

Regular Meeting  
July 16, 2019  
6:00 p.m.



1

## NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

**July 16, 2019**

**Right to be heard:** Members of the public have a right to address the Board directly on any item of interest to the public that is within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

**Please Note:** If you have comments on a specific agenda item(s), please fill out a comment card and return it to the Board Secretary. The Board President will call on you for your comments at the appropriate time, either before or during the Board's consideration of that item.

***If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 646-2114 (Govt. Code Section 94594.1 and 94594.2 (a))***

## Agenda

**The meeting will be called to order at 6:00 p.m.**

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**1. Roll Call**

**2. Approval of Minutes June 18, 2019, Regular Meeting**

**3. Public Comments**

The Board will receive comments from the public at this time on any item of interest to the public that is not on the agenda that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2. Matters raised by public comment requiring Board action will be referred to staff or placed on a subsequent agenda where appropriate.

When addressing the Board, please state your name and address and limit your comments to three (3) minutes.

**Please Note:** If you have comments on specific agenda items, please fill out a comment card and return it to the Board Secretary. The Board President will call on you for your comments at the appropriate time, either before or during the Board's consideration of that item.

**4. Financial Matters**

- Approval of Payroll and Payables from June 16, 2019 to July 15, 2019 in the amount of:

**Payables – \$ 125,065.49**

**Payroll – \$ 35,355.13**

**Total – \$ 160,420.62**

**5. Board Discussion and/or Action**

- a) Approval of 2017-18 Fiscal Year Audit and Resolution 20190716**
- b) Discussion of district operational redundancy**
- c) Member agency cash advances agreement (This item has already been on by the board in the May meeting, only signatures are required now)**

**6. General Manager's Report**

- **District O& M Report**
- **Updated Board Committees**

**7. Board Committee Reports**

- **GSA Report**
- **Executive Committee Report**
- **Budget/Rate Committee Report**
- **Allocation Program committee report**
- **New meters and expansion committee**

**8. Old Business**

- **State Water**
- **Ojai, Ventura Water Partnership –**
- **Matilija Dam Removal Update**
- **Cold Water Formation**
- **Generators**
- **Special Districts Grand Jury Report**

**9. Board of Directors Reports/Comments**

**10. Closed Sessions: The Board of Directors will hold a closed session to discuss personnel matters or litigation, pursuant to the attorney/client privilege, as authorized by Government Code Section 54957 & 54956.8, 54956.9 and 54957.**

- **Conference with Legal Counsel – Personnel 54957 (b)(4)**
- **Meiners Oaks Water District vs Moll, Ostling and Ojai Vista Farms 56-2018-00515474-CU-OR-VTA/**
- **State Case: SBCK vs. SWRCB, San Francisco Superior Court, Case # CPF-14-513875**

**11. Meeting Adjournment.**

Regular Meeting  
June 18, 2019  
6:00 p.m.

Meiners Oaks Water District  
  
202 West El Roblar Drive  
Ojai, CA 93023-2211  
Phone 646-2114

## MINUTES

The meeting was called to order at 6:03 p.m.

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### 1. Roll Call

The meeting was called to order by the Board President Mike Etchart at 6:03 pm at the District Office.

Present were: Board President Mike Etchart, Board Directors, James Kentosh and Larry Harrold. Staff Present: General Manager, Mike Hollebrands, Board Secretary, Summer Ward and Attorney, Stewart Nielson were also present.

Absent: Directors Mike Krumpschmidt and Diana Engle.

### 2. Approval of the minutes

Approval of May 21, 2019, Regular Meeting minutes:

Mr. Kentosh made the motion to approve May 21, 2019, Regular Meeting minutes. Mr. Harrold seconded the motion.

Kentosh/Harrold  
All Ayes (Absent: Krumpschmidt & Engle)  
M/S/C

### 3. Public Comments

Ms. Von Gunten – was present.

### 4. Financial Matters

- Approval of Payroll and Payables from May 16 to June 15, 2019 in the amount of:

Payables -	\$ 155,949.44
Payroll -	\$ 23439.03
Total -	\$ 179,338.47

Mr. Harrold made the motion to approve the Payroll and Payables from May 16 to June 15, 2019. Mr. Kentosh seconded the motion.

Mr. Kentosh asked for clarification on the increase in contractor work. Mr. Hollebrands stated that the additional contractor work was necessary for repairs on S. La Luna and El Camino, due to no field staff at the time. Mr. Harrold asked for clarification on the \$1200 upholstery expense; Mr. Hollebrands stated it was the service truck interior was destroyed by rats, and a new field operator is now using the vehicle.

Public Comment – None.

Kentosh/Harrold  
All Ayes (Absent: Krumpschmidt & Engle)  
M/S/C

## **5. Board Discussion/Actions**

- a) Approval of 2019-20 Fiscal Year Budget and Resolution 061819  
Mr. Kentosh reported that the draft budget for the fiscal year 2019-2020 is ready for approval; of note, this approval does not include the rates. A copy of the budget summary was included in the board packet for review.

Mr. Kentosh made the motion to approve the 2019-2020 Fiscal Year Budget Resolution 061819. Mr. Harrold seconded the motion.

Roll Call:

Kentosh – Y	Harrold – Y	Etchart – Y
Krumpschmidt – Absent		Engle – Absent

All Ayes  
M/S/C

- b) Presentation and Approval of Draft Financial Audit for FY 2017-18  
Mr. Hollebrands introduced Cindy Fanning, CPA of Fanning & Karrh, CPAs. Ms. Fanning briefly introduced herself and the overall audit findings. Ms. Fanning stated that there were no incidents of non-compliance found during the Financial Audit for FY 2017-2018. The Board reviewed the draft financial audit documents, including the Independent Auditor Report and the Management Letter. Some of the discussion points included the adoption of the GASB 75 (post-employment benefits) and the associated future liabilities; there are 14 adjustments including accruals, old payroll tax, doubtful accounts, capital asset depreciation, and unbilled receivables. Standards of practice and preparations for future liabilities were discussed at length; Ms. Fanning will review with the District outside of the Board meeting.

Mr. Kentosh made the motion to approve the Draft Financial Audit for FY 2017-2018 presented by Ms. Cindy Fanning, CPA. Mr. Harrold seconded the motion.

Director Etchart requested clarification on the GASB 75 requirements, does it only apply if MOWD was the last employer or does MOWD continue to have future liabilities even if the employee works elsewhere before retirement. Ms. Fanning will research and provide an answer in follow-up to the meeting.

Director Kentosh asked that the language in the first paragraph of the "Notes to Financial Statements" be changed to represent regulatory language for All Directors to reside within District Boundaries, not that they must own property within the District. Ms. Fanning to make those language changes.

Ms. Fanning to make discussed revisions and submit an official letter to the Board for approval.

Kentosh/Harrold  
All Ayes (Krumpschmidt & Engle Absent)  
M/S/C

c) **Ventura Resource Conservation District Grant for Nitrate Removal at District Wells.**

Mr. Kentosh stated that Regina provided an update to the grant process during the May 24<sup>th</sup> meeting. Mr. Kentosh will be drafting grant narratives for both nitrate removal and the cold water formation. The MOWD grant project would require a 20% in-kind expense, as well as nitrate removal at the well-head and at the Sanitary District Treatment Plant. Mr. Kentosh and Mr. Hollebrands will meet with Jeff Palmer at the Sanitation District to discuss options.

**Public Comment –**

Ms. Von Gunten recommended calling the Resource Conservation for guidance and assistance with project research.

## **6. General Manager's Report**

- **Operations & Maintenance Report**

Mr. Hollebrands reported that Summer has returned to work, and there are two new field operators (one certified and one scheduled level I certification in September). There are no pending repairs, and we now have all 4 wells operational and producing, only 3 in use for current demand. Well 4 is off due to 1, 2, & 7 meeting demand, #4 still producing air bubbles.

Mr. Kentosh asked when Mr. Hollebrands will be having the annual meeting with Mike Flood, Casitas GM to review the MOU. Mr. Hollebrands to contact M. Flood to schedule meeting. Additionally, Mr. Kentosh asked about the status of the peeling paint on the tank. Mr. Hollebrands stated the coating was analyzed in 2017 (1 year after the tank was recoated); there are no issues.

- Updated Board Committees – No update.

## **7. Board Committee Reports**

- GSA – Mr. Hollebrands stated that the FY 19-20 budget was approved, as well as the proposed extraction rates.
- Executive Committee Report – No update.
- Budget/Rate Committee Report – Draft budget discussed during item 5a.
- Allocation Program Committee Report – No update.
- New Meters and Expansion Committee Report – Will-Serve Letters were approved at Committee and issued to each customer waiting for a response.

## **8. Old Business**

- State Water – No update.
- Ojai, Ventura Water Partnership – Discussed during item 5c.
- Matilija Dam Removal Update – No update.
- Cold Water Formation – No update.
- Generators – Mr. Hollebrands stated that he contacted Catapillar for size and pricing information, looking at a trailer mounted generator that can travel to various MOWD sites. Mr. Hollebrands to provide detailed information at a future meeting.
- Special Districts Grand Jury Report – Mr. Etchart asked if this item needs to remain on the agenda, Ms. Ward clarified that there was further discussion requested regarding the Elections Process. The board agreed to keep the item on the agenda for the time being.

### **Public Comment-**

Ms. Von Gunten requested that MOWD create a policy for addressing the Elections Process.

## **9. Board of Directors' Reports/Comments**

Mr. Etchart – Mr. Etchart reported that there are many trees (and one of his Box Elder trees included) that have been infested with Shot-Hole Boars, a tiny beetle that feeds on the trees. There is currently no eradication plan. However, there may be funding assistance for tree removal service in the valley related to damage caused by this insect.



**Mr. Kentosh – None.**

**Mr. Harrold – Mr. Harrold noted that the District Office needed landscaping; Mr. Hollebrands acknowledged the need and stated the District mower needed a repair and that the grounds would be taken care of in the coming week.**

**Ms. Engle – Absent.**

**Mr. Krumpschmidt – Absent.**

**The Board went into closed session at 7:46 p.m.**

**10. Closed Session: The Board of Directors will hold a closed session to discuss personnel matters or litigation, pursuant to the attorney/client privilege, as authorized by Government Code Sections 54957 & 54956.8, 54956.9 and 54957.**

- **Conference with Legal Counsel – Personnel 54957 (b)(4)**
- **Conference with Legal Counsel – Existing Litigation (Paragraph (1) of subdivision (d) of Section 54956.9)**
  - **Meiners Oaks Water District vs. Moll, Ostling and Ojai Vista Farms 56-2018-00515474-CU-OR-VTA/**
  - **State Case: SBCK vs. SWRCB, San Francisco Superior Court, Case # CPF-14-513875**

**The board adjourned closed session at 8:00 pm.**

**Mr. Nielson stated that in closed session, they discussed updates on the ChannelKeeper and Moll cases, as well as personnel matters. No decisions were made during the closed session.**

**11. Meeting Adjournment**

**There being no further business to conduct at this time, Board President Mike Etchart adjourned the meeting at 8:03 pm.**

