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

TUESDAY, AUGUST 28, 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 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;

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;

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

D. BOARD ACTION: Proposed Senate Bill 845

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

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

G. INFORMATION ONLY: JPIA Risk Assessments

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

5. DISTRICT BUSINESS REPORT

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

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, September 24, 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 August 24, 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, JULY 24, 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, and Floyd Wicks

Directors Absent:
Director Richard Shaikewitz

Staff Present:
Nick Turner, General Manager
Daryl Smith, Business Manager
Robert M. Cohen, General Counsel
Laura Camp, P. I. Coordinator
David Wong, Engineering Assistant
Lois Werner, Recording Secretary

Guests Present:
Jane Gray, Dudek
Matt Naftali, Dudek
Bob Hazard, Montecito Journal
Vicki Hazard, District customer
Ken Coates, District customer
Warner Owens, MSD
Judith Ishkanian, District customer/MSD
Martha Smilgis, District customer
David Gibbs, District resident
Michael Marks, District resident
Cori Hayman, District customer
Woody Barrett, District customer

2. PUBLIC FORUM

There were no members of the public present who wished to speak on matters not on the agenda.

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, to approve the Consent Calendar as presented.

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

A. PUBLIC HEARING: Water Distribution System Improvement Program, proposed funding and any objections to protests to the proposed charge and report.

1. INFORMATION ONLY: Status report on Water Availability Charge (WAC) Program and Capital Improvement Program;

2. BOARD ACTION: Adoption of Resolution No. 2168 continuing the Water Availability Charge for FY 2018/19 to fund water distribution system upgrades and ordering the filing of a report establishing the Water Availability Charge for FY 2018/19

President Morgan adjourned the regular meeting and opened the public hearing. Mr. Turner reviewed the Capital Improvement Program funded by the WAC. Mr. Cohen explained the purpose of the public hearing.

President Morgan then opened the hearing to public comment.

Comments were received from the following people:

David Gibbs	Martha Smilgis
Mike Marks	Woody Barrett

When there was no further public comment, President Morgan closed the public hearing. The Board, Counsel, and staff responded to comments as they were received.

President Morgan then invited Board discussion of Resolution No. 2168. At the close of discussion, it was moved by Director Frye, seconded by Director Plough and carried by the following roll-call vote to adopt Resolution No. 2168:

AYES: Directors Frye, Morgan, Plough, and Wicks

NOES: None

ABSENT: Director Shaikewitz

President Morgan reconvened the regular meeting.

B. 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

This item was postponed to the next regular meeting on motion by Director Plough, seconded by Director Wicks and carried with Directors Frye, Morgan, Plough, and Wicks voting in favor.

C. PUBLIC HEARING: Formation of a Groundwater Sustainability Agency for the Montecito Groundwater Basin

i. BOARD ACTION: Adoption of Resolution No. 2169 declaring the District's intention to become the Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act for the Montecito Groundwater Basin

President Morgan adjourned the regular meeting and opened the public hearing. Mr. Turner described the function and structure of a GSA for the Montecito groundwater basin. Mr. Naftali gave a presentation on the formation of a GSA. Mr. Cohen stated the purpose and requirement of a public hearing. President Morgan then opened the hearing to public comment and questions. Comment was received from the following members of the public:

Woody Barrett

President Morgan then closed the hearing to public comment and opened Board discussion.

Following discussion it was moved by Director Plough, seconded by Director Frye and carried by the following roll-call vote to adopt Resolution No. 2169:

AYES: Directors Frye, Morgan, Plough, and Wicks

NOES: None

ABSENT: Director Shaikewitz

President Morgan closed the public hearing and re-convened the regular Board meeting.

D. INFORMATION ONLY: Quarterly Drought & Water Supply Update

Mr. Turner presented this report and responded to questions from Directors.

E. INFORMATION ONLY: Water Works Operations Report for June 2018

Mr. Turner presented this report.

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

Mr. Turner presented this report and responded to questions from Directors.

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

Mr. Turner reported on District activities and projects not elsewhere on the agenda.

5. DISTRICT BUSINESS REPORT

A. INFORMATION ONLY: Monthly Financial Reporting for June 2018

Mr. Smith presented this report.

B. BOARD ACTION: Payment of CalPERS Annual Unfunded Accrued Liability.

Mr. Smith presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Plough, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, and Wicks voting in favor, to approve the payment of the CalPERS Annual Unfunded Accrued Liability as of June 30, 2016 for Classic employees in a lump sum payment of $223,259 and for PEPRA employees in a lump sum payment of $596.

6. DIRECTOR AND COMMITTEE REPORTS

Due to time constraints and the number of legal matters to be discussed in closed session, the Director and Committee Reports were omitted from this meeting and will be covered in the next regular meeting of the Board.

7. LEGAL MATTERS

A. CLOSED SESSION: Pursuant To Government Code Section 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation, 20 cases

B. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Montecito Water District et al v. Southern California Edison, Santa Barbara Superior Court Case No. 18CV01222

C. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Lisa A. Foley, et.al. v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV03307

D. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Patrick M. Nesbitt, et.al. v. Montecito Water District, Santa Barbara Superior Court Case No. 1371221

The Board adjourned to closed session on the above items at 4:28 p.m.

The Board reconvened in open session at 6:03 p.m.

Report from Closed Session:

Item A: The Board received a report from General Counsel, Robert M. Cohen, and reviewed multiple claims received by the District and arising out of the mudslide event of January 9, 2018. The Board voted 4 to 0 on a motion by Director Plough, seconded by Director Wicks concerning the claims as follows:

1. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Ana Atilano.
2. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Anne Price.
3. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Arselia Hernandez
4. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Cathleen Grabowski
5. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Chef Renes Cuisine
6. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Enrique Hernandez
7. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Gary Ferguson
8. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Immaculate Heart Community
9. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant John Keating
10. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Leonard Grabowski
11. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Michael Hernandez

12. To reject the claim received on July 5, 2018 from Emison Hullverson, LLP on behalf of claimant Teri Keating.

13. To reject the claim received on July 5, 2018 from Hueston Henningan, LLP on behalf of claimant Southern California Edison Company.

14. To reject the claim received on July 6, 2018 from Denenberg Tuffley on behalf of claimant Certain Underwriters at Lloyds, the Insurers of Robert Williams.

15. To reject the claim received on July 9, 2018 from Wildfire Legal Group on behalf of claimants Olaf Hermes, Eva Hermes, Elise Hermes, Raphaella Hermes, Patrick Hermes, Xavier Guerrand-Hermes, 995 Properties LLC.

16. To reject the claim received on July 9, 2018 from Wildfire Legal Group on behalf of claimant Rosellen Cowell.

17. To reject the claim received on July 12, 2018 from McNicholas & McNicholas on behalf of claimants Elliot Mayrock, Alecia Mayrock, Ninfa Chamilee, Damon Garrick Wing, Syble Roberts, Susan Barry, Melissa Piercon, Coastal Hideaways, Inc.

On a motion by Director Plough, seconded by Director Wicks, the Board voted 3 to 0 with Director Frye recusing himself, to:

1. Reject the claim received on July 9, 2018 from Wildfire Legal Group on behalf of claimants Palmer G. Jackson & Palmer Gavit Jackson Trust under an Agreement dated February 25, 1988.

2. Reject the claim received on July 9, 2018 from Wildfire Legal Group on behalf of claimants Jim Jackson and Petan Company, LP.

As to all claims set forth above, the claims will be made available for public inspection pursuant to Government Code 54956.9 and 54957.5.

As to the 20th matter considered under Item A, the Board received information from General Counsel andCCRB Sounsel, and no action was taken.

Item B: The Board received a report from General Counsel, Robert M. Cohen; no action was taken.

Item C: The Board received a report from General Counsel, Robert M. Cohen; no action was taken.

Item D: The Board received a report from General Counsel, Robert M. Cohen; no action was taken.

The Board reconvened to open session at 6:03 p.m.

E. 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, August 28, 2018 or any future meeting.

9. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:05 p.m.

Approved:

_____
W. Douglas Morgan, President

Attest:

_____
Nick Turner, Secretary

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

SECTION: 3-B

AP CHECK REGISTER	**$ 728,565.37**

NET PAYROLL DIRECT DEPOSITS [1]

7/9/2018	Pay Period #14	63,062.05
7/23/2018	Pay Period #15	62,984.36

Payroll Direct Deposits	$ 126,046.41

EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS [2]

Subtotal External Wire Transfers	$0.00
TOTAL DISBURSEMENTS	**$854,611.78**

INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS [3]

NET INTERNAL WIRE TRANSFERS	**$ -**

[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
JULY 1, 2018 through JULY 31, 2018

CK #	DATE	VENDOR	AMT	F/J	DESCRIPTION
64722	7/16/2018	ABBEY'S CARPET CITY	7,246.00		DEP FOR CARPET INSTALL - ADMIN
		ABBEY'S CARPET CITY Total	**7,246.00**		
64660	7/09/2018	ACWA/JPIA	11,548.68		QTR4 17/18 WORKERS COMP INS
		ACWA/JPIA Total	**11,548.68**		
64726	7/23/2018	ACWA-JPIA	39,756.52		MED/DEN/VSN INSUR PREM AUG18
		ACWA-JPIA Total	**39,756.52**		
64728	7/23/2018	ALEX WYNDHAM	500.00		RETAIN FOR SVCS-JAMESON LAKE
		ALEX WYNDHAM Total	**500.00**		
64729	7/23/2018	ALL AROUND LANDSCAPE	67.90		RECLAIM BASIN REPAIRS
		ALL AROUND LANDSCAPE Total	**67.90**		
64730	7/23/2018	ANTHEM BLUE CROSS	234.81		MED RET BENFT - A DIAZ - AUG18
		ANTHEM BLUE CROSS Total	**234.81**		
64661	7/09/2018	ARCADY DISTRIBUTING	14.10		KITCHEN SUPPS
64731	7/23/2018	ARCADY DISTRIBUTING	17.95		ADMIN KITCHEN SUPPS
		ARCADY DISTRIBUTING Total	**32.05**		
64732	7/23/2018	AT&T MOBILITY	1,126.60		MOBILE SRVC 06/12-07/11/18
		AT&T MOBILITY Total	**1,126.60**		
64662	7/09/2018	ATZ MONOGRAMMING	44.86		LOGO MONOGRAM ON DIST JKTS
		ATZ MONOGRAMMING Total	**44.86**		
64720	7/11/2018	AUSTIN PRINCE	1,015.36		EXP REIMB-AWWA ACE18 CONF
		AUSTIN PRINCE Total	**1,015.36**		
64733	7/23/2018	AWA	215.00		FIELD MONITOR/WTR MGMT MEET
		AWA Total	**215.00**		
0	7/09/2018	BENEFLEX INC	818.91		PP #14 FSA CONTRIBUTIONS
0	7/23/2018	BENEFLEX INC	818.91		PP #15 FSA CONTRIBUTIONS
		BENEFLEX INC Total	**1,637.82**		
64734	7/23/2018	BIRNAM WOOD GOLF	600.00		REF OF HYDRANT MTR DEPOSIT
		BIRNAM WOOD GOLF Total	**600.00**		
64701	7/10/2018	BOONE PRINTING	3,820.09		2018 WAC PSTCRD/PSTGE
		BOONE PRINTING Total	**3,820.09**		
64735	7/23/2018	BRENNTAG PACIFIC INC	3,840.37		ORTEGA RES CHEM SUPPS
		BRENNTAG PACIFIC INC Total	**3,840.37**		
64736	7/23/2018	BRIAN BERMUDES	194.23		SVC CALL 7/12 ADMIN HTR REPAIR
		BRIAN BERMUDES Total	**194.23**		
64737	7/23/2018	BUNNIN	67.18		TRK #155 REPAIRS
		BUNNIN Total	**67.18**		
64663	7/09/2018	C.A. LARSEN CO.	600.00		MOUNT ORTEGA PIPE/PUMP
		C.A. LARSEN CO. Total	**600.00**		
64664	7/09/2018	CACHUMA O&M BOARD	25,747.23		COMB EPFP
		CACHUMA O&M BOARD Total	**25,747.23**		
0	7/09/2018	CAL PERS	13,900.80		PP #14 PENSION CONTRIBUTION
0	7/23/2018	CAL PERS	14,006.83		PP #15 PENSION CONTRIBUTION
		CAL PERS Total	**27,907.63**		
0	7/27/2018	CALPERS	223,359.00		2018/19 CLASSIC UNFUNDED LIAB
0	7/27/2018	CALPERS	596.00		2018/19 PEPRA UNFUNDED LIAB
		CALPERS Total	**223,955.00**		
64738	7/23/2018	CANON FINANCIAL SERV	321.60		OFC CANON LEASE JUL 2018
		CANON FINANCIAL SERV Total	**321.60**		

CK #	DATE	VENDOR	AMT	F/J	DESCRIPTION
64665	7/09/2018	CARQUEST AUTO PARTS	135.48		TRK #177 REPAIRS
64739	7/23/2018	CARQUEST AUTO PARTS	40.00		TRK #149 & 152 REPAIRS
64739	7/23/2018	CARQUEST AUTO PARTS	31.95		TRK #155 REPAIRS
64739	7/23/2018	CARQUEST AUTO PARTS	33.72		TRK #140 REPAIRS
64739	7/23/2018	CARQUEST AUTO PARTS	154.22		TRK #152 REPAIRS
64739	7/23/2018	CARQUEST AUTO PARTS	22.98		TRK #140 REPAIRS
		CARQUEST AUTO PARTS Total	**418.35**		
64740	7/23/2018	CHAD HURSHMAN	96.44		ICE BVTP WTR QLTY/JAMESON/FAN
		CHAD HURSHMAN Total	**96.44**		
0	7/09/2018	CITISTREET - CALPERS457	3,075.84		PP #14 457 CONTRIBUTION
0	7/23/2018	CITISTREET - CALPERS457	2,975.84		PP #15 457 CONTRIBUTION
		CITISTREET - CALPERS457 Total	**6,051.68**		
64666	7/09/2018	CLEAN ENERGY CAPITAL	36,063.60		LOCAL H20 SUPPLY NEGOTIATIONS
		CLEAN ENERGY CAPITAL Total	**36,063.60**		
64741	7/23/2018	COHEN & BURGE LLP	23,337.00		GRNDWTR/PRA/COMB/SCE/ENG
64741	7/23/2018	COHEN & BURGE LLP	1,008.00		NESBITT LEGAL/MJOP/PRA CLAIM
		COHEN & BURGE LLP Total	**24,345.00**		
64742	7/23/2018	COLANTUONO, HIGHSMITH	11,266.52		NESBITT LEGAL
64742	7/23/2018	COLANTUONO, HIGHSMITH	487.50		NESBITT CLASS ACTION SUIT
		COLANTUONO, HIGHSMITH Total	**11,754.02**		
64667	7/09/2018	COMPUVISION	1,487.50		SETUP CAD & CHUA/JAMESON WIFI
		COMPUVISION Total	**1,487.50**		
64743	7/23/2018	COUNTY OF S. B.	432.37		IWRM PROG COSTS 1/1 - 6/30/18
		COUNTY OF S. B. Total	**432.37**		
64702	7/10/2018	COX COMMUNICATIONS	727.53		ADMIN PHONE & INTERNET JUL18
64744	7/23/2018	COX COMMUNICATIONS	646.99		BVTP PHONE/INTERNET JUL18
		COX COMMUNICATIONS Total	**1,374.52**		
64668	7/09/2018	DATAPROSE LLC	2,854.89		MAIL SRVC - JUN2018 STMTS
		DATAPROSE LLC Total	**2,854.89**		
64669	7/09/2018	ECHO COMMUNICATIONS	172.60		AFTER HOURS PHONE SRVC JUN18
		ECHO COMMUNICATIONS Total	**172.60**		
64670	7/09/2018	ELLISON SCHNEIDER	459.50		MTG RE: MERC/WTR QLTY/MGMT
		ELLISON SCHNEIDER Total	**459.50**		
64671	7/09/2018	EMPLOYEE RELATIONS	43.35		BACKGROUND CHECK: D WONG
		EMPLOYEE RELATIONS Total	**43.35**		
64672	7/09/2018	FENCE FACTORY GOLETA	4,068.00	J	CASA DORINDA GATE ENCL & RPR
		FENCE FACTORY GOLETA Total	**4,068.00**		
64703	7/10/2018	FERGUSON WATERWORKS	990.86		MACH10 TEST MTR - ENG
64703	7/10/2018	FERGUSON WATERWORKS	1,187.88		INVENTORY SUPPS
64703	7/10/2018	FERGUSON WATERWORKS	672.04		INVENTORY SUPPS
64703	7/10/2018	FERGUSON WATERWORKS	82.41		NON-INVENTORY SUPPS
64745	7/23/2018	FERGUSON WATERWORKS	685.13		NON-INVENTORY SUPPS
64745	7/23/2018	FERGUSON WATERWORKS	2,666.34		INVENTORY/NON-INVENT SUPPS
64745	7/23/2018	FERGUSON WATERWORKS	1,068.00		INVENTORY/NON-INVENT SUPPS
64745	7/23/2018	FERGUSON WATERWORKS	360.19		INVENTORY SUPPS
64745	7/23/2018	FERGUSON WATERWORKS	3,825.89		INVENTORY/NON-INVENT SUPPS
64745	7/23/2018	FERGUSON WATERWORKS	457.39		NON-INVENTORY SUPPS
		FERGUSON WATERWORKS Total	**11,996.13**		

CK #	DATE	VENDOR	AMT	F/J	DESCRIPTION
64704	7/10/2018	FGL ENVIRONMENTAL	68.00		WTR SAMPLE ANALYSIS 06/04
64704	7/10/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 06/04
64704	7/10/2018	FGL ENVIRONMENTAL	108.00		WTR SAMPLE ANALYSIS 06/07
64704	7/10/2018	FGL ENVIRONMENTAL	620.00		WTR SAMPLE ANALYSIS 06/07
64704	7/10/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 06/11
64704	7/10/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 06/11
64704	7/10/2018	FGL ENVIRONMENTAL	620.00		WTR SAMPLE ANALYSIS 06/14
64704	7/10/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 06/18
64704	7/10/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 06/18
64704	7/10/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 06/25
64704	7/10/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 06/25
64704	7/10/2018	FGL ENVIRONMENTAL	88.00		WTR SAMPLE ANALYSIS 06/25
64747	7/23/2018	FGL ENVIRONMENTAL	162.00		WTR SAMPLE ANALYSIS 06/25
64747	7/23/2018	FGL ENVIRONMENTAL	818.00		WTR SAMPLE ANALYSIS 06/28
64747	7/23/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 06/25
64747	7/23/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 07/03
64747	7/23/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 07/03
		FGL ENVIRONMENTAL Total	**3,514.00**		
64748	7/23/2018	FRONTIER	45.95		TELEMETRY LINE
		FRONTIER Total	**45.95**		
64705	7/10/2018	FUEL SMART SB	1,540.24		FUEL PURCHASES THRU 7/03
64749	7/23/2018	FUEL SMART SB	1,649.41		FUEL PURCHASES THRU 7/17
		FUEL SMART SB Total	**3,189.65**		
64750	7/23/2018	GIBBS INTERNATIONAL	391.97		TRK #167 REPAIRS
64750	7/23/2018	GIBBS INTERNATIONAL	1,303.20		TRK #167 REPAIRS
		GIBBS INTERNATIONAL Total	**1,695.17**		
64706	7/10/2018	GRAINGER INC.	113.02		PUMP STN FOAM FILTER
64706	7/10/2018	GRAINGER INC.	162.53		ORTEGA PMP STN MONITOR RELAY
64706	7/10/2018	GRAINGER INC.	164.70		ORTEGA PUMP STN CNTRL XFRMR
64706	7/10/2018	GRAINGER INC.	11.24		BVTP BRASS BALL VALVE
		GRAINGER INC. Total	**451.49**		
64751	7/23/2018	HACH COMPANY	729.00		1YR SRVC CONTRACT INCL SHIPG
		HACH COMPANY Total	**729.00**		
64752	7/23/2018	HARRINGTON INDUSTRIAL	289.47		WATER TRMT SYS JAMESON LK
64752	7/23/2018	HARRINGTON INDUSTRIAL	464.16		JAMESON LKE WTR TRMT SYSTEM
		HARRINGTON INDUSTRIAL Total	**753.63**		
0	7/09/2018	HARTFORD LIFE INS CO	25.00		PP #14 457 CONTRIBUTION
0	7/23/2018	HARTFORD LIFE INS CO	25.00		PP #15 457 CONTRIBUTION
		HARTFORD LIFE INS CO Total	**50.00**		
64674	7/09/2018	HOME DEPOT	1,216.26	J	JAMESON FRIDGE/WEED CUTTER
		HOME DEPOT Total	**1,216.26**		
64675	7/09/2018	INFOSEND	2,984.00		POSTAGE DEPOSIT
		INFOSEND Total	**2,984.00**		
64676	7/09/2018	IRON MOUNTAIN	40.01		ADMIN SHRED SRVCS JUN2018
		IRON MOUNTAIN Total	**40.01**		
64721	7/11/2018	JOE CHUA	3,476.50		SOLAR ENG INTL - DENVER 6/24
64753	7/23/2018	JOE CHUA	317.02		GAS/JAMESON SOLAR MATERIAL
		JOE CHUA Total	**3,793.52**		
64677	7/09/2018	JOSEPH J DIAZ	146.36		ACE18 CONF LAS VEG 06/11-14
		JOSEPH J DIAZ Total	**146.36**		
64678	7/09/2018	LAFCO	18,987.00		2018-19 LAFCO BUDGET COSTS
		LAFCO Total	**18,987.00**		

CK #	DATE	VENDOR	AMT	F/J	DESCRIPTION
0	7/09/2018	LINCOLN FINANCIAL	1,675.00		PP #14 457 CONTRIBUTION
0	7/23/2018	LINCOLN FINANCIAL	1,875.00		PP #15 457 CONTRIBUTION
64754	7/23/2018	LINCOLN FINANCIAL	935.80		LTD INSUR PREM - AUG 2018
		LINCOLN FINANCIAL Total	**4,485.80**		
64679	7/09/2018	LOWE'S BUSINESS	1,732.54	J	BUILD MAINT/BVTP SUPPS/TOOLS
		LOWE'S BUSINESS Total	**1,732.54**		
64680	7/09/2018	MARBORG DISPOSAL CO.	392.72		11YRD ROLL-OFF/RECYCLE
64680	7/09/2018	MARBORG DISPOSAL CO.	10.78		DTP PORTABLE RESTROOM-JUN18
64707	7/10/2018	MARBORG DISPOSAL CO.	706.53		3YRD TRASH/RECYCLE JUNE
64707	7/10/2018	MARBORG DISPOSAL CO.	233.28		25 & 11YRD ROLL OFF - JUNE
64755	7/23/2018	MARBORG DISPOSAL CO.	453.00		11YRD ROLL-OFF/RECYCLE 6/28
		MARBORG DISPOSAL CO. Total	**1,796.31**		
64681	7/09/2018	MARTHA S. LANGE	3,306.05	F	FEMA DATA ASSIST 6/1-6/30/18
		MARTHA S. LANGE Total	**3,306.05**		
64682	7/09/2018	MCCORMIX CORP.	338.85		FUEL PURCHASES THRU 6/30
64756	7/23/2018	MCCORMIX CORP.	408.36		FUEL PURCHASES THRU 7/15
		MCCORMIX CORP. Total	**747.21**		
64683	7/09/2018	MISSION LINEN SUPPLY	207.46		DIST T-SHIRTS FOR R RODRIGUEZ
64683	7/09/2018	MISSION LINEN SUPPLY	244.69		DIST UNIF SRVC 06/26
64683	7/09/2018	MISSION LINEN SUPPLY	242.53		DIST WKLY UNIF SRVC - 07/03
64757	7/23/2018	MISSION LINEN SUPPLY	66.00		TRMT UNIFORM AUSTIN - 07/03
64757	7/23/2018	MISSION LINEN SUPPLY	124.59		TRMT UNIFORM SRVC - 07/03
64757	7/23/2018	MISSION LINEN SUPPLY	198.29		DIST UNIFORM SRVC - 07/10
		MISSION LINEN SUPPLY Total	**1,083.56**		
64708	7/10/2018	MNS ENGINEERS INC	3,482.50		DAM EMRG ACTION PLAN 5/1-31/18
		MNS ENGINEERS INC Total	**3,482.50**		
64684	7/09/2018	MONTECITO FIRE	2,108.69		DIESEL FUEL PURCH THRU 6/29
		MONTECITO FIRE Total	**2,108.69**		
64709	7/10/2018	MONTECITO HARDWARE	44.57		BVTP PAINTING SUPPS
64759	7/23/2018	MONTECITO HARDWARE	38.76		PVC/GLUE/MOP FOR TRMT
64759	7/23/2018	MONTECITO HARDWARE	2.36		LAKE HARDWARE
64759	7/23/2018	MONTECITO HARDWARE	3.45		BVTP HARDWARE
64759	7/23/2018	MONTECITO HARDWARE	29.08		SHOP ELECTRICAL SUPPS
64759	7/23/2018	MONTECITO HARDWARE	4.30		BUNGI CORD FOR DIST
		MONTECITO HARDWARE Total	**122.52**		
64758	7/23/2018	MONTECITO JOURNAL	302.90		1/4 PG COLOR AD - 7/29 VOL #24
		MONTECITO JOURNAL Total	**302.90**		
64709	7/10/2018	MONTECITO VILLAGE	11.84		BVTP SUPPS
		MONTECITO VILLAGE Total	**11.84**		
64685	7/09/2018	MWD PETTY CASH	94.56		EARTH DAY/CCR PRINT MATERIAL
64685	7/09/2018	MWD PETTY CASH	69.55		REIMB GAS/PARK-KANOLD/CAMP
64685	7/09/2018	MWD PETTY CASH	7.98		BAKING SODA - DISTRIBUTION
64685	7/09/2018	MWD PETTY CASH	24.25		BOARD ROOM PASTRIES
		MWD PETTY CASH Total	**196.34**		
64686	7/09/2018	NBS GVNT FINANCE	1,040.00		RATE STUDY DATA SUMMARY
		NBS GVNT FINANCE Total	**1,040.00**		
64710	7/10/2018	NORTHERN SAFETY CO	61.16		EYEWEAR PROTECTION
		NORTHERN SAFETY CO Total	**61.16**		
64760	7/23/2018	PARADISE CHEVROLET	35,947.19		2018 CHEV COLORADO VIN #68146
		PARADISE CHEVROLET Total	**35,947.19**		

