

Regular Meeting  
April 18<sup>th</sup>, 2017  
6:00 p.m.



**NOTICE OF REGULAR MEETING OF  
BOARD OF DIRECTORS**

*April 18th, 2017*

**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.

## **Agenda**

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

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**1. Roll Call**

**2. Approval of Minutes**

**Approval of the minutes of the March 21<sup>st</sup>, 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. General Managers Report**

- **GSA Update**

**5. Board Committee Reports**

- **No committees met this month**

**6. Old Business**

- District lead testing results
- HR Consultant

**7. Board of Directors Reports**

- a) Discussion of State water importation options (State Water Meeting March 22nd.)

**8. Financial Matters**

1. Approval of Payroll and Payables from March 16<sup>th</sup>, 2017 to April 15<sup>th</sup>, 2017 in the amount of;

Payables -	\$ 40,312.37
Payroll -	\$ 29,276.21
<u>Total -</u>	<u>\$ 69,597.58</u>

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

- a) Discussion and approval of the draft audit for fiscal year 2015-16
- b) Approval of Resolution 20170418 - 2015-16 Annual Audit
- c) Discussion of options pertaining to 2680 and 2800 Maricopa Hwy property easements and fencing
- d) Eagle Aerial quote for high resolution aerial mapping of irrigable and non-irrigable landscaping on all District parcels for the purpose of allocation assignments
- e) Discussion of Draft budget for fiscal year 2017-18

10. Closed Sessions: The Board of Directors may go into 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 54957a)

a) The Board will go into closed session under the Real Property Negotiations Exception Government Code Sections (§54956.8 and 54957.1) to discuss options regarding easements and property lines on parcels 010-0-102-290 and 010-0-102-090

**11. Meeting Adjournment.**

## MINUTES

The meeting was called to order at 6:02 p.m.

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### 1. Roll Call

The meeting was called to order by the Board President James Kentosh at 6:02 pm at the District Office.

Present were: Board President James Kentosh, Board Vice-President Mike Krumpschmidt, Board Directors Larry Harrold, Diana Engle, and Mike Etchart. Staff Present: General Manager Mike Hollebrands and Board Secretary Stacey Gilbert. Attorney Lindsay Nielson was also present.

### 2. Approval of the minutes

Approval of the March 21<sup>st</sup>, 2017 Regular Meeting minutes:

Mr. Etchart made the motion to approve the March 21<sup>st</sup>, 2017 Regular Meeting minutes. Mr. Krumpschmidt seconded the motion.

Discussion: Ms. Engle requested to add to page 6 the explanation "based on evaluation of subsets of customer data" under section D) Drought Committee

Etchart/Krumpschmidt  
All Ayes  
M/S/C

### 3. Public Comments

Elizabeth Anne Von Gunten was present  
Susan Moll had a question about the closed session item – She did not understand that under section 10 the board will go into a closed session under real property negotiation and that she does not want it under closed session and feels that it is a violation of the Brown Act. Mr. Kentosh answered that it is not a violation of the Brown Act because some of the topics we discuss are about real property negotiation and that is privileged under the Brown Act. Ms. Moll then stated that she does not choose to have it in closed session and wants it public. Mr. Harrold and Mr. Kentosh both stated that Ms. Moll is on the agenda, as Section 9e and 9f, which is public. While the Board has an item that is in closed session, the Board offered for

Ms. Moll to look at the Open Public Meeting Law and the Brown Act to take a look for clarification at which time she did.

#### 4. General Manager's Report

- Production and rainfall report – Our wells are still holding at 12 feet static levels, and it is quite possible that we will not have to pull water from Lake Casitas this year, and if we have good rainfall again, that will help with sustaining our wells. The rainfall totals are around 30 inches total so far this season in Matilija Canyon. Lake Casitas is still diverting approximately 30 CFS at this time.
- Budget update – The budget committee has not been able to meet but the GM has been working on it some, and hopefully it can be presented at the April meeting.
- GSA Update – The GSA had a public meeting to formally announce that they are going to be a GSA which took place on March 9<sup>th</sup> at 6:30 pm. The meeting prior to that was just “housecleaning” items. There was a GSA committee meeting March 21, 2017, to work on the Conflict of Interest at which time Mr. Krumpschmidt gave a synopsis.

#### 5. Board Committee Reports

- No committees met this month

#### 6. Old Business

- New water source – to be discussed in section 9a
- School lead testing – Due to what happened in Flint Michigan and the lead poisoning issues they had, the State of California tried to be more proactive and do lead testing and requested that the water districts contacts the schools. We were contacted by Meiners Oaks Elementary School to do this testing and found that one of their sites had a detection of lead while all other four sites were negative. Those sample results get sent to the State. Since the District has no regulatory authority, the State contact the school district and advises them how to mitigate any issues.
- MOWD lead testing – Ms. Engle mentioned that this was put off a month to flush all Casitas water out of the system. GM stated that he has not done the testing yet but stated he would get it done next week.

#### 7. Board of Directors Reports

- Mr. Etchart just wanted to report that there is ACP (Asian Citrus Psyllid) Spring spraying that is happening right now.
- Mr. Krumpschmidt has nothing to report
- Mr. Harrold asked about the HR consultant and how that is going. Mr. Hollebrands stated that she was hired on as an as needed basis and we have not needed her.

- Ms. Engle has nothing to report
- Mr. Kentosh reminds everyone to do their 700 forms by April 3<sup>rd</sup>. The AWA Symposium is next month. Mr. Hollebrands will be attending and if anyone else is interested in going to get a hold of Mr. Hollebrands.

## 8. Financial Matters

Approval of Payroll and Payables from February 16<sup>th</sup>, 2017 to March 15th, 2017 in the amount of:

Payables -	\$ 50,385.86
Payroll -	\$ 28,082.62
Total -	\$ 78,468.48

Mr. Etchart made the motion to pay the monthly expenses. Mr. Harrold seconded the motion.

Discussion: Ms. Engle was curious if the Computer services are the annual maintenance fee for Tyler, seeing as it was a large figure.

Etchart/Harrold

All Ayes

M/S/C

## 9. Board Discussion and/or Action

- a) New water source – Evaluation of Groundwater Supply Opportunities  
Report from Bryan Bondy – Mr. Bondy gave a presentation of his report to the board. Mr. Bondy was given two tasks: 1) Are our wells in the best optimal area within the basin and 2) to explore the feasibility of a new water source such as cold water and where the best place to do that is. Mr. Bondy presented his findings to the Board. Mr. Bondy came to the conclusion that based on where our wells are placed in the alluvium; there are not other areas that a substantially greater thickness of alluvium can be worked with and as a matter of fact it would be very challenging to do so.

Mr. Bondy reported on the Groundwater formation and the possibility of obtaining any substantial water source. Upon looking over Mr. Kear's report and other geological reports of the area and areal photos, Mr. Bondy concluded that in the area by Wells 1 and 2 there is a groundwater formation that is under and around them. So regarding where the District might look to obtain groundwater, Mr. Bondy would suggest drilling below Wells 1 and 2 however it may not produce the amount water for constant use we are looking for. It should be used as a backup source to help get the District through times of drought with minimal production periods. This would allow the aquifer to recharge. If the District decided to investigate the cold water formation, Mr. Bondy would not recommend going straight to a well; he would recommend an

exploration hole as well as a dual wall reverse circulation because it will give the benefit of getting some water samples out for testing while drilling the hole. The downside is that it is only a test hole and would not be the actual size to obtain the water source, which will end up costing around \$50,000 plus the cost of having a geologist to log the test information but could be 25%-30% higher for prevailing wage.

- b) Discussion of State water importation options (State Water Meeting March 22, 2017) – Mr. Kentosh, Mr. Hollebrands and possibly Ms. Engle will be attending the meeting on March 22, 2017, at 10 am. Mr. Kentosh planned to give a personal statement but wanted the Board's feelings on the matter. Mr. Krumpschmidt, Mr. Harrold, Ms. Engle and Mr. Etchart all agree with obtaining State Water. Mr. Hollebrands had a meeting with Mr. Wickstrum and Mr. Rapp and discussed several things of which one of those topics was the state water connection. It appears that Mr. Wickstrum is not as optimistic as the Board.
- c) Drought Committee Discussion – Approval of One-page letter to our customers – The Board approves of this One-page letter to our customers.
- d) Discussion and approval of the draft audit for the fiscal year 2015-16 – Raj Acharya and Mitchell Thomas with Soars, Sandall, Bernacchi & Petrovich, LLP presented the Board with their independent Auditor Report from the 2015-2016 Audit and explained their analysis of the Districts Financial Statements. It was decided to table the approval until the next meeting to go over the Auditors' Management Letter and make a few corrections in the Draft Audit Report.
- e) Susan Moll – Discussion of property lines and easements and a list of options for resolution in this matter –  
Mr. Kentosh began by informing the Board that he and Mr. Krumpschmidt met with Ms. Moll at 2800 & 2680 Maricopa Hwy on Thursday, March 16<sup>th</sup>. Here are the facts that we discussed with her; The Facts as we understand them are that MOWD has a 30 ft wide easement within her property on the east side. The easement is for our access road and related facilities. Our present facilities are well within the easement. At the northern part of our easement is a 30 ft wide peninsula that contains live water pipes and a hydrant. Our fence line at present blocks the land owners access to that peninsula, and one of the landowner's existing access roads crosses over a corner of our property. We have made a list of 6 possible options to fix this. 1. We do nothing with no change in ownerships. We leave the existing fence in place and allow unimpeded access for the landowner over MOWD's property. 2. We would do a voluntary land exchange and negotiate with the land owner. We would acquire full ownership of the "peninsula" property, we would pay fair market value for the property, and then we would subtract from that the cost of an easement so they can drive over that corner of our property unimpeded and not have to worry about that. Option 3. Would be to relocate the chain-link/barbed wire fence with two ideas of either putting a fence around the border of the peninsula or

moving the fence to the top of the hill. Option 4. Is to condemn the "Peninsula." We as a water district have the power of eminent domain. We would condemn the area of the peninsula, apply for a lot line adjustment and absorb the parcel. We would have it appraised and pay full market value for that. Option 5. Would be that Meiners Oaks would condemn the entire easement down to the road and pay a fair market value for that. We have presented these options to Ms. Moll, and we asked her to come today to tell us which option she would prefer.

Ms. Moll: "Ok well, first I would like a correction. I see you have stated some facts and those are facts as you know them, but it is not as I know it. One, the existing access road is not your property, and it is not a fact. So I just want to make that clear, and I want that in there. It is not a fact".

Mr. Kentosh then answered: I said that was an easement. Ms. Moll then interrupted: No I said the land owner's existing access road crosses over MOWD's property, that is not a fact. Mr. Kentosh then stated: Oh you are talking about that little corner of your driveway. Ms. Moll then talked over Mr. Kentosh and said yes that and that is not a fact. Mr. Kentosh asked how did that change and Ms. Moll then said: "I am getting into that, Ok but I just want to make it on record that it is not a fact. That is how you understand it. Just like his bumper sticker says don't believe everything you think. But anyway, so I just want to make that really clear. Um, and then, as far as all the different options, I did see a note with what you did give me which you actually gave me a copy of my title report back when I asked you where are the easements were, you didn't give me anything about the easements, what you did let me know that I may look at your 1950 deed reported in book 937 page 51 which I guess is an ordinance. So I did and then so I think if there are any other options I think what we should just do is to just comply with the conditions on that deed. Which you suggested I look at and I highlighted the conditions on the other page, and you can read it out loud.

Mr. Kentosh then read the deed which states: The grantee to erect and maintain a gate at the highway right of way and the gate at the entry to the 2.105-acre parcel described in the beginning. So what is... Ms. Moll interrupted and said: They haven't been erected, and I have to tell you that when you were given the property by Hankon, there were two kids that were hurt on the property, and he was concerned; (Mr. Kentosh went to ask a question but then was told Mr. Card: Excuse me you are interrupting; at which time Mr. Kentosh apologized). Ms. Moll continued: The gates need to be at the front of the property, and they need to be at the top so that no part of the easement is blocked. He specifically said that so we didn't have a scenario like we have right now. It is specific in the deed, and that is the only thing that is actually called out in the deed since you were gifted this property. All he wanted to know is that it was secure and safe and that he had a right of way to that entire easement. Mr. Kentosh then asked Mr. Hollebrands how many people use that gate if we were to put a gate at the highway. Ms. Moll answered: It would be me, my guests and you and any number of people who enters but you

also have a gate that would be at the end of your easement that the only people who will be entering are going to be you, your workers, the people that clean your port-a-potty and the people that pick up your trash can. Mr. Kentosh asked: what about the neighbor Barnard does he have a separate access? Mr. Hollebrands stated no. Mr. Kentosh: He uses that road too. Ms. Moll answered: No he doesn't. Mr. Hollebrands then answered: Well he can to access his property because he may need to spray weeds or something. Ms. Moll then answered: Well then we will put a gate, well I think that a fence should be on the old Fry and Hankon property and Barnard's and mine. Mr. Nielson then asked if that is a copy of the deed that we can have, and Ms. Moll said yes of course. Mr. Etchart then asked a question which was unclear as well as Ms. Moll's explanation and continued to talk while Mr. Krumpschmidt asked for some clarity as to what has just transpired. Mr. Kentosh answered: Well as I understand we have some deed that states we have to construct a gate at the highway. Mrs. Berle interrupted and said: You suggested that Susan refer to that deed. She did not know about it, so she referred to it, and so now we are all looking at it all together and to all be on the same page. Mr. Krumpschmidt stated he understood that part, what he doesn't understand is in order to use the easement according to what that says we have to have a gate at Highway 33 and a gate at the beginning of the driveway to our parcel. Mr. Kentosh states: It doesn't preclude us from adding a gate at our property which is what we have. Mr. Krumpschmidt: So essentially there should be then as I heard it two gates; one at the highway, one where it is now according to the use of the easement. Susan then stated: No. Mr. Krumpschmidt then said: Ok then correct me.

Ms. Moll then proceeded to show a map and pointed out the 2.105-acre parcel and stated: This is the 2.1-acre is right across here, and that is right at the tip of the easement. So the fence should be here, and a fence should be here. (Ms. Moll then pointed out some other areas of the map) So the gate needs to be at the top of the easement. Mr. Card then helped point out some other particulars on a bigger diagram.

Mr. Kentosh: Where are you suggesting we put the gates then?

Ms. Moll: I am not suggesting, the deed says it needs to go right here (points to the very bottom of the easement right at the highway) and above at the line of the 2.105-acre (pointing to a spot at the top of the easement). (pointing to an area on a map) This is .22-acres that were given to you later. It's four different deeds, and I have all the deeds, and you have both deeds with you that were from Hankon. One is for the 2.105-acres, and the other is for the .22-acres.

Mr. Nielson: That is totally within our ownership, and it makes no sense to put a gate at the top, and I think it makes little sense to put a gate down at the highway because that is going to be an impediment to going in and out.

Ms. Moll and Mr. Card talked over each other then Ms. Moll said: No, no, no that is what the Grant Deed said. I am only saying that the gentlemen

and I know that if it was me and I gave property to someone, and I had just one request, and they didn't do that you know, he had very little to ask and didn't ask for anything. He just said that I want to make sure this doesn't happen.

Mr. Nielson: Well this hasn't happened in 67 years, and I am not sure how this...

Ms. Moll interrupted and said: I don't think anybody else had this situation and the gate has been up for a few years, and you know that's just happened. Nobody has really looked into it.

Mr. Kentosh: So this is obviously new information for us, it is going to take us a month to digest this, and we have on our agenda to approve a fence which would go around the peninsula which would be in our rights to do but one of the reasons we were going to approve it this week was because you were so adamant about getting something done quickly. Are you willing to give us some time to look at these documents and figure out what we are going to do?

Ms. Moll answered: Yes I will give you some time. To me, it just seems so natural to not walk the easement and to do it the way I suggested at the top of the hill, and I was just surprised that that was what they suggested. That just makes sense to me.

Mr. Kentosh: Yes but do you realize that the deed that you are showing us, was written up before we got that other corner of land. Ms. Moll then answered: no that's not true. Mr. Kentosh then said: I thought you just said that? You said afterward were stipend that other triangle.

Ms. Moll: I gave you my title report, and in that report, it shows the easements that you have. If you would just give me your title report, you know maybe we could clear up some things and if there is something on there that maybe that corner is just a drainage that was given to you...

Mr. Nielson: What is it that you are trying to achieve.

