



**FINANCE COMMITTEE MEETING  
MONTECITO WATER DISTRICT  
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA  
TUESDAY, JUNE 19, 2018  
AT 9:30 AM**

**AGENDA**

**1) CALL TO ORDER, DETERMINATION OF COMMITTEE QUORUM**

**2) PUBLIC FORUM**

This portion of the agenda may be utilized by any person to address the Finance Committee on any matter within the jurisdiction of the Committee. No consideration or discussion shall be undertaken by Committee members at this time on any item not appearing on this agenda except as permitted by the Ralph M. Brown Act. Discussion items receiving recommendations by the Committee, and/or items requiring action will be placed on the agenda of a future meeting of the Montecito Water District Board of Directors.

**3) ITEMS FOR COMMITTEE DISCUSSION**

- A. Review Unaudited District Monthly Financial Reports for May 2018
- B. Discuss Cash Flow Regarding Emergency Spending
- C. Update on New Bill Print, Credit Card and Bank Change
- D. Potential increase in SWP Variable Costs

**4) DIRECTOR REQUESTS**

**5) ADJOURNMENT**

This agenda was posted at the Montecito Water District front counter and outside front wall at 5:00 pm, June 15, 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 Committee 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.



**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 3-A**

**DATE: JUNE 19, 2018**

**TO: FINANCE COMMITTEE**

**FROM: BUSINESS MANAGER**

**SUBJECT: MAY 2018 FINANCIAL REPORTS**

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**RECOMMENDATION:**

For information and discussion only.

**BACKGROUND:**

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

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

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

**ANALYSIS:**

**1. WATER SALES ANALYSIS – MAY 2018**

<b>MONTH TO DATE WATER SALES (AF)</b>				
<b>CLASSIFICATION</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	
			<b>AF</b>	<b>%</b>
<b>Single Family</b>	<b>220.06</b>	<b>274.40</b>	<b>(54.34)</b>	<b>(19.8%)</b>
<b>Multi Family</b>	<b>4.45</b>	<b>7.17</b>	<b>(2.71)</b>	<b>(37.9%)</b>
<b>Agricultural</b>	<b>30.22</b>	<b>41.07</b>	<b>(10.85)</b>	<b>(26.4%)</b>
<b>Institutional</b>	<b>25.21</b>	<b>42.39</b>	<b>(17.18)</b>	<b>(40.5%)</b>
<b>Commercial</b>	<b>14.09</b>	<b>23.77</b>	<b>(9.68)</b>	<b>(40.7%)</b>
<b>Non-Potable</b>	<b>9.14</b>	<b>11.70</b>	<b>(2.56)</b>	<b>(21.9%)</b>
<b>Monthly Total</b>	<b>303.17</b>	<b>400.50</b>	<b>(97.33)</b>	<b>(24.3%)</b>

<b>YEAR TO DATE WATER SALES (AF)</b>				
<b>CLASSIFICATION</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	
			<b>AF</b>	<b>%</b>
<b>Single Family</b>	<b>2,539.03</b>	<b>2,541.16</b>	<b>(2.14)</b>	<b>(0.1%)</b>
<b>Multi Family</b>	<b>54.49</b>	<b>78.58</b>	<b>(24.09)</b>	<b>(30.7%)</b>
<b>Agricultural</b>	<b>281.75</b>	<b>258.98</b>	<b>22.77</b>	<b>8.8%</b>
<b>Institutional</b>	<b>221.10</b>	<b>328.45</b>	<b>(107.36)</b>	<b>(32.7%)</b>
<b>Commercial</b>	<b>193.97</b>	<b>288.50</b>	<b>(94.53)</b>	<b>(32.8%)</b>
<b>Non-Potable</b>	<b>108.62</b>	<b>94.42</b>	<b>14.20</b>	<b>15.0%</b>
<b>Yearly Total</b>	<b>3,398.96</b>	<b>3,590.10</b>	<b>(191.14)</b>	<b>(5.3%)</b>

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

During the month of May 2018, MWD sold 303.2 AF of water to its customers compared to a budgeted amount of 400.5 AF which translates to a budget variance of -97.3 AF or -24.3%. The reason for the variance has to do with the budget process and timing combined with some customers still not receiving service.

## B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 6,242,725	\$ 6,375,198	\$ (132,473)	(2.1%)
Multi Family	128,231	196,434	(68,203)	(34.7%)
Agricultural	395,440	360,532	34,908	9.7%
Institutional	600,247	856,412	(256,165)	(29.9%)
Commercial	523,036	785,456	(262,420)	(33.4%)
Non-Potable	66,240	59,575	6,665	11.2%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 7,955,919	\$ 8,633,607	\$ (677,688)	(7.8%)

## 2. STATEMENT OF REVENUE AND EXPENDITURES – MAY 2018

### A. Revenues

Total Revenue YTD as of May 31, 2018 is \$17,055,319 compared to the YTD Budget of \$18,030,059 for a budget variance of -\$974,741 or -5.7%.

REVENUE	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
WATER SALES	7,955,918	8,633,607	(677,689)
WSE SURCHARGE	4,805,064	4,701,959	103,105
ORDINANCE 94 PENALTIES	(3,105)	-	(3,105)
SERVICE CHARGES	3,534,900	3,918,699	(383,799)
WATER AVAILABILITY CHARGE	302,987	306,499	(3,512)
PRIVATE FIRE HYDRANT	63,863	60,831	3,032
LATE CHARGES	46,184	46,766	(582)
SERVICE CONNECTION FEES	22,459	22,430	30
CAPITAL COST RECOVERY FEES	56,904	174,269	(117,365)
INTEREST REVENUE - GENERAL	115,378	91,667	23,711
OTHER REVENUE (LOSS)	135,005	51,333	83,672
REIMBURSEMENTS	19,762	22,000	(2,238)
TOTAL REVENUE	\$ 17,055,319	\$ 18,030,059	(\$ 974,741)

## **B. Expenses:**

### **1. JPA Expenses**

Total JPA Expenses YTD through May 31, 2018 are \$7,479,567 compared to the YTD budget of \$6,909,484 which is above budget by \$570,083. This variance is due to the variable portion of the SWP being above budget by \$145k (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 May 31, 2018 are \$6,264,593 compared to the YTD budget of \$6,432,818 which is below budget by \$168,224. This variance is primarily due to the following factors – **Engineering**, a recycled water feasibility study has not yet been completed (\$51k), SGMA Study has not incurred expected costs (\$27k), as well as other combined variances \$32k; **Public Information and Conservation**, website development has not yet taken place (\$20k), as well as other combined variances (\$39k); **Administration**, local water supply negotiations planned but not completed (\$232k), reduced insurance premiums (\$48k), offset by Legal expenses over budget by \$151k, as well as other combined variances of (\$61k). Please see footnotes to the Financial Statements for further clarification.

## **ATTACHMENTS:**

- 1) Financial Package – May 2018



**FINANCIAL REPORTS**

**FINANCE COMMITTEE MEETING**

**For the Month of May 2018**

**June 19, 2018**

**MONTECITO WATER DISTRICT**  
**STATEMENT OF REVENUE AND EXPENDITURES**  
 May 31, 2018

REVENUE	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)	Footnote
WATER SALES	719,008	1,013,272	(294,264)	7,955,918	8,633,607	(677,689)	(1)
WSE SURCHARGE	437,785	406,487	31,298	4,805,064	4,701,959	103,105	(1)
ORDINANCE 94 PENALTIES	-	-	-	(3,105)	-	(3,105)	
SERVICE CHARGES	353,746	356,104	(2,358)	3,534,900	3,918,699	(383,799)	(2)
WATER AVAILABILITY CHARGE	(18)	-	(18)	302,987	306,499	(3,512)	
PRIVATE FIRE HYDRANT	5,930	5,420	510	63,863	60,831	3,032	
LATE CHARGES	4,381	4,252	129	46,184	46,766	(582)	
SERVICE CONNECTION FEES	1,932	-	1,932	22,459	22,430	30	
CAPITAL COST RECOVERY FEES	-	-	-	56,904	174,269	(117,365)	(3)
INTEREST REVENUE - GENERAL	36,826	8,333	28,493	115,378	91,667	23,711	(4)
OTHER REVENUE (LOSS)	7,878	4,667	3,211	135,005	51,333	83,672	(5)
REIMBURSEMENTS	683	2,000	(1,317)	19,762	22,000	(2,238)	
<b>TOTAL REVENUE</b>	<b>\$ 1,568,150</b>	<b>\$ 1,800,535</b>	<b>(\$ 232,384)</b>	<b>\$ 17,055,319</b>	<b>\$ 18,030,059</b>	<b>(\$ 974,741)</b>	
<b>OPERATING EXPENSE</b>							
<b>DIRECT EXPENSE</b>							
<b>JPA OPERATING EXPENSE</b>							
CACHUMA OPERATIONS & MAINT BOARD (COMB)	71,399	-	(71,399)	576,858	419,230	(157,628)	(6)
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	2,879	-	(2,879)	95,014	77,739	(17,275)	(7)
US BUREAU OF RECLAMATION (USBR)	-	-	-	49,707	134,030	84,323	(8)
CATER WATER TREATMENT PLANT	399,620	-	(399,620)	1,063,276	945,000	(118,276)	(9)
STATE WATER PROJECT (SWP) - FIXED	410,975	410,975	(0)	4,520,730	4,520,729	(1)	
STATE WATER PROJECT (SWP) - VARIABLE	23,543	1,875	(21,668)	958,457	812,756	(145,701)	(10)
SUPPLEMENTAL WATER PURCHASE	-	-	-	215,525	-	(215,525)	(11)
<b>TOTAL JPA OPERATING EXPENSE</b>	<b>\$ 908,417</b>	<b>\$ 412,850</b>	<b>(\$ 495,566)</b>	<b>\$ 7,479,567</b>	<b>\$ 6,909,484</b>	<b>(\$ 570,083)</b>	
<b>MWD DIRECT EXPENSE</b>							
JAMESON	7,850	8,198	348	127,530	101,953	(25,576)	(12)
TRANSMISSION & DISTRIBUTION	117,165	116,704	(461)	1,319,121	1,303,014	(16,107)	(13)
TREATMENT	98,550	93,131	(5,418)	1,084,750	1,047,918	(36,832)	(14)
<b>TOTAL MWD DIRECT EXPENSE</b>	<b>\$ 223,564</b>	<b>\$ 218,033</b>	<b>(\$ 5,531)</b>	<b>\$ 2,531,401</b>	<b>\$ 2,452,885</b>	<b>(\$ 78,516)</b>	
<b>TOTAL DIRECT EXPENSES</b>	<b>1,131,981</b>	<b>630,884</b>	<b>(501,097)</b>	<b>10,010,968</b>	<b>9,362,369</b>	<b>(648,600)</b>	
<b>MWD INDIRECT EXPENSE</b>							
ENGINEERING	62,532	29,800	(32,732)	443,726	490,430	46,704	(15)
CUSTOMER SERVICE	25,938	33,989	8,050	387,874	363,423	(24,451)	(16)
PUBLIC INFORMATION / CONSERVATION	6,400	6,456	55	62,454	121,570	59,116	(17)
FLEET	16,819	14,388	(2,431)	179,269	154,245	(25,024)	(18)
ADMINISTRATION (incl Depreciation)	236,353	221,961	(14,391)	2,659,869	2,850,264	190,395	(19)
<b>TOTAL MWD INDIRECT EXPENSE</b>	<b>\$ 348,042</b>	<b>\$ 306,593</b>	<b>(\$ 41,449)</b>	<b>\$ 3,733,192</b>	<b>\$ 3,979,933</b>	<b>\$ 246,740</b>	

