORTATION DIVISION	10.21.25 STMT - MWD LONG FORM PERMITS	1,565.50	
14029	11/17/2025	COSB PUBLIC WORKS - TRANSPORTATION DIVISION	PERMIT # 25-054T-UL-107-0545 - 809 PARK LANE	62.00	1,627.50
14047	11/24/2025	COUNTY OF SB PLANNING & DEVELOPMENT	# 25ACT-00243 - LIVE OAKS PROPERTY REZONING	151.00	151.00
13976	11/17/2025	COX COMMUNICATIONS	13011026150301 ADMIN INTERNET	337.84	
13977	11/17/2025	COX COMMUNICATIONS	13011028261302 DTP INTERNET	72.54	
14048	11/24/2025	COX COMMUNICATIONS	13011027671401 BVTP INTERNET	409.09	819.47
14049	11/24/2025	CV ENTERPRISES, INC.	10.25 IT SUPPORT	10,103.75	10,103.75
14050	11/24/2025	DAL POZZO TIRE CORP	NEW TIRES - F-010	581.61	581.61
13978	11/17/2025	DOCUPRODUCTS	MW04 COPIER OVERAGE	145.24	145.24

MONTECITO WATER DISTRICT
CHECK REGISTER
NOVEMBER 30, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14051	11/24/2025	DONALD ERIK KADLEC	ADMIN AC REPAIR	600.00	600.00
14052	11/24/2025	DUDEK	12495 BVTP BLOWER AIR PERMIT	125.00	125.00
13979	11/17/2025	EBERHARD EQUIPMENT 3	H007 FUEL & OIL FILTERS	189.76	
14053	11/24/2025	EBERHARD EQUIPMENT 3	15875 H-007 NUTS LEVERS JOINT BUSHINGS	228.24	
14053	11/24/2025	EBERHARD EQUIPMENT 3	15875 H-007 SOLENOID	334.16	752.16
13980	11/17/2025	ECHO COMMUNICATIONS	2267 AFTER HOURS SERVICE	332.45	332.45
14054	11/24/2025	EMPLOYMENT DEVLOP DEPT.	LETTER ID # L0478808112 - UNEMPLOYMENT INSUR BEN	5,400.00	5,400.00
13981	11/17/2025	FAMCON PIPE & SUPPLY INC	303 4" CLA-VAL BODY	7,336.70	
14055	11/24/2025	FAMCON PIPE & SUPPLY INC	303 SERVICE SADDLE BARKER PASS PUMP STATION	120.93	
14055	11/24/2025	FAMCON PIPE & SUPPLY INC	303 PARTS FOR FH AT EAST VALLEY PUMP STATION	5,750.81	
14055	11/24/2025	FAMCON PIPE & SUPPLY INC	303 TRANS RUBBER	17.24	13,225.68
13982	11/17/2025	FEDEX	1754-3835-1 BANKUP EXCEPTIONS	32.94	
13982	11/17/2025	FEDEX	1754-3835-1 BANKUP EXCEPTIONS	34.12	
13982	11/17/2025	FEDEX	1754-3835-1 BANKUP EXCEPTIONS	34.26	101.32
14056	11/24/2025	FERGUSON WATERWORKS #1083	639 WATER BOOTS (6)	698.22	
14056	11/24/2025	FERGUSON WATERWORKS #1083	639 DIST MUCK BOOTS (3)	323.25	1,021.47
13983	11/17/2025	FGL ENVIRONMENTAL	2016013 ENNISBROOK 5 - UCMR 5	100.00	
13983	11/17/2025	FGL ENVIRONMENTAL	2016013 STAGE 2 DBP MONITORING	785.00	
13983	11/17/2025	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	45.00	
13983	11/17/2025	FGL ENVIRONMENTAL	2016013 DRINKING WATER MONITORING	85.00	
13983	11/17/2025	FGL ENVIRONMENTAL	2016013 BVTP TTHM MONITORING	401.00	
13983	11/17/2025	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	397.00	
13983	11/17/2025	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	101.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 JAMESON LAKE MONITORING CHLOROPHYLL	605.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 JAMESON LAKE TOC	335.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	45.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 GROUNDWATER RECHARGE	350.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	45.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	437.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	61.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 DOULTON TUNNEL TP - RAW	34.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	61.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	397.00	
14057	11/24/2025	FGL ENVIRONMENTAL	2016013 QUARTERLY RAW WATER BACTI	130.00	4,414.00
14058	11/24/2025	FRONTIER	20918852180227065 TELEMETRY LINE	57.34	
14059	11/24/2025	FRONTIER	80556504870405195 ADMIN INTERNET	232.15	289.49
13984	11/17/2025	FUEL SMART SB	110101030 MWD FUEL	1,581.35	
13984	11/17/2025	FUEL SMART SB	110101030 MWD FUEL	2,098.08	3,679.43
13985	11/17/2025	GRAINGER INC.	818790453 DRY WIPES	106.09	
13985	11/17/2025	GRAINGER INC.	818790453 KEY RING TRANSMITTER	130.12	
14060	11/24/2025	GRAINGER INC.	818790453 COPPER FERRUES	43.74	279.95
14061	11/24/2025	HACH COMPANY	105840 2ND QTR RESTOCK VIALS, GEL PROBES, TURB KIT	2,997.81	
14061	11/24/2025	HACH COMPANY	105840 NTU AMPULE KITS	420.23	3,418.04
13986	11/17/2025	HALOGEN SYSTEMS, INC.	MAINT KITS FOR ENNISBROOK #5 ANALYZERS	1,161.29	1,161.29
14062	11/24/2025	HARRINGTON INDUSTRIAL	JAMESON WATER TREAT PUMP TUBES	159.26	159.26
14063	11/24/2025	INFOSEND	MWT-000 BILLING	2,413.50	
14063	11/24/2025	INFOSEND	MWT-000 FEES BILLING	706.68	3,120.18
14064	11/24/2025	IRON MOUNTAIN	229MB SHRED SERVICE	418.24	418.24
14065	11/24/2025	JM ROOFING CO INC.	P150 EAST VALLEY ROOF REPLACEMENT	31,710.00	31,710.00
13987	11/17/2025	LASH CONSTRUCTION INC.	ASPHALT REMOVAL + BASE PICKUP	621.34	621.34
14066	11/24/2025	LINDE GAS & EQUIPMENT, INC	71338091 GAS FOR WELDER	194.24	194.24
14067	11/24/2025	LOWE'S BUSINESS ACCOUNT	821 3105 075456 8 WALL PACK LED LIGHTS	173.99	

MONTECITO WATER DISTRICT
CHECK REGISTER
NOVEMBER 30, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14067	11/24/2025	LOWE'S BUSINESS ACCOUNT	821 3105 075456 8 FIRE RATED SHEAT STRAPS QUIKRETE	107.68	281.67
14068	11/24/2025	MARBORG DISPOSAL CO.	1-0002337 1 3 YD TRASH RECYCLE BINS	1,483.74	
14068	11/24/2025	MARBORG DISPOSAL CO.	1-0008789 7 25 YD ROLLOFF	190.65	
14068	11/24/2025	MARBORG DISPOSAL CO.	30-16830 9 BV PORTABLE	81.55	
14068	11/24/2025	MARBORG DISPOSAL CO.	30-1059740 6 DIST PORTABLE	181.74	
14068	11/24/2025	MARBORG DISPOSAL CO.	30-1078124 0 DIST PORTABLE	192.51	2,130.19
14069	11/24/2025	MARINE INDUSTRIAL TANK INC	DOULTON RESERVOIR CLEANIGN & INSPECTION	3,750.00	3,750.00
13988	11/17/2025	MCCORMIX CORP.	6082 MWD FUEL	78.16	
14070	11/24/2025	MCCORMIX CORP.	BV & ORTEGA GENERATOR FUEL	1,938.33	2,016.49
14071	11/24/2025	MILPAS RENTAL, INC.	FORKLIFT RENTAL NEW BV FILTER MEDIA	940.50	
14071	11/24/2025	MILPAS RENTAL, INC.	687 LIFT FOR COAST VILLAGE	249.48	1,189.98
13989	11/17/2025	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	311.09	
13989	11/17/2025	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	325.76	
13989	11/17/2025	MISSION LINEN SUPPLY	102263 FIRST AID RESTOCK	74.89	
13989	11/17/2025	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	130.35	
13989	11/17/2025	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	237.34	
13989	11/17/2025	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	91.64	
13989	11/17/2025	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	400.82	
14072	11/24/2025	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	130.35	
14072	11/24/2025	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	237.34	
14072	11/24/2025	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	91.64	
14072	11/24/2025	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	255.36	
14072	11/24/2025	MISSION LINEN SUPPLY	10226 DIST EE HATS	252.14	2,538.72
13990	11/17/2025	MONTECITO JOURNAL	MJ MONTHLY AD BEAUTIFICATION DAY	450.05	
14073	11/24/2025	MONTECITO JOURNAL	MJ MONTHLY AD HOLIDAY	450.05	900.10
13991	11/17/2025	MONTECITO TREE CARE, INC.	SAN LEANDRO WELL FALLEN TREE REMOVAL	1,750.00	1,750.00
13992	11/17/2025	MONTECITO VILLAGE HARDWARE	CLAMPS SCREWS TAPE PAINT	51.63	
13992	11/17/2025	MONTECITO VILLAGE HARDWARE	KEY RINGS 50FT HOSE	65.70	
13992	11/17/2025	MONTECITO VILLAGE HARDWARE	BRACKETS SCREWS GRASS SEED	51.68	
13992	11/17/2025	MONTECITO VILLAGE HARDWARE	BOLTS WASHERS	6.83	
13992	11/17/2025	MONTECITO VILLAGE HARDWARE	PLASTIC SHEETING	17.22	
13992	11/17/2025	MONTECITO VILLAGE HARDWARE	BOLTS NUTS WASHERS	20.21	
14074	11/24/2025	MONTECITO VILLAGE HARDWARE	SIMPLE GREEN	18.31	
14074	11/24/2025	MONTECITO VILLAGE HARDWARE	PAINT FOR AUTO TRAILER	59.21	
14074	11/24/2025	MONTECITO VILLAGE HARDWARE	KEY HOOK, BOLTS	9.64	300.43
13993	11/17/2025	NORTHERN SAFETY CO INC	772863 RAIN SUIT + PARKA	215.93	215.93
13994	11/17/2025	O'REILLY	1560132 BRAKES FOR F010	74.38	
13994	11/17/2025	O'REILLY	1560132 H-007 BATTERY	110.89	
13994	11/17/2025	O'REILLY	1560132 H-007 LOCKING PIN PWR RTD BELT	27.33	
14075	11/24/2025	O'REILLY	LIFT SHOCKS F-018	57.53	270.13
14076	11/24/2025	PACIFIC MATERIALS LAB	P142 US101 CASING WELD INSPECTOR	1,952.00	1,952.00
13995	11/17/2025	PITNEY BOWES	8000-9090-1096-6484 POSTAGE METER REFILL	200.00	200.00
14077	11/24/2025	PROBER LAND SURVEYING	P141 MIRAMONTE AVE SURVEY	8,950.00	8,950.00
14078	11/24/2025	RAYNE OF SANTA BARBARA	224204 BVTP CHEMICAL SOFTENER	440.00	440.00
14079	11/24/2025	RINCON CONSULTANTS, INC	20-09378 A1 FEMA ALDER ENVIRO	1,161.25	
14096	11/24/2025	RINCON CONSULTANTS, INC	21-11054 ASADRA ENVIRO SERVICES	764.30	1,925.55
13996	11/17/2025	S.B. HOME IMPR CNTR	2910 SUPER GLUE AA BATTERIES	36.76	
14080	11/24/2025	S.B. HOME IMPR CNTR	GORILLA TAPE PAPER TOWELS PAINT ROLLER	77.29	114.05
14081	11/24/2025	SANTA BARBARA SAND & TOP SOIL CORP	P143 SAND FOR PK FIRELINE	1,525.74	
14081	11/24/2025	SANTA BARBARA SAND & TOP SOIL CORP	P143 SAND FOR FH LINE PK	1,478.29	3,004.03
14082	11/24/2025	SATCOM DIRECT INC	881651474254 SAT PHONE	55.00	55.00
13997	11/17/2025	SB HANDYMAN	FIRE PREPAREDNESS AT MWD BUILDINGS	4,552.00	4,552.00

MONTECITO WATER DISTRICT
CHECK REGISTER
NOVEMBER 30, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
13998	11/17/2025	SCHNEIDER ELECTRIC SYSTEMS USA, INC.	CASA DORINDA PUMP STATION METER	6,152.89	6,152.89
14083	11/24/2025	SEARLE CREATIVE GROUP, LLC	MJ AD GRAPHIC DESIGN, DEMO GARDEN, BILL INSERT	3,060.00	3,060.00
13999	11/17/2025	SOAP MAN	DIST EAR PLUGS, AIR FRESHENER, BROOM	194.49	194.49
14000	11/17/2025	SOUTHERN CALIF EDISON CO ..0049	700571670049 PICAY SVC FEE	152.43	
14001	11/17/2025	SOUTHERN CALIF EDISON CO ..0377	700869220377 BUELL PUMP STATION	89.27	
14002	11/17/2025	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	73.81	
14002	11/17/2025	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	74.33	
14002	11/17/2025	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	(76.80)	
14003	11/17/2025	SOUTHERN CALIF EDISON CO ..0784	700869230784 OFFICE SHOP	245.66	
14004	11/17/2025	SOUTHERN CALIF EDISON CO ..1093	700869251093 MOSBY WELL	1,227.60	
14005	11/17/2025	SOUTHERN CALIF EDISON CO ..1687	700869211687 EDGEWOOD WELL # 3	625.22	
14006	11/17/2025	SOUTHERN CALIF EDISON CO ..2790	700864982790 ENNISBROOK #2 WELL	1,495.23	
14007	11/17/2025	SOUTHERN CALIF EDISON CO ..2891	700864982891 BVTP	2,374.61	
14008	11/17/2025	SOUTHERN CALIF EDISON CO ..2915	700869252915 VALLEY CLUB WELL	619.92	
14009	11/17/2025	SOUTHERN CALIF EDISON CO ..2992	700864982992 EAST VALLEY PUMP STATION	6,655.65	
14010	11/17/2025	SOUTHERN CALIF EDISON CO ..3093	700864983093 ROMERO PUMP STATION	8,057.61	
14011	11/17/2025	SOUTHERN CALIF EDISON CO ..3295	700864983295 BARKER PASS PUMP STATION	5,419.66	
14012	11/17/2025	SOUTHERN CALIF EDISON CO ..4181	700869434181 OFFICE PUMP STATION	1,577.81	
14013	11/17/2025	SOUTHERN CALIF EDISON CO ..4457	700862554457 ORTEGA PUMP STATION	1,199.14	
14084	11/24/2025	SOUTHERN CALIF EDISON CO ..4710	700869824710 MOUNTAIN DRIVE PUMP STATION	967.44	
14014	11/17/2025	SOUTHERN CALIF EDISON CO ..5728	700869205728 OFFICE BUILDING	549.65	
14015	11/17/2025	SOUTHERN CALIF EDISON CO ..6432	700869196432 DOULTON TREAT PLANT	719.41	
14016	11/17/2025	SOUTHERN CALIF EDISON CO ..6830	700869176830 ENNISBROOK #5 WELL	657.91	
14017	11/17/2025	SOUTHERN CALIF EDISON CO ..9554	700869169554 EVR #4 / #6 WELLS	218.46	
14085	11/24/2025	SOUTHERN CALIF EDISON CO ..9560	700869189560 CASA DORINDA PUMP STATION	35.04	
14085	11/24/2025	SOUTHERN CALIF EDISON CO ..9560	700869189560 CASA DORINDA PUMP STATION	(23.75)	32,935.31
14018	11/17/2025	SOUTHERN CALIF GAS CO	10741464001 ADMIN GAS	56.94	56.94
14019	11/17/2025	STANDARD INSURANCE COMPANY	11.25 MWD DISABILITY INSURANCE	3,556.60	3,556.60
14086	11/24/2025	STAPLES	LA 1658991 HANGING FILE FOLDERS	54.93	
14086	11/24/2025	STAPLES	LA 1658991 2026 TREATMENT LOG BOOKS	672.54	727.47
14020	11/17/2025	STEWARTS DEROOTING & PLUMBING	DTP SEPTIC TANK CLEANOUT	1,800.00	1,800.00
14021	11/17/2025	SWRCB-DWOCP	T4 RE-EXAM FEE - EE # 127	95.00	
14087	11/24/2025	SWRCB-DWOCP	D3 CERT RENEWAL - EE # 139	120.00	215.00
14030	11/17/2025	THE FLAG FACTORY	ASADRA FUNDING SIGNAGE	418.56	
14030	11/17/2025	THE FLAG FACTORY	ASADRA FUNDING SIGNAGE	633.74	1,052.30
14022	11/17/2025	TRI COUNTY OFFICE FURNITURE	NEW OFFICE CHAIR - BMR	950.87	950.87
14088	11/24/2025	UNITED HEALTHCARE INSURANCE COMPANY	399330727-11 POST EE BENEFITS	389.75	389.75
14089	11/24/2025	USC COMPANIES, INC.	10.25 ADMIN JANITORIAL	474.40	474.40
14023	11/17/2025	VENTURA STEEL, INC.	REMNANT STEEL	121.22	121.22
14090	11/24/2025	WANGER JONES HELSLEY PC	12183-002 A1 SPECIAL LEGAL	11,802.24	11,802.24
14024	11/17/2025	WELLS FARGO BANK	11.03.25 STMT MWD	2,130.93	2,130.93
14091	11/24/2025	WENDELSTEIN LAW GROUP PC	MWD GENERAL COUNSEL	12,660.00	
14097	11/24/2025	WENDELSTEIN LAW GROUP PC	ASADRA GENERAL COUNSEL	3,288.00	15,948.00
14092	11/24/2025	WESTECH ENGINEERING INC	C06270 DTP GRATING AC MEDIA RETAINER	2,886.10	2,886.10
14093	11/24/2025	WESTWATER RESEARCH LLC	25-027 WATER MARKETING STRATEGY	4,620.00	4,620.00
14026	11/17/2025	WORKSITE SOLUTIONS	CWMA29175 EE SUPPLEMENTAL INSURANCE	371.38	371.38
14027	11/17/2025	ZIP'S / AW DIRECT	5256889 BINDERS FOR TRAILER	274.75	274.75
14028	11/17/2025	ZORO TOOLS, INC.	CUST20086032 WIRING TROUGHS	539.99	
14094	11/24/2025	ZORO TOOLS, INC.	CUST20086032 DTP RESIDENCE DISCONNECT SWITCH	1,115.64	1,655.63
14095	11/24/2025	ZWORLD GIS, LLC	GIS PROGRAM SUPPORT	2,550.00	2,550.00

MONTECITO WATER DISTRICT
CHECK REGISTER
NOVEMBER 30, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
			MWD REPORT TOTAL	**1,693,472.26**	**1,693,472.26**
					-

MONTECITO WATER DISTRICT
DIRECT DEPOSIT REGISTER
NOVEMBER 30, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0002082	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - MWD NET PAYROLL	78,357.32	78,357.32
DFT0002078	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - GSA NET PAYROLL	12,353.72	12,353.72
DFT0002085	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - ASADRA NET PAYROLL	58.84	58.84
DFT0002086	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - HIGHLINE NET PAYROLL	953.03	953.03
DFT0002104	11/28/2025	PAYLOCITY CORPORATION	12/01 PR - MWD NET PAYROLL	96,906.25	96,906.25
DFT0002098	11/28/2025	PAYLOCITY CORPORATION	12/01 PR - GSA NET PAYROLL	11,590.64	11,590.64
DFT0002107	11/28/2025	PAYLOCITY CORPORATION	12/01 PR - ASADRA NET PAYROLL	117.66	117.66
			MWD REPORT TOTAL	**200,337.46**	**200,337.46**
					-

MONTECITO WATER DISTRICT
ACH REGISTER
NOVEMBER 30, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0002060	11/03/2025	BENEFLEX INC	11/03 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	1,724.29	1,724.29
DFT0002071	11/17/2025	BENEFLEX INC	11/17 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	1,724.29	1,724.29
DFT0002059	11/03/2025	CALPERS	11/03 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	629.75	629.75
DFT0002061	11/03/2025	CALPERS	11/03 PR - 457 & LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,830.64	5,830.64
DFT0002062	11/03/2025	CALPERS	11/03 PR - PEPRA EMPLOYEE CONTRIBUTIONS	4,929.21	4,929.21
DFT0002063	11/03/2025	CALPERS	11/03 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	4,433.02	4,433.02
DFT0002064	11/03/2025	CALPERS	11/03 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,811.23	3,811.23
DFT0002065	11/03/2025	CALPERS	11/03 PR - CLASSIC EMPLOYER CONTRIBUTIONS MWD	6,933.70	6,933.70
DFT0002072	11/17/2025	CALPERS	11/17 PR - 457 & LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,601.72	5,601.72
DFT0002073	11/17/2025	CALPERS	11/17 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,811.22	3,811.22
DFT0002074	11/17/2025	CALPERS	11/17 PR - CLASSIC EMPLOYER CONTRIBUTIONS	6,933.70	6,933.70
DFT0002075	11/17/2025	CALPERS	11/17 PR - PEPRA EMPLOYEE CONTRIBUTIONS MWD	4,956.16	4,956.16
DFT0002076	11/17/2025	CALPERS	11/17 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	4,460.68	4,460.68
DFT0002077	11/17/2025	CALPERS	11/17 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	629.75	629.75
DFT0002089	11/21/2025	CALPERS	SOC SEC AMDIN 218 FEE	160.00	160.00
DFT0002066	11/03/2025	COLONIAL LIFE PROCESSING CENTER	E4901575 EE SUPPLEMENTAL INSURANCE	209.22	209.22
DFT0002067	11/03/2025	LINCOLN FINANCIAL GROUP	11/03 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,288.00	1,288.00
DFT0002080	11/17/2025	LINCOLN FINANCIAL GROUP	11/17 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	4,788.00	4,788.00
DFT0002079	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - GSA EMPLOYER TAXES	693.25	693.25
DFT0002083	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - MWD EMPLOYEE TAXES	33,476.84	33,476.84
DFT0002084	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - MWD EMPLOYER TAXES	9,061.27	9,061.27
DFT0002099	11/28/2025	PAYLOCITY CORPORATION	12/01 PR - GSA EMPLOYER TAXES	630.11	630.11
DFT0002103	11/25/2025	PAYLOCITY CORPORATION	NOV 2025 PROCESSING FEES	657.01	657.01
DFT0002105	11/28/2025	PAYLOCITY CORPORATION	12/01 PR - MWD EMPLOYEE TAXES	41,399.61	41,399.61
DFT0002106	11/28/2025	PAYLOCITY CORPORATION	12/01 PR - MWD EMPLOYER TAXES	9,400.71	9,400.71
DFT0002087	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - ASADRA EMPLOYER TAXES	4.50	4.50
DFT0002108	11/28/2025	PAYLOCITY CORPORATION	12/01 PR - ASADRA EMPLOYER TAXES	9.00	9.00
DFT0002088	11/17/2025	PAYLOCITY CORPORATION	11/17 PR - HIGHLINE EMPLOYER TAXES	13.58	13.58
DFT0002068	11/03/2025	SANTA BARBARA COUNTY EMPLOYEE ASS.	11/03 PR - UNION DUES	523.80	523.80
DFT0002081	11/17/2025	SANTA BARBARA COUNTY EMPLOYEE ASS.	11/17 PR - UNION DUES	488.88	488.88
DFT0002051	11/06/2025	WATER QUALITY & TREATMENT SOLUTIONS	STAFF TRAINING WATER QUALITY REG WORKSHOP	8,000.00	8,000.00
			MWD REPORT TOTAL	**167,213.14**	**167,213.14**
					-

PROOF	
CHECK REGISTERS	1,693,472.26
DRAFTS	167,213.14
DIRECT DEPOSIT	200,337.46
	2,061,022.86
INCODE CHECK REGISTER ALL	2,061,022.86
	-

MONTECITO WATER DISTRICT
PAYMENT OF BILLS
TOTAL DISBURSEMENTS SUMMARY
FOR MONTH ENDED
December 31, 2025

SECTION: 4-D

AP CHECK REGISTER			**1,363,079**
NET PAYROLL DIRECT DEPOSITS [1]			
CHECK DATE	12/15/2025	100,476	
CHECK DATE	12/29/2025	94,582	
		Payroll Direct Deposits	**195,058**
EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS [2]			
	CALPERS; EE BENEFITS; PAYROLL TAXES	186,359	
	EPX FEES	16,406	
		Subtotal External Wire Transfers	**202,765**
		TOTAL DISBURSEMENTS	**1,760,902**
INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS [3]			
N/A		0.00	
		NET INTERNAL WIRE TRANSFERS	**0**

[1] The Net Payroll Direct Deposits are the payroll amounts that are deposited into employee bank accounts through an ACH. Payments for employee benefits, both the employee and employer portions, are recorded on the Check Register, therefore are not included.

[2] External Wire Transfers Out are wire transfers which are made periodically for items such as debt service payments, the fixed portion of the State Water Project payment, supplemental water purchases and transfers to open new District bank or investment accounts.

[3] Internal Wire Transfers Between Accounts held by Montecito Water District are made periodically for items such as transfers between investment accounts and bank accounts or for transfers to open new bank or investment accounts.

MONTECITO WATER DISTRICT
CHECK REGISTER
DECEMBER 31, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14132	12/18/2025	ACWA-JPIA	000082 EMPLOYEE BENEFITS MWD	59,226.21	59,226.21
14133	12/18/2025	ALVAREZ AUTOMOTIVE REPAIR & SMOG	F-003 SMOG	46.75	
14133	12/18/2025	ALVAREZ AUTOMOTIVE REPAIR & SMOG	F-018 SMOG	46.75	
14133	12/18/2025	ALVAREZ AUTOMOTIVE REPAIR & SMOG	F-015 SMOG	46.75	
14133	12/18/2025	ALVAREZ AUTOMOTIVE REPAIR & SMOG	F-019 SMOG	46.75	187.00
14134	12/18/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P CANDY RESTOCK, PENS, RULERS, FILING	155.02	
14134	12/18/2025	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P DESK MAT	41.96	196.98
14099	12/03/2025	AMERICAN PIPELINE SERVICES	P98 FREEHAVEN MAIN REPLACEMENT	17,125.00	
14099	12/03/2025	AMERICAN PIPELINE SERVICES	P95 LAS TUNAS MAIN REPLACEMENT	5,600.00	
14202	12/22/2025	AMERICAN PIPELINE SERVICES	P98 FREEHAVEN MAIN REPLACEMENT PP#3	109,574.68	132,299.68
14100	12/15/2025	ANTHEM BLUE CROSS	249A51862 POST EE BENEFITS	1,327.41	1,327.41
14135	12/18/2025	AQUA-FLO SUPPLY	102509 ADAPTERS COMPRESSION TEE NOZZLES	48.21	
14135	12/18/2025	AQUA-FLO SUPPLY	102509 CLAMPS ADAPTERS PVC BUSHINGS	30.55	78.76
14136	12/18/2025	AT&T MOBILITY	MWD CELL PHONES	1,009.65	1,009.65
14137	12/18/2025	AUTOMATION DIRECT, INC.	1227346 WQ MONITORING ENCLOSURE	360.96	360.96
14138	12/18/2025	BADGER METER, INC.	SYSTEM PRESSURE MONITORING PILOT	3,475.01	3,475.01
14139	12/18/2025	BANK UP CORPORATION	11.25 LOCKBOX FEES	1,577.88	1,577.88
14140	12/18/2025	BARTLETT TREE EXPERTS	0112457 JAMESON TREE TRIMMING	12,744.00	12,744.00
14141	12/18/2025	BEDROCK BUILDING SUPPLIES INC	505 OAK GROVE METER INSTALL SLURRY	211.40	211.40
14101	12/15/2025	BRENNTAG PACIFIC INC	285965 ORTEGA SODIUM HYPOCHLORITE	4,353.26	
14101	12/15/2025	BRENNTAG PACIFIC INC	CREDIT - BPI4452 - INV # BPI63647	(773.06)	3,580.20
14142	12/18/2025	BRIAN BANKS	LIVE OAKS REZONE SERVICES	1,433.09	1,433.09
14143	12/18/2025	BUNNIN	F-021 SENSOR	7.92	7.92
14144	12/18/2025	CACHUMA OPERATIONS & MAINTENANCE BOARD	PROJECT FEE ASSESSMENT (7/01/25 - 6/30/26)	8,900.33	
14144	12/18/2025	CACHUMA OPERATIONS & MAINTENANCE BOARD	FY26 WATER SYSTEM ANNUAL FEES	3,493.13	12,393.46
14145	12/18/2025	CALIFORNIA ELECTRIC SUPPLY	HU-68080 DTP COPPER WIRE, ELECT TAPES	350.20	350.20
14146	12/18/2025	CARAHSOFT TECHNOLOGY CORPORATION	MWD005 ZOOM PHONE FORWARDING OVERAGES	14.03	14.03
14147	12/18/2025	CITY OF SANTA BARBARA	14651 WSA DESAL	655,159.00	655,159.00
14102	12/15/2025	COUNTY OF SANTA BARBARA WATER AGENCY	IRWM PROGRAM (7/01/24 - 12/31/24)	223.20	223.20
14148	12/18/2025	COUNTY OF SB PLANNING & DEVELOPMENT	ACCT # 25ACT-00243 - LIVE OAKS REZONING PERMITS	664.40	664.40
14103	12/15/2025	COX COMMUNICATIONS	13011026150301 ADMIN INTERNET	337.84	
14104	12/15/2025	COX COMMUNICATIONS	13011028261302 DTP INTERNET	72.54	
14149	12/18/2025	COX COMMUNICATIONS	13011027671401 BVTP INTERNET	409.09	819.47
14150	12/18/2025	CV ENTERPRISES, INC.	12.25 DATTO CLOUD BACKUP	1,145.00	
14150	12/18/2025	CV ENTERPRISES, INC.	12.25 NET ALERT	1,575.00	
14150	12/18/2025	CV ENTERPRISES, INC.	12.25 CYBERSECURITY SUITE	2,004.50	
14150	12/18/2025	CV ENTERPRISES, INC.	12.25 OFFICE 365	1,845.00	
14150	12/18/2025	CV ENTERPRISES, INC.	12.25 VPN LICENCES	170.00	
14150	12/18/2025	CV ENTERPRISES, INC.	ADOBE ACROBAT ANNUAL SUBSCRIPTIONS	3,417.72	10,157.22
14151	12/18/2025	DELL MARKETING L.P.	76637178 SCADA SERVERS (2)	6,028.36	6,028.36
14152	12/18/2025	DLT SOLUTIONS LLC	AUTOCAD SOFTWARE ANNUAL SUBSCRIPTION	9,371.13	9,371.13
14153	12/18/2025	DOCUPRODUCTS	MW04 COPIER OVERAGE	105.69	105.69
14154	12/18/2025	ECHO COMMUNICATIONS	2267 AFTER HOURS SERVICE	287.00	287.00
14155	12/18/2025	EVERBRIDGE, INC	14486 EVERBRIDGE NOTIFICATIONS RENEWAL	3,090.00	3,090.00

MONTECITO WATER DISTRICT
CHECK REGISTER
DECEMBER 31, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14156	12/18/2025	FAMCON PIPE & SUPPLY INC	303 PICAY FH PARTS	4,048.17	
14156	12/18/2025	FAMCON PIPE & SUPPLY INC	303 PICAY FH PARTS	4,958.92	
14156	12/18/2025	FAMCON PIPE & SUPPLY INC	303 PICAY FH PARTS	7,342.95	16,350.04
14157	12/18/2025	FEDEX	1754-3835-1 BANKUP EXCEPTIONS	34.40	34.40
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 ENNISBROOK 5 - EC/TDS	147.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 T MOSBY WELL - WATER QUALITY	338.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	85.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 ALUMINUM MONITORING	65.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 STAGE 2 DBP MONITORING	745.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 ORTEGA RESERVOIR DBP	229.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	125.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 GROUNDWATER WELLS - COMPLIANCE	183.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 T CR/CR (VI) TESTING	873.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	61.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	437.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	45.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 GROUNDWATER RECHARGE	402.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 BACTI ANALYSIS	30.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 JAMESON LAKE TOC	335.00	
14158	12/18/2025	FGL ENVIRONMENTAL	2016013 DOULTON TUNNEL TP - RAW	74.00	4,174.00
14160	12/18/2025	FRONTIER	80556504870405195 ADMIN INTERNET	218.00	218.00
14105	12/15/2025	FUEL SMART SB	110101030 MWD FUEL	2,101.30	
14161	12/18/2025	FUEL SMART SB	110101030 MWD FUEL	1,397.96	3,499.26
14162	12/18/2025	GIBBS INTERNATIONAL TRUCKS, INC.	MIRROR FOR H-004	289.00	289.00
14163	12/18/2025	GRAINGER INC.	818790453 DRY WIPES PAPER TOWELS	321.82	
14163	12/18/2025	GRAINGER INC.	818790453 KEY RINGS SCOURING PAD	85.27	
14163	12/18/2025	GRAINGER INC.	818790453 SLEEVE COUPLING	72.06	
14163	12/18/2025	GRAINGER INC.	818790453 HAND SKIMMER MESH STRAINERS	46.30	
14163	12/18/2025	GRAINGER INC.	818790453 CUTTING WHEELS	153.93	679.38
14164	12/18/2025	HAMNER, JEWELL & ASSOCIATES	DISTRICT EASEMENT REVIEW	366.00	366.00
14165	12/18/2025	HARRINGTON INDUSTRIAL	036731 CONNECTOR TUBES O-RING KITS	245.57	
14165	12/18/2025	HARRINGTON INDUSTRIAL	036731 300' TUBING REEL	196.34	
14165	12/18/2025	HARRINGTON INDUSTRIAL	036731 HORIZONTAL PUMP CENTRIFUGE	738.68	
14165	12/18/2025	HARRINGTON INDUSTRIAL	036731 VALVE SWING CHECKS	103.01	
14165	12/18/2025	HARRINGTON INDUSTRIAL	036731 CONNECTOR TUBING	45.95	
14165	12/18/2025	HARRINGTON INDUSTRIAL	036731 PVC BUSHINGS ADAPTERS	91.95	
14165	12/18/2025	HARRINGTON INDUSTRIAL	036731 TEE UNION & CONNECTOR TUBE	73.04	1,494.54
14166	12/18/2025	HAYWARD LUMBER	BLADE FOR SAW CUTTER	368.71	368.71
14167	12/18/2025	IRON MOUNTAIN	229MB SHRED SERVICES	365.60	365.60
14168	12/18/2025	LAURA MENAHEN	493W01726 POST EE BENEFITS	818.61	818.61
14169	12/18/2025	MARBORG DISPOSAL CO.	30-16830 9 BV PORTABLE	21.55	
14169	12/18/2025	MARBORG DISPOSAL CO.	30-1059740 6 DIST PORTABLE	181.74	203.29
14170	12/18/2025	MCCORMIX CORP.	6082 BULK OIL	356.29	356.29
14171	12/18/2025	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	130.35	865.49
14171	12/18/2025	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	382.80	
14171	12/18/2025	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	352.34	
14201	12/19/2025	MONTECITO GSA	FY26 Q1-2 MWD TO GSA FEE	68,458.00	68,458.00
14172	12/18/2025	MONTECITO VILLAGE HARDWARE	TREAT STAMP FILLER	32.30	
14172	12/18/2025	MONTECITO VILLAGE HARDWARE	WASHERS & BOLTS	30.97	
14172	12/18/2025	MONTECITO VILLAGE HARDWARE	DIST PAINT	10.76	74.03
14173	12/18/2025	MOUNTAIN VIEW LANDSCAPING	09.25 LANDSCAPE MAINTENANCE	4,700.00	
14173	12/18/2025	MOUNTAIN VIEW LANDSCAPING	10.25 LANDSCAPE MAINTENANCE	4,700.00	
14173	12/18/2025	MOUNTAIN VIEW LANDSCAPING	11.25 LANDSCAPE MAINTENANCE	4,770.00	14,170.00

MONTECITO WATER DISTRICT
CHECK REGISTER
DECEMBER 31, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14106	12/15/2025	PITNEY BOWES	8000-9090-1096-6484 POSTAGE METER REFILL	246.93	246.93
14174	12/18/2025	PROBER LAND SURVEYING	P141 EDGECLIFF SURVEY WORK	8,950.00	8,950.00
14175	12/18/2025	RAYNE OF SANTA BARBARA	224204 BVTP SOFTENER	440.00	440.00
14176	12/18/2025	RINCON CONSULTANTS, INC	25-18059 2025 UWMP DEVELOPMENT	7,680.25	
14198	12/18/2025	RINCON CONSULTANTS, INC	25-18087 P133 TERMINAL ENVIRO SERVICES	2,434.50	
14198	12/18/2025	RINCON CONSULTANTS, INC	25-17718 P132 PARK LANE ENVIRO SERVICES	1,891.50	12,006.25
14177	12/18/2025	RJ ACTION PAINTING INC.	P150 E VALLEY PUMP STATION BONDO/PAINTING	9,900.00	9,900.00
14178	12/18/2025	S.B. HOME IMPR CNTR	2910 BV FILTER # 1 MEDIA REPLACE TRASH BINS (10)	447.82	447.82
14179	12/18/2025	SAGINAW CONTROL & ENGINEERING	PICAY HINGED ENCLOSURE	803.32	803.32
14180	12/18/2025	SB COUNTY CHAP SPECIAL DIST ASSOC	SBCSDA 2026 ANNUAL DUES	300.00	300.00
14181	12/18/2025	SB HANDYMAN	FIRE PREP BUILDING MAINTENANCE	1,870.00	1,870.00
14182	12/18/2025	SCHOCK CONTRACTING CORP	P143 HYDRANT REPLACEMENT PROJECT	114,070.95	114,070.95
14183	12/18/2025	SECUREPRO, INC.	009319 BVTP SECURITY CAMERAS	973.50	973.50
14184	12/18/2025	SOAP MAN	DIST MARKING PAINT PAPER TOWELS PLATES BOWLS	300.27	300.27
14107	12/15/2025	SOUTHERN CALIF EDISON CO ..0049	700571670049 PICAY SVC FEE	152.43	
14108	12/15/2025	SOUTHERN CALIF EDISON CO ..0181	700869240181 PADEN WELL	1,209.75	
14109	12/15/2025	SOUTHERN CALIF EDISON CO ..0377	700869220377 BUELL PUMP STATION	277.42	
14110	12/15/2025	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	20.88	
14111	12/15/2025	SOUTHERN CALIF EDISON CO ..0784	700869230784 OFFICE SHOP	297.41	
14112	12/15/2025	SOUTHERN CALIF EDISON CO ..1093	700869251093 MOSBY WELL	1,407.44	
14113	12/15/2025	SOUTHERN CALIF EDISON CO ..1687	700869211687 EDGEWOOD WELL # 3	450.40	
14114	12/15/2025	SOUTHERN CALIF EDISON CO ..2790	700864982790 ENNISBROOK #2 WELL	2,016.35	
14115	12/15/2025	SOUTHERN CALIF EDISON CO ..2891	700864982891 BVTP	2,102.67	
14116	12/15/2025	SOUTHERN CALIF EDISON CO ..2915	700869252915 VALLEY CLUB WELL	489.65	
14117	12/15/2025	SOUTHERN CALIF EDISON CO ..2992	700864982992 EAST VALLEY PUMP STATION	5,695.20	
14118	12/15/2025	SOUTHERN CALIF EDISON CO ..3093	700864983093 ROMERO PUMP STATION	6,794.55	
14119	12/15/2025	SOUTHERN CALIF EDISON CO ..3295	700864983295 BARKER PASS PUMP STATION	4,098.52	
14120	12/15/2025	SOUTHERN CALIF EDISON CO ..4181	700869434181 OFFICE PUMP STATION	2,308.03	
14121	12/15/2025	SOUTHERN CALIF EDISON CO ..4457	700862554457 ORTEGA PUMP STATION	988.15	
14185	12/18/2025	SOUTHERN CALIF EDISON CO ..4710	700869824710 MOUNTAIN DRIVE PUMP STATION	871.50	
14122	12/15/2025	SOUTHERN CALIF EDISON CO ..5223	700869205223 AMAPOLA WELL	938.00	
14123	12/15/2025	SOUTHERN CALIF EDISON CO ..5728	700869205728 OFFICE BUILDING	647.10	
14124	12/15/2025	SOUTHERN CALIF EDISON CO ..6432	700869196432 DOULTON TREAT PLANT	594.89	
14125	12/15/2025	SOUTHERN CALIF EDISON CO ..6830	700869176830 ENNISBROOK #5 WELL	445.46	
14126	12/15/2025	SOUTHERN CALIF EDISON CO ..7543	700869197543 LAS FUENTES WELL	452.45	
14126	12/15/2025	SOUTHERN CALIF EDISON CO ..7543	700869197543 LAS FUENTES WELL	263.06	
14127	12/15/2025	SOUTHERN CALIF EDISON CO ..9554	700869169554 EVR #4 / #6 WELLS	71.43	
14128	12/15/2025	SOUTHERN CALIF EDISON CO ..9863	700869189863 EVR #3 WELL	315.73	32,908.47
14129	12/15/2025	SOUTHERN CALIF GAS CO	2761453006 BVTP GAS	22.98	
14129	12/15/2025	SOUTHERN CALIF GAS CO	10741464001 ADMIN GAS	158.99	181.97
14130	12/15/2025	STANDARD INSURANCE COMPANY	12.25 MWD DISABILITY INSURANCE	3,499.23	3,499.23
14186	12/18/2025	STATE WATER RESOURCES CONTROL BOARD	FY25/26 - AQUATIC PESTICIDE PERMIT	3,630.00	
14186	12/18/2025	STATE WATER RESOURCES CONTROL BOARD	FY25/26 WATER SYSTEM ANNUAL FEES	881.00	4,511.00
14187	12/18/2025	SWRCB-DWOCP	D2 CERT REQUEST - EE # 167	80.00	80.00
14188	12/18/2025	UNDERGROUND SERVICE ALRT	MON01WTR USA TICKETS	296.00	
14188	12/18/2025	UNDERGROUND SERVICE ALRT	MON01WTR USA REGULATORY FEES	79.99	375.99
14189	12/18/2025	UPS	BVTP EQUIP REPAIRS SHIPPING	21.84	21.84
14190	12/18/2025	USC COMPANIES, INC.	11.25 ADMIN JANITORIAL	638.00	638.00
14191	12/18/2025	WELLS FARGO BANK	12.03.25 STMT MWD	5,901.04	5,901.04
14194	12/18/2025	WESTECH ENGINEERING INC	P147 BVTP FILTER #1 MEDIA STRAINERS	210.51	210.51

MONTECITO WATER DISTRICT
CHECK REGISTER
DECEMBER 31, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14195	12/18/2025	WESTWATER RESEARCH LLC	HOMER SUCCESS FEE	51,823.84	
14195	12/18/2025	WESTWATER RESEARCH LLC	25-027 WATER MARKETING STRATEGY	2,625.00	54,448.84
14196	12/18/2025	WOOD RODGERS, INC.	8774019 P125 JUNCAL ARCH DRAIN DESIGN	6,120.00	
14196	12/18/2025	WOOD RODGERS, INC.	8774021 WILDFIRE SCENARIO MODELING	25,140.00	
14196	12/18/2025	WOOD RODGERS, INC.	8774022 P115 E VALLEY & LADERA WATER MAIN DESIGN	8,837.50	
14199	12/18/2025	WOOD RODGERS, INC.	8774023 P132 PARK LANE PROJECT MGMT	1,375.00	
14199	12/18/2025	WOOD RODGERS, INC.	8774024 P133 TERMINAL PROJECT MANAGEMENT	3,170.00	
14200	12/18/2025	WOOD RODGERS, INC.	8774020 F25 FEMA HIGHLINE REPAIR DESIGN	33,265.25	77,907.75
14131	12/15/2025	WORKSITE SOLUTIONS	CWMA29175 EE SUPPLEMENTAL INSURANCE	371.38	371.38
14197	12/18/2025	ZWORLD GIS, LLC	GIS PROG SUPPORT	2,550.00	2,550.00
			MWD REPORT TOTAL	**1,363,079.01**	**1,363,079.01**
					-

MONTECITO WATER DISTRICT
DIRECT DEPOSIT REGISTER
DECEMBER 31, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0002120	12/15/2025	PAYLOCITY CORPORATION	12/15 PR - MWD NET PAYROLL	88,646.67	88,646.67
DFT0002116	12/17/2025	PAYLOCITY CORPORATION	12/15 PR - GSA NET PAYROLL	11,828.91	11,828.91
DFT0002139	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - MWD NET PAYROLL	82,943.64	82,943.64
DFT0002127	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - GSA NET PAYROLL	11,103.44	11,103.44
DFT0002142	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - ASADRA NET PAYROLL	58.83	58.83
DFT0002143	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - HIGHLINE NET PAYROLL	476.51	476.51
			MWD REPORT TOTAL	**195,058.00**	**195,058.00**
					-

MONTECITO WATER DISTRICT
ACH REGISTER
DECEMBER 31, 2025

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0002091	12/01/2025	BENEFLEX INC	12/01 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	1,724.29	1,724.29
DFT0002109	12/17/2025	BENEFLEX INC	12/15 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	1,724.29	1,724.29
DFT0002135	12/29/2025	BENEFLEX INC	12/29/25 PR - FSA PLAN EMPLOYEE CONTRIBUTIONS	114.26	114.26
DFT0002092	12/01/2025	CALPERS	12/01 PR - 457 & LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,693.99	5,693.99
DFT0002093	12/01/2025	CALPERS	12/01 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,811.23	3,811.23
DFT0002094	12/01/2025	CALPERS	12/01 PR - CLASSIC EMPLOYER CONTRIBUTIONS	6,933.69	6,933.69
DFT0002095	12/01/2025	CALPERS	12/01 PR - PEPRA EMPLOYEE CONTRIBUTIONS	4,973.67	4,973.67
DFT0002096	12/01/2025	CALPERS	12/01 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	4,478.68	4,478.68
DFT0002097	12/01/2025	CALPERS	12/01 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	629.75	629.75
DFT0002110	12/17/2025	CALPERS	12/15 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,811.22	3,811.22
DFT0002111	12/17/2025	CALPERS	12/15 PR - CLASSIC EMPLOYER CONTRIBUTIONS	6,933.70	6,933.70
DFT0002112	12/17/2025	CALPERS	12/15 PR - 457/LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,763.72	5,763.72
DFT0002113	12/17/2025	CALPERS	12/15 PR - PEPRA EMPLOYEE CONTRIBUTIONS	4,708.04	4,708.04
DFT0002115	12/17/2025	CALPERS	12/15 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	629.75	629.75
DFT0002126	12/17/2025	CALPERS	12/15/25 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	4,205.86	4,205.86
DFT0002129	12/29/2025	CALPERS	12/29/25 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	441.52	441.52
DFT0002130	12/29/2025	CALPERS	12/29/25 PR - 457/LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,645.79	5,645.79
DFT0002131	12/29/2025	CALPERS	12/29/25 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,811.22	3,811.22
DFT0002132	12/29/2025	CALPERS	12/29/25 PR - CLASSIC EMPLOYER CONTRIBUTIONS MWD	6,933.70	6,933.70
DFT0002133	12/29/2025	CALPERS	12/29/25 PR - PEPRA EMPLOYEE CONTRIBUTIONS	4,634.12	4,634.12
DFT0002134	12/29/2025	CALPERS	12/29/25 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	4,318.14	4,318.14
DFT0002100	12/01/2025	COLONIAL LIFE PROCESSING CENTER	E4901575 EE SUPPLEMENTAL INSURANCE	209.22	209.22
DFT0002136	12/29/2025	COLONIAL LIFE PROCESSING CENTER	E4901575 EE SUPPLEMENTAL INSURANCE	313.83	313.83
DFT0002090	12/01/2025	EPX	11.25 EPX FEES	9,072.16	9,072.16
DFT0002148	12/31/2025	EPX	12.25 - EPX FEES	7,334.04	7,334.04
DFT0002101	12/01/2025	LINCOLN FINANCIAL GROUP	12/01 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	4,788.00	4,788.00
DFT0002118	12/17/2025	LINCOLN FINANCIAL GROUP	12/15 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	4,788.00	4,788.00
DFT0002137	12/29/2025	LINCOLN FINANCIAL GROUP	12/29/25 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	4,788.00	4,788.00
DFT0002117	12/17/2025	PAYLOCITY CORPORATION	12/15 PR - GSA EMPLOYER TAXES	633.52	633.52
DFT0002121	12/15/2025	PAYLOCITY CORPORATION	12/15 PR - MWD EMPLOYEE TAXES	35,378.58	35,378.58
DFT0002122	12/15/2025	PAYLOCITY CORPORATION	12/15 PR - MWD EMPLOYER TAXES	8,989.28	8,989.28
DFT0002128	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - GSA EMPLOYER TAXES	631.47	631.47
DFT0002140	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - MWD EMPLOYEE TAXES	33,322.55	33,322.55
DFT0002141	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - MWD EMPLOYER TAXES	8,330.93	8,330.93
DFT0002146	12/26/2025	PAYLOCITY CORPORATION	DEC 2025 PROCESSING FEES	664.51	664.51
DFT0002144	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - ASADRA EMPLOYER TAXES	4.28	4.28
DFT0002145	12/29/2025	PAYLOCITY CORPORATION	12/29/25 PR - HIGHLINE EMPLOYER TAXES	6.79	6.79
DFT0002102	12/01/2025	SANTA BARBARA COUNTY EMPLOYEE ASS.	12/01 PR - UNION DUES	558.72	558.72
DFT0002119	12/17/2025	SANTA BARBARA COUNTY EMPLOYEE ASS.	12/15 PR - UNION DUES	506.79	506.79
DFT0002138	12/29/2025	SANTA BARBARA COUNTY EMPLOYEE ASS.	12/29/25 PR - UNION DUES	523.80	523.80
			MWD REPORT TOTAL	**202,765.10**	**202,765.10**
					-

PROOF	
CHECK REGISTERS	1,363,079.01
DRAFTS	202,765.10
DIRECT DEPOSIT	195,058.00
	1,760,902.11
INCODE CHECK REGISTER ALL	1,760,902.11
	-

Page left intentionally blank.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-E**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **BUSINESS MANAGER**

SUBJECT: **INVESTMENT OF DISTRICT FUNDS AS OF DECEMBER 31, 2025**

RECOMMENDATION:

For information and discussion only.

SUMMARY:

In accordance with the Investment Policy and CGC §53646(b)(1), the Business Manager (Chief Fiscal Officer of the District) submits this quarterly investment report to the Board of Directors. The report provides a complete description of the investment portfolio, including issuers, maturity dates, par values, and current market values of each component of the portfolio, including any funds managed for the District by third-party financial institutions. District investments include U.S. Treasury securities and cash equivalents held in the Charles Schwab Schwab One® Account, as well as government money market accounts maintained at American Riviera Bank. For investments held in money market accounts, LAIF, FDIC-insured accounts, or a county investment pool, copies of the latest statements from such institutions may serve in lieu of detailed portfolio elements. Portfolio valuations are derived from Charles Schwab account statements and American Riviera Bank money market statements.

As of December 31, 2025:

- The investment portfolio's average yield is approximately 3.70–3.75%.
- The Schwab One Account Ending value is **$12,365,102**.
- Total estimated value, including pending dividends and accrued interest, is **$12,404,909**.

Portfolio composition:

- Cash and cash equivalents: 10% ($ 1,286,862)
- Fixed income (Treasuries): 90% ($11,078,240)

Income for the month of December totaled **$34,482,** primarily from Treasury interest, with year-to-date income of **$399,687**.

Money Market Investment – American Riviera Bank

In addition to the District's investments held in the Charles Schwab Schwab One® Account, the District maintains a Premium Business Money Market Account (MMA) with American Riviera Bank to support liquidity and cash management needs for the District.

Montecito Water District Money Market Account

As of December 31, 2025:

- Ending balance totaled **$3,807,745**.
- The account earned **$9,937 in interest** during the month of December.
- The **annual percentage yield earned (APYE)** for the period was **3.12%**.
- The **average balance** for the month was approximately **$3.80 million**.
- No withdrawals, service charges, or fees were incurred during the period.

Funds held in this account are invested in government money market products, are externally managed by the financial institution, and are maintained in accordance with the District's Investment Policy. This account provides daily liquidity for operational and programmatic needs while maintaining a low-risk investment profile.

Certification:

The Business Manager, as Chief Fiscal Officer of the District, certifies that:

- All investment actions carried out since the last report have been made in full compliance with the Investment Policy.
- The District will meet its expenditure obligations for the next six months as required by CGC §53646 (b) (2) and (3), respectively.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-F**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER / BUSINESS MANAGER**

SUBJECT: **UNAUDITED FINANCIAL STATEMENTS AS OF NOVEMBER 30, 2025**

RECOMMENDATION:

For information and discussion only.

BACKGROUND:

The purpose of this memorandum is to provide the Board of Directors with a comprehensive review of the District's unaudited financial position and operating results on a year-to-date basis as of November 30, 2025. This information is intended to support the Board's oversight responsibilities by facilitating review of budgetary performance, overall financial condition, operational trends, and compliance with applicable accounting and financial reporting requirements.

Regular review of unaudited financial information enables the Board to monitor fiscal performance throughout the year, assess progress toward adopted budget and policy objectives, and identify emerging issues or trends that may require management attention or Board direction.

REGULATORY AND REPORTING REQUIREMENTS

The District's financial reports are prepared in accordance with Generally Accepted Accounting Principles (GAAP) for governmental entities. The Governmental Accounting Standards Board (GASB) serves as the authoritative standard-setting body for establishing accounting and financial reporting principles applicable to state and local governments.

Preparation of these reports in conformity with GASB and GAAP requirements promotes transparency, consistency, and comparability of financial information. Timely and accurate financial reporting supports sound fiscal management, including monitoring liquidity and financial flexibility, evaluating compliance with adopted financial policies, identifying material variances or emerging trends, and ensuring the District's ongoing ability to meet its financial obligations.

