RELIABLE SINCE 1921

583 San Ysidro Road
Santa Barbara, CA 93108-2124

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

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

General Manager and Board Secretary
Nick Turner

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

TUESDAY, SEPTEMBER 29, 2026
9:30 A.M.

Attend in Person or Join by Teleconference:
https://www.zoomgov.com/j/1658702109?pwd=5a8whrp6Xkhp8qzDOxJLkqeijvF94H.1
Webinar ID: 165 870 2109; Passcode: 245955
Tel: (669) 254-5252

AGENDA

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

2. PLEDGE OF ALLEGIANCE

3. PUBLIC FORUM

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

4. CONSENT CALENDAR

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

∗A. Meeting Minutes of August 25, 2026

∗B. Ratification of Disbursements for August 2026

∗C. Investment of District Funds and Cash Position as of August 31, 2026

∗D. Waterworks Reports for August 2026

∗E. Authorization for Remote Teleconference Meetings by Eligible Subsidiary Bodies of Montecito Water District

∗F. Amendment No. 1 to the Agreement with Wanger Jones Helsley PC for special legal services for the Alder Creek Flume Reconstruction Project

* Indicates attachment included for this item

∗G. Approval of Permanent Easement at 2965 East Valley Road for Water Main Extension and Fire Hydrant Installation

∗H. Approval of Access Agreement on 1240 Toro Canyon Road for Operation and Maintenance of the Highline Transmission Main

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

∗A. ACTION ITEM: Consideration of the approval of a Letter of Intent between the District and Solstra Communities California, LLC concerning the permanent sale of a portion of the District's State Water Project Interests for the planned Solomon Hills Development

∗B. ACTION ITEM: Approval of Construction Contract Change Order No. 1 with Pacific Hydrotech for the Park Lane Reservoir Seismic Retrofit and Replacement Project

∗C. ACTION ITEM: Approval of Amendment No. 4 to the Professional Services Contract with Tetra Tech for Design Services for the ASADRA Reservoir Seismic Retrofit and Replacement Projects

D. INFORMATIONAL: Continued discussion of the Cachuma Operations and Maintenance Board's Sheffield Tunnel Pipeline Rehabilitation Project

∗E. ACTION ITEM: Adoption of Modified Job Description for the Engineering Manager Position

∗F. ACTION ITEM: Adoption of Modified Job Description for the Business Manager Position

G. INFORMATIONAL: Recognizing Adam Kanold, Assistant General Manager / Engineering Manager, for 10 years of dedicated service to the District

∗H. INFORMATIONAL: Customer Relations and Public Information Update

∗I. INFORMATIONAL: General Manager Report

6. DISTRICT BUSINESS REPORT

A. INFORMATIONAL: Cash Flow Forecast through August 31, 2026

7. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

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

C. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Montecito Water District v. Miradero LLC, Santa Barbara Superior Court Case No.26CV00403

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

* Indicates attachment included for this item

E. CLOSED SESSION: Pursuant to Government Code §54959.8 Conference with Real Property Negotiators
   Property: 2770 Bella Vista Drive
   Agency Negotiator: Nicholas Turner, General Manager
   Negotiating Parties: District and Potential Buyers
   Under Negotiation: Price and Terms of Payment

F. CLOSED SESSION: Pursuant to Government Code §54957.6 Conference with Labor Negotiators
   Agency designated representative: Nicholas Turner, General Manager
   Employee organization: SEIU

8. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Goebel

B. Operations & Customer Relations Committee: Director Wicks

C. Finance Committee: Director Hayman

D. Strategic Planning Committee: Director Coates

E. Central Coast Water Authority: Director Coates

F. Cachuma Operation and Maintenance Board: Director Hayman

G. Cachuma Conservation Release Board: Director Plough

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

I. ACWA JPIA: Director Wicks

J. CalDesal: Director Wicks

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

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

9. DIRECTOR REQUESTS

Requests from Directors for items other than regular agenda items for the next regular Board meeting tentatively scheduled for Tuesday, October 27, 2026, or any future meeting.

10. ADJOURNMENT

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

This agenda was posted on the District website, and at the Montecito Water District outside display case at 5:00 p.m. on September 25, 2026. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in,

or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 805-969-2271. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.

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

* Indicates attachment included for this item

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Nick Turner

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

TUESDAY, AUGUST 25, 2026
9:30 A.M.

AGENDA

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

President Goebel called the meeting to order at 9:32 a.m.

Directors present (In Person):
Directors Ken Coates, Brian Goebel, Cori Hayman, Tube Plough, and Floyd Wicks participated in person.

Staff present (In Person and via Zoom):
Nick Turner, General Manager
Adam Kanold, Asst. GM/Engineering Mgr.
Laura Camp, Public Information Officer
Christina Perry, Administrative/HR Assistant
Ray Willefert, Financial Analyst/IT Specialist
Chad Hurshman, Water Treatment & Production Superintendent

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

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

Consultants present (In Person and via Zoom):
Joel Degner, Cachuma Operation and Maintenance Board (COMB) (via Zoom)
Janet Gingras, Cachuma Operation and Maintenance Board (COMB) (via Zoom)
Karl Meier, Wood Rodgers, Inc. (via Zoom)
Issam Najm, Water Quality Treatment Solutions (WQTS) (via Zoom)
Nancy Kogevinas, Sotheby's International Realty (via Zoom)
Olivia Ruest, Sotheby's International Realty (via Zoom)

Representatives present (In Person):
Brian Fallon, Montecito Fire Protection District Fire Chief
Anthony Hudley, Montecito Fire Protection District Operations Division Chief

Public (via Zoom):
andrewdbusch@gmail.com

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

No members of the public were present during this agenda item.

4. CONSENT CALENDAR

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

A. Meeting Minutes of June 23, 2026

B. Ratification of Disbursements for June and July 2026

C. Investment of District Funds and Cash Position as of July 31, 2026

D. Unaudited Financial Report as of July 31, 2026

E. Waterworks Reports for June and July 2026

F. Ratification of Legal Services Agreement with Gibbs Giden Locher Turner Senet & Wittbrodt LLP for Special Legal Services Relating to the Possible Sale of Surplus Property

G. Agreement For Termination of Water Rights Agreement Between 270 Toro Canyon Revocable Trust and Montecito Water District

H. Temporary Construction Easements for the Highline Repair at Bella Vista

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

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

A. INFORMATIONAL: Presentation on the Sheffield Tunnel Pipeline Rehabilitation Project by the Cachuma Operations and Maintenance Board

Mr. Turner and Mr. Kanold introduced the item. Joel Degner of COMB presented an overview of the Sheffield Tunnel Pipeline Rehabilitation Projects with contributions from Janet Gingras of COMB. Staff and COMB representatives responded to questions.

Item 5-C through 5-E were moved for consideration before Item 5-B

C. BOARD ACTION: Discuss, Accept and File the Highline Preliminary Planning & Design Report

Mr. Kanold introduced the item. Karl Meier of Wood Rodgers, Inc. presented the Highline Pipeline Preliminary Design Report. Staff and Mr. Meier responded to questions from the Board.

Director Plough moved to accept and file the 2026 Highline Preliminary Design Report. The motion was seconded by Director Wicks and carried after a roll call vote with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

D. BOARD ACTION: License Agreement with Montecito Fire Protection District for Temporary Use of the District's Terminal Reservoir Property to Support Emergency Response Operations

Mr. Turner presented the item. Fire Chief Brian Fallon and Operations Division Chief Anthony Hudley of the Montecito Fire Protection District addressed the Board and presented the District with a token of appreciation.

Director Coates moved to authorize the General Manager's execution of a License Agreement with the Montecito Fire Protection District for the temporary use of the District's Terminal Reservoir property. The motion was seconded by Director Hayman and carried after a roll call vote with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

The Board paused for a break at 11:09 a.m. and returned at 11:22 a.m.

E. BOARD ACTION: Proposed Amendment No. 12 to the Professional Services Contract with Rincon Consulting Inc. for the Alder Creek Flume Reconstruction Project

Mr. Kanold presented the item.

Director Plough moved to authorize the General Manager to execute Contract Amendment No. 12 with Rincon Consultants for additional Permitting and Environmental Services for the Alder Creek Flume Repair Project for a not-to-exceed amount of $56,820 of which 94% is reimbursable through the Federal Emergency Management Agency (FEMA). The motion was seconded by Director Coates and carried after a roll call vote with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

B. BOARD ACTION: Review and Selection of Treatment Alternative to Manage Calcification at the District's Water Treatment Plants

Mr. Kanold presented the item with contributions from Issam Najm of Hazen and Sawyer, formerly Water Quality Treatment Solutions (WQTS). Staff and Mr. Najm responded to questions from the Board.

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

F. INFORMATIONAL: Biennial Review of the District's Conflict of Interest Code

Counsel presented the item and responded to questions from the Board.

G. INFORMATIONAL: Customer Relations and Public Information Update

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

H. INFORMATIONAL: General Manager Report

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

6. DISTRICT BUSINESS REPORT

A. INFORMATIONAL: Unaudited Financial Report as of June 30, 2026

Mr. Turner presented the Fiscal Year 2026 Year-End Unaudited Financial Report and responded to questions from the Board.

B. INFORMATIONAL: Cash Flow Forecast through June 30, 2026

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

The Board paused for lunch at 12:26 p.m. and returned at 1:08 p.m.

7. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

No report.

The Board recessed to Closed Session at 1:08 p.m.

Director Plough left the meeting at 2:40 p.m. Director Hayman left the meeting at 2:45 p.m.

The Board returned to Open Session at 2:56 p.m.

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

As to Item 7-B, the Board received an update from Counsel and no action was taken.

C. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Montecito Water District v. Miradero LLC, Santa Barbara Superior Court Case No.26CV00403

As to Item 7-C, the Board received an update from Counsel and no action was taken.

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

As to Item 7-D, the Board received on update from Counsel regarding two cases and no action was taken.

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

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

As to Item 7-E, the Board gave direction to the Real Property Negotiator and no action was taken.

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

Property: 2770 Bella Vista Drive
Agency Negotiator: Nicholas Turner, General Manager
Negotiating Parties: District and Potential Buyers
Under Negotiation: Price and Terms of Payment

As to Item 7-F, the Board received an update from the Agency Negotiator and no action was taken.

8. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Goebel reported no new items.

B. Operations & Customer Relations Committee: Director Wicks reported that all relevant items were previously addressed.

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

D. Strategic Planning Committee: Director Coates reported that no meeting was held.

E. Central Coast Water Authority: Director Coates reported on meetings in Sacramento about subsidence and funding opportunities.

F. Cachuma Operation and Maintenance Board: Director Hayman was absent during this item and Mr. Turner did not attend the most recent COMB meeting.

G. Cachuma Conservation Release Board: Director Plough reported that all relevant items were previously addressed.

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

I. ACWA JPIA: Director Wicks reported that he will attend the ACWA JPIA Membership Summit starting November 30th, followed by the ACWA 2026 Fall Conference.

J. CalDesal: Director Wicks reported that he will attend the Board meeting during the ACWA 2026 Fall Conference.

K. Ad hoc Committee - Water Rights Opportunities: Director Coates reported no new items.

L. Directors' List of Compensable and Reimbursable Meetings (Government Code §53232.1 and §53232.3) Directors Goebel, Coates, and Wicks reported meetings attended in August.

9. DIRECTOR REQUESTS

Director Goebel requested future discussion of the feasibility of recapturing water lost from the Ortega reservoir.

Director Goebel requested a future discussion regarding the Sheffield Tunnel Pipeline Rehabilitation Project, specifically covering the risks and mitigation of pipeline failure in Sheffield Tunnel, analysis of District reservoirs and the Ortega reservoir, and acceleration of the District's Aquifer Storage and Recovery (ASR) Project.

Director Coates requested an update on cybersecurity

Director Wicks requested a review of what assets are considered surplus.

10. ADJOURNMENT

The meeting was adjourned at 3:01 p.m.

APPROVED:

_____
Brian Goebel, Board President

ATTEST:

_____
Nicholas Turner, Secretary

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-B**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **RATIFICATION OF DISBURSEMENTS FOR AUGUST 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 – AUGUST 2026

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

SECTION: 4-B

AP CHECK REGISTER			**2,032,970**
NET PAYROLL DIRECT DEPOSITS [1]			
CHECK DATE	8/10/2026	96,204	
CHECK DATE	8/22/2026*	6,154	
CHECK DATE	8/24/2026	106,712	
		Payroll Direct Deposits	**209,071**
EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS [2]			
CALPERS; EE BENEFITS; PAYROLL TAXES		209,643	
PAC HYDRO TERM RES CONSTRUCTION		503,933	
PAC HYDRO TERM ESCROW RETEN PCC 22300		26,523	
ARB LOC ORIGINATION & DOC FEE / RLOC INT DUE		35,579	
CITY OF SB - REFUND DEBT SERV DEP + ANNUAL WSA TRUE-UP		(1,548,633)	
		Subtotal External Wire Transfers	**(772,956)**
		TOTAL DISBURSEMENTS	**1,469,084**
INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS [3]			
N/A		0.00	
		NET INTERNAL WIRE TRANSFERS	**0**

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

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

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

MONTECITO WATER DISTRICT
CHECK REGISTER
AUGUST 31, 2026

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
15260	08/10/2026	ACWA-JPIA	25-26 Q4 WORKERS' COMP MWD	30,046.55	
15261	08/10/2026	ACWA-JPIA	000082 EMPLOYEE BENEFITS MWD	59,270.04	
15305	08/21/2026	ACWA-JPIA	000082 EMPLOYEE BENEFITS MWD	59,270.04	148,586.63
15306	08/21/2026	AG ENT INC	DOULTON TP BACKFLOW REPAIR	260.66	
15306	08/21/2026	AG ENT INC	DOULTON TP BACKFLOW INSTALL	1,382.26	1,642.92
15307	08/21/2026	ALFONSO DIAZ	649A63301 POST EE BENEFITS	967.30	967.30
15308	08/21/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P COFFEE RESTOCK	140.55	
15308	08/21/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P ANTI-SNAKE BITE PANTS	234.19	
15308	08/21/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P BATTERIES, CANDY, COFFEE RESTOCK	192.90	
15308	08/21/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P PAPER, SOAP DISPENSERS, CHARGERS	419.93	
15308	08/21/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P ELECTROLYTE DRINKS FOR STAFF	98.69	
15308	08/21/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P COFFEE RESTOCK	140.55	
15308	08/21/2026	AMAZON CAPITAL SERVICES, INC	A11U8EQYL6IP2P OIL CHANGE STICKERS	8.61	1,235.42
15309	08/21/2026	ANACAPA PLUMBING	URINAL FILTER REPLACEMENT	165.00	165.00
15310	08/21/2026	ANTHEM BLUE CROSS	324A62737 POST EE BENEFITS	1,850.94	
15311	08/21/2026	ANTHEM BLUE CROSS	249A51862 POST EE BENEFITS	1,437.60	3,288.54
15312	08/21/2026	A-OK POWER EQUIPMENT	100878 O-RINGS, CHOKE KNOBS	39.89	
15312	08/21/2026	A-OK POWER EQUIPMENT	100878 PUMP REPAIR O-RING	14.87	54.76
15313	08/21/2026	APPLIED INDUSTRIAL TECHNOLOGIES	0001526076 PROTECTIVE GLOVES	158.89	158.89
15314	08/21/2026	AQUA-METRIC SALES COMPANY	REPLACEMENT T2 CHAMBER	1,677.92	1,677.92
15315	08/21/2026	AT&T MOBILITY	MWD CELL PHONES	1,388.63	1,388.63
15316	08/21/2026	BADGER METER, INC.	PRESSURE MONITORING EQUIPMENT	43,651.95	
15316	08/21/2026	BADGER METER, INC.	PRESSURE MONITORING EQUIPMENT	3,808.97	47,460.92
15317	08/21/2026	BANK UP CORPORATION	07.26 LOCKBOX FEES	1,858.46	1,858.46
15262	08/10/2026	BEST BEST & KRIEGER LLP	PARK LANE RES SPECIAL LEGAL	32,232.90	32,232.90
15318	08/21/2026	BRIAN BANKS	SURPLUS PROPERTY CONSULTING	437.50	437.50
15263	08/10/2026	CACHUMA OPERATIONS & MAINTENANCE BOARD	FY27 1ST QTR 7.01.26 - 9.01.26	204,776.00	204,776.00
15319	08/21/2026	CalDesal	FY27 CALDESAL ANNUAL DUES	5,000.00	5,000.00
15264	08/10/2026	CALIFORNIA DEPT OF FISH & WILDLIFE	ALDER FLUME CDFW PERMIT	8,662.00	8,662.00
15265	08/10/2026	CALIFORNIA GOVERNOR'S OFFICE EMERGENCY SERVI	FEMA 2017 STORM DEOBLIGATION	2,578.12	2,578.12
15320	08/21/2026	CALIFORNIA WATER EFFICIENCY PARTNERSHIP	2000 CALWEP ANNUAL DUES	3,270.55	3,270.55
15321	08/21/2026	CANNON CORPORATION	FEMA ALDER DESIGN UPDATES	2,200.00	2,200.00
15322	08/21/2026	CAPITAL INDUSTRIAL MEDICAL SUPPLY CO.	BVTP FIRST AID RESTOCK	329.00	
15322	08/21/2026	CAPITAL INDUSTRIAL MEDICAL SUPPLY CO.	BVTP FIRST AID RESTOCK	197.06	526.06
15323	08/21/2026	CARAHSOFT TECHNOLOGY CORPORATION	MWD005 WEBINAR FOR ZFG	407.15	407.15
15324	08/21/2026	CARP VALLEY LUMBER CO	1580 4 X 8 PLYWOOD	119.43	119.43
15325	08/21/2026	CARPINTERIA VALLEY WATER DISTRICT	26Q4 O&M + CAPITAL	359,923.16	
15326	08/21/2026	CARPINTERIA VALLEY WATER DISTRICT	04-002 ORTEGA RES COSTS - 04.26	2,490.44	
15327	08/21/2026	CARPINTERIA VALLEY WATER DISTRICT	04-002 ORTEGA RES COSTS - 05.26	155.90	362,569.50
15266	08/10/2026	CITY OF SANTA BARBARA	7700 CATER III / OZONE SRF LOAN	138,172.81	
15328	08/21/2026	CITY OF SANTA BARBARA	14651 WSA DESAL	638,733.00	776,905.81
15267	08/10/2026	CONVERGED	08.26 DATTO CLOUD BACKUP	1,145.00	
15267	08/10/2026	CONVERGED	08.26 NET ALERT	1,575.00	
15267	08/10/2026	CONVERGED	DUAL FACTOR USER SUBSCRIPTIONS	3,480.00	
15267	08/10/2026	CONVERGED	08.26 CYBERSECURITY SUITE	2,004.50	

MONTECITO WATER DISTRICT
CHECK REGISTER
AUGUST 31, 2026

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
15267	08/10/2026	CONVERGED	08.26 OFFICE 365	1,887.00	
15267	08/10/2026	CONVERGED	08.26 VPN LICENSES	170.00	
15329	08/21/2026	CONVERGED	07.26 IT SUPPORT	2,816.25	13,077.75
15330	08/21/2026	COSB PUBLIC WORKS - TRANSPORTATION DIVISION	SHORT FORM PERMITS # 26-054T-US-107	376.00	376.00
15331	08/21/2026	COUNTY OF SANTA BARBARA WATER AGENCY	COUNTY RWEP PROGRAM FEES	148.00	148.00
15268	08/10/2026	COX COMMUNICATIONS	13011026150301 ADMIN INTERNET	337.84	
15269	08/10/2026	COX COMMUNICATIONS	13011028261302 DTP INTERNET	72.54	
15332	08/21/2026	COX COMMUNICATIONS	13011027671401 BVTP INTERNET	409.09	819.47
15333	08/21/2026	DAL POZZO TIRE CORP	TIRE H-006 BAL DUE	5.00	
15333	08/21/2026	DAL POZZO TIRE CORP	TIRES F-018	1,597.87	1,602.87
15334	08/21/2026	DOCUPRODUCTS	MW04 COPIER OVERAGE	112.73	112.73
15394	08/21/2026	EMMA GODINEZ	8/21 PR - NET PAYROLL	6,154.15	6,154.15
15270	08/10/2026	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, IN	ARCGIS ONLINE ANNUAL SUBSCRIPTION	2,675.00	2,675.00
15335	08/21/2026	FEDEX	2095-9320-9 BANKUP EXCEPTIONS	35.98	
15335	08/21/2026	FEDEX	2095-9320-9 BANKUP EXCEPTIONS	35.98	
15335	08/21/2026	FEDEX	2095-9320-9 BANKUP EXCEPTIONS	36.69	108.65
15336	08/21/2026	FERGUSON WATERWORKS #1083	639 3/8" STAINLESS STEEL 90 DEGREE ELBOW, NIPPLES	968.68	968.68
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 JAMESON LAKE MONITORING	668.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 GROUNDWATER RECHARGE	414.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 ENNISBROOK 5 - EC/TDS	158.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	92.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	68.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	473.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 DOULTON TUNNEL TP - RAW	39.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 PROCESS CONTROL	68.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 ROUTINE DRINKING WATER MONITORING	428.00	
15337	08/21/2026	FGL ENVIRONMENTAL	2016013 FE & MN MONITORING	179.00	2,587.00
15338	08/21/2026	FRONTIER	20918852180227065 TELEMETRY LINE	173.96	
15339	08/21/2026	FRONTIER	80556504870405195 ADMIN INTERNET	243.44	417.40
15340	08/21/2026	FUEL SMART SB	110101030 MWD FUEL	2,104.85	
15340	08/21/2026	FUEL SMART SB	110101030 MWD FUEL	2,178.53	4,283.38
15301	08/11/2026	GEOFFREY HARRIS	REFUND - 1179 SAN LEANDRO MAIN EXTENSION (C38) DEP	3,000.00	3,000.00
15341	08/21/2026	GRAINGER INC.	818790453 TRANSFORMER, CIRCUIT BREAKERS	4,267.90	
15341	08/21/2026	GRAINGER INC.	818790453 CIRCUIT BREAKERS, LINE INTERACTIVE	416.16	
15341	08/21/2026	GRAINGER INC.	818790453 PERISTALTIC HYPO PUMP, COYOTE DECOY	863.62	
15341	08/21/2026	GRAINGER INC.	818790453 TEMPERATURE CONTROL UNIT	276.57	
15341	08/21/2026	GRAINGER INC.	818790453 CIRCUIT BREAKER	51.87	
15341	08/21/2026	GRAINGER INC.	818790453 COYOTE DECOY	42.88	5,919.00
15342	08/21/2026	HACH COMPANY	105840 TL2300 TURBIDIMETER ANNUAL SERVICE	1,644.00	1,644.00
15343	08/21/2026	HARRINGTON INDUSTRIAL	036731 VARIOUS PVC, PRIMER	377.66	
15343	08/21/2026	HARRINGTON INDUSTRIAL	036731 CONNECTOR TUBES	105.05	
15343	08/21/2026	HARRINGTON INDUSTRIAL	036731 80 PSI PUMP	533.59	1,016.30
15344	08/21/2026	HOME DEPOT CREDIT SERVICES	..8158 SHOP SUPPLIES FOR RES REPAIR	66.86	66.86
15271	08/10/2026	INDUCTIVE AUTOMATION	SCADA ANNUAL SUPPORT PLAN RENEWAL	2,996.40	2,996.40
15345	08/21/2026	INFOSEND	MWT-000 BILLING	2,006.55	
15345	08/21/2026	INFOSEND	MWT-000 LATE FEES MAILER	131.56	
15345	08/21/2026	INFOSEND	MWT-000 FEES BILLING	713.16	2,851.27
15346	08/21/2026	IRON MOUNTAIN	229MB SHRED SERVICE	489.42	489.42
15347	08/21/2026	ITRON, INC	117095 AMI METER READING	3,136.80	3,136.80

MONTECITO WATER DISTRICT
CHECK REGISTER
AUGUST 31, 2026

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
15392	08/21/2026	JOHN BURKE	FEMA HIGHLINE TEMP EASEMENT	5,800.00	5,800.00
15348	08/21/2026	LAURA MENAHEN	493W01726 POST EE BENEFITS	952.80	
15348	08/21/2026	LAURA MENAHEN	493W01726 POST EE BENEFITS	952.80	1,905.60
15349	08/21/2026	LOWE'S BUSINESS ACCOUNT	STRING TRIMMER	319.05	319.05
15350	08/21/2026	MARBORG DISPOSAL CO.	1 -0002337 1 3 YD TRASH RECYCLE BINS	1,663.72	
15350	08/21/2026	MARBORG DISPOSAL CO.	1 -0008789 7 25 YD ROLLOFF	196.85	
15350	08/21/2026	MARBORG DISPOSAL CO.	30-16830 9 BV PORTABLE	21.55	
15350	08/21/2026	MARBORG DISPOSAL CO.	30-1059740 6 DIST PORTABLE	181.74	
15350	08/21/2026	MARBORG DISPOSAL CO.	30-1078124 0 DIST PORTABLE	192.51	2,256.37
15351	08/21/2026	MCCORMIX CORP.	6082 MWD FUEL	95.88	
15351	08/21/2026	MCCORMIX CORP.	6082 EAST VALLEY PUMP STATION GENERATOR FUEL	601.90	697.78
15352	08/21/2026	MCMASTER-CARR SUPPLY CO	ROUTING CLAMPS	26.18	26.18
15272	08/10/2026	McPHERESON TREE CARE	OFFICE TREE PRUNING	3,100.00	3,100.00
15353	08/21/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	281.71	
15353	08/21/2026	MISSION LINEN SUPPLY	102263 DIST LENS CLEANING TOWELETTE	12.55	
15353	08/21/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	303.71	
15353	08/21/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	12.55	
15353	08/21/2026	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	138.81	
15353	08/21/2026	MISSION LINEN SUPPLY	102263 DIST UNIFORMS	281.71	
15353	08/21/2026	MISSION LINEN SUPPLY	102265 TREAT UNIFORMS	91.54	1,122.58
15354	08/21/2026	MONTECITO VILLAGE HARDWARE	SCOUR PAD + COPPER PAD	13.99	
15354	08/21/2026	MONTECITO VILLAGE HARDWARE	GLUE	5.38	
15354	08/21/2026	MONTECITO VILLAGE HARDWARE	ANT SPRAY	21.53	
15354	08/21/2026	MONTECITO VILLAGE HARDWARE	DUCK TAPE, GLUE, SCREWS	51.69	
15354	08/21/2026	MONTECITO VILLAGE HARDWARE	CAPS + PLUGS	32.24	
15354	08/21/2026	MONTECITO VILLAGE HARDWARE	BATTERIES RESTOCK	63.53	188.36
15355	08/21/2026	MOUNTAIN VIEW LANDSCAPING	07.26 LANDSCAPE MAINTENENCE	4,700.00	4,700.00
15356	08/21/2026	NIGRO & NIGRO	FY26 INTERIM AUDIT	11,000.00	11,000.00
15357	08/21/2026	O'REILLY	1560132 SPARK PLUG, IGN COIL F-003	225.02	
15357	08/21/2026	O'REILLY	1560132 NEW TRUCK TOGGLE SWITCHES, CONDUIT	76.15	
15357	08/21/2026	O'REILLY	1560132 NEW TRUCK PRIMARY WIRES, FUSE HOLDERS	209.44	510.61
15273	08/10/2026	PARADISE CHEVROLET	F032 2026 CHEVY SILVERADO 2500 (VIN # ..87040)	66,387.10	
15274	08/10/2026	PARADISE CHEVROLET	F031 2026 CHEVY SILVERADO 1500 (VIN # ..06079)	44,813.33	111,200.43
15358	08/21/2026	PATRICIA LIEBERKNECHT	POST EE BEN'S - MEDICARE RX SUPP BALANCE	234.75	234.75
15359	08/21/2026	PITNEY BOWES	8000-9090-1096-6484 POSTAGE METER REFILL	247.88	247.88
15360	08/21/2026	PROBER LAND SURVEYING	JAMESON COMPOUND SURVEY	7,475.00	7,475.00
15393	08/21/2026	RANCHO SAN CARLOS LLC	FEMA HIGHLINE TEMP EASEMENT	22,700.00	22,700.00
15361	08/21/2026	RAUCH COMMUNICATION	MWD WEBSITE DEVELOPMENT	1,015.50	1,015.50
15362	08/21/2026	RAYNE OF SANTA BARBARA	224204 BVTP SOFTENER	440.00	
15362	08/21/2026	RAYNE OF SANTA BARBARA	224204 BVTP SOFTENER	446.60	886.60
15363	08/21/2026	S.B. HOME IMPR CNTR	2910 ADHESIVE + PAINT	20.17	
15363	08/21/2026	S.B. HOME IMPR CNTR	2910 WD40, PAINT TRAYS	100.51	
15363	08/21/2026	S.B. HOME IMPR CNTR	2910 PIPE CUTTER, WRENCHES, AAA BATTERIES	284.59	
15363	08/21/2026	S.B. HOME IMPR CNTR	2910 DREMEL GRINDING WHEELS	27.63	432.90
15364	08/21/2026	SATCOM DIRECT INC	881651474254 JAMESON LAKE SAT PHONE	55.00	
15364	08/21/2026	SATCOM DIRECT INC	881651474254 JAMESON LAKE SAT PHONE	24.84	79.84
15365	08/21/2026	SB HANDYMAN	FIRE HYDRANT MAINTENENCE	2,975.00	2,975.00

