



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

**REMOTE LOCATION:
REEF HOUSE, CROWN POINT, BEQUIA
ST. VINCENT & THE GRENADINES
WEST INDIES**

**TUESDAY, DECEMBER 18, 2018
9:30 A.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 November 20, 2018
- B. Minutes of December 4, 2018
- C. Minutes of December 7, 2018
- D. Payment of Bills for November 2018
- E. Investment of District Funds for November 2018

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Proposed letter to Santa Barbara County Board of Supervisors regarding State Water Project Contract Reassignment
- B. INFORMATION ONLY: Implementation of Everbridge Mass Public Notification System
- C. INFORMATION ONLY: Report on Future Storm Preparedness
- D. INFORMATION ONLY: Progress update on implementation of permanent pipeline repairs and FEMA reimbursement
- E. INFORMATION ONLY: Water Works Operations Report for November 2018
- F. INFORMATION ONLY: General Manager's Report (Oral)

5. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Unaudited District Monthly Financial Reporting for November 2018
- B. INFORMATION ONLY: Projected Monthly Cash Flow through June 2019
- C. BOARD ACTION: Annual Review of Reserve Policy
- D. BOARD ACTION: Renewal of \$3,000,000 Excess Crime Coverage through Alliant Crime Insurance Program
- E. INFORMATION ONLY: Status of loan documents for Smart Metering Program
- F. BOARD ACTION: Appointment of District representative to ACWA-JPIA

6. DIRECTOR AND COMMITTEE REPORTS

- A. Presidents Report: Director Wicks
- B. Central Coast Water Authority: Director Wicks
- C. Santa Barbara County Special Districts Association: Director Wicks
- D. Cachuma Operation and Maintenance Board: Director Plough
- E. Cachuma Conservation Release Board: Director Plough
- F. Operations & Customer Relations Committee: Directors Hayman & Wicks
- G. Finance Committee: Directors Coates & Plough
- H. Strategic Planning Committee: Directors Wicks & Goebel

7. LEGAL MATTERS

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

8. DIRECTOR REQUESTS

Requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, January 22, 2018 or any future meeting.

9. ADJOURNMENT

Note: This agenda was posted at the Montecito Water District front counter and outside display case at 5:00 p.m. on December 14, 2018. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 805-969-2271. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.

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

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



REGULAR MEETING MINUTES

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

TUESDAY, NOVEMBER 20, 2018
2:00 P.M.

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

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

Directors Present:

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

Directors Absent:

None

Staff Present:

Nick Turner, General Manager
Daryl Smith, Business Manager
Adam Kanold, Engineering Manager

Robert M. Cohen, General Counsel
Laura Camp, P. I. Coordinator
Lois Werner, Recording Secretary

Guests Present:

Rob Morrow, Woodard & Curran
Bob Hazard, Montecito Journal
Ken Coates, District customer
Jeff Kerns, District customer

Carrie Poytress, MSD
Dakota Corey, City of Santa Barbara
Andrew Juiliano, Heal the Ocean

2. PUBLIC FORUM

Mr. Hazard expressed thanks to the outgoing Directors.

3. CONSENT CALENDAR

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

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

A. BOARD ACTION: Recycled Water Feasibility Plan

Mr. Turner presented this item and presented Rob Morrow, who presented the Plan via PowerPoint and responded to questions from Directors and members of the public. Following discussion it was moved by Director Plough, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to accept the 2018 Recycled Water Feasibility Plan prepared by District consultant Woodard & Curran for submittal to the State.

B. BOARD ACTION: Amendment to the Cachuma Operations & Maintenance Board Joint Exercise of Powers Agreement

Mr. Cohen presented this item and responded to questions from Directors. Following discussion it was moved by Director Plough, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the execution of the Second Amendment to the Cachuma Operations & Maintenance Board Joint Exercise of Powers Agreement as presented.

C. BOARD ACTION: Partial Release of Easement for 891 Toro Canyon Road (APN 155-240-016)

Mr. Kanold presented this item and responded to questions from Directors. Following discussion it was moved by Director Frye, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the execution of the Partial Release of Easement for the Private Property located at 891 Toro Canyon Road as amended to include the approval signature of District Counsel.

D. BOARD ACTION: Approval of increased project costs associated with the installation of an aeration system in Bella Vista Reservoir to provide enhanced treatment of water from Jameson Lake following the Thomas Fire

Mr. Kanold presented this item and responded to questions from Directors. Following discussion it was moved by Director Shaikewitz, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the project costs increase

to install an aeration system in Bella Vista Reservoir in the amount of \$200,000 and to authorize the reallocation of unused FY 2018/19 budgeted expenses in the amount of \$163,000 to help offset the cost increase.

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

Mr. Turner presented this report.

- F. BOARD ACTION: Approval of award of construction contracts for disaster related repair projects

Mr. Kanold presented this item and responded to questions from Directors. Following discussion it was moved by Director Wicks, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the award of construction contracts to contractors in the amounts presented in the agenda packet for disaster-related repair projects and authorize the execution of the contracts and other necessary documents for the work.

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

Mr. Turner had no report.

5. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Unaudited Monthly Financial Reporting for October 2018

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

6. BOARD OF DIRECTORS

- A. BOARD ACTION: Adoption of Resolutions Nos. 2171, 2172, and 2173 in Appreciation for the Service of Retiring Montecito Water District Directors
Resolution No. 2171, a Resolution of Appreciation for the Commitment and Service of Samuel Frye: it was moved by Director Plough, seconded by Director Wicks and carried by the following roll-call vote to adopt Resolution No. 2171 as presented.

AYES: Directors Morgan, Plough, Shaikewitz, and Wicks

ABSTAIN: Director Frye

NOES: None

Resolution No. 2172, a Resolution of Appreciation for the Commitment and Service of W. Douglas Morgan: it was moved by Director Frye,

seconded by Director Shaikewitz and carried by the following roll-call vote to adopt Resolution No. 2172 as presented.

AYES: Directors Frye, Plough, Shaikewitz, and Wicks

ABSTAIN: Director Morgan

NOES: None

Resolution No. 2173, a Resolution of Appreciation for the Commitment and Service of Richard Shaikewitz: it was moved by Director Wicks, seconded by Director Plough and carried by the following roll-call vote to adopt Resolution No. 2173 as presented.

AYES: Directors Frye, Morgan, Plough, and Wicks

ABSTAIN: Director Shaikewitz

NOES: None

7. DIRECTOR AND COMMITTEE REPORTS

A. PRESIDENTS REPORT

Director Morgan noted that it had been a pleasure to serve on the Board, and wished all a happy Thanksgiving.

B. CENTRAL COAST WATER AUTHORITY

Director Shaikewitz reported on the activities of CCWA.

C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION

Director Shaikewitz reported on the activities of the SBC-SDA

D. CACHUMA OPERATION AND MAINTENANCE BOARD

Director Morgan reported on the activities of COMB.

E. CACHUMA CONSERVATION RELEASE BOARD

Director Morgan reported on the activities of CCRB.

F. OPERATIONS COMMITTEE

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

G. FINANCE COMMITTEE

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

H. APPEALS COMMITTEE

Directors Frye & Plough reported that the committee would meet the following week to hear one appeal.

- I. STRATEGIC PLANNING: Directors Shaikewitz & Wicks reported that their activities had been covered elsewhere in the agenda.

8. LEGAL MATTERS

- A. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen noted that the incoming Board will be brought up to date on ongoing litigation.

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, December 18, 2018 or any future meeting.

10. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:54 p.m.

Approved:

Floyd Wicks, President

Attest:

Nick Turner, Secretary



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

**TUESDAY, DECEMBER 4, 2018
9:30 A.M.**

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

President Morgan called the meeting to order at 9:30 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
Adam Kanold, Engineering Manager
Daryl Smith, Business Manager

Robert M. Cohen, General Counsel
Laura Camp, P. I. Coordinator
Lois Werner, Recording Secretary

Guests Present:

Ken Coates, District customer
Randy Westhaus, Tetra Tech

2. PUBLIC FORUM

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

3. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Approval of the Initial Study/Mitigated Negative Declaration for the Cold Springs, San Ysidro, and Romero Highline Repair Projects

Mr. Kanold presented this item and introduced Randy Westhaus of Tetra Tech, the consultants who created the MND. Mr. Kanold and Mr. Westhaus responded to questions from Directors

One comment letter on the Final Mitigated Negative Declaration had been submitted by the Montecito Association; there were no comments received during the meeting. The Board approved certain revisions based on the comments received.

Following discussion, it was moved by Director Plough, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to make the finding that there is no substantive evidence in the record supporting a fair argument that this project will have significant effect on the environment if the mitigation measures in the Mitigated Negative Declaration are followed, and adopt the Mitigation Monitoring and Reporting Program and Mitigated Negative Declaration.

- B. BOARD ACTION: Award of Contract for Jameson Lake Communications Disaster Repair Project

Mr. Kanold presented this item and responded to questions from Directors. Following discussion, it was moved by Director Shaikewitz, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the award of contract for the Jameson Lake Communications Project to Compuvision for \$338,202.32, reimbursable through District insurance, with the proviso that Compuvision be contacted and requested to .

4. LEGAL MATTERS

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

The Board adjourned to closed session at 10:55 a.m.

The Board reconvened in open session 11:05 a.m.

Report out of closed session:

The Board voted 5 to 0 on a motion by Director Frye, seconded by Director Plough, to enter into a settlement of the dispute and to execute the necessary documents to effectuate a settlement. Settlement documents will

be made available when final, pursuant to Government Code section 54957.1(a)(3)(B).

5. APPEALS

A. Mozart Appeal of High Usage Charges, Account No. 02-2096-01

Mr. Mozart joined the meeting via phone. Director Plough presented the appeal and the recommendation of the Committee to deny this appeal. Mr. Mozart commented. Following discussion, it was moved by Director Frye, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor to deny the appeal of high water charges on Account No. 02-2096-01.

4. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:06 a.m.

Approved:

Floyd Wicks, President

Attest:

Nick Turner, Secretary



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

**FRIDAY, DECEMBER 7, 2018
9:30 A.M.**

1. SWEARING IN OF NEW DIRECTORS

A. Oath of Office, Directors Coates, Hayman, and Goebel

Directors Coates, Hayman, and Goebel were sworn in as Directors of the Montecito Water District

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

Vice President Wicks called the meeting to order at 9:30 a.m.

Directors Present:

Directors Ken Coates, Brian Goebel, Cori Hayman, Tobe Plough, and Floyd Wicks

Directors Absent:

None

Staff Present:

Nick Turner, General Manager
Adam Kanold, Engineering Manager
Daryl Smith, Business Manager

Robert M. Cohen, General Counsel
Laura Camp, P. I. Coordinator
Lois Werner, Recording Secretary

Guests Present:

Bob Hazard, Montecito Journal
Phil Bernstein, District customer

Dick Shaikewitz, District customer
Betsy Coates, District customer

3. PUBLIC FORUM

Mr. Shaikewitz commented on the duties of the Board from his perspective as a former Director.

Mr. Hazard expressed appreciation for the service of outgoing Directors Shaikewitz, Frye, and Morgan.

4. BOARD OF DIRECTORS

A. BOARD ACTION: 2019 Elections of Board Officers, President/Vice President

Director Plough nominated Director Wicks for President and Director Plough for Vice President; along with the slate of support personnel as listed in item 4-B. The nomination was seconded by Director Wicks. There were no further nominations from the floor. The motion was carried with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor.

B. BOARD ACTION: Appointment of Board Support Personnel

- i. General Manager as Board Secretary
- ii. Business Manager as Assistant Secretary and Auditor
- iii. Cohen & Burge as District Legal Counsel

C. BOARD ACTION: Annual Restructuring and Appointments of Standing and Ad Hoc Board Committees

Following discussion on both items C and D, the following assignments were moved by Director Plough, seconded by Director Coates and carried with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor:

Finance Committee: Directors Coates (chair) and Plough
Alternate: Director Wicks

Operations and Customer Relations Committee: Directors Wicks and Hayman (this committee now includes Appeals)
Alternate: Director Goebel

Strategic Planning Committee: Directors Wicks and Goebel
Alternate: Coates

D. Appointment of District JPA Representatives

- i. Cachuma Operations and Maintenance Board (COMB) Rep: Director Plough, Alternate: Hayman
- ii. Cachuma Conservation and Release Board (CCRB) Rep: Plough, Alternate: Goebel
- iii. Central Coast Water Authority (CCWA) Rep: Director Wicks, Alternate: GM Turner (CCWA Operations Committee Rep Turner, Alternate Wicks)

- iv. Santa Barbara County California Special Districts Association (SBCCSDA) Rep: Director Wicks, Alternate: Director Coates

E. BOARD ACTION: Designate Date, Time and Location of Regular Board Meetings

Following discussion, it was moved by Director Plough, seconded by Director Coates and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor to schedule meetings for the fourth Tuesday of the month at 9:30 a.m. with December meeting rescheduled to the 18th.

F. BOARD ACTION: Designate American Riviera Bank as depository for District funds in 2019

it was moved by Director Plough, seconded by Goebel and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor to designate American Riviera Bank as depository for District funds in 2019.

5. CLOSED SESSION

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

The Board adjourned to closed session at 10:50 a.m.

The Board reconvened in open session at 11:30 a.m.

Report out of closed session:

The Board received a report from Counsel. No action was taken.

6. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:33 a.m.

Approved:

Floyd Wicks, President

Attest:

Nick Turner, Secretary

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

SECTION: 3-D

AP CHECK REGISTER **\$ 2,223,616.50**

NET PAYROLL DIRECT DEPOSITS ¹

11/9/2018	Pay Period #23	64,915.31
11/26/2018	Pay Period #24	66,656.74

Payroll Direct Deposits **\$ 131,572.05**

EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS ²

Subtotal External Wire Transfers **\$0.00**

TOTAL DISBURSEMENTS **\$2,355,188.55**

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
NOVEMBER 1, 2018 through NOVEMBER 30, 2018**

CK#	DATE	VENDOR/PAYEE	AMT	F/J/B	DESCRIPTION
1313	11/13/2018	ACWA	16,826.36		2019 ANNUAL DUES
		ACWA Total	16,826.36		
1314	11/13/2018	ACWA-JPIA	39,564.04		MED/DEN/VSN INSUR PREM DEC18
1314	11/13/2018	ACWA-JPIA	12,959.92		FY 2018/19 QTR 1 WORKMANS COMP
		ACWA-JPIA Total	52,523.96		
1367	11/27/2018	ANTHEM BLUE CROSS	898.65		RET BEN - JOE DIAZ 12/18-2/19
1368	11/27/2018	ANTHEM BLUE CROSS	915.51		RET BEN - LIEBERKNECHT-DEC18 TO FEB19
1369	11/27/2018	ANTHEM BLUE CROSS	234.81		RET BEN - DEC18 MED RET BENEFIT-A DIAZ
		ANTHEM BLUE CROSS Total	2,048.97		
1370	11/27/2018	AQUA-METRIC SALES	1,804.37		METER INVENTORY SUPPLIES
		AQUA-METRIC SALES Total	1,804.37		
1371	11/27/2018	ARCADY DISTRIBUTING	136.00		OFFICE SUPPLIES
1421	11/28/2018	ARCADY DISTRIBUTING	9.40		KITCHEN SUPPLIES
		ARCADY DISTRIBUTING Total	145.40		
1372	11/27/2018	AT&T MOBILITY	1,037.04		MOBILE PHONE SRVC 10/12 - 11/11/18
		AT&T MOBILITY Total	1,037.04		
1316	11/13/2018	AWWA	433.00		2019 MEMBERSHIP DUES
1422	11/28/2018	AWWA	790.00		ANNUAL STANDARDS REVISIONS 2019/20
		AWWA Total	1,223.00		
1317	11/13/2018	BANK UP CORPORATION	1,078.62		MONTHLY LOCKBOX SERVICE - OCT2018
		BANK UP CORPORATION Total	1,078.62		
0	11/23/2018	BENEFLEX INC	113.00		FSA ADMIN FEES NOV2018
0	11/12/2018	BENEFLEX INC	873.45		PP #23 FLEX SPEND ACCT CONTRIBUTIONS
0	11/26/2018	BENEFLEX INC	873.45		PP #24 FLEX SPEND ACCT CONTRIBUTIONS
		BENEFLEX INC Total	1,859.90		
1318	11/13/2018	BILL ALCALA	100.00		FLEET WASHING 11/12/18
1373	11/27/2018	BILL ALCALA	140.00		FLEET WASHING 11/26/18
		BILL ALCALA Total	240.00		
1319	11/13/2018	BRENNTAG PACIFIC INC	3,409.60		ORTEGA RESVR CHLORINE SUPPS
		BRENNTAG PACIFIC INC Total	3,409.60		
1320	11/13/2018	C.A. LARSEN CO.	1,450.00		AUTOMATION - ARCH DRAIN METER
1320	11/13/2018	C.A. LARSEN CO.	170.00		ASSIST W/GENERATOR REPAIR
1320	11/13/2018	C.A. LARSEN CO.	180.00		ROAD MAINT JAMESON LAKE
1320	11/13/2018	C.A. LARSEN CO.	2,260.00		RIDGE DRAIN WATER COLLECTION RECON
		C.A. LARSEN CO. Total	4,060.00		
1374	11/27/2018	CACHUMA O&M BOARD	5,421.04		ANNUAL WATER RIGHTS 7/1/18-6/30/19
		CACHUMA O&M BOARD Total	5,421.04		
0	11/12/2018	CAL PERS	13,209.95		PP #23 PENSION CONTRIBUTION
0	11/26/2018	CAL PERS	13,088.92		PP #24 PENSION CONTRIBUTION
		CAL PERS Total	26,298.87		
1321	11/13/2018	CALIFORNIA ELECTRIC	33.15		MISC JAMESON SUPPS
1321	11/13/2018	CALIFORNIA ELECTRIC	120.93		BVTP PUMP & BLOWER
1375	11/27/2018	CALIFORNIA ELECTRIC	101.12	J	BVTP PUMP & BLOWER
		CALIFORNIA ELECTRIC Total	255.20		
1322	11/13/2018	CALIFORNIA SPEC DIST	7,252.00		2019 CSDA MEMBERSHIP RENEWAL
		CALIFORNIA SPEC DIST Total	7,252.00		

CK#	DATE	VENDOR/PAYEE	AMT	F/J/B	DESCRIPTION
0	11/12/2018	CALPERS 457	2,860.84		PP #23 457 CONTRIBUTION
0	11/26/2018	CALPERS 457	2,860.84		PP #24 457 CONTRIBUTION
		CALPERS 457 Total	5,721.68		
1376	11/27/2018	CANNON CORP	25,534.11	F	FEMA HIGHLINE ENGINEERING
		CANNON CORP Total	25,534.11		
1377	11/27/2018	CANON FINANCIAL	321.60		OFFICE CANON LEASE NOV 2018
		CANON FINANCIAL Total	321.60		
1378	11/27/2018	CARP VALLEY WATER	493,127.17		FY19Q1 OPS & CAP MAINT COST
1378	11/27/2018	CARP VALLEY WATER	2,105.80		ORTEGA 50% O&M COST SHARE 09/18
1378	11/27/2018	CARP VALLEY WATER	2,760.81		ORTEGA 50% O&M COST SHARE 08/18
		CARP VALLEY WATER Total	497,993.78		
1323	11/13/2018	CARQUEST AUTO	(57.00)		CREDIT FOR ITEM RETURN 10/29
1323	11/13/2018	CARQUEST AUTO	(101.83)		CREDIT FOR ITEM RETURN 10/31
1323	11/13/2018	CARQUEST AUTO	(149.51)		CREDIT FOR ITEM RETURN 11/08
1323	11/13/2018	CARQUEST AUTO	14.44		SHOP SUPPS
1323	11/13/2018	CARQUEST AUTO	146.80		TRUCK #155 REPAIRS
1323	11/13/2018	CARQUEST AUTO	57.00		TRUCK #144 REPAIRS
1323	11/13/2018	CARQUEST AUTO	57.84		TRUCK #144 REPAIRS
1323	11/13/2018	CARQUEST AUTO	5.94		TRUCK #140 REPAIRS
1323	11/13/2018	CARQUEST AUTO	74.77		TRUCK #148 REPAIRS
1323	11/13/2018	CARQUEST AUTO	203.67		TRUCK #148 REPAIRS
1323	11/13/2018	CARQUEST AUTO	149.60		TRUCK #143 REPAIRS
1323	11/13/2018	CARQUEST AUTO	73.33		TRUCK #143 REPAIRS
		CARQUEST AUTO Total	475.05		
1324	11/13/2018	CASCADE WELL	3,300.00		REMOVAL OF EXST PUMP @ PADEN WELL
		CASCADE WELL Total	3,300.00		
1312	11/06/2018	CIRGIS INC	6,000.00		2017 AERIAL IMAGE DATA
		CIRGIS INC Total	6,000.00		
1325	11/13/2018	CLEAN ENERGY CAP	17,433.75		CITY OF SB WSA DESAL NEG AUG2018
1325	11/13/2018	CLEAN ENERGY CAP	24,097.50		CITY OF SB WSA DESAL NEG SEP2018
1423	11/28/2018	CLEAN ENERGY CAP	20,525.00		CITY OF SB WSA DESAL NEG JUN2018
1423	11/28/2018	CLEAN ENERGY CAP	4,597.78		CITY OF SB WSA DESAL NEG JUL/AUG2018
		CLEAN ENERGY CAP Total	66,654.03		
1379	11/27/2018	COHEN & BURGE	23,640.00		LEGAL/WTR SUPP/ENG/COMB
1379	11/27/2018	COHEN & BURGE	1,968.00		CLASS ACTION
		COHEN & BURGE Total	25,608.00		
1424	11/28/2018	COLONIAL LIFE	627.62		INSUR PREM RE: 11/12, 11/26
		COLONIAL LIFE Total	627.62		
1326	11/13/2018	COMPUVISION	568.75		SCADA @ JAMESON/AUTOCAD
1326	11/13/2018	COMPUVISION	695.00		DATTO CLOUD BACK UP DEC2018
		COMPUVISION Total	1,263.75		
1327	11/13/2018	COX COMM	726.13		PHONE/INTERNET 11/01-11/30/18
1380	11/27/2018	COX COMM	648.95		BVTP INTERNET/PHONE NOV2018
		COX COMM Total	1,375.08		
1328	11/13/2018	DANIEL RODRIGUEZ	114.78		SRVC LINE LEAK/PIZZA FOR CREW
1381	11/27/2018	DANIEL RODRIGUEZ	80.20		11/20 MAIN BRK MEAL LAS TUNAS
		DANIEL RODRIGUEZ Total	194.98		
1329	11/13/2018	DEPT OF HOUSING	36.00		2019 REG FEES MODULAR OFC
		DEPT OF HOUSING Total	36.00		
1330	11/13/2018	DOCUPRODUCTS	84.14		CANON 6055 BSE RTE 11/12-12/11
1382	11/27/2018	DOCUPRODUCTS	76.87		COPIER MAINT 5/12 TO 6/11/18
		DOCUPRODUCTS Total	161.01		

