

**RELIABLE SINCE 1921**

583 San Ysidro Road  
Santa Barbara, CA 93108-2124

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**Board of Directors**  
Kenneth Coates, President  
Brian Goebel, Vice President  
Cori Hayman, Director  
Tobe Plough, Director  
Floyd Wicks, Director  
**General Manager and  
Board Secretary**  
Nick Turner

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

**TUESDAY, FEBRAURY 27, 2024  
9:30 A.M.**

**Attend in Person or Join by Teleconference:**

<https://us06web.zoom.us/j/83440020875?pwd=Ui6C2yNROP4YEFbsIu9yIpBDFUZYGW.1>

Meeting ID: 834 4002 0875; Passcode: 562903

Tel: (669) 900 6833

**AGENDA**

- 1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM**
- 2. PLEDGE OF ALLEGIANCE**
- 3. 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.

**4. CONSENT CALENDAR**

The following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

- \* A. [Meeting Minutes of January 23, 2024](#)
- \* B. [Payment of Bills for January 2024](#)
- \* C. [Investment of District Funds as of January 2024](#)
- \* D. [Unaudited Monthly Financial Report for January 2024](#)
- \* E. [Waterworks Reports for January 2024](#)
- \* F. [Contract Change Order No. 1 for the Buena Vista Water Main Replacement Project](#)

\* indicates attachment included for this item

## **5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS**

- \*A. ACTION ITEM: Authorization of a Construction Contract with Tierra Contracting for the extension of a watermain at Cabrillo Blvd and Channel Drive for a future intertie with the City of Santa Barbara
- \*B. ACTION ITEM: Adoption of Resolution No. 2273, an update of the *Water Loss Adjustment Policy* modifying the eligibility requirements
- \*C. INFORMATIONAL: Customer Relations and Public Information Update
- \*D. INFORMATIONAL: General Manager Report

## **6. DISTRICT BUSINESS REPORT**

- \*A. ACTION ITEM: Receive, Accept and File the Audited Financial Statements for Fiscal Year Ending June 30, 2023

## **7. DIRECTOR AND COMMITTEE REPORTS**

- A. President's Report: Director Coates
- B. Operations & Customer Relations Committee: Director Goebel
- C. Finance Committee: Director Plough
- D. Strategic Planning Committee: Director Coates
- E. Central Coast Water Authority: Director Coates
- F. Cachuma Operation and Maintenance Board: Director Hayman
- G. Cachuma Conservation Release Board: Director Plough
- H. Santa Barbara County Chapter of the California Special Districts Association: Director Wicks
- I. ACWA JPIA: Director Wicks
- J. CalDesal: Director Wicks
- K. Ad hoc Committee - Legislative Matters: Director Goebel
- L. Ad hoc Committee - Development of Water Transfer Agreement with Atlas Water: Director Goebel

## **8. LEGAL MATTERS**

- A. Recent and Pending Legal Matters Review – Oral Report
- B. CLOSED SESSION: Pursuant to Government Code 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation, 2 cases
- C. CLOSED SESSION: Pursuant to Government Code 54956.9(d)(1) Conference with Legal Counsel Existing litigation, In re: Aqueous Film-Forming Foams Products Liability Litigation, Master Docket No. 2:18-mn-02873-RMG (MDL No. 2873)
- D. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Central Coast Water Authority et. al. v. Santa Barbara

County Flood Control and Water Conservation District, et. al, Santa Barbara Superior  
Court Case No. 21CV02432

**9. DIRECTOR REQUESTS**

Requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, March 26, 2024 or any future meeting.

**10. ADJOURNMENT**

Note: Montecito Water District conducts its meeting in-person in accordance with the Brown Act and also provides alternative methods of participation which permit members of the public to observe and address public meetings telephonically and/or electronically. These methods of participation can be accessed through the internet link provided at the top of this agenda.

This agenda was posted on the District website, and at the Montecito Water District outside display case at 5:00 p.m. on February 23, 2024. 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.

Agendas, agenda packets, and additional materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available on the District website.

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Floyd Wicks, Director  
**General Manager and  
Board Secretary**  
Nick Turner

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

**TUESDAY, JANUARY 23, 2024**  
**9:30 A.M.**

**Remote Meeting Location:**  
Reef House, Crown Point, Bequia Island  
St Vincent and the Grenadines VC400, West Indies

**AGENDA**

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

President Coates called the meeting to order at 9:31 a.m.

Directors present:

Directors Ken Coates, Brian Goebel, Cori Hayman, and Floyd Wicks participated in person.  
Director Tobe Plough participated remotely via Zoom.

Staff present (In Person and via Zoom):

Nick Turner, General Manager	Christina Perry, Administrative Assistant
Adam Kanold, Asst. GM/Engineering Mgr.	Ray Willefert, Financial Analyst
Olivia Rojas, Business Manager	Steven Cognac, Water Conservation Specialist
Laura Camp, Public Information Officer	

Counsel present (In Person):

Walt Wendelstein, Wendelstein Law Group PC, District Counsel

Members of the Public:

Jasmine Showers, City of Santa Barbara  
Madeline Wood, City of Santa Barbara

**2. PLEDGE OF ALLEGIANCE**

All in attendance recited the Pledge of Allegiance.

**3. PUBLIC FORUM**

No public comments were made.

#### **4. CONSENT CALENDAR**

The following items were approved or accepted by vote on one motion unless a Board member requested separate consideration:

- A. Meeting Minutes of November 14, 2023
- B. Payment of Bills for October, November and December 2023
- C. Investment of District Funds as of December 2023
- D. Unaudited Monthly Financial Report for October 2023
- E. Unaudited Monthly Financial Report for November 2023
- F. Waterworks Reports for October, November and December 2023
- G. COVID-19 Prevention and Response Plan (Revision 6), required by Cal/OSHA
- H. Adoption of the 2024 Employee Handbook
- I. Declaration of Surplus Equipment
- J. Contract Amendment No. 3 with Schock Contracting Corporation for the Juncal Pipeline Repair Project
- K. Contract to install new pavement at entrance driveways and parking areas at the District Office

District Counsel noted that the CEQA exemption for Item K would be revised to 15301(c) “repair and maintenance of existing highways and streets and similar facilities”.

Director Goebel moved to approve the Consent Calendar. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

#### **5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS**

- A. INFORMATIONAL: Quarterly Water Supply Update

Mr. Turner presented the item and responded to questions from the Board.

- B. ACTION ITEM: Presentation of Proposed Parcel Water Budget

Mr. Kanold presented the item with Mr. Cognac in attendance. Direction was given to staff and no action was taken.

**The Board paused for break at 11:20 a.m. and returned at 11:31 a.m.**

- C. ACTION ITEM: Proposed modifications to implementation of the *Water Use Efficiency Plan*

Mr. Kanold presented the item and responded to questions from the Board.

Director Goebel moved to modify the implementation of the District *Water Use Efficiency Plan* as recommended in the staff report. The modifications included increasing existing rebates and adding additional rebates and audit programs offered to customers. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

**The Board recessed for lunch at 12:06 p.m. and returned at 12:40 p.m.**

- D. ACTION ITEM: Adoption of Resolution No. 2271 updating the District's Procurement Policy

District Counsel requested that "i.e." be changed to "e.g." in the resolution.

Director Hayman moved to adopt Resolution No. 2271 as modified. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- E. ACTION ITEM: Adoption of Resolution No. 2272 updating the District's Signatory Authority Policy

Director Hayman moved to adopt Resolution No. 2272. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- F. ACTION ITEM: Special District Consolidation with Montecito Sanitary District

After discussion by the Board, this item was tabled for future consideration.

- G. INFORMATIONAL: LAFCO Independent Special District Regular Member Election  
President Coates received input from the Board.

- H. INFORMATIONAL: Customer Relations and Public Information Update

Ms. Camp provided the update and responded to questions from the Board.

- I. INFORMATIONAL: General Manager Report

Mr. Turner presented the update and responded to questions from the Board.

**6. DISTRICT BUSINESS REPORT**

- A. INFORMATIONAL: Unaudited Quarterly Financial Report through December 2023

Mr. Turner and Ms. Rojas responded to questions from the Board.

**The Montecito Water District Board of Directors meeting was adjourned at 1:30 p.m.**

**7. MONTECITO WATER DISTRICT FINANCING CORPORATION**

- A. ACTION ITEM: Adjourn to the Annual Meeting of the Montecito Water District Financing Corporation

The meeting was held and action was recorded in the meeting minutes of the Montecito Water District Financing Corporation.

**The Montecito Water District Board of Directors meeting was recalled to order at 1:35 p.m.**

**8. DIRECTOR AND COMMITTEE REPORTS**

- A. President's Report: President Coates reported on several items, including the approval by the Summerland Sanitary District Board of Directors to expand the recycled water study by the County of Santa Barbara and a potential Memorandum of Understanding with the Montecito Sanitary District for the Montecito recycled water project.
- B. Operations & Customer Relations Committee: Director Goebel reported that all relevant items were previously addressed.
- C. Finance Committee: Director Plough reported that all relevant items were previously addressed.
- D. Strategic Planning Committee: Director Coates reported that all relevant items were previously addressed.
- E. Central Coast Water Authority: Director Coates reported that CCWA voted to opt out of the 3M and DuPont PFAS Class Action Lawsuit Settlements.

Mr. Turner noted that the CCWA Board will be reviewing proposed updates to CCWA's Transfer Rules and the Right of First Refusal at their January 25<sup>th</sup> meeting. Mr. Turner also announced the upcoming retirement of John Brady, Deputy Director of Operations and Engineering at CCWA.

- F. Cachuma Operation and Maintenance Board: Director Hayman reported that COMB's unexpended funds have been distributed; Ms. Rojas confirmed that the District's portion was received. Additionally, Director Hayman reported that repairs resulting from the 2023 winter storm damage are continuing.
- G. Cachuma Conservation Release Board: Director Plough reported that CCRB is waiting for information related to Solvang's permit hearing with DWR and updates are anticipated in February.
- H. Santa Barbara County Chapter of the California Special Districts Association: Director Wicks reported no new updates.
- I. ACWA JPIA: Director Wicks reported that the ACWA JPIA November Board Packet indicated anticipated increases in the liability and property program rates for 2023-24, while workers' compensation and benefits are anticipated to remain relatively even.
- J. CalDesal: Director Wicks had no report beyond his planned attendance at an upcoming annual conference on February 8<sup>th</sup> and 9<sup>th</sup>.
- K. Ad hoc Committee - Legislative Matters: Director Goebel provided an update on advocacy meetings related to agencies which have made early investments in desalination.

- L. Ad hoc Committee - Director Goebel provided an update regarding the ongoing development of a transfer agreement.

**9. LEGAL MATTERS**

A. Recent and Pending Legal Matters Review – Oral Report

District Counsel reported that the District’s opt-outs (requests for exclusion) for the 3M and DuPont PFAS Class Action Lawsuit Settlements have been confirmed as received.

The Board recessed to Closed Session at 2:43 p.m.

The Board returned to Open Session at 2:50 p.m.

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

As to item 9.B, the Board provided direction to staff and counsel and no action was taken.

**10. DIRECTOR REQUESTS**

Director Goebel requested that an update on the analysis of costs incurred for the desal contract be presented at an upcoming committee meeting.

President Coates proposed updating the District’s Strategic Plan in conjunction with the Urban Water Management Plan update slated for June 2026.

**11. ADJOURNMENT**

The meeting was adjourned at 2:55 p.m.

APPROVED:

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Kenneth Coates, Board President

ATTEST:

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Nicholas Turner, Secretary

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**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-B**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: BUSINESS MANAGER**

**SUBJECT: PAYMENT OF DISTRICT BILLS FOR JANUARY 2024**

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**RECOMMENDATION:**

For information and discussion only.

**BACKGROUND:**

During the course of the month, District staff is responsible for ensuring that bills and payment obligations of the District are being paid in a timely manner. In order for this to occur, District staff will pay the bills and obligations when they are due, and then seek ratification from the Board of Directors during the following regular Board meeting. For ratification, District staff prepares a summary of all disbursements as well as a copy of the check register. These items are taken to the Board as a consent item.

**ATTACHMENTS:**

- 1) Total Disbursements Summary & AP Check Register – JANUARY 2024

**MONTECITO WATER DISTRICT  
PAYMENT OF BILLS  
TOTAL DISBURSEMENTS SUMMARY  
FOR MONTH ENDED  
January 31, 2024**

**SECTION: 4-B**

<b>AP CHECK REGISTER</b>	<b><u>1,698,040</u></b>
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**NET PAYROLL DIRECT DEPOSITS <sup>1</sup>**

CHECK DATE	01/15/2024	91,486
CHECK DATE	01/29/2024	89,566

<b>Payroll Direct Deposits</b>	<b><u>181,053</u></b>
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**EXTERNAL WIRE TRANSFERS OUT FOR PAYMENT OF BILLS <sup>2</sup>**

CALPERS; EE BENEFITS; PAYROLL TAXES	148,321
INTEREST 2020A - LOAN# 2005003	200,000
AP VENDORS; EPX FEES ACH	13,458

<b>Subtotal External Wire Transfers</b>	<b><u>361,778</u></b>
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<b>TOTAL DISBURSEMENTS</b>	<b><u>2,240,871</u></b>
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**INTERNAL WIRE TRANSFERS BETWEEN ACCOUNTS <sup>3</sup>**

N/A	0.00
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<b>NET INTERNAL WIRE TRANSFERS</b>	<b><u>0</u></b>
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<sup>1</sup> The Net Payroll Direct Deposits are the payroll amounts that are deposited into employee bank accounts through an ACH. Payments for employee benefits, both the employee and employer portions, are recorded on the Check Register, therefore are not included.

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

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



**MONTECITO WATER DISTRICT**  
**CHECK REGISTER**  
**JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
10587	01/05/2024	AMAZON CAPITAL SERVICES, INC	ADMIN - EXIT/EVAC SIGNS (5)	225.71	
10587	01/05/2024	AMAZON CAPITAL SERVICES, INC	ADMIN - ACRYLIC SIGN HOLDERS/MOUNT	26.88	252.59
10588	01/05/2024	BANK UP CORPORATION	DEC 2023 LOCKBOX PROCESSING	1,198.00	1,198.00
10589	01/05/2024	BEYOND SOFTWARE SOLUTIONS	AMI DATA ASSISTANCE	1,120.00	1,120.00
10590	01/05/2024	BRENNTAG PACIFIC INC	CHEMICALS - ALUMINUM CHLOROHYDRATE	3,515.36	3,515.36
10591	01/05/2024	CACHUMA OPERATIONS & MAINTENANCE BOARD	3RD QUARTER JAN - MAR 2024	196,180.00	196,180.00
10592	01/05/2024	CALIFORNIA ELECTRIC SUPPLY	SUPPLIES - STEEL CONDUIT STRAP, ADAPTER	30.44	30.44
10593	01/05/2024	CANON FINANCIAL SERVICES, INC.	OFFICE COPIER LEASE - DEC 2023	318.64	318.64
10594	01/05/2024	CHRISTINA PERRY	EE REIMBURSEMENT - CHRISTMAS PARTY SUPPLIES	176.98	176.98
10595	01/05/2024	COAST WATER SOLUTIONS	WEATHER STATION ANNUAL SUBSCRIPTION	457.54	457.54
10596	01/05/2024	COLANTUONO, HIGHSMITH & WHATLEY, PC	SPECIAL LEGAL RATE STUDY (PROP 218)	202.50	202.50
10597	01/05/2024	COMPUVISION	SPAM FILTERING (JAN - JUN 2024)	1,809.00	
10597	01/05/2024	COMPUVISION	CONVERGED SECURITY EDR RENEWAL	2,470.00	4,279.00
10598	01/05/2024	DOCUPRODUCTS	SUPPLIES - STAPLES FOR PRINTER (5560)	87.90	87.90
10599	01/05/2024	FEDEX	BANKUP EXCEPTIONS - 12/19	41.43	41.43
10600	01/05/2024	FGL ENVIRONMENTAL	JAMESON LAKE MONITORING - CHLOROPHYLL	603.00	
10600	01/05/2024	FGL ENVIRONMENTAL	PROCESS CONTROL	107.00	
10600	01/05/2024	FGL ENVIRONMENTAL	ROUTINE DRINKING WATER MONITORING	419.00	1,129.00
10601	01/05/2024	FUEL SMART SB	FUEL PURCHASES (12/12 - 12/23)	1,739.99	1,739.99
10602	01/05/2024	HARRINGTON INDUSTRIAL	EQUIP REPAIR - ADAPTER TANK	52.61	52.61
10603	01/05/2024	HOME DEPOT CREDIT SERVICES	SUPPLIES - VACCUM FOR BVTP	407.30	407.30
10604	01/05/2024	IRON MOUNTAIN	DEC SHRED SERVICES	205.75	205.75
10605	01/05/2024	LDA PARTNERS, INC.	OFFICE MASTER PLAN	7,500.00	7,500.00
10606	01/05/2024	LOWE'S BUSINESS ACCOUNT	12.17.2023 STMT - SUPPLIES PURCHASES	113.48	113.48
10607	01/05/2024	MARBORG DISPOSAL CO.	25 YD ROLLOFF + GREEN WASTE REMOVAL	317.99	317.99
10608	01/05/2024	MCCORMIX CORP.	OIL FOR FLEET STOCK	535.97	535.97
10609	01/05/2024	MILPAS RENTAL, INC.	LIFT RENTAL FOR AMI COLLECTOR REPAIR	249.48	249.48
10610	01/05/2024	MISSION LINEN SUPPLY	DIST SUPPLIES - SIGHT SAVER GLASS CLEANERS	41.32	
10610	01/05/2024	MISSION LINEN SUPPLY	TREAT - UNIFORM SERVICES	83.57	
10610	01/05/2024	MISSION LINEN SUPPLY	DIST - UNIFORM SERVICES	219.17	
10610	01/05/2024	MISSION LINEN SUPPLY	UNIFORM - NEW TEES FOR TREAT	129.30	
10610	01/05/2024	MISSION LINEN SUPPLY	TREAT - UNIFORM SERVICES	116.41	
10610	01/05/2024	MISSION LINEN SUPPLY	DIST - UNIFORM SERVICES	226.94	816.71
10611	01/05/2024	MONTECITO JOURNAL	MONTHLY MJ AD- DECEMBER	338.00	338.00
10612	01/05/2024	MONTECITO VILLAGE HARDWARE	SUPPLIES - HARDWARE, BOLTS	19.92	19.92
10613	01/05/2024	MOUNTAIN VIEW LANDSCAPING	LANDSCAPE MAINTENANCE - DISTRICT WIDE (DEC 2023)	4,700.00	4,700.00
10614	01/05/2024	NICHOLAS TURNER	EE REIMBURSEMENT - MEALS + PARKING	118.63	118.63
10615	01/05/2024	O'REILLY	REPAIRS - OIL CHANGE SERVICE H004	450.40	
10615	01/05/2024	O'REILLY	SUPPLIES - STOCK OIL FILTERS	42.91	
10615	01/05/2024	O'REILLY	REPAIRS - OIL FILTER CHANGE F023	10.44	
10615	01/05/2024	O'REILLY	F021 OIL CHANGE/FILTER	13.18	516.93
10616	01/05/2024	POWER MACHINERY CENTER	FORK LIFT HOSE REPAIRS	121.80	121.80

**MONTECITO WATER DISTRICT**  
**CHECK REGISTER**  
**JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
10617	01/05/2024	PROBER LAND SURVEYING	ENNISBROOK EASEMENT	885.00	885.00
10618	01/05/2024	PURETEC	CHEMICAL SOFTENER - SOD C	118.88	237.76
10618	01/05/2024	PURETEC	CHEMICAL SOFTENER - SOD C	118.88	
10619	01/05/2024	RINCON CONSULTANTS, INC	BV STORAGE BLDG PERMITTING	3,995.50	116,100.42
10619	01/05/2024	RINCON CONSULTANTS, INC	FEMA JUNCAL PIPE ENVIRO	112,104.92	
10620	01/05/2024	S.B. LOCKSMITHS, INC.	REPAIR - SPARE KEY H002	5.44	5.44
10621	01/05/2024	SANTA BARBARA AUTO ACCESSORIES	SUPPLIES - FRONT HITCH FOR F026	323.20	323.20
10622	01/05/2024	SCHOCK CONTRACTING CORP	FEMA JUNCAL PIPE REPAIR (PP # 10) - LESS CONT OVRG	206,303.05	206,303.05
10623	01/05/2024	SEARLE CREATIVE GROUP, LLC	GRAPHIC DESIGN SUPPORT	840.00	840.00
10624	01/05/2024	SEMITROPIC WATER STORAGE DISTRICT	GROUNDWATER BANKING	1,735.56	1,735.56
10625	01/05/2024	SITEONE LANDSCAPE SUPPLY, LLC	SUPPLIES - PVC PLUGS & CAPS	55.07	55.07
10626	01/05/2024	SOUTHERN CALIF EDISON CO	12.26.23 STMT - ACCT # ..3567 (NOV & DEC 2023 USE)	17,174.53	17,174.53
10627	01/05/2024	STAPLES ADVANTAGE	ADMIN - OFFICE SUPPLIES RESTOCK	800.11	1,400.58
10627	01/05/2024	STAPLES ADVANTAGE	SUPPLIES - COMPUTER + ADMIN	532.44	
10627	01/05/2024	STAPLES ADVANTAGE	SUPPLIES - PAPERCLIPS REORDER	68.03	
10628	01/05/2024	STATE WATER RESOURCES CONTROL BOARD	23/24 WATER SYSTEM ANNUAL FEES	31,400.93	32,569.93
10628	01/05/2024	STATE WATER RESOURCES CONTROL BOARD	23/24 JUNCAL PIPE REPAIR PERMIT	1,169.00	
10629	01/05/2024	TIERRA CONTRACTING, INC.	MONTE CRISTO WATER MAIN REPLACE	147,651.37	147,651.37
10630	01/05/2024	UNDERGROUND SERVICE ALRT	USA TICKETS - DEC 2023	151.75	216.85
10630	01/05/2024	UNDERGROUND SERVICE ALRT	USA REGULATORY FEE	65.10	
10631	01/05/2024	WENDELSTEIN LAW GROUP PC	NOV 2023 - GENERAL COUNSEL	12,188.15	12,188.15
10632	01/05/2024	WESTWATER RESEARCH LLC	WATER MARKETING STRATEGY	5,000.00	5,000.00
10633	01/05/2024	ZWORLD GIS, LLC	MONTHLY GIS - DEC 2023	2,550.00	2,550.00
10644	01/12/2024	CALPERS	1/15 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	3,846.60	3,846.60
10647	01/17/2024	BOB EASTON AIA ARCHITECT	REFUND - 1186 E MOUNTAIN DR HYDRANT FLOW TEST	538.00	538.00
10648	01/17/2024	ACWA-JPIA	FEBRUARY 2024 - EMPLOYEE BENEFITS	50,939.85	50,939.85
10649	01/17/2024	ACWA-JPIA	23-24 Q2 - WORKERS' COMP	20,746.16	20,746.16
10650	01/17/2024	ALAN PRICHARD	EE REIMBURSEMENT - CHEST WADERS FOR JAMESON	268.29	268.29
10651	01/17/2024	ANDERSON REFRIGERATION, INC.	JAMESON LAKE OUTSIDE SERVICES- HEATER INSTALLATION	11,780.00	11,780.00
10652	01/17/2024	ANTHEM BLUE CROSS	RETIREE BENS FEB 2024 A.DIAZ	348.51	348.51
10653	01/17/2024	AQUA-FLO SUPPLY	CHEM FEED SUPPLIES - 3" SOCKET VAN STONE FLANGES	149.65	212.95
10653	01/17/2024	AQUA-FLO SUPPLY	CHEM FEED PIPE SUPPLIES - PVC PIPE 3"	63.30	
10654	01/17/2024	AUTOMATION DIRECT, INC.	ELECTRICAL SUPPLIES - MINI PROTECTOR	161.63	337.26
10654	01/17/2024	AUTOMATION DIRECT, INC.	EQUIPMENT REPAIR AMAPOLA WELL DISCONNECT SWITCH	175.63	
10655	01/17/2024	BRENTAG PACIFIC INC	POLYMER FOR BVTP CHEMICAL	1,614.08	1,614.08
10656	01/17/2024	CACHUMA OPERATIONS & MAINTENANCE BOARD	FY24 WATER SYSTEM ANNUAL FEES	3,099.90	3,099.90
10657	01/17/2024	CARP VALLEY LUMBER CO	ELECTRICAL SUPPLIES - WALL PLATE / COVER	25.11	25.11
10658	01/17/2024	CESAR LIMON	EMPLOYEE REIMBURSEMENT - 12.30.23 MAIN BREAK MEAL	93.74	93.74
10659	01/17/2024	CITY OF SANTA BARBARA	DEC 2023 - DESAL	610,114.00	610,114.00
10660	01/17/2024	COMPUVISION	NEW HIRE COMPUTER - DELL OPTIPLEX 7000 DESKTOP	1,943.80	

**MONTECITO WATER DISTRICT**  
**CHECK REGISTER**  
**JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
10660	01/17/2024	COMPUVISION	DEC 2023 - IT SUPPORT	2,036.25	
10660	01/17/2024	COMPUVISION	DATTO CLOUD BACKUP- FEB 2024	1,145.00	
10660	01/17/2024	COMPUVISION	NET ALERT : FEB 2024	1,575.00	
10660	01/17/2024	COMPUVISION	CYBER SECURITY SUITE: FEB 2024	362.50	
10660	01/17/2024	COMPUVISION	OFFICE 365- FEB 2024	1,482.40	8,544.95
10661	01/17/2024	COX COMMUNICATIONS	BVTP PHONE & INTERNET 1401 JAN 2024	676.16	676.16
10662	01/17/2024	COX COMMUNICATIONS	JAN 2024 - ADMIN PHONE + INTERNET	730.35	730.35
10663	01/17/2024	DIENER'S ELECTRIC, INC.	EQUIP REPAIR - AMAPOLA WELL ELECTRICAL CONTROLS	2,389.30	2,389.30
10664	01/17/2024	DOCUPRODUCTS	OVERAGE - (10/12 - 1/11/2024)	1,753.44	1,753.44
10665	01/17/2024	ECHO COMMUNICATIONS	AFTER HOURS MESSAGE SERVICE	246.56	246.56
10666	01/17/2024	EVERBRIDGE, INC	EVERBRIDGE NOTIFICATIONS	3,000.00	3,000.00
10667	01/17/2024	FEDEX	BANKUP EXCEPTIONS (1/02)	49.52	49.52
10668	01/17/2024	FGL ENVIRONMENTAL	ORGANIC ANALYSIS	1,140.00	
10668	01/17/2024	FGL ENVIRONMENTAL	PROCESS CONTROL	67.00	
10668	01/17/2024	FGL ENVIRONMENTAL	ROUTINE DRINKING WATER MONITORING	419.00	
10668	01/17/2024	FGL ENVIRONMENTAL	PROCESS CONTROL	67.00	
10668	01/17/2024	FGL ENVIRONMENTAL	ROUTINE DRINKING WATER MONITORING	459.00	
10668	01/17/2024	FGL ENVIRONMENTAL	FOL SAMPLES	34.00	2,186.00
10669	01/17/2024	FIELDMAN, ROLAPP & ASSOCIATES	SWRCB FINANCING & FUNDING	409.50	409.50
10670	01/17/2024	FUEL SMART SB	FUEL PURCHASES - (12/26 - 1/08)	2,251.28	2,251.28
10671	01/17/2024	GEORGE T. HALL CO., INC	EQUIP REPAIR - GUIDED WAVE RADAR PROGRAMMING	2,375.30	2,375.30
10672	01/17/2024	GRAINGER INC.	EQUIP REPAIR - OVERLOAD RELAY	35.85	
10672	01/17/2024	GRAINGER INC.	EQUIP REPAIR - IECMAG CONTACTOR	315.28	
10672	01/17/2024	GRAINGER INC.	SUPPLIES - VISOR TRANSMITTER	71.07	
10672	01/17/2024	GRAINGER INC.	SUPPLIES - BALLPOINT PENS, REFILLABLE INK	77.46	499.66
10673	01/17/2024	GSI WATER SOLUTIONS, INC.	PILOT INJECTION STUDY	2,705.00	2,705.00
10674	01/17/2024	IBS OF SIERRA MADRE	BATTERY 4 FORK LIFT	144.41	144.41
10675	01/17/2024	iFLOW INC.	METER MOUNTING KITS	1,270.96	1,270.96
10676	01/17/2024	INFOSEND	DEC 2023 - BILLING	2,232.08	2,883.81
10676	01/17/2024	INFOSEND	DEC 2023 - FEES BILLING	651.73	
10677	01/17/2024	MARBORG DISPOSAL CO.	BV PORTABLE - JAN 2023	81.55	
10677	01/17/2024	MARBORG DISPOSAL CO.	3 YD TRASH/ RECYCLE BIN	1,350.56	
10677	01/17/2024	MARBORG DISPOSAL CO.	25 YD ROLL OFF RENTAL	176.39	1,608.50
10678	01/17/2024	MCCORMIX CORP.	FUEL PURCHASES-TRK# 141	170.50	170.50
10679	01/17/2024	MEDICARE PREMIUM COLLECTION CENTER	..UD20 MEDICARE BEN'S (2/24-4/24)	533.90	533.90
10680	01/17/2024	MILPAS RENTAL, INC.	AMI COLLECTOR REPAIR- LIFT TRAILER MOUNTED	249.48	249.48
10681	01/17/2024	MISSION LINEN SUPPLY	UNIFORMS SERVICE - TREAT	88.18	
10681	01/17/2024	MISSION LINEN SUPPLY	UNIFORM SERVICES	234.00	
10681	01/17/2024	MISSION LINEN SUPPLY	MISSION LINEN- UNIFORMS	123.69	
10681	01/17/2024	MISSION LINEN SUPPLY	UNIFORM SERVICE	379.91	825.78
10682	01/17/2024	MODERN CUSTOM FABRICATION	ORTEGA HYDRO TANK (OG INV # 50687 - **SALES TAX**)	3,593.25	3,593.25
10683	01/17/2024	MONTECITO VILLAGE HARDWARE	SUPPLIES - DUCT TAPE + HOSE	66.77	
10683	01/17/2024	MONTECITO VILLAGE HARDWARE	OPS SUPPLIES- CLEANING	48.43	115.20
10684	01/17/2024	O'REILLY	FRONT BRAKES F-017	66.11	
10684	01/17/2024	O'REILLY	ELECTRICAL WIRE STOCK	25.00	
10684	01/17/2024	O'REILLY	SUPPLIES - WIRING STOCK	48.90	140.01
10685	01/17/2024	PITNEY BOWES	POSTAGE METER REFILLS	52.13	52.13

**MONTECITO WATER DISTRICT**  
**CHECK REGISTER**  
**JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
10686	01/17/2024	POWERSTRIDE BATTERY CO.	COMM & ELECTRICAL REPAIR- BATTERY	88.17	88.17
10687	01/17/2024	PURETEC	CHEMICAL SOFTENER - SOD C	118.88	
10687	01/17/2024	PURETEC	PURETEL SOFTENER- CHEMICAL SOD C	118.88	237.76
10688	01/17/2024	RAFTELIS	REVIEW ANNUAL RATE INCREASE	4,481.25	4,481.25
10689	01/17/2024	ROBERT HALF FINANCE & ACCOUNTING	AP TEMP (ENDED 1/05/24)	1,309.50	1,309.50
10690	01/17/2024	S.B. COUNTY PUBLIC WORKS	ANNUAL PERMIT # 24A107 (VARIOUS COUNTY ROADS)	218.00	218.00
10691	01/17/2024	S.B. HOME IMPR CNTR	JAMESON SUPPLIES - BATTERIES, BATH TISSUE	20.21	20.21
10692	01/17/2024	S.B. LOCKSMITHS, INC.	DISTRICT LOCKS	206.84	
10692	01/17/2024	S.B. LOCKSMITHS, INC.	DISTRICT LOCKS	25.81	232.65
10693	01/17/2024	SATCOM DIRECT INC	JAMESON LAKE SAT PHONE	56.80	56.80
10694	01/17/2024	SEMITROPIC WATER STORAGE DISTRICT	GROUNDWATER BANKING	1,526.65	1,526.65
10695	01/17/2024	SHERWIN WILLIAMS	TRAFFIC PAINT & BRUSHES	204.58	204.58
10696	01/17/2024	SOAP MAN	DISTRICT SUPPLIES	229.88	229.88
10697	01/17/2024	SOUTHERN CALIF EDISON CO	1.05.2024 STMT - ACCT # ...0049 (OCT, NOV, DEC 23)	14,982.44	
10697	01/17/2024	SOUTHERN CALIF EDISON CO	1.04.24 STMT - ACCT # ...0049 (OCT & NOV 2023 USE)	(7,822.47)	7,159.97
10698	01/17/2024	**Void**	**Void**	-	-
10699	01/17/2024	**Void**	**Void**	-	-
10700	01/17/2024	**Void**	**Void**	-	-
10701	01/17/2024	SOUTHERN CALIF GAS CO	BV GAS CHARGES - DEC 2023	49.09	
10701	01/17/2024	SOUTHERN CALIF GAS CO	ADMIN GAS CHARGES - DEC 2023	142.48	191.57
10702	01/17/2024	SPOTLIGHT LLC	ADMIN - COMPANY CULTURE TRAINING + WORKSHOP	2,312.50	2,312.50
10703	01/17/2024	STANDARD INSURANCE COMPANY	JAN 2024 - DISABILITY INSURANCE	4,843.44	4,843.44
10704	01/17/2024	STAPLES ADVANTAGE	SUPPLIES : FILE ORGANIZERS	24.53	
10704	01/17/2024	STAPLES ADVANTAGE	SUPPLIES- HOLDER & TRAY	54.18	78.71
10705	01/17/2024	SWRCB-DWOCP	T2 CERT RENEWAL FEE- C.LIMON	60.00	60.00
10706	01/17/2024	THE WHARF	2023 EE BOOTS - D RODRIGUEZ	400.00	400.00
10707	01/17/2024	TIERRA CONTRACTING, INC.	LA VEREDA MAIN REPLACEMENT (PP # 2 OF 2)	80,974.50	80,974.50
10708	01/17/2024	TRI-CO REPROGRAPHICS	PIPE SYSTEM MAPS	6.96	6.96
10709	01/17/2024	UNITED HEALTHCARE INSURANCE COMPANY	RETIREE MED BEN'S - FEB 2024 - A AYALA	304.00	304.00
10710	01/17/2024	UPS	1/08/24 SHIPMENT - LAB EQUIP MAINTENANCE	55.79	55.79
10711	01/17/2024	USC COMPANIES, INC.	DEC 2023 - JANITORIAL ADMIN	593.00	593.00
10712	01/17/2024	WELLS FARGO BANK	1/03/2024 STMT - DEC 2023 PURCHASES	9,950.05	9,950.05
10713	01/17/2024	**Void**	**Void**	-	-
10714	01/17/2024	**Void**	**Void**	-	-
10715	01/17/2024	WESTWATER RESEARCH LLC	WATER MARKETING STRATEGY (MONTHLY RETAINER)	5,000.00	5,000.00
10716	01/17/2024	ZORO TOOLS, INC.	ELECTRICAL SUPPLIES - WIRING TROUGH	137.91	
10716	01/17/2024	ZORO TOOLS, INC.	ELECTRICAL SUPPLIES - TOGGLE SWITCH	71.66	209.57
10726	01/25/2024	CALPERS	1/29 PR - 457/LOAN PLAN EMPLOYEE CONTRIBUTIONS	3,641.58	3,641.58
<b>MWD REPORT TOTAL</b>				<b>1,639,737.34</b>	<b>1,639,737.34</b>

MONTECITO WATER DISTRICT  
CHECK REGISTER  
JANUARY 31, 2024

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
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**GROUND WATER SUSTAINABILITY  
AGENCY CHECK REGISTER  
JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
10634	01/05/2024	COAST WATER SOLUTIONS	WEATHER STATION ANNUAL SUBSCRIPTION	457.54	457.54
10635	01/05/2024	DUDEK	GSP DEVELOPMENT - MODEL REPORT	1,747.50	1,747.50
10636	01/05/2024	FGL ENVIRONMENTAL	MGSA SEAWATER INTRUSION N.M.	877.00	877.00
10637	01/05/2024	IN-SITU INC	SUPPLIES - SWI LOGGERS - MSD (3)	8,129.28	8,129.28
10638	01/05/2024	LOWE'S BUSINESS ACCOUNT	GSA SUPPLIES - ENG & RMP PROJECTS	603.73	603.73
10639	01/05/2024	NBS GOVERNMENT FINANCE GROUP	GSA FEE ADMIN (JAN - MAR 2024)	2,159.46	2,159.46
10640	01/05/2024	ONSET COMPUTER CORPORATION	SUPPLIES - RMP LOGGERS	8,521.81	11,581.69
10640	01/05/2024	ONSET COMPUTER CORPORATION	SUPPLIES - STREAM LOGGERS	2,657.97	
10640	01/05/2024	ONSET COMPUTER CORPORATION	SUPPLIES - RMP LOGGER CABLE	401.91	
10641	01/05/2024	SEARLE CREATIVE GROUP, LLC	GRAPHIC DESIGN SUPPORT	682.50	682.50
10642	01/05/2024	THE WHARF	2023 BOOTS - N KUNSTEK	400.00	400.00
10643	01/05/2024	WENDELSTEIN LAW GROUP PC	NOV 2023 - GSA LEGAL	672.00	672.00
10717	01/17/2024	ACWA-JPIA	FEBRUARY 2024 - EMPLOYEE BENEFITS GSA	2,782.53	2,782.53
10718	01/17/2024	ACWA-JPIA	23-24 Q2 - WORKERS' COMP GSA	1,903.21	1,903.21
10719	01/17/2024	COX COMMUNICATIONS	GSA PHONE & INTERNET ...4101 JAN 2024	200.17	200.17
10720	01/17/2024	DUDEK	GSP ANNUAL REPORT WORK	1,518.75	1,518.75
10721	01/17/2024	HOME DEPOT CREDIT SERVICES	SUPPLIES - DRILL BIT + EXTENSION	96.40	96.40
10722	01/17/2024	MONTECITO VILLAGE HARDWARE	RUST SPRAY	8.61	8.61
10723	01/17/2024	NUMERIC SOLUTIONS LLC	DEC STREAM MONITORING	22,878.23	22,878.23
10724	01/17/2024	STANDARD INSURANCE COMPANY	JAN 2024 - DISABILITY INSURANCE GSA	426.48	426.48
10725	01/17/2024	WELLS FARGO BANK	1/03/2024 SMT - DEC 2023 PURCHASES GSA	1,177.39	1,177.39
<b>GSA REPORT TOTAL</b>				<b>58,302.47</b>	<b>58,302.47</b>
<b>MWD &amp; GSA REPORT TOTAL</b>				<b>1,698,039.81</b>	<b>1,698,039.81</b>

**GROUND WATER SUSTAINABILITY PLAN  
CHECK REGISTER  
JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
			GSP REPORT TOTAL	-	-
			MWD & GSA & GSP REPORT TOTAL	58,302.47	58,302.47

**MONTECITO WATER DISTRICT DIRECT  
DEPOSIT REGISTER  
JANUARY 31, 2024**

<b>REF/CHECK #</b>	<b>DATE</b>	<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>TOTAL</b>
DFT0001224	01/15/2024	PAYLOCITY CORPORATION	1/15 PR - NET PAYROLL	78,926.97	78,926.97
DFT0001241	01/29/2024	PAYLOCITY CORPORATION	1/29 PR - NET PAYROLL	76,519.10	76,519.10
<b>MWD REPORT TOTAL</b>				<b>155,446.07</b>	<b>155,446.07</b>



**GROUND WATER SUSTAINABILITY AGENCY  
DIRECT DEPOSIT REGISTER  
JANUARY 31, 2024**

<b>REF/CHECK #</b>	<b>DATE</b>	<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>TOTAL</b>
DFT0001227	01/15/2024	PAYLOCITY CORPORATION	1/15 PR - NET PAYROLL GSA	12,559.42	12,559.42
DFT0001244	01/29/2024	PAYLOCITY CORPORATION	1/29 PR - NET PAYROLL GSA	13,047.31	13,047.31
<b>GSA REPORT TOTAL</b>				<b>25,606.73</b>	<b>25,606.73</b>
<b>MWD &amp; GSA REPORT TOTAL</b>				<b>181,052.80</b>	<b>181,052.80</b>

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**MONTECITO WATER DISTRICT**

**ACH REGISTER**

**JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0001214	01/04/2024	BENEFLEX INC	2024 FSA PLAN PREFUNDING (8% OF EXPOSURE)	2,447.20	
DFT0001215	01/15/2024	BENEFLEX INC	1/15 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	1,623.60	
DFT0001230	01/29/2024	BENEFLEX INC	1/29 PR - FSA & DCP PLAN EMPLOYEE CONTRIBUTIONS	1,623.60	5,694.40
DFT0001216	01/15/2024	CALPERS	1/15 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,842.49	
DFT0001217	01/15/2024	CALPERS	1/15 PR - CLASSIC EMPLOYER CONTRIBUTIONS	6,944.05	
DFT0001218	01/15/2024	CALPERS	1/15 PR - PEPRA EMPLOYEE CONTRIBUTIONS	5,173.93	
DFT0001219	01/15/2024	CALPERS	1/15 PR - PEPRA EMPLOYER CONTRIBUTIONS	4,329.94	
DFT0001231	01/29/2024	CALPERS	1/29 PR - CLASSIC EMPLOYEE CONTRIBUTIONS	3,847.47	
DFT0001232	01/29/2024	CALPERS	1/29 PR - CLASSIC EMPLOYER CONTRIBUTIONS	6,952.90	
DFT0001233	01/29/2024	CALPERS	1/29 PR - PEPRA EMPLOYEE CONTRIBUTIONS	5,224.02	
DFT0001234	01/29/2024	CALPERS	1/29 PR - PEPRA EMPLOYER CONTRIBUTIONS	4,379.56	40,694.36
DFT0001236	01/29/2024	COLONIAL LIFE PROCESSING CENTER	EMPLOYEE CONTRIBUTIONS - JAN 2024	313.83	313.83
DFT0001229	01/15/2024	DELUXE	SUPPLIES - DEPOSIT SLIP REORDER	155.82	155.82
DFT0001240	01/31/2024	EPX	JANUARY 2024 - EPX FEES	6,896.62	6896.62
DFT0001246	01/31/2024	JAN E ABEL	RETIREE MEDICAL BEN'S - DEC / JAN / FEB 2024	1,254.09	1,254.09
DFT0001221	01/15/2024	LINCOLN FINANCIAL GROUP	1/15 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,688.00	
DFT0001237	01/29/2024	LINCOLN FINANCIAL GROUP	1/29 PR - 457 PLAN EMPLOYEE CONTRIBUTIONS	1,688.00	3,376.00
DFT0001223	01/15/2024	PAYLOCITY CORPORATION	1/15 PR - PROCESSING FEES	334.91	
DFT0001225	01/15/2024	PAYLOCITY CORPORATION	1/15 PR - EMPLOYEE TAXES	33,838.17	
DFT0001226	01/15/2024	PAYLOCITY CORPORATION	1/15 PR - EMPLOYER TAXES	9,909.06	
DFT0001239	01/29/2024	PAYLOCITY CORPORATION	1/29 PR - PROCESSING FEES	276.13	
DFT0001242	01/29/2024	PAYLOCITY CORPORATION	1/29 PR - EMPLOYEE TAXES	31,480.91	
DFT0001243	01/29/2024	PAYLOCITY CORPORATION	1/29 PR - EMPLOYER TAXES	9,537.21	85,376.39
DFT0001222	01/15/2024	SANTA BARBARA COUNTY EMPLOYEE ASS.	1/15 PR - UNION DUES	537.99	
DFT0001238	01/29/2024	SANTA BARBARA COUNTY EMPLOYEE ASS.	1/29 PR - UNION DUES	547.06	1,085.05
DFT0001208	01/02/2024	THE BANK OF NEW YORK MELLON TRUST CC	INTEREST 2020A - LOAN# 2005003	200,000.00	200,000.00
DFT0001211	01/05/2024	WATER QUALITY & TREATMENT SOLUTIONS	ON CALL WATER QUALITY (THROUGH 7/31)	2,500.00	
DFT0001212	01/05/2024	WATER QUALITY & TREATMENT SOLUTIONS	INV # 23-3614 REPAY - FRAUD CHK # 10301 / LEAD INV	10,957.50	13,457.50
<b>MWD REPORT TOTAL</b>				<b>358,304.06</b>	<b>358,304.06</b>

**GROUND WATER SUSTAINABILITY AGENCY ACH  
REGISTER  
JANUARY 31, 2024**

REF/CHECK #	DATE	VENDOR	DESCRIPTION	AMOUNT	TOTAL
DFT0001220	01/15/2024	CALPERS	1/15 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	797.24	
DFT0001235	01/29/2024	CALPERS	1/29 PR - PEPRA EMPLOYER CONTRIBUTIONS GSA	797.24	1,594.48
DFT0001228	01/15/2024	PAYLOCITY CORPORATION	1/15 PR - EMPLOYER TAXES GSA	921.29	
DFT0001245	01/29/2024	PAYLOCITY CORPORATION	1/29 PR - EMPLOYER TAXES GSA	958.26	1,879.55
<b>GSA REPORT TOTAL</b>				<b>3,474.03</b>	<b>3,474.03</b>
<b>MWD &amp; GSA REPORT TOTAL</b>				<b>361,778.09</b>	<b>361,778.09</b>

<b>PROOF</b>	
<b>CHECK REGISTERS</b>	1,698,039.81
<b>DRAFTS</b>	361,778.09
<b>DIRECT DEPOSIT</b>	181,052.80
	<hr/>
	2,240,870.70
<b>INCODE CHECK REGISTER ALL</b>	2,240,870.70
<b>DIFFERENCE</b>	-
	-

**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-C**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: BUSINESS MANAGER**

**SUBJECT: INVESTMENTS THROUGH JANUARY 31, 2024**

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**THE ASSET COMPOSITION OF THE INVESTMENT ACCOUNT AS OF: 01/31/2024**

Component	Estimated Return	Current Balance
Bank Sweep	0%	1,026,595.00
Money Market (Cash)	4%	16,970.15
	<b>Purchase Amount</b>	<b>1,043,565.15</b>
Reinvested JAN interest	5.13%	32,040
Fixed Income (Tbills)	5.13%	12,091,940
	<b>*Schwab - Treasury Bills</b>	<b>13,167,545</b>
Less pending FMV Adjustment		<b>(429,944)</b>
<b>*Schwab - Treasury Bills</b>		<b>12,737,601</b>

**THE DISTRICT'S CASH POSITION AS OF: 1/31/2024**

Unrestricted Reserve Funds	2	Principal
American Riviera Checking	1/31/2024	\$1,640,867
American Riviera Money Market	1/31/2024	315,700
*Schwab - Treasury Bills	1/31/2024	12,737,601
CCWA Credit Balance Fund	1/31/2024	34
	<b>SUBTOTAL</b>	<b>\$14,694,202</b>
Restricted Reserve Funds	Date	Principal
CCWA Rate Coverage Reserve Fund	1/31/2024	\$1,495,258
WSA Debt Service Coverage	1/31/2024	280,928
WSA Debt Service Reserve	1/31/2024	617,400
	<b>SUBTOTAL</b>	<b>\$2,393,586</b>
<b>Unrestricted &amp; Restricted Reserve Funds</b>	<b>TOTAL</b>	<b>\$17,087,788</b>

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**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-D**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: BUSINESS MANAGER**

**SUBJECT: JANUARY 2024 FINANCIAL REPORTS**

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**RECOMMENDATION:**

For information and discussion only.

