

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



1

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

June 18, 2019

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

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

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

Agenda

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

1. Roll Call

2. Approval of Minutes April 16, 2019, Regular Meeting

3. Public Comments

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

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

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

4. Financial Matters

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

Payables – \$ 155,949.44

Payroll – \$ 23,439.03

Total – \$ 179,388.47

5. Board Discussion and/or Action

- a) Approval of 2019-20 Fiscal Year Budget and Resolution 061819**
- b) Presentation and approval of draft audit for fiscal 2017-08**
- c) Ventura Resource Conservation District grant for nitrate removal at district wells**

6. General Manager's Report

- District O& M Report
- Updated Board Committees

7. Board Committee Reports

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

8. Old Business

- State Water
- Ojai, Ventura Water Partnership – May 3, 2019
- Matilija Dam Removal Update
- Cold Water Formation
- Generators
- Special Districts Grand Jury Report

9. Board of Directors Reports/Comments

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

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

11. Meeting Adjournment.

Meiners Oaks Water District Regular Board Meeting Minutes
202 West El Roblar Drive
Ojai, CA 93023-2211
Phone (805) 646-2114

BOARD MEETING MINUTES

MAY 21, 2019

The meeting was called to order at 6:05 pm.

1. Roll Call

The meeting was called to order by the Board President Mike Etchart at 6:05 pm at the District Office.

Present were: Board President Mike Etchart. Board Directors: James Kentosh, Mike Krumpschmidt, Larry Harrold, and Diana Engle. Staff Present were: General Manager, Mike Hollebrands, acting as Board Secretary; and the District's Attorney, Lindsay Nielson.

Absent: None

2. Approval of the minutes: Approval of April 16, 2019, Regular Board Meeting Minutes:

Mr. Kentosh made the motion to approve the April 16, 2019, Regular Board Meeting Minutes, subject to minor changes discussed. Mr. Harrold seconded the motion.

Kentosh/Harrold

All Ayes

M/S/C

3. Public Comments: Ms. Elizabeth Von Gunten, a former director of MOWD, was present.

Ronald Martinez, a customer of MOWD, spoke of his request for a Will-Serve Letter for his property at 125 N. Alvarado. He provided some background information and spoke of his problems with the property and the difficulties of providing care for his son, Blair. He presented a letter to the Board. Mr. Martinez was advised that, since this topic was not on the agenda, the Board could only discuss it briefly. The topic was sent to be discussed by the Ad-Hoc Committee on New Meters and Expansion of Service. In the meantime, the Board requested Mr. Martinez to submit another letter to MOWD with specific information relevant to a possible Will-Serve letter. Since this matter was not considered to be controversial, the Board authorized the committee and general

manager to resolve this matter and issue the Will-Serve letter, if appropriate, without bringing it back to the Board.

Ms. McCray came to the meeting later and provided information on her request for a Will-Serve letter for a garage conversion at 245 North Lomita Avenue. Since the topic was not on the agenda, the Board was not able to discuss it in detail or make a decision. Mr. Kentosh gave a brief summary of MOWD's proposed allocation program and constraints on Will-Serve letters. The Board requested a letter providing specific information on the property and what is proposed for the garage conversion, so that it can be discussed at a future committee meeting.

4. Financial Matters

- Approval of Payroll and Payables from April 16, to May 15, 2019, in the amount of \$90,206.

Director Harrold made the motion to approve the payables. Mr. Kentosh seconded the motion.

Director Krumpschmidt asked why certain items are over budget. The General Manager provided an explanation and answered questions from the Board.

Harrold/Kentosh
All Ayes
M/S/C

5. Board Discussion/Actions

a) Draft FY2019-20 Budget

The status of the budget and specific budget items were discussed. Because of delays in the new Allocation Program, the Board intends to adopt a budget in June, without the rates being changed at that time. The new rates will be approved later as part of the Prop 218 process. Ms. Engle pointed out the the draft budget gave an incorrect impression that the GSA expenses would end someday, while in fact the GSA process is expected to continue for the foreseeable future. Directors provided input on the draft budget letter.

b) Comments on Draft Employee Manual

Directors had their questions answered and provided input on the draft manual:
Employees who opt out of the insurance benefit should provide proof of health insurance.

Clarification was provided on vacation accrual by new employees.

Discussion of prescription drug use by safety sensitive employees.

By consensus, the Board decided not to offer any reimbursement to employees who opt out of the District's medical insurance program. The rationale is that MOWD offers the benefit and needs its employees to have reliable health

insurance, but MOWD is under no obligation to provide reimbursement to an employee who declines the benefit offered. Since the only employee who had declined the health insurance benefit has recently left the District, this is a convenient time to make this change.

The Board agreed that the employee manual is ready to be sent to a labor attorney for review.

c) Approval of Draft Prop 218 Notice

Mr. Kentosh acknowledged that the Prop 218 notice was not yet ready to be adopted, but the draft notice was put in the agenda packet to receive comments from the Board on the approach to be used.

Mr. Kentosh summarized the status of the rate and allocation process. The original intention was to adopt the new Allocation Program well in advance of the new budget and rates, which requires a lengthy Prop 218 process. However, problems with the proposed Allocation Program have delayed its implementation. Specifically, Ms. Engle and Mr. Hollebrands have been studying a number of customers who do not easily fit into the program due to multiple meters on a parcel, and other outliers. Some agricultural customers are not really using their water for agriculture, possibly requiring reclassification of those customers and their allocations. Since the new rate structure relies heavily on the new allocation program, that means MOWD cannot adopt its new rates for several months, well after the annual budget must be adopted in June.

To save time, Mr. Kentosh proposed that the allocation program and the rates be adopted at the same time. That would also allow the two topics to be covered in the same public meeting. One concern with that approach is that customers might believe that they can protest the new allocation program, while in fact Prop 218 only allows them to protest the new rates.

After a vigorous discussion it was decided by Board consensus that it would be too confusing to customers for MOWD to implement the new allocations and rate structure at the same time. Instead, the plan is to adopt the new allocations when they are ready, followed by a Prop 218 notice with a 45-day notification. The public meeting would be held primarily to discuss the new rates.

There was some discussion of Over-Allocation charges with the new rate program, but that decision can be delayed until the new rates are adopted, along with the revised Prop 218 Notice.

d) General Manager Executive Coaching

Mr. Krumpschmidt presented his thoughts on this topic and made a motion to approve the expenditure of \$8,000 for executive coaching for the General

Manager, to be performed by Susan Edlinger as outlined in her proposal dated May 21, 2019. Mr. Kentosh seconded the motion. The General Manager and Board undertook a lengthy discussion about the benefits and usefulness of this process, how it should be accomplished, and the recent turmoil and staffing problems experienced. The motion was approved.

Krumpschmidt/Kentosh
4 Ayes 1 Nay (Harrold)
M/S/C

6. General Manager's Report

The G.M. briefed the Board on the status of the District:

Demand is being met from Wells 4 and 7. Taking no water from Casitas

A contractor was approved to do electrical work for Wells 1 and 2.

The vibration at Well 4 will be fixed after Wells 1 and 2 are running.

There's a new water leak on south La Luna Ave.

We are receiving applicants for two field positions.

After the loss of field staff, finding some meters for the monthly reading has been a challenge.

7. Board Committee Reports

GSA – Director Engle updated the Board on the GSA's rate setting process. The peak rate will be \$79.16/AF.

The Budget/Rate Committee met last month, as discussed in Items 5a and 5c.

New Meters and Expansion of Service Committee: a meeting will be held soon.

Allocation Program Committee: Progress hindered by short-term absence of staff.

8. Old Business

State Water was discussed at the Steve Bennett meeting. The EIR should be approved in July. An RFP is being prepared for pipeline design. There is uncertainty as to how to move the State Water to the west within Ventura. Casitas MWD has hired a firm to gauge public support for State Water. The MOWD Board then discussed State Water timing. The economic study to support the need for State Water will likely not happen. Bennett's group will send out another press release on the group's efforts.

MOWD's proposed nitrate removal project at Well 8 is included within the *Ventura River Instream Flow* grant being managed by the Ventura Resource Conservation District. Hollebrands, Kentosh and Krumpschmidt will meet with the grant manager on May 24 to learn more.

9. Board of Director Reports/Comments

Ms. Engle met with a groundwater modeling expert about options to evaluate the State's surface/groundwater model of the Ventura River.

The shothole borer is affecting local trees.

10. Closed Session: The Board of Director's held a closed session. After a briefing from the District's attorney no action was taken by the Board. Closed session adjourned at 9:30 pm.

There being no further business to conduct at this time, Mr. Etchart adjourned the meeting at 9:30 p.m.

