

Board Meeting Agenda

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

Pete Kaiser, Director
James Word, Director

CASITAS MUNICIPAL WATER DISTRICT
April 13, 2016
3:00 P.M.

**Meeting to be held at the
Oak View Park & Resource Center
555 Mahoney 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 March 23, 2016 Board Meeting.
 - b. Recommend approval of a purchase order to Draper Construction in the amount of \$20,860 to place concrete paving on the peninsula at the Water Adventure.
 - c. Recommend approval of a purchase order to AAA Awnings Inc. in the amount of \$29,390 to construct removable awning covers at several pump plant facilities.

RECOMMENDED ACTION: Adopt Consent Agenda

6. Bills

7. Public Hearing to hear input regarding the proposed Resolution Determining the Public Interest and Necessity for Acquisition of the Real Property and Business Enterprise Owned by Golden State Water Company within Golden State's Ojai Service Area.
 - a. Conduct Public Hearing
 - i. Letter from George Soneff of Manatt, Phelps & Phillips, LLP, Counsel for Golden State Water Company.
 - b. Resolution Determining the Public Interest and Necessity for Acquisition of the Real Property and Business Enterprise Owned by Golden State Water Company within Golden State's Ojai Service Area.

RECOMMENDED ACTION: Adopt Resolution

8. Presentation of the 2016 Casitas Water Supply and Demand Status.

RECOMMENDED ACTION: Further discussion and consideration of the status memo for Board's direction during an upcoming regular meeting of the Board.

9. Information Items:
 - a. Water Resources Committee Minutes.
 - b. Recreation Committee Minutes.
 - c. Executive Committee Minutes.
 - d. Lake Casitas Recreation Area Report for February, 2016.
 - e. Water Consumption Report.
 - f. CFD No. 2013-1 (Ojai) Monthly Cost Analysis.
 - g. Investment Report.

10. 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 Meeting Held
March 23, 2016

A meeting of the Board of Directors was held March 23, 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 no staff members and three members 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).

Mr. William Ulrich residing at 487 Gridley Rd, Ojai commented that the hour that the board holds their meetings and the lack of a video record renders it difficult for the public to access your record. He then questioned the September 2015 PowerPoint presentation by Raftellis and expressed concern that Raftellis was also a consultant to the City of Ventura, one of Casitas' largest users. He asked if this was vetted by counsel for conflict of interest. He went on to state that he understands that Casitas is using their work product and that water agencies in California cannot charge above the cost of service. My understanding is Casitas delivers to upper Ojai which is in excess of 1,200 feet. It stands to reason the cost to deliver that water is more than the cost to deliver to Casitas Springs. Why is there no difference in water rates in the upper Ojai relative to Casitas Springs? He then questioned treatment cost and the water that is provided to ranchers and farmers is discounted under the rationale that they don't need treated water. The consequence is an unsubstantiated water rate bordering on a gift. Is this accurate and if so, why? Based on a review of the financials a \$2 million dollar loan was made to the recreation department and the recreation department has not retired the loan. From an accounting perspective has this been addressed and audited? Finally is Ms. Bergen the same as individual as the 4th largest purchaser of water? Director Bergen responded yes. Mr. Ulrich asked if that has that been vetted by general counsel.

Director Word commented that it would be best if all of those issues could be presented in writing. Mr. Ulrich responded that if it were on video you could all review them. He then stated he can generate it in a format that is much more legible than his notes.

2. General Manager comments.

Mr. Wickstrum informed the board of the advisory group meeting on April 7th regarding the General Plan for the County of Ventura.

Mr. Wickstrum then informed that board that Greg Romey, our Safety Manager started a week ago. He then informed the board that on March 28th the Department of Fish and Wildlife will be conducting a tour of Matilija Dam down the estuary and of Robles.

3. Board of Director comments.

Director Hicks commented that he arrived back from his trip to Hawaii and mentioned that they seem to waste so much water there.

4. Board of Director Verbal Reports on Meetings Attended.

Director Word reported on his attendance at the AWA meeting. Directors Baggerly and Hicks were also in attendance.

5. Consent Agenda ADOPTED

- a. Minutes of March 9, 2016 Board Meeting.

On the motion of Director Word, seconded by Director Bergen, the Consent Agenda was adopted by the following roll call vote:

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

6. Bills APPROVED

Director Hicks questioned payment to Tyler Technologies. Mr. Wickstrum explained this is for programming changes for our accounting system to be able to implement the allocation program.

On the motion of Director Hicks, seconded by Director Word, 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 to schedule a public hearing on April 13, 2016 to consider a resolution of necessity for the acquisition of Golden State Water Company's Ojai water system. ADOPTED

The Clerk of the Board expressed that the resolution has been changed to note the location of the meeting being held at the Oak View Park and Resource Center.

The Resolution was offered by Director Baggerly, 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 |

Resolution is numbered 16-05

8. Recommend approval of a purchase order to Ford of Ventura for the purchase of a 2016 Ford 3/4 Ton Super Duty 4x4 truck. APPROVED

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

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

9. Verbal Update from the Matilija Dam Design Oversight Group meeting.

Director Baggerly reported there were some interesting comments about what has been studied and from the people who went to DC. Paul Jenkins and Matt Stecker checked on funding sources for federal money for a non-federal project. There were graphs of the different possibilities for non-federal project removal of Matilija Dam. Everyone was given dots to put their choices on the papers and the one that had the option of the two twelve foot holes were covered with dots. We finally determined that this is what we would like to see. Director Word asked where the funding would come from. Mr. Wickstrum added that the true issue is there is not a lot of money from the Federal government. They are tight on appropriations and opposed to the project. The Army Corps of Engineers cannot contribute. There is the potential for private sources for funding. Mary Larson was on the phone and she let it be known that no one has applied for Fish & Wildlife funding for this project and it could be a source of funding. There was discussion of formation of a funding subcommittee to look at these different ideas for funding. Director Word added that the sediment is what concerns us the most.

10. Information Items:

- a. Finance Committee Minutes.
- b. Personnel Committee Minutes.
- c. Executive Committee Minutes.
- d. Investment Report.

On the motion of Director Baggerly, seconded by Director Hicks and passed, the information items were approved for filing by the following roll call vote:

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

A member of the public residing at the corner of Apricot and Mahoney complained about a rut that she keeps cleaning out that she says is caused by our water flushing. Mr. Wickstrum obtained her information and will look into the situation.

President Kaiser moved the meeting to closed session at 3:26 p.m.

11. Closed Session

a. (Govt. Code Sec. 54957.6)

Conference with Labor Negotiators:

Agency Designated Representatives: Rebekah Vieira, Draza Mrvichin
Employee Organization: Supervisory & Professional, General Unit and
Recreation Unit.

President Kaiser moved the meeting back to open session at 3:56 p.m. with Mr. Mathews stating that the board met in closed session and there was no actionable item to report.

12. Adjournment

President Kaiser adjourned the meeting at 3:56 p.m.

James W. Word, Secretary

**CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: NEIL COLE, PRINCIPAL CIVIL ENGINEER
SUBJECT: AWARD CASITAS WATER ADVENTURE PAVING
DATE: MARCH 11, 2016

RECOMMENDATION:

It is recommended that the Board of Directors authorize the General Manager to issue a Purchase Order Contract to Draper Construction for \$20,860 to place concrete paving on the peninsula at the Water Adventure.

BACKGROUND AND DISCUSSION:

The peninsula area at the lazy river feature of the Water Adventure was originally not open to the public. Because of the need for additional seating areas, the peninsula has been opened up for public use. Three shade structures have been installed on the peninsula. The turf areas under the shade structure do not stand up well to the pedestrian traffic and use water. Also, the folks using this area tend to track in dirt and sand into the river. To provide a better customer experience, concrete paving has been proposed to be placed under the shade structures.

Casitas emailed the bid documents to seven contractors. Three contractors submitted bids. The bid results are

| <u>FIRM</u> | <u>Concrete Paving</u> | <u>Colored Concrete Pavers</u> |
|----------------------------------|------------------------|--------------------------------|
| Draper Construction | \$20, 860 | \$34,200 |
| Travis Agricultural Construction | \$34,000 | \$48,030 |
| Tomar Construction | \$34,780 | \$42,780 |

Draper Construction has successfully completed the Picnic No. 8 Roof project for Casitas and is currently completing the water playground repairs. The work can be completed prior to the opening of the water adventure.

The FY 2015-16 Capital Budget includes \$14,700 for this work. There are several Recreation Capital projects that will not use their entire budget, including the Ultra Violet installation. The project is categorically exempt from CEQA per Section 15301.

**CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: ERIC BEHRENDT, E&M SUPERVISOR
SUBJECT: AWARD PUMP PLANT AWNINGS PROJECT
DATE: APRIL 4, 2016

RECOMMENDATION:

It is recommended that the Board of Directors authorize the General Manager to issue a Purchase Order Contract to AAA Awnings Inc. for an amount of \$29,390.00 to construct removable awning covers at several pump plant facilities.

BACKGROUND AND DISCUSSION:

Casitas issued a Notice Inviting Bids to have removable awning covers constructed above the motor and pump assemblies at several pump plant facilities. The intent is to install covers that will protect the motor assemblies from sun & heat in the summer and wind & rain in the winter. The awning covers are constructed to be removable to provide for maintenance of the pump and motor assemblies when necessary.

The FY 2015-16 Capital Budget contains \$34,000.00 for the work.

All bids were over the budgeted amount. Per the specification a bid item was deleted and the bid amounts were recalculated to determine the lowest responsible and responsive bidder. The lowest responsible and responsive bidder was AAA Awning Inc. with a bid of \$29,390.00. Casitas received (2) bids and the results are as follows:

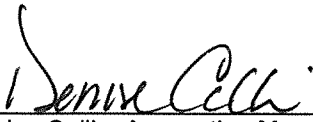
| FIRM | Original Bid | Adjusted Bid |
|---------------------|---------------------|---------------------|
| AAA Awnings Inc. | \$34,990.00 | \$29,390.00 |
| NR Development Inc. | \$44,500.00 | \$37,550.00 |

CASITAS MUNICIPAL WATER DISTRICT
Payable Fund Check Authorization
Checks Dated 3/23/16-4/6/16
Presented to the Board of Directors For Approval April 13, 2016

| Check | Payee | | | Description | Amount |
|--------|-----------------------|---|------------|-------------------------------|--------------|
| 000634 | Payables Fund Account | # | 9759651478 | Accounts Payable Batch 033016 | \$237,579.31 |
| 000635 | Payables Fund Account | # | 9759651478 | Accounts Payable Batch 040616 | \$391,813.78 |
| | | | | | \$629,393.09 |
| 000633 | Payroll Fund Account | # | 9469730919 | Estimated Payroll 4/14/16 | \$140,000.00 |
| 000636 | Payroll Fund Account | # | 9469730919 | Estimated Payroll 4/28/16 | \$140,000.00 |
| | | | | | \$280,000.00 |
| | | | | Total | \$909,393.09 |

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, 000633-000636 have been duly audited is hereby certified as correct.

 4/6/16

 Denise Collin, Accounting Manager/Treasurer

 Signature

 Signature

 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.

| | | |
|--------|--------------------------|---------------|
| 000634 | A/P Checks: | 023200-023293 |
| | A/P Draft to P.E.R.S. | 033063 |
| | A/P Draft to State of CA | 033062 |
| | A/P Draft to I.R.S. | 033061 |
| | Voids: | 023258 |

| | | |
|--------|--------------------------|---------------|
| 000635 | A/P Checks: | 023294-023355 |
| | A/P Draft to P.E.R.S. | |
| | A/P Draft to State of CA | |
| | A/P Draft to I.R.S. | |
| | Voids: | 022221 |

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

Denise Collin 4/4/14
Denise Collin, Accounting Manager/Treasurer

Signature

Signature

Signature

CERTIFICATION

Payroll disbursements for the pay period ending 03/26/16
Pay Date of 03/31/16
have been duly audited and are
hereby certified as correct.

Signed: Denise Collin 3/28/16
Denise Collin

Signed: _____
Signature

Signed: _____
Signature

Signed: _____
Signature

VENDOR SET: 01 Casitas Municipal Water D
 BANK: * ALL BANKS
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|------------|--------|------------|----------------|----------|----------|--------------|--------------|
| C-CHECK | VOID CHECK | V | 3/30/2016 | | | 023258 | | |

* * 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 | 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 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|--------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 00021 | AWA OF VENTURA COUNTY | | | | | | | |
| I-032216 | CCWUC Luncheon on 3/23/16 | R | 3/23/2016 | 280.00 | | 023200 | | 280.00 |
| 02026 | Carol Belser | | | | | | | |
| I-Mar 16 | Reimburse Expenses 3/16 | R | 3/23/2016 | 644.79 | | 023201 | | 644.79 |
| 02834 | Concrete Resurrection | | | | | | | |
| I-031416 | Concrete Training, LCRA Maint | R | 3/23/2016 | 2,200.00 | | 023202 | | 2,200.00 |
| 01270 | SCOTT LEWIS | | | | | | | |
| I-Feb 16 | Reimburse Expenses 2/16 | R | 3/23/2016 | 1,163.48 | | 023203 | | 1,163.48 |
| 00625 | OfficeTeam | | | | | | | |
| I-45290838 | Admin Temp | R | 3/23/2016 | 866.80 | | 023204 | | 866.80 |
| 01345 | MICHAEL SHIELDS | | | | | | | |
| I-031416 | T5 Certificate Renewal | R | 3/23/2016 | 105.00 | | 023205 | | 105.00 |
| 01187 | SOCIETY FOR HUMAN RESOURCE | | | | | | | |
| I-9006469908 | Membership 4/1/16-3/31/17 | R | 3/23/2016 | 190.00 | | 023206 | | 190.00 |
| 02033 | Abbot Industrial Supplies | | | | | | | |
| I-45352 | Trash Bags for LCRA | R | 3/30/2016 | 1,582.94 | | 023207 | | 1,582.94 |
| 02822 | Acorn Media | | | | | | | |
| I-00036894 | Parts Bin Dividers & RackMaint | R | 3/30/2016 | 359.43 | | 023208 | | 359.43 |
| 01325 | Aflac Worldwide Headquarters | | | | | | | |
| I-350212 | Supplemental Insurance 3/16 | R | 3/30/2016 | 4,826.34 | | 023209 | | 4,826.34 |
| 00010 | AIRGAS USA LLC | | | | | | | |
| I-9049442654 | Hose for Pipeline | R | 3/30/2016 | 32.29 | | 023210 | | |
| I-9049493610 | Boot Covers for Lab | R | 3/30/2016 | 121.11 | | 023210 | | |
| I-9049540121 | Disc Flap, Brushes for PP | R | 3/30/2016 | 20.89 | | 023210 | | 174.29 |
| 01817 | ALLIED ELECTRONICS, INC. | | | | | | | |
| I-9005736711 | Blue Modem Cable, E&M | R | 3/30/2016 | 537.91 | | 023211 | | 537.91 |
| 00836 | AMERICAN RED CROSS | | | | | | | |
| C-9217GRCS | Accrue Use Tax | R | 3/30/2016 | 6.74CR | | 023212 | | |
| D-9217GRCS | Accrue Use Tax | R | 3/30/2016 | 6.74 | | 023212 | | |
| I-9217-GRCS | Face Lung Bags, WP Training | R | 3/30/2016 | 89.87 | | 023212 | | 89.87 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--|--------|------------|----------------|----------|----------|--------------|--------------|
| 00417 | APPLIED INDUSTRIAL TECHNOLOGY I-7007427412 Oil, Grease for VAKI Hoist | R | 3/30/2016 | 124.95 | | 023213 | | 124.95 |
| 00014 | AQUA-FLO SUPPLY I-894060 Plumbing UV Install Lagoon | R | 3/30/2016 | 124.18 | | 023214 | | |
| | I-902143 PVC for Waterpark | R | 3/30/2016 | 35.70 | | 023214 | | |
| | I-904425 PVC for Waterpark | R | 3/30/2016 | 34.76 | | 023214 | | 194.64 |
| 00840 | AQUA-METRIC SALES COMPANY I-0060117 Measuring Chambers for O&M CS | R | 3/30/2016 | 855.68 | | 023215 | | 855.68 |
| 01703 | ARNOLD LAROCHELLE MATTHEWS I-46699 Matter#5088015 2/16 | R | 3/30/2016 | 804.00 | | 023216 | | |
| | I-46700 Matter#5088001 2/16 | R | 3/30/2016 | 5,698.00 | | 023216 | | |
| | I-46701 Matter#5088012 2/16 | R | 3/30/2016 | 1,200.00 | | 023216 | | 7,702.00 |
| 01666 | AT & T I-000007789503 T-1 Line 9391051740 | R | 3/30/2016 | 339.20 | | 023217 | | |
| | I-000007789513 T-1 Lines 9391051750 | R | 3/30/2016 | 1,066.25 | | 023217 | | |
| | I-000007799823 Local, Regional, Long Distance 9391035542 | R | 3/30/2016 | 1,131.80 | | 023217 | | 2,537.25 |
| 00018 | AT & T MOBILITY I-829434088X03142016 PT Wildlife Biol Monthly Cell | R | 3/30/2016 | 11.59 | | 023218 | | 11.59 |
| 00030 | B&R TOOL AND SUPPLY CO I-1900879400 PVC Parts for Pipelines | R | 3/30/2016 | 402.14 | | 023219 | | |
| | I-1900879440 Repair Parts for Ave 1 PP | R | 3/30/2016 | 106.73 | | 023219 | | |
| | I-1900879639 Hydraulic Punch for PP | R | 3/30/2016 | 85.97 | | 023219 | | |
| | I-1900880028 Impact Driver for Pump Plant | R | 3/30/2016 | 209.63 | | 023219 | | 804.47 |
| 00036 | BC TREE SERVICE, INC I-1014 Tree Removal, Camp Chaffee | R | 3/30/2016 | 4,200.00 | | 023220 | | 4,200.00 |
| 00032 | BIOVIR LABORATORIES, INC I-160303 Giardia/Crypto Testing 030116 | R | 3/30/2016 | 365.00 | | 023221 | | 365.00 |
| 01680 | BLR-BUSINESS & LEGAL REPORTS I-032416 BLR Annual Subscription | R | 3/30/2016 | 1,195.00 | | 023222 | | 1,195.00 |
| 00463 | Cal-Coast Machinery I-310526 Small Riding Mower Blades | R | 3/30/2016 | 97.90 | | 023223 | | |
| | I-310535 Blades for Brush Mower, LCRA | R | 3/30/2016 | 299.84 | | 023223 | | |
| | I-313640 Cable for LCRA Maint | R | 3/30/2016 | 26.41 | | 023223 | | 424.15 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|----------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 00945 | CAMCO BREAKER & CONTROLS, INC. | | | | | | | |
| I-31414 | Heaters for Mix Pump, TP | R | 3/30/2016 | 161.25 | | 023224 | | |
| I-31421 | AB Parts for Treatment Plant | R | 3/30/2016 | 34.40 | | 023224 | | 195.65 |
| 00208 | CareIQ | | | | | | | |
| I-090315 | DOS 090315 Claim#15-19309 | R | 3/30/2016 | 120.00 | | 023225 | | |
| I-090815 | DOS 090815 Claim#15-19309 | R | 3/30/2016 | 120.00 | | 023225 | | 240.00 |
| 02839 | Christian Chavez | | | | | | | |
| I-032216 | FVC Annual Refund | R | 3/30/2016 | 60.00 | | 023226 | | 60.00 |
| 01169 | CODE 3, INC. | | | | | | | |
| C-1082711CM | Accrue Use Tax | R | 3/30/2016 | 224.07CR | | 023227 | | |
| D-1082711DM | Accrue Use Tax | R | 3/30/2016 | 224.07 | | 023227 | | |
| I-1082711RI | Safety Lights for FrtLiner,#51 | R | 3/30/2016 | 2,987.55 | | 023227 | | 2,987.55 |
| 00071 | COMMANDER PRINTED PRODUCTS | | | | | | | |
| I-101759 | Door Hangers for Pipelines | R | 3/30/2016 | 357.89 | | 023228 | | 357.89 |
| 00061 | COMPUWAVE | | | | | | | |
| I-SB02082880 | Toner for O&M | R | 3/30/2016 | 483.00 | | 023229 | | |
| I-SB02082918 | Toner for Management | R | 3/30/2016 | 446.11 | | 023229 | | |
| I-SB02082999 | UPS Battery Replacement | R | 3/30/2016 | 330.67 | | 023229 | | 1,259.78 |
| 01483 | CORVEL CORPORATION | | | | | | | |
| I-699814741 | Bill Review | R | 3/30/2016 | 9.50 | | 023230 | | |
| I-699815421 | Bill Review | R | 3/30/2016 | 9.50 | | 023230 | | |
| I-C00204688449 | Utilization Review | R | 3/30/2016 | 100.00 | | 023230 | | |
| I-C00204690736 | Utilization Review | R | 3/30/2016 | 100.00 | | 023230 | | 219.00 |
| 01647 | JOEL COX | | | | | | | |
| I-Mar 16 | Reimburse Expenses 3/16 | R | 3/30/2016 | 812.78 | | 023231 | | 812.78 |
| 02041 | Custom Mailing Solutions, Inc | | | | | | | |
| I-61915 | Newsletter Mailing | R | 3/30/2016 | 587.50 | | 023232 | | 587.50 |
| 02480 | David Taussig & Associates, In | | | | | | | |
| I-1602131 | Consulting Services Ojai CFD | R | 3/30/2016 | 877.56 | | 023233 | | 877.56 |
| 00076 | DEKREEK TECHNICAL SERVICES | | | | | | | |
| I-66038 | Robles PC & HMI SoftwareUpdate | R | 3/30/2016 | 1,356.00 | | 023234 | | 1,356.00 |
| 00081 | DELTA LIQUID ENERGY | | | | | | | |
| I-20968 | Propane for Maint Yard | R | 3/30/2016 | 118.35 | | 023235 | | 118.35 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|--------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 02667 | Digital Telecommunications Cor | | | | | | | |
| I-23771 | Setup New Ext 125 | R | 3/30/2016 | 521.25 | | 023236 | | 521.25 |
| 00085 | DON'S INDUSTRIAL SUPPLIES, INC | | | | | | | |
| I-358684 | Hose Made for Pipeline | R | 3/30/2016 | 45.21 | | 023237 | | |
| I-358709 | Hose Made for Pipeline | R | 3/30/2016 | 38.98 | | 023237 | | 84.19 |
| 02511 | Draper Construction | | | | | | | |
| I-16161 | Water Playground Repairs | R | 3/30/2016 | 35,292.50 | | 023238 | | 35,292.50 |
| 00086 | E.J. Harrison & Sons Inc | | | | | | | |
| I-2409 | Acct#1C00053370 | R | 3/30/2016 | 141.42 | | 023239 | | |
| I-2432a | Acct#1C00054230 | R | 3/30/2016 | 975.60 | | 023239 | | |
| I-2433a | Acct#1C00054240 | R | 3/30/2016 | 149.71 | | 023239 | | 1,266.73 |
| 00095 | FAMCON PIPE & SUPPLY | | | | | | | |
| I-178072 | Service Line Repair Parts | R | 3/30/2016 | 912.68 | | 023240 | | |
| I-178200 | Service Line Repair Parts | R | 3/30/2016 | 653.60 | | 023240 | | |
| I-178271 | Service Line Repair Parts | R | 3/30/2016 | 1,161.00 | | 023240 | | 2,727.28 |
| 00013 | FERGUSON ENTERPRISES INC | | | | | | | |
| I-0546293 | Tools for Pipeline Crew | R | 3/30/2016 | 175.76 | | 023241 | | |
| I-0546442 | Meter Box Parts for WH Stock | R | 3/30/2016 | 4,141.96 | | 023241 | | 4,317.72 |
| 00099 | FGL ENVIRONMENTAL | | | | | | | |
| I-513987 | Manganese Monitoring 120915 | R | 3/30/2016 | 145.00 | | 023242 | | |
| I-600354 | Manganese Monitoring 010816 | R | 3/30/2016 | 145.00 | | 023242 | | |
| I-600641 | Annual Reservoir Monitoring | R | 3/30/2016 | 756.00 | | 023242 | | |
| I-600643 | Glyphosate 011316 | R | 3/30/2016 | 175.00 | | 023242 | | |
| I-601185 | THM HAA Monitoring 020116 | R | 3/30/2016 | 817.00 | | 023242 | | |
| I-601519 | Lake Nutrients Monitoring 2/3 | R | 3/30/2016 | 1,328.00 | | 023242 | | |
| I-601520 | Manganese Monitoring 020316 | R | 3/30/2016 | 145.00 | | 023242 | | |
| I-602066A | Manganese Monitoring 022316 | R | 3/30/2016 | 70.00 | | 023242 | | |
| I-602309A | Wet Chemistry-Turbidity | R | 3/30/2016 | 41.00 | | 023242 | | |
| I-602587A | Manganses Monitoring 030216 | R | 3/30/2016 | 45.00 | | 023242 | | 3,667.00 |
| 00096 | FIREMASTER - LOS ANGELES REG. | | | | | | | |
| I-0000315724 | Fire Extinguishers for Autos | R | 3/30/2016 | 144.32 | | 023243 | | 144.32 |
| 00104 | FRED'S TIRE MAN | | | | | | | |
| I-88992 | Tire for Rogue Trailer, #292 | R | 3/30/2016 | 123.45 | | 023244 | | |
| I-89774 | 4 Tires for #47, LCRA | R | 3/30/2016 | 923.79 | | 023244 | | |
| I-89914 | Flat Repair for #19 | R | 3/30/2016 | 20.00 | | 023244 | | 1,067.24 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|--------------|---------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 02720 | Garda CL West, Inc. | | | | | | | |
| I-20140704 | Excess Items, LCRA | R | 3/30/2016 | 22.00 | | 023245 | | 22.00 |
| 02158 | Google, Inc. | | | | | | | |
| I-3359861489 | Google Apps for Work, IT Dept | R | 3/30/2016 | 86.31 | | 023246 | | 86.31 |
| 00115 | GRAINGER, INC | | | | | | | |
| I-9046461118 | Phosphoric Acid for LCRA Maint | R | 3/30/2016 | 24.14 | | 023247 | | |
| I-9046461126 | Gloves for TP | R | 3/30/2016 | 65.42 | | 023247 | | |
| I-9046461134 | Duct Tape for TP | R | 3/30/2016 | 23.40 | | 023247 | | |
| I-9046461142 | Gloves, Duct Tape for TP | R | 3/30/2016 | 38.88 | | 023247 | | |
| I-9046461167 | Saw Blades, Test Probes, TP | R | 3/30/2016 | 78.00 | | 023247 | | |
| I-9057147804 | Epoxy Adhesive for Dist Maint | R | 3/30/2016 | 65.80 | | 023247 | | |
| I-9060977957 | Ear Plugs-LCRA, Batteries-Stock | R | 3/30/2016 | 49.29 | | 023247 | | |
| I-9064880223 | Batteries for Stock | R | 3/30/2016 | 17.26 | | 023247 | | 362.19 |
| 01052 | HARBOR FREIGHT TOOLS USA, INC | | | | | | | |
| I-747791 | Tarp, Rope, Grommets for DM | R | 3/30/2016 | 201.95 | | 023248 | | 201.95 |
| 00596 | HOME DEPOT | | | | | | | |
| I-9681343 | Sprinkler Scare Crow, Maint | R | 3/30/2016 | 150.44 | | 023249 | | 150.44 |
| 00125 | IDEXX DISTRIBUTION CORP | | | | | | | |
| I-3000398391 | Lab Testing Supplies | R | 3/30/2016 | 1,028.17 | | 023250 | | 1,028.17 |
| 00131 | JCI JONES CHEMICALS, INC | | | | | | | |
| I-682880 | Chlorine for TP, CM#682997 | R | 3/30/2016 | 1,770.00 | | 023251 | | |
| I-684421 | Chlorine for TP, CM#684434 | R | 3/30/2016 | 1,770.00 | | 023251 | | 3,540.00 |
| 00360 | LESLIE'S POOL SUPPLIES, INC | | | | | | | |
| I-142374716 | Chemicals for Waterpark | R | 3/30/2016 | 1,006.04 | | 023252 | | 1,006.04 |
| 02831 | Lightbars.com | | | | | | | |
| C-2272A | Accrue Use Tax | R | 3/30/2016 | 60.08CR | | 023253 | | |
| D-2272A | Accrue Use Tax | R | 3/30/2016 | 60.08 | | 023253 | | |
| I-2272 | Lightbar for #51, Pipeline | R | 3/30/2016 | 801.00 | | 023253 | | 801.00 |
| 00328 | LIGHTNING RIDGE | | | | | | | |
| I-1251607 | Work Uniforms Dist Maint | R | 3/30/2016 | 919.48 | | 023254 | | |
| I-2261609 | Hats for Pipeline Crew | R | 3/30/2016 | 232.20 | | 023254 | | |
| I-3021606 | Uniforms for Pipeline Crew | R | 3/30/2016 | 640.91 | | 023254 | | 1,792.59 |
| 00329 | MCMMASTER-CARR SUPPLY CO. | | | | | | | |
| I-52508386 | Urinal Screens/Partitions DO | R | 3/30/2016 | 214.74 | | 023255 | | 214.74 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|----------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 01404 | MCT TRAILERS | | | | | | | |
| I-63323 | Parts for Small Trailer, Maint | R | 3/30/2016 | 62.03 | | 023256 | | 62.03 |
| 00151 | MEINERS OAKS ACE HARDWARE | | | | | | | |
| I-708267 | Ready Mix Concrete for DM | R | 3/30/2016 | 400.55 | | 023257 | | |
| I-708731 | Building Repair Parts, Maint | R | 3/30/2016 | 153.19 | | 023257 | | |
| I-708761 | Lumber for Repairs, Maint | R | 3/30/2016 | 127.38 | | 023257 | | |
| I-709040 | Teflon Tape, Padlock, DM | R | 3/30/2016 | 49.16 | | 023257 | | |
| I-709106 | LED Lights for LCRA Maint | R | 3/30/2016 | 171.12 | | 023257 | | |
| I-709196 | Screws,Flourescent Bulbs Maint | R | 3/30/2016 | 96.48 | | 023257 | | |
| I-709866 | Cleaning Supplies for LCRA | R | 3/30/2016 | 163.42 | | 023257 | | |
| I-709956 | Park Store Light Repair | R | 3/30/2016 | 134.93 | | 023257 | | |
| I-710112 | Gloves, Pliers, Bit Set, IT | R | 3/30/2016 | 41.05 | | 023257 | | |
| I-710218 | Conduit, Mops for LCRA Maint | R | 3/30/2016 | 74.57 | | 023257 | | |
| I-710504 | Batteries for E&M PP Printers | R | 3/30/2016 | 4.39 | | 023257 | | |
| I-710827 | Batteries, Fasteners for Maint | R | 3/30/2016 | 46.25 | | 023257 | | |
| I-710888 | Batteries, PVC for Maint | R | 3/30/2016 | 33.92 | | 023257 | | 1,496.41 |
| 09342 | MERRIMAN PAVING & EXCAVATING | | | | | | | |
| I-020 | Asphalt Patching, Pipelines | R | 3/30/2016 | 11,281.00 | | 023259 | | 11,281.00 |
| 00163 | OFFICE DEPOT | | | | | | | |
| C-828327251001 | Return Inv#827657255001 | R | 3/30/2016 | 13.44CR | | 023260 | | |
| I-827657255001 | Office Supplies | R | 3/30/2016 | 122.90 | | 023260 | | |
| I-827657339001 | Office Supplies | R | 3/30/2016 | 62.34 | | 023260 | | |
| I-828327253001 | Office Supplies | R | 3/30/2016 | 13.44 | | 023260 | | |
| I-828640440001 | Office Supplies | R | 3/30/2016 | 151.28 | | 023260 | | |
| I-828640642001 | Office Supplies | R | 3/30/2016 | 15.03 | | 023260 | | |
| I-828640643001 | Office Supplies | R | 3/30/2016 | 82.01 | | 023260 | | |
| I-828851919001 | Office Supplies | R | 3/30/2016 | 100.63 | | 023260 | | |
| I-829574845001 | Office Supplies | R | 3/30/2016 | 306.76 | | 023260 | | 840.95 |
| 01570 | Ojai Auto Supply LLC | | | | | | | |
| I-365253 | Freon for #69, Dumptruck | R | 3/30/2016 | 51.85 | | 023261 | | 51.85 |
| 00165 | OJAI LUMBER CO, INC | | | | | | | |
| I-1603765200 | Rebar for Dist Maint | R | 3/30/2016 | 76.78 | | 023262 | | 76.78 |
| 00168 | OJAI VALLEY NEWS | | | | | | | |
| I-032816 | 1 Year Subscription | R | 3/30/2016 | 52.00 | | 023263 | | |
| I-300002860 | Ad for LCRA, Spring Guide | R | 3/30/2016 | 300.00 | | 023263 | | 352.00 |
| 00383 | ON DUTY UNIFORMS & EQUIPMENT | | | | | | | |
| I-139597 | Uniforms for PSO | R | 3/30/2016 | 405.21 | | 023264 | | |
| I-139598 | Uniforms for PSO | R | 3/30/2016 | 334.27 | | 023264 | | 739.48 |

VENDOR SET: 01 Casitas Municipal Water D
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 DATE RANGE: 3/23/2016 THRU 4/06/2016

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|-------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 01627 | OSCAR'S TREE SERVICE | | | | | | | |
| I-12367 | Tree Removal Polywog Camp | R | 3/30/2016 | 950.00 | | 023265 | | |
| I-12368 | Tree Removal, Near Camp G | R | 3/30/2016 | 950.00 | | 023265 | | 1,900.00 |
| 00188 | PETTY CASH | | | | | | | |
| I-032116 | Replenish Petty Cash | R | 3/30/2016 | 478.29 | | 023266 | | |
| I-032516 | Replenish Petty Cash | R | 3/30/2016 | 15.00 | | 023266 | | 493.29 |
| 01439 | PRECISION POWER EQUIPMENT | | | | | | | |
| I-2685 | Weedeater Line, Dist Maint | R | 3/30/2016 | 62.35 | | 023267 | | 62.35 |
| 00892 | RICKLY HYDROLOGICAL, INC. | | | | | | | |
| C-370260a | Accrue Use Tax | R | 3/30/2016 | 59.63CR | | 023268 | | |
| D-370260a | Accrue Use Tax | R | 3/30/2016 | 59.63 | | 023268 | | |
| I-370260 | Weather Station Enclosure | R | 3/30/2016 | 874.96 | | 023268 | | 874.96 |
| 02837 | Sam Hill & Sons, Inc. | | | | | | | |
| I-1244 | Base for Camp Chaffee Repair | R | 3/30/2016 | 1,350.19 | | 023269 | | 1,350.19 |
| 02756 | SC Fuels | | | | | | | |
| I-0548876 | Gas for Main Yard | R | 3/30/2016 | 3,916.85 | | 023270 | | |
| I-0550921 | Diesel for Main Yard | R | 3/30/2016 | 549.16 | | 023270 | | |
| I-0550928 | Diesel for LCRA | R | 3/30/2016 | 419.57 | | 023270 | | 4,885.58 |
| 00608 | SMITH PIPE & SUPPLY INC. | | | | | | | |
| I-2959286 | Roundup for LCRA Maint | R | 3/30/2016 | 389.58 | | 023271 | | 389.58 |
| 00215 | SOUTHERN CALIFORNIA EDISON | | | | | | | |
| I-032416 | Acct#2312811532 | R | 3/30/2016 | 57.27 | | 023272 | | |
| I-032416a | ACct#2266156405 | R | 3/30/2016 | 105.69 | | 023272 | | |
| I-032416b | Acct#2157697889 | R | 3/30/2016 | 670.37 | | 023272 | | 833.33 |
| 10100 | SPECIALTY MARINE, INC | | | | | | | |
| I-13202 | Repair Rogue Boat, #219 | R | 3/30/2016 | 332.50 | | 023273 | | 332.50 |
| 02202 | Stanley Pest Control | | | | | | | |
| I-807618 | Pest Control, Waterpark | R | 3/30/2016 | 170.00 | | 023274 | | 170.00 |
| 02643 | Take Care by WageWorks | | | | | | | |
| I-4113835 | Reimburse Medical | R | 3/30/2016 | 206.80 | | 023275 | | |
| I-4165160 | Reimburse Mileage | R | 3/30/2016 | 653.00 | | 023275 | | 859.80 |
| 01959 | The Wharf | | | | | | | |
| I-91892 | Steel Toe Rubber Boots, O&M CS | R | 3/30/2016 | 171.91 | | 023276 | | 171.91 |

VENDOR SET: 01 Casitas Municipal Water D
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 DATE RANGE: 3/23/2016 THRU 4/06/2016

