



Board Meeting Agenda

Russ Baggerly, Director
Richard Handley, Director
Bill Hicks, Director

Pete Kaiser, Director
James Word, Director

CASITAS MUNICIPAL WATER DISTRICT
September 22, 2010
4:30 P.M. – DISTRICT OFFICE

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 154954.2 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.
 2. General Manager comments.
 3. Board of Director comments.
 4. Consent Agenda
 - a. Minutes of the September 8, 2010 Board Meeting.
 - b. Resolution authorizing the execution of an agreement with Ernst and Young for audit services for the State Water Project.
 - c. Recommend approval of a purchase order in the amount of \$31,640 to EP Construction for Robles-Casitas Canal panel replacement.
- RECOMMENDED ACTION: Adopt Consent Agenda
5. Bills
 6. Committee/Manager Reports
 - a. Finance Committee Minutes
 - b. Recreation Committee Minutes
 7. Resolution supporting the application to the State of California Department of Parks and Recreation for Recreation Trails Grant Funds.

RECOMMENDED ACTION: Adopt Resolution

8. Resolution awarding a bid to Oilfield Electric in the amount of \$143,390 for the 4(M) Pump Plant electrical upgrade.

RECOMMENDED ACTION: Adopt Resolution

9. Resolution awarding a bid to Paso Robles Tank in the amount of \$160,500 for the Ojai 4(M) Reservoir No. 1 interior coating project.

RECOMMENDED ACTION: Adopt Resolution

10. Resolution awarding a bid to Olympus and Associates in the amount of \$280,540 for the Oak View Reservoir No. 2 interior coating project.

RECOMMENDED ACTION: Motion approving recommendation

11. Consideration of participating in costs for extra work to protect utilities at the Fresno Canyon and Foster Park embankment projects.

RECOMMENDED ACTION: Direction to staff

12. Ordinance prescribing a system of business administration

RECOMMENDED ACTION: Adopt Ordinance

13. Recommend approval of the Asset Disposal Policy.

RECOMMENDED ACTION: Motion approving recommendation

14. Information Items:

- a. Recreation Area report for August
- b. Investment Report

15. 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
September 8, 2010

A meeting of the Board of Directors was held September 8, 2010 at Casitas' Office, Oak View, California. Directors Handley, Kaiser, Word and Hicks were present. Director Baggerly was absent. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were two staff members and two members of the public in attendance. President Handley led the group in the flag salute.

1. Public comments.

None

2. General Manager comments.

Mr. Wickstrum informed the board of an incident that occurred on Highway 150 where a man took his life. This occurred outside the Lake Casitas Recreation Area boundaries. Mr. Wickstrum then informed the board that he had met with one of the candidates for Division 4 and had called the other two candidates to offer to meet with them rather than holding a candidate day. Once we get through the election process we will do director training including training on the Brown Act.

3. Board of Director comments.

Director Word asked about the Ojai Pump Plant electrical conversion. Mr. Wickstrum responded that we should get equipment in a few weeks. Cost estimates for Fairview pump plant will be developed.

Mr. Wickstrum introduced Mary Bergen as a candidate for Division IV.

Director Word asked if we would be participating in Ojai Days. Mr. Wickstrum explained that the District is having a shared booth with Recreation. Director Word then asked on the status of the safety of dams meeting. Mr. Wickstrum explained that he did not have information regarding a meeting and he felt that the Bureau had some more work to accomplish on the ability to pay.

Director Hicks asked if the cool weather had reduced the attendance at the water park. Park Services Manager Carol Belser answered that attendance was down and the Water Adventure is closed for the season with water aerobics classes continuing until the lazy river is drained which may be in a week.

Director Kaiser questioned the results from the use of hydrogen peroxide treatment of the lake. Mr. Wickstrum responded that Water Quality Lab Supervisor Susan McMahon provided her report which is in the information

section of the agenda package and noted that the treatment did show injury to algae cells. The theory is that if we can hit it early enough before it blooms we may be able to accomplish what we want. It shows great promise compared to other applications. We may decide to do an earlier treatment in the dam intake area in the future.

Director Kaiser then asked about Labor Day at the Recreation Area. Ms. Belser reported that it was busy, there were several incidents but revenue was good.

President Handley mentioned he was approached by the Ojai Raptor Center to put some kestrel boxes around the lake. Ms. Belser said she would contact the center to discuss the possibility.

4. Consent Agenda ADOPTED

- a. Minutes of the August 11, 2010 Board Meeting.
- b. Recommend approval of the invoice in the amount of \$54,995 to Alliant Insurance Services for the Special Liability Insurance Program coverage from 9/29/2010 to 9/29/2011.

On the motion of Director Word, seconded by Director Kaiser and passed, the consent agenda was adopted.

5. Bills APPROVED

Director Kaiser questioned #5906 to Daley & Heft. Ms. Vieira explained they are the attorneys representing Casitas on a claim against the district.

On the motion of Director Word, seconded by Director Hicks and passed, the bills were approved.

6. Committee/Manager Reports APPROVED FOR FILING

- a. Recreation Committee Minutes

On the motion of Director Hicks, seconded by Director Kaiser and passed, the Committee/Manager reports were approved for filing.

7. Resolution awarding a contract for the Filter Vessel Interior Repair & Coating Specification 10-335 to ERS Industrial Services Inc. in the amount of \$178,740.62. ADOPTED

Park Services Manager Carol Belser presented the five year agreement explaining it would save staff time and provide the event organizer security regarding the date.

The resolution was offered by Director Kaiser, seconded by Director Word and passed by the following roll call vote:

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

Resolution is numbered 10-25.

9. Recommend authorization of participation costs for a Ventura River Watershed Coordinator position for a period of three years, in cooperation with the many other local agencies in the Ventura River Area.
APPROVED

Mr. Wickstrum explained the request to establish a local coordinator for the Ventura River Watershed Council and proceed to get grant funding for the majority of the costs for that individual. Ojai Valley Land Conservancy has offered for that person to be housed at their office. The current request is for \$1,778 annually.

On the motion of Director Word, seconded by Director Hicks and passed, the above recommendation was approved.

10. Information Items:
- a. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.
 - b. Report regarding the recent lake treatment for algae.
 - c. Recreation Area Report for July.
 - d. Letter of appreciation from AWA.
 - e. Letter from National Marine Fisheries Service regarding the Mosler Ojai Quarry.
 - f. News Articles
 - g. Investment Report

Attorney John Mathews mentioned that there may be four open seats on the Regional Water Quality Control Board.

11. Adjournment

President Handley adjourned the meeting at 5:07 p.m.

Secretary

CASITAS MUNICIPAL WATER DISTRICT

A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN
CASITAS MUNICIPAL WATER DISTRICT AND ERNST AND YOUNG FOR
AUDIT SERVICES FOR THE STATE WATER PROJECT

WHEREAS, the State Water Contractors annually require audit services from an independent auditor; and

WHEREAS, the State Water Contractors has required that the audit firm of Ernst and Young perform these services; and

WHEREAS, the cost of these services is pro-rated between the various users who have entitlements to the State Water; and

WHEREAS, these costs are shared between the three agencies of United Water Conservation District, the City of Ventura and Casitas; and

WHEREAS, the cost in 2009 was \$5,677;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors hereby authorized and directs the President of the Board to sign the audit agreement for Casitas approving Exhibits A and B only at a cost not to exceed \$5,677.

ADOPTED this 22nd day of September, 2010.

President,
Casitas Municipal Water District

ATTEST:

Secretary,
Casitas Municipal Water District



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Roseville, California 95661
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www.ey.com

June 30, 2010

Mr. Steven Wickstrum
Casitas Municipal Water District
1055 Ventura Ave.
Oak View, California 93022-9622

Dear Mr. Wickstrum:

This letter, together with the attached Exhibits and Attachments (collectively, this "Agreement"), sets forth the terms and conditions on which Ernst & Young (EY) will perform certain professional services as described in Exhibits A and B (collectively, the "Services") for Casitas Municipal Water District (the "Agency"), a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2011.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA). As part of your review of the terms of this Agreement, please refer to the enclosed letter from Ms. Valerie Pryor of the IAA Audit Contract Negotiating Committee dated June 23, 2010.

The Services and the information, records, data, advice or recommendations contained in any reports, materials, presentations or other communications, written or otherwise, in draft or final form, provided by EY (collectively, "Reports") are intended solely for the information and use of the Agency's management. The Agency may not rely on any verbal Reports (that are not confirmed by EY in writing) or draft written Reports. Except where compelled by legal process (of which the Agency shall promptly inform EY and tender to EY, if EY so elects, the defense) the Agency may not disclose, orally or in writing, any Report or any portion, abstract or summary thereof, or make any reference to EY in connection therewith, to any third party without obtaining the prior written consent of EY. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact. The IAA may provide a copy of the Reports to management of the Department of Water Resources (DWR) for the purposes of examining the findings, recommendations and comments as they relate to DWR and the IAA.

Fees and expenses

The total fees for these services to be rendered to the Agency, as well as an allocation of the total fees for each member agency of the IAA, appear in Exhibits A, B, and C attached (no procedures or fees have been allocated to Exhibit C in this contract). Our total fees pursuant to Exhibits A and B to be charged to all members of the IAA entering into agreements with us shall not exceed \$451,920 for the twelve months ending June 30, 2011. This amount represents a reduction in total fees of \$14,530 as compared to the twelve months ended June 31, 2010 to keep fees chargeable to individual agencies consistent with the prior year, while the overall level of effort related to the execution of these procedures will remain unchanged. This agreement will not be effective unless, in addition to the Agency, a sufficient number of other IAA

agencies enter into agreements with us for such Services such that our total fees are not less than 80% of \$451,920. If all agencies who are presently participating in the services rendered by our firm enter into agreements with us for this twelve-month period, the maximum fees for our services to your Agency will not exceed \$5,677 for Exhibits A and B. However, if not all of the agencies presently participating in agreements with us enter into agreements with us for services during the twelve-month period ending June 30, 2011, the maximum fees to your Agency will vary between the above-mentioned amount and \$7,097, which represents the maximum fees should sufficient agencies enter into agreements with us for total fees of not less than 80%.

In addition to the maximum fees under Exhibit A and B, maximum fees under Exhibit C shall not exceed a total of \$50,000 or \$635 for the Agency unless agreed to by the IAA. As noted above, no procedures have been allocated to Exhibit C. Prior to any expenditures under Exhibit C, said work must be specifically requested in writing in advance of any work being performed. Areas of potential focus for Exhibit C projects could include procedures agreed to by EY and the IAA in advance related to in one or more of the items identified in Exhibit A. In recent years Exhibit C special projects have included projects such as assessing implementation and billing issues relating to the new SAP based Cost Allocation and Repayment Analysis System ("CARA"), and studies to evaluate a pay-as-you-go system for funding conservation related operating costs incurred by the Department.

We have also included Exhibit D as part of this contract, which provides the opportunity for individual Contractors to enter into separate agreements for services with EY. There are currently no fees related to Exhibit D included herein.

The results of our procedures will include a presentation of our findings, observations and recommendations to be held in Sacramento, California for any interested Contractors. Any presentations requested at individual Contractor locations will be negotiated with the individual Contractor under Exhibit D and will be paid for by that Contractor.

Other matters

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

Casitas Municipal Water District

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in Attachments 1 and 2.

Except for a claim limited solely to seeking non-monetary or equitable relief, any dispute or claim arising out of or relating to the Services, this Agreement, or any other services provided by or on behalf of EY or any of its subcontractors or agents to the Agency or at the Agency's request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved by mediation or arbitration as set forth in Attachment 2 to this Agreement. Judgment on any arbitration award may be entered in any court having jurisdiction.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

EY appreciates the opportunity to be of assistance to the Agency. If this Agreement accurately reflects the terms on which the Agency has agreed to engage EY, please sign the enclosed copy on behalf of the Agency and return it to Darin Carlsen at the address provided above.

Yours very truly,

ERNST & YOUNG

Casitas Municipal Water District



By: Darin Carlsen
Partner

By: _____

Title: _____

Date: _____

EXHIBIT A

I. SCOPE OF ENGAGEMENT

- A-1. EY will work with the IAA, the State Water Contractors (SWC) Audit/Finance Committee, and any subcommittees thereof, and the Department of Water Resources (the "Department") during the twelve months ending June 30, 2011 relating to matters currently being discussed between the SWC and the Department.

EY's services to be rendered as described in this Exhibit shall be determined by the IAA at its discretion. The Services shall include:

1. Participation in all meetings of the SWC Audit/Finance Committee, which is a basic forum for communications between the State Water Project Contractors and the Department's staff on financial and accounting matters.
2. Cooperation with any subcommittees of the IAA assigned to study and resolve specific problem areas.
3. Review of reports and other documents prepared by the Department and disseminated at these meetings.
4. Submit an annual report to each agency setting forth the findings, comments, and recommendations related to our services.

II. FEES FOR EY SERVICES

- A-2. Total fees for Exhibit A services performed by EY will not exceed \$45,148, including reasonable and necessary out-of-pocket expenses.

III. ALLOCATION OF FEES

- A-3. The maximum aggregate fee set forth in paragraph A-2 shall be apportioned among the agencies named in paragraph A-4 based on a basis consistent with the prior year.

IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY

- A-4. The portion of the maximum aggregate fee set forth in paragraph A-2 applicable to each agency in conformity with the methodology set forth in paragraph A-3 is shown below:

Agency	Maximum fee for each agency, provided all agencies listed below enter into agreements with EY	Maximum fee for each agency resulting if agencies named below providing for maximum fees of only 80% of the maximum aggregate fee enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 2,286	\$ 2,858	5.1%
Alameda County Water District	1,191	1,489	2.6
Antelope Valley-East Kern Water Agency	4,010	5,013	8.9
Casitas Municipal Water District	567	709	1.3
Castaic Lake Water Agency	2,700	3,375	6.0
City of Yuba City	272	340	0.6
Coachella Valley Water District	3,435	4,293	7.6
County of Kings	263	330	0.6
Crestline-Lake Arrowhead Water Agency	164	206	0.4
Desert Water Agency	1,418	1,773	3.1
Dudley Ridge Water District	1,626	2,033	3.6
Empire West Side Irrigation District	85	106	0.2
Kern County Water Agency	11,650	14,563	25.8
Littlerock Creek Irrigation District	65	82	0.1
Mojave Water Agency	2,150	2,687	4.8
Napa County Flood Control and Water Conservation District	824	1,029	1.8
Palmdale Water District	604	755	1.3
San Bernardino Valley Municipal Water District	2,910	3,637	6.4
San Gabriel Valley Municipal Water District	817	1,021	1.8
San Geronimo Pass Water Agency	491	613	1.1
San Luis Obispo County Flood Control and Water Conservation District	709	886	1.6
Santa Clara Valley Water District	2,836	3,545	6.3
Solano County Water Agency	1,355	1,693	3.0
Tulare Lake Basin Water Storage District	<u>2,720</u>	3,400	<u>6.0</u>
Total	<u>\$ 45,148</u>		<u>100%</u>

EXHIBIT B

I. SCOPE OF ENGAGEMENT

B-1. During the twelve months ending June 30, 2011, the Services will include the following procedures.

Note that we will initially focus our procedures on those designated as high priority. We will then perform those with a medium and low priority as time permits. As part of these procedures we will regularly meet with the IAA to discuss the progress under this engagement. We will also submit an annual report to each agency setting forth the findings, observations, and recommendations related to our services.