Ms. Moll: Ok what am I trying to achieve, well I guess keeping my own property and doing things the way it should be. I was threatened with condemnation, taking an entire 30 ft easement and in fact, you would even be trying to take even more than 30 ft because then you are then going to have another argument in saying that 30 ft goes down the middle of the road, so we need 50 ft. We need 50 ft by 160 ft...

Mr. Nielson: Ms. Moll, you can blame me, I'm their lawyer ok. They asked what are the options. We already have a 30 ft easement clear up the peninsula, which the road is within that easement. We already encumber the surface and subsurface of that. So I suggested to the Board one of the things they could do is, for a lack of anything, acquire the peninsula area, we have already encumbered it. You're not going to be able to put a structure on there because of our easement. So we would be buying under the bundle of rights the remaining rights for the fee ownership so we can round that off and not have to fence this odd looking thing. That's one way. Apparently, the Board has also said, and I would be against this, is to acquire the entire roadway in feet, there's no purpose in that at all, and I would urge the Board not to do that. So I'm trying to

figure out what it is that you're...it has to be an economic thing. The law says to how we have to acquire anything it has to be appraised, and we have to negotiate and all this other stuff. I was going to compare that with the cost of the fence, but I really want to understand what it is that you want to achieve because I feel there is a little hostility, so let's get that out of the air. Ms. Moll then says: Ok well then let's just say, who started it.

Mr. Nielson: Ok well we are here to solve a problem.

Ms. Moll: Well I think at this point since we had a lot of different things come up and since you have given me all these other options, I think it is really clear to just do what the deed says, and rather it being personal between you and me, lets just comply.

Mr. Nielson: The Board can certainly consider that. Ma'am, there's rules and things of the law, whether that is still valid or not, we will find out. However, what I want to find out from you Ms. Moll, is do you really want a gate at the highway there so that anytime someone comes to your house you are going to have to come out and open the gate to go through it. Is that really what you are achieving.

Ms. Moll: Well yea we could put an electric gate.

Mr. Nielson: Well that would be great, but we aren't going to put in an electric gate.

Ms. Moll: Well then maybe I would electrify it if you put the gate in.

Mr. Nielson: There's an idea just as long as our access is not impeded.

Ms. Moll: your access would never be impeded.

Mr. Etchart: So would you prefer accommodation two things; a gate and potentially a change of the fence to accommodate that peninsula.

Ms. Moll: I think there is a reason why the property is cut like this. I think there is a reason and I am trying. I have to tell you there is no impending litigation, OK. I'm not trying to scare anyone or pull a fast one, all I want to know is, I mean I was the one who was attacked first, and it has cost me \$40,000 because of what's happened. So all I am trying to do is, at this point, now I'm looking at everything carefully and going; what's the next thing. You and your conditions, actually the last two choices, really were a threat to take the property. So how am I supposed to react to that? You would feel the same way if someone did that, especially now that I know the property is not complying with the deed. So I just feel I have to watch everything and I am literally a nervous nelly at my house thinking that I have binoculars on me. I also found out that one of my markers was pulled out from the front of my property. You know just strange things are going on.

Mr. Kentosh: What marker is that?

Ms. Moll: The front corner marker of my parcel was pulled out; a 1.5-inch boundary pipe. Its just crazy, so now I am just making sure I dot all my I's and cross all my T's and just do everything legal and the way it's supposed to be.

Mr. Kentosh: Well just to reassure you, condemnation is the last thing we want to do.

Ms. Moll: Then why are we even talking about it. (there was much talking over one another) that's scary, that's a threat tactic.

Mr. Nielson: Ms. Moll it's not a threat. They asked me what can be done and I'm telling them this is one of the things they can do. Nobody has made that decision yet. I am just advising the board that's one way they can deal with it. So don't take it as a personal threat, it is one of the many ways to handle this.

Ms. Moll: Well I feel as if, well I don't know how you would feel if someone said that to you.

Mr. Kentosh: Ok so besides the gate at Highway 33, even if we build a gate, we still have the problem with you being fenced off from your peninsula. So if we build a gate do you still want us to remove that fence.

Ms. Moll: Yes

Mr. Harrold: Have you ever considered just selling us that little peninsula?

Ms. Moll: Why don't you sell me your property?

Mr. Nielson: Well that doesn't make any sense at all. We have a half million gallons of water stored up there, would you like to buy that too? Which then you would have to serve water to our customers.

Mr. Krumpschmidt: Well it is clear to me that that property is not for sale. It is clear that we still have the original impediment of the fence that blocks the property owner from access. It may now be that we have some conditions to live up to, but we have to look into that. So I think we need to take this new information, look at it carefully and then see how that affects what options are in front of us and discuss those options at the next board meeting. Nothing else is going to happen now until we have a chance to go through that. However, one thing I do want to make clear Mr. Moll is that when Mr. Kentosh and I stood at the top of that road and we talked about the second possibility for a fence there that you were suggesting, and in fact that I entertained at some point. We also talked about reasons why that was dismissed, and those reasons have to do with the difficulty and the narrowness of that driveway and the types of vehicles that ply that driveway. So to put the fence there, maybe something that would satisfy the wishes of someone that is no longer on the scene. However, it would greatly aggravate the use of the property and the safety of the use of the property, so it is very likely that the gate is going to remain in the general location of where it is. I am not saying it will; I am saying it is very likely because of those issues. So then all we have left to talk about, if that's the case, is what to do with the fenced off portion, and that we have given you in terms of those options. Not as threats but as ways of dealing with that issue. Condemnation is just one way. Probably the simplest way but perhaps even the ugliest way is to fence that property in a way that we talked about. What I would like for you to think about before the next meeting is, is that a solution in your mind that you would be happy with. To have access to that property,

which you should, but to have it fenced in a manner that we are proposing because we need to fence it in that way to secure it.

Ms. Moll: First of all, yes I did walk up to the top of the property with you, and I would like this in the minutes. I do not believe it's not feasible. I believe you are using that as an excuse not to move the fence. It is absolutely feasible, I walked it with you, and that's what I believe, and that's what I can see. We can measure the drive; we can even get an engineer out there and go ahead and measure the grade of the driveway if you like because I know my driveway grade is much steeper than that are right there and that's going all the way up the property. So I disagree with you there.

Mr. Krumpschmidt: That's fine. I am willing to defer to someone that has some expertise in that.

Mr. Kentosh agrees with Mr. Krumpschmidt. However, Ms. Moll suggests putting the gate up further and refers back to the deed and codes regarding gates and driveways.

Mr. Kentosh: Ok, why don't we study this for the next month. We obviously have to look at this document you gave us, and if you will be patient, we will put off awarding a contract for the fence until we get this resolved.

Mrs. Berle asks about fencing the whole property and why that is not done if we are worried about securing the water. Mr. Krumpschmidt informs her that we are dealing with that issue and that MOWD is aware of the open areas. However, we are a small water district and finance is always an issue for us so we are trying to figure out how we can address that within our where with all.

Ms. Moll and the Board continued to discuss the deed and fencing further with no resolution at this time. It was decided to table this till next month to look over all documentation with the District's attorney.

Ms. Von Gunten: May I make a comment on this issue? Mr. Kentosh: Go ahead, Elizabeth. Ms. Von Guntent: Good fences make good neighbors. Its not unreasonable for a propriter to want to clarify ambiguous boundaries, it's a legal necessity to do that, it's best management practices. It's also not unreasonable to expect the water district or any other landowner to comply with their own deed, especially one that these people have been directed by the Board itself. These issues don't seem unreasonable to me. It does seem unreasonable that to me it seems that the contending party has not always been treated with respect and that is an issue. I think these are not unreasonable issues to resolve and it's the way to do it. There is a slew of you including your lawyer, and she comes in on her own and deserves more respect and patience and not threats.

Mrs. Berle and Ms. Moll requested that comment be on record.

After some further comments, Mr. Kentosh thanked everyone for coming and stated we would try to put her earlier on the agenda for next month or meet aside from the monthly Board meeting.

- f) Discussion and approval of fencing the District's easement at 2680 Maricopa Hwy (May be conducted in closed session) – after much discussion in section E it was determined to table this item to next month or later.

Meeting went into recess at 8:25 pm to 8:30 pm  
Meeting reconvened at 8:30 pm for closed session

**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 Section 54957 & 54956.8, 54956.9 & 54957

- a) The Board of Directors will go into closed session under the Real Property Negotiations Exception Government Code Sections (§54956.8 and 54957.1) to discuss options regarding easements and property lines on parcels 010-0-102-290 and 010-0-102-090

The closed session ended at 9:11 pm at which time the public session reopened.

The Board has directed Mr. Nielson to obtain a title report for 2680 Maricopa Hwy and to research any other documents that pertain to this property. The executive committee will meet with Ms. Moll in the interim before next board meeting.

**11. Meeting Adjournment**

There being no further business to conduct at this time, Board President James Kentosh adjourned the meeting at 9:15 pm.

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President

\_\_\_\_\_  
Secretary

March 2017



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

**From: General Manager**

**Subject: Monthly Manager's Report**

**Highlights**

(Rainy season October thru April)

27.96" of rain

**LAKE CASITAS LEVEL**

43.7%

**Board Committees**

GSA meeting was held on April 13<sup>th</sup>. A summary of that meeting will be given at the board meeting.

Budget committee met – Results are in the board packet followed by a report from the G.M.

### Current Well levels and specific capacity

Well 1	Mar.	April	Well 2	Mar.	April	Well 4	Mar.	April	Well 7	Mar.	April
Static	18.1'	21.5'	Static	17.9'	20.4'	Static	12.2'	15.5'	Static	11.6'	14.8'
Running	22.8'	27.1'	Running	20.9'	23.1'	Running	19.2'	21.5'	Running	15.9'	18.5'
Drawdown	4.7'	5.6'	Drawdown	2.9'	2.7'	Drawdown	7.0'	6.0'	Drawdown	4.2'	3.7'
Specific Cap.	77.8 gal/ft	65.3 gal/ft	Specific Cap.	75.9 gal/ft	82.9 gal/ft	Specific Cap.	88.5 gal/ft	102 gal/ft	Specific Cap.	79.0 gal/ft	88.9 gal/ft

### Water Production

Water production and sold values are based on a calendar year

Total Pumped in March:			
Wells	AF	Average GPM	Typical GPM
1.	3.93	366	375
2.	3.08	224	250
4.	12.39	620	750
7.	8.80	336	450
8.	0.00	Off	330

Total Pumped for March	30.21 AF
Total Pumped 2016:	305.45 AF
Total Pumped YTD 2017:	63.28AF

**Total Sold:**

Total Sold for March 2017:	27.65 AF
Total Sold YTD 2017:	80.95AF
Total Sold 2016:	608.21 AF
Total Purchased from CMWD 2016	323.91 AF
Total Purchased for March	0.00 AF
Total Purchased YTD 2017	23.91AF

**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)

March 2016:	\$ 31,142.29
March 2017:	\$ 32,654.91

**Reserve Funds**

Balance at the County of Ventura	\$ 973,360.58
Total Taxes*	\$ 306.75
Total Interest from reserve account#	\$ 0.00

### Fiscal Year Total Revenues

July 1 <sup>st</sup> – Mar. 31 <sup>st</sup>	2016	\$ 961,490.93
July 1 <sup>st</sup> – Mar. 31 <sup>st</sup>	2017	\$ 1,020,372.58

### Bank Balances

LAIF Balance	\$ 5,215.85
(#) Quarterly Interest from LAIF	\$ 0.00
Money Market (RABO)	\$ 473,334.11
Amount Transferred to RABO Money Market this month	\$ 75,000.00
Amount Transferred to General Fund from Money Market	\$ 0.00
(*) Monthly Interest received from Money Market	\$ 79.98
General Fund Balance	\$ 208,774.57
Trust Fund Balance	\$ 13,802.35
Capital Improvement Fund	\$ 14,404.58
(#) Quarterly Interest from Capital Account	\$ .25
Total Interest accrued	\$ 80.23

### Water Quality

No water quality issues to report this month

**Capital Improvement Projects for 2015-2016**  
**Budgeted capital funds \$ 1,759,949.30 FY 2015-2016**

1. Continue with tank replacement project (Completed)
2. Acquire scope of work for bid on new well (Completed)

**Unscheduled Work**

Warfhead replacement and new hydrant valve S. Poli	\$ 3,259.53
Hydrant replacement at Fernando and N. Encinal	\$ 1,500.00
Main Leak on S. Padre Juan	\$ 3,000.00
Service repair S. Pueblo	\$ 1,000.00
Service repair Mesa	\$ 1,000.00
Valve replacement Encinal/El Conejo	\$ 1,000.00
Valve replacement Fernando/N. La Luna	\$ 2,000.00
Fire hydrant replacement S. La Luna	\$ 4,126.09
This item has been reimbursed by the company that hit it	\$ - 4,126.09
Main Leak 110 Besant Rd	\$ 2,000.00
Paving	\$ 6,000.00
Move wharf-head at Encinal and El Roblar	\$ 4,000.00
Paving for street repairs	\$ 4,300.00
Main Leak El Roblar and N. Pueblo	\$ 4,318.00
<b><u>Total</u></b>	<b><u>\$ 33,377.53</u></b>

### **Tanks**

1. 250k gallon was installed in 1958 age = 57 (Removed 2015)
2. 80k gallon was installed in 1983 age = 32
3. 500k gallon was installed in 1988 age = 27 (Removed 2015)
4. 500k gallon was installed in 1973 age = 42 (Put back into service 2011)
5. 500k gallon was installed in 2003 age = 12
6. 750k gallon welded tank 2015 age = 1

Life expectancy for a bolted tank is 30 – 40 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	116 feet
3. Well # 4	1969	240 feet
4. Well # 7	1961	156 feet
5. Well # 8	1968	144 feet

### **Board of Directors**

President – Jim Kentosh Elected in 2014	Term ends 2018	Long Term
Vice-President – Mike Krumpschmidt Elected 2016	Term ends 2020	Long Term
Board Member – Larry Harrold Elected 2014	Term ends 2018	Long Term
Board Member – Michael Etchart Elected 2014	Term Ends 2018	Long Term
Board Member – Diana Engle Elected 2016	Term Ends 2020	Long Term