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|-------------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 01662 | TYLER TECHNOLOGIES, INC. | | | | | | | |
| I-025-149387 | Custom Programming | R | 3/30/2016 | 1,250.00 | | 023277 | | |
| I-025150937 | Custom Programming-Allocation | R | 3/30/2016 | 1,250.00 | | 023277 | | 2,500.00 |
| 02760 | Los Angeles Truck Centers LLC | | | | | | | |
| I-XS5778 | BIT Inspection/Svc #69 | R | 3/30/2016 | 1,125.76 | | 023278 | | 1,125.76 |
| 09955 | VENTURA WHOLESALE ELECTRIC | | | | | | | |
| I-201140 | Outside Safety Lighting, DO | R | 3/30/2016 | 103.20 | | 023279 | | |
| I-202223 | Bulb for Front of Dist Office | R | 3/30/2016 | 31.18 | | 023279 | | 134.38 |
| 01396 | VULCAN CONSTRUCTION MATERIALS | | | | | | | |
| I-71059871 | Cold Mix Asphalt | R | 3/30/2016 | 1,406.85 | | 023280 | | 1,406.85 |
| 01830 | WATERTRAX USA | | | | | | | |
| I-400650563 | Data Mgmt Annual Subscription | R | 3/30/2016 | 3,957.08 | | 023281 | | 3,957.08 |
| 00663 | WAXIE SANITARY SUPPLY | | | | | | | |
| I-75864254 | Janitorial Supplies, Dist Ofc | R | 3/30/2016 | 288.25 | | 023282 | | 288.25 |
| 00630 | WESCO | | | | | | | |
| I-100025 | Wire for Ave 1 PP | R | 3/30/2016 | 65.55 | | 023283 | | |
| I-100360 | Wire for Ave 1 PP | R | 3/30/2016 | 65.55 | | 023283 | | 131.10 |
| 00826 | STAN WHISENHUNT DBA | | | | | | | |
| I-5907 | Layout Winter Newsletter | R | 3/30/2016 | 400.00 | | 023284 | | 400.00 |
| 00330 | WHITE CAP CONSTRUCTION SUPPLY | | | | | | | |
| I-10004891526 | Rain Suit, Gloves for O&M CS | R | 3/30/2016 | 74.56 | | 023285 | | |
| I-10004895255 | Gloves, Hard Hat, Vest, O&M CS | R | 3/30/2016 | 54.80 | | 023285 | | 129.36 |
| 1 | Donald Ornelas | | | | | | | |
| I-000201603221080 | TS Refund | R | 3/30/2016 | 140.00 | | 023286 | | 140.00 |
| 00124 | ICMA RETIREMENT TRUST - 457 | | | | | | | |
| I-CUI201603281081 | 457 CATCH UP | R | 3/30/2016 | 461.54 | | 023287 | | |
| I-DCI201603281081 | DEFERRED COMP FLAT | R | 3/30/2016 | 1,859.62 | | 023287 | | |
| I-DI%201603281081 | DEFERRED COMP PERCENT | R | 3/30/2016 | 134.71 | | 023287 | | 2,455.87 |
| 01960 | Moringa Community | | | | | | | |
| I-MOR201603281081 | PAYROLL CONTRIBUTIONS | R | 3/30/2016 | 16.75 | | 023288 | | 16.75 |
| 00985 | NATIONWIDE RETIREMENT SOLUTION | | | | | | | |
| I-CUN201603281081 | 457 CATCH UP | R | 3/30/2016 | 211.53 | | 023289 | | |
| I-DCN201603281081 | DEFERRED COMP FLAT | R | 3/30/2016 | 3,983.85 | | 023289 | | |
| I-DN%201603281081 | DEFERRED COMP PERCENT | R | 3/30/2016 | 319.30 | | 023289 | | 4,514.68 |

VENDOR SET: 01 Casitas Municipal Water D
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 DATE RANGE: 3/23/2016 THRU 4/06/2016

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| 00180 | S.E.I.U. - LOCAL 721 | | | | | | | |
| I-COP201603281081 | SEIU 721 COPE | R | 3/30/2016 | 12.00 | | 023290 | | |
| I-UND201603281081 | UNION DUES | R | 3/30/2016 | 725.75 | | 023290 | | 737.75 |
| 01400 | STATE DISBURSEMENT UNIT | | | | | | | |
| I-CS4201603281081 | Payroll Deduction 10-D000121 | R | 3/30/2016 | 818.57 | | 023291 | | 818.57 |
| 00230 | UNITED WAY | | | | | | | |
| I-UWY201603281081 | PAYROLL CONTRIBUTIONS | R | 3/30/2016 | 60.00 | | 023292 | | 60.00 |
| 01926 | Vehicle Registration Collectio | | | | | | | |
| I-G05201603281081 | Payroll Deduction | R | 3/30/2016 | 157.00 | | 023293 | | 157.00 |
| 00011 | ALERT COMMUNICATIONS | | | | | | | |
| I-032616 | Call Center 4/16 | R | 4/06/2016 | 249.05 | | 023294 | | 249.05 |
| 00836 | AMERICAN RED CROSS | | | | | | | |
| I-10432480 | Lifeguard Class, Waterpark | R | 4/06/2016 | 455.00 | | 023295 | | 455.00 |
| 00029 | AMERICAN TOWER CORP | | | | | | | |
| I-2149299 | Tower Rent-Red Mtn, Rincon Pk | R | 4/06/2016 | 1,767.17 | | 023296 | | 1,767.17 |
| 00014 | AQUA-FLO SUPPLY | | | | | | | |
| I-907021 | Hand Pump for Pump Plants | R | 4/06/2016 | 31.05 | | 023297 | | 31.05 |
| 01666 | AT & T | | | | | | | |
| I-000007845694 | T-1 Lines 9391035541 | R | 4/06/2016 | 867.94 | | 023298 | | 867.94 |
| 00020 | AVENUE HARDWARE, INC | | | | | | | |
| I-62519 | Cap for Pipe at Dist Office | R | 4/06/2016 | 5.99 | | 023299 | | 5.99 |
| 00021 | AWA OF VENTURA COUNTY | | | | | | | |
| I-040416 | Symposium Sponsorship | R | 4/06/2016 | 2,500.00 | | 023300 | | 2,500.00 |
| 01153 | RUSS BAGGERLY | | | | | | | |
| I-Mar 16 | Reimburse Mileage 3/16 | R | 4/06/2016 | 75.60 | | 023301 | | 75.60 |
| 00511 | Centers for Family Health | | | | | | | |
| I-020516 | DOS 2/5/16 Claim#14-15659 | R | 4/06/2016 | 116.98 | | 023302 | | |
| I-102315 | DOS 10/23/15 Claim#15-21637 | R | 4/06/2016 | 94.15 | | 023302 | | |
| I-112015 | DOS 11/20/15 Claim#15-21637 | R | 4/06/2016 | 103.68 | | 023302 | | |
| I-112815 | DOS 11/28/15 Claim#15-21637 | R | 4/06/2016 | 103.68 | | 023302 | | |
| I-56900 | DMV Physical, Drug Screen | R | 4/06/2016 | 135.00 | | 023302 | | 553.49 |

VENDOR SET: 01 Casitas Municipal Water D
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 DATE RANGE: 3/23/2016 THRU 4/06/2016

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| 02322 | Coast Cart, Inc. | | | | | | | |
| I-9209 | Drive Belt for EZ Cart #3 | R | 4/06/2016 | 66.34 | | 023303 | | 66.34 |
| 01843 | COASTAL COPY | | | | | | | |
| I-661283 | Copier Usage, LCRA | R | 4/06/2016 | 152.14 | | 023304 | | |
| I-662263 | Copier Usage, Warehouse | R | 4/06/2016 | 29.11 | | 023304 | | 181.25 |
| 01055 | Neil Cole | | | | | | | |
| I-Feb 16 | Reimburse Expenses 2/16 | R | 4/06/2016 | 156.04 | | 023305 | | |
| I-Mar 16 | Reimburse Mileage 3/16 | R | 4/06/2016 | 29.16 | | 023305 | | 185.20 |
| 00061 | COMPUWAVE | | | | | | | |
| I-032816 | Abobe Photoshop for Water Cons | R | 4/06/2016 | 718.00 | | 023306 | | 718.00 |
| 01483 | CORVEL CORPORATION | | | | | | | |
| I-021016 | Bill Review | R | 4/06/2016 | 10.06 | | 023307 | | |
| I-698669961 | Bill Review | R | 4/06/2016 | 11.80 | | 023307 | | |
| I-698670601 | Bill Review | R | 4/06/2016 | 12.32 | | 023307 | | |
| I-698670631 | Bill Review | R | 4/06/2016 | 12.32 | | 023307 | | |
| I-699425011 | Bill Review | R | 4/06/2016 | 12.36 | | 023307 | | 58.86 |
| 00662 | Diamond A Equipment | | | | | | | |
| I-IX68483 | Kubota Mower Parts, #277 | R | 4/06/2016 | 92.18 | | 023308 | | 92.18 |
| 00090 | ENVIRONMENTAL RESOURCE ASSOC | | | | | | | |
| I-784735 | Performance Evaluation Samples | R | 4/06/2016 | 314.81 | | 023309 | | |
| I-784743 | Performance Evaluation Samples | R | 4/06/2016 | 435.21 | | 023309 | | 750.02 |
| 00101 | FISHER SCIENTIFIC | | | | | | | |
| I-9185580 | Lab Supplies | R | 4/06/2016 | 402.07 | | 023310 | | |
| I-9415233 | Lab Supplies | R | 4/06/2016 | 224.71 | | 023310 | | 626.78 |
| 00106 | FRONTIER PAINT | | | | | | | |
| I-F0213175 | Paint Supplies for O&M CS | R | 4/06/2016 | 60.84 | | 023311 | | 60.84 |
| 02629 | Galvotec Alloys, Inc. | | | | | | | |
| C-1603044a | Accrue Use Tax | R | 4/06/2016 | 68.41CR | | 023312 | | |
| D-1603044a | Accrue Use Tax | R | 4/06/2016 | 68.41 | | 023312 | | |
| I-1603044 | Anodes for Dam Intake Screens | R | 4/06/2016 | 1,052.80 | | 023312 | | 1,052.80 |
| 00216 | THE GAS COMPANY | | | | | | | |
| I-033116 | Acct#18231433006 | R | 4/06/2016 | 70.04 | | 023313 | | |
| I-040116 | Acct#00801443003 | R | 4/06/2016 | 290.18 | | 023313 | | 360.22 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--|--------|------------|----------------|----------|----------|--------------|--------------|
| 02835 | Global Equipment Co., Inc. I-109296352 | | | | | | | |
| | Waterless Urinals, Dist Office | R | 4/06/2016 | 893.11 | | 023314 | | 893.11 |
| 00115 | GRAINGER, INC I-9065019680 | | | | | | | |
| | Dome Mat for Dist Office | R | 4/06/2016 | 341.00 | | 023315 | | 341.00 |
| 00596 | HOME DEPOT I-5950280 | | | | | | | |
| | LCRA Lawn Motor Mower | R | 4/06/2016 | 628.88 | | 023316 | | 628.88 |
| 00126 | CAROLE ILES I-Mar 16 | | | | | | | |
| | Reimburse Milege 3/16 | R | 4/06/2016 | 41.58 | | 023317 | | 41.58 |
| 00127 | INDUSTRIAL BOLT & SUPPLY I-1674751 | | | | | | | |
| | Nuts & Bolts for Ave 2 PP | R | 4/06/2016 | 47.39 | | 023318 | | 47.39 |
| 02832 | Intellicept I-22533 | | | | | | | |
| | Anti-Skateboard Device, DM | R | 4/06/2016 | 853.63 | | 023319 | | 853.63 |
| 02344 | Janitek Cleaning Solutions I-23067A | | | | | | | |
| | Janitorial Services 4/16 | R | 4/06/2016 | 1,329.00 | | 023320 | | 1,329.00 |
| 01022 | KELLY CLEANING & SUPPLIES, INC I-123736 | | | | | | | |
| | Cleaning Services, LCRA | R | 4/06/2016 | 300.00 | | 023321 | | 300.00 |
| 02838 | Mainstreet Architects & Planne I-10017 | | | | | | | |
| | Design District Office Remodel | R | 4/06/2016 | 2,404.50 | | 023322 | | 2,404.50 |
| 00151 | MEINERS OAKS ACE HARDWARE I-709953 | | | | | | | |
| | Waterpark Supplies | R | 4/06/2016 | 102.12 | | 023323 | | |
| | I-710714 | R | 4/06/2016 | 30.63 | | 023323 | | |
| | Leaf Blower Repair Parts | R | 4/06/2016 | 57.42 | | 023323 | | |
| | I-711538 | R | 4/06/2016 | 58.66 | | 023323 | | |
| | Electrical Parts, LCRA Maint | R | 4/06/2016 | 12.71 | | 023323 | | |
| | I-711664 | R | 4/06/2016 | 50.79 | | 023323 | | |
| | Padlocks for Waterpark | R | 4/06/2016 | 22.07 | | 023323 | | |
| | I-711739 | R | 4/06/2016 | 48.99 | | 023323 | | |
| | Pipe Cap for DO Men's Room | R | 4/06/2016 | 14.23 | | 023323 | | 397.62 |
| | I-711975 | R | 4/06/2016 | | | | | |
| | Hedge Shear, Primer for O&M CS | R | 4/06/2016 | | | | | |
| | I-712069 | R | 4/06/2016 | | | | | |
| | Cleaning Supplies, Fisheries | R | 4/06/2016 | | | | | |
| | I-712070 | R | 4/06/2016 | | | | | |
| | Cleaning Supplies, LCRA | R | 4/06/2016 | | | | | |
| | I-712205 | R | 4/06/2016 | | | | | |
| | Parts for Camp M | R | 4/06/2016 | | | | | |
| 02797 | Milner-Villa Consulting I-2015CMWD16003 | | | | | | | |
| | UWMP Consulting | R | 4/06/2016 | 7,072.50 | | 023324 | | 7,072.50 |
| 02724 | Michael Moler I-Mar 16 | | | | | | | |
| | Reimburse Mileage 3/16 | R | 4/06/2016 | 99.90 | | 023325 | | 99.90 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 00163 | OFFICE DEPOT | | | | | | | |
| I-831307311001 | Office Supplies | R | 4/06/2016 | 167.16 | | 023326 | | 167.16 |
| 00625 | OfficeTeam | | | | | | | |
| I-45344710 | Admin Temp | R | 4/06/2016 | 552.59 | | 023327 | | |
| I-45396499 | Admin Temp | R | 4/06/2016 | 693.44 | | 023327 | | 1,246.03 |
| 00160 | OILFIELD ELECTRIC CO, INC | | | | | | | |
| I-9209 | New Switchgear Proj, Ave 2 PP | R | 4/06/2016 | 44,650.00 | | 023328 | | 44,650.00 |
| 00912 | OJAI BUSINESS CENTER, INC | | | | | | | |
| I-11153 | Refrigerated Sample to Biovir | R | 4/06/2016 | 62.44 | | 023329 | | 62.44 |
| 02842 | Ojai Valley Community Church | | | | | | | |
| I-040516 | Security Deposit Refund | R | 4/06/2016 | 500.00 | | 023330 | | 500.00 |
| 00167 | OJAI VALLEY FAMILY MEDICAL GRP | | | | | | | |
| I-061913 | DMV Physical Acct#414590 | R | 4/06/2016 | 140.00 | | 023331 | | |
| I-100312 | DMV Physical Acct#221670 | R | 4/06/2016 | 120.00 | | 023331 | | |
| I-111612 | DMV Physical Acct#251970 | R | 4/06/2016 | 220.00 | | 023331 | | 480.00 |
| 01627 | OSCAR'S TREE SERVICE | | | | | | | |
| I-12384 | Tree Service, RV Area A3 | R | 4/06/2016 | 950.00 | | 023332 | | 950.00 |
| 02187 | Pitney Bowes Inc | | | | | | | |
| I-622207 | Postage Meter Rental,Quarterly | R | 4/06/2016 | 112.88 | | 023333 | | 112.88 |
| 02833 | Praxair, Inc | | | | | | | |
| I-72785143 | Liquid Oxygen for TP | R | 4/06/2016 | 2,448.32 | | 023334 | | |
| I-72785147 | Liquid Oxygen for TP | R | 4/06/2016 | 2,451.82 | | 023334 | | |
| I-72785151 | Liquid Oxygen for TP | R | 4/06/2016 | 2,445.70 | | 023334 | | |
| I-72785180 | Liquid Oxygen for TP | R | 4/06/2016 | 2,335.09 | | 023334 | | |
| I-72785259 | Liquid Oxygen for TP | R | 4/06/2016 | 2,405.47 | | 023334 | | |
| I-72785262 | Liquid Oxygen for TP | R | 4/06/2016 | 2,444.39 | | 023334 | | |
| I-72785281 | Liquid Oxygen for TP | R | 4/06/2016 | 2,412.03 | | 023334 | | |
| I-72785368 | Liquid Oxygen for TP | R | 4/06/2016 | 2,085.44 | | 023334 | | 19,028.26 |
| 01439 | PRECISION POWER EQUIPMENT | | | | | | | |
| I-2682 | Line for Weed Eaters, DM | R | 4/06/2016 | 62.35 | | 023335 | | 62.35 |
| 1 | Richard W Jarakian | | | | | | | |
| I-000201511031031 | TS Refund | R | 4/06/2016 | 104.00 | | 023336 | | 104.00 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|---------------|-------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 02728 | RNT Consulting Inc. | | | | | | | |
| I-1218 | Quagga Vnrblty and Mgmt Plan | R | 4/06/2016 | 12,805.00 | | 023337 | | 12,805.00 |
| 00313 | ROCK LONG'S AUTOMOTIVE | | | | | | | |
| I-17679 | Light Bulb for Waterpark | R | 4/06/2016 | 6.45 | | 023338 | | 6.45 |
| 00725 | SMART & FINAL | | | | | | | |
| I-032816 | Vinegar, Coffee for TP | R | 4/06/2016 | 27.41 | | 023339 | | 27.41 |
| 02003 | Sostre Enterprises Inc. | | | | | | | |
| I-3103 | Res System, Web Hosting/Maint | R | 4/06/2016 | 249.00 | | 023340 | | 249.00 |
| 00215 | SOUTHERN CALIFORNIA EDISON | | | | | | | |
| I-033116 | Acct#2237011044 | R | 4/06/2016 | 109.41 | | 023341 | | |
| I-033116a | Acct#2210507034 | R | 4/06/2016 | 8,849.46 | | 023341 | | |
| I-040116 | Acct#2210503702 | R | 4/06/2016 | 6,005.71 | | 023341 | | |
| I-040216 | Acct#2269631768 | R | 4/06/2016 | 23.52 | | 023341 | | |
| I-040516 | Acct#2210502480 | R | 4/06/2016 | 61,784.63 | | 023341 | | |
| I-040516a | Acct#2210505426 | R | 4/06/2016 | 1,573.47 | | 023341 | | |
| I-040516b | Acct#2237789169 | R | 4/06/2016 | 32.02 | | 023341 | | 78,378.22 |
| 02703 | Sunbelt Rentals | | | | | | | |
| I-58768247001 | Boom Lift Rental, TP Repairs | R | 4/06/2016 | 836.60 | | 023342 | | 836.60 |
| 02643 | Take Care by WageWorks | | | | | | | |
| I-4196049 | Reimburse Medical | R | 4/06/2016 | 289.00 | | 023343 | | 289.00 |
| 01367 | TELEPAGE COMMUNICATIONS INC | | | | | | | |
| I-10128690 | Treatment Plant Pager | R | 4/06/2016 | 201.00 | | 023344 | | 201.00 |
| | Acct#A2541C 4/1/16-3/31/17 | | | | | | | |
| 02527 | Traffic Technologies LLC | | | | | | | |
| I-20805 | Road Signs for LCRA | R | 4/06/2016 | 443.88 | | 023345 | | |
| I-21047 | New Canal Sign Posts | R | 4/06/2016 | 986.58 | | 023345 | | 1,430.46 |
| 01662 | TYLER TECHNOLOGIES, INC. | | | | | | | |
| I-025149965 | Allocation Overage Rpt Maint | R | 4/06/2016 | 1,250.00 | | 023346 | | |
| I-025150486 | Monthly UB Online Fees | R | 4/06/2016 | 153.00 | | 023346 | | 1,403.00 |
| 00225 | UNDERGROUND SERVICE ALERT | | | | | | | |
| I-320160096 | New Ticket Charges | R | 4/06/2016 | 235.50 | | 023347 | | 235.50 |
| 00257 | VENTURA RIVER WATER DISTRICT | | | | | | | |
| I-033116 | Acct#05-37500A | R | 4/06/2016 | 32.20 | | 023348 | | |
| I-033116a | Acct#03-50100A | R | 4/06/2016 | 21.22 | | 023348 | | |
| I-3861 | GSA-Legal Services | R | 4/06/2016 | 3,295.08 | | 023348 | | 3,348.50 |

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 3/23/2016 THRU 4/06/2016

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 09955 | VENTURA WHOLESALE ELECTRIC | | | | | | | |
| I-200940 | Electrical Parts, Pump Plant | R | 4/06/2016 | 32.25 | | 023349 | | 32.25 |
| 02583 | WageWorks | | | | | | | |
| I-125AI0452967 | FSA Monthly Fees | R | 4/06/2016 | 136.40 | | 023350 | | 136.40 |
| 00663 | WAXIE SANITARY SUPPLY | | | | | | | |
| I-75884745 | Gloves-Dist Maint, Soap-Dist | R | 4/06/2016 | 86.92 | | 023351 | | |
| I-75884745a | Janitorial Supplies, LCRA | R | 4/06/2016 | 1,343.93 | | 023351 | | 1,430.85 |
| 00330 | WHITE CAP CONSTRUCTION SUPPLY | | | | | | | |
| I-10004858821 | Gloves,Hardhat,Earplugs O&M CS | R | 4/06/2016 | 93.50 | | 023352 | | 93.50 |
| 1 | Kerrith Jones | | | | | | | |
| I-000201603311082 | UB Refund | R | 4/06/2016 | 40.68 | | 023353 | | 40.68 |
| 00489 | STEVE WICKSTRUM | | | | | | | |
| I-Feb 16 | Reimburse Mileage | R | 4/06/2016 | 57.24 | | 023354 | | |
| I-Mar 16 | Reimburse Mileage 3/16 | R | 4/06/2016 | 151.71 | | 023354 | | 208.95 |
| 00048 | STATE OF CALIFORNIA | | | | | | | |
| I-040116 | State Water Plan Payment | R | 4/06/2016 | 198,335.00 | | 023355 | | 198,335.00 |
| 00128 | INTERNAL REVENUE SERVICE | | | | | | | |
| I-T1 201603281081 | Federal Withholding | D | 3/30/2016 | 27,311.30 | | 033061 | | |
| I-T3 201603281081 | FICA Withholding | D | 3/30/2016 | 26,036.12 | | 033061 | | |
| I-T4 201603281081 | Medicare Withholding | D | 3/30/2016 | 6,089.20 | | 033061 | | 59,436.62 |
| 00049 | STATE OF CALIFORNIA | | | | | | | |
| I-T2 201603281081 | State Withholding | D | 3/30/2016 | 9,113.48 | | 033062 | | 9,113.48 |
| 00187 | CALPERS | | | | | | | |
| I-PBB201603281081 | PERS BUY BACK | D | 3/30/2016 | 66.87 | | 033063 | | |
| I-PBP201603281081 | PERS BUY BACK | D | 3/30/2016 | 161.96 | | 033063 | | |
| I-PEB201603281081 | PEBRA EMPLOYEES PORTION | D | 3/30/2016 | 2,085.69 | | 033063 | | |
| I-PER201603281081 | PERS EMPLOYEE PORTION | D | 3/30/2016 | 9,620.10 | | 033063 | | |
| I-PRB201603281081 | PEBRA EMPLOYER PORTION | D | 3/30/2016 | 2,081.32 | | 033063 | | |
| I-PRR201603281081 | PERS EMPLOYER PORTION | D | 3/30/2016 | 10,014.58 | | 033063 | | 24,030.52 |

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|------|--------|------------|----------------|----------|----------|--------------|--------------|
|-------------|------|--------|------------|----------------|----------|----------|--------------|--------------|

* * T O T A L S * *

| | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|-----------------|-----|----------------|-----------|--------------|
| REGULAR CHECKS: | 155 | 536,916.47 | 0.00 | 536,916.47 |
| HAND CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| DRAFTS: | 3 | 92,580.62 | 0.00 | 92,580.62 |
| 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 | 0.00 |

TOTAL ERRORS: 0

| VENDOR SET: 01 | BANK: AP | TOTALS: | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|----------------|----------|---------|-----|----------------|-----------|--------------|
| | | | 158 | 629,497.09 | 0.00 | 629,497.09 |
| BANK: AP | | TOTALS: | 158 | 629,497.09 | 0.00 | 629,497.09 |
| REPORT TOTALS: | | | 159 | 629,497.09 | 0.00 | 629,497.09 |

Void Stated dated CK#022221 dated 11/3/15
 Reissued on CK#023336

< 104.00 >

629,393.09

**Casitas Municipal Water District
 Reimbursement Disclosure Report (1)
 Fiscal Year 2015/16
 July 1, 2015-March 31, 2016**

| <u>Date paid</u> | <u>Board of Director/ Employee</u> | <u>Description</u> | <u>Amount Paid</u> |
|------------------|--|--|--------------------|
| 7/7/2015 | Neil Cole | Lodging for AWWA Conference 6/8/15-6/10/15 | 273.76 |
| 7/7/2015 | Neil Cole | Private Vehicle Mileage AWWA Conference | 113.85 |
| 7/14/2015 | Scott Lewis | Airfare to CMWD 6/21/15-6/27/15 | 569.20 |
| 7/14/2015 | Scott Lewis | Lodging CMWD 6/21/15-6/27/15 | 490.50 |
| 7/14/2015 | Scott Lewis | Car Rental CMWD 6/21/15-6/27/15 | 367.60 |
| 7/23/2015 | Troy Garst | Safety Boots | 155.88 |
| 7/23/2015 | Rebekah Vieira | Private Vehicle Mileage to SHRM Conference 6/28/15 | 178.83 |
| 7/28/2015 | Susan McMahon | Water TP Operation Course | 119.68 |
| 8/13/2015 | Vincent Godinez | Safety Boots | 170.00 |
| 8/13/2015 | Rebekah Vieira | Private Vehicle Mileage to SHRM Conference 7/1/15 | 178.83 |
| 8/19/2015 | Ron Yost | Damtender Property Tax Bill | 557.87 |
| 8/27/2015 | Lindsay Cao | CWEA Renewal | 164.00 |
| 8/27/2015 | Larry Harris | Coffee/Food for Water Conservation Workshop 8/8/15 | 155.99 |
| 9/16/2015 | Scott Lewis | Airfare to CMWD 8/26/15-9/1/15 | 259.20 |
| 9/16/2015 | Scott Lewis | Lodging CMWD 8/26/15-9/1/15 | 565.44 |
| 9/16/2015 | Scott Lewis | Car Rental CMWD 8/26/15-9/1/15 | 412.17 |
| 9/16/2015 | Brian Taylor | Meal for Crews Working Overtime on Leak | 113.63 |
| 9/16/2015 | Robert Vasquez | 2 Pairs of Safety Boots | 261.44 |
| 9/22/2015 | Suzi Taylor | Thermal Paper for Gate | 177.32 |
| 10/7/2015 | Vincent Godinez | Safety Boots | 147.93 |
| 10/13/2015 | Willis Hand | T5 Renewal | 105.00 |
| 10/21/2015 | Joel Cox | Safety Boots | 160.18 |
| 10/21/2015 | Scott MacDonald | Advance for AWWA Fall Conference | 956.00 |
| 10/21/2015 | Luke Soholt | Advance for AWWA Fall Conference | 586.00 |
| 10/27/2015 | Scott Lewis | Airfare to CMWD 10/25/15-11/5/15 | 279.20 |
| 11/3/2015 | Todd Evans | Safety Boots | 166.61 |
| 11/3/2015 | Brian Taylor | Safety Boots | 170.00 |
| 11/3/2015 | Rebekah Vieira | Private Vehicle Mileage to CalPelra Conference | 326.03 |
| 11/12/2015 | Vincent Godinez | Water System Course | 115.68 |
| 11/25/2015 | Scott Lewis | Lodging CMWD 10/25/15-11/5/15 | 869.99 |
| 11/25/2015 | Scott Lewis | Car Rental CMWD 10/25/15-11/5/15 | 614.53 |
| 11/25/2015 | Scott Lewis | Airport Parking 10/25/15-11/5/15 | 110.00 |
| 11/25/2015 | Scott Lewis | Hotel Parking 10/25/15-11/5/15 | 110.00 |
| 11/25/2015 | Brian Taylor | Private Vehicle Mileage to AWWA Fall Conference | 397.33 |
| 11/25/2015 | Brian Taylor | Hotel AWWA Fall Conference 10/26/15-10/29/15 | 875.84 |
| 11/25/2015 | Ron Yost | Safety Boots | 160.18 |
| 12/1/2015 | Eric Behrendt | Water Class & Manual | 115.68 |
| 12/1/2015 | Susan McMahon | Lodging 11/16/15-11/21/15 NALMS Conference | 703.00 |
| 12/9/2015 | Ronald Merckling | Lodging 12/1/15-12/4/15 ACWA Conference | 635.91 |
| 12/9/2015 | John Parlee | Safety Boots | 170.00 |
| 12/16/2015 | Bill Hicks | Lodging 12/1/15-12/4/15 ACWA Conference | 635.91 |
| 12/16/2015 | Bill Hicks | Private Vehicle Mileage ACWA Conference | 232.30 |
| 12/16/2015 | Scott Lewis | Airfare to CMWD 12/13/15-12/17/15 | 416.20 |
| 12/21/2015 | Gerardo Herrera | Water Class & Manual | 232.90 |
| 12/21/2015 | Brian Taylor | Meal for Crews Working Overtime on Leak | 106.15 |
| 12/21/2015 | Robert Vasquez | Water Class | 138.00 |
| 12/30/2015 | Eric Grabowski | Water Class | 168.00 |
| 12/30/2015 | Scott MacDonald | Water Class | 168.00 |
| 12/30/2015 | Scott MacDonald | T3 Certificate | 100.00 |

**Casitas Municipal Water District
 Reimbursement Disclosure Report (1)
 Fiscal Year 2015/16
 July 1, 2015-March 31, 2016**

| | | | |
|-----------|------------------|---|----------|
| 1/6/2016 | Joel Cox | Mapping & GIS Course | 238.50 |
| 1/6/2016 | Eric Grabowski | Safety Boots | 170.00 |
| 1/6/2016 | Steve Wickstrum | Roundtrip Personal Vehicle Mileage to ACWA Conf | 235.76 |
| 1/13/2016 | Scott Lewis | Lodging CMWD 12/13/15-12/17/15 | 355.12 |
| 1/13/2016 | Scott Lewis | Car Rental CMWD 12/13/15-12/17/15 | 232.33 |
| 1/13/2016 | Scott Lewis | Fall Term Tuition | 1,822.11 |
| 1/13/2016 | Luke Soholt | US History Course | 168.00 |
| 1/19/2016 | Henry Islas | Safety Boots | 170.00 |
| 1/26/2016 | Suzi Taylor | EDD Training Seminar-Suzi Taylor & Carol Belser | 150.00 |
| 1/26/2016 | Suzi Taylor | Title 22 Instructor Courses-Michael Chauvel, Jessica Lugotoff | 220.00 |
| 2/9/2016 | Scott Lewis | American Fisheries Society 2016 Membership | 100.00 |
| 2/9/2016 | Scott Lewis | Airfare to CMWD 2/21/16-2/26/16 | 315.20 |
| 2/17/2016 | Lisa Kolar | Advance for CPRS Class | 807.00 |
| 2/17/2016 | Brian Taylor | Safety Boots | 170.00 |
| 3/1/2016 | Lisa Kolar | Additional Advance for CPRS Class | 195.90 |
| 3/9/2016 | Gonzalo Carbajal | Safety Boots | 170.00 |
| 3/9/2016 | Gerardo Herrera | Safety Boots | 170.00 |
| 3/16/2016 | Scott MacDonald | Safety Boots | 170.00 |
| 3/16/2016 | Luke Soholt | Safety Boots | 170.00 |
| 3/23/2016 | Carol Belser | Lodging for CPRS Conference 3/9/16-3/11/16 | 461.60 |
| 3/23/2016 | Scott Lewis | Lodging CMWD 2/21/16-2/26/16 | 501.35 |
| 3/23/2016 | Scott Lewis | Car Rental CMWD 2/21/16-2/26/16 | 341.42 |
| 3/23/2016 | Michael Shields | T5 Renewal | 105.00 |
| 3/30/2016 | Joel Cox | Airfare & Hotel for Mapping & GIS Training 3/16/16-3/17/16 | 628.72 |

Note:

1) Reimbursement Disclosure Report prepared pursuant to California Government Code 53065.5

MEMORANDUM

TO: Board of Directors of the
Casitas Municipal Water District

FROM: General Manager Steve Wickstrum and
Special Counsel Jeffrey M. Oderman, Esq., Rutan & Tucker LLP

DATE: April 7, 2016

RE: April 13, 2016, Resolution of Necessity Hearing to Consider Authorization to
Condemn Ojai Service Area/Property of Golden State Water Company

1. BACKGROUND

On April 13, 2016, the Board will be conducting a hearing to consider adoption of a resolution of necessity authorizing condemnation of the property owned by Golden State Water Company (“GSW”) within GSW’s Ojai service area. The purpose of this report is to summarize the lengthy history leading up to the scheduled resolution of necessity hearing and to provide the Board with information relating to the findings and determinations the Board is required to make at the time a resolution of necessity is adopted.

2. ISSUE

Should the Board adopt the resolution of necessity?

3. RECOMMENDATION

Adopt the resolution entitled “A Resolution of the Board of Directors of the Casitas Municipal Water District Determining the Public Interest and Necessity for Acquisition of the Real Property and Business Enterprise Owned by Golden State Water Company Within Golden State’s Ojai Service Area.” The form of the resolution is attached to this Memorandum as Exhibit “A.”

4. HISTORICAL SUMMARY

This resolution of necessity hearing is the culmination of several years of effort on the part of the Ojai community to obtain local control over their water utility.

In April 2011, a local citizens group, the Ojai Friends of Locally Owned Water (“Ojai FLOW”), approached the Casitas Municipal Water District (“CMWD”) with a request that CMWD initiate an acquisition/take-over of GSW’s Ojai water utility. In its April 13, 2011, letter presented to the CMWD Board, Ojai FLOW stated that GSW’s Ojai customers had endured rate increases of over 75% since 2008 on top of rates already well above those in surrounding communities. Ojai FLOW’s financial feasibility analysis (Richard Hajas, March 20, 2011), concluded it was feasible to reduce the cost of water to GSW’s Ojai customers by having CMWD acquire the system and replace GSW as the community’s water retailer.

In June 2011, Ojai FLOW presented petitions to CMWD signed by approximately 1,900 of GSW's Ojai customers requesting CMWD to consider the acquisition and give GSW's Ojai service area customers the opportunity to vote on paying for the acquisition of GSW's Ojai system. The findings stated in the Ojai FLOW petition were that:

- This action will not be a burden to the existing ratepayers of CMWD;
- There will be no change in the place where Ojai Groundwater basin water will be used or change in where Lake Casitas water will be used;
- There will be no increase in overall water demand; and
- The average customer now served by GSW will realize a 10%-15% reduction in annual water costs in the first year.

On January 29, 2013, CMWD's Board of Directors considered taking the necessary actions to initiate the formation of a Community Facilities District ("CFD") for the acquisition of the property and facilities owned/held by GSW in its Ojai service area. At the conclusion of the discussion at that meeting the Board (1) approved CMWD's Local Goals and Policies for Use of Mello-Roos Community Facilities District Act of 1982, (2) adopted a Resolution of Intention to Establish Community Facilities District No. 2013-1 (Ojai) and to Authorize the Levy of Special Taxes Therein, (3) adopted a Resolution Declaring the CMWD Board of Director's Intention to Reimburse Expenditures from the Proceeds of Certain Community Facilities District Bond Obligations, and (4) set a public hearing for March 13, 2013, to consider and finally determine whether to approve the Rate and Method of Apportionment for the proposed CFD, approve the maximum special tax that can be imposed on properties within the boundaries of the CFD to support the acquisition of the GSW Ojai water system and fund capital improvements to that system, proceed with formation of the CFD, and schedule a special election at which the voters in the proposed CFD would have the opportunity to vote on whether or not to approve those actions.

On March 13, 2013, the Board held a public hearing to consider initiating formation of the CFD. At that time, the Board adopted 3 resolutions: (1) Resolution No. 13-12, establishing the CFD, listing the property and facilities to be acquired (the "Facilities"), and authorizing the levy of a special tax against properties within the boundaries of the CFD; (2) Resolution No. 13-13, declaring the necessity to issue up to \$60 million in CFD bonds to finance the cost of the Facilities, and submitting the question of incurring bond debt to an election; and (3) Resolution No. 13-14, calling a special election for August 27, 2013, on the question of issuing CFD bonds and levying CFD special taxes to pay the bond debt. On April 10, 2013, the Board adopted its Resolution No. 13-16, which made slight revisions to the ballot language previously approved in Resolution No. 13-14.

