



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

**TUESDAY, JULY 24, 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 June 26, 2018
- B. Payment of Bills for June 2018
- C. Investment of District Funds for June 2018

**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;
- 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;
- 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;
- D. INFORMATION ONLY: Quarterly Drought & Water Supply Update;
- E. INFORMATION ONLY: Water Works Operations Report for June 2018
- F. INFORMATION ONLY: Progress update on implementation of permanent pipeline repairs and FEMA reimbursement
- G. INFORMATION ONLY: General Manager's Report (Oral)

#### **5. DISTRICT BUSINESS REPORT**

- A. INFORMATION ONLY: Monthly Financial Reporting for June 2018
- B. BOARD ACTION: Payment of CalPERS Annual Unfunded Accrued Liability.

#### **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, 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
- E. 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, August 28, 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 July 20, 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, JUNE 26, 2018  
2:00 P.M.**

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

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

Directors Present:

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

Directors Absent:

None

Staff Present:

Nick Turner, General Manager  
Daryl Smith, Business Manager  
Adam Kanold, Engineering Manager  
Bob Cohen, General Counsel

Laura Camp, P. I. Coordinator  
David Wong, Engineering Assistant  
Lois Werner, Recording Secretary

Guests Present:

Ray Stokes, CCWA Executive Director  
Bob Hazard, Montecito Journal  
Vicki Hazard, District customer

Ken Coates, District customer  
Jeff Kerns, 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 Shaikewitz, seconded by Director Frye and carried with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the Consent Calendar as amended.

### **4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS**

- A. INFORMATION ONLY: Presentation by Central Coast Water Authority Executive Director Ray Stokes on various State Water Project matters

Director Shaikewitz introduced Mr. Stokes who presented information on the State Water Project issues and responded to questions from Directors and members of the public.

- B. INFORMATION ONLY: Semi-Annual Groundwater Monitoring Program Report – Fall 2017 & Spring 2018

Mr. Kanold presented this item and responded to questions from Directors and members of the public.

- C. BOARD ACTION: Adoption of Resolution No. 2164 placing in nomination Floyd Wicks as a member of the Region 5 Association of California Water Agencies

Mr. Turner presented this item. Following discussion it was moved by Director Plough, seconded by Director Shaikewitz and carried by the following roll-call vote to adopt Resolution No. 2164 placing Director Wicks in nomination for the Board of ACWA Region 5.

AYES: Directors Frye, Morgan, Plough, Shaikewitz, and Wicks

NOES: None

ABSENT: None

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

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

- E. INFORMATION ONLY: Water Works Operations Report for May 2018

Mr. Turner presented this report.

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

- i. Annual 2017 Consumer Confidence Report;
- ii. Update on Water Availability Charge (WAC) for FY 2018/19;
- iii. Status of Application for Formation of a Groundwater Sustainability Agency (GSA);

- iv. Submittal of NOI to Semitropic to bank approx. 1,000AF of surplus water in 2018;
- v. Update on Capital Improvement Projects (Sycamore Canyon Road Water Main Replacement Project)

Mr. Turner and Mr. Kanold reported on the above District projects and activities.

## **5. DISTRICT BUSINESS REPORT**

### **A. INFORMATION ONLY: Monthly Financial Reporting for May 2018**

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

### **B. INFORMATION ONLY: Review of Cash Flow Regarding Emergency Spending**

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

### **C. BOARD ACTION: Ratification of CCRB FY 2018/19 budget**

This action had already been taken at a previous meeting and was not necessary at this meeting.

### **D. BOARD ACTION: Annual Budget Resolutions:**

- I. Resolution No. 2165 – Determining that Charges, Rates and Fees Are Not “Proceeds of Taxes”;
- II. Resolution No. 2166 – FY 2018/19 Investment Policy;
- III. Resolution No. 2167 – Establishing Employee Classification and Salary

Mr. Smith presented the budget resolutions. It was moved by Director Shaikewitz, seconded by Director Wicks and carried by the following roll-call vote to adopt Resolutions 2165, 2166 and 2167 as presented:

AYES: Directors Frye, Morgan, Plough, Shaikewitz, and Wicks

NOES: None

ABSENT: None

### **E. BOARD ACTION: Adoption of Fiscal Year 2018/19 Budget**

Mr. Turner and Mr. Smith presented the 2018/19 budget, which had been covered in depth at the Board Budget Workshop on May 30, 2018. Following discussion it was moved by Director Shaikewitz, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough,

Shaikewitz, and Wicks voting in favor to approve and adopt the FY 2018/19 Budget as presented.

## **6. DIRECTOR AND COMMITTEE REPORTS**

- A. PRESIDENTS REPORT  
Director Morgan did not have a report.
- B. CENTRAL COAST WATER AUTHORITY  
Director Shaikewitz noted that Mr. Stokes has already reported on CCWA matters earlier in the meeting.
- C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION  
Director Shaikewitz reported on the activities of the SBC-SDA.
- D. CACHUMA OPERATION AND MAINTENANCE BOARD  
Director Morgan reported on the activities of COMB.
- E. CACHUMA CONSERVATION RELEASE BOARD  
Director Morgan reported on the activities of CCRB.
- F. OPERATIONS COMMITTEE  
Director Wicks reported that the Committee had reviewed main breaks, AMI, and the groundwater report.
- G. FINANCE COMMITTEE  
Director Plough reported that the Finance Committee matters had been covered elsewhere in the agenda.
- H. APPEALS COMMITTEE  
The Committee had not met.
- I. STRATEGIC PLANNING  
The Committee had not met.

## **7. LEGAL MATTERS**

- A. CLOSED SESSION: Pursuant To Government Code Section 54956.9(d)(2)  
Conference with Legal Counsel – Anticipated Litigation, 6 cases
- B. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1)  
Conference with Legal Counsel – Existing Litigation, Francisco Ramos Zamora, et.al. v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02743
- C. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1)  
Conference with Legal Counsel – Existing Litigation, Old Town Hospitality, et.al. v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02958
- D. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1)  
Conference with Legal Counsel – Existing Litigation, Kerry Moriarty, et.al.

v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02185

- E. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, David S. Corey, et.al. v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02945
- F. 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
- G. 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 matters at 4:40 p.m.

The Board reconvened in open session at 5:28 p.m.

Report out of closed session:

With regard to 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 5 to 0 on a motion by Director Plough, seconded by Director Frye, concerning those claims as follows:

1. to reject the claim received on June 4, 2018 from Corey Luzaiche/de Ghetaldi & Riddle LLP on behalf of claimant Michael Fox.
2. to reject the amended claim received on June 4, 2018 from Joseph Liebman/The Law Offices of Joseph Liebman on behalf of multiple claimants, which claimants are specifically identified on the claim form and available for review.
3. To reject the claim received on June 6, 2018 from James Scafide/Scafide Law Firm on behalf of claimant Estate of Bunphoem Taylor.
4. to reject the claim received on June 6, 2018 from James Scafide/Scafide Law Firm on behalf of claimant Estate of Richard Taylor.
5. to reject the claim received on June 21, 2018 from Joseph Liebman/The Law Offices of Joseph Liebman on behalf of claimants: Mary Firestone; James Napper Tandy II; Ever Tandy; Dorothy Duffy, individually and as trustee of the Duffy Family Survivor's Trust; Doug Large and Laurie Large, individually and as trustees for the Douglas Bruce Large and Laurie Charlene Large Revocable Trust dated December 15, 2005; Peri Thompson; Christopher P. Gabriel and Diane M. Gabriel, individually

and as trustees for the Gabriel Family Trust of 1999, established on April 19, 1999; and Ingrid I. Gabriel, individually and as trustee for the Gabriel Family Trust UDT, date June 28, 1977.

With regard to Item B, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item C, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item D, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item E, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item F, the Board received a report from General Counsel Robert M. Cohen; direction was given to Counsel.

With regard to Item G, the Board received a report from General Counsel Robert M. Cohen; no action was taken and direction was given to Counsel.

H. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen did not have any legal matters to report to 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, July 24, 2018 or any future meeting.

**9. ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 5:32 p.m.

Approved:

\_\_\_\_\_  
W. Douglas Morgan, President

Attest:

\_\_\_\_\_  
Nick Turner, Secretary

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

**SECTION: 3-B**

**AP CHECK REGISTER** **\$ 1,091,685.41**

**NET PAYROLL DIRECT DEPOSITS <sup>1</sup>**

6/11/2018	Pay Period #12	61,933.82
6/25/2018	Pay Period #13	60,835.97

**Payroll Direct Deposits** **\$ 122,769.79**

**EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS <sup>2</sup>**

6/27/2018	CENTRAL COAST WATER AUTHORITY	576,122.02
6/27/2018	BANK OF NEW YORK MELLON	337,628.72

**Subtotal External Wire Transfers** **\$913,750.74**

**TOTAL DISBURSEMENTS** **\$2,128,205.94**

**INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS <sup>3</sup>**

**NET INTERNAL WIRE TRANSFERS** **\$ -**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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  
JUNE 1, 2018 through JUNE 30, 2018**

Number	Pay Date	Vendor	AMT	DESCRIPTION
64515	6/15/2018	ACWA-JPIA	35,050.54	MED/DEN/VSN EE INSUR PREM
		<b>ACWA-JPIA Total</b>	35,050.54	
64618	6/29/2018	ALEXANDER'S	6,139.88	MTR READING SRVC - JUNE 2018
		<b>ALEXANDER'S Total</b>	6,139.88	
64565	6/25/2018	ALL AROUND LANDSCAPE	27.93	JAMESON PLUMBING SUPPS
		<b>ALL AROUND LANDSCAPE Total</b>	27.93	
64566	6/25/2018	ANTHEM BLUE CROSS	234.81	MED RET BENEFIT - ALFONSO DIAZ
		<b>ANTHEM BLUE CROSS Total</b>	234.81	
64514	6/15/2018	A-OK POWER EQUIPMENT	3.89	SHOP SUPPS
		<b>A-OK POWER EQUIPMENT Total</b>	3.89	
64517	6/15/2018	ARCADY DISTRIBUTING	133.55	KITCHEN SUPPS
		<b>ARCADY DISTRIBUTING Total</b>	133.55	
64619	6/29/2018	AT&T MOBILITY	1,244.12	MOBILE SRVC 05/12 - 06/11/18
		<b>AT&amp;T MOBILITY Total</b>	1,244.12	
64567	6/25/2018	AUSTIN PRINCE	244.51	ACE18 AWWA CONF LAS VEGAS
		<b>AUSTIN PRINCE Total</b>	244.51	
64620	6/29/2018	AW DIRECT	455.97	TRK #168 TOOL BOX
		<b>AW DIRECT Total</b>	455.97	
64614	6/27/2018	AWA	90.00	AWA/CCWUC LUNCH-PRINCE/SANCHEZ
		<b>AWA Total</b>	90.00	
0	6/29/2018	BENEFLEX INC	122.00	FSA ADMIN FEES
0	6/11/2018	BENEFLEX INC	818.91	PP #12 FSA CONTRIBUTIONS
0	6/25/2018	BENEFLEX INC	818.91	PP #13 FSA CONTRIBUTIONS
		<b>BENEFLEX INC Total</b>	1,759.82	
64518	6/15/2018	BILL ALCALA	60.00	FLEET WASHING 06/11
64621	6/29/2018	BILL ALCALA	100.00	FLEET WASHING 06/25
		<b>BILL ALCALA Total</b>	160.00	
64622	6/29/2018	BILL'S TRAILER HITCH	145.46	SPARE TIRE FOR TRAILER
		<b>BILL'S TRAILER HITCH Total</b>	145.46	
64568	6/25/2018	BUENA TOOL COMPANY	182.65	VACUUM 18GAL FOR SHOP
64568	6/25/2018	BUENA TOOL COMPANY	424.13	CHARGER/IMPACT WRENCH 4 FLEET
64568	6/25/2018	BUENA TOOL COMPANY	108.75	BATTERY 20V FOR FLEET
		<b>BUENA TOOL COMPANY Total</b>	715.53	
64623	6/29/2018	C.A. LARSEN CO.	230.00	FEMA INSPECT TO/FROM LAKE
64623	6/29/2018	C.A. LARSEN CO.	300.00	SITE SURVEY/PROJ PLAN FOR JUNC
64623	6/29/2018	C.A. LARSEN CO.	2,377.19	INSTL TOILET AND WASH STN JUNC
64623	6/29/2018	C.A. LARSEN CO.	1,017.39	" MAG MTR INST FOR ARCH DRAIN
64623	6/29/2018	C.A. LARSEN CO.	700.00	PLUMB RV PROPANE LINE 4 LAKE
64623	6/29/2018	C.A. LARSEN CO.	913.06	WEIRHOUSE FAB/INSTALL 4" MAG
		<b>C.A. LARSEN CO. Total</b>	5,537.64	
0	6/11/2018	CAL PERS	12,859.90	PP #12 PENSION CONTRIBUTION
0	6/25/2018	CAL PERS	13,074.56	PP #13 PENSION CONTRIBUTION
		<b>CAL PERS Total</b>	25,934.46	
64626	6/29/2018	CALIFORNIA BANK & TRUST	295,209.64	PRIN - DWR ORTEGA LOAN
		<b>CALIFORNIA BANK &amp; TRUST Total</b>	295,209.64	
64569	6/25/2018	CALIFORNIA ELECTRIC	68.98	108' CONDUIT FOR JAMESON
64569	6/25/2018	CALIFORNIA ELECTRIC	68.64	CONDUIT FOR BVTP
64627	6/29/2018	CALIFORNIA ELECTRIC	123.63	CONDUIT WIRE FOR LAKE
		<b>CALIFORNIA ELECTRIC Total</b>	261.25	

Number	Pay Date	Vendor	AMT	DESCRIPTION
0	6/18/2018	CALPERS	500.00	ADMIN FEE (ARREARS) L. CAMP
		<b>CALPERS Total</b>	500.00	
64628	6/29/2018	CANNON CORPORATION	37,758.65	FEMA PROJ H1,H3,H4,H6 DES/ENG
		<b>CANNON CORPORATION Total</b>	37,758.65	
64629	6/29/2018	CANON FINANCIAL SERV	321.60	OFC CANON LEASE JUN 2018
		<b>CANON FINANCIAL SERV Total</b>	321.60	
64571	6/25/2018	CARP VALLEY LUMBER CO	82.48	JAMESON LK WTR TRMT SYSTEM
		<b>CARP VALLEY LUMBER CO Total</b>	82.48	
64572	6/25/2018	CARQUEST AUTO PARTS	(57.77)	CREDIT RETURN FOR BRK PADS
64572	6/25/2018	CARQUEST AUTO PARTS	(61.84)	CREDIT RETURN FOR PRESS RGLTR
64572	6/25/2018	CARQUEST AUTO PARTS	135.48	TRK #149 REPAIRS
64572	6/25/2018	CARQUEST AUTO PARTS	30.16	TRK # 143 REPAIRS
64572	6/25/2018	CARQUEST AUTO PARTS	30.91	TRK #158 #167 & #177 REPAIRS
64572	6/25/2018	CARQUEST AUTO PARTS	334.80	TRK #158 REPAIRS
64572	6/25/2018	CARQUEST AUTO PARTS	12.47	TRAILER ADAPTER FOR LAKE USE
64572	6/25/2018	CARQUEST AUTO PARTS	23.90	TRK #155 REPAIRS
64630	6/29/2018	CARQUEST AUTO PARTS	19.60	TRK #158 REPAIRS
		<b>CARQUEST AUTO PARTS Total</b>	467.71	
64625	6/29/2018	CCRB	34,765.00	1ST QTR BUDGET ASSESS 2018/19
		<b>CCRB Total</b>	34,765.00	
0	6/11/2018	CITISTREET - CALPERS 457	3,050.84	PP #12 457 CONTRIBUTION
0	6/25/2018	CITISTREET - CALPERS 457	3,050.84	PP #13 457 CONTRIBUTION
		<b>CITISTREET - CALPERS 457 Total</b>	6,101.68	
64519	6/15/2018	CITY OF SANTA BARBARA	266,109.05	MUTUAL AID COSTS/EQUIP/PRSNL
		<b>CITY OF SANTA BARBARA Total</b>	266,109.05	
64573	6/25/2018	COHEN & BURGE LLP	31,617.00	MUDSLIDE/SCE/LENO/ENG/COMB
64573	6/25/2018	COHEN & BURGE LLP	1,584.00	NESBITT LEGAL
		<b>COHEN &amp; BURGE LLP Total</b>	33,201.00	
64520	6/15/2018	COLANTUONO, HIGHSMITH	1,432.40	NESBITT CLASS ACTION
64520	6/15/2018	COLANTUONO, HIGHSMITH	915.00	NESBITT CLASS ACTN
		<b>COLANTUONO, HIGHSMITH Total</b>	2,347.40	
64631	6/29/2018	COLONIAL LIFE	533.66	INSUR PREM RE: 6/11 & 6/25/18
		<b>COLONIAL LIFE Total</b>	533.66	
64521	6/15/2018	COMPUVISION	1,778.13	PHONE SYS/RAY SSD/BV SCAN
64561	6/15/2018	COMPUVISION	1,259.96	DEP FOR ENG WORKSTATION
64574	6/25/2018	COMPUVISION	1,128.00	SPAM FILTER 7/1/18-12/31/18
64632	6/29/2018	COMPUVISION	695.00	MTHLY DATTO CLOUD BACK-UP
		<b>COMPUVISION Total</b>	4,861.09	
64522	6/15/2018	COX COMMUNICATIONS	724.26	ADMIN PHONE/INTERNET JUN18
64575	6/25/2018	COX COMMUNICATIONS	647.56	BVTP TELEPHONE/INTERNET JUN18
		<b>COX COMMUNICATIONS Total</b>	1,371.82	
64633	6/29/2018	DAL POZZO TIRE CORP	219.57	TRK #149 REPAIRS
		<b>DAL POZZO TIRE CORP Total</b>	219.57	
64634	6/29/2018	DANIEL RODRIGUEZ	1,397.07	ACE18 AWWA CONF LAS VEGAS
		<b>DANIEL RODRIGUEZ Total</b>	1,397.07	
64523	6/15/2018	DATAPROSE LLC	2,531.46	MAIL SRVC-MAY2018 STMT/POSTAGE
		<b>DATAPROSE LLC Total</b>	2,531.46	
64617	6/28/2018	DEPARTMENT OF WATER	37,031.00	2018 ANNUAL DAM FEES
		<b>DEPARTMENT OF WATER Total</b>	37,031.00	

Number	Pay Date	Vendor	AMT	DESCRIPTION
64524	6/15/2018	DICKSON	436.99	CALIBRATION OF DATA LOGGER
64576	6/25/2018	DICKSON	228.04	DATA LOGGER CALIBRATION
		<b>DICKSON Total</b>	665.03	
64577	6/25/2018	DIENER'S ELECTRIC, INC.	11,380.00	REBUILD CASA DORINDA BOOSTER
		<b>DIENER'S ELECTRIC, INC. Total</b>	11,380.00	
64578	6/25/2018	DINO'S BODY SHOP	2,927.91	TRK #177 REPAIRS LOSS DTE 4/12
		<b>DINO'S BODY SHOP Total</b>	2,927.91	
64525	6/15/2018	DOCUPRODUCTS	76.87	CANON 6055 BASE RTE 6/12-7/11
		<b>DOCUPRODUCTS Total</b>	76.87	
64526	6/15/2018	DUDEK	4,108.75	PROF SRVCS 3/31 TO 4/27/18
64579	6/25/2018	DUDEK	4,247.50	US CMRCE FUNDG/NEXUS NARRATIVE
64579	6/25/2018	DUDEK	1,041.25	MWD EMERG PERMIT SRVCS
64635	6/29/2018	DUDEK	6,631.25	SGMA PROF SRVCS 4/28 TO 5/25
		<b>DUDEK Total</b>	16,028.75	
64562	6/15/2018	EWING	57.54	SHOP SUPPS
		<b>EWING Total</b>	57.54	
64528	6/15/2018	FGL ENVIRONMENTAL	74.00	WTR SAMPLE ANALYSIS 04/23
64528	6/15/2018	FGL ENVIRONMENTAL	108.00	WTR SAMPLE ANALYSIS 05/09
64528	6/15/2018	FGL ENVIRONMENTAL	17.00	WTR SAMPLE ANALYSIS 05/07
64528	6/15/2018	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 05/07
64528	6/15/2018	FGL ENVIRONMENTAL	68.00	WTR SAMPLE ANALYSIS 05/07
64528	6/15/2018	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 05/07
64528	6/15/2018	FGL ENVIRONMENTAL	560.00	WTR SAMPLE ANALYSIS 05/07
64528	6/15/2018	FGL ENVIRONMENTAL	473.00	WTR SAMPLE ANALYSIS 05/09
64528	6/15/2018	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 05/14
64528	6/15/2018	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 05/14
64580	6/25/2018	FGL ENVIRONMENTAL	937.00	WTR SAMPLE ANALYSIS 04/11
64580	6/25/2018	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 04/30
64580	6/25/2018	FGL ENVIRONMENTAL	74.00	WTR SAMPLE ANALYSIS 04/30
64580	6/25/2018	FGL ENVIRONMENTAL	110.00	WTR SAMPLE ANALYSIS 05/07
64580	6/25/2018	FGL ENVIRONMENTAL	264.00	WTR SAMPLE ANALYSIS 05/07
64580	6/25/2018	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 05/14
64580	6/25/2018	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 05/21
64580	6/25/2018	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 05/29
64580	6/25/2018	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 05/28
64580	6/25/2018	FGL ENVIRONMENTAL	74.00	WTR SAMPLE ANALYSIS 05/23
64580	6/25/2018	FGL ENVIRONMENTAL	74.00	WTR SAMPLE ANALYSIS 05/29
64580	6/25/2018	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 05/29
64580	6/25/2018	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 05/29
64580	6/25/2018	FGL ENVIRONMENTAL	68.00	WTR SAMPLE ANALYSIS 06/04
64580	6/25/2018	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 06/04
64636	6/29/2018	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 05/22
64636	6/29/2018	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 05/22
64636	6/29/2018	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 06/04
64636	6/29/2018	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 06/11
		<b>FGL ENVIRONMENTAL Total</b>	5,153.00	

Number	Pay Date	Vendor	AMT	DESCRIPTION
64582	6/25/2018	FRED C GILBERT CO	40.88	BVTP VALVE KIT
		<b>FRED C GILBERT CO Total</b>	40.88	
64529	6/15/2018	FRONTIER	45.95	TELEMTERY LINE 06/07
		<b>FRONTIER Total</b>	45.95	
64530	6/15/2018	FUEL SMART SB	1,759.57	FUEL PURCHASES THRU 6/05
64637	6/29/2018	FUEL SMART SB	2,099.31	FUEL PURCHASES THRU 6/19
		<b>FUEL SMART SB Total</b>	3,858.88	
64583	6/25/2018	GENERAL PUMP COMPANY	16,630.72	BVTP PUMP REPAIR/MATL/STRTPUP
		<b>GENERAL PUMP COMPANY Total</b>	16,630.72	
64531	6/15/2018	GLOBAL POWER SUPPLY	3,469.72	GEN RENTAL 2347 EVR 3/1-3/6
		<b>GLOBAL POWER SUPPLY Total</b>	3,469.72	
64532	6/15/2018	GRAINGER INC.	5.61	JAMESON SUPPS
64532	6/15/2018	GRAINGER INC.	14.88	JAMESON SUPPS
64584	6/25/2018	GRAINGER INC.	51.28	BVTP WALL CLOCK
64584	6/25/2018	GRAINGER INC.	17.40	BVTP HEX BUSHING
64584	6/25/2018	GRAINGER INC.	162.53	ORTEGA PUMP STN MONITOR
64584	6/25/2018	GRAINGER INC.	121.28	BVTP PRESSURE GAUGE
64638	6/29/2018	GRAINGER INC.	852.13	BVTP SUMP PUMP/CHK VALVE
		<b>GRAINGER INC. Total</b>	1,225.11	
64585	6/25/2018	GRAYBAR	572.97	ORTEGA PUMP STATION 100HP VFD
		<b>GRAYBAR Total</b>	572.97	
64639	6/29/2018	HACH COMPANY	325.06	PROBE/STRGE SOLUTION 4 BVTP
64639	6/29/2018	HACH COMPANY	729.00	BV WTR QLTY MAINT/SRVC AGMRT
		<b>HACH COMPANY Total</b>	1,054.06	
0	6/11/2018	HARTFORD LIFE INS CO	25.00	PP #12 457 CONTRIBUTION
0	6/25/2018	HARTFORD LIFE INS CO	25.00	PP #13 457 CONTRIBUTION
		<b>HARTFORD LIFE INS CO Total</b>	50.00	
64640	6/29/2018	HELENE Z. POLLOCK	1,071.27	REF CONST DEP 2360 LILLIE AVE
		<b>HELENE Z. POLLOCK Total</b>	1,071.27	
64641	6/29/2018	IBS OF SIERRA MADRE	95.56	BATTERY
		<b>IBS OF SIERRA MADRE Total</b>	95.56	
64533	6/15/2018	IRON MOUNTAIN	39.56	ADMIN SHRED SRVCS MAY2018
		<b>IRON MOUNTAIN Total</b>	39.56	
0	6/25/2018	JAN E ABEL	291.46	RETIREE MED/PRESC REIMB - JULY
		<b>JAN E ABEL Total</b>	291.46	
64586	6/25/2018	LASH CONSTRUCTION INC.	458.31	ASPHALT DEBRIS DUMP FEE
		<b>LASH CONSTRUCTION INC. Total</b>	458.31	
0	6/11/2018	LINCOLN FINANCIAL	1,650.00	PP #12 457 CONTRIBUTION
0	6/25/2018	LINCOLN FINANCIAL	1,650.00	PP #13 457 CONTRIBUTION
64587	6/25/2018	LINCOLN FINANCIAL	1,071.91	LTD INSUR PREM - JULY 2018
		<b>LINCOLN FINANCIAL Total</b>	4,371.91	
64534	6/15/2018	MARBORG DISPOSAL CO.	75.78	DTP PORTABLE RESTRM MAY18
64534	6/15/2018	MARBORG DISPOSAL CO.	706.27	3 YRD TRASH/RECYCLE MAY18
64534	6/15/2018	MARBORG DISPOSAL CO.	133.92	25 YRD ROLL OFF MAY18
64642	6/29/2018	MARBORG DISPOSAL CO.	413.84	11YRD ROLL OFF/RECYCLE JUN18
		<b>MARBORG DISPOSAL CO. Total</b>	1,329.81	
64588	6/25/2018	MARK SANCHEZ	245.35	2018 ACE18 AWWA CONF LAS VEGAS
		<b>MARK SANCHEZ Total</b>	245.35	