**BACKGROUND:**

Each month, Staff prepare 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. The Statement of Revenue and Expenditures accounts for all of the District's revenue and expenses in the current period and fiscal year-to-date and can be used to measure the success of the District's operations during the period covered. It can also be used to determine if the District has recovered all of its costs through rates and other charges. The Statement of Net Position includes all of the District's investment in resources and obligations to creditors. It can be used to provide a basis for evaluating the capital structure, liquidity and financial flexibility of the District. The Statement of Cash Flows reports cash receipts, cash payments and changes in cash resulting from operations, investing, non-capital financing and capital for the reporting period. 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 Board of Directors and public 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.

**ATTACHMENTS:**

1. Unaudited Financial Statements – January 2024
2. Water Sales Analysis and accompanying tables and graphs – January 2024

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**BOARD OF DIRECTORS**  
**UNAUDITED FINANCIAL STATEMENTS**

**For the Month of January 2024**

**February 27, 2024**

**MONTECITO WATER DISTRICT**  
**FISCAL YEAR 2024 BUDGET TO ACTUALS**  
**January 31, 2024**

	MTD			YTD			% OF	FYE 2024
	MTD	BUDGET	FAVORABLE	YTD	BUDGET	FAVORABLE	YTD	ADOPTED
	ACTUAL	(Revision 1)	(UNFAVORABLE)	ACTUAL	(Revision 1)	(UNFAVORABLE)	BUDGET	BUDGET
								(Revision 1)
<b>Operating Revenue</b>								
Water Sales - Customer Classes	544,154.57	693,183	(149,029)	10,747,644	11,006,753	(259,109)	-2%	17,440,982
Water Sales - Construction	5,561	4,167	1,394	51,298	29,167	22,131	76%	50,000
Water Loss Adjustments	(11,655)	-	(11,655)	(123,217)	-	(123,217)	n/a	-
Water Conservation Rebates	-	(8,333)	8,333	(9,768)	(58,333)	48,565	-83%	(100,000)
Customer Credits (Misc Fee Reversals, Misread rebills)	-	-	-	(1,852)	-	(1,852)	n/a	-
<b>Water Sales</b>	<b>538,060</b>	<b>689,017</b>	<b>(150,957)</b>	<b>10,664,105</b>	<b>10,977,586</b>	<b>(313,481)</b>	<b>-3%</b>	<b>17,390,982</b>
Monthly meter charges	402,209	400,000	2,209	2,814,007	2,799,998	14,010	1%	4,799,996
Water Availability Charge (WAC)	-	-	-	178,549	150,000	28,549	19%	300,000
Other operating revenues	31,901	27,157	4,744	223,097	190,099	32,998	17%	325,884
<b>Total Operating Revenue</b>	<b>972,170</b>	<b>1,116,173</b>	<b>(144,004)</b>	<b>13,879,757</b>	<b>14,117,683</b>	<b>(237,926)</b>	<b>-2%</b>	<b>22,816,863</b>
<b>Operating Expenses</b>								
<b>Source of supply-water purchases</b>								
Cachuma Lake	(246,625)	(250,084)	3,460	(663,556)	(750,252)	86,696	12%	(1,000,336)
Cater Water Treatment Plant	-	(33,000)	33,000	(197,993)	(405,600)	207,607	51%	(561,100)
State Water Project (SWP)	-	-	-	(4,233,881)	(4,337,473)	103,591	2%	(4,352,473)
WSA Water purchase (DESAL)	(545,286)	(582,465)	37,179	(3,817,002)	(4,077,258)	260,256	6%	(6,989,586)
Supplemental Water Purchases	-	-	-	(125,000)	-	(125,000)	n/a	-
SEMITROPIC MNGM/MAINT/BANKING	-	-	-	(43,221)	(59,354)	16,133	27%	(59,354)
<b>Total Source of supply-water purchases</b>	<b>(791,911)</b>	<b>(865,549)</b>	<b>73,639</b>	<b>(9,080,653)</b>	<b>(9,629,937)</b>	<b>549,284</b>	<b>6%</b>	<b>(12,962,849)</b>
<b>MWD Direct expenses</b>								
Jameson Lake	(21,866)	(26,318)	4,451	(197,838)	(193,846)	(3,992)	-2%	(375,584)
Water treatment	(115,837)	(161,924)	46,087	(1,132,267)	(1,313,659)	181,392	14%	(2,087,530)
Transmission and distribution	(106,534)	(168,413)	61,879	(1,054,862)	(1,202,443)	147,580	12%	(1,890,871)
<b>Total MWD Direct expenses</b>	<b>(244,237)</b>	<b>(356,654)</b>	<b>112,418</b>	<b>(2,384,967)</b>	<b>(2,709,947)</b>	<b>324,980</b>	<b>12%</b>	<b>(4,353,985)</b>
<b>Total Direct expenses</b>	<b>(1,036,147)</b>	<b>(1,222,204)</b>	<b>186,057</b>	<b>(11,465,620)</b>	<b>(12,339,884)</b>	<b>874,264</b>	<b>7%</b>	<b>(17,316,834)</b>
<b>MWD Indirect expenses</b>								
Customer services	(33,611)	(38,691)	5,080	(304,577)	(235,731)	(68,846)	-29%	(372,801)
Conservation	(10,627)	(21,799)	11,172	(76,746)	(129,578)	52,833	41%	(215,529)
Fleet	(18,213)	(26,695)	8,482	(160,669)	(189,862)	29,193	15%	(296,220)
Engineering	(87,585)	(117,018)	29,432	(619,880)	(1,027,117)	407,237	40%	(1,431,695)
Administration	(155,117)	(193,982)	38,864	(1,356,222)	(1,497,303)	141,081	9%	(2,158,244)
Legal	(11,424)	(24,000)	12,576	(116,067)	(203,000)	86,933	43%	(323,000)
Public Information	(16,766)	(26,506)	9,740	(93,721)	(137,222)	43,501	32%	(219,932)
Extraordinary Expense	-	-	-	(3,593)	-	(3,593)	n/a	-
Budget Contingency	-	-	-	-	-	-	100%	-
General & administrative	(299,732)	(409,999)	110,266	(2,426,898)	(3,184,082)	757,184	24%	(4,644,620)
<b>Total Indirect expenses</b>	<b>(333,344)</b>	<b>(448,690)</b>	<b>115,346</b>	<b>(2,731,475)</b>	<b>(3,419,813)</b>	<b>688,338</b>	<b>20%</b>	<b>(5,017,421)</b>
<b>Total Operating Expenses</b>	<b>(1,369,491)</b>	<b>(1,670,894)</b>	<b>301,403</b>	<b>(14,197,095)</b>	<b>(15,759,697)</b>	<b>1,562,602</b>	<b>10%</b>	<b>(22,334,255)</b>
<b>Operating income before depreciation</b>	<b>(397,321)</b>	<b>(554,720)</b>	<b>157,399</b>	<b>(317,337)</b>	<b>(1,642,014)</b>	<b>1,324,677</b>	<b>81%</b>	<b>482,608</b>
Depreciation Expense	(153,816)	(151,711)	(2,105)	(1,066,125)	(1,061,978)	(4,148)	0%	(1,820,533)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(551,137)</b>	<b>(706,431)</b>	<b>155,295</b>	<b>(1,383,463)</b>	<b>(2,703,992)</b>	<b>1,320,529</b>	<b>49%</b>	<b>(1,337,925)</b>

**MONTECITO WATER DISTRICT**  
**FISCAL YEAR 2024 BUDGET TO ACTUALS**  
**January 31, 2024**

	MTD ACTUAL	MTD BUDGET (Revision 1)	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET (Revision 1)	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FYE 2024 ADOPTED BUDGET (Revision 1)
<b>Non-operating revenues:</b>								
Rental Revenue	7,991	3,940	4,051	58,452	27,580	30,872	112%	47,280
Investment earnings	37,383	30,000	7,383	292,867	210,000	82,867	39%	360,000
Other non-operating revenues	145,299	1,200	144,099	448,400	43,400	405,000	933%	84,400
<b>Total Non-operating revenues</b>	<b>190,674</b>	<b>35,140</b>	<b>155,534</b>	<b>799,718</b>	<b>280,980</b>	<b>518,738</b>	<b>185%</b>	<b>491,680</b>
<b>Non-operating expenses:</b>			-			-	100%	
Interest Expense - 2020A Bonds	-	-	-	(200,000)	(212,150)	12,150	-6%	(110,884)
Cater treatment plant obligations	-	-	-	(253,996)	(253,996)	-	0%	(507,993)
GSA fee payment	-	-	-	(69,752)	(69,752)	(1)	0%	(139,503)
<b>Total Non-operating expenses:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(523,748)</b>	<b>(535,898)</b>	<b>12,150</b>	<b>-2%</b>	<b>(758,380)</b>
<b>Non-operating income (loss)</b>	<b>190,674</b>	<b>35,140</b>	<b>155,534</b>	<b>275,970</b>	<b>(254,918)</b>	<b>530,888</b>	<b>-208%</b>	<b>(266,700)</b>
<b>Net Position</b>								
<b>Change in net position before capital contributions</b>	<b>(360,463)</b>	<b>(671,291)</b>	<b>310,829</b>	<b>(1,107,493)</b>	<b>(2,958,909)</b>	<b>1,851,417</b>	<b>63%</b>	<b>(1,604,625)</b>
<b>Capital Contributions</b>			-			-		
Capital cost recovery fees	48,796	20,152	28,644	302,894	141,062	161,832	115%	241,820
Connection fees	14,418	6,127	8,291	67,591	42,887	24,704	58%	73,520
Capital Grants & Reimbursements	-	10,000	(10,000)	-	1,338,284	(1,338,284)	100%	1,388,284
<b>Total Capital Contributions</b>	<b>63,214</b>	<b>36,278</b>	<b>26,936</b>	<b>370,485</b>	<b>1,522,232</b>	<b>(1,151,748)</b>	<b>-76%</b>	<b>1,703,624</b>
<b>Change in net position before special items</b>	<b>(297,249)</b>	<b>(635,013)</b>	<b>337,764</b>	<b>(737,008)</b>	<b>(1,436,677)</b>	<b>699,669</b>	<b>-49%</b>	<b>98,999</b>
<b>Special Items</b>			-			-	100%	
FEMA reimbursements	-	404,800	(404,800)	327,190	1,905,600	(1,578,410)	-83%	3,683,400
ACWA-JPIA Insurance reimbursement	-	-	-	-	-	-	100%	-
<b>Total Special Items</b>	<b>-</b>	<b>404,800</b>	<b>(404,800)</b>	<b>327,190</b>	<b>1,905,600</b>	<b>(1,578,410)</b>	<b>-83%</b>	<b>3,683,400</b>
<b>Change in net postion</b>	<b>(297,249)</b>	<b>(230,213)</b>	<b>(67,036)</b>	<b>(409,818)</b>	<b>468,923</b>	<b>(878,741)</b>	<b>-187%</b>	<b>3,782,399</b>
<b>Total Revenues</b>	<b>1,226,058</b>	<b>1,592,392</b>	<b>(366,334)</b>	<b>15,377,150</b>	<b>17,826,495</b>	<b>(2,449,345)</b>	<b>-14%</b>	<b>28,695,567</b>
<b>Total Expenditures</b>	<b>(1,523,306)</b>	<b>(1,822,605)</b>	<b>299,298</b>	<b>(15,786,968)</b>	<b>(17,357,572)</b>	<b>1,570,604</b>	<b>9%</b>	<b>(24,913,168)</b>
<b>Surplus/(Deficit) before Debt and Capital</b>	<b>(297,249)</b>	<b>(230,213)</b>	<b>(67,036)</b>	<b>(409,818)</b>	<b>468,923</b>	<b>(878,741)</b>	<b>187%</b>	<b>3,782,399</b>
<b>Net Position-Beginning</b>	<b>53,925,570</b>	<b>58,341,954</b>	<b>(4,416,385)</b>	<b>57,642,818</b>	<b>45,514,247</b>	<b>12,128,571</b>	<b>27%</b>	<b>57,642,818</b>
<b>Net Position-End</b>	<b>53,628,321</b>	<b>58,111,741</b>	<b>(4,483,420)</b>	<b>57,233,000</b>	<b>45,983,170</b>	<b>11,249,830</b>	<b>24%</b>	<b>61,425,217</b>
<b>Debt Service</b>								
Principal: 2020 COP Refunding Bonds	-	-	-	-	-	-	100%	(1,260,000)
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>(1,260,000)</b>
<b>Net Capital expenditure carry over</b>								
Carry-over Transfers In	-	-	-	1,835,020	1,835,020	-	0%	1,835,020
Equipment carryover	-	-	-	(225,993)	(301,500)	75,508	25%	(301,500)
System projects carryover	(324,521)	(195,000)	(129,521)	(742,083)	(1,965,000)	1,222,917	-62%	(2,110,000)
<b>Total Net capital expenditure carry over</b>	<b>(324,521)</b>	<b>(195,000)</b>	<b>(129,521)</b>	<b>866,945</b>	<b>(431,480)</b>	<b>1,298,425</b>	<b>-301%</b>	<b>(576,480)</b>
<b>FY2023/24 capital expenditures</b>								
Equipment	-	-	-	(43,697)	-	(43,697)	n/a	(275,000)
Water Storage Purchases	-	-	-	-	-	-	100%	-
System Projects	(14,505)	(120,000)	105,495	(382,645)	(500,000)	117,355	23%	(765,000)
Extraordinary Projects	(72,233)	(28,333)	(43,900)	(3,358,086)	(2,153,333)	(1,204,753)	-56%	(2,835,000)
<b>Total 2023/24 capital expenditures</b>	<b>(86,738)</b>	<b>(148,333)</b>	<b>61,595</b>	<b>(3,784,428)</b>	<b>(2,653,333)</b>	<b>(1,131,095)</b>	<b>-43%</b>	<b>(3,875,000)</b>
<b>Net capital expenditures</b>	<b>(411,259)</b>	<b>(343,333)</b>	<b>(67,926)</b>	<b>(2,917,484)</b>	<b>(3,084,813)</b>	<b>167,330</b>	<b>5%</b>	<b>(4,451,480)</b>
<b>Total OutFlows: Expenditures, Debt &amp; Capital Expd</b>	<b>(1,934,566)</b>	<b>(2,165,938)</b>	<b>231,373</b>	<b>(18,704,452)</b>	<b>(20,442,386)</b>	<b>1,737,934</b>	<b>9%</b>	<b>(30,624,648)</b>

**MONTECITO WATER DISTRICT**  
**FISCAL YEAR 2024 BUDGET TO ACTUALS**  
**January 31, 2024**

	MTD ACTUAL	MTD BUDGET (Revision 1)	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET (Revision 1)	FAVORABLE (UNFAVORABLE)	% OF YTD BUDGET	FYE 2024 ADOPTED BUDGET (Revision 1)
Remove Non-cash activity								
Bond Interest Amortization	-	-	-	-	-	-	100%	(288,666)
Inventory Disbursements	5,003	6,000	(997)	43,724	42,000	1,724	4%	72,000
Depreciation Expense	153,816	151,711	2,105	1,066,125	1,061,978	4,148	0%	1,820,533
CIP TRANSFERS IN	-	-	-	(1,835,020)	(1,835,020)	-	0%	(1,835,020)
Total Non-cash activity	158,818	157,711	1,107	(725,171)	(731,042)	5,871	-1%	(231,153)
Total OutFlows less Non-Cash activity	(1,775,747)	(2,008,227)	232,480	(19,429,623)	(21,173,428)	1,743,805	8%	(30,855,801)
Total Revenues	1,226,058	1,592,392	(366,334)	15,377,150	17,826,495	(2,449,345)	-14%	28,695,567
Cash Impact before Fund Transfers	(549,690)	(415,835)	(133,854)	(4,052,473)	(3,346,933)	(705,540)	-21%	(2,160,234)
Transfers from Rate Stabilization Fund	159,233	196,413	(37,180)	2,949,651	3,209,914	(260,263)	-8%	4,330,929
Transfers to Rate Stabilization Fund	-	-	-	-	-	-	100%	(2,170,695)
MWD CASH IMPACT	(390,456.00)	(219,421.00)	(171,035.00)	(1,102,821)	(137,018)	(965,803)	705%	-

**MONTECITO WATER DISTRICT**  
**Notes to the Unaudited Financial Statements**  
**JANUARY 31, 2024**

*SIGNIFICANT THRESHOLD FOR VARIANCE IS DEFINED AS OVER / UNDER \$25K.*

**NOTE 1 – OPERATING REVENUE**

Operating Revenue is unfavorable (\$238K) and 2% less than the YTD budget, driven by Customer Water Sales which are unfavorable (\$259K) and 2% less than the YTD budget, most likely due to the wetter weather conditions.

Water Losses granted to customers for unforeseen leaks reduce rate revenue. To-date MWD granted \$123K in water losses. \$12K was granted during January, half of the prior six months monthly average.

**NOTE 2 – TOTAL DIRECT EXPENSES**

Total Direct expenses are favorable \$874K and 7% less than budgeted.

**SOURCE OF SUPPLY - WATER PURCHASES**

Total Source of Supply – Water Purchases favorable \$549K and 6% less than the YTD budget. The significant drivers are:

- Continued reduced water deliveries.
- A favorable \$260K WSA variance due to a change in Paygo capital cost treatment. Despite being included in the FYE2024 adopted budget, Paygo capital costs have been removed from the monthly payments to the City in FYE2024, pursuant to the 2020 Water Supply Agreement. If Paygo capital costs are incurred, they will be submitted separately for review and payment.
- A favorable \$104K State Water Project annual payment variance.

**MWD DIRECT EXPENSE**

MWD Direct expenses are favorable, \$325K and 12% less than the YTD budget.

- Water Treatment favorable \$181K and 14% less than the YTD budget.
  - ⬆ Personnel favorable \$46K due to timing; Favorable OT & Standby pay; Favorable CalPERS UAL & Favorable EE Benefits.
  - ⬆ Repairs unfavorable (\$39K) due to unanticipated pump station maintenance.
  - ⬆ Outside Services favorable \$122K due to timing of Treatment Plant improvements.
  - ⬆ Electric Utilities favorable \$26K due to SCE bills trailing reporting periods.

- Transmission & Distribution favorable \$148K and 12% less than the YTD budget.
  - ▲ Personnel budget favorable \$53K. Due to timing and standby pay.
  - ▲ Electric Utilities favorable \$69K due to SCE bills trailing reporting periods.

### **NOTE 3 – MWD INDIRECT EXPENSES**

Indirect expenses favorable \$688K and 20% less than the YTD budget.

- Customer Services unfavorable (\$69K) and 29% greater than the YTD budget.
  - ▲ Outside Services unfavorable (\$29K) due to temp-to-hire services.
  - ▲ Personnel costs favorable \$25K.
  - ▲ Credit Card Processing Service unfavorable (\$58K) due to reclassification from Administration.
- Conservation favorable \$53K and 41% less than the YTD budget.
  - ▲ Personnel budget favorable \$19K due to timing & favorable EE Benefits.
  - ▲ Rebate Program Administration favorable \$24K, due to fewer than expected rebates.
- Fleet favorable \$29K and 15% less than the YTD budget.
  - ▲ Personnel budget favorable \$11K due to timing & favorable EE Benefits.
  - ▲ Fuels favorable \$10K.
- Engineering favorable \$407K and 40% less than the YTD budget.
  - ▲ Personnel Costs favorable \$72K, due to timing & wages allocated to CIP.
  - ▲ Outside Services favorable \$348K driven by reclassification of Juncal Dam Emergency Release Valve Rehabilitation Project as CIP per CPA guidance and other unexpended consultant activity related to parcel budgets, asset management and pilot injection well study.
- Administration favorable \$141K and 9% less than the YTD budget.
  - ▲ Outside Services favorable \$166K, partially due to \$75K LAFCO Consolidation Application which is no longer being prepared and other pending studies.
  - ▲ General Liability Insurance unfavorable (\$88K) primarily due to additional \$67K Juncal Dam Failure Liability insurance obtained following Board approval in August 2023.
  - ▲ Credit Card Processing Service favorable \$64K due to reclassification to Customer Services.
- Legal favorable \$87K and 43% less than the YTD budget.
  - ▲ Due to trailing General Legal bills received YTD and lower than anticipated Special Legal expenses YTD.

- Public Information favorable \$44K and 32% less than the YTD budget.
  - ▲ Personnel budget favorable \$17K due to timing and lower EE benefits.
  - ▲ Public Outreach and Printing / Publishing Services favorable \$20K.

#### **NOTE 4 – NON-OPERATING ACTIVITY**

Non-operating income/(loss) is a favorable \$531K YTD and 208% greater than budgeted.

#### **NON-OPERATING REVENUE**

Non-operating revenue favorable \$519K and 185% greater than the YTD budget.

- Rental Revenue favorable \$31K due to recording FYE2024 Q1 and Q2 GSA in Office Space Rent instead of Reimbursements.
- District YTD Investment earnings favorable \$83K.
  - ▲ \$54K received for WSA true-up interest for FYE 2023.
  - ▲ \$239K received in T-Bill earnings YTD of which \$37K was received during January 2024.
- Other non-operating revenues are favorable \$405K, driven by recognition of
  - ▲ \$263K from Thomas Fire Settlement trailing and common benefit holdback funds recognized as revenue in September 2023.
  - ▲ Return of \$142K unexpended FYE2023 funds from COMB in January 2024.

#### **NON-OPERATING EXPENSES**

Non-operating expenses are favorable \$12K and 2% less than the YTD budget due to slightly lower than budgeted 2020 COP Bonds interest payment.

#### **NOTE 5 – TOTAL CAPITAL CONTRIBUTIONS**

Total Capital Contributions are unfavorable (\$1.2M) and 76% less than the YTD budget.

- Capital Grants & Reimbursements are unfavorable (\$1.3M).
  - P79 US 101 Segment 4C US: \$187K of \$850K FYE24 budget spent to-date. Balance to be spent starting in April. SBCAG to reimburse 55%.
  - P54 ASADRA Reservoir Replacement/Retrofit reimbursement pending Board review of grant agreement
- Capital Cost recovery fees are favorable \$162K due to recognition of customer deposits as revenue following meter upsizing (3/4" to 2") work completed in Sept. 2023.

## **NOTE 6 – TOTAL SPECIAL ITEMS**

Total special items are unfavorable (\$1.6M) and 83% less than the YTD budget, due to:

- Pending FEMA Reimbursements for F24 Juncal Pipeline Repairs. Reimbursements will be requested once project is approved by FEMA.

## **NOTE 7 – SURPLUS/DEFICIT BEFORE DEBT AND CAPITAL**

Surplus/Deficit Before Debt & Capital is unfavorable (\$879K) and (187%) less than the year to date budget.

## **NOTE 8 – DEBT SERVICE**

- Bond principal payment due June 2024.

## **NOTE 9 – NET CAPITAL EXPENDITURES**

Net Capital Expenditures are favorable \$167K and 5% less than the YTD budget.

## **EQUIPMENT ACQUISITION**

Equipment acquisition is favorable \$32K.

- **EQUIPMENT CARRYOVER**

Favorable (\$76K) due to equipment shortages delaying purchase of replacement Treatment service truck budgeted for December 2023.

- **EQUIPMENT FY 2023-24**

Unfavorable (\$44K) due to need to replace Jameson Lake emergency release valve generator as approved by the Board on 9/1/2023.

## **SYSTEM PROJECTS**

System Projects are favorable at \$1.3M.

- **SYSTEM PROJECTS CARRYOVER**

- ▲ P61 Bella Vista Storage Building; Favorable \$65K.
  - Work began in December 2023, billing slightly behind timing of adopted budget.
- ▲ P77 Monte Cristo and Channel Drive Water Main Replacements; Unfavorable (\$120K.)
  - The variance is due to unbudgeted inventory disbursements totaling approx. \$100K, with the remainder driven by two change orders authorized by GM.
- ▲ P78 Buena Vista Water Main Replacement; Favorable \$530K.
  - Work is scheduled to begin in February 2024.



- ▲ P79 US101 Segment 4C Crossing Construction; Favorable \$663K.
    - Work rescheduled to March 2024 and targeted to be completed prior to end of the FY.
  - ▲ P87 Ennisbrook 2 Backwash Recycling System; Favorable \$69K.
    - Work began in December 2023, pending contractor billing.
  - ▲ P88 Juncal Dam Emergency Release Valve Rehabilitation Project; Unfavorable (\$63K).
    - Budgeted as Engineering Outside Service and reclassified to CIP per CPAs. Design work complete. Valve rehabilitation pending materials delivery.
  - ▲ A1 Alder Creek Flume (FEMA 6.25% match); Favorable \$40K.
    - Work on hold pending US Forest Service meeting and direction.
  - ▲ P54 ASADRA Reservoir Replacement/Retrofit Project; Favorable \$30K.
    - Draft funding agreement work continues; all other work pending Board review.
- **SYSTEM PROJECTS FY 2023-24**
  - ▲ P97 Small Water Main Replacements (La Vereda, Edgecliff); Unfavorable (\$133K).
    - Project completed ahead of schedule. The Board approved construction contract of \$218,850 on 9/14/23.
  - ▲ P99 Highline Water Main Replacement (Design); Favorable \$111K.
    - Work commenced October 2023, billing slightly behind timing of adopted budget.
  - ▲ P102 Bella Vista Backup Generator Site Work; Favorable \$60K.
    - Project rescheduled to FYE2026. FYE2024 funding to be reallocated to Romero Reservoir backup generator site work.
  - ▲ P108 District Wide Fire Hydrant Improvements; Favorable \$40K.
    - Project design completed in-house. Awaiting contractor bids.

## **EXTRAORDINARY PROJECTS**

Extraordinary Projects are unfavorable (\$1.2M).

- F24 Juncal Pipeline Repair; Unfavorable (\$1.4M).
  - ▲ The Board approved \$1.6M in contract amendments at 9/1/2023 meeting and an additional \$660K at 10/30/2023 meeting. 95% of expenses to be offset with FEMA funding.
- F25 FEMA Highline Replacement Project; Favorable \$119K.
  - ▲ Pending FEMA approval, expected in February 2024.
- P111 Recycled Water Project Design & Environmental; Favorable \$33K.
  - ▲ Pending Board review of funding opportunity.

#### **NOTE 10 – CASH IMPACT BEFORE FUND TRANSFERS**

Unfavorable (\$706K) YTD.

#### **NOTE 11 – TRANSFERS TO/FROM RATE STABILIZATION FUND (To/from operating account)**

- \$159,233 WSA (Desal) Prefunding

#### **NOTE 12 – MWD CASH IMPACT (AFTER TRANSFERS)**

Unfavorable (\$966K) YTD.

#### **NOTE 13 – REVENUE RISKS & OPPORTUNITIES**

Risks:

- Water sales continue below budget, particularly if strong El Nino conditions continue this winter (2023/24).

Opportunities:

- FEMA Reimbursement for January 9-10, 2023, storm damages, as summarized below:

Damage Repair Project	Total Estimated Cost	Current Status
Juncal Pipeline Repair	\$ 5,450,000	Completed Nov. 2023
Highline Repair at Bella Vista	\$ 4,500,000 (est.)	Construction not started; in permitting phase
<b>TOTAL</b>	<b>\$ 9,450,000</b>	

- FEMA approved 2018 Direct Administrative Cost (DAC) reimbursement of \$411,766 pending completion of Alder Flume.
- Receipt of \$220K grant from SWRCB for Enhanced Recycled Water Feasibility Analysis, which will be split 50/50 with MSD.
- Receipt of \$902K reimbursement from DWR for ASADRA planning costs upon execution of a funding agreement (expected late FYE2024).

#### **NOTE 14 – EXPENDITURE RISKS & OPPORTUNITIES**

Risks:

- Continued inflation related to Direct and Indirect Expenses: i.e., fuel, labor, and materials.
- Increases in Water Supply Agreement (Desal), variable costs and pay-go capital.
- Increases in construction costs for Capital Improvement Projects (CIP), i.e., pipeline replacements.

- Denial of required permit(s) from regulatory agencies resulting in required payback of FEMA funding for the Alder Creek Flume Repair Project (approx. \$350K to-date).
- Recycled Water Project: If the Board accepts \$1M grant and decides to proceed with design and environmental review, MWD will be required to fund half the project costs or about \$1M. There is a possibility that MSD would split the \$1M, but this is uncertain.

Opportunities:

- Increased deliveries from Jameson and decreased from Cachuma.

# MONTECITO WATER DISTRICT

## STATEMENT OF NET POSITION

### (UNAUDITED)

YEAR-TO DATE  
January 31, 2024  
(UNAUDITED)

**Assets**

**Current:**

**Cash and Investments:**

**Funds Analysis**

**Restricted Funds**

CCWA Rate Coverage Reserve	1,495,258
WSA Debt Service Coverage Deposit	280,928
WSA Debt Service Reserve Deposit	617,400
Thomas Fire/Debris Flow CalOES/FEMA Reserve	1,514,874
<b>Total Restricted Funds</b>	<b>3,908,460</b>

**Committed Funds**

Reserve for Operations	2,800,000
Reserve for Emergencies	500,000
Reserve for Unanticipated/Unplanned Capital Repair & Repl	500,000
WSA Paygo Capital Reserve	425,311
WSA (Desal) Prefunding Reserve	2,706,974
<b>Total Committed Funds</b>	<b>6,932,285</b>

**Assigned Funds**

SWP Prefunding Reserve	2,538,942
<b>Total Assigned Funds</b>	<b>2,538,942</b>

**Total Restricted, Committed and Assigned Funds**      **13,379,688**

**Total Unassigned/Unrestricted Funds**      **3,708,440**

**Total Funds**      **17,088,128**

Smart Rebates Program Funding	16,763
Semitropic Shares	1,924,510

**Other Investments**      **1,941,273**

**Total Funds and Other Investments**      **19,029,402**

# MONTECITO WATER DISTRICT

## STATEMENT OF NET POSITION

### (UNAUDITED)

YEAR-TO DATE

January 31, 2024

(UNAUDITED)

**Receivables:**

Utility billing - water sales & services, net	1,223,024
Accounts receivable - other	1,865
Loan receivable - GSA	-
Lease receivable	71,702
ACWA JPIA CLAIM RECEIVABLE	1,291.66
Inventory - materials and supplies	1,133,223
Prepaid water charges	1,565,895
Prepaid expenses and other deposits	3,709
<b>Total Receivables, Prepaid and other deposits:</b>	<b>4,000,709.17</b>
<b>Total Current Assets</b>	<b>23,030,111</b>

**Noncurrent:**

Capital assets - not being depreciated	8,864,172
Capital assets - being depreciated, net	45,721,300
<b>Total Noncurrent Assets</b>	<b>54,585,471</b>
<b>TOTAL ASSETS</b>	<b>77,615,582</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pensions	1,489,133
<b>Total Deferred Outflows of Resources</b>	<b>1,489,133</b>

<b>TOTAL COMBINED ASSETS</b>	<b>79,104,716</b>
------------------------------	-------------------

# MONTECITO WATER DISTRICT

## STATEMENT OF NET POSITION

### (UNAUDITED)

YEAR-TO DATE  
January 31, 2024  
(UNAUDITED)

#### Liabilities

##### **Current:**

Accounts payable and accrued expenses	(976,804)
Accrued wages and related payables	7,423
Unearned revenue and other deposits	(197,220)

##### **Long-term liabilities - due within one year:**

SoCal Edison Holdback	(1,514,874)
-----------------------	-------------

##### **Total Current Liabilities**

**(2,681,475)**

##### **Noncurrent:**

Accrued compensated absences	(625,915)
2020 COP REFUNDING BONDS	(8,515,000)
PREMIUM PREPAID INT - 2020 COP	(1,507,170)
OPEB	(2,074,461)
Net Pension Liability	(3,139,998)

##### **Total Noncurrent Liabilities**

**(15,862,544)**

##### **Total Liabilities**

**(18,544,019)**

#### DEFERRED INFLOWS OF RESOURCES

Deferred pensions	(3,536,815)
Deferred Inflows-2020 Deferred Amnt on Refunding	(224,664)
Deferred Inflows - Leases	(64,721)

##### **Total Deferred Inflows of Resources**

**(3,826,200)**

#### NET POSITION

Net investment in capital assets	54,585,471
Restricted, Committed and Assigned	15,320,961
Change in net position	(409,818)
Unrestricted	31,978,320

##### **Total Net Position**

**101,474,935**

##### **Combined Liabilities, Deferrals & Net Position**

**79,104,716**

# MONTECITO WATER DISTRICT

## STATEMENT OF CASH FLOWS

### (UNAUDITED)

	YEAR-TO-DATE January 31, 2024 (UNAUDITED)
<b>Cash flows from operating activities:</b>	
Cash receipts from customers and others	15,200,793
Cash paid to employees for salaries and wages	(2,238,402)
Supplier disbursements	(9,390,924.69)
<b>Net cash provided by operating activities</b>	<b>3,571,466</b>
<b>Cash flows from non-capital financing activities:</b>	
Rental Revenue	58,452
Joint-project agreement cost commitments	(4,846,772)
Prepaid Items	(5,405)
GSA short-term loan activity	-
Transfers-In	1,114,631
Other non-operating revenue, net	448,400
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(2,976,697)</b>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(2,917,484)
Proceeds from the sales of capital assets	-
Proceeds from local capital contributions	370,485
Reimbursements & Grants	-
FEMA grants received	327,190
Principal paid on long-term debt	-
Interest paid on long-term debt	200,000
<b>Net cash used in capital and related financing activities</b>	<b>(2,346,999)</b>
<b>Cash flows from investing activities</b>	
Investment earnings	292,867
<b>Net cash provided by investing activities</b>	<b>292,867</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(1,459,363)</b>
<b>Cash and cash equivalents:</b>	
Beginning of period	20,488,765
End of period (year-to-date)	19,029,402
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>	
Cash and investments - cash equivalents	5,649,714
Reserves	13,379,688
Cash and investments - cash equivalents	19,029,402

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# DASHBOARD REPORT WATER SALES (AF)