	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)
TOTAL MWD EXPENSE	\$ 571,607	\$ 524,627	(\$ 46,980)
TOTAL OPERATING EXPENSE	\$ 1,480,023	\$ 937,477	(\$ 542,546)
NET OPERATING SURPLUS / (DEFICIT)	\$ 88,127	\$ 863,058	(\$ 774,931)
NON OPERATING EXPENSE			
2004 DWR ORTEGA LOAN	-	-	-
BOND INTEREST EXPENSE	-	-	-
CATER DWR LOAN	(115,824)	-	(115,824)
CATER CAPITAL	-	-	-
CATER OZONE	(138,173)	-	(138,173)
TOTAL NON OPERATING EXPENSE	(\$ 253,996)	\$ -	(\$ 253,996)
NET OPERATING SURPLUS / (DEFICIT)	(\$ 165,869)	\$ 863,058	(\$ 1,028,927)
NET POSITION, BEGINNING OF PERIOD	\$ 31,797,546	\$ 31,842,377	(\$ 44,831)
NET POSITION, END OF PERIOD	\$ 31,631,677	\$ 32,705,435	(\$ 1,073,759)
CAPITAL EXPENDITURE			
EQUIPMENT	-	-	-
WATER STORAGE PURCHASE	-	-	-
MWD SYSTEM PROJECTS	399,960	48,500	(351,460)
TOTAL MWD CAPITAL EXPENDITURE	\$ 399,960	\$ 48,500	(\$ 351,460)
ADD BACK DEPRECIATION EXPENSE (NON-CASH)	\$ 103,638	\$ 106,243	\$ 2,604
NET CASH IMPACT	(\$ 462,191)	\$ 920,801	(\$ 1,382,992)

YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
\$ 6,264,593	\$ 6,432,818	\$ 168,224
\$ 13,744,161	\$ 13,342,302	(\$ 401,859)
\$ 3,311,158	\$ 4,687,758	(\$ 1,376,600)
(79,163)	(295,200)	216,037
(345,231)	(345,231)	0
(231,647)	(115,824)	(115,823)
-	(2,631)	2,631
(276,346)	(138,150)	(138,196)
(\$ 932,387)	(\$ 897,036)	(\$ 35,351)
\$ 2,378,772	\$ 3,790,722	(\$ 1,411,950)
\$ 29,252,905	\$ 28,992,747	\$ 260,158
\$ 31,631,677	\$ 32,783,469	(\$ 1,151,792)
130,550	105,500	(25,050)
-	1,890,000	1,890,000
1,257,674	2,704,090	1,446,416
\$ 1,388,224	\$ 4,699,590	\$ 3,311,366
\$ 1,141,276	\$ 1,168,669	\$ 27,393
\$ 2,131,824	\$ 259,801	\$ 1,872,023

May 31, 2018

**FOOTNOTES**

(1) **WATER SALES (in AF) - MTD UNDER** Actual 303.2 and Budget 400.5 = Variance -97.3; **YTD UNDER** Actual 3,399.0 and Budget 3,590.1 = Variance -191.1

\*The WSE is over budget while water sales are under budget due to the fact that it was budgeted at \$2.33/AF, but remains at \$3.45/AF in actuals

(2) **SERVICE CHARGES - MTD UNDER by \$2k** - Monthly Service Charges lost due to 1/9 event; (±60 homes)

**YTD UNDER \$383k** - Meter Service Charge was forgiven for the month of January due to the 1/9 event combined with continued monthly loss

(3) **CAPITAL COST RECOVERY - YTD UNDER by \$117k** - Anticipated new meter installations have not occurred

(4) **INTEREST REVENUE - MTD OVER by \$28k; YTD OVER by \$24k** - Realized interest on the sale of T-Bills used to make the State Water Project fixed cost payment

(5) **OTHER REVENUE - YTD OVER by \$81k** - \$42k ACWA/JPIA refund, \$5k Recycling and \$34 Gain on the sale of fixed assets

(6) **COMB - MTD OVER by \$71k; YTD OVER by \$157k** - due to timing differences

(7) **CCRB - MTD OVER by \$3k; YTD OVER by \$17k** - due to timing differences

(8) **USBR - YTD UNDER \$84k** - due to timing differences

(9) **CATER WTP - MTD OVER by \$400k; YTD OVER by \$118k** - due to timing differences

(10) **STATE WATER PROJECT (VARIABLE) -MTD OVER by \$21k; YTD OVER by \$145k** - Timing difference. Anticipating slow down in billing to close this gap.

(11) **SUPPLEMENTAL WATER PURCHASE - YTD OVER by \$216k** - Net purchases from Santa Maria to leave \$500,000 in Water Repayment Debt to AVEK relating to 2015 purchase.

(12) **JAMESON - YTD OVER by \$26k** - Outside Services \$34k, Repairs and Maintenance (UNDER) (\$10k)

(13) **TRANSMISSION & DISTRIBUTION** - YTD OVER by \$16k - Salaries & Benefits \$12, Supplies \$42k, Repairs and Maint (UNDER) (-\$19k), Garbage (UNDER)(-\$8k), Road & Paving (UNDER) (-\$7k) and Utilities (UNDER) (-\$7k)

(14) **TREATMENT - MTD OVER by \$5k** - Salaries & Benefits \$3k, Chemicals \$2k

**YTD OVER by \$36k** - Salaries & benefits \$12k, Supplies \$39k, Chemicals \$14k and Repairs & Maint. (UNDER)(-\$28k)

(15) **ENGINEERING - MTD OVER by \$33k** - Outside Svcs. (unbudgeted expense) \$22k, Recycled Water Feasibility Study (timing) \$10k

**YTD UNDER by \$46k** - Salaries and Benefits (\$24k), GIS (\$8k), SGMA (\$27k), Fish Relocation (\$10k), Cloud Seeding (\$11), Recycled Water Feasibility (\$51k), Supplies (OVER) 13k and Outside Services (OVER) \$71k

(16) **CUSTOMER SERVICE - MTD UNDER by \$8k** - Salaries and Benefits (\$5k), Repairs & Maintenance (\$3k); **YTD OVER by \$25k** - Salaries and Benefits \$56k, Repairs and Maint (UNDER) (-\$33k)

(17) **PUBLIC INFORMATION / CONSERVATION - YTD UNDER by \$59k** - Website development (\$20k), Postage (\$12k), Legal-Special (\$15k), Conserv Prg (\$5k), Printing & publishing (\$7k)

(18) **FLEET - MTD OVER by \$2k** - Salaries and Benefits \$1k, Supplies \$1k; **YTD OVER by \$25k** - Salaries and Benefits \$14k, Fuels \$5k, Supplies \$5k

(19) **ADMINISTRATION - MTD OVER by \$14k** - Legal \$28k, Computer Supplies (UNDER) (\$1k), Insurance (UNDER) (\$2k), Salaries & Benefits (UNDER) (\$2k), Professional Training (UNDER) (\$6k)

**YTD UNDER by \$190k** - Salaries (\$36k); Local Water Supply Negotiations (\$232k); Rate Study (\$17k); Insurance (\$48k);-Computer (\$27k); Building Maintenance (\$28K); Legal (OVER) \$151k; Outside Svcs (OVER) \$70k

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

**ASSETS**

**Current:**

<b>Cash and investments</b>			
Operating accounts			
Board reserves:			
Reserve for Operations	\$	3,400,000	
Reserve for Emergencies	\$	1,000,000	
Reserve for Unanticipated Projects	\$	<u>1,000,000</u>	
		\$	5,400,000
Unreserved Cash		\$	<u>1,311,728</u>
Total unrestricted cash and investments		\$	6,711,728
Restricted - cash and investments		\$	<u>3,475,962</u>
Total Cash (unrestricted & restricted)			\$ 10,187,689
Other Investments - Semitropic Shares		\$	630,000 \$ 630,000
<b>Receivables:</b>			
Accounts receivable - water sales & services, net	\$	1,519,270	
Accounts receivable - other	\$	5,884	
Accrued Interest	\$	14,867	
FEMA Reimbursable	\$	1,749,729	
ACWA/JPIA receivable	\$	326,472	
Materials and supplies inventory	\$	364,311	
Prepaid water charges (SWP and other prepaid water)	\$	9,108,671	
Prepaid expenses and other deposits	\$	<u>106,937</u>	
Total Current Assets			\$ 13,196,141
<b>Noncurrent:</b>			
Capital assets - not being depreciated	\$	1,282,239	
Capital assets - being depreciated, net	\$	<u>31,403,979</u>	
Total Noncurrent Assets			\$ 32,686,218

**DEFERRED OUTFLOWS OF RESOURCES**

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

**TOTAL COMBINED ASSETS:**

\$ 57,816,825

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

**LIABILITIES**

**Current:**

Accounts payable and accrued expenses	\$	2,619	
Accrued wages and related payables	\$	45,816	
Unearned revenue and other deposits	\$	91,692	
Accrued interest payable	\$	-	
Long-term liabilities - due within one year:			
Accrued compensated absences	\$	-	
Bonds Payable	\$	-	
Loan Payable	\$	635,016	
Total Current Liabilities		\$ 775,143	

**Noncurrent:**

Accrued compensated absences	\$	364,530	
Accrued water exchange transfer	\$	500,000	
Bonds payable	\$	13,360,000	
Loan payable	\$	6,083,751	
Other post-employment benefits payable	\$	780,930	
Net pension liability	\$	3,797,410	
Total Noncurrent Liabilities		\$ 24,886,621	
Total Liabilities		\$ 25,661,763	

**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	\$	3,475,962	
Unrestricted	\$	16,082,908	
Total Net Position		\$ 31,631,678	

**TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:**

**\$ 57,816,825**

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

	MTD	YTD
Operating Income (loss)	\$ 51,301	\$ 3,195,781
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	103,638	1,141,276
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(453,223)	(1,567,641)
Materials and supplies inventory	(18,993)	(116,531)
Prepaid water charges	(5,551,069)	(1,166,431)
Prepaid expenses and other deposits	6,292	12,866
Litigation Liability	-	(1,140,668)
Accounts payable	-	(1,148,423)
Accrued wages and related payables	41,055	(8,949)
Unearned revenue and other deposits	(1,989)	60,125
Accrued water exchange transfer	-	(834,475)
Compensated absences	3,301	24,149
	\$ (5,819,687)	\$ (1,548,921)

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

Acquisition and construction of capital assets	(399,960)	\$ (1,800,503)
Interest Payable	-	-
	\$ (399,960)	\$ (1,800,503)

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

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

	<u>MTD</u>	<u>YTD</u>
Ortega Interest	\$ -	\$ (79,163)
Bond Interest	-	(345,231)
Cater DWR Loan	(115,824)	(231,647)
Cater Capital	-	-
Cater Ozone	(138,173)	(276,346)
	<hr/>	<hr/>
Net cash provided (used) by noncapital financing activities	\$ (253,997)	\$ (932,387)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earnings	\$ 36,826	\$ 115,377
Purchase of underground water banking shares	\$ -	\$ (630,000)
	<hr/>	<hr/>
Net cash provided by (used) by investing activities	\$ 36,826	\$ (514,623)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (6,436,819)	\$ (4,796,438)
------------------------------------------------------	----------------	----------------

Cash and cash equivalents, beginning of period	\$ 16,624,508	\$ 14,984,127
Cash and cash equivalents, end of period	<hr/> <u>\$ 10,187,689</u>	<hr/> <u>\$ 10,187,689</u>

**RECONCILIATION TO STATEMENT OF NET POSITION:**

Cash and investments - cash equivalents	\$ 6,711,728	\$ 6,711,728
Restricted cash and investments - cash equivalents	3,475,962	3,475,962
	<hr/>	<hr/>
	<u>\$ 10,187,689</u>	<u>\$ 10,187,689</u>



# DASHBOARD REPORT WATER SALES (AF)

5/31/2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	Favorable/(Unfavorable)	
			AF	%
Single Family	220.06	274.40	(54.34)	(19.8%)
Multi Family	4.45	7.17	(2.71)	(37.9%)
Agricultural	30.22	41.07	(10.85)	(26.4%)
Institutional	25.21	42.39	(17.18)	(40.5%)
Commercial	14.09	23.77	(9.68)	(40.7%)
Non-Potable	9.14	11.70	(2.56)	(21.9%)
Monthly Total	303.17	400.50	(97.33)	(24.3%)

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	Favorable/(Unfavorable)	
			AF	%
Single Family	2,539.03	2,541.16	(2.14)	(0.1%)
Multi Family	54.49	78.58	(24.09)	(30.7%)
Agricultural	281.75	258.98	22.77	8.8%
Institutional	221.10	328.45	(107.36)	(32.7%)
Commercial	193.97	288.50	(94.53)	(32.8%)
Non-Potable	108.62	94.42	14.20	15.0%
Yearly Total	3,398.96	3,590.10	(191.14)	(5.3%)

