



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

**TUESDAY, FEBRUARY 20, 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 December 5, 2017;
- B. Minutes of January 16, 2018;
- C. Minutes of January 30, 2018;
- D. Payment of Bills for November 2017 and December 2017
- E. Investment of District Funds November 2017 and December 2017

4. BOARD OF DIRECTORS

- A. BOARD ACTION: Director Meeting Compensation Adjustment beginning February 21, 2018;

5. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Quarterly Drought and Water Supply Update;

- B. BOARD ACTION: Participation in the Central Coast Water Authority (CCWA) 2018 Supplemental Water Purchase Program and authorization of General Manager to purchase supplemental water through the 2018 SWPP purchase agreement when water is needed and an opportunity is made available;
- C. BOARD ACTION: Authorization to enter into an agreement with Central Coast Water Authority to deliver Semitropic Water Storage Program Water;
- D. BOARD ACTION: Approval of a Professional Engineering Services contract with MNS Engineering for the preparation of Inundation Mapping and a Technical Study to support the Emergency Action Plan for Juncal Dam;
- E. BOARD ACTION: Ratification of purchase of temporary housing for Jameson Lake Caretaker;
- F. BOARD ACTION: Proposed Emergency Response Contract Amendments
- G. BOARD ACTION: Request for additional engineering staff support;
- H. BOARD ACTION: Appointment of voting representative – LAFCO Special District Commissioner Election;
- I. INFORMATION ONLY: Water Works Operations Report for November 2017 thru December 2017;
- J. INFORMATION ONLY: General Manager's Report (Oral);

6. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Monthly Financial Reporting for November 2017
- B. INFORMATION ONLY: Monthly Financial Reporting for December 2017
- C. BOARD ACTION: Receive, Accept and File 2016/17 Annual Audited Financial Statements
- D. BOARD ACTION: Approve January 2018 Meter Charge Forgiveness
- E. BOARD ACTION: Authorization to utilize Board Assigned Reserves
- F. INFORMATION ONLY: Overview of Cash Flow Regarding Emergency Spending

7. MONTECITO WATER DISTRICT FINANCING CORPORATION

- A. BOARD ACTION: Adjourn to annual meeting of the Montecito Water District Financing Corporation

8. LEGAL MATTERS

- A. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1): Conference with Legal Counsel – Existing Litigation, Lori Ann Liebermann v. Southern California Edison Company et al., Santa Barbara Superior Court Case No. 18CV00185;
- B. CLOSED SESSION: Public Employee Discipline/Dismissal/Release– Government Code Section 54957
- C. Recent and Pending Legal Matters Review – Oral Report

9. 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

10. DIRECTOR REQUESTS

Requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, March 20, 2018 or any future meeting.

11. ADJOURNMENT

Note: This agenda was posted at the Montecito Water District front counter and outside display case at 5:00 p.m. on February 16, 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.



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

**TUESDAY, DECEMBER 5, 2017
2:00 P.M.**

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

President Shaikewitz 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:

Tom Sheil, Business Manager
Adam Kanold, Engineering Manager
Bob Cohen, General Counsel

Laura Camp, Public Information Officer
Lois Werner, Recording Secretary

Guests Present:

Bob Hazard, Montecito Journal
Ken Coates, District customer
Sam Leno, District customer

Pamela Leno, District customer
Charles Newman, District customer

2. PUBLIC FORUM

Comments were received from Bob Hazard and Charles Newman. Mr. Hazard requested the Board consider removing the moratorium on new meters. Mr. Newman requested that the Board consider removing the water shortage emergency surcharge and adjusting the District rate structure.

3. CONSENT CALENDAR

Following discussion it was moved by Director Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the Consent Calendar as presented.

4. BOARD OF DIRECTORS

A. BOARD ACTION: 2018 Election of Board Officers and Other Organizational Business

President Shaikewitz opened nominations for President of the Board. Director Frye nominated Director Morgan for President and Director Wicks for Vice President; Director Plough nominated Director Wicks for President and Director Frye for Vice President.

Directors Morgan and Wicks were elected President and Vice President with Directors Frye, Morgan and Shaikewitz voting in favor, Directors Plough and Wicks opposed.

It was moved by Director Frye, seconded by Director Morgan, and carried with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting "aye" to reappoint the General Manager as Board Secretary; reappoint the Business Manager as Assistant Board Secretary and Auditor; continue the \$2,000,000 employee fidelity policy; designate American Riviera Bank as depository for District funds; designate MWD's offices as the place for all regular meetings of the MWD Board of Directors, to be scheduled at 2:00 p.m. on the third Tuesday of every month, and on such additional Tuesdays as the Board President and / or Secretary determine to be necessary based on the demands of District business; and retain the firm of Cohen and Burge as General Counsel.

B. BOARD ACTION: 2018 Board Committee Assignment Requests

Director Morgan requested that Directors would let him know of their preferences with regard to Committee assignments prior to the next meeting of the Board January 16, 2018.

C. BOARD ACTION: Director Meeting Compensation Adjustment beginning January 2, 2018

Mr. Cohen instructed the Board that, they could not increase compensation at this time, but could direct staff to bring a resolution adjusting Board compensation to the Board at their next meeting January 16, 2018. It was the consensus of the Board that staff should bring a

resolution regarding Director compensation to the Board at the January meeting.

5. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Approval of a California State Water Resources Control Board Proposition 13 Water Recycling Planning Grant Agreement (SWRCB Agreement No. D17-05004) for preparation of a Recycled Water Facilities Plan (SWRCB Project No. WRFP 8361-110)

Mr. Kanold presented this item and introduced Mr. Rob Morrow. Mr. Morrow and Mr. Kanold responded to questions from Directors and members of the public. Following discussion it was moved by Director Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the proposed SWRCB Agreement No. D17-05004 and authorize the General Manager to execute and file the agreement with the SWRCB;

It was moved by Director Plough, seconded by Director Frye and carried with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks to authorize the General Manager to enter into a contract with Woodard & Curran to assist the District in the development of a Recycled Water Facilities Plan (Feasibility Study) for a not-to-exceed amount of \$129,996.

- B. INFORMATION ONLY: Oral report on implementation of the Water Loss Adjustment Policy

Mr. Sheil reported on the implementation of the Water Loss Adjustment Policy via a PowerPoint presentation.

- C. INFORMATION ONLY: Water Works Operations Report for October 2017

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

- D. INFORMATION ONLY: District 2017 Year-end review

Mr. Turner was absent and this item was postponed to the following meeting.

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

Mr. Turner was absent and this item was postponed to the following meeting.

6. DISTRICT BUSINESS REPORT

All regular financial reporting for November will be provided in January 2018 at our regularly scheduled Board meeting.

7. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen reported on a decision issued by the CA supreme court which may have implications for SGMA.

8. DIRECTOR AND COMMITTEE REPORTS

A. PRESIDENTS REPORT

Director Shaikewitz had comments on the format of District bills and on new laws coming into force in CA.

B. CENTRAL COAST WATER AUTHORITY

Director Shaikewitz reported that CCWA did not meet.

C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION

Director Shaikewitz reported on the activities of the 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

Directors Frye & Wicks reported on the activities of the Operations Committee, which continues to look at automated metering.

G. FINANCE COMMITTEE

The Finance Committee had not met.

H. APPEALS COMMITTEE

The Appeals Committee had not met.

I. STRATEGIC PLANNING

Directors Shaikewitz & Wicks reported on the activities of the Strategic Planning committee.

9. DIRECTOR REQUESTS

There were no requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, January 16, 2017 or any future meeting.

10. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:00 p.m.

Approved:

Richard Shaikewitz, President

Attest:

Nick Turner, Secretary



EMERGENCY MEETING MINUTES
OF
BOARD OF DIRECTORS
MONTECITO WATER DISTRICT
AT
731 EL RANCHO ROAD
MONTECITO, CALIFORNIA

TUESDAY, JANUARY 16, 2017
12:00 NOON

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

President Morgan called the meeting to order at 12:07 p.m.

Directors Present:

Directors, Samuel Frye, W. Douglas Morgan, Tobe Plough (via conference phone), Richard Shaikewitz, and Floyd Wicks

Directors Absent:

None

Staff Present:

Nick Turner, General Manager
Lois Werner, Recording Secretary

2. RESOLUTION NO. 2161

A Resolution of the Board of Directors of the Montecito Water District
Concerning the Montecito Mudslide Event and the Montecito Water District Response
Thereto

Mr. Turner introduced this item and gave a brief overview of District conditions and activities related to the mudslide event.

Following discussion it was moved by Director Frye, seconded by Director Plough and carried by the following roll-call vote to approve and adopt Resolution No. 2161 as amended:

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

NOES: None

ABSENT: None

3. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:51 p.m.

Approved:

W. Douglas Morgan, President

Attest:

Nick Turner, Secretary



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

**TUESDAY, JANUARY 30, 2018
11:00 A.M.**

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

President Morgan called the meeting to order at 11:08 a.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, Public Information Officer
Lois Werner, Recording Secretary

Guests Present:

Sam Leno, District Customer
Pamela Leno, District Customer
Bob Hazard, Montecito Journal
Vicki Hazard, District Customer
Donna Senauer, District Customer
Ken Coates, District Customer

2. PUBLIC FORUM

Prior to the meeting President Morgan requested a minute of silence for those lost in the flash flooding and debris flow.

Mr. Hazard requested an ovation for General Manager Nick Turner for his efforts and representation of the District during the disaster.

3. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

A. INFORMATION ONLY: January 9, 2018 Thomas Flood/Mudslide incident recovery update

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

B. BOARD ACTION: Ratification of consultant and construction contracts for emergency procurement of supplies and services in response to the January 9, 2018 Thomas Flood/Mudslide incident.

Mr. Turner and Mr. Kanold presented this item. Following discussion it was moved by Director Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to ratify emergency response contracts for construction and consulting services exceeding \$25,000 in accordance with Resolution No 2144.

C. BOARD ACTION: Temporary modification of customer billing processes following the January 9, 2018 Thomas Flood/Mudslide incident

Mr. Turner presented this item and responded to questions from Directors and members of the public. It was the concurrence of the Board to allow staff to work with the Finance Committee to form a policy for this process.

D. BOARD ACTION: Update authorized signatories for all financial institutions

Mr. Turner introduced Mr. Smith and presented this item to the Board. Following discussion it was moved by Director Plough seconded by Director Shaikewitz and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve removal of former Business Manager Tom Sheil as authorized signatory for District financial institutions and addition of new Business Manager Daryl Smith as signatory.

4. LEGAL MATTERS

A. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1): Conference with Legal Counsel – Existing Litigation, Lori Ann

Liebermann v. Southern California Edison Company et al., Santa Barbara Superior Court Case No. 18CV00185;

B. CLOSED SESSSION: Pursuant to Government Code Section 54956.9(d)(4): Conference with Legal Counsel – Anticipated Litigation: (1 case);

C. 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 12:38 p.m.

The Board reconvened to open session at 3:57 p.m.

Report from closed session:

Item A: the Board voted five to nothing for legal counsel as retained by ACWA/JPIA Barber and Bauermeister to defend the litigation described on the agenda.

Item B: the Board voted five to nothing for Barron and Budd to initiate litigation on behalf of MWD related to the mudslide incident.

Item C: the Board was provided with an update by District Counsel and no action was taken.

3. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:00 p.m.

Approved:

W. Douglas Morgan, President

Attest:

Nick Turner, Secretary

**MONTECITO WATER DISTRICT
PAYMENT OF BILLS
TOTAL DISBURSEMENTS SUMMARY
FOR THE MONTH OF NOVEMBER 2017**

SECTION: 3-D

AP CHECK REGISTER	<u>\$ 1,016,340.40</u>
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NET PAYROLL DIRECT DEPOSITS ¹

11/13/2017	Pay Period #23	58,682.65
11/27/2017	Pay Period #24	59,039.03

Payroll Direct Deposits	<u>\$ 117,721.68</u>
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EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS ²

Subtotal External Wire Transfers	<u>\$0.00</u>
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TOTAL DISBURSEMENTS	<u>\$1,134,062.08</u>
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INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS ³

11/6/2017	WIRE FROM WELLS TO SCHWAB	1,200,000.00
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NET INTERNAL WIRE TRANSFERS	<u>\$ 1,200,000.00</u>
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¹ The Net Payroll Direct Deposits are the payroll amounts that are deposited into employee bank accounts through an ACH. Payments for employee benefits and payroll taxes, both the employee and employer portions, are recorded on the Check Register, therefore are not included.

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

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

**Montecito Water District
Check Register**

November 1, 2017 through November 30, 2017

Number	Date	Vendor	Amount	Description / Payee
63526	11/15/2017	A.G.S. REBUILDERS INC	101.20	REPAIRS TRK #158
		A.G.S. REBUILDERS INC Total	101.20	
63527	11/15/2017	ACWA-JPIA	35,830.73	MED/DEN/VIS INSUR PREM DEC2017
		ACWA-JPIA Total	35,830.73	
63529	11/15/2017	ALL AROUND LANDSCAPE	373.70	SUPPS - LAS FUENTES WELL
		ALL AROUND LANDSCAPE Total	373.70	
63603	11/28/2017	ANTHEM BLUE CROSS	227.97	RET MED BEN, DIAZ ALFONSO DEC
63604	11/28/2017	ANTHEM BLUE CROSS	872.49	RET BEN JOE DIAZ DEC17 - FEB18
63605	11/28/2017	ANTHEM BLUE CROSS	876.09	RETIREE MED BEN-LIEBERKNECHT
		ANTHEM BLUE CROSS Total	1,976.55	
63525	11/15/2017	A-OK POWER EQUIPMENT	(175.21)	ITEM RETURNS PER S/O 163666
63525	11/15/2017	A-OK POWER EQUIPMENT	142.11	SHOP REPAIRS
63525	11/15/2017	A-OK POWER EQUIPMENT	53.55	SHOP REPAIRS
		A-OK POWER EQUIPMENT Total	20.45	
63606	11/28/2017	ARCADY DISTRIBUTING	71.15	KITCHEN SUPPS
		ARCADY DISTRIBUTING Total	71.15	
63607	11/28/2017	AT&T MOBILITY	938.80	MOBILE SRVC 10/12/17-11/11/17
		AT&T MOBILITY Total	938.80	
63530	11/15/2017	AUTOMATED ENTRY SYS	88.50	ADMIN GATE - LABOR & TEST
		AUTOMATED ENTRY SYS Total	88.50	
63608	11/28/2017	AWWA	420.00	2018 MEMBERSHIP DUES
63608	11/28/2017	AWWA	767.00	2018 SUBSC STANDARDS REVIS
		AWWA Total	1,187.00	
63531	11/15/2017	BEDROCK BUILDING SUPP	141.58	SHOP SUPPS
		BEDROCK BUILDING SUPP Total	141.58	
0	11/09/2017	BENEFLEX INC	113.00	FSA ADMIN FEES NOV 2017
0	11/13/2017	BENEFLEX INC	966.15	PP #23 FSA CONTRIBUTIONS
0	11/27/2017	BENEFLEX INC	966.15	PP #24 FSA CONTRIBUTIONS
		BENEFLEX INC Total	2,045.30	
63609	11/28/2017	BILL ALCALA	100.00	FLEET WASHING 11/27
63609	11/28/2017	BILL ALCALA	100.00	FLEET WASHING 11/06
		BILL ALCALA Total	200.00	
63610	11/28/2017	BLACKBURN MANUFAC	91.88	BLUE/WHT MARKING FLAGS DIST
		BLACKBURN MANUFAC Total	91.88	
63532	11/15/2017	BRENNTAG PACIFIC INC	3,147.98	BULK CHLORINE ORTEGA RESERVOIR
		BRENNTAG PACIFIC INC Total	3,147.98	
63611	11/28/2017	BUENA TOOL COMPANY	106.34	BVTP SUPPS
63611	11/28/2017	BUENA TOOL COMPANY	193.95	SHOP SUPPS
63611	11/28/2017	BUENA TOOL COMPANY	32.31	SHOP SUPPS
		BUENA TOOL COMPANY Total	332.60	
63533	11/15/2017	BUNNIN	90.19	REPAIRS TRK #141
63533	11/15/2017	BUNNIN	130.83	REPAIRS TRK #155
		BUNNIN Total	221.02	
63535	11/15/2017	CACHUMA O&M BOARD	102,298.00	FY 2017-18 QTR 2 BUDGET ASSESS
		CACHUMA O&M BOARD Total	102,298.00	
0	11/13/2017	CAL PERS	11,901.94	PP #23 PENSION CONTRIBUTION
0	11/27/2017	CAL PERS	11,889.59	PP #24 PENSION CONTRIBUTION
		CAL PERS Total	23,791.53	
63536	11/15/2017	CALIFORNIA ELECTRIC	47.30	BVTP SUPPS
63536	11/15/2017	CALIFORNIA ELECTRIC	362.27	BVTP SUPPS
63612	11/28/2017	CALIFORNIA ELECTRIC	279.48	SHOP SUPPS
		CALIFORNIA ELECTRIC Total	689.05	
63613	11/28/2017	CANON FINANCIAL SERV	637.28	OFC CANON LEASE 2 MOS
		CANON FINANCIAL SERV Total	637.28	
63537	11/15/2017	CARP VALLEY LUMBER CO	39.39	BVTP SUPPS
63537	11/15/2017	CARP VALLEY LUMBER CO	19.28	BVTP SUPPS

Number	Date	Vendor	Amount	Description / Payee
		CARP VALLEY LUMBER CO Total	58.67	
63614	11/28/2017	CARP VALLEY WATER DIST	316,231.80	CATER QTRLY TRMT 18Q1 COSTS
63614	11/28/2017	CARP VALLEY WATER DIST	17,141.23	CATER QTRLY TRMT FY17 PD13
		CARP VALLEY WATER DIST Total	333,373.03	
63538	11/15/2017	CARQUEST AUTO PARTS	(4.22)	ITEM RETURN
63538	11/15/2017	CARQUEST AUTO PARTS	(126.89)	RETURN CREDIT RE: TRK #158
63538	11/15/2017	CARQUEST AUTO PARTS	126.89	REPAIRS TRK #158
63538	11/15/2017	CARQUEST AUTO PARTS	91.68	SHOP REPAIRS
63538	11/15/2017	CARQUEST AUTO PARTS	150.84	REPAIRS TRK #158
63538	11/15/2017	CARQUEST AUTO PARTS	220.58	REPAIRS TRK #155
		CARQUEST AUTO PARTS Total	458.88	
63534	11/15/2017	CCRB	25,913.00	2017/18 2ND QTR BUDGET ASSESS
		CCRB Total	25,913.00	
63539	11/15/2017	CENTRAL MACHINE & WELD	92.00	REPAIR WELL SEAL FLANGE
		CENTRAL MACHINE & WELD Total	92.00	
63540	11/15/2017	CHALLENGE ASPHALT, INC.	13,833.00	TORO CYN LIQUID BOND TAR OVER
63540	11/15/2017	CHALLENGE ASPHALT, INC.	676.80	GRADE/COMPACT ROAD BASE 3 SECT
63540	11/15/2017	CHALLENGE ASPHALT, INC.	4,000.00	CLEAN/PREP ASPHALT/RESURFACE
		CHALLENGE ASPHALT, INC. Total	18,509.80	
63541	11/15/2017	CHARLES P. CROWLEY CO	3,068.05	BVTP DIAPHRAGM PUMP
		CHARLES P. CROWLEY CO Total	3,068.05	
0	11/13/2017	CITISTREET - CALPERS 457	2,910.84	PP #23 457 CONTRIBUTION
0	11/27/2017	CITISTREET - CALPERS 457	2,910.84	PP #24 457 CONTRIBUTION
		CITISTREET - CALPERS 457 Total	5,821.68	
63542	11/15/2017	CITY OF SANTA BARBARA	233.24	KNEE BOOT-DIAZ/LIMON/TORRES
63542	11/15/2017	CITY OF SANTA BARBARA	115,823.55	CATER TREATMENT LOAN COSTS
63542	11/15/2017	CITY OF SANTA BARBARA	138,172.81	CATER OZONE PROJECT LOAN
63615	11/28/2017	CITY OF SANTA BARBARA	291.00	VIDEO TAPING SGMA PUB MTG 1116
		CITY OF SANTA BARBARA Total	254,520.60	
63616	11/28/2017	COASTLINE EQUIPMENT	1,580.51	REPAIR TO BACKHOE ROCKHAMMER
		COASTLINE EQUIPMENT Total	1,580.51	
63617	11/28/2017	COHEN & BURGE LLP	21,840.00	DESAL/BOARD/COMB/ENG/RATES
63617	11/28/2017	COHEN & BURGE LLP	1,080.00	NESBITT LGL RE: CLASS ACTN
		COHEN & BURGE LLP Total	22,920.00	
63618	11/28/2017	COLANTUONO, HIGHSMITH	67.50	PREPARE TRIAL BRIEF RE:NESBITT
63618	11/28/2017	COLANTUONO, HIGHSMITH	1,981.00	LEGAL SVC NESBITT CLASS ACTION
		COLANTUONO, HIGHSMITH Total	2,048.50	
63543	11/15/2017	COMPUVISION	481.25	SETUP NEW CANON/DATTO/LAPTOP
63619	11/28/2017	COMPUVISION	695.00	DATTO BACK UP DEC 2017
		COMPUVISION Total	1,176.25	
63602	11/20/2017	COUNTY-SANTA BARBARA	2,266.25	2017 NEG DEC FILING FEE
		COUNTY-SANTA BARBARA Total	2,266.25	
63544	11/15/2017	COX COMMUNICATIONS	723.67	ADMIN INTERNET/PHONE NOV 2017
63620	11/28/2017	COX COMMUNICATIONS	646.86	TEL/INTERNET SRVC 11/10 - 12/9
		COX COMMUNICATIONS Total	1,370.53	
63621	11/28/2017	CUMMINS PACIFIC	175.50	INSP/SRVC GEN MAINT BVTP
63621	11/28/2017	CUMMINS PACIFIC	117.00	INSP/SRVC GEN MAINT TORO CYN
63621	11/28/2017	CUMMINS PACIFIC	175.50	INSP/SRVC GEN MAINT MAIN OFC
63621	11/28/2017	CUMMINS PACIFIC	117.00	INSP/SRVC GEN MAINT ORTEGA PMP
63621	11/28/2017	CUMMINS PACIFIC	175.50	INSP/SRVC GEN MAINT ORTEGA PMP
63621	11/28/2017	CUMMINS PACIFIC	175.50	INSP/SRVC GEN MAINT EAST VLY
63621	11/28/2017	CUMMINS PACIFIC	175.50	INSP/SRVC GEN MAINT MAIN OFC
63621	11/28/2017	CUMMINS PACIFIC	168.17	INSP/SRVC GEN MAINT ORTEGA PMP
		CUMMINS PACIFIC Total	1,279.67	
63545	11/15/2017	DAL POZZO TIRE CORP	812.01	4 NEW TIRES FOR TRK #141
		DAL POZZO TIRE CORP Total	812.01	
63546	11/15/2017	DANIEL RODRIGUEZ	56.25	SAFETY MTG FOR DIST CREW 11/15
63546	11/15/2017	DANIEL RODRIGUEZ	100.69	EXP REIMB 2536 BANNER MAIN RPR
		DANIEL RODRIGUEZ Total	156.94	
63547	11/15/2017	DATAPROSE LLC	2,460.60	MAIL SRVC - OCT 2017
		DATAPROSE LLC Total	2,460.60	

Number	Date	Vendor	Amount	Description / Payee
63548	11/15/2017	DAVID GONZALES BCKFLW	198.49	CLEAN & FLUSH 705 PICACHO LANE
		DAVID GONZALES BCKFLW Total	198.49	
63549	11/15/2017	DICKSON	532.00	BVTP BATT CVR REPAIR/RE-CALIB
		DICKSON Total	532.00	
63623	11/28/2017	DMV RENEWAL	10.00	OFFICE TRAILER ID (PTI) FEE 2018
		DMV RENEWAL Total	10.00	
63624	11/28/2017	DOCUPRODUCTS	76.87	CANON 6055 CONTRACT 1112-1211
		DOCUPRODUCTS Total	76.87	
63550	11/15/2017	DUDEK	2,107.50	SGMA GRNDWATER PROF SRVCS
		DUDEK Total	2,107.50	
63551	11/15/2017	EL MONTECITO PRESB	24.00	ROOM USAGE FEE SGMA MTG 11/16
		EL MONTECITO PRESB Total	24.00	
63552	11/15/2017	ELECTRIC PARTS CENTER	141.28	BVTP FURNAS CONTACT KIT
		ELECTRIC PARTS CENTER Total	141.28	
63625	11/28/2017	ELLISON, SCHNEIDER	545.00	LEGAL RESEARCH-MERCURY ISSUE
		ELLISON, SCHNEIDER Total	545.00	
63626	11/28/2017	ERIC A HALVORSON	7,000.00	ADMIN TREE TRIM WEST OFC
		ERIC A HALVORSON Total	7,000.00	
63627	11/28/2017	FEDEX	76.29	SHIPPING CHGS TO COHEN BURGE
		FEDEX Total	76.29	
63553	11/15/2017	FERGUSON WATERWORKS	308.00	INVENTORY STOCK
63553	11/15/2017	FERGUSON WATERWORKS	1,381.89	INVENTORY STOCK/SHOP SUPPS
63553	11/15/2017	FERGUSON WATERWORKS	4,637.93	STOCK SUPPS
		FERGUSON WATERWORKS Total	6,327.82	
63554	11/15/2017	FGL ENVIRONMENTAL	150.00	WTR SAMPLE ANALYSIS 08/28
63554	11/15/2017	FGL ENVIRONMENTAL	68.00	WTR SAMPLE ANALYSIS 09/27
63554	11/15/2017	FGL ENVIRONMENTAL	261.00	WTR SAMPLE ANALYSIS 09/12
63554	11/15/2017	FGL ENVIRONMENTAL	494.00	WATER SAMPLE ANALYSIS 10/02
63554	11/15/2017	FGL ENVIRONMENTAL	136.00	WTR SAMPLE ANALYSIS 10/25
63554	11/15/2017	FGL ENVIRONMENTAL	176.00	WATER SAMPLE ANALYSIS 10/09
63554	11/15/2017	FGL ENVIRONMENTAL	102.00	WTR SAMPLE ANALYSIS 10/09
63554	11/15/2017	FGL ENVIRONMENTAL	473.00	WATER SAMPLE ANALYSIS 10/11
63554	11/15/2017	FGL ENVIRONMENTAL	239.00	WTR SAMPLE ANALYSIS 10/16
63554	11/15/2017	FGL ENVIRONMENTAL	17.00	WTR SAMPLE ANALYSIS 10/16
63554	11/15/2017	FGL ENVIRONMENTAL	68.00	WTR SAMPLE ANALYSIS 10/16
63554	11/15/2017	FGL ENVIRONMENTAL	298.00	WATER SAMPLE ANALYSIS 10/18
63554	11/15/2017	FGL ENVIRONMENTAL	176.00	WATER SAMPLE ANALYSIS 10/23
63554	11/15/2017	FGL ENVIRONMENTAL	102.00	WATER SAMPLE ANALYSIS 10/23
63628	11/28/2017	FGL ENVIRONMENTAL	233.00	WTR SAMPLE ANALYSIS 10/24
63628	11/28/2017	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 10/31
63628	11/28/2017	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 10/31
63628	11/28/2017	FGL ENVIRONMENTAL	17.00	WTR SAMPLE ANALYSIS 11/06
63628	11/28/2017	FGL ENVIRONMENTAL	204.00	WTR SAMPLE ANALYSIS 11/06
63628	11/28/2017	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 11/06
63628	11/28/2017	FGL ENVIRONMENTAL	68.00	WTR SAMPLE ANALYSIS 11/06
		FGL ENVIRONMENTAL Total	3,574.00	
63556	11/15/2017	FRONTIER	54.73	JAMESON TELEMETRY LINE NOV17
63629	11/28/2017	FRONTIER	68.86	MO SRVC DOULTON TORO CYN
		FRONTIER Total	123.59	
63557	11/15/2017	FUEL SMART SB	1,236.11	FUEL PURCHASES THRU 11/20
63630	11/28/2017	FUEL SMART SB	1,533.39	FUEL PURCHASES THRU 11/21
		FUEL SMART SB Total	2,769.50	
63558	11/15/2017	GIBBS INTERNATIONAL	205.44	SHOP REPAIRS
		GIBBS INTERNATIONAL Total	205.44	
63631	11/28/2017	GRAINGER INC.	257.31	BVTP SUPPS
63631	11/28/2017	GRAINGER INC.	66.67	BVTP SUPPS
		GRAINGER INC. Total	323.98	
63559	11/15/2017	HACH COMPANY	543.79	BVTP SUPPS
63632	11/28/2017	HACH COMPANY	958.56	BVTP SUPPS
63632	11/28/2017	HACH COMPANY	1,024.60	BVTP SUPPS
		HACH COMPANY Total	2,526.95	

Number	Date	Vendor	Amount	Description / Payee
63560	11/15/2017	HARRINGTON INDUSTRIAL	74.74	BVTP SUPPS
63560	11/15/2017	HARRINGTON INDUSTRIAL	256.24	JAMESON LAKE SUPPS
63633	11/28/2017	HARRINGTON INDUSTRIAL	366.80	BVTP SUPPS
63633	11/28/2017	HARRINGTON INDUSTRIAL	365.55	BVTP SUPPS
63633	11/28/2017	HARRINGTON INDUSTRIAL	149.79	BVTP SUPPS
		HARRINGTON INDUSTRIAL Total	1,213.12	
0	11/13/2017	HARTFORD LIFE INS CO	25.00	PP #23 457 CONTRIBUTION
0	11/27/2017	HARTFORD LIFE INS CO	25.00	PP #24 457 CONTRIBUTION
		HARTFORD LIFE INS CO Total	50.00	
63520	11/03/2017	HENKELS & MCCOY INC	414.32	REF OF HYDRANT MTR - 583 SYR
		HENKELS & MCCOY INC Total	414.32	
63634	11/28/2017	HOME DEPOT CREDIT	459.39	JAMESON SUPPS
		HOME DEPOT CREDIT Total	459.39	
63561	11/15/2017	INDUSTRIAL BOILER SERV	4,067.75	BVTP INST FLOW CNTL EQP, RADAR
		INDUSTRIAL BOILER SERV Total	4,067.75	
63635	11/28/2017	INDUSTRIAL BOLT SUPPLY	48.49	JAMESON EMERG REL VALVE SUPPS
		INDUSTRIAL BOLT SUPPLY Total	48.49	
63562	11/15/2017	INSTRUMART	289.85	JAMESON SUPPS
		INSTRUMART Total	289.85	
63563	11/15/2017	INTERSTATE STRIPING INC	2,475.00	1500LF PAINT STRIPING ASHLEY
		INTERSTATE STRIPING INC Total	2,475.00	
63636	11/28/2017	JAMES C VOGELZANG	1,153.61	REIMB FOR LABOR/PARTS
		JAMES C VOGELZANG Total	1,153.61	
0	11/28/2017	JAN E ABEL	267.26	MED RET BENFIT REIMB DEC17
		JAN E ABEL Total	267.26	
63523	11/6/2017	JOHN CLARKE	79.22	CUSTOMER REFUND
		JOHN CLARKE Total	79.22	
63524	11/6/2017	KELLY BARNES	97.55	CUSTOMER REFUND
		KELLY BARNES Total	97.55	
63564	11/15/2017	LASH CONSTRUCTION INC.	141.32	CLASS II ROAD BASE 7 TONS
63564	11/15/2017	LASH CONSTRUCTION INC.	331.82	CLASS II ROAD BASE 7 TONS
		LASH CONSTRUCTION INC. Total	473.14	
0	11/13/2017	LINCOLN FINANCIAL 457	1,625.00	PP #23 457 CONTRIBUTION
0	11/27/2017	LINCOLN FINANCIAL 457	1,625.00	PP #24 457 CONTRIBUTION
		LINCOLN FINANCIAL 457 Total	3,250.00	
63637	11/28/2017	LINCOLN FINANCIAL	946.65	LTD INSUR PREMIUM - DEC 2017
		LINCOLN FINANCIAL Total	946.65	
63521	11/03/2017	LOIS WERNER	81.00	REIMB FOR RECORD FEE-LENO AGMT
		LOIS WERNER Total	81.00	
63565	11/15/2017	MARBORG DISPOSAL CO.	706.27	3YRD TRASH/RECYCLE SVC OCT2017
63565	11/15/2017	MARBORG DISPOSAL CO.	133.92	25YRD ROLL OFF EXCHG OCT 2017
63638	11/28/2017	MARBORG DISPOSAL CO.	10.78	DTP PORTABLE RESTROOM NOV17
		MARBORG DISPOSAL CO. Total	850.97	
63566	11/15/2017	MCCORMIX CORP.	174.61	FUEL PURCHASES THRU 10/28
63639	11/28/2017	MCCORMIX CORP.	529.30	FUEL PURCHASES THRU 11/14/17
		MCCORMIX CORP. Total	703.91	
63567	11/15/2017	MCMaster-CARR SUPPLY	250.09	BVTP SUPPS
		MCMaster-CARR SUPPLY Total	250.09	
63568	11/15/2017	MISSION LINEN SUPPLY	1,721.79	MONTHLY UNIFORM SVC OCT2017
		MISSION LINEN SUPPLY Total	1,721.79	
63569	11/15/2017	MONTECITO JOURNAL	302.90	1/4 PG AD NOV 2/17
		MONTECITO JOURNAL Total	302.90	
63570	11/15/2017	MONTECITO HARDWARE	84.35	SHOP SUPPS
63570	11/15/2017	MONTECITO HARDWARE	49.52	BVTP SUPPS
63570	11/15/2017	MONTECITO HARDWARE	24.77	PLUMBING SUPPS
63570	11/15/2017	MONTECITO HARDWARE	18.31	MONTECITO VILGE HARDWARE
63570	11/15/2017	MONTECITO HARDWARE	15.07	SHOP SUPPS
63570	11/15/2017	MONTECITO HARDWARE	31.25	ADMIN SUPPS FOR BOARD RM TABLE
63570	11/15/2017	MONTECITO HARDWARE	18.30	ADMIN SUPP-WIPES FOR OFC CHRS
63640	11/28/2017	MONTECITO HARDWARE	2.78	BVTP SUPPS
63640	11/28/2017	MONTECITO HARDWARE	17.22	ADMIN SUPPS

Number	Date	Vendor	Amount	Description / Payee
		MONTECITO HARDWARE Total	261.57	
63572	11/15/2017	PACIFIC SWEEP LLC	820.00	ASHLEY RD SWEEPING SRVC
		PACIFIC SWEEP LLC Total	820.00	
0	11/13/2017	PAYLOCITY CORP	29,715.47	PP #23 TAX DEPOSIT
0	11/27/2017	PAYLOCITY CORP	29,348.00	PP #24 TAX DEPOSIT
		PAYLOCITY CORP Total	59,063.47	
0	11/15/2017	PAYLOCITY CORPORATION	102.40	PAYROLL FEES PP#23
0	11/28/2017	PAYLOCITY CORPORATION	206.49	PAYROLL FEES PP#24
		PAYLOCITY CORPORATION Total	308.89	
63641	11/28/2017	POWERS ELECTRIC PROD	275.54	BVTP SUPPS
63641	11/28/2017	POWERS ELECTRIC PROD	188.36	BVTP SUPPS
		POWERS ELECTRIC PROD Total	463.90	
63573	11/15/2017	PRAXAIR DISTRIBUTION INC	59.75	REPAIRS TRK #155
63642	11/28/2017	PRAXAIR DISTRIBUTION INC	139.90	ACETYLENE/OXYGEN SUPPS DIST
		PRAXAIR DISTRIBUTION INC Total	199.65	
63574	11/15/2017	PRO GARDEN SUPPLY	53.86	SHOP SUPPS
63574	11/15/2017	PRO GARDEN SUPPLY	25.62	ENNISBROOK JOB; ELECT CONDUIT
63574	11/15/2017	PRO GARDEN SUPPLY	13.71	ENNISBROOK IRRIGATION LINE
63574	11/15/2017	PRO GARDEN SUPPLY	31.24	SHOP SUPPS
		PRO GARDEN SUPPLY Total	124.43	
63575	11/15/2017	PURETEC	66.40	BVTP CHEM SUPPS
63575	11/15/2017	PURETEC	133.04	BVTP CHEM SUPPS
		PURETEC Total	199.44	
63576	11/15/2017	RAUCH COMMUNICATION	828.00	MONT JRNL AD/ENEWS/GRAPHICS
63576	11/15/2017	RAUCH COMMUNICATION	1,611.50	WEBSITE REBUILD
		RAUCH COMMUNICATION Total	2,439.50	
63643	11/28/2017	RICHARD SHAIKEWITZ	70.90	EXP REIMB SPEC DIST BUELLTON
		RICHARD SHAIKEWITZ Total	70.90	
63522	11/03/2017	S.B. COUNTY PUBLIC WRKS	95.00	PERMIT #107-015/17 RPR SVC LIN
63522	11/03/2017	S.B. COUNTY PUBLIC WRKS	95.00	RELOC WTR MTR 1755 FERNALD PT
		S.B. COUNTY PUBLIC WRKS Total	190.00	
63577	11/15/2017	S.B. HOME IMPR CNTR	47.97	MATERIALS FOR BOARD RM TABLE
63577	11/15/2017	S.B. HOME IMPR CNTR	77.48	SUPPS TO VARNISH BOARD RM TABL
		S.B. HOME IMPR CNTR Total	125.45	
63578	11/15/2017	SALS & BROTHERS	900.00	ADMIN GROUNDS MAINT OCT 2017
		SALS & BROTHERS Total	900.00	
63579	11/15/2017	SAM LENO	211.94	PROJECT REF B28 VLY CLUB WELL
		SAM LENO Total	211.94	
63580	11/15/2017	SANTA BARBARA SAND	1,162.66	51.88 TONS CLASS 2 BASE/HAUL
		SANTA BARBARA SAND Total	1,162.66	
63581	11/15/2017	SATCOM DIRECT INC	45.40	JAMESON SATELLITE PHONE OCT17
		SATCOM DIRECT INC Total	45.40	
63582	11/15/2017	SEMS TECHNOLOGIES	4,295.00	SEMS SOFTWARE/WEBINAR/SUBSCRIP
		SEMS TECHNOLOGIES Total	4,295.00	
63583	11/15/2017	SMARDAN HATCHER CO.	203.44	WATER TEST GUAGE
		SMARDAN HATCHER CO. Total	203.44	
63644	11/28/2017	SOAP MAN	322.44	SHOP/KITCHEN SUPPS
		SOAP MAN Total	322.44	
63584	11/15/2017	SOUTHERN CALIF EDISON	25,190.57	MTHLY ELEC SRVC OCT17
		SOUTHERN CALIF EDISON Total	25,190.57	
63585	11/15/2017	SOUTHERN CALIF GAS CO	51.21	ADMIN GAS SRVC 10/02 - 11/01
63585	11/15/2017	SOUTHERN CALIF GAS CO	0.90	BVTP GAS SRVC 9/29 - 10/31
		SOUTHERN CALIF GAS CO Total	52.11	
63586	11/15/2017	STAPLES ADVANTAGE	(15.06)	RETURN CREDIT FOR OFC SUPP
63586	11/15/2017	STAPLES ADVANTAGE	(35.87)	RETURN CREDIT FOR OFC SUPP
63586	11/15/2017	STAPLES ADVANTAGE	60.53	OFFICE SUPPS
63586	11/15/2017	STAPLES ADVANTAGE	12.70	OFFICE TAPE RULE 25FT
63586	11/15/2017	STAPLES ADVANTAGE	125.03	ADMIN OFFICE SUPPS
63645	11/28/2017	STAPLES ADVANTAGE	35.87	KITCHEN ROLL PAPER DISPENSER
63645	11/28/2017	STAPLES ADVANTAGE	7.53	OFFICE SUPPS
63645	11/28/2017	STAPLES ADVANTAGE	7.53	OFFICE SUPPS

Number	Date	Vendor	Amount	Description / Payee
63645	11/28/2017	STAPLES ADVANTAGE	424.60	OFFICE SUPPS
63645	11/28/2017	STAPLES ADVANTAGE	5.81	OFFICE SUPPS
63645	11/28/2017	STAPLES ADVANTAGE	133.09	OFFICE SUPPS
		STAPLES ADVANTAGE Total	761.76	
63647	11/28/2017	THE WHARF	250.00	SAFTEY BOOTS - JOE CHUA
		THE WHARF Total	250.00	
63588	11/15/2017	TOM MOSBY	1,081.80	REFUND OF EXCESS COBRA PREM
		TOM MOSBY Total	1,081.80	
63589	11/15/2017	TOWERS CLEANING	474.60	ADMIN WKLY JANITOR SVC OCT2017
		TOWERS CLEANING Total	474.60	
63590	11/15/2017	TRI-CO REPROGRAPHICS	355.18	SCAN/INDEX/FILE/HYPERLINK
		TRI-CO REPROGRAPHICS Total	355.18	
63591	11/15/2017	TRUE HORIZONS LLC	303.57	REF OF EXCESS DEP 1755 FERNALD
		TRUE HORIZONS LLC Total	303.57	
63592	11/15/2017	TYLER TECHNOLOGIES	105.00	AUG WEB SITE SUPP / MTHLY FEE
		TYLER TECHNOLOGIES Total	105.00	
63593	11/15/2017	UNDERGROUND SERVICE	140.35	USA TICKETS (79) NOV 2017
		UNDERGROUND SERVICE Total	140.35	
63648	11/28/2017	UNITED HEALTHCARE	183.60	RETIREE MED BEN - AYALA DEC17
		UNITED HEALTHCARE Total	183.60	
63594	11/15/2017	UNITED STATES POSTAL	414.00	LOCKBOX RENTAL FEE - 6 MTS
63649	11/28/2017	UNITED STATES POSTAL	236.00	LOCKBOX RENTAL FEE - 6 MTS
		UNITED STATES POSTAL Total	650.00	
63595	11/15/2017	UPS	21.86	BVTP SHIPPING CHGS 10/09
63595	11/15/2017	UPS	11.54	BVTP SHIPPING CHGS 10/23
63595	11/15/2017	UPS	16.18	BVTP SHIPPING CHGS 10/23
63595	11/15/2017	UPS	12.48	BVTP SHIPPING CHGS 10/27
		UPS Total	62.06	
63596	11/15/2017	VENTURA STEEL, INC.	153.54	SHOP STEEL - 150LBS
		VENTURA STEEL, INC. Total	153.54	
63528	11/15/2017	VOID	-	VOID/CK STUB FOR 63527
63555	11/15/2017	VOID	-	VOID CK STUB USED FOR 63554
63571	11/15/2017	VOID	-	VOID CHECK
63587	11/15/2017	VOID	-	VOID CHECK
63622	11/28/2017	VOID	-	VOID CHECK
		VOID Total	-	
63650	11/28/2017	VULCAN MATERIALS CO	568.89	ROAD BASE MATERIAL 5.54 TONS
		VULCAN MATERIALS CO Total	568.89	
0	11/15/2017	WELLS FARGO	2,116.01	OCT 2017 BANK ANALYSIS CHRG
		WELLS FARGO Total	2,116.01	
63597	11/15/2017	WESTERN EXTERMINATOR	65.50	BVTP EXTERM SVC OCT 2017
63597	11/15/2017	WESTERN EXTERMINATOR	69.00	ADMIN EXTERM SVC OCT 2017
		WESTERN EXTERMINATOR Total	134.50	
63598	11/15/2017	WESTERN OIL SPREAD	12,174.00	TYPE 2 ROAD SLURRY ASHLEY RD
		WESTERN OIL SPREAD Total	12,174.00	
63599	11/15/2017	WESTERN WATER WORKS	294.99	BVTP SUPPS
		WESTERN WATER WORKS Total	294.99	
63601	11/15/2017	ZACHARIAS HUNT	1,664.00	GIS DATA UPDATE/STAFF SUPP
		ZACHARIAS HUNT Total	1,664.00	
63600	11/15/2017	ZEE MEDICAL SERVICE	150.80	JAMESON LKE FIRST AID CABINET
63651	11/28/2017	ZEE MEDICAL SERVICE	235.00	RESTOCK FIRST AID KIT - ADMIN
		ZEE MEDICAL SERVICE Total	385.80	
		Grand Total	1,016,340.40	

**MONTECITO WATER DISTRICT
PAYMENT OF BILLS
TOTAL DISBURSEMENTS SUMMARY
FOR THE MONTH OF DECEMBER 2017**

SECTION: 3-D

AP CHECK REGISTER **\$ 762,677.14**

NET PAYROLL DIRECT DEPOSITS ¹

12/11/2017	Pay Period #25	64,196.57
12/22/2017	Pay Period #26	73,009.18

Payroll Direct Deposits **\$ 137,205.75**

EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS ²

12/21/2017	CCWA - VARIABLE O&M/MOU PYMT	300,514.19
12/27/2017	MELLON BANK - 2010A COP BOND INT	331,408.59
12/27/2017	CALIF BANK & TRUST - ORTEGA LOAN	295,209.64
12/27/2017	SEMITROPIC H2O STORAGE - 500 SHARI	630,000.00

Subtotal External Wire Transfers **\$1,557,132.42**

TOTAL DISBURSEMENTS **\$2,457,015.31**

INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS ³

NET INTERNAL WIRE TRANSFERS **\$ -**

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

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

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

Montecito Water District

Check Register

December 1, 2017 through December 31, 2017

Number	Date	Vendor	Amount	Description
63656	12/14/2017	ACWA/JPIA	16,826.36	2018 ANNUAL AGENCY DUES
		ACWA/JPIA Total	16,826.36	
63654	12/14/2017	ACWA-JPIA	37,169.97	MED/DEN/VIS PREM JAN2018
		ACWA-JPIA Total	37,169.97	
63657	12/14/2017	ALEXANDER'S CONTRACT SVC	6,159.70	METER READ SVRC - NOV 2017
63751	12/29/2017	ALEXANDER'S CONTRACT SVC	6,174.20	METER READ SRVC - DEC 2017
		ALEXANDER'S SVC Total	12,333.90	
63701	12/21/2017	ALL AROUND LANDSCAPE	28.36	BVTP SUPPS
		ALL AROUND Total	28.36	
63752	12/29/2017	ANTHEM BLUE CROSS	227.97	RET MED BEN - A. DIAZ JAN2018
		ANTHEM BLUE CROSS Total	227.97	
63653	12/14/2017	A-OK POWER EQUIPMENT	142.93	SHOP REPAIRS
63653	12/14/2017	A-OK POWER EQUIPMENT	37.50	SHOP REPAIRS
63653	12/14/2017	A-OK POWER EQUIPMENT	45.57	SHOP REPAIRS
		A-OK POWER EQUIPMENT Total	226.00	
63658	12/14/2017	AQUA-FLO SUPPLY	189.92	SHOP SUPPS
		AQUA-FLO SUPPLY Total	189.92	
63753	12/29/2017	AT&T MOBILITY	1,154.23	MOBILE SRVC 11/12/17-12/11/17
		AT&T MOBILITY Total	1,154.23	
63659	12/14/2017	BEDROCK BUILDING SUPPLIES	304.39	5 CUB YRDS GRAVEL
		BEDROCK BUILDING Total	304.39	
0	12/21/2017	BENEFLEX INC	113.00	FSA ADMIN FEES DEC 2017
0	12/11/2017	BENEFLEX INC	966.15	PP #25 FSA CONTRIBUTIONS
0	12/22/2017	BENEFLEX INC	966.15	PP #26 FSA CONTRIBUTIONS
		BENEFLEX INC Total	2,045.30	
63754	12/29/2017	BILL ALCALA	180.00	FLEET WASHING THRU 12/28
		BILL ALCALA Total	180.00	
63755	12/29/2017	BRENNTAG PACIFIC INC	3,171.64	BULK CHLORINE ORTEGA RES
		BRENNTAG PACIFIC INC Total	3,171.64	
63660	12/14/2017	BRIAN BERMUDEZ	235.00	BI-ANNUAL MAINT BVTP & ADMIN
		BRIAN BERMUDEZ Total	235.00	
63661	12/14/2017	BUELLFLAT ROCK CO INC	1,597.57	50 TONS CONCRETE SAND
		BUELLFLAT ROCK CO INC Total	1,597.57	
63662	12/14/2017	BUENA TOOL COMPANY	179.30	N95 DUST MASKS - THOMAS FIRE
63662	12/14/2017	BUENA TOOL COMPANY	143.04	N95 DUST MASKS THOMAS FIRE
63702	12/21/2017	BUENA TOOL COMPANY	75.40	UNIFORM PANTS FOR PRICHARD
		BUENA TOOL COMPANY Total	397.74	
63703	12/21/2017	BUNNIN	135.00	REPAIRS TRK #155
		BUNNIN Total	135.00	
63663	12/14/2017	CACHUMA O&M BOARD	5,089.46	WTR USER FEE 7/1 - 6/30/18
63704	12/21/2017	CACHUMA O&M BOARD	115,982.37	1STENTITLE PMT 10/1/17-4/01/18
		CACHUMA O&M BOARD Total	121,071.83	
0	12/11/2017	CAL PERS	11,947.46	PP #25 PENSION CONTRIBUTION
0	12/22/2017	CAL PERS	11,682.90	PP #26 PENSION CONTRIBUTION
		CAL PERS Total	23,630.36	
63705	12/21/2017	CALIFORNIA-NEVADA SECTION	55.00	GRADE 1 WTR DIST OPER - DIAZ
63748	12/27/2017	CALIFORNIA-NEVADA SECTION	55.00	GRADE2 WTR DIST-RODRIGUEZ
		CALIFORNIA-NEVADA SEC Total	110.00	
63706	12/21/2017	CANON FINANCIAL SERVICES	318.64	OFC CANON LEASE DEC 2017
		CANON FINANCIAL SERV Total	318.64	
63664	12/14/2017	CARP VALLEY LUMBER CO	25.50	BVTP SUPPS