CK #	DATE	VENDOR	AMT	F/J	DESCRIPTION
0	7/09/2018	PAYLOCITY CORP	108.75		PP #14 PROCESSING FEE
0	7/23/2018	PAYLOCITY CORP	219.24		PP #15 PROCESSING FEE
0	7/09/2018	PAYLOCITY CORP	30,570.65		PP #14 TAX DEPOSIT
0	7/23/2018	PAYLOCITY CORP	29,637.62		PP #15 TAX DEPOSIT
		PAYLOCITY CORP Total	**60,536.26**		
64761	7/23/2018	PITNEY BOWES	150.00		POSTAGE MTR REFILL 7/03
		PITNEY BOWES Total	**150.00**		
64762	7/23/2018	PROBER LAND SURVEY	3,802.50	F	PERM HIGHLINE RPRS # SY CREEK
		PROBER LAND SURVEY Total	**3,802.50**		
64711	7/10/2018	PURETEC	69.78		BVTP CHEM SUPPS
		PURETEC Total	**69.78**		
64712	7/10/2018	RAUCH COMMUNICATION	2,202.63		ENEWS/EARTH DAY/MISC EXP/ADS
64763	7/23/2018	RAUCH COMMUNICATION	851.50		ENEWS/GRAPHICS/EXP/WEBSITE
		RAUCH COMMUNICATION Total	**3,054.13**		
64687	7/09/2018	RICHARD SHAIKEWITZ	183.60		EXP REIMB CCWA/SPEC DIST
		RICHARD SHAIKEWITZ Total	**183.60**		
64688	7/09/2018	ROTORK CONTROLS INC	5,432.96		ELEC VALVE ACTUATOR/BUSHING
		ROTORK CONTROLS INC Total	**5,432.96**		
64723	7/16/2018	S.B. COUNTY PUB WRKS	95.00		ENCROACH PERMIT-COUNTY RD
		S.B. COUNTY PUB WRKS Total	**95.00**		
64689	7/09/2018	S.B. HOME IMPR CNTR	19.55		DIST SUPPS (ITEM RTND 4/30)
64713	7/10/2018	S.B. HOME IMPR CNTR	500.23		FAN/PORTAB;E A/C FOR OFC
		S.B. HOME IMPR CNTR Total	**519.78**		
64714	7/10/2018	SAF-T-FLO INDUSTRIES	171.85		BVTP SUPPS
		SAF-T-FLO INDUSTRIES Total	**171.85**		
64690	7/09/2018	SALS & BROTHERS	900.00		ADMIN GROUNDS MAINT-JUNE2018
		SALS & BROTHERS Total	**900.00**		
64764	7/23/2018	SATCOM DIRECT INC	46.95		JAMESON SATELLITE PHONE
		SATCOM DIRECT INC Total	**46.95**		
64765	7/23/2018	SCHOCK CONTRACT CORP	32,435.00		DEMO EXIST ORTEGA PUMP & PIPE
		SCHOCK CONTRACT CORP Total	**32,435.00**		
64691	7/09/2018	SHERWIN WILLIAMS	237.00		DIST PAINT SUPPS
		SHERWIN WILLIAMS Total	**237.00**		
64692	7/09/2018	SMARDAN HATCHER CO.	95.12		DIST DEBURRING TOOL
64692	7/09/2018	SMARDAN HATCHER CO.	186.58		DIST PLUB SUPPS
64715	7/10/2018	SMARDAN HATCHER CO.	114.27		BVTP PLUMBING SUPPS
		SMARDAN HATCHER CO. Total	**395.97**		
64716	7/10/2018	SOAP MAN	509.22		KITCHEN/DIST PAPER SUPPS
		SOAP MAN Total	**509.22**		
64766	7/23/2018	SOUTHERN CALIF EDISON	41,804.25		MTHYL ELEC SRCV 05/25 TO 6/13
		SOUTHERN CALIF EDISON Total	**41,804.25**		
64767	7/23/2018	SOUTHERN CALIF GAS CO	14.30		ADMNIN GAS SRVC 6/04-7/03/18
		SOUTHERN CALIF GAS CO Total	**14.30**		
64693	7/09/2018	STAPLES ADVANTAGE	181.70		BVTP OFFICE SUPPS
64693	7/09/2018	STAPLES ADVANTAGE	17.77		ADMIN OFFICE SUPPS
64768	7/23/2018	STAPLES ADVANTAGE	(90.18)		CR FOR CALCULATOR RETURN
64768	7/23/2018	STAPLES ADVANTAGE	1,210.69		OFC SUPPS
64768	7/23/2018	STAPLES ADVANTAGE	15.06		OFFC SUPPS
64768	7/23/2018	STAPLES ADVANTAGE	1,422.26		4DR LEGAL BLACK FILE CABS
64768	7/23/2018	STAPLES ADVANTAGE	360.59		OFC SUPPS
		STAPLES ADVANTAGE Total	**3,117.89**		

CK #	DATE	VENDOR	AMT	F/J	DESCRIPTION
64694	7/09/2018	STATE WATER RES	60.00		T2 RENEWAL - RORIDGUEZ D
64769	7/23/2018	STATE WATER RES	55.00		T1 RENEWAL - R ROMERO
		STATE WATER RES Total	**115.00**		
64770	7/23/2018	STEVE HANSON LAND	1,570.00	J	DOUTLON TRMT PROPNE TNK
		STEVE HANSON LAND Total	**1,570.00**		
64771	7/23/2018	TRAFFIC TECHNOLOGIES	527.98		TRK DECALS/PULSE LIGHTS
		TRAFFIC TECHNOLOGIES Total	**527.98**		
64717	7/10/2018	TRI-CO REPROGRAPHICS	355.18		ENG PRINTS/SCANS/ARCHIVE
		TRI-CO REPROGRAPHICS Total	**355.18**		
64696	7/09/2018	TYLER TECHNOLOGIES	105.00		MAINT UTIL BILL ONLNE/JUL18/19
64772	7/23/2018	TYLER TECHNOLOGIES	105.00		INCODE CUST PORTAL AUG 2018
		TYLER TECHNOLOGIES Total	**210.00**		
64697	7/09/2018	UNDERGROUND SERVICE	178.30		USA TKTS - JUN 2018
64773	7/23/2018	UNDERGROUND SERVICE	219.55		USA TKTS JUN 2018 (127)
		UNDERGROUND SERVICE Total	**397.85**		
64774	7/23/2018	UNITED HEALTHCARE	191.88		AUG18 MED RET BEN - AYALA
		UNITED HEALTHCARE Total	**191.88**		
64775	7/23/2018	UPS	63.79		SHIPPING TRMT WTR SAMPLES
		UPS Total	**63.79**		
64695	7/09/2018	USC COMPANIES, INC.	593.25		ADMIN WKLY JANITOR - JUN 2018
		USC COMPANIES, INC. Total	**593.25**		
64718	7/10/2018	VAN SANDE STRUCTURAL	2,192.50	F	FEMA PROJECT M15-GLEN OAKS
		VAN SANDE STRUCTURAL Total	**2,192.50**		
64673	7/09/2018	VOID	-		VOID
64719	7/10/2018	VOID	-		VOID
64724	7/16/2018	VOID	-		VOID
64725	7/16/2018	VOID	-		VOID
64727	7/23/2018	VOID	-		STUB
64777	7/23/2018	VOID	-		STUB
64778	7/23/2018	VOID	-		STUB
64746	7/23/2018	VOID	-		STUB
		VOID Total	**-**		
64698	7/09/2018	WATER QUALITY & TREAT	2,805.00		THOMAS FIRE TECH SUPP SVC 6/30
		WATER QUALITY & TREAT Total	**2,805.00**		
0	7/11/2018	WELLS FARGO	2,443.65		JUN 2018 BANK ANALYSIS CHG
64776	7/23/2018	WELLS FARGO	990.00		AWWA CONF-PRINCE/SANCHEZ
64776	7/23/2018	WELLS FARGO	85.00		CAL STAR EMERG AIR MED SERV
64776	7/23/2018	WELLS FARGO	633.36		BLINDS FOR NEW CUBICLE AREA
64776	7/23/2018	WELLS FARGO	650.00		ADMIN BUILDING SEALING OFF
64776	7/23/2018	WELLS FARGO	185.83		INDUSTRIAL SAFETY VESTS
64776	7/23/2018	WELLS FARGO	79.32		CAMRY WINDSHIELD REPAIR
64776	7/23/2018	WELLS FARGO	1,131.54		MONITORS/ SUPPLIES
64776	7/23/2018	WELLS FARGO	544.86		JAMESON -SEC CAMERA/MISC
64776	7/23/2018	WELLS FARGO	170.66		JAMESON SATELLITE PHONE
		WELLS FARGO Total	**6,914.22**		
64779	7/23/2018	WESTERN EXTERMINATOR	69.50		TRMT EXTERM SRVC - JUN18
64779	7/23/2018	WESTERN EXTERMINATOR	73.50		ADMIN EXTERM SRVC - JUN18
64779	7/23/2018	WESTERN EXTERMINATOR	10.00		BAL DUE - RODENT EXCL WRK
64779	7/23/2018	WESTERN EXTERMINATOR	81.00		DOULT TP EXTERM SRVC - JUN18
		WESTERN EXTERMINATOR Total	**234.00**		
64699	7/09/2018	WOODARD & CURRAN	10,293.50		RECY WTR FEAS STUDY TO 6/15
		WOODARD & CURRAN Total	**10,293.50**		
64700	7/09/2018	ZACHARIAS HUNT	2,507.25		GIS DATA UPDATE/PROG MAINT
		ZACHARIAS HUNT Total	**2,507.25**		
		Grand Total	**728,565.37**		

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 3-C

DATE: AUGUST 28, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS DEPARTMENT

SUBJECT: DISTRICT FUNDS

For your information, the District's current invested reserve portfolio, as of 7/31/18, is as follows:

Unrestricted Reserve Funds	Date	Principal
Wells Fargo Checking	7/31/2018	$3,275,167
American Riviera Checking	7/31/2018	$499,569
American Riviera Money Market	7/31/2018	$756,653
Schwab	7/31/2018	$4,929,157
CCWA Credit Balance Fund	7/31/2018	$137,999
	TOTAL	**$9,598,545**

Restricted Reserve Funds	Date	Principal
Bank of New York-2010 A Bond Reserve Fund	7/31/2018	$1,452,553
California Bank & Trust DWR Ortega Loan Reserve	7/31/2018	$590,413
CCWA Rate Coverage Reserve Fund	7/31/2018	$1,437,379
	TOTAL	**$3,480,345**

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: **4-A**

DATE: **AUGUST 28, 2018**

TO: **BOARD OF DIRECTORS**

FROM: **GENERAL MANAGER**

SUBJECT: **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**

This item was reviewed by the Operations and Administrative Committee at their meeting on July 16, 2018 and the Committee concurs with the staff recommendations.

RECOMMENDATION:

Consideration and approval of 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.

DISCUSSION:

In October 2016, at a regular meeting, the District's Board of Directors authorized staff to move forward with the formation of a Groundwater Sustainability Agency (GSA) in accordance with the Sustainable Groundwater Management Act (SGMA) for the Montecito Groundwater Basin. Since that time, staff has been working with the local community as well as public agency staff within adjacent basins, namely the City of Santa Barbara (City) and the Carpinteria Valley Water District, to resolve any and all issues related to the shared resources and basin boundary issues.

The Montecito Groundwater Basin boundary, depicted in the Department of Water Resources' (DWR) Bulletin 118, in general, does not coincide with the District's jurisdictional boundary on the east and westerly sides of the basin. This misalignment poses potential challenges for the effective future management of the basin. In addition, groundwater management activities conducted in adjacent basins may physically affect each basin because there are no complete groundwater barriers between them. Therefore, staff from both the District and the City have developed a non-binding Memorandum of Understanding (MOU) to ensure collaboration towards completion of GSA filing, and Groundwater Sustainability Plan (GSP) preparation and implementation for the Montecito Groundwater Basin.

This MOU memorializes the working relationship between the District and the City for the following purposes: 1) Coordination between agencies in the implementation of SGMA within the Montecito Groundwater Basin, and the Santa Barbara Basin if pursued by the City; 2) Provide a framework for such coordinated efforts to ensure that SGMA is implemented

effectively, efficiently, and fairly in both the Montecito and Santa Barbara Groundwater Basins; 3) Address any issues concerning properties and infrastructure located between the basins with overlapping jurisdictional boundaries, services areas and/or groundwater basins and 4) District to support the City with its efforts to prepare and submit to DWR a Basin Boundary Modification to adjust the existing basin boundary for both basins to the jurisdictional boundary.

Attached is a copy of the proposed MOU for consideration. This MOU has been reviewed by the District's legal counsel and approved in concept by City of Santa Barbara staff.

ATTACHMENTS

1. Proposed Memorandum of Understanding (MOU) between the District and the City of Santa Barbara

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MONTECITO WATER DISTRICT AND THE CITY OF SANTA BARBARA
RELATED TO SGMA IMPLEMENTATION IN
THE MONTECITO GROUNDWATER BASIN

This Memorandum of Understanding (MOU) is made and effective as of _____, 20__, by and between the Montecito Water District, and the City of Santa Barbara, collectively referred to herein as "The Parties".

A. In 2014, California enacted the Sustainable Groundwater Management Act ("SGMA"), pursuant to which local agencies may become a Groundwater Sustainability Agency (GSA) and adopt a Groundwater Sustainability Plan (GSP) in order to manage and regulate groundwater in underlying groundwater basins.

B. Montecito Water District (MWD) is a County Water District, organized pursuant to California Water Code §§30000 et seq. with water supply and water management responsibilities within its service area. MWD is also a local agency pursuant to California Water Code §10721(n) with water supply and water management responsibilities within the Montecito Groundwater Basin, DWR Basin Number 3-49 ("Montecito Basin"). As a DWR designated medium priority basin, SGMA requires GSA formation and development of a GSP in the Montecito Basin. The MWD Board of Directors has determined it to be in the best interest of the MWD, its service area, and the public, to act as the GSA for the Montecito Basin in accordance with the requirements of SGMA, and is undertaking necessary steps under SGMA to assume that responsibility.

C. The City of Santa Barbara (City) is a charter city organized pursuant to Government Code §§34000 et seq with water supply, water management and land use responsibilities within its service area. City is also a local agency pursuant to California Water Code §10721(n) with water supply, water management and land use responsibilities within the Santa Barbara Groundwater Basin, DWR Basin Number 3-17. ("Santa Barbara Basin").

D. The Parties wish to coordinate in the implementation of SGMA within the Montecito Basin and provide a framework to ensure that SGMA is implemented effectively, efficiently, and fairly.

E. The Parties wish to cooperate in processing a basin boundary modification such that the contiguous boundaries of the Montecito Basin and the Santa Barbara Basin according to the existing Department of Water Resources ("DWR") Bulletin 118 boundary correspond in general to the jurisdictional boundary of the MWD, said boundary being shown in Exhibits A-1 and A-2 attached to this MOU.

F. The Parties acknowledge that there are certain areas of the City within the territory of the MWD that are provided water service by City. At the time the City annexed these areas, a detachment from the MWD was not simultaneously processed. The Parties intend to cooperate in accomplishing detachment of these areas from MWD and contemplate that those areas would also be excluded from the Montecito Basin and included in the Santa Barbara Basin. These areas are referred to as the Detachment Areas.

G. The Parties acknowledge that there are certain areas of the City within the territory of the MWD that are provided water service by the MWD. These areas are referred to in this MOU as the Coast Village Road Area and the Barker Pass Area.

NOW THEREFORE, the Parties agree as follows:

1. Purposes

The purposes of this MOU include:

a. Cooperative Working Relationship

To memorialize a cooperative, coordinated, and ongoing working relationship between the Parties that will facilitate SGMA implementation efforts within the Montecito Basin. This includes, but is not limited to, cooperation and coordination concerning the exploration, study and evaluation of approaches and strategies related to the formation of a GSA and preparation and implementation of a GSP for said basin.

b. Basin Boundary Modification

The DWR existing Bulletin 118 boundary between the Montecito Basin and the Santa Barbara Basin does not correlate with the jurisdictional boundary of the Parties. This MOU reflects the desire of the Parties to modify the existing Bulletin 118 boundary at the contiguous boundary between Montecito Basin and Santa Barbara Basin to correlate in general with the jurisdictional boundary of MWD. The areas of current overlap are shown on Exhibits A-1 and A-2 attached to this MOU ("Overlap Area"). The Exhibits also show the Detachment Areas, the Barker Pass Area, and the Coast Village Road Area.

2. Basin Boundary Modification

a. Application

Consistent with paragraph 1.b., the City will apply to DWR to modify the existing Bulletin 118 boundary at the contiguous boundary of the Montecito Basin and Santa Barbara Basin to coincide in general with the jurisdictional boundary of the MWD. The basin boundary will in general reflect the current jurisdictional boundary of the MWD, except for the Detachment area which will be included in the Santa Barbara Basin. The Barker Pass Area and Coast Village Road Area which will remain in the Montecito Basin. The application for modification will be submitted by the City as soon as possible through DWR's Basin Boundary Modification Process. The City and MWD agree that the contemplated basin boundary modification is in the best interest of the parties. MWD will support the City in its pursuit of a basin boundary modification along jurisdictional boundaries.

b. The Parties agree that any failure or inability to obtain a boundary modification of the Montecito Basin and Santa Barbara Basin, will not serve to preclude MWD from forming a GSA or preparing a GSP for the Montecito Basin.

However, in the event of failure or inability to obtain a boundary modification, MWD agrees that it will not impose or include as part of a GSP for the Montecito Basin a requirement on property within the territory of the City without the City's consent, which consent will not be unreasonably withheld.

c. No impact on current water service

Within the Overlap Area, MWD has facilities and provides water service to property located within the jurisdiction of the City, and the City has facilities and provides water service to property located within the jurisdiction of MWD, as shown on the Exhibits. Neither the GSP nor the boundary modification contemplated by this MOU are intended to affect or alter existing water service.

3. Formation of Groundwater Sustainability Agency

a. The Parties contemplate that MWD will be the local agency that elects to be the GSA, and file said election with DWR pursuant to Water Code § 10723.8, for the Montecito Basin.

b. Neither MWD, nor City, currently contemplate the City's representation on the Montecito Basin GSA because they have agreed that the Overlap Area is relatively small in comparison to the overall size of the Montecito Basin.

4. SGMA Activities

a. The Parties shall regularly confer on activities to be performed under this MOU, and nothing in this MOU is intended to restrict the range of activities that may be discussed or pursued concerning the implementation of SGMA in the Montecito Basin.

b. The Parties intend that this MOU govern any necessary activities while they are exploring, evaluating and developing GSAs and GSPs for the Montecito Basin. If the Parties identify an activity that they wish to jointly implement, they shall develop the appropriate agreement(s) governing such activity.

5. Costs

Each Party will bear all costs it incurs with respect to its activities under this MOU.

6. Staff

Each Party shall designate a principal contact person for that Party, who may be changed from time to time, and such other appropriate designees, staff members and consultants to participate on such Party's behalf in activities undertaken pursuant to this MOU. The principal contact person for each Party shall be responsible for coordinating meetings and other activities under this MOU with the principal contact person for the other Party Each Party shall make its staff and resources reasonably available for activities under this MOU.

The mutual principal contacts are:

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

City of Santa Barbara
Public Works Department
Kelley Dyer, Water Supply Manager
P.O. Box 1990
Santa Barbara, CA 93102
Phone: 805-564-5571
Email kdyer@santabarbaraca.gov

7. Entire Agreement

This MOU incorporates the entire and exclusive agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral or otherwise) related thereto. This MOU may be amended only by a writing executed by the Parties.

8. Termination

This MOU shall remain in effect unless terminated by the mutual written consent of the Parties, or upon 30 days written notice of termination delivered by one Party to the other that is not withdrawn prior to the specified termination date. No Party shall be liable to the other if it elects to terminate this MOU.

9 Assignment

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

10. Indemnification

To the fullest extent permitted by law, the Parties shall defend indemnify, and hold each other (including the directors, officers, employees and authorized volunteers of each party) free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of every kind, in law or equity (collectively "Claims") in any manner arising out of, pertaining to, or incident to this Agreement and/or the work and/or services to be performed hereunder. This includes, without limitation, the payment of all actual damages, consequential damages, expert witness fees and attorney's fees and other related costs and expenses, including but not limited to legal costs and expense incurred by the parties in connection with any Claims or in enforcing this mutual indemnification. This indemnity does not include Claims that arise out of the sole active negligence or willful

misconduct of the party request indemnification. Indemnity requirements are not limited to the amount of any insurance available to either party and survive the termination of this Agreement for any reason.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first above written

MONTECITO WATER DISTRICT

By:_____

W. Douglas Morgan
President, Board of Directors

CITY OF SANTA BARBARA

By:_____

Rebecca J. Bjork
Public Works Director, City of Santa Barbara

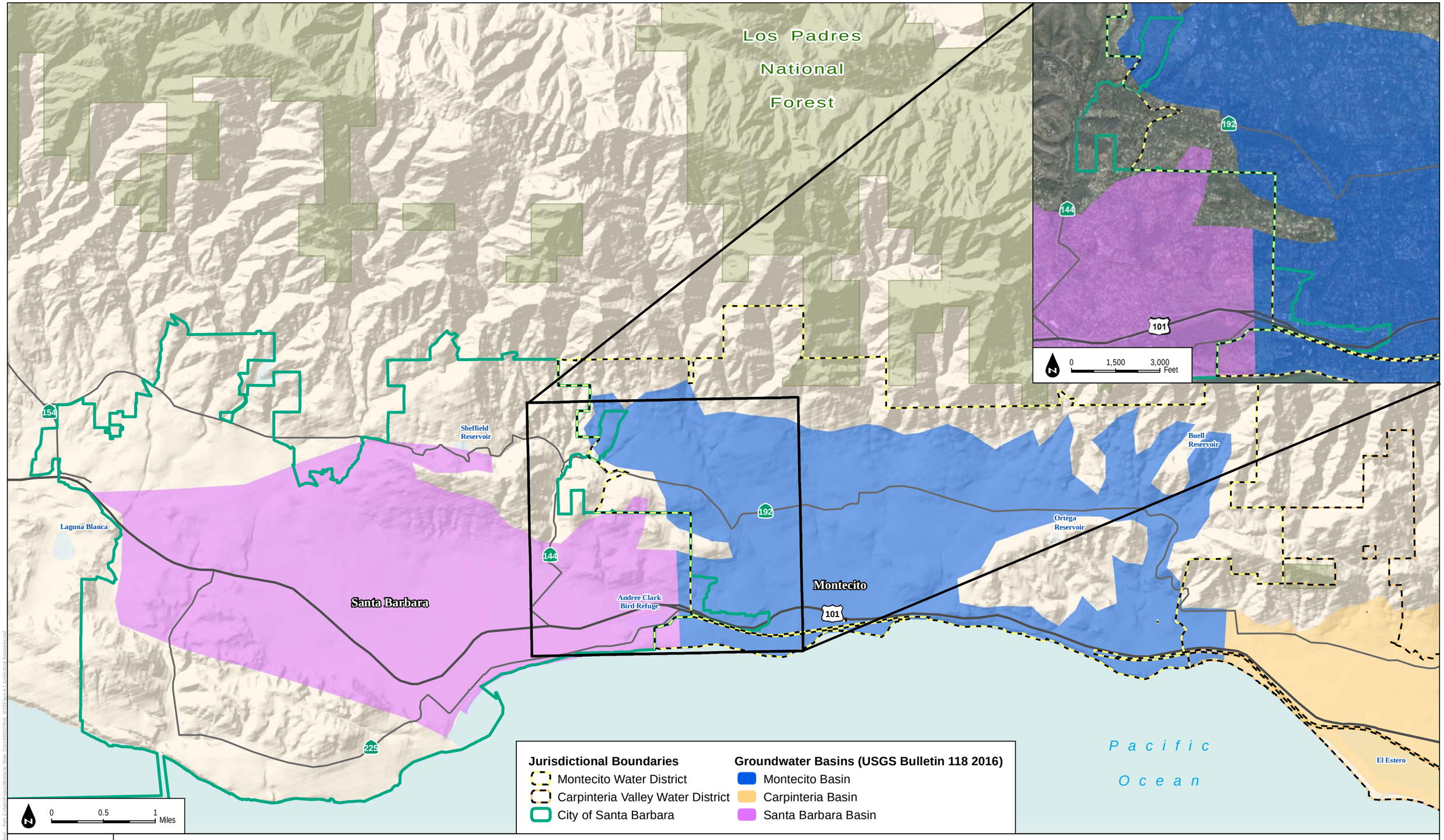
APPROVED AS TO FORM

By:_____

Robert M. Cohen
COHEN & BURGE, LLP
General Counsel, Montecito Water District

By:_____

Daniel S. Hentschke
Assistant City Attorney
City of Santa Barbara



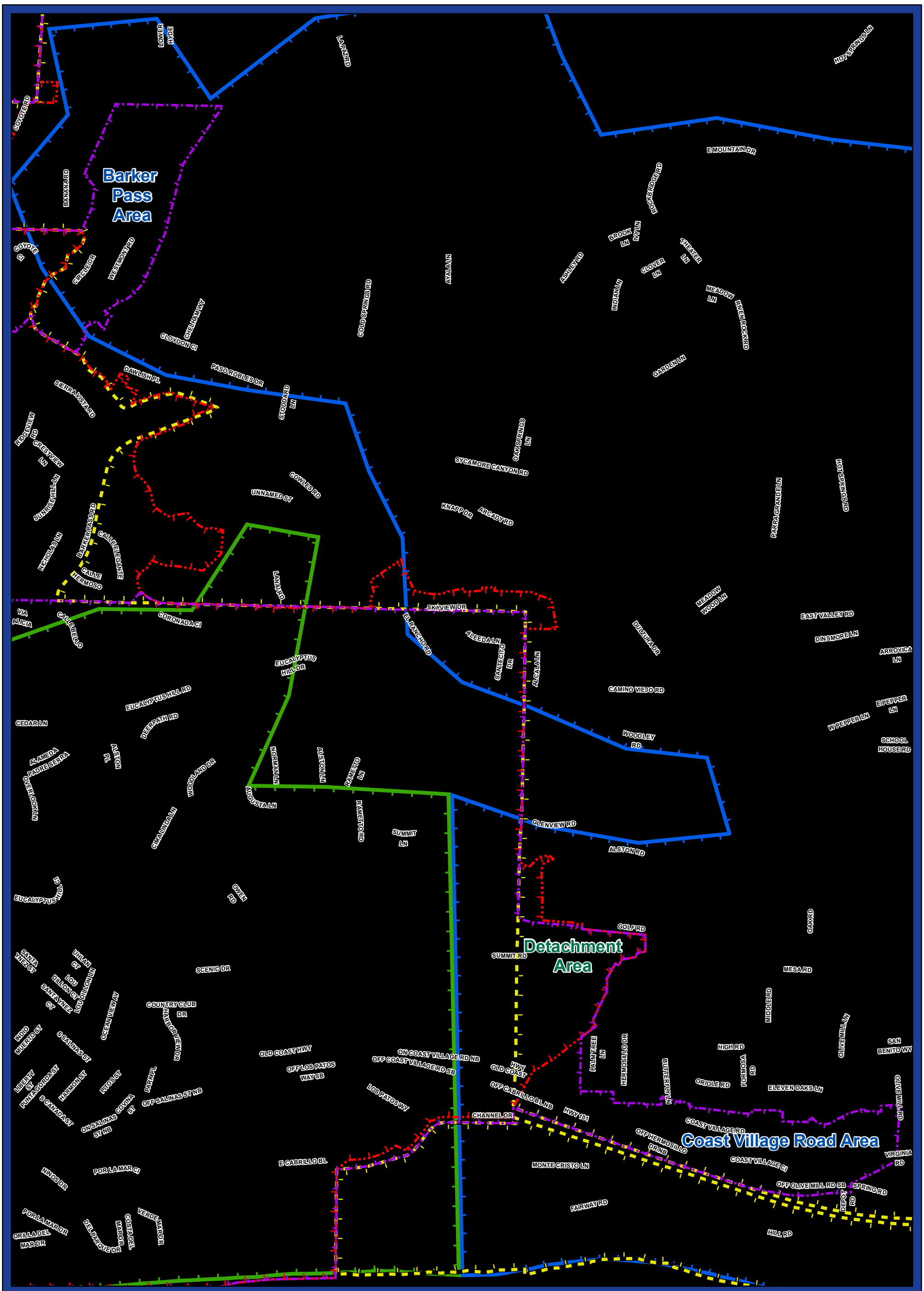
SOURCE: Santa Barbara County; USGS

FIGURE A-1

Jurisdictional and Groundwater Basin Boundaries

DUDEK

Montecito Water District



[redacted]