Fiscal Year = July thru June



## DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	Favorable/(Unfavorable)	
			\$	%
Single Family	\$ 557,897	\$ 745,608	\$ (187,711)	(25.2%)
Multi Family	10,483	28,205	(17,722)	(62.8%)
Agricultural	42,109	47,003	(4,894)	(10.4%)
Institutional	67,041	112,618	(45,577)	(40.5%)
Commercial	35,905	71,152	(35,247)	(49.5%)
Non-Potable	5,573	8,686	(3,113)	(35.8%)
Adjustments	-	-	-	0.0%
<b>Monthly Total</b>	<b>\$ 719,008</b>	<b>\$ 1,013,272</b>	<b>\$ (294,264)</b>	<b>(29.0%)</b>

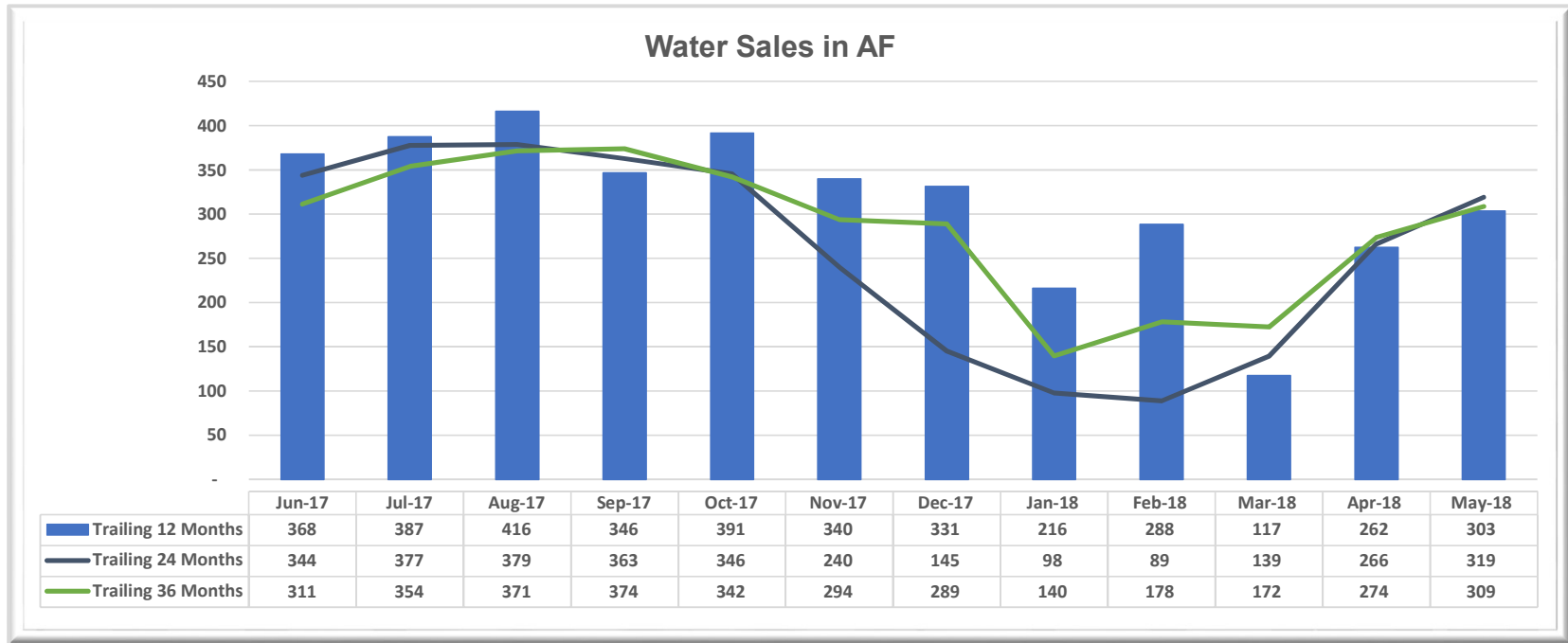
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	Favorable/(Unfavorable)	
			\$	%
Single Family	\$ 6,242,725	\$ 6,375,198	\$ (132,473)	(2.1%)
Multi Family	128,231	196,434	(68,203)	(34.7%)
Agricultural	395,440	360,532	34,908	9.7%
Institutional	600,247	856,412	(256,165)	(29.9%)
Commercial	523,036	785,456	(262,420)	(33.4%)
Non-Potable	66,240	59,575	6,665	11.2%
Adjustments	-	-	-	0.0%
<b>Monthly Total</b>	<b>\$ 7,955,919</b>	<b>\$ 8,633,607</b>	<b>\$ (677,688)</b>	<b>(7.8%)</b>

*Fiscal Year = July thru June*

**MONTH ENDING**

**5/31/2018**

*(Select Date From Drop Down Arrow)*

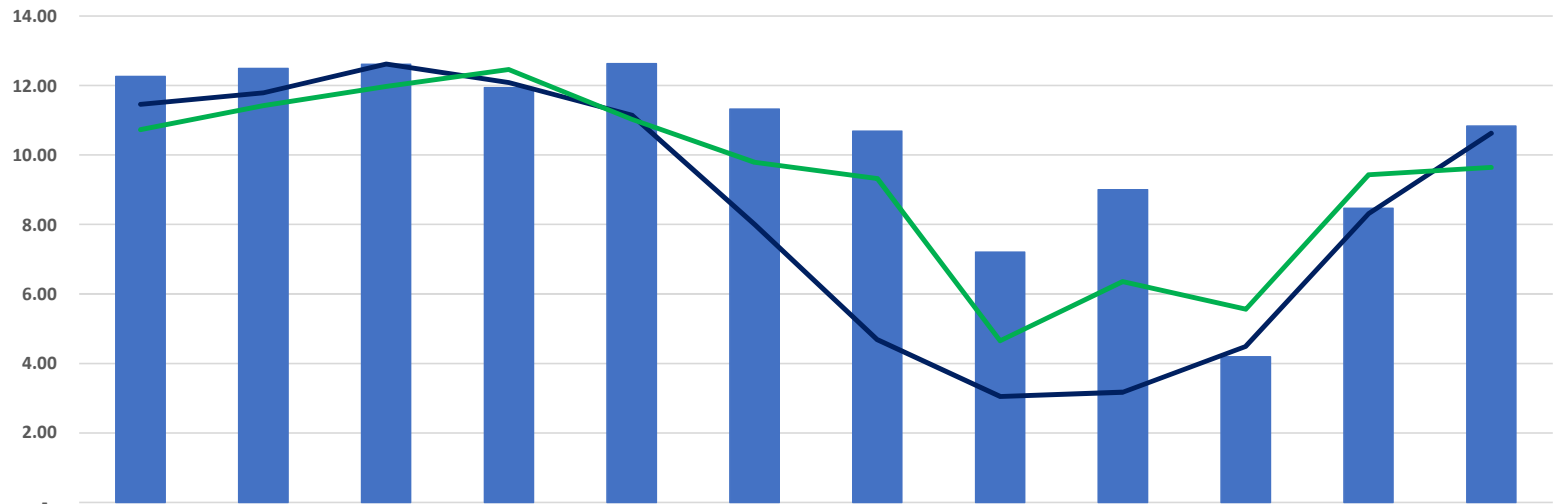


Trailing 12 Months    3,767 AF  
 Trailing 24 Months    3,103 AF  
 Trailing 36 Months    3,407 AF



5/31/2018

Average Daily Water Sales Per Month (AF)



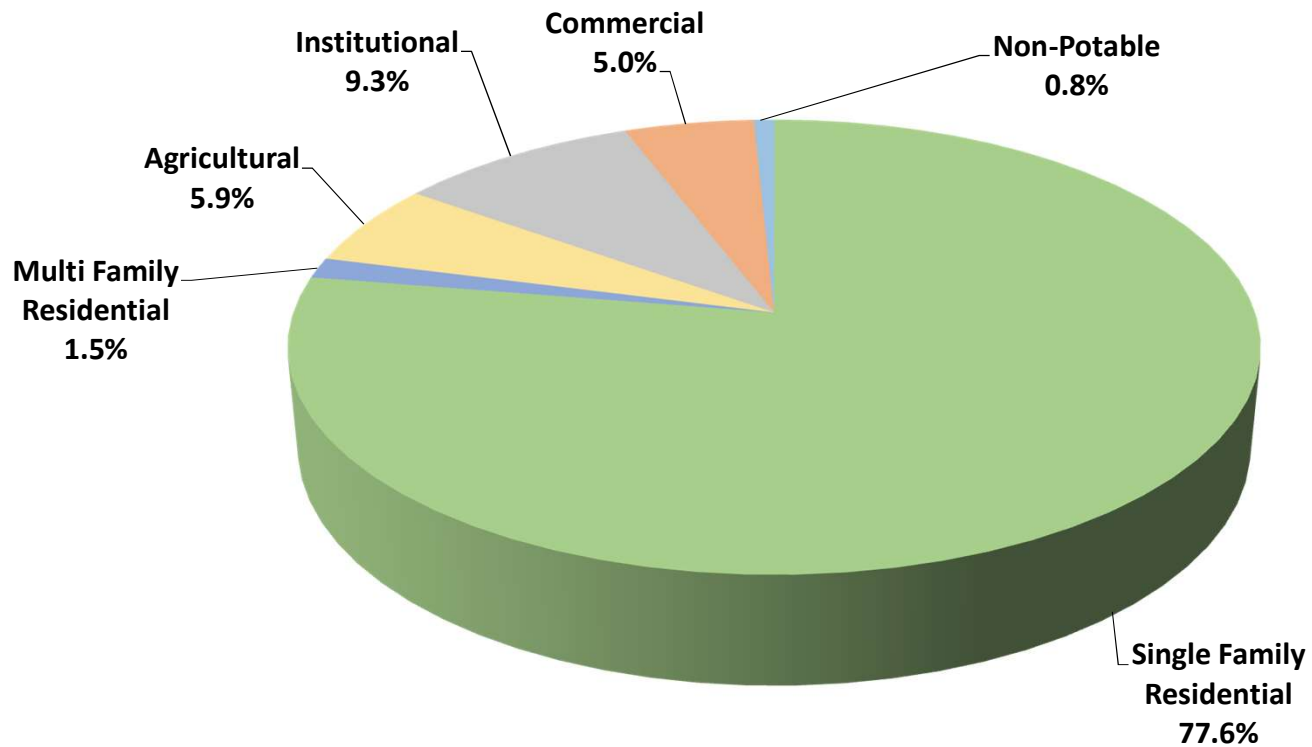
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Trailing 12 Months	12.26	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83
Trailing 24 Months	11.46	11.79	12.62	12.08	11.15	8.00	4.68	3.05	3.17	4.49	8.31	10.63
Trailing 36 Months	10.73	11.42	11.98	12.46	11.03	9.79	9.32	4.65	6.36	5.56	9.43	9.64

MONTH ENDING

5/31/2018

(Select Date From Drop Down Arrow)