Meiners Oaks Water District

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

Expenditures	Month of March	Year To Date	Budget Approp	Approp Bal 03/31/17	Current April	Approp Bal To Date
Salary / Taxes	32,471.36	285,275.04	410,000.00	124,724.96	-	124,724.96
Retirement Contributions	2,626.90	25,065.00	35,000.00	9,935.00	-	9,935.00
Group Insurance	4,467.36	36,534.44	70,000.00	33,465.56	-	33,465.56
Company Uniforms	200.00	822.64	1,500.00	677.36	-	677.36
Phone Office	840.01	7,043.74	7,600.00	556.26	-	556.26
Janitorial Service	581.36	3,192.42	5,200.00	2,007.58	101.36	1,906.22
Refuse Disposal	169.75	1,505.91	2,500.00	994.09	-	994.09
Liability Insurance	-	21,465.64	22,500.00	1,034.36	-	1,034.36
Workers Compensation	-	10,086.48	17,500.00	7,413.52	-	7,413.52
Wells	3,833.83	6,621.87	20,000.00	13,378.13	-	13,378.13
Truck Maintenance	84.94	2,238.81	4,000.00	1,761.19	-	1,761.19
Office Equip. Maintenance	96.53	6,000.40	5,000.00	(1,000.40)	-	(1,000.40)
Cell Phones	-	2,565.90	4,500.00	1,934.10	239.06	1,695.04
System Maintenance	9,028.86	37,332.06	60,000.00	22,667.94	-	22,667.94
Safety Equipment	82.07	1,164.44	3,500.00	2,335.56	-	2,335.56
Laboratory Services	648.00	3,890.00	8,000.00	4,110.00	173.00	3,937.00
Membership and Dues	-	6,847.00	7,000.00	153.00	-	153.00
Printing and Binding	-	140.59	1,000.00	859.41	-	859.41
Office Supplies	92.47	3,411.90	6,000.00	2,588.10	139.62	2,448.48
Postage and Express	97.80	9,810.99	13,500.00	3,689.01	18.66	3,670.35
B.O.D. Fees	900.00	8,300.00	15,000.00	6,700.00	-	6,700.00
Engineering & Technical Services	-	-	35,000.00	35,000.00	1,520.00	33,480.00
Computer Services	218.47	10,677.19	12,000.00	1,322.81	70.97	1,251.84
Other Prof. & Regulatory Fees	241.50	11,490.83	17,500.00	6,009.17	825.00	5,184.17
Public and Legal Notices	-	-	1,500.00	1,500.00	-	1,500.00
Attorney Fees	1,420.00	10,060.00	15,000.00	4,940.00	-	4,940.00
GSA Fees	2,481.00	20,459.62	25,000.00	4,540.38	-	4,540.38
VR/SBC/City of VTA Law Suit	-	-	40,000.00	40,000.00	-	40,000.00
Audit Fees	2,125.00	11,925.00	12,000.00	75.00	-	75.00
Small Tools	1,822.22	2,437.96	3,000.00	562.04	-	562.04
Election Supplies	-	769.12	3,000.00	2,230.88	-	2,230.88
Water Purchase	823.33	198,905.62	250,000.00	51,094.38	-	51,094.38
Treatment Plant	2,790.80	11,872.32	10,000.00	(1,872.32)	-	(1,872.32)
Fuel	555.93	6,020.05	12,000.00	5,979.95	-	5,979.95
Travel Exp./Seminars	50.00	898.15	2,000.00	1,101.85	-	1,101.85
Utilities	199.55	1,663.27	3,500.00	1,836.73	107.36	1,729.37
Power and Pumping	3,123.65	3,123.65	80,000.00	76,876.35	3,350.94	73,525.41
Meters	-	-	10,000.00	10,000.00	-	10,000.00
<b>Total Expenditures</b>	<b>72,072.69</b>	<b>769,618.05</b>	<b>1,250,800.00</b>	<b>481,181.95</b>	<b>6,545.97</b>	<b>474,635.98</b>
Water Distribution System	-	-	-	-	-	-
Cold Water Well	-	-	250,000.00	250,000.00	-	250,000.00
	-	-	-	-	-	-
Structures and Improvements	-	-	-	-	-	-
Generator Z-2	-	-	120,000.00	120,000.00	-	120,000.00
	-	-	-	-	-	-
Trucks/Carts	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-
Office Machines	-	-	-	-	-	-
	-	-	-	-	-	-
Field Equipment	-	-	-	-	-	-
Pipe Freezing Machine	-	3,335.74	3,500.00	164.26	-	164.26
	-	-	-	-	-	-
Appropriations for Contingencies	-	9,058.46	100,000.00	90,941.54	-	90,941.54
<b>Total Assets</b>	<b>-</b>	<b>12,394.20</b>	<b>473,500.00</b>	<b>461,105.80</b>	<b>-</b>	<b>461,105.80</b>
<b>GRAND TOTAL</b>	<b>72,072.69</b>	<b>782,012.25</b>	<b>1,724,300.00</b>	<b>942,287.75</b>	<b>6,545.97</b>	<b>935,741.78</b>



# Meiner's Oaks County Water District, CA

## Check Report

By Vendor Name

Date Range: 03/16/2017 - 04/15/2017

Vendor Number Payable #	Vendor Name Payable Type	Payment Date Payable Date	Payment Type Payable Description	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
Bank Code: AP Bank-AP Bank						
AQUA-F	Aqua-Flo Supply	04/12/2017	Regular	0.00	103.15	7497
<a href="#">SCM0100445</a>	Credit Memo	03/10/2017	Gasket Return	0.00	-17.31	
<a href="#">S1004529</a>	Invoice	03/09/2017	Gaskets	0.00	27.76	
<a href="#">S11003945</a>	Invoice	03/08/2017	nipples,bushing,ball valves,etc.	0.00	92.70	
AWAVC	Association of Water Agencies	04/12/2017	Regular	0.00	50.00	7498
<a href="#">06-9786</a>	Invoice	03/16/2017	Breakfast Meeting	0.00	50.00	
U-VERSE	AT&T U-verse	03/29/2017	Regular	0.00	70.00	7481
<a href="#">7294600317</a>	Invoice	03/04/2017	Internet	0.00	70.00	
AT&T	AT&T	03/29/2017	Regular	0.00	703.27	7480
<a href="#">01840317</a>	Invoice	03/13/2017	Office Phones	0.00	93.53	
<a href="#">21140317</a>	Invoice	03/20/2017	Office Phones	0.00	609.74	
AAS	Attitude Adjustment Shoppe	04/12/2017	Regular	0.00	18.66	7499
<a href="#">64791</a>	Invoice	04/01/2017	Shipping Postage	0.00	18.66	
BENNER	Benner And Carpenter	04/12/2017	Regular	0.00	1,520.00	7500
<a href="#">12628</a>	Invoice	04/06/2017	Professional Surveying Services Tank Site	0.00	1,520.00	
BONDY	Bondy Groundwater Consulting, Inc.	04/12/2017	Regular	0.00	810.00	7501
<a href="#">010-05</a>	Invoice	04/01/2017	Presentation	0.00	810.00	
CALPERS	California Public Employees' Retirement	03/29/2017	Regular	0.00	4,867.06	7477
<a href="#">INV0000611</a>	Invoice	03/15/2017	Health	0.00	2,433.54	
<a href="#">INV0000622</a>	Invoice	03/31/2017	Health	0.00	2,433.52	
CALPERS	California Public Employees' Retirement	03/29/2017	Regular	0.00	265.10	7482
<a href="#">1800</a>	Invoice	03/14/2017	Retired Premium	0.00	265.10	
CAL-STATE	Cal-State	04/12/2017	Regular	0.00	101.36	7502
<a href="#">80182</a>	Invoice	04/01/2017	Portable Toilet	0.00	101.36	
CANON	Canon Financial Services, Inc.	03/29/2017	Regular	0.00	96.53	7483
<a href="#">17108218</a>	Invoice	03/13/2017	Copier Contract Charge	0.00	96.53	
CMWD	Casitas Municipal Water District	04/12/2017	Regular	0.00	823.33	7503
<a href="#">261150317</a>	Invoice	03/31/2017	Fairview Standby	0.00	368.92	
<a href="#">262000317</a>	Invoice	03/31/2017	Hartmann Allocation	0.00	85.49	
<a href="#">911320317</a>	Invoice	03/31/2017	Tico & La Luna Standby	0.00	368.92	
CLEANCO	Cleanco Services	03/29/2017	Regular	0.00	240.00	7484
<a href="#">3060</a>	Invoice	03/25/2017	March Janitorial	0.00	240.00	
CVTDEP	County of Ventura Transport. Dept.	04/12/2017	Regular	0.00	585.00	7504
<a href="#">PE17-0109</a>	Invoice	03/21/2017	Encroachment Permit	0.00	585.00	
DATAP	Dataprose LLC	04/12/2017	Regular	0.00	48.80	7505
<a href="#">DP1700984</a>	Invoice	03/31/2017	Drought Update Insert	0.00	48.80	
EJHAR	E. J. Harrison Roloffs, Inc.	03/29/2017	Regular	0.00	169.75	7485
<a href="#">281300317</a>	Invoice	03/14/2017	Office Trash	0.00	42.24	
<a href="#">994260317</a>	Invoice	03/14/2017	3 Yard Dumpster	0.00	127.51	

## Check Report

Date Range: 03/16/2017 - 04/15/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
FAMCON	Famcon Pipe and Supply, Inc	04/12/2017	Regular	0.00	5,165.69	7506
<a href="#">189581</a>	Invoice	03/07/2017	Spool	0.00	370.01	
<a href="#">189599</a>	Invoice	03/07/2017	AMS,Ball Valve,Bolt & Nut Set,etc.	0.00	390.39	
<a href="#">189939</a>	Invoice	03/16/2017	Tee Flange,Spool, Wharf Head,etc.	0.00	2,350.38	
<a href="#">190352</a>	Invoice	03/29/2017	Walbridge Pipe,Bend,Gaskets,etc.	0.00	2,054.91	
FGLENV	FGL Environmental	03/29/2017	Regular	0.00	373.00	7486
<a href="#">701749A</a>	Invoice	03/09/2017	Samples	0.00	33.00	
<a href="#">701969A</a>	Invoice	03/09/2017	Samples	0.00	85.00	
<a href="#">702242A</a>	Invoice	03/09/2017	Samples	0.00	85.00	
<a href="#">702585A</a>	Invoice	03/14/2017	Samples	0.00	85.00	
<a href="#">702841A</a>	Invoice	03/21/2017	Samples	0.00	85.00	
FGLENV	FGL Environmental	04/12/2017	Regular	0.00	376.00	7507
<a href="#">701205A</a>	Invoice	04/05/2017	Samples	0.00	173.00	
<a href="#">703131A</a>	Invoice	03/29/2017	Samples	0.00	62.00	
<a href="#">703132A</a>	Invoice	03/29/2017	Samples	0.00	56.00	
<a href="#">703464A</a>	Invoice	03/29/2017	Samples	0.00	85.00	
GUARDIAN	Guardian	03/29/2017	Regular	0.00	339.64	7478
<a href="#">INV0000612</a>	Invoice	03/15/2017	Dental	0.00	169.82	
<a href="#">INV0000623</a>	Invoice	03/31/2017	Dental	0.00	169.82	
GUARDIAN	Guardian	03/29/2017	Regular	0.00	8.00	7487
<a href="#">7690460317</a>	Invoice	03/16/2017	Administration Fee	0.00	8.00	
HLTHNE	Health Net Life Insurance Company	03/29/2017	Regular	0.00	25.80	7488
<a href="#">61790317</a>	Invoice	03/08/2017	Life Insurance	0.00	25.80	
HSBS	HealthSmart Benefit Solutions, Inc.	03/29/2017	Regular	0.00	99.06	7479
<a href="#">INV0000614</a>	Invoice	03/15/2017	HSBS	0.00	49.54	
<a href="#">INV0000625</a>	Invoice	03/31/2017	HSBS	0.00	49.52	
INTEGRATE	Integrated Services, Inc.	03/29/2017	Regular	0.00	66.74	7489
<a href="#">000295121</a>	Invoice	03/14/2017	Long Distance	0.00	66.74	
JUSTIN	Justin Martinez	03/29/2017	Regular	0.00	200.00	7490
<a href="#">961231</a>	Invoice	03/18/2017	Reimbursement for work boots	0.00	200.00	
NEILSON	Law Offices of Lindsay F. Nielson	03/29/2017	Regular	0.00	1,420.00	7491
<a href="#">34880317</a>	Invoice	03/10/2017	Attorney Fees	0.00	1,420.00	
MATT-CHLOR	Matt-Chlor. Inc.	04/12/2017	Regular	0.00	2,698.10	7508
<a href="#">18268</a>	Invoice	03/21/2017	Metering Tube Gasket,Vacuum Tube Fitti	0.00	517.29	
<a href="#">18310</a>	Invoice	03/21/2017	Regal Gas Chlorinator System	0.00	2,180.81	
MOHARD	Meiners Oaks Hardware	04/12/2017	Regular	0.00	421.36	7509
<a href="#">761313</a>	Invoice	03/01/2017	Roundup	0.00	97.59	
<a href="#">761348</a>	Invoice	03/01/2017	Sprayer	0.00	29.27	
<a href="#">761371</a>	Invoice	03/01/2017	flag	0.00	30.02	
<a href="#">761559</a>	Invoice	03/01/2017	Asphalt Patch	0.00	78.19	
<a href="#">762386</a>	Invoice	03/07/2017	1" Couple,Nipples PVC	0.00	7.06	
<a href="#">762586</a>	Invoice	03/08/2017	Drill Bit, Saw Hole, Clamps,etc.	0.00	65.45	
<a href="#">763770</a>	Invoice	03/15/2017	Ball Mount, Hitch Ball	0.00	34.30	
<a href="#">763876</a>	Invoice	03/16/2017	Ear Plugs	0.00	7.67	
<a href="#">764009</a>	Invoice	03/16/2017	Sledge	0.00	25.36	
<a href="#">764064</a>	Invoice	03/17/2017	Mower Cord	0.00	2.56	
<a href="#">764101</a>	Invoice	03/17/2017	Dry Concrete Mix	0.00	28.89	
<a href="#">764663</a>	Invoice	03/21/2017	Diesel	0.00	15.00	
MITEC	MiTec Solutions LLC	03/29/2017	Regular	0.00	10.00	7492
<a href="#">42705</a>	Invoice	03/15/2017	Splashtop User	0.00	10.00	
MITEC	MiTec Solutions LLC	04/12/2017	Regular	0.00	189.72	7510

## Check Report

Date Range: 03/16/2017 - 04/15/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<a href="#">42912</a>	Invoice	03/31/2017	On-Site Labor March	0.00	118.75	
<a href="#">43049</a>	Invoice	04/01/2017	Web Hosting/Email Exchange	0.00	70.97	
NS&G	Nielsen Sand & Gravel	04/12/2017	Regular	0.00	441.51	7511
<a href="#">23783</a>	Invoice	03/21/2017	Fill Sand	0.00	441.51	
OFFDEP	Office Depot	04/12/2017	Regular	0.00	139.62	7512
<a href="#">68327623</a>	Invoice	04/07/2017	Dividers	0.00	12.93	
<a href="#">917666483001</a>	Invoice	04/03/2017	Stapler,Paper,Highlighters,etc.	0.00	126.69	
POWER	Power Machinery Center	04/12/2017	Regular	0.00	78.51	7513
<a href="#">W94476</a>	Invoice	03/29/2017	Golf Cart Maintenance	0.00	78.51	
PERS	Public Employees' Retirement System	03/29/2017	Regular	0.00	1,967.96	7476
<a href="#">INV0000624</a>	Invoice	03/31/2017	PERS	0.00	1,967.96	
PERS	Public Employees' Retirement System	04/12/2017	Regular	0.00	1,740.97	7496
<a href="#">INV0000635</a>	Invoice	04/14/2017	PERS	0.00	1,740.97	
PERS	Public Employees' Retirement System	04/12/2017	Regular	0.00	688.10	7514
<a href="#">10000001493595</a>	Invoice	04/01/2017	Annual Unfunded Accrued Liability	0.00	678.27	
<a href="#">10000001493596</a>	Invoice	04/01/2017	Annual Unfunded Accrued Liability	0.00	9.83	
QUINNRLTL	Quinn Rental Services	04/12/2017	Regular	0.00	1,451.38	7515
<a href="#">00989301</a>	Invoice	03/27/2017	Backhoe	0.00	1,451.38	
SSB&P	Soares,Sandall,Bernacchi & Petrovich,LLP	04/12/2017	Regular	0.00	2,125.00	7516
<a href="#">45175</a>	Invoice	03/31/2017	Audit	0.00	2,125.00	
SCE	Southern California Edison Co.	04/12/2017	Regular	0.00	3,458.30	7517
<a href="#">OFFELE0417</a>	Invoice	04/12/2017	Office Electricity	0.00	107.36	
<a href="#">PMP1-0417</a>	Invoice	04/12/2017	Pump 1	0.00	475.42	
<a href="#">PMP2-0417</a>	Invoice	04/12/2017	Pump 2	0.00	364.84	
<a href="#">PMP4&amp;70417</a>	Invoice	04/12/2017	Pumps 4&7	0.00	1,883.31	
<a href="#">TNKFRM0417</a>	Invoice	04/12/2017	Tank Farm	0.00	26.75	
<a href="#">WELL80417</a>	Invoice	04/12/2017	Well 8	0.00	177.94	
<a href="#">Z-20417</a>	Invoice	04/12/2017	Zone 2	0.00	101.33	
<a href="#">Z-2FIR0417</a>	Invoice	04/12/2017	Zone 2 Fire	0.00	47.95	
<a href="#">Z-2PWR0417</a>	Invoice	04/12/2017	Zone 2 Power	0.00	248.49	
<a href="#">Z-3FIR0417</a>	Invoice	04/12/2017	Zone 3 Fire	0.00	24.91	
SCGAS	Southern California Gas Co.	04/12/2017	Regular	0.00	48.80	7518
<a href="#">6544</a>	Invoice	03/31/2017	Office Heat	0.00	48.80	
STARDYMIX	State Ready Mix Inc.	03/29/2017	Regular	0.00	421.49	7493
<a href="#">505729</a>	Invoice	03/13/2017	Sand Slurry 153 N Pueblo	0.00	421.49	
UAOFSC	Underground Service Alert of So.Ca.	04/12/2017	Regular	0.00	15.00	7519
<a href="#">320170434</a>	Invoice	04/01/2017	Digalert	0.00	15.00	
USBANK	US Bank Corporate Pmt. System	04/12/2017	Regular	0.00	2,512.55	7520
<a href="#">DODGE0316</a>	Invoice	03/16/2017	Fuse	0.00	6.43	
<a href="#">FGS0303</a>	Invoice	03/03/2017	Engine Oil, Roundup, Saw, etc.	0.00	1,822.22	
<a href="#">HOLLIDAY0320</a>	Invoice	03/20/2017	Slurry N. Pueblo	0.00	572.45	
<a href="#">USPS0320</a>	Invoice	03/20/2017	Postage Stamps	0.00	49.00	
<a href="#">VONS0320</a>	Invoice	03/20/2017	Water, Paper Towels, Toilet Paper, etc.	0.00	62.45	
VRCWD	Ventura River Water District	03/29/2017	Regular	0.00	2,481.00	7494
<a href="#">3893</a>	Invoice	03/15/2017	GSA Fees	0.00	2,481.00	
VERIZON	Verizon Wireless	04/12/2017	Regular	0.00	239.06	7521
<a href="#">9782901784</a>	Invoice	04/21/2017	Cell Phones	0.00	239.06	