President

Secretary

Fiscal Year AT-A-Glance
2018-19

CIP	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	To Date	Budgeted	% of Budgeted
Expenditures															
Budgeted	\$15,593.35	\$54,641.74	\$76,592.27	\$4,345.11	\$50,258.22	\$65,881.92	\$8,254.89	\$5,818.69	\$36,922.77	\$6,609.50	\$43,714.33		\$368,632.79	\$705,000.00	52.29%
Unbudgeted	\$142,621.10	\$156,626.46	\$135,420.60	\$125,905.73	\$124,226.95	\$115,174.35	\$102,005.89	\$119,806.13	\$105,242.79	\$67,060.90	\$85,731.33		\$1,279,822.23	\$1,251,100.00	102.30%
Income	\$0.00	\$42,368.36	\$0.00	\$64,813.36	\$72,313.36	\$19,550.00	\$23,820.25	\$0.00	\$6,863.91	\$0.00	\$25,566.62		\$255,295.86	\$100,000.00	255.30%
	\$126,090.80	\$143,418.24	\$151,236.03	\$162,053.25	\$162,514.78	\$232,280.70	\$121,790.38	\$111,735.77	\$97,150.25	\$167,252.67	\$109,283.14		\$1,584,806.01	\$1,542,268.00	102.76%

2018-19

Budgeted Capital Improvement Schedule

	Capital Rpl.	Capital Impr.	Spent To Date	% CMPLT
Upgrade 2" Blow offs to 6" hydrants	\$0.00	\$45,000.00	\$0.00	0
Treatment Plant EDR 35% design	\$80,000.00	\$0.00	\$13,204.00	16.51%
Replace 18 Valves District Wide	\$0.00	\$80,000.00	\$78,186.77	97.73%
Cold water well pilot hole	\$0.00	\$0.00	\$0.00	0.00%
Well 4 completion	\$150,000.00	\$0.00	\$85,869.09	57.25%
Zone 1 MCC and Pumps (Oil Field)	\$0.00	\$7,818.37	\$7,818.37	100.00%
Wells 1 and 2 Rehab. and S.S. Liners	\$185,098.00	\$0.00	\$143,295.87	77.42%
Total	\$415,098.00	\$132,818.37	\$328,374.10	

Report of Income as of 5/31/2019

Income	Month of May	Year To Date	Budget Approp	Approp Bal 07/31/18
Interest	3,521.25	26,247.77	10,000.00	(16,247.77)
Taxes	1,370.69	160,116.36	150,000.00	(10,116.36)
Pumping Charges	203.84	3,031.02	3,300.00	268.98
Fire Protection	55.61	1,289.72	1,500.00	210.28
Meter & Inst. Fees		--	--	--
Water Sales	43,282.51	567,408.57	471,744.00	(95,664.57)
Casitas Water Sales/Stby	371.51	94,139.92	4,000.00	(90,139.92)
MWAC Charges	50,542.60	590,115.14	721,424.00	131,308.86
MCC Chg.	5,974.16	70,611.06	80,000.00	9,388.94
Misc. Income	107.66	2,449.12	20,000.00	17,550.88
Late & Delinquent Chgs.	1,417.03	20,264.73	20,000.00	(264.73)
Conservation Penalty		100.00	300.00	200.00
Capital Improvement		--	--	--
Drought Surcharge	2,436.28	49,032.60	60,000.00	10,967.40
		--	--	--
		--	--	--
		--	--	--
TOTAL INCOME	109,283.14	1,584,806.01	1,542,268.00	(42,538.01)

Check Report

Date Range: 05/16/2019 - 06/15/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
MOHARD	Meiners Oaks Hardware	06/14/2019	Regular	0.00	128.49	8697
876884	Invoice	05/10/2019	Blue Marking Paint	0.00	33.91	
877198	Invoice	05/13/2019	Bolts & Screws, Flat Bar	0.00	27.05	
877216	Invoice	05/13/2019	Flat Bar	0.00	8.77	
877394	Invoice	05/14/2019	Bolts & Screws	0.00	3.24	
878047	Invoice	05/20/2019	Clamps,Electric Tape, Hand Trowel	0.00	3.97	
878209	Invoice	05/21/2019	Hand-Held Sprayer, Liquid Chlorine	0.00	17.89	
878520	Invoice	05/23/2019	Trenching Shovel, Shovel	0.00	33.66	
MITEC	MiTec Solutions LLC	05/29/2019	Regular	0.00	2,316.41	8676
1052183-2	Invoice	05/08/2019	Hard Drive	0.00	30.16	
1052245	Invoice	05/15/2019	Server Upgrade	0.00	2,040.00	
1052272	Invoice	05/16/2019	Remote Labor	0.00	56.25	
1052336	Invoice	05/23/2019	General Maintenance	0.00	180.00	
54327	Invoice	05/15/2019	Splashtop User Account	0.00	10.00	
MITEC	MiTec Solutions LLC	06/14/2019	Regular	0.00	422.06	8698
1052445	Invoice	05/06/2019	Monitor	0.00	183.16	
54637	Invoice	06/01/2019	Off-Site Back Up	0.00	49.00	
54705	Invoice	06/01/2019	Exchange	0.00	189.90	
NATMETER	National Meter & Automation, Inc.	05/29/2019	Regular	0.00	898.01	8677
51114745.001	Invoice	05/10/2019	Meters	0.00	898.01	
NS&G	Nielsen Sand & Gravel	06/14/2019	Regular	0.00	502.21	8699
28600	Invoice	05/02/2019	Fill Sand	0.00	502.21	
OFFDEP	Office Depot	06/14/2019	Regular	0.00	121.13	8700
322375076001	Invoice	05/31/2019	Paper,Binder Clips,Money Receipt Books,	0.00	121.13	
OVIIMPORT	Ojai Valley Imports	05/29/2019	Regular	0.00	294.00	8678
0079783	Invoice	05/09/2019	Service on Work Truck	0.00	294.00	
PATHIAN	Pathian Administrators	05/29/2019	Regular	0.00	57.98	8660
INV0001176	Invoice	05/15/2019	HSBS	0.00	29.00	
INV0001186	Invoice	05/31/2019	HSBS	0.00	28.98	
PATHIAN	Pathian Administrators	05/29/2019	Regular	0.00	31.36	8673
IN39351000042	Invoice	05/20/2019	Vision	0.00	31.36	
PERS	Public Employees' Retirement System	05/31/2019	Bank Draft	0.00	275.00	DFT0000677
INV0001172	Invoice	05/15/2019	457 Withholdings	0.00	275.00	
PERS	Public Employees' Retirement System	05/31/2019	Bank Draft	0.00	1,536.04	DFT0000679
INV0001175	Invoice	05/15/2019	PERS	0.00	1,536.04	
PERS	Public Employees' Retirement System	05/31/2019	Bank Draft	0.00	275.00	DFT0000685
INV0001182	Invoice	05/31/2019	457 Withholdings	0.00	275.00	
PERS	Public Employees' Retirement System	05/31/2019	Bank Draft	0.00	1,243.37	DFT0000687
INV0001185	Invoice	05/31/2019	PERS	0.00	1,243.37	
PERS	Public Employees' Retirement System	06/14/2019	Bank Draft	0.00	1,297.04	DFT0000705
10000001568923	Invoice	06/01/2019	Unfunded Accrued Liability	0.00	1,297.04	
PERS	Public Employees' Retirement System	06/14/2019	Bank Draft	0.00	24.33	DFT0000706
10000001568923	Invoice	06/01/2019	Unfunded Accrued Liability	0.00	24.33	
ROGERS	Roger's Back Flow Testing	05/29/2019	Regular	0.00	767.00	8679
7574	Invoice	05/01/2019	Backflow Devices - Retest	0.00	642.00	
7587	Invoice	05/15/2019	Clearing Debris from Leaking Backflow	0.00	125.00	
SAMHIL	Sam Hill & Sons, Inc.	05/29/2019	Regular	0.00	48,708.44	8680
2962	Invoice	05/03/2019	2325 Maricopa Hwy	0.00	48,708.44	