On March 26, 2013, GSW filed a lawsuit in Ventura County Superior Court (Case No. 56-2013-00433986-CU-WM-VTA) seeking to invalidate the actions taken by the CMWD Board in forming the CFD and seeking to enjoin and prohibit CMWD from conducting the August 27, 2013, special election, issuing the CFD bonds, and imposing CFD special taxes.

The Ventura County Superior Court declined to take action on GSW's lawsuit until after the CFD election was held.

At the August 27, 2013, special election, an overwhelming **87.42%** of the voters casting ballots voted in favor of the CFD.

GSW's challenge to the CFD then went to trial in early 2014. The trial court ruled against GSW and in favor of CMWD on the merits of GSW's legal challenge. GSW appealed. On April 14, 2015, the Second District Court of Appeal issued its published opinion *affirming* the trial court's ruling and *denying* GSW's appeal. (*Golden State Water Company v. Casitas Municipal Water District* (2015) 235 Cal.App.4th 1246. A copy of the Court of Appeal's opinion is attached as Exhibit "B" hereto.) At the outset of its opinion (235 Cal.App.4th at 1249-1250), the Court of Appeal summarized the historical background in terms that bear directly upon the matters the Board is called upon to consider in this resolution of necessity hearing and strongly reaffirmed the underlying rationale for CMWD's acquisition of GSW's Ojai water utility:

“Residents of Ojai, fed up with sky-high water bills, voted to oust appellant Golden State Water Company (Golden State), the private utility that monopolizes water service to their city, and replace it with respondent Casitas Municipal Water District (Casitas), a municipal utility that they hope will be more responsive to their concerns. . . .

Golden State is unwilling to sell its business. Casitas therefore plans to acquire the assets by eminent domain. . . .

. . . . Golden State charges its customers rates that are more than double those charged by Casitas, and the disparity is growing. Over a 20-year period, Golden State's average annual rate increase was nearly twice that of Casitas.

After several failed attempts to redress their grievances with the Public Utilities Commission (PUC), Golden State's regulatory agency, local residents formed respondent Ojai Friends for Locally Owned Water (Ojai FLOW), an interest group ‘with the intent to declare independence from the economic tyranny of Golden State.’

Ojai FLOW, supported by Ojai's city council and more than 1,900 registered voters, petitioned Casitas to take over Golden State's water service in Ojai.

Casitas concluded that the Ojai community would benefit from having its water utility run by a locally controlled entity rather than an out-of-area corporation seeking to maximize profits for its owners. Casitas's board members live in the community and its customers have the right to participate in management decisions. Unlike Golden State, Casitas is subject to the Brown Act ([Government Code] § 54950 et seq.) and the California Public Records Act (§ 6250 et seq.), and its meetings are conducted in public within its service area. Under Proposition 218 (Cal. Const., art. XIII D), Casitas's rates can be reduced by a majority of voters in its service area. (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 217. . . .) The only recourse for Golden State's customers is to contend with the formal PUC process involving officials and staff located hundreds of miles away, whereas Casitas's customers can express their wishes at the local level."

GSW subsequently filed a Petition for Review with the California Supreme Court which was denied on July 29, 2015.

As GSW's lawsuit was winding down, CMWD turned to the next step in the acquisition process – preparation of an appraisal of the fair market value of GSW's Ojai water utility. On July 6, 2015, shortly prior to the Supreme Court's denial of review, Jeffrey Oderman, CMWD's special counsel, wrote to GSW's attorney, George Soneff, requesting GSW's cooperation in identifying the assets in its Ojai service area "so we can better ensure that Casitas's appraisal is as specific as possible and neither under-inclusive nor over-inclusive." (See Exhibit "C" hereto.) After receiving no response, Mr. Oderman followed up with an email on September 17, 2015. On September 24, 2015, GSW's attorney provided a curt 1-sentence reply: "Golden State has no interest in participating in a pre-condemnation asset review process." (See Exhibit "D" hereto.)

In September 2015, CMWD engaged Bruce W. Hull Associates, Inc., to perform an appraisal of GSW's Ojai water utility. In February 2016, CMWD received a narrative appraisal report from its appraisers that determined the fair market value of GSW's Ojai water utility is \$23,700,000 plus the discounted present value of the amount in GSW's WRAM account as of the date of the transfer of the system by GSW to CMWD. Based on this appraisal, which was reviewed in closed session with the Board, on February 26, 2016, Jeffrey M. Oderman, CMWD's special legal counsel, extended to GSW an offer of just compensation in accordance

with applicable requirements of California law (in particular, Government Code § 7267.2). (See Exhibit “E” attached hereto.)

Subsequent efforts to negotiate a voluntary purchase/sale of GSW’s Ojai water utility have been unsuccessful. (See, for example, Exhibit “F” attached hereto, a recent email exchange between the attorneys for CMWD and GSW, in which GSW’s attorney responded on March 7, 2016, as follows: “Golden State’s Ojai water system is not for sale. It is apparent that Casitas is preparing to attempt to take Golden State’s Ojai system by eminent domain, so at this time it appears that there is nothing to be negotiated.”)

Accordingly, on March 25, 2016, CMWD’s special counsel provided GSW with formal notice of this April 13, 2016, resolution of necessity hearing. (See Exhibit “G” attached hereto.) The adoption of a resolution of necessity is a prerequisite to the filing of an eminent domain action under California law. (See Cal. Code of Civil Procedure §§ 1245.220-1245.240.)

5. ANALYSIS

A. The California Environmental Quality Act (“CEQA”) is Not Applicable.

What is at issue is a change in the ownership of GSW’s existing Ojai water utility. CMWD is *not* proposing to acquire GSW’s Ojai water utility in order to construct or install any water system improvements or facilities or because of any intent to change the operation and management of the Ojai water system in a manner that will or may result, directly or indirectly, in any changes to the physical environment. Accordingly, the adoption of a resolution of necessity is not a “project” within the meaning of the California Environmental Quality Act (“CEQA”) and requires no environmental review. See, e.g., *City of Agoura Hills v. LAFCO* (1988) 198 Cal.App.3d 480, 494 (adoption of sphere of influence that is a mere change in potential political boundaries), *Simi Valley Recreation & Park Dist. v. LAFCO* (1975) 51 Cal.App.3d 648, 666 (detachment of undeveloped land from a park district that did not change property’s land use designation), and *Simons v. City of Los Angeles* (1976) 63 Cal.App.3d 455, 465 (city-proposed charter amendment to transfer park land, which had been used as a police training facility for 40 years, in circumstances in which existing use would continue).

B. Certain Findings and Determinations Must be Made by the Board if Resolution of Necessity is Adopted; The Adequacy of CMWD’s Purchase Offer to GSW is Not An Issue to be Addressed at the Resolution of Necessity Hearing.

Under Cal. Code of Civil Procedure § 1245.230, a resolution of necessity is required to contain certain specified information, including “[a] declaration that the governing body of the public entity has found and determined each of the following:

- (1) The public interest and necessity require the proposed project.
- (2) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- (3) The property described in the resolution is necessary for the proposed project.
- (4) That either the offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record, or the offer has not been made because the owner cannot be located with reasonable diligence.”

In addition, where, as here, the property sought to be taken is already “appropriated to public use” (for purposes of California’s Eminent Domain Law GSW’s existing use of its property is considered a “public” use), the resolution of necessity is supposed to address whether “the use for which the property is sought to be taken is a more necessary public use than the use to which the property is appropriated.” (See Cal. Code of Civil Procedure § 1240.610; see also, §1240.650(a) and (c).)

Finally, it is important to note that while the fact of CMWD’s presentation of the purchase offer required by Cal. Government Code § 7267.2 *is* an issue to be addressed by the Board at the resolution of necessity hearing, the *adequacy of the price* to be paid to GSW is *not*. Notwithstanding GSW’s stated refusal to negotiate, CMWD’s special legal counsel and staff will continue to attempt to negotiate a mutually acceptable settlement that will avoid the need for litigation even after the resolution of necessity is adopted (assuming it is adopted). For present purposes it suffices to say that the hearing on April 13, 2016, is not the forum to negotiate what amount is “just compensation” for the taking of GSW’s property interests.

C. Summary of Evidence Supporting Required Findings and Determinations.

In this final section of the staff report we will briefly address the evidence supporting each of the required findings and determinations the Board is called upon to make if it decides to adopt the proposed resolution.

1. Public Support

CMWD’s acquisition of GSW’s Ojai water utility is overwhelmingly supported by the residents and ratepayers in Ojai. Nothing says support like a more than 87% vote of the citizens in a small community to tax themselves to repay up to \$60 million in bonded indebtedness in order to get rid of GSW and achieve their goal of “locally owned water” through the neighboring publicly owned water district. CMWD’s staff believes, CMWD’s Board (through its past actions) has demonstrated it believes, and both the trial court and the Court of Appeal in GSW’s lawsuit have indicated that they believe local residents in a democracy ought to be able to have a

strong voice in decisions affecting one of their most precious public resources—water. Having a locally resident staff and a locally elected Board in which the Ojai residents have a significant stake assures this voice will be heard and listened to and respected. That can't be said for a for-profit company owned and controlled by a large out-of-state publicly-traded company.

2. Public Interest and Necessity; More Necessary Public Use

CMWD has identified two primary justifications for its acquisition of GSW's Ojai water utility: (i) lowering the total cost of providing water to the Ojai customers and ratepayers, both short-term and long-term; and (ii) providing local control over the Ojai community's water utility and thereby providing more transparency, accessibility, accountability, and responsiveness than exists with GSW and the CPUC.

The water cost issue was thoroughly addressed during the CFD formation process and is summarized in the historical summary above. (See, e.g., the March 20, 2011, Richard Hajas study and the CFD documents previously presented to the Board sizing the maximum CFD special tax and bonded indebtedness amounts at levels that would still result in no increase in Ojai customers' overall water cost.) This report will not repeat everything that has already been presented to the Board on the subject. In brief, GSW's Ojai rates are *extremely* high by any measure.

GSW's Ojai water system serves approximately 2880 metered water services, of which over two-thirds of water delivered is to residential accounts (2010 Urban Water Management Plan, Ojai). The largest sector of the residential accounts is represented by service through a 5/8" -3/4" meter using, on average, 12 CCF (hundred cubic feet) of water. In GSW's recent application to the CPUC for a general rate increase (Application No. 14-07-006) the above standard of customer service was presented to provide a comparison of the typical current and proposed water bill. It should also be understood that the GSW customer is also charged an additional surcharge (Water Revenue Adjustment Mechanism and Modified Cost Balancing Account, California Alternate Rates for Water ["WRAM"]) on the basis of water consumption to adjust for revenue shortfalls. The CPUC model prohibits regulated utilities from keeping reserves or permanently changing rates when revenue fails to cover operating expenses during periods of reduced usage (GSWC - Glossary).

In comparison with a CMWD customer whose monthly water bill in March 2016 for the above standard would be \$33.92, a GSW customer's monthly bill would be \$88.34 (Schedule No. OJ-1-R, Effective June 1, 2015)—*nearly three (3) times the applicable CMWD rate*. Over a one year period, the disparity between the two customers' water bills is \$652.97. *With approximately 1,940 GSW Ojai customers represented by the standard presented above, the annual disparity between water rates would total approximately \$1,266,761.*

In addition, it should be recognized that if 1,940 GSW Ojai residential customers are using 12 CCF, the annual consumption of water would be 641 acre-feet. This water use is less than the 5-year average residential water use (2006-2010, UWMP), less 25 percent for conservation goal attainment, of 1,041 acre-feet in residential consumption. It is apparent that many customers do use more than 12 CCF each month and that higher use customers would experience an even *greater* disparity in water rates/cost as their water use increases. In Application No. 14-07-006, GSW also used a standard of a 1” meter service using 76 CCF. The disparity between the monthly and annual water bills for 76 CCF is \$386.42 and \$4,637.40, respectively.

While the “all-in” cost comparison between the cost of service under GSW and the cost of service under CMWD cannot be exactly pinpointed at this time—for the simple reason that CMWD’s total acquisition cost for GSW’s Ojai water utility has not been determined—all of the evidence that has been generated indicates that even if the maximum CFD bond debt is incurred to acquire GSW (and CMWD’s appraisal would support a *significantly* lower CFD bond debt than that), Ojai property owners/ratepayers will benefit from a significant reduction in their cost of water. Moreover, once the CFD bond debt is retired the Ojai property owners/ratepayers will benefit from a second substantial and permanent drop in their cost of service, something they could never look forward to if the utility remains in private ownership.

CMWD has inherent advantages over GSW – or any other private owner of the Ojai water utility – in terms of the economies of scale, efficiencies of operation, and resulting lower costs. Ojai is a relatively small, isolated community. It is inefficient for any private utility company to attempt to serve Ojai from afar. By contrast, CMWD operates in the surrounding 140 square mile service area and has a much larger customer base and significantly more water connections.

Public ownership by its nature has other inherent advantages over private ownership in terms of the cost of providing service. CMWD is a non-profit organization, whereas GSW (and any other private owner) has to charge its ratepayers higher rates in order to generate a return on investment. GSW also pays both property taxes and income taxes, which are passed on to its ratepayers in the form of higher rates, whereas CMWD pays no taxes and therefore does not need to recover any such costs from its ratepayers. Finally, CMWD can borrow funds at tax-exempt rates and has access to low cost financing and no cost grants that are available from the State of California for certain water utility system improvements and upgrades, whereas GSW generally must borrow at the higher rates charged to private businesses.

As the Court of Appeal noted in its recent decision rejecting GSW’s legal challenge to the CFD, public ownership of GSW’s Ojai water utility will also produce several “governance” benefits: (1) GSW’s Ojai customers have no right to participate in GSW management decisions, as they will with CMWD; (2) unlike the situation with GSW, CMWD’s Board members live in

the community and are accessible to local residents; (3) CMWD's Board members perform a public service with almost no personal financial return, whereas GSW's Board represents an out-of-area corporation seeking to maximize profits for the company's owners; (4) unlike GSW, CMWD conducts its business in public meetings within its service area and is subject to the Brown Act and California Public Records Act; (5) under Proposition 218 (Cal. Const., Article XIII.D) CMWD's voters have numerous protections prior to having their water rates increased, including the right to "protest out" proposed fee increases by majority vote (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 217), whereas GSW's customers do not; and (6) CMWD's customers can express their wishes at the local level, whereas the only "recourse" for GSW's Ojai customers is to attempt to pierce the technical, legalistic, and expensive CPUC process with officials and staff located hundreds of miles away.

Ojai's residents have expressed considerable frustration and a sense of powerlessness in attempting to address their concerns through the CPUC. Important CPUC proceedings are held far away from the local community, and even the local Ojai hearing(s) bring only an administrative law judge, not the decision-makers themselves. The CPUC hearing process is also a highly formalized adversarial process with a courtroom-like setting, lawyers, and evidentiary rulings. Local citizens either have to obtain volunteer legal counsel or cannot afford the lawyers it takes to fight. (*Id.*) In short, Ojai's ratepayers, customers, and residents are asking for the right to representative democracy that they cannot achieve with GSW or any other private utility company regulated by the CPUC. CMWD offers them that opportunity.

In summary, CMWD's staff believes that the two proffered justifications of lower costs of service and improved transparency/accessibility/accountability/responsiveness demonstrate the public interest and necessity for the condemnation of GSW's Ojai water utility. These justifications are in effect a comparison of the benefits of CMWD's operation of the Ojai water utility versus leaving that operation in private ownership, and therefore the same justifications establish the basis for the Board to make the required determination under Cal. Code of Civil Procedure § 1245.610 that CMWD's proposed use is "a more necessary public use than the use to which the property is appropriated" at this time.

3. Project Planned or Located in the Manner Most Compatible with Greatest Public Good and Least Private Injury

This particular required finding seems more relevant to a decision on the size, configuration, and location of a planned public improvement or facility than to a decision on whether to acquire and assume operation of an existing privately owned utility. To the extent this finding is applicable to present circumstances, CMWD's staff believes that CMWD's acquisition of GSW's Ojai water utility is in fact most compatible with the greatest public good for the reasons stated above. GSW is entitled to receive just compensation for the acquisition, which is a "make-whole" remedy, so GSW will not suffer a "private injury." In addition, GSW's

Ojai water utility represents only a tiny fraction of its California utility operation, so CMWD's acquisition should not impact overall GSW operations.

4. The Property Described in the Resolution Is Necessary for the Proposed Project

The proposal is to acquire all of GSW's Ojai property and facilities. All of that property is used in its water utility operation and is necessary if CMWD will be taking over that operation.

5. The Offer Required By Government Code § 7267.2 Has Been Made

As previously stated, CMWD's purchase offer was made to GSW on February 26, 2016.

* * *

If any Board members have questions regarding any of the information provided in this Memorandum, we will attempt to address those questions at the April 13th hearing.

cc: John Mathews, General Counsel

EXHIBIT A

EXHIBIT A

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 16-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASITAS MUNICIPAL WATER DISTRICT DETERMINING THE PUBLIC INTEREST AND NECESSITY FOR ACQUISITION OF THE REAL PROPERTY AND BUSINESS ENTERPRISE OWNED BY GOLDEN STATE WATER COMPANY WITHIN GOLDEN STATE'S OJAI SERVICE AREA

WHEREAS, the Casitas Municipal Water District ("CMWD") is authorized by California Water Code §§ 71693 and 71694 to utilize the power of eminent domain to acquire property necessary or proper for CMWD's works and to supply the land with sufficient water for all CMWD's purposes; and

WHEREAS, CMWD has been investigating for several years the possible acquisition of property owned by Golden State Water Company ("GSW") within GSW's Ojai Service Area, as described in an offer letter attached hereto as Exhibit "1" and incorporated herein by this reference (the "Property"), for the purpose of converting GSW's privately held water distribution system to a publicly held water distribution system owned and operated by CMWD (the "Proposed Public Use"); and

WHEREAS, in April 2011, a local citizens group, the Ojai Friends of Locally Owned Water ("Ojai Flow"), approached CMWD with a request that CMWD initiate proceedings to acquire and take over GSW's Ojai water utility, indicating that GSW's customers had experienced water rate increases of over 75% since 2008 on top of water rates that were already higher than those in surrounding communities; and

WHEREAS, Ojai Flow presented a financial feasibility analysis prepared by Richard Hajas (dated March 2011), which concluded that it was financially feasible to reduce the water rates of GSW's Ojai customers if CMWD were to acquire the system and replace GSW as the operator of the system; and

WHEREAS, in June 2011, Ojai Flow presented petitions to CMWD signed by approximately 1,900 of GSW's Ojai customers requesting CMWD to consider the acquisition and to give GSW's Ojai customers the opportunity to vote on paying for the acquisition of GSW's Ojai system; and

WHEREAS, on January 29, 2013, CMWD's Board of Directors ("Board") considered taking the necessary action to form a Community Facilities District ("CFD") for the acquisition of the property and facilities owned and held by GSW in its Ojai service area;

WHEREAS, at the conclusion of the hearing on January 29, 2013, CMWD's Board:

1. Approved CMWD's Local Goals and Policies for Use of Mello-Roos Community Facilities District Act of 1982;

2. Adopted a Resolution of Intention to Establish Community Facilities District No. 20013-1 (Ojai) and to Authorize the Levy of Special Taxes Therein;

3. Adopted a Resolution Declaring the CMWD Board of Director's Intention to Reimburse Expenditures from the Proceeds of Certain Community Facilities District Bond Obligations; and

4. Set a public hearing for March 13, 2013, to consider and finally determine whether to approve the Rate and Method of Apportionment for the proposed CFD, approve the maximum special tax that can be imposed on properties within the boundaries of the CFD to support the acquisition of the GSW Ojai water system and fund capital improvements to that system, proceed with formation of the CFD, and schedule a special election at which the voters in the proposed CFD would have the opportunity to vote on whether or not to approve those actions; and

WHEREAS, on March 13, 2013, CMWD's Board held a public hearing to consider formation of the CFD, and adopted 3 resolutions:

1. Resolution No. 13-12, establishing the CFD, listing the property and facilities to be acquired (the "Facilities"), and authorizing the levy of a special tax against properties within the boundaries of the CFD;

2. Resolution No. 13-13, declaring the necessity to issue up to \$60 million in CFD bonds to finance the cost of the Facilities, and submitting the question of incurring bond debt to an election; and

3. Resolution No. 13-14, calling a special election for August 27, 2013, on the question of issuing CFD bonds and levying CFD special taxes to pay the bond debt; and

WHEREAS, on April 10, 2013, the Board adopted its Resolution No. 13-16, which made slight revisions to the ballot language previously approved in Resolution No. 13-14; and

WHEREAS, on March 26, 2013, GSW filed a lawsuit against CMWD and all persons interested in the matter of the Board's adoption of the aforementioned resolutions in Ventura County Superior Court (Case No. 56-2013-00433986-CU-WM-VTA) seeking to invalidate the actions taken by the CMWD Board in forming the CFD and seeking to enjoin and prohibit CMWD from conducting the August 27, 2013, special election, issuing the CFD bonds, and imposing CFD special taxes; and

WHEREAS, the Ventura County Superior Court declined to take action on GSW's lawsuit until after the August 27th election; and

WHEREAS, on August 27, 2013, the special election took place and 87.42% of the ballots cast were cast in favor of the CFD, including the issuance of CFD bonds and the levying of special taxes to finance the Proposed Public Use; and

WHEREAS, GSW's lawsuit attempting to invalidate the formation of the CFD went to trial in early 2014 and the trial court ruled in favor of CMWD and against GSW on all claims;

WHEREAS, GSW filed an appeal of the trial court's decision and, on April 14, 2015, the Second District Court of Appeal issued its published opinion affirming the trial court's decision and denying GSW's appeal (*Golden State Water Company v. Casitas Municipal Water District* (2015) 235 Cal.App.4th 1246); and

WHEREAS, CMWD commissioned an appraisal of the Property for the purpose of initiating negotiations with GSW for CMWD's acquisition of the Property and in compliance with California Government Code § 7267.2; and

WHEREAS, pursuant to California Government Code § 7267.2, CMWD has obtained an appraisal of the Property to be acquired and has made an offer to GSW for the full amount set forth in the appraisal (attached hereto as Exhibit "1"); and

WHEREAS, on April 13, 2016, after no less than fifteen (15) days written notice to GSW, the record owner of the Property, the Board of Directors of CMWD held a hearing for the purpose of allowing the record owner a reasonable opportunity to appear and be heard on the following matters:

1. Whether the public interest and necessity require the Proposed Public Use;
2. Whether the Proposed Public Use is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
3. Whether the Property sought to be acquired is necessary for the Proposed Public Use; and
4. Whether the offer required by Section 7267.2 of the California Government Code has been made to the owner of record; and

WHEREAS, CMWD's Board, as a result of such hearing, has determined that the Proposed Public Use will serve the public interest in that it will result in lower water rates and charges in GSW's Ojai Service Area, and the privately-held water distribution system will become subject to the political process, resulting in greater citizen control over water rates and charges and the overall operation of the system; and

WHEREAS, CMWD's Board has further determined that the public health, safety and welfare require that CMWD acquire the Property for the purposes of carrying out the Proposed Public Use;

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

SECTION 1. The above recitals are true and correct.

SECTION 2. The Proposed Public Use for which the Property is sought to be acquired is the conversion of GSW's privately-held water distribution facility enterprise in its Ojai Service Area to public ownership under the control of CMWD.

SECTION 3. The property interests to be acquired are described in the offer letter and attachments thereto attached hereto as Exhibit "1" and incorporated herein as set forth in full.

SECTION 4. The public interest and necessity require the Proposed Public Use for the reasons set forth in the April 13, 2016 staff report to the Board from Steve Wickstrum, CMWD's General Manager, and Jeffrey M. Oderman, CMWD's special counsel to the Board (including the exhibits referred to therein) (collectively, the "Staff Report") and for the reasons expressed by staff and members of the public in favor of the acquisition at the April 13, 2016 Board meeting.

SECTION 5. The Proposed Public Use is planned and located in a manner most compatible with the greatest public good and the least private injury for the reasons set forth in the Staff Report.

SECTION 6. The Property is necessary for the Proposed Public Use for the reasons set forth in the Staff Report.

SECTION 7. The Proposed Public Use is a more necessary public use pursuant to California Code of Civil Procedure §§ 1240.610 *et seq.*, for the reasons set forth in the Staff Report.

SECTION 8. The offer required by California Government Code § 7267.2(a), together with the accompanying statement of and summary of the basis for the amount established as just compensation, was made to GSW, which offer and accompanying statement/summary were in a form and contained all of the factual disclosures provided by California Government Code § 7267.2(a). The offer letter and summary basis for the amount established as just compensation is attached hereto as Exhibit "1." CMWD's special counsel has attempted to negotiate with GSW subsequent to this offer, but such negotiations have not proved successful in securing the necessary property interests outside of more formal proceedings.

SECTION 9. CMWD has statutory authority to acquire the Property and is authorized to acquire the Property pursuant to California Water Code §§ 71693-71694 and California Code of Civil Procedure §§ 1240.410 *et seq.* and §§ 1240.610 *et seq.*

SECTION 10. CMWD has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the "right to take") to acquire the Property, as well as any other matter regarding the right to take the Property by eminent domain.

SECTION 11. The Proposed Public Use is not a "project" subject to the California Environmental Quality Act for the reasons set forth in the Staff Report.

SECTION 12. The law firm of Rutan & Tucker, LLP, special counsel for the District, is hereby authorized to prepare and prosecute in the name of CMWD such special

proceedings in the proper court having jurisdiction thereof as are necessary for acquisition of the Property described herein, and to prepare and file such pleadings, documents, and otherwise prosecute such actions as may be necessary in the opinion of such attorneys to acquire the Property for CMWD. Such attorneys are specifically authorized to take whatever steps and/or procedures available to them under the Eminent Domain Law of the State of California, including, but not limited to, seeking orders for prejudgment possession of the Property. CMWD staff is further authorized to take any appropriate action consistent with the purposes of this Resolution.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Casitas Municipal Water District, County of Ventura, State of California, on the 13th day of April, 2016 by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

Pete Kaiser, President
Casitas Municipal Water District

ATTEST:

James W. Word, Secretary
Casitas Municipal Water District

February 26, 2016

**VIA E-MAIL AND
FIRST CLASS MAIL**

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
11355 W. Olympic Blvd.
Los Angeles, CA 90064

Re: Golden State Water Company's Ojai Service Area; Purchase Offer

Dear Mr. Soneff:

I am writing to you in your capacity as the attorney for the Golden State Water Company ("GSW"). If you prefer that I send a copy of this letter to some other person or persons at GSW, please provide me with his/her/their contact information and I will do so.

As you know, Rutan & Tucker LLP represents the Casitas Municipal Water District ("CMWD"). As I stated in my November 17, 2015, CMWD desires to acquire the tangible and incidental intangible property and property rights and assets owned or held by GSW with respect to GSW's Ojai service area (collectively, and as more particularly described below, the "Subject Property"), in accordance with Resolution No. 13-12 adopted by CMWD's Board of Directors on March 13, 2013. The purpose of CMWD's acquisition is to convert the privately owned and held GSW Ojai service area to public ownership and control (the "Proposed Public Use"). CMWD has now obtained an appraisal of the Subject Property. The appraisal was conducted by Bruce W. Hull & Associates Inc. and Bruce W. Hull, MAI, and Wayne Lusvardi, Associate. CMWD's Board of Directors has considered the appraisal of the Subject Property and has authorized me to present this offer of just compensation to you, on behalf of GSW. CMWD is offering the full amount reflected in the appraisal as the fair market value for the Subject Property.

Description of Subject Property

To reiterate what I stated in my November 17, 2015, letter, I wrote to you back on July 6, 2015, and followed up by email on September 17, 2015, requesting that GSW cooperate with CMWD in identifying GSW's assets in and with respect to its Ojai service area so that CMWD could better ensure that its appraisal "is as specific as possible and neither under-inclusive nor over-inclusive." In your September 24, 2015, reply you stated that GSW "has no interest in participating in a pre-condemnation asset review process." Accordingly, CMWD has made a diligent effort to identify the various elements comprising the Subject Property to the best of its ability based on the public resources available to it and, without limiting CMWD's right to add (or

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 2

subtract) GSW property and property interests at a later date, the Subject Property addressed in this purchase offer includes, but is not limited to, the following:

1. Real Property Ownership Interests. Based on a preliminary title report prepared by First American Title Insurance Company, CMWD has identified the properties and easement rights described in Exhibit A to this letter as being owned by GSW that are part of the Subject Property and included within this purchase offer.

2. Facilities.

2.1 Wells. (1) Gorham Well 1; (2) Mutual Well 4; (3) Mutual Well 5; (4) San Antonio Well 3; (5) San Antonio Well 4; and (6) Mutual Well 3; in all cases including all appurtenant equipment and facilities attached or affixed to such well facilities, including without limitation generators, pressure filters, chemical storage and dosing equipment, buildings, and SCADA controls.

2.2 Storage Tanks. (1) Fairview; (2) Heidelberg; (3) Running Ridge 1; (4) Running Ridge 2; (5) San Antonio Forebay; and (6) Signal; in all cases including all appurtenant equipment and facilities attached or affixed to such storage tanks.

2.3 Hydro-Pneumatic Tanks. Heidelberg Hydro-Pneumatic Tank, including all appurtenant equipment and facilities attached or affixed to such tank.

2.4 Pumping Stations. CMWD's appraisers have identified five (5) pumping stations owned/operated by GSW that convey water from ground level tanks into the distribution system or from lower- to higher-pressure zones in the GSW system: Signal, Heidelberg, Fairview, Valley View, and San Antonio/Mutual Forebay. Each pumping station has two (2) pumps. The Fairview and San Antonio Booster Stations have one empty can for a full booster pump. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.5 Pressure Regulating and Control Stations. CMWD's appraisers have identified three (3) pressure regulating and control valve stations in the GSW system: at the Montana-Cuyama/CMWD Interconnection, at Saddle Lane, and Ventura Street. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 3

2.6 Water Transmission and Distribution Pipelines. Based upon GSW's 2009 Master Plan, CMWD's appraisers have estimated there are approximately thirty-two (32) miles of pipelines in the GSW/Ojai system, consisting of the following: (1) approximately 24,475 linear feet of 4" pipe; (2) approximately 53,441 linear feet of 6" pipe; (3) approximately 71,077 linear feet of 8" pipe; (4) approximately 7,557 linear feet of 10" pipe; (5) approximately 15,628 linear feet of 12" pipe; and (6) approximately 341 linear feet of 16" pipe. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.7 Additions, Deletions, Alterations to GSW's Facilities. CMWD acknowledges that GSW's Ojai facilities are not static and change over time. CMWD believes the description of GSW's Ojai facilities in subparagraphs 2.1-2.6 is accurate and complete as of the date this letter is being delivered, but to the extent this letter inadvertently fails to expressly describe one or more of GSW's Ojai facilities or GSW adds to, improves, or alters its Ojai facilities after the date of this letter and before a final purchase is consummated, CMWD hereby notifies GSW that it desires to purchase all of GSW's Ojai facilities (except to the extent expressly excluded from this purchase offer) and if any such new, improved, or altered facility or facilities has not already been taken into consideration by CMWD's appraisers, CMWD is prepared to modify its appraisal and/or make an appropriate equitable adjustment to this purchase offer to account for such changes.

3. Easements, Franchise Rights, and Similar Interests. All of GSW's easements, licenses, rights-of-entry, franchise rights, and other similar property interests in and with respect to its Ojai service area, including without limitation all of GSW's rights (and obligations) as set forth in Ordinance No. 382 adopted by the City Council of the City of Ojai on May 8, 1967, as the same may have been amended from time to time (granting a franchise to Southern California Water Company).

4. Water Rights. All appropriative water rights, if any, of GSW in and with respect to its Ojai service area.

5. WRAM Account Balance. CMWD acknowledges that, based upon the Water Rate Adjustment Mechanism ("WRAM") billing system approved by the California Public Utilities Commission ("CPUC"), GSW may have an accrued right to collect additional fees and charges from its Ojai customers as of the date its Ojai utility is transferred to CMWD. CMWD's latest information is that GSW's total accrued WRAM account balance is approximately \$2,449,615 and that, if GSW were to continue to be the service provider in Ojai, it would be paid that amount (as

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 4

a surcharge on water bills) over a period of 46 months. (GSW Advice Letter 1650-W, filed with CPUC on or about February 22, 2016). CMWD acknowledges that it is obligated to “make whole” GSW with respect to its accrued and unpaid WRAM account balance. Since the accrued balance in the WRAM account changes over time, however, this purchase offer is being expressed as the fair market value of the Subject Property *without* taking the WRAM account balance into consideration and, *in addition*, CMWD is offering to pay to GSW the accrued and unpaid WRAM account balance as of the date of transfer, with said amount discounted over the term it would otherwise be received by GSW through its billing system to the then-present value using a discount rate of 3% per annum.

6. Books and Records. All of GSW’s books and records (herein, collectively, “Records”) relating to its Ojai service area, including without limitation (1) all Records containing customer account information, including without limitation all customer billing records, payment records, delinquent payment history information, security deposit information, and the like; (2) all Records containing planning, design, and engineering information related to GSW’s Facilities in its Ojai service area (see clause (2) above), including without limitation plans and specifications, as-built drawings, CAD files, inspection, maintenance, and repair and replacement logs and reports; and (3) to the extent not addressed in clauses (1) and (2) of this subparagraph (6), all Records relating to the items listed in subparagraphs (1)-(5) above, inclusive. As used herein, the term “Records” includes all writings prepared, owned, used, or retained by GSW or any of its affiliated entities regardless of physical form or characteristics. As used herein, the term “writing” means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.

7. Prepaid Fees and Charges and Refundable Deposits. To the extent GSW possesses or holds any prepaid fees and charges or any refundable deposits from property owners, customers, or ratepayers as of the date its Ojai utility is transferred to CMWD (collectively, “Prepaid Funds”), CMWD intends to either (1) acquire such Prepaid Funds as part of the “Subject Property” or, alternatively, (2) deduct the amount of such Prepaid Funds from the just compensation amount to be paid.

Certain GSW Assets Excluded from Definition of “Subject Property” Subject to this Purchase Offer

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 5

The following GSW assets, to the extent they exist with respect to GSW's Ojai service area, are expressly *excluded* from the definition of "Subject Property" and are *not* part of this purchase offer: (1) working cash; and (2) materials, supplies, and personal property other than the Records and Prepaid Funds identified in clauses (7) and (8) above that are not appurtenant or affixed to the real property identified in clause (1) above or the facilities identified in clause (2) above.

Additional Information Relating to Appraisal of Subject Property

Please be advised that the appraisers' determination of just compensation and this purchase offer are based in part upon the following:

1. Date of Value: January 15, 2016.
2. Highest and Best Use of the Subject Property: Continued existing use as water utility.
3. Applicable Zoning of Real Property Parcels: (1) APN 010-0-070-160—R-0-1 (1-acre); (2) APN 010-0-210-090 (R-A, Residential-Agricultural—Unincorporated Ventura County); (3) APN 020-0-010-010 (PL—Public/Quasi Public); (4) APN 020-0-011-020 (PL—Public/Quasi Public); (5) APN 028-0-080-050 (PL—Public/Quasi Public); and (6) APN 028-0-111-020 (R-1-1/2 (0.5 acre)).
4. Identification of Sales and Contracts to Sell Supporting the Determination of Value and Information Regarding Such Transactions. See Exhibit B to this letter.
5. Larger Parcel Issues. The appraisers have determined that the Subject Property is not a part of a larger parcel.

Purchase Offer

CMWD hereby offers to pay to GSW for the Subject Property the sum of: (1) Twenty-Three Million Seven Hundred Thousand Dollars (\$23,700,000); plus (2) the discounted present value of GSW's WRAM account balance calculated as set forth above; less (3) the amount of the Prepaid Funds. This is the full amount determined by CMWD to be just compensation and is not less than the amount of the appraisal obtained by CMWD. This amount is for all property interests; if there are multiple parties entitled to share in the payment of such amounts, allocation of the just

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 6

compensation amount between or among GSW and other parties having an interest in the Subject Property will be GSW's responsibility.

Payment will be made when the title to the Subject Property vests in CMWD free and clear of all recorded and unrecorded liens, encumbrances, assessments, judgments, and taxes, except:

1. Taxes for the year in which the any real property assets are purchased, which shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the time escrow for the purchase closes;
2. Covenants, conditions, restrictions, and reservations of record that do not interfere with CMWD's proposed use of the real property assets and facilities acquired by CMWD, as reasonably determined by CMWD;
3. Easements or rights-of-way over the land for public or quasi-public utility or public street purposes, if any; and
4. Any other interests in the Property or exceptions to title appearing on a preliminary title report or litigation guarantee, which are accepted by CMWD in writing through escrow.

CMWD will pay all usual fees, charges, and costs, which arise out of the escrow.