## Check Report

Date Range: 03/16/2017 - 04/15/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
WRIGHT EXP	WEX Bank	03/29/2017	Regular	0.00	555.93	7495
49125164	Invoice	03/15/2017	Fuel	0.00	555.93	
ZEEMED	ZEE MEDICAL SERVICE	04/12/2017	Regular	0.00	82.07	7522
34-112665	Invoice	03/30/2017	Medical Re-Stock	0.00	82.07	

## Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	94	47	0.00	40,312.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	94	47	0.00	40,312.37

PR \$ 29,276.21

### Report of Income as of 3/31/2017

<b>Income</b>	<b>Month of March</b>	<b>Year To Date</b>	<b>Budget Approp</b>	<b>Approp Bal 07/31/15</b>
Interest	80.23	4,302.23	--	(4,302.23)
Taxes	306.75	82,338.03	--	(82,338.03)
Pumping Charges	156.01	2,590.32	--	(2,590.32)
Fire Protection	71.44	1,023.13	--	(1,023.13)
Meter & Inst. Fees	542.50	542.50	--	(542.50)
Water Sales	32,654.91	455,754.37	659,439.00	203,684.63
Casitas Standby Fees	348.61	5,188.37	--	(5,188.37)
MWAC Charges	51,710.78	417,293.73	666,997.00	249,703.27
MCC Chg.	6,524.97	58,160.11	125,408.00	67,247.89
Misc. Income	13,341.81	15,609.08	8,000.00	(7,609.08)
Late & Delinquent Chgs.	3,797.38	27,260.59	--	(27,260.59)
Conservation Penalty	--	300.00	--	(300.00)
Capital Improvement	3,567.60	3,567.60	--	(3,567.60)
Drought Surcharge	1,573.55	33,082.78	--	(33,082.78)
	--	--	--	--
	--	--	--	--
	--	--	--	--
<b>TOTAL INCOME</b>	<b>114,676.54</b>	<b>1,107,012.84</b>	<b>1,459,844.00</b>	<b>352,831.16</b>

**Meiners Oaks Water District  
FINANCIAL STATEMENTS**

**Year Ended**

**June 30, 2016**

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MEINERS OAKS WATER DISTRICT  
Governing Board of Directors  
As of June 30, 2016

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
<b>Board Members:</b>		
James Kentosh	President	December 2018
Diana Engle	Director	December 2016
Michel Etchart	Director	December 2018
Larry Harold	Director	December 2018
Michael Krumpschmidt	Director	December 2016
<b>Management:</b>		
Mike Hollebrands	General Manager	
Stacey Gilbert	Board Secretary	

# Soares, Sandall, Bernacchi & Petrovich, LLP

CERTIFIED PUBLIC ACCOUNTANTS

FRANK J. SOARES (1908-1991)  
THOMAS W. PETROVICH (1937-2013)  
DEBRA N. DETTENMAYER (1955-2014)

PARTNERS  
BILLIE JO RODRIGUEZ, C.P.A. RICK C. HELDWEIN, C.P.A.  
JUAN M. SOTO, C.P.A. SHARON I. ROBERTS, C.P.A.  
PRAJESH (RAJ) ACHARYA, C.P.A.

CONSULTANTS  
RICK B. SMITH, C.P.A. KENNETH R. MERIDETH, C.P.A.  
BERNARD D. BERNACCHI GEORGE E. SANDALL, C.P.A.

Board of Directors  
Meiners Oaks Water District  
Ojai, California

## Independent Auditors' Report

We have audited the accompanying financial statements of Meiners Oaks Water District as of and for the year ended June 30, 2016, and the related notes to the 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 misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 purpose 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 opinions.

### 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, 2016, 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.

### **Emphasis of a Matter**

As discussed in Note 1 and Note 7 to the basic financial statements, the District has implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, during fiscal year 2016. The adoption of this standard required retrospective application resulting in a \$224,781 reduction of net position as of July 1, 2015. Our opinion is not modified with respect to this matter.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of district's proportionate share of the net pension liability, and schedule of contributions on pages 4 through 7 and 22 through 23, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2017, on our consideration of Meiners Oaks Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meiners Oaks Water District's internal control over financial reporting and compliance.

*Soares, Sandall, Bernacchi & Petrovich, LLP*

SOARES, SANDALL, BERNACCHI & PETROVICH, LLP  
Certified Public Accountants  
Oxnard, CA

March 21, 2017

**MEINERS OAKS WATER DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2016

This section of Meiners Oaks Water District's (the District) annual financial report presents management's analysis of the District's financial performance during the fiscal year ended June 30, 2016. Please review this section in conjunction with the transmittal letter and the District's basic financial statements which begin on page eight.

**Financial Highlights**

- The District's total assets were \$4,244,545; of this amount, \$2,774,598 represents net capital assets and \$1,469,947 represents cash, cash equivalents, short term investments and receivables under both current and restricted assets.
- Liabilities for the District totaled \$282,693.
- Operating revenues for the District at year end were \$1,165,188. The major revenue source was water revenue.
- Operating expenses totaled \$1,167,466. Highlights within operating expenses were salaries and benefits of \$432,893, water purchases \$189,779 and depreciation \$203,305.

**Required Financial Statements**

The annual 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, deferred inflows, and liabilities. 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 Activities and Changes in Net Position* identifies the District's revenues and expenses for the fiscal year. It provides information on the District's operations over the past fiscal year and can be used to determine whether the District has recovered all of its projected costs through user fees, tax revenues and other service related charges.

The *Statement of Cash Flows* presents information regarding the District's cash receipts and cash payments for the period categorized according to whether they stem from operation activities, non-capital financing activities, and capital and related financing activities or investing activities. From this statement, the reader can obtain comparative information on the sources and uses of the District's cash.

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

*Notes to Financial Statements.* 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. The notes to the financial statements can be found on pages twelve through eighteen of this report.

**MEINERS OAKS WATER DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2016

**Statement of Net 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 table is a summary of the net position of the District and the change in the net position from the prior fiscal year.

	<u>Net Position</u>	
<u>Assets and Deferred Outflows</u>	2016	2015
Cash	\$ 1,323,425	\$ 1,644,757
Restricted cash	31,983	29,940
Other assets	109,347	131,887
Short term investments	5,192	5,173
Total Current Assets	<u>1,469,947</u>	<u>1,811,757</u>
<u>Capital Assets</u>		
Capital assets	6,219,322	5,702,031
Accumulated depreciation	(3,444,724)	(3,241,420)
Net capital assets	<u>2,774,598</u>	<u>2,460,611</u>
Total Assets	<u>4,244,545</u>	<u>4,272,368</u>
Deferred Outflows of Resources	<u>86,711</u>	<u>132,780</u>
Total Assets and Deferred Outflows	<u>\$ 4,331,256</u>	<u>\$ 4,405,148</u>
<u>Liabilities and Deferred Inflows</u>		
Current liabilities	\$ 64,616	\$ 241,402
Long-term liabilities	<u>218,077</u>	<u>287,230</u>
Total Liabilities	<u>282,693</u>	<u>241,402</u>
Deferred Inflows of Resources	<u>82,696</u>	<u>70,331</u>
Total Liabilities and Deferred Inflows	<u>\$ 365,389</u>	<u>\$ 311,733</u>
<u>Net Position</u>		
Capital contributed from district	\$ 114,798	\$ 114,798
Invested in capital assets	2,774,598	2,460,611
Unrestricted net position	<u>1,076,471</u>	<u>1,455,557</u>
Total Net Position	<u>\$ 3,965,867</u>	<u>\$ 4,030,966</u>

**Assets.** During the fiscal year ended June 30, 2016, total assets decreased approximately \$28,000, or 1%. This decrease is due mostly to a reduction in cash for payments to construct a new 750,000 gallon water tank. The increase in capital assets caused a decrease to current assets as the District used cash reserves to self-finance the capital improvement project.

**Liabilities.** During the fiscal year ended June 30, 2016, total liabilities, decreased by approximately \$180,000, or 73%. The large decrease was mostly due to accrued payables related to the capital

**MEINERS OAKS WATER DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2016

**Statement of Net Position - continued**

improvements projects as of June 30, 2015. The District had sufficient cash reserves and was able to pay all obligations during the year ended June 30, 2016.

**Revenue**

Revenue generated from operations produces approximately 88% of total revenue while non-operating revenues such as taxes, interest revenue and miscellaneous administrative fees make up the remainder. The following summary of revenue by source is provided for the past two fiscal years:

<u>Total Revenues</u>		
<u>Operating Revenue</u>	2016	2015
Water revenue	\$ 555,936	\$ 703,341
MWAC	497,022	480,612
Extra dwellings and agriculture standby charges	80,245	77,457
Delinquencies	25,340	29,290
Fire protection	2,162	2,213
Pumping charges	4,483	5,588
<u>Total Operating Revenue</u>	\$ 1,165,188	\$ 1,298,501
<u>Non-Operating Revenue</u>		
Property taxes	\$ 139,900	\$ 131,753
Interest income	5,287	5,850
Miscellaneous income	16,773	6,780
<u>Total Non-Operating Revenue</u>	\$ 161,960	\$ 144,383

Revenue from operations remained consistent with prior year. The slight decrease in water revenue was due to conservation efforts by consumers; however, the District was able to maintain operating revenue due to meter capacity charges and rate increases as outlined in the single rate system, with over-allocation charges of \$1, under the current Drought Contingency Plan. That, in combination with the tank uncertainties, is why it is prudent to maintain our rates to keep up inflation and rising costs over the next two years. In the current year the district purchased approximately \$190,000 worth of water from outside sources.

**MEINERS OAKS WATER DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2016

**Actual Results vs. Budget**

The Board of Directors adopts an annual budget by June 30 of each year for the following fiscal year beginning on July 1<sup>st</sup>. Performance is monitored throughout the year to the budget. The following is a summary of actual results in comparison to the budget:

	<u>Budget to Actual</u>	
	<u>Budget</u>	<u>2016</u>
Total Operating Revenue	\$ 1,321,528	\$ 1,165,188
Less: Operating Expenses		
Salaries and related expenses	(531,000)	(432,893)
Insurance	(21,000)	(30,549)
Water distribution system	(595,000)	(339,179)
Other	(125,650)	(364,845)
<u>Net Operating Revenue (Loss)</u>	<u>\$ 48,878</u>	<u>\$ (2,278)</u>
 <u>Non-Operating Revenue</u>		
Property taxes	\$ -	\$ 139,900
Interest income	-	5,287
Miscellaneous income	8,000	16,773
<u>Total Non-Operating Revenue</u>	<u>\$ 8,000</u>	<u>\$ 161,960</u>

**Economic Factors:** Due to the decrease in the rainfall this year, the District's ability to provide water has been diminished significantly. The District has declared water emergencies due to the water shortage. In Stage 3 of the emergency the District is requesting the customers to reduce consumption by 30%. With the need to replace an aging infrastructure comes the awareness of the need for the District to continue to supplement its operating and non-operating revenue with increased water rates. The District's board has approved a 4% rate increase per year.

**Requests for Information:** This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request 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, 2016

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**ASSETS**

**CURRENT ASSETS**

Petty cash	\$ 175
Cash in bank	435,944
Cash at county	887,306
Restricted cash	31,983
Short term investments	5,192
Accounts receivable, net allowance \$10,000	107,253
Interest receivable	<u>2,094</u>

TOTAL CURRENT ASSETS 1,469,947

**CAPITAL ASSETS**

Land	57,035
Water rights	231,500
Buildings	61,472
Water distribution system	4,613,757
Structure and improvements	396,422
Equipment	43,041
Transportation	212,823
Furniture and fixtures	40,946
Office machines	43,957
Communication equipment	19,159
SCADA water project	499,210
Accumulated depreciation	<u>(3,444,724)</u>

NET CAPITAL ASSETS 2,774,598

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related deferred outflows	<u>86,711</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 4,331,256

See accompanying notes to financial statements and independent auditors' report.

Meiners Oaks Water District  
**STATEMENT OF NET POSITION**  
June 30, 2016

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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable	\$ 24,102
Vacation benefits payable	6,814
Customer service deposits	14,975
Deferred revenue	<u>18,725</u>

**TOTAL CURRENT LIABILITIES** 64,616

**LONG-TERM LIABILITIES**

Net pension liability	<u>218,077</u>
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**TOTAL LONG-TERM LIABILITIES** 218,077

**DEFERRED INFLOWS OF RESOURCES**

Pension related deferred inflows	<u>82,696</u>
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**TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** 365,389

**NET POSITION**

Capital contributed from district	114,798
Net position - invested in capital assets	2,774,598
Net position - unrestricted	<u>1,076,471</u>

**TOTAL NET POSITION** \$ 3,965,867

See accompanying notes to financial statements and independent auditors' report.

Meiners Oaks Water District  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
Year Ended June 30, 2016

---

**OPERATING REVENUES**

Water sales	\$ 555,936
Monthly water availability charges	497,022
Extra dwelling and agricultural standby charges	80,245
Delinquencies	25,340
Fire protection and pumping charges	6,645
<b>TOTAL OPERATING REVENUES</b>	<u><b>1,165,188</b></u>

**OPERATING EXPENSES**

Salaries and employee benefits	432,893
Water purchases	189,779
Depreciation	203,305
Professional fees	88,779
Equipment maintenance	78,927
Power bills	44,285
Insurance	30,549
Postage	12,400
Water distribution system maintenance	498
Gas and diesel	8,958
Building repairs and maintenance	8,381
Office supplies	4,467
Laboratory services	6,184
Telephone	7,212
Treatment plant supplies	11,384
Computer services	3,554
Membership and dues	6,520
Board member fees	10,150
Truck maintenance	3,625
Utilities	2,572
Printing and binding	1,079
Meters	8,122
Travel	1,718
Uniforms	1,218
Safety and training	907
<b>TOTAL OPERATING EXPENSES</b>	<u><b>1,167,466</b></u>

**OPERATING LOSS** **(2,278)**

**NON-OPERATING REVENUES AND (EXPENSES)**

Property taxes	139,900
Interest income	5,287
Miscellaneous income	16,773
<b>TOTAL NON-OPERATING REVENUES</b>	<u><b>161,960</b></u>

**CHANGE IN NET POSITION** 159,682

**NET POSITION AT BEGINNING OF YEAR, as previously stated** 4,030,966

**EFFECT OF PRIOR PERIOD ADJUSTMENT** **(224,781)**

**NET POSITION AT BEGINNING OF YEAR** **3,806,185**

**NET POSITION AT END OF YEAR** **\$ 3,965,867**

See accompanying notes to financial statements and independent auditors' report.

Meiners Oaks Water District  
**STATEMENT OF CASH FLOWS**  
Year Ended June 30, 2016

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from user charges	\$ 1,206,453
Cash payments to employees	(454,289)
Cash payments for operating expenses	(709,102)
Cash payments from deposits	(7,000)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>36,062</u></u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property taxes	139,900
Miscellaneous income	16,773
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u><u>156,673</u></u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of property, plant and equipment	(517,292)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u><u>(517,292)</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	5,287
Purchase of investments	(19)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u><u>5,268</u></u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(319,289)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><u>1,674,697</u></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 1,355,408</u></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating loss	\$ (2,278)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	203,305
(Increase) decrease in:	
Accounts receivable	23,871
Interest receivable	(1,331)
Deferred outflows of resources	(86,711)
Increase (decrease) in:	
Accounts payable	(189,417)
Accrued expenses	906
Customer service deposits	(7,000)
Deferred revenue	18,725
Deferred intflows of resources	82,696
Net pension liability	(6,704)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 36,062</u></u>

See accompanying notes to financial statements and independent auditors' report.

