



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

**TUESDAY, SEPTEMBER 25, 2018
2:00 P.M.**

AGENDA

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

2. PUBLIC FORUM

This portion of the agenda may be utilized by any member of the public to address and ask questions of the Board of Directors on any matter not on the agenda within the jurisdiction of the Montecito Water District. 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.

3. CONSENT CALENDAR

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

- A. Minutes of August 28, 2018
- B. Payment of Bills for August 2018
- C. Investment of District Funds for August 2018

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Approval to obtain financing for Smart Metering Program through Holeman Capital Corporation

- B. BOARD ACTION: Smart Metering Program – Determination of Categorical Exemption from California Environmental Quality Act (CEQA)
- C. BOARD ACTION: Algaecide and Herbicide Application at Jameson Lake for Maintenance Purposes - Determination of Categorical Exemption from California Environmental Quality Act (CEQA)
- D. INFORMATION ONLY: Water Works Operations Report for August 2018
- E. BOARD ACTION: Adoption of Resolution No. 2170 amending the District's Conflict of Interest Code
- F. INFORMATION ONLY: Progress update on implementation of permanent pipeline repairs and FEMA reimbursement
- G. INFORMATION ONLY: General Manager's Report (Oral)

5. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Unaudited District Monthly Financial Reporting for August 2018
- B. BOARD ACTION: Deficit Charges from USBR
- C. BOARD ACTION: Additional Charges from CCWA (DWR)

6. DIRECTOR AND COMMITTEE REPORTS

- A. PRESIDENTS REPORT: Director Morgan
- B. CENTRAL COAST WATER AUTHORITY: Director Shaikewitz
- C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION: Director Shaikewitz
- D. CACHUMA OPERATION AND MAINTENANCE BOARD: Director Morgan
- E. CACHUMA CONSERVATION RELEASE BOARD: Director Morgan
- F. OPERATIONS COMMITTEE: Directors Frye & Wicks
- G. FINANCE COMMITTEE: Directors Morgan & Plough
- H. APPEALS COMMITTEE: Directors Frye & Plough
- I. STRATEGIC PLANNING: Directors Shaikewitz & Wicks

7. LEGAL MATTERS

- A. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation, 1 case
- B. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, SOUTHERN CALIFORNIA FIRE CASES, JCCP No. 4695
- C. Recent and Pending Legal Matters Review – Oral Report

8. DIRECTOR REQUESTS

Requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, October 23, 2018 or any future meeting.

9. ADJOURNMENT

Note: This agenda was posted at the Montecito Water District front counter and outside display case at 5:00 p.m. on September 21, 2018. 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.

Supporting documents for agenda items are available at the District front counter during normal business hours.

Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Montecito Water District offices located at 583 San Ysidro Road, Montecito, during normal business hours.



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

**TUESDAY, AUGUST 28, 2018
2:00 P.M.**

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

President Morgan called the meeting to order at 2:00 p.m.

Directors Present:

Directors, Samuel Frye, W. Douglas Morgan, Tobe Plough, Richard Shaikewitz, and Floyd Wicks

Directors Absent:

None

Staff Present:

Nick Turner, General Manager
Daryl Smith, Business Manager
Robert M. Cohen, General Counsel

Laura Camp, P. I. Coordinator
Lois Werner, Recording Secretary

Guests Present:

Bob Hazard, Montecito Journal
Vicki Hazard, District customer
Ken Coates, District customer
Donna Payne, District customer

Kenneth Dorwin, attorney for Ms Payne
Donna Senauer, District customer
Cori Hayman, District customer
Brian Goebel, District customer

2. PUBLIC FORUM

Mr. Dorwin notified the Board of a lawsuit filed by Ms Payne against the US Bureau of Reclamation concerning an easement near the Ortega Reservoir.

3. CONSENT CALENDAR

Following discussion it was moved by Director Frye, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, and Wicks voting in favor, Director Shaikewitz abstaining, to approve item A as presented. It was moved by Director Frye, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor to approve items B and C.

- A. Minutes of July 24, 2018
- B. Payment of Bills for July 2018
- C. Investment of District Funds for July 2018

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Memorandum of Understanding with the City of Santa Barbara for coordination related to the formation of a Groundwater Sustainability Agency for the Montecito Groundwater Basin;

Mr. Turner presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Frye, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the Memorandum of Understanding with the City of Santa Barbara for coordination related to the formation of a Groundwater Sustainability Agency for the Montecito Groundwater Basin.

- B. BOARD ACTION: Authorize Staff to enter into a contract with Water Quality & Treatment Solutions Inc. (WQTS) for the preparation of an Aquatic Pesticide Application Plan (APAP) as part of an application to the State Water Resources Control Board to apply aquatic algaecides and herbicides to Jameson Lake under NPDES Permit 2013-002-DWQ;

Mr. Turner and Mr. Kanold presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Shaikewitz, seconded by Director Frye and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the General Manager to enter into a contract with Water Quality & Treatment Solutions Inc. for the preparation of an Aquatic Pesticide Application Plan as part of an application to the State Water Resources Control Board to apply aquatic algaecides and herbicides to Jameson Lake under NPDES Permit 2013-002-DWQ for a not-to-exceed amount of \$26,550.

C. BOARD ACTION: Approval of a Proposed Smart Metering Program - Advanced Metering Infrastructure (AMI)

Mr. Kanold and Mr. Smith presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Shaikewitz, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize staff to proceed with the implementation of the Smart Meter Program and installation of advanced metering infrastructure proposed in the staff memorandum, subject to review of the financing options by the Finance Committee.

D. BOARD ACTION: Proposed Senate Bill 845

Mr. Turner and Director Wicks presented this item for discussion. Following discussion it was moved by Director Wicks, seconded by Director Shaikewitz and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the submittal of a letter to MWD's State Representatives opposing SB 845.

E. INFORMATION ONLY: Water Works Operations Report for July 2018;

Mr. Turner presented this report and responded to questions.

F. INFORMATION ONLY: Progress update on implementation of permanent pipeline repairs and FEMA reimbursement;

Mr. Kanold presented a progress report on FEMA reimbursable pipeline repairs.

G. INFORMATION ONLY: JPIA Risk Assessments

Mr. Turner presented this item requested by Director Shaikewitz. Who noted that the District had received a refund due to low workers' comp claims.

H. INFORMATION ONLY: General Manager's Report (Oral);

Ms Camp reported on the rollout of the new bill format and new acceptance of credit cards. Mr. Turner reported on other District projects and activities not on the agenda.

5. DISTRICT BUSINESS REPORT

A. INFORMATION ONLY: Monthly Financial Reporting for July 2018;

Mr. Smith presented this report and responded to questions from Directors and members of the public.

6. DIRECTOR AND COMMITTEE REPORTS

A. PRESIDENTS REPORT:

Director Morgan reported on a discussion he and the GM had with the ACWA regional rep, which inspired the article in the last issue of the ACWA News.

B. CENTRAL COAST WATER AUTHORITY:

Director Shaikewitz reported on the activities of CCWA.

C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION:

Director Shaikewitz reported on the activities of the SBC-SDA.

D. CACHUMA OPERATION AND MAINTENANCE BOARD:

Director Morgan reported on the activities of COMB. COMB will have a tour of the oak tree mitigation project at Cachuma in October.

E. CACHUMA CONSERVATION RELEASE BOARD:

Director Morgan reported on the activities of CCRB.

F. OPERATIONS COMMITTEE:

Directors Frye & Wicks reported that the activities of the Operations Committee had been covered elsewhere on the agenda.

G. FINANCE COMMITTEE:

Directors Morgan & Plough reported on the activities of the Finance Committee.

H. APPEALS COMMITTEE:

The committee had not met.

I. STRATEGIC PLANNING:

The committee had not met.

7. LEGAL MATTERS

A. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation, 1 case.

B. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, SOUTHERN CALIFORNIA FIRE CASES, JCCP No. 4695.

The Board adjourned to closed session on the above matters at 4:27 p.m.

The Board reconvened to open session at 5:02 p.m.

Report out of closed session:

Regarding item 7-A: it was moved by Director Plough, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, and Wicks voting in favor, and Director Shaikewitz abstaining, to sign the COMB/ID#1 Separation Agreement. All COMB member agencies have voted to sign the agreement, and the agreement will be made available at the COMB offices pursuant to the requirements of the Government Code.

Regarding item 7-B: the Board received a report from District Counsel; no action was taken.

C. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen had no legal matters to discuss with the Board in open session.

8. DIRECTOR REQUESTS

There were no requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, September 25, 2018 or any future meeting.

9. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:23 p.m.

Approved:

W. Douglas Morgan, President

Attest:

Nick Turner, Secretary

**MONTECITO WATER DISTRICT
PAYMENT OF BILLS
TOTAL DISBURSEMENTS SUMMARY
FOR THE MONTH OF AUGUST 2018**

SECTION: 3-B

AP CHECK REGISTER **\$ 1,354,725.29**

NET PAYROLL DIRECT DEPOSITS ¹

8/6/2018	Pay Period #16	66,259.43
8/20/2018	Pay Period #17	62,608.68
8/31/2018	Pay Period #18	62,789.81

Payroll Direct Deposits **\$ 191,657.92**

EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS ²

Subtotal External Wire Transfers **\$0.00**

TOTAL DISBURSEMENTS **\$1,546,383.21**

INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS ³

8/27/2018	FROM AM RIV CHECK TO AM RIV MM	1,376,234.87
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NET INTERNAL WIRE TRANSFERS **\$ 1,376,234.87**

¹ The Net Payroll Direct Deposits are the payroll amounts that are deposited into employee bank accounts through an ACH. Payments for employee benefits and payroll taxes, 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 1, 2018 through AUGUST 31, 2018**

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
64850	8/22/2018	ACWA-JPIA	42,502.62		MED/DEN/VSN INSUR PREM SEP2018
		ACWA-JPIA Total	42,502.62		
64781	8/06/2018	ALEX WYNDHAM	687.50	J	JAMESON LKE RESIDNCE DRFT/MEET
		ALEX WYNDHAM Total	687.50		
64782	8/06/2018	ALEXANDER'S	6,140.88		MTR READING SRVC - JUL 2018
64921	8/30/2018	ALEXANDER'S	6,149.54		MTR READING SRVC - AUG 2018
		ALEXANDER'S Total	12,290.42		
64852	8/22/2018	ALL AROUND LANDSCAPE	2.91		BVTP SUPPS
64852	8/22/2018	ALL AROUND LANDSCAPE	115.89		BVTP SUPPS
		ALL AROUND LANDSCAPE Total	118.80		
0	8/31/2018	AM RIVIERA BANK	22.87		BANK CHARGES / DEP SLIPS
		AM RIVIERA BANK Total	22.87		
64853	8/22/2018	ANTHEM BLUE CROSS	898.65		RET MED BENEFIT - J DIAZ 3MOS
64854	8/22/2018	ANTHEM BLUE CROSS	915.51		RET BENEFIT-LIEBERKNECHT 3MOS
64855	8/22/2018	ANTHEM BLUE CROSS	234.81		MED RET BENEFIT- A DIAZ SEP18
		ANTHEM BLUE CROSS Total	2,048.97		
64849	8/22/2018	A-OK POWER EQUIPMENT	32.29		SAW REPAIRS - SHOP
		A-OK POWER EQUIPMENT Total	32.29		
64783	8/06/2018	AQUA-FLO SUPPLY	1,082.13		JAMESN LKE WTR SUPPLY PIPING
		AQUA-FLO SUPPLY Total	1,082.13		
64910	8/24/2018	ASR CONSTRUCTION	464.47		REF OF HYDRANT MTR DEP
		ASR CONSTRUCTION Total	464.47		
64922	8/30/2018	AT&T MOBILITY	1,076.63		MOBILE SRVC 07/12-08/11/18
		AT&T MOBILITY Total	1,076.63		
0	8/02/2018	BENEFLEX INC	122.00		FSA/ADMIN FEES AUG 2018
0	8/30/2018	BENEFLEX INC	122.00		FSA ADMIN FEES AUG 2018
0	8/06/2018	BENEFLEX INC	873.45		PP #16 FSA CONTRIBUTIONS
0	8/20/2018	BENEFLEX INC	873.45		PP #17 FSA CONTRIBUTIONS
0	8/31/2018	BENEFLEX INC	873.45		PP #18 FSA CONTRIBUTIONS
		BENEFLEX INC Total	2,864.35		
64923	8/30/2018	BILL ALCALA	120.00		FLEET WASHING 8/06
64923	8/30/2018	BILL ALCALA	80.00		FLEET WASHING 8/20
		BILL ALCALA Total	200.00		
64856	8/22/2018	BOONE PRINTING	1,383.94		DIRECTPAY PSTCRD MAILING
		BOONE PRINTING Total	1,383.94		
64847	8/10/2018	BRANCH OUT TREE	3,600.00	J	809 PARK LANE TREE WK/FIRE DMG
		BRANCH OUT TREE Total	3,600.00		
64857	8/22/2018	BRENNTAG PACIFIC INC	4,060.83		ORTEGA RES CHEM SUPPS
		BRENNTAG PACIFIC INC Total	4,060.83		
64858	8/22/2018	BRIAN BERMUDES	150.00		8/09 SVC CALL - NO A/C REAR
		BRIAN BERMUDES Total	150.00		
64785	8/06/2018	BUENA TOOL COMPANY	69.76		SHOP SUPPS
		BUENA TOOL COMPANY Total	69.76		
64786	8/06/2018	CACHUMA O&M BOARD	127,338.00		FY 2018-19 1ST QTR BUDG ASSESS
		CACHUMA O&M BOARD Total	127,338.00		
0	8/06/2018	CAL PERS	13,648.64		PP #16 PENSION CONTRIBUTION
0	8/20/2018	CAL PERS	13,115.63		PP #17 PENSION CONTRIBUTION
0	8/31/2018	CAL PERS	13,127.13		PP #18 PENSION CONTRIBUTION
		CAL PERS Total	39,891.40		

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
64787	8/06/2018	CAL PORTLAND CONST	547.77		DEP REF HYDRANT MTR-ASHLEY ROAD
		CAL PORTLAND CONST Total	547.77		
64859	8/22/2018	CALIF HIGHWAY PATROL	10.00		COLLISION RPT - SHEFFIELD 8/17
		CALIF HIGHWAY PATROL Total	10.00		
64924	8/30/2018	CALIFORNIA ELECTRIC	169.69		BVTP SUPPS
		CALIFORNIA ELECTRIC Total	169.69		
0	8/28/2018	CALPERS	700.00		GASB68 RPTING SRVC FEE
		CALPERS Total	700.00		
64788	8/06/2018	CANNON CORPORATION	12,784.85	F	HIGHLINE DESIGN/REPAIRS/PLANS
64860	8/22/2018	CANNON CORPORATION	78,898.02	F	HIGHLINE TRANS MAIN RPRS
		CANNON CORPORATION Total	91,682.87		
64861	8/22/2018	CANON FINANCIAL SERV	321.60		OFC CANON LEASE AUG 2018
		CANON FINANCIAL SERV Total	321.60		
64789	8/06/2018	CARP VALLEY WATER DIST	(208.67)		CREDIT FOR ORTEGA COSTS 0118
64789	8/06/2018	CARP VALLEY WATER DIST	(167.52)		CREDIT FOR ORTEGA COSTS 0218
64789	8/06/2018	CARP VALLEY WATER DIST	508,872.85		CATER QTRLY TRMT COSTS 18Q4
64789	8/06/2018	CARP VALLEY WATER DIST	3,202.75		ORTEGA RESERV COSTS 0318
64789	8/06/2018	CARP VALLEY WATER DIST	70.04		ORTEGA RESERV COSTS 0418
64789	8/06/2018	CARP VALLEY WATER DIST	1,812.09		ORTEGA RESERV COSTS 0518
64789	8/06/2018	CARP VALLEY WATER DIST	37.14		ORTEGA RESERV COSTS 0618
64789	8/06/2018	CARP VALLEY WATER DIST	1,844.22		ORTEGA RES COSTS 1217
		CARP VALLEY WATER DIST Total	515,462.90		
64791	8/06/2018	CARQUEST AUTO PARTS	46.72		LAKE GENERATOR REPAIRS
64791	8/06/2018	CARQUEST AUTO PARTS	83.93		TRK #142 REPAIRS
64862	8/22/2018	CARQUEST AUTO PARTS	17.07		TRK #144 REPAIRS
64862	8/22/2018	CARQUEST AUTO PARTS	349.08		TRK #144 REPAIRS
64862	8/22/2018	CARQUEST AUTO PARTS	13.39		ANTIFREEZE BVTP
64862	8/22/2018	CARQUEST AUTO PARTS	102.19		TRK #156 REPAIRS
		CARQUEST AUTO PARTS Total	612.38		
0	8/06/2018	CITISTREET - CALPERS 457	2,975.84		PP #16 457 CONTRIBUTION
0	8/20/2018	CITISTREET - CALPERS 457	2,975.84		PP #17 457 CONTRIBUTION
0	8/31/2018	CITISTREET - CALPERS 457	2,975.84		PP #18 457 CONTRIBUTION
		CITISTREET - CALPERS 457 Total	8,927.52		
64925	8/30/2018	CITY OF SANTA BARBARA	572.18		CVR TRSFFIC CNTRL/EXCAVATION
		CITY OF SANTA BARBARA Total	572.18		
0	8/7/2018	CLARKE CHECKS	54.96		WELLS DEPOSIT SLIPS
		CLARKE CHECKS Total	54.96		
64926	8/30/2018	CLEAN ENERGY CAPITAL	20,525.00		DESAL NEGOTIATIONS
		CLEAN ENERGY CAPITAL Total	20,525.00		
64792	8/06/2018	COASTLINE EQUIPMENT	26.28		BACKHOE #172 REPAIRS
64863	8/22/2018	COASTLINE EQUIPMENT	17.38		REPAIRS TO WACKER
		COASTLINE EQUIPMENT Total	43.66		
64864	8/22/2018	COHEN & BURGE LLP	1,536.00		NESBITT LEGAL
64864	8/22/2018	COHEN & BURGE LLP	20,304.00		MUDSLIDE/SCE/COMB/WTR RATES
		COHEN & BURGE LLP Total	21,840.00		
64793	8/06/2018	COLONIAL LIFE	627.62		INSUR PREM RE: 07/09 & 07/23
64927	8/30/2018	COLONIAL LIFE	627.62		INSUR PREM RE: 8/06 & 8/20
		COLONIAL LIFE Total	1,255.24		
64794	8/06/2018	COMPUVISION	695.00		DATTO CLOUD BACKUP - AUG2018
64794	8/06/2018	COMPUVISION	1,277.86		BAL DUE 4 ENG WORKSTATION
64794	8/06/2018	COMPUVISION	1,035.69		2YR SONICWALL SECURITY BNDLE
64865	8/22/2018	COMPUVISION	2,022.70		CONF ROOM/NEW DATA CBLS/WEBSTE
64865	8/22/2018	COMPUVISION	695.00		DATTO CLOUD BACK UP SEP 2018
		COMPUVISION Total	5,726.25		

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
64780	8/03/2018	COUNTY OF SB	296.00		ENCROACHMENT PERMIT - ASHLEY RD
64795	8/06/2018	COUNTY OF SB	8,370.00		REG WTR EFF PROG FY 2018/19
		COUNTY OF SB Total	8,666.00		
64866	8/22/2018	COX COMMUNICATIONS	723.18		ADMIN PHONE/INTERNET AUG2018
64866	8/22/2018	COX COMMUNICATIONS	646.99		BVTP PHONE/INTERNET AUG18
		COX COMMUNICATIONS Total	1,370.17		
64867	8/22/2018	CUMMINS PACIFIC	517.45		BVTP SUPPS
		CUMMINS PACIFIC Total	517.45		
64796	8/06/2018	DATAPROSE LLC	2,567.77		MAIL SRVC - JUL'18 STMTS/PSTG
64848	8/10/2018	DATAPROSE LLC	2,531.46		MAIL SRVC-MAY2018 STMT/POSTAGE
		DATAPROSE LLC Total	5,099.23		
64797	8/06/2018	DINO'S PAINT & BODY	642.44		TRK #140 REPAIRS
64868	8/22/2018	DINO'S PAINT & BODY	839.77		TRK #148 BODY REPAIRS
		DINO'S PAINT & BODY Total	1,482.21		
64798	8/06/2018	DUDEK	1,518.75	F	PROF SRVCS 5/26-6/29
64798	8/06/2018	DUDEK	637.50	F	EMERG PERMIT SRVCS 5/26-6/29
64869	8/22/2018	DUDEK	675.00		PROF SRVCS FOR 6/30 - 7/27
64869	8/22/2018	DUDEK	1,377.57	F	HIGHLINE PROJECTS 6/30 - 7/27
64869	8/22/2018	DUDEK	11,489.80		SGMA BASIN BOUND MOD TO 7/27
		DUDEK Total	15,698.62		
64799	8/06/2018	ECHO COMMUNICATIONS	168.65		AFTER HOURS CALL SRVC JUL 2018
		ECHO COMMUNICATIONS Total	168.65		
64928	8/30/2018	ELECTRIC PARTS CENTER	325.09		BVTP SUPPS
64928	8/30/2018	ELECTRIC PARTS CENTER	70.09		BVTP SUPPS
		ELECTRIC PARTS CENTER Total	395.18		
64800	8/06/2018	ELLISON SCHNEIDER	982.00		LEGAL SRVCS THRU 6/30/18
64929	8/30/2018	ELLISON SCHNEIDER	206.20		SWRCB PESTICIDE DISCHG PERMITS
		ELLISON SCHNEIDER Total	1,188.20		
0	8/31/2018	EPX	2,948.31		CREDIT CARD/ACH FEES AUG 2018
		EPX Total	2,948.31		
64870	8/22/2018	EUROFINS EATON ANALY	456.00		WTR QLTY SAMPLING-JAMESON 5/03
64870	8/22/2018	EUROFINS EATON ANALY	600.00		WTR QLTY SAMPLING-JAMESON 5/10
64870	8/22/2018	EUROFINS EATON ANALY	303.00		WTR QLTY SAMPLING-JAMESON 5/10
64870	8/22/2018	EUROFINS EATON ANALY	651.00		WTR QLTY SAMPLING-JAMESON 5/24
64870	8/22/2018	EUROFINS EATON ANALY	276.00		WTR QLTY SAMPLING-JAMESON 6/09
		EUROFINS EATON ANALY Total	2,286.00		
64871	8/22/2018	FEDEX	29.09		OVRNGHT SHIP 8/01 CNTY AUDITOR
		FEDEX Total	29.09		
64872	8/22/2018	FERGUSON WATERWORKS	1,473.03		INVENTORY/NON-INVENTORY SUPPS
		FERGUSON WATERWORKS Total	1,473.03		
64802	8/06/2018	FGL ENVIRONMENTAL	620.00		WTR SAMPLE ANALYSIS 06/21
64802	8/06/2018	FGL ENVIRONMENTAL	365.00		WTR SAMPLE ANALYSIS 06/25
64802	8/06/2018	FGL ENVIRONMENTAL	395.00		WTR SAMPLE ANALYSIS 06/25
64802	8/06/2018	FGL ENVIRONMENTAL	1,220.00		WTR SAMPLE ANALYSIS 06/25
64802	8/06/2018	FGL ENVIRONMENTAL	445.00		WTR SAMPLE ANALYSIS 06/25
64802	8/06/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 07/09
64802	8/06/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 07/09
64802	8/06/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 7/09
64873	8/22/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 07/16
64873	8/22/2018	FGL ENVIRONMENTAL	620.00		WTR SAMPLE ANALYSIS 07/17
64930	8/30/2018	FGL ENVIRONMENTAL	176.00		WTR SAMPLE ANALYSIS 07/09
64930	8/30/2018	FGL ENVIRONMENTAL	108.00		WTR SAMPLE ANALYSIS 07/09
64930	8/30/2018	FGL ENVIRONMENTAL	128.00		WTR SAMPLE ANALYSIS 08/01
64930	8/30/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 08/06
64930	8/30/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 08/06
		FGL ENVIRONMENTAL Total	4,741.00		

