



REGULAR MEETING
of the
FINANCE COMMITTEE
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

TUESDAY, JUNE 16, 2026
11:00 A.M.

Attend in Person or Join by Teleconference:

<https://www.zoomgov.com/j/1612562387?pwd=4aU4KCayHyWL548K6fzDIK4bIh7gm1.1>

Webinar ID: 161 256 2387 Passcode: 033011

Tel: (669) 254-5252

AGENDA

1. CALL TO ORDER, DETERMINATION OF COMMITTEE QUORUM

2. PUBLIC FORUM

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

3. ITEMS FOR COMMITTEE DISCUSSION

- *A. Unaudited Financial Statements as of May 31, 2026
- *B. Ratification of Disbursements for May 2026
- *C. Investment of District Funds and Cash Position as of May 31, 2026
- *D. Proposed Budget Document for Fiscal Year 2027
- *E. CalPERS Annual Unfunded Accrued Liability as of June 30, 2024 Actuarial Valuation; Recommendation to Prepay the Fiscal Year 2027 Unfunded Accrued Liability in July 2026
- F. Update on Grant Reimbursable Capital Infrastructure Projects

4. DIRECTOR REQUESTS

Requests from Committee Members for items other than regular agenda items for the next regular Finance Committee meeting or any future meeting.

* Indicates attachment included for this item

5. ADJOURNMENT

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

This agenda was posted on the District website, and at the Montecito Water District outside display case at 5:00 p.m. on June 12, 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 Committee after distribution of the agenda packet are available on the District website.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-A

DATE: JUNE 16, 2026

TO: FINANCE COMMITTEE

FROM: BUSINESS MANAGER

SUBJECT: UNAUDITED FINANCIAL STATEMENTS AS OF MAY 31, 2026

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 May 31, 2026. 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.

MAY 2026 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 May 31, 2026
2. Water Sales Analysis, including supporting tables and graphical dashboards, for May 2026



FINANCE COMMITTEE
UNAUDITED FINANCIAL STATEMENTS
as of
May 31, 2026

FINANCE COMMITTEE MEETING
June 16, 2026



Budget Variance Report

As of: 05/31/2026

Fund: WATER	CURRENT MONTH			YEAR TO DATE			ANNUAL BUDGET		% BUDGET REMAINING
	BUDGETED MAY	ACTUAL MAY	VARIANCE	BUDGETED	ACTUAL	VARIANCE	REMAINING	TOTAL	
REVENUE SUMMARY									
Water Sales Revenue	2,317,283	2,535,739	218,456	24,287,442	23,666,545	(620,897)	(3,201,386)	26,867,931	12%
Other Operating Revenue	68,182	89,827	21,645	750,002	648,281	(101,721)	(169,908)	818,189	21%
Non-Operating Revenue	723,324	184,797	(538,527)	3,559,932	1,203,644	(2,356,288)	(3,601,992)	4,805,635	75%
Water Refunds/Rebates	(11,666)	(7,392)	4,274	(128,326)	(113,461)	14,865	26,539	(140,000)	19%
TOTAL REVENUE	3,097,123	2,802,971	(294,152)	28,469,050	25,405,009	(3,064,041)	(6,946,746)	32,351,755	21%
EXPENSE SUMMARY									
Water Purchases	587,715	598,559	(10,844)	13,172,322	12,856,964	315,358	(1,189,159)	14,046,123	8%
Jameson Lake	24,008	12,450	11,558	354,907	323,509	31,398	(61,949)	385,458	16%
Treatment Operations	127,959	144,059	(16,100)	2,117,451	2,001,022	116,430	(297,658)	2,298,679	13%
Transmission/Distributn	147,833	127,645	20,188	1,993,102	1,825,042	168,060	(376,888)	2,201,930	17%
Meter Reading/Customer	42,528	45,961	(3,433)	590,067	539,894	50,173	(106,571)	646,465	16%
Fleet	21,146	19,767	1,379	283,900	254,199	29,701	(57,699)	311,898	18%
Engineering	89,741	64,456	25,285	1,434,293	1,031,612	402,681	(500,761)	1,532,373	33%
Administration	164,823	201,418	(36,595)	2,567,738	2,416,318	151,420	(408,729)	2,825,047	14%
Board Administration	3,697	4,542	(845)	36,423	49,487	(13,064)	10,322	39,165	-26%
Conservation	14,254	92,019	(77,765)	312,680	298,177	14,503	(33,296)	331,473	10%
Public Information	27,024	19,175	7,849	241,789	189,670	52,120	(76,942)	266,611	29%
Interest Expense	-	-	-	148,500	148,500	-	(148,500)	297,000	50%
Other Committments	29,067	-	29,067	59,482	59,482	0	(0)	59,482	0%
TOTAL EXPENSE	1,279,795	1,330,053	(50,258)	23,312,654	21,993,875	1,318,779	(3,247,829)	25,241,704	13%
REVENUE OVER/(UNDER) EXPENDITURE	1,817,328	1,472,918	(344,410)	5,156,396	3,411,134	(1,745,262)	(3,698,918)		



Monthly Budget Report

Account Summary

For Fiscal: 2025-2026 Period Ending: 05/31/2026

Revenue	CURRENT MONTH			YEAR TO DATE			% BUDGET REMAINING	TOTAL BUDGET
	BUDGETED MAY	ACTUAL MAY	\$ VARIANCE	BUDGETED	ACTUAL	\$ VARIANCE		
41 - WATER SALES REVENUE								
Water Sales - Single Family	1,441,155	1,606,525	165,370	14,225,676	13,400,633	(825,043)	16%	15,883,327
Water Sales - Multi Family	24,294	21,708	(2,586)	290,722	237,449	(53,273)	26%	320,647
Water Sales - Commercial	99,486	123,072	23,586	1,052,566	1,149,485	96,919	1%	1,160,856
Water Sales - Institu / Public	121,499	139,054	17,555	1,310,299	1,408,992	98,693	3%	1,458,135
Water Sales - Agricultural	67,071	85,559	18,488	622,505	676,062	53,557	2%	692,636
Water Sales - Non Potable	12,236	7,019	(5,217)	103,712	92,990	(10,722)	22%	118,831
Water Sales - Const/Other Consumpt	5,000	4,043	(957)	70,000	39,359	(30,641)	48%	75,000
Water Sales - Surplus SWP Sales	-	-	-	600,000	616,680	16,680	-3%	600,000
Water Sales - Monthly Meter Charges	546,542	548,759	2,217	6,011,962	6,044,896	32,934	8%	6,558,499
Total 41 - WATER SALES REVENUE	2,317,283	2,535,739	218,456	24,287,442	23,666,545	(620,897)	12%	26,867,931
42 - OTHER OPERATING REVENUE								
Late Charges	3,500	1,991	(1,509)	38,500	23,024	(15,476)	45%	42,000
DrTag/Cutoff/On/Rtn Chk/AftHr	1,000	1,837	837	11,000	14,974	3,974	-25%	12,000
Private Fire Line Srv Charge	25,349	26,288	939	278,839	291,525	12,686	4%	304,189
CWSA/Hydrant Flow Test Fees	5,000	3,269	(1,731)	55,000	51,036	(3,964)	15%	60,000
Service Connection Fees	8,333	29,396	21,063	91,663	103,348	11,685	-3%	100,000
Capital Cost Recovery Fees	25,000	27,046	2,046	275,000	164,375	(110,625)	45%	300,000
Total 42 - OTHER OPERATING REVENUE	68,182	89,827	21,645	750,002	648,281	(101,721)	21%	818,189
43 - NON-OPERATING REVENUE								
Rent Revenue	7,757	7,454	(304)	86,706	84,107	(2,599)	12%	95,845
Interest Revenue	26,667	23,773	(2,894)	293,333	375,733	82,399	-17%	320,000
Investment Gains / (Loss)	-	-	-	-	-	-	0%	-
Federal Reimbursements	-	120,412	120,412	-	195,782	195,782	0%	-
State Reimbursements	-	33,113	33,113	-	33,113	33,113	0%	-
Reimbursements	6,000	-	(6,000)	114,847	177,402	62,555	-23%	143,845
FEMA Reimbursements	-	-	-	906,145	-	(906,145)	100%	906,145
Water Avail Chg - Revenue	-	-	-	290,000	297,521	7,521	1%	300,000
Capital Grants & Reimbursements	682,900	-	(682,900)	1,868,900	-	(1,868,900)	100%	3,039,800
Other Income	-	46	46	-	36,594	36,594	0%	-
Gain - Sale of Assets	-	-	-	-	3,393	3,393	0%	-
Total : 43 - NON-OPERATING REVENUE	723,324	184,797	(538,527)	3,559,932	1,203,644	(2,356,288)	75%	4,805,635

Revenue	CURRENT MONTH			YEAR TO DATE			% BUDGET REMAINING	TOTAL BUDGET
	BUDGETED MAY	ACTUAL MAY	\$ VARIANCE	BUDGETED	ACTUAL	\$ VARIANCE		
51 - WATER REFUNDS/REBATES								
Water Loss Adjustments	(8,333)	(3,208)	5,125	(91,663)	(53,674)	37,989	46%	(100,000)
Customer Rebates	(3,333)	(1,711)	1,622	(36,663)	(13,857)	22,806	65%	(40,000)
Customer Credits	-	(2,473)	(2,473)	-	(45,930)	(45,930)	0%	-
Total 51 - WATER REFUNDS/REBATES	(11,666)	(7,392)	4,274	(128,326)	(113,461)	14,865	19%	(140,000)
Total Revenue	3,097,123	2,802,971	(294,152)	28,469,050	25,405,009	(3,064,041)	21%	32,351,755



Monthly Budget Report

Account Summary

Fiscal: 2026 Period Ending: 05/31/2026

Expense	CURRENT MONTH			YEAR TO DATE			% BUDGET REMAINING	TOTAL BUDGET
	BUDGETED MAY	ACTUAL MAY	\$ VARIANCE	BUDGETED	ACTUAL	\$ VARIANCE		
Department: 500 - Water Purchases								
USBR - Cachuma	-	-	-	226,820	246,153	(19,333)	-9%	226,820
SWP CCWA Fixed	-	-	-	1,092,792	1,092,792	0	0%	1,092,792
SWP DWR Fixed	-	-	-	3,225,482	3,225,482	0	0%	3,225,482
CCRB Cachuma	-	-	-	190,460	150,010	40,450	21%	190,460
COMB Cachuma	-	-	-	809,331	757,613	51,718	6%	809,331
CATER Treatment Operations	-	-	-	514,030	633,822	(119,792)	19%	779,998
CATER Capital Costs	-	-	-	60,339	98,197	(37,858)	-22%	80,454
DWR Variable Costs	-	-	-	147,418	-	147,418	100%	147,418
DESAL Plant Capital Charge	193,633	193,633	-	2,129,963	2,129,963	-	8%	2,323,594
DESAL Fixed O&M Charge (IDE)	197,138	197,138	-	2,168,518	2,168,518	-	8%	2,365,655
DESAL Fixed O&M Charge (City)	32,127	37,066	(4,939)	353,397	407,726	(54,329)	-6%	385,528
DESAL Variable O&M Charge	106,975	106,975	-	1,176,725	1,176,725	-	8%	1,283,705
DESAL Administrative Charge	33,066	33,243	(177)	363,726	365,680	(1,954)	8%	396,793
DESAL Water Supply Develop Fee	22,276	22,276	-	245,036	245,036	-	8%	267,308
DESAL Plant Capital Maint(Paygo)	-	-	-	366,080	-	366,080	100%	366,080
Water Marketing & Storage	2,500	8,228	(5,728)	102,205	159,248	(57,043)	-52%	104,705
Total Department: 500 - Water Purchases	587,715	598,559	(10,844)	13,172,322	12,856,964	315,358	8%	14,046,123
Department: 511 - Jameson Lake								
PAYROLL/PERSONNEL	9,720	9,698	22	114,409	108,124	6,285	16%	129,172
TRAINING & TRAVEL	-	-	-	2,000	300	1,700	85%	2,000
MATERIAL & SUPPLIES	1,250	1,201	49	16,800	10,931	5,869	39%	18,050
CONTRACTUAL SERVICES	13,038	1,551	11,487	136,698	123,194	13,504	19%	151,236
OTHER OPERATING EXPENSES	-	-	-	85,000	80,960	4,040	5%	85,000
Total Department: 511 - Jameson Lake	24,008	12,450	11,558	354,907	323,509	31,398	16%	385,458
Department: 531 - Treatment Operations								
PAYROLL/PERSONNEL	88,294	84,122	4,172	1,309,976	1,254,559	55,417	13%	1,446,296
TRAINING & TRAVEL	1,483	811	673	9,998	8,842	1,156	12%	9,998
MATERIAL & SUPPLIES	19,244	8,552	10,692	268,568	239,227	29,341	16%	284,115
CONTRACTUAL SERVICES	18,938	50,575	(31,637)	528,909	497,144	31,765	11%	558,270
OTHER OPERATING EXPENSES	-	-	-	-	1,250	(1,250)	0%	-
Total Department: 531 - Treatment Operations	127,959	144,059	(16,100)	2,117,451	2,001,022	116,430	13%	2,298,679

Expense	CURRENT MONTH			YEAR TO DATE			% BUDGET REMAINING	TOTAL BUDGET
	BUDGETED MAY	ACTUAL MAY	\$ VARIANCE	BUDGETED	ACTUAL	\$ VARIANCE		
Department: 541 - Transmission/Distribution								
PAYROLL/PERSONNEL	107,483	96,574	10,909	1,515,732	1,408,234	107,498	16%	1,677,159
TRAINING & TRAVEL	600	837	(237)	14,600	9,126	5,474	40%	15,197
MATERIAL & SUPPLIES	13,550	11,607	1,943	151,370	103,108	48,262	36%	161,974
CONTRACTUAL SERVICES	26,200	17,342	8,858	311,400	302,424	8,976	13%	347,600
OTHER OPERATING EXPENSES	-	1,285	(1,285)	-	2,150	(2,150)	0%	-
Total Department: 541 Transmission/Distribution	147,833	127,645	20,188	1,993,102	1,825,042	168,060	17%	2,201,930
Department: 550 - Customer Service								
PAYROLL/PERSONNEL	28,288	28,920	(632)	334,156	316,538	17,618	16%	376,314
TRAINING & TRAVEL	-	-	-	6,001	539	5,462	91%	6,001
MATERIAL & SUPPLIES	330	187	143	5,600	7,052	(1,452)	-19%	5,930
CONTRACTUAL SERVICES	13,910	16,855	(2,945)	244,310	215,765	28,545	16%	258,220
Total Department: 550 - Customer Service	42,528	45,961	(3,433)	590,067	539,894	50,173	16%	646,465
Department: 561 - Fleet								
PAYROLL/PERSONNEL	12,656	12,628	28	188,311	180,263	8,048	13%	207,821
TRAINING & TRAVEL	-	-	-	1,999	95	1,904	95%	1,999
MATERIAL & SUPPLIES	8,058	7,119	939	88,638	71,691	16,947	26%	96,694
CONTRACTUAL SERVICES	432	20	412	4,952	2,151	2,801	60%	5,384
Total Department: 561 - Fleet	21,146	19,767	1,379	283,900	254,199	29,701	18%	311,898
Department: 563 - Engineering								
PAYROLL/PERSONNEL	51,691	42,429	9,262	622,943	509,744	113,199	28%	703,873
TRAINING & TRAVEL	-	914	(914)	4,500	1,106	3,394	82%	6,000
MATERIAL & SUPPLIES	4,300	2,550	1,750	59,100	45,665	13,435	27%	62,900
CONTRACTUAL SERVICES	33,750	18,563	15,187	747,750	474,637	273,113	38%	759,600
OTHER OPERATING EXPENSES	-	-	-	-	458	(458)	0%	-
Total Department: 563 - Engineering	89,741	64,456	25,285	1,434,293	1,031,612	402,681	33%	1,532,373
Department: 565 - Administration								
PAYROLL/PERSONNEL	88,938	84,050	4,888	1,025,210	932,636	92,574	19%	1,153,518
TRAINING & TRAVEL	917	610	307	12,087	3,804	8,283	71%	13,000
MATERIAL & SUPPLIES	6,650	15,555	(8,905)	145,800	121,664	24,136	20%	151,950
CONTRACTUAL SERVICES	68,292	100,336	(32,044)	1,312,353	1,279,204	33,149	11%	1,434,265
OTHER OPERATING EXPENSES	26	866	(840)	72,288	79,011	(6,723)	-9%	72,314
Total Department: 565 - Administration	164,823	201,418	(36,595)	2,567,738	2,416,318	151,420	14%	2,825,047

