

**Regular Meeting  
April 17, 2018  
6:00 p.m.**



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

***April 17, 2018***

**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 20, 2018, regular meeting**

**3. Public Comments**

**Guidelines for 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 Manager's Report**

- District O & M Report
- Thomas Fire Update
- Well 4 Update - start date of April 18<sup>th</sup> or 19<sup>th</sup> – Notices to customer's on S. Rice Rd delivered
- Drought Economic Study of the Ojai Valley – Scoping Meeting to be scheduled for either 4/23/18 or 4/24/18
- Reminder: AWA Annual Symposium April 19, 2018 8:00 – 1:30 pm.
- District Sanitary Survey conducted by DWR completed in March 23<sup>rd</sup>

**5. Board Committee Reports**

- Drought Committee (3/23/2018)

- **State Water Committee (4/11/2018)**

## **6. Old Business**

- **State Water – MOWD public statement of support**
- **Matilija Dam Removal (Verbal update)**
- **Generators**
- **Casitas MOU**
- **Cold Water Formation**

## **7. Board of Directors Reports/Comments**

## **8. Financial Matters**

- **Approval of Payroll and Payables from March 16<sup>th</sup>, 2018 to April 15<sup>th</sup>, 2018 in the amount of:**

<b>Payables -</b>	<b>\$ 43,486.26</b>
<b>Payroll -</b>	<b>\$ 30,581.79</b>
<b><u>Total -</u></b>	<b><u>\$ 74,068.05</u></b>

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

- 2016-2017 Fiscal Audit – Final Approval & Resolution 20180417**
- Resolution 201804-2 Honoring James Kentosh for service as President of the Board**
- Discussion and Approval of contract to replace Hwy 33 lateral mainline and attached services**
- Ventura Local Agency Formation Commission call for nominations for a Countywide oversight Board – Member representing Independent Special Districts**
- Grant Project summaries and Op-ed paper**
- Approval of Resolution 20180417-1 Supporting Casitas' connection to State Water**

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

**a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION–  
(Paragraphs (2, 4) subdivision (d) of Section 54956.9)**

**b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION –  
(Paragraph (1) subdivision (d) of Section 54956.9)**

**State Case: SBCK vs. SWRCB, San Francisco Superior Court, Case #  
CPF-14-513875**

**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 Mike Etchart at 6:02 pm at the District Office.

Present were: Board President Mike Etchart, Board Directors Jim Kentosh, Mike Krumpschmidt, Diana Engle and Larry Harrold. Staff Present: General Manager Mike Hollebrands and Board Secretary Summer Ward. Attorney Lindsay Nielson was also present.

Absent: None.

### 2. Approval of the minutes

Approval of the February 20, 2018, Regular Meeting minutes:

Mr. Kentosh made the motion to approve the February 20, 2018, Regular Meeting minutes. Mr. Harrold seconded the motion.

Kentosh/Harrold  
All Ayes  
M/S/C

Mr. Kentosh expressed a concern over the growing length of the meeting minutes. Mr. Neilson replied with guidance that the minutes need only summarize discussions and document actions/votes; they do not need to be verbatim.

Public Comment:

Morgan – Requested an edit to the minutes reflected on page 7 regarding allocation rate adjustments; secretary noted request. Morgan also posed the question why would the board want to limit the minutes.

### 3. Public Comments

Ms. Moll – Are you incorporated or not incorporated; do you have articles of incorporation or operational agreement? Mr. Neilson replied that MOWD is organized under the State Water Code.

#### 4. General Manager's Report

- **System Status** – Currently running at about 50% capacity, but meeting current demand. A truck hit a hydrant on S. Arnaz, due to staff being busy with other District affairs Sam Hill's crew was called out to do repair. Scada is working properly since Thomas Fire repairs.
- **Thomas Fire Update** – Final SDRMA invoice was submitted. FEMA has been onsite to follow-up and will help cover any costs not covered by SDRMA. Total cost estimated to be \$140,000.
- **Cost request from public member about special meeting costs** – The GM reported the cost for the full board to be present for special meetings is \$750.00/meeting.
- **AWA Annual Symposium April 19, 2018 8:00 am – 1:30 pm.** - The event will be held at the Oxnard Marriot Hotel; Ms. Engle will be attending through her employer.

#### 5. Board Committee Reports

None.

#### 6. Old Business

- **Financial: CA Special District Training Expense** – Mr. Hollebrands did not have the expense cost, however, the training is used by the district frequently, including the Ethics Training and other opportunities throughout the year.
- **State Water** –  
Mr. Kentosh reviewed the previous board meeting discussions regarding State Water as well as all of the State Water meetings he has attended since the February 20<sup>th</sup> regular board meeting. Mr. Kentosh and Mr. Krumpschmidt both shared their impressions from the various meetings, with some differing opinions. Mr. Hajas led a very detailed and extensive discussion based on the "Three Sisters Concept" (report included in meeting packet). The presentation was based on 3 points, defining the problem, State Water reliability and proposed alternative solutions. Mr. Hajas highlighted the need for a long-term supply, the necessity for cooperation and communication between retailers, continued pressure on Casitas MWD to take action and supports the agenda item proposed for an economic analysis. Mr. Hajas supplied the board with a supplemental Financial Addendum the group composed. The board and public were appreciative of the time and efforts put forth by Mr. Hajas and the collaborative.
- **Matilija Dam Removal** – Mr. Hollebrands stated that there will be a meeting on March 23, 2018 11:00- 1:00 at the Saticoy Operations Yard to discuss funding sources and amounts for the project and some

mitigation. Mr. Hollebrands will be attending and will express the district's concerns; he will also extend invite to Ventura River to attend the meeting.

- Generators – Mr. Hollebrands is checking pricing, noted there are concerns about shelf life; rental agencies are also looking at increasing their stock after the Thomas Fire.

## **7. Board of Directors' Reports**

Mr. Kentosh – Requested clarification on whether he has to keep all @meinersoakswater.com emails or will they be saved on the MOWD server? The board clarified that the server will save all MOWD email correspondence. He added that Ms. Engle has been voted on as the AWA Board Alternate Director.

Mr. Krumpschmidt – Noted that members need to be vigilant during the transition to the new email, select the correct email address from contacts. He requested that the District put on record its support for Casitas moving forward with State Water and add to the April agenda. He expressed support for moving ahead with an economic study. In follow-up to the Bennett meeting, he would like to pursue more information related to available grants.

Mr. Harrold – Reminder to the board that a recognition of Mr. Kentosh's service as president is needed, as well as some form of celebration of the District's upcoming 70<sup>th</sup> anniversary.

Ms. Engle – GSA meeting was 4 hours in length. Topics included coverage of the Standard Operating Procedures, Technical Study and the DWR Grant for the GSP. The resolution to approve the MOU failed and will not be signed by the GSA, adding that there is a push for Casitas to pursue State Water.

Mr. Etchart – None.

## **8. Financial Matters**

- Approval of Payroll and Payables from February 16<sup>th</sup> to March 15<sup>th</sup>, 2018 in the amount of:

Payables -	\$171,467.51
Payroll -	<u>\$ 30,507.49</u>
Total -	\$ 201,975.00

### **Public Comments:**

Morgan – cited the Ralph M. Brown Act rules and requirements for Regular Board Meeting Agendas and allowance for public participation.

Mr. Harrold made the motion to approve the Payroll and Payables from February 16<sup>th</sup> to March 15<sup>th</sup>, 2018. Mr. Krumpschmidt seconded the motion.

Harrold/Krumpschmidt

## 9. Board Discussion/Actions

- a) Discussion and approval of draft audit for fiscal year 2016-2017 – Presented by Rick Heldwein, CPA from Soars, Sandall, Bernacchi and Petrovich, LLP . He reviewed the Management Analysis, noted that standard AICPA language is used in the report, overall the District performed well in the financial audit. Further Mr. Heldwein stated that the audit focused on the financial statements with sampling of the operational controls; there were no concerns with current operational controls. There was discussion regarding a discrepancy of a carryover amount on the payables report that resides within the billing program. The firm will work with the District and the software technical support to resolve the discrepancy. Board comments and requested revisions will be sent to Mr. Hollebrands for inclusion in the final audit report. The final audit report will be brought back for board approval.

**Public Comments:**

**Morgan – Requested a listing of all properties owned by the District, “land assets.” Additionally, he questioned why they are listed in the report as historical values.**

**Ms. Moll – Requested clarification on the difference between the MWAC vs Revenue Charges. Mr. Hollebrands stated office staff can answer these questions during regular business hours.**

- b) Discussion and possible approval of Casitas MOU – Tabled to April pending addition of allocation value.

**Public Comment:**

**Ms. Moll – Requested clarification on the meters listed on the MOU appendix table and Casitas classifications. Mr. Hollebrands replied regarding meters and clarification that the Hartmann connection is to wheel the water purchased through Casitas for Hartmann.**

**Morgan – Raised questions regarding the wheeling of water to Hartmann, as well as the Drought Contingency % reductions as compared to Casitas reductions, and recommended looking at other ways of achieving conservation other than penalizing the consumer base.**

- c) Draft Drought Update release to customers – The draft update was prepared by Mr. Kentosh and Ms. Engle. Board recommended minor revisions, final version to be mailed with March 30<sup>th</sup> billing statements.



Mr. Kentosh made the motion to approve the Drought Update with the noted revisions. Mr. Krumpschmidt seconded the motion.