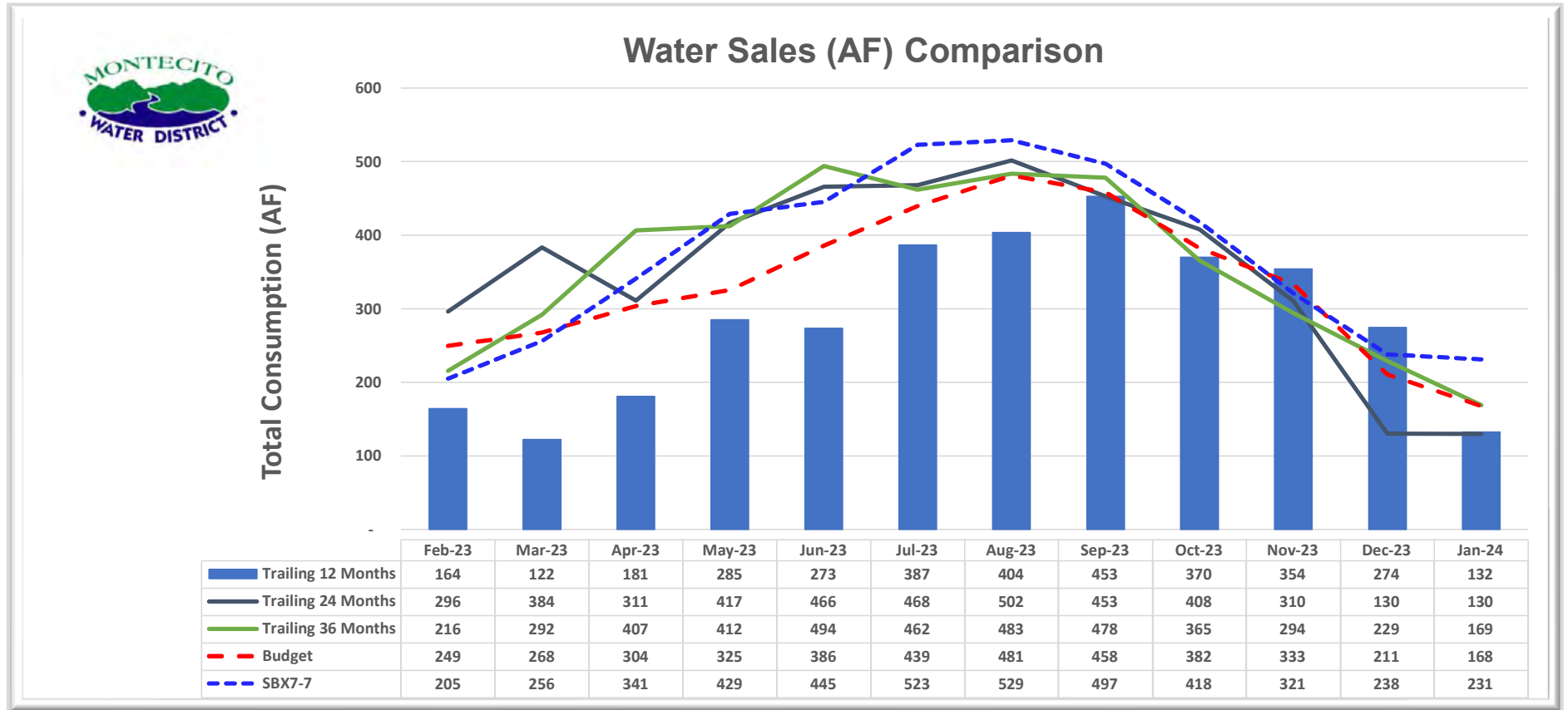
MONTH ENDING  
1/31/2024

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	100	129	-29	(23%)
Multi Family	4	5	-1	(15%)
Agricultural	3	6	-3	(53%)
Institutional	11	9	1	14%
Commercial	13	15	-3	(16%)
Non-Potable	1	2	-1	(48%)
Monthly Total	132	168	-35	(21%)
YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	1791	1824	-33	(2%)
Multi Family	61	60	1	1%
Agricultural	153	182	-29	(16%)
Institutional	163	169	-6	(4%)
Commercial	130	140	-10	(7%)
Non-Potable	75	97	-21	(22%)
Yearly Total	2374	2473	-99	(4%)

*Fiscal Year = July thru June*

1 AF = 435.6 HCF of Water

1 HCF = 748 Gallons of Water



	Trailing 12 Month Sales are	3,399	Acre Feet			
	Trailing 24 Month Sales are	4,273	Acre Feet	and	25.7%	MORE Than Trailing 12 Month Sales
	Trailing 36 Month Sales are	4,301	Acre Feet	and	26.5%	MORE Than Trailing 12 Month Sales
	The Trailing 12 Month Budget is	4,004	Acre Feet	and	15.1%	MORE Than Trailing 12 Month Sales
	SBX7-7 as of 6/30/2020	4,433	Acre Feet	and	30.4%	MORE Than Trailing 12 Month Sales



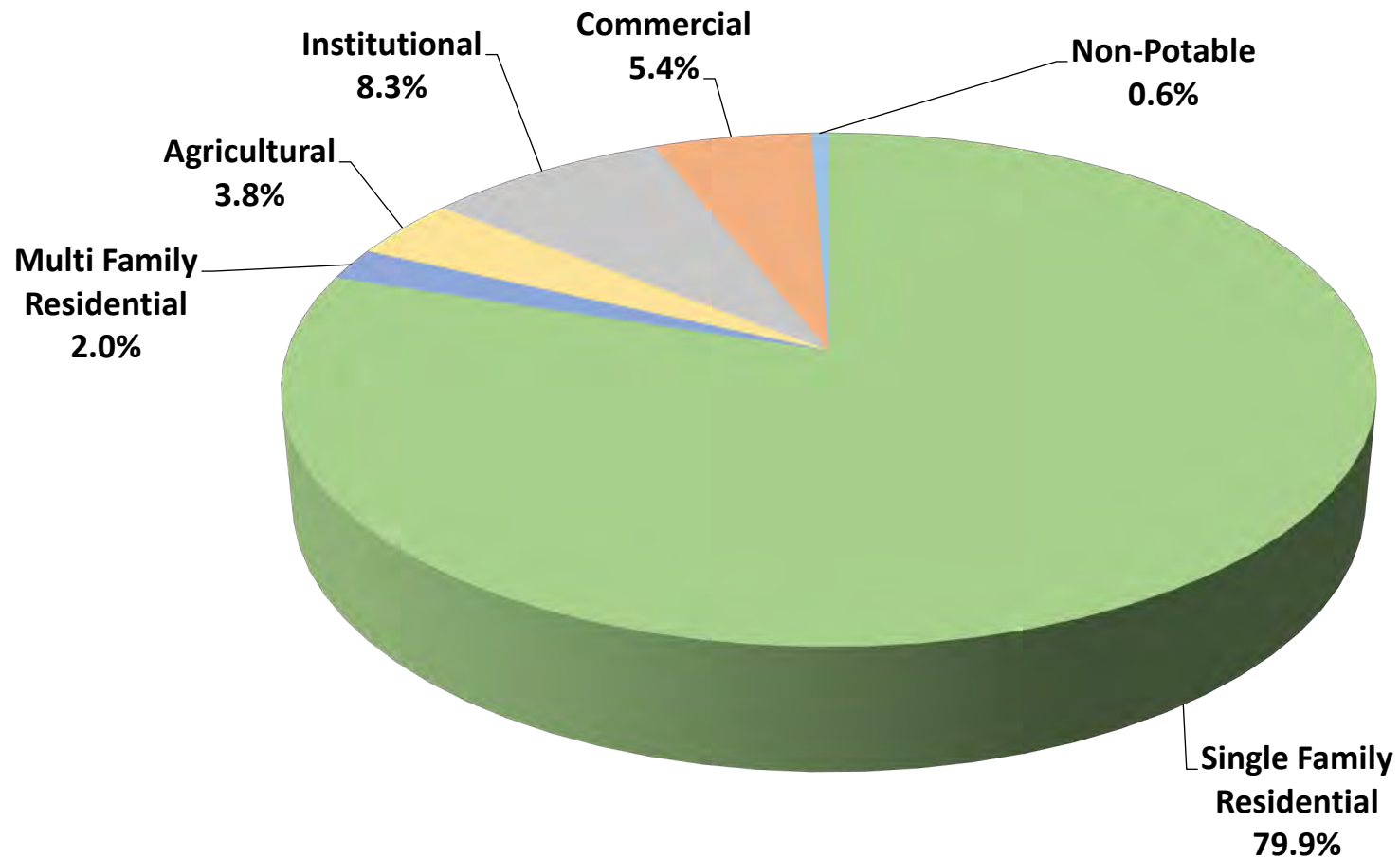
## DASHBOARD REPORT WATER SALES (\$)

MONTH ENDING  
1/31/2024

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	MTD ACTUALS	MTD BUDGET	VARIANCE	
			\$	%
Single Family	\$ 407,935	\$ 540,429	\$ (132,494)	(25%)
Multi Family	\$ 13,707	\$ 16,256	\$ (2,549)	(16%)
Agricultural	\$ 7,937	\$ 16,627	\$ (8,690)	(52%)
Institutional	\$ 54,062	\$ 47,569	\$ 6,493	14%
Commercial	\$ 59,663	\$ 70,652	\$ (10,989)	(16%)
Non-Potable	\$ 851	\$ 1,651	\$ (800)	(48%)
Monthly Total	\$ 544,155	\$ 693,184	\$ (149,029)	(21%)
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	YTD ACTUALS	YTD BUDGET	VARIANCE	
			\$	%
Single Family	\$ 8,590,343	\$ 8,739,802	\$ (149,459)	(2%)
Multi Family	\$ 215,971	\$ 214,685	\$ 1,286	1%
Agricultural	\$ 407,632	\$ 479,456	\$ (71,824)	(15%)
Institutional	\$ 888,867	\$ 848,851	\$ 40,016	5%
Commercial	\$ 578,908	\$ 640,555	\$ (61,647)	(10%)
Non-Potable	\$ 65,924	\$ 83,404	\$ (17,480)	(21%)
Annual Total	\$ 10,747,645	\$ 11,006,753	\$ (259,108)	(2%)

*Fiscal Year = July thru June*

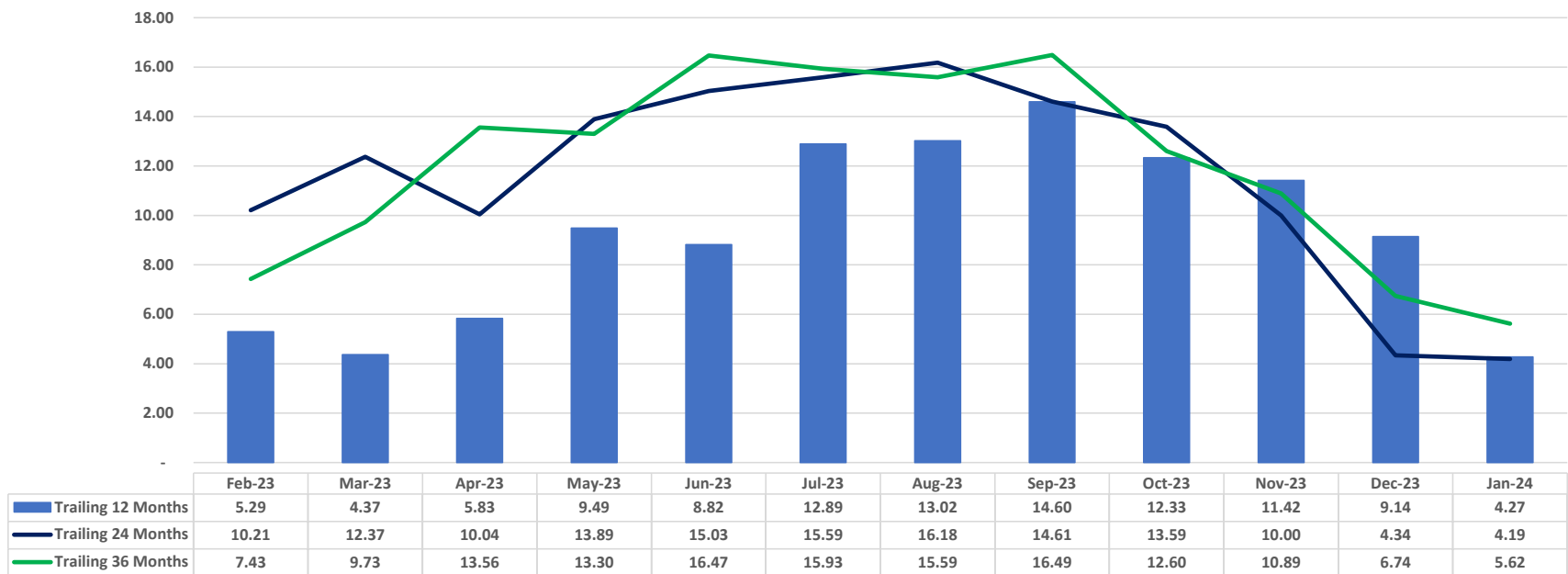
## Total YTD Water Sales (\$) by Classification





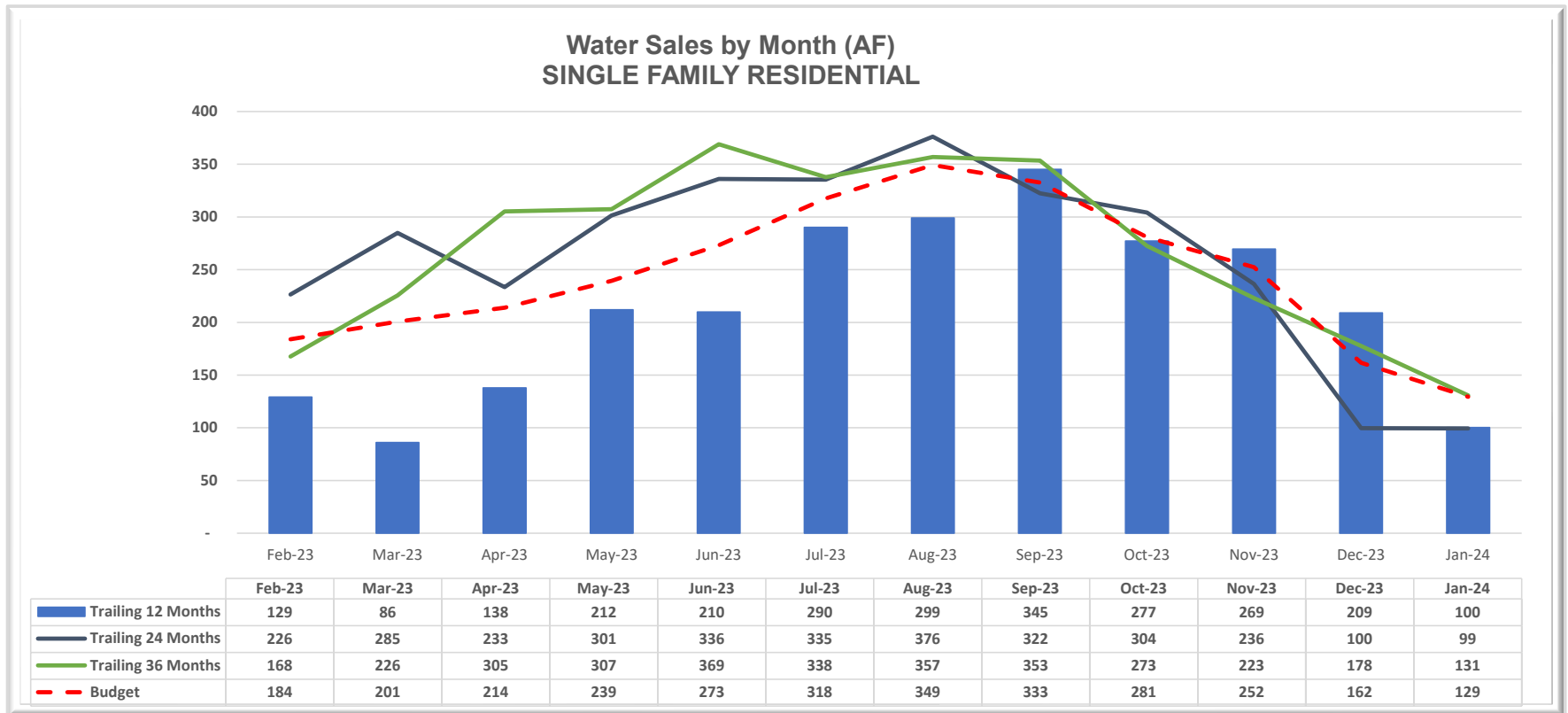
MONTH ENDING 1/31/2024

Average Daily Water Sales Per Month (AF)





MONTH ENDING 1/31/2024

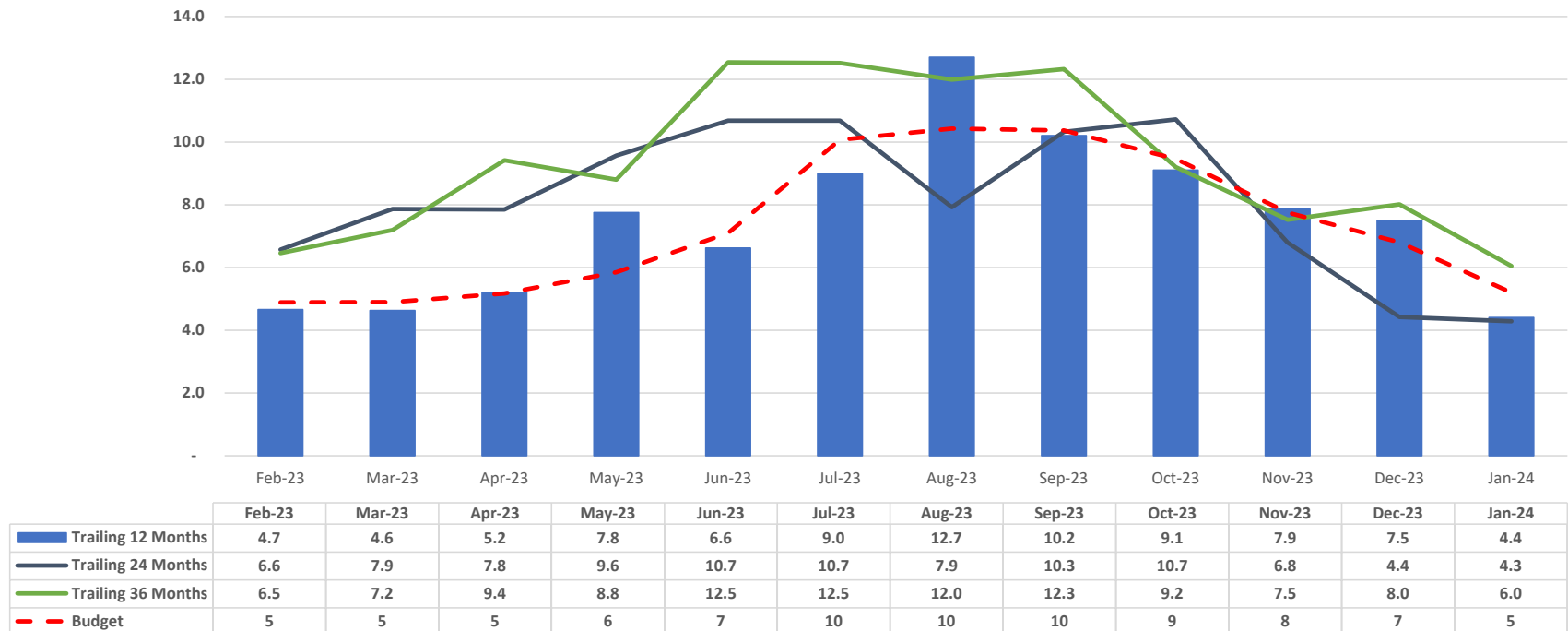


	Trailing 12 Months	(SINGLE FAMILY RESIDENTIAL)	2,565	AF
	Trailing 24 Months	(SINGLE FAMILY RESIDENTIAL)	3,156	AF
	Trailing 36 Months	(SINGLE FAMILY RESIDENTIAL)	3,227	AF
	Trailing 12 Month Budget (SFR)		2,935	AF
	Trailing 12 Months	versus Trailing 24 Months	(18.7%)	
	Trailing 24 Months	versus Trailing 36 Months	(20.5%)	
	Trailing 12 Months vs. Budget		(12.6%)	



MONTH ENDING 1/31/2024

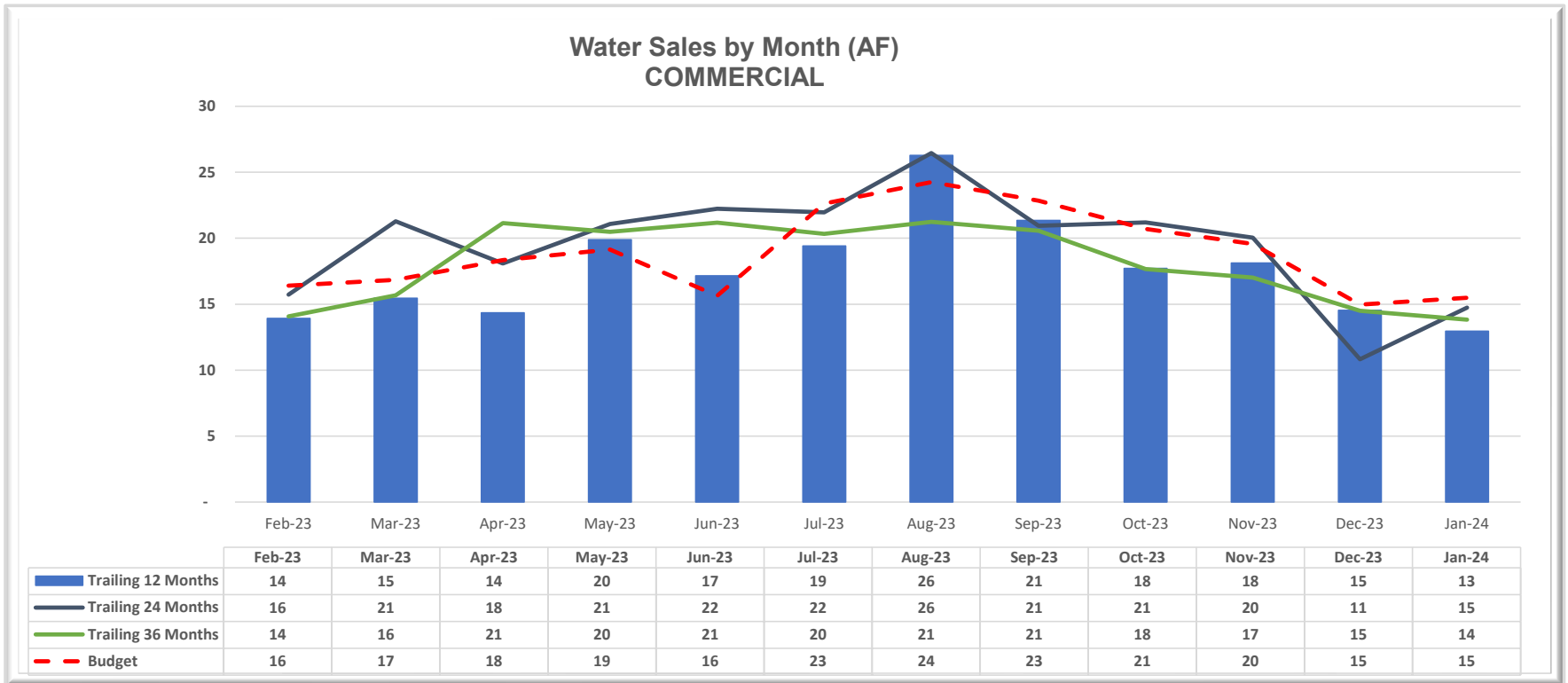
Water Sales by Month (AF)  
MULTI FAMILY RESIDENTIAL



	Trailing 12 Months	(SINGLE FAMILY RESIDENTIAL)	90 AF
	Trailing 24 Months	(SINGLE FAMILY RESIDENTIAL)	98 AF
	Trailing 36 Months	(SINGLE FAMILY RESIDENTIAL)	112 AF
	Trailing 12 Month Budget (MFR)		88 AF
	Trailing 12 Months	versus Trailing 24 Months	(8.2%)
	Trailing 24 Months	versus Trailing 36 Months	(20.0%)
	Trailing 12 Months vs. Budget		1.9%



MONTH ENDING 1/31/2024

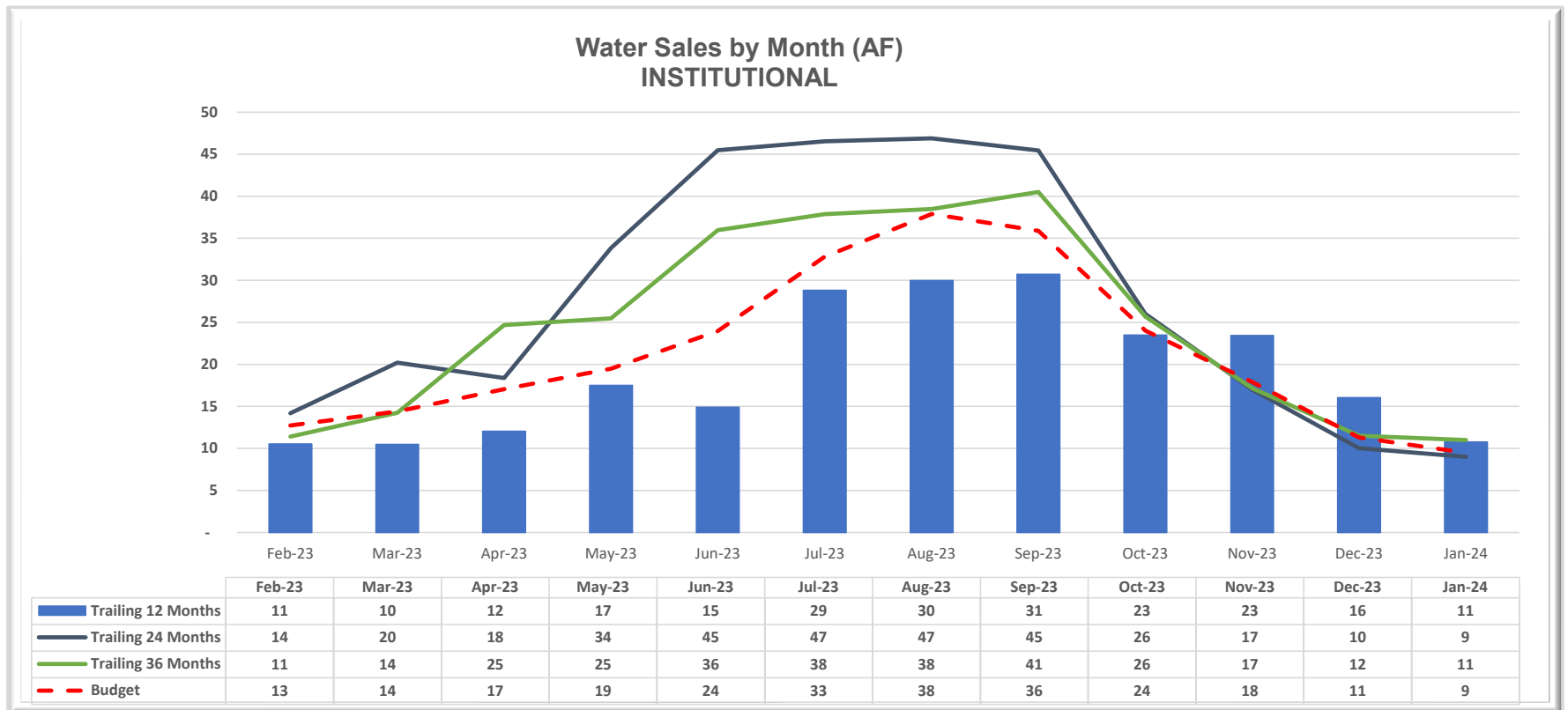


	Trailing 12 Months	(COMMERCIAL)	211	AF
	Trailing 24 Months	(COMMERCIAL)	235	AF
	Trailing 36 Months	(COMMERCIAL)	218	AF
	Trailing 12 Month Budget	(COMMERCIAL)	227	AF
	Trailing 12 Months	versus	Trailing 24 Months	(10.0%)
	Trailing 24 Months	versus	Trailing 36 Months	(3.0%)
	Trailing 12 Months vs. Budget			(6.9%)





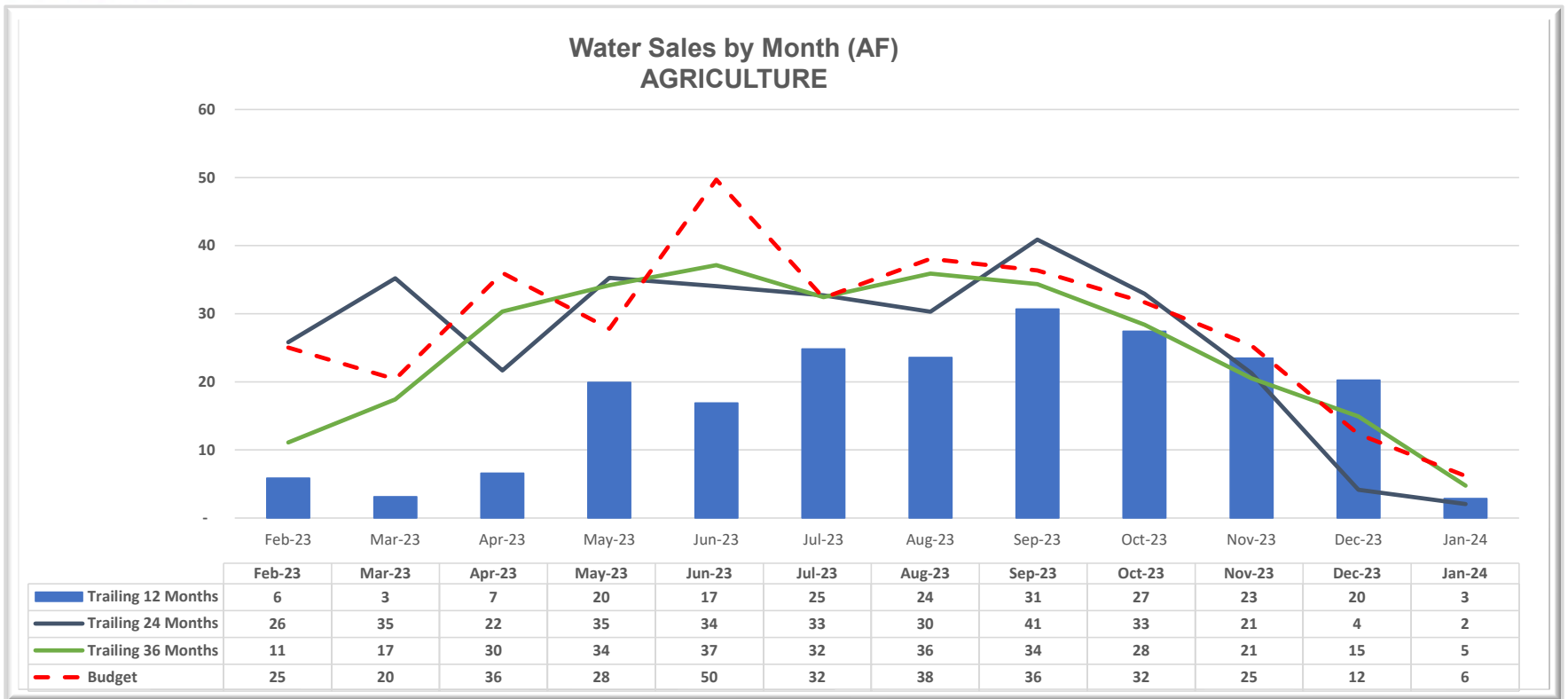
MONTH ENDING 1/31/2024



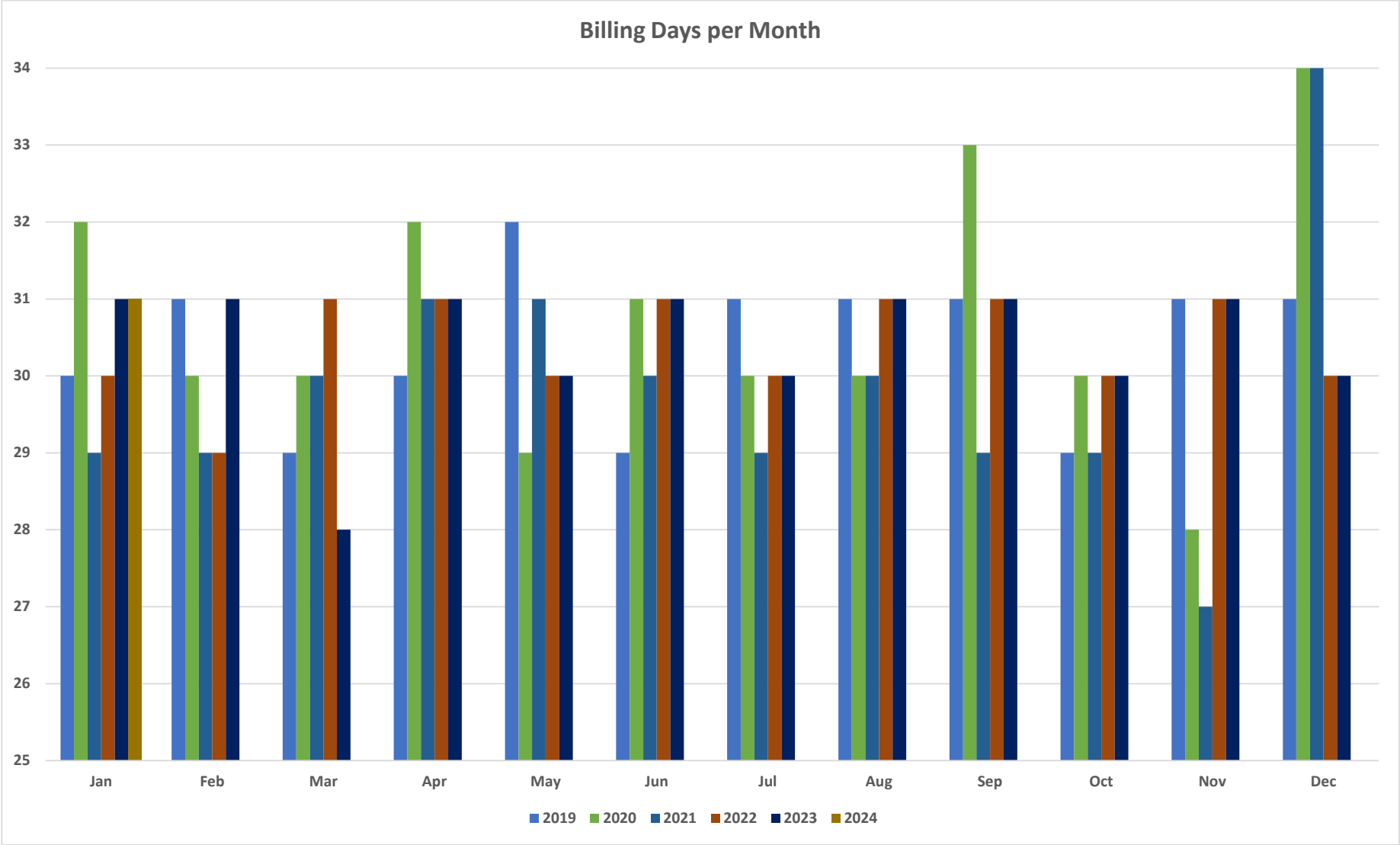
Trailing 12 Months	(INSTITUTIONAL)	229 AF	
Trailing 24 Months	(INSTITUTIONAL)	333 AF	
Trailing 36 Months	(INSTITUTIONAL)	294 AF	
Trailing 12 Month Budget	(INSTITUTIONAL)	257 AF	
Trailing 12 Months	versus	Trailing 24 Months	(31.3%)
Trailing 24 Months	versus	Trailing 36 Months	(22.2%)
Trailing 12 Months	vs.	Budget	(11.0%)



MONTH ENDING 1/31/2024



Trailing 12 Months (AGRICULTURE)	206 AF
Trailing 24 Months (AGRICULTURE)	316 AF
Trailing 36 Months (AGRICULTURE)	302 AF
Trailing 12 Month Budget (AGRICULTURE)	341 AF
Trailing 12 Months versus Trailing 24 Months	(35.0%)
Trailing 24 Months versus Trailing 36 Months	(31.8%)
Trailing 12 Months vs. Budget	(39.8%)



**MONTECITO WATER DISTRICT  
METERED WATER SALES - ACRE FEET  
HISTORICAL CONSUMPTION THROUGH JANUARY 2024**

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	4,974.44
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	4,308.59
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	4,812.84
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	5,341.16
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	4,910.40
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	5,234.00
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	5,193.86
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	6,054.61
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	5,447.84
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	5,065.18
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	6,333.50
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	6,518.40
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	5,964.37
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	5,245.53
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	4,715.58
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	5,302.42
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	5,945.40
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	5,776.10
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	3,331.17
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	3,439.73
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	3,127.21
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	3,783.09
2018/19	440.10	494.70	426.15	341.40	347.12	152.18	150.28	106.55	124.16	314.94	261.63	283.34	3,442.55
2019/20	386.80	427.22	442.30	407.11	374.24	132.35	160.06	275.91	194.53	209.39	378.67	432.92	3,821.50
2020/21	448.71	460.54	473.21	389.04	337.88	414.20	231.38	215.55	291.88	406.67	412.43	494.03	4,575.52
2021/22	462.00	483.40	478.10	365.40	294.00	229.00	168.70	296.00	383.50	311.10	416.70	466.00	4,353.90
2022/23	467.69	501.72	452.87	407.64	310.02	130.06	129.86	164.13	122.24	180.85	284.78	273.41	3,425.25
2023/24	386.80	403.50	452.70	369.80	354.10	274.20	132.30						2,373.40
AVERAGE	565.73	590.20	538.31	461.86	343.35	260.30	227.38	226.28	273.82	367.05	460.75	493.50	4,743.48
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	6,518.40
MINIMUM	353.90	360.73	346.39	341.40	214.10	130.06	97.59	88.78	117.24	180.85	261.63	273.41	3,127.21
23/24 % VS AVERAGE	68%	68%	84%	80%	103%	105%	58%	0%	0%	0%	0%	0%	50%
23/24 % VS MAXIMUM	48%	48%	60%	55%	67%	55%	25%	0%	0%	0%	0%	0%	36%

**DISTRIBUTION OF METERED WATER USE  
FY 1997 TO CURRENT**

Total METER Connections =	4,668
Less Total CONSTRUCTION METER Connections =	14
Less Total OFF Connections =	12
Total ACTIVE METER Connections =	4,642
The Total of all MAXIMUM months =	7497.13
The Total of all MINIMUM months =	2766.07

**MONTECITO WATER DISTRICT  
WATER SALES ANALYSIS  
FOR FISCAL YEAR 2023/24**

MONTH	% SALES BREAKDOWN	2022/23 ACTUAL SALES (*)		2023/24 BUDGET SALES		2023/24 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF		AF		AF		AF	%	\$	%	AF	%	\$	%
			\$		\$		SALES								
JUL	11.3%	467.7	2,073,752	439.4	\$1,969,441	386.8	\$1,768,613	(80.9)	(17.3%)	-\$305,139	(14.7%)	(52.6)	(12.0%)	(200,828)	(10.2%)
AUG	12.6%	501.7	2,398,891	481.1	\$2,193,185	403.5	\$1,871,183	(98.2)	(19.6%)	-\$527,708	(22.0%)	(77.6)	(16.1%)	(322,002)	(14.7%)
SEP	11.9%	452.9	2,020,135	458.2	\$2,078,351	452.7	\$1,993,009	(0.2)	(0.0%)	-\$27,125	(1.3%)	(5.5)	(1.2%)	-\$85,342	(4.1%)
OCT	9.8%	407.6	1,812,998	382.2	\$1,702,855	369.8	\$1,746,266	(37.8)	(9.3%)	-\$66,732	(3.7%)	(12.4)	(3.2%)	\$43,411	2.5%
NOV	8.5%	310.0	1,307,678	333.4	\$1,480,652	354.1	\$1,610,493	44.1	14.2%	\$302,815	23.2%	20.7	6.2%	\$129,840	8.8%
DEC	5.1%	130.1	482,707	210.6	\$889,085	274.2	\$1,213,925	144.1	110.8%	\$731,217	151.5%	63.6	30.2%	\$324,840	36.5%
JAN	4.0%	129.9	520,100	167.7	\$693,183	132.3	\$544,155	2.4	1.9%	\$24,054	4.6%	(35.4)	(21.1%)	-\$149,029	(21.5%)
FEB	5.1%	164.1	655,908	211.5	\$894,020	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAR	4.7%	122.2	479,840	199.2	\$821,331	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
APR	7.5%	180.8	740,405	301.2	\$1,315,649	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	8.9%	284.8	1,419,041	353.0	\$1,556,855	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.6%	273.4	1,175,668	412.4	\$1,846,375	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,425	\$15,087,123	3,950	\$17,440,982	2,373.4	\$10,747,644	(26.4)	(1.1%)	\$131,382	1.2%	(99.1)	(4.0%)	(\$259,109)	(2.4%)

**YTD ACTUAL WATER SALES COMPARISON  
FOR FISCAL YEAR 2023/24**

	2022/23 ACTUAL SALES (YTD)		2023/24 BUDGET SALES (YTD)		2023/24 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF		AF		AF		AF	%	\$	%	AF	%	\$	%
		\$		\$		\$								
Cummulative (YTD)	2,399.8	10,616,262	2,472.5	\$11,006,753	2,373.4	\$10,747,644	(26.4)	(1.1%)	131,382.2	1.2%	(99.1)	(4.0%)	(259,108.9)	(2.4%)