**********DISCLAIMER**********
This map is for reference only . Although every effort has been made to ensure the accuracy of information, errors and conditions originating from physical sources used to develop the database may be reflected on this map . ZWORLD GIS shall not be liable for any errors, omissions, or damages that result from inappropriate use of this document . No level of accuracy is claimed for the boundary lines shown here on and lines should not be used to obtain coordinate values, bearings or distances.

State Plane California Zone V NAD 1983
Santa Barbara County

Basin, Jurisdiction, & Service Area Overlap
FIGURE A-2

[redacted]

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 4-B

DATE: AUGUST 28, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: JAMESON LAKE AQUATIC PESTICIDE APPLICATION PLAN

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

RECOMMENDATION:

Authorize the General Manager 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 for a not to exceed amount of $26,550.

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 recommends the application of aquatic algaecides and herbicides to mitigate the growth of harmful algal blooms and weeds within Jameson Lake.

Before applying aquatic algaecides and herbicides to Jameson Lake, the District must obtain authorization 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 . To obtain authorization, the District must submit a Notice of Intent (NOI) and an Aquatic Pesticides Application Plan (APAP) to the SWRCB for review and comment at least 90 days prior to the first algaecide and/or herbicide application. As part of the review process, the District's NOI and APAP will be posted on the SWRCB website for a 30-day period for public comment. The District will respond to all comments received from the public and will make any changes requested by SWRCB.

The APAP addresses the requirements presented in NPDES Permit 2013-0002-DWQ including descriptions of the proposed aquatic algaecides/herbicides and application method, best management practices such as spill prevention and applicator education, alternative methods for control, annual monitoring requirements, corrective actions, public notification requirements, reporting, and record keeping requirements.

The plan will consider the sensitive species known to exist in and around Jameson Lake including the Steelhead Trout, Arroyo Toad, Red Legged Frogs, Willow Flycatcher and Least

Bell's Vireo. Jean Baldridge of ICF would be involved in the preparation of the APAP to ensure the selected algaecides/herbicides and the application methods used do not harm these species, some of which are listed under the Endangered Species Act.

District Staff would complete all submittals to the SWRCB including the NOI but will require the assistance of a consultant with experience in aquatic algaecide and herbicide application in surface water bodies used for public drinking water supplies to complete the APAP. Staff has obtained a quote from Water Quality & Treatment Solutions Inc. to perform the work (Attachment 2). WQTS would prepare the APAP and assist the District in responding to public and SWRCB comments to the APAP. Upon approval from the SWRCB, staff would then execute the procedures outlined in the APAP on an as needed basis.

FISCAL IMPACT

WQTS proposes a not-to-exceed amount of $26,550 to prepare the APAP. Note that Task 4 work, totaling $4,170 as outlined in the proposal will only be completed as needed.

ATTACHMENTS:

1) NPDES Permit 2013-0002-DWQ Notice of Intent
2) WQTS Proposal (Revised)

Attachment E – Notice of Intent

WATER QUALITY ORDER NO. 2013-0002-DWQ
GENERAL PERMIT NO. CAG990005

STATEWIDE GENERAL 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

I. NOTICE OF INTENT STATUS (see Instructions)

Mark only one item A. New Applicator B. Change of Information: WDID# _____ C. ☐ Change of ownership or responsibility: WDID# _____

II. DISCHARGER INFORMATION

A. Name			
B. Mailing Address			
C. City	D. County	E. State	F. Zip
G. Contact Person	H. E-mail address	I. Title	J. Phone

III. BILLING ADDRESS (Enter Information *only* if different from Section II above)

A. Name			
B. Mailing Address			
C. City	D. County	E. State	F. Zip
G. E-mail address	H. Title	I. Phone	

IV. RECEIVING WATER INFORMATION

A. Algaecide and aquatic herbicides are used to treat (check all that apply):

1. ☐ Canals, ditches, or other constructed conveyance facilities owned and controlled by Discharger.
   Name of the conveyance system: _____
2. ☐ Canals, ditches, or other constructed conveyance facilities owned and controlled by an entity other than the Discharger.
   Owner's name:_____
   Name of the conveyance system: _____
3. Directly to river, lake, creek, stream, bay, ocean, etc.
   Name of water body: _____

B. Regional Water Quality Control Board(s) where treatment areas are located (REGION 1, 2, 3, 4, 5, 6, 7, 8, or 9): Region _____
(List all regions where algaecide and aquatic herbicide application is proposed.)

V. ALGAECIDE AND AQUATIC HERBICIDE APPLICATION INFORMATION

A. Target Organisms: ____

B. Algaecide and Aquatic Herbicide Used: List Name and Active ingredients

C. Period of Application: Start Date_____ End Date_____

D. Types of Adjuvants Used:

VI. AQUATIC PESTICIDE APPLICATION PLAN

Has an Aquatic Pesticide Application Plan been prepared and is the applicator familiar with its contents?
☐ Yes ☐ No

If not, when will it be prepared? _____

VII. NOTIFICATION

Have potentially affected public and governmental agencies been notified? ☐ Yes ☐ No

VIII. FEE

Have you included payment of the filing fee (for first-time enrollees only) with this submittal?
☐ YES ☐ NO ☐ NA

IX. CERTIFICATION

"I certify under penalty of law that this document and all attachments were prepared under my direction and supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment. Additionally, I certify that the provisions of the General Permit, including developing and implementing a monitoring program, will be complied with."

A. Printed Name: _____

B. Signature: _____ **Date:** _____

C. Title: _____

XI. FOR STATE WATER BOARD STAFF USE ONLY

WDID:	**Date NOI Received:**	**Date NOI Processed:**
Case Handler's Initial:	**Fee Amount Received:** **$**	**Check #:**
☐ **Lyris List Notification of Posting of APAP**	**Date** _____	**Confirmation Sent** _____

WQTS
Water Quality & Treatment Solutions, Inc.
An environmental engineering and science consulting company

August 22, 2018

Mr. Nick Turner
General Manager
Montecito Water District
583 San Ysidro Road
Montecito, CA 93108

Subject: Proposal to Provide Technical Support Services in preparing an Aquatic Pesticide Application Plan (APAP)

Dear Mr. Turner:

On behalf of Water Quality & Treatment Solutions, Inc. (WQTS), I am pleased to submit to you this proposal to provide support services to the Montecito Water District (District) in obtaining authorization to apply aquatic algaecides to Jameson Lake under NPDES Permit 2013-0002-DWQ.

This proposal includes a brief description of our project understanding and the requested support services, as well as a description of the tasks to be conducted and proposed project cost.

PROJECT UNDERSTANDING

In March 2013, the State Water Resources Control Board (SWRCB) adopted Statewide General NPDES (National Pollutant Discharge Elimination System) Permit 2013-0002-DWQ for algae and weed control applications. Public water systems cannot use aquatic herbicides without first receiving authorization from the SWRCB. Currently there are 176 agencies in California that have authorization to use aquatic herbicides.

Due to the recent Thomas fire, Jameson Lake may be vulnerable to algal blooms that can cause taste and odor events as well as producing cyanotoxins that can cause public health issues. The District wishes to obtain authorization to apply aquatic algaecides and herbicides to Jameson Lake, in case they are needed, and has requested WQTS support for that effort.

Dr. Dan Askenaizer will be our project lead and will be assisted by Dr. Ofelia Romero in collecting and analyzing data as needed. I will provide overall technical review of the work products.

SCOPE OF WORK

To obtain authorization to use aquatic herbicides the District will need to submit a Notice of Intent (NOI) and an Aquatic Pesticides Application Plan (APAP) to the SWRCB for review and comment. As part of the review process the District's NOI and APAP will be posted on the SWRCB website for a 30-day period for public comment. The District will need respond if there are any public comments and/or changes requested by SWRCB staff.

The following presents our proposed scope-of-work to assist the District with obtaining coverage under NPDES Permit 2013-0002-DWQ.

Task 1 – Data Collection

Within one week of a Notice to Proceed, WQTS will prepare and submit to the District a written request for information needed for preparation of the APAP. The requested data will be used to prepare sections of the APAP that address the following: areas of Jameson Lake to be treated, potential algae and weeds of concern, monitoring procedures, standard operating procedures, and best management practices. As part of data collection, WQTS will schedule a site visit to meet with District staff and tour Jameson Lake.

Task 2 – Recommendations for Algaecide and Herbicide Products

The Statewide General Permit lists "active ingredients" that can be applied for algae and weed control. WQTS will review and evaluate products with the approved "active ingredients" that are registered for use in California. WQTS will review information on the Department of Pesticide Regulation website and will contact other public water systems to obtain their experience using specific products.

Jameson Lake is the habitat for an important population of steelhead trout. In addition, the vicinity of Jameson Lake is habitat for listed species under the Endangered Species Act (ESA): the arroyo toad, red legged frogs and two bird species (the Willow Flycatcher and Least Bell's vireo). WQTS will work with Jean Baldridge of ICF to obtain her written review and evaluation of candidate products with a goal of identifying products that will minimize potential harm to the steelhead trout and species listed under the ESA. WQTS understands that ICF will contact and coordinate review with Fish and Game staff, and other agencies, as appropriate.

Task 3 – Prepare Draft and Final APAP

With the information collected in Tasks 1 and 2, WQTS will prepare a draft APAP that addresses the requirements presented in NPDES Permit 2013-0002-DWQ. WQTS will submit the draft APAP to the District. After District staff complete their review and comment of the draft APAP, WQTS will incorporate the District's comments and prepare a final APAP. The District will prepare the NOI and transmit the NOI and APAP to the SWRCB.

Task 4 – Respond to Public Comments

Once the NOI and APAP are submitted to the SWRCB, they will be posted for a 30-day public comment period. SWRCB and Central Coast Regional Water Quality Control Board staff will review the application package for completeness and applicability to the General Permit requirements. The SWRCB and Regional Water Quality Control Board staff will work with the District to respond to the agency's comments and any public comments. As requested by the District, WQTS will assist with responding to SWRCB/Regional Board and public comments and prepare a revised APAP as needed.

PROJECT COST

All WQTS' services will be billed on a time-and-material (T&M) basis. The total cost to complete the above tasks is projected at $26,550. The table below presents a breakdown of costs for each task. If there are no public comments on the APAP submitted to the SWRCB, Task 4 will not be charged.

Task	Labor Cost
Task 1 – Data Request & Site Visit	$2,880
Task 2 – Recommended Algaecides & Herbicides	$4,950
Task 3 – Prepare Draft and Final APAP	$14,550
Task 4 – Respond to Public Comments	$4,170
Total	**$26,550**

We hope this proposal is acceptable to you, and we look forward to working with your staff on this effort. In the meantime, if you have any questions or need additional information, please do not hesitate to contact me.

Respectfully Yours,
Water Quality & Treatment Solutions, Inc.

Issam Najm, Ph.D., P.E.
President

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 4-C

DATE: AUGUST 28, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER & ENGINEERING MANAGER

SUBJECT: PROPOSED DISTRICT SMART METER PROGRAM

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

RECOMMENDATION:

That the Board of Directors authorize staff to proceed with the implementation of the proposed Smart Meter Program described herein which includes replacement of 4,605 customer meters and installation of advanced metering infrastructure subject to the review of the financing options by the Finance Committee.

DISCUSSION:

The purpose of this staff report is to outline staff recommendations for updating the District's existing meter program with "smart" meters and automated meter reading infrastructure. Staff has assessed the performance of the existing customer water meters and meter reading methods and provide the recommendations included in this report. With major advancements in the water meter industry in the past 10-15 years, this report provides recommendations of the current market for meter and meter reading technologies and their potential benefits to the District. The scope of the proposed smart meter program recommendations include all customer meters varying in size from ¾-inch to 6-inch and does not include District production meters which are managed separately.

Existing Meter Inventory

The District currently relies on 4,605 mechanical meters and manual meter readings to record customer usage once per month. Table 1 shows the current number of District meters by size and manufacturer.

Table 1 – District Meter Inventory as of August 16, 2018

METER MANUFACTURER								
SIZE	Hersey-Mueller	Metron	Rockwell	Badger	Neptune	Kamstrup	Sensus	TOTAL
3/4"F	5		140	4			436	585
3/4"S	2		1,058			1	609	1,670
1"	1		938		3		650	1,592
1-1/2"	11	343					162	516
2"	49	154		2	2	1	14	222
3"		6					8	14
4"		1					1	2
6"		1					3	4
Total	**68**	**505**	**2,136**	**6**	**5**	**2**	**1,883**	**4,605**

The District has not had a meter replacement program since 2010, although meters are replaced periodically when a meter fails. Past meter replacement programs selected varying meter types depending on management preferences, resulting in a wide range of meter types. This makes meter maintenance difficult and can be confusing for customer service when trying to assist District customers with reading meters.

The average age of District water meters is 14 years with 2,694 exceeding 15 years old and 722 meters exceeding 20 years old. The expected useful life of most mechanical meters is 15-16 years depending on demand on the meter.

WATER METER TECHNOLOGY

The District has historically used mechanical positive displacement (PD) meters for customer meters 2-inches and smaller and propeller meters for customer meters 3 to 6 inches. The District currently installs Sensus SRII positive displacement (nutating disc) meters for new ¾-inch and 1-inch meters, Hersey-Mueller 500 Series positive displacement (nutating disc) meters for 1-1/2-inch and 2-inch meters, and Sensus OMNI propeller meters for 3-inch and larger meters.

Positive displacement water meters measure volume by the rate at which a rotating disc turns, with each disc rotation correlating to a specific volume of water that passes through the meter. The disc connects to a magnet that moves the consumption figures on a meter's register. Unless water quality is poor, the nutating disc is an effective measuring technology to measure within the American Water Works Association (AWWA) start flow parameters of 0.25 gallons per minute (GPM). However, tests results depicted in Water Research Foundation (WRF) *Accuracy of In-Service Water Meters at Low and High Flow Rates* report, nutating disc water meters on average only measured 30% of 1/32 GPM or a 70% loss (when the meter has 1.5 million gallons of throughput). This measuring technology does not register flow during low flows resulting in lost revenue. Additionally, inherent to nutating disc water meters is the risk that wear and

tear on the meter will cause the disc to rotate less and therefore measure less water volume.

Advances in Water Meter Technology

Water meters themselves have evolved in the United States in recent years with many water agencies foregoing mechanical meters for electronic meters. Electronic meter refers to both ultrasonic and magnetic flow meters. The main benefit of electronic meters is their higher lifetime accuracy resulting from no moving parts and no "wear and tear" over the life of the meter. Additionally, electronic meters are generally lower maintenance, have no flow obstructions in the pipe and are able to pass debris and do not create large pressure drops across the meter. Electronic meters can start registering flow at an order of magnitude lower (0.05 GPM) than mechanical meters (0.25 GPM). However, electronic water meters must be powered by batteries which have a shelf life and may stop functioning before the end of the meter's rated useful life but may also extended beyond that useful life. In the event of a depleted battery, the entire electronic meter must be replaced.

Mechanical vs. Electronic Water Meter Accuracy and Lost Revenue

Mechanical meter accuracy decreases over time due to wear of the mechanical parts that allow the meter to register flow. Figure 1 shows the lost revenue caused by a 20-year old PD meter compared to a new PD meter and an electronic flow meter (ultrasonic or magnetic). The decrease in accuracy ranges from 5% during low flows 2% during high flows. According to a 2008 study by Thornton entitled *Water Loss Control,* the average customer meter under-registers by 5 to 6 percent. However, the accuracy of the electronic meter stays the same over the 20-year life of the meter.

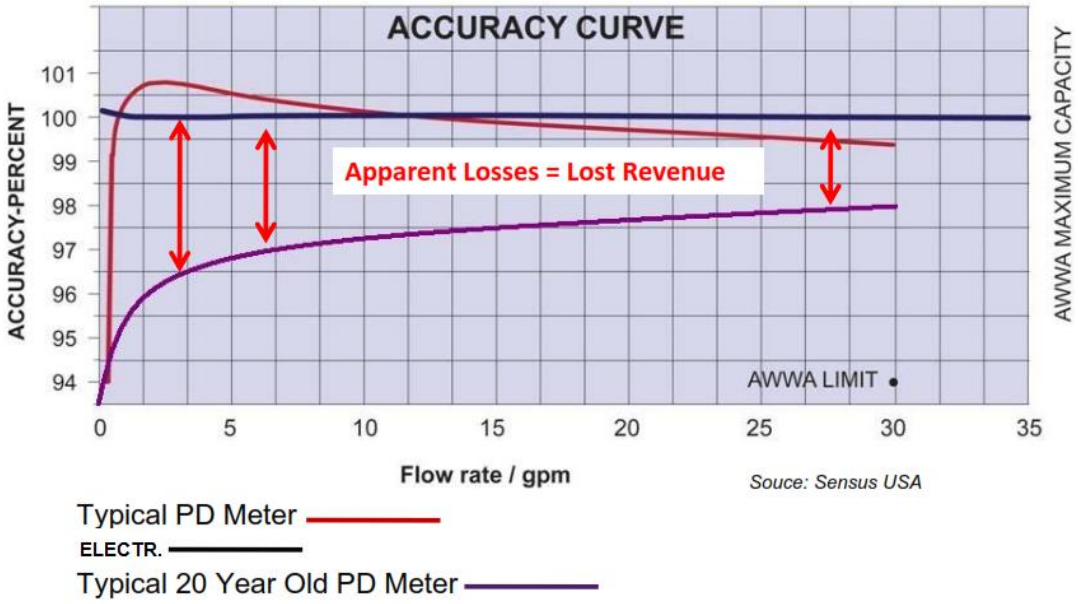


Figure 1 – Lost Accuracy due to Mechanical Meter Wear

Electronic meters include both ultrasonic and magnetic flow meters. Ultrasonic meters use transit-time technology to calculate velocity in the flow tube and convert velocity to flow rate. Magnetic flow meters measure the voltage generated by the fluid as it flows through the flow tube and converts the voltage into a flow rate. Magnetic flow meters have traditionally been used for large (3-inch or greater) meter applications. Some manufacturers now offer ¾-inch and 1-inch magnetic flow meters but no meter manufacturers offer magnetic flow meters that cover all residential meter sizes (¾-inch to 6-inch for the District). However, ultrasonic meters are offered in all sizes and are becoming the new standard for electronic meter technology for the residential meter industry. For this reason, ultrasonic meters are the most appropriate electronic meter for the District.

Ultrasonic meters provide long-term accuracy over the life of the meter, will better record low flow readings, and require lower maintenance. For these reasons, District staff recommends a wholesale exchange of all existing customer meters with ultrasonic water meters.

METER READING

Meter reading refers to the method of collecting customer consumption data from the water meters and transferring that data to District software for billing, analyzing and record keeping.

Existing Meter Reading Process

Each meter is visited by Alexander's Contract Services one time per month within a three-day meter read period. Manual meter reads are input into the District's accounting software, Incode where monthly bills are created and distributed to customers. When viewing a customer's consumption history in Incode, only one read per month is shown which limits staff's ability to identify the timing of leaks, high flows, or other issues on the customer's side of the meter. The District does not currently implement any smart meter technology that can automatically read customer water meters.

The District pays Alexander's approximately $74,000 annually to read the mechanical water meters and transfer that data to the District of billing purposes. Alexander's also provides District administrative staff with a list of "rush reads" or meters that must be reread due to inconclusive meter read data including negative reads, no reads (debris, vegetation overgrowth, gates locked, vicious dogs, etc.), excessive high reads, non-recording meters (broken meters), and maintenance (leaky meters). Rush reads can be as high as 50 per month and average 30 per month. Administrative staff request distribution staff respond to each of these rush-read scenarios by creating a Service Order. Distribution staff then visits each meter location and reports back to administrative staff who then contacts each customer, if necessary, to report resolution of the issue or direct them on repairing leaks. The process of rush reads requires on average one administrative staff and two distribution staff for a three day period.

Throughout the year, District engineering, finance, and distribution personnel frequently use customer's consumption history to respond to customer inquiries. This includes troubleshooting meter problems, identifying leaks, notifying customers of high, low or no usage but are limited in assisting customers due to a lack of data resolution. Customers often identify leaks weeks, up to a month after it began.

Advances in Water Meter Reading Technology

In the 1990's, utilities began implementing Automated Meter Reading or "AMR" to eliminate errors in manual meter reads and reduce manual meter reading costs. AMR is technology that electronically collects data from the meter and transfers it back to the central billing system and is usually achieved using a handheld device or laptop during walk-by or drive-by meter collection. An AMR meter is capable of one-way communication to the receiver. AMR allows utilities to collect thousands of meter reads in a matter of hours instead of several days with manual meter reads.

More recently, Advanced Metering Infrastructure or "AMI" was introduced to further streamline meter consumption data collection and provide "real time" readings of customer meters. AMI extends the capabilities of AMR by allowing two-way communication between the meter and the utility. Two-way communication is generally achieved through a fixed based network of radio towers setup by the utility or using a cellular connection to existing communications towers. In both scenarios, a radio and antenna are added to each meter location to transmit meter data to the utility. AMI allows utilities to collect and analyze customer data and receive immediate alerts when a leak or high flow is identified at any customer meter.

AMI using a cellular signal is achieved by deploying a cellular "endpoint" inside the customer meter box that communicates with existing cellular towers. The benefit of cellular is the District can utilize existing cellular towers to collect its consumption data. The downside is the monthly recurring costs paid to third party cellular providers, which becomes cost prohibitive if the District wants to be able to view usage data more often than every 24-hours.

AMI using a fixed based network is achieved by deploying Radio Frequency (RF) radios and antennas within customer meter boxes and District-owned radio towers across the District service area. The radios inside the meter box communicate with the radio towers to transmit consumption data and send it back to District.