Number	Date	Vendor	Amount	Description
		CARP VALLEY LUMBER Total	25.50	
63665	12/14/2017	CARQUEST AUTO PARTS	(32.33)	CREDIT- PUMP RETURNED 11/15
63665	12/14/2017	CARQUEST AUTO PARTS	(29.09)	CREDIT FOR BATTERY RTN 11/29
63665	12/14/2017	CARQUEST AUTO PARTS	3.06	SHOP SUPPLIES
63665	12/14/2017	CARQUEST AUTO PARTS	38.37	REPAIRS TRK #155
63665	12/14/2017	CARQUEST AUTO PARTS	108.49	REPAIRS TRK #155
63665	12/14/2017	CARQUEST AUTO PARTS	101.83	REPAIRS TRK #155
63665	12/14/2017	CARQUEST AUTO PARTS	56.45	REPAIRS TRK #177 & #156
63665	12/14/2017	CARQUEST AUTO PARTS	173.45	REPAIRS TO BACKHOE
63707	12/21/2017	CARQUEST AUTO PARTS	42.80	REPAIRS TRK #155
63707	12/21/2017	CARQUEST AUTO PARTS	40.48	SHOP REPAIRS
63707	12/21/2017	CARQUEST AUTO PARTS	77.57	REPAIR GENERATOR AT DTP
63707	12/21/2017	CARQUEST AUTO PARTS	143.65	REPAIRS TRK #162
63707	12/21/2017	CARQUEST AUTO PARTS	496.49	TRK AIR FILTERS - THOMAS FIRE
		CARQUEST AUTO PARTS Total	1,221.22	
63746	12/21/2017	CHALLENGE ASPHALT, INC.	13,833.00	TORO CYN LIQ BOND TAR OVER
63746	12/21/2017	CHALLENGE ASPHALT, INC.	676.80	GRADE/COMPACT ROAD BASE
63746	12/21/2017	CHALLENGE ASPHALT, INC.	4,000.00	CLEAN/PREP ASPHALT/RESURF
		CHALLENGE ASPHALT Total	18,509.80	
0	12/11/2017	CITISTREET - CALPERS 457	2,910.84	PP #25 457 CONTRIBUTION
0	12/22/2017	CITISTREET - CALPERS 457	2,910.84	PP #26 457 CONTRIBUTION
		CITISTREET-CALPERS 457 Total	5,821.68	
63668	12/14/2017	CO OF SB PUB WORKS - WATER	285.00	PERMITS: EDGECLF, SCHLHSE
63711	12/21/2017	CO OF SB PUB WORKS - WATER	190.00	PERMIT 737 E MTN DR/427 SEAVIE
63730	12/21/2017	CO OF SB PUB WORKS - WATER	95.00	PERMIT #107-020/17 965 LADERA
63749	12/27/2017	CO OF SB PUB WORKS - WATER	95.00	572 SANTA ANGELA LN RPR MAIN
		CO OF SB PUB WORKS - WATER Total	665.00	
63666	12/14/2017	COASTLINE EQUIPMENT	659.27	SHOP SUPPS
		COASTLINE EQUIPMENT Total	659.27	
63708	12/21/2017	COHEN & BURGE LLP	14,040.00	CCWA/COMB/WTR SUPP/DESAL
63708	12/21/2017	COHEN & BURGE LLP	72.00	NESBITT LEGAL
		COHEN & BURGE LLP Total	14,112.00	
63709	12/21/2017	COLANTUONO, HIGHSMITH	37.50	LEGAL SRVC RE: UPLAND
63709	12/21/2017	COLANTUONO, HIGHSMITH	75.00	NESBITT LEGAL
		COLANTUONO,HIGHSMITH Total	112.50	
63710	12/21/2017	COMPUVISION	825.00	PC/NETWORK ISSUES
63756	12/29/2017	COMPUVISION	695.00	DATTO BACKUP - JAN 2018
63756	12/29/2017	COMPUVISION	1,056.00	BI-ANL SPAM FILTER JAN-JUN'18
		COMPUVISION Total	2,576.00	
63712	12/21/2017	COX COMMUNICATIONS	723.67	OFC PHONE/INTERNET DEC17
63712	12/21/2017	COX COMMUNICATIONS	646.86	BVTP PHONE/INTERNET NOV17
		COX COMMUNICATIONS Total	1,370.53	
63669	12/14/2017	DANIEL RODRIGUEZ	321.62	REIMBURSE - MEALS MAIN BRKS
		DANIEL RODRIGUEZ Total	321.62	
63713	12/21/2017	DATA FLOW	26.15	1099 MISC FORMS/1096 FILING
		DATA FLOW Total	26.15	
63670	12/14/2017	DATAPROSE LLC	2,447.48	MAIL SRVC - NOV 2017 STMTS
		DATAPROSE LLC Total	2,447.48	
63714	12/21/2017	DOCUPRODUCTS	76.87	CANON 6055 CONTRACT
		DOCUPRODUCTS Total	76.87	
63671	12/14/2017	DUDEK	7,198.75	SGMA PROF SRVCS THRU 11/24
63671	12/14/2017	DUDEK	5,555.72	PROF SRVC THRU 11/24 NEG DEC
		DUDEK Total	12,754.47	
63672	12/14/2017	ECHO COMMUNICATIONS	157.24	AFTER HOURS SRVC - NOV 2017

Number	Date	Vendor	Amount	Description
		ECHO COMMUNICATIONS Total	157.24	
63673	12/14/2017	ELECTRIC PARTS CENTER	1,303.68	BVTP TRANSDUCER
63673	12/14/2017	ELECTRIC PARTS CENTER	1,205.30	BVTP TRANSDUCER
63673	12/14/2017	ELECTRIC PARTS CENTER	224.19	BVTP SUPPS METER/RELAY CARD
		ELECTRIC PARTS CENTER Total	2,733.17	
63758	12/29/2017	FED EX OFFICE	19.02	SHIP CHGS 11/29 CRESTLINE
		FED EX OFFICE Total	19.02	
63675	12/14/2017	FERGUSON WATERWORKS	2,009.09	INVENTORY STOCK
63675	12/14/2017	FERGUSON WATERWORKS	434.67	SHOP SUPPS-NON INVENTORY
63715	12/21/2017	FERGUSON WATERWORKS	37.91	SHOP SUPPS-NON INVENTORY
63715	12/21/2017	FERGUSON WATERWORKS	230.79	SHOP SUPPS-NON INVENTORY
		FERGUSON WATERWORKS Total	2,712.46	
63676	12/14/2017	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 10/16
63676	12/14/2017	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 10/31
63676	12/14/2017	FGL ENVIRONMENTAL	108.00	WTR SAMPLE ANALYSIS 11/06
63676	12/14/2017	FGL ENVIRONMENTAL	600.00	WTR SAMPLE ANALYSIS 11/06
63676	12/14/2017	FGL ENVIRONMENTAL	264.00	WTR SAMPLE ANALYSIS 11/06
63676	12/14/2017	FGL ENVIRONMENTAL	17.00	WTR SAMPLE ANALYSIS 11/06
63676	12/14/2017	FGL ENVIRONMENTAL	17.00	WTR SAMPLE ANALYSIS 11/06
63676	12/14/2017	FGL ENVIRONMENTAL	74.00	WTR SAMPLE ANALYSIS 11/06
63676	12/14/2017	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 11/13
63676	12/14/2017	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 11/13
63676	12/14/2017	FGL ENVIRONMENTAL	74.00	WTR SAMPLE ANALYSIS 11/27
63676	12/14/2017	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 11/13
63759	12/29/2017	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 10/23
63759	12/29/2017	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 10/23
63759	12/29/2017	FGL ENVIRONMENTAL	88.00	WTR SAMPLE ANALYSIS 11/20
63759	12/29/2017	FGL ENVIRONMENTAL	142.00	WTR SAMPLE ANALYSIS 11/20
63759	12/29/2017	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 11/20
63759	12/29/2017	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 11/21
63759	12/29/2017	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 11/21
63759	12/29/2017	FGL ENVIRONMENTAL	54.00	WTR SAMPLE ANALYSIS 11/27
63759	12/29/2017	FGL ENVIRONMENTAL	74.00	WTR SAMPLE ANALYSIS 11/27
63759	12/29/2017	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 11/27
63759	12/29/2017	FGL ENVIRONMENTAL	139.00	WTR SAMPLE ANALYSIS 11/27
63759	12/29/2017	FGL ENVIRONMENTAL	176.00	WTR SAMPLE ANALYSIS 11/27
63759	12/29/2017	FGL ENVIRONMENTAL	130.00	WTR SAMPLE ANALYSIS 11/27
63759	12/29/2017	FGL ENVIRONMENTAL	34.00	WTR SAMPLE ANALYSIS 12/04
63759	12/29/2017	FGL ENVIRONMENTAL	224.00	WTR SAMPLE ANALYSIS 12/04
		FGL ENVIRONMENTAL Total	3,917.00	
63677	12/14/2017	FRONTIER	156.41	TORO CYN SRVC 11/25 - 12/24
63716	12/21/2017	FRONTIER	45.70	TELEMETRY LINE 12/7/17-1/6/18
63717	12/21/2017	FRONTIER	68.86	JAMESON WEATHER STN
		FRONTIER Total	270.97	
63678	12/14/2017	FUEL SMART SB	1,235.25	FUEL PURCHASES THRU 12/05
63761	12/29/2017	FUEL SMART SB	1,533.39	FUEL PURCHASES THRU 12/18
		FUEL SMART SB Total	2,768.64	
63679	12/14/2017	GRAINGER INC.	66.67	BVTP SUPPS
63679	12/14/2017	GRAINGER INC.	134.93	BVTP SUPPS
63679	12/14/2017	GRAINGER INC.	42.94	BVTP SUPPS
63762	12/29/2017	GRAINGER INC.	204.30	BVTP RESPIRATOR MASKS
		GRAINGER INC. Total	448.84	
63680	12/14/2017	GRANITE CONSTRUCTION CO.	356.71	5.04 TONS ASPHALT ROAD BASE
		GRANITE CONSTRUCTION Total	356.71	

Number	Date	Vendor	Amount	Description
63681	12/14/2017	HARRINGTON INDUSTRIAL	347.37	BVTP FILTER
63681	12/14/2017	HARRINGTON INDUSTRIAL	36.72	BVTP SUPPS
63718	12/21/2017	HARRINGTON INDUSTRIAL	280.90	BVTP SUPPS
		HARRINGTON INDUSTRIAL Total	664.99	
0	12/11/2017	HARTFORD LIFE INS CO	25.00	PP #25 457 CONTRIBUTION
0	12/22/2017	HARTFORD LIFE INS CO	25.00	PP #26 457 CONTRIBUTION
		HARTFORD LIFE INS CO Total	50.00	
63763	12/29/2017	HOME DEPOT CREDIT	1,042.83	JAMESON/BVTP SUPPS
		HOME DEPOT CREDIT Total	1,042.83	
63682	12/14/2017	IRON MOUNTAIN	78.54	MTHLY SHRED SVRC - NOV 2017
		IRON MOUNTAIN Total	78.54	
0	12/21/2017	JAN E ABEL	275.76	RET MED BENEFIT JAN 2018
		JAN E ABEL Total	275.76	
63652	12/4/2017	JOHN CALVIN	437.04	CUSTOMER REF-FINAL BILLING
		JOHN CALVIN Total	437.04	
63683	12/14/2017	JOY EQUIPMENT PROTECTION	506.42	(2) FIRE HOSE 2.5 W/FITTINGS
63719	12/21/2017	JOY EQUIPMENT PROTECTION	1,252.05	FIRE HOSES AND NOZZLE/VALVE
		JOY EQUIPMENT PROT Total	1,758.47	
63684	12/14/2017	LASH CONSTRUCTION	292,609.80	SYC CYN MAIN RPL
63764	12/29/2017	LASH CONSTRUCTION	105.00	DUMP FEES
		LASH CONSTRUCTION Total	292,714.80	
0	12/11/2017	LINCOLN FINANCIAL	1,625.00	PP #25 457 CONTRIBUTION
0	12/22/2017	LINCOLN FINANCIAL	1,625.00	PP #26 457 CONTRIBUTION
		LINCOLN FINANCIAL Total	3,250.00	
63720	12/21/2017	LINCOLN FINANCIAL GROUP	946.65	LTD INSUR PREM - JAN 2018
		LINCOLN FINANCIAL Total	946.65	
63765	12/29/2017	LOWE'S BUSINESS ACCOUNT	31.83	BVTP SUPPLIES
		LOWE'S BUSINESS Total	31.83	
63721	12/21/2017	MARBORG DISPOSAL CO.	706.27	3YRD RECYCLE/TRASH NOV 2017
63721	12/21/2017	MARBORG DISPOSAL CO.	129.60	25YRD ROLL OFF NOV 2017
63766	12/29/2017	MARBORG DISPOSAL CO.	10.78	DTP PORTABLE R/R 11/13-12/10
		MARBORG DISPOSAL CO. Total	846.65	
63685	12/14/2017	MCCORMIX CORP.	116.59	FUEL PURCHASES THRU 12/5
63767	12/29/2017	MCCORMIX CORP.	304.55	SHOP MOTOR OIL
63767	12/29/2017	MCCORMIX CORP.	569.41	DIESEL FUEL - GENERATORS
63767	12/29/2017	MCCORMIX CORP.	905.95	DIESEL FUEL - GENERATORS
63767	12/29/2017	MCCORMIX CORP.	7,723.68	DIESEL FUEL - GENERATORS
63767	12/29/2017	MCCORMIX CORP.	172.63	FUEL PURCHASES THRU 12/14
		MCCORMIX CORP. Total	9,792.81	
63722	12/21/2017	MILPAS RENTAL, INC.	149.13	DIST TRENCHER RENTAL 11/07
		MILPAS RENTAL, INC. Total	149.13	
63686	12/14/2017	MISSION LINEN SUPPLY	1,440.41	MONTHLY UNIFORM NOV 2017
		MISSION LINEN SUPPLY Total	1,440.41	
63687	12/14/2017	MONT VILLAGE HARDWARE	20.89	REPAIRS TRK #148
63687	12/14/2017	MONT VILLAGE HARDWARE	38.85	OFFICE SUPPS
63687	12/14/2017	MONT VILLAGE HARDWARE	11.84	SHOP SUPPS
		MONT VLLGE HARDWARE Total	71.58	
63768	12/29/2017	MONTECITO JOURNAL	302.90	12/14 AD: WINTER/MAIN BRKS
		MONTECITO JOURNAL Total	302.90	
63723	12/21/2017	MONTECITO VILLAGE	3.43	BVTP SUPPS
		MONTECITO VILLAGE Total	3.43	
63724	12/21/2017	MOSS, LEVY & HARTZHEIM LLP	10,995.00	AUDIT FEES TO 11/30/17
		MOSS, LEVY, HARTZHEIM Total	10,995.00	
0	12/11/2017	PAYLOCITY CORP	31,158.32	PP #25 TAX DEPOSIT

Number	Date	Vendor	Amount	Description
0	12/22/2017	PAYLOCITY CORP	37,408.71	PP #26 TAX DEPOSIT
		PAYLOCITY CORP Total	68,567.03	
0	12/14/2017	PAYLOCITY CORPORATION	103.98	PAYROLL FEES PP #25 END 12/08
0	12/27/2017	PAYLOCITY CORPORATION	204.91	PAYROLL FEES PP #26 END 12/22
		PAYLOCITY CORP Total	308.89	
63688	12/14/2017	PITNEY BOWES	301.50	POSTAGE REFILL 11/16 PB MTR
		PITNEY BOWES Total	301.50	
63726	12/21/2017	PJ SIGNS	250.00	5 DECALS FOR TRUCKS
		PJ SIGNS Total	250.00	
63727	12/21/2017	POWERSTRIDE BATTERY CO.	1,197.59	BATTERIES-JAMESON SOLAR
		POWERSTRIDE BATTERY Total	1,197.59	
63728	12/21/2017	PRAXAIR DISTRIBUTION INC	95.90	DIST SUPPS
		PRAXAIR DISTRIBUTION Total	95.90	
63689	12/14/2017	PROBER LAND SURVEYING	9,193.50	SURVEY-WTR MAIN STA ROSA
		PROBER LAND SURVEY Total	9,193.50	
63690	12/14/2017	PURETEC	67.40	BVTP CHEM SUPPS
		PURETEC Total	67.40	
63729	12/21/2017	R.J. CARROLL & SONS INC	3,361.20	767 PICACHO LN PRESSURE REG
		R.J. CARROLL & SONS INC Total	3,361.20	
63691	12/14/2017	RAUCH COMMUNICATION	1,451.50	WEBSITE/JOURNAL AD/GRAPHICS
63769	12/29/2017	RAUCH COMMUNICATION	1,168.75	WEBSITE/ENEWS/GRAPHICS
		RAUCH COMMUNICATION Total	2,620.25	
63692	12/14/2017	ROBIN FELL	160.00	REFUND CUSTOMER PROJ B24
		ROBIN FELL Total	160.00	
63731	12/21/2017	S.B. HOME IMPR CNTR	6.45	FLUSH LEVER - RESTROOM
		S.B. HOME IMPR CNTR Total	6.45	
63732	12/21/2017	SAFETY-KLEEN SYSTEMS INC	319.30	RECYCLE USED OIL/FILTERS
		SAFETY-KLEEN SYSTEMS Total	319.30	
63693	12/14/2017	SALS & BROTHERS LANDSCAPE	900.00	ADMIN GROUNDS MAINT NOV17
		SALS & BROTHERS Total	900.00	
63694	12/14/2017	SANTA BARBARA GLASS CO.	1,355.00	GLASS TOP FOR CONF TABLE
		SANTA BARBARA GLASS Total	1,355.00	
63733	12/21/2017	SANTA BARBARA PAINTING	7,210.00	PROG BILL FOR ADMIN INT PAINT
		SANTA BARBARA PAINT Total	7,210.00	
63734	12/21/2017	SATCOM DIRECT INC	43.40	SATELLITE PHONE NOV17
		SATCOM DIRECT INC Total	43.40	
63695	12/14/2017	SOAP MAN	127.08	SHOP/KITHCEN SUPPS
		SOAP MAN Total	127.08	
63735	12/21/2017	SOUTHERN CALIF EDISON CO	23,374.25	MTHLY ELEC SRVC NOV17
		SOUTHERN CALIF EDISON Total	23,374.25	
63736	12/21/2017	SOUTHERN CALIF GAS CO	68.69	ADMIN MTHLY GAS SVC NOV2017
63736	12/21/2017	SOUTHERN CALIF GAS CO	1.49	BVTP MTHLY GAS SRVC NOV2017
		SOUTHERN CALIF GAS CO Total	70.18	
63737	12/21/2017	STATE WTR RES CONTROL BRD	500.00	ANNL PERMIT FEE INDEX 315425
63738	12/21/2017	STATE WTR RES CONTROL BRD	80.00	D2 CERTIFICATION - CARRILLO, J
63739	12/21/2017	STATE WTR RES CONTROL BRD	90.00	D3 RENEWAL - CESAR LIMON
63750	12/27/2017	STATE WTR RES CONTROL BRD	130.00	FEE GRADE D4 EXAM - LIMON
		STATE WTR RES Total	800.00	
63696	12/14/2017	THE JOHNSON GROUP LTD	1,160.00	PROF RISK MGMT THRU NOV17
63740	12/21/2017	THE JOHNSON GROUP LTD	1,380.00	REVIEW INSUR ENDORSEMENTS
		THE JOHNSON GROUP Total	2,540.00	
63741	12/21/2017	TOWERS CLEANING	474.60	ADMIN JANITORIAL NOV 2017
		TOWERS CLEANING Total	474.60	
63770	12/29/2017	TYLER TECHNOLOGIES INC	105.00	WEB SITE SUPPORT DEC 2017

Number	Date	Vendor	Amount	Description
		TYLER TECHNOLOGIES Total	105.00	
63697	12/14/2017	UNDERGROUND SERVICE ALRT	148.60	USA TKTS NOV 2017
		UNDERGROUND SERVICE Total	148.60	
63742	12/21/2017	UNITED HEALTHCARE	183.60	RETIREE BENE AYALA, A JAN18
		UNITED HEALTHCARE Total	183.60	
63743	12/21/2017	UPS	11.27	GROUND SHIPPING
63743	12/21/2017	UPS	13.70	GROUND SHIPPING - METER TEST
		UPS Total	24.97	
63698	12/14/2017	USA BLUEBOOK	210.71	BVTP SUPPS
63771	12/29/2017	USA BLUEBOOK	(299.83)	CR-BVTP RETURN-BALL VALVE
63771	12/29/2017	USA BLUEBOOK	708.51	21 LEAD FREE GAUGES
		USA BLUEBOOK Total	619.39	
63699	12/14/2017	VENTURA STEEL, INC.	35.56	SHOP SUPPS
		VENTURA STEEL, INC. Total	35.56	
63655	12/14/2017	VOID	-	VOID
63667	12/14/2017	VOID	-	VOID
63674	12/14/2017	VOID	-	VOID
63725	12/21/2017	VOID	-	VOID
63747	12/21/2017	VOID	-	VOID
63757	12/29/2017	VOID	-	VOID
63760	12/29/2017	VOID	-	VOID - STUB
63773	12/29/2017	VOID	-	VOID
63774	12/29/2017	VOID	-	VOID
63775	12/29/2017	VOID	-	VOID
		VOID Total	-	
0	12/11/2017	WELLS FARGO	2,684.61	NOV 2017 BANK ANALYSIS CHRG
63772	12/29/2017	WELLS FARGO	6,485.00	17 DUES CA SPEC DIST ASSOC.
63772	12/29/2017	WELLS FARGO	1,030.73	DISTRIBUTION REFRIGERATOR
63772	12/29/2017	WELLS FARGO	230.00	ENGINEERING SUPPLIES
63772	12/29/2017	WELLS FARGO	151.40	SAFETY/DRIVERS TRAINING
63772	12/29/2017	WELLS FARGO	301.90	GO TO MEETING
63772	12/29/2017	WELLS FARGO	2,635.00	BOARD ROOM CHAIRS
63772	12/29/2017	WELLS FARGO	29.99	BOARDROOM SUPPLIES
63772	12/29/2017	WELLS FARGO	465.82	CELL PHONE/OFF SUPPLIES
63772	12/29/2017	WELLS FARGO	404.94	SATELLITE SRVC JAMESON
63772	12/29/2017	WELLS FARGO	447.90	JAMESON LAKE TOOL BOX
63772	12/29/2017	WELLS FARGO	440.20	MOPTOP STRESS BALLS W/LOGO
63772	12/29/2017	WELLS FARGO	117.50	BVTP WATER QUALITY SUPPLIES
63772	12/29/2017	WELLS FARGO	345.35	FIN CHRG - TO BE CREDITED
		WELLS FARGO Total	13,085.73	
63744	12/21/2017	WESTERN EXTERMINATOR CO	65.50	BVTP EXTERM SRVC NOV17
63744	12/21/2017	WESTERN EXTERMINATOR CO	111.00	EXTERM SRVC ADMIN NOV-DEC
63744	12/21/2017	WESTERN EXTERMINATOR CO	69.00	ADMIN MTHLY SRVC NOV17
		WESTERN EXTERM Total	245.50	
63700	12/14/2017	ZACHARIAS HUNT	1,665.95	GIS DATA UPDATE/PROG MAINT
		ZACHARIAS HUNT Total	1,665.95	
63745	12/21/2017	ZEE MEDICAL SERVICE	243.57	ADMIN FIRST AID KIT SUPPS
		ZEE MEDICAL SERVICE Total	243.57	
		Grand Total	762,677.14	

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-E

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS DEPARTMENT

SUBJECT: DISTRICT FUNDS

For your information, the District's invested reserve portfolio, as of 11/30/17, is as follows:

Unrestricted Reserve Funds	Date	Principal
Wells Fargo Checking	11/30/17	\$1,816,646
American Riviera Checking	11/30/17	\$500,000
American Riviera Money Market	11/30/17	\$1,501,710
Schwab	11/30/17	\$10,031,390
CCWA Credit Balance Fund	11/30/17	\$136,685
	TOTAL	\$13,986,431

Restricted Reserve Funds	Date	Principal
Bank of New York-2010 A Bond Reserve Fund	11/30/17	\$1,462,129
California Bank & Trust DWR Ortega Loan Reserve	11/30/17	\$590,412
CCWA Rate Coverage Reserve Fund	11/30/17	\$1,423,380
	TOTAL	\$3,475,921

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-A

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: RESOLUTION NO. 2162 — DIRECTORS' MEETING COMPENSATION

RECOMMENDATION:

Consider increasing Directors' meeting compensation by \$5 for 2018 by adopting Resolution 2162. This proposed increase of \$5 per meeting day would be added to the Director's current meeting compensation, set in 2017 at \$150.

DISCUSSION:

At their regular Board meeting on September 19, 2017, the Board approved Resolution 2159 which increased their meeting compensation from \$140 to \$150 (\$5 each for the two calendar years that had elapsed since the last adjustment in 2015). The present rate of Director compensation is \$150 for each day of attendance at meetings in accordance with the District's "Directors' Benefits, Compensation and Expense Reimbursement Policy". Also at the September 19, 2018 Board meeting, the Board asked staff to bring back this item for discussion in January to consider an annual increase for 2018. Because the January 2018 Board meeting was canceled, this item is being presented at our February meeting.

In September 2017, District staff contacted other local agencies regarding meeting compensation. The table below shows directors' compensation for other local agencies. The column "2nd Special Meeting" is for those agencies with different rates for different types of meetings/compensated activities (as described in the "Notes" column).

Agency	Amount	2nd Special Meeting	Notes
MFPD	\$175	No	
Summerland SD	\$175	No	
MSD	\$183.75	\$105 & \$122.50	Conf/seminars & official rep to other agency
COMB	\$150	No	

The California Water Code sets a board's per diem rate at \$100, and allows a district to adopt an ordinance allowing for increases. The District adopted Ordinance No. 88 in 2007, allowing for a per-calendar-year increase of \$5 by adoption of a resolution. Ordinance No. 88 is attached for reference.

RESOLUTION NUMBER 2162

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTECITO WATER DISTRICT ADJUSTING DIRECTORS' COMPENSATION

WHEREAS, the Montecito Water District's Policy related to Directors' compensation and expense reimbursement (Policy) provides guidance to District officials and personnel on the use and expenditure of District resources as well as the standards against which those expenditures will be measured; and

WHEREAS, District Ordinance No. 88, adopted September 18, 2007 set the base rate for Directors' compensation at \$100 per day for each day of attendance at meetings in accordance with the adopted Directors' Benefits, Compensation and Expense Reimbursement Policy; and

WHEREAS, District Ordinance No. 88 establishes that "For each subsequent calendar year following calendar year 2007, the compensation set forth herein may be increased upon the adoption of a resolution by the Board of Directors authorizing an increase in the compensation paid to each Director in an amount not to exceed the sum of \$5.00 for each calendar year following the last adjustment"; and

WHEREAS, District Resolution No. 2053, adopted February 11, 2009 increased the base rate for Directors' compensation to \$110 per day for each day of attendance at meetings in accordance with the adopted Directors' Benefits, Compensation and Expense Reimbursement Policy; and

WHEREAS, District Resolution No. 2121, adopted December 16, 2014 increased the base rate for Directors' compensation to \$140 per day for each day of attendance at meetings in accordance with the adopted Directors' Benefits, Compensation and Expense Reimbursement Policy beginning January 1, 2015; and

WHEREAS, District Resolution No. 2159, adopted September 17, 2017 increased the base rate for Directors' compensation to \$150 per day for each day of attendance at meetings in accordance with the Directors' Benefits, Compensation and Expense Reimbursement Policy;

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

1. That beginning March 1, 2018 the Directors' Compensation be increased by the sum of \$5 (five dollars) from the current \$150 to \$155 per day for each day of

attendance at meetings in accordance with Ordinance 88 and the adopted Directors' Benefits, Compensation and Expense Reimbursement Policy.

2. That the adoption of this Resolution is not subject to the California Environmental Quality Act because it will not result in a direct or reasonably foreseeable indirect physical change in the environment pursuant to CEQA Guidelines section 15060(c)(2).

PASSED AND ADOPTED by the Board of Directors of the Montecito Water District this 20th day of February 2018 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

W. Douglas Morgan, President
Board of Directors

ATTEST:

Nick Turner
Secretary

ORDINANCE NO. 88

ORDINANCE OF THE GOVERNING BOARD OF MONTECITO WATER DISTRICT FIXING THE COMPENSATION OF DIRECTORS OF THE BOARD PURSUANT TO §§ 20200 THROUGH 20207 OF THE WATER CODE AND REPEALING ORDINANCE NO. 85

WHEREAS, Water Code §§ 20200 through 20207 provide for an alternate method by which members of the Governing Board may be compensated for their work and services in carrying out their duties as Directors and in carrying out the business of the District; and

WHEREAS, the District has, by the adoption of Ordinance No. 85 elected to fix the compensation of its Directors pursuant to Water Code §§ 20200 through 20207, which compensation amount was last adjusted in calendar year 2003 through the adoption of Ordinance No. 85; and

WHEREAS, the District desires to provide that future increases may be adopted by resolution in accordance with the requirements of Water Code §§ 20200 through 20207; and

WHEREAS, Notice of a Public Hearing as a part of the District's regular meeting held on September 18, 2007, was published pursuant to Government Code § 6066 and Water Code § 20207; and

WHEREAS, Proof of Publication of said Notice in the Santa Barbara News-Press on September 3, 2007, and September 10, 2007 has been filed with the records of the regular meeting held on September 18, 2007; and

WHEREAS, the public hearing on the adoption of this Ordinance was held on September 18, 2007, prior to the adoption of this Ordinance as required by Water Code § 20203.

NOW, THEREFORE, BE IT ORDAINED by the Governing Board of Montecito Water District as follows:

1. Pursuant to Water Code § 20201, the compensation of each of the members (Directors) of the Governing Board shall be the sum of \$100.00 per day for each day of attendance at meetings in accordance with the adopted Directors' Benefits, Compensation and Expense Reimbursement Policy.

2. For each subsequent calendar year following calendar year 2007, the compensation set forth herein may be increased upon the adoption of a resolution by

the Board of Directors authorizing an increase in the compensation paid to each Director in an amount not to exceed the sum of \$5.00 for each calendar year following the last adjustment.

3. Pursuant to Water Code § 30507 each Director shall be paid or reimbursed, pursuant to applicable District policy, any expenses incurred in the performance of any duty required or authorized by the Governing Board, in addition to the compensation above set forth.

4. This Ordinance repeals and supersedes any prior Ordinance of this Board providing for compensation of Directors as of the effective date of this ordinance.

5. This Ordinance shall be effective October 1, 2007.

6. This Ordinance shall be published one time within ten (10) days following its adoption.

7. If any section of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining sections of this ordinance. The Board of Directors hereby declares that it would have adopted this ordinance, irrespective of the fact that any one or more sections be declared invalid or unconstitutional.

PASSED AND ADOPTED by the Board of Directors of the Montecito Water District this 18th day of September, 2007 by the following roll call vote:

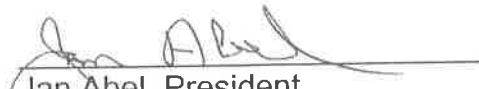
AYES: Directors Abel, Frye, Morgan, Shaikewitz, and Wilson

NOES: None

ABSENT: None

ABSTAIN: None

APPROVED:


Jan Abel, President

ATTEST:


Robert L. Roebuck, Secretary



Montecito Water District

Drought and Quarterly Water Supply Update

October 2017 – December 2017



Board Meeting
February 20, 2018



Outline

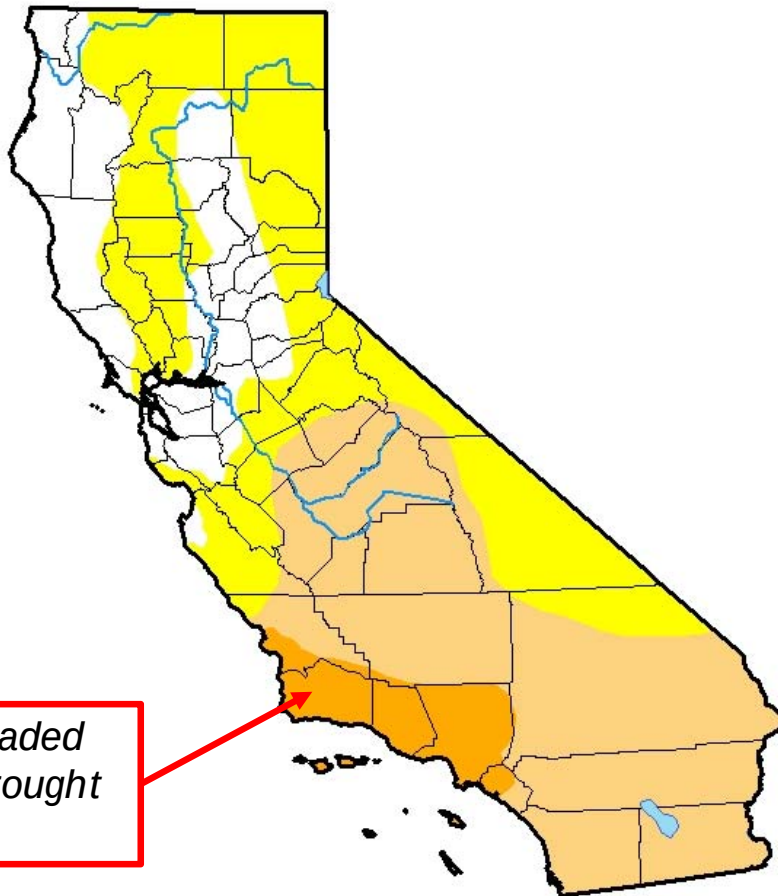
1. Drought Status
2. Total Production & Customer Demands
3. Currently Water Supply Outlook
4. Conclusion



DROUGHT STATUS

U.S. Drought Monitor California

February 6, 2018
(Released Thursday, Feb. 8, 2018)
Valid 7 a.m. EST



SB County Upgraded
to D2 Severe Drought
conditions

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	18.27	81.73	45.60	6.39	0.00	0.00
Last Week <i>01-30-2018</i>	26.67	73.33	43.72	4.92	0.00	0.00
3 Months Ago <i>11-07-2017</i>	77.90	22.10	8.24	0.00	0.00	0.00
Start of Calendar Year <i>01-02-2018</i>	55.70	44.30	12.69	0.00	0.00	0.00
Start of Water Year <i>09-26-2017</i>	77.88	22.12	8.24	0.00	0.00	0.00
One Year Ago <i>02-07-2017</i>	41.46	58.54	46.99	10.93	0.73	0.00

Intensity:

D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought
D2 Severe Drought	

The Drought Monitor focuses on broad-scale conditions.
Local conditions may vary. See accompanying text summary
for forecast statements.

Author:

Eric Luebehusen
U.S. Department of Agriculture



<http://droughtmonitor.unl.edu/>



Rainfall Totals

Sept. 1, 2017 – January 31, 2018

Location	WY 16-17' (in)	Rainfall to date (in/Yr.)	% of Average
Jameson Lake	30.16	4.06	28.12%
Montecito (District Office)	29.03	2.91	28.90%
Toro Canyon (Doulton Tunnel)	36.16	4.34	31.40%

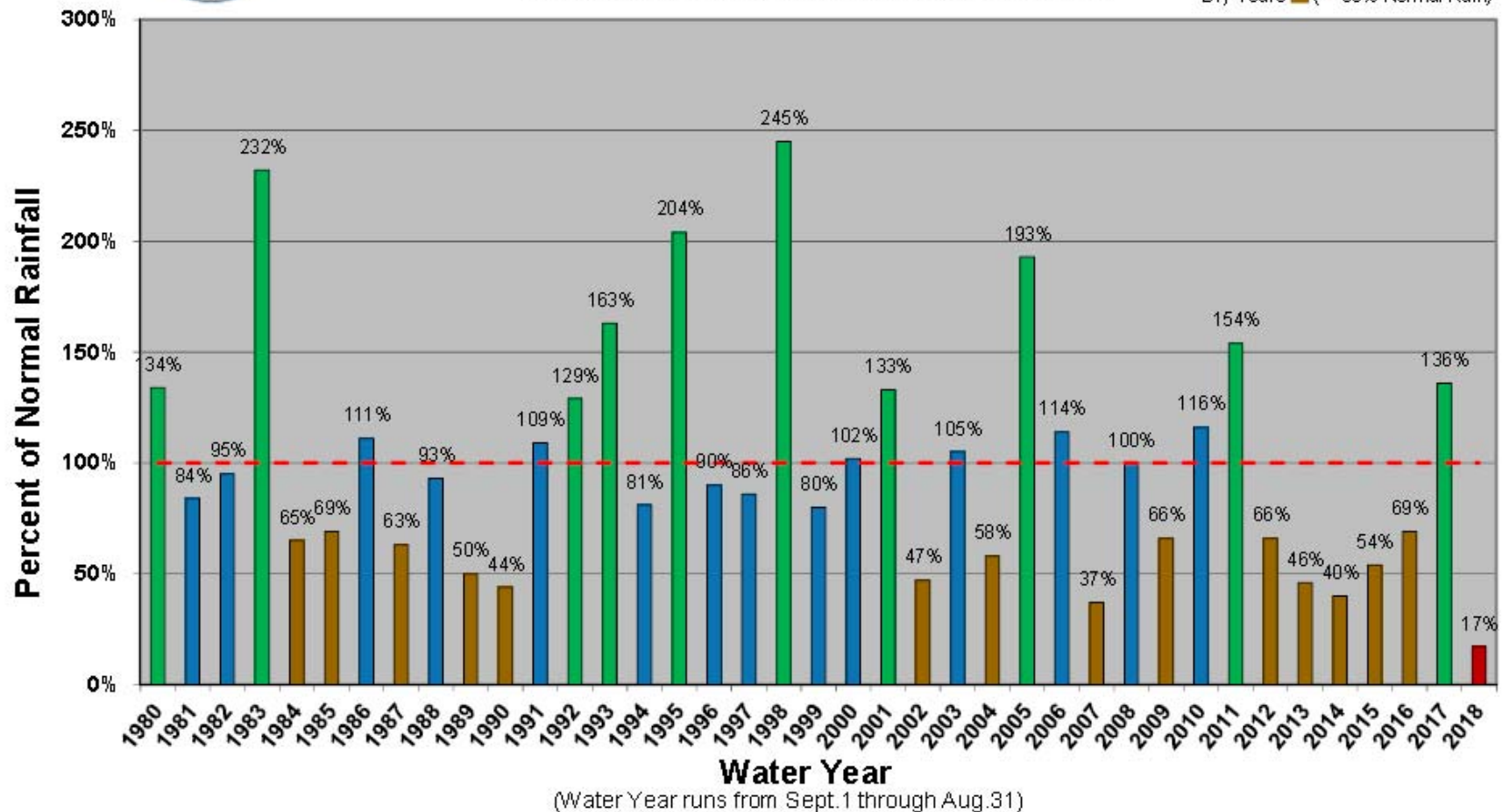


County-Wide Percent-of-Normal Water-Year Rainfall

WY2018 updated Feb 12, 2018

(Rainfall as a percentage of an entire average water-year)

Wet Years (>120% Normal Rain)
Dry Years (< 80% Normal Rain)



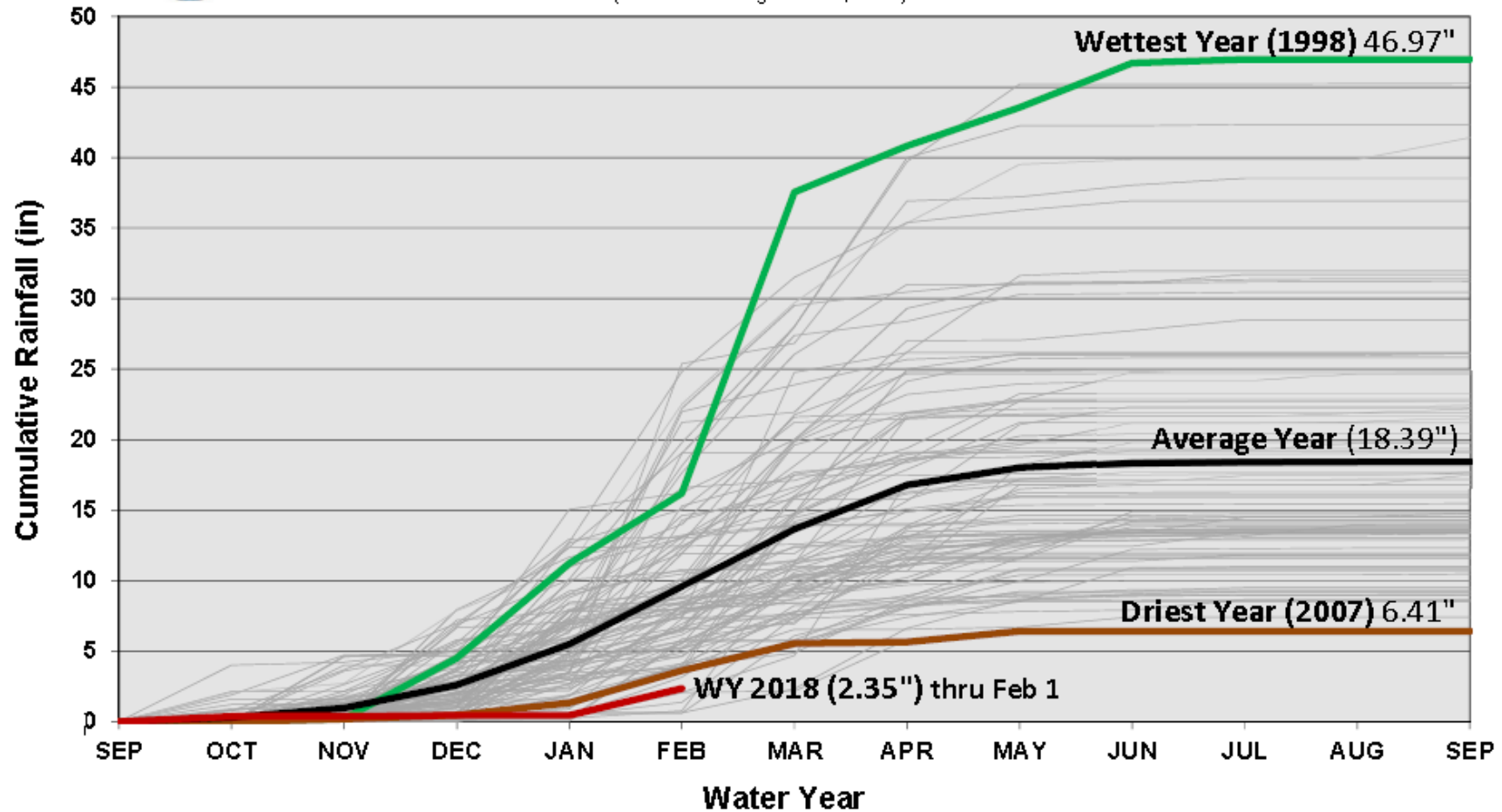


100 Years of Rainfall - Santa Barbara

Water Years 1917 - 2018

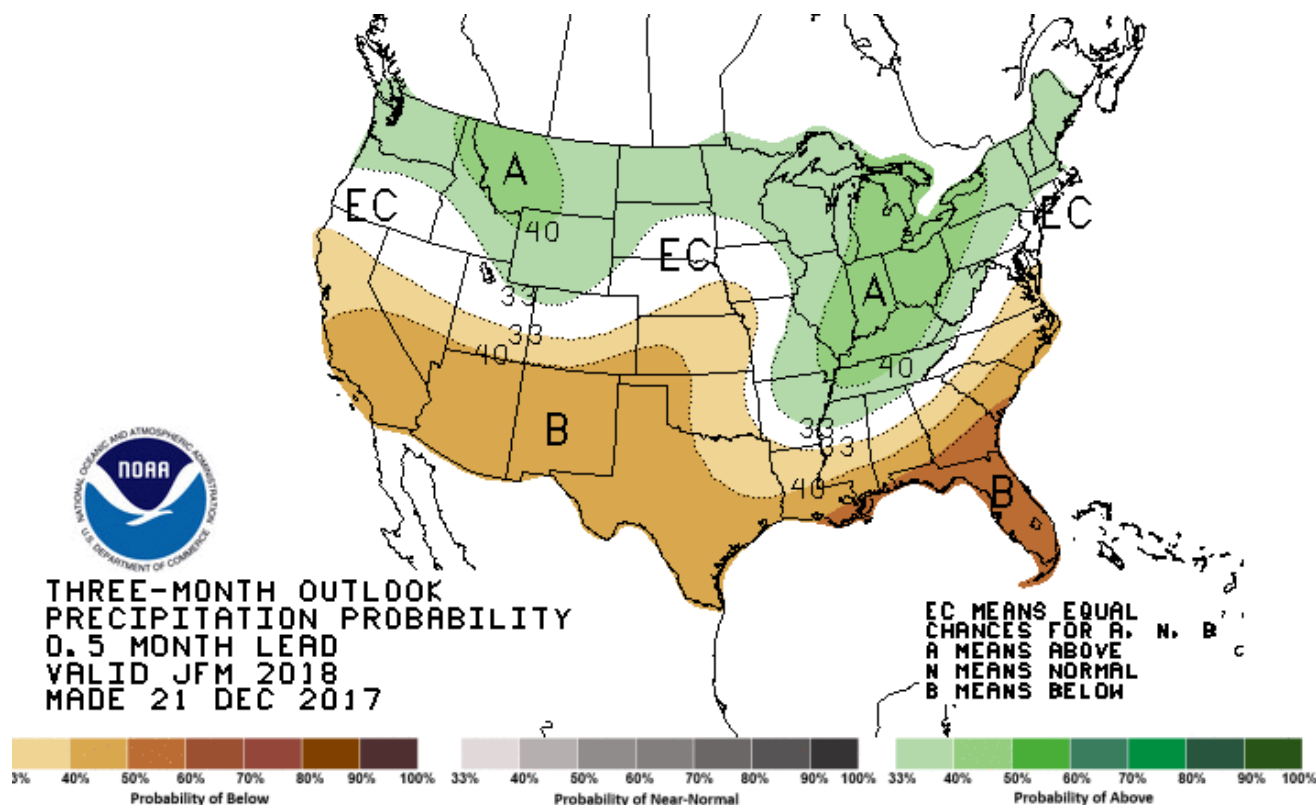
(WY2018 through Feb 1, 2018)