OVERVIEW OF INFORMATION PROVIDED

The monthly financial package presents year-to-date unaudited financial information, comparing actual results to the adopted budget, along with key operational and financial indicators. This

comparative analysis supports early identification of material variances, trends, or potential financial impacts that may warrant further analysis, corrective action, or Board consideration.

The information is first reviewed by the Finance Committee and subsequently presented to the Board of Directors for discussion and any appropriate direction or action.

NOVEMBER 2025 FINANCIAL REPORTING

- **Unaudited Financial Statements (YTD):** Compare actual results to budget and summarize assets, liabilities, and net position to assess financial health.

BOARD OVERSIGHT AND DECISION-MAKING

These reports provide a clear, timely view of the District's financial condition and performance, supporting informed decision-making, accountability, and long-term sustainability.

ATTACHMENTS

1. Unaudited Financial Statements as of November 30, 2025
2. Water Sales Analysis, including supporting tables and graphical dashboards, for November 2025

BOARD OF DIRECTORS

UNAUDITED FINANCIAL STATEMENTS

as of

November 30, 2025

REGULAR MEETING OF THE BOARD OF DIRECTORS

January 27, 2026

Page left intentionally blank.

MONTECITO WATER DISTRICT FISCAL YEAR 2025-26 (ENDING JUNE 30, 2026) UNAUDITED ACTUALS TO BUDGET MONTH ENDING 11/30/2025	FY 25-26 MTD ACTUAL	FY 25-26 MTD BUDGET	FAVORABLE (UNFAVORABLE)	FY 25-26 YTD ACTUAL	FY 25-26 YTD BUDGET	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FY 25-26 ADOPTED BUDGET (REVISION No. 1)
Operating Revenue								
Water Sales - Customer Classes	1,036,229	1,620,000	(583,770)	9,500,258	10,593,301	(1,093,044)	-10%	19,634,432
Water Sales - Construction	9,184	9,000	184	29,314	47,000	(17,686)	-38%	75,000
Water Sales - Surplus SWP Sales	-	-	-	616,680	600,000	16,680	3%	600,000
Water Loss Adjustments	(610)	(8,333)	7,723	(25,146)	(41,667)	16,520	-40%	(100,000)
Water Conservation Rebates	-	(3,333)	3,333	(4,345)	(16,667)	12,321	-74%	(40,000)
Customer Credits (Fee Reversals, Misread rebills)	-	-	-	-	-	-	n/a	-
Total Water Sales	**1,044,804**	**1,617,333**	**(572,529)**	**10,116,760**	**11,181,968**	**(1,065,208)**	**-10%**	**20,169,432**
Monthly Meter Charges	549,772	546,542	3,231	2,747,926	2,732,708	15,218	1%	6,558,499
Water Availability Charge (WAC)	193	-	193	193	-	193	n/a	300,000
Private Fire Line Srv Charge	26,617	25,349	1,267	133,083	126,745	6,337	5%	304,189
Other Operating Revenues	7,381	9,500	(2,119)	39,579	47,500	(7,921)	-17%	114,000
Total Operating Revenue	**1,628,766**	**2,198,724**	**(569,957)**	**13,037,540**	**14,088,921**	**(1,051,381)**	**-7%**	**27,446,120**
Operating Expenses								
Source of Supply-Water Purchases								
Cachuma Lake	(16,066)	-	(16,066)	(609,015)	(623,952)	14,937	-2%	(1,226,611)
Cater Water Treatment Plant	-	-	-	(339,898)	(366,337)	26,439	-7%	(860,452)
State Water Project (SWP)	-	-	-	(4,318,273)	(4,465,692)	147,419	-3%	(4,465,692)
WSA Water Purchase (DESAL)	(590,331)	(707,242)	116,911	(2,951,655)	(3,170,130)	218,475	-7%	(7,388,663)
Supplemental Water Purchases	-	-	-	-	-	-	n/a	-
Water Marketing & Storage (Semitropic/Westwater)	(56,444)	(2,500)	(53,944)	(99,896)	(62,500)	(37,396)	60%	(104,705)
Total Source of Supply-Water Purchases	**(662,840)**	**(709,742)**	**46,901**	**(8,318,737)**	**(8,688,611)**	**369,873**	**-4%**	**(14,046,123)**
MWD Direct expenses						**-**		
Jameson Lake	(23,389)	(23,414)	25	(181,824)	(215,700)	33,876	-16%	(385,458)
Water Treatment	(130,774)	(189,861)	59,087	(1,002,574)	(1,164,626)	162,052	-14%	(2,298,679)
Transmission and Distribution	(149,173)	(137,684)	(11,489)	(945,188)	(1,078,521)	133,334	-12%	(2,201,931)
Total MWD Direct Expenses	**(303,336)**	**(350,959)**	**47,624**	**(2,129,585)**	**(2,458,847)**	**329,262**	**-13%**	**(4,886,069)**
Total Direct Expenses	**(966,176)**	**(1,060,701)**	**94,525**	**(10,448,322)**	**(11,147,458)**	**699,135**	**-6%**	**(18,932,192)**
MWD Indirect Expenses						**-**		
Customer Services	(43,993)	(42,054)	(1,939)	(236,229)	(233,884)	(2,345)	1%	(646,465)
Conservation	(20,230)	(12,611)	(7,619)	(88,610)	(206,467)	117,857	-57%	(331,473)
Fleet	(19,815)	(21,037)	1,222	(130,717)	(148,489)	17,772	-12%	(311,898)
Engineering	(99,370)	(201,261)	101,891	(404,840)	(701,572)	296,732	-42%	(1,532,373)
Administration	(116,804)	(151,290)	34,487	(1,036,590)	(1,341,847)	305,257	-23%	(2,439,296)
Legal	(12,660)	(24,000)	11,340	(73,749)	(120,000)	46,251	-39%	(288,000)
Public Information	(20,117)	(17,412)	(2,706)	(85,669)	(106,857)	21,188	-20%	(266,611)
Extraordinary Expense	-	-	-	-	-	-	n/a	-
General & Administrative	(288,996)	(427,612)	138,615	(1,820,176)	(2,625,232)	805,057	-31%	(5,169,650)
Total Indirect Expenses	**(332,989)**	**(469,665)**	**136,676**	**(2,056,405)**	**(2,859,117)**	**802,712**	**-28%**	**(5,816,115)**
Total Operating Expenses	**(1,299,165)**	**(1,530,366)**	**231,201**	**(12,504,727)**	**(14,006,574)**	**1,501,847**	**-11%**	**(24,748,306)**
Operating Income before Depreciation Expense	**329,601**	**668,357**	**(338,756)**	**532,813**	**82,347**	**450,466**	**547%**	**2,697,814**
Depreciation Expense	(177,588)	(177,388)	(200)	(884,987)	(886,938)	1,950	0%	(2,128,651)
OPERATING SURPLUS / (DEFICIT)	**152,013**	**490,970**	**(338,956)**	**(352,175)**	**(804,591)**	**452,416**	**-56%**	**569,163**

MONTECITO WATER DISTRICT FISCAL YEAR 2025-26 (ENDING JUNE 30, 2026) UNAUDITED ACTUALS TO BUDGET MONTH ENDING 11/30/2025	FY 25-26 MTD ACTUAL	FY 25-26 MTD BUDGET	FAVORABLE (UNFAVORABLE)	FY 25-26 YTD ACTUAL	FY 25-26 YTD BUDGET	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FY 25-26 ADOPTED BUDGET (REVISION No. 1)
Non-Operating Revenues:								
Rental Revenue	2,204	7,757	(5,554)	39,535	38,787	748	2%	95,845
Investment Earnings	45,301	26,667	18,634	123,884	133,333	(9,449)	-7%	320,000
Other Non-Operating Revenues	5,364	6,000	(636)	63,482	44,949	18,534	41%	143,845
Total Non-Operating Revenues	**52,868**	**40,424**	**12,444**	**226,901**	**217,069**	**9,832**	**5%**	**559,690**
Non-Operating Expenses:								
Interest Expense - 2020 COP Refunding Bonds	-	-	-	-	-	-	n/a	(8,334)
Interest Expense - Cater Loans	-	(30,415)	30,415	-	(30,415)	30,415	-100%	(59,482)
Groundwater Sustainability Fee Payment	-	-	-	-	-	-	n/a	(136,916)
Total Non-Operating Expenses:	**-**	**(30,415)**	**30,415**	**-**	**(30,415)**	**30,415**	**-100%**	**(204,732)**
Non-Operating Income (Loss)	**52,868**	**10,009**	**42,859**	**226,901**	**186,654**	**40,247**	**22%**	**354,958**
Net Position						**-**		
Change in Net Position before Capital Contributions	**204,882**	**500,979**	**(296,097)**	**(125,274)**	**(617,937)**	**492,663**	**-80%**	**924,121**
Capital Contributions								
Capital cost recovery fees	-	25,000	(25,000)	51,963	125,000	(73,037)	-58%	300,000
Connection fees	-	8,333	(8,333)	22,392	41,667	(19,275)	-46%	100,000
Capital Grants & Other Reimbursements	-	28,000	(28,000)	-	108,000	(108,000)	-100%	3,039,800
Total Capital Contributions	**-**	**61,333**	**(61,333)**	**74,355**	**274,667**	**(200,312)**	**-73%**	**3,439,800**
Change in Net Position before Special Items	**204,882**	**562,312**	**(357,430)**	**(50,919)**	**(343,270)**	**292,352**	**-85%**	**4,363,921**
Special Items								
FEMA reimbursements	-	-	-	-	726,847	(726,847)	-100%	906,146
Total Special Items	**-**	**-**	**-**	**-**	**726,847**	**(726,847)**	**-100%**	**906,146**
Change in Net Postion	**204,882**	**562,312**	**(357,430)**	**(50,919)**	**383,577**	**(434,495)**	**-113%**	**5,270,067**
Total Revenues	**1,681,635**	**2,300,481**	**(618,846)**	**13,338,796**	**15,307,504**	**(1,968,708)**	**-13%**	**32,351,756**
Total Expenditures	**(1,476,753)**	**(1,738,169)**	**261,416**	**(13,389,715)**	**(14,923,927)**	**1,534,212**	**-10%**	**(27,081,690)**
Surplus / (Deficit) before Debt and Capital	**204,882**	**562,312**	**(357,430)**	**(50,919)**	**383,577**	**(434,495)**	**-113%**	**5,270,067**

MONTECITO WATER DISTRICT FISCAL YEAR 2025-26 (ENDING JUNE 30, 2026) UNAUDITED ACTUALS TO BUDGET MONTH ENDING 11/30/2025	FY 25-26 MTD ACTUAL	FY 25-26 MTD BUDGET	FAVORABLE (UNFAVORABLE)	FY 25-26 YTD ACTUAL	FY 25-26 YTD BUDGET	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FY 25-26 ADOPTED BUDGET (REVISION No. 1)
Debt Service								
Principal - 2003 Cater DWR Loan (SRF)	-	-		-	-	-	n/a	-
Principal - 2011 Cater Ozone Project Loan	-	(107,758)		-	(107,758)	107,758	-100%	(216,864)
Principal - 2020 COP Refunding Bonds	-	-		-	-	-	n/a	(1,375,000)
Total Debt Service	**-**	**(107,758)**		**-**	**(107,758)**	**107,758**	**-100%**	**(1,591,864)**
Capital & Equipment								
Vehicles & Equipment	-	-	-	(224,736)	(160,000)	(64,736)	40%	(240,000)
Pipelines	(195,984)	(620,000)	424,016	(239,689)	(1,425,000)	1,185,311	-83%	(2,900,000)
Reservoirs	(15,296)	(200,100)	184,804	(71,481)	(751,300)	679,819	-90%	(8,783,500)
Pumping/Wells/Valves/Treatment Plant	(55,442)	(126,500)	71,058	(55,442)	(169,000)	113,558	-67%	(830,000)
Other Projects	(47,730)	-	(47,730)	(181,522)	(255,000)	73,478	-29%	(455,000)
Extraordinary Projects	(49,129)	(35,417)	(13,712)	(111,524)	(177,085)	65,561	-37%	(425,000)
Capital Improvement Program	(363,581)	(982,017)	618,436	(659,658)	(2,777,385)	2,117,727	-76%	(13,393,500)
Capital & Equipment Expenditures	**(363,581)**	**(982,017)**	**618,436**	**(884,394)**	**(2,937,385)**	**2,052,991**	**-70%**	**(13,633,500)**
Total OutFlows: Expenditures, Debt & Capital Expenditure	**(1,840,334)**	**(2,827,944)**	**879,852**	**(14,274,108)**	**(17,969,070)**	**3,694,961**	**-21%**	**(42,307,053)**
Remove Non-Cash Activity						**-**		
Bond Interest Amortization	-	-	-	-	-	-	n/a	288,666
Inventory Disbursements	(5,084)	(7,195)	2,111	(22,210)	(35,977)	13,767	-38%	(86,344)
Depreciation Expense	(177,588)	(177,388)	(200)	(884,987)	(886,938)	1,950	0%	(2,128,651)
Total Non-Cash Activity	**(182,672)**	**(184,583)**	**1,911**	**(907,197)**	**(922,914)**	**15,717**	**-2%**	**(1,926,329)**
Total OutFlows less Non-Cash Activity	**(1,657,662)**	**(2,643,361)**	**877,941**	**(13,366,911)**	**(17,046,155)**	**3,679,244**	**-22%**	**(40,380,724)**
Total Revenues	**1,681,635**	**2,300,481**	**(618,846)**	**13,338,796**	**15,307,504**	**(1,968,708)**	**-13%**	**32,351,756**
Cash Impact before Transfers	**23,973**	**(342,880)**	**259,095**	**(28,115)**	**(1,738,652)**	**1,710,536**	**-98%**	**(8,028,968)**
Transfers In							n/a	8,028,967
Transfers Out							n/a	-
MWD CASH IMPACT	**23,972**	**(342,880)**	**259,095**	**(28,115)**	**(1,738,651)**	**1,710,536**	**-98%**	**-**

Page left intentionally blank.

MONTECITO WATER DISTRICT
Fiscal Year 2025-26
Notes to the Unaudited Actuals to Budget
Month Ending November 30, 2025

SIGNIFICANT THRESHOLD FOR VARIANCE IS DEFINED AS OVER / UNDER $25K.

NOTE 1 – OPERATING REVENUE

Total Operating Revenue is unfavorable ($1.05M) and 7% less than the YTD budget.

- Customer Water Sales are unfavorable ($1.1M) and 10% less than the YTD budget.

NOTE 2 – DIRECT EXPENSES

Total Direct expenses are favorable $699K and 6% less than the YTD budget.

SOURCE OF SUPPLY - WATER PURCHASES

Total Source of Supply – Water Purchases are favorable $370K and 4% less than the YTD budget.

- Cater Water Treatment Plant is favorable $26K.
  - Q1 costs slightly lower than anticipated due to reduced water deliveries.
- State Water Project is favorable $147K.
  - Variable DWR bill timing.
- WSA Water Purchase (DESAL) is favorable $218K.
  - No PAYGO capital expenses incurred YTD.
- Water Marketing & Storage is unfavorable ($37K).
  - Additional costs associated with Surplus SWP sale.

MWD DIRECT EXPENSE

Total MWD Direct expenses are favorable $329K and 13% less than the YTD budget.

- Jameson Lake is favorable $34K and 16% less than the YTD budget.
  - Laboratory Services, Gas Utility and Supply costs not yet incurred.
- Water treatment is favorable $162K and 14% less than the YTD budget.
  - Laboratory Equipment and Outside Services costs not yet incurred.
- Transmission & Distribution is favorable $133K and 12% less than the YTD budget.
  - Personnel Expenses are favorable $49K driven by salary savings from vacant position at beginning of year (now filled).

- Safety Equipment and Supply costs not yet incurred.
- Electrical Utilities are favorable $33K due to trailing SCE billing.

NOTE 3 – MWD INDIRECT EXPENSES

Total MWD Indirect Expenses are favorable $803K and 28% less than the YTD budget.

- Conservation is favorable $118K and 57% less than the YTD budget.
  - Outside Services are favorable $114K due to delayed start of Office Demo Garden work, currently in progress.
- Engineering is favorable $297K and 42% less than the YTD budget.
  - Outside Services are favorable $262K due to costs not yet incurred, including Urban Water Management Plan update, Emergency Response Plan, and Groundwater ASR Projects, which are all currently in progress.
- Administration is favorable $305K and 23% less than the YTD budget.
  - Personnel Expenses are favorable $83K partially driven by salary savings from vacant Business Manager position at beginning of year (now filled).
  - Admin Building Maintenance, Audit Expenses, Outside Services, Network IT Services, Computer Supplies are favorable $125K due to costs not yet incurred.
  - General Liability Insurance is favorable $72K due to lower than forecasted renewal costs.
- Legal is favorable $46K and 39% less than the YTD budget.

NOTE 4 – OPERATING SURPLUS / (DEFICIT)

The Operating Deficit YTD is ($352K).

NOTE 5 – NON-OPERATING ACTIVITY

Total Non-Operating Revenues are on budget.

Total Non-Operating Expenses are favorable $30K due to pending Cater Ozone Loan interest invoice from City of Santa Barbara.

NOTE 6 – TOTAL CAPITAL CONTRIBUTIONS

Total Capital Contributions are unfavorable ($200K) and 73% less than the YTD budget, due to fewer than anticipated new connections YTD and timing of capital grants and other reimbursements associated with Park Lane and Terminal Reservoir Projects.

NOTE 7 – TOTAL SPECIAL ITEMS

Total Special Items are unfavorable ($727K) and 100% less than the YTD budget due to timing of Federal reimbursements associated with Alder Creek Flume, Highline Pipeline Repairs, and Juncal Pipeline Repair retention funds.

NOTE 8 – SURPLUS / (DEFICIT) BEFORE DEBT AND CAPITAL

Deficit before debt and capital is unfavorable ($434K).

NOTE 9 – DEBT SERVICE

Debt service is favorable $108K due to pending Cater Ozone Loan principal invoice from City of Santa Barbara.

NOTE 10 – CAPITAL IMPROVEMENT PROGRAM (CIP) EXPENDITURES

Capital & Equipment expenditures are favorable $2.05M and 70% less than the YTD budget.

VEHICLES & EQUIPMENT

Unfavorable ($65K).

- Compact Excavator budgeted in December but delivered ahead of schedule and within overall budget.

CAPITAL IMPROVEMENT PROGRAM

Favorable $2.1M.

- CIP expenditures remain favorable due to delays associated with Federal and State reimbursement of Juncal Pipeline Repair project. Approx. $4.5M of Federal and State reimbursements for Juncal Pipeline repairs were received in late September and therefore, planned CIP expenditures have been initiated.

NOTE 11 – CASH IMPACT BEFORE TRANSFERS

Favorable $1.7M.

NOTE 12 –TRANSFERS TO/FROM RATE STABILIZATION FUND (To/from operating account)

- No transfers recorded YTD.

NOTE 13 – MWD CASH IMPACT (AFTER TRANSFERS)

Favorable $1.7M.

NOTE 14 – REVENUE RISKS & OPPORTUNITIES

Risks:

- Water Sales continue to trend below budget following a wet November.

Opportunities:

- FEMA retention of approx. $649K associated with Juncal Pipeline Repair project, to be reimbursed upon completion and close-out of all 2023 storm damage projects.
- FEMA approved 2018 Direct Administrative Cost (DAC) reimbursement, currently estimated at $312K.
- FEMA approved 2023 DAC reimbursement, currently estimated at $439K.

NOTE 15 – EXPENDITURE RISKS & OPPORTUNITIES

Risks:

- Continued inflation related to Direct and Indirect Expenses: i.e., fuel, labor, and materials.
- Increases in Water Supply Agreement (Desal), variable costs and pay-go capital.
- Increases in SWP costs including receipt of unanticipated supplemental bills, e.g. reimbursement of past DWR costs, mitigation of aqueduct settlements, and/or Golden Mussel mitigation.
- Increases in construction costs for Capital Improvement Projects (CIP), i.e., pipeline replacements, and reservoir retrofit/replacements.
- Denial of required permit(s) from regulatory agencies resulting in required payback of FEMA funding for the Alder Creek Flume Repair Project (approx. $350K to-date).

Opportunities:

- None identified.

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION
(UNAUDITED)

	YEAR-TO DATE MONTH ENDING 11/30/2025
Assets	
Cash and Investments:	
Funds Analysis	
Restricted Funds	
CCWA Rate Coverage Reserve	1,495,258
WSA Debt Service Coverage Deposit	200,658
WSA Debt Service Reserve Deposit	1,160,721
FEMA Advance for Highline Repair Project	3,151,622
Thomas Fire/Debris Flow CalOES/FEMA Holdback	1,514,874
Total Restricted Funds	**7,523,133**
Board Committed Funds	
Rate Stabilization Fund	11,019,840
Operating Reserve	3,697,118
Capital and Emergency Reserve	500,000
SWP Prefunding Reserve	1,783,739
Total Committed Funds	**17,000,697**
Total Restricted, Committed and Assigned Funds	**24,523,830**
Total Unassigned Funds	**-**
Total Funds	**24,523,830**
Smart Rebates Program Funding	14,218
Semitropic Shares	1,924,510
Other Investments	**1,938,728**
Total Cash and Investments	**26,462,559**

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION
(UNAUDITED)

	YEAR-TO DATE MONTH ENDING 11/30/2025
Current Assets	
Utility billing - water sales & services, net	1,876,856
Lease, Insurance & Benefits receivables	205,542
Receivables	**2,082,398**
Inventory	974,275
Prepaid Expenses	-
Prepaid Water	-
Other Current Assets	**974,275**
Total Receivables, Prepaid and other deposits:	**3,056,673**
Total Current Assets	**29,519,232**
Noncurrent Assets	
Capital assets - not being depreciated	4,233,700
Capital assets - being depreciated, net	52,193,791
Capital Assets, net	**56,427,491**
Total Noncurrent Assets	**56,427,491**
TOTAL ASSETS	**85,946,723**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pensions	2,342,180
Total Deferred Outflows of Resources	**2,342,180**
TOTAL COMBINED ASSETS	**88,288,903**

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION
(UNAUDITED)

	YEAR-TO DATE MONTH ENDING 11/30/2025
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	1,850,604
Unearned revenue and other deposits	189,061
FEMA Advance for Highline Replacement Project	3,151,622
Inter-fund Transfers	(9,834.54)
Long-term liabilities - due within one year:	
Thomas Fire/Debris Flow CalOES/FEMA Holdback	1,514,874
Total Current Liabilities	**6,696,326**
Noncurrent:	
Accrued compensated absences	809,377
Cater Ozone Project Loan	2,431,541
ASADRA Loan Payable	1,043,448
2020 COP Refunding Bonds	5,940,000
2020 COP Premium Prepaid Interest	1,004,780
OPEB (Other Post-Employment Benefits)	1,998,290
Net Pension Liability	6,735,016
Total Noncurrent Liabilities	**19,962,452**
Total Liabilities	**26,658,778**
DEFERRED INFLOWS OF RESOURCES	
Deferred pensions	510,477
Deferred Inflows-2020 Deferred Amnt on Refunding	149,776
Deferred Inflows - Leases	201,337
Total Deferred Inflows of Resources	**861,590**
NET POSITION	
Net investment in capital assets	52,193,791
Board Committed Funds	8,072,022
Unreserved Fund Balance	553,641
Change in net postion	(50,919)
Total Net Position	**60,768,535**
Combined Liabilities, Deferrals & Net Position	**88,288,903**
	-

Page left intentionally blank.

DASHBOARD REPORT
WATER SALES ($)

MONTH ENDING
11/30/2025

MONTH TO DATE WATER SALES ($)				
CLASSIFICATION	MTD ACTUALS	MTD BUDGET	VARIANCE	
			$	%
Single Family	$ 786,837	$ 1,321,938	$ (535,101)	(40%)
Multi Family	$ 15,448	$ 24,514	$ (9,066)	(37%)
Agricultural	$ 38,711	$ 60,744	$ (22,033)	(36%)
Institutional	$ 99,209	$ 108,574	$ (9,365)	(9%)
Commercial	$ 91,454	$ 95,715	$ (4,261)	(4%)
Non-Potable	$ 4,571	$ 8,515	$ (3,944)	(46%)
Monthly Total	$ 1,036,230	$ 1,620,000	$ (583,770)	(36%)

YEAR TO DATE WATER SALES ($)				
CLASSIFICATION	YTD ACTUALS	YTD BUDGET	VARIANCE	
			$	%
Single Family	$ 7,508,464	$ 8,586,959	$ (1,078,495)	(13%)
Multi Family	$ 129,448	$ 173,556	$ (44,108)	(25%)
Agricultural	$ 373,690	$ 389,947	$ (16,257)	(4%)
Institutional	$ 855,598	$ 829,621	$ 25,977	3%
Commercial	$ 571,367	$ 545,785	$ 25,582	5%
Non-Potable	$ 61,690	$ 67,433	$ (5,743)	(9%)
Annual Total	$ 9,500,257	$ 10,593,301	$ (1,093,044)	(10%)

Fiscal Year = July thru June

DASHBOARD REPORT
WATER SALES (AF)

MONTH ENDING
11/30/2025

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	163	251	-89	(35%)
Multi Family	5	8	-2	(29%)
Agricultural	15	24	-9	(36%)
Institutional	18	20	-2	(9%)
Commercial	18	19	0	(1%)
Non-Potable	5	9	-4	(46%)
Monthly Total	225	331	-106	(32%)

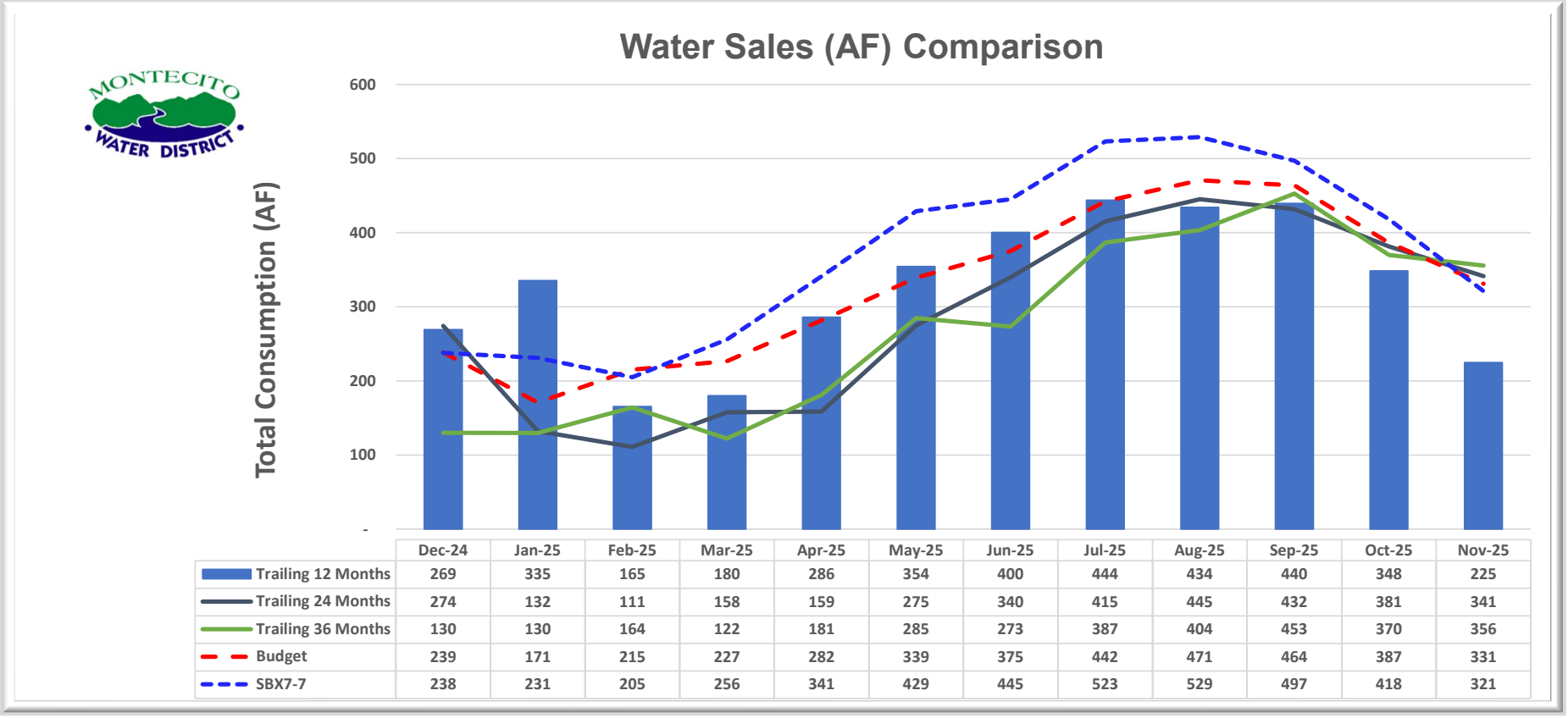
YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1360	1558	-198	(13%)
Multi Family	42	50	-8	(16%)
Agricultural	148	154	-6	(4%)
Institutional	158	153	5	3%
Commercial	116	106	10	10%
Non-Potable	67	73	-6	(9%)
Yearly Total	1891	2094	-203	(10%)

Fiscal Year = July thru June

1 AF = 435.6 HCF of Water

1 HCF = 748 Gallons of Water

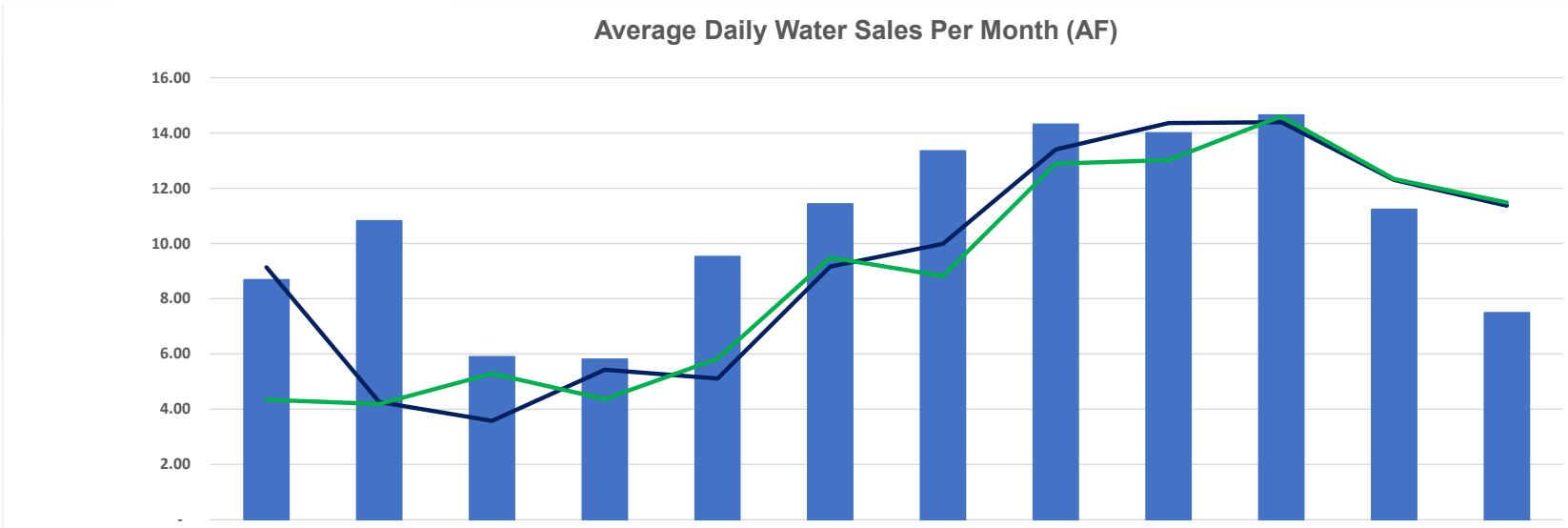
MONTH ENDING 11/30/2025



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Trailing 12 Months	269	335	165	180	286	354	400	444	434	440	348	225
Trailing 24 Months	274	132	111	158	159	275	340	415	445	432	381	341
Trailing 36 Months	130	130	164	122	181	285	273	387	404	453	370	356
Budget	239	171	215	227	282	339	375	442	471	464	387	331
SBX7-7	238	231	205	256	341	429	445	523	529	497	418	321

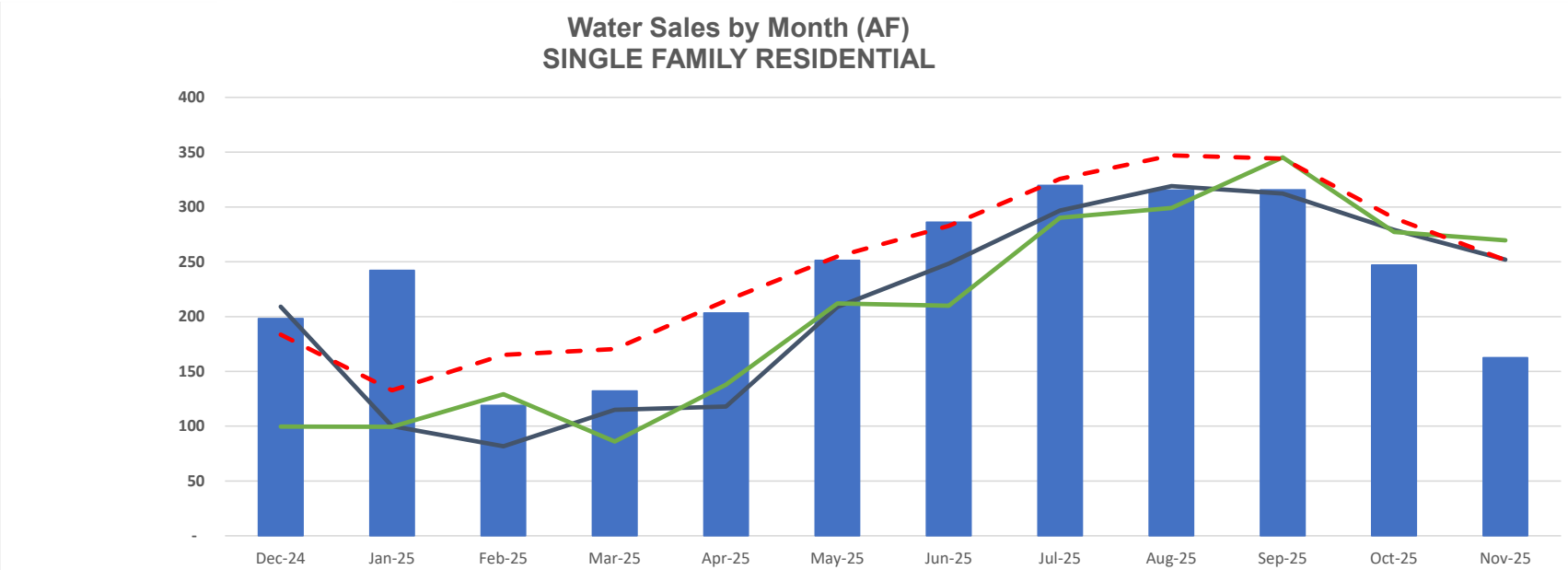
Trailing 12 Month Sales are	3,882	Acre Feet				
Trailing 24 Month Sales are	3,463	Acre Feet	and	(10.8%)	LESS Than Trailing 12 Month Sales
Trailing 36 Month Sales are	3,254	Acre Feet	and	(16.2%)	LESS Than Trailing 12 Month Sales
Trailing 12 Month Budget is	3,942	Acre Feet	and	1.5%	MORE Than Trailing 12 Month Sales
SBX7-7 as of 6/30/2020 is	4,433	Acre Feet	and	14.2%	MORE Than Trailing 12 Month Sales

MONTH ENDING 11/30/2025



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Trailing 12 Months	8.69	10.82	5.90	5.81	9.53	11.43	13.35	14.32	14.01	14.65	11.24	7.50
Trailing 24 Months	9.14	4.26	3.58	5.43	5.11	9.16	9.99	13.40	14.36	14.39	12.30	11.37
Trailing 36 Months	4.34	4.19	5.29	4.37	5.83	9.49	8.82	12.89	13.02	14.60	12.33	11.48

MONTH ENDING 11/30/2025

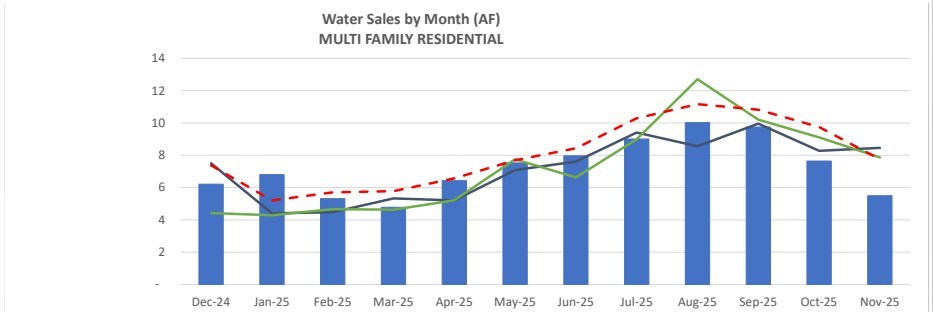


	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Trailing 12 Months	198	242	119	132	203	251	286	320	315	316	247	163
Trailing 24 Months	209	100	82	115	118	209	248	297	319	312	279	252
Trailing 36 Months	100	99	129	86	138	212	210	290	299	345	277	269
Budget	184	133	165	170	215	255	283	326	347	344	290	251

Trailing 12 Months			2,793 AF
Trailing 24 Months			2,540 AF
Trailing 36 Months			2,455 AF
Trailing 12 Month Budget			2,962 AF
Trailing 12 Months	versus	Trailing 24 Months	9.9%
Trailing 24 Months	versus	Trailing 36 Months	13.7%
Trailing 12 Months	versus	Budget	(5.7%)

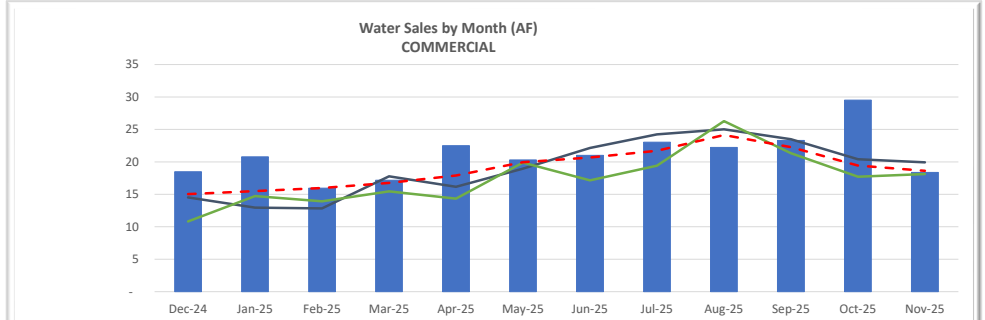
MONTECITO WATER DISTRICT

MONTH ENDING 11/30/2025



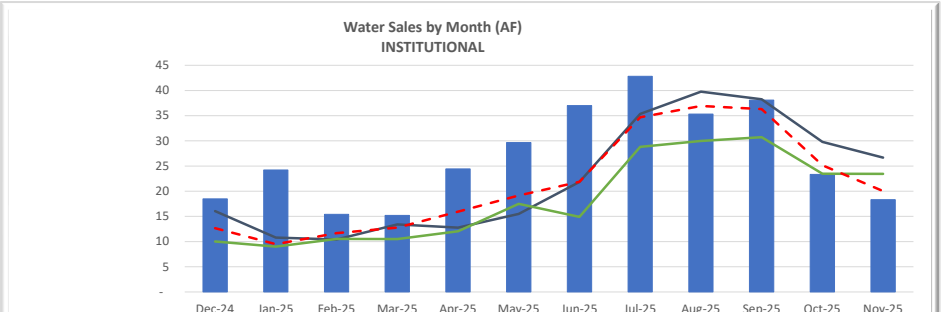
	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Trailing 12 Months	6	7	5	5	6	8	8	9	10	10	8	5
Trailing 24 Months	7	4	4	5	5	7	8	9	9	10	8	8
Trailing 36 Months	4	4	5	5	5	8	7	9	13	10	9	8
Budget	7	5	6	6	7	8	8	10	11	11	10	8

Trailing 12 Months	87	AF
Trailing 24 Months	86	AF
Trailing 36 Months	86	AF
Trailing 12 Month Budget	97	AF
Trailing 12 Months versus Trailing 24 Months	0.8%	
Trailing 24 Months versus Trailing 36 Months	0.5%	
Trailing 12 Months versus Budget	(9.9%)	



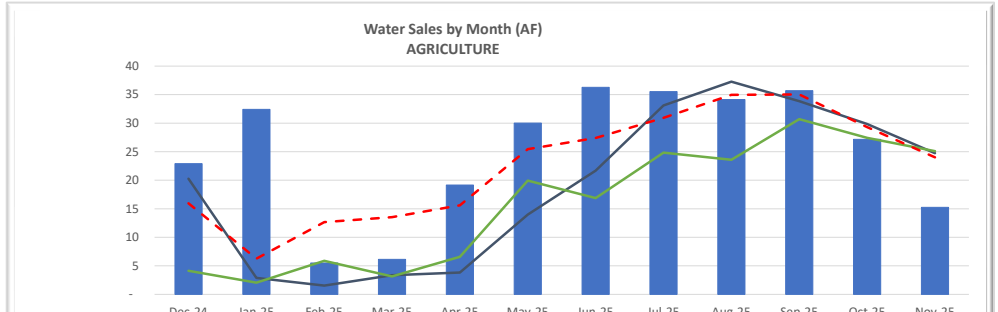
	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Trailing 12 Months	18	21	16	17	23	20	21	23	22	23	30	18
Trailing 24 Months	15	13	13	18	16	19	22	24	25	23	20	20
Trailing 36 Months	11	15	14	15	14	20	17	19	26	21	18	18
Budget	15	15	16	17	18	20	21	22	24	22	19	19

Trailing 12 Months	253	AF
Trailing 24 Months	228	AF
Trailing 36 Months	209	AF
Trailing 12 Month Budget	228	AF
Trailing 12 Month versus Trailing 24 Month	10.6%	
Trailing 24 Month versus Trailing 36 Month	20.8%	
Trailing 12 Month versus Budget	10.8%	



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Trailing 12 Months	18	24	15	15	24	30	37	43	35	38	23	18
Trailing 24 Months	16	11	10	13	13	15	22	35	40	38	30	27
Trailing 36 Months	10	9	11	10	12	17	15	29	30	31	23	23
Budget	13	9	12	13	16	19	22	35	37	36	25	20

Trailing 12 Months	322	AF
Trailing 24 Months	271	AF
Trailing 36 Months	221	AF
Trailing 12 Month Budget	257	AF
Trailing 12 Months versus Trailing 24 Months	19.1%	
Trailing 24 Months versus Trailing 36 Months	45.9%	
Trailing 12 Months versus Budget	25.6%	



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Trailing 12 Months	23	32	6	6	19	30	36	36	34	36	27	15
Trailing 24 Months	20	3	2	3	4	14	22	33	37	34	30	25
Trailing 36 Months	4	2	6	3	7	20	17	25	24	31	27	25
Budget	16	6	13	14	16	25	27	31	35	35	29	24

Trailing 12 Months	300	AF
Trailing 24 Months	226	AF
Trailing 36 Months	190	AF
Trailing 12 Month Budget	271	AF
Trailing 12 Month versus Trailing 24 Month	32.6%	
Trailing 24 Month versus Trailing 36 Month	57.8%	
Trailing 12 Month versus Budget	10.7%	

MONTECITO WATER DISTRICT
METERED WATER SALES - ACRE FEET
HISTORICAL CONSUMPTION THROUGH NOVEMBER 2025

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4,974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	290.00	415.40	4,308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4,812.84
1999-00	656.44	621.80	542.90	541.00	341.90	501.30	285.90	146.30	288.20	329.59	529.63	556.20	5,341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4,910.40
2001-02	571.70	631.20	501.40	436.70	214.10	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5,234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5,193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6,054.61
2004-05	693.71	763.52	753.31	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5,447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	203.40	357.30	623.30	5,065.18
2006-07	681.40	707.50	606.70	540.80	530.70	359.80	415.50	201.10	462.90	469.10	703.00	655.00	6,333.50
2007-08	739.40	832.60	642.00	594.20	509.30	328.80	188.00	212.00	474.10	629.00	694.00	675.00	6,518.40
2008-09	798.00	724.64	633.87	674.67	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5,964.37
2009-10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5,245.53
2010-11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4,715.58
2011-12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	394.72	371.30	271.33	504.24	582.64	5,302.42
2012-13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5,945.40
2013-14	697.66	730.90	684.30	662.58	496.06	378.50	530.73	357.85	206.59	305.52	373.14	352.27	5,776.10
2014-15	362.48	360.73	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	311.07	3,331.17
2015-16	353.90	371.40	373.74	342.06	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3,439.73
2016-17	377.38	378.68	362.54	345.53	239.92	145.00	97.59	88.78	139.09	266.01	318.90	367.79	3,127.21
2017-18	387.15	416.08	346.39	391.48	339.65	331.36	216.04	288.10	117.24	262.30	303.20	384.10	3,783.09
2018-19	440.10	494.70	426.15	341.40	347.12	152.18	150.28	106.55	124.16	314.94	261.63	283.34	3,442.55
2019-20	386.80	427.22	442.30	407.11	374.24	132.35	160.06	275.91	194.53	209.39	378.67	432.92	3,821.50
2020-21	448.71	460.54	473.21	389.04	337.88	414.23	231.38	215.55	291.88	406.67	412.43	494.03	4,575.57
2021-22	462.00	483.40	478.08	365.39	294.03	229.05	168.74	295.99	383.52	311.11	416.70	466.04	4,354.04
2022-23	467.69	501.72	452.87	407.64	310.02	130.06	129.86	164.13	122.24	180.85	284.78	273.41	3,425.25
2023-24	386.78	403.51	452.75	369.81	355.73	274.24	132.14	110.93	157.56	158.52	274.72	339.75	3,416.44
2024-25	415.45	445.16	431.70	381.38	341.22	269.39	335.41	165.31	180.04	286.05	354.47	400.45	4,006.02
2025-26	443.80	434.40	439.50	348.40	224.90								1,891.00
AVERAGE	**556.65**	**580.17**	**531.46**	**455.39**	**339.39**	**260.62**	**231.10**	**220.20**	**266.58**	**357.07**	**450.67**	**484.99**	**4,658.59**
MAXIMUM	**798.00**	**832.60**	**753.31**	**674.67**	**530.70**	**501.30**	**530.73**	**394.72**	**474.10**	**629.00**	**703.00**	**675.00**	**6,518.40**
MINIMUM	**353.90**	**360.73**	**346.39**	**341.40**	**214.10**	**130.06**	**97.59**	**88.78**	**117.24**	**158.52**	**261.63**	**273.41**	**1,891.00**
2025-26 % VS AVERAGE	**80%**	**75%**	**83%**	**77%**	**66%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**41%**
2025-26 % VS MAXIMUM	**56%**	**52%**	**58%**	**52%**	**42%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**29%**

DISTRIBUTION OF METERED WATER USE
FY 1996-97 TO CURRENT

Total METER Connections =	**4,697**
Less Total CONSTRUCTION METER Connections =	**15**
Less Total OFF Connections =	**7**
Total ACTIVE METER Connections =	**4,675**
The Total of all MAXIMUM months =	**7497.13**
The Total of all MINIMUM months =	**2743.74**

MONTECITO WATER DISTRICT
WATER SALES ANALYSIS
FOR FISCAL YEAR 2025-26

MONTH	% SALES BREAKDOWN	2024-25 ACTUAL SALES (*)		2025-26 BUDGET SALES		2025-26 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	$	AF	$	AF	SALES	AF	%	$	%	AF	%	$	%
JUL	11.4%	415.4	1,991,935	442.2	$2,239,217	443.8	$2,287,327	28.4	6.8%	$295,391	14.8%	1.6	0.4%	48,109	2.1%
AUG	12.3%	445.2	2,162,412	470.7	$2,418,227	434.4	$2,223,282	(10.8)	(2.4%)	$60,870	2.8%	(36.3)	(7.7%)	-$194,946	(8.1%)
SEP	12.1%	431.7	2,101,578	463.8	$2,383,914	439.5	$2,246,351	7.8	1.8%	$144,773	6.9%	(24.3)	(5.2%)	-$137,563	(5.8%)
OCT	9.8%	381.4	1,813,518	386.5	$1,931,943	348.4	$1,707,069	(33.0)	(8.6%)	-$106,449	(5.9%)	(38.1)	(9.9%)	-$224,874	(11.6%)
NOV	8.3%	341.2	1,611,862	331.1	$1,620,000	224.9	$1,036,229	(116.3)	(34.1%)	-$575,633	(35.7%)	(106.2)	(32.1%)	-$583,770	(36.0%)
DEC	6.4%	269.4	1,225,484	267.1	$1,258,365	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
JAN	3.7%	335.4	1,557,835	167.5	$736,044	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
FEB	5.0%	165.3	686,413	215.8	$983,075	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
MAR	5.4%	180.0	773,393	233.6	$1,065,250	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
APR	6.1%	286.0	1,299,033	257.2	$1,203,706	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
MAY	9.0%	354.5	1,640,052	359.0	$1,765,741	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
JUN	10.3%	400.5	1,910,340	405.0	$2,028,952	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
TOTAL	100.0%	4,006.0	18,773,854	3,999.6	$19,634,432	1,891.0	$9,500,258	(123.9)	(6.1%)	($181,048)	(1.9%)	(203.4)	(9.7%)	($1,093,044)	(10.3%)

YTD ACTUAL WATER SALES COMPARISON
FOR FISCAL YEAR 2025-26

	2024-25 ACTUAL SALES (YTD)		2025-26 BUDGET SALES (YTD)		2025-26 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	$	AF	$	AF	$	AF	%	$	%	AF	%	$	%
Cummulative (YTD)	2,014.9	9,681,305	2,094.4	$10,593,301	1,891.0	$9,500,258	(123.9)	(6.1%)	(181,048)	(1.9%)	(203.4)	(9.7%)	(1,093,044)	(10.3%)

QUARTERLY COMPARISON - ACTUALS THROUGH NOVEMBER 2025 (*)

	2024-25 ACTUAL SALES		2025-26 BUDGET SALES		2025-26 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	$	AF	$	AF	$	AF	%	$	%	AF	%	$	%
Jul-Sep (Actual)	1,292.3	6,255,925	1,376.7	$7,041,358	1,317.7	$6,756,959	25.4	2.0%	$501,034	8.0%	(59.0)	(4.3%)	($284,399)	(4.0%)
Oct-Dec (Actual)	992.0	4,650,864	984.8	4,810,307	573.3	$2,743,298	(418.7)	(42.2%)	($1,907,565)	(41.0%)	(411.5)	(41.8%)	($2,067,009)	(43.0%)
Jan-Mar (Actual)	680.8	3,017,640	616.9	2,784,368	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
Apr-Jun (Actual)	1,041.0	4,849,425	1,021.2	4,998,399	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
Total (Actual)	4,006.0	$18,773,854	3,999.6	$19,634,432	1,891.0	$9,500,258	(393.3)	(6.1%)	($1,406,531)	(1.9%)	(470.5)	(9.7%)	($2,351,408)	(10.3%)

(*) Sales figures reported are as of the close of billing for that period and do not reflect final financial amounts. Budgeted amounts are used prior to actual figures being available for comparative purposes

2025 11_Sales Analysis & Graph Data_MASTER

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-G**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER / BUSINESS MANAGER**

SUBJECT: **UNAUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025**

RECOMMENDATION:

For information and discussion only.

BACKGROUND:

The purpose of this memorandum is to provide the Board of Directors with a comprehensive review of the District's unaudited financial position and operating results on a year-to-date basis as of December 31, 2025. This information is intended to support the Board's oversight responsibilities by facilitating review of budgetary performance, overall financial condition, operational trends, and compliance with applicable accounting and financial reporting requirements.

Regular review of unaudited financial information enables the Board to monitor fiscal performance throughout the year, assess progress toward adopted budget and policy objectives, and identify emerging issues or trends that may require management attention or Board direction.

REGULATORY AND REPORTING REQUIREMENTS

The District's financial reports are prepared in accordance with Generally Accepted Accounting Principles (GAAP) for governmental entities. The Governmental Accounting Standards Board (GASB) serves as the authoritative standard-setting body for establishing accounting and financial reporting principles applicable to state and local governments.

Preparation of these reports in conformity with GASB and GAAP requirements promotes transparency, consistency, and comparability of financial information. Timely and accurate financial reporting supports sound fiscal management, including monitoring liquidity and financial flexibility, evaluating compliance with adopted financial policies, identifying material variances or emerging trends, and ensuring the District's ongoing ability to meet its financial obligations.

OVERVIEW OF INFORMATION PROVIDED

The monthly financial package presents year-to-date unaudited financial information, comparing actual results to the adopted budget, along with key operational and financial indicators. This

comparative analysis supports early identification of material variances, trends, or potential financial impacts that may warrant further analysis, corrective action, or Board consideration.

The information is first reviewed by the Finance Committee and subsequently presented to the Board of Directors for discussion and any appropriate direction or action.

DECEMBER 2025 FINANCIAL REPORTING

- **Unaudited Financial Statements (YTD):** Compare actual results to budget and summarize assets, liabilities, and net position to assess financial health.

BOARD OVERSIGHT AND DECISION-MAKING

These reports provide a clear, timely view of the District's financial condition and performance, supporting informed decision-making, accountability, and long-term sustainability.

ATTACHMENTS

1. Unaudited Financial Statements as of December 31, 2025
2. Water Sales Analysis, including supporting tables and graphical dashboards, for December 2025

BOARD OF DIRECTORS

UNAUDITED FINANCIAL STATEMENTS

as of

December 31, 2025

REGULAR MEETING OF THE BOARD OF DIRECTORS

January 27, 2026

Page left intentionally blank.