The cost of a cellular based AMI is prohibitive for the District compared to a fixed-base radio network. A cellular AMI solution, providing 24-hour data dumps to the District, costs $0.89/month per meter, or approximately $49,000 annually for the District. The 24-hour rate of recurrence means a large leak that occurs in the early morning hours would not be discovered until up to 24 hours later. If the District wanted data dumps every six hours, the cost would increase to $3.70/month per meter or approximately $203,000 annually. A fixed-base system would allow the District to view 15-minute consumption data in real time and is the quickest method of meter reading over cellular

AMI. The challenge with fixed-base is finding sufficient locations for AMI collectors and repeaters. These locations typically include street lights, power poles, and infrastructure often not owned by the District nor available within the District's service area.

Both AMR and AMI meter reading systems come with a software package that allow the District and customers to manage meter data. Both the District and customer can create settings in the software to receive alerts indicating high use, empty pipes, or leaks. The customer can also have access to a smart phone application to view and manage their water consumption data in real time.

A fixed based AMI network will provide District staff with a lower cost and lower maintenance method of collecting higher resolution customer water use data. AMI will allow District staff to better serve customers by giving them direct access to their data and allowing them to set alerts for leaks or high flow scenarios. District staff recommend installation of a fixed based AMI radio network and meter radios.

METER AND METER READING MARKET ANALYSIS

The largest meter manufacturers in North America are Neptune, Sensus, and Badger which are included in this analysis along with smaller firms Master Meter, Mueller and Kamstrup.

District staff researched available meter and meter reading technologies and engaged six different meter manufacturers to demonstrate their meter and meter reading products. Staff also visited neighboring agencies to view their smart meter products and discuss pros and cons with management of these systems.

The results of the product demonstrations, visits to neighboring Districts, and follow-up discussions with meter providers have been summarized in Attachments 1, 2, 3 and 4. Attachment 1 provides a summary of the available meter technologies and features; Attachment 2 provides a summary of the AMI or meter reading technologies and features; Attachment 3 provides a summary of costs to implement each meter and meter reading solution; and Attachment 4 is a summary of pros and cons to ultrasonic versus mechanical meters and also cellular versus fixed-base AMI network.

Narrowing the Meter Market Analysis

After the first round of data collection for each meter company, staff narrowed the field of meter manufacturers to three; Neptune, Badger and Kamstrup. It is worth noting that Badger is a meter-only company and partners with Itron, an AMI company, for their fixed based AMI solution. Badger will be referred to as "Badger-Itron" from this point forward.

Sensus does not offer an ultrasonic flow meter and does not provide 1-1/2" and 2" electronic meters at this time. The electronic meter provided by Sensus is the iPerl which is only for ¾" and 1" meters and has a plastic body and high profile. Sensus offers a high-powered AMI collector (3 Watts) that is appropriate for large, flat open areas where one collector can satisfy the entire service area, but it is not appropriate for the topography in the District's service area where many (expensive) collectors would be required.

Mueller was eliminated based on poor experiences with customer service and long meter ordering lead times when the District purchases their existing Hersey-Mueller meters.

Master Meter's capital and ongoing costs were cost prohibitive. Additionally, Master Meter does not offer a metal body 3.4-inch or 1-inch meter and only offers the high-powered and expensive 3-watt AMI collector which is not ideal for District terrain.

Evaluation Criteria and Results

Staff evaluated Neptune, Badger-Itron and Kamstrup meters to assess the quality and features of their meter bodies, registers, radios, antennas, collectors, software and customer portals to determine the most appropriate meter and AMI solution for the District. District Staff ordered and installed several ultrasonic meters from each of the three meter manufacturers to test their ease of installation, use and to receive customer feedback. A decision matrix was used to rank the selected meter and AMI companies. The evaluation criteria are listed below.

1) **Meter and Register** – higher scores given to meters with durable bodies and registers, ability to register low flows, high accuracy, and ease of installation and repair.

2) **AMI Radio and Collector** – higher scores given to meter radios and antennas without wires, fewer required collectors, and higher percentage of meter coverage from data collectors.

3) **Lifecycle Cost** – higher scores for lower life cycle costs.

4) **Manufacturer Reliability** – higher scores for a long history of meter and AMI installations in California and a large presence in the meter and AMI market.

5) **Customer Service** – higher scores given to companies with more experience in the water measurement industry, responsive sales and technical support, and faster meter order turnaround times.

6) **Software and Customer Portal** – higher scores given for a user-friendly meter data analytics software, robust reporting and notification programming capabilities, and high-quality, user friendly and intuitive customer portal.

7) **References** – higher scores given for companies with multiple references providing positive feedback on meter performance and customer service.

Note: the following criteria are generally the same between all of the meter companies and have therefore not been included in this market analysis:

- Meter and radio battery life (20 years for all meters)
- Meter and radio warranty (10 years full, 10 years prorated)
- Meter accuracy
- Meter body construction (all metal, no plastic parts)

Table 2 – Meter and AMI Decision Matrix

CRITERIA	Neptune	Badger/ Itron	Kamstrup	COMMENTS
Meter & Register	3	4	5	Kamstrup has highest quality and most durable meter. Badger is lower due to required wiring between the meter and radio. Neptune is lowest due to poor meter features and required wires.
AMI Radio & Collector	3	2	3	Kamstrup had a moderate number of collectors but did not perform a detailed site inspection or propagation study. Badger/Itron had large number of repeaters, uses wires, and proposed using "street lights". Neptune performed a site visit and had a moderate number of collectors but had the lowest coverage percentage.
Lifecycle Cost (Meters & AMI)	4	4	4	Life cycle costs are all within +/-2% of $3.5M.
Manufacturer Reliability	4	5	2	Neptune and Badger are longest standing and largest firms in the US. Kamstrup is brand new to US market but shows dedication to rapid expansion and no sign of a buyout.
Customer Service	5	5	4	All firms displayed excellent responsiveness to District needs. Kamstrup had the longest meter order lead time.
Software & Customer Portal	3	4	2	Badger's software platform is the most user-friendly and intuitive software. Neptune software platform is difficult to navigate. Kamstrup recently released their platform and District personnel have only viewed the brochure to date.
References	3	5	2	Badger has the most statewide deployments of ultrasonic meters and AMI. Neptune references were just beginning to deploy AMI. Kamstrup references are small (+/- 300 AMI capable meters).
TOTAL SCORE	**25**	**29**	**22**	

Based on the market analysis above, District staff recommend Badger meters and Itron AMI system as the preferred meter and AMI vendors for a District smart meter program.

IMPLEMENTATION

In order to exchange approximately 4,600 meters efficiently, the meter exchange must be completed by a third-party installer. These companies have dedicated meter exchange personnel and equipment and can perform a change out of District meters in an estimated 3-4 months versus a year or more if District staff attempted to complete the project. The process of installing new meters will include the following:

- Visiting 4,605 meter boxes, some in inconvenient or challenging locations;
- Swapping out the concrete lid for a plastic, traffic rated lid;
- Vacuuming any soil or debris from the box;
- Closing customer and District valves;
- Removing the old meter (cutting flange bolts in some cases);
- Setting new meter and washers;
- Connecting meter wire to radio/antenna;
- Mounting antenna into meter box lid;
- Meter testing;
- Paperwork for meter billing records;

A separate third party will perform the AMI system installation. This includes the installation of "collectors" on 10 to 20-foot antennas to be located on existing District facilities (i.e. reservoirs, pump station, existing District antennas) and repeaters, or smaller utility boxes, to be installed at various locations across the District. These devices must be mounted and commissioned by the third party. The District does not have the personnel or the expertise to install this type of equipment.

District staff recommend the use of a third-party contractor to perform the exchange of 4,605 District meters and a separate third-party contractor to perform installation of an AMI meter reading system.

FISCAL IMPACT

Staff evaluated the costs of the current meter program and compared that to a smart meter program.

Existing Meter Program

The District has not had an active meter replacement program since 2010 due to budgetary restrictions during the drought. However, the District does replace meters as-needed when meters fail. The District spends approximately $20,000 annually to replace failed meters. Note: this cost will continue to rise the longer the meter exchange program is deferred.
Additionally, the District currently spends approximately $74,000 annually for Alexander's to read customer meters. This includes a 3-day manual meter read period with the deliverable being a data transfer to District staff for billing at the end of each month.

Lastly, as mentioned above, three District staff spend three days on average at the end of each month to perform re-reads of customer meters showing issues during Alexander's reading process. This staff labor and vehicle time costs the District approximately $3,000 monthly or $36,000 annually and takes time away from other regular administrative and distribution staff tasks.

The total annual cost of the existing meter program is $130,000. This cost will increase dramatically over the coming years without a meter exchange program.

Proposed Meter Program

As stated above, District staff recommend the implementation of a smart meter program by exchanging all customer meters with ultrasonic meters and installing an AMI network to read customer meters. The total estimated cost of this program is shown in Table 3. These costs have been estimated by the Badger and Itron vendors. The total capital cost of this program is approximately $3.0M with a 15% contingency for construction. The annual operating costs of this program is shown in Table 4 and is estimated to be approximately $32,000 annually.

Table 3 – Proposed Smart Meter Program Capital Costs

CAPITAL COSTS	QTY	UNIT	UNIT COST	COST
ELECTRONIC METERS				
3/4" Meters + Register	2255	EA	$ 202	$ 455,510
1" Meters + Register	1592	EA	$ 221	$ 351,832
1-1/2" Meters + Register	516	EA	$ 507	$ 261,612
2" Meters + Register	222	EA	$ 678	$ 150,516
3" Meters + Register	14	EA	$ 1,120	$ 15,680
4" Meters + Register	2	EA	$ 1,640	$ 3,280
6" Meters + Register	2	EA	$ 3,150	$ 6,300
			Subtotal	**$ 1,219,470**
RADIOS				
Itron ERT	4603	EA	$ 82	$ 377,446
			Subtotal	**$ 377,446**
AMI HARDWARE				
CCU 100 Internal Antenna and Hardware	8	EA	$ 5,700	$ 45,600
CCU 100 External Antenna and Hardware	1	EA	$ 6,800	$ 6,800
Repeater 100	9	EA	$ 3,750	$ 33,750
Radio Equipment	1	EA	$ 2,070	$ 2,070
Handheld Backup Reader and Link	1	EA	$ 144	$ 144
			Subtotal	**$ 88,364**
SETUP FEES				
Implementation Services	1	EA	$ 13,080	$ 13,080
Software	1	EA	$ 6,900	$ 6,900
Software Setup and Training	1	EA	$ 12,000	$ 12,000
Itron Travel/Expenses	1	EA	$ 1,730	$ 1,730
Cloud Services Setup and Server Fees	1	EA	$ 4,250	$ 4,250
Year 1 Itron Software Hosted	12	MO	$ 1,540	$ 18,480
			Subtotal	**$ 56,440**
INSTALLATION				
Meter Installation (incl. new meter lids)	1	LS	$ 750,000	$ 750,000
Collector Installation	1	EA	$ 150,000	$ 150,000
			Subtotal	**$ 900,000**
CAPITAL COST				**$ 2,641,720**
15% Construction Contingency				$ 396,258
TOTAL CAPITAL COST				**$ 3,037,978**

Table 4 – Proposed Smart Meter Program Annual O&M Costs

ANNUAL COSTS	QTY	UNIT	UNIT COST	COST
Annual Software Hosting	1	EA	$ 18,480	$ 18,480
CCU 100 Annual Maintenance	9	EA	$ 120	$ 1,080
FCS & Network Software	1	EA	$ 1,720	$ 1,720
Repeater Annual Maintenance	9	EA	$ 72	$ 648
Cust Portal	1	EA	$ 10,000	$ 10,000
O&M COST				**$ 32,000**

The cost of the proposed meter program will be offset by an expected increase in revenue by replacing under-recording mechanical meters with high accuracy ultrasonic meters. Assuming 4,000 acre feet (AF) of water is sold at the lowest tiered sales rate + WSE surcharge ($8.85), Table 5 provides an estimate of annual lost revenue due to meter under-recording. Given the AWWA statistics regarding PD meter accuracy deficiencies over time, aging District meters, and meter bench testing from neighboring agencies showing 6-9% under-recording meters, a realistic but conservative lost revenue percentage is 3.0% or $462,607 annually but could be higher.

Table 5 – Estimated Annual Lost Revenue to Mechanical Meter Wear

Meter Reading Inaccuracy (%)	Annual Lost Revenue Due to Meter Wear ($) [1]
0.5%	$ 77,101
1.0%	$ 154,202
1.5%	$ 231,304
2.0%	$ 308,405
2.5%	$ 385,506
3.0%	**$ 462,607**
3.5%	$ 539,708
4.0%	$ 616,810
4.5%	$ 693,911
5.0%	$ 771,012
5.5%	$ 848,113
6.0%	$ 925,214

[1] Assumes current YTD sales of 4,000 AF and water sold at Tier 1 rate $5.40 + WSE $3.45 = $8.85/HCF

FINANCING

Staff researched several options for financing the capital cost associated with the proposed smart meter program. Two options considered included Charles Schwab and American Riviera Bank (ARB). The financing terms vary between these two options. The following summary provides a comparison of the two financing options.

Charles Schwab currently maintains District investment accounts and is offering a loan based upon the 90-day LIBOR (currently 2.35%) plus a spread of 1.25% for a total annual rate of 3.6%. The loan would be renewed annually and subject to change based upon LIBOR fluctuations. Figure 2 below 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). Charles Schwab will issue a loan up to 80% of the balance on deposit. Based on a projected capital cost of $3.0M, the District would be required to maintain a balance of $3,750,000 in Charles Schwab. Assuming an annual increase in the LIBOR of 0.25%, the District's annual payment is estimated to be $370,203.

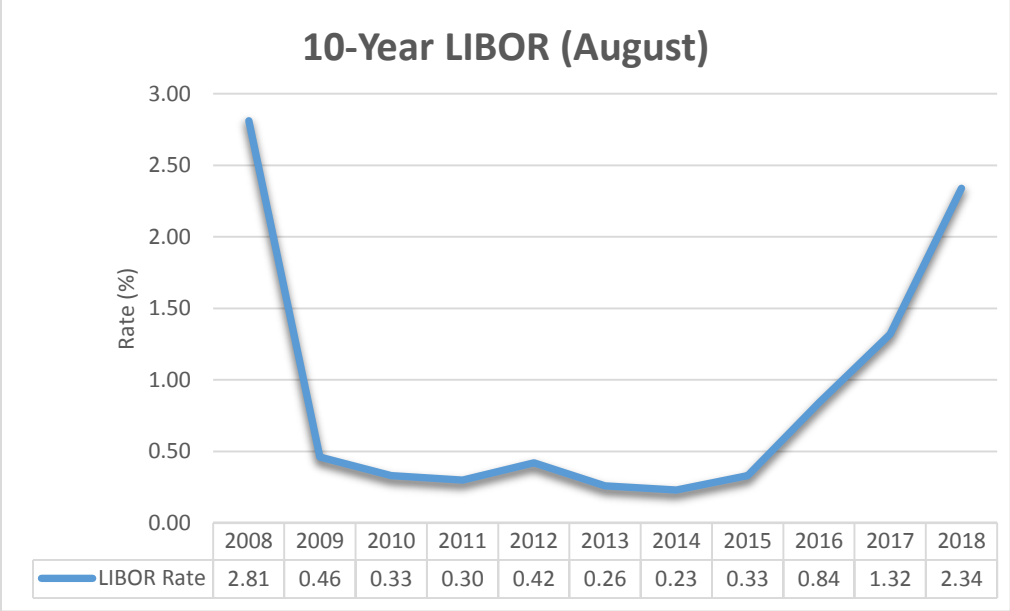


Figure 2 – 10 Year August LIBOR rate

A second 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 with 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 $368,775.

Table 6 below shows a comparison of the 10 amortization schedules of each financing option.

Table 6 – 10 Year Amortization Schedule

		Charles Schwab 10-Year Amortization*				American Riviera Bank 10-Year Amortization			
	Payment No. & Date	Monthly Payment	Interest Due	Acct Principal Due	Acct Principal Balance	Monthly Payment	Interest Due	Acct Principal Due	Acct Principal Balance
1	February 1, 2019	$29,806	$9,000	$20,806	$2,979,194	$30,731	$10,625	$20,106	$2,979,894
2	March 1, 2019	$29,806	$8,938	$20,869	$2,958,325	$30,731	$10,554	$20,177	$2,959,716
3	April 1, 2019	$29,806	$8,875	$20,932	$2,937,393	$30,731	$10,482	$20,249	$2,939,467
4	May 1, 2019	$29,806	$8,812	$20,994	$2,916,399	$30,731	$10,411	$20,321	$2,919,147
5	June 1, 2019	$29,806	$8,749	$21,057	$2,895,341	$30,731	$10,339	$20,393	$2,898,754
6	July 1, 2019	$29,806	$8,686	$21,120	$2,874,221	$30,731	$10,266	$20,465	$2,878,289
117	October 1, 2028	$31,476	$606	$30,870	$93,515	$30,731	$432	$30,300	$91,545
118	November 1, 2028	$31,476	$456	$31,020	$62,495	$30,731	$324	$30,407	$61,137
119	December 1, 2028	$31,476	$305	$31,171	$31,323	$30,731	$217	$30,515	$30,623
120	January 1, 2029	$31,476	$153	$31,323	$0	$30,731	$108	$30,623	$0
		$3,702,027	**$702,027**	**$3,000,000**		**$3,687,751**	**$687,751**	**$3,000,000**	

* Assumes a 0.25% interest rate increase oer year

Debt Coverage Ratio

ARB requires the District maintain a debt coverage ratio of 1.25%. Based on an assessment of the District's annual revenue, assuming 3% growth rate and existing debt service, adding debt of approx. $3.0M will reduce the current debt coverage ratio of 3.29% to 2.37%.

Staff recommends financing the Smart Meter Program through American Riviera Bank. With a fixed interested rate, the District's debt service associated with this program will not fluctuate. With no prepayment penalty, the District has the ability to acquire alternative financing in the future should a better financing opportunity arise.

COST-BENEFIT ANALYSIS

The annual cost of the District's current meter program is $130,000. Based on the estimated cost of the proposed smart meter program including capital cost financing ($368,775), operations and maintenance costs ($32,000), and the estimated increase in revenue resulting from more accurate meters (-$462,607), the cost benefit analysis indicates an annual benefit of approximately $61,000. This benefit is expected to increase should there be an improvement in meter accuracy greater than the 3% assumed in this analysis.

ATTACHMENTS

- Attachment 1 – Meter and AMI Product Comparison Chart
- Attachment 2 – Meter Reading Market Analysis
- Attachment 3 – Meter and AMI Cost Summary
- Attachment 4 – Meter and AMI Pros & Cons

Attachment 1 – Meter and AMI Product Comparison Chart

METERS

Manufacturer	Distributor (location)	Long Term Rep (location)	Meter Installer	Meter Type (s)	Normal Operating Range @ 100% Accuracy (+/- 1.5%) for 3/4" Meter	Low Flow @ 97% Accuracy (3/4" meter)	Meter Body Material	Leak & Flow Indicator?	Max Operating Pressure (psi)	Battery Life	Register Type	Register Resolution	Meter Warranty (yrs)
NEPTUNE	Ferguson (Ventura, CA)	David Lackey (Bakersfield, CA)	Ferguson	Mechanical (PD/ND) Ultrasonic (Mach 10)	Mech. = 0.75 to 30 GPM Ultras. = 0.10 to 35 GPM	Mech = 0.25 GPM Ultras.= 0.05 GPM	Mech = copper Ultras. = Bronze	Mech = flow only Ultras. = both	Mech = 150 Ultras. = 175	20 Years	Direct Read or Digital	Mech = 6 digits Ultras. = 9 digits	10 yr FULL 10 yr PRORTD
BADGER	National Meter (Irvine, CA)	Rob Sears (Irvine, CA)	3rd Party	Mechanical (PD/ND) Ultrasonic (E-Series)	Mech. = 0.75 to 35 GPM Ultras. = 0.10 to 32 GPM	Mech = 0.375 GPM Ultras.= 0.05 GPM	Mech = bronze Ultras. = SS	Mech = flow only Ultras. = both	Mech = 150 Ultras. = 175	20 Years	Digital	Mech = 6 digits Ultras. = 9 digits	
MUELLER	Mueller (Riverside, CA)	Kevin Cornejo (Riverside, CA)	3rd Party	Mechanical (PD/ND) Ultrasonic (SSR)	Mech. = 0.75 to 30 GPM Ultras. = 0.10 to 30 GPM	Mech = 0.25 GPM Ultras.= 0.05 GPM	Mech = Bronze Ultras. = Brass	Mech = flow only Ultras. = both	Mech = 150 Ultras. = 200	20 Years	Direct Read (mechanical only) or Digital	Mech = 6 digits Ultras. = 8 digits	
KAMSTRUP	iFlow (Santa Ana, Ca)	Omar Figueroa (Santa Ana, CA)	3rd Party	Ultrasonic	Ultras. = 0.10 to 32 GPM	Ultras.= 0.015 GPM	Ultras. = SS	Ultras. = both	Ultras. = 175	20 Years	Digital	Ultras. = 9 digits	
SENSUS	AquaMetric (Riverside, CA)	Hector Gutierrez (Riverside, CA)	3rd Party	Mechanical (PD/ND) Magnetic (iPerl only for 3/4" and 1")	Mech. = 0.75 to 35 GPM Magn. = 0.18 to 35 GPM	Mech = 0.375 GPM Magn.= 0.11 GPM	Mech = Brass Magn. = Plastic	Mech = flow only Magn. = both	Mech = 150 Magn. = 200	20 Years	Direct Read (mechanical only) or Digital	Mech = 6 digits Ultras. = 9 digits	
MASTER METER	Core & Main (Valencia, CA)	Nancy Jenkins Best Meter (Los Angeles, CA)	3rd Party	Mechanical (Multi-Jet)	M Jet = 2 to 30 GPM	M Jet = 0.50 GPM	Mech = Bronze or plastic	Mech = flow only	Mech = 150	20 Years	Direct Read	Mech = 6 digits	

PD = Positive Displacement

ND = Nutating Disc

GPM = Gallons Per Minute

Attachment 2 – Meter Reading Market Analysis

AMI

Manufacturer	AMI Network Type	Proposed # Collectors # Repeaters	Prop Study Coverage (%)	Proposed Method to Cover Unread Meters	Integrated Radio	Radio Warranty (yrs)	Radio Memory (days)	Radio Output	Meter Read Freq.	Alarms	Alert Time	Real Time Read Capable?	Water District Software (user friendly)	Customer Portal / Brand as MWD?	Agency Reference Feedback
NEPTUNE	Fixed Cellular	11 TBD	92.2	Cell or AMR	Mech - YES Ultras. - YES	10 yr FULL 10 yr PRORTD	96 @ hourly intervals	1 Watt @ 900 MHz (unlicensed)	Hourly	Leaks Reverse Flow No Flow Tamper	Imme-diate	7.5 Min Delay	N Sight Web Based & App (Good)	N View Web & App NO	Rio Linda WD Great Meters/Network, minimal AMI, issues with cust portal City of Benicia - great meters, no AMI yet, used 3rd party cust portal
BADGER (ITRON)	Fixed	9 9	98.8	AMR	No - Wired	10 yr FULL 10 yr PRORTD	160 @ hourly Intervals	1 Watt @ 900 MHz (unlicensed)	Hourly	Leaks Reverse Flow Bursts Empty Pipe	6 Min Delay	6 Min Delay	Itron Analytics (Good)	Eye on Water Web & App NO	Carpinteria VWD High accuracy of Badger E-series meters, issues with AMI collectors on Edison poles and wires within meter pits.
MUELLER	Fixed	8 TBD	100	AMR	Mech - YES Ultras. - YES	10 yr FULL 10 yr PRORTD	120 @ hourly intervals	1 Watt @ 900 MHz (unlicensed)	Hourly	Leaks Reverse Flow Tamper	Imme-diate	< 1 minute	Mi.Net Web Based (Excellent)	Smart Energy Water Webpage/App YES	City of Newport Beach Good meter reps, good product, OK price
SENSUS	Fixed	6 2	97.9	AMR	Yes	10 yr FULL 10 yr PRORTD	35 @ hourly intervals	2 Watts @ 900 MHz (licensed)	Hourly	Leaks Reverse Flow Broken Pipe Tamper	Imme-diate	< 1 minute	Sensus Analytics Software (Good)	Sensus Hosted YES	Santa Maria Good solution for flat terrain
MASTER METER	Fixed	5 13	96	AMR	No - Wired	10 yr FULL 10 yr PRORTD	240 @ hourly intervals	3 Watts @ 450 MHz Licensed	Hourly	Leaks Reverse Flow Tamper	Imme-diate	< 1 minute	Harmony Allegro (Good)	My Water Advisor Web & App NO	None Provided
BADGER (BEACON)	Cellular	N/A for cellular	100	N/A	Yes	10 yr FULL 10 yr PRORTD	176 @ hourly intervals	LTE w/3G Backup	Hourly	Leaks Reverse Flow Bursts Empty Pipe	24 Hours	No	Beacon Analytics (Excellent)	Eye on Water Web & App NO	Le Cumbre MWD Good meter, good leak detection capabilities, good data management software
KAMSTRUP	Fixed	8 TBD	100	AMR	Yes	10 yr FULL 10 yr PRORTD	90 @ hourly intervals	1 Watt @ 900 MHz (unlicensed)	Hourly	Tamper Leaks No Flow Reverse Flow	Imme-diate	8 min delay	E-Butler (Good)	E-Butler NO	Rancho Coalinga Mutual WD Very small 200 meter utility, excellent accuracy, drive-by AMR only

Attachment 3 – Meter and AMI Cost Summary

COST

	METERS			AMI			TOTAL		ANNUAL	LIFE CYCLE	
Vendor	Mechanical Meters (2" and smaller)	Electronic Meters (2" and smaller)	Meter Installation[1]	Radios	AMI Hardware + Install	Setup Fees	CAPITAL COST (mechanical meters)	CAPITAL COST (electronic meters)	Annual Costs[4]	20 YEAR LIFECYCLE COST (mechanical)	20 YEAR LIFECYCLE COST (electronic)
Neptune FIXED	$ 1,357,070	$ 1,682,070	$ 945,000	(IN METER)	$ 215,000	$ 15,000	$ 2,532,070	$ 2,857,070	$ 30,000	$ 3,132,070	$ 3,457,070
Badger FIXED	$ 1,031,749	$ 1,221,663	$ 900,000	$ 376,134	$ 238,364	$ 56,440	$ 2,602,687	$ 2,792,601	$ 31,928	$ 3,241,247	$ 3,431,161
Mueller FIXED	$ 918,915	$ 967,473	$ 888,231	$ 366,043	$ 59,688	$ 40,600	$ 2,273,477	$ 2,322,035	$ 23,129	$ 2,736,056	$ 2,784,614
Sensus FIXED[2]	$ 942,621	$ 1,015,809	$ 900,000	$ 550,440	$ 235,466	$ 60,161	$ 2,688,688	$ 2,761,876	$ 34,905	$ 3,386,788	$ 3,459,976
Kamstrup FIXED[5]	N/A	$ 1,705,770	$ 689,919	(IN METER)	$ 120,000	$ 40,995	N/A	$ 2,556,684	$ 47,500	N/A	$ 3,506,684
Master Meter FIXED[3]	$ 1,878,448	$ 2,368,376	$ 813,315	(IN METER)	$ 300,857	$ 25,530	$ 3,018,150	$ 3,508,078	$ 31,064	$ 3,639,430	$ 4,129,358
Badger CELLULAR	$ 1,031,749	$ 1,221,663	$ 900,000	$ 513,744	N/A	$ 4,710	$ 2,450,203	$ 2,640,117	$ 48,989	$ 3,429,986	$ 3,619,900

[1] Includes 3/4" to 2" meter installation, new meter boxes and lids. Costs for Sensus and Badger are estimated since they did not provide pricing.