CK#	DATE	VENDOR/PAYEE	AMT	F/J/B	DESCRIPTION
1383	11/27/2018	DUDEK	3,836.25	F	FEMA HIGHLINE PERMIT
		DUDEK Total	3,836.25		
1331	11/13/2018	ECHO COMM	163.90		OCT2018 AFTER HOURS SERVICE
		ECHO COMM Total	163.90		
1332	11/13/2018	ELECTRIC PARTS	327.79		JAMESON SUPPLIES
		ELECTRIC PARTS Total	327.79		
1384	11/27/2018	EPPICO INDUSTRIAL	221.95		MECHANIC SHOP TOOLS
		EPPICO INDUSTRIAL Total	221.95		
1333	11/13/2018	EUROFINS EATON	186.00	B	BVTP WTR QLTY SAMPLE 10/24
1333	11/13/2018	EUROFINS EATON	452.00	B	BVTP WTR QLTY SAMPLE 10/24
1385	11/27/2018	EUROFINS EATON	452.00	B	EEA WATER QLTY SAMPLING
1333	11/13/2018	EUROFINS EATON	375.00	B	BVTP WTR QLTY SAMPLE 10/12
		EUROFINS EATON Total	1,465.00		
1386	11/27/2018	FEDEX	148.16		BANKUP EXCEPTION 10/24,25 11/2
		FEDEX Total	148.16		
1334	11/13/2018	FERGUSON	(82.41)		CREDIT FOR COPPER TUBING RTN'D
1334	11/13/2018	FERGUSON	380.25		INVENTORY SUPPLIES
1334	11/13/2018	FERGUSON	1,002.24		INVENTORY SUPPLIES
1334	11/13/2018	FERGUSON	1,871.32		INVENTORY/NON-INVENTORY SUPPLIES
1334	11/13/2018	FERGUSON	144.39		INVENTORY/NON-INVENTORY SUPPLIES
1387	11/27/2018	FERGUSON	1,062.03		INVENTORY/NON-INVENTORY SUPPLIES
		FERGUSON Total	4,377.82		
1336	11/13/2018	FGL ENVIRONMENTAL	473.00		WTR SAMPLE ANALYSIS 9/12
1336	11/13/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 10/22
1336	11/13/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 10/22
1336	11/13/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 10/29
1336	11/13/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 10/29
1388	11/27/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 10/15
1388	11/27/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 10/01
1388	11/27/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 10/08
1388	11/27/2018	FGL ENVIRONMENTAL	231.42		WTR SAMPLE ANALYSIS 10/25
1388	11/27/2018	FGL ENVIRONMENTAL	74.00		WTR SAMPLE ANALYSIS 11/05
1388	11/27/2018	FGL ENVIRONMENTAL	224.00		WTR SAMPLE ANALYSIS 11/05
1388	11/27/2018	FGL ENVIRONMENTAL	34.00		WTR SAMPLE ANALYSIS 11/05
1388	11/27/2018	FGL ENVIRONMENTAL	22.00		WTR SAMPLE ANALYSIS 11/05
		FGL ENVIRONMENTAL Total	1,796.42		
1337	11/13/2018	FP MAILING SOLUTIONS	32.28		SEALER FOR POSTAGE MACHINE
		FP MAILING SOLUTIONS Total	32.28		
1389	11/27/2018	FRONTIER	54.85		TELEMETRY LINE 11/07 - 12/6/18
		FRONTIER Total	54.85		
1338	11/13/2018	FUEL SMART SB	1,822.40		FUEL PURCHASES THRU 11/06/18
		FUEL SMART SB Total	1,822.40		
1339	11/13/2018	GEORGE T. HALL CO	312.35		BVTP EFFLUENT VALVE REPLACEMENT
		GEORGE T. HALL CO Total	312.35		
1390	11/27/2018	GRAINGER INC.	73.02		BVTP SUPPLIES
		GRAINGER INC. Total	73.02		
0	11/12/2018	HARTFORD LIFE	25.00		PP #23 457 CONTRIBUTION
0	11/26/2018	HARTFORD LIFE	25.00		PP #24 457 CONTRIBUTION
		HARTFORD LIFE Total	50.00		
1392	11/27/2018	INFOSEND	2,047.01		BILL PROCESS/PRINT/MAILOCT2018
1392	11/27/2018	INFOSEND	552.91		MONTHLY SUPP FEE/EBILL/CSR OCT18
		INFOSEND Total	2,599.92		

CK#	DATE	VENDOR/PAYEE	AMT	F/J/B	DESCRIPTION
0	11/29/2018	JAN E ABEL	291.46		RET MED BENEFIT DEC 2018
		JAN E ABEL Total	291.46		
1425	11/28/2018	JUAN O.'S MOBILE	600.00		SINALOA FLUSHING 1/29/18
1425	11/28/2018	JUAN O.'S MOBILE	1,250.00		SINALOA FLUSHING HYDRANTS AUG
		JUAN O.'S MOBILE Total	1,850.00		
0	11/12/2018	LINCOLN FINANCIAL	2,075.00		PP #23 457 CONTRIBUTION
0	11/26/2018	LINCOLN FINANCIAL	2,075.00		PP #24 457 CONTRIBUTION
1393	11/27/2018	LINCOLN FINANCIAL	1,013.00		LTD INSUR PREM - DEC 2018
		LINCOLN FINANCIAL Total	5,163.00		
1426	11/28/2018	LOWE'S BUSINESS	121.59		SUPPLIES FOR JAMESON LAKE
		LOWE'S BUSINESS Total	121.59		
1340	11/13/2018	MACRO AUTOMATICS	4,763.64	J	WEIRHOUSE SCADA REPLACEMENT
		MACRO AUTOMATICS Total	4,763.64		
1341	11/13/2018	MARBORG	748.86		3YRD TRASH/RECYCLE OCT 2018
1341	11/13/2018	MARBORG	179.79		25/11YRD ROLL OFF OCT2018
1394	11/27/2018	MARBORG	1,446.39		DIST GARBAGE OCT2018
1394	11/27/2018	MARBORG	1,179.50		DIST GARBAGE NOV2018
		MARBORG Total	3,554.54		
1342	11/13/2018	MARTHA S. LANGE	3,364.50		CONSULTANT (FEMA) 9/1 TO 10/31/2018
		MARTHA S. LANGE Total	3,364.50		
1343	11/13/2018	MCCORMIX CORP.	199.57		FUEL PURCHASES THRU 10/31/18
1395	11/27/2018	MCCORMIX CORP.	189.05		FUEL PURCHASES THRU 11/15
		MCCORMIX CORP. Total	388.62		
1366	11/14/2018	MELITON PEREA	500.00		PEREA CLAIM-LEAK 3194 VIA REAL
		MELITON PEREA Total	500.00		
1344	11/13/2018	MISSION LINEN	76.82		TRMT UNIFORM SRVC 10/16
1344	11/13/2018	MISSION LINEN	101.83		TRMT UNIFORM SRVC 10/23
1344	11/13/2018	MISSION LINEN	101.83		TRMT UNIFORM SRVC - 11/06
1396	11/27/2018	MISSION LINEN	76.82		TRMT UNIFORM SRVC 11/13
1396	11/27/2018	MISSION LINEN	101.83		TRMT UNIFORM SRVC - 11/20
		MISSION LINEN Total	459.13		
1346	11/13/2018	MONTECITO HARDWARE	16.13		DIST SUPPLIES
1346	11/13/2018	MONTECITO HARDWARE	5.38		DIST SUPPLIES
1346	11/13/2018	MONTECITO HARDWARE	56.02		BVTP SUPPLIES
1346	11/13/2018	MONTECITO HARDWARE	72.88		SHOP SUPPLIES
1346	11/13/2018	MONTECITO HARDWARE	8.61		DIST SUPPLIES
1346	11/13/2018	MONTECITO HARDWARE	9.05		BLDG MAINT ELEC SUPPLIES
1346	11/13/2018	MONTECITO HARDWARE	9.69		SUPPS FOR STNDBY TRK
1397	11/27/2018	MONTECITO HARDWARE	18.09		SHOP SUPPLIES
1397	11/27/2018	MONTECITO HARDWARE	15.06		SUPPLIES FOR WELL SITES
1397	11/27/2018	MONTECITO HARDWARE	11.83		BVTP SUPPLIES
		MONTECITO HARDWARE Total	222.74		
1345	11/13/2018	MONTECITO JOURNAL	302.90		1/4 PG AD SAVE WTR INDR 10/18
1345	11/13/2018	MONTECITO JOURNAL	302.90		1/4 PG AD BEAUTY DAY 10/31/18
		MONTECITO JOURNAL Total	605.80		
1347	11/13/2018	MOSS, LEVY & HARTZ	1,000.00		AUDIT FEES TO 10/31
		MOSS, LEVY & HARTZ Total	1,000.00		
1427	11/28/2018	MWD PETTY CASH	97.79		PASTRIES FOR FINANCE COMM MTG
		MWD PETTY CASH Total	97.79		
1398	11/27/2018	NBS GOVMT FINANCE	3,576.25		WTR RATE STUDY/CONSULT TO 1031
		NBS GOVMT FINANCE Total	3,576.25		
1348	11/13/2018	OCCU-MED LTD	231.50		NEW HIRE MED EXAM - STEVEN PRATT
		OCCU-MED LTD Total	231.50		

CK#	DATE	VENDOR/PAYEE	AMT	F/J/B	DESCRIPTION
0	11/12/2018	PAYLOCITY CORP	29,197.61		PP #23 TAX DEPOSIT
0	11/26/2018	PAYLOCITY CORP	29,102.50		PP #24 TAX DEPOSIT
0	11/09/2018	PAYLOCITY CORP	105.39		PAYROLL FEES END 11/09; PP #23
0	11/26/2018	PAYLOCITY CORP	224.28		P/R FEES ENDIN 11/23/18; PP#24
		PAYLOCITY CORP Total	58,629.78		
1349	11/13/2018	PERMACOLOR, INC.	592.63		TRUCK #140 & #144 HEAD RACKS
		PERMACOLOR, INC. Total	592.63		
1399	11/27/2018	POWERS ELECTRIC	91.19		BVTP SUPPLIES
		POWERS ELECTRIC Total	91.19		
1400	11/27/2018	PR DIAMOND PROD	149.00		SMALL TOOL SUPPLIES
		PR DIAMOND PROD Total	149.00		
1401	11/27/2018	PRAXAIR DIST	8.59		HINGE FOR DOOR AT PLANT
		PRAXAIR DIST Total	8.59		
1402	11/27/2018	PURETEC	139.69		SOFTENER EXCH 4 BVTP HYPOCHLOR
		PURETEC Total	139.69		
1350	11/13/2018	RAUCH COMM	879.50		ENEWS/JOURNAL AD/GRAPHICS
		RAUCH COMM Total	879.50		
1403	11/27/2018	ROSS BAGDASARIAN	4,400.00	B	B&B HIGHLINE REPAIR DMGD PROP
		ROSS BAGDASARIAN Total	4,400.00		
1351	11/13/2018	S.B. CO PUB WORKS	95.00		450 SANTA ROSA - REPAIR SERVICE LINE
1404	11/27/2018	S.B. CO PUB WORKS	95.00		PERMIT - 261 ORTEGA RIDGE ROAD
		S.B. CO PUB WORKS Total	190.00		
1405	11/27/2018	S.B. HOME IMPR CNTR	143.13		BOARDROOM PIX HANGING MATERIAL
1405	11/27/2018	S.B. HOME IMPR CNTR	13.13		BOARDROOM PIX HANGING MATERIAL
1405	11/27/2018	S.B. HOME IMPR CNTR	16.30		BOARDROOM PIX HANGING MATERIAL
		S.B. HOME IMPR CNTR Total	172.56		
1406	11/27/2018	S.B. NEWS-PRESS	241.12	F	BVTP/ROMERO/CLD SPG REQ4PROP
		S.B. NEWS-PRESS Total	241.12		
1352	11/13/2018	SAFETY-KLEEN	166.45		RECYCLE USED MOTOR OIL
1352	11/13/2018	SAFETY-KLEEN	166.45		PICKUP SUPPLIES
1407	11/27/2018	SAFETY-KLEEN	389.14		PORT WASHER FLUID CHANGEOUT
1407	11/27/2018	SAFETY-KLEEN	166.45		OIL PICK UP SHOP
		SAFETY-KLEEN Total	888.49		
1353	11/13/2018	SALS & BROS LAND	900.00		ADMIN GROUNDS MAINT OCT 2018
		SALS & BROS LAND Total	900.00		
1408	11/27/2018	SATCOM DIRECT INC	48.40		JAMESON SATELLITE PHONE OCT18
		SATCOM DIRECT INC Total	48.40		
1411	11/27/2018	SCE	24,861.24		MONTHLY ELEC SRVC 10/08-11/06/18
		SCE Total	24,861.24		
0	11/08/2018	SEMITROPIC	1,294,510.00		CAPITAL PYMT 1000 SHARES
		SEMITROPIC Total	1,294,510.00		
1409	11/27/2018	SMARDAN HATCHER CO.	11.12		MATERIALS FOR JUNCAL PENSTOCK
		SMARDAN HATCHER CO. Total	11.12		
1355	11/13/2018	SO CAL GAS	0.89		BVTP GAS SRVC 10/02 - 11/08/18
1412	11/27/2018	SO CAL GAS	17.47		ADMIN GAS SRVC 10/3-11/02/18
		SO CAL GAS Total	18.36		
1354	11/13/2018	SOAP MAN	46.28		DIST/KITCHEN SUPPLIES
1410	11/27/2018	SOAP MAN	201.43		DIST/KITCHEN SUPPLIES
		SOAP MAN Total	247.71		

CK#	DATE	VENDOR/PAYEE	AMT	F/J/B	DESCRIPTION
1356	11/13/2018	STAPLES	53.86		ADMIN OFFICE SUPPLIES
1356	11/13/2018	STAPLES	192.39		BVTP/ADMIN OFFICE SUPPLIES
1356	11/13/2018	STAPLES	58.04		ADMIN OFFICE SUPPLIES
1413	11/27/2018	STAPLES	(58.04)		CREDIT FOR ITEMS RETURNED
1413	11/27/2018	STAPLES	46.18		ADMIN OFFICE SUPPLIES
1413	11/27/2018	STAPLES	9.36		PHONE PROTECTOR
1413	11/27/2018	STAPLES	106.62		OFFICE SUPPLIES
		STAPLES Total	408.41		
1428	11/28/2018	TRI-CO REPRO	28.84		SCANS/UPLOADS ALDER FLUME
		TRI-CO REPRO Total	28.84		
1357	11/13/2018	UNDERGROUND SERV	227.80		DIG ALERTS (132) OCT 2018
		UNDERGROUND SERV Total	227.80		
1414	11/27/2018	UNITED HEALTHCARE	198.66		RET MED BEN - AYALA DEC18
		UNITED HEALTHCARE Total	198.66		
1415	11/27/2018	UPS	90.62	B	BVTP WTR SAMPLES TO EUROFINS
1415	11/27/2018	UPS	83.69	B	BVTP WTR SAMPLES TO EUROFINS
1415	11/27/2018	UPS	83.12	B	WTR QLTY SAMPLING
		UPS Total	257.43		
1358	11/13/2018	USA BLUEBOOK	230.75		LEAD FREE PRESSURE GAUGES
1358	11/13/2018	USA BLUEBOOK	84.25		BVTP SUPPS
1358	11/13/2018	USA BLUEBOOK	34.46		POWERLOCK TAPE RULE
1358	11/13/2018	USA BLUEBOOK	407.15		RUBBER COVERED HOSES DIST
1358	11/13/2018	USA BLUEBOOK	145.56		BVTP THERMAL PAPER SUPPLIES
1358	11/13/2018	USA BLUEBOOK	71.02		PRYBAR FOR DIST
		USA BLUEBOOK Total	973.19		
1360	11/13/2018	USC COMPANIES, INC.	474.60		ADMIN JANITORIAL SERVICE OCT 2018
		USC COMPANIES, INC. Total	474.60		
1416	11/27/2018	USPS/PO BOX SECTION	660.00		BANKUP LOCKBOX SEMI-ANNUAL FEES
		USPS/PO BOX SECTION Total	660.00		
1361	11/13/2018	VENTURA STEEL, INC.	134.69		31LBS ALUM TREAD BRITE MATL
		VENTURA STEEL, INC. Total	134.69		
1417	11/27/2018	VINING CONSTR	19.14		REF OF CHGS RE:2325 ORTEGA RNC
		VINING CONSTR Total	19.14		
1391	11/27/2018	VOID	-		VOID
1352	11/13/2018	VOID	-		VOID
		VOID Total	-		
1315	11/13/2018	VOID - STUB	-		STUB FOR CK #1314
1335	11/13/2018	VOID - STUB	-		STUB FOR CK #1334
1359	11/13/2018	VOID - STUB	-		STUB FOR CK #1358
1430	11/28/2018	VOID - STUB	-		STUB FOR CK #1430
		VOID - STUB Total	-		
0	11/13/2018	WELLS FARGO	320.69		OCT2018 ANALYSIS CHGS INT/FEES
		WELLS FARGO Total	320.69		

CK#	DATE	VENDOR/PAYEE	AMT	F/J/B	DESCRIPTION
1429	11/28/2018	WELLS FARGO CC	555.00		ACWA FALL CONF - WICKS
1429	11/28/2018	WELLS FARGO CC	1,533.76	J	OVERTONS -BVTP PUMP BLOWER
1429	11/28/2018	WELLS FARGO CC	295.00		OVERHEAD DOOR - SHOP REPAIR
1429	11/28/2018	WELLS FARGO CC	418.50		FORESTRY SUPPLIES - JAMESON
1429	11/28/2018	WELLS FARGO CC	301.29		CRESTLINE PENS - GIVE AWAY PENS
1429	11/28/2018	WELLS FARGO CC	226.94		GO TO MY PC - SCADA REMOTE ACCESS
1429	11/28/2018	WELLS FARGO CC	170.86		JAMESON SATELLITE
1429	11/28/2018	WELLS FARGO CC	52.00		I CONTACT SUBSCRIPTION
1429	11/28/2018	WELLS FARGO CC	331.23		NOVALYNX - EVAP PAN REPAIR
1429	11/28/2018	WELLS FARGO CC	319.00		MISC - OFFICE SUPPLIES
		WELLS FARGO CC Total	4,203.58		
1362	11/13/2018	WESTERN EXTERM	69.50		BVTP EXTERM SRVCS - OCT 2018
1362	11/13/2018	WESTERN EXTERM	73.50		ADMIN EXTERM SRVC - OCT 2018
1362	11/13/2018	WESTERN EXTERM	258.50		JUNCAL DAM EXTERM CHGS OCT-DEC
		WESTERN EXTERM Total	401.50		
1363	11/13/2018	WESTERN WATER WRKS	965.79		DIST SUPPS - CLA VAL
1363	11/13/2018	WESTERN WATER WRKS	1,270.60		DIST SUPPS - CLA VAL
		WESTERN WATER WRKS Total	2,236.39		
1364	11/13/2018	WOODARD & CURRAN	19,102.00		RECYCLED WATER FEASIBILITY STUDY
		WOODARD & CURRAN Total	19,102.00		
1418	11/27/2018	YOUNG CONSTRUCTION	800.00		REFUND B38 DEP-27 BUTTERFLY LANE
		YOUNG CONSTRUCTION Total	800.00		
1365	11/13/2018	ZACHARIAS HUNT	1,665.95		GIS DATA UPDATE & PROG MAINT
		ZACHARIAS HUNT Total	1,665.95		
1419	11/27/2018	ZEE MEDICAL SERVICE	150.04		BVTP FIRST AID SUPPLIES
		ZEE MEDICAL SERVICE Total	150.04		
1420	11/27/2018	ZENNER PERFORMANCE	150.52		FIRE HYDRANT METER CHECK VALVE
		ZENNER PERFORMANCE Total	150.52		
		Grand Total	2,223,616.50		

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-E

DATE: DECEMBER 18, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS DEPARTMENT

SUBJECT: DISTRICT FUNDS

For your information, the District's current invested reserve portfolio, as of 11/30/18, is as follows:

Unrestricted Reserve Funds	Date	Principal
Wells Fargo Checking	11/30/2018	\$1,757,399
American Riviera Checking	11/30/2018	\$1,634,281
American Riviera Money Market	11/30/2018	\$3,737,702
Schwab	11/30/2018	\$4,970,686
CCWA Credit Balance Fund	11/30/2018	\$138,648
	TOTAL	\$12,238,716

Restricted Reserve Funds	Date	Principal
Bank of New York-2010 A Bond Reserve Fund	11/30/2018	\$1,462,428
California Bank & Trust DWR Ortega Loan Reserve	11/30/2018	\$590,535
CCWA Rate Coverage Reserve Fund	11/30/2018	\$1,444,163
	TOTAL	\$3,497,126

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-A

DATE: DECEMBER 18, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: LETTER TO SANTA BARBARA COUNTY BOARD OF SUPERVISORS
REQUESTING SUPPORT FOR STATE WATER PROJECT CONTACT
REASSIGNMENT**

RECOMMENDATION:

That the Board of Directors authorize the Board President's execution of a letter to the Santa Barbara County Board of Supervisors requesting support and approval of the proposed *Assignment, Assumption and Release Agreement* by which the 1963 State Water Project Contract is assigned to the Central Coast Water Authority.

DISCUSSION:

Last year, each of the eight members of the Central Coast Water Authority voted in favor of amending the CCWA Joint Powers Agreement and corresponding Water Supply Agreement to allow CCWA to utilize the taxing authority of member agencies with the expressed purpose of being able to accept the assignment of the State Water Project Contract from Santa Barbara County to the CCWA.

The proposed assignment requires approval of the Board of Supervisors, acting on behalf of the Santa Barbara County Flood Control and Water Conservation District (County), CCWA, and the Department of Water Resources (DWR). On October 26, 2017, CCWA's Board of Directors approved the proposed assignment by agreeing to accept assignment of the State Water Project Contract and to release the County from all of its obligations under the State Water Project Contract. Thereafter, DWR completed its review and consideration of the proposed assignment and confirmed by email that it will approve the proposed assignment as permitted by Article 41 of the State Water Project Contract following the County's approval. Accordingly, the County's approval is all that remains before the assignment can be finalized.

Some of the benefits of the proposed assignment of the State Water Project Contract are as follows:

1. Aligning State Water Contract decision-making authority with financial and operational responsibility by making CCWA fully and solely responsible for the State Water Contract;
2. Relieving the County of any potential financial obligations and liability under the State Water Contract;
3. Relieving cities and other communities within the County who do not receive SWP water from any potential financial obligation under the State Water Contract;
4. Improving decision-making at the local level by eliminating redundant and unnecessary approvals by the County, with no operational or financial responsibility for the State Water Contract on a day-to-day basis;
5. Empowering CCWA, which is financially responsible for the State Water Contract, with the power to make decisions regarding future SWP projects;
6. Providing CCWA members and their ratepayers with direct influence over decision-making for SWP projects; and
7. Increasing local government efficiency, which in turn will increase opportunities for innovations in water planning.

BACKGROUND

The State Water Project Contract was first executed by the County and DWR in February, 1963 and amended on numerous occasions thereafter.

In 1978, the County of Santa Barbara sponsored a ballot measure authorizing issuance of bonds to finance construction of an in-county distribution and treatment system for State Water Project (SWP) water. The ballot measure was defeated and, following that election, the Board of Supervisors considered whether to terminate the 1963 contract due to lack of local political support for the importation of SWP water made available by the State Water Contract. A number of local cities and water districts urged the Board of Supervisors to retain the water, and to find a way to shift the cost of that water to the local water agencies and their ratepayers. In response, in the mid-1980s, the County executed certain "Water Supply Retention Agreements" with local water agencies (Participants) whereby the Participants agreed to assume the annual costs for 45,486 acre-feet per year of SWP water.