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**President**

\_\_\_\_\_  
**Secretary**

### Report of Income as of 6/30/2019

<b>Income</b>	<b>Month of June</b>	<b>Year To Date</b>	<b>Budget Approp</b>	<b>Approp Bal 07/31/18</b>
Interest	4,072.42	26,247.77	10,000.00	(16,247.77)
Taxes	4,557.44	160,116.36	150,000.00	(10,116.36)
Pumping Charges	208.73	3,031.02	3,300.00	268.98
Fire Protection	74.39	1,289.72	1,500.00	210.28
Meter & Inst. Fees		--	--	--
Water Sales	49,260.62	567,408.57	471,744.00	(95,664.57)
Casitas Water Sales/Stby	389.70	94,139.92	4,000.00	(90,139.92)
MWAC Charges	54,429.48	590,115.14	721,424.00	131,308.86
MCC Chg.	6,616.79	70,611.06	80,000.00	9,388.94
Misc. Income	7,659.57	2,449.12	20,000.00	17,550.88
Late & Delinquent Chgs.	1,282.43	20,264.73	20,000.00	(264.73)
Conservation Penalty		100.00	300.00	200.00
Capital Improvement		--	--	--
Drought Surcharge	2,734.20	49,032.60	60,000.00	10,967.40
		--	--	--
		--	--	--
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<b>TOTAL INCOME</b>	<b>131,285.77</b>	<b>1,584,806.01</b>	<b>1,542,268.00</b>	<b>(42,538.01)</b>

Meiners Oaks Water District

**Report of Expenses and Budget Appropriations, Current Bills and Appropriations To Date**

<b>Expenditures</b>	<b>Month of June</b>	<b>Year To Date</b>	<b>Budget Approp</b>	<b>Approp Bal 06/30/19</b>	<b>Current July</b>	<b>Approp Bal To Date</b>
Salary	29,181.77	411,628.86	448,000.00	36,371.14		36,371.14
Payroll Taxes	2,699.28	34,852.67	37,500.00	2,647.33	-	2,647.33
Retirement Contributions	3,173.63	42,618.11	38,000.00	(4,618.11)	-	(4,618.11)
Group Insurance	6,706.89	68,103.64	70,000.00	1,896.36	-	1,896.36
Company Uniforms	-	312.53	1,500.00	1,187.47	-	1,187.47
Phone Office	163.29	7,230.92	9,000.00	1,769.08	-	1,769.08
Janitorial Service	401.36	4,497.68	4,500.00	2.32	-	2.32
Refuse Disposal	266.59	4,061.96	3,100.00	(961.96)	-	(961.96)
Liability Insurance	-	25,003.90	25,000.00	(3.90)	-	(3.90)
Workers Compensation	-	12,167.92	17,500.00	5,332.08	-	5,332.08
Wells	1,105.75	18,592.98	20,000.00	1,407.02	-	1,407.02
Truck Maintenance	210.42	5,589.50	3,000.00	(2,589.50)	-	(2,589.50)
Office Equip. Maintenance	-	3,674.01	7,500.00	3,825.99	-	3,825.99
Cell Phones	667.05	3,826.31	4,000.00	173.69	-	173.69
System Maintenance	212.85	58,767.13	55,000.00	(3,767.13)	-	(3,767.13)
Safety Equipment	69.31	585.87	3,000.00	2,414.13	-	2,414.13
Laboratory Services	900.00	22,127.00	8,000.00	(14,127.00)	-	(14,127.00)
Membership and Dues	-	8,357.00	7,500.00	(857.00)	-	(857.00)
Printing and Binding	-	186.66	1,500.00	1,313.34	-	1,313.34
Office Supplies	203.38	4,396.97	5,000.00	603.03	-	603.03
Postage and Express	3,510.08	13,321.66	13,500.00	178.34	-	178.34
B.O.D. Fees	550.00	12,650.00	13,500.00	850.00	-	850.00
Engineering & Technical Services	-	19,333.74	35,000.00	15,666.26	-	15,666.26
Computer Services	492.88	20,390.26	15,000.00	(5,390.26)	-	(5,390.26)
Other Prof. & Regulatory Fees	7,479.79	38,075.81	25,000.00	(13,075.81)	-	(13,075.81)
Public and Legal Notices	56.00	126.00	1,500.00	1,374.00	-	1,374.00
Attorney Fees	2,160.00	54,957.11	40,000.00	(14,957.11)	-	(14,957.11)
GSA Fees	-	50,000.00	50,000.00	-	-	-
VR/SBC/City of VTA Law Suit	2,688.75	28,105.44	25,000.00	(3,105.44)	-	(3,105.44)
State Water	-	-	25,000.00	25,000.00	-	25,000.00
Audit Fees	4,700.00	19,400.00	20,000.00	600.00	-	600.00
Small Tools	310.84	1,966.19	2,000.00	33.81	-	33.81
Election Supplies	-	518.77	2,500.00	1,981.23	-	1,981.23
Water Purchase	-	281,331.36	75,000.00	(206,331.36)	-	(206,331.36)
CMWD Standby Charges	1,323.54	15,142.42	15,000.00	(142.42)	-	(142.42)
Treatment Plant	4,673.16	14,676.81	20,000.00	5,323.19	-	5,323.19
Fuel	685.28	9,866.24	11,000.00	1,133.76	-	1,133.76
Travel Exp./Seminars	-	678.00	2,000.00	1,322.00	-	1,322.00
Utilities	71.50	2,173.89	3,500.00	1,326.11	-	1,326.11
Power and Pumping	475.77	25,295.13	80,000.00	54,704.87	-	54,704.87
Meters	-	8,370.94	8,000.00	(370.94)	-	(370.94)
<b>Total Expenditures</b>	<b>75,139.16</b>	<b>1,352,961.39</b>	<b>1,251,100.00</b>	<b>(101,861.39)</b>	<b>-</b>	<b>(101,861.39)</b>
Water Distribution System	-	-	-	-	-	-
Wells 4&7	-	85,869.09	150,000.00	64,130.91	-	64,130.91
Well 1&2 Rehab	-	130,499.00	100,000.00	(30,499.00)	-	(30,499.00)
18 Valve Replacements	-	42,686.77	80,000.00	37,313.23	-	37,313.23
Structures and Improvements	-	-	-	-	-	-
Generator Z-2	-	-	75,000.00	75,000.00	-	75,000.00
Treatment Plant EDR/CEQA	-	13,204.00	80,000.00	66,796.00	-	66,796.00
Zone 1 Booster/MCC Upgrade	-	3,203.92	40,000.00	36,796.08	-	36,796.08
Well 1,2 VFD Upgrade	22,848.89	79,360.09	75,000.00	(4,360.09)	-	(4,360.09)
Furniture and Fixtures	-	-	-	-	-	-
General Managers Desk	-	-	2,000.00	2,000.00	-	2,000.00
Office Machines	-	-	-	-	-	-
New Computer GM	-	1,959.83	2,500.00	540.17	-	540.17
New Laptop GM	-	979.98	1,000.00	20.02	-	20.02
Field Equipment	-	-	-	-	-	-
Appropriations for Contingencies	11,938.00	239,464.69	100,000.00	(139,464.69)	-	(139,464.69)
<b>Total Capital Expenditures</b>	<b>34,786.89</b>	<b>597,227.37</b>	<b>705,500.00</b>	<b>108,272.63</b>	<b>-</b>	<b>108,272.63</b>
<b>GRAND TOTAL</b>	<b>109,926.05</b>	<b>1,950,188.76</b>	<b>1,956,600.00</b>	<b>6,411.24</b>	<b>-</b>	<b>6,411.24</b>



# Meiner's Oaks County Water District, CA

## Check Report

By Vendor Name

Date Range: 06/16/2019 - 07/15/2019

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
Bank Code: AP Bank-AP Bank							
AWWA <a href="#">7001679097</a>	American Water Works Association Invoice	07/02/2019 07/01/2019	Regular 2019-20 Membership Renewal		0.00 0.00	433.00 433.00	8732
ADVANTAGE <a href="#">MOWD07</a>	Anvantage Physical Therapy Invoice	07/12/2019 06/28/2019	Regular Pre-Employment Testing		0.00 0.00	485.00 485.00	8736
AQUA-F <a href="#">SI1375609</a> <a href="#">SI1381494</a>	Aqua-Flo Supply Invoice Invoice	07/12/2019 06/05/2019 06/17/2019	Regular vinyl tubing,clamp,pressure guage,etc. pressure guage & add-a-guage tool		0.00 0.00 0.00	109.47 75.80 33.67	8737
AT&T <a href="#">01840619</a>	AT&T Invoice	06/27/2019 06/13/2019	Regular Office Phones		0.00 0.00	163.29 163.29	8713
AAS <a href="#">85580</a> <a href="#">85705</a>	Attitude Adjustment Shoppe Invoice Invoice	07/12/2019 06/06/2019 06/20/2019	Regular Mailing Mailings		0.00 0.00 0.00	82.22 18.14 64.08	8738
AUTOSU <a href="#">466713</a>	Automotive Supply - Ojai Invoice	07/12/2019 06/27/2019	Regular v-belt,pliers,oil,etc.		0.00 0.00	47.06 47.06	8739
BYRD <a href="#">5021/5022</a>	Byrd Industrial Electronics Invoice	06/27/2019 06/14/2019	Regular Controller Upgrade/Program Modification		0.00 0.00	18,411.80 18,411.80	8714
CALPERS <a href="#">INV0001194</a>	California Public Employees' Retirement Invoice	06/30/2019 06/15/2019	Bank Draft Health		0.00 0.00	2,411.12 2,411.12	DFT0000697
CALPERS <a href="#">062519</a>	California Public Employees' Retirement Invoice	06/25/2019 06/14/2019	Bank Draft Health Insurance		0.00 0.00	1,281.51 1,281.51	DFT0000710
CALPERS <a href="#">INV0001205</a>	California Public Employees' Retirement Invoice	06/30/2019 06/28/2019	Bank Draft Health		0.00 0.00	3,281.76 3,281.76	DFT0000712
CRWA <a href="#">0719</a>	California Rural Water Association Invoice	07/02/2019 07/01/2019	Regular Membership Renewal 2019-20		0.00 0.00	777.00 777.00	8733
CAL-STATE <a href="#">131160</a>	Cal-State Invoice	06/27/2019 06/22/2019	Regular Portable Toilet		0.00 0.00	101.36 101.36	8715
CMWD <a href="#">261150619</a> <a href="#">262000619</a> <a href="#">300650619</a>	Casitas Municipal Water District Invoice Invoice Invoice	07/12/2019 06/28/2019 06/28/2019 06/28/2019	Regular Fairview Standby Hartmann Allocation Tico/La Luna Standby		0.00 0.00 0.00 0.00	1,323.54 594.38 134.78 594.38	8740
CLEANCO <a href="#">1114</a>	Cleancoast Janitorial Invoice	07/12/2019 06/28/2019	Regular June Janitorial		0.00 0.00	300.00 300.00	8741
C I T <a href="#">19-012</a> <a href="#">19-013</a>	Coastal Instrumentation & Telemetry Invoice Invoice	06/27/2019 06/21/2019 06/21/2019	Regular Maintenanced Instruments Maintenanced Instruments		0.00 0.00 0.00	4,641.00 2,250.00 2,391.00	8716
DATAP <a href="#">DP1902191</a>	Dataprose LLC Invoice	07/12/2019 06/30/2019	Regular Billing and Postage		0.00 0.00	1,566.56 1,566.56	8742
DIENER <a href="#">29210</a>	DIENER'S ELECTRIC, Inc. Invoice	06/27/2019 06/10/2019	Regular Pump Controls & Add VFD		0.00 0.00	4,437.09 4,437.09	8717