Meiners Oaks Water District

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

Expenditures	Month of May	Year To Date	Budget Approp	Approp Bal 05/31/19	Current June	Approp Bal To Date
Salary	24,322.92	382,447.09	448,000.00	65,552.91	-	65,552.91
Payroll Taxes	1,934.99	32,153.39	37,500.00	5,346.61	-	5,346.61
Retirement Contributions	2,771.60	39,444.48	38,000.00	(1,444.48)	-	(1,444.48)
Group Insurance	6,187.07	61,396.75	70,000.00	8,603.25	-	8,603.25
Company Uniforms	-	312.53	1,500.00	1,187.47	-	1,187.47
Phone Office	718.98	7,067.63	9,000.00	1,932.37	-	1,932.37
Janitorial Service	341.36	4,096.32	4,500.00	403.68	-	403.68
Refuse Disposal	266.59	3,795.37	3,100.00	(695.37)	-	(695.37)
Liability Insurance	-	25,003.90	25,000.00	(3.90)	-	(3.90)
Workers Compensation	-	12,167.92	17,500.00	5,332.08	-	5,332.08
Wells	105.30	17,487.23	20,000.00	2,512.77	996.28	1,516.49
Truck Maintenance	1,684.74	5,379.08	3,000.00	(2,379.08)	-	(2,379.08)
Office Equip. Maintenance	532.20	3,674.01	7,500.00	3,825.99	-	3,825.99
Cell Phones	349.26	3,159.26	4,000.00	840.74	-	840.74
System Maintenance	1,524.15	58,554.28	55,000.00	(3,554.28)	-	(3,554.28)
Safety Equipment	115.00	516.56	3,000.00	2,483.44	45.90	2,437.54
Laboratory Services	1,611.00	21,227.00	8,000.00	(13,227.00)	85.00	(13,312.00)
Membership and Dues	500.00	8,357.00	7,500.00	(857.00)	-	(857.00)
Printing and Binding	-	186.66	1,500.00	1,313.34	-	1,313.34
Office Supplies	126.55	4,193.59	5,000.00	806.41	-	806.41
Postage and Express	844.35	9,811.58	13,500.00	3,688.42	-	3,688.42
B.O.D. Fees	900.00	12,100.00	13,500.00	1,400.00	-	1,400.00
Engineering & Technical Services	6,312.85	19,333.74	35,000.00	15,666.26	-	15,666.26
Computer Services	6,119.88	19,897.38	15,000.00	(4,897.38)	238.90	(5,136.28)
Other Prof. & Regulatory Fees	12,207.39	30,596.02	25,000.00	(5,596.02)	886.54	(6,482.56)
Public and Legal Notices	70.00	70.00	1,500.00	1,430.00	56.00	1,374.00
Attorney Fees	2,797.60	52,797.11	40,000.00	(12,797.11)	-	(12,797.11)
GSA Fees	-	50,000.00	50,000.00	-	-	-
VR/SBC/City of VTA Law Suit	280.00	25,416.69	25,000.00	(416.69)	-	(416.69)
State Water	-	-	25,000.00	25,000.00	-	25,000.00
Audit Fees	-	14,700.00	20,000.00	5,300.00	-	5,300.00
Small Tools	886.09	1,655.35	2,000.00	344.65	-	344.65
Election Supplies	-	518.77	2,500.00	1,981.23	-	1,981.23
Water Purchase	-	281,331.36	75,000.00	(206,331.36)	-	(206,331.36)
CMWD Standby Charges	1,323.54	13,818.88	15,000.00	1,181.12	-	1,181.12
Treatment Plant	2,663.63	10,003.65	20,000.00	9,996.35	-	9,996.35
Fuel	948.75	9,180.96	11,000.00	1,819.04	30.05	1,788.99
Travel Exp./Seminars	25.00	678.00	2,000.00	1,322.00	-	1,322.00
Utilities	107.11	2,102.39	3,500.00	1,397.61	67.49	1,330.12
Power and Pumping	6,255.42	24,819.36	80,000.00	55,180.64	475.77	54,704.87
Meters	898.01	8,370.94	8,000.00	(370.94)	-	(370.94)
Total Expenditures	85,731.33	1,277,822.23	1,251,100.00	(26,722.23)	2,881.93	(29,604.16)
	-	-	-	-	-	-
Water Distribution System	-	-	-	-	-	-
Wells 4&7	-	85,869.09	150,000.00	64,130.91	-	64,130.91
Well 1&2 Rehab	-	130,499.00	100,000.00	(30,499.00)	-	(30,499.00)
18 Valve Replacements	-	42,686.77	80,000.00	37,313.23	-	37,313.23
	-	-	-	-	-	-
Structures and Improvements	-	-	-	-	-	-
Generator Z-2	-	-	75,000.00	75,000.00	-	75,000.00
Treatment Plant EDR/CEQA	-	13,204.00	80,000.00	66,796.00	-	66,796.00
Zone 1 Booster/MCC Upgrade	-	3,203.92	40,000.00	36,796.08	-	36,796.08
Well 1,2 VFD Upgrade	43,714.33	56,511.20	75,000.00	18,488.80	-	18,488.80
Furniture and Fixtures	-	-	-	-	-	-
General Managers Desk	-	-	2,000.00	2,000.00	-	2,000.00
Office Machines	-	-	-	-	-	-
New Computer GM	-	1,959.83	2,500.00	540.17	-	540.17
New Laptop GM	-	979.98	1,000.00	20.02	-	20.02
Field Equipment	-	-	-	-	-	-
	-	-	-	-	-	-
Appropriations for Contingencies	69,280.53	227,526.69	100,000.00	(127,526.69)	5,071.00	(132,597.69)
Total Capital Expenditures	112,994.86	562,440.48	705,500.00	143,059.52	5,071.00	137,988.52
GRAND TOTAL	198,726.19	1,840,262.71	1,956,600.00	116,337.29	7,952.93	108,384.36



Meiners Oaks County Water District, CA

Check Report

By Vendor Name

Date Range: 05/16/2019 - 06/15/2019

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
Bank Code: AP Bank-AP Bank							
ANTHONY 61019	Anthony Rodriguez Invoice	06/10/2019	06/14/2019 Reimbursement for Fuel	Regular	0.00 0.00	30.05 30.05	8683
ADVANTAGE MOWD06	Anvantage Physical Therapy Invoice	05/30/2019	06/14/2019 Pre-Employment Test	Regular	0.00 0.00	485.00 485.00	8684
AQUA-F S1360495 S1361601	Aqua-Flo Supply Invoice Invoice	05/03/2019 05/06/2019	06/14/2019 Liquid Filled Pressure Guage Nipples, Unions	Regular	0.00 0.00 0.00	105.30 61.78 43.52	8685
AWAVC 06-11793	Association of Water Agencies Invoice	05/16/2019	05/29/2019 WaterWise Breakfast	Regular	0.00 0.00	25.00 25.00	8661
AT&T 01840519 08330519	AT&T Invoice Invoice	05/13/2019 05/19/2019	05/29/2019 Office Phones Office Phones	Regular	0.00 0.00 0.00	718.98 163.29 555.69	8662
AAS 85234	Attitude Adjustment Shoppe Invoice	05/06/2019	06/14/2019 Boxes	Regular	0.00 0.00	7.06 7.06	8686
AUTOSU 463403 464295	Automotive Supply - Ojai Invoice Invoice	05/16/2019 05/28/2019	06/14/2019 Seat Covers Wiper Blades	Regular	0.00 0.00 0.00	104.75 74.10 30.65	8687
CALPERS CALPERS 051419	California Public Employees' Retirement California Public Employees' Retirement Invoice	05/14/2019	05/29/2019 05/29/2019 Health	Regular Regular	0.00 0.00 0.00	-2,485.52 2,485.52 2,485.52	8663 8663
CALPERS INV0001173	California Public Employees' Retirement Invoice	05/15/2019	05/31/2019 Health	Bank Draft	0.00 0.00	2,076.24 2,076.24	DFT0000678
CALPERS INV0001183	California Public Employees' Retirement Invoice	05/31/2019	05/31/2019 Health	Bank Draft	0.00 0.00	1,741.34 1,741.34	DFT0000686
CALPERS 051419-2	California Public Employees' Retirement Invoice	05/14/2019	05/31/2019 Health	Bank Draft	0.00 0.00	2,485.52 2,485.52	DFT0000695
CSBA INV-46516-J8P8D	California School Board Association - DSC Invoice	05/08/2019	05/29/2019 GASB AMM Report	Regular	0.00 0.00	1,875.00 1,875.00	8664
CAL-STATE 128733	Cal-State Invoice	05/25/2019	06/14/2019 Portable Toilet	Regular	0.00 0.00	101.36 101.36	8688
CMWD 261150519 262000519 300650519	Casitas Municipal Water District Invoice Invoice Invoice	05/31/2019 05/31/2019 05/31/2019	06/14/2019 Fairview Rd. Standby Hartmann Allocation Tico & La Luna Standby	Regular	0.00 0.00 0.00 0.00	1,323.54 594.38 134.78 594.38	8689
CLEANCO 1107	Cleancoast Janitorial Invoice	05/28/2019	05/29/2019 May Janitorial	Regular	0.00 0.00	240.00 240.00	8665
CVTDEP 279157 280343 280355	County of Ventura Transport. Dept. Invoice Invoice Invoice	05/07/2019 05/30/2019 05/30/2019	06/14/2019 315 N. Lomita 690 S. La Luna 971 S. La Luna	Regular	0.00 0.00 0.00 0.00	945.00 315.00 315.00 315.00	8690