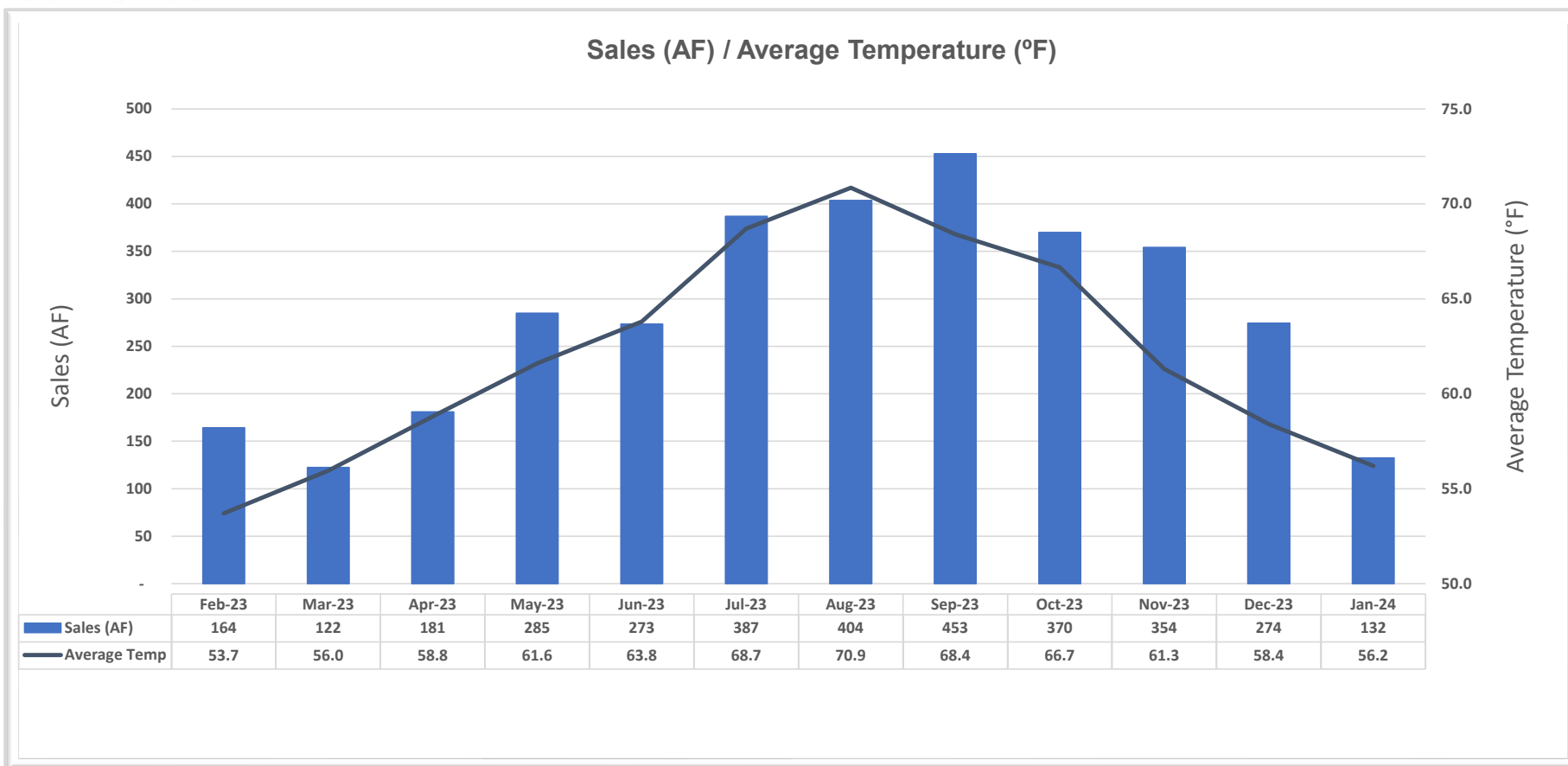
**QUARTERLY COMPARISON - ACTUALS THROUGH JAN 2024 (\*)**

	2022/23 ACTUAL SALES		2023/24 BUDGET SALES		2023/24 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF		AF		AF		AF	%	\$	%	AF	%	\$	%
		\$		\$		\$								
Jul-Sep (Actual)	1,422.3	6,492,778	1,378.7	\$6,240,977	1,243.0	\$5,632,806	(179.3)	(12.6%)	(\$859,972)	(13.2%)	(135.7)	(9.8%)	(\$608,171)	(9.7%)
Oct-Dec (Actual)	847.7	3,603,383	926.2	4,072,592	998.1	\$4,570,683	150.4	17.7%	\$967,300	26.8%	71.9	7.8%	\$498,091	12.2%
Jan-Mar (Actual)	416.2	1,655,848	578.4	2,408,535	132.3	\$544,155	(283.9)	(68.2%)	(\$1,111,694)	(67.1%)	(446.1)	(77.1%)	(\$1,864,380)	(77.4%)
Apr-Jun (Actual)	739.0	3,335,114	1,066.5	4,718,878	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,425	\$15,087,123	3,950	\$17,440,982	2,373.4	\$10,747,644	(312.8)	(1.1%)	(\$1,004,366)	1.2%	(509.8)	(4.0%)	(\$1,974,460)	(2.4%)

(\*) 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



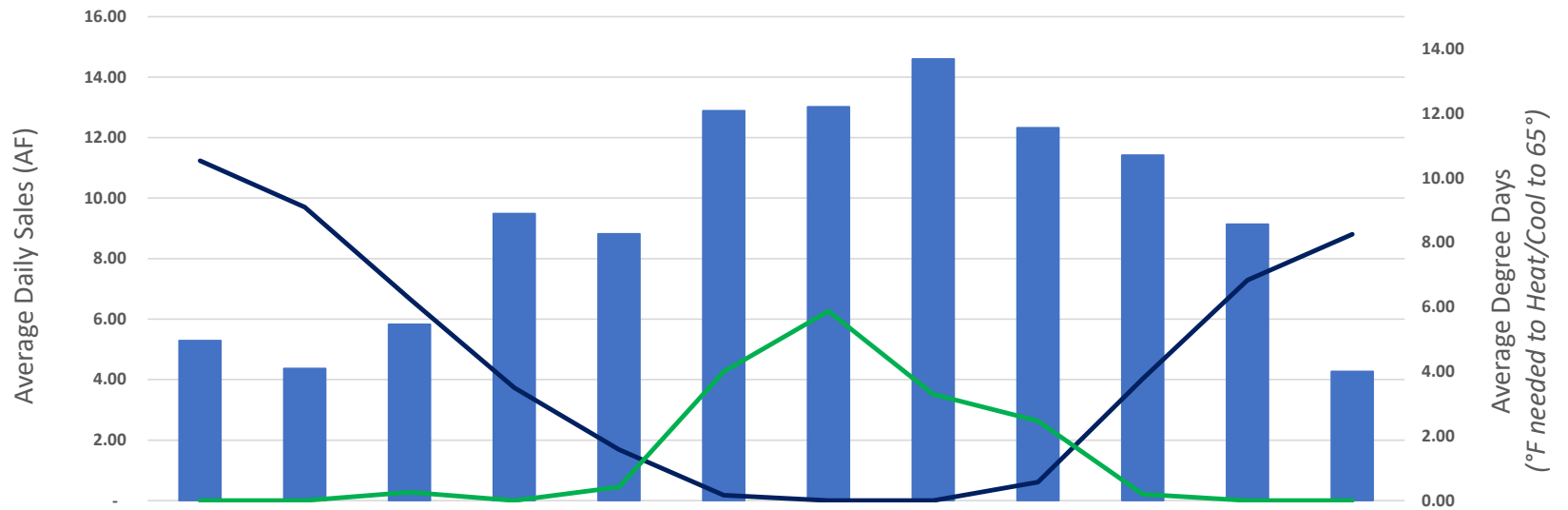
MONTH ENDING 1/31/2024





MONTH ENDING 1/31/2024

Average Daily Sales (AF) & Average Degree Days (Base 65°F)



	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
AVG Daily Sales (AF)	5.29	4.37	5.83	9.49	8.82	12.89	13.02	14.60	12.33	11.42	9.14	4.27
AVG Heating Degree Days	10.53	9.10	6.26	3.50	1.58	0.17	0.00	0.00	0.57	3.77	6.83	8.26
AVG Cooling Degree Days	0.00	0.00	0.26	0.00	0.42	4.00	5.87	3.29	2.46	0.19	0.00	0.00

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**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-E**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: GENERAL MANAGER**

**SUBJECT: WATERWORKS REPORT FOR JANUARY 2024**

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**RECOMMENDATION:**

Information only.

**DISCUSSION:**

The District's Waterworks Report for January 2024 is provided in Attachment 1. The report provides the District's water use for the month, including total use in acre feet (AF) by source, an estimate of unaccounted for water, current customer meter count, total stored water, and water quality. Several highlights include the following:

- Unaccounted for water or water loss is at approximately 5% for the trailing 12 months, a decrease from the historical average of approximately 10%. This decrease is primarily attributable to the District's replacement of all water meters in 2020/2021.
- Water deliveries in accordance with the District's Water Supply Agreement with the City of Santa Barbara, i.e., desalination, were fully received in January 2024 (the full 117.38 AF).
- Water deliveries from Jameson Lake and the Cachuma Project are reduced due to the availability of desalination. Jameson Lake filled and spilled on December 12, 2023, and is at its full capacity of 4,848 AF.
- Groundwater production from District potable wells was zero in January to allow the groundwater basin to recharge during the ongoing wet period.
- Water quality remains in full compliance with required drinking water standards and has been updated per the data in the 2022 Consumer Confidence Report (CCR).

**ATTACHMENT:**

1. Waterworks Report for January 2024

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**MONTECITO WATER DISTRICT**  
**MONTHLY WATER WORKS OPERATION REPORT**  
**January 2024**

**PRODUCTION**

**District Surface Water Sources (AF)**

Jameson Lake <sup>1</sup>	Fox Creek	Doulton Tunnel
15.1	0.0	18.8
		<b>Total Surface Water:</b>
		<b>33.8</b>

**District Potable Wells (AF)**

Amapola	Ennisbrook 2	Ennisbrook 5	Paden 2	L.E. II	T. Mosby Well
0.0	0.0	0.0	0.0	0.0	0.0
					<b>Total Potable Wells:</b>
					<b>0.0</b>

**District Non Potable Wells (AF)**

Las Fuentes	Edgewood Well 3	EVR 3	EVR 4	EVR 6	Valley Club
0.0	1.0	0.0	0.0	0.0	0.0
					<b>Total Non Potable Wells:</b>
					<b>1.02</b>

**South Coast Conduit Deliveries<sup>2</sup> (AF)**

Barker Pass	Office	E Valley	Sheffield	Lambert Rd	
42.0	0.0	98.3	0.7	0.2	
Toro Canyon	Ortega Control (Lat 1)	Ortega Pump	Asegra Road	County Yard	
3.9	2.8	2.8	0.5	0.0	
					<b>City Desal Deliveries<sup>3</sup>:</b>
					<b>117.4</b>
					<b>Cachuma Project Deliveries:</b>
					<b>33.8</b>
					<b>State Water Deliveries:</b>
					<b>0.0</b>
					<b>Total South Coast Conduit Deliveries:</b>
					<b>151.12</b>

**TOTAL DISTRICT PRODUCTION: 186.0**

<sup>1</sup> Jameson Lake includes arch seepage and weirs 1 and 2

<sup>2</sup> Data for all South Coast Conduit deliveries is provided by COMB

<sup>3</sup> The first 117.38 AF from SCC will be accounted as City Desal Deliveries. SCC volumes in excess of 117.38 AF are accounted as Cachuma/State water accordingly.

**METERED USE**

Metered Customer Use (AF):	132.9
City of Santa Barbara Intertie or Transfers (AF):	0.0
Carpinteria Valley Water District Intertie (AF):	0.0
<b>TOTAL METERED USE (AF):</b>	<b>132.9</b>

**UNACCOUNTED WATER<sup>1</sup>**

Total District Production (AF):	186.0	Total Metered Use (AF):	132.9
No. of Days in Production Period:	33	Days in Meter Period:	31
Average Daily Production (AF):	5.6	Average Daily Demand (AF):	4.3
Month's Water Loss (AF):	44.5	Adjusted Meter Use for # of Read Days (AF):	141.5
<b>Month's Percentage Loss<sup>2</sup>:</b>	<b>24%</b>	<b>Water Loss<sup>3</sup> (GAL/mile/d)</b>	<b>4090</b>
<b>Trailing 12 Month Percentage Loss:</b>	<b>5.23%</b>	<b>Water Loss<sup>4</sup> (GAL/connection/d)</b>	<b>101</b>

<sup>1</sup> Defined as the difference between PRODUCTION and METERED USE (or sales). This includes *real loss* such as water main breaks, flushing of water mains and use of fire hydrants and *apparent loss* such as unauthorized use and meter inaccuracy.

<sup>2</sup> Loss as a PERCENTAGE is a poor performance indicator due to seasonal production & sales variability

<sup>3</sup> AWWA only uses loss/mile of pipe for agencies with low density of services (less than 32 connections/mile)

<sup>4</sup> AWWA recommends loss per service connection as a system performance indicator for higher density areas. 60 gal/connection/d is an expected value for the District.

**CUSTOMER METER COUNT**

New Installations:	1
Meters Removed Per Customer Request:	0
Total Meters:	4659
Inactive Meters (disaster related):	12
<b>TOTAL ACTIVE METERS</b>	<b>4647</b>

**MONTECITO WATER DISTRICT**  
**MONTHLY WATER WORKS OPERATION REPORT**  
 January 2024

**STORAGE (AF)**

	Jameson Lake	Lake Cachuma	SWP (Table A + Supple.) in Cachuma	SWP San Luis Reservoir	Banked Water Semitropic
Full Storage Capacity	4,848	193,305			4,500
Percent Full (%)	99.9%	91.2%			
<b>Current MWD Storage</b>	<b>4,843</b>	<b>4,455</b>	<b>0</b>	<b>1,323</b>	<b>3,649</b>
<b>TOTAL STORED WATER (AF)</b>					<b>14,271</b>

**WATER QUALITY<sup>1</sup>**

**Compliance**

The District water quality is in full compliance with State Primary Drinking Water Standards, or Maximum Contaminant Limits (MCLs)

State and Federal MCL link: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/documents/ccr/mcls\\_epa\\_vs\\_dwp.pdf](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/ccr/mcls_epa_vs_dwp.pdf).

Water Quality for each District source can be found in the latest Consumer Confidence Report.

**Monthly Treatment Operations**

The following changes have been made to District treatment operations during this reporting period:

1) None.

**System Water**

Parameter	Primary MCL	Frequency	System Average	Key:	
Lead	15 µg/L	Annual	ND	Compliant	Non Compliant
Copper	1300 µg/L	Annual	232 µg/L	ppm: parts per million	
TTHM LRAA	80 µg/L	Quarterly	37.6 µg/L	mg/L: milligram per liter	
HAA5 LRAA	60 µg/L	Quarterly	27.6 µg/L	MCL: Maximum Contaminant Limit	
Chlorine Residual	4 ppm (max)	Monthly	0.80 ppm of 60 samples	ND: Non Detect	
Coliform Bacteria	<5% Monthly samples	Monthly	0% of 60 samples	NTU: Nephelometric Turbidity Unit	
				LRAA: Long Range Annual Average (Quarterly)	
				µg/L: microgram per liter	

**Source Water**

Parameter	Primary MCL	Frequency	Jameson Lake	Groundwater	Cater WTP
Turbidity	1 NTU	Annual	0.03 - 0.28 NTU	< 0.1 NTU	ND - 0.05 NTU
pH	No Standard	Annual	7.1 - 8.3	7.0 - 7.7	7.53 - 7.84
Arsenic	10 µg/L	Annual	ND	ND - 1.0 µg/L	ND
Nitrate	10 mg/L	Annual	ND	0.5 - 2.9 mg/L	0.1 - 2.4
Iron	300 µg/L	Annual	ND	ND - 30 µg/L	ND
Manganese	50 µg/L	Annual	ND	ND - 40 mg/L <sup>2</sup>	ND
Total Diss. Solids	1000 mg/L	Annual	620mg/L	560 - 890 mg/L	542 - 736 mg/L
Total Hardness	No Standard (mg/L)	Annual	328 - 428 mg/L	284 - 528 mg/L	340 - 428 mg/L
Total Alkalinity	No Standard (mg/L)	Annual	168 - 212 mg/L	176 - 204 mg/L	170 - 209 mg/L

<sup>1</sup> Data represents the most current available sampling results based on varying regulatory sampling frequencies.

<sup>2</sup> One District well has Total Dissolved Solids above 1000 mg/L but it is blended to below 1000 mg/L prior to entering the distribution system.

**RAINFALL**

Rainfall (inches)	Office	Doultton	Jameson Lake
January 2023	16.07	23.68	29.99
January 2024	2.43	2.40	2.04
Historical Monthly Average	4.22	5.62	6.42
July 1 <sup>st</sup> to date	11.15	14.09	12.43
Historical Average July 1 to Date	10.29	14.06	14.65

**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 4-F**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: ASSISTANT GENERAL MANAGER / ENGINEERING MANAGER**

**SUBJECT: CHANGE ORDER NO.1 FOR THE BUENA VISTA WATER MAIN  
REPLACEMENT PROJECT**

---

This item was reviewed by the Operations and Customer Relations Committee at its meeting of February 21, 2024, and the Committee concurs with the recommendation.

**RECOMMENDATIONS:**

- That the Board of Directors authorize Contract Change Order No.1 for the Buena Vista Water Main Replacement Project to Tierra Contracting for a not-to-exceed amount of \$86,460, of which \$64,373 is in excess of the approved budget and is to be allocated from unassigned funds.

**DISCUSSION:**

The Buena Vista Water Main Replacement Project (Project) will replace 1,400 feet of 6-inch cast iron water main with new 8-inch ductile iron water main from East Valey Road to Tollis Avenue. The Project also includes the installation of new service lines and hydrants, and the replacement of one pressure regulating station. Construction is scheduled to begin in April 2024.

In the prior Fiscal Year (FY), FY 2023, the Board of Directors approved the following:

- District procurement of materials for the project including piping, fittings, valving, and the concrete vault in the not to exceed amount of \$218,105.18, which was approved on October 25, 2022.
- Construction Contract with Tierra Contracting (Tierra) for the not to exceed amount of \$524,913, which was approved on April 25, 2023.

The District procured the 8-inch ductile iron pipe and service line fittings for this project as planned in FY 2023 for the total amount of \$113,151. The District was unable to procure the concrete pressure regulating vault and associated valving and appurtenances due to limited availability. The inability to procure all project materials delayed the project. Once under contract, Staff requested Tierra assist with identifying a supplier for the remaining materials. Tierra provided a quote for the procurement of the precast concrete vault, two pressure regulators, four gate valves, piping, and appurtenances, which were not included in Tierra's

approved contract. Tierra's proposed cost to procure these additional material for the project is \$86,460. All labor associated with the installation of the vault and appurtenances is already included in the approved contract.

District staff are recommending approval of Contract Change Order No.1 with Tierra for the procurement of the remaining materials for a not-to-exceed amount of \$86,460. The Board's October 25, 2022, approval to procure the materials for the project would have been sufficient to cover the total cost of materials should the concrete pressure regulating vault and associated valving and appurtenances had been available. Because the procurement of all project materials was planned in FY2023, it was not included in the FY2024 budget as carryover.

### **FISCAL IMPACT**

The total project expenses span to fiscal years, FY2023 and FY2024. FY2023 expenses are limited to the District's procurement of materials totaling \$113,151. FY2024 expenses include construction and additional material procurement as described below.

The FY2024 adopted budget includes \$550,000 of carryover for construction of this project. Anticipated FY2024 project expenses are as follows:

- Construction contract with Tierra for a not to exceed amount of \$524,913
- Permitting and staff project administration totaling \$3,000
- Additional material procurement (Proposed Contract Change Order No.1) totaling \$86,460

Therefore, the total estimated project expense for FY2024, subject to approval of Contract Change Order No.1 is \$614,373. With proposed Contract Change Order No.1, the project is \$64,373 over the approved budget and exceeds the procurement authority granted to the General Manager pursuant to Resolution No. 2271. This amount would need to be allocated from unassigned funds.

**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 5-A**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: ASSISTANT GENERAL MANAGER / ENGINEERING MANAGER**

**SUBJECT: REVIEW OF ALTERNATIVES FOR CROSSING CONFLICT AT COAST VILLAGE ROAD AS PART OF STATE OF CALIFORNIA HIGHWAY 101 WIDENING PROJECT SEGMENT 4E**

---

This item was reviewed by the Operations and Customer Relations Committee at its meeting of February 21, 2024, and the Committee concurs with the recommendation.

**RECOMMENDATION:**

- That the Board of Directors make a determination that the project is categorically exempt from environmental review pursuant to the requirements of the California Environmental Quality Act (CEQA) as set forth on the attached Notice of Exemption and authorize staff to file the attached Notice of Exemption from CEQA with the County of Santa Barbara Clerk of the Board and State Clearinghouse Office of Planning and Research.
- That the Board of Directors authorize the General Manager to enter into a contract with Tierra Contracting for the extension of a watermain for a future intertie with the City of Santa Barbara for a not to exceed amount of \$78,180 and to allocate District unassigned funds to cover the project costs.

**DISCUSSION:**

As part of the *Highway 101: Santa Barbara to Mussel Shoals* project, the District is required to abandon the pipeline crossing the US101 between Coast Village Road and Channel Drive. See the Background section below for more information.

The pipeline crossing at Coast Village Road is in conflict with the US101 project and is required to be abandoned by March 2025. The crossing is a 6-inch steel water main inside a 12-inch casing. Salvaging the crossing is infeasible and requesting Caltrans' contractor, Granite Construction to install a new casing using open cut methods is also infeasible given the railroad located immediately south of the highway.

Over the last several months, District consultant Wood Rodgers developed an Alternatives Analysis (see Attachment 1) to assist with determining a solution for the water main crossing conflict at Coast Village Road. The Alternatives Analysis included six alternatives that were

discussed with the Operations and Customer Relations Committee over the course of two meetings. These six alternatives were narrowed to three following discussions with the Committee, and the Committee requested staff brief the Board on the final three feasible alternatives. The feasible alternatives for reinstating this crossing are listed below. A map of these alternatives is provided in Attachment 2.

- **Alternative 1 – New Jack and Bore.** This project would install a new 36-inch casing below the US101 and railroad and a new 8 to 12-inch water main inside the casing to be connected to the distribution system on the north and south sides of the project in a similar location as the crossing being abandoned.
- **Alternative 2 – Intertie with the City of Santa Barbara.** This project would install approximately 1200 feet of new water main between the City and District distribution systems and one meter/regulator vault along Channel Drive. This alternative would be completed in two phases. Phase 1 would include 250 feet of water main extension from the Cabrillo Roundabout towards the cemetery entrance. Phase 2 would include the remaining 900 feet of water main and one pressure regulating and meter vault.
- **Alternative 3 – Do nothing.** This alternative proposes to not reinstate the US101 crossing.

These alternatives are evaluated further in Table 1.

**Table 1 – Evaluation of Alternatives for Reinstating US101 Crossing at Coast Village Road**

<b>Evaluation Criteria</b>	<b>Alternative 1 Jack and Bore at Channel Drive</b>	<b>Alternative 2 City of SB Intertie</b>	<b>Alternative 3 Do Nothing</b>
Project Scope	200 feet of new 36" casing and 250 feet of new water main	1,200 feet of water main and pressure regulating/metering vault	Allow the distribution system to function without the US101 crossing or intertie
Cost	Approx. \$1.4M	Approx. \$800,000	\$0
Hydraulics (Est. Fire Flow in gallons per minute)	1,500 - 2,300 gpm	1,520 - 2,360 gpm (subject to City approval of allowable fire flow)	1,300 - 1,950 gpm (confirmed with field test)
Permits, Easements and Agreements	A new easement would be required on private property, near Channel Drive.	Intertie Agreement required. Terms would be similar to past Intertie Agreements for	None



	Union Pacific Railroad would require a new and costly lease agreement. Temporary construction easements would be needed from private properties in the area.	Barker Pass and Coyote Road	
Long Term O&M and Accessibility	MWD responsible for 200 feet of 36-inch casing and approx. 250 feet of new piping beneath US101	MWD responsible for approximately 900 feet of new piping and vault location in public rights-of-way	Regular Flushing of hydrant at new dead end on Channel Drive may be needed depending on customer demand in the area.
Water Quality	No change from current operations.	A blend of City and District water would be used to serve some customers in the southwest area of District. Water quality would continue to meet all state and federal standards.	Water quality would continue to meet all state and federal standards.
Timing	The project could be completed within 2-3 years depending on design, permitting, new lease/easements, and construction	The project could be completed within 1-2 years	Not Applicable

### *Discussion of Alternatives*

- **Alternative 1 – New Jack and Bore** is the highest cost and longest timeline to complete but provides the most operational flexibility (not dependent on the City of Santa Barbara) and provides a redundant system connection. This alternative maintains the current fire flow rates in the area.
- **Alternative 2 – Intertie with City of Santa Barbara** provides a lessor cost option providing redundancy and equal fire flow to current conditions but includes some operational dependency on the City of Santa Barbara under certain conditions.

- **Alternative 3 – Do nothing** saves costs associated with reinstating the crossing but does not provide system redundancy and fire flow benefits decline. In the event of a water main break on the single feed to this area, approximately 30 homes and businesses could be out of water temporarily until the main break is repaired, similar to other parts of the District.

The Operations and Customer Relations Committee supports pursuing a phase approach to Alternative 2, pursuing Phase 1 now and Phase 2 as part of the District's 10-year Capital Improvement Program when appropriate.

### ***Intertie Agreement***

Alternative 2 would require an intertie agreement with the City of Santa Barbara (City), similar to other existing intertie agreements with the City for Barker Pass and Coyote Road. Based on initial discussions with City staff, the following are draft terms for an Intertie Agreement:

- Intertie benefits both entities by restoring current fire flows for the District and improving water quality in the City's dead end water main on Carillo Boulevard
- Scope of work includes the installation of approx. 1,200 feet of new piping and one regulator/meter vault, of which would be phased.
- City owns and maintains all facilities on the City side of the vault
- District owns and maintains all facilities on District side of the vault
- Estimated annual water moved through intertie, from the City to the District, is approx. 10acre-feet per year to ensure water quality is maintained in both systems.
- No payment will be made for water transferred. Instead water transferred through the intertie will be accounted for using the annual Juncal Transfer, similar to the accounting for the Barker Pass and Coyote Road interties.
- No termination in first 20 years of agreement. Either party can terminate the agreement with 1 year notice after 20-year period.
- Phase 1 include installation of 250 feet of new water main to a location outside the City's planned Cabrillo Roundabout Project, which is scheduled to take place in April 2024.
- Phase 2 include installation of the pressure regulating and meter vault and the remaining 900 feet of water main from the vault to the District point of connection, which could take place as determined appropriate as part of the District's 10-year Capital Improvement Program.

If the Board supports the committee recommendation, staff would pursue an Intertie Agreement with the City of Santa Barbara.

### ***Cost Saving Opportunity***

The City of Santa Barbara is beginning construction on a roundabout located at the intersection at Cabrillo Boulevard and Channel Drive, which is the same location as the proposed intertie. As part of the roundabout project, the City is making modifications to its watermain through and in

the vicinity of the intersection, a result of the Hwy 101 widening project. The City's work on its watermain is expected to begin in April 2024.

The City roundabout project presents a cost savings opportunity for the District. If the District determines the proposed intertie with the City is the preferred solution to its pipeline crossing conflict at Coast Village Road, proceeding with an initial phase of that intertie project, concurrent with the City's roundabout project will avoid certain expected future costs for the District including traffic control and pavement replacement. The City has a four-year moratorium on any excavations following new paving projects. Any excavation work occurring within 4 years of the roundabout project would be required to perform a full lane grind and overlay in any areas disturbed by the intertie project. Phase 1 of the intertie project could be completed as part of the City's roundabout project, which would avoid pavement replacement. If the intertie project is pursued after completion of the City's roundabout project, the District would be responsible for pavement replacement and any other associated costs such as traffic control, estimated to cost \$34,320.

Phase 1 work for the intertie project would involve the installation of a tee, isolation valving and approximately 250 feet of pipe to extend the watermain outside the limits of the City's roundabout project. Staff obtained a quote for this work from Tierra Contracting (Tierra), the same contractor performing the City's watermain work. Tierra's proposed cost for this work is \$78,180. The cost per linear foot of pipe for this work is approximately \$315, which is about 30% lower than current unit cost paid on other District watermain projects. This is attributable to not having to provide traffic control, since the roadway will already be closed, and not having to perform paving, which would be completed by Granite Construction as part of the City's roundabout project.

Preliminary design plans for the proposed intertie are shown in Attachment 2. These plans were developed to obtain the construction bid provided.

### ***Environmental Review***

This project is exempt from environmental review based on a California Environmental Quality Act (CEQA) statutory exemption since the project is less than one mile in length, located within a public street or highway, and involved the installation of a new pipeline with no surface facilities [California Code of Regulations §15282(k) and Public Resources Code §21080.21]. Upon an appropriate finding by the Board of Directors, a Notice of Exemption from the California Environmental Quality Act will be filed with the County of Santa Barbara Clerk and State Clearinghouse prior to the implementation of the project. The draft Notice of Exemption is provided as Attachment 3.

### **SCHEDULE:**

The preliminary schedule for watermain work as part of the City's roundabout project is April 2024. If the intertie project is pursued by the District, Tierra and Granite have agreed to perform this work as part of the roundabout project.

The District's existing crossing at Coast Village Road will remain in place and utilized through March 2025 or until required to be abandoned as part of the Hwy 101 widening project.

Since the intertie is not essential to operations but rather a redundant connection, the District has flexibility as far as the timing for finalizing an interconnection agreement, design, and construction of the watermain and associated appurtenances.

### **FISCAL IMPACT:**

The City Intertie is identified as the preferred and the lowest cost option at approximately \$800k as shown in Table 2.

**Table 2 – Alternative 2 Cost Estimate**

Item	Cost
Phase 1 Design & Alternatives Analysis (already spent using on-call contract)	\$22,500
Phase 1 Construction	\$80,000 (incl. staff time)
Phase 2 Design, Permitting, & Agreements	\$50,000 (incl. staff time)
Phase 2 Construction	\$650,000 (incl. staff time)
<b>Total</b>	<b>\$802,500</b>

While the Intertie Project is not currently a planned future capital improvement project, a jack and bore project at the Coast Village crossing location is planned and is estimated to cost approximately \$1.3-\$2M depending on the impacts to adjacent utilities, depth of the casing, and need for dewatering of the jacking pit. If the intertie project is pursued, it would replace the need for the jack and bore project and reduce the cost to address the Coast Village crossing conflict to approximately \$800k.

### **BACKGROUND:**

The Santa Barbara County Association of Governments (SBCAG) and Caltrans have undertaken the widening of 16 miles of Highway 101, known as the *Highway 101: Santa Barbara to Mussel Shoals* project, to add carpool lanes and address a narrow portion of Highway 101 with two lanes in each direction. According to the SBCAG website, Phases 1 and 2 are complete, Phase 3 is nearing completion, and Phase 4 began in April 2020.

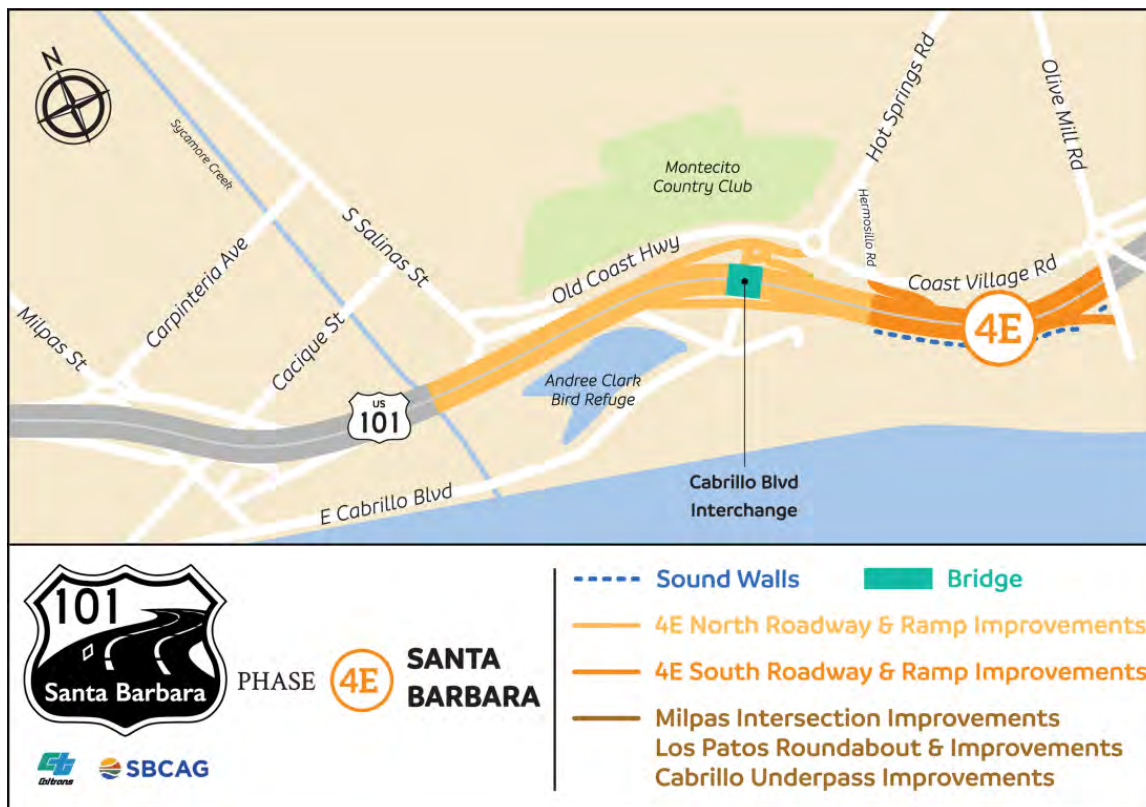
Phase 4 includes 10.7 miles of roadway widening, the addition of High Occupancy Vehicle (HOV) lanes, a new interchange at Cabrillo Boulevard, a new interchange at Sheffield Drive, new sound walls, new creek bridges at Romero Creek, San Ysidro Creek, and Oak Creek, and rehabilitation of the existing roadway lanes. The current total project cost estimate for Phase 4 is \$700 million to be completed by 2027.

Phase 4 is divided into 5 segments. Attachment 4 shows a map of existing District crossings and conflicts within the District service area. Segments 4A and 4B do not impact the District as they

are outside the District's service area. In Segment 4C, which generally spans from Padaro Lane west to Sheffield Drive, the District has one pipeline crossing conflict near Fernald Point Lane. Authorized by the Board on April 28, 2020, this crossing is being reinstated via jack and bore in March 2024. In Segment 4D, which generally spans from Sheffield Drive to Olive Mill Road, the District has two pipeline crossing conflicts where Utility Agreements are in place following Board approval on February 22, 2022 (Danielson Crossing) and February 28, 2023 (Miramar Crossing). Both crossings will be abandoned and be reinstated via open cut by Granite Construction within approximately the next 2 years. This open cut approach reduces construction costs significantly. Finally, in Segment 4E, which generally spans from Olive Mill Road to Milpas Street, the District has one pipeline crossing conflict which has yet to be resolved. Segment 4E is shown in Figure 1 and is scheduled to begin in 2025. This conflicting pipeline crossing is a 1955, 6-inch diameter steel watermain within a 12-inch diameter steel casing. Caltrans is requiring this crossing be abandoned by March 2025.

Figure 1 shows a map of the Segment 4E project area. Table 1 provides a summary of District's crossing conflicts resulting from the US101 Highway widening project.

**Figure 1 – Segment 4E Map**



**Table 1 – Summary of Highway Widening Watermain Crossing Conflicts**

Conflict #	101 Crossing Location	Proposed Solution	Cost**	Schedule
1	Fernald Point Lane	Jack and Bore	\$500,000 SBCAG \$400,000 MWD	Construct in March 2024
2	Danielson Road	Open Cut	\$400,000 (est.)	Construct in 2025-2026
3	South of Miramar	Open Cut	\$400,000 (est.)	Construct in 2025-2026
4	Coast Village Road	TDB	TBD	TBD

Note: Crossings at Butterfly Lane, Olive Mill Road, San Ysidro Road and La Vuelta are not in conflict

\*\*Costs are “all in” costs including abandonments, casings, new watermain, and tie ins.

***Prior Right for the US101 Crossing at Coast Village Road***

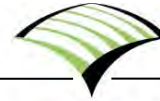
In order to determine if the State is partially responsible for re-establishment of the US101 crossing at Coast Village Road, the State utilizes approved regulations and guidelines contained in the Caltrans Right of Way Manual. To establish a prior right, the District would need to prove its watermain existed prior to the state’s acquisition of the land for US101 highway in 1916.

District staff have reviewed documentation related to the conflict at Coast Village Road. The crossing was installed in 1955. Therefore, preliminary investigations by staff and legal counsel indicate the District does not have a prior right at this location.

**ATTACHMENTS:**

1. Alternatives Analysis for US101 Crossing at Coast Village Road
2. Map of Top Two Alternatives plus “Do Nothing” Alternative
3. Preliminary design plans for Alternative 2 - potential City of Santa Barbara Intertie
4. CEQA Notice of Exemption for Phase 1 of Alternative 2 – extension of water main on Channel Drive
5. US101 Crossing Conflict Overall Map

# Technical Memorandum



**WOOD RODGERS**  
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

**To:** Adam Kanold P.E.  
Assistant General Manager/Engineering Manager  
Montecito Water District

**From:** Karl F. Meier, P.E.  
Daniel Valencia, PE.

**Date:** January 10, 2024

**Subject:** Coast Village Road Crossing Alternatives Analysis

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## **Introduction**

Due to a conflict with planned Caltrans upgrades to the US 101, the Montecito Water District (District) must relocate or modify the existing Coast Village Road pipeline crossing. The District has requested that Wood Rodgers Inc. (Wood Rodgers) analyze several alternative crossings to determine the best solution for reinstating the water main crossing. It should be noted that the crossing at Coast Village Road is not needed to meet the fire flow demand requirements of the Montecito Fire District of 750 gallons per minutes (gpm) at commercial properties such as the cemetery and Montecito Sanitary District. However, without the US 101 crossing, the piping network on the south side of the US 101 lacks redundancy, with the only feed coming from Butterfly Lane. If the feed from Butterfly Lane were to break or require repair, approximately 36 residential and 3 large commercial properties would be out of water service until the repairs were made.

This memo assumes the crossing must be reinstated for the purposes of redundancy, and to improve fire flow conditions to a level beyond 750 gpm which are required by the Insurance Services Office (ISO) for insurance ratings. ISO requires 3,500 gpm for commercial areas and 1,500 gpm for residential areas.

## **Hydraulic Modeling**

The District's InfoWater hydraulic model was used to evaluate the hydraulic performance of the District's potable water system under several alternatives when specific pipes were taken out of service. There are several existing District pipelines that cross the US 101 and the following settings were used within the District's hydraulic model for each pipeline crossing:

- Coast Village Road Crossing: Closed in all Alternatives
- Butterfly Lane Crossing: Open/Active (Size is Alternative Dependent)
- Olive Mill Crossing: Open and As-Is in all Alternatives
- Danielson Crossing: Closed in all Alternatives
- San Ysidro Crossing: Open and As-Is in all Alternatives
- South of Miramar Crossing: Closed in all Alternatives
- La Vuelta Crossing: Open and As-Is in all Alternatives
- Fernald Point Crossing: Open and Upgraded to 8-inch in all Alternatives

The status of the pipeline crossings noted above stayed constant for each alternative with the exception of the Butterfly Lane pipeline crossing. It should also be noted that the proposed 8-inch Monte Cristo Water Main improvement project, which runs from the intersection of Channel Drive the Montecito Sanitary District driveway entrance, down Monte Cristo Lane and connects on the east end of the Music Academy of the West is included in the model and these analyses. All alternatives were evaluated using the District's InfoWater model using a maximum day demand scenario at the peak hour.

### **Alternatives Analysis**

The following summarizes the results for each alternative while also providing further evaluation of the proposed alignments. An evaluation matrix was developed to compare and rank the alternatives. The alternatives considered by this analysis include the following, which are conceptually shown in Exhibit 1 attached:

- Alternative 1 – No action. Do not reinstate the US 101 crossing once abandoned.
- Alternative 2 – New Jack and Bore at Butterfly Lane
- Alternative 3 – New Water Main at Cabrillo Road Underpass
- Alternative 4 – New Jack and Bore from Music Academy Property
- Alternative 5 – New Jack and Bore from Montecito Sanitary District Property
- Alternative 6 – Channel Drive Intertie with the City of Santa Barbara

### **Alternative 1**

Alternative 1 represents baseline conditions with the status of the pipeline crossings noted above and no upgrades to the Butterfly Lane crossing. Under this alternative the lowest observed available fire flow on the western side of the study area was 772 gallons per minute (gpm) at the end of the watermain in Fairway Road, and approximately 1,367 gpm near the Montecito Sanitary District. This alternative achieves the minimum required fire flow by the Montecito Fire District of 750 gpm and provides baseline results that will be used to compare to the alternatives presented herein.

### **Alternative 2**

Alternative 2 considers a 12-inch diameter pipeline within a 36-inch steel casing which would be installed via jack and bore trenchless construction near Butterfly Lane. Under Alternative 2, the Butterfly Lane crossing was evaluated with proposed upgrades consisting of a 12-inch pipeline. This upgrade would allow for more flow to be conveyed by this crossing and would allow for the abandonment of the existing Butterfly Lane crossing. Modeling results indicate that a 12-inch pipeline conveys approximately 1,175 gpm with headloss through the pipe of approximately 3.5 ft/kft.

### **Evaluation Criteria**

The following criteria were used to evaluate Alternative 2 consisting of an upgrade of the Butterfly Lane crossing to a new 12-inch diameter pipeline. This new pipeline crossing would be constructed using trenchless construction (i.e. jack and bore, etc.).

### **Temporary Community & Traffic Impacts**

Due to the location of this pipeline, there will be minor traffic impacts. The receiving shaft would be in Coast Village Drive which is a minor road and will only take up a few parking spots, but traffic could be redirected



in order to reach the businesses on this minor road. The jacking shaft would be located at the end of Butterfly Lane and will impact the residents at the end of this street.

### ***Hydraulic Performance of System***

As noted above, this option would require a 12-inch diameter pipeline in order to meet the District's design criteria and improves available fire flows but not to as much as other alternatives evaluated. The available fire flow near the Montecito Sanitary District is approximately 1,429 gpm.

### ***Potential Need for New Easements***

The pipeline will be located within City of Santa Barbara and County of Santa Barbara right of way. The alignment will cross under Caltrans right of way and the Union Pacific Railroad (UPRR) right of way. It is unlikely that this alignment will require an easement, but it will require a new lease agreement with the UPRR.