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
64874	8/22/2018	FLOYD WICKS	1,383.14		EX REIMB ACWA 2018 ANNL CONF
		FLOYD WICKS Total	1,383.14		
64875	8/22/2018	FRANCOTYP-POSTALIA	74.35		INK CARTRIDGE FOR POSTAGE MTR
		FRANCOTYP-POSTALIA Total	74.35		
64876	8/22/2018	FRONTIER	45.95		TELEMETRY LINE 8/07-9/06
		FRONTIER Total	45.95		
64803	8/06/2018	FUEL SMART SB	2,046.67		FUEL PURCHASES THRU 7/31
64877	8/22/2018	FUEL SMART SB	1,411.35		FUEL PURCHASES THRU 8/14
		FUEL SMART SB Total	3,458.02		
64878	8/22/2018	GIBBS INTERNATIONAL	470.24		TRK # 167 REPAIRS
64878	8/22/2018	GIBBS INTERNATIONAL	567.40		TRK #167 REPAIRS
		GIBBS INTERNATIONAL Total	1,037.64		
64804	8/06/2018	GIFFIN & CRANE	342.11		REF OF HYDRANT MTR DEP
		GIFFIN & CRANE Total	342.11		
64879	8/22/2018	GOVERNMENT FINANCE	160.00		2018/19 GFOA MEMBERSHIP FEE
		GOVERNMENT FINANCE Total	160.00		
64805	8/06/2018	GRAINGER INC.	162.08		DISPOSABLE RESPIRATORS
64880	8/22/2018	GRAINGER INC.	147.62		BVTP SUPPS
64931	8/30/2018	GRAINGER INC.	54.56		BVTP SUPPS
64931	8/30/2018	GRAINGER INC.	175.76		JAMESON SUPPS
		GRAINGER INC. Total	540.02		
64806	8/06/2018	HACH COMPANY	(313.20)		CREDIT FOR RETURNED ELECTRODE
64806	8/06/2018	HACH COMPANY	344.47		BVTP ELECTRODE
64881	8/22/2018	HACH COMPANY	699.41		BVTP SUPPS
		HACH COMPANY Total	730.68		
0	8/06/2018	HARTFORD LIFE INS CO	25.00		PP #16 457 CONTRIBUTION
0	8/20/2018	HARTFORD LIFE INS CO	25.00		PP #17 457 CONTRIBUTION
0	8/31/2018	HARTFORD LIFE INS CO	25.00		PP #18 457 CONTRIBUTION
		HARTFORD LIFE INS CO Total	75.00		
64882	8/22/2018	HAWKINS DELAFIELD	2,940.00		LEGAL SVC - TERM SHTS/PETERSEN
64882	8/22/2018	HAWKINS DELAFIELD	7,392.00		LEGAL SVC - PETERSEN/CONF CALL
64882	8/22/2018	HAWKINS DELAFIELD	3,765.43		LEGAL SVC - P3 PROJ/PETERSEN
64882	8/22/2018	HAWKINS DELAFIELD	7,689.06		LEGAL SVC - TERM SHEET
64882	8/22/2018	HAWKINS DELAFIELD	435.47		LEGAL SVCS - PETERSEN PROPOSAL
		HAWKINS DELAFIELD Total	22,221.96		
64807	8/06/2018	HOME DEPOT	(96.95)		CREDIT FOR ITEM RETURNED
64807	8/06/2018	HOME DEPOT	380.58		BATTERIES
64807	8/06/2018	HOME DEPOT	229.43		SHOP SUPPLIES
64807	8/06/2018	HOME DEPOT	75.40		SHOP SUPPLIES
64807	8/06/2018	HOME DEPOT	752.53	J	FRIDGE/FREEZE JAMESON TRLR
		HOME DEPOT Total	1,340.99		
64932	8/30/2018	HYDRO FLOW PRODUCTS	1,987.00		HYDRANT FLOW TEST KIT; GUAGE
		HYDRO FLOW PRODUCTS Total	1,987.00		
64883	8/22/2018	INSTRUMART	190.68		JAMESON SENSOR CAP
		INSTRUMART Total	190.68		
64808	8/06/2018	IRON MOUNTAIN	43.45		ADMIN SHRED SRVCS - JUL 2018
		IRON MOUNTAIN Total	43.45		
0	8/01/2018	JAN E ABEL	291.46		RETIREE MED/PRESC REIMB AUG'18
0	8/30/2018	JAN E ABEL	291.46		RETIREE MED/PRESC REIMB SEP'18
		JAN E ABEL Total	582.92		
64809	8/06/2018	JOY EQUIP PROTECTION	1,331.00		DIST WIDE FRIE EXT ANNL SRVC
		JOY EQUIP PROTECTION Total	1,331.00		
64920	8/29/2018	JSB SOLAR SOLUTIONS	3,684.58		INSTALL 4 SOLAR MODS WEIR HSE
		JSB SOLAR SOLUTIONS Total	3,684.58		
64811	8/06/2018	LASH CONST	62,125.20		SYCAMORE CYN WTR MAIN REPLACE
		LASH CONST Total	62,125.20		

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
0	8/06/2018	LINCOLN FINANCIAL	1,875.00		PP #16 457 CONTRIBUTION
0	8/20/2018	LINCOLN FINANCIAL	1,875.00		PP #17 457 CONTRIBUTION
0	8/31/2018	LINCOLN FINANCIAL	1,875.00		PP #18 457 CONTRIBUTION
64884	8/22/2018	LINCOLN FINANCIAL	1,093.28		LTD INSUR PREM - SEP 2018
		LINCOLN FINANCIAL Total	6,718.28		
64812	8/06/2018	LOWE'S	435.42	J	BVTP SUPPS
64812	8/06/2018	LOWE'S	621.86	J	BVTP SUPPS
64812	8/06/2018	LOWE'S	166.33		JAMESON LKE SUPPS
64812	8/06/2018	LOWE'S	42.14		BVTP SUPPS
64812	8/06/2018	LOWE'S	32.41		MISC CLEANING SUPPS FOR BVTP
64812	8/06/2018	LOWE'S	38.00		LATE FEE ASSESSED 7/13
		LOWE'S Total	1,336.16		
64814	8/06/2018	MARBORG DISPOSAL CO.	10.78		DTP PORTABLE RESTROOM JUL'18
64885	8/22/2018	MARBORG DISPOSAL CO.	620.47		11YRD ROLL OFF/RECYCLE JUL2018
64885	8/22/2018	MARBORG DISPOSAL CO.	748.86		3YRD TRASH/RECYCLE - JUL 2018
64885	8/22/2018	MARBORG DISPOSAL CO.	142.91		25YRD ROLL OFF - JUL 2018
64933	8/30/2018	MARBORG DISPOSAL CO.	10.78		DTP PORTABLE RESTROOM AUG18
		MARBORG DISPOSAL CO. Total	1,533.80		
64844	8/06/2018	MARTHA S. LANGE	1,225.35	F	FEMA DATA GATHERING 7/1-31/18
		MARTHA S. LANGE Total	1,225.35		
64886	8/22/2018	MCCORMIX CORP.	233.72		FUEL PURCHASES THRU 7/31/18
64886	8/22/2018	MCCORMIX CORP.	239.82		FUEL PURCHASES THRU 8/15
		MCCORMIX CORP. Total	473.54		
64815	8/06/2018	MICHAEL BAKER INT	1,480.00		PROF CONSULT SRVC THRU 7/1/18
64887	8/22/2018	MICHAEL BAKER INT	1,330.00		PROF CONSULT SRVCS THRU 7/29
		MICHAEL BAKER INT Total	2,810.00		
64888	8/22/2018	MIRELES AUTOMOTIVE	34.75		TRK #161 SMOG TEST
64888	8/22/2018	MIRELES AUTOMOTIVE	34.75		TRK #151 SMOG TEST
64888	8/22/2018	MIRELES AUTOMOTIVE	34.75		TRK #165 SMOG TEST
64888	8/22/2018	MIRELES AUTOMOTIVE	34.75		TRK #162 SMOG TEST
64888	8/22/2018	MIRELES AUTOMOTIVE	34.75		TRK #163 SMOG TEST
64888	8/22/2018	MIRELES AUTOMOTIVE	34.75		TRK #156 SMOG TEST
		MIRELES AUTOMOTIVE Total	208.50		
64816	8/06/2018	MISSION LINEN SUPPLY	117.45		NORTHFACE JACKET - DIST
64816	8/06/2018	MISSION LINEN SUPPLY	117.45		NORTHFACE JKT FOR A PRINCE
64816	8/06/2018	MISSION LINEN SUPPLY	76.17		TRMT UNIFORM SRVC - 07/10
64816	8/06/2018	MISSION LINEN SUPPLY	101.18		TRMT UNIFORM SRVC - 07/17
64816	8/06/2018	MISSION LINEN SUPPLY	202.31		DIST UNIFORM SRVC - 07/17
64816	8/06/2018	MISSION LINEN SUPPLY	76.17		TRMT UNIFORM SRVC - 07/24
64816	8/06/2018	MISSION LINEN SUPPLY	158.37		DIST UNIFORM SRVC - 07/24
64816	8/06/2018	MISSION LINEN SUPPLY	101.18		TRMT UNIF SRVC - 07/31
64890	8/22/2018	MISSION LINEN SUPPLY	202.31		DIST UNIF SRVC - 07/31
64890	8/22/2018	MISSION LINEN SUPPLY	76.17		TRMT UNIF SRVC - 8/07
64890	8/22/2018	MISSION LINEN SUPPLY	198.29		DIST UNIFORM SRVC - 08/07
64890	8/22/2018	MISSION LINEN SUPPLY	101.18		TRMT UNIF SRVC - 8/14
64934	8/30/2018	MISSION LINEN SUPPLY	76.82		BVTP UNIFORM SRVC - 08/21
64934	8/30/2018	MISSION LINEN SUPPLY	244.33		DIST UNIFORM SRVC - 08/21
		MISSION LINEN SUPPLY Total	1,849.38		
64891	8/22/2018	MONTECITO ASSOCIATION	110.00		RENEW 2018-19 MEMBERSHIP
		MONTECITO ASSOCIATION Total	110.00		
64935	8/30/2018	MONTECITO JOURNAL	302.90		1/4PG AD AUG 23; VOL 24
		MONTECITO JOURNAL Total	302.90		
64818	8/06/2018	MONTECITO SANITARY	28,477.79		FY 2018-19 SEWER SRVC CHRG
		MONTECITO SANITARY Total	28,477.79		

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
64819	8/06/2018	MONTECITO VILLAGE	57.06		BVTP SUPPS
64819	8/06/2018	MONTECITO VILLAGE	19.36		TRK #152 REPAIRS
64819	8/06/2018	MONTECITO VILLAGE	24.57		TRK #140 REPAIRS
64892	8/22/2018	MONTECITO VILLAGE	9.69		BVTP SUPPS
64892	8/22/2018	MONTECITO VILLAGE	18.93		BVTP SUPPS
64892	8/22/2018	MONTECITO VILLAGE	9.69		ADMIN SUPPS
		MONTECITO VILLAGE Total	139.30		
64893	8/22/2018	MOSS, LEVY & HARTZHEIM	5,000.00		AUDIT FEES TO 7/31/18
		MOSS, LEVY & HARTZHEIM Total	5,000.00		
64894	8/22/2018	MURCALL CONSTRUCTION	17,710.00	J	LAS ENTRADAS 2 WALL REPAIR
		MURCALL CONSTRUCTION Total	17,710.00		
64895	8/22/2018	NBS GOVERNMENT FIN	1,920.00		RATE STUDY/CONSULTING SRVCS
		NBS GOVERNMENT FIN Total	1,920.00		
0	8/03/2018	PAYLOCITY CORPORATION	110.43		PAYROLL FEES END 8/03; PP#16
0	8/20/2018	PAYLOCITY CORPORATION	217.56		PAYROLL FEES END 8/17/18; PP17
0	8/30/2018	PAYLOCITY CORPORATION	103.71		PAYROLL FEES END 8/31; PP #18
0	8/06/2018	PAYLOCITY CORPORATION	31,679.67		PP #16 TAX DEPOSIT
0	8/20/2018	PAYLOCITY CORPORATION	29,865.65		PP #17 TAX DEPOSIT
0	8/31/2018	PAYLOCITY CORPORATION	29,116.24		PP #18 TAX DEPOSIT
		PAYLOCITY CORPORATION Total	91,093.26		
64820	8/06/2018	PIERRE LANDSCAPE, INC	1,950.00	J	BVTP TREE REPACE/FENCE REPAIR
		PIERRE LANDSCAPE, INC Total	1,950.00		
64821	8/06/2018	PITNEY BOWES GLOBAL	132.87		POSTAGE MTR LEASE 4/30-7/29/18
		PITNEY BOWES GLOBAL Total	132.87		
64896	8/22/2018	POWERSTRIDE BATTERY	72.16		HOT SPRGS RESVR SUPPS
		POWERSTRIDE BATTERY Total	72.16		
64897	8/22/2018	PROBER LAND SURVEYING	3,120.00	J	SURVEY CNTRL/TOPO/DAM ELEVATIO
		PROBER LAND SURVEYING Total	3,120.00		
64822	8/06/2018	PURETEC	69.78		BVTP CHEM SUPPS
64898	8/22/2018	PURETEC	139.69		BVTP CHEMICAL SUPPS
		PURETEC Total	209.47		
64936	8/30/2018	RICHARD SHAIKEWITZ	166.87		BUELLTON SPCL DIST ASSOC 8/27
		RICHARD SHAIKEWITZ Total	166.87		
64846	8/10/2018	S.B. COUNTY PUBLIC WRKS	95.00		131 OLIVE MILL LNE/RPLCE SVC
		S.B. COUNTY PUBLIC WRKS Total	95.00		
64823	8/06/2018	S.B. COUNTY TAX	365.51		2018/19 UNSEC PROP TAX-585 SYR
64823	8/06/2018	S.B. COUNTY TAX	756.61		2018/19 UNSEC PROP TAX-DOULTON
64912	8/24/2018	S.B. COUNTY TAX	630.48		2018/19 UNSEC PROP TAXES-JMSON
		S.B. COUNTY TAX Total	1,752.60		
64824	8/06/2018	S.B. HOME IMPR CNTR	32.61		ADMIN SUPPS
64824	8/06/2018	S.B. HOME IMPR CNTR	80.08		REPAIR REAR ADMIN STAIRS
64824	8/06/2018	S.B. HOME IMPR CNTR	26.80		JAMESON SUPPS
		S.B. HOME IMPR CNTR Total	139.49		
64825	8/06/2018	S.B. NEWS-PRESS	120.04		GRNDWTR NOTICE OF INTENT
		S.B. NEWS-PRESS Total	120.04		
64826	8/06/2018	SALS & BROS LANDSCAPE	900.00		ADMIN GROUNDS MAINT JUL 2018
64937	8/30/2018	SALS & BROS LANDSCAPE	900.00		ADMIN GROUNDS MAINT AUG18
		SALS & BROS LANDSCAPE Total	1,800.00		
64827	8/06/2018	SANTA BARBARA BEE	225.00		REMOVE BEEHIVE @ MTR 125 EVANS
		SANTA BARBARA BEE Total	225.00		
64899	8/22/2018	SATCOM DIRECT INC	46.95		JAMESON SATELLITE PHNE JUL18
		SATCOM DIRECT INC Total	46.95		
64828	8/06/2018	SB LANDSCAPING	3,250.00	J	INSTALL 41' DRAIN LN @ DOULTON
64828	8/06/2018	SB LANDSCAPING	8,743.00	J	RBLD DOULTON RETAINING WALL
		SB LANDSCAPING Total	11,993.00		

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
64829	8/06/2018	SMARDAN HATCHER CO.	143.11		SHOP GAS LINE REPAIRS
64938	8/30/2018	SMARDAN HATCHER CO.	248.24		SHOP REGULATORS
		SMARDAN HATCHER CO. Total	391.35		
64830	8/06/2018	SOAP MAN	219.54		SHOP/KITCHEN SUPPS
64830	8/06/2018	SOAP MAN	209.95		SHOP/KITCHEN SUPPS
64900	8/22/2018	SOAP MAN	208.39		KITCHEN/DIST SUPPS
		SOAP MAN Total	637.88		
64901	8/22/2018	SOUTHERN CALIF EDISON	44,650.11		MTHLY ELEC SRVC 6/26 TO 7/26
64901	8/22/2018	SOUTHERN CALIF EDISON	2,186.41	J	NEW METER INSTL/LAS ENTRADA #2
		SOUTHERN CALIF EDISON Total	46,836.52		
64902	8/22/2018	SOUTHERN CALIF GAS	0.98		BVTP GAS SRVC 7/03-8/01/18
64902	8/22/2018	SOUTHERN CALIF GAS	14.79		ADMIN GAS CHG 7/03-8/02/18
		SOUTHERN CALIF GAS Total	15.77		
64831	8/06/2018	STAPLES ADVANTAGE	223.37		OFFICE SUPPS
64831	8/06/2018	STAPLES ADVANTAGE	4.30		OFFICE SUPPS
64831	8/06/2018	STAPLES ADVANTAGE	53.43		OFFICE SUPPS
64831	8/06/2018	STAPLES ADVANTAGE	64.32		OFFICE SUPPS
64903	8/22/2018	STAPLES ADVANTAGE	161.15		LTR FILE BOXES FOR MOVE
64903	8/22/2018	STAPLES ADVANTAGE	56.67		BVTP TRAINING SUPPS DVD PLYR
64903	8/22/2018	STAPLES ADVANTAGE	356.27		OFFICE SUPPS
64903	8/22/2018	STAPLES ADVANTAGE	7.42		OFFICE SUPPS
64939	8/30/2018	STAPLES ADVANTAGE	13.78		OFFICE SUPPS
		STAPLES ADVANTAGE Total	940.71		
64913	8/24/2018	STATE WATER RESOURCE	170.00		T1 RENEWAL - J DIAZ OP #30584
64914	8/24/2018	STATE WATER RESOURCE	105.00		T4 RENEWAL-A PRINCE OP #24144
64919	8/27/2018	STATE WATER RESOURCE	1,500.00	F	FEMA-HIGHLINE RPR PERMIT FEES
		STATE WATER RESOURCE Total	1,775.00		
64832	8/06/2018	TIERRA CONTRACTING	38,590.29	F	FINAL PARRA GRANDE BRIDGE WRK
		TIERRA CONTRACTING Total	38,590.29		
64833	8/06/2018	TRI-CO REPROGRAPHICS	247.25		ARCHIVAL SCANS/FILE/UPLOAD
		TRI-CO REPROGRAPHICS Total	247.25		
64904	8/22/2018	TYLER TECHNOLOGIES INC	105.00		UTIL BILL/MAINT/WEB SUPP SEP18
		TYLER TECHNOLOGIES INC Total	105.00		
64834	8/06/2018	UNDERGROUND SERV ALRT	221.20		USA TICKETS - JUL 2018
		UNDERGROUND SERV ALRT Total	221.20		
64905	8/22/2018	UNITED HEALTHCARE	198.66		MED RET BENEFIT - AYALA SEP18
		UNITED HEALTHCARE Total	198.66		
64835	8/06/2018	UPS	109.57		GROUND SHIP/OFFICE SUPPS
64906	8/22/2018	UPS	47.01		GRND SHIPMENT BVTP WTR SAMPLES
64906	8/22/2018	UPS	87.22		GRND SHIPMENT BVTP WTR SAMPLES
64906	8/22/2018	UPS	90.69		GRND SHIPMENT BVTP WTR SAMPLES
64906	8/22/2018	UPS	85.48		GRND SHIPMENT BVTP WTR SAMPLES
		UPS Total	419.97		
64836	8/06/2018	USA BLUEBOOK	542.51		1" BALL VALVE FOR BVTP
64836	8/06/2018	USA BLUEBOOK	74.20		HYDRANT WRENCH; TRK #155
		USA BLUEBOOK Total	616.71		
64837	8/06/2018	USC COMPANIES, INC.	474.60		ADMIN JANITOR SRVC JUL 2018
		USC COMPANIES, INC. Total	474.60		
64907	8/22/2018	VAN SANDE STRUCTURAL	275.00	F	DESIGN CALCS GLEN OAKS BRDG
		VAN SANDE STRUCTURAL Total	275.00		
64915	8/24/2018	VENTERRA ENVIRON	310.71		REF OF HYDRANT MTR DEP
		VENTERRA ENVIRON Total	310.71		