Expense	CURRENT MONTH			YEAR TO DATE			% BUDGET REMAINING	TOTAL BUDGET
	BUDGETED MAY	ACTUAL MAY	\$ VARIANCE	BUDGETED	ACTUAL	\$ VARIANCE		
Department: 566 - Board Administration								
PAYROLL/PERSONNEL	3,397	3,779	(382)	26,122	34,235	(8,113)	-20%	28,564
TRAINING & TRAVEL	300	172	128	10,301	12,131	(1,830)	-14%	10,601
OTHER OPERATING EXPENSES	-	592	(592)	-	3,122	(3,122)	0%	-
Total Department: 566 - Board Administration	3,697	4,542	(845)	36,423	49,487	(13,064)	-26%	39,165
Department: 568 - Conservation								
PAYROLL/PERSONNEL	11,958	11,927	31	142,534	136,911	5,623	15%	160,932
TRAINING & TRAVEL	1,401	480	921	3,201	1,947	1,254	39%	3,201
MATERIAL & SUPPLIES	50	483	(433)	550	4,787	(4,237)	-698%	600
CONTRACTUAL SERVICES	845	78,981	(78,136)	154,395	143,269	11,126	7%	154,740
OTHER OPERATING EXPENSES	-	149	(149)	12,000	11,263	737	6%	12,000
Total Department: 568 - Conservation	14,254	92,019	(77,765)	312,680	298,177	14,503	10%	331,473
Department: 568 - Public Information								
PAYROLL/PERSONNEL	13,809	13,603	206	160,575	148,867	11,708	18%	180,732
TRAINING & TRAVEL	-	-	-	1,999	1,401	598	30%	1,999
MATERIAL & SUPPLIES	8,050	1,986	6,064	13,400	5,093	8,307	62%	13,400
CONTRACTUAL SERVICES	5,165	3,586	1,579	65,815	34,309	31,506	51%	70,480
Total Department: 568 - Public Information	27,024	19,175	7,849	241,789	189,670	52,120	29%	266,611
Department: 570 - Interest Expense								
Interest 2020 COP Refunding Bonds	-	-	-	148,500	148,500	-	50%	297,000
Total Department: 570 - Interest Expense	-	-	-	148,500	148,500	-	50%	297,000
Department: 580 - Other Commitments								
Cater Ozone Project Loan	29,067	-	29,067	59,482	59,482	0	0%	59,482
Total Department: 580 - Non-Departmental	29,067	-	29,067	59,482	59,482	0	0%	59,482
Total Expense	1,279,795	1,330,053	(50,258)	23,312,654	21,993,875	1,318,779	13%	25,241,704

MONTECITO WATER DISTRICT
Capital Program — Year-to-Date Activity
Fiscal Year 2026 | July 1, 2025 through May 31, 2026

CAPITAL FUNDING SOURCES	YTD Expenditures	% of Total
ASADRA Financing Proceeds	3,531,141	54%
FEMA Reimbursements	355,134	5%
RATE Revenue & Water Availability Charge	2,698,550	41%
TOTAL CAPITAL FUNDING SOURCES	6,584,824	100%

Capital Projects by Program Area

Proj. No.	Project / Description	YTD Expenditures	% of Total
ASADRA Reservoirs			
P132	ASADRA Park Lane Reservoir	150,501	4%
P133	ASADRA Terminal Reservoir	3,323,348	94%
P135	ASADRA Cold Springs Reservoir	7,488	0%
P136	ASADRA Romero Reservoir	49,804	1%
ASADRA Reservoirs — Subtotal		3,531,141	54%
Storm Damage Repairs (FEMA)			
F025	Highline Pipeline Repair — Jan 2023 Storm	238,211	7%
A1	Alder Creek Flume Reconstruction	116,922	3%
Storm Damage Repairs (FEMA) — Subtotal		355,134	5%
Water Main Replacements			
P098	Freehaven Water Main Replacement	848,592	24%
P142	US 101 Casing Installations (Danielson & Miramar)	326,266	9%
P095	Las Tunas Rd Water Main Replacement	413,200	12%
P115	E. Valley, Ladera, Lambert Water Main (Design)	99,129	3%
P141	Fairway, Butterfly, Miramonte Main Replacement	84,011	2%
P099	Highline Water Main Replacement (Design)	36,555	1%
Water Main Replacements — Subtotal		1,807,753	27%
Treatment Plant & Dam Improvements			
P147	BVTP Filter #1 Media Replacement & Coating	209,621	6%
P125	Juncal Dam Arch Drain Replacement	109,929	3%
P122	Doulton Treatment Plant Road Repair	54,963	2%
P146	BVTP Reclaim Basin Repair & Coating	2,335	0%
Treatment Plant & Dam Improvements — Subtotal		376,848	6%
Wells, Pump Stations & Site Facilities			
P143	Fire Hydrant Replacements (FY 2025-26)	280,811	8%
P144	Pressure Regulator Vault Repairs (FY 2025-26)	67,463	2%
P145	Ortega Backup Generator Pad & Electrical	69,748	2%
P148	Ennisbrook 2 Well Roof Install	49,866	1%
P150	East Valley Pump Station Roof Replacement	46,060	1%
Wells, Pump Stations & Site Facilities — Subtotal		513,948	8%
Total Year-to-Date CIP Expenditures		6,584,824	100%

Source: Project Activity Report by Project Number, July 1, 2025 – May 31, 2026; 20 active capital projects. ASADRA Loan = the four ASADRA reservoir projects; FEMA / Disaster Recovery = the Alder Creek Flume and Highline Pipeline (Jan 2023 storm) repairs; all other projects shown as Rate Revenue Funded.

MONTECITO WATER DISTRICT

Fiscal Year 2026

Through MAY 31, 2026
(Variances greater than \$25,000)

Revenue

Annual budget \$32,351,755; \$6,946,746 remaining (21%) with one month left. Total YTD revenue is \$25,405,009 actual vs. \$28,469,050 YTD budget – \$(3,064,041) (11%) unfavorable.

Water Sales Revenue | YTD Budget: \$24,287,442 | YTD Actual: \$23,666,545 | \$(620,897) unfavorable (3%)

- 1. Water Sales – Single Family: \$(825,043) unfavorable (6%)**
 - YTD budget \$14,225,676 vs. actual \$13,400,633. Shortfall driven by lower demand resulting in reduced customer consumption. Annual budget \$15,883,327; \$2,482,694 remaining (16%) with one month left.
- 2. Water Sales – Multi Family: \$(53,273) unfavorable (18%)**
 - YTD budget \$290,722 vs. actual \$237,449. Consistent with the demand reduction. Annual budget \$320,647; \$83,198 remaining (26%) with one month left.
- 3. Water Sales – Commercial: \$96,919 favorable (9%)**
 - YTD budget \$1,052,566 vs. actual \$1,149,485. Commercial ahead of budget. Annual budget \$1,160,856; \$11,371 remaining (1%) with one month left.
- 4. Water Sales – Institutional / Public: \$98,693 favorable (8%)**
 - YTD budget \$1,310,299 vs. actual \$1,408,992. Institutional and public usage above planned. Annual budget \$1,458,135; \$49,143 remaining (3%) with one month left.
- 5. Water Sales – Agricultural: \$53,557 favorable (9%)**
 - YTD budget \$622,505 vs. actual \$676,062. Agricultural demand modestly above budget. Annual budget \$692,636; \$16,574 remaining (2%) with one month left.
- 6. Water Sales – Const/Other Consumption: \$(30,641) unfavorable (44%)**
 - YTD budget \$70,000 vs. actual \$39,359. Lower construction-related water usage. Annual budget \$75,000; \$35,641 remaining (48%) with one month left.
- 7. Water Sales – Monthly Meter Charges: \$32,934 favorable (1%)**
 - YTD budget \$6,011,962 vs. actual \$6,044,896. Fixed monthly meter charges tracking slightly ahead of budget. Annual budget \$6,558,499; \$513,603 remaining (8%) with one month left.

Other Operating Revenue | YTD Budget: \$750,002 | YTD Actual: \$648,281 | \$(101,721) unfavorable (14%)

- 8. Capital Cost Recovery Fees: \$(110,625) unfavorable (40%)**
 - YTD budget \$275,000 vs. actual \$164,375. Collections at 60% of YTD budget; new development activity remains below forecast. Annual budget \$300,000; \$135,625 remaining (45%) with one month left.

Non-Operating Revenue | YTD Budget: \$3,559,932 | YTD Actual: \$1,203,644 | \$(2,356,288) unfavorable (66%)

9. **Capital Grants & Reimbursements: \$(1,868,900) unfavorable (100%)**
 - YTD budget \$1,868,900 vs. actual \$0. \$1.55M received from SWRCB YTD. \$1.7M pending receipt from SWRCB.
10. **FEMA Reimbursements: \$(906,145) unfavorable (100%)**
 - YTD budget \$906,145 vs. actual \$0. No FEMA reimbursement recorded against budget to date; \$120,412 Ashley Bridge and \$75,370 Alder Creek Flume reimbursements reclassified as Federal Reimbursements; \$600K Juncal retention pending. Annual budget \$906,145; \$906,145 remaining (100%) with one month left.
11. **Federal Reimbursements: \$195,782 favorable**
 - Recorded against a \$0 annual budget due to reclass. Reflects FEMA reimbursement activity (Ashley Bridge and Alder Creek Flume).
12. **Interest Revenue: \$82,400 favorable (28%)**
 - YTD budget \$293,333 vs. actual \$375,733. Interest earnings above budget, reflecting portfolio balances and market rates. Annual budget \$320,000; \$55,733 over annual budget.
13. **Reimbursements: \$62,555 favorable (54%)**
 - YTD budget \$114,847 vs. actual \$177,402. Includes prior-year surplus reimbursements from COMB and CCRB. Annual budget \$143,845; \$33,557 over annual budget.
14. **Other Income: \$36,594 favorable**
 - Recorded against a \$0 annual budget. Includes \$25K from Montecito Community Foundation for Demo Garden and equipment sales of \$8K.
15. **State Reimbursements: \$33,113 favorable**
 - Ashley Bridge reimbursement recorded against a \$0 annual budget.

Revenue Risks

Water Sales are unfavorable by \$(620,897) year-to-date, driven primarily by an \$(825,043) shortfall in single-family revenue and partially offset by favorable commercial, institutional, and agricultural sales. With \$3,201,386 remaining relative to the annual Water Sales budget and one month left in the fiscal year, there is a risk that revenues may not fully recover by year-end. \$1.55M received from SWRCB YTD. \$1.7M pending receipt from SWRCB.

Expense – By Department

Annual budget \$25,241,704; \$3,247,829 remaining (13%) with one month left. Total YTD expenses are \$21,993,875 actual vs. \$23,312,654 YTD budget – \$1,318,779 (6%) favorable.

Water Purchases | YTD Budget: \$13,172,322 | YTD Actual: \$12,856,964 | \$326,202 favorable (3%)

16. **DESAL Plant Capital Maintenance – Paygo (WA7): \$366,080 favorable (100%)**
 - YTD budget \$366,080 vs. actual \$0. WSA PAYGO capital expenditure has not yet been incurred. Annual budget \$366,080; \$366,080 remaining (100%) with one month left.
17. **DWR Variable Costs: \$147,418 favorable (100%)**
 - YTD budget \$147,418 vs. actual \$0. No DWR variable costs incurred to date.

- 18. **COMB Cachuma: \$51,718 favorable (6%)**
 - YTD budget \$809,331 vs. actual \$757,613. Costs below YTD budget driven by postponement of Lauro Reservoir bypass channel project. Annual budget \$809,331; \$51,718 remaining (6%) with one month left.
- 19. **CCRB Cachuma: \$40,450 favorable (21%)**
 - YTD budget \$190,460 vs. actual \$150,010. Assessments below YTD budget; the remaining \$40,450 of annual budget may not be assessed if the Q4 assessment is not levied. Annual budget \$190,460; \$40,450 remaining (21%) with one month left.
- 20. **CATER Treatment Operations: \$(119,792) unfavorable (23%)**
 - YTD budget \$514,030 vs. actual \$633,822. Costs above YTD budget due to increased deliveries through Cater earlier in the fiscal year. Annual budget \$779,998; \$146,176 remaining (19%) with one month left.
- 21. **Water Marketing & Storage: \$(57,043) unfavorable (56%)**
 - YTD budget \$102,205 vs. actual \$159,248. Higher water banking/marketing activity compared to YTD budget. Annual budget \$104,705; \$54,543 over annual budget with one month remaining.
- 22. **DESAL Fixed O&M Charge – City (WA3): \$(54,329) unfavorable (15%)**
 - YTD budget \$353,397 vs. actual \$407,726. City DESAL fixed O&M charges above the budgeted rate. Annual budget \$385,528; \$22,198 over annual budget with one month remaining.
- 23. **CATER Capital Costs: \$(37,858) unfavorable (63%)**
 - YTD budget \$60,339 vs. actual \$98,197. Capital cost billings above budget. Annual budget \$80,454; \$17,743 over annual budget with one month remaining.

511 – Jameson Lake | YTD Budget: \$354,907 | YTD Actual: \$323,509 | \$31,398 favorable (9%)

- 24. **Laboratory Services: \$37,962 favorable (87%)**
 - Annual budget \$43,596 vs. actual \$5,634. Laboratory services largely not yet incurred, consistent with the absence of algal blooms during the period. Annual budget \$43,596; \$37,962 remaining (87%) with one month left.
- 25. **Outside Services: \$(10,639) unfavorable (11%)**
 - Annual budget \$100,000 vs. actual \$110,639. Road work and electrical repairs completed earlier in the year. Annual budget \$100,000; \$10,639 over annual budget with one month remaining. (Below the \$25,000 YTD reporting threshold; noted for context against the favorable laboratory variance.)

531 – Treatment Operations | YTD Budget: \$2,117,451 | YTD Actual: \$2,001,022 | \$116,430 favorable (5%)

- 26. **Payroll/Personnel: \$55,417 favorable (4%)**
 - YTD budget \$1,309,976 vs. actual \$1,254,559. Combination of lower overtime and standby hours. Annual budget \$1,446,296; \$191,737 remaining (13%) with one month left.
- 27. **Contractual Services: \$31,765 favorable (6%)**
 - YTD budget \$528,909 vs. actual \$497,144. Contract services below YTD budget. Annual budget \$558,270; \$61,126 remaining (11%) with one month left.
- 28. **Material & Supplies: \$29,341 favorable (11%)**
 - YTD budget \$268,568 vs. actual \$239,227. Materials and supplies below YTD budget. Annual budget \$284,115; \$44,888 remaining (16%) with one month left.

541 – Transmission & Distribution | YTD Budget: \$1,993,102 | YTD Actual: \$1,825,042 | \$168,060 favorable (8%)

29. Payroll/Personnel: \$107,498 favorable (7%)

- YTD budget \$1,515,732 vs. actual \$1,408,234, due to labor capitalization and lower overtime. This variance is not fully indicative of net savings, as personnel costs are largely reallocated between operating and capital, and a portion is offset by grant reimbursements. Annual budget \$1,677,159; \$268,925 remaining (16%) with one month left.

30. Material & Supplies: \$48,262 favorable (32%)

- YTD budget \$151,370 vs. actual \$103,108. Materials and inventory spend below YTD budget. Annual budget \$161,974; \$58,866 remaining (36%) with one month left.

550 – Customer Service | YTD Budget: \$590,067 | YTD Actual: \$539,894 | \$50,173 favorable (9%)

31. Contractual Services: \$28,545 favorable (12%)

- YTD budget \$244,310 vs. actual \$215,765. Contractual processing fees tracking below budget. Annual budget \$258,220; \$42,455 remaining (16%) with one month left.

561 – Fleet | YTD Budget: \$283,900 | YTD Actual: \$254,199 | \$29,701 favorable (10%)

Department favorable by \$29,701. No individual account line exceeds the \$25,000 reporting threshold; salary savings combine with lower materials and supplies spend (\$16,947 favorable). Annual budget \$311,898; \$57,699 remaining (18%) with one month left.

563 – Engineering | YTD Budget: \$1,434,293 | YTD Actual: \$1,031,612 | \$402,681 favorable (28%)

32. Contractual Services: \$273,113 favorable (37%)

- YTD budget \$747,750 vs. actual \$474,637. Driven by Outside Services; on-call services not incurred; Risk & Resilience assessment trailing budget; leak detection and asphalt paving work remain timing related and expected before fiscal year-end. Annual budget \$759,600; \$284,963 remaining (38%) with one month left.

33. Payroll/Personnel: \$113,199 favorable (18%)

- YTD budget \$622,943 vs. actual \$509,744, due to labor capitalization. This variance is not fully indicative of net savings, as personnel costs are largely reallocated between operating and capital, and a portion is offset by grant reimbursements. Annual budget \$703,873; \$194,129 remaining (28%) with one month left.

565 – Administration | YTD Budget: \$2,567,738 | YTD Actual: \$2,416,318 | \$151,420 favorable (6%)

34. Payroll/Personnel: \$92,574 favorable (9%)

- YTD budget \$1,025,210 vs. actual \$932,636. Salaries running below budget. Annual budget \$1,153,518; \$220,882 remaining (19%) with one month left.

35. Legal Expense: \$71,487 favorable (30%)

- Annual budget \$240,000 vs. actual \$148,513. Legal costs tracking below budget. Annual budget \$240,000; \$91,487 remaining (38%) with one month left.