2010/2011 Procedures

Priority	Procedures
	<u>OFF-AQUEDUCT POWER FACILITIES</u>
HIGH	1) Obtain the "Year-End Allocation of 2009 Off-Aqueduct Power Facilities Charges," test the clerical accuracy of the schedule, and cross-reference the data from the power spreadsheets. Vouch cost and revenue items greater than \$250 thousand in conjunction with our power testing.
HIGH	2) Test the calculation used to allocate the 2009 off-aqueduct power facilities charges to the Contractors, and verify the methodology is consistent with the Contract.
HIGH	3) Obtain copies of any preliminary allocations performed during the year and retain for future purposes.
HIGH	4) Verify that the appropriate billings and/or refunds have taken place (or were included as part of the Contractor bills) based on any preliminary or final allocations performed during the year, and follow up on any billings or refunds that had not been issued at the conclusion of our 2009/2010 procedures.
HIGH	5) Obtain the "Allocation of 2011 Off-Aqueduct Power Facilities Charges," test the clerical accuracy of the schedule, and verify the allocation of charges agrees to the Contractors' 2010 Statement of Charges (SOC).
MEDIUM	6) Verify the return of off-aqueduct bond cover during the year was properly allocated among the Contractors.
	<u>DELTA WATER RATE</u>
HIGH	1) Recalculate the capital and operating costs per Bulletin 132-10, Table B-13

Priority	Procedures
	using SAP. Investigate all differences greater than \$10k from the published data.
LOW	2) Review the postings to each cost category for 2004 - 2008 for duplicate amounts. Perform testing of duplicates to verify that the amounts are appropriately being included in the calculation.
HIGH	3) Compare the current year figures from SAP for Table B-13 to the prior year figures from SAP for Table B-13 for the years 2004 to 2008 (for example, we compare the 2007 amount per B-13 in the current year to the 2007 amount per B13 in the prior year) in order to determine if large adjustments are taking place in each of the years over what was originally presented. Investigate any changes for the year greater than \$100k, by category. For the three largest changes (if possible within SAP due to the age of the data and the recent SAP upgrade), drill down in SAP to the invoice level and determine what new invoices are present for the year that were not there in the prior year and determine why they were added.
HIGH	4) Test to determine that the present worth calculation used in the calculation of the current Delta Water Rate is properly applied.
MEDIUM	5) Compare the cost components included in the 2009 conservation minimum and capital components of the Delta Water Rate to the 2009 variable costs tested in conjunction with the power section.
LOW	6) Test to determine that initial planning and design costs initially expensed in the conservation minimum related to newly authorized capital projects are reversed out of the minimum and charged to the conservation capital according to policy.
LOW	7) Confirm the Gianelli net charge/revenue calculation is correct.
LOW	8) Review and confirm the Hyatt-Thermalito cost calculations and the corresponding credits against the conservation capital and conservation minimum and charge to the variable OPP&R are correct.
HIGH	9) Include a discussion of any significant changes to the estimates being included in the calculation for the 2011 SOC.

Priority	Procedures
CAPITAL-LOW MINIMUM-LOW VARIABLE-HIGH	<p><u>TRANSPORTATION CHARGES</u></p> <p>1) Using tables B-10 (Capital), B-11 (Minimum) and B12 (Variable), compare the costs per reach from 2004 through 2008 per Bulletin 132-09 to those in Bulletin 132-10 and determine if there have been any changes greater than 10% and \$50k. For any such changes, drill down in SAP to the invoice level to determine the reason for such changes.</p>
LOW	<p>2) For five capital and minimum reaches to be selected by the IAA, obtain support for the makeup of the reach transportation costs by program for 2008. Evaluate the adequacy of the inclusion of the programs to the selected reaches.</p>
HIGH	<p>3) For five variable reaches to be selected by the IAA, reconcile the 2008 power testing performed during the 2009/2010 procedures into the reach costs.</p>
MEDIUM	<p>4) For each of the five reaches selected, have the IAA select a Contractor taking water from the reach and re-compute the selected Contractor's billed amount for capital, minimum or variable for 2008.</p>
HIGH	<p>5) Recalculate the variable unit rate at the selected reach level and the cumulative reach level for the Contractors selected.</p>
	<p>6) Have the IAA select a capital project to verify:</p>
LOW	<p>a. The project cost allocation is consistent with the Contract and direction from the Contractors.</p>
LOW	<p>b. The project has been approved using the WREM 65 process and determine if the WREM 65 process is working as anticipated.</p>
	<p>7) For all costs which are allocated using an overhead allocation factor:</p>
LOW	<p>a. Identify changes in the overhead allocation factors, testing a sample to see if the basis for the revised allocation percentage is reasonable and in accordance with the Contract provisions.</p>
LOW	<p>b. Perform sample testing to see if the overhead costs are allocated according to the previously verified allocation factor.</p>

Priority	Procedures
MEDIUM	<p><u>PROPORTIONAL USE OF FACILITIES FACTORS</u></p> <p><i>Capital</i></p> <p>1) Compare Table B-1 from Bulletin 132-10 to Table B-1 from Bulletin 132-09.</p>
MEDIUM	<p><i>Minimum</i></p> <p>2) Compare Table B-2 from Bulletin 132-10 to Table B-2 from Bulletin 132-09.</p>
MEDIUM	<p>3) Select a sample of changes to the Proportional Use of Facilities Factors and obtain the Department's calculation. Evaluate the reasonableness of the calculation used.</p>
HIGH	<p><u>MONTEREY AMENDMENT</u></p> <p>1) Confirm the balance in the General Operating Account (GOA) as of June 30, 2010, with the State Controller's Office (SCO), and test the June 30, 2010, reconciliations by agreeing the asset balance to SAP and the cash balance to the confirmation. Obtain explanations for all reconciling items greater than \$10 thousand dollars.</p>
HIGH	<p>2) Prepare a summary of the activity in the GOA for the fiscal year ended June 30, 2010, and present the results in the report.</p>
MEDIUM/LOW	<p>3) Obtain the latest calculation to determine funds available for rate management credits and test a sample of amounts in the calculation to determine if they are appropriate.</p>
HIGH	<p>4) Obtain the latest final rate management allocation schedule used for the 2009 SOC and determine if the allocation methodology is consistent with the Monterey Amendment. Test the schedule for clerical accuracy and verify the amount for each Contractor was properly reflected in the 2009 re-bill.</p>
HIGH	<p>5) Obtain the rate management allocation schedule used for the 2010 SOC and determine if the allocation methodology is consistent with the Monterey Amendment. Test the schedule for clerical accuracy and verify the amount for each Contractor was properly reflected in the 2010 SOC.</p>
LOW	<p>6) Determine if the Department has properly accounted for permanent transfers in the B Tables for five IAA chosen Contractors.</p>

Priority	Procedures
HIGH	7) Test the most recent reconciliation of the Capital Facilities Account, including additions to and disbursements from the account. Confirm the balance at June 30, 2010 with the SCO.
LOW	<p><u>WATER SYSTEM REVENUE BOND SURCHARGE</u></p> <p>1) Recalculate the current year Water System Revenue Bond (WSRB) Surcharge, including testing of the allocation between Contractors. Investigate any variations greater than 5% from the expected amount and the prior year.</p>
LOW	2) Compare five IAA selected Contractors' WSRB Surcharge from Bulletin 132-09 Table B-22 for the years 2004 to 2029 to those same years in Bulletin 132-10 Table B-22 and investigate fluctuations by year greater than \$1 million.
LOW	3) For the five Contractors chosen, recalculate the allocation of the 2009 actual (per Bulletin 132-10) WSRB surcharge (Table B-22) based on historical allocation factors.
LOW	4) Determine if there have been any changes from the Bulletin 132-09 to the Bulletin 132-10 WSRB allocation factors used for the actual 2008 allocation.
	<p><u>STATEMENT OF CHARGES</u></p> <p>1) For five Contractors selected by the IAA, perform the following procedures:</p>
HIGH	a) Agree all amounts on the summary pages to applicable detail pages of the SOC.
HIGH	b) Agree the sum of the capital and minimum components of the Delta Water Rate (per Attachment 1) to the Bulletin 132-10, Table B-21. Verify the extension of the two Delta Water Rates by the annual entitlement for the year in Bulletin 132-10, Table B-4.
HIGH	c) Agree the minimum OMP&R component for OAP facilities per Attachment 1-1 to Bulletin 132-10, Table B-16B.
HIGH	d) Verify that the capital components (per Attachment 3) are calculated in accordance with the Contract by recalculating the capital components and agreeing the amounts to Attachment 4A, according to the

Priority	Procedures
	appropriate method.
	e) For Attachments 4A, 4B and 4C:
HIGH	<ul style="list-style-type: none"> • Agree payments received to the prior year SOC.
HIGH	<ul style="list-style-type: none"> • Verify "current overpayment or underpayment" by selecting three years for each Contractor tested and subtracting payments received from the calculated component.
HIGH	<ul style="list-style-type: none"> • Verify "annual difference capitalized" by multiplying the current over/underpayment by the respective present value factor for the three selected years for each Contractor.
HIGH	<ul style="list-style-type: none"> • Verify that the adjusted component is the sum of the 2011 calculated component and the total of the annual difference capitalized.
HIGH	f) For Attachment 4A (capital component of transportation) for each Contractor we are testing agree the calculated component to Bulletin 132-10, Table B-15.
	g) For Attachment 4B (minimum component of transportation) for each Contractor we are testing:
HIGH	<ul style="list-style-type: none"> • Agree the calculated component to Bulletin 132-10, Table B-16A.
HIGH	<ul style="list-style-type: none"> • Agree the most recent five calculated components for each Contractor and verify to SAP.
	h) For Attachment 4C (variable component of transportation) for each Contractor we are testing:
HIGH	<ul style="list-style-type: none"> • Agree "Annual Water Quantities Delivered" to Bulletin 132-10, Table B-5B.
HIGH	<ul style="list-style-type: none"> • Agree the most recent five calculated components for each Contractor and verify to SAP.
HIGH	<ul style="list-style-type: none"> • Agree the calculated component to Bulletin 132-10, Table B-18.

Priority	Procedures
	i) For Attachment 4D (amortization of the capital component of transportation) for each Contractor we are testing:
HIGH	<ul style="list-style-type: none"> • Cross-reference the capital component amounts with the amounts from the detailed testing at Attachment 4A.
HIGH	<ul style="list-style-type: none"> • Calculate the "Unit rate for amortizing difference" by dividing the capital cost component by remaining water deliveries.
HIGH	<ul style="list-style-type: none"> • Calculate the 2009 amortization by multiplying unit rate calculated above by the 2009 deliveries.
HIGH	<ul style="list-style-type: none"> • Calculate the 2011 amortization by multiplying the unit rate calculated above by the 2011 deliveries.
	j) For Attachment 4E (adjustments of capital component of East Branch Enlargement transportation charges) and Attachment 4F (adjustments of minimum OMP&R cost component of East Branch Enlargement transportation charges) (when applicable):
HIGH	<ul style="list-style-type: none"> • Agree payments received to the prior year SOC.
HIGH	<ul style="list-style-type: none"> • Verify "current overpayment or underpayment" by selecting the most recent three years for each Contractor and subtracting payments received from the calculated component.
HIGH	<ul style="list-style-type: none"> • Agree the calculated components to Bulletin 132-10, Table B-29 for Attachment 4E and Table B-30 for Attachment 4F.
HIGH	<ul style="list-style-type: none"> • Verify "annual difference capitalized" by multiplying the current over/underpayments by the respective compounding SMIF rate.
HIGH	<ul style="list-style-type: none"> • Verify that the adjusted component is the sum of the 2011 calculated component and the total of the annual difference capitalized.
HIGH	k) Cross-reference acre-feet, calculated component and annual difference capitalized from Attachment 5 to the detailed testing at Attachment 4C.
HIGH	l) Test the BDCP/DHCCP charges added to the Contractors' minimum components by recalculating the amounts based on Table A

Priority	Procedures
	entitlements.
HIGH	m) Prepare a summary of the changes by cost category from the 2009 SOC to the 2010 SOC for inclusion in the report.
HIGH	<p><u>NEW AND CHANGED COST AND FUND CENTERS</u></p> <p>1) Update our understanding of the processes in place to add or change cost and fund centers.</p>
HIGH	2) Obtain a listing of all new and changed cost and fund centers for the period from January 1, 2009, to December 31, 2009.
MEDIUM	3) Select a sample of five new or changed cost and fund centers, and obtain support for the functional area being applied.
LOW	<p><u>PROJECT INTEREST RATE</u></p> <p>1) Perform testing of the calculation used to determine the Project Interest Rate. Verify the methodology is consistent with that required by the State Water Contract.</p>
MEDIUM	<p><u>REPLACEMENT ACCOUNTING SYSTEM</u></p> <p><i>Transportation Facility Replacements</i></p> <p>1) Obtain a listing of actual replacements during 2009. Test 25 haphazardly chosen replacements to verify only items approved to be treated as replacements per the "Master Replacement Listing" are on the list. Vouch each of the 25 items tested back to invoices.</p>
LOW	2) Obtain the 2009 allocation of replacement cost to verify the allocation is appropriate in accordance with the PAYGO methodology.
LOW	3) Compare the actual allocation of replacements for five contractors (to be selected by the IAA) and determine that the over/under per the SOC are properly calculated.
	<p><i>Replacement Reserve Fund</i></p> <p>4) Using the SCO fund reconciliation reports for the current year, perform the following:</p>

Priority	Procedures
HIGH	<ul style="list-style-type: none"> • Confirm the replacement fund balances with the SCO as of June 30, 2010. Agree the confirmed amount back to the monthly activity analysis prepared below.
HIGH	<ul style="list-style-type: none"> • Summarize the monthly activity through the most recent fiscal year-end included in the SCO fund reconciliation reports.
HIGH	<ul style="list-style-type: none"> • Tie the fiscal year-end balances to the balances per the SCO fund reconciliation reports and trace any additional activity from SAP into the SCO fund reconciliation reports.
HIGH	<ul style="list-style-type: none"> ▪ For all withdrawals, including Replacement Accounting System (RAS) refunds, ensure that the withdrawal was in accordance with the current RAS methodology. For any credits or refunds from the funds, obtain supporting information from Fiscal and test as appropriate.
LOW	<ul style="list-style-type: none"> ▪ Obtain the SMIF interest rates for the calendar year 2009 and through July 2010 and verify the reasonableness of SMIF interest earnings of the RAS funds for fiscal year 2010.
HIGH	<p><u>SYSTEM POWER COSTS</u></p> <p>1) Request copies of any FALPOCs or PALPOCs revised during the year and compare to previously tested PALPOCs. Test changes greater than \$500k.</p>
HIGH	<p>2) For any FALPOCs issued during the year, obtain the FALPOC to SAP reconciliation of power costs and power revenues, test it for clerical accuracy and cross-reference the Utility Cost Accounting and Billing System (UCABS) amounts to SAP and the FALPOC amounts to the FALPOC. Investigate all significant differences between the reconciliation and SAP, and the reconciliation and the FALPOC. Investigate all reconciling items greater than \$500k.</p>
HIGH	<p>3) Obtain the spreadsheet of power costs and revenues compiled at the JOC for the 2009 calendar year, test the clerical accuracy, vouch all amounts greater than \$500k to vendor invoices for power purchases and review Department support for power revenues (power sold to external parties). Determine that each of the items tested are properly classified as on aqueduct power.</p>

Priority	Procedures
HIGH	4) Obtain the 2009 calendar year Table 1 - Net Pumping Cost Summary, Table 5 - Energy Costs and Table 8 - Energy Revenue, test the clerical accuracy and cross- reference the amounts to the data obtained from the JOC. Additionally, cross- reference the amounts from Table 1 to Tables 5 and 8.
HIGH	5) Obtain the 2009 PALPOC, test it for clerical accuracy and cross-reference the amounts to Table 1, Table 5 and Table 8.
HIGH	6) Obtain the 2009 calendar year PALPOC to SAP reconciliation of power costs and power revenues, test it for clerical accuracy and cross-reference the UCABS amounts to SAP and the PALPOC amounts to the 2009 PALPOC. Investigate all significant differences between the reconciliation and SAP, and the reconciliation and the PALPOC. Investigate all reconciling items greater than \$500k.
HIGH	<p><u>SUSPENDED AND NON-CHARGEABLE COSTS</u></p> <p>1) Obtain an update of the suspended and non-chargeable costs as of June 30, 2010 and test any changes by category greater than \$500k from the data obtained as of June 30, 2009. Present a summary in the report.</p>
HIGH	<p><u>OTHER PROCEDURES</u></p> <p>1) Review the Department's methodology to develop the alpha allocation factors and evaluate any changes made to historical data (if available in the current year).</p>
HIGH	2) Obtain the 2009 re-bill, and determine if the findings identified in the 2009/2010 procedures were appropriately corrected. If appropriate, verify the corrections were carried forward into the 2010 SOC.
LOW	3) Perform testing of the SMIF interest, investment interest and other credits provided by DWR to verify the allocation methodology is calculated appropriately.
MEDIUM	4) Perform testing of the return of the WSRB surcharge to the Contractors for a sample of years to be determined by the IAA. Verify the amounts are being returned in the same manner they were collected.
HIGH	5) Include a section in the report for each Contractor listing payments made and water deliveries received throughout the most recent calendar year.