Kentosh/Krumpschmidt  
All Ayes  
M/S/C

- d) Discussion and approval of contributing to an economic analysis of Stages 4 and 5, cost to be shared by multiple agencies – General consensus to move forward with RFP process, tabled to April meeting.
- e) Report by Richard Hajas discussing possible solution to water supply reliability (Three Sisters Concept) – Presented in Old Business – State Water.
- f) Discussion and approval of proposed contract by co-counsel with Hathaway, Perrett, Webster, Powers, Chrisman & Gutierrez – moved to closed session, decision to be announced in open session prior to meeting adjournment.

**Public Comment:**

Ms. Foley – Expressed concerns about a perceived conflict of interest related to hiring an additional attorney.

Ms. Moll – Expressed concerns regarding item 9f being moved into closed session and related attorney fee costs for moving items into 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 Sections 54957 & 54956.8, 54956.9 and 54957.

- Conference with Legal Counsel and potential co-counsel – Anticipated/threatened litigation paragraphs (2, 4) subdivision (d) section 54956.9.

**11. Meeting Adjournment**

At 10:16 p.m. the board agreed to accept proposed contract from co-counsel.

Engle/Krumpschmidt  
All Ayes  
M/S/C

There being no further business to conduct at this time, Board President Mike Etchart adjourned the meeting at 10:21 PM.

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President

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Secretary

**Distribution**

3/7 – While attempting to complete a fire flow test in front of 139 N. Poli. The operating nut on the wharf head snapped off. The wharf head was replaced.

3/13 – At 139 S. Arnaz a driver ran over one of the districts wharf heads. The wharf head was snapped off underground. Sam Hill and Sons had to make an emergency repaired on the line. A new 4" Tee and valve had to be cut in to the water main. Along with a short stretch of pipe, 90 degree elbow, riser and wharf head.

4/10 – Pulled pump 2 motor at Zone #2 Hydro Tank and took it to Oilfield Electric for evaluation. Both motors 1&2 are sounding rough. They will need to be repaired or possibly replaced.

–Repacked Well #2. The Packing has been leaking excessively and could no longer be tightened any more. It has been a few years since the well seal has been repacked. This is a standard maintenance issue. The headshaft may be wearing out. Time will tell.

**Treatment**

3/28 – Install the no climb panels to all three antenna towers

Well's one and two have to be turned off due to excessive turbidity above 5 NTU's.

District is currently meeting demand with well 7.

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

**From: General Manager**

**Subject: Monthly Manager's Report**

**Highlights**

(Rainy season October thru April)

16.04" of rain

**LAKE CASITAS LEVEL**

**35.6%**

**Board Committees**

Minutes from the GSA meeting will be given verbally

No committees met this month

### Current Well levels and specific capacity

Well 1	Feb.	Mar.	Well 2	Feb.	Mar.	Well 4	Feb.	Mar.	Well 7	Feb.	Mar.
Static	35.4'	24.7'	Static	37.2'	23'	Static	63.6'	64.1'	Static	63.2'	62.5'
Running	44.5'	'	Running	44.3'	'	Running	0.0'	0.0'	Running	69.5'	68.7'
Drawdown	9.1'	'	Drawdown	7.1'	'	Drawdown	0.0'	0.0'	Drawdown	6.3'	6.2'
Specific Cap.	19.6 gal/ft	gal/ft	Specific Cap.	12.5 gal/ft	gal/ft	Specific Cap.	0.0 gal/ft	0.0 gal/ft	Specific Cap.	54.6 gal/ft	55.0 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.	5.19	179	375
2.	2.41	89	250
4.	0.00	0	750
7.	28.42	344	450
8.	0.00	Off	330

Total Pumped for March	36.02 AF
Total Pumped 2017:	667.54 AF
Total Pumped YTD 2018:	127.35AF

**Total Sold:**

Total Sold for March 2018:	26.86 AF
Total Sold YTD 2018:	118.39 AF
Total Sold 2017:	679.51 AF
Total Purchased from CMWD 2017	23.91 AF
Total Purchased March	0 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)

Mar. 2017:	\$ 32,654.91
Mar. 2018:	\$ 53,244.92

**Reserve Funds**

Balance at the County of Ventura	\$ 1,135,812.91
Total Taxes*	\$ 478.38
Total Interest from reserve account#	\$ 1,531.11

### Fiscal Year Total Revenues

July 1 <sup>st</sup> – Mar. 31 <sup>st</sup>	2017	\$ 1,020,375.58
July 1 <sup>st</sup> – Mar. 31 <sup>st</sup>	2018	\$ 1,228,825.54

### Bank Balances

LAIF Balance	\$ 255,776.65
Transferred from the general fund to L.A.I.F.	\$ 100,000.00
(#) Quarterly Interest from LAIF	\$ 0.00
Money Market (RABO)	\$ 500,576.36
Amount Transferred to RABO Money Market this month	\$ 0.00
Amount Transferred to General Fund from Money Market	\$ 0.00
(*) Monthly Interest received from Money Market	\$ 82.27
General Fund Balance	\$ 259,906.29
Trust Fund Balance	\$ 14,561.92
Capital Improvement Fund	\$ 14,407.45
(#) Quarterly Interest from Capital Account	\$ .24
Total Interest accrued	\$ 82.51

### Water Quality

Water quality is problem a problem due to the Thomas Fire event in December and rains in February and March. The runoff from the recent rains has laid a concretion material (ash/silt) that has virtually stopped infiltration into our upper wells. The water that can be pumped is too turbid to run through the treatment plant

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causing us to turn off well's one and two. Therefore the District is operating with well 7 alone. No purchased water is necessary yet.

**Capital Improvement Projects for 2017-2018**  
**Budgeted capital funds \$ 586,400 FY 2017-2018**

1. Rehabilitate well #4 / MCC VFD's (In Process)
2. Acquire scope of work for bid on new well (Completed)
3. Replace 18 system valves
4. Fencing at Tank Farm (In Process)
5. Treatment Plant EDR (In Process)
6. Zone 1 Booster/MCC

**Unscheduled Work**

Service leak at 609 Mesa	\$8,847.00
Replace main line lateral Maricopa Hwy	\$
Main Leak – 229 W. El Roblar Sam Hill and Sons Saturday work	\$10,806.82
Service Repair 144 S. Pueblo	\$1,000.00
Service Repair 388 S. Pueblo	\$1,000.00
Thomas Fire Well's 1&2	\$118,680.20
Service leak and replacement S. La Luna	\$3,120.00
Vehicle struck hydrant on S. Arnaz	\$
<b>Total</b>	<b>\$ 143,454.02</b>

**Tanks**

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



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Life expectancy for a bolted tank is 30 – 40 years

Life expectancy for a welded steel tank 100 years

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

	<b><u>Date drilled</u></b>	<b><u>Drill Depth</u></b>
1. Well # 1	1969	60 feet
2. Well # 2	1969	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

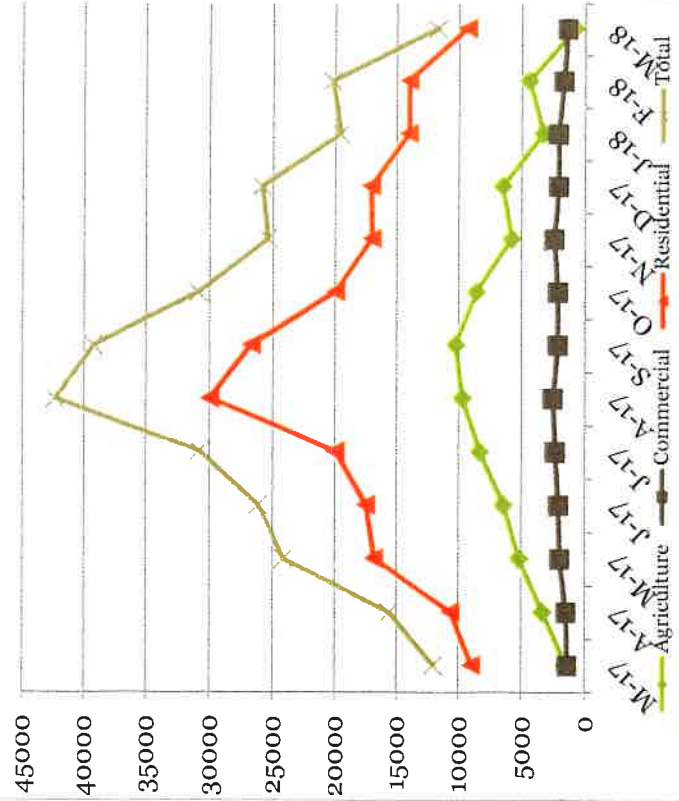
### Consumption

	M-17	A-17	M-17	J-17	J-17	A-17	S-17	O-17	N-17	D-17	J-18	F-18	M-18
Agriculture	1593	3436	5283	6523	8401	9793	10336	8686	5893	6606	3389	4487	881
Commercial	1441	1534	2037	2148	2409	2590	2202	2221	2484	2159	2179	1750	1433
Residential	9012	10693	16844	17499	19991	30012	26757	19998	17067	17147	14044	14025	9385
Total	12046	15663	24164	26170	30801	42395	39265	30905	25444	25912	19612	20262	11699