MONTECITO WATER DISTRICT
CHECK REGISTER
AUGUST 31, 2026

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
15366	08/21/2026	SIMPSON THACHER & BARTLETT LLP	P130 SOLSTRA REGULATORY GUIDANCE	27,654.50	27,654.50
15367	08/21/2026	SOAP MAN	PAPER PLATES, HAND SOAP	123.59	
15367	08/21/2026	SOAP MAN	DIST PAPER TOWELS RESTOCK	80.76	204.35
15368	08/21/2026	SOCIAL AND ENVIROMENTAL ENTREPRENEURS	FY27 CADC MEMBERSHIP FEE	8,000.00	8,000.00
15275	08/10/2026	SOUTHERN CALIF EDISON CO ..0049	700571670049 PICAY SVC FEE	152.43	
15276	08/10/2026	SOUTHERN CALIF EDISON CO ..0181	700869240181 PADEN WELL	919.16	
15369	08/21/2026	SOUTHERN CALIF EDISON CO ..0377	700869220377 BUELL PUMP STATION	436.67	
15277	08/10/2026	SOUTHERN CALIF EDISON CO ..0421	700870000421 PICAY HYDRO PLANT	110.65	
15278	08/10/2026	SOUTHERN CALIF EDISON CO ..0784	700869230784 OFFICE SHOP	417.47	
15279	08/10/2026	SOUTHERN CALIF EDISON CO ..1093	700869251093 MOSBY WELL	463.84	
15370	08/21/2026	SOUTHERN CALIF EDISON CO ..1687	700869211687 EDGEWOOD WELL # 3	1,224.84	
15280	08/10/2026	SOUTHERN CALIF EDISON CO ..2790	700864982790 ENNISBROOK #2 WELL	2,859.43	
15281	08/10/2026	SOUTHERN CALIF EDISON CO ..2891	700864982891 BVTP	445.14	
15281	08/10/2026	SOUTHERN CALIF EDISON CO ..2891	700864982891 BVTP	2,094.36	
15281	08/10/2026	SOUTHERN CALIF EDISON CO ..2891	700864982891 BVTP	2,275.16	
15281	08/10/2026	SOUTHERN CALIF EDISON CO ..2891	700864982891 BVTP	2,700.57	
15281	08/10/2026	SOUTHERN CALIF EDISON CO ..2891	700864982891 BVTP	(6,568.26)	
15282	08/10/2026	SOUTHERN CALIF EDISON CO ..2915	700869252915 VALLEY CLUB WELL	405.18	
15283	08/10/2026	SOUTHERN CALIF EDISON CO ..2992	700864982992 EAST VALLEY PUMP STATION	9,155.12	
15284	08/10/2026	SOUTHERN CALIF EDISON CO ..3093	700864983093 ROMERO PUMP STATION	8,244.05	
15285	08/10/2026	SOUTHERN CALIF EDISON CO ..3295	700864983295 BARKER PASS PUMP STATION	4,265.85	
15285	08/10/2026	SOUTHERN CALIF EDISON CO ..3295	700864983295 BARKER PASS PUMP STATION	6,096.79	
15285	08/10/2026	SOUTHERN CALIF EDISON CO ..3295	700864983295 BARKER PASS PUMP STATION	(4,970.84)	
15286	08/10/2026	SOUTHERN CALIF EDISON CO ..3919	700869233919 DOULTON SOUTH PORTAL	13.57	
15287	08/10/2026	SOUTHERN CALIF EDISON CO ..4181	700869434181 OFFICE PUMP STATION	3,977.58	
15288	08/10/2026	SOUTHERN CALIF EDISON CO ..4457	700862554457 ORTEGA PUMP STATION	1,030.73	
15288	08/10/2026	SOUTHERN CALIF EDISON CO ..4457	700862554457 ORTEGA PUMP STATION	1,197.21	
15288	08/10/2026	SOUTHERN CALIF EDISON CO ..4457	700862554457 ORTEGA PUMP STATION	1,432.45	
15288	08/10/2026	SOUTHERN CALIF EDISON CO ..4457	700862554457 ORTEGA PUMP STATION	(2,426.50)	
15371	08/21/2026	SOUTHERN CALIF EDISON CO ..4710	700869824710 MOUNTAIN DRIVE PUMP STATION	987.63	
15289	08/10/2026	SOUTHERN CALIF EDISON CO ..5223	700869205223 AMAPOLA WELL	1,645.50	
15290	08/10/2026	SOUTHERN CALIF EDISON CO ..5728	700869205728 OFFICE BUILDING	947.74	
15372	08/21/2026	SOUTHERN CALIF EDISON CO ..6432	700869196432 DOULTON TREAT PLANT	900.90	
15373	08/21/2026	SOUTHERN CALIF EDISON CO ..6830	700869176830 ENNISBROOK #5 WELL	699.43	
15291	08/10/2026	SOUTHERN CALIF EDISON CO ..7543	700869197543 LAS FUENTES WELL	106.88	
15374	08/21/2026	SOUTHERN CALIF EDISON CO ..7543	700869197543 LAS FUENTES WELL	109.43	
15292	08/10/2026	SOUTHERN CALIF EDISON CO ..8039	700869168039 COLD SPRINGS RES	15.47	
15375	08/21/2026	SOUTHERN CALIF EDISON CO ..8642	700869158642 PARK LANE RES	21.18	
15376	08/21/2026	SOUTHERN CALIF EDISON CO ..9554	700869169554 EVR #4 / #6 WELLS	50.69	
15377	08/21/2026	SOUTHERN CALIF EDISON CO ..9560	700869189560 CASA DORINDA PUMP STATION	44.02	
15293	08/10/2026	SOUTHERN CALIF EDISON CO ..9649	700869149649 BUELL STORAGE	13.57	
15294	08/10/2026	SOUTHERN CALIF EDISON CO ..9863	700869189863 EVR #3 WELL	283.67	41,778.76
15295	08/10/2026	SOUTHERN CALIF GAS CO	2761453006 BVTP GAS	2.09	
15295	08/10/2026	SOUTHERN CALIF GAS CO	10741464001 ADMIN GAS	20.88	22.97
15296	08/10/2026	STANDARD INSURANCE COMPANY	07.26 MWD DISABILITY INSURANCE	4,561.80	
15378	08/21/2026	STANDARD INSURANCE COMPANY	08.26 MWD DISABILITY INSURANCE	3,273.71	7,835.51
15379	08/21/2026	SUPER BEE RESCUE	8272 ASADRA PARK LN BEE REMOVAL	400.00	400.00
15380	08/21/2026	TAFT ELECTRIC COMPANY	BVTP GENERATOR REPAIR	536.00	536.00
15381	08/21/2026	THE WHARF	2026 BOOTS - EE # 127	400.00	400.00
15297	08/10/2026	U.S. BANK NATIONAL ASSOCIATION	7.06.26 STMT - ACCT # 4866 9163 3943 2082 MWD	242.40	
15297	08/10/2026	U.S. BANK NATIONAL ASSOCIATION	7.06.26 STMT - ACCT # 4866 9163 7659 3705	24.22	
15297	08/10/2026	U.S. BANK NATIONAL ASSOCIATION	7.06.26 STMT - ACCT # 4866 9163 6390 7579 MWD	2,426.11	
15297	08/10/2026	U.S. BANK NATIONAL ASSOCIATION	7.06.26 STMT - ACCT # 4866 9163 2931 9042	1,120.02	
15395	08/27/2026	U.S. BANK NATIONAL ASSOCIATION	8.06.26 STMT - ACCT # 4866 9163 7659 3705	74.52	
15395	08/27/2026	U.S. BANK NATIONAL ASSOCIATION	8.06.26 STMT - ACCT # 4866 9163 6390 7579	6,451.72	
15395	08/27/2026	U.S. BANK NATIONAL ASSOCIATION	8.06.26 STMT - ACCT # 4866 9163 2931 9042	297.82	
15300	08/10/2026	U.S. BANK NATIONAL ASSOCIATION	7.06.26 STMT - ACCT # 4866 9163 6390 7579 HIGHLINE	3,093.75	13,730.56
15382	08/21/2026	UNITED HEALTHCARE INSURANCE COMPANY	399330727-11 POST EE BENEFITS	450.25	450.25
15383	08/21/2026	UPS	7.14.26 SHIPMENT - METER WARRANTY EXCHANGE	102.48	102.48

MONTECITO WATER DISTRICT
CHECK REGISTER
AUGUST 31, 2026

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
15384	08/21/2026	USC COMPANIES, INC.	07.26 ADMIN JANITORIAL	540.00	540.00
15385	08/21/2026	VERTEXONE SOFTWARE, LLC	038--C000349 WATERSMART TRANSACTION FEES	136.76	
15385	08/21/2026	VERTEXONE SOFTWARE, LLC	038-C000349 WATERSMART TRANSACTION FEES	143.04	279.80
15386	08/21/2026	WANGER JONES HELSLEY PC	12183-002 A1 SPECIAL LEGAL	2,490.00	2,490.00
15299	08/10/2026	WATER SYSTEMS CONSULTING, INC	1229-11918 ASADRA TERMINAL RES CONSTR MGMT	55,182.16	
15299	08/10/2026	WATER SYSTEMS CONSULTING, INC	1229-12631 ASADRA ROMERO RES CONSTR MGMT	1,051.50	56,233.66
15397	08/27/2026	WELLS FARGO BANK	8.03.26 STMT - MWD	234.29	234.29
15387	08/21/2026	WENDELSTEIN LAW GROUP PC	MWD GENERAL COUNSEL	26,173.50	
15387	08/21/2026	WENDELSTEIN LAW GROUP PC	ASADRA GENERAL COUNSEL	913.50	27,087.00
15388	08/21/2026	WESTERN WATER WORKS	13082 SOLENOID CONTROL VALVE	362.13	
15388	08/21/2026	WESTERN WATER WORKS	13082 REGULATOR PARTS	4,551.35	4,913.48
15389	08/21/2026	WORKSITE SOLUTIONS	CWMA29175 EE SUPPLEMENTAL INSURANCE	339.22	339.22
15390	08/21/2026	ZIP'S / AW DIRECT	5256889 LEDS, JUMP CABLES, ALARMS, FLOOD LIGHT	1,844.91	1,844.91
15391	08/21/2026	ZWORLD GIS, LLC	GIS PROGRAM SUPPORT	2,550.00	2,550.00
			MWD REPORT TOTAL	**2,039,123.71**	**2,039,123.71**
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MONTECITO WATER DISTRICT
DIRECT DEPOSIT REGISTER
AUGUST 31, 2026

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT
DFT0002475	08/07/2026	PAYLOCITY CORPORATION	8/10 PR - MWD NET PAYROLL	84,190.86
DFT0002469	08/07/2026	PAYLOCITY CORPORATION	8/10 PR - GSA NET PAYROLL	11,982.02
DFT0002478	08/07/2026	PAYLOCITY CORPORATION	8/10 PR - HIGHLINE NET PAYROLL	31.18
DFT0002497	08/24/2026	PAYLOCITY CORPORATION	8/24 PR - MWD NET PAYROLL	92,930.92
DFT0002490	08/24/2026	PAYLOCITY CORPORATION	8/24 PR - GSA NET PAYROLL	12,796.07
DFT0002500	08/24/2026	PAYLOCITY CORPORATION	8/24 PR - HIGHLINE NET PAYROLL	985.43
			MWD REPORT TOTAL	**202,916.48**

MONTECITO WATER DISTRICT
DIRECT DEPOSIT REGISTER
AUGUST 31, 2026

TOTAL
84,190.86
11,982.02
31.18
92,930.92
12,796.07
985.43
202,916.48
-

MONTECITO WATER DISTRICT
ACH REGISTER
AUGUST 31, 2026

REF / CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0002440	08/07/2026	AMERICAN BUSINESS BANK	2527-007 PAC HYDRO TERM 5% ESCROW RETEN PCC 22300	26,522.77	26,522.77
DFT0002444	08/07/2026	AMERICAN RIVIERA BANK	LOC ORIGINATION & DOC FEE BAL DUE LOAN # *6912	31,000.00	31,000.00
DFT0002481	08/18/2026	AMERICAN RIVIERA BANK	RLOC LINE INTEREST (LOAN ..6912)	4,578.70	4,578.70
DFT0002464	08/13/2026	BENEFLEX INC	8/10 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	2,182.00	2,182.00
DFT0002485	08/24/2026	BENEFLEX INC	8/24 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	2,182.00	2,182.00
DFT0002446	08/11/2026	CALPERS	7/27 PR - 457/LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,848.64	5,848.64
DFT0002449	08/11/2026	CALPERS	7/27 PR - PEPRA EMPLOYEE CONTRIBUTIONS	5,978.00	5,978.00
DFT0002450	08/11/2026	CALPERS	7/27 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	5,389.07	5,389.07
DFT0002451	08/11/2026	CALPERS	7/27 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	727.77	727.77
DFT0002454	08/11/2026	CALPERS	7/27 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,985.84	3,985.84
DFT0002455	08/11/2026	CALPERS	7/27 PR - CLASSIC EMPLOYER CONTRIBUTIONS	7,235.99	7,235.99
DFT0002465	08/13/2026	CALPERS	8/10 PR - 457/LOAN PLAN EMPLOYEE CONTRIBUTIONS	5,827.40	5,827.40
DFT0002466	08/13/2026	CALPERS	8/10 PR - PEPRA EMPLOYEE CONTRIBUTIONS	5,976.34	5,976.34
DFT0002467	08/13/2026	CALPERS	8/10 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	5,387.45	5,387.45
DFT0002468	08/13/2026	CALPERS	8/10 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	727.69	727.69
DFT0002471	08/13/2026	CALPERS	8/10 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,985.83	3,985.83
DFT0002472	08/13/2026	CALPERS	8/10 PR - CLASSIC EMPLOYER CONTRIBUTIONS	7,235.99	7,235.99
DFT0002486	08/24/2026	CALPERS	8/24 PR - 457/LOAN PLAN EMPLOYEE CONTRIBUTIONS	4,376.47	4,376.47
DFT0002487	08/24/2026	CALPERS	8/24 PR - PEPRA EMPLOYEE CONTRIBUTIONS	5,721.77	5,721.77
DFT0002488	08/24/2026	CALPERS	8/24 PR - PEPRA EMPLOYER CONTRIBUTIONS MWD	5,152.88	5,152.88
DFT0002489	08/24/2026	CALPERS	8/24 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	701.76	701.76
DFT0002492	08/24/2026	CALPERS	8/24 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,985.84	3,985.84
DFT0002493	08/24/2026	CALPERS	8/24 PR - CLASSIC EMPLOYER CONTRIBUTIONS MWD	7,235.99	7,235.99
DFT0002443	08/07/2026	CITY OF SANTA BARBARA	REFUND FY26 DEBT SERVICE DEPOSIT	(481,579.00)	(481,579.00)
DFT0002482	08/18/2026	CITY OF SANTA BARBARA	FY26 WSA ANNUAL TRUE-UP CONTRACT YR # 5	(1,067,054.00)	(1,067,054.00)
DFT0002456	08/11/2026	COLONIAL LIFE PROCESSING CENTER	E4901575 EE SUPPLEMENTAL INSURANCE	209.22	209.22
DFT0002503	08/31/2026	EPX	08.26 EPX FEES	13,405.15	13,405.15
DFT0002457	08/11/2026	LINCOLN FINANCIAL GROUP	7/27 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,742.31	1,742.31
DFT0002473	08/13/2026	LINCOLN FINANCIAL GROUP	8/10 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,742.31	1,742.31
DFT0002494	08/24/2026	LINCOLN FINANCIAL GROUP	8/24 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,742.31	1,742.31
DFT0002441	08/07/2026	PACIFIC HYDROTECH CORPORATION	C2527 ASADRA TERMINAL RES CONSTRUCTION	503,932.63	503,932.63
DFT0002470	08/07/2026	PAYLOCITY CORPORATION	8/10 PR - GSA EMPLOYER TAXES	734.13	734.13
DFT0002476	08/07/2026	PAYLOCITY CORPORATION	8/10 PR - MWD EMPLOYEE TAXES	35,844.04	35,844.04
DFT0002477	08/07/2026	PAYLOCITY CORPORATION	8/10 PR - MWD EMPLOYER TAXES	10,009.47	10,009.47
DFT0002483	08/24/2026	PAYLOCITY CORPORATION	8/22 PR - MWD EMPLOYEE TAXES	2,406.70	2,406.70
DFT0002484	08/24/2026	PAYLOCITY CORPORATION	8/22 PR - MWD EMPLOYER TAXES	654.90	654.90
DFT0002491	08/24/2026	PAYLOCITY CORPORATION	8/24 PR - GSA EMPLOYER TAXES	796.08	796.08
DFT0002496	08/25/2026	PAYLOCITY CORPORATION	08.26 PR PROCESSING FEES	679.83	679.83
DFT0002498	08/24/2026	PAYLOCITY CORPORATION	8/24 PR - MWD EMPLOYEE TAXES	37,764.67	37,764.67
DFT0002499	08/24/2026	PAYLOCITY CORPORATION	8/24 PR - MWD EMPLOYER TAXES	10,488.69	10,488.69
DFT0002479	08/07/2026	PAYLOCITY CORPORATION	8/10 PR - HIGHLINE EMPLOYER TAXES	2.15	2.15
DFT0002501	08/24/2026	PAYLOCITY CORPORATION	8/24 PR - HIGHLINE EMPLOYER TAXES	74.54	74.54
DFT0002448	08/06/2026	SANTA BARBARA COUNTY EMPLOYEE ASS.	7/27 PR - UNION DUES	523.80	523.80
DFT0002474	08/13/2026	SANTA BARBARA COUNTY EMPLOYEE ASS.	8/10 PR - UNION DUES	523.80	523.80
DFT0002495	08/24/2026	SANTA BARBARA COUNTY EMPLOYEE ASS.	8/24 PR - UNION DUES	453.96	453.96
			MWD REPORT TOTAL	**(772,956.12)**	**(772,956.12)**
					-

PROOF	
CHECK REGISTERS	2,039,123.71
DRAFTS	(772,956.12)
DIRECT DEPOSIT	202,916.48
	1,469,084.07
INCODE CHECK REGISTER ALL	1,469,084.07
	-

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-C**

DATE: **SEPTEMBER 08, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **INVESTMENT OF DISTRICT FUNDS AND CASH POSITION AS OF AUGUST 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 August 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
(as of August 31, 2026)

Category	Beginning Balance (8/1/26)	Ending Balance (8/31/26)	Change	Notes
Operating Cash (ARB)	$4,614,256	$7,637,081	$3,022,826	City of SB WSA True-up
Pinnacle Checking (ARB)	$ 2,707,539	($5)	($2,707,544)	Transfer to MM
Money Market (ARB)	$847,857	$3,562,007	$2,714,150	
Investments (Schwab One)	$4,886,550	$4,903,049	$16,499	
Total Cash & Equivalents	**$11,612,640**	**$13,056,202**	**$1,443,561**	

INVESTMENT PORTFOLIO – SCHWAB ONE

- Schwab One Ending Account Value: **$4,903,049**
- Total Estimated Value (incl. dividends and income): **$4,934,038**

Portfolio Composition:

- Cash and cash equivalents (Money Market): **$ 2,501,408 (51%)**
- Fixed income (Treasuries): **$ 2,401,641 (49%)**

Performance

- Portfolio's Average Yield: **3.50–4.625%**
- Monthly Income (Dividends and Interest): **$16,804**
- Fiscal Year-to-Date Income: **$33,970**
- Market Appreciation/(Depreciation): **($305)**
- Activity: Transfer cash into Money Market $618,922

MONEY MARKET ACCOUNT – AMERICAN RIVIERA BANK

- Ending Balance : **$3,562,007**
- Interest Earned (August) **$6,611**
- Annual Percentage Yield Earned (APYE): **3.04%**
- Average Balance: **$2,594,657**

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.

Nick Turner _____ 9/08/2026
General Manager Date

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-D**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **WATERWORKS REPORT FOR AUGUST 2026**

RECOMMENDATION:

Information only.

DISCUSSION:

The District's Waterworks Report for August 2026 is provided in Attachment1 1. The report provides the District's water use for the month, including total use in acre feet (AF) by source, an estimate of unaccounted for water, customer meter count, total stored water, and water quality.

Highlights for the August 2026 Waterworks Report include:

- Unaccounted water or water loss for the trailing 12-month period is approximately 5%.
- Water deliveries in accordance with the District's Water Supply Agreement with the City of Santa Barbara, i.e., desalination, were fully received (117.38 AF) in August.
- Jameson Lake and Lake Cachuma are at 91% and 88% of capacity, respectively, as of the end of August.
- Groundwater production from District wells in August was 21.5 acre-feet.
- 5,802 AF of SWP supplies are stored Semitropic and available for later use.
- 344 AF of a total 900 AF was transferred (sold) to Homer LLC in August pursuant to the 2024 Water Management Program Agreement. The remaining 234 AF is scheduled for transfer in September 2026.
- Water quality remains in full compliance with drinking water standards and includes updated data from the 2025 Consumer Confidence Report (CCR).

ATTACHMENT:

1. Waterworks Report for August 2026

MONTECITO WATER DISTRICT
MONTHLY WATER WORKS OPERATION REPORT
August 2026

PRODUCTION

District Surface Water Sources (AF)					
Jameson Lake[1]		Fox Creek		Doulton Tunnel	
138.2		0.0		29.6	
				Total Surface Water:	**167.8**
District Potable Wells (AF)					
Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
4.9	2.7	1.9	5.6	0.0	0.0
				Total Potable Wells:	**15.0**
District Non Potable Wells (AF)					
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
0.0	5.2	1.3	0.0	0.0	0.0
				Total Non Potable Wells:	**6.5**
South Coast Conduit Deliveries[2] (AF)					
Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
41.8	40.8	189.5	8.9	6.6	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
12.1	26.7	11.3	0.3	0.0	
				City Desal Deliveries[3]:	**117.4**
				Cachuma Project Deliveries:	**220.6**
				State Water Deliveries:	**0.0**
				Total South Coast Conduit Deliveries:	**338.0**
				TOTAL DISTRICT PRODUCTION:	**527.4**

[1] Jameson Lake includes arch seepage and weirs 1 and 2
[2] Data for all South Coast Conduit deliveries is provided by COMB
[3] The first 117.38 AF from SCC will be accounted as City Desal Deliveries. SCC volumes in excess of 117.38 AF are accounted as Cachuma/State water accordingly.

METERED USE

Metered Customer Use (AF):	501.0
City of Santa Barbara Intertie or Transfers (AF):	0.0
Carpinteria Valley Water District Intertie (AF):	0.0
TOTAL METERED USE (AF):	**501.0**

UNACCOUNTED WATER[1]

Total District Production (AF):	527.4	Total Metered Use (AF):	501.0
No. of Days in Production Period:	31	Days in Meter Period:	31
Average Daily Production (AF):	17.0	Average Daily Demand (AF):	16.2
Month's Water Loss (AF):	26.4	Adjusted Meter Use for # of Read Days (AF):	501.0
Month's Percentage Loss[2]:	**5%**	**Water Loss[3] (GPM/mile)**	**2**
Trailing 12 Month Percentage Loss:	**5.34%**	**Water Loss[4] (GAL/connection/d)**	**59**

[1] Defined as the difference between PRODUCTION and METERED USE (or sales). This includes *real loss* such as water main breaks, flushing of water mains and use of fire hydrants and *apparent loss* such as unauthorized use and meter inaccuracy.
[2] Loss as a PERCENTAGE is a poor performance indicator due to seasonal production & sales variability
[3] AWWA only uses loss/mile of pipe for agencies with low density of services (less than 32 connections/mile)
[4] AWWA recommends loss per service connection as a system performance indicator for higher density areas. 60 gal/connection/d is an expected value for the District.

CUSTOMER METER COUNT

Active Meters:	4679
New Installations:	0
Meters Removed Per Customer Request:	0
TOTAL ACTIVE METERS	**4679**

STORAGE (AF)

	Jameson Lake	Lake Cachuma	SWP (Table A + Supple.) in Cachuma	SWP San Luis Reservoir	Banked Water Semitropic
Full Storage Capacity	4,587	192,978			4,500
Percent Full (%)	91%	88%			
Current MWD Storage	**4,192**	**2,143**	**0**	**444**	**5,802**
				TOTAL STORED WATER (AF)	**12,581**

WATER QUALITY[1]

Compliance

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

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

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

Monthly Treatment Operations

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

1) None.

System Water

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

Key:

Compliant	Non Compliant

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

Source Water

Parameter	Primary MCL	Frequency	Jameson Lake	Groundwater	Cater WTP
Turbidity	1 NTU	Annual	0.03 - 0.26 NTU	< 0.1 NTU	ND - 0.09 NTU
pH	No Standard	Annual	6.98 - 8.20	7.0 - 7.7	7.45 - 7.67
Arsenic	10 µg/L	Annual	ND	ND - 1.0 µg/L	ND
Nitrate	10 mg/L	Annual	ND	0.5 - 2.9 mg/L	ND - 0.50
Iron	300 µg/L	Annual	ND	ND - 30 µg/L	ND
Manganese	50 µg/L	Annual	ND	ND - 40 mg/L2	ND
Total Diss. Solids	1000 mg/L	Annual	610mg/L	560 - 890 mg/L	502 - 772 mg/L
Total Hardness	No Standard (mg/L)	Annual	392 - 408 mg/L	284 - 528 mg/L	304 - 472 mg/L
Total Alkalinity	No Standard (mg/L)	Annual	180 - 244 mg/L	176 - 204 mg/L	157 - 224 mg/L

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

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

RAINFALL

Rainfall (inches)	Office	Doulton	Jameson Lake
August 2025	0.00	0.00	0.00
August 2026	0.00	0.00	0.00
Historical Monthly Average	0.06	0.08	0.03
July 1st to date	0.00	0.00	0.00
Historical Average July 1 to Date	0.08	0.12	0.06

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-E**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **DISTRICT COUNSEL**

SUBJECT: **AUTHORIZATION FOR REMOTE TELECONFERENCE MEETINGS BY ELIGIBLE SUBSIDIARY BODIES OF MONTECITO WATER DISTRICT**

RECOMMENDATION:

That the Board of Directors make the findings required under Government Code 54953.8.6 and authorize the use of remote teleconferencing for standing committees of Montecito Water District.

DISCUSSION:

Senate Bill SB707 became effective on January 1, 2026, making multiple updates to the Brown Act. One update authorizes remote teleconference meetings by "eligible subsidiary bodies" of local agencies. An "eligible subsidiary body" is defined as a legislative body that (1) serves exclusively in an advisory capacity and (2) is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other allocations of funds. Montecito Water District standing committees fulfill the definition of an eligible subsidiary body under SB707.

In order to use remote teleconferencing for standing committees, the District must comply with particular procedural and substantive requirements. The procedural requirements include designating a meeting location where a staff member can be present, posting an agenda at that location, having committee participants visibly appear on camera during all portions of the meeting, and using a two-way audiovisual platform. District Counsel and staff will ensure that any procedural requirements are met under SB707, including allowing the public to remotely participate by audio-visual means, consistent with current District practice.

Substantively, in order for eligible subsidiary bodies to use teleconferencing, the Board of Directors must make the following findings by majority vote before any eligible subsidiary body uses the new teleconference option, and every six months thereafter:

(i) The legislative body has considered the circumstances of the eligible subsidiary body.

(ii) Teleconference meetings of the eligible subsidiary body would enhance public access to meetings of the eligible subsidiary body, and the public has been made aware of the type of remote participation, including audio-visual or telephonic, that will be made available at a regularly scheduled meeting and has been provided the opportunity to

comment at an in-person meeting of the legislative body authorizing the subsidiary body to meet entirely remotely.

(iii) Teleconference meetings of the eligible subsidiary body would promote the attraction, retention, and diversity of eligible subsidiary body members.

The Brown Act update implemented by SB707 was intended to benefit the public by increasing transparency and accessibility of local agency meetings. It also adds flexibility for local agency Board members to attend committee meetings by teleconference, in lieu of in-person attendance, when the need arises.