Priority	Procedures
LOW	6) In conjunction with other procedures, if we identify a project that should have a related recreation costs, verify that the costs are being appropriately charged.
HIGH	7) Perform a review of all manual costs being added to the 2010 SOC to determine how they are captured in SAP. Verify that the amounts are not being double charged to the Contractors.

II. FEES FOR EY SERVICES

B-2. Total fees for Exhibit B services performed by EY will not exceed \$406,772, including reasonable and necessary out-of-pocket expenses.

III. ALLOCATION OF FEES

B-3. The maximum aggregate fee set forth in paragraph B-2 shall be apportioned among the agencies named in paragraph B-4 based on a basis consistent with prior years.

IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY

B-4. The portion of the maximum aggregate fee set forth in paragraph B-2 applicable to each agency in conformity with the methodology set forth in paragraph B-3 is shown below:

Agency	Maximum fee for each agency, provided all agencies listed below enter into agreements with EY	Maximum fee for each agency resulting if agencies named below providing for maximum fees of only 80% of the maximum aggregate fee enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 20,599	\$ 25,749	5.1%
Alameda County Water District	10,732	13,415	2.6
Antelope Valley-East Kern Water Agency	36,130	45,163	8.9
Casitas Municipal Water District	5,110	6,388	1.3
Castaic Lake Water Agency	24,325	30,406	6.0
City of Yuba City	2,453	3,066	0.6
Coachella Valley Water District	30,943	38,679	7.6
County of Kings	2,378	2,972	0.6
Crestline-Lake Arrowhead Water Agency	1,482	1,852	0.4
Desert Water Agency	12,776	15,970	3.1
Dudley Ridge Water District	14,652	18,315	3.6
Empire West Side Irrigation District	767	958	0.2
Kern County Water Agency	104,963	131,203	25.8
Littlerock Creek Irrigation District	588	735	0.1
Mojave Water Agency	19,368	24,210	4.8
Napa County Flood Control and Water Conservation District	7,416	9,270	1.8
Palmdale Water District	5,443	6,803	1.3
San Bernardino Valley Municipal Water District	26,216	32,770	6.4
San Gabriel Valley Municipal Water District	7,359	9,199	1.8
San Geronimo Pass Water Agency	4,420	5,526	1.1
San Luis Obispo County Flood Control and Water Conservation District	6,388	7,985	1.6
Santa Clara Valley Water District	25,552	31,940	6.3
Solano County Water Agency	12,202	15,253	3.0
Tulare Lake Basin Water Storage District	<u>24,510</u>	30,637	<u>6.0</u>
Total	<u>\$ 406,772</u>		<u>100%</u>

EXHIBIT C

I. OTHER CONSULTING SERVICES

- C-1. EY shall, during the twelve months ending June 30, 2011, perform other services if requested by the IAA. No such work shall be performed unless specifically authorized by the IAA in writing. Areas of potential focus for Exhibit C projects could include in depth procedures agreed to by EY and the IAA in advance related to in one or more of the items identified in Exhibits A and B.
- C-2. Total fees for such other consulting services shall 1) be agreed to prior to commencement of work, 2) be allocated among the agencies based on the same procedures included in Exhibit A and B, and 3) shall not exceed \$50,000, unless agreed to by the IAA, for the year ended June 30, 2011. Any part of the \$50,000 which is unused shall not be billed.

Agency	Maximum fee for each agency, provided all agencies listed below enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 2,575	5.2%
Alameda County Water District	1,333	2.7
Antelope Valley-East Kern Water Agency	4,489	9.0
Casitas Municipal Water District	635	1.3
Castaic Lake Water Agency	3,022	6.0
City of Yuba City	305	0.6
Coachella Valley Water District	3,845	7.7
County of Kings	295	0.6
Crestline-Lake Arrowhead Water Agency	184	0.4
Desert Water Agency	1,587	3.2
Dudley Ridge Water District	1,821	3.6
Empire West Side Irrigation District	95	0.2
Kern County Water Agency	12,500	25.0
Littlerock Creek Irrigation District	73	0.1
Mojave Water Agency	2,407	4.8
Napa County Flood Control and Water Conservation District	921	1.8
Palmdale Water District	676	1.4
San Bernardino Valley Municipal Water District	3,257	6.5
San Gabriel Valley Municipal Water District	914	1.8
San Geronimo Pass Water Agency	549	1.1
San Luis Obispo County Flood Control and Water Conservation District	794	1.6
Santa Clara Valley Water District	3,162	6.3
Solano County Water Agency	1,516	3.0
Tulare Lake Basin Water Storage District	<u>3,045</u>	<u>6.1</u>
Total	<u>\$ 50,000</u>	<u>100%</u>

EXHIBIT D

I. INDIVIDUAL CONTRACTOR AGREEMENTS

- D-1 EY may, during the twelve months ending June 30, 2011, perform other consulting services as requested by individual Contractors. These services will be performed and billed separately from the services outlined in Exhibits A - C.
- D-2 The terms and conditions of any procedures performed under Exhibit D, including payment terms, will be outlined in a separate Statement of Work (SOW). These services, which will be agreed to by EY and the requesting Contractor in advance, will be documented in the example SOW attached to herein as Exhibit D-1. An Exhibit D-1 statement of work will be made available to any Contractor upon request. All other provisions of the Contractor's signed contract with EY for the twelve months ending June 30, 2011 will continue to be in effect.
- D-3 Total fees for such other consulting services shall be agreed to with the individual Contractor prior to commencement of work. The fees for services provided under Exhibit D will be outside of those referenced in Exhibits A - C, and will be paid for directly by the requesting Contractor.

Additional responsibilities

EY will provide (insert Contractor) with a timeline/schedule related to all project deliverables prior to the start of work on the project.

EY will notify (insert Contractor) in writing of any incremental changes to the original project estimate.

Production of all elements described in the "Project deliverables" section of this SOW is to be included in the cost breakdown under the "Pricing and payment terms" section below, agreed upon by (insert Contractor) and EY for this project.

Scope of work

The scope of work to be completed by EY includes services as described under "Description of work to be performed."

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

Pricing and payment terms

Below is a summary of the current cost estimates for this SOW. Due to the complexities and variable nature of this project, actual costs could vary from these estimates. In the event costs are expected to exceed the estimate, EY will contact (insert Contractor) before performing any additional work.

Out of pocket expenses incurred during this contract are not included in the above SOW estimated cost. Expenses include such items as travel, meals, accommodations, and other administrative expenses based on actual amounts incurred.

Invoices for time and expenses will be billed monthly and are due 30 days from receipt.

IN WITNESS WHEREOF, the parties hereto have executed this SOW as of the day and year written below.

(Insert Contractor) Representative

EY Representative

Signature

Signature

Printed Name

Printed Name

Title

Title

Address

Address

Date

Date

ATTACHMENT 1

GENERAL TERMS AND CONDITIONS

Our relationship with you

1. We will perform the Services in accordance with applicable professional standards, including those established by the American Institute of Certified Public Accountants ("AICPA").
2. We are a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate legal entity.
3. We will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturor. Neither you nor we have any right, power or authority to bind the other.
4. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Reports (as defined in Section 11), the performance of the Services, and our other obligations under this Agreement. From time to time, non-CPA personnel may perform the Services.
5. We will not assume any of your management responsibilities in connection with the Services. We will not be responsible for the use or implementation of the output of the Services, although we may otherwise provide advice and recommendations to assist you in your management functions and making decisions.

Your responsibilities

6. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
7. You shall provide (or cause others to provide) to us, promptly, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform the Services.
8. To the best of your knowledge, all information provided by you or on your behalf ("Client Information") will be accurate and complete in all material respects. The provision of Client

Information to us will not infringe any copyright or other third-party rights.

9. We will rely on Client Information made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.
10. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

Our reports

11. Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement ("Reports"), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services).
12. You may not disclose a Report (or any portion or summary of a Report), or refer to us or to any other EY Firm in connection with the Services, except:
 - (a) to your lawyers (subject to these disclosure restrictions), who may use it only to give you advice relating to the Services,
 - (b) to the extent, and for the purposes, required by subpoena or similar legal process (of which you will promptly notify us),
 - (c) to other persons (including your affiliates) with our prior written consent, who have executed an access letter substantially in the form prescribed by the applicable Statement of Work and who may use it only as we have specified in our consent, or
 - (d) to the extent it contains Tax Advice, as set forth in Section 13.

If you are permitted to disclose a Report (or a portion thereof), you shall not alter, edit or modify it from the form we provided.

13. You may disclose to anyone a Report (or any portion or summary thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the

Services relate ("Tax Advice"). With the exception of tax authorities, you shall inform those to whom you disclose Tax Advice that they may not rely on it for any purpose without our prior written consent.

14. You may incorporate into your internal documents any summaries, calculations or tables based on Client Information contained in a Report, but not our recommendations, conclusions or findings. If you then disclose such internal documents to anyone, you shall assume sole responsibility for their contents and you shall not refer to us or any other EY Firm in connection with them.
15. You may not rely on any draft Report. We shall not be required to update any final Report for circumstances of which we become aware, or events occurring, after its delivery.

Limitations

16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.
17. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
18. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services. This limitation will not apply to the extent prohibited by applicable law or professional regulations.
19. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring

proceedings only against us. The limitations in Sections 16 through 18 and this Section 19 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

Indemnity

20. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the disclosure of any Report (other than Tax Advice), or a third party's use of or reliance on any Report (including Tax Advice).

Intellectual property rights

21. We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how ("Materials") that we own or license in performing the Services. Notwithstanding the delivery of any Reports, we retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not Client Information reflected in them).
22. Upon payment for particular Services, you may use any Materials included in the Reports relating to those Services, as well as the Reports themselves, as permitted by this Agreement.

Confidentiality

23. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it:
 - (a) is or becomes public other than through a breach of this Agreement,
 - (b) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information,
 - (c) was known to the recipient at the time of disclosure or is thereafter created independently,

(d) is disclosed as necessary to enforce the recipient's rights under this Agreement, or

(e) must be disclosed under applicable law, legal process or professional regulations.

24. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.
25. Unless prohibited by applicable law, we may disclose Client Information to other EY Firms and EY Persons to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, or for quality, risk management or financial accounting purposes.
26. With respect to any Services, if US Securities and Exchange Commission auditor independence regulations apply to the relationship between you or any of your associated entities and any EY Firm, or if you (or any entity or person related to you) have any filing obligation with the US Internal Revenue Service, you represent, to the best of your knowledge, as of the date of this Agreement, and as of the date of each Statement of Work hereunder, that neither you nor any of your affiliates has agreed, either orally or in writing, with any other advisor to restrict your ability to disclose to anyone the tax treatment or tax structure of any transaction to which the Services relate. An agreement of this kind could impair an EY Firm's independence as to your audit or that of any of your affiliates, or require specific tax disclosures as to those restrictions. Accordingly, you agree that the impact of any such agreement is your responsibility.

Data protection

27. We may collect, use, transfer, store or otherwise process (collectively, "Process") Client Information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in which we and the other EY Firms operate (which are listed at www.ey.com). We will Process Personal Data in accordance with applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the US Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Client Information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the

terms otherwise required to be included in a business associate contract relating to such information.

28. You warrant that you have the authority to provide the Personal Data to us in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law.

Fees and expenses generally

29. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work. You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally). We may receive rebates in connection with certain purchases, which we use to reduce charges that we would otherwise pass on to you.
30. We may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the Services as originally planned or if you ask us to perform additional tasks.
31. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

Force majeure

32. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

Term and termination

33. This Agreement applies to all Services performed at any time (including before the date of this Agreement).
34. This Agreement shall terminate upon the completion of the Services. Either of us may terminate it, or any particular Services, earlier upon 30 days' prior written notice to the other. In

addition, we may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.

35. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due within 30 days following receipt of our invoice for these amounts.
36. Our respective confidentiality obligations under this Agreement shall continue for a period of three years following the termination of this Agreement. The other provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement.

Governing law and dispute resolution

37. This Agreement, and any non-contractual obligations arising out of this Agreement or the Services, shall be governed by, and construed in accordance with, the laws of New York applicable to agreements made, and fully to be performed, therein by residents thereof. Any dispute relating to this Agreement or the Services shall be resolved as set forth in Appendix 1 to these Terms and Conditions.

Miscellaneous

38. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered.
39. Both of us may execute this Agreement, including Statements of Work (and modifications to them) by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Statement of Work hereunder.
40. You represent that the person signing this Agreement and any Statement of Work hereunder on your behalf is expressly authorized to execute it and to bind you and any of your affiliates or others for whom Services are performed to its terms. You also represent that this Agreement has, if necessary, been considered and approved by your Audit Committee.

41. You agree that we and the other EY Firms may, subject to professional obligations, act for other clients, including your competitors.
42. Neither of us may assign any of our rights, obligations or claims under this Agreement.
43. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
44. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any attachments thereto, (c) these General Terms and Conditions, and (d) other attachments to this Agreement.
45. We may use your name publically to identify you as a client, but we may refer to you in connection with the Services only if it is a matter of public knowledge that we are providing them (or have provided them).
46. For administrative reasons, you may from time to time ask that fees and expenses for Services performed for your international affiliates or at international locations be invoiced to you or your designate there, in local currency. You guarantee the timely payment of all those invoices by your affiliates.

ATTACHMENT 2

DISPUTE RESOLUTION PROCEDURES

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

**CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: NEIL COLE, CIVIL ENGINEER
SUBJECT: AWARD PURCHASE ORDER CONTRACT-ROBLES-CASITAS CANAL PANEL REPLACEMENT
DATE: SEPTEMBER 13, 2010

RECOMMENDATION:

It is recommended that the Board of Directors award a purchase order contract to the lowest responsible bidder for the Robles-Casitas Canal Panel Replacement to EP Construction of Ventura in the amount of \$31,640. It is further recommended that the Board authorize staff to proceed with the administration of the contract.

BACKGROUND AND DISCUSSION:

The Robles-Casitas Canal is a concrete lined channel that delivers water from the Robles Fish Passage Facility to Lake Casitas for storage and future use. During the 2009-10 diversion season, some of the bottom and side canal panels lifted. The lifting caused the panels to crack and some did not settle back into their original locations. This project will replace the lifted bottom panels and the more seriously damaged side panels.

The informal project specifications were sent to six local contractors. Three bidders submitted proposals. The bid results for the same amount of work are:

FIRM	AMOUNT
EP Construction	\$31,640
Smiley Engineering Construction	\$44,340
Mendez Concrete	\$66,200

EP Construction has successfully completed concrete work as a subcontractor on the Rincon Pump Plant project. The bid amount will include replacing 4 bottom panels and 12 side panels.

The FY 2010-11 Budget allocated \$20,000 in account 11-5-53-5040-13 for this project. Staff is recommending proceeding with the project, even though the project is \$11,640 over budget to maintain the integrity and long term viability of the canal.

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.

000195	A/P Checks:	005992-006016
	A/P Draft to P.E.R.S.	908103
	A/P Draft to State of CA	908102
	A/P Draft to I.R.S.	908101
	Void:	

000196	A/P Checks:	006017-006110
	A/P Draft to P.E.R.S.	
	A/P Draft to State of CA	
	A/P Draft to I.R.S.	
	Void:	006079, 006080

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

 9/16/10
Denise Collin, Accounting Manager

Signature

Signature

Signature

CERTIFICATION

Payroll disbursements for the pay period ending 09/04/10
Pay Date of 09/09/10
have been duly audited and are
hereby certified as correct.