MONTECITO WATER DISTRICT FISCAL YEAR 2025-26 (ENDING JUNE 30, 2026) UNAUDITED ACTUALS TO BUDGET MONTH ENDING 12/31/2025	FY 25-26 MTD ACTUAL	FY 25-26 MTD BUDGET	FAVORABLE (UNFAVORABLE)	FY 25-26 YTD ACTUAL	FY 25-26 YTD BUDGET	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FY 25-26 ADOPTED BUDGET (REVISION No. 1)
Operating Revenue								
Water Sales - Customer Classes	820,198	1,258,365	(438,167)	10,320,455	11,851,666	(1,531,210)	-13%	19,634,432
Water Sales - Construction	(5,614)	5,000	(10,614)	23,700	52,000	(28,300)	-54%	75,000
Water Sales - Surplus SWP Sales	-	-	-	616,680	600,000	16,680	3%	600,000
Water Loss Adjustments	(2,082)	(8,333)	6,251	(27,229)	(50,000)	22,771	-46%	(100,000)
Water Conservation Rebates	(868)	(3,333)	2,466	(5,213)	(20,000)	14,787	-74%	(40,000)
Customer Credits (Fee Reversals, Misread rebills)	-	-	-	-	-	-	n/a	-
Total Water Sales	**811,634**	**1,251,698**	**(440,064)**	**10,928,394**	**12,433,666**	**(1,505,272)**	**-12%**	**20,169,432**
Monthly Meter Charges	549,844	546,542	3,303	3,297,771	3,279,250	18,521	1%	6,558,499
Water Availability Charge (WAC)	172,749	175,000	(2,251)	172,942	175,000	(2,058)	-1%	300,000
Private Fire Line Srv Charge	26,724	25,349	1,375	159,807	152,094	7,712	5%	304,189
Other Operating Revenues	9,005	9,500	(495)	48,584	57,000	(8,416)	-15%	114,000
Total Operating Revenue	**1,569,957**	**2,008,089**	**(438,132)**	**14,607,497**	**16,097,010**	**(1,489,513)**	**-9%**	**27,446,120**
Operating Expenses								
Source of Supply-Water Purchases								
Cachuma Lake	-	-	-	(609,015)	(623,952)	14,937	-2%	(1,226,611)
Cater Water Treatment Plant	-	-	-	(339,898)	(366,337)	26,439	-7%	(860,452)
State Water Project (SWP)	-	-	-	(4,318,273)	(4,465,692)	147,419	-3%	(4,465,692)
WSA Water Purchase (DESAL)	(590,331)	(707,242)	116,911	(3,541,986)	(3,877,372)	335,386	-9%	(7,388,663)
Supplemental Water Purchases	-	-	-	-	-	-	n/a	-
Water Marketing & Storage (Semitropic/Westwater)	(27,705)	(27,205)	(500)	(127,601)	(89,705)	(37,896)	42%	(104,705)
Total Source of Supply-Water Purchases	**(618,036)**	**(734,447)**	**116,411**	**(8,936,773)**	**(9,423,058)**	**486,284**	**-5%**	**(14,046,123)**
MWD Direct expenses						**-**		
Jameson Lake	(20,757)	(22,462)	1,705	(202,580)	(238,162)	35,582	-15%	(385,458)
Water Treatment	(185,436)	(238,720)	53,284	(1,188,010)	(1,403,346)	215,336	-15%	(2,298,679)
Transmission and Distribution	(156,162)	(191,159)	34,997	(1,101,350)	(1,269,681)	168,331	-13%	(2,201,931)
Total MWD Direct Expenses	**(362,355)**	**(452,342)**	**89,987**	**(2,491,940)**	**(2,911,189)**	**419,248**	**-14%**	**(4,886,069)**
Total Direct Expenses	**(980,391)**	**(1,186,789)**	**206,398**	**(11,428,714)**	**(12,334,246)**	**905,533**	**-7%**	**(18,932,192)**
MWD Indirect Expenses						**-**		
Customer Services	(51,349)	(71,330)	19,981	(287,578)	(305,214)	17,636	-6%	(646,465)
Conservation	(17,950)	(21,053)	3,103	(106,560)	(227,520)	120,960	-53%	(331,473)
Fleet	(23,617)	(27,525)	3,908	(154,334)	(176,014)	21,680	-12%	(311,898)
Engineering	(73,629)	(130,329)	56,700	(478,470)	(831,901)	353,431	-42%	(1,532,373)
Administration	(296,235)	(202,831)	(93,403)	(1,332,825)	(1,544,679)	211,854	-14%	(2,439,296)
Legal	(9,976)	(24,000)	14,024	(83,725)	(144,000)	60,275	-42%	(288,000)
Public Information	(17,882)	(24,705)	6,823	(103,551)	(131,562)	28,011	-21%	(266,611)
Extraordinary Expense	-	-	-	-	-	-	n/a	-
General & Administrative	(439,289)	(430,443)	(8,845)	(2,259,465)	(3,055,676)	796,211	-26%	(5,169,650)
Total Indirect Expenses	**(490,638)**	**(501,773)**	**11,135**	**(2,547,042)**	**(3,360,890)**	**813,847**	**-24%**	**(5,816,115)**
Total Operating Expenses	**(1,471,029)**	**(1,688,562)**	**217,533**	**(13,975,756)**	**(15,695,136)**	**1,719,380**	**-11%**	**(24,748,306)**
Operating Income before Depreciation Expense	**98,928**	**319,527**	**(220,599)**	**631,741**	**401,874**	**229,867**	**57%**	**2,697,814**
Depreciation Expense	(177,410)	(177,388)	(23)	(1,062,398)	(1,064,325)	1,928	0%	(2,128,651)
OPERATING SURPLUS / (DEFICIT)	**(78,482)**	**142,139**	**(220,622)**	**(430,657)**	**(662,451)**	**231,794**	**-35%**	**569,163**

MONTECITO WATER DISTRICT FISCAL YEAR 2025-26 (ENDING JUNE 30, 2026) UNAUDITED ACTUALS TO BUDGET MONTH ENDING 12/31/2025	FY 25-26 MTD ACTUAL	FY 25-26 MTD BUDGET	FAVORABLE (UNFAVORABLE)	FY 25-26 YTD ACTUAL	FY 25-26 YTD BUDGET	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FY 25-26 ADOPTED BUDGET (REVISION No. 1)
Non-Operating Revenues:								
Rental Revenue	13,305	9,136	4,169	52,840	47,923	4,917	10%	95,845
Investment Earnings	69,050	26,667	42,384	192,935	160,000	32,935	21%	320,000
Other Non-Operating Revenues	10,418	28,999	(18,581)	73,900	73,947	(47)	0%	143,845
Total Non-Operating Revenues	**92,773**	**64,801**	**27,972**	**319,674**	**281,870**	**37,804**	**13%**	**559,690**
Non-Operating Expenses:								
Interest Expense - 2020 COP Refunding Bonds	(148,500)	(148,500)	-	(148,500)	(148,500)	-	0%	(8,334)
Interest Expense - Cater Loans	-	-	-	-	(30,415)	30,415	-100%	(59,482)
Groundwater Sustainability Fee Payment	(68,458)	(68,458)	-	(68,458)	(68,458)	-	0%	(136,916)
Total Non-Operating Expenses:	**(216,958)**	**(216,958)**	**-**	**(216,958)**	**(247,373)**	**30,415**	**-12%**	**(204,732)**
Non-Operating Income (Loss)	**(124,185)**	**(152,157)**	**27,972**	**102,716**	**34,497**	**68,219**	**198%**	**354,958**
Net Position						**-**		
Change in Net Position before Capital Contributions	**(202,667)**	**(10,017)**	**(192,650)**	**(327,940)**	**(627,954)**	**300,014**	**-48%**	**924,121**
Capital Contributions								
Capital cost recovery fees	-	25,000	(25,000)	51,963	150,000	(98,037)	-65%	300,000
Connection fees	107	8,333	(8,226)	22,499	50,000	(27,501)	-55%	100,000
Capital Grants & Other Reimbursements	-	175,500	(175,500)	-	283,500	(283,500)	-100%	3,039,800
Total Capital Contributions	**107**	**208,833**	**(208,726)**	**74,462**	**483,500**	**(409,038)**	**-85%**	**3,439,800**
Change in Net Position before Special Items	**(202,560)**	**198,816**	**(401,376)**	**(253,478)**	**(144,454)**	**(109,024)**	**75%**	**4,363,921**
Special Items								
FEMA reimbursements	-	-	-	-	726,847	(726,847)	-100%	906,146
Total Special Items	**-**	**-**	**-**	**-**	**726,847**	**(726,847)**	**-100%**	**906,146**
Change in Net Postion	**(202,560)**	**198,816**	**(401,376)**	**(253,478)**	**582,393**	**(835,872)**	**-144%**	**5,270,067**
Total Revenues	**1,662,837**	**2,281,723**	**(618,886)**	**15,001,633**	**17,589,227**	**(2,587,594)**	**-15%**	**32,351,756**
Total Expenditures	**(1,865,397)**	**(2,082,907)**	**217,510**	**(15,255,112)**	**(17,006,834)**	**1,751,723**	**-10%**	**(27,081,690)**
Surplus / (Deficit) before Debt and Capital	**(202,560)**	**198,816**	**(401,376)**	**(253,478)**	**582,393**	**(835,872)**	**-144%**	**5,270,067**

MONTECITO WATER DISTRICT FISCAL YEAR 2025-26 (ENDING JUNE 30, 2026) UNAUDITED ACTUALS TO BUDGET MONTH ENDING 12/31/2025	FY 25-26 MTD ACTUAL	FY 25-26 MTD BUDGET	FAVORABLE (UNFAVORABLE)	FY 25-26 YTD ACTUAL	FY 25-26 YTD BUDGET	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FY 25-26 ADOPTED BUDGET (REVISION No. 1)
Debt Service								
Principal - 2003 Cater DWR Loan (SRF)	-	-		-	-	-	n/a	-
Principal - 2011 Cater Ozone Project Loan	-	-		-	(107,758)	107,758	-100%	(216,864)
Principal - 2020 COP Refunding Bonds	-	-		-	-	-	n/a	(1,375,000)
Total Debt Service	**-**	**-**		**-**	**(107,758)**	**107,758**	**-100%**	**(1,591,864)**
Capital & Equipment								
Vehicles & Equipment	-	(80,000)	80,000	(224,736)	(240,000)	15,264	-6%	(240,000)
Pipelines	(406,663)	(150,000)	(256,663)	(646,352)	(1,575,000)	928,648	-59%	(2,900,000)
Reservoirs	(31,857)	(354,700)	322,843	(103,338)	(1,106,000)	1,002,662	-91%	(8,783,500)
Pumping/Wells/Valves/Treatment Plant	(5,453)	(60,500)	55,047	(60,895)	(229,500)	168,605	-73%	(830,000)
Other Projects	(32)	-	(32)	(181,553)	(255,000)	73,447	-29%	(455,000)
Extraordinary Projects	(19,248)	(35,417)	16,169	(130,772)	(212,502)	81,730	-38%	(425,000)
Capital Improvement Program	(463,252)	(600,617)	137,365	(1,122,910)	(3,378,002)	2,255,092	-67%	(13,393,500)
Capital & Equipment Expenditures	**(463,252)**	**(680,617)**	**217,365**	**(1,347,646)**	**(3,618,002)**	**2,270,356**	**-63%**	**(13,633,500)**
Total OutFlows: Expenditures, Debt & Capital Expenditure	**(2,328,649)**	**(2,763,524)**	**434,875**	**(16,602,757)**	**(20,732,594)**	**4,129,837**	**-20%**	**(42,307,053)**
Remove Non-Cash Activity						**-**		
Bond Interest Amortization	-	-	-	-	-	-	n/a	288,666
Inventory Disbursements	(1,932)	(7,195)	5,263	(24,142)	(43,172)	19,030	-44%	(86,344)
Depreciation Expense	(177,410)	(177,388)	(23)	(1,062,398)	(1,064,325)	1,928	0%	(2,128,651)
Total Non-Cash Activity	**(179,342)**	**(184,583)**	**5,241**	**(1,086,539)**	**(1,107,497)**	**20,958**	**-2%**	**(1,926,329)**
Total OutFlows less Non-Cash Activity	**(2,149,307)**	**(2,578,941)**	**429,635**	**(15,516,218)**	**(19,625,097)**	**4,108,879**	**-21%**	**(40,380,724)**
Total Revenues	**1,662,837**	**2,281,723**	**(618,886)**	**15,001,633**	**17,589,227**	**(2,587,594)**	**-15%**	**32,351,756**
Cash Impact before Transfers	**(486,470)**	**(297,218)**	**(189,252)**	**(514,585)**	**(2,035,870)**	**1,521,284**	**-75%**	**(8,028,968)**
Transfers In							n/a	8,028,967
Transfers Out							n/a	-
MWD CASH IMPACT	**(486,469)**	**(297,217)**	**(189,251)**	**(514,585)**	**(2,035,869)**	**1,521,284**	**-75%**	**-**

Page left intentionally blank.

MONTECITO WATER DISTRICT
Fiscal Year 2025-26
Notes to the Unaudited Actuals to Budget
Month Ending December 31, 2025

SIGNIFICANT THRESHOLD FOR VARIANCE IS DEFINED AS OVER / UNDER $25K.

NOTE 1 – OPERATING REVENUE

Total Operating Revenue is unfavorable ($1.5M) and 9% less than the YTD budget.

- Customer Water Sales are unfavorable ($1.5M) and 13% less than the YTD budget.

NOTE 2 – DIRECT EXPENSES

Total Direct expenses are favorable $906K and 7% less than the YTD budget.

SOURCE OF SUPPLY - WATER PURCHASES

Total Source of Supply – Water Purchases are favorable $486K and 5% less than the YTD budget.

- Cater Water Treatment Plant is favorable $26K.
  - Q1 costs slightly lower than anticipated due to reduced water deliveries.
- State Water Project is favorable $147K.
  - Variable DWR bill timing.
- WSA Water Purchase (DESAL) is favorable $335K.
  - No PAYGO capital expenses incurred YTD.
- Water Marketing & Storage is unfavorable ($38K).
  - Additional costs associated with Surplus SWP sale.

MWD DIRECT EXPENSE

Total MWD Direct expenses are favorable $419K and 14% less than the YTD budget.

- Jameson Lake is favorable $36K and 15% less than the YTD budget.
  - Laboratory Services, Gas Utility and Supply costs not yet incurred.
- Water treatment is favorable $215K and 15% less than the YTD budget.
  - Laboratory Equipment and Outside Services costs not yet incurred.
- Transmission & Distribution is favorable $168K and 13% less than the YTD budget.
  - Personnel Expenses are favorable $62K driven by salary savings from vacant position at beginning of year (now filled).

- Safety Equipment and Supply costs not yet incurred.
- Electrical Utilities are favorable $47K due to trailing SCE billing.

NOTE 3 – MWD INDIRECT EXPENSES

Total MWD Indirect Expenses are favorable $814K and 24% less than the YTD budget.

- Conservation is favorable $121K and 53% less than the YTD budget.
  - Outside Services are favorable $116K due to delayed start of Office Demo Garden work, currently in progress.
- Engineering is favorable $353K and 42% less than the YTD budget.
  - Outside Services are favorable $299K due to costs not yet incurred, including Urban Water Management Plan update, Emergency Response Plan, and Groundwater ASR Projects, which are all currently in progress.
- Administration is favorable $212K and 14% less than the YTD budget.
  - Personnel Expenses are favorable $65K partially driven by salary savings from vacant Business Manager position at beginning of year (now filled).
  - Admin Building Maintenance, Audit Expenses, Outside Services, and Network IT Services are favorable $93K due to costs not yet incurred.
  - General Liability Insurance is favorable $72K due to lower than forecasted renewal costs.
- Legal is favorable $60K and 42% less than the YTD budget.

NOTE 4 – OPERATING SURPLUS / (DEFICIT)

The Operating Deficit YTD is ($431K).

NOTE 5 – NON-OPERATING ACTIVITY

Total Non-Operating Revenues are favorable $38K due to higher than anticipated ARB Money Market interest earnings.

Total Non-Operating Expenses are favorable $30K due to pending Cater Ozone Loan interest invoice from City of Santa Barbara.

NOTE 6 – TOTAL CAPITAL CONTRIBUTIONS

Total Capital Contributions are unfavorable ($409K) and 85% less than the YTD budget, due to fewer than anticipated new connections YTD and timing of capital grants and other reimbursements associated with Park Lane and Terminal Reservoir Projects.

NOTE 7 – TOTAL SPECIAL ITEMS

Total Special Items are unfavorable ($727K) and 100% less than the YTD budget due to timing of Federal reimbursements associated with Alder Creek Flume, Highline Pipeline Repairs, and Juncal Pipeline Repair retention funds.

NOTE 8 – SURPLUS / (DEFICIT) BEFORE DEBT AND CAPITAL

Deficit before debt and capital is unfavorable ($836K).

NOTE 9 – DEBT SERVICE

Debt service is favorable $108K due to pending Cater Ozone Loan principal invoice from City of Santa Barbara.

NOTE 10 – CAPITAL IMPROVEMENT PROGRAM (CIP) EXPENDITURES

Capital & Equipment expenditures are favorable $2.27M and 63% less than the YTD budget.

VEHICLES & EQUIPMENT

All planned equipment purchases have been completed and delivered slightly under budget.

CAPITAL IMPROVEMENT PROGRAM

Favorable $2.25M.

- CIP expenditures remain favorable due to delays associated with Federal and State reimbursement of Juncal Pipeline Repair project. Approx. $4.5M of Federal and State reimbursements for Juncal Pipeline repairs were received in late September and therefore, planned CIP expenditures have been initiated.

NOTE 11 – CASH IMPACT BEFORE TRANSFERS

Favorable $1.5M.

NOTE 12 –TRANSFERS TO/FROM RATE STABILIZATION FUND (To/from operating account)

- No transfers recorded YTD.

NOTE 13 – MWD CASH IMPACT (AFTER TRANSFERS)

Favorable $1.5M.

NOTE 14 – REVENUE RISKS & OPPORTUNITIES

Risks:

- Water Sales continue to trend below budget following a wet November and December.

Opportunities:

- FEMA retention of approx. $649K associated with Juncal Pipeline Repair project, to be reimbursed upon completion and close-out of all 2023 storm damage projects.
- FEMA approved 2018 Direct Administrative Cost (DAC) reimbursement, currently estimated at $312K.
- FEMA approved 2023 DAC reimbursement, currently estimated at $439K.

NOTE 15 – EXPENDITURE RISKS & OPPORTUNITIES

Risks:

- Continued inflation related to Direct and Indirect Expenses: i.e., fuel, labor, and materials.
- Increases in Water Supply Agreement (Desal), variable costs and pay-go capital.
- Increases in SWP costs including receipt of unanticipated supplemental bills, e.g. reimbursement of past DWR costs, mitigation of aqueduct settlements, and/or Golden Mussel mitigation.
- Increases in construction costs for Capital Improvement Projects (CIP), i.e., pipeline replacements, and reservoir retrofit/replacements.
- Denial of required permit(s) from regulatory agencies resulting in required payback of FEMA funding for the Alder Creek Flume Repair Project (approx. $350K to-date).

Opportunities:

- None identified.

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION
(UNAUDITED)

		YEAR-TO DATE MONTH ENDING 12/31/2025
Assets		
Current Assets		
Rate Stabilization Fund		13,062,903
Operating Reserve		3,697,118
Capital and Emergency Reserve		500,000
FEMA Advance for Highline Repair Project		3,151,622
Thomas Fire/Debris Flow CalOES/FEMA Holdback		1,514,874
	Subtotal	**21,926,517**
Held By Others		
CCWA Rate Coverage Reserve		1,495,258
Debt Service Coverge Deposit		240,790
Debt Service Reserve Deposit		1,185,417
	Subtotal	**2,921,465**
Recievables		
Accounts Recievable		1,770,532
Inventory		977,066
Prepaid Expenses and Other Deposits		1,937,726
	Subtotal	**4,685,324**
Noncurrent Assets		
Capital assets - not being depreciated		4,697,110
Capital assets - being depreciated		52,016,381
	Subtotal	**56,713,491**
Total Assets		**86,246,797**
Deferred Outflows of Resources		**2,342,180**
Total Assets and Deferred Outflows of Resources		**88,588,978**

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION
(UNAUDITED)

	YEAR-TO DATE MONTH ENDING 12/31/2025
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	2,349,034
Unearned revenue and other deposits	191,346
FEMA Advance for Highline Replacement Project	3,151,622
Thomas Fire/Debris Flow CalOES/FEMA Holdback	1,514,874
Subtotal	**7,206,876**
Noncurrent:	
Accrued compensated absences	801,461
Cater Ozone Project Loan	2,431,541
ASADRA Loan Payable	1,043,448
2020 COP Refunding Bonds	5,940,000
2020 COP Premium Prepaid Interest	1,004,780
OPEB (Other Post-Employment Benefits)	1,998,290
Pension Liability	6,735,016
Subtotal	**19,954,536**
Total Liabilities	**27,161,412**
Deferred Inflows of Resources	
Deferred pensions	510,477
Deferred Inflows-2020 Deferred Amnt on Refunding	149,776
Deferred Inflows - Leases	201,337
Subtotal	**861,590**
Net Position	
Net investment in capital assets	52,016,381
Board Committed Funds	6,288,283
Unreserved Fund Balance	2,514,790
Change in net postion	(253,478)
Subtotal	**60,565,976**
Combined Liabilities, Deferrals & Net Position	**88,588,978**

DASHBOARD REPORT
WATER SALES ($)

MONTH ENDING
12/31/2025

MONTH TO DATE WATER SALES ($)				
CLASSIFICATION	MTD ACTUALS	MTD BUDGET	VARIANCE	
			$	%
Single Family	$ 629,251	$ 1,017,240	$ (387,989)	(38%)
Multi Family	$ 15,637	$ 24,977	$ (9,340)	(37%)
Agricultural	$ 20,708	$ 50,523	$ (29,815)	(59%)
Institutional	$ 70,908	$ 80,400	$ (9,492)	(12%)
Commercial	$ 80,124	$ 80,606	$ (482)	(1%)
Non-Potable	$ 3,570	$ 4,619	$ (1,049)	(23%)
Monthly Total	$ 820,198	$ 1,258,365	$ (438,167)	(35%)

YEAR TO DATE WATER SALES ($)				
CLASSIFICATION	YTD ACTUALS	YTD BUDGET	VARIANCE	
			$	%
Single Family	$ 8,137,714	$ 9,604,199	$ (1,466,485)	(15%)
Multi Family	$ 145,086	$ 198,533	$ (53,447)	(27%)
Agricultural	$ 394,398	$ 440,470	$ (46,072)	(10%)
Institutional	$ 926,506	$ 910,021	$ 16,485	2%
Commercial	$ 651,491	$ 626,391	$ 25,100	4%
Non-Potable	$ 65,260	$ 72,052	$ (6,792)	(9%)
Annual Total	$ 10,320,455	$ 11,851,666	$ (1,531,211)	(13%)

Fiscal Year = July thru June

DASHBOARD REPORT
WATER SALES (AF)

MONTH ENDING
12/31/2025

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	135	204	-70	(34%)
Multi Family	6	8	-2	(28%)
Agricultural	8	20	-12	(59%)
Institutional	13	15	-2	(12%)
Commercial	16	16	0	3%
Non-Potable	4	5	-1	(23%)
Monthly Total	181	267	-86	(32%)

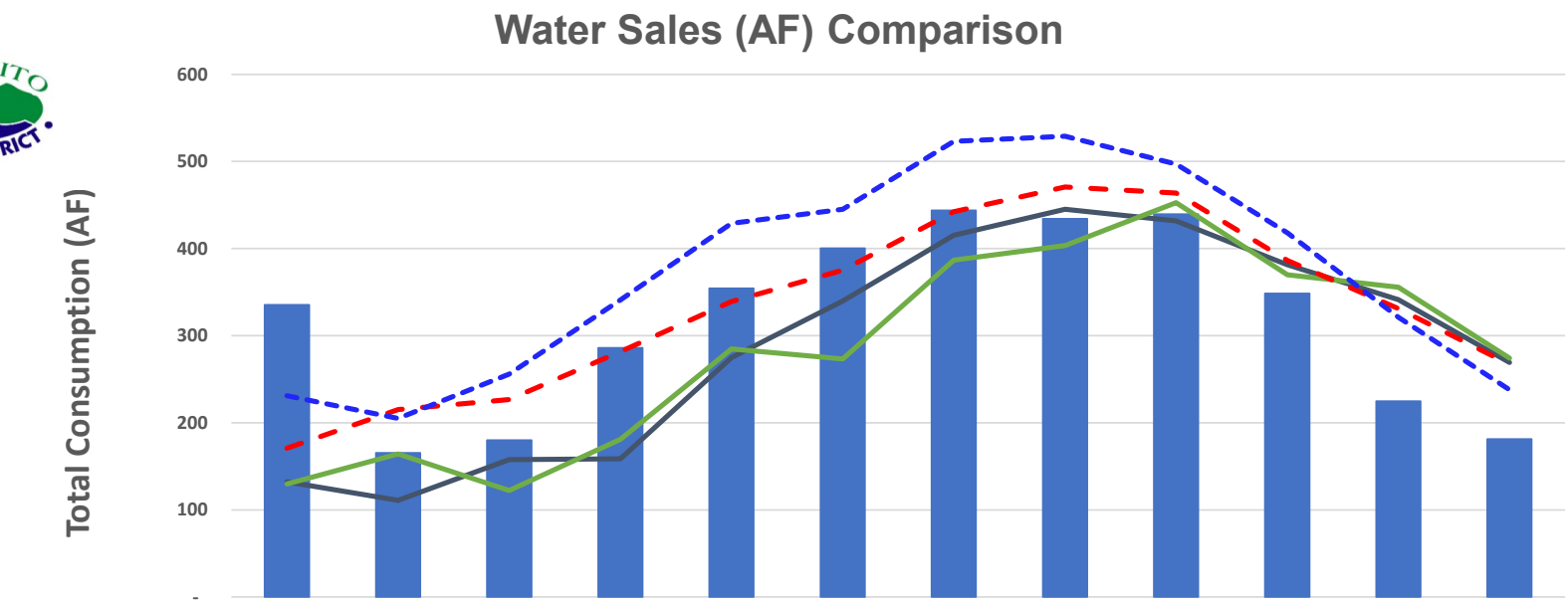
YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1495	1762	-267	(15%)
Multi Family	47	57	-10	(17%)
Agricultural	156	174	-18	(11%)
Institutional	171	168	3	2%
Commercial	133	122	11	9%
Non-Potable	71	78	-7	(9%)
Yearly Total	2072	2362	-289	(12%)

Fiscal Year = July thru June

1 AF = 435.6 HCF of Water

1 HCF = 748 Gallons of Water

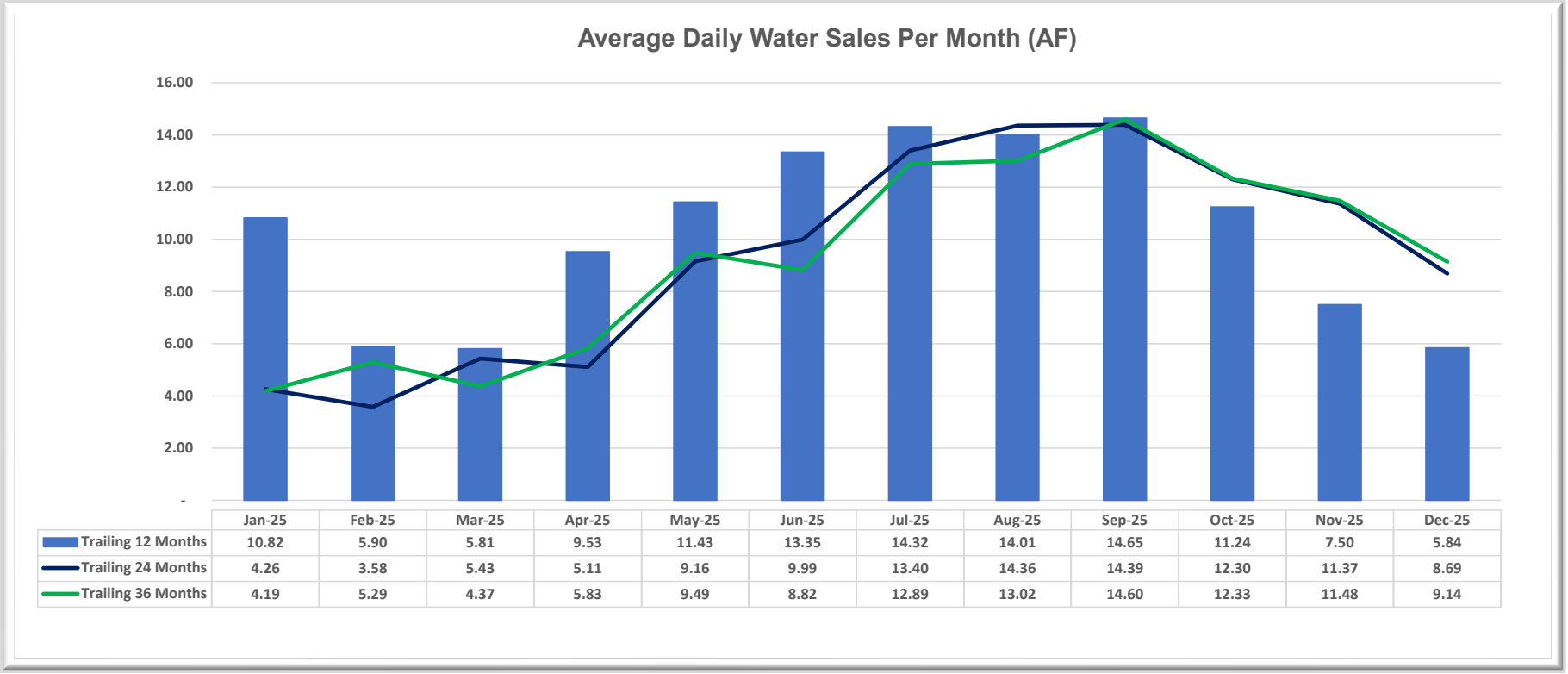
MONTH ENDING 12/31/2025



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Trailing 12 Months	335	165	180	286	354	400	444	434	440	348	225	181
Trailing 24 Months	132	111	158	159	275	340	415	445	432	381	341	269
Trailing 36 Months	130	164	122	181	285	273	387	404	453	370	356	274
Budget	171	215	227	282	339	375	442	471	464	387	331	267
SBX7-7	231	205	256	341	429	445	523	529	497	418	321	238

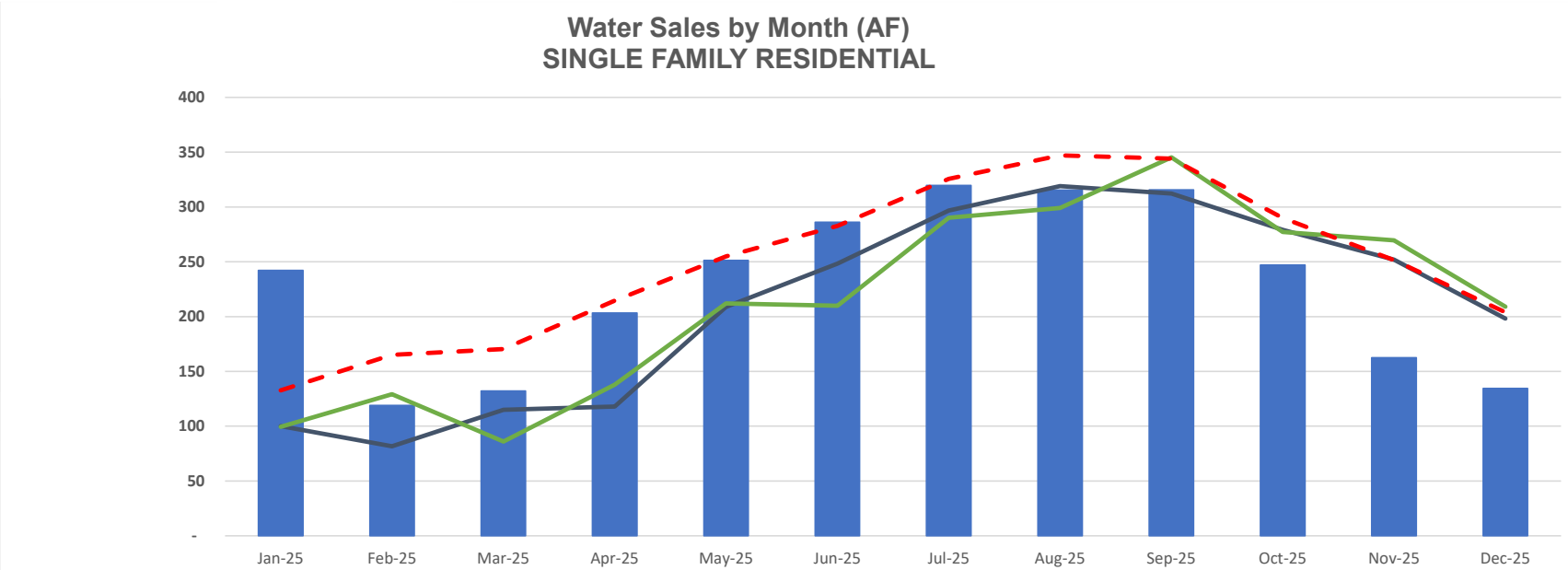
Trailing 12 Month Sales are	3,794	Acre Feet				
Trailing 24 Month Sales are	3,458	Acre Feet	and	(8.9%)	LESS Than Trailing 12 Month Sales	
Trailing 36 Month Sales are	3,398	Acre Feet	and	(10.4%)	LESS Than Trailing 12 Month Sales	
Trailing 12 Month Budget is	3,970	Acre Feet	and	4.4%	MORE Than Trailing 12 Month Sales	
SBX7-7 as of 6/30/2020 is	4,433	Acre Feet	and	16.8%	MORE Than Trailing 12 Month Sales	

MONTH ENDING 12/31/2025



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Trailing 12 Months	10.82	5.90	5.81	9.53	11.43	13.35	14.32	14.01	14.65	11.24	7.50	5.84
Trailing 24 Months	4.26	3.58	5.43	5.11	9.16	9.99	13.40	14.36	14.39	12.30	11.37	8.69
Trailing 36 Months	4.19	5.29	4.37	5.83	9.49	8.82	12.89	13.02	14.60	12.33	11.48	9.14

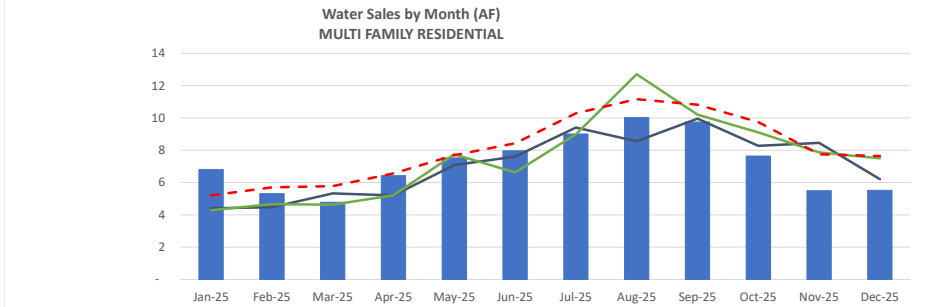
MONTH ENDING 12/31/2025



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Trailing 12 Months	242	119	132	203	251	286	320	315	316	247	163	135
Trailing 24 Months	100	82	115	118	209	248	297	319	312	279	252	198
Trailing 36 Months	99	129	86	138	212	210	290	299	345	277	269	209
Budget	133	165	170	215	255	283	326	347	344	290	251	204

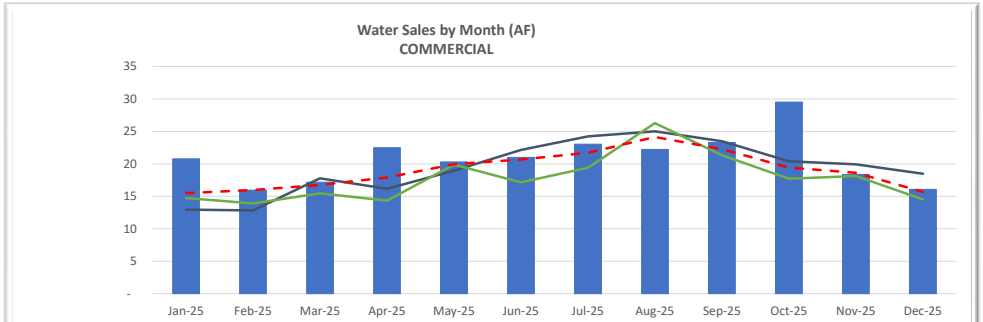
Trailing 12 Months			2,729 AF
Trailing 24 Months			2,529 AF
Trailing 36 Months			2,565 AF
Trailing 12 Month Budget			2,983 AF
Trailing 12 Months	versus	Trailing 24 Months	7.9%
Trailing 24 Months	versus	Trailing 36 Months	6.4%
Trailing 12 Months	versus	Budget	(8.5%)

MONTHLY ENDING 12/31/2025



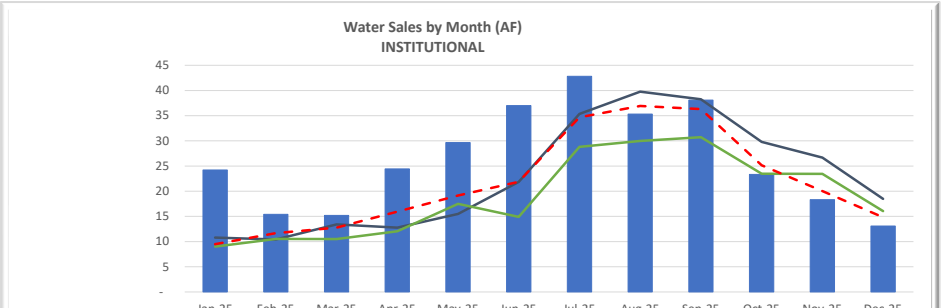
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Trailing 12 Months	7	5	5	6	8	8	9	10	10	8	5	6
Trailing 24 Months	4	4	5	5	7	8	9	9	10	8	8	6
Trailing 36 Months	4	5	5	5	8	7	9	13	10	9	8	7
Budget	5	6	6	7	8	8	10	11	11	10	8	8

Trailing 12 Months	86	AF
Trailing 24 Months	85	AF
Trailing 36 Months	90	AF
Trailing 12 Month Budget	97	AF
Trailing 12 Months versus Trailing 24 Months	1.5%	
Trailing 24 Months versus Trailing 36 Months	(3.7%)	
Trailing 12 Months versus Budget	(10.9%)	



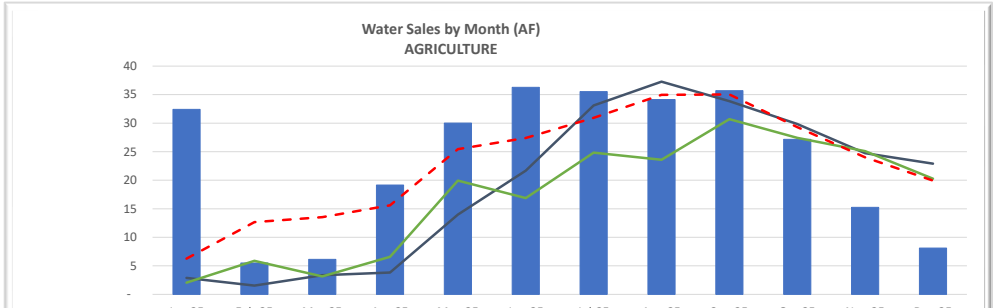
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Trailing 12 Months	21	16	17	23	20	21	23	22	23	30	18	16
Trailing 24 Months	13	13	18	16	19	22	24	25	23	20	20	18
Trailing 36 Months	15	14	15	14	20	17	19	26	21	18	18	15
Budget	15	16	17	18	20	21	22	24	22	19	19	16

Trailing 12 Months	250	AF
Trailing 24 Months	232	AF
Trailing 36 Months	213	AF
Trailing 12 Month Budget	229	AF
Trailing 12 Month versus Trailing 24 Month	7.7%	
Trailing 24 Month versus Trailing 36 Month	17.5%	
Trailing 12 Month versus Budget	9.5%	



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Trailing 12 Months	24	15	15	24	30	37	43	35	38	23	18	13
Trailing 24 Months	11	10	13	13	15	22	35	40	38	30	27	18
Trailing 36 Months	9	11	10	12	17	15	29	30	31	23	23	16
Budget	9	12	13	16	19	22	35	37	36	25	20	15

Trailing 12 Months	317	AF
Trailing 24 Months	273	AF
Trailing 36 Months	227	AF
Trailing 12 Month Budget	259	AF
Trailing 12 Months versus Trailing 24 Months	16.1%	
Trailing 24 Months versus Trailing 36 Months	39.6%	
Trailing 12 Months versus Budget	22.4%	



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Trailing 12 Months	32	6	6	19	30	36	36	34	36	27	15	8
Trailing 24 Months	3	2	3	4	14	22	33	37	34	30	25	23
Trailing 36 Months	2	6	3	7	20	17	25	24	31	27	25	20
Budget	6	13	14	16	25	27	31	35	35	29	24	20

Trailing 12 Months	285	AF
Trailing 24 Months	229	AF
Trailing 36 Months	206	AF
Trailing 12 Month Budget	275	AF
Trailing 12 Month versus Trailing 24 Month	24.7%	
Trailing 24 Month versus Trailing 36 Month	38.3%	
Trailing 12 Month versus Budget	3.7%	

MONTECITO WATER DISTRICT
METERED WATER SALES - ACRE FEET
HISTORICAL CONSUMPTION THROUGH DECEMBER 2025

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4,974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	290.00	415.40	4,308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4,812.84
1999-00	656.44	621.80	542.90	541.00	341.90	501.30	285.90	146.30	288.20	329.59	529.63	556.20	5,341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4,910.40
2001-02	571.70	631.20	501.40	436.70	214.10	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5,234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5,193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6,054.61
2004-05	693.71	763.52	753.31	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5,447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	203.40	357.30	623.30	5,065.18
2006-07	681.40	707.50	606.70	540.80	530.70	359.80	415.50	201.10	462.90	469.10	703.00	655.00	6,333.50
2007-08	739.40	832.60	642.00	594.20	509.30	328.80	188.00	212.00	474.10	629.00	694.00	675.00	6,518.40
2008-09	798.00	724.64	633.87	674.67	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5,964.37
2009-10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5,245.53
2010-11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4,715.58
2011-12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	394.72	371.30	271.33	504.24	582.64	5,302.42
2012-13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5,945.40
2013-14	697.66	730.90	684.30	662.58	496.06	378.50	530.73	357.85	206.59	305.52	373.14	352.27	5,776.10
2014-15	362.48	360.73	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	311.07	3,331.17
2015-16	353.90	371.40	373.74	342.06	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3,439.73
2016-17	377.38	378.68	362.54	345.53	239.92	145.00	97.59	88.78	139.09	266.01	318.90	367.79	3,127.21
2017-18	387.15	416.08	346.39	391.48	339.65	331.36	216.04	288.10	117.24	262.30	303.20	384.10	3,783.09
2018-19	440.10	494.70	426.15	341.40	347.12	152.18	150.28	106.55	124.16	314.94	261.63	283.34	3,442.55
2019-20	386.80	427.22	442.30	407.11	374.24	132.35	160.06	275.91	194.53	209.39	378.67	432.92	3,821.50
2020-21	448.71	460.54	473.21	389.04	337.88	414.23	231.38	215.55	291.88	406.67	412.43	494.03	4,575.57
2021-22	462.00	483.40	478.08	365.39	294.03	229.05	168.74	295.99	383.52	311.11	416.70	466.04	4,354.04
2022-23	467.69	501.72	452.87	407.64	310.02	130.06	129.86	164.13	122.24	180.85	284.78	273.41	3,425.25
2023-24	386.78	403.51	452.75	369.81	355.73	274.24	132.14	110.93	157.56	158.52	274.72	339.75	3,416.44
2024-25	415.45	445.16	431.70	381.38	341.22	269.39	335.41	165.31	180.04	286.05	354.47	400.45	4,006.02
2025-26	443.80	434.40	439.50	348.40	224.90	181.20							2,072.20
AVERAGE	**556.65**	**580.17**	**531.46**	**455.39**	**339.39**	**257.97**	**231.10**	**220.20**	**266.58**	**357.07**	**450.67**	**484.99**	**4,664.63**
MAXIMUM	**798.00**	**832.60**	**753.31**	**674.67**	**530.70**	**501.30**	**530.73**	**394.72**	**474.10**	**629.00**	**703.00**	**675.00**	**6,518.40**
MINIMUM	**353.90**	**360.73**	**346.39**	**341.40**	**214.10**	**130.06**	**97.59**	**88.78**	**117.24**	**158.52**	**261.63**	**273.41**	**2,072.20**
2025-26 % VS AVERAGE	**80%**	**75%**	**83%**	**77%**	**66%**	**70%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**44%**
2025-26 % VS MAXIMUM	**56%**	**52%**	**58%**	**52%**	**42%**	**36%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**32%**

DISTRIBUTION OF METERED WATER USE
FY 1996-97 TO CURRENT

Total METER Connections =	**4,698**
Less Total CONSTRUCTION METER Connections =	**15**
Less Total OFF Connections =	**7**
Total ACTIVE METER Connections =	**4,676**
The Total of all MAXIMUM months =	**7497.13**
The Total of all MINIMUM months =	**2743.74**

MONTECITO WATER DISTRICT
WATER SALES ANALYSIS
FOR FISCAL YEAR 2025-26

MONTH	% SALES BREAKDOWN	2024-25 ACTUAL SALES (*)		2025-26 BUDGET SALES		2025-26 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	$	AF	$	AF	SALES	AF	%	$	%	AF	%	$	%
JUL	11.4%	415.4	1,991,935	442.2	$2,239,217	443.8	$2,287,327	28.4	6.8%	$295,391	14.8%	1.6	0.4%	48,109	2.1%
AUG	12.3%	445.2	2,162,412	470.7	$2,418,227	434.4	$2,223,282	(10.8)	(2.4%)	$60,870	2.8%	(36.3)	(7.7%)	-$194,946	(8.1%)
SEP	12.1%	431.7	2,101,578	463.8	$2,383,914	439.5	$2,246,351	7.8	1.8%	$144,773	6.9%	(24.3)	(5.2%)	-$137,563	(5.8%)
OCT	9.8%	381.4	1,813,518	386.5	$1,931,943	348.4	$1,707,069	(33.0)	(8.6%)	-$106,449	(5.9%)	(38.1)	(9.9%)	-$224,874	(11.6%)
NOV	8.3%	341.2	1,611,862	331.1	$1,620,000	224.9	$1,036,229	(116.3)	(34.1%)	-$575,633	(35.7%)	(106.2)	(32.1%)	-$583,770	(36.0%)
DEC	6.4%	269.4	1,225,484	267.1	$1,258,365	181.2	$820,198	(88.2)	(32.7%)	-$405,286	(33.1%)	(85.9)	(32.2%)	-$438,167	(34.8%)
JAN	3.7%	335.4	1,557,835	167.5	$736,044	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
FEB	5.0%	165.3	686,413	215.8	$983,075	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
MAR	5.4%	180.0	773,393	233.6	$1,065,250	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
APR	6.1%	286.0	1,299,033	257.2	$1,203,706	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
MAY	9.0%	354.5	1,640,052	359.0	$1,765,741	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
JUN	10.3%	400.5	1,910,340	405.0	$2,028,952	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
TOTAL	100.0%	4,006.0	18,773,854	3,999.6	$19,634,432	2,072.2	$10,320,456	(212.1)	(9.3%)	($586,333)	(5.4%)	(289.3)	(12.3%)	($1,531,210)	(12.9%)

YTD ACTUAL WATER SALES COMPARISON
FOR FISCAL YEAR 2025-26

	2024-25 ACTUAL SALES (YTD)		2025-26 BUDGET SALES (YTD)		2025-26 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	$	AF	$	AF	$	AF	%	$	%	AF	%	$	%
Cummulative (YTD)	2,284.3	10,906,789	2,361.5	$11,851,666	2,072.2	$10,320,455	(212.1)	(9.3%)	(586,333)	(5.4%)	(289.3)	(12.3%)	(1,531,210)	(12.9%)

QUARTERLY COMPARISON - ACTUALS THROUGH DECEMBER 2025 (*)

	2024-25 ACTUAL SALES		2025-26 BUDGET SALES		2025-26 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	$	AF	$	AF	$	AF	%	$	%	AF	%	$	%
Jul-Sep (Actual)	1,292.3	6,255,925	1,376.7	$7,041,358	1,317.7	$6,756,959	25.4	2.0%	$501,034	8.0%	(59.0)	(4.3%)	($284,399)	(4.0%)
Oct-Dec (Actual)	992.0	4,650,864	984.8	4,810,307	754.5	$3,563,496	(237.5)	(23.9%)	($1,087,367)	(23.4%)	(230.3)	(23.4%)	($1,246,811)	(25.9%)
Jan-Mar (Actual)	680.8	3,017,640	616.9	2,784,368	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
Apr-Jun (Actual)	1,041.0	4,849,425	1,021.2	4,998,399	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	$0	0.0%
Total (Actual)	4,006.0	$18,773,854	3,999.6	$19,634,432	2,072.2	$10,320,456	(212.1)	(9.3%)	($586,333)	(5.4%)	(289.3)	(12.3%)	($1,531,210)	(12.9%)

(*) Sales figures reported are as of the close of billing for that period and do not reflect final financial amounts. Budgeted amounts are used prior to actual figures being available for comparative purposes

2025 12_Sales Analysis & Graph Data_MASTER

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-H**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

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

SUBJECT: **WATERWORKS REPORTS FOR NOVEMBER AND DECEMBER 2025**

RECOMMENDATION:

Information only.

DISCUSSION:

The District's Waterworks Reports for November and December 2025 are provided in Attachment 1 and 2, respectively. The reports provide the District's water use for the months, including total use in acre feet (AF) by source, an estimate of unaccounted for water, customer meter count, total stored water, and water quality. Several highlights include the following:

- Unaccounted water or water loss for the trailing 12-month period is approximately 4%, reduced from 10% historically, following the replacement of District meters in 2020.
- Water deliveries in accordance with the District's Water Supply Agreement with the City of Santa Barbara, i.e., desalination, were fully received (117.38 AF) in both months.
- Jameson Lake and Lake Cachuma are at 100% of capacity as of December 31, 2025.
- Groundwater production from District wells was minimal in both months due to rainfall in November 2025 and low customer demands.
- 5,802 AF of SWP supplies are stored Semitropic and available for later use.
- Water quality remains in full compliance with drinking water standards and includes updated data from the 2024 Consumer Confidence Report (CCR).

ATTACHMENTS:

1. Waterworks Report for November 2025
2. Waterworks Report for December 2025

Page left intentionally blank.

MONTECITO WATER DISTRICT
MONTHLY WATER WORKS OPERATION REPORT
November 2025

PRODUCTION

District Surface Water Sources (AF)					
Jameson Lake[1]		Fox Creek		Doulton Tunnel	
58.5		0.00		24.5	
.				**Total Surface Water:**	**83.1**
District Potable Wells (AF)					
Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
3.9	0.7	0.8	3.8	0.0	0.9
				Total Potable Wells:	**10.2**
District Non Potable Wells (AF)					
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
1.4	0.8	1.3	0.0	0.1	1.2
				Total Non Potable Wells:	**4.9**
South Coast Conduit Deliveries[2] (AF)					
Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
40.1	16.6	52.0	3.0	1.0	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
6.2	11.6	4.1	0.1	0.0	
				City Desal Deliveries[3]:	**117.4**
				Cachuma Project Deliveries:	**4.6**
				State Water Deliveries:	**12.6**
				Total South Coast Conduit Deliveries:	**134.6**
				TOTAL DISTRICT PRODUCTION:	**232.7**

[1] Jameson Lake includes arch seepage and weirs 1 and 2

[2] Data for all South Coast Conduit deliveries is provided by COMB

[3] The first 117.38 AF from SCC will be accounted as City Desal Deliveries. SCC volumes in excess of 117.38 AF are accounted as Cachuma/State water accordingly.

METERED USE

Metered Customer Use (AF):	226.6
City of Santa Barbara Intertie or Transfers (AF):	0.0
Carpinteria Valley Water District Intertie (AF):	0.0
TOTAL METERED USE (AF):	**226.6**

UNACCOUNTED WATER[1]

Total District Production (AF):	232.7	Total Metered Use (AF):	226.6
No. of Days in Production Period:	31	Days in Meter Period:	31
Average Daily Production (AF):	7.5	Average Daily Demand (AF):	7.3
Month's Water Loss (AF):	6.1	Adjusted Meter Use for # of Read Days (AF):	226.6
Month's Percentage Loss[2]:	**3%**	**Water Loss[3] (GPM/mile)**	**0**
Trailing 12 Month Percentage Loss:	**4.56%**	**Water Loss[4] (GAL/connection/d)**	**14**

[1] Defined as the difference between PRODUCTION and METERED USE (or sales). This includes *real loss* such as water main breaks, flushing of water mains and use of fire hydrants and *apparent loss* such as unauthorized use and meter inaccuracy.

[2] Loss as a PERCENTAGE is a poor performance indicator due to seasonal production & sales variability

[3] AWWA only uses loss/mile of pipe for agencies with low density of services (less than 32 connections/mile)

[4] AWWA recommends loss per service connection as a system performance indicator for higher density areas. 60 gal/connection/d is an expected value for the District.

CUSTOMER METER COUNT

New Installations:	3
Meters Removed Per Customer Request:	0
Total Meters:	4678
Inactive Meters (disaster related):	12
TOTAL ACTIVE METERS	**4666**

MONTECITO WATER DISTRICT
MONTHLY WATER WORKS OPERATION REPORT
November 2025

STORAGE (AF)

	Jameson Lake	Lake Cachuma	SWP (Table A + Supple.) in Cachuma	SWP San Luis Reservoir	Banked Water Semitropic
Full Storage Capacity	4,587	192,978			4,500
Percent Full (%)	87%	77%			
Current MWD Storage	**4,010**	**6,270**	**13**	**523**	**5,782**
			TOTAL STORED WATER (AF)		**16,598**

WATER QUALITY[1]

Compliance

The District water quality is in full compliance with State Primary Drinking Water Standards, or Maximum Contaminant Limits (MCLs)

State and Federal MCL link: *https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/ccr/mcls_epa_vs_dwp.pdf.*

Water Quality for each District source can be found in the latest Consumer Confidence Report.