Page 1 of 3



NOAA 3-Month Precipitation Outlook

January – March 2018

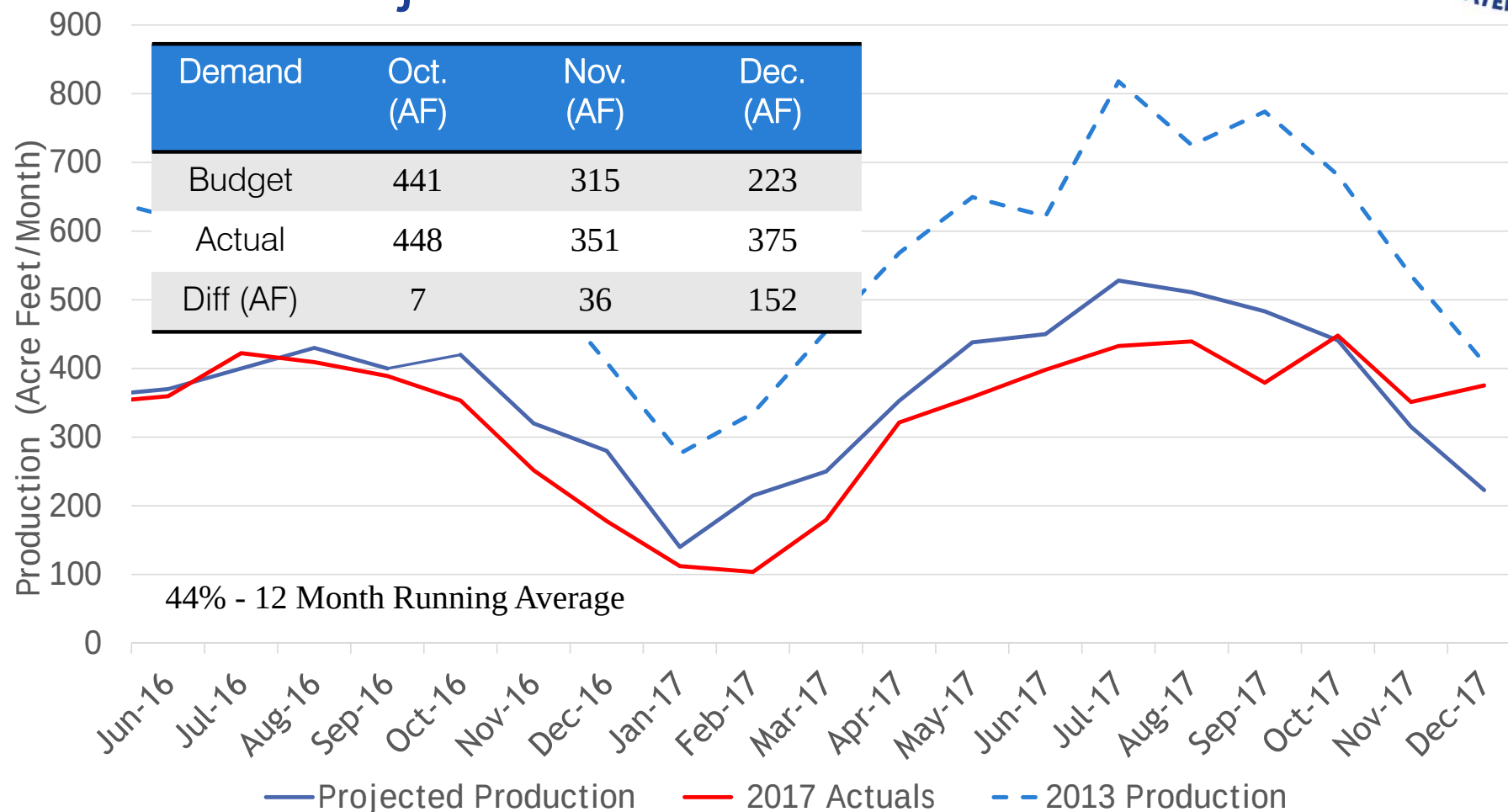




TOTAL PRODUCTION & CUSTOMER DEMANDS

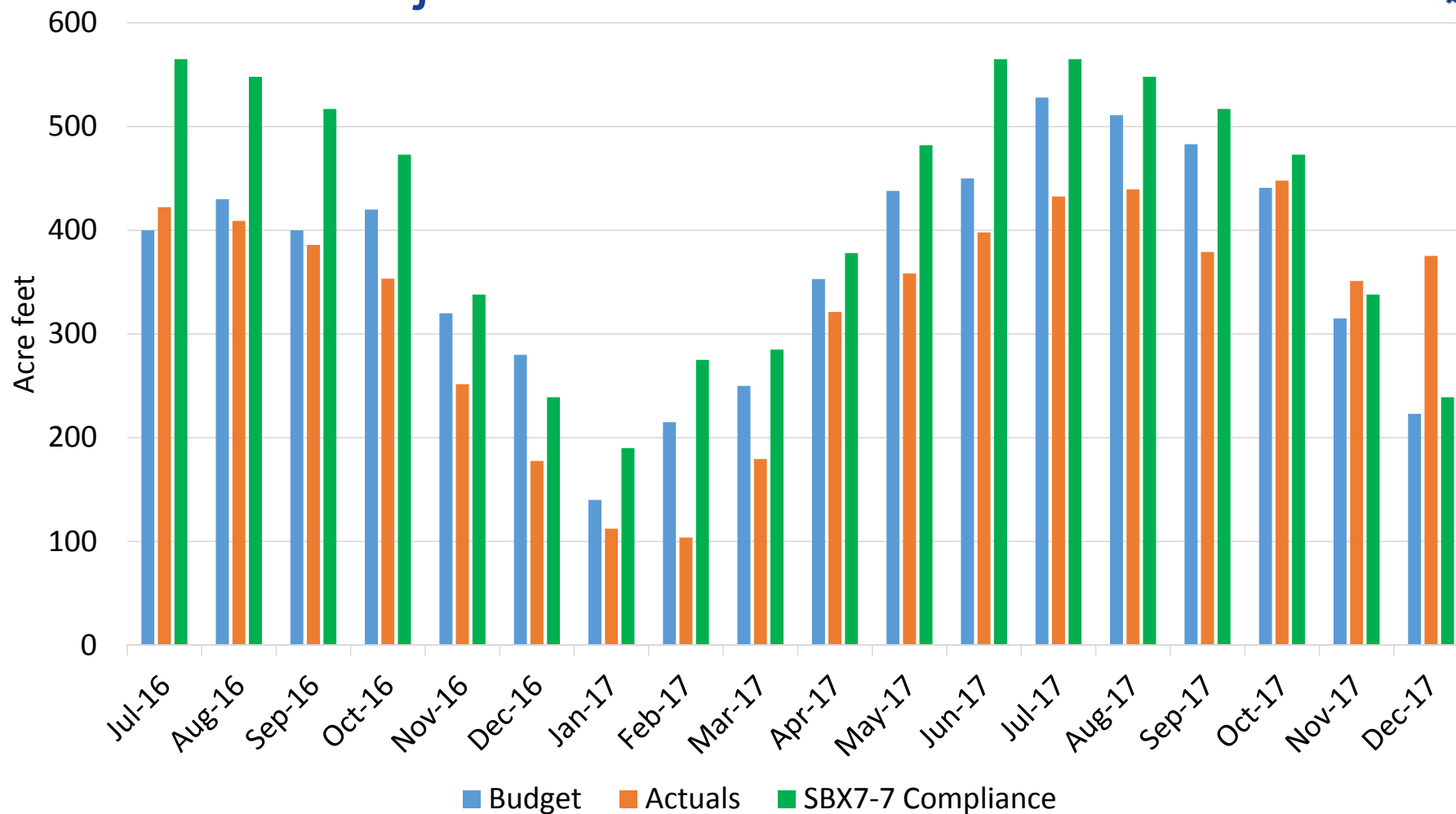


Projected vs. Actual Production



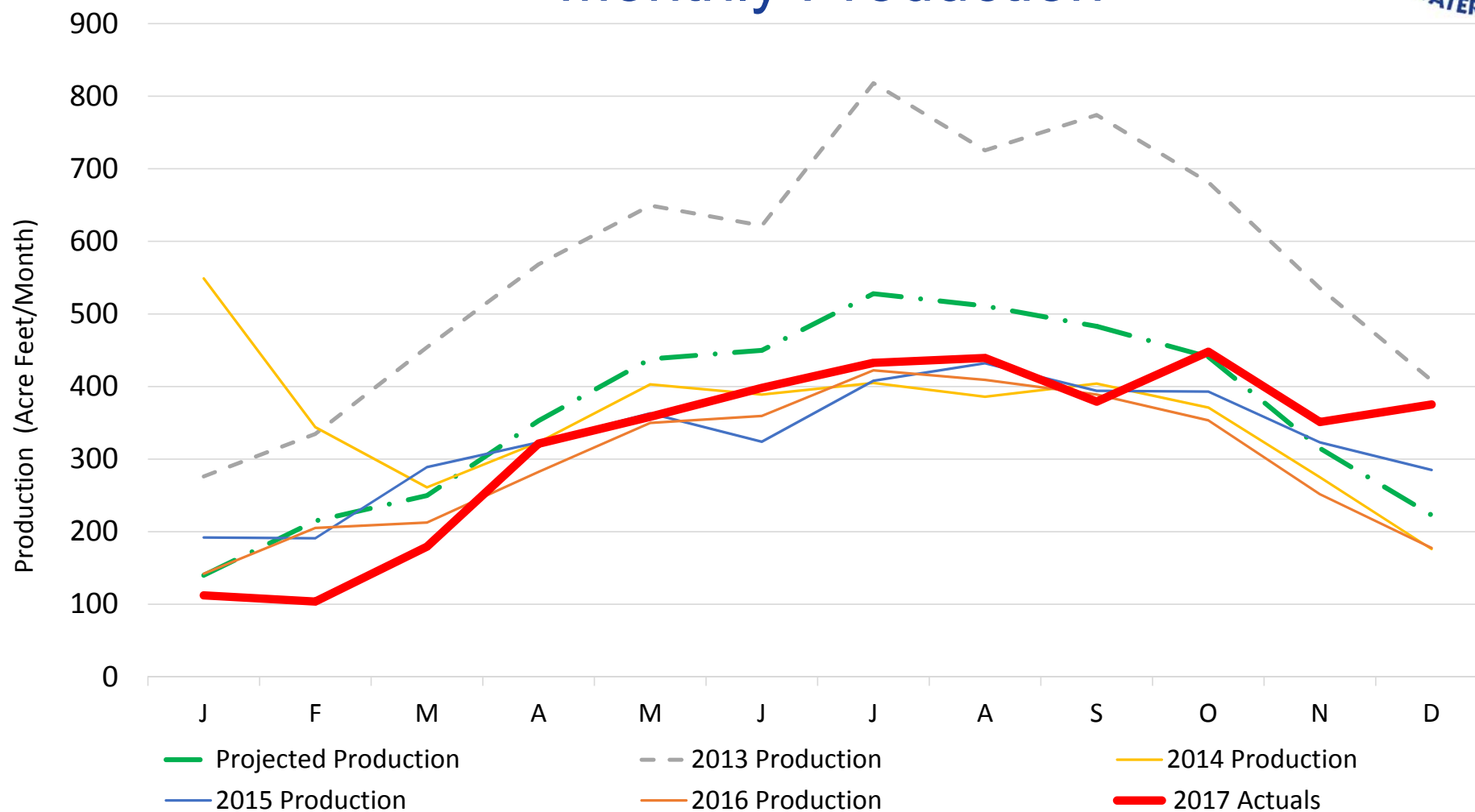


Projected vs. Actual Production



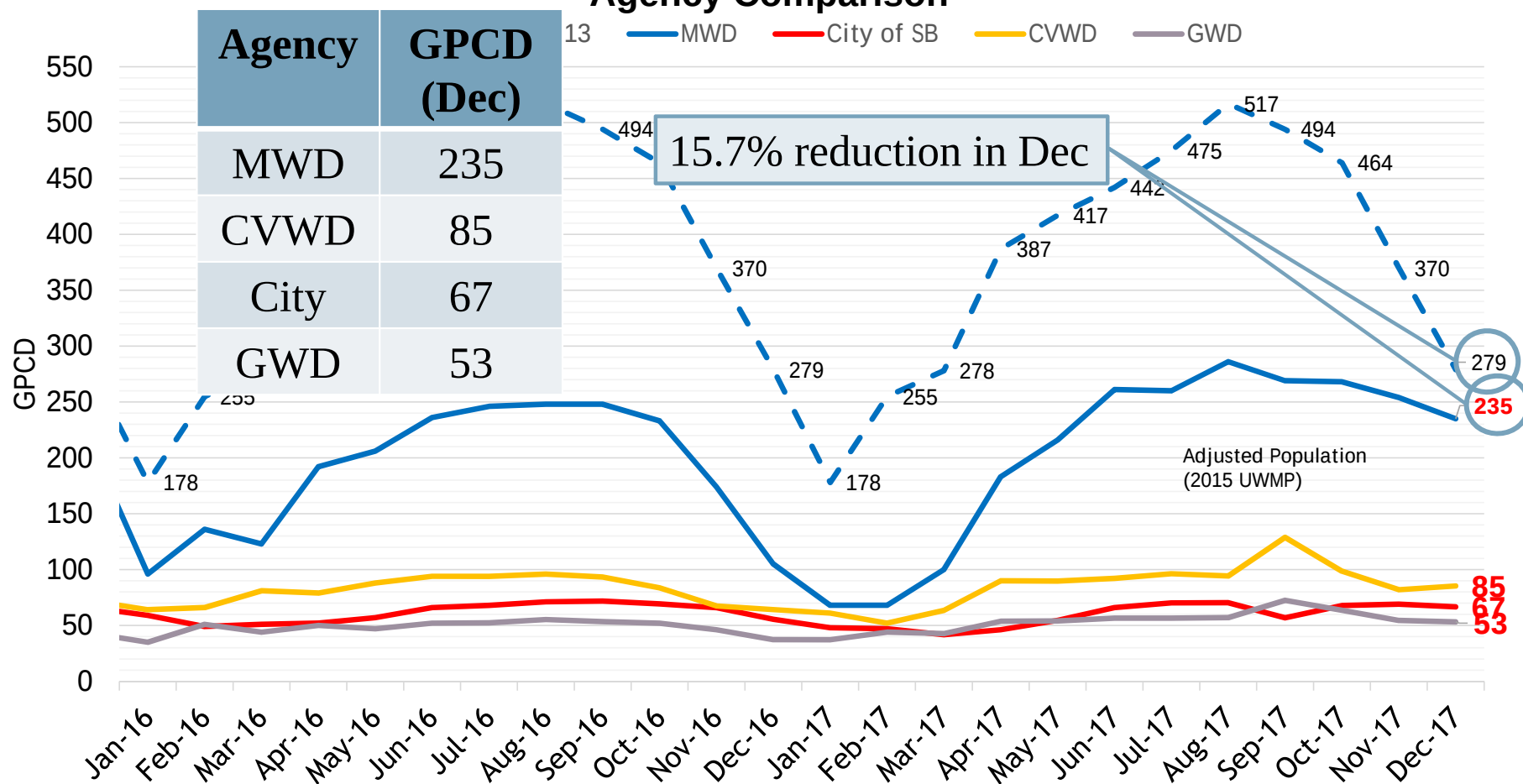


Monthly Production





SFR GPCD Agency Comparison

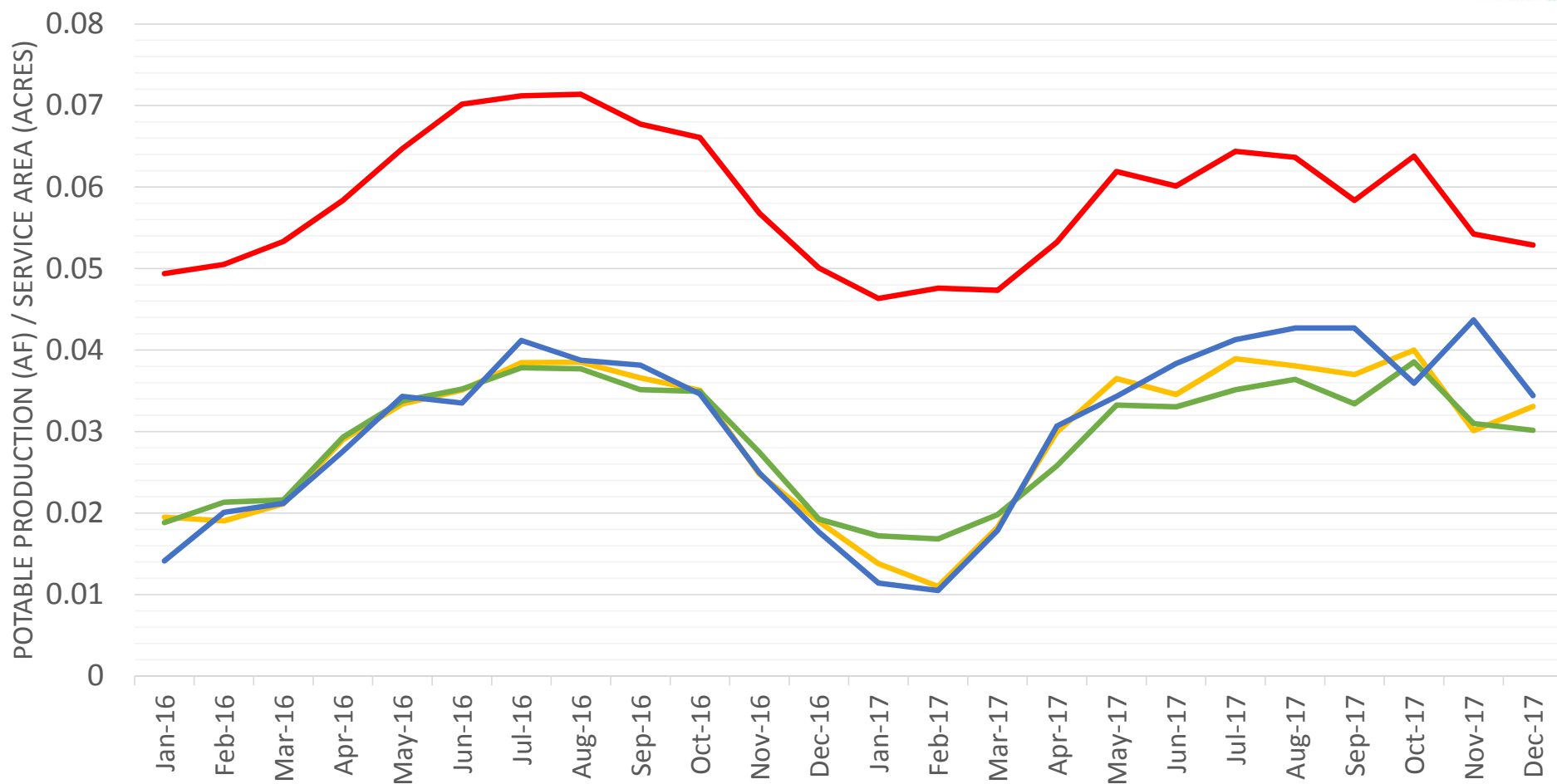


* GPCD data obtained from SWRCB



Water Demand Comparison

City of SB CVWD GWD MWD





WATER SUPPLY UPDATE

Lake Cachuma

As of January 1, 2018

1. Storage 74,732 AF (38.7% of capacity)
2. Lake El. 701.58 ft.
3. Emergency Pumping Barge needed at El. 695.0
4. 40% allocation for WY 2017/18
5. MWD Balance in Cachuma
 - a. Cachuma WY 2017/18 ± 1060 AF
 - b. Cachuma Carryover ± 984 AF
 - c. State & Supplemental ± 860 AFTotal = 2,904 AF
6. Water quality impacts from Whittier Fire



Whittier Fire

1. Anticipate impacts to water quality this winter & beyond
2. High TOC & Turbidity (ash, sediment, debris) anticipated with winter runoff
3. Potential temporary suspension of deliveries from Lake (days to weeks)
4. Cater WTP's treatment process
 - Process enhancements since Zaca Fire (Pre-treatment at Lauro, Ozone, Activated Carbon Feed, Improved backwashing)
5. City confident that inflow will not result temporary shutdown of deliveries
6. Temporary shutdown of Cachuma deliveries could impact District deliveries



Jameson Lake

As of January 1, 2018



1. Total current storage $\pm 2,548$ AF ($\pm 49.5\%$ full storage capacity)
2. Projected Monthly Diversion 30 – 40 AF
3. Doulton Tunnel Infiltration – 18 AF/month
4. USFW's Fish Relocation remains pending
5. Significant Water Quality impacts from Thomas Fire

Thomas Fire

1. Short and long term impacts to raw water quality
2. Ash, sediment and debris flows into lake will increase TOC & turbidity
3. Existing treatment processes may not be capable of treating this water
4. Possible interruption of lake deliveries this winter (days to weeks)
5. Temporary shutdown of Jameson and Cachuma deliveries has potential for a temporary water supply shortage



Groundwater

1. Current production ($<\pm 40$ AF/mo.)
2. Continue alternating use of active wells
3. May increase production as drought continues
4. Groundwater levels remain low, no measurable recovery to date
5. SGMA
 - 2nd Community Meeting Nov. 16th
 - BBM, MOUs, Bylaws
 - Formation of GSA anticipated in May/June 2018



Mosby Well (Office Well #2)

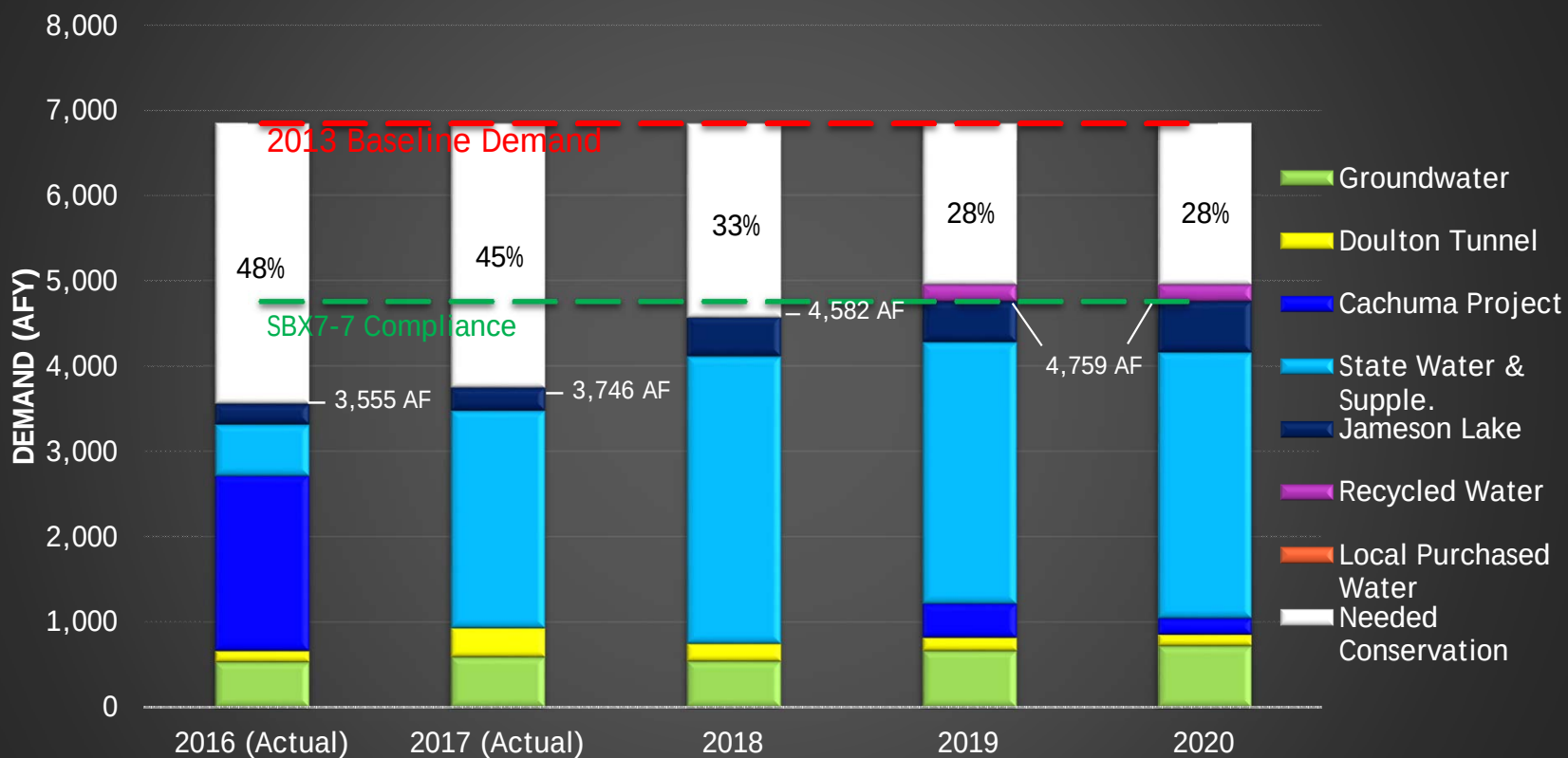


Imported Water

As of December 31, 2017

1. Current imported water available
 - Cachuma $\pm$ 2,904AF
 - SLR $\pm$ 353AF (carryover)
2. Initial 2018 Table A Allocation 15% (495AF)
3. Continue to maximize pumping into Lake Cachuma (258-294AF/mo.)
4. Status of San Luis Reservoir
 - Capacity 81%
 - Spill at SLR in 2018 less likely
 - Repaid 5,031AF owed to AVEK in 2017
 - Need for supplemental water in 2018 without rain
 - DWR Policy Change – Carryover of exchange/transfer water in SLR permitted

Projected Utilization of Supplies





Available Water Supplies by Source

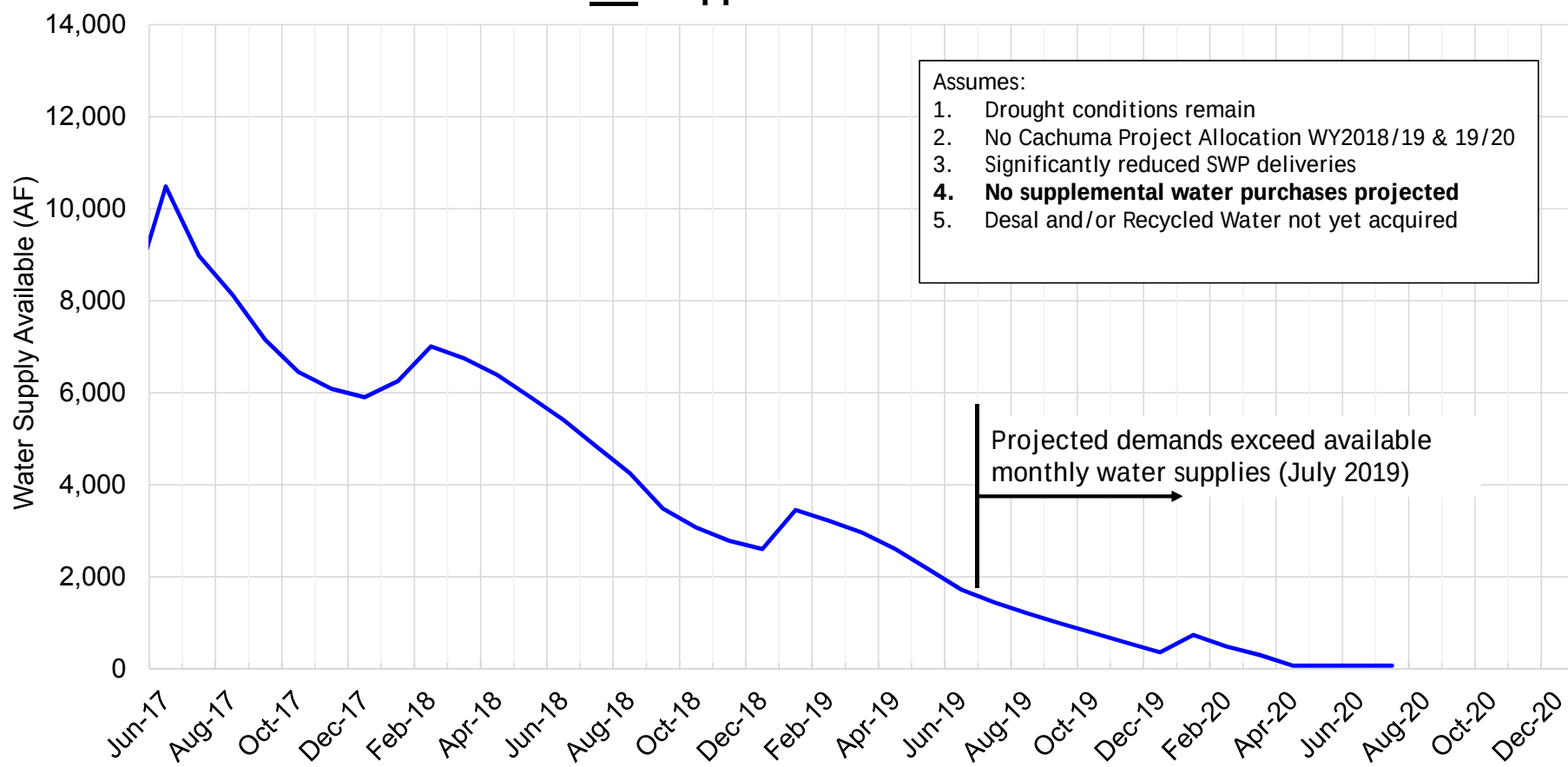
As of December 31, 2017

Source	Approx. Total (AF)
1. Jameson Lake	2,589
2. Cachuma Proj. Allocation 16/17'	1,060
3. Cachuma Proj. Carryover	984
4. SWP & Supplemental in SLR	353
5. SWP Table A/Suppl. stored Cachuma	860
6. Groundwater (<u>AF/mo.</u>)	40
7. Douilton Tunnel Infiltration. (<u>AF/mo.</u>)	18
Total	5,904

Note: 5,031AF was returned to AVEK in 2017 to avoid a potential 2018 spill at SLR

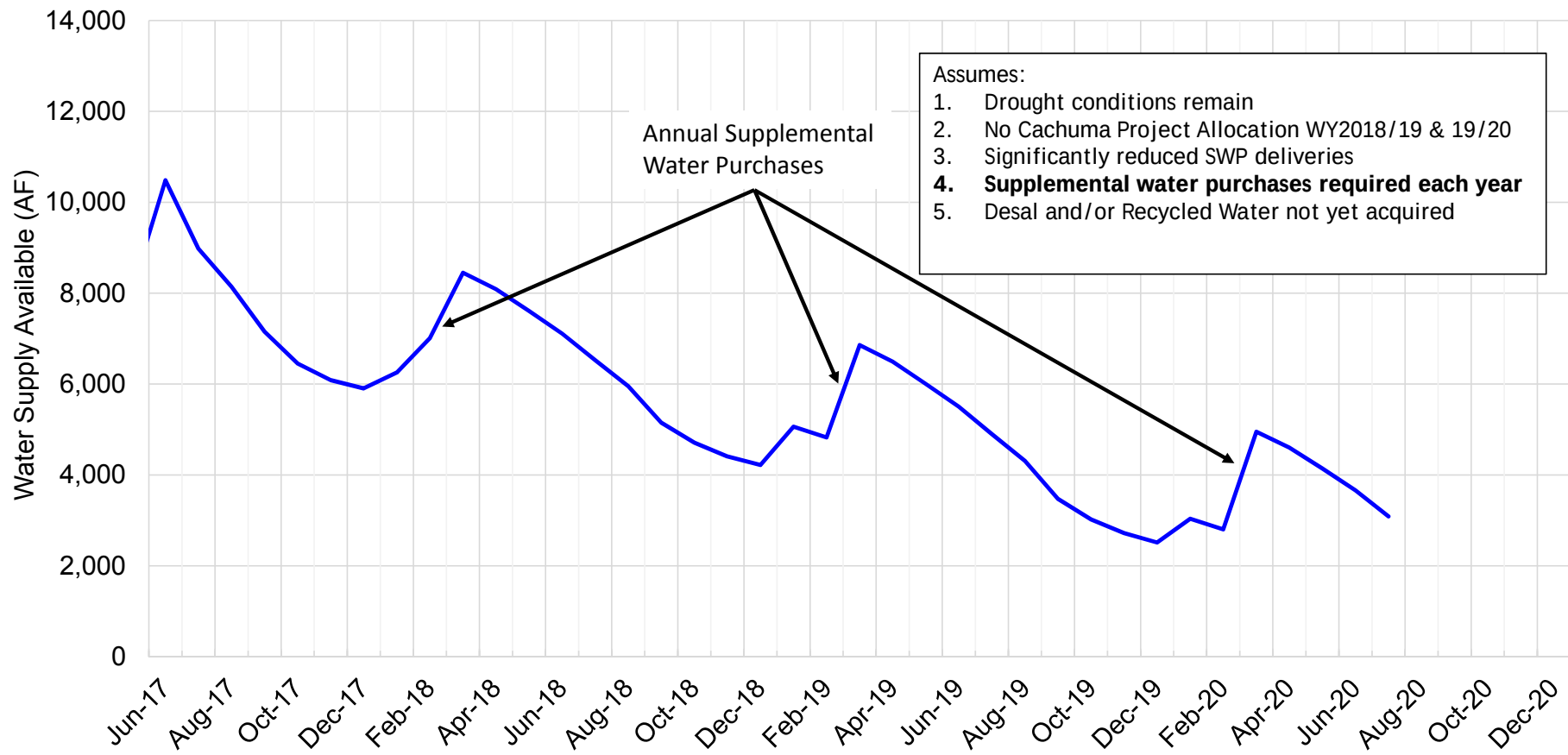


Total Water Supply Available wo/ Supplemental Water Purchases





Total Water Supply Available w/ Supplemental Water Purchases





CONCLUSION

Conclusion

1. Drought conditions return to Santa Barbara County (7th year)
2. Customer water use trending upward (above budget & SBX7-7 compliance)
3. Availability of existing surface water supplies are at risk due to fires
4. Total available supplies decrease in 2017 due to repayment of water to AVEK
5. Potential need for 1,500-2,000 AF of supplemental water in 2018 if drought continues
6. Increasing customer outreach emphasizing efficient use and conservation



**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-B

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: 2018 CCWA SUPPLEMENTAL WATER PURCHASE PROGRAM AND
AUTHORIZATION TO ENTER INTO AN AGREEMENT TO PURCHASE
SUPPLEMENTAL WATER IN 2018**

This item was reviewed by the Strategic Planning Committee at their meeting on February 15, 2018 and the Committee concurs with the staff recommendation.

RECOMMENDATION:

1. That the Board of Directors approve participation in the Central Coast Water Authority (CCWA) 2018 Supplemental Water Purchase Program (SWPP) with an initial requested Delivery Goal of up to 3,000 AF of water; The Board may wish to increase this amount during the year if the need arises.
2. That the Board of Directors authorize the General Manager to enter into a binding agreement, when water is needed and an opportunity is made available, to purchase up to 3,000 AF of water through the 2018 SWPP with a not-to-exceed unit price of \$300/AF or total price of \$900,000;

DISCUSSION:

Now in the seventh year of drought, the District continues to rely heavily on imported water supplies via the State Water Project. With a reduced State Water Project Table A allocation of 20% as of the date of this report, and dry conditions forecasted in Santa Barbara County and across the State, the District must continue to rely on supplemental water purchases from suppliers around the state to meet its reduced customer demands.

Since 2014, the District has participated in the CCWA SWPP. Below is a list of the District's supplemental water purchased to date through the program.

PARTICIPATION IN CCWA SWPP			
<u>Date</u>	<u>Source</u>	<u>Net (AF)</u>	<u>Cost/AF</u>
03/31/14	Santa Ynez ID 1	465	\$465
04/28/14	Biggs-West Gridley	488	\$776
05/16/14	Vandenberg Air Force Base	383	\$1,070
06/06/14	Dudley Ridge	860	\$424
07/09/14	Mojave Water Agency	416	\$322
02/24/15	Antelope Valley East Kern	2531	\$500
03/30/15	Biggs-West Gridley	113	\$664
09/04/15	Santa Ynez ID 1	750	\$1,015
04/22/16	Antelope Valley East Kern	5000	\$253
10/04/16	City of Santa Maria	2000	\$600

Based on the District's current water supply outlook, as briefly described below, staff recommends the District participate in the 2018 Supplemental Water Purchase Program by authorizing the execution of the attached agreement.

Current Water Supplies Outlook

The District's local supplies continue to be affected by the persisting drought conditions in Santa Barbara County. Based on current weather patterns and predictions, the District does not anticipate water supply conditions improving during WY (water year)17/18. The Cachuma Project allocation for WY17/18 is expected to remain at 40%, with no allocation projected in subsequent water years. Jameson Lake supplies remain reduced, and water quality will be affected over the short and long term as a result of the Thomas Fire. Groundwater supplies remain depleted with no signs of recovery following winter 16/17. As previously stated, the State Water Project allocation is currently at 20% and is not expected to increase significantly this winter based on the three-month NOAA forecast indicating dryer than normal conditions for Santa Barbara County and across the State.

Because the District's current water supplies are nearly all rainfall-dependent and drought conditions remain, supplemental water is needed to make up the shortfall in local and regional water supplies. The additional supplies are needed to meet the District's reduced customer demands.

DWR Policy Change on Storing Carryover Water in San Luis Reservoir

Historically, DWR has allowed State Water Contractors to enter into water transfers and exchanges with other State Water Contractors and water suppliers. Water acquired via water transfers and exchanges was then allowed to be stored in San Luis Reservoir for future use, and to be carried over into subsequent calendar years if unused. In 2016 DWR changed this policy preventing unused exchange water from being carried over into future calendar years, meaning unused exchange water had to be stored elsewhere, i.e. groundwater banking, or lost. This change did not impact transfer water,

or exchange water, already in storage. This policy change added additional challenges to water planning and management.

At CCWA's January 25, 2018 board meeting, Executive Director Ray Stokes presented a notice received from the Department of Water Resources titled, "Water Management and the Existing Long-Term Water Supply Contracts". This notice addressed a number of changes to the water management provisions of the State Water Project contracts, including the provision allowing the carryover of exchange water in San Luis Reservoir. According to Mr. Stokes, the State Water Contractors (SWC) are working on a State Water Project contract amendment that will affirm the SWC's ability to carry over both transfer and exchange water in the future. Therefore, water purchases under an exchange agreement in 2018 can be carried over into 2019 and beyond if necessary. Note that transfer and exchange water will remain the first water to be lost in the event of a reservoir spill.

COSTS

The execution of the *Central Coast Water Authority Supplemental Water Purchase Program Participation Agreement (for 2018)* does not commit the District to a water purchase but does provide CCWA with notice of the District's interest in pursuing new supplemental water supply opportunities in 2018.

The costs to participate in the CCWA 2018 SWPP are based on a pro-rata share of CCWA's total administrative expenses, as set forth in Section 2.4 of the referenced and attached Agreement. These costs are incurred whether or not water is purchased through the program. Exact costs are unknown at this time but are estimated to be between \$5,000- \$7,500.

The costs to purchase water under the 2018 SWPP are unknown at this time. When a potential purchase is available, the specific terms of the agreement will be available. CCWA will be utilizing a consultant, Sierra Water Development Inc to assist in identifying, structuring and negotiating a water purchase, lease, exchange or other acquisition of water. The consultant's fees, which are 5% of the cost of the water, are only due upon a successful transaction.

Any water purchase made through the 2018 SWPP, and under this board authorization, would be brought to the Board for ratification at the next regular board meeting after the purchase agreement is entered into.

ATTACHMENTS

1. Central Coast Water Authority Supplemental Water Purchase Program Participation Agreement for 2018

1/26/2018

**CENTRAL COAST WATER AUTHORITY
SUPPLEMENTAL WATER PURCHASE PROGRAM
PARTICIPATION AGREEMENT (for 2018)**

This Supplemental Water Purchase Program Participation Agreement ("Agreement") is made as of _____ by

CENTRAL COAST WATER AUTHORITY ("Authority")

and

_____ ("Contractor").

Recitals

A. The Authority owns, operates and maintains water conveyance, storage and treatment facilities to deliver water from California's State Water Project to cities, water districts and other water purveyors and users in Santa Barbara County.

B. The Authority and Contractor are parties to a Water Supply Agreement dated August 1, 1991 related to the matters described in Recital A.

C. Due to a serious statewide drought, it is anticipated that the State Water Project will be unable to deliver to the Authority the quantity of water needed by the Authority for delivery to its Project Participants.

D. The Authority has determined that it should seek to acquire water from other sources. .

E. The Contractor has determined that it wishes to participate in the Authority's program to secure supplemental sources of water, and is willing to share in the expenses pertaining thereto.

Agreement

1. Representation; Delivery Goal; Cooperation with Authority. Contractor agrees that the Authority shall be authorized to represent Contractor in the identification, structuring and negotiation of transactions for the acquisition of imported water rights, contract water and other water and/or water related assets (collectively, the "Water"). Contractor represents that it is seeking to acquire _____ AFY of Water over the term of this Agreement ("Contractor's Delivery Goal"). Contractor shall be entitled to request an increase in the Delivery Goal stated in this paragraph by executing and delivering to the Authority, at any time during the term of this Agreement, an Amendment to Participation Agreement in a form

approved by the Authority, subject to the provisions of this Contract requiring that all costs allocated under this contract – including costs incurred prior to the delivery of the notice -- shall be allocated to the Contractor in accordance with the Revised Delivery Goal. No such Amendment to Participation Agreement shall be effective unless and until it is executed by the Authority.

2. Notification of Purchase Opportunity; Statement of Intent; Allocation of Delivered Water; Allocation of Costs; Deposits.

2.1 Notification of Purchase Opportunity. The Authority shall notify Contractor of each opportunity to acquire a supplemental water supply identified by the Authority, which notification to the Contractor shall be either in electronic or written format and shall include a deadline for the Contractor's response and the following information to the extent it is available to the Authority: anticipated available quantity, purchase price, date of scheduled delivery, delivery risk (including anticipated transmission losses), and the anticipated procedure and schedule for environmental review.

2.2 Statement of Intent. The Contractor may submit to the Authority a Statement of Intent ("Statement of Intent" or "SOI"), in the form of the attached **Exhibit A**, which shall include the quantity of water the Contractor intends to acquire in connection with that specific water transaction ("SOI Quantity"). If the Contractor submits a Statement of Intent prior to the deadline, the Authority shall secure and provide to the Contractor (1) a copy of the proposed purchase agreement for the Water supply, and (2) a Binding Agreement to Purchase in the form of the attached **Exhibit B** to be signed by the Contractor under which the Contractor agrees to take delivery of the SOI Quantity of the offered Water on the terms and conditions stated therein.

2.3 Oversubscription; Allocation of Delivered Water. For each Water purchase opportunity, if the Contractors who have delivered signed Statements of Intent ("Participating Contractors") collectively indicate an intent to purchase more of the Water being offered than is available, the total amount of Water being offered shall be allocated for purchase in proportion to the respective Delivery Goals of the Participating Contractors, provided, however, that no Participating Contractor shall be allocated an amount that exceeds that Contractor's Delivery Goal.

2.4 Allocation of Costs. The Contractor shall pay to the Authority the Contractor's pro-rata share of the Authority's Total Expenses, which pro-rata share shall be calculated as follows:.

2.4.1 For Total Expenses arising from services rendered by the Authority prior to the Authority's identification, in writing, of a specific Water purchase opportunity, the Contractor's pro-rata share shall be that Contractor's Delivery Goal as stated herein (or the Revised Delivery Goal) divided by the sum of all Contractors' Delivery Goals as stated in their respective Agreements. Once a Contractor has received a quantity of water that meets its Delivery Goal, that Contractor is no longer obligated to share in the Total Expenses allocated under this Subparagraph 2.4.1.

2.4.2 For Total Expenses arising from services rendered by the Authority after the Authority's identification, in writing, of a specific Water purchase opportunity, and that relate specifically to that purchase opportunity, the Contractor's initial pro-rata share shall be that Contractor's SOI Quantity for that particular opportunity divided by the sum of SOI Quantities of all Contractors that have submitted a signed Statement of Intent for that purchase opportunity. In the event that no Statements of Intent are executed and delivered by any Contractor, the pro-rata share under this subparagraph shall be calculated in accordance with subparagraph 2.4.1 above. After all water related to a specific Water purchase opportunity has been delivered, and all expenses have been determined, the Total Expenses related to that purchase opportunity shall be reallocated by the Authority among the participating Contractors according to the actual quantity of water delivered to each Participant.

2.4.3 For all payments made by the Authority to any Seller (as that term is defined in a Binding Agreement to Purchase), the Participating Contractor's pro-rata share shall be that Contractor's quantity of water to be purchased under the Binding Agreement to Purchase divided by the sum of such quantities for all Contractors who have executed such Binding Agreements to Purchase.

2.4.4 In any event, for Total Expenses arising from services that are of benefit to only one Contractor, that Contractor shall pay for the expenses related to said services.

2.4.5 "Total Expenses" shall include all out-of-pocket expenditures made by the Authority for environmental review, consultant reports, legal expenses and other costs related to any transaction arising under this Agreement.

2.5 Deposit. Prior to execution of this Agreement, the Authority prepared and delivered to the Contractor an estimate of the Contractor's anticipated financial obligations under subparagraph 2.4 of this Agreement through the end of the 2018 calendar year, and has provided that estimate to the Contractor. Concurrently with execution of this Agreement, Contractor shall place on deposit with the Authority the amount stated in the estimate.

2.6 Subsequent Deposits. Prior to the end of the 2018 calendar year, the Authority shall provide to the Contractor an estimate of the Contractor's anticipated financial obligations under subparagraph 2.4 of this Agreement for such period of time as shall be determined by the Authority's Executive Director. The Contractor shall place on deposit with the Authority the amount stated in the estimate no later than the deadline established by the Authority's Executive Director.

2.7 Invoices and Payments. In the event the Authority reasonably determines that the deposit paid by Contractor to the Authority will be insufficient to cover Contractor's financial obligations hereunder, the Authority is authorized to deliver to the Contractor a revised estimate of those financial obligations and an invoice for an additional deposit. The Contractor shall remit the amount stated in the invoice within thirty (30) days of receipt.

2.8 Obligation in the Event of Default.

2.8.1 Written Demand Upon Failure to Make Payment. Upon failure of the Contractor to make any payment in full when due under this Agreement or to perform any other obligation hereunder, the Authority shall make written demand upon the Contractor, and if such failure is not remedied within thirty (30) days from the date of such demand, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to each other Contractor by the Authority. Upon failure of the Authority to perform any obligation of the Authority hereunder, the Contractor shall make written demand upon the Authority, and if said failure is not remedied within thirty (30) days from the date of such demand, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to each Contractor by the Contractor making such written demand.

2.8.2 Other Events of Default. In addition to any default resulting from breach by the Authority or the Contractor of any agreement, condition, covenant or term hereof, if the Authority or the Contractor shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the Authority or the Contractor asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension or time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the Authority or the Contractor shall make a general or any assignment for the benefit of its creditors, then in each and every such case the Authority or the Contractor, as the case may be, shall be deemed to be in default hereunder.

2.8.3 Termination of Contractual Rights; Continuing Obligations. Upon the failure of the Contractor to make any payment which failure constitutes a default under this Agreement and causes the Authority to be in default under the Purchase Agreement or the Brokerage Agreement, the Authority may (in addition to the remedy provided by section 2.8.2 hereof), terminate the provisions of this Agreement insofar as the same entitle the Contractor to any deliveries of Water. Irrespective of such termination, the obligations of the Contractor to the Authority to pay the full amount of costs under this Agreement shall continue in full force and effect.

2.8.4 Increase in Non-defaulting Contractor Costs. Upon the failure of any Contractor to make any payment which failure constitutes a default under its respective Binding Agreement to Purchase, and except as transfers are made pursuant to Section 2.8.2 hereof, (i) the pro-rata share of each non-defaulting Contractor shall be automatically increased for the remaining term of the Purchase Agreement pro rata with those of the other non-defaulting Contractors, and (ii) such defaulting Contractor's right to receive Water shall be reduced accordingly. Upon payment of such increase, a non-defaulting Contractor shall be entitled to take delivery of its pro rata share of such defaulting Contractor's Water.

2.8.5 Right of Recovery from Defaulting Contractor. If a Contractor shall fail or refuse to pay any amounts due to the Authority, the fact that a non-defaulting

Contractor has increased its obligation to make such payments shall not relieve the defaulting Contractor of its liability for such payments, and the non-defaulting Contractor shall have a right of recovery from the defaulting Contractor to the extent of such respective increase in obligation caused by the defaulting Contractor. Any amounts received by the Authority from the defaulting Contractor for costs that were previously paid by a Non-Defaulting Contractor pursuant to Section 2.8.4 above, shall be reimbursed by the Authority to the Non-Defaulting Contractor.

2.9 Reconciliation. Upon termination of this Agreement, the Authority shall provide to the Contractor an accounting of the actual amounts Contractor is obligated to pay hereunder. Any overpayment by Contractor shall be promptly refunded by the Authority and any underpayment by the Contractor shall be promptly paid to the Authority.

3. Term; Termination.

3.1 Term. The term of this Agreement shall commence on January 1, 2018 and shall continue until December 31, 2018, unless sooner terminated as provided for herein.

3.2 Termination.

3.2.1 This Contract may be terminated by the Authority at any time, provided all Contractors agree in writing thereto.

3.2.2 This Contract may be terminated by Contractor effective March 1, 2018, or such other date as may be established by the Authority, upon the expiration of thirty (30) days following the later of (i) delivery of written notice of termination to the Authority, and (ii) discharge by the Contractor, or satisfactory assurance of performance, of all financial obligations hereunder. The Authority shall promptly transmit any such notice of termination to all other Contractors.

3.2.3 In the event any Contractor submits a notice of termination pursuant to Section 3.2.2, any other Contractor may terminate this Contract effective March 1, 2018, or such other date as may be established by the Authority, upon the expiration of forty-five (45) days following the later of (i) delivery of written notice of termination to the Authority, and (ii) discharge by the Contractor all financial obligations hereunder.

4. Contractor's Representative; Coordination Among Contractors.

4.1 Contractor's Representative. For purposes of this Agreement, Contractor shall provide to the Authority a written Designation of Representative identifying its authorized representative with full authority to grant, provide and enter into, by and on behalf of the Contractor, any and all consents, approvals, instructions, authorizations or agreements by the Contractor in connection with this Agreement (collectively, "Contractor Directions"). The Authority shall be entitled to rely upon, without inquiry, the full authority of the Contractor's designated representative. Without limiting the foregoing, the Contractor's representative shall be solely responsible for requesting and obtaining in advance any special or further authorizations on behalf of Contractor that may be necessary in connection with any Contractor

Direction given to the Authority hereunder and the Authority may assume, without further inquiry, that all such authorizations have been obtained. Contractor may designate a different individual as its representative in connection with this Agreement at any time by written notice to Authority.

4.2 Coordination Among Contractors.

4.2.1 Contractors Committee. A Contractors Committee shall be created with each Contractor's Representative as stated in Section 4.1. The Committee shall be authorized to advise the Authority with respect to its duties under this Agreement, and to perform such other functions as the Contractors shall deem appropriate. Each member of the Committee shall have a weighted vote corresponding to the Contractor's Delivery Goal as a proportion of the total Delivery Goals for all Contractors. A quorum shall be at least 50% of the voting percentages. Committee decisions shall be made by the following vote:

4.2.1.1 If the Committee has two members, a majority of the voting percentages shall be necessary to adopt a motion.

4.2.1.2 If the Committee has three or more members, sixty percent (60%) of the voting percentages, plus the affirmative vote of at least two members, shall be necessary to adopt a motion.

4.2.2 Subcommittees of Participating Contractors. For each Water transaction in which one or more Contractors have signed and delivered a Binding Agreement to Purchase, a Subcommittee shall be created with a representative from each such participating Contractor. The Subcommittee shall be authorized to advise the Authority with respect to its duties under the Binding Agreement to Purchase for that Water transaction, and to perform such other functions as those Participating Contractors shall deem appropriate. Each member of the Subcommittee shall have a weighted vote corresponding to the quantity of Water to be delivered to that Contractor under its Binding Agreement to Purchase as a proportion of the total quantity of Water to be delivered to all Participating Contractors under their respective Binding Agreements to Purchase. A quorum shall be at least 50% of the voting percentages. Subcommittee decisions shall be made by the following votes:

4.2.2.1 If the Subcommittee has two members, a majority of the voting percentages shall be necessary to adopt a motion.

4.2.2.2 If the Subcommittee has three or more members, sixty percent (60%) of the voting percentages, plus the affirmative vote of at least two members, shall be necessary to adopt a motion.

5. Miscellaneous

5.1 Incorporation of Recital and Exhibits. The Recitals to this Agreement and exhibits attached to this Agreement are incorporated herein and made a part hereof by this reference.

5.2 Headings. The headings in this Agreement are for convenience of reference only and shall not be used in construing this Agreement.

5.3 Legal Advice. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions of this Agreement. Any rule of contract interpretation to the effect that ambiguities or uncertainties are to be interpreted against the drafting party or the party who caused it to exist shall not be employed in the interpretation of this Agreement or any document executed in connection herewith.

5.4 Terms Generally. The defined terms in this Agreement shall apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The terms "person" and "party" include individuals, corporations, partnerships, trust, and other entities and associations. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

5.5 Attorneys' Fees. In any action to enforce or interpret this Agreement, the prevailing party shall recover from the non-prevailing party, in addition to any damages, injunctive or other relief, all costs (whether or not allowable as "cost" items by law) reasonably incurred by the prevailing party at, before and after trial or on appeal, or in any bankruptcy proceeding, including attorneys' and witness (expert and otherwise) fees, deposition costs, copying charges and other expenses.

5.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5.7 Time of the Essence. Except as otherwise provided in this Agreement, time is of the essence with respect to this Agreement and the performance of each and every obligation contained in this Agreement.

5.8 Severability. If any provision of this Agreement or its application to any party or circumstance is held invalid or unenforceable, then the remainder of this Agreement and the affected provision to the extent it is not so held shall remain valid and enforceable and in full force and effect. The forgoing shall not apply, however, if the invalid or unenforceable provision in question or, as applicable, the portion or application thereof held invalid or unenforceable, is a fundamental and material provision of this Agreement.

5.9 Time for Performance. Notwithstanding any provision of this Agreement to the contrary, in the event a party fails to perform any obligation under this Agreement (other than an obligation to pay money) because of strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, government or judicial actions, inclement weather or other causes beyond its reasonable control, that failure will not constitute a default under this Agreement, and the performance in question will be excused during the period in which the cause for failure continues.

5.10 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the Parties at the following address:

If to Contractor:

Telephone: _____
Facsimile: _____

If to Authority:

Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427
Attn: Executive Director
Telephone: (805) 688-2292
Facsimile: (805) 686-4700

Any such notices may be sent by (a) certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. mail, (b) a recognized and reputable overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with such courier (on or prior to 5:00 p.m., local time of the sender; if deposited after such time, it shall be deemed to have been deposited on the next business day); provided, however, that this method of delivery will not be applicable to a party that has specified a P.O. Box for its address, or (c) facsimile transmission, in which case notice shall be deemed delivered upon electronic verification (on or prior to 5:00 p.m., local time of the recipient; if verification is received after such time, it shall be deemed to have been delivered on the next business day) that transmission to recipient was completed (which verification may include a fax transmission receipt, or fax transmission log, from the sending party's fax machine which includes the date and time of a stated successful transmission to the recipient). The above addresses and facsimile numbers may be changed by written notice to the other party; provided that no notice of a change of address or facsimile number shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

5.11 Governing Law; Venue. This Agreement and all matters relating to this Agreement shall be governed by the laws of the State of California, without regard to principles of conflicts of laws. Venue for any disputes under this Agreement shall be in Santa Barbara County, California.

5.12 Due Authority. The parties hereby represent that the individuals executing this Agreement are expressly authorized to do so on and in behalf of the parties.

5.13 Counterparts; Delivery by Facsimile. The Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same document. The signature of any party to any counterpart

shall be deemed a signature to, and may be appended to, any other counterpart. Any party may deliver its signed counterpart of the Agreement to any other party by facsimile transmission, and such delivery shall be deemed made and completed upon receipt of such facsimile transmission by the other party. Any party delivering a signed counterpart by facsimile transmission agrees to promptly send the counterpart bearing its original signature to the other party; provided that a delay or failure to do so shall not negate the effectiveness of the delivery made by the facsimile transmission.

5.14 Entire Agreement; Modification. The making, execution and delivery of this Agreement have not been induced by any representations, statements, warranties or agreements other than those herein expressed. This Agreement constitutes the entire agreement and understanding of the parties concerning the subject matter hereof. This Agreement supersedes all prior negotiations, agreements, representation and understandings of the parties relating to the subject matter hereof. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all of the parties.

5.15 Indemnification and Defense. Contractor agrees to indemnify, defend, protect and hold harmless the Authority and its officers, directors, employees, agents, Members, Associate Members and contractors from and against all claims, actions, damages, losses and expenses, including reasonable attorneys' fees, arising from or relating to this Agreement, whether said claims, actions, damages, losses or expenses arise prior to or following termination or expiration of this Agreement. If more than one Contractor signs this Agreement, the obligations of this paragraph 5.15 shall be allocated among such Contractors according to their respective Delivery Goals as stated herein.

5.16 Third Party Beneficiary; Enforcement. The parties agree that this Agreement is for the benefit of (i) the Contractor, (ii) the Authority, (iii) all Project Participants under their respective Water Supply Agreements with the Authority dated August 1, 1991, and (iv) all other Contractors who are signatories to agreements in substantially the same form as this Agreement, and all of the aforementioned entities and persons shall be entitled to enforce the provisions of this Agreement.

5.17 Superseding Previous Agreement. This Agreement entirely supersedes and replaces any Water Purchase Representation Agreement or similar agreement concerning the same subject executed between the parties hereto.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

“Authority”

CENTRAL COAST WATER AUTHORITY
a California joint powers agency

By: _____
Name: _____
Title: _____

Approved as to form:

Brownstein Hyatt Farber Schreck

By: _____

“Contractor”

By: _____
Name: _____
Title: _____

Approved as to form:

[Insert Contractor’s counsel name]

By: _____

Attachments:

- Exhibit A – Statement of Intent
- Exhibit B – Binding Agreement to Purchase

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-C

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH CENTRAL
COAST WATER AUTHORITY TO DELIVER SEMITROPIC WATER
STORAGE PROGRAM WATER**

RECOMMENDATION:

1. That the Board of Directors approve entering into the “Agreement to Deliver Semitropic Water Storage Program Water” with Central Coast Water Authority (CCWA);

DISCUSSION:

On April 18, 2017, the Board of Directors voted unanimously in support of participating in the Semitropic Water Storage District (Semitropic) Groundwater Banking and Exchange Program (Program). The primary purpose of the District’s participation in the Program is to have a location to store excess State Water Project (SWP) Table A and supplemental water during wet periods for future use during periods of drought, thereby improving the reliability of the SWP.