In addition, pursuant to Code of Civil Procedure Section 1263.025, CMWD will reimburse GSW up to the amount of \$5,000.00 for the cost incurred by GSW to secure an independent appraisal of the Subject Property. If GSW wishes to take advantage of this reimbursement, please forward to the undersigned a copy of a paid invoice from an appraiser retained by GSW for this purpose. In order to qualify for this reimbursement, the appraiser selected must be a California Certified General Real Estate Appraiser in good standing.

If this offer is acceptable to GSW, please notify me in writing. Upon GSW's acceptance, CMWD will prepare and forward to you a formal purchase and sale agreement (herein, a "Purchase Agreement"). Upon CMWD's receipt of a Purchase Agreement consistent with the terms and conditions set forth in this letter, the matter will be presented to CMWD's Board of Directors for approval. It should be understood that this letter is not intended to contain all of the terms and conditions to be included in a Purchase Agreement and that no final agreement will be formed until a formal written Purchase Agreement has been approved and executed by both parties.


George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 7

If for any reason GSW is not satisfied with this offer of just compensation and it has relevant information regarding the value of the Subject Property it wishes to have CMWD consider, CMWD will be happy to do so. If you have such information, please contact me at 714-641-3441. CMWD is prepared to engage in meaningful discussions and negotiations with GSW regarding this purchase offer. In the event GSW rejects or fails to respond to this purchase offer and/or if subsequent discussions and negotiations fail to result in an executed Purchase Agreement, however, CMWD reserves the right to determine whether to acquire the Subject Property through exercise of CMWD's power of eminent domain. Before that decision is made CMWD is required by law to schedule a hearing to determine whether condemnation is justified in accordance with provisions of California's Eminent Domain Law (Code of Civil Procedure Section 1235.010 *et seq.*) and GSW is required to provide GSW with a minimum of 15 days prior notice of that hearing. If such a hearing is held and if CMWD's Board of Directors does determine at the conclusion of the hearing to acquire the Subject Property by eminent domain, GSW will have the right to have the amount of just compensation to be paid by CMWD for the Subject Property fixed by a court of law or a jury.

If GSW has any questions regarding this purchase offer, or wish to request any additional information, please contact me at your convenience. I previously provided CMWD's acquisition procedures to you with my November 17, 2015, letter. Please also let me know if GSW has any questions concerning those procedures.

Sincerely,

RUTAN & TUCKER, LLP



Jeffrey M. Oderman

JMO:mrs

cc: Steve Wickstrum, CMWD General Manager
John Mathews, CMWD General Counsel

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Ojai, County of Ventura, State of California, described as follows:

PARCEL 1: (TAX PARCEL 010-0-210-090)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 224.99 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE IN A DIRECT LINE NORTH 20° 32' 30" EAST 162.03 FEET TO THE SOUTHERLY TERMINUS OF THE 5TH COURSE RECITED AS "SOUTH 30° 45' WEST 119.36 FEET" IN THE FIRST EXCEPTION IN PARCEL 1 IN THE DEED TO ARTHUR E. MIMANGO, ET WX., RECORDED JULY 09, 1961, AS DOCUMENT NO. 32376, IN BOOK 2025, PAGE 107 OF OFFICIAL RECORDS, AND BEING THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 62° 27' WEST 28.95 FEET; THENCE,

2ND - SOUTH 28° 51' 15" WEST 68.22 FEET TO THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE, IN A DIRECT LINE,

3RD - NORTH 74° 30' EAST 47.74 FEET TO A POINT IN THAT CERTAIN COURSES HEREINBEFORE RECITED AS HAVING A BEARING AND LENGTH OF "NORTH 20° 32' 30" WEST 162.03 FEET". DISTANT ALONG SAID CERTAIN COURSE SOUTH 20° 32' 30" WEST 35.88 FEET FROM THE NORTHERLY TERMINUS THEREOF; THENCE, ALONG SAID LAST MENTIONED COURSE,

4TH - NORTH 20° 32' 30" WEST 35.88 TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (TAX PARCEL 010-0-070-160)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 1027.07 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 80° 55' 45" EAST 669.09 FEET; THENCE NORTH 17° 40' 30" WEST 143.41 FEET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 06° 30' 30" WEST 70 FEET; THENCE

2ND - SOUTH 69° 41' 00" EAST 68.37 FEET; THENCE,

3RD - SOUTH 17° 21' 30" WEST 43.93 FEET TO AN INTERSECTION WITH A LINE HAVING A BEARING OF NORTH 87° 26' 00" WEST AND WHICH PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE, ALONG SAID LINE,

EXHIBIT A

4TH - SOUTH 87° 26' 00" EAST 85.22 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY UPON, OVER, UNDER THROUGH AND ACROSS THOSE PORTIONS OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, FOR THE PURPOSE OF INSTALLING ENLARGING, REPLACING, MAINTAINING AND OPERATING WATER PIPE LINES AND THEIR RESPECTIVE APPURTENANCES; AND FOR THE FURTHER PURPOSE OF INGRESS AND EGRESS AND PASSAGE ACROSS WITH ALL NECESSARY MATERIALS, TOOLS, SUPPLIES AND OTHER EQUIPMENT NECESSARY FOR THE INSTALLATION, ENLARGING, REPLACING, MAINTAINING AND OPERATING OF OTHER WATER SUPPLY FACILITIES, LOCATED ON ADJACENT LAND, DESCRIBED AS STRIPS A, B, C AND D AS FOLLOWS:

STRIP A:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, AT THE NORTHERLY TERMINUS OF FOOTHILL ROAD (FORMERLY FAIRVIEW ROAD) AS SAID ROAD IS SHOWN ON THE MAP OF FOOTHILLS PARK, RECORDED IN BOOK 5, PAGE 18 OF MAPS; THENCE ALONG THE NORTHERLY PROLONGATION'S OF SAID CENTERLINE NORTH 0° 25' EAST 395 FEET TO A POINT ON THE SOUTHERLY LINE OF THE LANDS DESCRIBED IN PARCEL 3, IN THE DEED TO PAULINE HEIDELBERGER, RECORDED MAY 22, 1956, AS DOCUMENT NO. 21917, IN BOOK 1407, PAGE 475, OF OFFICIAL RECORDS, SAID LAST POINT BEING THE TRUE POINT OF BEGINNING,

1ST - NORTH 16° 50' WEST 147.08 FEET; THENCE

2ND - NORTH 07° 43' 30" WEST 138.04; THENCE

3RD- NORTH 13° 12' EAST 76.06 FEET; THENCE

4TH - NORTH 25° 20' EAST 90.15 FEET; THENCE

5TH - NORTH 23° 43' 30" EAST 125.45 FEET; THENCE

6TH - NORTH 18° 15' 30" EAST 180.28 FEET; THENCE

7TH - NORTH 10° 19' 30" EAST 121.48 FEET; THENCE

8TH - NORTH 21° 04' 30" EAST 92.57 FEET TO THE SOUTH LINE OF THE LAS PADRES NATIONAL FOREST LANDS

STRIP B:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, SAID LINE BEING THE EAST LINE OF THE LAS PADRES NATIONAL FOREST LANDS, DISTANT ALONG SAID WESTERLY LINE NORTH 224.90

EXHIBIT A

FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE

1ST - NORTH 57° 47' EAST 13.44 FEET; THENCE

2ND - NORTH 68° 58' 30" EAST 136.04 FEET; THENCE

3RD - NORTH 87° 25' 15" EAST 66.06 FEET; THENCE

4TH - NORTH 65° 00' 15" EAST 197.65 FEET; THENCE

5TH - NORTH 34° 39' 15" EAST 91.03 FEET; THENCE

6TH - NORTH 30° 09' 15" EAST 197.88 FEET; THENCE

7TH - NORTH 14° 35' 15" EAST 100.69 FEET; THENCE

8TH - NORTH 40° 56' 45" EAST 136.49 FEET; THENCE

9TH - NORTH 24° 08' EAST 65.07 FEET; THENCE

10TH - NORTH 17° 40' 30" WEST 194.15 FEET; THENCE

11TH - NORTH 06° 50' 30" WEST 134.80 FEET; THENCE

12TH - NORTH 21° 23' EAST 128.43 FEET.

STRIP C:

A STRIP OF LAND 20 FEET IN WIDTH, LYING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID WESTERLY LINE 224.90 FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - NORTH 20° 52' 50" EAST 162.03 FEET; THENCE

2ND - NORTH 50° 45' EAST 119.36 FEET; THENCE

3RD - NORTH 47° 53' EAST 141.59 FEET.

STRIP D:

A STRIP OF LAND 30 FEET IN WIDTH, LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID NORTHERLY LINE 541.71 FEET FROM THE NORTHEASTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - SOUTH 54° 59' 15" EAST 224.32 FEET; THENCE

EXHIBIT A

2ND - SOUTH 78° 59' WEST 140.79 FEET.

PARCEL 4: (A PORTION OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE, AT THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY; FROM SAID POINT OF BEGINNING, BEING THE SOUTHEAST CORNER OF LOT 10 OF OLIVE TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 6 OF MAPS WHICH BEARS NORTH 16° 15' EAST 1.16 CHAINS DISTANT; SAID POINT OF BEGINNING BEING THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO W. M. ATWOOD BY DEED DATED OCTOBER 03, 1914, RECORDED IN BOOK 144, PAGE 448 OF DEEDS; THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 16° 15' WEST 3.61 CHAINS; THENCE

2ND - WEST 5.255 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

4TH - EAST 6.265 CHAINS TO THE POINT OF BEGINNING.

PARCEL 5: (REMAINDER OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE DISTANT 6.265 CHAINS FROM THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY, AND BEING ALSO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO EDWARD D. LIBBEY, AS BY DEED DATED OCTOBER 06, 1915, AND RECORDED IN BOOK 146, PAGE 251 OF DEEDS, THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 3.47 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

2ND - WEST 8.015 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

EXHIBIT A

4TH - EAST 8.015 CHAINS TO THE POINT OF BEGINNING.

PARCEL 6: (TAX PARCEL 020-0-010-010)

A PORTION OF TRACT 8 OF THE BARD SUBDIVISION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 25 1/2 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PARCEL "A" AS SAID PARCEL IS DESCRIBED IN DEED TO FLORENCE SCOTT LIBBEY, DATED JANUARY 19, 1927 AND RECORDED IN BOOK 139, PAGE 130 OF OFFICIAL RECORDS, FROM WHICH A CROSS CUT IN THE TOP OF A STONE WALL AT THE NORTHWEST CORNER OF SAID PARCEL "A" BEARS SOUTH 70° 05 WEST 352.32 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 70° 05' EAST 288.00 FEET WITH THE NORTH LINE OF SAID PARCEL "A" TO A POINT; THENCE

2ND - SOUTH 00° 25' EAST 236.23 FEET TO A POINT; THENCE

3RD - SOUTH 89° 35' WEST 271.50 FEET TO A POINT; THENCE

4TH - NORTH 00° 25' WEST 140.16 FEET TO THE POINT OF BEGINNING.

PARCEL 7: (TAX PARCEL 028-0-111-020)

THAT PORTION OF LOT 3 OF THE COREY TRACT, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 4 OF THE SAID COREY TRACT, THE SAME BEING ALSO THE NORTHWESTERLY CORNER OF LANDS CONVEYED BY MILO E. WAITE, ET UX., TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, AND RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 3,

1ST - NORTH 16° 15' EAST 7.36 CHAINS TO THE NORTHWESTERLY CORNER OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 3,

2ND - NORTH 76° 00' EAST 300.00 FEET TO A POINT; THENCE ALONG A LINE PARALLEL TO THE WESTERLY LINE OF SAID LOT 3,

3RD - SOUTH 16° 15' WEST TO THE NORTH LINE OF THE LANDS DEEDED TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE

4TH - NORTH 77° 00' WEST 260.00 FEET MORE OR LESS ALONG SAID LAS MENTIONED LINE TO THE POINT OF BEGINNING.

PARCEL 8: (TAX PARCEL 021-0-011-020)

THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF

EXHIBIT A

CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO A POINT; THENCE,

2ND - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

3RD- WEST 179.30 FEET TO A POINT; THENCE

4TH - SOUTH 100.00 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 1; THENCE ALONG SAME,

5TH - EAST 229.30 FEET TO THE POINT OF BEGINNING, TOGETHER WITH THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING, NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

2ND- WEST 179.30 FEET TO A POINT; THENCE

3RD - NORTH 5.00 FEET TO A POINT; THENCE

4th - EAST 229.30 FEET TO A POINT IN THE WEST LINE OF SIGNAL STREET (FORMERLY WOLFE STREET); THENCE,

5TH- SOUTH 55.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ANY PORTION OF SAID LAND LYING WITH PARCEL B OF PARCEL MAP FILED IN BOOK 17, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS SHOWN AS PARCEL B ON THE LOT LINE ADJUSTMENT, RECORDED APRIL 14, 2014, AS INSTRUMENT NO. 20040401-0097052, OF OFFICIAL RECORDS.

APN(s): 010-0-210-090; 010-0-070-160; 028-0-080-050; 020-0-010-010; 028-0-111-020 and 021-0-011-020

EXHIBIT B

COMPARABLE SALES TRANSACTIONS

| | <u>Land Sale No. 1</u> | <u>Land Sale No. 2</u> | <u>Land Sale No. 3</u> | <u>Land Sale No. 4</u> | <u>Land Sale No. 5</u> | <u>Land Sale No. 6</u> | <u>Land Sale No. 7</u> |
|------------------------------|---|--------------------------|------------------------|----------------------------|-------------------------|-------------------------|---------------------------------|
| Location | End Reeves Rd. & Ojai Valley School Rd. | End of Gridley Rd., Ojai | 567 McNeil Rd., Ojai | 1427 Fraser Land, Oak View | 1215 Grand Avenue, Ojai | La Luna/El Roblar, Ojai | Ladera Ranch/Thacher Road, Ojai |
| Sale Date | Oct-15 | Sept. 2014 | Dec. 2014 | Dec. 2014 | Mar-15 | Aug. 2014 | Aug. 2014 |
| Sales Price | \$1,950,000 | \$1,200,000 | \$680,000 | \$675,000 | \$600,000 | \$665,000 | \$400,000 |
| Acres | 46.04 | 53.98 | 5 | 2.85 | 6.72 | 10.23 | 1.23 |
| Zoning | AE | AE | RE | RA | OS-20 acre | RA-10 acres | RE-1 |
| Price Per Acre | \$42,354 | \$22,230 | \$136,000 | \$236,842 | \$89,285 | \$65,004 | N/A |
| Price Per Potential Homesite | N/A | N/A | \$680,000 | \$675,000 | \$600,000 | \$665,000 | \$400,000 |

WATER COMPANY SALES

| Sale No. | <u>Sale 1</u> | <u>Sale 2</u> | <u>Sale 3</u> | <u>Sale 4</u> | <u>Sale 5</u> | <u>Sale 6</u> |
|-------------------------|---|---|---|--|--|--|
| Seller/Buyer | Geyserville Water Company/California American Water Company | Meadowbrook Water Company/California American Water Company | Rural Water Company /Golden State Water Company | Traver Water Co./Del Oro Water Company | Valencia Water Co./Castaic Lake Water Agency | Mt. Lassen Woods/Del Oro Water Company |
| Location | Sonoma County | Merced County | San Luis Obispo County | Fresno | Santa Clarita | Shasta County |
| Sale Date | 2015 (Pending) | 2015 | 2015 | 2015 | 2012 | 2008 |
| Sales Price | \$1,300,000 | 4,975,000 | \$1,700,000 | \$250,000 | \$58,640,000 | \$165,000 |
| No. Meters | 318 | 1,638 | 950 | 180 | 30,411 | 132 |
| CPUC-Approved Rate Base | \$902,303 | \$1,963,352 | \$590,000 | \$250,000 | \$44,318,000 | \$165,000 |
| Price/Meter | \$4,088 | \$3,037 | \$1,789 | \$1,388 | \$1,928 | \$1,250 |
| Net Income | \$90,952 | \$430,235 | \$151,147 | \$25,258 | \$3,825,000 | \$8,651 |
| NOI/Meter | \$286 | \$262 | \$159 | \$140 | \$125 | \$65 |
| CPUC Approved | Pending | Approved | Approved | Pending | Friendly Eminent Domain | Approved |
| Type Buyer | Private Investor Class A | Private Investor Class A | Private Investor Class A | Private Investor Class B | Public Agency Buyer | Private Investor Class B, CPUC |

* Not including WRAM and Construction In Progress Accounts

EXHIBIT B

EXHIBIT B

WESTLAW

235 Cal.App.4th 1246
Court of Appeal,
Second District, Division 6, California.

Golden State Water Company v. Casitas Municipal Water District
GOLDEN STATE WATER COMPANY, Plaintiff and Appellant,
Court of Appeal, Second District, Division 6, California, Appellate Case 15 Cal. Daily Op. Serv. 3592

v.
CASITAS MUNICIPAL WATER DISTRICT et al., Defendants and
Respondents.

2d Civil No. B255408
Filed April 14, 2015
As Modified on Denial of Rehearing May 13, 2015

Synopsis

Background: Private water utility brought reverse validation action to invalidate municipal water district's resolutions to issue bonds to acquire utility's assets by eminent domain. The Superior Court, Ventura County, No. 56-2013-00433986-CU-WM-VTA, Kent M. Kellegraw, J., entered judgment for water district. Private utility appealed.

Holdings: The Court of Appeal, Perren, J., held that:

- 1 Mello-Roos Community Facilities Act may be used to finance eminent domain actions, and
- 2 Act could be used for incidental acquisition of intangible property.

Affirmed.

West Headnotes (10)

[Change View](#)

- 1 **Water Law** Issuance of bonds
Assuming that municipal water district had alternative ways to finance its proposed acquisition of private water utility's assets by eminent domain that were both legal and practical, then private water utility lacked standing to pursue a reverse validation action challenging the water district's plan to sell bonds to fund the acquisition as a violation of the Mello-Roos Community Facilities Act. Cal. Gov't Code § 53311 et seq.
- 2 **Municipal Corporations** Nature and purposes of improvements in general
Although the Mello-Roos Community Facilities Act was designed for use especially in developing areas and areas undergoing rehabilitation, it is not limited to such contexts. Cal. Gov't Code § 53311.5.
- 3 **Municipal Corporations** Purposes for which property may be acquired or held
A "purchase" that may be funded under the Mello-Roos Community Facilities Act may be the compensation for facilities acquired by the local agency through its eminent domain power. Cal. Gov't Code § 53313.5.
- 4 **Municipal Corporations** Constitutional and statutory provisions
Due respect for the political branches of state government requires the Court of Appeal to interpret the provisions of the Mello-Roos Community Facilities Act in

SELECTED TOPICS

- Municipal Corporations
 - Property
 - City Purchase of Property
 - Nature and Purposes of Improvements
 - City Public Water District (Appro...
- Waters and Water Courses
 - Domestic and Municipal Purposes
 - Position of Member of Board of Directors of County Public Water District

Secondary Sources

APPENDIX II FEDERAL REGULATIONS

ADA Compliance Guide Appendix II
...Additionally, subscribers will find other federal regulations in this appendix that are relevant to ADA compliance. ADA architectural standards are reprinted in Appendix III of the Guide. A note about ...

APPENDIX IV: ADMINISTRATIVE LETTER RULINGS: DOL, WAGE AND HOUR DIVISION

FLSA Emp. Exemption Hdbk. Appendix IV
...(The following article appeared in the July 1995 update to the Employer's Guide to the Fair Labor Standards Act, published by Thompson Publishing Group. It is intended to provide basic information on c...

APPENDIX IV GUIDANCE AND TECHNICAL ASSISTANCE MANUALS

ADA Compliance Guide Appendix IV
...Under the Americans with Disabilities Act of 1990 (the "ADA"), an employer may ask disability-related questions and require medical examinations of an applicant only after the applicant has been given ...

[See More Secondary Sources](#)

Briefs

Brief on Behalf of Respondent.

1993 WL 13547824
George Weems WILLIAMS, Receiver of the Washington, Baltimore and Annapolis Electric Railroad Company, Petitioner, v. MAYOR AND CITY COUNCIL OF BALTIMORE, Respondent.
Supreme Court of the United States
Feb. 09, 1993

...The opinion of the United States Circuit Court of Appeals for the Fourth Circuit was rendered on October 3, 1932, and is reported in 61 Fed. (2d) 374. It is also printed at pages 20-37 of the Record. T...








Brief of Appellees

1980 WL 339657
Germain H. BALL, et al., Appellants, v. Roland W. JAMES, et al., Appellees.
Supreme Court of the United States
Dec. 20, 1980

...This case concerns the constitutionality of the one acre, one vote election system of the pre-eminent political subdivision of the State of Arizona-the Salt River Project Agricultural Improvement and P...

BRIEF FOR THE RESPONDENTS

accordance with the expressed intention of the Legislature that the Act "shall be liberally construed in order to effectuate its purposes." Cal. Gov't Code § 53315.

- 5 **Statutes**  Failed, rejected, and other unenacted provisions
As a general principle, the Legislature's rejection of specific language constitutes persuasive evidence a statute should not be interpreted to include the omitted language.
- 6 **Municipal Corporations**  Capacity to acquire and hold property in general
Under Mello–Roos Community Facilities Act, a community facilities district may not directly purchase intangible property. Cal. Gov't Code § 53313.5.
- 7 **Municipal Corporations**  Capacity to acquire and hold property in general
Under Mello–Roos Community Facilities Act, a community facilities district may indirectly acquire both tangible property with a useful life of less than five years and intangible property including property rights, pursuant to the Act's authorization to finance the "costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred." Cal. Gov't Code § 53345.3.
- 8 **Water Law**  Issuance of bonds
Pursuant to the Mello–Roos Community Facilities Act's authorization to finance the "costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred," municipal water district's financing of district's proposed acquisition of private water utility's assets by eminent domain properly included the cost of compensating the private utility for its water rights and loss of goodwill, and the legal costs associated with an eminent domain proceeding. Cal. Gov't Code § 53345.3.
- 9 **Water Law**  Issuance of bonds
Water Law  Tax levies, assessments, and liens
Private water utility's failure to raise the argument in the trial court in utility's reverse validation action forfeited the argument on appeal that municipal water district's financing of district's proposed acquisition of private water utility's assets by eminent domain would violate the provision of the Mello–Roos Community Facilities Act stating that a community facilities district tax may only finance the services authorized by the Act "to the extent that they are in addition to those provided in the territory of the district before the district was created." Cal. Gov't Code § 53313.
- 10 **Appeal and Error**  Particular Argument or Conduct
Any error was harmless in trial court's admission of municipal water district's trial counsel's declaration regarding the prior use of Mello–Roos Community Facilities Act funding to finance eminent domain litigation, in utility's reverse validation action challenging municipal water district's Mello–Roos financing of district's proposed acquisition of private water utility's assets by eminent domain, where the declaration was irrelevant to the legal questions at issue on appeal. Cal. Gov't Code § 53311 et seq.

See 8 Witkin, Summary of Cal. Law (10th ed. 2005) Constitutional Law, § 1112 et seq.

**66 Kent M. Kellegrew, Judge, Superior Court County of Ventura. (Super. Ct. No. 56–2013–00433986–CU–WM–VTA)

Attorneys and Law Firms

1998 WL 457674
City of Monterey v. Del Monte Dunes at Monterey, Ltd., Monterey-Del Monte Dunes Corporation
Supreme Court of the United States
July 31, 1998

...This 42 U.S.C. §1983 case was filed in U.S. District Court in 1986, when California courts provided no compensatory remedy for regulatory takings. California's erroneous rule of Agins v. City of Tiburo...

See More Briefs

Trial Court Documents

In re Charter Communications

2009 WL 8189485
In re CHARTER COMMUNICATIONS, et. al., Debtors. Jpmorgan Chase Bank, N.A. as Administrative Agent, Plaintiff, v. Charter Communications Operating, LLC and Cco Holdings, LLC, Defendants.
United States Bankruptcy Court, S.D. New York.
Mar. 27, 2009

...Chapter 11 Adversary Proceeding JAMES M. PECK UNITED STATES BANKRUPTCY JUDGE Since these cases were filed on March 27, 2009, Charter Communications, inc. ("CCI" and, together with its affiliated debtor...

In re Hampton Capital Partners, LLC

2013 WL 178831
In re: HAMPTON CAPITAL PARTNERS, LLC, d/b/a Gulistan Carpet, Debtor.
United States Bankruptcy Court, M.D. North Carolina.
Jan. 07, 2013

...SO ORDERED. SIGNED this 11th day of January, 2013. <<signature>> UNITED STATES BANKRUPTCY JUDGE CHAPTER 11 THIS MATTER coming before the Court after due notice and hearing, on the Motion for Order Unde...

In re Buffets Restaurants Holdings, Inc.

2012 WL 1141581
In re: BUFFETS RESTAURANTS HOLDINGS, INC. et al., Debtors.
United States Bankruptcy Court, D. Delaware.
Jan. 19, 2012

...FN1. The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are Buffets Restaurants Holdings, Inc. (9569), Buffets Holdings, Inc. (4018), Buffet...

See More Trial Court Documents

Manatt, Phelps & Phillips, Los Angeles, Michael M. Berger, George M. Soneff, Edward G. Burg, and Benjamin G. Shatz, for Plaintiff and Appellant.

Nossaman, San Francisco, Stephen N. Roberts, Martin A. Mattes, and Mari R. Lane for Park Water Company and California Water Association as Amicus Curiae on behalf of Plaintiff and Appellant.

Rutan & Tucker and Jeffrey M. Oderman, Costa Mesa, for Defendants and Respondents Casitas Municipal Water District and Casitas Municipal Water District Community Facilities District No. 2013-1 (Ojai).

Best Best & Krieger, Riverside, Kendall MacVey, and Kira L. Klatchko, Indian Wells, for Association of California Water Agencies, League of California Cities, California State Association of Counties, and California Special Districts Association as Amicus Curiae on behalf of Defendants and Respondents.

Ryan Blatz Law and Ryan Blatz, Ojai; Law Offices of Ball and Yorke and Esther R. Sorkin for Defendants and Respondents Ojai Friends of Locally Owned Water, Richard H. Hajas, Dale Hanson, Patrick McPherson, Robert R. Daddi, Louis Torres, and Stanley Greene.

Opinion

PERREN, J.

***1249** Residents of Ojai, fed up with sky-high water bills, voted to oust appellant Golden State Water Company (Golden State), the private utility that monopolizes water service to their city, and replace it with respondent Casitas Municipal Water District (Casitas), a municipal utility that they hope will be more responsive to their concerns. They plan to finance this transaction by selling bonds pursuant to the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act or Act). (Gov. Code, § 53311 et seq.)¹

Golden State is unwilling to sell its business. Casitas therefore plans to acquire the assets by eminent domain. Golden State contends that the Mello-Roos Act cannot be used to finance eminent domain actions or to acquire intangible property. We disagree. The Act facilitates the purchase of property regardless of whether the seller consents to the sale or is compelled under force of law. Moreover, financing the acquisition of intangible property incidental to the real or tangible property being purchased is consistent ****67** with the Act's text and purpose. Accordingly, we affirm.

FACTS AND PROCEDURAL HISTORY

Casitas is a publicly owned water utility encompassing 140 square miles in western Ventura County. Its territory includes the City of Ojai, but for ***1250** historical reasons most of Ojai and some adjacent areas receive water from Golden State. Golden State charges its customers rates that are more than double those charged by Casitas, and the disparity is growing. Over a 20-year period, Golden State's average annual rate increase was nearly twice that of Casitas.

After several failed attempts to redress their grievances with the Public Utilities Commission (PUC), Golden State's regulatory agency, local residents formed respondent Ojai Friends for Locally Owned Water (Ojai FLOW), an interest group "with the intent to declare independence from the economic tyranny of Golden State." Ojai FLOW, supported by Ojai's city council and more than 1,900 registered voters, petitioned Casitas to take over Golden State's water service in Ojai.

Casitas concluded that the Ojai community would benefit from having its water utility run by a locally controlled entity rather than an out-of-area corporation seeking to maximize profits for its owners. Casitas's board members live in the community and its customers have the right to participate in management decisions. Unlike Golden State, Casitas is subject to the Brown Act (§ 54950 et seq.) and the California Public Records Act (§ 6250 et seq.), and its meetings are conducted in public within its service area. Under Proposition 218 (Cal. Const., art. XIII D), Casitas's rates can be reduced by a majority of voters in its service area. (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 217, 46 Cal.Rptr.3d 73, 138 P.3d 220.) The only recourse for Golden State's customers is to contend with the formal PUC process involving officials and staff located hundreds of miles away, whereas Casitas's customers can express their wishes at the local level.

Casitas determined that the Mello-Roos Act would be an appropriate means of financing the transaction in light of its objective to place the financial burden on Ojai residents rather than on its existing water customers. Pursuant to the Act, Casitas formed a community facilities

district, respondent Casitas Municipal Water District Community Facilities District No. 2013-1 (Ojai) (Casitas CFD). Casitas passed resolutions listing the facilities to be acquired, declaring the necessity of raising bond revenue to finance their acquisition, and submitting the matter to voters for their approval in a special election. The ballot measure asked voters to authorize Casitas CFD to issue up to \$60 million in bonds "to finance the acquisition of [Golden State's] property and property rights" in Ojai. To pay for the bonds, a special tax would be levied on property in Casitas CFD.

Golden State filed a reverse validation complaint and petition for writ of mandate (Code Civ. Proc., §§ 860 et seq., 1085) seeking to invalidate and set aside Casitas's resolutions. The trial court stayed the case until after the vote. *1251 At the single-issue special election that drew in more than half of eligible voters, 87 percent of the electorate approved the measure. The trial court subsequently ruled against Golden State on all issues and entered judgment in favor of respondents.

Golden State contends that the Mello-Roos Act cannot be used to finance a taking of property by eminent domain or the acquisition of intangible property and property rights. In addition, it contends **68 that the Act cannot be used by one service provider to supplant another service provider using the same facilities and serving the same customers. We review these issues of statutory construction de novo. (*Ceja v. Rudolph & Sletten, Inc.* (2013) 56 Cal.4th 1113, 1119, 158 Cal.Rptr.3d 21, 302 P.3d 211.)

DISCUSSION

Standing

Golden State concedes that Casitas may lawfully exercise the power of eminent domain (Wat. Code, § 71693) but asserts that "Mello-Roos is not the only way to finance property acquisition." Golden State is "sure that [Casitas] can come up with other alternatives." For example, Golden State suggests that Casitas could issue revenue bonds (*id.* § 71853) or form an improvement district to issue bonds (*id.* § 71870). Respondents dispute this assertion, arguing that "Mello-Roos financing is the only viable 'tool for the job' " and that other methods are impractical.

1 If Golden State is correct that respondents have alternative ways to finance the transaction that are both legal and practical, then the injury it complains of—the imminent taking of its assets—does not turn on the resolution of this lawsuit. If that were the case, Golden State would lack standing to pursue this action. (See *City of Santa Monica v. Stewart* (2005) 126 Cal.App.4th 43, 59, 24 Cal.Rptr.3d 72 ["A party lacks standing if it does not have an actual and substantial interest in, or would not be benefited or harmed by, the ultimate outcome of an action"]; cf. *Wilson & Wilson v. City Council of Redwood City* (2011) 191 Cal.App.4th 1559, 1582–1584, 120 Cal.Rptr.3d 665 [suit for declaratory relief to protect plaintiff's property from possible future condemnation based on city's statement that it would "use its best efforts and legally available means to acquire [it]" did not present live controversy].)

Although we can evaluate the legality of alternative financing methods, the trial court first would have to assess their feasibility. (*People v. Superior Court (Plascencia)* (2002) 103 Cal.App.4th 409, 415, 126 Cal.Rptr.2d 793 [trier of fact must conduct evidentiary hearing when "resolution of the question of *1252 standing turn[s] upon disputed issues of material fact"].) We will not remand to the trial court to make the factual determination on which Golden State's standing turns, however, because respondents do not contest Golden State's standing (see *Action Apartment Assn., Inc. v. City of Santa Monica* (2007) 41 Cal.4th 1232, 1240 & fn. 2, 63 Cal.Rptr.3d 398, 163 P.3d 89), because addressing the merits is in the public interest (see *California Water & Telephone Co. v. County of Los Angeles* (1967) 253 Cal.App.2d 16, 26, 61 Cal.Rptr. 618), and because we can resolve the appeal more easily by reaching the merits (see *California Medical Assn. v. Brown* (2011) 193 Cal.App.4th 1449, 1465 & fn. 2, 123 Cal.Rptr.3d 647).

Mello-Roos Financing for Eminent Domain Acquisitions

"When construing a statute, our objective 'is to ascertain the intent of the lawmakers so as to effectuate the purpose of the statute.' [Citation.] We look first to the words of the statute, ' " 'because they generally provide the most reliable indicator of legislative intent.' [Citation.] We give the words their usual and ordinary meaning [citation], while construing them in light of the statute as a whole and the statute's purpose [citation]." [Citation.] " 'If there is no ambiguity in the language, we presume the Legislature meant what it said and the plain meaning of the statute governs.' [Citation.] 'Only when the statute's **69 language is ambiguous or susceptible of more than one reasonable interpretation, may the court turn to

extrinsic aids to assist in interpretation.' " [Citation.]" (*Ceja v. Rudolph & Sletten, Inc., supra*, 56 Cal.4th at p. 1119, 158 Cal.Rptr.3d 21, 302 P.3d 211.)

2 The Mello–Roos Act "provides an alternative method of financing certain public capital facilities and services." (§ 53311.5.) Although it was designed for use "especially in developing areas and areas undergoing rehabilitation" (*ibid.*), it is not limited to such contexts.

Any "local agency"—defined as "any city or county ..., special district, school district, joint powers entity ..., redevelopment agency, or any other municipal corporation, district, or political subdivision of the state" (§ 53317, subd. (h))—may use Mello–Roos financing. The process is straightforward. The local agency's legislative body or governing board first establishes a "community facilities district" whose sole purpose is to finance authorized "facilities" and "services." (§§ 53317, subds. (b), (g), 53318–53325.1.) Subject to approval by two-thirds of district voters, the district may issue bonds to finance facilities (but not services) (§§ 53345–53355) and the local agency may levy and collect a special tax on real property in the district to pay for the bonds or to finance facilities and services directly (§§ 53328, 53340, 53345.3). (See *Azusa Land Partners v. Department of Indus. Relations* (2010) 191 Cal.App.4th 1, 18, 120 Cal.Rptr.3d 27.)

3 *1253 With respect to "facilities," the Act authorizes a community facilities district to "finance the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer or [to] finance planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of any real or tangible property." (§ 53313.5.) The issue here is whether a "purchase" must be voluntary for both parties or whether the term includes compensation for facilities acquired by the local agency through its eminent domain power. We conclude that the latter construction of the statute is more plausible and better effectuates the drafters' intent.

The word "purchase" connotes acquisition, often in exchange for compensation, regardless of whether the thing being acquired is relinquished voluntarily. (See Black's Law Dict. (9th ed. 2009) p. 1354, col. 2 [defining "purchase" as either "an instance of buying" or "[t]he acquisition of real property by one's own or another's act (as by will or gift) rather than by descent or inheritance"]; Merriam–Webster's Collegiate Dict. (10th ed. 1999) p. 948, col. 2 [defining "purchase" as "acquir[ing] (real estate) by means other than descent or inheritance," "obtain[ing] by paying money or its equivalent," or "obtain[ing] by labor, danger, or sacrifice"].) For this reason, eminent domain is sometimes referred to as "compulsory purchase." (Black's Law Dict., *supra*, at p. 601, col. 1.) When a public entity condemns property, it must pay the owner the same price the owner would receive from a private party purchasing the property in an arm's length transaction. (*Saratoga Fire Protection Dist. v. Hackett* (2002) 97 Cal.App.4th 895, 902, 118 Cal.Rptr.2d 696 ["The measure of compensation provided by the eminent domain law is the 'fair market value' ... defined as the highest price on the date of valuation that would be agreed to by a willing seller, under no obligation nor necessity to sell, and a willing buyer, under no similar obligation or necessity to buy, each dealing with the other with full knowledge of all the uses and purposes for **70 which the property is reasonably adaptable and available".])

Our Supreme Court has addressed a similar issue of statutory construction. The statute at issue in *People v. Superior Court* (1937) 10 Cal.2d 288, 73 P.2d 1221 provided for a special commission that would "purchase or acquire[] farm lands by unconditional gift or use of lands owned by the state" in order to construct a state prison facility. (Stats. 1935, ch. 414.) The Supreme Court concluded that this language was "sufficient to legally authorize the special commission to condemn land."² (*People v. Superior Court, supra*, 10 Cal.2d at p. 291, 73 P.2d 1221.)