Monthly Treatment Operations

The following changes have been made to District treatment operations during this reporting period:

1) None.

System Water

Parameter	Primary MCL	Frequency	System Average
Lead	15 µg/L	Annual	ND
Copper	1300 µg/L	Annual	470 µg/L
TTHM LRAA	80 µg/L	Quarterly	32.5 µg/L
HAA5 LRAA	60 µg/L	Quarterly	23.0 µg/L
Chlorine Residual	4 ppm (max)	Monthly	0.74 ppm of 56 samples
Coliform Bacteria	<5% Monthly samples	Monthly	0% of 56 samples

Key:

Compliant	Non Compliant

ppm: parts per million
mg/L: milligram per liter
MCL: Maximum Contaminant Limit
ND: Non Detect
NTU: Nephelometric Turbidity Unit
LRAA: Long Range Annual Average (Quarterly)
µg/L: microgram per liter

Source Water

Parameter	Primary MCL	Frequency	Jameson Lake	Groundwater	Cater WTP
Turbidity	1 NTU	Annual	0.03 - 0.24 NTU	0.1 - 1.0 NTU	ND - 0.09 NTU
pH	No Standard	Annual	6.98 - 8.30	6.76 - 7.25	7.32 - 7.83
Arsenic	10 µg/L	Annual	ND	ND	ND
Nitrate	10 mg/L	Annual	ND	0.9 - 4.0 mg/L	ND - 0.179 mg/L
Iron	300 µg/L	Annual	ND	ND - 90 µg/L	ND
Manganese	50 µg/L	Annual	ND	ND - 90 mg/L	ND
Total Diss. Solids	1000 mg/L	Annual	500mg/L	560 - 1930 mg/L	568 - 760 mg/L
Total Hardness	No Standard (mg/L)	Annual	324 - 448 mg/L	271 - 648 mg/L	368 - 496 mg/L
Total Alkalinity	No Standard (mg/L)	Annual	176 - 248 mg/L	188 - 252 mg/L	164 - 255 mg/L

[1] Data represents the most current available sampling results based on varying regulatory sampling frequencies.

[2] One District well has Total Dissolved Solids above 1000 mg/L but it is blended to below 1000 mg/L prior to entering the distribution system.

RAINFALL

Rainfall (inches)	Office	Doulton	Jameson Lake
November 2024	0.58	0.58	0.42
November 2025	11.29	11.52	9.48
Historical Monthly Average	1.91	2.47	2.56
July 1st to date	12.49	14.01	9.48
Historical Average July 1 to Date	2.81	3.92	3.72

MONTECITO WATER DISTRICT
MONTHLY WATER WORKS OPERATION REPORT
December 2025

PRODUCTION

District Surface Water Sources (AF)					
Jameson Lake[1]		Fox Creek		Doulton Tunnel	
21.6		0.0		27.8	
				Total Surface Water:	**49.4**
District Potable Wells (AF)					
Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
0.0	0.0	0.0	0.0	0.0	0.0
				Total Potable Wells:	**0.0**
District Non Potable Wells (AF)					
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
1.2	0.6	0.9	0.0	0.0	1.1
				Total Non Potable Wells:	**3.8**
South Coast Conduit Deliveries[2] (AF)					
Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
56.7	11.9	52.3	2.2	0.1	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
5.4	8.1	3.4	0.0	0.0	
				City Desal Deliveries[3]:	**117.4**
				Cachuma Project Deliveries:	**22.7**
				State Water Deliveries:	**0.0**
				Total South Coast Conduit Deliveries:	**140.1**
				TOTAL DISTRICT PRODUCTION:	**193.3**

[1] Jameson Lake includes arch seepage and weirs 1 and 2

[2] Data for all South Coast Conduit deliveries is provided by COMB

[3] The first 117.38 AF from SCC will be accounted as City Desal Deliveries. SCC volumes in excess of 117.38 AF are accounted as Cachuma/State water accordingly.

METERED USE

Metered Customer Use (AF):	181.527
City of Santa Barbara Intertie or Transfers (AF):	0.0
Carpinteria Valley Water District Intertie (AF):	0.0
TOTAL METERED USE (AF):	**181.5**

UNACCOUNTED WATER[1]

Total District Production (AF):	193.3	Total Metered Use (AF):	181.5
No. of Days in Production Period:	30	Days in Meter Period:	30
Average Daily Production (AF):	6.4	Average Daily Demand (AF):	6.1
Month's Water Loss (AF):	11.7	Adjusted Meter Use for # of Read Days (AF):	181.5
Month's Percentage Loss[2]:	**6%**	**Water Loss[3] (GPM/mile)**	**1**
Trailing 12 Month Percentage Loss:	**4.93%**	**Water Loss[4] (GAL/connection/d)**	**26**

[1] Defined as the difference between PRODUCTION and METERED USE (or sales). This includes *real loss* such as water main breaks, flushing of water mains and use of fire hydrants and *apparent loss* such as unauthorized use and meter inaccuracy.

[2] Loss as a PERCENTAGE is a poor performance indicator due to seasonal production & sales variability

[3] AWWA only uses loss/mile of pipe for agencies with low density of services (less than 32 connections/mile)

[4] AWWA recommends loss per service connection as a system performance indicator for higher density areas. 60 gal/connection/d is an expected value for the District.

CUSTOMER METER COUNT

New Installations:	1
Meters Removed Per Customer Request:	0
Total Meters:	4679
Inactive Meters (disaster related):	7
TOTAL ACTIVE METERS	**4672**

MONTECITO WATER DISTRICT
MONTHLY WATER WORKS OPERATION REPORT
December 2025

STORAGE (AF)

	Jameson Lake	Lake Cachuma	SWP (Table A + Supple.) in Cachuma	SWP San Luis Reservoir	Banked Water Semitropic
Full Storage Capacity	4,587	192,978			4,500
Percent Full (%)	100%	98%			
Current MWD Storage	**4,587**	**2,690**	**0**	**0**	**5,802**
				TOTAL STORED WATER (AF)	**13,079**

WATER QUALITY[1]

Compliance

The District water quality is in full compliance with State Primary Drinking Water Standards, or Maximum Contaminant Limits (MCLs)

State and Federal MCL link: *https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/ccr/mcls_epa_vs_dwp.pdf.*

Water Quality for each District source can be found in the latest Consumer Confidence Report.

Monthly Treatment Operations

The following changes have been made to District treatment operations during this reporting period:

1) None.

System Water

Parameter	Primary MCL	Frequency	System Average
Lead	15 µg/L	Annual	ND
Copper	1300 µg/L	Annual	470 µg/L
TTHM LRAA	80 µg/L	Quarterly	32.5 µg/L
HAA5 LRAA	60 µg/L	Quarterly	23.0 µg/L
Chlorine Residual	4 ppm (max)	Monthly	0.88 ppm of 70 samples
Coliform Bacteria	<5% Monthly samples	Monthly	0% of 70 samples

Key:

Compliant	Non Compliant

ppm: parts per million
mg/L: milligram per liter
MCL: Maximum Contaminant Limit
ND: Non Detect
NTU: Nephelometric Turbidity Unit
LRAA: Long Range Annual Average (Quarterly)
µg/L: microgram per liter

Source Water

Parameter	Primary MCL	Frequency	Jameson Lake	Groundwater	Cater WTP
Turbidity	1 NTU	Annual	0.03 - 0.24 NTU	0.1 - 1.0 NTU	ND - 0.09 NTU
pH	No Standard	Annual	6.98 - 8.30	6.76 - 7.25	7.32 - 7.83
Arsenic	10 µg/L	Annual	ND	ND	ND
Nitrate	10 mg/L	Annual	ND	0.9 - 4.0 mg/L	ND - 0.179 mg/L
Iron	300 µg/L	Annual	ND	ND - 90 µg/L	ND
Manganese	50 µg/L	Annual	ND	ND - 90 mg/L	ND
Total Diss. Solids	1000 mg/L	Annual	500mg/L	560 - 1930 mg/L	568 - 760 mg/L
Total Hardness	No Standard (mg/L)	Annual	324 - 448 mg/L	271 - 648 mg/L	368 - 496 mg/L
Total Alkalinity	No Standard (mg/L)	Annual	176 - 248 mg/L	188 - 252 mg/L	164 - 255 mg/L

[1] Data represents the most current available sampling results based on varying regulatory sampling frequencies.

[2] One District well has Total Dissolved Solids above 1000 mg/L but it is blended to below 1000 mg/L prior to entering the distribution system.

RAINFALL

Rainfall (inches)	Office	Doulton	Jameson Lake
December 2024	0.09	0.01	0.06
December 2025	6.62	10.84	16.83
Historical Monthly Average	3.32	4.62	4.65
July 1st to date	19.11	24.85	29.51
Historical Average July 1 to Date	6.13	8.54	8.37

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-I**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **ASSISTANT GENERAL MANAGER**

SUBJECT: **PROPOSED TERMINATION OF PRIVATE WATER MAIN EXTENSION AGREEMENT FOR 810 CIMA DEL MUNDO**

The Operations and Customer Relations Committee reviewed this item at their meeting on January 21, 2026, and the Committee agreed with the recommendation.

RECOMMENDATION:

That Board of Directors authorize the execution of a Termination of Private Water Main Extension Agreement for the private fireline originally constructed for the property at 810 Cima del Mundo.

DISCUSSION:

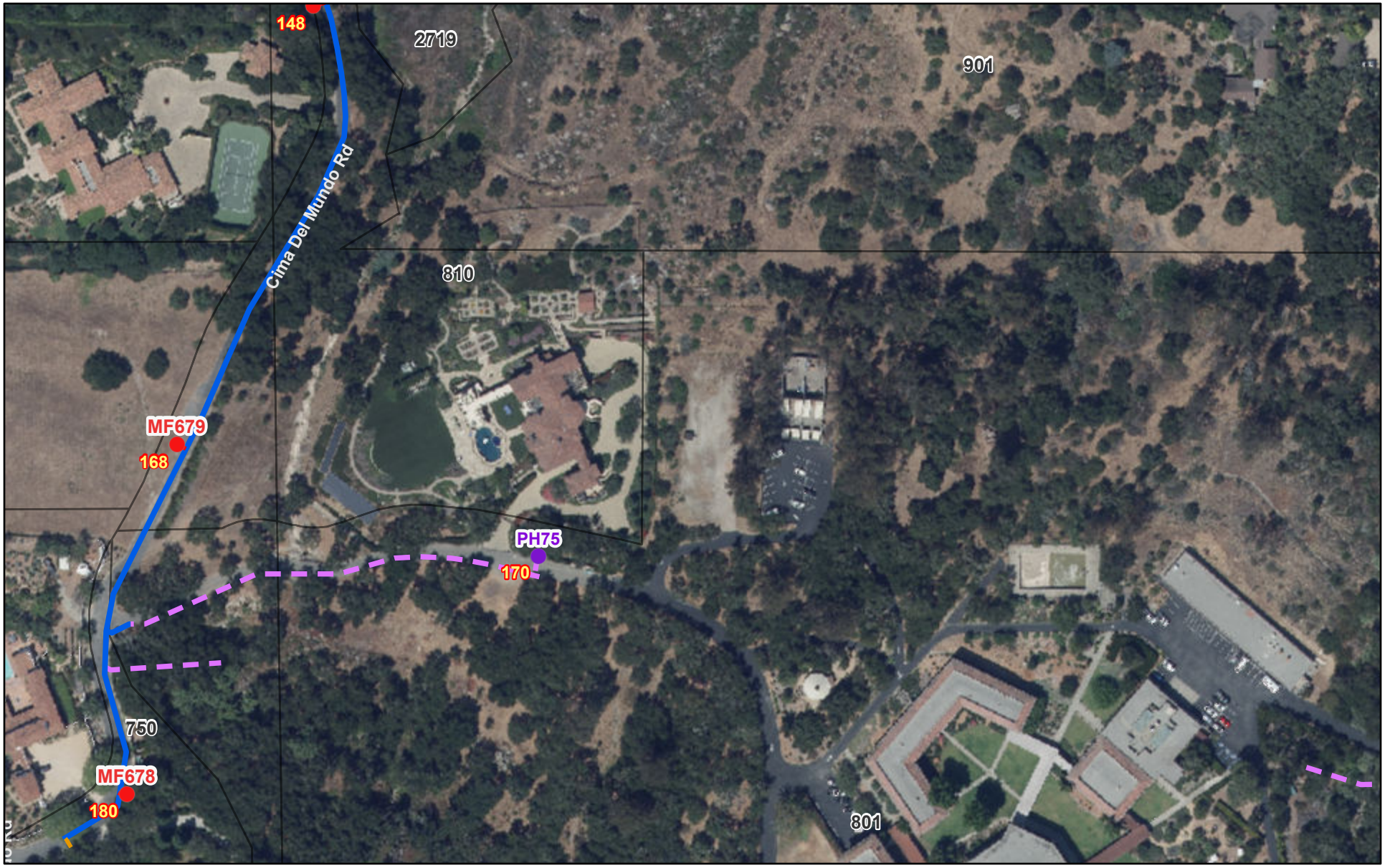
The Cima del Mundo Road development in Montecito consists of private residential properties. The internal roads are private; however, the District holds an easement to install and maintain water mains and has maintained an 8-inch water main, five fire hydrants, and eight service laterals within the development 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 SDR 14 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. At the request of District staff, the owner excavated the water main in several locations and District engineering staff confirmed the pipe was installed per District standards. Recent flow tests in the area show these hydrants flow approximately 2,500 gallons per minute. District legal counsel drafted the Termination of Private Water Main Extension Agreement provided in Attachment 1. The agreement proposes to terminate the Private Water Main Extension Agreement and transfer ownership of the water main to the District. The existing easement is separate and will remain in full force and effect.

ATTACHMENTS:

1. Map of Private Fireline Serving 810 Cima del Mundo
2. Draft Termination of Private Water Main Extension Agreement

Montecito Water District



1/13/2026, 9:12:08 AM

1:2,257

0 0.01 0.03 0.06 mi

0 0.03 0.05 0.1 km

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

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

Montecito Water District

Esri Community Maps Contributors, California State Parks, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, USFWS | Santa Barbara

Page left intentionally blank.

Recording requested by and
When recorded, mail to:
Montecito Water District
583 San Ysidro Road
Montecito, CA 93150-5037
(805) 969-2771

Exempt from the $75 Building and Jobs Act Fee per Gov't Code §27388.1(2)(D) Public Agency
No fee pursuant to Government Code § 6103
No Documentary Transfer Tax per R&T Code § 11922
No Recording Fee per Government Code § 27383

APN: 155-250-011

Termination of Private Water Main Extension Agreement

This is to document termination of that specific Private Water Main Extension Agreement entered into by and between the Montecito Water District ("District") and 9 CIMA DEL MUNDO, LLC ("Owner") recorded on July 23, 2008, as Document Number 2008-0043623 in Official Records of the County of Santa Barbara.

WHEREAS, on July 1, 2008, Montecito Water District and Owner, entered into a "Private Water Main Extension Agreement and Easement for Access to Water Meters and Appurtenances" (the "2008 Contract") for the construction of water system improvements, comprised generally of a new 8-inch gate valve to serve as the demarcation between District and Owner's facilities, approximately 450 feet of 6-inch C900 PVC pipe, a fire hydrant and a double detector check backflow assembly connected to the end of District's DIP water main located approximately 50 feet from the centerline of Cima del Mundo Road, to serve 810 Cima del Mundo Road, APN 155-250-011 (the "Property").

The 2008 Contract was recorded as Instrument No. 2008-0043623 on July 23, 2008, in the Santa Barbara County Clerk Recorder's Office.

WHEREAS, since the date of the 2008 Contract, Owner has transferred its ownership interest in the Property. The Property is currently owned by Jonathan A. Weiss and Jody B. Weiss, Trustees of the J & J Weiss Family Trust dated October 2, 1995 (hereinafter referred to as "Weiss"). Weiss is successor in interest to Cima Del Mundo; Weiss and District are hereinafter collectively referred to as the "Parties" to this agreement ("Termination Agreement")

WHEREAS the Parties desire to terminate and release the 2008 Contract from the public record, and transfer the waterline and related facilities, including fire hydrant, that were installed in accordance with the 2008 Contract (the "Waterline Facilities") to District for future operation, maintenance and repair for public benefit. The Waterline Facilities are located within an existing easement of record, recorded as Instrument Number 1999-0086366 on October 26, 1999, in Official Records of Santa Barbara County ("Existing Water Pipeline Easement"), which Existing Water Pipeline Easement shall remain in full force and effect, unchanged by this Termination Agreement.

NOW THEREFORE, in consideration of the of these premises and the mutual covenants, terms and conditions stated herein, the Parties agree as follows:

1. Termination of the 2008 Contract. The Parties mutually agree that the 2008 Contract shall be terminated effective upon the execution of this Termination Agreement (the "Termination Date"). Upon the Termination Date, the District assumes all rights and obligations for the future operation, maintenance, repair, and replacement of the Waterline Facilities, including the fire hydrant which is hereby deemed an appurtenance to the underground water pipeline. Weiss agrees, by this Agreement, that District shall have any and all necessary access, ingress and egress rights – if any such rights are required to be granted by Weiss now or in the future - for the performance of operation, maintenance, repair and replacement of the Waterline Facilities

2. Effect of Termination on Existing Water Pipeline Easement. The Parties acknowledge and agree that this Termination Agreement shall have no effect on the Existing Water Pipeline Easement recorded on October 26, 1999, as Instrument No. 1999-0086366 in the Santa Barbara County Clerk Recorder's Office. Said Existing Water Pipeline Easement shall continue in full force and effect.

3. Representations. Each Party hereby represents and warrants that it has not assigned or otherwise conveyed or delegated, in whole or in part, any claim or right that it has or may have under the 2008 Contract to any third party or person. Each Party represents that the execution and delivery of this Termination Agreement is the duly authorized and binding act of the Party, and that the Party's signatory hereto is duly authorized to execute this Termination Agreement on behalf of the Party.

4. Article Headings. Article headings in this Termination Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Termination Agreement.

5. Complete Understanding. This Termination Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. This Termination Agreement may not be amended except in writing by the parties hereto or their successors or assigns.

6. Counterparts. This Termination Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same document.

7. Recordation of this Termination Agreement. Upon full execution, the Parties authorize the recordation of this Termination Agreement in the Santa Barbara County Recorder's Office.

Signatures appear on following page

DISTRICT:
Montecito Water District

By: _____ Date: _____
Name:
Title:

ATTEST:

_____

WEISS:
Jonathan A. Weiss and Jody B. Weiss, Trustees of the J & J Weiss Family Trust
dated October 2, 1995

By: _____ Date: _____
Jonathan A. Weiss
Trustee

By: _____ Date: _____
Jody B. Weiss
Trustee

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-A**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **ASSISTANT GENERAL MANAGER**

SUBJECT: **REVIEW OF THE HIGHLINE PRELIMINARY DESIGN REPORT METHODOLOGY**

The Operations and Customer Relations Committee reviewed this item at their meeting on January 21, 2026.

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 of the Highline replacement project which is $18M-$20M over 12 years.

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 Board feedback into the Highline PDR. Staff anticipate returning to the Operations and Customer Relations Committee and Board of Directors in March 2026 with the draft Highline PDR document for review.

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

Page left intentionally blank.

HIGHLINE PIPELINE PRELIMINARY DESIGN REPORT METHODOLOGY REVIEW

January 27, 2026

Meeting of the Board of Directors

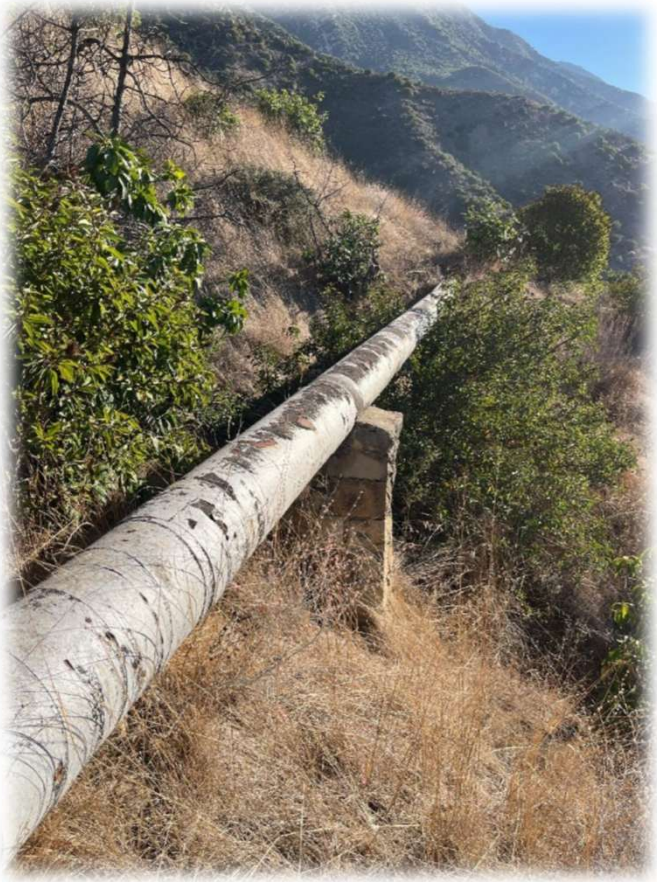
WOOD RODGERS

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
- Reviewed 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:

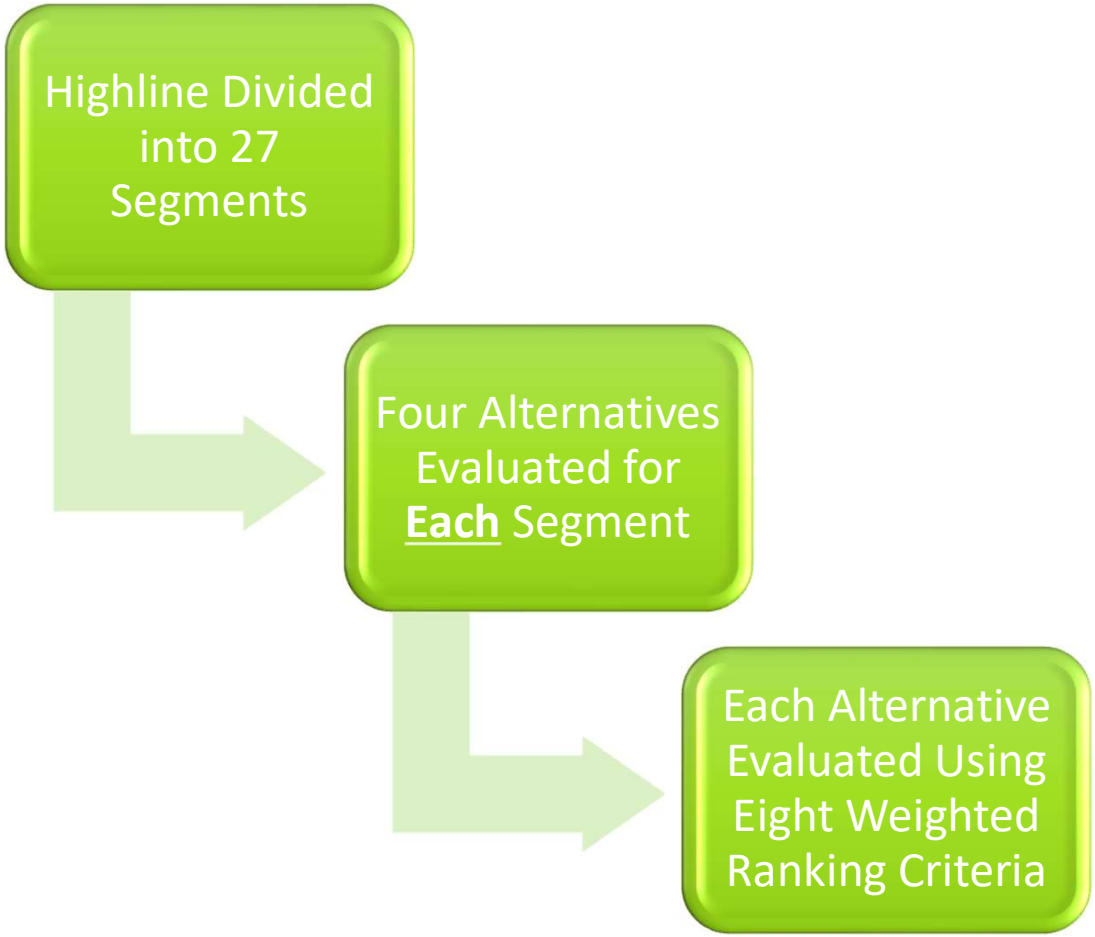
- Points of Connection to Existing Highline
- Topography (Creek Crossings, Steep Slopes, Etc.)
- Nearby Vehicular Access or Travel Ways
- Location & Grouping of Customer Services
- Pipeline Segment Length

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

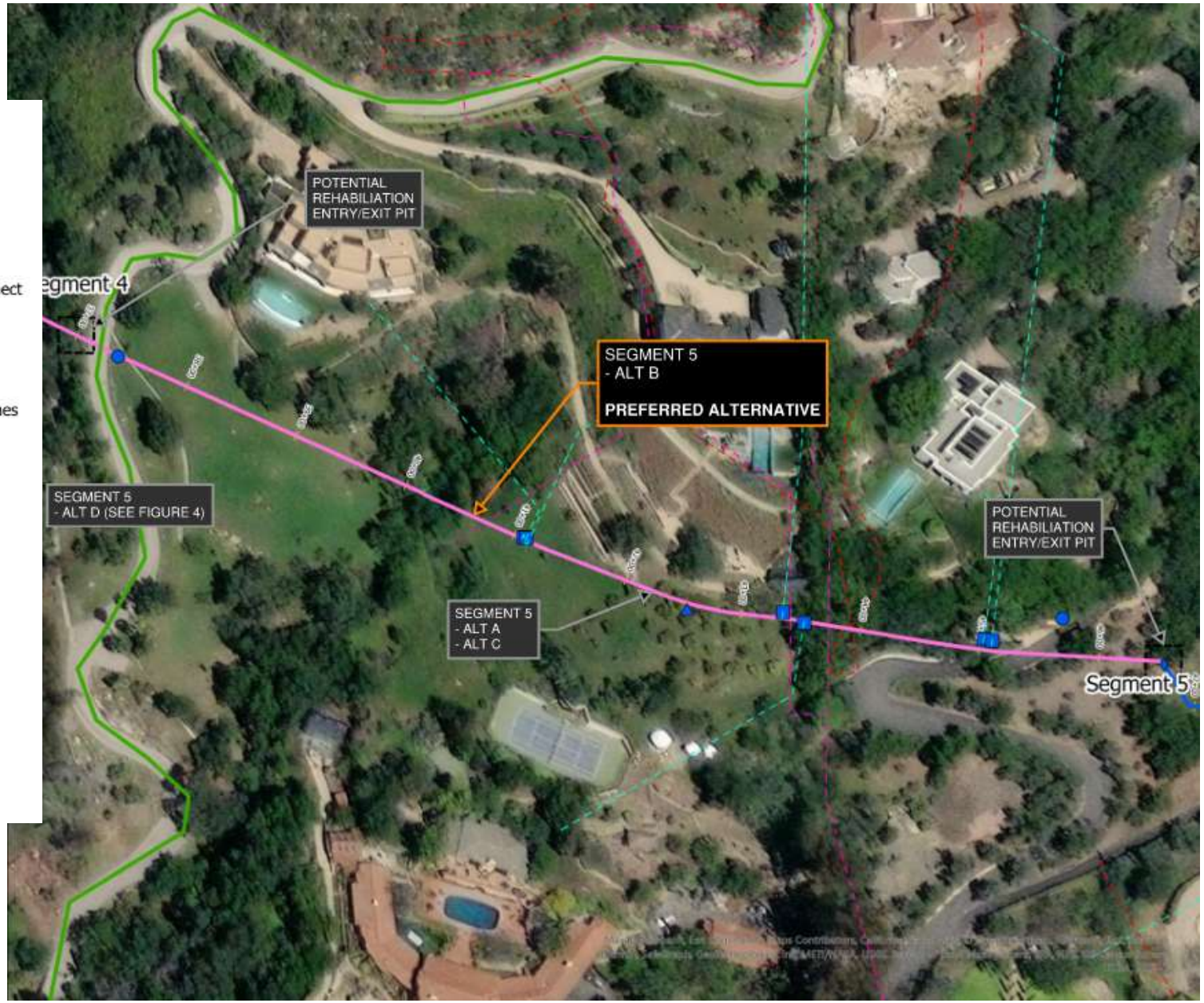
Replace within Easement Segment 5

Legend

Highline
- Existing Highline
- Analyzed Segment
- Out cf Easement Replacement
- Out cf Easement Distribution Connect
- Entry/Exit Pits for Rehabilitation

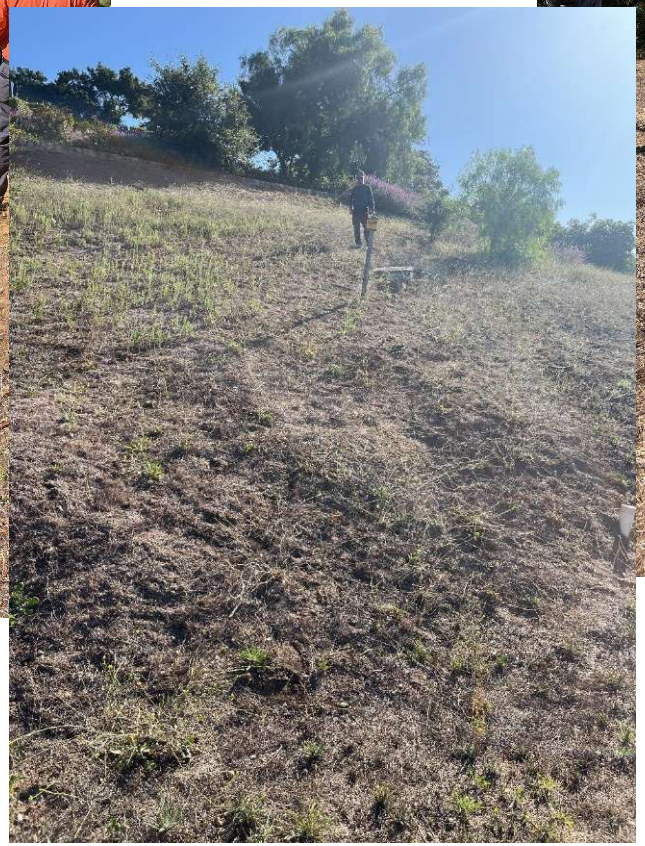
Existing Water Facilities
- Existing Fire Hydrant
- Existing Highline Connected Pipelines
- Existing Service Laterals
- Existing ARV
- Existing Blow-Off
- Existing Sample Station
- Existing Water Meter
- Existing Isolation Valve

Existing Utilities
- Existing Transmission Gas
- Existing Comm
- Existing Electrical
- Existing Sewer Manholes
- Existing Sewer
- Existing Distribution Gas



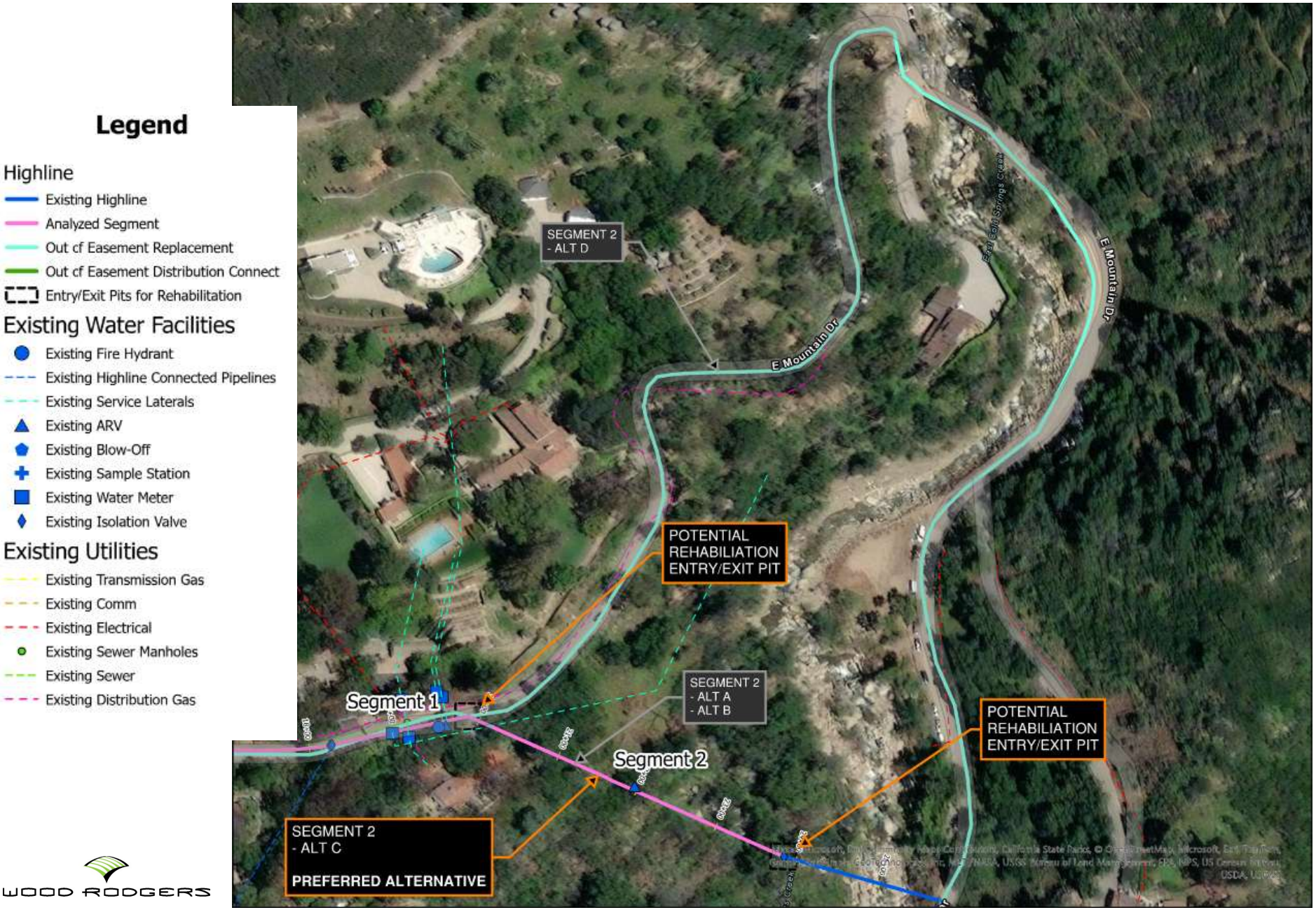
WOOD RODGERS

Replace within Easement Segment 5



WOOD RODGERS

Rehabilitate in Place Segment 2



WOOD RODGERS

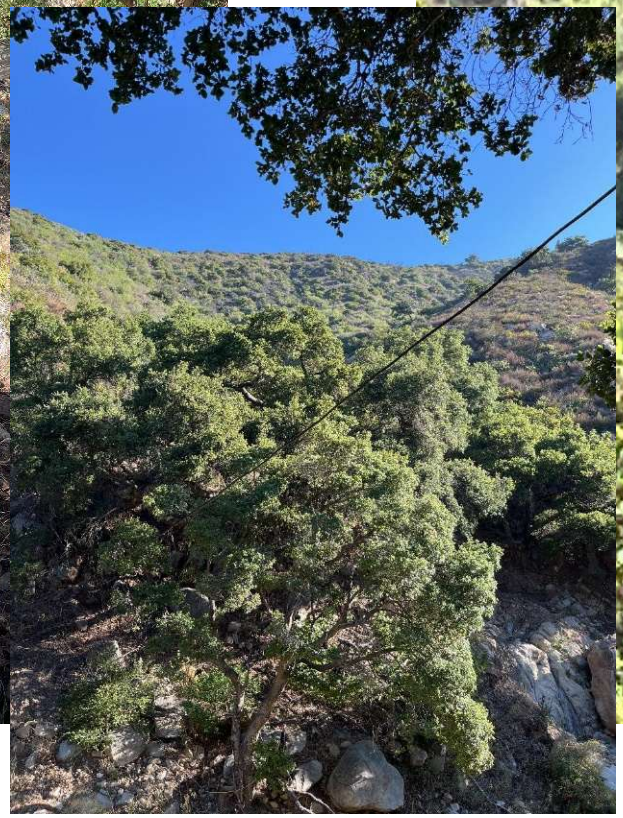
Rehabilitate in Place Segment 2

WOOD RODGERS

Rehabilitate in Place Segment 25

WOOD RODGERS

Rehabilitate in Place Segment 25



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

Questions?

Page left intentionally blank.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-B**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **STRATEGIC PLANNING COMMITTEE**

SUBJECT: **CONSIDERATION AND POSSIBLE APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE MONTECITO WATER DISTRICT, MONTECITO SANITARY DISTRICT, AND SUMMERLAND SANITARY DISTRICT FOR COORDINATION AND COLLABORATION FOR THE ADVANCEMENT OF SPECIAL DISTRICT REORGANIZATION**

RECOMMENDATION:

That the Board of Directors consider approval of a Memorandum of Understanding between the Montecito Water District, Montecito Sanitary District, and Summerland Sanitary District for the coordination and collaboration of the advancement of Special District Reorganization.

DISCUSSION:

On January 9, 2025, the Strategic Planning Committees of Montecito Water District (District), Montecito Sanitary District (MSD) and Summerland Sanitary District (SSD) met jointly to discuss a potential path forward for the reorganization of the three special districts. Concerns previously expressed by the Districts were considered before a tentative alignment on an approach was reached. The aligned approach for pursuing special district reorganization includes the following key parameters.

1. Type of reorganization: Consolidation
2. Principal act/governing law: County Water District Law [Water Code 30000-33901]
3. Governing Board following Reorganization: Montecito Water District Board of Directors

While many other issues still require full consideration and joint agreement, these parameters were critical to achieving committee support and recommending further exploration of the process.

Attached is a draft Memorandum of Understanding (MOU) between the District, MSD, and SSD for the continued coordination and collaboration to advance special district reorganization consistent with the parameters identified above. The proposed MOU describes the general nature of the proposed reorganization and outlines various tasks required to facilitate the process.

If the MOU is approved by all parties, the agencies would jointly initiate the process to prepare a Plan for Services as required by the Santa Barbara County Local Agency Formation Commission

(LAFCO). A Plan for Services is a required document submitted to LAFCO which details how the consolidated agency will provide services to the affected area while ensuring the continuity, efficiency, and financial viability of those services. Components of a Plan for Services include, but are not limited to, the organizational and functional framework, service delivery and infrastructure, financial and administrative planning, and implementation and risk management. The Plan for Services would also include an evaluation of the pros and cons of integrating SSD into the contemplated reorganization of the District and MSD.

In addition to the Plan for Services and the associated environmental review, LAFCO requires each agency adopt a resolution supporting the submittal of an application for reorganization. This would be considered by each agency when the Plan for Services is complete and the agencies are prepared to move forward with the next step in the process.

Note that approval of the MOU and development of a Plan for Services is not a binding commitment, but rather a decision supporting further exploration of special district reorganization. The agencies will have off ramps during the process until submittal of the application for reorganization to LAFCO.

BACKGROUND:

For decades, the District has periodically considered a reorganization with Montecito Sanitary District. In 2023, the District and MSD completed a *Special District Collaboration and Consolidation Study* (2023 Study), which identified various factors to consolidation and concluded that consolidation or reorganization of the District and MSD is feasible; the result would be one entity providing both potable water and sanitary services. This 2023 study did not consider the inclusion of SSD. This study was received and filed by the District in mid-2023 and MSD in late-2023.

In March 2025, the MSD Board took new action, voting in favor of moving forward with consolidation with the District. Around this same time, SSD expressed interest in exploring special district reorganization, initially with MSD, then subsequently including the District. The reasoning for exploring special district reorganization varies among the agencies and includes; a unified and improved governance, streamlined recycled water when implemented, potential cost savings through economies of scale, reduced redundancy, and improved customer service.

Since May 2025, the joint Strategic Planning Committee consisting of the District, MSD and SSD have met periodically to discuss reorganization and how to advance it, if at all. The joint committee met recently on January 9, 2026 and January 26, 2026, and has agreed on a proposed plan to advance the process of special district reorganization. The Strategic Planning Committee of each agency is expected to consult their respective Board of Directors in late January or early/mid-February to gauge interest and potentially acquire support to proceed.

SCHEDULE:

At its January 9, 2025 joint meeting, the Strategic Planning Committees agreed to present the proposed MOU to their respective Boards of Directors for consideration and possible approval at a subsequent meeting in late January or early/mid-February.

Pending MOU approval, the committees agreed to recommend pursuing a timeline involving completion of the Plan for Services, environmental review, and adoption of supporting resolutions by October 2026. If supported by all agencies, the application for reorganization could be submitted to LAFCO as soon as early November 2026.

Attached is a draft schedule through submittal of an application for reorganization.

ATTACHMENTS:

1. Proposed Memorandum of Understanding between the District, MSD, and SSD for Coordination and Collaboration for the Advancement of Special District Reorganization

2. Tentative Schedule through Submittal of an Application for Reorganization to LAFCO

Page left intentionally blank.

MEMORANDUM OF UNDERSTANDING
BETWEEN MONTECITO WATER DISTRICT, MONTECITO SANITARY DISTRICT AND SUMMERLAND SANITARY DISTRICT FOR COORDINATION AND COLLABORATION FOR THE ADVANCEMENT OF SPECIAL DISTRICT REORGANIZATION

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and effective as of January __, 2026, by and between Montecito Water District ("MWD"), the Montecito Sanitary District ("MSD") and the Summerland Sanitary District ("SSD"). MWD, MSD and SSD may each be individually referred to herein as a "Party" and collectively as the "Parties".

A. MWD is a County Water District, organized pursuant to the County Water District Law [Water Code §§30000-33901] with water supply and water management responsibilities in the Montecito and Summerland communities. County Water District law authorizes MWD to exercise broad power over water in its jurisdiction, including providing sanitary and recycled water services. The mission of the MWD is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland at the most reasonable cost.

B. MSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Montecito. The mission of the MSD is to protect public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible.

C. SSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Summerland. The mission of the SSD is to protect public health and safety and to preserve the natural environment through the responsible collection, treatment, and disposal of wastewater in the most cost-effective way possible.

D. Interest in the reorganization of Montecito's special districts, including MWD, MSD and SSD, has grown in recent years as the importance of water resources has become more evident. The State of California, including Santa Barbara County has been increasingly impacted by climate change which has involved extreme and erratic weather conditions including historic wet and dry periods negatively affecting surface and ground water quality and availability. Forecasters predict these conditions will worsen in the future with weather events of greater intensity, longer duration and higher frequency.

E. Navigating climate change and achieving long term water supply security for Montecito and Summerland could prove more successful with all water resources being the responsibility of, and managed by, a unified special district. Merging some or all of the special districts providing water resources in the Montecito community could potentially result in, streamlining operations, eliminating unnecessary redundancies, and saving costs.

F. In September 2023, the MWD and MSD completed the preparation of a *Special District Collaboration and Consolidation Study* ("Study"), prepared by Raftelis. The objective of

the Study was to evaluate the feasibility and benefits of merging the MWD and MSD and the potential impacts on resources, operations, performance, costs, decision-making, customer service, and reliability.

G. Since completion of the Study, the MWD and MSD Strategic Planning Committees have met periodically to continue discussions regarding special district reorganization. More recently, the SSD joined the discussions with interest in collaborating with the MWD and MSD in the ongoing evaluation of special district reorganization.

H. In March 2025, the MSD Board of Directors discussed, and voted to proceed with consolidation with MWD.

I. The Parties wish to coordinate and collaborate on the advancement of special district reorganization for the benefit of the Montecito and Summerland communities.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose.** The primary purpose of this MOU is to memorialize a cooperative and ongoing working relationship between the Parties that will facilitate efforts to coordinate and collaborate on the advancement of special district reorganization, more specifically the consolidation of MWD, MSD and SSD into a unified entity, organized and existing under the County Water District Law [Water Code 30000-33901]. The MWD Board of Directors will be the governing body of the unified entity.

2. **Benefits.** The Parties recognize the potential benefits that special district reorganization offers the Montecito and Summerland communities including unified governance, streamlined recycled water implementation, potential cost savings through economies of scale, reduced redundancy, and improved customer service, and the Parties agree to support the continued evaluation and advancement of reorganization.

3. **Activities to be Performed.** Over the term of this MOU, various activities are anticipated to be undertaken to advance special district reorganization. These activities may include, but are not limited to, the following:

a. *Plan for Services.* Prepare a Plan for Services for a special district reorganization involving the Parties. A Plan for Services is a required component of an application for a change of organization under California Government Code §56653. It will serve to detail how water and sanitary services will be provided and financed by the reorganized entity and it provides the basis for LAFCO's review and action. To prepare a Plan for Services, a consultant with experience in reorganizing public agencies will be hired through a request for proposal (RFP) process.

The initial phase of the preparation of the Plan for Services will involve the consultant studying the potential reorganization of SSD with MWD and MSD and articulating the pros and cons, anticipated additional costs and cost savings, and identifying operational efficiencies and limitations, and ultimately determining if there is a business case to reorganize the Parties. This information will be presented to the Parties for consideration. This MOU does not commit any Party to accept any Plan for Services prepared in accordance with this section.

b. Environmental Review. Perform an environmental review compliant with the California Environmental Quality Act (CEQA).

c. Public Engagement. Implement a public engagement process to ensure transparency, accountability, and public trust. This process should prioritize clear and consistent communication about the rationale, potential impacts, and projected benefits of special district reorganization.

d. Other. To be determined by the Parties.

4. **Costs.** The Parties agree that all costs and expenses incurred jointly under the scope of this MOU shall be allocated among the Parties based on each Party's proportionate share of the combined total operating revenue of all Parties for fiscal year ending June 30, 2025 as follows:

Party	FY24-25 Total Operating Revenues ($M)	Proportionate Share (%)
MWD	25.9	76
MSD	7.2	21
SSD	1.1	3
Total	34.2	100

MWD will administer all contracts entered into pursuant to this MOU. Upon MWD payment of a monthly invoice for costs and expenses, MWD will calculate the cost share, and provide a request for reimbursement to MSD and SSD. Reimbursements shall be paid by MSD and SSD within 30 days of receipt of the request for reimbursement.

5. **Staff.** Each Party shall designate a principal contact person and any other appropriate staff members and/or consultants to participate on each Party's behalf in activities undertaken pursuant to this MOU. Each Party shall make its staff and its expertise reasonably available for activities under this MOU.

The principal Party contacts are:

Montecito Water District
Ken Coates, Director, kcoates@montecitowater.com
Nicholas Turner, General Manager, nturner@montecitowater.com
583 San Ysidro Road,
Santa Barbara, CA 93108
Phone: 805-969-2271

Montecito Sanitary District

Woody Barrett, Director, wbarrett@montsan.org
John Weigold, General Manager, jweigold@montsan.org
1042 Monte Cristo Lane
Santa Barbara, CA 93108
Phone: 805-969-4200

Summerland Sanitary District
Gary Robinson, Director, grobinson@summerlandsd.org
Diantha Glaser, Business Manager, dglaser@summerlandsd.org
2435 Wallace Ave
Summerland, CA 93067
Phone: 805-969-4344

6. **Notices.** Any notice required by this MOU shall be in writing and shall be given personally, by facsimile, by electronic mail (email), or by U.S. or certified mail, postage prepaid, to the respective address set forth above.

7. **Independent Authority and Autonomy.** This MOU is not intended to, and does not, override, impact, or impede the independent authority, statutory duties, or regular operations of the Parties, including the planning and implementation of capital projects. Nothing in this MOU shall be construed to restrict the independent authority and autonomy of the Parties in managing their respective operations, resources, and obligations.

8. **Entire Agreement.** This MOU incorporates the entire agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral, or otherwise) related thereto. This MOU may be amended, including without limitation to add new Parties only by a writing executed by all the Parties.

9. **Termination.** Participation in, and work covered by this MOU is voluntary, and any Party may withdraw at any time by providing written notice to the other Party. Any outstanding reimbursable costs at the time of termination shall be paid after termination of this MOU upon receipt of an invoice and any supporting documentation as required under Section 4.

10. **Assignment.** No rights or duties of any of the Parties under this MOU may be assigned or delegated without the express prior written consent of all the other Parties, and any attempt to assign or delegate such rights or duties without such written consent shall be null and void.

11. **Access to Written Products.** MWD, MSD, and SSD shall have access to all reports, documents, or other written material, including any drafts, and all electronic files, including computer-aided design files, developed by a consultant contracted pursuant to this MOU (such written material and electronic files are collectively known as "written products") without restriction or limitation. Each Party may take and retain copies of such written products as desired.

12. **Indemnification.** Each Party shall indemnify and hold the other Parties harmless against all actions, claims, demands, and liabilities, and against all losses, damages, costs, expenses, and attorney's fees, arising directly or indirectly out of an actual or alleged injury to a person or

property arising out of and/or relating to this MOU in the same proportion that its own acts and/or omissions are attributed to said claims, demands, liabilities, losses, damages, costs, expenses, and/or attorney's fees. This provision shall not extend to any claim, demand, liability, loss, damage, cost, expenses, and/or attorney's fees covered by the insurance of any Party. The obligations under this Section shall survive the termination of this MOU.

13. **Severability.** If any provision of this MOU is held to be unenforceable, the remainder of this MOU shall be severable and not affected thereby.

14. **Counterparts.** This MOU may be executed in counterparts and, as so executed, shall constitute an agreement that shall be binding upon all Parties hereto, notwithstanding that the signatures of all Parties and/or their designated representatives do not appear on the same page. This MOU may be transmitted by facsimile or other electronic means, and the reproduction of signatures by facsimile or other electronic means will be treated as binding as if originals.

15. **Confidentiality.** The Parties acknowledge that, in connection with their joint activities under this MOU, each of them may share sensitive and/or confidential information with the other Parties. To the fullest extent permitted by law, each of the Parties shall maintain any such information, documents, or materials shared by the other Parties or mutually developed pursuant to this MOU in confidence and shall not voluntarily provide or reveal such information, documents, or materials to any third party without the consent of all Parties to this MOU. If any Party receives a request or order from a third party that the receiving Party believes requires disclosure of any such information, documents or materials, the receiving Party shall (i) immediately notify the other Parties and provide them with a copy of such request or order, (ii) defer any disclosure of such information, documents or materials for as long as legally permitted, and (iii) cooperate with any other Party that wishes to pursue an order protecting the disclosure of such information, documents, or materials. The Parties acknowledge that this provision is not intended to avoid, obviate, or supersede any confidentiality requirements imposed under the Brown Act or Public Records Act.

IN WITNESS WHEREOF, the Parties have executed this MOU effective as of the date first written above.

Montecito Water District

By: _____
Brian Goebel, Board President

Montecito Sanitary District

By: _____
Rock Rockenbach, Board President

Summerland Sanitary District

By: _____
Gary Robinson, Board President

DRAFT

APPROVED AS TO FORM

Montecito Water District, General Counsel

By: _____
Walt Wendelstein, Wendelstein Law Group PC

Montecito Sanitary District, General Counsel

By: _____
Aleks Giragosian, Colantuono, Highsmith & Whatley, P.C.

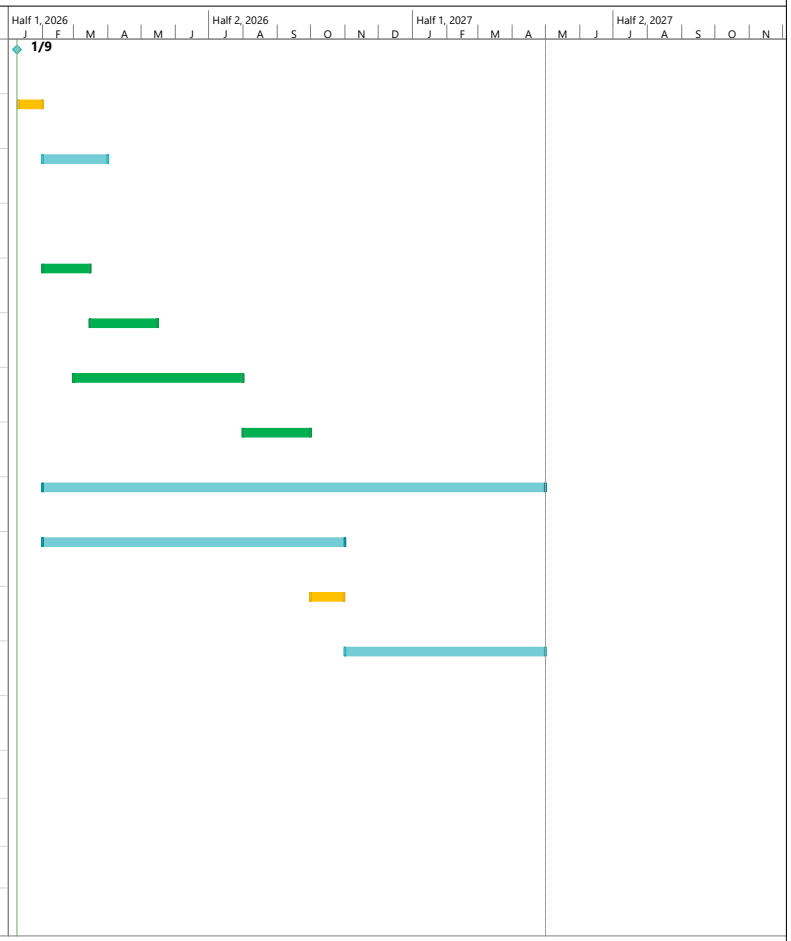
Summerland Sanitary District, General Counsel

By: _____
Aleks Giragosian, Colantuono, Highsmith & Whatley, P.C.