### ***Construction Costs***

This pipeline has the shortest run of all alternatives examined. Also, the depth of the jacking and receiving shafts will be approximately 10 feet deep. This depth of cover for the casing (assumed to be 36-inch diameter) will meet the requirements of cover for UPRR and Caltrans. The total estimated cost of this alternative is shown in Table 1 below.

**Table 1 – Alternative 2 Rough Order of Magnitude Costs**

<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Cost</b>
12" DIP Water Main (Open Cut)	30	LF	\$400	\$12,000
36" Steel Casing and 12" DIP Water Main (Trenchless)	270	LF	\$2,200	\$594,000
Receiving Shaft (12x12x12)	64	CY	\$500	\$32,000
Jacking Shaft (12x40x14)	249	CY	\$500	\$124,444
Contingency (35%)				\$266,856
<i>Subtotal</i>				<i>\$1,029,300</i>
Planning, Design, Permitting, Administration (10% of Subtotal)				\$102,930
<b>Total</b>				<b>\$1,132,230</b>

### ***Risk and Constructability***

Coast Village Road is approximately 20 feet wide and has at least four existing utilities buried within the roadway. Of note is an existing 16-inch high pressure gas line that may be close to the receiving shaft. On the jacking shaft side, there are two residents who will have limited access to their driveways during construction. Coordination with these residents is important to ensure construction would be allowed in front of their properties and allow for unrestricted access to these properties. There is a sewer line that runs through Butterfly Lane on the south side of the UPRR. The use of trenchless construction for this alternative brings with it the risks associated with trenchless construction (i.e. groundwater conditions, unforeseen obstructions, difficult boring conditions, utility conflicts, etc.).

### ***Stakeholder Coordination***

The major stakeholders for this option include Caltrans and UPRR. This is due to the trenchless crossing that is necessary to construct this proposed pipeline alignment.

### ***Future Operation & Maintenance of Pipeline***

Due to its location, both connection points are easily accessible. If necessary, isolation valves can be placed near both connection points to shut down the line if there is a break underneath the Caltrans and UPRR right of ways.

### ***Advantages***

- Shortest alignment

### ***Disadvantages***

- Coordination with private residents
- Congested jacking and receiving shaft areas
- Congested utilities including a high pressure gas line

### **Alternative 3**

Alternative 3 considers a new 8-inch pipeline that would run through E Cabrillo Boulevard and connect back at the end of the District's water main in Channel Drive. The rest of the distribution system piping would stay as is, including the Butterfly Lane crossing remaining as a 6-inch pipeline. Under this alternative, the available fire flow at the end of Channel Drive was observed to be higher than that of Alternatives 1 and 2. This is due to the connection point being closer to the end of the line on Channel Drive. When running a static fire flow of 1,500 gpm at the connection point, results indicate that the 8-inch pipeline would convey approximately 594 gpm with a headloss of 7 ft/kft.

### ***Evaluation Criteria***

The following criteria were used to evaluate the Alternative 3 alternative consisting of a new 8-inch pipeline connecting the District's distribution system near the Coast Village Road roundabout to the District's pipeline on Channel Drive. This new pipeline crossing would be constructed using open cut construction.

### ***Temporary Community & Traffic Impacts***

This alignment will be within public roads and will be installed using traditional open cut methods. Construction of this pipeline will cause traffic disruption and will require extensive traffic control and traffic handling to mitigate traffic impacts in this heavily traveled area.

### ***Hydraulic Performance of System***

This connection will end at Channel Drive which would eliminate a dead end within the District's system. As noted above, this alternative provides satisfactory flows that exceed the results of Alternatives 1 and 2. The available fire flow near the Montecito Sanitary District is approximately 2,000 gpm.

### ***Potential Need for New Easements***

The alignment will likely need an encroachment permit from the City of Santa Barbara due to the alignment being largely within the City's limits. There may be a need to obtain an encroachment permit from Caltrans even though the pipeline goes beneath the freeway overpass within a City roadway. There are no easements required for this pipeline alternative.

### **Construction Costs**

This pipeline alignment is the longest of the alternatives considered. Also, this alignment will likely require a casing underneath the Caltrans right of way and UPRR even though both are elevated bridges. The casing will be required to extend beyond the rights of way, requiring approximately 520 feet of casing which can be installed via open cut methods. The total estimated cost of this alternative is shown in Table 2 below.

**Table 2 – Alternative 3 Rough Order of Magnitude Costs**

Description	Quantity	Unit	Unit Cost	Total Cost
8" DIP Water Main (Open Cut)	2,030	LF	\$400	\$812,000
Steel Casing With 8" DIP Water Main (Open Cut)	520	LF	\$950	\$494,000
Contingency (35%)				\$457,100
<i>Subtotal</i>				<i>\$1,763,100</i>
Planning, Design, Permitting, Administration (10% of Subtotal)				\$176,310
<b>Total</b>				<b>\$1,939,410</b>

### **Risk and Constructability**

This option will be constructed using open cut methods and will not require trenchless construction, reducing the construction risks associated with trenchless construction techniques.

### **Stakeholder Coordination**

The major stakeholders for this alternative are Caltrans, the City of Santa Barbara, and UPRR. Although there will not be any trenchless construction needed for this alternative, the need to coordinate with UPRR and Caltrans is still necessary due to crossing underneath both entities via underpasses. The City will also need to be involved due to the alignment being within City limits.

### **Future Operation & Maintenance of Pipeline**

Due to its location, this pipeline will be easily accessible within public roads.

### **Advantages**

- No trenchless construction

### **Disadvantages**

- Longest alignment
- Need to coordinate with three major stakeholders
- Significant traffic and community impacts

### **Alternative 4**

Alternative 4 considers a 12-inch diameter pipeline within a 36-inch steel casing which would be installed via jack and bore trenchless construction crossing the US 101 near the Music Academy of the West property and connect to the District's distribution system in Coast Village Circle. The rest of the distribution system piping would remain as-is.

## Evaluation Criteria

The following criteria were used to evaluate Alternative 4 consisting of a new 12-inch pipeline connecting the District's distribution system on Coast Village Circle and extending the pipeline to connect near Music Academy of the West. This new pipeline crossing would be constructed using a combination of open cut and trenchless construction.

### *Temporary Community & Traffic Impacts*

This alignment will require trenchless construction to cross the US 101 and UPRR. The receiving shaft may be located within the median on Coast Village Road. In order to connect to the existing distribution system on the south side of the US 101, the pipeline will need to be extended via open cut methods through the Music Academy of the West parking lot. On the jacking pit side, the construction will need to be coordinated with the Music Academy of the West. Parking stalls will be needed to for both construction equipment, material staging and construction activities.

### *Hydraulic Performance of System*

As noted above, this connection and a 12-inch pipeline will yield satisfactory results under fire flow conditions. The available fire flow near the Montecito Sanitary District is approximately 2,003 gpm.

### *Potential Need for New Easements*

This alternative will require extensive coordination with the Music Academy of the West as the project will require both temporary construction easements and a permanent easement.

### *Construction Costs*

Due to topography of the area on both sides of the crossing, the receiving shaft will need to be approximately 15 to 18 feet deep. The total estimated cost of this alternative is shown in Table 3 below.

**Table 3 – Alternative 4 Rough Order of Magnitude Costs**

Description	Quantity	Unit	Unit Cost	Total Cost
12" DIP Water Main (Open Cut)	200	LF	\$400	\$80,000
36" Steel Casing and 12" DIP Water Main (Trenchless)	310	LF	\$2,200	\$682,000
Receiving Shaft (12x12x18)	96	CY	\$500	\$48,000
Jacking Shaft (40x12x18)	320	CY	\$500	\$160,000
Contingency (35%)				\$339,500
<i>Subtotal</i>				<i>\$1,309,500</i>
Planning, Design, Permitting, Administration (10% of Subtotal)				\$130,950
<b>Total</b>				<b>\$1,440,450</b>

### *Risk and Constructability*

Coast Village Road is heavily travelled and has four existing utilities. On the jacking shaft side there is little information about existing utilities in the area on the Music Academy of the West property, however, there is a sewer line that runs through Butterfly Lane on the south side of the that must be avoided. As noted, the shafts will be deeper for this alternative, bringing with them additional construction risks and constructability concerns. The use of trenchless construction for this alternative brings with it the risks

associated with trenchless construction (i.e. groundwater conditions, unforeseen obstructions, difficult boring conditions, utility conflicts, etc.).

### ***Stakeholder Coordination***

The major stakeholders for this option are the City of Santa Barbara, Caltrans, the Music Academy of the West, and UPRR. As noted above, both temporary and permanent easements will be needed from the Music Academy of the West.

### ***Future Operation & Maintenance of Pipeline***

This alternative results in a portion of the pipeline within Music Academy of the West parking lot. While there would be an easement providing future permanent access, this configuration limits unrestricted access and could result in other impediments such as parked cars obstructing an emergency repair.

### ***Advantages***

- Low traffic impact

### ***Disadvantages***

- Jacking shaft is in private parking lot
- Somewhat restricted access for pipeline on private property

## **Alternative 5**

Alternative 5 analyzes an 8-inch pipeline crossing the US 101 near the Montecito Sanitary District (MSD) within a 36-inch steel casing installed via jack and bore. The rest of the distribution system piping would remain as-is. This would place the connection point on the south side of the US 101 near the end of Channel Drive. While running a static fire flow, model results indicate that this pipeline alternative would convey 642 gpm with a headloss of about 8ft/kft.

### ***Evaluation Criteria***

The following criteria were used to evaluate Alternative 5 consisting of a new 8-inch pipeline connecting the District's distribution system on Coast Village Road and extending the pipeline to connect near the Montecito Sanitary District. This new pipeline crossing would be constructed using a combination of open cut and trenchless construction.

### ***Temporary Community & Traffic Impacts***

This alignment will require trenchless construction to cross the US 101 and UPRR. The receiving shaft could be located within the median on Coast Village Road. The jacking pit could be located within the Montecito Sanitary District's property and the pipeline extending from the jacking pit to the District's pipeline within Channel Drive would be constructed via open cut and may require coordination with MSD for access control.

### ***Hydraulic Performance of System***

As noted above, this connection and an 8-inch pipeline will yield satisfactory results under fire flow conditions. The available fire flow near the Montecito Sanitary District is approximately 2,079 gpm.

### ***Potential Need for New Easements***

This alternative will require extensive coordination with the Montecito Sanitary District as the project will require both temporary construction easements and a permanent easement.

### ***Construction Costs***

Similar to Alternative 4, due to topography of the area on both sides of the crossing, the receiving shaft will need to be approximately 15 to 18 feet deep. The total estimated cost of this alternative is shown in Table 4 below.

**Table 4 – Alternative 5 Rough Order of Magnitude Costs**

<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Cost</b>
8" DIP Water Main (Open Cut)	277	LF	\$400	\$110,800
36" Steel Casing and 8" DIP Water Main (Trenchless)	290	LF	\$2,200	\$638,000
Receiving Shaft (12x12x15)	80	CY	\$500	\$40,000
Jacking Shaft (40x12x10)	178	CY	\$500	\$88,889
Contingency (35%)				\$307,191
<i>Subtotal</i>				<i>\$1,184,880</i>
Planning, Design, Permitting, Administration (10% of Subtotal)				\$118,488
<b>Total</b>				<b>\$1,303,368</b>

### ***Risk and Constructability***

Similar risks and constructability concerns for Alternative 4 are applicable to this alternative. Coast Village Road is heavily travelled and has four existing utilities. On the jacking shaft side there is little information about existing utilities in the area on the MSD property, however it is possible that several process pipes or other subterranean features for the MSD facility could pose a conflict. As noted, the shafts will be deeper for this alternative, bringing with them additional construction risks and constructability concerns. The use of trenchless construction for this alternative brings with it the risks associated with trenchless construction (i.e. groundwater conditions, unforeseen obstructions, difficult boring conditions, utility conflicts, etc.).

### ***Stakeholder Coordination***

The major stakeholders for this option are the City of Santa Barbara, Caltrans, the Montecito Sanitary District, and UPRR. As noted above, both temporary and permanent easements will be needed from the Montecito Sanitary District.

### ***Future Operation & Maintenance of Pipeline***

This alternative results in a portion of the pipeline within Montecito Sanitary District's treatment plant facility. While there would be an easement providing future permanent access, this configuration limits unrestricted access.

### ***Advantages***

- Provides adequate hydraulic performance

### ***Disadvantages***

- Somewhat restricted access for pipeline on private property

### **Alternative 6**

Alternative 6 analyzes a proposed 8-inch pipeline inter-connection to the City of Santa Barbara's (City) 351 Pressure Zone. Wood Rodgers was provided pipe information and static and residual pressures from the City to establish a boundary curve for the City's distribution system. The boundary curve represents the future condition when the City's pipeline is no longer a looped connection and is unidirectional feed from the west. A pressure reducing station and a flow control valve were added to the District's hydraulic model to simulate the proposed condition for this connection. In this alternative, the available fire flow at the end of Channel drive, near the Montecito Sanitary District, would be approximately 2,500 gpm. It was determined that under this fire flow condition, approximately 1,360 gpm at a velocity of 8.68 ft/s would be supplied by the City connection. While running a static fire flow of 1,500 gpm at the Montecito Sanitary District, the model results indicate that the flow coming through the proposed City connection would be approximately 957 gpm with a corresponding velocity of 6.11 ft/s.

### ***Evaluation Criteria***

The following criteria were used to evaluate Alternative 6 consisting of a new 8-inch pipeline connecting the District's distribution system to the City's system. This new pipeline would avoid any crossing of the US 101 and would be constructed open cut methods.

### ***Temporary Community & Traffic Impacts***

The majority of this alignment is within Channel Drive and will require traffic control and traffic handling considerations, including those needs of the nearby Santa Barbara Cemetery.

### ***Hydraulic Performance of System***

Several hydraulic runs were performed to test the system to ensure that both the City and the District benefit from the new connection. It was found that the City's system could handle up to 1,481 gpm without residual pressures dropping below 20 psi within their system.

The turnover rate within the City's pipeline segment analyzed was also calculated to determine the amount of water moved through the City's system in this area. Under an average day demand scenario it was determined that the average flow provided by the City's connection would be approximately 130 gpm. This flow was used to determine the average volume that would be provided by the City's pipeline on a day-to-day basis. Utilizing the lengths and diameters provided by the City, it was determined that the total volume that the pipeline contains is 12,545 gallons. Assuming that an average day demand of 130 gpm is supplied by the City, this section of City pipeline would be turned over approximately 15 times per day.

### ***Potential Need for New Easements***

While there will not be a need for easements, this alternative will require an encroachment permit from the City of Santa Barbara. In addition, a water supply agreement or similar agreement will be required between the District and City of Santa Barbara for this inter-connection.

### **Construction Costs**

This alternative has the lowest estimated costs due to the open cut construction and lack of other constraints. The total estimated cost of this alternative is shown in Table 5 below.

**Table 5 – Alternative 6 Rough Order of Magnitude Costs**

<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Cost</b>
8" DIP Water Main (Installed w/ Roundabout)	250	LF	\$313	\$78,180
8" DIP Water Main (Open Cut)	850	LF	\$400	\$340,000
Pressure Reducing/Flow Control Valves & Vault	1	LS	\$60,000	\$60,000
Contingency (35%)				\$167,363
<i>Subtotal</i>				<i>\$645,543</i>
Planning, Design, Permitting, Administration (10% of Subtotal)				\$64,554
<b>Total</b>				<b>\$710,097</b>

### **Risk and Constructability**

This alternative consists largely of open cut construction and could be considered a relatively straightforward project. Therefore, from a construction perspective the risks and complexity for this alternative are low.

### **Stakeholder Coordination**

The only stakeholder for this alternative is the City of Santa Barbara. Both an encroachment permit and water supply agreement will be needed for the connection and construction of the pipeline.

### **Future Operation & Maintenance of Pipeline**

Due to its location within the public right of way, this pipeline would be easily accessible for any future maintenance.

### **Advantages**

- No trenchless construction
- Provides best hydraulic performance of all alternatives evaluated
- Least construction risk
- Lowest construction cost

### **Disadvantages**

- Coordination with the City of Santa Barbara



## Summary

The weighted matrix shown in Table 6 below contains the results comparing the various alternatives. As shown in the table, Alternative 6 Channel Drive Intertie with the City of Santa Barbara, is the preferred alternative. This alternative provides the best hydraulic performance of all alternatives, avoids the complexities of crossing underneath the US 101 via trenchless methods, has the least construction risk, and is the lowest cost.

**Table 6 – Alternatives Analysis Matrix**

Evaluation Criteria	Criteria Weight	Alternative 2		Alternative 3		Alternative 4		Alternative 5		Alternative 6	
		Score	Total	Score	Total	Score	Total	Score	Total	Score	Total
Temporary Community & Traffic Impacts	2	3	6	1	2	4	8	3	6	2	4
Hydraulic Performance of System	7	1	7	2	14	3	21	4	28	5	35
Potential Need for New Easements	1	5	5	5	5	1	1	2	2	5	5
Construction Cost	6	4	24	1	6	2	12	3	18	5	30
Risk and Constructability	5	1	5	4	20	2	10	2	10	4	20
Stakeholder Coordination	4	4	16	2	8	2	8	2	8	2	8
Future Operation & Maintenance of Pipeline	3	4	12	4	12	2	6	2	6	4	12
<b>Total</b>	-	-	<b>75</b>	-	<b>67</b>	-	<b>66</b>	-	<b>78</b>	-	<b>114</b>

A summary of the rough order of magnitude project costs are shown in Table 7 below.

**Table 7 – Summary of Rough Magnitude Project Costs**

Alternative	Total Cost
Alternative 2 - New Jack & Bore at Butterfly Lane	\$1,132,230
Alternative 3 - New Water Main at Cabrillo Underpass	\$1,939,410
Alternative 4 - New Jack & Bore at Music Academy of the West	\$1,440,450
Alternative 5 - New Jack & Bore at MSD	\$1,303,368
Alternative 6 - Channel Drive Intertie with City of Santa Barbara	\$710,097

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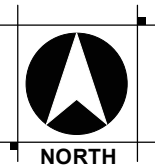
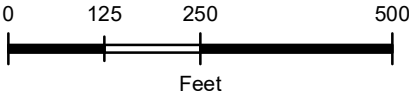


EXHIBIT 1  
COAST VILLAGE ROAD CROSSING  
ALTERNATIVES ANALYSIS  
MONTECITO, CA  
JANUARY 2024

Legend

Crossing Alternatives

- Alternative 2 Open Cut
- Alternative 2 Trenchless
- Alternative 3 Open Cut
- Alternative 4 Open Cut
- Alternative 4 Trenchless
- Alternative 5 Open Cut
- Alternative 5 Trenchless
- Alternative 6 Open Cut



PROPOSED  
CONNECTION TO  
CITY OF SANTA  
BARBARA  
(ALTERNATIVE 6)

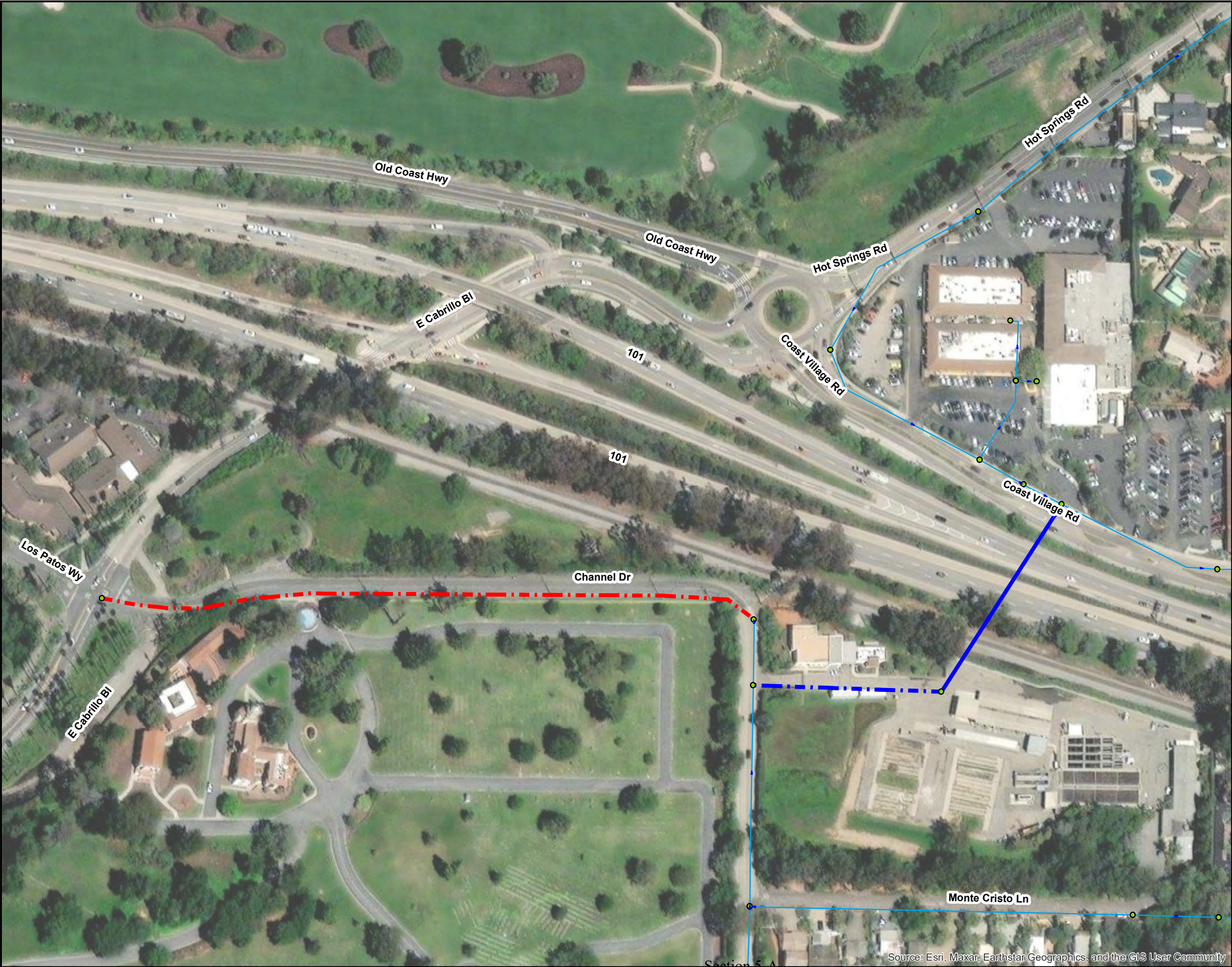
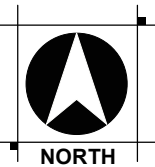
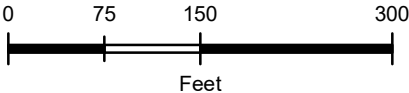
Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community



EXHIBIT 1  
COAST VILLAGE ROAD CROSSING  
ALTERNATIVES ANALYSIS  
MONTECITO, CA  
FEBRUARY 2024

Legend

- Crossing Alternatives**
- Alternative 1 Trenchless
  - Alternative 1 Open Cut
  - Alternative 2 Open Cut
  - Alternative 3 Do Nothing



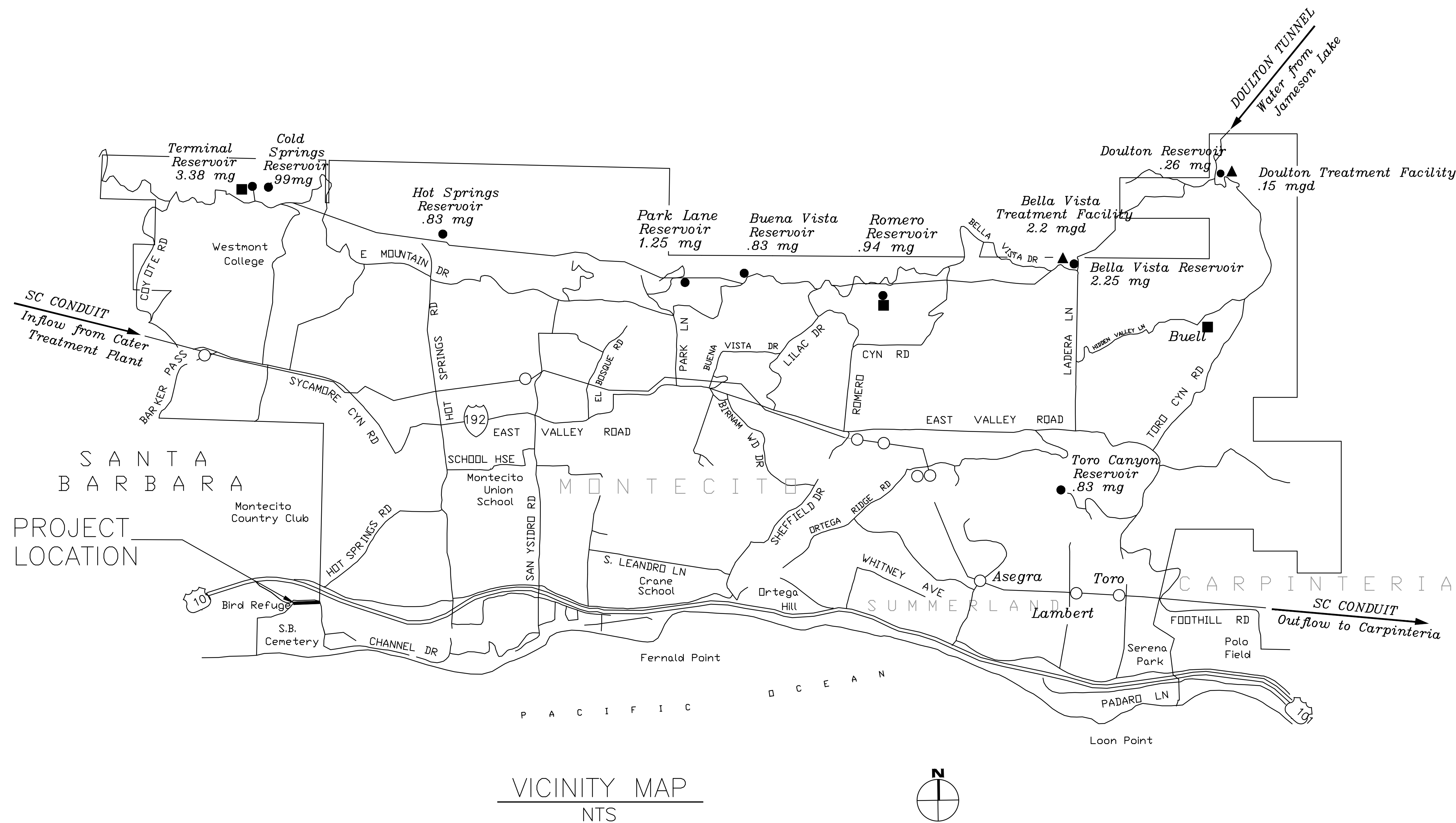
Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community



# CABRILLO CHANNEL DR CITY INTERTIE PROJECT MONTECITO WATER DISTRICT

DRAWING INDEX

SHEET	DESCRIPTION
A-XXX-1	TITLE SHEET
A-XXX-2	NOTES
A-XXX-3	PLAN SHEET
A-XXX-4	DETAILS
A-XXX-5	DETAILS



VICINITY MAP  
NTS

REV	DATE	BY	DESCRIPTION

MONTECITO WATER DISTRICT  
CABRILLO CHANNEL DR CITY INTERTIE PROJECT

Design: K. MEIER  
Drawn: F. ABBOTT  
Date: DECEMBER 2023

MONTECITO WATER DISTRICT  
588 SAN YSIDRO ROAD, SANTA BARBARA, CA 93108  
(805)969-2271 / (805)969-2761 Fax  
www.montecitowater.com

Date: DEC 2023  
Sheet No: 1 OF 4  
Drawing Scale: NONE

A-XXX-1

MONTECITO WATER DISTRICT STANDARDS

1. CONTRACTOR SHALL MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL CONSTRUCTION CHANGES NOT SHOWN IN THESE PLANS AND SPECIFICATIONS FOR RECORD DRAWING INFORMATION. NO CHANGES IN CONSTRUCTION SHALL BE MADE WITHOUT PRIOR WRITTEN CONSENT OF THE DISTRICT'S ENGINEER OR DESIGNATED INSPECTOR.
2. CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT PROJECT REPRESENTATIVE UPON THE DISCOVERY OF, AND PRIOR TO DISTURBING, ANY PHYSICAL CONDITIONS WHICH DIFFER FROM THOSE REPRESENTED IN THESE PLANS AND SPECIFICATIONS.
3. CONTRACTOR SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY. THIS REQUIREMENT SHALL BE IN EFFECT CONTINUOUSLY DURING THE CONSTRUCTION PERIOD AND NOT BE LIMITED TO NORMAL WORKING HOURS.
4. CONTRACTOR SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR PROTECTION OF PUBLIC AND PRIVATE PROPERTY IN THE VICINITY OF THE JOB SITE AND FURTHER AGREES TO REPAIR OR REPLACE ALL EXISTING IMPROVEMENTS DAMAGED DURING THE COURSE OF CONSTRUCTION TO A CONDITION EQUAL TO OR BETTER THAN THAT PRIOR TO BEING DISTURBED. COSTS ASSOCIATED WITH REPAIR OR REPLACEMENT OF DAMAGED PUBLIC OR PRIVATE PROPERTY WHICH ARE CAUSED DUE TO CONTRACTOR'S NEGLIGENCE SHALL BE AT THE CONTRACTOR'S EXPENSE.
5. AN EFFORT HAS BEEN MADE TO DEFINE THE LOCATION OF EXISTING UNDERGROUND UTILITIES WITHIN THE JOB SITE. HOWEVER, ALL EXISTING UTILITY AND OTHER UNDERGROUND STRUCTURES MAY NOT BE SHOWN ON THESE PLANS AND THEIR SHOWN LOCATION IS APPROXIMATE. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO DETERMINE THE LOCATION AND DEPTH OF ALL EXISTING UNDERGROUND FACILITIES INCLUDING SERVICE CONNECTIONS WHICH MAY BE AFFECTED DURING THE COURSE OF CONSTRUCTION. CONTRACTOR SHALL BE RESPONSIBLE FOR CONTACTING UNDERGROUND SERVICES ALERT AT 811 A MINIMUM OF 48 HRS PRIOR TO THE START OF EXCAVATION.
6. UNLESS OTHERWISE SPECIFIED HEREIN, ALL MATERIALS AND CONSTRUCTION SHALL BE IN ACCORDANCE WITH AWWA C600 AND THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION (THE GREEN BOOK) LATEST EDITION EXCEPT AS MODIFIED BY THE MONTECITO WATER DISTRICT'S LATEST APPROVED STANDARD SPECIFICATIONS FOR THE INSTALLATION OF WATER MAINS AND THE CONSTRUCTION STANDARD DRAWINGS.
7. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH APPLICABLE HEALTH AND SAFETY LAWS INCLUDING ALL REQUIREMENTS OF THE STATE OF CALIFORNIA DIVISION OF INDUSTRIAL SAFETY.
8. CONTRACTOR SHALL ABIDE BY ALL REQUIREMENTS AND CONDITIONS OF THE ENTITY HAVING JURISDICTION OVER RIGHT OF WAY ENCROACHMENT PERMITS.
9. CONTRACTOR SHALL CONTACT THE MONTECITO WATER DISTRICT'S ENGINEERING DEPT AT LEAST 72 HOURS PRIOR TO THE START OF CONSTRUCTION AT (805) 969-2271.
10. ALL PIPE SHALL CONFORM WITH THE LATEST REVISIONS OF AWWA STANDARDS C104, C105, C110, C111, C151, AND C600.
11. PIPE JOINTS SHALL BE MECHANICAL OR PUSH ON TYPE FLEXIBLE JOINT EMPLOYING A SINGLE GASKET TO EFFECT A WATERTIGHT SEAL. THE JOINT SHALL CONFORM WITH THE LATEST REVISIONS OF STANDARDS A.N.S.I. A21.11 AND AWWA C-111.
12. ALL PIPE SHALL BE CEMENT MORTAR LINED PER AWWA C-104 AND HAVE A SEAL COAT. ALL PIPE SHALL BE ASPHALTIC COATED PER AWWA C-151. ALL PIPE FITTINGS SHALL CONFORM WITH THE LATEST REVISIONS OF STANDARDS A.N.S.I. A21.10 AND AWWA C-153 AND SHALL BE CEMENT LINED.
13. ALL VALVES SHALL BE MUELLER RESILIENT-SEAT GATE VALVES OR APPROVED EQUAL WITH MECHANICAL JOINT ENDS, EXCEPT FOR FIRE HYDRANT CONTROL VALVES WHICH SHALL BE PER CONSTRUCTION STD DWG NO 102. THE VALVE BODY AND VANE SHALL BE COATED WITH MANUFACTURER'S FACTORY-APPLIED EPOXY.
14. ALL DUCTILE IRON PIPE, FITTINGS AND VALVES SHALL BE WRAPPED W/8 MIL POLYETHYLENE ENCASEMENT PER AWWA C105.
15. ALL BENDS AND OTHER FITTINGS SHALL HAVE CONCRETE THRUST BLOCKS CONSTRUCTED PER CONSTRUCTION STANDARD DRAWING NO. 113.
16. ALL MECHANICAL JOINT FITTINGS SHALL BE INSTALLED WITH MEGALUG RETAINING GLANDS OR APPROVED EQUAL.
17. ALL VALVE BOX COVERS SHALL BE ADJUSTED TO FINISH GRADE. ALL METER BOXES LOCATED IN WALKWAYS SHALL BE CAREFULLY ADJUSTED TO FINISH GRADE TO PROVIDE A FLUSH, UNIFORM SURFACE WITH THE WALKWAY.
18. WATERLINE PRESSURE TESTING & DISINFECTION SHALL BE IN ACCORDANCE WITH AWWA REQUIREMENTS. PRESSURE TEST SHALL BE AT 1.5 X EXISTING STATIC PRESSURE FOR A FOUR (4) HOUR DURATION.
19. ALL NEW WATER MAIN CONSTRUCTION SHALL NOT BE INSTALLED IN A COMMON TRENCH WITH OTHER PUBLIC OR PRIVATE UTILITIES UNLESS APPROVED IN WRITING BY THE DISTRICT.
20. SEPARATION OF WATER MAINS AND SANITARY SEWERS SHALL BE IN ACCORDANCE WITH THE "CALIFORNIA WATERWORKS STANDARDS", SECTION 64630, TITLE 22 OF THE CALIFORNIA ADMINISTRATIVE CODE AND THE CALIFORNIA STATE HEALTH DEPARTMENT'S "CRITERIA FOR SEPARATION OF WATER MAINS AND SANITARY SEWERS.
21. VERTICAL SEPARATION OF WATER MAINS FROM OTHER UTILITIES EXCEPT FOR SANITARY SEWERS SHALL BE A MINIMUM OF 12 INCHES CLEARANCE BELOW DISTRICT PIPELINE. PROPOSED CONSTRUCTION THAT DOES NOT MEET THIS STANDARD SHALL BE SUBMITTED TO DISTRICT FOR APPROVAL.
22. ALL WATER VALVE RISERS SHALL BE CONSTRUCTED PER MWD CONSTRUCTION STD DRAWING 112, INCLUDING TYLER LIDS.
23. ALL FIRE HYDRANT INSTALLATIONS SHALL BE CONSTRUCTED PER MWD CONSTRUCTION STD DRAWING 102.
24. INSTALL EBAA IRON MEGALUG SERIES 1100 RETAINING GLANDS AT ALL MECHANICAL JOINT FITTINGS AND VALVES.
25. AFTER SUCCESSFUL COMPLETION OF BAC-T AND PRESSURE TEST, AND WITH MWD APPROVAL, CONNECT NEW 8" DIP TO EXISTING 8" WATER LINE.

OTHER NOTES

1. WHEN FEASIBLE, NEW PIPELINE SHALL BE INSTALLED ABOVE EXISTING STORM CULVERTS WITH A MINIMUM 2 FEET OF CLEARANCE.
2. WHEN BACKFILLING A TRENCH WHERE MULTIPLE UTILITIES CROSS IN DIFFERENT DIRECTIONS, CONTRACTOR SHALL PROVIDE A BREAK IN THE SLURRY BACKFILL USING AN APPROVED MATERIAL, TO AVOID CONSOLIDATING UTILITIES TOGETHER IN A SINGLE MASS.
3. TRENCH PLATING SHALL BE INSTALLED FLUSH WITH THE EXISTING ADJACENT PAVEMENT.

GENERAL NOTES

1. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, (GREEN BOOK), LATEST EDITION, PUBLISHED BY BUILDING NEWS, INC., LOS ANGELES AND THE NOTES THAT FOLLOW.
2. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE REQUIREMENTS OF THE STATE OF CALIFORNIA DIVISION OF INDUSTRIAL SAFETY.
3. WORK DONE IN CONFLICT WITH THESE PLANS WILL BE SUBJECT TO REJECTION.
4. CONSTRUCTION ACTIVITIES SHALL BE LIMITED TO THE HOURS BETWEEN 8:00 A.M. AND 4:30 P.M., MONDAY THROUGH FRIDAY, UNLESS OTHERWISE APPROVED BY MWD.
5. CONTRACTOR SHALL POSSESS A CONTRACTOR'S LICENSE FOR THE STATE OF CALIFORNIA OF A TYPE APPROPRIATE FOR THE WORK AND SHALL FURNISH EVIDENCE OF THE SAME AT THE TIME THE CONTRACT IS AWARDED.
6. CONTRACTOR SHALL NOTIFY UNDERGROUND SERVICE ALERT TWO (2) FULL DAYS IN ADVANCE OF COMMENCING CONSTRUCTION AT 811.
7. CONTRACTOR SHALL CONTACT THE FOLLOWING 72 HOURS PRIOR TO EXCAVATION WORK:
- MONTECITO WATER DISTRICT AT 805-969-2271
8. UNDERGROUND UTILITIES AND SUBSTRUCTURES AS SHOWN HEREON WERE OBTAINED FROM AVAILABLE SOURCES, THE ACCURACY OF WHICH HAS NOT BEEN DETERMINED. CONTRACTOR SHALL VERIFY DEPTH AND LOCATION OF ALL EXISTING UTILITIES AND SUBSTRUCTURES PRIOR TO CONSTRUCTION, AND SHALL BE RESPONSIBLE FOR ANY DAMAGE TO EXISTING UTILITIES DURING CONSTRUCTION.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR INSTALLING ADEQUATE BRACING AND SHORING FOR EXCAVATIONS, TEMPORARY STRUCTURES, AND ANY AND ALL PARTIALLY COMPLETED PORTIONS OF THE WORK. SHEETING, SHORING, BRACING OR EQUIVALENT PROTECTION FOR ALL EXCAVATIONS SHALL BE PROVIDED AS REQUIRED BY INDUSTRIAL SAFETY LAWS.
10. CONSTRUCTION EQUIPMENT AND MATERIALS ON SITE SHALL BE USED IN SUCH A MANNER AS TO AVOID CREATING A PUBLIC NUISANCE. ROADWAYS AND GRADED AREAS SHALL BE SURFACED OR WETTED SUFFICIENTLY TO PREVENT THE GENERATION OF EXCESSIVE DUST AT ALL TIMES.
11. CONTRACTOR SHALL COMPLY WITH ALL ENCROACHMENT PERMIT CONDITIONS AND PROVIDE TRAFFIC CONTROL IN ACCORDANCE WITH THE REQUIREMENTS OF THE COUNTY OF SANTA BARBARA OR CALTRANS FOR WORK WITHIN THEIR RESPECTIVE RIGHT-OF-WAY.
12. ALL UTILITY TRENCH WORK AND A.C. PAVING WITHIN COUNTY OF SANTA BARBARA RIGHT OF WAY SHALL BE IN ACCORDANCE WITH COUNTY REQUIREMENTS.
13. CONTRACTOR SHALL BE FULLY RESPONSIBLE FOR ALL DAMAGE TO PRIVATE AND PUBLIC PROPERTY CAUSED BY HIS ACTIVITIES, AND SHALL REPAIR ALL DAMAGE TO A CONDITION EQUAL TO OR BETTER THAN PRIOR TO ITS DISTURBANCE.

