

Board Meeting Agenda

Russ Baggerly, Director
Mary Bergen, Director
Bill Hicks, Director

Pete Kaiser, Director
James Word, Director

CASITAS MUNICIPAL WATER DISTRICT

January 27, 2016

3:00 P.M.

1055 Ventura Avenue

Oak View, CA 93022

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of ¶54954.2 of the Government Code and except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under section 54954.3 of the Government Code.

1. Public Comments (items not on the agenda – three minute limit).
 2. General Manager comments.
 3. Board of Director comments.
 4. Board of Director Verbal Reports on Meetings Attended.
 5. Consent Agenda
 - a. Minutes of January 9, 2016 Board Workshop.
 - b. Minutes of the January 13, 2016 Board Meeting.
- RECOMMENDED ACTION: Adopt Consent Agenda
6. Bills
 7. Recommend acceptance of the fiscal year 2014-2015 Comprehensive Annual Financial Report.

RECOMMENDED ACTION: Motion approving recommendation

8. Recommend approval of the proposal to set reserves for 2015/2016.

RECOMMENDED ACTION: Motion approving recommendation

9. Resolution awarding a contract to complete the Lake Casitas Water Adventure Playground Repairs, Specification 15-385 to Draper Construction of Somis, California in the amount of \$45,250.

RECOMMENDED ACTION: Adopt Resolution

10. Recommend acceptance of the proposal and entering into an agreement with Mainstreet Architects + Planners, Inc. in an amount not to exceed \$56,590 for design services for the District Office remodel

RECOMMENDED ACTION: Motion approving recommendation

11. Recommend approval of a purchase order to ERS Industrial Services, Inc. in the amount of \$35,153.34 for the removal, cleaning and reinstallation of media in pressure filter #4.

RECOMMENDED ACTION: Motion approving recommendation

12. Recommend approval of the proposed committee assignments and approvals of authorized meetings for board attendance.

RECOMMENDED ACTION: Motion approving recommendation

13. Information Items:

- a. Finance Committee Minutes
- b. Investment Report.

14. Adjournment

If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 649-2251, ext. 113. (Govt. Code Section 54954.1 and 54954.2(a).

Minutes of the Casitas Municipal Water District
Board Planning Workshop Held
January 9, 2016

A planning workshop of the Board of Directors was held January 9, 2016 at the District office in Oak View, California. The meeting was called to order at 9:00 a.m. Directors Bergen, Kaiser, Baggerly, Word, and Hicks were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were four staff members and one member of the public in attendance. President Bergen led the group in the flag salute.

1. Public Comments (items not on the agenda – three minute limit).

None

2. Board and General Manager's Comments.

Mr. Wickstrum reported that the rise in Lake Casitas is primarily rainfall and we hope we receive more rain.

3. Election of Board Officers.

The board rotated their offices with the new officers being as follows:

President	Pete Kaiser
Vice President	Russ Baggerly
Secretary	Jim Word
Asst. Secretary	Bill Hicks
Director	Mary Bergen

Director Hicks thanked Director Bergen for her hard work, grace and intelligence. The slate of officers was offered by Director Bergen, seconded by Director Baggerly and passed by the following roll call vote:

AYES:	Directors:	Bergen, Hicks, Word, Baggerly, Kaiser
NOES:	Directors:	None
ABSENT:	Directors:	None

Director Bergen handed the gavel to President Kaiser who then led the meeting.

4. Selection of Board Committees and Ad Hoc Committees.

- a. Board Member Assignments.
- b. Schedule of Committee Meetings.
- c. Review of Committee Purposes.

The Board selected committees and alternates as follows:

COMMITTEE ASSIGNMENTS:

	<u>Members</u>	<u>Alternate</u>
Executive	Kaiser/Baggerly	None
Finance	Kaiser/Bergen	Word
Personnel	Word/Bergen	Baggerly
Recreation	Hicks/Word	Bergen
Water Resources	Baggerly/Hicks	Kaiser

COMMITTEE DATES AND TIME:

	<u>Date</u>	<u>Time</u>
Executive	2 nd Friday	9:30 a.m.
Finance	3 rd Friday	9:30 a.m.
Personnel	2 nd Monday	4:30 p.m.
Recreation	1 st Tuesday	9:30 a.m.
Water Resources	4 th Tuesday	9:30 a.m.

The board discussed that the dates and times of the meeting are set and if we don't have any business for the meeting it should be cancelled, not rescheduled. Mr. Mathews stated we should not be having special committee meetings. The committees are advisory; a third board member can attend as long as they don't participate in discussion. It is not good for an alternate to attend all the committee meetings. Since this meeting was a workshop, Mr. Mathews asked that approval of these committees be held at the January 27th board meeting. There was brief discussion regarding Resolution 06-53 and the board did not suggest any changes.

5. Assignments to Outside Associations and Approval of Authorized Meetings for the Board.

The board discussed this and the list will be brought back to the January 27th board meeting for approval.

6. Board Discussion on Setting the Priorities of the District for 2016.

The General Manager and the Board discussed the priorities and critical issues that were listed by the General Manager.

Recreation Topics and Priorities

Mr. Wickstrum explained that a key priority is staffing in all areas. It is key and critical to get issues resolved with classifications and get adequate staffing level. We appreciate what RJ does. We need to adequately staff and be ready going into this summer and move forward. There are a lot of moving pieces that need to be coordinated. We have upcoming retirements that will also drive staffing needs.

Director Word added we need to resolve the employee classification issue before you can do the hiring. Where are we on that issue? There needs to be a permanent decision. It seems to be that would be the number 1 priority to then hire and train based on that decision. Mr. Wickstrum informed the board that he has had contact with an attorney that is looking at policies and procedures that have been put together. He hopes to get a proposal to get the work done in the next month or so and then bring that back to the board for policy decision making on our ordinance, adoption of policies and procedures and then move forward with the hiring the staff as peace officer employees. Director Word added we need to do that as soon as possible. Mr. Wickstrum responded that we need to be open minded when we go forward with this and set aside some of the history and do what we have a duty to do and the expectations of the public that visit there. We need to move forward to a better place. Director Baggerly asked what do you mean about setting aside history. Mr. Wickstrum responded that we need to move beyond the past to what is happening now and how to best manage that area. We need to get ordinance and policies and procedures and training aligned with what we need to do and provide clarity to the staff on how they perform. President Kaiser added this is why spec council will be hired. It is dependent on their objective, rational approach.

Mr. Wickstrum then discussed the infrastructure at Recreation. The current situation is the water playground is 18 years old and has some problems. This will need serious dialog on how we are going to fund these projects. It is time to look at a Recreation Master Plan. Another focus is the wastewater system and we are getting proposals to look at that. It may be another part of the plan. Because of the funding strategy, it is a matter of how you implement and timing.

Administrative Topics and Priorities

Mr. Wickstrum discussed various policies and procedures to update and we need to come to some decisions regarding potential rate changes. Are we comfortable with what was presented or do we want to move to a flat rate? Director Word added that making a decision on rates is important. You can't add ten people without paying for them. Regarding employee negotiations it was suggested to put something on an upcoming agenda for discussion.

Office Planning is also related to staffing in this building. We need to create more room and making some changes. Neil has a proposal and is working on it with a consultant for a design that we hope to bring to you at the last meeting in January. We are looking to relocate the board room so the public

enters in the front door and is not able to mingle through the building. We can hire people but we have to have a place for them to work. We can do some of the things in a very straightforward fashion.

Water Topics

The board discussed Water Supply and Demand and the drought including the implementation of the WEAP. An area for future discussion is what to do if we don't get restoration. They also discussed external water supply and then discussed fisheries studies and that this district is wise to have the information to come to scientific decisions for recommendation to be made for Robles. We want to approach it scientifically for water supply and fisheries in Ventura River.

President Kaiser called a recess at 11:00 a.m. and then moved the meeting back into session at 11:10 a.m.

Water infrastructure, meters, hydrants and valve maintenance was discussed. We have 2500 valves to turn and 450 fire hydrants to maintain and about 400 meter vaults. We are looking to implement a work order system again and having an improved preventative maintenance program.

Water quality will continue to have more needs for sampling and there will be more data collection and analysis with the hypolimnetic system. Oxygen is money and we have to optimize that. There continues to be increased regulatory compliance.

The board discussed state water and the proposed contract extension for an additional 35 years and various other items regarding participation in state water.

Regarding the Golden State Water Company acquisition this process is expected to continue this year and we should have discussions in the future regarding series a bonds.

There was a brief discussion regarding the Groundwater Sustainability Agency. Director Bergen will continue to attend the meetings and communicate back to the board.

President Kaiser summed up the 0-6 month target priorities as being hiring of staff, financial issues including water rates, employee negotiations, recreation issues, infrastructure preventative maintenance and Golden State Water Company acquisition items. Director Word added that Mr. Wickstrum should have input on if these can be accomplished in the next six months. Mr. Wickstrum added that with regarding to hiring staff, we have to have places to put them so the office remodel is important.

7. Adjournment

President Kaiser adjourned the meeting at 12:08 p.m. in memory of Rigo Landeros, Fire Chief for the City of Fillmore.

James W. Word, Secretary

Minutes of the Casitas Municipal Water District
Board Meeting Held
January 13, 2016

A meeting of the Board of Directors was held January 13, 2016 at the District office in Oak View, California. The meeting was called to order at 3:00 p.m. Directors Kaiser, Baggerly, Word, Hicks and Bergen were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were nine staff members and one member of the public in attendance. President Kaiser led the group in the flag salute.

1. Public Comments (items not on the agenda – three minute limit).

None

2. General Manager comments.

Mr. Wickstrum reported that the launch ramp at Santa Ana is open for business as a result of the efforts of volunteers and coordination with staff to get the ramp operational in time for the fishing tournament this weekend. Additionally there has been helicopter rescue practice conducted at the lake.

3. Board of Director comments.

President Kaiser suggested that the board be provided the scope of work for the special counsel analysis of the Peace Officer status of the lake personnel and also provide that to our regular counsel. Mr. Wickstrum explained that we have not heard back yet. President Kaiser added it is good to maintain full transparency to this process.

4. Board of Director Verbal Reports on Meetings Attended.

Director Bergen reported on her attendance at two Ventura River Sub Basin GSA meetings and met with the Department of Water Resources Geologist regarding the boundary change. At the January 28th meeting the boundary maps will be available for review and the watershed council will meet February 4th to get that group involved. The estimated cost is \$1,200 per agency to hire Jordan Kerr to do that work on the boundary change. Mr. Wickstrum added that the setup of a web site for the GSA will cost approximately \$946 per agency. This seems like prudent first steps as public outreach is critical. Mr. Wickstrum added that we have the request from OBGMA to support their boundary change.

Director Word reported on his attendance at the AWA meeting and the development of the programming for the year. He added that he and Director Hicks will switch roles adding that all directors can attend the meetings and suggested that the Water Wise breakfast and symposium are beneficial in knowing what is happening in the water world. AWA is in its 40th year and it is starting to have decreasing sponsorships. As a result of this we may see an increase in dues and if we can see our way to help sponsor some of the other events it would be good.

Director Baggerly discussed his attendance at the Ventura River Watershed Council and Director Bergen was also in attendance. The main presentation was from the Watershed Protection District on the storm water plan that is being prepared. He also attended a Web ex meeting for OBGMA and had productive meetings with DWR regarding boundary changes. The map will be prepared and there will be a technical report to provide to DWR. He suggested that a letter of support from Casitas would be appropriate.

5. Consent Agenda ADOPTED

- a. Minutes of December 9, 2015 Meeting.
- b. Resolution approving memberships for 2016.
- c. Recommend approval of Change Order No. 1 – Additional Asphalt Patch Installations in the amount of \$21,700 to Merriman Paving and Excavating Co.

The Consent Agenda was offered by Director Hicks, seconded by Director Bergen and passed by the following roll call vote:

AYES:	Directors:	Bergen, Hicks, Word, Baggerly, Kaiser
NOES:	Directors:	None
ABSENT:	Directors:	None

6. Bills APPROVED

Director Bergen questioned the charge on the Wells Fargo bill for over \$6,000. Mr. Wickstrum stated we would look into that.

Director Hicks questioned the \$25,000 to Tyler Industries. Mr. Wickstrum informed the board that this is annual accounting software support. Director Hicks then questioned the payment of \$8,000 to Pueblo Water Resources to look at the Mira Monte Well. Mr. Wickstrum informed the board that we hired them to look at and provide assessments and some options. They are performing the scope of work we requested. The well is currently out of commission.

On the motion of Director Word, seconded by Director Hicks, the bills were approved by the following roll call vote:

AYES:	Directors:	Bergen, Hicks, Word, Baggerly, Kaiser
NOES:	Directors:	None
ABSENT:	Directors:	None

7. Resolution Expressing Appreciation to Dorothy Fortner on her Retirement after 26 Years of Service. ADOPTED

President Kaiser read the resolution and the board offered their thanks to Ms. Fortner for her many years of service and dedication to the District.

On the motion of Director Bergen, seconded by Director Baggerly, the above resolution was adopted by the following roll call vote:

AYES:	Directors:	Bergen, Hicks, Word, Baggerly, Kaiser
NOES:	Directors:	None
ABSENT:	Directors:	None

8. Presentation of the 2015 Casitas Water Adventure End of Season Report.
RECEIVED

Park Services Officer Aaron Wall presented his report and informed the board of the play structure leaks. The play structure is 18 years old and there is not that much life expectancy left in it. We had an attendance decrease and mostly that is due to the play structure being closed for the last part of the season. We are excited to get it patched back together and are ramping up for the next season.

Director Hicks commented that he liked the ads on channel 3 and suggested having a picture of the lifeguards in the paper. Mr. Wall added that he believes we are the largest youth employer in the Ojai Valley. President Kaiser added that how well the team works together is notable and a major part of it is you overseeing it.

There was discussion regarding an upcoming bid for the repair of the structure in the hopes to have it operational this year and the desire to work towards the creation of a master plan for the Water Adventure for the future. Director Baggerly expressed his concern that we don't want to provide for the Disneyfication of the LCRA. He hopes that we can create a theme that ties it in to the community. Mr. Wall ended his presentation by announcing that he and his wife are expecting their second child.

On the motion of Director Baggerly, seconded by Director Hicks, the above report was received for filing by the following roll call vote:

AYES:	Directors:	Bergen, Hicks, Word, Baggerly, Kaiser
NOES:	Directors:	None
ABSENT:	Directors:	None

9. Resolution awarding a contract to PSLA Security Systems in the amount of \$21,650 to provide and install the Lake Casitas Recreation Area Entrance Gate Security Camera System.
APPROVED

On the motion of Director Baggerly, seconded by Director Bergen and passed, the above recommendation was approved by the following roll call vote:

AYES:	Directors:	Bergen, Hicks, Word, Baggerly, Kaiser
NOES:	Directors:	None
ABSENT:	Directors:	None

10. Recommendation to approve a request a Utility Foreperson and an additional Utility Worker position. APPROVED

On the motion of Director Baggerly, seconded by Director Bergen, the above recommendation was approved by the following roll call vote:

AYES: Directors: Bergen, Hicks, Word, Baggerly, Kaiser
NOES: Directors: None
ABSENT: Directors: None

11. Recommend approval of the General Manager Evaluation Protocol and Evaluation Form APPROVED

On the motion of Director Bergen, seconded by Director Hicks, the above recommended protocol and format was approved along with the appointment of the President of the Board by the following roll call vote:

AYES: Directors: Bergen, Hicks, Word, Baggerly, Kaiser
NOES: Directors: None
ABSENT: Directors: None

12. Information Items:

- a. Water Consumption Report.
- b. CFD No. 2013-1 (Ojai) Monthly Cost Analysis.
- c. Investment Report.

On the motion of Director Bergen, seconded by Director Word, the Information items were approved by the following roll call vote:

AYES: Directors: Bergen, Hicks, Word, Baggerly, Kaiser
NOES: Directors: None
ABSENT: Directors: None

President Kaiser moved the meeting to closed session at 3:41 p.m.

13. Closed Session

- a. Conference with Legal Counsel -- Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9, Government Code. (number of potential cases: one)

President Kaiser moved the meeting back into open session at 4:56 p.m. With Mr. Mathews reporting that general counsel met with the board and received instructions from the Board.

The Clerk informed the board that the Wells Fargo charge was for the purchase of the emergency preparedness backpacks that were provided to staff.

14. Adjournment

President Kaiser adjourned the meeting at 4:58 p.m.


James W. Word, Secretary

CASITAS MUNICIPAL WATER DISTRICT
Payable Fund Check Authorization
Checks Dated 1/13/16-01/19/16
Presented to the Board of Directors For Approval January 13, 2016

Check	Payee			Description	Amount
000618	Payables Fund Account	#	9759651478	Accounts Payable Batch 011916	\$207,918.09
					\$207,918.09
000619	Payroll Fund Account	#	9469730919	Estimated Payroll 2/4/16	\$140,000.00
					\$140,000.00
				Total	\$347,918.09

Publication of check register is in compliance with Section 53065.6 of the Government Code which requires the District to disclose reimbursements to employees and/or directors.

The above numbered checks, 000618-000619 have been duly audited is hereby certified as correct.

 1/20/16

 Denise Collin, Accounting Manager/Treasurer

 Signature

 Signature

 Signature

CERTIFICATION

Payroll disbursements for the pay period ending 1/16/16
Pay Date of 1/21/16
have been duly audited and are
hereby certified as correct.

Signed: Denise Collin 1/19/16
Denise Collin

Signed: _____
Signature

Signed: _____
Signature

Signed: _____
Signature

A/P Fund

Publication of check register is in compliance with Section 53065.6 of the Government Code which requires the District to disclose reimbursements to employees and/or directors.

000618	A/P Checks:	022673-022770
	A/P Draft to P.E.R.S.	011963
	A/P Draft to State of CA	011962
	A/P Draft to I.R.S.	011961
	Voids:	022730

The above numbered checks, have been duly audited and are hereby certified as correct.


Denise Collin, Accounting Manager/Treasurer

Signature

Signature

Signature

1/20/2016 9:46 AM
 ENDOR SET: 01 Casitas Municipal Water D
 ANK: * ALL BANKS
 ATE RANGE: 1/11/2016 THRU 1/19/2016

A/P HISTORY CHECK REPORT

ENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	1/19/2016			022730		

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:				
1 VOID DEBITS		0.00		
VOID CREDITS		0.00	0.00	

TOTAL ERRORS: 0

VENDOR SET: 01 BANK:	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
		1	0.00	0.00	0.00
BANK:	TOTALS:	1	0.00	0.00	0.00

ENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 1/11/2016 THRU 1/19/2016

ENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0128	INTERNAL REVENUE SERVICE							
I-T1 201601191060	Federal Withholding	D	1/19/2016	23,739.70		011961		
I-T3 201601191060	FICA Withholding	D	1/19/2016	23,881.26		011961		
I-T4 201601191060	Medicare Withholding	D	1/19/2016	5,585.14		011961		53,206.10
0049	STATE OF CALIFORNIA							
I-T2 201601191060	State Withholding	D	1/19/2016	7,814.65		011962		7,814.65
0187	CALPERS							
I-PBB201601191060	PERS BUY BACK	D	1/19/2016	66.87		011963		
I-PBP201601191060	PERS BUY BACK	D	1/19/2016	161.96		011963		
I-PEB201601191060	PEBRA EMPLOYEES PORTION	D	1/19/2016	1,543.19		011963		
I-PER201601191060	PERS EMPLOYEE PORTION	D	1/19/2016	9,703.89		011963		
I-PRB201601191060	PEBRA EMPLOYER PORTION	D	1/19/2016	1,539.96		011963		
I-PRR201601191060	PERS EMPLOYER PORTION	D	1/19/2016	10,104.65		011963		23,120.52
1280	FRY'S ELECTRONICS, INC.							
I-6167513	Modules for Computers, PL,Fish	R	1/13/2016	172.76		022673		
I-6167513a	Supplies for IT Dept	R	1/13/2016	49.66		022673		222.42
1270	SCOTT LEWIS							
I-Dec 15	Reimburse Expenses 12/15	R	1/13/2016	2,728.77		022674		2,728.77
2724	Michael Moler							
I-Dec 15	Reimburse Mileage 12/15	R	1/13/2016	135.70		022675		135.70
1944	Luke Scholt							
I-010716	Class Reimbursement	R	1/13/2016	168.00		022676		168.00
2643	Take Care by WageWorks							
I-3898587	Reimburse Medical	R	1/13/2016	70.00		022677		70.00
1325	Aflac Worldwide Headquarters							
I-496197	Supplemental Insurance 1/16	R	1/19/2016	3,217.56		022678		3,217.56
0010	AIRGAS USA LLC							
I-9046626991	Welding Helmet, Supplies, PL	R	1/19/2016	229.29		022679		
I-9932764934	Cylinder Rental, Pipelines	R	1/19/2016	60.23		022679		289.52
0859	AMERICAN FISHERIES SOCIETY							
I-121415	2016 Dues Renewal	R	1/19/2016	90.00		022680		90.00
0836	AMERICAN RED CROSS							
C-8455GRCSa	Accrue Use Tax	R	1/19/2016	6.74CR		022681		
D-8455GRCSa	Accrue Use Tax	R	1/19/2016	6.74		022681		
I-8455GRCS	Lifeguard Training Material WP	R	1/19/2016	89.91		022681		89.91

ENDOR SET: 01 Casitas Municipal Water D
ANK: AP ACCOUNTS PAYABLE
ATE RANGE: 1/11/2016 THRU 1/19/2016

ENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0022	AMERICAN WATER WORKS ASSOC. I-7001088392 2016 Membership Dues	R	1/19/2016	420.00		022682		420.00
0014	AQUA-FLO SUPPLY I-873473 Irrigation Parts for Picnic #8	R	1/19/2016	224.14		022683		224.14
2179	Art Street Interactive I-122612 Res Sys, Web Hosting/Maint	R	1/19/2016	542.15		022684		542.15
0040	ASPEN HELICOPTERS, INC. I-0313615IN Casitas Dam Weed Spraying	R	1/19/2016	7,500.00		022685		7,500.00
0434	ASSOCIATION OF CALIFORNIA I-110215 2016 Annual Agency Dues	R	1/19/2016	21,189.33		022686		21,189.33
0020	AVENUE HARDWARE, INC I-62886 Hose, Pipe for Casitas #1 I-62909 Caulk for TP Skylight Replace	R R	1/19/2016 1/19/2016	37.18 15.38		022687 022687		52.56
0021	AWA OF VENTURA COUNTY I-068539 2016 Annual Membership	R	1/19/2016	6,000.00		022688		6,000.00
0030	B&R TOOL AND SUPPLY CO I-1900875678 Grinder, Tools for TP I-1900877075 Hole Saw for Pipelines	R R	1/19/2016 1/19/2016	200.29 8.57		022689 022689		208.86
0326	BEN MEADOWS I-SI02180675 Shade Cloth, Swallow Control	R	1/19/2016	606.57		022690		606.57
2283	Mary Bergen I-Dec 15 Reimburse Mileage 12/15 I-Nov 15 Reimburse Mileage 11/15 I-Oct 15 Reimburse Mileage 10/15	R R R	1/19/2016 1/19/2016 1/19/2016	8.51 17.02 12.76		022691 022691 022691		38.29
0051	BOARD OF EQUALIZATION I-123115 Underground Storage Tank Fee Acct#44-030877 District Office	R	1/19/2016	254.04		022692		254.04
0051	BOARD OF EQUALIZATION I-123115a Underground Storage Tank Fee Acct#44-030670 LCRA	R	1/19/2016	292.32		022693		292.32
0756	BOARD OF EQUALIZATION I-011316 2015 Sales Tax Return LCRA	R	1/19/2016	190.00		022694		190.00