In 1991, after five years of severe drought, public elections were held in 14 local jurisdictions to authorize financing to pay for construction of SWP water distribution and treatment facilities. The ballot measures were approved in 11 of the 14 jurisdictions. In September, 1991, CCWA was formed by eight public agencies - City of Buellton, City of Guadalupe, City of Santa Barbara, City of Santa Maria, Goleta Water District, Montecito Water District, Carpinteria Valley Water District, and Santa Ynez River Water

Conservation District, Improvement District No. 1 (Members) - all of whom are Participants. The Participants also executed certain "Water Supply Contracts" with the newly formed CCWA, transferring their rights under the Water Supply Retention Agreements to CCWA, in return for water service in an amount equivalent to their rights under the Water Supply Retention Agreements.

In November 1991, the County and CCWA executed the Transfer of Financial Responsibility Agreement (TFRA) by which CCWA agreed to assume all of the County's financial obligations under the State Water Contract. The TRFA expresses the County's and CCWA's joint interest in securing DWR's approval of assignment of all of the County's rights and obligations under the State Water Contract to CCWA.

“The County and CCWA are continuing their efforts to secure from DWR an agreement to release the County from its obligations under the SWP Contract to the extent those obligations have been assumed by CCWA. ... A principal purpose of this Agreement is to ensure that the County's financial obligations under the SWP Contract attributable to a CCWA Contractor will be completely and fully assumed and satisfied by CCWA. ... “

Since 1991, there have been periodic efforts to secure DWR's approval of assignment of the State Water Contract, as envisioned by TRFA. Prior to 2015, there had been some uncertainty as to whether CCWA, a joint powers authority, could satisfy the requirements of Article 34 of the State Water Contract obligating the contracting party to levy a property tax in the event of its failure to make the required payments to DWR under the contract, and therefore whether the State Water Contract could be assigned to CCWA. That uncertainty was removed in 2015 when Government Code section 6502 was amended to clarify that a joint powers authority like CCWA has all powers common to the contracting parties, including but not limited to the authority to levy a fee, assessment or tax. It is now clear that CCWA is eligible to accept assignment of the State Water Contract. Accordingly, on June 22, 2017, the CCWA Board of Directors voted unanimously to direct its legal and policy staff to pursue assignment of the State Water Contract.

During October and November, 2017, each of CCWA's Members approved the proposed assignment, specifically by amending the 1991 Joint Exercise of Powers Agreement creating CCWA to authorize CCWA to contract with DWR for the delivery of water from the State Water Project and their respective Water Supply Agreements with CCWA to conform to the amendments to the Joint Exercise of Powers Agreement.

On October 23, 2017, CCWA's Board unanimously adopted CCWA Resolution No. 17-04, which (1) approved amendments to each of the Members' Water Supply Agreements, and (2) approved assignment of the State Water Contract from the County to CCWA and authorized CCWA to negotiate an agreement with the County and DWR to effectuate the assignment. CCWA's draft proposed Assignment,

Assumption, And Release Agreement to effectuate assignment of the State Water Contract is enclosed as an attachment to the letter to the County.

Subsequently, DWR staff and legal counsel considered the proposed assignment. By email dated September 17, 2018, the State Water Project Deputy Director of DWR confirmed that DWR will approve assignment of the State Water Contract, as is permitted by Article 41 of the contract.

ATTACHMENTS:

- 1) Proposed letter to Santa Barbara County Board of Supervisors requesting support and approval of the proposed *Assignment, Assumption and Release Agreement for the 1963 State Water Project Contract*
- 2) FAQ re: State Water Project Contract



January __, 2019

Honorable Steve Lavagnino, Chair, and
Members of the Board of Supervisors
County of Santa Barbara
101 E. Anapamu Street
Santa Barbara, CA 93101

Re: Assignment of 1963 Contract to Central Coast Water Authority
(CCWA)

Board of Directors

Floyd Wicks
President

Tobe Plough
Vice President

Ken Coates
Director

Brian Goebel
Director

Cori Hayman
Director

**General Manager
and Board Secretary**
Nick Turner

Dear Chair Lavagnino and Members of the Board of Supervisors:

The Montecito Water District respectfully requests that the Board of Supervisors approve the proposed Assignment, Assumption and Release Agreement (“Agreement”) by which the 1963 State Water Project Contract (“1963 Contract”) is assigned to CCWA. CCWA accepts full responsibility for the 1963 Contract and the County of Santa Barbara is fully released from its obligations under the 1963 Contract. A copy of the proposed Agreement is attached for your reference.

Assignment of the 1963 Contract to CCWA has been contemplated since 1991, when CCWA and the County signed a Transfer of Financial Responsibility Agreement. At that time, CCWA agreed to assume 100% of the County’s financial obligations under the 1963 Contract, which it has successfully done. As a result of the signing of the Transfer of Financial Responsibility Agreement, CCWA constructed the local State Water Project facilities, and that construction was completed in 1997; on time and on budget. The County did not assume any responsibility for the ongoing amortization payments made toward the pipeline, treatment plant, pump stations and storage tanks.

Since 1997, the State of California has delivered State Water Project (SWP) water to CCWA, which has delivered that water to the Montecito Water District, one of its member agencies, and other CCWA contractors. CCWA has collected, treated and transported the SWP water entirely at our costs, which we, in turn, have passed on to our customers. The County has not had to supplement any costs whatsoever, toward the delivery of SWP water supplies.

583 San Ysidro Road
Santa Barbara, CA
93108-2124

Ph 805.969.2271
Fax 805.969.7261

info@montecitowater.com
www.montecitowater.com

The District uses recycled paper.
Each ton of recycled paper
saves 7,000 gallons of water.

Since 1991, CCWA has never missed a single payment to the State of California, and its financial management and reporting systems have been recognized for their excellence. CCWA has been scrupulous in monitoring and auditing the costs imposed by the State on CCWA, and CCWA has been one of the statewide leaders in efforts to promote accuracy and transparency in the State's cost accounting for the State Water Project. Given this 27-year record of fiscal responsibility, it is now time to fulfill the commitments made by the parties in 1991.

The proposed Agreement would provide numerous benefits to the County and its residents, as follows:

1. Placing decision-making authority in the hands of the customers who pay for State Water Project water;
2. Relieving the County of all financial obligations and liability under the 1963 Contract;
3. Protecting residents in local cities and other communities who do not receive State Water Project water (e.g., Lompoc, Mission Hills, Vandenberg Village) from any potential future financial obligation under the 1963 Contract; and
4. Streamlining decision-making at the local level by eliminating redundant and unnecessary approvals by the County.

We respectfully ask that the Board of Supervisors approve the proposed Agreement.

Thank you for your kind consideration.

Sincerely,

Floyd Wicks, Board President
Montecito Water District

Attachment: Assignment, Assumption, and Release Agreement

ASSIGNMENT, ASSUMPTION, AND RELEASE AGREEMENT

This **ASSIGNMENT, ASSUMPTION, AND RELEASE AGREEMENT** (the “**Agreement**”) made as of _____, 2017 (the “**Effective Date**”) by and between Santa Barbara County Flood Control and Water Conservation District (the “**District**”), the Central Coast Water Authority (“**Authority**”), and the California Department of Water Resources (the “**DWR**”) (each, a “**Party**” and collectively, the “**Parties**”), with reference to the following facts and intentions.

RECITALS

A. As of February 23, 1963, the District entered into a Water Supply Contract with the DWR with respect to the delivery to Santa Barbara County of 57,700 acre feet per year of water (the “**Allocation**”) from the State Water Project (the “**State Water Supply Contract**”). Said quantity of water is set forth in “**Table A**” to the State Water Supply Contract.

B. On various dates between 1983 and 1986, the District entered into a series of agreements, each called a “**Water Supply Retention Agreement**,” with various cities, water districts, and other retailers and end users of water (the “**Participant(s)**”). Under each Water Supply Retention Agreement, the District assigned a specified portion of the Allocation held by the District under the State Water Supply Contract to the Participant.

C. In August 1991, the Authority was formed by eight public agencies, each of whom was a Participant. The Authority entered into a series of agreements, each called a “**Water Supply Agreement**,” with each of the Participants. Each of the Water Supply Agreements included a provision that the rights held by each Participant under its Water Supply Retention Agreement was assigned to the Authority.

G. On November 12, 1991, the Authority and the District entered into a “**Transfer of Financial Responsibility Agreement**” under which the Authority agreed, *inter alia*, to accept responsibility for all financial obligations of the District under the State Water Supply Contract.

H. In August 1997, the Authority completed construction and permanently fixed the size and delivery capability of the transportation and treatment system by which water under the State Water Supply Contract would be delivered to various retailers and end users in Santa Barbara County (the “**Coastal Branch**”).

J. Since the formation of the Authority and in connection with the Authority’s ownership and operation of the Coastal Branch, it has been the intention of the Authority and the District that the Authority would receive all rights and assume all of the District’s obligations under the State Water Supply Contract. The Parties desire to enter into this Agreement to effectuate such assignment, assumption, and release.

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 this Agreement, the District does hereby assign, transfer, and set over to the Authority, without recourse and without representation or warranty of any kind, all of the District's rights, title, and interest in, to, and under the State Water Supply Contract (including, but not limited to, the District's rights to delivery of the Allocation), along with all liabilities and obligations of the District arising from or under the State Water Supply Contract, except for the right to reimbursement set forth in Article 45(j) of the State Water Supply Contract. This assignment is absolute and presently effective.
2. **Assumption.** Effective as of the Effective Date of this Agreement, the Authority accepts such assignment without recourse and without representation or warranty of any kind, and assumes all of the District's liabilities and obligations arising from or under the State Water Supply Contract, 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 the District under the State Water Supply Contract. The Authority agrees to be bound by said State Water Supply Contract to the same extent as if it had been an original party to said instrument and accepts and agrees to perform all of the District's obligations therein.
3. **Authority Indemnification and Release.** The Authority hereby releases and forever acquits, discharges and holds harmless and shall indemnify the District 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 on or after the Effective Date be imposed on, incurred by, or asserted against the District by any third party, based on, resulting from, in any way relating to, in connection with, or arising out of the State Water Supply Contract, except to the extent caused by the District's gross negligence or willful misconduct.
4. **DWR Consent and Release.** DWR hereby consents to the assignment, transfer, and assumption described herein, and releases the District from all liabilities and obligations arising from or under the State Water Supply Contract. DWR shall hold the Authority responsible for all liabilities and obligations of the District arising from or under the State Water Supply Contract to the same extent as if it had been an original party to said instrument.
5. **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.

6. **Waiver.** Any waiver or failure to declare a breach as a result of the violation of any term or condition 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.
7. **Counterparts.** The Parties may execute this Agreement in counterpart. The Parties agree to accept facsimile or PDF signatures as original signatures.
8. **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.
9. **Other Agreements.**
 - a. Upon the Effective Date of this Agreement, the Transfer of Financial Responsibility Agreement shall automatically terminate and this Agreement shall supersede all provisions of the Transfer of Financial Responsibility Agreement.
 - b. Effective as of the Effective Date of this Agreement, the District does hereby assign, transfer, and set over to the Authority, without recourse and without representation or warranty of any kind, all of the District's rights, title, and interest in, to and under all the existing Water Supply Retention Agreements, along with all liabilities and obligations of the District arising from or under the Water Supply Retention Agreements. The Authority accepts such assignment without recourse and without representation or warranty of any kind, and assumes all of the District's liabilities and obligations arising from or under the Water Supply Retention Agreements, 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 the District under the Water Supply Retention Agreements. The Authority agrees to be bound by the Water Supply Retention Agreements to the same extent as if it had been an original party to said instruments and accepts and agrees to perform all of the District's obligations therein.
 - c. The Authority hereby releases and forever acquits, discharges, and holds harmless and shall indemnify the District 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 on or after the Effective

Date be imposed on, incurred by or asserted against the District by any third party, based on, resulting from, in any way relating to, in connection with, or arising out of the Water Supply Retention Agreements, except to the extent caused by the District's gross negligence or willful misconduct.

10. **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 mail, postage prepaid, or electronic mail followed by written notice sent by U.S. mail 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

California Department of Water Resources
[ADD CONTACT]

10. **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.
11. **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

Ray Stokes, Executive Director

By: _____
Stephanie Osler Hastings, Esq.

**CALIFORNIA DEPARTMENT OF WATER
RESOURCES**

APPROVED AS TO FORM:

By: _____

Assignment of the Santa Barbara State Water Project Contract

FREQUENTLY ASKED QUESTIONS

1. How is imported water delivered to Santa Barbara County?

The California State Water Project (SWP) is a water storage and delivery system of reservoirs, aqueducts, powerplants and pumping plants. Its main purpose is to store water and distribute it throughout California. The Coastal Branch of the SWP delivers SWP water to Santa Barbara and San Luis Obispo Counties. Twenty-nine public agencies, including the Santa Barbara County Flood Control and Water Conservation District (District), contract with the State of California for the delivery of SWP water to them for agricultural and urban uses. The SWP and Coastal Branch infrastructure may also be used for the transportation and delivery of other imported water supplies (non-SWP water) to Santa Barbara County as well.

2. What is the *SWP Contract* and who are the parties to it?

The contract under which water from SWP is delivered to Santa Barbara County was first executed in February, 1963 and has been amended 19 times (*SWP Contract*). The parties to the *SWP Contract* are the State of California Department of Water Resources (DWR) and the District. DWR operates and maintains the SWP. The District provides flood protection and conservation of storm, flood and surface waters within Santa Barbara County. The Board of Supervisors of Santa Barbara County acts as the Board of Directors of the District.

The *SWP Contract* provides for delivery of up to 45,486 acre-feet per year (afy) of water from the SWP, with the quantity actually delivered to Santa Barbara County in any given year dependent on the total quantity of water available and allocated to the SWP contractors during that year.

3. What is the Central Coast Water Authority (CCWA)?

CCWA is a joint powers authority created in 1991 by the *Joint Exercise of Powers Agreement* to construct, manage and operate Santa Barbara County's local facilities for the distribution and treatment of SWP water. CCWA owns and operates a water treatment plant and pipeline that delivers SWP water to Santa Barbara County.¹

CCWA is composed of eight members, all of which are public agencies, all of which provide retail water service to customers living and working within Santa Barbara County. CCWA's members are: the City of Santa Maria, the City of Santa Barbara, the City of Guadalupe, the City of Buellton, the Goleta Water District, the Montecito Water District, the Carpinteria Valley Water District, and the Santa Ynez River Water Conservation District, Improvement District No. 1.

¹ CCWA also delivers SWP water to San Luis Obispo County.

On November 12, 1991, the District and CCWA entered into the *Transfer of Financial Responsibility Agreement* whereby CCWA assumed full responsibility for nearly all of the District's obligations pursuant to the *SWP Contract*. As a result, CCWA makes all payments to DWR for all SWP charges and is responsible for the delivery of SWP water within Santa Barbara County.

4. Who receives SWP water in Santa Barbara County?

CCWA delivers SWP water to its members and other local contractors, which in turn deliver retail water service to the majority of people living and working in Santa Barbara County. However, some communities and unincorporated areas, including the City of Lompoc, Casmalia, Cuyama, Mission Hills, and Vandenberg Village, do not contract with CCWA for SWP water and therefore do not receive SWP water.

5. Who pays for SWP water in Santa Barbara County?

Ratepayers – the customers of each of the public agencies and other entities that contract with CCWA for the delivery of SWP water.

6. May the *SWP Contract* be assigned?

Yes. Article 41 of the District's *SWP Contract* permits assignment with the approval of DWR upon such terms and conditions as DWR may impose. If assignment is permitted, the assignee is bound to all of the provisions of the *SWP Contract*.

7. What is the purpose of assignment of the *SWP Contract* from the District to CCWA?

Assignment would align decision-making authority with financial responsibility. Under the current arrangement, CCWA bears nearly all of the financial responsibility for the *SWP Contract*, but has limited decision-making authority. For example, the decision of whether to pursue extension of the *SWP Contract* beyond its 2038 expiration date is currently in the hands of DWR and the County; CCWA has no role, despite the fact that it is financially responsible for the delivery of all SWP water within Santa Barbara County.

8. Is CCWA eligible to contract with DWR for the delivery of SWP water?

Yes. Each of CCWA's eight member agencies is a "state agency" within the meaning of the authorizing legislation for the SWP and therefore may contract directly with DWR for the delivery of SWP water. CCWA is also a "state agency" and may exercise any power common to its members, including the power to contract with DWR directly for the delivery of SWP water.²

² See Wat. Code §§ 11102, 11625, and 11626,

9. What approvals are required to permit assignment?

The District must agree to assign the *SWP Contract* to CCWA, CCWA must agree to assume the District's obligations, and DWR must agree to release the District from its obligations pursuant to the *SWP Contract*. The proposed *Assignment, Assumption, and Release Agreement* has been prepared for this purpose. Additionally, each of CCWA's members must agree to amend the *Joint Exercise of Powers Agreement* to authorize CCWA to contract with DWR and agree to amendment of their individual *Water Supply Agreement* to acknowledge CCWA's right to levy a tax or assessment, if required by Article 34 of the *SWP Contract*. The following approvals will be sought:

1. Each CCWA member considers approval of: (a) *Amendment of the Joint Exercise of Powers Agreement*, and (b) *Amendment of the member's Water Supply Agreement*
2. CCWA considers approval of the *Assignment, Assumption, and Release Agreement*
3. District considers approval of the *Assignment, Assumption, and Release Agreement*
4. DWR considers approval of the *Assignment, Assumption, and Release Agreement*

10. Why is assignment sought now?

Assignment of the *SWP Contract* has been contemplated since at least 1991. The 1991 Transfer of Financial Responsibility between the District and CCWA declared the parties' intention to "continu[e] their efforts to secure from DWR an agreement to release the District from its obligations under the *SWP Contract* to the extent those obligations have been assumed by CCWA."³

Since 1991, there have been periodic efforts by CCWA to seek assignment of the *SWP Contract*, as envisioned by the *Transfer of Financial Responsibility Agreement*. Prior to 2015, there had been some uncertainty as to whether CCWA, a joint powers authority, could satisfy certain terms and conditions of the *SWP Contract* and therefore whether the *SWP Contract* could be assigned to CCWA.⁴ That uncertainty was removed when Government Code section 6502 was amended in 2015 to clarify that a joint powers authority has all powers common to the contracting parties, including but not limited to the authority to levy a fee, assessment or tax.

³ Transfer of Financial Responsibility Agreement, Recital C.

⁴ Specifically, it was uncertain whether CCWA could, if necessary, satisfy the requirements of Article 34 of the *SWP Contract* obligating the contracting party to levy a property tax or assessment in the event of the contracting party's failure to make the required payments to DWR under the *SWP Contract*.

11. Will assignment modify the terms or conditions of the existing *SWP Contract*?

No. Assignment of the *SWP Contract* from the District to CCWA will result in a substitution of CCWA for the District as the contracting party for the *SWP Contract*. In all other respects, the *SWP Contract* will remain the same.

12. Will assignment change the way SWP water is delivered to Santa Barbara County?

No. The facilities used to deliver SWP to customers within Santa Barbara County will be the same.

13. Will assignment change the customers who receive SWP water in Santa Barbara County?

No. The area in which SWP water will be delivered will be the same. CCWA's service area will remain the same.

14. Will assignment change the way SWP water is paid for in Santa Barbara County?

No. CCWA will continue to pass all SWP costs on to its members. As a result, ratepayers will continue to be responsible for all costs of SWP water in Santa Barbara County.

15. If the *SWP Contract* is assigned, does CCWA intend to levy a tax or assessment to pay for any portion of SWP water delivered to Santa Barbara County?

No.

16. Is compliance with the California Environmental Quality Act required?

No. Assignment of the *SWP Contract* is exempt from CEQA because the transaction will not affect a change in the environment. The transaction will not change the point of delivery, place of use or purpose of use; it will not result in a change in the quantity of water delivered, and no new facilities will be constructed. All terms and conditions of the *SWP Contract* will remain the same; only CCWA will be substituted for the District.

A transaction involving the assignment of identical rights and obligations from one public agency (the District) to another (CCWA) does not qualify as a "project" within the scope of CEQA.⁵ Additionally, even if the assignment is considered a "project," the transaction would

⁵ CEQA Guidelines § 15378(b)(5); see also CEQA Guidelines section 15378(b)(4) (the creation of a government funding mechanism or other fiscal activity that does not involve a commitment to a specific project that may result in a potentially significant environmental impact is not a project under CEQA) and Section 15378(b)(5) (an organizational or administrative activity of government that will not result in direct or indirect physical changes to the environment is not a project under CEQA).

qualify for several categorical exemptions from the requirements of CEQA: (1) CEQA Guidelines, section 15320, Class 20, applicable to government changes in organization; (2) the common sense exemption of CEQA Guidelines, section 15061(b)(3).

17. Why is amendment of the Joint Exercise of Powers Agreement required?

Government Code section 6502 requires that any power to be exercised jointly by members of a joint powers agency must be specified in the authorizing joint powers agreement. The 1991 *Joint Exercise of Powers Agreement* does not expressly authorize CCWA to contract with DWR for the delivery of SWP water and therefore must be amended for this purpose.

18. Why is amendment of each CCWA member’s Water Supply Agreement with CCWA required?

Following its creation, CCWA entered into *Water Supply Agreements* with each of its eight member agencies and other parties who had contracted with the District for the delivery of SWP water (the “local contractors”).⁶ Each member’s *Water Supply Agreement* sets forth the terms and conditions of CCWA’s delivery of SWP water to the member, including certain obligations of the member in the event of the member’s failure to make any payment under the agreement. Concurrent with amendment of the *Joint Exercise of Powers Agreement*, each *Water Supply Agreement* should also be amended to reflect the new powers provided for in the amendment of the *Joint Exercise of Powers Agreement*.

15953950

⁶ Between 1985 and 1988, the District entered into 19 separate agreements with local contractors. Each agreement assigned a portion of the District’s SWP Table A entitlement under the *SWP Contract* to a local contractor. In return, each local contractor agreed to pay the District for the local contractor’s pro rata share of all costs and expenses associated with the delivery of that water. The purpose of these agreements was to shift responsibility for payment under the *SWP Contract* from the County taxpayers to the individual local contractors and their customers – e.g., the water users.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-B
DATE: DECEMBER 18, 2018
TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER / PUBLIC INFORMATION OFFICER
SUBJECT: EVERBRIDGE® MASS PUBLIC NOTIFICATION SYSTEM

RECOMMENDATION:

Information only.

DISCUSSION:

At this time, the District does not have an efficient method for notifying a group of customers in the event of a service interruption due to a main break or other emergency. In the event of a main break, District staff can only notify all affected customers by looking up each account in our billing software and calling each individual homeowner, often trying several different phone numbers. At the same time, administrative staff will be receiving phone calls from customers about loss of water or low pressure. The District experiences about 20-30 main breaks per year. Additionally, during planned temporary shutoffs due to capital projects, the current notification method is for staff to create door hangers and hang these notifications on each property's gate or door.