District Counsel and staff recommend that the Board make the required findings and authorize the use of teleconferencing for the District's standing committees.

ATTACHMENTS:

None.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-F**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **AMENDMENT NO. 1 TO THE AGREEMENT WITH WANGER JONES HELSLEY PC FOR SPECIAL LEGAL SERVICES FOR THE ALDER CREEK FLUME RECONSTRUCTION PROJECT**

RECOMMENDATION:

That the Board of Directors authorize the General Manager to execute Amendment No. 1 to the contract with Wanger Jones Helsley PC for special legal services, including a not-to-exceed contract limit of $150,000.

DISCUSSION:

The District consults with Rob Donlan of Wanger Jones Helsley PC for special legal services relating to the protection of its water rights on the Santa Ynez River. The Board of Directors approved a Fee Agreement with Wanger Jones Helsley PC in February 2025. Mr. Donlan is providing ongoing special legal services for the Alder Creek Flume Reconstruction project, which is 94% reimbursable by the Federal Emergency Management Agency (FEMA).

FEMA requires all contracts include a stated not-to-exceed limit. Without the limit, FEMA may reject reimbursement requests, and the District would be required to pay 100% of the consultant's expense. To date, Wanger Jones Helsley PC has spent approximately $97,250 supporting the District. Staff recommends the Board of Directors approve a contract not-to-exceed amount of $150,000 for Wanger Jones Helsley PC to cover incurred and future expenses related to protecting District water rights including the reconstruction of the Alder Creek Flume.

If supported by the Board of Directors, staff and legal counsel would prepare and execute a contract Amendment No.1 with Wanger Jones Helsley PC to incorporate the not-to-exceed amount of $150,000.

ATTACHMENT:

1. Wanger Jones Helsley PC Fee Agreement

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WANGER JONES HELSLEY PC
ATTORNEYS

OLIVER W. WANGER
TIMOTHY JONES*
MICHAEL S. HELSLEY
RILEY C. WALTER
PATRICK D. TOOLE
SCOTT D. LAIRD
JOHN P. KINSEY
KURT F. VOTE
TROY T. EWELL
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MARISA L. BALCH
AMANDA G. HEBESHA**
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March 1, 2025

VIA UNITED ELECTRONIC MAIL
Montecito Water District
Nick Turner, General Manager

Re: Fee Agreement

Dear Mr. Turner:

This agreement shall be effective March 1, 2025, when Robert E. Donlan and his colleagues join Wanger Jones Helsley PC. In accordance with our ethical responsibilities as attorneys, this letter sets forth our billing policies and procedures pursuant to which this office will represent Montecito Water District ("District") in connection with various issues, including water rights. Please be advised that our firm maintains errors and omissions insurance coverage applicable to the services to be rendered in our representation of District.

The value of our services is based primarily upon time records kept by each of our attorneys and legal assistants. Clients are billed based upon the actual time worked except that we charge for our time in minimum units of one-tenth of an hour. We will charge you for the time we spend on telephone calls relating to your matter, including telephone calls with you, opposing counsel or court personnel. The legal personnel assigned to your matter may confer among themselves about the matter as required. When they do confer, each person will charge for his or her time. Likewise, if it is necessary for more than one of our legal personnel to attend a meeting, court hearing or other proceeding, each will charge for the time spent. We will charge for waiting time in court and elsewhere.

All attorneys of the firm are assigned hourly rates. At present, the attorneys' rates range from $275 to $655 per hour, based on experience and expertise. Robert E. Donlan's 2025 hourly fee for this engagement with Montecito Water District will be $ 455 per hour, the hourly rates for Craig Carnes and Shawnda Grady will be $380, and the rate for Kevin Bursey will be $330. The hourly rate for law clerks and paralegals is presently $170 to $210 per hour. All hourly rates are subject to change from time to time. Usually, the firm reviews its rate structure annually. At that time, rates generally are increased to reflect a fair fee for the experience gained by each attorney during the preceding year and to keep pace with the rate of inflation.

It is our policy to serve our clients with the most cost-effective support systems available, while at the same time allocating the costs of such systems in accordance with the extent of usage by individual clients. Therefore, in addition to our fees for legal services, we also charge separately for certain costs and expense disbursements, including long distance telephone, fax, messenger, courier and other communication costs; reproduction; document retrieval; staff overtime when required by the client or the matter's timing; computer research facilities and e-Discovery software; and other costs and expenses incurred on behalf of a client. A schedule of such charges is attached. Large disbursement billings may be forwarded to you for direct payment.

Any estimates of anticipated fees which we provide at the request of a client, whether for budgeting purposes or otherwise, are, due to the uncertainties involved, necessarily only an approximation of potential fees. Under no circumstances are such estimates a maximum or minimum fee quotation. Our actual fees will be determined in accordance with the policies described above.

Our billing statements ordinarily will be rendered to clients on a monthly basis. Our billing cycle runs from the 16th day of the month to the 15th day of the following month.

We make every effort to include disbursements in the statement for the month in which the disbursements are incurred. However, some disbursements, *such as LEXIS-NEXIS or Westlaw charges, or costs for e-Discovery software such as iPro or Everlaw*, are not available to us until later, and are included on the statement for the following month.

Our billing statements are due and payable upon receipt. Clients whose statements are not paid within 30 days of the statement date may be assessed a late charge on the unpaid balance at the rate of 8 percent per annum. .

You may discharge us at any time. We may withdraw from this matter with your consent or for good cause. Good cause includes breach of the terms of this agreement (including failure to pay all billing statements when due), and refusal to cooperate with us or to follow our advice on a material matter or any other fact or circumstance that would render our continuing representation unlawful or unethical. When our services conclude for whatever reason, all unpaid

charges shall become immediately due and payable. After our services conclude, we will, upon your request, deliver your file to you, along with any of your funds or property in our possession.

We reserve the right to require an advance after commencement of work, depending on payment history and/or the scope of the work. For example, prior to a protracted trial, we may require an advance to cover fees and costs expected to be incurred in connection with the trial.

We may withdraw from representing you if you fail to promptly pay an advance as contemplated herein, or a monthly invoice. By signing this letter, you authorize us to pay for our services and costs with the advance paid by you, as they are incurred. The balance of any advance left at the conclusion of our services will be returned to you.

Let us assure you that it has always been and will continue to be our goal to provide legal services to our clients on the most cost-efficient basis possible. To meet this goal, cooperation between the attorney and the client is necessary. Therefore, you must be responsible for keeping this firm advised of your address, paying our bills when due and complying with all reasonable requests made of you in connection with this firm's representation of you. We encourage our clients to contact us immediately if at any time they wish to discuss either billing or billing policies and procedures generally, or a specific billing statement.

We want you to recognize that we have not made any promise or guarantee about the outcome of any matter we handle for you and nothing in this letter shall be construed as such a promise or guarantee.

Our law firm will maintain records generated during the course of your representation, as well as any documents you provide to us during this representation, until three (3) years after the conclusion of this representation. You may request that we return any documents you provided to us, and/or a copy of your file, at any time following the conclusion of this representation up until the end of the foregoing three (3) year period. If we do not receive a request from you for any documents you provided to us, and/or a copy of your file, by that time, we will arrange to have the file and the documents shredded.

Unless a different agreement in writing is made between us, this agreement will govern all future services we perform for you. In addition, this agreement will control any services performed by us prior to the time you sign this letter.

If you agree to the terms of this letter, please date and sign this letter and return it to us *via fax or e-mail*. For your convenience, we have enclosed a copy for your files.

As stated at the onset, this letter is required as part of our ethical responsibilities to our new clients. This agreement will govern all legal services performed commencing with the date on which the first service is performed. We are looking forward to representing you.

If you have any questions, please feel free to contact me.

Very truly yours,

Robert E. Donlan

Enclosures

I agree to the terms set forth in this letter.

Dated: _____

Montecito Water District

By: _____
Nick Turner, General Manager

WANGER JONES HELSLEY PC
SERVICE CHARGES

Client delivery; errands; special court runs	Actual Cost/minimum charge of $15.00 for delivery
Mileage	Current IRS rate
Photocopies	$.15 per page
Postage	Actual Cost
Everlaw/iPro e-Discovery	*Actual Cost*
LEXIS-NEXIS/Westlaw	*Actual Cost*

Please Note: Delinquent accounts may be assessed monthly interest at the rate of eight percent (8%) per annum.

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-G**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **ASSISTANT GENERAL MANAGER**

SUBJECT: **APPROVAL OF PERMANENT EASEMENT ON 2965 EAST VALLEY ROAD FOR WATER MAIN EXTENSION AND FIRE HYDRANT INSTALLATION**

RECOMMENDATION:

That the Board of Directors approve the execution of a permanent easement on 2965 East Valley Road for the purposes of a water main extension and fire hydrant installation to serve the property at 2995 East Valley Road.

DISCUSSION:

The properties located at 2955, 2965, and 2995 East Valley Road share the same property owner, and all receive water service from the District. 2995 East Valley Road is under redevelopment and can only be accessed using an approximately 400-foot-long private driveway located on 2965 East Valley Road. As a condition of development, the Carpinteria Summerland Fire Protection District (CSFPD) requires the installation of a new fire hydrant located near the property. The District, the property owner, and CSFPD have agreed to locate the new fire hydrant approximately 130 feet down the private driveway. The property owner is responsible for the installation of the water main extension and fire hydrant and all associated costs. The installation will be in accordance with District standards and observed by District staff. At the completion of construction, the property owner will dedicate the water main and fire hydrant to the District, and the District will be responsible for long-term operation and maintenance.

The District's long-term operation and maintenance of the water main and fire hydrant along the private road located on 2965 East Valley Road requires an easement. The proposed easement document is provided as Attachment 1. The easement deed has been reviewed by District legal counsel and the property owner. Staff are requesting Board approval of the proposed easement deed. If approved, the easement deed would be executed by both parties and recorded with the County of Santa Barbara.

ATTACHMENT:

1. Easement Deed for a Permanent Easement in favor of Montecito Water District on 2965 East Valley Road

Page left intentionally blank.

Recording requested by:
Montecito Water District

When recorded, mail to:
Montecito Water District
583 San Ysidro Rd.
Santa Barbara, CA 93108

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

EASEMENT DEED
(Waterline)

APN: 005-040-019
Address: 2965 East Valley Road, Santa Barbara, CA

For a valuable consideration, receipt of which is hereby acknowledged,

2955 EAST VALLEY, LLC (hereinafter referred to as "Grantor"),

hereby grants to the

Montecito Water District (hereinafter referred to as "District"),

A **Permanent Easement** in gross to survey, construct, reconstruct, enlarge, alter, operate, patrol, remove, relocate, and to replace, and maintain a water conduit and fire hydrant and all appurtenances associated therewith, consisting of one or more underground water pipelines and related facilities. T hese related facilities may include but are not limited to markers, air valves, manholes, valves, meters, surge control devices, test stations, buried communication devices, buried electrical conduits and devices, pull boxes, and all related incidents, fixtures, and appurtenances. The markers, test stations, pull boxes, blow off valves, air release valves, manholes, other related facilities, and turnouts may be located above ground or partially above ground.

This Permanent Easement shall be in, over, on, through, within, under, and across a portion of the Grantor's property. Grantor's property is described in the Grant Deed recorded on October 1, 2021 as Document No. 2021-0069463 of Official Records of the County of Santa Barbara, State of California, (hereinafter referred to as "Grantor's Property"). The "Easement Area" of the Permanent Easement hereby conveyed by this Easement Deed is that portion of Grantor's Property described in Exhibit "A" and depicted in Exhibit "B", each attached hereto and incorporated by reference herein.,

The Easement Area is wholly contained within an existing 40-foot-wide private roadway and utility easement shown on map filed in Book 8, page 59 of Parcel Maps, Official Records of Santa Barbara County ("Existing Roadway Easement"), to which Grantor holds ingress and

egress and utility rights through neighboring parcels. The facilities and improvements installed in the Easement Area and within the Existing Roadway Easement collectively are referred to herein as the "Waterline Facilities."

Grantor acknowledges and consents to the installation of Waterline Facilities and the granting of an easement over and across the entire Existing Roadway Easement, and to the rights of the Montecito Water District to operate and maintain the Waterline Facilities therein, without conflict from future rights and uses of the Existing Roadway Easement by Grantor.

The Permanent Easement described herein shall be SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. District, including its agents, contractors, designees and employees shall have the right of ingress and egress for personnel, vehicles, and construction equipment to, from, and along the Existing Roadway Easement and Easement Area at any time, without prior notice, including the right to use lanes, drives, rights-of-way, and roadways which now exist or which hereinafter may be constructed, as shall be convenient and necessary for the purpose of exercising the rights herein set forth.

2. Grantor shall not temporarily or permanently modify, or allow others to in any way temporarily or permanently modify, the ground surface elevation in the Easement Area from the elevation established upon completion of construction of the Waterline Facilities without the District's written consent, which consent shall not be withheld unreasonably. Grantor shall not conduct, or permit others to conduct, grading operations, ripping, stockpiling, or use, or permit others to use, explosives within or proximate to the Easement Area to the extent that the Waterline Facilities may be damaged and/or their operation impaired.

3. This Permanent Easement is subject to all existing fencing, canals, irrigation ditches, laterals, pipelines, roads, electrical transmission facilities, and communication lines existing on the date this Permanent Easement is granted, and all future uses which do not directly or indirectly interfere with or endanger District's exercise of the rights described herein; provided, however, that District shall have the right to clear and keep clear from the Easement Area and the Existing Roadway Easement all explosives, buildings, structures, walls, and other facilities of a permanent nature, debris, and any earth cover or stockpile of material placed without the District's written consent, or which interfere with District's access to and operation and protection of the Waterline Facilities as determined in the sole discretion of District. In the event that District requests that Grantor remove interferences with District's access to and/or operation of the Waterline Facilities and such interferences are not removed by Grantor, District shall perform such removal and seek reimbursement from Grantor for applicable removal costs and expenses.

Executed this _____ day of _____, 20__

GRANTOR:
2955 EAST VALLEY, LLC

By: _____
Andrew Heinlein, Manager

ACKNOWLEDGMENT

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

State of California
County of _____

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the Montecito Water District hereby accepts for public purposes the real property, or interest therein, described in that deed dated _____, from 2955 East Valley, LLC, grantors therein, to the Montecito Water District and consents to the recordation thereof.

In Witness Whereof, I have hereunto set my hand this _____ day of _____, 20__.

Montecito Water District

by _____

Name_____

Title _____

EXHIBIT " A "

MONTECITO WATER DISTRICT EASEMENT

(A PORTION OF APN: 005-040-019)

THAT CERTAIN PORTION OF PARCEL "B" OF PARCEL MAP NO. 11,373 IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN IN BOOK 8, PAGE 59, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE SANTA BARBARA COUNTY RECORDER, MORE PARTICULARLY BEING A 20-FEET WIDE STRIP OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AS SOUTH 77° 48' EAST 20.00 FEET LYING ON THE SOUTHERLY 20 FOOT HALF-WIDTH RIGHT-OF-WAY BOUNDARY OF EAST VALLEY ROAD AS SHOWN PER SAID MAP, THENCE THROUGH THE FOLLOWING COURSES:

(1) SOUTH 34°05'48" EAST, 135.00 FEET ALONG THE BOUNDARY OF SAID PARCEL "B"; THENCE DEPARTING AND PERPENDICULAR TO SAID BOUNDARY

(2) SOUTH 55°54'12" WEST, 20.00 FEET; THENCE, ALONG A LINE PARALLEL AND OFFSET 20 FEET SOUTHWEST FROM AFOREMENTIONED BOUNDARY

(3) NORTH 34°05'48" WEST, 143.86 FEET, MORE OR LESS, ALONG SAID LINE TO A POINT IN THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE, ALONG SAID WESTERLY BOUNDARY

(4) NORTH 13°44'20" EAST, 8.34 FEET, MORE OR LESS, TO A POINT ON SAID RIGHT-OF-WAY BOUNDARY; THENCE ALONG SAID RIGHT-OF-WAY BOUNDARY

(5) SOUTH 77°48'00" EAST, 20.00 FEET TO THE POINT OF BEGINNING;

CONTAINING 2,872 SQUARE FEET, MORE OR LESS.

THIS LEGAL DESCRIPTION AND ACCOMPANYING MAP EXHIBIT WAS PREPARED BY:

JULY 9, 2026

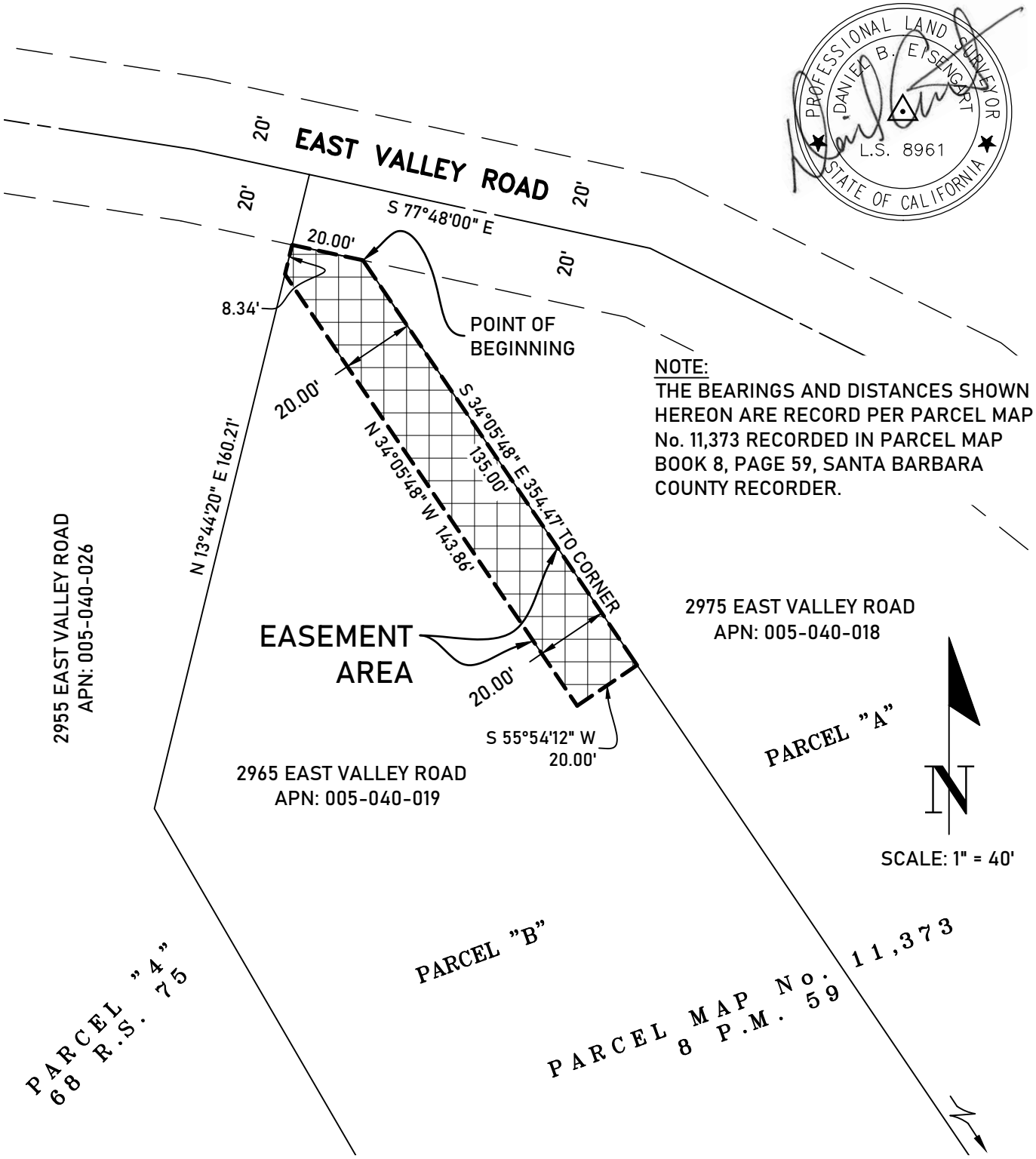
DANIEL B. EISENGART, PLS
CALIFORNIA LICENSE NO. L8961
MONUMENT LAND SURVEYING, INC.

PROFESSIONAL LAND SURVEYOR
DANIEL B. EISENGART
L.S. 8961
STATE OF CALIFORNIA

SHEET 1 OF 1
J/N: 21.109

EXHIBIT " B "

MONTECITO WATER DISTRICT EASEMENT



NOTE:
THE BEARINGS AND DISTANCES SHOWN HEREON ARE RECORD PER PARCEL MAP No. 11,373 RECORDED IN PARCEL MAP BOOK 8, PAGE 59, SANTA BARBARA COUNTY RECORDER.

MONUMENT
LAND SURVEYING, INC.
3345 STATE ST #3592, SANTA BARBARA, CA 93130
WWW.MONUMENTLAND.COM | (805) 203-3042

MONTECITO WATER DISTRICT EASEMENT
APN: 005-040-019
UNINCORPORATED COUNTY SANTA BARBARA
STATE OF CALIFORNIA

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-H**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **ASSISTANT GENERAL MANAGER**

SUBJECT: **APPROVAL OF ACCESS AGREEMENT ON 1240 TORO CANYON ROAD FOR OPERATION AND MAINTENANCE OF HIGHLINE TRANSMISSION MAIN**

RECOMMENDATION:

That the Board of Directors authorize the General Manager's execution of an access agreement located on 1240 Toro Canyon Road to provide alternate District access for the operation and maintenance of the Highline Transmission Main.

DISCUSSION:

The District owns and operates an existing 14-inch transmission main that conveys water from the Doulton Tunnel to the Bella Vista Treatment Plant (BVTP). The pipeline crosses several private properties, and the District holds a 1924 easement authorizing access for pipeline maintenance and repair. The easement requires access along the pipeline alignment, and a portion of the pipeline traverses extremely steep terrain, making access along the easement impractical. This segment also includes a ridgeline where the District operates a forebay - a small regulating tank that conveys water downhill to the Picay Hydropower Facility. The forebay is essential to the facility's operation and requires frequent access by District staff to maintain its monitoring equipment and piping connections.

Because staff cannot easily access the forebay via the pipeline easement route, the District has negotiated an access agreement with the underlying property owner. The proposed agreement would establish the District's right to access the forebay via an existing private drive and hiking trail for inspection, operation, maintenance, and repair. The Property Access Agreement is included as Attachment 1 and has been reviewed by District legal counsel and the property owner. If approved by the Board of Directors, the agreement will be executed by the property owner and the District General Manager.

ATTACHMENT:

1. Property Access Agreement between Montecito Water District and 1240 Toro Canyon Road

Page left intentionally blank.

PROPERTY ACCESS AGREEMENT

This Property Access Agreement ("Agreement") is entered into by and between Montecito Water District ("District") and Eric Zahn ("Grantor"). District and Grantor may each individually be referred to herein as a "Party" and collectively as "Parties".

RECITALS

A. District is a County Water District, organized pursuant to Water Code §§30000-33901 with a mission to provide an adequate and reliable supply of high quality water to the residents of Montecito and Summerland at the most reasonable cost.

B. Grantor owns certain real property located in Montecito, CA which is identified by the County of Santa Barbara Assessor's office as Assessor's Parcel Number 155-010-043, and which is hereinafter referred to in this Agreement as the "Property".

C. District seeks to perform minor vegetation clearing on an existing access trail to provide access to an existing water transmission pipeline located on the Property for the purpose of examining, inspecting, maintaining or repairing the existing water transmission pipeline and related facilities (collectively referred to herein as the "Work").

D. Grantor agrees to allow the District access on and over the Property to perform the Work under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated into this Agreement by reference, the following terms, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. **Right of Access**.

Grantor grants to District and/or its agents, contractors, and/or employees a right of access to enter, and travel upon and over, the Property during the Term of this Agreement to perform the Work. Any Work will be conducted between the hours of 8:00 a.m. and 4:00 p.m. and District will provide at least 72 (seventy-two) hours advance notice and/or or otherwise coordinate with Grantor to schedule the Work. In the event of any emergency Work this is required, District will undertake its best efforts to coordinate with Grantor, but will not be subject to the aforementioned work hour and advance notice requirements. The access granted hereunder will be performed within the portion(s) of the Property depicted in Exhibit "A" to this Agreement.

The right of access granted hereunder shall include the right to walk and operate small hand tools and trimming equipment necessary to complete the Work in areas set forth in Exhibit "A". No vehicles will be driven or parked on the Grantors property.

2. Term

The term of this Agreement shall commence upon the execution of this Agreement and will terminate 30 days after written notification by either Party to the other Party that they wish to terminate the Agreement.

3. Property Condition and Restoration

District agrees to take all necessary precautions to avoid damaging the Property during the Work. In the event that District and/or its agents, contractors, and/or employees cause damage to the Property arising from and/or related to the rights granted under this Agreement, District agrees at its election and in its discretion to either reimburse Grantor for any damages or to repair any damages. The Parties agree that any repair of damages will be to a comparable condition as that which existed prior to the Work, to the extent reasonably practicable, and as determined by District.

4. Indemnity

a. District agrees to defend, indemnify, and hold Grantor and its agents, employees, officers, and representatives, harmless from and against any action, claim, and/or liability arising out of the negligence of District and/or its agents, contractors, and/or employees in the performance of the Work under the Agreement.

b. Grantor agrees to defend, indemnify, and hold District and its agents, employees, officers and representatives, harmless from and against any action, claim and/or liability arising out of the negligence of Grantor and/or its agents, contractors and/or employees, in the performance of duties under the Agreement.

c. In the event that District and Grantor are both negligent as to any action, claim and/or liability arising out of the performance of duties under this Agreement, the defense and indemnity requirements of this Agreement will be borne by each party in proportion to the amount that each Party's fault contributed to the overall action, claim and/or liability.

5. Amendments

This Agreement may only be amended, modified and/or revised by a writing entered executed by both Parties. .

6. Entire Agreement

The Parties to this Agreement intend that their discussions, negotiations and statements made prior to the execution of this Agreement are fully integrated and expressed herein, and no such discussions, negotiations, and statements shall be deemed to create rights and obligations other than those stated herein.

7. Severability

If any provision(s) contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision(s) shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

8. Waiver

It is understood that any waiver, express or implied, of any term of this Agreement, of any default or breach of this Agreement, shall not be deemed to be a waiver of any continuing or subsequent default or breach of any other provision of this Agreement. Waivers of provisions of this Agreement must be in writing and signed by the waiving Party.

9. Authorization

The signatories to this Agreement represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind the respective Parties to its terms or to carry out the duties contemplated herein.

10. Notices

All notices required to be given, or which may be given by either party to the other, shall be deemed to have been fully given and fully received when made in writing and deposited in the United States mail, postage prepaid, return receipt requested, and addressed to the respective parties as follows:

If to Agency: Montecito Water District
Attn: Nicholas Turner
583 San Ysidro Road,
Santa Barbara, CA 93108
Email: nturner@montecitowater.com

If to Grantor: Eric Zahn
1240 Toro Canyon Road
Santa Barbara, CA 93108
Email: eric@tidalinfluence.com

11. Counterparts

This Agreement may be executed in counterparts and each of the counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute one and the same instrument.

12. No Third Party Beneficiaries

This Agreement is intended for the benefit of District and Grantor. No other person will have the rights of a third party beneficiary under this Agreement and no other person may sue on and/or claim rights under this Agreement.

IN WITNESS WHEREOF, Grantor and District have executed this Agreement by the respective authorized officers as set forth below to be effective as of the last date of execution.

Grantor:
Eric Zahn

Signature:_____ Date: _____

District:
Montecito Water District

Signature: _____ Date:_____
Nick Turner, General Manager

Signature: _____ Date:_____
Brian Goebel, Board President

Exhibit A
Map of Access Area

Exhibit A

9/9/2026, 9:40:33 AM

1:1,596

0 60 120 240 ft

0 15 30 60 m

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, Sources: Esri, Vantor, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap, and the GIS user community

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-A**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **AD HOC COMMITTEE & GENERAL MANAGER**

SUBJECT: **UPDATE ON THE PROPOSED PARTIAL SALE OF STATE WATER CONTRACT INTERESTS TO SOLSTRA COMMUNITIES CALIFORNIA LLC., AND AUTHORIZATION OF A RELATED LETTER OF INTENT**

RECOMMENDATION:

1. That the Board of Directors receive and consider public feedback on the proposed partial sale of the District's State Water contract interests.
2. That the Board of Directors consider authorizing the execution of a Letter of Intent (LOI) outlining the principal terms of a proposed transaction whereby the District would permanently sell a portion of its State Water contract interests, inclusive of water supply, water treatment, and conveyance capacity, to Solstra Communities California, LLC for the proposed Solomon Hills Development.
3. That, upon any authorization to execute a Letter of Intent, the Board direct the Ad Hoc Committee, staff, and legal counsel to negotiate a Purchase and Sale Agreement with Solstra Communities California, LLC, and to undertake such additional actions as may be necessary to effectuate the transaction, including conducting environmental review and coordinating with the Central Coast Water Authority.