Number	Pay Date	Vendor	AMT	DESCRIPTION
64643	6/29/2018	MARTHA S. LANGE	2,039.15	MAY 1-31 FEMA DATA GATHERING
		<b>MARTHA S. LANGE Total</b>	2,039.15	
64589	6/25/2018	McCALL'S METERS INC	49.55	130 SANTA ISABEL LN MTR TEST
		<b>McCALL'S METERS INC Total</b>	49.55	
64535	6/15/2018	MCCORMIX CORP.	224.93	FLEET OIL PURCHASE 5GAL
64535	6/15/2018	MCCORMIX CORP.	456.87	FUEL CHARGES THRU 5/31
		<b>MCCORMIX CORP. Total</b>	681.80	
64590	6/25/2018	MICHAEL BAKER INTL	277.50	PROF CONSULT SRVC THRU 6/03
		<b>MICHAEL BAKER INTL Total</b>	277.50	
64536	6/15/2018	MISSION LINEN SUPPLY	(15.09)	CREDIT FOR DIST AIR FRESHNR
64536	6/15/2018	MISSION LINEN SUPPLY	117.45	NTHFACE JKT - CHINO TORRES
64536	6/15/2018	MISSION LINEN SUPPLY	117.45	NTHFACE JKT - NICK TURNER
64536	6/15/2018	MISSION LINEN SUPPLY	117.45	NTHFACE JKT - RYAN RODRIGUEZ
64536	6/15/2018	MISSION LINEN SUPPLY	117.45	NTHFACE JKT - DARYL SMITH
64536	6/15/2018	MISSION LINEN SUPPLY	100.03	TRTMENT UNIF SRVC 05/29
64536	6/15/2018	MISSION LINEN SUPPLY	133.78	TRTMENT UNIF SRVC 06/05
64536	6/15/2018	MISSION LINEN SUPPLY	312.62	JOES CHUA POLOS/RAY PERSNL
64591	6/25/2018	MISSION LINEN SUPPLY	268.95	DIST UNIFORM SRVC - 06/05
64591	6/25/2018	MISSION LINEN SUPPLY	366.10	DIST UNIFORM SRVC - 6/12
64591	6/25/2018	MISSION LINEN SUPPLY	242.69	DIST UNIFORM SRVC - 06/19
64644	6/29/2018	MISSION LINEN SUPPLY	90.94	TRMT UNIF SRVC - 06/26
		<b>MISSION LINEN SUPPLY Total</b>	1,969.82	
64592	6/25/2018	MNS ENGINEERS INC	12,967.50	HYDROL MDLING/TECH STDY APR18
		<b>MNS ENGINEERS INC Total</b>	12,967.50	
64538	6/15/2018	MONTECITO FIRE	5,495.17	DIESEL FUEL PURCH 6/22 TO 1221
		<b>MONTECITO FIRE Total</b>	5,495.17	
64539	6/15/2018	MONTECITO HARDWARE	9.69	BVTP SUPPS
64539	6/15/2018	MONTECITO HARDWARE	53.85	BVTP SUPPS
64539	6/15/2018	MONTECITO HARDWARE	4.74	BVTP SUPPS
64593	6/25/2018	MONTECITO HARDWARE	58.10	BVTP BROOM/SCISSORS/HOOKS
64646	6/29/2018	MONTECITO HARDWARE	43.04	PARTS FOR DIST GEN REPAIRS
64646	6/29/2018	MONTECITO HARDWARE	33.26	WET/DRY SANDPAPER/STROAGE BOX
64646	6/29/2018	MONTECITO HARDWARE	13.01	TWEEZERS
64646	6/29/2018	MONTECITO HARDWARE	25.84	BVTP BALL VALVE (2)
64646	6/29/2018	MONTECITO HARDWARE	14.96	TRK #155 REPAIRS
		<b>MONTECITO HARDWARE Total</b>	256.49	
64645	6/29/2018	MONTECITO JOURNAL	302.90	1/4PG SUMMER AD JUN 21
		<b>MONTECITO JOURNAL Total</b>	302.90	
64540	6/15/2018	NBS GOV'T FINANCE	620.00	RATE STUDY PROF SRVCS 5/31
		<b>NBS GOV'T FINANCE Total</b>	620.00	
64541	6/15/2018	OCCU-MED LTD	271.00	RYAN RODRIGUEZ MED EXAM FEE
		<b>OCCU-MED LTD Total</b>	271.00	
0	6/11/2018	PAYLOCITY CORP	102.40	PAYROLL FEES END 06/08; PP #12
0	6/25/2018	PAYLOCITY CORP	201.66	PAYROLL FEES END 6/22; PP #13
0	6/11/2018	PAYLOCITY CORP	28,922.73	PP #12 TAX DEPOSIT
0	6/25/2018	PAYLOCITY CORP	28,752.27	PP #13 TAX DEPOSIT
		<b>PAYLOCITY CORP Total</b>	57,979.06	
64594	6/25/2018	PIERRE LANDSCAPE, INC	13,385.00	BV FLOOD CLEANUP/REPAIRS
		<b>PIERRE LANDSCAPE, INC Total</b>	13,385.00	
64542	6/15/2018	PITNEY BOWES	150.00	POSTAGE MTR REFILL 5/25
		<b>PITNEY BOWES Total</b>	150.00	

Number	Pay Date	Vendor	AMT	DESCRIPTION
64595	6/25/2018	PRAXAIR DISTRIBUTION	116.80	GRINDER FOR FLEET
64595	6/25/2018	PRAXAIR DISTRIBUTION	241.32	TRK #178 REPAIRS
		<b>PRAXAIR DISTRIBUTION Total</b>	358.12	
64596	6/25/2018	PRISCILLA HOLMES	560.00	WTR QTLY RPT 2018 GRAPHIC DESN
		<b>PRISCILLA HOLMES Total</b>	560.00	
64597	6/25/2018	PROBER LAND SURVEY	4,095.00	HIGHLINE RPRS ROMERO CRK
		<b>PROBER LAND SURVEY Total</b>	4,095.00	
64647	6/29/2018	PUEBLO WATER RES.	2,460.00	LAS ENTRADAS #1 WELLCASING RPR
		<b>PUEBLO WATER RES. Total</b>	2,460.00	
64598	6/25/2018	PURETEC	69.78	BVTP CHEMICAL SUPPS
		<b>PURETEC Total</b>	69.78	
64599	6/25/2018	RAUCH COMMUNICATION	440.00	PUB OUTREACH/SOC MEDIA/LTRHED
64599	6/25/2018	RAUCH COMMUNICATION	544.50	MONT JRNL AD/ENEWS/DEC18 WEB
		<b>RAUCH COMMUNICATION Total</b>	984.50	
64600	6/25/2018	RED WING BUSINESS	241.33	SAFETY BOOTS - R ROMERO
64600	6/25/2018	RED WING BUSINESS	244.29	SAFETY BOOTS - J CARRILLO
64600	6/25/2018	RED WING BUSINESS	233.53	SAFETY BOOTS - PETANOVICH
		<b>RED WING BUSINESS Total</b>	719.15	
64543	6/15/2018	RICHARD SHAIKEWITZ	72.04	SPEC DIST BUELLTON 05/02/18
		<b>RICHARD SHAIKEWITZ Total</b>	72.04	
64544	6/15/2018	RICKLY HYDROLOGICAL	276.86	EVAPORATION STATION
		<b>RICKLY HYDROLOGICAL Total</b>	276.86	
64545	6/15/2018	ROB SCHWAGER	1,265.68	REF PROJ B13-945 LILAC DRIVE
		<b>ROB SCHWAGER Total</b>	1,265.68	
64513	6/06/2018	ROBERT G. TSUKAMOTO	4,006.40	EAST VLY PUMP STN SFTWARE INST
64513	6/06/2018	ROBERT G. TSUKAMOTO	300.00	BARKER PASS REPAIRS
64513	6/06/2018	ROBERT G. TSUKAMOTO	150.00	BARKER PASS REPAIRS
		<b>ROBERT G. TSUKAMOTO Total</b>	4,456.40	
64609	6/25/2018	S. HANSON LANDSCAPING	3,249.00	DOULTON TP PROPANE TANK REPAIR
		<b>S. HANSON LANDSCAPING Total</b>	3,249.00	
64648	6/29/2018	S.B. CO. PUBLIC WORKS	95.00	840 RIVEN ROCK PER #107-003/18
		<b>S.B. CO. PUBLIC WORKS Total</b>	95.00	
64546	6/15/2018	S.B. HOME IMPR CNTR	6.07	SHOP SUPPS
64601	6/25/2018	S.B. HOME IMPR CNTR	69.56	ROPE FOR JAMESON LAKE
64601	6/25/2018	S.B. HOME IMPR CNTR	45.65	LAKE RV SHADE FOR TEMP HOUSING
		<b>S.B. HOME IMPR CNTR Total</b>	121.28	
64602	6/25/2018	S.B. LOCKSMITHS, INC.	919.27	JAMESON MASTER LOCKS
64649	6/29/2018	S.B. LOCKSMITHS, INC.	101.10	3 REKEYS/CYLINDERS FOR JAMESON
64649	6/29/2018	S.B. LOCKSMITHS, INC.	75.00	3 REKEYS FOR JAMESON LKE
		<b>S.B. LOCKSMITHS, INC. Total</b>	1,095.37	
64603	6/25/2018	SAF-T-FLO INDUSTRIES	165.85	BVTP SUPPS
		<b>SAF-T-FLO INDUSTRIES Total</b>	165.85	
64548	6/15/2018	SALS & BROTHERS	900.00	ADMIN GROUNDS MAINT MAY18
		<b>SALS &amp; BROTHERS Total</b>	900.00	
64604	6/25/2018	SATCOM DIRECT INC	46.95	JAMESON SATELITE PHONE MAY18
		<b>SATCOM DIRECT INC Total</b>	46.95	
64549	6/15/2018	SB LANDSCAPING	750.00	FLOOD CLNUP/DMG TO PROP UTIL
		<b>SB LANDSCAPING Total</b>	750.00	
64605	6/25/2018	SHERWIN WILLIAMS	53.23	BVTP PAINT SUPPLIES
64650	6/29/2018	SHERWIN WILLIAMS	237.00	DIST PAINT SUPPLIES
		<b>SHERWIN WILLIAMS Total</b>	290.23	

Number	Pay Date	Vendor	AMT	DESCRIPTION
64550	6/15/2018	SMARDAN HATCHER CO.	207.58	REGULATORS FOR SHOP
64651	6/29/2018	SMARDAN HATCHER CO.	154.38	PLUMBING SUPPS
64651	6/29/2018	SMARDAN HATCHER CO.	112.23	ORTEGA FIRE PUMP MISC PARTS
		<b>SMARDAN HATCHER CO. Total</b>	474.19	
64551	6/15/2018	SOAP MAN	228.11	DIST/ADMIN SUPPS
64606	6/25/2018	SOAP MAN	113.57	TRMT TOWELS/LOTION/SOAP SUPPS
		<b>SOAP MAN Total</b>	341.68	
64607	6/25/2018	SOUTHERN CALIF EDISON	26,597.24	MTHLY ELEC SRVC 4/26 TO 5/26
		<b>SOUTHERN CALIF EDISON Total</b>	26,597.24	
64552	6/15/2018	SOUTHERN CALIF GAS CO	15.78	ADMIN GAS SRVC 5/03-6/04
64552	6/15/2018	SOUTHERN CALIF GAS CO	0.86	BVTP GAS SRVC 5/02-6/01
		<b>SOUTHERN CALIF GAS CO Total</b>	16.64	
64652	6/29/2018	SPECIALTY TOOL & BOLT	57.75	BATTERIES FOR REGULATORS
		<b>SPECIALTY TOOL &amp; BOLT Total</b>	57.75	
64608	6/25/2018	STAPLES ADVANTAGE	19.98	OFFICE COFFEE 2 x 12OZ BAGS
64653	6/29/2018	STAPLES ADVANTAGE	15.07	OFFICE SUPPS
64653	6/29/2018	STAPLES ADVANTAGE	57.08	OFFICE SUPPS
64653	6/29/2018	STAPLES ADVANTAGE	600.62	PAPER/TONER/OFC SUPPS
64653	6/29/2018	STAPLES ADVANTAGE	107.48	BVTP SUPPS/PAPER CLEANING SUPP
		<b>STAPLES ADVANTAGE Total</b>	800.23	
64654	6/29/2018	THOMAS R. WIDROE	6,667.00	2ND INSTALL/ENGINEER ASST
		<b>THOMAS R. WIDROE Total</b>	6,667.00	
64553	6/15/2018	TIERRA CONTRACTING	24,301.10	TEMP BRIDGE RPR OF WTR MAIN
64610	6/25/2018	TIERRA CONTRACTING	1,031.25	FEMA RPRS M11: 584 EVR BRIDGE
64655	6/29/2018	TIERRA CONTRACTING	4,057.46	VALVE RPR AT EAST VLY 1700BLK
		<b>TIERRA CONTRACTING Total</b>	29,389.81	
64554	6/15/2018	TOTAL COMPENSATION	1,530.00	GASB75 VALUATION - 1ST INSTAL
		<b>TOTAL COMPENSATION Total</b>	1,530.00	
64555	6/15/2018	TOWERS CLEANING	474.60	ADMIN JANITORIAL SRVC MAY18
		<b>TOWERS CLEANING Total</b>	474.60	
64556	6/15/2018	TRAFFIC TECHNOLOGIES	10,786.44	SAFETY EQUIP/TRAFFIC CNTRL
		<b>TRAFFIC TECHNOLOGIES Total</b>	10,786.44	
64611	6/25/2018	TYLER TECHNOLOGIES	105.00	WEBSITE MAINT JUN 1-30, 2018
64611	6/25/2018	TYLER TECHNOLOGIES	2,036.62	CRM MOBILE SRVR JUL2018/JUN19
		<b>TYLER TECHNOLOGIES Total</b>	2,141.62	
64557	6/15/2018	UNITED HEALTHCARE	191.88	MED RET BENFT - AYALA JUL2018
		<b>UNITED HEALTHCARE Total</b>	191.88	
64558	6/15/2018	UPS	12.98	BVTP WTR SAMPLE 06/05
64558	6/15/2018	UPS	107.75	BVTP WTR SMPL TO EUROFINS
64558	6/15/2018	UPS	11.98	SHIP DATA LOGGER TO DICKSON
64656	6/29/2018	UPS	11.78	SHIPPING-MTR TEST 130 STA ISAB
64656	6/29/2018	UPS	21.11	BVTP WTR SAMPLE TO EUROFINS
		<b>UPS Total</b>	165.60	
64612	6/25/2018	USA BLUEBOOK	520.02	BVTP BALL VALVE - VLY CLUB WEL
		<b>USA BLUEBOOK Total</b>	520.02	
64657	6/29/2018	USC FOUNDATION	120.00	ANNUAL RENEWAL 7/1/18-6/30/19
		<b>USC FOUNDATION Total</b>	120.00	
64658	6/29/2018	VENTURA STEEL, INC.	11.85	TRK #178 REPAIRS
		<b>VENTURA STEEL, INC. Total</b>	11.85	

Number	Pay Date	Vendor	AMT	DESCRIPTION
64570	6/25/2018	VOID	-	VOID
64570	6/25/2018	VOID	-	VOID
64527	6/15/2018	VOID	-	VOID
64547	6/15/2018	VOID	-	VOID
64559	6/15/2018	VOID	-	VOID
64615	6/27/2018	VOID	-	VOID
64616	6/27/2018	VOID	-	VOID
64624	6/29/2018	VOID	-	VOID
		<b>VOID Total</b>	-	
64516	6/15/2018	VOID - STUB - CK #64515	-	STUB
		<b>VOID - STUB - CK #64515 Total</b>	-	
64537	6/15/2018	VOID - STUB - CK #64536	-	STUB
		<b>VOID - STUB - CK #64536 Total</b>	-	
64581	6/25/2018	VOID - STUB - CK #64580	-	STUB
		<b>VOID - STUB - CK #64580 Total</b>	-	
0	6/11/2018	WELLS FARGO	2,662.52	MAY 2018 BANK ANALYSIS CHG
0	6/28/2018	WELLS FARGO	1,844.60	LATE CHARGE/INTEREST
		<b>WELLS FARGO Total</b>	4,507.12	
64563	6/15/2018	WESTERN EXTERM	69.50	MAY BVTP EXTERM SRVC
64563	6/15/2018	WESTERN EXTERM	118.00	MAY-JUN ADMIN RODENT CONTROL
64563	6/15/2018	WESTERN EXTERM	73.50	MAY ADMIN EXTERM SRVC
64564	6/21/2018	WESTERN EXTERM	2,040.00	ADMIN RODENT EXCL WORK 6/21
		<b>WESTERN EXTERM Total</b>	2,301.00	
64613	6/25/2018	WOODARD & CURRAN	9,200.14	RECYCLED WATER FEAS STUDY 5/18/18
		<b>WOODARD &amp; CURRAN Total</b>	9,200.14	
64560	6/15/2018	ZACHARIAS HUNT	2,507.00	GIS DATA UPDATE/PROG MAINT
		<b>ZACHARIAS HUNT Total</b>	2,507.00	
64659	6/29/2018	ZEE MEDICAL SERVICE	188.56	EARPLUGS FOR DIST
64659	6/29/2018	ZEE MEDICAL SERVICE	129.03	RESTOCK FIRST-AID FOR DIST
		<b>ZEE MEDICAL SERVICE Total</b>	317.59	
		<b>Grand Total</b>	1,091,685.41	



**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 3-C**

**DATE: JULY 24, 2018**

**TO: BOARD OF DIRECTORS**

**FROM: BUSINESS DEPARTMENT**

**SUBJECT: DISTRICT FUNDS**

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For your information, the District's current invested reserve portfolio, as of 6/30/18, is as follows:

<b>Unrestricted Reserve Funds</b>	<b>Date</b>	<b>Principal</b>
Wells Fargo Checking	6/30/2018	\$1,471,000
American Riviera Checking	6/30/2018	\$499,917
American Riviera Money Market	6/30/2018	\$756,255
Schwab	6/30/2018	\$4,915,771
CCWA Credit Balance Fund	6/30/2018	\$137,044
	<b>TOTAL</b>	<b>\$7,779,987</b>

<b>Restricted Reserve Funds</b>	<b>Date</b>	<b>Principal</b>
Bank of New York-2010 A Bond Reserve Fund	6/30/2018	\$1,796,055
California Bank & Trust DWR Ortega Loan Reserve	6/30/2018	\$590,413
CCWA Rate Coverage Reserve Fund	6/30/2018	\$1,427,123
	<b>TOTAL</b>	<b>\$3,813,591</b>



**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-A**

**DATE: JULY 24, 2018**

**TO: BOARD OF DIRECTORS**

**FROM: GENERAL MANAGER**

**SUBJECT: FY 2018/19 WATER AVAILABILITY CHARGE (WAC) PROGRAM**

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**RECOMMENDATION:**

1. Conduct a Public Hearing regarding continuation of the Water Availability Charge Program for fiscal year 2018/19;
2. Following consideration of public comments and protests (if any) from the Public Hearing, adopt Resolution No. 2168 establishing the Water Availability Charge for fiscal year 2018/19

**DISCUSSION:**

The Montecito Water District (District) is holding a public hearing to continue the Water Availability Charge (WAC) Program as originally established in 1996 in Resolution No. 1816, pursuant to California Water Code § 31032.1. On June 26, 2018, the District mailed a Notice of Public Hearing regarding the WAC to the owner(s) of all properties located within the District's service area boundary as required by California Water Code § 31032.2. As a requirement of a public hearing, the District also posted a public notice of the scheduled public hearing in the Montecito Journal on July 5 and July 12, 2018.

The WAC program assesses a charge of \$30 per acre or part thereof less than a full acre for the first five acres. For parcels 5-10, 10-20 and above 20 acres, the cost per acre or part thereof less than a full acre is \$25, \$20 and \$5, respectively. The charge is levied on all properties located within the District's service area boundary, including those properties without a District water meter. The District collects approximately \$300,000 from the WAC charge on an annual basis. The charge provides funding for the cost of replacing certain infrastructure to enhance the reliability of the District's water distribution system. The WAC is a vital revenue component of the District's ongoing capital improvement program focusing efforts on the replacement of vulnerable, aging, and undersized water mains and to improve the reliability of the District's distribution system.

The WAC was originally approved in 1996 and included a list of priority projects at an estimated cost of \$5.1M. The 39 original projects were identified in 1996 as high priority, either due to their poor condition or to improve the distribution of water to

customers. Following a review and re-prioritization in 2006, the Board of Directors removed 10 projects from the list, leaving a total of 29 projects, shown in Table 1. To date, the District has completed 26 of the 29 projects from the original WAC project list. The District has plans to complete the Santa Rosa Lane Water Main Replacement project in FY2019/20.

**Table 1 - WAC Project Completion Report**

	<b>Project</b>	<b>Year</b>	<b>Construction</b>	<b>Pipe</b>
<b>No.</b>	<b>Name</b>	<b>Installed</b>	<b>Cost</b>	<b>Length</b>
<b>COMPLETED 1996 WAC PROJECTS</b>				
1	Chelham Way	1924	\$265,240	2348
2	Humphrey Road	1923	\$82,606	1460
3	Parra Grande Ln.	1924	\$101,801	900
4	Toro Canyon Road @ East Valley Rd.	1924	\$93,569	955
5	Picacho Lane	1924	\$371,325	4436
6	Pimiento Lane	1927	\$130,124	1480
7	Coast Village Circle	1923	\$145,587	1585
8	US 101 Crossing @ Ocean View	-	\$183,926	500
9	Hill Road (Butterfly Ln. to FH 47)	1923	\$94,485	1530
10	East Mountain Drive Main Extension	New	\$50,082	507
11	Lower Toro Canyon Road	1926	\$248,290	2418
12	South Jameson Ln.	New	\$55,108	603
13	Posilipo Lane	1945	\$89,881	250
14	Sheffield Drive	1924	\$147,275	1990
15	Lilac Drive (Romero to Oak Grove)	1927	\$285,000	2950
16	Hermosillo Road	1925	\$80,599	1051
17	Sycamore Cyn Rd (Stoddard to Dawlish)	1926	\$423,024	2451
18	Ortega Hill Road and regulator	-	\$71,707	720
19	Pressure Regulating Station Upgrades	-	\$47,460	0
20	E. Mtn Dr/Coyote Rd Pump Station	-	\$255,808	0
21	Virginia Road	1932	\$131,360	990
22	Alston Road	1923	\$132,500	2160
23	Varley and Colby Street	-	\$80,230	650
24	Hollister Avenue	-	\$66,776	352
25	Golden Gate Ave (Banner)	-	\$96,940	430
26	Tollis Ave & Olive Road	1927	\$348,880	2,270
			<b>TOTAL COMPLETED</b>	<b>\$4,079,583</b>
				<b>34,986</b>

REMAINING 1996 WAC PROJECTS				
27	Toro Reservoir Outlet Main Upgrade	1937	\$270,000	1,780
28	Knollwood Drive	1927	\$210,000	1,200
29	Santa Rosa Lane (San Ysidro to Amapola)	1923	\$1,200,000	4,330
TOTAL REMAINING			<b>\$1,680,000</b>	<b>7,310</b>
GRAND TOTAL			<b>\$5,759,583</b>	<b>42,296</b>

### Water Main Breaks Resulting from Aging Infrastructure

Water main breaks cause a loss of water, unscheduled water service outages, inconvenience to District customers and are an expensive allocation of District resources. The water main break frequency has increased in the last six years, likely attributed to a combination of aging infrastructure and the drought. District staff recommend continuing the replacement of aging infrastructure to maintain reliable water service to customers. **Table 2** provides a list of all main breaks during 2017. During 2017 there were 20 water main breaks, 11 of which were on 1920's pipelines.