Check Report

Date Range: 05/16/2019 - 06/15/2019

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
DATAP DP1901804	Dataprose LLC Invoice	05/31/2019	06/14/2019 Bulk Mailing	Regular	0.00 0.00	782.29 782.29	8691
EJHAR 281300519 994260519	E. J. Harrison Roloffs, Inc. Invoice Invoice	05/15/2019 05/15/2019	05/29/2019 Office Trash 3 Yard Dumpster	Regular	0.00 0.00 0.00	266.59 51.60 214.99	8666
EXPRESS 22329415 22359710	Express Services, Inc. Invoice Invoice	05/15/2019 05/22/2019	05/29/2019 Office Temp. Help Temp. Employment Help	Regular	0.00 0.00 0.00	1,743.57 723.57 1,020.00	8667
EXPRESS 22396743 22432815	Express Services, Inc. Invoice Invoice	05/29/2019 06/05/2019	06/14/2019 Temporary Employment Temporary Employment	Regular	0.00 0.00 0.00	1,804.01 975.38 828.63	8692
FAMCON S1000004472.00 S100004497.001	Famcon Pipe and Supply, Inc Invoice Invoice	05/30/2019 05/30/2019	06/14/2019 Tape,Saddle,Stop Corp Pipe,Tape,Straps,etc.	Regular	0.00 0.00 0.00	1,131.45 884.79 246.66	8693
FGLENV 905385A 905996A	FGL Environmental Invoice Invoice	05/09/2019 05/16/2019	05/29/2019 Samples Samples	Regular	0.00 0.00 0.00	170.00 85.00 85.00	8668
FGLENV 904349A 905998A 906327A 906640A 906881A	FGL Environmental Invoice Invoice Invoice Invoice Invoice	05/24/2019 05/30/2019 05/24/2019 05/29/2019 06/10/2019	06/14/2019 Samples Samples Samples Samples Samples	Regular	0.00 0.00 0.00 0.00 0.00 0.00	1,330.00 1,045.00 30.00 85.00 85.00 85.00	8694
FH PUMPS 82427	FH Pumps Invoice	06/05/2019	06/14/2019 Pump,Repair Kit	Regular	0.00 0.00	996.28 996.28	8695
GENERAL 27125	General Pump Company, Inc. Invoice	05/22/2019	05/29/2019 Well 1 VFD	Regular	0.00 0.00	32,619.00 32,619.00	8669
GUARDIAN INV0001174 INV0001184	Guardian Invoice Invoice	05/15/2019 05/31/2019	05/29/2019 Dental Dental	Regular	0.00 0.00 0.00	236.59 135.47 101.12	8659
GUARDIAN 7690460519	Guardian Invoice	05/14/2019	05/29/2019 Dental	Regular	0.00 0.00	196.56 196.56	8670
HPWP&C 104496	Hathaway, Perrett, Webster, Powers Invoice	05/01/2019	05/29/2019 Attorney Fees	Regular	0.00 0.00	910.00 910.00	8671
HLTHNE 61790519	Health Net Life Insurance Company Invoice	05/07/2019	05/29/2019 Life Insurance	Regular	0.00 0.00	20.10 20.10	8672
NEILSON 34880519 36600519	Law Offices of Lindsay F. Nielson Invoice Invoice	05/13/2019 05/13/2019	05/29/2019 Attorney Fees Attorney Fees	Regular	0.00 0.00 0.00	1,740.00 1,460.00 280.00	8674
LIGHTNING 5231906	Lightning Ridge Screen Printing, Inc. Invoice	05/23/2019	06/14/2019 Shirts and Caps	Regular	0.00 0.00	427.60 427.60	8696
MACS 24997	Mac's Auto Upholstery Invoice	05/22/2019	05/29/2019 Interior for Crew Truck	Regular	0.00 0.00	1,231.00 1,231.00	8675

Check Report

Date Range: 05/16/2019 - 06/15/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
SAMHIL	Sam Hill & Sons, Inc.	06/14/2019	Regular	0.00	24,511.64	8701
2982	Invoice	05/30/2019	245 El Camino	0.00	464.00	
2983	Invoice	05/08/2019	315 N. Lomita	0.00	14,249.87	
2984	Invoice	05/30/2019	961 La Luna	0.00	4,726.77	
2986	Invoice	06/03/2019	960 S. La Luna	0.00	5,071.00	
SCE	Southern California Edison Co.	06/14/2019	Regular	0.00	543.26	8702
OFFELE0619	Invoice	06/14/2019	Office Electricity	0.00	67.49	
TNKFRM0619	Invoice	06/14/2019	Tank Farm	0.00	18.04	
WELL1-0619	Invoice	06/14/2019	Well 1	0.00	51.07	
WELL2-0619	Invoice	06/14/2019	Well 2	0.00	44.35	
WELL80619	Invoice	06/14/2019	Well 8	0.00	49.77	
Z-20619	Invoice	06/14/2019	Zone 2	0.00	54.50	
Z-2FIR0619	Invoice	06/14/2019	Zone 2 Fire	0.00	44.97	
Z-2PWR0619	Invoice	06/14/2019	Zone 2 Power	0.00	201.43	
Z-3FIR0619	Invoice	06/14/2019	Zone 3 Fire	0.00	11.64	
SCGAS	Southern California Gas Co.	06/14/2019	Regular	0.00	6.94	8703
0155	Invoice	05/30/2019	Office Heat	0.00	6.94	
OVNEWS	The Ojai Valley News	06/14/2019	Regular	0.00	126.00	8704
300030313	Invoice	05/31/2019	Public Hiring Notice	0.00	70.00	
300030424	Invoice	06/07/2019	Public Hiring Notice	0.00	56.00	
UAOFSC	Underground Service Alert of So.Ca.	06/14/2019	Regular	0.00	57.91	8705
18dsbfee2760	Invoice	06/01/2019	California State Fee	0.00	9.96	
520190437	Invoice	06/01/2019	Digalert	0.00	47.95	
USBANK	US Bank Corporate Pmt. System	06/14/2019	Regular	0.00	8,861.83	8706
CHEVRON0507	Invoice	05/07/2019	Fuel	0.00	100.00	
CIRCLEK0520	Invoice	05/20/2019	Fuel	0.00	75.00	
INDEED0503	Invoice	05/03/2019	Job Advertising	0.00	43.82	
INDEED0509	Invoice	05/09/2019	Job Advertising	0.00	505.17	
INDEED0516	Invoice	05/16/2019	Job Advertising	0.00	504.70	
LAXS0426	Invoice	05/01/2019	LA Times	0.00	7.96	
LAXS0501	Invoice	05/05/2019	LA Times	0.00	7.96	
LAXS0514	Credit Memo	05/14/2019	Credit Refund	0.00	-40.39	
LAXS0516	Invoice	05/16/2019	LA Times	0.00	15.96	
LOWES0513	Invoice	05/13/2019	Socket Set	0.00	32.30	
MAGTROL0424	Invoice	05/01/2019	VFD Enclosures	0.00	1,307.02	
MAGTROL0501	Invoice	05/02/2019	Filter,Thermostat,Rain Hood	0.00	520.63	
MAGTROL0502	Invoice	05/02/2019	VFD Drives	0.00	5,596.88	
PRIME0520	Invoice	05/20/2019	Prime Membership	0.00	13.93	
SHELL0509	Invoice	05/09/2019	Fuel	0.00	60.90	
SPRING0426	Invoice	05/01/2019	Truck Wash	0.00	54.99	
USPS0517	Invoice	05/17/2019	Stamps	0.00	55.00	
VRWC	Ventura County Resource Conservation District	05/29/2019	Regular	0.00	500.00	8681
20192020-2	Invoice	05/06/2019	Ventura River Watershed Coordinator Pos	0.00	500.00	
VERIZON	Verizon Wireless	06/14/2019	Regular	0.00	349.26	8708
9830988570	Invoice	05/26/2019	Cell Phones	0.00	349.26	
WREA	Water Resource Engineering Associates	06/14/2019	Regular	0.00	3,466.80	8709
3259-4	Invoice	05/31/2019	Chlorination System Wells 1&2	0.00	137.80	
3295-2	Invoice	05/31/2019	Highway 33 Pipeline	0.00	3,329.00	
WRIGHT EXP	WEX Bank	05/29/2019	Regular	0.00	712.85	8682
59290357	Invoice	05/15/2019	Fuel	0.00	712.85	

Check Report

Date Range: 05/16/2019 - 06/15/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
ZEEMED	ZEE MEDICAL SERVICE	06/14/2019	Regular	0.00	45.90	8710
<u>34-115204</u>	Invoice	06/12/2019	Medical Supplies	0.00	45.90	

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	113	51	0.00	147,481.08
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-2,485.52
Bank Drafts	9	9	0.00	10,953.88
EFT's	0	0	0.00	0.00
	122	61	0.00	155,949.44

RR \$23,439.03

Proposed
2019-20 Annual Budget For
Meiners Oaks Water District

Presented
06/18/2019



MEINERS OAKS WATER DISTRICT

June 18, 2019

Proposed Budget for Fiscal Year 2019-2020

Budget Summary

The proposed budget for Fiscal Year 2019-20 is briefly summarized in Table 1. It shows total expenses and revenues for the year and the effects on MOWD reserves. Due to the cost of other needed capital improvements, our reserves will start at \$1,734,037.19 million and fall to \$ 1,481,150.21 by the end of the year. Because of the shortfall in sales due to the drought and conservation efforts of our customers, most of the big projects have been suspended in prior years until the District's revenues stabilize. However, some of those projects can no longer wait, so that will require us to use some of our reserves to accomplish those tasks. It is projected that our reserves are still appropriate in this drought to support well enhancements and other system upgrades as well as needed system maintenance.

Rates

Our Prop 218 hearing 2019-23 will address a needed rate increase of 8.0% in the year 2021 and 4% for each of the subsequent two years. The district will move forward and adjust the water rates as prescribed. However, with proposed changes to our Allocation and Rate Program (ARP), changes to your monthly bill should be expected by late 2019.

Projected Expenses

The itemized expenditures for FY 2019-20 are shown in Table 2 by category. The adopted budget amounts for the previous three fiscal years are shown in the table for comparison. The operating expenses by category are similar to the prior three years, but capital expenses differ each year because of the different projects undertaken and are not shown in detail for the prior years. Some highlights of projected expenses are:

- 1) The Upper Ventura River Groundwater Sustainability Agency (UVRGSA) will continue to require funding for another 4 years.
- 2) Our long-term maintenance backlog continues yet it's not as extreme as years past. We plan to continue the scheduled maintenance projects in 2019-20 to maintain the solvency and integrity of the District.
- 3) We're experiencing unanticipated major repair costs to replace three of our four district wells and the preparation (engineering) of a new replacement treatment plant.