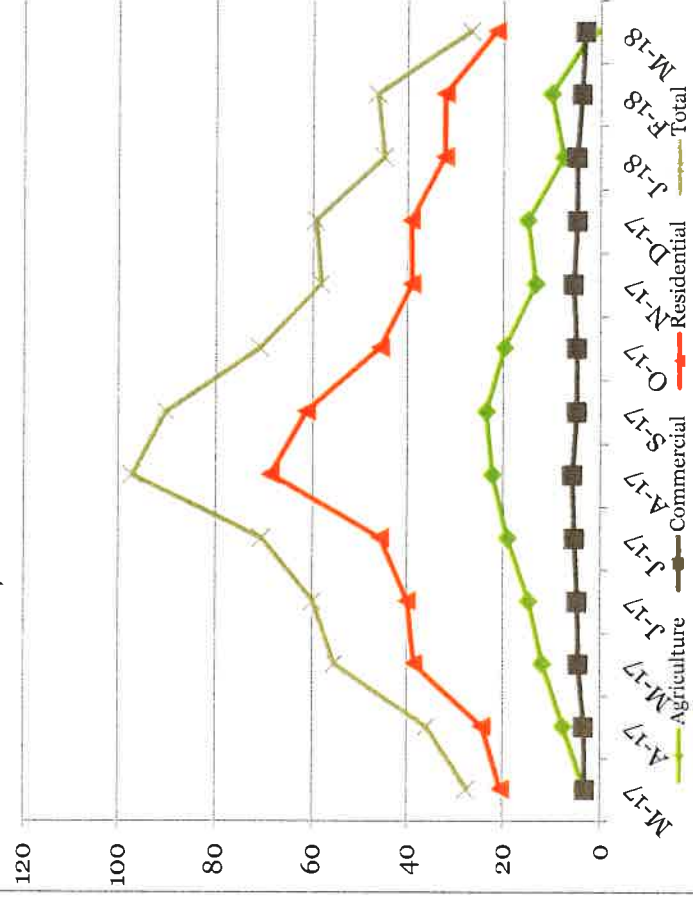
### AC/FT

	M-17	A-17	M-17	J-17	J-17	A-17	S-17	O-17	N-17	D-17	J-18	F-18	M-18
Agriculture	3.66	7.89	12.13	14.97	19.29	22.48	23.73	19.94	13.53	15.17	7.78	10.30	2.02
Commercial	3.31	3.52	4.68	4.93	5.53	5.95	5.055	5.10	5.70	4.96	5.00	4.02	3.29
Residential	20.69	24.55	38.67	40.17	45.89	68.9	61.43	45.91	39.18	39.36	32.24	32.20	21.55
Total	27.65	35.96	55.47	60.08	70.71	97.33	90.21	70.95	58.41	59.49	45.02	46.52	26.86

### Consumption - Last 12 months



### AC/FT - Last 12 months



### Report of Income as of 3/31/2018

<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	1,613.62	8,449.38	7,000.00	(1,449.38)
Taxes	478.38	88,048.13	130,000.00	41,951.87
Pumping Charges	253.21	2,944.43	3,000.00	55.57
Fire Protection	113.28	1,384.35	1,000.00	(384.35)
Meter & Inst. Fees	--	--	--	--
Water Sales	53,244.92	580,360.50	451,584.00	(128,776.50)
Casitas Standby Fees	341.65	3,042.38	6,196.54	3,154.16
MWAC Charges	55,359.29	461,534.94	760,881.60	299,346.66
MCC Chg.	6,537.32	58,667.63	80,000.00	21,332.37
Misc. Income	382.54	29,641.16	8,000.00	(21,641.16)
Late & Delinquent Chgs.	3,222.81	20,089.78	30,000.00	9,910.22
Conservation Penalty	--	200.00	500.00	300.00
Capital Improvement	--	--	--	--
Drought Surcharge	3,690.60	70,960.37	40,000.00	(30,960.37)
	--	--	--	--
	--	--	--	--
	--	--	--	--
<b>TOTAL INCOME</b>	<b>125,237.62</b>	<b>1,325,323.05</b>	<b>1,518,162.14</b>	<b>192,839.09</b>

Meiners Oaks Water District

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

<b>Expenditures</b>	<b>Month of March</b>	<b>Year To Date</b>	<b>Budget Approp</b>	<b>Approp Bal 03/31/18</b>	<b>Current April</b>	<b>Approp Bal To Date</b>
Salary	32,193.35	286,876.81	382,000.00	95,123.19	-	95,123.19
Payroll Taxes	2,430.10	24,662.53	30,000.00	5,337.47	-	5,337.47
Retirement Contributions	3,025.97	26,269.71	30,000.00	3,730.29	-	3,730.29
Group Insurance	5,663.29	39,979.16	70,000.00	30,020.84	-	30,020.84
Company Uniforms	-	1,079.64	1,500.00	420.36	-	420.36
Phone Office	693.57	7,535.66	7,600.00	64.34	-	64.34
Janitorial Service	682.72	3,233.60	5,500.00	2,266.40	-	2,266.40
Refuse Disposal	341.67	2,092.58	2,700.00	607.42	-	607.42
Liability Insurance	-	24,649.65	25,000.00	350.35	-	350.35
Workers Compensation	-	10,200.26	17,500.00	7,299.74	-	7,299.74
Wells	-	10,933.94	25,000.00	14,066.06	-	14,066.06
Truck Maintenance	732.50	2,587.10	4,000.00	1,412.90	-	1,412.90
Office Equip. Maintenance	750.02	5,074.43	7,500.00	2,425.57	211.28	2,214.29
Cell Phones	287.67	2,646.40	4,500.00	1,853.60	-	1,853.60
System Maintenance	3,637.02	39,872.78	55,000.00	15,127.22	-	15,127.22
Safety Equipment	52.95	651.16	3,500.00	2,848.84	-	2,848.84
Laboratory Services	203.00	5,466.00	8,000.00	2,534.00	-	2,534.00
Membership and Dues	-	7,170.00	7,500.00	330.00	-	330.00
Printing and Binding	-	1,305.13	1,000.00	(305.13)	-	(305.13)
Office Supplies	790.69	3,105.08	6,000.00	2,894.92	-	2,894.92
Postage and Express	1,745.19	9,796.72	13,500.00	3,703.28	-	3,703.28
B.O.D. Fees	1,000.00	9,200.00	13,000.00	3,800.00	-	3,800.00
Engineering & Technical Services	6,285.00	30,394.25	35,000.00	4,605.75	-	4,605.75
Computer Services	615.60	12,918.74	15,000.00	2,081.26	420.91	1,660.35
Other Prof. & Regulatory Fees	1,054.60	23,833.05	15,000.00	(8,833.05)	21.55	(8,854.60)
Public and Legal Notices	-	-	1,000.00	1,000.00	-	1,000.00
Attorney Fees	3,200.00	19,557.00	15,000.00	(4,557.00)	-	(4,557.00)
GSA Fees	-	32,697.06	40,000.00	7,302.94	-	7,302.94
VR/SBC/City of VTA Law Suit	40.00	1,279.15	15,000.00	13,720.85	-	13,720.85
State Water	-	-	25,000.00	25,000.00	-	25,000.00
Audit Fees	2,045.00	11,795.00	18,000.00	6,205.00	-	6,205.00
Small Tools	64.34	454.08	3,000.00	2,545.92	-	2,545.92
Election Supplies	-	-	-	-	-	-
Water Purchase	-	8.93	75,000.00	74,991.07	-	74,991.07
CMWD Standby Charges	1,034.40	9,098.53	10,000.00	901.47	-	901.47
Treatment Plant	1,923.18	15,703.02	10,000.00	(5,703.02)	-	(5,703.02)
Fuel	626.16	7,522.49	12,000.00	4,477.51	-	4,477.51
Travel Exp./Seminars	50.00	775.76	2,000.00	1,224.24	-	1,224.24
Utilities	222.25	1,833.26	3,500.00	1,666.74	112.68	1,554.06
Power and Pumping	3,390.78	3,390.78	110,000.00	106,609.22	2,719.13	103,890.09
Meters	-	-	10,000.00	10,000.00	-	10,000.00
<b>Total Expenditures</b>	<b>74,781.02</b>	<b>695,649.44</b>	<b>1,134,800.00</b>	<b>439,150.56</b>	<b>3,485.55</b>	<b>435,665.01</b>

Water Distribution System	-	-	-	-	-	-
Cold Water Well	-	-	100,000.00	100,000.00	-	100,000.00
Well 4 Rehab	-	58,672.32	50,000.00	(8,672.32)	-	(8,672.32)
18 Valve Replacements	-	6,140.12	103,900.00	97,759.88	-	97,759.88
Fencing at Tank Farm	-	38,381.00	40,000.00	1,619.00	-	1,619.00
Structures and Improvements	-	-	-	-	-	-
Generator Z-2	-	-	75,000.00	75,000.00	-	75,000.00
Treatment Plant EDR/CEQA	-	-	80,000.00	80,000.00	-	80,000.00
Zone 1 Booster/MCC Upgrade	-	-	30,000.00	30,000.00	-	30,000.00
Well 4 MCC/VFD Upgrade	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-
General Managers Desk	-	-	1,500.00	1,500.00	-	1,500.00
Office Machines	-	-	-	-	-	-
Copy Machine	-	3,587.51	4,500.00	912.49	-	912.49
Field Equipment	-	-	-	-	-	-
Weed Sprayer Trailer	-	553.57	1,500.00	946.43	-	946.43
Appropriations for Contingencies	8,891.18	155,021.85	100,000.00	(55,021.85)	-	(55,021.85)
<b>Total Assets</b>	<b>8,891.18</b>	<b>262,356.37</b>	<b>586,400.00</b>	<b>324,043.63</b>	<b>-</b>	<b>324,043.63</b>