Meiners Oaks Water District  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization.** The Meiners Oaks Water District was organized in April 1949 as a special district under the applicable State of California Water Code Sections to supply water to that 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 all the activities related to the District. The Board members are elected by the public for four-year terms. They have the decision making authority, the power to designate management, the responsibility to significantly influence operations and accountability for fiscal matters.

**Reporting Entity.** The District's reporting entity includes all significant operations and revenue sources which the District Board of Directors exercises oversight responsibility and is determined under the criteria established by the National Council on Governmental Accounting, Statement 3, as adopted by the Governmental Accounting Standards Board (GASB). Oversight responsibility is determined on the basis of appointment or selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service.

**Basis of Accounting.** The Meiners Oaks Water District is accounted for as an enterprise fund in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. Enterprise funds are used to account for operations that are either (a) financed and operated in a manner similar to private business enterprises where the expenses of providing goods or services to the general public, including depreciation, are recovered through user charges, or (b) governed by the decision that periodic determination of revenues earned, expenses incurred, and net income are appropriate for capital maintenance, public policy, management control, or other purposes. Because the District is accounted for as an enterprise fund, the District uses 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, whether or not paid.

Financial statement presentation follows the recommendations promulgated by GASB commonly referred to as GAAP. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting.

**Cash and Cash Equivalents.** For purposes of the statement of cash flows, the District considers any purchase of highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

**Compensated Absences.** The District has recorded an accrual for compensated absences in accordance with the District policy of paying for unused vacation time of any employee upon separation. On retirement of certain employees, the District's policy is to pay accrued vacation benefits in a lump sum cash payment to such employee. Sick leave is not included in the accrual as the District does not pay for unused sick time upon employee termination.

**Accounts Receivable.** Accounts receivable are stated at net realizable value and net of related allowance for doubtful account. The District uses the allowance method to account for uncollectible account. At June 30, 2016, the District had determined that an allowance for doubtful accounts of \$10,000 was necessary. The District's estimate is based on historical collection experience and accounts are determined to be uncollectible when convincing evidence exists that the receivable will not be collected.

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Income Taxes.** The District is exempt from income taxes.

**Capital Assets and Depreciation.** The District's capital assets are recorded at cost at time of purchase. Donated property is recorded at fair market value at the date of donation. No formal capitalization policy has been established. Capital assets are depreciated on a straight-line basis over the asset's estimated useful life. The service lives of assets are as follows:

Vehicles	5 years
Furniture and Equipment	5-10 years
Storage Tanks	10-60 years
Building	20 years

**Tax Revenues.** Tax revenues are received by the District pursuant to its status as a political subdivision of the State of California.

**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. Estimates and assumptions include, but are not limited to:

- Depreciable lives and estimated residual value of capital assets
- Allowance for uncollectible receivables
- Net pension liability

**Budgetary Process.** The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Formal budgetary integration is employed as a management control device during the year.
- The Board approved the budget and is authorized to make budget adjustments during the year.
- Unused appropriations lapse at the end of the year.

**Implementation of New Accounting Pronouncements.** For the year ended June 30, 2016, the District implemented the following GASB Pronouncements:

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflow of resources, deferred inflows of resources, and expenditures for pension plans. This Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement establishes standards relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2016

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**NOTE 2 – DATE OF MANAGEMENT’S REVIEW**

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through March 21, 2017, the date that the financial statements were available to be issued.

**NOTE 3 – CASH AND INVESTMENTS**

Cash and cash equivalents consist of the following as of June 30, 2016:

Petty Cash	\$ 175
Cash in Bank	108,169
Cash in Money Market	327,775
Cash at County	887,306
Restricted Cash	<u>31,983</u>
Total cash and cash equivalents	1,355,408
Less restricted cash	<u>(31,983)</u>
Total unrestricted cash and cash equivalents	<u><u>\$ 1,323,425</u></u>

The District’s investment policy established by the Board permits the District to invest in the County of Ventura investment pool, the Local Agency Investment Fund (LAIF) and commercial banks. The District’s investments are classified for credit risk purposes as “Category 1” investments, which include investments that are insured or registered or for which the securities are held by the District or its agent in the District’s name.

The carrying amount of cash in banks was \$ 435,944. The California Government code requires all financial institutions to secure a local governmental 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.

The District maintains cash balances other than LAIF account at one financial institution. Each account custodian at the financial institution is insured by the Federal Deposit Insurance Corporation up to \$250,000 each. There are two account custodians for the cash accounts at the financial institution which are insured by the Federal Deposit Insurance Corporation up to \$500,000. The District believes it is not exposed to a significant risk on cash and cash equivalents.

The restricted cash balance represents customer service deposits which are held in trust by the District in a fully insured demand account.

Statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. agencies, bankers’ acceptances, repurchase and reverse repurchase agreements, commercial paper rated A-1 by deposit, money market checking accounts and the LAIF.

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2016

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**NOTE 3 – CASH AND INVESTMENTS - Continued**

The District's allocable share of investments in LAIF at fair market value as of June 30, 2016, is as follows:

United States Treasury	\$ 2,332
Federal Agency	726
Mortgages	4
Time Deposits	382
CD's, Corporate Bonds and Floaters and Banks Notes	1,197
AB55 and Other GF Loans	35
Commercial Paper	516
Total	<u>\$ 5,192</u>

**NOTE 4 – CAPITAL ASSETS**

As of June 30, 2016, capital assets were comprised of the following:

<i>Asset Description</i>	<i>Estimated Lives</i>	<i>Cost as of 6/30/15</i>	<i>Additions</i>	<i>Deletions</i>	<i>Cost as of 6/30/16</i>
Land		\$ 57,035	\$ -	\$ -	\$ 57,035
Water Rights		231,500	-	-	231,500
Buildings	20 years	61,472	-	-	61,472
Water Distribution System	10-60 years	4,106,400	507,357	-	4,613,757
Structures and Improvements	10-20 years	396,422	-	-	396,422
Equipment	5-20 years	33,108	9,934	-	43,042
Transportation	5 years	212,822	-	-	212,822
Furniture & Fixtures	5-20 years	40,946	-	-	40,946
Office Machines	5-20 years	43,957	-	-	43,957
Communication Equipment	5-20 years	19,159	-	-	19,159
SCADA Water Project	10-60 years	499,210	-	-	499,210
Total Capital Assets		5,702,031	517,291	-	6,219,322
Less Accumulationd Depreciation		(3,241,420)	(203,304)	-	(3,444,724)
Net Capital Assets		<u>\$ 2,460,611</u>	<u>\$ 313,987</u>	<u>\$ -</u>	<u>\$ 2,774,598</u>

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2016

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**NOTE 5 – DEFINED BENEFIT PENSION PLAN**

**Plan Description.** All qualified permanent and probationary employees are eligible to participate in the District's Cost-Sharing Multiple Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two rate plans (two miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided.** CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plans provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or After January 1, 2013 <sup>(1)</sup>
Hire Date		
Benefit Formulas	2.0% at 60	2.0% at 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50-63+	52-67+
Monthly Benefits, as a % of Eligible Compensation	1.092% - 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	6.886%	6.25%
Required Employer Contribution Rates	6.709%	6.237%

<sup>(1)</sup>For employees hired on or after January 1, 2013, they are included in the PEPRA (California Public Employees' Pension Reform Act) Miscellaneous Plan with the above provisions and benefits.

Meiners Oaks Water District  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2016

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**NOTE 5 – DEFINED BENEFIT PENSION PLAN - Continued**

**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 the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions to the Plan for the year ended June 30, 2016 were \$20,365.

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions.** The District net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, 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, 2014 rolled forward to June 30, 2015 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 plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2016, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$218,077.

The District's proportionate share of the net pension liability as of June 30, 2016 and 2015 was as follows:

Proportion		Change Increase (Decrease)
June 30, 2016	June 30, 2015	
0.00318%	0.00462%	(0.00144)%

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2016

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**NOTE 5 – DEFINED BENEFIT PENSION PLAN - Continued**

For the year ended June 30, 2016, the District recognized pension expense (credit) of \$(47,636). At June 30, 2016, 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	\$ 20,365	\$
Differences between actual and expected experience	3,604	
Changes in assumptions		(34,103)
Change in employer's proportion and differences between the employer's contributions and the employer's Proportionate share of contributions	62,742	(31,496)
Net differences between projected and actual earnings on plan investments		(17,097)
	<u>          </u>	<u>          </u>
Total	<u>\$ 86,711</u>	<u>\$ (82,696)</u>

The District reported \$20,365 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ (3,141)
2018	(8,505)
2019	(26,557)
2020	21,853

Meiners Oaks Water District  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2016

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**NOTE 5 – DEFINED BENEFIT PENSION PLAN - Continued**

**Actuarial Assumptions** - The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>		
Valuation Date	June 30, 2014		
Measurement Date	June 30, 2015		
Actuarial Cost Method			
Actuarial Assumptions:			
Discount Rate	7.65%		
Inflation	2.75%		
Payroll Growth	3.0%		
Projected Salary Increase	3.3% - 14.2%		(1)
Investment Rate of Return	7.65%		(2)
Mortality	CalPERS	Membership	(3)
	Data		

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The Mortality Rate Table was derived using CalPERS' membership data for all funds. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report from the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 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. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.65% for the Plan. 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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.

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2016

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**NOTE 5 – DEFINED BENEFIT PENSION PLAN – Continued**

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. 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 the rounded down to the nearest one quarter of one percent.

The table below reflects the long term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are used for the June 30, 2014 valuation date. However, the geometric rates of return are net of administrative expenses for June 30, 2014 valuation date.

Asset Class	New Strategic Allocation	Real Return <sup>1</sup> Years 1-10	Real Return <sup>2</sup> Years 11+
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
	<u>100.00%</u>		

<sup>1</sup>An expected inflation of 2.5% used for this period

<sup>2</sup>An expected inflation rate of 3.0% used for this period

***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 position liability for the Plan, calculated using the discount rate for the Plan, 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 or 1-percentage point higher than the current rate:

	Plan's Net Pension Liability		
	Discount Rate	Current Rate	Discount Rate
	6.65%	7.65%	8.65%
June 30, 2015 Measurement Date	<u>\$ 396,863</u>	<u>\$ 218,077</u>	<u>\$ 70,468</u>

***Pension Plan Fiduciary Net Position*** - Detailed information about the pension Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2016

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**NOTE 6 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintained insurance coverage through an independent carrier with limits of \$5,000,000 general liability; \$1,000,000 auto; \$3,187,000 personal property/blanket building; \$250,000 employee dishonesty and forgery of alteration; \$250,000 crime; \$1,000,000 employment practices liability; and \$100,000 computer fraud.

**NOTE 7 – PRIOR PERIOD ADJUSTMENT**

Note 1 describes the GASB pronouncements the District is adopting for this and the prior fiscal year. There is a financial impact for the adoption of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27".

Implementation of GASB Statement No. 68 recognizes a liability for the District's proportionate share of the net pension liability of all employers for benefits provided through the California Public Employee's Retirement System (CalPERS). Additionally, the District is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pension for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

The following table presents the effect of the prior period adjustment on the June 30, 2016 financial statement balances.

Net position, at July 1, 2015 as originally stated	\$ 4,030,966
Decrease in net position due to net pension liability	<u>(224,781)</u>
Net position, at July 1, 2015 as restated	<u><u>\$ 3,806,185</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Meiners Oaks Water District  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY**  
Year Ended June 30, 2016

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**CalPERS Pension Plan  
Last Ten Years<sup>(1)</sup>  
As of June 30, 2016**

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered - Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00462%	\$ 287,230	\$ 325,293	85.76%	88.30%
2016	0.00318%	\$ 218,077	\$ 334,923	65.11%	83.39%

**Notes to Schedule:**

**Benefit Changes.** In 2016, there was no benefit terms modified.

**Changes in Assumptions.** In 2016, changes in assumptions resulted primarily from the following:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

<sup>(1)</sup> Fiscal year 2016 was the 1<sup>st</sup> year of implementation, with information available for the 2015 fiscal year, therefore only two years are shown.

Meiners Oaks Water District  
**SCHEDULE OF CONTRIBUTIONS**  
Year Ended June 30, 2016

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**CalPERS Pension Plan**  
**Last Ten Years<sup>(1)</sup>**  
**As of June 30, 2016**

<u>Fiscal Year</u>	<u>Contractually Required Contribution (Actuarially Determined)</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
2015	\$ 56,243	\$ (56,243)	\$ 0	\$ 334,923	16.79%
2016	\$ 20,365	\$ (20,365)	\$ 0	\$ 342,959	5.94%

<sup>(1)</sup> Fiscal year 2016 was the 1<sup>st</sup> year of implementation, with information available for the 2015 fiscal year, therefore only two years are shown.



## Meiners Oaks Water District Resolution 20170418

The Board of Directors of Meiners Oaks Water District on this 18<sup>th</sup> day of April 2017, 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 2015-2016, prepared by Soares, Sandall, Bernacchi & Petorvich, LLP, and presented in the annual audit report titled Meiners Oaks Water District Financial Statements year end June 30, 2016, is

Passed, Approved and Adopted this 18<sup>th</sup> day of April 2017.

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Meiners Oaks Water District  
President of the Board

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Meiners Oaks Water District  
Secretary of the Board



The Chain link Fence Experts!

Cont. Lic # 617300

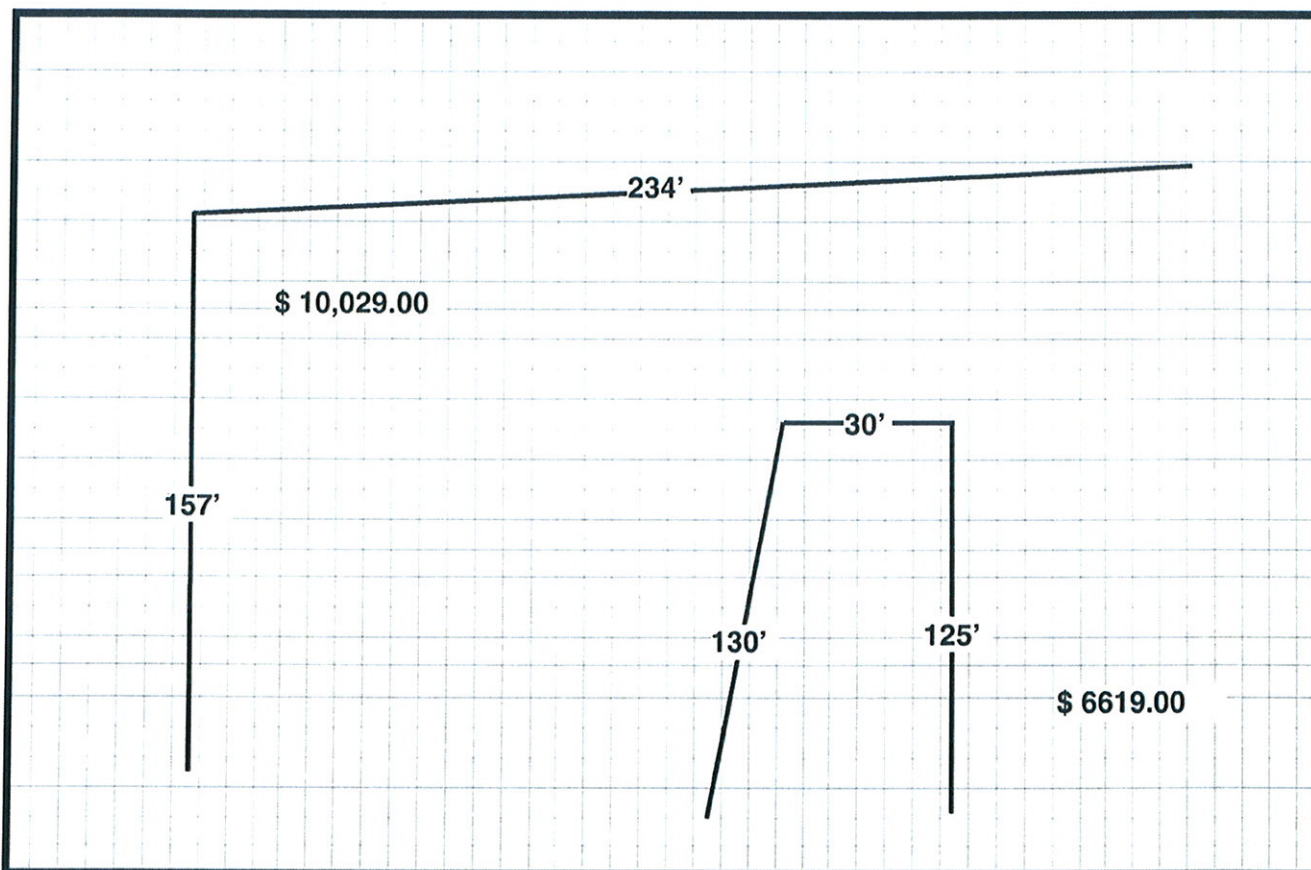
Bob Ghen (Owner)  
873 Oso Rd. Ojai Ca. 93023  
Santa Barbara & Ventura County  
(805) 983-3346 Fx# 646-8980

www.BobsFence.com

Meiners Oaks Water District	2680 Maricopa Highway	3-15-17
Ojai, 93023	Mike: 297-7240 646-2114	mikeh2o@meinersoakswater.com

**Description:**

Install 6' tall 9 ga. galvanized chain link fencing with 3 strand 4 point barbwire. To use 2 7/8 schedule 40 terminal post and 2 3/8 schedule 40 line post set in concrete. Fence to have 1 5/8 diagonal bracing and 9 Ga. tension wire along top and bottom.