## Check Report

Date Range: 06/16/2019 - 07/15/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
EJHAR	E. J. Harrison Rolloffs, Inc.	06/27/2019	Regular	0.00	266.59	8718
<a href="#">281300619</a>	Invoice	06/14/2019	Office Trash	0.00	51.60	
<a href="#">994260619</a>	Invoice	06/14/2019	3 Yard Dumpster	0.00	214.99	
EXPRESS	Express Services, Inc.	06/27/2019	Regular	0.00	1,115.63	8719
<a href="#">22457416</a>	Invoice	06/12/2019	Temporary Employment	0.00	790.50	
<a href="#">22496170</a>	Invoice	06/19/2019	Office Temp. Help	0.00	325.13	
CFANN	Fanning & Karrh	07/12/2019	Regular	0.00	4,700.00	8743
<a href="#">062619</a>	Invoice	06/26/2019	Auditor	0.00	4,700.00	
FGLENV	FGL Environmental	06/27/2019	Regular	0.00	118.00	8720
<a href="#">907249A</a>	Invoice	06/20/2019	Samples	0.00	85.00	
<a href="#">907585A</a>	Invoice	06/20/2019	Samples	0.00	33.00	
FGLENV	FGL Environmental	07/12/2019	Regular	0.00	782.00	8744
<a href="#">906000A</a>	Invoice	06/26/2019	Samples	0.00	494.00	
<a href="#">907584A</a>	Invoice	07/03/2019	Samples	0.00	85.00	
<a href="#">908016A</a>	Invoice	06/28/2019	Samples	0.00	85.00	
<a href="#">908377A</a>	Invoice	06/28/2019	Samples	0.00	85.00	
<a href="#">908378A</a>	Invoice	06/28/2019	Samples	0.00	33.00	
GUARDIAN	Guardian	06/27/2019	Regular	0.00	451.10	8711
<a href="#">INV0001195</a>	Invoice	06/15/2019	Dental	0.00	169.82	
<a href="#">INV0001206</a>	Invoice	06/28/2019	Dental	0.00	281.28	
GUARDIAN	Guardian	06/27/2019	Regular	0.00	52.75	8721
<a href="#">7690460619</a>	Invoice	06/12/2019	Dental	0.00	52.75	
HPWP&C	Hathaway, Perrett, Webster, Powers	06/27/2019	Regular	0.00	1,260.00	8722
<a href="#">104849</a>	Invoice	06/01/2019	Attorney Fees	0.00	1,260.00	
HLTHNE	Health Net Life Insurance Company	06/27/2019	Regular	0.00	18.15	8723
<a href="#">61790619</a>	Invoice	06/07/2019	Life Insurance	0.00	18.15	
HCS	Herum/Crabtree/Suntag	06/27/2019	Regular	0.00	2,528.75	8724
<a href="#">92979</a>	Invoice	06/01/2019	SBCK vs VTA	0.00	2,528.75	
JKEN	James Kentosh	07/12/2019	Regular	0.00	10.64	8745
<a href="#">060319</a>	Invoice	06/03/2019	Reimbursement for Conference Call	0.00	10.64	
NEILSON	Law Offices of Lindsay F. Nielson	06/27/2019	Regular	0.00	1,060.00	8725
<a href="#">34880619</a>	Invoice	06/10/2019	Attorney Fees	0.00	900.00	
<a href="#">36600619</a>	Invoice	06/10/2019	Attorney Fees	0.00	160.00	
LGABLER	Light Gabler	07/12/2019	Regular	0.00	870.00	8746
<a href="#">43463</a>	Invoice	07/09/2019	General Employment Consulting	0.00	870.00	
LAFCO	Local Agency Formation Committee	07/02/2019	Regular	0.00	995.00	8734
<a href="#">20192020</a>	Invoice	07/01/2019	20192020	0.00	995.00	
MATT-CHLOR	Matt-Chlor, Inc.	07/12/2019	Regular	0.00	4,673.16	8747
<a href="#">22291</a>	Invoice	06/11/2019	Vacuum Regulator	0.00	4,673.16	
MOAR	Meiners Oaks Auto Repair	06/27/2019	Regular	0.00	128.25	8726
<a href="#">041025</a>	Invoice	06/14/2019	Oil Change and Washer Fluid	0.00	63.32	
<a href="#">041063</a>	Invoice	06/18/2019	Oil Change	0.00	64.93	
MOAR	Meiners Oaks Auto Repair	07/12/2019	Regular	0.00	67.89	8748
<a href="#">041166</a>	Invoice	07/09/2019	Oil Change	0.00	67.89	

## Check Report

Date Range: 06/16/2019 - 07/15/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
MOHARD	Meiners Oaks Hardware	07/12/2019	Regular	0.00	432.96	8749
<a href="#">880221</a>	Invoice	06/05/2019	wrench set, pliers, screwdriver, etc.	0.00	104.38	
<a href="#">880518</a>	Invoice	06/07/2019	Extension Wand, Vacuum	0.00	139.38	
<a href="#">880562</a>	Invoice	06/07/2019	Bolts & Screws	0.00	4.18	
<a href="#">881152</a>	Invoice	06/11/2019	Towels	0.00	27.65	
<a href="#">881902</a>	Invoice	06/17/2019	Marking Paint	0.00	25.74	
<a href="#">882096</a>	Invoice	06/18/2019	Kneepads	0.00	23.41	
<a href="#">882322</a>	Invoice	06/19/2019	flashlight, gloves	0.00	39.98	
<a href="#">882454</a>	Invoice	06/20/2019	marking paint	0.00	12.87	
<a href="#">882962</a>	Invoice	06/24/2019	gloves, rags, gopher wire, etc.	0.00	55.37	
HOLL-1	Mike Hollebrands	06/27/2019	Regular	0.00	67.08	8727
<a href="#">113-9605716</a>	Invoice	06/25/2019	Re-Imbursement Pocket pH Meter	0.00	67.08	
MITEC	MiTec Solutions LLC	06/27/2019	Regular	0.00	43.98	8728
<a href="#">54802</a>	Invoice	06/14/2019	Exchange	0.00	33.98	
<a href="#">54863</a>	Invoice	06/15/2019	Splashtop User	0.00	10.00	
MITEC	MiTec Solutions LLC	07/12/2019	Regular	0.00	482.88	8750
<a href="#">1052642</a>	Invoice	06/26/2019	Monthly Maintenance	0.00	210.00	
<a href="#">55134</a>	Invoice	07/01/2019	Exchange & Web Hosting	0.00	223.88	
<a href="#">55203</a>	Invoice	07/01/2019	Off Site Back-Up	0.00	49.00	
PATHIAN	Pathian Administrators	06/27/2019	Regular	0.00	100.72	8712
<a href="#">INV0001197</a>	Invoice	06/15/2019	HSBS	0.00	39.27	
<a href="#">INV0001208</a>	Invoice	06/28/2019	HSBS	0.00	61.45	
PATHIAN	Pathian Administrators	06/27/2019	Regular	0.00	22.20	8729
<a href="#">5634</a>	Invoice	06/18/2019	Vision	0.00	22.20	
POWER	Power Machinery Center	06/27/2019	Regular	0.00	82.17	8730
<a href="#">W26414</a>	Invoice	06/17/2019	Golf Cart Maintenance	0.00	82.17	
PERS	Public Employees' Retirement System	06/30/2019	Bank Draft	0.00	325.00	DFT0000696
<a href="#">INV0001193</a>	Invoice	06/15/2019	457 Withholdings	0.00	325.00	
PERS	Public Employees' Retirement System	06/30/2019	Bank Draft	0.00	1,482.54	DFT0000698
<a href="#">INV0001196</a>	Invoice	06/15/2019	PERS	0.00	1,482.54	
PERS	Public Employees' Retirement System	06/30/2019	Bank Draft	0.00	375.00	DFT0000711
<a href="#">INV0001204</a>	Invoice	06/28/2019	457 Withholdings	0.00	375.00	
PERS	Public Employees' Retirement System	06/30/2019	Bank Draft	0.00	2,065.92	DFT0000713
<a href="#">INV0001207</a>	Invoice	06/28/2019	PERS	0.00	2,065.92	
PERS	Public Employees' Retirement System	07/10/2019	Bank Draft	0.00	72.79	DFT0000720
<a href="#">10000001571191</a>	Invoice	07/01/2019	Unfunded Accrued Liability	0.00	72.79	
PERS	Public Employees' Retirement System	07/10/2019	Bank Draft	0.00	1,694.90	DFT0000721
<a href="#">10000001571190</a>	Invoice	07/01/2019	Unfunded Accrued Liability	0.00	1,694.90	
SCE	Southern California Edison Co.	07/12/2019	Regular	0.00	5,952.06	8751
<a href="#">OFFELE0719</a>	Invoice	07/11/2019	Office Electricity	0.00	138.65	
<a href="#">TNKFRM0719</a>	Invoice	07/11/2019	Tank Farm	0.00	26.84	
<a href="#">WELL1-0719</a>	Invoice	07/11/2019	Well 1	0.00	950.00	
<a href="#">WELL2-0719</a>	Invoice	07/11/2019	Well 2	0.00	870.91	
<a href="#">WELL80719</a>	Invoice	07/11/2019	Well 8	0.00	61.59	
<a href="#">WELLS4&amp;70719</a>	Invoice	07/11/2019	Wells 4&7	0.00	3,373.84	
<a href="#">Z-20719</a>	Invoice	07/11/2019	Zone 2	0.00	76.72	
<a href="#">Z-2FIR0719</a>	Invoice	07/11/2019	Zone 2 Fire	0.00	178.18	
<a href="#">Z-2PWR0719</a>	Invoice	07/11/2019	Zone 2 Power	0.00	262.28	
<a href="#">Z-3FIR0719</a>	Invoice	07/11/2019	Zone 3 Fire	0.00	13.05	

## Check Report

Date Range: 06/16/2019 - 07/15/2019

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
SCGAS <a href="#">0159</a>	Southern California Gas Co. Invoice	06/28/2019	07/12/2019 office heat	Regular	0.00 0.00	4.01 4.01	8752
SDRMA <a href="#">66105</a> <a href="#">66554</a>	Special District Risk Management Auth. Invoice Invoice	07/01/2019 07/01/2019	07/02/2019 Workers' Comp. Program 2019-20 Liability Package 2019-20	Regular	0.00 0.00 0.00	39,131.84 11,906.71 27,225.13	8735
TORO <a href="#">12636</a>	Toro Enterprises, Inc. Invoice	06/01/2019	07/12/2019 Replaced 6" Valve	Regular	0.00 0.00	6,867.00 6,867.00	8753
UAOFSC <a href="#">18dsbfee3369</a> <a href="#">620190439</a>	Underground Service Alert of So.Ca. Invoice Invoice	07/01/2019 07/01/2019	07/12/2019 State Regulatory Costs Digalerts	Regular	0.00 0.00 0.00	133.81 9.96 123.85	8754
USBANK <a href="#">AMAZON062019</a> <a href="#">INDEED0603</a> <a href="#">OVNEWS0624</a> <a href="#">USPS0605</a> <a href="#">UVRGA0621</a> <a href="#">UVRGA0624</a> <a href="#">VERIZON0601</a> <a href="#">VONS060119</a> <a href="#">VONS0620</a>	US Bank Corporate Pmt. System Invoice Invoice Invoice Invoice Invoice Invoice Invoice Invoice Invoice	06/20/2019 06/03/2019 06/24/2019 06/05/2019 06/21/2019 06/24/2019 06/01/2019 06/01/2019 06/20/2019	07/12/2019 Prime Membership Advertising Job Opening Ojai Valley News Subscription Envelopes Recorder File Boxes Cell Phone Upgrades Water, Paper Towels, Towels Water, Toilet Paper	Regular	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	2,769.86 13.93 340.98 36.00 1,861.30 46.12 40.67 364.20 46.44 20.22	8755
VERIZON <a href="#">9832961926</a>	Verizon Wireless Invoice	06/26/2019	07/12/2019 Cell Phones	Regular	0.00 0.00	302.85 302.85	8756
WREA <a href="#">3259-5</a>	Water Resource Engineering Associates Invoice	07/01/2019	07/12/2019 Chlorination System/Pump Issues	Regular	0.00 0.00	3,050.00 3,050.00	8757
WRIGHT EXP <a href="#">59807635</a>	WEX Bank Invoice	06/15/2019	06/27/2019 Fuel	Regular	0.00 0.00	655.23 655.23	8731

## Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	93	47	0.00	112,074.95
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	9	9	0.00	12,990.54
EFT's	0	0	0.00	0.00
	<b>102</b>	<b>56</b>	<b>0.00</b>	<b>125,065.49</b>





**Fanning & Karrh**  
Certified Public Accountants

A Professional Corporation

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Ventura, California 93003  
Telephone (805) 654-0450  
Fax (805) 654-0325

June 18, 2019

To the Board of Directors of  
Meiners Oaks Water District:

We have audited the financial statements of Meiners Oaks Water District for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 3, 2018. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Meiners Oaks Water District are described in Note 1 to the financial statements. As described in Note 7 to the financial statements, the District changed accounting policies related to Other Postemployment Benefits by adopting Governmental Accounting Standards (GASB Statement) No. 75, Accounting and Reporting for Postemployment Benefits Other Than Pensions, during the year ended June 30, 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statements of Revenues and Expenses and Changes in Net Position. We noted no transactions entered into by Meiners Oaks Water District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatement detected as a result of audit procedures was corrected by management:

- Accrual of Other Post Employment Benefits

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 18, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Meiners Oaks Water District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Meiners Oaks Water District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

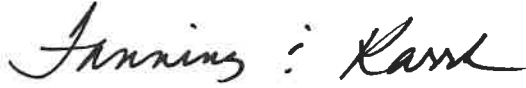
### Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the Schedules of Proportionate Share of Net Pension Liability and of Contributions of the Cost Sharing Defined Benefit Plan and the Schedules of Changes in the Net OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Meiners Oaks Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,

A handwritten signature in cursive script, appearing to read "Fanning & Karrh".

Fanning & Karrh

## MEINERS OAKS WATER DISTRICT

## SUMMARY OF UNCORRECTED MISSTATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Description (Nature) of Audit Difference (AD)	Factual Judgment al (J), or Projected (P)	Cause	Work- paper Ref.	Financial Statement Effect—Amount of Over- (Under-) statement of:						Change in Fund Balance/ Net Position
				Total Assets	Total Liabilities	Working Cap.	Fund Balance/ Net Position	Revenues	Expen.	
Unbilled Receivables	P			85,054			-82,519	-2,535		
Account payable difference	P				4,741		4,741			
Accounts payable error	P				7,480				-7,480	
Total				85,054	12,221	0	-77,778	-2,535	-7,480	0
Less audit adjustments subsequently booked										
Net unadjusted AD—current year (iron curtain method)				85,054	12,221	0	-77,778	-2,535	-7,480	0
Effect of unadjusted AD—prior years										
Combined current year and prior year AD (rollover method)				85,054	12,221	0	-77,778	-2,535	-7,480	0
Financial statement caption totals				5,043,339	1,084,493		4,021,977	1,512,860	1,488,753	
Current year AD as % of F/S captions (iron curtain method)				1.69%	1.13%	0.00%	-1.93%	-0.17%	-0.50%	0.00%
Current and prior year AD as % of F/S captions (rollover				1.69%	1.13%	0.00%	-1.93%	-0.17%	-0.50%	0.00%



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To the Senior Management and  
The Board of Directors of  
Meiners Oaks Water District

June 18, 2019

In planning and performing our audit of the financial statements of Meiners Oaks Water District (District) as of and for the year ended June 30, 2018 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

However, during our audit, we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated June 18, 2019 on the financial statements of Meiners Oaks Water District.

We will review the status of these comments during our next audit engagement. We have already discussed the comments with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional studies of the matters, or to assist staff in implementing the recommendations. Our comments are as follows:

#### Organizational Structure

The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This control deficiency necessitates the continuing oversight of the Board of Directors.

#### Trust Fund

The District has a separate bank account referred to as the Trust Fund. The purpose of the Trust Fund is to hold customers' deposits in accordance with the District's deposit policy. The balance of the Trust Fund at June 30, 2018 was \$13,241.92. The balance of the Customer Service Deposit account at the same date was \$10,715.00. We recommend these two accounts be analyzed and reconciled.

#### Unbilled Receivables

The District does not record accrued revenue for unbilled receivables. Unbilled receivables represent water billings for the period from the date of the meter read to the end of the month. We recommend policies and procedures be developed to evaluate the effect on an ongoing basis.

### Allowance for Doubtful Accounts

An analysis of the adequacy of the allowance for doubtful accounts should be performed on a regular basis. Inactive accounts should be written-off or adequately provided for in the allowance for doubtful accounts.

### Accounts Payable

There is an unreconciled difference of \$4,741 between the accounting records and the supporting detail listing of accounts payable as of June 30, 2018. We recommend the difference be analyzed and adjusted accordingly.

The District records accounts payable based on invoice date, i.e. accrual is made for all invoices date prior to year-end. However, we noted certain invoices with invoice dates subsequent to June 30, 2018 that were for services rendered during the year ended June 30, 2018. Policies and procedures should be implemented to properly record accounts payable based on when the services were incurred.

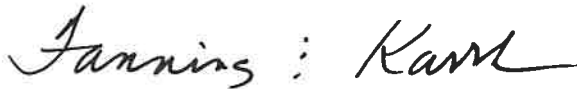
### Fraud Risk Assessment

The District should document its assessment of fraud risk. As part of this assessment, the following should be considered:

1. Management's understanding of the risks of fraud with the District.
2. Management's knowledge of any fraud or suspected fraud.
3. District's compliance with laws and regulations.
4. Management's awareness of any allegations of fraud or suspected fraud.
5. Management's communication to employees the importance of ethical behavior and appropriate business practices.
6. Controls the District has in place to address identified fraud risk.

We wish to thank the District's staff for their support and assistance during the audit.

This report is intended solely for the information and use of the Board of Directors, management and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Fanning : Karrh".

Fanning & Karrh

**MEINERS OAKS WATER DISTRICT**

Financial Statements for the  
Year Ended June 30, 2018  
And Independent Auditor's Report

**Fanning & Karrh**

**Certified Public Accountants**

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**A Professional Corporation**

MEINERS OAKS WATER DISTRICT  
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MEINERS OAKS WATER DISTRICT  
Governing Board of Directors and Management  
June 30, 2018

<u>Name</u>	<u>Position</u>
<u>Governing Board of Directors:</u>	
Mike Etchart	President
Jim Kentosh	Vice President
Mike Krumpschmidt	Director
Larry Harrold	Director
Diana Engle	Director
<u>Management:</u>	
Mike Hollebrands	General Manager
Summer Ward	Board Secretary





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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Meiners Oaks Water District:

We have audited the accompanying financial statements of Meiners Oaks Water District (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 and State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meiners Oaks Water District as of June 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the Schedules of Proportionate Share of the Net Pension Liability and of Contributions on page 21, and the Schedule of Changes in the Net OPEB Liabilities and Related Ratios on page 22 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.

*Fanning & Karrh*

Ventura, California  
June 18, 2019

MEINERS OAKS WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2018

This discussion and analysis of Meiners Oaks Water District's (District) financial performance during the fiscal year ended June 30, 2018 provides an overview of the District's operational activities that had an impact on the financial performance of the District.

Financial Highlights

- The District's total assets were \$5,043,359. Of this amount, \$2,948,764 represents capital assets net of accumulated depreciation and \$2,094,575 represents current assets consisting of cash and cash equivalents and receivables.
- The District's total liabilities were \$1,084,493. Of this amount, \$117,551 represents current liabilities and \$966,942 represents long-term liabilities.
- Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions and amounted to \$123,141 and \$60,010, respectively.
- Operating revenues for the year ended June 30, 2018 were \$1,512,860 and primarily consisted of water sales and water availability charges.
- Operating expenses for the year ended June 30, 2018 were \$1,488,753. Significant expenses included salaries and employees benefit expenses of \$627,219, repairs and maintenance expense of \$255,885, professional fees of \$179,813 and depreciation expense of \$173,752.

Required Financial Statements

This report consists of a series of financial statements with accompanying notes. The Statement of Net Position presents information on all the District's assets, deferred outflows, liabilities and deferred inflows. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position provides the results of operating for the year ended June 30, 2018 and the effect on the District's net position due from these results.

The District's financial strength can be evaluated by reviewing the Statement of Net Position and measuring the difference between the assets the District owns and the liabilities/debt the District owes. The increase or decrease in the net position over time is an indicator of the wellbeing of the District. However, other non-financial aspects need to be considered when evaluating the District's wellbeing such as capital projects and the District's philosophy to maintain low water rates for its customers.

The District uses a single enterprise fund for accounting and reporting the results of all operations. The statements referred to above include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

### Statement of Financial Position

The District is operated and reported as a single enterprise fund; there are no subsidiary fund financial statements presented as part of this report. The following is a summary of the net position of the District and the change in the net position from the prior fiscal year.

	2018	2017
<u>Assets and Deferred Outflows</u>		
Current assets	\$ 2,094,575	\$ 1,955,759
Capital assets	<u>2,948,764</u>	<u>2,571,188</u>
Total assets	5,043,339	4,526,947
 Deferred outflows of resources	<u>123,141</u>	<u>140,171</u>
 Total Assets and Deferred Outflows of Resources	<u>5,166,480</u>	<u>4,667,118</u>
 <u>Liabilities and Deferred Inflows of Resources</u>		
Current liabilities	117,551	46,993
Long-term liabilities	<u>966,942</u>	<u>840,459</u> *
Total liabilities	1,084,493	887,452
 Deferred Inflows of Resources	<u>60,010</u>	<u>95,010</u>
 Total Liabilities and Deferred Inflows of Resources	<u>1,144,503</u>	<u>982,462</u>
 Net Position		
Invested in capital assets	2,948,764	2,571,188
Unrestricted	<u>1,073,213</u>	<u>1,113,468</u> *
 Total Net Position	<u>4,021,977</u>	<u>3,684,656</u>

\* as restated due to change in accounting principle

The net position of the District increased 9.15%, as follows:

- Current assets increased by 7.10% (\$138,816) primarily because of the positive results from operations.
- An increase in capital assets of 14.68% (\$377,576) resulting from the costs incurred on well #4.
- Current liabilities increased by 150% (\$70,558) primarily due to increased accounts payable pertaining to well repairs.
- An increase in long-term liabilities of 15.05% (\$126,483) reflects an increased accrued liability resulting from the adoption of GASB 75 for postemployment benefits other than pension.

Statement of Revenues, Expenses and Changes in Net Position

	<u>2018</u>	<u>2017</u>
<u>Operating Revenue</u>		
Water sales and charges	\$ 1,471,279	\$ 1,242,161
Late and delinquency charges	34,323	85,358
Other	<u>7,258</u>	<u>25,987</u>
Total operating revenue	<u>1,512,860</u>	<u>1,353,506</u>
<u>Non-Operating Revenues (Expenses)</u>		
Property taxes	156,613	146,848
Interest income	17,868	8,381
Other	9,451	13,719
Insurance recoveries	151,403	-
Loss on disposition of capital assets	<u>(22,121)</u>	<u>-</u>
Total non-operating revenue	<u>313,214</u>	<u>168,948</u>
<u>Operating Expenses</u>		
Salaries and employee benefits	627,219	458,205
Water purchases	44,415	234,609
Repairs and maintenance	255,885	73,362
Professional fees	179,813	75,717
Other	207,669	174,772
Depreciation expense	<u>173,752</u>	<u>206,748</u>
Total operating expenses	<u>1,488,753</u>	<u>1,223,413</u>
Change in Net Position	<u>\$ 337,321</u>	<u>\$ 299,041</u>

- Total operating revenues reflect an increase of 11.77% (\$159,354) resulting from a 4% rate increase and implementation of drought surcharges and over-allocation penalties.
- Total non-operating revenues and expenses increased 85.40% (\$144,266), primarily due to the insurance recoveries of \$151,403 received on damages sustained in the Thomas fire.
- Operating expenses reflect an increase of 21.69% (\$265,340) due primarily to (1) current year salary adjustments and the current year expense of adopting GASB 75 for other postemployment benefits (2) increased repairs and maintenance expenses incurred because of the age of the water system and previous delayed maintenance and (3) additional professional fees incurred primarily due to upcoming planning projects.