<b>GRAND TOTAL</b>	<b>83,672.20</b>	<b>958,005.81</b>	<b>1,721,200.00</b>	<b>763,194.19</b>	<b>3,485.55</b>	<b>759,708.64</b>
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# Meiners Oaks County Water District, CA

## Check Report

By Vendor Name

Date Range: 03/16/2018 - 04/15/2018

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
<b>Bank Code: AP Bank-AP Bank</b>							
AWAVC <a href="#">06-10687</a>	Association of Water Agencies Invoice	03/15/2018	03/28/2018 Breakfast Meeting	Regular	0.00 0.00	50.00 50.00	8038
AT&T <a href="#">01840318</a>	AT&T Invoice	03/13/2018	03/28/2018 Office Phones	Regular	0.00 0.00	109.13 109.13	8039
AT&T <a href="#">08330418</a>	AT&T Invoice	03/19/2018	04/11/2018 Office Phones	Regular	0.00 0.00	584.44 584.44	8053
BYRD <a href="#">304-18</a>	Byrd Industrial Electronics Invoice	03/30/2018	04/11/2018 Updated Wonderware DAS IO Server	Regular	0.00 0.00	480.00 480.00	8054
CALPERS <a href="#">INV0000883</a>	California Public Employees' Retirement Invoice	03/30/2018	03/28/2018 Health	Bank Draft	0.00 0.00	4,293.04 4,293.04	DFT0000405
CALPERS <a href="#">INV0000893</a>	California Public Employees' Retirement Invoice	04/13/2018	04/11/2018 Health	Bank Draft	0.00 0.00	2,698.49 2,698.49	DFT0000415
CAL-STATE <a href="#">100584</a>	Cal-State Invoice	03/31/2018	04/11/2018 Portable Toilet	Regular	0.00 0.00	101.36 101.36	8055
CANON <a href="#">00284265-15526</a>	Canon Financial Services, Inc. Invoice	04/04/2018	04/11/2018 Canon Final Payment on Lease	Regular	0.00 0.00	211.28 211.28	8056
CMWD <a href="#">261150318</a> <a href="#">262000318</a> <a href="#">911320318</a>	Casitas Municipal Water District Invoice Invoice Invoice	03/30/2018 03/30/2018 03/30/2018	04/11/2018 Fairview Standby Hartmann Allocation Tico&La Luna Standby	Regular	0.00 0.00 0.00 0.00	1,034.40 530.70 134.78 368.92	8057
CLEANCO <a href="#">1013</a>	Cleanco Services Invoice	03/22/2018	03/28/2018 March Janitorial	Regular	0.00 0.00	240.00 240.00	8040
C I T <a href="#">18-006</a>	Coastal Instrumentation & Telemetry Invoice	03/21/2018	03/28/2018 FIRE - SCADA emergency repair	Regular	0.00 0.00	1,375.00 1,375.00	8041
CVTDEP <a href="#">257056</a>	County of Ventura Transport. Dept. Invoice	03/21/2018	04/11/2018 139 S Arnaz	Regular	0.00 0.00	645.00 645.00	8058
DATAP <a href="#">DP1801018</a>	Dataprose LLC Invoice	03/31/2018	04/11/2018 Bulk Billing & Postage	Regular	0.00 0.00	1,745.19 1,745.19	8059
DOCUPRO <a href="#">157387</a>	DocuProducts Corporation Invoice	03/20/2018	03/28/2018 Copier Maintenance	Regular	0.00 0.00	58.02 58.02	8042
EJHAR <a href="#">281300318</a> <a href="#">994260318</a>	E. J. Harrison Rolloffs, Inc. Invoice Invoice	03/15/2018 03/15/2018	03/28/2018 Office Trash 3 Yard Dumpster	Regular	0.00 0.00 0.00	236.35 47.05 189.30	8043
EJHAR <a href="#">2383140318</a>	E. J. Harrison Rolloffs, Inc. Invoice	03/31/2018	04/11/2018 Roll Off Container	Regular	0.00 0.00	105.32 105.32	8060
FAMCON <a href="#">203566</a> <a href="#">203827</a>	Famcon Pipe and Supply, Inc. Invoice Invoice	03/07/2018 03/14/2018	04/11/2018 Valve Balls,Covers,Boxes,etc. Wharf Head,Spool,Nipples	Regular	0.00 0.00 0.00	2,800.30 1,562.63 1,237.67	8061

## Check Report

Date Range: 03/16/2018 - 04/15/2018

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
FGLENV <a href="#">802251A</a> <a href="#">802631A</a> <a href="#">802632A</a>	FGL Environmental Invoice Invoice Invoice	 03/13/2018 03/20/2018 03/20/2018	 Samples Samples Samples	 Regular	 0.00 0.00 0.00	 203.00 85.00 62.00 56.00	 8044
GUARDIAN <a href="#">INV0000874</a> <a href="#">INV0000884</a>	Guardian Invoice Invoice	 03/15/2018 03/30/2018	 Dental Dental	 Regular	 0.00 0.00	 785.48 281.28 504.20	 8036
GUARDIAN GUARDIAN <a href="#">7690460318</a>	Guardian Guardian Invoice	  03/15/2018	 03/28/2018 03/28/2018 Administration Fee	 Regular Regular	 0.00 0.00 0.00	 -10.00 10.00 10.00	 8045 8045
HACHCO <a href="#">10870707</a>	Hach Company Invoice	 03/09/2018	 Chlorine Reagent	 Regular	 0.00	 262.55 262.55	 8046
HLTHNE <a href="#">61790318</a>	Health Net Life Insurance Company Invoice	 03/08/2018	 Life Insurance	 Regular	 0.00	 25.80 25.80	 8047
HSBS <a href="#">INV0000876</a> <a href="#">INV0000886</a>	HealthSmart Benefit Solutions, Inc. Invoice Invoice	 03/15/2018 03/30/2018	 HSBS HSBS	 Regular	 0.00 0.00	 99.06 49.54 49.52	 8037
NEILSON <a href="#">34880318</a> <a href="#">36600318</a>	Law Offices of Lindsay F. Nielson Invoice Invoice	 03/15/2018 03/15/2018	 Attorney Fees Channelkeepers	 Regular	 0.00 0.00	 3,240.00 3,200.00 40.00	 8048
MOHARD <a href="#">815948</a> <a href="#">816839</a> <a href="#">817438</a> <a href="#">817484</a> <a href="#">818692</a> <a href="#">K16288</a>	Meiners Oaks Hardware Invoice Invoice Invoice Invoice Invoice Invoice	 03/01/2018 03/08/2018 03/13/2018 03/14/2018 03/22/2018 03/05/2018	 Yellow Spray Paint Truck Handle Dropcloth,Ashalt Patch,Concrete Mix Marking Paint,Bolts & Screws Terry Towels,Microfiber Auto Cloth Duct Tape	 Regular	 0.00 0.00 0.00 0.00 0.00 0.00	 270.18 4.39 64.34 88.85 77.05 14.12 21.43	 8062
MITEC <a href="#">1047737</a> <a href="#">48206</a>	MiTec Solutions LLC Invoice Invoice	 03/27/2018 03/15/2018	 Monthly Maintenance Splashtop User Account	 Regular	 0.00 0.00	 190.00 180.00 10.00	 8049
MITEC <a href="#">1047340</a> <a href="#">48401</a> <a href="#">48427</a>	MiTec Solutions LLC Invoice Invoice Invoice	 04/05/2018 04/01/2018 04/01/2018	 WebDev April Exchange/Web Hosting Off Site Back Up Business	 Regular	 0.00 0.00 0.00	 420.91 199.00 172.91 49.00	 8063
PERS <a href="#">INV0000875</a>	Public Employees' Retirement System Invoice	 03/15/2018	 PERS	 Bank Draft	 0.00	 2,049.84 2,049.84	 DFT0000389
PERS <a href="#">INV0000885</a>	Public Employees' Retirement System Invoice	 03/30/2018	 PERS	 Bank Draft	 0.00	 2,049.84 2,049.84	 DFT0000398
PERS <a href="#">10000001524943</a>	Public Employees' Retirement System Invoice	 04/01/2018	 Unfunded Accrued Liability	 Bank Draft	 0.00	 20.90 20.90	 DFT0000406
PERS <a href="#">10000001524942</a>	Public Employees' Retirement System Invoice	 04/01/2018	 Unfunded Accrued Liability	 Bank Draft	 0.00	 922.01 922.01	 DFT0000407
SAMHIL <a href="#">2385</a>	Sam Hill & Sons, Inc. Invoice	 03/13/2018	 136 S. Arnaz Accident	 Regular	 0.00	 7,516.18 7,516.18	 8050
SILVER <a href="#">18401</a>	Silver Sewer & Drain Service Invoice	 03/23/2018	 Fixed Plumbing Issues	 Regular	 0.00	 212.00 212.00	 8064
SSB&P <a href="#">47573</a>	Soares,Sandall,Bernacchi & Petrovich,LLP Invoice	 03/31/2018	 Audit	 Regular	 0.00	 2,045.00 2,045.00	 8065