On November 15, 2017, the Board of Directors voted unanimously to adopt the Negative Declaration for participation in the Semitropic Program and approve the “Agreement Between Montecito Water District and Semitropic Water Storage District and its Improvement Districts for Participation in the Stored Water Recovery Unit of the Semitropic Water Banking Exchange Program”.

To finalize District participation in the Program, three additional agreements are required. Only one of the agreements must be executed by Montecito Water District, (District) and is the subject of this agenda item.

First, the Department of Water Resources (DWR) must approve an exchange of SWP water between the Kern County Water Agency (KCWA), which contracts with Semitropic for the delivery of SWP water, and Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County). DWR’s approval, and the terms and conditions of that exchange, are set forth in the attached “*Long Term Change in Point of Delivery Agreement*” between Santa Barbara County, KCWA and DWR.

Second, Santa Barbara County must agree to assign its rights under the DWR Agreement to CCWA and CCWA must agree to assume all of Santa Barbara County's obligations under the DWR Agreement. The attached "*Release Assumption and Indemnification Agreement*" sets forth the terms as between Santa Barbara County and CCWA.

Third, the District and CCWA must enter into an "*Agreement to Deliver Semitropic Water Storage Program Water*". The Agreement sets forth the terms and conditions relating to CCWA's storage and delivery of water attendant to the District's participation in the Semitropic Program. It includes procedural provisions related to requests for delivery and return, as well as reimbursement provisions for costs incurred by CCWA related to delivery and return. The Agreement also specifically acknowledges that the rights and obligations of the parties are separate and independent of any rights and obligations under the August 1, 1991 Water Supply Agreement between CCWA and the District.

All three agreements, including the "*Agreement to Deliver Semitropic Water Storage Program Water*" between the District and CCWA have been reviewed by staff and approved by District General Counsel. Execution of the Agreement between the District and CCWA is required documentation to finalize the District's participation in the Semitropic Program and request is made to the Board to authorize the Agreement.

Upon any approval and execution of the Agreement between the District and CCWA, CCWA will place the items on its agenda for approval at its February 22, 2018 meeting.

ATTACHMENTS

1. "Long Term Change in Point of Delivery Agreement" between Santa Barbara County Flood Control and Water Conservation District, Kern County Water Agency and the Department of Water Resources
2. "Release Assumption and Indemnification Agreement" between Santa Barbara County Flood Control and Water Conservation District and the Central Coast Water Agency
3. "Agreement to Deliver Semitropic Water Storage Program Water" between Montecito Water District and Central Coast Water Agency

State of California
The Resources Agency
DEPARTMENT OF WATER RESOURCES

LONG-TERM CHANGE IN POINT OF DELIVERY AGREEMENT AMONG
THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA,
SANTA BARBARA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT,
AND
KERN COUNTY WATER AGENCY
FOR
THE SEMITROPIC WATER BANKING AND EXCHANGE PROGRAM

SWPAO #17022

THIS AGREEMENT is made this _____ day of _____, 2017,
pursuant to the provisions of the California Water Resources Development Bond Act, and
other applicable laws of the State of California, among the Department of Water
Resources of the State of California, herein referred to as "DWR," Santa Barbara County
Flood Control and Water Conservation District, herein referred to as "Santa Barbara," and
Kern County Water Agency, herein referred to as "KCWA." DWR, Santa Barbara, and
KCWA may be referred to individually by name, as "Party" or collectively as "Parties."

RECITALS

- A. DWR and Santa Barbara have entered into a water supply contract, dated February 26, 1963, and subsequently amended, providing that DWR shall supply certain quantities of water to Santa Barbara, providing that Santa Barbara shall make certain payments to DWR, and setting forth the terms and conditions of such payment (hereafter the "Santa Barbara Water Supply Contract").
- B. DWR and KCWA have entered into a water supply contract, dated November 15, 1963, and subsequently amended, providing that DWR shall supply certain quantities of water to KCWA, providing that KCWA shall make certain payments to DWR, and setting forth the terms and conditions of such payment (hereafter the "KCWA Water Supply Contract").
- C. Montecito Water District, a member unit of Central Coast Water Authority (CCWA), participates in a long-term water banking and exchange program with the Semitropic Water Storage District (Semitropic), a member unit of KCWA. Montecito Water District and Semitropic are entering into an agreement entitled "Agreement between Montecito Water District and Semitropic Water Storage District and its Improvement Districts for Participation in the Stored Water Recovery Unit of the Semitropic Water Banking and Exchange Program," hereafter referred to as the "Montecito/Semitropic Agreement." The Montecito/Semitropic Agreement contains provisions governing the terms and conditions for the storage and recovery rights in the Semitropic Water Banking and Exchange Program.
- D. In order to facilitate Montecito Water District's water storage program described in Recital C, CCWA on behalf of Santa Barbara, requests DWR to deliver a portion of Santa Barbara's approved SWP water supplies for storage in the groundwater basin underlying Semitropic and for later return of the stored water to Santa Barbara through December 31, 2035.
- E. In compliance with the California Environmental Quality Act (CEQA), Montecito Water District, as lead agency, prepared an Initial Study - Negative Declaration and filed a Notice of Determination (NOD) with the State Office of Planning and Research (OPR) on November 27, 2017 (SCH #2017101021).
- F. DWR, as a responsible agency, will file a NOD upon execution of this Agreement.

AGREEMENT

Pursuant to Article 15(a) of the Santa Barbara Water Supply Contract, DWR is willing to approve the delivery of a portion of Santa Barbara's approved SWP water supplies to KCWA for storage in the groundwater basin underlying Semitropic, and for the future return of such water to Santa Barbara, subject to the following terms and conditions:

1. **TERM**

This Agreement shall become effective upon execution by all parties, and shall provide for the delivery of a portion of Santa Barbara's SWP water supplies for storage in Semitropic through December 31, 2035. Water delivered to KCWA under this Agreement shall be returned to Santa Barbara by December 31, 2035. This Agreement shall remain in effect until all water, less 10 percent losses as agreed upon in writing by Montecito Water District and Semitropic, is returned or upon final payment to DWR of all costs attributable to this Agreement, whichever occurs later.

However, the liability, hold harmless and indemnification obligations in this Agreement shall remain in effect until December 31, 2039, or until any claim or litigation concerning this Agreement asserted to DWR, Santa Barbara, or KCWA as of December 31, 2039 is finally resolved, whichever occurs later. Extending the obligations in this paragraph of this Agreement beyond the termination dates in the long term SWP water supply contracts between DWR and Santa Barbara and between DWR and KCWA, and the use of the December 31, 2039 date in this Agreement, are not intended to have any legal effect on the termination dates of those or any other long term SWP water supply contracts.

2. **UNIQUENESS OF AGREEMENT**

DWR's approval under this Agreement is unique and shall not be considered a precedent for any future agreements or DWR activities.

3. **USE OF STORED WATER**

Santa Barbara's SWP water supplies delivered by DWR to KCWA under this Agreement will not be sold to KCWA, but will be temporarily stored on behalf of Santa Barbara and for future delivery, less 10 percent losses, for use in Santa Barbara's service area.

4. **USE OF CALIFORNIA AQUEDUCT CAPACITY**

Conveyance of the water in the California Aqueduct under this Agreement shall be in accordance with a schedule which has been reviewed and approved by DWR pursuant to applicable provisions of Santa Barbara's and KCWA's Water Supply Contracts. Article 12(f) of Santa Barbara's Water Supply Contract shall govern the priority for delivery of water for storage and return.

5. WATER DELIVERY TO KCWA

- a. DWR will deliver a portion of Santa Barbara's SWP water supplies, normally scheduled for delivery to Santa Barbara's turnouts, to KCWA's turnouts in Reach 10A of the California Aqueduct through December 31, 2035. Water delivered to KCWA under this Agreement will be classified as Santa Barbara's SWP water supplies.
- b. The delivery of a portion of Santa Barbara's SWP water supplies to KCWA under this Agreement shall be in accordance with a schedule approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations or facilities, or other SWP contractors.
- c. In coordination with and upon approval of KCWA, Santa Barbara shall be responsible for scheduling with DWR the delivery of Santa Barbara's SWP water supplies to Semitropic.
- d. As part of coordinating delivery schedules between Santa Barbara and KCWA, Santa Barbara will submit a delivery schedule to KCWA and Semitropic for review and approval. KCWA and Semitropic shall review the proposed schedule with Santa Barbara, and after consultation with Semitropic, KCWA agrees to inform Santa Barbara of its decision to either approve, propose modifications, or withhold approval as promptly as possible. KCWA agrees that it shall not arbitrarily withhold approval or propose modifications. KCWA may withhold approval of, or propose modification to Santa Barbara's deliveries to storage under this Agreement if, on the basis of a with and without analysis, KCWA determines that such deliveries would adversely impact KCWA's water management activities, finances, water supply or operations, and Santa Barbara or Semitropic do not agree to mitigate for such impacts. The base case (without analysis) shall be those conditions estimated to occur in the absence of deliveries of Santa Barbara's water to Semitropic. The KCWA analysis is a matter involving KCWA and Santa Barbara, not DWR. DWR is not liable to Santa Barbara for the determinations KCWA makes under this paragraph. DWR is not asserting the validity of KCWA's analysis, nor is it to be held liable by Santa Barbara for any actions resulting from KCWA's analysis.
- e. The sum of deliveries scheduled to KCWA under this Agreement, plus scheduled KCWA SWP deliveries, plus deliveries to KCWA pursuant to any other agreements, shall not exceed the quantities on which the proportionate Use-of-Facilities factors are based pursuant to KCWA's Water Supply Contract, unless DWR determines that deliveries will not adversely impact SWP operations or facilities, or other SWP contractors' Table A deliveries.

6. RETURN WATER DELIVERY BY EXCHANGE OF KCWA's SWP TABLE A WATER

- a. KCWA may return water to Santa Barbara by exchange, i.e. by delivering a portion of KCWA's SWP Table A water to Santa Barbara and in exchange KCWA will retain a like amount of Santa Barbara's SWP Table A water supplies previously stored in KCWA under this Agreement. DWR will deliver the return water to Santa Barbara's turnouts for use within Santa Barbara's service area.
- b. The delivery of return water to Santa Barbara under this Agreement shall be in accordance with a schedule approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations or facilities, or other SWP contractors.
- c. In coordination with KCWA, Santa Barbara shall be responsible for scheduling with DWR the delivery of the return water to Santa Barbara's service area.
- d. KCWA may propose modifications to the proposed schedule for the return of Santa Barbara's previously stored water under this Agreement if, on the basis of a with and without analysis, KCWA determines that such deliveries would adversely impact KCWA's finances, water supply or operations, and Santa Barbara or Semitropic do not agree to mitigate for such impacts. The base case (without analysis) shall be those conditions estimated to occur in the absence of deliveries of Santa Barbara's water to Semitropic. The KCWA analysis is a matter involving KCWA and Santa Barbara, not DWR. DWR is not liable to Santa Barbara for the determinations KCWA makes under this paragraph. DWR is not asserting the validity of KCWA's analysis, nor is it to be held liable by Santa Barbara for any actions resulting from KCWA's analysis.
- e. The sum of return water deliveries scheduled to Santa Barbara under this Agreement, plus scheduled Santa Barbara SWP deliveries, plus deliveries to Santa Barbara pursuant to any other agreements, shall not exceed the quantities on which the proportionate Use-of-Facilities factors are based pursuant to Santa Barbara's Water Supply Contract, unless DWR determines that deliveries will not adversely impact SWP operations or facilities, or other SWP contractors' Table A deliveries.

7. RETURN WATER DELIVERY BY PUMP-IN TO THE CALIFORNIA AQUEDUCT

- a. When KCWA returns Santa Barbara's SWP water supplies from storage on behalf of Semitropic by direct delivery into the California Aqueduct, such water becomes available as part of the SWP water supply and will be delivered by DWR to downstream SWP contractors. DWR will then deliver an equivalent amount of SWP water supply to Santa Barbara's turnouts located on the Coastal Branch of the California Aqueduct.
- b. KCWA may pump in and introduce return water into Reach 10A of the California Aqueduct for delivery to Santa Barbara. Such return water shall meet DWR's water quality standards in effect when the water is returned.
- c. Any turn-in facility used to return water to the California Aqueduct must have an executed agreement with DWR for introduction of local water into the California Aqueduct.
- d. The quality of local water introduced into the California Aqueduct under this Agreement shall be in conformance with DWR's water quality document entitled "Department of Water Resources Water Quality Policy and Implementation Process for Acceptance of Non-Project Water into the State Water Project," dated October 31, 2012 or a later date if modified by DWR. KCWA shall submit such data to the Chief of SWP Environmental Assessment Branch, Division of Operations and Maintenance.

8. WATER DELIVERY SCHEDULES

- a. All water delivery schedules and revisions shall be in accordance with Article 12 of Santa Barbara's and KCWA's Water Supply Contracts.
- b. Santa Barbara and KCWA shall submit revised monthly water delivery schedules for approval to the State Water Project Analysis Office, Water Deliveries Section, indicating timing and point of delivery requested under this Agreement with reference to SWPAO#17022. Revised schedules shall be sent by electronic mail to SWPDeliveries@water.ca.gov or by FAX to (916) 653-9628, Attention: Chief, Water Deliveries Section.
- c. KCWA and Santa Barbara shall submit weekly schedules for the delivery of water under this Agreement to the San Joaquin Field Division, Water Operations Section, indicating timing and point of delivery requested with reference to SWPAO #17022. Schedules shall be sent by electronic mail to SJFDwaterschedule@water.ca.gov or by FAX to (661) 858-0203, Attention: Chief, Water Operations Section.

- d. All weekly water schedules described above shall be submitted by 10:00 a.m. Wednesday, for the following week, Monday through Sunday, to the appropriate field division Water Operations Section for the SWP contractor.

Weekly water schedules shall also be concurrently sent by electronic mail or faxed to the State Water Project Operations Control Office:

- i) Water Management Branch
Water_deliv_sched@water.ca.gov
FAX to (916) 574-2785,
Attention: Chief, Water Management Branch
- ii) Power Management and Optimization Branch
POCOptimization@water.ca.gov
FAX to (916) 574-2785
Attention: Chief, Power Management and Optimization Branch
- iii) Pre-Scheduling Section
Presched@water.ca.gov
FAX to (916) 574-2782
Attention: Chief, Pre-Scheduling Section

9. SALE OF SANTA BARBARA'S SWP SUPPLIES

KCWA attests that the portion of Santa Barbara's water retained by KCWA will not be sold or used outside KCWA's service area which is within the SWP place of use.

10. EFFECT ON APPROVED TABLE A WATER

Water returned to Santa Barbara under this Agreement shall not be considered by DWR in the determination of approved annual Table A water deliveries or allocation of other SWP water supplies to Santa Barbara under Article 18 of Santa Barbara's Water Supply Contract.

11. NO IMPACT

This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or to any other SWP approved water allocations, water deliveries, or SWP operations or facilities. Santa Barbara and KCWA shall be responsible, jointly and severally, as determined by DWR, for any adverse impacts that may result from water deliveries under this Agreement.

12. WATER DELIVERY RECORDS

DWR will maintain monthly records accounting for Santa Barbara's SWP water supplies delivered under this Agreement for storage in, and later return from the Semitropic Water Banking and Exchange Program. Santa Barbara shall certify to DWR's State Water Project Analysis Office by January 31 of each year the following monthly information for the previous calendar year:

- a. the quantity of water delivered to Semitropic;
- b. the quantity of stored water that will be available for return to Santa Barbara; and
- c. the quantity of water returned to Santa Barbara.

13. CHARGES

Santa Barbara and KCWA shall pay the following charges to DWR and/or receiving the following credits for water delivered under this Agreement, including all future adjustments, which shall be calculated in the same manner as charges are calculated for Table A deliveries and shall be in accordance with the provisions of Santa Barbara's and KCWA's Water Supply Contracts. Charges shall be determined for the year the water is stored, as well as the year the water is returned. Credits shall be determined for the year the water is returned.

a. Water Delivered to Storage

DWR will deliver a portion of Santa Barbara's SWP water supplies from the Delta to KCWA's turnouts in Reach 10A of the California Aqueduct. Santa Barbara shall pay to DWR the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facility cost that is in effect for each acre-foot of water delivered from the Delta to the point of delivery at KCWA's turnouts.

b. Return Water Delivered to Santa Barbara

DWR will deliver the return water from interim storage in Semitropic to Santa Barbara's turnouts located on the Coastal Branch of the California Aqueduct. The following charges and credits shall apply in the year return water is delivered:

- (1) Santa Barbara shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facility costs for each acre-foot of return water delivered to Santa Barbara from the Delta to Santa Barbara's turnouts located on the Coastal Branch of the California Aqueduct.

- (2) When KCWA provides return water to Santa Barbara by exchange, i.e. by releasing KCWA's SWP Table A water in the California Aqueduct for delivery by DWR to Santa Barbara's turnouts, KCWA shall pay to DWR the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facility cost that is in effect for each acre-foot of KCWA's SWP Table A water, as if the released water were conveyed to KCWA from the Delta to KCWA's turnouts in Reach 10A. Santa Barbara shall receive a matching credit as defined in Paragraph 13(b)(4).
 - (3) When KCWA returns Santa Barbara's SWP water supplies from storage on behalf of Semitropic by direct delivery into Reach 10A of the California Aqueduct, such water becomes available as part of the SWP water supply, and will be delivered to downstream SWP contractors who shall pay the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facility costs for each acre-foot of pump-back water as though the water was conveyed from the Delta. KCWA shall not be charged for SWP power resources for replacing return water by direct delivery into the California Aqueduct. Santa Barbara shall receive a matching credit as defined in Paragraph 13(b)(4).
 - (4) The Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facility costs under Paragraphs 13(b)(2) and 13(b)(3) above will be credited to Santa Barbara for payments made under Paragraph 13(a).
- c. DWR recognizes that Santa Barbara is not participating in the repayment of Reaches 9 and 10A, while arranging for deliveries to Reach 10A under this Agreement. DWR recognizes that KCWA is participating in the repayment of Reaches 1 through 10A. Because at least one of the contractors involved in this arrangement is participating in the repayment of costs of all aqueduct reaches involved, DWR declines to require payment of an extra use of facilities charge for transportation of water under this Agreement. Santa Barbara will hold harmless and indemnify DWR for any increased costs that DWR may incur as a result of not requiring payment of an extra use of facilities charge for services under this Agreement.
- d. In addition to the charges identified above, Santa Barbara and KCWA agree to pay to DWR any additional identified demonstrable increase in cost that would otherwise be borne by DWR or by the SWP contractors not signatory to this Agreement as a result of DWR providing service under this Agreement.

- e. Payment terms shall be in accordance with Santa Barbara's and KCWA's Water Supply Contracts.

14. APPROVALS

The delivery of water under this Agreement shall be contingent on, and subject to, any necessary approvals and shall be governed by the terms and conditions of such approvals and any other legal requirements. Santa Barbara and KCWA shall be responsible for complying with all applicable laws and legal requirements and for securing any required consent, approvals, permits, or orders. Santa Barbara and KCWA shall furnish to DWR copies of all approvals and agreements acquired for the delivery of water under this Agreement.

15. LIABILITY

- a. DWR is not responsible for the use, effects or disposal of water under this Agreement once the water is delivered to the designated turnout(s). Responsibility shall be governed by Article 13 of Santa Barbara's and KCWA's Water Supply Contracts, as applicable, with responsibilities under the terms of that article shifting from DWR to Santa Barbara and/or KCWA when the water is delivered to the designated turnout(s).
- b. Santa Barbara and KCWA agree to defend and hold DWR, its officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees and agents incur as result of DWR providing services under this Agreement, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees, and agents.
- c. If uncontrollable forces preclude DWR from delivery water under this Agreement, either partially or completely, then DWR is relieved from the obligation to deliver the water to the extent that DWR is reasonably unable to complete the obligation due to the uncontrollable forces. Uncontrollable forces shall include, but are not limited to earthquakes, fires, tornadoes, floods, and other natural or human caused disasters. Santa Barbara and KCWA shall not be entitled to recover any administrative costs or costs associated with delivery of water under this Agreement if uncontrollable forces preclude DWR from delivering the water.

16. NO MODIFICATION OF WATER SUPPLY CONTRACTS

This Agreement shall not be interpreted to modify the terms or conditions of Santa Barbara's Water Supply Contract or KCWA's Water Supply Contract. Unless expressly provided herein, the terms and conditions of Santa Barbara's and KCWA's Water Supply Contracts and any future amendments apply to this Agreement.

17. DISPUTE RESOLUTION

In the event of dispute regarding interpretation or implementation of this Agreement, the Director of DWR and general managers of Santa Barbara and KCWA, or authorized representatives, shall endeavor to resolve the dispute by meeting within 30 days after the request of a Party. If the dispute is unresolved, the Parties shall use the service of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy including, but not limited to, injunctive and other equitable relief.

18. ASSIGNMENT OF AGREEMENT

Without the prior written consent of DWR, Santa Barbara, and KCWA, this Agreement is not assignable by Santa Barbara or by KCWA in whole or in part.

19. PARAGRAPH HEADINGS

The paragraph headings of this Agreement are for the convenience of the Parties and shall not be considered to limit, expand, or define the contents of the respective paragraphs.

20. OPINIONS AND DETERMINATIONS

Where the terms of this Agreement provide for actions to be based upon the opinion, judgment, approval, review, or determination of any party, such terms are to be construed as providing that such opinion, judgment, approval, review, or determination be reasonable.

21. MODIFICATION OF AGREEMENT

No modification of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties to this Agreement.

22. SIGNATURE CLAUSE

The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. A copy of any resolution or other documentation authorizing Santa Barbara and KCWA to enter into this Agreement, if such resolution or authorization is required, shall be provided to DWR.

23. EXECUTION IN COUNTERPART

This Agreement may be executed in counterpart. The Parties agree to accept facsimile or electronically scanned signatures as original signatures. This Agreement shall take effect as soon as all parties have signed. Immediately after execution, Santa Barbara and KCWA shall transmit a copy of the executed Agreement by facsimile or electronic file to Pedro Villalobos, Chief, State Water Project Analysis Office at (916) 653-9628 or swpao-chief@water.ca.gov and to each other at:

Santa Barbara: (805) 568-3434 or fcrease@co.santa-barbara.ca.us

KCWA: (661) 634-1401 or ccreel@kcwa.com

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement.

Approved as to legal form
and sufficiency

State of California
Department of Water Resources

Chief Counsel
Department of Water Resources

Pedro Villalobos, Chief
State Water Project Analysis Office

Date

Date

KERN COUNTY WATER AGENCY

Name

Title

Date

SANTA BARBARA FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

Name

Title

Date

RELEASE, ASSUMPTION AND INDEMNIFICATION AGREEMENT

This **RELEASE, ASSUMPTION AND INDEMNIFICATION AGREEMENT** (the “**Agreement**”) is made and effective as of _____, 2018, by and between Santa Barbara County Flood Control and Water Conservation District (“**Santa Barbara**”) and the Central Coast Water Authority (“**CCWA**”) (each, a “**Party**” and collectively, the “**Parties**”), with reference to the following facts and intentions.

RECITALS

- A. Santa Barbara has a long-term water supply contract with the Department of Water Resources of the State of California (“**DWR**”) (“**Water Supply Contract**”) that permits Santa Barbara to receive water supply, storage and conveyance services from the State Water Project (“**SWP**”), subject to DWR’s approval.
- B. CCWA is a joint powers agency, members of which are individual water purveyors located in the County of Santa Barbara. In 1991, Santa Barbara and CCWA entered into the Transfer of Financial Responsibility Agreement (“**TFRA**”), which, among other things, obligates CCWA to pay for all Water Supply Contract related costs.
- C. Montecito Water District (“**Montecito**”) is a member of CCWA. Pursuant to the Water Supply Agreement, dated August 1, 1991, and as amended, between CCWA and Montecito, Montecito is entitled to purchase from CCWA a portion of the SWP supply delivered to Santa Barbara.
- D. Montecito entered into an agreement dated November 15, 2017 with the Semitropic Water Storage District and its Improvement Districts (collectively, “**Semitropic**”) for Participation in the Stored Water Recovery Unit of the Semitropic Water Banking and Exchange Program (“**Semitropic Agreement**”). A copy of the Semitropic Agreement is attached hereto as **Exhibit A**. Semitropic obtains water from the SWP through its contracts with the Kern County Water Agency (“**KCWA**”). Like Santa Barbara, KCWA has a long-term water supply contract with DWR that permits KCWA to receive water supply, storage and conveyance services from the SWP. The Semitropic Agreement provides for Montecito’s participation in a long-term water storage and banking program (“**Semitropic Water Bank**”) whereby Montecito’s SWP supplies may be delivered to Semitropic, stored in the Semitropic Water Bank, and later returned to Montecito.
- E. The terms and conditions of the above-referenced SWP exchange are described in the Long-Term Change in Point of DWR Agreement for the Semitropic Water

Banking and Exchange Program, SWPAO #17022 ("**DWR Agreement**") between Santa Barbara, KCWA and DWR, attached hereto as **Exhibit B**.

- F. CCWA has requested that Santa Barbara enter into the DWR Agreement, it being the intent of the Parties that Santa Barbara's rights and obligations under the DWR Agreement are entered into on behalf of CCWA.
- G. On or about _____, CCWA and Montecito entered into the Agreement to Deliver Semitropic Water Storage Program Water whereby CCWA agreed to accept assignment of Santa Barbara's rights and obligations pursuant to the DWR Agreement on behalf of Montecito.
- H. In compliance with the California Environmental Quality Act, Montecito, as lead agency, prepared an Initial Study – Negative Declaration and filed a Notice of Determination ("**NOD**") with the State Office of Planning and Research on November 27, 2017 (SCH # 2017101021.)
- I. The Parties desire to enter into this Agreement to set forth the rights, responsibilities and obligations of the Parties as it relates to the DWR Agreement.

AGREEMENT

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

1. **Assignment.** Effective as of the effective date of the DWR Agreement, Santa Barbara does hereby assign, transfer, and set over to CCWA, without recourse and without representation or warranty of any kind, all of Santa Barbara's right, title and interest in, to and under the DWR Agreement and all liabilities and obligations of Santa Barbara arising from or under the DWR Agreement.

2. **Assumption.** Effective as of the effective date of the DWR Agreement, CCWA accepts such assignment without recourse and without representation or warranty of any kind, and assumes all of the liabilities and obligations of Santa Barbara arising from or under the DWR Agreement, including any and all obligations to make payments, indemnifications or reimbursements thereunder, and agrees to be bound by and to keep, perform and observe the terms, covenants and conditions of Santa Barbara under the DWR Agreement. CCWA agrees to be bound by said DWR Agreement to the same extent as if it had been an original party to said instruments and accepts and agrees to perform all of the obligations of Santa Barbara therein.

3. **Indemnification and Release.** CCWA hereby releases and forever acquits, discharges and holds harmless and shall indemnify Santa Barbara from and against any and all liabilities (at law or in equity), obligations, liens, claims, orders, rulings, losses, damages, assessments, fines, penalties, injuries, demands, actions, judgments, suits, costs, expenses or disbursements of any kind (including attorneys' fees and costs) which may at any time be imposed on, incurred by or asserted against Santa Barbara by CCWA, any of its affiliates or any third party, based on, resulting from, in any way relating to, in connection with or arising out of the DWR Agreement.

4. **Governing Law and Jurisdiction.** The validity and interpretation of this Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

5. **Waiver.** Any waiver or failure to declare a breach as a result of the violation of any term of this Agreement shall not constitute a waiver of that term or condition and shall not provide the basis for a claim of estoppel or waiver by any Party to that term or condition.

6. **Counterparts.** The Parties may execute this Agreement in counterpart. The Parties agree to accept facsimile or PDF signatures as original signatures.

7. **Authorization.** Each signatory represents and warrants that he or she has the appropriate authorization to enter into this Agreement on behalf of the Party for whom he or she signs.

8. **Notices.** All communications or notices in connection with this Agreement shall be in writing and either hand-delivered or sent by U.S. first class mails, postage prepaid, or electronic mail followed by written notice sent by U.S. mails and addressed to the Parties as follows:

Santa Barbara County Flood Control and Water Conservation District
Fray Crease, Water Agency Manager
130 East Victoria Street, Suite 200
Santa Barbara, CA 93101-2019
Tel: (805) 568-3542
fcrease@cosbpw.net

Central Coast Water Authority
Ray Stokes, Executive Director
255 Industrial Way
Buellton, CA 93427-9565
Tel: (805) 697-5214
ras@ccwa.com

9. **Construction and Interpretation.** The Parties agree and acknowledge that the terms of this Agreement have been negotiated by the Parties and the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. The Agreement shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument to be drafted, or in favor of the party receiving a particular benefit under this Agreement.

10. **Entire Agreement and Amendment.** This Agreement is the entire understanding of the Parties in respect of the subject matter hereof. There are no other promises, representations, agreements or warranties by any of the Parties. This Agreement may only be amended by a writing signed by all of the Parties. Each Party waives its right to assert that this Agreement was affected by oral agreement, course of conduct, waiver or estoppel.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**SANTA BARBARA COUNTY FLOOD
CONTROL AND WATER CONSERVATION
DISTRICT**

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

Director of Public Works

By: _____
Deputy County Counsel

CENTRAL COAST WATER AUTHORITY

APPROVED AS TO FORM:

Brownstein Hyatt Farber Schreck, LLP

Executive Director

By: _____
Stephanie Osler Hastings, Esq.

EXHIBIT A

Agreement Between Montecito Water District and
Semitropic Water Storage District and its Improvement Districts
for Participation in the Stored Water Recovery Unit
of the Semitropic Water Banking and Exchange Program
(November 15, 2017)

EXHIBIT B

Delivery Agreement

Among the Department of Water Resources of the State of California, Santa Barbara Flood Control and Water Conservation District and Kern County Water Agency for the Semitropic Water Banking and Exchange Program (SWPAO # 17022)

AGREEMENT TO DELIVER SEMITROPIC WATER STORAGE PROGRAM WATER

This Agreement To Deliver Semitropic Water Storage Program Water ("**Agreement**") is made and effective as of January 1, 2018, by and between the Central Coast Water Authority ("**CCWA**") and Montecito Water District ("**Montecito**") (each a "**Party**" and collectively, the "**Parties**") with reference to the following facts and intentions:

RECITALS

- A. Santa Barbara County Flood Control and Water Conservation District ("**Santa Barbara**") has a long-term water supply contract with the Department of Water Resources of the State of California ("**DWR**") ("**Water Supply Contract**") that permits Santa Barbara to receive water supply, storage and conveyance services from the State Water Project ("**SWP**").
- B. CCWA is a joint powers agency, members of which are individual water purveyors located in the County of Santa Barbara. In 1991, Santa Barbara and CCWA entered into the Transfer of Financial Responsibility Agreement, which, among other things, obligates CCWA to pay for all Water Supply Contract related costs. Also in 1991, CCWA entered into a series of water supply agreements with CCWA's members and other parties (each a "**CCWA Participant**" and collectively, "**CCWA Participants**") whereby CCWA agreed to deliver SWP water, when available, to each of the CCWA Participants in return for payment sufficient to cover all Water Supply Contract related costs.
- C. Montecito is a member of CCWA. Pursuant to the Water Supply Agreement, dated August 1, 1991, and as amended, between CCWA and Montecito ("**Water Supply Agreement**"), Montecito is entitled to purchase up to 3,000 acre-feet per year ("**AFY**") of SWP water, when available, from CCWA.
- D. On January 25, 2017, CCWA and Montecito entered into the "Water Storage Program Participation Agreement (for 2017)" ("**Participation Agreement**"), pursuant to which CCWA agreed to identify certain water storage opportunities and Montecito agreed to reimburse CCWA for any and all costs associated with the program.
- E. On November 15, 2017, Montecito entered into an agreement with the Semitropic Water Storage District and its Improvement Districts (collectively, "**Semitropic**") for "Participation in the Stored Water Recovery Unit of the Semitropic Water Banking and Exchange Program" ("**Semitropic Agreement**"). The Semitropic Agreement provides for Montecito's participation in a long-term water storage and banking program ("**Semitropic Water Bank**") whereby Montecito purchased an interest in the Semitropic Water Bank which entitles Montecito to store up to 4,500 AFY in the Semitropic Water Bank and to have up

to 1,500 AFY returned to Montecito. It is anticipated that at least a portion of the water that Montecito may elect to store in the Semitropic Water Bank will be SWP water that otherwise would be delivered to Montecito pursuant to the Water Supply Agreement. A copy of the executed Semitropic Agreement is attached hereto as **Exhibit A**.

- F. To permit the above-referenced water storage arrangement, two additional agreements are required. First, DWR must approve an exchange of SWP water between the Kern County Water Agency ("**KCWA**"), which contracts with Semitropic for the delivery of SWP water, and Santa Barbara. DWR's approval, and the terms and conditions of this exchange, are set forth in the proposed Long-Term Change in Point of Delivery Agreement for the Semitropic Water Banking and Exchange Program, SWPAO # 17022 ("**DWR Agreement**") between Santa Barbara, KCWA and DWR. Second, Santa Barbara must agree to assign its rights under the DWR Agreement to CCWA and CCWA must agree to assume all of Santa Barbara's obligations under the DWR Agreement. The terms and conditions of this assignment, assumption and release are set forth in the proposed Release, Assumption And Indemnification Agreement between Santa Barbara and CCWA ("**Santa Barbara Agreement**") which is attached hereto as **Exhibit B**. The DWR Agreement is attached to the Santa Barbara Agreement as Exhibit A.
- G. In compliance with the California Environmental Quality Act ("**CEQA**"), Montecito, as lead agency, prepared an Initial Study – Negative Declaration and filed a Notice of Determination ("**NOD**") with the State Office of Planning and Research on November 27, 2017 (SCH # 2017101021).
- H. CCWA and Montecito now desire to enter into this Agreement for the purposes of (i) setting forth terms and conditions relating to CCWA's storage and delivery of return water obligations described herein and Montecito's payment and reimbursement obligations described herein, and (ii) clarifying the Parties' rights and obligations under this Agreement and the effect, if any, of the Water Supply Agreement, the Santa Barbara Agreement, the DWR Agreement, and the Semitropic Agreement on the Parties' rights and obligations.

AGREEMENT

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

1. CCWA Performance of DWR Agreement

1.1 Agreement to Assume Santa Barbara's Obligations. On behalf of Montecito, to permit implementation of the Semitropic Agreement for the benefit of Montecito, CCWA agrees to execute the Santa Barbara Agreement in substantially the same form as set forth in Exhibit B and thereby to accept assignment of all of Santa Barbara's rights, and to assume all of Santa Barbara's liabilities and obligations, arising from or under the DWR Agreement, including performing all of the obligations of Santa Barbara therein, subject to the terms and conditions provided in this Agreement.

1.2 Limitations on Performance and Liability

(a) Return of Water Limited to Available Capacity. CCWA will exercise reasonable best efforts to accommodate Montecito's requests to store water in the Semitropic Water Bank and for delivery of return water from the Semitropic Water Bank to Montecito. However, the delivery of return water to Montecito under this Agreement shall be subject to CCWA's approval which is dependent upon the times and amounts of the delivery requested and the overall delivery capability of CCWA's facilities. Notwithstanding any other provision of this Agreement, Montecito acknowledges that CCWA facilities used to deliver water to CCWA Participants have limited capacity which, depending on the availability and timing of all other supplies scheduled to be delivered to CCWA, may limit the return of water from the Semitropic Water Bank to Montecito. Water that is deliverable to Montecito under the terms of this Agreement (and not any other agreement such as the Water Supply Agreement) may only be delivered when unused capacity exists. Montecito agrees that in the event Montecito's request for the return of water pursuant to this Agreement exceeds Montecito's capacity rights in CCWA's facilities, CCWA may deny or condition the request.

(b) No Liability For Determinations By Other Parties. Notwithstanding any other provision of this Agreement, Montecito acknowledges that the DWR Agreement provides for certain approvals and discretionary decisions to be made solely by DWR and KCWA. Montecito agrees that CCWA is not liable to Montecito, and hereby releases CCWA, for (i) the determinations that either DWR or KCWA makes pursuant to the DWR Agreement, and (ii) any actions or inactions resulting from such determinations, including, but not limited, to DWR's and KCWA's respective rights to withhold approval of, or propose modifications to, deliveries of water to or from the Semitropic Water Bank requested by CCWA on behalf of Montecito.

(c) CCWA Not A Party To The Semitropic Agreement. Montecito acknowledges that CCWA is not a party to the Semitropic Agreement, is not a beneficiary of the Semitropic Agreement, and has no rights, obligations or liabilities pursuant to the Semitropic Agreement. Montecito agrees that Montecito alone, and not CCWA, is responsible for all obligations and liabilities arising out of or relating to the Semitropic Agreement, including, but not limited to, Montecito's obligation to make payments directly to Semitropic pursuant to the Semitropic Agreement.

(d) No Adverse Impact On CCWA Or CCWA Participants. Nothing in this Agreement shall obligate CCWA to deliver water to Montecito at times when such delivery would adversely impact CCWA operations or facilities, or any CCWA Participant not a Party. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts on CCWA operations or facilities or on the allocations or deliveries of water to any CCWA Participant not a Party.

(e) No Obligation Of CCWA Participant Not A Party to "Step Up." Notwithstanding any other provision of this Agreement, Montecito agrees that under no circumstances shall a CCWA Participant not a Party have any obligation under this Agreement, the Santa Barbara Agreement, the DWR Agreement or the Semitropic Agreement, including, but not limited to, any obligation to increase payments to CCWA or otherwise to assume any liability or obligation of Montecito pursuant to this Agreement or the Semitropic Agreement, whether pursuant to the so-called "step-up" provisions that are contained in each CCWA Participant's water supply agreement with CCWA or otherwise.

2. Montecito's Payment Obligations

2.1 CCWA's Costs Pursuant to DWR Agreement. In addition to any costs for which Montecito may be obligated pursuant to the Semitropic Agreement, Montecito shall pay, or reimburse, as provided herein, CCWA for all costs incurred by CCWA pursuant to this Agreement, including: (a) all costs incurred by CCWA pursuant to the Santa Barbara Agreement (including any reimbursement of Santa Barbara for its costs) and the DWR Agreement; (b) all administrative and legal fees incurred in preparing documents, obtaining necessary approvals and undertaking compliance with CEQA; and (c) any litigation costs; as further provided in this Section.

2.2 Election to Store. At any time, in the event Montecito desires to store water in the Semitropic Water Bank pursuant to the Semitropic Agreement, Montecito shall provide written notice to CCWA of its intention to do so in the form and manner that CCWA prescribes ("**Election to Store**"). Within 10 days of receipt of Montecito's Election to Store, CCWA shall estimate all costs related to the matters described in the Election to Store and deliver an invoice for the estimated costs to Montecito. Within 10 days of the invoice date, Montecito shall make payment to CCWA for the invoiced amount in the manner that CCWA prescribes. Montecito may, but shall not be required to, maintain a deposit with CCWA sufficient to cover all or a portion of the estimated costs. Within 3 days of CCWA's receipt of the full amount of the invoiced estimated costs, CCWA shall submit the Election to Store to DWR and KCWA and coordinate the delivery schedule for the water to be stored pursuant to Section 5 of the DWR Agreement.

2.3 Election to Receive Return Water. At any time, in the event Montecito desires to receive water in return from the Semitropic Water Bank pursuant to the Semitropic Agreement, Montecito shall provide written notice to CCWA of its intention to do so in the form and manner that CCWA prescribes ("**Election to Return**"). Within 10

days of receipt of Montecito's Election to Return, CCWA shall estimate all costs related to the matters described in the Election to Return and deliver an invoice for the estimated costs to Montecito. Within 10 days of the invoice date, Montecito shall make payment to CCWA for the invoiced amount in the manner that CCWA prescribes. Montecito may, but shall not be required to, maintain a deposit with CCWA sufficient to cover all or a portion of the estimated costs. Within 3 days of CCWA's receipt of the full amount of the invoiced estimated costs, CCWA shall submit the Election to Return to DWR and KCWA and coordinate the delivery schedule for the water to be returned pursuant to Section 6 of the DWR Agreement.

2.4 Litigation Costs. If litigation is commenced regarding this Agreement, the Santa Barbara Agreement or the DWR Agreement, CCWA and Montecito shall meet and confer regarding the litigation. The Parties shall exercise reasonable efforts to cooperate with each other with respect to the litigation. If CCWA and Montecito decide to contest such litigation, to the extent permitted by law, Montecito will take all necessary and appropriate actions to defend the action on behalf of both CCWA and Montecito. Additionally, Montecito shall reimburse CCWA for all of CCWA's costs, including legal, environmental, attorneys' and engineering consultants' fees and expenses, incurred in defending the action and in complying with any judicial order or remedy ordered therein ("Litigation Costs"). At least monthly, CCWA shall itemize any Litigation Costs and invoice Montecito. Within 10 days of the invoice date, Montecito shall make payment to CCWA for the invoiced Litigation Costs in the manner that CCWA prescribes. Montecito may, but shall not be required to, maintain a deposit with CCWA sufficient to cover all or a portion of the invoiced Litigation Costs.

2.5 Additional Costs. In addition to the charges identified above, Montecito shall reimburse CCWA for all of any additional demonstrable increase in cost that would not have otherwise been borne by CCWA or by any CCWA Participant not a Party if CCWA did not provide service to Montecito under this Agreement (collectively, "Additional Costs"). CCWA shall itemize any Additional Costs and invoice Montecito. Within 10 days of the invoice date, Montecito shall make payment to CCWA for the invoiced Additional Costs in the manner that CCWA prescribes.

2.6 Reconciliation. At least annually, CCWA shall provide to Montecito an accounting of the amounts Montecito is obligated to pay hereunder. Any overpayment by Montecito shall be promptly refunded by CCWA and any underpayment by Montecito shall be promptly paid to CCWA.

3. No Effect On Water Supply Agreement. CCWA and Montecito acknowledge and agree that their respective rights and obligations pursuant to this Agreement are separate and independent of their rights and obligations pursuant to the Water Supply Agreement, and that nothing herein is intended to modify, amend, alter, supersede or otherwise affect the Parties' rights and obligations under the Water Supply Agreement. For example, if Montecito requests delivery of 1,500 AFY pursuant to the Water Supply Agreement and the return of 1,500 AFY of water pursuant to this Agreement in the same year, CCWA shall undertake such deliveries and return deliveries in accordance

with the terms and conditions of the applicable agreement. Notwithstanding the foregoing, CCWA may elect, in its sole and absolute discretion, to account for the delivery of all water to Montecito on a single, consolidated statement of charges. However, any such election shall be for administrative purposes only and shall have no legal effect.

4. Obligations in the Event of Default

4.1 Events of Default. Each of the following shall be an “**Event of Default**” under this Agreement:

(a) Failure of Montecito to make any payment in full when due under this Agreement, and such failure is not remedied within 30 days of CCWA making a written demand for payment;

(b) Breach by Montecito of any agreement, condition, covenant or term herein, and such breach is not remedied within 30 days of CCWA making a written demand for cure of the breach;

(c) If Montecito shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby Montecito asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension or time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if Montecito shall make a general or any assignment for the benefit of its creditors; and

(d) Any act or failure to act on the part of Montecito, which act or failure causes CCWA to be in default under either the Santa Barbara Agreement or the DWR Agreement.

4.2 Remedy In The Event Of Default; Continuing Obligations. Upon an Event of Default, CCWA’s performance pursuant to this Agreement shall be excused for the duration of the default. Notwithstanding the foregoing, the obligations of Montecito to CCWA to pay the full amount of costs incurred by CCWA pursuant to this Agreement shall continue in full force and effect.

5. Term and Termination

5.1 Term. The term of this Agreement shall commence on the date first written above and shall continue until terminated in accordance with Section 5.2 below.

5.2 Termination. This Agreement shall terminate and shall be of no further force or effect as follows:

(a) If the DWR Agreement is executed by the parties thereto, then upon the termination or expiration of the DWR Agreement in accordance with its terms;

(b) If both of the following do not occur by April 1, 2018: (1) DWR consents to the water storage arrangement contemplated by the Semitropic Agreement and DWR, Santa Barbara and KCWA execute the DWR Agreement in a form substantially similar to Exhibit A to the Santa Barbara Agreement, and (2) Santa Barbara and CCWA execute the Santa Barbara Agreement in a form substantially similar to Exhibit B.

5.3 **Survival.** Notwithstanding the termination or expiration of this Agreement, Section 6 of this Agreement shall remain in full force and effect until any claim or litigation involving this Agreement asserted against CCWA, Montecito or any CCWA Participant not a Party is finally resolved. Further, Montecito shall remain liable to, and shall pay, CCWA for the costs described in Section 2 hereof and incurred by CCWA up to and including the date of termination or expiration.

6. **Indemnification and Release of CCWA and Other CCWA Participants.** Montecito releases and forever acquits, discharges and holds harmless, defends and protects, and shall indemnify: (1) CCWA and its officers, directors, employees and agents, and (2) each and all CCWA Participants not Parties and their respective officers, directors, employees and agents, from and against any and all liabilities (at law or in equity), obligations, liens, claims, orders, rulings, losses, damages, assessments, fines, penalties, injuries, demands, actions, judgments, suits, costs, expenses or disbursements of any kind (including attorneys' fees and costs) which may at any time be imposed on, incurred by or asserted against CCWA or any CCWA Participant not a Party by Montecito, any of its affiliates or any third party, based on, resulting from, in any way relating to, in connection with or arising out of this Agreement. Further, neither CCWA nor any CCWA Participant not a Party, nor any of their respective officers, directors, employees or agents shall be liable to Montecito, any of its affiliates, or any third party based on, resulting from, in any way relating to, in connection with or arising out of the Semitropic Agreement or Montecito's participation in the Semitropic Water Bank.

7. **Third Party Beneficiary; Enforcement.** The Parties agree that this Agreement is for the benefit of (i) CCWA, (ii) Montecito, and (iii) each CCWA Participant not a Party, and all of the aforementioned entities and persons shall be entitled to enforce the provisions of this Agreement.

8. **General Provisions**

8.1 **Governing Law and Jurisdiction.** The validity and interpretation of this Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

8.2 **Waiver.** Any waiver or failure to declare a breach as a result of the violation of any term of this Agreement shall not constitute a waiver of that term or condition and shall not provide the basis for a claim of estoppel or waiver by any Party to that term or condition.

8.3 **Counterparts.** The Parties may execute this Agreement in counterpart. The Parties agree to accept facsimile or PDF signatures as original signatures.

8.4 **Notices.** All communications or notices in connection with this Agreement shall be in writing and either hand-delivered or sent by U.S. first class mails, postage prepaid, or electronic mail followed by written notice sent by U.S. mails and addressed to the Parties as follows:

Montecito Water District
Nicholas Turner, General Manager
583 San Ysidro Road
Montecito, CA 93108
Tel: (805) 969-2271
nturner@montecitowater.com

Central Coast Water Authority
Ray Stokes, Executive Director
255 Industrial Way
Buellton, CA 93427-9565
Tel: (805) 697-5214
ras@ccwa.com

8.5 **Construction and Interpretation.** The Parties agree and acknowledge that the terms of this Agreement have been negotiated by the Parties and the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. The Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument to be drafted, or in favor of the Party receiving a particular benefit under this Agreement. As used in this Agreement, the word “including” means without limitation, the word “or” is not exclusive and the words “herein,” “hereof,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (i) to Articles, Sections and Exhibits mean the Articles and Sections of and the Exhibits attached to this Agreement, and (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement. The Exhibits referred to herein are, for purposes of this Agreement, for reference purposes only and except as otherwise provided for in this Agreement or other agreement, nothing herein is intended to modify or amend any such Exhibit. Titles to Articles and headings of Sections are inserted for convenience of reference only and shall not be deemed a part of or affect meaning or interpretation of this Agreement.

8.6 **Entire Agreement.** This Agreement is the entire understanding of the Parties in respect of the subject matter hereof. There are no other promises, representations, agreements or warranties by any of the Parties. This Agreement may only be amended by a writing signed by all of the Parties. Each Party waives its right to assert that this Agreement was affected by oral agreement, course of conduct, waiver or estoppel.

8.7 **Authorization.** The individuals executing this Agreement represent and warrant that they have authority to enter into this Agreement and to perform all acts required by this Agreement, and that the consent, approval, or execution of or by any third party is not required to legally bind either Party to the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

MONTECITO WATER DISTRICT

APPROVED AS TO FORM:

Cohen & Burge, LLP

President, Board of Directors

By: _____
Robert M. Cohen, Esq.

CENTRAL COAST WATER AUTHORITY

APPROVED AS TO FORM:

Brownstein Hyatt Farber Schreck, LLP

President, Board of Directors

By: _____
Stephanie Osler Hastings, Esq.

EXHIBIT A

Agreement Between Montecito Water District and
Semitropic Water Storage District and its Improvement Districts
for Participation in the Stored Water Recovery Unit
of the Semitropic Water Banking and Exchange Program
(November 15, 2017)

Exhibit B

Release, Assumption And Indemnification Agreement By And Between
Santa Barbara County Flood Control And Water Conservation District And
The Central Coast Water Authority

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-D

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: ENGINEERING MANAGER

SUBJECT: DEVELOPMENT OF EMERGENCY ACTION PLAN FOR JUNCAL DAM

This item was reviewed by the Operations Committee at their meeting on February 12, 2018 and the Committee concurs with the staff recommendation.

RECOMMENDATION:

1. That the Board of Directors authorize District staff to engage in a Professional Engineering Services contract with MNS Engineering for the preparation of Inundation Mapping and a Technical Study to Support the Emergency Action Plan for Juncal Dam.
2. That the Board of Directors allocate \$46,540 from unrestricted reserves for the purposes of this work.

DISCUSSION:

Senate Bill 92 added Sections 6160 and 6161 to the Water Code, effective June 27, 2017, requiring owners of State-regulated dams, except those classified as low hazard, to prepare emergency action plans (EAPs) containing inundation map(s) for emergency preparedness. On October 19, 2017, emergency regulations were adopted to provide standards for preparing and submitting maps to the Division of Safety of Dams (DSOD) for review and approval. The District's Juncal Dam is classified as "high" hazard according to DSOD. This "high" hazard classification for Juncal dam is not an indication of the condition of the dam but rather of the possible loss of life downstream of the dam if it were to fail.

Because of the "high" hazard classification, the District must develop and submit an EAP to the Governor's Office of Emergency Services (Cal OES) for approval by January 1, 2019. Along with the EAP, the District must provide updated inundation maps in the event of a dam breach and a technical study outlining the characteristics, dam design information, and hydraulic modeling background for the inundation mapping. Inundation maps must first be submitted to DSOD for review and approval prior to the January 2019 deadline, and only the approved inundation map should be submitted with the EAP to Cal OES for their approval. Therefore, the District must first develop inundation

mapping and a technical study for Cal OES approval and then submit the approved documents with the EAP by January 1, 2019.

A description of the emergency regulations requirements is attached. The District has received proposals from four firms to complete the tasks described above. All proposals were reviewed by District staff and MNS Engineering presented the best price, qualified personnel, and project schedule. District staff recommend engaging in a professional services contract with MNS Engineering to begin this work.