DISCUSSION:

For nearly a decade, the District has prioritized the core goal of ensuring a highly reliable water supply for its customers. The District has taken extraordinary actions in pursuit of that goal, including securing a 50-year commitment with the City of Santa Barbara for ocean desalinated supplies; securing an ability to store water for later use in the Semitropic Groundwater Banking Program; and forming a groundwater sustainability agency to ensure effective management of the Montecito Groundwater Basin.

In addition to these supply enhancements, the District has implemented other vital measures to enable customers' efficient water use, including smart meters, water budgets, and water conservation rebates. Collectively, additional supplies and efficient water use have reduced demand and shifted the District's reliance away from unpredictable rainfall-dependent sources like State Water to more diverse, local, rainfall-independent, and reliable water sources.

The District has not utilized State Water to meet customer demands since 2019. The District's minimal reliance on State Water supports leveraging a strategic opportunity to divest a portion of this

asset. Doing so would eliminate significant associated costs and liabilities without compromising water security. Ultimately, this would allow the District to redirect financial resources toward high-priority initiatives, such as strengthening local water supply reliability.

In early 2025, the District completed a periodic update of its *Future Demand and Water Supply Option* analysis, prepared by Dr. Steven Bachman. This analysis indicates that actions taken to shore up water security through local reliable supplies, coupled with supporting efficient water use, have successfully limited projected future water shortages. Additionally, the analysis highlighted a reduced need to import State Water, even under severe drought conditions.

In early 2024, Solstra Communities California LLC (Solstra) expressed interest in acquiring a portion of the District's State Water contract interests for the proposed Solomon Hills Development located in northern Santa Barbara County. Following comprehensive water supply analyses, the District initiated discussions with Solstra in Spring 2025 for the permanent transfer of 1,400 acre-feet of its 3,300 acre-foot contract. This proposed transaction encompasses all related proportional water allocation, treatment, conveyance, and future costs and liabilities. The District and Solstra subsequently spent approximately 15 months negotiating the fundamental terms of a potential transaction. Between June and September 2026, the parties memorialized the terms in a non-binding Letter of Intent (attached). The purpose of the Letter of Intent is to outline the principal terms of a proposed Purchase and Sale Agreement and to provide a good-faith basis for proceeding with negotiation and finalization of a Purchase and Sale Agreement.

Staff, general counsel, special legal counsel, Westwater Research, and the Ad hoc Committee have extensively reviewed the proposed Letter of Intent. The Board of Directors' support of the Letter of Intent would lead to preparation of a Purchase and Sale Agreement, which is anticipated to take approximately six months to complete. Concurrently, the required environmental review would be prepared, and coordination with Central Coast Water Authority would be conducted.

BACKGROUND:

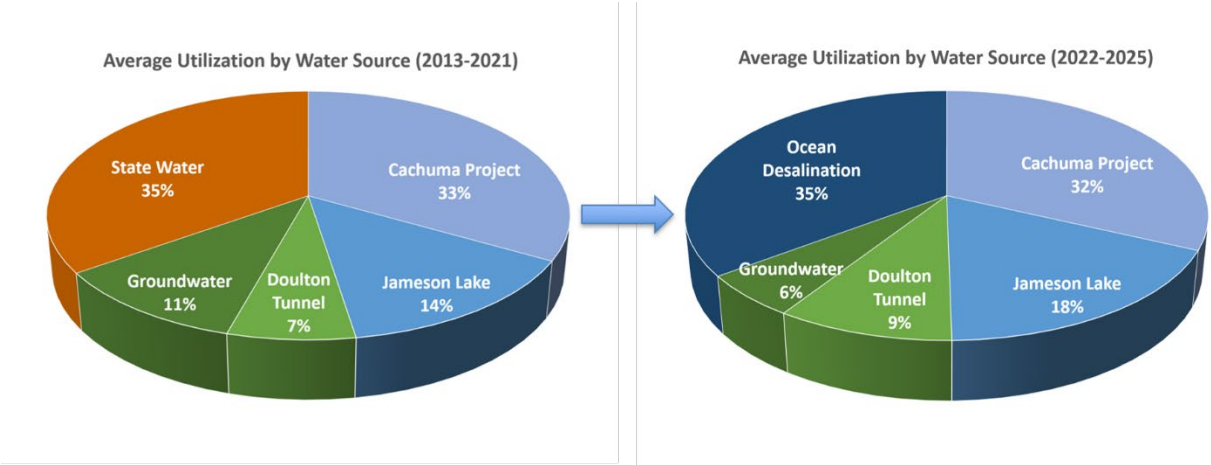
A Decade-Long Transformation, Achieving Local Water Supply Reliability

In 2016, after having implemented water use allocations in 2014 due to severe drought, the District embarked on a decade-long transformation to improve water supply reliability for the community, a critical effort that continues today. This strategic initiative focuses on diversifying water supplies and reducing reliance on rainfall-dependent sources.

In 2017 the District acquired groundwater storage rights in the Semitropic Groundwater Banking and Exchange Program. Participation in the program provides the District with the ability to store and take receipt of up to 1,500 acre feet of water per year, and to store 4,500 acre feet or more of water. Because State Water allocations exhibit a decreasing trend, and supplies are typically available during wetter periods when not fully needed for customer use, participation in Semitropic provides a mechanism to take receipt of that water when available for use during future dry periods when annual allocations are likely to be reduced. Over the last decade, the District has stored nearly 6,000 acre feet in the program which represents approximately one and a half years of current customer demand. While the stored water has yet to be used during a shortage in local supplies, it serves as an important backup amid increasingly variable climate conditions and any potential future shortfall.

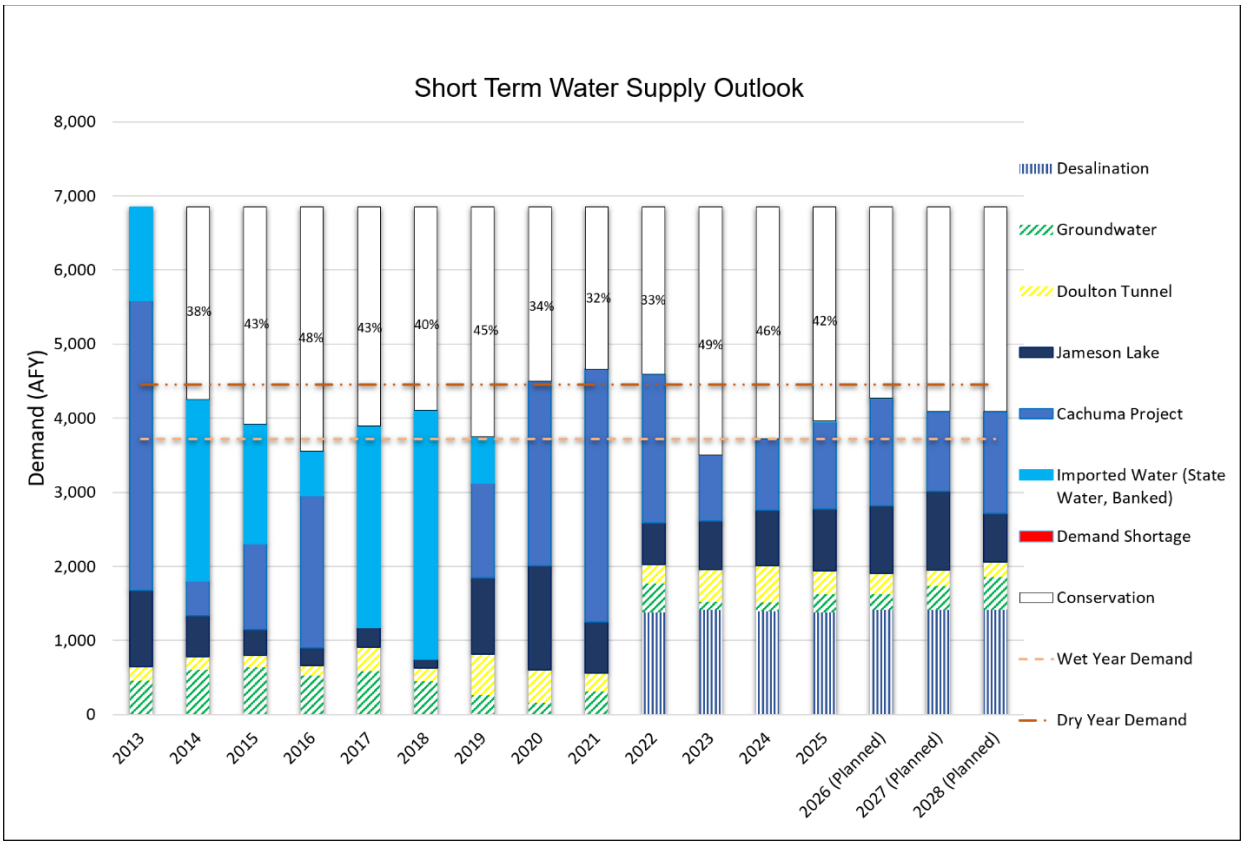
During 2016-2017, the District also embarked on the formation of the Montecito Groundwater Basin Groundwater Sustainability Agency, pursuant to the State's 2014 Sustainable Groundwater Management Act. These efforts recognized the importance of local groundwater as a drought supply, and the District took action to ensure its long-term viability, including creating and implementing a Groundwater Sustainability Plan approved by the State. Under wet and average conditions, the District reduces pumping to allow the basin to recover. Under dry conditions, the District increases its pumping to support customer water use when surface water starts becoming depleted. The District's use of groundwater varies between 5 and 15% of total supply depending on surface water conditions and serves as an important part of its water supply portfolio. As of 2026, all available data indicate that the groundwater basin is in good condition and currently maintains a healthy supply of water in storage.

Most notably, in 2020 the District entered into a water supply agreement with the City of Santa Barbara in connection with its Charles E. Meyer Desalination Facility. This 50-year agreement provides the District with 1,430 acre feet water per year irrespective of rainfall. This local, rainfall-independent water supply is nearly 100% reliable and serves as a baseline supply for the District, significantly mitigating the impact of ongoing and future regulatory, environmental, and climatic challenges affecting other water sources. This water source supplies approximately 35% of the District's current annual water demand and will remain central to its long-term supply reliability.



In addition to supply enhancements, the District has taken actions to support customers' efficient water use, consistent with its 2022 *Water Use Efficiency Plan*. These actions include smart meters and water budgets to gauge appropriate water use and avoid waste, and water conservation rebates to achieve permanent water-use savings. These actions have helped to achieve a consistent water use reduction of approximately 45% over the last decade.

Collectively, these actions have shifted the District's dependence on unpredictable rainfall-dependent sources to more diverse, local, rainfall-independent, and reliable water sources, and limited the need for imported water supplies such as State Water. From a water supply reliability standpoint, the District today is not the same District it was a decade ago. The District's short- and long-term water supply projections indicate sufficient water supplies to meet customer water use with little to no need for imported water supplies or projected water shortages.



The District's short-term water supply outlook is based on the previous decade's trends, reflecting reduced customer use (Conservation) and added supply in 2020 from Desalination.

Long-term Planning & Rigorous Modeling and Analysis

The District enhanced its water supply reliability through significant long-term planning and rigorous modeling and analysis. This is supported by successive updates of the *Urban Water Management Plan*, most recently in 2025, and the 2022 *5-year Strategic Plan*. These were augmented with other important planning documents, including successive updates of the *Future Demand and Water Supply Options Analysis*.

In 2025, the District collaborated with Dr. Steven Bachman to prepare an update of its *Future Demand and Water Supply Options Analysis,* examining its water supply portfolio and comparing it with current and future customer water use projections to determine adequacy and potential for future water shortages. The analysis indicated limited water shortages projected in only a few years over the modeled period and showed that the shortages resulted from conveyance limitations at the Cachuma Project, not an actual water supply shortage. The study also confirmed that the potential future limited water shortages could be met with additional use of local sources and/or a minor reduction in customer water use. The analysis also indicated a very limited need for imported water, including State Water and water stored in Semitropic.

The 2025 analysis also examined various water supply strategies to further shore up long-term water supply reliability, including the transfer or sale of approx. 40% of the District's State Water contract interests or 1,400 acre feet of its 3,300 acre feet contract. As expected, a reduction in State Water

contract interests had little or no impact on future water shortages because of the limited use of State Water over the modeled period.

These Plans and analyses have had a favorable impact on projecting overall water supply reliability, and the benefits of successfully shifting the District to a more local, reliable water supply. For copies of these documents, see the District's website at www.montecitowater.com.

Understanding State Water

The State Water Project (State Water) is a surface water source that supplies water highly dependent on the snowpack and rainfall in Northern California. The District's full State Water Table A entitlement is 3,300 acre feet, which includes a 300 acre foot drought buffer. An interest in State Water represents a guaranteed right to a portion of the system's infrastructure, not a guaranteed right to a volume of water. State Water participants, like the District through the Central Coast Water Authority, do not own an absolute right to a fixed amount of water. Instead, they hold a right to use a percentage of the infrastructure, and a percentage of whatever water is made available in a given year.

The dynamic nature of the contract allocations introduces variability into water supply planning. Because deliveries depend on the Sierra Nevada snowpack and regulatory restrictions, State Water availability remains outside the District's control. State Water allocations have been unpredictable over the past decade, averaging 46% of contracted amounts. The Department of Water Resources reports that future average allocations are expected to decline to between 37 and 43%. The variability of State Water becomes most apparent during severe drought, as in 2021 and 2022 when allocations dropped to 5%. This means that State Water is not available when it is needed the most. Reliance on State Water can lead to extreme vulnerability if there are sudden, severe changes in water availability.

State Water participants are obligated to pay their full share of capital costs and operational & maintenance costs each year, regardless of whether the state delivers a 100% or 0% allocation. The District pays nearly $5M annually for State Water irrespective of water availability or actual deliveries. Furthermore, these costs are projected to rise to fund critical infrastructure upgrades, address land subsidence, and manage golden mussel mitigation, among other challenges.

The Proposed Sale: Key Terms

In Spring 2025, following completion of extensive and comprehensive water supply planning and analyses confirming significantly improved long-term water supply reliability for the community and highlighting the limited future need for State Water, the District began discussions with a developer concerning its interest in permanently acquiring a portion of the State Water contract interests for the proposed Solomon Hills Project.

The Solomon Hills Project is a planned development located in Santa Barbara County, south of Santa Maria near Orcutt, consisting of 4,000 dwelling units and various commercial uses. Build-out is anticipated to span 14 years with a projected water demand of 1,275-acre feet per year. The developer is Solstra Communities California, LLC (Solstra).

In Summer 2026, the District and Solstra reached agreement on the principal terms of a proposed Purchase and Sale Agreement (PSA) whereby the District would permanently sell a portion of its State Water contract interests, inclusive of water supply, water treatment, and conveyance capacity,

to Solstra for the proposed Solomon Hills Development. The following provides an overview of the key terms:

1. **Buyer**: Solstra Communities California, LLC.
2. **Seller**: Montecito Water District
3. **Property Being Sold**:
    a. State Water Contract Interests: 1,400 acre feet, representing about 42.4% of District's State Water contract interests.
    b. Semitropic Groundwater Banking Program
        i. Groundwater Storage: 550 shares representing 36% of the District's participation (1 share = 1 acre foot annual storage/recovery right, 3 AF maximum stored).
        ii. Stored Water: 1,650 acre feet already stored.
4. **Upfront Purchase Price**: $36.5 million escalating monthly based on CPI until financial closing (estimated to be $40M in 2028)
5. **Annual O&M Costs**: $1.8M permanently transferred
6. **Transaction Costs:** Funded by Buyer, estimated to be $600K
7. **Transaction Schedule**:
    a. Purchase and Sale Agreement within 180 days of execution of Letter of Intent.
    b. Financial closing within 270 days after final approval of the Solomon Hills Project or upon development receiving final approvals (approx. timeline 2028)

Benefits of a Partial Sale of State Water

A partial sale of State Water contract interests offers the District several key strategic benefits. By permanently divesting a portion of future expenditures associated with State Water, the District can successfully reduce its associated liabilities and its overall costs. This cost reduction would allow the District to redirect financial resources to high-priority initiatives, such as enhancing local water supply reliability. Furthermore, by retaining nearly 60% of these State Water interests, the District ensures it maintains the ability to import water, including State Water, supplemental water, or banked water if/when necessary. Even under severe drought projections, the District's diverse and reliable water sources nearly always exceed projected customer use, meaning that any potential shortages are driven by infrastructure delivery constraints rather than a lack of State Water supplies. Ultimately, the partial sale has substantial financial benefits for the District without risking long-term water security.

Potential Allocation of Proceeds and Cost Savings

Proceeds and cost savings from the potential permanent transfer of a portion of the District's State Water contract interests could be directed toward various initiatives aligned with the District's long-term mission and strategic priorities. While no definitive decisions have been made, the identified potential uses can be grouped into four primary categories:

- **Water Supply Reliability Enhancement**: Advancing water supply security through acquisition of additional local, rainfall independent supplies or securing means of managing existing sources such as participation in local groundwater storage programs.
- **Boost Long-term System Dependability**: Investing in water system resilience by accelerating and/or enhancing the District's Capital Infrastructure Program.
- **Financial Sustainability**: Strengthen the District's financial position by bolstering cash reserves, reducing outstanding liabilities, and increasing budgetary flexibility to mitigate future economic and operational uncertainties.
- **Mitigating Future Rate Increases / Ratepayer Relief**: Offsetting future operational costs to defer or reduce future water rate increases.

Importantly, no decisions have been made about how any proceeds and cost savings would be used. The Board of Directors will evaluate the options carefully, considering both the District's immediate needs and long-term strategic goals, before determining the most appropriate allocation of resources.

ATTACHMENTS:

1. Presentation providing an update on the proposed transfer of State Water contract interests
2. Proposed non-binding Letter of Intent in connection with the proposed transfer of State Water contract interests

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Update on Proposed Partial Sale of State Water Contract Interests

Enhancing Our Reliability & Financial Outlook

Board of Directors Meeting | September 29, 2026

Purpose & Goals

Provide an update on the District's ongoing evaluation of a Proposal to permanently sell a portion of our State Water Contract Interests to optimize our Water Supply Portfolio

- **Showcase Local Water Supply Reliability**
  Demonstrate how our portfolio has evolved over the last decade
- **Evaluate the State Water Sale Opportunity**
  Why consider a permanent sale?
- **Outline Customer & Infrastructure Gains**
  Present benefits this sale returns directly to customers
- **Next Steps**
  What to expect next as the Board considers the proposed sale

Local Water Supply Reliability

A Decade Long Transformation

The Old Vulnerability: Reliance on imported, rainfall dependent water supplies increased exposure to fluctuations in availability and elevated the risk of water shortages during droughts.

The Response: Investment in predictable, locally controlled and reliable sources.

Today's Reality: Millions invested to secure a more diverse, local and rainfall independent water supply.

Supply Security: Rigorous modeling and analysis demonstrates adequate local water to meet customer demands even during severe drought conditions, with only a limited future need for imported supplies, including State Water.

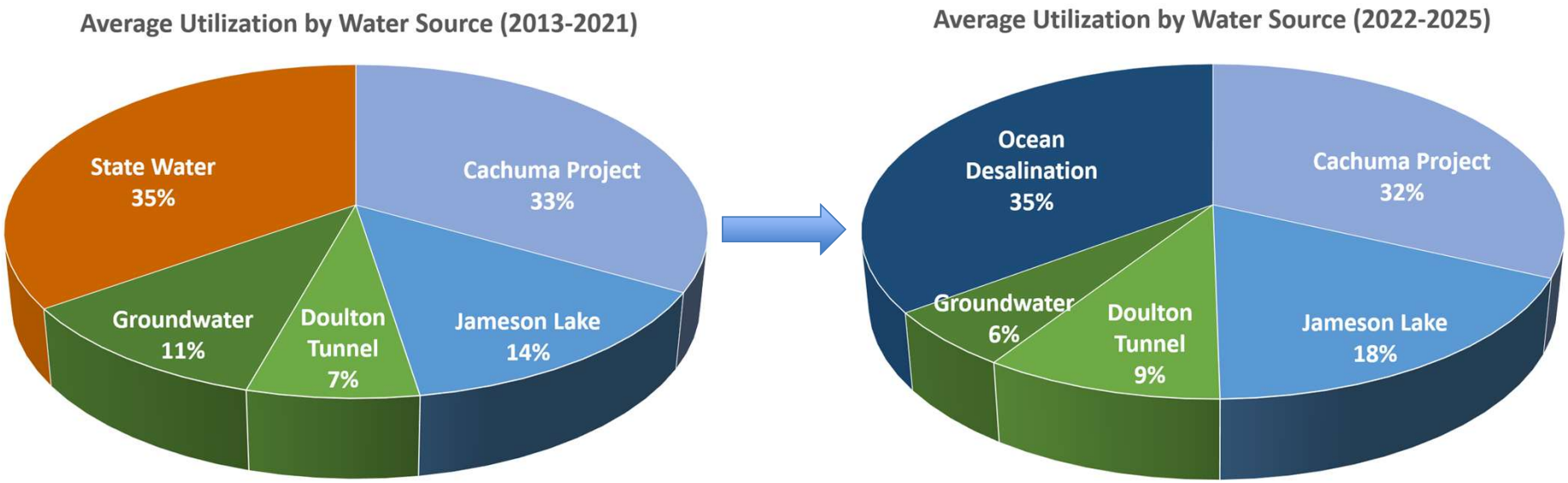
Future Vision: Additional investments in local water supply would further strengthen reliability.

Vulnerabilities and shortages experienced during the 2012–2016 drought were a vital wake-up call.

Depleted local supplies, and high reliance on imported state water left the community vulnerable to forecasted shortages and mandated cuts. Our response was aggressive and focused on improving long-term water supply reliability.

Local Water Supply Reliability

A Decade Long Transformation



Local Water Supply Reliability

Significant Long-term Planning & Rigorous Modeling and Analysis Conducted

- ✓ **2020, 2025 > Urban Water Management Plan Update**
- ✓ **2022 > 5-Year Strategic Plan**
- ✓ **2022 > Water Use Efficiency Plan**
- ✓ **2024 > Asset Management Plan**
- ✓ **2025 > Climate Action and Adaptation Plan**
- ✓ **2025 > Future Demand And Water Supply Options**

Favorable Impact: Implemented actions; shift to more local reliable water sources; limited need for imported supplies; greater constancy in a variable environment.

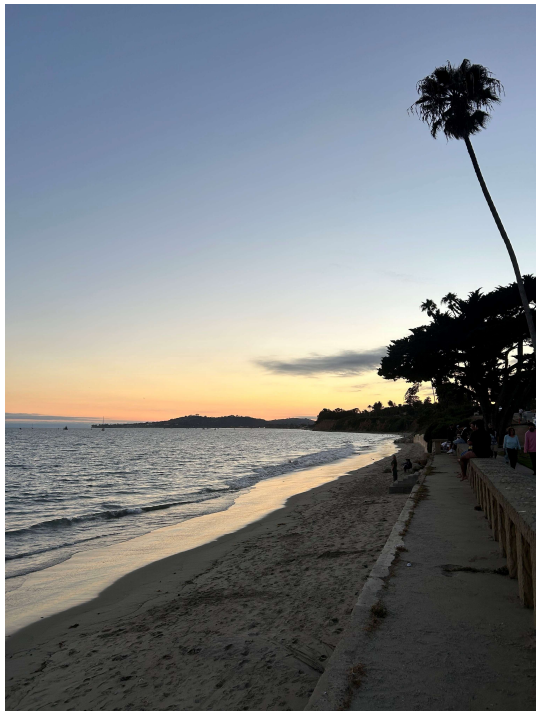
Local Water Supply Reliability

At the Core of the District's Water Security

A diverse mix of local and statewide water resources, blending rainfall-dependent supplies with climate-resilient ocean desalination and groundwater storage.

Strategic investments over the last decade form the core of our water security:

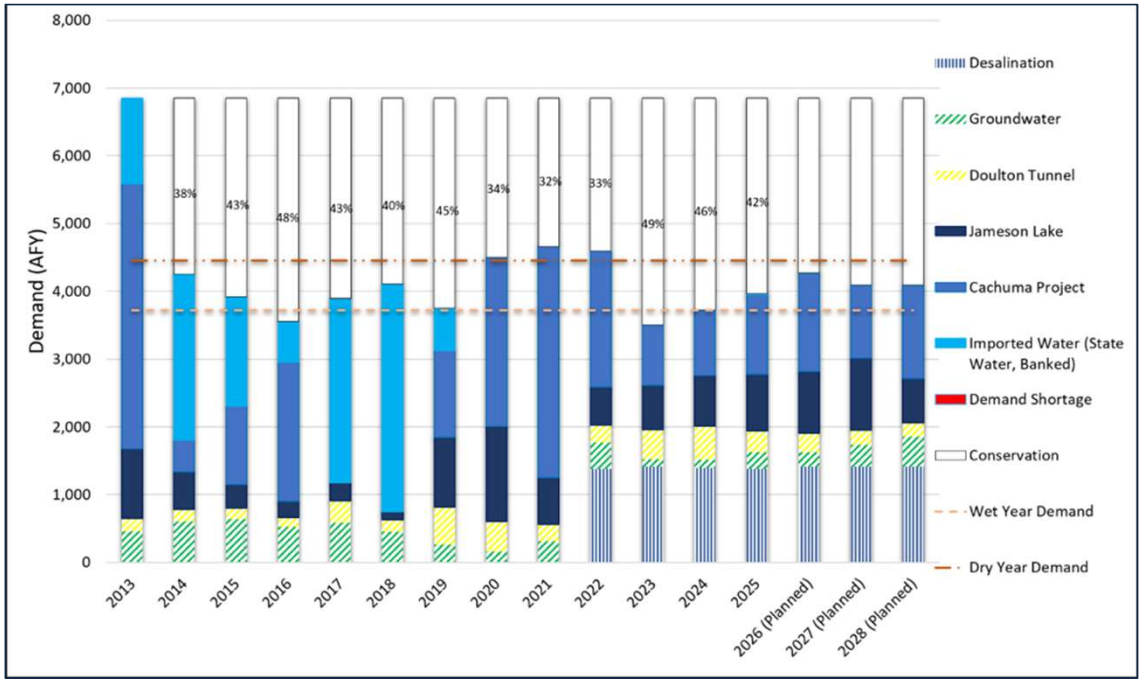
- **Ocean Desalination** – a consistent, climate-resilient base supply, unaffected by local rainfall or Sierra snowpack, and delivering 35% of total customer use
- **Regional Groundwater Storage** – allows for State Water or other water to be banked when available, reducing losses to spills or evaporation and providing operational flexibility needed to help mitigate drought impacts
- **Local Groundwater Management** – safeguarding the long-term sustainability of the Montecito Groundwater Basin, establishing localized data-driven protections against chronic level declines and seawater intrusion, and helping to ensure the viability of this critical drought supply



Local Water Supply Reliability

Current Supply and Demand

- **Desalination**
  - Since 2022, base supply
  - Local and rainfall independent
- **Groundwater**
  - Montecito Groundwater Basin (GSA)
  - Doulton Tunnel
- **Local Surface Water**
  - Jameson Lake & Cachuma Project
- **Conservation**
  - Community partnership
  - ~45% demand reduction ongoing
- **State Water**
  - Last used 2019; Surplus banked or sold
  - No near-term use



Local Water Supply Reliability

Future Supply and Demand Analysis

- **Desalination**
  - Base supply; Local and rainfall independent
- **Groundwater**
  - Local, consistent and drought supply
- **Local Surface Water**
  - Local control, increased availability
- **Conservation**
  - Water Efficiency measures & requirements
  - ~45% demand reduction ongoing
- **State Water (Imported)**
  - No or limited need during severe droughts
- **Potential Shortages**
  - Extremely low frequency and amount
  - Conveyance capacity is the constraint, supply is sufficient

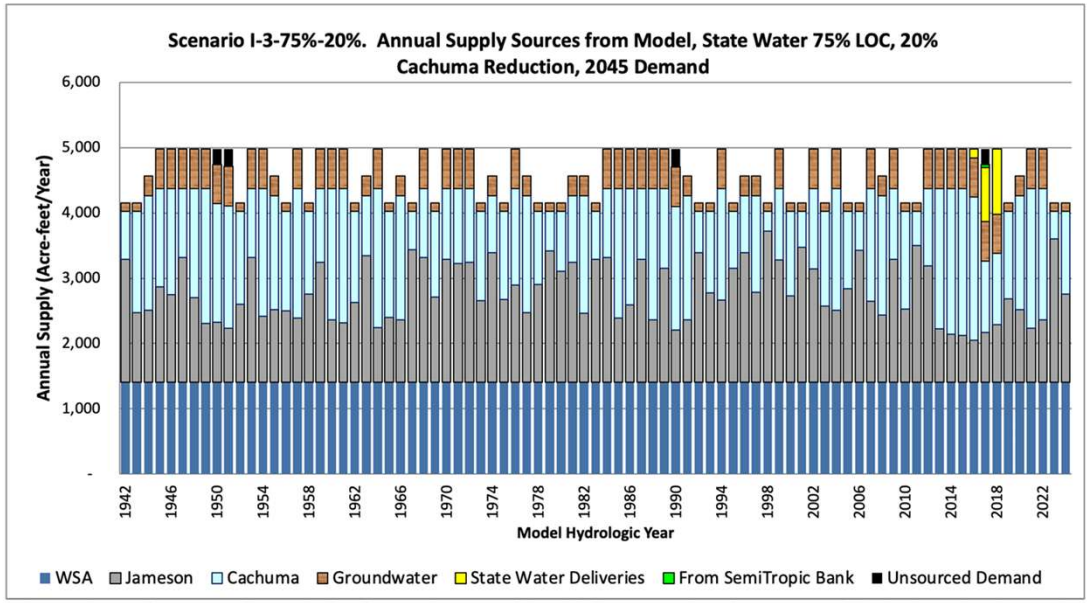


Figure A- 7. Sources of supply for Scenario I-3-75%-20% from results of 83 years of hydrology in the model. Future SWP deliveries are from 75% Level of Concern, Cachuma deliveries are reduced by 20%, drought extended by two years.