LEGEND

EX WATER	
ABANDONMENT	
NEW WATER	
PROPERTY CORNER	PC
WATER VALVE	
WATER METER	
EDGE OF PAVEMENT	
ROADWAY CENTERLINE	
LIMITS OF ROAD RESURFACING	
FIRE HYDRANT	
AIR RELEASE VALVE	
EX. ELECTRIC	
EX. OVERHEAD	
EX. GAS	
EX. MAILBOX	
EX. SEWER	
EX. SEWER MANHOLE	
GAS VALVE	
TREE	
GAS METER	
POWER POLE	
BARBED WIRE FENCE	
CHAIN LINK FENCE	
STATE ROW	
STATION LINE	
SAMPLE STATION	
AIR VALVE	

ABBREVIATIONS

AC	= ASPHALT CONCRETE
BFS	= BELOW FINISHED SURFACE
BM	= BENCHMARK
BV	= BUTTERFLY VALVE
BVD	= BUENA VISTA DR
CL	= CENTER LINE
CMP	= CORRUGATED METAL PIPE
CONC	= CONCRETE
CONST	= CONSTRUCT
CTV	= CABLE TELEVISION
CU	= COPPER
DI	= DUCTILE IRON PIPE
DIA	= DIAMETER
EL	= ELEVATION
ELEC	= ELECTRICAL
EP	= EDGE OF PAVEMENT
ER	= EDGE OF ROADWAY
EUC	= EUCALYPTUS
EX	= EXISTING
EV	= EAST VALLEY RD
FD	= FOUND
FH	= FIRE HYDRANT
FL	= FLANGE
FR	= FROM
G	= GAS LINE
GALV	= GALVANIZED
GM	= GAS METER
GR	= GRADE
GV	= GATE VALVE
ID	= INSIDE DIAMETER
LF	= LINEAR FEET
MB	= MAIL BOX
MIN	= MINIMUM
MJ	= MECHANICAL JOINT
MWD	= MONTECITO WATER DISTRICT
OD	= OUTSIDE DIAMETER
PL	= PARK LN
POC	= POINT OF CONNECTION
PROP	= PROPOSED
PVC	= POLYVINYL CHLORIDE
RCP	= REINFORCED CONCRETE PIPE
ROW	= RIGHT OF WAY
SF	= SQUARE FEET
STA	= STATION
STD	= STANDARD
SWR	= SEWER
TA	= TOLLUS AVE
TB	= THRUST BLOCK
TEL	= TELEPHONE
TOP	= TOP OF PIPE
TP	= TOP OF PAVEMENT
TV	= TELEVISION
TYP	= TYPICAL
UNKWN	= UNKNOWN
W	= WATER LINE
W/	= WITH
WS	= WATER SERVICE
WM	= WATER METER
XING	= CROSSING

UTILITY CONTACT INFORMATION

MONTECITO WATER DISTRICT  
583 San Ysidro Road  
Santa Barbara, CA 93108  
805-969-2271

MONTECITO SANITARY DISTRICT  
1042 Monte Cristo Lane  
Santa Barbara, CA 93108  
805-969-4200

COX COMMUNICATIONS  
22 SOUTH FAIRVIEW AVENUE  
GOLETA, CA  
805-683-7751

SOUTHERN CALIFORNIA EDISON  
103 DAVID LOVE PLACE  
GOLETA, CA 93111  
805-683-5212

THE GAS COMPANY - DISTRIBUTION  
PO BOX 818  
GOLETA, CA 93116-0818  
805-681-7945

THE GAS COMPANY - TRANSMISSION  
818-701-4546

VERIZON  
424 PATTERSON AVENUE  
GOLETA, CA 93117  
805-967-2865

CACHUMA OPERATIONS MAINTENANCE BOARD (COMB)  
(OWNER OF SOUTH COAST CONDUIT OR SCC)  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105  
805-687-4011

LINE TABLE				
#	LENGTH	DIRECTION	START POINT	END POINT
L1	44.13	S21° 13' 11.31"E	(6084210.9724,1982875.7251)	(6084226.9449,1982834.5879)
L2	123.60	S51° 33' 07.51"E	(6084230.0845,1982830.9574)	(6084326.8817,1982754.1050)
L3	66.87*	S60° 21' 02.22"E	(6084326.8817,1982754.1050)	(6084384.9978,1982721.0241)

\* LENGTH SHOWN DOES NOT INCLUDE 10' TO ENDCAP PER PLANS

CONSTRUCTION NOTES:

1. INSTALL 8" DIP WATER MAIN PER DETAIL 1 SHEET 7
2. INSTALL 11.25 DEG. BEND (MJXMJ)
3. INSTALL 11.25 DEG. BEND (MJXMJ) WITH STAR PIPE PRODUCTS SERIES 100 OR EQUAL MECHANICAL JOINT ADAPTERS
4. INSTALL 22.5 DEG. BEND (MJXMJ) WITH STAR PIPE PRODUCTS SERIES 100 OR EQUAL MECHANICAL JOINT ADAPTERS
5. CONNECTION DETAIL PER DETAIL 5 SHEET 8

MONTECITO WATER DISTRICT  
CABRILLO CHANNEL DR CITY INTERTIE PROJECT

Design: K. MEIER  
Drawn: F. ABBOTT  
Date: DECEMBER 2023

MONTECITO WATER DISTRICT  
583 SAN YSIDRO ROAD, SANTA BARBARA, CA 93108  
(805)969-2271 / (805)969-2761 Fax  
www.montecitowater.com

Sheet No  
2 OF 4

Drawing Scale  
NONE

Date  
DEC 2023

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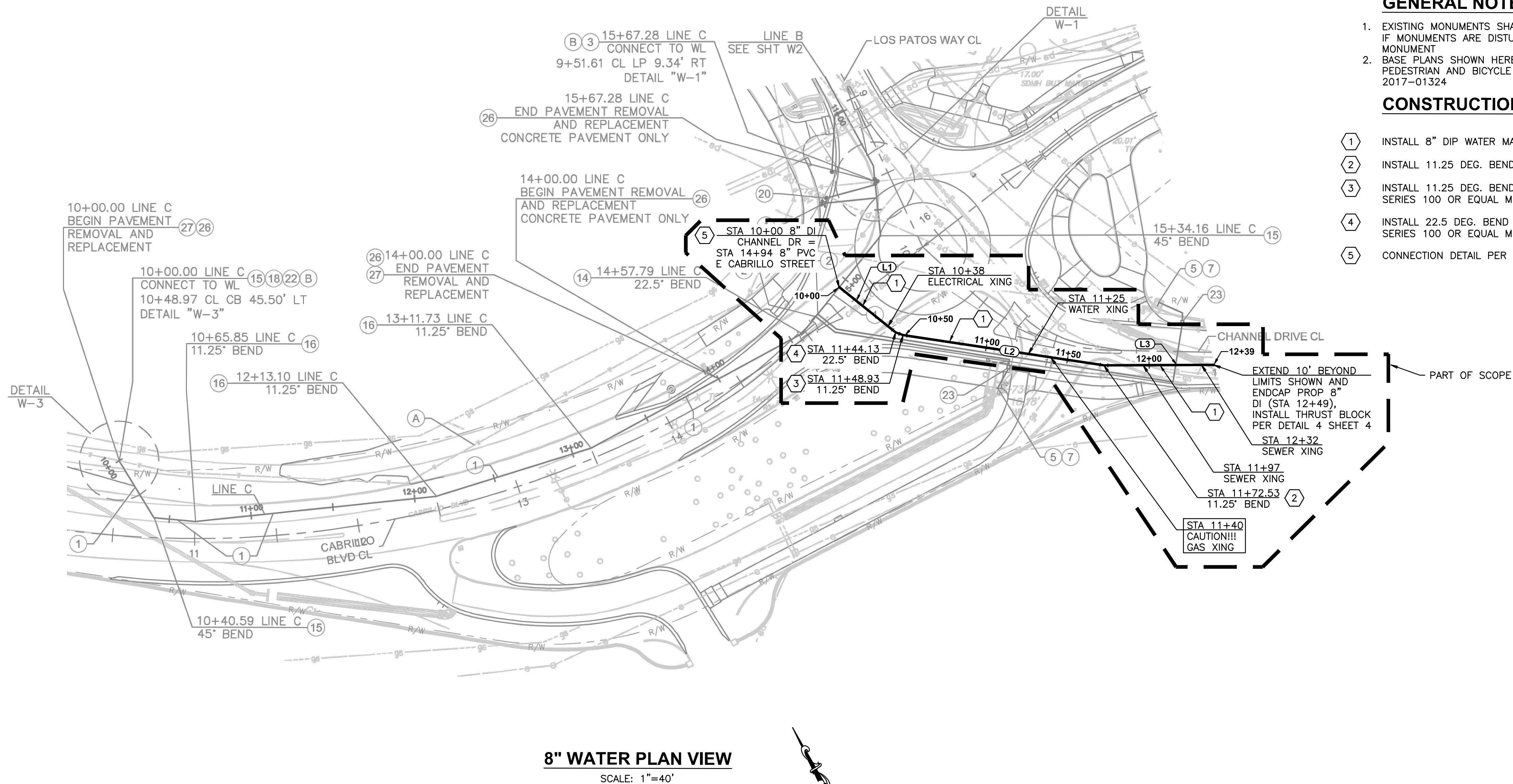
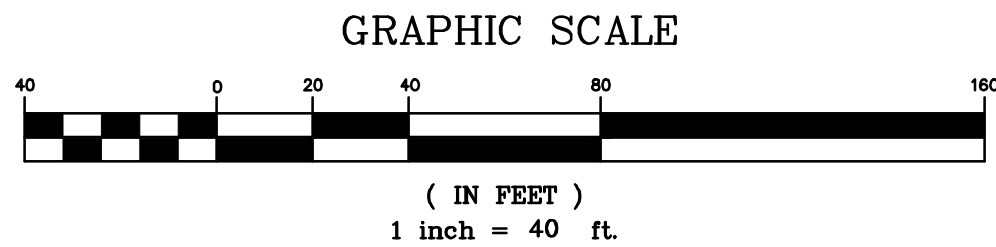


DIAL TOLL FREE  
811  
AT LEAST TWO DAYS  
BEFORE YOU DIG

UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA

ATTENTION:

All underground utilities and substructures shown hereon were obtained from the best available sources and are presumed to be accurate and complete, but since the information was obtained from others, the Montecito Water District cannot guarantee said information as being accurate and complete. It shall be the contractors sole responsibility to verify, locate and protect all utilities and substructures shown or not shown hereon.



**GENERAL NOTES:**

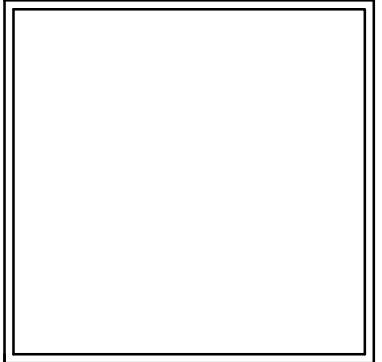
- EXISTING MONUMENTS SHALL BE PROTECTED IN PLACE/PRESERVED. IF MONUMENTS ARE DISTURBED, CONTRACTOR SHALL REESTABLISH MONUMENT
- BASE PLANS SHOWN HERE PROVIDED BY CITY OF SANTA BARBARA PEDESTRIAN AND BICYCLE IMPROVEMENTS PROJECT PBW. NO. 2017-01324

**CONSTRUCTION NOTES:**

- INSTALL 8" DIP WATER MAIN PER DETAIL 1 SHEET 4
- INSTALL 11.25 DEG. BEND (MXXMJ)
- INSTALL 11.25 DEG. BEND (MXXMJ) WITH STAR PIPE PRODUCTS SERIES 100 OR EQUAL MECHANICAL JOINT ADAPTERS
- INSTALL 22.5 DEG. BEND (MXXMJ) WITH STAR PIPE PRODUCTS SERIES 100 OR EQUAL MECHANICAL JOINT ADAPTERS
- CONNECTION DETAIL PER DETAIL 5 SHEET 4

REV.	DATE	BY	DESCRIPTION

**MONTECITO WATER DISTRICT**  
**CABRILLO CHANNEL DR CITY INTERTIE PROJECT**



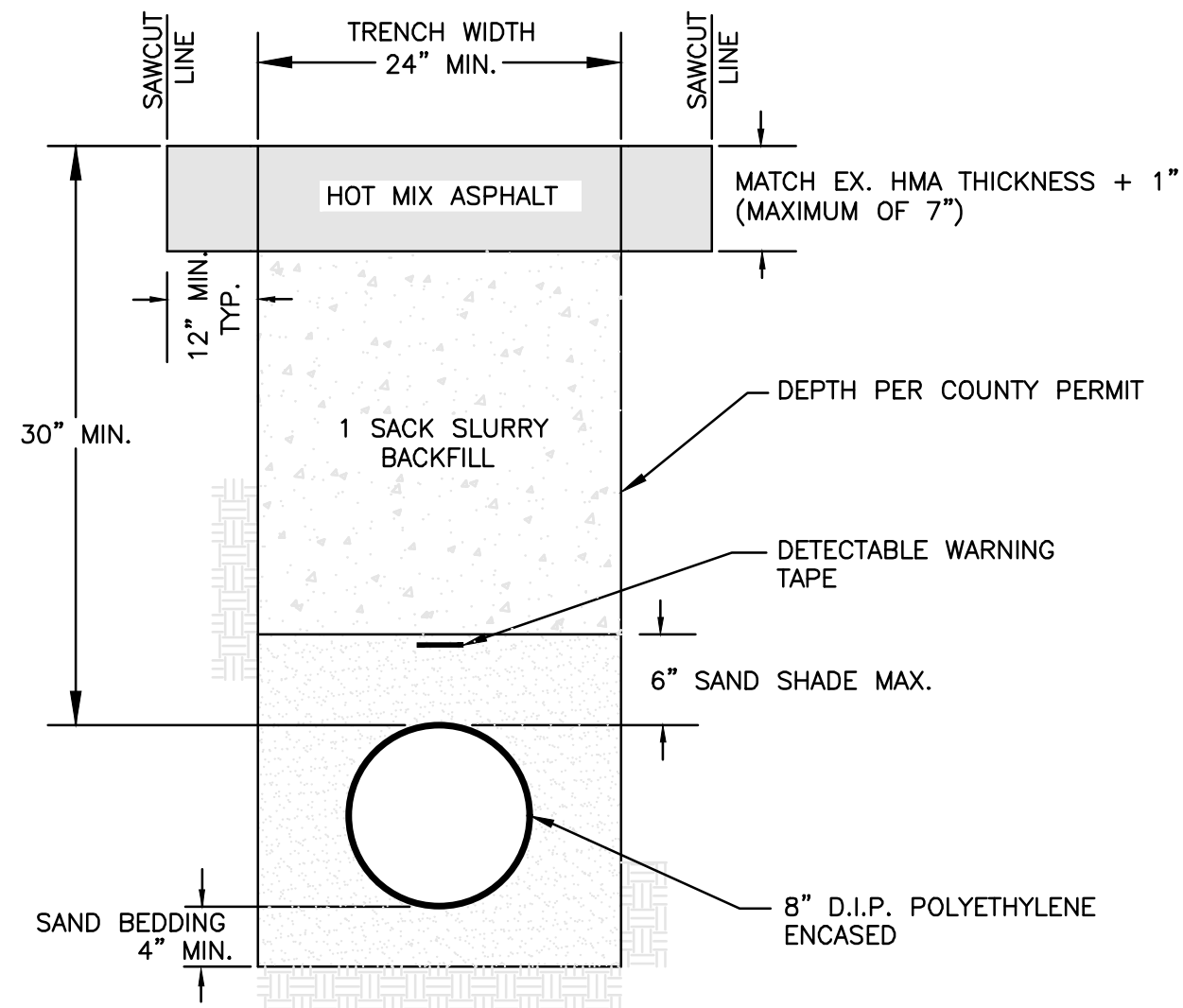
Design: K. MEIER  
Drawn: F. ABBOTT  
Date: DECEMBER 2023

MONTECITO WATER DISTRICT  
588 SAN YSIDRO ROAD, SANTA BARBARA, CA 93108  
(805)969-2271 / (805)969-2761 Fax  
www.montecitowater.com

Date: DEC 2023  
Sheet No: 3 OF 4  
Drawing Scale: AS-SHOWN

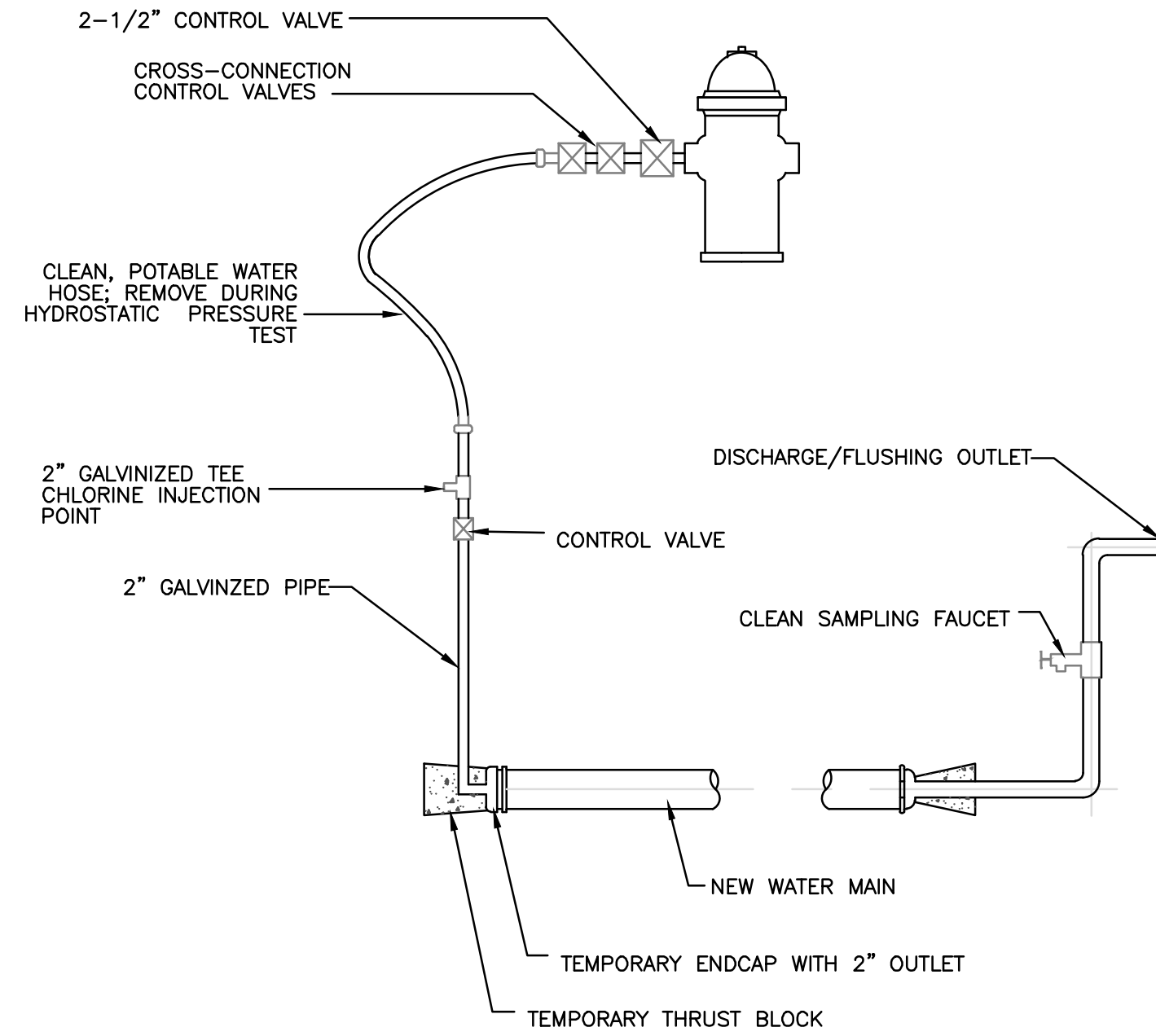
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TYPICAL TRENCH DETAIL  
NTS

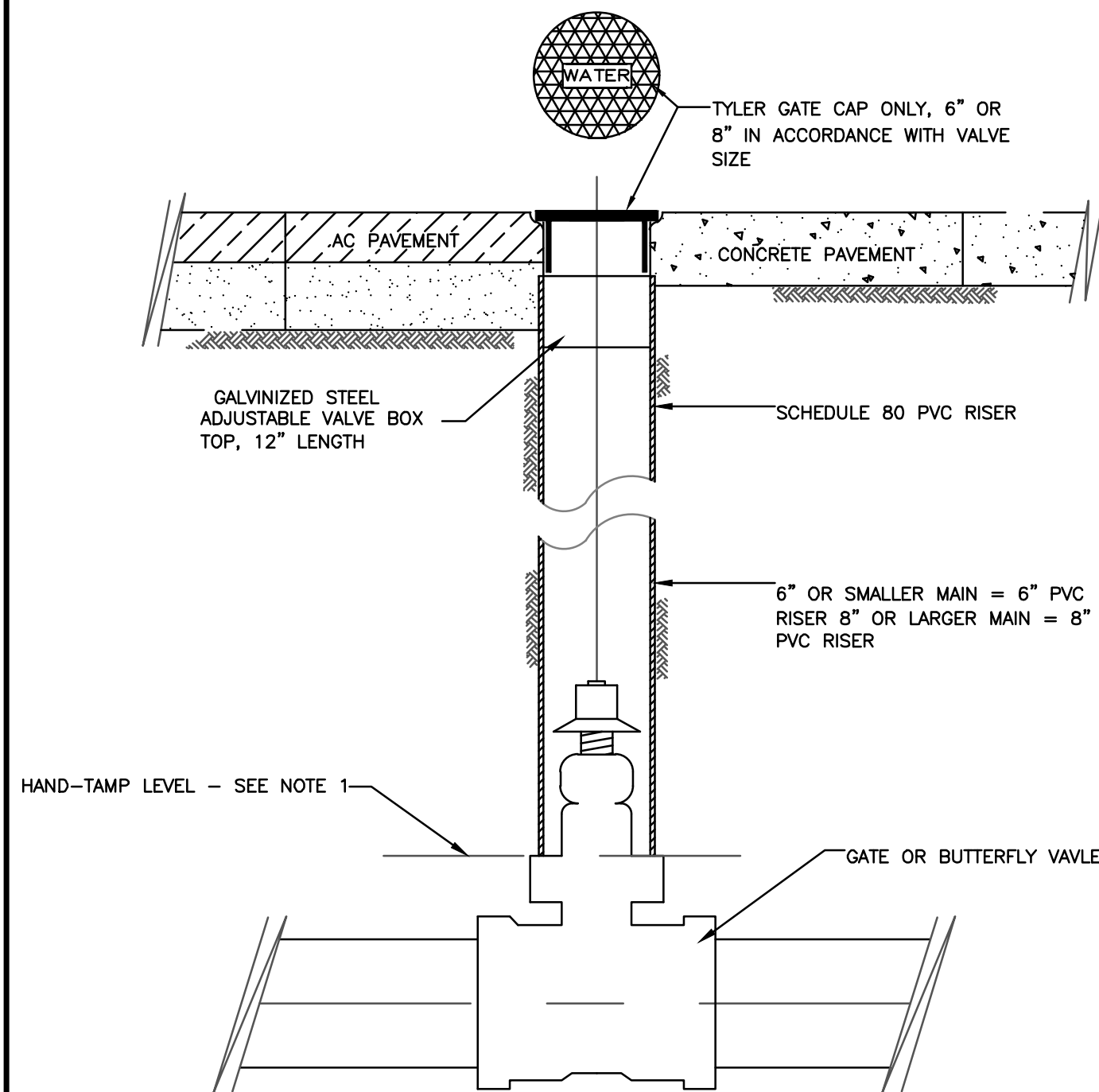
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GENERAL NOTES:  
1. ALTERNATE LAYOUTS REQUIRE APPROVAL BY MWD.

DISINFECTION LAYOUT FOR NEW WATER MAINS  
CS 109  
NTS

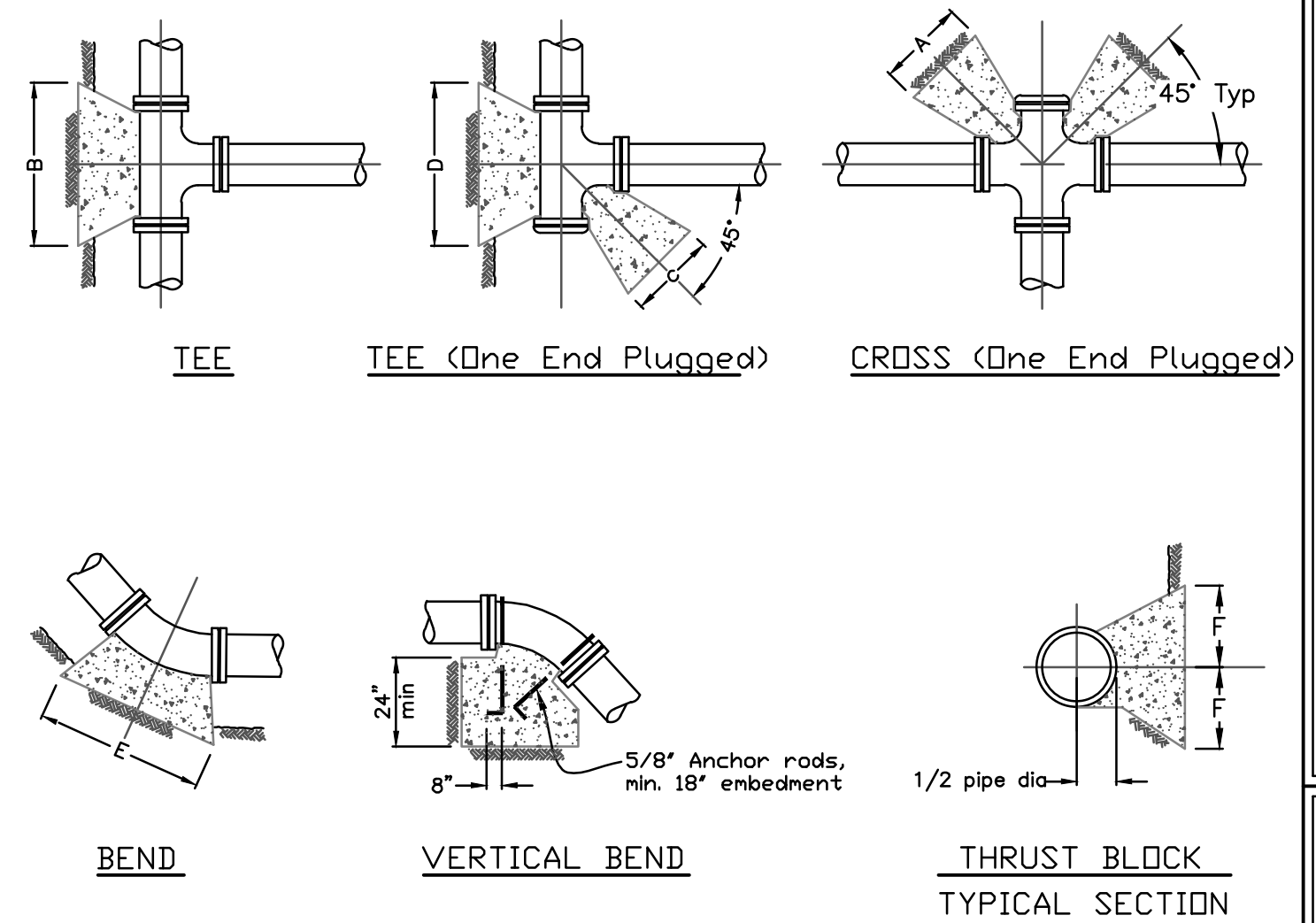
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GENERAL NOTES:  
1. INSTALLATION WITH GATE VALVE REQUIRES HAND-TAMPED BACKFILL UP TO TOP OF VALVE BONNET BEFORE PLACING VALVE BOX. FOR BUTTERFLY VALVE INSTALLATION, HAND-TAMP BACKFILL UP TO TOP OF OPERATING CHAMBER BEFORE VALVE BOX PLACEMENT.  
2. BACKFILL AND REPLACE PAVEMENT PER MWD STANDARD SPECIFICATIONS FOR THE INSTALLATION OF WATER MAINS AND APPLICABLE PERMIT REQUIREMENTS.  
3. FOR VALVE BOXES OUTSIDE PAVED ROADWAYS, TOP OF VALVE BOX SHALL EXTEND 1" ABOVE EXISTING GRADE.

VALVE BOX AND COVER — CS 112  
NTS

3  
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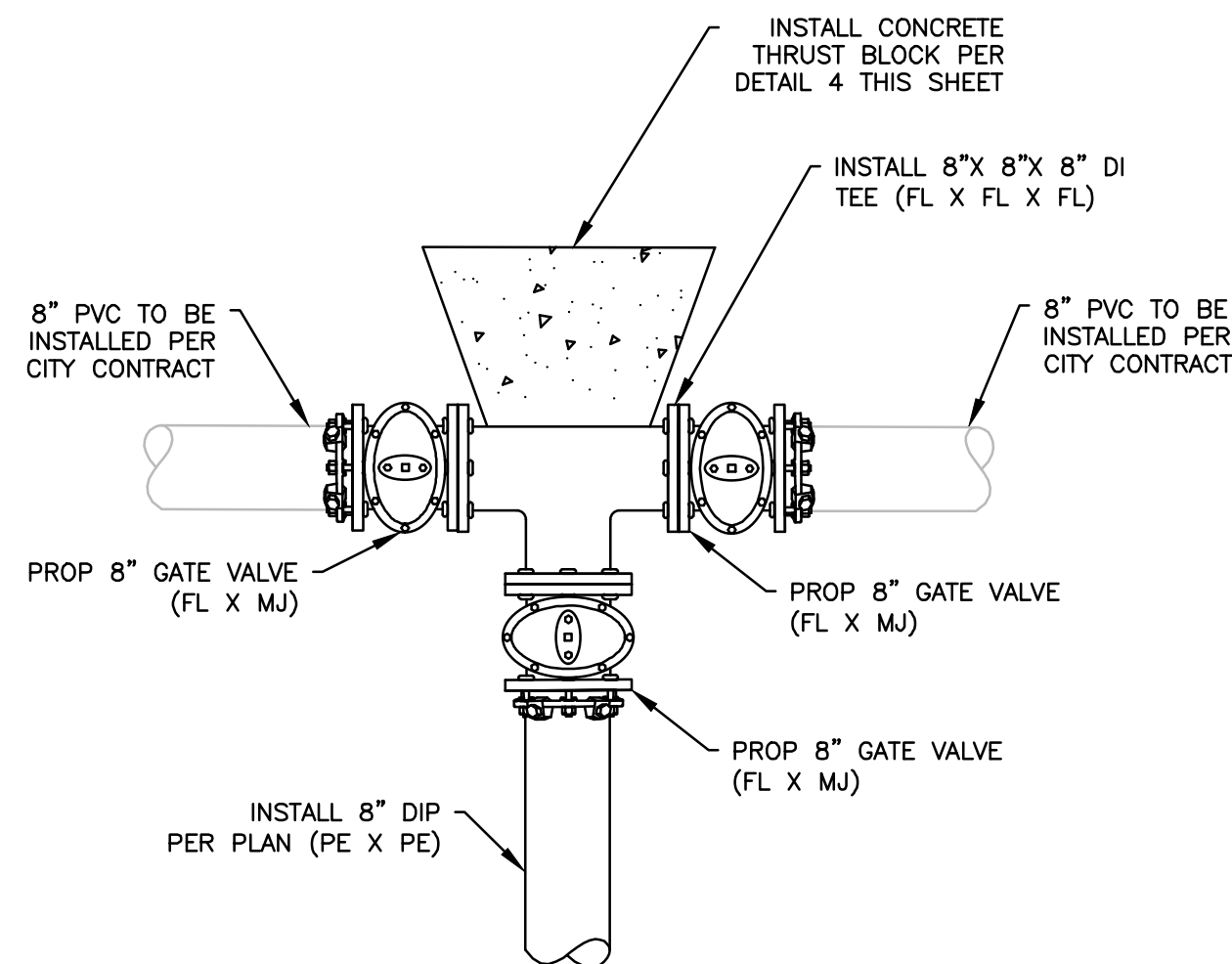


GENERAL NOTES:  
1. THRUST BLOCKS TO BE POURED AGAINST FIRM UNDISTURBED NATIVE SOIL.  
2. CONCRETE MIX TO BE 5 SACK.  
3. CONCRETE POURED AGAINST THE PIPE FITTING MUST NOT EXTEND BEYOND THE JOINTS.  
4. DIMENSIONS SHOWN BELOW ARE GIVEN IN INCHES EXCEPT AS NOTES.

MAIN SIZE (IN)	MAIN PRESSURE (PSI)	CROSSES & TEES					HORIZONTAL BENDS								REQUIRED CUBIC YARDS		
							90°		45°		22-1/2°		11-1/4°				
		F	A	B	C	D	F	E	F	E	F	E	F	E	45°	22-1/2°	11-1/4°
4	0-150	5	12	12	12	18	5	12	5	12	5	12	5	12	0.4	0.2	0.2
4	150-300	6	12	12	18	24	6	18	5	12	5	12	5	12	0.8	0.4	0.2
6	0-150	6	18	18	18	30	6	18	6	12	6	12	6	12	0.9	0.5	0.3
6	150-300	9	12	18	24	36	9	24	9	18	6	12	6	12	1.8	1.0	0.5
8	0-150	9	12	18	24	36	9	24	6	18	6	12	6	12	1.5	0.8	0.4
8	150-300	12	18	24	36	48	12	36	9	24	9	18	6	12	3.0	1.6	0.8
10	0-150	12	18	18	30	36	12	30	9	24	6	18	6	12	2.3	1.2	0.6
10	150-300	15	24	30	42	60	15	42	12	30	9	24	6	18	4.6	2.4	1.2
12	0-150	12	18	30	36	54	12	36	12	24	9	18	6	12	3.3	1.7	0.8
12	150-300	18	24	36	48	72	18	48	15	36	12	24	9	18	6.6	3.4	1.7

CONCRETE THRUST BLOCK — CS 113  
NTS

4  
—



NOTE: INSTALL JOINT RESTRAINT FITTINGS AT ALL MECHANICAL JOINTS.

CONNECTION AT STA. 10+00  
E CABRILLO BLVD AND CHANNEL DR  
NTS

5  
—

MONTECITO WATER DISTRICT  
CABRILLO CHANNEL DR CITY INTERTIE PROJECT

Design: K. MEIER  
Drawn: F. ABBOTT  
Date: DECEMBER 2023

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Date: DEC 2023  
Sheet No: 4 OF 4  
Drawing Scale: NONE

A-XXX-4



**Notice of Exemption****Appendix E**

**To:** Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044

County Clerk

County of: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**From:** (Public Agency): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Address)

Project Title: \_\_\_\_\_

Project Applicant: \_\_\_\_\_

Project Location - Specific:

Project Location - City: \_\_\_\_\_ Project Location - County: \_\_\_\_\_

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: \_\_\_\_\_

Name of Person or Agency Carrying Out Project: \_\_\_\_\_

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☐ Categorical Exemption. State type and section number: \_\_\_\_\_
- ☐ Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

Lead Agency \_\_\_\_\_

Contact Person: \_\_\_\_\_ Area Code/Telephone/Extension: \_\_\_\_\_

**If filed by applicant:**

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

☐ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

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Key to Features

- MWD Boundary
- Water Mains
- Service Laterals
- Fire Hydrant Laterals
- Appurtenance Pipes
- Private Firelines
- Private Pipes
- City Laterals
- Abandoned Pipes
- South Coast Conduit
- Freeway
- Streets
- Highway
- Tax Parcels

DISCLAIMER: This map is for reference only. Although every effort has been made to ensure the accuracy of information, errors and conditions originating from physical sources used to develop the database may be reflected on this map. No level of accuracy is claimed for the boundary lines shown hereon and lines should not be used to obtain coordinate values, bearings or distances.

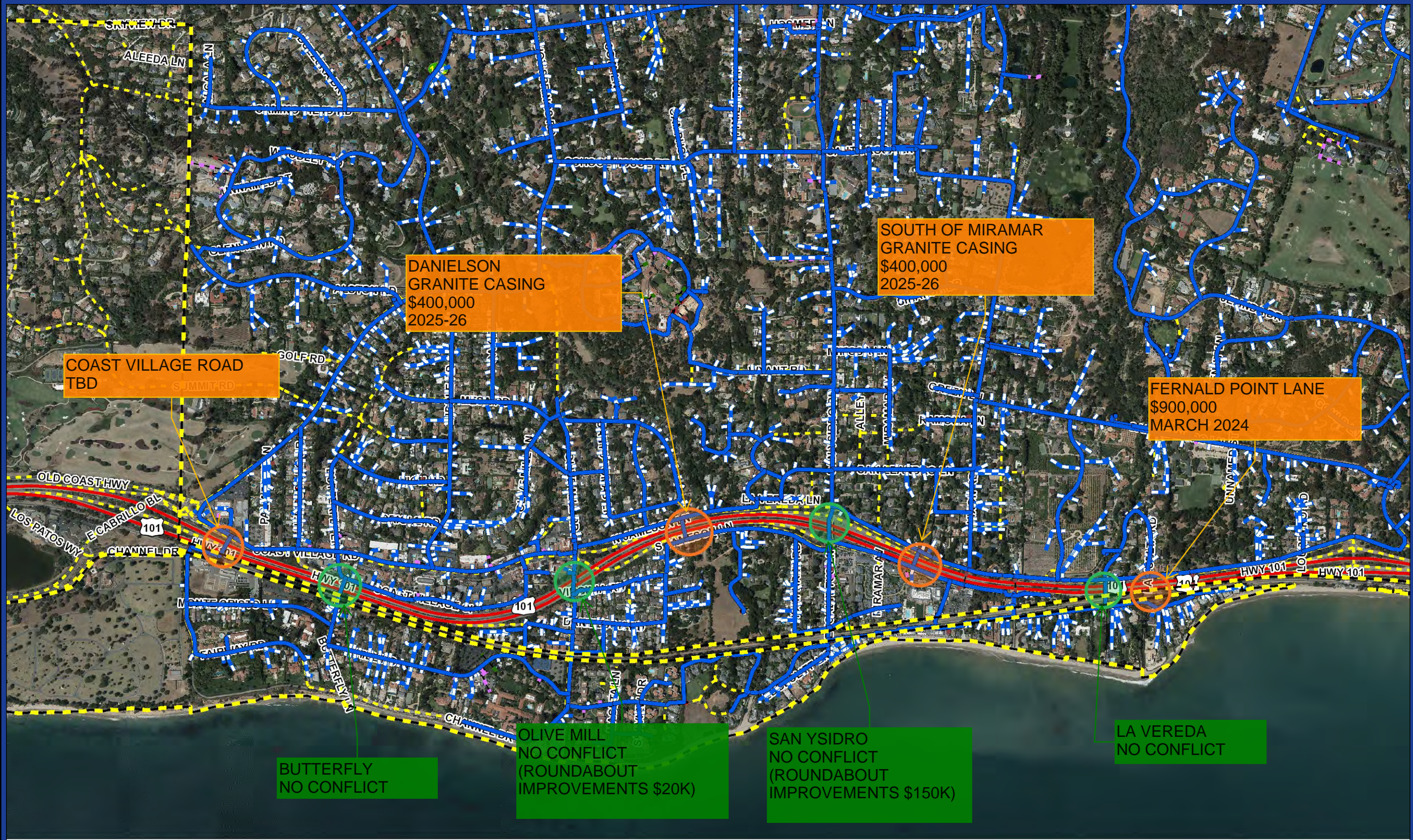
N

Feet

0 482  
State Plane California Zone V NAD 83  
Santa Barbara County, California

Montecito Water District

Compiled on ##-##-##  
Provided by zworldgis.com





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**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 5-B**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: GENERAL MANAGER**

**SUBJECT: PROPOSED RESOLUTION 2273 – AN UPDATE OF THE *WATER LOSS ADJUSTMENT POLICY***

---

This item was reviewed by the Operations and Customer Relations Committee at its meeting of February 21, 2024, and the Committee concurs with the recommendation.

**RECOMMENDATION:**

That the Board of Directors adopt Resolution No. 2273, an update of the *Water Loss Adjustment Policy* modifying the eligibility requirements.

**DISCUSSION:**

Attached is proposed Resolution No. 2273, an update of the *Water Loss Adjustment Policy* modifying the eligibility requirements. This proposed resolution would require customers to be enrolled in, and demonstrate utilization of, the District's smart metering technology - also known as WaterSmart - to be eligible for a water loss adjustment. The District has developed and made available tools, such as WaterSmart, to help customers manage their water use and prevent water loss. It is the customer's responsibility to access and utilize these tools for their benefit. In accordance with proposed Resolution No. 2273, should a customer choose not to utilize WaterSmart to identify unanticipated uses of water or water loss on their property, the customer would not be eligible for the water loss adjustment benefit afforded under the policy.

As noted above, Resolution 2273 proposes that enrollment in and utilization of WaterSmart be a requirement for eligibility. Enrollment in WaterSmart may occur before or after a water loss occurs on a property but the water loss adjustment to the customer's account would not be processed by the District until after enrollment has occurred. Utilization of WaterSmart would be demonstrated by a customer having established a WaterSmart account, set their water use thresholds in which to be notified and added their preferred communication methods. The primary objective of this proposed policy change is to encourage enrollment in and use of WaterSmart to reduce water loss.

Proposed Resolution No. 2273 has been reviewed by District general counsel.

**FISCAL IMPACT:**

Since adoption of the original Water Loss Adjustment Policy in August 2017, the District has processed the adjustments summarized in the table below.

<b><u>Fiscal Year</u></b>	<b><u>Quantity of WLAs (#)</u></b>	<b><u>Total Adjustments (\$)</u></b>
2017/18	20	\$1,737.32
2018/19	375	\$179,255.41
2019/20	196	\$28,452.01
2020/21	205	\$30,981.06
2021/22	333	\$136,252.72
2022/23	173	\$98,919.37

Currently the District is granting approximately \$20,000 in water loss adjustments monthly. With the implementation of WaterSmart, the District anticipated water loss adjustments would decrease more substantially than they currently have. This trend is at least partially attributable to having only 20% of District customers enrolled in and utilizing WaterSmart. With continued public outreach and adoption of Resolution No. 2273, water loss adjustments are expected to continue to decrease.

**BACKGROUND:**

The District receives requests from customers for an adjustment to their water bill as a result of a water leak or water loss taking place on their property that was beyond their reasonable control. In some cases, the water leak is discovered by the property owner and repaired, and in others the customer is made aware of the leak upon receipt of an unusually high-water bill. In accordance with Ordinance 82, a customer is responsible for payment for all water that is recorded through a meter, including water that is lost due to a plumbing leak, a service line break, theft or unaccounted for water use.

On August 23, 2017, the Board of Directors adopted Resolution 2156 establishing a Water Loss Adjustment Policy providing some financial relief to customers that experience water loss on their property due to circumstances beyond their reasonable control. The policy includes parameters and guidelines that staff follow when assessing water loss adjustment requests, ensuring that all requests are handled consistently.