*1254 In light of the statute's purpose of acquiring land for governmental purposes, the "average citizen" would realize that, after the special commission selected "the most desirable site, for any one of various reasons the owner thereof might be averse either to the sale or other disposition of his property even for ordinary uses." (*People v. Superior Court, supra*, 10 Cal.2d at pp. 292, 293, 73 P.2d 1221; accord, Posner, *Economic Analysis of the Law* (2d ed. 1977) p. 40 ["Once the railroad or pipeline has begun to build its line, the cost of abandoning it for an alternative route becomes very high. Knowing this, people owning land in the path of the advancing line will be tempted to hold out for a very high price—a price in excess of the actual opportunity cost of the land".]) The average citizen would further assume that "the only means by which [the government] might accomplish its purpose in that regard would be ... by an action in the exercise of the right of eminent domain." (*People v.*

Superior Court, supra, at p. 293, 73 P.2d 1221.) Thus, the statutory language would not "deceive, mislead or defraud [the general public] concerning the authority of the state to condemn any suitable property" to construct the prison. (*Id.* at pp. 293–294, 73 P.2d 1221.)

Moreover, the statutory power to "purchase" lands "imports authority not only to acquire lands by bargain and sale agreement for their agreed cash value, by possible exchange of some previously-owned land by the state for other land that might be more suitable for prison purposes, or even by the means that was adopted and sought to be made effective herein, to wit: by means of an action in the exercise of the right of eminent domain. In other words, that the word 'purchase' is broad enough to include within its meaning any means other than by descent." (*People v. Superior Court, supra*, 10 Cal.2d at p. 294, 73 P.2d 1221.)

This logic applies here with equal force. The Mello–Roos Act, like the prison statute, authorizes a public agency to "purchase" real property in order to construct and develop government facilities. Given the obvious practical need in certain circumstances of using eminent domain power to acquire property for this purpose, the word "purchase" should be construed in its broadest sense, which includes a taking by eminent domain in exchange for just compensation. (See *People ex rel. S.F. Bay Etc. Com. v. Town of Emeryville* (1968) 69 Cal.2d 533, 543–544, 72 Cal.Rptr. 790, 446 P.2d 790 ["[W]here a word of common usage has more than one meaning, the one which will best attain the purposes of the statute should be adopted, even though the ordinary meaning of the word is thereby **71 enlarged or restricted and especially in order to avoid absurdity or to prevent injustice'"].)

*1255 Lest there be any doubt, the Act provides that it "shall be liberally construed in order to effectuate its purposes." (§ 53315.) It continues: "No error, irregularity, informality, and no neglect or omission of any officer, in any procedure taken under [the Act], which does not directly affect the jurisdiction of the legislative body to order the installation of the facility or the provision of service, shall void or invalidate such proceeding or any levy for the costs of such facility or service." (*Ibid.*) Put differently, if the public agency otherwise has the power to acquire the facilities, the Mello–Roos Act should not be interpreted to preclude financing them. (Cf. § 53312.5 ["The local agency may take any actions or make any determinations which it determines are necessary or convenient to carry out the purposes of [the Act] and which are not otherwise prohibited by law".])

4 Golden State argues against a liberal construction of the term "purchase" because the Act involves taxation. It asserts that a community facilities district "is a mere *taxing district*, not a separate municipal entity," and as such "the power of special taxation is restricted to and can extend no further than the plain language of the legislative enactment upon which it is based." (*Mulville v. City of San Diego* (1920) 183 Cal. 734, 740, 192 P. 702.) Whatever the force of this rule after the recent constitutional changes limiting the government's ability to impose and increase taxes (see Cal. Const., arts. XIII A, XIII C, XIII D), the Act's plain language instructs us to construe the power of taxation liberally so long as it is approved by the requisite supermajority of voters. " [D]ue respect for the political branches of our government requires us to interpret the laws in accordance with the expressed intention of the Legislature...." (*Professional Engineers in California Government v. Brown* (2014) 229 Cal.App.4th 861, 872–873, 177 Cal.Rptr.3d 567; see *Galbiso v. Orosi Public Utility Dist.* (2010) 182 Cal.App.4th 652, 665, 107 Cal.Rptr.3d 36 [liberally construing statute with similar purpose and virtually identical construction clause].)

Citing various statutes that list "purchase" and "eminent domain" in the disjunctive as two ways by which to acquire property, Golden State asserts that there would be no reason to do so if the former term included the latter. In some contexts, this is undoubtedly true.³ In others, it is not. (See *In re Jesusa V.* (2004) 32 Cal.4th 588, 622–623, 10 Cal.Rptr.3d 205, 85 P.3d 2 [Although the word "or" normally "has a disjunctive meaning," it "may have a conjunctive meaning" if "such construction is found necessary to carry out *1256 the obvious intent of the Legislature in a statute"].) Statutes intended to define a concept expansively often list terms with overlapping meanings separated by the word "or." (See, e.g., *Amberger–Warren v. City of Piedmont* (2006) 143 Cal.App.4th 1074, 1081–1082, 49 Cal.Rptr.3d 631.) For example, a community rehabilitation district may "[a]cquire real or personal property of every kind within the district, by **72 grant, purchase, gift, devise, lease, or eminent domain." (§ 53382.) These terms are not mutually exclusive. "Grant" is a generic term for a conveyance. (26A C.J.S. Deeds, § 5 (2015).) A gift is a grant without consideration. (38A C.J.S. Gifts, § 8 (2015).) A devise is a grant or gift contained in a will. (97 C.J.S. Wills, § 1919 (2015).) A lease is yet another type of grant. (See 52 C.J.S. Landlord & Tenant, § 1 (2015).)

Throughout the Mello–Roos Act, the terms “purchase” and “acquisition” are used interchangeably. (E.g., §§ 53313.4 [providing fee exemption for “[a]ny territory within a community facilities district established for the acquisition or improvement of school facilities for a school district”], 53313.5, subd. (f) [“The district may also finance the acquisition, improvement, rehabilitation, or maintenance of any real or other tangible property ... for flood and storm protection services”], 53314 [authorizing legislative body to transfer money for “expenses incurred by reason of the construction or acquisition of any facilities or provision of any authorized services within the district”].) The Act is not unique in this usage. Other statutes use “purchase” in the sense of “acquire”—including by eminent domain—more explicitly. (See, e.g., Civ. Code, § 798.80, subd. (e)(7) [providing that “[t]he purchase of a mobilehome park by a governmental entity under its powers of eminent domain” exempts park owner from notifying homeowners association of intent to sell]; *id.* at § 800.100, subd. (e)(7) [same for owner of floating home marina]; Ed. Code, § 19957.5 [“The terms ‘purchase of land’ or ‘acquisition of land’ ... shall include, but shall not be limited to, the acquisition of land by eminent domain”].)

5 Golden State points out that the Legislature considered including the term “eminent domain” in an early draft of the Act and argues that its ultimate exclusion signals an intent to prohibit this mode of acquisition. It is true that, “[a]s a general principle, the Legislature’s rejection of specific language constitutes persuasive evidence a statute should not be interpreted to include the omitted language. [Citation.]” (*Doe v. Saenz* (2006) 140 Cal.App.4th 960, 985, 45 Cal.Rptr.3d 126.) That principle, however, has no application here.

The bill, as originally drafted, would have amended the Streets and Highways Code to authorize local agencies to create a new type of assessment district. Borrowing language from another assessment district statute (Sts. & Hy. Code, § 5023.1), the original bill defined “acquisition” to mean, ***1257** among other things, “[a]ny real property, rights-of-way, easements, or interests in real property, acquired or to be acquired by gifts, purchase, or eminent domain, and which are necessary or convenient in connection with the construction or operation of any facility or the provision of any service authorized....” This definition generated no comment or criticism.

The bill nonetheless faced substantial opposition for an unrelated reason: it was seen as an attempt to circumvent the requirement in Proposition 13 that any new special taxes receive approval by two-thirds of voters. (Cal. Const., art. XIII A, § 4.) The Legislative Counsel expressed concern that the bill “may be determined by the courts to authorize a special tax” because it would have allowed an assessment district to authorize, upon a majority vote, assessments for purposes such as “police and fire protection facilities, libraries, [and] park and recreation facilities.” These facilities “historically [had] been supported by property tax revenues.” The California Chamber of Commerce, the California Taxpayers’ Association, the California Association of Realtors, and others ****73** expressed similar views that the bill as drafted was unconstitutional.

In response, the bill’s authors “completely changed” the legislation. In the revised bill, the definition of “acquisition” was dropped altogether. The word “purchase” did not appear at first either. Instead, the bill stated that “[a] community facilities district may be established ... to provide [certain enumerated] facilities.” (Italics added.) “Since the deletion of language [regarding ‘eminent domain’] was the deletion of the entire bill, in favor of completely new textual material, we derive no indication of intent as respects a single phrase in the deleted bill.” (*Salem v. Superior Court* (1989) 211 Cal.App.3d 595, 601, fn. 2, 259 Cal.Rptr. 447, italics omitted.)

Subsequently, the bill was amended with the current statutory language: “A community facilities district may be established ... to provide for the purchase, construction, expansion, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer....” (Italics added.) The word “provide” was expanded upon to illustrate its broad sweep rather than to limit its scope.

Golden State asserts that the Legislature never could have intended the Mello–Roos Act to be used to finance something as speculative as an eminent domain acquisition. There are two problems with this argument. First, Golden State cites no authority for the proposition that Mello–Roos financing is available only for investments with certain outcomes. Assessment districts, which function similarly to community facilities districts, can acquire property through eminent domain notwithstanding the risks. (Sts. & Hy. Code, § 5023.1, subd. (c).) Second, acquisition by eminent domain is no more risky ***1258** than acquisition by a negotiated purchase. Just as a court may determine the property’s valuation to be in excess of the available funds, a voluntary seller might make a similarly excessive demand,

particularly in the presence of other market participants offering competing bids. In either case, the special agency would have to seek authorization from the voters for additional funds. (§ 53338, subd. (b).) And the possibility that the voluntary seller will pull out of the negotiations or sell to a third party is just as real as the possibility that a court will rule a local agency lacks the power to condemn. In either case, money will have been spent fruitlessly.

It is undisputed that Casitas has the power of eminent domain.⁴ For the reasons discussed, we hold that its condemnation of property pursuant to that power qualifies for Mello–Roos financing as a "purchase" of facilities.

Mello–Roos Financing for Incidental Acquisitions of Intangible Property

6 Golden State contends that the Mello–Roos Act cannot be used to finance the purchase of intangible property or property rights. In a limited sense, this is accurate. "A community facilities district may ... finance the purchase ... of any real or other tangible property with an estimated useful life of five years or longer or ... planning and design work that is directly related [there]to...." (§ 53313.5.) Thus, a community facilities district may not directly purchase intangible property. Borrowing one of Golden State's examples, a community facilities **74 district cannot be created to purchase pencils because their useful life is not five years or longer.

7 Mello–Roos funding could be used, however, to purchase a pencil factory. Such an acquisition would almost certainly include the factory's current stock of pencils as well as its existing contractual obligations to buy raw materials for manufacturing additional pencils. The Act permits financing the acquisition of the pencils and the contractual obligations because they are "costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred."⁵ *1259 (§ 53345.3; accord, § 53317, subd. (e)(2).) In this way, a local agency using Mello–Roos financing can *indirectly* acquire both tangible property with a useful life of less than five years and intangible property including property rights.

8 Here, Casitas seeks "to acquire the real, personal, and intangible property and property rights owned or held by [Golden State] in, to, and with respect to the water utility owned and operated by Golden State in [its] Ojai Service Area." We understand this to mean that Casitas plans to use Mello–Roos financing to acquire Golden State's Ojai facilities, i.e., its real and tangible personal property used for providing water service to Ojai. In addition, Casitas plans to acquire any of Golden State's intangible property and property rights connected with the acquisition of these facilities. This comports with the Mello–Roos Act.

Golden State argues that the legal costs associated with an eminent domain proceeding and the eventual compensation it will receive from Casitas for its water rights and loss of goodwill are beyond the scope of Mello–Roos financing. To the contrary, the Act expressly provides that legal fees are an incidental cost. (§ 53345.3.) Water rights are analogous to "rights-of-way," another intangible property right the acquisition of which the Act expressly permits as an incidental cost.⁶ (*Ibid.*) Compensation for Golden State's loss of goodwill is closely connected with the acquisition of its facilities for delivering water. Like legal fees and water rights, it is properly classified as an incidental expense that can be financed under Mello–Roos.

Limitations on "Services"

9 Golden State contends that "Mello–Roos cannot be used simply to replace one service provider with another, where no additional services are provided." It relies on section 53313, governing "services" financed under the Mello–Roos Act. That section provides that "[a] community **75 facilities district tax approved by vote of the landowners of the district may only finance the services authorized [by the Act] to the extent that they are in addition to those provided in the territory of the district before the district was created. The additional services shall not supplant services already available within that territory when the district was created." Golden State correctly *1260 observes that "water utility service is not one of the services specifically listed in the statute that may be financed by a [community facilities district]." Therefore, it is unclear how section 53313 applies to the instant case, which involves the acquisition of "facilities" and incidental costs rather than "services." In any event, Golden State has forfeited this argument by failing to raise it below. (*Richey v. AutoNation, Inc.* (2015) 60 Cal.4th 909, 919, fn. 2, 182 Cal.Rptr.3d 644, 341 P.3d 438.)

Conclusion

10 Golden State advocates for a rule that would shift the bargaining power decisively in its favor. "While and interesting conversation might be had about whether this was reasonable or wise, we can find no room for arguing" it as a matter of statutory

interpretation. (*Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* (Apr. 20, 2015, G048969) 235 Cal.App.4th 1493, 186 Cal.Rptr.3d 362, 374.). Like the trial court, we will not set aside the lawfully expressed will of the voters.⁷

DISPOSITION

The judgment is affirmed. Costs to respondents.

We concur:

GILBERT, P.J.

YEGAN, J.

All Citations

235 Cal.App.4th 1246, 186 Cal.Rptr.3d 64, 15 Cal. Daily Op. Serv. 3592, 2015 Daily Journal D.A.R. 4128

Footnotes

- 1 All further statutory references are to the Government Code unless otherwise stated.
- 2 The statute specifically authorized the special commission to institute eminent domain proceedings. The issue was whether the statute's title, providing for the "purchase or acquirement of farm lands by unconditional gift," violated the one-subject rule (Cal. Const., art. IV, former § 24, now § 9) by failing to mention the subject of eminent domain. (*People v. Superior Court, supra*, 10 Cal.2d at p. 291, 73 P.2d 1221.)
- 3 The Eminent Domain Law states that "[w]hether property necessary for public use is to be acquired *by purchase or other means or by eminent domain* is a [discretionary] decision...." (Code. Civ. Proc., § 1230.030, italics added.) On its face, the phrase "or by eminent domain" is superfluous. The preceding phrase, "by purchase or other means," necessarily covers all possible modes of acquisition. The Legislature likely intended the phrase "or other means" in the sense of "or other means besides eminent domain," which just goes to show that context matters.
- 4 Therefore, Golden State's authority to the effect that any "fair, reasonable doubt concerning the existence of [a municipal corporation's eminent domain] power is resolved by the courts against the corporation...." (*Harden v. Superior Court* (1955) 44 Cal.2d 630, 641, 284 P.2d 9) is inapposite.
- 5 As examples of "incidental" costs, the Act provides the following non-exhaustive list: "estimated costs of construction or acquisition of buildings, or both; acquisition of land, rights-of-way, water, sewer, or other capacity or connection fees; lease payments for school facilities, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to this chapter; architectural, engineering, inspection, legal, fiscal, and financial consultant fees; bond and other reserve funds; discount fees; interest on any bonds of the district estimated to be due and payable within two years of issuance of the bonds; election costs; and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs." (§ 53345.3.)
- 6 We therefore need not decide whether water rights, which can be "considered an interest in real property" (*State v. Superior Court of Riverside County* (2000) 78 Cal.App.4th 1019, 1025, 93 Cal.Rptr.2d 276), may be directly acquired using Mello-Roos funds.
- 7 Because we affirm the judgment on the merits, we do not reach respondents' contention that Golden State's service was untimely. We have not considered the declaration submitted by Casitas's trial counsel regarding the prior use of Mello-Roos funding to finance eminent domain litigation, which is irrelevant to

the legal questions at issue. Accordingly, any error by the trial court in admitting it was harmless.

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EXHIBIT C

EXHIBIT C

July 6, 2015

VIA E-MAIL AND
FIRST CLASS MAIL

George M. Soneff, Esq.
Manatt Phelps & Phillips, LLP
11355 W. Olympic Boulevard
Los Angeles, CA 90064

Re: Golden State Water Company--Ojai


Dear Mr. Soneff:

The Casitas Municipal Water District plans to soon undertake a formal appraisal of Golden State Water Company's Ojai water utility. In doing so, Casitas wants to accurately identify all of Golden State's property rights/assets it needs to acquire and avoid appraising assets that either are not owned by Golden State or that are unrelated to Golden State's provision of utility services to the Ojai community. Casitas has access to Golden State's filings with the California Public Utilities Commission and Casitas intends to perform a title search of property records of the Ventura County Recorder's office to create a list of assets to be appraised, but Casitas believes it also would be beneficial if representatives of the two parties could informally "meet and confer" on Casitas's asset list before that list is finalized in order to give Golden State an opportunity to identify any errors it thinks may exist. In this manner, Casitas hopes, the parties might avoid getting into a later dispute similar to the one Golden State has recently gotten into with the City of Claremont.

Please let me know at your convenience if Golden State is amenable to such a process or if Golden State is willing to cooperate in some other fashion in preparing, reviewing, or commenting upon Casitas's (yet-to-be-generated) asset list. It is understood that such a meet-and-confer would not occur prior to the time the California Supreme Court rules on Golden State's Petition for Review in the pending lawsuit.

Sincerely,

RUTAN & TUCKER, LLP


Jeffrey M. Oderman

JMO:jmo

EXHIBIT D

EXHIBIT D

Oderman, Jeff

From: Soneff, George <GSoneff@manatt.com>
Sent: Thursday, September 24, 2015 9:18 AM
To: Oderman, Jeff
Cc: John Mathews
Subject: RE: Casitas/Golden State Water--Appraisal of Ojai Water Utility

Jeff:

Golden State has no interest in participating in a pre-condemnation asset review process.

George

George Soneff
Partner

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From: Oderman, Jeff [mailto:joderman@rutan.com]
Sent: Thursday, September 17, 2015 1:22 PM
To: Soneff, George
Cc: John Mathews
Subject: Casitas/Golden State Water--Appraisal of Ojai Water Utility

George—I am following up with regard to my 7/6/15 letter (attached). I never received a response. Now that the litigation is over, I would again ask if GSW is willing to cooperate in identifying the assets in its Ojai service area so we can better ensure that Casitas's appraisal is as specific as possible and neither under-inclusive nor over-inclusive. Please advise.

I will also be sending a formal Notice of Intent to Appraise property to GSW in the near future. Please advise to whom the notice should be sent.

Finally, since we will be asking for access to GSW's properties and at least a brief visual inspection of its above-ground facilities, I would request that you check with your client and give me some dates that would be convenient. I will be out of the country for a couple of weeks and expect the Notice of Intent to Appraise will be delivered some time during the week of October 12th and we're tentatively looking at a site inspection date sometime during the week of October 26 or possibly November 2.

Thank you, Jeff

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RUTAN

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EXHIBIT E

EXHIBIT E

February 26, 2016

VIA E-MAIL AND
FIRST CLASS MAIL

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
11355 W. Olympic Blvd.
Los Angeles, CA 90064

Re: Golden State Water Company's Ojai Service Area; Purchase Offer

Dear Mr. Soneff:

I am writing to you in your capacity as the attorney for the Golden State Water Company ("GSW"). If you prefer that I send a copy of this letter to some other person or persons at GSW, please provide me with his/her/their contact information and I will do so.

As you know, Rutan & Tucker LLP represents the Casitas Municipal Water District ("CMWD"). As I stated in my November 17, 2015, CMWD desires to acquire the tangible and incidental intangible property and property rights and assets owned or held by GSW with respect to GSW's Ojai service area (collectively, and as more particularly described below, the "Subject Property"), in accordance with Resolution No. 13-12 adopted by CMWD's Board of Directors on March 13, 2013. The purpose of CMWD's acquisition is to convert the privately owned and held GSW Ojai service area to public ownership and control (the "Proposed Public Use"). CMWD has now obtained an appraisal of the Subject Property. The appraisal was conducted by Bruce W. Hull & Associates Inc. and Bruce W. Hull, MAI, and Wayne Lusvardi, Associate. CMWD's Board of Directors has considered the appraisal of the Subject Property and has authorized me to present this offer of just compensation to you, on behalf of GSW. CMWD is offering the full amount reflected in the appraisal as the fair market value for the Subject Property.

Description of Subject Property

To reiterate what I stated in my November 17, 2015, letter, I wrote to you back on July 6, 2015, and followed up by email on September 17, 2015, requesting that GSW cooperate with CMWD in identifying GSW's assets in and with respect to its Ojai service area so that CMWD could better ensure that its appraisal "is as specific as possible and neither under-inclusive nor over-inclusive." In your September 24, 2015, reply you stated that GSW "has no interest in participating in a pre-condemnation asset review process." Accordingly, CMWD has made a diligent effort to identify the various elements comprising the Subject Property to the best of its ability based on the public resources available to it and, without limiting CMWD's right to add (or

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 2

subtract) GSW property and property interests at a later date, the Subject Property addressed in this purchase offer includes, but is not limited to, the following:

1. Real Property Ownership Interests. Based on a preliminary title report prepared by First American Title Insurance Company, CMWD has identified the properties and easement rights described in Exhibit A to this letter as being owned by GSW that are part of the Subject Property and included within this purchase offer.

2. Facilities.

2.1 Wells. (1) Gorham Well 1; (2) Mutual Well 4; (3) Mutual Well 5; (4) San Antonio Well 3; (5) San Antonio Well 4; and (6) Mutual Well 3; in all cases including all appurtenant equipment and facilities attached or affixed to such well facilities, including without limitation generators, pressure filters, chemical storage and dosing equipment, buildings, and SCADA controls.

2.2 Storage Tanks. (1) Fairview; (2) Heidelberg; (3) Running Ridge 1; (4) Running Ridge 2; (5) San Antonio Forebay; and (6) Signal; in all cases including all appurtenant equipment and facilities attached or affixed to such storage tanks.

2.3 Hydro-Pneumatic Tanks. Heidelberg Hydro-Pneumatic Tank, including all appurtenant equipment and facilities attached or affixed to such tank.

2.4 Pumping Stations. CMWD's appraisers have identified five (5) pumping stations owned/operated by GSW that convey water from ground level tanks into the distribution system or from lower- to higher-pressure zones in the GSW system: Signal, Heidelberg, Fairview, Valley View, and San Antonio/Mutual Forebay. Each pumping station has two (2) pumps. The Fairview and San Antonio Booster Stations have one empty can for a full booster pump. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.5 Pressure Regulating and Control Stations. CMWD's appraisers have identified three (3) pressure regulating and control valve stations in the GSW system: at the Montana-Cuyama/CMWD Interconnection, at Saddle Lane, and Ventura Street. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 3

2.6 Water Transmission and Distribution Pipelines. Based upon GSW's 2009 Master Plan, CMWD's appraisers have estimated there are approximately thirty-two (32) miles of pipelines in the GSW/Ojai system, consisting of the following: (1) approximately 24,475 linear feet of 4" pipe; (2) approximately 53,441 linear feet of 6" pipe; (3) approximately 71,077 linear feet of 8" pipe; (4) approximately 7,557 linear feet of 10" pipe; (5) approximately 15,628 linear feet of 12" pipe; and (6) approximately 341 linear feet of 16" pipe. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.7 Additions, Deletions, Alterations to GSW's Facilities. CMWD acknowledges that GSW's Ojai facilities are not static and change over time. CMWD believes the description of GSW's Ojai facilities in subparagraphs 2.1-2.6 is accurate and complete as of the date this letter is being delivered, but to the extent this letter inadvertently fails to expressly describe one or more of GSW's Ojai facilities or GSW adds to, improves, or alters its Ojai facilities after the date of this letter and before a final purchase is consummated, CMWD hereby notifies GSW that it desires to purchase all of GSW's Ojai facilities (except to the extent expressly excluded from this purchase offer) and if any such new, improved, or altered facility or facilities has not already been taken into consideration by CMWD's appraisers, CMWD is prepared to modify its appraisal and/or make an appropriate equitable adjustment to this purchase offer to account for such changes.

3. Easements, Franchise Rights, and Similar Interests. All of GSW's easements, licenses, rights-of-entry, franchise rights, and other similar property interests in and with respect to its Ojai service area, including without limitation all of GSW's rights (and obligations) as set forth in Ordinance No. 382 adopted by the City Council of the City of Ojai on May 8, 1967, as the same may have been amended from time to time (granting a franchise to Southern California Water Company).

4. Water Rights. All appropriative water rights, if any, of GSW in and with respect to its Ojai service area.

5. WRAM Account Balance. CMWD acknowledges that, based upon the Water Rate Adjustment Mechanism ("WRAM") billing system approved by the California Public Utilities Commission ("CPUC"), GSW may have an accrued right to collect additional fees and charges from its Ojai customers as of the date its Ojai utility is transferred to CMWD. CMWD's latest information is that GSW's total accrued WRAM account balance is approximately \$2,449,615 and that, if GSW were to continue to be the service provider in Ojai, it would be paid that amount (as

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 4

a surcharge on water bills) over a period of 46 months. (GSW Advice Letter 1650-W, filed with CPUC on or about February 22, 2016). CMWD acknowledges that it is obligated to “make whole” GSW with respect to its accrued and unpaid WRAM account balance. Since the accrued balance in the WRAM account changes over time, however, this purchase offer is being expressed as the fair market value of the Subject Property *without* taking the WRAM account balance into consideration and, *in addition*, CMWD is offering to pay to GSW the accrued and unpaid WRAM account balance as of the date of transfer, with said amount discounted over the term it would otherwise be received by GSW through its billing system to the then-present value using a discount rate of 3% per annum.

6. Books and Records. All of GSW’s books and records (herein, collectively, “Records”) relating to its Ojai service area, including without limitation (1) all Records containing customer account information, including without limitation all customer billing records, payment records, delinquent payment history information, security deposit information, and the like; (2) all Records containing planning, design, and engineering information related to GSW’s Facilities in its Ojai service area (see clause (2) above), including without limitation plans and specifications, as-built drawings, CAD files, inspection, maintenance, and repair and replacement logs and reports; and (3) to the extent not addressed in clauses (1) and (2) of this subparagraph (6), all Records relating to the items listed in subparagraphs (1)-(5) above, inclusive. As used herein, the term “Records” includes all writings prepared, owned, used, or retained by GSW or any of its affiliated entities regardless of physical form or characteristics. As used herein, the term “writing” means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.

7. Prepaid Fees and Charges and Refundable Deposits. To the extent GSW possesses or holds any prepaid fees and charges or any refundable deposits from property owners, customers, or ratepayers as of the date its Ojai utility is transferred to CMWD (collectively, “Prepaid Funds”), CMWD intends to either (1) acquire such Prepaid Funds as part of the “Subject Property” or, alternatively, (2) deduct the amount of such Prepaid Funds from the just compensation amount to be paid.

Certain GSW Assets Excluded from Definition of “Subject Property” Subject to this Purchase Offer

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 5

The following GSW assets, to the extent they exist with respect to GSW's Ojai service area, are expressly *excluded* from the definition of "Subject Property" and are *not* part of this purchase offer: (1) working cash; and (2) materials, supplies, and personal property other than the Records and Prepaid Funds identified in clauses (7) and (8) above that are not appurtenant or affixed to the real property identified in clause (1) above or the facilities identified in clause (2) above.

Additional Information Relating to Appraisal of Subject Property

Please be advised that the appraisers' determination of just compensation and this purchase offer are based in part upon the following:

1. Date of Value: January 15, 2016.
2. Highest and Best Use of the Subject Property: Continued existing use as water utility.
3. Applicable Zoning of Real Property Parcels: (1) APN 010-0-070-160—R-0-1 (1-acre); (2) APN 010-0-210-090 (R-A, Residential-Agricultural—Unincorporated Ventura County); (3) APN 020-0-010-010 (PL—Public/Quasi Public); (4) APN 020-0-011-020 (PL—Public/Quasi Public); (5) APN 028-0-080-050 (PL—Public/Quasi Public); and (6) APN 028-0-111-020 (R-1-1/2 (0.5 acre)).
4. Identification of Sales and Contracts to Sell Supporting the Determination of Value and Information Regarding Such Transactions. See Exhibit B to this letter.
5. Larger Parcel Issues. The appraisers have determined that the Subject Property is not a part of a larger parcel.

Purchase Offer

CMWD hereby offers to pay to GSW for the Subject Property the sum of: (1) Twenty-Three Million Seven Hundred Thousand Dollars (\$23,700,000); plus (2) the discounted present value of GSW's WRAM account balance calculated as set forth above; less (3) the amount of the Prepaid Funds. This is the full amount determined by CMWD to be just compensation and is not less than the amount of the appraisal obtained by CMWD. This amount is for all property interests; if there are multiple parties entitled to share in the payment of such amounts, allocation of the just

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 6

compensation amount between or among GSW and other parties having an interest in the Subject Property will be GSW's responsibility.

Payment will be made when the title to the Subject Property vests in CMWD free and clear of all recorded and unrecorded liens, encumbrances, assessments, judgments, and taxes, except:

1. Taxes for the year in which the any real property assets are purchased, which shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the time escrow for the purchase closes;
2. Covenants, conditions, restrictions, and reservations of record that do not interfere with CMWD's proposed use of the real property assets and facilities acquired by CMWD, as reasonably determined by CMWD;
3. Easements or rights-of-way over the land for public or quasi-public utility or public street purposes, if any; and
4. Any other interests in the Property or exceptions to title appearing on a preliminary title report or litigation guarantee, which are accepted by CMWD in writing through escrow.

CMWD will pay all usual fees, charges, and costs, which arise out of the escrow.

In addition, pursuant to Code of Civil Procedure Section 1263.025, CMWD will reimburse GSW up to the amount of \$5,000.00 for the cost incurred by GSW to secure an independent appraisal of the Subject Property. If GSW wishes to take advantage of this reimbursement, please forward to the undersigned a copy of a paid invoice from an appraiser retained by GSW for this purpose. In order to qualify for this reimbursement, the appraiser selected must be a California Certified General Real Estate Appraiser in good standing.

If this offer is acceptable to GSW, please notify me in writing. Upon GSW's acceptance, CMWD will prepare and forward to you a formal purchase and sale agreement (herein, a "Purchase Agreement"). Upon CMWD's receipt of a Purchase Agreement consistent with the terms and conditions set forth in this letter, the matter will be presented to CMWD's Board of Directors for approval. It should be understood that this letter is not intended to contain all of the terms and conditions to be included in a Purchase Agreement and that no final agreement will be formed until a formal written Purchase Agreement has been approved and executed by both parties.


George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 7

If for any reason GSW is not satisfied with this offer of just compensation and it has relevant information regarding the value of the Subject Property it wishes to have CMWD consider, CMWD will be happy to do so. If you have such information, please contact me at 714-641-3441. CMWD is prepared to engage in meaningful discussions and negotiations with GSW regarding this purchase offer. In the event GSW rejects or fails to respond to this purchase offer and/or if subsequent discussions and negotiations fail to result in an executed Purchase Agreement, however, CMWD reserves the right to determine whether to acquire the Subject Property through exercise of CMWD's power of eminent domain. Before that decision is made CMWD is required by law to schedule a hearing to determine whether condemnation is justified in accordance with provisions of California's Eminent Domain Law (Code of Civil Procedure Section 1235.010 *et seq.*) and GSW is required to provide GSW with a minimum of 15 days prior notice of that hearing. If such a hearing is held and if CMWD's Board of Directors does determine at the conclusion of the hearing to acquire the Subject Property by eminent domain, GSW will have the right to have the amount of just compensation to be paid by CMWD for the Subject Property fixed by a court of law or a jury.

If GSW has any questions regarding this purchase offer, or wish to request any additional information, please contact me at your convenience. I previously provided CMWD's acquisition procedures to you with my November 17, 2015, letter. Please also let me know if GSW has any questions concerning those procedures.

Sincerely,

RUTAN & TUCKER, LLP



Jeffrey M. Oderman

JMO:mrs

cc: Steve Wickström, CMWD General Manager
John Mathews, CMWD General Counsel

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Ojai, County of Ventura, State of California, described as follows:

PARCEL 1: (TAX PARCEL 010-0-210-090)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 224.99 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE IN A DIRECT LINE NORTH 20° 32' 30" EAST 162.03 FEET TO THE SOUTHERLY TERMINUS OF THE 5TH COURSE RECITED AS "SOUTH 30° 45' WEST 119.36 FEET" IN THE FIRST EXCEPTION IN PARCEL 1 IN THE DEED TO ARTHUR E. MIMANGO, ET WX., RECORDED JULY 09, 1961, AS DOCUMENT NO. 32376, IN BOOK 2025, PAGE 107 OF OFFICIAL RECORDS, AND BEING THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 62° 27' WEST 28.95 FEET; THENCE,

2ND - SOUTH 28° 51' 15" WEST 68.22 FEET TO THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE, IN A DIRECT LINE,

3RD - NORTH 74° 30' EAST 47.74 FEET TO A POINT IN THAT CERTAIN COURSES HEREINBEFORE RECITED AS HAVING A BEARING AND LENGTH OF "NORTH 20° 32' 30" WEST 162.03 FEET". DISTANT ALONG SAID CERTAIN COURSE SOUTH 20° 32' 30" WEST 35.88 FEET FROM THE NORTHERLY TERMINUS THEREOF; THENCE, ALONG SAID LAST MENTIONED COURSE,

4TH - NORTH 20° 32' 30" WEST 35.88 TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (TAX PARCEL 010-0-070-160)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 1027.07 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 80° 55' 45" EAST 669.09 FEET; THENCE NORTH 17° 40' 30" WEST 143.41 FEET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 06° 30' 30" WEST 70 FEET; THENCE

2ND - SOUTH 69° 41' 00" EAST 68.37 FEET; THENCE,

3RD - SOUTH 17° 21' 30" WEST 43.93 FEET TO AN INTERSECTION WITH A LINE HAVING A BEARING OF NORTH 87° 26' 00" WEST AND WHICH PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE, ALONG SAID LINE,

EXHIBIT A

4TH - SOUTH 87° 26' 00" EAST 85.22 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY UPON, OVER, UNDER THROUGH AND ACROSS THOSE PORTIONS OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, FOR THE PURPOSE OF INSTALLING ENLARGING, REPLACING, MAINTAINING AND OPERATING WATER PIPE LINES AND THEIR RESPECTIVE APPURTENANCES; AND FOR THE FURTHER PURPOSE OF INGRESS AND EGRESS AND PASSAGE ACROSS WITH ALL NECESSARY MATERIALS, TOOLS, SUPPLIES AND OTHER EQUIPMENT NECESSARY FOR THE INSTALLATION, ENLARGING, REPLACING, MAINTAINING AND OPERATING OF OTHER WATER SUPPLY FACILITIES, LOCATED ON ADJACENT LAND, DESCRIBED AS STRIPS A, B, C AND D AS FOLLOWS:

STRIP A:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, AT THE NORTHERLY TERMINUS OF FOOTHILL ROAD (FORMERLY FAIRVIEW ROAD) AS SAID ROAD IS SHOWN ON THE MAP OF FOOTHILLS PARK, RECORDED IN BOOK 5, PAGE 18 OF MAPS; THENCE ALONG THE NORTHERLY PROLONGATION'S OF SAID CENTERLINE NORTH 0° 25' EAST 395 FEET TO A POINT ON THE SOUTHERLY LINE OF THE LANDS DESCRIBED IN PARCEL 3, IN THE DEED TO PAULINE HEIDELBERGER, RECORDED MAY 22, 1956, AS DOCUMENT NO. 21917, IN BOOK 1407, PAGE 475, OF OFFICIAL RECORDS, SAID LAST POINT BEING THE TRUE POINT OF BEGINNING,

1ST - NORTH 16° 50' WEST 147.08 FEET; THENCE

2ND - NORTH 07° 43' 30" WEST 138.04; THENCE

3RD - NORTH 13° 12' EAST 76.06 FEET; THENCE

4TH - NORTH 25° 20' EAST 90.15 FEET; THENCE

5TH - NORTH 23° 43' 30" EAST 125.45 FEET; THENCE

6TH - NORTH 18° 15' 30" EAST 180.28 FEET; THENCE

7TH - NORTH 10° 19' 30" EAST 121.48 FEET; THENCE

8TH - NORTH 21° 04' 30" EAST 92.57 FEET TO THE SOUTH LINE OF THE LAS PADRES NATIONAL FOREST LANDS

STRIP B:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, SAID LINE BEING THE EAST LINE OF THE LAS PADRES NATIONAL FOREST LANDS, DISTANT ALONG SAID WESTERLY LINE NORTH 224.90

EXHIBIT A

FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE

1ST - NORTH 57° 47' EAST 13.44 FEET; THENCE

2ND - NORTH 68° 58' 30" EAST 136.04 FEET; THENCE

3RD - NORTH 87° 25' 15" EAST 66.06 FEET; THENCE

4TH - NORTH 65° 00' 15" EAST 197.65 FEET; THENCE

5TH - NORTH 34° 39' 15" EAST 91.03 FEET; THENCE

6TH - NORTH 30° 09' 15" EAST 197.88 FEET; THENCE

7TH - NORTH 14° 35' 15" EAST 100.69 FEET; THENCE

8TH - NORTH 40° 56' 45" EAST 136.49 FEET; THENCE

9TH - NORTH 24° 08' EAST 65.07 FEET; THENCE

10TH - NORTH 17° 40' 30" WEST 194.15 FEET; THENCE

11TH - NORTH 06° 50' 30" WEST 134.80 FEET; THENCE

12TH - NORTH 21° 23' EAST 128.43 FEET.