Signed: Denise Collin 9/7/10
Denise Collin

Signed: _____
Signature

Signed: _____
Signature


Signed: _____
Signature

CASITAS MUNICIPAL WATER DISTRICT
Payable Fund Check Authorization
Checks Dated 9/8/10-9/16/10
Presented to the Board of Directors For Approval September 22, 2010

Check	Payee		Description	Amount
000195	Payables Fund Account	# 14479-01153	Accounts Payable Batch 090810	\$809,465.79
000196	Payables Fund Account	# 14479-01153	Accounts Payable Batch 091610	\$317,512.22
				\$1,126,978.01
000197	Payroll Fund Account	# 14477-01154	Estimated Payroll 10/7/10	\$140,000.00
				\$140,000.00
			Total	\$1,266,978.01

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, 000195-000197 have been duly audited is hereby certified as correct.

 9/16/10

 Denise Collin, Accounting Manager

 Signature

 Signature

 Signature

VENDOR SET: 01 Casitas Municipal Water D
BANK: * ALL BANKS
DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	9/16/2010			006079		
C-CHECK	VOID CHECK	V	9/16/2010			006080		

* * T O T A L S * *

	NO	CHECK AMOUNT	DISCOUNTS	TOTAL APPLIED
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:	2	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 01	BANK:	TOTALS:	2	0.00	0.00	0.00
BANK:	TOTALS:		2	0.00	0.00	0.00

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01985 I-090310	AFLAC/FLEX ONE Reimbursed Medical 2010	R	9/08/2010	75.00		005992		75.00
01153 I-Aug 10	RUSS BAGGERLY Reimburse Mileage 8/10	R	9/08/2010	65.00		005993		65.00
01055 I-Aug 10	Neil Cole Reimburse Mileage 8/10	R	9/08/2010	105.50		005994		105.50
00511 I-061709	Community Memorial Hospital DOS 6/15/09, 6/17/09 Patient Acct#2102100087IN	R	9/08/2010	203.05		005995		203.05
01483 I-641180611 I-641198451 I-642366231 I-642974451 I-643191761 I-C00202891816	CORVEL CORPORATION Bill Review Bill Review Bill Review Bill Review Bill Review Claim No. 03-01792 Treatment Request/Review	R R R R R R	9/08/2010 9/08/2010 9/08/2010 9/08/2010 9/08/2010 9/08/2010	41.83 686.47 1.49 298.69 32.56 100.00		005996 005996 005996 005996 005996 005996		1,161.04
09027 I-083010	DALE GODFREY Safety Boot Purchase	R	9/08/2010	99.57		005997		99.57
01772 I-090110	HASAN CONSULTANTS, MOHAMMED A. Rincon 2M Pipeline Design	R	9/08/2010	11,130.00		005998		11,130.00
00122 I-Jul Aug 10	BILL HICKS Reimburse Mileage 7/10, 8/10	R	9/08/2010	140.00		005999		140.00
00126 I-Aug 10	CAROLE ILES Reimburse Mileage 8/10	R	9/08/2010	38.50		006000		38.50
00131 I-480899	JCI JONES CHEMICALS, INC Chlorine for TP, CM#480971	R	9/08/2010	1,587.60		006001		1,587.60
01270 I-Aug 10	SCOTT LEWIS Reimburse Expenses 8/10	R	9/08/2010	1,747.02		006002		1,747.02
01334 I-E60823 I-E60837	POWER MACHINERY CENTER Club Car Lease Y13360 Club Car Lease Y13634	R R	9/08/2010 9/08/2010	1,009.15 1,009.15		006003 006003		2,018.30

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00215	SOUTHERN CALIFORNIA EDISON							
I-082810	Acct#2210503702	R	9/08/2010	10,044.69		006004		
I-090110	Acct#2237789169	R	9/08/2010	21.11		006004		
I-090110A	Acct#2210505426	R	9/08/2010	2,758.43		006004		
I-090110B	Acct#2210502480	R	9/08/2010	115,147.48		006004		
I-090210	Acct#2269631768	R	9/08/2010	20.14		006004		127,991.85
00048	STATE OF CALIFORNIA							
I-090310	State Water Plan Payment	R	9/08/2010	211,812.00		006005		211,812.00
00048	STATE OF CALIFORNIA							
I-1010E53103	1988 CA Safe Drinking Wtr Bond	R	9/08/2010	152,533.74		006006		152,533.74
00234	UNITED WATER CONSERVATION							
I-090710	State Water Plan Payment	R	9/08/2010	72,371.96		006007		72,371.96
09775	VENTURA ORTHOPAEDIC & SPORTS							
I-080610	Claim#03-01792, DOS 8/6/10	R	9/08/2010	153.51		006008		153.51
00949	CITY OF VENTURA							
I-090710	State Water Plan Payment	R	9/08/2010	143,663.85		006009		143,663.85
01101	REBEKAH VIEIRA							
I-Aug 10	Reimburse Expenses 8/10	R	9/08/2010	116.93		006010		116.93
00826	STAN WHISENHUNT DBA							
I-5168	Water Adventure Broshures	R	9/08/2010	1,265.65		006011		1,265.65
00124	ICMA RETIREMENT TRUST - 457							
I-CUI201009080323	457 CATCH UP	R	9/08/2010	423.08		006012		
I-DCI201009080323	DEFERRED COMP FLAT	R	9/08/2010	2,203.86		006012		
I-DI%201009080323	DEFERRED COMP PERCENT	R	9/08/2010	85.53		006012		2,712.47
01960	Moringa Community							
I-MOR201009080323	PAYROLL CONTRIBUTIONS	R	9/08/2010	16.75		006013		16.75
00985	NATIONWIDE RETIREMENT SOLUTION							
I-CUN201009080323	457 CATCH UP	R	9/08/2010	423.08		006014		
I-DCN201009080323	DEFERRED COMP FLAT	R	9/08/2010	4,328.90		006014		4,751.98
00180	S.E.I.U. - LOCAL 721							
I-UND201009080323	UNION DUES	R	9/08/2010	593.75		006015		593.75

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00230	UNITED WAY I-UWY201009080323	R	9/08/2010	45.00		006016		45.00
01460	A.J. FISTES CORPORATION I-081310	R	9/16/2010	18,169.20		006017		18,169.20
00004	ACWA HEALTH BENEFITS AUTHORITY C-090110A I-090110	R R	9/16/2010 9/16/2010	915.43CR 91,883.83		006018 006018		90,968.40
00008	ADVANTAGE PHYSICAL THERAPY I-CWD162	R	9/16/2010	800.00		006019		800.00
01441	ADVANTAGE TELECOM, INC I-28882	R	9/16/2010	678.44		006020		678.44
01325	Aflac Worldwide Headquarters I-785699	R	9/16/2010	2,581.14		006021		2,581.14
01707	AIRGAS SPECIALTY PRODUCTS I-131168808	R	9/16/2010	2,786.00		006022		2,786.00
00010	AIRGAS WEST I-103108949 I-103451857	R R	9/16/2010 9/16/2010	40.01 14.73		006023 006023		54.74
00011	ALERT COMMUNICATIONS I-100800847101	R	9/16/2010	335.25		006024		335.25
00323	ALLIANT INSURANCE SRVCS, INC I-19079 Policy#C010407/002 9/29/10-9/29/11	R	9/16/2010	54,995.00		006025		54,995.00
00029	AMERICAN TOWER CORP I-857857	R	9/16/2010	1,141.53		006026		1,141.53
01906	Appraver I-219614	R	9/16/2010	178.50		006027		178.50
00014	AQUA-FLO SUPPLY I-106835 I-113355 I-117635	R R R	9/16/2010 9/16/2010 9/16/2010	94.83 114.52 49.44		006028 006028 006028		258.79

VENDOR SET: 01 Casitas Municipal Water D
BANK: AP ACCOUNTS PAYABLE
DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01199	ARMSTRONG EQUIPMENT, INC. I-32818 Coupling Element Installed #88	R	9/16/2010	242.11		006029		242.11
01666	AT & T I-000001600966 Internet T-1 Line Acct#8310001729783	R	9/16/2010	298.09		006030		298.09
01242	AUTOMATIONDIRECT.COM INC. C-3525796A Accrue Use Tax D-3525796A Accrue Use Tax I-3525796 Fuse Holders, Fuses for E & M	R R R	9/16/2010 9/16/2010 9/16/2010	21.10CR 21.10 263.20		006031 006031 006031		263.20
00021	AWA OF VENTURA COUNTY I-091410 CCWUC Seminar on 9/22	R	9/16/2010	350.00		006032		350.00
00030	B&R TOOL AND SUPPLY CO I-1219388000101 Tools for Pump Plants	R	9/16/2010	54.02		006033		54.02
00185	BASIC CHEMICAL SOLUTIONS I-SI5777488 Sodium Hypochlorite, WP	R	9/16/2010	2,002.71		006034		2,002.71
00821	BEST BEST & KRIEGER LLP I-635057 Matter No. 82356.00002 I-635058 Matter No. 82356.00001	R R	9/16/2010 9/16/2010	8,026.50 1,140.27		006035 006035		9,166.77
01062	BP Medical Supplies C-B327284MA Accrue Use Tax D-B327284MA Accrue Use Tax I-B327284M Maint & WP Safety Supplies	R R R	9/16/2010 9/16/2010 9/16/2010	23.20CR 23.20 291.69		006036 006036 006036		291.69
01616	FRED BRENEMAN I-091610 PD 9/5/10-9/18/10	R	9/16/2010	391.00		006037		391.00
02074	Brown Armstrong I-001115539 Services, 2010 Audit	R	9/16/2010	11,525.36		006038		11,525.36
09716	CA-NV SECTION AWWA I-091010 Water Conservation Cert Renew	R	9/16/2010	50.00		006039		50.00
00463	Farm Plan I-03669431 Parts for Mower	R	9/16/2010	95.97		006040		95.97
00055	CASITAS BOAT RENTALS I-001243 Gas for Boats at LCRA	R	9/16/2010	646.35		006041		646.35

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00068	CCI Central Mail and Shipping I-11505 Postage Machine Maint Agree 11/18/10-5/17/11	R	9/16/2010	490.00		006042		490.00
00511	Community Memorial Hospital I-090710 Drug Tests	R	9/16/2010	90.00		006043		90.00
00061	COMPUWAVE I-SB02064913 Toner Cartridges	R	9/16/2010	539.69		006044		539.69
01018	Consolidated Disposal Services I-0910000343408 Acct#309104110364	R	9/16/2010	3,754.00		006045		3,754.00
01018	Consolidated Disposal Services I-0910000343455 Acct#309104110685	R	9/16/2010	114.55		006046		114.55
01018	Consolidated Disposal Services I-0910000343559 Acct#309104300067	R	9/16/2010	1,400.00		006047		1,400.00
00062	CONSOLIDATED ELECTRICAL I-9009628224 Size 1 Starter for TP I-9009628813 Heater Element for TP	R R	9/16/2010 9/16/2010	350.34 49.46		006048 006048		399.80
01483	CORVEL CORPORATION I-3002015 Aug, Sep, Oct 2010 Admin Fees	R	9/16/2010	750.00		006049		750.00
01764	CSG Systems, Inc. I-67348 UB Mailing 07/28/10	R	9/16/2010	1,193.12		006050		1,193.12
02110	Hilder Dean Darrington I-090410 Waterpark Pass Refund	R	9/16/2010	36.00		006051		36.00
00740	DELL MARKETING L.P. I-XF2JPF826 New Computer for Waterpark	R	9/16/2010	895.30		006052		895.30
00182	DEWITT PETROLEUM I-508758 Gas and Diesel for LCRA I-509176 Gas for Main Yard	R R	9/16/2010 9/16/2010	4,037.07 3,383.00		006053 006053		7,420.07
00662	Diamond A Equipment I-WX01712 Repair Kubota Mower, Eq#284	R	9/16/2010	1,099.80		006054		1,099.80
00490	ENTRIX, INC. I-0059706 Expert Witness Services	R	9/16/2010	1,901.38		006055		1,901.38

VENDOR SET: 01 Casitas Municipal Water D
BANK: AP ACCOUNTS PAYABLE
DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00091	ERNST & YOUNG LLP I-US0130297492 Client No. 60028334	R	9/16/2010	1,703.00		006056		1,703.00
00095	FAMCON PIPE & SUPPLY							
	I-128473 12" Drain Pipe Bands, Dist	R	9/16/2010	433.00		006057		
	I-128612 Galv 3/4" Pipe for Warehouse	R	9/16/2010	12.99		006057		
	I-128906 Nut & Gasket Sets, WH Stock	R	9/16/2010	37.89		006057		483.88
00099	FGL ENVIRONMENTAL							
	I-006569A Bacti Analysis	R	9/16/2010	28.90		006058		
	I-008521A Inorganic Analysis	R	9/16/2010	43.00		006058		
	I-008522A Inorganic Analysis	R	9/16/2010	45.00		006058		
	I-008571A Bacti Analysis	R	9/16/2010	315.00		006058		
	I-008580A Inorganic Analysis	R	9/16/2010	18.00		006058		
	I-008903A Inorganic Analysis	R	9/16/2010	18.00		006058		
	I-008904A Bacti Analysis	R	9/16/2010	54.00		006058		521.90
00719	FIRST AMERICAN CORELOGIC, INC I-12935309 Realquest Subscription	R	9/16/2010	125.00		006059		125.00
00101	FISHER SCIENTIFIC							
	I-2652961 Lab Testing Supplies	R	9/16/2010	466.21		006060		
	I-7385898 Filtration Membranes, WQ	R	9/16/2010	219.02		006060		685.23
00104	FRED'S TIRE MAN							
	I-152712 Flat Repair, #69, Dump Truck	R	9/16/2010	40.00		006061		40.00
00106	FRONTIER PAINT							
	I-F134119 Paint for Line Checks, PL	R	9/16/2010	29.84		006062		29.84
01280	FRY'S ELECTRONICS, INC.							
	I-3452551 Keyboard and Mouse for Maint Speakers for Admin, Batteries for O & M	R	9/16/2010	94.58		006063		94.58
00491	GIBBS INTERNATIONAL TRUCK CTR I-428157 Program Engine, #81	R	9/16/2010	43.66		006064		43.66
00115	GRAINGER, INC							
	I-9335036472 Sunscreen for LCRA, Pipelines	R	9/16/2010	199.49		006065		
	I-9335036472A Correct Inv#9335036472	R	9/16/2010	0.18		006065		
	I-9343865722 Batteries for Admin Stock	R	9/16/2010	12.71		006065		212.38
01594	HIGHWAY TECHNOLOGIES, INC. I-65062518001 No Swimming Signs, LCRA	R	9/16/2010	905.56		006066		905.56