In January 2021, the Board adopted Resolution 2205, updating the District's Water Loss Adjustment Policy. The adopted policy incorporated various revisions, including an adjustment to the unit rate for Excess Water for calendar year 2021, also referred to as "lost water", which is used to determine the amount of a water loss adjustment. This unit rate was updated again in September 2023 via Resolution No. 2268.

**ATTACHMENTS:**

1. Proposed Resolution No. 2273 an update of the Water Loss Adjustment Policy, modifying the eligibility requirements.

## RESOLUTION NO. 2273

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTECITO WATER DISTRICT UPDATING ITS WATER LOSS ADJUSTMENT POLICY

**WHEREAS**, Montecito Water District (the District) is responsible for the repair and maintenance of its water distribution system up to and including the water meters installed to serve District customers; and

**WHEREAS**, District customers are responsible for the repair and maintenance of the water system and plumbing facilities from the water meter to their property, including all plumbing fixtures on their property (i.e. the water system on the customer side of the water meter); and

**WHEREAS**, the District occasionally receives requests from customers to reduce their water bill due to a water leak or water loss which occurred on the customer's side of the water meter; and

**WHEREAS**, in accordance with Ordinance 82, the customer is responsible for payment for any water that is recorded through the meter including water that is lost due to a plumbing leak, a service line break, theft or unaccounted for water use; and

**WHEREAS**, in August 2017, the District adopted Resolution 2156 modifying Sections 6.2 and 9.1 of Ordinance 82 and establishing a *Water Loss Adjustment Policy*; and

**WHEREAS**, the *Water Loss Adjustment Policy* has been periodically updated to incorporate various revisions to the policy, including updating the unit rate for Excess Water; and

**WHEREAS**, in September 2023, the District instituted a water use monitoring platform (Watersmart) as part of the Smart Metering Program which provides the ability and tools to monitor water use in real-time and reduce unintended water losses; and

**WHEREAS**, the purpose of this Resolution is to: (a) rescind Resolution No. 2268 and the current *Water Loss Adjustment Policy*; and (b) establish an updated *Water Loss Adjustment Policy* effective upon adoption of this Resolution.

**NOW, THEREFORE BE IT RESOLVED** that the Board of Directors of Montecito Water District hereby adopts the following updated Water Loss Adjustment Policy:

1. The *Water Loss Adjustment Policy* adopted by Resolution 2268 is hereby rescinded in its entirety and replaced with the *Water Loss Adjustment Policy* contained in this Resolution.
2. Notwithstanding the customer's responsibility for charges due to water that is lost on the customer's side of the water meter under Section 6.2 of Ordinance 82, the District may, upon written request of a customer, grant an adjustment of a customer's bill ("Water

Loss Adjustment”) in the event of loss of water due to circumstances beyond the reasonable control of the customer such as a mechanical malfunction, blind leak, theft of water, vandalism, unexplained water loss or other unusual or emergency condition.

3. A determination as to whether a Water Loss Adjustment will be applied is at the discretion of the General Manager or their designee. In making the determination, the General Manager or designee will consider the following factors:
  - a. The cause of the water loss;
  - b. The customer’s opportunity to detect the water loss;
  - c. Any act or omission of the customer in connection with the water loss;
  - d. Evidence of steps taken to correct the problem; and
  - e. The promptness with which the water loss was discovered, stopped, and repaired.
4. Water Loss Adjustments will be handled on a case-by-case basis.
5. In order to qualify for a Water Loss Adjustment, the customer must:
  - a. Be enrolled in and demonstrate utilization of the District’s smart metering customer portal (Watersmart) for monitoring their real time water use and receiving notifications of apparent water loss.
  - b. Take corrective action to remedy the specific condition immediately upon being notified of or discovering the water loss. The customer may temporarily turn off water service to their property at their valve located on the customer’s side of the water meter and/or request the District temporarily shut off the water to the property until such time as remedial repairs of the specific condition are made.
  - c. Fill out and submit a *Water Loss Adjustment Request* form and provide any supporting documents to the District within thirty (30) days from the billing date for the period in which the loss occurred. Supporting documents may include, but are not limited to:
    - i. Invoice(s) for the repair;
    - ii. Report(s) from a leak detection specialist;
    - iii. Invoice(s) for parts;
    - iv. Photographs or videos depicting the water loss and/or repairs;



A site visit by District personnel may be required.

- d. Have an account in good standing (and without an outstanding balance) at the time of the Water Loss Adjustment request.

6. The Water Loss Adjustment will be determined as follows:

- a. The District will estimate a customer's normal water use ("Normal Use") in hundred cubic feet (HCF) for the month in which the loss occurred based on the following:
  - i. For existing accounts, Normal Use shall be an average of the usage during the same month for the past three (3) consecutive years. If less than three (3) consecutive years of data is available, an average of the available data shall be used.
  - ii. For new accounts with historical water use data available for the property, Normal Use shall be calculated in the same manner as existing accounts. For new accounts without historical water use data (i.e. new development), historical water use information for similar properties may be used.
  - iii. Other information may be used in estimating Normal Use on a property, as determined appropriate by the General Manager.

The General Manager or their designee will assess the available information and make a determination of estimated Normal Use for the month in question.

- b. The difference between the billed amount and the Normal Use will be considered the "Excess Water" resulting from the loss.
- c. All Excess Water will be billed as follows:
  - i. At a unit rate equal to the additional cost incurred by the District to replace the lost water as specified in the attached Appendix A. This unit rate specified in Appendix A will be reviewed annually and updated accordingly.
  - ii. Surcharges and/or Penalties, if in place at the time of the adjustment request, will not apply.
- d. The amount of the customer's revised bill as determined above will be due and payable in the billing cycle immediately following the billing cycle during which the Water Loss Adjustment is granted.

7. Water Loss Adjustments will be limited to two consecutive billing periods depending on the time and circumstances of the loss and will be limited to one adjustment every

twenty-four (24) months.

8. The customer may appeal the decision made by the General Manager or their designee under this Resolution to the Board of Directors by filing a written appeal with the District within 30 days of written notice of the General Manager's decision. Such an appeal will be governed by the procedures set forth in Section 9 of Ordinance 82, with the amount due under subdivision (d), Section 6 above substituted for "the total amount due to the District" for purposes of Section 9.1.
9. This Resolution shall be immediately effective upon passage, and applicable to all Water Loss Adjustment Requests submitted subsequent to the date of passage of this Resolution.

**BE IT FURTHER RESOLVED** that the General Manager may take appropriate actions as may be necessary to implement this resolution.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this \_\_\_\_ day of February \_\_\_\_ 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Kenneth Coates, President

ATTEST:

\_\_\_\_\_  
Nicholas Turner, Secretary

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
Walt Wendelstein, District Counsel

**Montecito Water District Resolution No. 2273**

**Appendix A**

All excess water will be billed at a unit rate equal to the additional cost incurred by the District to replace the lost water.

This unit rate is determined to be \$3.76/HCF for Fiscal Year 2024.

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**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 5-C**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: PUBLIC INFORMATION OFFICER**

**SUBJECT: CUSTOMER RELATIONS AND PUBLIC INFORMATION UPDATE**

---

**RECOMMENDATION:**

Information only.

**DISCUSSION:**

District outreach methods include e-News, bill inserts, bill messages, press releases, website updates, articles, social media posts, advertisements, regular updates in meeting presentations to community organizations, and participation in events.

Ongoing themes in communications are consistent with the District's 2022 5-Year Strategic Plan and local and State initiatives including "Water Conservation is a California Way of Life." Recent highlights include:

**Partner Programs.** Current countywide initiatives include the High School Video Contest with an entry deadline in March, and the 2024 Waterwise Countywide Garden Recognition Contest which will launch this spring (final timeline pending).

**AMI "Smart Meters."** Outreach is ongoing and customer registration is now at 20%. Staff are coordinating efforts to increase registration over the coming months.

**Rebates.** CalWEP website, District website, and promotional flyer are updated to reflect the changes and increased amounts approved by the Board at the January 23, 2024, meeting. Advertising and outreach continue with flyers available at points of public circulation such as the Montecito Library.

**Rate Study.** Pertaining to the Board's consideration of a new rate structure which may be adopted by July 1, 2024, customer information and outreach will be supported by consultants from Raftelis consistent with the prior rate study.

**Position Openings.** The employment page of the District web site is up to date with open positions and application information. The Distribution Operator II position is the only current opening at the District and is being advertised in broader reaching industry publications through organizations such as BC Waterjobs and ACWA.

**ATTACHMENTS:**

1. Rebate Flyer (January 23, 2024, revision)



**NEW  
AMOUNTS!**

# REBATES

Updated  
January 23, 2024



Scan to learn more.  
[montecitowater.com/  
rebates](http://montecitowater.com/rebates)

- ✓ **Mulch**
- ✓ **Drip Irrigation**
- ✓ **Smart Irrigation Controllers**
- ✓ **Landscape Conversion  
(turf removal)**
- ✓ **Indoor Appliances**
- ✓ **High-Efficiency Toilets**

Montecito Water District is pleased to announce the launch of a rebate program. As identified in the 2022 5-Year Strategic Plan, MWD has developed a comprehensive Water Use Efficiency Plan to support proactive partnering with the community. This new rebate program stems from that Plan and is intended to reward water conservation actions.

We're committed to providing customers with effective tools to help reduce water use. Customer engagement is essential for keeping water use aligned with limited water supply availability and State regulations, while maintaining the garden-like nature of the community. This is not something that MWD can do alone... We're in this together!



**CALIFORNIA  
WATER EFFICIENCY  
PARTNERSHIP**

MWD's partner agency CalWEP is administering the rebate program. Here are a few key points:

- **Rebates are cash reimbursements based on proof of qualified purchases**
- **The program is not retroactive from the start date of December 13, 2022**
- **Rebate amount is not to exceed the total cost of the device (i.e., toilet, appliance, drip, timer, etc.) and labor where applicable**
- **Some of the rebates (i.e., landscape conversions) are subject to an inspection**
- **Rebates are subject to available funding for the program**

Find more information on the reverse, and/or visit our website. Ready to begin your application process? Link straight to the CalWEP site at: [calwep.org/programs/rebates](http://calwep.org/programs/rebates). CalWEP customer service can be reached by calling 1.877.231.3625 or emailing [office@calwep.org](mailto:office@calwep.org)

[www.montecitowater.com](http://www.montecitowater.com) | 805.969.2271  
[customerservice@montecitowater.com](mailto:customerservice@montecitowater.com) | f t



# NEW INCENTIVES TO HELP REDUCE WATER USE

Rebate program summary, goals, and rebate amounts

## Mulch

Lower irrigation requirements by limiting evaporation, improving soil moisture retention, and reducing runoff. The rebate covers the cost of delivery for the free County mulch program up to 2 times per year. Rebate may also be applied to mulch from private vendors.

**Limit: \$500.00 per property per year.**

### Rebate Amounts



SFR	MFR	COM	INST
\$500	\$500	\$500	\$500

## Drip Irrigation

Convert spray irrigation systems to drip irrigation. The eligible drip equipment list is available on the CalWEP website. **Limit: 1 rebate per property.**

### Rebate Amounts



SFR	MFR	COM	INST
\$450	\$450	\$450	\$450

## Smart Irrigation Controller

Use weather-based irrigation controllers. These controllers have on-site weather sensors or rely on a central weather station signal that modifies irrigation times weekly or more. The eligible model list is available on the CalWEP website. Labor may also be reimbursable.

**Limit: 1 per property.**

### Rebate Amounts



SFR	MFR	COM	INST
\$300	\$600	\$600	\$600

## Landscape Conversion/Improvements

Replace existing turf grass (lawn) with low or no-water using landscapes such as native and/or drought-tolerant plantings and permeable hardscapes (e.g., gravel). \$1 per square foot (SF). The district will perform a site visit to verify turf removal areas. Grey water projects on properties with septic systems may be eligible.

**Limit: 1 rebate per property.**

### Rebate Amounts



SFR	MFR	COM	INST
\$5,000	\$10,000	\$10,000	\$10,000

## Indoor Appliances

Incentivize the installation of high-efficiency residential appliances such as dishwashers and washing machines. Efficiency criteria: EnergyStar-certified appliances only.

**Limit: 1 rebate per property.**

### Rebate Amounts



SFR	MFR	COM	INST
\$500	\$500	\$2,000	\$2,000

## High-Efficiency Toilets (HET) & Urinals

Promote the installation of high-efficiency toilets or urinals. Rebate applies to toilets flushing at 1.28 GPF or less and urinals flushing at 0.5 GPF or less. Urinals for COM/INST only. The eligible model list is available on the CalWEP website.

**Limit 2 per property SFR/MFR;  
10 per property COM/INST**

### Rebate Amounts



SFR	MFR	COM	INST
\$200	\$200	\$300	\$300

### Table Legend:

<b>SFR</b>	Single-Family Residential	<b>COM</b>	Commercial
<b>MFR</b>	Multi-Family Residential	<b>INST</b>	Institutional

**WE'RE IN THIS TOGETHER**



[www.montecitowater.com](http://www.montecitowater.com) | 805.969.2271  
[customerservice@montecitowater.com](mailto:customerservice@montecitowater.com) | f t



**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 5-D**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: GENERAL MANAGER**

**SUBJECT: GENERAL MANAGER REPORT**

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**RECOMMENDATION:**

Information only.

**DISCUSSION:**

The following summary provides the Board of Directors with a brief overview of progress with various District activities.

**Increased State Water Table A Allocation for 2024**

On February 21, 2024, the California Department of Water Resources (DWR) issued an increase in the State Water Project (SWP) Table A water allocation to State Water Project Contractors, which includes Santa Barbara County. The notice increased the SWP allocation from 10% to 15%, which equates to total allocation for 2024 of 495-acre feet for the District. Note that this allocation is preliminary and may increase or decrease depending on rainfall this winter in northern California. DWR reviews this allocation monthly and issues modifications as it determines appropriate.

**Update on the Implementation Plan for Parcel Water Budgets**

The Operations and Customer Relations Committee was presented with a draft implementation plan for the use of parcel water budgets as a water use efficiency tool for customers. Given the complexity and importance of parcel water budgets, District staff recommended introducing this tool to customers in October/November 2024 to avoid confusion related to the assessment and potential adoption of new water rates around June 2024. The Committee supported this timing. This schedule also provides sufficient time for development of communication materials, further refinement of outliers within the parcel water budget model, and pilot testing the tool. The Committee also discussed a new naming convention for the tool. The Committee requested staff perform additional work on the implementation plan and return to the Committee in the next several months.

### **Committee Review of the Updated 10-Year Pipeline Replacement Strategy**

The District's water main replacement program has targeted 1.3 miles of pipeline replacements per year. More recently, an accelerated pipeline replacement program of 2 miles per year has been contemplated. Over the last several months, the District has been completing an Asset Management Plan. This Plan has been used to update the long-term pipeline replacement strategy. The pipeline replacement portion of the draft Asset Management Plan and the proposed updated 10-year pipeline replacement program has been reviewed by the Operations and Customer Relations Committee. The Asset Management Plan concludes an optimal pipeline replacement rate of 1.1 miles per year and that an accelerated pipeline replacement program is not needed. Additionally, the priority of pipeline replacements has been adjusted in accordance with the risk assessment completed as part of the Asset Management Plan. Lastly, the updated pipeline replacement program includes current costs of construction which have increased from approximately \$280 per linear foot in 2019 to \$550 per linear foot in 2024. The results of the updated pipeline replacement and other capital improvements will be used as inputs to the Cost of Service and Rate Study analysis currently being prepared by Raftelis.

### **Update on project approvals and reimbursements for FEMA eligible projects**

The District has several ongoing disaster recovery projects related to the 2018 Thomas Fire and Debris Flow, and the January 2023 winter storms. Through the Public Assistance grant program, these projects are 75% reimbursable by the Federal Emergency Management Agency (FEMA) and 18.75% reimbursable by the California Governor's Office of Emergency Services (CalOES). Staff anticipate a net cash impact of \$5.8M resulting from delayed FEMA reimbursement through June 2024 if reimbursements do not occur sooner. Based on conversations with FEMA representatives, the District can anticipate approval of the Juncal Pipeline Project in April 2024, and reimbursements to follow 90 days thereafter in mid-2024. The District has submitted a formal request to CalOES/FEMA for a cash advance to cover all expenses incurred to date for the Juncal Pipeline Project (\$4.2M) and expects a response from CalOES/FEMA on the requested cash advance in Spring 2024.

### **Update on Conservation Rebate Program**

The District's Rebate Program was launched in mid-December 2022 and remains available to all customers. The program was revised by the Board of Directors in January 2024 with increased rebates and added programs. Customers continue to receive notification of the rebate program through advertising, enews, and conservation site visits. The tables below provide an update of the rebate program including funds awarded to customers for the current Fiscal Year (FY2024).

**Table 1 – Summary of Conservation Rebates for FY 2024**

<b>Measure</b>	<b>\$ Awarded (7/15/23 to 1/15/24)</b>		<b>\$ Pending Estimate (1/15/24 - present)</b>		<b>\$ Awarded + \$ Pending</b>	
	<b>SFR</b>	<b>COM- INST-MFR</b>	<b>SFR</b>	<b>COM- INST- MFR</b>	<b>SFR</b>	<b>COM-INST- MFR</b>
Mulch Program	\$ 340	\$ -	\$ -	\$ -	\$ 340	\$ -
Indoor Appliances Rebate	\$ 400	\$ -	\$ -	\$ -	\$ 400	\$ -
High Efficiency Toilet (HET) and Urinal Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Drip Irrigation Rebate	\$ 547	\$ -	\$ -	\$ -	\$ 547	\$ -
Smart Irrigation Controller Rebates	\$ 137	\$ -	\$ -	\$ -	\$ 137	\$ -
Landscape Conversions	\$ 1,842	\$ -	\$ 11,325	\$ -	\$ 13,167	\$ -
<b>Sub Total</b>	<b>\$ 3,266</b>	<b>\$ -</b>	<b>\$ 11,325</b>	<b>\$ -</b>	<b>\$ 14,591</b>	<b>\$ -</b>
<b>Grand Total</b>					<b>\$14,591</b>	

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**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 6-A**

**DATE: FEBRUARY 27, 2024**

**TO: BOARD OF DIRECTORS**

**FROM: BUSINESS MANAGER**

**SUBJECT: FISCAL YEAR 2022/23 AUDITED FINANCIAL STATEMENTS**

---

This item was reviewed by the Finance Committee at its meeting of February 20, 2024.

**RECOMMENDATION:**

That the Board of Directors Receive, Accept and File the Audited Financial Statements for Fiscal Year Ending June 30, 2023.

**BACKGROUND:**

The Draft Audited Financial Statements for the Fiscal Years Ending June 30, 2023, are provided under separate cover. The audited financial statements include the basic financial statements, the Independent Auditor's Report, and the notes to the financial statements. The Management Discussion and Analysis and the required supplemental information, on which the auditor does not express an opinion, accompany the financial statements.

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

The 2022/23 fiscal year is the third year of the District's contract with the accounting Nigro & Nigro PC, (the Auditor) to perform the annual audit. Paul J Kaymark is the Partner who is responsible for performing the audit of the District's financial statements.

**DISCUSSION:**

Mr. Kaymark will present the audited financial statements to the Board of Directors at its regular meeting on February 27, 2024, via Zoom.

## **AUDITOR’S OPINION**

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

“In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

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

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

## **FINANCIAL STATEMENTS**

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

## **SUPPLEMENTARY INFORMATION – MONTECITO GROUNDWATER SUSTAINABILITY AGENCY (GSA)**

Supplemental information regarding GSA activity is reported along with the Audited Financial Statements. The audited financial statements include the basic financial statements by fund for the GSA governmental fund and the Montecito Water District Enterprise funds.

## **ACCOMPANYING DOCUMENTS:**

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

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

**ATTACHMENTS:**

1. FYE23 Draft Audit
2. Supplement DASHBOARD

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**MONTECITO WATER DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
June 30, 2023  
(With Comparative Amounts as of June 30, 2022)**



**MONTECITO WATER DISTRICT**  
*For the Fiscal Year Ended June 30, 2023*  
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## ***Financial Section***

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Montecito Water District  
Montecito, California

### Opinion

We have audited the accompanying financial statements of the Montecito Water District (District), which comprise the balance sheet as of June 30, 2023, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Contributions to the Defined Benefit Pension Plan, and Schedule of Changes in the District's Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Schedules of Balance Sheets and Combining Schedules of Revenues, Expenses, and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which such partial information was derived.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a separate report dated January 31, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California  
January 31, 2024

## **MONTECITO WATER DISTRICT**

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

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Management's Discussion and Analysis (MD&A) offers readers of Montecito Water District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2023. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- In fiscal year 2023, the District's net position increased 3.01%, or \$1,738,379 from the prior year's net position of \$57,668,585 to \$59,406,964, as a result of the year's operations.
- In fiscal year 2023, operating revenues decreased by 13.97%, or \$3,336,831 from \$23,887,949 to \$20,551,118, from the prior year, primarily due to a \$3,368,485 decrease in water sales as a result of the increased amount of rainfall.
- In fiscal year 2023, operating expenses before depreciation expense decreased by 2.08% or \$424,307 from \$20,371,185 to \$19,946,878, from the prior year, primarily due to decreases in water purchases and general and administrative costs.

### **REQUIRED FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

## MONTECITO WATER DISTRICT

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

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#### FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

#### Condensed Balance Sheets

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 28,287,698	\$ 32,121,243	\$ (3,833,545)
Non-current assets	3,594,539	3,676,932	(82,393)
Capital assets, net	<u>51,622,911</u>	<u>47,285,855</u>	<u>4,337,056</u>
<b>Total assets</b>	<u>83,505,148</u>	<u>83,084,030</u>	<u>421,118</u>
<b>Deferred outflows of resources</b>	<u>3,069,286</u>	<u>1,576,589</u>	<u>1,492,697</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 86,574,434</u>	<u>\$ 84,660,619</u>	<u>\$ 1,913,815</u>
<b>Liabilities:</b>			
Current liabilities	\$ 6,999,232	\$ 5,785,937	\$ 1,213,295
Non-current liabilities	<u>18,821,302</u>	<u>17,105,614</u>	<u>1,715,688</u>
<b>Total liabilities</b>	<u>25,820,534</u>	<u>22,891,551</u>	<u>2,928,983</u>
<b>Deferred inflows of resources</b>	<u>1,346,936</u>	<u>4,100,483</u>	<u>(2,753,547)</u>
<b>Net position:</b>			
Net investment in capital assets	40,161,077	34,370,382	5,790,695
Restricted	3,557,438	3,605,230	(47,792)
Unrestricted	<u>15,688,449</u>	<u>19,692,973</u>	<u>(4,004,524)</u>
<b>Total net position</b>	<u>59,406,964</u>	<u>57,668,585</u>	<u>1,738,379</u>
<b>Total liabilities, deferred outflows of resources and net position</b>	<u>\$ 86,574,434</u>	<u>\$ 84,660,619</u>	<u>\$ 1,913,815</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$59,406,964 as of June 30, 2023.



## MONTECITO WATER DISTRICT

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

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#### FINANCIAL ANALYSIS OF THE DISTRICT (continued)

##### Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (68% as of June 30, 2023) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2023, the District showed a positive balance in its unrestricted net position of \$15,688,449 which may be utilized in future years.

##### Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Operating revenues	\$ 20,551,118	\$ 23,887,949	\$ (3,336,831)
Operating expenses	<u>(19,946,878)</u>	<u>(20,371,185)</u>	<u>424,307</u>
<b>Operating income before depreciation</b>	604,240	3,516,764	(2,912,524)
Depreciation expense	<u>(1,335,844)</u>	<u>(1,214,748)</u>	<u>(121,096)</u>
<b>Operating income</b>	(731,604)	2,302,016	(3,033,620)
Non-operating revenues(expenses), net	1,263,525	1,290,947	(27,422)
Capital Contributions	<u>607,037</u>	<u>594,140</u>	<u>12,897</u>
<b>Change in net position before special items</b>	1,138,958	4,187,103	(3,048,145)
Special Items, net	<u>599,421</u>	<u>1,050,836</u>	<u>(451,415)</u>
<b>Change in net position</b>	1,738,379	5,237,939	(3,486,663)
Net position:			
<b>Beginning of year</b>	<u>57,668,585</u>	<u>52,430,646</u>	<u>5,237,939</u>
<b>End of year</b>	<u>\$ 59,406,964</u>	<u>\$ 57,668,585</u>	<u>\$ 1,751,276</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased 3.01%, or \$1,738,379 from the prior year's net position of \$57,668,585 to \$59,406,964, as a result of the year's operations.

**MONTECITO WATER DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Revenues**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
<b>Operating revenues:</b>			
Water sales	\$ 15,171,677	\$ 18,540,162	\$ (3,368,485)
Water service charges	4,715,236	4,628,283	86,953
Water surcharges	306,415	307,458	(1,043)
Other operating revenues	<u>357,790</u>	<u>412,046</u>	<u>(54,256)</u>
<b>Total operating revenues</b>	<u>20,551,118</u>	<u>23,887,949</u>	<u>(3,336,831)</u>
<b>Non-operating revenues:</b>			
Rental revenue	59,808	47,016	12,792
Investment earnings	425,442	14,190	411,252
Groundwater Sustainability Agency:			
Groundwater sustainability fee	1,033,375	1,082,231	(48,856)
Grant funding	-	307,504	(307,504)
Sale of capital assets	(113)	-	(113)
Other non-operating revenues	<u>412,185</u>	<u>572,280</u>	<u>(160,095)</u>
<b>Total non-operating revenues</b>	<u>1,930,697</u>	<u>2,023,221</u>	<u>(92,524)</u>
<b>Total revenues</b>	<u>\$ 22,481,815</u>	<u>\$ 25,911,170</u>	<u>\$ (3,429,355)</u>

In fiscal year 2023, operating revenues decreased by 13.97%, or \$3,336,831 from \$23,887,949 to \$20,551,118, from the prior year, primarily due to a \$3,368,485 decrease in water sales as a result of the increased amount of rainfall. Non-operating revenues decreased by 4.57%, or \$92,524 from \$2,023,221 to \$1,930,697 primarily due to decreases in Groundwater Sustainability Agency sustainability grant revenue, as well as decreases in other-non operating revenue.

**MONTECITO WATER DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
<b>Operating expenses:</b>			
Source of supply - water purchases	\$ 10,766,774	\$ 11,127,538	\$ (360,764)
Source of supply - operational costs	511,595	292,964	218,631
Water treatment	1,490,190	1,638,357	(148,167)
Transmission and distribution	1,630,946	1,554,368	76,578
Customer services	484,289	459,949	24,340
General and administrative	<u>5,063,084</u>	<u>5,298,009</u>	<u>(234,925)</u>
<b>Total operating expenses</b>	<u>19,946,878</u>	<u>20,371,185</u>	<u>(424,307)</u>
Depreciation expense	<u>1,335,844</u>	<u>1,214,748</u>	<u>121,096</u>
<b>Non-operating expenses:</b>			
Interest expense	448,600	495,200	(46,600)
Cater treatment plant obligation	231,091	231,647	(556)
Cater treatment plant - ozone project obligation	276,346	276,902	(556)
Joint-project cost commitments	-	17,164	(17,164)
Amortization of debt premium and debt refunding	<u>(288,639)</u>	<u>(288,639)</u>	<u>-</u>
<b>Total non-operating expenses</b>	<u>667,398</u>	<u>732,274</u>	<u>(64,876)</u>
<b>Total expenses</b>	<u>\$ 21,950,120</u>	<u>\$ 22,318,207</u>	<u>\$ (368,087)</u>

In fiscal year 2023, operating expenses before depreciation expense decreased by 2.08% or \$424,307 from \$20,371,185 to \$19,946,878, from the prior year, primarily due to decreases in water purchases and general and administrative costs. Also, non-operating expenses decreased by 8.86%, or \$64,876 from \$732,274 to \$667,398, primarily due to a decrease in interest expense on long-term debt.

**Capital Assets**

	<u>Balance June 30, 2023</u>	<u>Balance June 30, 2022</u>
<b>Capital assets:</b>		
Non-depreciable assets	\$ 5,470,302	\$ 5,550,035
Depreciable assets	76,711,599	70,990,703
Accumulated depreciation	<u>(30,558,990)</u>	<u>(29,254,883)</u>
<b>Total capital assets, net</b>	<u>\$ 51,622,911</u>	<u>\$ 47,285,855</u>

At the end of year 2023, the District's investment in capital assets amounted to \$51,622,911 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$5,672,900 for various projects and equipment. See Note 6 for further information.

## MONTECITO WATER DISTRICT

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

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#### FINANCIAL ANALYSIS OF THE DISTRICT (continued)

##### Debt Administration

The long-term debt of the District is summarized below:

	Balance June 30, 2023	Balance June 30, 2022
Long-term debt:		
Loans and bonds payable	\$ 11,237,170	\$ 12,653,365

Long-term debt decreased by a total of \$1,416,195 for the year ended June 30, 2023. Principal payments were \$1,165,000 and amortization of the debt premiums amounted to \$251,195. See Note 8 for further information.

#### NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

#### CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

Management is unaware of any item that would affect the District's current financial position.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager or Business Manager of Montecito Water District, 583 San Ysidro Road, Santa Barbara, California, 93118 at (805) 969-2271.

# MONTECITO WATER DISTRICT

## Balance Sheets

June 30, 2023 (With Comparative Amounts as of June 30, 2022)

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2023</b>	<b>2022</b>
<b>Current assets:</b>		
Cash and investments (Note 2)	17,020,404	\$ 21,367,398
Accounts receivable, net (Note 4)	1,776,321	2,663,911
Lease receivable (Note 5)	34,601	32,234
Other receivables	110,450	269,837
Other asset – water rights banking deposit	1,250,000	1,250,000
Inventory – materials and supplies	1,238,960	856,222
Prepaid water charges	5,774,673	5,170,767
Prepaid expenses and other deposits	1,082,289	510,874
<b>Total current assets</b>	<b>28,287,698</b>	<b>32,121,243</b>
<b>Non-current assets:</b>		
Restricted – cash and investments (Note 2 and 3)	3,557,438	3,605,230
Lease receivable (Note 5)	37,101	71,702
Capital assets – not being depreciated (Note 6)	5,470,302	5,550,035
Capital assets – being depreciated, net (Note 6)	46,152,609	41,735,820
<b>Total non-current assets</b>	<b>55,217,450</b>	<b>50,962,787</b>
<b>Total assets</b>	<b>83,505,148</b>	<b>83,084,030</b>
<b>Deferred outflows of resources:</b>		
Deferred amounts related to net OPEB obligation (Note 9)	397,374	484,830
Deferred amounts related to net pension liability (Note 10)	2,671,912	1,091,759
<b>Total deferred outflows of resources</b>	<b>3,069,286</b>	<b>1,576,589</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 86,574,434</b>	<b>\$ 84,660,619</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	5,170,925	\$ 4,094,363
Deposits and unearned revenues	240,945	143,230
Accrued interest payable	224,300	247,600
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	148,062	135,744
Bonds payable (Note 8)	1,215,000	1,165,000
<b>Total current liabilities</b>	<b>6,999,232</b>	<b>5,785,937</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	444,184	407,232
Bonds payable (Note 8)	10,022,170	11,488,365
Net OPEB obligation (Note 9)	2,074,461	2,070,019
Net pension liability (Note 10)	6,280,487	3,139,998
<b>Total non-current liabilities</b>	<b>18,821,302</b>	<b>17,105,614</b>
<b>Total liabilities</b>	<b>25,820,534</b>	<b>22,891,551</b>
<b>Deferred inflows of resources:</b>		
Deferred amounts related to leases (Note 5)	64,721	97,082
Deferred amounts related to debt refunding (Note 8)	224,664	262,108
Deferred amounts related to net OPEB obligation (Note 9)	558,672	763,150
Deferred amounts related to net pension liability (Note 10)	498,879	2,978,143
<b>Total deferred inflows of resources</b>	<b>1,346,936</b>	<b>4,100,483</b>
<b>Net position:</b>		
Net investment in capital assets (Note 11)	40,161,077	34,370,382
Restricted	3,557,438	3,605,230
Unrestricted	15,688,449	19,692,973
<b>Total net position</b>	<b>59,406,964</b>	<b>57,668,585</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 86,574,434</b>	<b>\$ 84,660,619</b>

**MONTECITO WATER DISTRICT***Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<b>2023</b>	<b>2022</b>
<b>Operating revenues:</b>		
Water sales	15,171,677	\$ 18,540,162
Water service charges	4,715,236	4,628,283
Water surcharges and availability charges	306,415	307,458
Other operating revenues	357,790	412,046
<b>Total operating revenues</b>	<b>20,551,118</b>	<b>23,887,949</b>
<b>Operating expenses:</b>		
Source of supply – water purchases	10,766,774	11,127,538
Source of supply – operational costs	511,595	292,964
Water treatment	1,490,190	1,638,357
Transmission and distribution	1,630,946	1,554,368
Customer services	484,289	459,949
General and administrative	5,063,084	5,298,009
<b>Total operating expenses</b>	<b>19,946,878</b>	<b>20,371,185</b>
<b>Operating income before depreciation</b>	<b>604,240</b>	<b>3,516,764</b>
Depreciation expense	(1,335,844)	(1,214,748)
<b>Operating income</b>	<b>(731,604)</b>	<b>2,302,016</b>
<b>Non-operating revenues(expenses):</b>		
Rental revenue	59,808	47,016
Investment earnings	425,442	14,190
Groundwater Sustainability Agency: (Note 15)		
Groundwater sustainability fee	1,033,375	1,082,231
Grant funding	-	307,504
Other non-operating revenues	412,185	572,280
Interest expense	(448,600)	(495,200)
Amortization of debt premium and debt refunding	288,639	288,639
Cater treatment plant obligation	(231,091)	(231,647)
Cater treatment plant – ozone project obligation	(276,346)	(276,902)
Joint-project cost commitments	-	(17,164)
Sale of capital assets	113	-
<b>Total non-operating revenues(expenses), net</b>	<b>1,263,525</b>	<b>1,290,947</b>
<b>Income before capital contributions</b>	<b>531,921</b>	<b>3,592,963</b>
<b>Capital contributions</b>		
Capacity charges	481,183	455,018
Connection fees	125,854	139,122
<b>Change in net position before special items</b>	<b>1,138,958</b>	<b>4,187,103</b>
<b>Special items</b>		
FEMA reimbursements	-	1,050,836
Legal settlement proceeds	599,421	-
<b>Change in net position</b>	<b>1,738,379</b>	<b>5,237,939</b>
<b>Net position:</b>		
Beginning of year	57,668,585	52,430,646
End of year	<b>\$ 59,406,964</b>	<b>\$ 57,668,585</b>

**MONTECITO WATER DISTRICT***Statements of Cash Flows**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers and others	\$ 21,728,044	\$ 22,812,653
Cash paid to employees for salaries and wages	(3,303,832)	(3,078,070)
Cash paid to vendors and suppliers for materials and services	<u>(18,139,142)</u>	<u>(14,039,163)</u>
<b>Net cash provided by operating activities</b>	<u>285,070</u>	<u>5,695,420</u>
<b>Cash flows from non-capital financing activities:</b>		
Rental revenue	59,808	47,016
Groundwater Sustainability Agency:		
Groundwater sustainability fee	1,033,375	1,082,231
Grant funding	-	307,504
Cater treatment plant obligation	(231,091)	(231,647)
Cater treatment plant - ozone project obligation	(276,346)	(276,902)
Joint-project cost commitments	-	(17,164)
Legal settlement	599,421	-
Other non-operating income, net	<u>412,185</u>	<u>572,280</u>
<b>Net cash provided by non-capital financing activities</b>	<u>1,597,352</u>	<u>1,483,318</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(5,672,900)	(4,219,436)
Proceeds from the sale of capital assets	113	-
Proceeds from local capital contributions	607,037	594,140
FEMA grants received	-	2,574,330
Principal paid on long-term debt	(1,165,000)	(335,000)
Interest paid on long-term debt	<u>(471,900)</u>	<u>(501,900)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(6,702,650)</u>	<u>(1,887,866)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments, net	(8,751,768)	-
Investment earnings	<u>317,523</u>	<u>14,190</u>
<b>Net cash provided by investing activities</b>	<u>(8,434,245)</u>	<u>14,190</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	<u>(13,254,473)</u>	<u>5,305,062</u>
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>24,972,628</u>	<u>19,667,566</u>
End of year	<u><u>\$ 11,718,155</u></u>	<u><u>\$ 24,972,628</u></u>
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>		
Cash and cash equivalents	\$ 17,020,404	\$ 21,367,398
Restricted cash and cash equivalents	3,557,438	3,605,230
Less: Investments in U.S. treasury obligations	<u>(8,859,687)</u>	<u>-</u>
<b>Total cash and cash equivalents</b>	<u><u>\$ 11,718,155</u></u>	<u><u>\$ 24,972,628</u></u>

**MONTECITO WATER DISTRICT***Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ (731,604)	\$ 2,302,016
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	1,335,844	1,214,748
<b>Change in assets - (increase)decrease:</b>		
Accounts receivable, net	887,590	(34,869)
Lease receivable	32,234	29,993
Other receivables	159,387	(218,908)
Other asset - water rights banking deposit	-	(1,250,000)
Inventory - materials and supplies	(382,738)	(460,280)
Prepaid water charges	(603,906)	2,187,280
Prepaid expenses	(571,415)	(352,500)
<b>Change in deferred outflows of resources - (increase)decrease</b>		
Deferred amounts related to net OPEB obligation	87,456	87,457
Deferred amounts related to net pension liability	(1,580,153)	130,575
<b>Change in liabilities - increase(decrease):</b>		
Accounts payable and accrued expenses	1,076,562	2,470,865
Deposits and unearned revenues	97,715	(851,512)
Compensated absences	49,270	12,110
Net OPEB obligation	4,442	(798,473)
Net pension liability	3,140,489	(2,146,727)
<b>Change in deferred inflows of resources - increase(decrease)</b>		
Deferred amounts related to leases	(32,361)	(32,360)
Deferred amounts related to net OPEB obligation	(204,478)	740,316
Deferred amounts related to net pension liability	(2,479,264)	2,665,689
<b>Total adjustments</b>	<u>1,016,674</u>	<u>3,393,404</u>
<b>Net cash provided by operating activities</b>	<u>\$ 285,070</u>	<u>\$ 5,695,420</u>
<b>Non-cash investing, capital and financing transactions:</b>	<u>2023</u>	<u>2022</u>
Change in fair-value of investments	\$ 107,919	\$ -
Amortization of deferred amount on debt refunding	\$ (37,444)	\$ (37,444)
Amortization of premium on refunding bonds	\$ (251,194)	\$ (251,194)



# MONTECITO WATER DISTRICT

## *Notes to Financial Statements*

*June 30, 2023*

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### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Description of Organization**

The Montecito Water District (District) was incorporated on November 10, 1921, as the Montecito County Water District under the provisions of Chapter 387, Statutes of 1913 of the State of California. The 1913 Act was superseded by the present County Water District Act found in Division 12 of the State of California Water Code. Montecito County Water District changed its name to "Montecito Water District" pursuant to Section 31006 of the Water Code. The District was formed for the purposes of furnishing potable water within the District. The District is located in the southern coastal portion of Santa Barbara County and includes the unincorporated communities of Montecito and Summerland. It has a population of approximately 11,400 and currently provides water to approximately 4,600 customers.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

#### **B. Basis of Presentation, Basis of Accounting**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

###### 1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

###### 2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

###### 3. Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

###### 4. Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts.

###### 5. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 6. Lease Receivable and Deferred Inflows of Resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

###### 7. Inventory – Materials and Supplies

Supply inventories maintained by the District consist primarily of water meters and accessories, water pipes, valves, and various fittings. Inventories are valued at cost using the first-in, first-out method.

###### 8. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Water supply and sources	5 – 50 years
Treatment plants	25 – 50 years
Distribution system	25 – 70 years
Reservoirs	25 – 100 years
Buildings and improvements	5 – 50 years
Office	5 – 25 years
Equipment	5 – 20 years

###### 9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 10. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated. Additionally, employees have the option to cash-out vacation balances in excess of 80 hours once per calendar year.

###### 11. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2021

Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

###### 12. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2022

Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)**

**13. Water Sales**

Most water sales are billed on a monthly cyclical basis. Estimated unbilled water revenue through year-end has been accrued.

**14. Deposit Connection Fees**

Connection fees are collected by the District to cover the cost of service connections within the District.

**15. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property-owners or real estate developers desiring services that require capital expenditures or capacity commitment.

**16. Net Position**

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted net position** - This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling registrations.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

**D. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**E. Reclassifications**

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2023</u>
Cash and cash investments	\$ 17,020,404
Restricted – cash and investments	<u>3,557,438</u>
<b>Total cash and investments</b>	<b><u>\$ 20,577,842</u></b>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2023</u>
Petty cash	\$ 340
Demand deposits held with financial institutions	3,506,055
Investments	<u>17,071,447</u>
<b>Total cash and investments</b>	<b><u>\$ 20,577,842</u></b>

#### Demand Deposits with Financial Institutions

At June 30, 2023, the carrying amount of the District's demand deposits were \$3,506,055 and the financial institution's balances were \$2,896,468. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

#### Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

**MONTECITO WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2023*

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**Investments**

The District's investments as of June 30, 2023 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity
				12 Months or Less
U.S. treasury obligations	Level 1	N/A	\$ 8,859,687	\$ 8,859,687
CCWA Investment pool	Level 2	N/A	1,495,292	1,495,292
Semitropic stored water recovery units	Level 2	N/A	1,924,510	1,924,510
Money-market mutual funds	N/A	AAA	4,791,958	4,791,958
<b>Total investments</b>			<b>\$ 17,071,447</b>	<b>\$ 17,071,447</b>

Level 2 investments are the Semitropic Stored Water Recovery Units with a fair value of \$1,924,510 and the CCWA Investment Pool of \$1,495,292. Money Market Mutual Funds investments of \$4,791,958 are measured at amortized costs and are not level 1, 2 or 3 investments.