### Water Sales (\$) by Classification May 2018

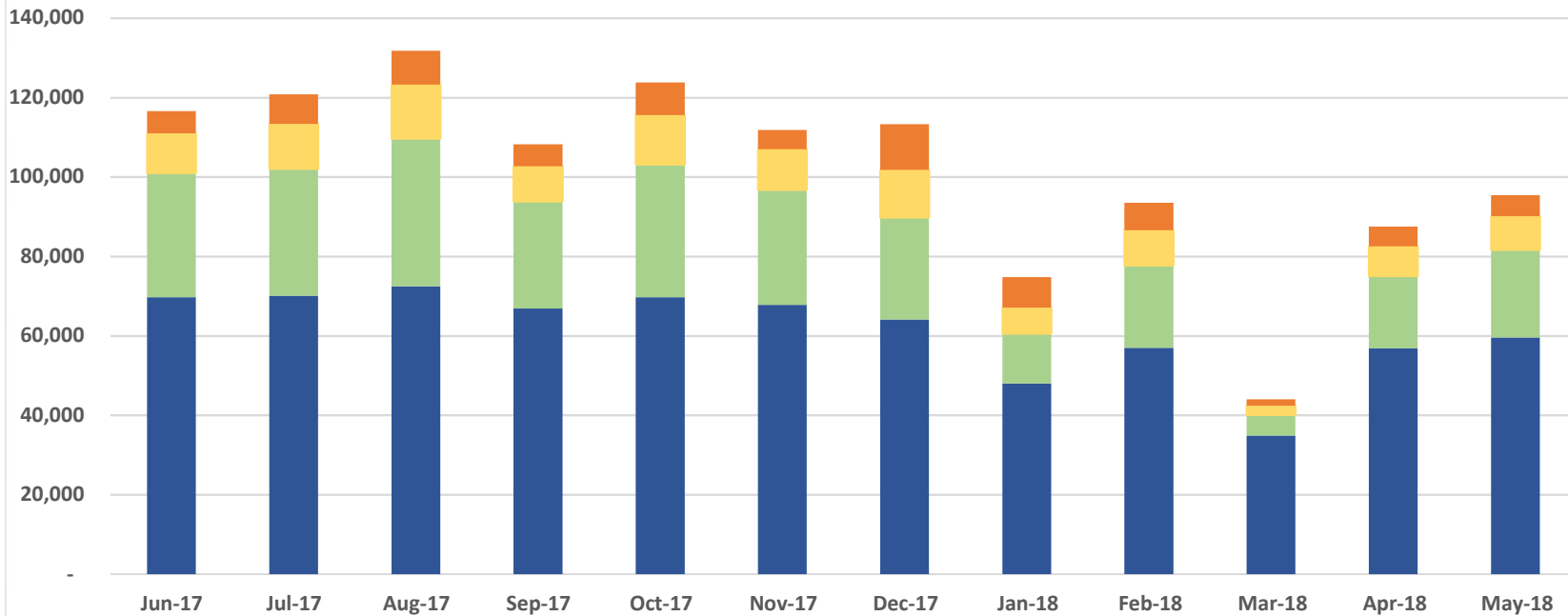




# DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING **5/31/2018**

Monthly SFR Water Consumption by Tier (HCF)



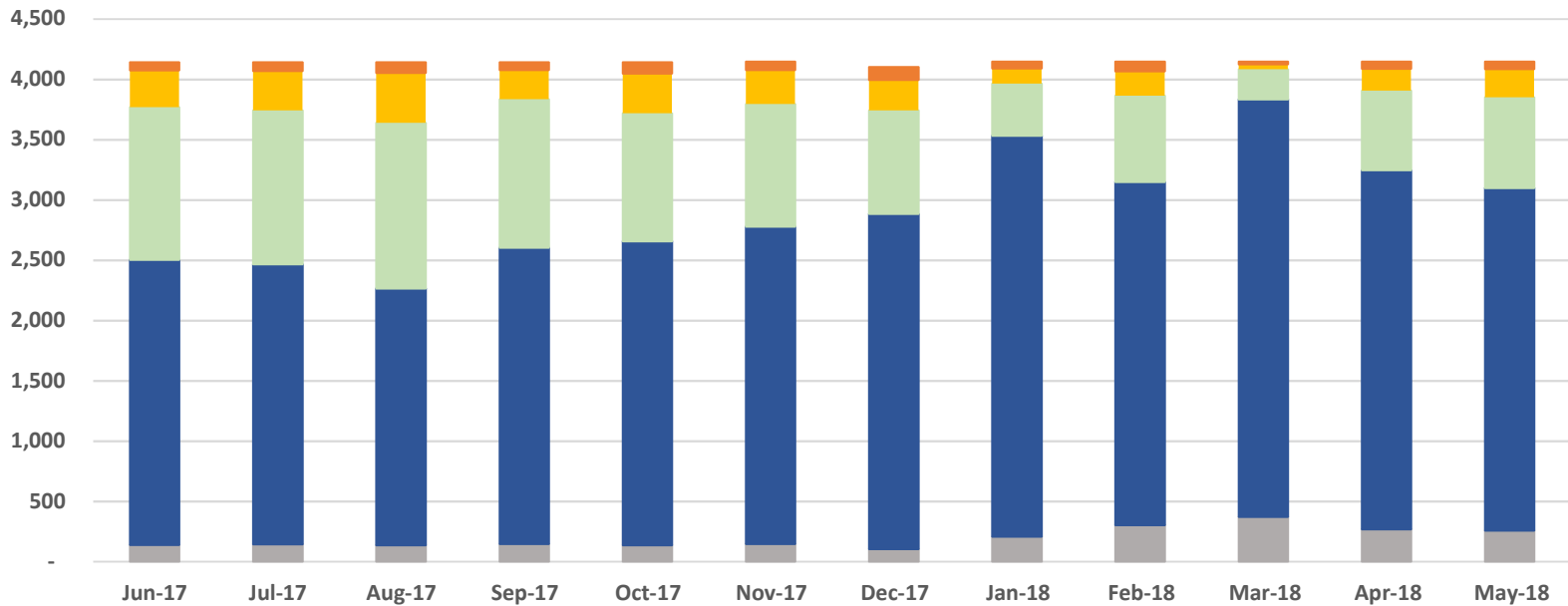
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Tier 4	5,600	7,400	8,500	5,500	8,200	4,800	11,500	7,700	6,900	1,600	5,000	5,300
Tier 3	10,000	11,300	13,600	8,800	12,400	10,200	12,000	6,500	8,800	2,300	7,400	8,400
Tier 2	31,300	32,000	37,200	27,000	33,500	29,000	25,700	12,600	20,800	5,200	18,300	22,100
Tier 1	69,700	70,100	72,500	66,900	69,700	67,800	64,100	48,000	57,000	34,900	56,800	59,600



# DASHBOARD REPORT SFR CONSUMPTION TRENDS

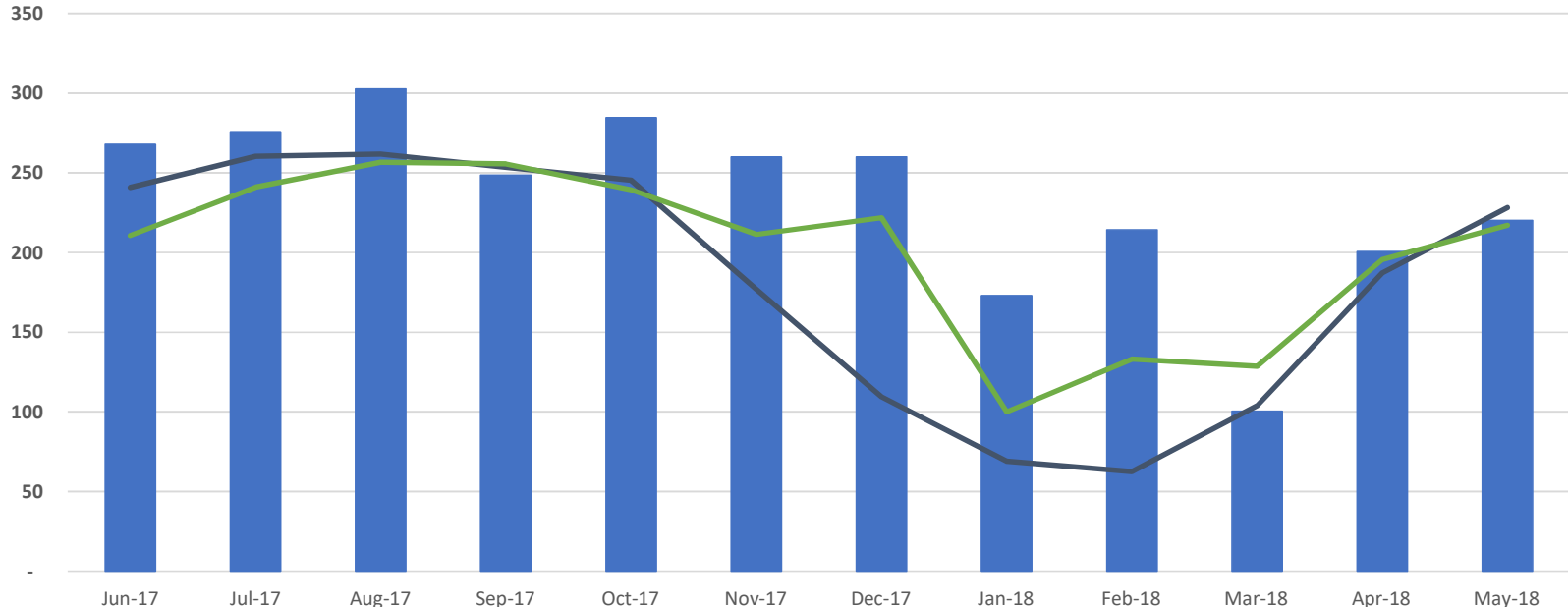
MONTH ENDING **5/31/2018**

Monthly SFR Water Consumption by Tier (# of Customers)



	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Tier 4 Usage	67	71	89	65	93	67	106	56	80	22	58	62
Tier 3 Usage	307	330	413	243	330	284	255	127	203	42	184	234
Tier 2 Usage	1,263	1,273	1,375	1,229	1,061	1,017	856	430	714	249	658	751
Tier 1 Usage	2,365	2,323	2,128	2,459	2,522	2,632	2,780	3,325	2,847	3,462	2,978	2,841
"0" Usage	141	146	138	147	137	147	106	209	304	373	270	260

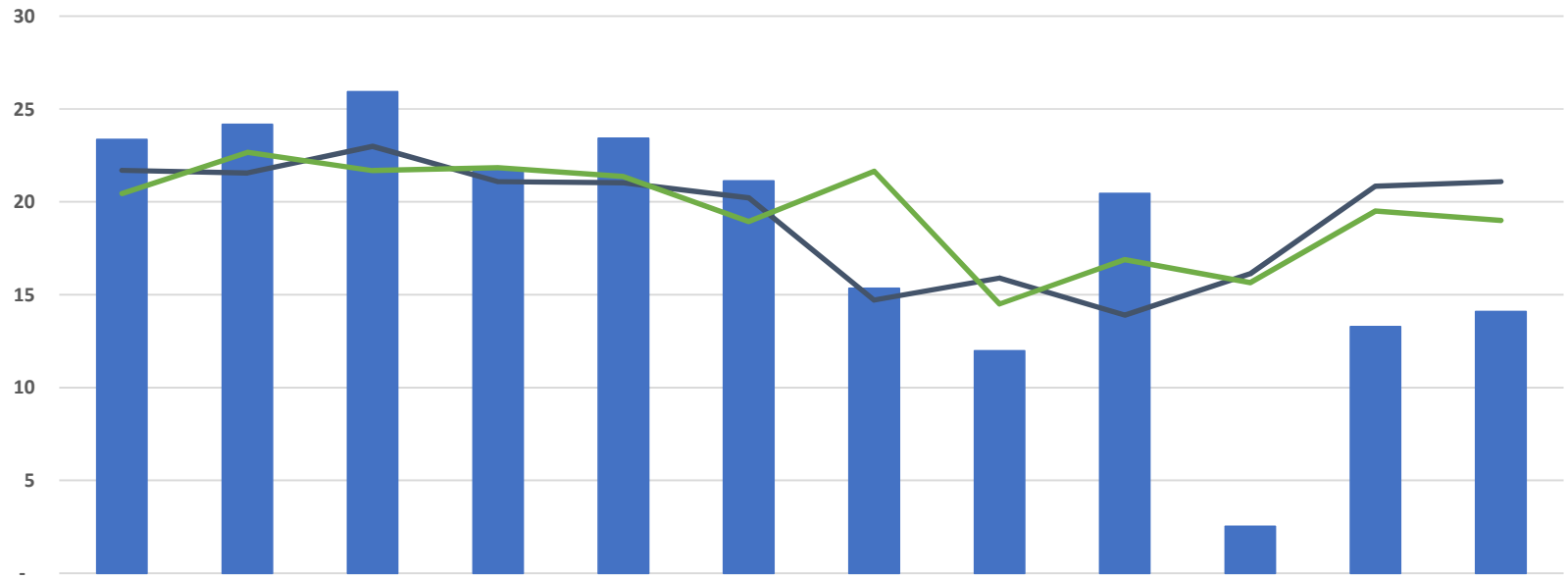
### Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



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

■ Trailing 12 Months(SINGLE FAMILY RESIDENTIAL) 2,411 AF  
■ Trailing 24 Months(SINGLE FAMILY RESIDENTIAL) 2,199 AF  
■ Trailing 36 Months(SINGLE FAMILY RESIDENTIAL) 2,807 AF  
 Trailing 12 Months vs. Trailing 24 Months: 9.6%  
 Trailing 12 Months vs. Trailing 36 Months: (14.1%)