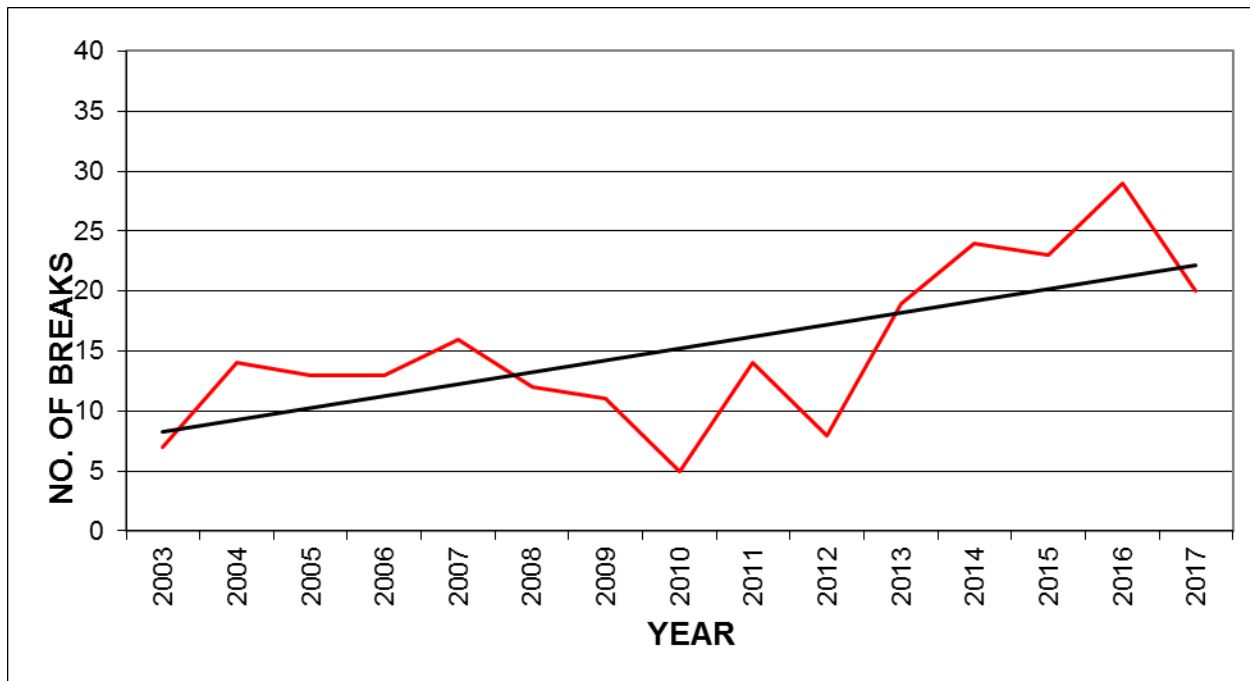
**Table 2 - 2017 Water Main Breaks**

#	Date	Add.	Street	Material	Diameter	Year	Type
1	01/01/17	2500	East Valley Road	CIP	10	1926	round
2	01/03/17	2899	Hidden Valley Ln	STL	12	1966	pinhole (on weld)
3	01/07/17	1415	School House Road	CIP	6	1923	round
4	01/26/17	2511	Olive Street	AC	6	1954	split
5	03/02/17	670	Lilac Drive	CIP	6	1927	round
6	03/04/17	1586	San Leandro Lane	STL	6	1923	pinholes
7	03/04/17	1579	San Leandro Lane	STL	6	1923	pinholes
8	04/05/17	2747	Macadamia Lane	CIP	6	1961	lead packing leak
9	05/17/17	2710	Sycamore Canyon Road	CIP	8	1923	split
10	05/23/17	351	Ridgecrest Lane	C900	4	1971	split
11	07/10/17	345	Ridgecrest Lane	C900	4	1971	split
12	07/21/17	583	San Ysidro Road	CIP	12	1964	joint failure
13	11/13/17	2536	Banner Avenue	AC	4	1954	round break
14	11/28/17		Monte Cristo at Channel Dr	CIP	6	1923	split
15	11/28/17	1499	Edgecliff Lane	CIP	4	1950	split
16	11/28/17	1399	School House Road	CIP	6	1923	round
17	12/13/17	1520	Las Tunas Road	CIP	6	1923	split
18	12/20/17	2440	Sycamore Canyon Road	CIP	8	1923	round
19	12/22/17	512	Santa Angela Lane	CIP	6	1951	round
20	12/27/17	895	Buena Vista Avenue	CIP	8	1924	round

CIP – Cast Iron Pipe, STL – Steel Pipe, AC – Asbestos Cement Pipe, C900 – Polyvinylchloride Pipe (PVC)

**Figure 1** illustrates the number of water main breaks that have occurred on an annual basis in the last 15 years. The figure does not include pipes smaller than 3 inches in diameter. The trend shows a relatively low number of main breaks through 2012 with a steady increase from 2013 to present. This increase is likely a result of postponed water main replacements during drought conditions since 2012.

**Figure 1 – Main Break Historical Trend**



**Capital Improvement Program**

In 2012 the District adopted a 5-year Capital Improvement Program targeting the replacement of a portion of the District’s 1920’s pipelines. The 5-year CIP is still representative of the District’s targeted water mains for replacement. The timing of implementation of the 5-year CIP was delayed in 2012 due to the ongoing drought. District evaluation and ranking of the various pre-1930’s pipelines resulted in a five-year capital improvement pipeline replacement program shown in Table 3 below. These projects have been listed order of their priority. Based on the District’s continuing need for capital improvements and replacements, the District expects that it will fully utilize the WAC funding on an annual basis for the foreseeable future.

**Table 3 - 5-Year CIP Program Project List**

Project Name	Amount of Pipeline Replaced (ft)	Year Pipeline Originally Installed	Estimated Cost
Sycamore Canyon Road Main Replacement Project	4,900	1923	\$1,812,270
Santa Rosa Lane Main Replacement Project	4,330	1923	\$1,167,447
Ashley Road Main Replacement Project	1,520	1924	\$422,080
East Valley Road Main Replacement Project (Orchard to Freehaven)	6,300	1926	\$1,852,640
Middle Road Main Replacement Project	2,645	1923	\$827,294
San Ysidro Road Main Replacement Project	1,420	1924	\$365,038
East Valley Road Main Replacement Project (Park Lane to Orchard)	4,855	1924	\$1,260,207
Cold Springs Road Main Replacement Project	5,625	1924	\$2,058,478
Hot Springs Road Main Replacement Project	6,200	1923	\$1,814,546
Buena Vista Drive Main Replacement Project	4,050	1924	\$1,109,696
Riven Rock & Para Grande Road Main Replacement Project	4,000	1924	\$1,039,734
Sheffield Drive Main Replacement Project	3,970	1926	\$975,689
Eucalyptus Lane Main Replacement Project	1,350	1924	\$404,847
<b>TOTAL</b>	<b>51,165</b>		<b>\$15,109,966</b>

**FY 2017/18 Completed Capital Improvements**

In FY 2017/18, the District completed the following capital improvements as shown in **Table 4**.

**Table 4  
FY 2017/18 Completed Capital Improvements**

	Project Description	Costs
1	Ashley Road Water Main Replacement	\$401,306
2	Picacho Lane PRV Replacement	\$63,863
3	Sycamore Canyon Water Main Replacement	\$945,581
4	Ortega Fire Pump Replacement	\$26,333
5	Highline Transmission Main Repairs	\$108,000
	<b>Total</b>	<b>\$1,545,083</b>

**FY 2018/19 Planned Capital Improvements**

For the FY 2018/19, the District is scheduling the replacement/relocation of pipelines and other infrastructure as shown in **Table 5**.

**Table 5**  
**FY2018/19 FY Proposed Capital Improvements**

	Project Description	Budget
1	Small (2") Main Replacements (4 locations)	\$200,000
2	US 101 Crossing @ Coast Village	\$200,000
3	Fernald Point Bridge Water Main Replacement	\$50,000
4	Doulton Treatment Plant Reclaim Tank	\$45,000
5	Buena Vista Reservoir Static Mixer	\$14,840
6	Casa Dorinda Pump Station	\$17,800
7	Highline Transmission Main Repairs	\$187,500
	<b>Total</b>	<b>\$715,140</b>

**RESOLUTION NO. 2168**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MONTECITO WATER DISTRICT  
ESTABLISHING A WATER AVAILABILITY CHARGE FOR  
IMPLEMENTATION OF A WATER DISTRIBUTION  
SYSTEM UPGRADE AND ORDERING THE  
FILING WITH THE COUNTY AUDITOR  
OF A REPORT FOR FISCAL YEAR 2018-2019  
TO BE PLACED ON AND COLLECTED BY MEANS  
OF THE COUNTY TAX ROLL**

**WHEREAS**, the Board of Directors has determined that a major program for upgrade and replacement of portions of the District’s water distribution system (“Upgrade Program”) is necessary; and

**WHEREAS**, Section 31032.1 of the California Water Code provides that the District may annually establish and collect a water availability assessment (“Availability Charge”) of not to exceed thirty dollars (\$30) per acre per year for each acre of land, or thirty dollars (\$30) per year for each parcel of land less than an acre within the District to which water is made available for any purpose by the District, whether the water is actually used or not; and

**WHEREAS**, the Board of Directors considered various other potential methods for financing the Upgrade Program and has determined that an Availability Charge as provided by this Resolution is an efficient and cost-effective method to apportion some of the costs of the upgrade program to all properties within the District; and

**WHEREAS**, on July 23, 1996, the Board of Directors adopted such an Availability Charge, which Availability Charge has been reimposed by the Board of Directors every year since that time; and

**WHEREAS**, the Board of Directors has determined that such an Availability Charge shall continue to be imposed by the District specifically for the purposes of replacing certain aged and deteriorated water mains and other water facilities in the District that do not provide adequate water distribution or incidental fire flow service, as listed in Exhibit A attached hereto and made a part hereof; and it is the intent of the Board in adopting this Resolution to continue to reconsider each year the imposition and collection of such charge based on the progress of the Upgrade Program; and

**WHEREAS**, pursuant to Section 31032.1 of the California Water Code, the Secretary of the District has prepared and filed with the District a Report

("Report") which describes each parcel of real property within the District and, for each such parcel, the charge for fiscal year 2018-2019, computed in conformity with the charges prescribed by this Resolution, which charges retain the rates and methodology of the previous approvals of the Availability Charge; and

**WHEREAS**, while, on August 20, 2008, the District revised its definition of "agriculture" and eliminated the "recreational" rate category, the District has determined that it will not this year increase the Availability Charge rate for affected properties; and

**WHEREAS**, as required by Water Code Section 31032.2, written notice was provided to each affected land owner of the consideration of the Availability Charge and the filing of the Report; and

**WHEREAS**, pursuant to Water Code Section 31032.3 a hearing on the Report was set for 2:00 p.m., or as soon thereafter as the item could be heard, on the 24th day of July, 2018, at the Montecito Water District office, 583 San Ysidro Road, Montecito, California; and

**WHEREAS**, notice of said hearing was given by mailing and newspaper publication as required by Water Code Section 31032.2, and Affidavit of Mailing is on file with the District; and

**WHEREAS**, the District has held a noticed hearing on July 24, 2018 at the time and place set forth above to receive public comment and any objections concerning the imposition of this charge; and

**WHEREAS**, at said hearing, the Board of Directors of the Montecito Water District heard and considered all objections or protests to said Report; and

**WHEREAS**, Section 21080 (b) (8) of the Public Resources Code is contained in and is a part of the California Environmental Quality Act (CEQA), which Act is in Division 13 of the Public Resources Code, commencing at Section 21000.

Section 21080 (b) (8) of said Act provides that CEQA does not apply to "(8) The establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by a public agency which the public agency finds are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs or requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas."

It is hereby found and determined that none of the charges fixed and established by this Resolution are for any purposes other than the purposes set forth in Section 21080 (b) (8) and are therefore, pursuant to said Section, exempt from the requirements of CEQA. This Resolution constitutes the written findings of the record of the proceedings claiming the aforesaid exemption.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That all of the recitals contained in the preamble to this Resolution are true;
2. The District does hereby establish and fix an annual Availability Charge, imposing it on all lands in the District according to the following schedule:
  - (a) For all parcels, \$30 per acre or part thereof less than a full acre for the first 5 acres.
  - (b) For parcels greater than 5 acres in size, \$25 per acre or part thereof less than a full acre for the portion of the parcel between 5 and 10 acres.
  - (c) For parcels greater than 10 acres in size, \$20 per acre or part thereof less than a full acre for the portion of the parcel between 10 and 20 acres.
  - (d) For parcels greater than 20 acres in size, \$5 per acre or part thereof less than a full acre for the portion of the parcel in excess of 20 acres.
  - (e) For parcels owned by the Santa Barbara County Flood Control District, (“Flood Control”) there shall be no charge so long as such parcels are held and used by Flood Control solely for the purpose of flood ways and/or flood control debris basins.
3. For those parcels on which the District had determined that the land use was “agricultural” or “recreational” for the Water Availability Charge collected in Fiscal Year 2008/09, based on a valid agricultural or recreational service connection to the parcel, and which contain no dwelling unit, the charge shall be 47 percent of the above-referenced charge for agricultural parcels and 59 percent of the above-referenced charge for recreational parcels.
4. For those aforementioned agricultural and recreational parcels on which there are one or more dwelling units, the charge will be determined as follows:

- (a) A base charge shall be established by applying the formula provided by Paragraph 2 above;
- (b) That base charge will then be reduced by the sum of \$30 times the number of dwelling units on the parcel;
- (c) The resulting amount will then be multiplied by the 47 percent rate for agricultural or 59 percent rate for former recreational parcels, respectively, as established in Paragraph 3 above; and
- (d) The charge will then be increased by \$30 per dwelling unit on the parcel.

The resulting charge shall be adjusted as necessary to provide that the total charge to a parcel does not exceed \$30 per acre or part thereof less than a full acre.

- 5. The General Manager is directed to maintain a separate budget account record for the Water Availability Charge, and to report to the Board quarterly, the District's progress in accomplishing the Upgrade Program.
- 6. The Report shall be and is hereby adopted and it is determined that each charge as set forth in said Report is proper and that each parcel shall benefit from District water availability by at least the charge to that parcel as set forth in said Report;
- 7. That the Secretary of this Governing Board and of the District shall, on or before the 10th day of August, file or cause to be filed with the Auditor of the County of Santa Barbara a copy of said Report, together with a statement endorsed thereon that said written Report has been adopted by the Governing Board of the Montecito Water District;
- 8. That pursuant to Water Code Sections 31032.1 and 31032.4, the Auditor of the County of Santa Barbara, State of California, shall enter the amounts of the charges against the respective lots or parcels of land as they appear on the current assessment roll;
- 9. That the amount of the charges shall constitute a lien against the lot or parcel of land against which the charge has been imposed per Water Code 31032.5;
- 10. That, pursuant to California Constitution Article XIII D, Section 5, and Section 53750 of the Government Code, it is hereby found and determined that the charges involve charges which were existing on November 6, 1996, imposed to

finance the capital costs or maintenance and operation expenses for water systems, and the rate is not increased beyond the level previously approved by the District, and the methodology previously approved by the District is not revised so as to result in an increase in the amount being levied on any person or parcel.

11. That, pursuant to Section 66013 of the Government Code, it is hereby found and determined that none of the charges exceed the estimated reasonable cost of providing the service for which the charges are made.

12. That the hearing is hereby concluded.

Voted on the resolution by roll call resulted as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

PASSED AND ADOPTED THIS 24<sup>th</sup> day of July, 2018.

APPROVED:

ATTEST:

\_\_\_\_\_  
W Douglas Morgan, President

\_\_\_\_\_  
Nicholas Turner, P.E., Secretary

# —Notice of Public Hearing—

## Montecito Water District: Public Hearing on Water Availability Charge

A key source of funds to pay for ongoing water distribution system upgrades has been an annual assessment of \$30 per acre (or per parcel less than an acre) within the District. The assessment is collected along with property taxes as a water availability charge (WAC), and is used exclusively to finance water system improvements.

The assessment amount has not changed over the last twenty-two years, since it was initiated. No change in the assessment is proposed for the coming year. A written report with a description of each parcel of real property and the amount of the assessment for each parcel for the year is on file and available for review at the District office at 583 San Ysidro Road.

A public hearing is scheduled for 2 p.m. on July 24, 2018. The hearing will be held in the Board Room of the Montecito Water District located at 583 San Ysidro Road. At this hearing, the Board will receive public input and any protests, objections or requests for adjustment to any assessment. Such protests may also be provided in writing to the District, but must be received by the District prior to the close of the hearing on July 24, 2018.

### FOR MORE INFORMATION

Please call us at **805.969.2271**  
or visit us on the web at  
[www.montecitowater.com](http://www.montecitowater.com)



*Alder Flume, Montecito Water District*

### BOARD OF DIRECTORS

W. Douglas Morgan, President  
Floyd Wicks, Vice President  
Samuel Frye, Director  
Richard Shaikewitz, Director  
Tobe Plough, Director  
Nick Turner, General Manager

## Water Facilities Improvement Program Enters Twenty-Second Year

### Improved Service

With a reliable water supply and modern water conveyance and treatment facilities, Montecito Water District is continuing to focus on upgrading the community's water system, to assure that it will provide reliable water service far into the future.

### Focus on New Pipelines

The ongoing program of improvements focuses on replacing old pipelines and other facilities that are more than 90 years old.

### Improved Fire Flows and Reliability

The District is budgeting over \$1 million per year in new pipelines, fire hydrants, pump stations and other facilities to provide enhanced reliability and water quality, as well as greater earthquake resistance.



583 San Ysidro Road  
Montecito, CA 93108

This notice was mailed using a legally mandated property roll list.  
You may receive more than one notice if you own multiple properties or own property under multiple names.  
We regret any inconvenience.

MONTECITO WATER DISTRICT  
RECEIVED  
JUL 16 2018  
DISTRICT  
OFFICE  
SANTA BARBARA, CA

MONTECITO JOURNAL  
1206 COAST VILLAGE CIRCLE, SUITE H  
SANTA BARBARA, CA 93108  
Telephone: (805) 565-1860 / Fax: (805) 969-6654

SUPERIOR COURT  
OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SANTA BARBARA

**PROOF OF PUBLICATION**  
(2015.5 C.C.P.)

State of California )  
County of Santa Barbara ) ss.

Notice Type: Montecito Water District Notice of Public  
On Water Availability Charge; Tuesday

I am a citizen of the United States and a resident of the County of Santa Barbara; I am over the age of eighteen years, and am not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of Montecito Journal, a weekly newspaper published in the English language in the County of Santa Barbara, which has been adjudged by the Superior Court of general circulation as defined by the laws of California under the date of August 18, 2011, Case No. 1381447. This notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

7/5, 7/12

Executed on July 13, 2018

At Santa Barbara, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

  
Signature

Kelly Mahan Herrick, Editor

**MONTECITO WATER DISTRICT  
NOTICE OF PUBLIC MEETING  
ON WATER AVAILABILITY CHARGE**

**TUESDAY, JULY 24, 2018  
AT THE MONTECITO WATER DISTRICT  
583 SAN YSIDRO ROAD, MONTECITO  
2:00 P.M.**

**NOTICE IS HEREBY GIVEN** that, at a meeting of the Board of Directors of the Montecito Water District to be held on Tuesday, July 24, 2018, at 2:00 P.M. at the Montecito Water District Office located at 583 San Ysidro Road, the Board will hold a Public Meeting to consider the adoption of a resolution to continue an existing Water Availability Charge for the purpose of main replacement and enlargement. The District may elect to collect such charge on the tax rolls. A written report, detailing the description of each parcel of real property and the amount of the charge for each parcel for the year, is on file and available for public review at the Montecito Water District's Office located at 583 San Ysidro Road.

The District is proposing to continue the existing charge as it was established in July 1996 and, with such exceptions as have previously been granted by the Board, with no increase in the charge or change in the methodology by which it is calculated. Pursuant to Government Code Section 66016(a), at least ten (10) days prior to said meeting, on July 13, 2018, the District will make all of the data, required by Section 66016(a) applicable to said charge, available to the public at its District Office.

At the Public Hearing on July 24, 2018 oral and written presentations may be made concerning said written report and proposed fees by anyone affected by said fees. The Board of Directors will also hear and consider objections to the application of the fee and requests for reduction for any affected parcel. Any objection or request for reduction must be presented to the District on or before July 24, 2018 or be precluded from consideration for the 2018-2019 tax year.

Published July 5 & 12, 2018  
Montecito Journal



MONTECITO JOURNAL  
1206 COAST VILLAGE CIRCLE, SUITE H  
SANTA BARBARA, CA 93108  
Telephone: (805) 565-1860 / Fax: (805) 969-6654

SUPERIOR COURT  
OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SANTA BARBARA

**PROOF OF PUBLICATION**  
(2015.5 C.C.P.)

State of California                    )  
County of Santa Barbara         ) ss.

Notice Type: Montecito Water District Notice of Public Meeting  
On Water Availability Charge; Tuesday July 24, 2018

I am a citizen of the United States and a resident of the county of Santa Barbara; I am over the age of eighteen years, and am not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of Montecito Journal, a weekly newspaper published in the English language in the City and County of Santa Barbara, which has been adjudged a newspaper of general circulation as defined by the laws of California by the Superior Court of the County of Santa Barbara, State of California, under the date of August 18, 2011, Case No. 1381447. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

7/5, 7/12

Executed on July 13, 2018

At Santa Barbara, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

Kelly Mahan Herrick, Editor

**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-B**

**DATE: JULY 24, 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**

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This item was reviewed by the Operations 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 does not exist 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

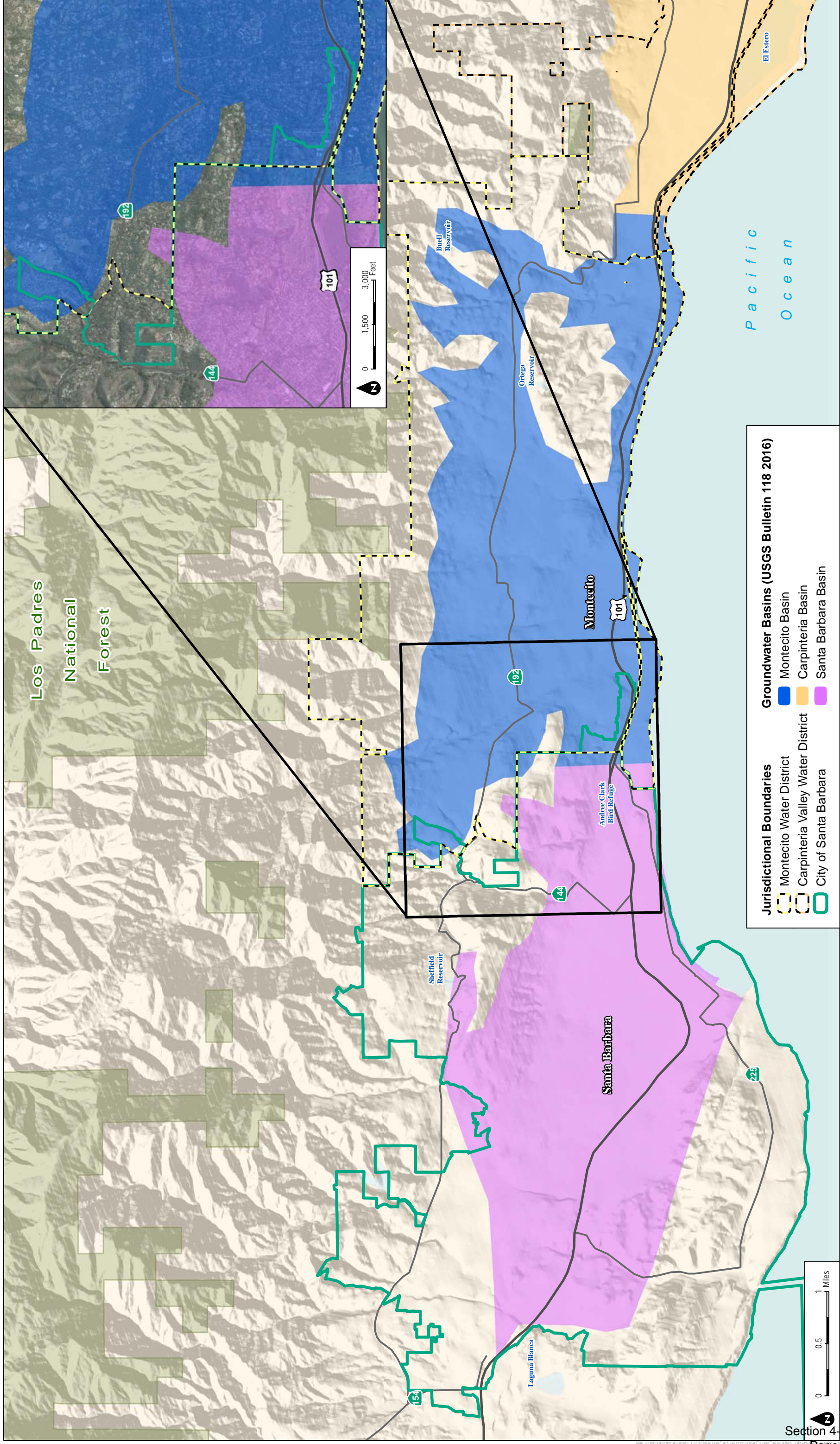
APPROVED AS TO FORM

By:\_\_\_\_\_

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

By:\_\_\_\_\_

Daniel S. Hentschke  
Assistant City Attorney  
City of Santa Barbara



**Jurisdictional Boundaries**

- Montecito Water District
- Carpinteria Valley Water District
- City of Santa Barbara