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00872	Irrisoft, Inc.							
I-3285	ET Station Signal, 9/10	R	9/16/2010	79.00		006067		79.00
00131	JCI JONES CHEMICALS, INC							
I-482102	Chlorine for TP, CM#482216	R	9/16/2010	1,587.60		006068		
I-482786	Chlorine for TP	R	9/16/2010	1,587.60		006068		3,175.20
02101	JD Drywall							
I-090810	Repair Ceiling in Rec Office	R	9/16/2010	900.00		006069		900.00
02108	Kathryn Kirkpatrick							
I-081710	Irrigation Controller Rebate	R	9/16/2010	350.00		006070		350.00
00138	L.A. THOMPSON CONSTRUCTION, INC							
I-082610	Hauling Solids for TP	R	9/16/2010	1,380.00		006071		1,380.00
00360	LESLIE'S POOL SUPPLIES, INC							
I-142257339	Waterpark Pool Chemicals	R	9/16/2010	245.18		006072		245.18
01359	LINDSAY ENGINEERING							
I-80202	Machine Base Grout, PP	R	9/16/2010	2,413.83		006073		2,413.83
00539	LOS ANGELES TIMES							
I-090510	Acct#010011174755	R	9/16/2010	144.00		006074		144.00
	9/20/10-3/6/11							
00145	MAGNUM FENCE & SECURITY, INC.							
I-7397	Wire for Fence Work, Dist Mnt	R	9/16/2010	47.63		006075		47.63
09881	Marzulla Law, LLC							
I-1489	Reclamation and NOAA Fisheries	R	9/16/2010	330.76		006076		330.76
00280	MCCARTY & SONS TOWING, INC							
I-79670	Tow #81 to Big T's for Service	R	9/16/2010	297.00		006077		297.00
00151	MEINERS OAKS ACE HARDWARE							
C-396208	Credit for Deposit on Pallet	R	9/16/2010	15.00CR		006078		
C-399100	Safety Bombs Returned	R	9/16/2010	6.48CR		006078		
I-395826	Concrete for Gate Posts, Robles	R	9/16/2010	184.89		006078		
I-395827	Deposit on Pallet	R	9/16/2010	15.00		006078		
	See Credit Memo#396208							
I-396090	Concrete for Post Holes, Robles	R	9/16/2010	132.76		006078		
I-396177	Supplies for Dist Maint	R	9/16/2010	93.89		006078		
I-396314	Concrete for Robles Canal	R	9/16/2010	18.97		006078		
I-396340	Tools for Pipelines	R	9/16/2010	80.19		006078		
I-396441	Gloves for Pipelines	R	9/16/2010	13.38		006078		
I-397014	Hand Tools for Telemetry	R	9/16/2010	162.96		006078		
I-397166	Supplies for Pipelines	R	9/16/2010	4.33		006078		

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
I-397189	Hammer Handle, Concrete, Maint	R	9/16/2010	41.67		006078		
I-397328	Respirator Cartridges, Dst Mnt	R	9/16/2010	20.56		006078		
I-397505	Irrigation Box Keys, Maint	R	9/16/2010	3.23		006078		
I-397514	Trash Bags for Treatment Plant	R	9/16/2010	14.60		006078		
I-397572	Silica Sand, Robles	R	9/16/2010	29.20		006078		
I-397604	Silica Sand, Robles	R	9/16/2010	48.66		006078		
I-397810	Hose Hanger, Duct Tape, Maint	R	9/16/2010	8.10		006078		
I-398110	Supplies for Water Heater, DO	R	9/16/2010	62.29		006078		
I-398268	Supplies for Fisheries	R	9/16/2010	43.58		006078		
I-398693	Fasteners for Dist Maint	R	9/16/2010	7.47		006078		
I-399098	Caulk, Safety Bombs, Pipelines	R	9/16/2010	17.29		006078		981.54
See Credit Memo#399100 for Credit on Safety Bombs								
00834	NEXTEL COMMUNICATIONS							
I-425958314106	Cell Phones for LCRA	R	9/16/2010	1,014.97		006081		1,014.97
00481	NORTHERN SAFETY COMPANY, INC.							
C-I055930901017A	Accrue Use Tax	R	9/16/2010	13.91CR		006082		
D-I055930901017A	Accrue Use Tax	R	9/16/2010	13.91		006082		
I-I055930901017	Hand Cleaning Wipes, Telemetry	R	9/16/2010	168.59		006082		168.59
00163	OFFICE DEPOT							
I-530825278002	Electric Stapler for Admin	R	9/16/2010	14.86		006083		14.86
00160	OILFIELD ELECTRIC CO, INC							
I-2008036	Motor for Reclaim Scraper	R	9/16/2010	270.28		006084		270.28
01570	Ojai Auto Supply LLC							
I-181294	Antifreeze #115, Floormats #42	R	9/16/2010	56.25		006085		56.25
00912	OJAI BUSINESS CENTER, INC							
I-6070	Waterpark Price Lists for Fair	R	9/16/2010	23.82		006086		23.82
00167	OJAI VALLEY FAMILY MEDICAL GRP							
I-083110	DWV Physical Acct#1-24141.0-4	R	9/16/2010	160.00		006087		
I-090710	DMV Physical, Pipelines, #26	R	9/16/2010	140.00		006087		300.00
Acct#1-5407.0-5								
00169	OJAI VALLEY SANITARY DISTRICT							
I-12579	Cust#20594	R	9/16/2010	150.63		006088		
I-12664	Cust#52921	R	9/16/2010	50.21		006088		200.84
00734	ONESOURCE DISTRIBUTORS							
I-S3365749001	Wire Marking Sleeve, E & M	R	9/16/2010	126.55		006089		126.55

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01381	ONTRAC							
I-6909433	Refrigerated Sample to Biovir	R	9/16/2010	4.02		006090		4.02
02109	Nancy Pepper							
I-090310	Irrigation Controller Rebate	R	9/16/2010	350.00		006091		350.00
10072	PERMACOLOR, INC							
I-253861	Coat Pipe Spools, 4M PP	R	9/16/2010	350.00		006092		
I-253871	Coat Pipe for 4M Pump Plant	R	9/16/2010	350.00		006092		700.00
00988	PLUMBERS WAREHOUSE							
I-2731941	Parts for RR Repair	R	9/16/2010	43.43		006093		43.43
01334	POWER MACHINERY CENTER							
I-C92919	Club Car Enclosures, LCRA	R	9/16/2010	2,779.86		006094		
I-W22241	PM Service, Club Car A	R	9/16/2010	63.47		006094		
I-W22242	PM Service, Club Car B	R	9/16/2010	63.47		006094		2,906.80
00033	ROBERT SKEELS & CO.							
I-28576	Master Padlocks for Dist Maint	R	9/16/2010	111.62		006095		
I-28702	Master Padlocks for Dist Maint	R	9/16/2010	95.06		006095		206.68
00313	ROCK LONG DBA							
I-41811	New Transmission, #28	R	9/16/2010	3,163.31		006096		
	Also, New Water Pump							
I-41891	Lube & Oil Change, #30, E&M	R	9/16/2010	67.77		006096		3,231.08
00213	SERVICEMASTER COMMERCIAL							
I-24303	Janitorial Services, Dist Ofc	R	9/16/2010	1,032.00		006097		1,032.00
02003	Sostre & Associates							
I-1293	Dynamic Water Graph, Website	R	9/16/2010	625.00		006098		
I-1319	Design/Develop Website	R	9/16/2010	1,250.00		006098		
I-1320	Website CMS Fee, Oct 10	R	9/16/2010	149.00		006098		2,024.00
00050	STATE OF CALIFORNIA - EDD							
I-091310	UI Reimbursable Benefit Chrgs	R	9/16/2010	1,290.00		006099		1,290.00
	Acct#932-0320-6							
01696	SUPERIOR MACHINE							
I-739	Machine Grooves for 4M PP	R	9/16/2010	300.00		006100		300.00
00225	UNDERGROUND SERVICE ALERT							
I-820100091	129 New Tickets	R	9/16/2010	193.50		006101		193.50

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00247	County of Ventura I-083110 Encroachment Permit 363 W Oak View Ave	R	9/16/2010	200.00		006102		200.00
00251	VENTURA COUNTY STAR I-1013522 Ad for E & M Position I-1013546 Public Notice, 2009 CCR	R R	9/16/2010 9/16/2010	50.00 54.00		006103 006103		104.00
00256	VENTURA RENTAL CENTER, INC. I-95351 Excavator Rental for Robles I-95667 Hose, Underdrain Project, TP	R R	9/16/2010 9/16/2010	800.00 48.00		006104 006104		848.00
00257	VENTURA RIVER COUNTY WATER I-083110 Acct#03-50100A I-083110A Acct#05-37500A	R R	9/16/2010 9/16/2010	25.55 95.79		006105 006105		121.34
09955	VENTURA WHOLESALE ELECTRIC I-143804 Light Bulbs for LCRA Maint	R	9/16/2010	14.61		006106		14.61
01283	Verizon Wireless I-0902575487 Monthly Cell Phones, Dist Ofc I-0902575487A New Cell Phones for O&M	R R	9/16/2010 9/16/2010	1,350.84 191.86		006107 006107		1,542.70
01412	AARON WALL I-090810 Advance for WWA Conference	R	9/16/2010	2,186.00		006108		2,186.00
00536	Louis M. Nagy dba I-201413A Reimburse for Printing I-201415 Senior Canyon Upgrade Proj I-201415A Senior Canyon Upgrade Proj	R R R	9/16/2010 9/16/2010 9/16/2010	27.76 33,973.45 30,354.55		006109 006109 006109		64,355.76
1	Casitas Trailer Rental I-000201009150324 TS Rfd	R	9/16/2010	85.00		006110		85.00
30128	INTERNAL REVENUE SERVICE I-T1 201009080323 Federal Withholding I-T3 201009080323 FICA Withholding I-T4 201009080323 Medicare Withholding	D D D	9/08/2010 9/08/2010 9/08/2010	19,219.05 21,760.62 5,286.80		908101 908101 908101		46,266.47
30049	STATE OF CALIFORNIA I-T2 201009080323 State Withholding	D	9/08/2010	7,430.55		908102		7,430.55
30187	CALPERS I-PER201009080323 PERS EMPLOYEE PORTION I-PRR201009080323 PERS EMPLOYER PORTION	D D	9/08/2010 9/08/2010	9,380.44 9,988.31		908103 908103		19,368.75

VENDOR SET: 01 Casitas Municipal Water D
BANK: AP ACCOUNTS PAYABLE
DATE RANGE: 9/08/2010 THRU 9/16/2010

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
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* * T O T A L S * *

	NO	CHECK AMOUNT	DISCOUNTS	TOTAL APPLIED
REGULAR CHECKS:	117	1,053,912.24	0.00	1,053,912.24
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	3	73,065.77	0.00	73,065.77
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00	
		VOID CREDITS	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 01	BANK: AP	TOTALS:	120	1,126,978.01	0.00	1,126,978.01
BANK: AP	TOTALS:		120	1,126,978.01	0.00	1,126,978.01
REPORT TOTALS:			122	1,126,978.01	0.00	1,126,978.01

CASITAS MUNICIPAL WATER DISTRICT
Inter-Office Memorandum

DATE: September 17, 2010
TO: Board of Directors
FROM: General Manager, Steve Wickstrum
Re: Finance Committee Meeting of September 17, 2010

RECOMMENDATION:

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

BACKGROUND AND OVERVIEW:

1. **Roll Call.**
Director Kaiser and Director Word
Staff – Steve Wickstrum and Denise Collin
Public – Karen Lagos of Rabobank
2. **Public comments.**
None.
3. **Board/Management comments.**
The General Manager informed the Committee that the Bureau has not provide a date for the technical meeting on the Casitas Dam Modernization Project. The Bureau appears to be only able to discuss the final accounting, which was in error in 2007 (which was the last time Casitas had heard from the Bureau on this outstanding action), and is unsure about the issue of agriculture ability to pay. The Bureau's contract officer, Rena Ballew, is aware that November or December are times during which the District can be available to have the technical session – if all matters are brought to the table.
4. **Review of the Financial Statement and Consumption Report.**
The Committee reviewed the financial statement and consumption report. The residential and agricultural water sales are representative of the mild summer condition, but sales to City are ahead of last year's pace. In general, revenues for both water and recreation during the first two month of the fiscal year are slightly behind last year's pace, related mostly to the economy and weather conditions.
5. **Presentation from Rabobank via Telephone Conference.**
The Committee heard a presentation from Jerry Legg of RaboBank, for consideration of handling the District's banking needs. The level of services, cost savings, and customer service improvements provided by Rabobank indicates to staff and the Committee that a change in banking is needed by the District. The Accounting Manager will proceed with arranging a transition to Rabobank.

6. **Review of the Business Ordinance.**

Denise Collin provided the committee with recommended changes to the District's Business Ordinance. During a recent review of the District's Business ordinance, it was determined that are a few of the actions taken by the Board and assignments that are currently in practice that were not accurately reflected in the Business Ordinance. The key changes to the Business Ordinance are to include the \$20,000 spending authorization for the General Manager and assignment of certain authorities to the Assistant to the General Manager, in the absence of the General Manager.

The Committee recommended moving this item to the Board for adoption of the revisions.

7. **Review of a Disposal policy.**

Denise Collin provided the committee with recommended changes to the District's to the Disposal Policy. This was a recommendation from the recent audit. The Committee recommended that the Disposal Policy be moved to the Board for approval and adoption.

8. **Review of Brown Armstrong Preliminary Audit Findings.**

Denise Collin provided the committee with the preliminary findings of the recent audit. Staff are in the process of addressing each of the issues described in the preliminary findings. Specific findings are the reason for the changes to the business ordinance and development of the disposal policy (Items 6 and 7 of this meeting). An additional field audit will take place on October 11. The Committee felt that each of the findings were either of a commentary nature or could be easily addressed by the District.

9. **Agreement with Ernst and Young for State Water Project Audit.**

Steve Wickstrum presented the agreement with Ernst and Young for State Water audits. The contract is an annual renewal of services performed by Ernst & Young for the State Water Contractors. The Committee recommended the agreement be moved to the Board for consideration of approval.

10. **Review award of purchase order contract for select panel replacement in the Robles-Casitas Canal.**

The Committee was informed of the bid opening and recommendation of staff to award the project. The Committee recommended that the award be moved forward to the Board.

11. **Review of staff recommendation to award a bid for the 4(M) Pump Plant electrical upgrade.**

The Committee was informed of the bid opening and recommendation of staff to award the project. One protest has been filed in regard to the lack of one submittal by the apparent lowest bidder. Staff is reviewing the appropriate course of action in regard to this protect. The bids did come in under budget. The Committee recommended that the award be moved forward to the Board.

12. **Review of staff recommendation to award a bid for the Ojai 4(M) Reservoir No. 1 interior coating project.**

The Committee was informed of the bid opening and recommendation of staff to award the project. Staff is gathering reference information, reviewing bids, and determining if optional bid items are to be recommended. The bids did come in under budget. The Committee suggested moving this bid award consideration to the Board.

13. **Review of staff recommendation to award a bid for the Oak View Reservoir No. 2 interior coating project.**

The Committee was informed of the bid opening and recommendation of staff to award the project. Staff is in the process of gathering reference information, reviewing bids, and determining if optional bid items are to be recommended. The bids did come in under budget. The Committee suggested moving this bid award consideration to the Board.

14. **Consideration of participating in costs for extra work to protect utilities at the Fresno Canyon and Foster Park embankment projects.**

The Committee considered a request by the Ventura County Watershed Protection District to assist in the funding extra work by their consultant. The Committee considered the request and recommended that the consideration be brought to the Board.

CASITAS MUNICIPAL WATER DISTRICT
Inter-Office Memorandum

DATE: September 17, 2010
TO: Board of Directors
FROM: General Manager, Steve Wickstrum
Re: Recreation Committee Meeting of September 17, 2010

RECOMMENDATION:

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

BACKGROUND AND OVERVIEW:

1. **Roll Call.** Directors Baggerly and Hicks
Staff – PSM Carol Belser, Fisheries Manager Scott Lewis
Public – Larry Elshire
2. **Public comments.** None.
3. **Board/Management comments.**
Director Baggerly requested immediate notice of certification of the Resource Management Plan by the Bureau.

Carol Belser reported that Gary Wolfe is very interested in resolution with the Bureau such that new concessionaire agreements can be reached and improvements to concessions can be made before next summer season.

The General Manager suggested, on behalf of Director Word, that staff make the reservations office more visible to the public. The over planting and small signage make it invisible to the public.

4. **Update on Creel/Opinion Survey.**
Carol Belser shared with the Committee that the District staff is implementing the creel survey and collecting opinions from angler on their desires at Lake Casitas. Park staff are working closely with fisheries staff to collect data. Carol provided the Committee with information on the fish planting and reviewed her recent contact with Dr. Maxwell, DFG, concerning the moratorium on trout planting by DFG. Dr. Maxwell had commented that approaching the Fish and Game Commission is not likely to result in any change of the current moratorium status.

Scott Lewis provided a verbal and written overview of the work plan for the Lake Casitas Fisheries Management Plan. Scott outlined the analysis of creel surveys, assessment of shoreline and spawning habitat, and the collection of DFG data, if made available. It was pointed out that fisheries staff can work on these tasks, but a more in depth analysis would require more resources.

Larry Elshire shared his recent observations on fish being caught in Lake Casitas and discussed many potential causes that are reducing the numbers and size of bass.