## Check Report

Date Range: 03/16/2018 - 04/15/2018

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
SCE	Southern California Edison Co.		04/11/2018	Regular	0.00	2,831.81	8066
<a href="#">OFFELE0418</a>	Invoice	04/11/2018	Office Electricity		0.00	112.68	
<a href="#">PMP10418</a>	Invoice	04/11/2018	Pump1		0.00	378.70	
<a href="#">PMP4&amp;70418</a>	Invoice	04/11/2018	Pumps 4&7		0.00	1,755.20	
<a href="#">TNKFRM0418</a>	Invoice	04/11/2018	Tank Farm		0.00	28.35	
<a href="#">WELL80418</a>	Invoice	04/11/2018	Well 8		0.00	161.35	
<a href="#">Z-20418</a>	Invoice	04/11/2018	Zone 2		0.00	58.27	
<a href="#">Z-2FIR0418</a>	Invoice	04/11/2018	Zone 2 Fire		0.00	46.75	
<a href="#">Z-2PWR0418</a>	Invoice	04/11/2018	Zone 2 Power		0.00	261.96	
<a href="#">Z-3FIR0418</a>	Invoice	04/11/2018	Zone 3 Fire		0.00	28.55	
SCGAS	Southern California Gas Co.		04/11/2018	Regular	0.00	55.48	8067
<a href="#">6633</a>	Invoice	03/29/2018	Office Heat		0.00	55.48	
UAOFSC	Underground Service Alert of So.Ca.		04/11/2018	Regular	0.00	21.55	8068
<a href="#">320180437</a>	Invoice	04/01/2018	Digalert		0.00	21.55	
USBANK	US Bank Corporate Pmt. System		04/11/2018	Regular	0.00	2,530.57	8069
<a href="#">AMAZON0320</a>	Invoice	03/20/2018	Amazon Prime Membership		0.00	13.93	
<a href="#">AMSTER0301</a>	Invoice	03/01/2018	Pens		0.00	614.05	
<a href="#">CSDA0305</a>	Invoice	03/05/2018	BOD Handbook		0.00	22.73	
<a href="#">MOAUTO0312</a>	Invoice	03/12/2018	Front Pads & Rotors		0.00	684.39	
<a href="#">OFFDEP0321</a>	Invoice	03/21/2018	Dividers & Portfolio		0.00	54.91	
<a href="#">OPC0307</a>	Invoice	03/07/2018	OPC Service Fee		0.00	21.50	
<a href="#">OPC030718</a>	Invoice	03/07/2018	Moll's Appeal to BOS		0.00	1,000.00	
<a href="#">RITEAID0313</a>	Invoice	03/13/2018	Dividers & Report Covers		0.00	35.03	
<a href="#">SPRING0228</a>	Invoice	03/01/2018	Truck Wash		0.00	33.99	
<a href="#">VONS0309</a>	Invoice	03/09/2018	Water,Toilet Paper,Paper Towels & Garbag		0.00	50.04	
VERIZON	Verizon Wireless		04/11/2018	Regular	0.00	287.67	8070
<a href="#">9804322807</a>	Invoice	03/26/2018	Cell Phones		0.00	287.67	
WRIGHT EXP	WEX Bank		03/28/2018	Regular	0.00	626.16	8051
<a href="#">53597589</a>	Invoice	03/15/2018	Fuel		0.00	626.16	
ZEEMED	ZEE MEDICAL SERVICE		03/28/2018	Regular	0.00	52.95	8052
<a href="#">34-113706</a>	Invoice	03/15/2018	Re-Stock		0.00	52.95	

## Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	69	35	0.00	31,462.14
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-10.00
Bank Drafts	6	6	0.00	12,034.12
EFT's	0	0	0.00	0.00
	75	42	0.00	43,486.26

PR \$ 30,581.79

# 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. TATSIANA D. SHAPIRO, 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.

April 6, 2018

Meiners Oaks Water District  
202 West El Roblar Drive  
Ojai, CA 93023

Subject: FINANCIAL STATEMENTS AS OF June 30, 2017

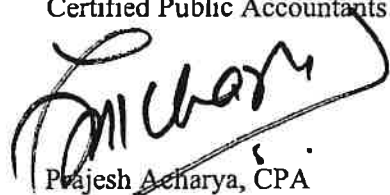
Dear Mike:

Enclosed please find two copies of the financial statements for Meiners Oaks Water District as of June 30, 2017.

If you have any questions, please do not hesitate to call us.

Very truly yours,

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



Prajesh Acharya, CPA

PA: srb

Enclosures



**Meiners Oaks Water District  
FINANCIAL STATEMENTS**

**Year Ended**

**June 30, 2017**

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**MEINERS OAKS WATER DISTRICT**  
**Governing Board of Directors**  
For the year ended June 30, 2017

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
<b>Board Members:</b>		
James Kentosh	President	December 2018
Diana Engle	Director	December 2020
Michel Etchart	Director	December 2018
Larry Harold	Director	December 2018
Michael Krumpschmidt	Director	December 2020
<b>Management:</b>		
Mike Hollebrands	General Manager	
Stacey Gilbert	Board Secretary	

# Soares, Sandall, Bernacchi & Petrovich, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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## CONSULTANTS

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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, 2017, 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 respective financial position of Meiners Oaks Water District, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

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 8, 2018, 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 and compliance and the results of that testing, and not to provide an opinion on 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

April 6, 2018

**MEINERS OAKS WATER DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2017

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, 2017. 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 \$4,526,947; of this amount, \$2,571,188 represents net capital assets and \$1,955,759 represents cash, cash equivalents, short term investments and receivables under both current and restricted assets.
- Liabilities for the District totaled \$307,200.
- Operating revenues for the District at year end were \$1,353,506. The major revenue source was water revenue.
- Operating expenses totaled \$1,223,413. Highlights within operating expenses were salaries and benefits of \$458,205, water purchases \$234,609 and depreciation \$206,745.

**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 twenty-one of this report.

**MEINERS OAKS WATER DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

**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>	2017	2016
Cash	\$ 1,791,746	\$ 1,323,425
Restricted cash	26,885	31,983
Accounts receivable	131,902	109,347
Short term investments	5,226	5,192
Total Current Assets	<u>1,955,759</u>	<u>1,469,947</u>
<u>Capital Assets</u>		
Capital assets	6,222,657	6,219,322
Accumulated depreciation	(3,651,469)	(3,444,724)
Net capital assets	<u>2,571,188</u>	<u>2,774,598</u>
Total Assets	<u>4,526,947</u>	<u>4,244,545</u>
 Deferred Outflows of Resources	 <u>140,171</u>	 <u>86,711</u>
Total Assets and Deferred Outflows	<u>\$ 4,667,118</u>	<u>\$ 4,331,256</u>
 <u>Liabilities and Deferred Inflows</u>		
Current liabilities	\$ 46,993	\$ 64,616
Long-term liabilities	260,207	218,077
Total Liabilities	<u>307,200</u>	<u>282,693</u>
Deferred Inflows of Resources	<u>95,010</u>	<u>82,696</u>
Total Liabilities and Deferred Inflows	<u>\$ 402,210</u>	<u>\$ 365,389</u>
 <u>Net Position</u>		
Capital contributed from district	\$ 114,798	\$ 114,798
Invested in capital assets	2,571,188	2,774,598
Unrestricted net position	<u>1,578,922</u>	<u>1,076,471</u>
Total Net Position	<u>\$ 4,264,908</u>	<u>\$ 3,965,867</u>

**Assets.** During the fiscal year ended June 30, 2017, total assets increased approximately \$280,000, or 7%. This increase is due mostly to increase in cash. The increase in cash is due to increase in revenue and also because there were no major cash intensive projects. The increase in capital assets is minimal and there were no major capital improvement projects in the fiscal year except for some routine maintenance.

**Liabilities.** During the fiscal year ended June 30, 2017, total liabilities increase by approximately \$25,000, or 9%. The increase was mostly due to increase in pension liability for the fiscal year.

**MEINERS OAKS WATER DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

**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>	2017	2016
Water revenue	\$ 525,480	\$ 555,936
MWAC	636,312	497,022
Extra dwellings and agriculture standby charges	80,369	80,245
Delinquencies	85,358	25,340
Fire protection	1,362	2,162
Pumping charges	3,643	4,483
Meter and Installation Fees	314	-
Capital improvements	20,668	-
<u>Total Operating Revenue</u>	<u>\$ 1,353,506</u>	<u>\$ 1,165,188</u>
<u>Non-Operating Revenue</u>		
Property taxes	\$ 146,848	\$ 139,900
Interest income	8,381	5,287
Miscellaneous income	13,719	16,773
<u>Total Non-Operating Revenue</u>	<u>\$ 168,948</u>	<u>\$ 161,960</u>

Revenue from operations remained consistent with the 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. This is why the district would be 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 \$235,000 worth of water from outside sources.