**\*\*Contractor assumes no responsibility for building permits, damage or repair to underground utilities or water lines that cannot be seen. Contractor proposes hereby to furnish material and labor and to be in accordance with above specifications.**

In consideration for the above described work, the above named party agrees to pay contractor the total sum as listed. Payment schedule as follows: 1/2 prepayment for material; balance due upon completion. This proposal is void if not accepted within 30 days

\$ Above

**Acceptance of Proposal/Contract** The above prices, specifications and conditions are satisfactory and are hereby accepted. Bob's Fence is authorized to do the work as specified. Payment schedule is as outlined above.

Customer's Signature \_\_\_\_\_

Contractor's Signature \_\_\_\_\_ Bob Ghen



## Project 1: East Bay Municipal Utility District: Irrigated Vegetation Mapping Project

### Organization

East Bay Municipal Utility District  
375 11th Street  
Oakland, CA 94607-4240

Richard Harris 510-287-1675  
rharris@ebmud.com

### Period of Performance

April 2015 – Ongoing

East Bay MUD is one of the largest and technologically sophisticated water districts in California. In an effort to explore different methods of pursuing their conservation goals, Eagle was hired to perform a pilot project for involving the analysis of 20 parcels in areas with much wild land interface, making it extremely challenging to determine irrigated landscape vs. natural wild land vegetation. Utilizing 6 inch pixel resolution imagery, the Eagle team successfully used software plus professionally managed remote sensing quality control to accurately classify conditions within the targeted parcels, with such results being judged a success. As a result, the Eagle team has been chosen and is now performing a detailed land classification stratified analysis over

a large portion of the district.

In this district-wide project, the Eagle team is conducting an analysis of landscape area water use by individual parcel, by combining land cover, climate data and plant water requirements. Eagle is using the definitions and calculations referenced in the California Model Water Efficient Landscape Ordinance (MWELo). These calculations give the landscaped area water use as a function of landscaped area and reference evapotranspiration (ET). The MWELo defines landscaped area as (and our classification scheme includes) planted areas, turf areas, and water features. Landscaped area excludes footprints of buildings or structures, sidewalks, driveways, parking lots, decks, patios, gravel or stone walks, other pervious or non-pervious hardscapes, and other non-irrigated areas designated for non-development (such as open spaces and existing native vegetation). The initial classification analysis has been successful, as judged by East Bay MUD professionals.





## Project 2: Las Virgenes: Irrigated Land Mapping

### Organization

Las Virgenes Water District

4232 Las Virgenes Rd  
Calabasas, CA 91302

Carlos Reyes (818) 251-2130  
creyes@lvmwd.com

### Period of Performance

September, 2014 – May, 2015

Las Virgenes Municipal Water District (LVMWD) has decided to move to water budget rates in an effort to fairly allocate water usage to its customers while at the same time moving towards its many water conservation goals, including drought issues and 20% by 2020. This allocation will be calculated based on the number of people in the household as well as the amount of irrigated landscape customers have. Because of Eagle's experience using remote sensing technology with water districts and understanding the unique issues involved LVMWD decided to commission the project with Eagle. The district had some significant challenges in that they had a number of very large parcels that were on the edge of the Santa Monica Mountains with "wild land" interface. LVMWD was concerned about

these very wealthy customers that could cause a lot of political problems if allocations were not based on very accurate data. Determining which trees are irrigated and which weren't takes special photo interpreting skills. Eagle was able to deliver highly accurate data within each parcel, which is currently being used for the creation of LVMWD's water budget rate structure.



LVMWD Residential Irrigated Vegetation Class	
	Impervious Surface
	Swimming Pools
	Irrigated - Non Turf
	Irrigated Lawn/Turf
	Non Irrigated/Natural Vegetation
	Potentially Irrigated
	Open Water



### ***Project 3: California Department of Water Resources: City of Lodi Irrigated Mapping Pilot Project***

#### **Organization**

Calif. Dept. of Water Resources (DWR)

1416 9<sup>th</sup> St.

Sacramento, CA 95814

Tom Hawkins (916) 651-0171

Peter Brostrom (916) 651-7034

[Tom.Hawkins@water.ca.gov](mailto:Tom.Hawkins@water.ca.gov)

[Peter.Brostrom@water.ca.gov](mailto:Peter.Brostrom@water.ca.gov)

#### **Period of Performance**

June – December 2013

Eagle has developed processes and methods to measure irrigated landscape very accurately. This process utilizes the near infra-red band within the aerial imagery data.

For background purposes, DWR is the California state agency responsible for instituting and enforcing water conservation across the state. DWR has been looking for cost effective ways to measure outdoor water usage, given that hand measuring methods are prohibitively expensive. As a result, DWR began exploring the current capabilities of remote sensing technology using aerial imagery. DWR had some familiarity with remote sensing technology previously, but, due to limitations in older remote sensing and imagery technologies, they had doubts as to whether such approach could achieve the level of accuracy required on a parcel-level basis.

Because of Eagle's direct experience using this technology with water districts and understanding the unique issues involved, DWR decided to commission a pilot project with Eagle to see if the process would be viable for use in water conservation efforts state-wide. DWR decided to have every parcel in the City of Lodi measured (approximately 14,000 parcels). In order to validate the results, DWR designated a random sampling of approximately 80 parcels across eight different strata representing the different types of SFH parcels within the City. These 80 sample parcels were hand-measured by two staff members of DWR. These hand-measured parcels were then compared to the same 80 parcels that had been measured using Eagle's remote sensing technology (these were a subset of entire 14,000 parcels measured using remote sensing technology).

The results of this project with a limited budget were as follows: when comparing the individual strata of hand-measured parcels to the remotely measured parcels the results were very accurate. With respect to the combined analysis of all eight strata, the difference between the Eagle's remotely sensed results and those of each of the hand measured calculations by two different DWR staff members was 2.63% and 3.50%, respectively.

DWR was happy and encouraged with the results of Eagle's analysis. As a result of this project, DWR is creating standards to give as guidelines for water districts statewide. Eagle Aerial Solutions has been asked to be on the committee to participate in creating these standards.





## Project 4: Irvine Ranch Water District: Pilot Irrigated Lands Project

Irvine Ranch Water District (IRWD) has utilized water budget rates for over twenty years. They have a very successful program and have some of the lowest water rates in the state provided people stay within their fair allocation. The allocation is calculated on the number of people in the household as well as the amount of irrigated landscape customers have. Because of Eagle's direct experience using this technology with water districts and understanding the unique issues involved, IRWD decided to commission a project with Eagle that was add a newly annexed water district "Orange Park Acres" (OPA) onto the IRWD water budget rates. They also wanted to use the project as a pilot as well to see if the process would be viable district wide. Technologies have advanced significantly since IRWD set up water budget rates and would benefit significantly from having actual accurate square footage of each and every parcel within the entire district for many different water conservation goals.

### Organization

Irvine Ranch Water District

15600 Sand Canyon Ave  
Irvine, CA 92618-3100

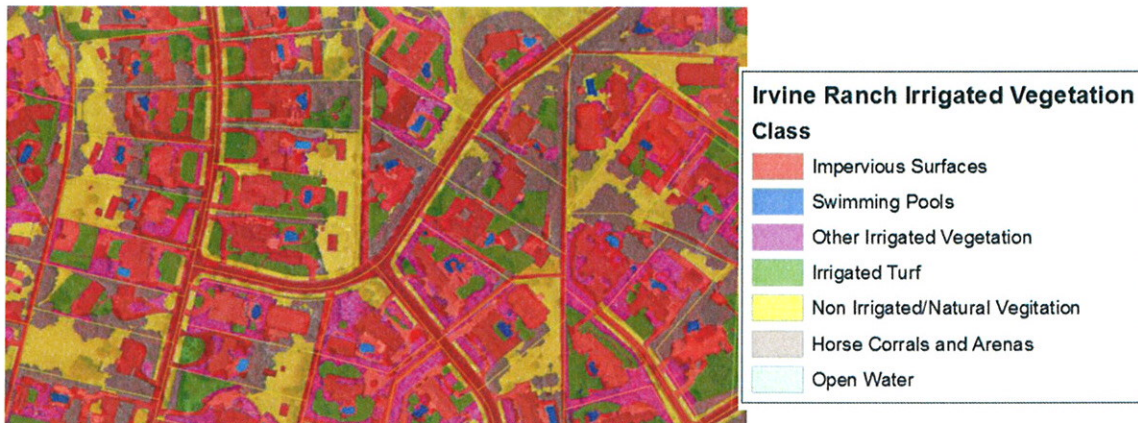
Fiona Sanchez (949) 453-5325  
sanchezf@irwd.com

### Period of Performance

April 2015 – May 2015

The results of this project produced very accurate irrigated landscape within the parcels. Because it was determined that many customers were watering

roadside grass strips outside the parcel boundaries, it was requested that for future projects these areas be included in the calculations. This is why a similar analysis is being included in this proposal to SAWPA.



# WHITE PAPER SUMMARY NOTES

## Topics in Cutting Edge Water Conservation Approaches: Variation between Professionally Managed Analysis and Fully Automated Land Classification Processes

Andrew Brenner, PhD. Director of Remote Sensing, Quantum Spatial

**LAND CLASSIFICATION BENEFITS.** Remote Sensing Analysis using aerial imagery for land classification is becoming a critical component in developing efficient, targeted and politically acceptable means of pursuing water conservation goals. Accurate land classification at the parcel level provides detailed information about the amount of grass, shrubs, trees and other irrigated landscape as well as impermeable surfaces. It supports targeted turf abatement efforts and enables agencies to make accurate determinations of customer water use efficiency at the parcel level. Remote Sensing Analysis creates a baseline to establish fair, objective and politically defensible water budgets and efficiency-based rates, with accurate, individualized customer information. That is why accurate parcel level classification is becoming the gold standard foundation for many conservation strategies.

### Data Accuracy Variation between Professionally Managed Analysis and Computer Automated Process.



For Same Parcel in Southern California

#### Professionally Managed Analysis

• Impervious Surface	19,142.76
• Irrigated Lawn/Turf	5,695.93
• Swimming Pools	375.73
• Natural Vegetation	6,980.26
• Potentially Irrigated	10,808.12

**CONFIRMED BY HAND MEASUREMENT  
TO BE 95+% ACCURATE**

#### Automated Analysis

• Impervious	11,150.50
• Irrigated Lawn/Turf	3,739.75
• Swimming Pools	204.25
• Shrub	411.75
• Tree	3,981.50
• <u>Shadow USELESS CATEGORY</u>	16,784.50

#### Full Automation

- Is massively inaccurate
- Underestimates impervious and turf
- Cannot determine natural vs. irrigated trees
- Has problems with shadows
- Does not provide sufficiently accurate data for water efficiency calculations

**SUMMARY OF THE MOST ACCURATE REMOTE SENSING APPROACH: A PROFESSIONALLY MANAGED ANALYSIS.** This technology, using visible and infra-red spectrum data, involves the application of software protocols as well as human expertise. Imagery data in itself tends to have dynamics that “confuse” software programs, such as shadow, canopy overhang, parcel alignment issues, artificial turf, wide-ranging plant coloration, etc. As a result, two sets of human expertise are essential to overcome these limitations in what we call a “Professionally Managed” process.

First, it is critical to use software that is designed specifically for remote sensing. That software must be “trained” and tuned to the specific dynamics occurring in the area being analyzed. This involves shape analysis, color differentiation, lighting and shadow conditions and the like that are adjusted several times by experienced, remote sensing professionals as the analysis process unfolds to obtain the highest level of accuracy possible.

Second, and most importantly, there must be a manual process conducted by teams of trained professionals, using consistent methods, to identify areas that the software will miss, such as areas in shadow, areas under canopy and other anomalies. This is essential to increase accuracy from 75-80% (which is what you get with the Automated process) to 95+% (which is what you get with the “Professionally Managed” process). Having 95+% accuracy is necessary to have solid results to accurately determine efficiency and to justify the establishment of fair, non-controversial, individual customer rates to encourage conservation.

When only an automated process is used (i.e. a batch run, also known as a supervised classification through software only with limited QC and limited professional remote sensing intervention), substantial errors are often introduced. Specifically, misidentifications are common, as are classifications of areas as “shadow” or “unidentifiable”. These categories are not helpful in developing an accurate dataset, particularly at the parcel level. The example below shows parcels from a project, each classified using both an Automated and then a Professionally Managed process to fine tune and correct errors caused by the original automated approach. As you can see, there are substantial differences in the end result between the two processes.

**IN CONCLUSION.** An automated process can be useful when trying to macro-classify large areas to come up with rough averages. But for analysis at the individual customer level and establishing conservation protocols at the parcel level, semi-automated remote sensing analysis gives much more accurate results. Use of the less accurate automated process leads to complaints from customers, with customers questioning the fairness and accuracy of efficiency-based conservation programs the water district is required to establish. Professionally Managed Remote Sensing Analysis does not take short-cuts and therefore provides agencies with the most accurate customer and parcel level data available.



## CALIFORNIA WATER SOLUTIONS

### About Eagle Aerial Solutions

Eagle Aerial is a California-based aerial mapping company with unique qualifications to perform remotely sensed water usage and land cover analyses for Water Districts.

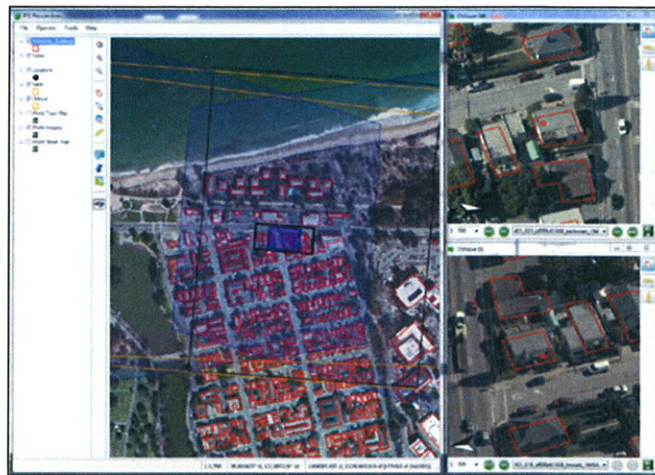
Eagle's annually-updated, high resolution aerial photography throughout much of California is flown with state of the art digital mapping cameras and includes the color infra-red band. With this pre-existing data, analyses can be done without the expense of custom aerial captures, thereby saving water districts thousands to tens of thousands of dollars over custom acquisition. Having the data immediately available also avoids delays caused by having to custom acquire imagery for specific projects.

Eagle Aerial and its partner, Quantum Spatial (formerly Photo Science), together have world class data and remote sensing expertise. Our team is headed by Andrew Brenner, PhD, who has years of remote sensing experience. Quantum Spatial is a national geospatial solutions firm providing water agencies, flood control districts and engineering consultants custom-collected datasets, modeling and analytics that support water management plans, regulatory compliance and engineering needs.