CK#	DATE	VENDOR	AMT	F/J	DESCRIPTION
64784	8/06/2018	VOID	-		STUB
64790	8/06/2018	VOID	-		STUB
64801	8/06/2018	VOID	-		VOID
64810	8/06/2018	VOID	-		VOID
64813	8/06/2018	VOID	-		STUB
64817	8/06/2018	VOID	-		STUB
64845	8/06/2018	VOID	-		VOID
64851	8/22/2018	VOID	-		STUB
64889	8/22/2018	VOID	-		STUB
64909	8/22/2018	VOID	-		STUB
64911	8/24/2018	VOID	-		VOID
64917	8/24/2018	VOID	-		STUB
64918	8/24/2018	VOID	-		STUB
		VOID Total	-		
64940	8/30/2018	WATER QUALITY & TREAT	3,330.00		POST THOMAS FIRE TECH SUPPORT
		WATER QUALITY & TREAT Total	3,330.00		
64916	8/24/2018	WELLS FARGO	545.74		TV FOR BVTP TRAINING
64916	8/24/2018	WELLS FARGO	244.58		JAMESON EVAP COOLER
64916	8/24/2018	WELLS FARGO	227.35		JAMESON SATELLITE/MISC SUPPLIES
64916	8/24/2018	WELLS FARGO	101.22		JAMESON VALVE KIT
64916	8/24/2018	WELLS FARGO	1,176.94		MISSION LINEN UNIFORM SERV
64916	8/24/2018	WELLS FARGO	388.81		OFFICE SUPPS
64916	8/24/2018	WELLS FARGO	412.70		REG/HOTEL/TRAIN-ROMERO/CARRILLO
64916	8/24/2018	WELLS FARGO	363.00		ONSET COMP CORP - BVTP TRAINING
64916	8/24/2018	WELLS FARGO	111.30		TOLL FREE CONF LINE FEES
64916	8/24/2018	WELLS FARGO	52.00		I-CONTACT MONTHLY SUSCRIP
		WELLS FARGO Total	3,623.64		
64908	8/22/2018	WESTERN EXTERMINATOR	69.50		BVTP EXTERM SRVC JUL 2018
64908	8/22/2018	WESTERN EXTERMINATOR	118.00		ADMIN RODENT CNTRL JUL/AUG2018
64908	8/22/2018	WESTERN EXTERMINATOR	73.50		ADMIN EXTERM SRVC JUL-2018
64908	8/22/2018	WESTERN EXTERMINATOR	258.50		JUNCAL DAM EXTERM JUL-SEP
		WESTERN EXTERMINATOR Total	519.50		
64838	8/06/2018	WOODARD & CURRAN	14,907.98		RECY WATER FEASIBILITY STUDY
		WOODARD & CURRAN Total	14,907.98		
64840	8/06/2018	ZACHARIAS HUNT	1,665.95		GIS DATA UPDGRDE & PROG MAINT
		ZACHARIAS HUNT Total	1,665.95		
64839	8/06/2018	ZEE MEDICAL SERVICE	46.71		FIRST-AID KIT SUPPLIES
64941	8/30/2018	ZEE MEDICAL SERVICE	38.95		DIST EMERG KIT REPLENISHMENT
64941	8/30/2018	ZEE MEDICAL SERVICE	49.40		ADMIN EMERG KIT REPLENISHMENT
		ZEE MEDICAL SERVICE Total	135.06		
		Grand Total	1,354,725.29		

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-C

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS DEPARTMENT

SUBJECT: DISTRICT FUNDS

For your information, the District's current invested reserve portfolio, as of 8/31/18, is as follows:

Unrestricted Reserve Funds	Date	Principal
Wells Fargo Checking	8/31/2018	\$2,241,586
American Riviera Checking	8/31/2018	\$576,469
American Riviera Money Market	8/31/2018	\$2,133,387
Schwab	8/31/2018	\$4,936,167
CCWA Credit Balance Fund	8/31/2018	\$137,999
	TOTAL	\$10,025,608

Restricted Reserve Funds	Date	Principal
Bank of New York-2010 A Bond Reserve Fund	8/31/2018	\$1,456,279
California Bank & Trust DWR Ortega Loan Reserve	8/31/2018	\$590,451
CCWA Rate Coverage Reserve Fund	8/31/2018	\$1,437,379
	TOTAL	\$3,484,109

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-A

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER/BUSINESS MANAGER

SUBJECT: FINANCING OPTIONS FOR SMART METERING PROGRAM

This item was reviewed by the Finance Committee at their meeting on September 20, 2018 and the Committee concurs with the staff recommendations.

RECOMMENDATION:

That the Board of Directors obtain financing for the implementation of its Smart Meter Program through Holman Capital Corporation.

DISCUSSION:

On August 28, 2018, following over a year of evaluation by District Staff and the District's Operations Committee, the District's Board of Director unanimously voted in support of moving forward with the implementation of a Smart Metering Program. The implementation of the program includes the replacement of 4,605 customer meters with ultrasonic smart meters manufactured by Badger and fixed base network of automated metering reading infrastructure manufactured by Itron. The total project is estimated to cost approx. \$3,000,000. The Board of Directors' August 28, 2018 approval of the program was subject to review of the financing options by the Finance Committee. Below are the financing options considered by the Finance Committee at their September 20, 2018 meeting.

Staff researched several options for financing the capital cost associated with the Smart Metering Program. Three options were considered including Charles Schwab, American Riviera Bank and Holman Capital Corporation. The financing terms of each are summarized below.

Charles Schwab

Charles Schwab (Schwab) currently maintains the District's investment accounts and is offering a margin loan based upon the 90-day London Interbank Offered Rate (LIBOR), currently 2.35% plus a spread of 1.25% for a total annual rate of 3.60%. The loan would be renewed annually and subject to change based upon LIBOR fluctuations. **Figure 1** shows significant fluctuations in the LIBOR over the past 10 years. Since 1986, the LIBOR has been as high as 10.31% (1989) and as low as 0.23% (2014). Since 2015, LIBOR has been on a steady upward trend, with this trend forecasted to continue over the next several years. Schwab will issue a loan up to 80% of the balance on deposit. Based on a projected capital cost of \$3,000,000, the District would be

required to maintain a balance of \$3,750,000 in its investment accounts with Schwab. Assuming an annual increase in the LIBOR of 0.25%, the District’s annual payment is estimated to be \$373,151. It should be noted that the District is not required to repay the loan amount during the course of the year, instead, the District would have the option of making interest-only payments.

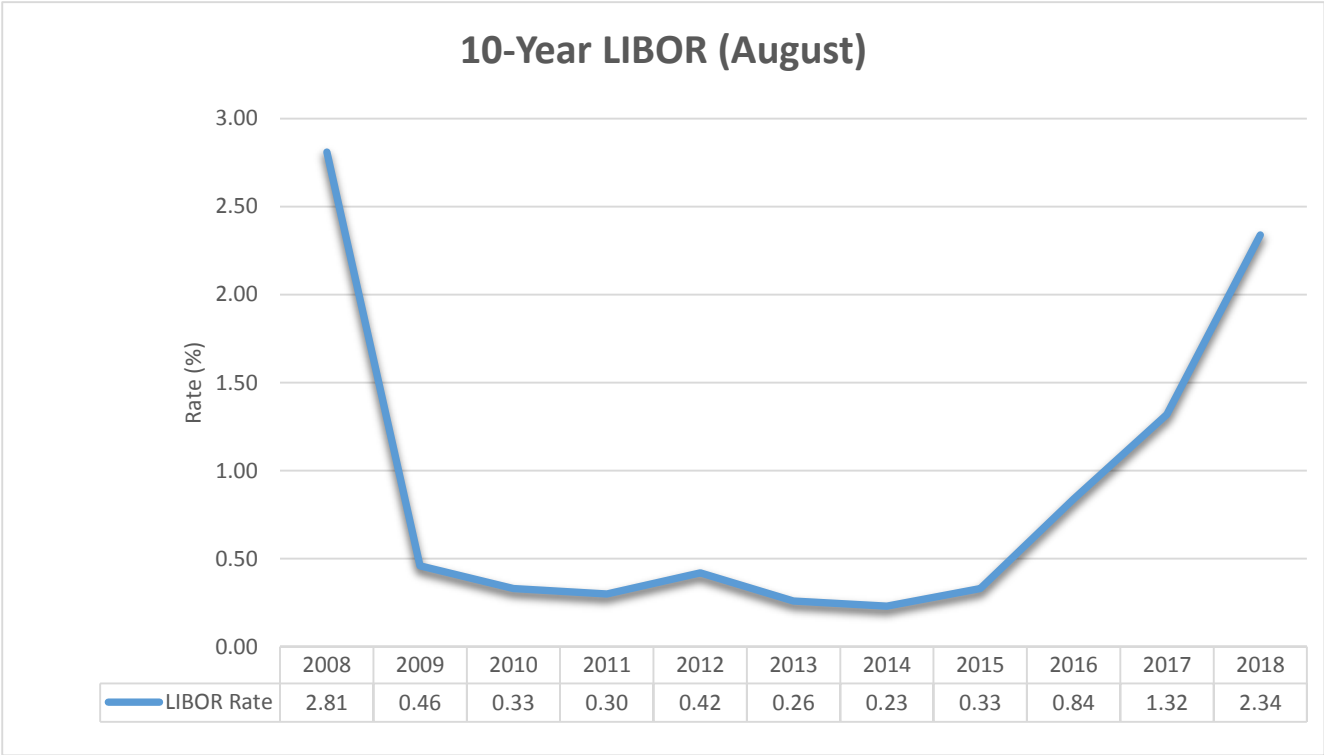


Figure 1 – 10 Year August LIBOR rate

American Riviera Bank

An option for financing the proposed Smart Meter Program is with American Riviera Bank (ARB). ARB is offering a 10-year, 4.25% fixed interest loan with no pre-payment penalties and an option of one year interest-only payments during the draw down period. If the District chooses the interest-only option for the first year, the outstanding balance would then be amortized over the remaining nine years of the agreement. Assuming full payments are made in year one, the District’s annual payment is estimated to be \$371,382. Collateral for this loan is a pledge against net revenues.

Holman Capital Corporation

The third option for financing the proposed Smart Meter Program is through Holman Capital Corporation (Holman). Holman is offering a 10-year, 3.95% fixed interest loan. This option includes a pre-payment penalty. The pre-payment penalty is the option to call the debt on any payment date with a 3.0% purchase price. The prepayment penalty could range from \$5,400 -

\$82,482 depending upon when the District decides to call the loan. The Holman option is estimated to have an annual payment of \$366,056 and is collateralized by a pledge against net revenues. The interest savings on the Holman option would be negated if the District decided to call the loan at any time prior to the first payment of the fifth year.

Table 1 – 10 Year Amortization Schedule

American Riviera Bank			HolmanCapital		Schwab*	
Payment No. & Date	Monthly Payment	Acct Principal Balance	Monthly Payment	Acct Principal Balance	Monthly Payment	Acct Principal Balance
		\$3,000,000.00		\$3,000,000.00		\$3,000,000.00
February 1, 2019	\$185,690.76	\$2,878,059.24	\$183,027.82	\$2,876,222.18	\$179,948.18	\$2,874,051.82
August 1, 2019	\$185,690.76	\$2,753,527.23	\$183,027.82	\$2,749,999.75	\$179,948.18	\$2,745,836.57
February 1, 2020	\$185,690.76	\$2,626,348.92	\$183,027.82	\$2,621,284.44	\$181,947.54	\$2,616,746.38
August 1, 2020	\$185,690.76	\$2,496,468.06	\$183,027.82	\$2,490,026.99	\$181,947.54	\$2,485,171.21
February 1, 2027	\$185,690.76	\$534,209.26	\$183,027.82	\$528,088.02	\$190,375.96	\$540,576.93
August 1, 2027	\$185,690.76	\$359,870.45	\$183,027.82	\$355,489.94	\$190,375.96	\$365,337.13
February 1, 2028	\$185,690.76	\$181,826.94	\$183,027.82	\$179,483.05	\$190,721.65	\$185,301.58
August 1, 2028	\$185,690.75	\$0.00	\$183,027.84	\$0.00	\$190,721.65	(\$0.00)
	<u>\$3,713,815.28</u>		<u>\$3,660,556.38</u>		<u>\$3,731,511.93</u>	

*Assumes a 0.25% interest rate increase per year

Debt Coverage Ratio

Both ARB and Holman require the District maintain a debt coverage ratio of 1.25% during the term of the loan, which is consistent with the District’s existing debt. Based on an assessment of the District’s projected annual revenues assuming 3% growth rate resulting from increased metering accuracy and its existing debt service, adding the proposed debt of approx. \$3.0M for the Smart Metering Program will reduce the current projected debt coverage ratio of 3.29% to 2.58%, well above the required 1.25%. If the District chooses to borrow from Schwab, the debt coverage ratio will not be affected as this is not considered debt. Rather the District would be borrowing at 80% against its own investments that are used as the collateral.

Loan Origination Fees

If the District borrows from Schwab, there is no loan origination fee as the District already banks with Schwab. Borrowing from Holman, will have loan origination fees of approx. \$5,000, covering all legal and documentation fees for the loan. ARB charges a 0.50% loan fee which equates to approx. \$15,000 and requires the District obtain an Opinion Letter from bond counsel and pay for all other out-of-pocket legal and documentation fees associated with funding the transaction.

Table 2– Financing Options Comparison

LOAN OPTIONS	ARB	Schwab	Holman*	Comments
Interest Rate	4.25% Fixed	LIBOR + 1.25% reset annually	3.95% Fixed	Holman's interest rate is lower due to the prepayment penalty that they structure into the loan. Schwab is more risky as it resets annually based on the 90-day LIBOR, which is currently at 2.35%
Prepayment Penalty	\$0	\$0	\$3,400-\$82,482	ARB offers a stated no prepayment penalty. Schwab has no prepayment penalty as we are borrowing against margin and can pay the principle at our convenience. Holman offers a callable loan with a 3% purchase price to call the remaining balance*.
Annual Cost	\$371,382	\$373,151**	\$366,056	The annual cost savings of Holman over ARB is strictly due to a lower interest rate. The cost savings of Schwab over ARB and Holman is only guaranteed at for the first year, and are likely to diminish or even disappear over time.
Loan Fees & Other Costs	\$15,000 + cost of bond counsel Opinion Letter + documentation costs	\$0	\$5,000	For ARB it is estimated that the costs of the loan will likely be \$15,000 - \$20,000 for legal and documentation in addition to the \$15,000 loan fee. Holman has a standard fee, in this case it would be \$5,000 for the proposed offer. Schwab would have no loan costs.
Collateral	Net Revenues	Existing Investments	Net Revenues	

* Holman Capital offers many choices for financing. The standard arrangement is what is presented. No pre-payment penalty options are available, but not with these terms and interest rate.

**The annual cost of the Schwab loan is based on an annual increase of 0.25% on the LIBOR, amortized with monthly payments. The District could make only interest payments each month and then pay the \$3,000,000 at the end of 10 years if it chose, provided that the value of the collateralized investments remained at or above \$3.75M

Staff recommends financing the Smart Metering Program through Holman Capital Corporation. With the lowest fixed interest rate, it allows the District to maintain a constant debt coverage ratio. Although there is a pre-payment penalty, District staff has received information from various financial institutions indicating that interest rates are rising, and therefore it would be difficult to find an alternate source of funding having a lower rate, making the need to refinance the loan unlikely.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-B

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: SMART METER PROGRAM – DETERMINATION OF CATEGORICAL
EXEMPTION FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT
(CEQA)**

RECOMMENDATION:

- Make a determination that the project is categorically exempt from environmental review pursuant to the requirements of the California Environmental Quality Act (CEQA) as set forth on the attached Notice of Exemption
- Authorize staff to file attached Notice of Exemption from CEQA with County of Santa Barbara Clerk of the Board.

DISCUSSION:

As the Board is aware, the Smart Meter Program was approved during the regular Board Meeting on August 28, 2018. The Smart Meter Program will replace an estimated 4,600 customer meters with ultrasonic meters and Advanced Metering Infrastructure (AMI) capable radios. The scope of work includes replacing meters and installing radios within existing water meter boxes and installing small radios on existing water tanks and pump stations.

Prior to implementation of the Smart Meter Program, staff will file a Notice of Exemption from Environmental Review in accordance with the California Environmental Quality Act (CEQA). This project has been classified as exempt from environmental review based on several categorical exemptions in the California Code of Regulations [“CCR”], as indicated on the attached Notice of Exemption form, including maintenance of existing facilities used to provide public utility services [CCR 15301(b)], activities involving no expansion of capacity [CCR 15302(c)], and minor trenching and backfilling where a surface is restored [CCR15304(f)]. The Notice of Exemption will be filed with the County of Santa Barbara Clerk of the Board and will remain posted for 35 days.

ATTACHMENTS:

- 1) Notice of Exemption Form - Smart Meter Program

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of: Santa Barbara
105 E. Anapamu St, Room 407
Santa Barbara, CA 93101

From: (Public Agency): Montecito Water District
583 San Ysidro Road
Santa Barbara, CA 93108
(Address)

Project Title: Smart Meter Program

Project Applicant: Montecito Water District

Project Location - Specific:
Montecito Water District service area within Montecito and Summerland communities within each customer meter box.

Project Location - City: Montecito, CA Project Location - County: Santa Barbara

Description of Nature, Purpose and Beneficiaries of Project:
This project will replace 4,600 existing residential water meters. The work will be contained within existing concrete meter boxes. The purpose is to eliminate inaccurate, aging infrastructure with new, accurate residential water meters. The beneficiaries are the customers of Montecito Water District.

Name of Public Agency Approving Project: Montecito Water District

Name of Person or Agency Carrying Out Project: Adam Kanold, Engineering Mgr

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: 15301 (b), 15302 (c), 15304 (f)
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

15301 (b) - water meters are existing infrastructure used to serve potable water to District customers.

15302 (c) - replacement of meters involves negligible or no expansion of capacity.

15304 (f) - minor trenching and backfilling will restore the surface to original state.

Lead Agency
Contact Person: Nick Turner, General Manager Area Code/Telephone/Extension: 805-969-2271

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: 9-25-18 Title: General Manager

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-C

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: ALGAECIDE AND HERBICIDE APPLICATION AT JAMESON LAKE
FOR MAINTENANCE PURPOSES - DETERMINATION OF
CATEGORICAL EXEMPTION FROM CALIFORNIA ENVIRONMENTAL
QUALITY ACT (CEQA)**

RECOMMENDATION:

- Make a determination that the project is categorically exempt from environmental review pursuant to the requirements of the California Environmental Quality Act (CEQA) as set forth on the attached Notice of Exemption
- Authorize staff to file attached Notice of Exemption from CEQA with County of Santa Barbara Clerk of the Board.

DISCUSSION:

Due to continued lower lake levels, higher ambient temperatures and, more recently, the Thomas Fire, Jameson Lake is increasingly vulnerable to algal blooms that cause taste and odor problems and can produce bacteria such as cyanotoxins that are known to be harmful to humans and animals. In an effort to control and/or prevent algae blooms and subsequent water quality issues, staff is in the process of obtaining authorization to apply aquatic algaecides and herbicides to Jameson Lake for maintenance purposes. This permit is issued from the State Water Resources Control Board (SWRCB) under the National Pollutant Discharge Elimination System (NPDES) Permit for Residual Aquatic Pesticide Discharges to Waters of the United States from Algae and Aquatic Weed Control Applications, Water Quality Order 2013-0002-DWQ.

Prior to application of algaecides and herbicides to Jameson Lake for maintenance purposes, staff will file a Notice of Exemption from Environmental Review in accordance with the California Environmental Quality Act (CEQA). This project has been classified as exempt from environmental review based on several categorical exemptions in the California Code of Regulations ["CCR"], as indicated on the attached Notice of Exemption form, including maintenance of existing facilities used to provide public utility services [CCR 15301(b)] and activities involving no expansion of capacity [CCR 15302(c)] The

Notice of Exemption will be filed with the County of Santa Barbara Clerk of the Board and will remain posted for 35 days.

ATTACHMENTS:

- 1) Notice of Exemption Form - Aquatic Algaecides and Herbicides Application to Jameson Lake for Maintenance Purposes

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of: Santa Barbara
105 E. Anapamu St, Room 407
Santa Barbara, CA 93101

From: (Public Agency): Montecito Water District
583 San Ysidro Road
Santa Barbara, CA 93108
(Address)

Project Title: Algaecide and Herbicide Application at Jameson Lake for Maintenance Purposes

Project Applicant: Montecito Water District

Project Location - Specific:

Jameson Lake, private property owned by Montecito Water District

Project Location - City: Santa Barbara, CA Project Location - County: Santa Barbara

Description of Nature, Purpose and Beneficiaries of Project:

In an effort to control and/or prevent algae blooms and subsequent water quality issues, this project includes the application of aquatic algaecides and herbicides as a maintenance measure to mitigate the growth of harmful algal blooms and weeds within Jameson Lake. The beneficiaries are the customers of MWD.

Name of Public Agency Approving Project: Montecito Water District

Name of Person or Agency Carrying Out Project: Adam Kanold, Engineering Manager

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: 15301 (b), 15302 (c)
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

15301 (b) - Jameson Lake is an existing storage reservoir used to serve potable water to District customers.

15302 (c) - application of algaecides involves negligible or no expansion of capacity.