**Groundwater Basins (USGS Bulletin 118 2016)**

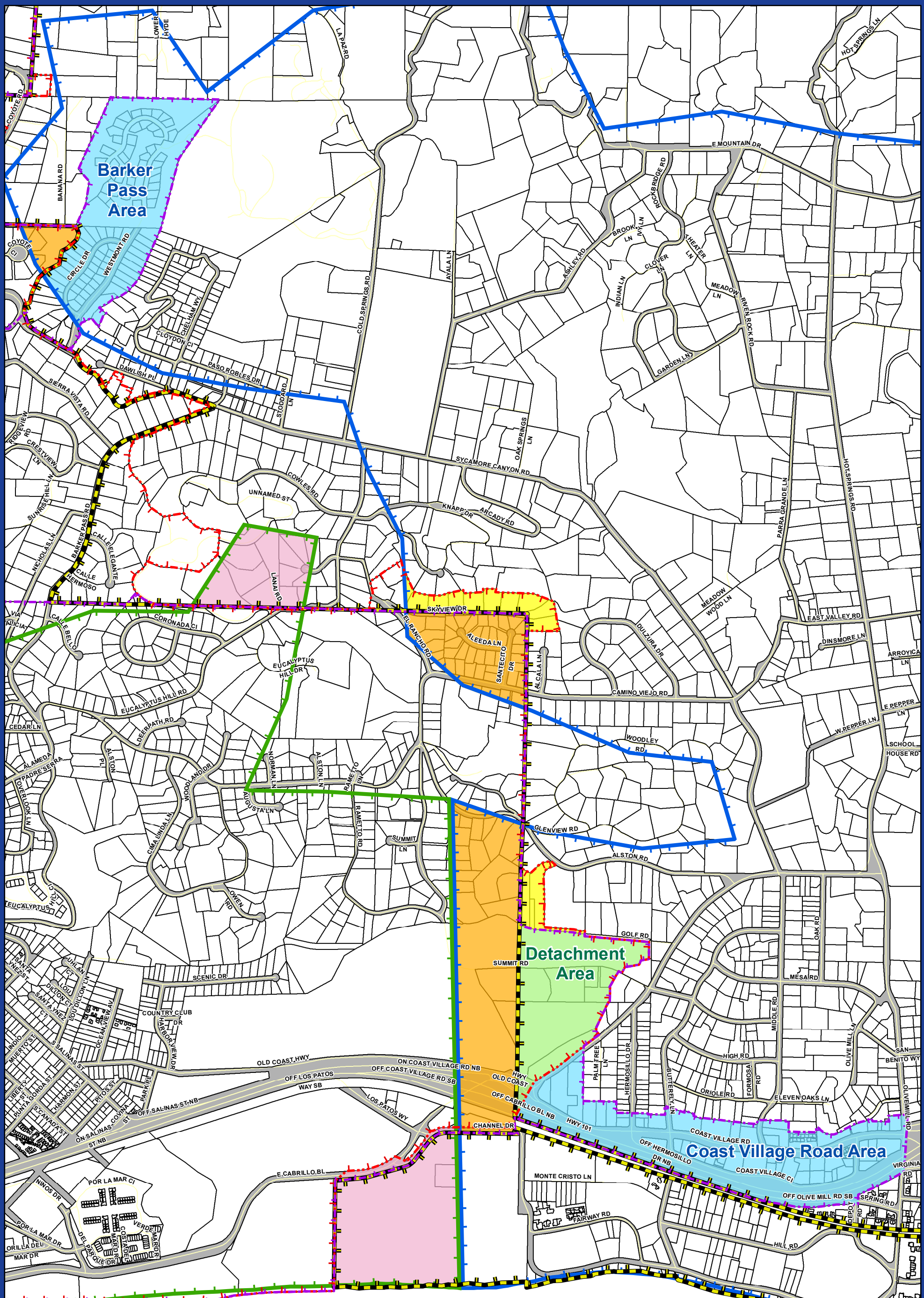
- Montecito Basin
- Carpinteria Basin
- Santa Barbara Basin

**FIGURE A-1**  
Jurisdictional and Groundwater Basin Boundaries

SOURCE: Santa Barbara County, USGS

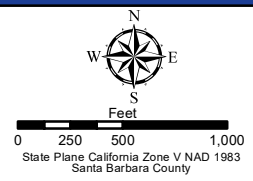


Montecito Water District



- - - SB City Limits
- - - SB City Water Boundary
- - - MWD Boundary
- - - B118 Santa Barbara Basin Boundary
- - - B118 Montecito Basin Boundary
- - - Area Served By SB City/B118 MB/SB City Limits/MWD Boundary
- - - Area Served By SB City/B118 MB/MWD Boundary
- - - Area Served By MWD/B118 SBB/MWD Boundary
- - - Area Served By SB City/B118 MB/SB City Limits
- Assessor Parcels

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.



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





**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-C**

**DATE: JULY 24, 2018**

**TO: BOARD OF DIRECTORS**

**FROM: GENERAL MANAGER**

**SUBJECT: 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**

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

**RECOMMENDATION:**

1. Conduct a Public Hearing regarding the formation of a Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act for the Montecito Groundwater Basin;
2. Following consideration of public comments and protests (if any) from the Public Hearing, adopt Resolution 2169 declaring the District's intent to become the Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act for the Montecito Groundwater Basin and authorize the submittal of all applicable information required to form a Groundwater Sustainability Agency to the Department of Water Resources;

**BACKGROUND:**

In September 2014, Governor Brown signed legislation, SB 1168, SB 1319, and AB 1739, collectively referred to as the Sustainable Groundwater Management Act (SGMA) enacting Water Code §§10720 – 10737.8 requiring local agencies to sustainably manage groundwater resources within their jurisdictions over the long term by forming Groundwater Sustainability Agencies (GSA) and developing/implementing Groundwater Sustainability Plans (GSP). Water Code Section 10721(n) defines local agency as “a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.”

A GSA is required to assess the conditions in its local groundwater basin and to adopt a locally-based GSP. A GSP must be designed to achieve basin sustainability within 20 years of adoption. SGMA defines sustainable management as managing and using

groundwater in a way that can be sustained over the long term. Sustainable yield is defined as the amount of groundwater that can be withdrawn annually without causing "significant and unreasonable impacts" related to any undesirable results, including: (1) chronically lowering groundwater levels; (2) unreasonable reduction in groundwater storage; (3) seawater intrusion; (4) degrading water quality; and (5) land subsidence and (6) depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

The Montecito Water District (District) is a County Water District, organized pursuant to Water Code §30000 et seq, with water supply and water management responsibilities within its service area. The District is a local agency overlying the Montecito Groundwater Basin (DWR Basin Number 3049 herein referred to as "Basin"). Therefore, the District qualifies as a "local agency" under the SGMA and may elect to become the Montecito Groundwater Basin GSA pursuant to Water Code §10723(a) in order to sustainably manage and regulate the Basin.

In 2016, recognizing the benefits of groundwater to its overall water supply portfolio and the need to ensure long-term sustainability of the Basin, the District's Board of Directors (Board) voted unanimously in support of pursuing, on a voluntarily basis, the formation of a GSA for the Basin.

SGMA requires all medium and high priority groundwater basins, as designated by Bulletin 118 issued by the California Department of Water Resources ("DWR"), to comply with the requirements of SGMA. In 2014, as part of the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, DWR prioritized all groundwater basins across the State, with the Montecito Groundwater Basin receiving a priority ranking of "very low". As a very low priority basin, implementation of SGMA in the Montecito Groundwater Basin was not mandated but instead only encouraged by DWR.

In May 2018, following a review of the groundwater basin priority rankings, DWR re-designated, among other basins, the Montecito Groundwater Basin from "very-low" to "medium" priority based on updated basin information. This change now mandates the implementation of SGMA for the Basin. The deadlines associated with SGMA compliance have been extended approximately two years for the reprioritized basins. The revised deadlines require GSA formation by two years after the reprioritization deadline and management of the Basin under a GSP by 5 years after the date of reprioritization. Basin prioritization is expected to be finalized by February of 2019.

Since the Board's October 2016 action, District Staff with the assistance of a consulting firm, Dudek, have been working with the Board of Directors, local community and other public agency staff towards the formation of a GSA for the Basin. The work performed to date includes:

1. DWR Bulletin 118 Basin Boundary Modification with the Carpinteria Valley Water District to realign the shared boundary line between the Montecito and Carpinteria Groundwater Basins with the jurisdictional boundary line.

2. Memoranda of Understanding with both the Carpinteria Valley Water District and the City of Santa Barbara for coordination related to the formation of a GSA for the Montecito Groundwater Basin.
3. Formation documentation including a notice of intent, resolution, bylaws and certain other information required for GSA formation.
4. Ongoing public outreach, including: (1) a dedicated web page; (2) a SGMA email list; (3) community workshops; (4) committee and board meeting discussions; (5) meetings with affected public agencies; and (6) frequent progress updates via mail, email, and postings in local publications. See the attached list of public outreach related activities performed to date.

The area proposed to be included within the Montecito Groundwater Basin GSA is the area shown as *B118 Montecito Groundwater Basin* on the attached map with following exceptions:

- Approx. 1/4 square mile area located on the southeasterly most portion of the Basin positioned outside the District's service area boundary. Through DWR's Basin Boundary Modification (BBM) process, this area, if approved by DWR, will become a part of the Carpinteria Groundwater Basin and be managed by the GSA for that basin. This BBM will align the basin boundary with jurisdictional boundaries, thereby simplifying management of the basins.
- Several small areas located on the westerly most portion of the Basin, where the jurisdictional boundaries of the District and the City of Santa Barbara do not currently coincide with the Montecito and Santa Barbara Groundwater Basin boundaries. Management of groundwater within this overlap area is being addressed via a Memorandum of Understanding currently being finalized between the two agencies.

## **ENVIRONMENTAL REVIEW**

Adoption of Resolution No. 2169 does not constitute a "Project" under the California Environmental Quality Act Guidelines Sections 15378; including 15378(b)(5) which excludes from the definition of "project" organizational and administrative activities of government, that will not result in direct or indirect physical changes in the environment.

## **FISCAL IMPACT**

The District's FY 2018/19 budget includes \$200,000 for anticipated work activities associated with the beginning stages of GSP development. An equivalent amount is forecasted to be budgeted each year thereafter for several years before completion of the GSP. The District will be considering this cost increase resulting from implementation of SGMA when preparing its current updated water rate study.

If the District elects to form a GSA, it must hold a public hearing and submit a Notice of Intent and certain other information to the DWR within 30-days of electing to be the GSA for the Basin. DWR has 15-days to post the Notice of Intent to their website and following a 90-day public comment period, the District is presumed to be the GSA unless the filing is contested. As of the date of this memorandum, no formation notices have been posted for the Montecito Groundwater Basin.

Attached is a copy of the proposed Resolution No. 2169 for consideration. This resolution has been reviewed by the District's legal counsel.

### **ATTACHMENTS**

1. Proposed Resolution No. 2169
2. Public Outreach Summary
3. Map of District Service Area / Montecito Groundwater Basin

**RESOLUTION NO. 2169**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE MONTECITO WATER DISTRICT DECLARING ITS INTENTION  
TO BECOME THE GROUNDWATER SUSTAINABILITY AGENCY  
PURSUANT TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT  
FOR THE MONTECITO GROUNDWATER BASIN**

**WHEREAS**, in September 2014, California passed the Sustainable Groundwater Management Act (“SGMA”) enacting Water Code §§10720 – 10737.8; and

**WHEREAS**, SGMA requires all high and medium priority groundwater basins, as designated by Bulletin 118 issued by the California Department of Water Resources (“DWR”), to be managed by Groundwater Sustainability Agencies (“GSAs”); and

**WHEREAS**, the Montecito Groundwater Basin/DWR Basin Number 3049 (“Basin”) has been designated by DWR as a medium priority basin in its 2018 draft prioritization; and

**WHEREAS** under the SGMA a local agency or combination of local agencies may elect to become a GSA pursuant to Water Code §10723(a) in order to sustainably manage and regulate a groundwater basin; and

**WHEREAS**, pursuant to the SGMA, sustainable groundwater management is intended to occur pursuant to Groundwater Sustainability Plans that are created and adopted by GSAs; and

**WHEREAS**, Montecito Water District is a County Water District, organized pursuant to Water Code §30000 et seq, with water supply and water management responsibilities in its service area; and

**WHEREAS**, Montecito Water District is a local agency, with water supply and water management responsibilities, overlying the Basin and is therefore also a local agency as defined within Water Code §10721(n); and

**WHEREAS**, the Montecito Water District desires to form a GSA for the Basin;  
and

**WHEREAS**, the Montecito Water District gave notice pursuant to Water Code §10723(b) and Government Code §6066, and a public hearing was held on July 24, 2018 in the County overlying the Basin; and

**WHEREAS**, after said notice, hearing, and consideration of groundwater conditions for the Basin, the Board of Directors of the Montecito Water District has determined it to be in the best interest of the Montecito Water District, its service area, and the public to act as the GSA for the Basin, and to thereby provide for the sustainable management of the basin; and

**WHEREAS**, adoption of this resolution does not constitute a “project” under California Environmental Quality Act Guidelines Section 15378; including 15378(b)(5) which excludes from the definition of “project” organizational and administrative activities of government, that will not result in direct or indirect physical changes in the environment.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Montecito Water District as follows:

1. Montecito Water District shall become the Groundwater Sustainability Agency (GSA) for the Montecito Groundwater Basin, DWR Basin Number 3049 and shall have all the powers granted to a GSA pursuant to the SGMA;
2. That the GSA hereby created shall consider the interests of all beneficial uses and users of groundwater, as required by Water Code section §10723.2
3. The General Manager of Montecito Water District is authorized to: (a) notify the Department of Water Resources (DWR) of the action taken by this resolution, (b) to develop and file with DWR the all applicable information required to be submitted as listed in Water Code §10723.8(a); and (c) to take such further actions as are necessary to carry out the intent of this resolution.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 24th day of July, 2018 by the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

---

W. Douglas Morgan,  
President Board of Directors

ATTEST:

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Nicholas Turner  
Secretary

**Montecito Water District Groundwater Sustainability Agency**  
**Summary of Pre-Groundwater Sustainability Agency Public Outreach**

Montecito Water District’s Community Engagement Plan Outline for GSA Formation adheres to these points:

1. Set Goals and Desired Outcomes: To inform the public on SGMA at a high level.
  - a. Provide description of the GSA and subsequent GSP
    - i. Introduce and explain the GSA formation process
  - b. Communicate overarching goals/desired outcomes of GSP development
  - c. Communicate objectives to support the GSP
  - d. Share overriding concerns, major concerns or challenges
2. For Phase 1, GSA Formation and Coordination, the District has fulfilled and exceeded the basic engagement requirements which are as follows:
  - a. Establish and Maintain List of Interested Parties §10723.4
  - b. GSA Formation Public Notice §10723(b)
  - c. GSA Formation Public Hearing §10723(b)
  - d. GSA Formation §10723(b)
3. The District has already begun to develop and employ supporting tactics and tools that will continue to be used to communicate messages and share resources, such as:
  - a. Web content launch
  - b. Email and other digital communication
  - c. Media outreach activities
  - d. Community meetings
4. In preparation for GSA formation, the District collaborated extensively with adjacent basin representatives to review and potentially modify boundaries and all of the outreach for Basin Boundary Modification (BBM) included information on SGMA processes as a whole.

As the SGMA process moves forward, community engagement will remain high priority as the District identifies milestones and stakeholder engagement opportunities throughout the GSP development process. Engagement efforts will continue to focus on identifying audiences, stakeholder groups, community organizations or others who are concerned about the GSA/GSP and consider how each group will engage with the development of the GSP. Dudek, the District’s consultant supporting the SGMA process, provides assistance and guidance on all aspects of engagement as part of the comprehensive plan.

***The attached table notes primary engagement initiatives to date.\****

**Table of Public Outreach Initiatives: Phase 1 GSA Formation and Coordination**

<b>Date</b>	<b>Venue</b>	<b>Purpose/Activity/Discussion</b>	<b>Location / hyperlink</b>
10/19/2018	Public Board Meeting	Board voted to form GSA	District Office
11/08/2016	Letter to all District Customers	Inform on Board's action, invite to join Stakeholder list.	<a href="#">Web Site Link</a>
12/2016	Web Home Page prominent SGMA link, dedicated SGMA page	Inform on Board's action, invite to learn more / join stakeholder list	<a href="http://Montecitowater.com">Montecitowater.com</a>
12/15/2016	Advertisement	Inform on Board's action, invite to learn more	Montecito Journal
12/16/2016	Enews	Inform on Board's action, invite to learn more / join stakeholder list	
01/2017	Web Site	Prominent SGMA link, dedicated SGMA page, Updates	<a href="http://Montecitowater.com">Montecitowater.com</a>
01/19/2017	Advertisement	Invitation to Public Workshop on 03/02/2017	Montecito Journal
01/2017	Enews	Invitation to Public Workshop on 03/02/2017	<a href="#">Archive Link</a>
02/01/2017	Letter to all District Customers	Invitation to Public Workshop on 03/02/2017	Mailing
02/2017	Message on Invoice	Notify SGMA Public Workshop on 03/02/2017	Mailing
02/14/2017	Enews	Invite to Public Workshop on 03/02/2017/ join stakeholder list	<a href="#">Archive Link</a>
02/16/2017	Advertisement	Invite to Public Workshop on 03/02/2017	Montecito Journal
03/02/2017	Public Workshop with representatives from City of SB, CVWD & Das Williams, County Supervisor	Community Engagement on SGMA and GSA Formation / Stakeholder list signup	El Montecito Church Video on Web
03/17/2017	Enews	Public Workshop debrief, invite to join stakeholder list	<a href="#">Archive Link</a>
03/21/2017	Web Site Updates	DWR & MWD Archives & Resources	<a href="http://Montecitowater.com">Montecitowater.com</a>
04/22/2017	Earth Day	Inform, invite to join Stakeholder list.	<a href="#">Santa Barbara Community event</a>
05/2017	Operations Committee Meeting	SGMA / GSA Update	Agenda on web site
06/2017	Web Site Updates	SGMA / GSA Update	<a href="http://Montecitowater.com">Montecitowater.com</a>
07/2017	Web Site Updates	SGMA / GSA Update	<a href="http://Montecitowater.com">Montecitowater.com</a>
07/24/2017	Press Release	District Initiatives Overview from General Manager includes SGMA	Media release, web site posting, email distribution.
8/01/2017	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>

<b>Date</b>	<b>Venue</b>	<b>Purpose/Activity/Discussion</b>	<b>Location / hyperlink</b>
8/21/2017	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>
8/23/2017	Public Board Meeting	Update on Basin Boundary Modification (BBM)	Agenda on web site
08/2017	Public Board Meeting	Inform and Update	Agenda on web site
10/12/2017	Advertisement	Invitation to Public Workshop on 11/16/2017	Montecito Journal
10/20/2017	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>
11/2017	Message on Invoice	Notify SGMA Public Workshop on 11/16/2017	Mailing
11/02/2017	Advertisement	Invitation to Public Workshop on 11/16/2017	Montecito Journal
11/04/2017	Montecito Beautification Day	Table at Association event to update, inform on upcoming public workshop, and collect stakeholder list signups	Montecito Upper Village, Community Event
11/14/2017	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>
11/15/2017	Press Release	Invitation to Public Workshop on 11/16/2017	Media Release
11/16/2017	Public Workshop with representatives from City of SB, CVWD & Das Williams, County Supervisor	Community Engagement on SGMA and GSA Formation	El Montecito Church Video on Web
11/2017	Web Site Updates	DWR & MWD Archives & Resources	<a href="#">Montecitowater.com</a>
11/29/2017	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>
12/2017- 3/2018	Communications precedent	Thomas Fire and Debris Flow Incident	
04/17/2018	Public Board Meeting	Board approved resolution to apply for Basin Boundary Modification (BBM)	Agenda on web site
05/14/2018	Operations Committee Meeting	Update on Basin Boundary Modification (BBM)	Agenda on web site
05/22/2018	Public Board Meeting	Draft BBM application and related documents were discussed and reviewed.	Agenda on web site
05/21/2018	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>
06/22/2018	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>
06/29/2018	SGMA Updates ENewsletter	Inform and Update	<a href="#">Archive Link</a>
06/2018	Message on Invoice	Notify SGMA on agenda for Board Meeting	Mailing

<b>Date</b>	<b>Venue</b>	<b>Purpose/Activity/Discussion</b>	<b>Location / hyperlink</b>
07/05/2018	Public Notification	Notification of Board Meeting / Public Hearing on 07/24/2017	Santa Barbara News Press
07/12/18	Public Notification	Notification of Board Meeting / Public Hearing on 07/24/2017	Santa Barbara News Press
07/19/18	Advertisement	Invitation to Board Meeting / Public Hearing on 07/24/2017	Montecito Journal
<i>Note: Table may exclude periodic reference to SGMA made in general District communications such as emails, bill messages, press releases, Facebook posts and Twitter / tweets.</i>			

**Example: Dedicated Web Page**

<http://www.montecitowater.com/sustainable-groundwater-management.php>

Includes SGMA overview, Timelines, Enews Signup, and Resources such as links to an archive of all District SGMA materials as well as DWR glossaries and information.

SGMA Process: Timeline Overview	MGWB Process: Timeline Overview
2009 - <ul style="list-style-type: none"><li>November - DWR issues basin prioritization for CASGEM Program</li></ul>	2015 - <ul style="list-style-type: none"><li>January 1 - SGMA Legislation takes effect</li></ul>
2015 - <ul style="list-style-type: none"><li>January 1 - SGMA Legislation takes effect</li></ul>	2016 - <ul style="list-style-type: none"><li>October 19 - MWD Board directs staff to initiate GSA formation</li></ul>
2017 - <ul style="list-style-type: none"><li>June 30 - GSA formation required for medium and high priority basins</li><li>Also in June, DWR to issue re-analysis of basin prioritization (delayed)</li></ul>	2017 - <ul style="list-style-type: none"><li>Community Engagement</li><li>Fall/Winter, MWD Board consideration of Resolution to be GSA</li></ul>
2018 - <ul style="list-style-type: none"><li>May 2018 - DWR's 2018 Draft Prioritization Issued: Montecito Groundwater Basin ranked as medium-priority. (Formerly very low-priority)</li></ul>	2018 - <ul style="list-style-type: none"><li>MWD to file for GSA status</li><li>DWR to approve MWD as GSA</li><li>MWD to initiate GSP</li><li>DWR to conduct Basin Boundary Modification process</li></ul>
2020 - <ul style="list-style-type: none"><li>GSPs must be adopted for critically over-drafted basins</li></ul>	2021 - <ul style="list-style-type: none"><li>MWD submits GSP to DWR</li></ul>
2022 - <ul style="list-style-type: none"><li>GSPs must be adopted for medium and high priority basins</li></ul>	2022 - <ul style="list-style-type: none"><li>GSPs to be adopted and implementation to begin</li></ul>
2040 - <ul style="list-style-type: none"><li>All critically over-drafted basins must achieve sustainability</li></ul>	
2042 - <ul style="list-style-type: none"><li>All medium and high priority basins must achieve sustainability</li></ul>	

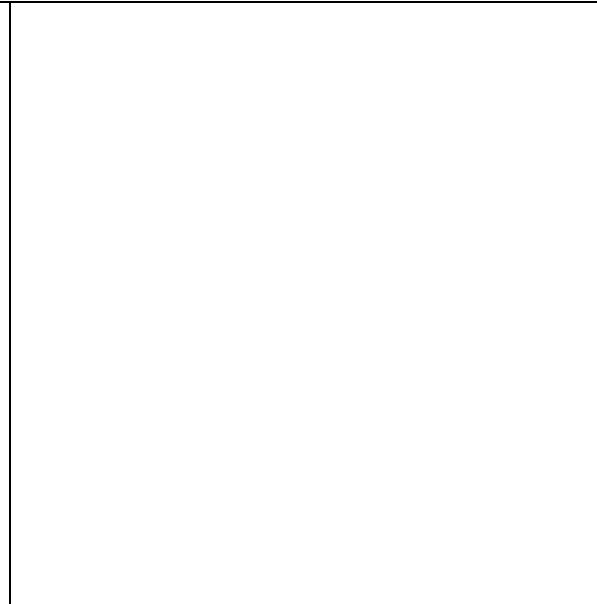
**Sign up here for SGMA email updates and you will be added to the District's GSA Stakeholder and Interested Parties list:**

First and Last Name




Email Address

Also, sign me up for the MWD eNewsletter.

We will maintain your privacy and never sell or share your email address.

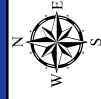




-  Basin Boundary Modification \*
-  MWD Service Area Boundary
-  B118 Montecito Groundwater Basin

\* Basin Boundary modification appl. submitted to DWR June 2018 to align B118 boundary with jurisdictional boundaries

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 warranted. The user assumes all responsibility for bearings or distances.