A "mass" notification system would allow staff to send a message by text, robo-call, email, and social media, informing customers that a line break or other emergency has taken place, that repairs are underway, and provide an estimated time service will be restored. In addition to being reactive to such events as main breaks and other emergency, the system can be used proactively to notify customers of a planned service outage, repairs or new construction. Similar notification systems are used by the power and cable companies and have proven to keep customers well informed as to the status of their service and help reduce customers' inquiries during an event.

Staff has assessed several products and has determined "Everbridge Mass Notification Pro" is the best solution for the District. The Everbridge platform will allow staff to send notifications to individuals or groups using lists, locations, and visual intelligence. Everbridge Mass Notification is supported by state-of-the-art security protocols, interactive reporting and analytics, adaptive people and resource mapping and data management capabilities.

How does the Everbridge Mass Notification System work? When the District identifies a water main break, for example, the first course of action is for District Distribution Operators to assess the situation, determine which valves can isolate the break and close the proper valves. Often, closing valves to isolate a main break can result in customers around the main break not having water service during the emergency repair work. With a mass notification system, District staff can use its robust Geographic Information System (GIS) to identify the customers that will be impacted, quickly generate a list of contact information for those customers and automatically send a text, email, phone message and/or social media post informing them of the temporary service interruption. Intermittent contacts can be made with customers if conditions change during the event affecting the estimated time service will be restored and/or providing instructions on what to expect during the outage and after service is restored. A follow-up contact can also be made notifying the customer once service has been restored. Each round of notifications are pre-recorded messages by District staff that can easily be selected and sent using the Everbridge platform.

EVALUATION CRITERIA AND RESULTS

Staff evaluated several comparable products including SwiftReach, WaterSmart, and Everbridge to assess the quality and features of their technology and customer support to determine the most appropriate solution for the District. Staff received proposals and product demonstrations to test ease of use and to review their capabilities. Evaluation criteria included ease of user interface, multiple platform messaging, pre-programmable messages, GIS compatibility, cost and comprehensive customer support. Everbridge serves many utilities and government agencies, and provides well developed adaptable features in addition to robust user support and regular informative trainings and sharing of national best practices. This notification system is also used by other agencies in the region including Santa Barbara County and the Montecito Fire Protection District.

IMPLEMENTATION

Implementation will be in early 2019.

FISCAL IMPACT

First year contract with setup fees is \$5,758 for unlimited use, with the contract renewed annually for two additional years at \$5,331 per year. Everbridge's proposed annual costs are comparable with SwiftReach and WaterSmart.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 4-C
DATE: DECEMBER 18, 2018
TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: PREPARATION FOR FUTURE STORMS

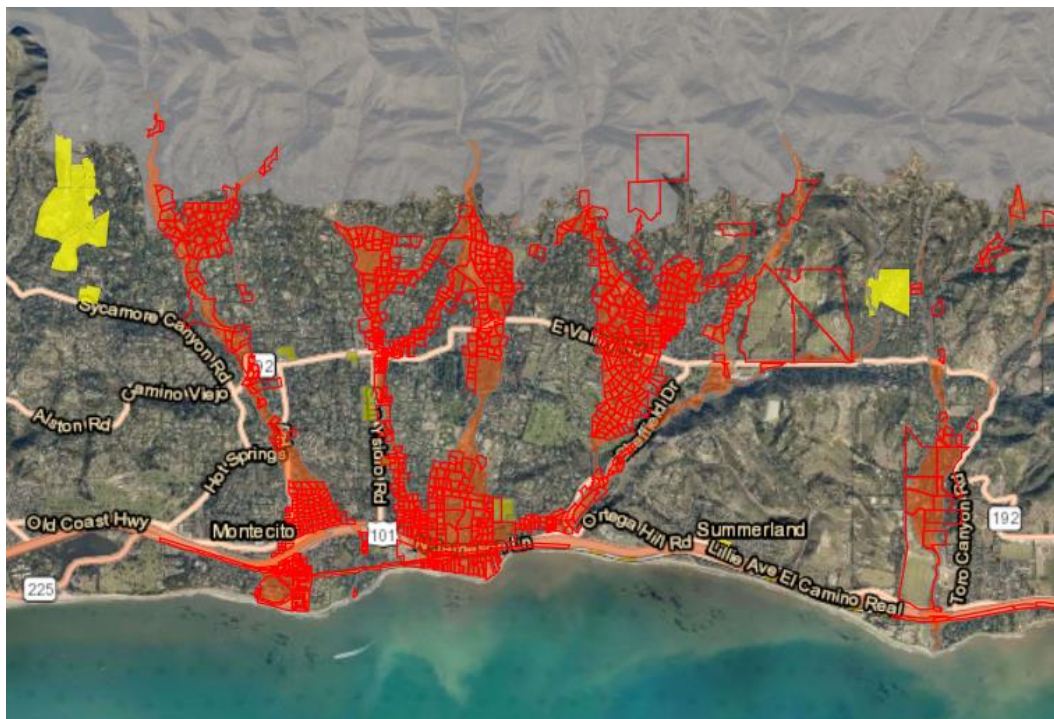
RECOMMENDATION:

Information only.

DISCUSSION:

District staff have reviewed the emergency operational plan and conducted an emergency preparedness meeting, informed by Santa Barbara County's recent Community Meetings and Updated Risk Map corresponding to the Thomas Fire and 1/9 Debris Flows. The County of Santa Barbara has issued a new debris flow risk area map for Santa Barbara County including areas affected by the Sherpa, Whittier, Thomas, and Alamo fires. The debris flow risk maps indicate debris flow risk areas throughout the County. Parts of Montecito, including the District Office and some infrastructure, are within debris flow risk areas, with "extreme risk" areas adjacent to the creeks, shown in Figure 1.

Figure 1. Debris Flow Risk Map



The United States Geological Survey (USGS) and National Weather Service (NWS), have developed rainfall intensity thresholds used to determine the likelihood of debris flows in and near recent burn areas. The intensity threshold that will trigger an evacuation order is currently stated as 0.8” of rain in one hour.

The County uses thresholds to issue evacuation orders, prepare for US 101 closures, and take other measures to protect life and property. Similarly, the District is using and will continue to prepare for future storm events until the vegetation has returned to the hillsides above Montecito, which could be several years. District management is in close communication with the County and Montecito Fire Department as approaching storm forecasts are released. District management uses the forecast to determine the District response to the approaching storm.

In preparation for potential future storms, the District held an all-staff meeting on December 13, 2018 to brief staff on the USGS & NWS rainfall intensity rating system, share information regarding forecasts and evacuation orders, connect staff to storm resources, and share the emergency operations plan with staff. Updated County resources include the new emergency radio broadcast network “Radio Ready,” and ongoing Behavioral Wellness support and services. Information shared included these items from the emergency operations plan:

Prior to a Qualifying Storm Event, District staff will:

- Meet for an All-Staff meeting at MWD Board Room if time allows
- Fill Reservoirs to winter demand levels
- Turn OFF Groundwater Wells
- Turn OFF South Coast Conduit pump stations
- Top off fuel in Emergency Generators, District Vehicles, and Equipment
- Stock Pipe in MWD Yard
- Stock Treatment Materials at Bella Vista Treatment Plant (BVTP)
- Prepare Emergency Food and Water Bins at MWD Shop and BVTP
- Check Emergency Cots and Blankets
- Check Communications Links – radio, phone and email

Prior to a Qualifying Storm Event Occurring AFTER HOURS, District Staff will:

- Station 2 Treatment Staff at BVTP prior to storm
- Station 2 Distribution Staff at MWD Shop prior to storm

During a qualifying storm event, only critical staff are asked to report to work. This includes all Distribution and Treatment personnel, 2 office staff, and all managers. All staff are to report to work during normal working hours unless unsafe work or travel conditions exist. All staff have been reminded to carry their MWD badges and vehicle placards at all times, to sign up for alerts from SB Aware and Prepare, and to stay informed of the latest storm information.

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

	Jameson Lake	Cachuma Lake
Full Reservoir Elevation	2223.87	750
Full Reservoir Storage (acre feet)	5,114	184,121
Elevation (feet) October 31, 2018	2203.32	692.05
Elevation (feet) November 30, 2018	2203.50	691.32
Elevation Change for Month (feet)	0.18	-0.73
Full Reservoir Elevation Difference (feet)	-20.37	-58.68
Storage (acre feet) October 31, 2018	2,912	60,153
Storage (acre feet) November 30, 2018	2,928	59,114
Storage Change for Month (acre feet)	16	-1,039
Full Reservoir Storage Difference (acre feet)	-2,186	-125,007
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	
0.00	0.00	13.48	0.00	0.00	
Total District Surface Production (1):					13.48

Cachuma Turnouts (af) (Cachuma & State Water)

Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
86.94	35.80	154.62	3.18	0.00	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
0.00	4.01	10.18	4.85	0.00	
Total SCC Meters:					299.58
Cachuma Production:					0.00
State Water Credit (Warren Act Contract):					299.58
SWP Portion of SCC Losses:					-5
SWP Portion of Evaporation:					2
Santa Ynez ID #1 Exchange					0
City of SB Annual Juncal Agreement Transfer					0
Cachuma Portion of SCC Losses:					0
Cachuma Portion of Evaporation:					49.6
Cachuma Remaining Balance:					2321.3
State Water Stored in Cachuma:					76

District Wells (af)

Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
9.62	6.88	1.66	0.00	0.00	4.56
Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
1.71	2.24	1.80	0.00	0.17	1.72
Total Wells:					30.36
Total District Water Production:					343.42

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

WEATHER

Rainfall (inches)	Office	Doulton	Juncal
November 2018	3.16	4.40	4.41
November 2017	0.09	0.11	0.23
Historical Monthly Average	1.89	2.48	2.59
July 1 to Date	3.63	4.72	4.59
Last Year July 1 to Date	0.53	0.64	0.46
Historical Average July 1 to Date	2.83	3.96	3.75

Jameson Lake Air Temperature Averages:

Low	High
43°	73°

WATER PRODUCTION vs. METERED USE

Water Production (af):	343.4	Meter Use (af):	347.1
No. of Days in Production Period:	30	No. of Days in Demand Period:	31
Average Daily Production (af):	11.4	Average Daily Demand (af):	11.2
Month's Water Loss (af):	7.5	Adjusted Meter Use for # of Read Days (af):	335.9
Month's Percentage Loss ¹ :	2%	Trailing 12 Month Percentage Loss:	11%
Water Loss ² (GAL/mile/d)	712	Water Loss ³ (GAL/connection/d)	18

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

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

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

METER SALES

Meters Removed Per Customer Request:	0
New Installations:	0
Total Meters:	4612
Inactive Meters (disaster related):	40
Total Active Meters:	4572

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-A

DATE: DECEMBER 18, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: NOVEMBER 2018 FINANCIAL REPORTS

RECOMMENDATION:

For information and discussion only.

BACKGROUND:

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

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

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

ANALYSIS:

1. WATER SALES ANALYSIS – NOVEMBER 2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	265.85	216.93	48.92	22.5%
Multi Family	5.39	4.78	0.60	12.6%
Agricultural	28.20	23.85	4.35	18.2%
Institutional	20.71	11.44	9.27	81.1%
Commercial	19.04	17.63	1.41	8.0%
Non-Potable	7.94	8.87	(0.93)	(10.5%)
Monthly Total	347.12	283.50	63.62	22.4%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1,476.33	1,489.99	(13.66)	(0.9%)
Multi Family	29.13	32.38	(3.25)	(10.0%)
Agricultural	186.51	178.80	7.71	4.3%
Institutional	161.84	134.95	26.90	19.9%
Commercial	103.66	126.91	(23.25)	(18.3%)
Non-Potable	73.44	87.17	(13.73)	(15.8%)
Yearly Total	2,030.91	2,050.20	(19.29)	(0.9%)

A. Water Sales in Acre Feet (AF)

During the month of November 2018, MWD sold 347.1 AF of water to its customers compared to a budgeted amount of 283.5 AF which translates to a budget variance of 63.6 AF or 22.4%. Factors influencing the variance include 2 additional billing days for the period combined with lower than normal rainfall for the month.

B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 3,866,763	\$ 3,795,683	\$ 71,080	1.9%
Multi Family	68,429	76,144	(7,715)	(10.1%)
Agricultural	256,563	247,870	8,693	3.5%
Institutional	428,859	368,774	60,085	16.3%
Commercial	279,802	343,325	(63,523)	(18.5%)
Non-Potable	44,785	53,159	(8,374)	(15.8%)
Adjustments	-	-	-	0.0%
Monthly Total	\$ 4,945,201	\$ 4,884,955	\$ 60,246	1.2%

2. STATEMENT OF REVENUE AND EXPENDITURES – NOVEMBER 2018

A. Revenues

Total Revenue YTD as of November 30, 2018 is \$9,996,694 compared to the YTD Budget of \$9,824,792 for a budget variance of \$171,902 or 1.7%.

REVENUE	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
WATER SALES	4,945,201	4,884,954	60,247
WSE SURCHARGE	2,920,356	2,950,082	(29,726)
SERVICE CHARGES	1,776,346	1,768,936	7,410
WATER AVAILABILITY CHARGE	-	-	-
PRIVATE FIRE HYDRANT	29,799	29,651	148
LATE CHARGES	38,568	28,030	10,538
SERVICE CONNECTION FEES	21,533	11,770	9,763
CAPITAL COST RECOVERY FEES	151,744	28,452	123,292
INTEREST REVENUE - GENERAL	78,881	83,333	(4,453)
OTHER REVENUE (LOSS)	24,940	29,583	(4,643)
REIMBURSEMENTS	9,325	10,000	(675)
TOTAL REVENUE	\$ 9,996,694	\$ 9,824,792	\$ 171,902

B. Expenses:

1. JPA Expenses

Total JPA Expenses YTD through November 30, 2018 are \$3,797,487 compared to the YTD budget of \$3,529,414 which is above budget by \$268,074. This variance is due mainly as a result of the payment of the USBR prior year deficits which have been slightly offset by lower monthly amounts \$135,115, an additional invoice from Cater for Q4 2017/18 combined with the Q1 2018/19 increased costs \$213,854, all offset by the actual Q1 & Q2 Variable SWP invoices coming in lower than anticipated (\$81,132).

2. MWD Expenses

Total MWD Expenses YTD as of November 30, 2018 are \$3,204,452 compared to the YTD budget of \$3,251,464 which is below budget by \$47,011. This variance is primarily due to the following factors – **Engineering**, SGMA Study has not incurred expected costs (\$71,844), anticipated Professional Services have not yet been incurred (\$42,950) as well as other combined variances \$52,420; **Administration**, Legal expenses were lower than anticipated (\$44,080), Rate Study costs have not been incurred (\$9,674), local water supply negotiations have not been as costly as anticipated (\$139,667) as well as other combined variances of \$3,052; **Extraordinary Expenses** of \$79,933 for BVTP filtration enhancements, \$20,556 for legal, and other combined expenses of \$30,245.

ATTACHMENTS:

- 1) Financial Package – November 2018



BOARD OF DIRECTORS MEETING

FINANCIAL REPORTS

For the Month of November 2018

December 18, 2018

MONTECITO WATER DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES
November 30, 2018

REVENUE	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)	Footnote
WATER SALES	854,511	680,991	173,520	4,945,201	4,884,954	60,247	(1)
WSE SURCHARGE	505,544	412,722	92,821	2,920,356	2,950,082	(29,726)	(1)
SERVICE CHARGES	355,349	353,787	1,562	1,776,346	1,768,936	7,410	
WATER AVAILABILITY CHARGE	-	-	-	-	-	-	
PRIVATE FIRE HYDRANT	5,930	5,930	-	29,799	29,651	148	
LATE CHARGES	6,373	5,606	767	38,568	28,030	10,538	
SERVICE CONNECTION FEES	4,167	2,247	1,920	21,533	11,770	9,763	(2)
CAPITAL COST RECOVERY FEES	14,226	14,226	-	151,744	28,452	123,292	(3)
INTEREST REVENUE - GENERAL	18,926	16,667	2,260	78,881	83,333	(4,453)	
OTHER REVENUE (LOSS)	4,864	5,917	(1,053)	24,940	29,583	(4,643)	
REIMBURSEMENTS	-	2,000	(2,000)	9,325	10,000	(675)	
TOTAL REVENUE	\$ 1,769,890	\$ 1,500,093	\$ 269,797	\$ 9,996,694	\$ 9,824,792	\$ 171,902	
OPERATING EXPENSE							
DIRECT EXPENSE							
JPA OPERATING EXPENSE							
CACHUMA OPERATIONS & MAINT BOARD (COMB)	36,735	48,661	11,927	243,549	243,306	(243)	(4)
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	11,588	11,589	0	57,942	57,943	1	
US BUREAU OF RECLAMATION (USBR)	6,717	25,576	18,859	262,995	127,880	(135,115)	(5)
CATER WATER TREATMENT PLANT	283,127	105,000	(178,127)	738,854	525,000	(213,854)	(6)
STATE WATER PROJECT (SWP) - FIXED	430,011	430,012	1	2,150,053	2,150,058	5	
STATE WATER PROJECT (SWP) - VARIABLE	55,192	85,046	29,854	344,095	425,228	81,132	(7)
SUPPLEMENTAL WATER PURCHASE	-	-	-	-	-	-	
TOTAL JPA OPERATING EXPENSE	\$ 823,370	\$ 705,883	(\$ 117,487)	\$ 3,797,487	\$ 3,529,414	(\$ 268,074)	
MWD DIRECT EXPENSE							
JAMESON	7,708	9,426	1,718	46,604	61,052	14,448	(8)
TRANSMISSION & DISTRIBUTION	110,515	119,312	8,797	634,755	602,059	(32,697)	(9)
TREATMENT	95,678	92,266	(3,411)	538,845	479,211	(59,634)	(10)
TOTAL MWD DIRECT EXPENSE	\$ 213,901	\$ 221,005	\$ 7,104	\$ 1,220,204	\$ 1,142,322	(\$ 77,882)	
MWD INDIRECT EXPENSE							
ENGINEERING	47,132	58,753	11,621	248,360	310,734	62,374	(11)
CUSTOMER SERVICE	30,772	31,441	669	161,819	161,833	15	
PUBLIC INFORMATION / CONSERVATION	9,973	9,927	(46)	48,004	51,243	3,239	
FLEET	16,139	16,859	721	86,522	86,154	(367)	
ADMINISTRATION (incl Depreciation)	287,925	299,606	11,681	1,308,809	1,499,178	190,369	(12)
EXTRAORDINARY EXPENSES	13,584	-	(13,584)	130,734	-	(130,734)	(13)
TOTAL MWD INDIRECT EXPENSE	\$ 405,526	\$ 416,587	\$ 11,061	\$ 1,984,248	\$ 2,109,142	\$ 124,894	

MONTECITO WATER DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES
November 30, 2018

Footnote

	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
TOTAL MWD EXPENSE	\$ 619,427	\$ 637,591	\$ 18,165	\$ 3,204,452	\$ 3,251,464	\$ 47,011
TOTAL OPERATING EXPENSE	\$ 1,442,796	\$ 1,343,474	(\$ 92,218)	\$ 7,001,940	\$ 6,780,877	(\$ 298,945)
NET OPERATING SURPLUS / (DEFICIT)	\$ 327,094	\$ 156,619	\$ 170,475	\$ 2,994,754	\$ 3,043,915	(\$ 49,160)
NON OPERATING EXPENSE						
2004 DWR ORTEGA LOAN	-	-	-	-	-	-
BOND INTEREST EXPENSE	-	-	-	-	-	-
CATER DWR LOAN	-	(115,824)	115,824	(115,824)	(115,824)	-
CATER CAPITAL	-	-	-	-	-	-
CATER OZONE	-	(138,173)	138,173	(138,173)	(138,173)	-
TOTAL NON OPERATING EXPENSE	\$ -	(\$ 253,996)	\$ 253,996	(\$ 253,996)	(\$ 253,996)	\$ -
NET OPERATING SURPLUS / (DEFICIT)	\$ 327,094	(\$ 97,378)	\$ 424,471	\$ 2,740,758	\$ 2,789,918	(\$ 49,160)
NET POSITION, BEGINNING OF PERIOD	\$ 34,355,801	\$ 34,712,688	(\$ 356,887)	\$ 31,942,137	\$ 31,903,426	\$ 38,711
NET POSITION, END OF PERIOD	\$ 34,682,895	\$ 34,615,311	\$ 67,584	\$ 34,682,895	\$ 34,693,344	(\$ 10,449)

November 30, 2018

FOOTNOTES

- (1) **WATER SALES (in AF)** - MTD OVER Actual 347.1 and Budget 283.5 = Variance 63.6; **YTD UNDER** Actual 2,030.9 and Budget 2,050.2 = Variance -19.3;
- (2) **SERVICE CONNECTION FEES** - MTD OVER by 2k - Additional connections above budget occurred during the month; **YTD OVER by \$10k** - Additional connections and relocations
- (3) **CAPITAL COST RECOVERY** - YTD OVER by \$123k - Additional new meter installations above budget
- (4) **COMB** - MTD UNDER by \$12k - Current month is due to a \$19k refund of prior years' expenses when ID1 settled departure from COMB
- (5) **USBR** - MTD UNDER by \$19k - 1st period payment (10/1/18 - 3/30/19) was \$85,933 vs \$153,454 budgeted
YTD Over \$154k - USBR Deficit payments offset by reduced new monthly amortization of actual charges received
- (6) **CATER WTP** - MTD OVER by \$178k & YTD OVER by \$214K - Increased costs from Cater
- (7) **STATE WATER PROJECT (VARIABLE)** -MTD UNDER by 30k & YTD UNDER by \$81k - Q1 and Q2 actual quarterly bills were less than budgeted amounts
- (8) **JAMESON** - MTD UNDER by \$2k - Repairs and Maintenance (\$1k), Supplies (\$1k); **YTD UNDER by \$14k** - Repairs and Maintenance (\$6k), Outside Services (\$7k), Phone (\$1k)
- (9) **TRANSMISSION & DISTRIBUTION** - MTD UNDER by \$9k - Professional Training (\$5k), Repairs & Maintenance (\$2k), Supplies (\$1k), Outside Services (\$1k)
YTD OVER by \$33k - Repairs and Maint \$23k (inventory), Utilities (timing) \$24k, Salaries and Benefits (UNDER) (\$9k), Road and Paving (UNDER) (\$2k), Professional Training (UNDER) (\$4k)
- (10) **TREATMENT** - MTD OVER by \$3k - Chemicals \$6k, Utilities (timing) (UNDER) (\$3k),
YTD OVER by \$59k - Utilities (timing) \$23k, Repairs & Maint. \$10k, Chemicals \$12k (will grow, reimbursements from CVWD budgeted as revenue), and Outside Services \$7k, Laboratory Services \$2k
- (11) **ENGINEERING** - MTD UNDER by \$12k - SGMA (timing) (\$17k), Professional Services (timing) (\$8k), Salaries and Benefits (\$7k), Recycled Water Feasibility Study (OVER) \$19k
YTD UNDER by \$62k - SGMA (timing) (\$72k), Professional Services (\$43k), Recycled Water Feasibility Study (anticipate \$75k grant funding to offset costs) (OVER) \$52k
- (12) **ADMINISTRATION** - MTD UNDER by \$12k - Rate Study (\$2k), Professional Training (\$6k), depreciation (\$8k) Local Water Supply Negotiations (timing)(OVER) \$3k
YTD UNDER by \$190k - Legal (\$44k), Local Water Supply Negotiations (timing) (\$140k) and Rate Study(timing) (\$9k), Network - IT Services (OVER) \$2k
- (13) **EXTRAORDINARY EXPENSES** - MTD \$13k - Legal \$6k, Repairs and Maintenance \$4k, Lab Services \$2k
YTD - \$131K - BVTP filtration enhancements \$80k, Legal \$20k, Lab Services \$13k and Professional Services \$8k, Repairs and Maintenance \$4k