Lead Agency
Contact Person: Nick Turner, General Manager Area Code/Telephone/Extension: 805-969-2271

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: 9-25-18 Title: General Manager

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

**MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
AUGUST 2018**

	Jameson Lake	Cachuma Lake
Full Reservoir Elevation	2223.87	750
Full Reservoir Storage (acre feet)	5,114	184,121
Elevation (feet) July 31, 2018	2205.56	700.12
Elevation (feet) August 31, 2018	2204.66	694.27
Elevation Change for Month (feet)	-0.90	-5.85
Full Reservoir Elevation Difference (feet)	-19.21	-55.73
Storage (acre feet) July 31, 2018	3,116	72,381
Storage (acre feet) August 31, 2018	3,033	63,378
Storage Change for Month (acre feet)	-83	-9,003
Full Reservoir Storage Difference (acre feet)	-2,081	-120,743
Alder Creek Inflow (acre feet)	NA	
Jameson Lake Inflow (acre feet)	0	

WATER PRODUCTION

District Surface Sources (af)

Jameson	Fox	Doulton	Arch Meter	Weirs 1 & 2	
6.82	0.00	16.17	14.10	0.00	
Total District Surface Production (1):					37.09

Cachuma Turnouts (af) (Cachuma & State Water)

Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
99.09	79.79	212.96	12.17	0.00	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
0.00	4.65	15.30	7.01	0.00	
Total SCC Meters:					430.97
Cachuma Production:					0.00
State Water Credit (Warren Act Contract):					430.97
SWP Portion of SCC Losses:					-8
SWP Portion of Evaporation:					12
Santa Ynez ID #1 Exchange					67
Cachuma Portion of SCC Losses:					0
Cachuma Portion of Evaporation:					15.8
Cachuma Remaining Balance:					2181.4
State Water Stored in Cachuma:					387

District Wells (af)

Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
16.54	7.83	6.45	0.00	0.00	4.66
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
3.26	10.03	2.67	0.00	1.23	2.63
Total Wells:					55.30
Total District Water Production:					523.36

**MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
AUGUST 2018**

WEATHER

Rainfall (inches)	Office	Doulton	Juncal
August 2018	0.00	0.00	0.00
August 2017	0.00	0.00	0.00
Historical Monthly Average	0.06	0.08	0.02
July 1 to Date	0.00	0.00	0.00
Last Year July 1 to Date	0.00	0.00	0.00
Historical Average July 1 to Date	0.09	0.12	0.05

Jameson Lake Air Temperature Averages:

Low	High
62°	92°

WATER PRODUCTION vs. METERED USE

Water Production (af):	523.4	Meter Use (af):	494.6
No. of Days in Production Period:	31	No. of Days in Demand Period:	33
Average Daily Production (af):	16.9	Average Daily Demand (af):	15.0
Month's Water Loss (af):	58.8	Adjusted Meter Use for # of Read Days (af):	464.6
Month's Percentage Loss ¹ :	11%	Water Loss ³ (GAL/connection/d)	136
Water Loss ² (GAL/mile/d)	5,979		

¹ Loss as a PERCENTAGE is a poor performance indicator due to seasonal production & sales variability

² AWWA only uses loss/mile of pipe for agencies with low density of services (less than 32 connections/mile)

³ AWWA recommends loss per service connection as a system performance indicator for higher density areas

METER SALES

Meters Removed Per Customer Request:	0
New Installations:	0
Total Meters:	4605
Inactive Meters (disaster related):	47
Total Active Meters:	4558

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-E

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER / LEGAL COUNSEL

**SUBJECT: ADOPTION OF RESOLUTION NO. 2170 AMENDING THE DISTRICT'S
CONFLICT OF INTEREST CODE**

RECOMMENDATION:

Adopt Resolution No. 2170 amending the District's Conflict of Interest Code to add positions subject to disclosure and authorize the General Manager to submit the amended Code to the County of Santa Barbara for approval.

DISCUSSION:

The Political Reform Act (Act) prohibits a public official from using his or her official position to influence a governmental decision in which he or she has a financial interest. Every state and local agency must adopt a conflict of interest code that identifies all officials and employees within the agency who make governmental decisions based on the positions they hold.

To help identify potential conflicts of interest, the law requires public officials and employees in designated positions in a conflict of interest code to report their financial interests on a form called "Statement of Economic Interests (Form 700)". The conflict of interest codes and the Form 700s are tools to ensure that officials are acting in the public's best interest.

There are three essential components to a conflict of interest code required by the FPPC, they include: (1) an Incorporation Section; (2) a List of Designated Positions; and; (3) Disclosure Categories. The Incorporation Section is the "nuts and bolts" of the code, including where forms are to be filed and how they are to be retained. The List of Designated Persons lists all agency positions that make, or participate in the making of, governmental decisions that "may foreseeably have a material effect on any financial interest". [Title 2, Division 6, California Code of Regulations 18702]. The Disclosure Categories are a description of the types of financial interests officials must disclose on their Form 700s.

The County of Santa Barbara is the body designated by law to review the conflict of interest codes of local agencies within its jurisdiction. Every two years pursuant to Government Code §87306.5, the County requests that local agencies review their codes, and submit documentation as to the status of the code, including any required amendments.

Upon review of the District's conflict of interest code, it was determined that it would be beneficial to amend the code by adding additional positions to the List of Designated Positions subject to disclosure. The positions added via this amendment include the Engineering Manager and Business Manager. The amendment would result in consistent treatment of all managerial level employees of the District, and would be consonant with FPPC requirements because managers often participate at Board meetings and play a role in informing the Board about contracts that may be awarded. Additionally, managerial level employees are granted certain powers under the District's signatory policy to execute contracts, which could be regarded under FPPC requirements as a decision foreseeably having a "material effect on any financial interest".

No other parts of the code are changed via this amendment, and the code as drafted is in compliance with FPPC requirements.

The amended code will be submitted to the County on or before October 1, 2018 and, once approved by the County, will be updated conflict of interest code for the District.

The amended code has been reviewed by legal counsel and legal counsel concurs with the proposed revisions.

ATTACHMENTS

1. 2018 Local Agency Biennial Notice
2. Draft Resolution No. 2170

2018 Local Agency Biennial Notice

Name of Agency: Montecito Water District

Mailing Address: 583 San Ysidro Road, Santa Barbara, CA 93108-2124

Contact Person: Nick Turner Phone No. 805-969-2271

Email: nturner@montecitowater.com Alternate Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

Sept. 25, 2018

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2018**, or by the date specified by your agency, if earlier, to:

Santa Barbara County
Clerk of the Board of Supervisors
Attn: Chelsea Lenzi
105 E. Anapamu Street, Room 407
Santa Barbara, CA 93101

www.fppc.ca.gov
FPPC Advice: advice@fppc.ca.gov (866.275.3772)

Page 1 of 1
Section 4-E
Page 3

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

RESOLUTION NO. 2170
RESOLUTION OF THE GOVERNING BOARD
OF THE MONTECITO WATER DISTRICT AMENDING
APPENDIX A “DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES”
OF THE DISTRICT’S CONFLICT OF INTEREST CODE

WHEREAS, by Resolution No. 1661, the Board of Directors of the Montecito Water District adopted the District’s Conflict of Interest Code pursuant to the California Political Reform Act; and

WHEREAS, by that resolution, the Board of Directors adopted Appendices “A” and “B” in which members and employees are designated and disclosure categories are set forth; and

WHEREAS by Resolution No. 2075, the Board of Directors amended Appendix “A” to add a designated position; and

WHEREAS, the Board of Directors desires to further amend Appendix “A” of the District’s Conflict of Interest Code, in the form attached to this resolution;

NOW THEREFORE, it is hereby resolved by the Board of Directors of the Montecito Water District that Appendix A” of the District’s Conflict of Interest Code, entitled “Designated Positions and Disclosure Categories” is hereby amended as set forth in Exhibit “A” attached to this resolution.

PASSED AND ADOPTED by the Board of Directors of the Montecito Water District this 25th day of September, 2018 by the following roll call vote:

AYES:

NOES:

ABSENT:

APPROVED:

W. Douglas Morgan, President

ATTEST:

Nicholas Turner, Secretary

APPENDIX A

Persons occupying the following positions are designated employees and must disclose financial interests in those categories described in Appendix B which are listed opposite their respective designated positions:

<u>Designated Positions</u>	<u>Disclosure Categories</u>
1. Director	1, 2, 3, 4
2. General Manager	1, 2, 3, 4
3. General Counsel	1, 2, 3, 4
4. Consultant*	
5. Engineering Manager	1, 2, 3, 4
6. Business Manager	1, 2, 3, 4

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The General Manager may determine in writing that a particular consultant, although a “designated position” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of the disclosure requirements. The General Manager determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

RESOLUTION NO. 2075
RESOLUTION OF THE GOVERNING BOARD
OF THE MONTECITO WATER DISTRICT AMENDING
APPENDIX A 'DESIGNATED POSITIONS AND DISCLOSURE
CATEGORIES' OF THE DISTRICT'S CONFLICT OF INTEREST CODE

WHEREAS, by their Resolution No. 1661, the Board of Directors of the Montecito Water District adopted the District's Conflict of Interest Code pursuant to California's Political Reform Act; and

WHEREAS, by that resolution, the Board of Directors adopted Appendices "A" and "B" in which members and employees are designated and disclosure categories are set forth; and

WHEREAS, the Board of Directors desires to amend Appendix A of the District's Conflict of Interest Code, in the form attached to this resolution;

NOW, THEREFORE, it is hereby resolved by the Board of Directors of the Montecito Water District that Appendix A of the District's Conflict of Interest Code, entitled "Designated Positions and Disclosure Categories" is hereby amended as set forth in Exhibit "A" attached to this resolution.

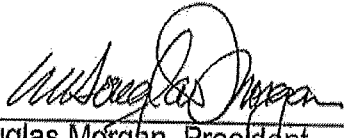
PASSED AND ADOPTED by the Board of Directors of the Montecito Water District this 19th day of October 2010 by the following roll call vote:

AYES: Directors Abel, Frye, Shaikewitz, and Wilson

NOES: None

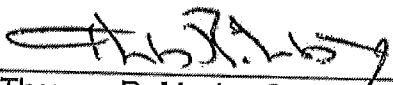
ABSENT: Director Morgan

APPROVED:



W. Douglas Morgan, President

ATTEST:



Thomas R. Mosby, Secretary

APPENDIX A

Persons occupying the following positions are *designated employees* and must disclose *financial interests* in those categories described in Appendix B which are listed opposite their respective designated positions:

<u>Designated Positions</u>	<u>Disclosure Categories</u>
1. Director	1,2,3,4
2. General Manager	1,2,3,4
3. General Counsel	1,2,3,4
4. Consultant*	

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The General Manager may determine in writing that a particular consultant, although a "designated position" is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

RESOLUTION NO. 1661

CONFLICT OF INTEREST CODE FOR THE
MONTECITO WATER DISTRICT

The Political Reform Act, Government Code Sections 81,000 et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendment to the Political Reform Act after public notice and hearings. The terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and along with the attached Appendixes "A" and "B" in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Montecito Water District.

Pursuant to Section 4 of the standard Code, designated employees shall file statements of economic interest with the agency. Upon receipt of the statement filed by directors and general manager, a copy shall be retained and the original shall be forwarded to the Election Division of the Santa Barbara County Clerk-Recorder. Statements for all other designated employees will be retained by the District.

The Resolution was thereupon declared carried and adopted this 18th day of July, 1991.

AYES: Campbell, Muller, Puddicombe, Valentine, Yawitz

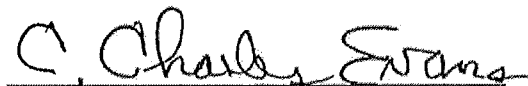
NOES: None

ABSENT: None

APPROVED:


Carol L. Valentine, President

ATTEST:


C. Charles Evans, Secretary

4\per\res1661

APPENDIX A

Designated Positions

Disclosure Categories

Persons occupying the following are designated employees and must disclose financial interests in those categories described in Appendix B which are listed opposite their respective designated positions:

1.	<u>Director</u>	.....	<u>1, 2, 3, 4</u>
2.	<u>General Manager</u>	.....	<u>1, 2, 3, 4</u>
3.	<u>Consultant*</u>	.....
4.	_____	.....
5.	_____	.....
6.	_____	.....
7.	_____	.....
8.	_____	.....
9.	_____	.....
10.	_____	.....
11.	_____	.....
12.	_____	.....

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The General Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

APPENDIX B

CATEGORIES OF DISCLOSURE

CATEGORY 1

Interests in real property which is located in whole or in part within the jurisdiction of the Montecito Water District, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is \$1,000 or more.

CATEGORY 2

Business positions or investments in or income from persons or business entities engaged in the appraisal, acquisition, or disposal of, real property within the jurisdiction of the Montecito Water District.

CATEGORY 3

Business positions or investments in and income from any source or sources of income, if:

- a) The business entities or the source or sources of income are of the type which, within the previous two years, have provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the District; and
- b) Within the previous two years, the designated employee has made, participated in making, or in any way has attempted to use his or her official position to influence, the governmental decision to obtain or procure

services, supplies, materials, machinery or equipment of the same or similar type as those so provided or contracted to be provided the District or if the duties of the designated employee's position make it reasonably foreseeable that he or she might engage in such activity.

CATEGORY 4

Business positions or investments in business entities and income from any source or sources of income, if:

- a) The business entities or the source or sources of income are of the type which, within the previous two years, have furnished or contracted to furnish, or in the future with reasonable foreseeability might furnish or contract to furnish services, supplies, materials, machinery or equipment as a subcontractor in any contract with the District to provide services, supplies, materials, machinery or equipment to or for the use of the District; and
- b) Within the previous two years, the designated employee has made, participated in making, or in any way has attempted to use or her official position to influence, the governmental decision to obtain or procure services, supplies materials, machinery, or equipment of the same or a similar type as those so provided or contracted to be provided to the District or if the duties of the designated employee's position make it reasonably foreseeable that he or she might engage in such activity.

CONSULTANTS

The term "designated employee" includes any officer, employee, member or consultant of any agency involved in the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest. (Government Code Section 82019 (emphasis added).)

A "consultant" is a natural person who provides, under contract, information, advice, recommendation or counsel to a local government agency. (2 Cal. Code of Regs. Section 18700(a)(2).) The term "consultant" does not include a person who:

(A) Conducts research and arrives at conclusions with respect to his or her rendition of information advice, recommendation or counsel independent of the control and direction of the agency or any agency official, other than normal contract monitoring, and

(B) Possesses no authority with respect to any agency decision beyond the rendition of information, advice, recommendation or counsel.

2 Cal. Code of Regs. Section
18700(a)(2)(A)(B)

The term "natural person" is used in Regulation 18700 to clarify that corporate entities do not need to file statements of economic interests. A consultant is not the corporate entity but rather the natural persons within the entity who provide the consulting services. It is these persons who must file statements of economic interests.

Generally, consultants who prepare a product or perform services for a single specific matter are not the type of consultants required to be covered by a code, whereas consultants who provide more general assistance and advice to a government agency on an on-going basis should be covered.

However, should a consultant provide recommendations or advice and there be significant intervening substantive review of the recommendations made by that consultant before submission to the final decision-maker, then that consultant is not the type necessary to be covered by a code.

To provide some guidance to you in distinguishing between consultants required and not required to be covered by a code, we have set out some excerpts from Commission advice letters regarding particular consultants under factual situations. Copies of Commission advice letters may be obtained by contacting the Legal Division at (916) 322-5901.

THE TYPES OF CONSULTANTS REQUIRED
TO BE COVERED BY A CODE

The attorneys within a law firm providing legal services to a redevelopment agency are consultants subject to the financial disclosure requirements. (Albuquerque Advice Letter A-85-244.)

Government attorneys participate in the highest level of decisionmaking through their advice and counsel. When a contract attorney provides advice and counsel to a government agency on an ongoing basis, the attorney is actually participating in the governmental decision process similar to government attorneys. (Gifford Advice Letter A-85-201.)

A contract county engineer-surveyor, when performing review of permit applications, is a consultant. (Maloney Opinion, 3 FPPC Opinions 69 (No. 76-082, August 18, 1977).)

An engineering and project management consultant retained to provide information, advice, recommendations or counsel on a long range electrical resource plan, essentially functions as additional agency staff, and is a consultant. (Kaplan advice letter A-82-108.)

A computer evaluation consulting firm retained to provide advice on a computer implementation plan, conduct research to determine the current state of the art in computers, determine who are potential vendors for hardware or software, assist in preparing the specifications for bids, evaluate bid responses, advise the county on the appropriate bid to select and to be available for consultation and training, are interacting directly with the decisionmakers on an on-going basis. Their participation involves a broad exercise of discretion. The firm's employees are public officials and should be covered by a code (Workman Advice Letter A-87-078).

THE TYPES OF CONSULTANTS NOT
REQUIRED TO BE COVERED BY A CODE

An attorney retained by the county as a "co-defender" to provide indigents with legal services in criminal cases and juvenile proceedings is responsible only to his or her clients. The agreement between the county and the attorney does not create an attorney-client relationship between defender and county. The contract co-defender is not a consultant. (Hill Advice Letter A-87-304).

An engineer is retained to construct a filtration system. He is to complete the project according to specifications of a contract and there are no deviations from the contract. The engineer uses his own expertise to render professional services according to the specifications of a contract and is being called upon to deliver a finished product. This engineer is not a consultant within the meanin of the Act. (Clifford Advice Letter A-83-103.)

An environmental consulting firm retained to prepare an environmental impact report is using his or her expertise to render professional services according to the specifications of a contract. The individuals within the firm are being called upon to deliver a finished product, not to participate in governmental decisions. (Crouch Advice Letter A-83-069).

In the Maloney Opinion, the Commission determined that a contract county engineer-surveyor was not a "consultant" when performing engineering or surveying tasks which were not subject to the control or discretion of the county. The Commission held that "the preparation of surveys and engineering studies.." did not involve "any official decision-making." (However, when performing reviews of permit applications, he was held to be a public official (Maloney, 3 FPPC Opinions 69, No. 76-082, August 18, 1977).)

A consulting engineer retained to evaluate and recommend to an agency which type of water treatment system would be best for the agency would normally be a public official. However, since all plans, specifications, recommendations and estimates are reviewed by an independent engineering-consulting firm prior to presentation to the agency, the engineer is not "participating" in a governmental decision due to the intervening substantive review by the independent firm. (Rose Advice Letter A-84-306 and A-84-299.)

An independent real estate appraiser retained to value the damage to a specific piece of property is not making or participating in the decision-making process and is not a consultant. (Trott Advice Letter A-76-543.)

Three firms which have contracted with a district to provide construction and engineering services to build an 18-mile subway are being called upon to deliver a finished product, not to participate or advise the district on general governmental decisions, and are not public officials. (Torres Advice Letter A-86-245.)

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-A

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: AUGUST 2018 FINANCIAL REPORTS

RECOMMENDATION:

For information and discussion only.

BACKGROUND:

Each month, staff prepares a financial package that contains information comparing actual results against the budget, historical activity and other statistical data in order to identify potential fluctuations and/or trends. The information is reported to the Finance Committee and then to the Board of Directors, on a timely basis, for further discussion and appropriate Board action, if applicable.

Included in this financial package are the **Monthly Financial Statements** which include the Statement of Revenue and Expenditures and accompanying footnotes, the Statement of Net Position and the Statement of Cash Flows. These reports are prepared on an accrual basis and formatted much the same as the Annual Audited Financial Statements. These reports are prepared to provide the District's Board of Directors and customers with information about the activities and performance of the District during the month using accounting methods similar to those used by private sector companies and consistent with generally accepted accounting principles.

The financial package also includes **Dashboard Reports** which graphically depict various water sales data including water sales by classification, water sales for trailing 12, 24 and 36 months, water sales by tier and several other key trend indicators. The **Water Sales Analysis** and the **Metered Water Sales Report** track current year activity in both units of water sold (acre feet) and metered water sales.

ANALYSIS:

1. WATER SALES ANALYSIS – AUGUST 2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	352.50	334.53	17.97	5.4%
Multi Family	6.36	7.29	(0.92)	(12.7%)
Agricultural	46.85	39.93	6.92	17.3%
Institutional	46.01	31.31	14.70	46.9%
Commercial	23.77	28.65	(4.88)	(17.0%)
Non-Potable	19.22	18.19	1.04	5.7%
Monthly Total	494.72	459.90	34.82	7.6%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	654.80	672.78	(17.99)	(2.7%)
Multi Family	11.87	14.81	(2.94)	(19.8%)
Agricultural	86.63	79.86	6.77	8.5%
Institutional	78.68	62.96	15.72	25.0%
Commercial	44.39	58.31	(13.92)	(23.9%)
Non-Potable	39.87	46.38	(6.51)	(14.0%)
Yearly Total	916.24	935.10	(18.86)	(2.0%)

A. Water Sales in Acre Feet (AF)

During the month of August 2018, MWD sold 494.7 AF of water to its customers compared to a budgeted amount of 459.9 AF which translates to a budget variance of 34.8 AF or 7.6%. The primary reason for the variance has to do with warmer weather.

B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 1,732,269	\$ 1,721,288	\$ 10,981	0.6%
Multi Family	27,923	34,794	(6,871)	(19.7%)
Agricultural	118,238	110,617	7,621	6.9%
Institutional	207,581	166,310	41,271	24.8%
Commercial	117,343	156,877	(39,534)	(25.2%)
Non-Potable	24,314	28,287	(3,973)	(14.0%)
Adjustments	-	-	-	0.0%
Monthly Total	\$ 2,227,668	\$ 2,218,173	\$ 9,495	0.4%

2. STATEMENT OF REVENUE AND EXPENDITURES – AUGUST 2018

A. Revenues

Total Revenue YTD as of August 31, 2018 is \$4,427,900 compared to the YTD Budget of \$4,337,206 for a budget variance of \$90,694 or 2.1%.

REVENUE	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
WATER SALES	2,227,667	2,218,174	9,493
WSE SURCHARGE	1,309,662	1,335,581	(25,919)
SERVICE CHARGES	709,826	707,575	2,251
WATER AVAILABILITY CHARGE	-	-	-
PRIVATE FIRE HYDRANT	11,959	11,860	99
LATE CHARGES	13,418	11,212	2,206
SERVICE CONNECTION FEES	14,648	3,638	11,010
CAPITAL COST RECOVERY FEES	94,840	-	94,840
INTEREST REVENUE - GENERAL	29,940	33,333	(3,393)
OTHER REVENUE (LOSS)	11,510	11,833	(323)
REIMBURSEMENTS	4,431	4,000	431
TOTAL REVENUE	\$ 4,427,900	\$ 4,337,206	\$ 90,694

B. Expenses:

1. JPA Expenses

Total JPA Expenses YTD through August 31, 2018 are \$1,416,495 compared to the YTD budget of \$1,411,766 which is above budget by \$4,729. This variance is due mainly as a result of the COMB budget increasing after the MWD budget was completed.

2. MWD Expenses

Total MWD Expenses YTD as of August 31, 2018 are \$1,227,165 compared to the YTD budget of \$1,267,953 which is below budget by \$40,788. This variance is primarily due to the following factors – **Engineering**, SGMA Study has not incurred expected costs (\$22k), anticipated Professional Services have not yet been incurred (\$17k) as well as other combined variances (-\$20k); **Administration**, Legal expenses were lower than anticipated (\$20k), Rate Study costs have not been incurred (\$10k), local water supply negotiations have not been as costly as anticipated (\$46k) as well as other combined variances of (-\$2k).