DRAFT

MWD, MSD & SSD Reorganization
DRAFT Schedule
Updated 1-9-25

ID	Task Name	Duration	Start	Finish
1	Joint Strategic Planning Committee Meeting	0 mons	Fri 1/9/26	Fri 1/9/26
2	**Boards adopt MOU between MWD, MSD & SSD (purpose, activities, cost share)**	0.85 mons	Sat 1/10/26	Sat 1/31/26
3	Boards retain Special Legal Counsel (as needed)	2.15 mons	Sun 2/1/26	Tue 3/31/26
4	**Prepare 'Plan for Services'**			
5	Select Consultant (RFP Process); authorize professional services agreement	1.6 mons	Sun 2/1/26	Sun 3/15/26
6	Environmental Review (CEQA)	2.25 mons	Mon 3/16/26	Fri 5/15/26
7	Prepare Plan for Services (incl identifying pros and cons of SSD involvement)	5.55 mons	Sun 3/1/26	Fri 7/31/26
8	Boards Review, Accept, and Agree to File	2.2 mons	Sat 8/1/26	Wed 9/30/26
9	Public Engagement	16.3 mons	Sun 2/1/26	Fri 4/30/27
10	Labor Union Engagement	9.85 mons	Sun 2/1/26	Sat 10/31/26
11	**Boards adopt supporting Resolutions (Required) and submits application to LAFCO**	1.1 mons	Thu 10/1/26	Fri 10/30/26
12	Coordination with, and review/approval by LAFCO	6.55 mons	Sun 11/1/26	Fri 4/30/27
13				
14				
15				
16				
17				



Page left intentionally blank.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-C**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **QUARTERLY WATER SUPPLY UPDATE**

RECOMMENDATION:

Information only.

DISCUSSION:

Overview

The District's 3-year water supply outlook remains favorable, with local water supply conditions improving during the first quarter of the water year, which began October 1, 2025. In November and December 2025, the region experienced two atmospheric river storm events that brought significant rainfall, in some cases historic rainfall to parts of Santa Barbara County, including Santa Ynez River watershed, filling and spilling Jameson Lake and the Cachuma Project. These two water supplies are critical to the District's water security, providing over half of the District's water supply under most hydrologic conditions. On the contrary, weather conditions in other areas of the State including northern California which supplies the State Water Project, were not quite as favorable as snowpack remains at about 50% if normal to date. Complementing these improved surface water conditions are the long-term water supply reliability enhancements implemented in recent years, such as acquisition of ocean desalination supplies from the City of Santa Barbara and groundwater banking with Semitropic, which have well equipped the District to respond to changing conditions.

As of January 20, 2026, the US Drought Monitor indicates 100% of the state is free of drought conditions, including in Santa Barbara County. Rainfall locally exceeds 300% of normal to date. According to District records, rainfall reached historic amounts with 11.29 inches received in November in Montecito (measured at the District office), and 16.94 inches in December at Jameson Lake.

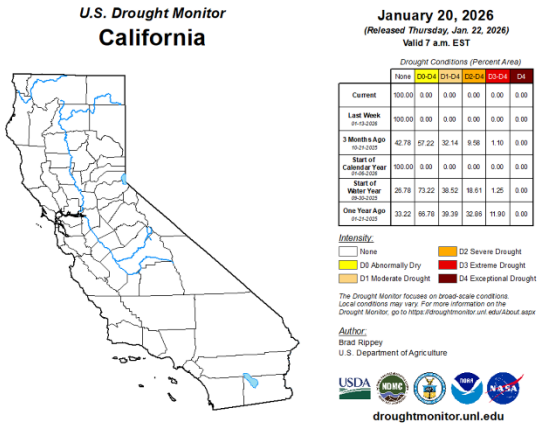


Figure 1: US Drought Monitor Map

The District's 3-year water supply outlook continues to indicate adequate water to meet total projected customer water demand through Water Year (WY) 2028 without projected water shortages, or the need for imported water (i.e., State Water Project, supplemental, Semitropic). Water production to date for WY 2026 is 780 acre feet (AF), which is 20% under planned use. Total planned (or budgeted) water production for WY 2026 is about 4,200 AF based on the average demand over the prior 5-years.

Sources of water supply planned for use to meet customer demands in WY 2026 include the Water Supply Agreement with the City of Santa Barbara (ocean desalination), Cachuma Project, Jameson Lake, and groundwater. The State Water Project (SWP) remains surplus and is not planned for use in WY 2026. Any 2026 SWP Table A allocated by the Department of Water Resources may be stored in Semitropic, further bolstering that drought supply, or transferred (sold) to Homer LLC pursuant to the *2024 Water Management Program Agreement,* similar to the 1,000 AF Table A transfer that occurred in fall 2025. Banked water stored in the Semitropic will remain in reserve for future use.

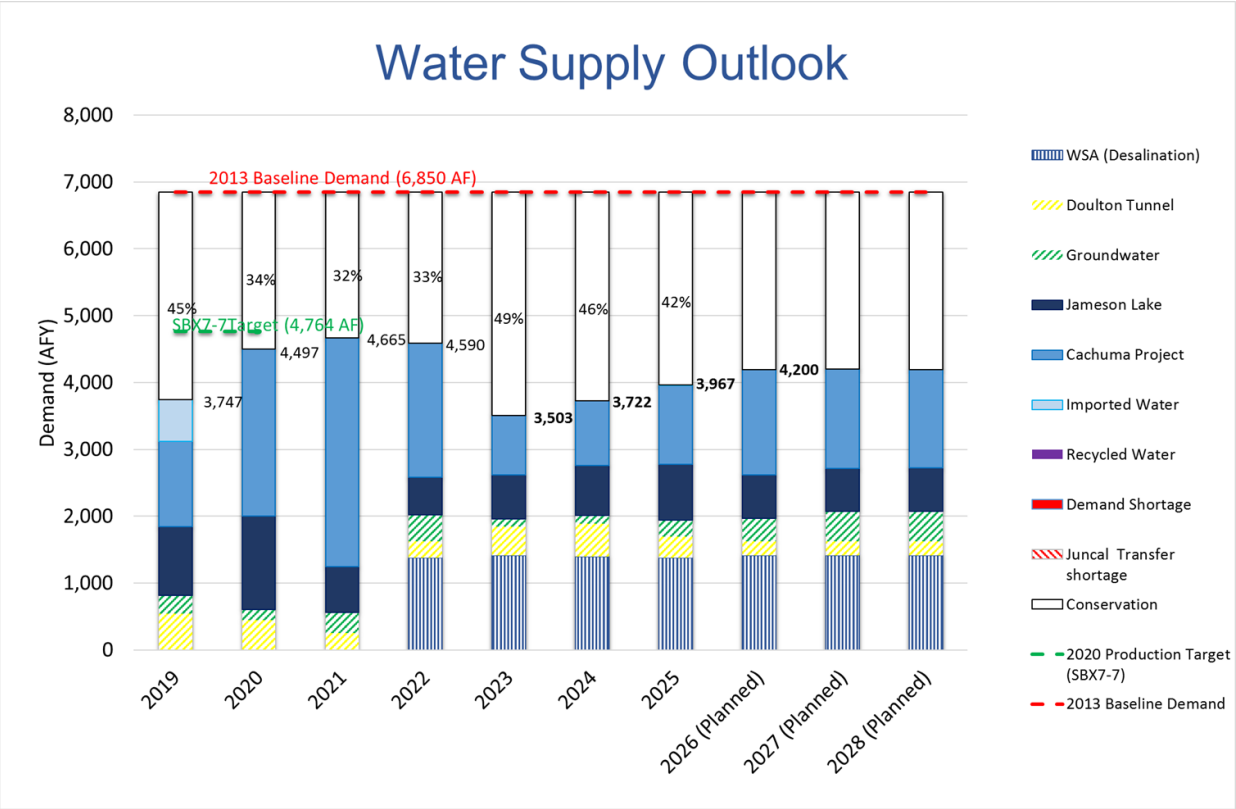


Figure 2: 3-Year Water Supply Outlook

Despite the favorable water supply outlook, efficient water use remains necessary to extend the availability of water supplies and to bolster long-term water supply reliability. Many water use efficiency-related initiatives continue including water use efficiency rebates, use of property specific water budgets and smart water meters (automated metering infrastructure), and construction of a demonstration garden. Additionally, the evaluation of various long-term water

supply initiatives continues and includes the potential need for additional local rainfall independent water supplies, local groundwater banking, and the optimal use of surplus State Water Project supplies.

Update on Water Sources

The **Cachuma Project**, a United States Bureau of Reclamation (USBR) owned and operated surface water reservoir and a critical local surface water supply for the District, reached 100% of current full storage capacity on December 31, 2025, following two significant atmospheric river storm events occurring in November and December 2025. The Cachuma Project has historically supplied about 40% of the District's annual water supply but this has been reduced to about 30% since the acquisition of ocean desalination from the City of Santa Barbara. This reduction in reliance on the Cachuma Project enables this critical supply to be preserved for later use, such as during dry periods or droughts. The District's full Cachuma Project contractual entitlement is 2,651 AF. On July 14, 2025, USBR issued a 100% allocation for the upcoming water year, WY 2026, which began October 1, 2025.

As of December 31, 2025, the District's has 2,690 AF of Cachuma Project supplies available, which includes 2,651 AF of WY2026 allocation, and 39 AF of additional Cachuma Project supplies pursuant to an Exchange Agreement with the Santa Ynez River Water Conservation District, Improvement District No. 1.

On December 31, 2025, USBR declared a spill event at the Cachuma Project, which resulted in the loss of stored carryover water (Cachuma Project allocation from a prior water year) and non-Cachuma Project water. While the District lost 3,551 AF of carryover water in this spill event, it gained the benefit of future Cachuma Project allocations leading to an improved short term water supply outlook.

The District's 3-year water supply outlook projects a 100% Cachuma Project allocation through WY 2029.

Jameson Lake, another critical local surface water supply for the District, reached 100% of the current full storage capacity (4,587 acre feet) as on December 24, 2025, following two significant atmospheric river storm events occurring in November and December 2025. Jameson Lake is a District-owned and operated facility that serves as a longer-term drought supply with reduced deliveries available over an extended period. Projected annual deliveries are consistent with the District's 2020 modified rule curve for the reservoir, which plans for up to 2,000 acre feet of deliveries when the lake is full, reducing to between 500 to 800 acre feet per year thereafter as the lake level declines. The purpose of increasing deliveries when the lake is full is to draw down the level from full to create available storage capacity to capture runoff, if any, in subsequent years. Total Jameson Lake water deliveries planned for WY 2026 are 871 AF.

Doulton Tunnel is a 2.2-mile tunnel through the Santa Ynez Mountains allowing for the passage of Jameson Lake deliveries to the South Coast for delivery to the District's service area. The tunnel

itself experiences water intrusion (water entry from the surrounding soil and rock) which contributes to water deliveries from Jameson Lake. Tunnel intrusion is groundwater and is highly dependent on hydrology. Deliveries have historically ranged from 50 gallons per minute (gpm) to 1,500 gpm, but typically average between 150 gpm to 350 gpm. As of early January 2026, tunnel intrusion increased following several winter storms, currently trending at about 500 gpm and this may change depending on the hydrology over the remaining winter months. Total Doulton Tunnel planned water deliveries for WY 2026 are 230 AF.

Desalination deliveries began in January 2022, with the District receiving 117.4 AF of water per month from the City of Santa Barbara, in accordance with the September 2020 *Water Supply Agreement* (WSA). These deliveries are made possible by the City's operation of its ocean desalination facility. This local, rainfall independent water supply is nearly 100% reliable and serves as a baseline supply for the District, helping to mitigate the impact of ongoing and future regulatory, environmental, and climatic challenges affecting other water sources. Deliveries, pursuant to the WSA occur irrespective of hydrologic conditions. The District's 3-year water supply outlook projects regular monthly deliveries of 117.4 AF. Total desalination water deliveries planned for WY 2026 are 1,409 AF, or approx. 33% of total annual production.

Groundwater serves as an important drought supply for the District. During average or wet conditions, the District rests its potable wells, allowing for increased groundwater basin recovery. During below average or dry periods, the District increases groundwater production from the basin. The District has six potable and six non-potable active groundwater wells capable of pumping a combined total of approximately 700 acre feet per year (AFY), depending on groundwater levels. The District's 3-year water supply outlook projects groundwater production to be between 100 and 450 AFY through WY 2028, depending on hydrologic conditions. Total groundwater deliveries planned for WY 2026 are 340 AF.

The **State Water Project** (SWP) is a supplemental surface water source supplying water from Northern California. The District's full Table A entitlement is 3,300 acre feet, which includes a 300 acre foot drought buffer. The Department of Water Resources (DWR) reviews SWP water availability monthly and releases allocation updates, with the first annual allocation typically released around December 1 for the upcoming calendar year and a final annual allocation typically released around May 1. On December 1, 2025, the DWR announced the initial SWP Table A allocation for 2026 is 10% or 330 AF for the District. SWP supplies continue to be surplus to the District's needs and deliveries are not anticipated through WY 2028. The District has several options available for managing this supply including (a) storage in SWP San Luis Reservoir, (b) delivery to the Cachuma Project for storage, (c) storage or banking in the Semitropic Groundwater Banking and Exchange Program, and/or (d) transfer (sell) to Homer LLC. In or around May 2026, when the final SWP Table A allocation becomes known, the District's Board of Directors will determine how to best utilize these water supplies.

The District participates in the **Semitropic Groundwater Banking and Exchange Program.** During average or wet conditions, the District may store surplus SWP water in a groundwater basin

located in the Central Valley of California for future use or delivery during below average or dry conditions. Participation in this program provides a guaranteed right to withdraw or recover up to 1,500 AFY of District-stored water and store up to 4,500 AF at any time. The District's contract with Semitropic allows for the storage of water in excess of the stored water right of 4,500 AF if Semitropic has available capacity within their groundwater banking program. To date, the Semitropic banking program is at approximately 50-60% of capacity and has never in its history reached the program storage capacity limit. The District maximized storage of surplus SWP water in Semitropic through the end of 2024. In late 2025, an additional 23 AF was stored in Semitropic to avoid any potential loss to spill condition at the SWP San Luis Reservoir in early 2026. As of December 31, 2025, the District has 5,802 AF of its SWP water stored in Semitropic and available for use. Storing surplus SWP supplies in Semitropic bolsters the District's drought supplies and reduces the risk of its loss due to conditions, such as spill at the SWP San Luis Reservoir.

Customer Water Use (Demand)

Since Fall 2022, customer demand has trended generally below budget, a result of continued cooler, foggier and/or wetter conditions. Customer water use in WY 2026 (through December 31, 2025) is trending about 20% below planned levels, which is attributable to the significant storm events occurring in November and December 2025. Annual budgeted water 'production' aligns with the 5-year average customer use or approx. 4,200 AF.

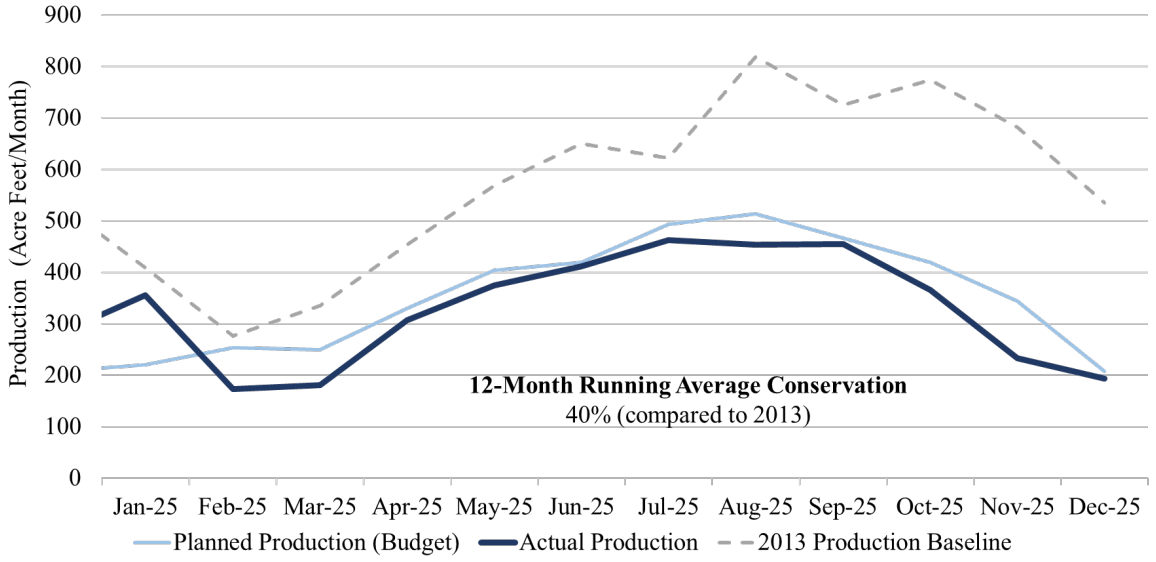


Figure 3: Actual vs. Planned Water Production

In December 2022, the District adopted its first *Water Use Efficiency Plan* (WUEP) which is a long-term plan targeting permanent changes in customer use water, consistent with the State's goal of *Making Conservation a California Way of Life*. The Plan includes a variety of recommended actions to encourage and help achieve a permanent long-term reduction in water use.

Implementation of the WUEP continues with water conservation programs such as water use efficiency rebates, property specific water budgets, demonstration garden, and other actions. Construction on the new demonstration garden located in front of the District's office headquarters at 583 San Ysidro Road began in December 2025. More information on the District's water conservation programs is available on its website www.montecitowater.com.

In 2018, the California Legislature enacted two key policy bills – Senate Bill 606 (SB 606) and Assembly Bill 1668 (AB 1668) – to implement a new framework for long-term water conservation and drought planning for water suppliers. AB 1668 and SB 606 build on the State's ongoing efforts *Making Conservation a California Way of Life*, including Senate Bill X7-7, creating a new foundation for long-term improvements in water conservation and drought planning. SB 606 and AB 1668 establish guidelines for efficient water use and a framework for the implementation and oversight of the new standards. Among other provisions, the legislation includes establishing urban water use objectives (UWUO) and long-term standards for efficient water use that apply to urban retail water suppliers. The UWUO is an estimate of aggregate efficient water use from the previous year based on adopted water use efficiency service area characteristics for that year. All UWUO requirements became effective in 2024, and compliance must be achieved by 2027. An urban supplier that does not meet its UWUO may be required by the State to enact policies and projects that result in a reduction in water use. The District's annual reporting indicates it remains in compliance with its UWUO.

Supporting compliance with the UWUO legislation, in October 2022, the District initiated the development of water budgets. A Water Budget is a property-specific monthly water use target that promotes efficient indoor and outdoor water use while preserving existing landscaping and semi-rural atmosphere of the community. Water budgets account for seasonal changes in water use such as irrigation in winter versus summer and provide flexibility to customers to choose how they use water on their property while discouraging water waste and excessive use. The development of water budgets was completed and rolled out for customer use in April 2025 on monthly water bills. More details are available on the District's website at https://www.montecitowater.com/conservation/water-budgets/.

Water Supply Outlook

Based on available information, including assumed below-average hydrologic conditions in WY 2027 and WY 2028, the District's 3-year water supply outlook indicates adequate supplies to meet planned customer use without anticipated water shortages or the need for imported water. Despite the favorable water supply condition, efficient water use remains essential to the long-term reliability of the District's water supply. Demand management is necessary to ensure alignment with planned use continues.

Focus continues to be on efficient water use, in particular the implementation of the *2022 Water Use Efficiency Plan* and associated water conservation rebates, and use of property specific water budgets and smart water meters (automated metering infrastructure). These actions provide

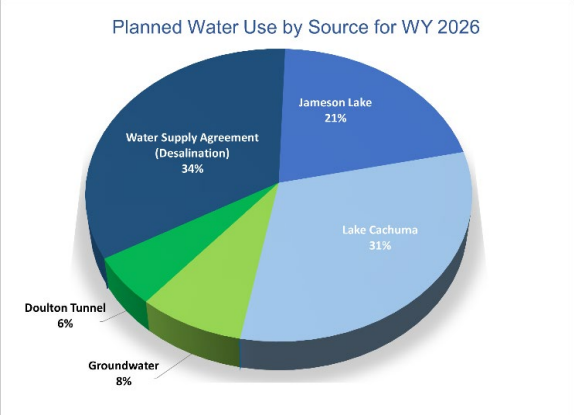
Customers and the District with tools to effectively manage water use, including avoiding water waste and loss.

Additionally, the District continues to evaluate other means of bolstering water supply reliability including the acquisition of new sources of local reliable water supplies and local groundwater banking.

Since 2018, the District has evaluated the feasibility of implementing a **Recycled Water** project. The District's *2023 Enhanced Recycled Water Feasibility Study*, prepared in collaboration with the Montecito Sanitary District (MSD), recommended a regional indirect potable reuse (IPR) project involving multiple special districts and benefiting multiple urban water purveyors and groundwater basins. The project proposed to treat secondary wastewater effluent from the MSD Wastewater Treatment Plant (WWTP), implement advanced treatment at the MSD WWTP site, and convey purified water south to the Carpinteria Groundwater Basin for injection. The District would recover the injected water either through supply exchanged with the Carpinteria Valley Water District or direct pump back to the District's distribution system. In September 2023, the District was selected for a $1M grant through the USBR WaterSmart: Water Recycling and Desalination Planning Program to fund preliminary design (30% design) and environmental review for this project. Unfortunately, capital costs for public works projects had increased significantly since 2021 due to extraordinary inflation and other factors. This resulted in an estimated 40% increase in the projected cost of the District's contemplated IPR project. Due to cost increases and a reduction in available State and Federal funding programs, at its March 25, 2024, meeting, the District's Board of Directors placed the recycled water project on hold until further notice including forgoing the USBR WaterSMART Planning Grant. If additional planning and construction grant funding opportunities become available and/or the anticipated unit cost of advanced treated water decreases making a recycled water project financially viable, the District will consider reinitiating a recycled water project.

In May 2025, the District completed separate evaluations of Aquifer Storage and Recovery (ASR) in the Montecito and Carpinteria Groundwater Basins. These evaluations assessed the feasibility of implementing ASR projects for storage of surplus water and to bolster the District's drought supplies. Despite identified challenges obtaining regulatory approval, the evaluations determined the ASR projects to be feasible, cost effective, and a water supply reliability benefit. Further evaluation or development of an ASR project in the Montecito Groundwater Basin is continuing with some additional groundwater quality sampling to be performed before the District pursues regulatory approval of an ASR program with the Regional Water Quality Control Board. Further evaluation or development of an ASR project in the Carpinteria Groundwater Basin, in collaboration with Carpinteria Valley Water District (CVWD) and the Carpinteria Groundwater Sustainability Agency, is subject to CVWD's development schedule which remains unknown.

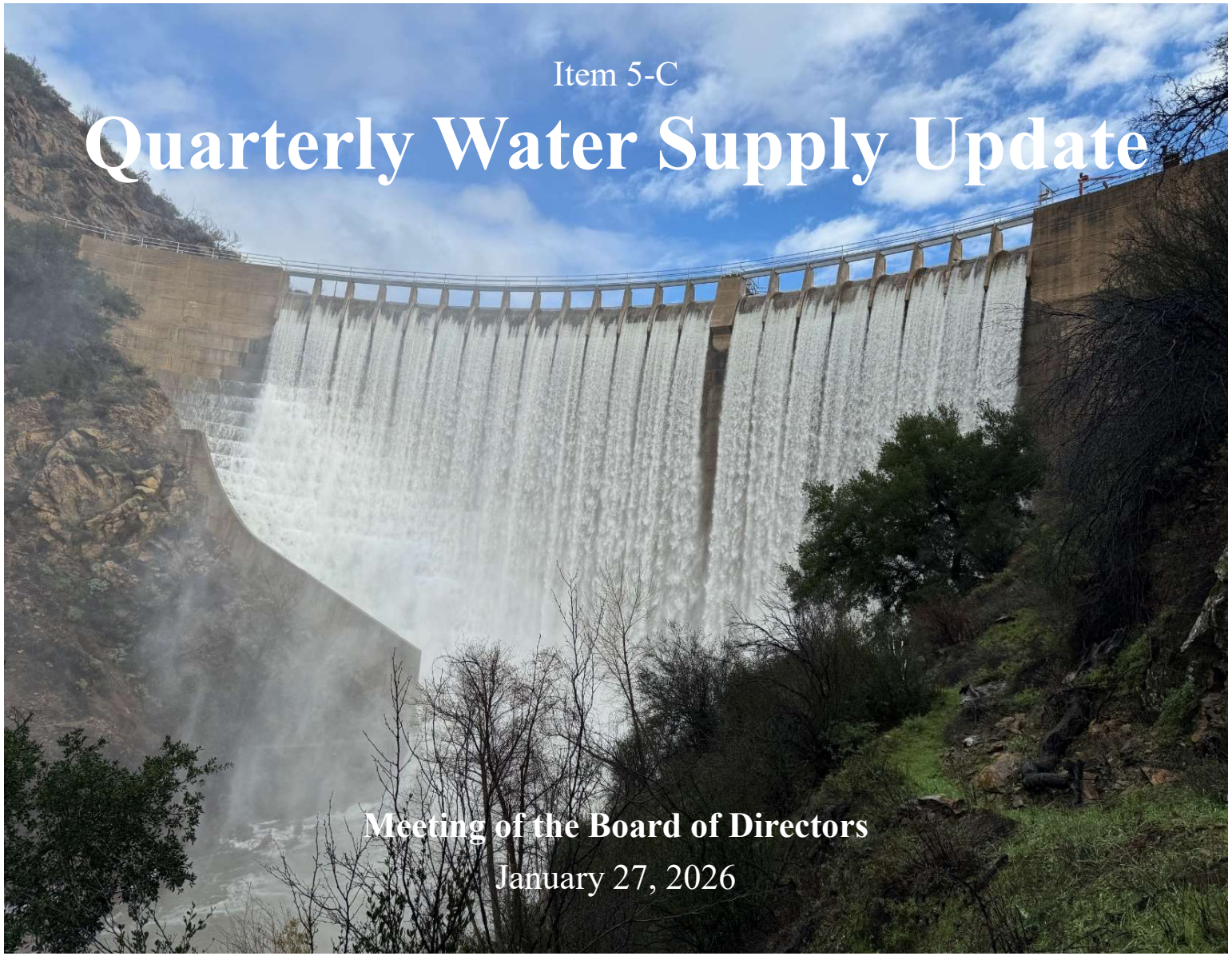
Primary sources of water supply planned for use to meet customer demands in WY 2026 include the Water Supply Agreement with the City of Santa Barbara (desalination), the Cachuma Project, Jameson Lake, groundwater. Banked water stored in the Semitropic will remain in reserve for future use. SWP water is not planned for use in WY 2026 and depending on the 2026 allocation, may be added to Semitropic or transferred to Homer LLC.



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

ATTACHMENTS

1. Quarterly Water Supply Update Presentation



Item 5-C

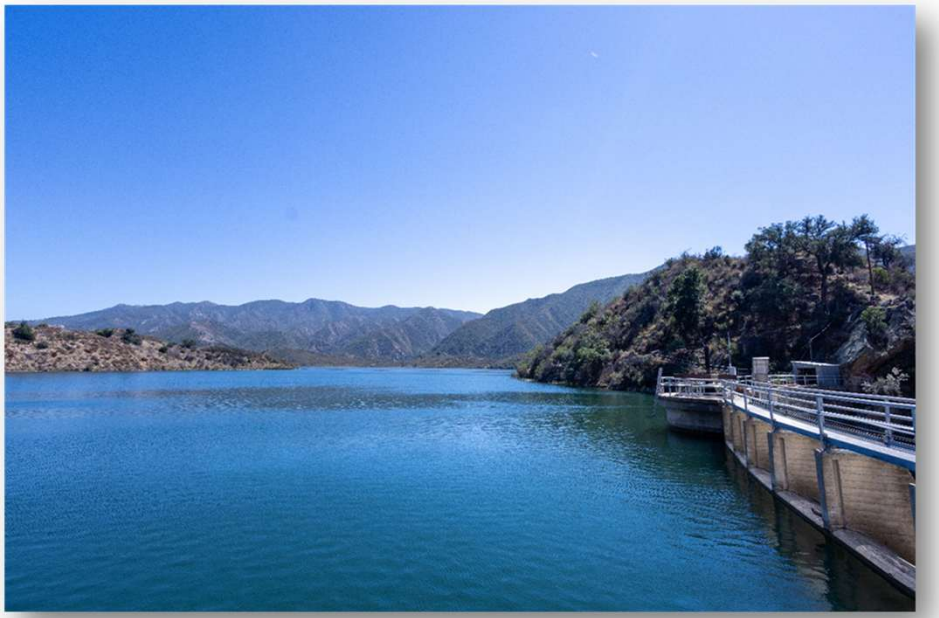
Quarterly Water Supply Update

Meeting of the Board of Directors

January 27, 2026

Outline

1. Hydrologic Conditions
2. Water Use Trends
3. Water Supply Status
4. Water Supply Outlook
5. Supporting Initiatives



Highlights

1. **3-year water supply outlook remains favorable through WY2028**
   - No projected water shortages, or need for imported water
2. **Local surface water supply conditions improved over 1st quarter of WY**
   - November and December atmospheric river storm events that brought significant rainfall locally
   - Rainfall totals to date currently exceed 300% of normal
   - Rainfall totals reached historic amounts (according to District records)
     - 11.29 inches in Montecito (measured at the District office) in November
     - 16.94 inches at Jameson Lake in December
   - Surface water reservoirs filled and spilled: Jameson Lake (December 24) and the Cachuma Project (December 31)
3. **Less favorable hydrologic conditions in northern California**
   - Snowpack at 50% of normal to date; initial SWP allocation for 2026 is 10%
4. **US Drought Monitor indicates 100% of the state is free of drought conditions**
5. **Transfer of 2025 SWP Table A water to Homer completed in December**
6. **Stored remaining 2025 SWP Table A in Semitropic (23AF); avoiding potential loss to spill in 2026**
7. **Wet conditions locally are impacting customer water use**
   - Trending ±20% under planned use through December

U.S. Drought Monitor

California

January 20, 2026

(Released Thursday, Jan. 22, 2026)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	100.00	0.00	0.00	0.00	0.00	0.00
Last Week *01-13-2026*	100.00	0.00	0.00	0.00	0.00	0.00
3 Months Ago *10-21-2025*	42.78	57.22	32.14	9.58	1.10	0.00
Start of Calendar Year *01-06-2026*	100.00	0.00	0.00	0.00	0.00	0.00
Start of Water Year *09-30-2025*	26.78	73.22	38.52	18.61	1.25	0.00
One Year Ago *01-21-2025*	33.22	66.78	39.39	32.86	11.90	0.00

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

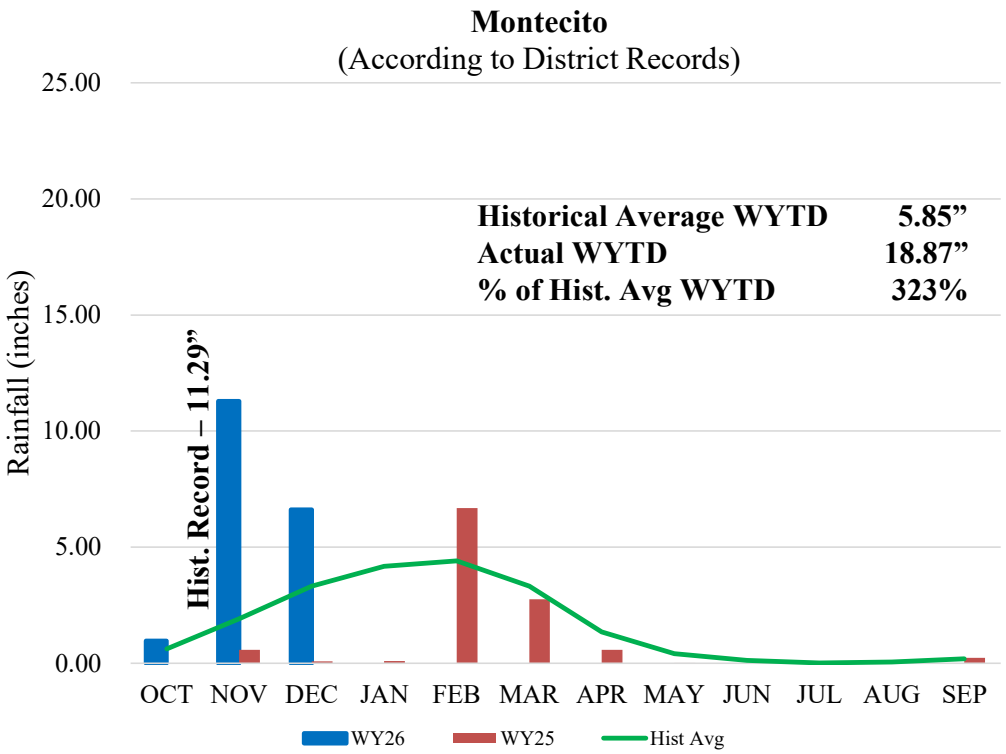
Author:

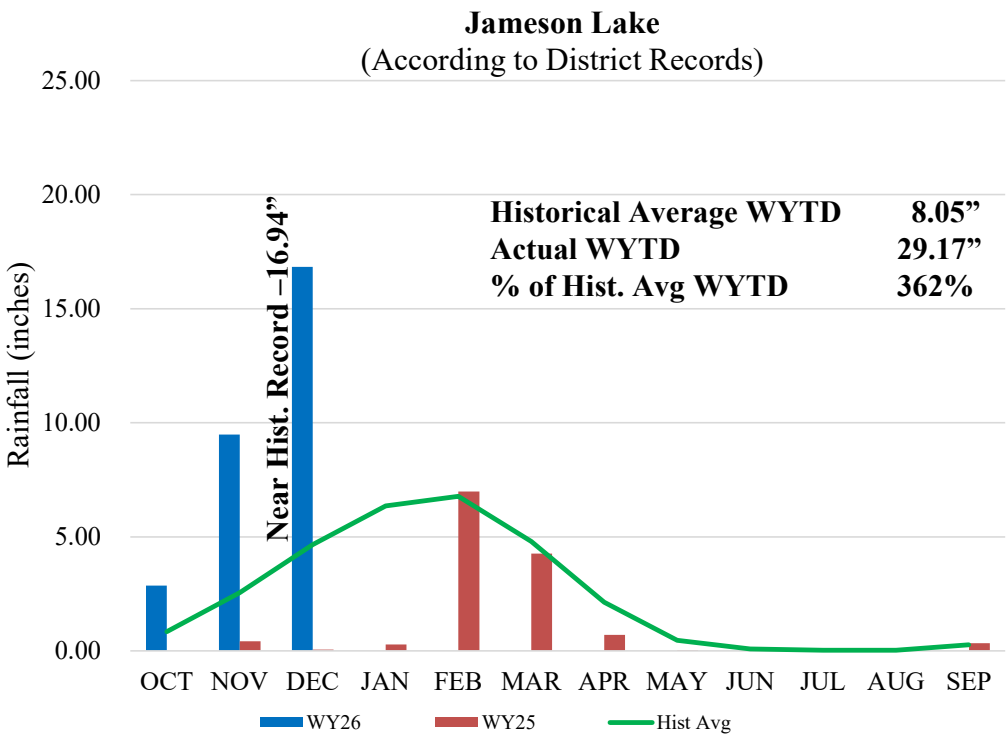
Brad Rippey
U.S. Department of Agriculture

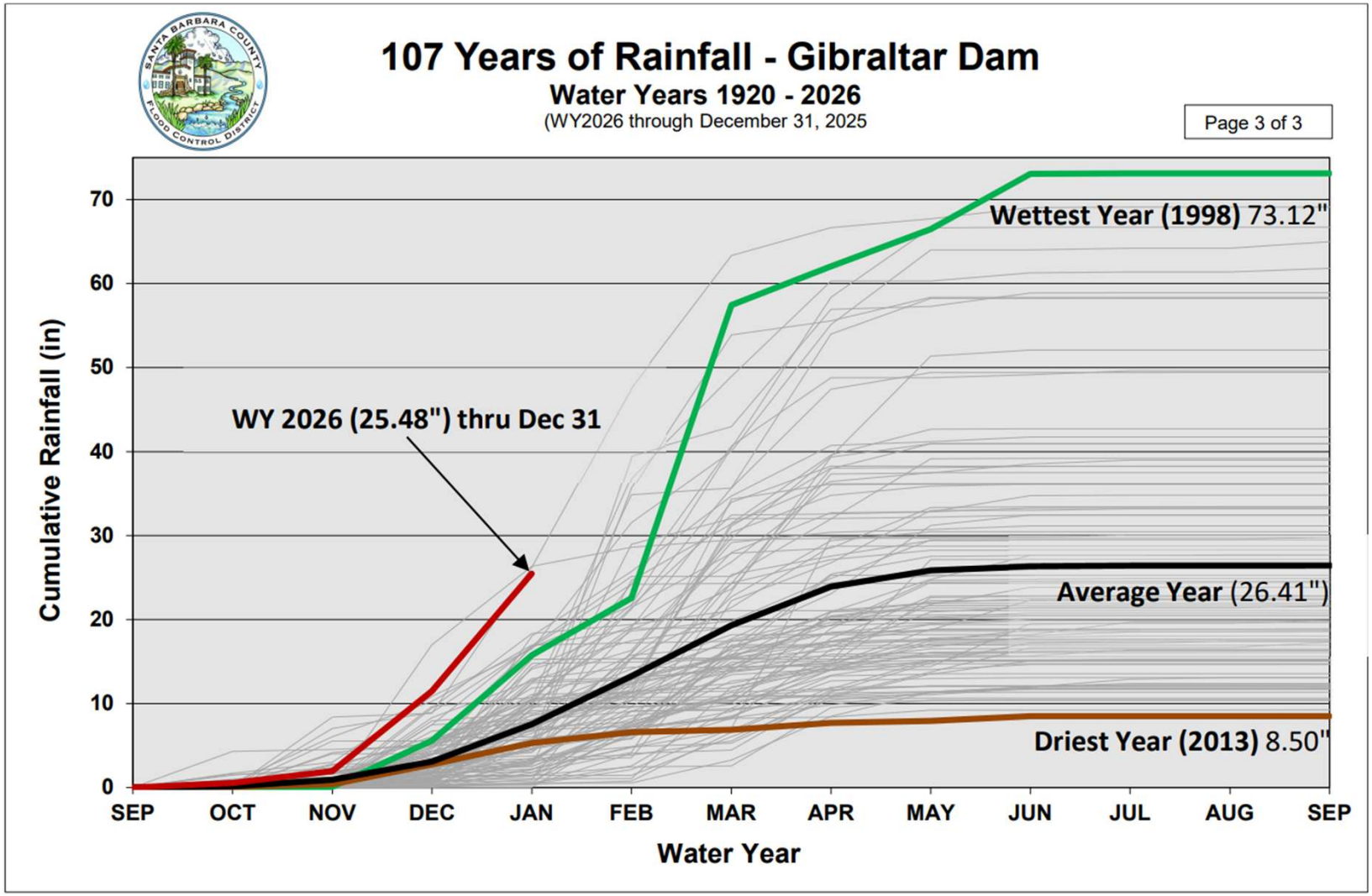
droughtmonitor.unl.edu

4

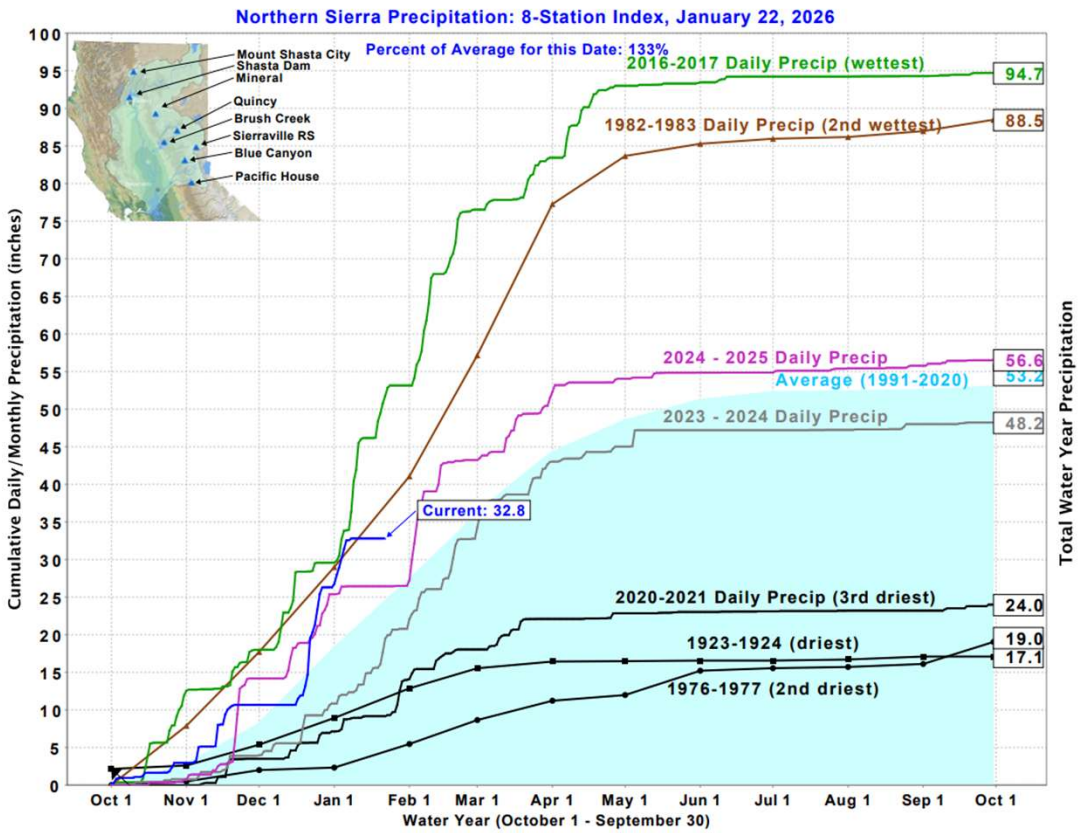
Rainfall


Montecito
(According to District Records)
Historical Average WYTD 5.85”
Actual WYTD 18.87”
% of Hist. Avg WYTD 323%
Hist. Record – 11.29”
Rainfall (inches)
25.00
20.00
15.00
10.00
5.00
0.00
OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP
WY26
WY25
Hist Avg


Jameson Lake
(According to District Records)
Historical Average WYTD 8.05”
Actual WYTD 29.17”
% of Hist. Avg WYTD 362%
Near Hist. Record –16.94”
Rainfall (inches)
25.00
20.00
15.00
10.00
5.00
0.00
OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP
WY26
WY25
Hist Avg

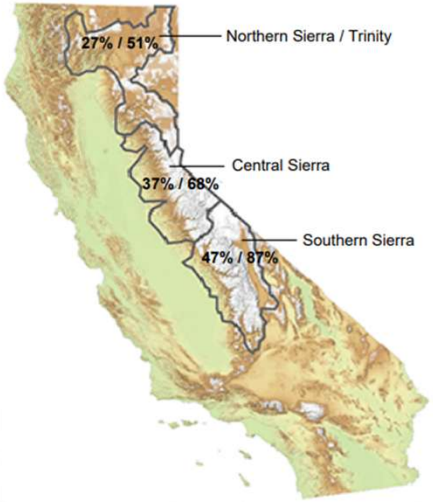

107 Years of Rainfall - Gibraltar Dam
Water Years 1920 - 2026
(WY2026 through December 31, 2025
Page 3 of 3
Wettest Year (1998) 73.12"
WY 2026 (25.48") thru Dec 31
Average Year (26.41")
Driest Year (2013) 8.50"
Cumulative Rainfall (in)
0
10
20
30
40
50
60
70
SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
Water Year

HYDROLOGIC CONDITIONS – NORTHERN CALIFORNIA



CURRENT REGIONAL SNOWPACK FROM AUTOMATED SNOW SENSORS

% of April 1 Average / % of Normal for This Date



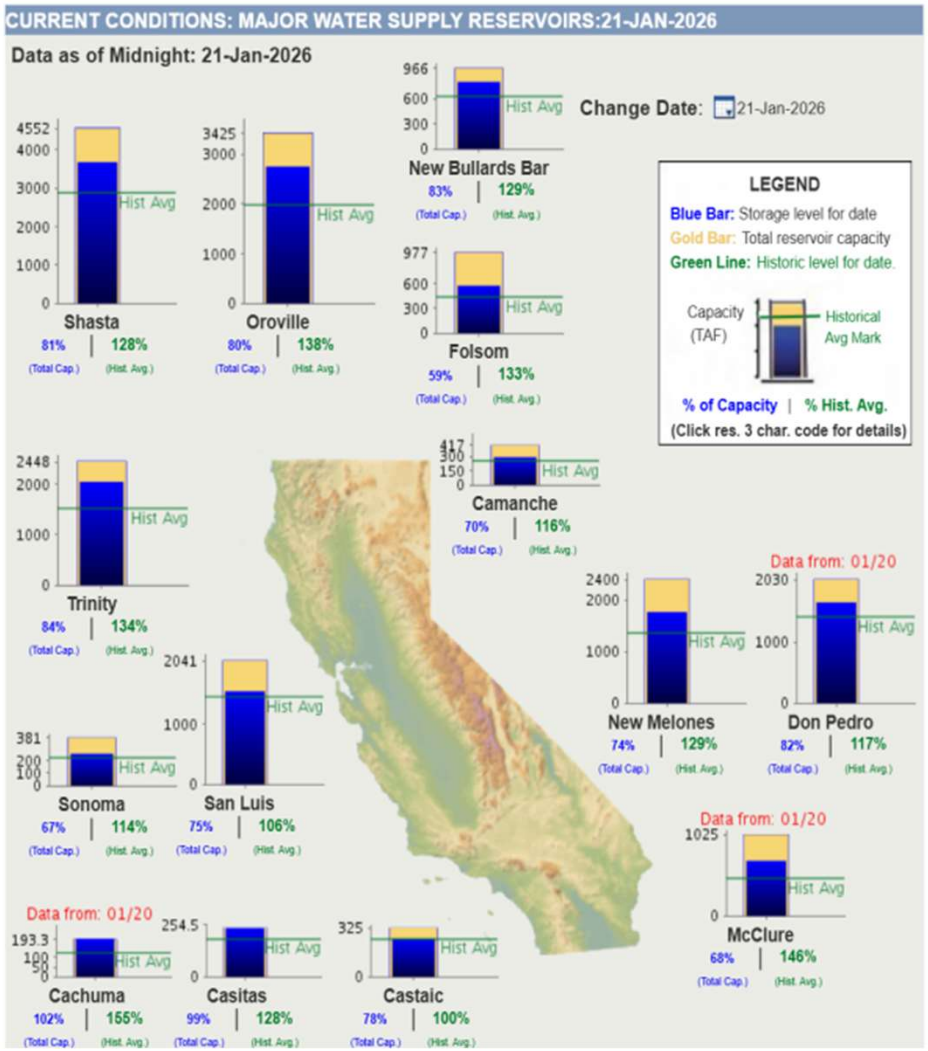
NORTH	
Data as of January 21, 2026	
Number of Stations Reporting	33
Average snow water equivalent (Inches)	7.3
Percent of April 1 Average (%)	27
Percent of normal for this date (%)	51

CENTRAL	
Data as of January 21, 2026	
Number of Stations Reporting	54
Average snow water equivalent (Inches)	10.2
Percent of April 1 Average (%)	37
Percent of normal for this date (%)	68

SOUTH	
Data as of January 21, 2026	
Number of Stations Reporting	26
Average snow water equivalent (Inches)	11.7
Percent of April 1 Average (%)	47
Percent of normal for this date (%)	87

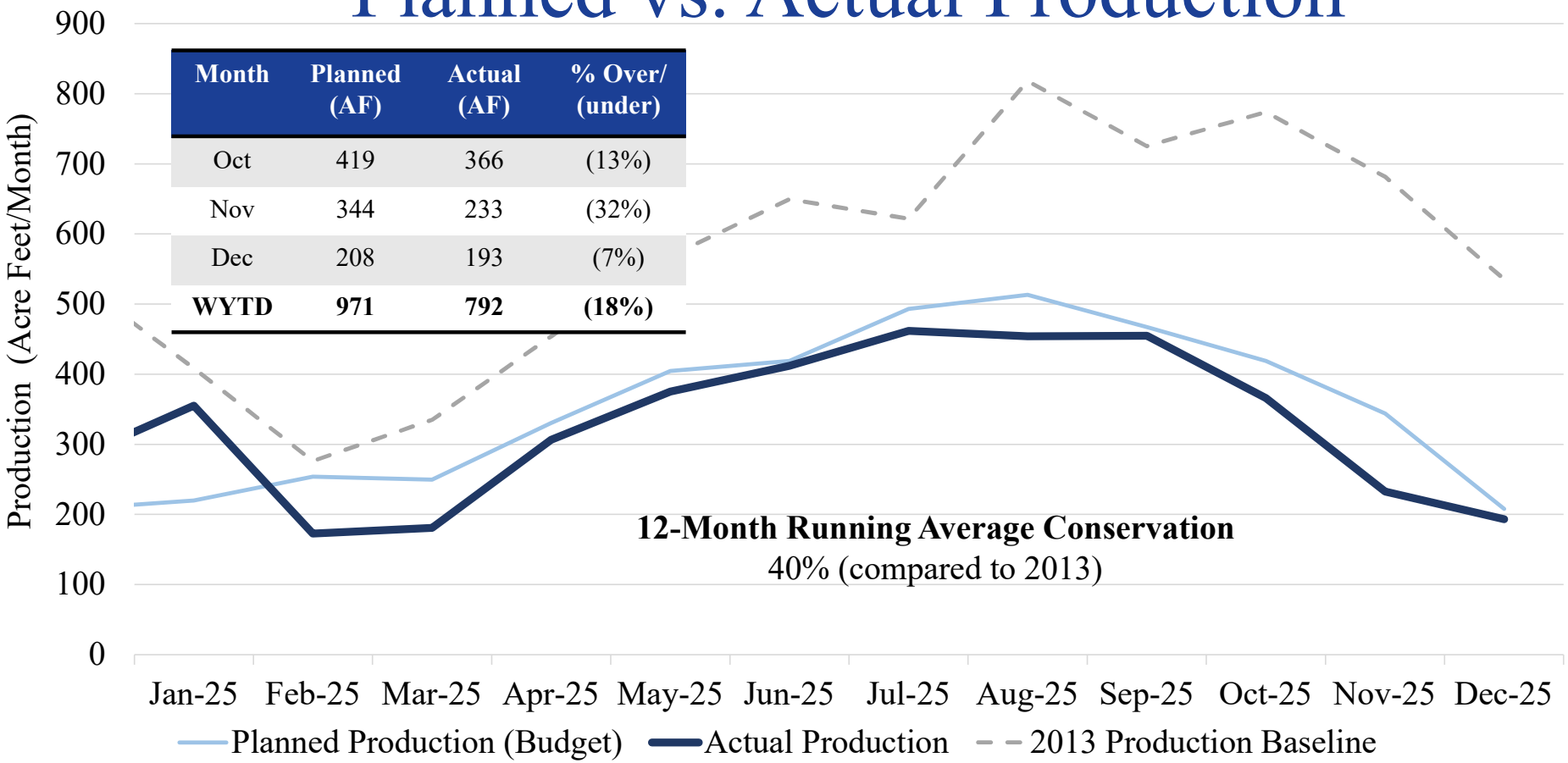
STATE	
Data as of January 21, 2026	
Number of Stations Reporting	113
Average snow water equivalent (Inches)	9.7
Percent of April 1 Average (%)	36
Percent of normal for this date (%)	67

HYDROLOGIC CONDITIONS – SWP RESERVOIR LEVELS



Planned vs. Actual Production

Month	Planned (AF)	Actual (AF)	% Over/ (under)
Oct	419	366	(13%)
Nov	344	233	(32%)
Dec	208	193	(7%)
WYTD	**971**	**792**	**(18%)**



12-Month Running Average Conservation
40% (compared to 2013)

Cachuma Project

As of December 31, 2025

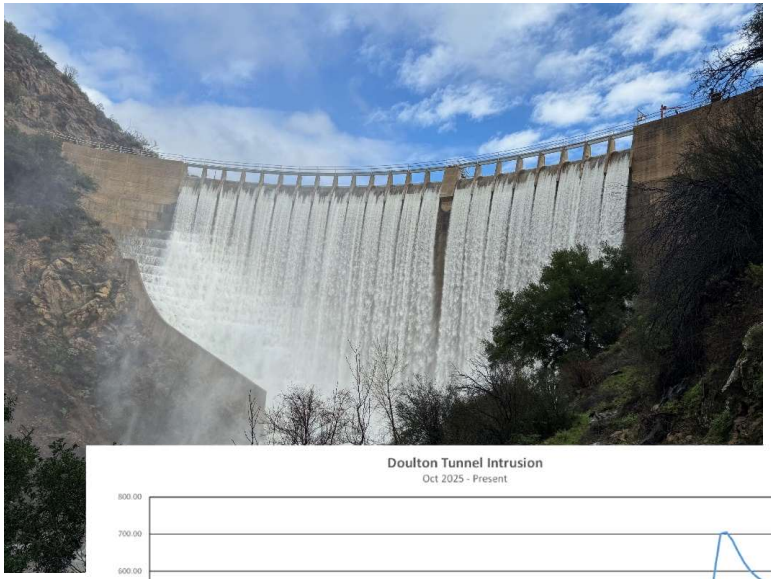
1. 98% (192,978 AF*) of full storage capacity
2. Spill declared by USBR on December 31
   - 3,551 AF carryover lost
3. Water available in Cachuma