**MEINERS OAKS WATER DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

**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>2017</u>
Total Operating Revenue	\$ 1,383,511	\$ 1,353,506
Less: Operating Expenses		
Salaries and related expenses	(515,000)	(458,205)
Insurance	(40,000)	(31,950)
Water distribution system	(557,500)	(384,995)
Other	(138,300)	(348,263)
<u>Net Operating Revenue (Loss)</u>	<u>\$ 132,711</u>	<u>\$ 130,093</u>
 <u>Non-Operating Revenue</u>		
Property taxes	\$ -	\$ 146,848
Interest income	-	8,381
Miscellaneous income	8,000	13,719
<u>Total Non-Operating Revenue</u>	<u>\$ 8,000</u>	<u>\$ 168,948</u>

**Economic Factors:** Due to the decrease in the rainfall, 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 minimum of 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, 2017

**ASSETS**

**CURRENT ASSETS**

Petty cash	\$ 175
Cash in bank	750,965
Cash at county	1,040,606
Restricted cash	26,885
Short term investments	5,226
Accounts receivable, net allowance \$10,000	128,711
Interest receivable	3,191
	<u>1,955,759</u>
TOTAL CURRENT ASSETS	<u>1,955,759</u>

**CAPITAL ASSETS**

Land	57,035
Water rights	231,500
Buildings	61,472
Water distribution system	4,613,757
Structure and improvements	396,422
Equipment	46,376
Transportation	212,823
Furniture and fixtures	40,946
Office machines	43,957
Communication equipment	19,159
SCADA water project	499,210
Accumulated depreciation	(3,651,469)
	<u>2,571,188</u>
NET CAPITAL ASSETS	<u>2,571,188</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related deferred outflows	<u>140,171</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 4,667,118</u></u>
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See accompanying notes to financial statements and independent auditors' report.

Meiners Oaks Water District  
**STATEMENT OF NET POSITION**  
June 30, 2017

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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable	\$ 19,288
Vacation benefits payable	4,183
Customer service deposits	9,905
Deferred revenue	<u>13,617</u>

**TOTAL CURRENT LIABILITIES** 46,993

**LONG-TERM LIABILITIES**

Net pension liability	<u>260,207</u>
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**TOTAL LONG-TERM LIABILITIES** 260,207

**DEFERRED INFLOWS OF RESOURCES**

Pension related deferred inflows	<u>95,010</u>
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**TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** 402,210

**NET POSITION**

Capital contributed from district	114,798
Net position - invested in capital assets	2,571,188
Net position - unrestricted	<u>1,578,922</u>

**TOTAL NET POSITION** \$ 4,264,908

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, 2017

**OPERATING REVENUES**

Water sales	\$ 525,480
Monthly water availability charges	636,312
Extra dwelling and agricultural standby charges	80,369
Delinquencies	85,358
Fire protection and pumping charges	5,005
Pumping charges	-
Meter and Installation Fees	314
Capital improvements	20,668
<b>TOTAL OPERATING REVENUES</b>	<u>1,353,506</u>

**OPERATING EXPENSES**

Salaries and employee benefits	458,205
Water purchases	234,609
Depreciation	206,745
Professional fees	79,751
Equipment maintenance	61,392
Power bills	33,590
Insurance	31,950
Postage	12,406
Water distribution system maintenance	6,670
Gas and diesel	8,223
Building repairs and maintenance	9,560
Office supplies	6,272
Laboratory services	8,490
Telephone	9,551
Treatment plant supplies	13,776
Computer services	11,739
Membership and dues	6,847
Board member fees	10,550
Truck maintenance	3,931
Utilities	2,034
Printing and binding	141
Meters	2,720
Travel	1,566
Uniforms	1,023
Safety and training	1,672

**TOTAL OPERATING INCOME** 1,223,413

**OPERATING INCOME** 130,093

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

Property taxes	146,848
Interest income	8,381
Miscellaneous income	13,719

**TOTAL NON-OPERATING REVENUES** 168,948

**CHANGE IN NET POSITION** 299,041

**NET POSITION AT BEGINNING OF YEAR, as previously stated** 3,965,867

**NET POSITION AT END OF YEAR** \$ 4,264,908

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

Meiners Oaks Water District  
**STATEMENT OF CASH FLOWS**  
Year Ended June 30, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from user charges	\$ 1,325,843
Cash payments to employees	(458,868)
Cash payments for operating expenses	(564,261)
Cash payments from deposits	(5,070)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>297,644</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property taxes	146,848
Miscellaneous income	13,719
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>160,567</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of property, plant and equipment	(3,335)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(3,335)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	8,381
Purchase of investments	(34)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>8,347</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>463,223</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,355,408</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,818,631</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 130,093
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	206,745
(Increase) decrease in:	
Accounts receivable	(21,458)
Interest receivable	(1,097)
Deferred outflows of resources	(53,460)
Increase (decrease) in:	
Accounts payable	(4,814)
Accrued expenses	(2,631)
Customer service deposits	(5,070)
Deferred revenue	(5,108)
Deferred intflows of resources	12,314
Net pension liability	42,130
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 297,644</b>

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

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2017

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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, 2017, 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, 2017

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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.

**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 April 6, 2018, the date that the financial statements were available to be issued.

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2017

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**NOTE 3 – CASH AND INVESTMENTS**

Cash and cash equivalents consist of the following as of June 30, 2017:

Petty Cash	\$ 175
Cash in Bank	277,395
Cash in Money Market	473,570
Cash at County	1,040,606
Restricted Cash	<u>26,885</u>
Total cash and cash equivalents	1,818,631
Less restricted cash	<u>(26,885)</u>
Total unrestricted cash and cash equivalents	<u>\$ 1,791,746</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 \$ 750,965. 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, 2017

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

The District's allocable share of investments in LAIF at fair market value as of June 30, 2017, is as follows:

United States Treasury	\$ 2,245
Federal Agency	932
Mortgages	3
Time Deposits	378
CD's, Corporate Bonds and Floaters and Banks Notes	1,071
AB55 and Other GF Loans	43
Commercial Paper	554
Total	<u>\$ 5,226</u>

**NOTE 4 – CAPITAL ASSETS**

As of June 30, 2017, capital assets were comprised of the following:

<i>Asset Description</i>	<i>Estimated Lives</i>	<i>Cost as of 6/30/16</i>	<i>Additions</i>	<i>Deletions</i>	<i>Cost as of 6/30/17</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	4,613,758	-	-	4,613,758
Structures and Improvements	10-20 years	396,422	-	-	396,422
Equipment	5-20 years	43,041	3,335	-	46,376
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		6,219,322	3,335	-	6,222,657
Less Accumulationd Depreciation		(3,444,724)	(206,745)	-	(3,651,469)
Net Capital Assets		<u>\$ 2,774,598</u>	<u>\$ (203,410)</u>	<u>\$ -</u>	<u>\$ 2,571,188</u>

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2017

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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, 2017, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Prior to January 1, 2013</b>	<b>On or After January 1, 2013<sup>(1)</sup></b>
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, 2017

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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, 2017 were \$30,565 including contributions to the unfunded accrued liability.

**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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2017, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$260,208.

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	
0.00301%	0.00318%	(0.00017)%

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2017

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

For the year ended June 30, 2017, the District recognized pension expense (credit) of \$31,549. At June 30, 2017, 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	\$ 30,565	\$
Differences between actual and expected experience	732	
Changes in assumptions		(8,990)
Change in employer's proportion		(75,555)
Differences between the employer's contributions and the employer's Proportionate share of contributions	62,086	(10,465)
Net differences between projected and actual earnings on plan investments	46,788	
Total	\$ 140,171	\$ (95,010)

The District reported \$30,565 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	
2018	\$ 5,157
2019	(10,635)
2020	7,956
2021	12,119

Meiners Oaks Water District  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended June 30, 2017

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

**Actuarial Assumptions** - The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% <sup>(1)</sup>
Investment Rate of Return	7.65% <sup>(2)</sup>
Mortality	CalPERS Membership <sup>(3)</sup> Data

<sup>(1)</sup> Depending on age, service and type of employment

<sup>(2)</sup> Net of pension plan investment expenses, including inflation

<sup>(3)</sup> The Mortality Rate Table was developed based upon CalPERS' specific data. 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, 2015 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, 2017

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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. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return<sup>1</sup> Years 1-10</b>	<b>Real Return<sup>2</sup> Years 11+</b>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	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, 2016 Measurement Date	<u>\$ 443,187</u>	<u>\$ 260,208</u>	<u>\$ 108,986</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, 2017

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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 \$10,000,000 general liability; \$10,000,000 public officials and employees errors; \$500,000 elected officials personal liability; \$10,000,000 employment practice liability, \$10,000,000 employee benefits liability, \$1,000,000 employee and public officials dishonesty; \$10,000,000 auto; \$1,000,000 uninsured or underinsured motorists, \$1,000,000,000 property; \$100,000,000 boiler and machinery, and \$5,000,000 Workers' Compensation.

## REQUIRED SUPPLEMENTARY INFORMATION



Meiners Oaks Water District  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY**  
Year Ended June 30, 2017

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**CalPERS Pension Plan  
Last Ten Years<sup>(1)</sup>  
As of June 30, 2017**

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%
2017	0.00301%	\$ 260,208	\$ 344,499	75.53%	80.85%

**Notes to Schedule:**

**Benefit Changes.** In 2017, there were no benefit terms modified.

**Changes in Assumptions.** In 2017, 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, and June 30, 2016 measurement date is without reduction of pension plan administrative expense.

<sup>(1)</sup> Fiscal year 2017 was the 2<sup>nd</sup> year of implementation, with information available for the 2019 fiscal year, therefore only three years are shown.

Meiners Oaks Water District  
**SCHEDULE OF CONTRIBUTIONS**  
 Year Ended June 30, 2017

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**CalPERS Pension Plan**  
**Last Ten Years<sup>(1)</sup>**  
**As of June 30, 2017**

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 56,243	\$ (56,243)	\$ 0	\$ 334,923	16.79%
2016	\$ 20,365	\$ (20,365)	\$ 0	\$ 342,959	5.94%
2017	\$ 22,308	\$ (22,308)	\$ 0	\$ 348,196	6.41%

<sup>(1)</sup> Fiscal year 2017 was the 2<sup>nd</sup> year of implementation, with information available for the 2016 fiscal year, therefore only two years are shown.