ATTACHMENTS:

- 1) Financial Package – August 2018



FINANCIAL REPORTS

BOARD OF DIRECTORS

For the Month of August 2018

September 25, 2018

MONTECITO WATER DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES
 August 31, 2018

REVENUE	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)	Footnote
WATER SALES	1,212,868	1,102,283	110,584	2,227,667	2,218,174	9,493	(1)
WSE SURCHARGE	711,645	663,817	47,828	1,309,662	1,335,581	(25,919)	(1)
SERVICE CHARGES	355,100	353,787	1,312	709,826	707,575	2,251	
WATER AVAILABILITY CHARGE	-	-	-	-	-	-	
PRIVATE FIRE HYDRANT	5,979	5,930	49	11,959	11,860	99	
LATE CHARGES	8,940	5,606	3,334	13,418	11,212	2,206	
SERVICE CONNECTION FEES	9,876	3,638	6,238	14,648	3,638	11,010	(2)
CAPITAL COST RECOVERY FEES	71,130	-	71,130	94,840	-	94,840	(3)
INTEREST REVENUE - GENERAL	13,838	16,667	(2,829)	29,940	33,333	(3,393)	
OTHER REVENUE (LOSS)	3,718	5,917	(2,198)	11,510	11,833	(323)	
REIMBURSEMENTS	4,431	2,000	2,431	4,431	4,000	431	
TOTAL REVENUE	\$ 2,397,524	\$ 2,159,645	\$ 237,879	\$ 4,427,900	\$ 4,337,206	\$ 90,694	
OPERATING EXPENSE							
DIRECT EXPENSE							
JPA OPERATING EXPENSE							
CACHUMA OPERATIONS & MAINT BOARD (COMB)	51,028	48,661	(2,367)	102,056	97,323	(4,734)	(4)
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	11,588	11,589	0	23,177	23,177	0	
US BUREAU OF RECLAMATION (USBR)	25,576	25,576	-	51,152	51,152	-	
CATER WATER TREATMENT PLANT	105,000	105,000	-	210,000	210,000	-	
STATE WATER PROJECT (SWP) - FIXED	430,011	430,012	1	860,020	860,023	3	
STATE WATER PROJECT (SWP) - VARIABLE	85,045	85,046	1	170,090	170,091	1	
SUPPLEMENTAL WATER PURCHASE	-	-	-	-	-	-	
TOTAL JPA OPERATING EXPENSE	\$ 708,248	\$ 705,883	(\$ 2,366)	\$ 1,416,495	\$ 1,411,766	(\$ 4,729)	
MWD DIRECT EXPENSE							
JAMESON	13,502	13,936	434	21,306	23,583	2,277	
TRANSMISSION & DISTRIBUTION	148,277	124,551	(23,726)	272,471	245,675	(26,796)	(5)
TREATMENT	136,733	100,896	(35,837)	224,099	195,713	(28,386)	(6)
TOTAL MWD DIRECT EXPENSE	\$ 298,512	\$ 239,384	(\$ 59,128)	\$ 517,876	\$ 464,970	(\$ 52,906)	
MWD INDIRECT EXPENSE							
ENGINEERING	76,885	64,383	(12,502)	107,516	126,915	19,399	(7)
CUSTOMER SERVICE	38,920	33,755	(5,165)	68,756	65,967	(2,789)	
PUBLIC INFORMATION / CONSERVATION	11,239	10,731	(508)	20,307	20,926	619	
FLEET	19,196	17,788	(1,407)	33,333	34,957	1,624	
ADMINISTRATION (incl Depreciation)	273,077	319,639	46,563	479,377	554,217	74,841	(8)
TOTAL MWD INDIRECT EXPENSE	\$ 419,316	\$ 446,296	\$ 26,980	\$ 709,289	\$ 802,983	\$ 93,694	

	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)
TOTAL MWD EXPENSE	\$ 717,828	\$ 685,680	(\$ 32,148)
TOTAL OPERATING EXPENSE	\$ 1,426,077	\$ 1,391,563	(\$ 93,642)
NET OPERATING SURPLUS / (DEFICIT)	\$ 971,447	\$ 768,082	\$ 203,365
NON OPERATING EXPENSE			
2004 DWR ORTEGA LOAN	-	-	-
BOND INTEREST EXPENSE	-	-	-
CATER DWR LOAN	-	-	-
CATER CAPITAL	-	-	-
CATER OZONE	-	-	-
TOTAL NON OPERATING EXPENSE	\$ -	\$ -	\$ -
NET OPERATING SURPLUS / (DEFICIT)	\$ 971,447	\$ 768,082	\$ 203,365
NET POSITION, BEGINNING OF PERIOD	\$ 32,754,930	\$ 32,714,798	\$ 40,133
NET POSITION, END OF PERIOD	\$ 33,726,378	\$ 33,482,880	\$ 243,497

	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
TOTAL MWD EXPENSE	\$ 1,227,165	\$ 1,267,953	\$ 40,788
TOTAL OPERATING EXPENSE	\$ 2,643,660	\$ 2,679,718	(\$ 16,847)
NET OPERATING SURPLUS / (DEFICIT)	\$ 1,784,241	\$ 1,657,488	\$ 126,753
NON OPERATING EXPENSE			
2004 DWR ORTEGA LOAN	-	-	-
BOND INTEREST EXPENSE	-	-	-
CATER DWR LOAN	-	-	-
CATER CAPITAL	-	-	-
CATER OZONE	-	-	-
TOTAL NON OPERATING EXPENSE	\$ -	\$ -	\$ -
NET OPERATING SURPLUS / (DEFICIT)	\$ 1,784,241	\$ 1,657,488	\$ 126,753
NET POSITION, BEGINNING OF PERIOD	\$ 31,942,137	\$ 31,903,426	\$ 38,711
NET POSITION, END OF PERIOD	\$ 33,726,377	\$ 33,560,913	\$ 165,464

August 31, 2018

FOOTNOTES

- (1) **WATER SALES (in AF)** - MTD OVER Actual 494.7 and Budget 459.9 = Variance 34.8; YTD UNDER Actual 916.2 and Budget 935.1 = Variance -18.9;
- (2) **SERVICE CONNECTION FEES** - MTD OVER by \$6k & YTD OVER by \$11k - Unanticipated connection and relocation during the month
- (3) **CAPITAL COST RECOVERY** - MTD OVER by \$71k & YTD OVER by \$95k - Unanticipated new meter installation during the month
- (4) **COMB** - MTD OVER by \$2k & YTD OVER by \$4k - Will continue to grow as MWD budget was based on a preliminary COMB budget
- (5) **TRANSMISSION & DISTRIBUTION** - MTD OVER by \$24k - Repairs and Maintenance \$10k (inventory), Utilities \$9k
YTD OVER by \$27k - Supplies (UNDER) (-\$5k), Repairs and Maint \$20k (inventory), Utilities \$14k
- (6) **TREATMENT** - MTD OVER by \$35k - Laboratory Services \$8k Supplies \$4k, Chemicals \$7k (2 months); Utilities \$9k
YTD OVER by \$28k - Utilities \$11k, Chemicals \$6k, and Laboratory Services \$8k
- (7) **ENGINEERING** - MTD OVER by \$12k - Recycled Water Feasibility Study (timing) - \$12k;
YTD UNDER by \$19k - SGMA (timing) (\$22k), Professional Services (\$17k), Salaries \$8k and Recycled Water Feasibility Study (timing) \$9k
- (8) **ADMINISTRATION** - MTD UNDER by \$46k -Local Water Supply Negotiations (timing) \$46k
YTD UNDER by \$75k - Legal (-\$20k), Local Water Supply Negotiations (timing) (-\$46k) and Rate Study(timing) (-\$10k)

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
August 31, 2018

ASSETS

Current:

Cash and investments

Operating accounts
Board reserves:

Reserve for Operations	\$	3,400,000	
Reserve for Emergencies	\$	1,000,000	
Reserve for Unanticipated Projects	\$	1,000,000	
	\$		5,400,000
Unreserved Cash		\$	4,625,957

Total unrestricted cash and investments	\$	10,025,957	
Restricted - cash and investments	\$	3,484,109	
Total Cash (unrestricted & restricted)			\$ 13,510,065

Other Investments - Semitropic Shares	\$	630,000	\$ 630,000
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Receivables:

Accounts receivable - water sales & services, net	\$	2,421,914	
Accounts receivable - other	\$	4,413	
Accrued Interest	\$	22,595	
FEMA Reimbursable	\$	561,013	
ACWA/JPIA receivable	\$	(216,803)	
Materials and supplies inventory	\$	302,893	
Prepaid water charges (SWP and other prepaid water)	\$	7,526,608	
Prepaid expenses and other deposits	\$	319,386	
Total Current Assets			\$ 10,942,019

Noncurrent:

Capital assets - not being depreciated	\$	1,391,952	
Capital assets - being depreciated, net	\$	31,031,774	
Total Noncurrent Assets			\$ 32,423,726

DEFERRED OUTFLOWS OF RESOURCES

Deferred pensions	\$	1,116,776	
Total Deferred Outflows of Resources			\$ 1,116,776

TOTAL COMBINED ASSETS:

\$ 58,622,587

**MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
August 31, 2018 (Continued)**

LIABILITIES

Current:

Accounts payable and accrued expenses	\$	8,990	
Accrued wages and related payables	\$	10,896	
Unearned revenue and other deposits	\$	87,512	
Accrued interest payable	\$	-	
Long-term liabilities - due within one year:			
Accrued compensated absences			
Bonds Payable	\$	-	
Loan Payable	\$	635,016	
Total Current Liabilities		\$	742,414

Noncurrent:

Accrued compensated absences	\$	381,885	
Accrued water exchange transfer	\$	-	
Bonds payable	\$	13,360,000	
Loan payable	\$	5,864,989	
Legal settlement payable	\$	-	
Other post-employment benefits payable	\$	780,930	
Net pension liability	\$	3,797,410	
Total Noncurrent Liabilities		\$	24,185,215
Total Liabilities		\$	24,927,628

DEFERRED INFLOWS OF RESOURCES

Deferred pensions	\$	523,384	
Total Deferred Inflows of Resources		\$	523,384

NET POSITION

Net investment in capital assets	\$	12,072,809	
Restricted	\$	3,484,109	
Unrestricted	\$	17,614,657	
Total Net Position		\$	33,171,575

TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:

\$ 58,622,587

**MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
August 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

	MTD	YTD
Operating Income (loss)	\$ 957,609	\$ 1,754,300
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	101,548	199,660
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(656,963)	(129,219)
Materials and supplies inventory	54,780	60,036
Prepaid water charges	580,910	1,289,157
Prepaid expenses and other deposits	3,288	(206,128)
Litigation Liability	-	-
Accounts payable	(946,439)	(898,213)
Accrued wages and related payables	(34,812)	(43,357)
Unearned revenue and other deposits	(2,116)	(116)
Accrued water exchange transfer	-	-
Compensated absences	13,950	12,679
Net cash provided (used) by operating activities	\$ 71,755	\$ 2,038,799

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	-	\$ (95,167)
Interest Payable	-	-
Net cash provided (used) by capital financing and related activities	\$ -	\$ (95,167)

**MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
August 31, 2018 (Continued)**

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

	MTD	YTD
Ortega Interest	\$ -	\$ -
Bond Interest	-	-
Cater DWR Loan	-	-
Cater Capital	-	-
Cater Ozone	-	-
	-	-
Net cash provided (used) by noncapital financing activities	\$ -	\$ -

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	\$ 13,838	\$ 29,939
Purchase of underground water banking shares	\$ -	\$ -
	-	-
Net cash provided by (used) by investing activities	\$ 13,838	\$ 29,939

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

\$ 85,593 \$ 1,916,137

Cash and cash equivalents, beginning of period	\$ 13,424,472	\$ 11,593,928
Cash and cash equivalents, end of period	\$ 13,510,065	\$ 13,510,065

RECONCILIATION TO STATEMENT OF NET POSITION:

Cash and investments - cash equivalents	\$ 10,025,957	\$ 10,025,957
Restricted cash and investments - cash equivalents	3,484,109	3,484,109
	-	-
	\$ 13,510,065	\$ 13,510,065



DASHBOARD REPORT WATER SALES (AF)

8/31/2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	352.50	334.53	17.97	5.4%
Multi Family	6.36	7.29	(0.92)	(12.7%)
Agricultural	46.85	39.93	6.92	17.3%
Institutional	46.01	31.31	14.70	46.9%
Commercial	23.77	28.65	(4.88)	(17.0%)
Non-Potable	19.22	18.19	1.04	5.7%
Monthly Total	494.72	459.90	34.82	7.6%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	654.80	672.78	(17.99)	(2.7%)
Multi Family	11.87	14.81	(2.94)	(19.8%)
Agricultural	86.63	79.86	6.77	8.5%
Institutional	78.68	62.96	15.72	25.0%
Commercial	44.39	58.31	(13.92)	(23.9%)
Non-Potable	39.87	46.38	(6.51)	(14.0%)
Yearly Total	916.24	935.10	(18.86)	(2.0%)

Fiscal Year = July thru June



DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 938,539	\$ 858,559	\$ 79,980	9.3%
Multi Family	14,963	17,107	(2,144)	(12.5%)
Agricultural	63,818	55,163	8,655	15.7%
Institutional	120,187	83,416	36,771	44.1%
Commercial	63,637	76,947	(13,310)	(17.3%)
Non-Potable	11,724	11,090	634	5.7%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 1,212,868	\$ 1,102,282	\$ 110,586	10.0%

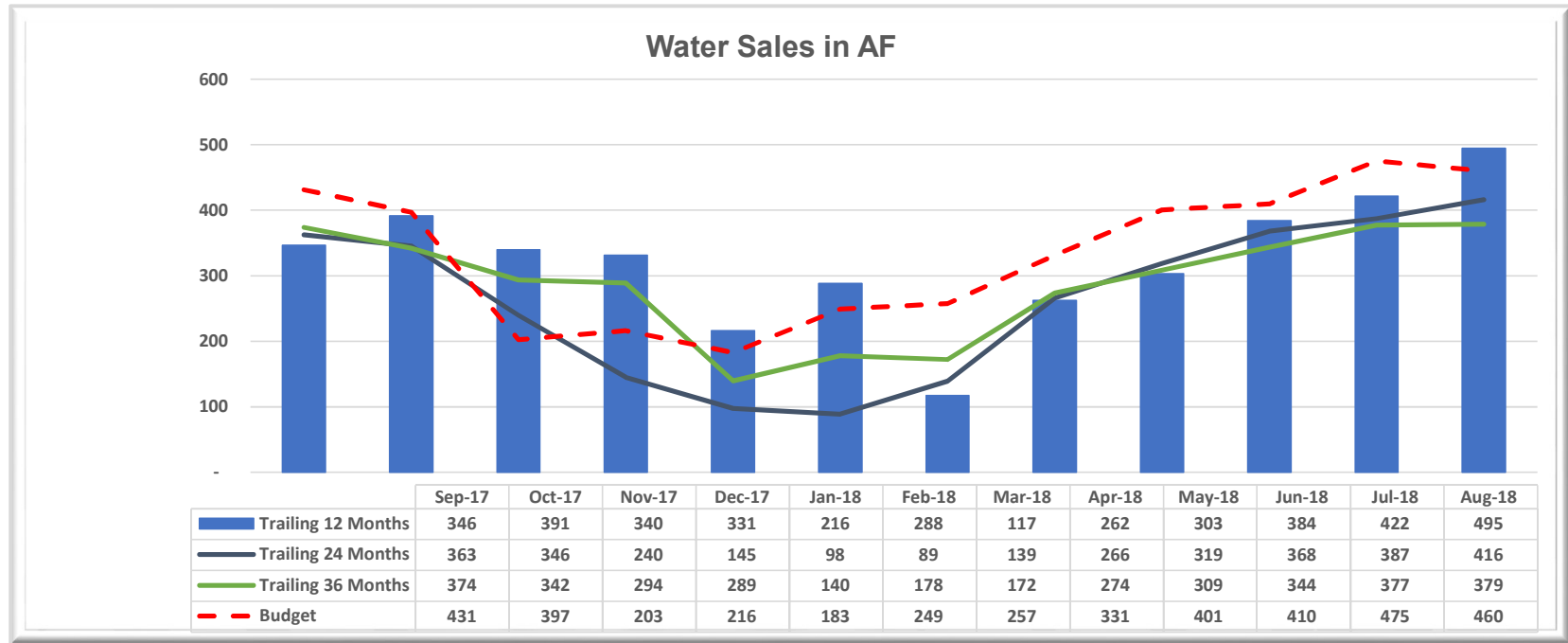
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 1,732,269	\$ 1,721,288	\$ 10,981	0.6%
Multi Family	27,923	34,794	(6,871)	(19.7%)
Agricultural	118,238	110,617	7,621	6.9%
Institutional	207,581	166,310	41,271	24.8%
Commercial	117,343	156,877	(39,534)	(25.2%)
Non-Potable	24,314	28,287	(3,973)	(14.0%)
Adjustments	-	-	-	0.0%
Monthly Total	\$ 2,227,668	\$ 2,218,173	\$ 9,495	0.4%

Fiscal Year = July thru June

MONTH ENDING

8/31/2018

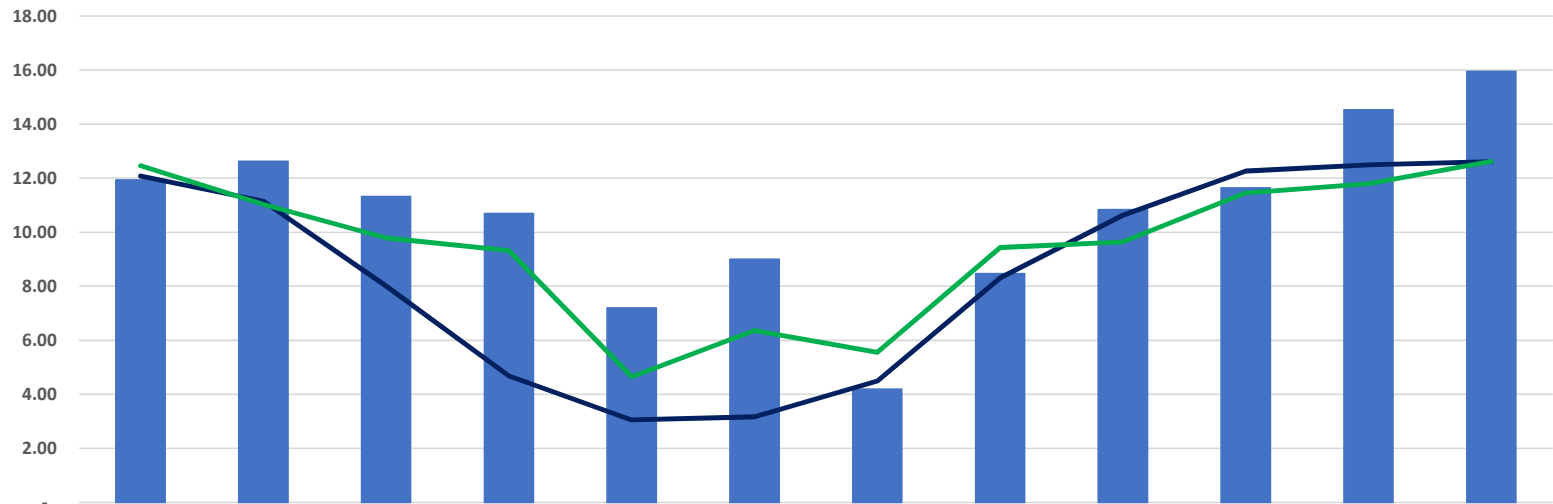
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8/31/2018

Average Daily Water Sales Per Month (AF)



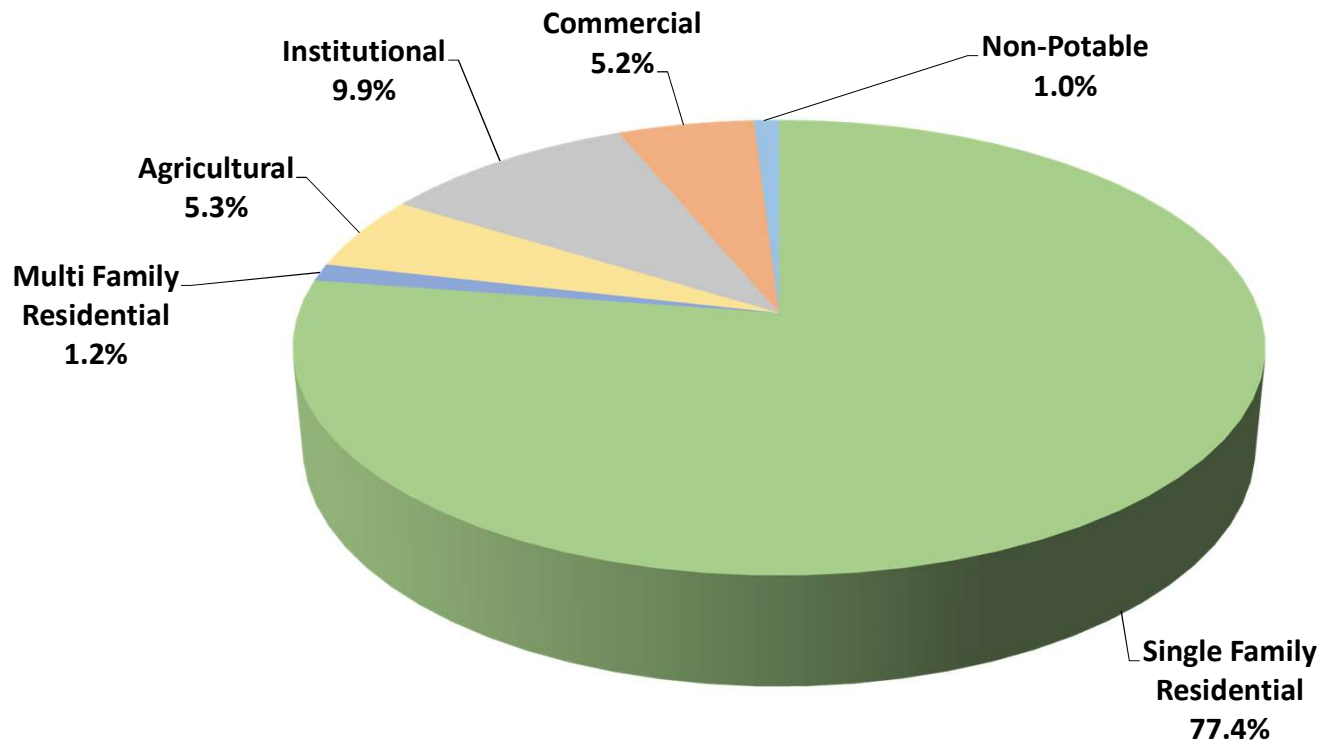
	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Trailing 12 Months	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54	15.96
Trailing 24 Months	12.08	11.15	8.00	4.68	3.05	3.17	4.49	8.31	10.63	12.26	12.49	12.61
Trailing 36 Months	12.46	11.03	9.79	9.32	4.65	6.36	5.56	9.43	9.64	11.46	11.79	12.62