The Committee discussed other food sources, such as crayfish and shad options.

5. **State of California Recreation Trails grant application project.** Carol Belser introduced to the Committee a recommendation to pursue a trails grant to provide an alternative bike trail on the north side of the event area and storage area. The item is to be brought to the Board to seek support so that the application can be filed with the State prior to the October 1 deadline. This is an annual application process, noting that CEQA and NEPA are needed to be completed before approval and funding of the project by the State. The grant request is for approximately \$250,000.
6. **Update on Labor Day weekend.** Carol Belser stated that the park was extremely busy during the Labor Day weekend, with the Water Park being sold out on Saturday. There were only minor incidents related to activity injuries.
7. **Reservation Office and Santa Fence projects.** Carol Belser provided the Committee with an update on the two project being reviewed by the Bureau. According to Jackie Collins, USBR Fresno, the reservations office is being held up between two cultural resource office reviews which are in disagreement. The Committee questioned why such a project would even be considered for its cultural resource impacts. The Bureau has not released the fence project at this time. Jackie Collins stated that the biggest obstacle to moving forward is the recreation agreement contract disagreement between our agencies, and if Casitas would sign the agreement the Bureau could assist Casitas with projects and funding.
7. **Installation of No Swimming signs.** Carol Belser reported that the signs have been posted and presented pictures to the Committee. The Committee expressed appreciation to Carol for completing this task.
8. **Incidents and Comments.** None to report.

CASITAS MUNICIPAL WATER DISTRICT
Interdepartmental Memo

DATE: September 16, 2010

TO: Steve Wickstrum, General Manager

FROM: Carol Belser, Park Services Manager

SUBJECT: Consideration to Adopt a Resolution Supporting the Application to the State of California Department of Parks and Recreation for Recreational Trails Grant Funds

Recommendation:

It is recommended that the Board adopt the attached resolution as part of the administrative process needed to submit a grant application for bike trail improvements in the Lake Casitas Recreation Area.

Background:

The State of California offers several annual competitive grant opportunities. One of interest to the District is the Recreational Trails Program intended to support rehabilitation or construction of non-motorized recreational trails. The District's 10 Year Capital Improvement Plan 2007/08 – 2016/17 identifies expanding existing hike/bike sections with paving and decomposed granite. An extended trail behind trailer storage (between the existing barbed wire fence and the existing chain link fence) will allow bicyclist and pedestrians to continue on the trail toward the Saddle Dam while special events are held. It will also give bicyclists and pedestrians an alternate route from the main vehicle road when traveling through that particular stretch.

The proposed project scope is to construct approximately 3,735 feet of 6 to 8 feet wide of asphalt concrete with the majority of a decomposed granite bicycle trail along the north side of the developed Lake Casitas Recreation Area from Campground A along the fence line to several hundred feet past the event area. The project will also include installing retaining material along approximately 750 feet of the trail that parallels trailer storage areas to ensure ample width of the trail.

If approved, the grant will provide up to 82% of the project's funding, and the District will need to cover 12% of the costs with either dollars or in-kind services. The detailed cost estimate of the project has not yet been determined; however staff have identified the project in the \$275,000 range. If approved, matching funds if needed will be requested in the 2011/12 or 2012/13 fiscal years.

Analysis:

Adopting the attached resolution is part of the application checklist. It does not obligate the District to apply for the grant, or accept the grant funds if awarded. A grant writer has been contracted to organize the grant documents, and the deadline for submittal is October 1st. We are optimistic that we can pull the application together for consideration in the 2010 cycle. Our Bureau of Reclamation liaison has been contacted about the project and is aware and supportive of our attempt to secure this grant opportunity.

RESOLUTION FORM

Resolution No: _____

RESOLUTION OF THE BOARD OF DIRECTORS OF CASITAS MUNICIPAL WATER DISTRICT APPROVING THE APPLICATION FOR GRANT FUNDS FROM THE RECREATIONAL TRAILS PROGRAM

WHEREAS, the "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" provides funds to the State of California for Grants to federal, state, local and non-profit organizations to acquire, develop and/or maintain motorized and non-motorized trail Projects; and

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing Project Application under the program; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of Application(s) before submission of said Application(s) to the State; and

WHEREAS, the Applicant will enter into a Contract with the State of California to complete the Project(s);

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby:

1. Approves the filing of an Application for the Recreational Trails Program; and
2. Certifies that the Project is consistent with the Applicant's general plan or the equivalent planning document; and
3. Certifies that said Applicant has or will have available prior to commencement of any work on the Project(s) included in this Application, sufficient funds to operate and maintain the Project(s); and
4. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the Contract shown in the Procedural Guide; and
5. Appoints the General Manager as agent to conduct all negotiations, execute and submit all documents, including, but not limited to Applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the Project.
6. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

Approved and Adopted the 22th day of September, 2010.

I, the undersigned, hereby certify that the foregoing Resolution Number _____ was duly adopted by the Board of Directors following a roll call vote:

Ayes:

Noes:

Absent:

Rebekah Vieira, Clerk of the Board

**CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM**

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: NEIL COLE, CIVIL ENGINEER
SUBJECT: AWARD CONTRACT-OJAI 4(M) PUMP PLANT ELECTRICAL UPGRADES, SPECIFICATION 10-336
DATE: SEPTEMBER 17, 2010

RECOMMENDATION:

It is recommended that the Board of Directors:

1. Find that Oilfield Electric Company Inc.'s failure to include acknowledgement of Addendum No. 3 in the bid packet is an inconsequential deviation and, therefore, waived.
2. Find that Oilfield Electric Company Inc.'s bid substantially complies with the requirements set forth in the bid invitation and is, therefore, responsive.
3. Reject the formal bid protest submitted by Coleman-Pacific Inc.
4. Adopt the resolution accepting the proposal submitted by the lowest responsible bidder and award the contract for the construction of the Ojai 4(m) Pump Plant Electrical Upgrades, Specification 10-336 to Oilfield Electric Company Inc in the amount of \$143,390.00. It is further recommended that the President of the Board execute the agreement for said work and the Board authorize staff to proceed with the administration of the contract.

BACKGROUND AND DISCUSSION:

The Ojai 4(m) Pump Station is in need of electrical upgrades to improve the efficiency of the facility and bring the facility into current code compliance. This project will install the previously purchased power house, install the Southern California Edison required facilities, and connect the new power house to the existing pumps. Additional work to be completed by Southern California Edison crews will be submitted for approval separately.

The project was advertised through F.W. Dodge. Three bidders completed the non mandatory job walk. Three firms submitted proposals. The bid results are

FIRM	AMOUNT
Oilfield Electric Company	\$143,390.00
Coleman-Pacific Inc	\$143,450.00
Taft Electric Company	\$162,400.00

Oilfield Electric Company has successfully completed similar projects for Casitas. Oilfield Electric Company has a current and valid contractor's license and has a satisfactory safety record, based on their proposal.

Casitas has received a formal bid protest from Coleman-Pacific Inc. The bid protest concerns the lack of a signed acknowledgement of Addendum No. 3. Addendum No. 3 was a clarification item and failure to acknowledge Addendum No. 3 did not provide Oil field Electric with an unfair bidding advantage.

The Board of Director has found that the lack of a signed addendum can be a minor irregularity and waived in previous projects provided the lack of a signed addendum does not provide a bidding advantage.

The FY 2010-11 Capital Budget included \$172,230 to complete the installation of the electrical upgrades.

CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION AWARDING A CONTRACT
FOR THE OJAI 4(M) PUMP PLANT ELECTRICAL UPGRADES
SPECIFICATION NO. 10-336**

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

WHEREAS, the District received three bids,

WHEREAS, Oilfield Electric Company Inc submitted the low bid in the amount of \$143,390.

WHEREAS, Coleman-Pacific, Inc submitted a bid protest alleging that Oilfield Electric Company's bid proposal was not responsive because the bid packet did not include acknowledgement of Addendum No. 3.

WHEREAS, the District's Board has considered whether Oilfield Electric Company Inc.'s bid substantially complied with the requirements set forth in the bid invitation, and whether the lack of a signed Addendum No. 3 in the bid packet was a inconsequential deviation that may be waived.

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

1. That Oilfield Electric Company Inc.'s failure to include acknowledgement of Addendum No. 3 in the bid packet is an inconsequential deviation and waived.
2. That Oilfield Electric Company Inc.'s bid substantially complies with the requirements set forth in the bid invitation and is responsive.
3. That Coleman-Pacific's bid protest be rejected.
4. That the bid from Oilfield Electric Company Inc. in the amount of \$143,390 be accepted for the Ojai 4(m) Pump Plant Electrical Upgrades (Spec. #10-336) and a contract awarded.
5. That staff is hereby authorized and directed to proceed with the administration of the contract with Oilfield Electric Company Inc.

ADOPTED this _____ day of _____, 2010.

President,
Casitas Municipal Water District

ATTEST:

Secretary,
Casitas Municipal Water District

CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: TODD EVANS, ASSISTANT ENGINEER
SUBJECT: AWARD CONSTRUCTION CONTRACT- OJAI 4M RESERVOIR TANK NO. 1 INTERIOR COATING
DATE: SEPTEMBER 17, 2010

RECOMMENDATION:

It is recommended that the Board of Directors accept the proposal submitted by the lowest responsible bidder and award the contract for the **Interior Coating of the Ojai 4M Reservoir Tank No.1 Project, Specification 10-339** to Paso Robles Tank Inc in the amount of \$189,300. It is further recommended that the President of the Board execute the agreement for said work and the Board authorize staff to proceed with the administration of the contract.

BACKGROUND AND DISCUSSION:

The Ojai 4M Reservoir site has two tanks. On February 3rd, 2006 these tanks were inspected. Tank #1 was found to have several deficiencies in the interior coating. This contract, if approved by the Board, will address these deficiencies by blasting and recoating the interior of the tank.

Bids were opened at 11:00 am on Tuesday September 14th, 2010. The lowest apparent bidder was Paso Robles Tank with a base bid of \$115,200.

The base bid included recoating the tank with a multi coat epoxy paint system. However, the bidders were requested to submit a bid for an alternate option to replace the multi coat system with a single coat system. Casitas believes the single coat system will last significantly longer than the epoxy system. Casitas staff believes the additional cost for the single coat system is a good value for the District.

Casitas staff is recommending that alternate bid item no. 10 for a spiral staircase to replace the existing ladder be included in the project. Even with the single coat system and the staircase the project is significantly under budget.

For summarized bid results see attached sheet:

The FY 2010-11 Budget allocated \$299,558 for the coating work.

OJAI 4M #1 BID SHEET RESULTS

Name	Item	Paso Robles Tank	Cor-Ray Painting	Advanced Industrial Services	Crosno Const.	Simpson Sandblasting	Travis Ag
Interior Coating	1	\$ 92,700.00	\$ 179,000.00	\$ 125,000.00	\$ 151,000.00	\$ 144,960.00	\$ 183,900.00
	door sheet	Y	Y	N	N	Y	
16 Hrs of Welding (2 days)	2	\$ 2,500.00	\$ 3,600.00	\$ 1,600.00	\$ 2,100.00	\$ 3,080.00	\$ 1,986.00
Replace Ladder	3	\$ 1,500.00	\$ 3,000.00	\$ 900.00	\$ 2,400.00	\$ 2,785.00	\$ 2,989.00
Roof Hatch	4	\$ 3,000.00	\$ 3,000.00	\$ 4,500.00	\$ 3,300.00	\$ 3,135.00	\$ 2,750.00
Safety Cable System	5	\$ 2,500.00	\$ 5,000.00	\$ 3,600.00	\$ 2,200.00	\$ 4,345.00	\$ 5,126.00
Conduit Strut	6	\$ 1,000.00	\$ 2,000.00	\$ 1,000.00	\$ 2,800.00	\$ 1,815.00	\$ 2,100.00
Cathodic Protection	7	\$ 12,000.00	\$ 14,000.00	\$ 11,900.00	\$ 12,500.00	\$ 13,827.00	\$ 23,800.00
Base Bid	Bid Total	\$ 115,200.00	\$ 209,600.00	\$ 148,500.00	\$ 176,300.00	\$ 173,947.00	\$ 222,651.00
*Alt Bid items							
Interior Coating (1 Coat System)	8	\$ 138,000.00	\$ 198,000.00	\$ 175,000.00	N/A	N/A	
	door sheet	Y	Y / N	N			Y / N
Catwalk	9	\$ 18,000.00	\$ 20,000.00	\$ 16,500.00	\$ 18,000.00	\$ 16,500.00	\$ 24,395.00
Spiral Staircase	10	\$ 28,800.00	\$ 20,000.00	\$ 16,000.00	\$ 27,000.00	\$ 16,500.00	\$ 41,000.00
Railing Entire Roof	11	\$ 19,100.00	\$ 20,000.00	\$ 19,000.00	\$ 16,000.00	\$ 19,580.00	\$ 25,263.00
**Allow Bid items							
\$ per Lb Steel	12	\$ 25.00 /lb	\$ 300.00 /lb	\$ 400.00 /lb	\$ 20.00 /lb	\$ 380.00 /lb	\$ 2.50 /lb
Welding per 8 hr day	13	\$ 1,250.00	\$ 1,800.00	\$ 1,800.00	\$ 1,050.00	\$ 1,760.00	\$ 1,986.00

CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION AWARDING A CONTRACT
FOR THE OJAI 4M RESERVOIR NO. 1 INTERIOR COATING AND REPAIR
SPECIFICATION NO. 10-339**

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

WHEREAS, the District received eight bids,

WHEREAS, Paso Robles Tank Inc. submitted the low bid in the amount of \$189,300 that includes using a single coat system and a spiral staircase.

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

1. That the proposal from Paso Robles Tank Inc is responsive.
2. That the bid from Paso Robles Tank Inc in the amount of \$160,500.00 be accepted for the Ojai 4M Reservoir No. 1 Interior Coating (Spec. #10-339) and a contract awarded.
3. That staff is hereby authorized and directed to proceed with the administration of the contract with Paso Robles Tank Inc.

ADOPTED this _____ day of _____, 2010.

President,
Casitas Municipal Water District

ATTEST:

Secretary,
Casitas Municipal Water District

CASITAS MUNICIPAL WATER DISTRICT
INTEROFFICE MEMORANDUM

TO: STEVE WICKSTRUM, GENERAL MANAGER
FROM: TODD EVANS, ASSISTANT ENGINEER
SUBJECT: AWARD CONSTRUCTION CONTRACT- OAK VIEW RESERVOIR TANK NO. 2 INTERIOR COATING
DATE: SEPTEMBER 17, 2010

RECOMMENDATION:

It is recommended that the Board of Directors accept the proposal submitted by the lowest responsible bidder and award the contract for the **Interior Coating of the Oak View Reservoir Tank No2 Project, Specification 10-338** in the amount of **\$282,960**. It is further recommended that the President of the Board execute the agreement for said work and the Board authorize staff to proceed with the administration of the contract.

BACKGROUND AND DISCUSSION:

The Oak View Reservoir site has two tanks. On February 3rd, 2006 these tanks were inspected. Tank #2 was found to have several deficiencies in the interior coating. This contract, if approved by the Board, will address these deficiencies by blasting and recoating the interior of the tank. In addition, seismic upgrades will be made to this tank.

Bids were opened at 11:00 am on Wednesday September 15th, 2010. The lowest apparent bidder was **Olympus and Associates** with a base bid of \$280,540. Staff is recommending that the award amount include alternate bid item 11 which is for 10 feet of additional railing. This brings the total project amount to **\$282,960**.

For summarized bid results see attached sheet:

The FY 2010-11 Budget allocated \$391,185 for the coating work.