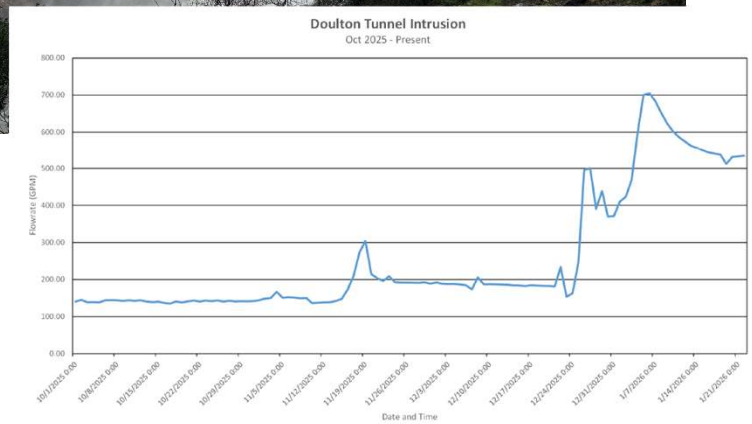
• WY26 allocation	2,651 AF
• ID1 Exchange (WYTD)	39 AF
• Carryover	0 AF
• SWP/Supplemental	0 AF
Total (January 1)	**2,690 AF**

* Data obtained from County of Santa Barbara Flood Control District – *Rainfall and Reservoir Summary*

Jameson Lake

As of December 31, 2025



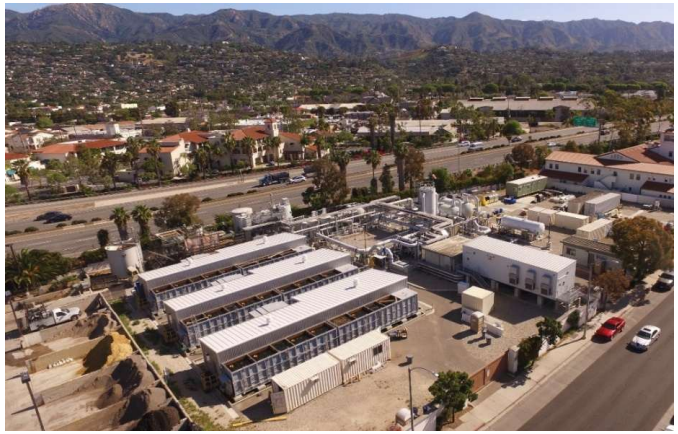


1. Storage 4,587 AF (100% of current capacity)
2. Spill occurred on December 24
3. Continue to maximize deliveries
   - Pursuant to modified rule curve
4. Water quality remains good following the recent inflow
5. Doulton Tunnel Intrusion
   - Peaked at ±700 gpm following December storm event
   - Currently averaging ±525 gpm (70 AFM)

Desalination

As of December 31, 2025

1. 2020 Water Supply Agreement with City of Santa Barbara
   - 50-year water supply contact
   - Contracted amount 1,430 AFY
   - Deliveries occur irrespective of hydrologic conditions
   - Deliveries commenced January 1, 2022
   - Serves as base supply
2. 117.38 AF delivered monthly
   - Fully delivered October through December 2025
3. Planned temporary shutdown of desalination facility
   - Occurring February through late summer
   - Needed maintenance and capital projects are planned for implementation

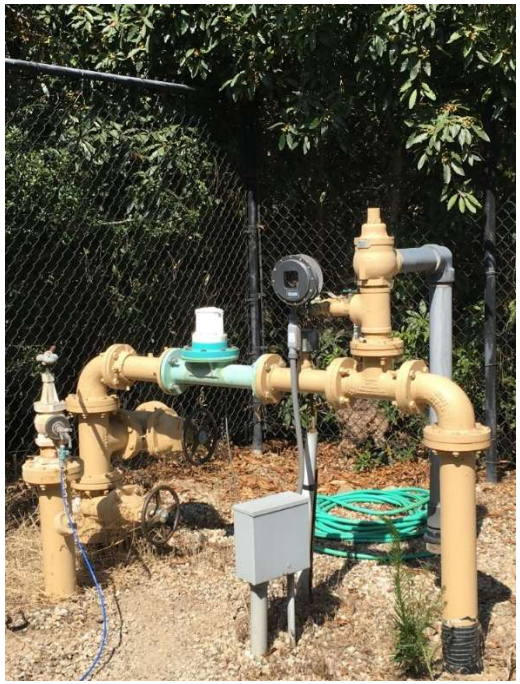


City of Santa Barbara, Charles E. Meyer Desalination Facility

Groundwater

As of December 31, 2025

1. Recharge expected following early winter storms
2. Currently rotating potable well operation to ensure operable status, and water quality meets standards
3. Overall use to be limited in 2026
4. Groundwater Management (Montecito GSA)
   A. GSP adopted in May 2023 and DWR approval received in Feb. 2025
   B. GSP implementation underway: well registry, GW monitoring, Annual Reporting
   C. Upcoming Meetings
      - Strategic Planning Committee – February 2, 2026
      - Finance Committee – February 3, 2026
      - Board of Directors – February 10, 2026



Paden Well

Imported Water

As of December 31, 2026

1. State Water Project (SWP) Water
   a. 2025 Table A Allocation 50%
   b. 2025 SWP Water Accounting

• 2025 Table A Allocation (50%)	1,650 AF
• 2025 Table A Deliveries	13 AF
• ID1 Exchange (thru 2025)	(532 AF)
• Art 56 Carryover Water	0 AF
• Prior year adjustment	(82 AF)
• Stored in Semitropic	(23 AF)
• Transferred to Homer LLC	(1,000 AF)
Total Available	**0 AF**

   c. SWP water remains surplus in 3-year water supply outlook; no planned deliveries
   d. DWR issues initial 2026 Table A Allocation of 10% (330 AF)
2. Supplemental Water – not anticipated through WY2028

Stored Water

As of September 30, 2025

Semitropic Groundwater Banking & Exchange Program

a. General terms of participation
   - 2nd priority right to bank up to 1,500 AFY
   - 1st priority right to withdraw 1,500 AFY
   - Guaranteed storage up to 3x shares 4,500 AF
   - Storage in excess of 3x shares permitted if Semitropic has unused storage capacity available in the program

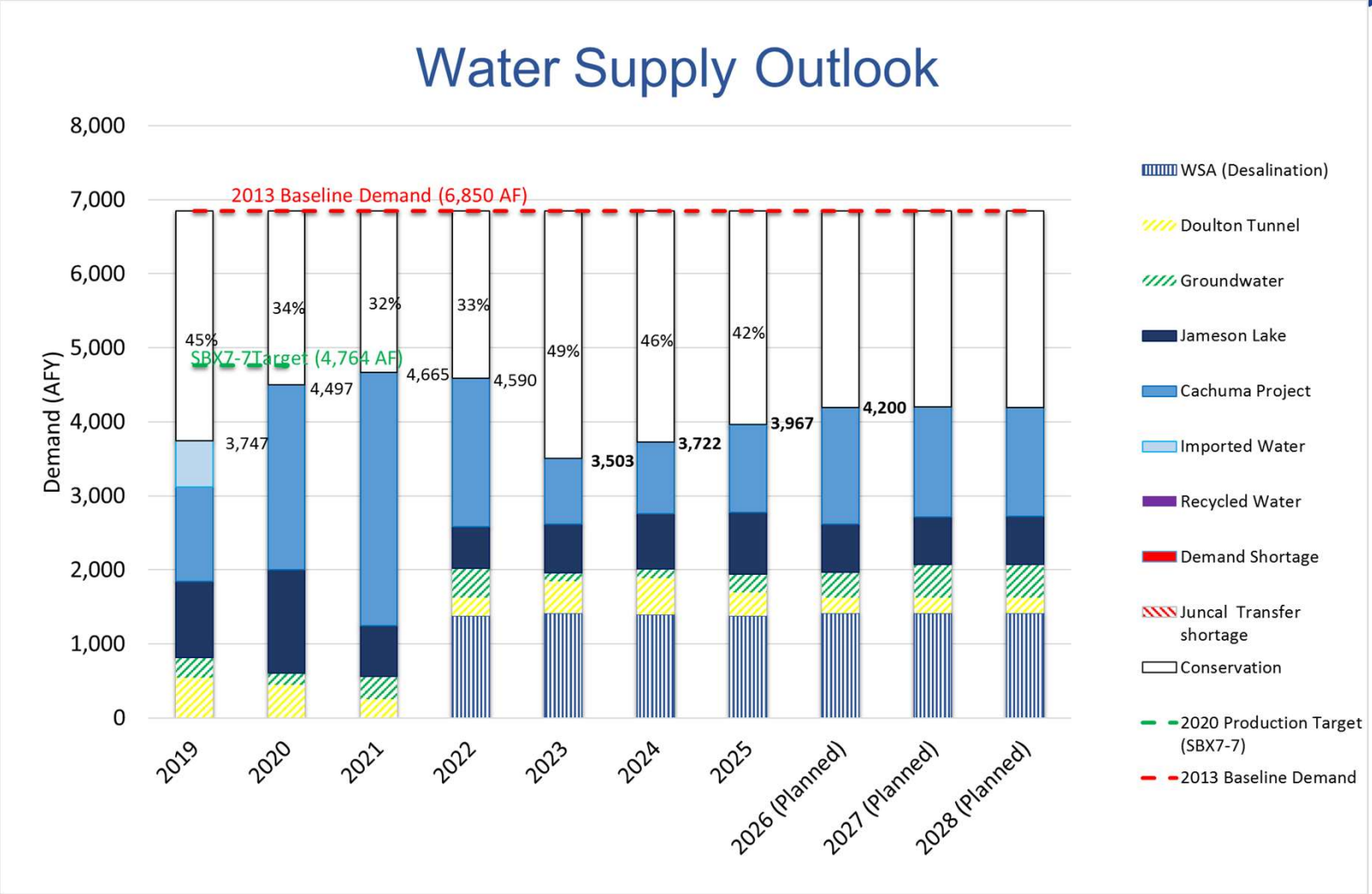
b. Water stored (after 10% leave behind)
   - 2018-2025 (YTD) 5,802 AF
   - 23 AF stored in 2025

c. Key Dates
   - (April) Request water to be stored in current CY
   - (May 1) Request water to be recovery in current CY

Water Supply Summary

Source	Total Supplies Available as of 12/31/25 (AF)	Total WY26 Planned (AF)	Total WYTD Planned (AF)	Total WYTD Actual (AF)
1. Cachuma Project	2,690	1,305	198	130
2. Jameson Lake	4,587	871	321	181
3. Doulton Tunnel Infiltration	70 AF/mo	230	45	74
4. Potable/NP Groundwater	80 AF/mo	340	55	43
5. Imported (SWP /Supple.)	0	0	0	0
6. WSA (Desalination)	117.4 AF/mo	1409	352	352
7. Stored (Semitropic)	5,802	0	0	0
Total			**971**	**780**

WATER SUPPLY OUTLOOK



Supporting Actions

1. Transfer (sale) of surplus SWP Table A water to Homer LLC
   - 1,000 AF 2025 SWP Table A water, transferred in October & December 2025
2. Continue to advance the development of ASR (Aquifer Storage and Recovery) programs in the Montecito and Carpinteria Groundwater Basins
3. Continuing initiatives supporting efficient water use
   - Water use efficiency rebates
   - Use of Water Budgets for managing and achieving efficient water use on a property
   - Construction of the new Demonstration Garden is underway
   - Use of Watersmart to monitor water use and minimize unanticipated water loss

Questions

Page left intentionally blank.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-D**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

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. Demonstration Garden Flyer.

Page left intentionally blank.

A NEW GARDEN IS SPROUTING!

MONTECITO WATER DISTRICT
A Reliable Supply Since 1921

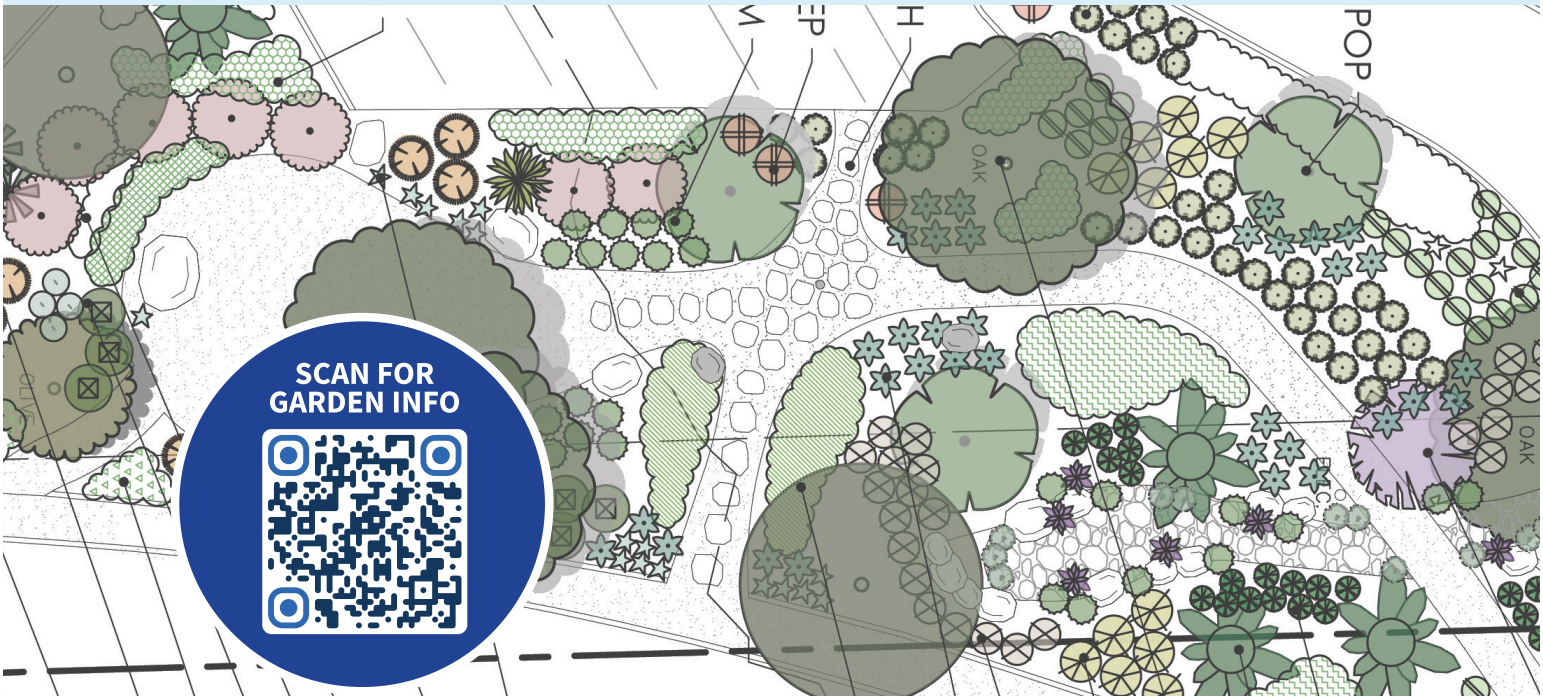
Pardon the Dust...
We are reimagining the Demonstration Garden in front of the District office to inform and inspire visitors about landscaping and efficient outdoor water use.

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.

www.montecitowater.com | 805.969.2271 |

Page left intentionally blank.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-E**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **GENERAL MANAGER REPORT**

RECOMMENDATION:

Informational.

DISCUSSION:

The following summary provides the Board of Directors with a brief overview of progress with:

LAFCO Special District Representative Election

Santa Barbara County Independent Special Districts are represented by two regular members and one alternate on the Santa Barbara County Local Agency Formation Commission (LAFCO). There is currently one Independent Special District regular member seat up for election. Candidates include Dorinne Lee Johnson, the incumbent from Montecito Sanitary District, and Robert Dunlap from the Santa Ynez River Water Conservation District. The ballot is due to LAFCO by February 19, 2026.

Update on ASADRA Reservoir Seismic Retrofit and Replacement Project

The ASADRA Reservoir Seismic Retrofit and Replacement Project will seismically retrofit, repair, and/or replace eight of the District's nine existing water storage reservoirs, through a funding provided by the Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) funded by the Environmental Protection Agency (EPA). Upon completion, the project will bring all eight reservoirs into full compliance with current seismic design codes and regulations. Terminal and Park Lane Reservoirs are the first two reservoirs to be retrofit and/or replaced. Construction began on the Terminal Reservoir in December 2025. The photo below shows roof and column demolition progress. Construction of Park Lane is temporarily on hold pending access easement clarification. Quarterly progress reports and monthly reimbursement requests are being submitted to the state as construction progresses.

Update on ASADRA Project Cash Flow

The District continues to advance capital improvements funded through the ASADRA program. As a reimbursement-based funding source, ASADRA requires the District to pay eligible project

costs upfront and seek reimbursement from the State, which can result in reimbursement delays of up to approximately 180 days.

To manage these temporary cash-flow timing challenges and avoid drawing on operating or reserve funds, staff has issued a targeted Request for Proposals (RFP) for a short-term revolving line of credit. The line of credit is intended solely as a cash-flow bridge related to ASADRA reimbursements and would be structured as a short-term, interest-only facility with repayment from State reimbursement proceeds.

At the direction of the Finance Committee, staff is also preparing a cost analysis of available financing mechanisms and associated impacts, including a Proposition 218 rate increase analysis. Any proposed financing will be brought back to the Board for consideration prior to approval.

Update on Approvals and Reimbursements for FEMA eligible projects

The District has six ongoing disaster recovery projects related to the 2018 Thomas Fire and Debris Flow, and the January 2023 winter storms. Through the Public Assistance grant program, these projects are 75% reimbursable by the Federal Emergency Management Agency (FEMA) and 18.75% reimbursable by the California Governor's Office of Emergency Services (CalOES). A summary of expenses and reimbursements are shown in the table below. The District is anticipating approximately $1.2M in FEMA reimbursements in February 2026.

Project Name	Estimated Project Cost	Total Spent to Date	FEMA + CALOES + MWD + Cash Adv. Received	% Reimbursed of Actual Billed	Payments due to MWD	Anticipated Reimbursement Date
OPEN PROJECTS						
Alder Creek Flume	$3,240,000	$ 858,956	$428,021	50%	$430,934.6	Feb-26
Bella Vista Highline Repairs	$3,361,730	$ 101,210	$3,156,884	100%	$ -	N/A
PENDING FEMA CLOSE OUT						
Juncal Pipeline	$5,461,844	$5,461,844	$ 4,807,575	88%	$654,268.8	Feb-26
Ashley Rd. Bridge Repairs	$ 160,548	$160,548	$ 10,034	0%	$150,513.9	Feb-26
ADMINISTRATIVE PROJECTS						
2018 Administrative Costs	$287,978		$ 95,993	0%	$ 287,978.0	2028
2023 Administrative Costs	$ 362,513		$ -	0%	$362,512.7	2028
Total Open Projects	**$12,874,612**	**$6,582,557**	**$ 8,498,507**		**$1,886,208**	

Urban Water Use Objective Report for Fiscal Year 2025 to the State Water Resources Control Board

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

June). 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. On December 24, 2025, the District submitted its Fiscal Year (FY) 2025 UWUO report to the State Water resources Control Board (SWRCB). 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.

Annual Risk Assessment Results from District Insurance

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. ACWA JPIA provided staff with a summary report noting that the District has key safety programs and infrastructure best practice plans in place such as the Asset Management Plan, Injury Illness Prevention Plan, and Hazard Communication Plan. The report highlighted several ACWA JPIA risk-reduction initiatives such as changes to recent fall protection standards, available cybersecurity resources, and ergonomics review and training. 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.

Annual Inspection Report for Juncal Dam from the State Division of Safety of Dams

On May 14, 2025, the California Department of Water Resources (DWR) Division of Safety of Dams (DSOD) visited Juncal Dam with 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 with two "descriptions, actions and recommendations" including notes regarding the Districts proposed maintenance of the two existing 36-inch emergency release valves in the near future. The report also requested updates to the annual Instrumentation Report submitted to DSOD by April 1 each year. 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".

Update on the Possible Sale of District Surplus Property

The Board of Directors declared four District parcels to be surplus property in November 2025 and authorized staff to proceed with the mandatory public offering period. These surplus properties include three parcel sat Hidden Valley Lane (Buell Property) and one parcel at Bella

Vista Drive above the District treatment plan. The 60-day public offering period ended on January 17, 2026 with one party expressing interest before the deadline. As required by the Surplus Land Act, the 90-day negotiation period has begun, and staff will return to the Board of Directors once the details of the interested party's offer are defined.

Update on Conservation Rebate Program

The District's Rebate Program was launched in mid-December 2022 and remains available to all customers. The program was revised by the Board of Directors in January 2024 with increased rebates and added programs. Customers continue to receive notification of the rebate program through advertising, enews, and conservation site visits. Table 1 provides a summary of the rebate program funds awarded to customers in Fiscal Year (FY) 2026.

Table 1 – Summary of Conservation Rebates in Fiscal Year 2026

Measure	$ Awarded (7/1/25 to 11/1/25)		$ Pending Estimate (11/1/25 - present)		$ Awarded + $ Pending	
	SFR	COM-INST-MFR	SFR	COM-INST-MFR	SFR	COM-INST-MFR
Mulch Program	$ 3,640	$ -	$ -	$ -	$ 3,640	$ -
Indoor Appliances Rebate	$ 2,500	$ -	$ -	$ -	$ 2,500	$ -
High Efficiency Toilet (HET) and Urinal Rebates	$ -	$ -	$ -	$ -	$ -	$ -
Drip Irrigation Rebate	$ 518	$ -	$ -	$ -	$ 518	$ -
Smart Irrigation Controller Rebates	$ 900	$ -	$ -	$ -	$ 900	$ -
Landscape Conversions	$ -	$ -	$ 10,550	$ -	$ 10,550	$ -
Sub Total	**$ 7,558**	**$ -**	**$ 10,550**	**$ -**	**$ 18,108**	**$ -**
Grand Total					**$18,108**	

SECTION: 7-A

ANNUAL MEETING
of the
MONTECITO WATER DISTRICT FINANCING CORPORATION
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

TUESDAY, JANUARY 27, 2026
9:30 A.M.

Attend in Person or Join by Teleconference:
https://www.zoomgov.com/j/1615373080?pwd=iWhN5hr8CibfsUntzF3Dk3ZCkePs4l.1
Meeting ID: 161 537 3080; Passcode: 205634

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

AGENDA

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

2. **PUBLIC FORUM**

   This portion of the agenda may be utilized by any member of the public to address and ask questions of the Board of Directors on any matter not on the agenda within the jurisdiction of the Montecito Water District Financing Corporation. Depending upon the subject matter, the Board of Directors may be unable to respond at this time, or until the specific item is placed on the agenda at a future Montecito Water District Financing Corporation Board meeting in accordance with the Ralph M. Brown Act.

3. **APPROVAL OF MEETING MINUTES OF JANUARY 28, 2025**

4. **BOARD OF DIRECTORS**

   A. ACTION ITEM: Election of President, Vice President, Secretary, Chief Financial Officer and Appointment of General Counsel and Special Counsel

5. **BUSINESS REPORT**

   * A. INFORMATIONAL: Annual Report of the Montecito Water District Financing Corporation

6. **ADJOURNMENT**

   Note: Montecito Water District Financing Corporation conducts its meeting 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 in accordance with Brown Act requirements on January 23, 2026. 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 Montecito Water District Financing Corporation's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the Montecito Water District Financing Corporation Office at 805-969-2271. Notification at least twenty-four (24) hours prior to the meeting will enable the Montecito Water District Financing Corporation to make appropriate arrangements.

ANNUAL MEETING MINUTES
of the
MONTECITO WATER DISTRICT FINANCING CORPORATION
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

TUESDAY, JANUARY 28, 2025
9:30 A.M.

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

AGENDA

1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

President Coates called the meeting to order at 1:02 p.m.

Directors in Attendance:
Directors Ken Coates, Brian Goebel, Cori Hayman, and Floyd Wicks participated in person. Director Tobe Plough participated remotely via Zoom.

Staff in Attendance:
Nick Turner, General Manager
Adam Kanold, Asst. GM/Engineering Mgr.
Olivia Rojas, Business Manager
Laura Camp, Public Information Officer
Christina Perry, Administrative Assistant
Ray Willefert, Financial Analyst

Counsel present (In Person):
Walt Wendelstein, Wendelstein Law Group PC, Counsel

Members of the Public:
None

2. PUBLIC FORUM

No members of the public were present.

3. APPROVAL OF MEETING MINUTES OF JANUARY 23, 2024

Director Goebel moved to approve the minutes of January 23, 2024. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

4. BOARD OF DIRECTORS

A. ACTION ITEM: Election of President, Vice President, Secretary, Chief Financial Officer and Appointment of Special Counsel

Director Goebel moved that 2025 officer positions for the Financing Corporation should remain the same as designated for 2024 with Director Coates as President, Director Goebel as Vice President, MWD General Manager Nick Turner as Secretary,

and MWD Business Manager Olivia Rojas as Chief Financial Officer. Director Goebel also moved that Doug Brown of Stradling Yocca Carlson & Rauth should remain the appointed Special Counsel. The motion was seconded by Director Wicks and carried after a roll call vote with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

5. BUSINESS REPORT

A. INFORMATIONAL: Annual Report of business activities of the Montecito Water District Financing Corporation

Mr. Turner presented the item and there were no questions from the Board.

6. ADJOURNMENT

The meeting was adjourned at 1:04 p.m.

Approved:

_____
Brian Goebel, President

Attest:

_____
Nick Turner, Secretary

MONTECITO WATER DISTRICT
FINANCING CORPORATION (MWDFC)
MEMORANDUM

SECTION: **7-A-5**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER / BUSINESS MANAGER**

SUBJECT: **ANNUAL REPORT OF THE MONTECITO WATER DISTRICT FINANCING CORPORATION**

RECOMMENDATION:

Informational. No action.

BACKGROUND:

The Montecito Water District Financing Corporation (MWDFC) was filed with the California Secretary of State on April 30, 1998, as a nonprofit public benefit corporation under the California Nonprofit Public Benefit Corporation Law (California Corporations Code §§5110–5160).

MWDFC was established solely to support the Montecito Water District (MWD) in financing and refinancing District capital assets. MWD is MWDFC's only member and beneficiary.

There are **no statutory requirements** for MWDFC to provide ongoing financial or operational reports to the Board once all debt obligations have been retired. However, as a matter of sound governance and transparency, staff provide annual confirmation of MWDFC's status to the Board.

This report covers **Calendar Year 2025**.

Status Summary – Calendar Year 2025

- **Financial Activity:**

MWDFC had no revenues, expenditures, assets, or financial transactions during Calendar Year 2025.

- **Debt Obligations:**

All Certificates of Participation were refinanced by MWD in September 2020.
MWDFC has no outstanding debt and no debt service obligations.

- **Investments and Reserves:**

MWDFC maintains no investment or reserve accounts.
Balance as of December 31, 2025: $0.00.

- **Operations:**

MWDFC conducted no operations during Calendar Year 2025.
No budget was prepared and no audit was required.

- **Compliance Status:**

MWDFC remains active and in good standing. All required filings with the Internal Revenue Service and the State of California have been completed and submitted to Stradling Yocca Carlson & Rauth LLP for filing.

ATTACHMENT:

1. U.S. Corporation Income Tax Return (IRS Form 1120) - 2025
2. California Statement of Information - 2025

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2024 or tax year beginning July 1, 2024, ending June 30, 20 25

Go to *www.irs.gov/Form1120* for instructions and the latest information.

OMB No. 1545-0123

2024

A Check if:
- 1a Consolidated return (attach Form 851) ☐
- b Life/nonlife consolidated return ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (see instructions) ☐
- 4 Schedule M-3 attached ☐

TYPE OR PRINT

Name: Montecito Water District Financing Corporation

Number, street, and room or suite no. If a P.O. box, see instructions.: 583 San Ysidro Road

City or town, state or province, country, and ZIP or foreign postal code: Santa Barbara, CA USA 93108

B Employer identification number: 91-2003905

C Date incorporated: 04/20/1998

D Total assets (see instructions): $ 0.00

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1a	Gross receipts or sales	1a 0.00		
	b	Returns and allowances	1b 0.00		
	c	Balance. Subtract line 1b from line 1a		1c	0.00
	2	Cost of goods sold (attach Form 1125-A)		2	0.00
	3	Gross profit. Subtract line 2 from line 1c		3	0.00
	4	Dividends and inclusions (Schedule C, line 23)		4	0.00
	5	Interest		5	0.00
	6	Gross rents		6	0.00
	7	Gross royalties		7	0.00
	8	Capital gain net income (attach Schedule D (Form 1120))		8	0.00
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		9	0.00
	10	Other income (see instructions—attach statement)		10	0.00
	11	**Total income.** Add lines 3 through 10		11	0.00
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (see instructions—attach Form 1125-E)		12	0.00
	13	Salaries and wages (less employment credits)		13	0.00
	14	Repairs and maintenance		14	0.00
	15	Bad debts		15	0.00
	16	Rents		16	0.00
	17	Taxes and licenses		17	0.00
	18	Interest (see instructions)		18	0.00
	19	Charitable contributions		19	0.00
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		20	0.00
	21	Depletion		21	0.00
	22	Advertising		22	0.00
	23	Pension, profit-sharing, etc., plans		23	0.00
	24	Employee benefit programs		24	0.00
	25	Energy efficient commercial buildings deduction (attach Form 7205)		25	0.00
	26	Other deductions (attach statement)		26	0.00
	27	**Total deductions.** Add lines 12 through 26		27	0.00
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	0.00
	29a	Net operating loss deduction (see instructions)	29a 0.00		
	b	Special deductions (Schedule C, line 24)	29b 0.00		
	c	Add lines 29a and 29b		29c	0.00
Tax, Refundable Credits, and Payments	30	**Taxable income.** Subtract line 29c from line 28. See instructions		30	0.00
	31	Total tax (Schedule J, line 12)		31	0.00
	32	Reserved for future use		32	
	33	Total payments and credits (Schedule J, line 23)		33	0.00
	34	Estimated tax penalty. See instructions. Check if Form 2220 is attached ☐		34	0.00
	35	**Amount owed.** If line 33 is smaller than the total of lines 31 and 34, enter amount owed		35	0.00
	36	**Overpayment.** If line 33 is larger than the total of lines 31 and 34, enter amount overpaid		36	0.00
	37	Enter amount from line 36 you want: **Credited to 2025 estimated tax** Refunded		37	0.00

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer | Date 1-23-26 | Title Secretary

May the IRS discuss this return with the preparer shown below? See instructions. ☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name | Firm's EIN

Firm's address | Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11450Q Form **1120** (2024)

Schedule C	Dividends, Inclusions, and Special Deductions (see instructions)	(a) Dividends and inclusions	(b) %	(c) Special deductions (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	0.00	50	0.00
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0.00	65	0.00
3	Dividends on certain debt-financed stock of domestic and foreign corporations	0.00	See instructions	0.00
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0.00	23.3	0.00
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0.00	26.7	0.00
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0.00	50	0.00
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0.00	65	0.00
8	Dividends from wholly owned foreign subsidiaries	0.00	100	0.00
9	**Subtotal.** Add lines 1 through 8. See instructions for limitations	0.00	See instructions	0.00
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0.00	100	0.00
11	Dividends from affiliated group members	0.00	100	0.00
12	Dividends from certain FSCs	0.00	100	0.00
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	0.00	100	0.00
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)	0.00		
15	Reserved for future use			
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	0.00	100	0.00
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	0.00		
c	Other inclusions from CFCs under subpart F not included on line 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)	0.00		
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)	0.00		
18	Gross-up for foreign taxes deemed paid	0.00		
19	IC-DISC and former DISC dividends not included on line 1, 2, or 3	0.00		
20	Other dividends	0.00		
21	Deduction for dividends paid on certain preferred stock of public utilities			0.00
22	Section 250 deduction (attach Form 8993)			0.00
23	**Total dividends and inclusions.** Add column (a), lines 9 through 20. Enter here and on page 1, line 4	0.00		
24	**Total special deductions.** Add column (c), lines 9 through 22. Enter here and on page 1, line 29b			0.00

Schedule J Tax Computation and Payment (see instructions)

1a	Income tax (see instructions)	1a	0.00		
b	Tax from Form 1120-L (see instructions)	1b	0.00		
c	Section 1291 tax from Form 8621	1c	0.00		
d	Tax adjustment from Form 8978	1d	0.00		
e	Additional tax under section 197(f)	1e	0.00		
f	Base erosion minimum tax from Form 8991	1f	0.00		
g	Amount from Form 4255, Part I, line 3, column (q)	1g	0.00		
z	Other chapter 1 tax	1z	0.00		
2	Total income tax. Add lines 1a through 1z			2	0.00
3	Corporate alternative minimum tax from Form 4626, Part II, line 13 (attach Form 4626)			3	0.00
4	Add lines 2 and 3			4	0.00
5a	Foreign tax credit (attach Form 1118)	5a	0.00		
b	Credit from Form 8834 (see instructions)	5b	0.00		
c	General business credit (see instructions—attach Form 3800)	5c	0.00		
d	Credit for prior year minimum tax (attach Form 8827)	5d	0.00		
e	Bond credits from Form 8912	5e	0.00		
f	Adjustment from Form 8978	5f	0.00		
6	**Total credits.** Add lines 5a through 5f			6	0.00
7	Subtract line 6 from line 4			7	0.00
8	Personal holding company tax (attach Schedule PH (Form 1120))			8	0.00
9a	Amount from Form 4255, Part I, line 3, column (r)	9a	0.00		
b	Recapture of low-income housing credit (attach Form 8611)	9b	0.00		
c	Completed long-term contract look-back interest due (attach Form 8697)	9c	0.00		
d	Interest due under the look-back method—income forecast method (attach Form 8866)	9d	0.00		
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0.00		
f	Interest/tax due under section 453A(c)	9f	0.00		
g	Interest/tax due under section 453(l)	9g	0.00		
z	Other (see instructions—attach statement)	9z	0.00		
10	**Total.** Add lines 9a through 9z			10	0.00
11a	Total tax before deferred taxes. Add lines 7, 8, and 10	11a	0.00		
b	Deferred tax on the corporation's share of undistributed earnings of a qualified electing fund	11b	0.00		
c	Deferred LIFO recapture tax (section 1363(d))	11c	0.00		
12	Total tax. Subtract the sum of lines 11b and 11c from 11a. Enter here and on page 1, line 31			12	0.00
13	Preceding year's overpayment credited to the current year			13	0.00
14	Current year's estimated tax payments			14	0.00
15	Current year's refund applied for on Form 4466			15	(0.00)
16	Reserved for future use			16	
17	Tax deposited with Form 7004			17	0.00
18	Withholding (see instructions)			18	0.00
19	**Total payments.** Combine lines 13 through 18			19	0.00
20	Refundable credits from:				
a	Form 2439	20a	0.00		
b	Form 4136	20b	0.00		
c	Credit for tax withheld under chapter 3 or 4 from Form 1042-S, Form 8805, or Form 8288 (attach the applicable form)	20c	0.00		
z	Other (attach statement—see instructions)	20z	0.00		
21	**Total credits.** Add lines 20a through 20z			21	0.00
22	Elective payment election amount from Form 3800			22	0.00
23	**Total payments and credits.** Add lines 19, 21, and 22. Enter here and on page 1, line 33			23	0.00

Schedule K Other Information (see instructions)

		Yes	No
1	Check accounting method: a ☐ Cash b ☐ Accrual c ☐ Other (specify)		
2	See the instructions and enter the:		
a	Business activity code no.		
b	Business activity		
c	Product or service		
3	Is the corporation a subsidiary in an affiliated group or a parent–subsidiary controlled group?		✓
	If "Yes," enter name and EIN of the parent corporation		
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		✓
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		✓
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions		✓
	If "Yes," complete (i) through (iv) below.		

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions		✓
	If "Yes," complete (i) through (iv) below.		

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316		✓
	If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions. See the instructions for Form 5452.		
	If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		
7	At any time during this tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock?		✓
	For rules of attribution, see section 318. If "Yes," enter:		
	(a) Percentage owned ____ and (b) Owner's country ____		
	(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ____		
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐		
	If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during this tax year $ ____		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) ____		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) ☐		
	If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a) $		

Schedule K Other Information *(continued from page 4)*

		Yes	No
13	Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year **and** its total assets at the end of the tax year less than $250,000?	✓	
	If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during this tax year $ 0.00		
14	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		✓
	If "Yes," complete and attach Schedule UTP.		
15a	Did the corporation make any payments that would require it to file Form(s) 1099?		✓
b	If "Yes," did or will the corporation file required Form(s) 1099?		
16	During this tax year, did the corporation have an 80%-or-more change in ownership, including a change due to redemption of its own stock?		✓
17	During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?		✓
18	Did this corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than $1 million?		✓
19	During this corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		✓
20	Is the corporation operating on a cooperative basis?		✓
21	During this tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		✓
	If "Yes," enter the total amount of the disallowed deductions $		
22	Does this corporation have gross receipts of at least $500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3).)		✓
	If "Yes," complete and attach Form 8991.		
23	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during this tax year? See instructions		✓
24	Does the corporation satisfy one or more of the following? If "Yes," complete and attach Form 8990. See instructions		✓
a	The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than $30 million and the corporation has business interest expense.		
c	The corporation is a tax shelter and the corporation has business interest expense.		
25	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		✓
	If "Yes," enter amount from Form 8996, line 15 $		
26	Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties held directly or indirectly by the corporation, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the shareholders held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions		✓
	Percentage: By Vote _____ By Value _____		
27	At any time during this tax year, did the corporation (a) receive a digital asset (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? See instructions		✓
28	Is the corporation a member of a controlled group?		✓
	If "Yes," attach Schedule O (Form 1120). See instructions.		
29	Corporate Alternative Minimum Tax:		
a	Was the corporation an applicable corporation under section 59(k)(1) in any prior tax year?		✓
	If "Yes," go to question 29b. If "No," skip to question 29c.		
b	Is the corporation an applicable corporation under section 59(k)(1) in the current tax year because the corporation was an applicable corporation in the prior tax year?		✓
	If "Yes," complete and attach Form 4626. If "No," continue to question 29c.		
c	Does the corporation meet the requirements of the safe harbor method as provided under section 59(k)(3)(A) for the current tax year? See instructions		✓
	If "No," complete and attach Form 4626. If "Yes," the corporation is not required to file Form 4626.		
30	Is the corporation required to file Form 7208 relating to the excise tax on repurchase of corporate stock (see instructions):		
a	Under the rules for stock repurchased by a covered corporation (or stock acquired by its specified affiliate)?		✓
b	Under the applicable foreign corporation rules?		✓
c	Under the covered surrogate foreign corporation rules?		✓
	If "Yes" to either 30a, 30b, or 30c, complete Form 7208, Excise Tax on Repurchase of Corporate Stock. See the Instructions for Form 7208.		
31	Is this a consolidated return with gross receipts or sales of $1 billion or more and a subchapter K basis adjustment, as described in the instructions, of $10 million or more?		✓
	If "Yes," attach a statement. See instructions.		

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
	Assets	(a)	(b)	(c)	(d)
1	Cash		0.00		0.00
2a	Trade notes and accounts receivable	0.00			
b	Less allowance for bad debts	( )	0.00	( )	0.00
3	Inventories				
4	U.S. government obligations		See Attachment A		
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	( )	0.00	( )	0.00
11a	Depletable assets				
b	Less accumulated depletion	( )	0.00	( )	0.00
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	( )	0.00	( )	0.00
14	Other assets (attach statement)				
15	Total assets		0.00		0.00
	Liabilities and Shareholders' Equity				
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock: a Preferred stock				
	b Common stock		0.00		0.00
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach statement)				
25	Retained earnings—Unappropriated				
26	Adjustments to shareholders' equity (attach statement)				
27	Less cost of treasury stock		( )		( )
28	Total liabilities and shareholders' equity		0.00		0.00

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0.00	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest $	
2	Federal income tax per books	0.00			
3	Excess of capital losses over capital gains	0.00			0.00
4	Income subject to tax not recorded on books this year (itemize):	0.00	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):		a	Depreciation $	
a	Depreciation $		b	Charitable contributions $	
b	Charitable contributions $				0.00
c	Travel and entertainment $	0.00	9	Add lines 7 and 8	0.00
6	Add lines 1 through 5	0.00	10	Income (page 1, line 28)—line 6 less line 9	0.00

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 25)

1	Balance at beginning of year	0.00	5	Distributions: a Cash	0.00
2	Net income (loss) per books	0.00		b Stock	0.00
3	Other increases (itemize):			c Property	0.00
			6	Other decreases (itemize):	0.00
		0.00	7	Add lines 5 and 6	0.00
4	Add lines 1, 2, and 3	0.00	8	Balance at end of year (line 4 less line 7)	0.00

ATTACHMENT A

MONTECITO WATER DISTRICT FINANCING CORPORATION
JULY 1, 2024, THROUGH JUNE 30, 2025
EMPLOYER IDENTIFICATION NO.: 91-2003905

All the assets and income of the Taxpayer, Montecito Water District Financing Corporation, have been assigned to an independent financial institution, as trustee for the benefit of the holders of certificates of participation under one or more Trust Agreements.

The Taxpayer's liabilities match its assets, and the trustee keeps an accounting of the funds held for the benefit of certificate holders.

Page left intentionally blank.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-F**

DATE: **JANUARY 27, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER / BUSINESS MANAGER**

SUBJECT: **ADOPTION OF THE 2026 EMPLOYEE HANDBOOK**

RECOMMENDATION:

1. That the Board of Directors adopt the *2026 Employee Handbook*.

DISCUSSION:

The District regularly reviews and revises its Employee Handbook to ensure compliance with California law and to incorporate other changes as deemed appropriate by the Board of Directors. Attached to this memorandum is the proposed *2026 Employee Handbook*.

Changes in 2026 pursuant to new legislation:

- **Sections 5.9 Crime Victim Leave and 5.10 Domestic Violence, Sexual Assault, and Stalking Leave**

  Amended to reflect Senate Bill (SB) 406, effective January 1, 2026. Victims of domestic violence, sexual assault, stalking, or other qualifying acts of violence may use accrued sick leave when they must appear in court for jury service, to comply with a subpoena or court order as a witness, or to attend judicial proceedings related to a qualifying act of violence involving themselves or, in certain cases, an immediate or designated family member. The list of specified family member(s), designated person(s), and circumstances of leave has also been expanded.

- **Section 6.6 Anti-Harassment, Anti-Discrimination, Anti-Retaliation Policy**

  Amended to reflect changes to the California Fair Employment and Housing Act (FEHA), effective October 1, 2025. Employers are prohibited from using artificial intelligence and automated decision systems (ADS) or criteria that result in discrimination based on protected categories under FEHA.

Other proposed revisions to the handbook include the following:

- **Section 4.2 Family And Dependent Health Insurance Benefits**

  Updated to reflect the 2026 Maximum Contribution Cap For District Coverage of Dependent Health Insurance Premiums adopted by Resolution No. 2316 on November 18, 2025.

The proposed 2026 Employee Handbook has been reviewed with the assistance of District counsel, Walt Wendelstein of Wendelstein Law Group PC. Notice of the proposed revisions has been acknowledged by the Service Employees International Union, Local 620, and no further modifications have been requested.

ATTACHMENTS

1. Proposed *2026 Employee Handbook*

DRAFT

Employee Handbook

2026

Adopted by the Board of Directors on _____

TABLE OF CONTENTS

HANDBOOK INTERPRETATION 1

1 DISTRICT HISTORY AND INFORMATION 1

1.1 MISSION STATEMENT 2
1.2 VISION STATEMENT 2
1.3 CORE VALUES 2

2 INTRODUCTION TO EMPLOYMENT 2

2.1 WELCOME TO THE DISTRICT 2
2.2 OPEN DOOR POLICY 3
2.3 EQUAL EMPLOYMENT OPPORTUNITY 3
2.4 PRE-EMPLOYMENT PHYSICAL EXAMINATIONS 3
2.5 REHIRED EMPLOYEES 4
2.6 AUTHORIZATION TO WORK 4
2.7 DEFINITIONS 4
2.8 EMPLOYEE REFERENCES 5
2.9 HIRING PRACTICES AND APPLICATION PROCEDURES 5
2.10 ANNIVERSARY DATES 6
2.11 JOB PERFORMANCE REVIEW 6
2.12 PERSONNEL FILES 7
2.13 JOB DESCRIPTION 8
2.14 CLASSIFICATION STUDY REQUESTS 8
2.15 NOTICE OF CHANGES TO EMPLOYEE INFORMATION 8
2.16 SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620 (SEIU) 8
2.17 OUTSIDE EMPLOYMENT 8

3 HOURS, PAY PRACTICES AND BREAK TIME 9

3.1 NORMAL WORKING HOURS 9
3.2 OVERTIME 9
3.3 AFTER HOURS POLICY (ON-CALL AND OTHER PAY) 10
3.4 COMPENSATORY TIME 11
3.5 PAYDAY AND TIMESHEETS 12
3.6 REST AND MEAL BREAKS 12
3.7 LACTATION ACCOMMODATION POLICY 13
3.8 RESIDENCY 13

4 BENEFITS 13

4.1 EMPLOYEE HEALTH INSURANCE BENEFITS 13
4.2 FAMILY AND DEPENDENT HEALTH INSURANCE BENEFITS 14
4.3 FLEXIBLE SPENDING ACCOUNT & DEPENDENT CARE ACCOUNT 15
4.4 RETIREMENT PROGRAM 15
4.5 VACATION 16
4.6 HOLIDAYS 18
4.7 LONGEVITY PAY 18

4.8 COST OF LIVING ADJUSTMENT OF WAGES AND SALARIES (COLA) 18
4.9 WORKERS' COMPENSATION 19
4.10 CONTINUATION OF HEALTH COVERAGE (COBRA) 19
4.11 EMPLOYEE ASSISTANCE PLAN (EAP) AND OTHER WELLNESS BENEFITS 19
4.12 REIMBURSABLE ITEMS 19
4.13 CERTIFICATION INCENTIVE PAY 21
4.14 TEMPORARY PROMOTION 21

5 LEAVES OF ABSENCE 22

5.1 SICK LEAVE 22
5.2 FAMILY AND MEDICAL LEAVE 23
5.3 MILITARY LEAVE 25
5.4 MILITARY FAMILY LEAVE 26
5.5 PREGNANCY-RELATED DISABILITY LEAVE (PDL) 26
5.6 PERSONAL LEAVE OF ABSENCE 28
5.7 BEREAVEMENT LEAVE AND REPRODUCTIVE LOSS LEAVE 28
5.8 JURY/WITNESS DUTY 29
5.9 CRIME VICTIM LEAVE 29
5.10 DOMESTIC VIOLENCE, SEXUAL ASSAULT, AND STALKING LEAVE 30
5.11 RELIGIOUS OBSERVANCE LEAVE 30
5.12 TIME TO VOTE 31
5.13 OTHER LEGALLY REQUIRED LEAVES OF ABSENCE 31
5.14 GENERAL STATUS DURING UNPAID LEAVES OF ABSENCE 31
5.15 EARLY RETURN TO WORK PROGRAM 31
5.16 FITNESS-FOR-DUTY EXAMINATION 32

6 RULES OF CONDUCT 32

6.1 DISCIPLINARY ACTION 32
6.2 PERSONAL BUSINESS CONDUCT 35
6.3 DISTRICT PROPERTY 35
6.4 WORKPLACE VIOLENCE 36
6.5 PERSONAL APPEARANCE 36
6.6 ANTI-HARASSMENT, ANTI-DISCRIMINATION, ANTI-RETALIATION POLICY 37
6.7 COMPLAINT PROCESS 39
6.8 GRIEVANCE PROCEDURE 40
6.9 SAFETY PROGRAMS 42
6.10 INJURY AT WORK 42
6.11 EMERGENCY PREPAREDNESS 42
6.12 SAFE DRIVING PROGRAM 43
6.13 USE OF DISTRICT AND PERSONAL VEHICLES 44
6.14 CELLULAR PHONE, PDA, RADIO POLICY 45
6.15 SMOKE FREE ENVIRONMENT 45
6.16 VOICEMAIL, EMAIL AND TECHNOLOGY POLICY 45
6.17 RECORDING WITHOUT CONSENT POLICY 47
6.18 MERCHANDISING OR SOLICITING ON DISTRICT PREMISES 47
6.19 BULLETIN BOARD 47
6.20 PARKING FACILITIES 47
6.21 LOANS, ADVANCES, PERSONAL CHECKS 47

6.22 LUNCHROOM 47

7 SUBSTANCE ABUSE 47

7.1 PURPOSE OF POLICY 47
7.2 DEFINITIONS 48
7.3 EMPLOYEE ASSISTANCE 48
7.4 USE OF LEGAL DRUGS 48
7.5 PROHIBITED CONDUCT 49

8 TESTING FOR ILLEGAL DRUGS AND ALCOHOL 49

8.1 JOB APPLICANTS 49
8.2 TESTING OF EMPLOYEES 49

9 DISCIPLINARY GUIDELINES 51

9.1 CAUSES FOR TERMINATION 51
9.2 DISCRETION NOT TO TERMINATE 51
9.3 EFFECT OF CRIMINAL DRUG CONVICTION 52
9.4 EFFECT OF SECOND DRUG VIOLATION 52

10 SOCIAL MEDIA 52

10.1 KNOW AND FOLLOW THE RULES 53
10.2 BE RESPECTFUL 53
10.3 BE HONEST AND ACCURATE 53
10.4 POST ONLY APPROPRIATE AND RESPECTFUL CONTENT 54
10.5 USING SOCIAL MEDIA AT WORK 54
10.6 RETALIATION IS PROHIBITED 54
10.7 MEDIA CONTACTS 54
10.8 FOR MORE INFORMATION 54

11 ACKNOWLEDGMENT FORM 55

HANDBOOK INTERPRETATION

The Employee Handbook (Handbook) is intended to provide District employees with a general understanding of the Montecito Water District's (District) human resources policies, benefits, and rules. It is intended to familiarize employees with important information about the District as well as information regarding employee privileges and responsibilities. Although the Handbook does not constitute a contract of employment, it is important that employees read, understand, and follow the provisions of the Handbook.

The Handbook is updated annually. This version was adopted by the Board of Directors on "_____ _____" and replaces all prior versions of the Handbook. Consequently, the District reserves the right to add to, modify, or delete provisions, or the policies and procedures on which they may be based, at any time without advance notice. Employees will be made aware of any such revisions.

Employees may request a copy of the Handbook at any time and should retain a copy of the latest Handbook, including revisions for reference, and review it at least annually. Employees may contact the Business Manager to obtain current information regarding the status of any policy, procedure, or practice.

1 DISTRICT HISTORY AND INFORMATION

The Montecito Water District was formed in 1921 to serve an area presently containing approximately 9,900 acres (16 square miles) bounded by the Santa Ynez Mountains coastal range and the Pacific Ocean to the north and south and the City of Santa Barbara and the Carpinteria Valley to the west and east. The Water District is governed by a five-member Board of Directors, the members of which are elected by the registered voters of the District to staggered four-year terms. The District was formed for the purposes of furnishing potable water and is operated under the provisions of the County Water District Act found in Division 12 of the State of California Water Code.

The District operates water distribution and water treatment departments and provides administrative, engineering and business services to its customers. The District employs approximately 28 full-time personnel to operate and maintain its water system consisting of pumping stations, pressure control valves, ten reservoirs, over 110 miles of pipeline, and a State-registered dam. The District serves approximately 4,660 accounts of various water use classifications, of which 93% are residential.

The District obtains its water supplies from Jameson Lake, the Cachuma Project, the State Water Project, and the City of Santa Barbara, supported by the City's desalination facility. Lesser amounts are derived from groundwater pumping, Doulton tunnel infiltration, and two creek diversions in the upper reaches of the Santa Ynez River.

The District's mission, vision, and values form the foundation for the District's 2022 5-Year Strategic Plan (Strategic Plan) and are summarized below.

1.1 MISSION STATEMENT

The District's mission statement describes the District's function, service, customer base, and measures of excellence:

> "*to provide an adequate and reliable supply of high-quality water to the residents of the Montecito and Summerland communities, at the most reasonable cost.*
>
> *In carrying out this mission, the District places particular emphasis on providing outstanding customer service, conducting its operations in an environmentally sensitive manner, and working cooperatively with other agencies.*"

1.2 VISION STATEMENT

The District's vision statement provides a clear description of future objectives and was developed through the District's strategic planning process:

> "*to ensure long term sustainability through further development of local water resources and to be recognized in the community for our transparency, integrity, and dedication in providing high quality drinking water to our customers*."

1.3 CORE VALUES

The District's core values, as outlined in the Strategic Plan, guide its policy and actions and are shown below:

- EXCELLENCE: Striving to be "best in class" in all undertakings.
- DEPENDABILITY: Being steadfast in adhering to values and duties, day in and day out.
- QUALITY: Implementing the highest quality processes with the goal of achieving superior results.
- SAFETY: Meeting and exceeding standards, adhering to best practices, conducting all activities with personnel and public safety in mind.
- INTEGRITY: Being open, honest and ethical in all actions.
- PROFESSIONALISM: Being diligent, respectful and responsible in all activities.
- COLLABORATION: Listening and openly sharing ideas between personnel, customers, partnering organizations and others to achieve better decisions and outcomes.
- LEADERSHIP: Being proactive in protecting the interests of our customers and community.

2 INTRODUCTION TO EMPLOYMENT

2.1 WELCOME TO THE DISTRICT

The District's employees are a professional and dedicated team committed to creating a culture that is collaborative, innovative and integrous. Together, the team works together to provide a reliable

water supply and service; dedicated customer service and satisfaction; and sound financial management with transparency and community engagement.

Employees should take some time to read through the Handbook and become familiar with the District's expectations and policies. Questions should be directed to the Business Manager or General Manager.

Again, welcome to the District!

2.2 OPEN DOOR POLICY

The District promotes an atmosphere in which employees can talk freely with management. Employees are encouraged to openly discuss any concerns with their immediate supervisor so appropriate action may be taken. If the immediate supervisor cannot be of assistance, the Business Manager, Assistant General Manager or General Manager are available for consultation and guidance. The District is invested in the success and well-being of all of its employees.