A unique ability to be able to help California Water Districts comply with SBx77, which requires 20% water savings by 2020. This is because we've done two things that make our process targeted to fit this need:

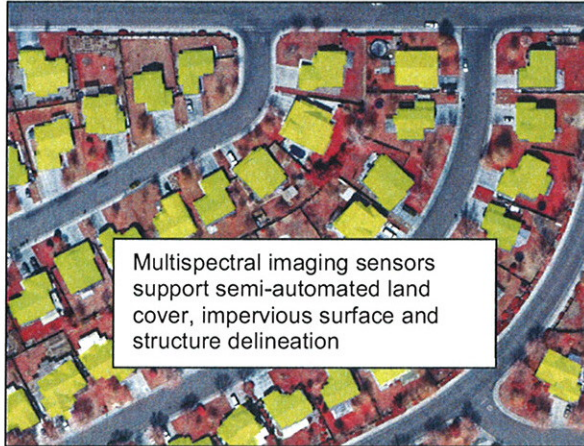
We have developed expertise, to an accuracy of up to 95%, in the measurement of irrigated and non-irrigated coverage on a parcel-by-parcel basis, with such analysis broken down to a granular level (i.e. turf, bushes/trees, bare earth, impervious surfaces, water, etc.) (representative examples of this work and other relevant remote sensing work is described below); and

Water-related on-call mapping contracts include the Metropolitan Water District of Southern California, Santa Clara Valley Water District, the Southern Nevada Water Authority and the U.S. Army Corps of Engineers.





## CALIFORNIA WATER SOLUTIONS



When integrated into the engineering, planning and management activities of water districts, these solutions have a lasting impact across the organization, supporting informed decision-making and information management only possible with geospatial data.

- ✓ Watershed management
- ✓ Water resources engineering
- ✓ Asset management
- ✓ Vegetation management
- ✓ Habitat studies
- ✓ Fluvial geomorphology
- ✓ Site monitoring and land cover change-detection
- ✓ Drainage and impervious surface modeling
- ✓ Analytics to support water management planning

### California Water Project Highlights

#### Determining Irrigated areas of Parcels in Lodi

**Year:** 2013

**Client:** Department of Water Resources

**Reference:** Peter Brostrom (916) 651-7034

#### Determining Irrigated areas of Parcels in portion of district

**Year:** 2015

**Client:** Irvine Ranch Water District

**Reference:** Fiona Sanchez (949) 453-5325

As a contractor of DWR, Eagle/Quantum Spatial conducted remote sensing analysis to determine the irrigated square footage of each of 14,500 parcels in the City of Lodi. DWR is undertaking this project to look at rolling out this methodology state wide to accurately and cost effectively determine irrigated area within each lot for accurate water usage analysis.

#### SFPUC Central Bayside System Improvement

**Year:** 2013

**Client:** San Francisco Public Utilities Commission

**Reference:** Tom Sweet, PE, URS Corporation, 415-243-3713, tom.sweet@urs.com



As a subcontractor to URS/MWH, Eagle/Quantum Spatial mapped 14 square miles of urban San Francisco at high detail in support of SFPUC's \$6.9B Sewer System Improvement Plan. The data will be used for hydrologic modeling and green infrastructure planning, to manage combined sewage discharges and minimize flooding within these urban watersheds.

#### SCVWD On-Call Mapping Contract

**Year:** 2010 - 2013

**Client:** Santa Clara Valley Water District

**Reference:** Thomas Dougherty, Sr. Surveyor, 408-265-2600 tdougherty@valleywater.org

Eagle/Quantum Spatial has supported the District with over 30 mapping projects in the past decade. Project scopes included bathymetric mapping, airborne LiDAR, aerial photogrammetry, and integration of these datasets to support the mapping and modeling of pipelines, reservoirs, creeks and mitigation sites.

**U.S. Army Corps of Engineers (USACE) Survey and Mapping IDIQ contracts.** Eagle/Quantum Spatial has



## CALIFORNIA WATER SOLUTIONS

served both the San Francisco and Sacramento USACE Districts with multi-faceted mapping on major projects including:

### **USACE American River Common Features Project**

**Year:** 2010

**Client:** USACE Sacramento District

**Reference:** Peter Blodgett, Hydraulic Engineer, 916-557-7529, peter.j.blodgett@usace.army.mil

In 2010, Eagle/Quantum Spatial completed the American River Common Features Project, a datum update to the Sacramento River Bank Protection Project and Sacramento-San Joaquin River Basins Comprehensive Study. The project covered 1,500 square miles and supported the USACE Comprehensive Evaluation of Project Datums Program.

### **USACE Lake Mendocino**

#### **Multifaceted Survey and Mapping**

**Year:** 2010

**Client:** USACE San Francisco District

**Reference:** Joseph Viola, COR, 415-503-6883, joseph.j.viola@spd02.usace.army.mil

In 2010, Eagle/Quantum Spatial completed bathymetric, topographic and boundary mapping of Lake Mendocino, a multi-purpose flood control and recreation facility.

### **USACE Noyo Harbor Mapping**

**Year:** 2012

**Client:** USACE San Francisco District

**Reference:** Anne Sturm, Water Resource Section, 415-503-6905, anne.k.sturm@usace.army.mil

In 2012, Eagle/Quantum Spatial completed the mapping of Noyo Harbor, which involved bathymetric survey, aerial LiDAR, photogrammetry and field survey. This task order included CEPD corrective actions as well as a comprehensive condition survey of the jetties with some additional offshore survey work associated with a new

pilot study that evaluates the feasibility of placing dredge material in a near shore area north of Noyo Harbor.

### **CA DWR CVFED Program**

**Year:** 2010

**Client:** California Department of Water Resources

**Reference:** Francis Borcalli, Wood Rodgers, 916-326-5224, fborcalli@woodrogers.com

Eagle/Quantum Spatial collected 1,900 square miles of airborne LiDAR and 4,912 square miles of high resolution digital orthoimagery in support of the DWR Central Valley Flood Evaluation and Delineation Program. These datasets continue to have widespread use for a variety of flood and watershed management projects.



Eagle Aerial  
Solutions

## Water Conservation Proposal for; MEINERS OAKS WATER DISTRICT

### **RE: WATER MANAGEMENT STRATEGY FOR MEINERS OAKS WATER DISTRICT**

3420 Bristol St. 6<sup>th</sup> Fl.  
Costa Mesa CA 92626  
714-754-7670  
www.eagleaerial.com

Eagle Aerial Solutions appreciates the opportunity to present to Meiners Oaks Water District ("MOWD") this Scope of Work (SOW) for processing high-resolution imagery for all the parcels (approx. 1,300) within the MOWD District which covers 1,393 acres (per the boundary provided) of Ventura County, CA. The following is a brief synopsis of our services, specifications, and costs for this project, which covers all parcels within the district. All layers will be reported on a per parcel basis unless (other shapefile polygons are provided).

### **Background**

The MOWD desires to determine accurate irrigated area and certain on-the-ground



conditions of all parcels within the MOWD service area. The intention of the Project is to use the most recent 4 band aerial imagery available (1' pixel or better) high resolution 4 band aerial data. Because the imagery is already available the remote sensing analysis (calculation of irrigated area and other layers, pools etc.. per parcel) can begin immediately to calculate, to 95% accuracy on individual parcels designated by MOWD. The project completion date TBD.

The following surface characteristics include (final layers TBD):

- 1) *Impervious surfaces (concrete, roofs, asphalt, other pavement types)*
  - 2) *Swimming pools*
  - 3) *Irrigable (covering dry lawns and other areas TBD)*
  - 4) *Irrigated landscape Turf*
  - 5) *Irrigated landscape Non-Turf*
  - 6) *Native vegetation*
  - 7) *Bare Dirt*
- ( Optional Layers )

This effort is part of establishing procedures that will be made available to MOWD in its effort to understand water usage and other conservation goals. For example once project is completed you will be able to identify the customers with the most turf to target for turf removal programs. Also this will give MOWD the ability to see lot-level shapefiles of each of the layers above. Eagle will use a GIS-based remote sensing analysis approach combined with color infra-red high resolution imagery and Eagle's proprietary techniques with software and expertise to provide the analytical data requested by MOWD. The goal of the Project is to achieve an accuracy level of 95% (at the parcel level) or higher which will provide significant savings over traditional ways of determining surface conditions within the designated parcels.



## Scope of Work

Four band Imagery (Red, Green, Blue, and Color Infrared) imagery will be used to identify the pervious & impervious land cover. All four bands will be analyzed accurately based on the seven recognition elements of air photo interpretation, pixel values (tone or color), shape, size, pattern, shadow, texture, association, spectral signature and site. The level of accuracy can be achieved using the latest aerial ortho high resolution digital imagery with all four bands (R,G,B & CIR). By using the existing four band aerial imagery significant money and time will be saved and be able to meet the project deadline assuming the notice to proceed & materials needed are received in a timely manner.

**Materials:** This is the data to be supplied to Eagle from MOWD:

- ESRI Parcel Data Shapefiles for all parcels within the MOWD Service Area AOI (shapefile provided).
- Corresponding addresses/parcel #'s to be used to connect to the parcel. This will tie the customer to their parcel. This will not always apply to accounts outside of SFR accounts. Commercial, Multi-family and Dedicated irrigation accounts where there is not a one to one (parcel to customer) relationship will need further information from MOWD.
- Any other data/info determined to be important for the project will need to be supplied if available.

## Deliverables

The deliverables that MOWD will receive are as follows:

- Parcel polygons of geographic locations are identified for the Parcels. These polygons will be 100% compatible with ESRI software. When imported into the ESRI software, each of the Target Parcels will be identified by a parcel polygon.

- 1) *Impervious surfaces (concrete, roofs, asphalt, other pavement types)*
  - 2) *Swimming pools*
  - 3) *Irrigable (covering dry lawns and other areas TBD)*
  - 4) *Irrigated landscape Turf*
  - 5) *Irrigated landscape Non-Turf*
  - 6) *Native vegetation*
  - 7) *Bare Dirt*
- ( Optional Layers )

This will cost-effectively and accurately distinguish types of irrigated vegetation and the impervious surfaces. These will be color-identified with textual attribute data which will include square footage information for the individual surfaces identified (vegetation; turf & other, pools, and impervious surfaces etc..).

- A corresponding Excel data file will be included matching parcel number to geographic polygon parcel with the square footage of vegetation (turf, trees, bushes & flower beds) and impervious surfaces etc...for each layer above. The attributes in the above parcel polygon will be included in the Excel spreadsheet.

## Meetings/Coordination

Eagle Aerial will coordinate with MOWD to obtain necessary data (such as parcels, addresses etc...) on an as-needed basis to maximize the accuracy of the project.

Meetings will be held as necessary via phone or GoToMeetings to maximize the results of the project.

## Scope of Project

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The Project consists of approx. 77,896 parcels within the MOWD service area will be provided to Eagle by MOWD. The price for the services provided by Eagle under this Scope of Work are limited to those specified herein. Any further services, which are not specifically described herein, but are subsequently identified, shall be negotiated between Eagle and MOWD for additional time and compensation.

The price includes the entire project to be completed at one time. If fewer areas or portions of service areas change then the price may change significantly due to project set up and other factors.

### **Optional Services that MOWD requested are listed as follows (pricing in next section):**

Update aerial in conjunction with other mapping project in valley 6" resolution (flown late Spring early summer 2017)

## Project Timeline and Key Tasks

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### *Tentative Schedule is as follows -*

Estimated Time Frame: 30-45 days from start date (TBD) for the project from receipt of all materials/data needed to begin. MOWD will provide Eagle with a Notice to Proceed in order to authorize the commencement of the project.

#### Steps:

- A) Once all materials are received and notice to proceed is given, the project will commence.
- B) Kick off meeting to discuss and get clear with all portions of the project and other details needed to assure a successful project.
- C) A small pilot area of study will be completed. The results will be given to MOWD for review and feedback to make any changes as necessary. MOWD will have one 3 working days to provide the feedback to Eagle. Any time beyond the one week will result in possible delay of the project. A GoToMeeting will be set to discuss results and make any changes needed before embarking on whole project.
- D) Project will be divided into phases TBD and dates assigned with milestones to the finish point on or before (Date TBD). A much more detailed time frame will be provided once options are chosen and the kickoff meeting is completed a much more detailed schedule will be provided.

## Budget

Eagle Aerial will perform the Project for a cost of project covering all parcels in the district approx. 1,300 within service area (per parcel file provided by MOWD) will be \$9,450.00. This cost will not be exceeded without written authorization from MOWD. Once authorization to proceed and materials from MOWD have been received Eagle will commence on the project. The entire project will be invoiced once the project is completed and payable within 30 days.

### Project Cost:

### COSTS:

The project costs includes everything\* in the above proposal including the near infra-red Imagery band, meetings and all other labor and materials for the project (excluding MOWD Supplied data defined above) \$9,450.00

Simple software to view irrigated landscape layers (including loading data & basic training) \$1,100.00

**Total Project Cost** **\$10,550.00**

### OPTION(S) (details of option above):

Update aerial (flown with other project in Ojai Valley – Approx. June time frame) \$2,500 -\$3,000

### Authorization Below:

\_\_\_\_\_  
Authorized Signature (Client)

\_\_\_\_\_  
Eagle Aerial Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**DRAFT**

**2017-18 Annual Budget For  
Meiners Oaks Water District**

**Presented**

**04/18/2017**



## **MEINERS OAKS WATER DISTRICT**

**April 18, 2017**

### **Draft Budget for Fiscal Year 2017-2018**

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#### **Budget Summary**

The proposed budget for Fiscal Year 2017-18 is briefly summarized on Table 1, which shows total expenses and revenues for the year, and the effects on MOWD reserves. Due to the cost of other needed capital improvements, our reserves will start at \$1.4 million and fall to \$ 1,184,443.00 by the end of the year. Because of the shortfall in sales due to the drought, most of the big projects have been suspended until the District's revenues stabilize. Yet, our projected reserves are still appropriate in this drought to support well enhancements and other system upgrades as well as needed system maintenance.

#### **Rates**

Rates this year according to our last Prop 218 hearing were scheduled to increase 4.5% this year. However, with proposed changes to our Conservation Allocation and Rate Program (CARP) lower monthly bills for our customers may be realized.

#### **Projected Expenses**

The itemized expenditures for FY 2017-18 are shown on Table 2 by category. The adopted budget amounts for the previous three fiscal years are shown in the table for comparison. The operating expenses by category are similar to the prior three years. Capital expenses differ each year because of the different projects undertaken, and are not shown in detail for the prior years. Some highlights of projected expenses are;

- 1) Groundwater Sustainability Agency (GSA) will have new extraction fees from our wells that will have be paid
- 2) Our long-term maintenance backlog still continues yet it's not as extreme as years past. We plan to continue the scheduled maintenance projects in 2017-18 in order to maintain the solvency and integrity of the District.
- 3) Due to unexpected power outages in the Meiners Road area and to be proactive in the case of a natural disaster the District has deemed this site uniquely vulnerable, therefore, it will be outfitted with a 50KVA standby generator that will automatically run when the power from Edison fails.

**Projected Revenues**

Projected revenues of \$1,409,696.00 for 2017-18 were based on base allocations according the CARP in addition to reductions in water sales enhanced by the Casitas MWD in Stage 3. Since a rate increase of 4% was in effect the prior year, and unprecedented conservation efforts by our customers, this approach may underestimate the amount of revenue to be received. Nevertheless, we have asked our customers to continue conserving water, which could reduce our revenues below prior years.

**Other New Expenses**

The budget includes new expenses for the formation of a Groundwater Sustainability Agency (GSA) required by the State, for a lawsuit by Santa Barbara Channel Keepers (SBCK) and the City of San Buena Ventura, and for a possible new "Cold Water Well".

**Future Water Rates**

The District's water rates will change as shown in Table 4. The Water Availability Charge will decrease and the charge per unit of water will also decrease as shown. The Meter Capacity Charge will be unaffected as well.

The District has a Board-adopted, comprehensive 5-year capital improvement plan ahead as summarized on Table 5. This next fiscal year spans another rainy season. This year our local area has received almost 30" of rainfall. That is more than 5" over our annual pre-drought average. Because of that, Meiners Oaks Water District does not anticipate purchasing water from Lake Casitas this year and possibly the next if we have a normal rain season next year. That, in combination with needed district improvements, is why it is prudent to maintain our rates to keep up with inflation and rising costs over the next few years. It is also worthy to note that our Drought Contingency Plan has been updated, and we are currently working on a Conservation Allocation and Rate Plan (CARP) that will result in more generous allocations for some, seasonal allowances and bulk amounts for end user discretion of use for namely Commercial and Agriculture users. Please check our website or call the office for any questions you might have.