1/20/2016 9:46 AM
ENDOR SET: 01 Casitas Municipal Water D
ANK: AP ACCOUNTS PAYABLE
ATE RANGE: 1/11/2016 THRU 1/19/2016

A/P HISTORY CHECK REPORT

PAGE: 4

ENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0756	BOARD OF EQUALIZATION							
I-123115	4th Qtr Use Tax Return	R	1/19/2016	2,126.00		022695		2,126.00
0067	CALIFORNIA SPECIAL DISTRICTS A							
I-2016	2016 Membership Dues	R	1/19/2016	6,089.00		022696		6,089.00
0055	CASITAS BOAT RENTALS							
I-Dec 15 Cafe Passes	Reimburse Cafe Passes	R	1/19/2016	1,370.00		022697		1,370.00
2564	CD Photocopy Service, Inc.							
I-147872	Copies, Claim#13-11419	R	1/19/2016	59.39		022698		
I-148061	Copies, Claim#13-11419	R	1/19/2016	173.38		022698		
I-148324	Copies, Claim#13-11419	R	1/19/2016	83.24		022698		
I-150520	Copies, Claim#13-11419	R	1/19/2016	124.10		022698		440.11
0511	Centers for Family Health							
I-54220	Pre-Employment Physical	R	1/19/2016	60.00		022699		60.00
1391	CLARK'S PRINTING							
I-150635	Water Conservation Lawn Signs	R	1/19/2016	951.38		022700		951.38
1843	COASTAL COPY							
I-647854	Copier Usage, LCRA	R	1/19/2016	70.74		022701		
I-648005	Copier Usage, Dist Ofc	R	1/19/2016	126.50		022701		197.24
0059	COASTAL PIPCO							
I-S1891787001	T/P Chlorination PM Parts	R	1/19/2016	170.32		022702		
I-S1891787002	Grabber Rings for TP	R	1/19/2016	68.26		022702		238.58
0061	COMPUWAVE							
I-SB02082274	Toner Cartridges	R	1/19/2016	266.05		022703		266.05
0062	CONSOLIDATED ELECTRICAL							
I-9009727302	Heat Shrink for Pump Plants	R	1/19/2016	56.20		022704		56.20
0719	CORELOGIC INFORMATION SOLUTION							
I-81651306	Realquest Subscription	R	1/19/2016	137.50		022705		137.50
1483	CORVEL CORPORATION							
I-697942611	Bill Review	R	1/19/2016	12.86		022706		12.86
1764	DataProse, LLC							
I-DP1503610	UB Mailing 123115	R	1/19/2016	1,892.49		022707		1,892.49

VENDOR SET: 01 Casitas Municipal Water D

BANK: AP ACCOUNTS PAYABLE

DATE RANGE: 1/11/2016 THRU 1/19/2016

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0081	DELTA LIQUID ENERGY I-19892 Propane for Damtender	R	1/19/2016	123.30		022708		123.30
0798	DEPT. OF FORESTRY AND FIRE PRO I-3FCSY001 Brush Removal, Robles	R	1/19/2016	456.00		022709		456.00
0488	ELECTRONIC SYSTEMS TECHNOLOGY C-31177a Accrue Use Tax D-31177a Accrue Use Tax I-31177 Modem Cables for Telemetry	R R R	1/19/2016 1/19/2016 1/19/2016	32.96CR 32.96 455.73		022710 022710 022710		455.73
0085	ELIFEGUARD, INC. C-60865a Accrue Use Tax D-60865a Accrue Use Tax I-60865 Lifeguard Uniforms	R R R	1/19/2016 1/19/2016 1/19/2016	318.32CR 318.32 4,363.26		022711 022711 022711		4,363.26
0095	FAMCON PIPE & SUPPLY I-175624 4" Hydrant Line Repair Parts I-175767 4" Hydrant Line Repair Parts I-176241 Clamps for Warehouse Stock	R R R	1/19/2016 1/19/2016 1/19/2016	1,057.80 672.95 184.90		022712 022712 022712		1,915.65
0099	FGL ENVIRONMENTAL I-512282A Manganese Profile 10/30/15 I-512619A Manganese Profile 11/4/15 I-513221A Manganese Profile 11/20/15 I-513383A Manganese Profile 11/25/15	R R R R	1/19/2016 1/19/2016 1/19/2016 1/19/2016	145.00 145.00 145.00 145.00		022713 022713 022713 022713		580.00
0101	FISHER SCIENTIFIC I-9380131 Chemicals for Water Quality	R	1/19/2016	65.92		022714		65.92
0104	FRED'S TIRE MAN I-88147 Flat Repair I-88181 Oil Change #52, E&M Truck	R R	1/19/2016 1/19/2016	20.00 42.90		022715 022715		62.90
0109	G&S BUILDING SUPPLIES, INC I-817063 Plywood, TP Skylight Replace	R	1/19/2016	41.82		022716		41.82
2720	Garda CL West, Inc. I-20127286 Excess Charges, Armored Truck LCRA	R	1/19/2016	27.90		022717		27.90
0115	GRAINGER, INC I-9935021429 Batteries for Stock	R	1/19/2016	35.49		022718		35.49

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 1/11/2016 THRU 1/19/2016

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
2748	Hanna Instruments							
	C-445921A							
	D-445921A	R	1/19/2016	7.95CR		022719		
	I-445921	R	1/19/2016	7.95		022719		
		R	1/19/2016	106.00		022719		106.00
1052	HARBOR FREIGHT TOOLS USA, INC							
	I-03260891	R	1/19/2016	11.80		022720		11.80
0596	HOME DEPOT							
	I-1762679	R	1/19/2016	65.01		022721		
	I-2702209	R	1/19/2016	107.47		022721		
	I-2832371	R	1/19/2016	191.35		022721		
	I-2900665	R	1/19/2016	1,079.57		022721		1,443.40
2288	Hopkins Technical Products, In							
	I-3615301543	R	1/19/2016	1,500.70		022722		1,500.70
0872	Irrisoft, Inc.							
	I-5703	R	1/19/2016	79.00		022723		79.00
2820	Henry Islas							
	I-011316	R	1/19/2016	170.00		022724		170.00
2344	Janitek Cleaning Solutions							
	I-22208A	R	1/19/2016	135.00		022725		
	I-22335A	R	1/19/2016	1,329.00		022725		1,464.00
0131	JCI JONES CHEMICALS, INC							
	I-678412	R	1/19/2016	1,770.00		022726		1,770.00
1022	KELLY CLEANING & SUPPLIES, INC							
	I-29867500	R	1/19/2016	280.00		022727		280.00
0328	LIGHTNING RIDGE							
	I-1041602	R	1/19/2016	964.28		022728		
	I-12151509	R	1/19/2016	891.54		022728		1,855.82
0151	MEINERS OAKS ACE HARDWARE							
	I-696712	R	1/19/2016	94.61		022729		
	I-697149	R	1/19/2016	93.82		022729		
	I-698913	R	1/19/2016	131.67		022729		
	I-698916	R	1/19/2016	41.00		022729		
	I-699472	R	1/19/2016	49.96		022729		
	I-699583	R	1/19/2016	30.90		022729		
	I-699626	R	1/19/2016	21.96		022729		
	I-699965	R	1/19/2016	43.39		022729		
	I-700054	R	1/19/2016	28.48		022729		
	I-700146	R	1/19/2016	15.65		022729		

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 1/11/2016 THRU 1/19/2016

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
I-700183	Extention Cord for Pump Plants	R	1/19/2016	37.59		022729		
I-700463	Angles, Corner Braces, Fish	R	1/19/2016	47.57		022729		
I-700483	Cleaning Supplies for LCRA	R	1/19/2016	32.52		022729		
I-700515	Wood Filler,Lock for Waterpark	R	1/19/2016	14.65		022729		
I-700555	Phone Case for Telemetry	R	1/19/2016	9.77		022729		
I-700561	Screws, Anchors for Dist Maint	R	1/19/2016	21.33		022729		
I-700656	Concrete for Canal Drains	R	1/19/2016	212.77		022729		
I-700702	Cable Ties, Velcro for LCRA	R	1/19/2016	18.93		022729		
I-700810	Bolts, Screws for Fisheries	R	1/19/2016	6.28		022729		
I-700866	Pipe Straps, Screws, Dst Maint	R	1/19/2016	34.98		022729		
I-700891	Hole Saw for Pipelines	R	1/19/2016	19.54		022729		1,007.37
0163	OFFICE DEPOT							
I-814776492001	Copy Paper for District	R	1/19/2016	623.29		022731		
I-815252678001	Office Supplies	R	1/19/2016	18.06		022731		
I-815252808001	Office Supplies	R	1/19/2016	37.61		022731		
I-817599788001	Office Supplies	R	1/19/2016	8.58		022731		687.54
01570	Ojai Auto Supply LLC							
I-360655	Taillight for #42, Pipelines	R	1/19/2016	7.51		022732		7.51
0165	OJAI LUMBER CO, INC							
I-1601755073	Lumber for Dist Maint	R	1/19/2016	3.61		022733		3.61
0161	OJAI VALLEY CHAMBER OF							
I-111504	2016 Membership Dues	R	1/19/2016	690.00		022734		690.00
0169	OJAI VALLEY SANITARY DISTRICT							
I-17962	Cust#20594	R	1/19/2016	166.08		022735		
I-18037	Cust#52921	R	1/19/2016	55.36		022735		221.44
1381	ONTRAC							
I-8337625	Refrigerated Sample to Biovir	R	1/19/2016	4.30		022736		4.30
0952	PAPA							
I-2016	Membership for Dist Maint	R	1/19/2016	45.00		022737		
I-2016a	2016 Membership, LCRA Maint	R	1/19/2016	45.00		022737		90.00
2187	Fitney Bowes Inc							
I-645323	Quarterly PostageMeter Rental	R	1/19/2016	112.88		022738		112.88
0823	POLYDYNE, INC.							
I-1017448	Cationic Polymer for TP	R	1/19/2016	14,036.00		022739		14,036.00

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 1/11/2016 THRU 1/19/2016

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1439	PRECISION POWER EQUIPMENT I-2701 Spark Plugs, Air Filters, DM	R	1/19/2016	38.92		022740		38.92
0042	PSR ENVIRONMENTAL SERVICE, INC I-7451 Gas Tank Inspection, Dist Ofc I-7452 Gas Tank Inspection, LCRA	R R	1/19/2016 1/19/2016	210.00 210.00		022741 022741		420.00
2767	Pueblo Water Resources, Inc. I-2015103 Mira Monte Well Evaluation	R	1/19/2016	1,710.00		022742		1,710.00
2804	Keith A Robertson, MD I-081815 DOS 8/18/15, Claim#15-19309	R	1/19/2016	86.55		022743		86.55
0725	SMART & FINAL I-122915a Vinegar & Coffee for TP	R	1/19/2016	35.30		022744		35.30
2703	Sunbelt Rentals I-57247850001 Slurry Mix for Pipelines	R	1/19/2016	367.65		022745		367.65
2731	Superior AED I-12309 AED Oversight & Direction	R	1/19/2016	250.00		022746		250.00
2643	Take Care by WageWorks I-011216 Reimburse Medical, Inv#3900706 I-3910753 Reimburse Medical	R R	1/19/2016 1/19/2016	2,569.16 36.50		022747 022747		2,605.66
2527	Traffic Technologies LLC I-20211 Signs for Ammonia Tanks, TP	R	1/19/2016	66.96		022748		66.96
1048	VAUGHAN'S INDUSTRIAL REPAIR CO I-023034 Mechanical Seal, 4M PP	R	1/19/2016	1,544.07		022749		1,544.07
0239	VENTURA CHAMBER OF COMMERCE I-121508 2016 Membership Dues	R	1/19/2016	895.00		022750		895.00
0258	VENTURA STEEL, INC I-176100 Test Fixture Material, Robles	R	1/19/2016	144.59		022751		144.59
9955	VENTURA WHOLESALE ELECTRIC I-206373 Electrical Parts for PP I-206402 Cable Ties, Covers for PP	R R	1/19/2016 1/19/2016	60.20 74.44		022752 022752		134.64
1283	Verizon Wireless I-9758279562 Monthly Cell Charges, DO & TP Acct#7706283040001 I-9758280139 Monthly Cell Charges, LCRA Acct#77232361800001	R R	1/19/2016 1/19/2016	706.58 488.03		022753 022753		1,194.61

ENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 1/11/2016 THRU 1/19/2016

ENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1396	VULCAN MATERIALS COMPANY							
I-70994349	Asphalt Recycling, Pipelines	R	1/19/2016	200.00		022754		
I-70994350	Cold Mix for Pipelines	R	1/19/2016	361.74		022754		561.74
0663	WAXIE SANITARY SUPPLY							
I-75716408	Janitorial Supplies, Dist Ofc	R	1/19/2016	645.33		022755		645.33
0270	Wells Fargo Bank							
I-010816	Camera & DVR for Fisheries	R	1/19/2016	258.80		022756		
I-010816a	Supplies for End of Year Lunch	R	1/19/2016	91.94		022756		350.74
I-000201601081057	Donald Ornelas TS Refund	R	1/19/2016	140.00		022757		140.00
I-000201601141059	Gerard Linsmeier TS Refund	R	1/19/2016	170.00		022758		170.00
I-000201601141058	Robert Martinez TS Refund	R	1/19/2016	84.00		022759		84.00
0124	ICMA RETIREMENT TRUST - 457							
I-CUI201601191060	457 CATCH UP	R	1/19/2016	461.54		022760		
I-DCI201601191060	DEFERRED COMP FLAT	R	1/19/2016	2,359.62		022760		
I-DI%201601191060	DEFERRED COMP PERCENT	R	1/19/2016	134.71		022760		2,955.87
1960	Moringa Community							
I-MOR201601191060	PAYROLL CONTRIBUTIONS	R	1/19/2016	16.75		022761		16.75
0985	NATIONWIDE RETIREMENT SOLUTION							
I-CUN201601191060	457 CATCH UP	R	1/19/2016	211.53		022762		
I-DCN201601191060	DEFERRED COMP FLAT	R	1/19/2016	3,883.85		022762		
I-DN%201601191060	DEFERRED COMP PERCENT	R	1/19/2016	319.30		022762		4,414.68
0180	S.E.I.U. - LOCAL 721							
I-COP201601191060	SEIU 721 COPE	R	1/19/2016	12.00		022763		
I-UND201601191060	UNION DUES	R	1/19/2016	710.50		022763		722.50
1400	STATE DISBURSEMENT UNIT							
I-CS4201601191060	Payroll Deduction 10-D000121	R	1/19/2016	818.57		022764		818.57
0230	UNITED WAY							
I-UWY201601191060	PAYROLL CONTRIBUTIONS	R	1/19/2016	60.00		022765		60.00

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 1/11/2016 THRU 1/19/2016

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
19569	ALLCABLE I-218404800 Ethernet Cable for Vaki	R	1/19/2016	105.85		022766		105.85
12818	Bay City Fab I-7096 VAKI Camera Housing	R	1/19/2016	430.00		022767		430.00
12675	Mosler Rock Products I-3209 Float Rock for Santa Ana Ramp I-3210 Gravel for Santa Ana Ramp	R R	1/19/2016 1/19/2016	982.34 542.77		022768 022768		1,525.11
10165	OJAI LUMBER CO, INC I-1601755495 Lumber for Divider Wall, LCRA	R	1/19/2016	319.84		022769		319.84
12515	Water Quality Solutions, Inc. I-199 Hypolimnetic System Support	R	1/19/2016	8,925.00		022770		8,925.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	97	123,776.82	0.00	123,776.82
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	3	84,141.27	0.00	84,141.27
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	

TOTAL ERRORS: 0

VENDOR SET: 01	BANK: AP	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
			100	207,918.09	0.00	207,918.09
BANK: AP	TOTALS:		100	207,918.09	0.00	207,918.09
REPORT TOTALS:			101	207,918.09	0.00	207,918.09

Casitas Municipal Water District

*Comprehensive Annual Financial Report
For the Year Ended June 30, 2015*



1055 Ventura Avenue, Oak View, California 93022 . 805.649.2251

www.casitaswater.com

Casitas Municipal Water District
Oak View, California

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Prepared by:

Denise Collin – Accounting Manager / Treasurer

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**Casitas Municipal Water District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015**

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**Casitas Municipal Water District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015**

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INTRODUCTORY SECTION

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December 31, 2015

Board of Directors
Casitas Municipal Water District

Introduction

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Casitas Municipal Water District (District) for the year ended June 30, 2015, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditors' Report.

District Structure and Leadership

The Casitas Municipal Water District is a special district of the State of California that provides domestic and agricultural water services to the western portion of Ventura County. The District's Board of Directors is composed of five members who are elected in specified election divisions. The Directors serve terms of four years with an election held every two years for alternating divisions. The District also provides recreational activities at Lake Casitas. The water district and the lake activities are accounted for as an enterprise fund.

Formed in 1952, the District was the inspiration of area civic leaders, cattlemen, and citrus ranchers who were frustrated by a severe drought and subsequent water rationing. Between 1952 and 1956, when ground was broken for Casitas Dam, the District sought and obtained commitments for 50-year federal loans to construct Casitas Dam and the Robles-Casitas Diversion Canal. Engineers drilled through 1,800 feet of rock for the outlet tunnel, and built an earthen dam with 9.2 million cubic yards of earth. Final cost of the reservoir, dam and Lake Casitas Recreation Area was \$20 million.

Drawing from the 105-square mile watershed, Lake Casitas began to form in the Santa Ana Valley. In 1978, 19 years after the dam's completion, the lake overflowed for the first time. With a capacity of 254,000-acre feet, the reservoir has a shoreline of 35 miles and provides water to over 65,000 people.

Water quality is strictly controlled in the surrounding 3,200-acre Charles M. Teague Memorial Watershed. Since 1974, the federal government has spent more than \$25 million to purchase lands in the watershed to preserve water quality from the pollution of over development.

For the past forty-seven years, Casitas Municipal Water District has been a strong proponent of watershed protection and lake management. The efforts to protect the Lake Casitas watershed and lake management practices developed by the District provide an excellent quality of water to the customers. Regulatory changes affecting surface waters had moved the District through considerations for filtration avoidance to the conclusion that construction of a water filtration plant was necessary to meet regulatory requirements. The Marion R. Walker Pressure Filtration Plant was designed and constructed to meet those requirements and became fully operational on November 6, 1997. Casitas was proud to receive a water supply permit from the Department of Health Services granting the District permission to supply water for domestic purposes after completion of the treatment plant.

Economic Condition and Outlook

The District offices are located in the Ojai Valley in Ventura County. Santa Barbara and Ventura counties have shown the healthiest economic growth in the region. The economic outlook for Southern California is one of cautious and slow growth.

California's water supply continues to be a concern due to projected population increases. This concern has increased interest in conservation and in irrigation methods and systems. The District has led the area in its conservation efforts and will continue to make strides in this area.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects.

The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors annually adopts an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund, County of Ventura Pooled Money Investment Fund, U.S. Treasury Bills, Notes and Bonds, and institutional savings and checking accounts.

Water Rates and District Revenues

District policy direction ensures that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding. Accordingly, water rates are reviewed periodically. Water rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water rates are composed of a commodity (usage) charge and a fixed (readiness-to-serve) charge.

Audit and Financial Reporting

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Charles Z. Fedak & Company, CPAs has conducted the audit of the District's financial statements. Their unqualified Independent Auditor's Report appears in the Financial Section.

Awards and Acknowledgements

For the year ended June 30, 2014, the District received for the 21st year the Government Finance Officers Association of the United States and Canada's (GFOA) *Certificate of Achievement for Excellence in Financial Reporting*. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. (See Page 6)

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Casitas Municipal Water District's fiscal policies.

Respectfully submitted,

Steve Wickstrum
General Manager

Denise Collin
Accounting Manager/Treasurer

Casitas Municipal Water District

Directory

July 1, 2014 – June 30, 2015

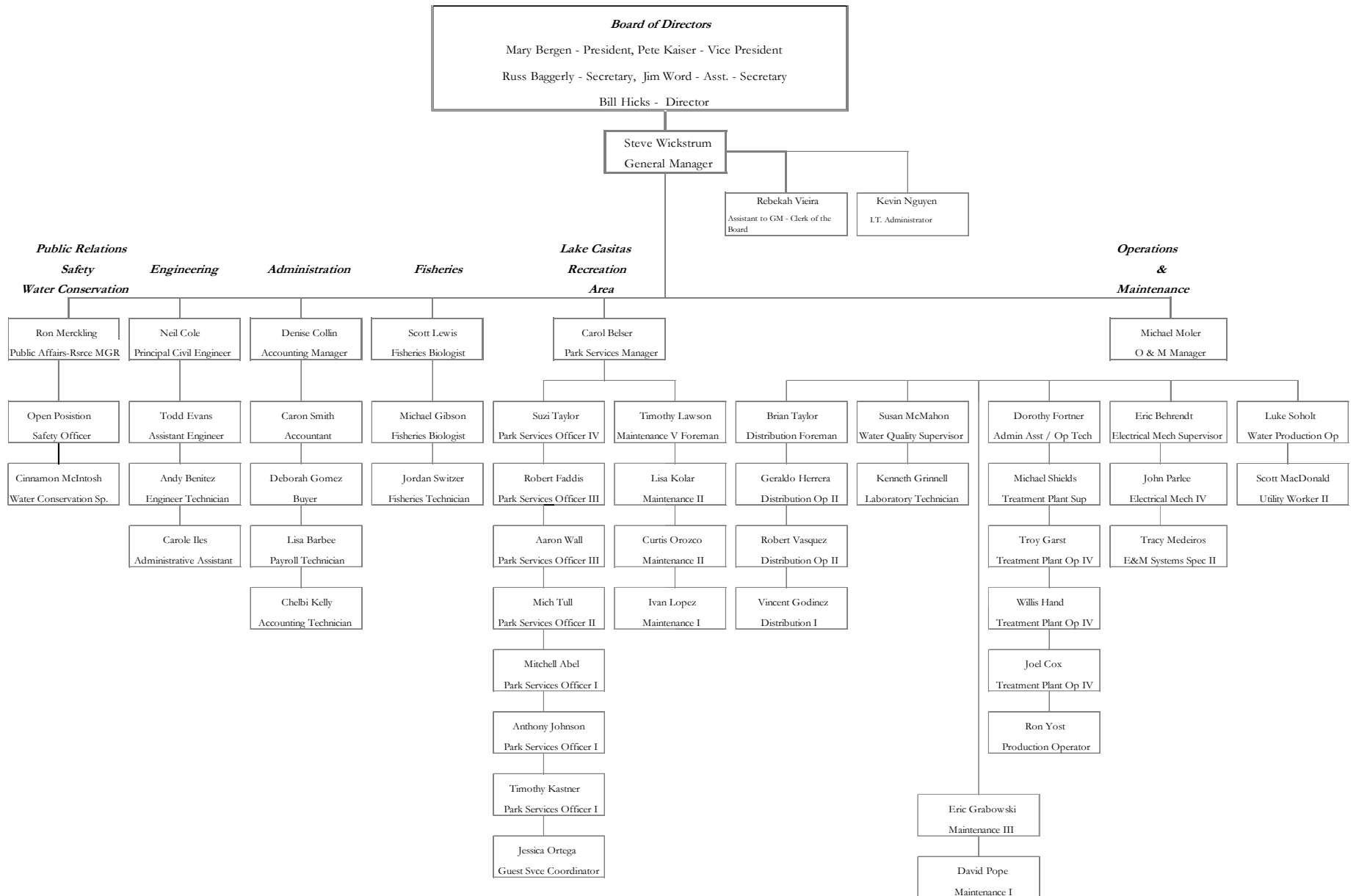
Board of Directors

Board Member	Division	Date of Original Election or Appointment	Ending Date of Term
Bill Hicks	Division 1	November, 1990	December, 2018
Jim Word	Division 2	May, 1997	December, 2016
Pete Kaiser	Division 3	November, 2002	December, 2016
Mary Bergen	Division 4	November, 2010	December, 2018
Russ Baggerly	Division 5	November, 2004	December, 2016

Staff

Steve Wickstrum	General Manager
Rebekah Vieira	Assistant to the General Manager and Clerk of the Board
Neil Cole	Principal Civil Engineer
Carol Belser	Park Services Manager
Denise Collin	Accounting Manager / Treasurer
Michael Moler	O&M Manager
Ron Merckling	Public Affairs Resource Manager
Scott Lewis	Fisheries Biologist
Open Position	Safety Officer

Casitas Municipal Water District Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Casitas Municipal Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Casitas Municipal Water District
Oak View, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Casitas Municipal Water District (District), which comprise the balance sheet as of June 30, 2015, and the related statements of revenues, expenses and change in net position, and cash flows for the year then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the Casitas Municipal Water District
Oak View, California

Emphasis of Matter

Implementation of GASB Statements No. 68 and 71

As discussed in Notes 1 and 9 to the basic financial statements, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans-an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. The adoption of these statements requires retrospective application of previously reported net position at July 1, 2014 as described in Note 12 to the basic financial statements. In addition, the Net Pension Liability is reported in the Balance Sheet in the amount of \$5,352,928 as of June 30, 2014, the measurement date. This Net Pension Liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2013 which was then rolled-forward by the actuaries to June 30, 2014, the measurement date. Our opinion is not modified with respect to this matter.