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
November 30, 2018

ASSETS

Current:

Cash and investments

Operating accounts

Board reserves:

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

Unreserved Cash \$ 6,839,067

Total unrestricted cash and investments	\$	12,239,067	
Restricted - cash and investments	\$	3,497,126	
Total Cash (unrestricted & restricted)			\$ 15,736,193

Other Investments - Semitropic Shares \$ 1,924,510 \$ 1,924,510

Receivables:

Accounts receivable - water sales & services, net	\$	1,792,523	
Accounts receivable - other	\$	892	
Accrued Interest	\$	16,282	
FEMA Reimbursable	\$	525,767	
ACWA/JPIA receivable	\$	(832,726)	
Materials and supplies inventory	\$	315,080	
Prepaid water charges (SWP and other prepaid water)	\$	6,307,252	
Prepaid expenses and other deposits	\$	293,312	
Total Current Assets			\$ 8,418,382

Noncurrent:

Capital assets - not being depreciated	\$	1,568,141	
Capital assets - being depreciated, net	\$	30,878,736	
Total Noncurrent Assets			\$ 32,446,877

DEFERRED OUTFLOWS OF RESOURCES

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

TOTAL COMBINED ASSETS:

\$ 59,642,739

MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
November 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

	MTD	YTD
Operating Income (loss)	\$ 308,167	\$ 2,915,874
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	98,615	499,553
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	656,200	1,164,225
Materials and supplies inventory	(4,963)	47,849
Prepaid water charges	344,076	2,508,512
Prepaid expenses and other deposits	13,579	(180,054)
Litigation Liability	-	-
Accounts payable	9,677	(886,621)
Accrued wages and related payables	11,643	9,679
Unearned revenue and other deposits	1,488	1,623
Accrued water exchange transfer	-	-
Compensated absences	(7,868)	9,948
Net cash provided (used) by operating activities	\$ 1,430,614	\$ 6,090,588

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(47,581)	\$ (1,559,457)
Interest Payable	-	-
Net cash provided (used) by capital financing and related activities	\$ (47,581)	\$ (1,559,457)

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

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

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

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	\$ 18,926	\$ 78,880
Purchase of underground water banking shares	\$ (1,294,510)	\$ (1,294,510)
	<hr/>	<hr/>
Net cash provided by (used) by investing activities	\$ (1,275,584)	\$ (1,215,630)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

\$ 107,450 \$ 4,142,266

Cash and cash equivalents, beginning of period	\$ 15,628,744	\$ 11,593,928
	<hr/>	<hr/>
Cash and cash equivalents, end of period	\$ 15,736,193	\$ 15,736,193
	<hr/> <hr/>	<hr/> <hr/>

RECONCILIATION TO STATEMENT OF NET POSITION:

Cash and investments - cash equivalents	\$ 12,239,067	\$ 12,239,067
Restricted cash and investments - cash equivalents	3,497,126	3,497,126
	<hr/>	<hr/>
	\$ 15,736,193	\$ 15,736,193
	<hr/> <hr/>	<hr/> <hr/>



DASHBOARD REPORT

WATER SALES (AF)

11/30/2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	265.85	216.93	48.92	22.5%
Multi Family	5.39	4.78	0.60	12.6%
Agricultural	28.20	23.85	4.35	18.2%
Institutional	20.71	11.44	9.27	81.1%
Commercial	19.04	17.63	1.41	8.0%
Non-Potable	7.94	8.87	(0.93)	(10.5%)
Monthly Total	347.12	283.50	63.62	22.4%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1,476.33	1,489.99	(13.66)	(0.9%)
Multi Family	29.13	32.38	(3.25)	(10.0%)
Agricultural	186.51	178.80	7.71	4.3%
Institutional	161.84	134.95	26.90	19.9%
Commercial	103.66	126.91	(23.25)	(18.3%)
Non-Potable	73.44	87.17	(13.73)	(15.8%)
Yearly Total	2,030.91	2,050.20	(19.29)	(0.9%)

Fiscal Year = July thru June



DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 688,521	\$ 551,365	\$ 137,156	24.9%
Multi Family	12,592	11,262	1,330	11.8%
Agricultural	39,437	33,506	5,931	17.7%
Institutional	56,720	30,935	25,785	83.4%
Commercial	52,401	48,514	3,887	8.0%
Non-Potable	4,840	5,408	(568)	(10.5%)
Adjustments	-	-	-	0.0%
Monthly Total	\$ 854,511	\$ 680,990	\$ 173,521	25.5%

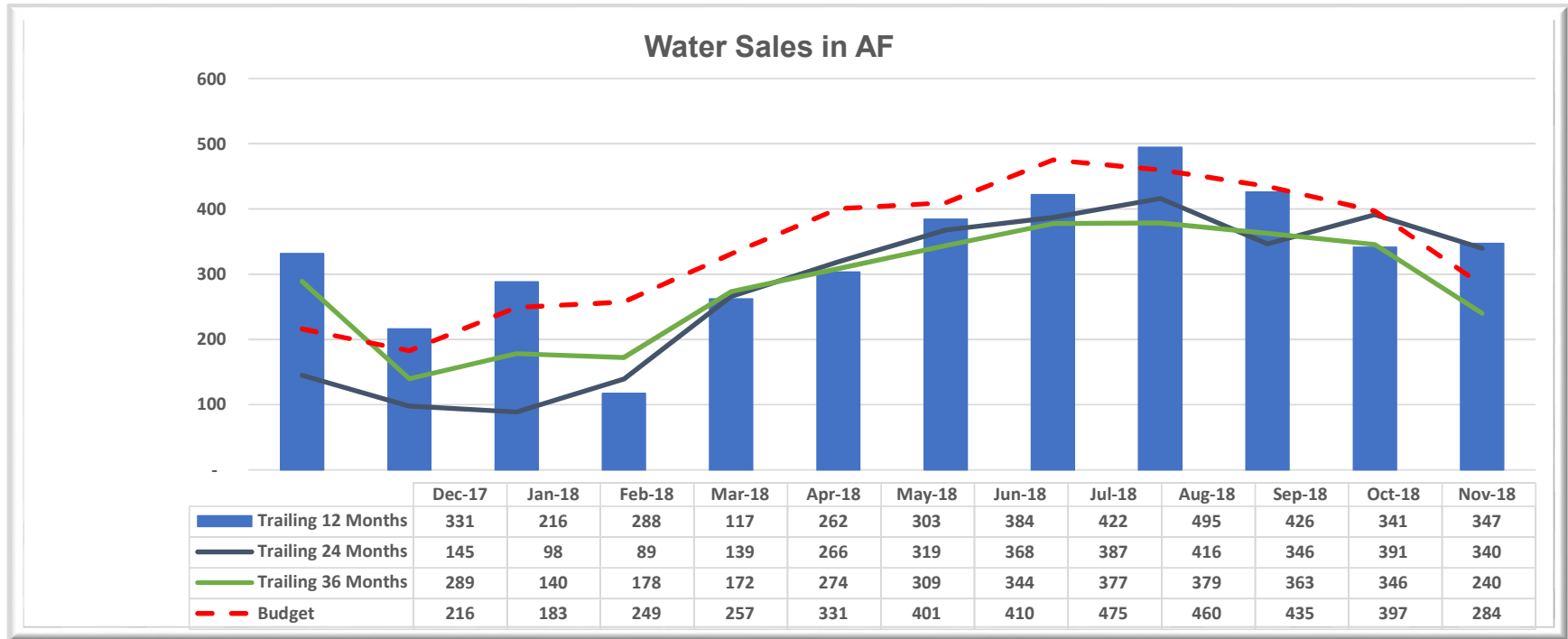
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 3,866,763	\$ 3,795,683	\$ 71,080	1.9%
Multi Family	68,429	76,144	(7,715)	(10.1%)
Agricultural	256,563	247,870	8,693	3.5%
Institutional	428,859	368,774	60,085	16.3%
Commercial	279,802	343,325	(63,523)	(18.5%)
Non-Potable	44,785	53,159	(8,374)	(15.8%)
Adjustments	-	-	-	0.0%
Monthly Total	\$ 4,945,201	\$ 4,884,955	\$ 60,246	1.2%

Fiscal Year = July thru June

MONTH ENDING

11/30/2018

(Select Date From Drop Down Arrow)



 Trailing 12 Months	3,933	AF
 Trailing 24 Months	3,304	AF
 Trailing 36 Months	3,409	AF
 Budget	4,097	AF

Trailing 12 Months vs. Trailing 24 Months: 19.0%

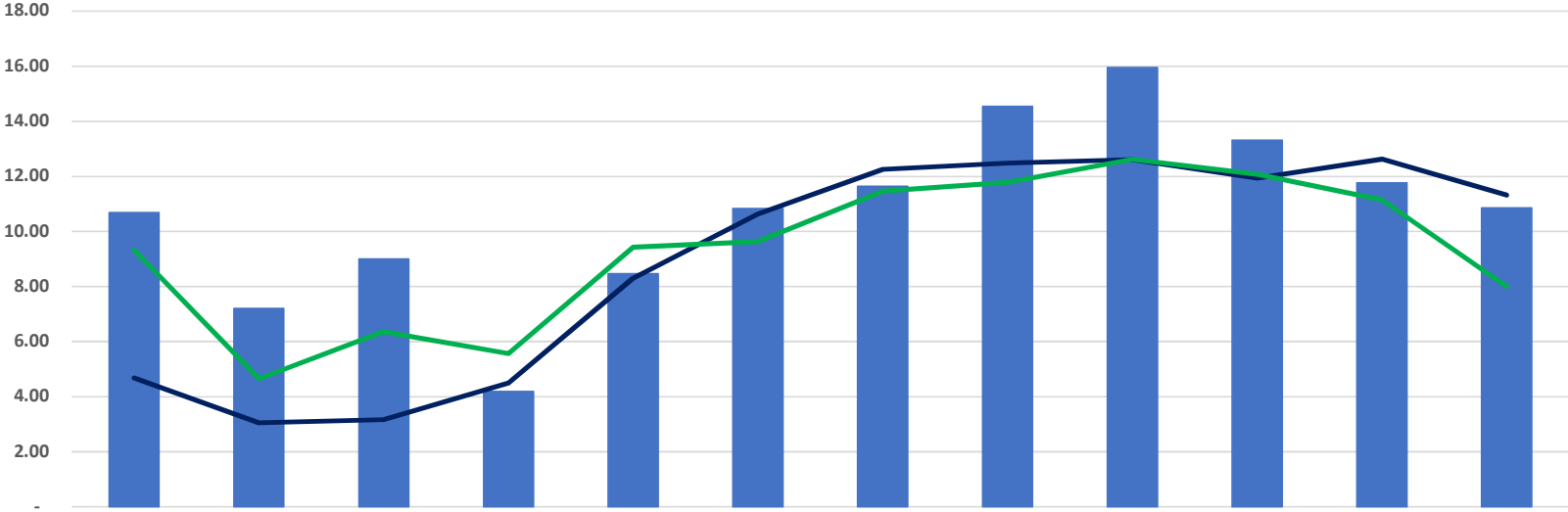
Trailing 12 Months vs. Trailing 36 Months: 15.4%

Trailing 12 Months vs. Budget: (4.0%)



11/30/2018

Average Daily Water Sales Per Month (AF)



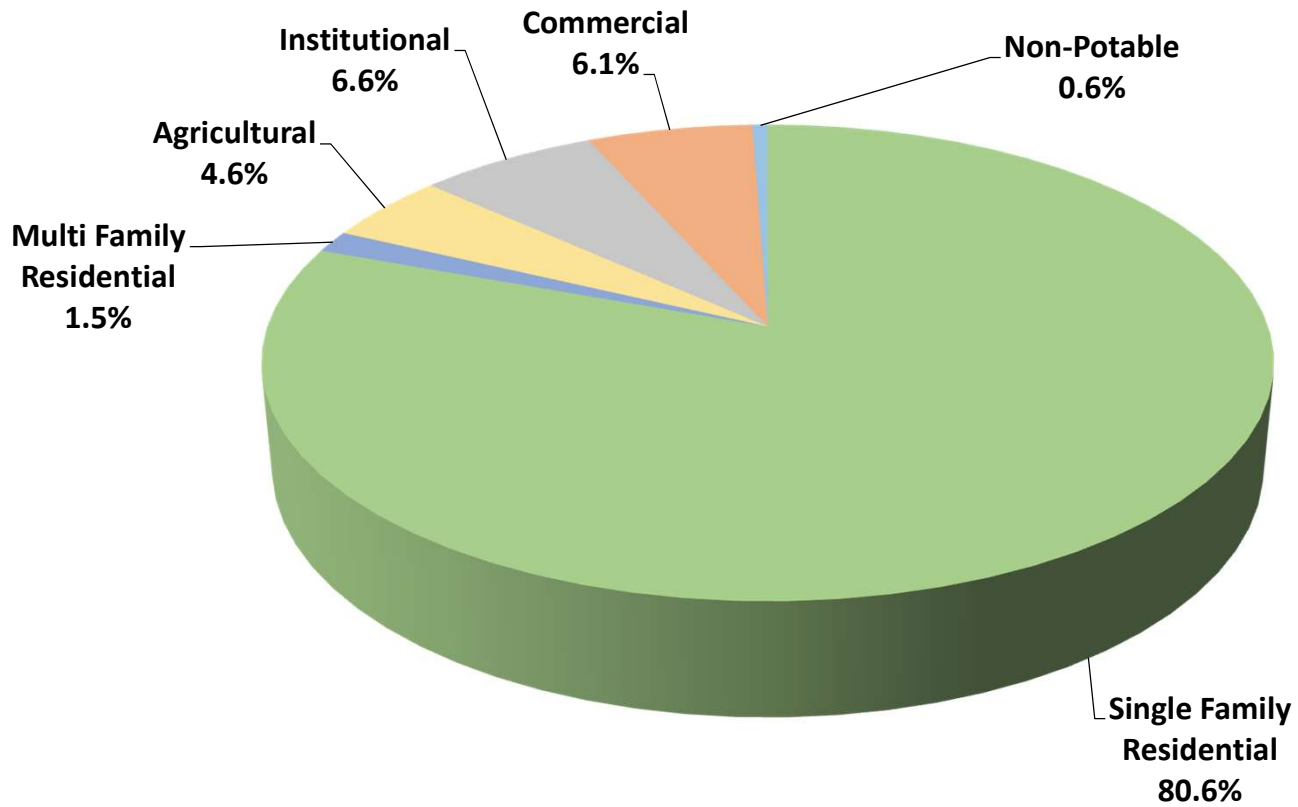
	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Trailing 12 Months	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54	15.96	13.32	11.77	10.85
Trailing 24 Months	4.68	3.05	3.17	4.49	8.31	10.63	12.26	12.49	12.61	11.94	12.63	11.32
Trailing 36 Months	9.32	4.65	6.36	5.56	9.43	9.64	11.46	11.79	12.62	12.08	11.15	8.00

MONTH ENDING

11/30/2018

(Select Date From Drop Down Arrow)

Water Sales by Classification - October 31, 2018



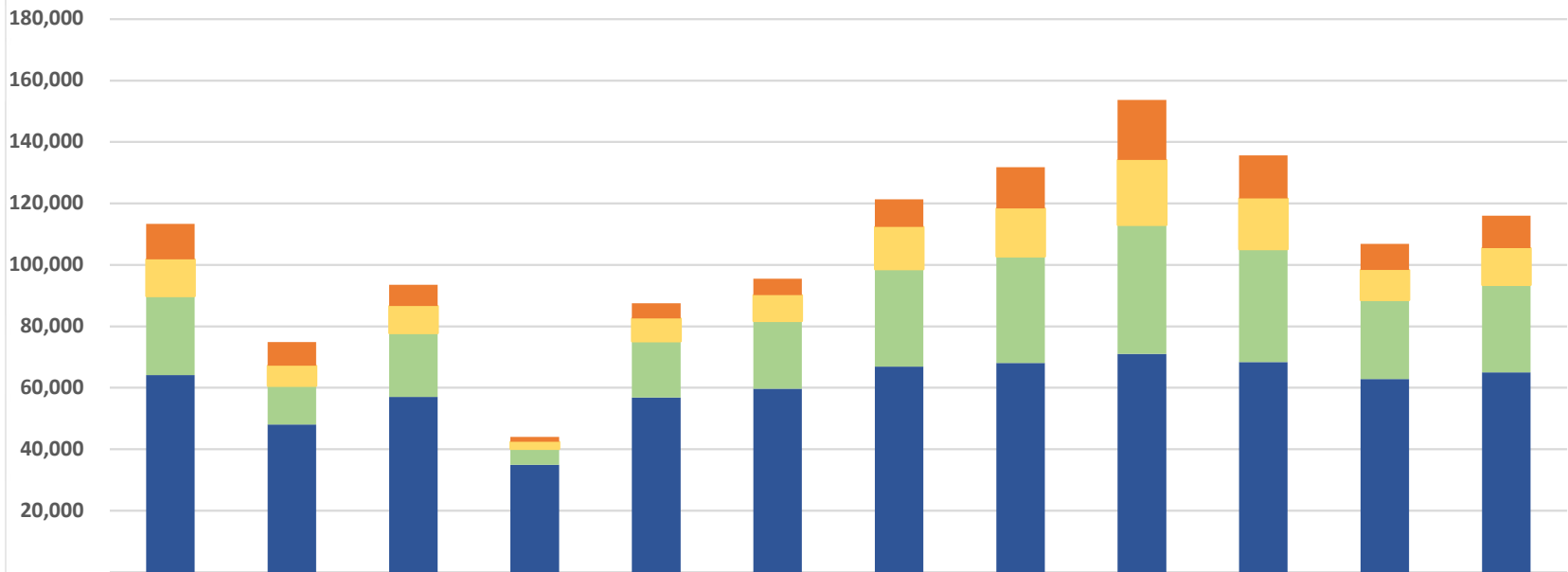


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

11/30/2018

Monthly SFR Water Consumption by Tier (HCF)



	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
■ Tier 4	11,500	7,700	6,900	1,600	5,000	5,300	9,000	13,500	19,600	14,000	8,500	10,600
■ Tier 3	12,000	6,500	8,800	2,300	7,400	8,400	13,700	15,600	21,100	16,500	9,800	11,900
■ Tier 2	25,700	12,600	20,800	5,200	18,300	22,100	31,800	34,700	42,000	36,800	25,700	28,500
■ Tier 1	64,100	48,000	57,000	34,900	56,800	59,600	66,800	68,000	71,000	68,300	62,800	65,000

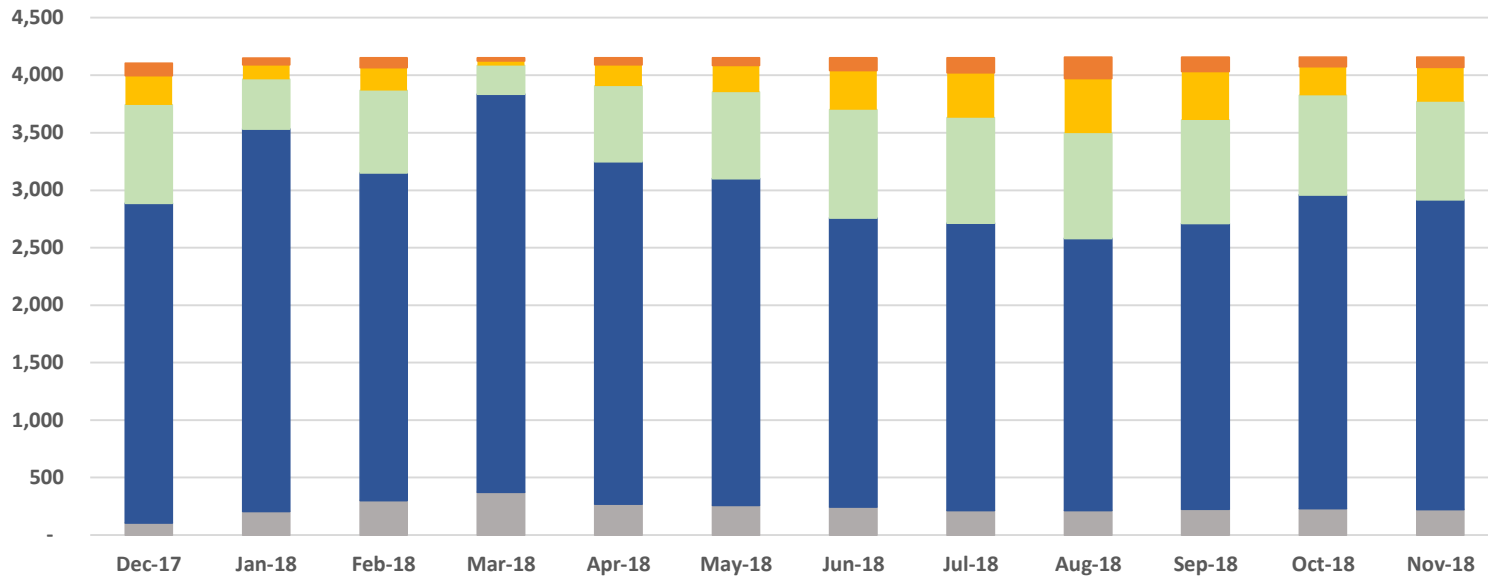


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

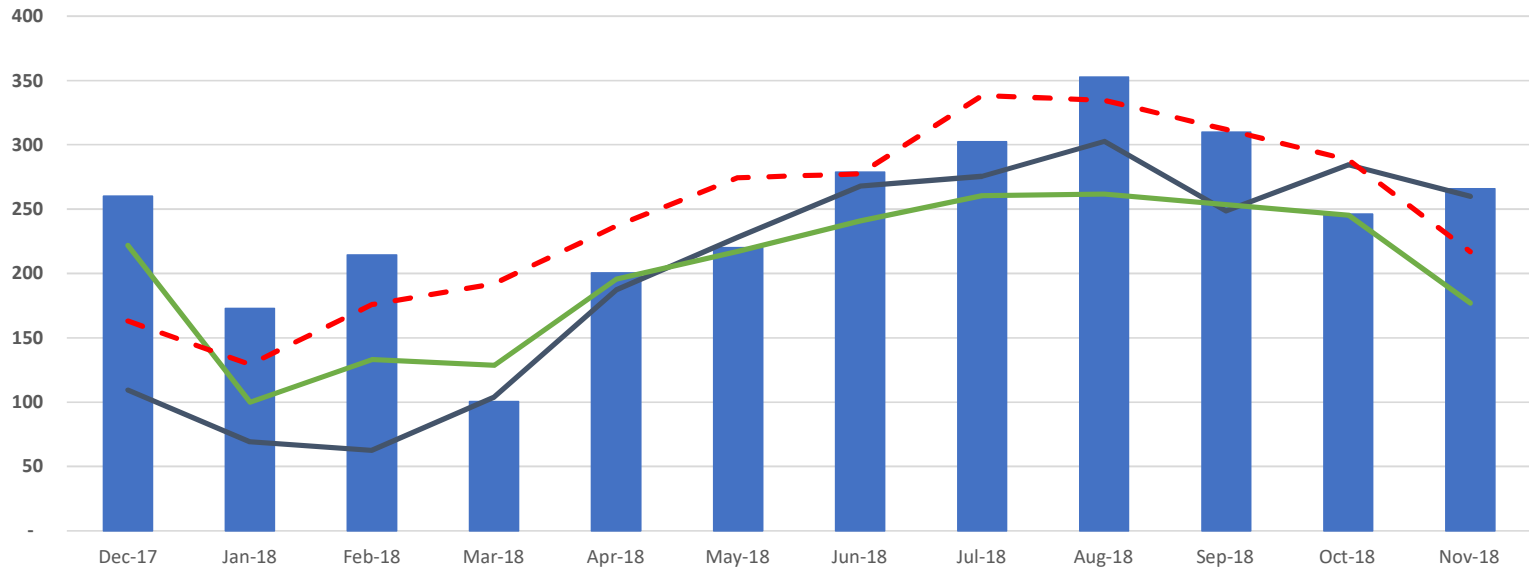
11/30/2018

Monthly SFR Water Consumption by Tier (# of Customers)