Evaluate the State Water Sale Opportunity

Understanding State Water

- **A Conveyance Right, Variable Water Deliveries**
  - Contract interest represents a right to a portion of the State Water Project, but not a guaranteed allocation.
  - Allocations change year-over-year based on Sierra snowpack and regulatory restrictions.
  - Annual allocations average 46% over last decade. DWR projects future allocations to average 37-43%. During recent dry years (2021-2022) allocations dropped to as low as 5%.

	State Water Allocation	
Year	**%**	**AF**
1997	100%	3,300
1998	100%	3,300
1999	100%	3,300
2000	90%	2,970
2001	39%	1,287
2002	70%	2,310
2003	90%	2,970
2004	65%	2,145
2005	90%	2,970
2006	100%	3,300
2007	60%	1,980
2008	35%	1,155
2009	40%	1,320
2010	50%	1,650
2011	80%	2,640
2012	65%	2,145
2013	35%	1,155
2014	5%	165
2015	20%	660
2016	60%	1,980
2017	85%	2,805
2018	35%	1,155
2019	75%	2,475
2020	20%	660
2021	5%	165
2022	5%	165
2023	100%	3,300
2024	40%	1,320
2025	50%	1,650
2026	45%	1,485

Evaluate the State Water Sale Opportunity

Understanding State Water

- **High Costs Regardless of Availability**
  - Fixed: District currently pays nearly $5M annually irrespective of allocation or deliveries
  - Variable: Additional costs are incurred if allocations are delivered
  - Costs are anticipated to increase over time to fund items such as critical infrastructure replacements for aging assets, land subsidence, and golden mussel mitigation
  - Expense may be for water that is not received and / or no longer needed

Evaluate the State Water Sale Opportunity

The Proposed Sale: Key Terms

1. **Buyer:** Solstra Communities California LLC for Solomon Hills Development located in northern Santa Barbara County
2. **Seller:** Montecito Water District
3. **Property:** Permanent transfer of:
   i. 1,400 acre feet of State Water Contract interests (inclusive of conveyance and treatment);
   ii. 550 acre feet of groundwater storage rights in Semitropic Groundwater Banking Program; and
   iii. 1,650 acre feet of water stored in Semitropic
4. **Purchase Price**: Upfront payment $36.5M in 2026, inflated annually through financial closing; estimated to be $40M in 2028.
5. **Annual Cost Transfer**: 40% of fixed and variable costs permanently transferred to Buyer: $1.8M + variable (2026)
6. **Transaction Costs**: Funded by Buyer, estimated to be $600K
7. **Schedule**: Sale to be final when development receives final approvals, approx. timeline 2028

Evaluate the State Water Sale Opportunity

Potential Benefits of a Partial Sale:

- **Reducing Liabilities**: Permanently divesting a portion of future expenditures associated with State Water and reducing District costs.
- **Redirecting Financial Resources**: Providing for strategic reallocation of funds to high-priority initiatives, including enhancement of local water supply reliability.
- **Retaining Nearly 60% for Flexibility**: A majority of State Water interests would be kept, ensuring we maintain flexible backup options for importing State Water, supplemental water, and/or banked water if/when needed.
- **Water Security**: Even under severe drought projections, our diverse and reliable water sources, nearly always exceeds projected long-term customer use. Delivery constraints are the driver of water shortages, not a lack of State Water supplies.

Evaluate the State Water Sale Opportunity

Potential Risks of a Partial Sale:

- **Non-renewal of long-term contracts:**
  - 50-Year Water Supply Agreement (City of Santa Barbara)
  - Cachuma Project (United States Bureau of Reclamation)
  - State Water Project (California / Department of Water Resources)

- **Future conditions exceed modeling parameters**
  - Drought severity / duration, Demand variation

Possible Mitigation:

- **Acquire alternate local and/or District controlled water supplies and arrangements (other desal; groundwater banking; recycled water, etc.)**
- **Reduced demand**

Evaluate the State Water Sale Opportunity

Potential Uses of Proceeds and Cost Savings:

Estimated $40M upfront proceeds; $1.8M annual cost saving. Proposed use(s) is open for Board determination based on policy objectives.

- **Enhance Water Supply Reliability**
  Acquire additional local, rainfall-independent supplies and secure participation in groundwater storage programs.

- **Boost long-term system dependability**
  Accelerate infrastructure replacement schedules and/or enhance system capacities. Increased funds, strengthened borrowing power.

- **Bolster Cash Reserves**
  Strengthen financial reserves to ensure long-term fiscal stability, protect against sudden revenue fluctuations, and provide for emergency expenditures.

- **Avoid Future Rate Increases / Ratepayer Relief**
  Mitigate future water rate increases by offsetting systemic operational costs.

- **Debt Reduction**
  Retire outstanding district liabilities early, reducing interest costs and freeing up annual cash flow.

Next Steps

September 29, 2026 (Today)

Board Considers Approval of *Letter of Intent*

- Provide update on the proposed partial State Water sale and the proposed Letter of Intent
- Receive public input
- Board of Directors consider public input and approval of non-binding *Letter of Intent* at the publicly noticed meeting

October 2026 – March 2027

Prepare a *Purchase and Sale Agreement* & Perform Public Outreach

- Negotiate and draft a *Purchase and Sale Agreement* in 180 days.
- Perform public outreach and evaluate feedback received
- Conduct environmental review
- Coordinate with Central Coast Water Authority, the State Water contract holder, as needed

Spring 2027

Board Considers Approval of *Purchase and Sale Agreement*

- Board of Directors consider public input and approval of a *Purchase and Sale Agreement* at a publicly noticed meeting

Next Steps

Recommendations

1. That the Board of Directors receive and consider public feedback on the proposed partial sale of the District's State Water contract interests.
2. That the Board of Directors consider authorizing the execution of a *Letter of Intent* (LOI) outlining the principal terms of a proposed transaction whereby the District would permanently sell a portion of its State Water contract interests, inclusive of water supply, water treatment, and conveyance capacity, to Solstra Communities California, LLC for the proposed Solomon Hills Development.
3. That, upon any authorization to execute a Letter of Intent, the Board direct the Ad Hoc Committee, staff, and legal counsel to negotiate a *Purchase and Sale Agreement* with Solstra Communities California, LLC, and to undertake such additional actions as may be necessary to effectuate the transaction, including conducting environmental review and coordinating with the Central Coast Water Authority.

Questions & Discussion

Submit Comments: info@montecitowater.com

Thank you for partnering with us to build a more secure, local, resilient water supply for our community.

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LETTER OF INTENT

September ___, 2026

To: Montecito Water District
c/o Nick Turner, General Manager
583 San Ysidro Road, Montecito, CA 93108

From: Solstra Communities California, LLC
Klaus Hasbo, Chief Executive Officer
1130 East Clark Avenue, Suite 150 #286, Orcutt, CA 93455

Re: Purchase and Sale of 1,400 Acre Feet of State Water Project Contract Interests

Dear Nick:

This Letter of Intent ("**LOI**") sets forth the principal terms of a proposed transaction whereby Montecito Water District ("**Seller**") would sell a portion of its State Water Project water supply contract interests, inclusive of water supply, water treatment, and conveyance capacity, to Solstra Communities California, LLC ("**Buyer**"). This LOI is intended to form the basis of, and establish the material terms for, a subsequent detailed Purchase and Sale Agreement ("**PSA**") to be drafted for signature by the parties incorporating these basic terms and any necessary additional terms.

ARTICLE 1 — PARTIES AND PURPOSE

1. **Parties.**

a. **Seller.** Montecito Water District, a County Water District organized and existing under and pursuant to the California Water Code §§30000 – 33901. Seller is a member of the Central Coast Water Authority ("**CCWA**") with contractual rights to 3,300 acre feet ("**AF**") of State Water Project ("**SWP**") contract interests, which includes 3,000 AF of Table A water and a 10% Drought Buffer equal to 300 AF.

b. **Buyer.** Solstra Communities California, LLC, a California limited liability company. Buyer is the owner of certain land located in the unincorporated area of northern Santa Barbara County ("**County**") just south of the community of Orcutt and is in the process of seeking land use entitlements and approvals from the County for construction of up to 4,000 dwelling units and ancillary commercial uses (the "**Solomon Hills Project**").

2. **Purpose.** The purpose of this LOI is to outline the principal terms of the proposed PSA and to provide a good-faith basis for negotiation and finalization of a PSA between the parties. Except for the provisions in Article 7 of this LOI, which the parties explicitly agree are made

binding by this LOI, all other terms and conditions of this LOI are non-binding and are intended as a statement of intent only, and do not contain all of the principal terms of the transactions contemplated by this LOI, some of which remain to be negotiated between the parties. No party will be legally bound to proceed with the transactions contemplated hereby unless and until a definitive PSA has been negotiated and signed by such party, and then only upon the terms and conditions set forth in such definitive agreement.

ARTICLE 2 — PROPERTY

1. **Property Description.** The property proposed to be sold and permanently transferred by Seller to the Buyer Assignee (as defined in Article 5) is solely the following (collectively, the "**Property**"):

a. **SWP Contract.** A total of 1,400 AF of SWP contract interests held by Seller consisting of 1,275 AF of SWP Table A water including a corresponding proportional amount of conveyance and treatment capacity, and 125 AF of SWP drought buffer. This total volume of 1,400 AF represents approximately 42.4% of the current total SWP contract interests held by Seller, through water supply agreements with CCWA. Transferred conveyance and treatment capacity is limited to the SWP Table A water volume of 1,275 AF and excludes the SWP drought buffer.

b. **Semitropic Groundwater Banking and Exchange Program.**

i. Groundwater Storage. A total of 550 of Seller's shares in the Stored Water Recovery Unit of the Semitropic Groundwater Banking and Exchange Program ("**Semitropic**"). In accordance with the terms of the agreement between the Seller and Semitropic, each share provides a right to recharge, store and recover one (1) acre foot of water per year and accumulate a total of three (3) acre feet of stored water in the program.

. **ii. Stored Water.** A total of 1,650 AF of SWP water stored and currently held by Seller in Semitropic.

c. **Excluded Assets**. Any SWP Contract and Semitropic interests held by Seller that are not defined as a component of the Property are expressly excluded from this transaction.

ARTICLE 3 — PURCHASE PRICE AND PAYMENT TERMS

1. **Purchase Price.** The purchase price for the Property is Thirty-Seven Million One Hundred Thousand Dollars ($37,100,000.00) (the "**Purchase Price**"), which is comprised of a base price of Thirty-Six Million Five Hundred Thousand Dollars ($36,500,000.00) and transaction cost reimbursement of Six Hundred Thousand Dollars ($600,000.00). The Purchase Price is payable in cash to Seller at Financial Closing for the entire Property, subject to Article 6, Provision 2.

2. **Price Escalation.** The Purchase Price will escalate monthly using the change in the Consumer Price Index (CPI) for Water and Sewerage Maintenance, based on the U.S. city average, as published by the Bureau of Labor Statistics. This escalation in Purchase Price will be applied to a base price of Thirty-Six Million Five Hundred Thousand Dollars ($36,500,000.00) beginning at execution of the PSA and continuing through Financial Closing.

3. **Assumption of Obligations.** The Buyer Assignee will assume all rights to and obligations for the Property, on and after the date of the Financial Closing including the SWP Table A water and drought buffer, and all CCWA and DWR fixed and variable costs for the entire Property, with all such annual costs for the year in which Financial Closing occurs to be prorated as of the date of Financial Closing. From execution of this LOI through Financial Closing, the Seller will retain all rights to and obligation for the Property.

ARTICLE 4 — TRANSACTION SCHEDULE AND CLOSING

1. **Execution of PSA and Transfer Documents.** The parties shall use reasonable efforts to execute a PSA and related CCWA transfer documents within one hundred eighty (180) days of the date of this LOI. Such transfer documents may include, but are not limited to, confirmation that there is a defined (i.e., CCWA-approved) mechanism to transfer the Property to the Buyer Assignee. The PSA will include customary terms for a transaction of this proposed type.

2. **Due Diligence Period.** Buyer shall complete its due diligence activities to confirm the suitability of the Property for its intended purpose within forty-five (45) days after the PSA is executed (the "**Due Diligence Period**"). During the Due Diligence Period Seller will use reasonable efforts to assist Buyer in confirming, to Buyer's satisfaction, that there is a defined (i.e., CCWA-approved) mechanism to transfer the Property to the Buyer Assignee. This mechanism shall be developed in consultation and cooperation with CCWA.

3. **Final Approval of Discretionary Entitlements**.

a. **Discretionary Entitlements**. The term "Discretionary Entitlements" as used herein means any permits, approvals, licenses, variances, conditional use permits, site plan approvals, development agreements, tentative subdivision maps, parcel maps, or other land use entitlements or authorizations required from or issued by the County or any other governmental authority necessary to proceed with construction of the Solomon Hills Project and/or the delivery of water thereto.

b. **Final Approval**. The term "Final Approval" as used herein means expiration of all statutes of limitation applicable to challenging any Discretionary Entitlements necessary to proceed with construction of the Solomon Hills Project and, if litigation is filed challenging any Discretionary Entitlements, final adjudication and/or other resolution of such litigation confirming and/or otherwise upholding the Discretionary Entitlements.

c. **Cooperation.** Seller agrees to cooperate with Buyer, at Buyer's sole cost and expense, in obtaining any regulatory or dedication approvals to transfer and use the Property, and Seller will, at Buyer's reasonable request and in Seller's discretion, sign any applications necessary for approvals. In response to any questions or requests for additional information, Seller will reasonably cooperate by providing additional information or documents. Buyer will be responsible for all costs associated with the transaction, including but not limited to environmental review under the California Environmental Quality Act.

d. Condition Precedent. Buyer securing Final Approval of all Discretionary Entitlements is a condition precedent to Financial Closing.

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4. **Financial Closing.**

a. **Timing.** "Financial Closing" will occur only after all conditions precedent, contingencies, due diligence, deposits, designations, and Discretionary Entitlements have been achieved, completed, obtained, and/or received. Financial Closing shall be scheduled within two hundred and seventy (270) days of "Final Approval".

c. **Extension.** The 270-day timeline may be extended upon mutual consent of Buyer and Seller.

d. **Seller's Termination Right.** Seller may terminate the PSA if Financial Closing has not occurred within 270 days of "Final Approval" as defined above, subject to any extension agreed upon by the parties.

ARTICLE 5 — BUYER ASSIGNEE

1. **Definition.** The "**Buyer Assignee**" shall be a local water purveyor identified by Buyer to serve the planned Solomon Hills Project. Upon Financial Closing, Buyer shall assign the Property to Buyer Assignee with the Seller's consent for the purpose of providing retail water service to customers at the Solomon Hills Project. Seller's consent to the assignment shall not be unreasonably withheld.

2. **Qualification.** The Buyer Assignee shall be either a "Member" or "Project Participant" of CCWA, as defined and determined by CCWA or as may be approved by CCWA.

3. **Designation Timeline.** Buyer shall, no later than one hundred and eighty (180) days following execution of the PSA, designate in writing to Seller the local water purveyor (the "Buyer Assignee") to assume all rights and obligations for the Property from Buyer under the PSA pursuant to an Assignment and Assumption Agreement. The 180 days that Buyer has to designate may be extended up to an additional 180 days at Buyer's request and with Seller's consent, which consent shall not be unreasonably withheld.

4. **Condition Precedent.** The designation of Buyer Assignee and execution of an Assignment and Assumption Agreement between Buyer and the Buyer Assignee, reasonably acceptable in form and substance to Seller, are conditions precedent to Financial Closing.

ARTICLE 6 — EARNEST MONEY AND TRANSACTION DEPOSITS

1. **Earnest Money.**

a. **Amount and Deposit.** Upon execution of the PSA, Buyer shall deposit into an interest-bearing escrow account earnest money in the amount of Four Hundred Thousand Dollars ($400,000.00) (the "**Earnest Money**"). Instructions for the interest bearing escrow account shall be mutually agreed to by Buyer and Seller.

b. **Release to Seller.** The Earnest Money and any earned interest shall be released to Seller at the conclusion of the 45-day Due Diligence Period.

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c. **Release to Buyer.** If, prior to the end of the 45-day Due Diligence Period, Buyer confirms in writing that there is no defined mechanism to transfer the Property to a Buyer Assignee, then any PSA entered into by and between Seller and Buyer shall be null and void, and the Earnest Money together with earned interest shall be released back to Buyer.

d. **Application to Purchase Price.** Earnest Money and any earned interest shall be applied to the Purchase Price at Financial Closing.

e. **Non-Refundable.** Following the conclusion of the 45-day Due Diligence Period, if for any reason Financial Closing does not occur, the Earnest Money is non-refundable and will be retained by Seller.

2. **Transaction Costs Deposit.**

a. **Amount and Deposit.** Buyer shall deposit the sum of Six Hundred Thousand Dollars ($600,000.00) (the "**Deposit**") into an interest-bearing escrow account with a mutually agreed-upon third-party escrow agent. Instructions for the interest bearing escrow account shall be mutually agreed to by Buyer and Seller.

b. **Payment Schedule.** The Deposit shall be paid to the escrow account in two (2) installments

(i) An initial installment of Three Hundred Fifty Thousand Dollars ($350,000.00) due upon execution of this LOI; and

(ii) A second installment of Two Hundred Fifty Thousand Dollars ($250,000.00) due upon execution of the PSA.

c. **Application Toward Purchase Price.** In the event Seller and Buyer execute a PSA and Financial Closing occurs, the full Deposit and any interest earned thereon shall be applied toward the Purchase Price at Financial Closing.

d. **Termination and Expense Reimbursement.** If, for any reason, a PSA is not executed by both Seller and Buyer and/or negotiations are terminated by either Seller or Buyer, for any reason or no reason, the initial installment of Three Hundred Fifty Thousand Dollars ($350,000.00) and any interest earned thereon shall be released to Seller in full within ten (10) days of termination of negotiations. Such reimbursement is made to cover Seller's costs and expenses incurred in connection with exploration and evaluation of the non-consummated transaction. Buyer and Seller shall take all steps necessary to instruct the third-party escrow agent to release the funds to Seller as contemplated in this paragraph.

ARTICLE 7 — BINDING PROVISIONS

The parties expressly agree that the following provisions of this LOI shall become contractually binding upon execution of this LOI:

1. **Exclusivity and Non-Circumvention Regarding Water Supply.** From the date of execution of this LOI through execution of the PSA (the "**Exclusivity Period**"), Buyer and Seller each agree that they will deal exclusively with the other regarding a transaction of the Property.

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During the Exclusivity Period, Buyer, its agents, and affiliates shall not directly or indirectly negotiate, solicit, or entertain proposals from any third party regarding alternative water supply options, nor initiate new applications for alternative water sources, with the intent to substitute for or compete with the supply provided by Seller. Similarly, during the Exclusivity Period, Seller, its agents, and affiliates shall not directly or indirectly negotiate, solicit, or entertain proposals from any third party regarding the permanent sale or transfer of the Property. Nothing herein prevents Buyer from engaging with third parties during the Exclusivity Period regarding development of alternative water supply options not intended to substitute for or compete with the supply provided by Seller but instead intended to enhance the reliability of the Property. Nothing herein prevents Seller from engaging with third parties during the Exclusivity Period, to negotiate, undertake and/or effectuate short term sales or transfers of water defined as the Property. Furthermore, nothing herein prevents Seller from operating in its ordinary course of business.

2. **Transaction Costs and Expenses.** The provisions set forth in Article 6.2.b(i) and 6.2.d of this LOI regarding the "Termination and Expense Reimbursement" shall become binding and non-negotiable upon execution of this LOI.

3. **Termination**. Except for the provisions set forth in Article 7 of this LOI, each party hereby reaffirms its intention that this LOI as a whole is not intended to constitute, and shall not constitute, a legal and binding agreement, contract or obligation, between any of the parties, and is not intended to be relied upon by any party as constituting such. Accordingly, the parties mutually agree that any party to this LOI may unilaterally withdraw from negotiations or dealings concerning the proposed transaction at any time, for any or no reason, at the withdrawing party's sole discretion by notifying the other party of the withdrawal in writing. Notwithstanding the foregoing, it is mutually agreed, however, that the withdrawal terms of any PSA shall control over the right to withdraw from dealings or negotiations contained in this paragraph of the LOI.

4. **LOI Distribution**. The parties agree that this LOI is a public document which Buyer may distribute to the County, other governmental authorities, and local water purveyors, for the purpose of advancing and ultimately securing Discretionary Entitlements for the Solomon Hills Project. Seller does not make any representation, guarantee, or warranty that this LOI is sufficient for the above-stated purpose, or to achieve the above-stated purpose, and any use of this LOI for that purpose is at the sole discretion and risk of Buyer.

ARTICLE 8 — MISCELLANEOUS PROVISIONS

1. **Non-Binding Nature.** Except for the provisions expressly designated as binding in Article 7 of this LOI, all remaining terms and conditions of this LOI are non-binding and subject to the final agreement of the parties as expressed in the PSA. The provisions of Article 8.2 through 8.6 are statements of the intent of the Parties with respect to the administration and interpretation of the LOI.

2. **Governing Law.** This LOI and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. Venue for any action, claim, demand or dispute concerning this LOI shall be in the Superior Court of the County of Santa Barbara. Nothing in this LOI shall obviate Government Code claim requirements as to any suit for money or damages against Seller related to this LOI.

3. **Counterparts.** This LOI may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Execution and delivery of this LOI by electronic transmission of a facsimile or PDF signature page shall be as effective as execution and delivery of a manually signed original.

4. **Entire Agreement.** The Binding Provisions of this LOI constitute the only agreement between the parties with respect to the proposed transaction and supersede all prior negotiations, understandings, and agreements between the parties, whether written or oral, as to the subject matter of those Binding Provisions.

5. **Amendment.** The Binding Provisions of this LOI may be amended or modified only by a written instrument executed by both parties.

6. **Severability.** If any provision of this LOI is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

If the foregoing accurately reflects your understanding of the principal terms of the proposed transaction, please indicate your acceptance by signing below and returning an executed copy of this LOI to the undersigned.

SOLSTRA COMMUNITIES CALIFORNIA, LLC

By: _____

Name: Klaus Hasbo
Title: Chief Executive Officer
Date: September __, 2026

ACKNOWLEDGED AND AGREED:

MONTECITO WATER DISTRICT

By: _____

Name: Brian Goebel
Title: Board President
Date: September__, 2026

By: _____

Name: Nick Turner
Title: Board Secretary
Date: September __, 2026

DRAFT

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-B**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **ASSISTANT GENERAL MANAGER**

SUBJECT: **APPROVAL OF CONSTRUCTION CONTRACT CHANGE ORDER NO. 1 WITH PACIFIC HYDROTECH FOR THE PARK LANE RESERVOIR SEISMIC RETROFIT AND REPLACEMENT PROJECT**

RECOMMENDATION:

That the Board of Directors authorize the General Manager to execute construction contract Change Order No. 1 with Pacific Hydrotech for construction services for the Park Lane Reservoir Seismic Retrofit and Replacement Project for a not-to-exceed amount of $515,211.06.

DISCUSSION:

The District entered into an agreement with the State Water Resources Control Board (SWRCB) in 2024 to secure $35M in funding (30% principal forgiveness and 70% loan at a 0% interest for 30 years) for the retrofit or replacement of 8 District water storage reservoirs through the Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) funding program. Resolution No. 2290, adopted by the Board of Directors on November 19, 2024, authorized the acceptance of the ASADRA funding and implementation of the Project. The Project will retrofit or replace eight reservoirs to ensure they can resist prescriptive seismic loading based on current design standards. The Project construction schedule spans six years due to operational limitations having multiple reservoirs offline simultaneously. The figure below shows the latest schedule.

Task Name	Duration	Start	Finish
Notice to Proceed	**52.95 mons**	**Mon 10/27/25**	**Thu 11/15/29**
1 - Bella Vista	8 mons	Wed 12/2/26	Tue 7/13/27
2 - Terminal	14.35 mons	Mon 10/27/25	Tue 12/1/26
3 - Park Lane	13.95 mons	Mon 7/6/26	Thu 7/29/27
4 - Cold Springs	14 mons	Fri 7/30/27	Thu 8/24/28
5 - Romero	18 mons	Fri 7/30/27	Thu 12/14/28
6 - Doulton	12 mons	Fri 12/15/28	Thu 11/15/29
7 - Hot Springs	11 mons	Fri 12/15/28	Thu 10/18/29
8 - Buena Vista	11 mons	Fri 12/15/28	Thu 10/18/29

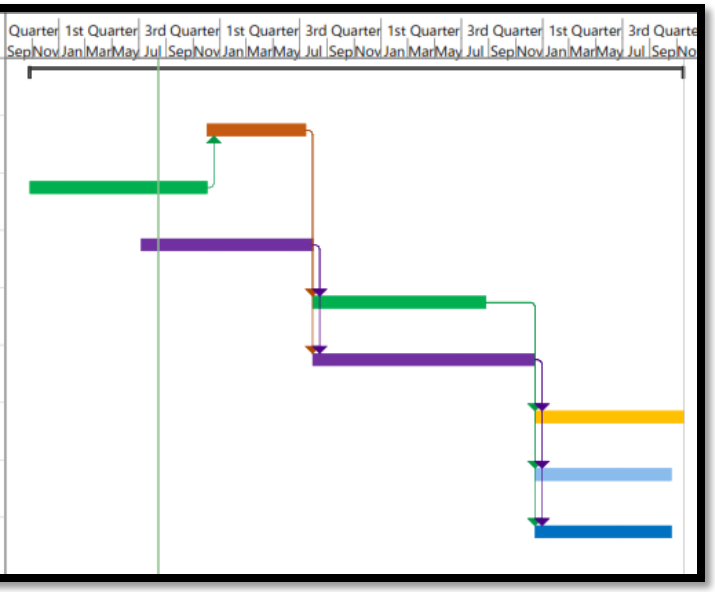

Figure 1 – ASADRA Project Schedule

The first two reservoirs to be reconstructed are the Terminal and Park Lane Reservoirs. Terminal began construction in December 2025 and is anticipated to be completed in November 2026. Park Lane was bid in June 2025 and awarded to Pacific Hydrotech on June 24, 2025 for a not-to-exceed amount of $4,589,700. Despite issuance of the Notice to Proceed for construction on December 2, 2025, the project was paused through May 2026 to ensure the legal confirmation of the District's easement access. The contractor mobilized to the site and began construction on July 7, 2026. The project delay has resulted in an increase in Pacific Hydrotech's construction costs.

Additionally, on September 16, 2025, the Board of Directors awarded the following consulting contracts for construction related services to be completed during the construction phase of Park Lane Reservoir project:

- Wood Rodgers - Project Management Services - $74,820
- Water Systems Consulting - Construction Management Services - $503,926
- Rincon Consultants - Environmental Services - $171,376

Each of the consultants listed above has confirmed their 2025 proposal fee remains sufficient for the project and no fee amendments to the consulting contracts are needed.