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 5 through 9 and the Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pension Plans, and the Schedule of Funding Progress – Other Post-Employment Benefits Plan on pages 43 through 45, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Santa Ana, California
December 31, 2015



**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**

Independent Auditors' Report

To the Board of Directors
of the Casitas Municipal Water District
Oak View, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Casitas Municipal Water District (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 31, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the District's financial statements are free from 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*.

To the Board of Directors
of the Casitas Municipal Water District
Oak View, California

Purpose of this Report

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

Santa Ana, California
December 31, 2015

Casitas Municipal Water District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2015

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Casitas Municipal Water District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District incurred a net loss of \$(170,750) and a net income \$579,622 for fiscal years ended June 30, 2015 and 2014, respectively. Also, the District recorded a prior period adjustment of \$(10,684,160) to account for the implementation of GASB Nos. 68 and 71 to record the District's net pension liability on the balance sheet and to account for the change in water-in-storage valuation. (See Note 12 for further information)
- Total revenues decreased by 1.5% or \$(263,285) from \$18,020,107 to \$17,756,822, from the prior year, primarily due to the decrease in retail water consumption of \$(428,161).
- Total expenses for the District's operations before depreciation expense decreased by 6.8% or \$(961,158) from \$14,238,444 to \$13,277,286, from the prior year, primarily due to the decrease in water treatment expenses of \$(331,546) and general and administrative expenses of \$(622,712).

Required Financial Statements

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

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

Financial Analysis of the District

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

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

Casitas Municipal Water District
Management's Discussion and Analysis (Continued)(Unaudited)
For the Fiscal Year Ended June 30, 2015

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

Notes to the Basic Financial Statements

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

Balance Sheet

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>
Assets:			
Current assets	\$ 29,120,364	\$ 26,438,461	\$ 2,681,903
Non-current assets	6,163,728	11,025,928	(4,862,200)
Capital assets, net	<u>58,504,721</u>	<u>58,881,559</u>	<u>(376,838)</u>
Total assets	<u>93,788,813</u>	<u>96,345,948</u>	<u>(2,557,135)</u>
Deferred outflows of resources	<u>434,390</u>	<u>-</u>	<u>434,390</u>
Total assets and deferred outflows of resources	<u>\$ 94,223,203</u>	<u>\$ 96,345,948</u>	<u>\$ (2,122,745)</u>
Liabilities:			
Current liabilities	\$ 2,686,351	\$ 1,939,378	\$ 746,973
Non-current liabilities	<u>18,518,230</u>	<u>12,617,689</u>	<u>5,900,541</u>
Total liabilities	<u>21,204,581</u>	<u>14,557,067</u>	<u>6,647,514</u>
Deferred inflows of resources	<u>2,084,651</u>	<u>-</u>	<u>2,084,651</u>
Net position:			
Net investment in capital assets	53,488,631	53,612,183	(123,552)
Restricted	134,267	153,708	(19,441)
Unrestricted	<u>17,311,073</u>	<u>28,022,990</u>	<u>(10,711,917)</u>
Total net position	<u>70,933,971</u>	<u>81,788,881</u>	<u>(10,854,910)</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 94,223,203</u>	<u>\$ 96,345,948</u>	<u>\$ (2,122,745)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$70,933,971 and \$81,788,881 as of June 30, 2015 and 2014, respectively.

The District's net position (75% as of June 30, 2015 and 66% as of June 30, 2014) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

The District implemented GASB Statements No. 68 and 71, which the District recognized a net pension liability of \$5,352,928 as of June 30, 2015.

At the end of fiscal years 2015 and 2014, the District showed a positive balance in its unrestricted net position of \$17,311,073 and \$28,022,990, respectively, which may be utilized in future years.

Casitas Municipal Water District
Management's Discussion and Analysis (Continued)(Unaudited)
For the Fiscal Year Ended June 30, 2015

Statement of Revenues, Expenses and Change in Net Position

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>
Operating revenues	\$ 14,530,148	\$ 14,923,271	\$ (393,123)
Operating expenses	<u>(13,277,286)</u>	<u>(14,238,444)</u>	<u>961,158</u>
Operating income before depreciation	1,252,862	684,827	568,035
Depreciation expense	<u>(3,164,097)</u>	<u>(3,152,038)</u>	<u>(12,059)</u>
Operating income(loss)	(1,911,235)	(2,467,211)	555,976
Non-operating revenues(expenses), net	<u>1,255,811</u>	<u>2,557,762</u>	<u>(1,301,951)</u>
Net loss before capital contributions	(655,424)	90,551	(745,975)
Capital contributions	<u>484,674</u>	<u>489,071</u>	<u>(4,397)</u>
Change in net position	(170,750)	579,622	(750,372)
Net position:			
Beginning of year	81,788,881	81,209,259	579,622
Prior period adjustment	<u>(10,684,160)</u>	<u>-</u>	<u>(10,684,160)</u>
End of year	<u>\$ 70,933,971</u>	<u>\$ 81,788,881</u>	<u>\$ (10,854,910)</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position decreased by \$(170,750) and increased \$579,622 for the fiscal years ended June 30, 2015 and 2014, respectively.

A closer examination of the sources of changes in net position reveals that:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Retail water consumption	\$ 6,626,304	\$ 7,054,465	\$ (428,161)
Wholesale water sales	2,058,219	2,041,254	16,965
Monthly water service charge	2,183,531	1,996,560	186,971
Recreation revenue	3,443,089	3,625,800	(182,711)
Other water charges and services	<u>219,005</u>	<u>205,192</u>	<u>13,813</u>
Total operating revenues	<u>14,530,148</u>	<u>14,923,271</u>	<u>(393,123)</u>
Non-operating:			
Property taxes – ad valorem	2,240,433	2,134,473	105,960
Redevelopment agency property tax	68,837	57,599	11,238
Property tax assessment for SWP	490,989	566,610	(75,621)
Mira Monte assessment	19,434	31,797	(12,363)
Interest and investment earnings	427,897	492,219	(64,322)
Change in fair-value of investments	(200,414)	(210,368)	9,954
Other non-operating revenues/(expenses), net	<u>179,498</u>	<u>24,506</u>	<u>154,992</u>
Total non-operating	<u>3,226,674</u>	<u>3,096,836</u>	<u>129,838</u>
Total revenues	<u>\$ 17,756,822</u>	<u>\$ 18,020,107</u>	<u>\$ (263,285)</u>

In 2015, total revenues decreased by 1.5% or \$(263,285) from \$18,020,107 to \$17,756,822, from the prior year, primarily due to the decrease in retail water consumption of \$(428,161).

Casitas Municipal Water District
Management's Discussion and Analysis (Continued)(Unaudited)
For the Fiscal Year Ended June 30, 2015

Statement of Revenues, Expenses and Change in Net Position (Continued)

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Increase (Decrease)</u>
Operating expenses:			
Source of supply	\$ 1,430,475	\$ 1,421,801	\$ 8,674
Pumping	1,634,202	1,685,967	(51,765)
Water treatment	1,451,902	1,783,448	(331,546)
Transmission and distribution	646,868	762,346	(115,478)
Telemetry	272,594	332,776	(60,182)
Customer accounts	399,383	400,493	(1,110)
Recreation expenses	4,140,358	3,939,152	201,206
General and administrative	<u>3,301,504</u>	<u>3,912,461</u>	<u>(610,957)</u>
Operating expenses before depreciation	13,277,286	14,238,444	(961,158)
Depreciation	<u>3,164,097</u>	<u>3,152,038</u>	<u>12,059</u>
Total operating expenses	<u>16,441,383</u>	<u>17,390,482</u>	<u>(949,099)</u>
Non-operating expenses:			
State water project expense	696,576	451,590	244,986
Change in water-in-storage inventory	1,171,790	-	1,171,790
Tax collection expense	31,610	8,360	23,250
Interest expense – long-term debt	<u>70,887</u>	<u>79,124</u>	<u>(8,237)</u>
Total non-operating	<u>1,970,863</u>	<u>539,074</u>	<u>1,431,789</u>
Total expenses	<u>\$ 18,412,246</u>	<u>\$ 17,929,556</u>	<u>\$ 482,690</u>

In 2015, total expenses for the District's operations before depreciation expense decreased by 6.8% or \$(961,158) from \$14,238,444 to \$13,277,286, from the prior year, primarily due to the decrease in water treatment expenses of \$(331,546) and general and administrative expenses of \$(622,712).

Capital Asset Administration

	<u>Balance June 30, 2015</u>	<u>Balance June 30, 2014</u>
Capital assets:		
Reimbursement agreement	\$ 6,230,088	\$ 6,470,865
Loans payable	109,187,029	106,217,396
Revenue bonds payable	<u>(56,912,396)</u>	<u>(53,806,702)</u>
Total capital assets, net	<u>\$ 58,504,721</u>	<u>\$ 58,881,559</u>

At the end of fiscal year 2015 and 2014, the District's investment in capital assets amounted to \$58,504,721 and \$58,881,559 (net of accumulated depreciation), respectively. This investment in capital assets includes land, land improvements, structures, building, operating equipment and office equipment. See Note 4 for further information.

**Casitas Municipal Water District
Management's Discussion and Analysis (Continued)(Unaudited)
For the Fiscal Year Ended June 30, 2015**

Debt Administration

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

Long-term debt:	Balance July 1, 2014	Additions	Transfers/ Deletions	Balance June 30, 2015
Certificates-of-participation	\$ 3,011,898	\$ -	\$ -	\$ 3,011,898
Loans payable	2,136,978	-	(238,286)	1,898,692
Revenue bonds payable	120,500	-	15,000	135,500
Total	\$ 5,269,376	\$ -	\$ (223,286)	\$ 5,046,090

Structured long-term debt items decreased by \$(223,286 for the fiscal year ended June 30, 2015, due to regular principal payments on the District's structured long-term debt items. See Notes 6 and 7 for further information.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position or operating results based on past, present and future events.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Accounting Manager/Treasurer at 1055 Ventura Avenue, Oak View, California 93022 – (805) 649-2251 x 103.

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BASIC FINANCIAL STATEMENTS

Casitas Municipal Water District
Balance Sheet
June 30, 2015

**ASSETS AND
DEFERRED OUTFLOWS OF RESOURCES**

Current assets:

Cash and cash equivalents (note 2)	\$ 6,361,181
Investments (note 2)	19,026,345
Accrued interest receivable	109,375
Accounts receivable – customers	1,805,980
Accounts receivable – special assessments	134,267
Accounts receivable – property taxes	61,803
Accounts receivable – other	1,137,751
Materials and supplies inventory	88,704
Prepaid items	394,958
	29,120,364

Non-current assets:

Water-in-storage inventory (note 3)	6,163,728
Capital assets – not being depreciated (note 4)	6,230,088
Capital assets – being depreciated, net (note 4)	52,274,633
	64,668,449

Total assets

93,788,813

Deferred outflows of resources:

Employer contributions to pension plan made after the measurement date (note 9)	311,168
Recognized portion of adjustment due to differences in proportions (note 9)	123,222
	434,390

Total deferred outflows of resources

434,390

Total assets and deferred outflows of resources

\$ 94,223,203

Casitas Municipal Water District
Balance Sheet (Continued)
June 30, 2015

**LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION**

Current liabilities:

Accounts payable and accrued expenses	\$ 1,303,366
Deposits and unearned revenue	521,071
Accrued interest payable	15,297
Long-term liabilities – due within one year:	
Compensated absences (note 5)	353,045
Reimbursement agreement (note 6)	231,684
Loans payable (note 7)	245,888
Special assessment bonds payable (note 7)	16,000
Total current liabilities	2,686,351

Non-current liabilities:

Long-term liabilities – due in more than one year:	
Compensated absences (note 5)	529,568
Reimbursement agreement (note 6)	2,780,214
Loans payable (note 7)	1,652,804
Special assessment bonds payable (note 7)	89,500
Net other post-employment benefits payable (note 8)	8,113,216
Net pension liability (note 9)	5,352,928
Total non-current liabilities	18,518,230
Total liabilities	21,204,581

Deferred inflows of resources:

Recognized net differences between projected and actual earnings on pension plan investments (note 9)	1,798,832
Changes in employer contributions and differences between proportionate share of pension expense (note 9)	285,819
Total deferred inflows of resources	2,084,651

Net position:

Net investment in capital assets (note 10)	53,488,631
Restricted for debt service (note 11)	134,267
Unrestricted	17,311,073
Total net position	70,933,971
Total liabilities, deferred inflows of resources and net position	\$ 94,223,203

Casitas Municipal Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

Operating revenues:	
Retail water consumption	\$ 6,626,304
Wholesale water sales	2,058,219
Monthly water service charge	2,183,531
Recreation revenue	3,443,089
Other water charges and services	219,005
	14,530,148
Total operating revenues	
Operating expenses:	
Source of supply	1,430,475
Pumping	1,634,202
Water treatment	1,451,902
Transmission and distribution	646,868
Telemetry	272,594
Customer accounts	399,383
Recreation expenses	4,140,358
General and administrative	3,301,504
	13,277,286
Total operating expenses	
Operating income(loss) before depreciation expense	1,252,862
Depreciation expense – water department	(2,832,048)
Depreciation expense – recreation department	(332,049)
	(1,911,235)
Operating (loss)	
Non-operating revenues(expenses):	
Property taxes – ad valorem	2,240,433
Redevelopment agency property tax increment	68,837
Property tax assessment for State Water Project	490,989
State water project expense	(696,576)
Change in water-in-storage inventory (note 3)	(1,171,790)
Mira Monte assessment	19,434
Tax collection expense	(31,610)
Interest and investment earnings	427,897
Change in fair-value of investments	(200,414)
Interest expense – long-term debt	(70,887)
Other non-operating revenues/(expenses), net	179,498
	1,255,811
Total non-operating revenue(expense), net	
Net (loss) before capital contributions	(655,424)
Capital contributions:	
Federal, state and local grants	484,674
	484,674
Total capital contributions	
Change in net position	(170,750)
Net position:	
Beginning of year, as previously reported	81,788,881
Prior period adjustments (note 12)	(10,684,160)
	70,933,971
End of year	\$ 70,933,971

Casitas Municipal Water District
Statement of Cash Flows
For the Year Ended June 30, 2015

Cash flows from operating activities:	
Cash receipts from customers and others	\$ 13,784,625
Cash paid to employees for salaries and wages	(5,288,876)
Cash paid to vendors and suppliers for materials and services	(7,783,550)
Net cash provided by operating activities	712,199
Cash flows from non-capital financing activities:	
Proceeds from property taxes and assessments	2,818,472
Net cash provided by non-capital financing activities	2,818,472
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(2,787,259)
Proceeds from capital grants	484,674
Principal paid on long-term debt	(253,286)
Interest paid on long-term debt	(72,806)
Net cash (used in) capital and related financing activities	(2,628,677)
Cash flows from investing activities:	
Proceeds from the sale or maturity of investments	7,180,697
Purchases of investments, net	(11,258,248)
Investment earnings	395,440
Net cash (used in) investing activities	(3,682,111)
Net (decrease) in cash and cash equivalents	(2,780,117)
Cash and cash equivalents:	
Beginning of year	9,141,298
End of year	\$ 6,361,181

Casitas Municipal Water District
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2015

Reconciliation of operating (loss) to net cash provided by operating activities:	
Operating (loss)	<u>\$ (1,911,235)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	3,164,097
State water project expense	(696,576)
Tax collection expense	(31,610)
Other non-operating revenues/(expenses), net	179,498
Change in assets – (increase)decrease:	
Accounts receivable – customers	(692,958)
Accounts receivable – other	(709,809)
Materials and supplies inventory	5,158
Prepaid items	(153,596)
Change in deferred outflows of resources – (increase)decrease	
Employer contributions to pension plan made after the measurement date	397,004
Recognized portion of adjustment due to differences in proportions	(123,222)
Change in liabilities – increase(decrease):	
Accounts payable and accrued expenses	306,876
Deposits and unearned revenue	477,746
Compensated absences	(66,598)
Net other post-employment benefits payable	831,767
Net pension liability	(1,961,097)
Change in deferred inflows of resources – increase(decrease)	
Recognized net differences between projected and actual earnings on pension plan investments	1,798,832
Changes in employer contributions and differences between proportionate share of pension expense	<u>(102,078)</u>
Total adjustments	<u>2,623,434</u>
Net cash provided by operating activities	<u><u>\$ 712,199</u></u>
 Non-cash investing, capital and financing transactions:	
Change in fair-value of investments	<u><u>\$ (200,414)</u></u>

Casitas Municipal Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Established in 1952, the Casitas Municipal Water District provides domestic and agricultural water to the western portion of Ventura County. The District is governed by a five-member Board of Directors who serves overlapping four-year terms.

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

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (GASB) commonly referred to as accounting principles generally accepted in the United States of America (U.S. GAAP). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Financial Statements (i.e., the balance sheet, the statement of revenues, expenses and change in net position, and statement of cash flows) report information on all of the activities of the primary government. The District accounts for its operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Financial Statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June, 30, 2015

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

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

Accounting Changes

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures for pension plans. This Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This statement became effective for periods beginning after June 15, 2014. See Notes 9 and 12 for the net pension liability and the prior period adjustment, respectively, as a result of implementation.

GASB has issued Statement No. 69, *Government Combinations and Disposals of Government Operation*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement became effective for periods beginning after December 15, 2013 and did not have a significant impact on the District's financial statements for year ended June 30, 2015.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement establishes standards relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement became effective for periods beginning after June 15, 2014. See Notes 9 and 12 for the net pension liability and the prior period adjustment, respectively, as a result of implementation.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value. Investments are reported at fair value. Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by organizations for services rendered in the regular course of business operations. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts. As of June 30, 2015, no allowance for doubtful accounts has been recorded as the District deems all accounts receivable balances collectable.

Property Taxes and Assessments

Property taxes are levied on July 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is January 1. The County of Ventura, California (County) bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy properties at 1% of full market value (at time of purchase) and can increase the property tax rate at no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978. Property taxes are recognized in the fiscal year for which the taxes have been levied.

Property assessments are extended on the property tax bills and are collected by the County and distributed to the District throughout the year.

Materials and Supplies Inventory

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid expenses.

Water-In-Storage Inventory

The value of water inventory is determined based upon the quantity of water in storage in Lake Casitas and the costs to divert the water into the lake.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. The District policy has set the capitalization threshold for reporting capital assets at \$5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Transmission and distribution system	50 to 75 years
Pumping plant	10 to 30 years
Water treatment plant	10 to 30 years
Buildings and structures	10 to 30 years
Equipment	5 to 10 years
Fish ladder	5 years
Recreation assets	7 years
Alternate swimming facility	2 to 5 years

Major outlays for capital assets are capitalized as construction in progress until fully constructed. Once the construction is completed the capital asset is transferred and depreciated based on its useful life.

State Water Project Participation Rights

The District participates in the State Water Project (Project) entitling it to certain water rights. The District's participation in the Project is through cash payments. Monies used for the construction of capital assets, such as pipelines, pumping facilities, storage facilities, etc., are recorded as participation rights and amortized over the life of the agreements. Certain projects also require payments for on-going maintenance; those payments are charged to expenses as incurred.

Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated.

Customer Deposits

Based on a customer's credit-worthiness, the District may require a deposit deemed reasonable by the District. These deposits are held to pay-off close out bills or to cover delinquent payments.

Net Other Post Employment Retirement Benefits

The District provides certain health care benefits for all retired employees that meet eligibility requirements. The District's share of the estimated costs that will be paid after retirement is being accounted for on a pay-as-you-go basis.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

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 plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for pension reporting:

CalPERS

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Measurement Period	July 1, 2013 to June 30, 2014

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

Net Position

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. There was no restricted net position as of June 30, 2015.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 2 – Cash and Investments

Cash and investments as June 30, 2015 are classified in the accompanying financial statements as follows:

Description	Balance
Cash and cash equivalents	\$ 6,361,181
Investments	19,026,345
Total	<u>\$ 25,387,526</u>

Cash and investments as of June 30, 2015 consist of the following:

Description	Balance
Cash on hand	\$ 4,500
Deposits held with financial institutions	6,324,756
Investments	19,058,270
Total	<u>\$ 25,387,526</u>

Authorized Deposits and Investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Mutual Funds	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in California State Investment Pool – Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 2 – Cash and Investments (Continued)

Investment in California State Investment Pool – Local Agency Investment Fund (LAIF)

The District's investments with LAIF at June 30, 2015, included a portion of the pool funds invested in structured notes and asset-backed securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2015, the District had \$446 invested in LAIF, which had invested 2.08% of the pool investment funds in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 1.000375979 was used to calculate the fair value of the investments in LAIF.

Investment in Ventura County Pooled Investment Fund (VCPIF)

The District is a voluntary participant in the VCPIF and the District determines the amount and term of its investment. The County Treasurer makes investments in accordance with a Statement of Investment Policy reviewed and approved annually by the Board of Supervisors. The Treasury Investment Oversight Committee comprised of the County Treasurer, a representative of the Board of Supervisors, the County Investment Manager, a representative of the County Superintendent of Schools and other Treasury Department support staff meets semi-annually to review the activities of the Treasurer and provide a report to the Board of Supervisors. The County's Treasurer has indicated to the District that as of June 30, 2015 that the value of the County's portfolio was approximately \$2.2 billion. The VCPIF is rated AA+ by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balance, up to \$250,000 is federally insured.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 2 – Cash and Investments (Continued)

Type of Investments	Credit Rating	Fair Value	Maturity		
			12 Months or Less	13 to 24 Months	25 to 60+ Months
Government sponsored entities securities	AA to A1+	\$ 19,026,345	\$ 712,152	\$ 696,737	\$ 17,617,456
Money market mutual funds	Exempt	30,513	30,513	-	-
Local Agency Investment Fund (LAIF)	Not Rated	446	446	-	-
Ventura County Pooled Investment Fund	AAAf	966	966	-	-
Total investments		\$ 19,058,270	\$ 744,077	\$ 696,737	\$ 17,617,456

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the above table that shows the distribution of the District's investments by maturity date.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented above is the credit rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Note 3 – Water-in-Storage Inventory

The following schedule notes the change in the cost of the water held-in-storage in Casitas Lake. The increase or decrease in the water storage valuation balance denotes a way of accounting for water diversion expenses in future years when the water in the lake is transmitted to the District's customers.