### Actual Results Compared to Budget

	<u>Actual</u>	<u>Budget</u>
Total Operating Revenue	\$ 1,512,860	\$ 1,292,466
Less: Operating Expenses		
Salaries and benefits	(627,219)	(529,500)
Water purchases	(44,415)	(85,000)
Repairs and maintenance	(255,885)	(108,700)
Professional fees	(179,813)	(138,000)
Other	<u>(207,699)</u>	<u>(273,600)</u>
Net Operating Revenue (Loss)	<u>\$ 197,829</u>	<u>\$ 157,666</u>
<u>Non-Operating Revenues (Expenses)</u>		
Property taxes	\$ 156,613	\$ -
Interest income	17,868	-
Other	9,451	-
Insurance recoveries	151,403	-
Loss on disposition of capital assets	<u>(22,121)</u>	<u>-</u>
Total non-operating revenue	<u>\$ 313,214</u>	<u>\$ -</u>

### Economic Factors

Economic factors include wages, insurance (medical, dental, vision, etc.) and other benefit costs including retirement expenses. Other economic factors include GSA (Groundwater Sustainability Act) fees, professional fees, rises in vendor charges, including piping, fittings, disinfection products and tax rates. Most of these factors occur outside of the District, but heavily impact the financial operating of the District.

### Request for Information

This financial report is designed to provide a general overview for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Manager, 202 West El Roblar Drive, Ojai, California 93023.

MEINERS OAKS WATER DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018

ASSETS	Notes	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2	\$ 1,973,057
Receivables:		
Customers, net of allowance for doubtful accounts of \$25,000		113,284
Interest		8,234
<b>TOTAL CURRENT ASSETS</b>		<u>2,094,575</u>
<b>CAPITAL ASSETS</b>		
Capital assets not being depreciated		288,535
Capital assets being depreciated		6,342,722
Total		6,631,257
Less: Accumulated depreciation and amortization		(3,682,493)
<b>NET CAPITAL ASSETS</b>	3	<u>2,948,764</u>
<b>TOTAL ASSETS</b>		<u>5,043,339</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	4	<u>123,141</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		79,646
Accrued compensated absences		12,186
Customer service deposits		10,715
Deferred revenue		15,004
<b>TOTAL CURRENT LIABILITIES</b>		<u>117,551</u>
<b>LONG-TERM LIABILITIES</b>		
Net pension liability	4	314,541
Net other postemployment benefit liability	5	652,401
<b>TOTAL LONG-TERM LIABILITIES</b>		<u>966,942</u>
<b>TOTAL LIABILITIES</b>		<u>1,084,493</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	4	<u>60,010</u>
<b>NET POSITION</b>		
Net investment in capital assets		2,948,764
Unrestricted		1,073,213
<b>TOTAL NET POSITION</b>		<u>\$ 4,021,977</u>

See accompanying notes to financial statements.

MEINERS OAKS WATER DISTRICT  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION  
For the Year Ended June 30, 2018

	<u>Notes</u>	
<b>OPERATING REVENUES</b>		
Water sales	\$	647,295
Water availability charges		671,576
Meter capacity charges		79,904
Drought surcharges		72,504
Late and delinquency charges		34,323
Other revenue		7,258
<b>TOTAL OPERATING REVENUES</b>		<u>1,512,860</u>
<b>OPERATING EXPENSES</b>		
Salaries and employee benefits		627,219
Water purchases		44,415
Repairs and maintenance		255,885
Professional fees		179,813
Utilities		46,999
Insurance		24,650
Outside services		31,604
Postage and printing		13,780
Treatment plant supplies		17,404
Communications		14,218
Travel and fuel		11,549
Dues and memberships		7,670
Supplies		7,188
Board member fees		12,700
Bad debt		15,000
Other		4,907
Depreciation and amortization		173,752
<b>TOTAL OPERATING EXPENSES</b>		<u>1,488,753</u>
<b>INCOME FROM OPERATIONS</b>		<u>24,107</u>
<b>NON-OPERATING REVENUES AND EXPENSES</b>		
Property taxes		156,613
Interest income		17,868
Other revenue		9,451
Insurance recoveries		151,403
Loss on disposition of capital assets		(22,121)
<b>TOTAL NON-OPERATING REVENUES AND EXPENSES</b>		<u>313,214</u>
<b>CHANGE IN NET POSITION</b>		<u>337,321</u>
NET POSITION - Beginning of year, as previously reported		4,264,908
Cummulative effect of accounting change	7	<u>(580,252)</u>
NET POSITION - Beginning of year, as restated		<u>3,684,656</u>
NET POSITION - End of year		<u>\$ 4,021,977</u>

See accompanying notes to financial statements.



MEINERS OAKS WATER DISTRICT  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2018

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CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from user charges	\$ 1,529,674
Cash payments to employees	(510,703)
Cash payments for operating expenses	(627,426)
Cash payments from deposits	810
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>392,355</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of capital assets	(573,449)
Proceeds from insurance recoveries	<u>151,403</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(422,046)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Property taxes collected	156,613
Other revenue	<u>9,451</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>166,064</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>12,824</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS 149,197

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 1,823,860

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 1,973,057

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 24,107
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	173,752
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Accounts receivable - customers	15,427
Deferred outflows of resources	17,030
Accounts payable	60,356
Accrued compensated absences	8,003
Customer service deposits	810
Deferred revenue	1,387
Net pension liability	54,334
Other postemployment benefits	72,149
Deferred inflows of resources	<u>(35,000)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 392,355

See accompanying notes to financial statements.

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## MEINERS OAKS WATER DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Meiners Oaks Water District (District), a special district of the State of California, was organized in 1949 and formed under the County Water District Law of the State of California, as amended, Government Code Sections 30,000 et seq. The District supplies water to an unincorporated portion of Ventura County known as Meiners Oaks. The Board of Directors consists of a five-member group which has the governance responsibilities over the activities related to the District. The Directors are elected by the public for four-year terms. The Directors have the decision-making authority, the power to designate management, the responsibility to significantly influence operations and accountability for fiscal matters. All of the Directors reside within the District boundaries and either purchase water from the District or guarantee the payment of water purchases by tenants.

Reporting Entity – The District's reporting entity includes all significant operation and revenue sources which the District Board of Directors exercises oversight responsibility. Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service. There are no component units included in this report.

Basis of Accounting – The Meiners Oaks Water District is accounted for as a proprietary fund in accordance with generally accepted accounting principles as applied to governmental units. Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the expenses, including depreciation, of providing goods or services to the general public are recovered through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, and other purposes. Because the District is accounted for as a proprietary fund, the District uses the economic resources measurement focus and the accrual basis of accounting is used for financial statement reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Net position is segregated into investment in capital and unrestricted.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Principles of Presentation – The accompanying financial statements are presented utilizing the accrual method of accounting.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates used in preparing these financial statements include:

- Depreciable lives and estimated residual value of capital assets
- Allowance for uncollectible receivables
- Accrual of net pension liability
- Accrual of other postemployment benefit liability

Cash and Cash Equivalents – For the purpose of the Statement of Cash Flows, the District considers all highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. The District considers funds in the Ventura County Treasury Fund to be cash equivalents.

Accounts Receivable – Accounts receivable are stated at net realizable value and net of related allowance for uncollectible accounts. The District uses the allowance method to account for uncollectible accounts. At June 30, 2018, the District determined that an allowance for uncollectible accounts of \$25,000 was adequate.

Capital Assets – Capital assets that are acquired and/or constructed are capitalized at historical cost. Donated property is recorded at fair market value at the date of donation. No formal capitalization policy has been established. Depreciation is recorded on a straight-line basis over the estimated service lives. The services lives of assets are as follows:

Vehicles	5 years
Furniture and fixtures	5-10 years
Water distribution system	10-60 years
Buildings and improvements	10-20 years
Equipment	5-20 years

Compensated Absences – The District's personnel policies provide for accumulation of compensated absences. Liabilities for compensated absences are recorded when benefits are earned. Payment of unused compensated absences is available to those qualified employees upon termination or retirement. Sick leave is not included in the accrual as the District does not pay for unused sick time upon employee termination.

Deferred Outflows of Resources and Deferred Inflows of Resources – Deferred outflows of resources is a consumption of net position by the District that is applicable to a future period and deferred inflows of resources is an acquisition of net position by the District that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenue and expenses until the period(s) to which they relate. Deferred outflows of resources and deferred inflows of resources are related to pensions.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred 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) cost-sharing multiple-employer defined benefit 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 plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the financial statements. Net position is classified in the following categories:

- Net investment in capital assets – This category includes capital assets, net of accumulated depreciation and reduced by any outstanding debt related to the acquisition, construction or improvement of those assets.
- Restricted – This category consists of net position with legal limitations imposed on their use by external restrictions by other governments, creditors, grantors, contributors, laws or regulations, or through constitutional provision, or enabling legislation. As of June 30, 2018, the District did not have restricted net position.
- Unrestricted net position – This category consists of all other net position that does not meet the definition of restricted or invested in capital assets.

## 2. DEPOSITS AND INVESTMENTS

The District's carrying value of deposits with a bank was \$508,599 at June 30, 2018. The corresponding bank balance was \$666,290 and \$250,000 of that balance was covered by Federal deposit insurance. The California Government Code requires all financial institutions to secure a local government agency's deposits by pledging governmental securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits, and collateral is considered to be held in the name of the District. All cash held by financial institutions is, therefore, entirely insured or collateralized.

At June 30, 2018 the District had the following investments, which are included in Cash and Cash Equivalents:

County of Ventura Investment Pool	\$ 1,207,857
State of California - Local Agency Investment Fund	<u>256,422</u>
Total	<u>\$ 1,464,279</u>

The County Treasurer maintains a cash investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the District based on the average daily balances on deposit with the County Treasurer. Investment earnings are accrued at year-end. The investment pool operates in accordance with appropriate state laws and regulations and the investment policy of the County. The District's investment in the County of Ventura Investment Pool was rated AAA by Standard & Poor's for a primary objective of safety and SI by Standard & Poor's for a secondary objective of liquidity.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The State Treasurer's Office audits the funds annually. The fair value of the position in the investment pool is the same as the value of the pool shares. The fair value of the District's investment in this pool is reported at amounts based upon the District's pro-rata share of the fair value provided by LAIF portfolio. The District's investment in LAIF is \$256,422 at June 30, 2018.

The District's investment policy established by the Board of Directors permits the District to invest in the County of Ventura investment pool, LAIF and commercial banks.

To address credit risk, the District invests its funds in accordance with state statutes and the District's investment policy. The criteria for selecting investments are, in order of priority, (1) safety – consideration of the potential loss of principal or interest, (2) liquidity – the ability to have funds available at any moment in time with a minimal potential loss and (3) yield – the optimum rate of return while preserving capital.