36. Contractual Services: \$33,149 favorable (3%)

- YTD budget \$1,312,353 vs. actual \$1,279,204. Category favorable overall, though General Liability Insurance (\$492,573 vs. \$487,398 annual budget) and Network/IT

Services have run slightly above budget. Annual budget \$1,434,265; \$155,061 remaining (11%) with one month left.

566 – Board Administration | YTD Budget: \$36,423 | YTD Actual: \$49,487 | \$(13,064) unfavorable (36%)

Department unfavorable by \$(13,064), within the \$25,000 reporting threshold but exceeding budget overall. Driven by Payroll/Personnel (\$8,113 over) and Training & Travel (\$1,830 over). Annual budget \$39,165; \$10,322 over annual budget with one month remaining.

568 – Conservation | YTD Budget: \$312,680 | YTD Actual: \$298,177 | \$14,503 favorable (5%)

Department favorable by \$14,503. No individual account line exceeds the \$25,000 reporting threshold; the Demonstration Garden contractual work (Outside Services \$141,647 against a \$151,200 budget) largely caught up to budget during the month. Annual budget \$331,473; \$33,296 remaining (10%) with one month left.

568 – Public Information | YTD Budget: \$241,789 | YTD Actual: \$189,670 | \$52,120 favorable (22%)

37. Contractual Services: \$31,506 favorable (48%)

- YTD budget \$65,815 vs. actual \$34,309. Printing/publishing and outside services tracking below budget. Annual budget \$70,480; \$36,171 remaining (51%) with one month left.

580 – Other Commitments | YTD Budget: \$59,482 | YTD Actual: \$59,482 | \$0 (0%)

CATER Ozone Project Loan fully expended on schedule; YTD actual equals YTD budget at \$59,482. No variance. (Prior-month timing variance has resolved with the May payment.)

Conclusion

The primary financial watch item remains the continued water sales shortfall, now \$(620,897) unfavorable year-to-date and concentrated in single-family revenue. Operating expenses remain \$1,318,779 (6%) favorable, providing partial offset. \$1.55M received from SWRCB YTD. \$1.7M pending receipt from SWRCB.

MONTECITO WATER DISTRICT
Statement of Net Position (Unaudited)
Summary — As of May 31, 2026

	31-May-26
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets — operating reserves and restricted advances	12,034,627
Restricted assets held by others (CCWA and WSA reserves)	3,245,605
Receivables, inventory, and prepaid expenses	12,229,009
Capital assets, net of accumulated depreciation	61,505,470
Total Assets	89,014,711
Deferred Outflows of Resources	2,342,180
Total Assets and Deferred Outflows of Resources	91,356,891
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	
Current liabilities	5,054,235
Noncurrent liabilities — long-term debt, OPEB, and net pension liability	23,061,247
Total Liabilities	28,115,482
Deferred Inflows of Resources	861,590
Net Position	
Net investment in capital assets	51,131,646
Board committed funds	6,309,757
Unreserved fund balance	3,474,414
Change in net position (year-to-date)	1,464,001
Total Net Position	62,379,819
Total Liabilities, Deferred Inflows, and Net Position	91,356,891

Condensed from the detailed Statement of Net Position included in the unaudited financial statements as of May 31, 2026. Amounts may not sum to totals due to rounding. FEMA and CalOES/FEMA advances of \$4,666,496 are recorded as both restricted current assets and current liabilities and are fully offsetting.

Source: Balance Sheet Consolidated INCODE as of 5/31/26

	31-May-26
BOARD-DESIGNATED RESERVES	
Rate Stabilization Fund	2,112,639
Operating Reserve	3,697,118
Capital and Emergency Reserve	500,000
SWP Prefunding Reserve	4,280,974
Total Board Designated Reserves	10,590,731
DEBT SERVICE	
2020 COP Refunding	1,637,625
Cater Ozone Loan	276,346
Total Debt Service	1,913,971
OTHER CASH ITEMS	
F025 Highline FEMA Advance	2,846,529
Total Other Cash Items	2,846,529
LIABILITY SETTLEMENTS	
CalOES Holdback Disbursements	157,977
Total Other Cash Items	157,977
Total Board Designated Reserves, Debt Service, Other Cash Items & Liability Settlements	15,509,207



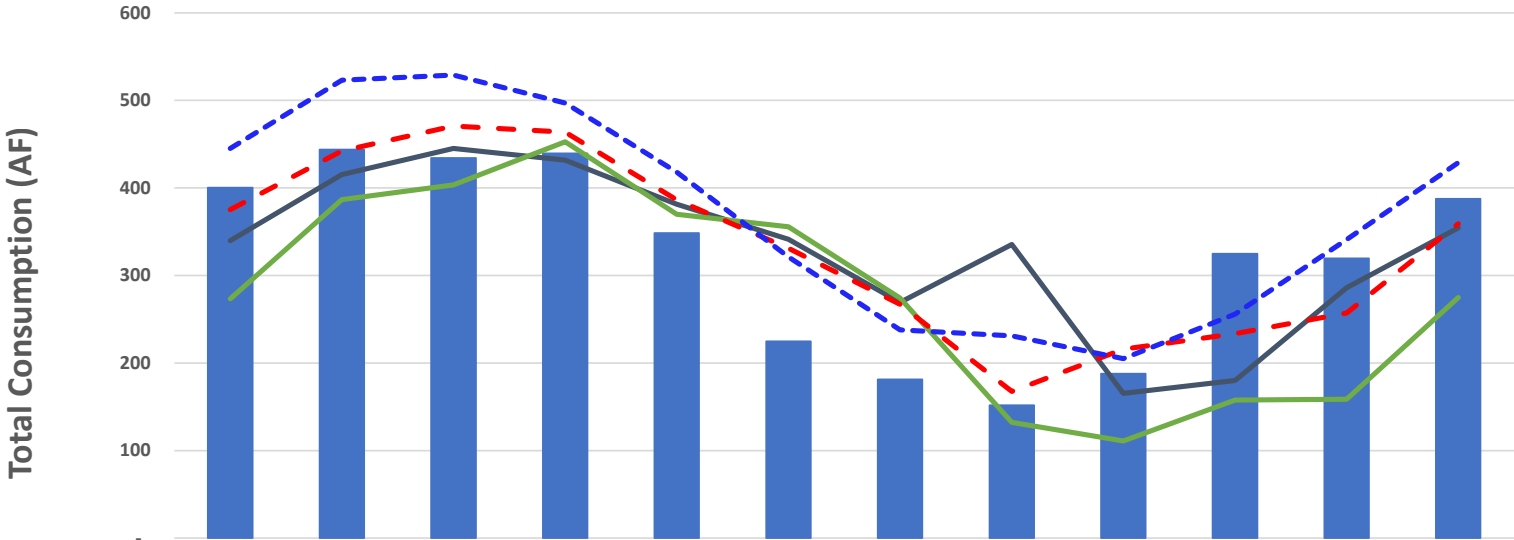
MONTH ENDING
5/31/2026

MONTH TO DATE WATER SALES								
CLASSIFICATION	(\$ MTD ACTUALS	(\$ MTD BUDGET	VARIANCE		(AF) MTD ACTUALS	(AF) MTD BUDGET	VARIANCE	
			\$	%			AF	%
Single Family	\$ 1,606,525	\$ 1,441,155	\$ 165,370	11%	288	269	19	7%
Multi Family	\$ 21,708	\$ 24,294	\$ (2,586)	(11%)	8	8	(1)	(6%)
Agricultural	\$ 85,559	\$ 67,071	\$ 18,488	28%	34	27	7	28%
Institutional	\$ 139,054	\$ 121,499	\$ 17,555	14%	26	22	3	14%
Commercial	\$ 123,072	\$ 99,486	\$ 23,586	24%	25	19	6	29%
Non-Potable	\$ 7,019	\$ 12,236	\$ (5,217)	(43%)	8	13	(6)	(43%)
Monthly Total	\$ 1,982,937	\$ 1,765,741	\$ 217,196	12%	388	359	29	8%
YEAR TO DATE WATER SALES								
CLASSIFICATION	(\$ YTD ACTUALS	(\$ YTD BUDGET	VARIANCE		(AF) YTD ACTUALS	(AF) YTD BUDGET	VARIANCE	
			\$	%			AF	%
Single Family	\$ 13,400,633	\$ 14,225,677	\$ (825,044)	(6%)	2503	2700	(198)	(7%)
Multi Family	\$ 237,449	\$ 290,722	\$ (53,273)	(18%)	80	89	(9)	(10%)
Agricultural	\$ 676,062	\$ 622,507	\$ 53,555	9%	267	246	21	9%
Institutional	\$ 1,408,992	\$ 1,310,298	\$ 98,694	8%	260	242	18	8%
Commercial	\$ 1,149,485	\$ 1,052,565	\$ 96,920	9%	233	205	28	14%
Non-Potable	\$ 92,990	\$ 103,713	\$ (10,723)	(10%)	101	112	(12)	(10%)
Annual Total	\$ 16,965,611	\$ 17,605,482	\$ (639,871)	(4%)	3444	3595	-151	(4%)

Fiscal Year = July thru June
 1 AF = 435.6 HCF of Water
 1 HCF = 748 Gallons of Water



Water Sales (AF) Comparison

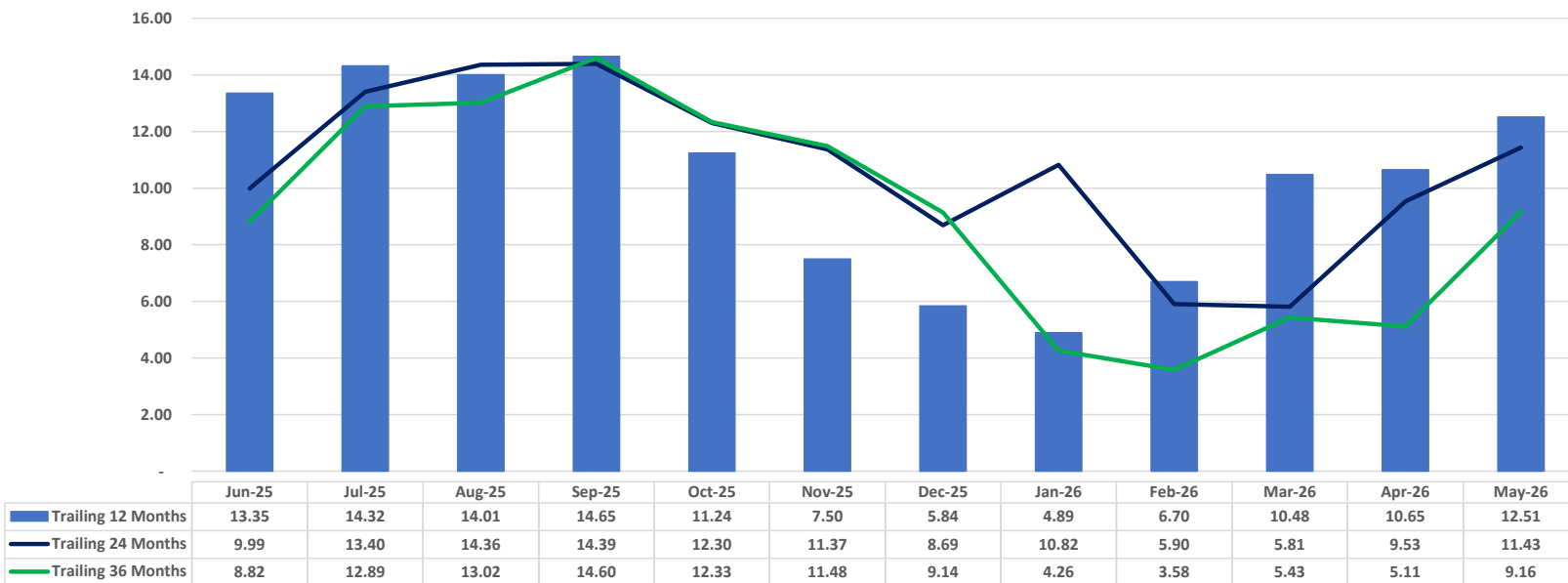


	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Trailing 12 Months	400	444	434	440	348	225	181	152	188	325	320	388
Trailing 24 Months	340	415	445	432	381	341	269	335	165	180	286	354
Trailing 36 Months	273	387	404	453	370	356	274	132	111	158	159	275
Budget	375	442	471	464	387	331	267	168	216	234	257	359
SBX7-7	445	523	529	497	418	321	238	231	205	256	341	429



MONTH ENDING 5/31/2026

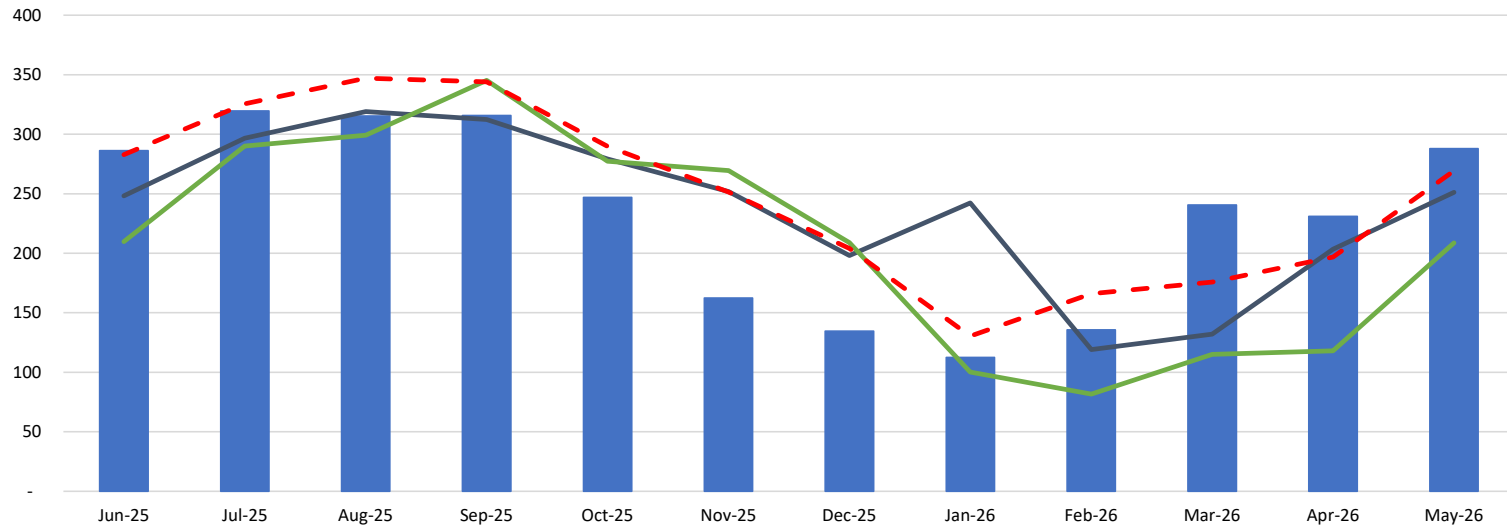
Average Daily Water Sales Per Month (AF)





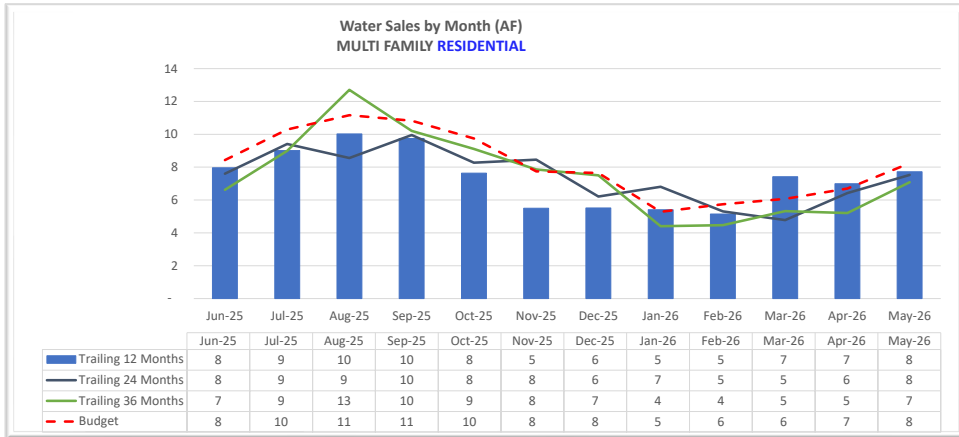
MONTH ENDING 5/31/2026

Water Sales by Month (AF)
SINGLE FAMILY RESIDENTIAL

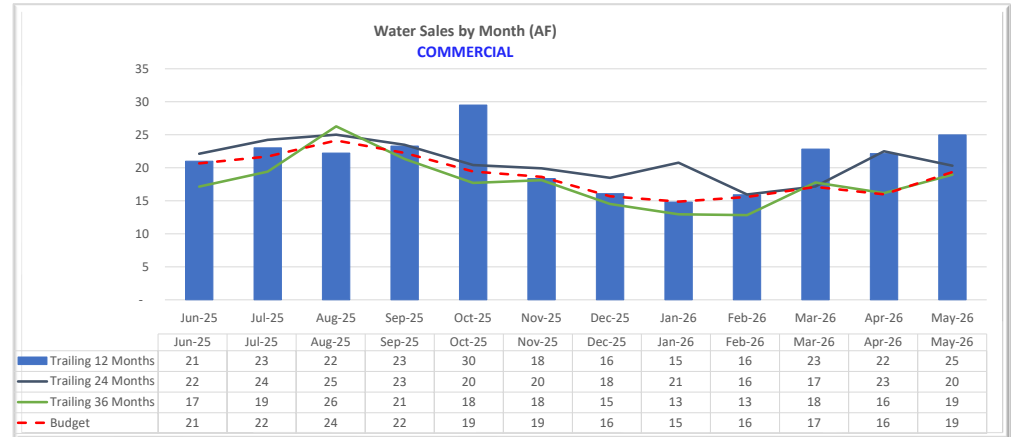


	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Trailing 12 Months	286	320	315	316	247	163	135	113	136	241	231	288
Trailing 24 Months	248	297	319	312	279	252	198	242	119	132	203	251
Trailing 36 Months	210	290	299	345	277	269	209	100	82	115	118	209
Budget	283	326	347	344	290	251	204	130	166	176	197	269