Changes in water-in-storage inventory for the year ended June 30, 2015 were as follows:

	<u>Balance</u>
Beginning balance – water-in-storage	\$ 11,025,928
Prior period adjustment (note 12)	(3,690,410)
Current year water-in-storage valuation	<u>(1,171,790)</u>
Ending balance – water-in-storage	<u>\$ 6,163,728</u>

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 4 – Capital Assets

Summary changes in capital asset balances for the year ended June 30, 2015 were as follows:

Description	Balance July 1, 2014	Additions	Deletions/ Transfers	Balance June 30, 2015
Non-depreciable assets:				
Land	6,047,935	\$ -	\$ -	\$ 6,047,935
Construction-in-process	422,930	166,838	(407,615)	182,153
Total non-depreciable assets	6,470,865	166,838	(407,615)	6,230,088
Depreciable assets:				
State water project entitlement	2,880,437	70,563	-	2,951,000
Transmission and distribution system	41,931,093	191,876	-	42,122,969
Pumping plant	10,136,828	432,540	-	10,569,368
Water treatment plant	26,964,455	436,485	-	27,400,940
Buildings and structures	1,928,970	880,407	-	2,809,377
Equipment	4,151,822	180,048	(58,403)	4,273,467
Fish ladder	8,270,495	-	-	8,270,495
Recreation assets	8,017,391	428,502	407,615	8,853,508
Alternate swimming facility	1,935,905	-	-	1,935,905
Total depreciable assets	106,217,396	2,620,421	349,212	109,187,029
Accumulated depreciation:				
State water project entitlement	(1,823,397)	(42,580)	-	(1,865,977)
Transmission and distribution system	(18,331,300)	(551,770)	-	(18,883,070)
Pumping plant	(5,303,410)	(449,222)	-	(5,752,632)
Water treatment plant	(15,059,890)	(1,176,544)	-	(16,236,434)
Buildings and structures	(1,192,474)	(87,521)	-	(1,279,995)
Equipment	(2,265,041)	(184,781)	58,403	(2,391,419)
Fish ladder	(3,500,542)	(336,923)	-	(3,837,465)
Recreation assets	(5,459,492)	(237,961)	-	(5,697,453)
Alternate swimming facility	(871,156)	(96,795)	-	(967,951)
Total accumulated depreciation	(53,806,702)	(3,164,097)	58,403	(56,912,396)
Total depreciable assets, net	52,410,694	(543,676)	407,615	52,274,633
Total capital assets, net	\$ 58,881,559	\$ (376,838)	\$ -	\$ 58,504,721

State Water Project Entitlement

In 1963, the Ventura County Flood Control District contracted with the State of California (State) for 20,000 acre-feet per year of water from the State Water Project (SWP). The SWP conveys water from Northern California to Southern California through a system of reservoirs, canals, pumps stations and power generation facilities. In 1971, the administration of the State Water Contract with the State was assigned to the District. Of the 20,000 acre-feet per year contracted, the District is assigned 5,000 acre-feet per year, United Water Conservation District is assigned 5,000 acre-feet per year, and the City of Ventura is assigned 10,000 acre-feet per year. Currently, only United Water Conservation District is receiving water from the SWP.

The District is one of many participants contracting with the State of California for a system to provide water throughout California. Under the terms of the State Water Contract, as amended, the District is obligated to pay allocable portions of the cost of construction of the system and ongoing operations and maintenance costs through at least the year 2035, regardless of the quantities of water available from the project. The District and the other contractors may also be responsible to the State for certain obligations by any contractor who defaults on its payments to the State.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 4 – Capital Assets

State Water Project Entitlement (Continued)

Management’s present intention is to exercise the District’s option to extend the contractual period to at least 2052, under substantially comparable terms. This corresponds to an estimated 80-year service life for the original facilities. The State is obligated to provide specific quantities of water throughout the life of the contract, subject to certain conditions.

In addition to system on-aqueduct power facilities, the State has, either on its own or through joint venture, financed certain off-aqueduct power facilities (OAPF). The power generated is utilized by the system for water transportation purposes. Power generated in excess of system needs is marketed to various utilities and California’s power market. The District is entitled to a proportionate share of the revenues resulting from sales of excess power. The District and the other water contractors are responsible for repaying the capital and operating costs of the OAPF regardless of the amount of power generated.

The District capitalizes its share of system construction costs as participation rights in state water facilities when such costs are billed by the State. Unamortized participation rights essentially represent a prepayment for future water deliveries through the State system. The District’s share of system operations and maintenance costs is charged to expense.

The District amortizes a portion of capitalized participation rights each year using a formula that considers the total estimated cost of the project, estimated useful life and estimated production capacity of the assets based upon information provided by the State of California.

Note 5 – Compensated Absences

Summary changes in compensated absences balances for the year ended June 30, 2015 were as follows:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year	Due in More Than One Year
\$ 949,211	\$ 334,196	\$ (400,794)	\$ 882,613	\$ 353,045	\$ 529,568

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 6 – Reimbursement Agreement

Casitas Dam Project – Seismic Safety of Casitas Dam

The United States Bureau of Reclamation (USBR) has undertaken and completed a project to strengthen Casitas Dam to better withstand seismic activity. Under Federal Law, the District is required to pay 15% of those costs. The District and the USBR have completed negotiations on the District's share of the cost of the project which is \$3,011,898. The District is to reimburse the USBR \$77,228 each February 1st until February 1, 2052 as follows:

Fiscal Year	Amount
2014*	\$ 77,228
2015*	77,228
2016	77,228
2017	77,228
2018	77,228
2019	77,228
2020-2024	386,141
2025-2029	386,141
2030-2034	386,141
2035-2039	386,141
2040-2044	386,141
2045-2049	386,141
2050-2052	231,684
Total	3,011,898
Less current portion	(231,684)
Total non-current	\$ 2,780,214

* The District did not make its February 1, 2014 and 2015 payment to the USBR until after June 30, 2015.

Note 7 – Long-Term Debt

Changes in long-term debt amounts for the year ended June 30, 2015 were as follows:

Long-Term Debt	Balance July 1, 2014	Additions/ Adjustments	Payments/ Amortization	Balance June 30, 2015
Loans payable	\$ 2,136,978	\$ -	\$ (238,286)	\$ 1,898,692
Special assessment bonds payable	120,500	-	(15,000)	105,500
Total long-term debt	2,257,478	\$ -	\$ (253,286)	2,004,192
Less current portion	(253,286)			(261,888)
Non-current portion	\$ 2,004,192			\$ 1,742,304

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 7 – Long-Term Debt (Continued)

Loans Payable:

1991 California Department of Water Resources Loan

In 1991 the District contracted with the California Department of Water Resources for a \$5,203,965 30-year loan to assist in financing the construction of the treatment plant. The loan is scheduled to mature in 2022. Interest and principle are payable annually on March 20th each year at a rate of 3.2136%. Annual debt service requirements on the 1991 California Department of Water Resources Loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 245,888	\$ 59,180	\$ 305,068
2017	254,079	50,989	305,068
2018	262,202	42,866	305,068
2019	270,694	34,374	305,068
2020	279,416	25,652	305,068
2021	288,552	16,516	305,068
2022	297,861	7,207	305,068
Total	1,898,692	<u>\$ 236,784</u>	<u>\$ 2,135,476</u>
Less current	<u>(245,888)</u>		
Total non-current	<u>\$ 1,652,804</u>		

Special Assessment Bonds Payable:

Mira Monte Special Assessment Bonds Payable

The special assessment bonds payable were incurred to repay the District for upgrading the Mira Monte Water System in order to meet the District’s standards for water delivery systems. The bonds payable bear interest at an effective rate of 5% and is payable in annual installments of graduated amounts ranging from \$3,000 to \$19,500 through the year 2021. Debt service payments on the special assessment bonds are provided by assessments of property owners. Annual debt service requirements on the special assessment bonds payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 16,000	\$ 5,650	\$ 21,650
2017	16,000	4,875	20,875
2018	17,000	4,075	21,075
2019	18,000	3,250	21,250
2020	19,000	2,375	21,375
2021	19,500	1,450	20,950
Total	105,500	<u>\$ 21,675</u>	<u>\$ 127,175</u>
Less current	<u>(16,000)</u>		
Total non-current	<u>\$ 89,500</u>		

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 8 – Net Other Post-Employment Benefits

Plan Description

The District provides Other Post-Employment Benefits (OPEB) to employees who retire from the District and meet certain eligibility requirements. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

Funding Policy

As required by GASB Statement No. 45, an actuary will determine the District's Annual Required Contributions (ARC) at least once every two years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total Unfunded Actuarial Accrued Liability (UAAL) over a period not to exceed 30 years.

Annual OPEB Cost and Net OPEB Asset

The following table shows the components of the District's Annual OPEB cost for the fiscal year ended June 30, 2015, the amount actually contributed to the plan and the changes in the District's net OPEB obligation:

Summary changes in net other post-employment benefits obligation as of June 30, 2015 was as follows:

Description	Balance
Annual OPEB cost:	
Annual required contribution (ARC)	\$ 1,164,249
Interest on net OPEB obligation	218,443
Adjustment to annual required contribution	(39,937)
Total annual OPEB cost	1,342,755
Contributions made:	
Retiree benefits paid by District	(510,988)
Total contributions made	(510,988)
Total change in net OPEB obligation	831,767
Net OPEB obligation(asset):	
Beginning of year	7,281,449
End of year	\$ 8,113,216

The District's annual OPEB cost, the amounts contributed to the irrevocable trust, retiree benefit payments, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation payable/asset for the fiscal year ended June 30, 2015 and the two preceding years are shown in the following table.

<i>Three-Year History of Net OPEB Obligation(Asset)</i>				
Fiscal Year Ended	Annual OPEB Cost	Contributions Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Payable(Asset)
June 30, 2015	\$ 1,342,755	\$ 510,988	38.06%	\$ 8,113,216
June 30, 2014	\$ 2,562,079	558,632	21.80%	\$ 7,281,449
June 30, 2013	\$ 1,640,863	531,699	32.40%	\$ 5,278,002

The most recent valuation (dated June 30, 2015) includes an Actuarial Accrued Liability of \$14,591,064. Plan assets amounted to \$0. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2015 was \$4,800,000. The funded ratio of the liability was 0.00%.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 8 – Net Other Post-Employment Benefits Asset (Continued)

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

The following is a summary of the actuarial assumptions and methods:

Valuation date	June 30, 2015
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent, closed 30 years
Remaining amortization period	25 Years as of the valuation date
Asset valuation method	30 Year smoothed market
Actuarial assumptions:	
Investment rate of return	4.50%
Projected salary increase	2.75%
Inflation - discount rate	2.75%
Health care trend rate	4.00%

Note 9 – Net Pension Liability

<u>Type of Account</u>	<u>Balance as of July 1, 2014 (As Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2015</u>
Deferred Outflows of Resources:				
Employer contributions to pension plan made after the measurement date	\$ 708,172	\$ 311,168	\$ (708,172)	\$ 311,168
Recognized portion of adjustment due to differences in proportions	-	167,230	(44,008)	123,222
Total deferred outflows of resources	<u>\$ 708,172</u>	<u>\$ 478,398</u>	<u>\$ (752,180)</u>	<u>\$ 434,390</u>
Net Pension Liability:				
CalPERS – Miscellaneous Classic Plan	\$ 7,314,025	-	\$ (1,961,097)	\$ 5,352,928
Total net pension liability	<u>\$ 7,314,025</u>	<u>\$ -</u>	<u>\$ (1,961,097)</u>	<u>\$ 5,352,928</u>
Deferred Inflows of Resources:				
Recognized net differences between projected and actual earnings on pension plan investments	\$ -	\$ 2,248,540	\$ (449,708)	\$ 1,798,832
Changes in employer contributions and differences between proportionate share of pension expense	387,897	-	(102,078)	285,819
Total deferred inflows of resources	<u>\$ 387,897</u>	<u>\$ 2,248,540</u>	<u>\$ (551,786)</u>	<u>\$ 2,084,651</u>

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Net Pension Liability (Continued)

General Information about the Pension Plans

The Plans

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

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 60	2.0 @ 62
Benefit vesting schedule	5-years or service	5-years or service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required member contribution rates	6.880%	6.308%
Required employer contribution rates	8.486%	6.250%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2013 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Members Covered by Benefit Terms

At June 30, 2013, the following members were covered by the benefit terms:

Plan Members	Classic Tier 1
Active members	44
Transferred and terminated members	20
Retired members and beneficiaries	73
Total plan members	137

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Net Pension Liability (Continued)

General Information about the Pension Plans(Continued)

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A Classic CalPERS Miscellaneous member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. Public Employees' Pension Reform Act (PEPRA) Miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay. Retirement benefits for Classic Miscellaneous members are calculated as 3.0% of the average final 36 months compensation.

Participant members are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

A member's beneficiary may receive the basic death benefit if the member dies while actively employed. The member must be actively employed with the District to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the members' accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2.0%.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The public agency cost-sharing plans covered by the Miscellaneous risk pool, 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, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the measurement period ended June 30, 2014 (the measurement date), the active member contribution rate for the Miscellaneous Plan is 6.880% of annual pay and the average employer's contribution rate is 8.486 of annual payroll.

Contribution Type	Classic Tier 1
Contributions – employer	\$ 320,275
Contributions – members	282,836
Total contributions	\$ 603,111

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Net Pension Liability (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans

Actuarial Methods and Assumptions Used to Determine the Total Pension Liability

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. Both the June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent, which is net of administrative expenses. An investment return excluding administrative expenses would have been 7.65 percent. CalPERS' Management has determined that using the lower discount rate has resulted in a slightly higher total pension liability and net pension liability and the difference was deemed immaterial to the financial statements. The long-term expected rate of return on the pension plan investments was determined in which best-estimate ranges of expected future real rates are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. 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.

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

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Net Pension Liability (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Discount Rate (Continued)

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

<u>Investment Type</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
	<u>100.00%</u>		

¹ An expected inflation rate-of-return of 2.5% is used for years 1 – 10.

² An expected inflation rate-of-return of 3.0% is used for years 11+.

Sensitivity of the District's 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 of the Plan as of the measurement date, calculated using the discount rate of 7.5%, 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 (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1% 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>Discount Rate + 1% 8.50%</u>
CalPERS – Miscellaneous Classic Plan	<u>\$ 9,537,262</u>	<u>\$ 5,352,928</u>	<u>\$ 1,880,327</u>

Pension Plan Fiduciary Net Position

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Net Pension Liability (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Classic Plan:			
Balance as of June 30, 2013 (Valuation Date)	\$ 29,769,570	\$ 22,455,545	\$ 7,314,025
Balance as of June 30, 2014 (Measurement Date)	\$ 31,541,147	\$ 26,188,219	\$ 5,352,928
Change in Plan Net Pension Liability	<u>\$ 1,771,577</u>	<u>\$ 3,732,674</u>	<u>\$ (1,961,097)</u>

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2013). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2014). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2014 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2013-14).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Net Pension Liability (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The District’s proportionate share of the net pension liability was as follows:

Calculation Dates	Classic Tier 1 Percentage
Balance as of June 30, 2013 (Valuation Date)	0.22321%
Balance as of June 30, 2014 (Measurement Date)	0.21659%
Change in Plan Net Pension Liability Percentage	-0.00662%

For the year ended June 30, 2015, the District recognized pension expense in the amount of \$320,607.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2013-14 measurement period is 3.8 years, which was obtained by dividing the total service years of 460,700 (the sum of remaining service lifetimes of the active employees) by 122,789 (the total number of participants: active, inactive, and retired).

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 9 – Net Pension Liability (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions to pension plan made after the measurement date	\$ 311,168	\$ -
Changes in employer contributions and differences between proportionate share of pension expense	123,222	-
Recognized net differences between projected and actual earnings on pension plan investments	-	(1,798,832)
Recognized portion of adjustment due to differences in proportions	-	(285,819)
Total Deferred Outflows/(Inflows) of Resources	\$ 434,390	\$ (2,084,651)
Less:		
Deferred Outflows/(Inflows) of Resources that will be recognized in the following fiscal year:		
Employer contributions to pension plan made after the measurement date	\$ (311,168)	\$ -
Total Deferred Outflows/(Inflows) of Resources amounts to be amortized in future periods	\$ 123,222	\$ (2,084,651)

The District will recognize \$311,168 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2016, as noted above.

Amortization of Deferred Outflows of Resources and Deferred Inflows of Resources

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized to pension expense in future periods as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 44,008	\$ (551,786)
2017	44,008	(551,786)
2018	35,206	(531,371)
2019	-	(449,708)
2020	-	-
Thereafter	-	-
Total	\$ 123,222	\$ (2,084,651)

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 10 – Net Investment in Capital Assets

Net investment in capital assets consisted of the following as of June 30, 2015:

Description	Balance
Non-current portion of assets:	
Capital assets – not being depreciated	\$ 6,230,088
Capital assets – being depreciated, net	52,274,633
Current portion of liabilities:	
Reimbursement agreement	(231,684)
Loans payable	(245,888)
Revenue bonds payable	(16,000)
Non-current portion of liabilities:	
Reimbursement agreement	(2,780,214)
Loans payable	(1,652,804)
Revenue bonds payable	(89,500)
Total net investment in capital assets	<u><u>\$ 53,488,631</u></u>

Note 11 – Restricted Net Position

Restricted net position consists of the balance due from accounts receivable – special assessment of \$134,267 as of June 30, 2015.

Note 12 – Prior Period Adjustments

Description	Balance
Net position as of July 1, 2014 – as previously reported	<u>\$ 81,788,881</u>
Net pension liability – GASB Nos. 68/71 implementation	(7,314,025)
Employer contributions to pension plan made after the measurement date	708,172
Changes in employer contributions and differences between proportionate share of pension expense	<u>(387,897)</u>
Total prior period adjustment – GASB Nos. 68/71 implementation	(6,993,750)
Water-in-storage inventory valuation adjustment	<u>(3,690,410)</u>
Total prior period adjustments	<u>(10,684,160)</u>
Net position as of July 1, 2014 – as restated	<u><u>\$ 71,104,721</u></u>

With the implementation of GASB Statements No. 68 and 71 in fiscal year 2015, the District was required to record a prior period adjustment of \$(6,993,750) to establish the net pension liability as of June 30, 2014 of \$(7,314,025) net of the deferred outflows of resources of \$708,172 and the deferred inflows of resources of \$(387,897) as prescribed by the new accounting standards. (See Note 9 for further information on the net pension liability.)

Also, the District changed the accounting method for the valuation of the water-in-storage inventory balance. The balance will be adjusted each year as of June 30th based on the calculated percentage to the top-fill line of Lake Casitas. As Lake Casitas has withdrawn significantly since June 30, 2011, due to the ongoing drought in California, the District has estimated that \$(3,690,410) in water-in-storage has evaporated and/or utilized in the District's operations for the period from July 1, 2011 to June 30, 2014 and accounted for as a prior period adjustment. (See Note 3 for further information on the water-in-storage inventory.)

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 13 – Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District’s general creditors. Market value of the plan assets held in trust by Nationwide at June 30, 2015 was \$1,759,437 and ICMA was \$1,601,907.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not included in the accompanying financial statements.

Note 14 – Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for the first \$25,000 of general and auto liabilities for each occurrence, and the excess (up to \$10,000,000 per occurrence and in the aggregate) is covered through the purchase of an insurance policy. Employment practices liability coverage is self-insured for the \$25,000, and the excess (up to \$5,000,000 per occurrence and in the aggregate) is covered through the insurance policy.

The District is a member CSAC Excess Insurance Authority (Authority) for its workers’ compensation coverage. The District is self-insured for the first \$125,000 of each occurrence, and the Authority finances \$5,000,000 per occurrence. The District purchased additional excess coverage layers of \$95 million which increases the limits set forth by the Authority.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2015, 2014 and 2013. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2015, 2014 and 2013.

Note 15 – Commitments and Contingencies

State Water Contract

Estimates of the District’s share of the project fixed costs of the State Water Project (SWP) are provided annually by the State. The estimates are subject to future increases or decreases resulting from changes in planned facilities, refinements in cost estimates and inflation.

During the next five years payments under the State Water Contract, exclusive of variable power costs, are currently estimated by the State to be as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 1,086,962
2017	1,097,562
2018	1,113,039
2019	1,128,290
2020	1,227,444

Casitas Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2015

Note 15 – Commitments and Contingencies (Continued)

State Water Contract, continued

As of June 30, 2013, the District has expended \$21,274,811 since the District started participating in the State Water Contract.

According to the State’s latest estimates, the District’s long-term obligations (25% share) under the contract, for capital and minimum operations and maintenance costs, including interest to the year 2035, are as follows:

	State Water Contract
	<u>Long-term Obligations</u>
Transportation facilities	\$ 17,692,709
Conservation facilities	7,930,941
Off-aqueduct power facilities	65,383
Revenue bond surcharge	<u>1,419,948</u>
Total long-term SWP contract obligations	<u>\$ 27,108,981</u>

The amounts shown above do not contain any escalation for inflation and are subject to significant variation over time because the amounts are based on a number of assumptions and are contingent on future events. Accordingly, none of the estimated long-term obligations are recorded as liabilities in the accompanying basic financial statements.

Bay/Delta Regulatory and Planning Activities. The State Water Resources Control Board (State Board) is the agency responsible for setting water quality standards and administering water rights throughout California. Decisions of the State Board can affect the availability of water to the District and other water users by means of public proceedings leading to regulations and decisions. In 1995, the State Board adopted a Water Quality Control Plan establishing water quality standards and flow improvements in the Bay/Delta watershed.

In August 2000, the California Federal (CALFED) Bay/Delta Program Record of Decision (Decision) was approved with mandates to improve water quality, enhance water supply reliability, augment ecosystem restoration, and assure long-term protection for Delta levees. During its first three years, CALFED has invested more than \$2.0 billion in hundreds of local and regional projects to meet these program goals.

In May 2004, a Delta Improvement Package was proposed to facilitate implementation of the Decision. Funding is expected to be provided by state and federal appropriations and contributions from local users, including the District. CALFED’s objective is to allocate project costs based on beneficiaries pay policy that is new costs would be commensurate with benefits received. At this time, the exact allocation of costs between the federal, state, and local users has not been determined, and therefore, the District cannot estimate the extent of timing of its contributions at this time.

There are other pending actions that may adversely impact the District’s ability to control the sale of water transported through the SWP into its service area. The impact on future revenues of such actions cannot be determined.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

REQUIRED SUPPLEMENTARY INFORMATION

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Casitas Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios
For the Fiscal Year Ended June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan

	June 30, 2014¹
Plan's Proportion of the Net Pension Liability/(Asset) for the Public Agency Cost-Sharing Multiple-Employer Miscellaneous Plans	0.08603%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 5,352,928
Plan's Covered-Employee Payroll	\$ 3,866,484
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	138.44%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%

¹ Historical information is required only for measurement periods for which GASB No. 68 is applicable.

Casitas Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Contributions – Pension Plans
For the Year Ended June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan

	2014-15¹	2013-14¹
Actuarially Determined Contribution ²	\$ 311,168	\$ 320,275
Contribution in Relation to the Actuarially Determined Contribution ²	(311,168)	(320,275)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll ^{3,4}	\$ 3,982,479	\$ 3,866,484
Contributions as a Percentage of Covered-Employee Payroll	7.81%	8.28%

¹ Historical information is required only for measurement periods for which GASB No. 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year was assumed to increase by the 3.00 percent payroll growth assumption

Notes to the Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

Changes of Assumptions: There were no changes in assumptions.