[2] Sensus electronic option (iPerl) is only for 3/4" and 1" meters. Sensus does not have a 1-1/2" or 2" electronic meter option. Sensus "Ultrasonic" pricing includes PD meters for 1-1/2" and 2" meters.

[3] Master Meter does not have a ¾" or 1" electronic option but has the Octave for 1.5" and 2" meters. Electronic Meter costs include PD meters for 3/4" and 1".

[4] Includes hosted data, cellular backhaul, collector and repeater maintenance, software analytics, and customer portal.

[5] Kamstrup does not sell a mechanical meter.

Attachment 4 – Meter and AMI Pros & Cons

METER TYPES – PROS AND CONS

	ELECTRONIC (ULTRASONIC)	MECHANICAL (PD)
PROS	-- No Moving Parts to Wear Out = Sustained Accuracy -- Debris Do Not Cause Meters to Stick or Stop -- Reduced Pressure Loss -- No Maintenance -- Significantly Improved Low Flow Accuracy (0.05 GPM) -- Better High Flow Durability	-- Tried and True Technology with Over 100 Years Experience -- Several Models can be Rebuilt, Extending Useful Life -- Widely Accepted in Industry
CONS	-- New technology with only 5 years in the ground in N. America (25 years in Europe) -- Requires Power -- High sample rate to capture variations in flow	-- Inherent Low Flow Performance Limitations (0.25 GPM) -- Reduced Accuracy over Life of Meter -- Debris in Water Can Cause Problems -- Calcium in Water Can Cause Problems -- Maintenance Can Be Required -- Significant Pressure Loss

METER READING – PROS AND CONS

	CELLULAR	FIXED BASE
PROS	-- 100% Coverage as Long as Cell Signal is Available -- No Maintenance of Collector and/or Repeater Units	-- High Resolution Hourly Data -- Real Time Read Capability -- Immediate Alerts for Leaks, Reverse Flow, Tamper, etc. -- Cheaper Long Term Costs than Cellular
CONS	-- More Expensive Annual Costs for Backhaul Charges -- Unable to Reach some Locations with no Cell Signal -- Dumps Data once Every 24 Hours so No Immediate Leak Alerts	-- More Expensive Capital Costs -- Maintenance of Collectors and/or Repeaters -- Difficult to Install where District has No Assets -- Small Percentage (2-8%) of Meters Not Covered by Collectors will Require Cell Radios or Drive By Backup Reading

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 4-D

DATE: AUGUST 28, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: PROPOSED SENATE BILL 845 (SAFE AND AFFORDABLE DRINKING WATER FUND)

RECOMMENDATION:

Authorize the submittal of a letter to State of California representatives opposing proposed Senate Bill 845.

DISCUSSION:

At the request of Director Wicks, this item has been added to the board meeting agenda to request support from the Board for the submittal of an opposition letter to Assembly Member Limon and Senator Jackson opposing Senate Bill 845 (SB 845). SB 845 would require more than 3,000 community water systems, including the District, to add a voluntary remittance with an opt-out feature to the local water bills of California families and businesses. Customers would have the option to pay the remittance, opt out or pay a different amount. These voluntary remittances would go to the State Water Resources Control Board to help fund a new Safe and Affordable Drinking Water Fund.

FISCAL IMPACT

None

ATTACHMENTS:

1) Proposed SB 845
2) ACWA position on SB 845

SB-845 Safe and Affordable Drinking Water Fund. (2017-2018)

Date Published: 08/23/2018 04:00 AM

AMENDED IN ASSEMBLY AUGUST 22, 2018

AMENDED IN ASSEMBLY AUGUST 16, 2018

AMENDED IN ASSEMBLY JUNE 12, 2018

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

SENATE BILL No. 845

Introduced by Senator Monning
(Coauthor: Senator Vidak)

January 10, 2018

An act to add Chapter 4.6 (commencing with Section 116765) to Part 12 of Division 104 of the Health and Safety Code, relating to water, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 845, as amended, Monning. Safe and Affordable Drinking Water Fund.

(1) Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the ~~state~~ board. By creating a new continuously appropriated fund, ~~this~~ *the* bill would make an appropriation. The bill would require the ~~state~~ board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the ~~state~~ board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests. The bill would require the ~~state~~ board to expend moneys in the fund for grants, loans, contracts, or services to assist eligible applicants with projects relating to the provision of safe and affordable drinking water and, beginning January 1, 2020, would require the expenditure to be consistent with a fund implementation plan adopted by July 1 of each odd-numbered year by the ~~state~~ board, as prescribed. The bill would require the ~~state~~ board, working with a multistakeholder advisory group, to adopt by July 1 of each odd-numbered year a policy handbook with priorities and guidelines for expenditures of the fund. The bill would require the ~~state~~ board annually to publish on its Internet Web site a report of expenditures from the fund and a summary of progress made with respect to the

implementation of these provisions. The bill would require the ~~state~~ board to adopt by July 1 of each odd-numbered year, an assessment of funding need that estimates the anticipated funding needed for the next two fiscal years to achieve the purposes of the fund. The bill would require, by January 1, 2020, the ~~state~~ board, in consultation with local health officers and other relevant stakeholders, to make available a map of aquifers that are used or likely to be used as a source of drinking water that are at high risk of containing contaminants. For purposes of the map, the bill would require local health officers and other relevant local agencies to provide all results of, and data associated with, water quality testing performed by certified laboratories to the ~~state~~ board, as specified. By imposing additional duties on local health officers and local agencies, the bill would impose a state-mandated local program.

This bill, beginning ~~July 1, 2019,~~ *January 1, 2020,* would require a community water system *with 200 or more service connections* to provide an opportunity for each customer of a community water system to provide a voluntary remittance *either* as part of the customer's *regular* water ~~bill~~ *bill or by using a specified notification procedure,* to advance the purposes of the fund. The bill would require the board to develop and maintain a list of voluntary best practices associated with bill presentation, accounting, and collection of voluntary remittances, as prescribed. The bill would authorize a customer of a community water system to remit nothing, an amount recommended by the community water system, as prescribed, or an alternative amount. The bill would prohibit a community water system from sanctioning, taking any enforcement or collection action against, *imposing any late charge or penalty against,* or otherwise holding liable, a customer in any manner for deducting the amount from the bill or otherwise paying or not paying a voluntary remittance. The bill would require a community water system to transfer to the board for deposit in the fund all voluntary remittances received from its customers, *except for a specified amount of a community water system's administrative cost for collecting the fee,* as specified.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(3) This bill would make its operation contingent on the enactment of SB 844 of the 2017–18 Regular Session.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 4.6 (commencing with Section 116765) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 4.6. Safe and Affordable Drinking Water
Article 1. Legislative Findings and Declarations

116765. The Legislature finds and declares all of the following:

(a) Section 106.3 of the Water Code declares that it is the policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

(b) For all public water systems, the operation and maintenance costs to supply, treat, and distribute potable water that complies with federal and state drinking water standards on a routine and consistent basis may be significant.

(c) All community water systems are currently required to set, establish, and charge a schedule of rates and fees that are sufficient to recover the operation and maintenance costs required to supply, treat, and distribute potable water that complies with federal and state drinking water standards on a routine and consistent basis.

(d) Hundreds of community water systems in the state cannot charge rates and fees that are affordable and sufficient to recover the full operation and maintenance costs required to supply, treat, and distribute potable water that complies with federal and state drinking water standards on a routine and consistent basis due to a combination of low income levels of customers, high treatment costs for contaminated water sources, and a lack of economies of scale that result in high unit costs for water service. Many schools that serve as their own regulated public water systems and have contaminated water sources cannot afford the full operation and maintenance costs required to provide water that meets federal and state drinking water standards.

(e) Nearly all state or federal drinking water project funding sources prohibit the use of that funding for operation and maintenance costs, and as a result, those systems that cannot afford required operation and maintenance costs are unable to access funding for capital projects to meet federal and state drinking water standards.

(f) As a result, hundreds of thousands of Californians, particularly those living in small disadvantaged communities, may be exposed to unsafe drinking water in their homes and schools, which impacts human health, household costs, and community economic development.

(g) A significant number of California residents rely on state small water systems and domestic wells to provide their drinking water.

(h) The state small water systems and individual domestic wells face a serious threat of contamination because they often draw their water from shallow groundwater sources and have fewer or no chemical monitoring requirements.

(i) To ensure that the right of every Californian to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes is protected, it is in the interest of the State of California to identify where Californians are at high risk of lacking reliable access to safe drinking water or are known to lack reliable access to safe drinking water, whether they rely on a public water system, state small water system, or domestic well for their potable water supply.

(j) Long-term sustainability of drinking water infrastructure and service provision is necessary to secure safe drinking water for all Californians and therefore it is in the interest of the state to discourage the proliferation of new, unsustainable public water systems and state small water systems, to prevent waste, and to encourage consolidation and service extension when feasible.

(k) To begin addressing the challenges set forth in this section, it is in the interest of all Californians to establish a fund that can provide financial support, particularly for operation and maintenance, to enhance access to safe drinking water for all Californians, while also advancing the long term sustainability of drinking water service and infrastructure.

(l) The problems with failing water systems can be solved provided there is adequate funding. The board currently has authority to require failing water systems to consolidate or connect with larger water systems, authority to appoint an administrator to take over and fix a failing system, and some funding for capital improvements. The University of California, Davis, recently reported that 44 percent of disadvantaged communities *without safe drinking water* in the ~~Central~~ *San Joaquin* Valley are within 500 feet of a water system that has safe drinking water and 66 percent are within one mile.

(m) The Legislature intends for this program to be administered in a manner that is consistent with the following principles:

(1) The board should prioritize other *available* sources of funding before using the Safe and Affordable Drinking Water Fund.

(2) Failing water systems should be consolidated whenever appropriate. The board should prioritize these consolidations using its existing authority to consolidate failing water systems.

(3) All communities should receive safe and affordable drinking water and, to the greatest degree practicable, communities should be financially self-sustaining as soon as practicable.

(4) The board should post regular progress reports on its Internet Web site, including an accounting of the funds committed.

(5) This chapter does not expand any obligation of the state to provide water or to require the expenditure of additional resources beyond the amount of revenue collected in the Safe and Affordable Drinking Water Fund pursuant to this chapter.

Article 2. Definitions

116766. For the purposes of this chapter:

(a) “Administrator” has the same meaning as defined in Section 116686.

(b) “Board” means the State Water Resources Control Board.

(c) “Community water system” has the same meaning as defined in Section 116275.

(d) “Customer” means a purchaser of water from a community water system who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses, including the United States to the extent authorized by federal law.

(e) “Disadvantaged community” has the same meaning as defined in Section 116275.

(f) “Domestic well” means a groundwater well used to supply water for the domestic needs of an individual residence or water systems that are not public water systems and that have no more than four service connections.

(g) “Eligible applicant” means a public water system, including, but not limited to, a mutual water company; a public utility; a public agency, including, but not limited to, a local educational agency that owns or operates a public water system; a nonprofit organization; a federally recognized Indian tribe; a state Indian tribe listed on the Native American Heritage Commission’s California Tribal Consultation List; an administrator; or a groundwater sustainability agency.

(h) “Fund” means the Safe and Affordable Drinking Water Fund established pursuant to Section 116767.

(i) “Fund implementation plan” means the fund implementation plan adopted pursuant to Section 116769.

(j) “Groundwater sustainability agency” has the same meaning as defined in Section 10721 of the Water Code.

(k) “Low-income household” means a household with an income that is less than 80 percent of the statewide median household income.

~~(l)“Nontransient noncommunity water system” has the same meaning as defined in Section 116275.~~

~~(m)~~

(l) “Public water system” has the same meaning as defined in Section 116275.

~~(n)~~

(m) “Replacement water” includes, but is not limited to, bottled water, vended water, point-of-use, or point-of-entry treatment units.

~~(o)~~

(n) “Safe drinking water” has the same meaning as defined in Section 116681.

~~(p)~~

(o) “Service connection” has the same meaning as defined in Section 116275.

~~(q)~~

(p) “Small community water system” has the same meaning as defined in Section 116275.

~~(r)~~

(q) “State small water system” has the same meaning as defined in Section 116275.

~~(s)~~

(r) “Vended water” has the same meaning as defined in Section 111070.

Article 3. Safe and Affordable Drinking Water Fund

116767. The Safe and Affordable Drinking Water Fund is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are continuously appropriated to the board without regard to fiscal years, in accordance with this chapter. Moneys in the fund at the close of the fiscal year shall remain in the fund and shall not revert to the General Fund. Moneys in the fund shall not be available for appropriation or borrowed for use for any purpose not established in this ~~chapter~~ *chapter, with the exception of the administrative cost reimbursement related to the collection of the Safe Drinking Water Fee for Nondairy Confined Animal Facilities, as established in Article 10.5 (commencing with Section 595) of Chapter 3 of Part 1 of Division 1 of the Food and Agricultural Code, the Fertilizer Safe Drinking Water Fee, as established in Article 6.5 (commencing with Section 14615) of Chapter 5 of Division 7 of the Food and Agricultural Code, and the Dairy Safe Drinking Water Fee, as established in Article 14.5 (commencing with Section 62215) of Chapter 2 of Part 3*

of Division 21 of the Food and Agricultural Code, unless that use of the moneys receives an affirmative vote of two-thirds of the membership in each house of the Legislature.

116768. (a) The board shall administer the fund for the purposes of this chapter to provide a source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The board shall prioritize the use of this funding to assist disadvantaged communities served by a public water system and low-income households served by a state small water system or a domestic well. The board shall consider and prioritize, where appropriate, the use of funding for consolidation or extension of service or both. In order to maximize the use of other funding sources for capital construction projects when available, the board shall prioritize use of this funding for costs other than those related to capital construction costs, except for capital construction costs associated with consolidation and service extension to reduce the ongoing unit cost of service and to increase sustainability of drinking water infrastructure and service delivery. Beginning January 1, 2020, an expenditure from the fund shall be consistent with the annual fund implementation plan. Where sources of funding other than the fund are available and identified pursuant to Section 116769 for expenditure by the board, the board shall prioritize the use of those funding sources over the fund in accordance with the annual fund implementation plan.

(b) In accordance with subdivision (a), subject to the availability of funds, the board shall expend moneys in the fund for grants, loans, contracts, or services to assist eligible applicants with any of the following:

(1) The provision of replacement water, as needed, to ensure immediate protection of health and safety as a short-term solution.

(2) The development, implementation, and sustainability of long-term drinking water solutions, including, but not limited to, the following:

(A) Technical assistance, planning, construction, repair, and operation and maintenance costs associated with replacing, blending, or treating contaminated drinking water or with fixing failing water systems. Technical assistance and planning costs may include, but are not limited to, analyses to identify, and efforts to further, opportunities to reduce the unit cost of providing drinking water through organizational and operational efficiency improvements, system consolidation and service extension, implementation of new technology, and other options and approaches to reduce costs.

(B) Creating and maintaining natural means and green infrastructure solutions that contribute to sustainable drinking water.

(C) Consolidating water systems.

(D) Extending drinking water services to other public water systems, domestic wells, or state small water systems.

(E) The satisfaction of outstanding long-term debt obligations of public water systems where the board determines that a system's lack of access to capital markets renders this solution the most cost-effective for removing a financial barrier to the system's sustainable, long-term provision of drinking water.

(3) Identifying and providing outreach to Californians who are eligible to receive assistance from the fund.

(4) Testing the drinking water quality of domestic wells serving low-income households, prioritizing those in high risk areas identified pursuant to Article 4 (commencing with Section 116770).

(5) The provision of administrative and managerial services under Section 116686.

(c) Notwithstanding Section 11019 of the Government Code, the board may make advance payments as necessary to implement the purposes of this chapter.

(d) The board may expend moneys from the fund for reasonable costs associated with administration of this chapter. Beginning July 1, 2022, the board may expend no more than 5 percent of the annual revenues deposited into the fund for reasonable costs associated with administration of this section.

(e) The board may undertake any of the following actions to implement the fund:

(1) Provide for the deposit of both of the following moneys into the fund:

(A) Federal contributions.

(B) Voluntary contributions, gifts, grants, or bequests.

(2) Enter into agreements for contributions to the fund from the federal government, local or state agencies, and private corporations or nonprofit organizations.

(3) Provide for appropriate audit, accounting, and fiscal management services, plans, and reports relative to the fund.

(4) Direct portions of the fund to a subset of eligible applicants as required or appropriate based on funding source and consistent with the annual fund implementation plan.

(5) Direct moneys deposited into the fund described in subparagraph (B) of paragraph (1) towards a specific project, program, or study.

(6) Take additional action as may be appropriate for adequate administration and operation of the fund.

(f) In administering the fund, the board shall make reasonable efforts to ensure both of the following:

(1) That funds are used to secure the long-term sustainability of drinking water service and infrastructure, including, but not limited to, requiring adequate technical, managerial, and financial capacity of eligible applicants as part of funding agreement outcomes. Funding shall be prioritized to implement consolidations and service extensions when feasible, and administrative and managerial contracts or grants entered into pursuant to Section 116686 where applicable. Funds shall not be used to delay, prevent, or avoid the consolidation or extension of service to public water systems where it is feasible and the least-cost alternative. The board may set appropriate requirements as a condition of funding, including, but not limited to, a system technical, managerial, or financial capacity audit, improvements to reduce costs and increase efficiencies, an evaluation of alternative treatment technologies, and a consolidation or service extension feasibility study. As a condition of funding, the board may require a domestic well with nitrate contamination where ongoing septic system failure may be causing or contributing to contamination of a drinking water source to conduct an investigation and project to address the septic system failure if adequate funding sources are identified and accessible.

(2) That funds are not used to subsidize large-scale nonpotable use, to the extent feasible.

(g) In administering the fund, the board shall ensure that all moneys deposited into the fund from the safe drinking water fee for nondairy confined animal facilities, the fertilizer safe drinking water fee, or the dairy safe drinking water fee shall be used to address nitrate-related contamination issues.

(h) By January 1, 2025, the board shall conduct a public review and assessment of the Safe and Affordable Drinking Water Fund and shall recommend to the Legislature a plan to address remaining needs. The plan shall address all of the following:

(1) The effectiveness of the fund in securing access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure.

(2) How the fund has been expended.

(3) An assessment of the remaining needs.

(4) Existing and potential sources of funding for the remaining needs.

(5) Recommendations for other actions to carry out the purposes of this chapter.

(i) By January 1, 2031, the board shall update the public review and assessment required by subdivision (h) and shall recommend to the Legislature a plan to address remaining needs after January 1, 2034.

(j) This chapter shall not be construed to limit either of the following:

(1) The board's authority to order the provision of administrative and managerial services pursuant to Section 116686 or any other authority that has been provided by the Legislature.

(2) The board's authority to order consolidations, whether physical or operational, pursuant to Section 116682 or any other authority that has been provided by the Legislature.

(k) Neither the board nor any employee of the board may be held liable for any act that is necessary to carry out the purposes of this chapter. The board or any authorized person shall not be deemed to have incurred or to be required to incur any obligation to provide additional funding or undertake additional action solely as a result of having undertaken an action pursuant to this chapter.

116769. To ensure transparency and accountability the board shall do all of the following:

(a) By July 1 of each year, publish on its Internet Web site a report of expenditures from the fund and a summary of progress made with respect to the implementation of this chapter.

(b) By July 1 of each odd-numbered year:

(1) Adopt, after a public hearing, an assessment of funding need, based on available data, that includes all of the following:

(A) Identification of systems and populations potentially in need of assistance, including, but not limited to, all of the following:

(i) A list of systems that consistently fail to provide an adequate supply of safe drinking water. The list shall include, but is not limited to, all of the following:

(I) Any public water system that consistently fails to provide an adequate supply of safe drinking water.

(II) Any community water system that serves a disadvantaged community that must charge fees that exceed the affordability threshold established by the board in order to supply, treat, and distribute potable water that complies with federal and state drinking water standards.

(III) Any state small water system that consistently fails to provide an adequate supply of safe drinking water.

(ii) A list of programs that assist, or that will assist, households supplied by a domestic well that consistently fails to provide an adequate supply of safe drinking water. This list shall include the number and approximate location of households served by each program without identifying exact addresses or other personal information.

(iii) A list of public water systems and state small water systems that may be at risk of failing to provide an adequate supply of safe drinking water.

(iv) An estimate of the number of households that are served by domestic wells or state small water systems in high risk areas identified pursuant to Article 4 (commencing with Section 116770). The estimate shall identify approximate locations of households, without identifying exact addresses or other personal information, in order to identify potential target areas for outreach and assistance programs.

(B) An analysis of anticipated funding, per contaminant, needed for known projects, services, or programs by eligible applicants, consistent with the fund implementation plan, including any funding needed for existing long-term funding commitments from the fund. The board shall identify and consider other existing funding sources able to support any projects, services, or programs identified, including, but not limited to, local funding capacity, state or federal funding sources for capital projects, funding from responsible parties, and specialized funding sources contributing to the fund.

(C) An estimate of the funding needed for the next two fiscal years based on the amount available in the fund, anticipated funding needs, other existing funding sources, and other relevant data and information.

(2) (A) Adopt, after a public hearing, a fund implementation plan and policy handbook with priorities and guidelines for expenditures of the fund.

(B) The board shall work with stakeholders that include representatives of entities paying into the fund, public water systems, technical assistance providers, local agencies, nongovernmental organizations, residents served by community water systems in disadvantaged communities, state small water systems, and domestic wells, and the public, to establish priorities and guidelines for the fund implementation plan and policy handbook.

(C) The adoption of a fund implementation plan and policy handbook and the implementation of the fund pursuant to the policy handbook are not subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(D) The fund implementation plan and policy handbook shall contain a funding strategy for addressing the public health impacts from failing domestic wells and state small water systems and their long-term sustainability.

116769.5. (a) Beginning July 1, 2022, the board may expend no more than 3 percent of the annual revenues deposited into the fund for *the* reasonable costs of administering ~~this article and~~ Article 4 (commencing with Section ~~116770).~~ *116770) and Article 5 (commencing with Section 116771).*

(b) This article does not expand any obligation of the state to provide resources for the provisions of this article or

to require the expenditure of additional resources beyond the amount of revenue collected in the fund.

Article 4. Information on High Risk Areas

116770. (a) (1) By January 1, 2020, the board, in consultation with local health officers and other relevant stakeholders, shall use available data to make available a map of aquifers that are at high risk of containing contaminants and that exceed primary federal and state drinking water standards that are used or likely to be used as a source of drinking water for a state small water system or a domestic well. The board shall update the map at least annually based on any newly available data.

(2) The board shall make the map of high risk areas, as well as the data used to make the map, publicly accessible on its Internet Web site in a manner that does not identify exact addresses or other personal information and that complies with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The board shall notify local health officers and county planning agencies of high risk areas within their jurisdictions.

(b) (1) By January 1, 2020, a local health officer or other relevant local agency shall provide to the board all results of, and data associated with, water quality testing performed by certified laboratories for a state small water system or domestic well that was collected after January 1, 2014, and that is in the possession of the local health officer or other relevant local agency.

(2) By January 1, 2021, and by January 1 of each year thereafter, all results of, and data associated with, water quality testing performed by a certified laboratory for a state small water system or domestic well that is submitted to a local health officer or other relevant local agency shall also be submitted directly to the board in electronic format.

(c) A map of high-risk areas developed pursuant to this article is not subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

Article 5. Safe and Affordable Drinking Water Voluntary Remittances

116771. (a) Beginning ~~July 1, 2019,~~ *January 1, 2020,* a community water system *with 200 or more service connections* shall provide an opportunity for each customer of a community water system to provide a voluntary remittance ~~as part of a customer's water bill~~ to advance the purposes of the fund. *This section applies only to a community water system with 200 or more service connections.*

(b) A community water system shall recommend a voluntary remittance ~~on each customer's bill~~ in the following specified amounts:

(1) For a customer with a water meter that is less than or equal to one inch in size, ~~ninety-five cents ($0.95)~~ *one dollar ($1)* per month.