2.3 EQUAL EMPLOYMENT OPPORTUNITY

It is the District's policy to provide equal employment opportunities for all employees and applicants for District employment. The District does not discriminate on the basis of race, natural hairstyles (including afros, braids, twists and locks), color, religious creed, sex (including pregnancy, childbirth, or related medical conditions), national origin, ancestry, age, physical or mental disabilities, medical conditions, veteran status, military service status, marital status, sexual orientation, gender identity or expression, citizenship status, genetic information, exercise of reproductive rights, use of cannabis away from the District and not during working hours, or any other basis prohibited by law including discrimination based on a combination of any of the aforementioned characteristics.

The District does not discriminate or retaliate against an employee who is the victim of a crime, i.e. against whom a "qualifying act of violence" has occurred. See Section 5.9 Crime Victim Leave and Section 5.10 Domestic Violence, Sexual Assault, And Stalking Leave for more information.

The District also makes reasonable accommodations for disabled employees. Finally, the District prohibits the harassment of any individual on any legally prohibited basis.

This policy applies to all areas of employment, including recruitment, hiring, training, promotion, compensation, benefits, transfer, and social and recreational programs. The District shall not rely on salary history to determine a potential hire's salary. It is the responsibility of management and every employee to follow this policy.

Further information about the District's policies prohibiting unlawful discrimination and harassment, and the District's internal procedures for addressing complaints of harassment or discrimination are detailed in later sections of this Handbook.

2.4 PRE-EMPLOYMENT PHYSICAL EXAMINATIONS

As a condition of employment, all applicants to whom offers of employment have been made will be required to take a job-related physical examination, which will be paid for by the District.

The purpose of the examination is to determine that the selected applicant is medically fit to perform the essential functions of the job, with or without reasonable accommodation. The examination is conducted by a licensed medical practitioner, and no medical information will be reported to the District beyond the determination of fitness to perform the essential functions of the particular job. In general, an applicant will not be refused employment unless the examination indicates an inability to perform the essential functions of the job in question, with or without reasonable accommodation.

The District will also pay for physical examinations required by law for the licensing of employees if such licensing of employees is required by the District.

2.5 REHIRED EMPLOYEES

Employees who separate from District employment and are then rehired may recoup their past service credit for purposes of vacation accrual, at the District's discretion under the following conditions:

A. Employees may be absent from District service no more than three consecutive years; and

B. Employees must have left District service in good standing and their last two job performance review ratings prior to leaving District service must have been satisfactory or above.

Employees who separate from District employment and then are rehired are considered the same as a new employee for purposes of sick leave, health care benefits and compensation.

2.6 AUTHORIZATION TO WORK

All offers of employment are contingent on verification of authorization to work in the United States. The employee will be required to provide original documents verifying the employee's right to work and to sign a verification form (I-9) as required by federal law on acceptance of the District's offer of employment.

2.7 DEFINITIONS

A. *Board of Directors* – The governing body of the District consisting of five directors publicly elected pursuant to California Water Code Sections 30700-30831 and exercising those powers granted pursuant to California Water Code Sections 31000 – 31088.

B. *Date of Hire* – The first day of work with the District shall be an employee's date of hire.

C. *Department Managers & Superintendents* – Department Managers and Superintendents include the Assistant General Manager/Engineering Manager, Business Manager, Water Distribution Superintendent, and Treatment/Production Superintendent.

D. *Full-Time Employee* - An employee who is regularly scheduled to work 40 hours per week. Qualified full-time employees are eligible for all District benefits as provided in this Handbook or in the applicable insurance plan documents.

E. *General Manager* – The executive director of the District appointed by the Board of Directors and responsible for the day-to-day operations and management of the District as outlined in California Water Code Sections 30580 and 30581.

F. *Introductory Employee* – An employee in their first 365 days of employment, re-employment or in a new position with the District is defined as an Introductory Employee.

G. *Introductory Period* - The first 365 days of employment for each new employee, former employee who is rehired, or a promoted employee is considered an Introductory Period for the employee. The employee will be closely observed by their Department Manager and/or Superintendent during this time. This period is also intended to give the new employee an opportunity to study the District, its jobs, methods, etc., to determine if the employee has made a proper choice in working for the District.

H. *Regular Employee* - An employee who is hired by the District through established hiring practices and who successfully completes the Introductory Period will be considered a Regular Employee, subject to the recommendation of the employee's Department Manager and/or Superintendent.

I. *Part-Time Employee* - An employee who is regularly scheduled to work at least 20 hours per week, but less than 40 hours per week. Part-time employees are eligible for District benefits on a pro-rata basis.

J. *Temporary Employee* - An employee who is working at the District for a specified duration, and for a specified purpose. Temporary Employees do not accrue vacation or participate in PERS and are not eligible for other District or insurance benefits, with the exception of sick leave accrual as provided in this Handbook. Temporary Employees who work full time are limited to a period of six months or 1,000 hours or 125 days in a fiscal year.

Exempt or non-exempt status of employment is determined pursuant to state and federal law. Employees will be informed of their exempt or non-exempt status when they are offered the job. Exempt employees by definition are exempt from earning overtime compensation. Exempt Employees include the General Manager, Assistant General Manager/Engineering Manager, the Business Manager and Groundwater Specialist.

2.8 EMPLOYEE REFERENCES

The Business Manager or their designee will respond to all requests for employee references. No other Department Manager and/or Superintendent or employee is authorized to release references for current or former employees.

The District's policy in providing references for current and former employees of the District is to disclose only the employee's title and dates of employment. Verbal inquiries will be discouraged.

2.9 HIRING PRACTICES AND APPLICATION PROCEDURES

When the District has an open position, consideration will be given to internal promotions when feasible. The District may also turn to the outside employment market, using applications on file, advertising, or other resources as determined appropriate by the District.

Relatives of present employees will not be eligible for District employment. "Relatives" are defined as spouses, children, stepchildren, sisters, sisters-in-law, brothers, brothers-in-law, mothers, mothers-in-law, fathers, and fathers-in-law. Active employees who marry, or who become related by marriage, will be permitted to continue employment with the District only if they do not work in a direct supervisory relationship with one another, or if the relationship poses difficulties for supervision, security, safety or morale. If employees who marry, or who become related by marriage, do work in a direct supervisory relationship with one another, the District will attempt to reassign one of the employees to another position for which they are qualified, if such a position is available. If such a position is not immediately available, reassignment shall occur as soon as possible after such a position becomes available.

2.10 ANNIVERSARY DATES

Each employee has an anniversary date which is used to determine eligibility for certain non-paid and paid benefits. Unless modified below, an employee's anniversary date is their date of hire, which coincides with their first day of their Introductory Period.

A. Unpaid Leave of Absence (see Section 5): If an employee takes a District-authorized leave of absence during the Introductory Period, both their anniversary date and the end of their Introductory Period shall no longer coincide with the date of hire but rather become the end of the first 365 days of continuous active employment.

B. Vacation or Longevity Pay (see Section 4.5 and Section 4.7): For purposes of computing vacation and longevity pay allowances, the employee's anniversary date will be the employee's date of hire.

C. Performance Review (see Section 2.11): If, at the end of the Introductory Period, the employee is certified as a Regular Employee, which may include a salary increase, the effective date of such regular employment shall remain the employee's anniversary date for annual performance review purposes.

D. Promotional Reclassification (see Section 4.14): When an employee receives a promotional reclassification, the effective date of that reclassification becomes the anniversary date for performance review purposes. If, at the end of the promotional reclassification Introductory Period, the employee is certified for regular employment, which may include a salary increase, the effective date of the reclassification shall remain the anniversary date for annual performance review purposes.

   If, at the end of the promotional reclassification Introductory Period, the employee is *not* certified for regular employment in the new classification and reverts to the prior classification, the anniversary date for performance review purposes also reverts to the previous anniversary date.

2.11 JOB PERFORMANCE REVIEW

A. The District will strive to review employees' job performance approximately two weeks before their anniversary date. If job performance is satisfactory, the employee may be eligible for a salary increase based on the recommendation of the Department Manager and/or

Superintendent and approved at the discretion of the General Manager, effective on the anniversary date.

B. If a salary increase is recommended and approved by the General Manager, a one-step increase will be normal. An increase greater than normal will require the approval of the Board of Directors.

C. Although the time interval for job performance reviews is relatively standard, after the Introductory Period has been completed, job performance reviews may take place at any time as decided upon by the employee's Department Manager and/or Superintendent.

D. An employee's Department Manager and/or Superintendent will perform a job performance review approximately at the end of the first 365 days of continuous District employment (Introductory Period), for the purpose of giving a new employee and that employee's Department Manager and/or Superintendent an opportunity to review performance before the Introductory Period ends and for the purpose of any salary adjustment deemed appropriate.

E. If, at any time during the employee's Introductory Period, the employee's Department Manager and/or Superintendent conclude that the employee's performance will not meet the District's standards, the Department Manager and/or Superintendent has the right and the obligation to recommend to the General Manager the termination of the employee.

2.12 PERSONNEL FILES

A. Personnel files maintained for an employee by the District will be made available to that employee and/or their authorized representative upon request and by appointment during normal working hours. The employee and/or their authorized representative will be shown all contents of their personnel file except those materials designated confidential by law. Copies will be provided to the employee and/or their authorized representative upon their request. At no time may an employee remove or alter an original personnel record.

B. No material relating to performance appraisal or disciplinary action shall be placed in the personnel file without the employee first being given an opportunity to read such material and attach a reply if the employee desires, which shall remain with said material.

C. Employees shall have the right to have commendations placed in their file upon request.

D. An employee is free to submit a written response to any disputed item(s) in their personnel file within fifteen (15) working days of the employee receiving a copy of or otherwise becoming aware of any such disputed items. Any written response will become part of the employee's personnel file.

E. The District restricts the release of any personnel information to outside sources. However, when required by law, the District will cooperate with authorized local, state or federal agencies that request information.

2.13 JOB DESCRIPTION

The District maintains job descriptions for each classification which describe the minimum requirements, duties, and other information pertinent to the classification. Copies of job descriptions may be obtained from the Business Manager.

2.14 CLASSIFICATION STUDY REQUESTS

The District performs a review of employee classifications and job duties and prepares a Compensation Study of all positions on a periodic basis. If an employee believes their position is misclassified, that employee may request Management review the classification of their position. The request must be in written form and submitted through the employee's Department Manager and/or Superintendent. Recommendations of the Department Manager and/or Superintendent regarding the request will be written and submitted to the General Manager within thirty (30) calendar days of the date of the request. The General Manager will return a written determination to the Department Manager and/or Superintendent and to the employee within sixty (60) calendar days. An employee may submit such a written reclassification request no more often than once in two (2) years.

2.15 NOTICE OF CHANGES TO EMPLOYEE INFORMATION

Each employee is responsible for informing the Business Manager immediately of any changes of address, telephone number(s), emergency contacts, and, when applicable to employee benefits, changes in marital status, number of dependents and insurance beneficiary designation.

With the exception of qualifying events, changes in insurance benefits options must be submitted by the employee in writing during Open Enrollment, which typically occurs in or around October and/or November of each year.

Employees are responsible for contacting the Business Manager to determine the method and time limitations for adding a newborn child, spouse or other eligible dependent to the employee's insurance coverage and submitting all necessary paperwork in a timely manner.

2.16 SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620 (SEIU)

On June 28, 2022, the District executed a Memorandum of Understanding (MOU) with Service Employees International Union, Local 620 (SEIU) for the period of July 1, 2022, through June 30, 2027. Pursuant to the MOU, SEIU represents a portion of the District's employees dependent upon the position and classification. All provisions included in the MOU supersede any similar provision in this Employee Handbook for SEIU represented employees. Any provision included in this Employee Handbook that is not included in the latest District Board-approved MOU is applicable to all District employees including SEIU represented employees. Employees may request a copy of the latest MOU from the Business Manager.

2.17 OUTSIDE EMPLOYMENT

Employees must notify the General Manager or their designee in writing of all contemplated or existing outside employment. Outside employment is prohibited where a conflict of interest, or the

appearance of a conflict of interest, may exist between the outside employment and the employee's District employment, or where such employment would impair employees' effectiveness or ability to perform their assigned job duties.

3 HOURS, PAY PRACTICES AND BREAK TIME

3.1 NORMAL WORKING HOURS

Unless authorized by the General Manager, normal working hours consist of an eight (8) hour day scheduled as follows:

A. Distribution, Treatment and Engineering Departments – 7:30 a.m. to 4:00 p.m. with a half-hour (30-minute) lunch break.

B. All other employees (which includes all employees not in the Distribution, Treatment and Engineering Departments) – 8:00 a.m. to 5:00 p.m. with a one (1) hour lunch break, to be taken, to the extent practicable, between 12:00 p.m. to 1:00 p.m.

3.2 OVERTIME

The District is subject to the United States Fair Labor Standards Act [29 U.S.C. §201, et seq.] for purposes of overtime payment to non-exempt employees. Overtime applies to work in any of the following conditions:

A. Work in excess of 40 hours in any work week.

B. Work performed on a District-recognized holiday. A holiday is defined as the 24-hour period beginning at 7:30 a.m. on any day included in the District's official list of paid holidays as provided in Section 4.5 of this Handbook.

C. All paid leave time shall be considered as hours worked for the purposes of computing overtime pay.

Unless otherwise noted, the work week begins at 12:01 a.m. Saturday and ends at 12:00 midnight Friday. Additionally, weekend days (for all positions except the Dam Caretaker) are designated as the hours from 7:30 a.m. on Saturday to 7:30 a.m. on the following Monday. For the Dam Caretaker position, weekend days are designated as the hours from 7:30 a.m. on Thursday to 7:30 a.m. on the following Saturday.

Occasionally, an employee may be required to work overtime at the District's request. Overtime may not be worked without the prior approval from the employee's Department Manager and/or Superintendent. If an employee does work overtime, the employee will receive pay at the rate of one and one-half (1.5) times their regular rate, unless otherwise required by law.

Because unauthorized overtime is against District policy as stated above, employees who work unauthorized overtime are subject to discipline, up to and including possible termination.

The employee's overtime must be recorded on their timesheet and is subject to the approval of the employee's Department Manager and/or Superintendent. Employees are required to record all

hours worked on their timecard, and failure to do so may result in disciplinary action up to and including termination of employment.

If an employee is called out for emergency work after the completion of a regular shift and works at least two (2) hours and up to five (5) hours between the hours of 11:00 p.m. and 7:30 a.m. and the subsequent day is a regular work day, the employee will be allowed an equal amount of straight paid time off between two (2) and five (5) hours at the beginning of the next regularly scheduled shift to rest before reporting to work. If an employee works less than two (2) hours between the hours of 11:00 p.m. and 7:30 a.m., the employee must still return to work at their normal start time of their next regular shift.

If an employee is called out for emergency work after the completion of a regular shift and works more than five (5) hours between the hours of 11:00 p.m. and 7:30 a.m. and the subsequent day is a regular workday, the employee will be given eight (8) hours of straight paid time off to rest during the following regularly scheduled shift.

3.3 AFTER HOURS POLICY (ON-CALL AND OTHER PAY)

"On-call" is defined as an employee making oneself available to work outside of normal working hours if called upon. The on-call policy applies to the following Departments:

Distribution Department

Distribution department employees may be assigned on-call duty by the Distribution Superintendent to respond to reported customer or water system-related matters during times other than normal working hours. Such on-call duty will be in accordance with procedures designated by management.

For weeknights, the on-call duty employee will be paid a minimum of one (1) hour of overtime pay per day. For weekend days and District-observed holidays the on-call duty employee will be paid a minimum of two (2) hours of overtime pay per day.

If contacted by phone during on-call duty, the employee will record all time spent on the call and any related tasks that are performed both remotely and on-site by the employee. In addition to the on-call time paid for weekdays (1 hour per day) and weekends (2 hours per day), the employee will also be compensated for the actual time spent on the call and performing any related tasks.

On-call duty begins on Friday at 4:00 p.m. and ends on the following Friday at 7:30 a.m. If a holiday is observed on a Friday, the current on-call duty employee will go off on-call duty and the next assigned on-call employee will take over on-call duty on Friday at 7:30 a.m.

Treatment Department

Treatment department employees may be assigned to on-call duty by the Treatment/Production Superintendent to respond to water treatment plant, reservoir, groundwater well, pump station or other water system related matters during times other than normal working hours. Such on-call duty will be in accordance with procedures designated by management.

For weeknights, the on-call duty employee will be paid a minimum of one and a half (1.5) hours of overtime pay per day. For weekend days and District-observed holidays, the on-call duty employee will be paid a minimum of two and a half (2.5) hours of overtime pay per day. This overtime includes

one half hour (30 minutes) of time required to remotely monitor and manage SCADA outside normal working hours.

If contacted by phone or required to travel to a District facility in response to a call during on-call duty, the employee will record all time spent on any tasks that are performed on site by the employee. In addition to the on-call time paid for weekdays (1 hour per day) and weekends (2.5 hours per day), the employee will be compensated for the actual time spent on the call and performing any related tasks.

The California Department of Drinking Water (DDW) requires the staffed operation of the Bella Vista Treatment Plant 7 days a week. The Treatment department employee designated as the on-call duty Operator is responsible for operating and monitoring the treatment plant and other designated facilities for an 8-hour day shift on weekend days (Saturday and Sunday). The on-call duty Operator who worked the weekend will be scheduled to work three (3) days the following week (Monday through Wednesday) and will be scheduled off the subsequent Thursday and Friday.

On-call duty begins on a Monday at 4:00 p.m. and ends on the following Monday at 7:30 a.m. If a District holiday is observed on a Monday, the on-call Operator will remain on-call until Tuesday at 7:30 a.m. When the on-call duty Treatment department employee must work on a District-paid holiday, the employee will be permitted to take a different day off as scheduled by the Treatment/Production Superintendent within the following week.

Engineering Department

Engineering department employees may be assigned to on-call duty by the Assistant General Manager/Engineering Manager to provide emergency notifications to customers, such as in the event of water main breaks outside of normal working hours as specified in Section 3.1. This on-call duty applies to all hours outside of Normal Working Hours except from 10:00 p.m. to 6:00 a.m. when water use is minimal.

For weeknights, the on-call duty employee will be paid one half (0.5) hour of overtime pay per day. For weekend days and District-observed holidays, the on-call duty employee will be paid one (1) hour of overtime pay per day.

If contacted by email or phone during on-call duty, the employee will respond and provide electronic notifications of temporary water shutoff and restoration of water service to all affected customers within a reasonable timeframe. In addition to the on-call time paid for weekdays (0.5 hours per day) and weekends (1 hour per day), the employee will also be compensated for the actual time spent on the call and performing any related tasks. All additional on-call time must be approved in advance by the Assistant General Manager/Engineering Manager.

3.4 COMPENSATORY TIME

Non-exempt employees may accrue compensatory time off in lieu of payment of overtime if the employee and their Department Manager and/or Superintendent agree, in writing, to such compensation prior to the performance of the overtime work. Compensatory time off shall be accrued at the rate of one and one-half (1.5) hours of compensatory time off for each hour of overtime worked to a maximum accrual amount of 40 hours. Accrued compensatory time is to be

used within thirty (30) calendar days of accrual and must be approved by the employee's Department Manager and/or Superintendent. Accrued compensatory time which is not used within thirty (30) calendar days of accrual will be paid to the employee at the employee's regular rate of pay. In the event of a District emergency, an employee's compensatory time may be cancelled, and may be rescheduled subject to staffing needs.

3.5 PAYDAY AND TIMESHEETS

There are twenty-six (26) pay periods per calendar year. Payroll periods end every other Friday with paychecks issued or directly deposited on or before the following Monday. If the normal payday falls on a holiday, paychecks will be issued or directly deposited on the following business day.

All timesheets are entered electronically through the District's time entry system. Employees shall record all hours worked into the time entry system. Time spent on various jobs must be recorded daily. Employees should also enter all vacation time, sick leave, holidays, and all other absences from work on an employee's time record for accurate District record keeping. Once the employee enters their time and verifies that the information is correct, the timesheet is electronically submitted to their Department Manager and/or Superintendent for approval. The employee's Department Manager and/or Superintendent will review and approve the submitted timesheet electronically and send it to payroll for processing. To meet the pay schedule, it is necessary to provide the Business Department with accurate time records on schedule. Time records are to be submitted each second Wednesday by 5:00 p.m., or as modified by the Business Manager.

Employees should carefully review their paychecks to ensure correct payment for the time worked per pay period. Any questions concerning payroll or one's paycheck should be brought to the immediate attention of the employee's Department Manager and/or Superintendent.

The District does not pre-pay paychecks for employees who resign or retire from the District, or for employees who would like their paycheck prior to going on leave or vacation. In accordance with California Law, the District does pre-pay paychecks for employees whose employment with the District is terminated.

3.6 REST AND MEAL BREAKS

Non-exempt employees are required to take a rest break of at least ten (10) minutes, and not more than fifteen (15) minutes, for every four (4) hours worked. As far as practicable, the employee shall take their rest period within the middle of each 4-hour period.

Non-exempt employees who work more than five (5) hours in a day are entitled to take one unpaid meal period of at least thirty (30) minutes and no more than sixty (60) minutes as scheduled by the employee's Department Manager and/or Superintendent and defined in Section 3.1. The meal break should be taken around the middle of the employee's shift. For those employees not in the Distribution, Treatment and Engineering Departments, the meal break should, as far as practicable, be taken from 12:00 p.m. to 1:00 p.m. unless the employee's Department Manager and/or Superintendent has approved otherwise. Non-exempt employees who work more than ten (10) hours in a day may take a second unpaid thirty (30) minute meal period.

Rest and meal breaks should be coordinated with the employee's Department Manager and/or Superintendent so that the work of the department is not impeded. Rest breaks shall not be used to extend lunch hours and are not to be used in place of meal breaks. Employees cannot use rest or meal breaks to arrive late to work or leave work early. Employees must notify their Department Manager or Superintendent if they are unable to take their rest or meal break under this policy.

Exempt employees should take rest and meal period as needed, and schedule these breaks consistent with the employee's work responsibilities.

An employee in violation of this rest and meal break policy may be subjected to disciplinary action.

3.7 LACTATION ACCOMMODATION POLICY

District employees have the right to request lactation accommodation to the Business Manager and to receive a response thereto and may file a complaint with the State's Labor Commissioner for any violation of the state's Lactation Accommodation law. The District will provide a reasonable amount of break time and a secure, non-bathroom, private environment consistent with state law to any female employee desiring to express breast milk for her infant child. Wherever possible, the break time must run concurrently with any break time already provided to the employee and in such circumstances will be paid.

3.8 RESIDENCY

Employees who are assigned on-call duty to respond to customer or water system-related matters are required to reside within an approximately 35-mile radius from the District's service area during on-call duty and must respond to all customer reported or water system related matters within approximately 45 to 60 minutes once notified or as soon as reasonably practicable thereafter.

4 BENEFITS

4.1 EMPLOYEE HEALTH INSURANCE BENEFITS

The District provides health insurance benefits, including medical, dental care, vision care, life insurance and disability insurance, to all eligible Introductory and Regular full-time and part-time employees. Introductory Employees become eligible for health insurance benefits on the first day of the month following their first day of employment, consistent with the terms of the District's health insurance plans. The District reserves the right to modify, revise, eliminate or add to the health insurance benefits discussed in this Handbook, and will inform employees of any such changes.

Eligible retired employees will be provided with medical insurance. For an explanation of medical insurance benefits provided to eligible retirees, refer to Section 4.4 Retirement Program.

The information provided below is based on the insurance benefits in effect at the time this Handbook was adopted by the Board of Directors. The amount of the benefit premiums paid by the District may be changed at the discretion of the District and will be in accordance with the District's current Group Medical and Non-Medical Plans reviewed and approved by the Board of Directors on an annual basis.

See the Business Manager or their designee for information about current insurance benefits, employee contribution requirements, to get a copy of an insurance plan document, or other information regarding health insurance benefits.

A. Medical Insurance – The District will pay 100% of the medical insurance premium for regular full- and part-time employees who work a minimum of 20 hours per week and are enrolled in an ACWA/JPIA Medical Insurance Plan. Enrollment is required for all District employees.

   i. The District pays a portion of the premium payment for dependent health coverage if elected by the eligible employee. Refer to Section 4.2 Family and Dependent Health Insurance Benefits for more information.

B. Dental Insurance – The District pays 100% of the dental premium for all eligible employees. Eligible employees may elect to enroll dependents and are responsible for any additional premium not covered by the contribution cap described above.

C. Vision Insurance – The District pays 100% of the vision premium for eligible employees. Eligible employees may elect to enroll dependents and are responsible for any additional premium not covered by the contribution cap described above.

D. Life Insurance – The District pays the premium for $50,000 Life and Accidental Death & Dismemberment (AD&D) coverage for all eligible employees for as long as the employee is employed with the District. The employee may apply for Supplemental Life Insurance at the employee's expense as permitted by the District's plan.

E. Short-Term Disability Insurance – The District provides, at no cost to eligible employees, short-term disability insurance. This benefit provides compensation for a non-work-related disability. Benefits begin after 14 days of absence due to a disability (as provided by the plan) and end after 180 days.

F. Long-Term Disability Insurance – The District provides, at no cost to eligible employees, long-term disability insurance. This benefit provides compensation for a non-work-related disability. Benefits begin after 180 days of absence due to a disability as provided by the plan.

4.2 FAMILY AND DEPENDENT HEALTH INSURANCE BENEFITS

The District offers dependent coverage on a voluntary basis to all full- and part-time employees who wish to enroll dependents in the District's health insurance plans, including medical, dental, vision.

The employee is responsible for any premium amount for dependent coverage beyond the District's maximum contribution cap of:

A. $794~~$676~~/month ~~or $312 per pay period~~ for ~~2~~ two-party coverage (employee + 1); and

B. $1,349~~$1,117~~/month ~~or $515.54 per pay period~~ for family coverage (employee + family).

4.3 FLEXIBLE SPENDING ACCOUNT & DEPENDENT CARE ACCOUNT

The District offers a Section 125 Flexible Spending Account (FSA) and Dependent Care Account (DCA), which allow employees who work 20 or more hours per week to set aside pre-tax funds for dependent care expenses and non-covered health care expenses.

A. Flexible Spending Account (FSA): This plan allows the employee to set aside pre-tax funds for healthcare expenses which are not covered by the health plans (such as deductibles, copays, eyeglasses, etc.). The employee may elect an annual contribution to be deducted from their bi-weekly paycheck on a pre-tax basis. Reimbursement and forfeiture rules are governed by the IRS.

B. Dependent Care Account (DCA): This plan allows the employee to set aside pre-tax funds for a variety of care-related expenses for qualified dependents (such as before and after school care for children 12 years and younger, custodial care for dependent adults, licensed day care, late pick-up fees, and summer or holiday camps). The employee may elect an annual contribution to be deducted from their bi-weekly paycheck on a pre-tax basis. Qualification guidelines for eligible Dependents are specified by the plan provider.

The maximum allowed annual contribution to FSAs and DCAs are governed by the IRS and subject to annual updates.

4.4 RETIREMENT PROGRAM

A. California Public Employees Retirement System (CalPERS) – All eligible District employees are required to participate in CalPERS.

   i. Employees hired before 07/01/2013 without a break in service of greater than six months are included in the 2% @ 55 CLASSIC Plan #73.

   ii. Employees hired on or after 07/01/2013 are included in the 2% @ 62 PEPRA Plan #26040.

   For both the CLASSIC and PEPRA plans, the District contributes the CalPERS Employer Rate and employees contribute the Employee Rate. Both rates are set by CalPERS. Employee CalPERS contributions are tax deferred. More information about vesting schedules and eligibility can be found on the CalPERS website or plan materials.

B. Social Security System – The District participates in the Social Security System. To finance the Social Security Program, deductions are made from the employee's earnings and matched by equal payment from the District. Social Security benefits are in addition to, and integrated with, the District's retirement program.

   An employee may begin collecting Social Security at a reduced rate as early as age 62. Disability and death benefits are also a part of the Social Security System. An employee is eligible for coverage under Medicare and may be covered at the Medicare-eligible age of 65, not contingent on employee retirement.

C. 457 Deferred Compensation Plans – A 457 Deferred Compensation Plan is a supplemental retirement savings program to which employees make contributions on a pre- and post-tax basis. Employees are eligible to participate in the plan on their first day of

employment. Employees may contribute a percentage or specified amount of their wages subject to the limits specified by the IRS. The District does not provide any amount of match towards an employee's participation in District-offered 457 Deferred Compensation Plans. Employees may enroll in the plan(s) of their choice from providers contracted with the District.

D. Retiree Health Insurance Coverage

i. Employees hired on or before June 30, 2013:

Health insurance benefits are provided by the District to eligible retired employees, subject to the following criteria:

- An eligible employee shall have an effective date of full-time District employment on or before June 30, 2013;
- Have attained the age of 60, and completed a minimum of twelve (12) continuous years of District employment/service;
- Be receiving a monthly retirement benefit from CalPERS, and
- Is one whose final employment immediately prior to receiving the CalPERS monthly retirement benefit was with the District.

For eligible retirees under the Medicare-eligible age who obtain another medical plan, the District will pay up to the amount of one-party coverage on the District's current HMO medical insurance health plan at the level it would pay if the retiree were an active employee.

All eligible retirees of Medicare-eligible age must enroll in Medicare Parts A and B.

For eligible retirees of Medicare-eligible age and older, the District will pay all of the premium for a designated Medicare supplement one-party policy, up to a maximum amount not to exceed the lowest priced Medicare supplemental plan offered by the District's current health care provider each policy period.

All eligible retirees may elect to cover qualifying dependents upon retirement at the retiree's cost. Surviving spouse and/or dependents of eligible retirees are eligible for COBRA. See the Business Manager or their designee for additional information.

ii. Employees hired on or after July 1, 2013:

For all District employees hired on or after July 1, 2013, retiree health insurance coverage will not be provided or available from the District.

4.5 VACATION

The District provides employees with paid vacation and encourages employees to take their vacation time on an annual basis.

All Regular and Introductory full-time employees accrue paid vacation time each pay period based on the following annual accrual rates:

YEARS OF SERVICE	VACATION ENTITLEMENT
0 – 5	12 working days (96 hours)
6 – 10	18 working days (144 hours)
11+	19 to 27 working days; 1 additional day for each added year up to a maximum of 27 days (152 – 216 hours)

Regular and Introductory part-time employees working at least twenty hours per week are entitled to paid vacation on a pro-rata basis.

The maximum amount of vacation benefits that an employee may accrue is the amount equal to one and one-half (1.5) times the employee's annual vacation accrual rate. When an employee has accrued the maximum amount of vacation time, no further vacation will accrue until the employee uses some portion of the maximum amount or becomes eligible for additional vacation time accrual because of the employee's years of service. When an employee uses vacation benefits so that the employee's accrued but unused vacation benefits fall below the maximum, or when an employee is entitled to accrue additional vacation benefits, the employee will resume earning vacation benefits from that date forward until the employee again has accrued the maximum amount.

Accrued vacation time may be used, subject to the staffing needs of the District. Consideration will be given to employee seniority. Employees will not receive any compensation for time missed if they have no accrued vacation time to use. The District considers vacation time essential to health and morale, and therefore employees should attempt to take vacation time in the year in which it is accrued.

An employee may cash out up to a maximum of 120 hours of accrued vacation time, once per calendar year, provided the employee has no less than 80 hours remaining following the cash out.

Should an employee be absent due to illness at the time of a scheduled vacation, the employee may change the vacation to a later authorized date which will not conflict with District staffing needs, as determined by the employee's Department Manager and/or Superintendent. If an employee becomes sick during an authorized vacation, the employee with the notification to and approval of the Employee's Department Manager and/or Superintendent, may use accrued sick time, and take the balance of vacation at a subsequent date so long as it does not conflict with District staffing needs, as determined by the employee's Department Manager and/or Superintendent. The Department Manager and/or Superintendent or the General Manager may require verification of this illness from a doctor.

Should an employee resign or be terminated before having used the vacation time that has been accrued, the employee will receive payment for any unused portion of the vacation time which has accrued up to the date of resignation or termination. The District will not grant termination pay.

Vacation leave shall accrue during any authorized paid leave of absence but not during unpaid leaves of absence.

4.6 HOLIDAYS

The District observes the following paid holidays: New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving Day, and Christmas Day.

If any of the above holidays fall on a Saturday, the preceding Friday will be observed as the holiday. Holidays falling on Sunday will be observed on the following Monday.

If Christmas Eve and New Year's Eve falls on a weekday, the General Manager has the authority to permit half the District employees to take off a half day on Christmas Eve and the other half to take off a half day on New Year's Eve.

In lieu of other Federal, state, or local designated holidays, employees will receive four (4) Personal Leave days. District offices will remain open and staffed on all Federal, State or Local designated holidays not listed above.

Two Personal Leave days will be entered on each employee's account on the first day of Pay Periods #1 and #14 (January and July, respectively). Personal Leave days should be used prior to using vacation days and should be scheduled in advance, subject to approval of the employee's Department Manager and/or Superintendent.

4.7 LONGEVITY PAY

Longevity Pay rate increases are granted to an employee following their 8th, 14th, 20th and 26th year of continuous service with the District.

CONTINUOUS YRS OF SERVICE	LONGEVITY PAY INCREASE
8	2.5%
14	2.5%
20	2.5%
26	2.5%

4.8 COST OF LIVING ADJUSTMENT OF WAGES AND SALARIES (COLA)

Overall Cost of Living Adjustments (COLAs) to wages and salaries are at the discretion of the Board of Directors and are generally considered with each new budget year. Generally, an approved COLA becomes effective with the first full pay period on or after July 1st of each year. For non-union represented employees, the cost-of-living adjustment (COLA) is based on the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim, CA report for the 12-month period ending on March 31.

Union-represented employees may reference the current Memorandum of Understanding for COLA information.

4.9 WORKERS' COMPENSATION

Workers' Compensation insurance is provided by the District at no cost to employees to cover work-related illnesses and injuries.

Workers' Compensation temporary disability payments commence at a time specified by State Law. The disability compensation rate is a proportion of the employee's average weekly earnings as stipulated by State Law.

Available accrued sick leave will be applied to the remaining portion of the employee's weekly earnings so that the total of the disability compensation and paid sick leave will equal straight time pay for the regularly scheduled working hours during that pay period. The application of sick leave will be in effect only to the extent that an employee has available accrued sick leave.

All work-related illnesses, injuries or accidents must be reported immediately to the employee's Department Manager and/or Superintendent. A release to return to work from the employee's treating health care practitioner is necessary if the employee is off work for more than five consecutive days. See Section 5.15 for more information about the District's Early Return to Work Program.

4.10 CONTINUATION OF HEALTH COVERAGE (COBRA)

The District complies with the requirements of COBRA, enacted by Federal law, regarding continued insurance coverage in the event of separation of employment or other qualifying events. See the Business Manager for more details.

4.11 EMPLOYEE ASSISTANCE PLAN (EAP) AND OTHER WELLNESS BENEFITS

The District pays for a comprehensive EAP and other benefits to provide employees and their family members with a wide range of no-cost support services and wellness resources. These services are designed to help the employee and members of the employee's household to resolve personal problems that may interfere with work or home life. These benefits also serve to enhance the quality of work-life-balance for the employee and their family. Contact the Business Manager for the full Employee Benefits Program.

4.12 REIMBURSABLE ITEMS

A. Reimbursement for Certification, Registration or Licensing Examinations – Certain employees are required to be formally certified, registered or licensed to perform their job, e.g., certification for Water Distribution and Treatment Operators or registration for Civil Engineers. The District will reimburse an employee for the cost of the successfully completed examination and the related certification renewal costs. The District will also pay for physical examinations required by law for the job-required certification, registration, or licensing of employees. The reimbursement provided for in this section does not include reimbursement for any costs associated with obtaining or maintaining a Class C driver's license.

If the certification, registration or licensing is not job-required but only job-related, the renewal costs will be paid by the District upon recommendation of the employee's Department Manager and/or Superintendent and approval of the General Manager.

If the employee does not pass the class or examination, the employee must reimburse the District for any fees and materials paid. Employees desiring reimbursement must submit their request in writing through their Department Manager and/or Superintendent to the General Manager prior to registration for the class/examinations.

B. Certification/Registration Absence – Those classifications which are required to obtain or maintain a California Driver's License will be granted up to two (2) hours with pay once every four years for renewing such license.

   Those classifications which are required to obtain or maintain a Class A commercial driver's license will be granted time with pay to take the required physical examination.

   Those classifications which are required to obtain or maintain a Water Distribution and Treatment Operator's Certificate, an American Water Works Association Laboratory Technician Certificate, or a Notary Public Commission as a condition of employment shall be granted up to eight (8) hours of leave with pay, with prior written approval of their Department Manager and/or Superintendent, for each required certificate to travel to and sit for the required examination testing procedure.

C. Required Job-Related Courses and Expenses – The District will pay for all State and District job-required courses, as well as approved job-related courses provided that the employee satisfactorily completes the course(s). Such payment may include tuition, books and other course-related expenses as approved in advance by the General Manager. Such approval by the General Manager should be obtained in writing prior to the employee incurring any costs or expenses. An employee must also obtain written approval for payment before registering for a course if reimbursement is expected. If prior approval is not obtained, the employee risks the costs or expenses not being approved and not being subject to reimbursement by the District. If the employee does not submit evidence of completion, the District will not reimburse the employee for the course costs. If the District has prepaid the course costs, but the employee fails to complete the course, the employee will reimburse the District unless otherwise agreed to by the General Manager for good cause. If it is not feasible for the employee to go home for meals, the District will reimburse the employee for reasonable meal expenses.

   The District defines job-required courses as those which are made mandatory by District rules or by regulatory agencies or legal authorities having jurisdiction over any of the District's activities. The term job-related implies that there is no legal necessity to take the course, nor have the District rules made the course mandatory, but the skills learned are applicable to the job being performed. A course that is related generally to the field of work, but not directly related to the present job, does not qualify for reimbursement.

D. Travel Expense (District Approved) – On those occasions when District employees are required to travel out of town on District-sanctioned business, the District will pay the reasonable expenses of such travel, including advance payment when necessary or

reimbursement of expenses paid for by the employee upon submission of receipts or other proof of expense satisfactory to the District.

The General Manager is the final authority in determining the reasonableness and validity of any travel reimbursement request. The Department Managers/Superintendents may recommend to the General Manager travel by employees for District-related purposes.

Whenever possible, the District should make direct payment for such expenses, particularly for travel fares (airfare). Any requests for reimbursement of expenses shall be submitted to the General Manager or their designee upon such forms and with receipts or other evidence as may be reasonably required by the General Manager or their designee. An advance payment may be made to the employee when the General Manager determines that such request is reasonable.

Travel will be by District vehicle, if possible. If a District vehicle is not available, the use of a private vehicle will be authorized, and the owner compensated at the mileage rate allowed by the Internal Revenue Service (IRS).

E. Uniforms & Steel-Toed Boots – Distribution and Treatment employees are furnished uniforms for identification and safety purposes and are expected to wear their uniforms when at work.

The District provides an annual allowance of up to $400 to each employee of the Distribution, Treatment and Engineering Departments sufficient to allow the employee to purchase steel-toed boots and associated accessories such as shoelaces, socks, and insoles each calendar year. Steel-toed boots must be worn under certain specified working conditions for the safety of the employee. Employees required to purchase steel-toed boots will be reimbursed up to the amount of the allowance upon presentation of a receipt.

4.13 CERTIFICATION INCENTIVE PAY

An employee who successfully obtains a certification one level above what is required for the employee's current position classification shall be eligible for incentive pay of $1,000. Certification Incentive Pay shall be applicable to Water Distribution and Water Treatment certifications only and is subject to a maximum of $2,000 in any 36-month period for any one employee.

Employees shall present documentation of receipt of higher-level certifications to their Department Manager or Superintendent who shall review the documentation and, if appropriate, recommend Certification Incentive Pay be approved by the General Manager or their designee. The employee is responsible for any federal and state income tax due as a result of Certification Incentive Pay.

4.14 TEMPORARY PROMOTION

For the purposes of this section, a Temporary Promotion is the full-time performance of a majority of the significant duties of a position in one classification by an individual in a lower classification. The Temporary Promotion will be reflected in the employee's annual performance review. The types of Temporary Promotions are defined as follows:

A. Short-Term Temporary Promotions

An employee who is temporarily promoted on a daily basis to a higher-level, non-management position shall receive a premium equal to a 5% increase in pay. Such premium shall only be provided for those days in which the employee is actually performing a majority of the significant duties of the higher-level classification, including overtime hours worked. However, such premium shall not be reportable to PERS as compensation earned for retirement purposes. Management shall specify the expected duration of the Short-Term Temporary Promotion, but such duration shall be less than three (3) weeks. The intent is that an employee is not asked to perform a majority of the significant duties of the higher-level classification on days for which they are not receiving the premium.

B. Long-Term Temporary Promotions

An employee who is temporarily promoted for a period of at least three (3) weeks shall receive additional pay equal to the first salary step of the higher classification, or a two-step (10%) pay increase, whichever is higher, not to exceed the pay range maximum of the higher classification. With the exception of medical leave, a position shall not be filled by a Temporary Promotion for more than twelve (12) months, except by mutual agreement of the Parties.

5 LEAVES OF ABSENCE

5.1 SICK LEAVE

The District has established paid sick leave so that an employee will not suffer financial hardship if they take time off work to diagnose, care for, or treat an existing health condition of their own or that of a qualified family member.

A. Full-Time Employees: Sick leave is available to all full-time employees immediately upon employment. A full-time employee is eligible to earn eight (8) hours (one day per month) of sick leave for each full month of regular employment and may accrue up to 120 days (960 hours) of sick time.

B. Part-Time Employees: Sick leave is available to part-time employees immediately upon employment on a pro-rata basis. Part-time employees may accrue sick leave at a corresponding rate, pro rata, based upon the number of hours worked, and may accrue up to a number of hours corresponding to five times their annual accrual amount.

C. Temporary Employees: Temporary Employees accrue sick leave at the rate of one hour for every 30 hours worked. To qualify for sick leave, Temporary Employees must complete 30 days of employment. Temporary Employees may use accrued paid sick leave up to a maximum of 3 days or 24 hours of paid sick leave per year, whichever is greater. Unused accrued paid sick leave will carry over to the following year up to a maximum of 4 days or 48 hours, whichever is greater. For purposes of this policy, the “year” for employees employed by the District is July 1 through June 30; the “year” for other employees begins on their first day of employment.

An employee unable to report to work who wishes to use sick leave is required to contact their Department Manager and/or Superintendent prior to the start of their scheduled start time. If the

employee is not able to reach their Department Manager and/or Superintendent by phone, the employee must send an email prior to the start of their scheduled start time.

When circumstances reasonably prevent notice prior to the start of the shift, such as due to an accident or emergency or when the need to use sick leave is not foreseeable, the employee is required to notify their Department Manager and/or Superintendent as soon as practicable after the start of their shift.

When an employee has a scheduled medical procedure or appointment for themself or for a qualified family member, the employee should provide advance notice to their Department Manager and/or Superintendent of the resulting time the employee will be off work.

In the event that an employee has no sick leave remaining for an absence covered under this section, the employee may use vacation leave. If no vacation leave is remaining, the employee may be placed on an unpaid leave of absence as allowed under this Handbook.

If an employee leaves the District after six (6) years of continuous service, they will be compensated for accrued, unused sick leave benefits at the following levels:

YEARS OF CONTINUOUS SERVICE	% OF COMPENSATION
6 TO 20	50%
OVER 20	100%

In the event that an employee resigns or retires from the District and then is rehired after one year, that employee is considered the same as a new employee for purposes of sick leave compensation. In other words, no credit will be given for past years' service. In the event the employee is rehired within one year, their accrued unpaid sick leave balance at the end of their employment will be restored. Sick leave benefits shall accrue during any authorized paid leave of absence but not during an unpaid leave of absence.

5.2 FAMILY AND MEDICAL LEAVE

A. Unless otherwise provided by this section, "Family and Medical Leave" and "Leave" shall mean leave pursuant to the FMLA and CFRA.

B. The District will provide Family and Medical Leave for an employee as required by state and federal law.

C. For purposes of this section, employee shall mean an employee who has at least one year of service with the District and at least 1,250 hours active service during the one-year period immediately preceding the commencement of the request for a family and medical leave.

D. The following provisions set forth certain rights and obligations with respect to family and medical leave. Rights and obligations which are not specifically set forth or defined below are contained in the U.S. Department of Labor regulations implementing the Federal Family and Medical Leave Act of 1993 (FMLA) and the California Fair Employment and Housing Commission regulations implementing the California Family Rights Act (CFRA) (Government Code Section 12945.2). In situations covered by both acts, CFRA takes precedence.

E. An employee is entitled to a total of 12 weeks of Leave during any 12-month period for the employee's own serious health condition, or to care for a newborn child, due to the placement of an adopted or foster child, to care for a son or daughter (as defined by the Department of Labor), parent, domestic partner, or "designated person" (i.e., any individual related by blood or whose association with the employee is equivalent of a family relationship) whose serious health condition prevents the employee from performing any one or more of the essential functions of the employee's position. The 12-month period for calculating Leave entitlement will be the 12-month period measured backward from the date an employee uses any Leave.

F. An employee's entitlement to Leave for the birth or placement of a child for adoption or foster care expires 12 months after the birth or placement.

G. Parents who are both employed by the District shall be limited to a combined total of 12 weeks of Leave during any 12-month period for the birth and care of a newborn child, for the placement of a child for adoption or foster care, and care of the newly placed child or for a parent with a serious health condition.

H. An employee shall provide at least 30 calendar days written advance notice for foreseeable events. For events which are not foreseeable, the employee shall notify the District as soon as the employee learns of the need for Leave. To be eligible for Leave, the employee must follow the District's usual and customary call-in procedures for reporting an absence as detailed in Section 5.1.

I. An employee who takes Leave for their own serious health condition is required to submit a Return to Work / Doctor's Release prior to returning to work.

J. When the Leave is due to the employee's own health condition, the employee shall utilize their accrued leave in the following order:

   i. All accrued sick leave.

   ii. Forty (40) hours of accrued vacation. If vacation is exhausted, the employee must choose to use other paid or unpaid leave to complete the 40 hours per week.

   iii. The employee has the option of using additional accrued paid leave at full pay.

   iv. If the employee elects to not use accrued paid leave at full pay, then the employee shall utilize leave in the following order:

      a) Disability wage replacement.

      b) Other accrued paid leave at the employee's option.

      c) Unpaid leave.

   v. The exhaustion of the accrued paid leave shall run concurrently with the Leave.

K. When the Leave is taken for the birth of a child of the employee, for the placement of a child with the employee for adoption or foster care, or to care for the employee's spouse, domestic partner, son or daughter (as defined by the Department of Labor), parent who has a serious

health condition or a Military Family Leave, the employee shall utilize paid leave in the following order:

i. Accrued vacation leave.

ii. Accrued Personal Leave Days.

iii. Accrued sick time if mutually agreed upon by the employee and District management.

iv. Unpaid leave.

v. The exhaustion of the paid leave shall run concurrently with the Leave.

L. If an employee takes sick leave or partial-pay disability leave without requesting Family and Medical Leave, within five days of the employee's return to work and advisement of the District concerning the purpose of the sick leave, the District shall make a determination as to whether the sick leave shall be considered Family and Medical Leave.

M. The District shall maintain coverage under any group health plan for the duration of the Leave at the level and under the conditions that would have been provided had the employee been working. The District shall only maintain such group health plan coverage for such employee for up to 12 weeks within a 12-month period commencing with the start of the Leave.

N. An employee has the right to reinstatement to the same or a comparable position unless the employee is exempted from such right under the provisions of the FMLA or CFRA or unless the same or comparable position is unavailable.

5.3 MILITARY LEAVE

An employee who enters the United States Armed Forces will be placed on an extended leave without pay in accordance with applicable Federal laws. Upon completion of military service, the employee will be reinstated with full seniority to their former position or to a comparable position when application for reemployment is made within 90 calendar days of release from service or hospitalization following such service.

An employee who is a member of the National Guard or of a reserve component of the Armed Forces shall, upon furnishing a copy of the official orders or instructions, be granted military training leave. Training leave will not exceed two weeks per year, plus reasonable travel time, except in an emergency or due to extenuating circumstances. Upon presentation of a military pay voucher, the employee will be reimbursed for the differences between their normal compensation and the pay they received while on military training leave.

All Military Leave requests must be presented in writing to the employee's Department Manager and/or Superintendent as far in advance as possible. They should then be forwarded promptly to the General Manager for review and approval.

Vacation days, holidays, and sick benefits do not accrue during any period of Military Leave in excess of 30 calendar days. The date an employee is considered for an annual wage increase will be adjusted accordingly if the Leave is for more than 30 calendar days. However, regardless of the length of the Military Leave, an employee's group life and employee health plan coverage will remain in effect. Employees are expected to arrange to pay the monthly contribution for dependent

coverage under the employer's health plan while they are on Military Leave. Failure to do so may result in the lapse of such coverage.

5.4 MILITARY FAMILY LEAVE

A. Qualifying Exigency Leave. An employee is entitled to a total of 12 weeks of Leave during any 12-month period to help manage family affairs due to a reservist or retired military member who is their spouse, child, or parent being on active duty or being called to active duty in support of a contingency operation.

B. Injured Service Member Care Leave. An employee is entitled to a total of 26 weeks of Leave during any 12-month period to care for a covered service member with a serious injury or illness incurred in the line of duty while on active duty. Employees entitled to this Leave are the spouse, parent, child or next of kin of the injured or ill service member.

5.5 PREGNANCY-RELATED DISABILITY LEAVE (PDL)

Upon request, PDL will be granted to female employees for an actual disability caused by the employee's pregnancy, childbirth, or related medical condition as set forth below.

An employee that becomes disabled by pregnancy, childbirth, or related medical conditions, is eligible to take an unpaid pregnancy-related disability leave (PDL). This includes time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, recovery from childbirth, and any related medical condition. PDL may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

The District will attempt to provide reasonable accommodation when the request is related to the employee's pregnancy, childbirth, or related medical condition. If an employee requests such accommodation, they shall provide an appropriate medical certification from their health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less strenuous or hazardous duties, if the transfer request is supported by appropriate medical certification, and the transfer can be reasonably accommodated.

A. Amount of PDL Available: PDL is for any period(s) of actual disability caused by pregnancy, childbirth, or related medical conditions up to four (4) months (or eighty-eight (88) workdays for a full-time employee) per pregnancy. PDL does not need to be taken in one continuous period of time but can be taken on an as-needed basis.

B. Intermittent Leave or Reduced Work Schedule Based on Planned Medical Treatment: Employees may be entitled to take intermittent leave or a reduced work schedule if medically advisable and foreseeable based on planned medical treatment. The District may then require the employee to transfer to an alternate position for which they are qualified, with equivalent compensation and benefits, which better accommodates recurring periods of leave than their regular job.

C. Substitution of Paid Leave: Employees are required to use their available accrued sick leave during the otherwise unpaid portion of any PDL. Additionally, employees may elect to use

their available accrued vacation during a PDL. The use of paid leave during the period of PDL does not extend the total duration of the PDL to which employees are entitled. Except to the extent that sick leave or vacation is used during the PDL, the PDL is unpaid.

D. PDL's Effect on Benefits: During an approved PDL period, the District shall continue to pay for the employee's participation in the District's group health insurance, medical, dental and vision, to the same extent and under the same terms and conditions as would apply had they not taken leave, for up to four months. Employees will be required to continue to make any payments they normally make towards healthcare coverage premiums while on PDL. While on PDL, in the event employees fail to make timely payment for their portion of healthcare coverage premiums, the District will notify the employees of such failure and, if payment is not made, terminate the coverage. The District is entitled to recover any health premiums paid by the District on an employee's behalf during any unpaid period of the PDL if they fail to return from the PDL except due to circumstances beyond their control as provided by law.

E. Procedure for Requesting PDL: Employees should notify the General Manager of any request for PDL or a pregnancy-related transfer as soon as they are aware of the need for such leave or transfer. For foreseeable events, if possible, employees shall provide thirty (30) calendar days' advance written notice to the General Manager regarding the need for PDL. The notice should include the date the leave will commence and the estimated duration of the leave. If thirty (30) days advance notice is not possible due to lack of knowledge of when the leave or transfer will begin, because of a change in circumstance or because of a medical emergency, notice must be given as soon as practical. If the leave is requested in connection with a planned, non-emergency medical treatment, employees may be requested to reschedule the treatment so as to minimize disruption of the District's business.

   Any request for PDL must be supported by proper certification by the employee's health care provider of the need for the PDL, the anticipated date(s) and estimated duration of the leave, and in the case of intermittent leave or revised schedule leave where medically necessary, the estimated duration of such a schedule any other information necessary to consider the request for PDL or transfer.

   If employees fail to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the District reserves the right to deny the taking of the leave.

   The terms of the leave may be modified as the employee's changing medical condition dictates. Any requests for extensions of a PDL must be received at least five (5) working days before the date on which employees were originally scheduled to return to work and must include the revised anticipated date(s) and duration of the PDL.

F. Returning to Work at End of PDL: When returning from a PDL, employees shall be required to provide a Return to Work / Doctor's Release that indicates that the employee is fit to return to work. When returning to work at the end of a PDL, employees will be returned to their former position, if possible, or will be offered the first available opening in a comparable position for which they are qualified. If an employee fails to report for work at the end of an approved PDL, the District may initiate separation procedures. If at the end of an approved

PDL an employee is unable to return to work and perform the essential functions of the employee's position, with or without accommodation, due to a continuing disability, the District may initiate separation procedures if the District is unable to otherwise accommodate the employee without undue hardship as required by law.

5.6 PERSONAL LEAVE OF ABSENCE

An unpaid personal leave of absence of up to thirty (30) calendar days may be requested by any regular full- or part-time employee. All personal leave of absence requests must be submitted in writing to the General Manager as far in advance as possible. The beginning and ending dates of the personal leave of absence must be clearly identified. Each case will be decided on its own merits and will require the approval of the General Manager. However, an employee must first exhaust their vacation and compensatory balances, and sick leave balance (if applicable), before being eligible for a personal leave of absence.

Two extensions to a personal leave of absence of up to an additional thirty (30) days may be requested and must be submitted in writing to the General Manager. All personal leave of absence extensions require approval by the General Manager.