OAK VIEW BID SHEET RESULTS

Name		Olympus & Assoc	Industrial Coating	Simpson Sandblasting	Crosno Const.	Paso Robles Tank	AA-1 Services	Cor-Ray Painting	Advanced Industrial Services
Item									
Interior Coating	1	\$ 233,656.00	\$ 259,371.00	\$ 299,719.00	\$ 286,500.00	\$ 346,000.00	\$ 337,107.00	\$ 401,564.00	\$ 418,500.00
	door sheet	Y	?	Y	Y	Y	?	Y	Y
16 Hrs of Welding (2 days)	2	\$ 1,936.00	\$ 3,000.00	\$ 2,800.00	\$ 2,100.00	\$ 2,500.00	\$ 2,947.00	\$ 2,000.00	\$ 1,500.00
Replace Ladder	3	\$ 715.00	\$ 3,500.00	\$ 2,350.00	\$ 1,500.00	\$ 1,500.00	\$ 2,473.00	\$ 1,000.00	\$ 1,000.00
Roof Hatch	4	\$ 4,620.00	\$ 3,500.00	\$ 2,850.00	\$ 2,900.00	\$ 3,000.00	\$ 3,000.00	\$ 4,500.00	\$ 4,800.00
Safety Cable System	5	\$ 3,520.00	\$ 4,000.00	\$ 3,950.00	\$ 2,200.00	\$ 2,500.00	\$ 4,157.00	\$ 3,500.00	\$ 4,000.00
Conduit Strut	6	\$ 880.00	\$ 2,500.00	\$ 1,650.00	\$ 2,500.00	\$ 1,000.00	\$ 1,737.00	\$ 1,000.00	\$ 1,200.00
Cathodic Protection	7	\$ 14,863.00	\$ 15,000.00	\$ 14,800.00	\$ 14,200.00	\$ 12,000.00	\$ 15,579.00	\$ 15,000.00	\$ 15,000.00
30" Outlet / Drain Vault	8	\$ 20,350.00	\$ 5,000.00	\$ 34,100.00	\$ 48,500.00	\$ 34,000.00	\$ 35,895.00	\$ 24,500.00	\$ 23,000.00
Base Bid	Bid Total	\$ 280,540.00	\$ 295,871.00	\$ 362,219.00	\$ 360,400.00	\$ 402,500.00	\$ 402,895.00	\$ 453,064.00	\$ 469,000.00
*Alt Bid items									
Interior Coating (1 Coat System)	9	N/A	\$ 275,000.00	N/A	\$ 426,000.00	\$ 440,000.00	\$ 352,957.00	\$ 446,000.00	\$ 560,000.00
	door sheet		?		Y / N	Y / N	?	Y	Y
Catwalk	10	N/A	\$ 28,000.00	\$ 16,500.00	\$ 21,000.00	\$ 28,000.00	\$ 17,368.00	\$ 19,000.00	\$ 18,500.00
10' of Railing	11	\$ 2,420.00	\$ 5,000.00	\$ 1,700.00	\$ 1,000.00	\$ 2,000.00	\$ 1,789.00	\$ 2,500.00	\$ 2,500.00
Railing Entire Roof	12	\$ 35,904.00	\$ 18,700.00	\$ 26,850.00	\$ 27,000.00	\$ 29,900.00	\$ 28,263.00	\$ 38,000.00	\$ 30,000.00
**Allow Bid items									
\$ per Lb Steel	13	\$ 10.45	/lb \$ 250.00	/lb \$ 3.45	/lb \$ 20.00	/lb \$ 25.00	/lb \$ 3.63	/lb \$ 11.00	/lb \$ 6.00
Welding per 8 hr day	14	\$ 968.00	\$ 1,500.00	\$ 1,600.00	\$ 1,050.00	\$ 1,250.00	\$ 1,684.00	\$ 1,000.00	\$ 1,200.00

CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION AWARDING A CONTRACT
FOR THE OAK VIEW RESERVOIR NO. 2 INTERIOR COATING AND REPAIR
SPECIFICATION NO. 10-338**

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

WHEREAS, the District received eight bids,

WHEREAS, Olympus and Associates submitted the low bid in the amount of \$280,540.

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

1. That the proposal from Olympus and Associates is responsive.
2. That the bid from Olympus and Associates in the amount of \$280,540.00 be accepted for the Oak View Reservoir No. 2 Interior Coating (Spec. #10-338) and a contract awarded.
3. That staff is hereby authorized and directed to proceed with the administration of the contract with Olympus and Associates.

ADOPTED this _____ day of _____, 2010.

President,
Casitas Municipal Water District

ATTEST:

Secretary,
Casitas Municipal Water District

CASITAS MUNICIPAL WATER DISTRICT
Inter-Office Memorandum

DATE: September 17, 2010

TO: Board of Directors

FROM: General Manager, Steve Wickstrum

Re: Consideration of participating in costs for extra work to protect utilities at the Fresno Canyon and Foster Park embankment projects

RECOMMENDATION:

It is recommended that the Board of Directors consider the request for participative funding and provide the General Manager direction in regard to this request.

BACKGROUND AND OVERVIEW:

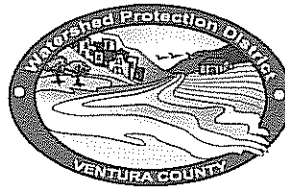
The Ventura County Watershed Protection District has requested Casitas to consider sharing in the costs that are associated with additional work by its consultant to develop drawings related to the protection of several public works facilities, including Casitas' 42-inch Casitas Gravity Main. The amount of the shared cost request is \$6,200. The cost is not in Casitas' budget.

The project is a stream abutment improvement resulting from damages incurred during the storms of 2005 in the Ventura River near Casitas Springs and the Fresno Canyon areas. The VCWPD, Ventura County, City of Ventura, and Oak View Sanitary District initiated the improvements to fortify the east river embankments and seek FEMA funding for the project. This project and an adjoining project by the City of Ventura, as currently described and preferred, will provide protection of the Casitas Gravity Main from the Fresno Canyon intersection of the Ventura River to near the Foster Park bridge. It is noted that significant bank erosion has occurred in this area which may eventually result in substantial damage to all utilities and public infrastructure along this stretch of the Ventura River's east bank.

The project received additional reviews by the resource agencies, which has resulted in the development and review of several alternatives and causing additional engineering cost to prepare and evaluate the alternatives. During the last stages of the project development, the resource agencies suggested the relocation of utilities as one option, which brought Casitas to the table. The relocation of utilities is the least preferred option and likely to cause FEMA to drop all funding of the bank protection project.

During the last meeting, it was presented by Mr. Bill O'Brien of Hawks & Associates, that the budget for work has been expended and that there is a cost overrun on the engineering contract for additional perfection of the plans which was not include in the original budget. Norma Camacho asked me if there was any interest in Casitas assisting in funding the cost overrun. I suggested that Casitas may consider such a participation, but provided no guarantees of funding and asked that she provide a suggested dollar amount for consideration by the Casitas Board of Directors.

VENTURA COUNTY



PUBLIC WORKS AGENCY
JEFF PRATT, P.E.
Agency Director

WATERSHED PROTECTION DISTRICT

Norma Camacho
District Director

Gerhardt Hubner
Water & Environmental
Resources

Peter Sheydayi
Design/Construction

Sergio Vargas
Planning/Regulatory

Karl Novak, P.E.
Operations/Maintenance

August 5, 2010

Steve Wickstrum
General Manager
1055 Ventura Ave
Oak View, Ca. 93022

SUBJECT: Cost of Extra Work on Fresno Canyon Alternatives Analysis by Hawks & Associates

Dear Mr. Wickstrum:

As we discussed in the meeting on June 25th, the Watershed Protection District contracted with Hawks & Associates to do the additional work required to prepare the alternatives analysis that was submitted to CalEMA on July 16th. At that meeting, we discussed sharing the cost of the additional work between the four entities signing the letter. The final cost of the work was \$24,800 which, shared equally, would be \$6,200 each. The invoice is attached. Please forward payment of your share to me at your earliest convenience.

Sincerely,

Norma J. Camacho

HAWKS & ASSOCIATES

2259 Portola Road, Suite B
Ventura, CA 93003
(805) 658-6611
(805) 658-6791 FAX



INVOICE

Invoice No.: 11878

Date: 7/19/2010

Project No.: 1-199 PW10-251

Client Reference No.: AE10-G03

Tax I.D. No.: 95-3600995

Due and Payable Upon Receipt

Public Works Agency
Engineering Services Division
800 South Victoria Avenue
Ventura, California 93009-1670
Attn: Victoria Escoto

Period Ending: June 21, 2010

In Reference To: Oak View Trunk Line Protection Study

Follow up after May 19, 2010 stakeholder meeting at the site by developing set of alternatives for the junction of the Fresno Canyon and Foster Park embankment projects. Draft set of alternatives and memo sent to local agencies June 2, 2010. Participated in conference call with NMFS June 3, 2010. A 2nd Draft of the memo was sent to local agencies June 10, 2010 for comment. A revised set of drawings of the alternative was sent to the local agencies and NMFS (confirm the June 3 call) on June 9, 2010. A meeting with County staff was held June 15, 2010 to collect comments. A final memorandum was sent to all the stakeholders on June 18, 2010. This completed the assignment from the May 19, 2010 stakeholders meeting.

WPO

DESCRIPTION	HOURS	RATE	AMOUNT
Senior Engineer	84	123.50 ✓	10,374.00
Associate Engineer	31.5	105.50 ✓	3,323.25
AutoCAD Operator	38.5	80.50 ✓	3,099.25
TOTAL DUE THIS INVOICE			\$16,796.50

HAWKS & ASSOCIATES

2259 Portola Road, Suite B
 Ventura, CA 93003
 (805) 658-6611
 (805) 658-6791 FAX

**INVOICE**

Invoice No.: 11886

Date: 8/5/2010

Project No.: 1-199 PW11-023

Client Reference No.: AE11-G03

Tax I.D. No.: 95-3600995

Due and Payable Upon Receipt

Public Works Agency
 Engineering Services Division
 800 South Victoria Avenue
 Ventura, California 93009-1670
 Attn: Victoria Escoto

Period Ending: July 30, 2010

In Reference To: Trunk Line Protection & Fresno Canyon

Participated in June 25 meeting with local agencies to compile comments for a Local Agency update of the Alternative Analysis. A draft memorandum was submitted July 2, 2010 for local agency comments and a final on July 16, 2010. Revisions to all the drawings were made for each submittal.

DESCRIPTION	HOURS	RATE	AMOUNT
Senior Engineer	20	124.00	2,480.00
Associate Engineer	20.1	106.00	2,130.60
AutoCAD	41.844	81.00	3,389.36
TOTAL DUE THIS INVOICE			\$7,999.96

CASITAS MUNICIPAL WATER DISTRICT
Inter-Office Memorandum

DATE: September 17, 2010
TO: Board of Directors
FROM: Denise Collin – Accounting Manager / Treasurer
Re: Business Ordinance, Disposal Policy

RECOMMENDATION:

It is recommended that the Board of Directors approve both the revised Business Ordinance and Disposal Policy.

BACKGROUND:

Brown Armstrong CPA, finished their Interim Audit of the District on August 11, 2010 with the recommendation that we revise our current Business Ordinance to reflect the Board Approved authorization to the Assistant to the General Manager, that, in his absence authorizes the purchase of materials, supplies and services as well as sign checks for the Payable and Payroll fund.

It was also recommended we establish an Asset Disposal Policy which would outline the policy and procedures to properly dispose of assets physically and to report the value of the asset properly on our Financial Statements.

CASITAS MUNICIPAL WATER DISTRICT

AN ORDINANCE OF CASITAS MUNICIPAL WATER DISTRICT
PRESCRIBING A SYSTEM OF BUSINESS ADMINISTRATION

WHEREAS, Section 71304 of the California Water Code provides that the Board of Directors may prescribe by ordinance a system of business administration; and

WHEREAS, it is desirable to have a system of business administration relative to accounting, auditing, and disbursement of moneys by Casitas; and

WHEREAS, it is desirable to change the signature requirements for the general fund bank account;

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

1. Budget. The General Manager is hereby directed to prepare annually a fiscal budget no later than the second regular meeting in May. The budget so planned and submitted shall reflect the general policies of the Board of Directors and the anticipated expenditures to carry out such policies. The General Manager shall submit the budget in such form and substance that it will clearly reflect the planned program of Casitas' operations and improvements and will comply with the form prescribed by the County Auditor.

Obligations shall be incurred only within the detailed provisions of the applicable budget, subject to the following exceptions:

(1) Unbudgeted obligations may be incurred within the limits of funds available for expenditures in the fiscal year if approved in advance by the Board of Directors or upon approval by the General Manager if necessary for protection of life or property.

(2) The General Manager may make transfers between detailed budget items within a single department provided the amounts budgeted within the department for capital outlay and operation and maintenance, respectively, are not exceeded. The Board shall routinely be advised of said transfers.

2. Purchase of Materials, Supplies, and Services. The General Manager is hereby authorized to execute purchase orders and contracts not exceeding \$20,000, without prior Board approval, provided that this limitation shall not apply to replenish warehouse stores stock. Purchases for this purpose shall be made in an amount equal to but not exceeding an amount necessary to maintain the minimum quantities of stock on hand as determined by the General Manager to be economical and necessary for Casitas' needs. All purchases in excess of \$300 shall normally be supported by an executed purchase order or contract, and all proposed expenditures shall be verified to ascertain that provision has been included in the budget for the activity or expense intended. Exceptions might be an emergency situation, an order that does not arrive on time, the need for supplies that are not in the warehouse, or services that need to be performed in order to determine what needs to be replaced and/or repaired. In these instances, an invoice and requisition will be furnished that fully explains the reason for not following normal procedures along with the approval

Comment [D1]: Was \$10,000.00

of the supervisor who accepts responsibility for incurring the expenditures. The General Manager may delegate to the Accounting Manager authority to execute individual purchase orders up to \$1,000.

In the General Managers absence, or an emergency situation the Assistant to the General Manager will have authorization to purchase materials, supplies and services not exceeding \$20,000.

Comment [D2]: Is this verbiage ok

a. No purchase order shall be issued unless moneys for payment of Casitas' obligations thereunder are available for expenditure under the budget applicable to the year in which such purchase order is issued.

b. No purchase order shall be issued unless it relates to the operation and maintenance of Casitas or Ventura River Project facilities or to a construction project approved by the Board.

c. From time to time, by resolution, the Board of Directors shall adopt a statement of terms and conditions applicable to construction, alteration or repair of Casitas' facilities in the form prescribed by Casitas' attorney. The General Manager shall be authorized to approve change orders as recommended by the Engineer providing the total increased cost of all change orders does not exceed 5 percent of the total contract amount or \$20,000, whichever is greater.

d. The General Manager in his purchasing decisions shall consider costs of transportation to firms outside the County as opposed to firms inside the County when making purchasing decisions and shall also consider any taxes to be paid on items outside the County as being an extra cost, while those sales taxes inside the County may be discounted from the total bid when considering award. Should the differences in bid price be greater than those amounts of transportation and taxes, the General Manager shall award the purchase of goods and services to the lowest responsible bidder.

3. Collection and Deposit of Revenues. A "General Fund Bank Account" shall be established and maintained in a bank designated by the Board of Directors and all revenue, unless otherwise provided, shall be deposited therein. The Board of Directors may, from time to time, direct the General Manager to establish and maintain special bank accounts for the handling of funds received or set aside for specific purposes.

All revenue collected shall be accounted for in a manner that will indicate the source, nature, and amount of each collection. Collections so made shall be deposited intact in the bank accounts established.

4. Disbursements.

a. Routine financial obligations of Casitas shall be paid from a special fund designated as the "Payables Fund Account" established in a bank designated by the Board of Directors. Funds in the payables fund account shall be replenished from time to time from the general funds account in order to enable Casitas to meet its routine fiscal obligations. The General Manager shall assure that checks made from the General Fund to replenish the "Payables Fund Account" shall not exceed the total amount of the bi-monthly payables list, or \$500,000 whichever is lower. In the event that the General Manager or Accounting Manager were unavailable to co-sign a payables or payroll check, the Board member requested to co-sign will require a verification of the request by the Accounting Manager or General Manager. Disbursements from the payables fund account shall be authorized:

Comment [RV3]: Recommend deletion.

Comment [RV4]: Recommend deletion as we are unsure what this is.