Casitas Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Funding Progress – Other Post-Employment Benefit Plan
For the Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2015	\$ -	\$ 14,591,064	\$ 14,591,064	0.00%	\$ 4,800,000	303.98%
June 30, 2014	\$ -	\$ 33,059,340	\$ 33,059,340	0.00%	\$ 4,992,482	662.18%
June 30, 2013	\$ -	\$ 18,832,580	\$ 18,832,580	0.00%	\$ 5,079,639	370.75%
June 30, 2012	\$ -	\$ 18,832,580	\$ 18,832,580	0.00%	\$ 4,830,682	389.85%

Notes to the Schedule:

Funding progress is presented for the year(s) that an actuarial study has been prepared since the effective date of GASB Statement 45. Actuarial review and analysis of the post-employment benefits liability and funding status is performed every two years or annually, if there are significant changes in the plan. The next scheduled actuarial review and analysis of the post-employment benefits liability and funding status will be performed in fiscal year 2018, based on the year ending June 30, 2017.

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SUPPLEMENTARY INFORMATION

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Casitas Municipal Water District
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive/ (Negative)
Operating revenues:			
Retail water consumption	\$ 5,803,745	\$ 6,626,304	\$ 822,559
Wholesale water consumption	1,807,650	2,058,219	250,569
Monthly water service charge	1,988,117	2,183,531	195,414
Recreation revenue	3,595,083	3,443,089	(151,994)
Other water charges and services	218,486	219,005	519
Total operating revenues	13,413,081	14,530,148	1,117,067
Operating expenses:			
Source of supply	1,693,390	1,444,041	249,349
Pumping	1,235,519	1,634,155	(398,636)
Water Treatment	1,165,347	1,451,902	(286,555)
Transmission and distribution	822,006	647,045	174,961
Telemetry	227,484	272,594	(45,110)
Customer accounts	438,402	399,383	39,019
Recreation expenses	4,089,407	4,138,417	(49,010)
General and administrative	3,225,169	3,289,749	(64,580)
Total operating expenses	12,896,724	13,277,286	(380,562)
Operating income(loss) before depreciation	516,357	1,252,862	1,497,629
Depreciation – water department	-	(2,832,048)	(2,832,048)
Depreciation – recreation department	-	(332,049)	(332,049)
Operating (loss)	516,357	(1,911,235)	(1,666,468)
Non-operating revenue(expense)			
Property taxes – ad valorem	1,999,800	2,240,433	240,633
Redevelopment agency property tax increment	-	68,837	68,837
Property tax assessment for State Water Project	-	490,989	490,989
State water project expense	-	(696,576)	(696,576)
Change in water-in-storage inventory	-	(1,171,790)	(1,171,790)
Mira Monte assessment	-	19,434	19,434
Tax collection expense	(27,000)	(31,610)	(4,610)
Interest and investment earnings	425,000	427,897	2,897
Change in fair-value of investments	-	(200,414)	(200,414)
Interest expense – long-term debt	(71,000)	(70,887)	113
Other non-operating revenues/(expenses), net	45,000	179,498	134,498
Total non-operating revenues, net	2,371,800	1,255,811	(1,115,989)
Net loss before capital contributions	2,888,157	(655,424)	(2,782,457)
Capital contributions:			
Federal, state and local capital grants	450,000	484,674	34,674
Capital contributions	450,000	484,674	34,674
Change in net position	3,338,157	(170,750)	\$ (2,747,783)
Net position:			
Beginning of year	81,788,881	81,788,881	
Prior period adjustment	(10,684,160)	(10,684,160)	
End of year	\$ 74,442,878	\$ 70,933,971	

Casitas Municipal Water District
Combining Schedule of Net Position
June 30, 2015

<u>Assets and Deferred Outflows of Resources</u>	<u>Operating Fund</u>	<u>Financing Fund</u>	<u>Improvement Assessment Fund</u>	<u>Eliminations for Financial Reporting</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 6,361,181	-	-	-	6,361,181
Investments	19,026,345	-	-	-	19,026,345
Accrued interest receivable	109,375	-	-	-	109,375
Accounts receivable – customers	1,805,980	-	-	-	1,805,980
Accounts receivable – special assessments	-	-	134,267	-	134,267
Accounts receivable – property taxes	61,803	-	-	-	61,803
Accounts receivable – other	1,137,751	-	-	-	1,137,751
Due from other funds	102,590	8,204,693	-	(8,307,283)	-
Materials and supplies inventory	88,704	-	-	-	88,704
Prepaid items	394,958	-	-	-	394,958
Total current assets	<u>29,088,687</u>	<u>8,204,693</u>	<u>134,267</u>	<u>(8,307,283)</u>	<u>29,120,364</u>
Non-current assets:					
Water-in-storage inventory	6,163,728	-	-	-	6,163,728
Capital assets – not being depreciated	6,230,088	-	-	-	6,230,088
Capital assets – being depreciated, net	52,274,633	-	-	-	52,274,633
Total non-current assets	<u>64,668,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,668,449</u>
Total assets	<u>93,757,136</u>	<u>8,204,693</u>	<u>134,267</u>	<u>(8,307,283)</u>	<u>93,788,813</u>
Deferred outflows of resources	<u>434,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>434,390</u>
Total assets and deferred outflows of resources	<u>94,191,526</u>	<u>8,204,693</u>	<u>134,267</u>	<u>(8,307,283)</u>	<u>94,223,203</u>
<u>Liabilities, Deferred Outflows of Resources and Net Position</u>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 1,303,366	-	-	-	1,303,366
Deposits and unearned revenue	521,071	-	-	-	521,071
Accrued interest payable	15,297	-	-	-	15,297
Due to other funds	-	8,204,693	102,590	(8,307,283)	-
Long-term liabilities – due within one year:					
Compensated absences	353,045	-	-	-	353,045
Reimbursement agreement	231,684	-	-	-	231,684
Loans payable	245,888	-	-	-	245,888
Special assessment bonds payable	-	-	16,000	-	16,000
Total current liabilities	<u>2,670,351</u>	<u>8,204,693</u>	<u>118,590</u>	<u>(8,307,283)</u>	<u>2,686,351</u>
Non-current liabilities:					
Long-term liabilities – due in more than one year:					
Compensated absences	529,568	-	-	-	529,568
Reimbursement agreement	2,780,214	-	-	-	2,780,214
Loans payable	1,652,804	-	-	-	1,652,804
Special assessment bonds payable	-	-	89,500	-	89,500
Net other post-employment benefits obligation	8,113,216	-	-	-	8,113,216
Net pension liability	5,352,928	-	-	-	5,352,928
Total non-current liabilities	<u>18,428,730</u>	<u>-</u>	<u>89,500</u>	<u>-</u>	<u>18,518,230</u>
Total liabilities	<u>21,099,081</u>	<u>8,204,693</u>	<u>208,090</u>	<u>(8,307,283)</u>	<u>21,204,581</u>
Deferred inflows of resources	<u>2,084,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,084,651</u>
Net position:					
Net investment in capital assets	53,594,131	-	(89,500)	-	53,488,631
Restricted for debt service	-	-	134,267	-	134,267
Unrestricted	17,413,663	-	(118,590)	-	17,311,073
Total net position	<u>71,007,794</u>	<u>-</u>	<u>(73,823)</u>	<u>-</u>	<u>70,933,971</u>
Total liabilities and net position	<u>\$ 94,191,526</u>	<u>8,204,693</u>	<u>134,267</u>	<u>(8,307,283)</u>	<u>94,223,203</u>

Casitas Municipal Water District
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	Water Fund	Recreation Fund	Total
Operating revenues:			
Retail water consumption	\$ 6,626,304	\$ -	\$ 6,626,304
Wholesale water consumption	2,058,219	-	2,058,219
Monthly water service charge	2,183,531	-	2,183,531
Recreation revenue	-	3,443,089	3,443,089
Other water charges and services	219,005	-	219,005
	11,087,059	3,443,089	14,530,148
Operating expenses:			
Source of supply	1,444,041	-	1,444,041
Pumping	1,634,155	-	1,634,155
Water treatment	1,451,902	-	1,451,902
Transmission and distribution	647,045	-	647,045
Telemetry	272,594	-	272,594
Customer accounts	399,383	-	399,383
Recreation expenses	-	4,138,417	4,138,417
General and administrative	3,289,749	-	3,289,749
	9,138,869	4,138,417	13,277,286
	1,948,190	(695,328)	1,252,862
Depreciation – water department	(2,832,048)	-	(2,832,048)
Depreciation – recreation department	-	(332,049)	(332,049)
	(883,858)	(1,027,377)	(1,911,235)
Non-operating revenue(expense)			
Property taxes – ad valorem	2,240,433	-	2,240,433
Redevelopment agency property tax increment	68,837	-	68,837
Property tax assessment for State Water Project	490,989	-	490,989
State water project expense	(696,576)	-	(696,576)
Change in water-in-storage inventory	(1,171,790)	-	(1,171,790)
Mira Monte assessment	19,434	-	19,434
Tax collection expense	(31,610)	-	(31,610)
Interest and investment earnings	427,897	-	427,897
Change in fair-value of investments	(200,414)	-	(200,414)
Interest expense – long-term debt	(70,887)	-	(70,887)
Other non-operating revenues/(expenses), net	179,498	-	179,498
	1,255,811	-	1,255,811
	371,953	(1,027,377)	(655,424)
Capital contributions:			
Federal, state and local capital grants	74,347	410,327	484,674
	\$ 446,300	\$ (617,050)	\$ (170,750)

**Casitas Municipal Water District
Detail Schedules of Operating Expenses - Water Department
For the Year Ended June 30, 2015**

	<u>2015</u>
Source of supply:	
Advertising and legal notices	\$ 4,567
Books and publications	70
Clothing and personal supplies	696
Communications	3,879
Computer upgrades – hardware and software	3,594
Costs applied	278
District equipment	7,111
Education and training	5,205
Insurance – Aflac service fee	138
Insurance – EAP	152
Licenses and permits	22,260
Memberships and dues	9,820
Office supplies	224
Other professional services	2,654
Outside contracts	162,514
Postage	13,110
Printing and binding	11,121
Private vehicle mileage	530
Public information program	125
Purchased water	791
Salaries and benefits	1,091,111
Services and supplies	74,150
Small tools	1,160
Travel expense	11,676
Utilities	3,539
	<hr/>
Total source of supply	1,430,475
	<hr/>
Pumping:	
Communications	1,791
Outside contracts	81,782
Power purchased for pumping	1,314,251
Salaries and benefits	152,763
Service and supplies	82,893
Small tools	722
	<hr/>
Total pumping	1,634,202
	<hr/>
Water treatment:	
Ammonia	31,043
Caustics	62,289
Chlorine	94,210
Clothing and personal supplies	461
Communications	3,508
Computer upgrades – hardware and software	6,631
Education and training	574
Ferric	9,407
Licenses and permits	656
Outside contracts	53,038
Polymer	43,369
Postage	21
Safety program	269
Salaries and benefits	932,393
Service and supplies	50,564
Small tools	2,489
Travel	130
Utilities	160,850
	<hr/>
Total water treatment	\$ 1,451,902
	<hr/>

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**Casitas Municipal Water District
Detail Schedules of Operating Expenses - Water Department
For the Year Ended June 30, 2015**

	2015
Transmission and distribution:	
Clothing and personal supplies	\$ 261
Communications	246
Education and training	2,217
Licenses and permits	5,893
Other operating expenses	20,445
Outside contracts	33,334
Salaries and benefits	446,894
Service and supplies	131,416
Small tools	4,744
Travel expense	1,418
Total transmission and distribution	646,868
Telemetry:	
Communications	912
Outside contracts	30,661
Salaries and benefits	188,343
Service and supplies	31,082
Small tools	501
Utilities	21,095
Total telemetry	272,594
Customer accounts:	
Bad debt provision	4,214
Clothing and personal supplies	642
Communications	456
Computer upgrades – hardware and software	18,250
Education and training	1,183
Leak relief expense	8,491
Licenses and permits	365
Outside contracts	14,671
Postage	2,435
Salaries and benefits	310,431
Service and supplies	38,245
Total customer accounts	\$ 399,383

Continued on next page

**Casitas Municipal Water District
Detail Schedules of Operating Expenses - Water Department
For the Year Ended June 30, 2015**

	2015
General and administrative:	
Advertising and legal notices	\$ 2,679
Bank charges	29,039
Books and publications	5,664
Clothing and personal supplies	7,594
Communications	39,127
Computer upgrades – hardware and software	25,987
Directors election fees	500
District equipment	116,470
Education and training	13,667
Gains/losses on inventory	(254)
Insurance – Aflac	760
Insurance – EAP	954
Insurance – liability	63,299
Licenses and permits	16,091
Memberships and dues	80,282
Office equipment maintenance	3,365
Office supplies	10,487
Other professional services	270,939
Outside contracts	229,920
Postage	1,507
Printing and binding	3,306
Private vehicle mileage	7,841
Safety program	144
Salaries and benefits	3,131,657
Service and supplies	95,531
Small tools	3,004
Travel expense	9,519
Utilities	40,780
Vehicle costs direct	120,900
Workers' compensation	111,087
Costs applied	(166,160)
Administrative overhead burden	(974,182)
Total general and administrative	3,301,504
Depreciation expense:	
Water department	2,832,048
Total depreciation expense	2,832,048
Total operating expenses – water department	\$ 11,968,976

Casitas Municipal Water District
Detail Schedule of Revenues and Expenses - Recreation Department
For the Year Ended June 30, 2015

	<u>2015</u>
Recreation revenue:	
Animal permit	\$ 16,797
Bad debt collection recovery	450
Boat fees - annual	38,640
Boat fees - daily	9,282
Boat fees - overnight	1,204
Boat inspection fees - Quagga	3,200
Boat lock revenue - Quagga	2,786
Boat rental - concession	60,379
Cafe - concession	25,120
Cafe pass fee	22,940
Cafe pass reimbursement	(22,162)
Camping fees	1,682,659
Camp promotion	10,587
Commercials	7,350
Event reimbursement	50
Events	25,826
Gift cards and certificates	(180)
Guest pass	(300)
Impound fee	525
Kayak and canoes annual	4,005
Kayak and canoes daily	41
Miscellaneous revenue	1,096
Over / short - recreation	139
Over / short - water park	(14)
Park store	46,682
Rain checks	(1,095)
Reservations	123,523
Shower facility fees	19,342
Snow bird pumping	1,370
Trailer storage fees	173,168
Vehicle fees - daily	206,701
Violation ordinance fees	14,925
Visitor cards	118,651
Water park - group pass fee	(6,809)
Water park - guest pass	(216)
Water park - junior lifeguard	7,051
Water park - late day pass fee	73,481
Water park - lifeguard training	1,317
Water park - locker fee	1,251
Water park - next day pass fee	(1,492)
Water park - promotion	18
Water park - rain checks	(312)
Water park - reservation fee	29,155
Water park - season pass fee	25,106
Water park - shade rental fee	7,610
Water park - shower facility fee	23,014
Water park - single splash fee	574,253
Water park - water fitness - fee	8,688
Water park snack bar	7,287
	<hr/>
Total recreation revenue	\$ 3,343,089

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Casitas Municipal Water District
Detail Schedule of Revenues and Expenses - Recreation Department
For the Year Ended June 30, 2015

	2015
Recreation expenses:	
Administrative overhead burden	\$ 974,182
Advertising and legal notices	4,692
Bad debt provision	157
Bank charges	4,226
Chemicals – water playground	1,562
Chlorine	22,587
Clothing and personal supplies	10,873
Communications	23,166
Computer upgrades – hardware and software	7,705
Credit card fees	57,663
District equipment	139,781
Education and training	2,983
Licenses and permits	7,326
Memberships and dues	1,349
Office supplies	1,357
Outside contracts	216,279
Pre-employment screening	7,563
Postage	1,574
Printing and binding	7,581
Private vehicle mileage	451
Public information program	19,236
Purchased water	55,504
Safety program	1,601
Salaries and benefits	2,239,510
Service and supplies	176,627
Small tools	4,705
Travel expense	4,282
Utilities	145,836
	4,140,358
Total	4,140,358
Recreation operating (loss) before depreciation	(797,269)
Depreciation – recreation department	(332,049)
Recreation operating (loss)	\$ (1,129,318)

STATISTICAL SECTION

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**Casitas Municipal Water District
Statistical Section
For the Year Ended June 30, 2015**

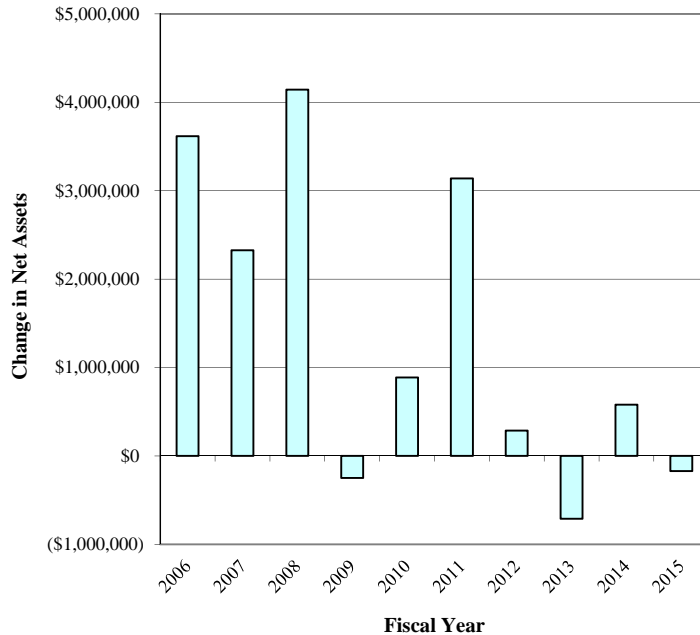
This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

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Financial Trends These schedules contain information to help the reader understand how the District’s financial performance and well-being have changed over time.	52-55
Revenue Capacity These schedules contain information to help the reader assess the District’s most significant own-source revenue, water sales.	56-60
Debt Capacity These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	61-62
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District’s financial activities take place.	63
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the service the District provides.	64

Casitas Municipal Water District
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 11,258,803	13,291,119	13,805,964	12,129,996	12,194,917
Operating expenses (see Schedule 3)	(8,262,068)	(10,289,724)	(10,107,124)	(13,384,114)	(11,171,141)
Depreciation and amortization	(2,363,709)	(4,207,595)	(2,975,653)	(2,834,977)	(2,863,329)
Operating income(loss)	<u>633,026</u>	<u>(1,206,200)</u>	<u>723,187</u>	<u>(4,089,095)</u>	<u>(1,839,553)</u>
Non-operating revenues(expenses)					
Property taxes	526,622	1,734,216	1,831,087	1,982,172	1,959,850
Clean Water Act surcharge	1,085,494	1,006,501	1,071,637	1,685,062	1,290,042
Mira Monte assessment	20,307	18,605	19,657	18,914	18,601
Oak View availability charge	7,754	7,439	7,862	6,992	7,709
Property tax collection expense	(15,707)	(13,448)	(28,261)	(29,433)	(30,416)
Investment income/(loss)	269,336	404,167	463,786	213,695	129,472
Water-in-storage valuation	-	-	-	-	-
State water project expense	-	-	-	-	(666,442)
Federal grants	-	-	-	-	-
Capital facilities charges	-	-	-	-	-
Gain/(Loss) on sale/disposition of assets	-	-	-	-	-
Interest expense	(131,650)	(129,810)	(123,440)	(116,361)	(106,239)
Other revenue/(expense), net	204,592	46,646	31,307	14,460	(6,638)
Total non-operating revenues(expenses), net	<u>1,966,748</u>	<u>3,074,316</u>	<u>3,273,635</u>	<u>3,775,501</u>	<u>2,595,939</u>
Net income before capital contributions	2,599,774	1,868,116	3,996,822	(313,594)	756,386
Capital contributions	1,016,530	458,002	146,880	63,784	131,179
Change in net position	<u>\$ 3,616,304</u>	<u>2,326,118</u>	<u>4,143,702</u>	<u>(249,810)</u>	<u>887,565</u>
Net position by component:					
Invested in capital assets, net of related debt	\$ 55,808,167	54,099,748	54,636,436	55,408,560	55,277,544
Restricted	91,941	103,054	75,088	67,343	60,922
Unrestricted	15,487,339	19,510,763	23,145,743	22,131,554	23,156,556
Total net Position	<u>\$ 71,387,447</u>	<u>73,713,565</u>	<u>77,857,267</u>	<u>77,607,457</u>	<u>78,495,022</u>

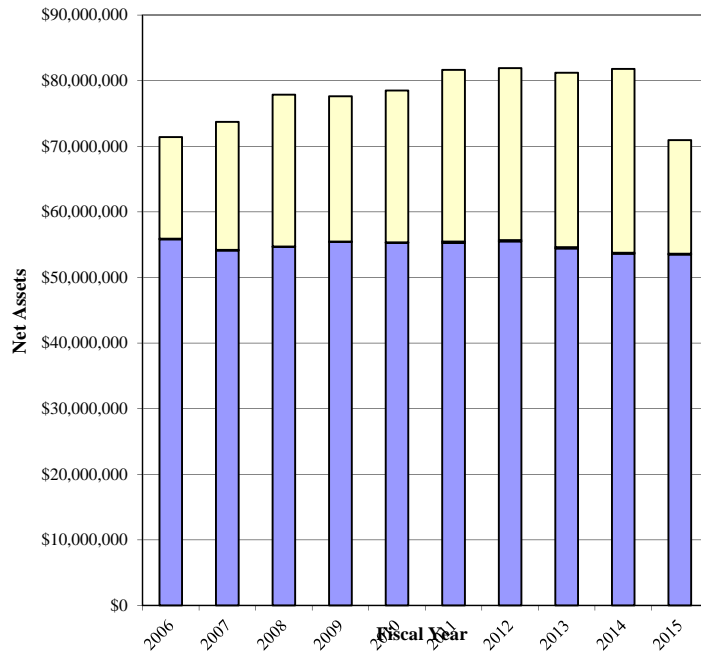


Notes:

- (1) The District made a prior period adjustment of \$796,383.
- (2) The District made a prior period adjustment of \$(10,684,160).