ATTACHMENTS:

1. Emergency Regulations – Dam Inundation Maps and Emergency Action Plan
2. MNS Engineering Proposal for EAP

NOTE: All of the proposed regulation text is to be added to the California Code of Regulations.

**California Code of Regulations
Title 23. Waters
Division 2. Department of Water Resources
Chapter 1. Dams and Reservoirs
Article 6. Inundation Maps**

§ 335. Scope of Regulations

Inundation maps shall be prepared for dams and critical appurtenant structures regulated by the state, except dams classified by the department as low hazard as described in Section 335.4. The regulations in this article apply to inundation maps and supporting technical studies necessary to develop the maps. Owners are responsible for preparing and submitting these documents to the department.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Sections 6002, 6160 and 6161, Water Code.

§ 335.2. Definitions

For purposes of this Article, the terms listed below shall have the meanings noted:

- (a) “Breach” refers to a sudden opening through a dam system that drains the reservoir.
- (b) “Breach elevation” refers to the elevation of the water in a reservoir at full reservoir conditions.
- (c) “Breach time” refers to the modeled time elapsed from initial dam failure to total dam failure.
- (d) “Critical appurtenant structure” refers to a man-made barrier or hydraulic control structure that impounds the same reservoir as the dam and is 25 feet or more in height; impounds a minimum of 5,000 acre-feet of water at full reservoir conditions; or has the potential to inundate downstream life or property, including but not limited to emergency spillways, gated spillways, and saddle dams. The height of a critical appurtenant structure shall be determined as follows: saddle dams shall be measured from the downstream toe to the maximum water storage elevation; all other critical appurtenant structures shall be measured from the upstream toe to the maximum water storage elevation.

Emergency Regulations – Inundation Maps

A critical appurtenant structure may contain multiple water-barrier features, including but not limited to gates, flashboards, and concrete monoliths. Power system penstocks, lined spillway chutes, and low level outlets whose failure would not exceed the downstream channel capacity are not considered critical appurtenant structures as they pertain to inundation maps.

(e) “Critical facilities” refers to lifeline infrastructure and facilities including but not limited to schools, hospitals, skilled nursing facilities, major roads, public water and electric utilities, and communication infrastructure, as described in Section 8589.5 of the Government Code.

(f) “Cross-section” refers to a linear representation perpendicular to a watercourse and its adjacent floodplain, capturing the topography perpendicular to the flow direction.

(g) “Dam system” refers to a dam and all critical appurtenant structures that impound the same reservoir.

(h) “Deflood time” refers to the time elapsed from the flood wave arrival time until water at the measured location recedes to within one foot of its preflood water elevation.

(i) “Dynamic routing” refers to hydraulic flow routing based on the shallow water equations to compute changes in discharge, velocity, and stage with respect to time at various locations along a watercourse. The most common form of the equations is the Saint-Venant equations.

(j) “Failure scenario” refers to the modeled simulation of a complete failure of a dam or critical appurtenant structure which results in the uncontrolled release of water.

(k) “FEMA P-946” refers to the “Federal Guidelines for Inundation Mapping of Flood Risks Associated with Dam Incidents and Failures” dated July 2013, hereby incorporated by reference.

(l) “Flood surcharge” refers to the volume in a reservoir above the maximum certified water storage elevation resulting from a storm event.

(m) “Flood wave arrival time” refers to the elapsed time from the initiation of the failure scenario until the arrival of the leading edge of the flood wave comprising a one (1) foot rise above the ground elevation or water surface elevation before the failure scenario.

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- (n) “Freeboard” refers to the vertical distance between the lowest point along the top of a dam, dike, berm, levee, or other similar feature and the surface of the water contained therein.
- (o) “Full reservoir conditions” refers to the maximum water storage elevation authorized in the department’s Certificate of Approval for the dam.
- (p) “Hydraulic model” refers to a simulation of conveyance of water through a watercourse.
- (q) “Hydrologic model” refers to a simulation of watershed processes such as precipitation, infiltration, and runoff. Hydrologic models perform simplified forms of dynamic routing.
- (r) “Inundation area” refers to the area that would experience a rise in water surface elevation of at least one (1) foot as the result of a failure scenario.
- (s) “Inundation map” refers to a map showing the area that would result in flooding from a failure scenario.
- (t) “One-dimensional model” refers to a numerical hydraulic model in which variables such as velocity and depth vary in one direction along a watercourse.
- (u) “Peak flow” refers to the maximum rate of water discharge.
- (v) “River mile” refers to the distance from a fixed point along a watercourse, measured along the thalweg.
- (w) “Sequential dam failure” refers to a failure scenario of an upstream dam system that results in the failure of one or more downstream dam systems.
- (x) “Storm-induced failure” refers to a failure scenario in which the extent of the inundation area is greater than that of a sunny day failure scenario.
- (y) “Sunny day failure” refers to a failure scenario of the dam system during full reservoir conditions with non-flood season inflow.
- (z) “Thalweg” refers to the line connecting the lowest point of a watercourse.
- (aa) “Toe” refers to the junction of the slope of a dam or critical appurtenant structure with the natural ground surface.
- (bb) “Two-dimensional model” refers to a numerical hydraulic model in which variables such as velocity and depth vary in two directions along a watercourse.

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(cc) “Watercourse” refers to a stream or open conduit, including but not limited to canyons and floodplains.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 8589.5, Government Code; Sections 6002, 6002.5, 6004.5, 6005, 6008 and 6161, Water Code.

§ 335.4. Hazard Potential Classification

The department shall classify the public safety risk of all state jurisdictional dams as follows:

- (a) Low Hazard Potential. Dams assigned the low hazard potential classification are those where failure or mis-operation of the dam system would result in no probable loss of human life and low economic and/or environmental losses. Losses are expected to be principally limited to the owner’s property.
- (b) Significant Hazard Potential. Dams assigned the significant hazard potential classification are those dams where failure or mis-operation of the dam system would result in no probable loss of human life but can cause economic loss, environmental damage, disruption of lifeline facilities, or other significant impacts.
- (c) High Hazard Potential. Dams assigned the high hazard potential classification are those where failure or mis-operation of the dam system will probably cause loss of human life.
- (d) Extremely High Hazard Potential. Dams assigned the extremely high hazard potential classification are dams that would otherwise be classified as high hazard dams, but where failure or mis-operation of the dam system would probably cause considerable loss of human life and would affect an inundation area with a population of 1,000 persons or more, or where critical facilities could be impacted.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 6002.5, 6009, 6160 and 6161, Water Code.

§ 335.6. Inundation Map Updates

The owner of a dam shall update all inundation maps for the dam system under each of, but not limited to, the following circumstances:

Oct. 18, 2017

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- (a) The department determines there is a significant change in the dam or critical appurtenant structure.
- (b) There is a significant change in downstream development that involves people and property.
- (c) The department changes the hazard classification of the dam.
- (d) No less frequently than every 10 years.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 6006, 6007 and 6161, Water Code.

§ 335.8. Civil Engineering

Inundation maps and technical studies shall be prepared by, or under the direction of, a civil engineer who is registered pursuant to California law and authenticated as provided in the Business and Professions Code, Division 3, Chapter 7 commencing with Section 6700.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 6161, Water Code; Section 6700, Business and Professions Code.

§ 335.10. Reporting Standards

Inundation maps and technical studies prepared in accordance with this Article shall utilize the following standards and conventions, unless otherwise indicated:

- (a) Reservoir storage and other water volumes shall be reported in acre-feet.
- (b) Water discharge shall be reported in cubic feet per second.
- (c) Geographic locations shall be reported in California Coordinate System or Universal Transverse Mercator coordinates relative to NAD83. Coordinates shall be specified commensurate with the precision of the analysis.
- (d) Elevations shall be reported in feet above a specified vertical datum such as NAVD88 or NAVD29. Elevations may also be reported relative to an established local datum.

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(e) Geospatial data shall be submitted in NAD 1983 Teale (California) Albers projection, with the units specified.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 6161, Water Code.

§ 335.12. Technical Study

A single technical study shall be prepared for each dam system for which inundation maps are required.

(a) Study contents. The technical study shall include the following:

- (1) The name of the dam, department dam number, national dam ID number, and name or description of any critical appurtenant structures.
- (2) The location of the dam and all critical appurtenant structures.
- (3) The name and location of cities, towns, counties, and any populated area that could be affected by a failure scenario.
- (4) A brief narrative of the hydrologic, meteorologic, and topographic features of the watershed, dam site, and downstream areas.
- (5) An engineering description of the dam, including the type of construction (e.g., earth, rock, or concrete). Include a description of the features comprising each critical appurtenant structure (i.e., a description of all the gates and concrete structures comprising a gated spillway structure).
- (6) Elevation of the crest and upstream toe for the dam and each critical appurtenant structure. Report the elevation of the downstream toe of the dam.
- (7) A reservoir storage capacity curve that shows the relationship between reservoir elevation, surface area, and volume from the base of the reservoir to the dam crest.
- (8) A spillway rating curve that shows the relationship between stage and discharge.
- (9) The type of terrain data used, including any modifications made to the terrain.

Emergency Regulations – Inundation Maps

(10) A summary of the modeled failure scenarios for the dam system. For each failure scenario, include the breach hydrograph immediately downstream of the dam or critical appurtenant structure.

(11) The modeling methodology, the reasons for its use, and the name, version, release date and author of the modeling software. Report all assumptions, failure parameters, calibration and sensitivity analyses of the model, including the model's response to changes made to the roughness or other friction coefficients. Report modifications made to stabilize the model or accelerate its computational runtime, and the effects such modifications have on the modeled inundation results. Describe known limitations of the modeling method utilized. Provide justification for determining the downstream extent of the inundation boundary.

(12) Digital files comprising the following for each failure scenario:

(A) A vector file of the inundation area boundary.

(B) Raster files of the flood wave arrival time, maximum depth, peak velocity, and deflood time.

(13) The department may request additional information during the course of its review.

(b) Modeling Requirements.

(1) A two-dimensional, open channel, unsteady flow, hydraulic model shall be used to evaluate each failure scenario for a dam system, except as described below. The model must be capable of performing dynamic routing to approximate the temporal and spatial changes in inundation magnitude and extent.

(2) A one-dimensional hydraulic model may be used that is capable of computing spatial and temporal changes to water surface elevation, velocities, and flows at each cross section. A one-dimensional model may be used only in the following circumstances:

(A) To simulate levee overtopping as a subcomponent of the two-dimensional model of the failure scenario.

(B) Where the flood wave would be confined to a canyon or narrow watercourse in which the direction of flow is dominantly in the downstream direction.

(3) Upon approval of the department, the owner of a significant hazard dam may use a hydrologic model, rather than a hydraulic model, if the dam impounds less than 100 acre-feet of water and the flood wave produced by the failure scenario would be confined to a

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canyon or narrow watercourse in which the direction of flow is dominantly in the downstream direction.

(4) Each model shall utilize the best available terrain data, consisting of the finest resolution discretization available.

(c) Failure Scenarios. A sunny day failure scenario is required for each dam and critical appurtenant structure. A storm-induced failure scenario is not required, but may be submitted in lieu of a sunny day failure scenario.

Each failure scenario shall employ a complete and nearly instantaneous loss of the dam or critical appurtenant structure, and utilize breach parameters as described in FEMA P-946 (2013). The geographic extent of the model simulation shall terminate in accordance with FEMA P-946 (2013). Failure scenarios shall be modeled as follows:

(1) For gated critical appurtenant structures, such as a spillway with multiple radial gates, the failure scenario shall consist of the complete failure of all gates together with the concrete control section breached to the upstream toe.

(2) A sequential dam failure scenario is required for an upstream dam system that causes the failure of one or more downstream dam systems, as described in FEMA P-946 (2013). A sequential dam failure scenario shall employ an overtopping failure mode for all downstream dam systems impacted by the routing of the flood wave downstream. The owner of the upstream dam system is responsible for preparing the sequential failure scenario.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 6161, Water Code.

§ 335.14. Inundation Maps

Inundation maps shall be prepared for each failure scenario to satisfy the FEMA P-946 (2013) and the requirements of this section.

(a) Temporal contours. Two separate inundation maps shall be prepared for each failure scenario, with contours depicting time increments appropriate for the failure scenario for flood wave arrival time and deflood time.

(b) Depth grid. All inundation maps shall depict the entire inundation area with discrete categories of maximum flood wave depths, with a legend showing each depth range. The opacity of the maximum flood wave depth layer shall be adjusted to display the underlying base map.

Emergency Regulations – Inundation Maps

(c) General information. Each inundation map shall contain the following general information:

- (1) The name of the dam, the department's dam number, the national dam ID number, and the county in which the dam is located.
- (2) The failure scenario. If a storm-induced failure scenario is depicted, the return period shall be reported on the inundation map.
- (3) The map background with suitable aerial imagery.
- (4) Callouts identifying the location of the dam, all critical appurtenant structures, and all critical facilities affected by the failure scenario. The downstream watercourse and flood control features, such as dams, levees, weirs, pumps, and control structures shall be labeled.
- (5) The identity of any jurisdictions, including boundary delineations or place marks identifying the city, county, or other governmental agency jurisdictional boundaries affected by the inundation area.
- (6) An arrow indicating north.
- (7) An appropriate scale bar and the stated map scale.
- (8) Vertical elevation datum.
- (9) Map collar information, including horizontal reference grid ticks.
- (10) An index showing the relationship of the map sheet to the other map sheets if the map has multiple sheets.
- (11) The date of preparation of the map.
- (12) The signature, seal, and licensed civil engineer number of the engineer responsible for preparing the map.
- (13) All features on maps shall be clearly labeled with text boxes and legends, as appropriate.
- (14) A statement that the information shown is approximate and should be used as a guideline for emergency response and preparation purposes.

Emergency Regulations – Inundation Maps

(15) A statement confirming the inundation map meets all applicable state and federal standards and has been prepared in consideration of all potential downstream hazards by a licensed civil engineer.

(d) Map Layout. Each of the inundation maps shall be printed on paper sized 11×17 inch or larger, with a minimum resolution of 300 dots per inch. All inundation maps shall apply an appropriate map scale as described in FEMA P-946 (2013). For failure scenarios with a large inundation area, each inundation map may comprise more than one sheet.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 8589.5, Government Code; Sections 6160 and 6161, Water Code.

§ 335.16. Submission of Inundation Maps and Technical Study

The owner of a dam shall submit inundation maps and the supporting technical study to the department as specified below:

(a) An electronic color copy of each new and revised inundation map in portable document format (PDF extension). If practical, two hard color copies of each inundation map should also be submitted.

(b) Technical Study: Two hard copies and an electronic copy including digital content.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 6161, Water Code.

§ 335.18. Department Review and Approval

(a) The department shall evaluate each inundation map and technical study that is submitted for consistency with the requirements of this article and shall notify the dam owner in writing that the map and study have been approved, are incomplete, or are disapproved and the reasons therefor, as follows:

(1) Approved. The department has evaluated the inundation map(s) and technical study and determined that they satisfy the requirements of this article.

(2) Incomplete. The department has evaluated the inundation map(s) and technical study and determined that one or both do not satisfy the requirements of this article as a result of minor problems identified by the department. A dam owner shall remedy any deficiencies and submit the corrected map and study.

Emergency Regulations – Inundation Maps

(3) Disapproved. The department has evaluated the inundation map and technical study and determined that one or both do not satisfy the requirements of this article due to unresolved problems associated with an incomplete submittal. When an inundation map or technical study is disapproved, the dam owner shall submit a new map and technical study that satisfy this article.

b) Inundation maps submitted to the department for review by January 1, 2018, shall be evaluated for consistency with the FEMA P-946 (2013).

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 8589.5, Government Code; Sections 6161 and 6431, Water Code.

§ 335.20. Public Availability of Inundation Maps

The department shall post copies of approved inundation maps on the department's website.

Note: Authority cited: Sections 6078 and 6162, Water Code. Reference: Section 6161, Water Code.



201 N. Calle Cesar Chavez, Suite 300, Santa Barbara CA 93103

Ph. (805) 692-6921 / F. (805) 692-6931

December 5, 2017

Mr. Adam Kanold, PE
Montecito Water District
583 San Ysidro Road
Montecito CA 93108

Subject: Proposal for Professional Engineering Services – Inundation Mapping and Technical Study to Support Emergency Action Plan for Juncal Dam

Dear Mr. Kanold:

Thank you for the opportunity to submit this proposal for Professional Engineering Services for the preparation of Inundation Mapping and a Technical Study to support an Emergency Action Plan for Juncal Dam. MNS Engineers, Inc. (MNS) offers our qualified team to provide professional services for this Project.

Project Understanding

Montecito Water District (District) is seeking an engineering consultant to perform hydraulic modeling for the preparation of an Inundation Map for the Juncal Dam, as well as preparation of a Technical Study in accordance with California Division of Safety of Dams (DSOD) requirements. Juncal Dam is listed as a High Hazard Potential dam by DSOD.

Inundation mapping will be performed in accordance with *Federal Guidelines for Inundation Mapping of Flood Risks Associated with Dam Incidents and Failures* (FEMA P-946, July 2013) prepared by the Federal Emergency Management Agency (FEMA). The Inundation Map and Technical Study will be prepared in accordance with California Code of Regulations (CCR) Title 23, Division 2, Chapter 1, Article 6. Modeling and digital files will also conform to the requirements of these regulations.

The District has provided the following background information:

- Juncal Dam Spillway Flow Table, March 1941, source unknown
- Hydrologic Analyses for Spillway Adequacy of Juncal Dam, March 1987, C.B. Cecilio, P.E.
- Memorandum of Hydrologic Review Juncal Dam No. 34-2, August 1987, Y.D. Enzler
- Flood Estimate and Spillway Analysis, August 1987, Department of Water Resources Division of Safety of Dams
 - o HEC-1 Input Data, R. Wong, April 1983
- An Evaluation of Juncal Dam for the Flood Criteria of the Division of Safety of Dams, March 1990, C.B. Cecilio, P.E.
- Evaluation of the Effects of DSOD Design Flood at Juncal Auxiliary Dams, October 1991, C.B. Cecilio, P.E. P.H.
- Jameson Lake Volume Study Report, October 2013, MNS Engineers
- Jameson Lake Area and Volume Table, October 2013, MNS Engineers

Scope of Work

MNS will prepare an Inundation Map and Technical Study for the Juncal Dam in accordance with the following scope of work.

Task 1 – Project Management, Meetings and QA/QC

This task includes coordinating information with the District throughout the duration of the project and conducting Quality Assurance and Quality Control (QA/QC) reviews on each deliverable. In accordance with MNS policy, an internal QA/QC

review will be performed prior to each submittal to the District. Julia Aranda, PE, will serve as the Project Manager and John Mukhar, PE, will provide QA/QC reviews.

We have assumed progress meetings will take place at the District's office in Montecito or via conference call. We have budgeted for three meetings: one kickoff meeting, and two additional progress meetings. The Project Manager and Project Engineer will attend all meetings. MNS will prepare meeting agenda and minutes within five working days of the meeting for distribution to the project team.

Task 2 – Hydrologic Model Updates

MNS will update the District's existing HEC-1 hydrologic model to reflect the storage volumes derived in the *Jameson Lake Volume Study Report* and new meteorology for estimating the Probable Maximum Precipitation (PMP). MNS will also validate the spillway performance curves utilized in the HEC-1 model. Model updates will be completed in the U.S. Army Corps of Engineers (USACE) HEC-HMS software.

Once model updates are complete Sunny Day and PMP breach scenarios will be added to the hydrologic model to generate dam breach hydrographs.

Task 3 – Hydraulic Modeling/Inundation Mapping

MNS will prepare a hydraulic model of the Juncal Dam and downstream flow path based on information provided by the District including: recent topographic survey, hydrology of watershed tributary to the reservoir and downstream of the reservoir, and dam record drawings or spillway curve. We will set up the two-dimensional, open channel, unsteady flow hydraulic model in conformance with DSOD requirements and perform dynamic routing to approximate the temporal and spatial changes in inundation magnitude and extent. Failure scenarios will be modeled for a sunny day failure and a storm-induced failure utilizing the hydrologic data developed in Task 2.

We will provide five hardcopies of the Inundation Map and an electronic copy in Adobe Acrobat (pdf) format.

Task 4 – Technical Study

The Technical Study will document the results of Task 2 and Task 3 and will be prepared in accordance with the Title 23 CCR, §355.12 Technical Study and will include:

1. Executive Summary
2. Background Information
 - 2.1. Dam Information
 - 2.2. Surrounding Area
 - 2.3. Hydrologic, Meteorologic, and Topographic Features
 - 2.4. Engineered Dam Features
 - 2.5. Reservoir Storage Capacity
 - 2.6. Spillway Rating Curve
3. Modeling
 - 3.1. Modeling Methodology
 - 3.2. Modeled Failure Scenarios
 - 3.3. Inundation Maps

MNS will prepare a Draft Technical Study for the District's review and comment. Comments received from the District will be incorporated into the Final Technical Study. The Final Technical Study will be stamped and signed by a Civil Engineer

registered in the State of California. We will provide five hard copies of the Final Technical Study, as well as an electronic version in Adobe Acrobat (pdf) format.

Task 5 – Emergency Action Plan (Optional)

MNS can prepare the Emergency Action Plan (EAP) for the District as an optional task. We will use the template provided by DSOD and coordinate the completion of information with the District. We will prepare flow charts and complete the form information as necessary to provide an EAP. A Draft EAP will be prepared for District review and comment. Comments received will be incorporated into the Final EAP. We have assumed the District will submit the Final EAP to DSOD. We will provide five hard copies of the Final EAP, as well as an electronic version in Adobe Acrobat (pdf) format.

Deliverables

The following deliverables will be submitted to the District:

- Draft and Final Inundation Map
- Draft and Final Technical Study
- Draft and Final Emergency Action Plan (optional)

Compensation

MNS proposes to perform the services described herein for a not-to-exceed fee estimate of \$46,540. A breakdown is provided in the table below. A detailed fee proposal spreadsheet is provided as an attachment. All fees are in accordance with the MNS Standard Fee Schedule.

Task	Estimated Fee
1 – Project Management, Meetings and QA/QC	\$5,430
2 – Hydrology Model Updates	\$1,690
3 – Hydraulic Modeling/Inundation Mapping	\$14,740
4 – Technical Study	\$13,780
5 – Emergency Action Plan (optional)	\$10,900
Total	\$46,540

Schedule

We have prepared the following schedule of milestones using an assumed Notice to Proceed of December 15, 2017:

Task/Milestone	Estimated Schedule
Kick-off Meeting	December 19, 2017
Draft Inundation Map	February 8, 2018
District Review	February 9 - 16, 2018
Final Inundation Map	March 30, 2018
Draft Technical Study	March 8, 2018
District Review	March 9 - 16, 2018
Progress Meeting	March 16, 2018
Final Technical Study	March 30, 2018
Draft Emergency Action Plan	April 30, 2018
District Review	May 1 - 8, 2018
Progress Meeting	May 8, 2018
Final Emergency Action Plan	May 22, 2018

Mr. Adam Kanold, PE

December 5, 2017

Page 4 of 4

Closing

Thank you for the opportunity to submit this proposal. We are excited and look forward to working with the Montecito Water District. Please feel free to contact me with any questions you may have about our submittal at 818.667.7439 or jaranda@mnsengineers.com. Thank you for your consideration.

Sincerely,

MNS Engineers, Inc.



Julia Aranda, PE
Principal Engineer

Attachments:

Fee Estimate Spreadsheet

MNS Standard Fee Schedule



		PM	QC	ENGINEERING		Total Resource Hours	Total Hours* Rates	Summary	Total
		Principal Engineer - JA	Principal Engineer - JM	Project Engineer - KS	Associate Engineer - SP				
2016-17 Rate		\$225	\$225	\$155	\$140				
1 - Project Management, Meetings and QA/QC	Task 1							Task 1	
PM, Meetings and QA/QC	Task 1.1	12	8	6		26	\$5,430	Task 1.1	\$5,430
Task 1 Subtotal		12	8	6	0	26	\$5,430		\$5,430
2 – Hydrologic Model Update	Task 2							Task 2	
Hydrologic Model Update	Task 2.1	2		8		10	\$1,690	Task 2.1	\$1,690
Task 2 Subtotal		2	0	8	0	10	\$1,690		\$1,690
3 – Hydraulic Modeling/ Inundation Mapping	Task 3							Task 3	
Draft Hydraulic Modeling/Inundation Mapping	Task 3.1	8		40	16	64	\$10,240	Task 3.1	\$10,240
Final Hydraulic Modeling/Inundation Mapping	Task 3.2	4		16	8	28	\$4,500	Task 3.2	\$4,500
Task 3 Subtotal		12	0	56	24	92	\$14,740		\$14,740
4 – Technical Study	Task 4							Task 4	
Draft Technical Study	Task 4.1	16		24	16	56	\$9,560	Task 4.1	\$9,560
Final Technical Study	Task 4.2	8		12	4	24	\$4,220	Task 4.2	\$4,220
Task 4 Subtotal		24	0	36	20	80	\$13,780		\$13,780
5 – Emergency Action Plan	Task 5							Task 5	
Draft EAP	Task 5.1	8		16	24	48	\$7,640	Task 5.1	\$7,640
Final EAP	Task 5.2	4		8	8	20	\$3,260	Task 5.2	\$3,260
Task 5 Subtotal		12	0	24	32	68	10,900		\$10,900
Sub-Total	Hours	62	8	130	76	276	\$ 46,540	Grand Total	\$46,540
	Cost	\$13,950	\$1,800	\$20,150	\$10,640				



STANDARD SCHEDULE OF FEES

Project Management

Principal-In-Charge	\$250
Senior Project Manager.....	230
Project Manager	200
Project Coordinator.....	120

Engineering

Principal Engineer	\$225
Lead Engineer.....	\$210
Supervising Engineer.....	190
Senior Project Engineer.....	175
Project Engineer	155
Associate Engineer	140
Assistant Engineer	125

Surveying

Principal Surveyor	\$220
Supervising Surveyor.....	195
Senior Project Surveyor.....	170
Project Surveyor	150
Senior Land Title Analyst	145
Assistant Project Surveyor.....	125
Party Chief	150
Chainperson	130
One-Person Survey Crew.....	180

Technical Support

CADD Manager.....	\$150
Supervising Technician	135
Senior Technician.....	125
Engineering Technician	95

Construction Management

Principal Construction Manager.....	\$225
Senior Construction Manager	195
Resident Engineer.....	180
Structure Representative	170
Construction Manager.....	165
Assistant Resident Engineer	150
Construction Inspector (PW)	140
Office Administrator	105

Government Services

City Engineer	\$200
Deputy City Engineer	185
Assistant City Engineer	175
Plan Check Engineer.....	160
Permit Engineer.....	140
City Inspector	125
City Inspector (PW)	140
Planning Director.....	185
Senior City Planner.....	160
Assistant Planner.....	145

Administrative Support

Administrative Analyst.....	\$110
IT Technician.....	105
Graphics/Visualization Specialist.....	95
Administrative Assistant	70

Direct Expenses:

Use of outside consultants as well as copies, blueprints, survey stakes, monuments, computer plots, telephone, travel (out of area) and all similar charges directly connected with the work will be charged at cost plus fifteen percent (15%). Mileage will be charged at the current federal mileage reimbursement rate. Expert Witness services will be charged at three (3) times listed rate and will include all time for research, deposition, court appearance and expert testimony.

Prevailing Wage Rates:

Rates shown with Prevailing Wage "(PW)" annotation are used for field work on projects subject to federal or state prevailing wage law.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-E

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: ENGINEERING MANAGER

**SUBJECT: PURCHASE OF TEMPORARY HOUSING FOR JAMESON LAKE DAM
CARETAKER**

This item was reviewed by the Operations Committee at their meeting on February 12, 2018 and the Committee concurs with the staff recommendation.

RECOMMENDATION:

That the Board of Directors ratify the purchase of temporary housing to be used by the caretaker at Jameson Lake until permanent housing is constructed.

DISCUSSION:

The Jameson Lake caretaker's cabin and bunkhouse were destroyed by the Thomas Fire in December 2017. There are no remaining structures at the lake suitable for housing personnel. District insurance is currently assessing damages and will provide the District with a replacement value for the cabin and bunkhouse. The District plans to rebuild the caretaker facilities over the next 6-12 months. In the meantime, the caretaker requires housing at the lake to allow him to perform his operational duties at the lake and to manage ongoing construction of the proposed facilities once construction begins.

District staff researched temporary housing options and a trailered RV is the most suitable for the site and purpose. Rental of an RV would cost an estimated \$54,000 for one year. The District researched the purchase of a used RV from Ventura and found a used trailered RV for \$37,000.

Upon completion of the new caretaker facilities, the District will sell the RV. The District's insurance policy through JPIA will cover the cost difference between the purchase price of the RV and the eventual sale price.

In accordance with Emergency Procurement policy, the General Manager discussed the RV purchase with the Board President prior to purchasing the RV and obtained verbal approval to proceed. The RV was purchased on February 8, 2018 and mobilized to Jameson Lake on February 10, 2018. District Staff is now seeking Board ratification of this purchase.



**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-F

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: PROPOSED EMERGENCY RESPONSE CONTRACT AMENDMENTS

This item was reviewed by the Operations Committee at their meeting on February 12, 2018 and the Committee concurs with the staff recommendation.

RECOMMENDATION:

Ratification of emergency response contract amendments for construction and consulting services in accordance with District Resolution No. 2144.

DISCUSSION:

On January 16, 2018 the District Board of Directors passed Resolution No. 2161 concerning the Montecito mudslide event and the District response thereto. Resolution 2161 authorized the General Manager to enter into such contracts as were necessary to respond to declared disaster conditions.

The District entered into multiple contracts for construction and consulting services to respond to the emergency conditions and exigent circumstances. The original scope of each contract, and contract amount, were educated estimates at the time the contracts were executed. Contracts also included a "Not-To-Exceed" amount concerning contractor and consultant compensation. Pursuant to Resolution 2144, the District Board of Directors ratified these construction and consulting contracts on January 30, 2018.

Several contractors and consultants have reached and/or exceeded the Not-To-Exceed contract amount and are still performing emergency response work for the District. The District has performed careful administration and oversight of the work performed under each contract. As additional main breaks, administrative needs, or consulting needs were identified by District staff, the contractors and consultants below were requested to perform additional work to support ongoing emergency repair efforts.

In accordance with the terms of the emergency response contracts, District staff and District General Counsel have developed contract amendments for each of these

contractors. The names of the contractors or consultants and amended contract Not-to-Exceed (NTE) amounts are listed below.

Construction

- Tierra Construction (NTE \$700,000) – emergency highline repairs, hydrant repairs, debris removal and main break repairs. *Original Contract Amount: \$250,000.*
- Central Machine & Welding (NTE \$40,000) – emergency highline repairs and main break repairs. *Original Contract Amount: \$25,000.*

Consultants

- Dudek (NTE \$33,000) – emergency cultural resources and biological assessment of repair work performed in creeks at Highline locations. *Original Contract Amount: \$15,000.*
- ZWorld GIS (NTE \$20,000) – emergency mapping services. *Original Contract Amount: \$10,000.*

ATTACHMENTS:

- A. Construction Contract Amendment Template

AMENDMENT NO. 1
TO
SHORT FORM EMERGENCY RESPONSE CONTRACT BETWEEN CONTRACTOR AND
MONTECITO WATER DISTRICT

Recitals

A. The Short Form Emergency Response Contract ("Contract") between Montecito Water District ("District") and _____ ("Contractor") was entered into on January 2018. For the purposes of the Contract, and this Amendment No. 1, District and Contractor are collectively referred to as the "Parties".

B. Work under the Contract, and any amendments thereto, encompassed the performance of exigent and/or emergency construction services to respond to the mudflow event that occurred in the District service area on January 9, 2018, which mudflow event is the subject of State and Federal emergency declarations.

C. Section 3 of the Contract requires any modification to the Contract to be in writing signed by both Parties.

This Amendment No. 1 is made and entered into on this _____ by and between District and Contractor.

1) Price and Payment

Section 2 "Price and Payment" of the Contract shall be replaced in its entirety via this Amendment No. 1 as follows:

"The District agrees to pay the Contractor for the strict performance of the work on a time and materials basis not to exceed \$_____. If Contractor exceeds the not to exceed amount herein, Contractor does so at its own risk.

The District agrees to pay the Contractor in monthly progress payments for all work completed. Payments will be due and payable within thirty days of invoice. Final payment to the Contractor shall be made within forty-five days after substantial completion of the Contract and submission of the final invoice to the District".

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to be executed the day and year first above written.

MONTECITO WATER DISTRICT

By:
Title:

Dated: _____

[contractor]

By:
Title:

Dated: _____

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-H

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: APPOINTMENT OF VOTING REPRESENTATIVE - LAFCO SPECIAL
DISTRICT COMMISSIONER ELECTION**

RECOMMENDATION:

Authorize the Board President's appointment, in writing, of Director Shaikewitz as MWD's designated voting representative for the 2018 Special Districts LAFCO Commissioner election to be held March 26, 2018.

DISCUSSION:

The Santa Barbara County Special Districts Association will be voting on the selection of the special district representative to the LAFCO Commission on March 26, 2018. In order to have a vote, the District must either send the Board President or appoint a voting representative if the Board President is unable to attend. Director Shaikewitz has been very active in the Santa Barbara County Special Districts Association and it is recommended that the Board designate Director Shaikewitz, by a letter from the Board President, to vote on MWD's behalf.

This election is important; the Special Districts provide two of the seven LAFCO Commissioners to represent the interests of the special districts. Director Shaikewitz is familiar with all the candidates and he will report and provide further information to the Board regarding this matter.

For this election one of the two special district representatives is up for election. The selection committee will also be selecting a director to serve on the Countywide Redevelopment Agency Oversight Board, and possibly an alternate LAFCO representative if the current alternate is selected to fill the vacant regular representative position. You will find below a general description of the special districts' participation in LAFCO.

Special District Members: The two regular Special District members and one alternate must be members of the governing board of an independent special district during the time they serve. Special District members are chosen by, and serve at the pleasure of, the Independent Special District Selection Committee (consisting of the presiding officer of each independent special district in the County.) Independent Special District Selection Committee meetings are open to the public. The Executive Officer calls meetings of the Committee.

FEB 14 2018

LAFCO

DISTRICT
OFFICE
SANTA BARBARA, CA

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

February 8, 2018

TO: Presiding Officers of Independent Special Districts

Subject: Special District Appointment(s) to Santa Barbara LAFCO and the Countywide
RDA Oversight Board

**NOTICE OF A MEETING OF THE SANTA BARBARA COUNTY INDEPENDENT
SPECIAL DISTRICT SELECTION COMMITTEE**

THIS NOTICE WILL CALL AND GIVE NOTICE that the Santa Barbara County Independent Special District Selection Committee will meet on **Monday, March 26, 2018 at 5:00 p.m.** The meeting will be held at the Santa Ynez Valley Marriot, 555 McMurray Road in Buellton, California.

Purpose: The purpose of this meeting is to (a) Select a Regular Special District Member of the Commission for a term of office from March 1, 2018 to March 1, 2022. This position is currently vacant, (b). Select an Alternate Special District member if the current Alternate member is elected as the regular Special District member. This position is currently held by Judith Ishkanian, a Director on the Montecito Sanitary District, whose term also expires on March 1, 2020, and (c). Pursuant to Health and Safety Code Section 34179(j)(3), select an Independent Special District Director to serve on the Countywide Redevelopment Agency (RDA) Oversight Board.

Call for Nominations: Nominations for the Regular Special District member(s) and the (RDA) Oversight Board should be submitted to the LAFCO Executive Officer, at the above address, **no later than March 16, 2018.** Nominations may be received by mail or offered from the floor at the meeting. A nomination form is attached to this notice.

Who Can Serve: Any elected member of an independent special district can serve on LAFCO, two regular and one alternate member. For appointment to the RDA Oversight Board, based on Health and Safety Code Section 34179(j)(3), the committee should appoint a representative from a special district that receives property tax residual from the Redevelopment Property Tax Trust Fund (RPTTF). These special districts are:

Santa Maria Public Airport District
Goleta Cemetery District
Guadalupe Cemetery District
Lompoc Cemetery District
Oak Hill Cemetery District

Commissioners: Roger Welt, Chair ♦ Roger Aceves ♦ Craig Geyer ♦ Steve Lavagnino ♦ Jim Richardson ♦ Janet Wolf
♦ Joan Hartmann ♦ Judith Ishkanian ♦ Shane Stark ♦ Etta Waterfield ♦ **Executive Officer:** Paul Hood

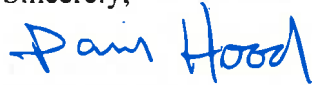
Local Agency Formation Commission
February 8, 2018
Page two

Santa Maria Cemetery District
Santa Barbara County Metropolitan Transit District
Mosquito and Vector Management District of Santa Barbara County
Isla Vista Recreation and Park District
Cachuma Resource Conservation District
Goleta Sanitary District
Goleta West Sanitary District
Santa Maria Valley Water Conservation District
Santa Ynez River Water Conservation District

Who Can Vote: The Presiding Officer each Independent Special District is authorized to vote for the Special District members on LAFCO. However, if the presiding officer is unable to attend the meeting, the legislative body of the district may appoint one of its members to attend the meeting of the selection committee in the presiding officer's place. There is one vote per district. Members representing a majority of the eligible district shall constitute a quorum, which is necessary for the selection committee to conduct its business.

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

**MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
NOVEMBER 2017**

	Jameson Lake	Cachuma Lake
Full Reservoir Elevation	2223.87	750
Full Reservoir Storage (acre feet)	5,114	184,121
Elevation (feet) October 31, 2017	2200.57	703.34
Elevation (feet) November 30, 2017	2199.98	702.12
Elevation Change for Month (feet)	-0.59	-1.22
Full Reservoir Elevation Difference (feet)	-23.89	-47.88
Storage (acre feet) October 31, 2017	2,674	77,617
Storage (acre feet) November 30, 2017	2,624	75,612
Storage Change for Month (acre feet)	-50	-2,005
Full Reservoir Storage Difference (acre feet)	-2,490	-108,509
Alder Creek Inflow (acre feet)	NA	
Jameson Lake Inflow (acre feet)	0	

WATER PRODUCTION

District Surface Sources (af)

Jameson	Fox	Doulton	Arch Meter	Weirs 1 & 2
21.39	0.00	20.40	7.77	0.00
Total District Surface Production (1):				49.56

Cachuma Turnouts (af) (Cachuma & State Water)

Barker Pass	Office	E Valley	Sheffield	Lambert Rd
51.53	44.45	147.40	0.04	0.00
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard
1.13	2.45	12.99	5.49	0.00
Total SCC Meters:				265.48
Cachuma Production:				0.00
State Water Credit (Warren Act Contract):				265.48
SWP Portion of SCC Losses:				32
SWP Portion of Evaporation:				7
Santa Ynez ID #1 Exchange				0
Cachuma Portion of SCC Losses:				0
Cachuma Portion of Evaporation:				7.7
Cachuma Remaining Balance:				2048.5
State Water Stored in Cachuma:				652

District Wells (af)

Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
0.00	7.23	6.56	8.17	0.00	4.13
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
2.00	3.58	2.06	0.00	1.37	1.51
Total Wells:					36.61
Total District Water Production:					351.65

**MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
NOVEMBER 2017**

WEATHER

Rainfall (inches)	Office	Doulton	Juncal
Nov 2017	0.09	0.11	0.23
Nov 2016	1.06	1.18	1.16
Historical Monthly Average	1.87	2.46	2.57
Season to Date	0.53	0.64	0.46
Last Year Season to Date	2.11	2.41	2.23
Historical Season Average to Date	2.81	3.95	3.75

Jameson Lake Air Temperature Averages:

Low	High
41°	70°

WATER PRODUCTION vs. METERED USE

Water Production (af):	351.7	Meter Use (af):	339.7
No. of Days in Production Period:	30	City of SB Intertie (af):	0.0
Average Daily Production (af):	11.7	Adjusted Meter Use (af):	339.7
Month's Water Loss (af):	33.2	No. of Days in Demand Period:	32
Month's Percentage Loss ¹ :	9%	Average Daily Demand (af):	10.6
Water Loss² (GAL/mile/d)	3,380	Water Loss³ (GAL/connection/d)	84

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

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

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

METER SALES

Meters Removed Per Customer Request:	0
New Installations:	1
Total Meters:	4,605

**MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
DECEMBER 2017**

	Jameson Lake	Cachuma Lake
Full Reservoir Elevation	2223.87	750
Full Reservoir Storage (acre feet)	5,114	184,121
Elevation (feet) November 30, 2017	2199.98	702.12
Elevation (feet) December 31, 2017	2199.43	701.63
Elevation Change for Month (feet)	-0.55	-0.49
Full Reservoir Elevation Difference (feet)	-24.44	-48.37
Storage (acre feet) November 30, 2017	2,624	75,612
Storage (acre feet) December 31, 2017	2,578	74,813
Storage Change for Month (acre feet)	-46	-799
Full Reservoir Storage Difference (acre feet)	-2,536	-109,308
Alder Creek Inflow (acre feet)	NA	
Jameson Lake Inflow (acre feet)	0	

WATER PRODUCTION

District Surface Sources (af)

Jameson	Fox	Doulton	Arch Meter	Weirs 1 & 2	
22.75	0.00	15.30	8.00	0.00	
Total District Surface Production (1):					46.05

Cachuma Turnouts (af) (Cachuma & State Water)

Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
80.68	68.20	135.88	4.09	0.26	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
1.31	3.54	11.98	4.51	0.00	
Total SCC Meters:					310.45
Cachuma Production:					0.00
State Water Credit (Warren Act Contract):					310.45
SWP Portion of SCC Losses:					61
SWP Portion of Evaporation:					4
Santa Ynez ID #1 Exchange					0
Cachuma Portion of SCC Losses:					0
Cachuma Portion of Evaporation:					6.6
Cachuma Remaining Balance:					2042.0
State Water Stored in Cachuma:					630

District Wells (af)

Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
0.00	1.82	0.98	4.76	0.00	1.55
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
3.27	2.79	2.12	0.00	1.37	0.12
Total Wells:					18.78
Total District Water Production:					375.28

**MONTECITO WATER DISTRICT
WATER WORKS OPERATION REPORT
DECEMBER 2017**

WEATHER

Rainfall (inches)	Office	Doulton	Juncal
Dec 2017	0.00	0.00	0.00
Dec 2016	3.75	4.40	3.55
Historical Monthly Average	3.16	4.44	4.43
Season to Date	0.53	0.64	0.46
Last Year Season to Date	5.86	6.81	5.78
Historical Season Average to Date	5.97	8.39	8.18

Jameson Lake Air Temperature Averages:

Low	High
na	na

WATER PRODUCTION vs. METERED USE

Water Production (af):	375.3	Meter Use (af):	331.4
Estimated Thomas Fire Usage (af):	40	Thomas Fire Credits (af):	26.0
Revised Water Production (af):	335.3	Revised Meter Use (af):	305.4
No. of Days in Production Period:	29	City of SB Intertie (af):	0.0
Average Daily Production (af):	11.6	Adjusted Meter Use (af):	305.4
Month's Water Loss (af):	29.9	No. of Days in Demand Period:	29
Month's Percentage Loss ¹ :	9%	Average Daily Demand (af):	10.5
Water Loss² (GAL/mile/d)	3,044	Water Loss³ (GAL/connection/d)	76

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

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

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

METER SALES

Meters Removed Per Customer Request:	
New Installations:	
Total Meters:	0

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 6-A

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: NOVEMBER 2017 FINANCIAL REPORTS

RECOMMENDATION:

For information and discussion only; no action required.

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 – NOVEMBER, 2017

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	259.89	149.31	110.58	74.1%
Multi Family	5.73	4.05	1.68	41.4%
Agricultural	28.57	14.81	13.77	93.0%
Institutional	13.70	12.46	1.24	10.0%
Commercial	21.12	17.07	4.05	23.7%
Non-Potable	10.62	4.80	5.82	121.2%
Monthly Total	339.65	202.50	137.15	67.7%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1,371.10	1,369.84	1.26	0.1%
Multi Family	29.75	33.74	(3.99)	(11.8%)
Agricultural	163.85	170.52	(6.67)	(3.9%)
Institutional	121.18	194.08	(72.91)	(37.6%)
Commercial	116.32	120.61	(4.29)	(3.6%)
Non-Potable	78.55	64.22	14.33	22.3%
Yearly Total	1,880.74	1,953.00	(72.26)	(3.7%)

A. Water Sales in Acre Feet (AF)

During the month of November 2017, MWD sold 339.65 AF of water to its customers compared to a budgeted amount 202.50 AF which translates to a budget variance of +137.15 AF or 67.7%. The reason for the variance has to do with the budget process and timing, not an increase in sales versus the prior month.

B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 3,493,089	\$ 3,452,735	\$ 40,354	1.2%
Multi Family	69,963	79,527	(9,564)	(12.0%)
Agricultural	227,275	237,956	(10,681)	(4.5%)
Institutional	330,556	512,121	(181,565)	(35.5%)
Commercial	315,172	324,244	(9,072)	(2.8%)
Non-Potable	47,902	39,164	8,738	22.3%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 4,483,957	\$ 4,645,747	\$ (161,790)	(3.5%)

2. STATEMENT OF REVENUE AND EXPENDITURES – NOVEMBER 2017

A. Revenues

Total Revenue YTD as of November 30, 2017 is \$9,169,370 compared to the YTD Budget of \$9,552,154 for a budget variance of -\$382,784 or -4%.

	YTD ACTUAL	YTD BUDGET	OVER (UNDER)
REVENUE			
WATER SALES	4,483,957	4,645,747	(161,790)
WSE SURCHARGE	2,692,614	2,935,007	(242,393)

ORD. 94 PENALTIES	(3,105)	-	(3,105)
SERVICE CHARGES	1,775,993	1,782,077	(6,084)
WAC	-	-	-
PRIVATE FIRE HYDRANT	28,467	27,502	965
LATE CHARGES	32,082	21,255	10,827
CONNECTION FEES	13,988	7,477	6,511
CAP. COST RECOVERY	56,904	58,090	(1,186)
INTEREST	42,240	41,667	573
OTHER	46,231	33,333	12,898
TOTAL REVENUE	\$ 9,169,370	\$ 9,552,154	(\$ 382,784)

B. Expenses:

1. JPA Expenses

Total JPA Expenses YTD through November 30, 2017 are \$3,441,696 compared to the YTD budget of \$3,129,804 which is above budget by \$312k. This variance is due to the variable portion of the SWP being above budget by \$75k (but is anticipated to slowly come closer to budget over time as a result of SWP's billing practice), \$216k of supplemental water purchased to repay the AVEK water debt that was not budgeted, as well as other miscellaneous timing differences. Please see footnotes to the Financial Statements for further clarification.

2. MWD Expenses

Total MWD Expenses YTD as of November 30, 2017 are \$2,747,166 compared to the YTD budget of \$3,166,511 which is below budget by \$419k. This variance is primarily due to the following factors – **Engineering**, a recycled water feasibility study has not yet been completed (\$28k), a fish relocation project was not necessary (\$10k), as well as other combined variances (\$11k); **Public Information and Conservation**, website development has not yet taken place (\$20k), as well as other combined variances (\$20k); **Administration**, local water supply negotiations planned but not completed (\$240k), as well as other combined variances (\$101k). Please see footnotes to the Financial Statements for further clarification.