(1) By a check signed by any combination of the following two signatures:

(a) The General Manager, Accounting Manager, Assistant to the General Manager and any member of the Board of Directors.

Comment [RV5]: Added to the policy per previous resolution by the Board.

(2) Under no circumstances shall any person authorized under this ordinance to sign checks of Casitas sign a blank or incomplete check. Any person who does not comply with this provision shall be subject to severe disciplinary action.

Deleted: officer

Deleted: officer

An audit of all claims against Casitas shall be made prior to presentation of the checks for signature. Such audit shall consist of a verification as to accuracy and completeness of all documents supporting payment; i.e., copy of purchase order, executed receiving and inspection report, and vendor's invoice or statement. Should a vendor not honor Casitas purchase orders but provide the lowest price for an item, the General Manager may issue a payables check to the vendor for the item receiving in return an invoice for the item for audit purposes. Reimbursable personal expense claims shall be approved by the General Manager. Personal expenditures for which reimbursement may be claimed shall include only expenses incurred while an employee, officer, or director is acting in his official capacity as a Casitas representative. All claims for reimbursement must be for goods or services which are ordinary and necessary for the fulfillment of Casitas duties, and such expenses shall, where practicable, be documented by checks, receipts, or other evidence, such evidence to be submitted at the time request for reimbursement is made.

A separate voucher authorization list covering disbursements made from the payables fund account showing check number, payee, description of materials or services purchased, and amount shall be prepared and accompany each general fund check presented for signature. Each list shall be certified correct by the Casitas Accounting Manager and submitted to the Board of Directors for ratification. Signatures of a majority of the Board members on the voucher list shall constitute Board approval.

A fidelity bond covering Casitas officers authorized to sign checks on the payables fund account shall be in force at all times. The bond shall be in an amount sufficient to cover the maximum limit of the payables fund account.

Comment [RV6]: Recommend deletion as we are not aware of any bonding at the district.

b. A petty cash fund of \$800 shall be maintained, and expenditures may be made from this fund only for individual expenditures not in excess of \$75. Expenditures may be made for postage, freight and express bills, invoices for materials, reimbursement of personal expenses, meal allowances, and in payment of encroachment permit fees, licenses, or other charges levied by a county, state agency, public utility, or railroad company in connection with the granting to Casitas of rights in property owned or controlled by such grantors and other similar purposes.

c. Funds transferred to the payables fund account and all other withdrawals from the general fund account shall be authorized by the signatures of any two members of the Board of Directors.

d. Payroll obligations of Casitas shall be paid from a special fund designated as the "Payroll Fund Account" established in a bank designated by the Board of Directors. The payroll fund account shall be replenished on a biweekly basis in the amount of the biweekly payroll from the general fund account in order to enable Casitas to meet its payroll obligations. Disbursements from the payroll fund account shall be authorized:

(1) By a check signed by facsimile signatures of the General Manager and the Accounting Manager.

(2) By a check signed by any combination of the following two signatures:

(a) The General Manager, Accounting Manager, Assistant to the General Manager and any member of the Board of Directors.

Comment [RV7]: Added to the policy per previous resolution by the Board.

(3) Under the payroll system, at the option of each of Casitas' employees, either issue a payroll check to said employee in the amount of such employee's net pay as computed, or credit said net pay to the bank account of such employee. Statements shall be provided to employees electing to have their net pay so credited.

(4) Under no circumstances shall any person, authorized under this ordinance to sign checks of Casitas sign a blank or incomplete check. Any person who does not comply with this provision shall be subject to severe disciplinary action.

Deleted: officer

Deleted: officer

The payroll register shall be used as the voucher authorization list for payroll disbursements. Each list shall be certified correct by the Casitas Data Processing Accounting Manager and submitted to the Board of Directors for ratification. Signatures of a majority of the Board members on the voucher list shall constitute Board approval.

Comment [D8]: Delete

The Accounting Manager shall be responsible for the password security within the Incode Accounting Software for check signing digital signatures. This password will be required to be entered into the system by the Accounting Manager or Assistant to the General Manager before each check writing batch for all funds. the checksigner machine and facsimile plate.

The facsimile plate and keys to the checksigner shall be kept by the Accounting Manager and the General Manager. In order to use the facsimile signing system, the Accounting Manager or General Manager must provide the facsimile plate from the safe and unlock the checksigner machine. The check signer system must be secured after use. A payroll check log shall be maintained to keep a record of the checks signed by facsimile. A payroll check log shall be maintained to keep a record of the checks signed digitally.

Comment [D9]: Delete

Comment [D10]: Added

Deleted: n

e. A separate voucher authorization list covering disbursements made from the general fund account showing check number, payee, description of the transaction, and amount shall be prepared and accompany each check presented for signature. The list shall be certified correct by the Casitas Accounting Manager and submitted to the Board of Directors for approval. Signature of a majority of the Board members on the voucher authorization list shall constitute approval of claims and authorization for the signatures of any two members of the Board of Directors in payment of same.

f. Disbursements from special bank accounts established for the handling of funds received or set aside for specific purposes, other than the payables fund account referred to in "a" above or the payroll funds account referred to in "d" above, shall be accomplished pursuant to instructions approved by the Board of Directors.

Deleted: ¶

5. Paying interest on deposit moneys. Special projects such as meter and service

installations, pipeline construction, fire hydrant installations, etc. require money deposits. Standard connection fees are not considered special projects and do not earn interest upon deposit. On deposits of \$10,000 or less, no interest will be earned or returned to the depositor. Deposits in excess of \$10,000 shall earn simple interest similar to a bank deposit account at a rate of 5%. Casitas shall establish a liability account in the General Ledger in the depositor's name. Interest shall be earned by the depositor from date of deposit. When expenditures are incurred by Casitas on the project, interest will be earned on the deposit less any expenditures to date. Funds in excess of the project will be returned to the depositor. Where deposits are less than Casitas expenditures on the project, the depositor shall pay Casitas the remaining costs plus interest lost based on a usury rate of 10%.

Comment [RV11]: Recommend deletion of this paragraph. Not applicable

6. Powers, functions, and duties assigned herein to the General Manager, Assistant to the General Manager and those assigned to the Accounting Manager, with the exception of the signing of checks, may be delegated by them to the staff member acting in their respective capacities when they are absent from the office.

Comment [D12]: Added

7. Bidding Requirements. The General Manager is directed to establish a bidding procedure for the District. For all purchases/contracts over \$75 income or expense, the General Manager shall take bids. From \$75 to \$34,999, informal bids shall be taken. Informal bids shall consist of calls to three (3) bidders minimum to obtain prices. From \$35,000 up, formal bids shall be taken. Formal bids require a written specification of the goods and services and a written answer after appropriate public notice.

Comment [D13]: Changed from 35,999.

A. Bidding Requirements for Small Projects: If, in the opinion of the General Manager, it is difficult for the District to obtain bids for small jobs, the General Manager may award purchase orders for work at a cost equal to or less than \$20,000 if the following requirements are met:

Deleted: 5

There are funds available in the unencumbered budget for the work.
An estimate is made by staff of the cost of the work before the Purchase Order is issued.
The work can be completed on a time-and-materials basis.
The District is provided a bill detailing the cost of time and materials.
A report is made to the Board to be placed on the Information Items section of the Agenda which will detail the estimate and the cost, and review the quality of work by the contractor.”

Comment [RV14]: Recommend deletion. Steve does not provide a report for all PO's issued. He does provide information as necessary to the Board.

B. Sole Source Purchases. The General Manager can approve sole source purchasing as an exception to section 7 for any of the following reasons:

1. Only one available supplier with no available competition.
2. Equipment that was purchased with bidding competition but support, spare parts and repairs have to be provided by factory reps with protected territory.
3. Services that have been bid out and results have been unsatisfactory to Casitas.
4. Products used to maintain system standard when significant spare parts inventories need to be maintained and readily available.
5. Utility Companies with which you have to work.
6. Purchases that require significant staff time to get to the location to conduct the business in comparison to the cost of item.
7. Agreements on Deposits
8. Sources to Call in Emergencies

8. Permits. It shall be the general policy of the Board of Directors of Casitas Municipal

Water District not to get permits from other public agencies, which are exempted by Governmental Code Section 53091, or for recreation due to its federal enclave status. However, Casitas shall get permits where, in the opinion of the Board of Directors, it is appropriate to do so.

President, Casitas
Municipal Water District

ATTEST:

Secretary, Casitas
Municipal Water District



Asset Disposal Policy 2010

Introduction

The purpose of the Asset Disposal Policy is to provide a framework for the disposal of the District's assets that are not needed and that are surplus to the District.

Objective / Purpose

The objectives of the Asset Disposal Policy are to:

- Ensure that only assets that do not provide the minimum level of basic municipal services are disposed of.
- Ensure that assets are not disposed when the disposal of the asset or the terms of the disposal of the asset could disadvantage the municipality.
- Ensure that all disposals are fair, equitable and competitive.

Definitions

Asset – An asset shall mean any resource controlled by the District, from which the District expects to derive economic benefit or use for service delivery to the general public over a period extending beyond one year.

Asset Balance – is the amount at which an asset is recognized after deducting any accumulated depreciation.

Disposal – Disposal means the process of declaring the asset as surplus when the District no longer needs the asset and plans on the disposal by means of a sale, auction, donation or disposing of the asset in the appropriate manner.

Fair Market Value – The fair value of an asset is the amount obtainable from the sale of the asset between willing parties.

In Service – In Service means that the Asset is still being utilized by the District, fully depreciated or not.

Procedures for Disposals

Management will review the Asset list yearly and determine if the Asset is in service. Surplus, obsolete or redundant assets include the following:

- Assets that have become uneconomical to maintain or to operate.
- Assets that have become uneconomical to continue due to the limited availability of spare parts or replacement parts which exceed the reasonable value of the item.
- Assets which can no longer be used for the purpose originally intended.
- Assets no longer in service.
- Assets where the technology have been outdated.

Approval of Disposals

Management will prepare a list of Assets to declare as Surplus for approval by the Board of Directors. The list of the Assets will include the following:

- Full description and the Asset Balance.
- Reasonable grounds that the asset is not needed or functional.
- Fair Market Value of the Asset.

The approved list of Assets will be publicly noticed for auction, sale or disposed of in the appropriate manner.

CASITAS MUNICIPAL WATER DISTRICT

LAKE CASITAS RECREATION AREA

DATE: September 16 , 2010
TO: Steve Wickstrum, General Manager
FROM: Carol Belser, Park Services Manager
SUBJECT: Recreation Area Monthly Report for August 2010

Visitation Comparison

The following is a comparison of visitations for August:

	August 2009	August 2010	July 2010
Visitor Days	86,488	97,167	114,756
Camps	7,390	9,002	9,845
Cars	21,622	24,294	28,689
Boats	437	349	585
Kayaks & Canoes	15	7	7

	Revenue Operations
August 2009	\$218,439.75
August 2010	\$223,988.75
% Change	2.477

Fiscal Year to Date Visitation	
2009/2010	198,252
2010/2011	211,932
% Change	6.9

Activities and Upcoming Events

Astronomy night was held August 7th with thirty customers in attendance. The “Great Outdoors” movie was our most attended screening of the summer with over 150 in attendance. “Jaws” was screened August 28th with 30 people in attendance.

Boating/Fishing

There were 27 cables sold for new inspections, 12 vessel re-inspections, 734 boats were retagged. Fourteen boats failed the first inspection. Angler’s Choice held a night tournament on August 7th. Moonlight Fishing by boat was held August 14 with 25 boats participating. Shoreline night fishing was held August 19, 20 and 21.

Incidents

There were 97 people involved in 6 separate field investigations (large groups) by PSO or APSO staff for body contact made, with no citations issued. These contacts were made prior to the posting of the “No Swimming” signs regarding the no-body contact policy that were posted in both English and Spanish.

Signs are now posted in our most problematic areas G shoreline and Coyote. The two large No Swimming signs have been updated with clearer language prohibiting body contact.

Other incidents included rattle snake relocations. No DUI related incidents were identified in August.

Projects, Meetings and Training

Curt Orozco was hired as a Maintenance Worker I after an in-house recruitment. Curt's work will focus on pump truck duties. Lisa Kolar who had that task as her primary duty, will now move on to general maintenance.

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**CASITAS MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
09/01/10**

Type of Invest	Institution	CUSIP	Date of Maturity	Amount of Deposit	Current Mkt Value	Rate of Interest	Date of Deposit	% of Portfolio	Days to Maturity	Weighed Average Days to Maturity
*TB	Federal Home Loan Bank	3133XS4S40	09/16/11	\$726,316	\$723,842	3.490%	07/01/10	5.81%	375	22
*TB	Federal Home Loan Bank	3133XSP930	12/13/13	\$743,750	\$743,967	2.956%	07/01/10	5.97%	1182	71
*TB	Federal Home Loan Bank	3133XWNB10	06/12/15	\$729,603	\$739,375	2.775%	07/01/10	5.93%	1721	102
*TB	Federal Home Loan Bank	3133XWW470	03/09/12	\$707,315	\$706,342	1.116%	06/30/10	5.67%	548	31
*TB	Federal Home Loan Bank	3134A4VG60	11/17/15	\$807,683	\$803,250	4.750%	07/19/10	6.45%	1876	121
*TB	Federal Home Loan MTG Corp	3137EABS70	09/27/13	\$766,605	\$765,408	3.783%	07/01/10	6.14%	1106	68
*TB	Federal Home Loan MTG Corp	3137EACD90	07/28/14	\$739,907	\$744,842	2.849%	07/01/10	5.98%	1407	84
*TB	Federal Home Loan MTG Corp	3137EACE70	09/21/12	\$723,646	\$720,342	2.066%	06/30/10	5.78%	740	43
*TB	Federal Home Loan MTG Corp	3137EACF40	12/15/11	\$706,398	\$706,125	1.116%	06/30/10	5.67%	464	26
*TB	Federal Natl MTG Assn	31398AYY20	09/16/14	\$739,123	\$744,625	2.858%	07/01/10	5.98%	1455	87
*TB	US Treasury Inflation Index NTS	912828JE10	07/15/18	\$1,055,030	\$1,067,651	1.326%	07/06/10	8.57%	2834	243
*TB	US Treasury Notes	912828JW10	12/31/13	\$709,352	\$714,546	1.487%	04/01/10	5.73%	1200	69
*TB	US Treasury Notes	912828LZ10	11/30/14	\$718,129	\$726,691	2.080%	07/01/10	5.83%	1529	89
*TB	US Treasury Notes	912828MB30	12/15/12	\$709,707	\$708,365	1.115%	06/30/10	5.68%	824	47
*TB	US Treasury Inflation Index NTS	912828MF40	01/15/20	\$1,041,021	\$1,055,136	1.342%	07/01/10	8.47%	3374	286
*TB	US Treasury Notes	912828ML10	12/31/11	\$707,191	\$705,607	0.992%	06/30/10	5.66%	480	27
Accrued Interest (Interest paid at time of purchase)				\$58,062	\$84,920					
Total in Gov't Sec. (11-00-1055-00&1065)				\$12,388,838	\$12,461,033			76.67%		
*CD	CD -			\$0	\$0	0.000%		0.00%		
Total Certificates of Deposit: (11.13506)				\$0	\$0			0.00%		
**	LAIF as of: (11-00-1050-00)		N/A	\$1,667,570	\$1,667,570	0.56%	Estimated	10.26%		
***	COVI as of: (11-00-1060-00)		N/A	\$2,124,379	\$2,124,379	1.41%	Estimated	13.07%		
TOTAL FUNDS INVESTED				\$16,180,787	\$16,252,981			100.00%		
Total Funds Invested last report				\$16,171,765	\$16,190,826					
Total Funds Invested 1 Yr. Ago				\$14,645,946	\$14,645,946					
****	CASH IN BANK (11-00-1000-00) EST			\$714,483	\$714,483					
****	CASH IN Western Asset Money Marke			\$14,441	\$14,441					
TOTAL CASH & INVESTMENTS				\$16,909,711	\$16,981,906					
TOTAL CASH & INVESTMENTS 1 YR AGO				\$14,692,236	\$14,692,236					

- *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.