- 4) Nitrate removal options for unusable district-owned wells that would enhance or expand our current water portfolio.

Projected Revenues

Projected revenues of \$1,871,213.02 for 2019-20 are based on current allocations according to the Drought Contingency Plan in addition to reductions in water sales enhanced by the Casitas MWD in Stage 3, explained in Table 3. Since a rate increase of 4% was in effect the prior year, and unprecedented conservation efforts by our customers, this approach may underestimate the amount of revenue to be received. Nevertheless, we have asked our customers to continue conserving water; this may reduce our revenues below prior years.

Other New Expenses

The budget includes continued expenses for the (a) UVRGSA Groundwater Sustainability Plan (GSP) required by the State, (b) for a lawsuit by Santa Barbara Channel Keepers (SBCK) and the City of San Buena Ventura, and (c) for the expansion of the District's water portfolio.

Future Water Rates

The District's water rates will change as shown in Table 4 subject to Prop 218 rate process. The Water Availability Charge (MWAC) will not increase, nor will the charge per unit of water. The Meter Capacity Charge (MCC) will be unaffected as well for fiscal year 2019-20. Subsequent years will change per Table 4.

This year our area has received 35" of rainfall as measured at Matilija Canyon this is about 10" above average for the area. It's important to understand and remember that the next rainy season could be very dry and the possibility of purchasing expensive water from Lake Casitas could happen. More importantly, the difference our customers have made conserving our precious resource has been profound. Continued work on conservation and needed District improvements require that we stay vigilant with our rates and keep up with inflation and rising costs over the next five-years. It is also worthy to note that our Drought Contingency Plan will be updated, and we are currently working on an Allocation and Rate Plan (ARP). This could result in a more generous allocation for some, seasonal allowances and bulk amounts for the end-user, discretion of use for namely Commercial and Agriculture users.

Please check our website or call the office for any questions you might have.

Prepared by Mike Hollebrands
General Manager, Meiners Oaks Water District

Table 1**Draft Budget Summary for Fiscal Year 2019 – 2020**

Total Operating expenditures	\$ 1,512,100.00
Capital Outlay	\$ 637,000.00
Total Capital and Operating	\$ 2,149,100.00
Projected Revenues	\$ 1,871,213.02
Shortfall to be absorbed by reserves	<277,886.98>
<hr/>	
Reserves beginning	\$ 1,734,037.19
Reserves ending	\$ 1,456,150.21

Meiners Oaks Water District
Adopted/Proposed Budgeted Expenses for FY 2018-2019

3 PRIOR YEARS

Budgeted Expenses	Adopted Budget for FY 2016-17	Adopted Budget for FY 2017-18	Adopted Budget for FY 2018-19	Proposed Budget for FY 2019-20	% increase
Operating Expenses					
Salary	\$ 410,000.00	\$ 382,000.00	\$448,000.00	\$500,000.00	10.40%
Payroll Taxes		\$ 30,000.00	\$37,500.00	\$45,000.00	16.67%
Retirement Contributions	\$ 35,000.00	\$ 30,000.00	\$38,000.00	\$42,000.00	9.52%
Group Insurance	\$ 70,000.00	\$ 70,000.00	\$70,000.00	\$78,000.00	10.26%
Company Uniforms	\$ 1,500.00	\$ 1,500.00	\$1,500.00	\$2,000.00	25.00%
Phone Office	\$ 7,600.00	\$ 7,600.00	\$9,000.00	\$9,000.00	0.00%
Janitorial Service	\$ 5,200.00	\$ 5,500.00	\$4,500.00	\$4,500.00	0.00%
Refuse Disposal	\$ 2,500.00	\$ 2,700.00	\$3,100.00	\$3,100.00	0.00%
Liability Insurance	\$ 22,500.00	\$ 25,000.00	\$25,000.00	\$27,000.00	7.41%
Workers Compensation	\$ 17,500.00	\$ 17,500.00	\$12,000.00	\$18,000.00	33.33%
Wells	\$ 20,000.00	\$ 25,000.00	\$15,000.00	\$10,000.00	-50.00%
Truck Maintenance	\$ 4,000.00	\$ 4,000.00	\$3,000.00	\$3,000.00	0.00%
Office Equip. Maintenance	\$ 5,000.00	\$ 7,500.00	\$6,500.00	\$6,000.00	-8.33%
Cell Phones	\$ 4,500.00	\$ 4,500.00	\$4,000.00	\$4,000.00	0.00%
System Maintenance	\$ 60,000.00	\$ 55,000.00	\$55,000.00	\$75,000.00	26.67%
Safety Equipment	\$ 3,500.00	\$ 3,500.00	\$3,000.00	\$3,000.00	0.00%
Laboratory Services	\$ 8,000.00	\$ 8,000.00	\$9,000.00	\$12,000.00	25.00%
Membership and Dues	\$ 7,000.00	\$ 7,500.00	\$8,000.00	\$8,000.00	0.00%
Printing and Binding	\$ 1,000.00	\$ 1,000.00	\$1,500.00	\$500.00	-200.00%
Office Supplies	\$ 6,000.00	\$ 6,000.00	\$5,000.00	\$5,000.00	0.00%
Postage and Express	\$ 13,500.00	\$ 13,500.00	\$13,000.00	\$13,000.00	0.00%
B.O.D. Fees	\$ 15,000.00	\$ 13,000.00	\$13,500.00	\$15,000.00	10.00%
Engineering & Technical Services	\$ 35,000.00	\$ 35,000.00	\$35,000.00	\$50,000.00	30.00%
Computer Services	\$ 12,000.00	\$ 15,000.00	\$15,000.00	\$15,000.00	0.00%
Other Prof. & Regulatory Fees	\$ 17,500.00	\$ 15,000.00	\$25,000.00	\$45,000.00	44.44%
Public and Legal Notices	\$ 1,500.00	\$ 1,000.00	\$1,000.00	\$2,000.00	50.00%
Attorney Fees	\$ 15,000.00	\$ 15,000.00	\$50,000.00	\$90,000.00	44.44%
GSA Fees	\$ 25,000.00	\$ 40,000.00	\$50,000.00	\$50,000.00	0.00%
VR/SBC/City of Ventura Law suit	\$ 40,000.00	\$ 15,000.00	\$25,000.00	\$100,000.00	75.00%
State Water		\$ 25,000.00	\$25,000.00	\$35,000.00	28.57%
Audit Fees	\$ 12,000.00	\$ 18,000.00	\$20,000.00	\$22,000.00	9.09%
Small Tools	\$ 3,000.00	\$ 3,000.00	\$1,000.00	\$2,500.00	60.00%
Election Supplies	\$ 3,000.00	\$ -	\$2,500.00	\$0.00	#DIV/0!
Water Purchase	\$ 250,000.00	\$ 75,000.00	\$75,000.00	\$75,000.00	0.00%
Casitas Standby Charges		\$ 10,000.00	\$15,000.00	\$17,000.00	11.76%
Treatment Plant	\$ 10,000.00	\$ 10,000.00	\$20,000.00	\$20,000.00	0.00%
Fuel	\$ 12,000.00	\$ 12,000.00	\$11,000.00	\$10,000.00	-10.00%
Travel Exp./Seminars	\$ 2,000.00	\$ 2,000.00	\$2,000.00	\$2,000.00	0.00%
Meters	\$ 10,000.00	\$ 10,000.00	\$6,000.00	\$10,000.00	40.00%
Utilities	\$ 3,500.00	\$ 3,500.00	\$3,500.00	\$3,500.00	0.00%
Power and Pumping	\$ 80,000.00	\$ 110,000.00	\$80,000.00	\$80,000.00	0.00%
Subtotal Oper. Expenditures	\$ 1,250,800.00	\$ 1,134,800.00	\$1,247,100.00	\$1,512,100.00	17.53%
Capital Expenses					
Water Distribution System	\$ 250,000.00	\$ -	\$0.00		
Automating Fairview Conn. Design	\$ -		\$150,000.00	\$20,000.00	
Well 8 nitrate removal/Blending	\$ -		\$100,000.00	\$25,000.00	
4 Valve Replacements/Deadends	\$ -		\$80,000.00	\$50,000.00	
Relocate 6 inch main for Z-2				\$100,000.00	
El Sol to Lomita Tie-In				\$50,000.00	
			\$0.00	\$0.00	
Structures and Improvements	\$ -				
Generator Z-2		\$ 75,500.00	\$75,000.00	\$75,000.00	
T.P. Final Design / Permitting/PH - 2		\$ 25,000.00	\$80,000.00	\$150,000.00	
		\$ 30,000.00	\$40,000.00	\$0.00	
			\$75,000.00	\$0.00	
Furniture and Fixtures					
New Desk for G.M.		\$ 1,500.00	\$2,000.00	\$2,000.00	
Office Machines		\$ 4,500.00	\$0.00		
			\$2,500.00	\$0.00	
Field Equipment	\$ 3,500.00	\$ 1,500.00	\$1,000.00	\$0.00	
T.P. Computer/Programming	\$ -	\$ -		\$15,000.00	
Misc.	\$ 80,000.00	\$ 100,000.00	\$0.00	\$0.00	
Appropriations for Contingencies			\$100,000.00	\$100,000.00	
Subtotal Capital Expenses	\$ 333,500.00	\$ 238,000.00	\$705,500.00	\$587,000.00	-20.19%
GRAND TOTAL	\$ 1,584,300.00	\$ 1,372,800.00	\$ 1,952,600.00	\$ 2,099,100.00	6.98%