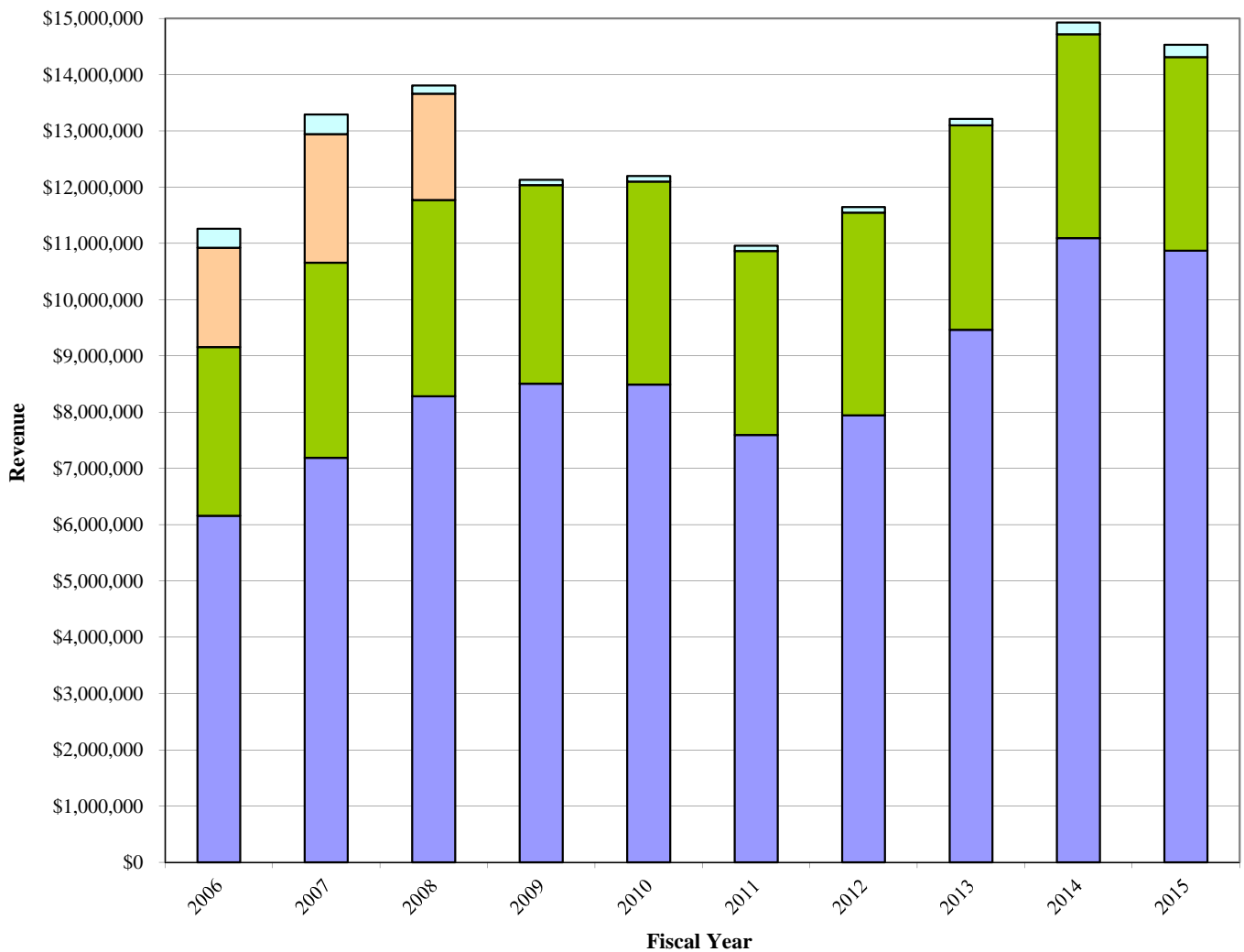
Casitas Municipal Water District
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years (Continued)

Fiscal Year				
2011	2012	2013	2014	2015
10,956,600	11,645,576	13,212,527	14,923,271	14,530,148
(11,587,130)	(12,047,019)	(13,639,029)	(14,238,444)	(13,277,286)
<u>(3,037,340)</u>	<u>(3,097,495)</u>	<u>(3,084,521)</u>	<u>(3,152,038)</u>	<u>(3,164,097)</u>
<u>(3,667,870)</u>	<u>(3,498,938)</u>	<u>(3,511,023)</u>	<u>(2,467,211)</u>	<u>(1,911,235)</u>
2,012,458	2,025,655	2,147,033	2,192,072	2,309,270
1,682,991	1,554,698	462,896	566,610	490,989
17,113	17,630	19,783	31,797	19,434
7,657	293	232	-	-
(31,158)	(30,158)	(31,284)	(8,360)	(31,610)
402,229	449,707	(164,338)	281,851	227,483
3,318,094	-	-	-	(1,171,790)
<u>(787,665)</u>	<u>(382,908)</u>	<u>(517,749)</u>	<u>(451,590)</u>	<u>(696,576)</u>
-	-	-	-	-
-	-	-	-	-
(102,295)	(94,969)	(87,015)	(79,124)	(70,887)
<u>213,445</u>	<u>12,454</u>	<u>(20,137)</u>	<u>24,506</u>	<u>179,498</u>
<u>6,732,869</u>	<u>3,552,402</u>	<u>1,809,421</u>	<u>2,557,762</u>	<u>1,255,811</u>
3,064,999	53,464	(1,701,602)	90,551	(655,424)
74,095	232,755	990,526	489,071	484,674
<u>3,139,094</u>	<u>286,219</u>	<u>(711,076)</u>	<u>579,622</u>	<u>(170,750)</u>
55,261,613	55,501,696	54,428,683	53,612,183	53,488,631
217,413	199,890	180,151	153,708	134,267
<u>26,155,090</u>	<u>26,218,749</u>	<u>26,600,425</u>	<u>28,022,990</u>	<u>17,311,073</u>
<u>81,634,116</u>	<u>81,920,335</u>	<u>81,209,259</u> ⁽¹⁾	<u>81,788,881</u>	<u>70,933,971</u> ⁽²⁾



**Casitas Municipal Water District
Operating Revenue By Source
Last Ten Fiscal Years**

Fiscal Year	Water Sales and Service	Recreation Revenue	Local Runoff	Other Operating Revenue	Total Operating Revenue
2006	\$ 6,157,482	2,996,915	1,768,645	335,761	11,258,803
2007	7,188,942	3,469,248	2,282,734	350,195	13,291,119
2008	8,282,482	3,487,877	1,890,639	144,966	13,805,964
2009	8,507,054	3,526,264	-	96,678	12,129,996
2010	8,488,083	3,611,110	-	95,724	12,194,918
2011	7,592,767	3,269,377	-	94,456	10,956,600
2012	7,944,558	3,599,744	-	101,274	11,645,576
2013	9,461,356	3,637,050	-	114,121	13,212,527
2014	11,092,279	3,625,800	-	205,192	14,923,271
2015	10,868,054	3,443,089	-	219,005	14,530,148

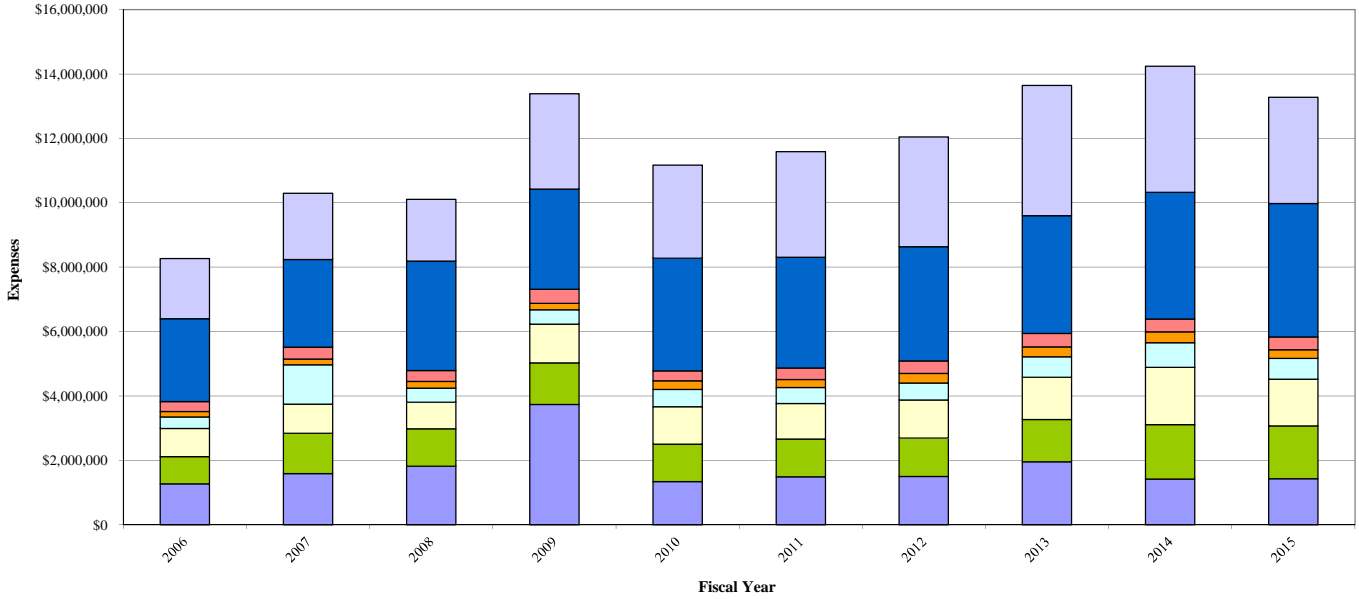


Note 1 - Beginning in FY 2010 the District classified the Water Storage Valuation as a Non-Operating Revenue

Source: Casitas Municipal Water District Accounting Department

**Casitas Municipal Water District
Operating Expenses by Activity
Last Ten Fiscal Years**

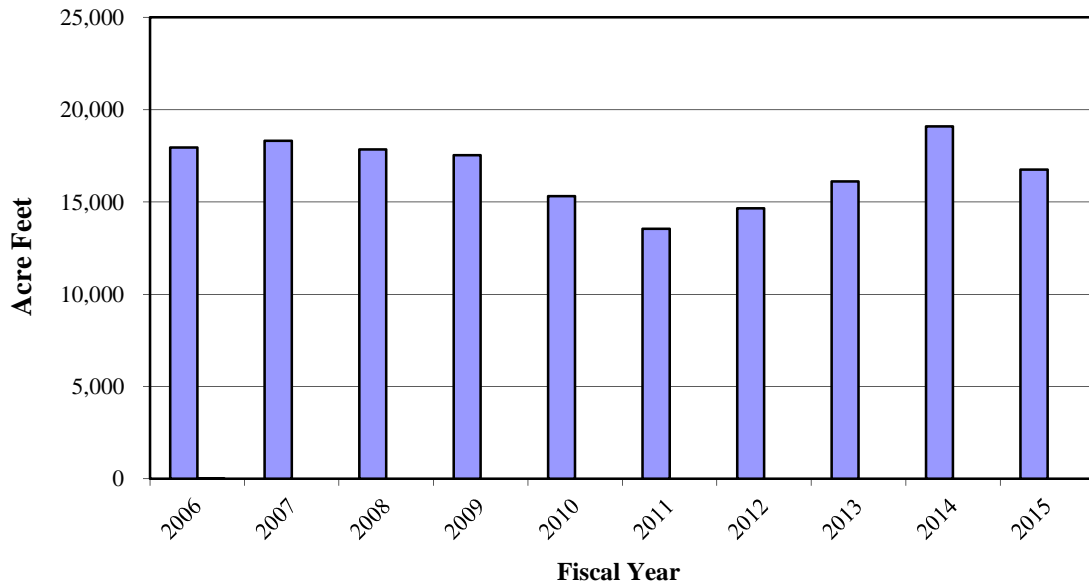
Fiscal Year	Source of Supply	Pumping	Water Treatment	Transmission and Distribution	Telemetry	Customer Accounts	Recreation Area	General and Administrative	Total Operating Expenses
2006	\$ 1,266,305	844,456	876,220	358,083	174,943	308,137	2,570,736	1,863,188	8,262,068
2007	1,584,516	1,261,227	898,454	1,221,291	185,521	359,407	2,730,670	2,048,638	10,289,724
2008	1,815,132	1,160,984	831,760	435,705	209,198	335,952	3,401,609	1,916,784	10,107,124
2009	3,735,269	1,292,700	1,197,050	448,678	197,119	436,851	3,113,058	2,963,389	13,384,114
2010	1,338,079	1,166,950	1,165,062	530,798	266,133	308,364	3,504,726	2,891,029	11,171,141
2011	1,493,036	1,168,939	1,107,391	488,434	251,534	362,054	3,436,849	3,278,893	11,587,130
2012	1,498,408	1,194,225	1,184,305	527,004	294,816	387,735	3,551,695	3,408,831	12,047,019
2013	1,958,838	1,313,549	1,305,364	640,781	309,327	412,021	3,662,878	4,036,271	13,639,029
2014	1,421,801	1,685,967	1,783,448	762,346	332,776	400,493	3,939,152	3,912,461	14,238,444
2015	1,430,475	1,634,202	1,451,902	646,868	272,594	399,383	4,140,358	3,301,504	13,277,286



Source: Casitas Municipal Water District Accounting Department

**Casitas Municipal Water District
Revenue Base
Last Ten Fiscal Years**

Fiscal Year	Water Sales (Acre Feet)
2006	17,952
2007	18,318
2008	17,844
2009	17,533
2010	15,307
2011	13,549
2012	14,655
2013	16,106
2014	19,093
2015	16,746



Note: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

Source: Casitas Municipal Water District Accounting Department

**Casitas Municipal Water District
Revenue Rates
June 30, 2015**

In fiscal year 2009, the District changed its rate structure as follows:

RATE SCHEDULE - CLASS 1 SERVICE				Rate per Unit **	
				GRAVITY	PUMPED
Residential					
	Bi-Monthly Lifeline	0-20 Units		\$ 0.567	\$ 0.831
	Bi-Monthly Usage	21-34 Units		\$ 1.003	\$ 1.267
	Bi-Monthly Usage	35-100 units		\$ 1.404	\$ 1.668
	Bi-Monthly Usage	101 units +		\$ 2.200	\$ 2.464
Business				\$ 1.259	\$ 1.524
Industrial				\$ 1.259	\$ 1.524
Resale				\$ 0.780	\$ 1.403
Other				\$ 1.259	\$ 1.524
Temporary				\$ 1.419	\$ 1.683
Recreation				\$ 1.259	\$ 1.524
RATE SCHEDULE - CLASS 3 SERVICE				Rate per Unit **	
				GRAVITY	PUMPED
Ag-Residential					
	Monthly Lifeline	0-10 Units		\$ 0.567	\$ 0.831
	Monthly Usage	11-17 Units		\$ 1.003	\$ 1.267
	Monthly Usage	18 -50 Units		\$ 1.404	\$ 1.668
	Irrigation (AG)	51 units +		\$ 0.588	\$ 0.852
** One unit equals 100 cubic feet (748 gallons)					
	Cost per AF (example)	Irrigation	per AF = \$.588 x 435.6 =	\$ 256.13	gravity
			per AF = \$.852 x 435.6 =	\$ 371.13	pumped

METER SIZE		5/8"-3/4"	1"	1-1/2"	2"	2-1/2"	3"	4"	6"	Over 6"	
MAX CAPACITY		GPM	20-30	50	120	160	TEMP 300	320	1000	2000	over 2000
RESIDENTIAL	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
BUSINESS	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
INDUSTRIAL	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
IRRIGATION/ AG	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
RESALE(G)	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
RESALE(P)	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
OTHER	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
TEMPORARY	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm
RECREATION	Monthly	\$ 22.02	\$ 32.89	\$ 60.06	\$ 92.66	\$ 141.56	\$ 195.90	\$ 348.04	\$ 766.43	\$ 2,667.46	per gpm
	Bi-Monthly	\$ 38.32	\$ 60.06	\$ 114.39	\$ 179.60	N/A	\$ 386.07	\$ 690.36	\$ 1,527.13	\$ 5,334.92	per gpm

**Casitas Municipal Water District
Revenue Rates
June 30, 2015**

In fiscal year 2012, the District changed its rate structure as follows:

9.3.1 RATE SCHEDULE - CLASS 1 SERVICE				Rate per Unit **	
				GRAVITY	PUMPED
Residential					
	Bi-Monthly Lifeline	0-20 Units		\$ 0.584	\$ 0.856
	Bi-Monthly Usage	21-34 Units		\$ 1.033	\$ 1.305
	Bi-Monthly Usage	35-100 units		\$ 1.446	\$ 1.718
	Bi-Monthly Usage	101 units +		\$ 2.266	\$ 2.538
Business				\$ 1.297	\$ 1.570
Industrial				\$ 1.297	\$ 1.570
Resale				\$ 0.803	\$ 1.445
Other				\$ 1.297	\$ 1.570
Temporary				\$ 1.462	\$ 1.733
Recreation				\$ 1.297	\$ 1.570
9.3.3 RATE SCHEDULE - CLASS 3 SERVICE				Rate per Unit **	
				GRAVITY	PUMPED
Ag-Residential					
	Monthly Lifeline	0-10 Units		\$ 0.584	\$ 0.856
	Monthly Usage	11-17 Units		\$ 1.033	\$ 1.305
	Monthly Usage	18 -50 Units		\$ 1.446	\$ 1.718
	Irrigation (AG)	51 units +		\$ 0.606	\$ 0.878

**** One unit equals 100 cubic feet (748 gallons)**

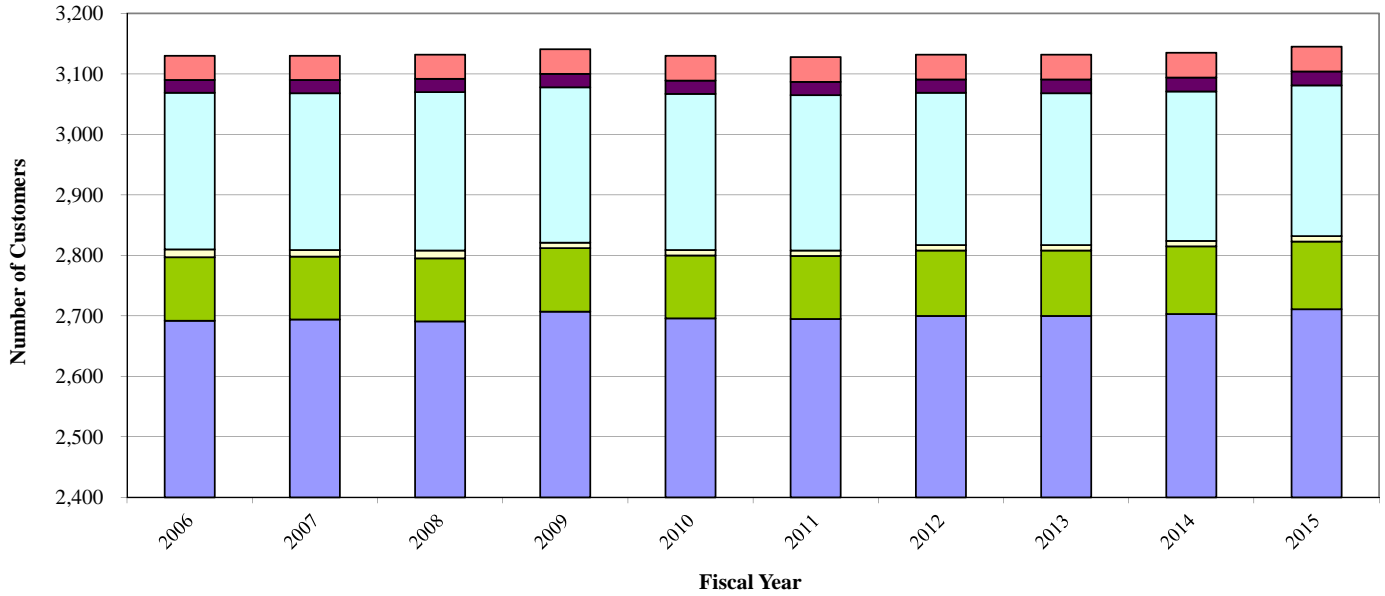
Cost per AF (example) Irrigation per AF = \$.606 x 435.6 = \$ 263.97 gravity
per AF = \$.878 x 435.6 = \$ 382.46 pumped

9.3.4 COMBINATION (CLASS C) SERVICE. Where more than one class of water service or use if provided through a single connection, the General Manager shall make an equitable proration of rates and fees, such proration shall be conclusive unless appealed within 30 days by the customer to the Board, in which case the determination of the Board shall be conclusive.

METER SIZE		5/8"-3/4"	1"	1-1/2"	2"	2-1/2"	3"	4"	6"	Over 6"	
MAX CAPACITY	GPM	20-30	50	120	160	TEMP 300	320	1000	2000	over 2000	
RESIDENTIAL	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
BUSINESS	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
INDUSTRIAL	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
IRRIGATION/ AG	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
RESALE(G)	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
RESALE(P)	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
OTHER	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
TEMPORARY	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm
RECREATION	Monthly	\$ 23.34	\$ 34.86	\$ 63.66	\$ 98.22	\$ 150.05	\$ 207.65	\$ 368.92	\$ 812.42	\$ 2,827.51	per gpm
	Bi-Monthly	\$ 40.62	\$ 63.66	\$ 121.25	\$ 190.38	N/A	\$ 409.23	\$ 731.78	\$ 1,618.76	\$ 5,655.02	per gpm

**Casitas Municipal Water District
Customers by Type at Fiscal Year-End
Last Ten Fiscal Years**

Fiscal Year	Customer Type						Total
	Residential	Business	Industrial	Agricultural	Wholesale	Other	
2006	2,692	105	13	259	21	40	3,130
2007	2,694	104	11	259	22	40	3,130
2008	2,691	104	13	262	22	40	3,132
2009	2,707	105	9	257	22	41	3,141
2010	2,696	104	9	258	22	41	3,130
2011	2,695	104	9	257	22	41	3,128
2012	2,700	108	9	252	22	41	3,132
2013	2,700	108	9	251	23	41	3,132
2014	2,703	112	9	247	23	41	3,135
2015	2,711	112	9	249	23	41	3,145

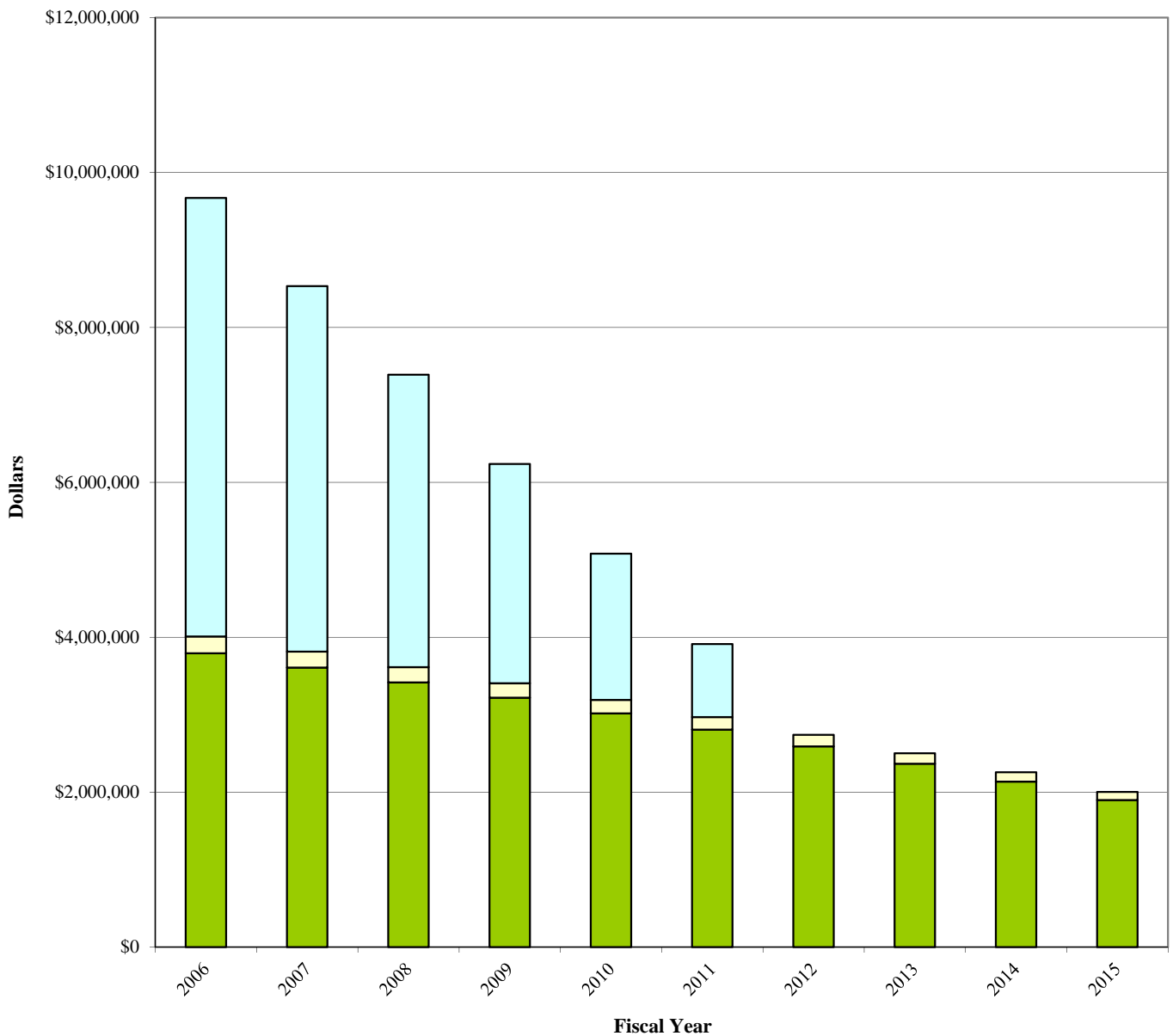


Note: Number of customers as of June 30 of fiscal year.