STRIP C:

A STRIP OF LAND 20 FEET IN WIDTH, LYING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID WESTERLY LINE 224.90 FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - NORTH 20° 52' 50" EAST 162.03 FEET; THENCE

2ND - NORTH 50° 45' EAST 119.36 FEET; THENCE

3RD - NORTH 47° 53' EAST 141.59 FEET.

STRIP D:

A STRIP OF LAND 30 FEET IN WIDTH, LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID NORTHERLY LINE 541.71 FEET FROM THE NORTHEASTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - SOUTH 54° 59' 15" EAST 224.32 FEET; THENCE

EXHIBIT A

2ND - SOUTH 78° 59' WEST 140.79 FEET.

PARCEL 4: (A PORTION OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE, AT THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY; FROM SAID POINT OF BEGINNING, BEING THE SOUTHEAST CORNER OF LOT 10 OF OLIVE TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 6 OF MAPS WHICH BEARS NORTH 16° 15' EAST 1.16 CHAINS DISTANT; SAID POINT OF BEGINNING BEING THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO W. M. ATWOOD BY DEED DATED OCTOBER 03, 1914, RECORDED IN BOOK 144, PAGE 448 OF DEEDS; THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 16° 15' WEST 3.61 CHAINS; THENCE

2ND - WEST 5.255 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

4TH - EAST 6.265 CHAINS TO THE POINT OF BEGINNING.

PARCEL 5: (REMAINDER OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE DISTANT 6.265 CHAINS FROM THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY, AND BEING ALSO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO EDWARD D. LIBBEY, AS BY DEED DATED OCTOBER 06, 1915, AND RECORDED IN BOOK 146, PAGE 251 OF DEEDS, THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 3.47 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

2ND - WEST 8.015 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

EXHIBIT A

4TH - EAST 8.015 CHAINS TO THE POINT OF BEGINNING.

PARCEL 6: (TAX PARCEL 020-0-010-010)

A PORTION OF TRACT 8 OF THE BARD SUBDIVISION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 25 1/2 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PARCEL "A" AS SAID PARCEL IS DESCRIBED IN DEED TO FLORENCE SCOTT LIBBEY, DATED JANUARY 19, 1927 AND RECORDED IN BOOK 139, PAGE 130 OF OFFICIAL RECORDS, FROM WHICH A CROSS CUT IN THE TOP OF A STONE WALL AT THE NORTHWEST CORNER OF SAID PARCEL "A" BEARS SOUTH 70° 05' WEST 352.32 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 70° 05' EAST 288.00 FEET WITH THE NORTH LINE OF SAID PARCEL "A" TO A POINT; THENCE

2ND - SOUTH 00° 25' EAST 236.23 FEET TO A POINT; THENCE

3RD - SOUTH 89° 35' WEST 271.50 FEET TO A POINT; THENCE

4TH - NORTH 00° 25' WEST 140.16 FEET TO THE POINT OF BEGINNING.

PARCEL 7: (TAX PARCEL 028-0-111-020)

THAT PORTION OF LOT 3 OF THE COREY TRACT, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 4 OF THE SAID COREY TRACT, THE SAME BEING ALSO THE NORTHWESTERLY CORNER OF LANDS CONVEYED BY MILO E. WAITE, ET UX., TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, AND RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 3,

1ST - NORTH 16° 15' EAST 7.36 CHAINS TO THE NORTHWESTERLY CORNER OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 3,

2ND - NORTH 76° 00' EAST 300.00 FEET TO A POINT; THENCE ALONG A LINE PARALLEL TO THE WESTERLY LINE OF SAID LOT 3,

3RD - SOUTH 16° 15' WEST TO THE NORTH LINE OF THE LANDS DEEDED TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE

4TH - NORTH 77° 00' WEST 260.00 FEET MORE OR LESS ALONG SAID LAS MENTIONED LINE TO THE POINT OF BEGINNING.

PARCEL 8: (TAX PARCEL 021-0-011-020)

THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF

EXHIBIT A

CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO A POINT; THENCE,

2ND - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

3RD- WEST 179.30 FEET TO A POINT; THENCE

4TH - SOUTH 100.00 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 1; THENCE ALONG SAME,

5TH - EAST 229.30 FEET TO THE POINT OF BEGINNING, TOGETHER WITH THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING, NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

2ND- WEST 179.30 FEET TO A POINT; THENCE

3RD - NORTH 5.00 FEET TO A POINT; THENCE

4th - EAST 229.30 FEET TO A POINT IN THE WEST LINE OF SIGNAL STREET (FORMERLY WOLFE STREET); THENCE,

5TH- SOUTH 55.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ANY PORTION OF SAID LAND LYING WITH PARCEL B OF PARCEL MAP FILED IN BOOK 17, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS SHOWN AS PARCEL B ON THE LOT LINE ADJUSTMENT, RECORDED APRIL 14, 2014, AS INSTRUMENT NO. 20040401-0097052, OF OFFICIAL RECORDS.

APN(s): 010-0-210-090; 010-0-070-160; 028-0-080-050; 020-0-010-010; 028-0-111-020 and 021-0-011-020

EXHIBIT B

COMPARABLE SALES TRANSACTIONS

| | <u>Land Sale No. 1</u> | <u>Land Sale No. 2</u> | <u>Land Sale No. 3</u> | <u>Land Sale No. 4</u> | <u>Land Sale No. 5</u> | <u>Land Sale No. 6</u> | <u>Land Sale No. 7</u> |
|------------------------------------|---|--------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|---------------------------------------|
| Location | End Reeves Rd. & Ojai Valley School Rd. | End of Gridley Rd., Ojai | 567 McNeil Rd., Ojai | 1427 Fraser Land, Oak View | 1215 Grand Avenue, Ojai | La Luna/El Roblar, Ojai | Ladera Ranch/Thacher Road, Ojai |
| Sale Date | Oct-15 | Sept. 2014 | Dec. 2014 | Dec. 2014 | Mar-15 | Aug. 2014 | Aug. 2014 |
| Sales Price | \$1,950,000 | \$1,200,000 | \$680,000 | \$675,000 | \$600,000 | \$665,000 | \$400,000 |
| Acres | 46.04 | 53.98 | 5 | 2.85 | 6.72 | 10.23 | 1.23 |
| Zoning | AE | AE | RE | RA | OS-20 acre | RA-10 acres | RE-1 |
| Price Per Acre | \$42,354 | \$22,230 | \$136,000 | \$236,842 | \$89,285 | \$65,004 | N/A |
| Price Per Potential Homesite | N/A | N/A | \$680,000 | \$675,000 | \$600,000 | \$665,000 | \$400,000 |

WATER COMPANY SALES

| Sale No. | <u>Sale 1</u> | <u>Sale 2</u> | <u>Sale 3</u> | <u>Sale 4</u> | <u>Sale 5</u> | <u>Sale 6</u> |
|-------------------------|---|---|---|--|--|--|
| Seller/Buyer | Geyserville Water Company/California American Water Company | Meadowbrook Water Company/California American Water Company | Rural Water Company /Golden State Water Company | Traver Water Co./Del Oro Water Company | Valencia Water Co./Castaic Lake Water Agency | Mt. Lassen Woods/Del Oro Water Company |
| Location | Sonoma County | Merced County | San Luis Obispo County | Fresno | Santa Clarita | Shasta County |
| Sale Date | 2015 (Pending) | 2015 | 2015 | 2015 | 2012 | 2008 |
| Sales Price | \$1,300,000 | 4,975,000 | \$1,700,000 | \$250,000 | \$58,640,000 | \$165,000 |
| No. Meters | 318 | 1,638 | 950 | 180 | 30,411 | 132 |
| CPUC-Approved Rate Base | \$902,303 | \$1,963,352 | \$590,000 | \$250,000 | \$44,318,000 | \$165,000 |
| Price/Meter | \$4,088 | \$3,037 | \$1,789 | \$1,388 | \$1,928 | \$1,250 |
| Net Income | \$90,952 | \$430,235 | \$151,147 | \$25,258 | \$3,825,000 | \$8,651 |
| NOI/Meter | \$286 | \$262 | \$159 | \$140 | \$125 | \$65 |
| CPUC Approved | Pending | Approved | Approved | Pending | Friendly Eminent Domain | Approved |
| Type Buyer | Private Investor Class A | Private Investor Class A | Private Investor Class A | Private Investor Class B | Public Agency Buyer | Private Investor Class B, CPUC |

* Not including WRAM and Construction In Progress Accounts

EXHIBIT F

EXHIBIT F

Oderman, Jeff

From: Soneff, George <GSoneff@manatt.com>
Sent: Monday, March 07, 2016 5:00 PM
To: Oderman, Jeff
Subject: RE: Casitas MWD Purchase Offer for GSW's Ojai System

Jeff,

Golden State's Ojai water system is not for sale. It is apparent that Casitas is preparing to attempt to take Golden State's Ojai system by eminent domain, so at this time it appears that there is nothing to be negotiated.

However, I do have a question: Will Casitas undertake any sort of CEQA review for its project to take and operate the Ojai water system? If so, I would appreciate your sharing whatever you are free to tell me about the nature and timing of that review.

Thanks,
George

George Soneff
Partner

Manatt, Phelps & Phillips, LLP
11355 W. Olympic Blvd
Los Angeles, CA 90064
D (310) 312-4186 F (310) 996-6970

GSoneff@manatt.com
manatt.com

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From: Oderman, Jeff [mailto:joderman@rutan.com]
Sent: Sunday, March 06, 2016 11:11 AM
To: Soneff, George
Subject: Casitas MWD Purchase Offer for GSW's Ojai System

George—I am writing as a follow-up to the purchase offer I sent to you on 2/26/16. I have not received a substantive reply yet but Denise Kruger, Golden State's Sr. VP for Regulated Utilities, was quoted in the Ojai Valley News as saying that Golden State's Ojai system is "not for sale." Casitas is interested in negotiating a voluntary acquisition if possible. Please let me know if Golden State is willing to negotiate a voluntary sale. If not, then Casitas will proceed to schedule a resolution of necessity hearing. Thanks, Jeff

Jeffrey M. Oderman

Rutan & Tucker, LLP
611 Anton Boulevard, 14th Floor
Costa Mesa, CA 92626
(714) 641-3441 (direct)

joderman@rutan.com

www.rutan.com

RUTAN

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EXHIBIT G

EXHIBIT G

**NOTICE OF HEARING TO CONSIDER ADOPTION OF
RESOLUTION OF NECESSITY TO ACQUIRE CERTAIN REAL
AND INCIDENTAL INTANGIBLE PROPERTY AND PROPERTY
INTERESTS BY EMINENT DOMAIN**

(California Code of Civil Procedure section 1245.235)

TO GOLDEN STATE WATER COMPANY AND ANY AND ALL OTHER OWNERS
OF AND PERSONS INTERESTED IN THE PROPERTY HEREINAFTER DESCRIBED:

PLEASE TAKE NOTICE that, on April 13, 2016, at 3:00 p.m., the Board of Directors of the Casitas Municipal Water District ("CMWD") will hold a meeting in the Oak View Park Community Park and Resource Center Board Room located at 555 Mahoney Avenue, Oak View, CA 93022, at which time CMWD's Board of Directors will consider adopting a resolution of necessity for taking by eminent domain the real and incidental property and property interests described as the "Subject Property" at pages 1 through 5 of the February 26, 2016, letter from Jeffrey M. Oderman to George M. Soneff, a copy of which is attached hereto as Exhibit A. The purpose of CMWD's acquisition of the Subject Property is to convert the privately owned, operated, and held Golden State Water Company Ojai service area to public ownership and control by CMWD (the "Proposed Public Use" or "Project").

PLEASE TAKE FURTHER NOTICE that:

It is the intent of CMWD's Board of Directors to consider adoption of a resolution of necessity for the taking of the Subject Property by CMWD.

Each person whose property is to be acquired by eminent domain and whose name and address appears on the last equalized Ventura County assessment roll with respect to such property is entitled to appear and be heard at said meeting of CMWD's Board of Directors with respect to the matters referred to in Code of Civil Procedure section 1240.030. Accordingly, you have the right to appear and be heard on the following matters:

- (a) Whether the public interest and necessity require the project for which the property is sought to be acquired;
- (b) Whether the project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
- (c) Whether the property sought to be acquired is necessary for the proposed project; and
- (d) Whether the offer required by Section 7267.2 of the California Government Code has been made to the owner of record.

At the hearing on the proposed resolution of necessity, you may object to the adoption of a resolution of necessity for the taking of the Subject Property. You may object as to whether the conditions stated in Code of Civil Procedure section 1240.030 have been met, and as to whether the offer required by Government Code section 7267.2 has been made to the owner or owners of record of the property, including whether the written appraisal statement required by Government Code section 7267.2 has been provided to the owner or owners of the property. The amount of compensation to be paid will not be an issue at the hearing.

Pursuant to California Code of Civil Procedure section 1245.235(b)(3), your failure to file a written request with CMWD to appear and be heard within 15 days from the date that this Notice is mailed may result in the waiver of your right to appear and be heard on the above-stated matters and issues that are the subject of the hearing. If you wish to appear and be heard by CMWD with respect to said proposed resolution of necessity, you should file with CMWD as soon as possible a written request to appear and be heard. A written request to appear and be heard should be filed with: Clerk of the Board, Casitas Municipal Water District, 1055 Ventura Avenue, Oak View, CA 93022.

DATE OF HEARING: Wednesday, April 13, 2016, at 3:00 p.m.

PLACE OF HEARING: Oak View Park Community Park
and Resource Center
555 Mahoney Avenue
Oak View, CA 93022

RUTAN & TUCKER, LLP

DATED: March 25, 2016

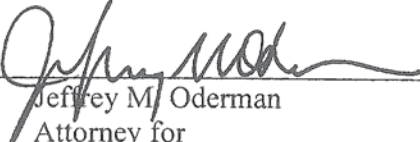
By: 
Jeffrey M. Oderman
Attorney for
Casitas Municipal Water District

EXHIBIT A

EXHIBIT A

February 26, 2016

**VIA E-MAIL AND
FIRST CLASS MAIL**

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
11355 W. Olympic Blvd.
Los Angeles, CA 90064

Re: Golden State Water Company's Ojai Service Area; Purchase Offer

Dear Mr. Soneff:

I am writing to you in your capacity as the attorney for the Golden State Water Company ("GSW"). If you prefer that I send a copy of this letter to some other person or persons at GSW, please provide me with his/her/their contact information and I will do so.

As you know, Rutan & Tucker LLP represents the Casitas Municipal Water District ("CMWD"). As I stated in my November 17, 2015, CMWD desires to acquire the tangible and incidental intangible property and property rights and assets owned or held by GSW with respect to GSW's Ojai service area (collectively, and as more particularly described below, the "Subject Property"), in accordance with Resolution No. 13-12 adopted by CMWD's Board of Directors on March 13, 2013. The purpose of CMWD's acquisition is to convert the privately owned and held GSW Ojai service area to public ownership and control (the "Proposed Public Use"). CMWD has now obtained an appraisal of the Subject Property. The appraisal was conducted by Bruce W. Hull & Associates Inc. and Bruce W. Hull, MAI, and Wayne Lusvardi, Associate. CMWD's Board of Directors has considered the appraisal of the Subject Property and has authorized me to present this offer of just compensation to you, on behalf of GSW. CMWD is offering the full amount reflected in the appraisal as the fair market value for the Subject Property.

Description of Subject Property

To reiterate what I stated in my November 17, 2015, letter, I wrote to you back on July 6, 2015, and followed up by email on September 17, 2015, requesting that GSW cooperate with CMWD in identifying GSW's assets in and with respect to its Ojai service area so that CMWD could better ensure that its appraisal "is as specific as possible and neither under-inclusive nor over-inclusive." In your September 24, 2015, reply you stated that GSW "has no interest in participating in a pre-condemnation asset review process." Accordingly, CMWD has made a diligent effort to identify the various elements comprising the Subject Property to the best of its ability based on the public resources available to it and, without limiting CMWD's right to add (or

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 2

subtract) GSW property and property interests at a later date, the Subject Property addressed in this purchase offer includes, but is not limited to, the following:

1. Real Property Ownership Interests. Based on a preliminary title report prepared by First American Title Insurance Company, CMWD has identified the properties and easement rights described in Exhibit A to this letter as being owned by GSW that are part of the Subject Property and included within this purchase offer.

2. Facilities.

2.1 Wells. (1) Gorham Well 1; (2) Mutual Well 4; (3) Mutual Well 5; (4) San Antonio Well 3; (5) San Antonio Well 4; and (6) Mutual Well 3; in all cases including all appurtenant equipment and facilities attached or affixed to such well facilities, including without limitation generators, pressure filters, chemical storage and dosing equipment, buildings, and SCADA controls.

2.2 Storage Tanks. (1) Fairview; (2) Heidelberg; (3) Running Ridge 1; (4) Running Ridge 2; (5) San Antonio Forebay; and (6) Signal; in all cases including all appurtenant equipment and facilities attached or affixed to such storage tanks.

2.3 Hydro-Pneumatic Tanks. Heidelberg Hydro-Pneumatic Tank, including all appurtenant equipment and facilities attached or affixed to such tank.

2.4 Pumping Stations. CMWD's appraisers have identified five (5) pumping stations owned/operated by GSW that convey water from ground level tanks into the distribution system or from lower- to higher-pressure zones in the GSW system: Signal, Heidelberg, Fairview, Valley View, and San Antonio/Mutual Forebay. Each pumping station has two (2) pumps. The Fairview and San Antonio Booster Stations have one empty can for a full booster pump. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.5 Pressure Regulating and Control Stations. CMWD's appraisers have identified three (3) pressure regulating and control valve stations in the GSW system: at the Montana-Cuyama/CMWD Interconnection, at Saddle Lane, and Ventura Street. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 3

2.6 Water Transmission and Distribution Pipelines. Based upon GSW's 2009 Master Plan, CMWD's appraisers have estimated there are approximately thirty-two (32) miles of pipelines in the GSW/Ojai system, consisting of the following: (1) approximately 24,475 linear feet of 4" pipe; (2) approximately 53,441 linear feet of 6" pipe; (3) approximately 71,077 linear feet of 8" pipe; (4) approximately 7,557 linear feet of 10" pipe; (5) approximately 15,628 linear feet of 12" pipe; and (6) approximately 341 linear feet of 16" pipe. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.7 Additions, Deletions, Alterations to GSW's Facilities. CMWD acknowledges that GSW's Ojai facilities are not static and change over time. CMWD believes the description of GSW's Ojai facilities in subparagraphs 2.1-2.6 is accurate and complete as of the date this letter is being delivered, but to the extent this letter inadvertently fails to expressly describe one or more of GSW's Ojai facilities or GSW adds to, improves, or alters its Ojai facilities after the date of this letter and before a final purchase is consummated, CMWD hereby notifies GSW that it desires to purchase all of GSW's Ojai facilities (except to the extent expressly excluded from this purchase offer) and if any such new, improved, or altered facility or facilities has not already been taken into consideration by CMWD's appraisers, CMWD is prepared to modify its appraisal and/or make an appropriate equitable adjustment to this purchase offer to account for such changes.

3. Easements, Franchise Rights, and Similar Interests. All of GSW's easements, licenses, rights-of-entry, franchise rights, and other similar property interests in and with respect to its Ojai service area, including without limitation all of GSW's rights (and obligations) as set forth in Ordinance No. 382 adopted by the City Council of the City of Ojai on May 8, 1967, as the same may have been amended from time to time (granting a franchise to Southern California Water Company).

4. Water Rights. All appropriative water rights, if any, of GSW in and with respect to its Ojai service area.

5. WRAM Account Balance. CMWD acknowledges that, based upon the Water Rate Adjustment Mechanism ("WRAM") billing system approved by the California Public Utilities Commission ("CPUC"), GSW may have an accrued right to collect additional fees and charges from its Ojai customers as of the date its Ojai utility is transferred to CMWD. CMWD's latest information is that GSW's total accrued WRAM account balance is approximately \$2,449,615 and that, if GSW were to continue to be the service provider in Ojai, it would be paid that amount (as

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 4

a surcharge on water bills) over a period of 46 months. (GSW Advice Letter 1650-W, filed with CPUC on or about February 22, 2016). CMWD acknowledges that it is obligated to “make whole” GSW with respect to its accrued and unpaid WRAM account balance. Since the accrued balance in the WRAM account changes over time, however, this purchase offer is being expressed as the fair market value of the Subject Property *without* taking the WRAM account balance into consideration and, *in addition*, CMWD is offering to pay to GSW the accrued and unpaid WRAM account balance as of the date of transfer, with said amount discounted over the term it would otherwise be received by GSW through its billing system to the then-present value using a discount rate of 3% per annum.

6. Books and Records. All of GSW’s books and records (herein, collectively, “Records”) relating to its Ojai service area, including without limitation (1) all Records containing customer account information, including without limitation all customer billing records, payment records, delinquent payment history information, security deposit information, and the like; (2) all Records containing planning, design, and engineering information related to GSW’s Facilities in its Ojai service area (see clause (2) above), including without limitation plans and specifications, as-built drawings, CAD files, inspection, maintenance, and repair and replacement logs and reports; and (3) to the extent not addressed in clauses (1) and (2) of this subparagraph (6), all Records relating to the items listed in subparagraphs (1)-(5) above, inclusive. As used herein, the term “Records” includes all writings prepared, owned, used, or retained by GSW or any of its affiliated entities regardless of physical form or characteristics. As used herein, the term “writing” means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.

7. Prepaid Fees and Charges and Refundable Deposits. To the extent GSW possesses or holds any prepaid fees and charges or any refundable deposits from property owners, customers, or ratepayers as of the date its Ojai utility is transferred to CMWD (collectively, “Prepaid Funds”), CMWD intends to either (1) acquire such Prepaid Funds as part of the “Subject Property” or, alternatively, (2) deduct the amount of such Prepaid Funds from the just compensation amount to be paid.

Certain GSW Assets Excluded from Definition of “Subject Property” Subject to this Purchase Offer

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 5

The following GSW assets, to the extent they exist with respect to GSW's Ojai service area, are expressly *excluded* from the definition of "Subject Property" and are *not* part of this purchase offer: (1) working cash; and (2) materials, supplies, and personal property other than the Records and Prepaid Funds identified in clauses (7) and (8) above that are not appurtenant or affixed to the real property identified in clause (1) above or the facilities identified in clause (2) above.

Additional Information Relating to Appraisal of Subject Property

Please be advised that the appraisers' determination of just compensation and this purchase offer are based in part upon the following:

1. Date of Value: January 15, 2016.
2. Highest and Best Use of the Subject Property: Continued existing use as water utility.
3. Applicable Zoning of Real Property Parcels: (1) APN 010-0-070-160—R-0-1 (1-acre); (2) APN 010-0-210-090 (R-A, Residential-Agricultural—Unincorporated Ventura County); (3) APN 020-0-010-010 (PL—Public/Quasi Public); (4) APN 020-0-011-020 (PL—Public/Quasi Public); (5) APN 028-0-080-050 (PL—Public/Quasi Public); and (6) APN 028-0-111-020 (R-1-1/2 (0.5 acre)).
4. Identification of Sales and Contracts to Sell Supporting the Determination of Value and Information Regarding Such Transactions. See Exhibit B to this letter.
5. Larger Parcel Issues. The appraisers have determined that the Subject Property is not a part of a larger parcel.

Purchase Offer

CMWD hereby offers to pay to GSW for the Subject Property the sum of: (1) Twenty-Three Million Seven Hundred Thousand Dollars (\$23,700,000); plus (2) the discounted present value of GSW's WRAM account balance calculated as set forth above; less (3) the amount of the Prepaid Funds. This is the full amount determined by CMWD to be just compensation and is not less than the amount of the appraisal obtained by CMWD. This amount is for all property interests; if there are multiple parties entitled to share in the payment of such amounts, allocation of the just

George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 6

compensation amount between or among GSW and other parties having an interest in the Subject Property will be GSW's responsibility.

Payment will be made when the title to the Subject Property vests in CMWD free and clear of all recorded and unrecorded liens, encumbrances, assessments, judgments, and taxes, except:

1. Taxes for the year in which the any real property assets are purchased, which shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the time escrow for the purchase closes;
2. Covenants, conditions, restrictions, and reservations of record that do not interfere with CMWD's proposed use of the real property assets and facilities acquired by CMWD, as reasonably determined by CMWD;
3. Easements or rights-of-way over the land for public or quasi-public utility or public street purposes, if any; and
4. Any other interests in the Property or exceptions to title appearing on a preliminary title report or litigation guarantee, which are accepted by CMWD in writing through escrow.

CMWD will pay all usual fees, charges, and costs, which arise out of the escrow.

In addition, pursuant to Code of Civil Procedure Section 1263.025, CMWD will reimburse GSW up to the amount of \$5,000.00 for the cost incurred by GSW to secure an independent appraisal of the Subject Property. If GSW wishes to take advantage of this reimbursement, please forward to the undersigned a copy of a paid invoice from an appraiser retained by GSW for this purpose. In order to qualify for this reimbursement, the appraiser selected must be a California Certified General Real Estate Appraiser in good standing.

If this offer is acceptable to GSW, please notify me in writing. Upon GSW's acceptance, CMWD will prepare and forward to you a formal purchase and sale agreement (herein, a "Purchase Agreement"). Upon CMWD's receipt of a Purchase Agreement consistent with the terms and conditions set forth in this letter, the matter will be presented to CMWD's Board of Directors for approval. It should be understood that this letter is not intended to contain all of the terms and conditions to be included in a Purchase Agreement and that no final agreement will be formed until a formal written Purchase Agreement has been approved and executed by both parties.


George M. Soneff, Esq.
Manatt, Phelps & Phillips, LLP
February 26, 2016
Page 7

If for any reason GSW is not satisfied with this offer of just compensation and it has relevant information regarding the value of the Subject Property it wishes to have CMWD consider, CMWD will be happy to do so. If you have such information, please contact me at 714-641-3441. CMWD is prepared to engage in meaningful discussions and negotiations with GSW regarding this purchase offer. In the event GSW rejects or fails to respond to this purchase offer and/or if subsequent discussions and negotiations fail to result in an executed Purchase Agreement, however, CMWD reserves the right to determine whether to acquire the Subject Property through exercise of CMWD's power of eminent domain. Before that decision is made CMWD is required by law to schedule a hearing to determine whether condemnation is justified in accordance with provisions of California's Eminent Domain Law (Code of Civil Procedure Section 1235.010 *et seq.*) and GSW is required to provide GSW with a minimum of 15 days prior notice of that hearing. If such a hearing is held and if CMWD's Board of Directors does determine at the conclusion of the hearing to acquire the Subject Property by eminent domain, GSW will have the right to have the amount of just compensation to be paid by CMWD for the Subject Property fixed by a court of law or a jury.

If GSW has any questions regarding this purchase offer, or wish to request any additional information, please contact me at your convenience. I previously provided CMWD's acquisition procedures to you with my November 17, 2015, letter. Please also let me know if GSW has any questions concerning those procedures.

Sincerely,

RUTAN & TUCKER, LLP



Jeffrey M. Oderman

JMO:mrs

cc: Steve Wickström, CMWD General Manager
John Mathews, CMWD General Counsel

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Ojai, County of Ventura, State of California, described as follows:

PARCEL 1: (TAX PARCEL 010-0-210-090)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 224.99 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE IN A DIRECT LINE NORTH 20° 32' 30" EAST 162.03 FEET TO THE SOUTHERLY TERMINUS OF THE 5TH COURSE RECITED AS "SOUTH 30° 45' WEST 119.36 FEET" IN THE FIRST EXCEPTION IN PARCEL 1 IN THE DEED TO ARTHUR E. MIMANGO, ET WX., RECORDED JULY 09, 1961, AS DOCUMENT NO. 32376, IN BOOK 2025, PAGE 107 OF OFFICIAL RECORDS, AND BEING THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 62° 27' WEST 28.95 FEET; THENCE,

2ND - SOUTH 28° 51' 15" WEST 68.22 FEET TO THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE, IN A DIRECT LINE,

3RD - NORTH 74° 30' EAST 47.74 FEET TO A POINT IN THAT CERTAIN COURSES HEREINBEFORE RECITED AS HAVING A BEARING AND LENGTH OF "NORTH 20° 32' 30" WEST 162.03 FEET". DISTANT ALONG SAID CERTAIN COURSE SOUTH 20° 32' 30 WEST 35.88 FEET FROM THE NORTHERLY TERMINUS THEREOF; THENCE, ALONG SAID LAST MENTIONED COURSE,

4TH - NORTH 20° 32' 30" WEST 35.88 TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (TAX PARCEL 010-0-070-160)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 1027.07 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 80° 55' 45" EAST 669.09 FEET; THENCE NORTH 17° 40' 30" WEST 143.41 FEET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 06° 30' 30" WEST 70 FEET; THENCE

2ND - SOUTH 69° 41' 00" EAST 68.37 FEET; THENCE,

3RD - SOUTH 17° 21' 30" WEST 43.93 FEET TO AN INTERSECTION WITH A LINE HAVING A BEARING OF NORTH 87° 26' 00" WEST AND WHICH PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE, ALONG SAID LINE,

EXHIBIT A

4TH - SOUTH 87° 26' 00" EAST 85.22 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY UPON, OVER, UNDER THROUGH AND ACROSS THOSE PORTIONS OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, FOR THE PURPOSE OF INSTALLING ENLARGING, REPLACING, MAINTAINING AND OPERATING WATER PIPE LINES AND THEIR RESPECTIVE APPURTENANCES; AND FOR THE FURTHER PURPOSE OF INGRESS AND EGRESS AND PASSAGE ACROSS WITH ALL NECESSARY MATERIALS, TOOLS, SUPPLIES AND OTHER EQUIPMENT NECESSARY FOR THE INSTALLATION, ENLARGING, REPLACING, MAINTAINING AND OPERATING OF OTHER WATER SUPPLY FACILITIES, LOCATED ON ADJACENT LAND, DESCRIBED AS STRIPS A, B, C AND D AS FOLLOWS:

STRIP A:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, AT THE NORTHERLY TERMINUS OF FOOTHILL ROAD (FORMERLY FAIRVIEW ROAD) AS SAID ROAD IS SHOWN ON THE MAP OF FOOTHILLS PARK, RECORDED IN BOOK 5, PAGE 18 OF MAPS; THENCE ALONG THE NORTHERLY PROLONGATION'S OF SAID CENTERLINE NORTH 0° 25' EAST 395 FEET TO A POINT ON THE SOUTHERLY LINE OF THE LANDS DESCRIBED IN PARCEL 3, IN THE DEED TO PAULINE HEIDELBERGER, RECORDED MAY 22, 1956, AS DOCUMENT NO. 21917, IN BOOK 1407, PAGE 475, OF OFFICIAL RECORDS, SAID LAST POINT BEING THE TRUE POINT OF BEGINNING,

1ST - NORTH 16° 50' WEST 147.08 FEET; THENCE

2ND - NORTH 07° 43' 30" WEST 138.04; THENCE

3RD - NORTH 13° 12' EAST 76.06 FEET; THENCE

4TH - NORTH 25° 20' EAST 90.15 FEET; THENCE

5TH - NORTH 23° 43' 30" EAST 125.45 FEET; THENCE

6TH - NORTH 18° 15' 30" EAST 180.28 FEET; THENCE

7TH - NORTH 10° 19' 30" EAST 121.48 FEET; THENCE

8TH - NORTH 21° 04' 30" EAST 92.57 FEET TO THE SOUTH LINE OF THE LAS PADRES NATIONAL FOREST LANDS

STRIP B:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, SAID LINE BEING THE EAST LINE OF THE LAS PADRES NATIONAL FOREST LANDS, DISTANT ALONG SAID WESTERLY LINE NORTH 224.90

EXHIBIT A

FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE

1ST - NORTH 57° 47' EAST 13.44 FEET; THENCE

2ND - NORTH 68° 58' 30" EAST 136.04 FEET; THENCE

3RD - NORTH 87° 25' 15" EAST 66.06 FEET; THENCE

4TH - NORTH 65° 00' 15" EAST 197.65 FEET; THENCE

5TH - NORTH 34° 39' 15" EAST 91.03 FEET; THENCE

6TH - NORTH 30° 09' 15" EAST 197.88 FEET; THENCE

7TH - NORTH 14° 35' 15" EAST 100.69 FEET; THENCE

8TH - NORTH 40° 56' 45" EAST 136.49 FEET; THENCE

9TH - NORTH 24° 08' EAST 65.07 FEET; THENCE

10TH - NORTH 17° 40' 30" WEST 194.15 FEET; THENCE

11TH - NORTH 06° 50' 30" WEST 134.80 FEET; THENCE

12TH - NORTH 21° 23' EAST 128.43 FEET.

STRIP C:

A STRIP OF LAND 20 FEET IN WIDTH, LYING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID WESTERLY LINE 224.90 FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - NORTH 20° 52' 50" EAST 162.03 FEET; THENCE

2ND - NORTH 50° 45' EAST 119.36 FEET; THENCE

3RD - NORTH 47° 53' EAST 141.59 FEET.

STRIP D:

A STRIP OF LAND 30 FEET IN WIDTH, LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID NORTHERLY LINE 541.71 FEET FROM THE NORTHEASTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - SOUTH 54° 59' 15" EAST 224.32 FEET; THENCE

EXHIBIT A

2ND - SOUTH 78° 59' WEST 140.79 FEET.

PARCEL 4: (A PORTION OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE, AT THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY; FROM SAID POINT OF BEGINNING, BEING THE SOUTHEAST CORNER OF LOT 10 OF OLIVE TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 6 OF MAPS WHICH BEARS NORTH 16° 15' EAST 1.16 CHAINS DISTANT; SAID POINT OF BEGINNING BEING THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO W. M. ATWOOD BY DEED DATED OCTOBER 03, 1914, RECORDED IN BOOK 144, PAGE 448 OF DEEDS; THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 16° 15' WEST 3.61 CHAINS; THENCE

2ND - WEST 5.255 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

4TH - EAST 6.265 CHAINS TO THE POINT OF BEGINNING.

PARCEL 5: (REMAINDER OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE DISTANT 6.265 CHAINS FROM THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY, AND BEING ALSO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO EDWARD D. LIBBEY, AS BY DEED DATED OCTOBER 06, 1915, AND RECORDED IN BOOK 146, PAGE 251 OF DEEDS, THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 3.47 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

2ND - WEST 8.015 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

EXHIBIT A

4TH - EAST 8.015 CHAINS TO THE POINT OF BEGINNING.

PARCEL 6: (TAX PARCEL 020-0-010-010)

A PORTION OF TRACT 8 OF THE BARD SUBDIVISION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 25 1/2 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PARCEL "A" AS SAID PARCEL IS DESCRIBED IN DEED TO FLORENCE SCOTT LIBBEY, DATED JANUARY 19, 1927 AND RECORDED IN BOOK 139, PAGE 130 OF OFFICIAL RECORDS, FROM WHICH A CROSS CUT IN THE TOP OF A STONE WALL AT THE NORTHWEST CORNER OF SAID PARCEL "A" BEARS SOUTH 70° 05' WEST 352.32 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 70° 05' EAST 288.00 FEET WITH THE NORTH LINE OF SAID PARCEL "A" TO A POINT; THENCE

2ND - SOUTH 00° 25' EAST 236.23 FEET TO A POINT; THENCE

3RD - SOUTH 89° 35' WEST 271.50 FEET TO A POINT; THENCE

4TH - NORTH 00° 25' WEST 140.16 FEET TO THE POINT OF BEGINNING.

PARCEL 7: (TAX PARCEL 028-0-111-020)

THAT PORTION OF LOT 3 OF THE COREY TRACT, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 4 OF THE SAID COREY TRACT, THE SAME BEING ALSO THE NORTHWESTERLY CORNER OF LANDS CONVEYED BY MILO E. WAITE, ET UX., TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, AND RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 3,

1ST - NORTH 16° 15' EAST 7.36 CHAINS TO THE NORTHWESTERLY CORNER OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 3,

2ND - NORTH 76° 00' EAST 300.00 FEET TO A POINT; THENCE ALONG A LINE PARALLEL TO THE WESTERLY LINE OF SAID LOT 3,

3RD - SOUTH 16° 15' WEST TO THE NORTH LINE OF THE LANDS DEEDED TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE

4TH - NORTH 77° 00' WEST 260.00 FEET MORE OR LESS ALONG SAID LAS MENTIONED LINE TO THE POINT OF BEGINNING.