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

Expenditures	Month of July	Year To Date	Budget Approp 7/1/2019	Approp. balance 07/01/19	Current July	Approp Bal To Date
Salary	\$ -	\$ -	\$ 500,000.00	\$ 500,000.00	\$ -	\$ 500,000.00
Payroll Taxes	\$ -	\$ -	\$ 45,000.00	\$ 45,000.00	\$ -	\$ 45,000.00
Retirement Contributions	\$ -	\$ -	\$ 42,000.00	\$ 42,000.00	\$ -	\$ 42,000.00
Group Insurance	\$ -	\$ -	\$ 78,000.00	\$ 78,000.00	\$ -	\$ 78,000.00
Company Uniforms	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
Phone Office	\$ -	\$ -	\$ 9,000.00	\$ 9,000.00	\$ -	\$ 9,000.00
Janitorial Service	\$ -	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -	\$ 4,500.00
Refuse Disposal	\$ -	\$ -	\$ 3,100.00	\$ 3,100.00	\$ -	\$ 3,100.00
Liability Insurance	\$ -	\$ -	\$ 27,000.00	\$ 27,000.00	\$ -	\$ 27,000.00
Workers Compensation	\$ -	\$ -	\$ 18,000.00	\$ 18,000.00	\$ -	\$ 18,000.00
Well Maint	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Truck Maintenance	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00
Office Equip. Maintenance	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00
Cell Phones	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00
System Maintenance	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
Safety Equipment	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00
Laboratory Services	\$ -	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -	\$ 12,000.00
Membership and Dues	\$ -	\$ -	\$ 8,000.00	\$ 8,000.00	\$ -	\$ 8,000.00
Printing and Binding	\$ -	\$ -	\$ 500.00	\$ 500.00	\$ -	\$ 500.00
Office Supplies	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 5,000.00
Postage and Express	\$ -	\$ -	\$ 13,000.00	\$ 13,000.00	\$ -	\$ 13,000.00
B.O.D. Fees	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
Engineering & Technical Services	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00
Computer Services	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
Other Prof. & Regulatory Fees	\$ -	\$ -	\$ 45,000.00	\$ 45,000.00	\$ -	\$ 45,000.00
Public and Legal Notices	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
Attorney Fees	\$ -	\$ -	\$ 90,000.00	\$ 90,000.00	\$ -	\$ 90,000.00
GSA Fees	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00
VR/SBC/City of VTA Law Suit	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
State Water	\$ -	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ 35,000.00
Audit Fees	\$ -	\$ -	\$ 22,000.00	\$ 22,000.00	\$ -	\$ 22,000.00
Small Tools	\$ -	\$ -	\$ 2,500.00	\$ 2,500.00	\$ -	\$ 2,500.00
Election Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Purchase	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
Casitas Standby Charges	\$ -	\$ -	\$ 17,000.00	\$ 17,000.00	\$ -	\$ 17,000.00
Treatment Plant operations	\$ -	\$ -	\$ 20,000.00	\$ 20,000.00	\$ -	\$ 20,000.00
Fuel	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Travel Exp./Seminars	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
Meters	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Utilities	\$ -	\$ -	\$ 3,500.00	\$ 3,500.00	\$ -	\$ 3,500.00
Power and Pumping	\$ -	\$ -	\$ 80,000.00	\$ 80,000.00	\$ -	\$ 80,000.00
Total Expenditures	\$ -	\$ -	\$ 1,512,100.00	\$ 1,512,100.00	\$ -	\$ 1,512,100.00
Water Distribution System						
Automating Fairview Conn. Design	\$ -	\$ -	\$ 20,000.00	\$ 20,000.00	\$ -	\$ 20,000.00
Well 8 nitrate removal/blending	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
4 Valve replacements / Deadends	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00
Relocate 6 inch main for Z-2	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
EI Sol to Lomila Tie-in	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00
R1 and 2 well conditions report	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Structures and Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Generator Z-2	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
T.P. Final Eng./Permitting/PH-2	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00	\$ -	\$ 150,000.00
Well 4 development work	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Managers desk	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
Office Machines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Field Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
T.P. computer/Programming	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
Appropriations for Contingencies	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
Total Assets	\$ -	\$ -	\$ 637,000.00	\$ 637,000.00	\$ -	\$ 637,000.00
GRAND TOTAL						
	\$ -	\$ -	\$ 2,149,100.00	\$ 2,149,100.00	\$ -	\$ 2,149,100.00

Revenue Breakdown Table 3

Base allocation includes 1274 active accounts at 10 units each
 Extra dwellings = 580 at 7 units of water each
 Fixed allocation equals 1284 times 10 units plus 580 extra dwellings times 7 units
 Variable equals unit amounts used above the fixed

	Units	Ac/Ft
Average HCF 3 yr sold	291087	180474 Fixed 110613 Variable

Table 3

Fixed =	15039
Variable =	9218

Water Sales

Total Fixed Units	15039
\$ per unit Fixed	\$2.34
Monthly Fixed	\$35,192.42
Annually	\$422,309.02
Variable Units	9218
\$ per unit variable	\$4.88
Monthly Variable	\$43,139.09
Annually	\$517,669.12
Total Combined	\$939,978.14
MWAC	

Billable MWAC 1864

Proposed MWAC \$35.91

Monthly	\$66,936.24
Annually	\$803,234.88

Over-allocation units billed

Billable Units 0

Over-Allocation Rate \$5.00

Average Monthly	\$0.00
Average Annual	\$0.00

Note: This is the amount used over and above each customer's allocated amount.
MCC

Base flow of 30 gpm

The rate is set at \$ 80 per gpm over 30
 This amount is calculated based upon the flow of a meter
 in gallons per minute of capacity. Larger meters have
 a larger capacity therefore placing a larger instant demand
 on the system.
 Example: 1 5" meter has a capacity of 75 gpm
 75-30 = 45 gpm
 45 x .85 = \$ 38.25
 All District meter sizes 1" and above are known and
 billed accordingly

Estimated \$80,000.00

GSA Fees

If based on dwellings

Number of dwellings 0

Fee amount per year \$48,000.00

Cost per dwelling/Mo. #DIV/0!

Total Assumed Annual Income	\$1,871,213.02	Difference between Income and Expenditures
Total Annual Expenditures	\$1,512,100.00	
Total Capital Costs 2019-20	\$ 637,000.00	
Amount needed from reserves	\$277,886.98	Reserve starting amount \$1,734,037.19
Total Annual Budget	\$2,149,100.00	Reserves ending \$1,456,150.21
Percent of Fixed vs variable	-53%	

Total Fixed Income	\$883,234.88
Total Variable Income	\$939,978.14



Meiners Oaks Water District Resolution 061819

The Board of Directors of Meiners Oaks Water District on this 18th Day of June 2019, the following resolution was proposed and approved by the Board:

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 budget for Meiners Oaks Water District, and

NOW, therefore be it resolved by the Meiners Oaks Water District Board of Directors adopts the annual budget for the fiscal year of 2019-2020

Passed, Approved and adopted this 18th day of June 2019

Meiners Oaks Water District
President of the Board

Meiners Oaks water District
Secretary to the Board

DRAFT (6-14-19)

MEINERS OAKS WATER DISTRICT

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

Fanning & Karrh

Certified Public Accountants

A Professional Corporation

DRAFT (6-14-19)

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

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



Fanning & Kann
Certified Public Accountants

A Professional Corporation

DRAFT (6-14-19)

290 Maple Court, Suite 140
Ventura, California 93003
Telephone (805) 654-0450
Fax (805) 654-0325

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Meiners Oaks Water District:

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

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

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

DRAFT (6-14-19)

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the Schedules of Proportionate Share of the Net Pension Liability and of Contributions on page 21, and the Schedule of Changes in the Net OPEB Liabilities and Related Ratios on page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ventura, California
June __, 2019

DRAFT (6-14-19)

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

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

Financial Highlights

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

Required Financial Statements

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

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

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

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

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Statement of Financial Position

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

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

* as restated due to change in accounting principle

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

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

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Statement of Revenues, Expenses and Changes in Net Position

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

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

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Actual Results Compared to Budget

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

Economic Factors

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

Request for Information

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

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

CASH FLOWS FROM OPERATING ACTIVITIES

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

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

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

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

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

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>12,825</u>
-----------------	---------------

NET INCREASE IN CASH AND CASH EQUIVALENTS 149,198

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

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 1,973,058

CASH FLOWS FROM OPERATING ACTIVITIES

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

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 392,355

See accompanying notes to financial statements.

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MEINERS OAKS WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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2. DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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3. CAPITAL ASSETS

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

4. DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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The \$35,526 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

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

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

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

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

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

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

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

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

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

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

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

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

Amortization of Deferred Outflows and Deferred Inflows of Resources – Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflow and deferred inflows of resources related to pension and are to be recognized in future pension expense.