ATTACHMENTS:

1) Financial Package – November 2017



FINANCIAL REPORTS
BOARD OF DIRECTORS MEETING
For the Month of November 2017
February 20, 2018

MONTECITO WATER DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES
November 30, 2017

	MTD ACTUAL	MTD BUDGET	OVER (UNDER)	Footnote	YTD ACTUAL	YTD BUDGET	OVER (UNDER)	Footnote
REVENUE								
WATER SALES	815,859	479,064	336,795	(1)	4,483,957	4,645,747	(161,790)	(1)
WSE SURCHARGE	491,597	304,321	187,276	(1)	2,692,614	2,935,007	(242,393)	(1)
ORDINANCE 94 PENALTIES	-	-	-		(3,105)	-	(3,105)	
SERVICE CHARGES	355,134	356,274	(1,140)		1,775,993	1,782,077	(6,084)	
WATER AVAILABILITY CHARGE	-	-	-		-	-	-	
PRIVATE FIRE HYDRANT	5,683	5,620	63		28,467	27,502	965	
LATE CHARGES	8,155	4,251	3,904		32,082	21,255	10,827	
SERVICE CONNECTION FEES	1,591	-	1,591		13,988	7,477	6,511	
CAPITAL COST RECOVERY FEES	-	-	-		56,904	58,090	(1,186)	
INTEREST REVENUE - GENERAL	8,831	8,333	497		42,240	41,667	573	
OTHER REVENUE (LOSS)	22,208	4,667	17,541	(2)	43,189	23,333	19,856	(2)
REIMBURSEMENTS	-	2,000	(2,000)		3,042	10,000	(6,958)	
TOTAL REVENUE	\$ 1,709,058	\$ 1,164,530	\$ 544,528		\$ 9,169,370	\$ 9,552,154	(\$ 382,784)	
OPERATING EXPENSE								
JPA OPERATING EXPENSE								
CACHUMA OPERATIONS & MAINT BOARD (COMB)	68,199	37,999	30,200	(3)	228,671	215,741	12,930	(3)
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	8,638	8,638	-		43,188	43,188	-	
US BUREAU OF RECLAMATION (USBR)	-	-	-		51,550	51,550	-	
CATER WATER TREATMENT PLANT	333,373	315,000	18,373		323,417	315,000	8,417	
STATE WATER PROJECT (SWP) - FIXED	410,975	410,975	-		2,054,877	2,054,877	-	
STATE WATER PROJECT (SWP) - VARIABLE	40,885	89,890	(49,005)	(4)	524,467	449,448	75,019	(4)
SUPPLEMENTAL WATER PURCHASE	-	-	-		215,525	-	215,525	(5)
TOTAL JPA OPERATING EXPENSE	\$ 862,070	\$ 862,501	(\$ 432)		\$ 3,441,696	\$ 3,129,804	\$ 311,892	
MWD DIRECT EXPENSE								
JAMESON	7,924	7,579	345		55,114	50,282	4,831	
TRANSMISSION & DISTRIBUTION	116,394	120,268	(3,873)		569,492	605,070	(35,578)	(6)
TREATMENT	105,389	93,058	12,331	(7)	515,719	488,187	27,532	(7)
TOTAL MWD DIRECT EXPENSE	\$ 229,707	\$ 220,904	\$ 8,803		\$ 1,140,324	\$ 1,143,539	(\$ 3,215)	
MWD INDIRECT EXPENSE								
ENGINEERING	41,332	53,753	(12,422)	(8)	190,711	238,039	(47,328)	(8)
CUSTOMER SERVICE	34,408	32,378	2,030		170,931	165,127	5,804	
PUBLIC INFORMATION / CONSERVATION	7,496	6,234	1,263		25,455	65,613	(40,158)	(9)
FLEET	14,494	13,769	725		76,587	70,083	6,504	
ADMINISTRATION (incl Depreciation)	219,109	266,059	(46,950)	(10)	1,143,158	1,484,110	(340,952)	(10)
TOTAL MWD INDIRECT EXPENSE	\$ 316,839	\$ 372,194	(\$ 55,355)		\$ 1,606,842	\$ 2,022,972	(\$ 416,130)	
TOTAL OPERATING EXPENSE	\$ 1,408,616	\$ 1,455,599	(\$ 46,984)		\$ 6,188,862	\$ 6,296,315	(\$ 107,454)	
NET OPERATING SURPLUS / (DEFICIT)	\$ 300,443	(\$ 291,070)	\$ 591,512		\$ 2,980,509	\$ 3,255,839	(\$ 275,330)	

NON OPERATING EXPENSE			
2004 DWR ORTEGA LOAN	-	-	-
BOND INTEREST EXPENSE	-	(295,200)	295,200
CATER DWR LOAN	-	-	-
CATER CAPITAL	(115,824)	(115,824)	0
CATER OZONE	(138,173)	-	(138,173)
TOTAL NON OPERATING EXPENSE	(\$ 253,996)	(\$ 411,024)	\$ 157,028
NET OPERATING SURPLUS / (DEFICIT)	\$ 46,446	(\$ 702,094)	\$ 748,540
NET POSITION, BEGINNING OF PERIOD	\$ 31,932,971	\$ 32,539,655	(\$ 606,684)
NET POSITION, END OF PERIOD	\$ 31,979,417	\$ 31,837,561	\$ 141,856

-	-	-	
(11) -	(295,200)	295,200	(11)
-	-	-	
(115,824)	(115,824)	0	
(12) (138,173)	-	(138,173)	(12)
(\$ 253,996)	(\$ 411,024)	\$ 157,028	
\$ 2,726,512	\$ 2,844,815	(\$ 118,302)	
\$ 29,252,905	\$ 28,992,747	\$ 260,158	
\$ 31,979,417	\$ 31,837,561	\$ 141,856	

November 30, 2017

FOOTNOTES

- (1) **WATER SALES (in AF) - November** Actual 339.65 and Budget 202.50 = Variance 137.15; **YTD** Actual 1,880.74 and Budget 1,953.00 = Variance **(72.6)**
- (2) **OTHER REVENUE** - Relates to Gain on the Sale of Assets (two vehicles + misc small equipment)
- (3) **COMB - November** **OVER by \$30k** - October & November expenses recorded in November; **YTD OVER by \$13k** due to EPFP budgeted in later month
- (4) **STATE WATER PROJECT (VARIABLE)** - Timing difference. Anticipate slow-down in billing in coming months.
- (5) **SUPPLEMENTAL WATER PURCHASE** - Net purchases from Santa Maria to leave \$500,000 in Water Repayment Debt to AVEK relating to 2015 purchase.
- (6) **TRANSMISSION & DISTRIBUTION** - **YTD UNDER by \$35k** Variances Salaries (\$4k); Repairs (\$7k); Outside Services (\$18k); Supplies (\$10k); Utilities +\$4k
- (7) **TREATMENT - November** **OVER by \$12k** Outside Service (\$5k), Supplies (\$7k)
YTD OVER by \$27k Supplies (\$10k), Outside Service (\$10k), Electricity (\$7k)
- (8) **ENGINEERING - November** **UNDER by \$12k** Recyled Water Feasibility Study has not yet occurred
YTD UNDER by \$47k GIS (\$2k); SGMA (\$7k); Fish Relocation (\$10k); Recycled Water Feasibility (\$28k)
- (9) **PUBLIC INFORMATION / CONSERVATION** - **YTD UNDER by \$40k** Website development (\$20k);Postage (\$7k); Legal-Special (\$5k); Conserv Prg (\$5k)
- (10) **ADMINISTRATION - November** **UNDER by \$47k** Local Water Supply Negotiations (\$35k); Legal (\$15k)
YTD UNDER by \$341k - Salaries (\$18k); Local Water Supply Negotiations (\$240k); Legal (\$38k); Rate Sutdy (\$14k); LAFCO (\$10k); Insurance (\$12k); Computer (\$9k)
- (11) **BOND INTEREST EXPENSE** - **November UNDER by \$295k** - Timing difference. Payment made in December
- (12) **CATER OZONE** - **November OVER budget by \$138k** - Timing difference. Budgeted in April 2018

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
November 30, 2017

ASSETS

Current:

Cash and investments

Operating accounts

Board reserves:

Reserve for Operations	\$ 3,400,000	
Reserve for Emergencies	\$ 1,000,000	
Reserve for Unanticipated Projects	\$ 1,000,000	
	<u>5,400,000</u>	

Unreserved Cash \$ 8,450,096

Legal settlement reserve \$ -

Total unrestricted cash and investments \$ 13,850,096

Restricted - cash and investments \$ 3,612,592

Total Cash (unrestricted & restricted) \$ 17,462,689

Receivables:

Accounts receivable - water sales & services, net \$ 1,773,127

Accounts receivable - other \$ 1,736

Accrued Interest \$ 2,630

Materials and supplies inventory \$ 259,941

Prepaid water charges (SWP and other prepaid water) \$ 5,378,584

Prepaid expenses and other deposits \$ 244,456

Total Current Assets \$ 7,660,474

Noncurrent:

Capital assets - not being depreciated \$ 673,526

Capital assets - being depreciated, net \$ 31,511,187

Total Noncurrent Assets \$ 32,184,713

DEFERRED OUTFLOWS OF RESOURCES

Deferred pensions \$ 1,116,776

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

TOTAL COMBINED ASSETS:

\$ 58,424,651

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
November 30, 2017 (Continued)

LIABILITIES

Current:

Accounts payable and accrued expenses	\$	62,856	
Accrued wages and related payables	\$	10,031	
Unearned revenue and other deposits	\$	69,721	
Accrued interest payable	\$	-	
Long-term liabilities - due within one year:			
Accrued compensated absences	\$	37,001	
Bonds Payable	\$	-	
Loan Payable	\$	635,016	
Total Current Liabilities			\$ 814,625

Noncurrent:

Accrued compensated absences	\$	369,087	
Accrued water exchange transfer	\$	500,000	
Bonds payable	\$	13,360,000	
Loan payable	\$	6,299,797	
Legal settlement payable	\$	-	
Other post-employment benefits payable	\$	780,930	
Net pension liability	\$	3,797,410	
Total Noncurrent Liabilities			\$ 25,107,225
Total Liabilities			\$ 25,921,850

DEFERRED INFLOWS OF RESOURCES

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

NET POSITION

Net investment in capital assets	\$	12,072,809	
Restricted	\$	3,612,592	
Unrestricted	\$	16,294,016	
Total Net Position			\$ 31,979,417

TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:

\$ 58,424,651

MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
November 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

	MTD	YTD
Operating Income (loss)	\$ 291,612	\$ 2,938,269
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	104,511	515,707
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	373,681	273,910
Materials and supplies inventory	(940)	(12,161)
Prepaid water charges	409,123	2,563,656
Prepaid expenses and other deposits	19,463	(124,653)
Litigation Liability	-	(1,140,668)
Accounts payable	208	(843,026)
Accrued wages and related payables	4,025	(44,734)
Unearned revenue and other deposits	6,207	38,154
Accrued water exchange transfer	-	(834,475)
Compensated absences	21,040	65,707
Net cash provided (used) by operating activities	\$ 1,228,930	\$ 3,395,686

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	\$ (24,822)	\$ (705,366)
Interest Payable	-	-
Net cash provided (used) by capital financing and related activities	\$ (24,822)	\$ (705,366)

MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
November 30, 2017 (Continued)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Ortega Interest	\$ -	\$ -
Bond Interest	-	-
Cater DWR Loan	-	-
Cater Capital	(115,824)	(115,824)
Cater Ozone	(138,173)	(138,173)
	<u> </u>	<u> </u>
Net cash provided (used) by noncapital financing activities	\$ (253,997)	\$ (253,997)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	\$ 8,831	\$ 42,239
	<u> </u>	<u> </u>
Net cash provided by (used) by investing activities	\$ 8,831	\$ 42,239

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 958,942	\$ 2,478,562
	<u> </u>	<u> </u>
Cash and cash equivalents, beginning of period	\$ 16,503,747	\$ 14,984,127
	<u> </u>	<u> </u>
Cash and cash equivalents, end of period	<u><u>\$ 17,462,689</u></u>	<u><u>\$ 17,462,689</u></u>

RECONCILIATION TO STATEMENT OF NET POSITION:

Cash and investments - cash equivalents	\$ 13,850,096	\$ 13,850,096
Restricted cash and investments - cash equivalents	<u>3,612,592</u>	<u>3,612,592</u>
	<u><u>\$ 17,462,689</u></u>	<u><u>\$ 17,462,689</u></u>



DASHBOARD REPORT WATER SALES (AF)

11/30/2017

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	259.89	149.31	110.58	74.1%
Multi Family	5.73	4.05	1.68	41.4%
Agricultural	28.57	14.81	13.77	93.0%
Institutional	13.70	12.46	1.24	10.0%
Commercial	21.12	17.07	4.05	23.7%
Non-Potable	10.62	4.80	5.82	121.2%
Monthly Total	339.65	202.50	137.15	67.7%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1,371.10	1,369.84	1.26	0.1%
Multi Family	29.75	33.74	(3.99)	(11.8%)
Agricultural	163.85	170.52	(6.67)	(3.9%)
Institutional	121.18	194.08	(72.91)	(37.6%)
Commercial	116.32	120.61	(4.29)	(3.6%)
Non-Potable	78.55	64.22	14.33	22.3%
Yearly Total	1,880.74	1,953.00	(72.26)	(3.7%)

Fiscal Year = July thru June



DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 660,562	\$ 365,681	\$ 294,881	80.6%
Multi Family	13,493	9,547	3,946	41.3%
Agricultural	40,142	21,499	18,643	86.7%
Institutional	37,062	33,095	3,967	12.0%
Commercial	58,122	46,313	11,809	25.5%
Non-Potable	6,479	2,929	3,550	121.2%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 815,860	\$ 479,064	\$ 336,796	70.3%

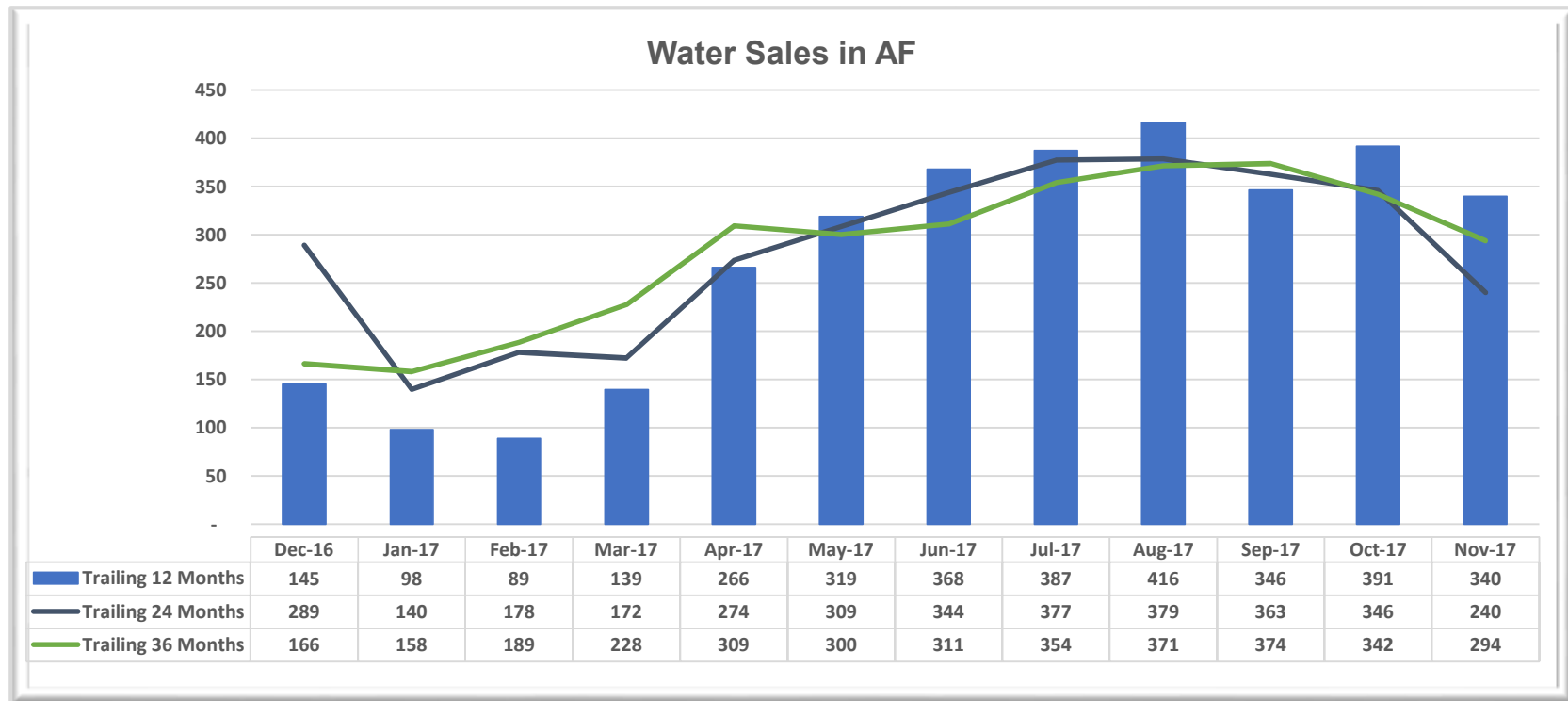
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 3,493,088	\$ 3,452,736	\$ 40,352	1.2%
Multi Family	69,963	79,527	(9,564)	(12.0%)
Agricultural	227,275	237,956	(10,681)	(4.5%)
Institutional	330,556	512,121	(181,565)	(35.5%)
Commercial	315,172	324,244	(9,072)	(2.8%)
Non-Potable	47,902	39,164	8,738	22.3%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 4,483,956	\$ 4,645,748	\$ (161,792)	(3.5%)

Fiscal Year = July thru June

MONTH ENDING

11/30/2017

(Select Date From Drop Down Arrow)

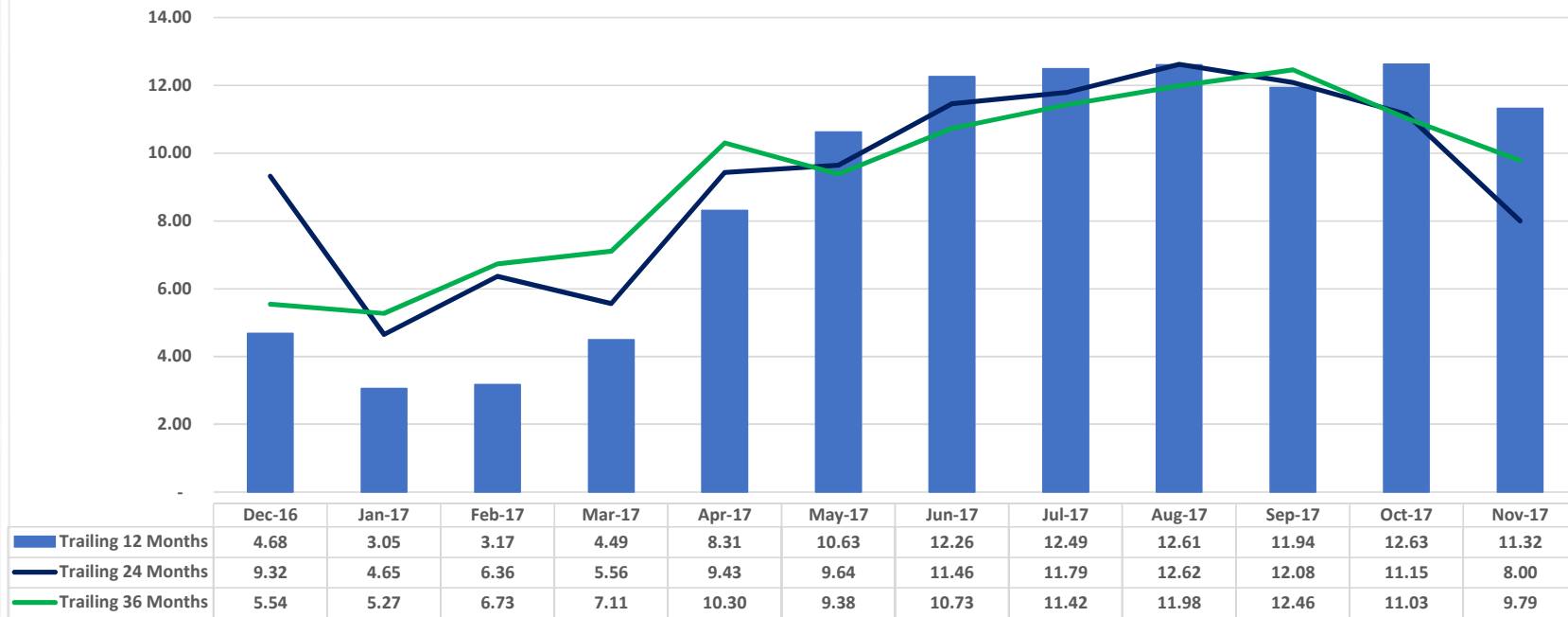


	Trailing 12 Months	3,304	AF
	Trailing 24 Months	3,409	AF
	Trailing 36 Months	3,395	AF



11/30/2017

Average Daily Water Sales Per Month (AF)

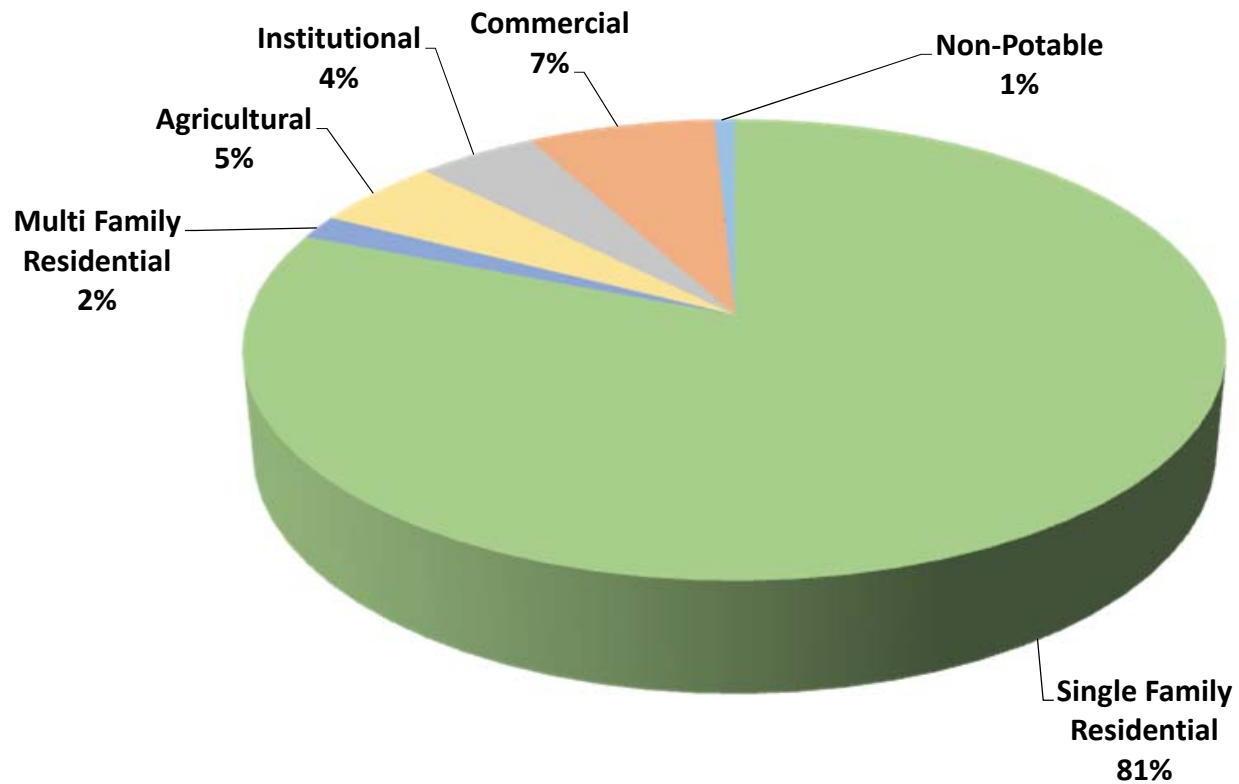


MONTH ENDING

11/30/2017

(Select Date From Drop Down Arrow)

Water Sales by Classification
November 30, 2017



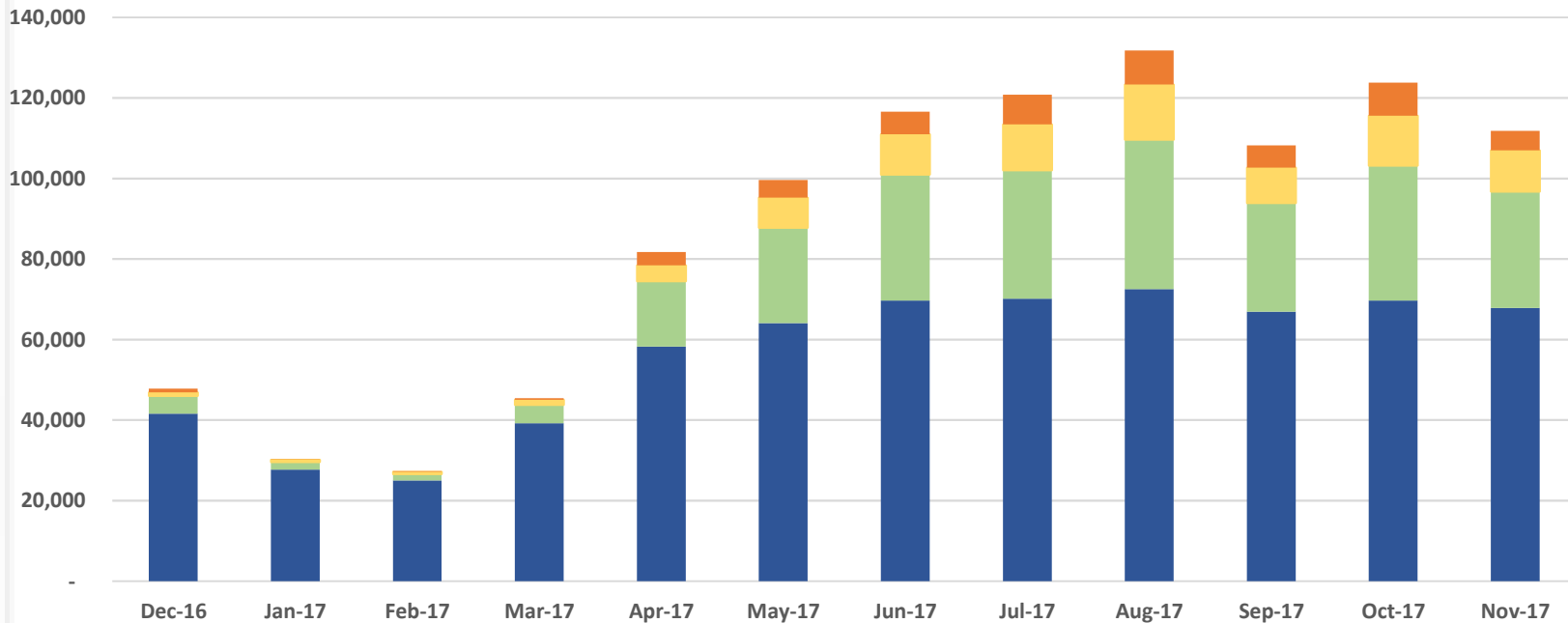


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

11/30/2017

Monthly SFR Water Consumption by Tier (HCF)



Tier 4	900	100	200	400	3,300	4,400	5,600	7,400	8,500	5,500	8,200	4,800
Tier 3	900	500	500	1,200	3,900	7,400	10,000	11,300	13,600	8,800	12,400	10,200
Tier 2	4,400	1,900	1,600	4,600	16,300	23,700	31,300	32,000	37,200	27,000	33,500	29,000
Tier 1	41,600	27,700	25,000	39,200	58,200	64,100	69,700	70,100	72,500	66,900	69,700	67,800

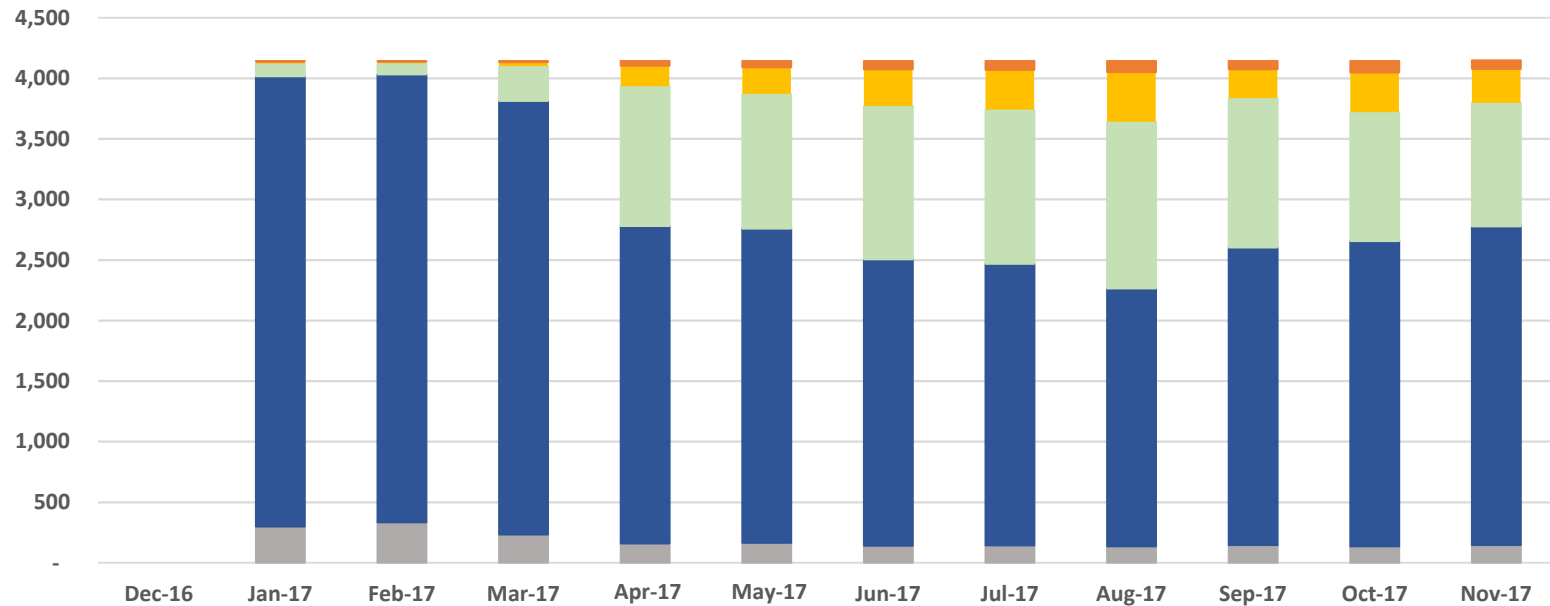


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

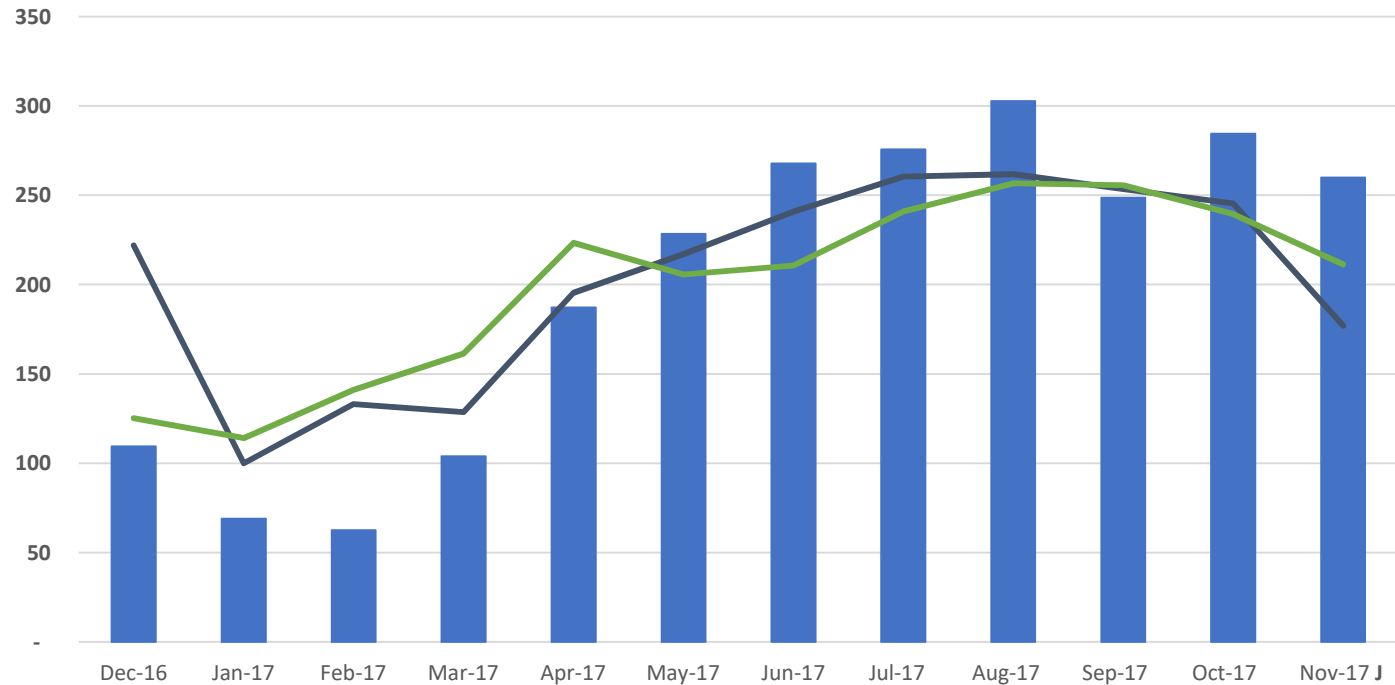
11/30/2017

Monthly SFR Water Consumption by Tier (# of Customers)



Tier 4 Usage	-	2	3	9	36	50	67	71	89	65	93	67
Tier 3 Usage	-	19	15	34	172	223	307	330	413	243	330	284
Tier 2 Usage	-	104	90	284	1,154	1,108	1,263	1,273	1,375	1,229	1,061	1,017
Tier 1 Usage	-	3,717	3,700	3,581	2,621	2,597	2,365	2,323	2,128	2,459	2,522	2,632
"0" Usage	-	301	335	235	160	165	141	146	138	147	137	147

Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



Trailing 12 Months	109	69	63	104	187	228	268	276	303	249	284	260
Trailing 24 Months	222	100	133	129	195	217	241	260	262	253	245	177
Trailing 36 Months	125	114	141	161	223	206	211	241	257	256	239	211

■ Trailing 12 Months(SINGLE FAMILY RESIDENTIAL) 2,386 AF

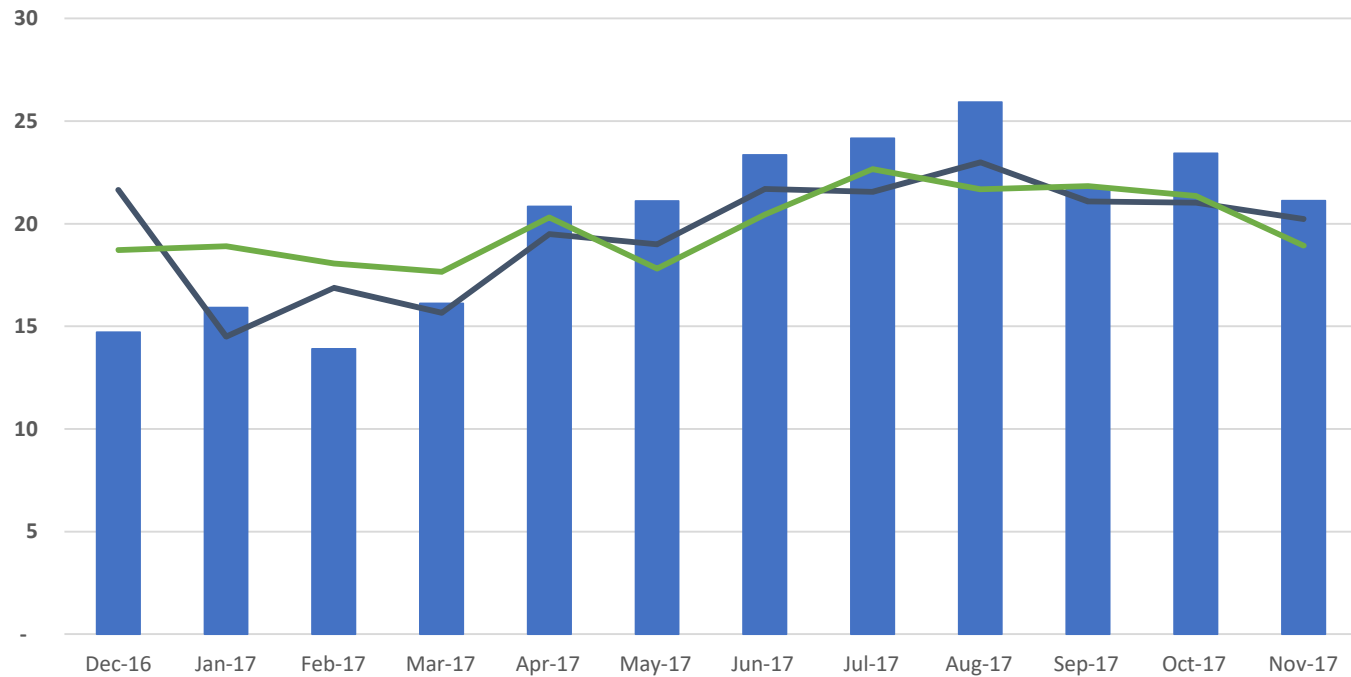
■ Trailing 24 Months(SINGLE FAMILY RESIDENTIAL) 2,435 AF

■ Trailing 36 Months(SINGLE FAMILY RESIDENTIAL) 2,399 AF

Trailing 12 Months vs. Trailing 24 Months: (2.0%)

Trailing 12 Months vs. Trailing 36 Months: (0.6%)

Water Sales by Month (AF) COMMERCIAL



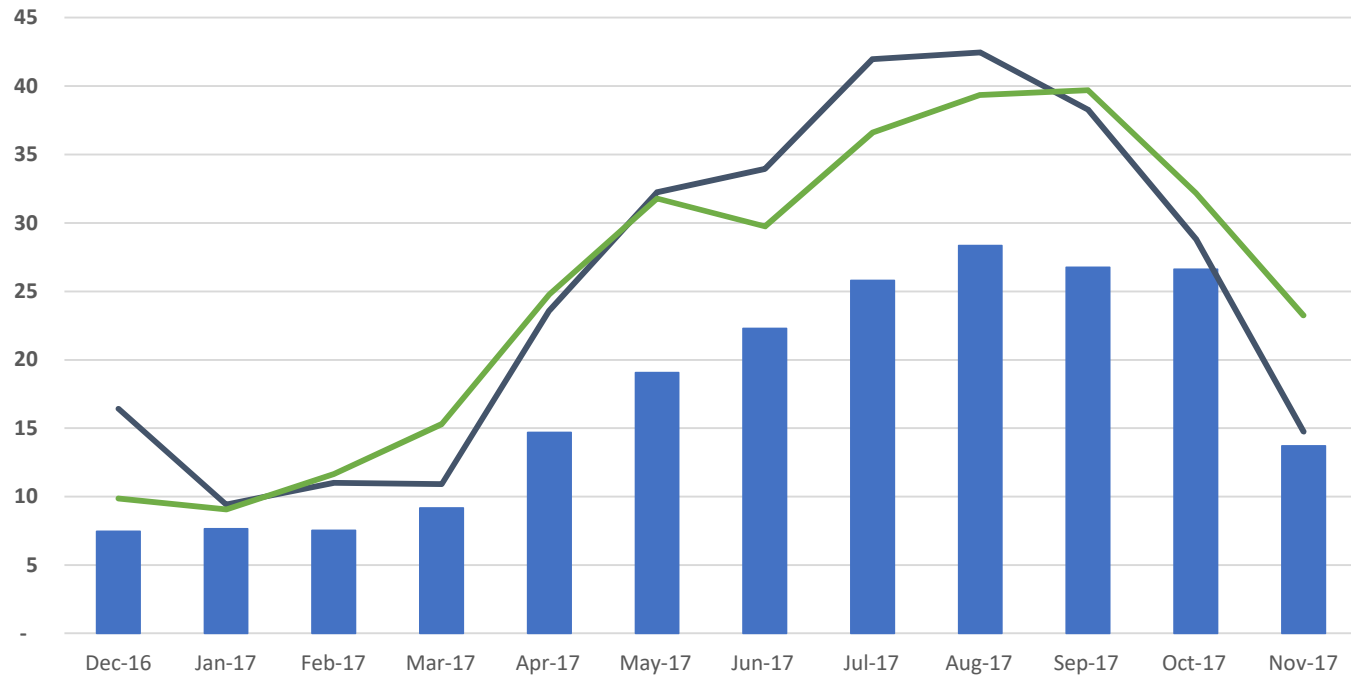
Trailing 12 Months	15	16	14	16	21	21	23	24	26	22	23	21
Trailing 24 Months	22	14	17	16	20	19	22	22	23	21	21	20
Trailing 36 Months	19	19	18	18	20	18	20	23	22	22	21	19

Trailing 12 Months (COMMERCIAL) 242 AF
 Trailing 24 Months (COMMERCIAL) 236 AF
 Trailing 36 Months (COMMERCIAL) 238 AF

Trailing 12 Months vs. Trailing 24 Months: 2.7%

Trailing 12 Months vs. Trailing 36 Months: 1.6%

Water Sales by Month (AF) INSTITUTIONAL



Trailing 12 Months	7	8	8	9	15	19	22	26	28	27	27	14
Trailing 24 Months	16	9	11	11	24	32	34	42	42	38	29	15
Trailing 36 Months	10	9	12	15	25	32	30	37	39	40	32	23



Trailing 12 Months (INSTITUTIONAL)

209 AF

Trailing 24 Months (INSTITUTIONAL)

304 AF

Trailing 36 Months (INSTITUTIONAL)

303 AF

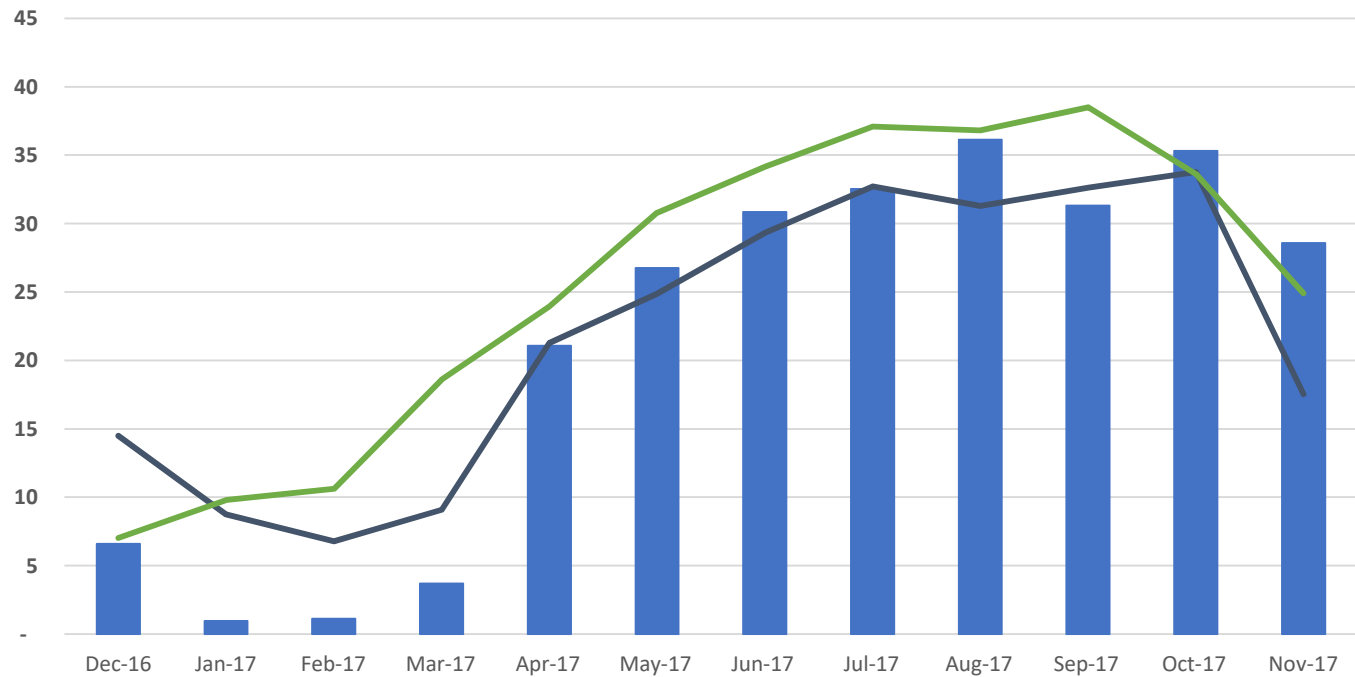
Trailing 12 Months vs. Trailing 24 Months:

(31.2%)

Trailing 12 Months vs. Trailing 36 Months:

(31.1%)

Water Sales by Month (AF) AGRICULTURE



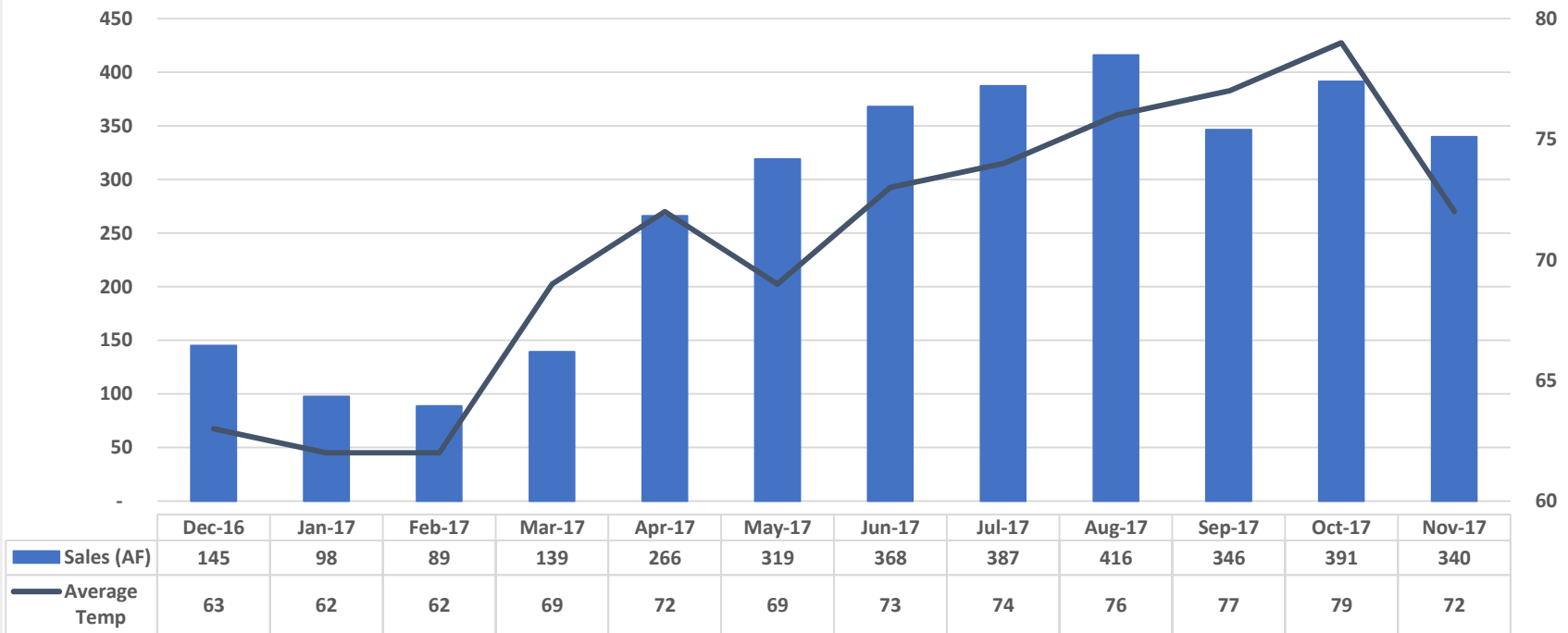
Trailing 12 Months	7	1	1	4	21	27	31	33	36	31	35	29
Trailing 24 Months	14	9	7	9	21	25	29	33	31	33	34	18
Trailing 36 Months	7	10	11	19	24	31	34	37	37	39	34	25

Trailing 12 Months (AGRICULTURE) 255 AF
 Trailing 24 Months (AGRICULTURE) 263 AF
 Trailing 36 Months (AGRICULTURE) 306 AF
 Trailing 12 Months vs. Trailing 24 Months: (2.9%)
 Trailing 12 Months vs. Trailing 36 Months: (16.7%)



11/30/2017

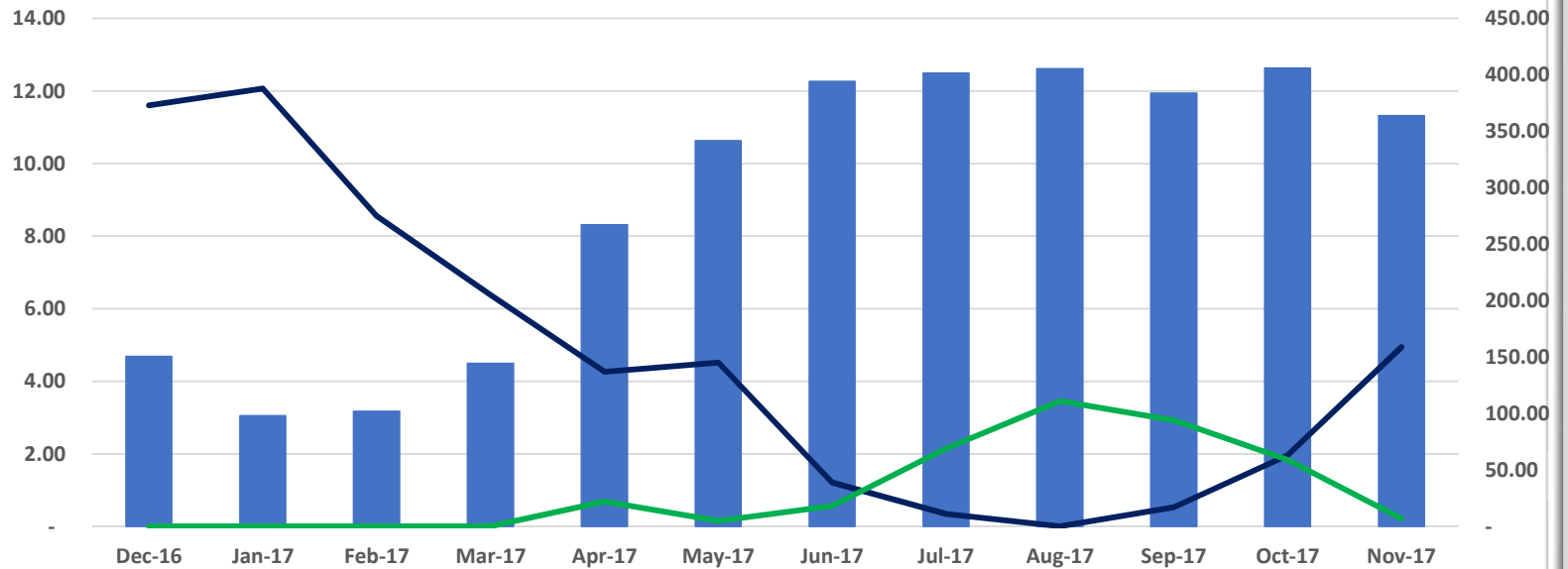
Sales / Average Temperature



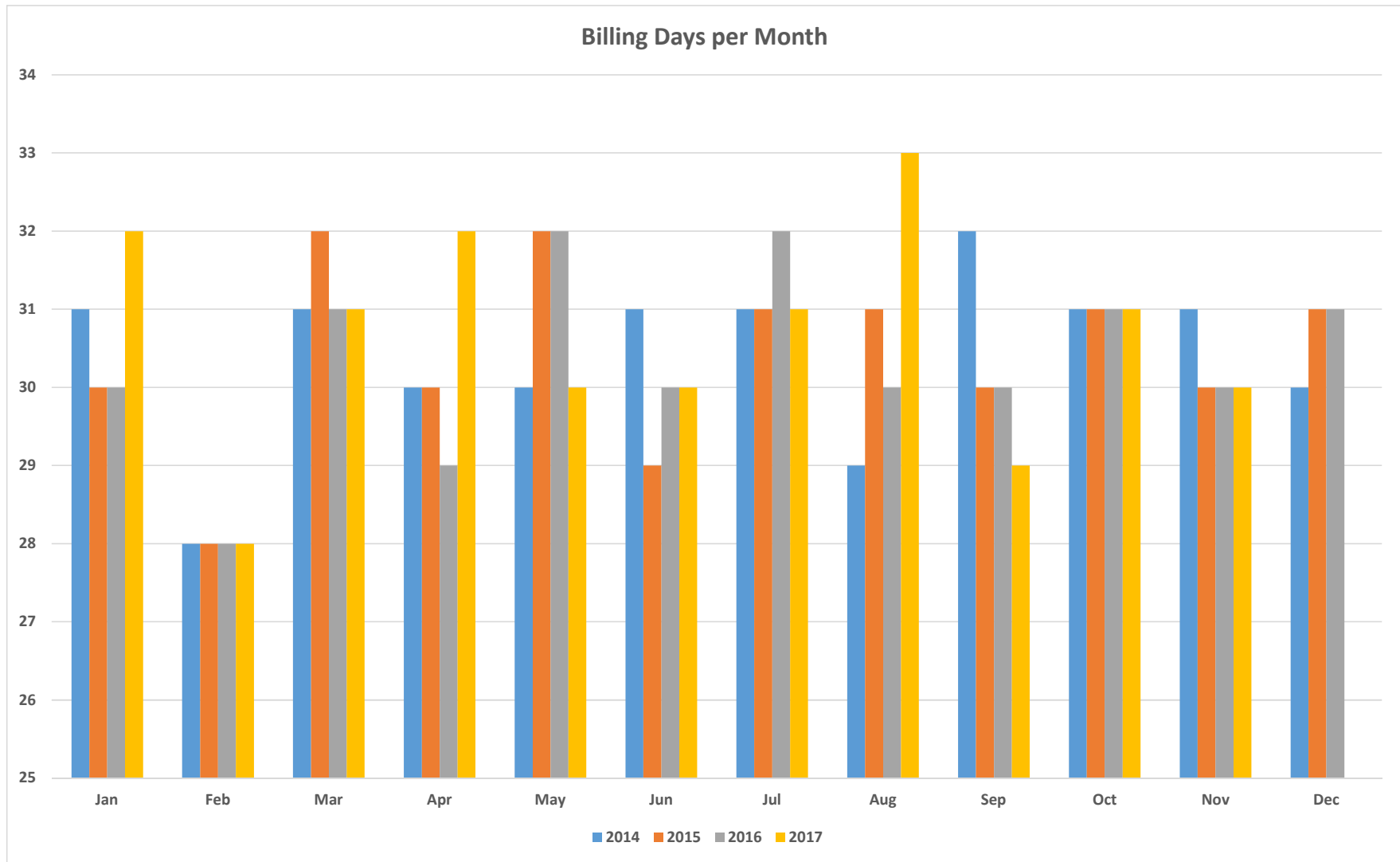


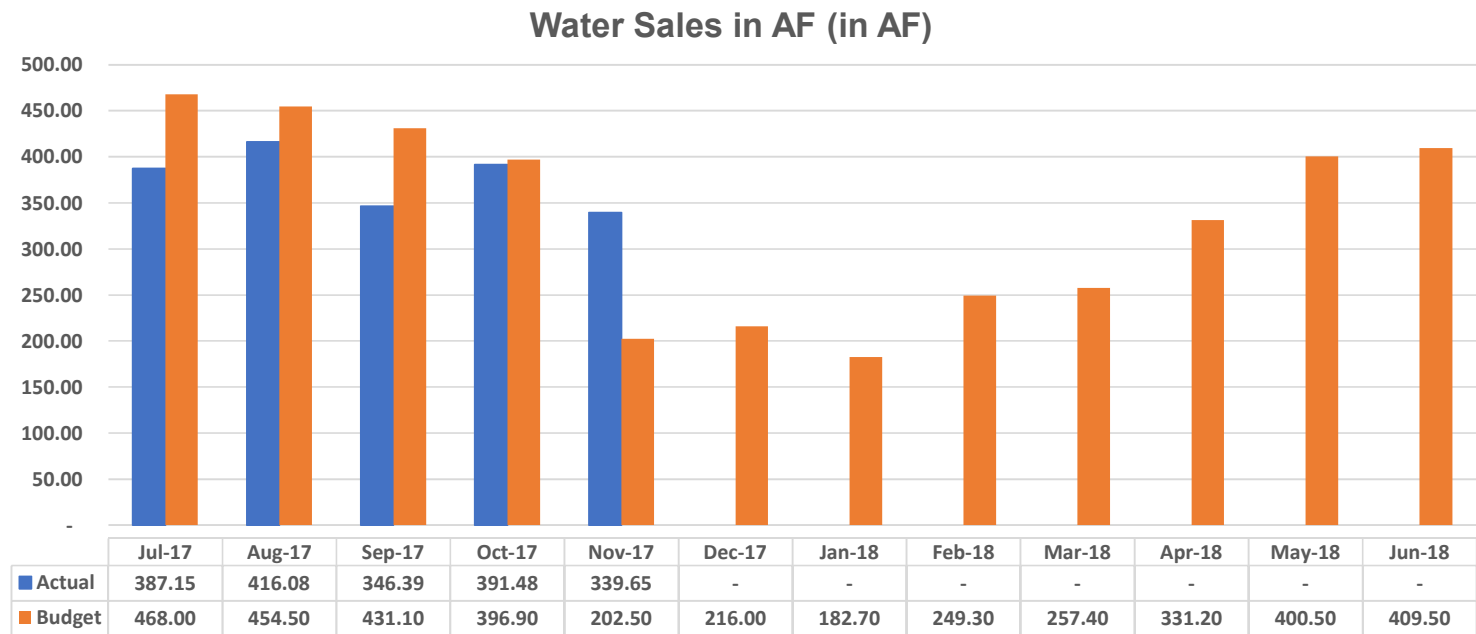
11/30/2017

Average Daily Sales - Degree Days (Base 65)



	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Average Daily Sales	4.68	3.05	3.17	4.49	8.31	10.63	12.26	12.49	12.61	11.94	12.63	11.32
Heating Degree Days	373.00	388.00	275.00	205.00	137.00	145.00	39.00	11.00	-	17.00	63.00	159.00
Cooling Degree Days	-	-	-	-	22.00	5.00	18.00	69.00	111.00	94.00	59.00	7.00





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

MONTH	% SALES BREAKDOWN	2016/17 ACTUAL SALES (*)		2017/18 BUDGET SALES		2017/18 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	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JAN	4.7%	97.6	239,823	182.7	\$448,968	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
FEB	6.4%	88.8	218,446	249.3	\$613,435	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAR	6.4%	139.1	332,989	257.4	\$615,911	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
APR	8.2%	266.0	612,907	331.2	\$785,317	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	10.6%	318.9	743,836	400.5	\$1,013,272	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.0%	367.8	871,971	409.5	\$955,734	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,127.2	7,415,684	3,999.6	\$9,589,341	1,880.7	\$4,483,957	176.7	10.4%	\$431,254	10.6%	(72.3)	(3.7%)	(\$161,791)	(3.5%)

**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	%	\$	%
Cummulative (YTD)	1,704.0	4,052,703	1,953.0	\$4,645,748	1,880.7	\$4,483,957	176.7	10.4%	\$431,254	10.6%	(72.3)	(3.7%)	(\$161,791)	(3.5%)

QUARTERLY COMPARISON - ACTUALS THROUGH NOVEMBER 2017 (*)

	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	%	\$	%
Jul-Sep (Actual)	1,118.6	\$2,661,104	1,353.6	\$3,220,150	1,149.6	\$2,734,549	31.0	2.8%	\$73,445	2.8%	(204.0)	(15.1%)	(\$485,601)	(15.1%)
Oct-Dec (Actual)	730.4	1,734,608	815.4	1,936,554	731.1	\$1,749,408	0.7	0.1%	\$14,800	0.9%	(84.3)	(10.3%)	(\$187,146)	(9.7%)
Jan-Mar (Actual)	325.5	791,258	689.4	1,678,314	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Apr-Jun (Actual)	952.7	2,228,714	1,141.2	2,754,323	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,127.2	\$7,415,684	3,999.6	\$9,589,341	1,881.0	\$4,483,957	31.7	10.4%	\$88,245	10.6%	(288.3)	(3.7%)	(\$672,747)	(3.5%)

(*) 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 NOVEMBER 2017 (*)**

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	290.00	415.40	4308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4812.84
1999-00	656.44	621.80	542.90	541.00	341.90	501.30	285.90	146.30	288.20	329.59	529.63	556.20	5341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4910.40
2001-02	571.70	631.20	501.40	436.70	214.10	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6054.61
2004-05	693.71	763.52	753.31	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	203.40	357.30	623.30	5065.18
2006-07	681.40	707.50	606.70	540.80	530.70	359.80	415.50	201.10	462.90	469.10	703.00	655.00	6333.50
2007-08	739.40	832.60	642.00	594.20	509.30	328.80	188.00	212.00	474.10	629.00	694.00	675.00	6518.40
2008-09	798.00	724.64	633.87	674.67	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5964.37
2009/10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5245.53
2010/11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4715.58
2011/12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	394.72	371.30	271.33	504.24	582.64	5302.42
2012/13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5945.40
2013/14	697.66	730.90	684.30	662.58	496.06	378.50	530.73	357.85	206.59	305.52	373.14	352.27	5776.10
2014/15	362.48	360.73	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	311.07	3331.17
2015/16	353.90	371.40	373.74	342.06	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3439.73
2016/17	377.38	378.68	362.54	345.53	239.92	145.00	97.59	88.78	139.09	266.01	318.90	367.79	3127.21
2017/18	387.15	416.08	346.39	391.48	339.65								1880.75
AVERAGE	602.19	625.20	561.24	484.17	345.29	267.86	246.57	226.83	293.32	391.68	494.43	523.37	5097.25
MAXIMUM	798.00	832.60	753.31	674.67	530.70	501.30	530.73	394.72	474.10	629.00	703.00	675.00	6518.40
MINIMUM	353.90	360.73	346.39	342.06	214.10	145.00	97.59	88.78	139.09	203.40	290.00	311.07	1880.75
17/18 % VS AVERAGE	64%	67%	62%	81%	98%	0%	0%	0%	0%	0%	0%	0%	37%
17/18 % VS MAXIMUM	49%	50%	46%	58%	64%	0%	0%	0%	0%	0%	0%	0%	29%

Total METER Connections = 4,604

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 6-B

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: DECEMBER 2017 FINANCIAL REPORTS

RECOMMENDATION:

For information and discussion only; no action required.