Construction Contract Change Order

Pacific Hydrotech is requesting a contract change order in the total amount of $515,211.06. The increased costs are for four specific items as described below.

Item 1 – 12 month delay-related escalation of project costs ($418,701)

Pacific Hydrotech was awarded the Park Lane Reservoir Seismic Retrofit and Replacement Project in June 2025. With the construction start dated being delayed to July 7, 2026, construction costs have increased, and therefore Pacific Hydrotech is requesting a change order for the time delay. The increases include:

- Diesel fuel costs;
- Prevailing wage labor rates;
- Equipment costs;
- Concrete, asphalt, steel and other material costs; and
- Insurance and project management costs.

Item 2 – Removal of loose shotcrete from reservoir walls ($1,924.52)

The Contractor identified significant loose, flaking concrete on the walls of the existing reservoir. To ensure a clean surface between the existing walls and new walls, the Contractor removed the shotcrete.

Item 3 - Additional void remediation beneath the existing floor slab ($90,635.54)

The contract with Pacific Hydrotech included $10,600 for the use of ground-penetrating radar to identify voids beneath the existing concrete slab and $16,000 for void remediation. The radar inspection found significantly more voids than expected, requiring Pacific Hydrotech to perform 9 additional days of work to saw-cut the existing floor, excavate the loose soil, and backfill the areas with concrete slurry. A photo of the void remediation work is shown below.

Figure 1 – Park Lane Reservoir Void Remediation Work

Item 4 - Additional background screening of employees ($3,950)

The District requested the contractor perform additional background screening of employees prior to entering the Park Lane property. This cost includes additional background screening of all Pacific Hydrotech staff.

RECOMMENDATION:

The change order was reviewed by the District's project manager (Wood Rodgers) and Construction Management Firm (WSC). Both consultants believe the requested cost increases are aligned with expected, reasonable annual increases in the cost of materials, equipment and labor.

It is recommended the Board of Directors authorize Construction Contract Change Order No. 1 with Pacific Hydrotech for the Park Lane Reservoir Seismic Retrofit and Replacement Project for a not-to-exceed amount of $418,701.

SCHEDULE:

The latest schedule is provided in the figure above. The construction of the Park Lane Reservoir began in July 2026 and will be completed in July 2027. The current ASADRA contractual timeline ends June 2027. However, in July 2026, the State Water Resources Control Board (SWRCB) submitted a written request to the Environmental Protection Agency (EPA) to extend the ASADRA contract deadline for expending funds beyond June 2027. The SWRCB requested a time extension to December 2030 to allow adequate time for completion of all eight reservoirs in accordance with the District's overall ASADRA project schedule. The SWRCB indicated the EPA response to the time extension request will likely be received by December 2026.

FISCAL IMPACT:

The Park Lane Reservoir Project proposed Construction Contract Change Order No. 1 would increase the construction cost by $515,211.06. The total revised project cost is shown in the table below. The total estimated cost for Park Lane remains within the project cost defined in the ASADRA agreement of $6.4M.

Table 1- Park Lane Reservoir Project Cost Summary

Item	Park Lane Reservoir
Planning/Design Phase	$ 240,345
Construction Contract	$ 4,589,700
Construction Change Order No. 1	$ 515,211
Project Management	$ 74,820
Construction Management	$ 503,926
Environmental Consultant	$ 171,376
Total	**$ 6,095,378**

ATTACHMENTS:

None

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-C**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **APPROVAL OF AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES CONTRACT WITH TETRA TECH FOR DESIGN SERVICES FOR THE ASADRA RESERVOIR SEISMIC RETROFIT AND REPLACEMENT PROJECTS**

RECOMMENDATION:

That the Board of Directors authorize the General Manager to execute Amendment No. 4 to the professional services contract with Tetra Tech for design services for the Additional Supplemental Appropriation for Disaster Relief Act (ASADRA) Reservoir Seismic Retrofit and Replacement Project for a not-to-exceed amount of $309,920.

BACKGROUND:

In 2024, the District entered into a funding agreement with the State Water Resources Control Board (SWRCB) for approximately $35 million through the Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) funding program. The funding consists of 30 percent principal forgiveness and a 70 percent, 30-year loan at zero percent interest. On November 19, 2024, the Board of Directors adopted Resolution No. 2290, authorizing acceptance of the ASADRA funding and implementation of the Reservoir Retrofit and Replacement Project (Project). The Project includes the retrofit or replacement of eight District water storage reservoirs to meet current seismic design standards. Construction is expected to occur over approximately six years because of operational constraints that limit the number of reservoirs that can be taken out of service simultaneously.

In 2014, following a competitive selection process, the District retained Tetra Tech to prepare a comprehensive engineering report titled *2015 Structural and Seismic Evaluation of District Storage Reservoi*rs. In March 2021, the District awarded Tetra Tech a not-to-exceed contract of $862,418 to prepare final plans, specifications, and cost estimates for eight reservoirs and provide bid- and construction-phase engineering support.

The District subsequently approved the following contract amendments:

- Amendment No. 1, approved in September 2021 for $79,455, addressed a design change from steel roofs to concrete roofs at the Terminal and Romero Reservoirs.

- Amendment No. 2, approved in November 2021 for $18,158, added cathodic protection improvements at the Doulton Reservoir site.
- Amendment No. 3 was a no-cost amendment allowing Tetra Tech's labor rates to be adjusted annually as the multiyear Project progressed.

These amendments increased Tetra Tech's total authorized contract amount to $960,031.

DISCUSSION:

Tetra Tech has continued to support the Project as it transitions from design into construction. The firm has provided bid-phase services for the Bella Vista, Buena Vista, Terminal, and Park Lane Reservoirs, including support for the rebidding of the Bella Vista Reservoir project following its second advertisement on September 3, 2026. Tetra Tech has also provided construction-phase engineering services, including responding to contractor Requests for Information (RFIs), attending weekly construction progress meetings, conducting site visits, reviewing submittals, and incorporating lessons learned from earlier reservoir projects into the plans and specifications for subsequent sites.

Tetra Tech's proposed Amendment No. 4, included as Attachment 1, requests additional budget for services not fully anticipated in the original proposal but necessary to complete the Project.

Terminal Reservoir Seismic Retrofit Project – Amendment Request of $62,635

The additional scope at Terminal Reservoir includes:

- Updating the 2021 design documents to comply with the latest seismic code (already completed).
- Revising inlet/outlet piping design (already completed).
- Increasing drawing count from 8 to 16 (already completed).
- Increasing the allowance for contractor RFIs from 20 to 45 and submittal review from 10 to 55.
- Adding attendance at weekly construction progress meetings.

Park Lane Reservoir Seismic Retrofit Project – Amendment Request of $74,101

The additional scope at Park Lane Reservoir includes:

- Updating the 2021 design documents to comply with the latest seismic code (already completed).
- Revising the foundation design to reuse the existing floor instead of removing the floor as originally planned (already completed).
- Increasing drawing count from 15 to 19 (already completed).

- Increasing the allowance for contractor RFIs from 20 to 45 and submittal review from 10 to 55.
- Adding attendance at weekly construction progress meetings.

Bella Vista Reservoir Seismic Retrofit Project – Amendment Request of $55,244

The additional scope at Bella Vista Reservoir includes:

- Updating the 2021 design documents to comply with the latest seismic code (already completed).
- Additional temporary storage tank and pumping system design drawings and specifications (already completed).
- Increasing the allowance for contractor RFIs from 20 to 40 and submittal review from 10 to 25.
- Adding attendance at weekly construction progress meetings

Romero Reservoir Seismic Retrofit Project – Amendment Request of $117,939

The additional scope at Romero Reservoir includes:

- Updating the 2021 design documents to comply with the latest seismic code (already completed).
- Adding site grading and drainage design (already completed).
- Adding pile foundation and secant pile design (since the south side of the reservoir is constructed on fill material). (already completed)
- Adding on-site backup diesel generator concrete pad and electrical design (already completed).
- Increasing drawing count from 9 to 27 (already completed).
- Increasing the allowance for contractor RFIs from 20 to 45, submittal review from 10 to 55, and site visits from 3 to 5.
- Adding attendance at weekly construction progress meetings

As the engineer of record, Tetra Tech performs a critical role throughout construction. District staff, the construction manager, and the contractor rely on Tetra Tech to interpret the design documents, respond to technical questions, review proposed changes, and confirm that the improvements comply with applicable design standards. Tetra Tech's participation in weekly construction meetings also allows technical issues to be addressed promptly, reducing the potential for delays and additional construction costs.

Because construction will occur over approximately six years, the design documents for reservoirs constructed later in the program (Cold Springs, Buena Vista, Hot Springs, and Doulton) must be reviewed and updated to comply with the codes and standards applicable at the time of bidding

and permitting. Staff therefore recommend approval of Amendment No. 4 and authorization for the General Manager to execute the amendment.

FISCAL IMPACT

Proposed Amendment No. 4 would increase Tetra Tech's authorized contract amount by $309,920, from $960,031 to $1,269,951. The amended contract amount represents approximately 4.4 percent of the Project's estimated $29 million construction cost. This contract amendment addresses the cost increase for the first four reservoirs but does not include anticipated cost increases for the last four reservoirs, since those reservoirs will not enter the bidding and construction phase for several years and additional scope and costs are uncertain at this time.

For complex rehabilitation projects, engineering design services commonly range from approximately 9 to 12 percent of construction cost. Bid-phase services may add approximately 0.5 to 1 percent, and construction-phase engineering support may add approximately 3 to 5 percent. Actual costs vary depending on project complexity, duration, existing conditions, and the extent of construction support required. At approximately 4.4 percent of estimated construction cost, Tetra Tech's amended contract remains below typical planning-level allowances for comparable design, bid-phase, and construction-phase engineering services.

If the enclosed contract change order is approved, the updated total project cost by reservoir for the first four reservoirs is provided in the table below, including a comparison to the total project cost by reservoir as authorized in the 2023 ASADRA funding agreement.

Reservoir	Total Cost Authorized in Funding Agreement	Total Projected Cost	Variance	Significant Changes
Terminal	$5,383,109	$7,527,344	($2,144,235)	Steel to Concrete roof, Concrete floor replacement
Park Lane	$6,445,997	$6,095,378	$347,619	12 month delayed start
Bella Vista	$3,002,995	$3,950,000	($947,005)	3 year delayed start, temporary tank and pumping system
Romero	$7,384,052	$8,965,574	($1,581,522)	Steel to Concrete roof, Concrete floor replacement, Secant pile wall

ATTACHMENT:

1. Tetra Tech Amendment No. 4 request for the ASADRA Reservoir Seismic Retrofit and Replacement Project

September 15, 2026

Adam Kanold
Montecito Water District
583 Sn Ysidro Road
Santa Barbara, CA 93108

email: akanold@montecitowater.com

Reference: Reservoir Retrofit and Replacement Project: Final Design for Seismic Resiliency Improvements of 8 Reservoirs – Change of Scope and Project Delay Billing Rate Esculation Request

Dear Mr. Kanold:

Tetra Tech has been providing engineering design services for the Reservoir Retrofit and Replacement Project since April 2021. Based on Tetra Tech's March 10, 2021 proposal, the District authorized an initial budget of $862,418 for the 60%, 90%, 100%, and Final Design Submittals, as well as bidding and construction-phase support services for eight potable-water reservoirs. In August 2021, the District approved an additional budget of $79,544 for the following work: 1) Revised structural engineering services for replacement of the existing steel-framed roofs at the Terminal and Romero reservoirs with new concrete roofs; and 2) Modifications and upgrades to the piping systems at the Terminal, Park Lane, Cold Springs, Hot Springs, and Buena Vista reservoir sites. In November 2021, the District approved an additional budget of $18,158 for cathodic protection design services for the Doulton steel tank reservoir. Accordingly, Tetra Tech's currently approved budget is $960,031.

The purpose of this correspondence is to request approval of an additional budget for work items that were not anticipated in Tetra Tech's original proposal but are necessary to complete the project at the Romero, Terminal, Bella Vista, and Park Lane Reservoir sites. This change-of-scope budget request does not include funding for additional work at the Doulton, Cold Springs, Hot Springs, or Buena Vista Reservoir sites.

As discussed with the District, the increased estimated RFI, submittal, weekly construction progress meeting and site visit counts in the ADDITIONAL WORK section below are based on the Terminal Reservoir and Park Lane Reservoir that are currently in construction.

<u>ADDITIONAL WORK</u>

Romero Reservoir

- Design Phase
    - Perform building code update design in 2026, including calculations and drawings
    - Adding site grading design
    - Adding overflow modification design
    - Adding pile foundation and secant pile design
    - Adding existing generator foundation and shade structure removal and reinstallation design
    - Drawing Count increased from 9 sheets per the original contract to 27 sheets (Additional 18 Sheets)
- Construction Phase Support
    - Increase estimated RFI count from 20 to 45 (Additional 25 RFIs)
    - Increase estimated submittal count from 10 to 55 (Additional 45 Submittals)
    - Increase estimated weekly construction progress meeting count from 0 to 40 (Additional 40 Meetings)
    - Increase estimated site visit count from 3 to 5 (Additional 2 Site Visits)

Terminal Reservoir

- Design Phase
    - Perform building code update design in 2024, including calculations and drawings
    - Revise inlet/outlet pipe construction type from pipe burst design to CIPP
    - Drawing Count increased from 8 sheets per the original contract to 16 sheets (Additional 8 Sheets)
- Construction Phase Support
    - Increase estimated RFI count from 20 to 45 (Additional 25 RFIs)
    - Increase estimated submittal count from 10 to 55 (Additional 45 Submittals)
    - Increase estimated weekly construction progress meeting count from 0 to 40 (Additional 40 Meetings)

Bella Vista Reservoir

- Design Phase
    - Perform building code update design in 2024, including calculations and drawings
    - Perform building code update design in 2026, including calculations and drawings
    - Adding temporary storage tank deferred design requirements, including drawings and specs
- Construction Phase Support
    - Increase estimated RFI count from 20 to 40 (Additional 20 RFIs)
    - Increase estimated submittal count from 10 to 25 (Additional 15 Submittals)
    - Increase estimated weekly construction progress meeting count from 0 to 20 (Additional 20 Meetings)

Park Lane Reservoir

- Design Phase
    - Perform building code update design in 2025, including calculations and drawings
    - Revise foundation design. Construct new reservoir on top of existing bottom slab instead of demolish existing bottom slab.
    - Drawing Count increased from 15 sheets per the original contract to 19 sheets (Additional 4 Sheets)
- Construction Phase Support
    - Increase estimated RFI count from 20 to 45 (Additional 25 RFIs)
    - Increase estimated submittal count from 10 to 55 (Additional 45 Submittals)
    - Increase estimated weekly construction progress meeting count from 0 to 40 (Additional 40 Meetings)

SUMMARY OF REQUESTING BUDGET INCREASE

Tetra Tech's original proposal assumed that the design work for all eight reservoirs would be substantially completed by the end of 2021. The original construction schedule anticipated completion at the Doulton, Romero, and Terminal sites in 2022; the Bella Vista and Park Lane sites in 2023; and the Cold Springs, Hot Springs, and Buena Vista sites in 2024.

However, at the District's request, the project was placed on hold at the end of 2021 and did not resume until mid-2024. Under the current schedule, the design, bidding, and construction-phase support services for all eight reservoirs are expected to be completed by early 2030. This represents an approximately six-year delay compared with the original project schedule.

As a result of this unanticipated delay, Tetra Tech respectfully requests application of a 4% annual billing-rate escalation for work performed after 2024. The applicable billing rates and associated budget impacts are included in the additional budget below.

Tetra Tech has already performed and will be required to perform additional design services on the project. We performed this work on a time and material basis and are requesting the following additional budget to compensate us for this additional work (Detailed breakdown is provided in the Price Proposal attached to the end of this letter):

Romero Reservoir:	$ 117,939
Terminal Reservoir:	$ 62,635
Bella Vista Reservoir:	$ 55,244
Park Lane Reservoir:	$ 74,101

TOTAL NOT-TO-EXCEED BUDGET REQUEST $ 309,920

Tetra Tech is recommending the District approve an increase of $309,920 for this additional work.

In summary, by approving this request, our approved budget will be increased from $960,031 to $1,269,951. If you have any questions or require additional information, please do not hesitate to call.

Sincerely,

Eric Yuen, P.E., SE
Project Manager

EY:tth

Enclosure(s)
Attachment(s)
c: Central Files

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Price Proposal

Final Design for Seismic Resiliency Improvements of Eight Reservoirs

Prepare bid documents for repairs, retrofits or replacements for eight water storage reservoir structures.

Submitted to: Montecito Water District (Attn: Adam Kanold)

Contract Type: T&M

Labor Plan

7 Resource

Project Phases / Tasks	Schedule From	Schedule Thru	Total Labor Hrs	Structural	Project Manager (Eric Yuen)	Project Engineer (Jose Quiroz)	Engineer 2 (Miguel Magpantay)	Sr CAD Designer (Eric Hutchins)	Civil	Project Manager (Kyle Bohn)	Project Engineer (Elias Sebhatu)	Engineer 2 (Ruben Lugo)	Unit Rate Qty's: Fleet Vehicles $0.58 mile	M&E	Labor Rate Esc.	Labor	Mat'ls & Equip	Task Pricing Totals
Bill Rate >					227.00	159.00	148.00	165.00		227.00	159.00	148.00						
Proj Area >					Struct	Struct	Struct	Struct		Civil	Civil	Civil						
Project Phases / Tasks	From	Thru	**1,689**		335	288	333	216		111	209	197	500		**4.94%**	309,630	290	**309,920**
2000 Romero Reservoir Seismic Vulnerability Retrofit			**627**		**113**	**109**	**137**	**88**		**39**	**73**	**68**	**500**			**117,649**	**290**	**117,939**
Update Building Code			**408**		**24**	**64**	**112**	**88**		**24**	**48**	**48**	**-**			**71,035**	**-**	**71,035**
Update Building Code 2026	09/01/26	07/31/27	124	-	8	16	40	40	-	4	8	8			6.64%	21,588		21,588
Site Grading	09/01/26	07/31/27	50	-					-	10	20	20			6.64%	8,968		8,968
Overflow Modification	09/01/26	07/31/27	50	-					-	10	20	20			6.64%	8,968		8,968
Pile Foundation Design	10/01/21	12/31/21	40	-	8	8	16	8	-							6,776		6,776
Generator Fdn and Shade	11/01/26	07/31/27	144	-	8	40	56	40	-						7.24%	24,734		24,734
Construction Phase			**219**		**89**	**45**	**25**	**-**		**15**	**25**	**20**	**500**			**46,614**	**290**	**46,904**
25 additional RFIs	10/29/27	03/15/29	50	-	20	20			-	5	5				12.60%	10,866		10,866
45 additional Shop Drawings	10/29/27	03/15/29	113	-	13	25	25		-	10	20	20			12.60%	21,435		21,435
40 const progress meeting	10/29/27	03/15/29	40	-	40				-						12.60%	10,224		10,224
2 site visit	10/29/27	03/15/29	16	-	16				-				500		12.60%	4,090	290	4,380
3000 Terminal Reservoir Seismic Vulnerability Retrofit			**347**		**81**	**61**	**65**	**40**		**23**	**41**	**36**	**-**			**62,635**	**-**	**62,635**
Update Building Code			**144**		**8**	**16**	**40**	**40**		**8**	**16**	**16**	**-**			**23,608**	**-**	**23,608**
Update Building Code 2025	05/01/25	08/31/25	124	-	8	16	40	40	-	4	8	8				20,244		20,244
Inlet/Outlet CIPP	05/01/25	08/31/25	20	-					-	4	8	8				3,364		3,364
Construction Phase			**203**		**73**	**45**	**25**	**-**		**15**	**25**	**20**	**-**			**39,027**	**-**	**39,027**
25 additional RFIs	10/27/25	11/30/26	50	-	20	20			-	5	5				3.34%	9,972		9,972
45 additional Shop Drawings	10/27/25	11/30/26	113	-	13	25	25		-	10	20	20			3.34%	19,672		19,672
40 const progress meeting	10/27/25	11/30/26	40	-	40				-						3.34%	9,383		9,383
4000 Bella Vista Reservoir Seismic Vulnerability Retrofit			**308**		**52**	**49**	**58**	**40**		**22**	**46**	**41**	**-**			**55,244**	**-**	**55,244**
Update Building Code			**210**		**12**	**24**	**48**	**40**		**14**	**36**	**36**	**-**			**35,143**	**-**	**35,143**
Update Building Code 2024	08/01/24	12/31/24	108	-	8	16	32	32	-	4	8	8				17,740		17,740
Update Building Code 2026	06/01/26	09/01/26	46	-	4	8	16	8	-	2	4	4			4.00%	7,852		7,852
Temp Water Storage Tank	06/01/26	09/01/26	56	-					-	8	24	24			4.00%	9,551		9,551
Construction Phase			**98**		**40**	**25**	**10**	**-**		**8**	**10**	**5**	**-**			**20,101**	**-**	**20,101**
20 additional RFIs	12/01/26	07/12/27	40	-	15	15			-	5	5				7.60%	8,307		8,307
15 additional Shop Drawings	12/01/26	07/12/27	38	-	5	10	10		-	3	5	5			7.60%	6,909		6,909
20 const progress meeting	12/01/26	07/12/27	20	-	20				-						7.60%	4,885		4,885
5000 Park Lane Reservoir Seismic Vulnerability Replacement			**407**		**89**	**69**	**73**	**48**		**27**	**49**	**52**	**-**			**74,101**	**-**	**74,101**
Update Building Code			**204**		**16**	**24**	**48**	**48**		**12**	**24**	**32**	**-**			**33,748**	**-**	**33,748**
Update Building Code 2025	05/01/25	08/31/25	108	-	8	16	32	32	-	4	8	8				17,740		17,740
Revise Reservoir Bottom Design	05/01/25	08/31/25	96	-	8	8	16	16	-	8	16	24				16,008		16,008
Construction Phase			**203**		**73**	**45**	**25**	**-**		**15**	**25**	**20**	**-**			**40,353**	**-**	**40,353**
25 additional RFIs	08/01/26	11/28/27	50	-	20	20			-	5	5				6.85%	10,311		10,311
45 additional Shop Drawings	08/01/26	11/28/27	113	-	13	25	25		-	10	20	20			6.85%	20,340		20,340
40 const progress meeting	08/01/26	11/28/27	40	-	40				-						6.85%	9,702		9,702
Totals	**10/01/21**	**03/15/29**	**1,689**		**335**	**288**	**333**	**216**		**111**	**209**	**197**	**500**		**4.94%**	**309,630**	**290**	**309,920**

Price Summary / Totals

	309,920
	0
Total Price	**309,920**

Pricing by Resource

	Labor	Mat'ls & Equip	Task Pricing Totals
Totals	**309,630**	**290**	**309,920**

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-E**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **ADOPTION OF MODIFIED JOB DESCRIPTION FOR THE ENGINEERING MANAGER POSITION**

RECOMMENDATION:

That the Board of Directors adopt the updated Engineering Manager job description to reflect the position's current responsibilities in advance of recruitment.

DISCUSSION:

In keeping with the District's practice of periodically reviewing job descriptions, staff are proposing an updated Engineering Manager job description for adoption. The Board of Directors last updated and adopted the Engineering Manager job description in 2011.

The Engineering Manager's core duties remain unchanged. This proposed update consolidates the 2011 description's lengthy duty lists into clearer, grouped functions and modernizes the language to reflect current practice. The position continues to supervise the Treatment and Distribution Superintendents and approximately three engineering staff, including the Water Conservation Specialist. The update also documents responsibilities the position already performs but that the 2011 description did not expressly state, including oversight of operations staff, asset management, and support to the Operations and Customer Relations Committee. Minimum qualifications have also been updated to reflect current recruitment standards.

FISCAL IMPACT:

The duties in the updated job description are consistent with those currently performed in the position. No change in classification or compensation is proposed.

ATTACHMENTS:

1. Proposed Engineering Manager Job Description (September 2026)

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ENGINEERING MANAGER

POSITION SUMMARY

Under the General Manager's direction, plans, directs, and manages the District's engineering and operations functions, including capital improvement planning and implementation, engineering design, construction management, development review, permitting, environmental and regulatory compliance, and water treatment and delivery operations.

Leads and supervises engineering and operations staff; manages consultants and contractors; administers departmental budgets; and coordinates with other District departments, regulatory agencies, developers, contractors, and the public.

As a member of the District's executive management team, provides technical and strategic support to the General Manager and Board of Directors and contributes to the District-wide planning, policy development, and organizational initiatives.

SUPERVISION RECEIVED AND EXERCISED

- **Supervision Received:** Under the direction of the General Manager, exercises independent judgment within District policies, regulations, and professional standards.
- **Supervision Exercised:** Directs and supervises treatment and distribution superintendents and approximately three (3) engineering staff; manages consultants and contractors.

ESSENTIAL FUNCTIONS

The duties listed represent the primary functions and requirements of the position and are not all-inclusive. The General Manager may assign, modify, or rescind duties consistent with the classification responsibilities.

- **Organizational Leadership:** Participate as a member of the District's executive management team and collaborate across departments on strategic planning, organizational initiatives, emergency response, policy development, and other District priorities.
- **Department & Staff Leadership:** Plan, organize, direct, and evaluate engineering and operations programs and services in alignment with District priorities. Select and supervise department staff and consultants. Assign work, allocate resources, set goals and performance expectations, and evaluate performance. Foster collaboration and strengthen team performance through coaching and professional development.
- **Capital Improvement Program & Infrastructure Planning:** Lead the planning, prioritization, budgeting, design, permitting, construction, and implementation of the District's capital improvement program and infrastructure master plans. Manage complex engineering and infrastructure projects from planning through implementation, establish and assess scope, schedule, budget, risk, and delivery strategy. Resolve technical, contractual, and construction issues. Oversee construction activities, inspections, contractor coordination, field changes, and claims to ensure projects meet District requirements.

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- **Infrastructure Management:** Oversee asset management by tracking, maintaining, and optimizing District infrastructure. Develop and execute risk-based asset management plans to prioritize capital rehabilitation and prevent service disruptions. Monitor asset lifecycles, utilizing condition assessment data and hydraulic modeling. Ensure full regulatory compliance, manage critical spare parts inventory, and optimize operational efficiency to secure long-term system resiliency.
- **Engineering Review & Development Compliance:** Direct, review, and approve engineering studies, plans, specifications, cost estimates, technical reports, and District standards. Ensure compliance with applicable codes, regulations, District standards, and sound engineering practice. Oversee engineering review, permitting, connection requirements, fees, and inspection of private development projects affecting District facilities or services.
- **Consultant and Contract Management:** Develop scopes of work and requests for proposals; participate in consultant and contractor selection; negotiate and administer professional services and construction contracts; and monitor performance, schedule, budget, and contract compliance.
- **Environmental and Regulatory Compliance:** Oversee environmental planning, permitting, and compliance associated with District projects and engineering programs. Monitor regulatory requirements and coordinate with local, State, and Federal agencies as necessary.
- **Budget and Resource Management:** Develop and administer the Engineering Department budget, including staffing, consultant services, capital expenditures, and other departmental resources. Monitor expenditures and recommend adjustments as necessary.
- **Executive and Board/Committee Support:** Prepare and present staff reports, technical analyses, recommendations, project updates, and other information to the General Manager, Board of Directors, committees, and other decision-making bodies. Lead the Operations and Customer Relations Committee by overseeing agenda preparation, material development and presentations, and complying with statutory public notice requirements.
- **External Coordination:** Represent the District professionally in meetings and negotiations with regulatory and governmental entities, consultants, contractors, developers, community organizations, and the public. Address complex or sensitive engineering and project-related matters within assigned authority.
- **Continuous Improvement:** Evaluate engineering programs, processes, technologies, and service delivery methods. Recommend and implement improvements and internal controls to increase efficiency, effectiveness, reliability, and organizational performance.
- **Work Schedule:** Adhere to prescribed work and attendance schedules to execute job responsibilities.

KNOWLEDGE, SKILLS, AND ABILITIES

The following represent the primary knowledge, skills, and abilities required for this role.

- **Technical & Regulatory Knowledge:** Command of professional civil engineering principles and practices as applied to the planning, design, construction, rehabilitation, and management of water utility infrastructure. Strong working knowledge of applicable Federal, State, and local laws,

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codes, permitting requirements, environmental requirements, and professional engineering standards.