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

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

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

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

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

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

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

C. Payable to the Pension Plan

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

5. OTHER POST EMPLOYMENT BENEFITS

A. General Information about the Pension Plan

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

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

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

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

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

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B. Net OPEB Liability

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

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

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

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

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

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

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

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

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

The components of the net OPEB liability are as follows:

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

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Changes in the Net OPEB Liability

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

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

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

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

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

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

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

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

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6. RISK MANAGEMENT

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

7. CHANGE IN ACCOUNTING PRINCIPLE

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

8. SUBSEQUENT EVENTS

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

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REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Proportionate Share of the Net Pension Liability

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

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

Schedule of Contributions

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

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

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MEINERS OAKS WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net OPEB Liability and Related Ratios

Last Ten Years*

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

Notes to Schedule:

Changes in assumptions: none

Benefit changes - none

* Historical information is required only for measurement period for which GASB 75 is applicable. Future years'

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OTHER REPORT



Fanning & Kahn
Certified Public Accountants

A Professional Corporation

DRAFT (6-14-19)

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Meiners Oaks Water District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meiners Oaks Water District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Meiners Oaks Water District's basic financial statements, and have issued our report thereon dated June __, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

DRAFT (6-14-19)

Purpose of this Report

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

Ventura, California
June __, 2019

DRAFT (6-14-19)



Fanning & Karrh
Certified Public Accountants

A Professional Corporation

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

June __, 2019

In planning and performing our audit of the financial statements of Meiners Oaks Water District (District) as of and for the year ended June 30, 2018 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Organizational Structure

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

Trust Fund

The District has a separate bank account referred to as the Trust Fund. The purpose of the Trust Fund is to hold customers' deposits in accordance with the District's deposit policy. The balance of the Trust Fund at June 30, 2018 was \$13,241.92. The balance of the Customer Service Deposit account at the same date was \$10,715. We recommend these two accounts be analyzed and reconciled.

Unbilled Receivables

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

DRAFT (6-14-19)

Allowance for Doubtful Accounts

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

Accounts Payable

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

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

Fraud Risk Assessment

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

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

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

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

Fanning & Karrh

GM Consumption Report

Account Class	Customers in Class	Consumption	Gallons Per Unit	AC/FT
Agriculture	31	2541	748	5.83
Commercial	55	1775	748	4.07
Residential	1184	13427	748	30.82
Total Consumption	1270	17743	Grand total	40.73

Casitas 2/1-2/13

Wells 2/14-2/28

GM Report

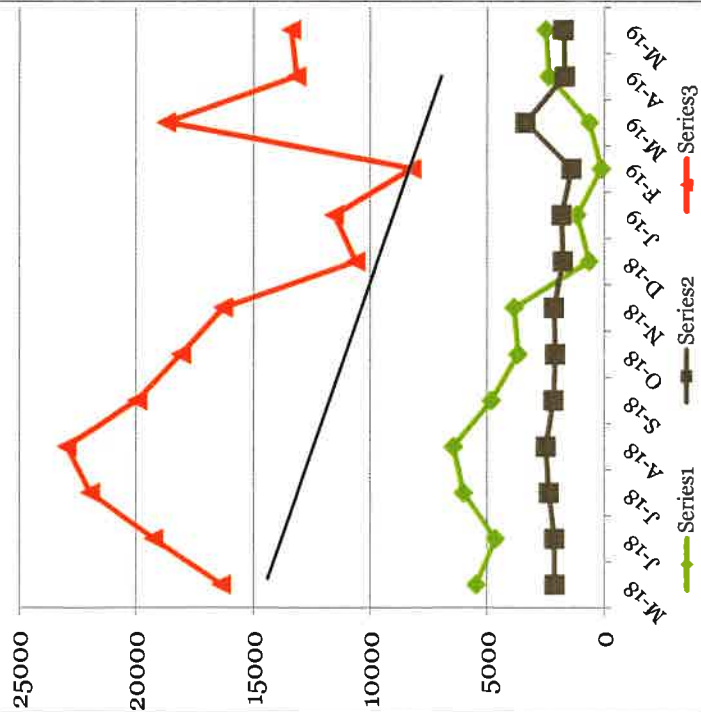
Consumption

	M-18	A-18	M-18	J-18	J-18	A-18	S-18	O-18	N-18	D-18	J-19	F-19	M-19	A-19	M-19
Agriculture	881	3025	5511	4677	6047	6475	4846	3714	3875	681	1212	163	674	2415	2541
Commercial	1433	1631	2137	2141	2384	2513	2183	2114	2167	1788	1852	1417	3385	1712	1775
Residential	9375	12018	16387	19252	21976	22974	19943	18079	16304	10645	11566	8243	18720	13199	13427
Total	11689	16674	24035	26070	30407	31962	26972	23907	22346	13114	14630	9823	22779	17326	17743

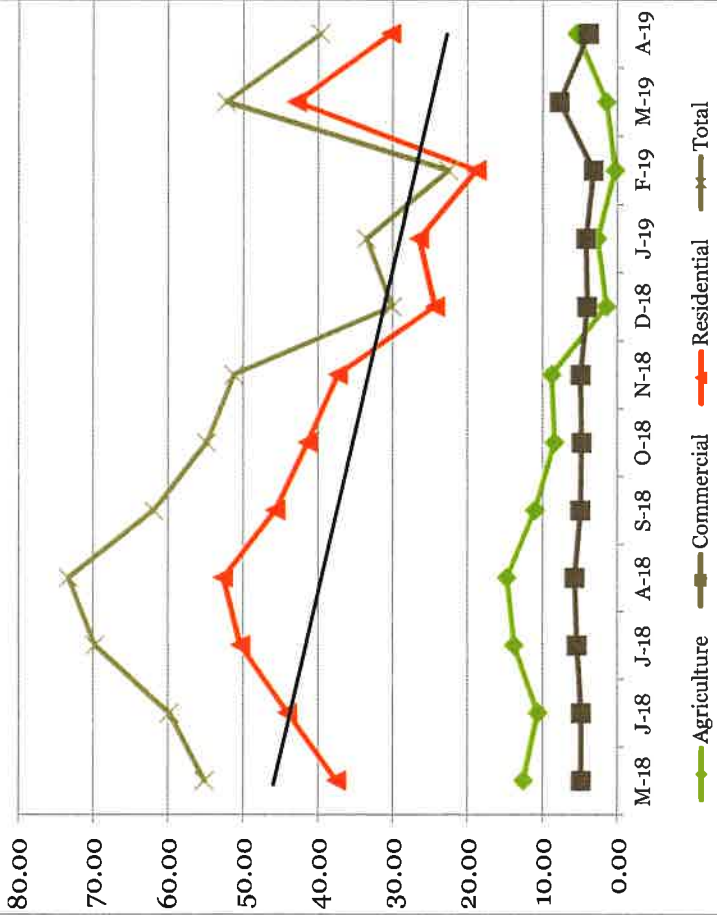
AC/FT

	M-18	A-18	M-18	J-18	J-18	A-18	S-18	O-18	N-18	D-18	J-19	F-19	M-19	A-19	M-19
Agriculture	2.02	6.94	12.65	10.74	13.88	14.86	11.12	8.53	8.90	1.56	2.78	0.37	1.55	5.54	5.83
Commercial	3.29	3.74	4.91	4.92	5.47	5.77	5.01	4.85	4.97	4.10	4.25	3.25	7.77	3.92	4.07
Residential	21.52	27.59	37.62	44.20	50.45	52.74	45.78	41.50	37.43	24.44	26.55	18.92	43	30.29	30.82
Total	26.83	38.28	55.18	59.85	69.81	73.37	61.92	54.88	51.30	30.11	33.59	22.55	52.29	39.75	40.72