District contributions to health, dental and vision insurance benefits will cease during personal leaves of absence. Employees wishing to maintain their insurance benefits are required to pay the full costs of this coverage. Employees are requested to arrange with the Business Manager payment for the costs of such coverage before the leave begins.

Neither sick leave nor vacation will accrue during any personal leave of absence. Employees on a personal leave of absence also do not receive holiday pay.

An employee who returns to work at the end of a personal leave of absence will be returned to their former position, if possible. However, the District is unable to guarantee reinstatement to employees seeking to return to work after taking a personal leave of absence.

If an employee takes on other employment during a Family and Medical Leave or personal leave of absence, that employee, at the District's discretion, will be considered to have resigned their employment with the District and the District may initiate separation procedures.

5.7 BEREAVEMENT LEAVE AND REPRODUCTIVE LOSS LEAVE

Bereavement Leave

Bereavement leave will be provided to Regular and Introductory full-time employees in the case of the death of any individual related by blood or marriage or whose association with the employee is equivalent of a family relationship.

Said employee shall be granted three (3) working days of leave at regular pay and an additional two (2) days of unpaid leave, during which an employee may use accrued leave that is otherwise available to the employee. If additional travel time is needed, the General Manager may grant up to two (2) additional paid days.

Employees may take Bereavement Leave days consecutively or intermittently, as long as the Leave is completed within three months of the death of the person for whom they are taking leave.

Bereavement Leave is separate from, and in addition to, other types of Leave(s) to which the employee is entitled. Accrued leave shall be used for authorized absences beyond that provided by Bereavement Leave.

Four (4) hours of Bereavement Leave will be provided to regular full- and part-time employees wishing to attend local services for other relatives and friends.

Reproductive Loss Leave

Reproductive Loss Leave will be provided to Regular and Introductory full-time employees in the case of their own reproductive loss event, i.e., failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction, or that of another person if the employee would have been the parent of the child born or adopted.

Said employee shall be granted three (3) working days of leave at regular pay and an additional two (2) days of unpaid leave in the case of a single reproductive loss event, and no more than 20 days of Leave in one-year in the case of more than one reproductive loss event in that year, during which an employee may use accrued leave.

Employees may take Reproductive Loss Leave days consecutively or intermittently, as long as the Leave is completed within three months of the reproductive loss event.

Reproductive Loss Leave is separate from, and in addition to, other types of Leave(s) to which the employee is entitled. Accrued leave shall be used for authorized absences beyond that provided by Reproductive Loss Leave.

5.8 JURY/WITNESS DUTY

An employee must inform their Department Manager and/or Superintendent immediately upon receipt of a jury summons or subpoena or other court order to appear as a witness in a judicial proceeding. A copy of the jury summons, subpoena or court order must be promptly provided to Human Resources for inclusion in the personnel record.

An employee who is called to report for jury or witness duty (which includes serving as a witness in District-related business) and is excused during their normal work schedule must report for work for the remainder of the workday. Upon return to work, the employee is required to present proof of dates and times of appearance in court to Human Resources for inclusion in the personnel record. Regular compensation will be paid to employees for the duration of time they are required to appear for jury/witness duty.

5.9 CRIME VICTIM LEAVE

Unpaid Leave or reasonable accommodation will be granted to an employee who is a victim of a crime or has a family member or designated person who is a victim of a crime. This leave is to enable the employee or the employee's family member or designated person who is a victim to seek specified forms of relief, treatment or services, or to comply with a subpoena or court order as a witness, or to attend judicial proceedings involving themselves, a family member, or a designated person. A crime victim is defined as someone against whom a "qualifying act of violence" is committed.

A qualifying act of violence includes domestic violence, sexual assault, stalking, or an act, conduct, or pattern of conduct that includes: (1) an individual causing bodily injury or death to another, (2) an individual exhibiting, drawing, brandishing, or using a firearm of other dangerous weapon, with respect to another, or (3) an individual using or making a reasonably perceived or actual threat of use of force against another to cause physical injury or death.

If the employee is the victim, or the employee's family member or designated person dies as a result of a qualifying act of violence, Leave taken under this provision is limited to 12 weeks. If the employee's family member or designated person is the victim, the District may limit the Leave taken to 5 days for relocation or childcare, and 10 days total. Employees may use available accrued leave to cover the time taken off from work under this Leave.

To the extent possible, the employee shall give reasonable advance notice of the intent to take leave or request reasonable accommodation.

Crime Victim Leave shall run concurrently with leave taken under the CFRA if the employee would have been eligible for that leave.

5.10 DOMESTIC VIOLENCE, SEXUAL ASSAULT, AND STALKING LEAVE

Employees are allowed unpaid Leave or reasonable accommodation to seek specified forms of relief, treatment or services, or to obtain a restraining order or other judicial relief from domestic violence for the employee, the employee's family member, or the employee's designated person.

Additionally, employees who are victims of domestic violence, sexual assault, or stalking, or an immediate family member of victims of domestic violence, sexual assault, or stalking, may take time off or seek reasonable accommodation to seek medical treatment, obtain services of a rape crisis center or domestic violence shelter or program, get counseling, engage in safety planning and/or relocation, or to comply with a subpoena or court order as a witness, or to attend judicial proceedings involving themselves, a family member, or a designated person.

If the employee is the victim, or the employee's family member or designated person dies as a result of a qualifying act of violence, Leave taken under this provision is limited to 12 weeks. If the employee's family member or designated person is the victim, the District may limit the Leave taken to 5 days for relocation or childcare, and 10 days total. Employees may use available accrued leave to cover the time taken off from work under this Leave.

To the extent possible, the employee shall give reasonable advance notice of the intent to take leave or request for reasonable accommodation.

Crime Victim Leave shall run concurrently with leave taken under the CFRA if the employee would have been eligible for that leave.

5.11 RELIGIOUS OBSERVANCE LEAVE

Employees wishing to observe a religious service or holiday which occurs during regular working hours will be permitted to take time off of work for this purpose and charge the time to accrued leave. If the employee does not have any accrued leave, then the time off work will be unpaid. Adequate written notification must be given to the Department Manager and/or Superintendent.

5.12 TIME TO VOTE

In accordance with California State law, the District provides two (2) hours paid time off to vote. To receive time off for voting, an employee must notify their Department Manager or Superintendent. Time taken for the purposes of voting must be either at the beginning or end of the normal workday.

5.13 OTHER LEGALLY REQUIRED LEAVES OF ABSENCE

In addition to the leaves of absences discussed in this section, the District will provide employees with a leave of absence when otherwise required by law, including appearance by a parent at school when requested as provided for in the Education Code, performance of emergency duty by a volunteer firefighter, reserve peace officer or emergency rescue personnel, military spouse/domestic partner leave, bone marrow and organ donor leave, and alcohol and drug rehabilitation leave. Whenever possible, employees shall provide reasonable advance notice of the need for a legally required leave of absence. This leave will be unpaid. Employees may use accrued leave while on leave.

5.14 GENERAL STATUS DURING UNPAID LEAVES OF ABSENCE

Except where expressly provided otherwise in this Handbook, the District will cease contributing to the employee's insurance coverage, including life, medical, dental, vision and disability insurance, during an unpaid leave of absence. The employee will receive notice of the right to continue such coverage at the employee's expense as provided for under the COBRA regulations. Employees on an unpaid Personal Leave of Absence will not accrue vacation or sick leave benefits.

If an employee takes on other employment during a Family and Medical Leave or Personal Leave of Absence, that employee, at the District's discretion, will be considered to have resigned their employment with the District and the District may initiate separation procedures.

5.15 EARLY RETURN TO WORK PROGRAM

The District has developed a program designed to assist workers who are temporarily disabled due to a work-related illness or injury. This includes a team effort, including the temporarily disabled employee, their attending physician or other treating health care professional, the insurance carrier, and District management. In an effort to minimize serious disability due to on-the-job and off-the-job injuries and illnesses and to reduce workers' compensation costs (if applicable), the District has adopted a Return-to-Work Program. This policy is consistent with the District's responsibility to provide reasonable accommodation to persons with disabilities.

When an employee reports a work-related illness or injury, they will be given certain forms to complete and may be sent to a doctor for examination and/or treatment. If the doctor determines that the employee qualifies for an Early Return to Work Program (ERTWP), the doctor will complete the appropriate forms indicating the restrictions and conditions for temporary transitional work. The District will then attempt to provide a modified work position until the employee is able to resume regular duties. These limited duties are temporary in nature for the time they are medically allowable, do not redefine the requirements of any District position, and are only designed to facilitate a return to regular duties as soon as possible. Positions may be offered at any location or on any shift.

However, ERTWP positions may not be available in every situation, and whether to offer an employee an ERTWP position is at the sole discretion of the District, and the District reserves the right to modify, change or discontinue ERTWP positions or the conditions of this policy at any time.

Failure to report for ERTWP positions at the designated time and place may disqualify the employee from receiving certain benefits under the worker's compensation laws.

5.16 FITNESS-FOR-DUTY EXAMINATION

Whenever the General Manager or their designee believes that an employee is unable to perform the essential function of their job due to illness or injury, whether physical or mental, or is unable to perform the essential functions of their job safely or without posing a danger to themself or others, the District may require the employee to submit to an independent medical examination performed by a qualified healthcare provider selected by the District at the District's expense. Such medical examination will be limited to the issues or areas of concern regarding the employee's ability to perform the essential functions of their job. If, after the independent medical examination, the District determines that the employee cannot perform the essential functions of their job, or cannot perform such essential functions safely or without posing a danger to themself or others, the employee will be given the opportunity to provide the results of a separate medical evaluation by a qualified health care provider selected by the employee, within fifteen (15) calendar days of the employees receipt of medical evaluation from the District. In the event of a dispute between the District's and the employee's health care providers, the District may require a third opinion, at the District's expense, performed by a mutually agreeable health care provider who will make a final determination.

6 RULES OF CONDUCT

The District requires employees to demonstrate proper conduct in connection with the performance of their job duties at all times. Improper conduct means not only any improper conduct by an employee during working hours, but also improper conduct by an employee during off-duty hours which may bring discredit to the District, or which affects the ability of the employee to perform their duties, or any improper use of an employee's position for personal advantage. Improper conduct may be cause for disciplinary action.

6.1 DISCIPLINARY ACTION

The District may, with just cause, utilize a reasonable and appropriate level of discipline under the circumstance, consistent with the principles of progressive discipline, up to and including termination of employment. Disciplinary Action, for purposes of this section, shall mean termination, suspension, disciplinary demotion and/or reduction in salary/pay.

The following are some examples of improper employee misconduct:

A. Willful or negligent violation of the provisions of this Handbook, or other applicable written rules, regulations and policies which do not conflict with this Handbook.

B. Manufacturing, distributing, dispensing, possessing, ingesting, or using for any purpose, controlled substances, including narcotics, cannabis, illegal drugs, and/or alcohol in the

workplace, or being under the influence of said substances while on duty either on District premises, while performing District business, and/or while responding to work assignments.

C. Insubordination, including failure or refusal to comply with a lawful order or to accept a reasonable and proper assignment from a Department Manager and/or Superintendent.

D. Failure to follow established safety regulations.

E. Inefficiency, unsatisfactory work quality or quantity, incompetence, carelessness, or negligence in the performance of duties.

F. Excessive absenteeism or tardiness.

G. Damage to or negligence in the care and handling of District property.

H. Improper or unauthorized use of District vehicles or equipment, or misappropriation of supplies.

I. Claim of sick leave or Workers' Compensation under false pretenses or misuse of sick leave.

J. Furnishing false information to secure appointment or promotion.

K. Absence from duty without leave, failure to report after leave of absence has expired or after such leave of absence has been disapproved, revoked, or canceled.

L. Acceptance by an employee of any bribe, gratuity, or kick-back, or acceptance of any other item of value when given in the hope or expectation of receiving preferential treatment.

M. Any action which reflects discredit on the District or is a direct hindrance to the effective performance of the functions and business of the District.

N. Failure to obtain and maintain a current license or certificate when required as a condition of employment.

O. Falsifying or altering District records, including the application for employment and time records.

P. Interfering with the work performance of other employees.

Q. Failure to maintain satisfactory and harmonious working relations with the public, clients, or other employees.

R. Conviction of a crime which relates to the qualifications, functions, or duties of the employee's position.

S. Harassment, including sexually harassment.

T. Physical attack, fighting, or verbal altercations.

U. Leaving the job without authorization.

V. Possessing a firearm or other dangerous weapon on District property or while conducting District business.

W. Unprofessional or inappropriate dress or appearance while working.

X. Theft of District property.

Notice of Intended Disciplinary Action

Before the General Manager or their designee suspends, demotes, reduces in salary/pay, or terminates an employee, the pre-removal safeguards to the extent required by Skelly v. State Personnel Board (1975) 15 Cal. 3d 194, shall be followed. A written Notice of Intent shall be furnished to the employee which includes:

A. Notice of intended disciplinary action;

B. The proposed effective date;

C. The particular facts and specific grounds for the intended action in sufficient detail to permit the employee to understand and to respond to them;

D. An opportunity to examine any materials upon which the proposed action is based; and,

E. The right to respond, either orally or in writing, to the General Manager or their designee. Copies of this notice and any other materials furnished to the employee shall be filed with the General Manager and included in the employee's personnel file. Such notice shall be given a reasonable period of time prior to the date the discipline is to be imposed.

Notice of Disciplinary Action

Disciplinary actions, except reprimands, shall be taken against a Regular Employee by service upon such employee of a written Notice of Disciplinary Action. The employee may appeal such disciplinary action using the same process as the Grievance Appeal (Section 6.8). A copy of the Notice of Disciplinary Action shall be given to the Business Manager for inclusion in the employee's personnel file.

The Notice of Disciplinary Action shall include the following:

A. The effective date of the action;

B. The nature of the disciplinary action;

C. The particular facts and specific grounds for the proposed action in sufficient detail to permit the employee to understand and to respond to them; and

D. The acts or omissions upon which the causes are based, in ordinary and concise language with the dates and places thereof, when known.

Reprimand

The General Manager or their designee may reprimand an employee by furnishing them with a statement, in writing, of the specific reasons for such a reprimand. A copy of the reprimand shall be given to the Business Manager for inclusion in the employee's personnel file. Such reprimands shall not be subject to appeal, but the employee shall have the right to submit a written rebuttal to be placed in the employee's personnel file. The General Manager or their designee may withdraw the reprimand or notice of reprimand at their discretion.

Suspension

As a disciplinary measure, the General Manager or their designee may temporarily remove an employee from their duties without pay. Any such suspension shall not exceed thirty (30) calendar days in any one calendar year.

Reduction in Pay

The General Manager or their designee may reduce the pay of an employee, for disciplinary reasons, provided that such a reduction shall be to a step within the pay range of the position held by the employee.

Disciplinary Demotion

The General Manager or their designee may demote an employee, for disciplinary reasons, to any position with a lower pay allocation, provided the employee meets minimum qualifications for the lower-level position.

Termination

The continued tenure of each Regular Employee shall be subject to their satisfactory conduct and the rendering of efficient service. Should the cause for disciplinary action so warrant an employee may be terminated.

Statute of Limitations

No disciplinary action shall be valid against any employee for any cause for discipline, unless the Notice of Disciplinary Action is served within one (1) year after the cause for discipline, upon which said Notice is based, first arose provided the relevant Department Manager or Superintendent knew, or reasonably should have known, of the cause for discipline. Disciplinary action based on fraud, embezzlement, or the falsification of records shall be valid, if the Notice of such is served within three (3) years after the discovery of such fraud, embezzlement, or falsification.

6.2 PERSONAL BUSINESS CONDUCT

An employee is to conduct only District business during normal working hours. Normal working hours do not include rest breaks and meal periods. An employee shall conduct personal business or business for another employer outside of normal working hours. Employees shall limit personal phone calls and visitations (friends, family) to times outside of normal working hours.

6.3 DISTRICT PROPERTY

Desks, file cabinets, computers, tools and other equipment are the property of the District and must be maintained in good condition and in accordance with the District's rules and regulations. They must be kept clean and are to be used only for work-related purposes. If an employee loses, breaks or damages any property of the District, it should be reported to the employee's Department Manager and/or Superintendent immediately. No property may be removed from the premises without the prior authorization of the employee's Department Manager and/or Superintendent.

In order to ensure compliance with this provision and with the District's rules and regulations, the District reserves the right to inspect all District property without notice to the employee and/or in the employee's absence.

For security reasons, personal belongings of value should not be left in the workplace. Personal items brought to the workplace may be subject to inspection and search, with or without notice, and with or without the employee's prior consent.

While personal locks are permitted on lockers assigned to certain employees, the combination or an extra key must be provided to the Distribution or Treatment/Production Superintendent and the District reserves the right to access and inspect employee lockers at any time, without notice to the employee and/or in the employee's absence.

Immediately upon termination of employment, all property of the District (keys, cellular phone, tablet, laptops, tools, manuals, files, etc.) must be returned to the District. All personal items should be removed at the time the terminated employee leaves the premises of the District. Before disposing of any left personal items at the workplace, and no sooner than (10) days of the date of the employee's termination, the District will make every effort to contact and make arrangement to return items at the terminated employee's expense, if any.

6.4 WORKPLACE VIOLENCE

The District is committed to providing a safe, violence-free workplace. In this regard, the District strictly prohibits employees, consultants, customers, visitors, or anyone else on District property or engaging in a District-related activity from behaving in a violent or threatening manner. The District seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence even prior to any violent behavior occurring.

Please refer to the District's Workplace Violence Plan for more information. Employees can request a copy of this and other safety plans from the Business Manager.

6.5 PERSONAL APPEARANCE

Because each employee is a representative of the District in the eyes of the public, it is important that each employee reports to work appropriately groomed and wearing appropriate attire consistent with the nature of the work performed. Treatment and Distribution personnel are furnished uniforms for identification purposes and for their benefit. It is required that these employees wear the uniforms provided. All other employees are required to wear business casual attire, at a minimum, unless permitted otherwise by the General Manager or their designee.

Business casual attire includes clothing that is in neat and clean condition and is intended to give a professional and businesslike impression. It does not include clothing that is too tight or revealing; clothing with rips, tears or frays; clothing with stains; clothing (including hats and beanies) with prominent logos, words or pictures; or any extreme style or fashion in dress, footwear, accessories or fragrances. Some examples of proper attire include button-down shirts, sweaters, cardigans, blouses, and polo shirts; blazers and sport coats; slacks or business dress pants and khakis; knee-length skirts and dresses; and solid-colored jeans. Clothing (including hats and beanies) with the District's logo are acceptable. The General Manager may exercise their discretion to determine the appropriateness of an employee's attire. Noncompliance may be considered improper conduct as described in Rules of Conduct, Section 6.1.W.

6.6 ANTI-HARASSMENT, ANTI-DISCRIMINATION, ANTI-RETALIATION POLICY

Every Employee is entitled to a workplace environment in which they are treated respectfully and courteously. The District's expectation is that all Employees will treat each other with dignity and mutual respect in a workplace environment that is free from bullying, bias, prejudice, and harassment. The District commits to create a workplace environment that is free from employment practices prohibited by law.

This policy applies to Employees, as well as vendors, customers, independent contractors, volunteers, people providing services under contract and other people with whom Employees come into contact while working.

The law prohibits employees, Superintendents, Managers, and others with whom an Employee comes into contact in the course of their work, from engaging in conduct prohibited by the California Fair Employment and Housing Act. This includes, but is not limited to, harassment, discrimination, retaliation, and disrespectful or other unprofessional conduct based on a number of protected categories, including: sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), race, religion (including religious dress and grooming practices) color, gender (including gender identity and gender expression) national origin (including language use restrictions and possession of a driver's license issued under the California Vehicle Code), ancestry, physical or mental disability, medical condition, genetic information, marital status, registered domestic partner status, age, sexual orientation, military and veteran status , an employee's use of cannabis off the job and away from the workplace, an employee's choice(s) regarding reproductive health, or any other basis protected by federal, state, or local law, ordinance or regulation. It also prohibits discrimination, harassment, disrespectful or unprofessional conduct based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics.

The District is prohibited from using artificial intelligence and Automated Decision Systems ("ADS") in employment practices that result in discrimination against applicants or employees. Artificial intelligence includes a machine-based system that infers, from the inputs it receives, how to generate outputs, including predictions, content, recommendations or decisions. ADS includes a computational process that makes a decision or facilitates human decision making regarding an employment benefit and may be derived from and/or use artificial intelligence, machine-learning, algorithms, statistics and/or other data processing techniques.

In addition, the District prohibits retaliation against individuals who raise complaints of discrimination or harassment or who participate in workplace investigations. All such conduct violates the District's policies.

Employees shall not harass anyone on the basis of the protected categories described above. Harassing conduct may consist of using epithets, slurs, negative stereotyping, threatening, intimidating, and/or hostile acts, disparaging jokes and remarks, or written verbal, or other content or communications demonstrating ridicule, hostility, and/or denigration of an individual or group based on their characteristics. Prohibited harassment can include, but is not limited to, the following types of behavior:

A. Verbal statements, including jokes, offensive comments, and other verbal communications, whether privately or in a group setting;

B. Written statements, including emails, texts, photographs, online communications, social media tags, comments, posts, or other communications, including any type of electronic communication prohibited by state or federal law;

C. Photographs, videos, images, posters, posts, or other graphic conduct;

D. Physical contact, including but not limited to brushing up against, or blocking movement of other employees;

E. Threats, demands, the offer of benefits in return for favors, or losses because favors are not given, including sexual favors;

F. Retaliation for reporting or threatening to report harassment; and

G. Hostile acts, whether motivated by sexual desire or not, based on one or more of the protected categories above.

Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. Sexual harassment may include a range of behaviors and may involve individuals of the same or different gender, whether submission to the sexual harassment is made a condition of the work conditions or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. While it is not possible to list all circumstances considered to be sexual harassment, prohibited behaviors may include:

A. Unwanted sexual advances or requests for sexual favors;

B. Sexual jokes and/or innuendo;

C. Verbal abuse of a sexual nature, including making or repeating sexual or sexually- related rumors about others;

D. Commentary about an individual's body, sexual prowess or sexual deficiencies;

E. Leering, whistling, touching, staring, flirtation or other sexually suggestive conduct;

F. Insulting or obscene comments or gestures;

G. Display in the workplace of sexually suggestive objects, drawings, photographs, pictures, or content of any kind of nature;

H. Physical assault such as rape, sexual battery, or an attempt to commit an assault, or intentional physical conduct such as impeding or blocking movement or touching or brushing against another employee's body;

I. Making a derogatory comment or joke regarding a person's sexual orientation or perceived sexual orientation; and

J. Other physical, verbal, or visual conduct of a sexual nature.

The harasser may be of the same sex, opposite sex, or another sex of victim. The harasser does not necessarily have to be the victim's supervisor; the victim does not necessarily have to be the one to whom the remark or conduct is directed but may be someone in the same room who overhears and is offended by the comment or behavior.

The District prohibits unlawful discrimination against any Employee or job applicant by any representative of the District, including a Superintendent, Manager, or another Employee. Unlawful discrimination may include:

A. Making decisions to promote, demote, train, fire, hire, reduce or increase hours, pay, or benefits and/or

B. Excluding or separating individuals from work-related activities, functions, or discussions.

The District encourages Employees to report all perceived incidents of discrimination or harassment. It is the District's policy to promptly investigate such reports. The District prohibits retaliation against any Employee who reports workplace discrimination or harassment or participates in an investigation related to these activities. Prohibited retaliation may include:

A. Termination, demotion, disadvantageous transfer or assignments, refusals to promote, threats, reprimands, negative evaluations;

B. Co-worker hostility or retaliatory harassment, including intimidation, gossip, rumors, insults, or otherwise offensive conduct that would subject a person to public ridicule or humiliation; and/or

C. Any action or combination or actions that are reasonably likely to materially and adversely affect an Employee's job performance or opportunity for advancement.

6.7 COMPLAINT PROCESS

If an Employee is concerned that they have been subjected to harassment, discrimination, retaliation, or other unlawful acts or conduct, from anyone they encounter in the workplace, they should notify their Department Manager and/or Superintendent, the Business Manager, or the General Manager verbally or in writing. The District does not require that the complaint be made to an Employee’s Department Manager and/or Superintendent.

The District will attempt to conduct its investigation as confidentially as possible, however, the District cannot guarantee complete confidentiality because the General Manager, Business Manager, and/or their designee will need to investigate the complaint and collect information from other with knowledge of the matter. In addition, there may be District representatives who will need to know the facts investigated, the result of the investigation, and the District's corrective action.

The District takes reports of complaints of harassment, discrimination, retaliation, and other unlawful acts seriously, and will promptly investigate such claims in a fair manner in accordance with all applicable laws, statutes and regulations. Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, fairly by impartial and qualified personnel that afford all parties appropriate due process. Every Employee, whether witness, complainant, or alleged harasser, is expected to cooperate fully with every investigation. The investigation may

include interviews with parties involved and, where necessary, with people who may have observed the alleged conduct or may have other relevant knowledge. The District's determinations on complaints will be made based on all information and evidence gathered, including but not limited to reports, information, documents, data, and other evidence presented by the complainant. Complaints will be investigated timely and seek timely closure. This policy dictates that Employees who make a complaint or participate in any investigation of any complaint of workplace misconduct are not to be retaliated against.

If the District has determined that harassment, discrimination, retaliation and/or other prohibited conduct has occurred, it will take the appropriate corrective actions, as well as action to deter such conduct from occurring in the future. Individuals who have violated this policy will be subject to the District's appropriate disciplinary or other actions up to and including termination.

Department Managers and/or Superintendents who become aware of complaints must promptly report all complaints to the Business Manager or General Manager. Department Managers and/or Superintendents who become aware of harassment, discrimination and/or retaliation, even if the occurrence is not directly within their line of supervision or responsibility, have the obligation to immediately report the harassment to the Business Manager or General Manager.

6.8 GRIEVANCE PROCEDURE

Definition

Grievance is when the employee believes that there is a violation, misinterpretation or misapplication of District written policy which adversely affects their conditions of employment, such as promotions, longevity increases, appealable discipline, pay raises or duties assigned. Grievances must be submitted within ten (10) business days of the date the employee knew, or reasonable person should have known, of the violation, misinterpretation or misapplication which is the subject of the grievance.

Allegations, also subject to the grievance procedure, are those in which the complaint concerns the inconsistent application of policy where the inconsistency results in a denial of the employees' rights under those policies defined above.

Basic Rules

Formal grievance forms shall be complete upon filing and must explicitly specify the policy or the particular section of the agreement, rule, resolution, or ordinance, the violation of which is being alleged as the basis for the grievance. The remedy requested must also be specified. No modifications in the violation being alleged shall be made subsequent to filing unless mutually agreed to by both the District and the grievant.

Employees with common supervision and with essentially identical grievances, including remedy, may initiate a single grievance.

Time Off for Processing Grievances

The grievant shall be granted reasonable time off, not to exceed two consecutive hours (2), with pay from regularly scheduled duty hours to process a grievance, provided that the time off will be devoted to the prompt and efficient investigation and handling of grievances.

Before performing any grievance work during normal working hours, a grievant shall obtain permission from their Department Manager or Superintendent and shall report back to their Department Manager or Superintendent when the grievance work is completed. Time used to process any grievance shall be coordinated around the District's work activities.

Timeline

A. The time limits specified below may be extended by mutual agreement in writing.

B. Failure by the District to timely respond shall entitle the grieving party to process the grievance to the next step.

Step 1: Direct Manager or Superintendent

The employee should first attempt to informally work out any grievance with their direct Manager or Superintendent.

Step 2: Business Manager

If the employee is not satisfied with the decision of their Department Manager or Superintendent, they should put their complaint and requested remedy in writing and submit it to the Business Manager. If the Business Manager is the direct supervisor in Step 1, Step 2 should be directed to the Assistant General Manager/Engineering Manager. A grievance must be submitted to the Business Manager within ten (10) business days of the date the employee knew, or a reasonable person would have known of the violation, misinterpretation or misapplication which is the subject of the grievance. The Business Manager will provide a written response to the employee within thirty (30) business days of receiving the written grievance.

Step 3: Assistant General Manager/Engineering Manager

If the grievance is still unresolved after receiving the written response of the Business Manager, the grievant should put in writing why they disagree with the response of the Business Manager and provide that response to the Assistant General Manager/Engineering Manager within ten (10) business days. The Assistant General Manager/Engineering Manager will investigate the grievance as they deem appropriate and render a decision within thirty (30) business days. If the grievance involves the Business Manager and/or Assistant General Manager, the General Manager will perform the investigation and render a decision.

Final Step: General Manager

The General Manager will deliver a final and binding decision in writing.

Alternative Process

If the violation, misinterpretation, or misapplication of District written policy is alleged against the General Manager by a direct report to the General Manager, the grievance shall be directed to the District's General Counsel. The District's General Counsel shall investigate the grievance as

expeditiously as reasonably practicable and issue a written response to the grievant within (30) days of receiving the written grievance.

6.9 SAFETY PROGRAMS

A safety program can only be successful if everyone cooperates. Merely listing do's and don'ts has never prevented accidents. Each employee's assistance in eliminating hazards and unsafe conditions and attention to good housekeeping will do much to make the District a safe place to work.

The District has an Injury and Illness Prevention Program which is reviewed annually. On a periodic basis, District employees are educated on preventing injuries and illnesses in the workplace. Formal safety meetings are held on a regular basis and are documented by an employee sign-in and attendance acknowledgement form. Certain employees are also scheduled for safety program attendance as provided by the District's joint powers insurance agency (JPIA) with these programs documented by the contact hours received for attendance. Formal inspections of District facilities are performed annually by the District's Safety Officer and periodically with JPIA to help ensure the safe workplace conditions and practices. Employees are required to report any unsafe working conditions to their Department Manager and/or Superintendent or the General Manager. It is the responsibility of every employee to report or eliminate hazards and unsafe conditions in the workplace. For further detail, refer to the Injury and Illness Prevention Program handbook, a copy of which may be obtained from Department Managers and Superintendents.

Safety devices and equipment are provided to all employees by the District. This equipment must be used according to District and California Occupations Safety and Health Administration (OSHA) rules and regulations. Failure to do so can result in disciplinary action up to and including termination.

6.10 INJURY AT WORK

An employee is required to report all injuries at work, or other work-related injuries to the employee's immediate Manager or Superintendent. Department Managers and Superintendents are responsible for obtaining first aid and proper medical care and promptly reporting the injury to the Business Manager or their designee, who will fill out all appropriate forms and reports. For insurance purposes, exact details of the accident or injury must be provided to the Business Manager or their designee. The location of the nearest doctor and/or medical facility is posted on the bulletin board(s).

6.11 EMERGENCY PREPAREDNESS

In the event that a disaster or emergency situation occurs during normal working hours, employees should follow the emergency response procedure for their location. If a disaster or emergency situation occurs during District off-hours, employees are to keep lines of communication open and be prepared to report to the District office as soon as they have ensured the safety of their family and home. The first employee to arrive at the District is to immediately communicate with their Department Manager or Superintendent for further direction.

6.12 SAFE DRIVING PROGRAM

Safe driving is an important aspect of District employment such that all employees will be expected to adhere to the following safe driving practices:

A. Drive defensively - always expect the worst of the other driver, cyclist, and pedestrian.

B. Participate in a defensive driver training course every two years. Any costs incurred shall be reimbursed by the District.

C. Operate vehicles in compliance with all applicable laws and in a safe manner.

D. Have their valid California Driver's license in their possession at all times while operating a District vehicle.

Refer to the District's Safe Driving Program for more information.

Driver Record Review

The driving record of each employee who drives on behalf of the District as an essential function of their job will be checked at the time of employment and annually thereafter as permitted by California law through the California Department of Motor Vehicles (DMV) Employer Pull Notice Program (EPN). Driver record checks will also be made of all prospective hires during the pre-employment background check if driving is an essential function of the position.

Vehicle Code Violations

If an applicant, or an employee within their Introductory Period, is found to be a bad risk driver, i.e., having four (4) or more points for traffic violations as determined by the California DMV, the applicant will not be eligible for hire and the employee will be terminated.

If an employee who drives on behalf of the District has their license suspended, becomes uninsurable under the District's insurance policy or causes an increase to the District's insurance rates, that employee may be subject to discipline, up to and including termination.

Any reports of traffic violations will be dealt with accordingly and any resulting fines will be the responsibility of the operator.

Accident Reporting

Should an accident involving a District vehicle, or a personal vehicle being used in connection with District business, occur, the following actions should be taken:

A. The driver shall report all accidents or moving violations that occur on District business to their Department Manager and/or Superintendent 1) immediately, or (2) as soon as safe to do so.

B. The driver shall complete the accident report form carried in every District vehicle and submit it to their Department Manager and/or Superintendent as soon as possible. The driver shall take a photo(s) of the vehicle and accident scene with their District issued cellular phone. The driver shall make no admission of liability at the scene of the accident irrespective of who the driver believes is at fault.

C. The accident shall be investigated by the driver's Department Manager and/or Superintendent of the employee involved, and a written report prepared giving recommendations regarding prevention of similar accidents, the need for additional driver training, and/or disciplinary action to be taken.

D. The accident investigation report will be reviewed by the General Manger or their designee for possible action to improve District driving practices.

E. The Business Manager will immediately report accidents and subsequent results of the investigation to the appropriate insurance agency as required.

Damage to District vehicles that is determined to be due to the negligence of the employee may result in discipline up to and including termination.

6.13 USE OF DISTRICT AND PERSONAL VEHICLES

District Vehicles

District vehicles are available for use by employees engaged in District business. Arrangements for use of District vehicles during or outside of normal working hours may be made only upon prior approval of the General Manager or their designee. Except for vehicles assigned to employees on a 24-hour basis or by prior approval of the General Manager, vehicles must be locked and parked in the designated District parking area at night and on weekends. Vehicles should be locked when not in use.

Certain employees, including those designated as on-call, are provided with 24-hour use of a District vehicle for transportation between the employee's residence and the District office or work sites. Assignment of the vehicle is not for the specific benefit of the employee, but for the improved operational efficiency and effectiveness of the District. Employees will not use District vehicles for personal purposes other than commuting to and from work and for incidental personal use such as a stop between work and home. Employees will not transport nonemployees or family members without prior approval of the General Manager or their designee. A District-furnished vehicle for commuting is a taxable benefit according to the Internal Revenue Service (IRS) and is therefore incorporated into the District's payroll process accordingly.

The District understands that the limited or restricted use of District vehicles by those employees provided with 24-hour use outside of normal working hours may cause hardship for some employees. While not the District's preference, alternatively, employees provided with 24-hour use of a District vehicle outside of normal working hours may leave their District vehicle at a District facility (i.e., District office or Bella Vista Treatment Plant) and commute to the District using their personal vehicle when responding to a District or customer need. Employees must retrieve their District vehicle from a District facility before conducting any District business. An employee that is provided with 24-hour use of a District vehicle outside of normal working hours but instead chooses to commute using their personal vehicle will be compensated for mileage to a District facility and their return home when responding to a District or customer need. Compensation will be based on the current standard mileage rate (cents/mile) as determined by the IRS. The employee shall submit a written request for reimbursement to the Business Manager on the District's Travel

Reimbursement form. Mileage compensation is not provided to employees commuting to and from the District during normal working hours using their personal vehicle.

Damage to District vehicles that is determined to be due to the negligence of the employee may result in discipline up to and including termination.

District motor vehicle equipment is clearly identified, and operators must always be conscious of safety, as well as the impression they create with the general public while operating District equipment. Respect for traffic laws, use of fastened seat belts, and attention to the common courtesies of the road is required by the District and violations of these are considered grounds for disciplinary actions or termination. Any reports of traffic violations will be dealt with accordingly and any resulting fines will be the responsibility of the operator. Proof of insurance and a copy of the vehicle registration should be maintained in the District vehicle's glove compartment at all times.

Personal Vehicles

Personal vehicles should only be used for District business when District vehicles are not available unless otherwise authorized by the General Manager. Employees who drive their personal vehicle for District business must maintain liability insurance coverage, as required by state law. Proof of personal vehicle insurance must be provided to the Business Manager prior to such use. Mileage will be reimbursed at the current IRS rate per mile, plus tolls, parking, etc.

6.14 CELLULAR PHONE, PDA, RADIO POLICY

While operating a District vehicle, or a personal vehicle while engaged in District business, employees are prohibited from using cell phones (including personal digital assistants, iPhone, and similar devices) except to call a public safety agency in the event of an emergency or except as expressly provided in this section or the District's Safe Driving Program. Employees may not receive incoming calls unless the cellular phone can be safely operated in a hands-free mode. For employees with hands free cellular phone operation, in the event an employee receives an incoming call while driving, the employee should either safely pull off the road to converse, inform the caller that they will return the call, or ask the caller to call again to allow the employee to reach a place where it is safe to use the phone. While driving, employees are prohibited from using their cellular phones to text message, read or send email, or similar operations. Employees are also prohibited from using District-issued radios while driving and should safely pull off the road in the event an employee finds it necessary to communicate on a District-issued radio.

6.15 SMOKE FREE ENVIRONMENT

Smoking is prohibited in all District facilities and vehicles. The designated smoking area for the District is outside District facilities and, as required by State law, at a distance of at least 20 feet from the facilities.

6.16 VOICEMAIL, EMAIL AND TECHNOLOGY POLICY

As part of its operations the District maintains and utilizes computer, email, and voicemail systems. These systems are provided to assist employees in the conduct of the District's business. All computers and the data stored on them, including email, as well as all voicemail and

the data stored on them, are and remain at all times the property of the District. As such, all voicemail and email messages composed, created, sent, and received and all data stored on computers are and remain the property of the District. Employees are prohibited from installing or downloading software onto the District's computer system except with the prior written authorization of the General Manager or their designee.

Employees shall limit voicemail and email messages to the conduct of the District's business. Use of the voicemail and email systems for the conduct of personal business is prohibited. Other use of computer systems, including use of the Internet and other telecommunicating capabilities, shall be limited to the conduct of the District's business unless prior written approval is received from the General Manager.

The District reserves the right to retrieve and read any data stored on the computer system and any message composed, created, sent or received on the voicemail and email systems, as well as Internet usage data, at any time, with or without advance notice to the employee. Although the computer system, including email, and the voicemail system may accommodate the use of passwords for security, the reliability of passwords for maintaining confidentiality cannot be guaranteed. Employees must assume that any and all voicemail and email messages and all data stored on the computer system may be read by someone other than the employee storing the data or the intended or designated recipient and understand the ultimate privacy of data stored on the computer system, including email, and voicemail messages, cannot be guaranteed to anyone.

The District's policy against unlawful harassment, including sexual harassment, and the District's anti-discrimination policy apply to employee use of voicemail, email messages and screen savers as well as any other information transmitted over the District's computer system. Employees should not use any means of electronic communications in a manner that would violate those policies. For example, employees may not communicate messages by computer, voicemail or other electronic means that would constitute sexual harassment, may not use sexually suggestive screen savers, and may not receive or transmit pornographic, obscene, or sexually offensive material or information. As a further example, employees may not use electronic communications to transmit comments or images which are reasonably likely to offend someone on account of their age, sex, sexual orientation, race, religious beliefs, national origin, disability, or any of the other factors included in Section 2.3 Equal Employment Opportunity. Any employee who uses any electronic communications device in a manner which violates this policy will be subject to disciplinary action, up to and including termination of employment.

Consistent with the District's Cyber Security Policy, Employees are prohibited from using their personal computer, laptops, tablets, smart phones, or similar devices to perform work for the District. Violation of this policy may be cause for disciplinary action. Additionally, if an Employee's personal device is used to conduct District business, all the contents of that device may be subject to the Public Records Act and, thus reviewable by the District.

Employees learning of any misuse of voicemail, email or other computer systems or violations of this policy shall immediately notify the General Manager.

6.17 RECORDING WITHOUT CONSENT POLICY

No District employee, within the course and scope of their District employment, may electronically record or eavesdrop upon a communication without the consent of all parties to that conversation.

6.18 MERCHANDISING OR SOLICITING ON DISTRICT PREMISES

Soliciting or selling merchandise for organizations such as scouts, youth sports, school-related activities and others of that type is only permitted when an employee is off-duty and when it does not interfere with another employee's job performance.

6.19 BULLETIN BOARD

Bulletin boards are located in the office and shop areas to help keep employees informed on matters pertaining to the District. Only notices pertaining to the business and operations of the District will be placed on these boards. As such, all postings are to be authorized by the Department Manager and/or Superintendent prior to posting.

6.20 PARKING FACILITIES

A parking area is provided by the District for all employees.

6.21 LOANS, ADVANCES, PERSONAL CHECKS

Loans or advances against wages will not be approved by the District. Personal checks will not be cashed by the District.

6.22 LUNCHROOM

The lunchroom located at the District office, Distribution shop and Bella Vista Treatment Plant are provided for employee use. Employees should be respectful of their co-workers and leave the lunchrooms in a clean condition after use.

7 SUBSTANCE ABUSE

7.1 PURPOSE OF POLICY

The District has a vital interest in maintaining safe and efficient working conditions for its employees. Substance abuse is incompatible with health, safety, efficiency, and success at the District. Employees who are under influence of drugs, alcohol and/or cannabis on the job compromise the District's interests, endanger their own health and safety and the health and safety of others, and can cause a loss of efficiency, productivity, or a disruptive working environment.

To further its interests in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, and operations, the District has established this policy concerning the use of drugs, alcohol and cannabis. As a condition of continued employment with the District, all employees must abide by this policy.

7.2 DEFINITIONS

For the purposes of this policy:

A. "Illegal drugs" means any drug or controlled substance that is not legally obtainable or is legally obtainable but has not been legally obtained.

B. "Legal drugs" means any drug, including prescription drugs, over-the-counter drugs and cannabis, that has been legally obtained and that is not unlawfully sold or distributed.

7.3 EMPLOYEE ASSISTANCE

Employees who suspect that they may have drug, alcohol and/or cannabis problems, even in the early stages, are encouraged to voluntarily seek diagnosis and to follow through with the treatment as prescribed by qualified professionals. Employees who wish to voluntarily enter and participate in a drug, alcohol and/or cannabis rehabilitation program are encouraged to contact the General Manager, who will determine whether the District can accommodate the employee by providing unpaid leave (Family Medical Leave Act/Sick/Vacation allowable) for the time necessary for the employee to complete participation in the program. Disclosures made by an employee to the General Manager concerning the employee's use of drugs will be treated confidentially and will not be revealed to Department Managers and Superintendents unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to the General Manager concerning their participation in any drug, alcohol and/or cannabis rehabilitation program will be treated confidentially.

Employees should be aware, however, that participation in a rehabilitation program will not necessarily shield them from the imposition of disciplinary action for a violation of this policy, particularly if discipline is imposed for a violation occurring before the employee seeks assistance.

Nothing in this policy is intended to diminish the District's commitment to employ qualified disabled individuals or to provide accommodation to such individuals as required under state and federal law.

7.4 USE OF LEGAL DRUGS

The District recognizes that it may be necessary for employees to use legal drugs from time-to-time. The District also recognizes that an employee who is using legal drugs might become impaired by the drug such that the employee's ability to perform or to perform safely would be compromised. Designated safety-sensitive positions at the District, which includes all employees in the Distribution and Treatment departments, who know or should know that their use of legal drugs might endanger their own safety or the safety of some other person, pose a risk of significant damage to District property or the property of others, or materially compromise their ability to perform their work, are obligated to report such use of legal drugs to the General Manager. The District reserves the right to have a contract physician or the employee's own physician, as designated by the District determine whether it is advisable for the employee to continue working while taking such legal drugs. The District further reserves the right to have the employee's physician certify that when returning from a leave of absence, the employee will not be using any legal drugs which might impair the employee's ability to perform the employee's job duties for the District.

If appropriate, the District may reasonably limit the work activities of an employee who is using legal drugs or require that the employee take a leave of absence while taking such drugs. If the District permits an employee to work while using legal drugs, the employee still cannot report to work if impaired by the use of the drugs if the impairment might endanger the employee's own safety or the safety of anyone else, pose a risk of significant damage to the District property or substantially interfere with the employee's job performance or the efficient operation of the District's business. The District may require a medical certificate as a precondition to return to work.

7.5 PROHIBITED CONDUCT

A. On-Duty Prohibition of Illegal Drugs, Alcohol and Cannabis – An employee shall not use, possess, purchase, sell, manufacture, distribute, transport, dispense, or be under the influence of any illegal drug, cannabis, or alcohol during working hours, while on District premises, while conducting or performing District business, regardless of location, or while operating or responsible for the operation, custody, or care of District equipment or other property.

B. Off-Duty Conduct – In addition to the restrictions imposed under subsection A above, the use, possession, purchase, sale, manufacture, distribution, transportation, dispensation, or being under the influence of any illegal drug, cannabis or alcohol while off duty may result in disciplinary action, up to and including termination, depending upon whether such off-duty conduct negatively affects employees' ability to perform their job duties, undermines the public's confidence in the District or otherwise poses the risk of bringing the District into disrepute. Such off-duty conduct will be reviewed on a case-by-case basis.

C. Legal Drugs – Employees are prohibited from working while impaired by the use of a legal drug whenever such impairment might endanger the safety of the employee or some other person, pose a risk of significant damage to District property or equipment, or materially interfere with the employee's job performance or the efficient operation of the District's business or equipment.

8 TESTING FOR ILLEGAL DRUGS AND ALCOHOL

8.1 JOB APPLICANTS

Applicants receiving a conditional offer of employment are required to submit to a pre-employment physical examination which includes a urine test for the presence of illegal drugs and alcohol. In accordance with state law, and dependent on the position, the drug screen may include testing for the presence of cannabis. The District may refuse to employ an applicant whose test results show the presence of illegal drugs, alcohol, and for specific positions, cannabis.

8.2 TESTING OF EMPLOYEES

A. Any employee suspected of being under the influence of illegal drugs, cannabis or alcohol will be placed on paid administrative leave and required to submit to a urine or blood test to determine the presence of illegal drugs or alcohol. Such testing may be ordered only by the General Manager, or the Assistant General Manager based upon a reasonable suspicion that

an employee is under the influence of any illegal drug or alcohol in violation of this policy. Refusal to undergo a urine or blood test when required pursuant to this policy constitutes insubordination and may result in disciplinary action, up to an including termination.

B. Reasonable suspicion means a belief based on specific facts and reasonable inferences drawn from those facts that an employee is under the influence of illegal drugs, alcohol and/or cannabis in the course and scope of their employment. Circumstances which constitute a basis for determining reasonable suspicion may include, but are not limited to:

   i. A pattern of abnormal conduct or erratic behavior;

   ii. Observable phenomena, such as direct observation of drug or alcohol and/or cannabis or possession and/or the physical symptoms of being under the influence of illegal drugs, or alcohol and/or cannabis (e.g., glassy or bloodshot eyes, alcohol odor on breath, slurred speech, poor coordination and/or reflexes);

   iii. Conviction for a drug-related offense;

   iv. Information provided by a reliable and credible source which is independently corroborated; or

   v. Newly discovered evidence that the employee has tampered with a previous drug test.

C. The General Manager, Department Manager or Superintendent shall document in writing the facts, symptoms, or observations which form the basis for the determination that reasonable suspicion existed to warrant the testing of an employee.

D. Whether the testing is conducted by urine or blood sample shall be at the discretion of the District and/or the physician performing the test.

E. The urine or blood sample will be collected, and the testing will take place at an approved testing facility (as determined by the District) and will be done in a manner so as to provide the employee with appropriate rights of privacy. Positive results will be reviewed by a licensed physician who will discuss all positive results with the employee to determine if the positive result could have resulted from the use of legal drugs or other causes.

F. Any urine or blood sample showing positive test results will be retested. The physician and/or testing facility will report the test results to the General Manager or Business Manager only if the "retesting" of the sample shows positive results for illegal drugs, alcohol and/or cannabis. The positive test results will be made available to the employee.

G. A portion of each sample taken will be properly preserved, and the employee will be allowed to have the sample tested by their own physician.

H. The District shall observe all laws and regulations protecting the confidentiality of medical information.

I. Any employee who refuses to comply with a request for testing will be considered to be insubordinate. Any employee who provides false information in connection with a test or who attempts to falsify test results through tampering, contamination, adulteration, or substitution, shall be removed from duty immediately, and will be terminated. Refusal to

submit to a test can include an inability to provide a urine specimen or breathe sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test.

J. Any employee may identify someone suspected of being under the influence of drugs, alcohol and/or cannabis to any supervisory or management personnel. Employees should realize, however, that it is against District policy to make false or malicious statements about other employees and doing so can result in disciplinary action being taken against the offending employee. However, the Department Manager and/or Superintendent must witness firsthand the employee's signs and symptoms.

9 DISCIPLINARY GUIDELINES

9.1 CAUSES FOR TERMINATION

The first violation of Section 7 through Section 8 of this Handbook may result in termination, particularly whenever the prohibited conduct:

A. Involved the sale, manufacture, possession, distribution, or dispensation of illegal drugs in violation of this policy;

B. Caused injury to the employee or any other person, or, in the sole opinion of the District, endangered the safety of the employee or any other person;

C. Resulted in significant damage or theft to District property or equipment or, in the sole opinion of the District, posed a risk of significant damage; or

D. Involved fraudulent/illegal activity;

E. Involved an employee who had not completed the Introductory Period or was a Temporary Employee.

9.2 DISCRETION NOT TO TERMINATE

The District, in its sole discretion, may choose not to terminate an employee for a first violation of Sections 7 through 8 of this Handbook. However, all violations may result in disciplinary action. The nature of such disciplinary action will depend on the circumstances of each case, including a consideration of the following factors:

A. The circumstances under which the violation of the policy occurred;

B. The employee's participation in and satisfactory completion of a drug or alcohol abuse assistance or rehabilitation program;

C. Length of District service; and

D. History of job performance with the District.

9.3 EFFECT OF CRIMINAL DRUG CONVICTION

An employee who is convicted under a criminal drug statute for a violation occurring in the workplace or during any District-related activity or event will be deemed to have violated District's Substance Abuse policy and may result in disciplinary action up to and including termination.

9.4 EFFECT OF SECOND DRUG VIOLATION

A second violation of this policy by an employee at any time will result in termination subject to Skelly rights.

10 SOCIAL MEDIA

The District understands that social media can be a fun and rewarding way to share life experiences and opinions with family, friends, co-workers, and the public. The use of social media also presents certain risks and responsibilities. To assist employees in making responsible decisions about the use of social media, the District has established these guidelines for appropriate use of social media.

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to the employee's own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the District, as well as any other form of electronic communication.

The same principles and guidelines found in the District policies apply to employee activities online. Ultimately, employees are solely responsible for what they post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that conduct that adversely affects employee job performance, the performance of fellow employees or otherwise adversely affects customers, suppliers, people who work on behalf of the District or the District's legitimate interests may result in disciplinary action up to and including termination.

The District recognizes that social media can serve as a valuable platform for personal expression and connection with family, friends, colleagues, and the broader community. However, the use of social media also presents potential risks and responsibilities. To support employees in making informed and responsible decisions regarding social media use, the District has established the following guidelines.

Definition of Social Media

For the purposes of this policy, "social media" encompasses all forms of online communication and content sharing. This includes, but is not limited to, personal or third-party blogs, journals, diaries, websites, social networking platforms, online forums, bulletin boards, and chat rooms, regardless of whether they are affiliated with the District.

Guiding Principles

Employees are expected to adhere to the same standards of conduct online as they would in the workplace. All District policies, including those related to confidentiality, professionalism, and respectful communication, apply to online activities.

Employees are personally responsible for the content they publish or share online. Prior to posting, employees should carefully consider the potential impact of their communications. Any online behavior that adversely affects job performance, disrupts workplace harmony, or harms the reputation or interests of the District, its employees, customers, or partners may result in disciplinary action, up to and including termination of employment.

10.1 KNOW AND FOLLOW THE RULES

Employees should carefully read the entire Section 10 on Social Media as well as the other provisions of this Handbook - including the District's policies prohibiting unlawful discrimination and harassment - and ensure their postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject employees to disciplinary action up to and including termination.

10.2 BE RESPECTFUL

Always be fair and courteous to fellow employees, customers, suppliers, or people who work on behalf of the District. Also, keep in mind that employees are more likely to resolve work-related complaints by speaking directly with their co-workers or by bringing your concerns to the attention of Department Managers and/or Superintendents rather than by posting complaints to a social media outlet. Nevertheless, if an employee decides to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, other employees, or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or District policy.

10.3 BE HONEST AND ACCURATE

Employees should make every effort to be honest and accurate when posting information or news, and if they make a mistake, correct it quickly. Employees should be open about any previous posts they have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Employees should never post any information or rumors that they know to be false about the District, fellow employees, customers, suppliers, or people working on behalf of the District.

10.4 POST ONLY APPROPRIATE AND RESPECTFUL CONTENT

A. Employees should maintain the confidentiality of the District's confidential information and information about District customers. Do not post internal reports, policies, procedures, or other internal business-related confidential communications that are not publicly available.

B. An employee should not create a link from a personal blog, website, or other social networking site to a District website without identifying themself as a District employee.

C. Employees should express only their personal opinions. Employees should never represent themselves as a spokesperson for the District. If the District is a subject of the content the employee is creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the District, fellow employees, customers, suppliers, or people working on behalf of the District. If an employee does publish a blog or post online related to the work they do for the District or regarding subjects associated with the District, make it clear that you are not speaking on behalf of the District. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of the District."

10.5 USING SOCIAL MEDIA AT WORK

Employees shall refrain from using social media during working hours and on all District provided equipment unless authorized by the General Manager and shall not use District email addresses to register on social networks, blogs or other online tools utilized for personal use.

10.6 RETALIATION IS PROHIBITED

The District prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

10.7 MEDIA CONTACTS

Employees should not speak to the media on the District's behalf without contacting the General Manager. All media inquiries should be directed to the General Manager.

10.8 FOR MORE INFORMATION

If you have questions or need further guidance, please contact the General Manager.

11 ACKNOWLEDGMENT FORM

I acknowledge that I have received and am obligated to read and abide by the policies and procedures set forth in the Montecito Water District 2026 Employee Handbook.

_____ _____

Employee's Signature Date

_____

Print Name

Page left intentionally blank.