MONTH ENDING

8/31/2018

(Select Date From Drop Down Arrow)

Water Sales by Classification - August 31, 2018

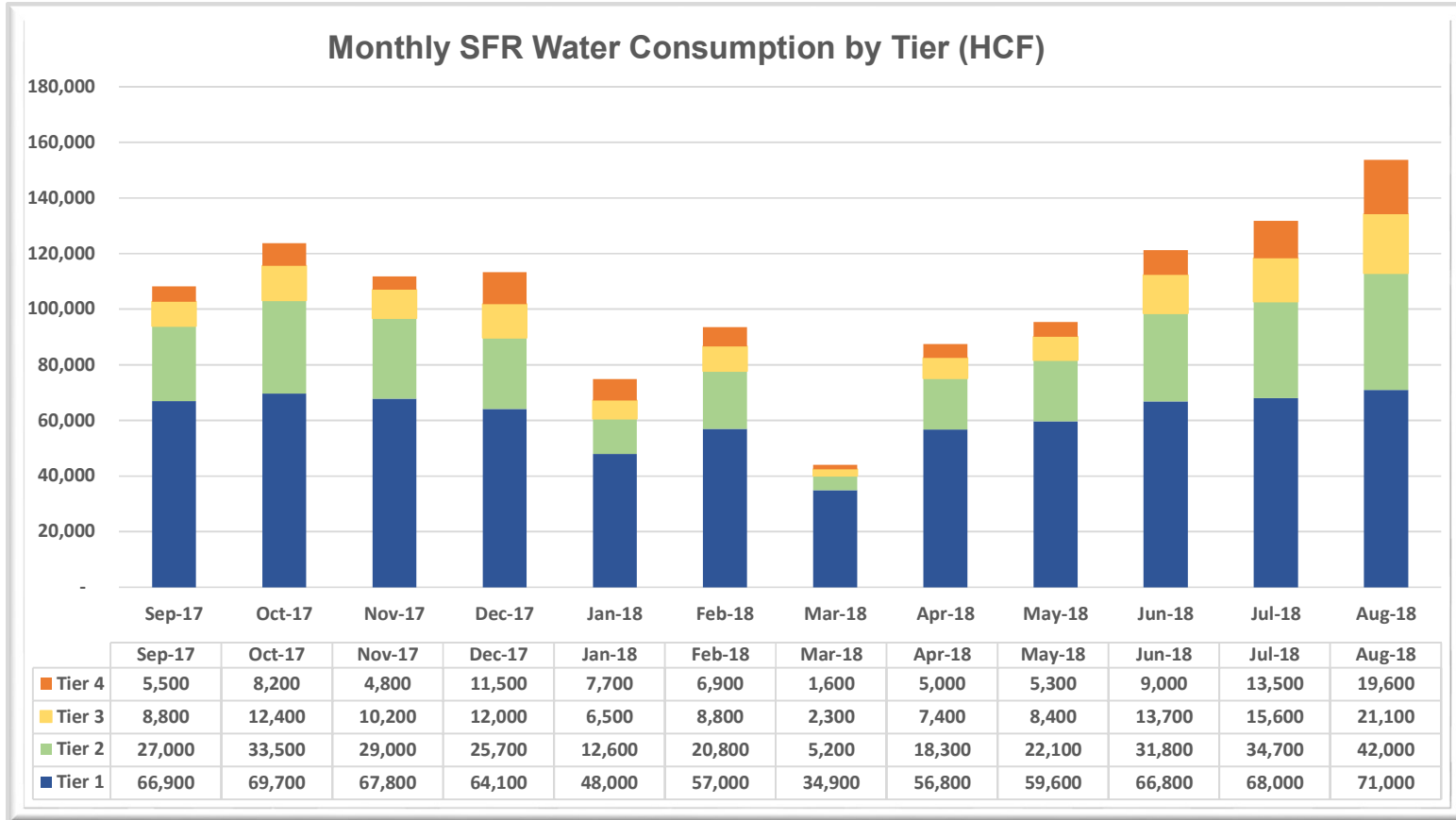




**DASHBOARD REPORT
SFR CONSUMPTION TRENDS**

MONTH ENDING

8/31/2018



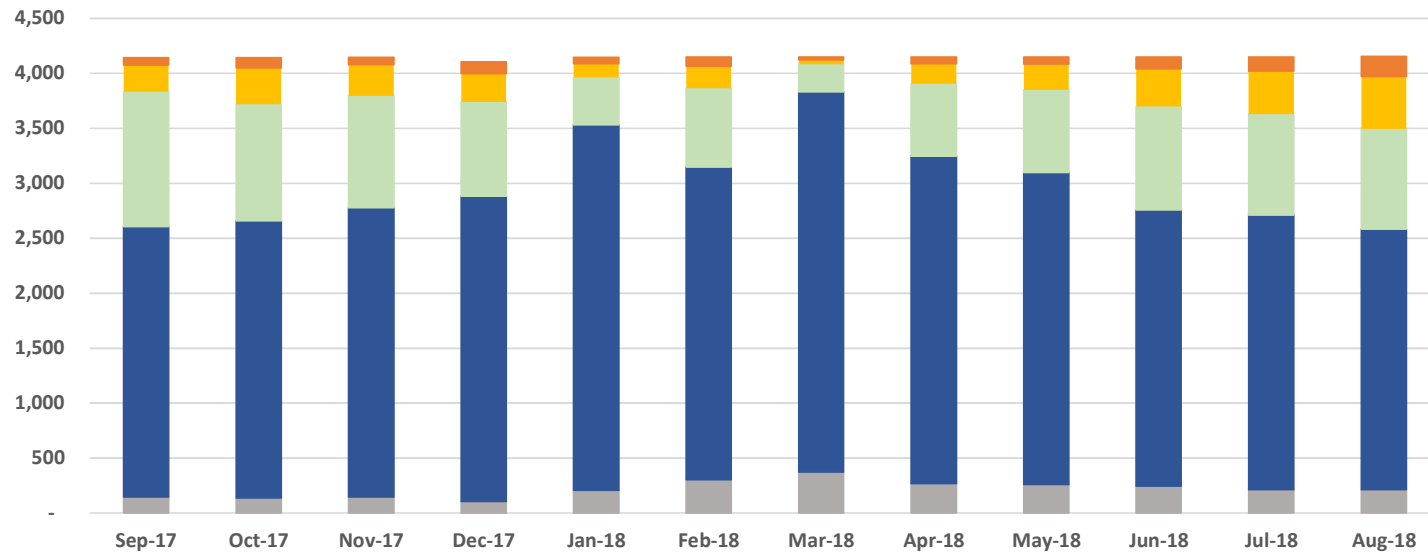


**DASHBOARD REPORT
SFR CONSUMPTION TRENDS**

MONTH ENDING

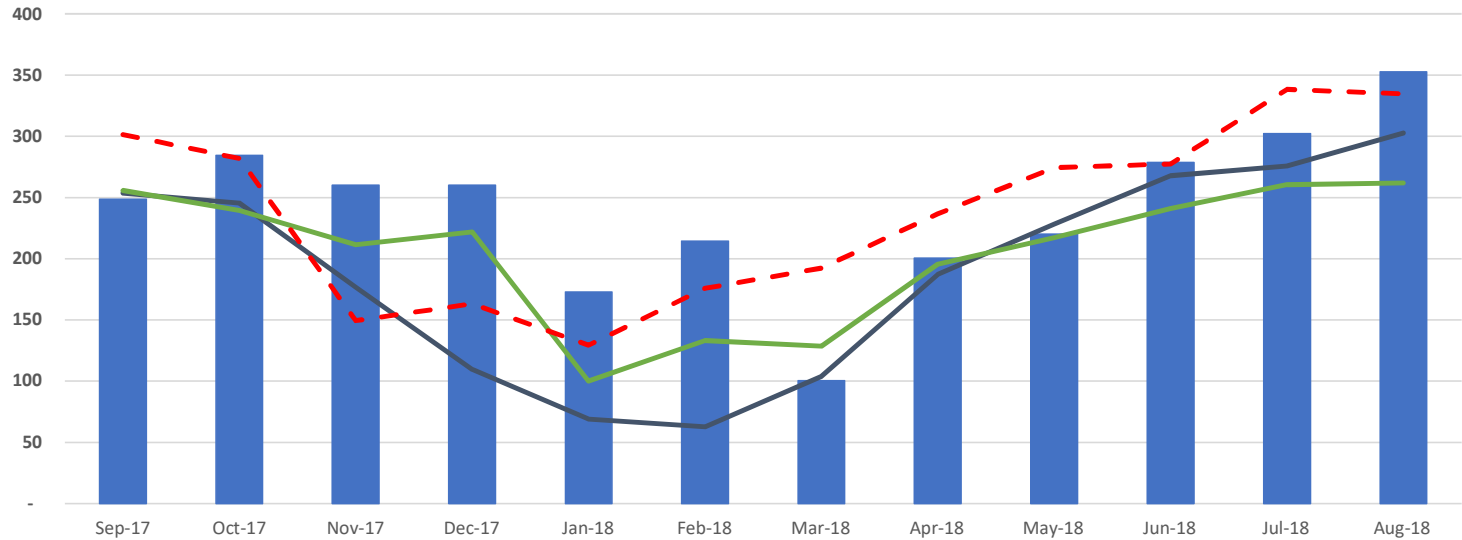
8/31/2018

Monthly SFR Water Consumption by Tier (# of Customers)



	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
■ Tier 4 Usage	65	93	67	106	56	80	22	58	62	107	127	182
■ Tier 3 Usage	243	330	284	255	127	203	42	184	234	342	391	477
■ Tier 2 Usage	1,229	1,061	1,017	856	430	714	249	658	751	942	918	914
■ Tier 1 Usage	2,459	2,522	2,632	2,780	3,325	2,847	3,462	2,978	2,841	2,513	2,498	2,367
■ "0" Usage	147	137	147	106	209	304	373	270	260	245	215	215

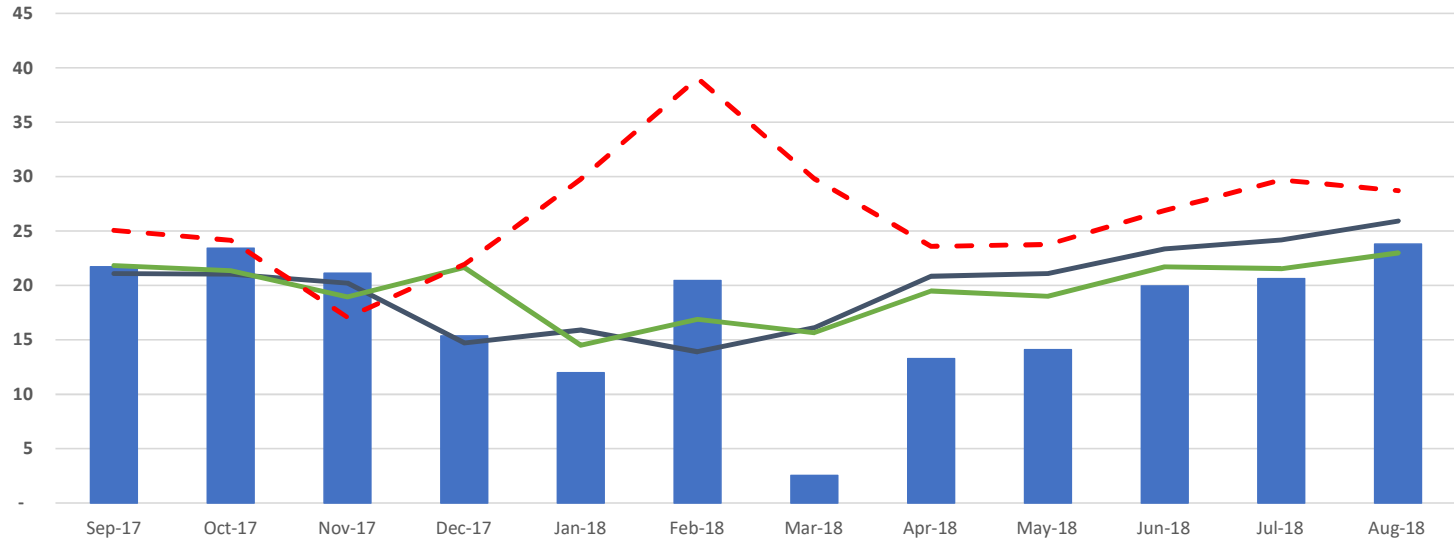
Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Trailing 12 Months	249	284	260	260	173	214	100	200	220	279	302	353
Trailing 24 Months	253	245	177	109	69	63	104	187	228	268	276	303
Trailing 36 Months	256	239	211	222	100	133	129	195	217	241	260	262
Budget	301	282	149	163	129	176	192	237	274	277	338	335

■	Trailing 12 Months(SINGLE FAMILY RESIDENTIAL)	2,894 AF
■	Trailing 24 Months(SINGLE FAMILY RESIDENTIAL)	2,282 AF
■	Trailing 36 Months(SINGLE FAMILY RESIDENTIAL)	2,466 AF
■	Budget(SINGLE FAMILY RESIDENTIAL)	3,168 AF
	Trailing 12 Months vs. Trailing 24 Months:	26.8%
	Trailing 12 Months vs. Trailing 36 Months:	17.4%
	Trailing 12 Months vs. Budget	(8.6%)

Water Sales by Month (AF) COMMERCIAL

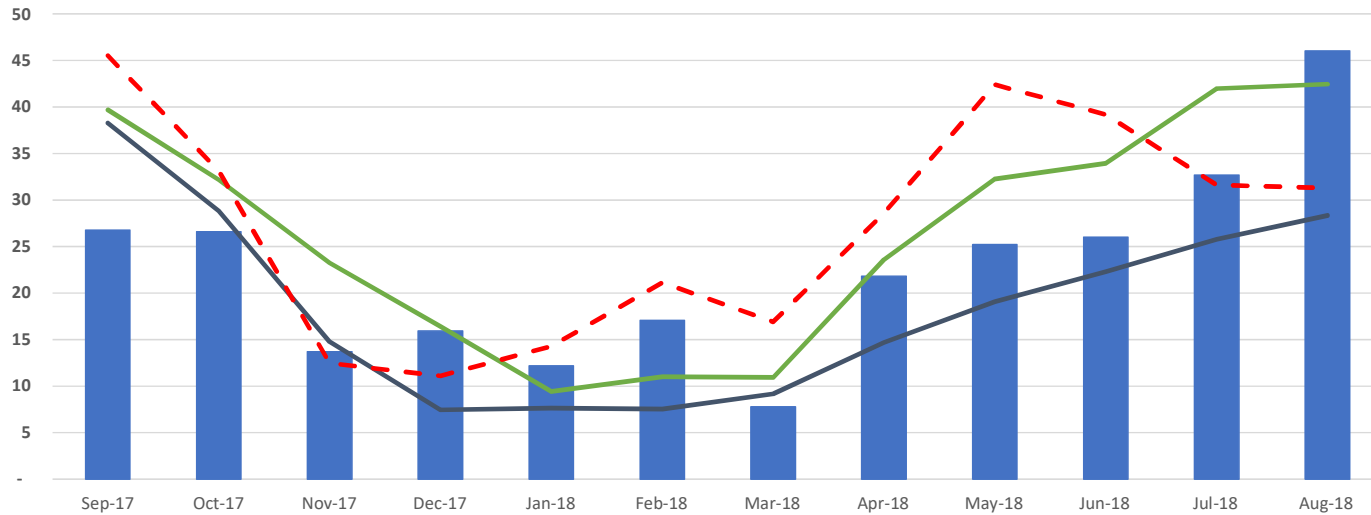


	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Trailing 12 Months	22	23	21	15	12	20	3	13	14	20	21	24
Trailing 24 Months	21	21	20	15	16	14	16	21	21	23	24	26
Trailing 36 Months	22	21	19	22	14	17	16	20	19	22	22	23
Budget	25	24	17	22	30	39	30	24	24	27	30	29

	Trailing 12 Months (COMMERCIAL)	208 AF
	Trailing 24 Months (COMMERCIAL)	238 AF
	Trailing 36 Months (COMMERCIAL)	236 AF
	Budget (COMMERCIAL)	347 AF

Trailing 12 Months vs. Trailing 24 Months:	(12.6%)
Trailing 12 Months vs. Trailing 36 Months:	(11.6%)
Trailing 12 Months vs. Budget	(40.0%)

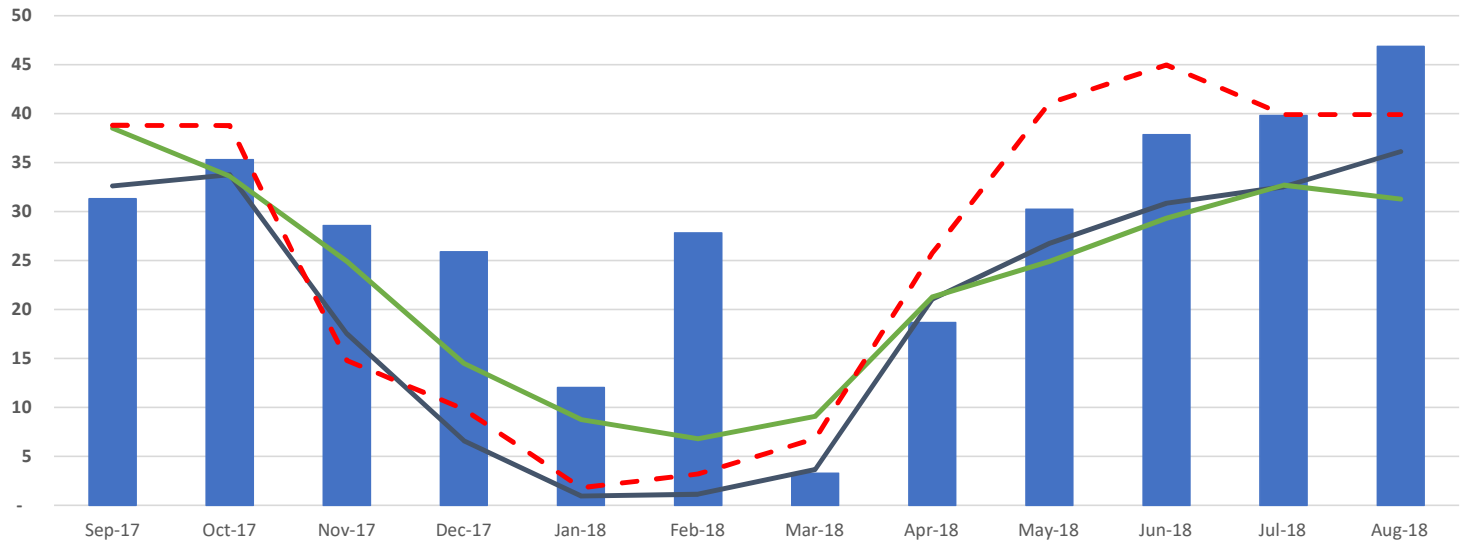
Water Sales by Month (AF) INSTITUTIONAL



	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Trailing 12 Months	27	27	14	16	12	17	8	22	25	26	33	46
Trailing 24 Months	38	29	15	7	8	8	9	15	19	22	26	28
Trailing 36 Months	40	32	23	16	9	11	11	24	32	34	42	42
Budget	46	33	12	11	14	21	17	29	42	39	32	31

	Trailing 12 Months (INSTITUTIONAL)	272 AF
	Trailing 24 Months (INSTITUTIONAL)	224 AF
	Trailing 36 Months (INSTITUTIONAL)	317 AF
	Budget (INSTITUTIONAL)	378 AF
Trailing 12 Months vs. Trailing 24 Months:		21.4%
Trailing 12 Months vs. Trailing 36 Months:		(14.3%)
Trailing 12 Months vs. Budget		(28.2%)

Water Sales by Month (AF) AGRICULTURE



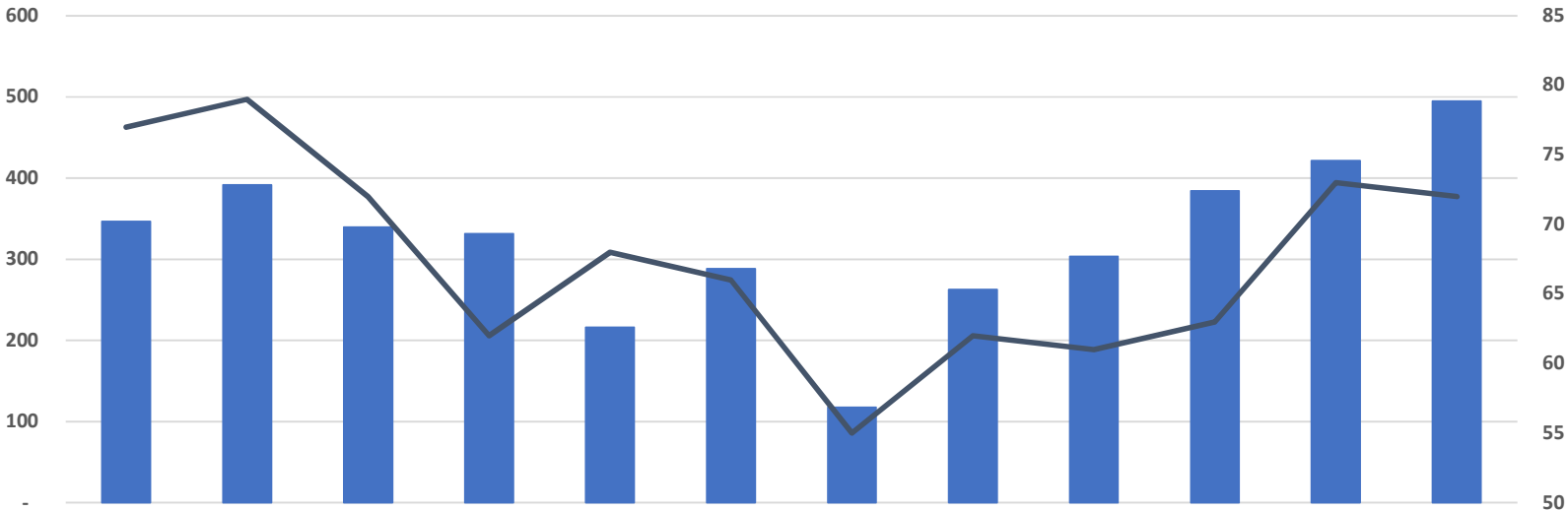
	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Trailing 12 Months	31	35	29	26	12	28	3	19	30	38	40	47
Trailing 24 Months	33	34	18	7	1	1	4	21	27	31	33	36
Trailing 36 Months	39	34	25	14	9	7	9	21	25	29	33	31
Budget	39	39	15	10	2	3	7	26	41	45	40	40