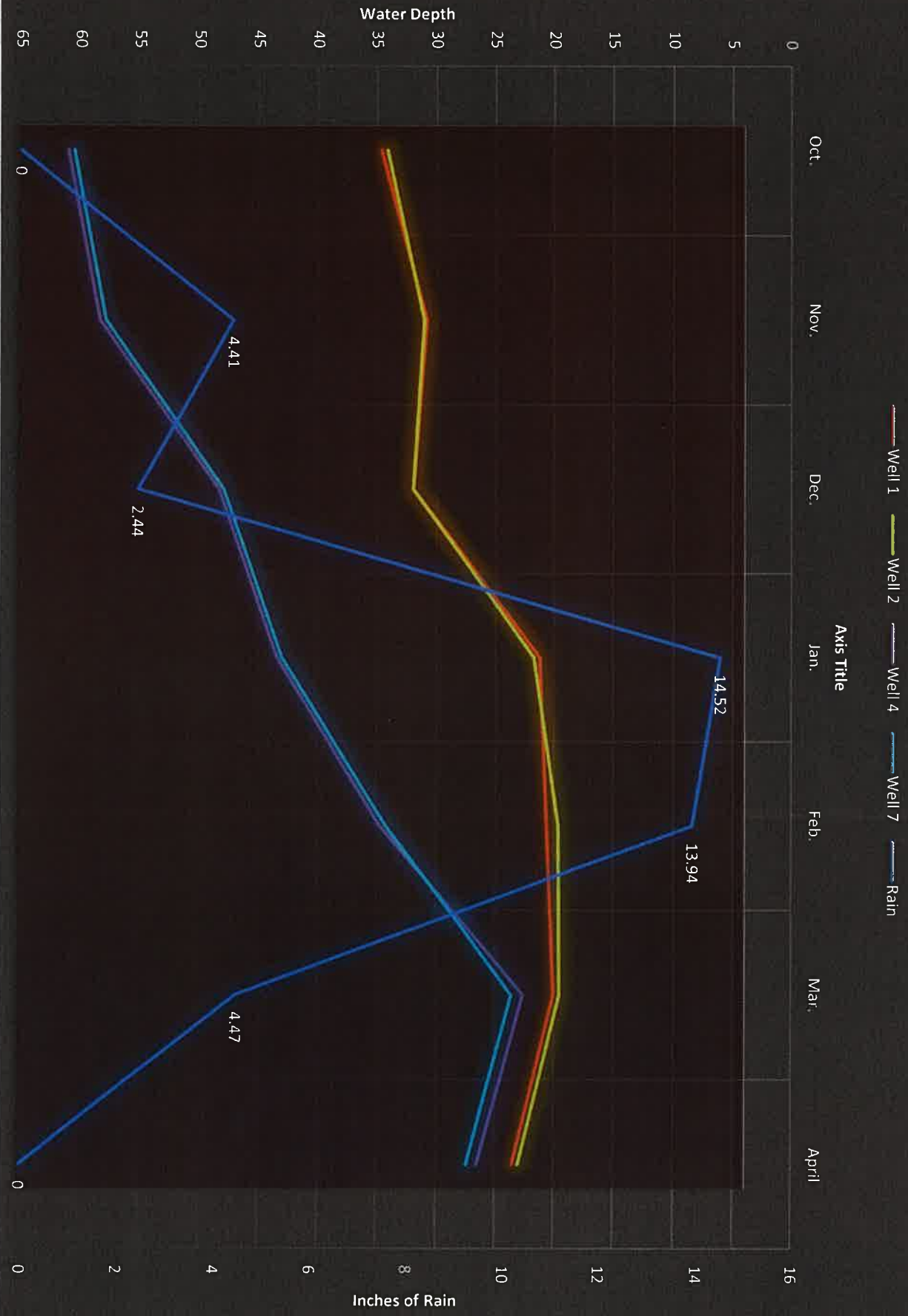
Consumption - Last 12 months



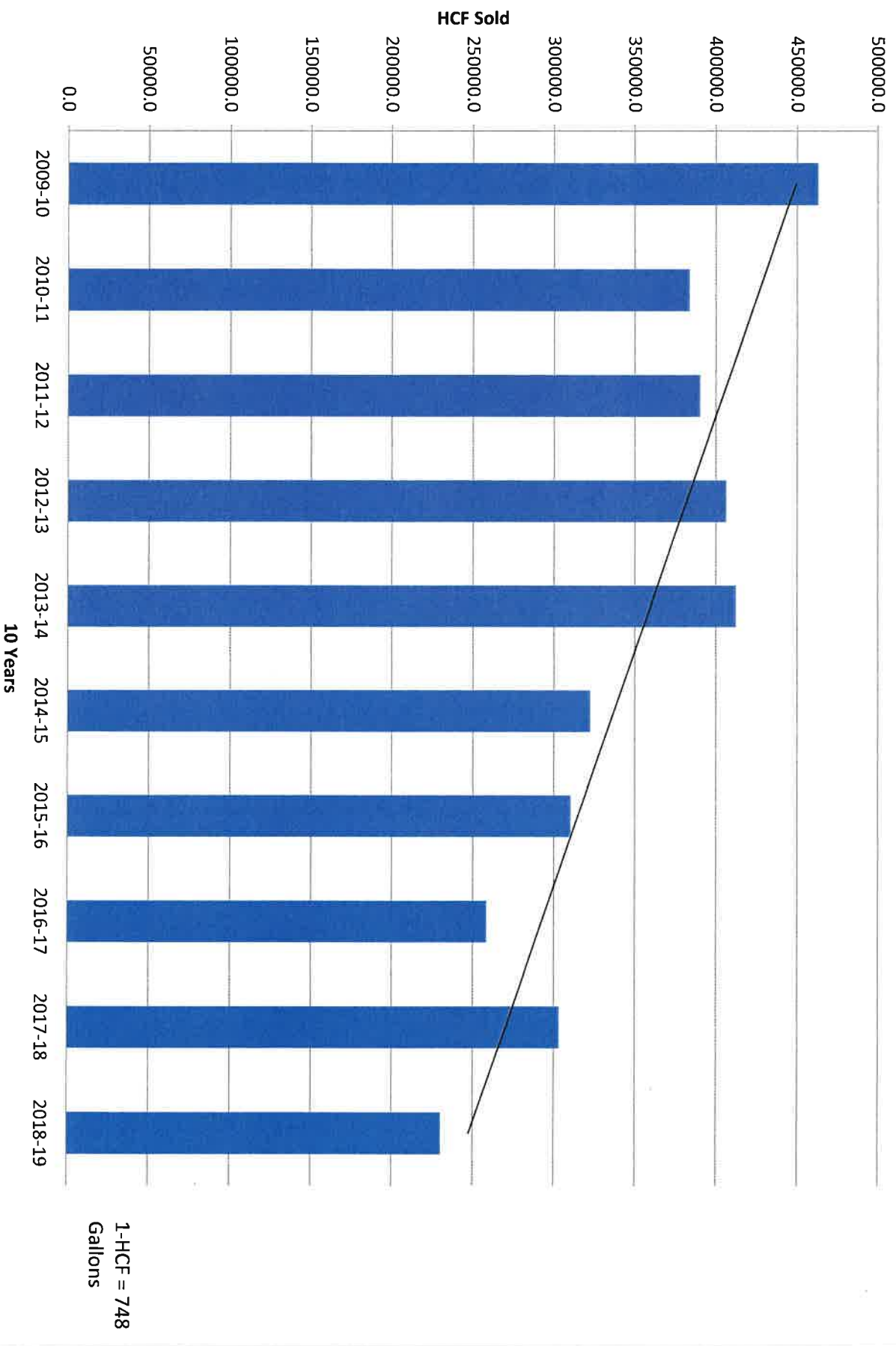
AC/FT - Last 12 months



Static Levels



Water Sales



May 2019



To: Board of Directors of the Meiners Oaks Water District

From: General Manager

Subject: Monthly Manager's Report

Highlights

(Rainy season October thru April)

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

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

LAKE CASITAS LEVEL

44.9%

Board Committees

Current Well levels and specific capacity

Well 1	April	May	Well 2	April	May	Well 4	April	May	Well 7	April	May
Static	23.7'	24.6'	Static	23.7'	24.6'	Static	29.2	32.3'	Static	30.1'	33.2'
Running	'	'	Running	'	'	Running	96.0'	86.1'	Running	33.9'	36.6'
Drawdown	'	'	Drawdown	'	'	Drawdown	66.8'	53.8'	Drawdown	3.8'	3.4'
Specific Cap.	0.00 gal/ft	0.00 gal/ft	Specific Cap.	0.00 gal/ft	0.00 gal/ft	Specific Cap.	6.7 gal/ft	7.99 gal/ft	Specific Cap.	83.8 gal/ft	95.29 gal/ft

Water Production

Water production and sold values are based on a calendar year

GPM'S for May:		
Wells	Average GPM	Typical GPM
1.	0	375
2.	0	250
4.	430	600
7.	324	450
8.	Off	330

Total Pumped

Total Pumped for May	40.67 AF
Total Pumped 2018:	667.54 AF
Total Pumped YTD 2019:	284.40 AF

Total Sold:

Total Sold for May 2019:	40.73 AF
Total Sold YTD 2019:	188.93 AF
Total Sold 2018:	531.65 AF
Total Purchased from CMWD 2019	33.58 AF
Total Purchased May	0.00 AF
Total Purchased YTD 2018	314.91 AF

Total Capacity:

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

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

Water Sales:

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

May 2018:	\$ 43,975.78
May 2019:	\$ 43,282.51

Reserve Funds

Balance at the County of Ventura	\$ 1,387,974.90
Total Taxes*	\$ 1,370.69
Total Interest from reserve account#	\$ 3,509.42

Fiscal Year Total Revenues

July 1 st – May 31 st	2018	\$ 1,601,941.05
July 1 st – May 31 st	2019	\$ 1,584,806.01

Bank Balances

LAIF Balance	\$ 262,239.23
Transferred from the general fund to L.A.I.F.	\$ 0.00
(#) Quarterly Interest from LAIF	\$ 0.00
Money Market (RABO)	\$ 66,804.18
Amount Transferred to RABO Money Market this month	\$ 0.00
Amount Transferred to General Fund from Money Market	\$ 7,500.00
(*) Monthly Interest received from Money Market	\$ 11.59
General Fund Balance	\$ 44,697.54
Trust Fund Balance	\$ 15,932.93
Capital Improvement Fund	\$ 14,410.82
(#) Quarterly Interest from Capital Account	\$.24
Total Interest accrued	\$ 11.83

Water Quality

We are 100% on our wells

Distribution

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

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

Unscheduled Work

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

<u>Total</u>	<u>\$ 147,595.25</u>
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Tanks

1. 250k gallon was installed in 1958 age = 57 (Removed 2015)

May 2019

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

Life expectancy for a bolted tank is 30 – 40 years

Life expectancy for a welded steel tank 100 years

Well Drilled Dates & Depths

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

Board of Directors

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