(2) For a customer with a water meter that is greater than one inch and less than or equal to two inches in size, four dollars ($4) per month.

(3) For a customer with a water meter that is greater than two inches and less than or equal to four inches in size, six dollars ($6) per month.

(4) For a customer of a water meter that is greater than four inches in size, ten dollars ($10) per month.

(5) For a customer without a water meter, ~~ninety-five cents ($0.95)~~ *one dollar ($1)* per month.

(c) A ~~bill~~ *community water system shall provide the opportunity for a customer to provide a voluntary remittance by either of the following methods:*

(1) Each regular bill from a community water system shall name the voluntary remittance the "voluntary remittance to provide safe drinking water to disadvantaged communities." The bill, in a visually accessible manner, using clear and unambiguous language, shall provide each customer the option of deducting the voluntary remittance from the bill if the customer elects not to pay the voluntary remittance, and shall include the opportunity in the bill to remit an alternative amount or nothing. A customer of a community water system may remit, for the purposes of this section, nothing, the amount recommended pursuant to subdivision (b), or an alternative amount.

(2) A community water system shall provide annually at least two written notices to each customer that notify the customer that the recommended voluntary remittance will be added to the customer's bills for one year unless

the customer elects to pay nothing or an alternative amount. The community water system shall send the first notice at least 30 days before the second notice, and it shall send the second notice at least 30 days before adding the voluntary remittance to a customer bill. The notices shall include instructions for the customer to notify the community water system that the customer elects not to pay the voluntary remittance or elects to pay an alternative amount.

(d) The ~~board, in consultation with the Association of California Water Agencies,~~ *board* shall develop and maintain a list of voluntary best practices associated with bill presentation, accounting, *notifications,* and collection of voluntary remittances. *The board shall consult with the Association of California Water Agencies and other stakeholders.* The best practices shall include, but are not limited to, the ability of a customer to obtain a refund subject to appropriate limitations, special consideration for low-income households, and the use of clear, readable, and unambiguous language in a visually accessible location on the bill.

(e) A community water system shall not sanction, take any enforcement or collection action against, impose any late charge or penalty against, or otherwise hold liable, a customer in any manner for exercising the option to deduct the voluntary remittance from the bill, paying an alternative amount, or for otherwise paying or not paying a voluntary remittance described by this section.

(f) (1) A community water system shall collect the voluntary remittance from each customer that chooses to provide it and may retain an amount, as approved by the board, as reimbursement for the reasonable costs incurred by the community water system associated with the collection of the fee. The community water system shall remit the remainder of the amount collected to the board.

(2) Until July 1, 2021, the amount retained by a community water system pursuant to paragraph (1) shall not exceed 4 percent of the amount collected, and, beginning July 1, 2021, the amount retained pursuant to paragraph (1) shall not exceed 2 percent of the amount collected.

(3) For a small community water system, reasonable community water system administrative cost reimbursement pursuant to paragraph (1) shall not exceed five hundred dollars ($500) or 4 percent of the total revenue collected, whichever is more.

~~(f)~~

(g) At least two times per year, a community water system shall transfer to the board for deposit into the fund all voluntary remittances received from its customers pursuant to this section since the last transfer.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 3. This act shall become operative only if Senate Bill 844 of the 2017–18 Regular Session is enacted and takes effect on or before January 1, 2019.

ACWA

OUTREACH ALERT

LEGISLATION | STATEWIDE "OPT-OUT" WATER MANDATE

Aug. 21, 2018

Members Urged to Contact Legislators in Opposition of SB 845

Bill is New Twist on Statewide Water Tax Proposal

Water tax proponents have proposed a new twist to the water tax issue. As part of a last-minute effort before the California Legislative Session ends on Aug. 31, a new and related proposal, SB 845 (Monning), would require more than 3,000 community water systems to add a voluntary remittance with an opt-out feature to the local water bills of California families and businesses. These voluntary remittances would all go to the State Water Resources Control Board to help fund a new Safe and Affordable Drinking Water Fund. While well-intended, this last-minute proposal is highly problematic.

Customers would have the option to pay the remittance, opt out or pay a different amount. A refund mechanism is also referenced. This proposal would be a logistical nightmare for member agencies, forcing thousands of community water systems to change their billing systems and hire new employees to bill and collect the remittances and send them to Sacramento. The net effect would be to make water less affordable. The Legislature could instead simply add a new voluntary contribution fund check off to the California Form 540 and have it efficiently collected at a much lower cost by one state agency (the Franchise Tax Board). This alternative would not increase the cost of water service in California.

Take Action Now

ACWA staff and a lobbying team representing members of an ACWA-led coalition of more than 200 members have been meeting with legislators about SB 845 and the above-referenced alternative. ACWA is requesting that members take the following action immediately:

1. **Call Your Legislators Opposing SB 845.** Please call the Sacramento offices of your Assembly Members and Senators asking them to reject SB 845. Use the ACWA coalition memo for talking points.

2. **Send an Individual Agency Letter Opposing SB 845.** Please send individual letters from your agency to your Assembly Members and Senators. Use the ACWA coalition memo for suggested language. Legislators' contact information can be found online.

3. **Send an Electronic Copy of the Letter to ACWA.** Please send electronic copies of your letter to State Relations Analyst Melissa Sparks. ACWA will use these letters in meetings with legislators.

4. **Track Outreach Interactions.** To ensure your agency receives credit towards the Outreach Awards program, please use ACWA's Outreach Interaction Form to send a copy of your final letter to ACWA.

Background information

Local public water agencies are committed to providing safe and reliable water. They strongly agree that all Californians should have safe drinking water but oppose mandates for locally implemented voluntary remittance payments with an opt-out feature on water bills for several reasons, including:Track Outreach Interactions.

- This new proposal would impose a costly and complicated structure by requiring more than 3,000 community water systems to solicit and then collect funds on customers' local water bills to bypass local needs and be sent to Sacramento. While well-intentioned, the administrative costs for thousands of water systems would make water less affordable.

- The proposal's concept could be simplified by instead adding a new voluntary contribution fund check off to the California Form 540 and have it efficiently collected at a much lower cost by one agency -- the Franchise Tax Board.

- In June, the legislature's budget conference committee rejected the statewide water tax, instead setting aside $23.5 million in General Fund revenue to safe drinking water. Also in June, California voters approved Proposition 68 with $250 million for safe drinking water that is prioritized for disadvantaged communities. In November, California voters will be able to approve Proposition 3 with another $500 million allocated for safe drinking water for disadvantaged communities.

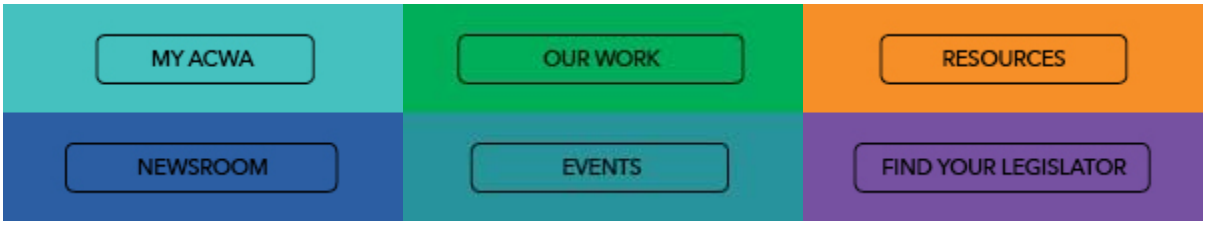
- It is an 11th-hour proposal. This new proposal did not go into print until Aug. 16. It was developed without the input of thousands of the community water systems that would be charged with implementing it.

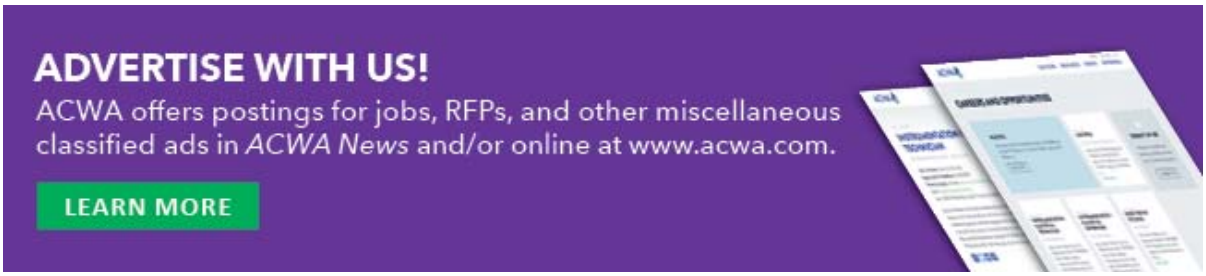
SB 845 is one of two last-minute bills that follow SB 623 (Monning) and the related 2018 budget trailer bill. SB 845 is a majority-vote bill. The second bill, SB 844 (Monning), proposes a modified version of the agriculture taxes on fertilizers and confined animal operations and enforcement relief included in the earlier proposals. ACWA does not oppose this bill, which will require a two-thirds vote. The two bills are double-joined, so both bills have to be enacted in order for either bill

to be enacted.

Questions

For questions regarding SB 845 or ACWA's advocacy on the bill, please contact ACWA Deputy Executive Director for Government Relations Cindy Tuck or ACWA Director of State Legislative Relations Wendy Ridderbusch. Both can be reached by e-mail or at (916) 441-4545.





MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
JULY 2018

	Jameson Lake	Cachuma Lake
Full Reservoir Elevation	2223.87	750
Full Reservoir Storage (acre feet)	5,114	184,121
Elevation (feet) June 30, 2018	2206.35	701.71
Elevation (feet) July 31, 2018	2205.56	700.12
Elevation Change for Month (feet)	-0.79	-1.59
Full Reservoir Elevation Difference (feet)	-18.31	-49.88
Storage (acre feet) June 30, 2018	3,190	74,943
Storage (acre feet) July 31, 2018	3,116	72,381
Storage Change for Month (acre feet)	-74	-2,562
Full Reservoir Storage Difference (acre feet)	-1,998	-111,740
Alder Creek Inflow (acre feet)	NA	
Jameson Lake Inflow (acre feet)	15	

WATER PRODUCTION

District Surface Sources (af)

Jameson	Fox	Doulton	Arch Meter	Weirs 1 & 2	
0.00	0.00	16.51	0.00	0.00	
				Total District Surface Production (1):	**16.51**

Cachuma Turnouts (af) (Cachuma & State Water)

Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
96.87	89.86	206.47	5.76	0.00	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
0.00	4.35	15.06	7.09	0.00	
				Total SCC Meters:	**425.46**
				Cachuma Production:	0.00
				State Water Credit (Warren Act Contract):	**425.46**
				SWP Portion of SCC Losses:	-11
				SWP Portion of Evaporation:	16
				Santa Ynez ID #1 Exchange	89
				Cachuma Portion of SCC Losses:	0
				Cachuma Portion of Evaporation:	21.1
				Cachuma Remaining Balance:	2131.2
				State Water Stored in Cachuma:	538

District Wells (af)

Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
16.83	7.69	6.90	0.00	0.00	6.01
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
3.16	9.20	2.90	0.00	1.99	2.30
				Total Wells:	**56.98**
				Total District Water Production:	**498.95**

MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
JULY 2018

WEATHER

Rainfall (inches)	Office	Doulton	Juncal
July 2018	0.00	0.00	0.00
July 2017	0.00	0.00	0.00
Historical Monthly Average	0.03	0.04	0.03
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	0.03	0.04	0.03

Jameson Lake Air Temperature Averages:

Low	High
66°	96°

WATER PRODUCTION vs. METERED USE

Water Production (af):	499	Meter Use (af):	421.5
No. of Days in Production Period:	32	No. of Days in Demand Period:	29
Average Daily Production (af):	15.6	Average Daily Demand (af):	14.5
Month's Water Loss (af):	33.8	Adjusted Meter Use for # of Read Days (af):	**465.1**
Month's Percentage Loss[1]:	7%	Water Loss[3] (GAL/connection/d)	**87**
Water Loss[2] (GAL/mile/d)	**3,443**		

[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):	53
Total Active Meters:	**4552**

MONTECITO WATER DISTRICT
MEMORANDUM

SECTION: 5-A

DATE: AUGUST 28, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: JULY 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 – JULY 2018**

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	302.30	338.25	(35.96)	(10.6%)
Multi Family	5.51	7.52	(2.01)	(26.8%)
Agricultural	39.79	39.93	(0.14)	(0.4%)
Institutional	32.67	31.65	1.03	3.2%
Commercial	20.62	29.65	(9.04)	(30.5%)
Non-Potable	20.65	28.20	(7.55)	(26.8%)
Monthly Total	421.52	475.20	(53.68)	(11.3%)

YEAR TO DATE WATER SALES (AF)				
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			AF	%
Single Family	302.30	338.25	(35.96)	(10.6%)
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Commercial	20.62	29.65	(9.04)	(30.5%)
Non-Potable	20.65	28.20	(7.55)	(26.8%)
Yearly Total	421.52	475.20	(53.68)	(11.3%)

A. Water Sales in Acre Feet (AF)

During the month of July 2018, MWD sold 421.5 AF of water to its customers compared to a budgeted amount of 475.2 AF which translates to a budget variance of -53.7 AF or -11.3%. The primary reason for the variance has to do with customers still not receiving service.

B. Sales by Classification

YEAR TO DATE WATER SALES ($)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE $	VARIANCE %
Single Family	$ 793,730	$ 862,729	$ (68,999)	(8.0%)
Multi Family	12,960	17,687	(4,727)	(26.7%)
Agricultural	54,420	55,454	(1,034)	(1.9%)
Institutional	87,394	82,894	4,500	5.4%
Commercial	53,706	79,930	(26,224)	(32.8%)
Non-Potable	12,590	17,196	(4,606)	(26.8%)
Adjustments	-	-	-	0.0%
Monthly Total	$ 1,014,800	$ 1,115,890	$ (101,090)	(9.1%)

2. STATEMENT OF REVENUE AND EXPENDITURES – JULY 2018

A. Revenues

Total Revenue YTD as of July 31, 2018 is $2,030,377 compared to the YTD Budget of $2,177,561 for a budget variance of -$147,185 or -7.2%.

REVENUE	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
WATER SALES	1,014,800	1,115,891	(101,091)
WSE SURCHARGE	598,017	671,764	(73,746)
SERVICE CHARGES	354,726	353,787	939
WATER AVAILABILITY CHARGE	-	-	-
PRIVATE FIRE HYDRANT	5,979	5,930	49
LATE CHARGES	4,478	5,606	(1,128)
SERVICE CONNECTION FEES	4,772	-	4,772
CAPITAL COST RECOVERY FEES	23,710	-	23,710
INTEREST REVENUE - GENERAL	16,102	16,667	(564)
OTHER REVENUE (LOSS)	7,792	5,917	1,875
REIMBURSEMENTS	-	2,000	(2,000)
TOTAL REVENUE	$ 2,030,377	$ 2,177,561	($ 147,185)

B. Expenses:

1. **JPA Expenses**

Total JPA Expenses YTD through July 31, 2018 are $708,246 compared to the YTD budget of $705,883 which is above budget by $2,364. 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 July 31, 2018 are $509,337 compared to the YTD budget of $582,273 which is below budget by $72,936. This variance is primarily due to the following factors – **Engineering**, SGMA Study has not incurred expected costs ($17k), anticipated Professional Services have not yet been incurred ($9k) as well as other combined variances ($5k); **Administration**, Legal expenses were lower than anticipated ($16k), Rate Study costs have not been incurred ($6k), as well as other combined variances of ($6k).

ATTACHMENTS:

1) Financial Package – July 2018

BOARD OF DIRECTORS MEETING

FINANCIAL REPORTS

For the Month of July 2018

August 28, 2018

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

REVENUE	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)	Footnote
WATER SALES	1,014,800	1,115,891	(101,091)	1,014,800	1,115,891	(101,091)	(1)
WSE SURCHARGE	598,017	671,764	(73,746)	598,017	671,764	(73,746)	(1)
SERVICE CHARGES	354,726	353,787	939	354,726	353,787	939	
WATER AVAILABILITY CHARGE	-	-	-	-	-	-	
PRIVATE FIRE HYDRANT	5,979	5,930	49	5,979	5,930	49	
LATE CHARGES	4,478	5,606	(1,128)	4,478	5,606	(1,128)	
SERVICE CONNECTION FEES	4,772	-	4,772	4,772	-	4,772	(2)
CAPITAL COST RECOVERY FEES	23,710	-	23,710	23,710	-	23,710	(3)
INTEREST REVENUE - GENERAL	16,102	16,667	(564)	16,102	16,667	(564)	
OTHER REVENUE (LOSS)	7,792	5,917	1,875	7,792	5,917	1,875	
REIMBURSEMENTS	-	2,000	(2,000)	-	2,000	(2,000)	
TOTAL REVENUE	$ 2,030,377	$ 2,177,561	($ 147,185)	$ 2,030,377	$ 2,177,561	($ 147,185)	
OPERATING EXPENSE							
DIRECT EXPENSE							
JPA OPERATING EXPENSE							
CACHUMA OPERATIONS & MAINT BOARD (COMB)	51,028	48,661	(2,367)	51,028	48,661	(2,367)	(4)
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	11,588	11,589	0	11,588	11,589	0	
US BUREAU OF RECLAMATION (USBR)	25,576	25,576	-	25,576	25,576	-	
CATER WATER TREATMENT PLANT	105,000	105,000	-	105,000	105,000	-	
STATE WATER PROJECT (SWP) - FIXED	430,009	430,012	3	430,009	430,012	3	
STATE WATER PROJECT (SWP) - VARIABLE	85,045	85,046	1	85,045	85,046	1	
SUPPLEMENTAL WATER PURCHASE	-	-	-	-	-	-	
TOTAL JPA OPERATING EXPENSE	$ 708,246	$ 705,883	($ 2,364)	$ 708,246	$ 705,883	($ 2,364)	
MWD DIRECT EXPENSE							
JAMESON	7,804	9,646	1,842	7,804	9,646	1,842	
TRANSMISSION & DISTRIBUTION	124,194	121,123	(3,070)	124,194	121,123	(3,070)	
TREATMENT	87,366	94,816	7,450	87,366	94,816	7,450	
TOTAL MWD DIRECT EXPENSE	$ 219,364	$ 225,586	$ 6,222	$ 219,364	$ 225,586	$ 6,222	
MWD INDIRECT EXPENSE							
ENGINEERING	30,632	62,533	31,901	30,632	62,533	31,901	(5)
CUSTOMER SERVICE	29,836	32,212	2,376	29,836	32,212	2,376	
PUBLIC INFORMATION / CONSERVATION	9,068	10,195	1,127	9,068	10,195	1,127	
FLEET	14,137	17,169	3,032	14,137	17,169	3,032	
ADMINISTRATION (incl Depreciation)	206,300	234,578	28,278	206,300	234,578	28,278	(6)
TOTAL MWD INDIRECT EXPENSE	$ 289,973	$ 356,687	$ 66,714	$ 289,973	$ 356,687	$ 66,714	

	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
TOTAL MWD EXPENSE	$ 509,337	$ 582,273	$ 72,936	$ 509,337	$ 582,273	$ 72,936
TOTAL OPERATING EXPENSE	$ 1,217,583	$ 1,288,156	$ 76,794	$ 1,217,583	$ 1,288,156	$ 76,794
NET OPERATING SURPLUS / (DEFICIT)	$ 812,793	$ 889,406	($ 76,612)	$ 812,793	$ 889,406	($ 76,612)
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)	$ 812,793	$ 889,406	($ 76,612)	$ 812,793	$ 889,406	($ 76,612)
NET POSITION, BEGINNING OF PERIOD	$ 31,942,137	$ 31,825,392	$ 116,745	$ 31,942,137	$ 31,903,426	$ 38,711
NET POSITION, END OF PERIOD	$ 32,754,930	$ 32,714,798	$ 40,133	$ 32,754,930	$ 32,792,831	($ 37,901)

July 31, 2018

FOOTNOTES

(1) WATER SALES (in AF) - **MTD & YTD UNDER** Actual 421.5 and Budget 475.2 = Variance -53.7;

(2) SERVICE CONNECTION FEES - MTD & YTD OVER by $5k - Unanticipated connection and relocation during the month

(3) CAPITAL COST RECOVERY - **MTD & YTD OVER by $24k** - Unanticipated new meter installation during the month

(4) COMB - **MTD & YTD OVER by $2k -** Will continue to grow as MWD budget was based on a preliminary COMB budget

(5) ENGINEERING - **MTD & YTD UNDER by $31k** - SGMA (timing) ($17k), Professional Services ($9k) and Recycled Water Feasibility Study (timing) ($3k)

(6) ADMINISTRATION - **MTD & YTD UNDER by $28k** - Legal ($16k), Rate Study ($6k) and Depreciation ($6k)

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
July 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		$ 4,198,895					
Total unrestricted cash and investments				$ 9,598,895			
Restricted - cash and investments				$ 3,825,577			
Total Cash (unrestricted & restricted)						$ 13,424,472	
Other Investments - Semitropic Shares				$ 630,000		$ 630,000	
Receivables:							
Accounts receivable - water sales & services, net				$ 1,983,987			
Accounts receivable - other				$ 2,647			
Accrued Interest				$ 21,088			
FEMA Reimbursable				$ 395,405			
ACWA/JPIA receivable				$ (259,860)			
Materials and supplies inventory				$ 357,673			
Prepaid water charges (SWP and other prepaid water)				$ 8,107,518			
Prepaid expenses and other deposits				$ 322,674			
Total Current Assets						$ 10,931,133	
Noncurrent:							
Capital assets - not being depreciated				$ 1,323,342			
Capital assets - being depreciated, net				$ 31,133,322			
Total Noncurrent Assets						$ 32,456,664	
DEFERRED OUTFLOWS OF RESOURCES							
Deferred pensions				$ 1,116,776			
Total Deferred Outflows of Resources						$ 1,116,776	
TOTAL COMBINED ASSETS:							$ 58,559,045

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

LIABILITIES			
Current:			
Accounts payable and accrued expenses	$ 525,498		
Accrued wages and related payables	$ 45,707		
Unearned revenue and other deposits	$ 89,628		
Accrued interest payable	$ -		
Long-term liabilities - due within one year:			
Accrued compensated absences			
Bonds Payable	$ -		
Loan Payable	$ 635,016		
Total Current Liabilities		$	1,295,850
Noncurrent:			
Accrued compensated absences	$ 367,935		
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		$	24,171,265
Total Liabilities		$	25,467,114
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	$ 3,825,577		
Unrestricted	$ 16,670,161		
Total Net Position		$	32,568,547
TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:			$ 58,559,045

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

CASH FLOWS FROM OPERATING ACTIVITIES

	MTD	YTD
Operating Income (loss)	$ 796,691	$ 796,691
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	98,112	98,112
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	527,744	527,744
Materials and supplies inventory	5,256	5,256
Prepaid water charges	708,246	708,246
Prepaid expenses and other deposits	(209,416)	(209,416)
Litigation Liability	-	-
Accounts payable	48,226	48,226
Accrued wages and related payables	(8,546)	(8,546)
Unearned revenue and other deposits	2,000	2,000
Accrued water exchange transfer	-	-
Compensated absences	(1,271)	(1,271)
Net cash provided (used) by operating activities	$ 1,967,042	$ 1,967,042

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

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

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

	MTD	YTD
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ortega Interest	$ -	$ -
Bond Interest	-	-
Cater DWR Loan	-	-
Cater Capital	-	-
Cater Ozone	-	-
Net cash provided (used) by noncapital financing activites	$ -	$ -
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	$ 16,102	$ 16,101
Purchase of underground water banking shares	$ -	$ -
Net cash provided by (used) by investing activities	$ 16,102	$ 16,101
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 1,830,544	$ 1,830,544
Cash and cash equivalents, beginning of period	$ 11,593,928	$ 11,593,928
Cash and cash equivalents, end of period	$ 13,424,472	$ 13,424,472
RECONCILIATION TO STATEMENT OF NET POSITION:		
Cash and investments - cash equivalents	$ 9,598,895	$ 9,598,895
Restricted cash and investments - cash equivalents	3,825,577	3,825,577
	$ 13,424,472	$ 13,424,472

DASHBOARD REPORT
WATER SALES (AF)

7/31/2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	302.30	338.25	(35.96)	(10.6%)
Multi Family	5.51	7.52	(2.01)	(26.8%)
Agricultural	39.79	39.93	(0.14)	(0.4%)
Institutional	32.67	31.65	1.03	3.2%
Commercial	20.62	29.65	(9.04)	(30.5%)
Non-Potable	20.65	28.20	(7.55)	(26.8%)
Monthly Total	421.52	475.20	(53.68)	(11.3%)

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Fiscal Year = July thru June

DASHBOARD REPORT
WATER SALES ($)