### 3. CAPITAL ASSETS

	Balance <u>June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2018</u>
Capital assets not being depreciated -				
Land and permanent easements	\$ 57,035	\$ -	\$ -	\$ 57,035
Water rights	231,500	-	-	231,500
Total capital assets not being depreciated	288,535	-	-	288,535
Capital assets being depreciated:				
Buildings	61,472	-	-	61,472
Water distributions system	4,613,758	569,307	(164,849)	5,018,216
Structures and improvements	396,422	-	-	396,422
Equipment	46,376	554	-	46,930
Transportation	212,822	-	-	212,822
Furniture and fixtures	40,946	-	-	40,946
Office machines	43,957	3,588	-	47,545
Communication equipment	19,159	-	-	19,159
SCADA water project	499,210	-	-	499,210
Total capital assets being depreciated	5,934,122	573,449	(164,849)	6,342,722
Less accumulated depreciation	(3,651,469)	(173,752)	142,728	(3,682,493)
Total capital assets being depreciated and amortized, net	2,282,653	399,697	(22,121)	2,660,229
Total capital assets, net	\$ 2,571,188	\$ 399,697	\$ (22,121)	\$ 2,948,764

### 4. DEFINED BENEFIT PENSION PLAN

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

Plan Description, Benefits Provided and Employees Covered – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan). The Plan is a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. The Plan provides retirement, death and disability benefits to plan members and beneficiaries. A full description regarding number of employees covered, benefit provisions, assumptions, and membership information for the Plan is listed in the District's June 30, 2016 Annual Valuation Report. This report and CalPERS audited financial statements are publicly available reports that can be found on CalPERS website.

The Plan's provisions and benefits in effect at June 30, 2018, as summarized as follows:

	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire date	2% @ 60	2% @ 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50	52
Retirement age	6.25%	6.90%
Required employee contribution rates	6.533%	7.200%
Required employer contribution rates		

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and

shall be effective on the July 1 following notice of a change in rate. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning for the year ended June 30, 2016, CalPERS collected employer contributions towards unfunded liability as a dollar amount instead of the prior method of a contribution rate. The pool's unfunded liability is allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. The District's unfunded liability payment for the year ended June 30, 2018 was \$11,315.

For the year ended June 30, 2018, the contributions recognized as part of pension expense were as follows:

Contributions - employer	\$	35,526
Contributions - employee (paid by employer)	\$	23,444

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

As of June 30, 2018, the District's reported net liability for its proportionate share of the net pension liability was \$314,541.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2018 and 2017 was as follows:

Proportion - June 30, 2017	0.00749%
Proportion - June 30, 2018	0.00798%
Change - Increase (Decrease)	0.00049%

For the year ended June 30, 2018, the District recognized pension expense of \$72,590. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 35,526	\$ -
Net differences between projected and actual earnings on plan investments	14,329	-
Difference between expected and actual experiences	511	7,316
Changes in assumptions	63,358	4,831
Differences between actual contributions and proportionate share of cContributions	3,869	17,629
Change in employer's proportion	5,548	30,234
Total	\$ 123,141	\$ 60,010

The \$35,526 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 ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(inflows) of Resources, Net
2019	\$ (6,483)
2020	21,959
2021	20,637
2022	(8,507)
Total	\$ 27,606

Actuarial Methods and Assumptions - For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability determined in the June 30, 2016 actuarial accounting valuation. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.150%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.50%
Mortality	Derived using CalPERS' Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

The underlying mortality assumption and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS' website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is deemed adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of 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 as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11–60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one

calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by assets class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	80.00%	2.27%
Inflation Assets	6.0%	60.00%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Amortization of Deferred Outflows and Deferred Inflows of Resources – Under GASB 68, actuarial 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 outflow and deferred inflows of resources related to pension and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with pensions (active, inactive, and retired) as of the beginning of the measurement period

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining net difference between projected and actual investment earnings on pension plan investments at the measurement date is to be amortized over the remaining four-year period. The net difference between projected and actual investment earnings on pension plan investments in the schedule of collective pension amounts represents the unamortized balance relating to the current measurement period and the prior measurement period on a net basis.

Deferred outflows of resources and deferred inflows of resources relating to differences between expected and actual experience, changes of assumptions and employer-specific amounts should be amortized over EARSL of members provided with pensions through the plan.



Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) higher than the current year:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension liability	\$ 523,388	\$ 314,541	\$ 141,570

Pension Plan Fiduciary Net Position – The plan's fiduciary net position disclosed in the District's GASB 68 accounting valuation report may differ from the plan assets reported in the District's funding actuarial valuation report due to several reasons. For the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in the District's funding actuarial valuation. Detailed information about the pension plan's fiduciary net position is available in the separately CalPERS financial reports.

#### C. Payable to the Pension Plan

At June 30, 2018, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

### 5. OTHER POST EMPLOYMENT BENEFITS

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

Plan description – The District's defined benefit OPEB plan (Plan) provides lifetime post-employment medical insurance to eligible retirees and their spouses through the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

Benefits provided – Employees may retire directly from the District under PERS (age 50 and 5 years of PERS service) and receive a District-paid contribution towards medical premiums. The District joined PEMHCA in 2007 and has been subject to the unequal method since 2016, with the monthly cap being based on the Blue Shield Los Angeles single non-Medicare premium. As of 2018, the District contributes up to 55% of the non-Medicare premium, and this will increase 5% each year. The cap is scheduled to increase not more than \$100 each year per the unequal method rule, until/unless the cap equals the Blue Shield Los Angeles single non-Medicare premium, after which the \$100 rule no longer applies. Survivor benefits are available and spouse benefits are available until the cap. The District also pays the CalPERS administrative fee. The District does not offer vision, dental, or life benefits for retirees.

Employees covered by benefit terms – As of the June 30, 2017 measurement date, the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	5
Total	<u>6</u>

Contributions – The District currently finances benefits on a pay-as-you-go basis.

## B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation using the Alternative Measurement Method as of that date. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions – The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Medical cost trend rate	Pre-Medicare: 6.00 percent for the 2018 grading down to 5% for 2028 Post-Medicare: 4.00 percent
Dental, vision and other cost trend rate	n/a
Age adjustment factor	4.00 percent
Percent married	50 percent
Assumed retirement age	58

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Termination rates were based on the Crocker-Sarason T5 table, without adjustment.

Discount rate – A discount rate of 3.13% was used in the valuation. The rate, as required by GASB 75, reflects the following:

- The long-term expected rate of return on OPEB investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- A yield or index rate for 20-year, tax-exempt general obligations municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20- Year High Grade Rate Index	Discount Rate
June 30, 2018	June 30, 2017	4.00%	3.13%	3.13%

The components of the net OPEB liability are as follows:

Total OPEB liability	\$652,401
Plan fiduciary net position	\$ 0
Net OPEB liability	\$652,201
Measurement date	June 30, 2017
Reporting date	June 30, 2018

### Changes in the Net OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 580,252	\$ -	\$ 580,252
Changes for the year:			
Service cost	57,673	-	57,673
Interest	18,105	-	18,105
Changes of benefit terms	-	-	-
Plan experience differences	-	-	-
Changes in assumptions	-	-	-
Benefit payments	(3,629)	-	(3,629)
Administrative expenses	-	-	-
Net changes	72,149	-	72,149
Balances at June 30, 2018	\$ 652,401	\$ -	\$ 652,401

Sensitivity of the net OPEB liability to changes in the discount rate and health-care cost trend rates – The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
Net OPEB Liability	\$ 788,094	\$ 652,401	\$ 545,318

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (5% decreasing to 4%, 3%)	Healthcare Cost Trend Rate (6% decreasing to 5%, 4%)	1% Increase (7% decreasing to 6%, 5%)
Net OPEB Liability	\$ 527,031	\$ 652,401	\$ 817,886

### C. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expenses of \$72,149. At June 30, 2018, the District reported no deferred outflows of resources or inflows of resources related OPEB.

## 6. RISK MANAGEMENT

The District is exposed to potential losses from claims arising from its business operations. Significant losses are covered by commercial insurance. There have been no significant reductions in insured coverage. Settlement amounts have not exceeded insurance coverage.

## 7. CHANGE IN ACCOUNTING PRINCIPLE

The District adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (GASB 75). This statement established financial reporting requirements for OPEB that are provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses. The provisions of GASB 75 were effective for the year beginning after June 15, 2017; accordingly, the cumulative effect of applying GASB 75 was reported as a restatement of net position as of July 1, 2017. The cumulative effect of this change in accounting principle was to reduce net position as of July 1, 2017 by \$580,252. Prior to the adoption of GASB 75, the District did not follow the financial reporting requirements of GASB Statement 45, which was superseded by GASB 75. It is not practicable to determine the effect of not complying with GASB 45; therefore, the effect is included in the change in accounting principle to adopt GASB 75.

## 8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 18, 2019, the date which the financial statements were available to be issued.

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## REQUIRED SUPPLEMENTARY INFORMATION

MEINERS OAKS WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
California Public Employees' Retirement System  
June 30, 2018  
Last 10 years \*

**Schedule of Proportionate Share of the Net Pension Liability**

Year Ended *	Proportion of the Net Pension Liability	Proportionate Share (Amount) of Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/15	0.46200%	\$ 287,230	\$ 325,293	88.30%	88.30%
6/30/16	0.79500%	\$ 218,077	\$ 334,923	65.11%	83.39%
6/30/17	0.79800%	\$ 260,208	\$ 344,499	75.53%	80.85%
6/30/18	0.74900%	\$ 314,541	\$ 361,962	86.90%	79.28%

\* The data provided in the schedule is based as of the measurement date of CalPERS net pension liability, which is as of the beginning of the District's fiscal year.

**Schedule of Contributions**

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	\$ 56,243	\$ 56,243	\$ -	\$ 334,923	16.79%
6/30/16	\$ 20,365	\$ 20,365	\$ -	\$ 342,959	5.94%
6/30/17	\$ 22,308	\$ 22,308	\$ -	\$ 348,196	6.41%
6/30/18	\$ 35,526	\$ 35,526	\$ -	\$ 344,499	10.31%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

MEINERS OAKS WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
Schedule of Changes in the Net OPEB Liability and Related Ratios  
Last Ten Years\*

	Measurement Date 6/30/17
<b>Total OPEB Liability</b>	
Service cost	\$ 57,673
Interest	18,105
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(3,629)
Net change in total OPEB liability	72,149
Total OPEB liability - beginning	580,252
Total OPEB liability - ending	<u>\$ 652,401</u>
<b>Plan Fiduciary Net Position</b>	
Contribution - employer	\$ 3,629
Net investment income	-
Benefit payments	(3,629)
Administrative expense	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending	<u>\$ -</u>
<b>Net OPEB liability - ending</b>	<u>\$ 652,401</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>
Covered employee payroll	<u>\$ 361,962</u>
Net OPEB liability as a percentage of covered employee payroll	<u>180.24%</u>

**Notes to Schedule:**

Changes in assumptions: none

Benefit changes - none

\* Historical information is required only for measurement period for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal year 2017-2018 was the first year of implementation.

## OTHER REPORT



INDEPENDENT AUDITOR'S 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

To the Board of Directors of  
Meiners Oaks Water District:

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 Meiners Oaks Water District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Meiners Oaks Water District's basic financial statements, and have issued our report thereon dated June 18, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Meiners Oaks Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meiners Oaks Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Meiners Oaks Water 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 entity'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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Meiners Oaks Water 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 determination of financial statement amounts. 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 entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Fanning & Karrh*

Ventura, California  
June 18, 2019



## Meiners Oaks Water District Resolution 20190716

The Board of Directors of Meiners Oaks Water District on this 16<sup>th</sup> day of July 2019, the following resolution was proposed and approved by the Board of Directors:

WHEREAS, the mission of the Meiners Oaks Water District and its staff is to produce and deliver a reliable and sustainable supply of water to meet the needs of the residents and properties and the community within its boundaries, and

WHEREAS, it is the responsibility of the Board of Directors to establish policy to uphold and support the mission statement and to agree and pass an annual audit to insure that our financial statements are fairly presented and in conformity with U.S. GAAP for Meiners Oaks Water District.