■	Trailing 12 Months (AGRICULTURE)	338 AF
■	Trailing 24 Months (AGRICULTURE)	244 AF
■	Trailing 36 Months (AGRICULTURE)	276 AF
■	Budget(AGRICULTURE)	343 AF
	Trailing 12 Months vs. Trailing 24 Months:	38.6%
	Trailing 12 Months vs. Trailing 36 Months:	22.5%
	Trailing 12 Months vs. Budget	(1.6%)



8/31/2018

Sales (AF) / Average Temperature (°F)

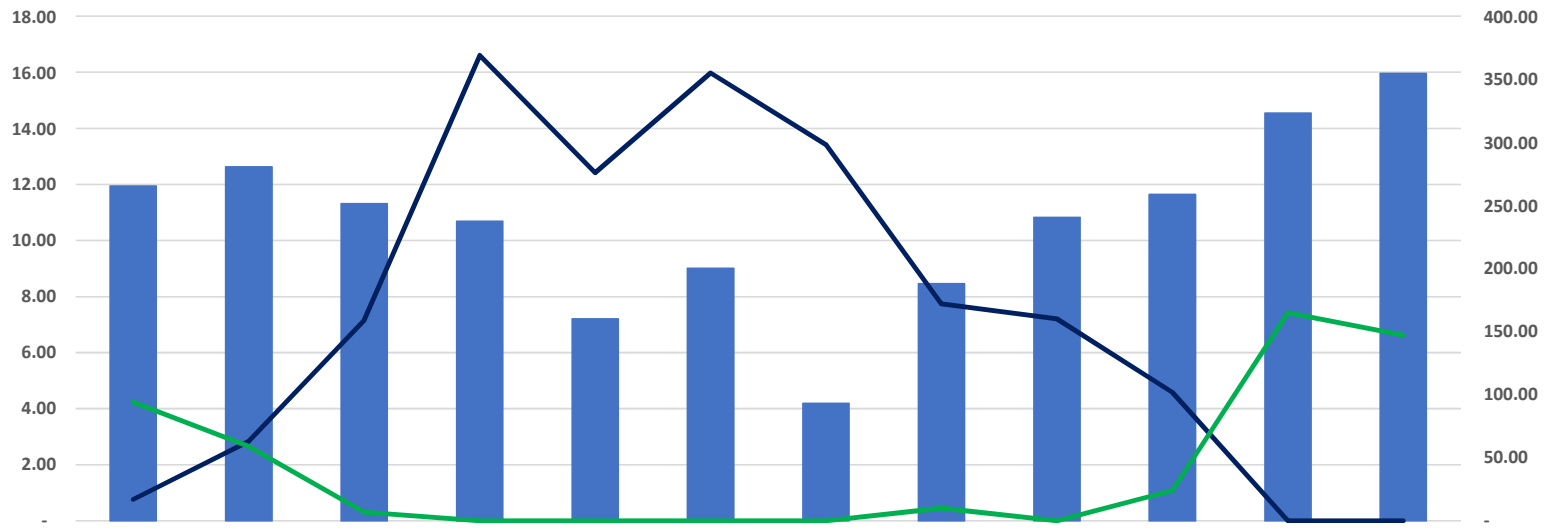


	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Sales (AF)	346	391	340	331	216	288	117	262	303	384	422	495
Average Temp	77	79	72	62	68	66	55	62	61	63	73	72



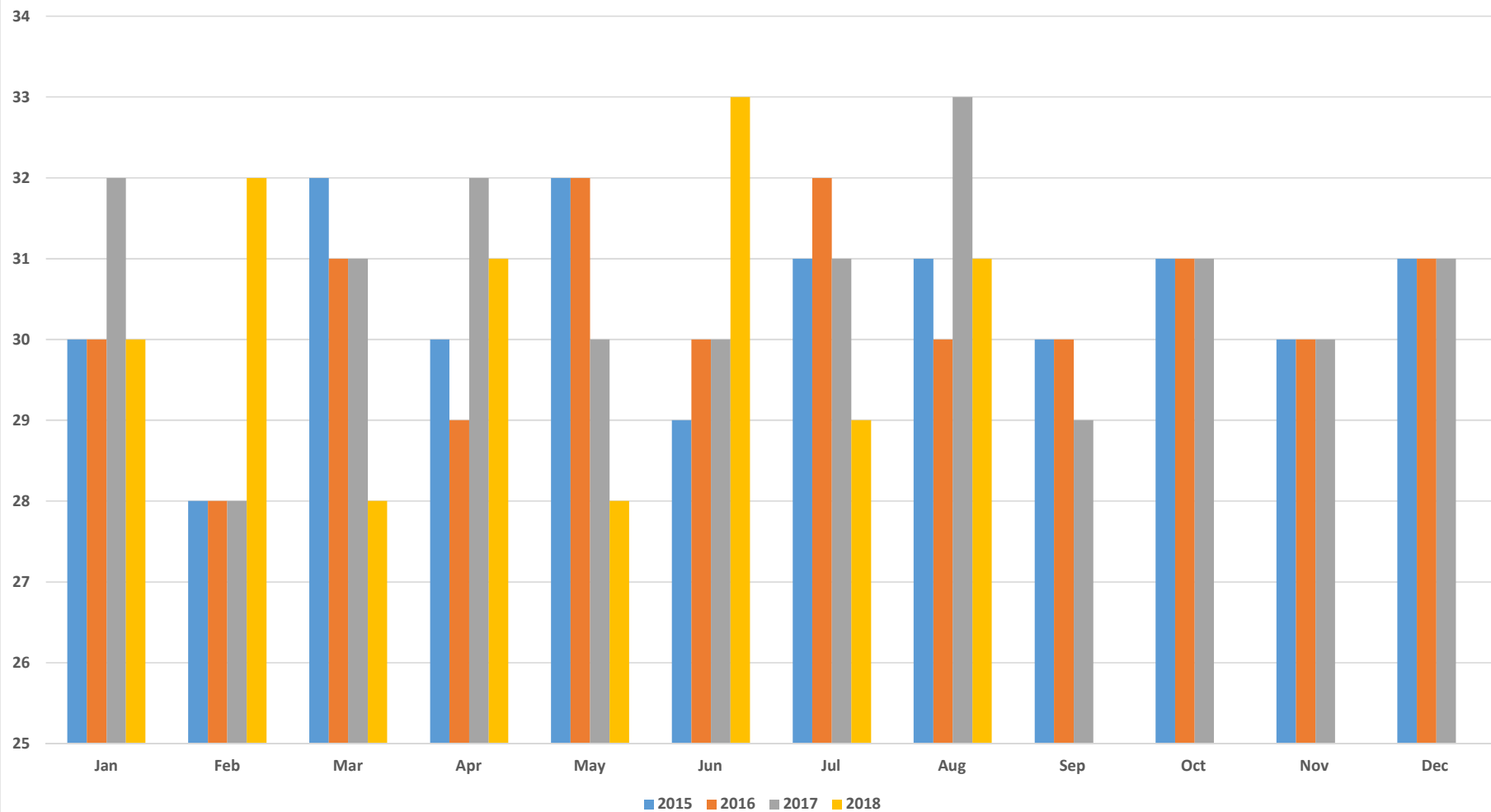
8/31/2018

Average Daily Sales (AF) - Degree Days (Base 65)



	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Average Daily Sales	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54	15.96
Heating Degree Days	17.00	63.00	159.00	369.00	276.00	355.00	298.00	172.00	160.00	102.00	-	-
Cooling Degree Days	94.00	59.00	7.00	-	-	-	-	10.00	-	24.00	165.00	147.00

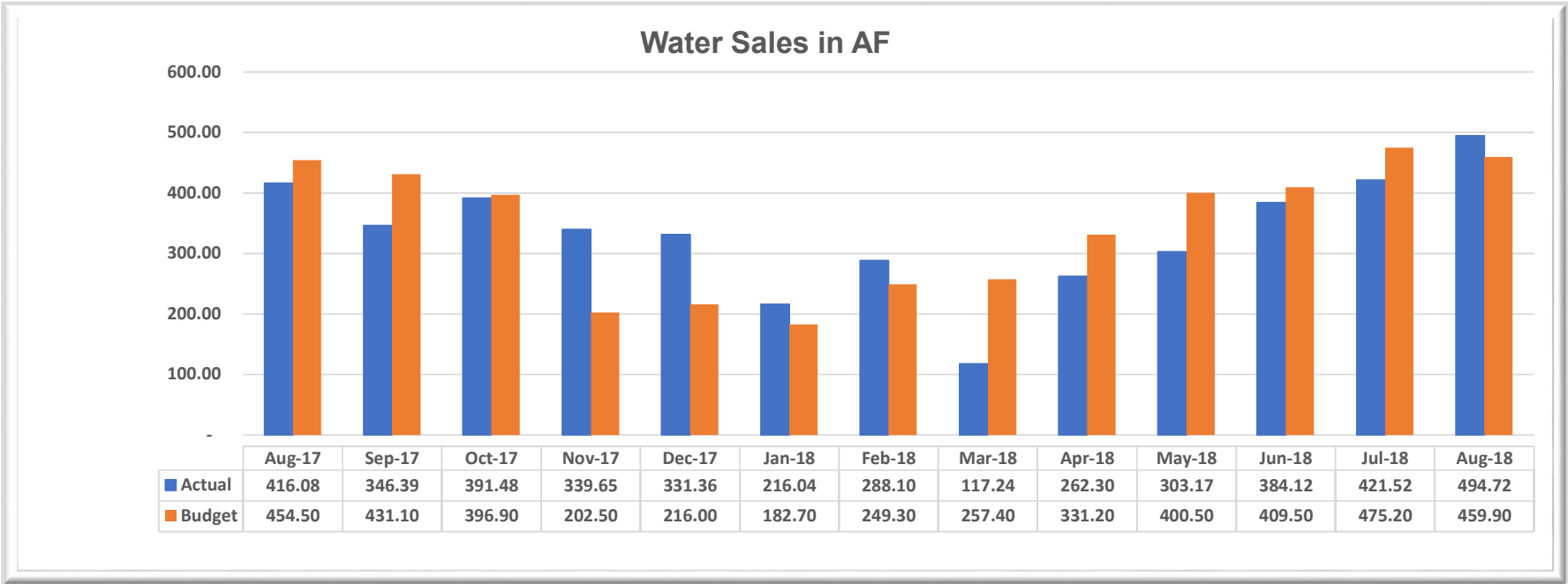
Billing Days per Month





DASHBOARD REPORT WATER SALES (AF)

8/31/2018



**MONTECITO WATER DISTRICT
WATER SALES ANALYSIS
FOR FISCAL YEAR 2018/19**

MONTH	% SALES BREAKDOWN	2017/18 ACTUAL SALES (*)		2018/19 BUDGET SALES		2018/19 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	\$	AF	\$	AF	SALES	AF	%	\$	%	AF	%	\$	%
JUL	11.8%	387.1	909,119	475.2	\$1,115,891	421.5	\$1,014,800	34.4	8.9%	\$105,681	11.6%	(53.7)	(11.3%)	(101,091)	(9.1%)
AUG	11.6%	416.1	997,265	459.9	\$1,102,283	494.7	\$1,212,868	78.6	18.9%	\$215,603	21.6%	34.8	7.6%	110,584	10.0%
SEP	11.0%	346.4	828,165	434.7	\$1,039,311	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
OCT	10.0%	391.5	933,549	396.9	\$946,478	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
NOV	7.2%	339.6	815,859	283.5	\$680,991	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
DEC	5.1%	331.4	799,566	200.7	\$484,287	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JAN	3.1%	216.0	400,615	160.2	\$297,067	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
FEB	5.6%	288.1	657,160	233.0	\$531,382	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAR	5.8%	117.2	266,987	242.1	\$551,244	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
APR	8.1%	262.3	628,625	321.2	\$769,848	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	10.6%	303.2	719,008	398.6	\$1,008,415	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.1%	384.1	918,746	409.5	\$955,734	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,783.0	8,874,664	4,015.4	\$9,482,932	916.2	\$2,227,668	113.0	14.1%	\$321,284	16.9%	(18.9)	(2.0%)	\$9,493	0.4%

**YTD ACTUAL WATER SALES COMPARISON
FOR FISCAL YEAR 2018/19**

	2017/18 ACTUAL SALES (YTD)		2018/19 BUDGET SALES (YTD)		2018/19 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Cummulative (YTD)	803.2	1,906,383	935.1	\$2,218,174	916.2	\$2,227,667	113.0	14.1%	\$321,284	16.9%	(18.9)	(2.0%)	\$9,493	0.4%

QUARTERLY COMPARISON - ACTUALS THROUGH AUGUST 2018 (*)

	2017/18 ACTUAL SALES		2018/19 BUDGET SALES		2018/19 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Jul-Sep (Actual)	1,149.6	\$2,734,549	1,369.8	\$3,257,486	916.2	\$2,227,667	(233.4)	(20.3%)	(\$506,881)	(18.5%)	(453.6)	(33.1%)	(\$1,029,818)	(31.6%)
Oct-Dec (Actual)	1,062.5	2,548,974	881.1	2,111,756	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Jan-Mar (Actual)	621.3	1,324,762	635.2	1,379,694	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Apr-Jun (Actual)	949.6	2,266,379	1,129.3	2,733,997	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,783.0	\$8,874,664	4,015.4	\$9,482,932	917.0	\$2,227,668	(233.4)	14.1%	(\$506,881)	16.9%	(453.6)	(2.0%)	(\$1,029,818)	0.4%

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

**MONTECITO WATER DISTRICT
METERED WATER SALES - ACRE FEET
ACTUALS THROUGH AUGUST 2018 (*)**

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	290.00	415.40	4308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4812.84
1999-00	656.44	621.80	542.90	541.00	341.90	501.30	285.90	146.30	288.20	329.59	529.63	556.20	5341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4910.40
2001-02	571.70	631.20	501.40	436.70	214.10	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6054.61
2004-05	693.71	763.52	753.31	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	203.40	357.30	623.30	5065.18
2006-07	681.40	707.50	606.70	540.80	530.70	359.80	415.50	201.10	462.90	469.10	703.00	655.00	6333.50
2007-08	739.40	832.60	642.00	594.20	509.30	328.80	188.00	212.00	474.10	629.00	694.00	675.00	6518.40
2008-09	798.00	724.64	633.87	674.67	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5964.37
2009/10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5245.53
2010/11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4715.58
2011/12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	394.72	371.30	271.33	504.24	582.64	5302.42
2012/13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5945.40
2013/14	697.66	730.90	684.30	662.58	496.06	378.50	530.73	357.85	206.59	305.52	373.14	352.27	5776.10
2014/15	362.48	360.73	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	311.07	3331.17
2015/16	353.90	371.40	373.74	342.06	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3439.73
2016/17	377.38	378.68	362.54	345.53	239.92	145.00	97.59	88.78	139.09	266.01	318.90	367.79	3127.21
2017/18	387.15	416.08	346.39	391.48	339.65	331.36	216.04	288.10	117.24	262.30	303.20	384.10	3783.09
2018/19	440.10	494.70											934.80
AVERAGE	595.15	619.53	561.24	484.17	345.29	270.75	245.18	229.61	285.31	385.79	485.73	517.04	4859.14
MAXIMUM	798.00	832.60	753.31	674.67	530.70	501.30	530.73	394.72	474.10	629.00	703.00	675.00	6518.40
MINIMUM	353.90	360.73	346.39	342.06	214.10	145.00	97.59	88.78	117.24	203.40	290.00	311.07	934.80
18/19 % VS AVERAGE	74%	80%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	19%
17/18 % VS MAXIMUM	55%	59%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	14%

Total METER Connections = **4,605**

Total OFF Connections = **47**

Total ACTIVE METER Connections = **4,558**

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-B

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER/BUSINESS MANAGER

SUBJECT: USBR PRIOR YEARS DEFICIT CHARGES

This item was reviewed by the Finance Committee at their meeting on September 20, 2018 and the Committee concurs with the staff recommendations.

RECOMMENDATION:

That the Board of Directors authorize staff to proceed with a full payment of all USBR deficit charges due by October 10, 2018 in the amount of \$172,833 from unrestricted operating reserves.

DISCUSSION:

In March 2018, while preparing its FY 2019 budget, the Cachuma Operations & Maintenance Board (COMB) was informed by the United States Bureau of Reclamation (USBR) that financial deficits existed for the Cachuma Project for the period of FY 2015 through FY 2017. These deficits, including applicable interest to date, total \$1,900,501, of which the District's portion is \$173,908 (10.9%). At that time, minimal details were provided regarding repayment, including whether interest on the deficits would be applied. USBR preliminarily agreed to allow repayment over three years and, therefore, the District budgeted accordingly for FY18/19.

On September 10, 2018, the Cachuma member agencies met again with USBR to review the deficits. The deficits now include interest ranging from 2.375% to 3.25%. In addition, USBR is providing an option to repay the deficits over a five-year period. The current FY 2015 and 2016 deficits total \$142,900 which includes two years of interest totaling \$8,045. The current FY 2017 deficit totals \$31,008 which includes interest in the amount of \$1,075. This interest on the FY2017 deficit will be waived by USBR if paid in full by October 10, 2018. If FY 2017 deficit is the paid over five years, \$1,075 of interest will roll into the five-year amortization calculation. The total interest if financing the FY 2015, 2016 and 2017 deficits, including interest incurred to date is estimated to be \$24,200 over the five-year repayment period. If the District chooses to pay the entire balance prior to October 10, 2018, the interest savings is estimated to be \$15,089.

ATTACHMENTS

1) Cachuma Project Schedule of Deficit Per Member Unit

**CACHUMA PROJECT
SCHEDULE OF DEFICIT PER MEMBER UNIT**

Fiscal Year and Water Year 2015 - 2017

<i>District</i>	GWD	City of SB	CVWD	MWD	SYRWCD ID NO.1	Totals	Footnote / Assumption
FY 2015 - Deficit	\$ 152,255	\$ 83,541	\$ 64,248	\$ 23,175	\$ 90,100	\$ 413,319	1
FY 2015 - Interest @ 3.25%	\$ 10,057	\$ 5,518	\$ 4,244	\$ 1,531	\$ 5,952	\$ 27,302	2
FY 2016 - Deficit	\$ 392,855	\$ 348,858	\$ 118,696	\$ 111,680	\$ 111,681	\$ 1,083,770	1
FY 2016 - Interest @ 2.875%	\$ 22,914	\$ 20,348	\$ 6,923	\$ 6,514	\$ 6,514	\$ 63,213	3
FY 2017 - Deficit	\$ 114,842	\$ 90,966	\$ 37,189	\$ 29,933	\$ 29,121	\$ 302,051	1
FY 2017 - Interest @ 2.375%	\$ 4,124	\$ 3,266	\$ 1,335	\$ 1,075	\$ 1,046	\$ 10,846	4
Total	\$ 697,047	\$ 552,497	\$ 232,635	\$ 173,908	\$ 244,414	\$ 1,900,501	

Memo:

So. Coast Percentage

	40.42%	35.89%	12.20%	11.50%	0.00%	100.00%	
Projected COMB EPFP (if mobilized in Spring 2019)	\$ 673,499	\$ 598,067	\$ 203,257	\$ 191,552	\$ -	\$ 1,666,375	5

Assumptions

- (1) Per schedule #4B - Schedule of Deficit Per Member Unit (FY 2015 Through FY 2017) distributed by Reclamation staff at meeting on September 10, 2018.
- (2) Based on US Treasury Rate for 2015. Calculated thru September 30, 2018.
- (3) Based on US Treasury Rate for 2016. Calculated thru September 30, 2018.
- (4) Based on US Treasury Rate for 2017, Interest will not be charged on FY 2017 Deficit if balance is paid in-full within thirty days of September 10, 2018 mtg.
- (5) Exact timing of EPFP remobilization is dependent on certain factors including, but not limited to, future rainfall, lake elevation, member unit demands.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-C

DATE: SEPTEMBER 25, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER/BUSINESS MANAGER

SUBJECT: INCREASE IN STATE WATER PROJECT CHARGES FOR FY18/19

This item was reviewed by the Finance Committee at their meeting on September 20, 2018 and the Committee concurs with the staff recommendations.

RECOMMENDATION:

That the Board of Directors authorize staff to proceed with the full payment of the State Water Project Transportation Minimum OMP&R supplemental charges to Central Coast Water Authority for an amount not to exceed \$1,035,258 from unrestricted reserves, to be made in two installments of \$517,629 due on January 1 and June 30, 2019.

DISCUSSION:

In June 2018, Ray Stokes, executive director of CCWA, notified all CCWA project participants that the DWR Transportation Minimum OMP&R (operations, maintenance, power, & replacement) charges associated with the State Water Project (SWP) for calendar year 2019 had a significant increase over actual expenses from previous years and the amount used by CCWA to prepare the FY2018/19 budget. CCWA requested that the State Water Contractors (SWC) finance staff access DWR's accounting records to conduct a high-level audit to determine the reasons for the large increase. The SWC finance staff concluded that nearly the entire increase is associated with Reach 33A, this being the financial reach directly upstream of the CCWA Polonio Pass Water Treatment Plant which includes three DWR pumping plants (Devil's Den, Bluestone and Polonio Pass). Approx. 70% of the increase are indirect costs associated with the allocation of SWP costs in proportion to staff time spent in Reach 33A.

CCWA is having Ernst and Young perform an additional audit of the charges being allocated to Reach 33A to determine if the charges are correct and determine the reason(s) for the large increase in these charges.

According to CCWA, the District's portion of the increase in DWR Transportation Minimum OMP&R charges is approx. \$1.035M, with \$517,700 (half) due prior to January 1, 2019

and the second half due prior to June 30, 2019. CCWA is exploring several repayment options as described below.