Source: Casitas Municipal Water District Accounting Department

**Casitas Municipal Water District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year		Loans Payable	Bonds Payable	Notes Payable	Total		
					Debt	Per Capita	As a Share of Personal Income
2006	\$	3,792,883	217,500	5,661,876	9,672,259	13.51	0.05%
2007		3,608,238	207,500	4,718,230	8,533,968	11.91	0.04%
2008		3,417,845	196,500	3,774,584	7,388,929	10.11	0.03%
2009		3,220,825	185,500	2,830,938	6,237,263	8.41	0.01%
2010		3,017,650	173,500	1,887,292	5,078,442	6.74	0.01%
2011		2,807,893	161,500	943,646	3,913,039	5.06	0.01%
2012		2,591,520	148,500	-	2,740,020	3.51	0.01%
2013		2,367,787	134,500	-	2,502,287	3.16	0.01%
2014		2,136,978	120,500	-	2,257,478	3.12	0.01%
2015		1,898,692	105,500	-	2,004,192	3.13	0.01%



**Casitas Municipal Water District
Debt Coverage
Last Ten Fiscal Years**

Fiscal Year	Net Revenues	Operating Expenses⁽¹⁾	Net Available Revenues	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2006	13,990,227	(8,262,068)	5,728,159	1,132,484	131,650	1,264,134	4.53
2007	16,508,693	(10,289,724)	6,218,969	1,138,291	129,810	1,268,101	4.90
2008	17,231,300	(10,107,124)	7,124,176	1,145,039	124,805	1,269,844	5.61
2009	17,172,474	(12,382,370)	4,790,104	1,151,666	118,147	1,269,813	3.77
2010	15,605,715	(10,169,397)	5,436,318	1,158,821	107,098	1,265,919	4.29
2011	15,304,255	(9,614,381)	5,689,874	1,165,403	96,491	1,261,894	4.51
2012	15,717,774	(10,948,207)	4,769,567	237,733	89,085	326,818	14.59
2013	15,752,090	(11,998,166)	3,753,924	244,809	81,334	326,143	11.51
2014	18,020,107	(12,234,997)	5,785,110	253,286	73,157	326,443	17.72
2015	17,937,802	(13,277,286)	4,660,516	261,888	64,830	326,718	14.26

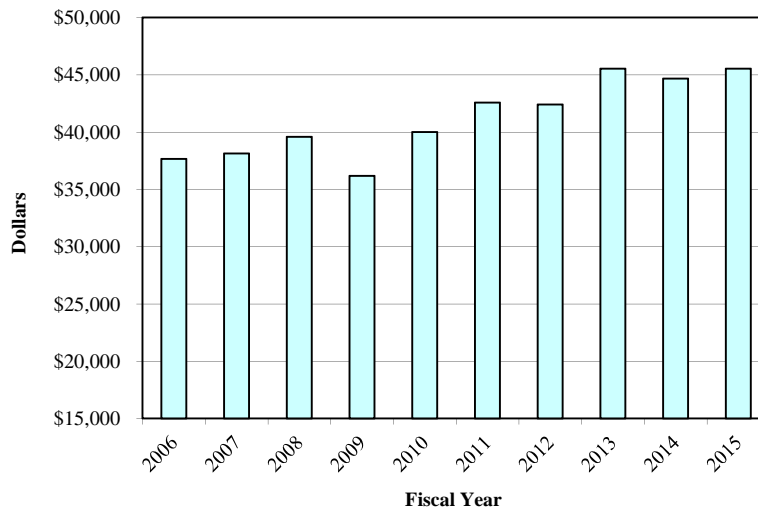
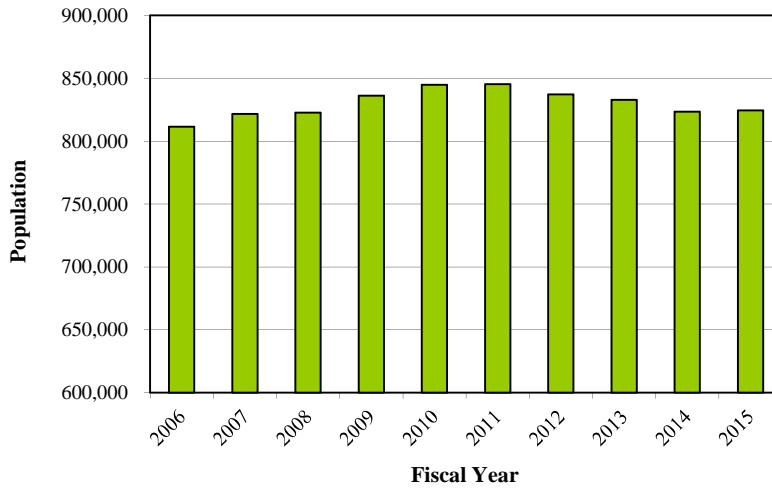
Notes:

(1) Operating expenses exclude depreciation expense.

Source: Casitas Municipal Water District Accounting Department

**Casitas Municipal Water District
Demographics and Economic Statistics - County of Ventura
Last Ten Calendar Years**

Year	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2006	4.6%	811,405	\$ 30,568,744	37,674
2007	4.3%	821,669	31,332,963	38,133
2008	4.6%	822,654	32,564,897	39,585
2009	9.2%	836,080	30,258,987	36,191
2010	10.0%	844,713	33,800,000	40,014
2011	11.0%	845,222	36,000,000	42,592
2012	10.7%	837,145	35,500,000	42,406
2013	9.3%	832,970	37,925,000	45,530
2014	6.2%	823,318	36,776,000	44,668
2015	6.0%	824,546	37,555,000	45,546



Sources: California Department of Finance and CaliforniaLaborMarketInfo

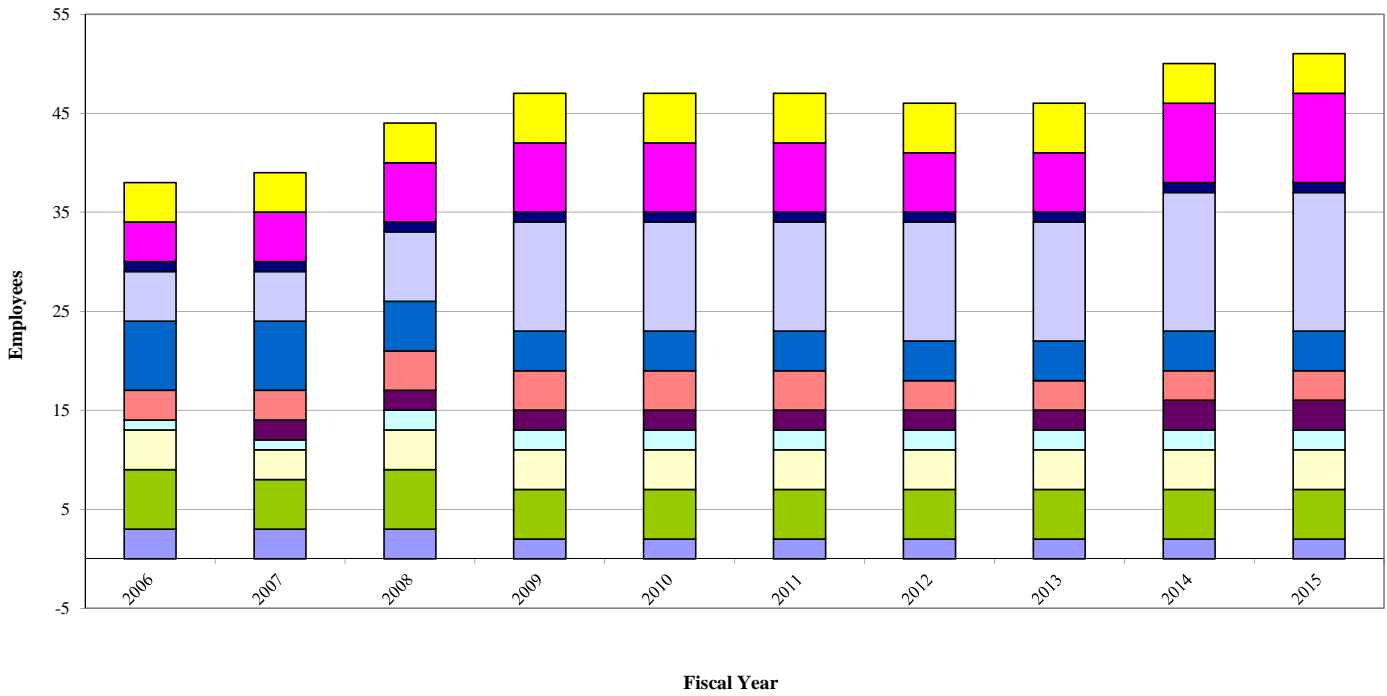
Notes:

(1) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District.

**Casitas Municipal Water District
Operating and Capacity Indicators
Last Ten Fiscal Years**

Employees

Department	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Management	3	3	3	2	2	2	2	2	2	2
Administration	6	5	6	5	5	5	5	5	5	5
Engineering	4	3	4	4	4	4	4	4	4	4
Water Quality Lab	1	1	2	2	2	2	2	2	2	2
Fisheries	0	2	2	2	2	2	2	2	3	3
Electrical and Mechanical	3	3	4	4	4	4	3	3	3	3
Distribution	7	7	5	4	4	4	4	4	4	4
Conservation and Treatment	5	5	7	11	11	11	12	12	14	14
Information Technology	1	1	1	1	1	1	1	1	1	1
Recreation Operations	4	5	6	7	7	7	6	6	8	9
Recreation Maintenance	4	4	4	5	5	5	5	5	4	4
Total	38	39	44	47	47	47	46	46	50	51



**Casitas Municipal Water District
Operating and Capacity Indicators
Last Ten Fiscal Years**

Other Operating and Capacity Indicators

Fiscal Year	Miles of Pipeline	Lake Storage Capacity (AF)	Lake Level at Year-End (AF)	Percentage of Lake Capacity	Daily System Capacity (MGD)
2006	105.7	254,000	229,546	90.4%	65
2007	105.7	254,000	221,174	87.1%	65
2008	105.7	254,000	222,528	87.6%	65
2009	105.7	254,000	199,851	78.7%	65
2010	105.7	254,000	194,405	76.5%	65
2011	105.7	254,000	218,328	86.0%	65
2012	105.7	254,000	197,199	77.6%	65
2013	105.7	254,000	171,748	67.6%	65
2014	105.7	254,000	145,253	57.2%	65
2015	105.7	254,000	122,050	48.1%	65

N/A - Data not available for these years

AF - Acre Feet

MGD - Millions of Gallons per Day

Sources: Casitas Municipal Water District Operations and Accounting Departments

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: DENISE COLLIN, ACCOUNTING MANAGER / TREASURER
SUBJECT: RECOMMENDATION – TO SET RESERVES 2015 / 2016
DATE: 12/18/2015

RECOMMENDATION:

It is recommended to split the Un-Designated funds as follows:

Increase Storm Damage:	\$479,850.00
Increase Variation in Water Sales:	\$479,850.00

BACKGROUND:

Reserves calculated for the 2015/2016 fiscal year have resulted in a balance of \$959,761.20 to be Designated.

The Storm Damage Reserve is currently set at \$2,000,000. With the continued drought conditions combined with very little rainfall this year and in previous years, the land conditions are dry, diversion infrastructure has not been used and other distribution assets could experience unexpected Storm Damage when El Nino arrives.

Variation in Water Sales Reserve is currently set at \$3,000,000. Under the current drought conditions revenue is expected to decrease.

It is recommended to split and designate the balance of \$ 959,761.20 to Storm Damage and Variation in Water Sales. This will bringing the balance of Storm Damage to \$2,479,850.00 and Variation in Water Sales to \$3,479,850.00.

June 30th, 2015

General Fund Balance - Rabobank	5,905,426.95	
Visa - Rabobank	30,513.12	
LAIF	446.51	
Morgan Stanley - Investments	19,147,153.84	
Morgan Stanley - Money Market	14,773.11	
County of Ventura Investment (C.O.V.I.)	965.93	
Total Reserves		<u>25,099,279.46</u>
<i>Less: Restricted:</i>		
Due to Debt Service Fund	8,204,693.36	
Due to Mira Monte Fund	102,589.84	
Capital Facilities	1,984,395.06	
Safe Drinking Water	60,000.00	
Flexable Storage	37,840.00	
		<u>10,389,518.26</u>
Total available for Un-Restricted		14,709,761.20

Restricted:

Due to Debt Service Fund	8,204,693.36
Due to Mira Monte Fund	102,589.84
Capital Facilities	1,984,395.06
Safe Drinking Water	60,000.00
Flexable Storage	37,840.00
Total Restricted	10,389,518.26

Un-Restricted (designated funds)

Cash Flow	3,000,000.00
Storm Damage	2,000,000.00
Variation in Water Sales	3,000,000.00
Capital Improvements	3,000,000.00
OPEB	<u>2,750,000.00</u>
Total Un-Restricted (designated funds)	<u>13,750,000.00</u>
Un-designated funds 7/01/15	<u>959,761.20</u>
Total Un-Restricted	14,709,761.20

Total Reserves 2015/2016	25,099,279.46
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Restricted funds = Funds restricted by a third party and/or for Debt Service Fund.
 Designated funds = Funds designated by Board for specific purpose.

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: NEIL COLE, PRINCIPAL CIVIL ENGINEER
SUBJECT: ADOPT RESOLUTION TO AWARD CONTRACT –LAKE CASITAS
RECREATION AREA WATER PLAYGROUND REPAIRS
SPECIFICATION 15-385
DATE: JANUARY 19, 2016

RECOMMENDATION:

It is recommended that the Board of Directors adopt the resolution accepting the proposal submitted by the lowest responsive and responsible bidder and award the contract for the construction of the Lake Casitas Recreation Area Water Playground Repairs, Specification 15-385 to Draper Construction of Somis, California in the amount of \$45,250. It is further recommended that the President of the Board execute the agreement for said work and the Board authorize staff to proceed with the administration of the contract.

BACKGROUND AND DISCUSSION:

In late August 2015, it became obvious that the Water Playground had a serious leak as water oozed up through the concrete joints. This resulted in the water playground being shut down before the end of the season.

Recreation personnel spent a considerable amount of time and effort to locate the leaks in the playground. Finally, leaks were found in two support tees. There are a total of 6 support tees in the structure. The other 4 support tees were not uncovered but it is assumed that the tees are either leaking or about to start leaking.

The project includes the following repair work:

- Replace all six support tees
- Replace concrete surface within the water playground area
- Re-install the water playground components
- Coat the replaced concrete with epoxy paint
- Replace the splash pads
- Replace one above ground water manifold that has a leak.
- Repair the piping and concrete portion of the water playground apron that was exposed while looking for the leak.

The water playground structure is nearly 18 years old. The repairs are expected to extend the life of the water playground feature for one to three seasons to allow time for planning, designing and budgeting for replacement feature(s). The alternative to repairing the water playground is to leave the water playground closed for the upcoming season and beginning

design on a replacement facility. The repair work is anticipated to be completed prior to the July 4 holiday.

The project was advertised through F.W. Dodge and on the District's web site. Six firms submitted proposals. The bid results are:

FIRM	AMOUNT
Draper Construction	\$45,250.00
West Coast Welding & Construction	\$49,508.80
California Waters	\$114,136.00
Union Engineering	\$117,822.00
Civic Construction	\$120,000.00
Industrial Coating & Restoration	\$153,000.00

Draper Construction has a current contractor's license and is registered with the Department of Labor Relations, Number 1000017649. Draper Construction has successfully completed Picnic Area No. 8 Roof installation project. The Engineer's estimate for this project was \$41,000.

The project is categorically exempt under the California Environmental Quality Act Section 15301.

The Fiscal Year 2015-16 Budget **does not** include any funding for this project. \$78,000 was budgeted in FY 2015-16 for the installation of Ultra Violet disinfection for the water adventure. Only about \$17,500 of the \$78,000 will be used this year.

CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION AWARDING A CONTRACT
TO COMPLETE LAKE CASITAS RECREATION AREA WATER PLAYGROUND REPAIRS
SPECIFICATION 15-385**

WHEREAS, the District invited bids from qualified contractors for the above-referenced project, and

WHEREAS, the repair of the water playground will allow this facility to continue to operate for the next 1-3 years, and

WHEREAS, the District received six bids, with the lowest responsive and responsible bid submitted by Draper Construction in the sum of \$45,250 and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water District as follows:

1. That the bid from Draper Construction in the amount of \$45,250 be accepted to complete Lake Casitas Recreation Area Water Playground Repairs, Specification 15-385 and a contract awarded.
2. That staff is hereby authorized and directed to proceed with the administration of the contract.

ADOPTED this 27th day of January, 2016.

Pete Kaiser, President
Casitas Municipal Water District

ATTEST:

James W. Word, Secretary
Casitas Municipal Water District

**CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: NEIL COLE, PRINCIPAL CIVIL ENGINEER
SUBJECT: ACCEPT PROPOSAL AND ENTER INTO AN AGREEMENT FOR DESIGN SERVICES FOR THE DISTRICT OFFICE REMODEL
DATE: JANUARY 6, 2016

RECOMMENDATION:

It is recommended that the Board of Directors enter into an agreement with Mainstreet Architects + Planners, Inc in an amount not to exceed \$56,590 to prepare plans and specifications to add work stations/office space and relocate the Board Room.

BACKGROUND AND DISCUSSION:

Casitas needs additional office space/work stations for new budgeted employees. The additional office space will be provided within the existing building by repurposing some of the existing space. This will include:

- Relocating the Board Room to where the O & M office is currently
- Designing a new dais for the relocated Board Room.
- Relocating the kitchen and the lunch room to where the IT office is currently
- Relocating the IT office to a portion of the library
- Relocating the O&M office to where the Board Room is currently
- Creating office space in the open area outside the Library
- Creating office space in the current lunch room/kitchen area
- Adding an ADA accessible restroom adjacent to the new board room
- Replacing the existing downstairs restroom with two individual restrooms.

A new audio visual system for the board room will be provided under a separate design-build contract.

Request for Proposals were sent to 6 firms. One firm responded. Mainstreet Architects + Planners have completed many similar projects. Mainstreet Architects + Planners office is located within the district boundaries in downtown Ventura.

The FY 2015-16 Budget included \$200,000 for design and construction of the District Office Remodel.

**AGREEMENT BETWEEN THE CASITAS MUNICIPAL WATER DISTRICT AND
MAINSTREET ARCHITECTS + PLANNERS, INC.
FOR THE REDESIGN OF THE DISTRICT'S MAIN OFFICE**

This Agreement ("Agreement") is made and entered into this _____ day of _____, 2016 ("Effective Date") by and between the Casitas Municipal Water District ("District"), and Mainstreet Architects & Planners, Inc. ("Consultant") for the redesign of the District's main office. District and Consultant may be referred to in this Agreement individually as a Party or collectively as the Parties.

RECITALS

WHEREAS, on October 9, 2015, District issued a Request for Proposals ("RFP") for professional design services to redesign the District's main office located at 1055 Ventura Avenue, Oak View, California 93022 ("Main Office"); and,

WHEREAS, on November 5, 2015 and in response to the RFP, Consultant submitted a proposal to complete the scope of services set forth in the RFP; and,

WHEREAS, Consultant has affirmed its willingness and ability to perform the services set forth in the RFP; and,

WHEREAS, Consultant has the necessary experience in providing the professional design services required for Consultant to perform the services set forth in the RFP.

NOW, THEREFORE, in consideration of their mutual promises, obligations and covenants herein contained, the Parties agree as follows:

1. PROJECT DESCRIPTION AND DELIVERABLES. The Consultant services which are the subject of this Agreement ("Services") shall result in the following deliverables:

1.1. Plans and specifications to remodel the Main Office at the 50%, 90% and final stages of completion so as to provide additional administrative office space, work stations and to relocate and update the District Board of Directors Meeting Room; and,

1.2. A written statement of the probable cost to construct the remodel of Main Office as set forth in the plans and specifications described in Paragraph 1.1; and,

1.3. One printed set of final plans for the remodel of the Main Office with the appropriate professional "wet-stamp" and signature.

2. TERM. The term of this Agreement will be effective from the date first written above to **June 1, 2016**. The District's General Manager may amend the Agreement to extend it for an additional period of time not to exceed 3 months. Extensions will be based on satisfactory review of Consultant's performance by the General Manager, District needs and, as applicable, appropriation of funds by the District Board of Directors. The Parties will prepare a written amendment indicating the Effective Date and length of the extended Agreement.

3. INFORMATION FURNISHED BY DISTRICT. For the purpose of aiding Consultant in the performance of its obligations under this Agreement, District has furnished Consultant with certain information requested by Consultant. The Parties anticipate that District will furnish

additional information to the Consultant following commencement of Consultant's work under this Agreement. Consultant shall apply reasonable caution in its use and interpretation of the information provided by District, and shall promptly advise District of any suspected incorrectness in the information that has been furnished or will be furnished during the project. Consultant shall have no liability for defects solely attributable to Consultant's reliance upon or use of information provided by District.

- 4. SCOPE OF SERVICES.** District retains Consultant to perform and Consultant agrees to render the Services contemplated by this Agreement as further defined in Exhibit "A," attached hereto and incorporated herein by this reference. Services rendered by Consultant shall be in accordance with the terms and conditions of this Agreement. Consultant's obligations with respect to the Services rendered will be as specified in the detailed Task Descriptions for the Project (see Paragraph 5, below). Extensions of time for a specific Task Descriptions may be granted if requested by Consultant and agreed to in writing by the District General Manager or his designee as authorized by the General Manager in writing ("Designee"). The General Manager or his Designee may give allowance for documented and substantiated, unforeseeable and unavoidable delays not caused by a lack of foresight on the part of Consultant, or delays caused by District's inaction. In no event shall a specific Task Description exceed the term of this Agreement.
- 5. COMPENSATION.** The cumulative total for all Services contemplated by this Agreement will not exceed fifty six thousand five hundred and ninety dollars (\$56,590.00). The District shall pay Consultant on a completed task basis for services requested by the District. The completed task unit cost shall be as shown on Exhibit "A." The cost for Services shall be the fully loaded cost and shall include all overhead costs, material costs and miscellaneous costs. District shall prepare a detailed Project Task Description to be included in Exhibit "A." The compensation paid to Consultant under this Agreement will be the full and complete compensation to which Consultant is entitled. District will not make any federal or state tax withholdings on behalf of Consultant or its agents, employees or subcontractors. District will not be required to pay any workers' compensation insurance or unemployment contribution on behalf of Consultant or its employees or subcontractors.
- 6. PAYMENT OF COMPENSATION.** Compensation shall be billed monthly by Consultant in increments based on the percent of the completed Task Descriptions. Consultant shall not bill District more often than monthly during the term of this Agreement.
- 7. CHARGES FOR REVIEW OF BILLS.** The Consultant shall not charge District for Consultant's review of billings under this Agreement or Consultant's time required to answer District questions regarding billings under this Agreement. As a condition of District's payment of any billing, Consultant shall answer all District questions about billings to the satisfaction of District.
- 8. STATUS OF CONSULTANT.** Consultant will perform Services in Consultant's own way as an independent contractor and not as an employee of District. Consultant will be under the control of District only as to the result to be accomplished, but will consult with District as necessary. Any persons used by Consultant to provide the Services under this Agreement will not be considered employees of District for any purpose.
- 9. SUBCONSULTING.** District has entered into this Agreement in order to receive the services of Consultant. The provisions of the Agreement shall equally apply to any subconsultant of Consultant. Consultant shall include in all subcontracts a clause making the terms of this Agreement binding upon the subconsultant. Except for those subconsultants specified in Paragraph 15, below, Consultant will not subcontract any portion of the Services without prior written approval of District.