NOW, therefore be it resolved by the Meiners Oaks Water District Board of Directors that the annual audit for the year 2017-2018, prepared by Fanning & Karrh, CPAs, and presented in the annual audit report titled Meiners Oaks Water District Financial Statements year end June 30, 2018, is

Passed, Approved and Adopted this 16<sup>th</sup> day of July 2019.

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Meiners Oaks Water District  
President of the Board

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Meiners Oaks Water District  
Secretary of the Board

**UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 8(b)**

**DATE:** July 11, 2019

**TO:** Board of Directors

**FROM:** Staff

**SUBJECT:** Member Agency Cash Advances

**SUMMARY**

The attached cash advance agreements were prepared pursuant to Board direction to provide \$90,000 in zero interest loans in Fiscal Year 2019/2020 with reimbursement in Fiscal Year 2022/2023. The agreement template was drafted by the City of San Buenaventura and reviewed by Agency Counsel. Meiners Oaks Water District and Ventura River Water District staff reviewed the agreements and requested minor changes that were accepted. There are minor, non-substantive differences between the three agreements. Each agency provides for a \$30,000 advance, with repayment due in Fiscal Year 2022/2023.

**RECOMMENDED ACTIONS**

Approve the attached cash advance agreements with the City of San Buenaventura, Meiners Oaks Water District, and Ventura River Water District.

**BACKGROUND**

The adopted Fiscal Year 2019/2020 and long-range budgets assume \$90,000 in zero-interest loans (cash advances) will be obtained in Fiscal Year 2019/2020. The long range budget assumes repayment in Fiscal Year 2022/2023. The Agency requested cash advances from City of San Buenaventura, Meiners Oaks Water District, and Ventura River Water District for amounts up to \$45,000. All three agencies approved the cash advances. Therefore, only \$30,000 is needed from each agency to achieve the \$90,000 borrowing goal.

**FISCAL SUMMARY**

Please see background.

**ATTACHMENTS**

- A. City of San Buenaventura Cash Advance Agreement
- B. Meiners Oaks Water District Cash Advance Agreement
- C. Ventura River Water District Cash Advance Agreement

**AGREEMENT FOR CASH ADVANCE AND REPAYMENT  
BETWEEN MEINERS OAKS WATER DISTRICT AND  
UPPER VENTURA RIVER GROUNDWATER AGENCY**

This agreement for Cash Advance and Repayment ("Agreement"), dated June 30, 2019, for reference purposes, is made and entered into by and between the Meiners Oaks Water District, a California County Water District ("MOWD"), and the UPPER VENTURA RIVER GROUNDWATER AGENCY ("Agency") (collectively, "Parties").

WHEREAS, Ventura River Water District, Meiners Oaks Water District, City of San Buenaventura, the County of Ventura, and Casitas Municipal Water District are the members ("Members") of the Agency, a joint powers agency created by such Members pursuant to California Government Code section 6500 et seq. (the "Joint Powers Law") and the Parties' Joint Exercise of Powers Agreement effective as of December 2016 (the "Joint Powers Agreement"); and

WHEREAS, as a Member of the Agency, MOWD has, under Government Code section 6504, subdivision (c) and section 14.2 of the Joint Powers Agreement, the authority to provide advances of public funds to the Agency for the purposes set forth in the Joint Powers Agreement; and

WHEREAS, section 14.3 of the Joint Powers Agreement also provides that the Agency has the authority to repay advances made by Members in accordance with the Joint Powers Law and on terms established by the Agency Board of Directors; and

WHEREAS, the Agency has requested that MOWD advance to the Agency \$30,000 to provide the Agency with funds to pay certain administrative start-up and Groundwater Sustainability Plan costs; and

WHEREAS, MOWD's Board of Directors approved the making of a short-term cash advance up to \$45,000 to the Agency to be repaid in full by the Agency;

NOW, THEREFORE, in consideration of their mutual promises, covenants and conditions set forth herein, the sufficiency of which is acknowledged, the Parties agree as follows:

ARTICLE I  
ADVANCE AND REPAYMENT

A. Advance. Upon execution of this Agreement by both Parties, MOWD will advance \$30,000 to the Agency under the terms and conditions of this Agreement.

B. Repayment. The Agency shall repay in full to MOWD the full amount advanced by MOWD under this Agreement, with no interest, by June 30, 2023.

C. Entire Agreement. This Agreement constitutes the entire agreement between the Agency and MOWD with respect to the subject matter herein and supersedes all previous negotiations, proposals, commitments, writings and understandings of any nature whatsoever unless expressly included in this Agreement.

**UPPER VENTURA RIVER GROUNDWATER AGENCY**

By: \_\_\_\_\_  
Bruce Kuebler  
Board Chair

\_\_\_\_\_ Date

APPROVED AS TO FORM:

By: \_\_\_\_\_  
General Counsel

\_\_\_\_\_ Date

**MEINERS OAKS WATER DISTRICT**

By: \_\_\_\_\_  
Mike Etchart  
Board President

\_\_\_\_\_ Date

APPROVED AS TO FORM:

By: \_\_\_\_\_  
General Counsel

\_\_\_\_\_ Date

June 2019



**To: Board of Directors of the Meiners Oaks Water District**

**From: General Manager**

**Subject: Monthly Manager's Report**

**Highlights**

(Rainy season October thru April)

37.83" of rain Matilija Canyon (An additional 1.20" of rain fell on 5/16/19)

24.16" of rain Meiners Oaks Fire station (An additional .75" of rain fell 5/16/19)

**LAKE CASITAS LEVEL**

**44.3%**

**Board Committees**

No committees met this month

**Current Well levels and specific capacity**

Well 1	May	June	Well 2	May	June	Well 4	May	June	Well 7	May	June
Static	24.6'	27.4'	Static	24.6'	29.5'	Static	32.3'	37.0'	Static	33.2'	42.2'
Running	'	34.7'	Running	'	50.4'	Running	86.1'	100.1'	Running	36.6'	45.6'
Drawdown	'	8.2'	Drawdown	'	23.1'	Drawdown	53.8'	63.9'	Drawdown	3.4'	3.4'
Specific Cap.	0.00 gal/ft	34.6 gal/ft	Specific Cap.	0.00 gal/ft	11.2 gal/ft	Specific Cap.	7.9 gal/ft	6.7 gal/ft	Specific Cap.	95.2 gal/ft	84.7 gal/ft

**Water Production**

Water production and sold values are based on a calendar year

GPM'S for June:		
Wells	Average GPM	Typical GPM
1.	300	375
2.	290	250
4.	430	600
7.	324	450
8.	Off	330

**Total Pumped**

Total Pumped for June	38.54 AF
Total Pumped 2018:	667.54 AF
Total Pumped YTD 2019:	229.29 AF



June 2019

**Total Sold:**

Total Sold for June 2019:	38.54AF
Total Sold YTD 2019:	227.45 AF
Total Sold 2018:	531.65 AF
Total Purchased from CMWD 2019	33.58 AF
Total Purchased June	0.00 AF
Total Purchased YTD 2018	314.91 AF

**Total Capacity:**

2083 Gallons per Minute (GPM) with all current wells on line 1, 2, 4, 7, 8)

3,583 Gallons per minute (GPM) with all current wells on line 1, 2, 4, 7, 8) + Casitas

**Water Sales:**

(Sales values are based on the actual month listed only not YTD)

June 2018:	\$ 57,220.08
June 2019:	\$ 49,260.62

**Reserve Funds**

Balance at the County of Ventura	<b>\$ 1,396,600.31</b>
Total Taxes*	\$ 4,557.44
Total Interest from reserve account#	\$ 4,067.97

June 2019

**Fiscal Year Total Revenues**

July 1 <sup>st</sup> – June 30 <sup>th</sup>	2018	\$ 1,730,897.55
July 1 <sup>st</sup> – June 30 <sup>th</sup>	2019	\$ 1,666,831.16

**Bank Balances**

LAIF Balance	\$ 262,239.23
Transferred from the general fund to L.A.I.F.	\$ 0.00
(#) Quarterly Interest from LAIF	\$ 0.00
Money Market (RABO)	\$ 16,783.41
Amount Transferred to RABO Money Market this month	\$ 0.00
Amount Transferred to General Fund from Money Market	\$ 50,000.00
(*) Monthly Interest received from Money Market	\$ 4.23
General Fund Balance	\$ 32,259.94
Trust Fund Balance	\$ 16,232.93
Capital Improvement Fund	\$ 14,411.04
(#) Quarterly Interest from Capital Account	\$ .22
Total Interest accrued	\$ 4.45

**Water Quality**

We are 100% on our wells

## **Distribution**

### **Capital Improvement Projects for 2018-2019** **Budgeted capital funds \$ 705,000 FY 2018-2019**

1. Rehabilitate well #4 / MCC VFD's (Completed)
2. Engineer design report for the treatment plant (In process)
3. Replace 18 system valves (In Process)
4. Rehab. /install VFD's 1 and 2 (85% complete)
5. Zone 1 Booster/MCC (Completed)
6. Well 1 and 2 mechanical failures (Non-budgeted item) Board approved repair cost \$168,271.00 + 10% for unanticipated expenditures (85%)

## **Unscheduled Work**

Main Leak on Oso Rd (Sam Hill)	\$ 2,037.00
Main Leak at 146 Chessire Ct (Sam Hill)	\$ 8,950.98
Two service replacements on Lomita (Sam hill)	\$ 19,400.89
Emergency Valve Replacement El Sol/Pala (Sam Hill)	\$ 11,979.49
1" service replacement for the Ranch House Restaurant (Toro)	\$ 22,445.00
Emergency 12" valve replacement and main leak S. Padre Juan	\$ 54,000.00
Main Leak N. La Luna Evans Excavating Jan. 7	\$ 4,270.25
6" lateral at 2270 Maricopa Hwy Sam Hill and Sons 4/29/2019	\$ 642.00
Service Leak 315 N. Lomita Sam Hill and Sons 5/8/019	\$ 14,249.87
Service Leak 661 S. La Luna Sam Hill and Sons 5/30/2019	\$ 4,726.77
Service Leak 961 S. La Luna Sam Hill and Sons 6/3/2019	\$ 5,071.00
Service Leak 245 El Camino Sam Hill and Sons 5/30/2019	\$ 464.00

<b><u>Total</u></b>	<b><u>\$ 147,595.25</u></b>
---------------------	-----------------------------

### **Tanks**

1. 250k gallon was installed in 1958 age = 57 (Removed 2015)
2. 80k gallon was installed in 1983 age = 35 (Zone -2)
3. 500k gallon was installed in 1988 age = 28 (Removed 2015)
4. 500k gallon was installed in 1973 age = 45 (Put back into service 2011)
5. 500k gallon was installed in 2003 age = 15
6. 750k gallon welded tank 2015 age = 4