### Water Sales by Month (AF) COMMERCIAL



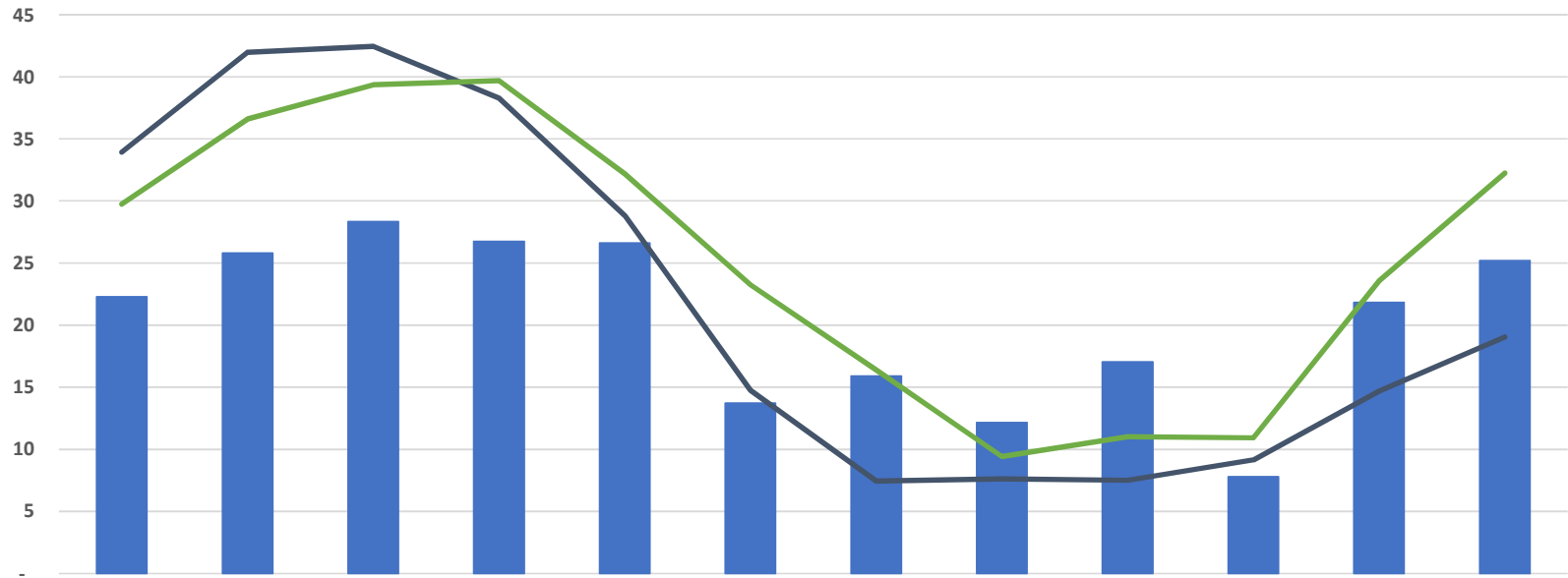
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Trailing 12 Months	23	24	26	22	23	21	15	12	20	3	13	14
Trailing 24 Months	22	22	23	21	21	20	15	16	14	16	21	21
Trailing 36 Months	20	23	22	22	21	19	22	14	17	16	20	19

■ Trailing 12 Months (COMMERCIAL) 217 AF  
■ Trailing 24 Months (COMMERCIAL) 231 AF  
■ Trailing 36 Months (COMMERCIAL) 234 AF

Trailing 12 Months vs. Trailing 24 Months: (6.0%)

Trailing 12 Months vs. Trailing 36 Months: (7.2%)

### Water Sales by Month (AF) INSTITUTIONAL

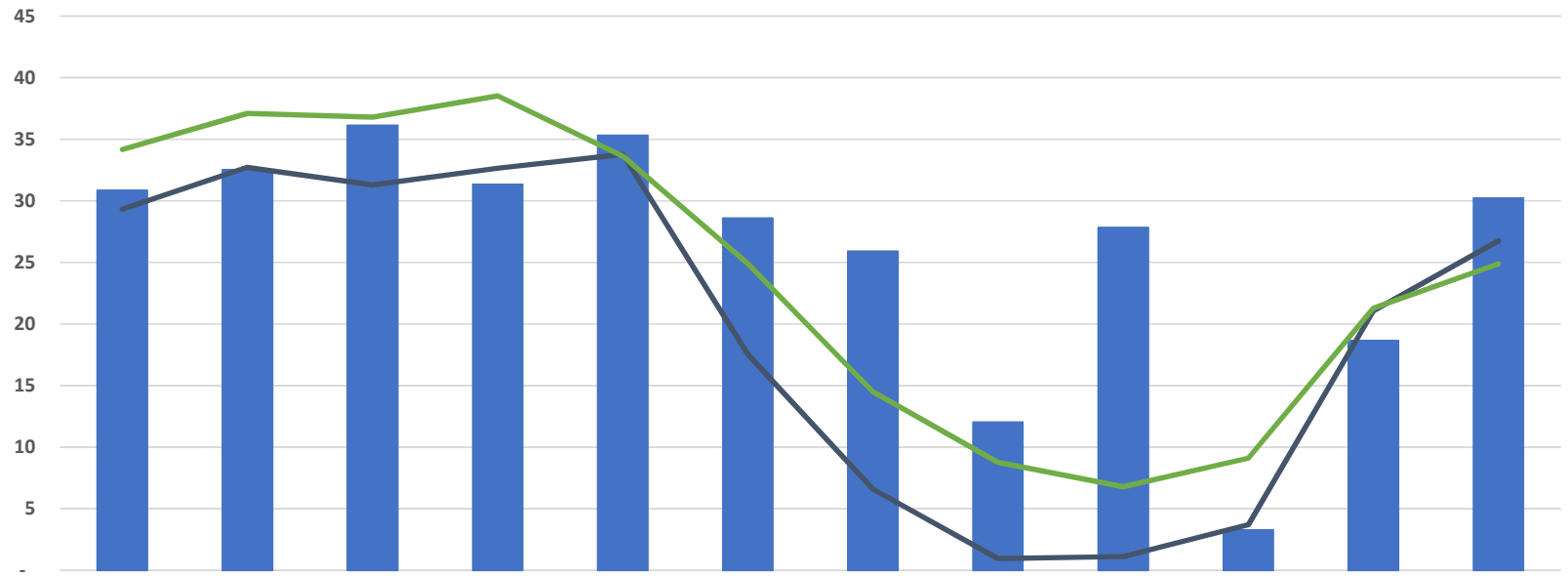


	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Trailing 12 Months	22	26	28	27	27	14	16	12	17	8	22	25
Trailing 24 Months	34	42	42	38	29	15	7	8	8	9	15	19
Trailing 36 Months	30	37	39	40	32	23	16	9	11	11	24	32



■ Trailing 12 Months (INSTITUTIONAL) 243 AF  
■ Trailing 24 Months (INSTITUTIONAL) 266 AF  
■ Trailing 36 Months (INSTITUTIONAL) 304 AF  
 Trailing 12 Months vs. Trailing 24 Months: (8.4%)  
 Trailing 12 Months vs. Trailing 36 Months: (20.0%)

### Water Sales by Month (AF) AGRICULTURE



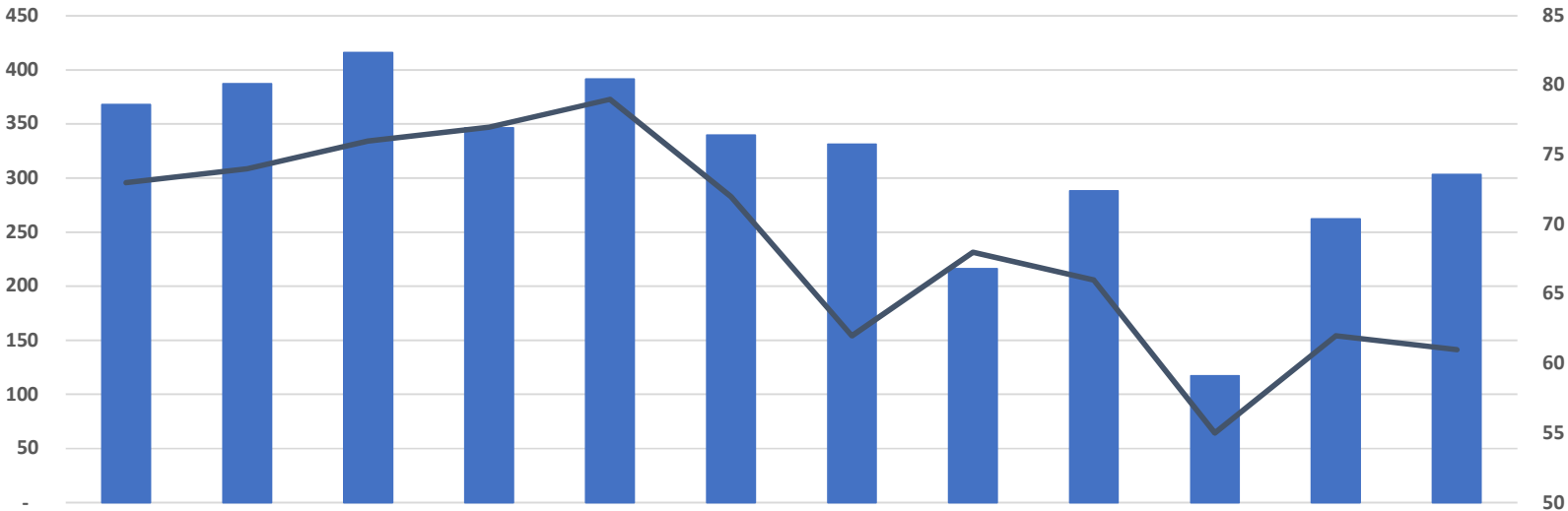
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Trailing 12 Months	31	33	36	31	35	29	26	12	28	3	19	30
Trailing 24 Months	29	33	31	33	34	18	7	1	1	4	21	27
Trailing 36 Months	34	37	37	39	34	25	14	9	7	9	21	25

■ Trailing 12 Months (AGRICULTURE) 313 AF  
■ Trailing 24 Months (AGRICULTURE) 237 AF  
■ Trailing 36 Months (AGRICULTURE) 290 AF  
 Trailing 12 Months vs. Trailing 24 Months: 31.6%  
 Trailing 12 Months vs. Trailing 36 Months: 7.6%



5/31/2018

Sales (AF) / Average Temperature (°F)

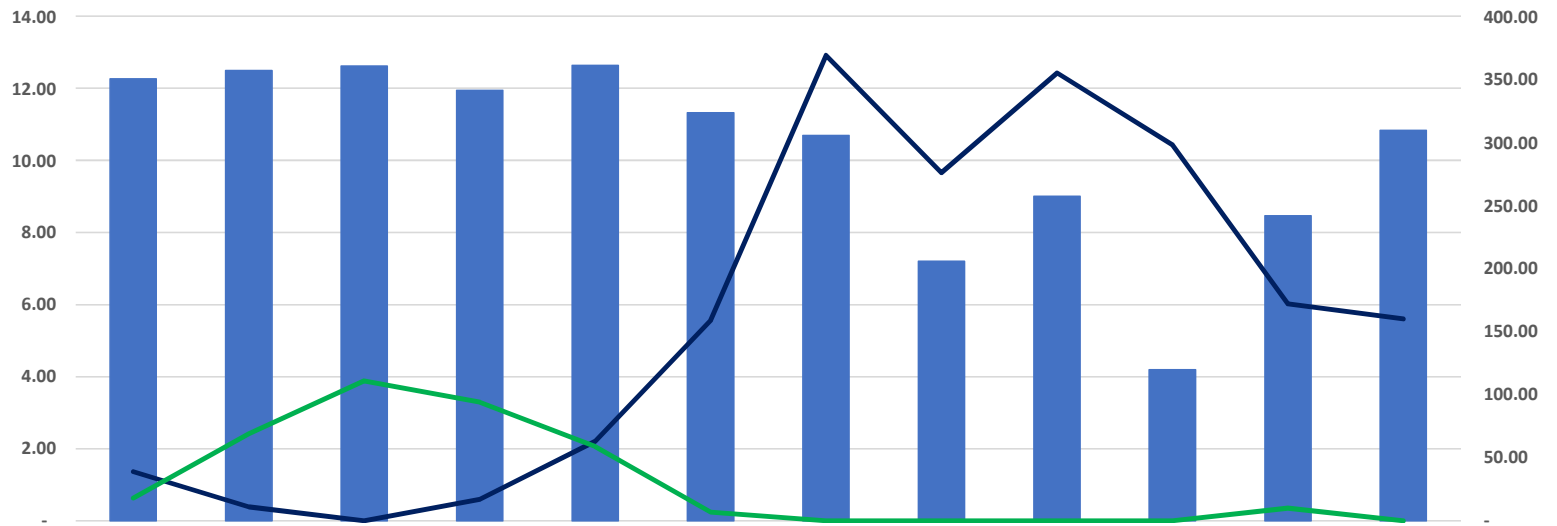


	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Sales (AF)	368	387	416	346	391	340	331	216	288	117	262	303
Average Temp	73	74	76	77	79	72	62	68	66	55	62	61