	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Tier 4 Usage	106	56	80	22	58	62	107	127	182	123	82	87
Tier 3 Usage	255	127	203	42	184	234	342	391	477	423	251	302
Tier 2 Usage	856	430	714	249	658	751	942	918	914	898	864	850
Tier 1 Usage	2,780	3,325	2,847	3,462	2,978	2,841	2,513	2,498	2,367	2,485	2,727	2,694
"0" Usage	106	209	304	373	270	260	245	215	215	226	232	224

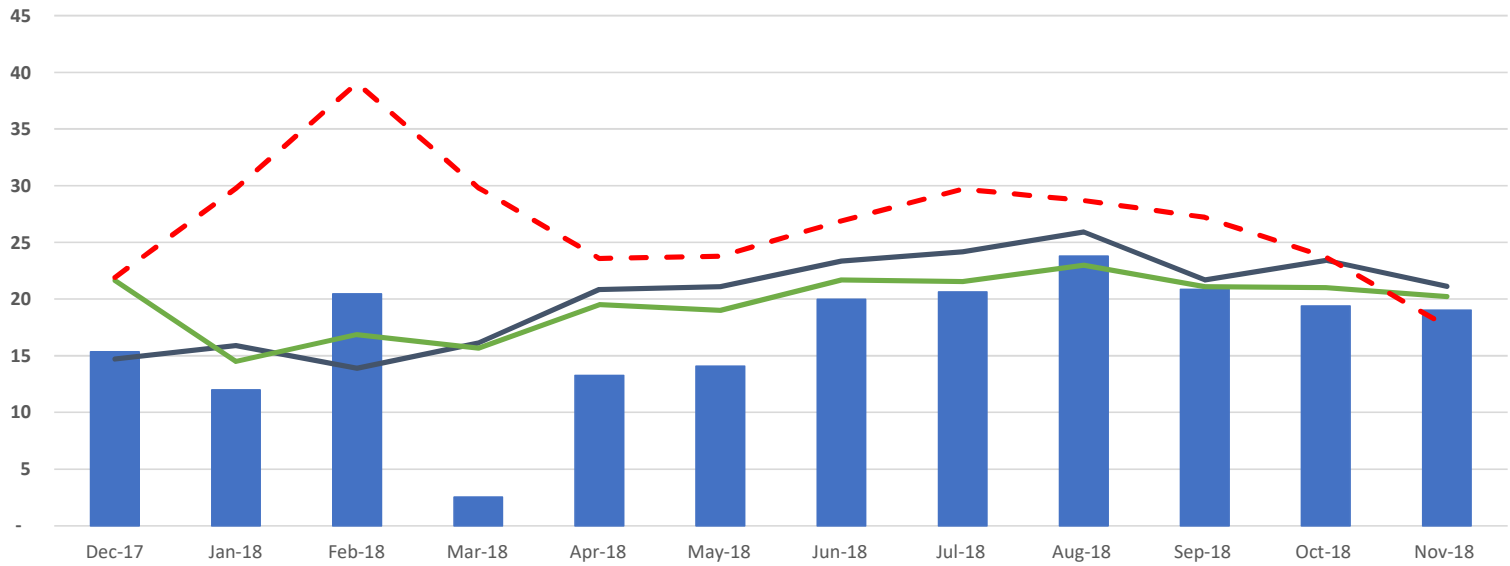
Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Trailing 12 Months	260	173	214	100	200	220	279	302	353	310	246	266
Trailing 24 Months	109	69	63	104	187	228	268	276	303	249	284	260
Trailing 36 Months	222	100	133	129	195	217	241	260	262	253	245	177
Budget	163	129	176	192	237	274	277	338	335	312	288	217

■	Trailing 12 Months(SINGLE FAMILY RESIDENTIAL)	2,923 AF
■	Trailing 24 Months(SINGLE FAMILY RESIDENTIAL)	2,399 AF
■	Trailing 36 Months(SINGLE FAMILY RESIDENTIAL)	2,435 AF
■	Budget(SINGLE FAMILY RESIDENTIAL)	3,088 AF
	Trailing 12 Months vs. Trailing 24 Months:	21.8%
	Trailing 12 Months vs. Trailing 36 Months:	20.0%
	Trailing 12 Months vs. Budget	(5.3%)

Water Sales by Month (AF) COMMERCIAL

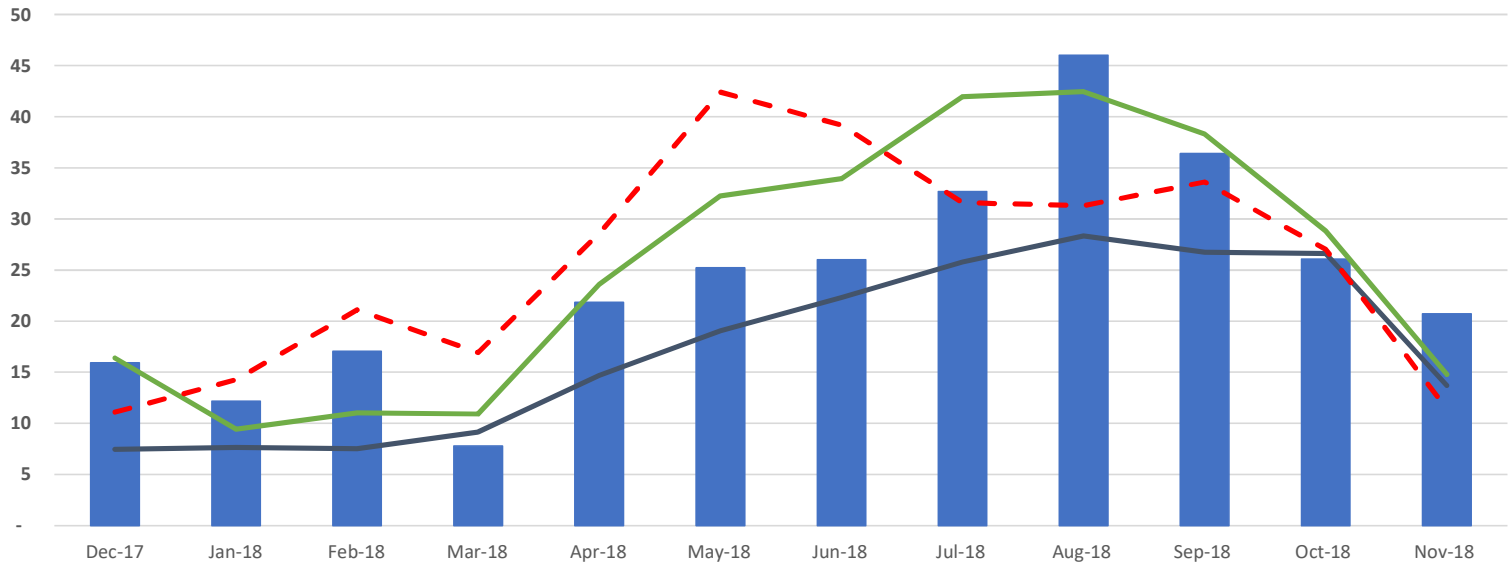


	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Trailing 12 Months	15	12	20	3	13	14	20	21	24	21	19	19
Trailing 24 Months	15	16	14	16	21	21	23	24	26	22	23	21
Trailing 36 Months	22	14	17	16	20	19	22	22	23	21	21	20
Budget	22	30	39	30	24	24	27	30	29	27	24	18

- Trailing 12 Months (COMMERCIAL) 201 AF
- Trailing 24 Months (COMMERCIAL) 242 AF
- Trailing 36 Months (COMMERCIAL) 236 AF
- Budget (COMMERCIAL) 339 AF

Trailing 12 Months vs. Trailing 24 Months: (16.9%)
 Trailing 12 Months vs. Trailing 36 Months: (14.6%)
 Trailing 12 Months vs. Budget (40.6%)

Water Sales by Month (AF) INSTITUTIONAL

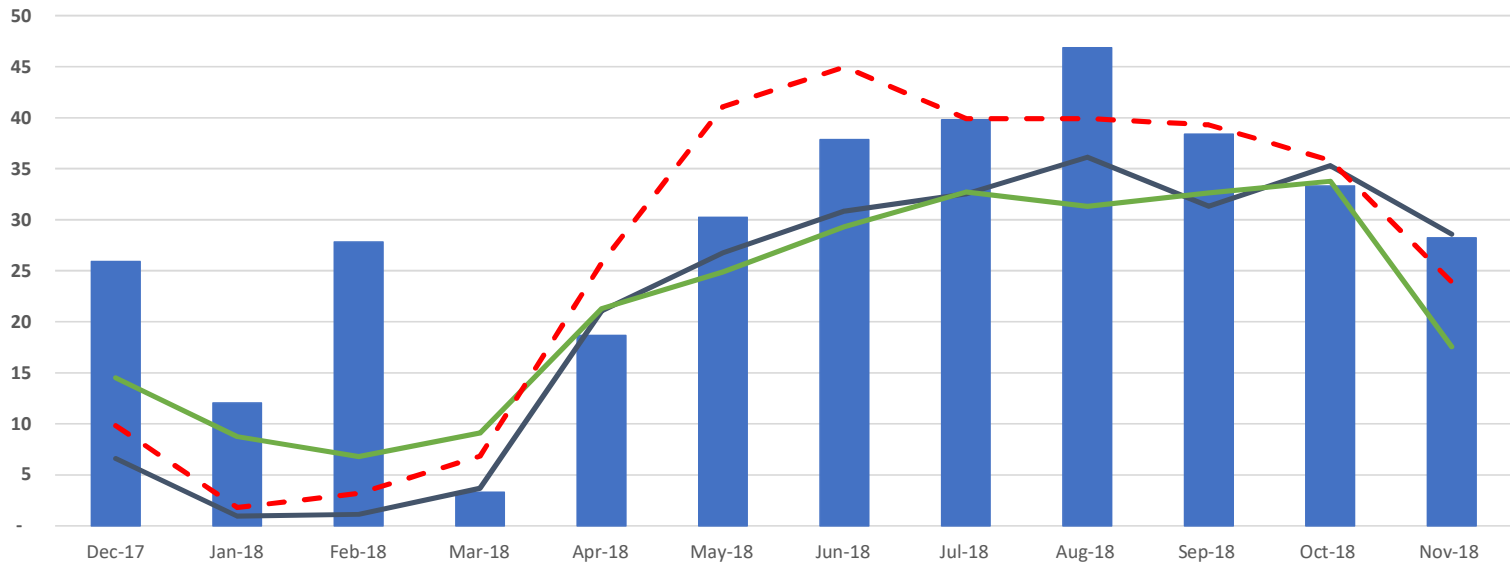


	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Trailing 12 Months	16	12	17	8	22	25	26	33	46	36	26	21
Trailing 24 Months	7	8	8	9	15	19	22	26	28	27	27	14
Trailing 36 Months	16	9	11	11	24	32	34	42	42	38	29	15
Budget	11	14	21	17	29	42	39	32	31	34	27	11

	Trailing 12 Months (INSTITUTIONAL)	288 AF
	Trailing 24 Months (INSTITUTIONAL)	209 AF
	Trailing 36 Months (INSTITUTIONAL)	304 AF
	Budget (INSTITUTIONAL)	321 AF

Trailing 12 Months vs. Trailing 24 Months:	37.7%
Trailing 12 Months vs. Trailing 36 Months:	(5.3%)
Trailing 12 Months vs. Budget	(10.3%)

Water Sales by Month (AF) AGRICULTURE



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

- Trailing 12 Months (AGRICULTURE) 342 AF
- Trailing 24 Months (AGRICULTURE) 255 AF
- Trailing 36 Months (AGRICULTURE) 263 AF
- Budget(AGRICULTURE) 327 AF

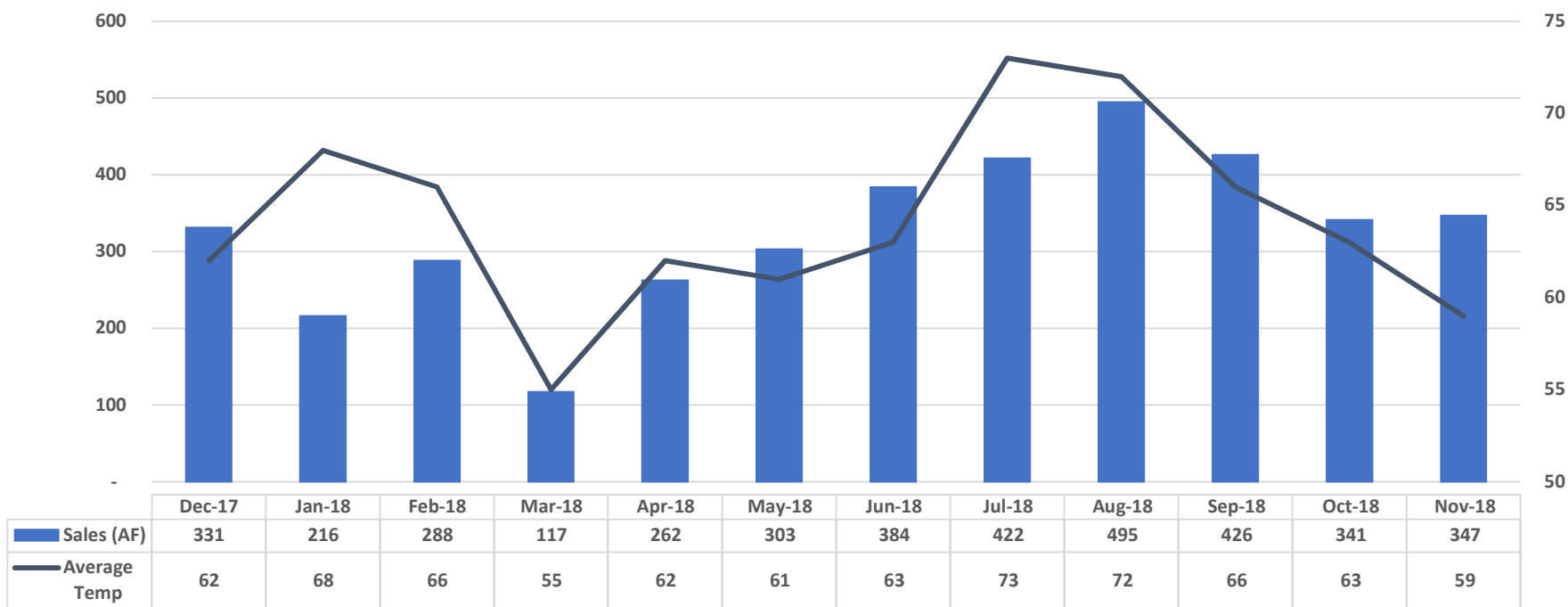
Trailing 12 Months vs. Trailing 24 Months: 34.3%

Trailing 12 Months vs. Trailing 36 Months: 30.3%

Trailing 12 Months vs. Budget: 4.7%



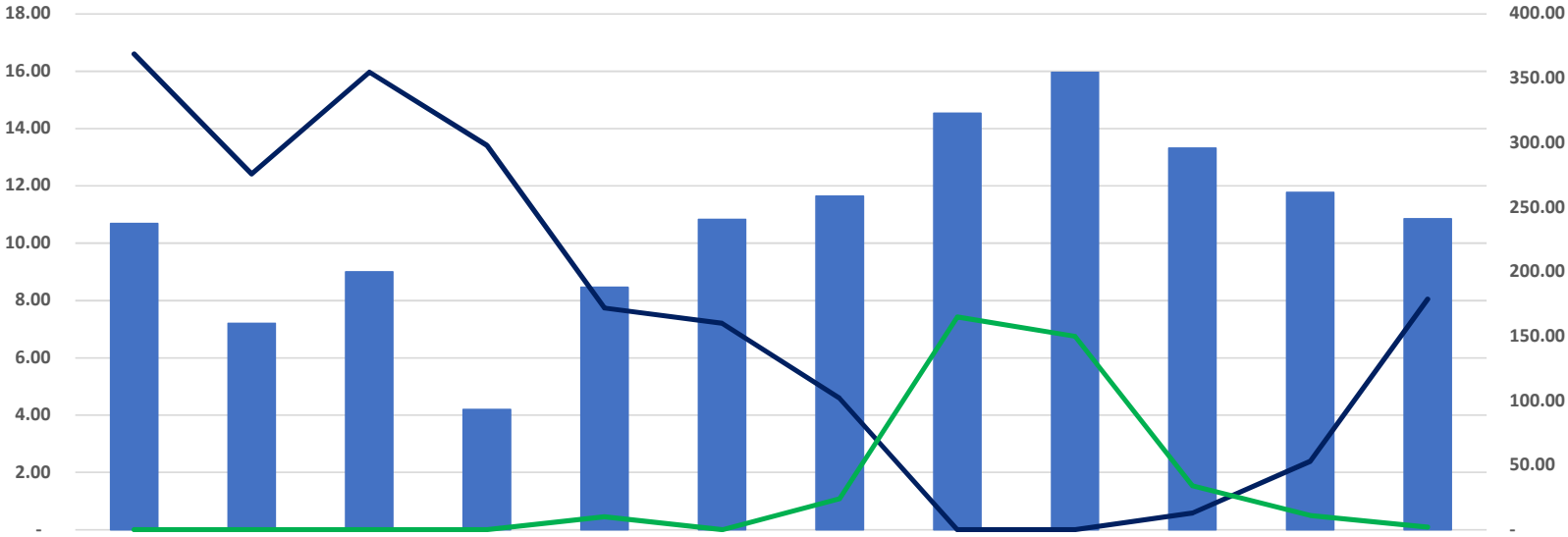
Sales (AF) / Average Temperature (°F)





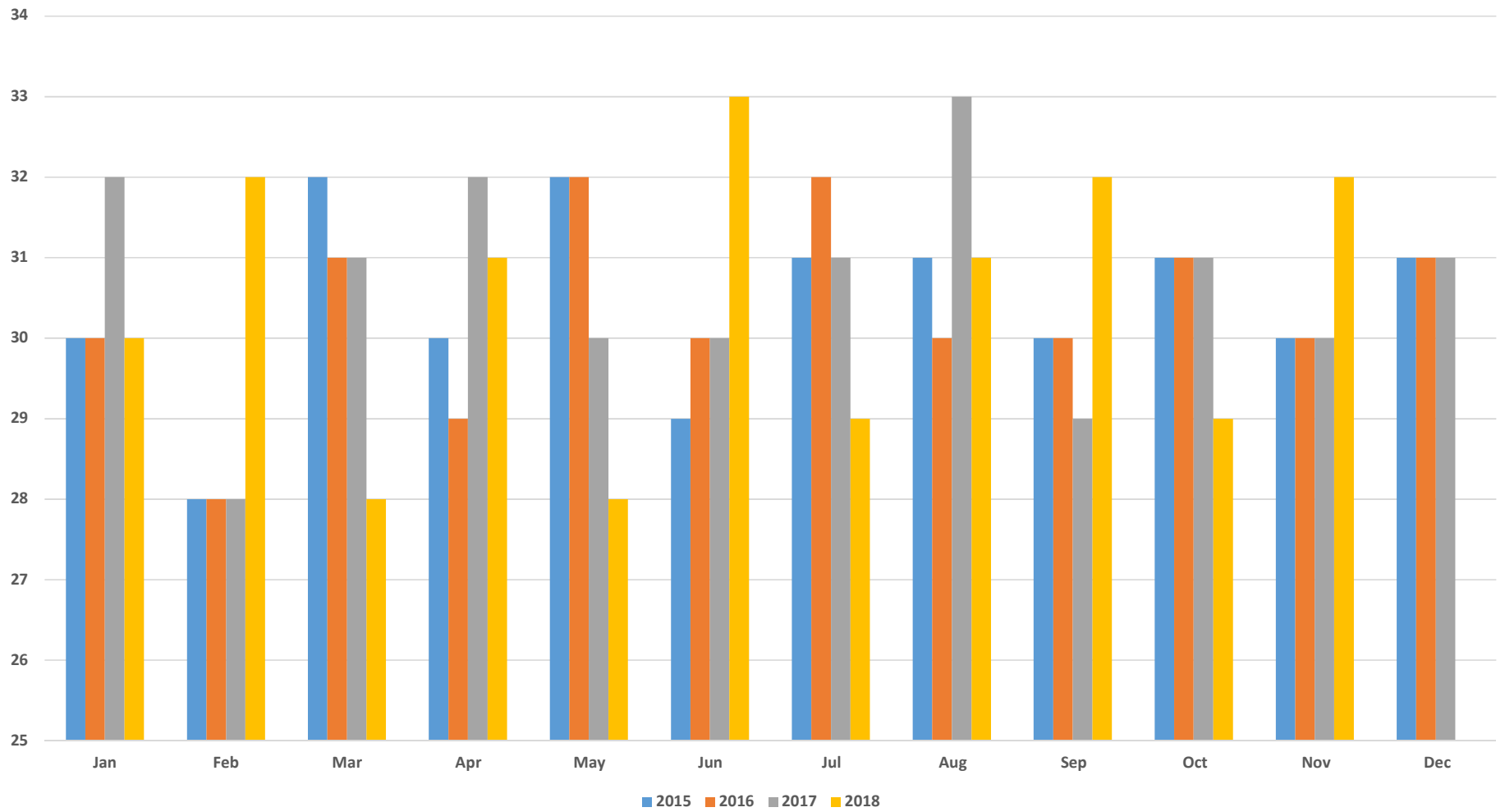
11/30/2018

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



	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Average Daily Sales	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54	15.96	13.32	11.77	10.85
Heating Degree Days	369.00	276.00	355.00	298.00	172.00	160.00	102.00	-	-	13.00	53.00	179.00
Cooling Degree Days	-	-	-	-	10.00	-	24.00	165.00	150.00	34.00	11.00	2.00