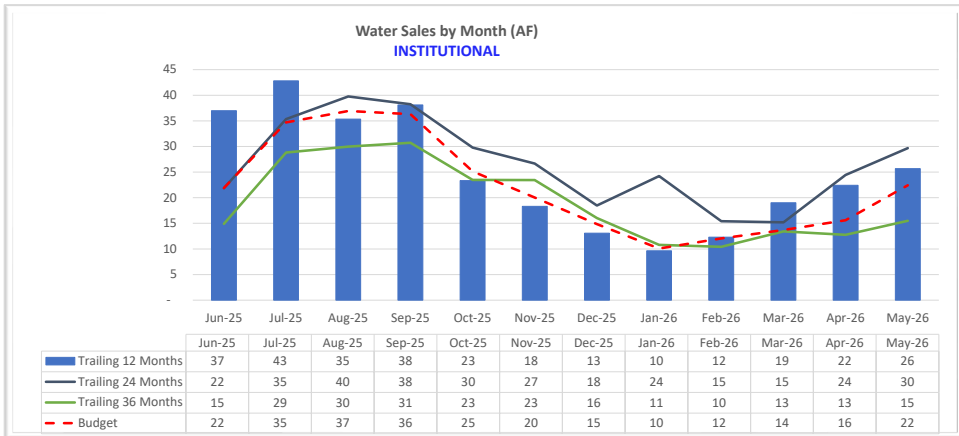
■ Trailing 12 Months	2,789 AF
■ Trailing 24 Months	2,854 AF
■ Trailing 36 Months	2,524 AF
- - - Trailing 12 Month Budget	2,983 AF
Trailing 12 Months versus Trailing 24 Months	(2.3%)
Trailing 24 Months versus Trailing 36 Months	10.5%
Trailing 12 Months versus Budget	(6.5%)



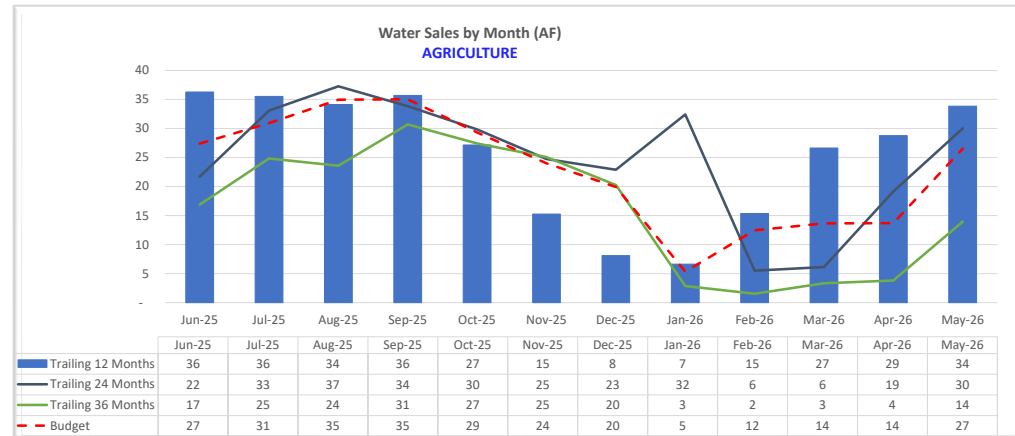
Trailing 12 Months 88 AF
 Trailing 24 Months 89 AF
 Trailing 36 Months 89 AF
 Trailing 12 Month Budget 98 AF
 Trailing 12 Months versus Trailing 24 Months (1.4%)
 Trailing 24 Months versus Trailing 36 Months (1.6%)
 Trailing 12 Months versus Budget (10.0%)



Trailing 12 Months 254 AF
 Trailing 24 Months 250 AF
 Trailing 36 Months 213 AF
 Trailing 12 Month Budget 225 AF
 Trailing 12 Months versus Trailing 24 Months 1.5%
 Trailing 24 Months versus Trailing 36 Months 19.2%
 Trailing 12 Months versus Budget 12.8%



Trailing 12 Months 297 AF
 Trailing 24 Months 319 AF
 Trailing 36 Months 230 AF
 Trailing 12 Month Budget 264 AF
 Trailing 12 Months versus Trailing 24 Months (6.9%)
 Trailing 24 Months versus Trailing 36 Months 29.0%
 Trailing 12 Months versus Budget 12.6%



Trailing 12 Months 303 AF
 Trailing 24 Months 297 AF
 Trailing 36 Months 194 AF
 Trailing 12 Month Budget 273 AF
 Trailing 12 Months versus Trailing 24 Months 2.3%
 Trailing 24 Months versus Trailing 36 Months 56.1%
 Trailing 12 Months versus Budget 11.0%

**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%
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	151.6	\$658,321	(183.8)	(54.8%)	-\$899,514	(57.7%)	(15.9)	(9.5%)	-\$77,723	(10.6%)
FEB	5.0%	165.3	686,413	215.8	\$983,075	187.7	\$836,596	22.4	13.5%	\$150,184	21.9%	(28.1)	(13.0%)	-\$146,478	(14.9%)
MAR	5.4%	180.0	773,393	233.6	\$1,065,250	324.8	\$1,604,647	144.8	80.4%	\$831,254	107.5%	91.2	39.1%	\$539,397	50.6%
APR	6.1%	286.0	1,299,033	257.2	\$1,203,706	319.6	\$1,562,654	33.6	11.7%	\$263,621	20.3%	62.4	24.3%	\$358,948	29.8%
MAY	9.0%	354.5	1,640,052	359.0	\$1,765,741	387.8	\$1,982,937	33.3	9.4%	\$342,885	20.9%	28.8	8.0%	\$217,196	12.3%
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	3,443.7	\$16,965,611	(161.9)	(4.5%)	\$102,097	0.6%	(150.9)	(4.2%)	(\$639,870)	(3.6%)

**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	%	\$	%
	YTD	3,605.6	16,863,514	3,594.6	\$17,605,481	3,443.7	\$16,965,611	(161.9)	(4.5%)	102,097	0.6%	(150.9)	(4.2%)	(639,870)

QUARTERLY COMPARISON - ACTUALS THROUGH MAY 2026 (*)

	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)
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	664.1	\$3,099,564	(16.7)	(2.4%)	\$81,924	2.7%	47.2	7.7%	\$315,196	11.3%
Apr-Jun (Actual)	1,041.0	4,849,425	1,021.2	4,998,399	707.4	\$3,545,591	(333.6)	(32.0%)	(\$1,303,834)	(26.9%)	(313.8)	(30.7%)	(\$1,452,807)	(29.1%)
Total (Actual)	4,006.0	\$18,773,854	3,999.6	\$19,634,432	3,443.7	\$16,965,611	(562.3)	(4.5%)	(\$1,808,243)	0.6%	(555.9)	(4.2%)	(\$2,668,822)	(3.6%)

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-B

DATE: JUNE 16, 2026

TO: FINANCE COMMITTEE

FROM: BUSINESS MANAGER

SUBJECT: RATIFICATION OF DISBURSEMENTS FOR MAY 2026

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 – MAY 2026

**MONTECITO WATER DISTRICT
PAYMENT OF BILLS
TOTAL DISBURSEMENTS SUMMARY
FOR MONTH ENDED
May 31, 2026**

SECTION: 3-B

AP CHECK REGISTER 4,206,346

NET PAYROLL DIRECT DEPOSITS ¹

CHECK DATE	5/4/2026	95,426
CHECK DATE	5/18/2026	99,390
CHECK DATE	6/1/2026	95,788

Payroll Direct Deposits 290,604

EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS ²

CALPERS; EE BENEFITS; PAYROLL TAXES	209,995
CCWA & DWR FIXED COSTS	4,651,016
PACIFIC HYDROTECH INVOICE ACH	798,672
FGL REFUND CHECK	(54)
WQTS INC. INVOICE ACH	4,770

Subtotal External Wire Transfers 5,664,399

TOTAL DISBURSEMENTS 10,161,348

INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS ³

N/A	0.00
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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
MAY 31, 2026**

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14895	05/27/2026	ACWA-JPIA	000082 EMPLOYEE BENEFITS MWD	59,210.86	59,210.86
14835	05/14/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P CANDY RESTOCK, SNAKE CHAPS, CHAIR	762.79	
14835	05/14/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P FUEL PUMP FOR TRENCHER	36.96	
14835	05/14/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P CANDY RESTOCK, PENS, AAA BATTERIES	109.37	
14835	05/14/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P CUPS, AIR FRESH, BUS CARD HOLDER	184.90	
14835	05/14/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P HAND HELD RADIOS	81.88	
14896	05/27/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P COFFEE	25.04	
14896	05/27/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P DEMO GARDEN GOPHER TRAPS	188.28	
14896	05/27/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P EV GENERATOR ENG BLOCK HEATER	85.12	
14896	05/27/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P STIRS SUGAR COFFEE + CANDY RESTOCK	176.63	
14896	05/27/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQL6IP2P BREAKROOM CHAIRS (10)	1,020.37	2,671.34
14897	05/27/2026	ANTHEM BLUE CROSS	649A63301 POST EE BENEFITS	483.65	
14898	05/27/2026	ANTHEM BLUE CROSS	249A51862 POST EE BENEFITS	1,437.60	1,921.25
14899	05/27/2026	AQUA-FLO SUPPLY	102509 DEMO GARDEN WIFI CONTROLLER	294.79	294.79
14900	05/27/2026	AT&T MOBILITY	MWD CELL PHONES	684.76	684.76
14836	05/14/2026	AUTOMATED ENTRY SYSTEMS	DTP DRIVEWAY GATE WIRE INSTALL	2,480.00	2,480.00
14901	05/27/2026	BANK UP CORPORATION	04.26 LOCKBOX FEES	1,864.57	1,864.57
14902	05/27/2026	BEDROCK BUILDING SUPPLIES INC	505 METER UPSIZE SLURRY	378.55	378.55
14903	05/27/2026	BELLA VIEW WINDOWS & DOORS	OFFICE DOOR REPLACEMENT	726.67	726.67
14837	05/14/2026	BRENNTAG PACIFIC INC	ORTEGA RES BULK SODIUM HYPOCHLORITE	6,444.86	6,444.86
14904	05/27/2026	BRIAN BANKS	SURPLUS PROPERTY CONSULTING	312.50	312.50
14838	05/14/2026	CACHUMA OPERATIONS & MAINTENANCE BOARD	FY26 Q4 QTR 4.01.26-6.30.26	157,844.00	157,844.00
14905	05/27/2026	CALIFORNIA GOVERNOR'S OFFICE EMERGENCY SERV	DR-4353 THOMAS FIRE RESOLUTION HOLDBACK FUNDS	1,356,897.45	1,356,897.45
14894	05/21/2026	CALIFORNIA SECRETARY OF STATE	NOTARY APPLICATION + EXAM FEE - EE # 159	40.00	40.00
14906	05/27/2026	CANON FINANCIAL SERVICES, INC.	611341 OFFICE COPIER LEASE	1,553.00	1,553.00
14839	05/14/2026	CAPITAL INDUSTRIAL MEDICAL SUPPLY CO.	BVTP FIRST AID KIT RESTOCK	793.34	793.34
14840	05/14/2026	CARPINTERIA VALLEY WATER DISTRICT	26Q3 O&M + CAPITAL	264,457.00	264,457.00
14907	05/27/2026	CASCADE WELL & PUMP CO.	EVR # 6 WELL - NEW PUMP INSTALL	9,965.00	9,965.00
14908	05/27/2026	CITY OF SANTA BARBARA	14651 WSA DESAL	655,159.00	655,159.00
14909	05/27/2026	COLANTUONO, HIGHSMITH & WHATLEY, PC	43024.0002 SPECIAL LEGAL	40.50	40.50
14841	05/14/2026	CONVERGED	05.26 DATTO CLOUD BACKUP	1,145.00	
14841	05/14/2026	CONVERGED	05.26 NET ALERT	1,575.00	
14841	05/14/2026	CONVERGED	05.26 CYBERSECURITY SUITE	2,004.50	
14841	05/14/2026	CONVERGED	05.26 OFFICE 365	1,845.00	
14841	05/14/2026	CONVERGED	05.26 VPN LICENSES	170.00	
14910	05/27/2026	CONVERGED	04.26 IT SUPPORT	7,608.75	
14910	05/27/2026	CONVERGED	06.26 CYBERSECURITY SUITE	2,004.50	
14910	05/27/2026	CONVERGED	06.26 DATTO CLOUD BACKUP	1,145.00	
14910	05/27/2026	CONVERGED	06.26 NET ALERT	1,575.00	
14910	05/27/2026	CONVERGED	06.26 OFFICE 365	1,845.00	
14910	05/27/2026	CONVERGED	06.26 VPN LICENSES	170.00	21,087.75
14911	05/27/2026	COSB PUBLIC WORKS - TRANSPORTATION DIVISION	PERMIT # 26-054T-US107-0394	188.00	188.00
14842	05/14/2026	COUNTY OF SB PLANNING & DEVELOPMENT	PERMIT # 25ACT-00243 - LIVE OAKS REZONING	4,297.92	
14912	05/27/2026	COUNTY OF SB PLANNING & DEVELOPMENT	PERMIT # 25ACT-00243 - LIVE OAKS REZONE	5,280.80	9,578.72
14843	05/14/2026	COX COMMUNICATIONS	13011028261302 DTP INTERNET	72.54	
14844	05/14/2026	COX COMMUNICATIONS	13011026150301 ADMIN INTERNET	337.84	
14913	05/27/2026	COX COMMUNICATIONS	13011027671401 BVTP INTERNET	409.09	819.47
14914	05/27/2026	DAL POZZO TIRE CORP	TIRES (4) F-023	984.61	984.61