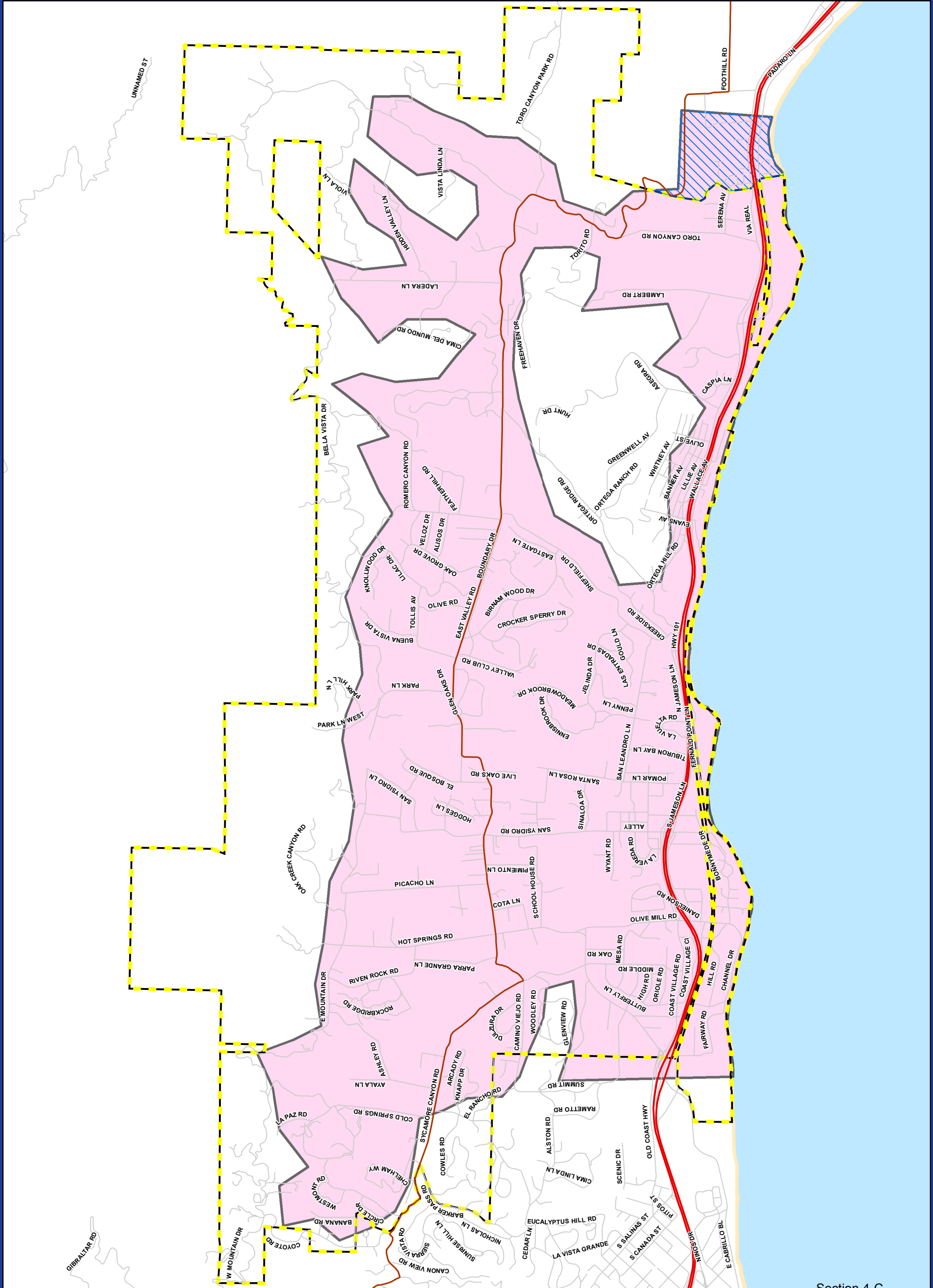


Miles  
0 0.125 0.25 0.5  
State Plane California Zone V NAD 1983  
Santa Barbara County

Montecito Water District  
Service Area and Basin Boundary



Prepared by ZWORLD GIS in June 2018  
www.zworldgis.com



**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-D**

**DATE: JULY 24, 2018**

**TO: BOARD OF DIRECTORS**

**FROM: GENERAL MANAGER**

**SUBJECT: QUARTERLY DROUGHT AND WATER SUPPLY UPDATE**

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This item was reviewed by the Operations Committee at their meeting on July 16, 2018.

**RECOMMENDATION:**

Information only, no action required.

**DISCUSSION:**

*Background*

In February 2014, following several years of deepening drought conditions and declining water supplies, the District adopted Ordinances 92, 93 and, subsequently, 94 declaring a Stage 4 Water Shortage Emergency and establishing customer water use allocations and penalties for water use in excess of allocations. This action was successful under extraordinary drought conditions in reducing customer water use by nearly 50% to be more in line with the District's available water supplies. In October 2017 following an above-average wet winter that resulted in partial recovery of Cachuma and Jameson Lakes and an above-average annual State Water Project allocation, the Board adopted Ordinance 95 repealing Ordinances 92 and 94 including monthly customer allocations and penalties, establishing updated water use restrictions based on current water supply conditions and reducing the declared water shortage emergency from Stage 4 to Stage 2. In accordance with the District's Water Shortage Contingency Plan included in its 2015 Urban Water Management Plan, under a Stage 2 water shortage emergency condition, less than average rainfall is projected, requiring up to 25% reduction in customer water use (conservation). The 2017/18 winter brought below-normal rainfall to Santa Barbara County including an extremely intense, short duration storm causing devastating debris flow to Montecito. This storm event resulted in little to no change in the District's water supply outlook.

*Drought Update*

Annual rainfall totals statewide, and in particular in Santa Barbara County, remain well below normal for this time of year. According to the Santa Barbara County Public Works Department, rainfall for Santa Barbara County is 53% of normal for Water Year (WY) 2018. In Montecito and at Jameson Lake, rainfall accumulation for WY 2018, according to District records, are 59.8 and 47.9% respectively of the average for this time of the year. While northern California seemingly experienced an increase in rainfall as the water year progressed and State reservoir levels are near capacity, the snowpack condition in the Sierras ended far below that of an average year.

The National Oceanic and Atmospheric Administration's three-month outlook predicts above-average temperatures and normal rainfall for the months of July thru September 2018. Despite the partial reprieve Santa Barbara County experienced in 2017 and the more recent storm events in 2018, extraordinary drought conditions remain. As of July 10, 2018, the U.S drought monitor indicates D2 severe drought intensity remains over the majority of Santa Barbara County.

### *Water Supply Outlook*

The District's water supply planning outlook (3 years) projects water supply availability through mid-2020 under drought conditions with customer conservation continuing at 30-35% compared to 2013 usage. Assuming drought conditions persist across Santa Barbara County with no improvement in local water supply conditions, a water shortage is forecasted in mid-2020 unless customer demands are further reduced. Until local water supply conditions improve or the District successfully acquires new local and reliable supplies, the District will continue to be heavily reliant on the State Water Project and its facilities for delivery of State Water Project and supplemental water deliveries to meet customer demands. District staff will continue to evaluate water supply conditions and the need for additional demand-management measures to ensure water supply availability over the three-year planning period.

### Jameson Lake/Doulton Tunnel

Although Jameson Lake received significant inflow following the February 2017 storm and then a small amount following the 2018 storms, as of July 1, 2018, the Lake remains at 61.6% of full storage capacity (3,168 acre feet). Limited water deliveries from the Lake began in March 2018 following the December 2017 Thomas Fire, but were halted in May 2018 due to poor water quality. Runoff following the Thomas Fire brought increased levels of organics (Total Organic Compounds, TOC) into the Lake resulting in increased levels of Disinfection Byproducts (DBP) in the treated water. With assistance from District consultant Water Quality & Treatment Solutions Inc., staff has developed a plan to enhance the treatment process by 1) replacing the filter media at Bella Vista with Granular Activated Carbon (GAC) to remove TOC and reduce DBP development and 2) install a blower and associated appurtenance in Bella Vista Reservoir to further remove DBPs to below regulated

levels. The GAC is scheduled for installation the week of July 16 and the blower is currently under design.

Deliveries from Doulton Tunnel continue at approximately 15 acre feet per month and will be used to blend with water from the Lake to improve the water quality.

### Cachuma Project

Lake Cachuma also received significant inflow following the February 2017 storm event and minimal inflow following the 2018 storms. As of July 1, 2018, the Lake remains at 38.7% of capacity (74,829 AF). The Cachuma Project member agencies received a 40% allocation in WY 2018 following a similar allocation in WY 2017. The Cachuma Project member agencies have requested an initial allocation for WY 2019 from the United States Bureau of Reclamation through the Santa Barbara County Water Agency and anticipate approval and release of the water in October.

City staff continues to report that it is prepared for the potential water quality impacts from the Rey Fire, and more recent Thomas Fire. Following the Zaca Fire in 2007, significant investments were made to the City's treatment processes such as ozone treatment, active carbon feed, and pretreatment in Lauro Reservoir. To date, the runoff from the 2017/18 winter storms has not had a significant impact on water quality or the City's ability to treat water from Lake Cachuma.

### Groundwater

As a result of the ongoing drought, groundwater levels remain at near-record lows. Staff presented the District's semi-annual survey of groundwater wells within the District service boundary at the June 2018 Board meeting. The fall 2017 and spring 2018 groundwater well survey successfully recorded groundwater elevations for 62 wells in the Montecito Basin. The data shows a slight rebound in groundwater elevations across the District but the majority of wells are still well below 1998 wet weather elevations. Deliveries from groundwater supplies remain reduced from those of 2017 at approximately 40 acre feet per month to allow for some groundwater recovery, but may increase to 60-70 acre feet per month later this summer depending on water supply conditions.

### State Water Project/Supplemental Water

With the 2017/18 winter minimal inflow into our local surface water reservoirs, i.e. Cachuma and Jameson Lakes, the District continues to rely heavily on the State Water Project (SWP) and its facilities for delivery of water to offset the lack of available local water supplies. The 2018 SWP allocation is 35% (1,155 acre feet).

In June 2018, as a result of the below average SWP allocation, the District participated in the Central Coast Water Authority's 2018 Supplemental Water Purchase Program, purchasing 2,800 acre feet of water from the Mojave Water Agency. This water was acquired through an exchange agreement requiring the

return of 700 AF by 2028. This water will be used to continue maximizing deliveries to Lake Cachuma. In addition, approximately 1,000 acre feet of this supplemental supply will likely be placed in the Semitropic Groundwater Banking and Exchange program between August and November 2018 in an effort to bolster available supplies during future drought years and avoid any risk of spill at San Luis Reservoir during early 2019.

### *Customer Demands/Conservation*

In March of 2017, the District suspended the issuance of penalties for water use in excess of customer allocations following an improvement in water supply conditions. For nearly six months, customer demands remained at or near historic low levels, similar to those during 2016. In August of 2017, the District repealed its monthly customer water use allocations and penalties through the adoption of Ordinance 95, changing from a mandatory to voluntary based conservation model. Soon after, customer demands began to trend upward, with many months trending at or near 2013 peak levels, a pattern consistent amongst the South Coast agencies. This is partly attributable to extremely dry conditions from November 2017 through February 2018. During this same period, Montecito experienced two devastating natural disasters, the December 2017 Thomas Fire and the January 2018 mud/debris flows. Water usage during and after the disasters expectedly increased as a result of usage associated with property protection, ash cleanup and water loss from damaged infrastructure. In March, customer water use decreased substantially compared to projections, likely as a result of increased rainfall, and this trend of reduced water use has continued.

Water conservation and water use efficiency continues to be a top priority for the District. As of June 30, 2018, the District's 12-month running average water conservation remains at 38% percent, based on 2013 water usage, which continues to exceed its current conservation target of 30%. Over the last six months, monthly conservation has varied from as low as 8% in January to as high as 65% in March. Conservation of approximately 30% must be achieved to remain compliant with the District's 2020 total production target as outlined in its 2015 Urban Water Management Plan and specifically Senate Bill X7-7. Conservation in excess of the current 30% target may be necessary to ensure water supply availability over the 3-year planning period.

### **ATTACHMENTS**

1. Water Supply Update Presentation

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

	Jameson Lake	Cachuma Lake
Full Reservoir Elevation	2223.87	750
Full Reservoir Storage (acre feet)	5,114	184,121
Elevation (feet) <i>May 31, 2018</i>	<i>2206.91</i>	<i>702.75</i>
Elevation (feet) <i>June 30, 2018</i>	<i>2206.35</i>	<i>701.71</i>
Elevation Change for Month (feet)	-0.56	-1.04
Full Reservoir Elevation Difference (feet)	-17.52	-48.29
Storage (acre feet) <i>May 31, 2018</i>	<i>3,243</i>	<i>76,643</i>
Storage (acre feet) <i>June 30, 2018</i>	<i>3,190</i>	<i>74,943</i>
Storage Change for Month (acre feet)	-53	-1,700
Full Reservoir Storage Difference (acre feet)	-1,924	-109,178
Alder Creek Inflow (acre feet)	NA	
Jameson Lake Inflow (acre feet)	10	

**WATER PRODUCTION**

**District Surface Sources (af)**

Jameson	Fox	Doulton	Arch Meter	Weirs 1 & 2	
0.02	0.00	16.59	0.00	0.00	
<b>Total District Surface Production (1):</b>					<b>16.61</b>

**Cachuma Turnouts (af) (Cachuma & State Water)**

Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
68.76	37.70	180.74	0.00	0.00	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
0.00	3.67	13.86	5.03	0.00	
<b>Total SCC Meters:</b>					<b>309.76</b>
<b>Cachuma Production:</b>					<b>0.00</b>
<b>State Water Credit (Warren Act Contract):</b>					<b>309.76</b>
<b>SWP Portion of SCC Losses:</b>					<b>10</b>
<b>SWP Portion of Evaporation:</b>					<b>15</b>
<b>Santa Ynez ID #1 Exchange</b>					<b>70</b>
<b>Cachuma Portion of SCC Losses:</b>					<b>0</b>
<b>Cachuma Portion of Evaporation:</b>					<b>17.6</b>
<b>Cachuma Remaining Balance:</b>					<b>2063.3</b>
<b>State Water Stored in Cachuma:</b>					<b>712</b>

**District Wells (af)**

Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
13.47	6.71	6.20	0.00	0.00	4.43
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
2.56	8.46	2.74	0.00	1.37	0.77
<b>Total Wells:</b>					<b>46.71</b>
<b>Total District Water Production:</b>					<b>373.08</b>

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

**WEATHER**

<b>Rainfall (inches)</b>	<b>Office</b>	<b>Doulton</b>	<b>Juncal</b>
June 2018	0.06	0.13	0.00
June 2017	0.00	0.06	0.00
Historical Monthly Average	0.12	0.16	0.08
July 1 to Date	11.67	16.23	13.73
Last Year July 1 to Date	29.03	36.12	30.16
Historical Average July 1 to Date	19.61	26.88	28.69

**Jameson Lake Air Temperature Averages:**

<b>Low</b>	<b>High</b>
56°	87°

**WATER PRODUCTION vs. METERED USE**

Water Production (af):	373.1	Meter Use (af):	384.0
No. of Days in Production Period:	29	No. of Days in Demand Period:	33
Average Daily Production (af):	12.9	Average Daily Demand (af):	11.6
Month's Water Loss (af):	35.6	Adjusted Meter Use for # of Read Days (af):	337.5
Month's Percentage Loss <sup>1</sup> :	10%	Water Loss <sup>3</sup> (GAL/connection/d)	90
Water Loss <sup>2</sup> (GAL/mile/d)	3,626		

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

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

<sup>3</sup> 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):	57
Total Active Meters:	4548

**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 5-A**

**DATE: JULY 24, 2018**

**TO: BOARD OF DIRECTORS**

**FROM: BUSINESS MANAGER**

**SUBJECT: JUNE 2018 FINANCIAL REPORTS**

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**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 – JUNE 2018**

<b>MONTH TO DATE WATER SALES (AF)</b>				
<b>CLASSIFICATION</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	
			<b>AF</b>	<b>%</b>
Single Family	278.72	277.35	1.37	0.5%
Multi Family	5.52	7.31	(1.80)	(24.6%)
Agricultural	37.84	44.97	(7.13)	(15.9%)
Institutional	26.01	39.16	(13.15)	(33.6%)
Commercial	19.96	26.90	(6.93)	(25.8%)
Non-Potable	16.07	13.81	2.26	16.4%
Monthly Total	384.12	409.50	(25.38)	(6.2%)

<b>YEAR TO DATE WATER SALES (AF)</b>				
<b>CLASSIFICATION</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	
			<b>AF</b>	<b>%</b>
Single Family	2,817.74	2,818.51	(0.77)	(0.0%)
Multi Family	60.01	85.90	(25.89)	(30.1%)
Agricultural	319.59	303.94	15.65	5.1%
Institutional	247.11	367.62	(120.51)	(32.8%)
Commercial	213.93	315.40	(101.47)	(32.2%)
Non-Potable	124.69	108.23	16.46	15.2%
Yearly Total	3,783.07	3,999.60	(216.53)	(5.4%)

**A. Water Sales in Acre Feet (AF)**

During the month of June 2018, MWD sold 384.1 AF of water to its customers compared to a budgeted amount of 409.5 AF which translates to a budget variance of -25.4 AF or -6.2%. The reason for the variance has to do with the budget process and timing combined with some customers still not receiving service.

B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 6,965,646	\$ 7,065,767	\$ (100,121)	(1.4%)
Multi Family	141,215	213,625	(72,410)	(33.9%)
Agricultural	447,492	423,019	24,473	5.8%
Institutional	668,889	958,416	(289,527)	(30.2%)
Commercial	575,380	857,934	(282,554)	(32.9%)
Non-Potable	76,042	70,579	5,463	7.7%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 8,874,664	\$ 9,589,340	\$ (714,676)	(7.5%)

2. STATEMENT OF REVENUE AND EXPENDITURES – JUNE 2018

A. Revenues

Total Revenue YTD as of June 30, 2018 is \$18,908,327 compared to the YTD Budget of \$19,847,756 for a budget variance of -\$939,429 or -4.9%.

REVENUE	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
WATER SALES	8,874,664	9,589,341	(714,677)
WSE SURCHARGE	5,354,276	5,117,580	236,696
ORDINANCE 94 PENALTIES	(3,105)	-	(3,105)
SERVICE CHARGES	3,889,391	4,274,803	(385,412)
WATER AVAILABILITY CHARGE	304,609	306,499	(1,890)
PRIVATE FIRE HYDRANT	69,842	66,251	3,591
LATE CHARGES	50,492	51,018	(526)
SERVICE CONNECTION FEES	22,459	29,906	(7,447)
CAPITAL COST RECOVERY FEES	56,904	232,358	(175,454)
INTEREST REVENUE - GENERAL	127,014	100,000	27,014
OTHER REVENUE (LOSS)	142,017	56,000	86,017
REIMBURSEMENTS	19,762	24,000	(4,238)
TOTAL REVENUE	\$ 18,908,327	\$ 19,847,756	(\$ 939,429)

## **B. Expenses:**

### **1. JPA Expenses**

Total JPA Expenses YTD through June 30, 2018 are \$8,264,108 compared to the YTD budget of \$8,067,035 which is above budget by \$197,073. This variance is due to the variable portion of the SWP being below budget by \$97k, offset by \$131k of supplemental water purchased to repay the AVEK water debt that was not budgeted, Cater Treatment costs \$158k above budget as well as other miscellaneous differences. Please see footnotes to the Financial Statements for further clarification.

### **2. MWD Expenses**

Total MWD Expenses YTD as of June 30, 2018 are \$6,946,152 compared to the YTD budget of \$6,955,181 which is below budget by \$9,029. This variance is primarily due to the following factors – **Engineering**, outside services are over by \$98k, a recycled water feasibility study has not yet been completed (\$31k), SGMA Study has not incurred expected costs (\$15k), as well as other combined variances (\$41k); **Public Information and Conservation**, website development has not yet taken place (\$20k), as well as other combined variances (\$44k); **Administration**, local water supply negotiations planned but not completed (\$195k), reduced insurance premiums (\$50k), offset by Legal expenses over budget by \$178k, as well as other combined variances of (\$52k). Please see footnotes to the Financial Statements for further clarification.

## **ATTACHMENTS:**

- 1) Financial Package – June 2018



**FINANCIAL REPORTS**

**BOARD OF DIRECTORS MEETING**

**For the Month of June 2018**

**July 24, 2018**

**MONTECITO WATER DISTRICT**  
**STATEMENT OF REVENUE AND EXPENDITURES**  
 June 30, 2018

MWD EXPENSE	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)	Footnote
<b>WATER SALES</b>	918,746	955,734	(36,988)	8,874,664	9,589,341	(714,677)	(1)
<b>WSE SURCHARGE</b>	549,213	415,621	133,592	5,354,276	5,117,580	236,696	(1)
<b>ORDINANCE 94 PENALTIES</b>	-	-	-	(3,105)	-	(3,105)	
<b>SERVICE CHARGES</b>	354,491	356,104	(1,613)	3,889,391	4,274,803	(385,412)	(2)
<b>WATER AVAILABILITY CHARGE</b>	1,622	-	1,622	304,609	306,499	(1,890)	
<b>PRIVATE FIRE HYDRANT</b>	5,979	5,420	559	69,842	66,251	3,591	
<b>LATE CHARGES</b>	4,309	4,252	57	50,492	51,018	(526)	
<b>SERVICE CONNECTION FEES</b>	-	7,477	(7,477)	22,459	29,906	(7,447)	
<b>CAPITAL COST RECOVERY FEES</b>	-	58,090	(58,090)	56,904	232,358	(175,454)	(3)
<b>INTEREST REVENUE - GENERAL</b>	11,637	8,333	3,303	127,014	100,000	27,014	(4)
<b>OTHER REVENUE (LOSS)</b>	4,081	4,667	(586)	139,085	56,000	83,085	(5)
<b>REIMBURSEMENTS</b>	2,931	2,000	931	22,693	24,000	(1,307)	
<b>TOTAL REVENUE</b>	\$ 1,853,008	\$ 1,817,697	\$ 35,311	\$ 18,908,327	\$ 19,847,756	(\$ 939,430)	
<b>OPERATING EXPENSE</b>							
<b>DIRECT EXPENSE</b>							
<b>JPA OPERATING EXPENSE</b>							
<b>CACHUMA OPERATIONS &amp; MAINT BOARD (COMB)</b>	39,115	139,744	100,629	615,973	558,974	(56,999)	(6)
<b>CACHUMA CONSERVATION &amp; RELEASE BOARD (CCRB)</b>	8,638	25,913	17,275	103,652	103,652	(0)	(7)
<b>US BUREAU OF RECLAMATION (USBR)</b>	31,097	-	(31,097)	80,803	134,030	53,227	(8)
<b>CATER WATER TREATMENT PLANT</b>	355,000	315,000	(40,000)	1,418,276	1,260,000	(158,276)	(9)
<b>STATE WATER PROJECT (SWP) - FIXED</b>	410,975	410,975	(0)	4,931,705	4,931,704	(1)	
<b>STATE WATER PROJECT (SWP) - VARIABLE</b>	23,543	265,919	242,376	982,000	1,078,675	96,675	(10)
<b>SUPPLEMENTAL WATER PURCHASE</b>	(83,828)	-	83,828	131,697	-	(131,697)	(11)
<b>TOTAL JPA OPERATING EXPENSE</b>	\$ 784,541	\$ 1,157,551	\$ 373,011	\$ 8,264,108	\$ 8,067,035	(\$ 197,073)	
<b>MWD DIRECT EXPENSE</b>							
<b>JAMESON</b>	10,296	8,763	(1,533)	137,826	110,717	(27,109)	(12)
<b>TRANSMISSION &amp; DISTRIBUTION</b>	127,296	114,057	(13,240)	1,446,418	1,417,071	(29,347)	(13)
<b>TREATMENT</b>	108,175	91,395	(16,781)	1,192,925	1,139,312	(53,613)	(14)
<b>TOTAL MWD DIRECT EXPENSE</b>	\$ 245,768	\$ 214,215	(\$ 31,553)	\$ 2,777,169	\$ 2,667,100	(\$ 110,069)	
<b>MWD INDIRECT EXPENSE</b>							
<b>ENGINEERING</b>	88,990	30,464	(58,526)	532,715	520,894	(11,821)	(15)
<b>CUSTOMER SERVICE</b>	24,657	33,184	8,527	412,531	396,607	(15,924)	(16)
<b>PUBLIC INFORMATION / CONSERVATION</b>	9,891	15,349	5,458	72,345	136,919	64,574	(17)
<b>FLEET</b>	25,830	14,078	(11,752)	205,099	168,323	(36,776)	(18)
<b>ADMINISTRATION (incl Depreciation)</b>	286,424	215,073	(71,350)	2,946,293	3,065,338	119,045	(19)
<b>TOTAL MWD INDIRECT EXPENSE</b>	\$ 435,791	\$ 308,148	(\$ 127,643)	\$ 4,168,983	\$ 4,288,081	\$ 119,098	

	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)
TOTAL MWD EXPENSE	\$ 681,558	\$ 522,363	(\$ 159,196)
TOTAL OPERATING EXPENSE	\$ 1,466,099	\$ 1,679,914	\$ 182,262
NET OPERATING SURPLUS / (DEFICIT)	\$ 386,909	\$ 137,783	\$ 249,126
NON OPERATING EXPENSE			
2004 DWR ORTEGA LOAN	(76,448)	(295,200)	218,752
BOND INTEREST EXPENSE	-	(345,231)	345,231
CATER DWR LOAN	-	(109,576)	109,576
CATER CAPITAL	-	(129,669)	129,669
CATER OZONE	-	(138,150)	138,150
TOTAL NON OPERATING EXPENSE	(\$ 76,448)	(\$ 1,017,826)	\$ 941,378
NET OPERATING SURPLUS / (DEFICIT)	\$ 310,460	(\$ 880,043)	\$ 1,190,503
NET POSITION, BEGINNING OF PERIOD	\$ 31,631,677	\$ 32,705,435	(\$ 1,073,759)
NET POSITION, END OF PERIOD	\$ 31,942,137	\$ 31,825,392	\$ 116,745