MONTH TO DATE WATER SALES ($)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			$	%
Single Family	$ 793,730	$ 862,729	$ (68,999)	(8.0%)
Multi Family	12,960	17,687	(4,727)	(26.7%)
Agricultural	54,420	55,454	(1,034)	(1.9%)
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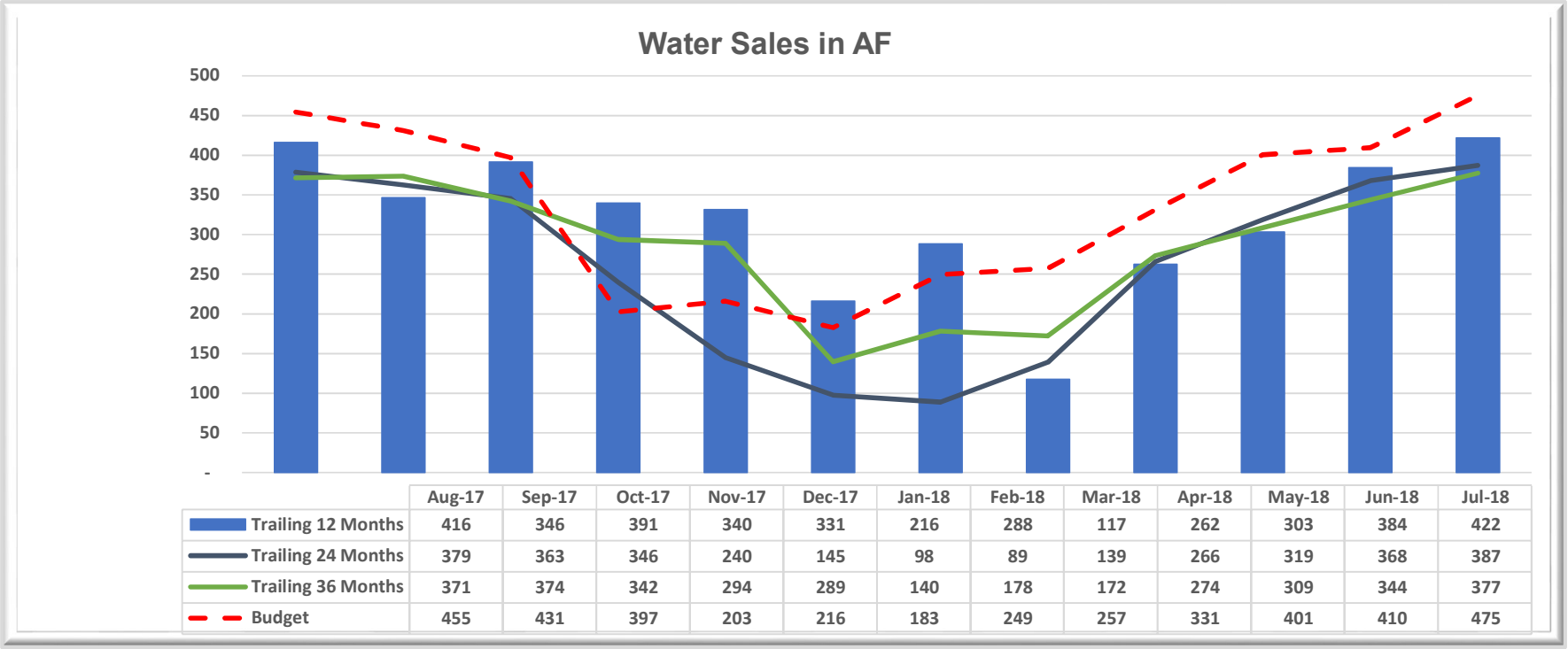
Non-Potable	12,590	17,196	(4,606)	(26.8%)
Adjustments	-	-	-	0.0%
Monthly Total	$ 1,014,800	$ 1,115,890	$ (101,090)	(9.1%)

Fiscal Year = July thru June

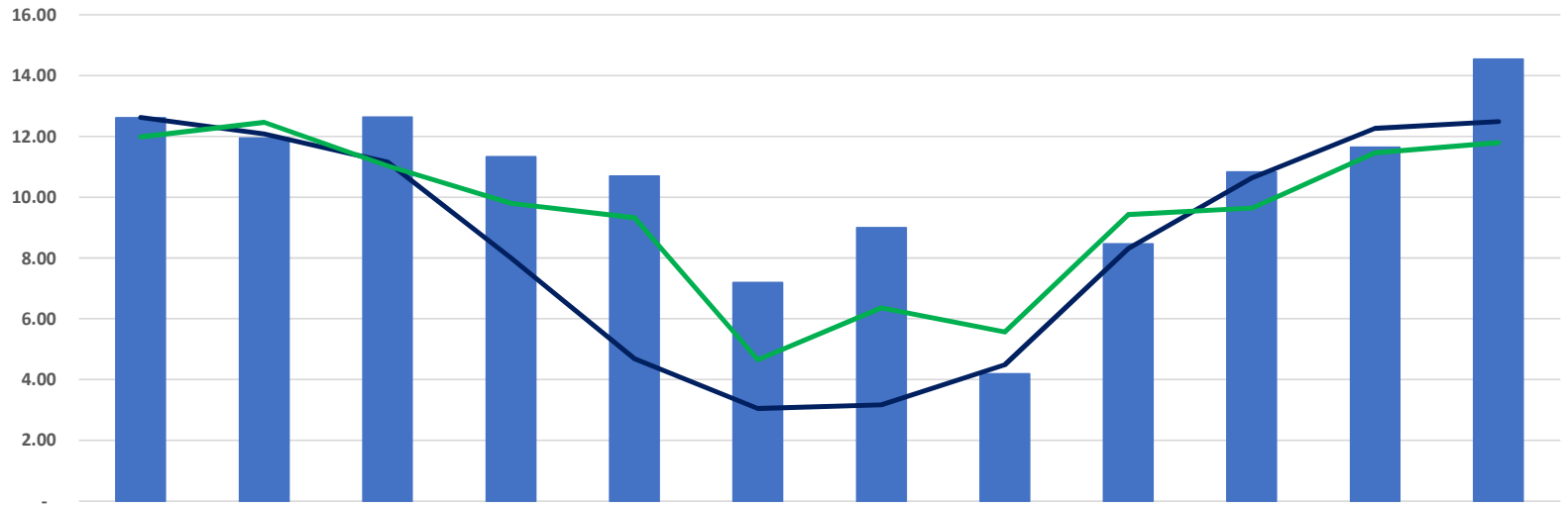
MONTH ENDING 7/31/2018 *(Select Date From Drop Down Arrow)*



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	416	346	391	340	331	216	288	117	262	303	384	422
Trailing 24 Months	379	363	346	240	145	98	89	139	266	319	368	387
Trailing 36 Months	371	374	342	294	289	140	178	172	274	309	344	377
Budget	455	431	397	203	216	183	249	257	331	401	410	475

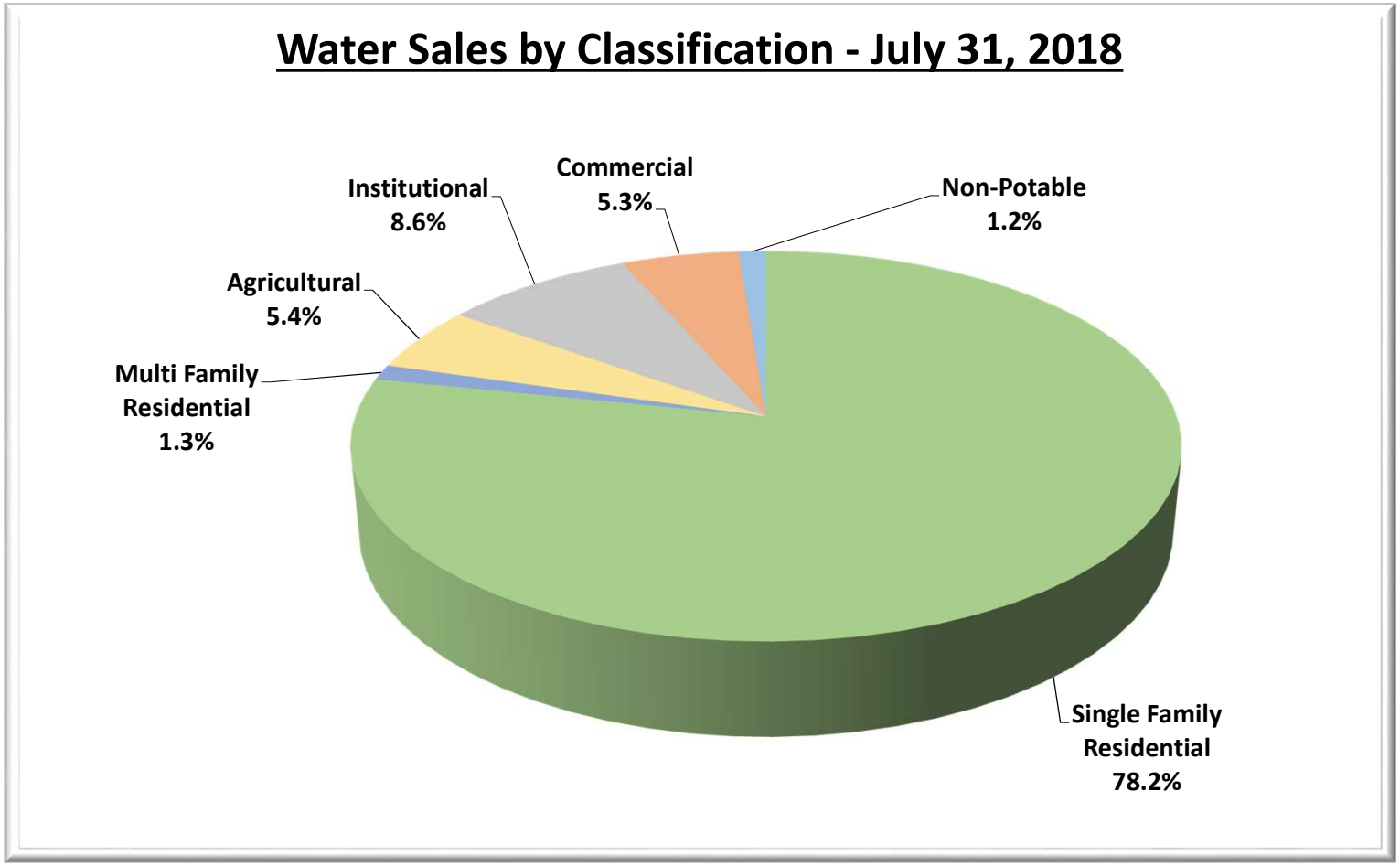
7/31/2018

Average Daily Water Sales Per Month (AF)



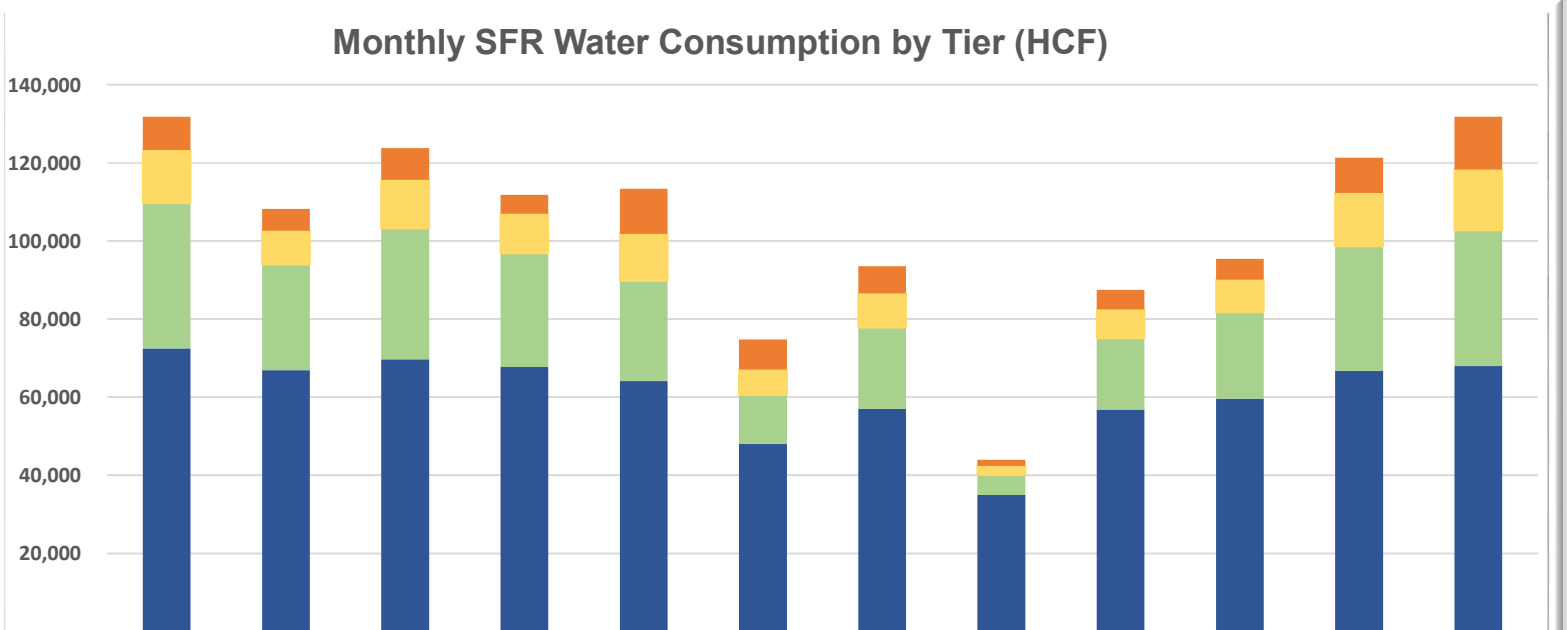
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54
Trailing 24 Months	12.62	12.08	11.15	8.00	4.68	3.05	3.17	4.49	8.31	10.63	12.26	12.49
Trailing 36 Months	11.98	12.46	11.03	9.79	9.32	4.65	6.36	5.56	9.43	9.64	11.46	11.79

MONTH ENDING 7/31/2018 *(Select Date From Drop Down Arrow)*



DASHBOARD REPORT
SFR CONSUMPTION TRENDS

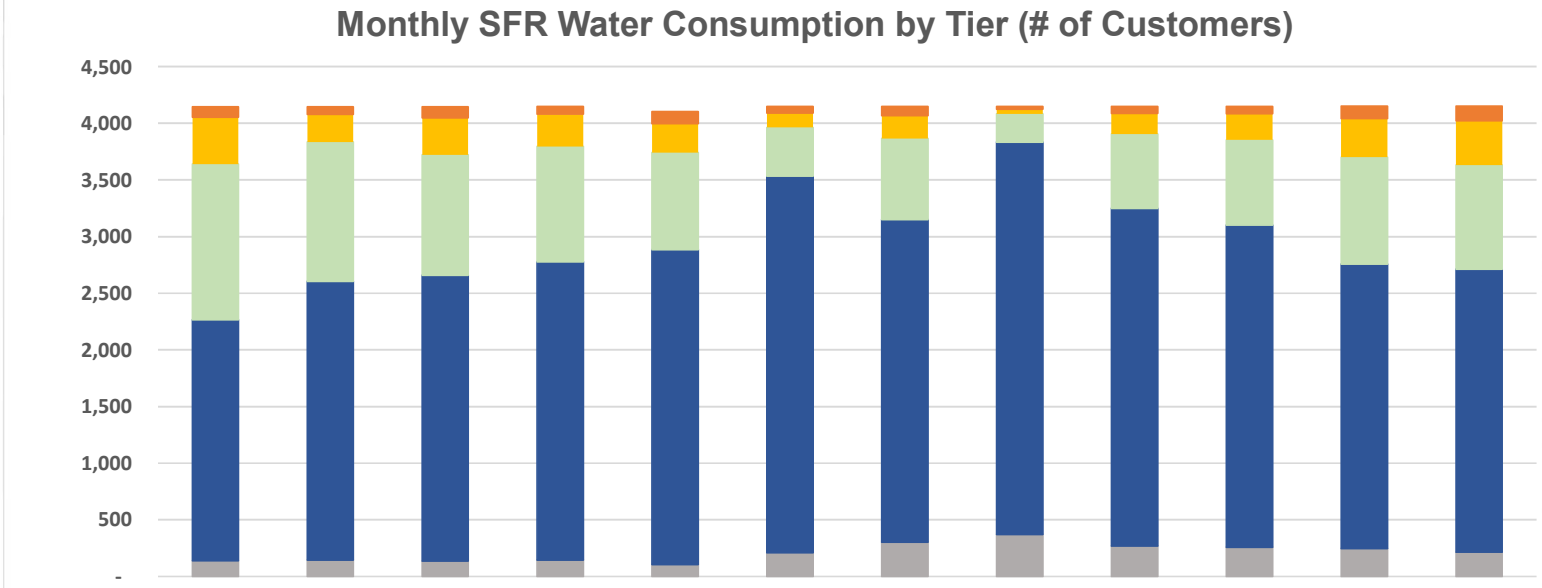
MONTH ENDING 7/31/2018



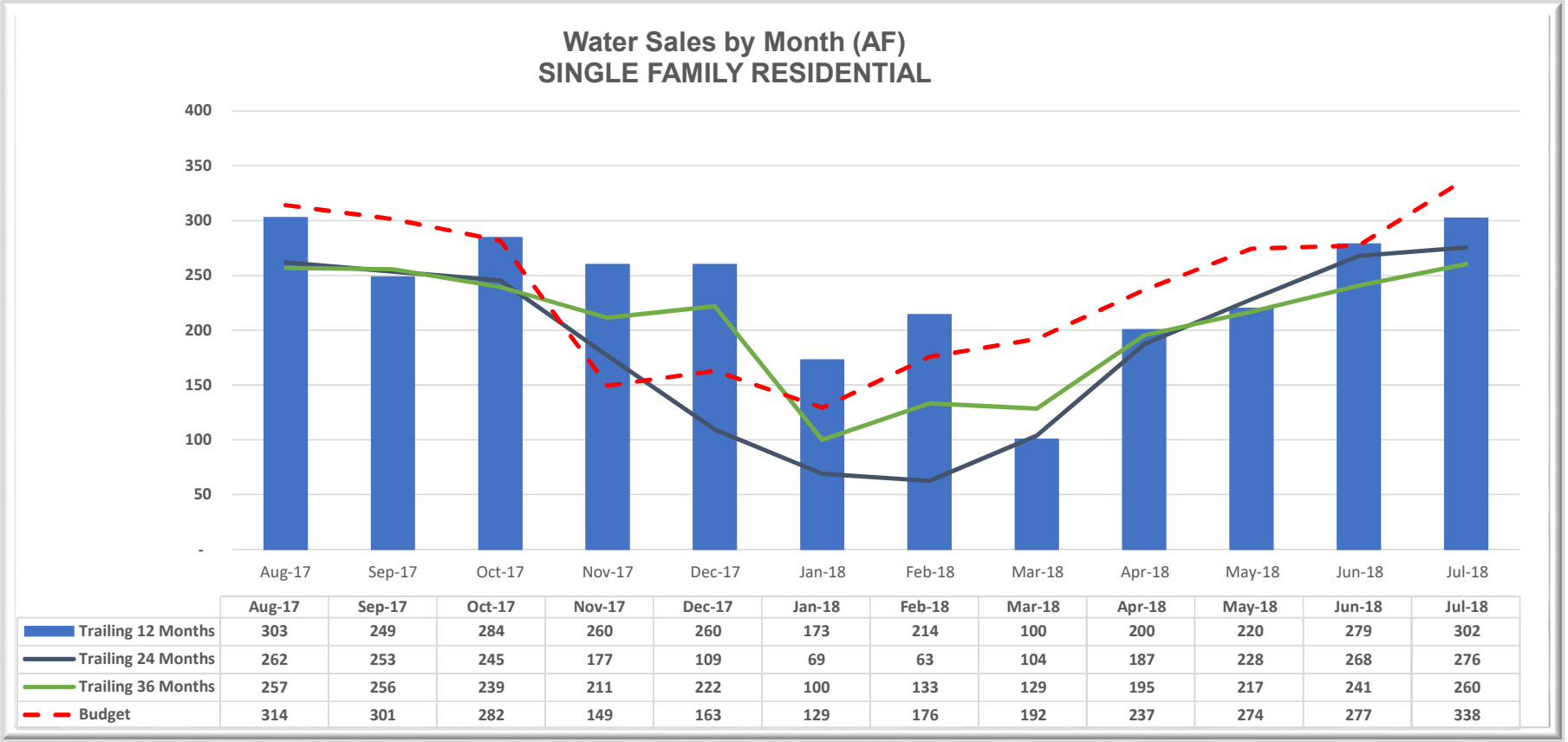
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Tier 4	8,500	5,500	8,200	4,800	11,500	7,700	6,900	1,600	5,000	5,300	9,000	13,500
Tier 3	13,600	8,800	12,400	10,200	12,000	6,500	8,800	2,300	7,400	8,400	13,700	15,600
Tier 2	37,200	27,000	33,500	29,000	25,700	12,600	20,800	5,200	18,300	22,100	31,800	34,700
Tier 1	72,500	66,900	69,700	67,800	64,100	48,000	57,000	34,900	56,800	59,600	66,800	68,000

DASHBOARD REPORT
SFR CONSUMPTION TRENDS

MONTH ENDING 7/31/2018

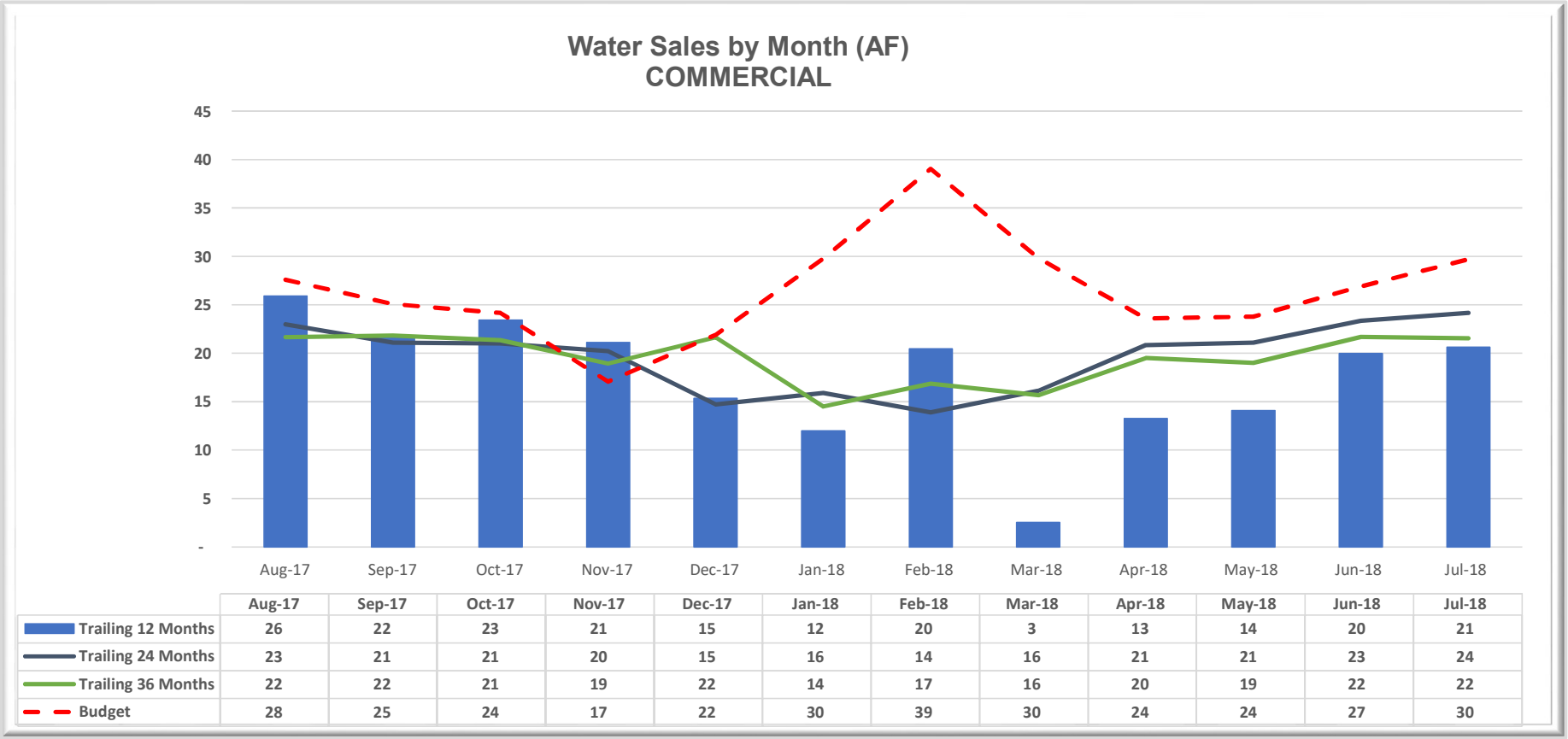


	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Tier 4 Usage	89	65	93	67	106	56	80	22	58	62	107	127
Tier 3 Usage	413	243	330	284	255	127	203	42	184	234	342	391
Tier 2 Usage	1,375	1,229	1,061	1,017	856	430	714	249	658	751	942	918
Tier 1 Usage	2,128	2,459	2,522	2,632	2,780	3,325	2,847	3,462	2,978	2,841	2,513	2,498
"0" Usage	138	147	137	147	106	209	304	373	270	260	245	215