**MONTECITO WATER DISTRICT
CHECK REGISTER
MAY 31, 2026**

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14845	05/14/2026	DOCUPRODUCTS	MW04 COPIER OVERAGES	228.01	228.01
14915	05/27/2026	ECHO COMMUNICATIONS	2267 AFTER HOURS SERVICE	325.34	325.34
14916	05/27/2026	ESAU LANDSCAPES INC	OFFICE DEMO GARDEN PROGRESS PAY # 2 BAL DUE	630.00	630.00
14917	05/27/2026	FAMCON PIPE & SUPPLY INC	303 AIR VALVES, COPPER PARTS, STOPS, MEGA-LUGS	5,740.92	5,740.92
14846	05/14/2026	FEDEX	2095-9320-9 BANKUP EXCEPTIONS	37.56	
14918	05/27/2026	FEDEX	2095-9320-9 BANKUP EXCEPTIONS	37.34	
14918	05/27/2026	FEDEX	2095-9320-9 BANKUP EXCEPTIONS	36.98	
14918	05/27/2026	FEDEX	2095-9320-9 BANKUP EXCEPTIONS	37.27	149.15
14847	05/14/2026	FERGUSON WATERWORKS #1083	639 3/8" BV'S, PRESSURE REGS, BUSHINGS, NIPPLES	3,236.06	3,236.06
14848	05/14/2026	FGL ENVIRONMENTAL	2016013 STAGE 2 DBP MONITORING	793.00	
14848	05/14/2026	FGL ENVIRONMENTAL	2016013 DOULTON TUNNEL TP - RAW	39.00	
14848	05/14/2026	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	38.00	
14848	05/14/2026	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	428.00	
14848	05/14/2026	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	428.00	
14848	05/14/2026	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	83.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	473.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 GROUNDWATER RECHARGE	414.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 JAMESON LAKE TOC WET CHEM	221.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	473.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	68.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 DOULTON TUNNEL TP - RAW	35.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 T MOSBY WELL - WATER QUALITY	359.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	473.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	68.00	
14919	05/27/2026	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	92.00	4,485.00
14920	05/27/2026	FIELDMAN, ROLAPP & ASSOCIATES	25109 REVOLVING LINE OF CREDIT	10,462.18	10,462.18
14921	05/27/2026	FRONTIER	80556504870405195 ADMIN INTERNET	242.95	
14922	05/27/2026	FRONTIER	20918852180227065 TELEMETRY LINE	86.98	329.93
14849	05/14/2026	FUEL SMART SB	110101030 MWD FUEL	2,088.51	
14923	05/27/2026	FUEL SMART SB	110101030 MWD FUEL	2,337.19	4,425.70
14924	05/27/2026	GOLDSTREET DESIGN AGENCY, INC.	ANNUAL CCR WATER QUALITY REPORT	1,450.00	1,450.00
14850	05/14/2026	GRAINGER INC.	818790453 SELECTOR SWITCHES	71.52	
14925	05/27/2026	GRAINGER INC.	818790453 AIR COMPRESSOR	1,102.86	
14925	05/27/2026	GRAINGER INC.	818790453 BRASS SOLENOID VALVES	327.52	
14925	05/27/2026	GRAINGER INC.	818790453 DRY WIPES RESTOCK	215.80	
14925	05/27/2026	GRAINGER INC.	818790453 BRASS SOLENOID VALVES	181.45	1,899.15
14851	05/14/2026	GUIDEPOST SOLUTIONS LLC	P130 SOLSTRA - FINANCIAL DUE DILIGENCE	21,283.38	21,283.38
14852	05/14/2026	HACH COMPANY	105840 PH GEL + CONDUCTIVITY PROBES, DPD SUPP'S	3,432.52	
14926	05/27/2026	HACH COMPANY	105840 LAB TURBIDITY KITS	456.86	
14926	05/27/2026	HACH COMPANY	105840 BUFFER SOLUTION + POT HYDROXIDE	92.38	3,981.76
14927	05/27/2026	HAMNER, JEWELL & ASSOCIATES	ON CALL ESMT SERVICES	148.75	
14980	05/27/2026	HAMNER, JEWELL & ASSOCIATES	F25 FEMA HIGHLINE TEMP EASEMENTS	1,518.75	1,667.50
14928	05/27/2026	HAYWARD LUMBER	GENERATOR LUBRICANT + REPAIR	100.03	100.03
14853	05/14/2026	HAZEN AND SAWYER	20279-000 RISK & RESILIENCE ASSESSMENT	8,435.00	
14929	05/27/2026	HAZEN AND SAWYER	20312-000 BVTP CLARIFICATION DESIGN	999.50	9,434.50
14930	05/27/2026	INFOSEND	MWT-000 BILLING	2,332.28	
14930	05/27/2026	INFOSEND	MWT-000 FEES BILLING	709.01	3,041.29
14931	05/27/2026	IRON MOUNTAIN	229MB SHRED SERVICES	499.02	499.02
14854	05/14/2026	ITRON, INC	117095 AMI METER READING	38,470.86	38,470.86
14855	05/14/2026	LOWE'S BUSINESS ACCOUNT	821 3105 075456 8 CLEANING SUPPS, PIPE CLAMPS, PVC	131.82	
14855	05/14/2026	LOWE'S BUSINESS ACCOUNT	821 3105 075456 8 TRASH BAGS, CLEANING SUPPS	38.85	170.67

**MONTECITO WATER DISTRICT
CHECK REGISTER
MAY 31, 2026**

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14856	05/14/2026	MARBORG DISPOSAL CO.	30-16830 9 BV PORTABLE	21.55	
14856	05/14/2026	MARBORG DISPOSAL CO.	30-1059740 6 DIST PORTABLE	181.74	
14856	05/14/2026	MARBORG DISPOSAL CO.	30-1078124 0 DIST PORTABLE	192.51	
14932	05/27/2026	MARBORG DISPOSAL CO.	1 -0002337 1 3 YD TRASH RECYCLE BINS	1,483.74	
14932	05/27/2026	MARBORG DISPOSAL CO.	1 -0008789 7 25 YD ROLLOFF	184.50	2,064.04
14933	05/27/2026	MCCORMIX CORP.	6082 MWD FUEL	102.82	102.82
14857	05/14/2026	MCMMASTER-CARR SUPPLY CO	SUCTION STRAINERS	96.62	
14934	05/27/2026	MCMMASTER-CARR SUPPLY CO	DRINKING WATER FILTER RESTOCK	245.02	341.64
14858	05/14/2026	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	145.86	
14858	05/14/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	261.17	
14858	05/14/2026	MISSION LINEN SUPPLY	1022656 TREAT UNIFORMS	102.53	
14935	05/27/2026	MISSION LINEN SUPPLY	102263 DIST LENS CLEANING TOWELETTES	25.36	
14935	05/27/2026	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	127.92	
14935	05/27/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	390.47	
14935	05/27/2026	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	84.59	
14935	05/27/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	410.65	
14935	05/27/2026	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	127.92	
14935	05/27/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	261.17	1,937.64
14859	05/14/2026	MONTECITO TREE CARE, INC.	TREE TRIMMING - PICAY, BUELL PS, TERM RES	14,700.00	
14859	05/14/2026	MONTECITO TREE CARE, INC.	WILDFIRE PREP TREE TRIMMING - PICAY	3,000.00	17,700.00
14860	05/14/2026	MONTECITO VILLAGE HARDWARE	HOSE + PLUG	10.75	
14936	05/27/2026	MONTECITO VILLAGE HARDWARE	WEDGE ANCHORS, PAINT	29.00	
14936	05/27/2026	MONTECITO VILLAGE HARDWARE	PRESSURE MONITORS	19.36	
14936	05/27/2026	MONTECITO VILLAGE HARDWARE	PRESSURE SENSOR	12.91	
14936	05/27/2026	MONTECITO VILLAGE HARDWARE	PRESSURE SENSOR	10.76	
14936	05/27/2026	MONTECITO VILLAGE HARDWARE	FOAM BRUSHES, FLY SWATTER	6.23	89.01
14937	05/27/2026	MOUNTAIN VIEW LANDSCAPING	04.26 LANDSCAPE MAINTENANCE	4,700.00	4,700.00
14938	05/27/2026	NEOGEN CORPORATION	COLITAG WATER TEST KITS	1,006.45	1,006.45
14861	05/14/2026	NIGRO & NIGRO	SINGLE AUDIT WORK - 6.30.25	5,000.00	5,000.00
14939	05/27/2026	OAK RIDGE CIVIL	P141 FAIRWAY BUTTERFLY WATERMAIN DESIGN	16,375.00	16,375.00
14862	05/14/2026	O'REILLY	1560132 OIL FILTER F-024	12.07	
14862	05/14/2026	O'REILLY	1560132 BRAKE DRUM + SHOES F-010	262.09	
14862	05/14/2026	O'REILLY	1560132 FUEL HOSE FOR TRENCHER	5.86	
14862	05/14/2026	O'REILLY	1560132 JEEP SENSOR F-008	96.18	
14862	05/14/2026	O'REILLY	1560132 OIL + OIL FILTER + GASKET MAKER F-021	91.45	
14862	05/14/2026	O'REILLY	1560132 MOTOR OIL	14.19	
14940	05/27/2026	O'REILLY	1560132 RAMPS FOR REPAIR WORK	92.85	
14940	05/27/2026	O'REILLY	1560132 MOTOR OIL + FILTER F-020	65.42	
14940	05/27/2026	O'REILLY	1560132 ANTIFREEZE	49.54	
14940	05/27/2026	O'REILLY	1560132 HEATER FITTING, HOSE CLAMPS, ANTIFREEZE	55.09	
14940	05/27/2026	O'REILLY	1560132 BYPASS CAPS	2.09	
14940	05/27/2026	O'REILLY	1560132 RETURN SENSOR	(96.18)	650.65
14976	05/27/2026	PACIFIC HYDROTECH CORPORATION	C2527 P133 ASADRA TERMINAL RES CONSTRUCTION	774,167.48	774,167.48
14941	05/27/2026	PATRICIA LIEBERKNECHT	POST EE BEN'S - MEDICARE RX SUPPLEMENTAL BALANCE	234.75	234.75
14863	05/14/2026	PITNEY BOWES	8000-9090-1096-6484 POSTAGE METER REFILL	200.00	200.00
14942	05/27/2026	RAFTELIS	R-02662CA25.02 MWD FINANCIAL PLAN UPDATE + FEE REV	7,905.00	7,905.00
14943	05/27/2026	RAYNE OF SANTA BARBARA	224204 BVTP SOFTENER	440.00	440.00
14864	05/14/2026	RINCON CONSULTANTS, INC	20-09378 A1 ALDER ENVIRO SVCS	5,225.91	
14865	05/14/2026	RINCON CONSULTANTS, INC	25-18059 UWMP 2025 UPDATE	8,613.25	
14889	05/14/2026	RINCON CONSULTANTS, INC	25-18087 P133 TERMINAL RES ENVIRO	6,646.98	20,486.14
14492	05/19/2026	S.B. CO AIR POLLUTION CNTRL DISTRICT	VOID / REVERSE CHECK # 14492	(5,788.00)	(5,788.00)
14866	05/14/2026	S.B. HOME IMPR CNTR	2910 LUMBER (2X4, 2X6)	87.04	
14866	05/14/2026	S.B. HOME IMPR CNTR	2910 LUMBER, LEAKTITE PLASTIC, WATER SOFTENER	308.66	
14944	05/27/2026	S.B. HOME IMPR CNTR	2910 HINGES FOR REGULATOR LIDS	22.48	
14944	05/27/2026	S.B. HOME IMPR CNTR	2910 BAGS, WIRE, CLEANER, HARDWARE	246.38	

**MONTECITO WATER DISTRICT
CHECK REGISTER
MAY 31, 2026**

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14944	05/27/2026	S.B. HOME IMPR CNTR	2910 TONGS, GRILL CLEANER, SOAP, CHAIR WOVEN STCK	239.24	903.80
14945	05/27/2026	SATCOM DIRECT INC	881651474254 JAMESON LAKE SAT PHONE	55.00	55.00
14867	05/14/2026	SCHOCK CONTRACTING CORP	P147 BVTP MEDIA REPLACEMENT (FILTER #1)	137,335.62	
14893	05/18/2026	SCHOCK CONTRACTING CORP	P88 JUNCAL VALVE #2 REHAB PP# 1	213,540.29	
14946	05/27/2026	SCHOCK CONTRACTING CORP	P144 REGULATOR VAULT LID REPLACEMENTS PP#1	67,463.07	418,338.98
14890	05/14/2026	SCHOTT & COMPANY	P132 PARK LANE RES APPRAISAL	8,000.00	8,000.00
14868	05/14/2026	SEMITROPIC WATER STORAGE DISTRICT	KCWA-TRF NO 25-076 GROUNDWATER BANKING	3,000.00	
14947	05/27/2026	SEMITROPIC WATER STORAGE DISTRICT	2024 GROUNDWATER BANKING - SWRU	5,778.47	8,778.47
14948	05/27/2026	SMARDAN HATCHER CO.	3570 COPPER TUBING, TEFLON TAPE, PVC PRIM, SOLDER	576.09	576.09
14949	05/27/2026	SOAP MAN	MARKING PAINT, CUPS PLATES TOWELS GLOVES RESTOCK	554.48	554.48
14869	05/14/2026	SOUTHERN CALIF EDISON CO ..0049	700571670049 PICAY SVC FEE	152.43	
14870	05/14/2026	SOUTHERN CALIF EDISON CO ..0181	700869240181 PADEN WELL	142.56	
14950	05/27/2026	SOUTHERN CALIF EDISON CO ..0377	700869220377 BUELL PUMP STATION	174.65	
14871	05/14/2026	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	108.11	
14871	05/14/2026	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	63.25	
14871	05/14/2026	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	(45.18)	
14872	05/14/2026	SOUTHERN CALIF EDISON CO ..0784	700869230784 OFFICE SHOP	262.76	
14873	05/14/2026	SOUTHERN CALIF EDISON CO ..1093	700869251093 MOSBY WELL	1,519.53	
14951	05/27/2026	SOUTHERN CALIF EDISON CO ..1687	700869211687 EDGEWOOD WELL # 3	708.39	
14874	05/14/2026	SOUTHERN CALIF EDISON CO ..2915	700869252915 VALLEY CLUB WELL	402.92	
14875	05/14/2026	SOUTHERN CALIF EDISON CO ..4181	700869434181 OFFICE PUMP STATION	1,890.89	
14952	05/27/2026	SOUTHERN CALIF EDISON CO ..4710	700869824710 MOUNTAIN DRIVE PUMP STATION	773.93	
14876	05/14/2026	SOUTHERN CALIF EDISON CO ..5223	700869205223 AMAPOLA WELL	86.92	
14877	05/14/2026	SOUTHERN CALIF EDISON CO ..5728	700869205728 OFFICE BUILDING	506.64	
14953	05/27/2026	SOUTHERN CALIF EDISON CO ..6432	700869196432 DOULTON TREAT PLANT	762.86	
14954	05/27/2026	SOUTHERN CALIF EDISON CO ..6830	700869176830 ENNISBROOK #5 WELL	646.60	
14955	05/27/2026	SOUTHERN CALIF EDISON CO ..7543	700869197543 LAS FUENTES WELL	122.18	
14956	05/27/2026	SOUTHERN CALIF EDISON CO ..8642	700869158642 PARK LANE RES	18.26	
14956	05/27/2026	SOUTHERN CALIF EDISON CO ..8642	700869158642 PARK LANE RES	(18.21)	
14957	05/27/2026	SOUTHERN CALIF EDISON CO ..9554	700869169554 EVR #4 / #6 WELLS	195.57	
14957	05/27/2026	SOUTHERN CALIF EDISON CO ..9554	700869169554 EVR #4 / #6 WELLS	(20.18)	
14878	05/14/2026	SOUTHERN CALIF EDISON CO ..9863	700869189863 EVR #3 WELL	420.62	8,875.50
14879	05/14/2026	SOUTHERN CALIF GAS CO	10741464001 ADMIN GAS	42.99	42.99
14880	05/14/2026	SPECIALTY TOOL & BOLT	LOCTITE, 3" CUT WHEELS, PEN	60.05	60.05
14881	05/14/2026	STANDARD INSURANCE COMPANY	05.26 MWD DISABILITY INSURANCE	3,023.92	3,023.92
14882	05/14/2026	STAPLES	LA1658991 PRINTER & RECEIPT PAPER RESTOCK	182.26	
14958	05/27/2026	STAPLES	LA1658991 PRINTER PAPER RESTOCK	228.51	410.77
14883	05/14/2026	SWRCB-DWOCF	D1 CERT RENEWAL - EE # 106	70.00	70.00
14959	05/27/2026	TAFT ELECTRIC COMPANY	BVTP RECLAIM PUMP / MOTOR REPAIRS	13,730.00	13,730.00
14977	05/27/2026	TETRA TECH, INC	200-106490-21001 P136 ROMERO RES DESIGN PLANS	11,691.64	
14977	05/27/2026	TETRA TECH, INC	200-106490-21001 P133 TERMINAL RES ENGINEERING SVC	4,001.00	15,692.64
14884	05/14/2026	THE WHARF	2026 BOOTS - EE # 85	400.00	400.00
14885	05/14/2026	TREVIPAY	AIR REEL	107.74	107.74
14960	05/27/2026	U.S. BANK NATIONAL ASSOCIATION	5.06.26 STMT - ACCT # 4866 9163 7659 3705	741.60	
14960	05/27/2026	U.S. BANK NATIONAL ASSOCIATION	5.06.26 STMT - ACCT # 4866 9163 6390 7579	724.85	1,466.45
14886	05/14/2026	UNDERGROUND SERVICE ALRT	MON01WTR USA REGULATORY FEES	79.99	
14886	05/14/2026	UNDERGROUND SERVICE ALRT	MON01WTR USA TICKETS	446.45	
14961	05/27/2026	UNDERGROUND SERVICE ALRT	MON01WTR USA REGULATORY FEES	79.99	
14961	05/27/2026	UNDERGROUND SERVICE ALRT	MON01WTR USA TICKETS	483.00	1,089.43
14962	05/27/2026	UNITED HEALTHCARE INSURANCE COMPANY	399330727-11 POST EE BENEFITS	450.25	450.25
14887	05/14/2026	UPS	RETURN SHIPPING - WESTERN WATER ITEM	16.68	
14963	05/27/2026	UPS	CU00025204 - 5.11.26 SHIPMENT	28.41	
14963	05/27/2026	UPS	5.12.26 SHIPMENT - RETURN CLA VAL PARTS	104.07	149.16