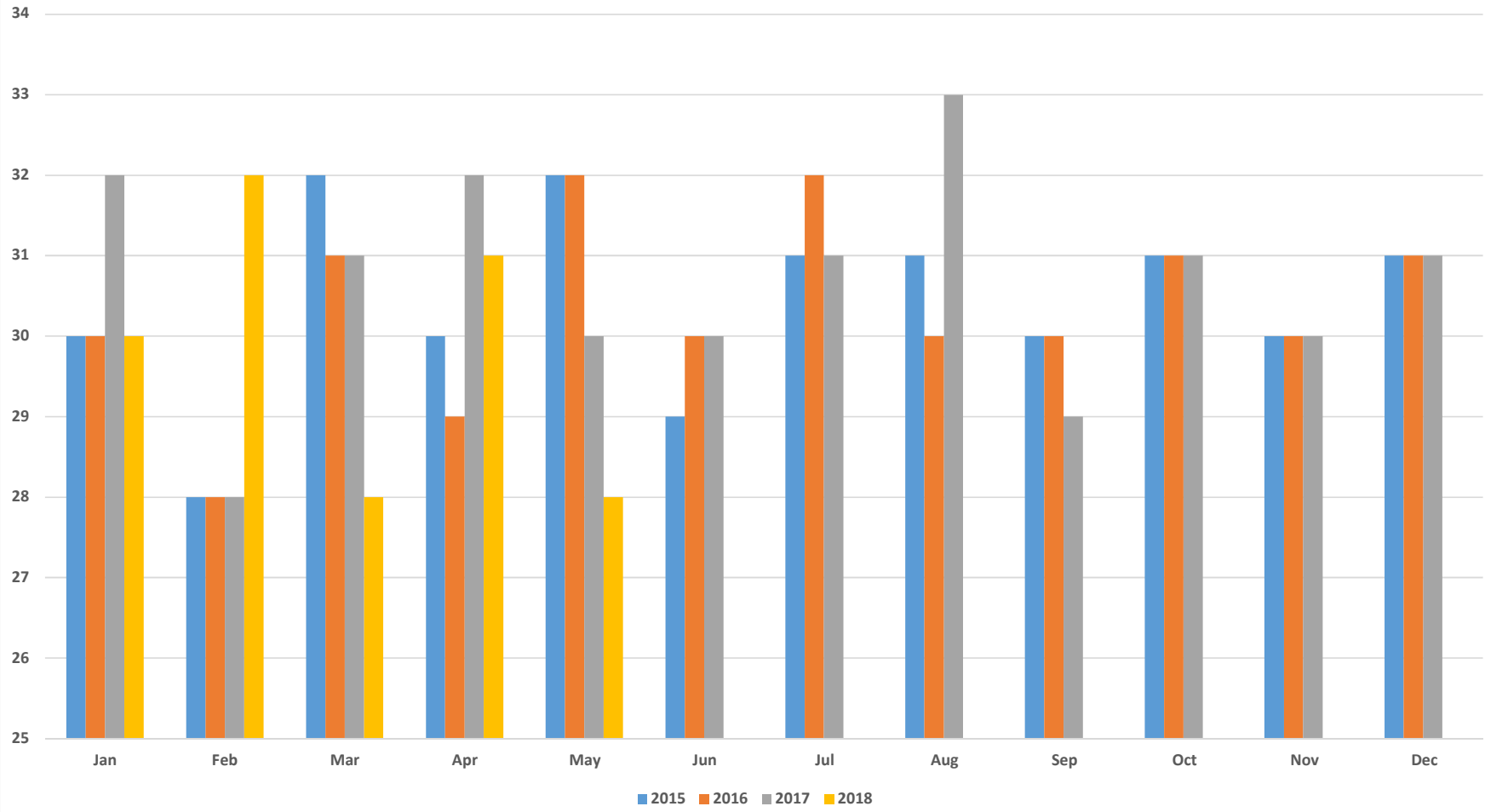
5/31/2018

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



	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Average Daily Sales	12.26	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83
Heating Degree Days	39.00	11.00	-	17.00	63.00	159.00	369.00	276.00	355.00	298.00	172.00	160.00
Cooling Degree Days	18.00	69.00	111.00	94.00	59.00	7.00	-	-	-	-	10.00	-

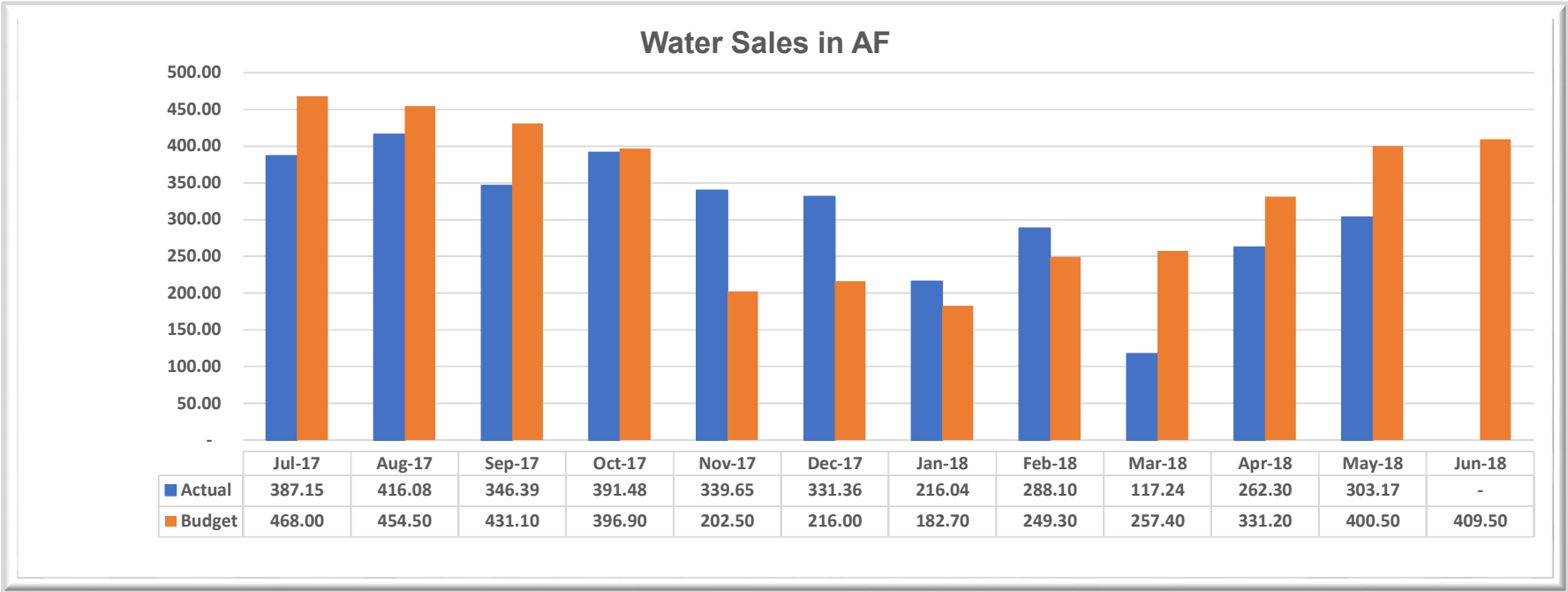
Billing Days per Month





# DASHBOARD REPORT WATER SALES (AF)

5/31/2018



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

MONTH	% SALES BREAKDOWN	2016/17 ACTUAL SALES (*)		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	\$	AF	\$	AF	SALES	AF	%	\$	%	AF	%	\$	%
JUL	11.6%	377.4	\$898,395	468.0	\$1,114,126	387.1	\$909,119	9.7	2.6%	10,724	1.2%	(80.9)	(17.3%)	(205,007)	(18.4%)
AUG	11.2%	378.7	\$897,501	454.5	\$1,077,194	416.1	\$997,265	37.4	9.9%	99,764	11.1%	(38.4)	(8.4%)	(79,929)	(7.4%)
SEP	10.7%	362.5	\$865,208	431.1	\$1,028,830	346.4	\$828,165	(16.1)	(4.4%)	(37,043)	(4.3%)	(84.7)	(19.6%)	(200,665)	(19.5%)
OCT	9.9%	345.5	\$824,021	396.9	\$946,534	391.5	\$933,549	46.0	13.3%	109,528	13.3%	(5.4)	(1.4%)	(12,985)	(1.4%)
NOV	5.0%	239.9	\$567,578	202.5	\$479,064	339.6	\$815,859	99.7	41.6%	248,281	43.7%	137.1	67.7%	336,795	70.3%
DEC	5.3%	145.0	\$343,009	216.0	\$510,956	331.4	\$799,566	186.4	128.6%	456,557	133.1%	115.4	53.4%	288,610	56.5%
JAN	4.7%	97.6	\$239,823	182.7	\$448,968	216.0	\$400,615	118.4	121.3%	160,792	67.0%	33.3	18.2%	(48,353)	(10.8%)
FEB	6.4%	88.8	\$218,446	249.3	\$613,435	288.1	\$657,160	199.3	224.4%	438,714	200.8%	38.8	15.6%	43,725	7.1%
MAR	6.4%	139.1	\$332,989	257.4	\$615,911	117.2	\$266,987	(21.9)	(15.7%)	(66,002)	(19.8%)	(140.2)	(54.5%)	(348,924)	(56.7%)
APR	8.2%	266.0	\$612,907	331.2	\$785,317	262.3	\$628,625	(3.7)	(1.4%)	15,718	2.6%	(68.9)	(20.8%)	(156,692)	(20.0%)
MAY	10.6%	318.9	\$743,836	400.5	\$1,013,272	303.2	\$719,008	(15.7)	(4.9%)	(24,828)	(3.3%)	(97.3)	(24.3%)	(294,264)	(29.0%)
JUN	10.0%	367.8	\$871,971	409.5	\$955,734	0.0	\$0	0.0	0.0%	0	0.0%	0.0	0.0%	0	0.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>3,127.2</b>	<b>\$7,415,684</b>	<b>3,999.6</b>	<b>\$9,589,341</b>	<b>3,398.9</b>	<b>\$7,955,919</b>	<b>639.5</b>	<b>23.2%</b>	<b>\$1,412,205</b>	<b>21.6%</b>	<b>(191.2)</b>	<b>(5.3%)</b>	<b>(\$677,689)</b>	<b>(7.8%)</b>

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

	2016/17 ACTUAL SALES (YTD)		2017/18 BUDGET SALES (YTD)		2017/18 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
<b>Cummulative (YTD)</b>	<b>2,759.4</b>	<b>6,543,713</b>	<b>3,590.1</b>	<b>\$8,633,607</b>	<b>3,398.9</b>	<b>\$7,955,918</b>	<b>639.5</b>	<b>23.2%</b>	<b>\$1,412,205</b>	<b>21.6%</b>	<b>(191.2)</b>	<b>(5.3%)</b>	<b>(\$677,689)</b>	<b>(7.8%)</b>