- **Program & Project Delivery Skill:** Ability to plan, prioritize, budget, and deliver complex capital improvement programs and infrastructure projects from planning through construction and completion; to develop and maintain infrastructure master plans, asset management programs, and long-term capital plans; and to identify and implement improvements to engineering practices, processes, technology, and service delivery.
- **Contract & Consultant Management Skill:** Knowledge of principles of contract negotiation and administration. Ability to manage engineering consultants and construction contractors, including procurement, contract negotiation and administration, schedule and budget oversight, change management, and performance evaluation.
- **Leadership & Development:** Ability to lead and manage engineering and operations departments. Work collaboratively as a member of the District's management team to provide leadership during emergencies and other significant District events. Motivation to train staff and delegate authority and responsibility as needed.
- **Financial & Resource Management:** Ability to develop and administer departmental and project budgets and make effective, District-focused decisions on staffing, consulting services, capital expenditures, and other resources.
- **Analytical Judgment & Decision-Making:** Ability to analyze complex engineering, operational, financial, regulatory, and organizational issues. Evaluate alternative procedures and develop practical, well-supported recommendations. Exercise sound professional judgment and independent decision-making consistent with District policies, regulations, codes, and professional standards.
- **Communication & Representation:** Ability to communicate clearly and effectively, both orally and in writing, complex technical and policy matters through staff reports, presentations, correspondence, and meetings. Represent the District professionally with the Board of Directors, District staff, regulatory agencies, developers, contractors, community organizations, and the public, including on complex or sensitive matters.
- **Organizational Effectiveness:** Ability to manage multiple projects and competing priorities effectively while meeting critical schedules, budgets, and organizational objectives.

PHYSICAL AND ENVIRONMENTAL REQUIREMENTS

- **Work Environment:** This position requires work in both office and field settings.
    - Office assignments are performed in a climate-controlled standard office setting that requires movement between work areas and involves moderate noise levels, with no direct exposure to hazardous substances.
    - Field assignments involve traveling to District facilities, customer properties, active project sites, and inspecting construction and infrastructure in uneven or steep terrain. Field activities may involve exposure to construction sites, traffic, inclement weather, noise, chemicals, confined spaces, and mechanical or electrical hazards. Appropriate safety procedures and personal protective equipment are required.

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- **Physical Demands:**
  - Office assignments require mobility and dexterity to operate standard office equipment; vision to read screens, instruments, and printed materials; hearing and speech to communicate in person, in meetings, and by telephone or radio.
  - Field assignments require the ability to operate a motor vehicle; operate mobile radios, meter-reading devices, and hand tools; walk over uneven terrain; bend, stoop, kneel, reach, and climb as needed for inspections and troubleshooting; and lift or carry objects typically weighing 10–20 pounds and up to 50 pounds.

EDUCATION AND EXPERIENCE

The minimum experience required for the Engineering Manager position includes:

- **Bachelor's Degree**: A bachelor's degree from an accredited college or university in civil engineering or a closely related field.
- **Total Experience:** 5 to 7 years of increasingly responsible professional civil engineering experience, preferably involving water utility infrastructure, capital improvement projects, and construction.
- **Supervisory Experience**: 2 to 3 years in a supervisory or managerial role overseeing professional or technical staff and consultants and managing complex capital projects.

LICENSES AND CERTIFICATIONS

The following licenses and certifications are required at hiring and must be maintained throughout employment, unless otherwise noted.

- **Professional Engineer (P.E.)**: A valid Certificate of Registration as a Professional Civil Engineer or closely related field issued by the California State Board for Professional Engineers, Land Surveyors, and Geologists.
- **Water System Operator Certifications**: Grade II Water Distribution and Treatment Operator Certificates. Required within two years of hire.
- **Current Driver's License:** Possession of, or ability to obtain by the time of appointment, a valid and current California Driver's License.

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-F**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **ADOPTION OF MODIFIED JOB DESCRIPTION FOR THE BUSINESS MANAGER POSITION**

RECOMMENDATION:

That the Board of Directors adopt the updated Chief Financial Officer job description, replacing the March 2011 Business Manager job description, to reflect the position's current responsibilities in advance of recruitment.

DISCUSSION:

In keeping with the District's practice of periodically reviewing job descriptions, staff are presenting an updated Chief Financial Officer job description for adoption.

The March 2011 Business Manager job description has not been updated since its adoption. The proposed title of Chief Financial Officer better reflects the position's financial leadership role and supports the District's recruitment efforts.

The core financial duties are unchanged. The position remains the District's principal budget officer and continues to direct accounting, treasury and investments, the annual audit, financial contracts, customer service, and billing. It continues to supervise approximately four finance and customer service staff and to serve as Assistant Secretary to the Board. The update consolidates the 2011 description's lengthy duty lists into clearer, grouped functions. It also documents responsibilities the position already performs but that the 2011 description did not expressly state, including serving as District Auditor, rate-setting, and leading the Finance Committee.

The update also removes Human Resources and Information Technology duties, which have not been part of this position's practical responsibilities for some time. Removing them aligns the job description with the District's current organization and clarifies position expectations.

Minimum qualifications have also been updated to reflect current recruitment standards, including increased experience requirements and a CPA license or master's degree as a desired qualification.

FISCAL IMPACT:

The duties in the updated job description are consistent with those currently performed in the position. No change in classification or compensation is proposed.

ATTACHMENTS:

1. Proposed Chief Financial Officer Job Description (September 2026)

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FLSA STATUS: Exempt
ADOPTED: September 2026

CHIEF FINANCIAL OFFICER

POSITION SUMMARY

Under the General Manager's direction, plans, directs, and manages the District's financial and administrative operations, including budgeting, auditing, accounting, treasury, and customer service and billing functions.

Leads and supervises finance and customer service staff; manages financial consultants; administers the District budget and customer billing operations; and coordinates with other District departments, regulatory agencies, and the public.

As a member of the District's executive management team, provides financial and administrative analysis, advice, and support to the General Manager and Board of Directors, and contributes to the District's strategic plan, policy development, and organizational initiatives.

SUPERVISION RECEIVED AND EXERCISED

- **Supervision Received:** Under the direction of the General Manager, exercises independent judgment within District policies, regulations, and professional standards.
- **Supervision Exercised:** Provides direction and supervision to approximately four (4) assigned staff; and manages financial consultants.

ESSENTIAL FUNCTIONS

The duties listed represent the primary functions and requirements of the position and are not all-inclusive. The General Manager may assign, modify, or rescind duties consistent with the classification responsibilities.

- **Organizational Leadership:** Participate as a member of the District's executive management team and collaborate across departments on strategic financial and administrative planning, organizational initiatives, policy development, and other District priorities. Advise the General Manager and Board of Directors on financial planning matters within the scope of assigned responsibilities.
- **Department & Staff Leadership:** Plan, organize, direct, and evaluate finance and administrative operations, services, staffing, and priorities in alignment with District priorities. Select and supervise department staff and consultants. Assign work, allocate resources, set goals and performance expectations, and evaluate performance. Foster collaboration and strengthen team performance through coaching and professional development.
- **Budget & Financial Reporting:** Direct and oversee all financial operations of the District, including accounting, multi-year rate-setting, capital improvement budgeting, treasury management, and regulatory financial reporting to ensure long-term fiscal sustainability. Serve as the District's principal budget officer, directing development, administration, and monitoring of the annual budget, including forecasting of revenue and expenditures, staffing, supplies, and equipment. Direct the District's general accounting function, including the general ledger, cash

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receipts, fixed assets, and account analysis. Examine accounting transactions and approve journal entries. Ensure accurate and timely month-end and fiscal year-end financial records.

- **Audit & Internal Controls:** Serve as the District Auditor, overseeing internal controls, ensuring compliance with statutory financial regulations, and serving as the primary liaison for the annual independent external audit. Monitor changes in applicable law, regulations, and accounting standards affecting District finances. Implement policy and procedural changes as needed.
- **Treasury Management:** Manage the District's treasury and fiscal control functions, including investment of District funds in accordance with the District's investment policy and applicable law. Monitor and analyze bank balances and cash flow to optimize investment of District funds. Negotiate and review financial agreements, contracts, leases, loans, and bond documents for accuracy and completeness.
- **Consultant & Contract Management:** Oversee requests for proposals and the bid process for financial and professional services; evaluate proposals, consult with legal counsel, and negotiate and administer related contracts and agreements.
- **Board and Committee Support:** Prepare and present financial and administrative analysis, updates, and recommendations to the General Manager, Board of Directors, committees, and other decision-making bodies. Serve as the primary lead for the Finance Committee by overseeing agenda preparation, material development and supporting documents, and complying with statutory public notice requirements. Serve as Assistant Secretary to the Board of Directors, acting as Secretary in the General Manager's absence.
- **External Coordination:** Represent the District professionally in meetings and negotiations with regulatory and governmental entities, consultants, and the public. Explain and interpret complex or sensitive financial policies and activities within assigned authority.
- **Customer Service & Billing Operations:** Manage and supervise District customer service and billing functions, including billing and revenue collection, payment processing, and related customer account activities. Ensure timely, accurate billing and account resolution. Resolve complex or sensitive customer issues when escalation is appropriate, ensuring concerns are handled professionally and consistently.
- **Continuous Improvement:** Conduct financial and operational studies and investigations. Evaluate customer service and billing procedures. Recommend and implement improvements and internal controls to increase efficiency, accuracy, reliability, service quality, and organizational performance.
- **Work Schedule:** Adhere to prescribed work and attendance schedules to execute job responsibilities.

KNOWLEDGE, SKILLS, AND ABILITIES

The following represent the primary knowledge, skills, and abilities required for this role.

- **Financial & Regulatory Knowledge:** Command of principles and practices of public agency finance, including governmental accounting, auditing, budgeting, and financial reporting. Strong working knowledge of applicable Federal, State, and local laws, regulations, and reporting requirements governing special district finance and operations. Ability to interpret, apply, and ensure compliance with these requirements.

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- **Treasury Management Skill:** Knowledge of principles and practices of public agency investment, debt issuance, and treasury management. Ability to prepare, analyze, and administer complex budgets and financial reports.
- **Contract & Consultant Management Skill:** Knowledge of principles of contract negotiation and administration. Ability to oversee procurement, negotiate and administer contracts with financial consultants and service providers, and monitor performance and compliance.
- **Leadership & Development:** Ability to lead and manage a multidisciplinary department. Work collaboratively as a member of the District's management team. Motivation to train staff and delegate authority and responsibility as needed.
- **Analytical Judgment & Decision-Making:** Ability to analyze complex financial, regulatory, and administrative issues. Evaluate alternative procedures and develop practical, well-supported recommendations. Exercise sound professional judgment and independent decision-making consistent with District policies, regulations, codes, and professional standards.
- **Communication & Representation:** Knowledge of effective business communication. Ability to communicate clearly and effectively, both orally and in writing, complex financial and policy matters through staff reports, presentations, correspondence, and meetings. Represent the District professionally with the Board of Directors, District staff, regulatory agencies, customers and the public, including on complex or sensitive matters.
- **Organizational Effectiveness:** Knowledge of modern office practices and technology used in financial management and reporting. Ability to manage multiple projects and competing priorities effectively while meeting critical schedules, budgets, and organizational objectives.

PHYSICAL AND ENVIRONMENTAL REQUIREMENTS

- **Work Environment:** This position is primarily a sedentary role in a climate-controlled standard office setting that requires movement between work areas and involves moderate noise levels, with no direct exposure to hazardous substances. The ability to operate a motor vehicle and travel to various District and meeting sites is preferred.
- **Physical Demands:** Must possess mobility to operate standard office equipment; dexterity to access, enter, and retrieve data using a computer keyboard or calculator; vision to read computer screens and printed materials; and hearing and speech to communicate in person, in meetings, and by telephone. The position occasionally requires bending, stooping, kneeling, reaching, pushing, and pulling to retrieve and file information, and lifting, carrying, pushing, and pulling materials and objects up to 25 pounds.

EDUCATION AND EXPERIENCE

The minimum experience required for the Chief Financial Officer position includes the following:

- **Bachelor's Degree:** A bachelor's degree from an accredited college or university with major coursework in accounting, finance, business administration, public administration, or a closely related field.
- **Total Experience:** 5 to 7 years of progressively responsible experience managing accounting and financial operations, preferably in a public agency setting.

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- **Supervisory Experience:** 2 to 3 years of progressively responsible supervisory or managerial experience is desirable.
- **Public Agency Finance:** Financial leadership and experience within a public agency, in particular a public water or utility agency, is highly desirable

LICENSES AND CERTIFICATIONS

The following licenses and certifications are required at hiring and must be maintained throughout employment, unless otherwise noted.

- **Certified Public Accountant (CPA)**: A CPA license or a master's degree in a related field is desired.
- **Current Driver's License**: A valid and current driver's license is desired.

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-H**

DATE: **SEPTEMBER 29, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **PUBLIC INFORMATION OFFICER**

SUBJECT: **CUSTOMER RELATIONS AND PUBLIC INFORMATION UPDATE**

RECOMMENDATION:

Information only.

DISCUSSION:

Communications are consistent with the District's 2022 5-Year Strategic Plan and regional and State initiatives including "Water Conservation is a California Way of Life". District outreach methods include e-News, bill inserts, bill messages, press releases, website updates, articles, social media posts, advertisements, presentations to community organizations, and participation in events. Daily customer contact is an essential District role conducted by an informed and responsive customer service team and staff. Current highlights include:

Budget in Brief - The budget document adopted for the fiscal year provides an essential detailed overview of the District's finances, including services provided and costs of operations. To promote better communication, we created a concise summary that will now be part of the annual process. Users of the budget document and the community at large, such as District customers, staff, Directors, partners, and interested parties, will now benefit from an attractive report that offers a high-level overview while focusing on the most necessary information from the larger budget document. This first Budget-in-Brief is intended to be succinct, attractive, and easy to distribute. A primary goal was to make it easier to comprehend the information presented and not require the substantial time involved to read and understand the entire budget document. (Attachment 1)

Collaborative Outreach with Montecito Fire Department – Montecito Fire Department and Montecito Water District have more than a century-long tradition of working side by side, since the Water District's formation in 1921, soon after Montecito Fire was established in 1917. Strong collaboration creates a more unified, efficient system for protection against fire risks. Most recently Public Information Officers from both entities joined forces to share news about the new firefighter staffing sites to be located on Water District property. The story was widely covered on local media including Montecito Journal, Noozhawk, Santa Barbara News Press, KSBY television and more. (Attachment 2)

Communications Regarding Potential Future Sale of a Portion of District State Water Contract Interests – The District strives to ensure public awareness and encourage public

involvement in important actions taken by the elected Board. Related to Agenda Item 5A, prior to the September 29, 2026 meeting, efforts to inform the public about the potential transaction include an advertisement announcing the meeting and agenda item placed in the Montecito Journal, distribution of a press release to local media outlets, and inclusion of content in the enews distributed to our entire subscriber list. In addition to serving as an invitation to the meeting, these communications conveyed information on the following topics:

- Water reliability improvements made in the past decade
- Data, Reports, and Actions supporting rationale for divesting
- Understanding potential benefits associated with a possible future partial sale

UPCOMING EVENTS:

November 7, 2026, Montecito Beautification Day. Montecito Water District to table/provide water at Upper Village.

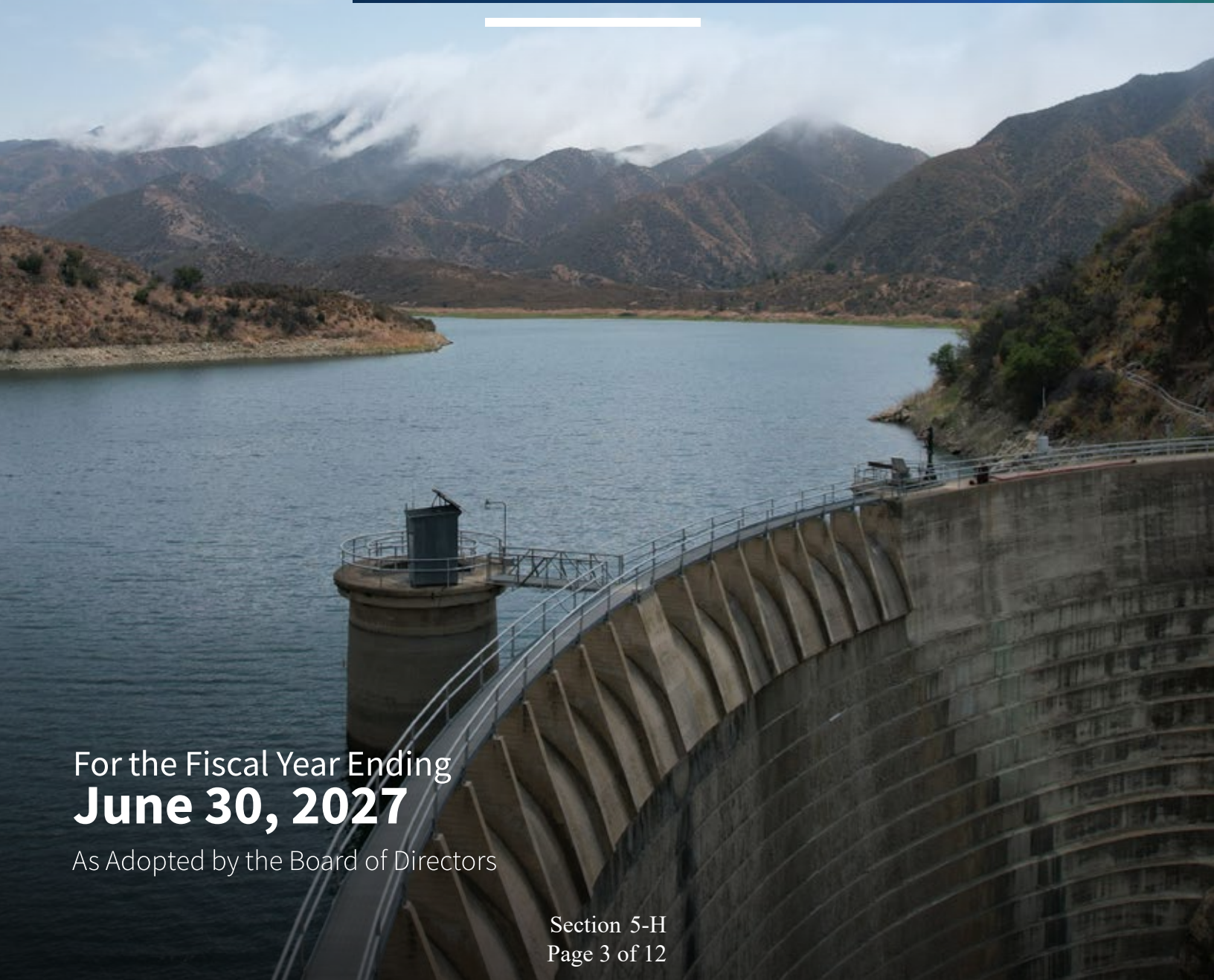
ATTACHMENTS:

1. Budget in Brief
2. Montecito Fire & Montecito Water Collaboration (Water Column)
3. Press Release: District Considers Future Sale of Partial State Water Contract Interests

BUDGET IN BRIEF

MONTECITO WATER DISTRICT

A Reliable Supply Since 1921



For the Fiscal Year Ending

June 30, 2027

As Adopted by the Board of Directors

DISTRICT AT-A-GLANCE FY 2027

As stewards of the public's money, the District is committed to transparency and accountability. The annual budget process ensures that every dollar received from water rates, property taxes, investment returns, and federal or state grants is used to support the District's mission. All revenue is directed towards ensuring delivery of high-quality drinking water, improving service reliability, strengthening infrastructure, and building long-term resilience for the communities we serve. All operating expenses are carefully accounted for using government approved accounting practices. The year-end results are audited by internal and independent accountants.

TOTAL OPERATING BUDGET

$27.1 M

TOTAL CAPITAL BUDGET

$22.3 M

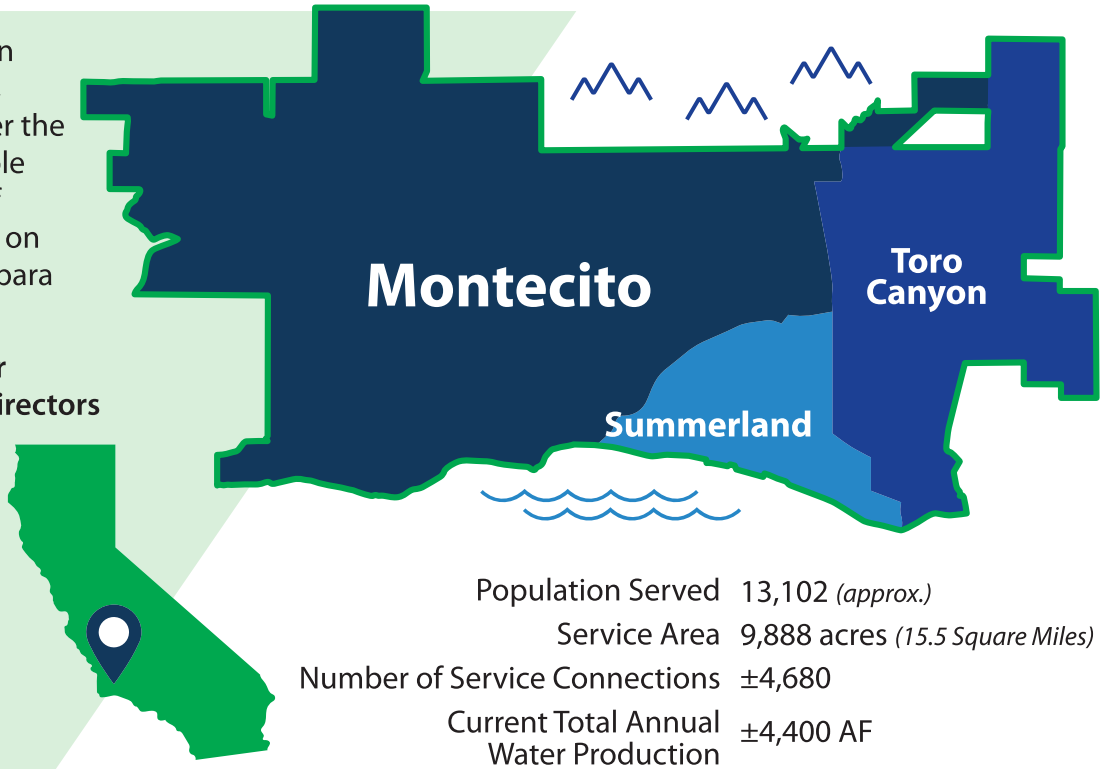
Montecito Water District is an independent special district, organized and existing under the water code, providing potable water to the communities of Montecito and Summerland on the south coast of Santa Barbara County, California.

Governed by a five member publicly elected Board of Directors

Brian Goebel, *President*
Cori Hayman, *Vice President*
Kenneth Coates, *Director*
Tobe Plough, *Director*
Floyd Wicks, *Director*

General Manager and Board Secretary:

Nick Turner, P.E.



Population Served	13,102 *(approx.)*
Service Area	9,888 acres *(15.5 Square Miles)*
Number of Service Connections	±4,680
Current Total Annual Water Production	±4,400 AF

THIS BUDGET ALIGNS WITH THE DISTRICT'S STRATEGIC PLAN AND PRIORITIES

Water Supply Reliability
Bolster through additional diversification

Infrastructure Dependability
Enhance through replacement/rehabilitation

Operational Excellence
Improve through planning and investment

Water Policy
Represent the community's unique needs

WATER SUPPLY SUMMARY FY 2027

SOURCES

Diversity of water supplies is a tremendous asset for our community, important for providing resilience and preventing water shortages. Historically water supplies were rainfall dependent and limited in times of drought. As the District prepares for the future, it is increasing its portfolio of local, reliable supplies.

Groundwater Wells
LOCAL SOURCE, SINCE 1921

Montecito Groundwater Basin, managed under the Sustainable Groundwater Management Act.

Jameson Lake & Doulton Tunnel
LOCAL SOURCE, SINCE 1930

District-owned reservoir and conveyance tunnel.

Cachuma Project *(Lake Cachuma)*
LOCAL SOURCE, SINCE 1958

Federal Bureau of Reclamation entitlement, delivered via the South Coast Conduit.

State Water Project
IMPORTED SOURCE, SINCE 1997

California's Department of Water Resources runs this user-financed water storage and delivery system throughout the State.

Stored Water
NON-LOCAL SUPPLY, SINCE 2017

The District saves surplus wet-year water in Semitropic's Groundwater Storage Bank for later use.

Ocean Desalination
LOCAL SOURCE, SINCE 2022

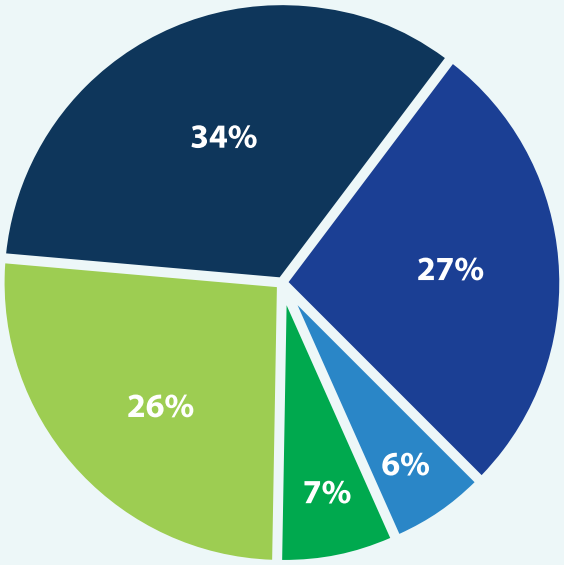
50-Year Partnership in the City of Santa Barbara's Charles E. Meyer Desalination plant.

Conservation
LOCAL SOURCE

Not dependent on rainfall. The less water used, the less water needed. Efficient use reduces costs.

PLANNED USE

Having a variety of water sources makes it easier to adapt to changing scenarios. Flexibility is key in facing potential water challenges with certainty.