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 – DECEMBER, 2017**

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	259.92	162.99	96.93	59.5%
Multi Family	4.51	5.62	(1.11)	(19.8%)
Agricultural	25.90	9.82	16.08	163.8%
Institutional	15.91	11.10	4.81	43.3%
Commercial	15.34	21.91	(6.58)	(30.0%)
Non-Potable	9.79	4.56	5.22	114.5%
Monthly Total	331.36	216.00	115.36	53.4%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1,631.02	1,532.83	98.19	6.4%
Multi Family	34.26	39.35	(5.10)	(13.0%)
Agricultural	189.75	180.33	9.42	5.2%
Institutional	137.08	205.18	(68.10)	(33.2%)
Commercial	131.66	142.52	(10.86)	(7.6%)
Non-Potable	88.34	68.78	19.55	28.4%
Yearly Total	2,212.10	2,169.00	43.10	2.0%

A. Water Sales in Acre Feet (AF)

During the month of December 2017, MWD sold 331.36 AF of water to its customers compared to a budgeted amount 216.00 AF which translates to a budget variance of +115.36 AF or 53.4%. The reason for the variance has to do with the budget process and timing, not an increase in sales versus the prior month.

B. Sales by Classification

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 661,447	\$ 391,484	\$ 269,963	69.0%
Multi Family	10,615	13,220	(2,605)	(19.7%)
Agricultural	36,679	16,119	20,560	127.6%
Institutional	44,421	28,998	15,423	53.2%
Commercial	40,437	58,353	(17,916)	(30.7%)
Non-Potable	5,968	2,782	3,186	114.5%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 799,567	\$ 510,956	\$ 288,611	56.5%

2. STATEMENT OF REVENUE AND EXPENDITURES – DECEMBER 2017

A. Revenues

Total Revenue MTD as of December 31, 2017 is \$1,825,930 compared to the MTD Budget of \$1,460,280 for a budget variance of \$365,650 or 20%.

	MTD ACTUAL	MTD BUDGET	OVER (UNDER)
REVENUE			
WATER SALES	799,566	510,957	288,610
WSE SURCHARGE	481,242	324,609	156,633
ORD. 94 PENALTIES	-	-	-
SERVICE CHARGES	354,958	356,204	(1,246)
WAC	175,787	178,066	(2,279)
PRIVATE FIRE HYDRANT	5,869	5,627	242
LATE CHARGES	(293)	4,251	(4,544)
CONNECTION FEES	-	7,477	(7,477)
CAP. COST RECOVERY	-	58,090	(58,090)
INTEREST	1,640	8,333	(6,693)
OTHER	4,023	4,667	(644)
REIMBURSEMENTS	3,140	2,000	1,140
TOTAL REVENUE	\$ 1,825,930	\$ 1,460,280	\$ 365,650

B. Expenses:

1. JPA Expenses

Total JPA Expenses MTD for December 31, 2017 are \$657,151 compared to the MTD budget of \$573,248 which is above budget by \$84k. This variance is due to the variable portion of the SWP being above budget by \$110k (but is anticipated to slowly come closer to budget over time as a result of SWP's billing practice), as well as a timing difference of (25K) on the EPFP payment. Please see footnotes to the Financial Statements for further clarification.

2. MWD Expenses

Total MWD Expenses MTD as of December 31, 2017 are \$620,704 compared to the MTD budget of \$595,835 which is above budget by \$25k. This variance is primarily due to the following factors – **Transmission and Distribution**, Salaries and benefits (\$26k); **Treatment**, Salaries and Benefits (\$21k), Supplies (\$11k), repairs and Maintenance (-\$6k); **Engineering**, a recycled water feasibility

study has not yet been completed (-\$19k), **Administration**, local water supply negotiations planned but not completed (-\$30k), Dues and Subscriptions timing issue (\$25k), Building Maintenance (-\$18k) (planned carpet and paint in the board room) as well as other smaller variances. Please see footnotes to the Financial Statements for further clarification.

ATTACHMENTS:

- 1) Financial Package – December 2017



FINANCIAL REPORTS
BOARD OF DIRECTORS MEETING
For the Month of December 2017
February 20, 2018

MONTECITO WATER DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES
December 31, 2017

	MTD ACTUAL	MTD BUDGET	OVER (UNDER)	%	Footnote	YTD ACTUAL	YTD BUDGET	OVER (UNDER)	Footnote
REVENUE									
WATER SALES	799,566	510,957	288,610	36.10%	(1)	5,283,523	5,156,704	126,819	(1)
WSE SURCHARGE	481,242	324,609	156,633	32.55%	(1)	3,173,856	3,259,617	(85,760)	(1)
ORDINANCE 94 PENALTIES	-	-	-	#DIV/0!		(3,105)	-	(3,105)	
SERVICE CHARGES	354,958	356,204	(1,246)	-0.35%		2,130,951	2,138,281	(7,331)	
WATER AVAILABILITY CHARGE	175,787	178,066	(2,279)	-1.30%		175,787	178,066	(2,279)	
PRIVATE FIRE HYDRANT	5,869	5,627	242	4.12%		34,335	33,129	1,207	
LATE CHARGES	(293)	4,251	(4,544)	1548.43%		31,789	25,506	6,283	
SERVICE CONNECTION FEES	-	7,477	(7,477)	#DIV/0!		13,988	14,953	(965)	
CAPITAL COST RECOVERY FEES	-	58,090	(58,090)	#DIV/0!	(2)	56,904	116,179	(59,275)	(2)
INTEREST REVENUE - GENERAL	1,640	8,333	(6,693)	-408.12%		43,880	50,000	(6,120)	(2)
OTHER REVENUE (LOSS)	4,023	4,667	(644)	-16.01%		47,212	28,000	19,212	(3)
REIMBURSEMENTS	3,140	2,000	1,140	36.30%		6,182	12,000	(5,818)	(3)
TOTAL REVENUE	\$ 1,825,930	\$ 1,460,280	\$ 365,650	20.03%		\$ 10,995,301	\$ 11,012,434	(\$ 17,133)	
OPERATING EXPENSE									
JPA OPERATING EXPENSE									
CACHUMA OPERATIONS & MAINT BOARD (COMB)	39,190	63,746	(24,556)	-62.66%	(4)	267,861	279,487	(11,626)	
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	8,638	8,638	-	0.00%		51,826	51,826	-	
US BUREAU OF RECLAMATION (USBR)	(1,793)	-	(1,793)	100.00%		49,757	51,550	(1,793)	
CATER WATER TREATMENT PLANT	-	-	-	#DIV/0!		323,417	315,000	8,417	
STATE WATER PROJECT (SWP) - FIXED	410,975	410,975	-	0.00%		2,465,852	2,465,852	-	
STATE WATER PROJECT (SWP) - VARIABLE	200,141	89,890	110,252	55.09%	(5)	724,608	539,338	185,271	(5)
SUPPLEMENTAL WATER PURCHASE	-	-	-	-		215,525	-	215,525	(6)
TOTAL JPA OPERATING EXPENSE	\$ 657,151	\$ 573,248	\$ 83,903	12.77%		\$ 4,098,847	\$ 3,703,052	\$ 395,794	
MWD DIRECT EXPENSE									
JAMESON	11,423	10,154	1,269	11.11%		66,536	60,436	6,100	
TRANSMISSION & DISTRIBUTION	137,097	110,910	26,187	19.10%	(7)	706,588	715,980	(9,391)	(7)
TREATMENT	117,097	93,708	23,390	19.97%	(8)	632,816	581,894	50,922	(8)
TOTAL MWD DIRECT EXPENSE	\$ 265,617	\$ 214,771	\$ 50,845	19.14%		\$ 1,405,941	\$ 1,358,310	\$ 47,631	
MWD INDIRECT EXPENSE									
ENGINEERING	38,054	55,253	(17,199)	-45.20%	(9)	228,765	293,293	(64,529)	(9)
CUSTOMER SERVICE	37,336	32,378	4,958	13.28%		208,267	197,506	10,761	
PUBLIC INFORMATION / CONSERVATION	6,692	15,234	(8,542)	-127.65%	(10)	32,147	80,847	(48,700)	(10)
FLEET	17,230	13,769	3,461	20.09%		93,817	83,852	9,965	
ADMINISTRATION (incl Depreciation)	255,775	264,429	(8,654)	-3.38%	(11)	1,398,934	1,748,538	(349,604)	(11)
TOTAL MWD INDIRECT EXPENSE	\$ 355,087	\$ 381,064	(\$ 25,977)	-7.32%		\$ 1,961,930	\$ 2,404,036	(\$ 442,106)	
TOTAL OPERATING EXPENSE	\$ 1,277,855	\$ 1,169,083	\$ 108,772	8.51%		\$ 7,466,718	\$ 7,465,399	\$ 1,319	
NET OPERATING SURPLUS / (DEFICIT)	\$ 548,075	\$ 291,196	\$ 256,879	46.87%		\$ 3,528,583	\$ 3,547,035	(\$ 18,452)	
NON OPERATING EXPENSE									
2004 DWR ORTEGA LOAN	(79,163)	-	(79,163)	100.00%		(79,163)	(295,200)	216,037	

BOND INTEREST EXPENSE	(331,409)	(345,231)	13,822	-4.17%
CATER DWR LOAN	-	-	-	#DIV/0!
CATER CAPITAL	-	-	-	#DIV/0!
CATER OZONE	-	-	-	#DIV/0!
TOTAL NON OPERATING EXPENSE	(\$ 410,572)	(\$ 345,231)	(\$ 65,341)	15.91%
NET OPERATING SURPLUS / (DEFICIT)	\$ 137,503	(\$ 54,035)	\$ 191,538	139.30%
NET POSITION, BEGINNING OF PERIOD	\$ 31,979,417	\$ 31,837,562	\$ 141,855	
NET POSITION, END OF PERIOD	\$ 32,116,920	\$ 31,783,527	\$ 333,393	

(331,409)	(345,231)	13,822
(115,824)	(115,824)	0
-	-	-
(138,173)	-	(138,173)
(\$ 664,568)	(\$ 756,255)	\$ 91,687
\$ 2,864,015	\$ 2,790,780	\$ 73,235
\$ 29,252,905	\$ 28,992,747	\$ 260,158
\$ 32,116,920	\$ 31,783,527	\$ 333,393

December 31, 2017

FOOTNOTES

(1) **WATER SALES (in AF)** - MTD Actual 331.36 and Budget 216.0 = Variance 115.36; **YTD** Actual 2,212.1 and Budget 2,169.0 = Variance 43.10

(2) **CAPITAL COST RECOVERY** - MTD Anticipated new meter installations have not occurred

(3) **OTHER REVENUE** - YTD Gain on the sale of fixed assets

(4) **COMB** - MTD UNDER by \$24k - ; **YTD UNDER by \$11k** due to timing difference

(5) **STATE WATER PROJECT (VARIABLE)** -MTD OVER BY \$110k - ; **YTD OVER \$185K** Timing difference. Anticipate slow-down in billing in coming months.

(6) **SUPPLEMENTAL WATER PURCHASE** - YTD Net purchases from Santa Maria to leave \$500,000 in Water Repayment Debt to AVEK relating to 2015 purchase.

(7) **TRANSMISSION & DISTRIBUTION** - MTD OVER by \$26k Thomas Fire & Main Breaks in December

(8) **TREATMENT** - MTD OVER by \$23k Overtime related to Thomas Fire **YTD OVER by \$51k** Salaries OVER by (\$23k) Overtime related to Thomas Fire, Supplies (\$10k), Outside Service (\$10k), Electricity (\$7k)

(9) **ENGINEERING** - MTD UNDER by \$17k Recyled Water Feasibility Study has not yet occurred **YTD UNDER by \$64k** GIS (\$2k); SGMA (\$7k); Fish Relocation (\$10k); Recycled Water Feasibility (\$28k)

(10) **PUBLIC INFORMATION / CONSERVATION** MTD UNDER \$9k- Postage (\$4K), Legal (\$5K); **YTD UNDER by \$49k** Website development (\$20k);Postage (\$7k); Legal-Special (\$5k); Conserv Prg (\$5k)

(11) **ADMINISTRATION** - MTD UNDER by \$9k Building Maintenance

YTD UNDER by \$350k - Salaries (\$18k); Local Water Supply Negotiations (\$240k); Legal (\$38k); Rate Sutdy (\$14k); LAFCO (\$10k); Insurance (\$12k); Computer (\$9k); Building Maintenance (\$9K)

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
December 31, 2017

ASSETS

Current:

Cash and investments

Operating accounts

Board reserves:

Reserve for Operations	\$	3,400,000	
Reserve for Emergencies	\$	1,000,000	
Reserve for Unanticipated Projects	\$	1,000,000	
			\$ 5,400,000

Unreserved Cash \$ 7,952,794

Legal settlement reserve \$ -

Total unrestricted cash and investments \$ 13,352,794

Restricted - cash and investments \$ 3,476,336

Total Cash (unrestricted & restricted) \$ 16,829,130

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

Receivables:

Accounts receivable - water sales & services, net \$ 1,802,973

Accounts receivable - other \$ 168

Accrued Interest \$ 2,630

Materials and supplies inventory \$ 260,345

Prepaid water charges (SWP and other prepaid water) \$ 5,091,520

Prepaid expenses and other deposits \$ 184,030

Total Current Assets \$ 7,341,667

Noncurrent:

Capital assets - not being depreciated \$ 979,410

Capital assets - being depreciated, net \$ 31,406,586

Total Noncurrent Assets \$ 32,385,996

DEFERRED OUTFLOWS OF RESOURCES

Deferred pensions \$ 1,116,776

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

TOTAL COMBINED ASSETS:

\$ 58,303,569

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
December 31, 2017 (Continued)

LIABILITIES

Current:

Accounts payable and accrued expenses	\$	5,281	
Accrued wages and related payables	\$	14,900	
Unearned revenue and other deposits	\$	70,314	
Accrued interest payable	\$	-	
Long-term liabilities - due within one year:			
Accrued compensated absences	\$	46,575	
Bonds Payable	\$	-	
Loan Payable	\$	635,016	
Total Current Liabilities			\$ 772,086

Noncurrent:

Accrued compensated absences	\$	369,087	
Accrued water exchange transfer	\$	500,000	
Bonds payable	\$	13,360,000	
Loan payable	\$	6,083,751	
Legal settlement payable	\$	-	
Other post-employment benefits payable	\$	780,930	
Net pension liability	\$	3,797,410	
Total Noncurrent Liabilities			\$ 24,891,178
Total Liabilities			\$ 25,663,265

DEFERRED INFLOWS OF RESOURCES

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

NET POSITION

Net investment in capital assets	\$	12,072,809	
Restricted	\$	3,476,336	
Unrestricted	\$	16,567,775	
Total Net Position			\$ 32,116,920

TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:

\$ 58,303,569

MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>MTD</u>	<u>YTD</u>
Operating Income (loss)	\$ 546,435	\$ 3,484,703
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	104,601	620,308
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(28,278)	245,631
Materials and supplies inventory	(404)	(12,565)
Prepaid water charges	287,064	2,850,720
Prepaid expenses and other deposits	60,425	(64,228)
Litigation Liability	-	(1,140,668)
Accounts payable	(57,576)	(900,601)
Accrued wages and related payables	4,869	(39,865)
Unearned revenue and other deposits	594	38,748
Accrued water exchange transfer	-	(834,475)
Compensated absences	9,574	75,281
Net cash provided (used) by operating activities	<u>\$ 927,304</u>	<u>\$ 4,322,989</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	\$ (305,884)	\$ (1,011,250)
Interest Payable	<u>-</u>	<u>-</u>
Net cash provided (used) by capital financing and related activities	<u>\$ (305,884)</u>	<u>\$ (1,011,250)</u>

MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
December 31, 2017 (Continued)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Ortega Interest	\$	(79,163)	\$	(79,163)
Bond Interest		(331,409)		(331,409)
Cater DWR Loan		(216,046)		(331,870)
Cater Capital		-		-
Cater Ozone		-		(138,173)
Net cash provided (used) by noncapital financing activities	\$	(626,618)	\$	(880,615)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	\$	1,640	\$	43,879
Purchase of underground water banking shares	\$	(630,000)	\$	(630,000)
Net cash provided by (used) by investing activities	\$	(628,360)	\$	(586,121)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$	(633,558)	\$	1,845,003
Cash and cash equivalents, beginning of period	\$	17,462,689	\$	14,984,127
Cash and cash equivalents, end of period	\$	16,829,130	\$	16,829,130

RECONCILIATION TO STATEMENT OF NET POSITION:

Cash and investments - cash equivalents	\$	13,352,794	\$	13,352,794
Restricted cash and investments - cash equivalents		3,476,336		3,476,336
	\$	16,829,130	\$	16,829,130



DASHBOARD REPORT WATER SALES (AF)

12/31/2017

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	259.92	162.99	96.93	59.5%
Multi Family	4.51	5.62	(1.11)	(19.8%)
Agricultural	25.90	9.82	16.08	163.8%
Institutional	15.91	11.10	4.81	43.3%
Commercial	15.34	21.91	(6.58)	(30.0%)
Non-Potable	9.79	4.56	5.22	114.5%
Monthly Total	331.36	216.00	115.36	53.4%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1,631.02	1,532.83	98.19	6.4%
Multi Family	34.26	39.35	(5.10)	(13.0%)
Agricultural	189.75	180.33	9.42	5.2%
Institutional	137.08	205.18	(68.10)	(33.2%)
Commercial	131.66	142.52	(10.86)	(7.6%)
Non-Potable	88.34	68.78	19.55	28.4%
Yearly Total	2,212.10	2,169.00	43.10	2.0%

Fiscal Year = July thru June



DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 661,447	\$ 391,484	\$ 269,963	69.0%
Multi Family	10,615	13,220	(2,605)	(19.7%)
Agricultural	36,679	16,119	20,560	127.6%
Institutional	44,421	28,998	15,423	53.2%
Commercial	40,437	58,353	(17,916)	(30.7%)
Non-Potable	5,968	2,782	3,186	114.5%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 799,567	\$ 510,956	\$ 288,611	56.5%

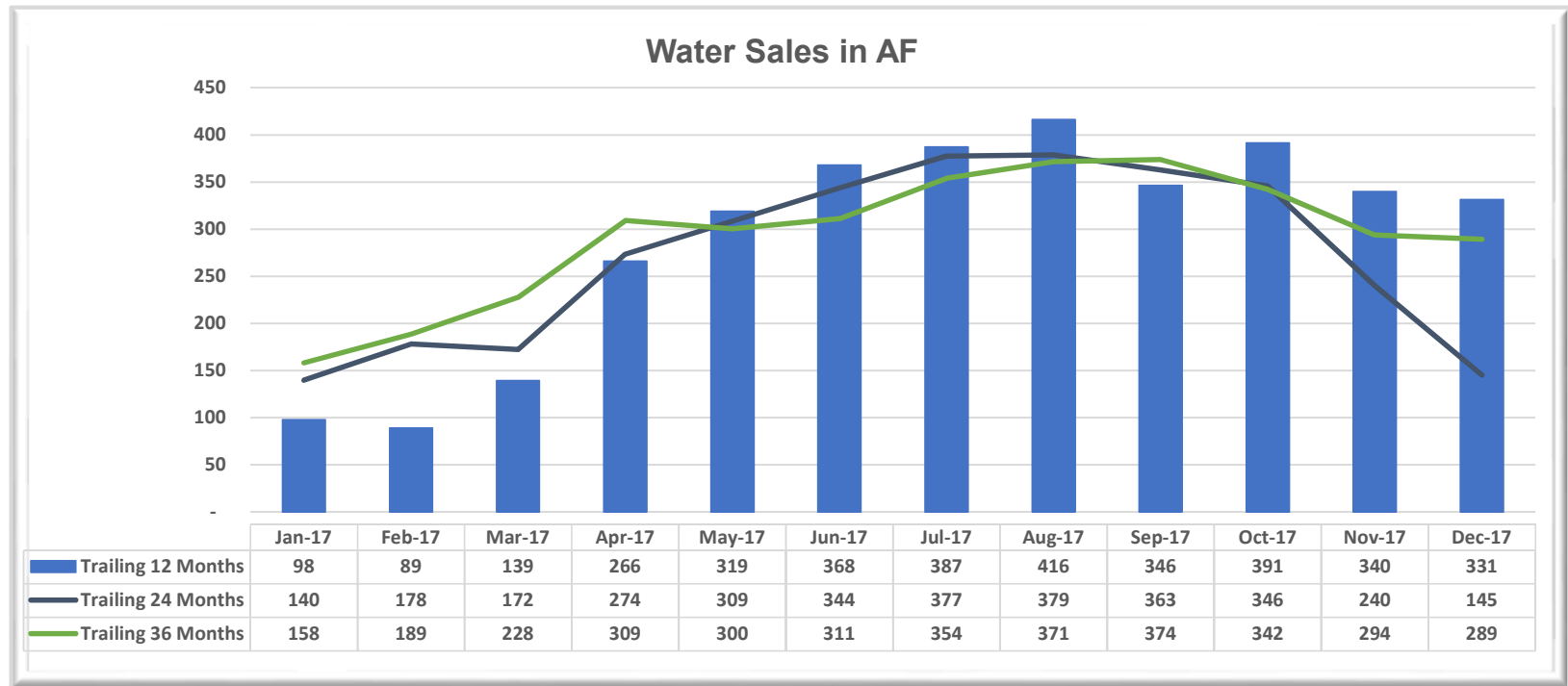
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 4,154,535	\$ 3,844,220	\$ 310,315	8.1%
Multi Family	80,578	92,747	(12,169)	(13.1%)
Agricultural	263,954	254,075	9,879	3.9%
Institutional	374,976	541,119	(166,143)	(30.7%)
Commercial	355,609	382,597	(26,988)	(7.1%)
Non-Potable	53,871	41,946	11,925	28.4%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 5,283,523	\$ 5,156,704	\$ 126,819	2.5%

iscal Year = July thru Jun

MONTH ENDING

12/31/2017

(Select Date From Drop Down Arrow)

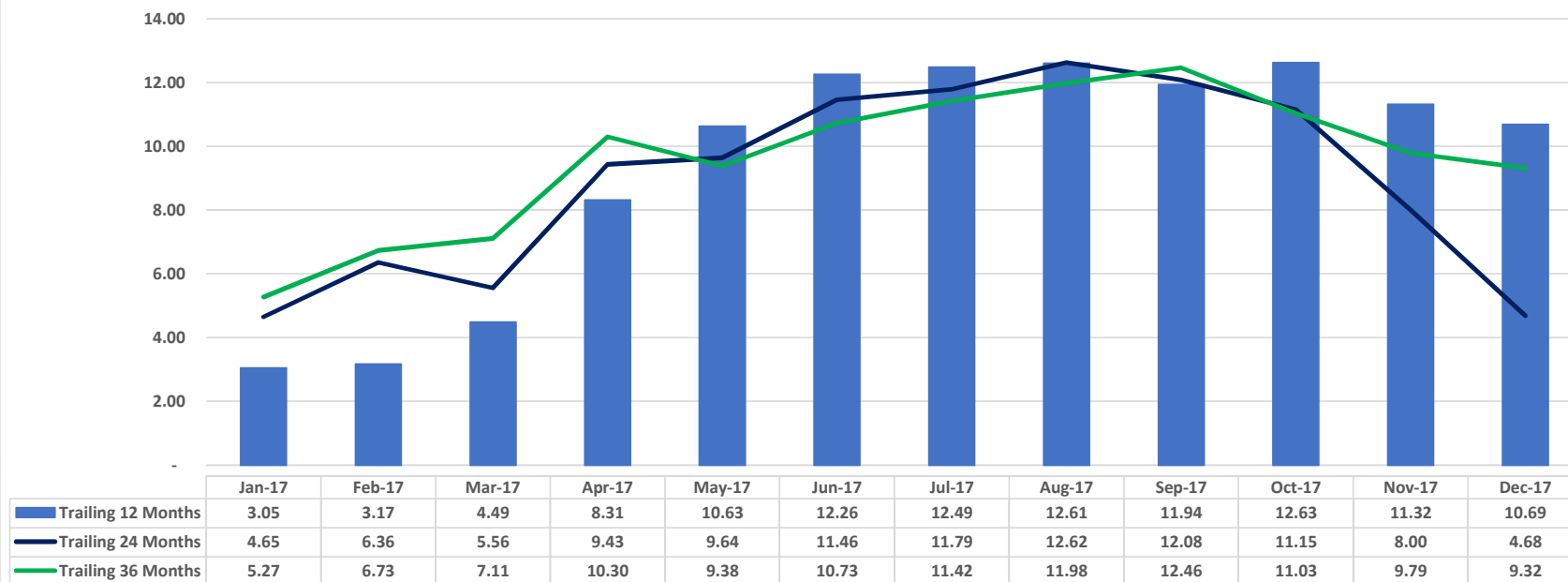


	Trailing 12 Months	3,490 AF
	Trailing 24 Months	3,265 AF
	Trailing 36 Months	3,518 AF



12/31/2017

Average Daily Water Sales Per Month

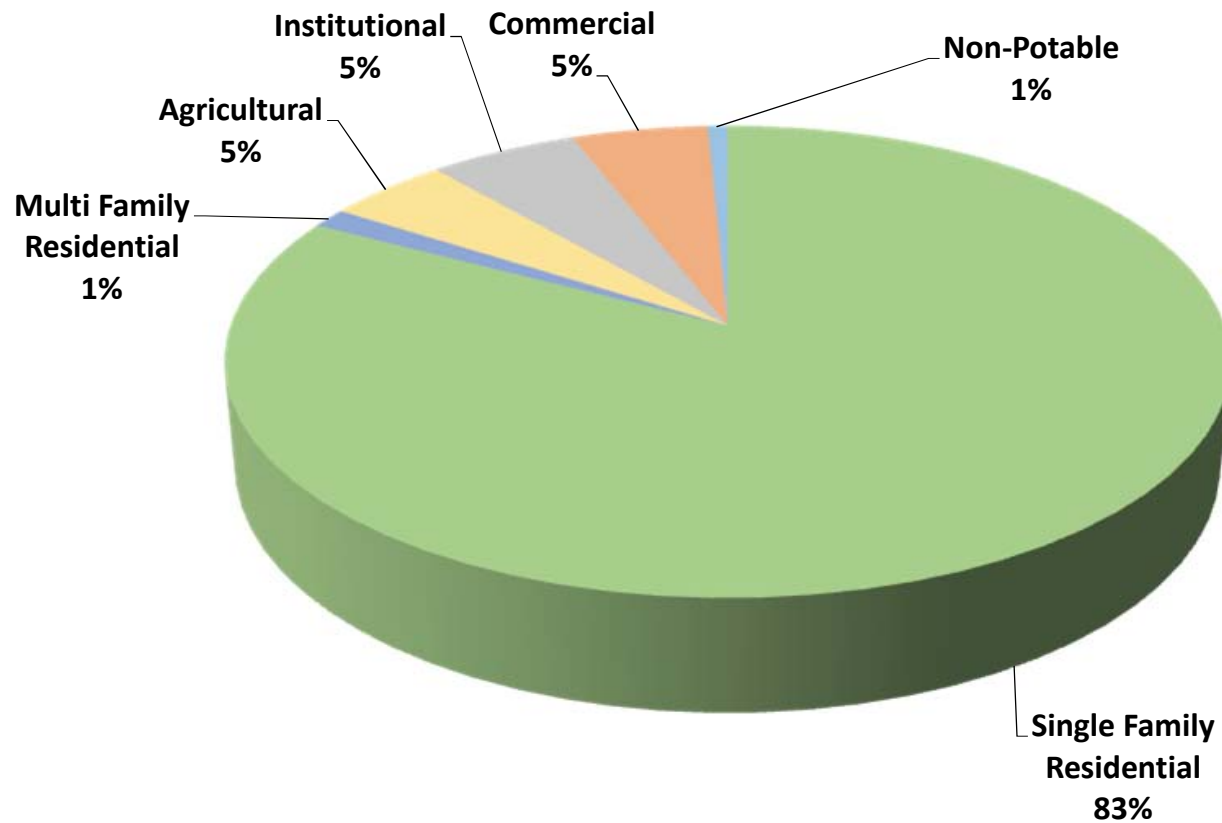


MONTH ENDING

12/31/2017

(Select Date From Drop Down Arrow)

Water Sales by Classification
December 31, 2017



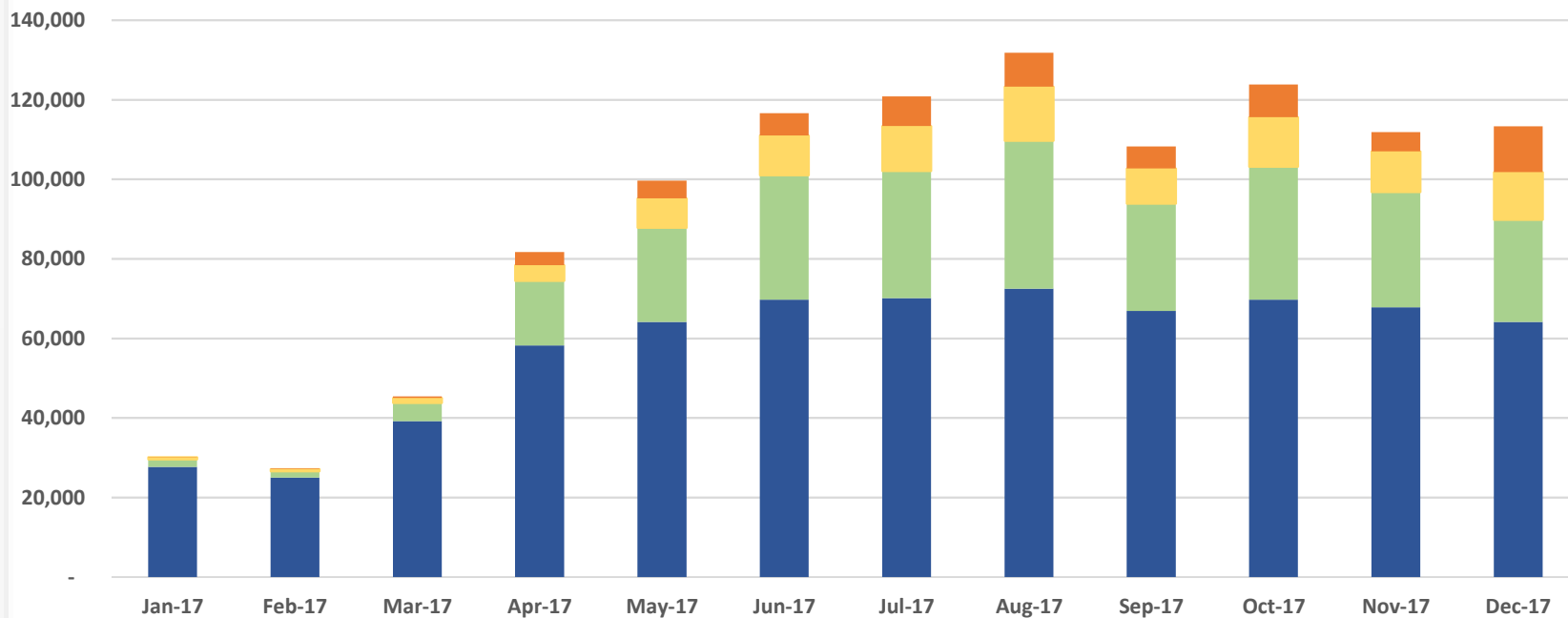


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

12/31/2017

Monthly SFR Water Consumption by Tier (HCF)



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Tier 4	100	200	400	3,300	4,400	5,600	7,400	8,500	5,500	8,200	4,800	11,500
Tier 3	500	500	1,200	3,900	7,400	10,000	11,300	13,600	8,800	12,400	10,200	12,000
Tier 2	1,900	1,600	4,600	16,300	23,700	31,300	32,000	37,200	27,000	33,500	29,000	25,700
Tier 1	27,700	25,000	39,200	58,200	64,100	69,700	70,100	72,500	66,900	69,700	67,800	64,100

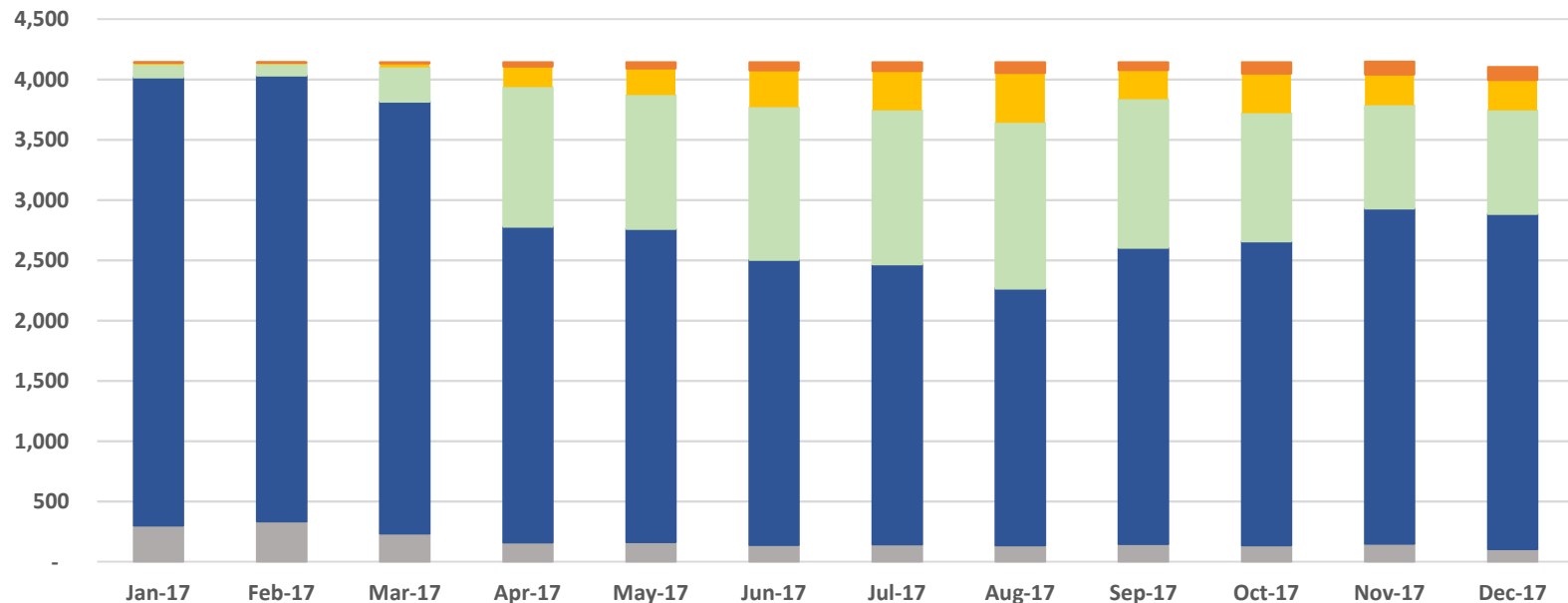


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

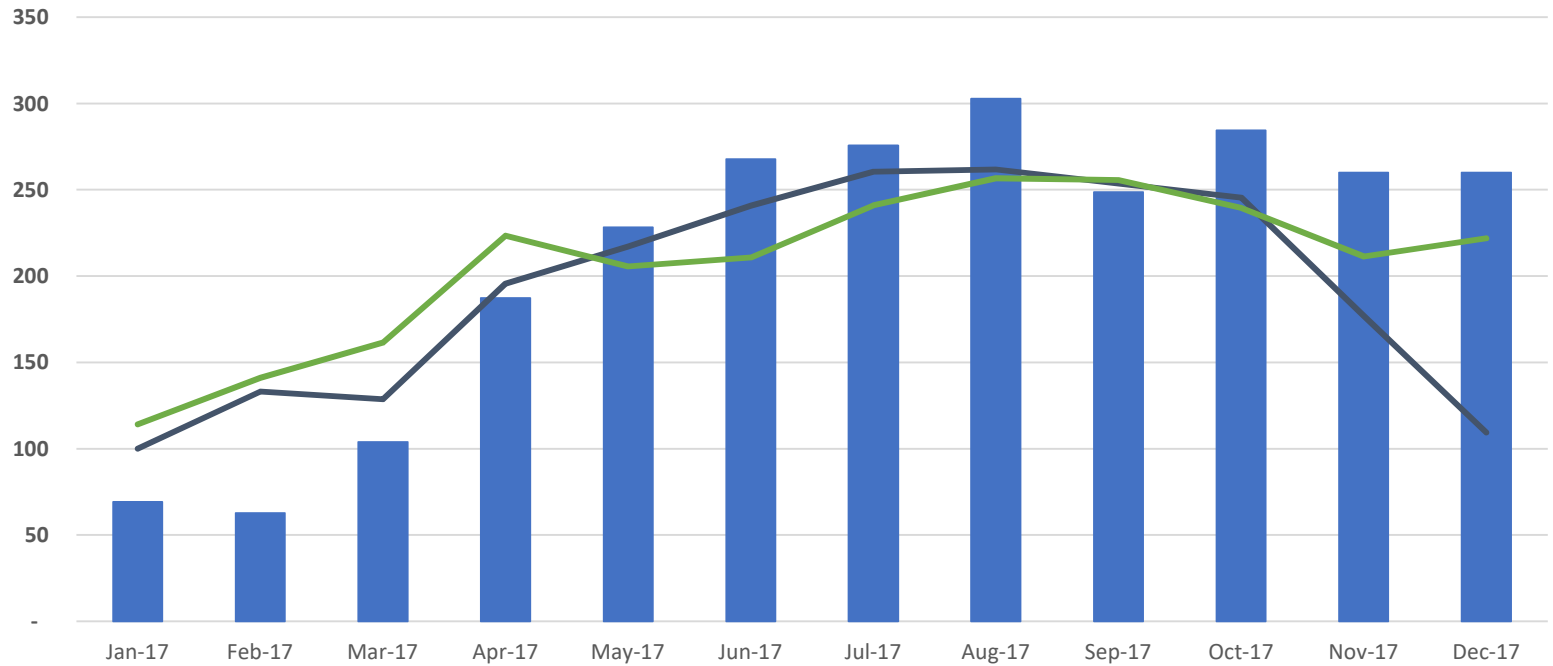
12/31/2017

Monthly SFR Water Consumption by Tier (# of Customers)



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Tier 4 Usage	2	3	9	36	50	67	71	89	65	93	106	106
Tier 3 Usage	19	15	34	172	223	307	330	413	243	330	255	255
Tier 2 Usage	104	90	284	1,154	1,108	1,263	1,273	1,375	1,229	1,061	856	856
Tier 1 Usage	3,717	3,700	3,581	2,621	2,597	2,365	2,323	2,128	2,459	2,522	2,780	2,780
"0" Usage	301	335	235	160	165	141	146	138	147	137	150	106

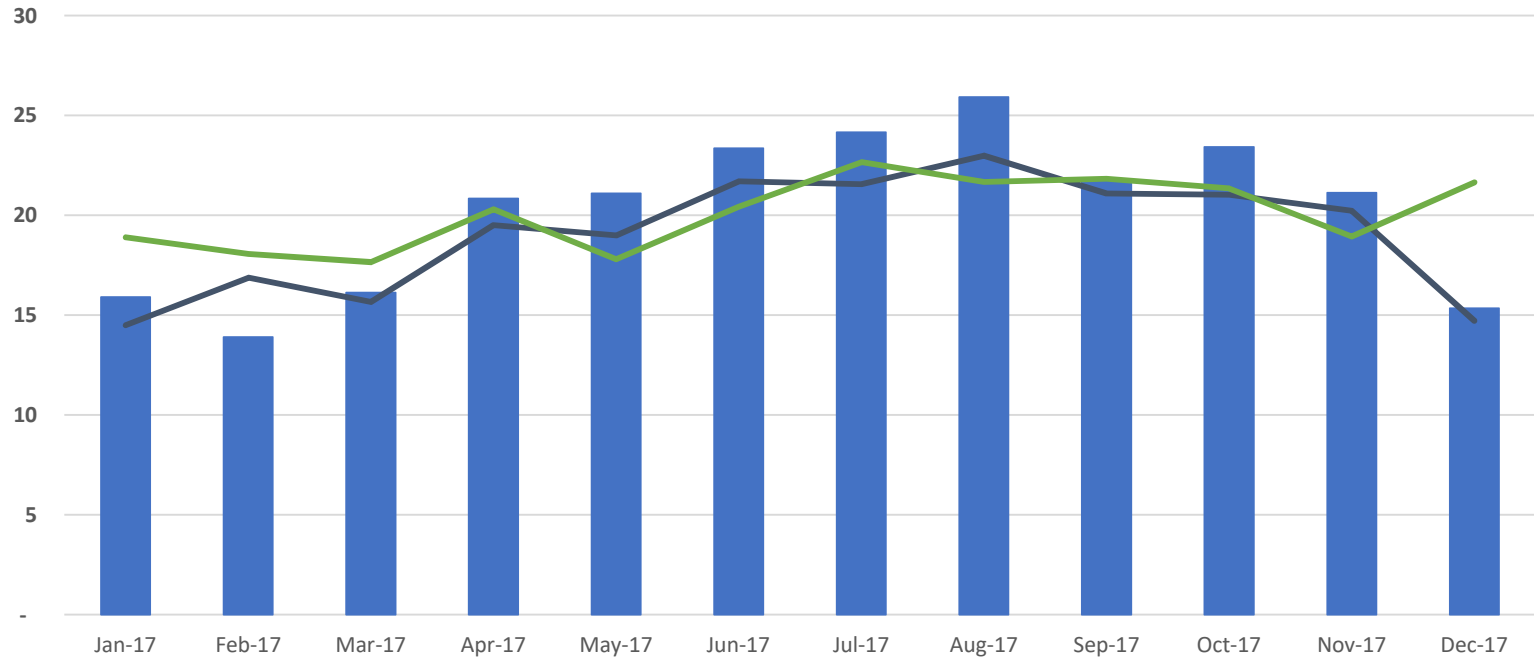
Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Trailing 12 Months	69	63	104	187	228	268	276	303	249	284	260	260
Trailing 24 Months	100	133	129	195	217	241	260	262	253	245	177	109
Trailing 36 Months	114	141	161	223	206	211	241	257	256	239	211	222

	Trailing 12 Months(SINGLE FAMILY RESIDENTIAL)	2,482	AF
	Trailing 24 Months(SINGLE FAMILY RESIDENTIAL)	2,323	AF
	Trailing 36 Months(SINGLE FAMILY RESIDENTIAL)	2,550	AF
Trailing 12 Months vs. Trailing 24 Months:		6.9%	
Trailing 12 Months vs. Trailing 36 Months:		(2.6%)	

Water Sales by Month (AF) COMMERCIAL



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



Trailing 12 Months (COMMERCIAL)

243 AF

Trailing 24 Months (COMMERCIAL)

229 AF

Trailing 36 Months (COMMERCIAL)

241 AF

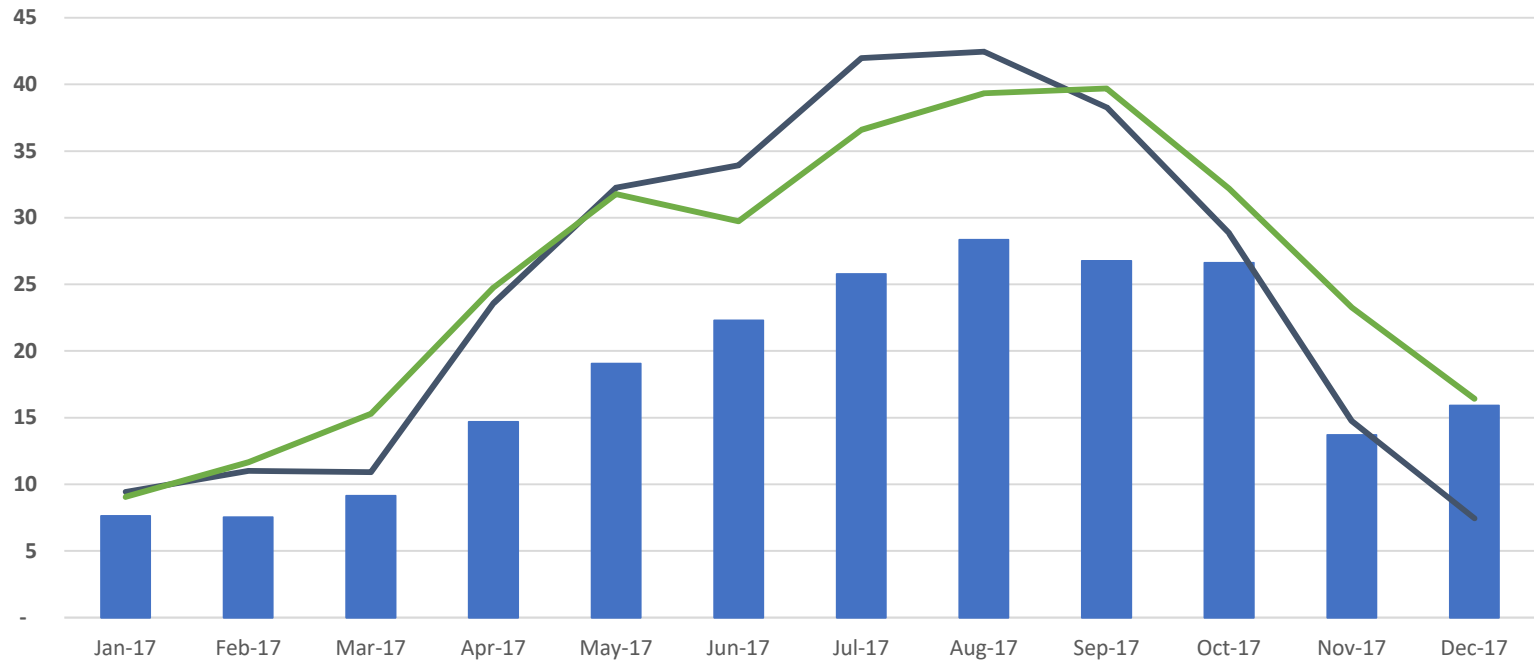
Trailing 12 Months vs. Trailing 24 Months:

6.1%

Trailing 12 Months vs. Trailing 36 Months:

0.7%

Water Sales by Month (AF) INSTITUTIONAL

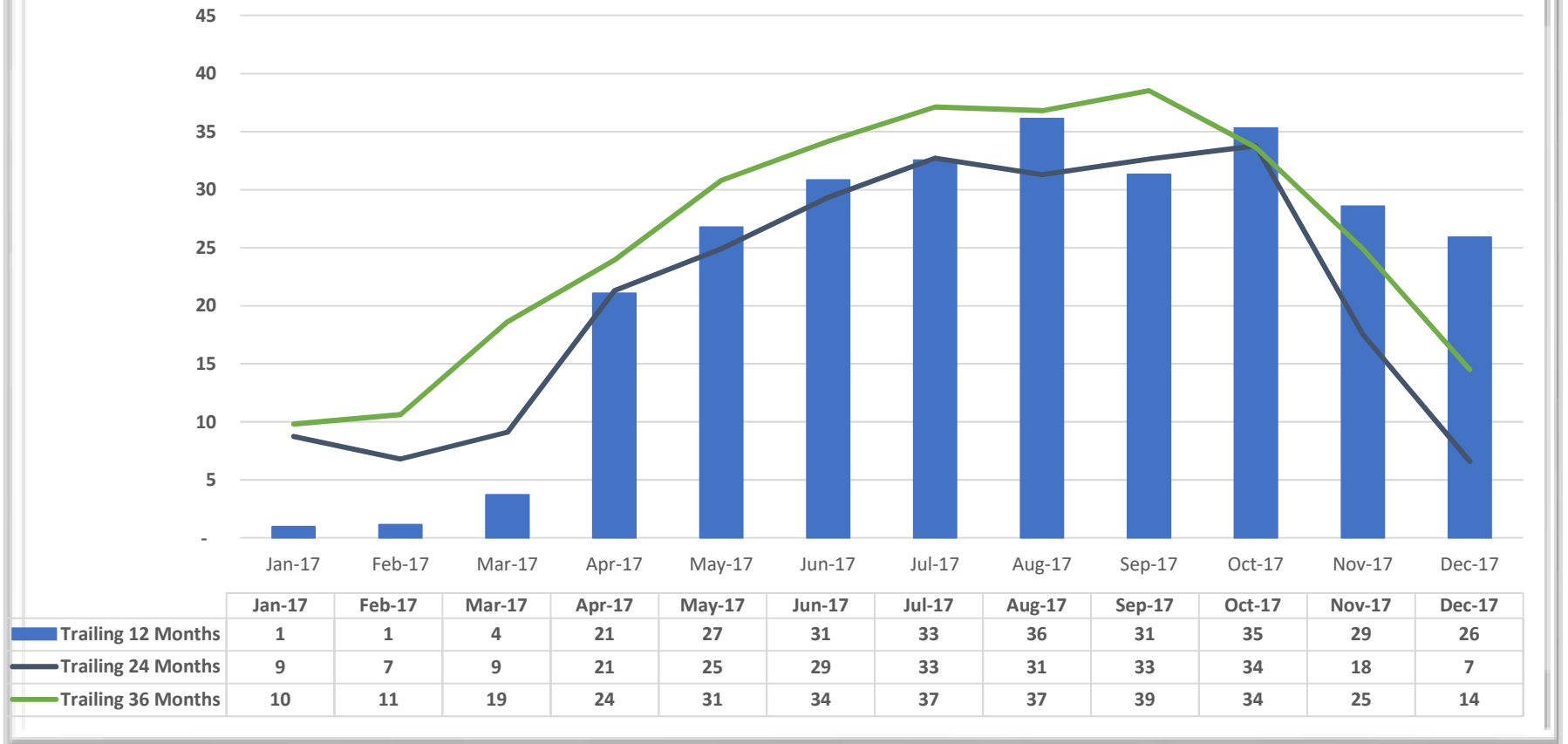


	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Trailing 12 Months	8	8	9	15	19	22	26	28	27	27	14	16
Trailing 24 Months	9	11	11	24	32	34	42	42	38	29	15	7
Trailing 36 Months	9	12	15	25	32	30	37	39	40	32	23	16



Trailing 12 Months (INSTITUTIONAL) 217 AF
 Trailing 24 Months (INSTITUTIONAL) 295 AF
 Trailing 36 Months (INSTITUTIONAL) 310 AF
 Trailing 12 Months vs. Trailing 24 Months: (26.3%)
 Trailing 12 Months vs. Trailing 36 Months: (29.8%)

Water Sales by Month (AF) AGRICULTURE



Trailing 12 Months (AGRICULTURE)

274 AF



Trailing 24 Months (AGRICULTURE)

255 AF



Trailing 36 Months (AGRICULTURE)

313 AF

Trailing 12 Months vs. Trailing 24 Months:

7.7%

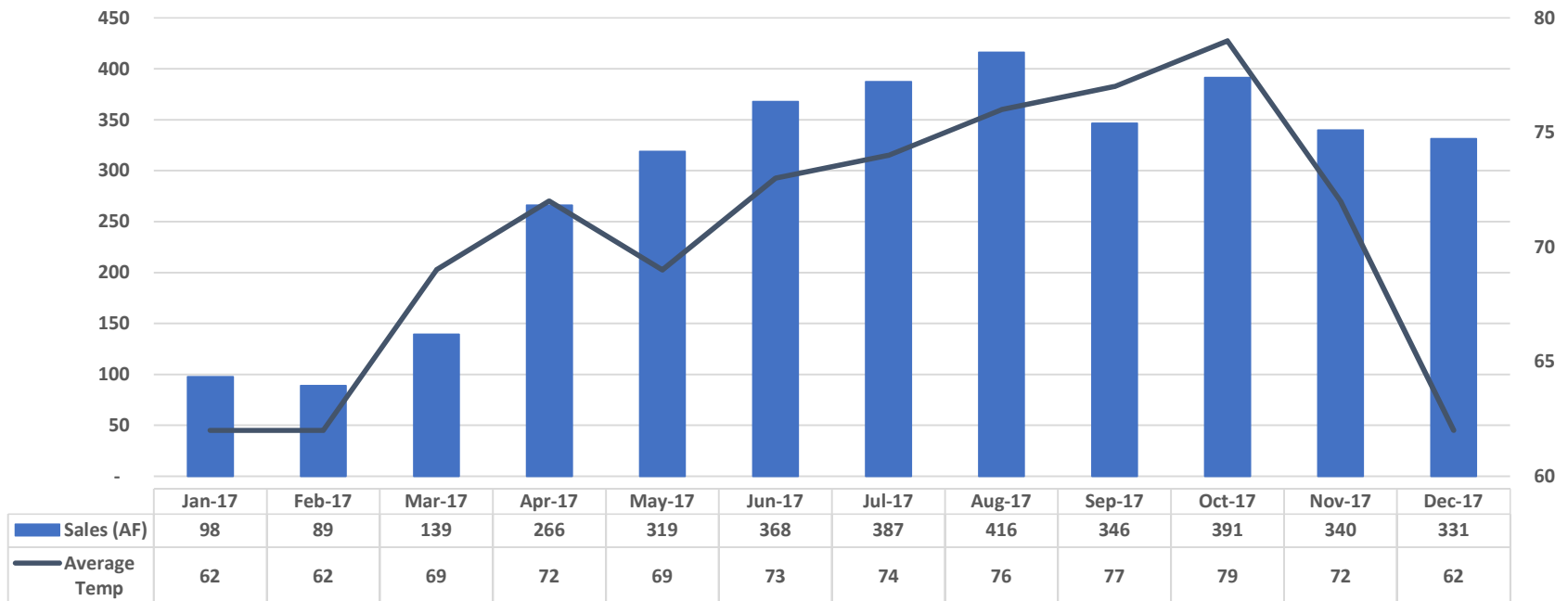
Trailing 12 Months vs. Trailing 36 Months:

(12.5%)



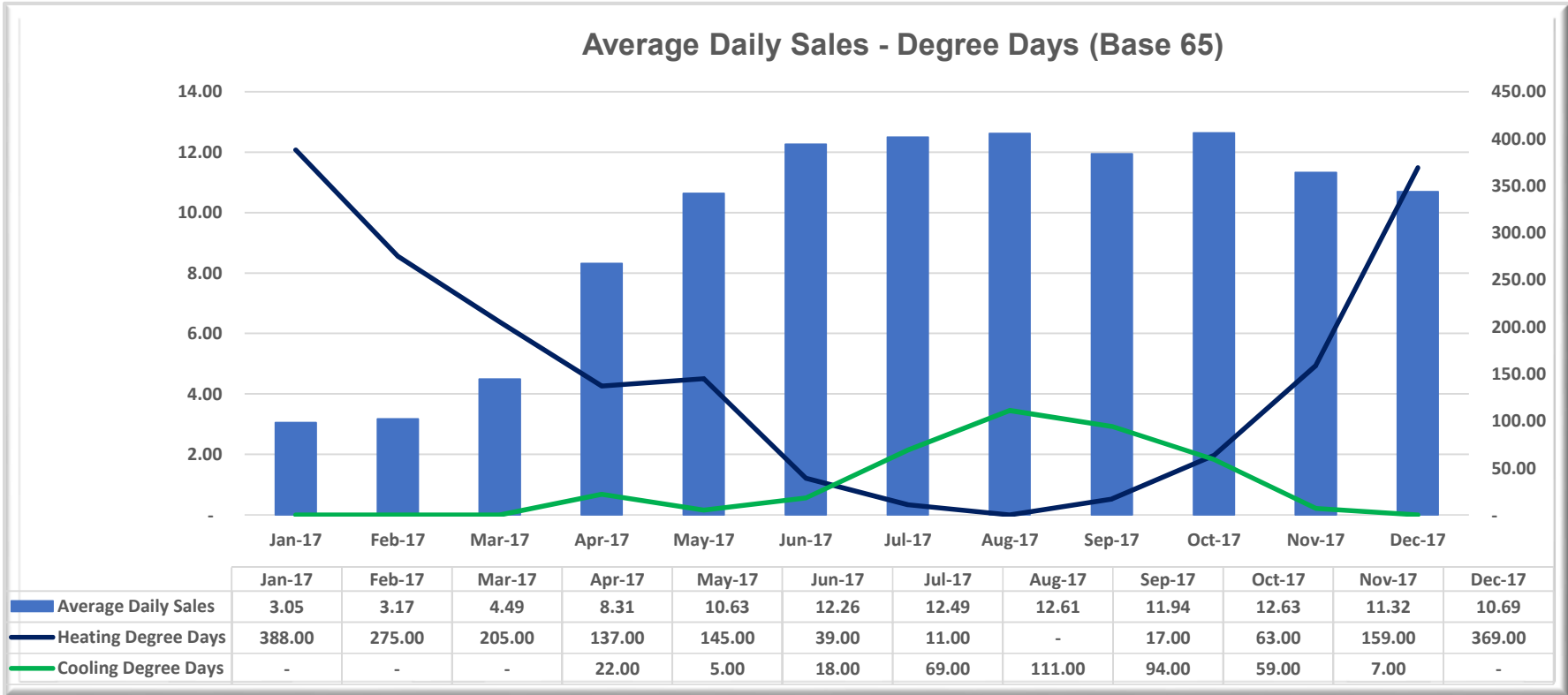
12/31/2017

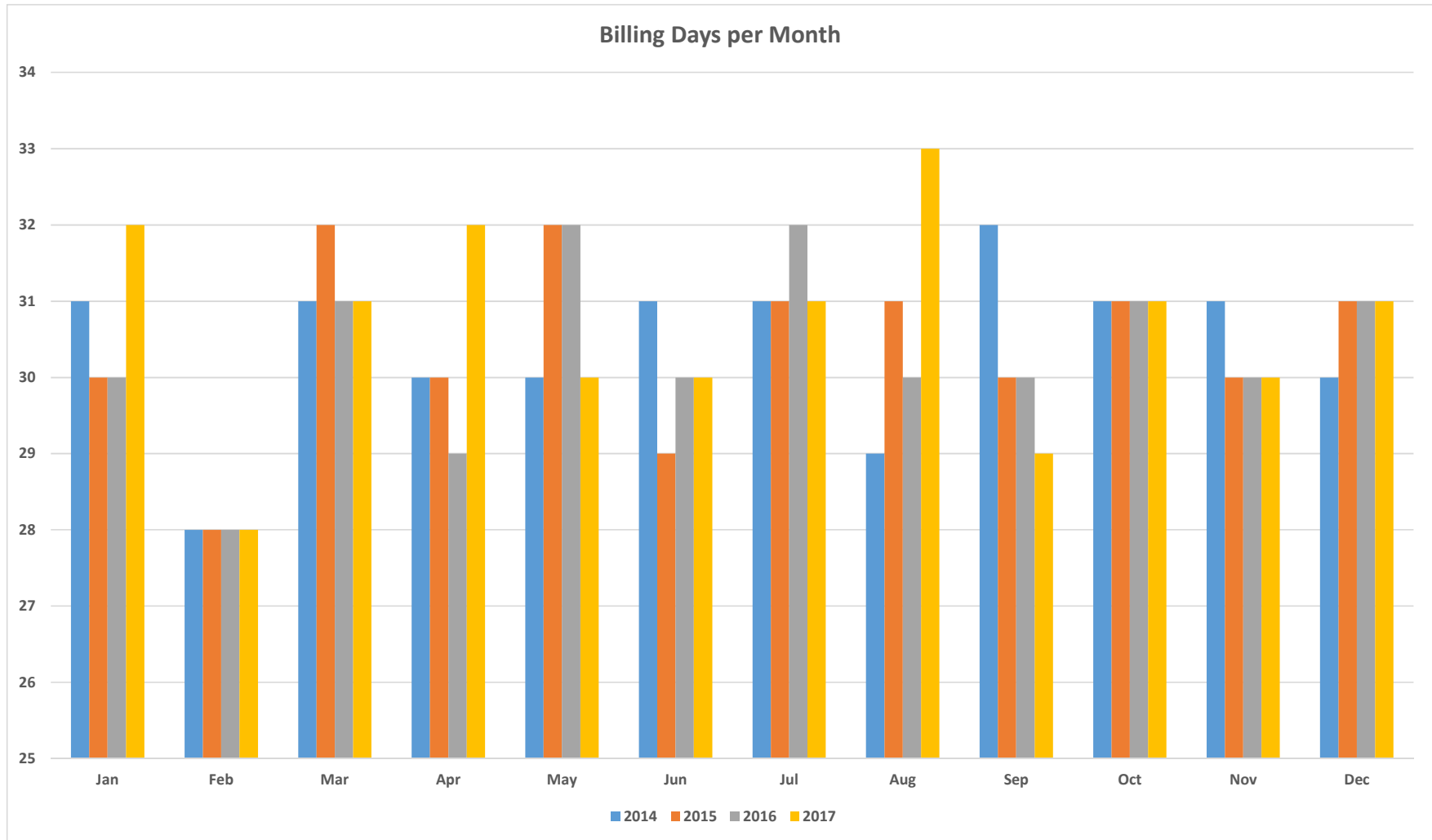
Sales / Average Temperature



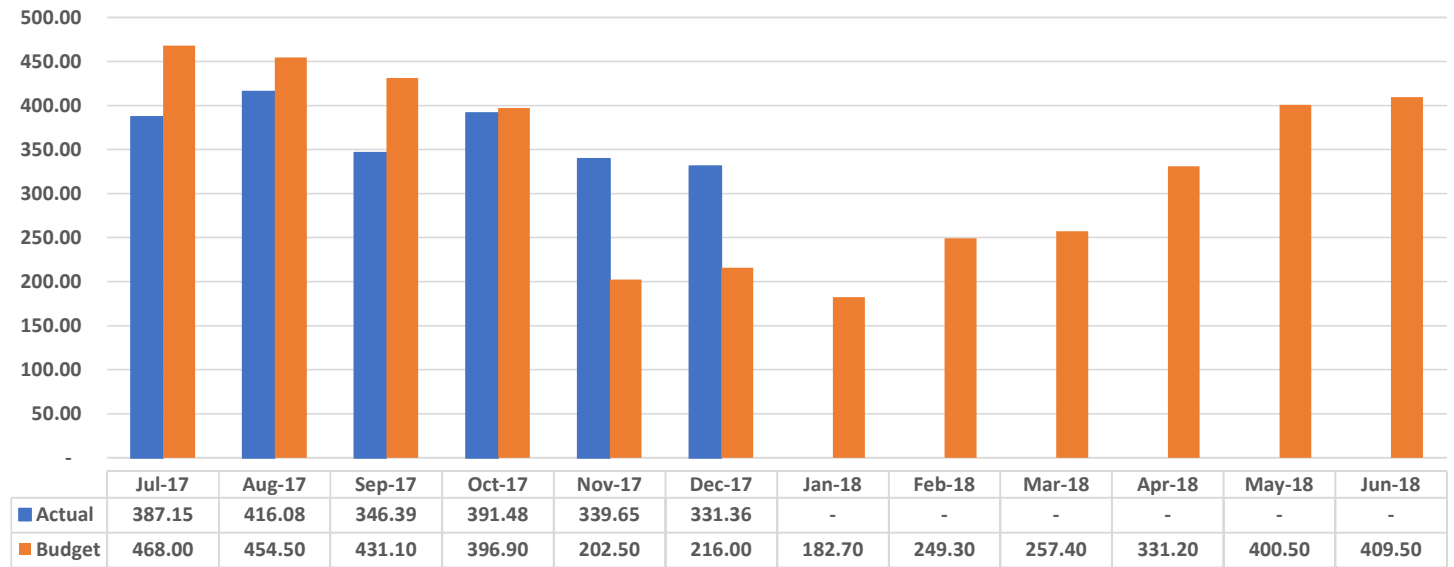


12/31/2017





Water Sales in AF (in AF)



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

MONTH	% SALES BREAKDOWN	2016/17 <u>ACTUAL SALES (*)</u>		2017/18 <u>BUDGET SALES</u>		2017/18 <u>SALES (*)</u>		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	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
FEB	6.4%	88.8	218,446	249.3	\$613,435	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAR	6.4%	139.1	332,989	257.4	\$615,911	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
APR	8.2%	266.0	612,907	331.2	\$785,317	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	10.6%	318.9	743,836	400.5	\$1,013,272	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.0%	367.8	871,971	409.5	\$955,734	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,127.2	7,415,684	3,999.6	\$9,589,341	2,212.1	\$5,283,524	363.1	19.6%	\$887,811	20.2%	43.1	2.0%	\$126,819	2.5%

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

	2016/17 <u>ACTUAL SALES (YTD)</u>		2017/18 <u>BUDGET SALES (YTD)</u>		2017/18 <u>ACTUAL SALES (YTD)</u>		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Cummulative (YTD)	1,849.0	4,395,712	2,169.0	\$5,156,704	2,212.1	\$5,283,523	363.1	19.6%	\$887,811	20.2%	43.1	2.0%	\$126,819	2.5%

QUARTERLY COMPARISON - ACTUALS THROUGH DECEMBER 2017 (*)

	2016/17 <u>ACTUAL SALES</u>		2017/18 <u>BUDGET SALES</u>		2017/18 <u>ACTUAL SALES (*)</u>		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Jul-Sep (Actual)	1,118.6	\$2,661,104	1,353.6	\$3,220,150	1,149.6	\$2,734,549	31.0	2.8%	\$73,445	2.8%	(204.0)	(15.1%)	(\$485,601)	(15.1%)
Oct-Dec (Actual)	730.4	1,734,608	815.4	1,936,554	1,062.5	\$2,548,974	332.1	45.5%	\$814,366	46.9%	247.1	30.3%	\$612,420	31.6%
Jan-Mar (Actual)	325.5	791,258	689.4	1,678,314	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Apr-Jun (Actual)	952.7	2,228,714	1,141.2	2,754,323	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,127.2	\$7,415,684	3,999.6	\$9,589,341	2,213.0	\$5,283,524	363.1	19.6%	\$887,811	20.2%	43.1	2.0%	\$126,819	2.5%

(*) 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 DECEMBER 2017 (*)**

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	290.00	415.40	4308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4812.84
1999-00	656.44	621.80	542.90	541.00	341.90	501.30	285.90	146.30	288.20	329.59	529.63	556.20	5341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4910.40
2001-02	571.70	631.20	501.40	436.70	214.10	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6054.61
2004-05	693.71	763.52	753.31	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	203.40	357.30	623.30	5065.18
2006-07	681.40	707.50	606.70	540.80	530.70	359.80	415.50	201.10	462.90	469.10	703.00	655.00	6333.50
2007-08	739.40	832.60	642.00	594.20	509.30	328.80	188.00	212.00	474.10	629.00	694.00	675.00	6518.40
2008-09	798.00	724.64	633.87	674.67	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5964.37
2009/10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5245.53
2010/11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4715.58
2011/12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	394.72	371.30	271.33	504.24	582.64	5302.42
2012/13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5945.40
2013/14	697.66	730.90	684.30	662.58	496.06	378.50	530.73	357.85	206.59	305.52	373.14	352.27	5776.10
2014/15	362.48	360.73	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	311.07	3331.17
2015/16	353.90	371.40	373.74	342.06	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3439.73
2016/17	377.38	378.68	362.54	345.53	239.92	145.00	97.59	88.78	139.09	266.01	318.90	367.79	3127.21
2017/18	387.15	416.08	346.39	391.48	339.65	331.36							2212.11
AVERAGE	602.19	625.20	561.24	484.17	345.29	270.75	246.57	226.83	293.32	391.68	494.43	523.37	5097.25
MAXIMUM	798.00	832.60	753.31	674.67	530.70	501.30	530.73	394.72	474.10	629.00	703.00	675.00	6518.40
MINIMUM	353.90	360.73	346.39	342.06	214.10	145.00	97.59	88.78	139.09	203.40	290.00	311.07	2212.11
17/18 % VS AVERAGE	64%	67%	62%	81%	98%	122%	0%	0%	0%	0%	0%	0%	43%
17/18 % VS MAXIMUM	49%	50%	46%	58%	64%	66%	0%	0%	0%	0%	0%	0%	34%

Total METER Connections = **4,604**

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 6-C

DATE: JANUARY 16, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: FISCAL YEAR 2016/17 AUDITED FINANCIAL STATEMENTS

This item was reviewed by the Finance Committee at their meeting on January 9, 2018 and the Committee concurs with the staff recommendation.

RECOMMENDATION:

That the Board receive, approve and file the Audited Financial Statements for the Fiscal Years Ending June 30, 2017 and 2016.

BACKGROUND:

The Draft Audited Financial Statements for the Fiscal Years Ending June 30, 2017 (2016/17 audit) are provided to you under separate cover. The audited financial statements include the basic financial statements, the Independent Auditor's Report, and the notes to the financial statements. The Management Discussion and Analysis and the required supplemental information, on which the auditor does not express an opinion, accompany the financial statements.

An independent audit report is required by the State Controller's office, Bond Trustees, JPA agreements, and rating agencies for the issuance of debt. An independent audit assures a level of accountability for the District's financial position. As stated in the United States Government Accountability Office publication Government Auditing Standards, "Government auditing is essential in providing accountability to legislators, oversight bodies, those charged with governance, and the public. Audits provide an independent, objective, nonpartisan assessment of the stewardship, performance, or cost of government policies, programs, or operations, depending upon the type and scope of the audit."

The 2016/17 fiscal year is the first year of the District's contract with the accounting firm Moss, Levy & Hartzheim LLP, (the Auditor) to perform the annual audit. Adam Guise is the Partner who is responsible for performing the audit of the District's financial statements.

In working with Mr. Guise, the Committee and staff have been informed with regard to changes occurring Statewide regarding the reporting of unfunded liabilities and changes in general operating and reporting policies.

DISCUSSION:

The Auditor attended the regular Finance Committee meeting on January 9, 2018 to present the audited financial statements to the Committee.

AUDITOR'S OPINION

The Auditor's opinion, stated in the third section on page 1 of the Independent Auditors Report, is the fundamental element of the Audited Financial Statements and is the Auditor's opinion of the presentation of the financial statements. The Auditor has issued an unqualified opinion on the District's basic financial statements as follows:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Montecito Water District as of June 30, 2017, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America."

This is the best type of opinion that an entity may receive from an external auditor and means the following:

- That the Auditor provides reasonable assurance that there are no material misstatements within the Financial Statements and that they are represented fairly in accordance with Generally Accepted Accounting Principles in the United States of America and have been consistently applied.
- The Financial Statements comply with relevant statutory requirements and regulations.
- There is adequate disclosure of all material matters relevant to the proper presentation of the financial information subject to statutory requirements, where applicable.
- Any changes in the accounting principles or in the method of their application and the effects thereof have been properly determined and disclosed in the Financial Statements.

FINANCIAL STATEMENTS

The Basic Financial Statements include the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

REQUIRED SUPPLEMENTARY INFORMATION – RETIREMENT BENEFITS

Supplemental information regarding retirement benefits is required to be reported along with the Audited Financial Statements. The Auditor does not express an opinion on this information. These schedules can be found on pages 36 through 38 of the audit report.

Accompanying Documents:

Management is required to provide a “Management’s Discussion and Analysis” report which is to be included in the audit report. The Management Discussion and Analysis report presents financial highlights, comments on the required financial statements and would report on conditions affecting the current financial position.

Once the audited financial statements are approved by the Board, the District will distribute the audited financial statements report to the various agencies and organizations that require them.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 6-D

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER / BUSINESS MANAGER

SUBJECT: AUTHORIZE JANUARY METER SERVICE CHARGE FORGIVENESS

This item was reviewed by the Finance Committee at their meeting on February 13, 2018 and the Committee concurs with the staff recommendation.

RECOMMENDATION:

Finance Committee recommends that the Board authorize District staff to waive the billing of meter service charges for all customers for the month of January.

DISCUSSION:

On January 9, 2018, the District suffered damage to its infrastructure as a result of the catastrophic debris flows. From January 9 through January 31, 2018 a large portion of the District's customers were without potable water. Billing for the month of January 2018 has not yet occurred. The Finance Committee recommends that District Customers should only be charged for water used during the January billing period and not billed for meter service charges. District staff has prepared the attached analysis depicting the financial impact of various options for Board consideration.

ATTACHMENTS

1) January Meter Service Charges

Meter Service Charges - January 2018

	Amount billed for January meter charges	Amount to be billed for December 29th through January 8th	Amount to be billed for January 9th through January 31st
1'	119,241	43,722	75,520
1 1/2'	69,838	25,607	44,231
2'	54,703	20,058	34,645
3'	7,492	2,747	4,745
3' Special (Riven Rock mutual)	1,204	441	762
3/4F'	25,773	9,450	16,323
3/4S'	75,223	27,582	47,641
4'	1,784	654	1,130
6'	8,919	3,270	5,649
Hydrant (Nesbitt & Miramar)	106	39	67
		0	0
	\$ 364,283.73	\$ 133,570.70	\$ 230,713.03

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 6-E

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER / BUSINESS MANAGER

SUBJECT: AUTHORIZATION TO UTILIZE BOARD ASSIGNED RESERVES

RECOMMENDATION:

Recommend that the Board of Directors authorize the use of funds from both the Reserve for Emergencies and the Reserve for Operations.

BACKGROUND:

The Board established a reserve policy, Resolution 2155, in which funds are reserved for a specific purpose. The Reserve for Emergencies and Reserve for Operations funds are considered Board Assigned Reserves to be utilized upon approval by the Board. The catastrophic January 9, 2018 debris flow meets the criteria for use of these funds established under Resolution 2155.

DISCUSSION

District staff believes the Reserve for Emergencies and Reserve for Operations funds should be released as unrestricted funds as a result of the January 9, 2018 debris flow. A combination of 1) increased expenses and decreased revenues in the month of January, 2) billing for January being postponed until February and 3) the possibility that FEMA and Cal OES reimbursements may not be funded within the 60-day time frame stated, it would be prudent to utilize these funds. The authorization to use the reserved funds will have no financial impact as it is merely allowing use of assets that are already on the balance sheet and in the District's operating bank accounts. The Reserve for Emergencies fund is \$1 million and Reserve for Operations fund is \$3.4 million.

ATTACHMENTS

- 1) Resolution 2155

RESOLUTION NO. 2155
RESOLUTION OF THE BOARD OF DIRECTORS OF
MONTECITO WATER DISTRICT
ADOPTING A RESERVE POLICY

WHEREAS, the mission of Montecito Water District ("District") is to provide an adequate and reliable supply of high quality water to the residents of the Montecito and Summerland communities at the most reasonable cost; and

WHEREAS, Water Code Section 31000 grants the District express and implied powers to carry out its mission; and

WHEREAS, Water Code Section 31001 authorizes the District generally to perform all acts necessary to carry out its mission; and

WHEREAS, Water Code Section 31007 requires that rates and charges be collected and fixed so as to: yield an amount sufficient to pay operating expenses; provide for repairs and depreciation of works owned or operated by the District; pay the interest on bonded debt; and pay principal of the bonded debt as it becomes due; and

WHEREAS, the adoption of a reserve policy will assist the District in accomplishing its general mission, and fulfilling the requirements of the Water Code;

NOW THEREFORE BE IT RESOLVED that the Board of Directors of Montecito Water District hereby adopts the "Montecito Water District Reserve Policy" that is attached to this Resolution, and incorporated herein by this reference.

PASSED AND ADOPTED by the Board of Directors of the Montecito Water District this 28th of June 2017 by the following roll call vote:

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

NOES: None

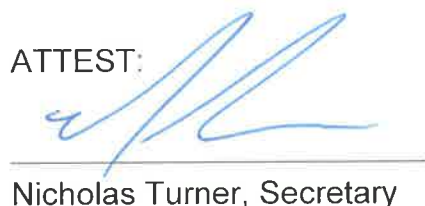
ABSENT: None

ABSTAIN: None

APPROVED:


Richard Shaikewitz, President

ATTEST:


Nicholas Turner, Secretary



MONTECITO WATER DISTRICT RESERVE POLICY

FY 2017-18

Montecito Water District

STATEMENT OF RESERVE POLICY

The mission of Montecito Water District is to provide an adequate and reliable supply of high quality water to the residents of the Montecito and Summerland communities at the most reasonable cost. In addition to supplying high quality water, the Board is also charged with responsibility for the construction, operation, maintenance, repair and replacement of facilities to transport and deliver that water to District customers, and for the collection and accumulation of revenues necessary to accomplish these purposes. The reserve amounts stated in this document reflect the projected activity for FY 2017/18 and will be updated annually.

POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Montecito Water District (District) desires to identify and provide a calculation methodology and/or maintained level of all existing and future needs of the District where reserve funds are required and/or necessary. The District's Board of Directors realize the importance of reserves in providing reliable service to its customers, financing unanticipated capital projects, and the funding of emergencies, should they arise. To this extent, the District will at all times strive to have sufficient funding available to meet its operating, unanticipated capital, emergency and debt service obligations, as well as to avoid significant rate fluctuations due to changes in cash flow requirements.

The Board may designate specific reserve funds and maintain minimum reserve balances consistent with statutory obligations that it has determined to be in the best interest of the District. The Policy directives outlined in this document are intended to ensure that the District has sufficient funds to meet current and future needs. The Board reviews the types, as well as the amounts, of reserve funds annually. Considerations to continue or establish new reserve funds is determined based on the following criteria:

- ◆ Purpose of the reserve.
- ◆ Availability and source of funds to continue, replenish or establish the reserve.
- ◆ Operating expenditure levels approved within the annual budget process.
- ◆ Future capital expenditure and debt service requirements of the District.
- ◆ Board approval of the reserve policy.

The District recognizes the importance of operating the District with a sound business plan in place that provides for unanticipated or emergency costs should they arise within a budgeted fiscal year.

It is the Board's intent through this Policy to describe how and why specific reserves are established and maintained by the District and to provide the District's customers with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

DEFINITIONS

This Policy describes the reserve funds to be maintained in connection with:

- I. **RESTRICTED FUNDS:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with the District or outlined within the debt covenants of a debt financing.
- II. **UNRESTRICTED FUNDS:** These funds have no externally imposed use restrictions. The use of Unrestricted Funds is at the discretion of the District's Board of Directors. Unrestricted Funds may be designated for a specific purpose, which would be determined by the Board. The Board also has the authority to redirect the use of these funds as the District's needs change.

The Unrestricted funds can further be subdivided into "Committed", "Assigned" and "Unassigned" funds. Committed funds refer to the fund balance amounts that have constraints imposed by formal action of the District's Board of Directors. Once adopted, the limitation imposed remains in effect until a similar action is taken (the adoption of a new resolution) to remove or reverse the limitation. Assigned funds refer to the fund balance amounts that are constrained by the Board's intent to be used for a specific purpose, but are neither restricted nor committed. Unassigned funds refer to the fund balance that is not restricted, committed nor assigned.

To summarize:

- ◆ **Restricted Reserves** – Funds that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted Reserves consist of the 2010A Revenue COP Bond reserve, CCWA Rate Coverage Reserve and the DWR Ortega reserve.
- ◆ **Board Committed Reserves** - Funds that are designated to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. A Board

“Committed” reserve has been identified to pay costs associated with the class action lawsuit against Montecito Water District.

- ◆ **Board Assigned Reserves** – Funds that are designated for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Board. Board Assigned reserves are comprised of the following reserve accounts: “Reserve for Operations”, “Reserve for Emergencies” and “Reserve for Unanticipated or Unplanned Capital Repair and/or Replacement”.
- ◆ **Unassigned Reserves** – Funds that have accumulated as a result of operations that are not designated to be set aside for any particular purpose.

GENERAL PROVISIONS

The District will maintain its operating and capital funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its customers. The fund balances are considered the minimum necessary to maintain the District’s fiscal strength and flexibility and adequately provide for:

- ◆ Compliance with applicable statutory requirements.
- ◆ Financing of unanticipated or unplanned capital projects.
- ◆ Cash flow requirements.
- ◆ Economic uncertainties and other financial hardships or downturns in the economy.
- ◆ Contingencies arising from hydrological, meteorological or man-made changes or emergencies.

Through a variety of policy documents and plans, including the District’s CIP and Rate Model, the Board of Directors has set forth a number of long-term goals for the District. The fundamental purpose of the District’s policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so. An analysis will be conducted annually on the District’s Capital Improvement Program (CIP) to ascertain adequate reserve fund balances are meeting the goals outlined in this Policy.

The District has established and will maintain the reserve funds outlined in the following sections. A principal tenet of the District’s Reserve Policy shall be the generation of interest income on accumulated cash balances. Unless otherwise stated in this Reserve Policy, interest derived from reserve balances will be considered unrestricted and unassigned in nature. Reserve balances will be reviewed by the

Business Manager on a monthly basis, as well as annually during the budget review process, in order to determine how reserve fund balances compare with the budgeted projections and how they measure against the goals outlined in this Policy. The minimum established for each reserve fund represents the baseline financial condition that is acceptable to the District from risk and long-range financial planning perspectives. Maintaining reserve funds at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Board shall approve any reallocation of funds or any transfers among reserve funds.

SPECIFIC PROVISIONS

MWD will maintain the following reserve funds and respective target levels:

1. Restricted Reserves.

(a) 2010A Revenue COP Bond Reserve – These are reserve funds held by the bond trustees necessary to comply with the bond covenants and loan agreements established at the time of issuance of the revenue certificates of participation. This originates from the 1998 bond issuance for CIP, which was refinanced in 2010 and have a maturity date of 2027. This reserve approximates the annual principal and interest payment on the COP. **\$1,455,615**

(b) CCWA Rate Coverage Reserve – These are reserve funds held by CCWA that approximate 25% of the annual charge by CCWA to the District for the fixed and variable charges from the State Water Project, in addition to the proportionate share of CCWA's administrative costs. **\$1,425,135**

(c) DWR Ortega Reserve – These are reserve funds held by DWR as part of Contract #SRF99CX121. This reserve approximates the annual principal and interest payment on the loan relating to the construction of the roof on the Ortega Reservoir. **\$590,433**

2. Unrestricted Reserves.

(a) **Reserve for Litigation.** A committed "Reserve for Litigation" is hereby created for the District, to which the Board may appropriate unrestricted District revenues. The Reserve for Litigation will be utilized to pay the costs associated with the litigation against the District. Per the 2017/18 budget, the Board establishes an amount of **\$1,775,000**

(b) **Reserve for Operations.** An assigned “Reserve for Operations” is hereby created for the District, to which the Board may appropriate unrestricted District revenues. The Reserve for Operations may be utilized to pay the cost of operating the District’s general system including unanticipated costs associated with operations. This reserve is designated by the Board to maintain working capital for operations and to meet routine cash flow needs. The District shall endeavor to maintain in the “Reserve for Operations” an amount sufficient to pay for a minimum of 90 days of normal operations of the District excluding depreciation expense and payments to DWR, as reflected in the annual audit of the District presented to the Board each year. However, the funds appropriated to the “Reserve for Operations” may be accessed at any time for any other District purpose, upon approval by the Board. Funds appropriated to the “Reserve for Operations” may be invested in the same manner as other District funds, and the earnings thereon shall be credited to the District’s unrestricted fund balance. The District’s “Five Year Financial Plan” produced by Black and Veatch suggests a reserve amount of \$3.0 million. Per the 2017/18 budget, the Board establishes an amount of **\$3,400,000**

(c) **Reserve for Emergencies.** An assigned “Reserve for Emergencies” is hereby created, to which the Board may appropriate unrestricted District revenues. The “Reserve for Emergencies” may be utilized in the event of a hydrological, meteorological or man-made emergency in which the District’s infrastructure is severely damaged. While the District will strive to have adequate insurance coverage and protection, it may be necessary for the District to have cash available in the interim. The funds appropriated to the “Reserve for Emergencies” may be accessed at any time for any other District purpose, upon approval by the Board. Funds appropriated to the “Reserve for Emergencies” may be invested in the same manner as other District funds, and the earnings thereon shall be credited to the District’s unrestricted fund balance. The “Five Year Financial Plan” produced by Black and Veatch suggested a reserve amount of \$1.0 million. Per the 2017/18 budget, the Board establishes an amount of **\$1,000,000**

(d) **Reserve for Unanticipated or Unplanned Capital Repair & Replacement.** An assigned “Reserve for Unanticipated or Unplanned Capital Repair & Replacement” is hereby created to which the Board may appropriate unrestricted District revenues. The “Reserve for Unanticipated or Unplanned Capital Repair & Replacement” may be utilized to construct or procure new infrastructure for the District; expenditures include but are not limited to transmission and distribution capital assets, buildings, pumping equipment, technical equipment, and transportation equipment. Per the 2017/18 budget, the Board establishes an amount of **\$1,000,000**

3. Additional Reserves

In addition to the reserves identified above, the Board may approve the creation of such additional reserve accounts, whether temporary or permanent, as the Board deems necessary or appropriate, by amendment to this resolution or by simple motion. In such event, the Board will identify the purposes for which such additional reserve accounts are created, provide guidance as to the amount which the District should endeavor to maintain in each such fund or account and establish the limits and restrictions pertaining thereto.

ANNUAL REPORTS

Each year the District's General Manager or Business Manager shall provide the Board of Directors with a report indicating the beginning and ending balance for each of the reserve funds or accounts created pursuant to this policy and the purposes for which expenditures have been made therefrom, and shall make recommendations to replenish or augment fund or account balances as appropriate.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 6-F

DATE: FEBRUARY 20, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: PROJECTED CASH FLOWS REGARDING EMERGENCY SPENDING

RECOMMENDATION:

For information and discussion only; no action required;

DISCUSSION:

As a result of the catastrophic debris flow that occurred on January 9, 2018, the District is experiencing a significant amount of non-budgeted expenses related to the emergency repair work. In addition, the January billing has been postponed resulting in a delay in the District's receipt of these monthly revenues. Also, based on input and recommendation from the Finance Committee, revenue may be impacted further if the Board supports partial or full forgiveness of the service charges for the month of January. As a result, effective cash management is essential.

As of January 31, 2018, the District's operating cash is approximately \$4M. Invoices for these emergency expenses have been received in the month of January and staff anticipates additional invoices being received in February. Payment of these invoices will have an impact on unrestricted cash. Although Staff anticipates receiving reimbursement of nearly all emergency expenses from FEMA and Cal OES over the next several months, receipt of these funds may be delayed.

As demonstrated in the attached estimated cash flow report, Staff has determined that the District has sufficient unrestricted cash available through March without the need to borrow money.

ATTACHMENTS

1) Estimated Cash Flow

Cash Flow

<u>January</u>	Budget	Estimate for Full Forgiveness	Estimate for No Forgiveness
Operating Cash Beginning	\$ 3,184,369.13	\$ 3,184,369.13	\$ 3,184,369.13
Revenue	\$ 1,015,354.00	\$ 247,514.52	\$ 611,514.52
Expenses	\$ (963,631.00)	\$ (1,013,631.00)	\$ (1,013,631.00)
Decrease in AR		\$ 1,310,484.96	\$ 946,484.96
Increase in A/P		\$ 166,000.00	\$ 166,000.00
Depreciation	\$ 106,243.00	\$ 106,243.00	\$ 106,243.00
Cash Flows From Operations	<u>\$ 157,966.00</u>	<u>\$ 816,611.48</u>	<u>\$ 816,611.48</u>

Ending Operating Cash	\$ 3,342,335.13	\$ 4,000,980.61	\$ 4,000,980.61
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February

Operating Cash Beginning	\$ 3,342,335.13	\$ 4,000,980.61	\$ 4,000,980.61
Revenue	\$ 1,247,573.00	\$ 1,122,815.70	\$ 1,122,815.70
Expenses	\$ (1,237,815.00)	\$ (1,287,815.00)	\$ (1,287,815.00)
Emergency - Construction		\$ (1,100,000.00)	\$ (1,100,000.00)
Emergency - Consultants		\$ (117,000.00)	\$ (117,000.00)
Emergency - Mutual Aid		\$ (315,000.00)	\$ (315,000.00)
increase in A/R		\$ (1,122,815.70)	\$ (1,122,815.70)
Depreciation	\$ 106,243.00	\$ 106,243.00	\$ 106,243.00
Cash Flows From Operations	<u>\$ 116,001.00</u>	<u>\$ (2,713,572.00)</u>	<u>\$ (2,713,572.00)</u>

Ending Operating Cash	\$ 3,458,336.13	\$ 1,287,408.61	\$ 1,287,408.61
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<u>March</u>		Budget		Estimate to Charge for 11 days		Estimate for No Forgiveness
Operating Cash Beginning	\$	3,458,336.13	\$	1,287,408.61	\$	1,287,408.61
Revenue	\$	1,323,487.00	\$	1,230,842.91	\$	1,230,842.91
Expenses	\$	(1,410,769.00)	\$	(1,410,769.00)	\$	(1,410,769.00)
Emergency - Construction						
Emergency - Consultants						
Emergency - Mutual Aid						
Decrease in A/R			\$	27,205.74	\$	391,205.74
Depreciation	\$	106,243.00	\$	106,243.00	\$	106,243.00
Cash Flows From Operations	\$	18,961.00	\$	(46,477.35)	\$	317,522.65
Ending Operating Cash	\$	3,477,297.13	\$	1,240,931.26	\$	1,604,931.26

Assumptions

1. January A/R will decrease as we will have collected December payments and will have a minimal January billing
2. Vast majority of the invoices for services rendered during the emergency period will be due in February, based amounts on the list provided at the last Board meeting
3. Due to timing of January bill, a minimum of 85% of both January and February bills will be in AR at the end of February
4. Non-emergency AP will remain at normal levels with a negligible fluctuation
5. No change in Inventory as parts purchased items were put immediately into use
6. Budgeted revenue in Feb and Mar will both be decreased as the customer base has not been allowed back into their homes.

Full Forgiveness

\$	1,800,000.00	Beginning A/R	
\$	247,514.52	Jan Billing - Add to A/R	
\$	(1,557,999.48)	December Payments Rec'd	
\$	489,515.04	Ending Jan A/R	
	\$	(1,310,484.96)	Decrease in A/R
\$	489,515.04	Beginning A/R	
\$	1,122,815.70	Feb Billing - Add to A/R	
\$	-	January Payments Rec'd	
\$	1,612,330.74	Ending A/R	
	\$	1,122,815.70	Increase in A/R
\$	1,612,330.74	Beginning A/R	
\$	1,230,842.91	Mar Billing - Add to A/R	
\$	(1,258,048.65)	January & Feb Payments Payments Rec'd	
\$	1,585,125.00	Ending A/R	
	\$	(27,205.74)	Decrease in A/R

No Forgiveness

\$	1,800,000.00	Beginning A/R	
\$	611,514.52	Jan Billing - Add to A/R	
\$	(1,557,999.48)	December Payments Rec'd	
\$	853,515.04	Ending Jan A/R	
	\$	(946,484.96)	Decrease in A/R
\$	853,515.04	Beginning A/R	
\$	1,122,815.70	Feb Billing - Add to A/R	
\$	-	January Payments Rec'd	
\$	1,976,330.74	Ending A/R	
	\$	1,122,815.70	Increase in A/R
\$	1,976,330.74	Beginning A/R	
\$	1,230,842.91	Mar Billing - Add to A/R	
\$	(1,622,048.65)	January & Feb Payments Payments Rec'd	
\$	1,585,125.00	Ending A/R	
	\$	(391,205.74)	Decrease in A/R
\$	1,800,000.00	Dec AR	
\$	242,000.00	Jan AR	
\$	1,558,000.00	Payments Rec'd	

SECTION 7A

**MONTECITO WATER DISTRICT FINANCING CORPORATION
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA
AT 2:00 P.M., TUESDAY, FEBRUARY 20, 2018**

AGENDA

1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM
2. PUBLIC FORUM. (Any member of the public may address and ask questions of the Board of Directors relating to any matter not on the agenda within the jurisdiction of the MWDFC. Depending upon the subject matter, the Board may be unable to respond at this time, or until the specific item is placed on the agenda at a future meeting in accordance with the Brown Act.)
3. ELECTION OF OFFICERS

President, Vice President, Secretary, Chief Financial Officer
Appointment of Special Counsel
4. APPROVE MINUTES OF JANUARY 17, 2017
5. REPORT OF SECRETARY
6. ADJOURNMENT.

Note: This agenda was posted at the Montecito Water District front counter and outside front wall at 2:00 p.m. on February 16, 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.

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

MINUTES
MONTECITO WATER DISTRICT FINANCING CORPORATION
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA
AT 2:00 P.M., TUESDAY, JANUARY 17, 2017

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

President Shaikewitz called the meeting to order at 4:47

Directors Present:

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

Directors Absent:

None

Staff Present:

Nick Turner, General Manager
Tom Sheil, Business Manager
Adam Kanold, Engineering Manager
Bob Cohen, General Counsel
Marla Perez, Financial Analyst - IT Specialist
Laura Camp, Public Information Coordinator
Lois Werner, Recording Secretary

Guests Present:

Sam Leno
Pamela Leno
Ken Coates
Donna Senauer
Bob Hazard
Jon Emanuel

2. PUBLIC FORUM.

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

3. ELECTION OF OFFICERS

It was moved by Director Frye, seconded by Director Morgan and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to nominate Director Shaikewitz as President, Director Morgan as Vice President, General Manager Nick

Turner as Secretary, and Business Manager Tom Sheil as Chief Financial Officer and appoint Bond Counsel Doug Brown as Special Counsel.

4. APPROVE MINUTES OF JANUARY 19, 2016

It was moved by Director **Frye**, seconded by Director **Morgan** and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the minutes of January 19, 2016 as presented.

5. REPORT OF SECRETARY

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

6. ADJOURNMENT.

There being no further business, the meeting of the MWDFC was adjourned at 4:52 p.m.

Approved:

W. Douglas Morgan, President

Attest:

Nick Turner, Secretary

**MONTECITO WATER DISTRICT
FINANCING CORPORATION (MWDFC)
MEMORANDUM**

SECTION: 5

DATE: FEBRUARY 20, 2018

**TO: MONTECITO WATER DISTRICT FINANCING CORPORATION BOARD
OF DIRECTORS**

FROM: SECRETARY TO THE BOARD

**SUBJECT: ANNUAL REPORT OF SECRETARY TO MONTECITO WATER
DISTRICT FINANCING CORPORATION**

RECOMMENDATION:

For information only; no action required.

DISCUSSION:

The Montecito Water District Financing Corporation (MWDFC) was formally filed with the office of the Secretary of State of the State of California on April 30, 1998. MWDFC is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporate Law, beginning in Section 5110 of the California Corporations Code.

MWDFC is organized to provide assistance to Montecito Water District (MWD) for financing, refinancing, acquiring, constructing and rehabilitating of facilities, land and equip, and in the sale or leasing of facilities, land and equipment. There are no specific reporting requirements for the MWDFC because MWD is its only agency. However, it has been determined that it is prudent business practice to provide an annual synopsis of the status of MWDFC's investments, disbursements and bond activity for the preceding year. This report will review the calendar year 2017.

Investments

A reserve fund has been established with the Trustee (Bank of New York Mellon) in compliance with the 2010A COP trust agreement. The balance of the reserve fund at December 31, 2017 is \$1,448,733.11. No other investments were made during the year.

Debt Service Payments

The District paid two interest payments of \$345,231 and \$345,180 for a total of \$690,411 to the Trustee in advance of the January 1 and July 1 scheduled payment dates.

Principal payments are due beginning June 30, 2023. Once the Trustee receives the payment, the interest payments are made to the Bondholders.

District Submittals

There are a number of documents that must be submitted to the Trustee and other regulatory agencies on an annual basis, as follow

	<u>Due</u>	<u>Completed</u>
Annual Continuing Disclosure Report	03/30/17	03/30/2017
Annual Auditor's Report	03/30/17	03/30/2017
Statement of Budget Certification	07/15/17	06/28/2017
Arbitrage Report (every five years)	06/08/15	05/29/2015
Certificate of Incumbency*	As Needed	

*when there is a change in authorized signatories

Also required are filings with the Internal Revenue Service (IRS) and the State of California (CA). Staff worked closely with Sheila Baldwin, Paralegal with Stradling Yocca Carlson & Rauth, P.C. on the completion, review, and filing of the required forms.

U.S. Corporation Income Tax Return, IRS Form 1120
Registry Renewal Fee Report, CA Form RRF-1

ATTACHMENT:

1. Minutes of January 17, 2017