10. OTHER CONSULTANTS. The District reserves the right to employ other Consultants in connection with the Services.

11. ATTORNEYS' FEES. In the event of any claim, dispute, or controversy arising out of or related to this Agreement, including an action for declaratory relief, each Party shall bear its own attorneys' fees and court costs.

12. CHANGES. Consultant shall provide Services as required by this Agreement without modification or changes to the hourly rate or any other extra compensation, except those changes authorized by a written change order signed by the District General Manager (or his Designee) and Consultant. Any change in the total compensation allowed for performance under this Agreement shall be accomplished only by such a change order. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the work, and no claim that District has been unjustly enriched by any alteration or addition to work, whether or not there is, in fact, any unjust enrichment to the work, shall be the basis of any claim to any increase in the total compensation provided for in this Agreement. Should District request a change in the services covered by this Agreement, Consultant shall not expend any time or money for the change until a written change order is prepared and signed by District and Consultant. Should Consultant expend time or funds without an executed change order, all costs therefore shall be the sole responsibility of Consultant. Once a change order is prepared and signed by both parties, it shall constitute a final settlement of all matters relating to the change which is the subject of the change order, including, but limited to, all direct and indirect costs associated with such change and any and all adjustments to the fee due the Consultant and the work schedule.

13. TIME OF THE ESSENCE. Consultant acknowledges the importance of accurate and timely completion of the required tasks under this Agreement.

14. RESPONSIBILITY OF CONSULTANT.

14.1. Consultant shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all testing, analysis, inspection, reports, designs and other services furnished by Consultant under this Agreement. Consultant shall, without additional compensation, promptly correct any Consultant errors, omissions, or other deficiencies in its analysis, inspection, testing, reports, designs, and other services; to the extent such corrections are not attributable to change in project description or data modification by District.

14.2. Consultant shall perform such professional services as may be necessary to complete the Services in the manner and at the cost set forth Agreement. Approval by District of analyses, inspection, testing, reports, designs and incidental engineering work or materials furnished hereunder shall not in any way relieve Consultant of responsibility for the technical adequacy of its work. Neither District's approval or acceptance of, nor payment for, any of Services shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

14.3. Consultant shall be and remain liable in accordance with applicable California law for damages to District caused by Consultant's negligent, reckless or willful misconduct in the performance of the Services.

14.4. Consultant shall prepare all design documents related to the Services so that those documents are free from defects.

15. CONSULTANT PERSONNEL; SUBCONSULTANTS. The following person's employed by Consultant as principals or subconsultants shall be assigned by Consultant to work directly with the District to perform the Services:

Dao Minh Doan	Principal-in-Charge
Kara Davis	Project Manager
AE Group of Ventura	Subconsultant
Craig Hood & Associates	Subconsultant

In the event a change in any of the above-named personnel or staff listed in the proposal becomes necessary, Consultant shall promptly submit to the District the name and qualifications of the proposed replacement person(s). Consultant and District will then agree upon the selection of the replacement person(s) whose qualifications and expertise shall be at least equal to the person replaced. The penalty for replacement of personnel without permission of District will be ten percent (10%) of the gross of the contract. Consultant agrees not to request an increase in the per hour fee or any other compensation for such a change in personnel.

16. INSURANCE.

16.1. During the course of this Agreement, Consultant shall pay for and maintain in full force and effect, and cause each of its subconsultants to maintain in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of Consultant or its subcontractors in connection with or related to the assessment services to be performed under this Agreement.

16.2. During the course of this Agreement, Consultant shall pay for and maintain in full force and effect, and cause each of its subconsultants to maintain in full force and effect, workers' compensation insurance, including occupational disease provisions, as required by the laws of the State of California and employer's general liability insurance for all labor employed by them, directly or indirectly, in the performance of this Agreement.

16.3. During the course of this Agreement, Consultant shall pay for and maintain in full force and effect, public liability and property damage insurance naming District, its officers, directors, and employees as additional insured, insuring against liability and claims for damages because of bodily injury, sickness or disease, death or injury to or destruction of tangible property arising out of or resulting from any work performed under this Agreement, whether such work is performed by Consultant or a subconsultant or by anyone directly or indirectly employed by them, or by anyone else for whose acts any of them may be liable. Such insurance shall include all major divisions of coverage and be on a comprehensive basis, including: (a) premises/operations; (b) independent contractor's protection; (c) products included in operations; (d) contractual (including Contractor's indemnity obligations for tort liability under this Agreement); (e) owned, non-owned and hired motor vehicles and other mobile equipment; and (f) broad form property damage endorsement, including completed operations. The limits of liability for such insurance shall be not less than \$1,000,000 per occurrence for public liability and \$1,000,000 per occurrence for property damage. Such insurance shall be issued by a responsible carrier or carriers acceptable to District. All such insurance shall be written on an occurrence basis and shall be primary and noncontributory. Consultant shall cause each of its subcontractors to procure, pay for and maintain in full force and effect during the course of this Agreement, public liability and property damage insurance reasonably satisfactory to District and naming District, its officers, directors and employees as additional insured with respect to claims arising out of operations performed on behalf of Consultant for the Services covered by this Agreement.

16.4. Prior to the commencement of performance of any work under this Agreement, Consultant and its subconsultants shall furnish District with certificates of insurance with endorsements in form and substance satisfactory to District evidencing all of the insurance coverage required by Paragraphs 16.1 through 16.3, above. All policies and certificates of insurance required under Paragraphs 16.1 through 16.3, above, shall expressly provide for no less than 30 days prior written notice to District in the event of a cancellation, non-renewal or expiration of the coverage.

17. INDEMNIFICATION. To the extent permitted by law, Consultant shall defend, indemnify and hold District and its officers, directors, employees, and agents harmless from claims, damages, losses and expenses of any kind, including but not limited to attorney's fees and expert costs, arising out of or resulting from acts or omissions in the performance of Services if and to the extent caused by negligence, recklessness or willful misconduct of Consultant, its subconsultants and employees whether such claims, demands or liability are caused by Consultant, Consultant's agents or employees, or subconsultants employed by Consultant, their agents or employees, or products installed on the project by Consultant or its subconsultant, excepting such claims, damages, losses and expenses as may be caused by District's sole negligence, active negligence, recklessness or willful misconduct. Such indemnification shall extend to claims, demands or liability for injury, death or damage to property arising after completion of the Services as well as during the work's progress. The foregoing indemnification shall apply, without limitation, to bodily injury and property damage claims as well as to stop notices and monetary claims for labor, materials or equipment furnished in the performance of the assessment services covered by this Agreement. In the event such liability, claims, actions, causes of action or demands are caused by the joint or concurrent negligence of more than one party, such liability shall be borne by each party in proportion to its own fault.

18. ASSIGNMENT. Neither Party may assign this Agreement or any payments due under this Agreement, either voluntarily or involuntarily, without the prior written consent of the other Party. If and to the extent any assignment is authorized, it shall not be effective until the assignee signs a written agreement to be bound by all of the provisions of this Agreement, nor shall it relieve the assignor of its obligations under this Agreement unless the written consent to the assignment expressly states that the assignor shall be relieved.

19. TERMINATION. District may, by written notice to Consultant, suspend or discontinue the performance of all work pursuant to this Agreement, and may terminate this Agreement, with or without cause after 15 calendar day's written notice from the date of mailing. In the event of a termination without cause, Consultant will be entitled to a reasonable portion of the lump sum fee for its services rendered prior to the effective date of the notice, but Consultant shall have no claim against District for loss of anticipated profits or other payment on account of services not yet performed and which are not thereafter performed by Consultant. In the event of a termination without cause, Consultant will submit a final invoice to District for all services rendered prior to termination within a reasonable time, not to exceed 45 days of the effective date of such notice. Any bills received after the expiration of the 45-day period need not be paid by District.

20. OWNERSHIP OF DOCUMENTS. All plans, studies, sketches, reports, test data, and drawings, prepared by or for either party pursuant to this Agreement including copyright ownership shall be the property of District when Consultant has been compensated for all undisputed billings in accordance with this Agreement, whether the work for which they are prepared be executed or not. Upon completion of all Services under this Agreement, or in the event this Agreement is terminated prior to completion of all such work, all documents, plans, specifications, drawings pertaining to the facility, and all other material provided to assist Consultant in performing under this Agreement shall be delivered forthwith to District. However, nothing shall prevent Consultant from using intellectual property developed under this contract in other works. All

documents, including, but not limited to, drawings, specifications, and computer software prepared by Consultant pursuant to this Agreement are instruments for Service specific to this Agreement. They are not intended or represented to be suitable for reuse by District or others outside of the scope of this Agreement. Any reuse without the prior written verification or adaptation by District for the specific purpose intended shall be at District's sole risk.

21. GOVERNING LAW; PLACE OF SUIT. This Agreement is to be governed by and construed in accordance with the laws of the State of California. Any lawsuit arising out of this Agreement shall be filed and prosecuted exclusively in Ventura County, California Superior Court.

22. ENTIRE AGREEMENT. This Agreement constitutes the whole Agreement between the Parties with respect to the subject matter of this Agreement, and neither Party nor any of its agents or employees has made any representation except as specifically provided in this Agreement. Neither of the Parties in executing or performing this Agreement is relying upon any statement or information made or given directly or indirectly, verbally or in writing by any individual or entity except as expressly provided in this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

23. OPINIONS OF COST AND SCHEDULE. Consultant's opinions on cost and schedule shall be made on the basis of available information and Consultant's expertise and qualifications as a professional. Consultant does not warrant or guarantee that its opinions on cost or schedule of current and future levels and events will not vary from Consultant's estimates or forecasts or from actual outcomes.

24. NOTICES. All communication, notices, and demands of any kind which either Party may be required or may desire to give to or serve upon the other Party may be given or served by manual delivery to such party or an office thereof or by enclosing it in a sealed envelope and depositing it in the United State mail, postage prepaid, registered, and addressed to the respective parties as follows:

<p><u>To District:</u></p> <p>Steven E. Wickstrum General Manager Casitas Municipal Water District 1055 Ventura Avenue Oak View, CA 93022 (805) 649-2251</p>	<p><u>To Consultant:</u></p> <p>Dao Minh Doan Mainstreet Architects + Planners 422 East Main Street San Buenaventura, CA 93001 (805) 652-2115</p>
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The effective date of all hand-delivered notices shall be the date of delivery. The effective date of all mailed notices shall be the second day following the deposit in the mail.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed the day and year first above written.

ATTEST:

CASITAS MUNICIPAL WATER DISTRICT

 Secretary

By: _____
 President

APPROVED AS TO FORM:

John Matthews, Attorney
Arnold, Bleuel, LaRochelle, Matthews & Zirbel LLP

MAINSTREET ARCHITECTS + PLANNERS, INC.

By: _____
Dao Minh Doan, Principal

EXHIBIT A
WORK TASKS

The following tasks shall be completed by the Consultant and Consultant's sub-consultants:

Task 1: Kick-off Meeting \$ 1,005

Review the project process, existing documents, schedule and expectations with Casitas personnel.

Task 2: Schematic Design \$ 9,330

Produce concept designs for review by Casitas, including schematic floor plans, elevations and preliminary material selections. This task does not include preliminary design for the Board Room audio visual system.

Task 3: Design Development \$13,125

Refine the conceptual design and material selection. Prepare initial project technical specifications. Complete initial quality control. This task does not include design development for the Board Room audio visual system.

Task 4: Construction Document Preparation \$23,530

Complete documents sufficient for Public Works Project bidding and construction. Provide documents to Casitas for review at the 50%, 90% and final stage of completion. Prepare an opinion of probable cost to construct statement at the 90% design complete stage.

Task 5: Assistance during Bidding and Award of Project \$ 2,540

Assist Casitas during the bidding and award period including responding to request for information, reviewing bid proposals and reviewing bidder's qualifications.

Task 6: Assistance during Construction \$ 7,060

Assist Casitas during the construction phase of the project including responding to request for information, reviewing submittals and requests for change orders, occasional site visits as requested by Casitas and assistance with final "punch list" and project close-out.

Total for Tasks 1-6 \$56,590

**CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM**

TO: OPERATIONS & MAINTENENCE MANAGER
FROM: TREATMENT PLANT SUPERVISOR
SUBJECT: CONTRACT AWARD – MEDIA CLEANING FILTER #4
DATE: JANUARY 21, 2016

RECOMMENDATION:

- 1) It is recommended that the Board of Directors approve a purchase order to ERS Industrial Services, Inc. in the amount of \$35,153.34 for the removal, cleaning and reinstallation of media in pressure filter #4.
- 2) Authorize the purchase of supplemental filter media in the event it is required; two alternative bid amounts were submitted by ERS in the amount of \$6,172.20 for 81 cubic feet of fine garnet (30-40 mesh) and \$3,168.45 for 135 cubic feet of anthracite (1.0-1.2mm). The supplemental media is utilized on an as needed basis to return filter media layers to original specifications.

BACKGROUND AND DISCUSSION:

The Marion Walker Filtration Plant has 8 pressure filters, which have been in operation for over 20 years. In order to maintain optimum filter performance and ensure that the media continues to meet performance standards, the treatment plant staff has developed an ongoing preventative maintenance program. Prior media cleaning jobs have been performed over the past three years. The FY 2015/16 budget contains funds for the above work and the project is within budget.

The project was advertised on the District's website. Three contractors performed the mandatory job walk; one contractor submitted a bid:

West Coast Welding	John Bricker	Declined To Bid
MP Environmental Services	Jim Hickle	Failed To Submit Bid
ERS Industrial Services	Rick Langlois	\$35,153.34

The work required to remove, clean, and install the media is specialized. ERS Industrial Services was onsite for a recent job walk and is fully aware of the project requirements. They have completed numerous filter projects of similar scope for Casitas throughout the past 10 years and have demonstrated quality workmanship. ERS has an active contractor's license and is registered with the Department of Industrial Relations.

CASITAS MUNICIPAL WATER DISTRICT

NEW BOARD OFFICERS FOR 2016:

PRESIDENT	Pete Kaiser
VICE PRESIDENT	Russ Baggerly
SECRETARY	Jim Word
ASST. SECRETARY	Bill Hicks

Officers assume their new positions at the January 9, 2016 Board Workshop Meeting

COMMITTEE ASSIGNMENTS:

	<u>Members</u>	<u>Alternate</u>
Executive	Kaiser/Baggerly	None
Finance	Kaiser/Bergen	Word
Personnel	Word/Bergen	Baggerly
Recreation	Hicks/Word	Bergen
Water Resources	Baggerly/Hicks	Kaiser

COMMITTEE DATES AND TIME:

	<u>Date</u>	<u>Time</u>
Executive	2 nd Friday	9:30 a.m.
Finance	3 rd Friday	9:30 a.m.
Personnel	2 nd Monday	4:30 p.m.
Recreation	1 st Tuesday	9:30 a.m.
Water Resources	4 th Tuesday	9:30 a.m.

Outside Affiliations and Board Attendance Approvals for 2016

These affiliations and meetings are considered approved for the attendance of any Board Member and or staff for any meeting without additional Board Action. These meetings are considered paid meetings for Board attendance:

American Fisheries

American Water Works Association – Hicks/Word Alternate

Agenda Meetings – President – scheduled for Thursday afternoon

Association of California Water Agencies

Association of Water Agencies

Bureau of Reclamation

California Park & Recreation Society

California Special District Association

CALPELRA

Greater Ventura Chamber of Commerce- Word/Hicks Alternate

Groundwater Sustainability Agency Upper Ventura River – Bergen/Kaiser Alternate

LAFCO

Matilija Dam Removal Meetings

National Notary Association

OBGMA - Baggerly/Bergen Alternate

Ojai Chamber of Commerce - Kaiser

Salmonid Restoration Foundation

Society of Human Resource Management

State/Federal Legislative meetings

State Water Contractors

Ventura County Special District Association

Ventura River Watershed Council - Baggerly

Watershed Coalition of Ventura County - Baggerly

CASITAS MUNICIPAL WATER DISTRICT

MINUTES Finance Committee

DATE: January 21, 2016
TO: Board of Directors
FROM: General Manager, Steve Wickstrum
Re: Finance Committee Meeting of January 15, 2016, at 0930 hours

RECOMMENDATION:

It is recommended that the Board of Directors receive and file this report.

BACKGROUND AND OVERVIEW:

1. **Roll Call.**
Director Peter Kaiser and Director Jim Word
General Manager, Steve Wickstrum
Accounting Manager/Treasurer, Denise Collin
2. **Public Comments.** None.
3. **Board/Management comments.** None.
4. **Review of the 2015 Comprehensive Annual Financial Report.**
Paul Kaymark, Punn Group, presented a review of the draft FY 2014-15 Annual Financial Report. The Report is to be moved forward to the Board for review and acceptance.
5. **Review of the Financial Statement for November 2015.**
The Committee reviewed the financial statement, noting that salary expenditures are low due to unfilled positions and COLA that were budgeted for FY 2015-16. Hang tag fees have declined, believed in part to monthly billing response by customers. The Committee requested a review of capital project progress to be presented during the next committee meeting.
6. **Review of the Water Consumption for November 2015.**
The Committee reviewed the water consumption numbers for November 2015. There is a notable reduction in water use due to customer conservation efforts in every classification.
7. **Discussion regarding budget preparation schedule.**
The General Manager presented a draft schedule for the preparation of FY 2016-17 Budget and consideration of water rates. A copy of the schedule is attached to this memorandum.
8. **Discussion regarding the Water Rates.**
The Committee discussed further the draft water rate report and direction to take with Raftelis Financial consultants.
9. **Discussion regarding setting 2015/16 Reserves.**
The Accounting Manager/Treasurer provided the committee a recommendation to increase the reserves for variation in water sales and storm damage. This recommendation will move forward to the Board for consideration and approval.

**CASITAS MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
01/20/16**

Type of Invest	Institution	CUSIP	Date of Maturity	Adjusted Cost	Current Mkt Value	Rate of Interest	Date of Deposit	% of Portfolio	Days to Maturity
*TB	Federal Farm CR Bank	3133EAZM3	7/24/2023	\$1,658,682	\$1,722,379	2.380%	9/16/2014	8.90%	2704
*TB	Federal Farm CR Bank	3133EEXPO	1/28/2021	\$735,759	\$733,155	1.990%	6/17/2015	3.79%	1808
*TB	Federal Farm CR Bank	3133EFNR4	11/18/2024	\$809,342	\$801,423	2.870%	11/18/2015	4.14%	3178
*TB	Federal Farm CR Bank	33133EFHV2	10/13/2022	\$588,693	\$580,452	2.200%	10/23/2015	3.00%	2423
*TB	Federal Farm CR Bank	3133EED31	4/28/2025	\$2,989,475	\$2,969,158	2.800%	6/2/2015	3.79%	3338
*TB	Federal Home Loan Bank	313381TA3	1/17/2023	\$277,619	\$282,110	2.240%	9/8/2014	1.46%	2517
*TB	Federal Home Loan Bank	313379EE5	6/14/2019	\$1,372,438	\$1,364,756	1.625%	10/3/2012	7.05%	1224
*TB	Federal Home Loan Bank	3133802D8	11/23/2022	\$1,477,575	\$1,485,386	2.400%	11/19/2014	7.68%	2463
*TB	Federal Home Loan Bank	313379RN1	12/27/2024	\$978,364	\$995,000	2.840%	6/18/2014	5.14%	3217
*TB	Federal Home Loan Bank	313380A98	8/14/2024	\$126,966	\$130,306	2.500%	7/3/2014	0.67%	3084
*TB	Federal Home Loan Bank	313380S73	10/11/2022	\$378,227	\$378,477	2.430%	8/11/2014	1.96%	2421
*TB	Federal Home Loan Bank	3133XFKF2	6/11/2021	\$679,968	\$671,261	5.625%	1/16/2013	3.47%	1941
*TB	Federal Home Loan MTG Corp	3134G43A4	10/30/2024	\$849,441	\$874,911	2.500%	7/3/2014	4.52%	3160
*TB	Federal Home Loan MTG Corp	3137EADB2	1/13/2022	\$678,884	\$684,956	2.375%	9/8/2014	3.54%	2153
*TB	Federal Home Loan MTG Corp	3134G34R8	7/23/2021	\$513,841	\$517,171	2.000%	12/2/2014	2.67%	1983
*TB	Federal Home Loan MTG Corp	3137EABA60	11/17/2017	\$1,067,313	\$1,075,690	5.125%	1/3/2012	5.56%	657
*TB	Federal National Assn	3136G0K67	4/9/2021	\$192,000	\$192,394	2.000%	12/2/2014	0.99%	1879
*TB	Federal National Assn	3135G0ES80	11/15/2016	\$685,442	\$686,791	1.375%	3/12/2012	3.55%	295
*TB	US Treasury Inflation Index NTS	912828JE10	7/15/2018	\$1,149,509	\$1,142,889	1.375%	7/6/2010	5.91%	895
*TB	US Treasury Inflation Index NTS	912828MF4	1/15/2020	\$1,134,240	\$1,148,844	1.375%	11/18/2015	5.94%	1435
*TB	US Treasury Note	912828WE6	11/15/2023	\$769,086	\$813,470	2.750%	12/13/2013	4.20%	2815
Accrued Interest					\$100,447				
Total in Gov't Sec. (11-00-1055-00&1065)				\$19,112,862	\$19,351,425			99.98%	
Total Certificates of Deposit: (11.13506)				\$0	\$0			0.00%	
**	LAIF as of: (11-00-1050-00)		N/A	\$447	\$447	0.32%	Estimated	0.00%	
***	COVI as of: (11-00-1060-00)		N/A	\$2,845	\$2,845	0.42%	Estimated	0.01%	
TOTAL FUNDS INVESTED				\$19,116,154	\$19,354,717			100.00%	
Total Funds Invested last report				\$19,122,488	\$19,265,666				
Total Funds Invested 1 Yr. Ago				\$18,221,455	\$18,535,788				
****	CASH IN BANK (11-00-1000-00) EST.			\$3,520,150	\$3,520,150				
	CASH IN Western Asset Money Market			\$4	\$4	0.01%			
TOTAL CASH & INVESTMENTS				\$22,636,307	\$22,874,871				
TOTAL CASH & INVESTMENTS 1 YR AGO				\$24,433,604	\$24,747,937				

- *CD CD - Certificate of Deposit
- *TB TB - Federal Treasury Bonds or Bills
- ** Local Agency Investment Fund
- *** County of Ventura Investment Fund
- Estimated interest rate, actual not due at present time.
- **** Cash in bank

No investments were made pursuant to subdivision (i) of Section 53601, Section 53601.1 and subdivision (i) Section 53635 of the Government Code.

All investments were made in accordance with the Treasurer's annual statement of investment policy.