PARCEL 8: (TAX PARCEL 021-0-011-020)

THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF

EXHIBIT A

CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO A POINT; THENCE,

2ND - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

3RD- WEST 179.30 FEET TO A POINT; THENCE

4TH - SOUTH 100.00 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 1; THENCE ALONG SAME,

5TH - EAST 229.30 FEET TO THE POINT OF BEGINNING, TOGETHER WITH THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING, NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

2ND- WEST 179.30 FEET TO A POINT; THENCE

3RD - NORTH 5.00 FEET TO A POINT; THENCE

4th - EAST 229.30 FEET TO A POINT IN THE WEST LINE OF SIGNAL STREET (FORMERLY WOLFE STREET); THENCE,

5TH- SOUTH 55.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ANY PORTION OF SAID LAND LYING WITH PARCEL B OF PARCEL MAP FILED IN BOOK 17, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS SHOWN AS PARCEL B ON THE LOT LINE ADJUSTMENT, RECORDED APRIL 14, 2014, AS INSTRUMENT NO. 20040401-0097052, OF OFFICIAL RECORDS.

APN(s): 010-0-210-090; 010-0-070-160; 028-0-080-050; 020-0-010-010; 028-0-111-020 and 021-0-011-020

EXHIBIT B

COMPARABLE SALES TRANSACTIONS

| | <u>Land Sale No. 1</u> | <u>Land Sale No. 2</u> | <u>Land Sale No. 3</u> | <u>Land Sale No. 4</u> | <u>Land Sale No. 5</u> | <u>Land Sale No. 6</u> | <u>Land Sale No. 7</u> |
|------------------------------------|---|--------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|---------------------------------------|
| Location | End Reeves Rd. & Ojai Valley School Rd. | End of Gridley Rd., Ojai | 567 McNeil Rd., Ojai | 1427 Fraser Land, Oak View | 1215 Grand Avenue, Ojai | La Luna/El Roblar, Ojai | Ladera Ranch/Thacher Road, Ojai |
| Sale Date | Oct-15 | Sept. 2014 | Dec. 2014 | Dec. 2014 | Mar-15 | Aug. 2014 | Aug. 2014 |
| Sales Price | \$1,950,000 | \$1,200,000 | \$680,000 | \$675,000 | \$600,000 | \$665,000 | \$400,000 |
| Acres | 46.04 | 53.98 | 5 | 2.85 | 6.72 | 10.23 | 1.23 |
| Zoning | AE | AE | RE | RA | OS-20 acre | RA-10 acres | RE-1 |
| Price Per Acre | \$42,354 | \$22,230 | \$136,000 | \$236,842 | \$89,285 | \$65,004 | N/A |
| Price Per Potential Homesite | N/A | N/A | \$680,000 | \$675,000 | \$600,000 | \$665,000 | \$400,000 |

WATER COMPANY SALES

| Sale No. | <u>Sale 1</u> | <u>Sale 2</u> | <u>Sale 3</u> | <u>Sale 4</u> | <u>Sale 5</u> | <u>Sale 6</u> |
|-------------------------|---|---|---|--|--|--|
| Seller/Buyer | Geyserville Water Company/California American Water Company | Meadowbrook Water Company/California American Water Company | Rural Water Company /Golden State Water Company | Traver Water Co./Del Oro Water Company | Valencia Water Co./Castaic Lake Water Agency | Mt. Lassen Woods/Del Oro Water Company |
| Location | Sonoma County | Merced County | San Luis Obispo County | Fresno | Santa Clarita | Shasta County |
| Sale Date | 2015 (Pending) | 2015 | 2015 | 2015 | 2012 | 2008 |
| Sales Price | \$1,300,000 | 4,975,000 | \$1,700,000 | \$250,000 | \$58,640,000 | \$165,000 |
| No. Meters | 318 | 1,638 | 950 | 180 | 30,411 | 132 |
| CPUC-Approved Rate Base | \$902,303 | \$1,963,352 | \$590,000 | \$250,000 | \$44,318,000 | \$165,000 |
| Price/Meter | \$4,088 | \$3,037 | \$1,789 | \$1,388 | \$1,928 | \$1,250 |
| Net Income | \$90,952 | \$430,235 | \$151,147 | \$25,258 | \$3,825,000 | \$8,651 |
| NOI/Meter | \$286 | \$262 | \$159 | \$140 | \$125 | \$65 |
| CPUC Approved | Pending | Approved | Approved | Pending | Friendly Eminent Domain | Approved |
| Type Buyer | Private Investor Class A | Private Investor Class A | Private Investor Class A | Private Investor Class B | Public Agency Buyer | Private Investor Class B, CPUC |

* Not including WRAM and Construction In Progress Accounts

APR 08 2016

manatt
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April 8, 2016

BY HAND DELIVERY

Clerk of the Board
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, CA 93022

Re: April 13, 2016 Casitas Municipal Water District Hearing
Resolution of Necessity re Golden State Water Company

Dear Clerk of the Board:

As counsel for Golden State Water Company, we have received the document titled "Notice of Hearing to Consider Adoption of Resolution of Necessity to Acquire Certain Real and Incidental Intangible Property and Property Interests By Eminent Domain," dated March 25, 2016 ("the Notice"). The Notice states that the Board of Directors of the Casitas Municipal Water District ("CMWD") will hold a meeting on April 13, 2016, to consider adopting a "resolution of necessity for taking by eminent domain the real and incidental property and property interests described as the 'Subject Property'" in another letter from Jeffrey Oderman to me dated February 26, 2016. This letter constitutes Golden State Water Company's ("Golden State") written request to appear and be heard pursuant to Code Civ. Proc. §1245.235(b)(3).

Golden State objects to CMWD adopting resolutions of necessity as stated in the Notice on, *inter alia*, the grounds stated below. Golden State requests that this letter be made part of the record of proceedings for the hearing referenced in the Notice.

The Notice is Inadequate

The Notice here fails to comply with statutory requirements. Code Civ. Proc. §1240.030 specifically references three matters which must be established in order for the power of eminent domain to be exercised. Specifically, the three matters referred to in Code Civ. Proc. §1240.030 are:

- “(a) The public interest and necessity require the project.
- (b) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

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Clerk of the Board
April 8, 2016
Page 2

(c) The property sought to be acquired is necessary for the project.”

Under Code Civ. Proc. §1245.235(a), the governing body of the public entity is required to provide notice and an opportunity to be heard “on the matters referred to in Section 1240.030.” (See also, Code Civ. Proc. §1245.235 subdivisions (c) and (b)(2) to the same effect.)

The Notice is improper because it purports to require Golden State to be heard on *more* than “the matters referred to in Section 1240.030.” The Notice recites the three matters “referred to in Section 1240.030,” but then proceeds to add an additional matter not referred to in Section 1240.030 – “(d) Whether the offer required by Section 7267.2 of the California Government Code has been made to the owner of record.” Golden State is not obligated to appear and be heard on matters not referred to in Section 1240.030, such as matter (d) in the Notice.

Any discussion herein regarding factors other than the three matters referred to in Section 1240.030 is not intended to be, and shall not be construed as, a waiver of Golden State’s position that such matters are not proper matters for consideration at the hearing.

In addition, the Notice is required to state “[t]he intent of the governing body to adopt the resolution,” pursuant to Code Civ. Proc. §1245.235(b)(1). The Notice merely states that CMWD’s Board of Directors “will *consider* adopting a resolution of necessity,” but not that CMWD *intends to adopt* a resolution of necessity, which is what the statute requires.

The defective Notice prevents CMWD from adopting a proper resolution of necessity at the hearing.

There Is No Proper Description of the Project

The three matters referred to in Code Civ. Proc. §1240.030 each relate to “the project.” Accordingly, “the project” must be adequately defined so the statutory analysis can properly be performed.

The Notice states that “[t]he purpose of CMWD’s acquisition of the Subject Property is to convert the privately owned, operated, and held Golden State Water Company Ojai service area to public ownership and control by CMWD.” This is not an intelligible description of a project. See, e.g., *City of Stockton v. Marina Towers LLC*, 171 Cal. App. 4th 93, 108 (2009) (“[i]t is inconceivable that the Legislature intended to permit a public entity to circumvent all [] defenses by defining the project in language that is either hopelessly vague or so broad that it encompasses virtually every conceivable public use”). This is a separate basis for why the determinations required by Code Civ. Proc. §§1240.030(a), (b), and (c) cannot be made.

Clerk of the Board
April 8, 2016
Page 3

CMWD has not Certified an Adequate Environmental Impact Report in Compliance with the California Environmental Quality Act ("CEQA") Public Res. C. §§21000-21177.

When a project will arguably have a significant environmental impact, CEQA requires a public agency to prepare an environmental impact report ("EIR") before giving project approval. *No Oil, Inc. v. Los Angeles*, 13 Cal.3d 68, 84 (1974). A valid and comprehensive EIR is necessary to effectuate CEQA's purpose, which "is to compel government to make decisions with environmental consequences in mind." *Golden Gate Land Holdings, LLC v. East Bay Regional Park Dist.*, 215 Cal.App.4th 353, 365 (2013). Thus, the EIR "protects not only the environment but also informed self-government." *Id.* This is why an adequate environmental review process must be completed before adoption of the resolution of necessity. *City of San Jose v. Great Oaks Water Co.*, 192 Cal.App.3d 1005 (1987).

"If an activity is a project as defined by CEQA and not otherwise exempt from CEQA, the agency must conduct an initial study to determine whether the project *may* have a significant effect on the environment." *Burbank-Glendale-Pasadena Airport Authority v. Hensler*, 233 Cal.App.3d 577, 591 (1991) (emphasis added). According to Section 15378 of the CEQA Guidelines, a "Project" is "the whole of an action, which has the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment" 14 Cal. Code Regs. §15378.

The CMWD's takeover of Golden State's property is a project that is not exempt from CEQA. CMWD's takeover will result in a shift from a public utility regulated by the California Public Utilities Commission to a utility without CPUC oversight. The change in regulatory framework will likely alter the system's operations and maintenance, which could have significant environmental impacts. Therefore, at a minimum, CMWD must conduct an initial study to determine the project's effects on the environment. Even if that study demonstrates "that the project will not have a significant effect," CMWD must submit a Negative Declaration to that effect. *Id.* CMWD did not conduct an initial threshold study to determine the environmental impacts of CMWD's takeover. Instead, CMWD has concluded, without analysis or explanation, that the Project "does not entail any proposed changes to the physical environment" and, therefore, "the acquisition is not a 'project' subject to CEQA and [CMWD] does not intend to go through a formal CEQA process" CMWD's refusal to conduct even an initial study of the environmental effects of the project, much less an EIR, forecloses it from adopting a proper resolution of necessity or condemning Golden State's property.

CMWD had Predetermined the Outcome of the Hearing on the Resolution of Necessity.

When a public agency predetermines the outcome of a hearing on a resolution of necessity, the agency is not engaged in good faith and judicious consideration of the pros and cons of the issue,

Clerk of the Board
April 8, 2016
Page 4

and the adoption of the resolution is considered a sham. *Redevelopment Agency v. Norm's Slauson*, 173 Cal.App.3d 1121 (1985). There is substantial evidence that CMWD has predetermined the outcome of the resolution of necessity. In January 2013 CMWD initiated a plan to issue \$60 million in bonds to finance the costs of their takeover of Golden State's property. The bond measure authorized use of the funds for litigation expenses related to any eminent domain action, payment of severance damages, and litigation expenses payable to Golden State. Having passed resolutions to finance the takeover of Golden State's property, CMWD is unable now to act as an open-minded agency to consider the pros and cons of the takeover in good faith.

The Public Interest and Necessity Do Not Require the Project

Golden State's property constitutes "electric, gas, or water public utility property," as defined in Code Civ. Proc. §1235.193. Accordingly, if CMWD proceeds to adopt a resolution of necessity to acquire property of Golden State, its resolution of necessity will not conclusively establish the three requirements set forth in Code Civ. Proc. §§1240.030(a) – (c). At most, any adopted resolutions of necessity would create a rebuttable presumption that the three requirements are true, under Code Civ. Proc. §1245.250(b).

Here, the public interest and necessity do not require the project. CMWD has not identified any issues with respect to the quality of the water or service provided by Golden State. CMWD has not established that it can operate the water system more efficiently or cost effectively than Golden State.

Moreover, supplanting the role of the California Public Utilities Commission in the setting of water rates is not a legally cognizable justification for condemnation, as California law requires that the California Public Utilities Commission set rates that are "just and reasonable." (Pub. Util. Code §451.). Therefore, the rates charged by Golden State are just and reasonable as a matter of law.

The Project Does Not Satisfy the Greatest Public Good/Least Private Injury Requirement

Likewise, the project does not satisfy the requirement of Code Civ. Proc. §1240.030(b) that "[t]he project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury." Here, this means that CMWD's planned takeover must be weighed against Golden State's continued operation of its system, and the former must be shown to be superior.

The acquisition of Golden State's property will cause private injury to Golden State, to its employees, and to its customers in the Ojai service area. CMWD has not adequately explained what public good will result from its takeover of Golden State's system. Golden State's water

Clerk of the Board
April 8, 2016
Page 5

rates are “just and reasonable” as a matter of law (Pub. Util. Code §451), and supplanting the role of the California Public Utilities Commission in the setting of water rates is not, as a matter of law, a “public benefit.”

Any public good with respect to future rates is speculative and without foundation. Moreover, CMWD has stated that it will finance the takeover of Golden State’s property using funding from the sale of approximately \$60 million in bonds issued under the Mello-Roos Act (Govt. Code Section 53311 *et. seq.*). The bonds would be repaid by new property taxes levied on every parcel of land in the City of Ojai, secured by tax liens on every parcel. Thus, CMWD and the residents of Ojai are certain to incur a significant cost by acquiring Golden State’s property, which is unlikely to be mitigated by the speculative possibility of future rate savings.

CMWD’s proposed takeover of Golden State’s system is not most compatible with the greatest public good and the least private injury.

The Property Sought to be Acquired is Not Necessary for the Project

The final requirement of necessity is contained in Code Civ. Proc. §1240.030(c) — that “[t]he property sought to be acquired is necessary for the project.” To make this determination requires a clear delineation of the property that CMWD seeks to authorize the taking of, and a clear statement of what “the project” is. As explained more fully below, neither exists here, so the requisite determination cannot be made.

The Project is Not For a More Necessary Public Use

Golden State’s property constitutes “property appropriated for a public use” under Code Civ. Proc. §1235.180. Further, Golden State’s property constitutes “electric, gas or water public utility property” under Code Civ. Proc. §1235.193. As such, CMWD must demonstrate that the use for which it seeks to take Golden State’s property is a more necessary public use than the use to which the property is appropriated. (Code Civ. Proc. §§1240.610, 1240.620.) The fact that CMWD is a public entity and Golden State is not creates only a rebuttable presumption of more necessary public use. (Code Civ. Proc. §1240.650(c).)

Here, the CMWD’s takeover of Golden State’s property does not constitute a more necessary public use. The Legislature’s use of the word “more” is a comparative term that requires a showing of a greater public necessity in CMWD owning the water system as opposed to Golden State continuing to own and operate the system.

CMWD ownership will not improve the quality of water provided; CMWD has no plans to increase the investment in the system; CMWD has no plan as to how it will operate the system; and CMWD’s rates will not be subject to oversight by any other regulatory body. Accordingly,

Clerk of the Board
April 8, 2016
Page 6

the CMWD's planned taking is not for a more necessary public use.

CMWD Has Not and Cannot Establish that It Has Made an Adequate Offer Required by Gov't Code §7267.2

Before adopting a resolution of necessity, CMWD is required to make an offer that complies with Gov't Code §7267.2. CMWD has failed to do so here and it is therefore prohibited from proceeding to adopt the resolution of necessity. The offer submitted by CMWD to Golden State on February 26, 2016 is defective in numerous particulars.

- Failure to Properly Appraise Real Property. CMWD identified certain "properties and easement rights" in Exhibit A to its February 26, 2016 letter, as being owned by Golden State and included within CMWD's purchase offer. Other than providing legal descriptions of the property, CMWD provided no meaningful information regarding how it appraised the value of the property. The only valuation information provided by CMWD is a list of "Comparable Sales Transactions" set forth as Exhibit B to the letter. The "Comparable Sales Transactions" are merely listed without explanation or detail regarding how the transactions were ascertained or utilized to appraise Golden State's property. There is no proper appraisal of the property identified in Exhibit A.
- Failure to Properly Appraise Easements, Franchise Rights, Water Rights, and Similar Interests. The offer is also defective because it purports to include certain "easements, licenses, rights-of-entry, franchise rights, and other similar property interests," as well as "all appropriative water rights, if any, of [Golden State] in and with respect to its Ojai service area" without appraising such interests. For example, the value of Golden State's water rights are not appraised.
- Failure to Provide Detail Sufficient to Indicate Clearly the Basis for the Offer. Government Code §7267.2 requires that CMWD provide "a written statement and summary [which] shall contain detail sufficient to indicate clearly the basis for the offer." The summary must contain "the principal transactions, reproductions or replacement cost analysis, or capitalization analysis, supporting the determination of value." CMWD's offer does not provide a cost analysis, capitalization analysis or any analysis to support the determination of value arrived at by CMWD. CMWD failed to provide any valuation detail to demonstrate how it valued any of the assets owned by Golden State.

Clerk of the Board
April 8, 2016
Page 7

The Description of the Property CMWD Proposes to Condemn is Too Vague to Satisfy Due Process Standards

The Notice provides that the project is “for taking by eminent domain the real and incidental property and property interests described as the “Subject Property” at pages 1 through 5 of the February 26, 2016, letter from Jeffrey M. Oderman to George M. Soneff.” The February 26, 2016 letter purports to specify “the various elements comprising the Subject Property to the best of its ability based on the public resources available to it and, *without limiting CMWD’s right to add (or subtract) [Golden State] property and property interests at a later date.*” (emphasis added). Thus, the property to be acquired is an indefinite work in progress subject to addition or subtraction at any point in the future. Compounding this problem, the February 26, 2016 letter states that the “Subject Property addressed in this purchase offer includes, *but is not limited to*, the following:” (emphasis added). Golden State is entitled to know exactly what components of its property CMWD is seeking to condemn; CMWD cannot maintain a perpetual option to add or subtract from Golden State’s property, at CMWD’s whim.

The February 26, 2016 letter also purports to enumerate specific facilities (such as wells, storage tanks, pumping stations and distribution pipelines) that CMWD wishes to take, but then states “CMWD hereby notifies [Golden State] that it desires to purchase all of [Golden State’s] Ojai facilities (except to the extent expressly excluded from this purchase offer)” This vague assertion renders the entire offer uncertain and leaves Golden State to wonder whether the offer is limited to the items enumerated in the February 26, 2016 letter, or is intended to be a broad offer for “all of [Golden Staes’s] Ojai facilities.”

Golden State’s right to due process is violated by consideration of a resolution of necessity to acquire some of its property without a precise definition and description of exactly what property CMWD will resolve to take.

Conclusion

For the reasons stated above, CMWD may not properly adopt resolutions of necessity to acquire any of Golden State’s property. If it does so, Golden State intends to assert all applicable objections to CMWD’s right to take in any subsequent eminent domain proceeding or as otherwise provided by law.

Golden State has the right (but not the obligation) to address only the matters referred to in Code Civ. Proc. §1240.030 at the hearing, and has neither the right nor the obligation to address any other matters at the hearing. Accordingly, Golden State expressly reserves all applicable objections to the right to take which it may assert in any subsequent eminent domain proceeding or as otherwise provided by law.

Clerk of the Board
April 8, 2016
Page 8

Golden State objects to CMWD considering any written materials or evidence at the hearing which is not provided to Golden State sufficiently in advance of the hearing to allow Golden State a meaningful opportunity to review all such materials or evidence. Therefore, please provide all such materials to us electronically at least three business days before the hearing.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Soneff" with a stylized flourish at the end.

George M. Soneff

cc: Jeffrey M. Oderman (by e-mail)

MEMORANDUM

TO: Board of Directors
From: Steven E. Wickstrum, General Manager
RE: 2016 Casitas Water Supply and Demand Status
Date: April 4, 2016

1. RECOMMENDATION

It is recommended that the Board of Directors read and consider the content of the following memorandum, ask questions and provide direction to staff at a subsequent meeting of the Board of Directors. Such direction may include but not be limited to the declaration that a Stage 3 condition exists in the Lake Casitas water supply and direction to staff to implement specific water conservation and demand reduction measures and actions that are required to be taken by all Casitas customers.

2. BACKGROUND

In accordance with the direction provided in the Water Efficiency and Allocation Program, adopted June 10, 2015, specifically Section 5.2 entitled "*Water Resource Conditions and Actions*," the General Manager has prepared an annual assessment of local water supplies, water demands, and current effectiveness of water demand reduction measures is attached to this memorandum. The information in the assessment may necessitate the consideration and direction from the Board of Directors for further actions to preserve water supply for the future.

3. ASSESSMENT SUMMARY

The assessment provided in this memorandum can be summarized by the following points:

- a) The Ventura River watershed is experiencing a continued drought condition and did not receive appreciable rainfall during the 2016 winter to restore water supplies in either the local groundwater basins or Lake Casitas; and
- b) Lake Casitas will decline to forty (40) percent stored water level by June 1, 2016, at which time a Stage 3 condition in Lake Casitas is recognized; and
- c) The Lake Casitas stored water level will continue to decline further until significant rainfall occurs in the future, and given no rain and depending upon the rate of water extraction, may attain minimum pool between four to six years from the present condition;
- d) Water use in FY 2015-16 for all Casitas classifications has declined in varying degree during the drought as compared to water use in FY 2013-14; and
- e) The Casitas urban customer water use in the first six months of FY 2015-16 has decrease 38 percent from that of the same months in FY 2013-14, which exceeds the State's regulatory drought emergency standard of 32 percent for Casitas; and
- f) Casitas has implemented Stage 2 mandatory compliance of customers to an individual allocation assignment, strengthened public outreach to conserve water supplies, and

implemented demand reduction measure with a Conservation surcharge of \$1.00 per unit for monthly residential exceedance of the monthly allocation assignments and \$0.25 per unit for exceedance of annual allocation assignment for all other classifications;

- g) Growth is extremely slow as evidenced by the issuance of limited numbers of meters and allocations.

The assessments are to be considered in the implementation of a change in Stage and the demand reduction measures for FY 2016-17.

4. ASSESSMENTS

HYDROLOGY – WEATHER CONDITIONS.

Over the last nine years, western Ventura County has been under the influence of a high pressure weather system that has allowed only a limited number of rain storms to approach the local watersheds. Normal or average rainfall for the area is approximately 21 inches. Only four of the last ten years were above normal rainfall years and the last five years have been below average in rainfall (Table 1). It is very apparent that a prolonged dry cycle has been occurring in the Ventura River watershed.

Table 1 – Rainfall Totals for Matilija Dam and Casitas Dam (inches)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Matilija Dam | 9.23 | 33.62 | 16.56 | 36.54 | 40.28 | 14.21 | 11.85 | 14.76 | 17.57 | 13.35 |
| Casitas Dam | 8.60 | 26.19 | 14.82 | 31.13 | 35.99 | 15.11 | 10.99 | 9.90 | 11.65 | 11.07 |

The start of the winter of FY 2015-16 had high expectations of an El Nino condition that would bring needed water rainfall to replenish the groundwater basins and surface water storage – “*Too Big to Fail*” (David Patzert, JPL). Now, we have observed that the El Nino storms have swept through California approximately 200 miles north of Ventura County. There were no significant rain events in the Ventura River watersheds and no appreciable recovery to our water systems. There remains some optimism that rain could occur in April and May, but generally the late rains of April and May have not been of sufficient magnitude to cause appreciable runoff in our local watershed. This year’s rainy season appears to be effectively over for the Ventura River watershed.

In addition to the lack of local rainfall, the ambient air temperatures have been above average, if not record setting. The elevated temperatures cause a rise in the need for irrigation water.

The Climate Prediction Center/NCEP/NWS issued a March 10, 2016 discussion on the El Nino/Southern Oscillation (ENSO) that in summary stated “*A transition to ENSO-neutral is likely during the late Northern Hemisphere spring or early summer 2016, with close to a 50% chance for La Nina conditions to develop by the fall.*” Previous La Nina years have tended to produce dry to moderate rainfall years in Southern California and are not likely to improve water supply conditions during the winter of 2017.

WATER RESOURCES.

The primary water resources within the Casitas district boundaries are collectively the groundwater basins of the Ventura River, Ojai and Upper Ojai, and the surface water storage at Lake Casitas.

Groundwater Basins. The winter of 2016 brought minimal recovery to the local groundwater basins within the Casitas district boundaries.

The Upper Ventura River groundwater storage levels gained slightly during the few rain events of 2016. Surface flows were more indicative of urban flash runoff rather than a full basin condition. There was no surface flow continuity from Robles to Foster Park. The Ventura River Water District and Meiners Oaks Water District have expressed to Casitas that their ability to pump groundwater will cease by mid-summer of 2016, at which time the water demand loads from each agency will be transferred to the Lake Casitas supply.

The Ojai Basin storage did not recover appreciably from the 2016 rainfall. The Ojai Basin has been in a decline but remained above the record low storage level of the early 1950s. The Upper Ojai Basin, while having declined due to the lack of rainfall and infiltration during the current drought period, is relatively good condition to continue to provide enough water to pumpers in the Upper Ojai.

Surface Water Storage - Lake Casitas. Lake Casitas is the primary source of water supply for the Casitas Municipal Water District, constructed in the 1950's as a supplemental supply to local groundwater and as a primary source for areas that had no groundwater. Lake Casitas was last at a near full storage capacity (252,867 acre-feet) in May 2006. Since 2006, as illustrated in Figure 1, Lake Casitas storage has been in decline. The amount of water in storage at Lake Casitas on April 1, 2016 is approximately 106,000 acre-feet (41.7%). The amount of water stored in Lake Casitas will decline to less than 40 percent by June 1, 2016, and continue to decline through the peak water demands of the 2016 summer. It is unknown when the next significant rainfall events will return to cause a water storage recovery in Lake Casitas.

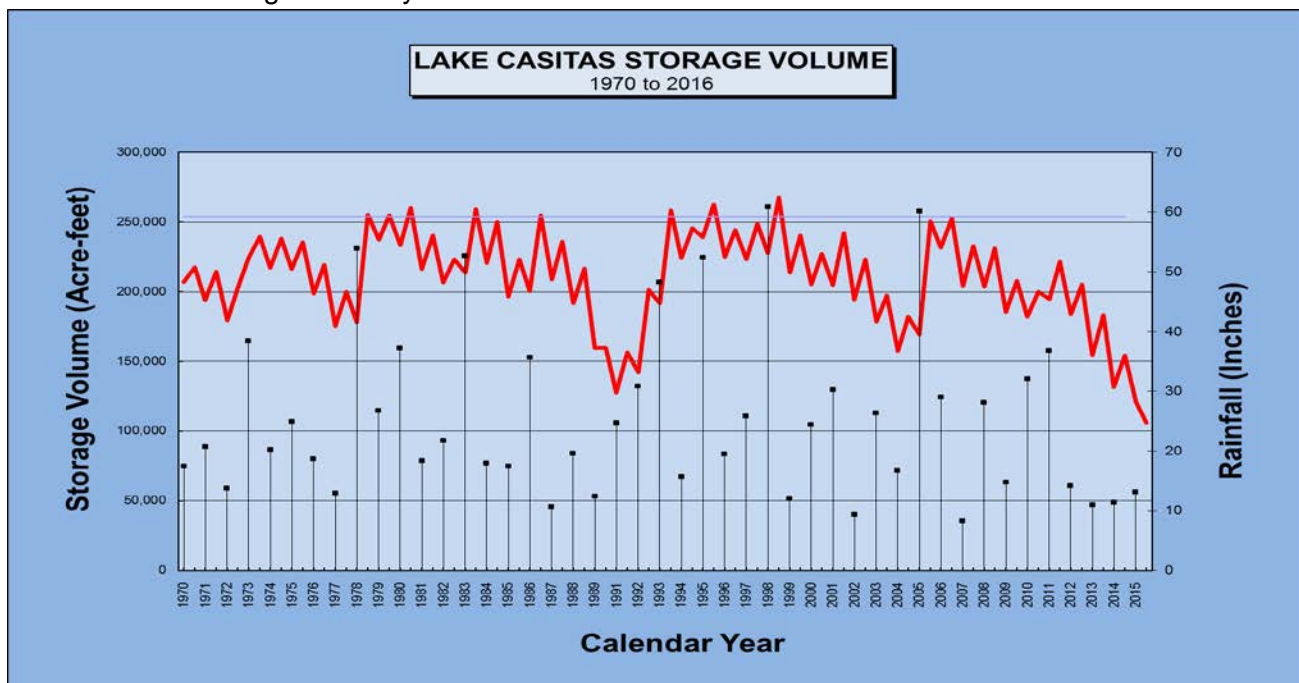


Figure 1 – Lake Casitas Storage Volume and Rainfall Trend (1970 to 2016)

A critical question that has been asked many times is - How long will the Lake Casitas supply last before declining to a minimum pool condition? Figure 2 provides an estimated trend for Lake Casitas where hypothetically there are no inflows (surface flows or rainfall) in the future, assuming four variations to the annual water demand, and the application of the evaporation rate to the declining surface area of Lake Casitas. The answer to the minimum pool question, from the starting point of 106,000 acre-feet in storage, is approximately four to six years.

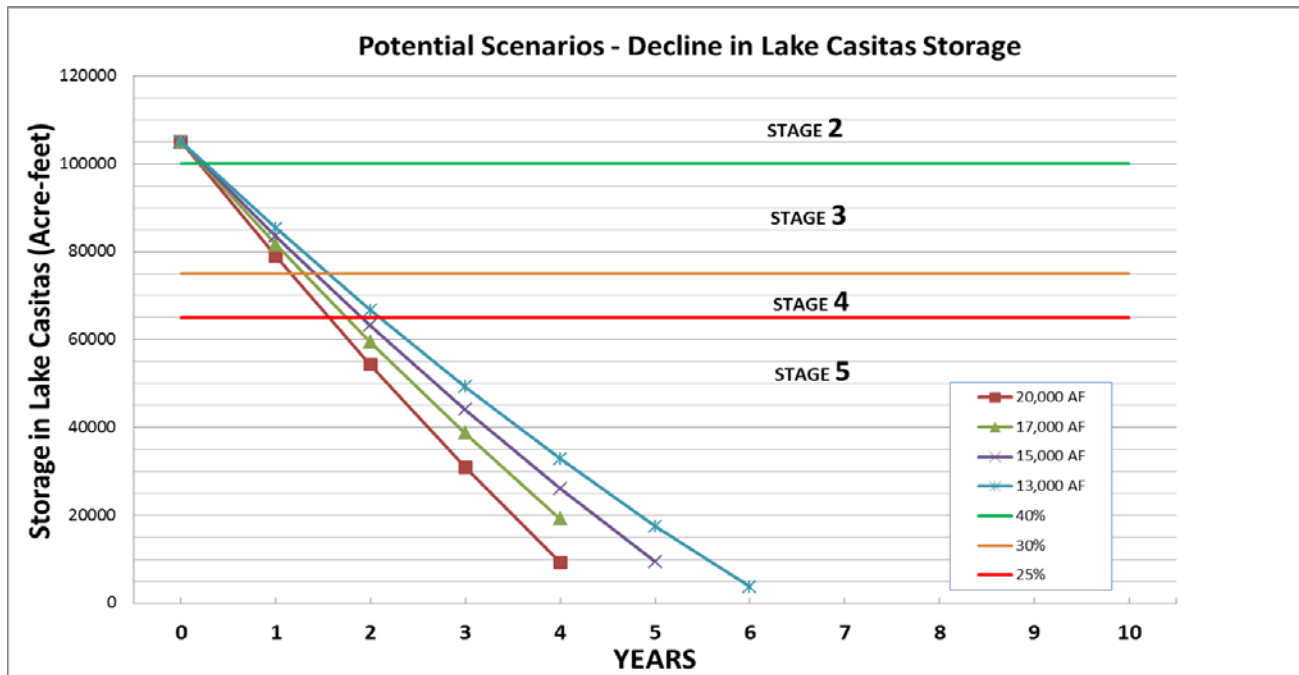


Figure 2 – Hypothetical Decline in Lake Casitas Storage

WATER USE.

Casitas has many time reviewed water use conditions in comparison to the safe yield of Lake Casitas. The latest work in 2003 reflected the water demands that occurred during the 1987 through 1991 drought period, with the concern that multiple dry years would result in an escalation of the water demand to levels above the safe yield, and that a continuation of the escalated water demand could rapidly lead to a Lake Casitas minimum pool condition.

In the 2007 through 2013 period, the water use tracked consistent to the 2003 evaluation. In 2014 and 2015, the third and fourth consecutive dry years, there appears to be a significant change in water use that reversed the escalation trend that was observed in 1990's. Figure 3 illustrates the changes in water demand from 1970 to present, and the significant change beginning in 2014. Possible influences to the change could be improvements to agricultural irrigation methods, the loss of large customers in the City of Ventura, heightened public participation in water conservation.

In April 2014, the State issued its Drought Emergency Declaration with a major public relations campaign. Casitas had already started its public information campaign with the recognition of declining lake levels to 50 percent of supply. The water conservation campaigns in 2015 intensified further with Lake Casitas declining to below the 50 percent storage level and the issuance of the State's Drought Emergency Regulations that required Casitas urban customers to reduce water use by 32 percent from the water use of calendar year 2013.

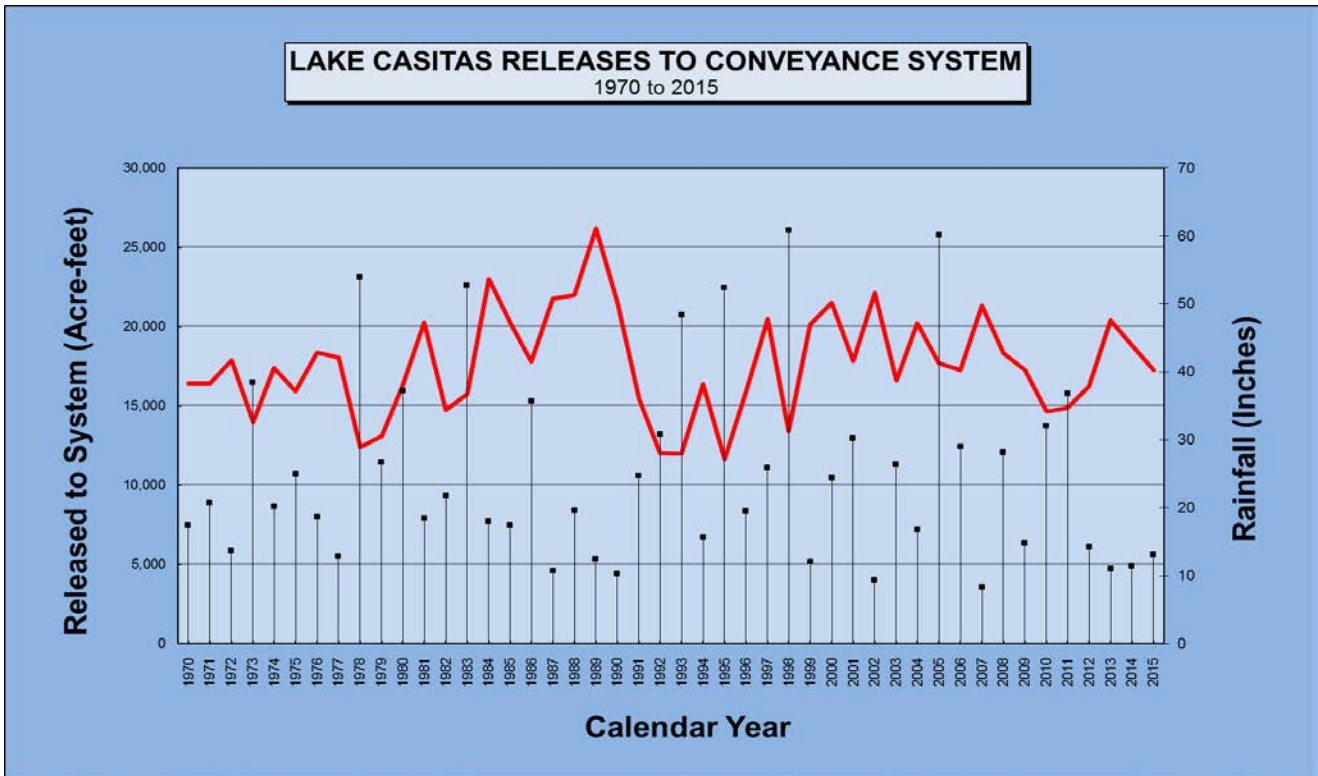


Figure 3 – Lake Casitas Releases to the Main Conveyance System

Drought Water Demand Response. A critical function of the WEAP is to manage water supplies in such a manner that prevent Lake Casitas from reaching a minim pool condition. A lesson learned from the Australian drought experience – start intense conservation measures early, rather than later, later is too late.