Prepared by Mike Hollebrands  
General Manager, Meiners Oaks Water District

**Table 1****Draft Budget Summary for Fiscal Year 2017 – 2018**

Total Operating expenditures	\$ 1,148,800.00
Capital Outlay	\$ 546,400
Total District Expenses	\$ 1,695,200.00
Projected Revenues	\$ 1,409,696.00
Shortfall to be absorbed by reserves	<285,504.00>
<hr/>	
Audited Reserves beginning	\$ 1,469,947.00
Reserves ending	\$ 1,184,443.00

**Meiners Oaks Water District**  
**Proposed Budgeted Expenses for FY 2017-2018**

**3 PRIOR YEARS**

<b>Budgeted Expenses</b>	<b>Adopted Budget for FY 2014-15</b>	<b>Adopted Budget for FY 2015-16</b>	<b>Adopted Budget for FY 2016-17</b>	<b>Proposed Budget for FY 2017-18</b>
<b>Operating Expenses</b>				
Salary / Taxes	\$ 373,000.00	\$ 373,000.00	\$410,000.00	\$382,000.00
Payroll Taxes				\$30,000.00
Retirement Contributions	\$ 75,000.00	\$ 80,000.00	\$35,000.00	\$30,000.00
Group Insurance	\$ 30,000.00	\$ 63,000.00	\$70,000.00	\$70,000.00
Company Uniforms	\$ 1,000.00	\$ 1,500.00	\$1,500.00	\$1,500.00
Phone Office	\$ 6,500.00	\$ 7,000.00	\$7,600.00	\$7,600.00
Janitorial Service	\$ 5,000.00	\$ 5,200.00	\$5,200.00	\$5,500.00
Refuse Disposal	\$ 2,200.00	\$ 2,200.00	\$2,500.00	\$2,700.00
Liability Insurance	\$ 20,500.00	\$ 21,000.00	\$22,500.00	\$25,000.00
Workers Compensation	\$ 15,000.00	\$ 15,000.00	\$17,500.00	\$17,500.00
Wells	\$ 32,000.00	\$ 20,000.00	\$20,000.00	\$25,000.00
Truck Maintenance	\$ 4,500.00	\$ 3,500.00	\$4,000.00	\$4,000.00
Office Equip. Maintenance	\$ 4,000.00	\$ 5,000.00	\$5,000.00	\$7,500.00
Commun Equip. Maintenance	\$ 4,500.00	\$ 4,500.00	\$4,500.00	\$4,500.00
System Maintenance	\$ 62,000.00	\$ 60,000.00	\$60,000.00	\$55,000.00
Safety Equipment	\$ 3,500.00	\$ 3,500.00	\$3,500.00	\$3,500.00
Laboratory Services	\$ 7,500.00	\$ 7,500.00	\$8,000.00	\$8,000.00
Membership and Dues	\$ 5,300.00	\$ 5,500.00	\$7,000.00	\$7,500.00
Printing and Binding	\$ 3,000.00	\$ 2,500.00	\$1,000.00	\$1,000.00
Office Supplies	\$ 6,000.00	\$ 6,000.00	\$6,000.00	\$6,000.00
Postage and Express	\$ 10,000.00	\$ 12,000.00	\$13,500.00	\$13,500.00
B.O.D. Fees	\$ 15,000.00	\$ 15,000.00	\$15,000.00	\$13,000.00
Engineering & Technical Services	\$ 23,000.00	\$ 25,000.00	\$35,000.00	\$35,000.00
Computer Services	\$ 15,000.00	\$ 12,000.00	\$12,000.00	\$15,000.00
Other Prof. & Regulatory Fees	\$ 10,000.00	\$ 15,000.00	\$17,500.00	\$15,000.00
Public and Legal Notices	\$ 3,500.00	\$ 1,500.00	\$1,500.00	\$1,000.00
Attorney Fees	\$ 22,000.00	\$ 15,000.00	\$15,000.00	\$15,000.00
GSA Fees		\$ 15,000.00	\$25,000.00	\$51,000.00
VR/SBC/City of Ventura Law suit		\$ 40,000.00	\$40,000.00	\$15,000.00
State Water				\$25,000.00
Audit Fees	\$ 10,250.00	\$ 10,750.00	\$12,000.00	\$18,000.00
Small Tools	\$ 3,000.00	\$ 2,500.00	\$3,000.00	\$3,000.00
Election Supplies	\$ 1,200.00		\$3,000.00	\$0.00
Water Purchase	\$ 150,000.00	\$ 300,000.00	\$250,000.00	\$75,000.00
Casitas Standby Charges				\$13,000.00
Treatment Plant	\$ 13,000.00	\$ 9,500.00	\$10,000.00	\$10,000.00
Fuel	\$ 11,000.00	\$ 10,000.00	\$12,000.00	\$12,000.00
Travel Exp./Seminars	\$ 3,000.00	\$ 3,000.00	\$2,000.00	\$2,000.00
Meters	\$ 6,000.00	\$ 6,000.00	\$10,000.00	\$10,000.00
Utilities	\$ 3,500.00	\$ 3,500.00	\$3,500.00	\$3,500.00
Power and Pumping	\$ 88,000.00	\$ 91,000.00	\$80,000.00	\$110,000.00
<b>Subtotal Oper. Expenditures</b>	<b>\$ 1,047,950.00</b>	<b>\$ 1,272,650.00</b>	<b>\$1,250,800.00</b>	<b>\$1,148,800.00</b>
<b>Capital Expenses</b>				
<b>Water Distribution System</b>		\$ 1,650,000.00	\$250,000.00	
Cold Water Well	\$ 20,000.00			\$100,000.00
Well 4 Rehab	\$ 75,000.00			\$50,000.00
18 Valve Replacements/Deadends	\$ 20,000.00			\$103,900.00
Fencing at Tank Farm				\$40,000.00
<b>Structures and Improvements</b>	\$ 75,000.00			
Generator Z-2			\$120,000.00	\$75,000.00
Treatment Plant EDR/CEQA				\$40,000.00
Zone 1 Booster/MCC Upgrade				\$30,000.00
Well 4 MCC/VFD Upgrade				
<b>Furniture and Fixtures</b>				
New Desk for G.M.				\$1,500.00
<b>Office Machines</b>				\$4,500.00
<b>Field Equipment</b>				
Trailer Mount Weed Sprayer	\$ 4,000.00	\$ 2,500.00	\$3,500.00	\$1,500.00
	\$ 2,500.00	\$ 6,500.00		
<b>Appropriations for Contingencies</b>	\$ 100,000.00	\$ 100,000.00	\$80,000.00	\$100,000.00
<b>Subtotal Capital Expenses</b>	<b>\$ 296,500.00</b>	<b>\$ 1,759,000.00</b>	<b>\$453,500.00</b>	<b>\$546,400.00</b>
<b>GRAND TOTAL</b>	<b>\$ 1,344,450.00</b>	<b>\$ 3,031,650.00</b>	<b>\$ 1,704,300.00</b>	<b>\$ 1,695,200.00</b>

## Estimated Cash Flow for Capital Projects thru 2020

**2015-16**  
Well 4 Rehab/Water lube conversion  
New Tank (Completed)

**2016-17**

Phase I El Roblar Pipeline  
Generator for Meiners Rd Pump Sta.  
Office Renovation

**2017-18**

Meiners RD Tank  
  
New VFD and Motor control center for wells 4&7

**2018-19**

Generator for wells 4&7

**2019-20**

New Well site and engineering

Totals

Capital Replacement	Capital Improvement	Annual Totals
\$ 1,200,000	\$ -	\$ 1,200,000
	\$ 250,000 \$ 75,000 \$ 100,000	\$ 425,000
\$ 150,000		
\$ -	\$ 250,000	\$ 400,000
\$ 250,000		\$ 250,000
	\$ 250,000	\$ 250,000
\$ 1,600,000	\$ 925,000	\$ 2,525,000

Base allocation includes 1274 active accounts at 10 units each  
 Extra dwellings = 580 at 7 units of water each

	Units	Ac/Ft	Annual
Total billable base/Mo.	16800	38.56	462.78
Average sold 2016/Mo.	22080		
<b>Water Sales</b>	-5280		

Base Allocation 22080

\$ per unit \$1.95

Monthly \$43,056.00

**Annually** \$516,672.00

#### MWAC

Billable MWAC 1854

Proposed MWAC \$28.00

Monthly \$51,912.00

**Annually** \$622,944.00

#### Over-allocation units billed

Billable Units 5280

Over-Allocation Rate \$3.00

Average Monthly \$15,840.00

**Average Annual** \$190,080.00

#### MCC

**Base flow of 30 gpm**

The rate is set at \$.80 per gpm over 30

This amount is calculated based upon the flow of a meter in gallons per minute of capacity. Larger meters have a larger capacity therefore placing a larger instant demand on the system.

Example: 1.5" meter has a capacity of 75 gpm

75-30 = 45 gpm

45 x .80 = \$ 36.00

All District meter sizes 1" and above are known and billed accordingly

Estimated Annual \$80,000.00

Total Assumed Annual Income \$1,409,696.00

Difference between Income and Expenditures

Total Annual Expenditures \$1,148,800.00

\$260,896.00

Total Capital Costs 2017-18 \$ 546,400.00

Audited Reserves

Amount needed from reserves \$285,504.00

\$1,469,947.00

Total Annual Expenditures and Capital \$1,695,200.00

Reserves balance after Capital Projects

\$1,184,443.00

Percent of Fixed vs variable -50%

Total Fixed Income \$702,944.00

Total Variable Income \$706,752.00

Meiners Oaks Water District DRAFT

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

Expenditures	Month of July	Year To Date	Budget Approp	Approp Bal 07/01/17	Current July	Approp Bal To Date
Salary	\$ -	\$ -	\$ 382,000.00	\$ 382,000.00	\$ -	\$ 382,000.00
Payroll Taxes	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Retirement Contributions	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Group Insurance	\$ -	\$ -	\$ 70,000.00	\$ 70,000.00	\$ -	\$ 70,000.00
Company Uniforms	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00
Phone Office	\$ -	\$ -	\$ 7,600.00	\$ 7,600.00	\$ -	\$ 7,600.00
Janitorial Service	\$ -	\$ -	\$ 5,500.00	\$ 5,500.00	\$ -	\$ 5,500.00
Refuse Disposal	\$ -	\$ -	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 2,700.00
Liability Insurance	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Workers Compensation	\$ -	\$ -	\$ 17,500.00	\$ 17,500.00	\$ -	\$ 17,500.00
Wells	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Truck Maintenance	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00
Office Equip. Maintenance	\$ -	\$ -	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00
Commun Equip. Maintenance	\$ -	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -	\$ 4,500.00
System Maintenance	\$ -	\$ -	\$ 55,000.00	\$ 55,000.00	\$ -	\$ 55,000.00
Safety Equipment	\$ -	\$ -	\$ 3,500.00	\$ 3,500.00	\$ -	\$ 3,500.00
Laboratory Services	\$ -	\$ -	\$ 8,000.00	\$ 8,000.00	\$ -	\$ 8,000.00
Membership and Dues	\$ -	\$ -	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00
Printing and Binding	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00
Office Supplies	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00
Postage and Express	\$ -	\$ -	\$ 13,500.00	\$ 13,500.00	\$ -	\$ 13,500.00
B.O.D. Fees	\$ -	\$ -	\$ 13,000.00	\$ 13,000.00	\$ -	\$ 13,000.00
Engineering & Technical Services	\$ -	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ 35,000.00
Computer Services	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
Other Prof. & Regulatory Fees	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
Public and Legal Notices	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00
Attorney Fees	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
GSA Fees	\$ -	\$ -	\$ 51,000.00	\$ 51,000.00	\$ -	\$ 51,000.00
VR/SBC/City of VTA Law Suit	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
State Water	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Audit Fees	\$ -	\$ -	\$ 18,000.00	\$ 18,000.00	\$ -	\$ 18,000.00
Small Tools	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00
Election Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Purchase	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
Casitas Standby Charges	\$ -	\$ -	\$ 13,000.00	\$ 13,000.00	\$ -	\$ 13,000.00
Treatment Plant	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Fuel	\$ -	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -	\$ 12,000.00
Travel Exp./Seminars	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
Meters	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Utilities	\$ -	\$ -	\$ 3,500.00	\$ 3,500.00	\$ -	\$ 3,500.00
Power and Pumping	\$ -	\$ -	\$ 110,000.00	\$ 110,000.00	\$ -	\$ 110,000.00
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,148,800.00</b>	<b>\$ 1,148,800.00</b>	<b>\$ -</b>	<b>\$ 1,148,800.00</b>
<b>Water Distribution System</b>						
Cold Water Well	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
Well 4 Rehab	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00
18 Valve replacements/Deadends	\$ -	\$ -	\$ 103,900.00	\$ 103,900.00	\$ -	\$ 103,900.00
Fencing at Tank Farm	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -	\$ 40,000.00
<b>Structures and Improvement</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Generator Z-2	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
Treatment Plant EDR/CEQA	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -	\$ 40,000.00
Zone 1 booster/MCC upgrade	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Well 4 MCC/VFD upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Furniture and Fixtures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Managers desk	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Office Machines</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Copy Machine	\$ -	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -	\$ 4,500.00
<b>Field Equipment</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Weed spray Trailer	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Appropriations for Contingencies</b>	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 546,400.00</b>	<b>\$ 546,400.00</b>	<b>\$ -</b>	<b>\$ 546,400.00</b>
<b>GRAND TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,695,200.00</b>	<b>\$ 1,695,200.00</b>	<b>\$ -</b>	<b>\$ 1,695,200.00</b>

**Changes to MOWD Rate Schedule**  
**DRAFT**

**Meter Capacity Charge**

Meter Size	Current	Proposed		
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
5/8"	None	None	None	None
3/4"	None	None	None	None
1"	\$16.00	\$16.00	\$16.00	\$16.00
1.5"	\$36.00	\$36.00	\$36.00	\$36.00
2"	\$104.00	\$104.00	\$104.00	\$104.00
3"	\$256.00	\$256.00	\$256.00	\$256.00
4"	\$776.00	\$776.00	\$776.00	\$776.00
6"	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00

**Charge per Unit of water (1 Unit = 748 gallons)**

Indoor use	All	\$2.14	\$1.95	\$2.14	\$2.14
Outdoor Use	All	\$2.14	\$2.85	\$2.96	\$3.02

**Conservation Penalty (Any water used above total monthly allocation)**

	Current	2017-18	2018-19	2019-20
When District wells are operational	\$1.00	\$3.00/unit	\$3.00/unit	\$3.00/unit
When taking supplemental water from Casitas	\$1.00	\$5.00/unit	\$5.00/unit	\$5.00/unit
(Additional Charges subject to changes from Casitas)				

**Water Availability Charge**

All	\$32.88	\$28.00	\$28.00	\$30.00
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Note: The MWAC and MCC are designed to support a percentage of the infrastructure which is instrumental to conveying water to our customers.

# CIP Project list 2017-18

Office	Cost	Ranking	Operations	Note	Cost	Ranking	Treatment	Cost	Ranking
Copy Machine	\$4,500.00	1	167 El Camino	1	\$6,000.00	2	Upgrade T.P. and Telemetry Engineering Design/CEQA	\$30,000.00	1
Desk for G.M.	\$750.00	3	885 W. Lomita	2	\$3,000.00	2			
Filing Cabinets	\$500.00	3	W. Lomita/Rice	3	\$6,000.00	2	Well 4 Rehab	\$50,000.00	1
Office design/Permit	\$10,000.00	2	1925 Meiners Rd	4	\$3,000.00	2			
			Saltzmanns 6"	5	\$3,000.00	2			
			Meiners Rd	6	\$3,000.00	2			
			Zone 1 / Hwy 33	7	\$3,000.00	2			
			Cozy Dell Bridge	8	\$3,000.00	2			
			Trio Fernando / La Luna	9	\$4,000.00	2			
			El Conejo / La Luna	10	\$3,000.00	2			
			2680 Maricopa Hwy	11	\$8,500.00	2			
			N. Arnaz / Fernando	12	\$1,500.00	2			
			N. Poli / Fernando	13	\$1,500.00	2			
			N. Encinal / El Conejo	14	\$1,500.00	2			
			Meiners Rd Tank EDR	15	\$20,000.00	3			
			MCC and VFD's Wells 4 & 7	16	\$250,000.00	4			
			Exploratory Well	17	\$30,000.00	1			
			Zone 1 Booster upgrades	18	\$30,000.00	1			

CIP Project list 2017-18

[illegible]