**MONTECITO WATER DISTRICT
CHECK REGISTER
MAY 31, 2026**

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
14964	05/27/2026	USA BLUEBOOK	238814 SCREWCAP VIALS	376.72	
14964	05/27/2026	USA BLUEBOOK	238814 PVC CONNECTORS RETURN	(83.45)	293.27
14965	05/27/2026	USC COMPANIES, INC.	04.26 ADMIN JANITORIAL	540.00	540.00
14966	05/27/2026	WANGER JONES HELSLEY PC	12183-002 A1 SPECIAL LEGAL	3,101.52	3,101.52
14978	05/27/2026	WATER SYSTEMS CONSULTING, INC	1229-11918 P133 TERMINAL RES CONSTRUCTION MGMT	49,364.01	49,364.01
14967	05/27/2026	WATERSMART SOFTWARE, INC.	038-C000349 WATERSMART TRANSACTION FEES	148.71	148.71
14968	05/27/2026	WELLS FARGO BANK	5.03.26 STMT - MWD	6,076.81	6,076.81
14971	05/27/2026	WESTWATER RESEARCH LLC	25-027 WATER MARKETING STRATEGY	2,450.00	2,450.00
14888	05/14/2026	WOOD RODGERS, INC.	8774015 P99 HIGHLINE PRELIM DESIGN REPORT	12,160.00	
14888	05/14/2026	WOOD RODGERS, INC.	8774019 P125 JUNCAL ARCH DRAIN CONSTRUCTION	480.00	
14888	05/14/2026	WOOD RODGERS, INC.	8774021 WILDFIRE MODELING ANALYSIS	16,827.50	
14888	05/14/2026	WOOD RODGERS, INC.	8774022 P115 E VALLEY LADERA WATERMAIN DESIGN	7,766.25	
14972	05/27/2026	WOOD RODGERS, INC.	8774015 P99 HIGHLINE PRELIM DESIGN REPORT	3,120.00	
14972	05/27/2026	WOOD RODGERS, INC.	8774021 E MOUNTAIN DR MODELING	4,150.00	
14972	05/27/2026	WOOD RODGERS, INC.	8774022 P115 E VALLY LADERA WATERMAIN DESIGN	23,578.75	
14891	05/14/2026	WOOD RODGERS, INC.	8774023 P132 PARK LANE RES PROJECT MGMT	160.00	
14891	05/14/2026	WOOD RODGERS, INC.	8774024 P133 TERMINAL RES PROJECT MGMT	1,920.00	
14979	05/27/2026	WOOD RODGERS, INC.	8774023 P132 PARK LANE RES PROJECT MGMT	640.00	
14979	05/27/2026	WOOD RODGERS, INC.	8774024 P133 TERMINAL RES PROJECT MGMT	1,600.00	
14979	05/27/2026	WOOD RODGERS, INC.	8774025 P136 ROMERO RES PROJECT MGMT	3,680.00	
14892	05/14/2026	WOOD RODGERS, INC.	8774020 F25 FEMA HIGHLINE DESIGN / ENVIRO	46,393.53	
14981	05/27/2026	WOOD RODGERS, INC.	8774020 F25 FEMA HIGHLINE DESIGN	13,331.40	135,807.43
14973	05/27/2026	WORKSITE SOLUTIONS	CWMA29175 EE SUPPLEMENTAL INSURANCE	339.22	339.22
14974	05/27/2026	ZENNER USA, INC.	HYDRANT METER W/ BACKFLOW X2	6,877.98	6,877.98
14975	05/27/2026	ZWORLD GIS, LLC	GIS PROGRAM SUPPORT	2,550.00	2,550.00
MWD REPORT TOTAL				4,206,345.73	4,206,345.73

**MONTECITO WATER DISTRICT
DIRECT DEPOSIT REGISTER
MAY 31, 2026**

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0002322	05/04/2026	PAYLOCITY CORPORATION	5/04 PR - MWD NET PAYROLL	82,572.79	82,572.79
DFT0002315	05/04/2026	PAYLOCITY CORPORATION	5/04 PR - GSA NET PAYROLL	11,900.64	11,900.64
DFT0002325	05/04/2026	PAYLOCITY CORPORATION	5/04 PR - HIGHLINE NET PAYROLL	953.03	953.03
DFT0002342	05/18/2026	PAYLOCITY CORPORATION	5/18 PR - MWD NET PAYROLL	85,505.11	85,505.11
DFT0002335	05/18/2026	PAYLOCITY CORPORATION	5/18 PR - GSA NET PAYROLL	12,751.10	12,751.10
DFT0002345	05/18/2026	PAYLOCITY CORPORATION	5/18 PR - ASADRA NET PAYROLL	1,133.74	1,133.74
DFT0002363	05/29/2026	PAYLOCITY CORPORATION	6/01 PR - MWD NET PAYROLL	83,860.48	83,860.48
DFT0002355	05/29/2026	PAYLOCITY CORPORATION	6/01 PR - GSA NET PAYROLL	11,750.64	11,750.64
DFT0002366	05/29/2026	PAYLOCITY CORPORATION	6/01 PR - ASADRA NET PAYROLL	176.49	176.49
MWD REPORT TOTAL				290,604.02	290,604.02

**MONTECITO WATER DISTRICT
ACH REGISTER
MAY 31, 2026**

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0002310	05/11/2026	BENEFLEX INC	5/04 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	2,182.00	2,182.00
DFT0002331	05/18/2026	BENEFLEX INC	5/18 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	2,182.00	2,182.00
DFT0002311	05/11/2026	CALPERS	5/04 PR - 457 & LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,597.10	5,597.10
DFT0002312	05/11/2026	CALPERS	5/04 PR - PEPRA EMPLOYEE CONTRIBUTIONS	6,757.96	6,757.96
DFT0002313	05/11/2026	CALPERS	5/04 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	6,024.83	6,024.83
DFT0002314	05/11/2026	CALPERS	5/04 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	916.25	916.25
DFT0002317	05/11/2026	CALPERS	5/04 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,832.88	3,832.88
DFT0002318	05/11/2026	CALPERS	5/04 PR - CLASSIC EMPLOYER CONTRIBUTIONS	6,972.61	6,972.61
DFT0002332	05/18/2026	CALPERS	5/18 PR - 457/LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,795.60	5,795.60
DFT0002333	05/18/2026	CALPERS	5/18 PR - PEPRA EMPLOYEE CONTRIBUTIONS	6,757.96	6,757.96
DFT0002334	05/18/2026	CALPERS	5/18 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	6,024.83	6,024.83
DFT0002337	05/18/2026	CALPERS	5/18 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	916.25	916.25
DFT0002338	05/18/2026	CALPERS	5/18 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,832.88	3,832.88
DFT0002339	05/18/2026	CALPERS	5/18 PR - CLASSIC EMPLOYER CONTRIBUTIONS	6,972.61	6,972.61
DFT0002348	05/29/2026	CENTRAL COAST WATER AUTHORITY	FY 26/27 CCWA & DWR FIXED COSTS	4,651,016.29	4,651,016.29
DFT0002319	05/11/2026	COLONIAL LIFE PROCESSING CENTER	E4901575 EE SUPPLEMENTAL INSURANCE	209.22	209.22
DFT0002328	05/19/2026	FGL ENVIRONMENTAL	REFUND CHECK # 179733 - ORIG INV # 600072A CANCEL	(54.00)	(54.00)
DFT0002320	05/11/2026	LINCOLN FINANCIAL GROUP	5/04 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,742.31	1,742.31
DFT0002340	05/18/2026	LINCOLN FINANCIAL GROUP	5/18 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,742.31	1,742.31
DFT0002330	05/15/2026	PACIFIC HYDROTECH CORPORATION	C2527 P133 ASADRA TERMINAL RES CONSTRUCTION	798,671.71	798,671.71
DFT0002316	05/04/2026	PAYLOCITY CORPORATION	5/04 PR - GSA EMPLOYER TAXES	889.63	889.63
DFT0002323	05/04/2026	PAYLOCITY CORPORATION	5/04 PR - MWD EMPLOYEE TAXES	35,070.43	35,070.43
DFT0002324	05/04/2026	PAYLOCITY CORPORATION	5/04 PR - MWD EMPLOYER TAXES	10,470.11	10,470.11
DFT0002336	05/18/2026	PAYLOCITY CORPORATION	5/18 PR - GSA EMPLOYER TAXES	954.68	954.68
DFT0002343	05/18/2026	PAYLOCITY CORPORATION	5/18 PR - MWD EMPLOYEE TAXES	35,098.54	35,098.54
DFT0002344	05/18/2026	PAYLOCITY CORPORATION	5/18 PR - MWD EMPLOYER TAXES	10,690.86	10,690.86
DFT0002356	05/29/2026	PAYLOCITY CORPORATION	6/01 PR - GSA EMPLOYER TAXES	878.16	878.16
DFT0002361	05/26/2026	PAYLOCITY CORPORATION	33560 05.26 PAYROLL PROCESSING	720.46	720.46
DFT0002364	05/29/2026	PAYLOCITY CORPORATION	6/01 PR - MWD EMPLOYEE TAXES	35,055.50	35,055.50
DFT0002365	05/29/2026	PAYLOCITY CORPORATION	6/01 PR - MWD EMPLOYER TAXES	10,487.83	10,487.83
DFT0002346	05/18/2026	PAYLOCITY CORPORATION	5/18 PR - ASADRA EMPLOYER TAXES	85.74	85.74
DFT0002367	05/29/2026	PAYLOCITY CORPORATION	6/01 PR - ASADRA EMPLOYER TAXES	13.50	13.50
DFT0002326	05/04/2026	PAYLOCITY CORPORATION	5/04 PR - HIGHLINE EMPLOYER TAXES	72.05	72.05
DFT0002321	05/11/2026	SANTA BARBARA COUNTY EMPLOYEE ASS.	5/04 PR - UNION DUES	523.80	523.80
DFT0002341	05/18/2026	SANTA BARBARA COUNTY EMPLOYEE ASS.	5/18 PR - UNION DUES	523.80	523.80
DFT0002329	05/15/2026	WATER QUALITY & TREATMENT SOLUTIONS, INC.	0131.0050 BVTP CLARIFICATION STUDY	4,770.00	4,770.00
MWD REPORT TOTAL				5,664,398.69	5,664,398.69

PROOF	
CHECK REGISTERS	4,206,345.73
DRAFTS	5,664,398.69
DIRECT DEPOSIT	290,604.02
	<hr/>
	10,161,348.44
INCODE CHECK REGISTER ALL	10,161,348.44

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**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-C
DATE: JUNE 16, 2026
TO: FINANCE COMMITTEE
FROM: BUSINESS MANAGER
SUBJECT: INVESTMENT OF DISTRICT FUNDS AND CASH POSITION AS OF
MAY 31, 2026

RECOMMENDATION:

For information and discussion only.

SUMMARY:

This report is presented in accordance with the District's Investment Policy and California Government Code and provides a comprehensive overview of the District's cash position and investment portfolio as of May 31, 2026.

The report includes:

- A summary of all investments, including issuer, and current market value
- Portfolio allocation and performance metrics, including average yield and investment income
- Cash and cash equivalent balances across all District accounts, including beginning and ending balances for the reporting period
- A summary of monthly cash flow activity and changes in total cash position
- Liquidity metrics demonstrating the District's ability to meet operating and capital obligations

District funds are held in U.S. Treasury securities and cash equivalents within the Charles Schwab One Account, as well as in money market and checking (operating) accounts maintained at American Riviera Bank. All portfolio valuations are based on month-end statements provided by these institutions.

This report is intended to provide transparency into both the investment performance and the liquidity position of the District, ensuring alignment with policy requirements and supporting informed financial oversight by the Finance Committee and Board of Directors.

CASH POSITION SUMMARY

Category	Beginning Balance (5/1/26)	Ending Balance (5/31/26)	Change	Notes
Operating Cash (ARB)	\$4,395,992	\$6,496,810	\$2,100,818	Payroll, AP, Receipts
Money Market (ARB)	\$2,338,281	\$843,622	(\$1,494,659)	Liquidity Reserve
Investments (Schwab One)	\$12,493,591	\$7,860,994	(\$4,632,597)	FY27 CCWA & DWR Fixed Costs Paid
Total Cash & Equivalents	\$19,227,865	\$15,201,427	(\$4,026,438)	

INVESTMENT PORTFOLIO – SCHWAB ONE

As of May 31, 2026:

- The Schwab One Account Ending value is **\$7,860,994**
- Total Market Value (incl. accrued income) **\$7,913,370**

Portfolio Composition:

- Cash and cash equivalents (Money Market): **29% (\$ 2,280,112)**
- Fixed income (Treasuries): **71% (\$ 5,580,883)**

Performance

- Portfolio's Average Yield: **3.60–3.72%**
- Monthly Income: **\$18,420**
- Year-to-Date Income of **\$310,127**

MONEY MARKET ACCOUNT – AMERICAN RIVIERA BANK

As of May 31, 2026:

- Ending Balance : **\$843,622**
- Interest Earned (May) **\$5,431**
- Annual Percentage Yield Earned (APYE): **3.04%**
- Average Balance: **~\$2.1M**
- Activity: Transfer to operating checking to support cash flow needs **\$1.5M**

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.

COMPLIANCE & 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.

Certification Statement

I certify that the District's financial activities, internal controls, and reporting for the period are complete, accurate, and in compliance with applicable standards.

Key Assurances

1. Financial Reporting Framework

- Financial records are maintained in accordance with Generally Accepted Accounting Principles (GAAP) for state and local governments, as established by the Governmental Accounting Standards Board.
- Reporting aligns with the District's Annual Comprehensive Financial Report (ACFR) and audit requirements.

2. Investment Policy & Liquidity

- All investment activity complies with the District's Investment Policy.
- Adequate liquidity is maintained to meet operational needs.

3. Internal Controls

- Internal controls are in place and functioning effectively.
- Controls provide reasonable assurance that transactions are authorized, recorded, and assets are safeguarded.
- Segregation of duties and management oversight are maintained.

4. Reconciliations

- All bank and investment accounts were reconciled within 5 business after month-end.
- Reconciliations were prepared by staff and independently reviewed and approved.

5. Oversight & Monitoring

- Management performs regular review of financial activity and budget-to-actual performance.
- Any discrepancies or control issues were identified, resolved, and reported as appropriate.

6. Regulatory Compliance

- Financial practices comply with:
 - GAAP and applicable GASB standards
 - California Government Code
 - Federal requirements under Uniform Guidance (2 CFR Part 200), where applicable

7. Audit Readiness

- Financial records and supporting documentation are maintained in the District’s ERP system in an organized, audit-ready format and are available for review.

Certification Approval

I certify, to the best of my knowledge, that the District is operating in compliance with applicable financial, regulatory, and internal control requirements.

Emma Godinez
Business Manager / Chief Fiscal Officer

6/11/2026
Date

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-E

DATE: JUNE 16, 2026

TO: FINANCE COMMITTEE

FROM: BUSINESS MANAGER

SUBJECT: CALPERS ANNUAL UNFUNDED ACCRUED LIABILITY AS OF JUNE 30, 2024 ACTUARIAL VALUATION; RECOMMENDATION TO PREPAY THE FISCAL YEAR 2027 UNFUNDED ACCRUED LIABILITY IN JULY 2026

RECOMMENDATION:

That the Finance Committee recommend the Board of Directors authorize a single annual prepayment of the District's CalPERS Unfunded Accrued Liability (UAL) for FY 2027 in the amount of \$661,898, to be remitted in July 2026, in lieu of twelve-monthly payments totaling \$684,032. The prepayment captures CalPERS's built-in interest discount and yields approximately \$22,134 in budgeted savings for the District.

BACKGROUND:

CalPERS administers the District's defined-benefit pension plans for both Classic (Rate Plan 73) and PEPRA (Rate Plan 26040) Miscellaneous employees within the Miscellaneous Risk Pool (CalPERS ID 6529901682). Each year CalPERS issues an actuarial valuation that sets the District's minimum required employer contributions two fiscal years forward. The valuation as of June 30, 2024 transmitted July 2025 establishes the contributions for FY 2027 (July 1, 2026 through June 30, 2027).

Required employer contributions have two components. The Normal Cost is the value of benefits earned in the current year, expressed as a percentage of payroll and paid through regular payroll reporting. The UAL Contribution is the amortized paydown of the gap between the plan's accrued liability and its assets, billed as a fixed dollar amount. CalPERS allows the UAL component to be paid in twelve monthly installments or prepaid in a single lump sum, which must be received no later than July 31.

The District's Funded Status

As of the June 30, 2024 valuation, the District's combined plans carry an accrued liability of \$25,983,487 against a market value of assets of \$18,671,939, leaving an Unfunded Accrued Liability of \$7,311,548 and a funded ratio of 71.9%. This is a modest improvement from 70.2% one year earlier. The plan's mature retiree liabilities are roughly 59% of total liability and the

support ratio (actives to retirees) is 0.64 which means contribution requirements are increasingly sensitive to investment returns.

Funded Status — Funding Policy Basis	June 30, 2023	June 30, 2024
Entry Age Accrued Liability	\$24,860,639	\$25,983,487
Market Value of Assets	\$17,458,007	\$18,671,939
Unfunded Accrued Liability	\$7,402,632	\$7,311,548
Funded Ratio	70.2%	71.9%

FY 2027 Required Contributions

The valuation sets the FY 2027 employer Normal Cost rates at 12.56% of payroll for Classic Rate Plan 73 and 7.93% for PEPR Rate Plan 26040. The FY 2027 UAL contribution is \$684,032 if paid monthly, or \$661,898 if prepaid in July 2026.