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District that are governed by the agreement between the District and the Trustee, rather than the general provisions of the California Government Code or the District's investment policy.

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District that are governed by the agreement between the District and the Trustee, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5-years	100%	None
U.S. Government Sponsored Agency Securities	5-years	100%	None
State of California Obligations	5-years	100%	None
CA Local Agency Obligations	5-years	100%	None
Negotiable Certificates of Deposit (Negotiable CD)	5-years	30%	None
Banker's Acceptances	180 days	100%	None
Repurchase Agreements	1-year	100%	None
Commercial Paper	270 days	100%	None
Medium- Term Notes	5-years	100%	None
California Local Agency Investment Fund (LAIF)	N/A	100%	None
Mutual Funds and Money Market Mutual Funds	N/A	100%	None

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2023.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2023. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets at June 30, 2023 consists of the following;

<u>Description</u>	<u>June 30, 2023</u>
GSA restricted funds – ARB	\$ 622,880
CCWA rate coverage reserve	1,495,258
Debt service restricted funds	<u>1,439,300</u>
<b>Total restricted cash and cash equivalents</b>	<b><u>\$ 3,557,438</u></b>

**NOTE 4 – ACCOUNTS RECEIVABLE, NET**

The accounts receivable, net balance at June 30, 2023 consists of the following;

<u>Description</u>	<u>June 30, 2023</u>
Accounts receivable	\$ 1,836,321
Allowance for doubtful accounts	<u>(60,000)</u>
<b>Total accounts receivable, net</b>	<b><u>\$ 1,776,321</u></b>



**MONTECITO WATER DISTRICT***Notes to Financial Statements**June 30, 2023***NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES**

Changes in the District's lease receivable for the year ended June 30, 2023 was as follows:

Description	Balance	Additions	Deductions	Balance
	June 30, 2022			June 30, 2023
Cellular antenna site rental	\$ 103,936	\$ -	\$ (32,234)	\$ 71,702

The District is reporting a total lease receivable of \$71,702 and a total related deferred inflows of resources related to leases of \$64,721 for the year ending June 30, 2023. Also, the District is reporting total lease revenue of \$32,361 and interest revenue of \$1,787 related to lease payments received for the year ending June 30, 2023.

The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease revenue to the net present value. In some cases, leases contain termination clauses. In these cases, the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered "volatile leases." Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility.

The District's lease is noted as follows:

***Cellular Antenna Site Rental***

The District, on July 1, 2021, renewed a continuous lease for 60 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$161,803. As of June 30, 2023, the value of the lease receivable was \$71,702. The lease is required to make monthly fixed payments of \$2,540 for the first 12-month period, then increase 5.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$64,721 as of June 30, 2023. The District recognized lease revenue of \$32,361 and interest revenue of \$1,787 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Minimum future lease receipts for the next two fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 34,601	\$ 1,121	\$ 35,722
2025	37,101	407	37,508
Total	71,702	\$ 1,528	\$ 73,230
Current	(34,601)		
Long-term	\$ 37,101		

Changes in the District's deferred inflows of resources related to leases for June 30, 2023 is as follows:

Description	Balance	Additions	Deductions	Balance
	July 1, 2021			June 30, 2022
Cellular antenna site rental	\$ 97,082	\$ -	\$ (32,361)	\$ 64,721

**MONTECITO WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2023*

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**NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)**

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2023, will be amortized in future periods as follows:

<b>Amortization Period</b>	<b>Deferred</b>
<b>Fiscal Year Ended June 30</b>	<b>Inflows</b>
	<b>of Resources</b>
2024	\$ 32,361
2025	32,360
<b>Total</b>	<b>\$ 64,721</b>

**NOTE 6 – CAPITAL ASSETS AND DEPRECIATION**

Changes in capital assets for the fiscal year ended June 30, 2023, were as follows:

<b>Description</b>	<b>Balance</b>		<b>Deletions/</b>	<b>Balance</b>
	<b>July 1, 2022</b>	<b>Additions</b>	<b>Transfers</b>	<b>June 30, 2023</b>
<b>Non-depreciable assets:</b>				
Land	\$ 101,352	\$ -	\$ -	\$ 101,352
Construction-in-process	5,448,683	5,731,674	(5,811,407)	5,368,950
<b>Total non-depreciable assets</b>	<b>5,550,035</b>	<b>5,731,674</b>	<b>(5,811,407)</b>	<b>5,470,302</b>
<b>Depreciable assets:</b>				
Transmission and distribution system	38,929,362	603,667	-	39,533,029
Juncal dam	2,347,495	256,848	(28,435)	2,575,908
Wells and water sources	4,326,054	-	-	4,326,054
Water rights	142,234	-	-	142,234
Bella vista treatment plant	6,777,724	187,761	-	6,965,485
Other treatment plants and facilities	388,649	68,232	-	456,881
Reservoirs and storage tanks	12,779,497	-	-	12,779,497
Meters and meter boxes	1,316,856	3,801,670	-	5,118,526
Structures and improvements	1,801,230	403,512	-	2,204,742
Machinery and equipment	2,181,602	430,943	(3,302)	2,609,243
<b>Total depreciable assets</b>	<b>70,990,703</b>	<b>5,752,633</b>	<b>(31,737)</b>	<b>76,711,599</b>
<b>Accumulated depreciation:</b>				
Transmission and distribution system	(12,189,615)	(766,443)	-	(12,956,058)
Juncal dam	(1,665,639)	(49,886)	28,435	(1,687,090)
Wells and water sources	(3,415,334)	(51,309)	-	(3,466,643)
Water rights	(142,234)	-	-	(142,234)
Bella vista treatment plant	(5,617,092)	(75,768)	-	(5,692,860)
Other treatment plants and facilities	(329,519)	(9,501)	-	(339,020)
Reservoirs and storage tanks	(2,751,782)	(157,468)	-	(2,909,250)
Meters and meter boxes	(1,183,216)	(11,932)	-	(1,195,148)
Structures and improvements	(276,417)	(53,107)	-	(329,524)
Machinery and equipment	(1,684,035)	(160,430)	3,302	(1,841,163)
<b>Total accumulated depreciation</b>	<b>(29,254,883)</b>	<b>(1,335,844)</b>	<b>31,737</b>	<b>(30,558,990)</b>
<b>Total depreciable assets, net</b>	<b>41,735,820</b>	<b>4,416,789</b>	<b>-</b>	<b>46,152,609</b>
<b>Total capital assets, net</b>	<b>\$ 47,285,855</b>	<b>\$ 10,148,463</b>	<b>\$ (5,811,407)</b>	<b>\$ 51,622,911</b>

**MONTECITO WATER DISTRICT***Notes to Financial Statements**June 30, 2023***NOTE 7 – COMPENSATED ABSENCES**

Summary changes to compensated absences balances for the year ended June 30, 2023, were as follows:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
\$ 542,976	\$ 573,831	\$ (524,561)	\$ 592,246	\$ 148,062	\$ 444,184

**NOTE 8 – BONDS PAYABLE**

Changes in the bonds payable balance are as follows:

<u>Description</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
2020 COP Refunding Bonds	\$ 10,895,000	\$ -	\$ (1,165,000)	\$ 9,730,000	\$ 1,215,000	\$ 8,515,000
<b>Sub-total bonds payable</b>	10,895,000	-	(1,165,000)	9,730,000	1,215,000	8,515,000
Less: Unamortized bond - premiums	1,758,365	-	(251,195)	1,507,170	-	1,507,170
<b>Total bonds payable</b>	<u>\$ 12,653,365</u>	<u>\$ -</u>	<u>\$ (1,416,195)</u>	<u>\$ 11,237,170</u>	<u>\$ 1,215,000</u>	<u>\$ 10,022,170</u>

**2020 Certificates of Participation Refunding Bonds**

On September 9, 2020, the District took advantage of the decline in interest rates and the funding received from the legal settlement to refund (defease) its DWR – Ortega Loan and the 2010A Refunding Revenue Certificates of Participation Bonds with a new \$11,390,000 2020 Certificates of Participation Refunding Bonds debt offering. The District achieved a net present value savings from the defeasance of \$3,302,335.

The bonds refunding incurred a deferred amount on the refunding of \$336,996, which is being amortized over the life of the debt on a straight-line basis. Changes to the deferred amount on refunding for the year ended June 30, 2023, were as follows:

<u>Description</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>
Deferred amounts related to refunding	\$ 262,108	\$ -	\$ (37,444)	\$ 224,664

The bonds were issued at a premium of \$2,260,782, which is being amortized over the life of the debt on a straight-line basis.

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 8 – BONDS PAYABLE

These bonds mature in various amounts through July 1, 2029. Principal and interest are payable annually on July 1 at rates ranging from 4.00% to 5.00%. The installment payments on these bonds are secured by a first priority lien on the net revenues of the District. Maturities of the 2020 COP Refunding Bonds and interest payments subsequent to June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,215,000	\$ 424,300	\$ 1,639,300
2025	1,260,000	374,800	1,634,800
2026	1,315,000	323,300	1,638,300
2027	1,375,000	262,625	1,637,625
2028	1,445,000	192,125	1,637,125
2029-2030	3,120,000	157,750	3,277,750
Total	9,730,000	<u>\$ 1,734,900</u>	<u>\$ 11,464,900</u>
Current	<u>(1,215,000)</u>		
Long-term	<u>\$ 8,515,000</u>		

#### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

##### Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2023</u>
OPEB related deferred outflows	\$ 397,374
Net other post-employment benefits obligation	2,074,461
OPEB related deferred inflows	558,672

##### A. General Information about the OPEB Plan

###### Plan Description

The District provides health insurance benefits through the Association of California Water Agencies (ACWA/JPIA) Blue Cross plan and Kaiser Permanente (small business plan) to some employees who retire. Medical, dental, and vision benefits are paid for life for retiring employees that were hired on or before May 16, 2013. For employees hired after May 16, 2013, the District will not provide group medical, vision care, and dental health insurance plans after their retirement.

###### Eligibility

A retired employee and dependent spouse, or spouse of a deceased employee or retiree, must satisfy the following requirements in order to be eligible for postemployment medical and dental benefits.

###### Participants

At June 30, 2023 measurement date, the following members were part of the plan:

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefit payments	11
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>12</u>
Total	23

#### Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis.

#### Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2023, the District's contributions totaling \$83,815 in current year premium payments.

#### Accounting for the Plan

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

#### B. Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

#### Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	3.65%
Inflation	2.50%
Payroll increases	2.75%
Healthcare Trend Rates	Pre-65 - 8.00% trending down 0.25% annually to 5.0% by 2031 and later Post-65 - 5.50% trending down 0.25% annually to 5.0% by 2021 and later
Morbidity	CalPERS 2013 Study
Mortality	CalPERS 2014 Study
Disability	Not valued
Retirement	2014 CalPERS Public Agency Miscellaneous experience study; 2.5% @55 and 2% @62
Percent Married	80% of future retirees would enroll a spouse

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

#### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

##### Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates.

##### C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022 (Measurement date June 30, 2021)	\$ 2,070,019	\$ -	\$ 2,070,019
Changes for the year:			
Service cost	47,208	-	47,208
Interest	72,631	-	72,631
Differences in experience	-	-	-
Changes in assumption	(31,582)	-	(31,582)
Employer contributions	-	83,815	(83,815)
Net investment income	-	-	-
Benefit payments	(83,815)	(83,815)	-
Net changes	4,442	-	4,442
Balance at June 30, 2023 (Measurement date June 30, 2022)	\$ 2,074,461	\$ -	\$ 2,074,461

##### Changes of Assumptions

In fiscal year 2022, the Discount rate was changed to 3.65% from 3.54%, which decreased the total OPEB liability by \$31,582.

##### Change of Benefit Terms

In fiscal year 2022, the measurement period, there were no changes to the actuarial assumptions.

##### Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

##### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
\$ 2,378,420	\$ 2,074,461	\$ 1,826,205

**MONTECITO WATER DISTRICT***Notes to Financial Statements**June 30, 2023***NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)****C. Changes in the Net OPEB Liability****Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

Healthcare Cost		
7.0% Decreasing to 4.0%	8.0% Decreasing to 5.0%	9.0% Decreasing to 6.0%
\$ 1,773,380	\$ 2,074,461	\$ 2,445,492

**D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the District recognized OPEB credit of \$28,765. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 397,374	\$ (260,434)
Differences between expected and actual experience	-	(298,238)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 397,374</b>	<b>\$ (558,672)</b>

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$0 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (148,604)
2025	(148,604)
2026	5,653
2027	70,245
2028	58,366
Thereafter	1,646
<b>Total</b>	<b>\$ (161,298)</b>

At June 30, 2023, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

**MONTECITO WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2023*

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**NOTE 10 – PENSION PLAN**

**Summary**

The following balances on the balance sheet will be addressed in this footnote as follows:

<b>Description</b>	<b>2023</b>
Pension related deferred outflows	\$ 2,671,912
Net pension liability	6,280,487
Pension related deferred inflows	498,879

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

**A. General Information about the Pension Plan**

**The Plan**

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<b>Miscellaneous Plans</b>	
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 63 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	7.000%	6.750%
Required employer contribution rates – FY 2022	10.880%	7.590%

**Plan Description**

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2021 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.



**NOTE 10 – PENSION PLAN (continued)**

**A. General Information about the Pension Plan**

At June 30, 2022 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	14	14	28
Transferred and terminated members	7	4	11
Retired members and beneficiaries	46	1	47
<b>Total plan members</b>	<b>67</b>	<b>19</b>	<b>86</b>

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

**MONTECITO WATER DISTRICT**  
*Notes to Financial Statements*  
June 30, 2023

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**NOTE 10 – PENSION PLAN (continued)**

**A. General Information about the Pension Plan (continued)**

**Contributions (continued)**

Contributions for the year ended June 30, 2023, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 601,956	\$ 110,345	\$ 712,301

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

**Proportionate Share of Net Pension Liability and Pension Expense**

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2023:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	
Measurement Date	June 30, 2022	June 30, 2021	
Percentage of Risk Pool Net Pension Liability	0.134221%	0.165367%	-0.031146%
Percentage of Plan Net Pension Liability	0.054373%	0.058059%	-0.003686%

The District's proportionate share percentage of the net pension liability for the June 30, 2022, measurement date was as follows:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2021 (Measurement Date)	\$ 21,427,999	\$ 18,288,001	\$ 3,139,998
Balance as of June 30, 2022 (Measurement Date)	\$ 22,932,086	\$ 16,651,599	\$ 6,280,487
<b>Change in Plan Net Pension Liability</b>	<b>\$ 1,504,087</b>	<b>\$ (1,636,402)</b>	<b>\$ 3,140,489</b>

**MONTECITO WATER DISTRICT***Notes to Financial Statements**June 30, 2023*

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**NOTE 10 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)****Proportionate Share of Net Pension Liability and Pension Expense (continued)**

For the year ended June 30, 2023, the District recognized pension credit of \$206,627. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 712,301	\$ -
Difference between actual and proportionate share of employer contributions	-	(280,627)
Adjustment due to differences in proportions	39,501	(133,779)
Differences between expected and actual experience	126,124	(84,473)
Differences between projected and actual earnings on pension plan investments	1,150,418	-
Changes in assumptions	643,568	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 2,671,912</b>	<b>\$ (498,879)</b>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 10 – PENSION PLAN (continued)

##### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

###### Proportionate Share of Net Pension Liability and Pension Expense (continued)

An amount of \$712,301 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<b>Amortization Period</b>	<b>Deferred</b>
<b>Fiscal Year Ended June 30</b>	<b>Outflows/(Inflows)</b>
	<b>of Resources</b>
2024	\$ 323,184
2025	279,963
2026	153,949
2027	703,636
<b>Total</b>	<b>\$ 1,460,732</b>

###### Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

###### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

#### NOTE 10 – PENSION PLAN (continued)

##### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

###### Long-term Expected Rate of Return (continued)

The table below reflects long-term expected real rate of return by asset class.

Asset Class	Assumed Asset	Real Return <sup>1,2</sup>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

<sup>1</sup> An expected inflation of 2.3% is used for this period.

<sup>2</sup> Figures are based on the Asset Liability Management study.

###### Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

###### Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**MONTECITO WATER DISTRICT***Notes to Financial Statements**June 30, 2023***NOTE 10 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)****Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount	Current	Discount Rate
	Rate - 1%	Discount	+ 1%
	5.90%	Rate 6.90%	7.90%
CalPERS – Miscellaneous Plan	9,406,544	\$ 6,280,487	\$ 3,708,518

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

**C. Payable to the Pension Plans**

At June 30, 2023, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2023.

**NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets consisted of the following as of June 30:

Description	June 30, 2023	June 30, 2022
<b>Net investment in capital assets:</b>		
Capital assets – not being depreciated	\$ 5,470,302	\$ 5,550,035
Capital assets, net – being depreciated	46,152,609	41,735,820
Deferred amounts related to refunding	(224,664)	(299,552)
Bonds payable – current portion	(1,215,000)	(1,165,000)
Bonds payable – non-current portion	(10,022,170)	(11,488,365)
<b>Total net investment in capital assets</b>	<b>\$ 40,161,077</b>	<b>\$ 34,332,938</b>

## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

#### NOTE 13 – RISK MANAGEMENT POOL

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Further information about the Insurance Authority is as follows:

<b>A. Entity</b>	ACWA-JPIA
<b>B. Purpose</b>	To pool member contributions and realize the advantages of self-insurance
<b>C. Participants</b>	As of September 30, 2022 – 396 member districts
<b>D. Governing board</b>	Nine representatives employed by members
<b>E. Condensed financial information</b>	September 30, 2022
<b>Audit signed</b>	February 7, 2023
<b>Statement of financial position:</b>	<b>Sept 30, 2022</b>
<b>Total assets</b>	<u>\$ 246,615,214</u>
<b>Deferred outflows</b>	<u>6,108,562</u>
<b>Total liabilities</b>	<u>137,126,606</u>
<b>Deferred inflows</b>	<u>2,813,249</u>
<b>Net position</b>	<u><u>\$ 112,783,921</u></u>
<b>Statement of revenues, expenses and changes in net position:</b>	
<b>Total revenues</b>	\$ 175,619,417
<b>Total expenses</b>	<u>(212,646,028)</u>
<b>Change in net position</b>	(37,026,611)
<b>Beginning – net position</b>	<u>149,810,532</u>
<b>Ending – net position</b>	<u><u>\$ 112,783,921</u></u>
<b>F. Member agencies share of year-end financial position</b>	Not Calculated

## MONTECITO WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2023*

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#### **NOTE 13 – RISK MANAGEMENT POOL (continued)**

The District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value of \$48,405,017). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

General Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of \$60,000,000. This program does not have a deductible.

Auto Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000. This program does not have a deductible.  
Public Officials' Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000.

Cyber Liability - The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

Crime - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The District has a \$1,000 deductible.

Public Official Bond - The District has purchased a \$200,000 bond to cover the general manager's faithful performance of duty.

Workers' Compensation - The Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers' compensation coverage. The Insurance Authority is self-insurance up to \$2,000,000 and has purchased excess insurance coverage of \$2,000,000 for employer's liability coverage.

Underground Storage Tank Pollution Liability - The Insurance Authority is self-insured up to \$500,000 per occurrence and has purchased excess coverage of \$3,000,000. The District has a \$10,000 deductible.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2023, 2022, and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021.



## MONTECITO WATER DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 14 – STATE WATER CONTRACT

On June 4, 1991, the voters of the District approved participation in the California State Water Project (WP). As a result, the District joined in the formation of the Central Coast Water Authority (CCWA) in September 1991. The purpose of the CCWA is to provide for the financing, construction, operation and maintenance of certain local (nonstate owned) facilities required to deliver water from the SWP to certain water purveyors and users in Santa Barbara County.

Each Santa Barbara County State Water Project participant, including the District, has entered into a Water Supply Agreement in order to provide for the development, financing, construction, operation and maintenance of the CCWA Project. The purpose of the Water Supply Agreements is to assist in carrying out the purposes of CCWA with respect to the CCWA Project by: (1) requiring CCWA to sell, and the Santa Barbara County State Water Project participants to buy, a specified amount of water from CCWA ("take or pay"); and (2) assigning the Santa Barbara County State Water Project participant's entitlement rights in the SWP to CCWA. Although the District does have an ongoing financial responsibility pursuant to the Water Supply Agreement between the District and CCWA, the District does not have an equity interest in these entities.

The projected required costs of State water Project for the District do not reflect the effects of prepayments and credits held at CCWA. The prepayments and credits lower the future of payments to CCWA for the State water Project.

Estimates of the District's share of the project fixed costs of the State Water Project (SWP) are provided annually by the State. The estimates are subject to future increases or decreases resulting from changes in planned facilities, refinements in cost estimates and inflation.

During the next four years and thereafter, payments under the State Water Contract, exclusive of variable power costs, *are currently* estimated by the State and CCWA to be as follows:

<u>Fiscal Year</u>	<u>Fixed Costs</u>	<u>Variable Costs</u>	<u>Total</u>
2024	4,185,472	77,000	4,262,472
2025	4,189,709	372,299	4,562,008
2026	4,174,528	604,611	4,779,139
2027	4,330,698	626,547	4,957,245
Thereafter	36,705,647	-	36,705,647
<b>Total</b>	<b>\$ 53,586,054</b>	<b>\$ 1,680,457</b>	<b>\$ 55,266,511</b>

Additional information and complete financial statements for the CCWA are available for public inspection at 255 Industrial Way, Buellton, CA.

## MONTECITO WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2023*

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#### **NOTE 15 – GROUNDWATER SUSTAINABILITY AGENCY**

The District has initiated formation of a Groundwater Sustainability Agency (GSA) for the Montecito Groundwater Basin. The primary purpose of a GSA is to develop and implement a Groundwater Sustainability Plan (GSP) to achieve long-term groundwater sustainability within the Montecito Groundwater Basin. On June 24, 2021, the District approved the Montecito GSA Groundwater Sustainability Fee to develop and implement the GSP. The fee is based on customer parcel-size and is designed to equitably recover costs of the GSA while ensuring that the benefit received from sustainable management of the Montecito Groundwater Basin is proportional to the fees paid. The fee is scheduled for five-years beginning in the fiscal year ended June 30, 2021.

The District is also receiving state grant funding to support the required preparation of the GSP.

#### **NOTE 16 – COMMITMENTS AND CONTINGENCIES**

The United States Department of the Interior, Bureau of Reclamation (USBR) entered into an agreement on September 12, 1949 with the Santa Barbara County Water Agency (County) and constructed the Cachuma Project on the Santa Ynez River. The District entered into an agreement with the County to purchase water from those facilities. The agreement fixes charges for water furnished to repay the capital costs, and to pay the costs to operate and maintain works and facilities at Lake Cachuma and Bradbury Dam. Both these contracts were renewed in 1995.

##### **Cater Treatment Plant**

The District currently receives approximately 50% of its water supplies from or through the Cachuma Project. These surface water supplies are treated at the City of Santa Barbara's Cater Water Treatment Plant. The District entered into a joint powers agreement with the City of Santa Barbara, effective November 1, 2003, in which the District agreed to participate in a California Drinking Water State Revolving Fund contract financing totaling \$19.2 million to fund improvements required at the Cater Water Treatment plant. The District's annual payments for its share of the debt service are \$231,647 per year.

##### **Cater Ozone Project**

The District currently receives approximately 50% of its water supplies from or through the Cachuma Project. These surface water supplies are treated at the City of Santa Barbara's Cater Water Treatment Plant. The District entered into a joint powers agreement with the City of Santa Barbara, effective November 1, 2003, in which the District agreed to participate in a California Drinking water State Revolving Fund contract to fund improvements required at the Cater Water Treatment Plant. The District's annual payments for its share of the debt service are \$276,346 per year.

##### **Excluded Leases – Short-Term Leases and De Minimis Leases**

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 - months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

## **MONTECITO WATER DISTRICT**

### *Notes to Financial Statements*

*June 30, 2023*

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#### **NOTE 16 – COMMITMENTS AND CONTINGENCIES (continued)**

##### **Construction Contracts**

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems within its service area.

##### **Grant Awards**

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

##### **Litigation**

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

#### **NOTE 17 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through January 31, 2024, the date which the financial statements were available to be issued

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## ***Required Supplementary Information***

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# MONTECITO WATER DISTRICT

## *Schedule of the District's Proportionate Share of the Net Pension Liability For the Year Ended June 30, 2023*

### Last Ten Fiscal Years\*

#### California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.04313%	\$ 2,684,006	\$ 1,984,673	135.24%	79.82%
June 30, 2015	0.04117%	2,825,954	2,098,340	134.68%	78.40%
June 30, 2016	0.04388%	3,797,410	1,767,276	214.87%	74.06%
June 30, 2017	0.04507%	4,469,835	2,064,143	216.55%	75.51%
June 30, 2018	0.04568%	4,401,585	2,240,729	196.44%	76.84%
June 30, 2019	0.04729%	4,845,784	2,370,119	204.45%	75.66%
June 30, 2020	0.04859%	5,286,724	2,345,321	225.42%	74.23%
June 30, 2021	0.05806%	3,139,998	2,718,172	115.52%	85.35%
June 30, 2022	0.05473%	6,280,487	2,744,134	228.87%	72.62%

#### Notes to Schedule:

##### Benefit Changes:

There were no changes in benefits.

##### Changes in Assumptions:

##### From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

##### From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

##### From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

##### From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

##### From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

##### From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

##### From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

##### From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90% and the inflation rate from 2.5% to 2.30%.

\*Fiscal year 2014 was the first measurement date year of implementation; therefore, only nine years are shown.

**MONTECITO WATER DISTRICT***Schedule of the District's Contributions to the Defined Benefit Pension Plan  
For the Year Ended June 30, 2023***Last Ten Fiscal Years\*****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
June 30, 2015	\$ 226,841	\$ (226,841)	\$ -	\$ 2,098,340	10.81%
June 30, 2016	282,023	(282,023)	-	1,767,276	15.96%
June 30, 2017	312,822	(312,822)	-	2,064,143	15.16%
June 30, 2018	349,307	(349,307)	-	2,240,729	15.59%
June 30, 2019	424,172	(424,172)	-	2,370,119	17.90%
June 30, 2020	495,261	(495,261)	-	2,345,321	21.12%
June 30, 2021	572,292	(572,292)	-	2,718,172	21.05%
June 30, 2022	625,143	(625,143)	-	2,744,134	22.78%
June 30, 2023	712,301	(712,301)	-	3,117,138	22.85%

**Notes to Schedule:**

<b>Fiscal Year</b>	<b>Valuation Date</b>	<b>Actuarial Cost Method</b>	<b>Asset Valuation Method</b>	<b>Inflation</b>	<b>Investment Rate of Return</b>
June 30, 2015	June 30, 2012	Entry Age	Fair Value	2.75%	7.65%
June 30, 2016	June 30, 2013	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2015	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2016	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2020	Entry Age	Fair Value	2.30%	6.90%

**Amortization Method**

Level percentage of payroll, closed

**Salary Increases**

Depending on age, service, and type of employment

**Investment Rate of Return**

Net of pension plan investment expense, including inflation

**Retirement Age**

50 years (2%@55 and 2%@60), 52 years (2%@62)

**Mortality**

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\*Fiscal year 2015 was the first measurement date year of implementation; therefore, only nine years are shown.

# MONTECITO WATER DISTRICT

## Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2023

	Last Ten Fiscal Years*					
Fiscal Year Ended	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability:</b>						
Service cost	\$ 47,208	\$ 171,643	\$ 165,375	\$ 90,330	\$ 81,048	\$ 78,879
Interest	72,631	63,120	60,185	68,829	61,775	62,860
Changes of assumptions	(31,582)	(441,589)	18,150	648,925	89,711	-
Differences between expected and actual experience	-	(527,442)	-	(29,550)	-	-
Benefit payments	(83,815)	(64,205)	(56,396)	(37,489)	(33,758)	(32,460)
<b>Net change in total OPEB liability</b>	<b>4,442</b>	<b>(798,473)</b>	<b>187,314</b>	<b>741,045</b>	<b>198,776</b>	<b>109,279</b>
<b>Total OPEB liability - beginning</b>	<b>2,070,019</b>	<b>2,868,492</b>	<b>2,681,178</b>	<b>1,940,133</b>	<b>1,741,357</b>	<b>1,632,078</b>
<b>Total OPEB liability - ending</b>	<b>2,074,461</b>	<b>2,070,019</b>	<b>2,868,492</b>	<b>2,681,178</b>	<b>1,940,133</b>	<b>1,741,357</b>
<b>District's net OPEB liability</b>	<b>\$ 2,074,461</b>	<b>\$ 2,070,019</b>	<b>\$ 2,868,492</b>	<b>\$ 2,681,178</b>	<b>\$ 1,940,133</b>	<b>\$ 1,741,357</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>3,117,138</b>	<b>2,744,134</b>	<b>2,718,172</b>	<b>2,345,321</b>	<b>2,370,119</b>	<b>2,240,729</b>
<b>District's net OPEB liability as a percentage of covered payroll</b>	<b>66.55%</b>	<b>75.43%</b>	<b>105.53%</b>	<b>114.32%</b>	<b>81.86%</b>	<b>77.71%</b>

### Notes to Schedule:

#### Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits

Measurement Date June 30, 2018 – Coverage expanded to spouses for future retirees hired on or after July 1, 2009 if they have 25 years of service, effective fiscal year ending June 30, 2018

Measurement Date June 30, 2019 – There were no changes in benefits

Measurement Date June 30, 2020 – There were no changes in benefits

Measurement Date June 30, 2021 – There were no changes in benefits

#### Changes in Assumptions:

Measurement Date June 30, 2017 – Average per capita claims cost was updated to reflect actual 2017 premiums, health care cost trend rate was updated to reflect 2018 industry survey data, and mortality table was updated to reflect most recent CalPERS studies.

Measurement Date June 30, 2018 – There were no changes in benefits

Measurement Date June 30, 2019 – There were no changes in benefits

Measurement Date June 30, 2020 – There were no changes in benefits

Measurement Date June 30, 2021 – The interest assumption changed from 2.16% to 3.54%

Measurement Date June 30, 2021 – The interest assumption changed from 3.54% to 3.65%

\* Fiscal year 2018 was the first year of implementation; therefore, only six years are shown.

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## ***Supplementary Information***

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**MONTECITO WATER DISTRICT**  
*Combining Schedules of Balance Sheets*  
*For the Year Ended June 30, 2023*

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	<b>Water Fund</b>	<b>GSA Fund</b>	<b>Total</b>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>			
<b>Current assets:</b>			
Cash and cash equivalents (Note 2)	\$ 17,020,404	\$ -	\$ 17,020,404
Accounts receivable, net (Note 4)	1,776,321	-	1,776,321
Lease receivable (Note 5)	34,601	-	34,601
Other receivables	5,225	105,225	110,450
Other asset – water rights banking deposit	1,250,000	-	1,250,000
Inventory – materials and supplies	1,238,960	-	1,238,960
Prepaid water charges	5,774,673	-	5,774,673
Prepaid expenses and other deposits	1,082,289	-	1,082,289
Due (to)from other funds	-	-	-
<b>Total current assets</b>	<b>28,182,473</b>	<b>105,225</b>	<b>28,287,698</b>
<b>Non-current assets:</b>			
Restricted – cash and cash equivalents (Note 2 and 3)	2,934,558	622,880	3,557,438
Lease receivable (Note 5)	37,101	-	37,101
Capital assets – not being depreciated (Note 6)	5,470,302	-	5,470,302
Capital assets – being depreciated, net (Note 6)	45,403,813	748,796	46,152,609
<b>Total non-current assets</b>	<b>53,845,774</b>	<b>1,371,676</b>	<b>55,217,450</b>
<b>Total assets</b>	<b>82,028,247</b>	<b>1,476,901</b>	<b>83,505,148</b>
<b>Deferred outflows of resources:</b>			
Deferred amounts related to net OPEB obligation (Note 9)	397,374	-	397,374
Deferred amounts related to net pension liability (Note 10)	2,671,912	-	2,671,912
<b>Total deferred outflows of resources</b>	<b>3,069,286</b>	<b>-</b>	<b>3,069,286</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 85,097,533</b>	<b>\$ 1,476,901</b>	<b>\$ 86,574,434</b>

**MONTECITO WATER DISTRICT**  
*Combining Schedules of Balance Sheets (continued)*  
*For the Year Ended June 30, 2023*

	<b>Water Fund</b>	<b>GSA Fund</b>	<b>Total</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u></b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 4,731,403	439,522	\$ 5,170,925
Deposits and unearned revenues	240,945	-	240,945
Accrued interest payable	224,300	-	224,300
Long-term liabilities – due within one year:			
Compensated absences (Note 7)	146,982	1,080	148,062
Bonds payable (Note 8)	1,215,000	-	1,215,000
<b>Total current liabilities</b>	<b>6,558,630</b>	<b>440,602</b>	<b>6,999,232</b>
<b>Non-current liabilities:</b>			
Long-term liabilities – due in more than one year:			
Compensated absences (Note 7)	440,945	3,239	444,184
Bonds payable (Note 8)	10,022,170	-	10,022,170
Net OPEB obligation (Note 9)	2,074,461	-	2,074,461
Net pension liability (Note 10)	6,280,487	-	6,280,487
<b>Total non-current liabilities</b>	<b>18,818,063</b>	<b>3,239</b>	<b>18,821,302</b>
<b>Total liabilities</b>	<b>25,376,693</b>	<b>443,841</b>	<b>25,820,534</b>
<b>Deferred inflows of resources:</b>			
Deferred amounts related to leases (Note 5)	64,721	-	64,721
Deferred amounts related to debt refunding (Note 8)	224,664	-	224,664
Deferred amounts related to net OPEB obligation (Note 9)	558,672	-	558,672
Deferred amounts related to net pension liability (Note 10)	498,879	-	498,879
<b>Total deferred inflows of resources</b>	<b>1,346,936</b>	<b>-</b>	<b>1,346,936</b>
<b>Net position:</b>			
Net investment in capital assets (Note 11)	39,412,281	748,796	40,161,077
Restricted	2,934,558	622,880	3,557,438
Unrestricted	16,027,065	(338,616)	15,688,449
<b>Total net position</b>	<b>58,373,904</b>	<b>1,033,060</b>	<b>59,406,964</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 85,097,533</b>	<b>\$ 1,476,901</b>	<b>\$ 86,574,434</b>

**MONTECITO WATER DISTRICT***Combining Schedules of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2023*

	<b>Water Fund</b>	<b>GSA Fund</b>	<b>Total</b>
<b>Operating revenues:</b>			
Water sales	\$ 15,171,677	\$ -	\$ 15,171,677
Water service charges	4,715,236	-	4,715,236
Water surcharges and availability charges	306,415	-	306,415
Other operating revenues	357,790	-	357,790
<b>Total operating revenues</b>	<b>20,551,118</b>	<b>-</b>	<b>20,551,118</b>
<b>Operating expenses:</b>			
Source of supply – water purchases	10,766,774	-	10,766,774
Source of supply – operational costs	511,595	-	511,595
Water treatment	1,490,190	-	1,490,190
Transmission and distribution	1,630,946	-	1,630,946
Customer services	484,289	-	484,289
General and administrative	4,138,461	924,623	5,063,084
<b>Total operating expenses</b>	<b>19,022,255</b>	<b>924,623</b>	<b>19,946,878</b>
<b>Operating income before depreciation</b>	<b>1,528,863</b>	<b>(924,623)</b>	<b>604,240</b>
Depreciation expense	(1,335,844)	-	(1,335,844)
<b>Operating income (loss)</b>	<b>193,019</b>	<b>(924,623)</b>	<b>(731,604)</b>
<b>Non-operating revenues(expenses):</b>			
Rental revenue	59,808	-	59,808
Investment earnings	425,442	-	425,442
Groundwater Sustainability Agency: (Note 15)			
Groundwater sustainability fee	-	1,033,375	1,033,375
Grant funding	-	-	-
Other non-operating revenues	412,298	-	412,298
Interest expense	(448,600)	-	(448,600)
Amortization of debt premium and debt refunding	288,639	-	288,639
Cater treatment plant obligation	(231,091)	-	(231,091)
Cater treatment plant – ozone project obligation	(276,346)	-	(276,346)
Transfers in(out) - grant matching	(219,364)	219,364	-
<b>Total non-operating income (loss)</b>	<b>10,786</b>	<b>1,252,739</b>	<b>1,263,525</b>
<b>Change in net position before capital contributions</b>	<b>203,805</b>	<b>328,116</b>	<b>531,921</b>
<b>Capital contributions:</b>			
Capacity charges	481,183	-	481,183
Connection fees	125,854	-	125,854
<b>Change in net position before special items</b>	<b>810,842</b>	<b>328,116</b>	<b>1,138,958</b>
<b>Special items</b>			
Legal settlement proceeds	599,421	-	599,421
<b>Change in net position</b>	<b>1,410,263</b>	<b>328,116</b>	<b>1,738,379</b>
<b>Net position:</b>			
Beginning of year	56,963,641	704,944	57,668,585
End of year	<u>\$ 58,373,904</u>	<u>\$ 1,033,060</u>	<u>\$ 59,406,964</u>

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## ***Other Independent Auditors' Reports***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Montecito Water District  
Montecito, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Montecito Water District (District), which comprise the balance sheet as of June 30, 2023, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California  
January 31, 2024

Montecito Water District			
Dashboard – Audited Financial Statements			
June 30, 2023 vs 2022			
Revenues & Expenses	2023	2022	Variance
<b>Operating Revenues:</b>			
Water sales	\$ 15,171,677	\$ 18,540,162	\$ (3,368,485)
Water service charges	4,715,236	4,628,283	86,953
Water surcharges and availability charges	306,415	307,458	(1,043)
Other operating revenues	357,790	412,046	(54,256)
<b>Non-Operating Revenues:</b>			<b>(3,336,831)</b>
Rental revenue	59,808	47,016	12,792
Investment earnings	425,442	14,190	411,252
Groundwater Sustainability Agency	1,033,375	1,389,735	(356,360)
Other non-operating revenues	412,185	572,280	(160,095)
Sale of capital assets	113	-	113
Special items	599,421	1,050,836	(451,415)
<b>Total Revenues</b>	<b>23,081,462</b>	<b>26,962,006</b>	<b>(3,880,544)</b>
<b>Operating Expenses:</b>			
Source of supply - water purchases	10,766,774	11,127,538	(360,764)
Source of supply - operational costs	511,595	292,964	218,631
Water treatment	1,490,190	1,638,357	(148,167)
Transmission and distribution	1,630,946	1,554,368	76,578
Customer service	484,289	459,949	24,340
General and administrative	5,063,084	5,298,009	(234,925)
<b>Operating expenses before depr.</b>	<b>19,946,878</b>	<b>20,371,185</b>	<b>(424,307)</b>
Depreciation Expense	1,335,844	1,214,748	121,096
<b>Total Operating Expenses</b>	<b>21,282,722</b>	<b>21,585,933</b>	<b>(303,211)</b>
<b>Non-Operating Expenses:</b>			
Interest expense	448,600	495,200	(46,600)
Amortization expense	(288,639)	(288,639)	-
Cater treatment plant	507,437	508,549	(1,112)
Joint-project costs	-	17,164	(17,164)
<b>Total Expenses</b>	<b>21,950,120</b>	<b>22,318,207</b>	<b>(368,087)</b>
<b>Capital Contributions</b>	<b>607,037</b>	<b>594,130</b>	<b>12,907</b>
<b>Change in Revenues &amp; Expenses</b>	<b>\$ 1,738,379</b>	<b>\$ 5,237,929</b>	<b>\$ (3,499,550)</b>
<b>Capital Outlay:</b>			
<b>Capital Asset Additions</b>	<b>\$ (5,672,900)</b>	<b>\$ (4,219,436)</b>	<b>\$ (1,453,464)</b>
<b>Depreciation Expense</b>	<b>1,335,844</b>	<b>1,214,748</b>	<b>121,096</b>
<b>Change in Capital Expense</b>	<b>\$ (4,337,056)</b>	<b>\$ (3,004,688)</b>	<b>\$ (1,332,368)</b>
<b>Debt Service:</b>			
<b>Principal Paid</b>	<b>\$ (1,165,000)</b>	<b>\$ (335,000)</b>	<b>\$ (830,000)</b>
<b>Cash &amp; Investments</b>	<b>\$ 20,577,842</b>	<b>\$ 24,972,628</b>	<b>\$ (4,394,786)</b>
<b>Quick Summary:</b>			
<b>Change in Revenues &amp; Expenses</b>	<b>\$ 1,738,379</b>		
<b>Change in Capital Expense</b>	<b>(4,337,056)</b>	Use of Cash	
<b>Debt Service – Principal Payments</b>	<b>(1,165,000)</b>	Use of Cash	
<b>Change in OPEB Liability</b>	<b>112,580</b>	Change to Cash	
<b>Change in Pension Liability</b>	<b>(918,928)</b>	Change to Cash	
<b>Change in Cash &amp; Investments</b>	<b>\$ (4,570,025)</b>	<b>Approximately</b>	<b>\$ (175,239)</b>
<b>Investment Earnings to Portfolio</b>	<b>1.87%</b>		
Investment Earnings - Cash Basis	\$ 533,362	<b>2.34%</b>	
Change in Fair-Value of Investments	(107,920)	<b>Schawb FMV Loss</b>	
<b>Total</b>	<b>\$ 425,442</b>		

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