# Soares, Sandall, Bernacchi & Petrovich, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

PARTNERS  
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BERNARD D. BERNACCHI GEORGE E. SANDALL, C.P.A.

Board of Directors  
Meiners Oaks Water District  
Ojai, California

## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meiners Oaks Water District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Meiners Oaks Water District's basic financial statements, and have issued our report thereon dated April 6, 2018.

### Internal Control over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meiners Oaks Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors  
Meiners Oaks Water District  
Page Two

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Soares, Sandall, Bernacchi & Petrovich, LLP

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

April 6, 2018

# Soares, Sandall, Bernacchi & Petrovich, LLP

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BERNARD D. BERNACCHI GEORGE E. SANDALL, C.P.A.

April 6, 2018

Board of Directors  
Meiners Oaks Water District  
Ojai, California

### Auditors' Management Letter

In planning and performing our audit of the financial statements of the Meiners Oaks Water District for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of a few matters which are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated April 6, 2018, contains our report on internal control over financial reporting and on compliance and on other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. This letter does not affect our report dated April 6, 2018 in the financial statements of the Meiners Oaks Water District.

If we are selected to conduct next year's audit, we would review the status of these comments during our next audit engagement. We have discussed many of these comments and suggestions with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

#### **Prior Year Observation – Accounts Payable**

During our prior year audit, we noted a discrepancy of \$4,741 between the balance of accounts payable per the general ledger and the "Open Payable Report" produced by the District's accounting system.

We continue to recommend the District work with technical support from Tyler Technologies (accounting software provider) to resolve the discrepancy. The District should have the ability to run a detail payable report at any time which agrees to the general ledger.

#### **Current Year Observation**

During our current year audit, we noted the same discrepancy of \$4,741 between the balance of accounts payable per the general ledger and the "Open Payable Report" produced by the District's accounting system.

We continue to recommend the District work with technical support from Tyler Technologies (accounting software provider) to resolve the discrepancy. The District should have the ability to run a detail payable report at any time which agrees to the general ledger.

**Prior Year Observation – Accounts Receivable**

During our prior year audit, we noted the “Account Balance With As Of Date” produced by the District’s accounting system contained inactive accounts containing credit balances which were previously refunded, per discussion with management.

We continue to recommend the District work with technical support from Tyler Technologies (accounting software provider) to remove the balances contained in the inactive accounts. The District should have the ability to run a detail receivable report at any time which agrees to the general ledger.

**Current Year Observation**

During our current year audit, we noted the “Account Balance With As Of Date” produced by the District’s accounting system contained inactive accounts containing credit balances which were previously refunded, per discussion with management.

We continue to recommend the District work with technical support from Tyler Technologies (accounting software provider) to remove the balances contained in the inactive accounts. The District should have the ability to run a detail receivable report at any time which agrees to the general ledger.

**Prior Year Observation – Rabobank Checking and Trust Account**

During our prior year audit, we noted checks which due to their nature, or date, should have been cleared, or voided, when reconciling the bank statement.

We continue to recommend clearing prior transfers and adjustments which are currently listed as outstanding on the bank reconciliation. Additionally, we recommend the District develop a policy which determines how and when to void and re-issue check which have been outstanding in excess of a stated time period.

**Current Year Observation**

During our current year audit, we noted checks which due to their nature, or date, should have been cleared, or voided, when reconciling the bank statement.

We continue to recommend clearing prior transfers and adjustments which are currently listed as outstanding on the bank reconciliation. Additionally, we recommend the District develop a policy which determines how and when to void and re-issue check which have been outstanding in excess of a stated time period. We also noted journal entries to clear stale checks have not been applied against the stale checks. We recommend applying the journal entries against the stale checks during bank reconciliation so that the stale checks clear from reconciliation statements.

\*\*\*\*\*

Board of Directors  
Meiners Oaks Water District  
Page Three

We wish to thank the management for their support and assistance during our audit.

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

*Soares, Sandall, Bernacchi & Petrovich, LLP*

SOARES, SANDALL, BERNACCHI & PERTOVICH, LLP  
Certified Public Accountants

# Soares, Sandall, Bernacchi & Petrovich, LLP

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April 6, 2018

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To the Board of Directors  
Meiners Oaks Water District

We have audited the financial statements of Meiners Oaks Water District for the year ended June 30, 2017, and have issued our report thereon dated April 6, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 31, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

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

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Meiners Oaks Water District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciable lives and estimated residual value of capital assets. We evaluated the key factors and assumptions used to develop the depreciable values in determining the assumptions made are reasonable in relation to the financial statements taken as a whole.

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

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

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

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### ***Disagreements with Management***

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



Board of Directors  
Meiners Oaks Water District  
April 6, 2018  
Page Two

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 6, 2018.

***Management Consultations with Other Independent Accountants***

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

***Other Audit Findings or Issues***

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

**Other Matter**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

*Soares, Sandall, Bernacchi & Petrovich, LLP*

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



## Meiners Oaks Water District Resolution 20180417

The Board of Directors of Meiners Oaks Water District on this 17<sup>th</sup> day of April 2018, 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, and

NOW, therefore be it resolved by the Meiners Oaks Water District Board of Directors that the annual audit for the year 2016-2017, prepared by Soares, Sandall, Bernacchi & Petrovich, LLP, and presented in the annual audit report titled Meiners Oaks Water District Financial Statements year end June 30, 2017, is

Passed, Approved and Adopted this 17<sup>th</sup> day of April 2018.

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Meiners Oaks Water District  
President of the Board

---

Meiners Oaks Water District  
Secretary of the Board

**RESOLUTION NO. 2018-4-2 OF THE  
BOARD OF DIRECTORS OF THE  
MEINERS OAKS WATER DISTRICT  
HONORING DIRECTOR JAMES KENTOSH**

*WHEREAS, James Kentosh served as President of the Board of Directors of the Meiners Oaks Water District from April 2016 through January 2018; and*

*WHEREAS, Director Kentosh has served on the Board as President with distinction and dedication; and*

*WHEREAS, Director Kentosh has served on committees of the Board and has devoted many extra hours of his time for the betterment of the District in addition to the time spent in regular Board meetings.*

***NOW, THEREFORE, it is hereby resolved as follows:***

- 1. Director James Kentosh is commended and thanked by the Board of Directors of the Meiners Oaks Water District on behalf of the District and the constituents of the District for his unselfish devotion of time and effort towards the good of the District for the years that he has served as President.*
- 2. That a suitably framed copy of this Resolution be prepared and given to Director Kentosh as evidence of the appreciation bestowed upon him.*

***IN WITNESS WHEREOF, this Resolution in unanimously adopted this 17<sup>th</sup> day of April 2017.***

**MEINERS OAKS WATER DISTRICT**

***Dated*** \_\_\_\_\_

***President*** \_\_\_\_\_

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

## HWY 33 mainline lateral replacement proposals 2018

### Agenda Item for April 17, 2018

Proposals were based on a set plans drawn up for the District by WREA. Pricing will vary for various reasons.

<u>Contractor Name</u>	<u>Amount of proposal</u>	<u>Recommended</u>	<u>Worked for the District Prior</u>
Toro Enterprises	\$ 114,493.00	Yes	Yes
Sam Hill and Sons	\$ 128,279.00	Yes	Yes
Elite Engineering	\$ 82,407.60	No	No
<del>SCI Shaw</del> Contracting Inc.	<del>\$ 106,000.00</del>	Yes	Yes



## VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

800 S. VICTORIA AVENUE, L #1850 • VENTURA, CA 93009

TEL (805) 654-2576 • FAX (805) 477-7101

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### CALL FOR NOMINATIONS COUNTYWIDE OVERSIGHT BOARD MEMBER REPRESENTING INDEPENDENT SPECIAL DISTRICTS

March 13, 2018

Chair of the Board  
Meiners Oaks Water District  
202 W. El Roblar Drive  
Ojai, CA 93023-2211

**RE: CALL FOR NOMINATIONS – Countywide Oversight Board - Member Representing Independent Special Districts**

Dear Chair of the Board:

In 2015, changes were made to the California Health and Safety Code to update and clarify issues governing the dissolution of redevelopment agencies. One of the updates provided for the consolidation of Successor Agency Oversight Boards into a single Countywide Oversight Board, the effective date of which is July 1, 2018. The Countywide Oversight Board is to have seven members, one of whom “may be appointed by the independent special district selection committee.” (Health and Safety Code § 34179(j)(3)) The independent special district selection committee (committee) consists of the presiding officer of the legislative body of each of the 30 independent special districts in Ventura County or an alternate member appointed by the district’s legislative body pursuant to Govt. Code § 56332.

The LAFCo Executive Officer is charged with calling for meetings of the committee. Effective January 1, 2018, the Executive Officer is to call a meeting of the committee “Upon receipt of a written request by one or more members of the selection committee notifying the executive officer of the need to appoint a member representing independent special districts on an oversight board pursuant to paragraph (3) of subdivision (j) of Section 34179 of the Health and Safety Code.” (Govt. Code § 56332(b)(5)) The Ventura LAFCo Executive Officer received such a request.