FY 2027 UAL Payment Option	Amount
Option 1 — 12 monthly payments of \$57,002.67	\$684,032
Option 2 — annual prepayment in July (recommended)	\$661,898
Budgeted savings from prepayment	\$22,134

DISCUSSION:

The monthly payment schedule embeds interest because CalPERS is financing the District’s liability across the year. By prepaying the full UAL in July, the District avoids that interest charge. For FY 2027 the discount built into the prepayment option equates to an effective interest savings of approximately 3.33% on the UAL amount — the difference between the \$684,032 paid monthly and the \$661,898 prepayment. Prepaying keeps roughly \$22,134 in the budget for essential District services rather than paying it to CalPERS as financing cost.

Prepayment requires a single lump-sum cash outlay rather than spreading the cost across twelve months, so it is a cash-flow trade-off the District can absorb. The District’s FY 2027 cash position supports the July outlay, and the savings are realized immediately and with certainty — they do not depend on investment performance. To capture the savings, the full prepayment must be received by CalPERS no later than July 31, 2026; the option is available only in the month of July.

This prepayment is distinct from an Additional Discretionary Payment (ADP). It does not change the District’s amortization schedule or commit the District to any future-year action; it simply settles the FY 2027 obligation at a discount. The FY 2027 Budget includes the CalPERS UAL contribution, so authorizing the prepayment would draw on budgeted funds and reduce the budgeted expense by the savings amount.

Looking Ahead

CalPERS projects the District's UAL payment will rise in coming years — to approximately \$711,000 in FY 2028, \$781,000 in FY 2029, and continuing upward through FY 2032 — assuming a 6.8% investment return. The July prepayment option is expected to remain available annually, and staff anticipates bringing a similar recommendation forward each year when the cash-flow position supports it.

ATTACHMENTS:

1. CalPERS Annual Valuation Report as of June 30, 2024 (Cost Disclosure), Rate Plans 73 and 26040, Miscellaneous Risk Pool.

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**California Public Employees' Retirement System
Actuarial Office**

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888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2025

**All Rate Plans of the Montecito Water District in the Miscellaneous Risk Pool (CalPERS ID: 6529901682)
Annual Valuation Report as of June 30, 2024**

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2024, actuarial valuation report for the plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2026-27.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the following rate plan(s) including the development of the current and projected employer contributions.
 - 73, Miscellaneous Plan
 - 26040, PEPRA Miscellaneous Plan
- Section 2 contains the Miscellaneous Risk Pool information as of June 30, 2024.

[Section 2](#) can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2024.

Required Contributions

The table below shows the minimum required employer contributions and member contribution rates for FY 2026-27 along with an estimate of the required employer UAL contribution for FY 2027-28. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Rate Plan	Employer Normal Cost Rate	Member Contribution Rate	Fiscal Year	Employer Amortization of Unfunded Accrued Liability
2026-27	73	12.56%	7.00%	2026-27	\$684,032
	26040	7.93%	7.75%		
					<i>Projected (Estimated)</i>
				2027-28	\$711,000

The actual investment return for FY 2024-25 was not known at the time this report was prepared. The projected UAL payment above assumes the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2024-25 differs from 6.8%, the actual UAL contribution requirement for FY 2027-28 will differ from that shown above. For additional information on future contribution requirements, please refer to [Projected Employer Contributions](#). This section also contains projected required contributions through FY 2031-32.

PEPRA Member Contribution Rate

The employee contribution rate for PEPRA members can change based on the results of the actuarial valuation. See [Member Contribution Rates](#) for more information.

Report Navigation Features

The valuation report has a number of features to ease navigation and allow the reader to find specific information more quickly. The tables of contents are "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks

[Required Employer Contributions](#)
[Member Contribution Rates](#)
[Summary of Key Valuation Results](#)
[Funded Status – Funding Policy Basis](#)
[Projected Employer Contributions](#)

CalPERS Website Links

[Required Employer Contribution Search Tool](#)
[Public Agency PEPRA Member Contribution Rates](#)
[Pension Outlook Overview](#)
[Interactive Summary of Public Agency Valuation Results](#)
[Public Agency Actuarial Valuation Reports](#)

Report Enhancements

Effective with the June 30, 2024, actuarial valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, have been combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Further descriptions of general changes are included in the [Highlights and Executive Summary](#) section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Sincerely,



David Clement, ASA, MAAA, EA
Senior Actuary, CalPERS



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the Rate Plans of the Montecito Water District in the Miscellaneous Risk Pool as of June 30, 2024

(CalPERS ID: 6529901682)

(Rate Plan IDs: 73, 26040)

Required Contributions for Fiscal Year

July 1, 2026 — June 30, 2027



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Section 2 – Miscellaneous Risk Pool Actuarial Information

Section 1

California Public Employees' Retirement System

**Employer Specific Information
for the
Rate Plans of the
Montecito Water District
in the Miscellaneous Risk Pool**

**(CalPERS ID: 6529901682)
(Rate Plan IDs: 73, 26040)**

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Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the rate plans of the Montecito Water District in the Miscellaneous Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Montecito Water District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.



David Clement, ASA, MAAA, EA
Senior Actuary, CalPERS

Highlights and Executive Summary

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Introduction

This report presents the results of the June 30, 2024, actuarial valuation of the rate plans of the Montecito Water District in the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2026-27.

Purpose of Section 1

This Section 1 report for the rate plans of the Montecito Water District in the Miscellaneous Risk Pool of CalPERS was prepared by the Actuarial Office using data as of June 30, 2024. This report contains actuarial information for the following rate plan(s).

- 73, Miscellaneous Plan
- 26040, PEPRA Miscellaneous Plan

The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of these rate plans as of June 30, 2024;
- Determine the minimum required employer contributions for these rate plans for FY July 1, 2026, through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2026, through June 30, 2027, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2024, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of the Actuarial Standards of Practice:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- The funded status on a termination basis.
- A low-default-risk obligation measure (LDRM) of benefit costs accrued as of the valuation date.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2025-26	Fiscal Year 2026-27
Employer Normal Cost Rates		
Rate Plan 73	12.58%	12.56%
Rate Plan 26040	7.96%	7.93%
Unfunded Accrued Liability (UAL) Contribution Amount	\$616,101	\$684,032
Paid either as		
Option 1) 12 Monthly Payments of	\$51,341.75	\$57,002.67
Option 2) Annual Prepayment in July	\$596,165	\$661,898

Member Contribution Rates — page 9

	Fiscal Year 2025-26	Fiscal Year 2026-27
Rate Plan 73	7.00%	7.00%
Rate Plan 26040	7.75%	7.75%

Projected Employer Contributions — page 13

Fiscal Year	Normal Cost (% of payroll)		Annual UAL Payment
	Rate Plan 73	Rate Plan 26040	
2027-28	12.6%	7.9%	\$711,000
2028-29	12.6%	7.9%	\$781,000
2029-30	12.6%	7.9%	\$787,000
2030-31	12.6%	7.9%	\$790,000
2031-32	12.6%	7.9%	\$806,000

Funded Status — Funding Policy Basis — page 11

	June 30, 2023	June 30, 2024
Entry Age Accrued Liability (AL)	\$24,860,639	\$25,983,487
Market Value of Assets (MVA)	17,458,007	18,671,939
Unfunded Accrued Liability (UAL) [AL – MVA]	\$7,402,632	\$7,311,548
Funded Ratio [MVA ÷ AL]	70.2%	71.9%

Summary of Valuation Data — Page 28

	June 30, 2023	June 30, 2024
Active Member Count	28	29
Annual Covered Payroll	\$2,852,630	\$3,068,875
Transferred Member Count	7	7
Separated Member Count	6	8
Retired Members and Beneficiaries Count	48	45

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the [Plan's Major Benefit Options](#) in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Board Policy

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the [Future Investment Return Scenarios](#) exhibit in this report, which includes returns high enough to trigger a board discussion, does not reflect any change in the discount rate.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2024, actuarial valuation.

Report Enhancements

Effective with the June 30, 2024, Actuarial Valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, will be combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2024, as well as statutory changes, regulatory changes and board actions through January 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

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Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRAs members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, UAL emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the UAL Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS [Actuarial Amortization Policy](#). The UAL Contribution is the sum of the payments on all bases. See the [Schedule of Amortization Bases](#) section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees. For employee contribution rates, see [Member Contribution Rates](#).

Required Employer Contributions	Fiscal Year 2026-27
Employer Normal Cost Rate	
Classic Rate Plan 73	12.56%
PEPRA Rate Plan 26040	7.93%
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[†]	\$684,032
Paid either as	
1) Monthly Payment	\$57,002.67
Or	
2) Annual Prepayment Option[‡]	\$661,898
<p>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly(1) or prepaid annually(2) in dollars).</p> <p>[†]The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2025.</p> <p>[‡]Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</p>	

Development of Normal Cost as a Percentage of Payroll

	Fiscal Year 2025-26	Fiscal Year 2026-27
Classic Rate Plan 73		
Base Total Normal Cost for Formula	18.87%	18.85%
Surcharge for Class 1 Benefits ¹	0.64%	0.64%
Plan's Total Normal Cost	19.51%	19.49%
Offset Due to Employee Contributions ²	(6.93%)	(6.93%)
Employer Normal Cost for Rate Plan 73	12.58%	12.56%
PEPRA Rate Plan 26040		
Base Total Normal Cost for Formula	15.71%	15.68%
Surcharge for Class 1 Benefits ¹	0.00%	0.00%
Plan's Total Normal Cost	15.71%	15.68%
Offset Due to Employee Contributions ²	(7.75%)	(7.75%)
Employer Normal Cost for Rate Plan 26040	7.96%	7.93%

¹ See [Surcharge for Class 1 Benefits](#) in the supplementary information section of this report.

² This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see [Member Contribution Rates](#).

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Classic Members

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

<u>Benefit Formula</u>	<u>Percent Contributed above the Breakpoint</u>
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

PEPRA Members

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members ... shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2026, based on 50% of the total normal cost rate as of the June 30, 2024, valuation.

<u>Rate Plan Identifier</u>	<u>Benefit Group Name</u>	<u>Basis for Current Rate</u>		<u>Rates Effective July 1, 2026</u>			
		<u>Total Normal Cost</u>	<u>Member Rate</u>	<u>Total Normal Cost</u>	<u>Change in Normal Cost</u>	<u>Adj. Needed</u>	<u>Member Rate</u>
26040	PEPRA Miscellaneous Plan	15.43%	7.75%	15.68%	0.25%	No	7.75%

Breakdown of Entry Age Accrued Liability

Active Members	\$9,844,903
Transferred Members	733,156
Separated Members	168,546
Members and Beneficiaries Receiving Payments	<u>15,236,882</u>
Total	\$25,983,487

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$25,983,487
2. Projected UAL Balance at 6/30/2024	7,454,441
3. Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4. Adjusted UAL Balance at 6/30/2024 for Asset Share	7,454,441
5. Pool's Accrued Liability ¹	24,701,567,178
6. Sum of Pool's Individual Plan UAL Balances at 6/30/2024 ¹	5,686,499,631
7. Pool's 2023-24 Investment (Gain)/Loss ¹	(476,088,386)
8. Pool's 2023-24 Non-Investment (Gain)/Loss ¹	305,188,638
9. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (4)] \div [(5) - (6)] \times (7)$	(463,920)
10. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (5) \times (8)$	321,027
11. Plan's New (Gain)/Loss as of 6/30/2024: $(9) + (10)$	(142,893)
12. Increase in Pool's Accrued Liability due to Change in Assumptions ¹	0
13. Plan's Share of Pool's Change in Assumptions: $(1) \div (5) \times (12)$	0
14. Increase in Pool's Accrued Liability due to Funding Risk Mitigation ¹	0
15. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (5) \times (14)$	0
16. Offset due to Funding Risk Mitigation	0
17. Plan's Investment (Gain)/Loss: $(9) - (16)$	(463,920)

¹ Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18. Plan's UAL: $(2) + (3) + (11) + (13) + (15)$	\$7,311,548
19. Plan's Share of Pool's Market Value of Assets (MVA): $(1) - (18)$	\$18,671,939

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see [Section 2](#), which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the **Accrued Liability** and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability (UAL)** equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **Funded Ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2023	June 30, 2024
1. Present Value of Benefits	\$28,991,602	\$30,339,615
2. Entry Age Accrued Liability	24,860,639	25,983,487
3. Market Value of Assets (MVA)	17,458,007	18,671,939
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$7,402,632	\$7,311,548
5. Funded Ratio [(3) ÷ (2)]	70.2%	71.9%

A funded ratio of 100% (UAL of \$0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	\$29,093,142	\$25,983,487	\$23,362,990
2. Market Value of Assets (MVA)	18,671,939	18,671,939	18,671,939
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	\$10,421,203	\$7,311,548	\$4,691,051
4. Funded Ratio [(2) ÷ (1)]	64.2%	71.9%	79.9%

The [Risk Analysis](#) section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The CalPERS amortization policy provides a systematic methodology for paying down a plan’s unfunded accrued liability (UAL) over a reasonable period of years. The projected schedule of required payments for this plan under the amortization policy is provided in [Amortization Schedule and Alternatives](#). Certain aspects of the policy such as 1) layered amortization bases (positive and negative) with different remaining payoff periods, and 2) the phase-in of required payments toward investment gains and losses, can result in volatility in year-to-year projected UAL payments. Provided below is information on how an Additional Discretionary Payment (ADP), together with your required UAL payment of \$684,032 for FY 2026-27, may better accomplish your agency’s specific objectives with regard to either smoothing out projected future payments or achieving a greater reduction in UAL than would otherwise occur when making only the minimum required payment. Such additional payments are allowed at any time and can also result in significant long-term savings.

Fiscal Year 2026-27 Employer Contribution Versus Agency Funding Objectives

The interest-to-payment ratio for the FY 2026-27 minimum required UAL payment is 67%, which means the required payment of \$684,032 includes \$461,225 of interest cost and results in a \$222,807 reduction in the UAL, as can be seen in [Amortization Schedule and Alternatives](#) (see columns labelled Current Amortization Schedule). If the interest-to-payment ratio is close to 100%, and the reduction in the UAL is small, it may indicate that required contributions will be increasing in the coming years, which would be shown in [Projected Employer Contributions](#). Another measure that can be used to evaluate how well the FY 2026-27 required UAL payment meets the agency’s specific funding objectives is the number of years required to pay off the existing UAL if the annual payment were held constant in future years. With an annual payment of \$684,032 it would take 17.6 years to pay off the current UAL. A result that is longer than the agency’s target funding period suggests that the option of supplementing the minimum payment with an ADP should be weighed against the agency’s budget constraints.

Provided below are select ADP options for consideration. Making such an ADP during FY 2026-27 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see [Amortization Schedule and Alternatives](#). Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2026-27 Employer Contributions — Illustrative Scenarios

If the Annual UAL Payment Each Year Were...	The Current UAL Would be Paid Off in...	This Would Require an ADP ¹ in FY 2026-27 of...	Plus the Estimated Normal Cost of...	Estimated Total Contribution
\$684,032	17.6 years	\$0	\$325,613	\$1,009,645
746,822	15 years	62,790	325,613	1,072,435
971,756	10 years	287,724	325,613	1,297,369
1,671,116	5 years	987,084	325,613	1,996,729

¹ The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2026, as determined in the June 30, 2024, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan through April 30, 2025.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	\$0	2022-23	\$0
2020-21	0	2023-24	0
2021-22	0	2024-25	0

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2024-25 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

The normal cost rates for each rate plan are assumed to remain constant. However, the employer contribution amounts will vary due to changes in payroll. The actuarial valuation does not include payroll beyond the valuation date. For the most realistic projections, the employer should apply projected payroll amounts to the rates below based on the most recent information available, such as current payroll as well as any plans to fill vacancies or add or remove positions.