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

	2016/17 ACTUAL SALES		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
<b>Jul-Sep (Actual)</b>	<b>1,118.6</b>	<b>\$2,661,104</b>	<b>1,353.6</b>	<b>\$3,220,150</b>	<b>1,149.6</b>	<b>\$2,734,549</b>	<b>31.0</b>	<b>2.8%</b>	<b>\$73,445</b>	<b>2.8%</b>	<b>(204.0)</b>	<b>(15.1%)</b>	<b>(\$485,601)</b>	<b>(15.1%)</b>
<b>Oct-Dec (Actual)</b>	<b>730.4</b>	<b>1,734,608</b>	<b>815.4</b>	<b>1,936,554</b>	<b>1,062.5</b>	<b>\$2,548,974</b>	<b>332.1</b>	<b>45.5%</b>	<b>\$814,366</b>	<b>46.9%</b>	<b>247.1</b>	<b>30.3%</b>	<b>\$612,420</b>	<b>31.6%</b>
<b>Jan-Mar (Actual)</b>	<b>325.5</b>	<b>791,258</b>	<b>689.4</b>	<b>1,678,314</b>	<b>621.3</b>	<b>\$1,324,762</b>	<b>295.8</b>	<b>90.9%</b>	<b>\$533,504</b>	<b>67.4%</b>	<b>(68.1)</b>	<b>(9.9%)</b>	<b>(\$353,552)</b>	<b>(21.1%)</b>
<b>Apr-Jun (Actual)</b>	<b>952.7</b>	<b>2,228,714</b>	<b>1,141.2</b>	<b>2,754,323</b>	<b>565.5</b>	<b>\$1,347,633</b>	<b>(387.2)</b>	<b>(40.6%)</b>	<b>(\$881,081)</b>	<b>(39.5%)</b>	<b>(575.7)</b>	<b>(50.4%)</b>	<b>(\$1,406,690)</b>	<b>(51.1%)</b>
<b>Total (Actual)</b>	<b>3,127.2</b>	<b>\$7,415,684</b>	<b>3,999.6</b>	<b>\$9,589,341</b>	<b>3,399.0</b>	<b>\$7,955,919</b>	<b>271.7</b>	<b>23.2%</b>	<b>\$540,234</b>	<b>21.6%</b>	<b>(600.7)</b>	<b>(5.3%)</b>	<b>(\$1,633,423)</b>	<b>(7.8%)</b>

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

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

435.6 HCF/AF

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	<b>290.00</b>	415.40	4308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4812.84
1999-00	656.44	621.80	542.90	541.00	341.90	<b>501.30</b>	285.90	146.30	288.20	329.59	529.63	556.20	5341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4910.40
2001-02	571.70	631.20	501.40	436.70	<b>214.10</b>	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6054.61
2004-05	693.71	763.52	<b>753.31</b>	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	<b>203.40</b>	357.30	623.30	5065.18
2006-07	681.40	707.50	606.70	540.80	<b>530.70</b>	359.80	415.50	201.10	462.90	469.10	<b>703.00</b>	655.00	6333.50
2007-08	739.40	<b>832.60</b>	642.00	594.20	509.30	328.80	188.00	212.00	<b>474.10</b>	<b>629.00</b>	694.00	<b>675.00</b>	<b>6518.40</b>
2008-09	<b>798.00</b>	724.64	633.87	<b>674.67</b>	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5964.37
2009/10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5245.53
2010/11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4715.58
2011/12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	<b>394.72</b>	371.30	271.33	504.24	582.64	5302.42
2012/13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5945.40
2013/14	697.66	730.90	684.30	662.58	496.06	378.50	<b>530.73</b>	357.85	206.59	305.52	373.14	352.27	5776.10
2014/15	362.48	<b>360.73</b>	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	<b>311.07</b>	3331.17
2015/16	<b>353.90</b>	371.40	373.74	<b>342.06</b>	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3439.73
2016/17	377.38	378.68	362.54	345.53	239.92	<b>145.00</b>	<b>97.59</b>	<b>88.78</b>	139.09	266.01	318.90	367.79	<b>3127.21</b>
2017/18	387.15	416.08	<b>346.39</b>	391.48	339.65	331.36	216.04	288.10	<b>117.24</b>	262.30	303.20		3398.99
<b>AVERAGE</b>	<b>602.19</b>	<b>625.20</b>	<b>561.24</b>	<b>484.17</b>	<b>345.29</b>	<b>270.75</b>	<b>245.18</b>	<b>229.61</b>	<b>285.31</b>	<b>385.79</b>	<b>485.73</b>	<b>523.37</b>	<b>5097.25</b>
<b>MAXIMUM</b>	<b>798.00</b>	<b>832.60</b>	<b>753.31</b>	<b>674.67</b>	<b>530.70</b>	<b>501.30</b>	<b>530.73</b>	<b>394.72</b>	<b>474.10</b>	<b>629.00</b>	<b>703.00</b>	<b>675.00</b>	<b>6518.40</b>
<b>MINIMUM</b>	<b>353.90</b>	<b>360.73</b>	<b>346.39</b>	<b>342.06</b>	<b>214.10</b>	<b>145.00</b>	<b>97.59</b>	<b>88.78</b>	<b>117.24</b>	<b>203.40</b>	<b>290.00</b>	<b>311.07</b>	<b>3127.21</b>
17/18 % VS AVERAGE	<b>64%</b>	<b>67%</b>	<b>62%</b>	<b>81%</b>	<b>98%</b>	<b>122%</b>	<b>88%</b>	<b>125%</b>	<b>41%</b>	<b>68%</b>	<b>62%</b>	<b>0%</b>	<b>67%</b>
17/18 % VS MAXIMUM	<b>49%</b>	<b>50%</b>	<b>46%</b>	<b>58%</b>	<b>64%</b>	<b>66%</b>	<b>41%</b>	<b>73%</b>	<b>25%</b>	<b>42%</b>	<b>43%</b>	<b>0%</b>	<b>52%</b>

Total METER Connections = **4,604**

Total OFF Connections = **62**

Total ACTIVE METER Connections = **4,542**



**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 3-B**

**DATE: JUNE 19, 2018**

**TO: FINANCE COMMITTEE**

**FROM: BUSINESS MANAGER**

**SUBJECT: PROJECTED CASH FLOWS REGARDING EMERGENCY SPENDING**

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**RECOMMENDATION:**

For information and discussion only.

**BACKGROUND:**

As a result of the catastrophic debris flow that occurred on Jan 9, 2018, the District anticipates experiencing non-budgeted expenses and the possibility of needing additional cash. With the January billing postponed and reduced due to the Board's decision to waive the monthly meter service charge and the District incurring additional expenses as a result of emergency repairs and subcontract work necessary to get the system back to an operational level, cash management is crucial.

**DISCUSSION**

At the end of May, the Operating Cash is approximately \$1.6M with approximately \$407K in Wells Fargo and \$1.2M in American Riviera. The District experienced a dramatic increase in operating and emergency expenses in January. Approximately one-quarter of the invoices for these emergency expenses were received and payable in February, an additional quarter in March and April, and the District is anticipating the remainder was received and payable in May, potentially putting a strain on cash. There is concern that the District may need to borrow money or liquidate investments to cover the additional expenses in the event that reimbursements from FEMA and Cal OES are delayed. Based on a current estimated cash flow analysis, it appears that the District has sufficient cash on hand available through June without the need to borrow money or liquidate investments for operations.

**ATTACHMENTS**

1) Estimated Cash Flow

## Cash Flow

<u>April</u>	Forecast	Estimate	
Operating Cash Beginning	\$ 3,481,740	\$ 2,990,601	
Revenue	\$ 1,630,676	\$ 1,502,711	Actual as of 4/30/2018
Expenses	\$ (1,327,211)	\$ (1,016,315)	Actual as of 4/30/2018
Emergency - Construction		\$ (308,842)	Increase BS Item
Emergency - Consultants		\$ (51,457)	Increase BS Item
Emergency - Mutual Aid		\$ (164,561)	Increase BS Item
Other Asset & Liability Fluctuations		\$ 322,924	
Increase in A/R	\$ (391,862)	\$ (391,862)	
Depreciation	\$ 106,243	\$ 103,249	
Cash Flows From Operations	<u>\$ 17,846</u>	<u>\$ (4,153)</u>	
Ending Operating Cash	<u>\$ 3,499,586</u>	<u>\$ 2,986,448</u>	Actual as of 4/30/2018

<u>May</u>	Forecast	Estimate	
Operating Cash Beginning	\$ 3,499,586	\$ 2,986,448	
Revenue	\$ 1,800,535	\$ 1,568,150	Actual as of 5/31/2018 (\$210k short from est)
Expenses	\$ (937,477)	\$ (1,734,020)	Actual as of 5/31/2018
Emergency - Construction		\$ (214,636)	Increase BS Item
Emergency - Consultants		\$ (33,537)	Increase BS Item
Emergency - Mutual Aid		\$ (20,122)	Increase BS Item
Other Asset & Liability Fluctuations*		\$ (818,530)	Not including Charles Schwab
Increase in A/R	\$ (173,725)	\$ (173,725.44)	
Depreciation	\$ 103,249	\$ 103,249	
Cash Flows From Operations	<u>\$ 792,582</u>	<u>\$ (1,323,171)</u>	
Ending Operating Cash	<u>\$ 4,292,168</u>	<u>\$ 1,663,277</u>	Actual as of 5/31/2018

## Cash Flow

<u>June</u>	Forecast	Estimate	
Operating Cash Beginning	\$ 4,292,168	\$ 1,663,277	
Revenue	\$ 1,817,697	\$ 1,790,697	Budget less Lost MSC
Expenses	\$ (1,679,914)	\$ (1,426,914)	Budgeted amount less Cater paid in May
Emergency - Construction			Assume rec'd final in May
Emergency - Consultants			Assume rec'd final in May
Emergency - Mutual Aid			Assume rec'd final in May
Other Asset & Liability Fluctuations*	\$	\$ 1,400,000	Includes FEMA Reimbursement
Increase in A/R	\$ (300,955)	\$ (300,954.50)	
Depreciation	\$ 103,638	\$ 103,638	
Cash Flows From Operations	<u>\$ (59,534)</u>	<u>\$ 1,566,467</u>	

Ending Operating Cash	\$ 4,232,634	\$ 3,229,743
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<u>July</u>	Forecast	Estimate	
Operating Cash Beginning	\$ 4,232,634	\$ 3,229,743	
Revenue	\$ 2,175,457	\$ 2,149,457	Budget less Lost MSC
Expenses	\$ (1,442,788)	\$ (1,442,788)	Budgeted amount
Emergency - Construction			Assume rec'd final in May
Emergency - Consultants			Assume rec'd final in May
Emergency - Mutual Aid			Assume rec'd final in May
Other Asset & Liability Fluctuations*			Not including Charles Schwab
Increase in A/R	\$ (448,295)	\$ (448,295)	
Depreciation	\$ 104,002	\$ 104,002	
Cash Flows From Operations	<u>\$ 388,376</u>	<u>\$ 362,376</u>	

Ending Operating Cash	\$ 4,621,011	\$ 3,592,119
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**Assumptions**

1. Estimated revenue for June and July will be approximately \$27K and \$26k less than budget, to account for the homes that have had their meters locked due to permanent loss. This is based on the 3 month average of prior year actuals for the specified meters. Additionally, the WAC revenue was only less than 1% below budget in April
2. \$87k of invoices for the services provided during the emergency will be paid in June, based on invoices in the Districts possession with an estimated balance to account for \$2.3M in total emergency spend
3. Cash collections in May were slightly less than expected. June and July are estimated at 95% of prior months sales
4. Non-emergency AP will remain at normal levels with a negligible fluctuation
5. No significant change in Inventory as items purchased were put immediately into use
6. In May, the District reduced investments by approximately \$5M dollars to pay the SWP annual payment. This did not cause operating cash to utilize reserve funds as authorized by the Board.
7. June fluctuations in Balance Sheet items reflects \$1.7M FEMA reimbursement

Actual/Estimated fluctuations in A/R

April

\$	1,020,760.50	Beginning A/R	
\$	1,502,710.59	Apr Billing - Add to A/R	Actual as of 4/30/2018
\$	(1,110,848.64)	March Payments Rec'd @ 95%	
\$	1,412,622.45	Ending A/R	Actual as of 4/30/2018
		\$	391,862 Increase in A/R

May

\$	1,412,622.45	Beginning A/R	
\$	1,568,150.00	May Billing - Add to A/R	Actual as of 5/31/2018
\$	(1,394,424.56)	April Payments Rec'd @ 95%	
\$	1,586,347.89	Ending A/R	Actual as of 5/31/2018
		\$	173,725 Increase in A/R

June

\$	1,586,347.89	Beginning A/R	
\$	1,790,697.00	June Billing - Add to A/R	
\$	(1,489,742.50)	May Payments Rec'd @ 95%	
\$	1,887,302.39	Ending A/R	
		\$	300,955 Increase in A/R

July

\$	1,887,302.39	Beginning A/R	
\$	2,149,457.00	July Billing - Add to A/R	
\$	(1,701,162.15)	June Payments Rec'd @ 95%	
\$	2,335,597.24	Ending A/R	
		\$	448,295 Increase in A/R

**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 3-C**

**DATE: JUNE 19, 2018**

**TO: FINANCE COMMITTEE**

**FROM: BUSINESS MANAGER**

**SUBJECT: REDESIGNED CUSTOMER BILL FORMAT, ELECTRONIC PAYMENT  
OPTIONS AND BANKING INSTITUTIONS**

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**RECOMMENDATION:**

For information and discussion only.