During the committee’s last selection process in 2016, LAFCo staff determined that the committee’s rules and regulations that governed its selection process were largely inconsistent with state law. As such, henceforth, all committee selections will be conducted consistent with the process outlined in Govt. Code § 56332. Pursuant to Govt. Code 56332(f), I have determined that a meeting of the committee for the purpose of selecting a member representing special districts to the Countywide Oversight Board is not feasible due to the likelihood that a quorum will not be

Chair of the Board, Meiners Oaks Water District  
CALL FOR NOMINATIONS – Countywide Oversight Board Special District Member  
March 13, 2018  
Page 2

achieved. Thus, both the nominating process and the election itself will be conducted by mail (some special districts have consented to conducting the election via electronic mail).

If your district wishes to nominate an individual to be a candidate for the Countywide Oversight Board, please submit the nominating resolution and a candidate's statement or resume of no more than 1 page to Kai Luoma, Executive Officer, at Ventura LAFCo via certified mail (or via email for those districts that have previously consented – see attached list).

**The deadline for submitting nominating resolutions and candidate statements/resumes is 5 P.M., Friday, April 20, 2018.** Any nomination submitted after the deadline will not be considered.

If at the end of the nominating period, only one candidate is nominated, that candidate shall be deemed appointed. If two or more candidates are nominated, I will prepare and deliver a ballot and voting instructions to each eligible district. For the election to be valid, at least a quorum of the 30 special districts must submit valid ballots.

Thank you for your attention to this matter. Please let me know if further information is desired.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Luoma', with a stylized flourish at the end.

Kai Luoma  
Executive Officer

c: General Manager



## **Economic Evaluation of Drought Impacts**

**Project Summary** Prepare an economic evaluation study of the impacts of drought Stages 4 and 5 on the local economy within the Ojai Valley. The analysis will also consider the impacts on the local economy if Lake Casitas were to go dry in the next 4-10 years. This project will be jointly conducted and funded by several water agencies in the Ojai Valley. Other participants would include Ventura River Water District.

**Project Need** MOWD depends entirely on local water supplies. A few years ago, due to the current drought, MOWD's wells went dry for the first time in 65 years. For a while MOWD was 100% dependent on water from Lake Casitas. The lake now holds 35% of capacity and there is a chance that the lake could go dry in the next 4-20 years. Without water, real estate values would plummet and some people could be forced to move out of the Ojai Valley.

One alternative water supply would be to import Casitas MWD's contracted entitlement to water from the State Water Project. That will be a costly project needing the support of local residents. To generate support for the project and justify its costs, this study will provide an analysis of what could happen if the project is not done and the drought worsens.

**Project Schedule** The time for the lake to go dry is predicted to be 4-5 years or more, depending on intervening rainfall and levels of water conservation achieved. The study would be done early in that period, to allow the results to be considered in the planning phase for importing state water, and to support public outreach efforts.

**Funding Sources** MOWD has sufficient reserves to fund its share of this project. It is intended to incorporate this project into the district's FY2018-19 budget. Future water rates would be adjusted in response to the severity of the drought and levels of conservation achieved.



## Cold Water Well

**Project Summary** Drill a test well in the relatively untapped “Cold Water Formation” near the Ventura River near MOWD’s existing Well Nos. 1 and 2. Preliminary hydrogeologic and siting studies have been done. If the test phase is successful, a new well would be completed and connected to MOWD’s water system. The project includes hydrogeological studies, right-of-way, test drilling, well construction, connection pipelines and appurtenances.

**Project Need** MOWD depends entirely on local water supplies. A few years ago, due to the current drought, MOWD’s wells went dry for the first time in 65 years. For a while MOWD was 100% dependent on water from Lake Casitas. The lake now holds 35% of capacity and there is a chance that the lake could go dry in the next 4-5 years. Without water, real estate values would plummet and people would be forced to move out of the Ojai Valley. The Cold Water Well would provide a backup emergency supply in that event. Depending on water quality, it might provide a supply in normal years as well, in place of wells near the Ventura River. Nevertheless, its primary purpose would be to serve as an emergency backup well.

**Project Schedule** The time for the lake to go dry is predicted to be 4-5 years or more, depending on intervening rainfall and levels of water conservation achieved. The test drilling would be done early in that period, to allow the results to be considered in drought response planning.

**Funding Sources** MOWD has sufficient reserves to begin the project and proceed through the pilot testing phase. If necessary, the project will be incorporated into the district’s FY2018-19 budget. Future water rates would be adjusted in response to the severity of the drought and levels of conservation achieved.





## **Nitrate Treatment of MOWD Well No. 8**

**Project Summary** Prepare a feasibility study of treatment options to remove high nitrates from MOWD's Well No. 8. In this phase of the project it is intended to hire a civil engineering consultant with expertise in water treatment to evaluate the potential project and provide cost estimates. Of particular concern will be options for brine disposal.

**Project Need** MOWD depends entirely on local water supplies. A few years ago, due to the current drought, MOWD's wells went dry for the first time in 65 years. For a while MOWD was 100% dependent on water from Lake Casitas. The lake now holds 35% of capacity and there is a chance that the lake could go dry in the next 4-5 years. Without water, real estate values would plummet and people would be forced to move out of the Ojai Valley.

Meanwhile, MOWD has a functional well (No. 8) that is unused because its nitrate levels exceed drinking water standards. During droughts, every water source should be put to use, if possible.

**Project Schedule** The time for the lake to go dry is predicted to be 4 years or more, depending on intervening rainfall and levels of water conservation achieved. The study would be done early in that period, to allow the results to be considered in future drought response planning.

**Funding Sources** MOWD has sufficient reserves to fund the early stages of this project. It is intended to incorporate the project into the district's FY2018-19 budget. Future water rates would be adjusted in response to the severity of the drought and levels of conservation achieved.

## **Time for State Water to the Ojai Valley**

The Ojai Valley is in a local drought of alarming proportions. Nobody knows when it will end. Despite assurances of safe-yield and laudable efforts to conserve water, there is still a chance that Lake Casitas could go dry over the next 4-5 years. If that happens, local groundwater would be depleted and most homes in the Ojai Valley would have no water. Trucking water for that many people is impractical, and where would we get it? Property and businesses now worth more than 6 billion dollars would lose much of their value. Now is the time for action to safeguard our water supply and our future.

So what can we do? We can't dam Sespe Creek – obtaining approvals for new dams is nearly impossible today. New wells are uncertain. Permitting issues could delay seawater desalination for decades. Fortunately, Casitas Municipal Water District has a contract for State water from northern California and a lake large enough to store surplus local water when it's available. All we need is the political will to build pipelines to import that water.

Admittedly, State water comes with a host of problems. Protecting endangered species has increased its cost and reduced reliability. The State's "Water Fix" project – the delta tunnels – may be bogged down in regulatory hurdles and lawsuits for years. Costs will only go up. Fortunately, conjunctive use of State and local water supplies could meet our long-term needs. Moreover, connection to a state-wide water system has many benefits.

How can we fund such a costly project? Importing state water will maintain property values and benefit everyone in the Ojai Valley, regardless of their water purveyor, so perhaps we could pay for it through our property taxes. That approach also gives everyone a voice – it must be approved by a 2/3 vote of the people. The cost for this "water insurance" should be less than what we pay for cable TV. Ojai's 87% vote to buy out Golden State Water shows that people are willing to tax themselves for water.

Casitas MWD is participating in engineering and environmental studies to import state water to West Ventura, potentially reducing the demand on Lake Casitas. Local agencies have signed a memorandum of understanding with the County of Ventura to facilitate discussions, and have passed resolutions supporting the project. We must all proceed with diligence to make this project happen. If we succeed, it could be on the ballot in a future election.

Even in this early planning phase, such a consequential project needs the support of local residents. You can help by talking to your water agency representatives and expressing your support. Please stay tuned.

Jack Curtis, President, Ventura River Water District  
Mike Echart, President, Meiners Oaks Water District  
Name, City of Ojai  
Name, Senior Canyon



## Meiners Oaks Water District Resolution 20180417-1

### A Resolution of the Board of Directors of the Meiners Oaks Water District supporting the connection to the State water Project

WHEREAS, drought is a common occurrence in Southern California with the current drought significantly impacting Lake Casitas, which is currently at less than 36% of capacity; and

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, Lake Casitas was designed, in conjunction with local groundwater resources, to sustain the area through a 20 – year drought; and

WHEREAS, there is scientific evidence of a 50-year droughts in California during the last 1,200 years; and

WHEREAS, a connection to the State Water system can provide a supplemental supply of water into the Lake Casitas service area to minimize the number of years of severe Stage 4 and 5 drought restrictions and to provide emergency access to health and safety should Lake Casitas go dry; and

WHEREAS, with water wheeling agreements now an option through Calleguas Metropolitan Municipal Water Districts and the City of San Buenaventura, and with negotiations underway between those agencies to access State Water, now is the best opportunity for Casitas Municipal Water District to connect to State Water at the lowest possible cost; and

WHEREAS; State Water deliveries fluctuate year to year, but Lake Casitas has ample storage, which will enable efficient utilization of State Water; and

WHEREAS; importing State Water to the City of Ventura enables reduced usage by Ventura of Lake Casitas water so that the water supply in Lake Casitas would last longer.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Meiners Oaks Water District finds it essential that we have access to the State Water Project; and

BE IT FURTHER RESOLVED that the District hereby supports immediate efforts by the Casitas Municipal Water District toward obtaining a connection to the State Water Project and requests that Casitas Municipal Water District work as expeditiously as possible toward that goal.

Passed, Approved and Adopted this 17<sup>th</sup> day of April 2018.

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Michael Etchart  
President of the Board

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Summer Ward  
Secretary of the Board