	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
	\$ 6,946,152	\$ 6,955,181	\$ 9,029
	\$ 15,210,260	\$ 15,022,216	(\$ 298,113)
	\$ 3,698,067	\$ 4,825,541	(\$ 1,127,474)
	(155,612)	(590,400)	434,788
	(345,231)	(690,462)	345,231
	(231,647)	(225,400)	(6,247)
	-	(132,300)	132,300
	(276,346)	(276,300)	(46)
	(\$ 1,008,835)	(\$ 1,914,862)	\$ 906,027
	\$ 2,689,232	\$ 2,910,679	(\$ 221,447)
	\$ 29,252,905	\$ 28,992,747	\$ 260,158
	\$ 31,942,137	\$ 31,903,426	\$ 38,711

(20)  
(21)  
(22)

June 30, 2018

**FOOTNOTES**

- (1) **WATER SALES (in AF) - MTD UNDER** Actual 384.1 and Budget 409.5 = Variance -25.4; **YTD UNDER** Actual 3,783.1 and Budget 3,999.6 = Variance -216.5  
\*The WSE is over budget while water sales are under budget due to the fact that it was budgeted at \$2.33/AF, but remains at \$3.45/AF in actuals
- (2) **SERVICE CHARGES - MTD UNDER by \$2k** - Monthly Service Charges lost due to 1/9 event;  
**YTD UNDER \$385k** - Meter Service Charge was forgiven for the month of January due to the 1/9 event combined with continued monthly loss
- (3) **CAPITAL COST RECOVERY - MTD UNDER by \$58k; YTD UNDER by \$175k** - Anticipated new meter installations have not occurred
- (4) **INTEREST REVENUE - YTD OVER by \$27k** - Mainly due to realized interest on the sale of T-Bills used to make the State Water Project fixed cost payment
- (5) **OTHER REVENUE - YTD OVER by \$83k** - \$42k ACWA/JPIA refund, \$5k Recycling and \$34 Gain on the sale of fixed assets
- (6) **COMB - MTD UNDER by \$100k** - timing with budget amounts; **YTD OVER by \$57k** - actual billings came in higher for the year
- (7) **CCRB - MTD OVER by \$17k** - due to timing differences
- (8) **USBR - MTD OVER by \$31k** - timing of budgeted amounts; **YTD UNDER \$53k** - Actuals came in lower for the year
- (9) **CATER WTP - MTD OVER by \$40k** - This is an accrual based on the average of the prior 3 quarterly billings  
**YTD OVER by \$158k** - Anticipated actual billings are higher than budgeted amounts, Cater Capital not tracked separately (see footnote 22)
- (10) **STATE WATER PROJECT (VARIABLE) -MTD UNDER by \$242k** - timing with budget amounts; **YTD UNDER by \$97K** - Anticipated slow down in billing occurred
- (11) **SUPPLEMENTAL WATER PURCHASE - MTD UNDER by \$83k** - Actual cost of accrued liability was less than anticipated when invoice was received  
**YTD OVER by \$132k** - Net purchases from Santa Maria to leave \$500,000 in Water Repayment Debt to AVEK relating to 2015 purchase, actual was \$416k
- (12) **JAMESON - YTD OVER by \$27k** - Outside Services \$37k, Repairs and Maintenance (UNDER) (-\$9K)
- (13) **TRANSMISSION & DISTRIBUTION - MTD OVER by \$13k** - Supplies \$14k  
**YTD OVER by \$29k** - Salaries & Benefits \$12, Supplies \$57k, Repairs and Maint (UNDER) (-\$22k), Garbage (UNDER)(-\$8k), Road & Paving (UNDER) (-\$8k) and Utilities (UNDER) (-\$8k)
- (14) **TREATMENT - MTD OVER by \$17k** - Outside Services \$8k Supplies \$4k, Chemicals \$2k; Utilities \$2k  
**YTD OVER by \$53k** - Salaries & benefits \$10k, Supplies \$40k, Chemicals \$16k, Outside Services \$14k and Repairs & Maint. (UNDER)(-\$28k)
- (15) **ENGINEERING - MTD OVER by \$58k** - Outside Svcs. \$27k, Recycled Water Feasibility Study (timing) \$20k and SGMA (timing) \$10k  
**YTD OVER by \$12k** - Supplies 13k, Outside Services \$97k, GIS (-\$5k), SGMA (-\$10k), Fish Relocation (-\$16k), Cloud Seeding (cancelled) (-\$11), Recycled Water Feasibility (-\$31k), and Salaries and Benefits (-\$25k)
- (16) **CUSTOMER SERVICE - MTD UNDER by \$8k** - Salaries and Benefits (-\$6k), Repairs & Maintenance (-\$3k); **YTD OVER by \$16k** - Salaries and Benefits \$50k, Repairs and Maint (UNDER) (-\$35k)
- (17) **PUBLIC INFORMATION / CONSERVATION - MTD UNDER by \$5k** - Legal-Drought Related (-\$5k)  
**YTD UNDER by \$64k** - Website development (budgeted incorrectly) (-\$20k), Postage (-\$16k), Legal-Special (-\$20k), Conserv Prg (-\$5k), Printing & publishing (\$5k)
- (18) **FLEET - MTD OVER by \$12k** - Fuels \$10K, Salaries and Benefits \$1k, Small Tools \$1k; **YTD OVER by \$36k** - Salaries and Benefits \$14k, Fuels \$16k, Supplies \$6k
- (19) **ADMINISTRATION - MTD OVER by \$71k** - Legal \$27k, Local Water Supply Negotiations (timing) \$36k, Outside Services \$3k, Professional Training \$3k and Rate Study \$2k  
**YTD UNDER by \$119k** - Salaries (-\$42k), Local Water Supply Negotiations (-\$196k), Rate Study (-\$15k), Insurance (-\$50k),-Computer (-\$26k), Building Maintenance (-\$26k), Legal (OVER) \$178k, Outside Svcs (OVER) \$73k
- (20) **2004 DWR Ortega Loan** - The principal and interest were budgeted to this expense, when paid, only the interest was recorded as expense
- (21) **Bond Interest Expense** - The second payment was made 6/29/2018 and was not recorded at the bank as of 6/30/2018, It is on the Balance Sheet in account 1065
- (22) **Cater Capital** - Cater Capital costs are being rolled into the quarterly Cater invoices and are not tracked separately

**MONTECITO WATER DISTRICT**  
**STATEMENT OF NET POSITION - UNAUDITED**  
**June 30, 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	<u>\$ 1,000,000</u>	
		\$ 5,400,000

Unreserved Cash		<u>\$ 2,380,338</u>
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Total unrestricted cash and investments	\$ 7,780,338	
Restricted - cash and investments	<u>\$ 3,813,590</u>	
Total Cash (unrestricted & restricted)		\$ 11,593,928

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

**Receivables:**

Accounts receivable - water sales & services, net	\$ 1,831,316	
Accounts receivable - other	\$ 8,320	
Accrued Interest	\$ 20,961	
FEMA Reimbursable	\$ 427,169	
ACWA/JPIA receivable	\$ 383,245	
Materials and supplies inventory	\$ 362,929	
Prepaid water charges (SWP and other prepaid water)	\$ 8,815,765	
Prepaid expenses and other deposits	<u>\$ 113,258</u>	
Total Current Assets		\$ 11,962,963

**Noncurrent:**

Capital assets - not being depreciated	\$ 1,289,039	
Capital assets - being depreciated, net	<u>\$ 31,299,521</u>	
Total Noncurrent Assets		\$ 32,588,560

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pensions	<u>\$ 1,116,776</u>	
Total Deferred Outflows of Resources		\$ 1,116,776

**TOTAL COMBINED ASSETS:**

\$ 57,892,228

**MONTECITO WATER DISTRICT  
STATEMENT OF NET POSITION - UNAUDITED  
June 30, 2018 (Continued)**

**LIABILITIES**

<b>Current:</b>			
Accounts payable and accrued expenses		\$ 477,272	
Accrued wages and related payables		\$ 54,253	
Unearned revenue and other deposits		\$ 87,628	
Accrued interest payable		\$ -	
Long-term liabilities - due within one year:			
Accrued compensated absences		\$ -	
Bonds Payable		\$ -	
Loan Payable		\$ 635,016	
<b>Total Current Liabilities</b>		<u>\$ 1,254,169</u>	
<b>Noncurrent:</b>			
Accrued compensated absences		\$ 369,206	
Accrued water exchange transfer		\$ -	
Bonds payable		\$ 13,360,000	
Loan payable		\$ 5,864,989	
Other post-employment benefits payable		\$ 780,930	
Net pension liability		\$ 3,797,410	
<b>Total Noncurrent Liabilities</b>		<u>\$ 24,172,536</u>	
<b>Total Liabilities</b>		<u>\$ 25,426,704</u>	

**DEFERRED INFLOWS OF RESOURCES**

Deferred pensions		\$ 523,384	
<b>Total Deferred Inflows of Resources</b>		<u>\$ 523,384</u>	

**NET POSITION**

Net investment in capital assets		\$ 12,072,809	
Restricted		\$ 3,813,590	
Unrestricted		\$ 16,055,740	
<b>Total Net Position</b>		<u>\$ 31,942,139</u>	

<b>TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:</b>	<u><u>\$ 57,892,228</u></u>
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**MONTECITO WATER DISTRICT**  
**STATEMENT OF CASH FLOWS - UNAUDITED**  
**June 30, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

	<u>MTD</u>	<u>YTD</u>
Operating Income (loss)	\$ 375,272	\$ 3,571,053
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	104,458	1,245,734
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	945,211	(622,430)
Materials and supplies inventory	1,382	(115,149)
Prepaid water charges	292,906	(873,525)
Prepaid expenses and other deposits	(6,321)	6,544
Litigation Liability	-	(1,140,668)
Accounts payable	474,653	(673,771)
Accrued wages and related payables	8,437	(512)
Unearned revenue and other deposits	(4,063)	56,062
Accrued water exchange transfer	(500,000)	(1,334,475)
Compensated absences	4,676	28,825
Net cash provided (used) by operating activities	\$ 1,696,611	\$ 147,688

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(6,800)	\$ (1,807,303)
Interest Payable	-	-
Net cash provided (used) by capital financing and related activities	\$ (6,800)	\$ (1,807,303)

**MONTECITO WATER DISTRICT**  
**STATEMENT OF CASH FLOWS - UNAUDITED**  
**June 30, 2018 (Continued)**

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

	MTD	YTD
Ortega Interest	\$ (76,448)	\$ (155,612)
Bond Interest	-	(345,231)
Cater DWR Loan	(218,761)	(450,408)
Cater Capital	-	-
Cater Ozone	-	(276,346)
	<b>\$ (295,209)</b>	<b>\$ (1,227,597)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earnings	\$ 11,637	\$ 127,013
Purchase of underground water banking shares	\$ -	\$ (630,000)
	<b>\$ 11,637</b>	<b>\$ (502,987)</b>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,406,239	\$ (3,390,199)
	<b>\$ 10,187,689</b>	<b>\$ 14,984,127</b>
Cash and cash equivalents, beginning of period		
Cash and cash equivalents, end of period	<b>\$ 11,593,928</b>	<b>\$ 11,593,928</b>

**RECONCILIATION TO STATEMENT OF NET POSITION:**

Cash and investments - cash equivalents	\$ 7,780,338	\$ 7,780,338
Restricted cash and investments - cash equivalents	3,813,590	3,813,590
	<b>\$ 11,593,928</b>	<b>\$ 11,593,928</b>



# DASHBOARD REPORT WATER SALES (AF)

6/30/2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	278.72	277.35	1.37	0.5%
Multi Family	5.52	7.31	(1.80)	(24.6%)
Agricultural	37.84	44.97	(7.13)	(15.9%)
Institutional	26.01	39.16	(13.15)	(33.6%)
Commercial	19.96	26.90	(6.93)	(25.8%)
Non-Potable	16.07	13.81	2.26	16.4%
Monthly Total	384.12	409.50	(25.38)	(6.2%)

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	2,817.74	2,818.51	(0.77)	(0.0%)
Multi Family	60.01	85.90	(25.89)	(30.1%)
Agricultural	319.59	303.94	15.65	5.1%
Institutional	247.11	367.62	(120.51)	(32.8%)
Commercial	213.93	315.40	(101.47)	(32.2%)
Non-Potable	124.69	108.23	16.46	15.2%
Yearly Total	3,783.07	3,999.60	(216.53)	(5.4%)

Fiscal Year = July thru June



## DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 722,921	\$ 690,569	\$ 32,352	4.7%
Multi Family	12,984	17,191	(4,207)	(24.5%)
Agricultural	52,052	62,487	(10,435)	(16.7%)
Institutional	68,642	102,004	(33,362)	(32.7%)
Commercial	52,344	72,478	(20,134)	(27.8%)
Non-Potable	9,803	11,005	(1,202)	(10.9%)
Adjustments	-	-	-	0.0%
<b>Monthly Total</b>	<b>\$ 918,746</b>	<b>\$ 955,734</b>	<b>\$ (36,988)</b>	<b>(3.9%)</b>

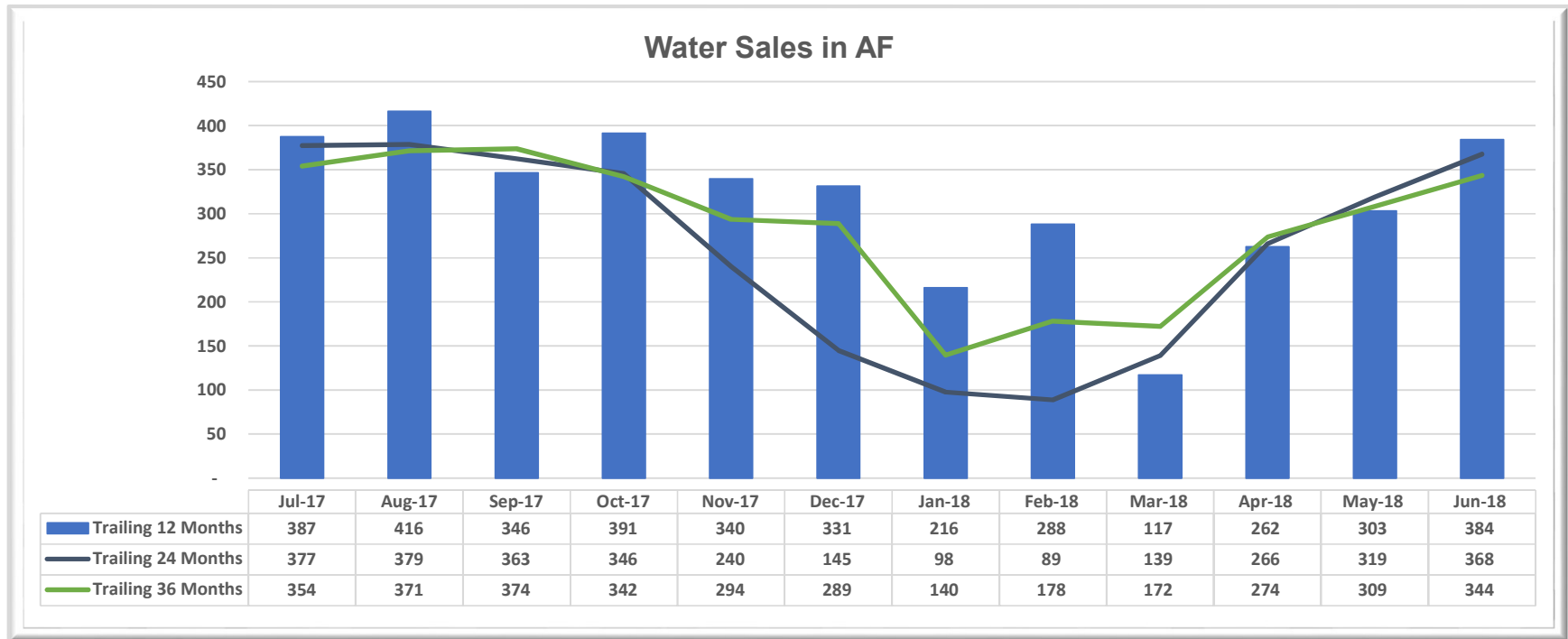
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 6,965,646	\$ 7,065,767	\$ (100,121)	(1.4%)
Multi Family	141,215	213,625	(72,410)	(33.9%)
Agricultural	447,492	423,019	24,473	5.8%
Institutional	668,889	958,416	(289,527)	(30.2%)
Commercial	575,380	857,934	(282,554)	(32.9%)
Non-Potable	76,042	70,579	5,463	7.7%
Adjustments	-	-	-	0.0%
<b>Monthly Total</b>	<b>\$ 8,874,664</b>	<b>\$ 9,589,340</b>	<b>\$ (714,676)</b>	<b>(7.5%)</b>

*Fiscal Year = July thru June*

MONTH ENDING

6/30/2018

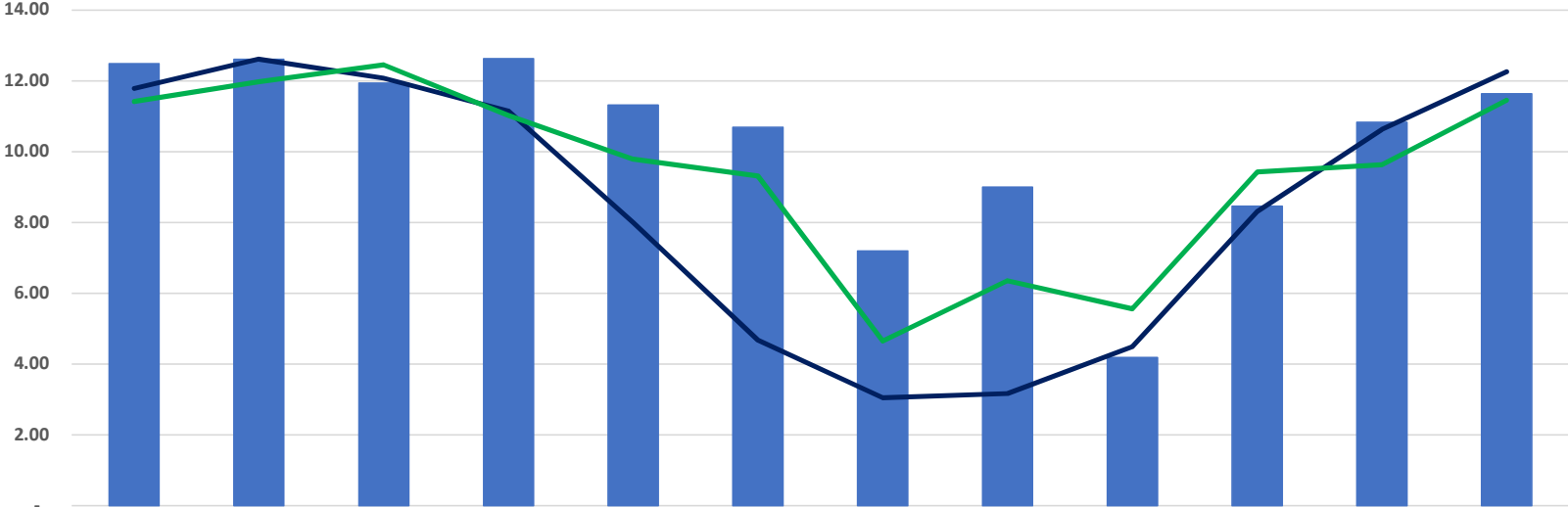
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6/30/2018

Average Daily Water Sales Per Month (AF)



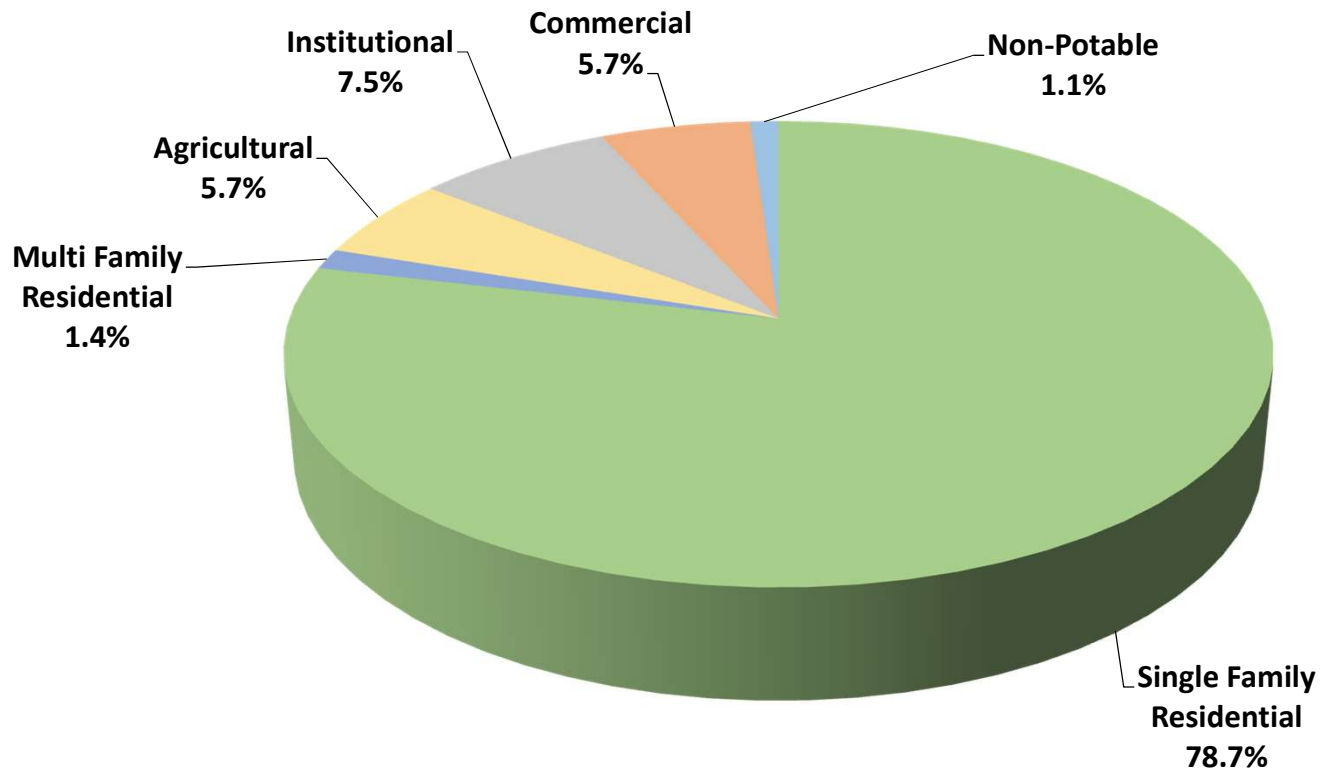
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Trailing 12 Months	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64
Trailing 24 Months	11.79	12.62	12.08	11.15	8.00	4.68	3.05	3.17	4.49	8.31	10.63	12.26
Trailing 36 Months	11.42	11.98	12.46	11.03	9.79	9.32	4.65	6.36	5.56	9.43	9.64	11.46