1. Use District revenues or reserves to pay the amounts due. Alternatively, the District could attain financing for the charges.
2. CCWA has discussed financing options with Montecito Bank and Trust (MB&T) for some or all of the CCWA project participants. The District would be able to use its existing CCWA rate coverage reserves as collateral. These reserves would be placed in an interest bearing CD, effectively lowering the underlying interest rate.
3. CCWA is in discussions with DWR to consider an extended repayment period. Details on the repayment options are unknown at this time but will be provided as the information becomes available.

Based on the projected cash flow through December 2018, District Staff recommends that the Board of Directors authorize District staff to proceed with payment in full when due, for the total not to exceed amount of \$1,035,258.

District staff believes, based on the projected cash flow that the District has sufficient funds to cover these expenses while still maintaining financial integrity.

ATTACHMENTS

- 1) Memorandum from Ray Stokes dated September 6, 2018



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 6, 2018

TO: CCWA Project Participants

FROM: Ray A. Stokes
Executive Director

A handwritten signature in blue ink, appearing to read "RAY", is written over the name "Ray A. Stokes" in the "FROM:" field.

SUBJECT: DWR 2019 Transportation Minimum OMP&R Update and Payment Options

SUMMARY

This report will provide an update on findings on the large increase in the DWR calendar year 2019 Transportation Minimum OMP&R charges and request feedback from each participant regarding potential options for paying the additional amounts due if it is determined the charges are appropriate and a supplemental payment is necessary.

DISCUSSION

In June 2019, I sent the attached report to all CCWA project participants to alert you on a large increase in the DWR Transportation Minimum OMP&R charges for calendar year 2019 compared to the estimate of charges CCWA used in preparing the FY 2018/19 Budget (*note: the attached memo has been updated to reflect the actual 2019 Statement of Charges received on July 1, 2018*).

As stated in the attached report, I had requested that the State Water Contractors (SWC) finance staff access DWR's accounting records to determine the reason for the large increases at a high level so that we can better determine the next steps in auditing these charges from DWR.

SWC staff have completed their analysis and found the following:

1. The large increases are almost entirely due to increases in Reach 33A. This is the financial reach directly upstream of the CCWA Polonio Pass Water Treatment Plant that includes the three DWR pumping plants, Devil's Den, Bluestone and Polonio Pass.
2. Of the costs allocated to Reach 33A, approximately 70% of the costs are not directly related to work actually performed in Reach 33A, but are instead, indirect costs associated with the allocation of state-wide costs or system-wide costs that are allocated in proportion to actual staff time in Reach 33A as well as other indirect cost allocation methodologies.
3. Only 30% of the costs charged to Reach 33A are direct costs associated with work done on the facilities in that reach.

Next Audit Steps

As a result of the audit work done by the SWC financial staff, we are working with our Statement of Charges auditors, Ernst & Young, to further audit the actual charges allocated to Reach 33A to determine if the charges allocated are correct, and the primary reason for the large increases in the charges. Once this audit process is complete, we will request an audit report from Ernst & Young detailing the findings.

Repayment Options

If it is determined that the charges calculated by DWR for calendar year 2019 are correct, CCWA will need to issue a supplemental assessment to collect one-half of the additional amount due by January 1, 2019, with the other half due on June 1, 2019 as part of the CCWA FY 2019/20 Fixed Assessment. However, CCWA staff have explored some repayment options described below.

1. Pay the amounts due on January 1, 2019 and June 1, 2019 from your individual agency reserves and/or revenues. Alternatively, you may choose to pursue your own financing options directly with your individual financial institution.
2. Bank Loan

CCWA has had discussions with Montecito Bank & Trust (MB&T) about the possibility of obtaining a bank loan for all or some of the CCWA project participants to pay the additional amount due over time. While not specifically approving a loan at this time, MB&T stated that it is a possibility, especially if existing CCWA reserves were used to collateralize the loan. Therefore, if your agency has cash deposits with CCWA in the rate coverage reserve fund, O&M reserve fund and/or escrow deposits, these could be used as collateral for your share of a bank loan.

If a loan were obtained from MB&T, the reserve funds would be placed in an interest bearing CD which would then reduce the interest rate on the underlying loan. Please contact CCWA Controller, Laura Matthews at ljm@ccwa.com to determine your cash deposit balances if you are interested in this option.

3. Payment over Time to DWR

I had previously thought that the provision that allows the payment of large changes in the bills from DWR over time applied to the Transportation Minimum OMP&R component. However, that provision only applies to the Transportation Capital component.

I discussed this issue with DWR and they are willing to consider a longer repayment period even though it is not specifically called out in the contract. I don't yet know the specifics on term or interest costs, but DWR has committed to working with us if there is an interest in this option.

RESPONSE REQUESTED: Please respond to this email indicating which of the three options, or combination thereof, your agency prefers. If all participants elect to pay the amounts as they become due, I will not pursue the other two. However, if there is an interest in either of the other two, I will continue to explore those options.

Please let me know if you have any questions. This will also be discussed in detail at the September 27, 2019 CCWA of Directors meeting, as well as the October 11, 2018 Operating Committee meeting.

RAS

Attachment



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

June 7, 2018

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director 

SUBJECT: DWR Calendar Year 2019 Transportation Minimum OMP&R Cost Estimates

SUMMARY

NOTE: THIS REPORT HAS BEEN UPDATED TO REFLECT THE AMOUNTS FROM THE ACTUAL CALENDAR YEAR 2019 STATEMENT OF CHARGES.

CCWA has received the DWR Statement of Charges for calendar year 2019 which shows a large increase in the DWR Transportation Minimum OMP&R charges for calendar year 2019. This report will explain the potential impact to both the FY 2018/19 budget and outline efforts CCWA is taking to ensure the costs being allocated to CCWA are correct and appropriate.

DISCUSSION

CCWA Budget Preparation and DWR Cost Estimation

CCWA prepares its budget on a July to June fiscal year basis, while DWR prepares its "Statement of Charges" (SOC) on a calendar year basis (the Statement of Charges is the invoice from the State of California for the State water project charges each calendar year).

In order to prepare the DWR portion of the CCWA budget, which in turn, forms the basis of the bills from CCWA to each of its project participants, CCWA uses the actual DWR SOC for the current calendar year for the first half of the fiscal year and estimates what the DWR charges will be for the second half of the fiscal year for the budget being prepared. Then, when DWR distributes the calendar year SOC in July of each year, a reconciliation is prepared comparing the estimates used to prepare the CCWA fiscal year budget and the actual charges from DWR for the following calendar year.

Historically, any difference between the estimates used in the fiscal year budget and the actual SOC from DWR for the following calendar year have been closed with existing credits in other parts of the CCWA budget.

In preparing the estimates for the following year DWR Transportation Minimum charges, CCWA staff typically takes DWR's estimates and adds additional amounts because the actual charges have been increasing over what DWR estimates. For example, for calendar year 2019, DWR estimated that the charges would be around \$7.8 million. For budgeting purposes, CCWA staff used an estimate of \$9.8 million (before the latest estimate was received).

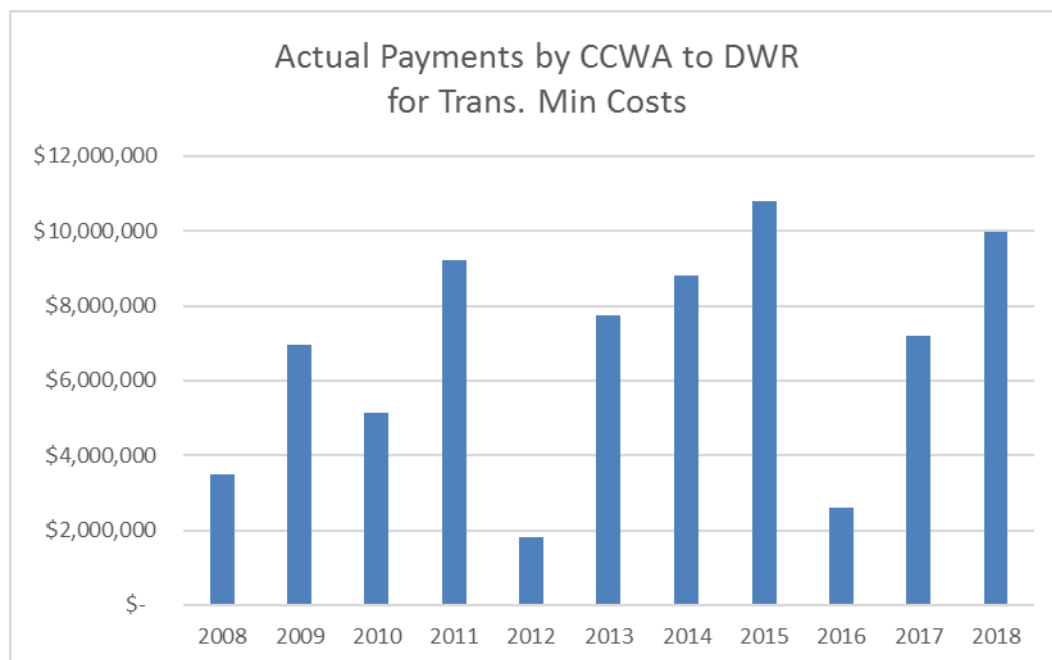
DWR Statement of Charges Process

By contract, DWR is required to distribute the SOC for the following calendar year by July 1st each year. As DWR prepares the SOC, it prepares a “dry-run” in May called the “May Estimate.” This is then sent to each of the 29 State Water Project Contractors as a preview of the expected SOC to be released by July 1st each year. In the time between release of the May Estimate and the July 1st SOC, DWR continues to refine the charges, but typically there are only minor differences between the May Estimate and the July 1st SOC.

DWR Transportation Minimum OMP&R Costs

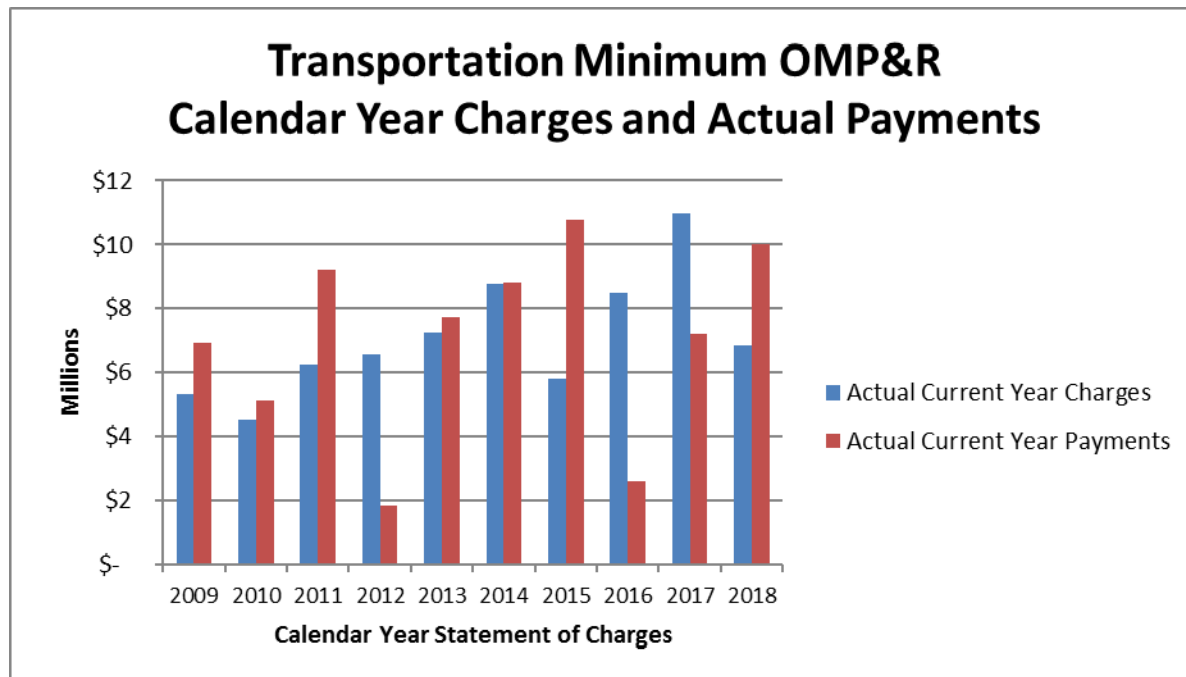
DWR divides up the calendar year SOC by “cost component.” Cost components are essentially different types of costs, with the major cost components being “capital costs” (costs for the repayment of capital cost construction of facilities); “minimum costs, both fixed and variable,” which are operations and maintenance and power costs. Transportation Minimum costs are fixed O&M costs related to the O&M of the SWP facilities which do not vary with the quantity of water delivered to the 29 SWP Contractors.

Historically, the Transportation Minimum cost component of the DWR SOC has been the most volatile DWR charge for CCWA as can be seen in the following graph showing the actual payments to DWR for Transportation Minimum costs since 2008.



The volatility shown above is partly based on DWR’s SOC being based on estimates and then reconciling or preparing a “true-up” based on the actual charges incurred. Therefore, if DWR estimates CCWA’s Transportation Minimum charges in one year are \$7 million and the actual charges for the year are \$10 million, DWR will add the additional \$3 million due from CCWA to the bill for the following year, plus interest at a rate of 4.610% (the project interest rate pursuant to the DWR SWP Contract). This issue of adjusting the current year Transportation Minimum charges for the “true-up” in prior years is illustrated in the following graph, whereby the blue bars represent DWR’s estimate of the actual costs to be incurred that calendar year

and the red bar represent the actual payments from CCWA taking into account the over or under-collections from prior calendar years.



Additionally, because there are only two SWP Contractors on the coastal branch of the SWP, Santa Barbara County (90%) and San Luis Obispo County (10%), any changes, up or down, are allocated to only these two counties, further amplifying the variances. This is especially relevant for one particular portion of the coastal branch facilities called “Reach 33A” where three different pumping plants are located just upstream of the CCWA Polonio Pass Water Treatment Plant. This one financial reach tends to create the most volatility from year-to-year because of work done by DWR on the facilities in Reach 33A.

Calendar Year 2019 Transportation Minimum Cost Estimates

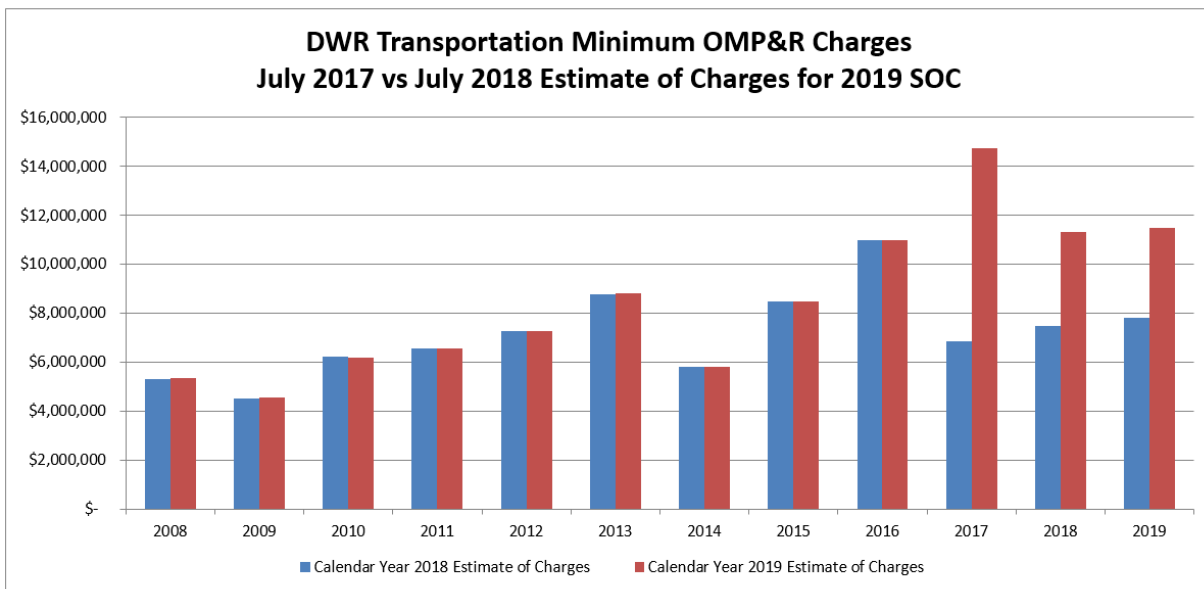
In the calendar year 2018 SOC, DWR showed an estimated calendar year 2019 Transportation Minimum cost estimate of \$7.8 million. For purposes of preparing the CCWA FY 2018/19 budget, CCWA added an additional \$2 million above the DWR estimate for a total of \$9.8 million. **The actual Statement of Charges for the calendar year 2019 Transportation Minimum from DWR is \$24.3 million, a \$15.5 million increase over the amount used to prepare the FY 2018/19 budget, one-half of which would be due by January 1st, 2019.**

The following table shows the estimate of the Transportation Minimum charges from the 2018 SOC in column B and the updated estimate of charges from the calendar year 2019 Statement of Charges in column C. Note, that in the 2018 SOC, DWR estimated the actual 2017 charges were \$6.8 million. In the 2019 SOC, DWR is estimating the actual 2017 charges are \$14.7 million, a 115% increase.

A	B	C	D	E
<i>Transportation Minimum OMP&R Charges</i>				
Calendar Year	Calendar Year 2018 Estimate of Charges	Calendar Year 2019 Estimate of Charges	Difference	% Change from 2018 Estimate
2008	\$ 5,313,108	\$ 5,329,868	\$ 16,760	0%
2009	4,522,550	4,541,851	19,301	0%
2010	6,235,197	6,199,923	(35,274)	-1%
2011	6,560,138	6,561,645	1,507	0%
2012	7,246,134	7,248,718	2,584	0%
2013	8,777,136	8,792,406	15,270	0%
2014	5,826,654	5,814,382	(12,272)	0%
2015	8,477,187	8,471,279	(5,908)	0%
2016	10,986,277	10,989,575	3,298	0%
2017	6,841,790	14,733,032	7,891,242	115%
2018	7,473,002	11,331,753	3,858,751	52%
2019	7,825,214	11,472,738	3,647,524	47%
TOTAL DUE WITH OVER/UNDER AMOUNTS FOR 2019:			\$ 24,307,245	

DWR also estimates that the annual costs will increase to around \$11.5 million per year for 2018 and 2019, or around 50% higher than the estimates provided last year. On average, CCWA's Transportation Minimum costs have been increasing by around 10% per year since 2008.

The following graph shows the comparison of the 2019 estimate of charges from the 2018 SOC and the 2019 SOC.



Action Plan

I met with DWR staff to discuss these increases and try to identify reasons the costs are increasing by such a large amount. DWR was unable to provide an explanation. However, it did commit to researching the reason for the cost increases after the July 1, 2018 SOC has been distributed.

The following is an initial action plan to identify the reason for the cost increases and possible payment options.

1. I have asked State Water Contractors (SWC) accounting staff to access the DWR accounting records and try to analyze the reason for the large cost increases. SWC staff believes they will be able to provide this analysis within the next few weeks to provide an initial explanation and analysis.
2. We have discussed this issue with our DWR SOC auditors, Ernst & Young. After SWC staff have completed their initial analysis, we will determine the steps for Ernst & Young to further examine the DWR accounting records to ensure costs that are being charged to CCWA are correct and accurate. The FY 2018/19 Budget includes funds for the Ernst & Young SOC audit.
3. DWR staff has committed to trying to provide additional clarification after the July 1, 2019 SOC has been distributed.
4. I discussed this issue with the Director of DWR and impressed upon her the importance of this issue to CCWA. She agreed to contact her staff and make this a priority.
5. There is a provision in the SWP contract that allows for the large cost increases of 40% or more to be paid over five years. However, interest is charged at a rate of 4.610%. I will continue to explore this option with DWR, and it may be an option for those CCWA project participants that wish to utilize this provision.

Possible Supplemental Assessment

If it is determined the costs are correct, CCWA will need to submit a supplemental assessment to all CCWA project participants for their share of the increased costs. The following table shows an estimate of the amount that would be due from each project participant prior to January 1, 2019.

Project Participant	Projected FY 2018/19 Yearend Credits (Amount Due)						Estimated Additional Due Through 6-30-19
	WSRB ⁽¹⁾	Delta Water Charge ⁽⁵⁾	Transportation Minimum ⁽⁴⁾	Coastal Branch ^{(1) (2)}	Transportation Capital ^{(2) (3)}		
Guadalupe	\$ 300	\$ 2,851	\$ (100,777)	\$ -	\$ 4,778	\$ (92,848)	
Santa Maria	8,309	83,819	(2,961,165)	(31,071)	167,926	(2,732,181)	
Golden St. Wtr	174	2,565	(90,992)	(885)	4,694	(84,445)	
VAFB ⁽⁴⁾	2,780	28,513	(1,006,054)	(28,177)	57,429	(945,508)	
Buellton	320	2,941	(105,776)	(2,860)	5,365	(100,011)	
Solvang	812	7,452	(266,389)	(7,711)	14,495	(251,340)	
Santa Ynez	408	2,348	(99,293)	(2,667)	6,213	(92,991)	
Goleta	2,598	35,014	(918,651)	(22,842)	51,269	(852,612)	
Morehart	305	1,147	(35,711)	(1,009)	2,264	(33,003)	
La Cumbre	692	5,129	(181,983)	(5,044)	9,389	(171,818)	
Raytheon	(55)	287	(9,785)	(325)	83	(9,795)	
Santa Barbara	1,386	15,691	(549,380)	(15,422)	30,096	(517,629)	
Montecito	1,386	15,691	(549,380)	(15,422)	30,096	(517,629)	
Carpinteria	1,114	10,258	(365,682)	(10,088)	20,708	(343,690)	
TOTAL:	\$ 20,529	\$ 213,706	\$ (7,241,019)	\$ (143,522)	\$ 404,806	\$ (6,745,500)	

Updated Cost Projections

We have updated the Ten-Year Cost Projections with these higher Transportation Minimum costs, which are attached to this report. To be more in line with the cost increases from DWR on an annual basis, we have escalated the Transportation Minimum costs in future years by 5% each year. These are just estimates, but we wanted to get this information out to you for planning purposes, especially for FY 2019/20, which will also be significantly higher due to the additional amount due for calendar year 2019.

I will discuss this issue in depth at the June 28, 2018 CCWA Board meeting.

RAS

Attachments