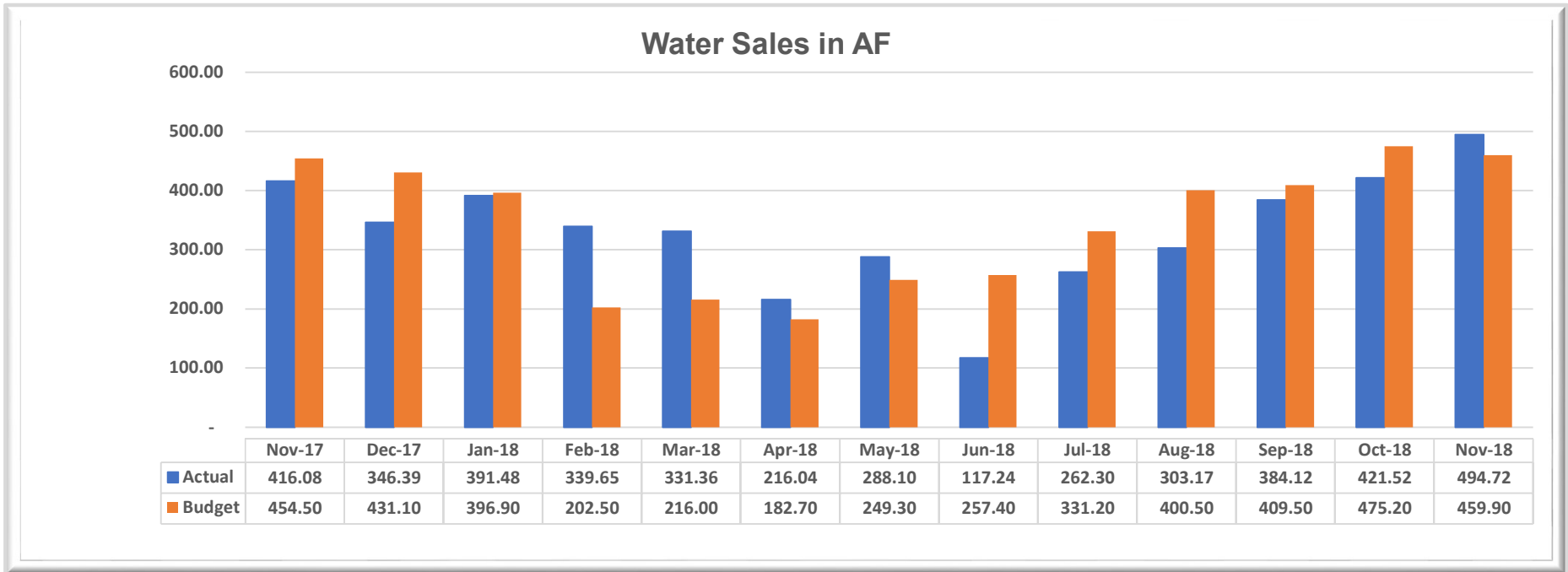
Billing Days per Month





DASHBOARD REPORT WATER SALES (AF)

11/30/2018



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

MONTH	% SALES BREAKDOWN	2017/18 ACTUAL SALES (*)		2018/19 BUDGET SALES		2018/19 SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	\$	AF	\$	AF	SALES	AF	%	\$	%	AF	%	\$	%
JUL	11.8%	387.1	909,119	475.2	\$1,115,891	421.5	\$1,014,800	34.4	8.9%	\$105,681	11.6%	(53.7)	(11.3%)	(101,091)	(9.1%)
AUG	11.6%	416.1	997,265	459.9	\$1,102,283	494.7	\$1,212,868	78.6	18.9%	\$215,603	21.6%	34.8	7.6%	110,584	10.0%
SEP	11.0%	346.4	828,165	434.7	\$1,039,311	426.2	\$1,047,748	79.8	23.0%	\$219,583	26.5%	(8.5)	(2.0%)	\$8,437	0.8%
OCT	10.0%	391.5	933,549	396.9	\$946,478	341.4	\$815,274	(50.1)	(12.8%)	-\$118,275	(12.7%)	(55.5)	(14.0%)	-\$131,203	(13.9%)
NOV	7.2%	339.6	815,859	283.5	\$680,991	347.1	\$854,511	7.5	2.2%	\$38,652	4.7%	63.6	22.4%	\$173,520	25.5%
DEC	5.1%	331.4	799,566	200.7	\$484,287	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JAN	3.1%	216.0	400,615	160.2	\$297,067	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
FEB	5.6%	288.1	657,160	233.0	\$531,382	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAR	5.8%	117.2	266,987	242.1	\$551,244	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
APR	8.1%	262.3	628,625	321.2	\$769,848	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	10.6%	303.2	719,008	398.6	\$1,008,415	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.1%	384.1	918,746	409.5	\$955,734	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,783.0	8,874,664	4,015.4	\$9,482,932	2,030.9	\$4,945,202	150.2	8.0%	\$461,244	10.3%	(19.3)	(0.9%)	\$60,247	1.2%

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

	2017/18 ACTUAL SALES (YTD)		2018/19 BUDGET SALES (YTD)		2018/19 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Cummulative (YTD)	1,880.7	4,483,957	2,050.2	\$4,884,954	2,030.9	\$4,945,201	150.2	8.0%	\$461,244	10.3%	(19.3)	(0.9%)	\$60,247	1.2%

QUARTERLY COMPARISON - ACTUALS THROUGH NOVEMBER 2018 (*)

	2017/18 ACTUAL SALES		2018/19 BUDGET SALES		2018/19 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Jul-Sep (Actual)	1,149.6	\$2,734,549	1,369.8	\$3,257,486	1,342.4	\$3,275,416	192.8	16.8%	\$540,867	19.8%	(27.4)	(2.0%)	\$17,930	0.6%
Oct-Dec (Actual)	1,062.5	2,548,974	881.1	2,111,756	688.5	\$1,669,785	(374.0)	(35.2%)	(\$879,189)	(34.5%)	(192.6)	(21.9%)	(\$441,970)	(20.9%)
Jan-Mar (Actual)	621.3	1,324,762	635.2	1,379,694	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Apr-Jun (Actual)	949.6	2,266,379	1,129.3	2,733,997	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,783.0	\$8,874,664	4,015.4	\$9,482,932	2,031.0	\$4,945,202	(181.2)	8.0%	(\$338,322)	10.3%	(220.0)	(0.9%)	(\$424,040)	1.2%

(*) 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 2018 (*)**

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	290.00	415.40	4308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4812.84
1999-00	656.44	621.80	542.90	541.00	341.90	501.30	285.90	146.30	288.20	329.59	529.63	556.20	5341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4910.40
2001-02	571.70	631.20	501.40	436.70	214.10	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6054.61
2004-05	693.71	763.52	753.31	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	203.40	357.30	623.30	5065.18
2006-07	681.40	707.50	606.70	540.80	530.70	359.80	415.50	201.10	462.90	469.10	703.00	655.00	6333.50
2007-08	739.40	832.60	642.00	594.20	509.30	328.80	188.00	212.00	474.10	629.00	694.00	675.00	6518.40
2008-09	798.00	724.64	633.87	674.67	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5964.37
2009/10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5245.53
2010/11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4715.58
2011/12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	394.72	371.30	271.33	504.24	582.64	5302.42
2012/13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5945.40
2013/14	697.66	730.90	684.30	662.58	496.06	378.50	530.73	357.85	206.59	305.52	373.14	352.27	5776.10
2014/15	362.48	360.73	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	311.07	3331.17
2015/16	353.90	371.40	373.74	342.06	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3439.73
2016/17	377.38	378.68	362.54	345.53	239.92	145.00	97.59	88.78	139.09	266.01	318.90	367.79	3127.21
2017/18	387.15	416.08	346.39	391.48	339.65	331.36	216.04	288.10	117.24	262.30	303.20	384.10	3783.09
2018/19	440.10	494.70	426.15	341.40	347.12								2049.47
AVERAGE	595.15	619.53	555.36	477.96	345.37	270.75	245.18	229.61	285.31	385.79	485.73	517.04	4907.60
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	341.40	214.10	145.00	97.59	88.78	117.24	203.40	290.00	311.07	2049.47
18/19 % VS AVERAGE	74%	80%	77%	71%	101%	0%	0%	0%	0%	0%	0%	0%	42%
17/18 % VS MAXIMUM	55%	59%	57%	51%	65%	0%	0%	0%	0%	0%	0%	0%	31%

Total METER Connections = **4,613**

Total OFF Connections = **41**

Total ACTIVE METER Connections = **4,572**

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-B

DATE: DECEMBER 18, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: PROJECTED MONTHLY CASH FLOWS

RECOMMENDATION:

For information and discussion only.

DISCUSSION:

As a result of extraordinary expense incurred in 2018, Staff continues to prepare the attached monthly cash flow analysis projected through June 2019. The referenced extraordinary expenses are as follows:

- Systemwide repairs associated with the January 9, 2018 debris flows
- USBR deficits for FY2015 through FY 2017 totaling \$172,833
- Increase in DWR Transportation Minimum OMP&R charges totaling \$1.035M

At the end of November, the Operating Cash is approximately \$7.1M with approximately \$1.7M in Wells Fargo and \$5.4M in American Riviera.

ATTACHMENTS

- 1) Estimated Cash Flow

Cash Flow

<u>October</u>	\$	-	Estimate	
Operating Cash Beginning	\$	7,852,406	\$	6,226,478
Revenue	\$	1,699,056	\$	1,699,056 Budgeted amount
Expenses	\$	(1,307,551)	\$	(1,307,551) Budgeted amount
USBR 2017 Deficit - No interest	\$	(29,933)	\$	(29,933) USBR 2017 Deficit - No interest
USBR 2015+16 Deficits Inc Interest	\$	(142,900)	\$	(142,900) USBR 2015+16 Deficits Inc Interest
Cater DWR Loan Pmt	\$	(115,824)	\$	(115,824) Cater DWR Loan Pmt (budgeted Nov)
Cater Ozone Pmt	\$	(138,173)	\$	(138,173) Cater Ozone Pmt (budgeted Nov)
Semitropic	\$	-	\$	- Semitropic Final Payment (invoice amount)
Decrease in A/R	\$	479,807	\$	479,807
Other Asset & Liability Fluctuations*	\$		\$	282,140
Depreciation	\$	99,730	\$	99,730
Cash Flows From Operations	<u>\$</u>	<u>544,212</u>	<u>\$</u>	<u>826,352</u>

\$5,544,340 Was forecast in Sept

Ending Operating Cash	<u>\$</u>	<u>8,396,617</u>	<u>\$</u>	<u>7,052,830</u>	Actual as of 10/31/2018
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<u>November</u>	\$	-	Estimate	
Operating Cash Beginning	\$	8,396,617	\$	7,052,830
Revenue	\$	1,769,890	\$	1,769,890 Actual as of 11/30/18, Forecast \$1,500,093
Expenses	\$	(1,442,796)	\$	(1,442,796) Actual as of 11/30/18, Forecast (\$1,317,898)
Cater DWR Loan Pmt	\$	-	\$	- Cater DWR Loan Pmt (paid Oct)
Cater Ozone Pmt	\$	-	\$	- Cater Ozone Pmt (paid Oct)
Semitropic	\$	(1,294,510)	\$	(1,294,510) Semitropic (paid Nov 8)
Other Asset & Liability Fluctuations*	\$	293,073	\$	293,073
Increase in A/R	\$	(13,649)	\$	(13,649)
ACWA JPIA Advance	\$	665,165	\$	665,165 ACWA JPIA Advance
Depreciation	\$	99,730	\$	99,730
Cash Flows From Operations	<u>\$</u>	<u>76,903</u>	<u>\$</u>	<u>76,903</u>

Ending Operating Cash	<u>\$</u>	<u>8,473,520</u>	<u>\$</u>	<u>7,129,732</u>	Actual as of 11/30/18, Forecast \$6,205,226
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<u>December</u>	\$	-	Estimate
Operating Cash Beginning	\$	8,473,520	\$ 7,129,732
Revenue	\$	1,342,811	\$ 1,342,811 Budgeted amount
Expenses	\$	(1,331,913)	\$ (1,331,913) Budgeted amount
Ortega Principle and Interest pmt	\$	(295,210)	\$ (295,210) Ortega Principle and Interest pmt
Bond Interest	\$	(345,231)	\$ (345,231) Bond Interest
1 Of 2 DWR Unanticipated charges	\$	(517,700)	\$ (517,700) 1 Of 2 DWR Unanticipated charges
Other Asset & Liability Fluctuations*			
Decrease in A/R	\$	391,681	\$ 391,681
Move to Charles Schwab	\$	(1,400,000)	\$ (1,400,000)
Depreciation	\$	99,730	\$ 99,730
Cash Flows From Operations	\$	(2,055,832)	\$ (2,055,832)
Ending Operating Cash	\$	6,417,688	\$ 5,073,900

<u>January</u>	\$	-	Estimate
Operating Cash Beginning	\$	6,417,688	\$ 5,073,900
Revenue	\$	863,525	\$ 863,525 Budgeted amount
Expenses	\$	(1,315,238)	\$ (1,315,238) Budgeted amount
Other Asset & Liability Fluctuations*			
Decrease in A/R	\$	452,430	\$ 452,430
Move to Charles Schwab	\$	-	\$ -
Depreciation	\$	99,730	\$ 99,730
Cash Flows From Operations	\$	100,447	\$ 100,447
Ending Operating Cash	\$	6,518,135	\$ 5,174,347

February	\$	-	Estimate
Operating Cash Beginning	\$	6,518,135	\$ 5,174,347
Revenue	\$	1,158,255	\$ 1,158,255 Budgeted amount
Expenses	\$	(1,215,832)	\$ (1,215,832) Budgeted amount
Other Asset & Liability Fluctuations*			
Increase in A/R	\$	(312,001)	\$ (312,001)
Move to Charles Schwab	\$	-	\$ -
Depreciation	\$	99,730	\$ 99,730
Cash Flows From Operations	\$	(269,848)	\$ (269,848)

Ending Operating Cash	\$	6,248,287	\$ 4,904,500
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March	\$	-	Estimate
Operating Cash Beginning	\$	6,248,287	\$ 4,904,500
Revenue	\$	1,202,595	\$ 1,202,595 Budgeted amount
Expenses	\$	(1,238,504)	\$ (1,238,504) Budgeted amount
Other Asset & Liability Fluctuations*			
Increase in A/R	\$	(67,505)	\$ (67,505)
Move to Charles Schwab	\$	-	\$ -
Depreciation	\$	99,730	\$ 99,730
Cash Flows From Operations	\$	(3,684)	\$ (3,684)

Ending Operating Cash	\$	6,244,603	\$ 4,900,816
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April	\$	-	Estimate
Operating Cash Beginning	\$	6,244,603	\$ 4,900,816
Revenue	\$	1,609,552	\$ 1,609,552 Budgeted amount
Expenses	\$	(1,953,622)	\$ (1,953,622) Budgeted amount
AMI Financing Payment #1	\$	(183,028)	\$ (183,028) AMI Financing Payment #1
EPFP Installation	\$	(191,552)	\$ (191,552) EPFP Installation
Other Asset & Liability Fluctuations*			
Increase in A/R	\$	(431,009)	\$ (431,009)
Move to Charles Schwab	\$	-	\$ -
Depreciation	\$	101,548	\$ 101,548
Cash Flows From Operations	\$	(1,048,111)	\$ (1,048,111)

Ending Operating Cash	\$	5,196,492	\$ 3,852,705
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May	\$	-	Estimate
Operating Cash Beginning	\$	5,196,492	\$ 3,852,705
Revenue	\$	1,791,041	\$ 1,791,041 Budgeted amount
Expenses	\$	(1,258,386)	\$ (1,258,386) Budgeted amount
2 Of 2 DWR Unanticipated charges	\$	(517,700)	\$ (517,700) 2 Of 2 DWR Unanticipated charges
Cater DWR Loan Pmt	\$	(115,824)	\$ (115,824) Cater DWR Loan Pmt
Cater Ozone Pmt	\$	(138,173)	\$ (138,173) Cater Ozone Pmt
Other Asset & Liability Fluctuations*			
Increase in A/R	\$	(213,680)	\$ (213,680)
Move to Charles Schwab	\$	-	\$ -
Depreciation	\$	101,548	\$ 101,548
Cash Flows From Operations	\$	(351,174)	\$ (351,174)

Ending Operating Cash	\$	4,845,318	\$ 3,501,531
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Will bring Schwab account balance to \$480k

\$ (5,976,645) SWP Fixed Portion (based on 10-yr projection)

<u>June</u>	\$	-	Estimate
Operating Cash Beginning	\$	4,845,318	\$ 3,501,531
Revenue	\$	1,750,883	\$ 1,750,883 Budgeted amount
Expenses	\$	(1,269,093)	\$ (1,269,093) Budgeted amount
Ortega Principle and Interest pmt	\$	(295,210)	\$ (295,210) Ortega Principle and Interest pmt
Bond Interest	\$	(345,231)	\$ (345,231) Bond Interest
Other Asset & Liability Fluctuations*			
Decrease in A/R	\$	4,337	\$ 4,337
Move to Charles Schwab	\$	-	
Depreciation	\$	101,548	\$ 101,548
Cash Flows From Operations	\$	(52,766)	\$ (52,766)
Ending Operating Cash	\$	4,792,552	\$ 3,448,765

Assumptions

1. Cash collections in November were slightly higher than anticipated
2. Emergency AP no longer exists
3. Operating cash flow was positive for November due to an un-anticipated ACWA/JPIA advance of \$665k
4. It is anticipated that the District will also need to make a payment of approximately \$517K in late December 2018 for DWR charges.

Actual/Estimated fluctuations in A/R

October

\$	2,258,681.00	Beginning A/R	
\$	1,699,055.51	October Billing - Add to A/R	Anticipated \$1.9
\$	(2,178,862.51)	September Payments Rec'd @ 98%	Anticipated \$2.05
\$	1,778,874.00	Ending A/R	Actual as of 10/31/2018
\$			(479,807) Decrease in A/R

November

\$	1,778,874.00	Beginning A/R	
\$	1,769,889.87	November Billing - Add to A/R	Anticipated \$1.5M
\$	(1,756,240.87)	October Payments Rec'd @ 98%	Anticipated \$1.6M
\$	1,792,523.00	Ending A/R	
\$			13,649 Increase in A/R

December

\$	1,792,523.00	Beginning A/R	
\$	1,342,811.00	December Billing - Add to A/R	
\$	(1,734,492.07)	November Payments Rec'd @ 98%	
\$	1,400,841.93	Ending A/R	
\$			(391,681) Decrease in A/R

January

\$	1,400,841.93	Beginning A/R	
\$	863,525.00	January Billing - Add to A/R	
\$	(1,315,954.78)	December Payments Rec'd @ 98%	
\$	948,412.15	Ending A/R	
\$			(452,430) Decrease in A/R

February

\$	948,412.15	Beginning A/R	
\$	1,158,255.00	February Billing - Add to A/R	
\$	(846,254.50)	January Payments Rec'd @ 98%	
\$	1,260,412.65	Ending A/R	
\$			312,001 Increase in A/R

March

\$	1,260,412.65	Beginning A/R		
\$	1,202,595.00	March Billing - Add to A/R		
\$	(1,135,089.90)	February Payments Rec'd @ 98%		
\$	1,327,917.75	Ending A/R		
		\$	67,505	Increase in A/R

April

\$	1,327,917.75	Beginning A/R		
\$	1,609,552.00	April Billing - Add to A/R		
\$	(1,178,543.10)	March Payments Rec'd @ 98%		
\$	1,758,926.65	Ending A/R		
		\$	431,009	Increase in A/R

May

\$	1,758,926.65	Beginning A/R		
\$	1,791,041.00	May Billing - Add to A/R		
\$	(1,577,360.96)	April Payments Rec'd @ 98%		
\$	1,972,606.69	Ending A/R		
		\$	213,680	Increase in A/R

June

\$	1,972,606.69	Beginning A/R		
\$	1,750,883.00	June Billing - Add to A/R		
\$	(1,755,220.18)	May Payments Rec'd @ 98%		
\$	1,968,269.51	Ending A/R		
		\$	(4,337)	Decrease in A/R

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-C

DATE: DECEMBER 18, 2018

TO: BOARD OF DIRECTORS

FROM: BUSINESS MANAGER

SUBJECT: RESERVE POLICY

RECOMMENDATION:

That the Board of Directors continue the existing District Reserve Policy as described in Resolution 2155 for FY 2018/19 with no changes.

DISCUSSION:

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service needs. Fiscal responsibility also requires anticipating the likelihood of, and preparing for, unforeseen events.

On June 28, 2017, the Board of Directors adopted Resolution 2155 establishing a Reserve Policy for FY 2017/18. This policy documents the District's existing restricted reserves, and establishes certain unrestricted reserves including *Reserve for litigation, Reserve for Operations, Reserve for Emergencies and Reserve for Unanticipated or Unplanned Capital Repair and Replacement*. The Policy also describes how and why specific reserves are established and maintained by the District and provides the District's customers with assurance that reserve balances will be maintained at prudent and fiscally responsible levels. The District records reserve funds in its financial statements in accordance with contractual obligations.

Resolution No 2155 states that the reserve amounts will be reviewed and updated each fiscal year in accordance with the District's projected activities. Based on the FY17/18 activities and those projected through the end of FY2018/19, Staff recommends no change to the existing Reserve

Policy or reserve amounts. The reserves and their respective amounts will be reviewed as part of the on going rate study, projected to be completed in early 2019. Any proposed revisions to the Reserve Policy that are recommended following completion of the rate study will be brought before the Board for consideration and approval.

The Business Manager will continue to monitor the activity in all reserve accounts on a monthly basis and report to the Board that activity in the unaudited monthly financial statements.

ATTACHMENTS:

1. Resolution No 2155- Reserve Policy for FY 2017/18

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: 5-D

DATE: DECEMBER 18, 2018

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER / BUSINESS MANAGER

SUBJECT: RENEWAL OF EXCESS CRIME COVERAGE (ACWA JPIA)

RECOMMENDATION:

That the Board of Directors continue the District's \$3,000,000 of excess crime coverage through ACWA JPIA at both the April 1, 2019 extension and the July 1, 2019 annual renewal.

DISCUSSION:

The District receives crime coverage as part of its Property insurance policy through the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). This insurance covers loss or damage to money, securities, and other property resulting directly from theft by an employee(s). The District has a limit of coverage of \$100,000 with a \$1,000 deductible. See the attached policy. To bolster this coverage, for over 10 years now, the District has elected to acquire additional crime coverage from an excess insurance carrier through ACWA JPIA, that currently being Alliant Crime Insurance Program. This excess crime coverage provides a limit of coverage of \$3,000,000 with a \$100,000 deductible.

The District currently keeps less than \$2,000,000 in its Operating account at American Riviera Bank. There is a period of time when the State Water Project payment is due, during which time there will be more than \$5,000,000 in the local bank. That period of time is generally short. In the past, the Board expressed concern that this period could be long enough for an employee to mishandle District funds.

The District has designed internal controls to minimize the risk of fraud or misappropriation of funds. Access to blank checks is restricted and 2 signatures are required for all checks. The individual that writes checks has no signatory authority with the bank. It would take collusion of at least two employees to successfully steal funds from the District.

The excess crime policy is covered through a group policy administered by ACWA JPIA. There are 64 public agencies participating in this group coverage. The maximum amount of coverage available through this group policy is \$5,000,000 with the largest participants obtaining \$3,000,000 of excess crime coverage.