MONTH ENDING

6/30/2018

*(Select Date From Drop Down Arrow)*

### Water Sales by Classification - June 30, 2018

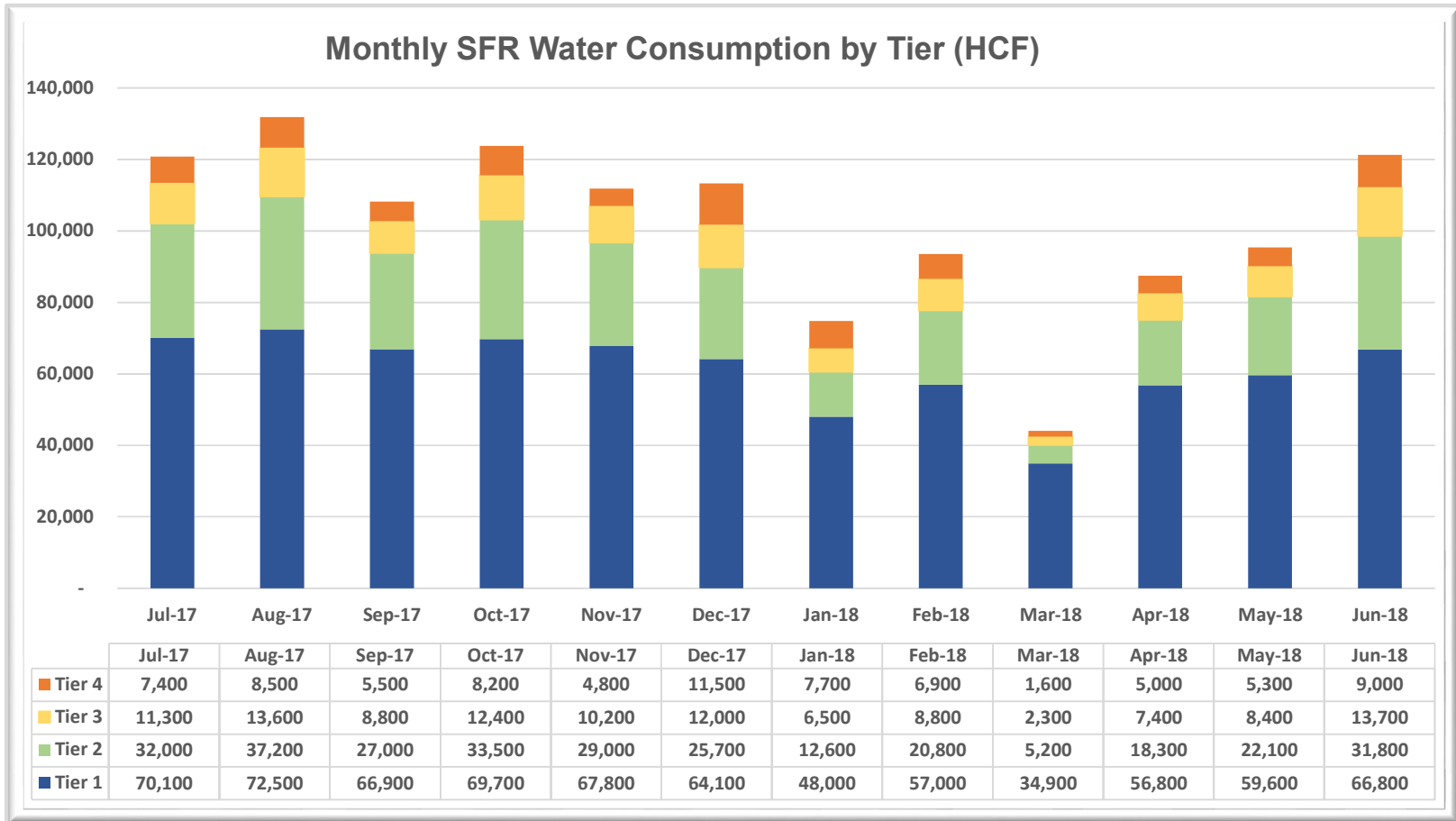




# DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

6/30/2018

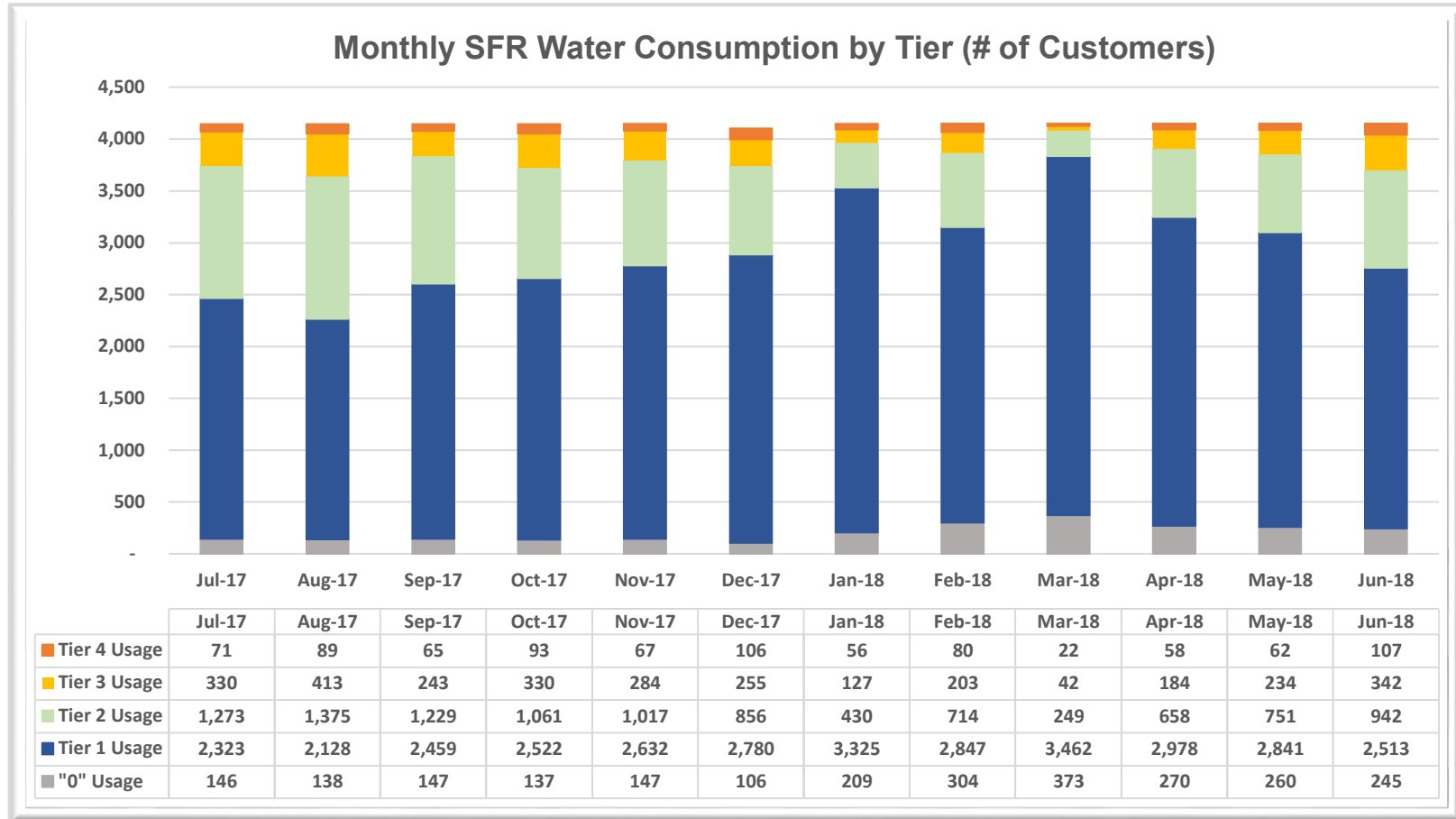




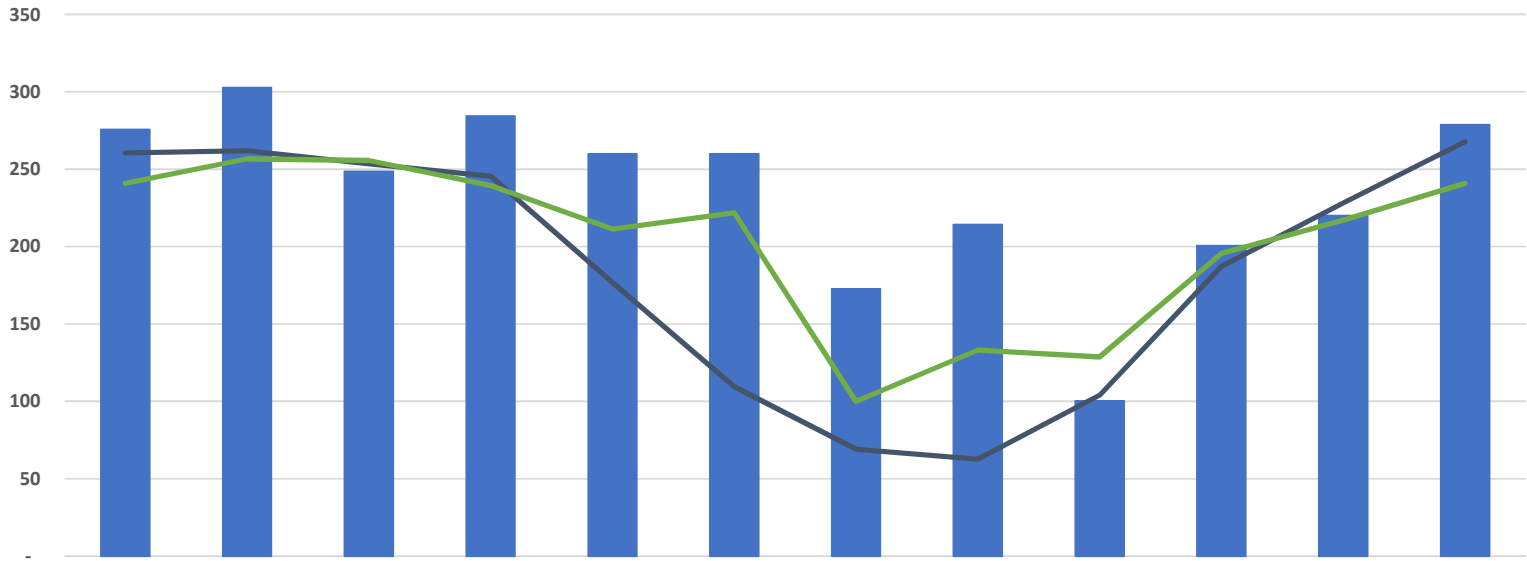
# DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

6/30/2018



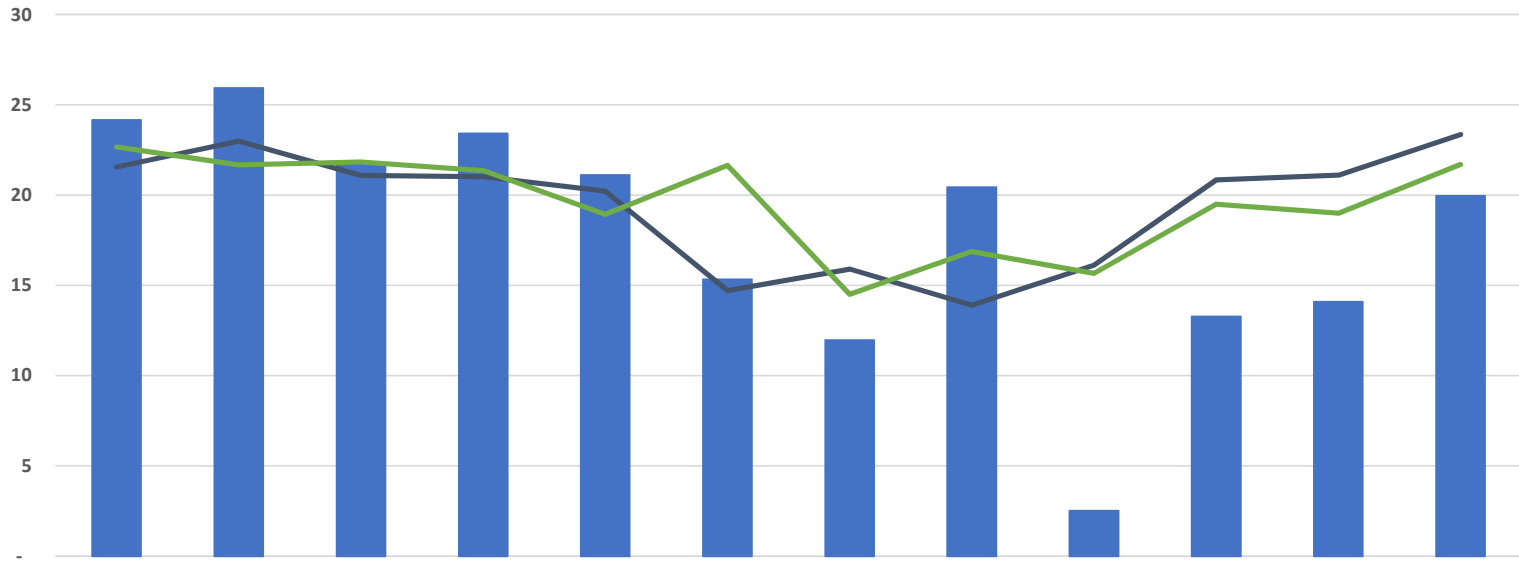
### Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



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

■ Trailing 12 Months(SINGLE FAMILY RESIDENTIAL) 2,441 AF  
■ Trailing 24 Months(SINGLE FAMILY RESIDENTIAL) 2,226 AF  
■ Trailing 36 Months(SINGLE FAMILY RESIDENTIAL) 2,818 AF  
 Trailing 12 Months vs. Trailing 24 Months: 9.7%  
 Trailing 12 Months vs. Trailing 36 Months: (13.4%)

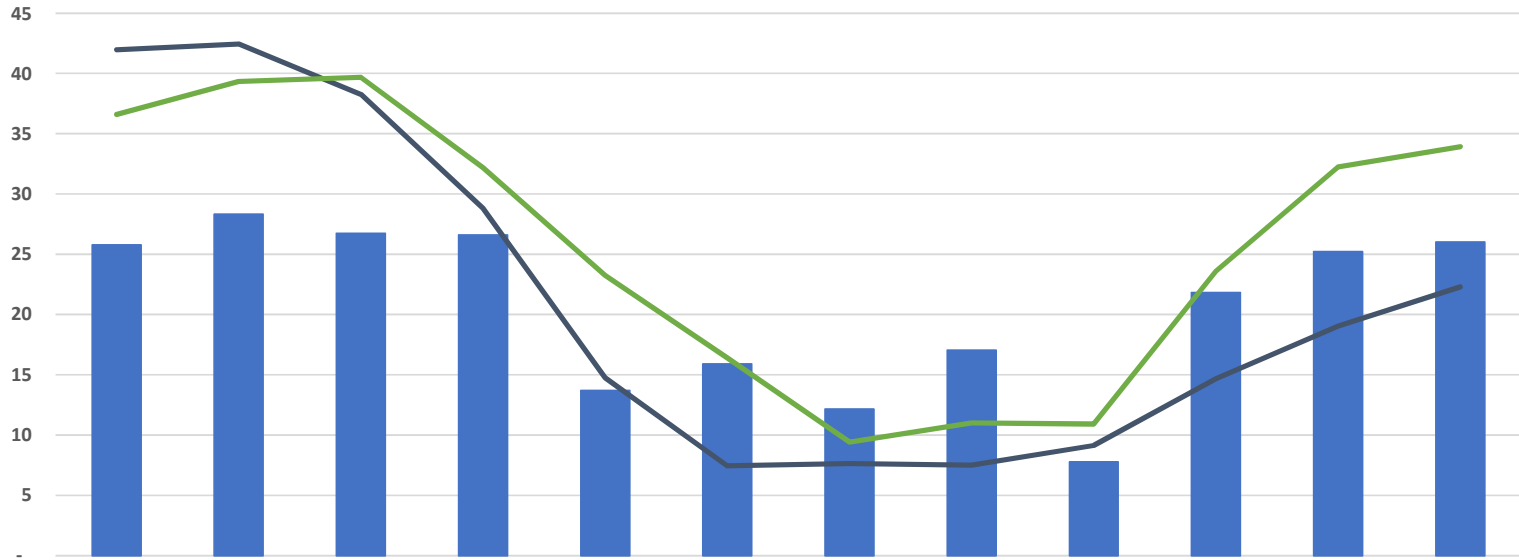
### Water Sales by Month (AF) COMMERCIAL



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

Trailing 12 Months (COMMERCIAL) 214 AF  
 Trailing 24 Months (COMMERCIAL) 233 AF  
 Trailing 36 Months (COMMERCIAL) 235 AF  
 Trailing 12 Months vs. Trailing 24 Months: (8.1%)  
 Trailing 12 Months vs. Trailing 36 Months: (9.1%)

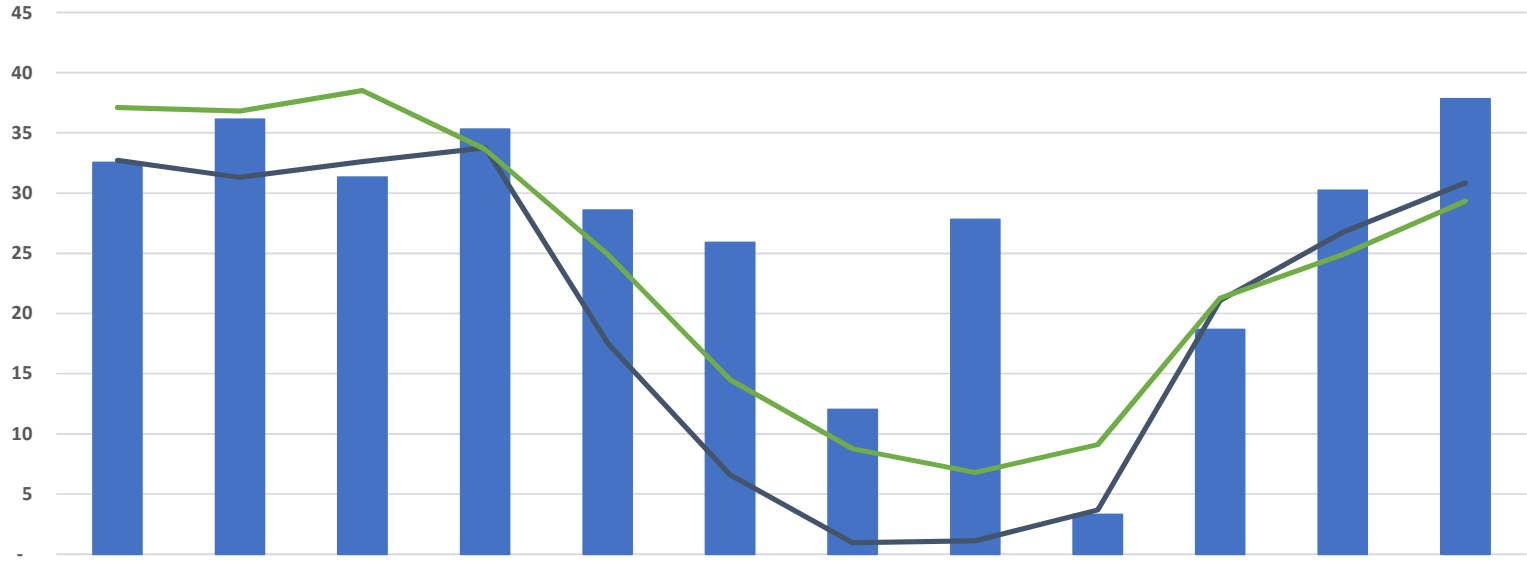
### Water Sales by Month (AF) INSTITUTIONAL



	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Trailing 12 Months	26	28	27	27	14	16	12	17	8	22	25	26
Trailing 24 Months	42	42	38	29	15	7	8	8	9	15	19	22
Trailing 36 Months	37	39	40	32	23	16	9	11	11	24	32	34

Trailing 12 Months (INSTITUTIONAL) 247 AF  
 Trailing 24 Months (INSTITUTIONAL) 254 AF  
 Trailing 36 Months (INSTITUTIONAL) 309 AF  
 Trailing 12 Months vs. Trailing 24 Months: (2.7%)  
 Trailing 12 Months vs. Trailing 36 Months: (19.9%)

### Water Sales by Month (AF) AGRICULTURE



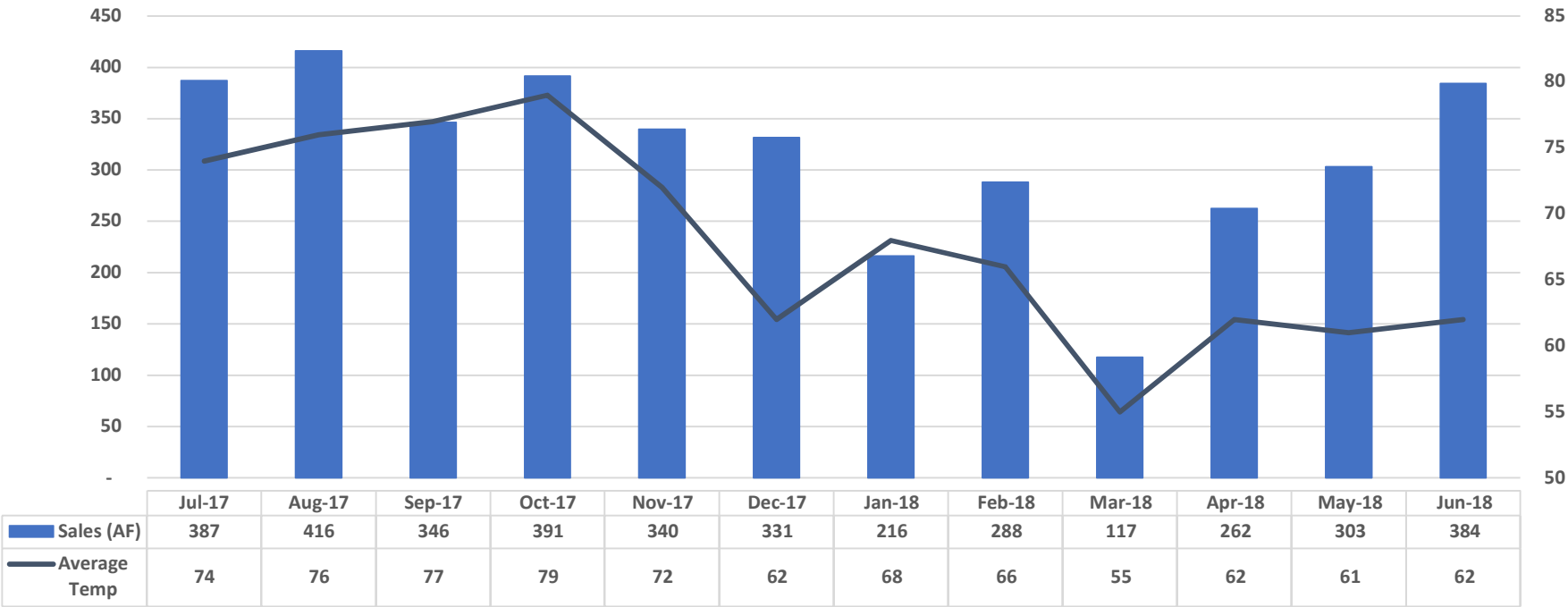
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Trailing 12 Months	33	36	31	35	29	26	12	28	3	19	30	38
Trailing 24 Months	33	31	33	34	18	7	1	1	4	21	27	31
Trailing 36 Months	37	37	39	34	25	14	9	7	9	21	25	29

■ Trailing 12 Months (AGRICULTURE)      320 AF  
■ Trailing 24 Months (AGRICULTURE)      239 AF  
■ Trailing 36 Months (AGRICULTURE)      286 AF  
 Trailing 12 Months vs. Trailing 24 Months:      **33.7%**  
 Trailing 12 Months vs. Trailing 36 Months:      **11.9%**



6/30/2018

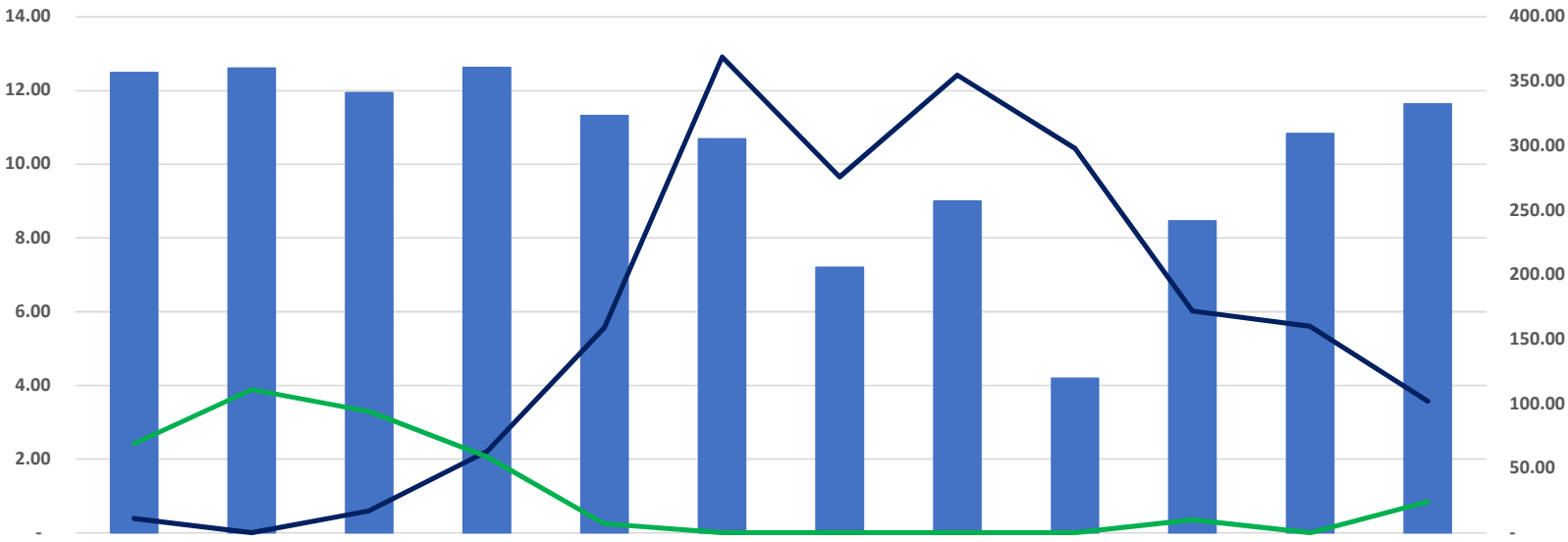
Sales (AF) / Average Temperature (°F)