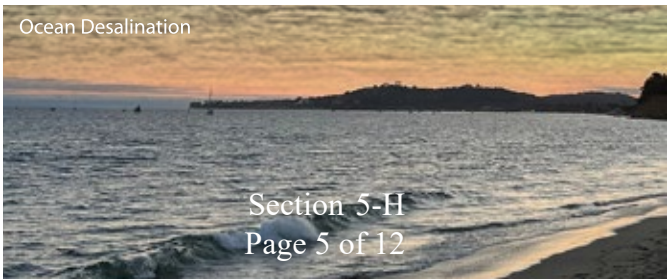


- Ocean Desalination
- Groundwater Wells
- Jameson Lake
- Doulton Tunnel
- Cachuma Project

Conservation - Water efficiency

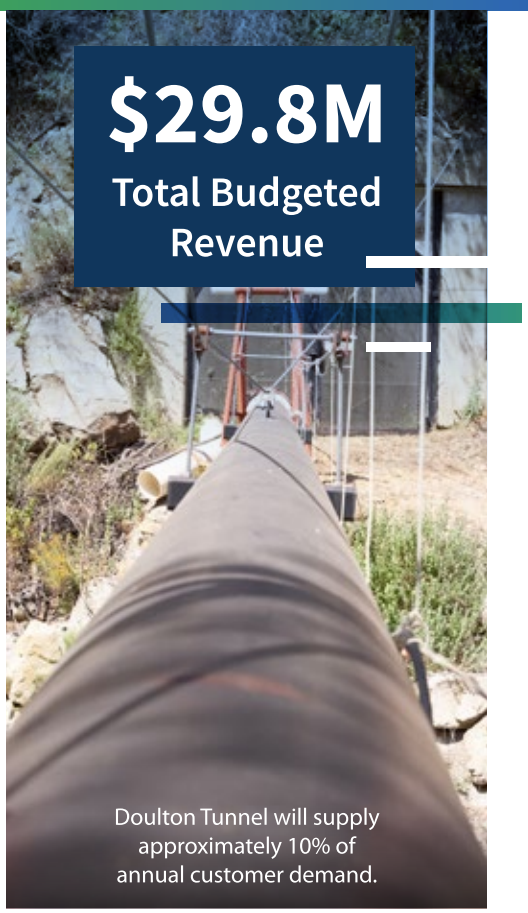
Doulton Tunnel

Groundwater from the Montecito Groundwater Basin

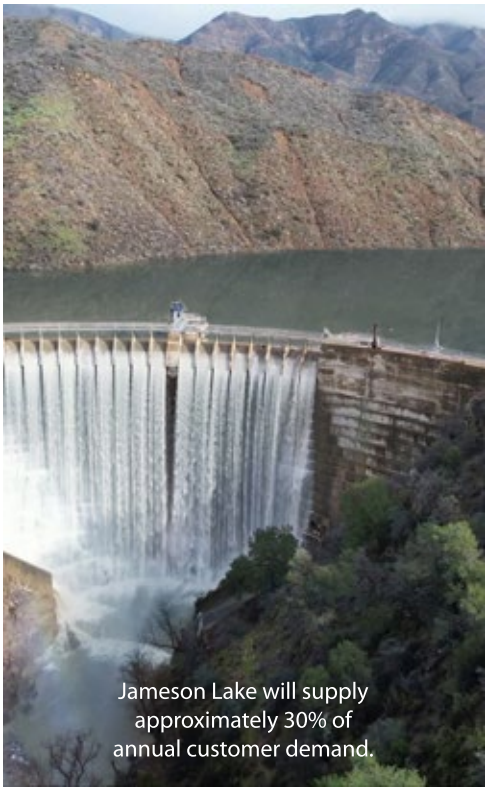

Ocean Desalination

Cachuma Lake

OPERATING BUDGET FY 2027
REVENUES



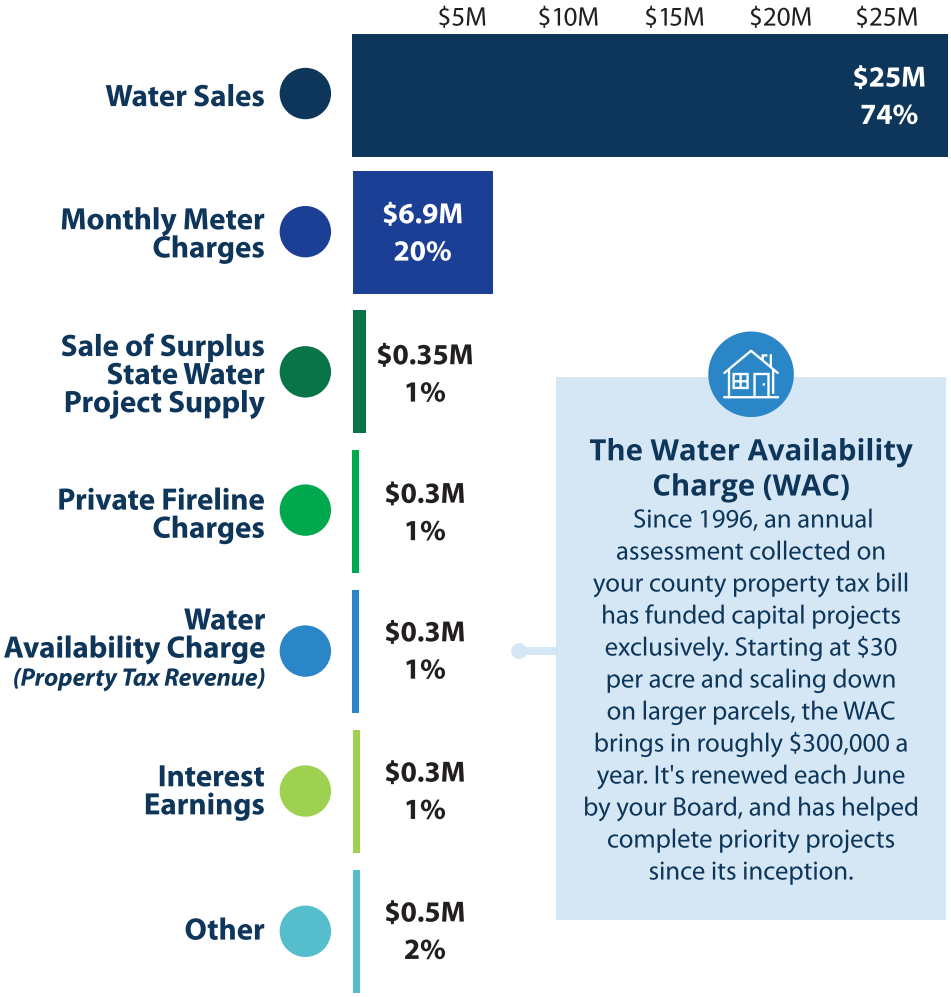
Doulton Tunnel will supply approximately 10% of annual customer demand.



Jameson Lake will supply approximately 30% of annual customer demand.

HOW IS THE DISTRICT'S BUDGET FUNDED?

Montecito Water District receives most of its funding through water sales, monthly meter charges, and a small amount of property tax revenue. The District's revenue is made up of both variable and fixed components, although most of the District's expenses come from fixed costs. Sources of funds for FY 2027 include:



The Water Availability Charge (WAC)

Since 1996, an annual assessment collected on your county property tax bill has funded capital projects exclusively. Starting at $30 per acre and scaling down on larger parcels, the WAC brings in roughly $300,000 a year. It's renewed each June by your Board, and has helped complete priority projects since its inception.

GRANTS & SPECIAL FUNDING OPPORTUNITIES

The District secures funding when it is available for eligible projects. Currently the District's Capital Improvement Program is receiving most of its funding from federal financing in the form of grants and loans (FEMA & ASADRA), not revenues. This reduces the financial burden on our customers while providing for needed infrastructure replacements and improvements.

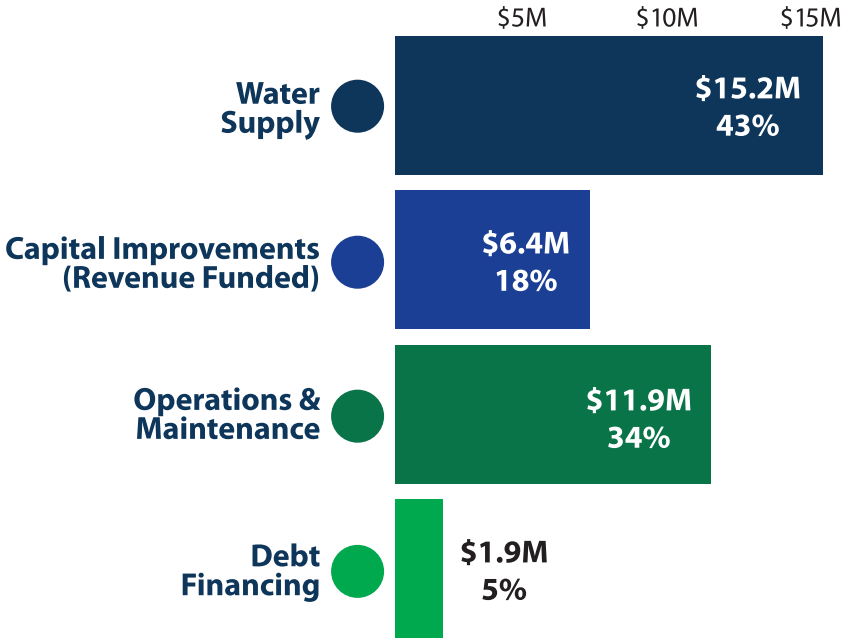
OPERATING BUDGET FY 2027
EXPENDITURES

$27.1M
Total Budgeted Expenditures

Reservoir seismic retrofit and replacement projects are scheduled and in progress.

WHAT DOES THE DISTRICT'S BUDGET SUPPORT?

Montecito Water District delivers high quality water all day, every day. While customer use may vary, most of the District's costs are constant. These include water purchases, water treatment, maintenance of the water delivery system, labor and benefits, and debt service.



Replacement of more than a mile of aging water mains is planned for FY 2027.

KEEPING WATER ON TAP 24/7 - 365

Behind every reliable tap is extensive infrastructure requiring constant care. Essential facilities keep water at the ready for the community's wants and needs, including health, safety and fire protection.

- **2 Surface Water Treatment Plants**
- **9 Storage Reservoirs**
- **114 (approximate) Miles of Pipeline**
- **964 Fire Hydrants**
- **7 Pumping Stations**
- **12 Groundwater Wells**
- **1 Surface Water Reservoir, Dam and Groundwater Conveyance Tunnel**

CAPITAL PROGRAM FY 2027
IMPROVEMENTS

INVESTING IN RELIABILITY

Much of the infrastructure that stores, pumps and conveys water to customers was constructed in the 1920's, just after the District was formed. As facilities age and are nearing the end of their useful service life, they require significant upgrades or replacement to ensure a continuous and reliable supply of water.

- Each year, the budget includes projects from the proactive 10-Year Capital Improvement Program, prioritized according to the 2024 Asset Management Plan.
- In some years, capital projects are needed due to unforeseen events like natural disasters.
- Certain vital long-term capital projects are undertaken only when significant funding opportunities come along.

At the moment the District's robust project schedule includes all of the above.

Terminal Reservoir

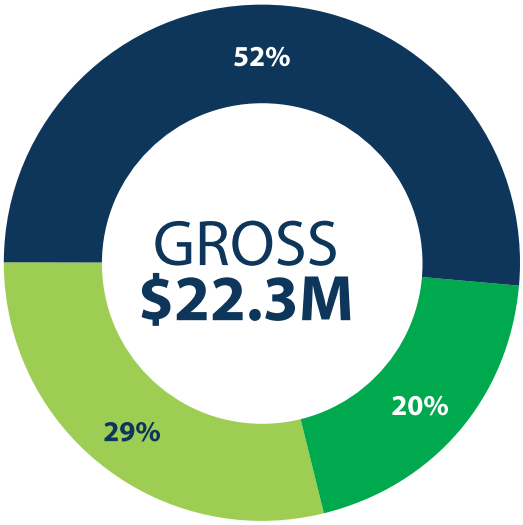
Bella Vista Treatment Plant

FUNDING FOR INFRASTRUCTURE

The $22.3 million capital program is funded mostly through grants and loans. Only 29% comes from rates.

Reservoir Replacements/Retrofits
The District secured a singular zero-interest loan with 30% principal forgiveness (ASADRA) to improve resilience in drinking water storage facilities.

- **Reservoirs (ASADRA) $11.56M**
- **Disaster Rebuilds (FEMA) $4.38M**
- **Rate Revenue $6.38M**



TOP 10 PROJECTS IN YOUR NEIGHBORHOOD THIS YEAR

RESERVOIRS	Park Lane Reservoir Seismic Retrofit	$4.7M
	Terminal Reservoir Seismic Retrofit	$3.6M
	Bella Vista Reservoir Seismic Retrofit	$3.2M
PIPELINES	Water Main Replacement (East Valley Rd, Lambert Rd, Ladera Ln)	$3.8M
	US 101 Crossings at Danielson & Miramar	$0.5M
	Fire Hydrant Replacement Project	$0.2M
DISASTER REBUILD	Alder Creek Flume Reconstruction	$3.1M
	Highline Repair Project	$1.3M
EQUIPMENT	Bella Vista Treatment Plant Calcification Management System	$0.9M
	Ortega Pump Station Backup Generator Replacement	$0.2M

BUDGET IN BRIEF FY 2027

WHAT FINANCIAL STRENGTH LOOKS LIKE

Independent Audits Prepared Annually
Audit findings, financial statements, and the complete adopted budget are all available on the District website.

Reserves to Provide for the Unexpected
Operating, capital, and emergency reserves are maintained per Board policy. During unplanned disruptions—caused by scenarios such as extreme weather or natural disasters—reserves keep operations moving.

Rate-setting by Public Process (Proposition 218)
Guided by industry best practices, the financial plan is updated yearly and rate studies are conducted every three to five years. An independent rate study ensures that the District collects only the revenue needed to cover costs.

Disciplined Debt Management
Outstanding debt — the 2020A Refunding Bonds and Cater Ozone Project Loan — is conservatively managed. The District's debt service coverage of 1.44x exceeds the 1.25x bond covenant minimum.

Bond Rating
AA-Standard & Poor's
Sound fiscal management and a dependable water supply portfolio drive the District's excellent bond ratings.

AN AWARD-WINNING DISTRICT AT YOUR SERVICE

Distinguished Budget Presentation Award
Presented by the Government Finance Officers Association annually since FY 2022.

District Transparency Certificate of Excellence Recipient
Awarded by the Special District Leadership Foundation consecutively since 2019.

Small Utility Award
Presented by the American Water Works Association, California-Nevada Section, in recognition of positive accomplishments.

SUMMARY

The District's fiscal year runs from July 1st through June 30th. The annual budget provides the Board and stakeholders with an overview of available and anticipated resources and planned spending.

Highlights for FY 2027 include:

- Ample water supply, provides for community needs and wet-year surplus that is stored for dry-year security and sold to offset expenses.
- An ambitious lineup of Capital Improvement Projects.

It all adds up to reliable, affordable water for a more resilient community.

OPERATING BUDGET:

$29.8M
Total Budgeted Revenue

$27.1M
Total Budgeted Expenditures

CAPITAL IMPROVEMENT PROGRAM:

$22.3M
Total Budgeted

$6.4M
Revenue Funded

$15.9M
Grants & Loan Funded

OUR MISSION

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

FOR CUSTOMERS

Your water efficiency toolkit

Rebates
montecitowater.com/rebates

Water Budgets
montecitowater.com/waterbudgets

Demonstration Garden
montecitowater.com/garden

Smart Meters
montecitowater.com/smart

Conservation Visits
montecitowater.com/visit

WANT TO **CONNECT?**

Your elected Board of Directors meets monthly. Meetings are open to the public, agendas are posted in advance, and audited financial reports, the complete adopted budget, board policies, and rate information are all available on our website.

montecitowater.com
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Santa Barbara, CA 93108
805.969.2271
info@montecitowater.com

The Water Column

MFD Partners with MWD to Increase Firefighting Resources During High Fire Danger

by Laura Camp

Montecito has two new temporary firefighter housing sites for use during periods of elevated fire risk and other significant weather events thanks to a strong partnership between the Montecito Fire Department and Montecito Water District. Strategically located on the east and west ends of Montecito Fire's service area, these sites will provide enhanced public safety and significantly improve emergency response capabilities.

Building on recent collaboration, Fire Chief **Brian Fallon** approached Montecito Water District to propose tactical housing for firefighting crews on Water District properties when conditions are prime for extreme fire behavior. The east end location is the Water District's East Valley Pump Station property, located near the intersection of Sheffield Drive and East Valley Road. The west end location is at the Water District's Terminal Reservoir, located near the intersection of East Mountain Drive and Cold Spring Road.

"By proactively positioning firefighters at these two locations on the far ends of our district, we can greatly reduce the time it takes to arrive on scene of a vegetation fire in remote wildland areas where our fire risk is the highest," Montecito Fire Chief Brian Fallon said. "We are exceedingly grateful to the Montecito Water District for coordinating with us on this project. It's just one example of the great partnership we have with MWD and our willingness to work together for the community's benefit."

Following the Palisades and Eaton fires in Los Angeles in January 2025, Montecito Water District and Montecito Fire Department teamed up to identify priority projects for community protection. As a result, four new fire hydrants were added at sites with vital water facilities. Ongoing conversations about how to better protect our community led to the further development of these temporary firefighter housing locations at the East Valley Pump Station and Terminal Reservoir.

"We are pleased to collaborate on these important initiatives to increase protection for residents," said Montecito Water District General Manager **Nick Turner**. "This will also improve fire resilience at these water facilities that benefit the entire community. Reducing risks to help ensure water availability during times of need is a top priority."

As a symbol of appreciation, Montecito Fire Chief Brian Fallon presented Montecito Water District's Board of Directors with a firefighter's bell. (From left: Montecito Fire Chief Brian Fallon, Montecito Water District Board President Brian Goebel, Montecito Fire Division Chief Anthony Hudley)

Montecito Fire Department increased firefighter staffing due to severe fire weather and storm events 17 times in 2024 and 17 times in 2025, most often from November through February. This September, travel trailers equipped with water and power will be placed at the East Valley Pump Station and Terminal Reservoir, so they are ready to quickly house firefighters when critical fire weather conditions or storm events are predicted.

Depending on weather conditions and resource availability, one or both locations will be staffed with either two- or four-person firefighting crews. Firefighters will staff a Type 6 engine with 250 gallons of water or a Type 3 brush engine with 500 gallons of water. The newly added fire hydrants at these facilities will facilitate on-site replenishment if needed.

Montecito Fire Department and Montecito Water District have more than a century-long tradition of working side by side, the Water District's formation in 1921 following on the heels of Montecito Fire's establishment in 1917. Strong collaboration creates a more unified, efficient system of protection from fire risks.

Laura Camp is the Public Information Officer for the Montecito Water District

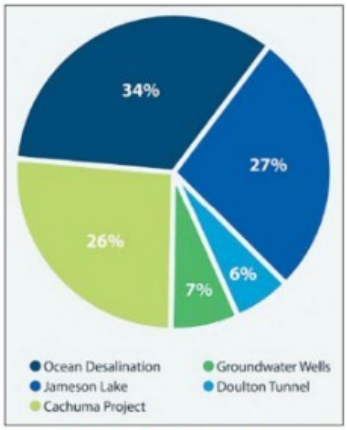
The Water Column

MWD Considers Sale of Partial State Water Contract Interests

by Laura Camp

At their monthly meeting on Tuesday, September 29, 2026, Montecito Water District's Board of Directors will consider entering into a non-binding Letter of Intent concerning the future sale of a portion of the District's State Water contract interests. The potential purchase by Solstra Communities California LLC (Solstra) would be for the planned Solomon Hills development of up to 4,000 homes in northern Santa Barbara County. If the Board approves the Letter of Intent on Tuesday, next steps would include preparing a purchase agreement, which is anticipated to take approximately six months. Even with an agreement in place, the sale would not be finalized until the development receives all final approvals, which could take several years.

If successful, the transaction will divest the Montecito Water District (MWD) of approximately 40% of its interest in California's State Water Project. As a participant in State Water since 1997, the MWD pays annually for an allocation of water and use of the conveyance infrastructure, irrespective of availability. Over the past decade, the costs of State Water have increased while reliability has decreased. This partial sale would provide the MWD with an upfront payment for the portion permanently transferred and would substantially reduce its future operational and capital infrastructure costs related to State Water. The MWD will retain more than half of its original State Water Project entitlement, and there are no projected impacts to the reliability of its water supplies.



Montecito Water District Projected Water Use by Source, Fiscal Year: July 1, 2026 to June 30, 2027 (courtesy photo)

"We have been building this plan for years," said **Floyd Wicks**, who is serving his tenth year on the board. "Because of our team's collaboration with Santa Barbara, we now have a far more reliable water supply from the Pacific Ocean. As a result, we are able to divest a portion of our State Water Project assets to other communities that don't have access to the ocean. Our board and staff planned very strategically and the MWD has led the way to a more drought-proof water supply for our Montecito and Summerland customers."

The proposed sale terms involve a permanent transfer of 1,400 acre-feet of State Water Contract interests inclusive of proportional conveyance and treatment. The MWD would retain interests including 1,900 acre-feet of its annual allocation, and the capacity to convey, store, and transfer water, while gaining financial resources for high-priority initiatives such as strengthening local water supply reliability and addressing aging infrastructure. Although 1,400 acre-feet is the contracted amount for the sale, the actual volume of water the MWD foregoes could be far less given State projections for future allocations.

The MWD has not used State Water to meet customer demands since 2019. Numerous actions taken during the past decade to increase local, reliable supplies have strengthened and diversified the MWD's water portfolio and reduced dependence on the increasingly variable State Water deliveries. Through its partnership in ocean desalination with the City of Santa Barbara, the District receives approximately 1,400 acre-feet of water annually to meet customer demand. Unlike State Water, delivery of this local water is unrelated to rainfall, not subject to annual allocations, and is 100% consistent. The possibility of eventually transferring District State Water Project assets was discussed regularly when adopting the 50-Year desalination agreement.

In addition to participating in desalination since 2022, the MWD has stored more than 5,802 acre-feet of surplus State Water through its participation in a groundwater banking program since 2017. During rainy years surplus State Water Project deliveries are conveyed to a groundwater bank and saved until needed. Current storage would guarantee four years' worth of 1,400 acre-feet deliveries in the event of future drought conditions.

In early 2025, the MWD completed a periodic update of its Future Demand and Water Supply Option analysis, prepared by hydrogeologic consultant Dr. **Steven Bachman**. The study highlights the reduced need for importing State Water, even under severe drought conditions. Bachman examined various water supply strategies to further shore up long-term water supply reliability including the transfer or sale of approximately 40% of the District's State Water Contract interests, comprising 1,400 acre-feet of its 3,300 acre-feet contract allocation. The study indicates that any potential future water shortages would be minimal and could be met with additional use of local sources and/or a minor reduction in customer water use.

In addition to sound supply management, an essential component of a secure long-term water supply outlook is proactive study and management of customer demand. District-wide annual use has remained consistently reduced by about 45% since 2015. Supporting this important achievement is the MWD's 2022 Water Efficiency Plan that details customer-facing initiatives to promote and support efficient water use behaviors. Projects implemented to date include Water Budgets, Rebates, and WaterSmart – a customer portal that provides access to the numerous benefits of smart meters such as real-time usage data and customizable leak notifications.

Interested members of the public are encouraged to attend the upcoming meeting in-person or virtually. Schedules, agendas, and more information can be found on the web site: www.montecitowater.com.

Laura Camp is the Public Information Officer for the Montecito Water District

Montecito Tide Guide

Day	Low	Hgt	High	Hgt	Low	Hgt	High	Hgt	Low	Hgt
Thurs, Sept 24	2:56 AM	0.2	9:11 AM	4.7	02:51 PM	1.5	08:52 PM	5.4		
Fri, Sept 25	3:19 AM	0.4	9:32 AM	5.0	03:28 PM	1.1	09:31 PM	5.3		
Sat, Sept 26	3:43 AM	0.6	9:55 AM	5.4	04:07 PM	0.7	10:13 PM	5.0		
Sun, Sept 27	4:08 AM	1.0	10:20 AM	5.7	04:49 PM	0.4	10:58 PM	4.7		
Mon, Sept 28	4:33 AM	1.4	10:50 AM	6.0	05:36 PM	0.2	11:49 PM	4.2		
Tues, Sept 29	5:00 AM	1.8	11:23 AM	6.1	06:29 PM	0.1				
Wed, Sept 30			12:50 AM	3.7	5:29 AM	2.3	12:03 PM	6.0	07:32 PM	0.2
Thurs, Oct 1			2:13 AM	3.3	6:01 AM	2.7	12:52 PM	5.9	08:51 PM	0.3
Fri, Oct 2			4:19 AM	3.3	6:47 AM	3.1	02:00 PM	5.6	10:20 PM	0.2

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MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **5-I**

DATE: **SEPTEMBER 22, 2026**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **GENERAL MANAGER REPORT**

RECOMMENDATION:

Informational.

DISCUSSION:

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

Aquifer Storage and Recovery (ASR) Projects.

Montecito Basin ASR

The *Montecito Aquifer Storage and Recovery Feasibility (ASR) Study,* prepared by GSI Water Solutions, was completed in May 2025. The study involved an analysis to identify fatal flaws relating to the suitability of existing wells, water quality, permitting, storage capacity and injection rates, and high-level cost estimates. The Study identified potential injection wells, and the associated estimated injection rates, construction costs, engineering design, and specific water quality and permitting considerations for a potential ASR program. The report found injection in the Montecito Basin is feasible at four existing District potable wells.

Development of a Montecito ASR program requires an application for a pilot injection well permit from the Regional Water Quality Control Board (RWQCB). The pilot injection well would be at the District's Paden 2 well, as it was identified as having the highest potential injection rates. At the Board's meeting in June 2026, it authorized a contract with Pueblo Water Resources (Pueblo) for Hydrogeologic Services in connection with the Paden 2 ASR Pilot Project.

District staff and Pueblo held a project kickoff meeting in July 2026 to discuss the project scope and timeline. The project involves 2 Phases: Phase 1 is to analytically refine the estimated injection capacity of the Paden 2 well determined in GSI's ASR Study, develop a Work Plan for implementation of the ASR pilot test program, and obtain Regional Quality Control Board (RWQCB) permit authorization for the ASR pilot test. Phase 2, depending on the findings of Phase 1, would consist of preparing plans, specifications, and bidding for temporary well and site improvements needed to perform the ASR pilot test; implementing the ASR pilot test program at

the well; and analyzing and reporting on the ASR pilot test results. Currently, Pueblo is under contract only for Phase 1.

To date, Pueblo has completed a review and analysis of data required to refine the estimated injection capacity of the Paden 2 well. In September, Pueblo provided District staff with a draft technical memorandum addressing the ASR Capacity Analysis (Analysis) for the Paden 2 well. The Analysis is currently being reviewed by District staff. The Analysis details site-specific information at Paden 2, including well construction and operational data, as well as site-specific hydrogeology. These items are used to refine the well's injection capacity, which is directly related to static groundwater levels.

Next steps include completing the review of the draft Capacity Analysis and discussing it with the Strategic Planning Committee in Fall 2026. Following completion of the Analysis, District staff will coordinate with Pueblo to develop a work plan for the pilot ASR implementation, including permitting, and report back to the Strategic Planning Committee for further discussion.

Carpinteria Basin ASR

District staff is conducting periodic meetings with the Carpinteria Valley Water District (CVWD) management to discuss the development of a groundwater storage program in the Carpinteria Basin. The next meeting is scheduled for October 6, 2026. Currently, CVWD is advancing (in the permitting stage) the retrofit of an existing groundwater production well (Smiley) to be ASR-capable. The District initiated a budgeted analysis with Wood Rogers in September 2026 to determine the feasibility of physically conveying water back from the Carpinteria Basin to the District's service area. The analysis will identify up to three (3) methods for conveyance and the associated infrastructure requirements, capital costs, risks, permitting, etc. The analysis will involve Carpinteria Valley Water District and the Cachuma Operations and Maintenance Board. Staff intend to provide updates to the Strategic Planning Committee and Board when appropriate.

The District strategically utilizes groundwater as a critical drought supply that is managed conjunctively with its other water sources. During wet periods, the District rests its wells to allow the groundwater basin to naturally recharge and replenish. Conversely, during dry periods, groundwater production increases, meeting as much as 15% of the District's total customer demand. To further enhance this, developing and implementing an ASR project in the Montecito Groundwater Basin and/or as part of a Carpinteria groundwater storage program will complement natural recharge, boosting the long-term reliability and sustainability of the groundwater basin as a dependable drought supply. Additionally, it will capture supply for future use that might otherwise be lost to spill or evaporation.

Update on ASADRA Reservoir Seismic Retrofit and Replacement Project Reimbursements

The ASADRA Reservoir Seismic Retrofit and Replacement Project will seismically retrofit, repair, and/or replace eight of the District's existing water storage reservoirs, with funding provided by the Environmental Protection Agency (EPA) through its Additional Supplemental

Appropriations for Disaster Relief Act (ASADRA). Terminal and Park Lane Reservoirs are the first two reservoirs to be retrofitted. Construction began on the Terminal Reservoir in December 2025 and began on Park Lane Reservoir in July 2026. Monthly reimbursement requests are expeditiously compiled, reviewed by the finance department, and submitted to the state along with quarterly progress reports. As of the date of this report, the District has spent approximately $5.3M on the ASADRA project and has been reimbursed for approximately $2.7M. The District expects to receive approximately $2M in reimbursements in the coming days. The average reimbursement turnaround time has been 75 days from request to receiving payment. Staff are actively working with the office of Assemblymember Greg Hartt to expedite the ASADRA reimbursements.

Update on Approvals and Reimbursements for FEMA-Eligible Projects

The District has six ongoing disaster recovery projects related to the 2018 Thomas Fire and Debris Flow, and the January 2023 winter storms. Through the Public Assistance grant program, these projects are 75% reimbursable by the Federal Emergency Management Agency (FEMA) and 18.75% reimbursable by the California Governor's Office of Emergency Services (CalOES). A summary of expenses and reimbursements is shown in the table below. The District is anticipating approximately $1M in FEMA reimbursements in the next 3-6 months. Staff are actively working with the offices of Congressman Salud Carbajal and Assemblymember Greg Hartt to expedite these reimbursements.

Table 1 – Summary of Outstanding FEMA Projects and Reimbursements

Project Name	Estimated Project Cost	Total Spent to Date	FEMA + CALOES + MWD + Cash Adv. Received	% Reimbursed of Actual Billed	Payments due to MWD	Anticipated Reimbursement Date
OPEN PROJECTS						
Alder Creek Flume	$ 3,240,000	$ 1,129,841	$ 778,016	69%	$ 351,825	Sep-26
Bella Vista Highline Repairs	$ 1,200,000	$ 325,672	$ 3,171,783	100%	$ -	
COMPLETED PENDING FEMA CLOSE OUT						
Juncal Pipeline	$ 5,461,844	$ 5,461,844	$ 4,807,575	88%	$ 654,269	Sep-26
ADMINISTRATIVE PROJECTS						
2018 Aministrative Costs	$ 287,978		$ 95,993	0%	$ -	2028
2023 Administrative Costs	$ 276,044		$ -	0%	$ -	2028
Total Open Projects	**$ 10,626,413**	**$ 7,077,905**	**$ 9,013,915**		**$ 1,006,094**	