In FY 2017/18, ACWA JPIA switched excess crime insurance carriers. The new insurance carrier, Alliant, insures based on fiscal year. Therefore, if continued, the excess crime coverage will be renewed first on April 1, 2019 and then again on July 1, 2019, to get on a fiscal year cycle.

District Staff recommends continuing the \$3,000,000 excess crime coverage acquired from Alliant through ACWA JPIA. This amount of crime coverage appears adequate based on JPIA recommendations and the District's internal controls currently in place.

ATTACHMENTS

1. ACWA JPIA Crime Coverage Provisions and Endorsement
2. Alliant Excess Crime Coverage Endorsement

MEMORANDUM OF CRIME COVERAGE

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CRIME COVERAGE PROVISIONS

Throughout this Coverage Part, the words “you” and “your” refer to the “Member Agency” in the DECLARATIONS. The words “we”, “us”, and “our” refer to the “Authority”. Other words and phrases that appear in quotation marks have a special meaning. Refer to Section V. Definitions; Section VI., Exclusions; Section VII., and General Conditions, to determine where this Coverage Part restricts coverage.

SECTION I – CONSIDERATION CLAUSE

In exchange for the payment of premium and subject to the DECLARATIONS, Coverage Agreements, Exclusions, General Conditions, Definitions and terms of this Coverage Part, we will pay for loss which you sustain resulting directly from acts committed or events occurring at any time and discovered by you during the Coverage Period shown in the DECLARATIONS or during the period of time provided in General Conditions I., Extended Period To Discover Loss.

SECTION II – COVERAGE AGREEMENTS

Coverage is provided under the following Coverage Agreements if either an amount is stated in the Coverage Agreement or for which there is a Limit of Coverage shown in the DECLARATIONS.

A. Coverage Agreement 1. – Employee Theft – Per Loss

We will pay for loss or damage to “money”, “securities” and “other property” in any one “occurrence” which results directly from “theft” by an “employee”, whether or not identifiable, while acting alone or in collusion with other persons. In this Coverage Agreement, “occurrence” means all loss caused by, or involving, one or more “employees” whether the result of a single act or a series of acts.

We will also pay for loss which is caused by the failure of any “employee” to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your “money”, “securities”, and “other property”.

B. Coverage Agreement 2. – Depositors Forgery Or Alteration

1. We will pay for loss resulting directly from “forgery” or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are
 - a. made or drawn upon you; or
 - b. made or drawn by one acting as your agent and drawn on your accountor that are purported to have been so made or drawn.
2. We will treat mechanically reproduced signatures the same as handwritten signatures.
3. If you are sued for refusing to pay any instrument in B.1. above, on the basis that it has been forged or altered and you have our written consent to defend against that suit, we will pay for any reasonable legal expenses that you incur and pay in such defense. The amount that we will pay in included in the Limit of Coverage applicable to this Coverage Agreement. If a Deductible Amount applies to this Coverage Agreement, we will also apply it to the amount of legal expenses incurred in this Coverage Agreement.
4. You must include in your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss and describing both sides of said instrument.
5. This Coverage Agreement covers loss you sustain anywhere in the world.

C. Coverage Agreement 3. – Computer And Funds Transfer Fraud

We will pay for loss of and loss from damage to “money”, “securities” and “other property” following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the “premises” or “banking premises”

1. to a person (other than a “messenger”) outside those “premises”; or
2. to a place outside those “premises”.

And, we will pay for loss of “money” or “securities” through “funds transfer fraud” resulting directly from “fraudulent transfer instructions” communicated to a “financial institution” and instructing such institution to pay, deliver, or transfer “money” or “securities” from your “transfer account”.

SECTION III – LIMIT OF COVERAGE

The most we will pay for loss in any one “occurrence” is the applicable Limit of Coverage shown in the DECLARATIONS.

SECTION IV – DEDUCTIBLE

We will not pay for loss in any one “occurrence” unless the amount of the loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Coverage. In the event that more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount will be applied.

You must give us notice as soon as possible of any loss of the type insured under this Coverage Part if, in your best estimation, such loss will, or will appear to exceed 25% of the current Deductible Amount for the Coverage Agreement under which the loss has occurred.

SECTION V – DEFINITIONS

- A.** “Authority” means the Association of California Water Agencies Joint Powers Insurance Authority.
- B.** “Banking premises” means the interior portion of that part of any building occupied by a banking institution or similar safe depository.
- C.** “Employee” means
 - 1. any natural person
 - a. while in your service or for 60 days after termination of service; and
 - b. whom you compensate directly by salary, wages, commissions; and

- c. whom you have the right to direct and control while performing services for you; including one
 - i. who is performing services for you as the chairman, or a member of any committee and whether compensated or not; or
 - ii. who is a compensated officer; or
 - iii. who is a volunteer who is not compensated, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an “employee”; or
 - iv. who is a former “employee”, director or trustee retained as a consultant while performing services for you; or
 - v. who is a student intern or guest student pursuing studies or duties in any of your offices or “premises”.

- 2. a natural person who is a trustee, officer, “employee”, administrator or manager, except an administrator or a manager who is an independent contractor, of any “employee benefit Plan(s)” insured under this Coverage Part; and your director or trustee while that person is handling funds or “other property” of “employee benefit Plan(s)” insured under this Coverage Part.

- 3. a natural person who is furnished temporarily to you to substitute for a permanent “employee” to meet seasonal or short term work load conditions and while that temporary person is subject to your direction and control and performing services for you. However, such persons are excluded while having care and custody of property outside the “premises”; and
 - a. “employee” does NOT mean
 - (1) any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) any manager, director or trustee except while performing acts coming within the scope of the usual duties of an “employee”.

- D.** “Employee Benefit Plan(s)” means any welfare or pension Plan listed in the DECLARATIONS, on an attached schedule or for which automatic coverage is afforded that is subject to the Employee Retirement Income Security Act (ERISA) of 1974, as amended.
- E.** “Financial institution” means a bank, savings bank, savings and loan association or similar thrift institution, a stockbroker, mutual fund, liquid assets fund, or similar investment institution in which you maintain a “transfer account”.
- F.** “Forgery” means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any reason.
- G.** “Fraudulent transfer instructions” means
1. fraudulent electronic, telegraphic, facsimile, cable, teletype or telephone instructions to a “financial institution” to debit a “transfer account” and to pay, transfer or deliver “money” or “securities” from such account and which instructions purport to have been authorized by you but which have been fraudulently transmitted by another; or
 2. fraudulent written instructions to a “financial institution” to debit a “transfer account” and to pay, transfer or deliver “money” or “securities” from such account through an electronic funds transfer system at specified times or under specified conditions and which instructions purport to have been duly authorized by you but which have been fraudulently issued, forged or altered by another.
- H.** “Funds transfer fraud” means “theft” of “money” or “securities” from any of your “transfer accounts” at a “financial institution” and occurring through “fraudulent transfer instructions” communicated to such “financial institution”.
- I.** “Member Agency” means the local public agency, designated in the DECLARATIONS, which is a party signatory to the Joint Powers Agreement creating the Association of California Water Agencies Joint Powers Insurance Authority and is a participant in its Property Program.

- J.** “Messenger” means you or any “employee” while having care and custody of property outside the “premises”.
- K.** “Money” means currency, coins and bank notes in current use and having a face value; and travelers checks, register checks and money orders held for sale to the general public.
- L.** “Occurrence” means
1. as respects the Employee Theft Coverage Agreement, all loss caused by, or involving, one or more “employees”, whether the result of a single act or a series of acts.
 2. as respects the Forgery or Alteration Coverage Agreement, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
 3. as respects all other Coverage Agreements, an act or series of related acts involving one or more persons; or an act or event or a series of related acts or events not involving any person.
- M.** “Other property” or property means any tangible property other than “money” or “securities” that has intrinsic value but does not include any property excluded under this Coverage Part. “Other property” does not include trade secrets, proprietary information, confidential information or any copyrights, patents, trademarks, proprietary manufacturing or processing procedures, or secret or confidential information, including but not limited to credit card numbers, bank account numbers or any similar information.
- N.** “Premises” means the interior of that portion of any building which you occupy in conducting your business.
- O.** “Securities” means negotiable or non-negotiable instruments or contracts representing either “money” or property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and, evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include “money”.
- P.** “Theft” means the unlawful taking of “money”, “securities” or “other property” to the deprivation of the Covered Party.

- Q.** “Transfer account” means an account maintained by you at a “financial institution” from which you or your authorized representative may cause the payment, transfer or delivery of “money” or “securities” by any means described in the “fraudulent transfer instructions” definition.

SECTION VI - EXCLUSIONS

(Applies To All Coverage Agreements Unless Otherwise Specified)

This Coverage Part Does Not Apply To And We Will Not Pay For:

A. Accounting or Arithmetical Errors or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

B. Acts of Employees, Managers, Directors, Trustees or Representatives

Loss resulting directly from “theft” or any other dishonest or criminal act committed by any of your “employees”, managers, directors, trustees or representatives whether acting alone or in collusion with other persons or while performing services for you or otherwise except when covered under Coverage Agreement 1.

C. Damages

Damages for which you are legally liable as a result of:

1. the deprivation or violation of the civil rights of any person by an “employee”; or
2. the tortious conduct of an “employee” except conversion of property of other parties held by you in any capacity.

D. Depository Failure

Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

E. Employee Cancelled Under Prior Insurance or Coverage

Loss caused by any “employee” of yours or predecessor in interest of yours, for whom similar prior insurance or coverage has been cancelled and not reinstated since the last cancellation.

F. Exchanges or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

G. Fire

Loss from damage to the premises resulting from fire however caused.

H. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

I. Indirect Loss

Loss that is an indirect result of any act or "occurrence" covered by this Coverage Part including but not limited to loss resulting from

1. your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
2. payment or damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this Coverage Part.
3. payment of costs, fees or other expenses you incur in establishing either the existence of or the amount of loss under this Coverage Part.

J. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon

1. an inventory computation; or
2. a profit and loss computation.

However, where you establish wholly apart from such inventory computations that you have sustained a loss covered under this Coverage Part, then you may offer your inventory records and

actual physical count of inventory in support of the amount of loss claimed.

K. Legal Expenses

Expenses related to any legal action except when covered under Coverage Agreement 2.

L. Money Operated Devices

Loss of property contained in any money operated device unless the amount of any "money" deposited in it is recorded by a continuous recording instrument in the device.

M. Licensed Vehicles or Equipment and Accessories

Loss of or damage to licensed vehicles, trailers, or semi-trailers or equipment or accessories attached to them.

N. Nuclear

Loss resulting from nuclear reaction, nuclear radiation, or radioactive contamination, or any related act or incident.

O. Trading Losses

Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

P. Transfer or Surrender of Property

Loss of or damage to property of any kind after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises"

1. on the basis of unauthorized instructions; or
2. as a result of a threat to do bodily harm to any person; or
3. as a result of a threat to do damage to any property.

Q. Vandalism

Loss from damages to the “premises” or to the exterior of any safe, vault, cash box, cash drawer or cash register by vandalism or mischief.

R. Voluntary Parting of Title To or Possession of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title or possession of any property.

S. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion, or revolution, or any related act or incident.

SECTION VII – GENERAL CONDITIONS

A. Cancellation As To Any Employee

Coverage Agreement 1. is cancelled as to any “employee”

1. immediately upon discovery by you or any official or “employee” authorized to manage, govern, or control your “employees” of any act on the part of an “employee” whether before or after becoming employed by you which would constitute a loss covered under the terms of the Coverage Agreement.
2. on the date specified in a notice mailed to you. The date will be at least 30 days after the date of the mailing. And, the mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

B. Changes

This Coverage Part contains all of the agreements between you and us concerning the coverage afforded. The “Member Agency” shown in the DECLARATIONS is authorized to make changes in the terms of the Coverage Part with our consent. This Coverage Part’s terms can be amended or waived only by addendum issued by us and made a part of this Coverage Part.

C. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other Covered Party, at any time, intentionally conceal or misrepresent a material fact concerning

1. this Coverage Part;
2. the property covered under this Coverage Part;
3. your interest in the property covered under this Coverage Part; or
4. a claim under this Coverage Part.

D. Consolidation Or Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become “employees” or you acquire the use and control of any additional “premises”

1. you must give us written notice and obtain our written consent to extend this coverage to such additional “employees” or “premises”. We may condition our consent upon payment of an additional premium; but there shall only be a premium charge if such merger or acquisition results in a 15%, or greater, increase in the number of “employees”, assets or revenues acquired through the merger or acquisition.
2. for the first 60 days after the effective date of such a consolidation, merger, acquisition of assets or liabilities, any coverage afforded for “employees” or “premises” also applies to these additional “employees” or “premises” for acts committed within this 60 day period.

E. Discovery

1. We will pay for loss which you sustain through acts or events committed or occurring at any time and which are discovered by you during the Coverage Period or during the period provided in General Condition I., Extended Period To Discover Loss.

2. Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Coverage Part has been, or may be incurred even though the exact amount or the details of the loss may not then be known.
3. Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would constitute a covered loss under this Coverage Part.

F. Duties In The Event Of A Loss

After you discover a loss or a situation which may result in a loss of, or damage to, "money", "securities" or "other property", you must

1. notify us as soon as possible but no later than 60 days after discovery of loss.
2. submit to examination under oath at our request and give us a signed statement of your answers.
3. give us a detailed, sworn proof of loss within 120 days.
4. cooperate with us in the investigation and settlement of any claim.
5. notify the police if you have reason to believe that your loss involves a violation of law.

G. Employee Benefit Plans

1. If any one or more "Employee Benefit Plans" are insured jointly with any other entity under this Coverage Part, you or the plan administrator must select a Limit of Coverage for Coverage Agreement 1. that is sufficient to provide a Limit of Coverage for each Plan which is at least equal to that required if each Plan were separately covered.
2. Any payments we make to the "Member Agency" for loss sustained by any Plan will be held by the "Member Agency" for the use and benefit of the Plan(s) sustaining the loss.
3. If two or more Plans are covered under this Coverage Part, any payment which we make for loss sustained by two or more Plans, or of commingled funds or "other property" of two or more Plans,

which arises out of one “occurrence”, is to be shared by each Plan sustaining loss in the proportion that the Limit of Coverage required for each Plan bears to the total of those limits.

4. This Coverage Part covers those Plans for loss through fraud or dishonesty as defined in Section 2580.412-9 of the Employee Retirement Income Security Act (ERISA) as amended. For any Plans not specifically named as Covered Parties, this Coverage Part is deemed to be in compliance with, and satisfy the bonding requirements of Section 2580.412-11 of the act. This coverage provides a Limit of Coverage which is equal to 10% of the amount of the funds handled or \$100,000, whichever is less, for each Plan bonded and the minimum Limit of Coverage for any Plan shall be \$1,000. The Limit of Coverage available for any Plan loss will be determined by the amount of funds handled on the date when any covered loss occurs subject to the foregoing limitations.
5. The Deductible provision which applies to the Employee Theft Coverage Agreement shall not apply to loss which is sustained by any Plan subject to ERISA and which Plan is covered under this Coverage Part.

H. Examination Of Your Books And Records

1. We may examine and audit your books and records as they relate to this Coverage Part at any time during the Coverage Period and up to three years afterwards.
2. We may also examine and audit books and records of any organization which you newly acquire and that is deemed to be a Covered Party under this Coverage Part.

I. Extended Period To Discover Loss

1. We will pay for loss which you sustained prior to the effective date of termination or cancellation of this coverage, which is discovered by you
 - a. no later than 60 days from the date of the termination, cancellation or non-renewal; and
 - b. as respects any “employee benefit Plan(s)”, no later than 1 year from the date of that termination, cancellation or non-renewal.

2. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance or coverage obtained by you to replace, in whole or in part, the coverage afforded by this Coverage Part, whether or not such other insurance or coverage provides coverage for loss sustained prior to its effective date.

J. Facsimile Signatures

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

K. Indemnification

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through the failure of any “employee” under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your “money”, “securities” and “other property”, subject to the Limit of Coverage.

L. Joint Covered Parties

1. If more than one Covered Party is named in the DECLARATIONS, the first named Covered Party will act for itself and for every other Covered Party for all purposes of this Coverage Part. If the first named Covered Party ceases to be covered, then the next named Covered Party will become the first named Covered Party.
2. If any Covered Party or officer of a “Member Agency” has knowledge of any information relevant to this Coverage Part, that knowledge is considered to be knowledge of every Covered Party.
3. An “employee” of any Covered Party is considered to be an “employee” of every Covered Party.
4. If this Coverage Part or any of its Coverage Agreements is cancelled, terminated or non-renewed as to any Covered Party, loss sustained by that Covered Party is covered only if discovered by you during the period of time provided in General Condition I., Extended Period To Discover Loss. And, this extended period to discover loss also terminates in accordance with paragraph 2 of that condition.

5. We will not pay a greater amount for loss sustained by more than one Covered Party than we would pay if all of the loss had been sustained by one Covered Party.

M. Loss Covered Under More Than One Coverage Agreement Of This Coverage Part

If two or more Coverage Agreements of this Coverage Part apply to the same loss, we will pay the lesser of

1. the actual amount of loss; or
2. the sum of the Limits of Coverage applicable to those Coverage Agreements.

N. Non Accumulation Of Limit Of Coverage

Regardless of the number of years this Coverage Part remains in force or the number of premiums paid, no Limit of Coverage cumulates from year to year or Coverage Period to Coverage Period.

O. Other Insurance

1. This Coverage Part does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this Coverage Part will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity.
2. However, this Coverage Part will not apply to the amount of loss that is more than the applicable Limit of Coverage shown in the DECLARATIONS.
3. If a loss is discovered within the period provided by prior insurance to discover losses, we will not pay for such loss unless the amount exceeds the limit of insurance under your prior policy. We will then only pay you for any excess loss subject to the Coverage Agreements, Exclusions and General Conditions of this Coverage Part.
4. Any payment that we make to you under this Coverage Part shall not exceed the difference between the amount of insurance under

your prior policy and the Limit of Coverage shown in the DECLARATIONS and we will not apply our Deductible Amount to any excess loss payment.

P. Records

You must keep records of all property covered under this Coverage Part so we can verify the amount of any loss.

Q. Recoveries

1. Any recoveries, less the cost of obtaining them, made after the settlement of loss covered by this Coverage Part will be distributed
 - a. to you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Coverage and the Deductible Amount, if any;
 - b. then to us, until we are reimbursed for the settlement made; and
 - c. then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
2. Recoveries do not include any recovery
 - a. from insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - b. of original "securities" after duplicates of them have been issued.

R. Sole Benefit

This coverage is for your sole benefit. No legal proceeding of any kind to recover on account of loss under this Coverage Part may be brought by anyone but you.

S. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

T. Valuation

1. Subject to the applicable Limit of Coverage, we will pay for
 - a. loss of “money” but only up to and including its face value. We may, at our option, pay for a loss of “money” issued by any country other than the United States of America in either the face value in the “money” issued in that country, or, in the United States of America dollar equivalent determined by the rate of exchange on the day that the loss occurred.
 - b. loss of “securities” but only up to and including their value at the close of business on the day that the loss was discovered. But, we may, at our option, 1) pay the value of such “securities”, 2) replace them in kind in which event you must assign to us all your rights, title and interest in and to those “securities” or 3) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the “securities”. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of
 - (1) the value of the “securities” at the close of business on the day the loss was discovered; or
 - (2) the Limit of Coverage.
 - c. loss or damage to “other property” or loss from damage to the “premises” or its exterior for the replacement cost of the property without deduction for depreciation, subject to 2. below. However, we will not pay for more than the lesser of
 - (1) the Limit of Coverage applicable to the lost or damaged property; or
 - (2) the cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (3) the amount that you actually spend that is necessary to repair or replace the lost or damaged property.

2. We will not pay on a replacement cost basis for any loss or damage
 - a. until the lost or damaged property is actually repaired or replaced; and
 - b. unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay based on actual cash value.

3. We may, at our option, pay for loss of or damage to property other than “money” in the “money” of the country in which the loss occurred; or in the United States of America dollar equivalent of the “money” of the country where the loss occurred determined by the rate of exchange on the day the loss was discovered. Any property that we pay for or replace becomes our property.
4. Loss of or loss from damage to any books or records of account or other records, tapes, disks, or electronic media used by you in the business but only if such books, records, tapes or disks are actually reproduced and then only for not more than the blank books, pages, tapes and disks or other materials plus the cost of labor for the actual transcription or copying of data which you shall furnish to reproduce such books, records, tapes or disks.
5. Actual cash value is calculated as the amount it would cost to repair or replace “other property”, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of “other property” regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

MEMORANDUM OF CRIME COVERAGE

For The

Association of California Water Agencies
Joint Powers Insurance Authority

DECLARATIONS

FORM NUMBER: MOCC-040118

MEMBER AGENCY: Montecito Water District

MAILING ADDRESS: 583 San Ysidro Road
Santa Barbara, CA 93108

COVERAGE PERIOD: April 1, 2018 to April 1, 2019
12:01 A.M. Pacific Standard Time

<u>COVERAGE</u>	<u>LIMIT OF COVERAGE</u>	<u>DEDUCTIBLE</u>
1. Public Employee Theft	\$ 100,000	\$ 1,000
2. Depositors Forgery or Alteration	\$ 100,000	\$ 1,000
3. Computer and Funds Transfer Fraud	\$ 100,000	\$ 1,000

Signed by: 

Date: March 28, 2018

ENDORSEMENT # 2-456

This endorsement, effective *12:01 am April 1 2018* forms a part of policy number *01-606-08-20* issued to **MEMBERS OF THE ALLIANT CRIME INSURANCE PROGRAM (ACIP)** *(as endorsed)*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

ADDITIONAL NAMED INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM**
- COMMERCIAL CRIME POLICY**
- EMPLOYEE THEFT AND FORGERY POLICY**
- GOVERNMENT CRIME COVERAGE FORM**
- GOVERNMENT CRIME POLICY**

The following Insured(s) is/are added as a Named Insured with respect to all Insuring Agreements

A. Schedule*

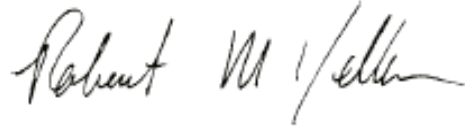
	Insuring Agreements: 1, 3, 4, 5, 6, 7, 8, 9 Endorsements: CR 25 19, CR 25 20	
Named Insured	Limit of Insurance	Deductible Amount
<i>Montecito Water District</i>	<i>3,000,000</i>	<i>\$100,000</i>

B. Provisions

1. Solely with respect to the Named Insured(s) set forth in the above SCHEDULE, Endorsements CR 25 19 and CR 25 20 are added to the Coverage Form/Policy.
2. Solely with respect to Insuring Agreements 1, 3, 4, 5, 6, 7, 8, and 9 and the coverage as afforded by Endorsements CR 25 19 and CR 25 20, the most we will pay under this policy for loss is the applicable Limit of Insurance shown in the above SCHEDULE for the respective Named Insured and such loss shall also be subject to the applicable Deductible Amount also shown in the SCHEDULE above for the respective Named Insured.

3. No Limit of Insurance during any period will be cumulative with any other amount applicable to the same coverage during any other period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in black ink, appearing to read "Robert M. Jellison". The signature is written in a cursive style with a long, sweeping tail on the final letter.

AUTHORIZED REPRESENTATIVE