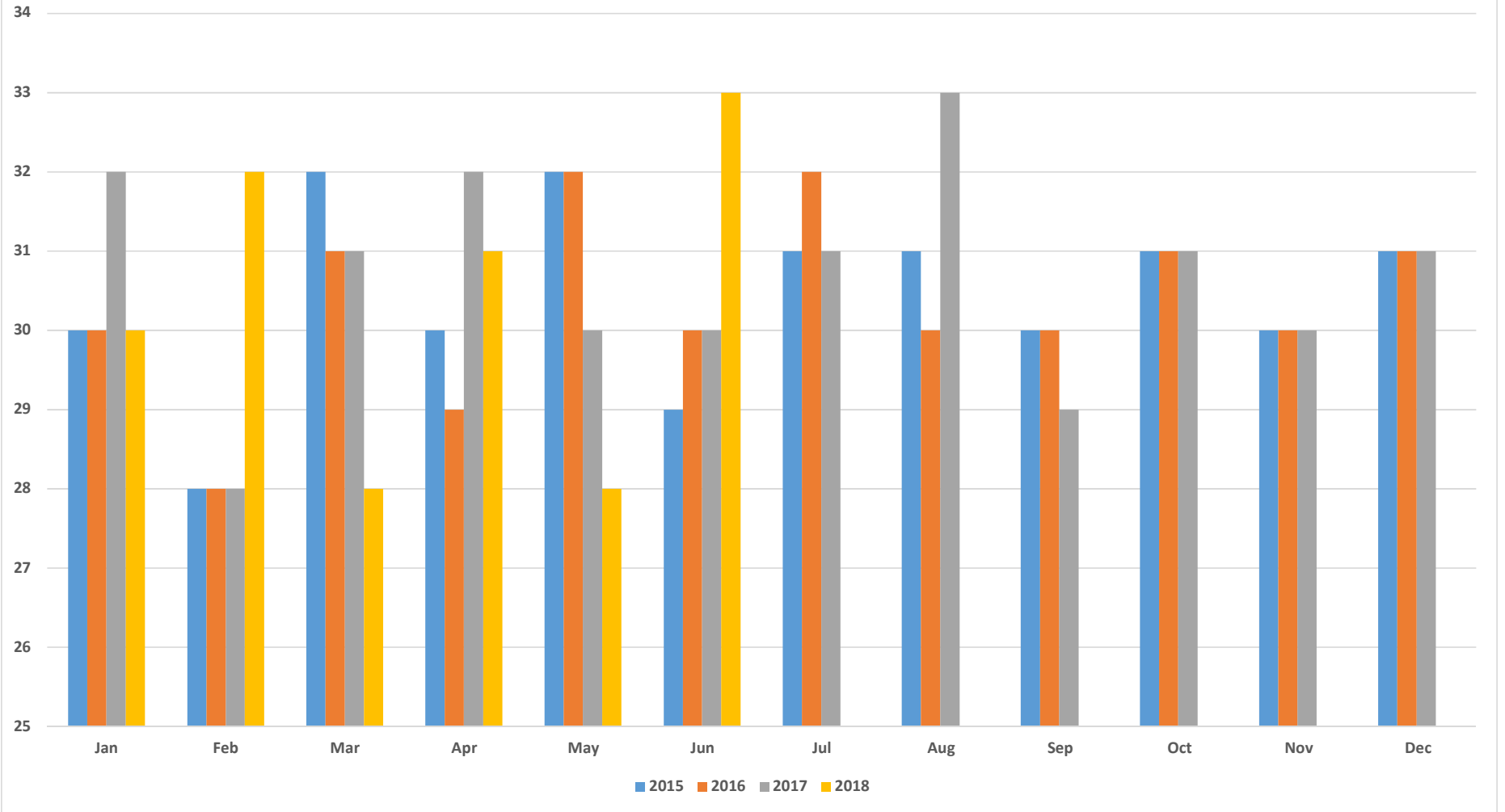
6/30/2018

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



	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Average Daily Sales	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64
Heating Degree Days	11.00	-	17.00	63.00	159.00	369.00	276.00	355.00	298.00	172.00	160.00	102.00
Cooling Degree Days	69.00	111.00	94.00	59.00	7.00	-	-	-	-	10.00	-	24.00

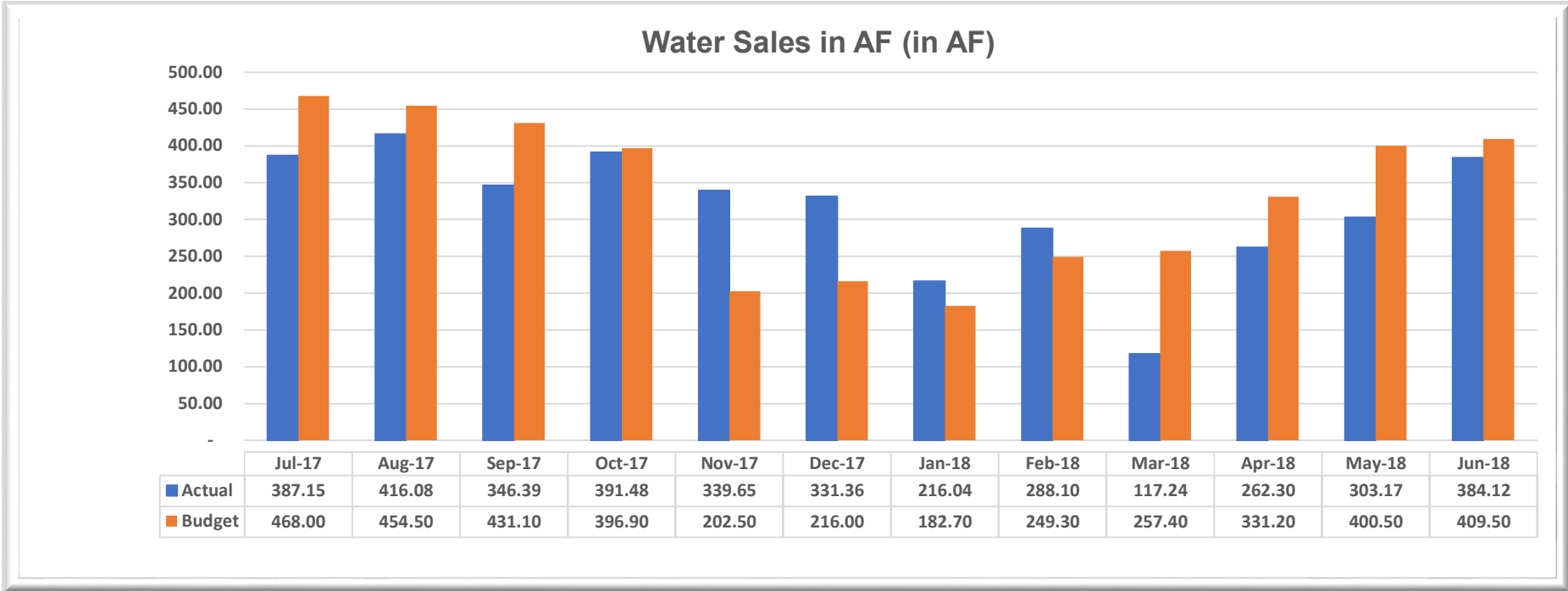
Billing Days per Month





# DASHBOARD REPORT WATER SALES (AF)

6/30/2018



**MONTECITO WATER DISTRICT  
WATER SALES ANALYSIS  
FOR FISCAL YEAR 2017/18**

MONTH	% SALES BREAKDOWN	2016/17 ACTUAL SALES (*)		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	\$	AF	\$	AF	SALES	AF	%	\$	%	AF	%	\$	%
JUL	11.6%	377.4	898,395	468.0	\$1,114,126	387.1	\$909,119	9.7	2.6%	\$10,724	1.2%	(80.9)	(17.3%)	(205,007)	(18.4%)
AUG	11.2%	378.7	897,501	454.5	\$1,077,194	416.1	\$997,265	37.4	9.9%	\$99,764	11.1%	(38.4)	(8.4%)	(79,929)	(7.4%)
SEP	10.7%	362.5	865,208	431.1	\$1,028,830	346.4	\$828,165	(16.1)	(4.4%)	-\$37,043	(4.3%)	(84.7)	(19.6%)	-\$200,665	(19.5%)
OCT	9.9%	345.5	824,021	396.9	\$946,534	391.5	\$933,549	46.0	13.3%	\$109,528	13.3%	(5.4)	(1.4%)	-\$12,985	(1.4%)
NOV	5.0%	239.9	567,578	202.5	\$479,064	339.6	\$815,859	99.7	41.6%	\$248,281	43.7%	137.1	67.7%	\$336,795	70.3%
DEC	5.3%	145.0	343,009	216.0	\$510,956	331.4	\$799,566	186.4	128.6%	\$456,557	133.1%	115.4	53.4%	\$288,610	56.5%
JAN	4.7%	97.6	239,823	182.7	\$448,968	216.0	\$400,615	118.4	121.3%	\$160,792	67.0%	33.3	18.2%	-\$48,353	(10.8%)
FEB	6.4%	88.8	218,446	249.3	\$613,435	288.1	\$657,160	199.3	224.4%	\$438,714	200.8%	38.8	15.6%	\$43,725	7.1%
MAR	6.4%	139.1	332,989	257.4	\$615,911	117.2	\$266,987	(21.9)	(15.7%)	-\$66,002	(19.8%)	(140.2)	(54.5%)	-\$348,924	(56.7%)
APR	8.2%	266.0	612,907	331.2	\$785,317	262.3	\$628,625	(3.7)	(1.4%)	\$15,718	2.6%	(68.9)	(20.8%)	-\$156,692	(20.0%)
MAY	10.6%	318.9	743,836	400.5	\$1,013,272	303.2	\$719,008	(15.7)	(4.9%)	-\$24,828	(3.3%)	(97.3)	(24.3%)	-\$294,264	(29.0%)
JUN	10.0%	367.8	871,971	409.5	\$955,734	384.1	\$918,746	16.3	4.4%	\$46,775	5.4%	(25.4)	(6.2%)	-\$36,988	(3.9%)
<b>TOTAL</b>	<b>100.0%</b>	<b>3,127.2</b>	<b>7,415,684</b>	<b>3,999.6</b>	<b>\$9,589,341</b>	<b>3,783.0</b>	<b>\$8,874,664</b>	<b>655.8</b>	<b>20.4%</b>	<b>\$1,458,980</b>	<b>19.0%</b>	<b>(216.6)</b>	<b>(4.8%)</b>	<b>(\$714,677)</b>	<b>(17.0%)</b>

**YTD ACTUAL WATER SALES COMPARISON  
FOR FISCAL YEAR 2017/18**

	2016/17 ACTUAL SALES (YTD)		2017/18 BUDGET SALES (YTD)		2017/18 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
<b>Cummulative (YTD)</b>	<b>3,127.2</b>	<b>7,415,684</b>	<b>3,999.6</b>	<b>\$9,589,341</b>	<b>3,783.0</b>	<b>\$7,955,918</b>	<b>639.5</b>	<b>20.4%</b>	<b>\$1,412,205</b>	<b>19.0%</b>	<b>(191.2)</b>	<b>(4.8%)</b>	<b>(\$1,633,423)</b>	<b>(17.0%)</b>

**QUARTERLY COMPARISON - ACTUALS THROUGH JUNE 2018 (\*)**

	2016/17 ACTUAL SALES		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
<b>Jul-Sep (Actual)</b>	<b>1,118.6</b>	<b>\$2,661,104</b>	<b>1,353.6</b>	<b>\$3,220,150</b>	<b>1,149.6</b>	<b>\$2,734,549</b>	<b>31.0</b>	<b>2.8%</b>	<b>\$73,445</b>	<b>2.8%</b>	<b>(204.0)</b>	<b>(15.1%)</b>	<b>(\$485,601)</b>	<b>(15.1%)</b>
<b>Oct-Dec (Actual)</b>	<b>730.4</b>	<b>1,734,608</b>	<b>815.4</b>	<b>1,936,554</b>	<b>1,062.5</b>	<b>\$2,548,974</b>	<b>332.1</b>	<b>45.5%</b>	<b>\$814,366</b>	<b>46.9%</b>	<b>247.1</b>	<b>30.3%</b>	<b>\$612,420</b>	<b>31.6%</b>
<b>Jan-Mar (Actual)</b>	<b>325.5</b>	<b>791,258</b>	<b>689.4</b>	<b>1,678,314</b>	<b>621.3</b>	<b>\$1,324,762</b>	<b>295.8</b>	<b>90.9%</b>	<b>\$533,504</b>	<b>67.4%</b>	<b>(68.1)</b>	<b>(9.9%)</b>	<b>(\$353,552)</b>	<b>(21.1%)</b>
<b>Apr-Jun (Actual)</b>	<b>952.7</b>	<b>2,228,714</b>	<b>1,141.2</b>	<b>2,754,323</b>	<b>949.6</b>	<b>\$2,266,379</b>	<b>(3.1)</b>	<b>(0.3%)</b>	<b>\$37,665</b>	<b>1.7%</b>	<b>(191.6)</b>	<b>(16.8%)</b>	<b>(\$487,944)</b>	<b>(17.7%)</b>
<b>Total (Actual)</b>	<b>3,127.2</b>	<b>\$7,415,684</b>	<b>3,999.6</b>	<b>\$9,589,341</b>	<b>3,783.0</b>	<b>\$8,874,664</b>	<b>655.8</b>	<b>20.4%</b>	<b>\$1,458,980</b>	<b>19.0%</b>	<b>(216.6)</b>	<b>(4.8%)</b>	<b>(\$714,677)</b>	<b>(17.0%)</b>

(\*) 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 JUNE 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	<b>290.00</b>	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	<b>501.30</b>	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	<b>214.10</b>	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	<b>753.31</b>	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	<b>203.40</b>	357.30	623.30	5065.18
2006-07	681.40	707.50	606.70	540.80	<b>530.70</b>	359.80	415.50	201.10	462.90	469.10	<b>703.00</b>	655.00	6333.50
2007-08	739.40	<b>832.60</b>	642.00	594.20	509.30	328.80	188.00	212.00	<b>474.10</b>	<b>629.00</b>	694.00	<b>675.00</b>	<b>6518.40</b>
2008-09	<b>798.00</b>	724.64	633.87	<b>674.67</b>	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	<b>394.72</b>	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	<b>530.73</b>	357.85	206.59	305.52	373.14	352.27	5776.10
2014/15	362.48	<b>360.73</b>	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	<b>311.07</b>	3331.17
2015/16	<b>353.90</b>	371.40	373.74	<b>342.06</b>	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	<b>145.00</b>	<b>97.59</b>	<b>88.78</b>	139.09	266.01	318.90	367.79	<b>3127.21</b>
2017/18	387.15	416.08	<b>346.39</b>	391.48	339.65	331.36	216.04	288.10	<b>117.24</b>	262.30	303.20	384.10	3783.09
<b>AVERAGE</b>	<b>602.19</b>	<b>625.20</b>	<b>561.24</b>	<b>484.17</b>	<b>345.29</b>	<b>270.75</b>	<b>245.18</b>	<b>229.61</b>	<b>285.31</b>	<b>385.79</b>	<b>485.73</b>	<b>517.04</b>	<b>5097.25</b>
<b>MAXIMUM</b>	<b>798.00</b>	<b>832.60</b>	<b>753.31</b>	<b>674.67</b>	<b>530.70</b>	<b>501.30</b>	<b>530.73</b>	<b>394.72</b>	<b>474.10</b>	<b>629.00</b>	<b>703.00</b>	<b>675.00</b>	<b>6518.40</b>
<b>MINIMUM</b>	<b>353.90</b>	<b>360.73</b>	<b>346.39</b>	<b>342.06</b>	<b>214.10</b>	<b>145.00</b>	<b>97.59</b>	<b>88.78</b>	<b>117.24</b>	<b>203.40</b>	<b>290.00</b>	<b>311.07</b>	<b>3127.21</b>
<b>17/18 % VS AVERAGE</b>	<b>64%</b>	<b>67%</b>	<b>62%</b>	<b>81%</b>	<b>98%</b>	<b>122%</b>	<b>88%</b>	<b>125%</b>	<b>41%</b>	<b>68%</b>	<b>62%</b>	<b>74%</b>	<b>74%</b>
<b>17/18 % VS MAXIMUM</b>	<b>49%</b>	<b>50%</b>	<b>46%</b>	<b>58%</b>	<b>64%</b>	<b>66%</b>	<b>41%</b>	<b>73%</b>	<b>25%</b>	<b>42%</b>	<b>43%</b>	<b>57%</b>	<b>58%</b>

Total METER Connections = **4,604**

Total OFF Connections = **57**

Total ACTIVE METER Connections = **4,547**



**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 5-B**

**DATE: JULY 24, 2018**

**TO: BOARD OF DIRECTORS**

**FROM: BUSINESS MANAGER**

**SUBJECT: PAYMENT OF CALPERS ANNUAL UNFUNDED ACCRUED LIABILITY  
AS OF JUNE 30, 2016 ACTUARIAL VALUATION FOR RATE PLAN  
FOR CLASSIC AND PEPRA EMPLOYEES**

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This item was reviewed by the Finance Committee at their meeting on July 17, 2018 and the Committee concurs with the staff recommendation

**RECOMMENDATION:**

That the Board of Directors approve the payment of the CalPERS Annual Unfunded Accrued Liability as of June 30, 2016 for Classic employees in a lump sum payment of \$223,359 and for PEPRA employees in a lump sum payment of \$596.

The District will recognize a savings in the amount of \$8,089.68 for Classic employees and \$21.52 for PEPRA employees as compared to paying the fixed dollar obligation over 12 monthly installments.

The 2018/19 budget is based upon the lump sum payment option for both Classic and PEPRA employees.

**BACKGROUND:**

**A. History of MWD's Participation in CalPERS**

Montecito Water District has participated in CalPERS since 1945 for the retirement benefit of its employees. CalPERS provides an annual Actuarial Valuation report that establishes the future minimum contribution rates. These contribution rates are calculated based on the membership and financial data which is then combined with many assumptions and methods by CalPERS Actuaries that are detailed in the Actuarial Valuation Report.

In June of 2003, the CalPERS Board implemented a requirement that all plans with less than 100 active members be assigned to a risk-sharing pool with all other agencies in the state with similar benefit packages. The purpose of establishing these risk pools was to establish consistent, less volatile employer contribution rates for smaller agencies within the collective pool. Prior to this time the District had a stand-alone plan. As the District has less than 100 employees, it was placed in the 2% percent @ 55 Miscellaneous pool.

CalPERS required that all participating agencies in the risk pool plan have fully funded pension liabilities. Therefore, CalPERS gave each contracting agency the option of contributing the unfunded liability with a single lump-sum payment or have the agency repay the unfunded liability as a loan over 15 years based on an actuarial determined amortization schedule. At the time, the District made no decision regarding the payment of the Side Fund and the District was assigned the default 15-year amortization period for its unfunded liability in 2005.

**B. Changes Made to the MWD Employee Member Contribution Rate**

Effective July 1, 2012, the Montecito Water District approved a resolution that all employees directly contribute to the District’s PERS plan under the defined 7% employee member contribution for the 2% @ 55 plan. The employee’s direct contribution was set up as a “phased-in direct employee cost” in the manner described below:

- The employer’s total contribution was to be capped at 20.814% which is equal to the combined 2011/12 FY PERS employer rate of 13.814% and the employee rate of 7%.
- All subsequent PERS rate increases above the 20.814% shall be paid by the employee subject to the employee member not exceeding the 7% employee maximum contribution as defined under the PERS 2% @ 55 Miscellaneous Plan for Public Agencies.
- Beginning July 1, 2012, the PERS combined employer and employee rate was set by PERS at 21.321% which therefore defined the employee member contribution for the 2012/13 Fiscal Year at .51%. Annual incremental increases assumed by the Classic employee members as a result of the Board resolution are detailed below:

<b>Fiscal Year</b>	<b>Incremental Increase</b>	<b>Cumulative Increase</b>
<b>2012/13</b>	<b>0.51%</b>	<b>0.51%</b>
<b>2013/14</b>	<b>0.54%</b>	<b>1.05%</b>
<b>2014/15</b>	<b>0.74%</b>	<b>1.79%</b>
<b>2015/16</b>	<b>2.48%</b>	<b>4.27%</b>
<b>2016/17</b>	<b>1.44%</b>	<b>5.71%</b>
<b>2017/18</b>	<b>1.29%</b>	<b>7.00%</b>

- All employees hired on or after July 1, 2012 (and who are “Classic” employees as defined by CalPERS) shall directly pay the full 7% employee member contribution for the Districts current 2% at 55 PERS plan.

- During FY 2012/13, the District made a one-time, lump sum payment in the approximate amount of \$472,000 to pay off its “side fund” balance that was created back in 2003 when the District was transferred into the 2% @ 55 Miscellaneous Plan. The net effect of this one-time payment was a reduction in the employer rate by 4.083%

### **C. Adoption of Public Employees’ Pension Reform Act of 2013 (PEPRA)**

On January 1, 2013, the Public Employees’ Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas (2% at 62 PERS plan) for newly hired members, PEPRA also effectively closed all existing active (“Classic”) risk pools to new employees. As such it became no longer appropriate to assume that the payroll of the risk pools for the “Classic” formula would grow at 3 percent annually.

Funding the promised pension benefits under the current methodology, as a percentage of payroll, would lead to the underfunding of the plans due to the decreased population of active participants. As a result, beginning with 2015/16, CalPERS began collecting employer contributions toward the unfunded liability as a fixed dollar amount for “Classic” employees.

It should be further noted that on February 19, 2014 the CalPERS Board made changes that will reduce their expected volatility of returns. A future discount rate of 7.5 percent is assumed and other demographic assumptions were changed to align more closely to actual experience. The most significant change was a 20-year projected improvement to the mortality rate realizing that members are living longer.

The most recent change to note occurred on December 21, 2016 when the CalPERS Board lowered the discount rate from 7.5 to 7.0 percent. The reduction of the discount rate will take place over a three year period, beginning with FY 2018/19 being reduced from 7.5 to 7.375 percent. These rate changes are reflected in the newest future calculations as of the June 30, 2016 valuation report.

### **DISCUSSION:**

#### **A. Miscellaneous Plan / Classic Employees**

Attached for the Board’s review is Section 1 of the CalPERS Actuarial Valuation of the Miscellaneous Plan for Montecito Water District, dated June 30, 2016. This report is used to set the FY 18/19 required employer contribution rate for “Classic” employees.

The Total Unfunded Accrued Liability (UAL) as of June 30, 2016 is \$4,304,298 which equates to a Funded Ratio of 74.3%. This amount is compared to the previous year UAL of \$3,148,078 with a Funded Ratio of 80.1%. The goal is to be 100% funded.

The unfunded liability amount is attributed to investment losses over the recent years, as well as a change in actuarial methodology implemented by CalPERS in FY 2014.

As described in the previous section, beginning with 2015/16 CalPERS began collecting employer contributions toward the unfunded liability as a fixed dollar payment in addition to Employer Normal Cost Rate which is based on a percentage of payroll.

The required employer contribution rate for 2018/19 is broken down as follows:

**TABLE 1**

<b>Fiscal Year</b>	<b>Employer Normal Cost Rate</b>	<b>+</b>	<b>Employer Payment of Unfunded Liability</b>
<b>2018/19</b>	<b>9.409%</b>		<b>\$ 223,359</b>
<b>2017/18</b>	<b>8.921%</b>		<b>\$ 170,911</b>

The District has the option to pay the 2018/19 unfunded liability amount of \$223,359 as a lump sum payment or on a monthly basis as follows:

1. Monthly Basis – twelve monthly payments of \$19,287.39 (Total = \$231,448)
2. Lump Sum Payment - \$223,359 due by July 31, 2018. By paying the lump sum payment the District will save \$8,090 (or 3.6%).

The total unfunded liability has been amortized over 30 years with a 5 year ramp up/ramp down. Table 2, below, displays the current employer contribution rate, the rate effective July 1, 2018, and CalPERS projected future employer contribution rates through 2024.

In addition to the 30-year amortization, CalPERS offers a 20-year amortization (which shows an estimated savings of \$1,012,534) and a 15-year amortization (which shows an estimated savings of \$2,482,432). The amortization schedules and savings do not reflect the impact of the reduced discount rate.

These projections assume that CalPERS earns 7.375% for FY 2016/17, 2017/18 and 2018/19, 7.25% for FY 2019/20 and 7.0% every fiscal year thereafter.

**TABLE 2**

Employer Contributions	Required Contribution	Projected Future Employer Contribution Rates				
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Normal Cost %	9.409%	9.9%	10.8%	10.8%	10.8%	10.8%
(+) Unfunded Liability	\$231,449	\$294,000	\$341,000	\$401,000	\$452,000	\$515,000

By converting the fixed dollar UAL payment as a percentage of payroll as used in the past to pay contributions, the total Employer Contribution Rate for FY18/19 is 23.086%. Compared to FY17/18 of 17.435%, this results in a 5.651% increase in expenditures to the District.

**TABLE 3**

REQUIRED EMPLOYER CONTRIBUTION	FY 2017/18	FY 2018/19
<b><u>A. Employer Contribution (in Projected Dollars)</u></b>		
Plan's Employer Normal Cost	\$ 185,680	\$ 159,228
Plan's Payment of Amortization Bases	177,204	231,449
<b>Total Employer Contribution</b>	<b>\$ 362,884</b>	<b>\$ 390,677</b>
Projected Payroll for the Contribution Fiscal Year	\$ 2,081,382	\$ 1,692,293
<b><u>B. Employer Contribution (Percentage of Payroll)</u></b>		
Plan's Employer Normal Cost	8.921%	9.409%
Plan's Payment of Amortization Bases	8.514%	13.677%
<b>Total Employer Contribution</b>	<b>17.435%</b>	<b>23.086%</b>

## **B. Miscellaneous Plan / PEPRA Employees**

Also attached for the Board's review is Section 1 of the CalPERS Actuarial Valuation of the PEPRA Miscellaneous Plan for Montecito Water District, dated June 30, 2016. This report is used to set the FY 18/19 required employer contribution rate for "PEPRA" employees.

For all "new" employees hired on or after January 1, 2013 who are not "classic" members as defined by CalPERS, the District participates in the 2% @ 62 formula.

These "new" employees are subject to the terms and conditions defined by Assembly Bill 340, California Employee's Pension Reform Act, with an effective date of January 1, 2013, including the requirement that these "new" employees pay the full employee's contribution of the 2% @ 62 formula.

The employer contribution rate for FY 2018/19 has been set at 6.842%