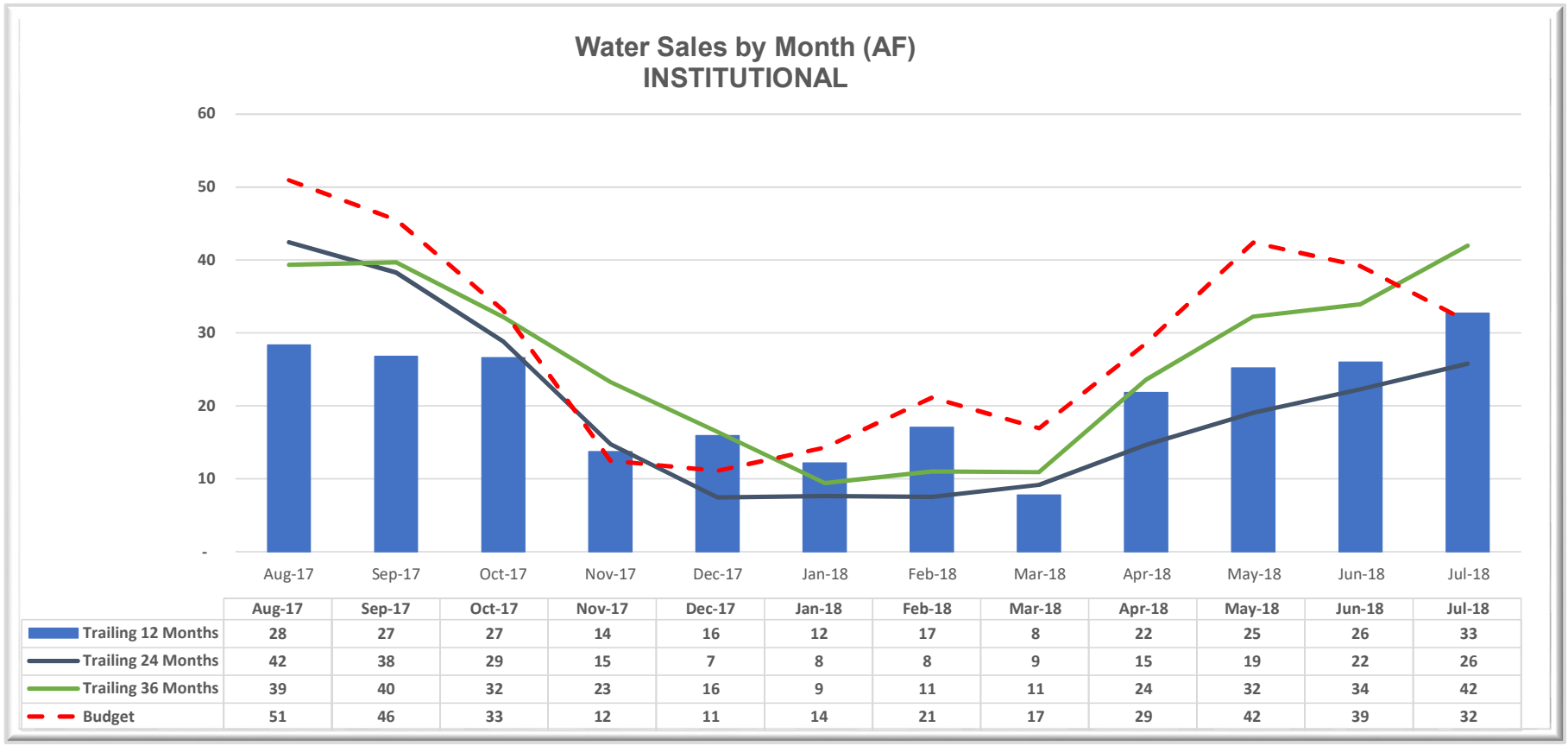
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	303	249	284	260	260	173	214	100	200	220	279	302
Trailing 24 Months	262	253	245	177	109	69	63	104	187	228	268	276
Trailing 36 Months	257	256	239	211	222	100	133	129	195	217	241	260
Budget	314	301	282	149	163	129	176	192	237	274	277	338

Trailing 12 Months(SINGLE FAMILY RESIDENTIAL)	2,844	AF
Trailing 24 Months(SINGLE FAMILY RESIDENTIAL)	2,241	AF
Trailing 36 Months(SINGLE FAMILY RESIDENTIAL)	2,461	AF
Trailing 12 mo. Budget(SINGLE FAMILY RESIDENTIAL)	3,157	AF
Trailing 12 Months vs. Trailing 24 Months:	26.9%	
Trailing 12 Months vs. Trailing 36 Months:	15.6%	
Trailing 12 Months vs.Trailing 12 Months Budget	(9.9%)	



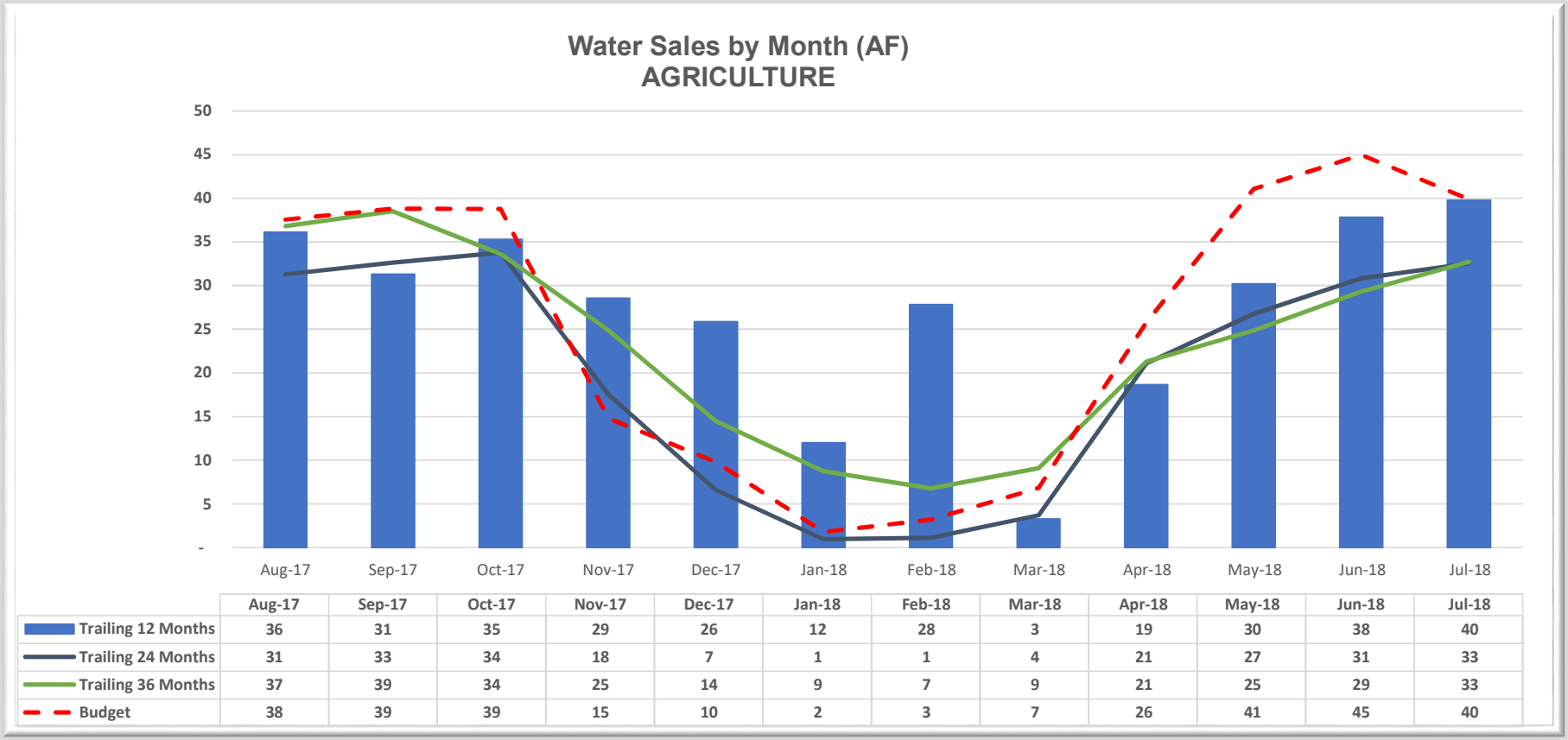
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	26	22	23	21	15	12	20	3	13	14	20	21
Trailing 24 Months	23	21	21	20	15	16	14	16	21	21	23	24
Trailing 36 Months	22	22	21	19	22	14	17	16	20	19	22	22
Budget	28	25	24	17	22	30	39	30	24	24	27	30

Trailing 12 Months (COMMERCIAL)	210	AF
Trailing 24 Months (COMMERCIAL)	235	AF
Trailing 36 Months (COMMERCIAL)	234	AF
Trailing 12 mo. Budget (COMMERCIAL)	345	AF
Trailing 12 Months vs. Trailing 24 Months:	(10.6%)	
Trailing 12 Months vs. Trailing 36 Months:	(10.2%)	
Trailing 12 Months vs.Trailing 12 Months Budget	(39.0%)	



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	28	27	27	14	16	12	17	8	22	25	26	33
Trailing 24 Months	42	38	29	15	7	8	8	9	15	19	22	26
Trailing 36 Months	39	40	32	23	16	9	11	11	24	32	34	42
Budget	51	46	33	12	11	14	21	17	29	42	39	32

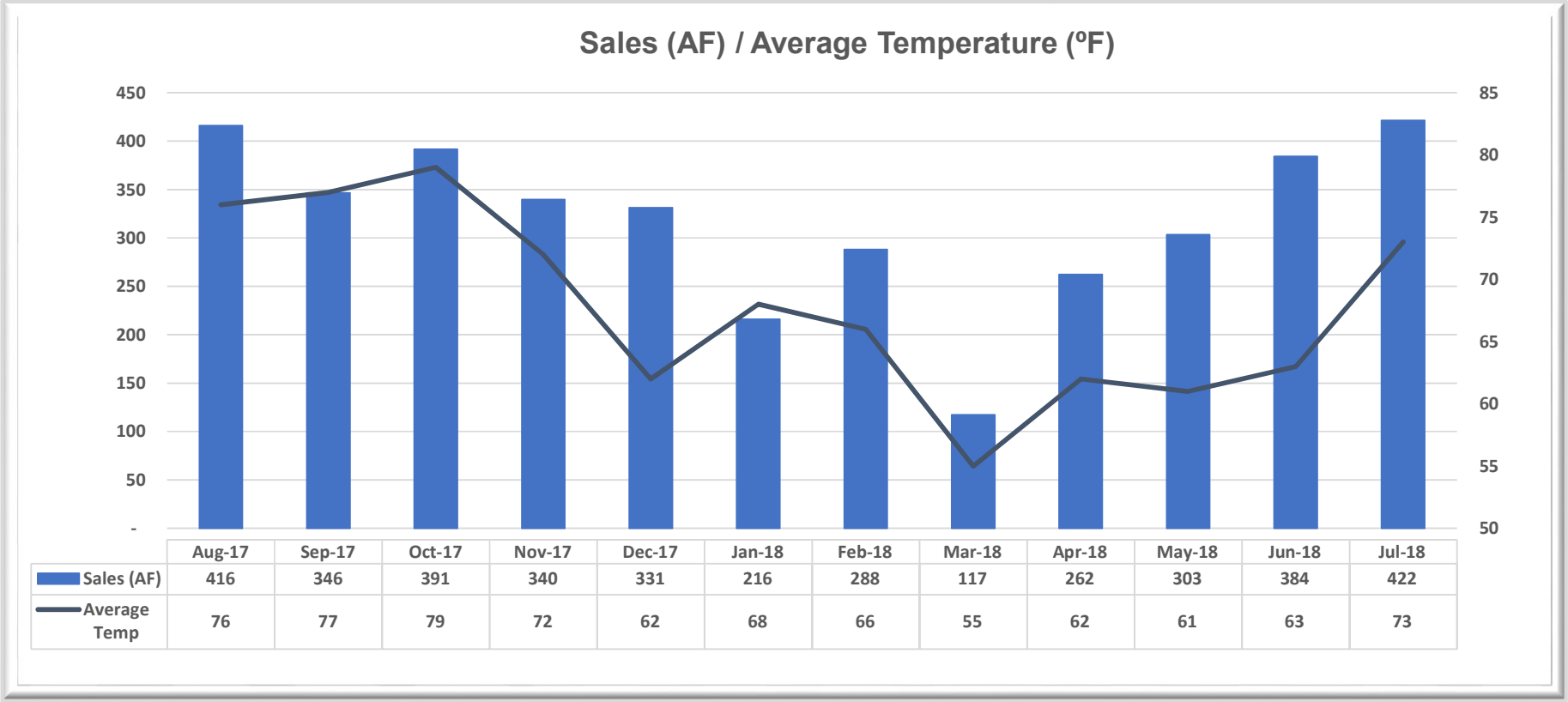
Trailing 12 Months (INSTITUTIONAL)	254 AF
Trailing 24 Months (INSTITUTIONAL)	238 AF
Trailing 36 Months (INSTITUTIONAL)	314 AF
Trailing 12 mo. Budget (INSTITUTIONAL)	399 AF
Trailing 12 Months vs. Trailing 24 Months:	6.8%
Trailing 12 Months vs. Trailing 36 Months:	(19.1%)
Trailing 12 Months vs.Trailing 12 Months Budget	(36.4%)



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	36	31	35	29	26	12	28	3	19	30	38	40
Trailing 24 Months	31	33	34	18	7	1	1	4	21	27	31	33
Trailing 36 Months	37	39	34	25	14	9	7	9	21	25	29	33
Budget	38	39	39	15	10	2	3	7	26	41	45	40

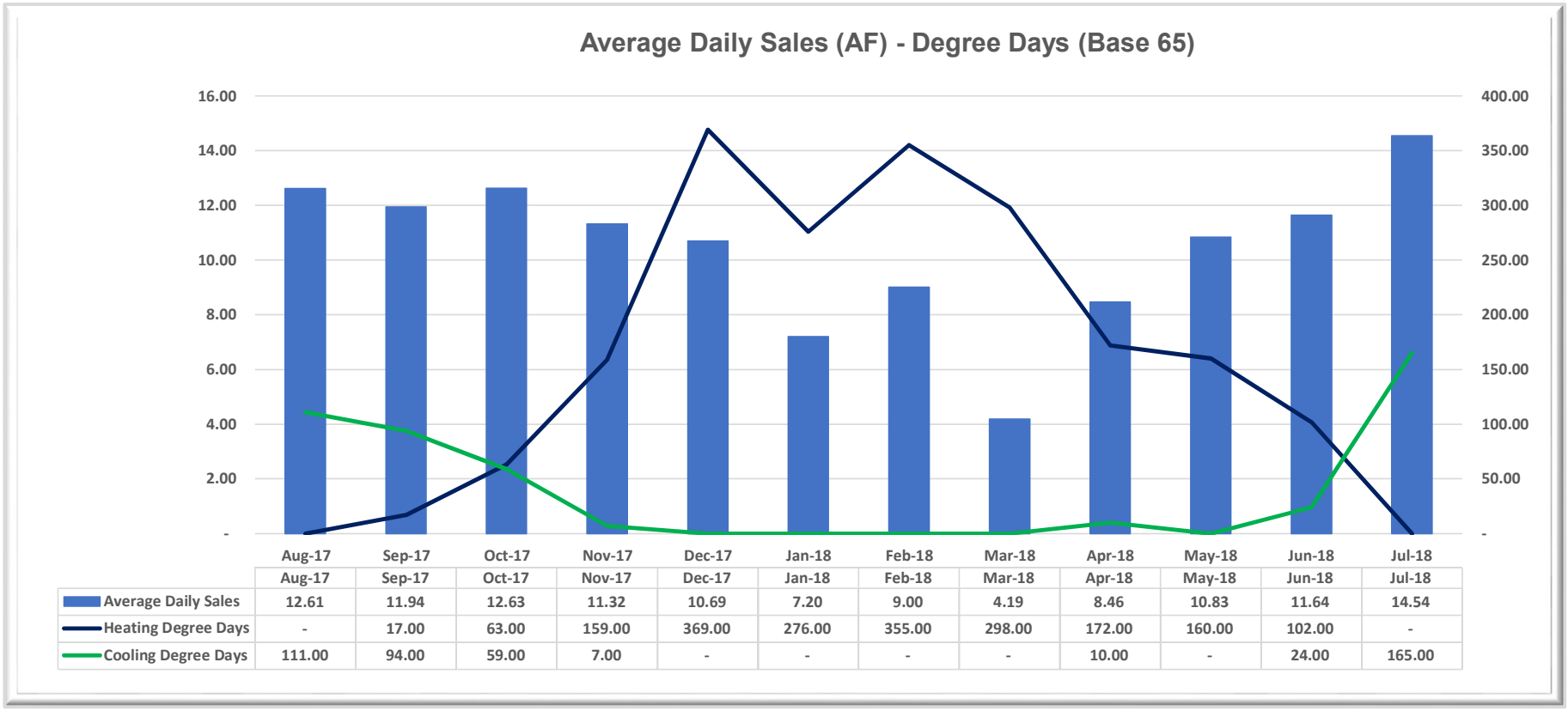
Trailing 12 Months (AGRICULTURE)	327 AF
Trailing 24 Months (AGRICULTURE)	239 AF
Trailing 36 Months (AGRICULTURE)	281 AF
Trailing 12 mo. Budget(AGRICULTURE)	344 AF
Trailing 12 Months vs. Trailing 24 Months:	36.9%
Trailing 12 Months vs. Trailing 36 Months:	16.2%
Trailing 12 Months vs.Trailing 12 Months Budget	(4.9%)

7/31/2018

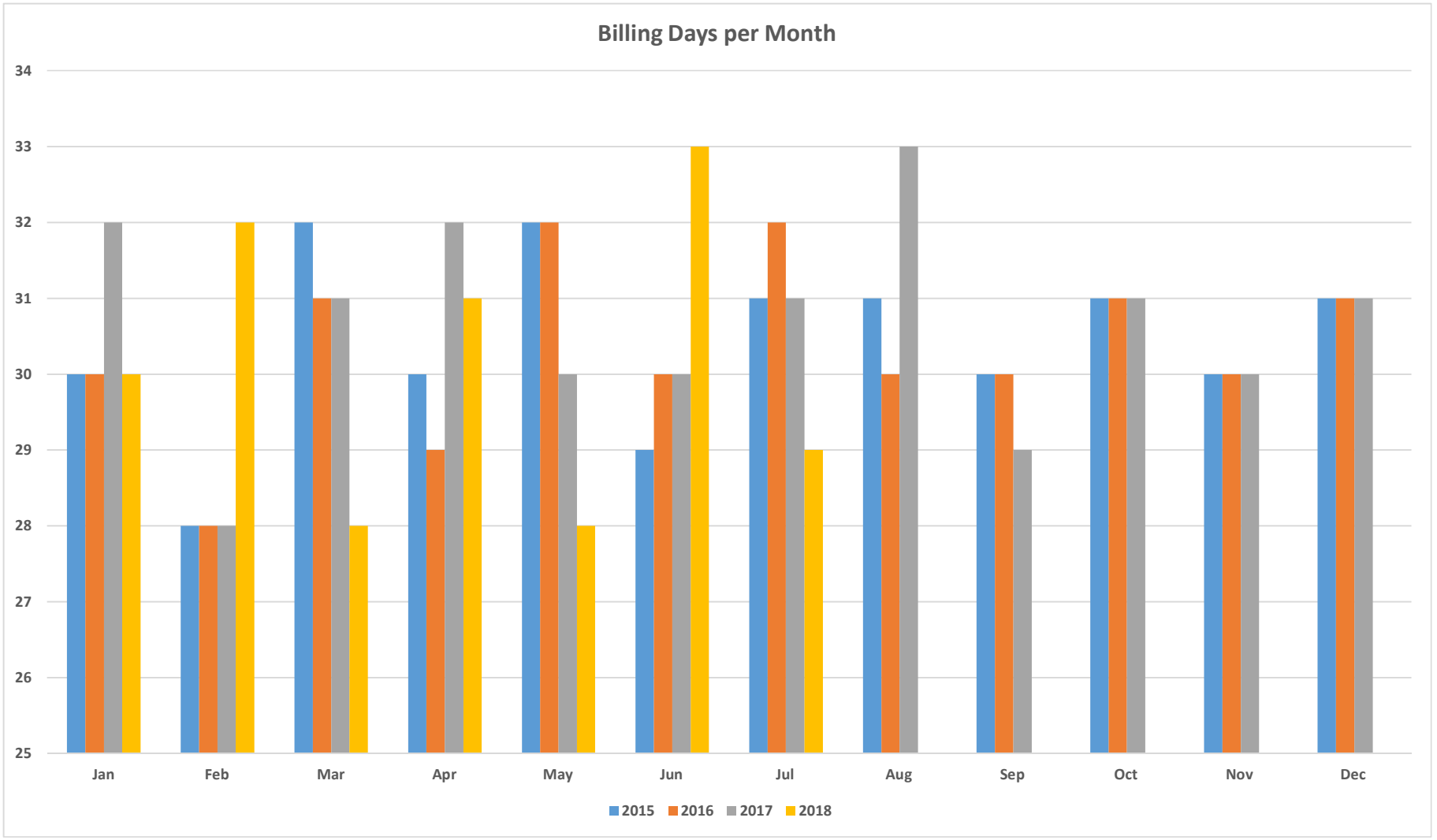


	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Sales (AF)	416	346	391	340	331	216	288	117	262	303	384	422
Average Temp	76	77	79	72	62	68	66	55	62	61	63	73

7/31/2018

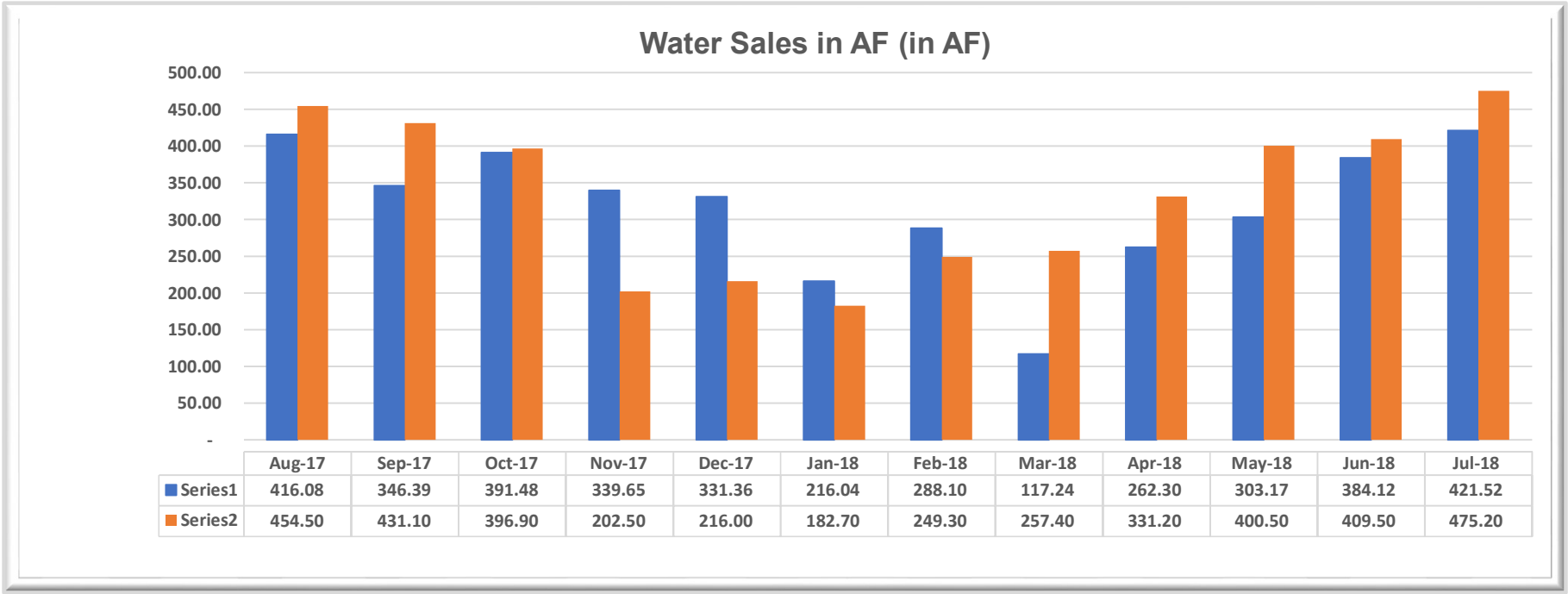


	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Average Daily Sales	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54
Heating Degree Days	-	17.00	63.00	159.00	369.00	276.00	355.00	298.00	172.00	160.00	102.00	-
Cooling Degree Days	111.00	94.00	59.00	7.00	-	-	-	-	10.00	-	24.00	165.00


Billing Days per Month
34
33
32
31
30
29
28
27
26
25
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2015
2016
2017
2018

DASHBOARD REPORT
WATER SALES (AF)

7/31/2018



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Series1	416.08	346.39	391.48	339.65	331.36	216.04	288.10	117.24	262.30	303.17	384.12	421.52
Series2	454.50	431.10	396.90	202.50	216.00	182.70	249.30	257.40	331.20	400.50	409.50	475.20

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

MONTH	% SALES BREAKDOWN	2017/18 ACTUAL SALES (*)		2018/19 BUDGET SALES		2018/19 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	0.0	$0	0.0	0.0%	$0	0.0%	0.0	0.0%	0	0.0%
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	421.5	$1,014,800	34.4	8.9%	$105,681	11.6%	(53.7)	(11.3%)	($101,091)	(9.1%)

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)	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%)

QUARTERLY COMPARISON - ACTUALS THROUGH JULY 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	421.5	$1,014,800	(728.1)	(63.3%)	($1,719,749)	(62.9%)	(948.3)	(69.2%)	($2,242,686)	(68.8%)
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	422.0	$1,014,800	(728.1)	8.9%	($1,719,749)	11.6%	(948.3)	(11.3%)	($2,242,686)	(9.1%)

(*) 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 JULY 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												440.10
AVERAGE	**595.15**	**625.20**	**561.24**	**484.17**	**345.29**	**270.75**	**245.18**	**229.61**	**285.31**	**385.79**	**485.73**	**517.04**	**4837.63**
MAXIMUM	**798.00**	**832.60**	**753.31**	**674.67**	**530.70**	**501.30**	**530.73**	**394.72**	**474.10**	**629.00**	**703.00**	**675.00**	**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**	**440.10**
18/19 % VS AVERAGE	**74%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**9%**
17/18 % VS MAXIMUM	**55%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**7%**

Total METER Connections =	**4,605**
Total OFF Connections =	**53**
Total ACTIVE METER Connections =	**4,552**