In May 2015, Casitas informed all customers of the implementation of the WEAP, the assignment of individual water allocations to each meter service, and the application of annual and monthly conservation surcharges for water use that is in excess of the assigned allocation. The Casitas declaration of a Stage 2 condition shifted water conservation from a voluntary status to a mandatory adherence to not exceed assigned water allocations. The district’s Water Conservation personnel developed and assigned water allocations to each individual meter service. The Casitas Administration Department performed a test run of the billing during July and August of 2015. The full implementation of the monthly conservation surcharge for the Residential Classification began with the September 2015 water use billing. The goal for the Casitas customers is to achieve water use that would be at or less than the allocation assignment and in effect, result in water use that would mandatorily not exceed 80 percent of the 1989 water use. The District’s urban water use has also been challenged to meet the State’s assignment of a 32 percent reduction in water use from that water use occurring in calendar year 2013.

The urban classifications (commercial, interdepartmental, fire, industrial, other, and residential) water demand by the for the first six months of FY 2015-16 has attained a 38 percent reduction from the FY 2013-14 water demand for the same classifications. This exceeds the State’s water conservation requirement to attain a 32 percent reduction. It should be recognized that Resale customers also had

similar water demand reductions in their service areas while meeting the State's conservation standards. The public appears to have responded to the requests to conserve water.

The comparative data in Table 2 illustrates the customer classification water use response under the Stage 2 Condition and the State's Drought Emergency Regulations for the first six months of FY 2015-16. The comparison is limited to the six month period for which data is available and representative of recent events. Each of the listed six month periods experienced similar low rainfall totals and exhibit the water demand reduction resulting from the public outreach that was implemented by Casitas and the State's declaration of a drought.

Table 2 – Customer Classification Allocation Assignment and Water Use – Six-Month Comparison

| Water Customer Classification | Annual Allocation (AF/YR) | FY 13-14 | FY 15-16 | Change | % Change |
|-------------------------------|------------------------------|-----------------|-----------------|------------------------------------|----------------------------|
| | | Jul-Dec (AF) | Jul-Dec (AF) | FY 13-14 to FY 15-16 (AF) | FY 13-14 to FY 15-16 |
| Agriculture-Domestic | 6732 | 3,068 | 2,862 | -206 | -7 % |
| Agriculture | 3200 | 2,431 | 1,971 | -460 | - 19 % |
| Commercial | 536 | 488 | 348 | -140 | - 29 % |
| Interdepartmental | 100 | 85 | 43 | -42 | - 51 % |
| Fire | 0 | 1 | 0 | -1 | - 100% |
| Industrial | 54 | 11 | 8 | -3 | -38 % |
| Other | 184 | 180 | 80 | -100 | - 56 % |
| Residential | 2290 | 1,066 | 656 | -410 | - 38 % |
| Resale Pumped | 1846 | 889 | 715 | -174 | -20 % |
| Resale Gravity | 5000 | 3,470 | 2,519 | -951 | - 27 % |
| Temporary | 0 | 46 | 9 | -37 | - 80 % |
| Total | 20,142 | 11,735 | 9,211 | -2,524 | - 22 % |

The water sales data for the FY 2015-16, through February 2016, indicates continued conservation that trend toward a fiscal water sales total of approximately 16,000 acre-feet.

The annual allocation numbers included in Table 2 are representative of the sum of allocation assignments in each classification. It should be noted that the annual allocation also accounts for the agricultural groundwater water demand known to date that may shift to the Lake Casitas supply.

The District has been tracking the performance of the Residential classification relative to the monthly water allocation assignments for each individual residential account. In September 2015, the water used in excess of the monthly allocation was billed as a Conservation Penalty at the rate of \$1.00 per unit. In general, the residential classification appears to be practicing appropriate water conservation, with over 85 percent of the accounts using less water than the assigned allocation (Table 3). For some customers calling into the District about their conservation penalty, it appears that some customers did not make adjustments to outdoor irrigation to match the season variation in the

allocation assignment. Many customers are only slightly over the allocation threshold, while staff has noted that approximately 5 percent of the residential customers are far from meeting the allocation assignment and will be contacted by Casitas staff to offer assistance to help those high-use customers reduce their water demand.

Table 3 – Residential Water Demand in Excess of Allocation Assignments

| | Sept | Oct | Nov | Dec | Jan | Feb | Total |
|------------------------------------|--------|--------|--------|--------|--------|--------|---------|
| Number of Residential Accounts | 2,709 | 2,709 | 2,711 | 2,700 | 2,706 | 2,704 | |
| Accounts with Conservation Penalty | 228 | 407 | 412 | 368 | 218 | 368 | |
| Units Over-Allocation (Units) | 9,936 | 13,220 | 12,628 | 10,072 | 3,339 | 6,698 | 55,893 |
| Residential Water Sales (Units) | 55,321 | 44,867 | 44,867 | 41,382 | 21,780 | 29,185 | 237,402 |

For the remaining classifications, the initial allocation is an annual water demand, with a Conservation Penalty that is to be billed in July 2016. The annual allocation classifications will be assessed \$0.25 per unit in the Conservation Penalty. The annual classifications are informed monthly of their water use in progress. Staff has noted that a majority of the annual classification customers are likely to attain water use that is less than their assigned annual allocation, while some have already or are likely to surpass the annual allocation assignment and receive a bill in July 2016 for the conservation Penalty.

Revenue. The reduction in water demand with no change in water rates has resulted in a reduction in revenue. The Revenue and Expense Report for July 1, 2015 through January 2016, indicates that water sales revenue is \$942,413.65 less than the same period in FY 2014-15. The good news is that the revenue through January 2016 (\$4,227,662) is pacing to meet the budget estimate of \$7,288,779, based on current rates and the sale of 16,619 acre-feet. Applying an additional 10 percent of water demand reduction measures could result in an additional \$700,000 reduction in revenue and will begin to affect Casitas’ ability to meet budgetary requirements to operate and maintain the Casitas water system unless balanced by appropriate changes to water rates or the application of variation of water sales reserves.

Growth. The service area of the District is in extremely slow growth. Most requests the Casitas receives are related to expansions of agriculture or residential housing construction. The slow growth rate is indicative of the information illustrated in Table 4. During the past five years, Casitas has installed fourteen meters and issued 17.3 acre-feet of water allocation. There are three pending requests for allocation expansions that have not moved forward to date. On the average of less than three meters per year have been installed, and minus the agricultural allocation, less than 2.5 acre-feet per year allocated to new or expanding water use.

Table 4 – Water Service and Allocation Assignments by Casitas MWD (CY 2012-2015)

| | No. of Meters Issued | Allocation Issued (AF) | Project types and expansions of existing allocations |
|----------------|-----------------------------|-------------------------------|--|
| 2012 | 3 | 2.22 | Three residential projects, one expansion of allocation |
| 2013 | 1 | 1.88 | 1 residential project, 1 expansion of allocation |
| 2014 | 6 | 9.85 | 5 AF for one Agricultural parcel, five other residential projects and two expansions of allocation. |
| 2015 | 1 | 1.27 | One residential project in Ventura River Water District service area and 1 expansion of allocation |
| 2016 | 3 | 2.08 | Residential projects in Casitas (two) and Ventura River Water District (one). |
| Pending | 0 | 4.92 | 4 AF expansion potential for Agricultural parcel, 0.92 AF for two other commercial project allocation expansions |

5. RECOMMENDED WEAP ACTIONS

The WEAP lists in Table 6 a series of actions to be considered by the Board of Directors for implementation when transitioning to any Stage condition of Lake Casitas. A copy of the WEAP Table 6 is attached to the end of this memorandum. The following are assessments of the WEAP actions:

Communications.

- **Declare Stage 3.** Key to the action is the recognition that the change in Stage condition is eminent and likely to occur and persist in the near future. The declaration of a change to Stage 3 condition is accomplished by a resolution of the Board of Directors. Stage 3 is identified as a condition in which a water shortage is eminent.
- **Expand and intensify public information campaign.** The purpose of making the assessments and declaration in April of each year is to allow for additional communications to the customers of the impending change that will become effective on July 1. A change that further reduces the water allocation or changes the conservation surcharge is intended to affect the water demands on the Lake Casitas supply. The changes will also have an effect on the planning of businesses, agricultural customers, and higher use residential customers. With a notification of the changes in April, there is a two month period for customers to make adjustments to their water demand.
- **Provide regular briefings, publish monthly consumption report.** A part of this task is being accomplished as require by the State Water resources Control Board. Additionally, the billing system provides to the customer a monthly status on their water use progress and the application of conservation surcharges.

- **Hire additional temporary staff in customer service, conservation, and water distribution for water waste enforcement.** This topic has been discussed among staff and there does not appear to be a need at this time for additional staffing. This could change and additional staffing justified.
- **Moratorium on new service connections.** A specific concern that occurred in the 1990's was that a declaration of a water shortage would cause an influx of additional requests for water service and allocations from land developers. Indeed, that did happen in 1990. Casitas declared a water service moratorium and developed a waiting list that included 300 applicants. When it came time to pay for the allocation and water service connection, only one in ten applicants completed the process. Based on the Growth section above, an alternative to the complete moratorium, which is generally a temporary action, is to (1) limit the volume of allocation to be issued in any one year, suggest 10 acre-feet per fiscal year, (2) require a non-refundable deposit of \$1,000 upon submittal of the application for the water meter service and/or allocation, and (3) apply \$800 of the non-refundable deposit toward the allocation fee, and (4) require the fees and water service agreement be completed within 60 days of notice of availability by the District.

Customer Demand Reduction Measures.

- **Continue with Stage 1 and 2 measures.** Water conservation is becoming more of a way of life for the District's customers and the District should intensify the message that a water shortage is eminent. The enforcement of the Water Waste Prohibition Ordinance has continued and should continue into Stage 3 under the current system of public notification of waste. The system for allocation assignment and billing has now been implemented and should continue into Stage 3.
- **Reduce water allocations.** Begin Stage 3 on July 1, 2016, with a 10 percent reduction of water demand from that required in Stage 2. The customer water demand reduction response in the first seven months of FY 2015-16 have been very positive. If the water demand reduction measures are not being met during the course of FY 2016-17, make an additional adjustment to the allocations.
- **Landscape watering restricted to one day per week.** Direct staff to develop a plan for implementing the one-day a week landscape watering restriction. This would allow for coordination with other water agencies and provide guidelines that easy for the customers to follow and straight forward for staff to enforce.
- **No landscape changes unless xeriscape.** This requirement will take some coordination with customers, County and City planning offices, and probably more restricted by the allocation assignments for the parcel.

Penalties and Rates.

- **Consider and implement Conservation Penalty for water use in excess of allocation.** The District has established a conservation penalty of \$1.00 for each unit of water that is over the monthly allocation assignment for the Residential classification and a \$0.25 for each unit of water that is over the annual allocation for all other classification of service. It is

recommended to keep the conservation penalty at the same value for FY 2016-17 and change only if it is determined that water demand reduction is not being attained.

- **Consider rates for revenue stabilization and cost of service.** The Board will be considering water rates to achieve revenue stabilization and cost of service that will become effective for FY 2016-17.

6. OTHER.

Alternate Water Resources. It is understood that the City of Ventura is actively seeking to expand to alternate water resources that may include direct potable reuse, emergency interconnection to State Water via Callegaus Municipal Water District, and seawater desalination. The Board of Directors may direct the General Manager to engage in discussion with the City to include the participation by Casitas and other local water agencies.

7. POLICY AND PROGRAMS IN PLACE.

The combination of the State's recognition of a statewide drought and the Casitas recognition of transitioning to a Stage 2 condition at Lake Casitas has resulted in actions to reduce water demands that have been adopted by the Board of Directors and the State of California.

Resolution Adopting Management Priorities of Casitas Municipal Water District, Resolution No. 93-12. On March 10th, 1993, the Casitas Board of Directors resolved by Resolution No. 93-12 (1) that Casitas shall manage Lake Casitas and its water supplies so that it can provide back up to other water systems and meet its direct customer demands during droughts without running the lake dry.

Water Waste Prohibition Ordinance. (Ordinance 15-02). This Ordinance established water waste prohibitions and identified actions against violations of the Ordinance. Casitas staff has been actively engaged with the public reports of water waste.

Water Conservation Program. Since 1992, Casitas has actively assisted water customers throughout the district with fixture retrofits, irrigation surveys, residential and institutional water use surveys, provision of water conservation materials to local schools, public workshops and presentations on a wide variety of water conservation topics, public messaging, and financing assistance for water well improvements. The Water Conservation Program has partnered with other Ventura County agencies to obtain grants for additional water conservation measures.

Water Efficiency and Allocation Program (WEAP). The WEAP is the key water management tool for long-term drought response and water demand. The WEAP was adopted by the Board of Directors in January 1992 and recently adopted a revision of the WEAP in June 2015. The WEAP is the backbone to the Casitas Urban Water Management Plan. A critical element of the WEAP implementation is to cause water demands to be commensurate to the declared Stage of Lake Casitas.

In April, 2015, the Board of Directors declared that a Stage 2 condition for the Lake Casitas supply and directed staff to implement the Stage 2 actions that required a mandatory twenty percent reduction in water use from that water use in 1989. The mandatory reduction in water use twenty percent was considered in the assignment of water allocations for each Casitas water service.

By July 2015, Casitas completed the assignment of customer water allocations, and the initial billing modifications to track customer allocation assignments and conservation penalty for water use that is over the allocation assignment. The residential classification was placed on a monthly schedule for the water billing and conservation penalty, while all other classifications were placed on an annual schedule. Each water bill informs the customer of their allocation status.

State of California. On January 17, 2014, the Governor of the State of California proclaimed a state of emergency due to water supply impacts caused by three consecutive years of drought. The Governor has extended the state of emergency through October 2016. The State Water resources Control Board (SWRCB) has adopted and continued drought emergency regulations that require an urban water demand reduction from a base water use that occurred in FY 2013-14. For Casitas, the assigned for urban water demand reduction is 32 percent. The messaging by the State of a statewide drought has been very effective in causing local public response.

The El Nino of 2016 has replenished Northern California's water supply and snow pack. State Water availability has moved from a low of 15 percent in 2015 to a current level of 45 percent. The State can be expected to continue with the goal to reduce water demands statewide. One El Nino has improved the short-term water outlook but has not solved the State's water issues.

8. CONCLUSION.

The Ventura River watershed is in the grips of an extended drought period and Lake Casitas has performed as designed to supply water during the drought. We have no idea of how much longer until rain will return to the water shed in ample amounts to restore the groundwater basins, Lake Casitas and surface flows of local rivers. It will take critical and timely action by all water purveyors and the local communities and customers to survive on a limited water supply.

If you have any other questions, please ask.

Table 6 – Stage Actions and Water Demand Reduction Measures

| Water Shortage Condition | Key Casitas Communications and Actions | Customer Demand Reduction Measures | Penalties And Rates |
|--|---|--|--|
| <p>Stage 1</p> <p>Supply Range 100% - 50%</p> <p>Demand Reduction 0%</p> <p>(80% of 1989 use)</p> | <ul style="list-style-type: none"> • Initiate public information and advertising campaign. • Publicize ways to reduce water consumption. • Coordinate conservation actions with other water purveyors and cities. • Perform water audits and promote water efficient use/conversions. • Conduct water workshops. • Temporary staffing for public inquiries, as needed. | <ul style="list-style-type: none"> • Water conservation practices requested of all customer classifications. • Adhere to Water Waste Prohibition Ordinance. • Adhere to assigned water allocation or less. | <ul style="list-style-type: none"> • Consider and implement Conservation Penalty for water use in excess of allocation. • Consider rates for revenue stabilization and cost of service. |
| <p>Stage 2</p> <p>Supply Range 50% - 40%</p> <p>Demand Reduction From Stage 1 Allocation 20%</p> | <ul style="list-style-type: none"> • Declare Stage 2 • Implement demand reductions for each customer classification. • Intensify public information campaign. • Optimize existing water resources. • Intensify leak detection. • Develop appeals staffing. • Consult with major customers to develop conservation plans and water use audits. | <ul style="list-style-type: none"> • Continue all Stage 1 measures. • Landscape watering restricted to two (2) watering days per week. • Require water audits for large water users; implement recommendations of the water audits. • Businesses display “save water” signage. • Increase public information. | <ul style="list-style-type: none"> • Consider and implement Conservation Penalty for water use in excess of allocation – response to reduced allocation. • Consider rates for revenue stabilization and cost of service. |
| <p>Stage 3</p> <p>Supply Range 40% - 30%</p> <p>Demand Reduction From Stage 1 Allocation 30%</p> | <ul style="list-style-type: none"> • Declare Stage 3 • Implement demand reductions for each customer classification. • Expand and intensify public information campaign. • Provide regular briefings, publish monthly consumption report. • Hire additional temporary staff in customer service, conservation, and water distribution. Water waste enforcement. • Moratorium on new service connections. | <ul style="list-style-type: none"> • Continue with Stage 1 and 2 measures. • Reduced water allocations. • Landscape watering restricted to one (1) watering day per week. • No landscape changes unless xeriscape. | <ul style="list-style-type: none"> • Consider and implement Conservation Penalty for water use in excess of allocation – response to reduced allocation. • Consider rates for revenue stabilization and cost of service. |
| <p>Stage 4</p> <p>Supply Range 30% - 25%</p> <p>Demand Reduction From Stage 1 Allocation 40%</p> | <ul style="list-style-type: none"> • Declare Stage 4 • Implement demand reductions for each customer classification. • Continue to provide regular media briefings. • Scale up appeals • Open drought information center. | <ul style="list-style-type: none"> • Continue with Stage 1 through 3 measures. • Reduced water allocations. • Landscape watering restricted to one (1) watering day per week. • Implement restrictive Irrigation delivery schedule. • Minimal water for large landscapes. • Consider prohibition of filling swimming pools and fountains. • Implement restrictive Irrigation delivery schedule and quantities greater than 60%. | <ul style="list-style-type: none"> • Consider and implement Conservation Penalty for water use in excess of allocation – response to reduced allocation. • Consider rates for revenue stabilization and cost of service. |
| <p>Stage 5</p> <p>Supply Range 25% - 0%</p> <p>Demand Reduction From Stage 1 Allocation 50%</p> | <ul style="list-style-type: none"> • Declare Stage 5 • Implement demand reductions for each customer classification. • Minimize outdoor water use and non-essential uses. • Implement aggressive public outreach and education program. • Implement crisis communications plan. • Coordinate with State and local agencies to address enforcement challenges. • Water Shortage Emergency declaration to be considered. | <ul style="list-style-type: none"> • Continue with Stage 1 through 4 measures. • Reduced water allocations. • Rescind Temporary meters issued. • No turf irrigation. • Implement restrictive Irrigation delivery schedule and quantities greater than 50%. | <ul style="list-style-type: none"> • Consider and implement Conservation Penalty for water use in excess of allocation – response to reduced allocation. • Consider rates for revenue stabilization and cost of service. |

CASITAS MUNICIPAL WATER DISTRICT

MINUTES

Water Resources Committee

DATE: March 22, 2016
TO: Board of Directors
FROM: General Manager, Steve Wickstrum
Re: Water Resources Committee Meeting of March 22, 2016, 9:30 AM

RECOMMENDATION:

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

BACKGROUND AND OVERVIEW:

1. **Roll Call.**

Director Bill Hicks
Director Russ Baggerly
General Manager, Steve Wickstrum
Resources Manager, Ron Merckling

Public: Jim Kentosh, Director for Meiners Oaks Water District

2. **Public Comments.**

Mr. Kentosh expressed that he had learned enough information from last month's Water Resources Committee to assist Meiners Oak Water District in developing their implementation of demand reduction measures with a surcharge for over-allocation use by their customers.

3. **Board Comments.** None.

4. **Manager Comments.** None.

5. **Review of Water Efficiency and Allocation Program Implementation.**

The Committee reviewed the changes in allocation and actions that could occur given that March did not develop any significant rainfall events that would have changed the local water supply status. The Committee reviewed lake storage trends that could occur if no rainfall or inflow occurs in the Ventura River watershed during the lake decline. Additional work is planned to develop a memorandum of understanding for participating resale agencies.

Director Hicks recommended consideration of assisting and/or supporting the City of Ventura's proposed interconnection to Oxnard. Our understanding is this project is one of several water supply projects that the City is planning to implement in the very near future.

The Committee reviewed the key communications and actions that would occur upon a change to a Stage 3 condition. Director Baggerly asked about costs and budgeting to implement temporary staffing. Ron Merckling expressed that he had adequate staffing and budget to implement Stage 3. The action of a moratorium of water service is more complex and is to be considered further.

CASITAS MUNICIPAL WATER DISTRICT

MINUTES
Recreation Committee

DATE: April 8, 2016
TO: Board of Directors
FROM: General Manager, Steven E. Wickstrum
Re: Committee Meeting of April 4, 2016

RECOMMENDATION:

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

BACKGROUND AND OVERVIEW:

1. **Roll Call.**
Director Bill Hicks
Director Jim Word
Steve Wickstrum, General Manager
Carol Belser, Park Services Manager
Public - Dee Bennett, Lake Casitas Rowing Club

2. **Public comments.**
Dee Bennett commented that she has been hosting the rowing competitors while training at Lake Casitas prior to the 2016 Olympic trials and expressed their appreciation for the opportunity to train at Lake Casitas.

3. **Board/Management Comments.**
Director Word would like to look into Recreation financing at future committee meetings.

Carol Belser commented on the attendance and law enforcement assistance on Easter Sunday. The estimated attendance on Easter Sunday is approximately 25,000. The presence of both Federal and County law enforcement agencies is greatly appreciated.

Carol Belser informed the Committee that it appears that the Quagga Mussel Vulnerability Assessment and Control documents are almost ready to be approved by the State. Casitas has received \$26,000 in grant funding from Boating and Waterways for the preparation of the reports.

4. **Review of the February Recreation Report.**
Reports were reviewed and recommended to move forward to the Board as information.

5. **Discussion regarding a request for donation of four Casitas Water Adventure Tickets.**
Carol Belser presented a letter from a private school in Oxnard that requested four tickets to be used in a fund raiser for the school. The Committee expressed support of the donation, noting that many of the LCRA customers are coming from Oxnard. The budget provides \$3,000 for such donations. Staff will respond to the request.

6. **Review of Incidents and Comments.**
Carol Belser summarized the incidents occurring at the LCRA during February 2016.

CASITAS MUNICIPAL WATER DISTRICT
Minutes

DATE: April 8, 2016
TO: Board of Directors
FROM: General Manager, Steve Wickstrum

Re: Executive Committee Meeting of April 8, 2016

RECOMMENDATION:

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

MEETING:

1. **Roll Call.** Directors Peter Kaiser and Russ Baggerly
Steve Wickstrum, General Manager
2. **Public Comments.** None.
3. **Board/Manager comments.**
The General Manager informed the Committee of a notice from the Association of California Water Agencies (ACWA) concerning the direction of the State Water Board to develop long-term water conservation regulations. ACWA is requesting involvement by ACWA members to weigh in on the State's regulation developments. A key concern is loss of local control and management of water supplies. Ron Merckling will be watching this carefully and reporting on any action needed by Casitas.
4. **Discussion regarding scheduling Board compliance training.**
Rebekah Vieira is scheduling Ethics and Harassment Prevention training for the Board and management, and doing so in conjunction with other local agencies. The Board and management will be advised as the schedule is determined.
5. **Discussion regarding the County of Ventura's General Plan Amendment.**
Director Baggerly attend a meeting on April 7th with Planning Commission during which he was presented an overview of the General Plan Amendment. The amendment work will be over a five-year period (2016-2021). The General Manager attended the Water focus group meeting where attendees provided initial insight on the assets, issues and opportunities for water in Ventura County. The County will be calling additional meetings throughout the amendment period. The Executive Committee asked that any further information regarding the General Plan Amendment be provided to the Water Resources Committee.

CASITAS MUNICIPAL WATER DISTRICT
LAKE CASITAS RECREATION AREA

DATE: March 29, 2016
 TO: Recreation Committee
 FROM: Carol Belser, Park Services Manager *CB*
 SUBJECT: Recreation Area Monthly Report for February 2016

Visitation Numbers

The following is a comparison of visitations* for February 2016:

| | February 2016 | February 2015 | January 2016 |
|-----------------|---------------|---------------|--------------|
| Visitor Days | 36,524 | 21,188 | 20,152 |
| Camps | 2,992 | 2,365 | 1,931 |
| Cars | 9,131 | 5,297 | 5,038 |
| Boats | 218 | 183 | 104 |
| Kayaks & Canoes | 6 | 15 | 7 |

| Fiscal Year to Date Visitation | |
|--------------------------------|---------|
| 2014/2015 | 332,388 |
| 2015/2016 | 333,502 |
| % Change | -0.335 |

*The formulas for calculating the above attendance figures derived from the daily cash reports are as follows:

Visitor Days = Daily vehicles + 30 minute passes X 3 + café passes + attendance at special events + annual vehicle decals + replacement decals + campsites occupied + extra vehicles X 4

Camps = Campsites occupied + extra vehicles

Cars = Daily vehicles + 30 minute passes X 3 + café passes + attendance at special events + annual vehicle decals + replacement decals + campsites occupied + extra vehicles

Boats = Daily boats + overnight boats + annual decals + replacement decals

Kayaks & Canoes = Daily kayaks and canoes + overnight kayaks and canoes + annual kayaks and canoes

Boating

There were four cables sold for new inspections, four vessels were re-inspected and a total of 564 vessels were retagged. Eight vessels failed the first inspection in February 2016. With the historic drought and receding water levels, the launch ramp conditions are seriously impacted and it is difficult to keep the ramp area in use to customers' satisfaction. Engineering Department staff are looking into the possible use of the old Coyote launch ramp and what the costs would be to stabilize the road to the ramp and the ramp itself. The road and ramp have been under water for decades and the ground beneath the road is extremely soft.

Operations

The Park Manager continued to work with RNT Consulting and the Department of Fish and Wildlife to complete the Control and Management Plan and Vulnerability Assessment for Lake Casitas. The

documents are still under review by the Department of Fish and Wildlife. Maintenance personnel completed an American Red Cross review course and were recertified in First Aid, CPR and AED.

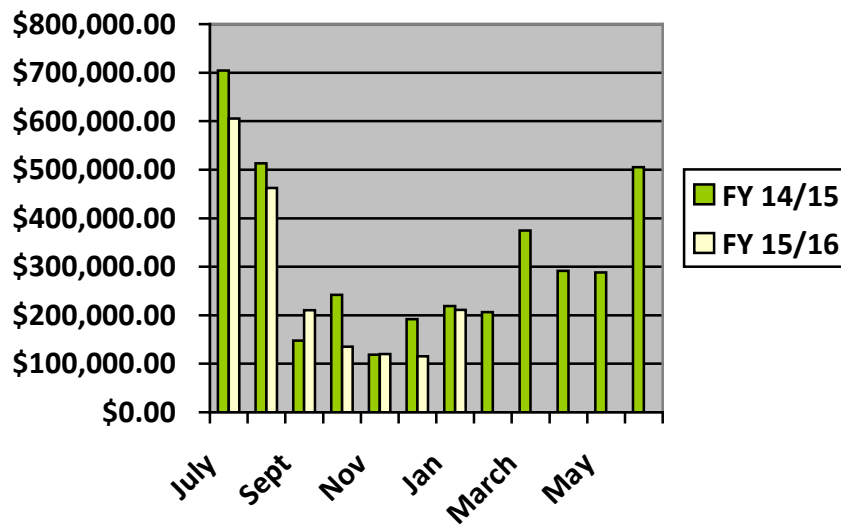
Incidents

Incidents in the Recreation Area for the month of February that included assistance from outside services: search and rescue for lost hiker and a medical transport.

Revenue Reporting

The 2015/2016 unaudited monthly figures below available to date illustrate all Lake Casitas Recreation Area's revenue collected in the respective months (operations, concessions, Water Adventure, etc.) per the District's Financial Summary generated by the Finance Manager.

LCRA TOTAL REVENUE





Consumption Report

Water Sales FY 2015-2016 (Acre-Feet)

| Classification | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Month to Date | |
|--------------------------|-------|------|------|------|------|------|-----|-----|------|------|------|------|---------------|--------------|
| | | | | | | | | | | | | | 2015 / 2016 | 2014 / 2015 |
| | | | | | | | | | | | | | Total | Total |
| AD Ag-Domestic | 422 | 517 | 547 | 509 | 464 | 403 | 22 | 177 | 0 | 0 | 0 | 0 | 3061 | 2834 |
| AG Ag | 298 | 375 | 377 | 353 | 298 | 270 | 31 | 137 | 0 | 0 | 0 | 0 | 2139 | 2357 |
| C Commercial | 58 | 83 | 81 | 60 | 39 | 27 | 9 | 21 | 0 | 0 | 0 | 0 | 378 | 379 |
| DI Interdepartmental | 8 | 8 | 8 | 7 | 7 | 5 | 3 | 3 | 0 | 0 | 0 | 0 | 49 | 88 |
| F fire | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I Industrial | 1 | 2 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 19 |
| OT Other | 17 | 13 | 13 | 13 | 14 | 10 | 3 | 4 | 0 | 0 | 0 | 0 | 87 | 120 |
| R Residential | 106 | 122 | 127 | 103 | 103 | 95 | 50 | 67 | 0 | 0 | 0 | 0 | 773 | 970 |
| RS - P Resale Pumped | 50 | 81 | 172 | 150 | 131 | 131 | 27 | 34 | 0 | 0 | 0 | 0 | 776 | 767 |
| RS - G Resale Gravity | 456 | 487 | 453 | 363 | 338 | 422 | 228 | 217 | 0 | 0 | 0 | 0 | 2964 | 3317 |
| TE Temporary | 6 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 20 |
| Total | 1,421 | 1689 | 1781 | 1559 | 1396 | 1364 | 373 | 660 | 0 | 0 | 0 | 0 | 10,243 | 10,871 |
| Total 2014 / 2015 | 2286 | 1972 | 2317 | 1506 | 1187 | 432 | 483 | 688 | 1410 | 1283 | 1483 | 1601 | N/A | 16648 |

** July 2015 was the first month when all customers were on monthly billing. July 2015 now reflects actual consumption for July.

Casitas Municipal Water District
CFD No. 2013-1 (Ojai) - Monthly Cost Analysis
2015 / 2016



4/7/2016

| | Services & Suplies | Legal Fees | Labor Expense | Other Services | Total Expenses |
|---------------------------|-----------------------------------|-----------------------|--------------------------|---------------------------|---------------------------|
| 2011 / 2012 | -289.50 | 42,560.00 | 11,098.37 | 0.00 | 53,368.87 |
| 2012 / 2013 | 831.82 | 223,462.77 | 14,836.68 | 0.00 | 239,131.27 |
| 2013 / 2014 | 29.89 | 91,878.06 | 3,835.65 | 0.00 | 95,743.60 |
| 2014 / 2015 | 0.00 | 68,457.10 | 0.00 | 0.00 | 68,457.10 |
| July | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| August | 0.00 | 1,022.00 | 0.00 | 0.00 | 1,022.00 |
| September | 0.00 | 2,140.00 | 0.00 | 0.00 | 2,140.00 |
| October | 0.00 | 21,424.00 | 0.00 | 0.00 | 21,424.00 |
| November | 0.00 | 24,356.00 | 0.00 | 0.00 | 24,356.00 |
| December | 0.00 | 16,494.00 | 440.42 | 0.00 | 16,934.42 |
| January | 0.00 | 7,112.00 | 0.00 | 0.00 | 7,112.00 |
| Feburary | 0.00 | 37,616.90 | 0.00 | 0.00 | 37,616.90 |
| March | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| April | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| May | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| June | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Cost YTD | 0.00 | 110,164.90 | 440.42 | 0.00 | 110,605.32 |
| Total Project Cost | 572.21 | 536,522.83 | 30,211.12 | 0.00 | 567,306.16 |

**CASITAS MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
04/07/16**

| 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 | \$1,722,017 | 2.380% | 9/16/2014 | 8.83% | 2627 |
| *TB | Federal Farm CR Bank | 3133EFK71 | 3/9/2026 | \$854,852 | \$847,098 | 2.790% | 3/28/2016 | 4.34% | 3572 |
| *TB | Federal Farm CR Bank | 3133EFNR4 | 11/18/2024 | \$809,098 | \$801,910 | 2.870% | 11/18/2015 | 4.11% | 3101 |
| | Federal Farm CR Bank | 3133EFYH4 | 2/8/2027 | \$1,016,065 | \$1,009,460 | 3.000% | 3/24/2016 | 5.17% | 3901 |
| *TB | Federal Farm CR Bank | 33133EFHV2 | 10/13/2022 | \$588,434 | \$581,108 | 2.200% | 10/23/2015 | 2.98% | 2346 |
| *TB | Federal Farm CR Bank | 3133EED31 | 4/28/2025 | \$2,989,039 | \$2,968,267 | 2.800% | 6/2/2015 | 15.21% | 3261 |
| *TB | Federal Home Loan Bank | 313381TA3 | 1/17/2023 | \$277,619 | \$284,088 | 2.240% | 9/8/2014 | 1.46% | 2440 |
| *TB | Federal Home Loan Bank | 313379EE5 | 6/14/2019 | \$1,371,049 | \$1,373,612 | 1.625% | 10/3/2012 | 7.04% | 1147 |
| *TB | Federal Home Loan Bank | 313379RN1 | 12/27/2024 | \$978,364 | \$995,030 | 2.840% | 6/18/2014 | 5.10% | 3140 |
| *TB | Federal Home Loan Bank | 3130A5R35 | 6/13/2025 | \$773,032 | \$759,373 | 2.875% | 2/19/2016 | 3.89% | 3306 |
| *TB | Federal Home Loan Bank | 31338OA98 | 8/14/2024 | \$126,966 | \$131,890 | 2.500% | 7/3/2014 | 0.68% | 3007 |
| 676633 | Federal Home Loan Bank | 3133XFKF2 | 6/11/2021 | \$675,383 | \$677,286 | 5.625% | 1/16/2013 | 3.47% | 1864 |
| *TB | Federal Home Loan MTG Corp | 3134G43A4 | 10/30/2024 | \$849,441 | \$885,062 | 2.500% | 7/3/2014 | 4.54% | 3083 |
| *TB | Federal Home Loan MTG Corp | 3137EADB2 | 1/13/2022 | \$678,379 | \$696,928 | 2.375% | 9/8/2014 | 3.57% | 2076 |
| *TB | Federal Home Loan MTG Corp | 3134G34R8 | 7/23/2021 | \$513,841 | \$517,119 | 2.000% | 12/2/2014 | 2.65% | 1906 |
| *TB | Federal Home Loan MTG Corp | 3137EABA60 | 11/17/2017 | \$1,059,500 | \$1,069,230 | 5.125% | 1/3/2012 | 5.48% | 580 |
| *TB | Federal National Assn | 3136G0K67 | 4/9/2021 | \$192,000 | \$192,701 | 2.000% | 12/2/2014 | 0.99% | 1802 |
| *TB | Federal National Assn | 3135G0ES80 | 11/15/2016 | \$684,804 | \$686,681 | 1.375% | 3/12/2012 | 3.52% | 218 |
| *TB | US Treasury Inflation Index NTS | 912828JE10 | 7/15/2018 | \$1,146,619 | \$1,156,794 | 1.375% | 7/6/2010 | 5.93% | 818 |
| *TB | US Treasury Inflation Index NTS | 912828MF4 | 1/15/2020 | \$1,131,390 | \$1,170,984 | 1.375% | 11/18/2015 | 6.00% | 1358 |
| *TB | US Treasury Note | 912828WE6 | 11/15/2023 | \$768,984 | \$830,385 | 2.750% | 12/13/2013 | 4.26% | 2738 |
| Accrued Interest | | | | | \$154,898 | | | | |
| Total in Gov't Sec. (11-00-1055-00&1065) | | | | \$19,143,540 | \$19,511,921 | | | 99.98% | |
| Total Certificates of Deposit: (11.13506) | | | | \$0 | \$0 | | | 0.00% | |
| ** | LAIF as of: (11-00-1050-00) | | N/A | \$448 | \$448 | 0.32% | Estimated | 0.00% | |
| *** | COVI as of: (11-00-1060-00) | | N/A | \$2,848 | \$2,848 | 0.50% | Estimated | 0.01% | |
| TOTAL FUNDS INVESTED | | | | \$19,146,835 | \$19,515,217 | | | 100.00% | |
| Total Funds Invested last report | | | | \$18,755,801 | \$18,963,996 | | | | |
| Total Funds Invested 1 Yr. Ago | | | | \$18,176,836 | \$18,575,662 | | | | |
| **** | CASH IN BANK (11-00-1000-00) EST. | | | \$4,092,667 | \$4,092,667 | | | | |
| | CASH IN Western Asset Money Market | | | \$343 | \$343 | 0.01% | | | |
| TOTAL CASH & INVESTMENTS | | | | \$23,239,845 | \$23,608,226 | | | | |
| TOTAL CASH & INVESTMENTS 1 YR AGO | | | | \$24,120,494 | \$24,519,321 | | | | |

- *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.