**DISCUSSION:**

In September 2017, District staff began working on a project focused on enhancing customer service. The project involves 1) redesigning the District's customer bill format, 2) the acceptance of electronic payments, i.e. debit/credit cards both in office and online, and 3) changing banking institutions. This project was delayed temporarily during both the Thomas Fire related disasters and recovery but is now back on schedule.

*New Bill Format*

To better serve our customers, the District has redesigned our customer bill. The new format will include the same information that was on the previous bill with the added benefits of: being reorganized and in multi-color for purposes of highlighting specific information, includes a detailed breakdown of current charges and a water consumption graph with a rolling 12-month comparison of current to previous year usage, and expanded messaging on both the front and back sides of the bill. The new bill will include a QR Code which, when scanned with a QR reader will direct the user to the District's online bill-pay portal. In addition, the District's E-bill customers (customers that receive an electronic bill in lieu of a mailed copy) will receive the new bill format rather than a different and the much simplified bill as those customers currently receive. The District's new bill print service is *Infosend*.

### *Electronic Payment Options*

District Staff is in the process of adding debit/credit cards as a payment option for District customers. This option will be available to customers paying their bill both in the office or online. This service is being provided by *Electronic Payment Exchange (EPX)*.

The use of a debit/credit card will have an associated fixed initiation/processor fee of \$0.34 and convenience fee that varies based on the card type (i.e. VISA, Mastercard, American Express, Discover, etc.). EPX was selected because of its fixed fee rather than percentage-based fee. Based on an average customer bill of approx. \$300, the total monthly fees are estimated to be substantially less with a fixed fee versus percentage-based fee. This fee will be absorbed by the District and not passed on to District customers.

### *Changing Banking Institutions*

In September 2017, the Board approved Staff's recommendation to change banks from Wells Fargo to American Riviera Bank to reduce banking fees. This change was planned for late 2017 but was postponed due to the Thomas Fire related disaster. Additional delays resulted from acquiring a new lockbox service as American Riviera Bank does not offer in-house lockbox processing. Also, District Staff felt the change would be most appropriate if it coincided with the launch of the new bill format, which requires the District's new remittance address for the Districts new lockbox provider, *Bank Up*.

### **FISCAL IMPACT**

Below is table comparing the costs of the District's current bill print and banking services with the changes described above. Total project costs including the added benefits of a redesigned customer bill and the addition of electronic payments is estimated to result in a 25% savings. The majority of the monthly savings is a result of a reduction in banking fees (approx. \$2,500). The net project savings with credit card processing fees included is approx. \$1,200.

## Montecito Water District Bank Fees Analysis

	<u>Wells Fargo Bank</u>		<u>American Riviera Bank</u>	
Account Maintenance	\$ 335.63		\$ 15.00	
Per Check Deposited ( 172 items)	25.80		28.60	
Cash Deposited (\$4,600)	6.43		49.32	
Lock Box / Electronic Box	1,664.44		837.00	
ACH Items	618.00		-	
Returned Items/Re-Deposited (2 items)	-		6.00	
Stop Payments (1 item)	30.00		25.00	
Wires Outgoing	9.00		-	
Wires Incoming	15.00		-	
Online Banking - Full Service	26.00		50.00	
Remote Deposit Capture	-		55.00	
Credit Card / ACH	-		1,321.56	
Interest Earned	(734.98)	0.35%	(2,011.89)	1.00%
<b>Net Cost (Revenue)</b>	<b>\$ 1,995.32</b>		<b>\$ 375.59</b>	
<b>Bill Print Fees</b>				
DataProse	2,750.00			
Infosend (New Format, 4 color)			3,100.00	
<b>E-Bills Fees</b>				
Incode	-			
Infosend (Estimate (500))			35.00	
	<u>4,745.32</u>		<u>\$ 3,510.59</u>	

### ATTACHMENTS

- 1) Sample redesigned customer bill



Customer Service  
7:30 AM - 5:00 PM  
Monday - Friday  
Report a Leak 24/7  
805.969.2271

# Statement

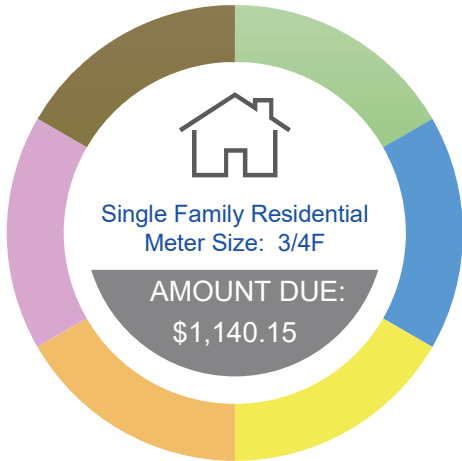
Scan & Pay  
& Done!



Customer Name	Service Address
Joe Sample	1234 E Street

Account #	Previous Balance	Payment Made	Unpaid Balance	New Charges	Amount Due	Due Date
20-0010-00	\$44.56	-\$44.56	\$0.00	\$60.00	\$60.00	06/29/2017

## Water Charges



Meter Service Charge	\$10.00
Water TIER 1 Volume 7.00 @ \$1.55	\$10.00
Water TIER 2 Volume 8.00 @ \$3.00	\$10.00
Water TIER 3 Volume 2.00 @ \$7.48	\$10.00
Water TIER 4 Volume 2.00 @ \$9.48	\$10.00
Water Shortage Emergency Surcharge (WSE)	\$10.00
Late Charge	\$0.00
Other (details on reverse)	\$0.00
<b>TOTAL</b>	<b>\$60.00</b>

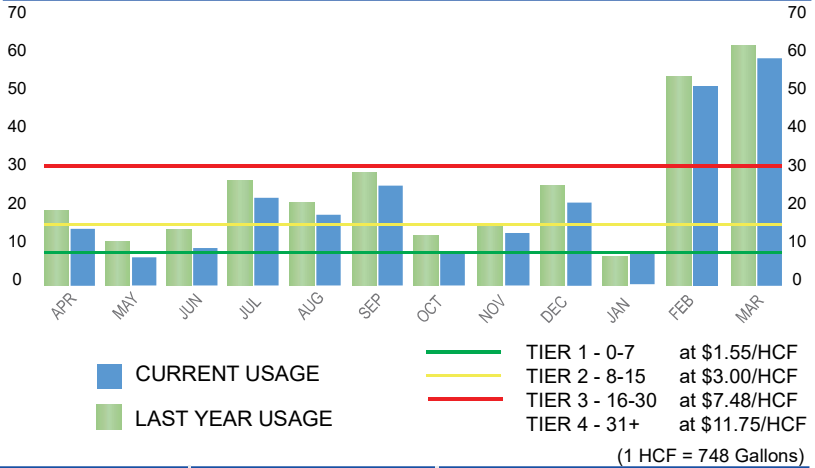
## Important Message

Test  
Test  
Test  
Test  
Test  
Test  
Test



**Oops! According to our records, payment has not yet been received. Please pay promptly to prevent additional fees and /or service interruption. If payment has been made, please disregard this message.**

## Consumption Comparison (HCF)



Service Period	Meter Number*	Current Read	Previous Read
12/09/17 to 01/18/18	07105200	948	890

Water Usage	In HCF	In Gallons	
Current Usage:	58	43,384	*Multiple meters -detail on reverse (if applicable)
Prior Month's Usage:	49	36,652	

**FINAL BILL**  
**AUTOPAY - DO NOT PAY**  
**CREDIT BALANCE - DO NOT PAY**

Please return section below with your payment • Please do not send correspondence to payment address



Montecito Water District  
583 San Ysidro Road  
Montecito, CA 93108

Service Address	Account Number	Payment Due By
1234 E STREET	20-0010-00	07/17/2017



Total Amount Due	Amount Enclosed
\$352.86	**Do Not Pay - Autopay**



**Includes past due balance! Please pay promptly and / or contact us with concerns.**

Change of address or new contact info?  
Check here and complete reverse.

**New! Now accepting more payment methods!**

See reverse or mail check payable to:



JOHN DOE  
1234 E STREET  
LOS ANGELES, CA 90084-3402



Montecito Water District  
PO Box 29079  
Glendale, CA 91209-9079



# Statement

Account Number	Service Period	Customer Name	Service Address
123456-7890123	12/09/17 to 01/18/18	Joe Sample	1234 E Street

Other Charges Detail (If Applicable)		Multiple Meter Detail (If Applicable)			
Description	Amount	Meter Number	Current Read	Previous Read	Usage (HCF)
Returned Check	\$00.00	20005024	14698	14774	76
Service Call	\$00.00	73074805	142	142	0
Refund	\$00.00	20005530	18339	18407	68
Unapplied Credit	\$00.00	20005510	22789	22879	90
Additional Items*	\$00.00	73212409	1412	1415	3
		1583366	58043	60657	2614
Total	\$00.00	73074804	823	830	7
		20005024	0		0

## Understanding Your Bill | Reading Your Meter

### Water Rates

Current rates, service schedules, meter read dates, and copies of governing ordinances and resolutions are available at [www.montecitowater.com](http://www.montecitowater.com), and will be furnished upon request.

### Water Shortage Emergency (WSE) Surcharge

After a noticed public hearing, the District passed Resolution No. 2124 on March 24, 2015 to establish a temporary Water Shortage Emergency (WSE) Surcharge to purchase supplemental water, offset revenue losses, and fund drought related expenses. The current WSE surcharge rate and a copy of the resolution are available through the office or online at [www.montecitowater.com](http://www.montecitowater.com).

### Meter Reads and Billing Cycle

The District reads meters and bills accounts monthly.

The District recommends tracking your usage with weekly meter reads. This is the quickest way to identify leaks and can help avoid water loss.

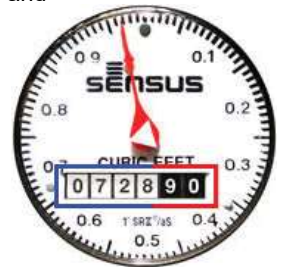
### How To Track Usage

1. Find your water meter box and remove the small lid. Please use caution as the lid can be heavy.
2. Record the figures shown in white (0728). Subtract your last reading from this reading to determine your usage in hundreds of cubic feet.

### How To Check for Leaks

1. FIRST make sure all water devices are shut off inside and outside your property.

2. Look for any dial movement. If the sweep arm or flow indicator is spinning, you may have a leak. (If this is the case, you may wish to double-check that all water devices are off and check the flow indicator again for movement.)



Above: Meter face with red sweep arm and white triangle flow indicator.

**Need help with reading your meter or water conservation? Call us!**  
An on-site consultation with the District Conservation specialist available upon request, at no charge to customers.

**Water Conservation is a California Way of Life**

## Payment Methods

**Online** [www.montecitowater.com/paybill](http://www.montecitowater.com/paybill)

**Phone** 805.969.2271

**Check Payable to:** Montecito Water District

**Mail / In Person** 583 San Ysidro Road, Montecito, CA 93108-2414

**Autopay** Setup Online or by Phone, using contact info shown above



## Change of Address? Please complete the form below or contact us | Customer Service

Name / Business: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Primary Phone: \_\_\_\_\_

Alternate Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Office hours:** Mon-Fri 7:30am - 5:00pm

**Shop / Field hours\*:** Mon-Fri 7:30am - 4:00pm

**Call:** 805.969.2271

**Email:** [customerservice@montecitowater.com](mailto:customerservice@montecitowater.com)

**Visit:** 583 San Ysidro Road, Montecito, CA 93108

**Online:** [www.montecitowater.com](http://www.montecitowater.com)

**After Hours Emergency Service call 805.969.2271**

*\*All service calls outside Shop / Field hours are subject to applicable service charges.*