Rate Plan Identifier	Covered Payroll June 30, 2024	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)				
		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Normal Cost Rates (Percentage of Payroll)							
73	\$1,448,679	12.56%	12.6%	12.6%	12.6%	12.6%	12.6%
26040	1,620,196	7.93%	7.9%	7.9%	7.9%	7.9%	7.9%
UAL Payment		\$684,032	\$711,000	\$781,000	\$787,000	\$790,000	\$806,000

Unlike the normal cost rates, the required UAL payments are expected to vary significantly from the projections above due to experience, particularly investment experience. For projected contributions under alternate investment return scenarios, please see the [Future Investment Return Scenarios](#) exhibit. Our online pension plan projection tool, [Pension Outlook](#), is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

For ongoing plans, investment gains and losses are amortized using an initial 5-year ramp. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the initial ramp period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2024.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2026-27.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2024-25 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2025, if necessary, and the expected payment for FY 2025-26 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	1,922,340	144,447	1,903,782	148,492	1,879,781	152,649
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	(18,478)	(1,388)	(18,300)	(1,427)	(18,070)	(1,467)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	11	1,145,930	113,383	1,106,679	116,558	1,061,477	119,821
Assumption Change	6/30/14	100%	Up/Dn	2.80%	10	744,844	91,140	701,306	93,692	652,170	96,316
Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	(1,456,896)	(105,745)	(1,446,684)	(108,706)	(1,432,717)	(111,749)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	1,577	114	1,566	118	1,551	121
Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	915,959	64,372	911,720	66,175	905,329	68,028
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	(73,898)	(5,193)	(73,556)	(5,339)	(73,040)	(5,488)
Assumption Change	6/30/16	100%	Up/Dn	2.80%	12	315,165	33,277	302,206	34,209	287,403	35,167
Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	1,165,845	79,505	1,162,959	81,731	1,157,576	84,020
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	(142,851)	(9,742)	(142,497)	(10,014)	(141,838)	(10,295)
Assumption Change	6/30/17	100%	Up/Dn	2.80%	13	378,587	37,544	365,531	38,595	350,501	39,676
Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(610,456)	(40,475)	(610,138)	(41,608)	(608,628)	(42,773)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(31,382)	(2,081)	(31,365)	(2,139)	(31,287)	(2,199)
Assumption Change	6/30/18	100%	Up/Dn	2.80%	14	641,465	60,097	622,978	61,780	601,495	63,510
Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	(190,401)	(12,296)	(190,641)	(12,640)	(190,542)	(12,994)
Method Change	6/30/18	100%	Up/Dn	2.80%	14	177,078	16,590	171,975	17,055	166,044	17,532
Non-Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	94,990	6,134	95,110	6,306	95,061	6,483
Investment (Gain)/Loss	6/30/19	100%	Up Only	0.00%	15	86,332	6,881	85,091	8,601	81,989	8,601
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	15	79,095	7,731	76,484	7,731	73,695	7,731

Schedule of Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Investment (Gain)/Loss	6/30/20	100%	Up Only	0.00%	16	419,986	25,252	422,449	33,670	416,380	42,087
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	16	68,635	6,507	66,578	6,507	64,381	6,508
Assumption Change	6/30/21	No Ramp		0.00%	17	93,082	8,584	90,541	8,584	87,827	8,584
Net Investment (Gain)	6/30/21	80%	Up Only	0.00%	17	(2,050,741)	(84,300)	(2,103,072)	(126,450)	(2,115,402)	(168,601)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	17	(96,306)	(8,882)	(93,676)	(8,882)	(90,867)	(8,882)
Investment (Gain)/Loss	6/30/22	60%	Up Only	0.00%	18	2,816,339	60,536	2,945,290	121,073	3,020,448	181,609
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	18	375,665	33,781	366,300	33,781	356,298	33,781
Partial Fresh Start	6/30/22	60%	Up Only	0.00%	18	151,913	3,265	158,869	6,531	162,923	9,796
Investment (Gain)/Loss	6/30/23	40%	Up Only	0.00%	19	121,535	0	129,799	2,790	135,742	5,580
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	19	409,488	0	437,333	39,327	426,430	39,327
Investment (Gain)/Loss	6/30/24	20%	Up Only	0.00%	20	(463,920)	0	(495,467)	0	(529,159)	(11,374)
Non-Investment (Gain)/Loss	6/30/24	No Ramp		0.00%	20	321,027	0	342,857	0	366,171	32,927
Total						7,311,548	529,038	7,262,007	616,101	7,119,122	684,032

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in [Allocation of Plan's Share of Pool's Experience](#) earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Each year, many agencies express a desire for a more stable pattern of payments or indicate interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS [Actuarial Amortization Policy](#).

Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternative Schedules			
	Balance	Payment	15 Year Amortization		10 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2026	7,119,122	684,032	7,119,122	746,822	7,119,122	971,756
6/30/2027	6,896,315	710,992	6,831,426	746,822	6,598,970	971,756
6/30/2028	6,630,495	780,502	6,524,167	746,822	6,043,448	971,756
6/30/2029	6,274,765	786,604	6,196,014	746,822	5,450,150	971,756
6/30/2030	5,888,542	790,328	5,845,547	746,822	4,816,508	971,756
6/30/2031	5,472,207	805,854	5,471,248	746,822	4,139,778	971,756
6/30/2032	5,011,515	799,073	5,071,496	746,822	3,417,031	971,756
6/30/2033	4,526,500	791,465	4,644,561	746,822	2,645,137	971,757
6/30/2034	4,016,368	774,221	4,188,595	746,822	1,820,753	971,756
6/30/2035	3,489,369	745,399	3,701,623	746,822	940,312	971,757
6/30/2036	2,956,322	693,182	3,181,537	746,822		
6/30/2037	2,440,990	501,388	2,626,085	746,822		
6/30/2038	2,088,825	465,397	2,032,862	746,822		
6/30/2039	1,749,905	437,241	1,399,300	746,822		
6/30/2040	1,417,036	419,018	722,656	746,822		
6/30/2041	1,080,364	362,061				
6/30/2042	779,660	305,144				
6/30/2043	517,329	487,292				
6/30/2044	48,919	50,555				
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		11,389,748		11,202,330		9,717,562
Interest Paid		4,270,626		4,083,208		2,598,440
Estimated Savings				187,418		1,672,186

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

Valuation Date	Contribution Year	Employer Normal Cost Rate		Unfunded Liability Payment
		Rate Plan 73	Rate Plan 26040	
06/30/2015	2017-18	8.921%	6.533%	\$177,667
06/30/2016	2018-19	9.409%	6.842%	232,067
06/30/2017	2019-20	10.221%	6.985%	290,318
06/30/2018	2020-21	11.031%	7.732%	333,986
06/30/2019	2021-22	10.88%	7.59%	395,921
06/30/2020	2022-23	10.87%	7.47%	457,670
06/30/2021	2023-24	12.47%	7.68%	436,956
06/30/2022	2024-25	12.52%	7.87%	529,038
06/30/2023	2025-26	12.58%	7.96%	616,101
06/30/2024	2026-27	12.56%	7.93%	684,032

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2015	\$15,839,229	\$12,689,918	\$3,149,311	80.1%	\$2,098,340
06/30/2016	16,835,090	12,524,186	4,310,904	74.4%	1,870,766
06/30/2017	17,938,911	13,645,706	4,293,205	76.1%	2,133,427
06/30/2018	19,331,437	14,313,305	5,018,132	74.0%	2,250,784
06/30/2019	19,945,547	14,632,885	5,312,662	73.4%	2,368,708
06/30/2020	20,862,325	15,039,452	5,822,873	72.1%	2,510,646
06/30/2021	22,230,414	18,201,000	4,029,414	81.9%	2,577,922
06/30/2022	23,434,791	16,565,427	6,869,364	70.7%	2,592,857
06/30/2023	24,860,639	17,458,007	7,402,632	70.2%	2,852,630
06/30/2024	25,983,487	18,671,939	7,311,548	71.9%	3,068,875

Risk Analysis

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Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer UAL contributions. The CalPERS [Funding Risk Mitigation Policy](#) stipulates that when the investment return exceeds the discount rate by at least 2% the board will consider adjustments to the discount rate. The projections below use a discount rate of 6.8% for all scenarios even though an annual return of 10.8% is high enough to trigger a board discussion on the discount rate. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The employer normal cost rates are not affected by investment returns, and since no future assumption changes are being reflected, the projected employer normal cost rates for every future investment return scenario are the same as those shown earlier in this report. See [Projected Employer Contributions](#) for more information on projecting the employer normal cost.

The first table shows projected UAL contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2044.

Assumed Annual Return FY 2024-25 through FY 2043-44	Projected Employer UAL Contributions				
	2027-28	2028-29	2029-30	2030-31	2031-32
3.0% (5th percentile)	\$728,000	\$833,000	\$893,000	\$969,000	\$1,076,000
10.8% (95th percentile)	\$693,000	\$724,000	\$669,000	\$587,000	\$0

Required UAL contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2024-25 on the FY 2027-28 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2027-28.

Assumed Annual Return for Fiscal Year 2024-25	Required Employer UAL Contributions	Projected Employer UAL Contributions
	2026-27	2027-28
(17.2%) (2 standard deviation loss)	\$684,032	\$821,000
(5.2%) (1 standard deviation loss)	\$684,032	\$766,000

- Without investment gains (returns higher than 6.8%) in FY 2025-26 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2024-25.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2027-28 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2024, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Discount Rate Due to Varying the Real Rate of Return Assumption

As of June 30, 2024	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost			
Rate Plan 73	24.53%	19.49%	15.66%
Rate Plan 26040	19.63%	15.68%	12.68%
b) Accrued Liability	\$29,093,142	\$25,983,487	\$23,362,990
c) Market Value of Assets	\$18,671,939	\$18,671,939	\$18,671,939
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$10,421,203	\$7,311,548	\$4,691,051
e) Funded Ratio	64.2%	71.9%	79.9%

Sensitivity to the Discount Rate Due to Varying the Price Inflation Assumption

As of June 30, 2024	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost			
Rate Plan 73	20.43%	19.49%	17.79%
Rate Plan 26040	16.54%	15.68%	14.26%
b) Accrued Liability	\$26,739,475	\$25,983,487	\$24,284,809
c) Market Value of Assets	\$18,671,939	\$18,671,939	\$18,671,939
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$8,067,536	\$7,311,548	\$5,612,870
e) Funded Ratio	69.8%	71.9%	76.9%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2024, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2024	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost			
Rate Plan 73	19.82%	19.49%	19.18%
Rate Plan 26040	15.95%	15.68%	15.43%
b) Accrued Liability	\$26,618,872	\$25,983,487	\$25,401,948
c) Market Value of Assets	\$18,671,939	\$18,671,939	\$18,671,939
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$7,946,933	\$7,311,548	\$6,730,009
e) Funded Ratio	70.1%	71.9%	73.5%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures include only the rate plans covered in this report. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2023	June 30, 2024
1. Retiree Accrued Liability	\$15,628,663	\$15,236,882
2. Total Accrued Liability	\$24,860,639	\$25,983,487
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	63%	59%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2023, was 0.78 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2023	June 30, 2024
1. Number of Actives	28	29
2. Number of Retirees	48	45
3. Support Ratio [(1) ÷ (2)]	0.58	0.64

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2023	June 30, 2024
1. Market Value of Assets	\$17,458,007	\$18,671,939
2. Payroll	\$2,852,630	\$3,068,875
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	6.1	6.1
4. Accrued Liability	\$24,860,639	\$25,983,487
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	8.7	8.5

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	51%	0.71	6.4	8.4
06/30/2018	54%	0.73	6.4	8.6
06/30/2019	54%	0.69	6.2	8.4
06/30/2020	59%	0.68	6.0	8.3
06/30/2021	57%	0.64	7.1	8.6
06/30/2022	65%	0.60	6.4	9.0
06/30/2023	63%	0.58	6.1	8.7
06/30/2024	59%	0.64	6.1	8.5

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimated range for the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2024. The accrued liability on a termination basis (termination liability) is calculated differently from the plan’s ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefits security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as demonstrated below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability ¹	\$36,978,051	\$28,849,507
2. Market Value of Assets (MVA)	18,671,939	18,671,939
3. Unfunded Termination Liability [(1) – (2)]	\$18,306,112	\$10,177,568
4. Funded Ratio [(2) ÷ (1)]	50.5%	64.7%

¹ The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan’s assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of “benefit entitlements” calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index¹ discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	June 30, 2024
Discount Rate	5.35%
1. Accrued Liability – Low-Default-Risk Basis (LDROM)	
a) Active Members	\$12,360,285
b) Transferred Members	903,263
c) Separated Members	190,723
d) Members and Beneficiaries Receiving Payments	17,227,516
e) Total	\$30,681,787
2. Market Value of Assets (MVA)	18,671,939
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	\$12,009,848
4. Unfunded Accrued Liability – Funding Policy Basis	7,311,548
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	\$4,698,300

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan’s benefit obligations (see [Funded Status – Termination Basis](#)), nor is it appropriate for assessing the need for future contributions (see [Funded Status – Funding Policy Basis](#)).

¹ This index is based on a yield curve of hypothetical AA-rated zero-coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees’ Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Supplementary Information

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Normal Cost by Benefit Group

The table below displays the Total Normal Cost broken out by benefit group as of the valuation date, June 30, 2024. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits contracted. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as: changes in economic and demographic assumptions, changes in plan benefits or applicable law.

Rate Plan Identifier	Benefit Group Name	Total Normal Cost as of June 30, 2024	Offset due to Employee Contributions as of June 30, 2024	Employer Normal Cost as of June 30, 2024	Number of Actives	Payroll on 6/30/2024
73	Miscellaneous Plan	19.49%	6.93%	12.56%	13	\$1,448,679
26040	PEPRA Miscellaneous Plan	<u>15.68%</u>	<u>7.75%</u>	<u>7.93%</u>	<u>16</u>	<u>1,620,196</u>
	<i>Hypothetical Plan Totals¹</i>	<i>17.48%</i>	<i>7.36%</i>	<i>10.12%</i>	<i>29</i>	<i>\$3,068,875</i>

¹ The hypothetical employer normal cost and contribution rates for the total plan are provided for illustrative purposes only and are based on the payroll as of the valuation date. This snapshot of the cost of providing benefits can be compared from one valuation date to the next as members retire from older tiers and are replaced by members in new tiers. The employer normal cost rate for contribution purposes varies by rate plan and applies to the covered payroll of members in each respective rate plan.

Note that if a Benefit Group above has multiple bargaining units, each of which has separately contracted for different benefits such as Employer Paid Member Contributions, then the Normal Cost shown for the respective benefit level does not reflect those differences.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2023	June 30, 2024
Active Members		
Counts	28	29
Average Attained Age	N/A	45.1
Average Entry Age to Rate Plan	N/A	33.7
Average Years of Credited Service	N/A	11.6
Average Annual Covered Pay	\$101,880	\$105,823
Annual Covered Payroll	\$2,852,630	\$3,068,875
Present Value of Future Payroll	\$26,551,582	\$28,243,795
Transferred Members		
Counts	7	7
Separated Members		
Counts	6	8
Retired Members and Beneficiaries*		
Counts	48	45
Average Annual Benefits	\$28,504	\$30,540
Total Annual Benefits	\$1,368,175	\$1,374,317

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

Status of PEPR A Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2024.

	Classic	PEPRA	PEPRA as a Percent of Total
Active Members			
Count	13	16	55.2%
Average Attained Age	51.3	40.1	
Average Entry Age	30.7	36.1	
Average Years of Credited Service	20.9	4.0	
Average Annual Covered Payroll	\$111,437	\$101,262	
Annual Covered Payroll	\$1,448,679	\$1,620,196	52.8%
Present Value of Future Payroll	\$10,446,408	\$17,797,387	63.0%
Transferred Members			
Count	5	2	28.6%
Separated Members			
Count	3	5	62.5%
Retired Members and Beneficiaries Receiving Payments			
Count	44	1	2.2%
Average Annual Benefit	\$30,922	\$13,749	
Total Annual Benefits	\$1,360,568	\$13,749	1.0%
Accrued Liabilities			
Active Members	\$8,533,896	\$1,311,007	13.3%
Transferred Members	644,949	88,207	12.0%
Separated Members	98,044	70,502	41.8%
Retired Members and Beneficiaries	<u>15,039,785</u>	<u>197,097</u>	<u>1.3%</u>
Total	\$24,316,674	\$1,666,813	6.4%

Surcharge for Class 1 Benefits

This plan has the following Class 1 benefit provisions which result in the surcharges indicated:

Class 1 benefit provisions	Rate Plan 73	Rate Plan 26040
One Year Final Compensation (FAC 1)	0.64%	N/A
Surcharge for Class 1 Benefits	0.64%	0.00%

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 73	Benefit Group						
Member Category	Misc	Misc	Misc	Misc	Misc	Misc	Misc
Demographics							
Actives	Yes	No	No	No	No	No	No
Transfers/Separated	Yes	Yes	Yes	No	No	No	No
Receiving	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Benefit Provision							
Benefit Formula	2% @ 55	2% @ 55	2% @ 55				
Social Security Coverage	Yes	No	Yes				
Full/Modified	Modified	Full	Modified				
Employee Contribution Rate	7.00%						
Final Average Compensation Period	One Year	One Year	One Year				
Sick Leave Credit	Yes	Yes	Yes				
Non-Industrial Disability	Standard	Standard	Standard				
Industrial Disability	No	No	No				
Pre-Retirement Death Benefits							
Optional Settlement 2	Yes	Yes	Yes				
1959 Survivor Benefit Level	No	No	No				
Special	No	No	No				
Alternate (firefighters)	No	No	No				
Post-Retirement Death Benefits							
Lump Sum	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Survivor Allowance (PRSA)	No	No	No	No	No	No	No
COLA	2%	2%	2%	2%	2%	2%	2%

Plan's Major Benefit Options (Continued)

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 26040	Benefit Group	
Member Category	Misc	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	Yes	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	7.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	\$2,000	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

[Section 2](#) may be found on the CalPERS website (www.calpers.ca.gov) in the Forms & Publications section