Life expectancy for a bolted tank is 30 – 40 years

Life expectancy for a welded steel tank 100 years

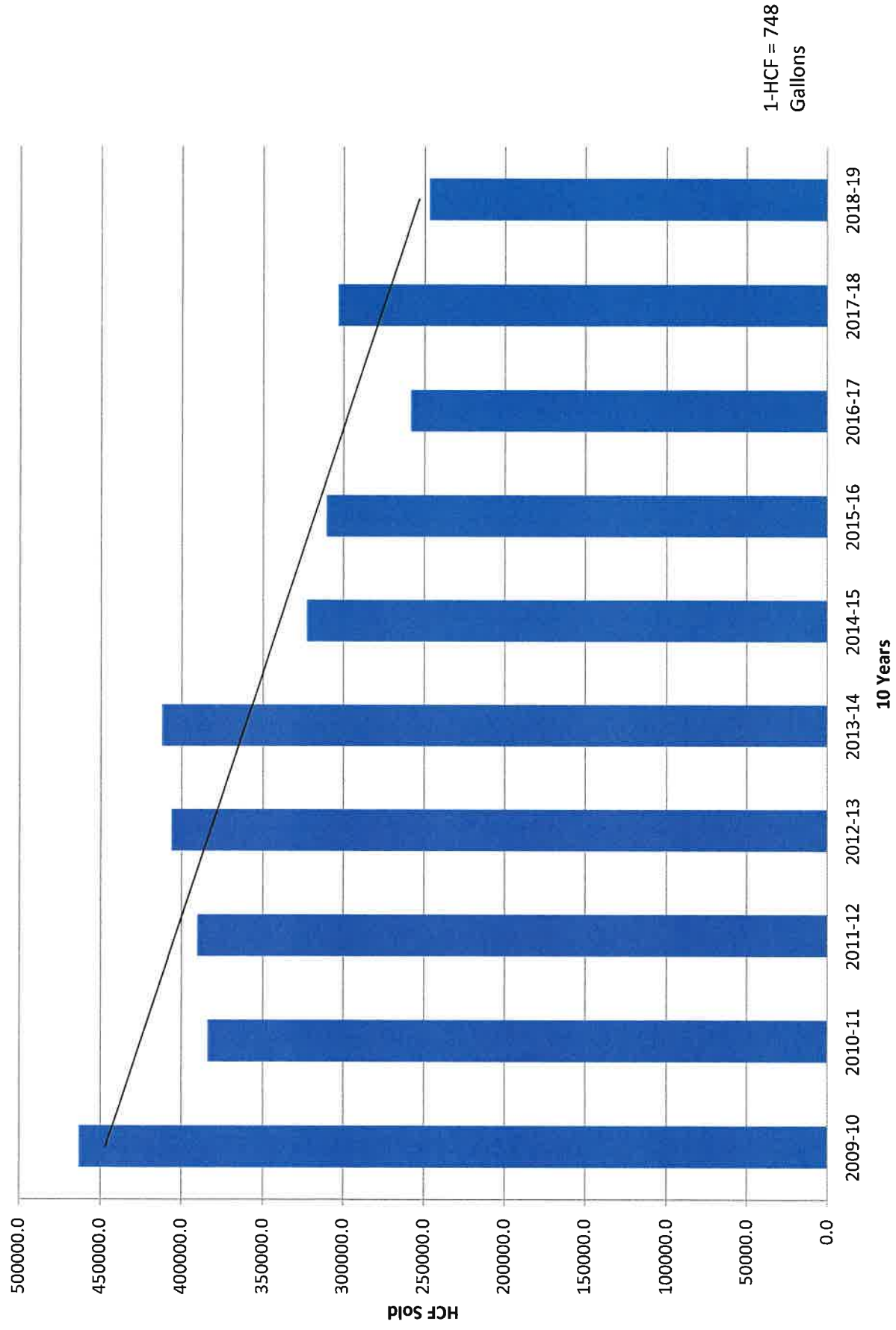
### **Well Drilled Dates & Depths**

	<b><u>Date drilled</u></b>	<b><u>Drill Depth</u></b>
1. Well # 1	1969	60 feet
2. Well # 2	1969	181 feet
3. Well # 4	1969	240 feet (Non Op.)
4. New well 4	2018	165 feet
5. Well # 7	1961	156 feet
6. Well # 8	1968	144 feet

### **Board of Directors**

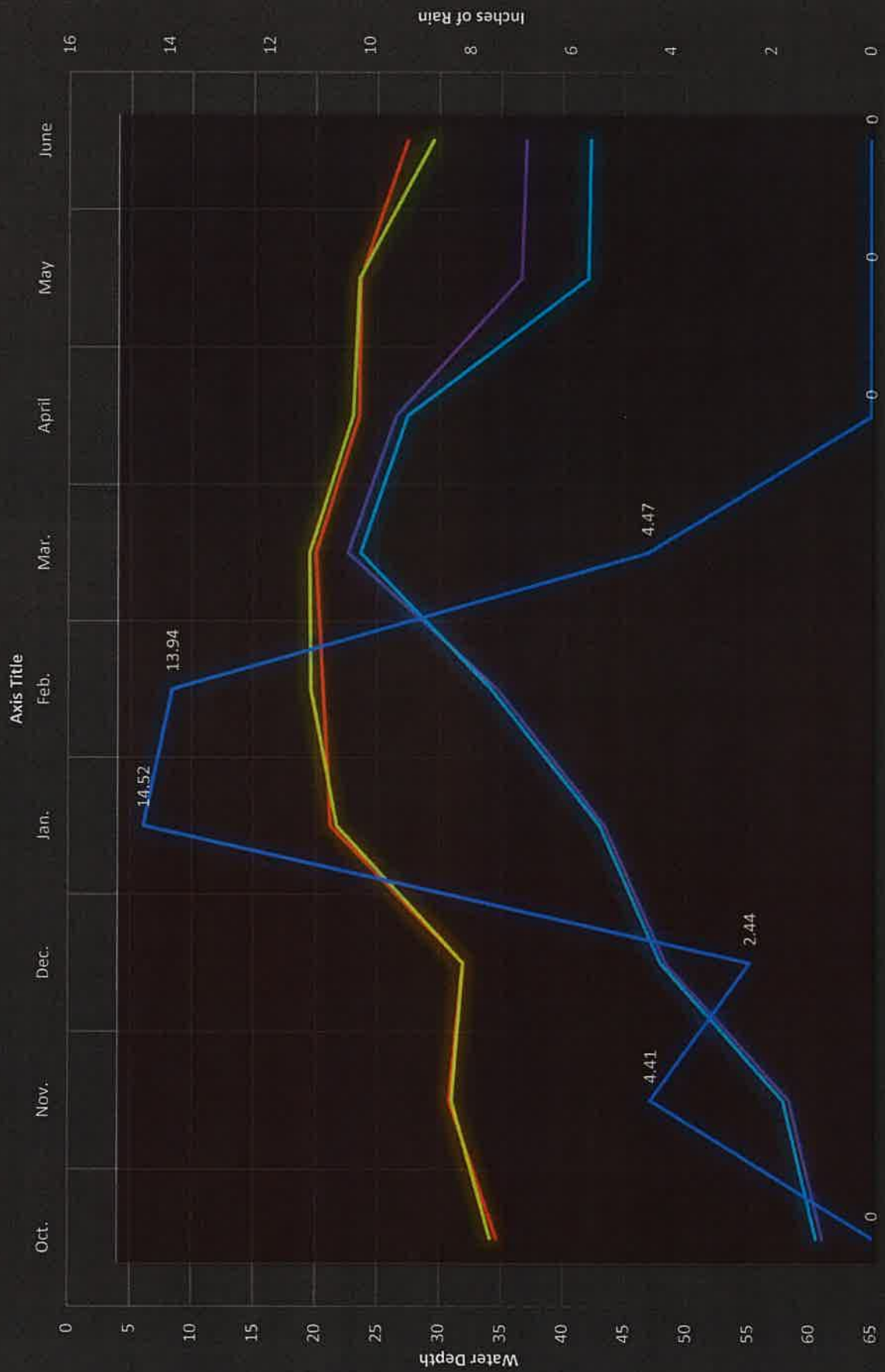
President – Michele Etchart Re-elected in 2018	Term ends 2022	Long Term
Vice-President – James Kentosh Re-elected in 2018	Term ends 2022	Long Term
Board Member – Larry Harrold Re-elected in 2018	Term ends 2022	Long Term
Board Member – Michael Krumpschmidt Elected 2016	Term Ends 2020	Long Term
Board Member – Diana Engle Elected 2016	Term Ends 2020	Long Term

# Water Sales



# Static Levels

Well 1 Well 2 Well 4 Well 7 Rain



# GM Consumption Report

Billed Consumption for June 2019

Account Class	Customers in Class	Consumption	Gallons Per Unit	AC/FT
Agriculture	31	2474	748	5.68
Commercial	55	1640	748	3.76
Residential	1188	12676	748	29.10

Total Consumption	1274	16790	Grand total	38.54
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# GM Report

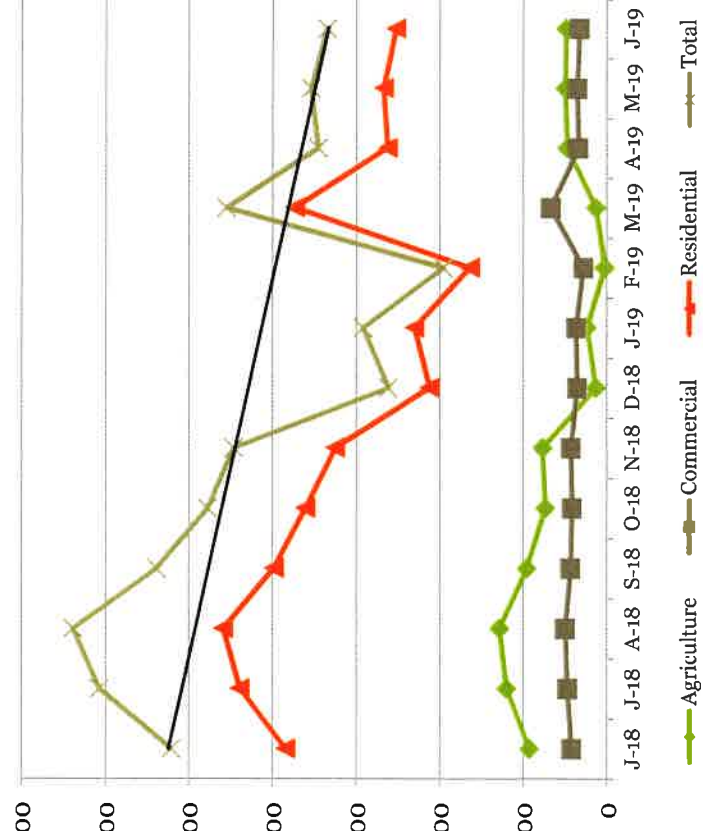
## Consumption

	M-18	J-18	J-18	A-18	S-18	O-18	N-18	D-18	J-19	F-19	M-19	A-19	M-19	J-19
Agriculture	5511	4677	6047	6475	4846	3714	3875	681	1212	163	674	2415	2541	2474
Commercial	2137	2141	2384	2513	2183	2114	2167	1788	1852	1417	3385	1712	1775	1640
Residential	16387	19252	21976	22974	19943	18079	16304	10645	11566	8243	18720	13199	13427	12676
Total	24035	26070	30407	31962	26972	23907	22346	13114	14630	9823	22779	17326	17743	16790

## AC/FT

	M-18	J-18	J-18	A-18	S-18	O-18	N-18	D-18	J-19	F-19	M-19	A-19	M-19	J-19
Agriculture	12.65	10.74	13.88	14.86	11.12	8.53	8.90	1.56	2.78	0.37	1.55	5.54	5.83	5.68
Commercial	4.91	4.92	5.47	5.77	5.01	4.85	4.97	4.10	4.25	3.25	7.77	3.92	4.07	3.76
Residential	37.62	44.20	50.45	52.74	45.78	41.50	37.43	24.44	26.55	18.92	43	30.29	30.82	29.09
Total	55.18	59.85	69.81	73.37	61.92	54.88	51.30	30.11	33.59	22.55	52.29	39.75	40.72	38.54

## Consumption - Last 12 months



## AC/FT - Last 12 months

