

# Board Meeting Agenda

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

Pete Kaiser, Director  
James Word, Director

CASITAS MUNICIPAL WATER DISTRICT  
November 26, 2014  
9:30 A.M. – DISTRICT OFFICE  
1055 Ventura Ave.  
Oak View, CA 93022

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

1. Public Comments (items not on the agenda – three minute limit).
2. General Manager comments.
3. Board of Director comments.
4. Board of Director Verbal Reports on Meetings Attended.
5. Consent Agenda
  - a. Minutes of November 12, 2014 Meeting.
  - b. Recommend approval of Leak Relief to Claire and Reid Bowman in the amount of \$744.99.
  - c. Recommend approval of Leak Relief to Ralph Begley in the amount of \$682.25.
  - d. Recommend approval of a purchase order in the amount of \$6,900 to J & T Engineering and Construction for ramp replacement and sidewalk repair at the District Office.
  - e. Recommend modification to our healthcare Flexible Spending Accounts to allow for a carry-over of \$500 from one year to the next, eliminating the “use it or lose it” provisions currently in the plan.

RECOMMENDED ACTION: Adopt Consent Agenda

6. Bills
7. Presentation by Jack Oehmke of Morgan Stanley regarding Investment of District Funds.
8. Recommend acceptance of the fiscal year 2013-2014 Comprehensive Annual Financial Report.

RECOMMENDED ACTION: Motion approving recommendation

9. Resolution approving a contract between the United States of America and the Casitas Municipal Water District for the repayment of funds expended for the federally performed Safety of Dams Act Modification Program at the Casitas Dam and Reservoir and authorization of execution of said contract by Casitas Municipal Water District.

RECOMMENDED ACTION: Adopt Resolution

10. Resolutions setting Public Hearings on January 28, 2015 to adopt three proposed Mitigated Negative Declarations.
  - a. Resolution setting the time and place for a Public Hearing on January 28, 2015 to receive comments on the proposed Mitigated Negative Declaration for the Aeration Improvements at Lake Casitas project.

RECOMMENDED ACTION: Adopt Resolution

- b. Resolution setting the time and place for a Public Hearing on January 28, 2015 to receive comments on the proposed Mitigated Negative Declaration for the Santa Ana Launch Ramp Extension.

RECOMMENDED ACTION: Adopt Resolution

- c. Resolution setting the time and place for a Public Hearing on January 28, 2015 to receive comments on the proposed Mitigated Negative Declaration for the Lake Casitas Shoreline Vegetation Removal Project.

RECOMMENDED ACTION: Adopt Resolution

11. Information Items:
  - a. Water Resources Committee Minutes.
  - b. Finance Committee Minutes.
  - c. Personnel Committee Minutes.
  - d. Report on the Water Quality Supervisor's attendance at North American Lake Management Society conference.

e. Investment Report.

12. Closed Session

a. Conference with Legal Counsel -- Existing Litigation (Subdivision (a) of Section 54956.9, Government Code). Name of Case: Golden State Water Company v. Casitas Municipal Water District. Case Number: 56-2013-00433986-CU-WM-VTA.

13. 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  
November 12, 2014

A meeting of the Board of Directors was held November 12, 2014 at Casitas' Office, Oak View, California. The meeting was called to order at 3:05 p.m. Directors Hicks, Bergen, Kaiser, Baggerly and Word were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, Robert Krimmer. There were two staff members and two members of the public in attendance. President Hicks led the group in the flag salute. Following the flag salute President Hicks asked for a moment of silence in honor of Casitas employee Mike Werber who had passed away over the weekend.

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

None

2. General Manager comments.

Mr. Wickstrum reported that everyone in the district is affected by the loss of Mike Werber. We have received a request from Mrs. Werber to hold a memorial service at Lake Casitas.

The AWA bus tour is tomorrow afternoon at 2:30. We have installed two more substrate quagga monitoring stations in Lake Casitas and will look at other locations. There has been nothing on the substrates and in the plankton tows to date. We contribute that to the staff at Lake Casitas for their efforts in working with our boaters to protect our water supply.

There was a meeting today to discuss Groundwater sustainability actions and the formation of an Upper Ventura River GSA. Ventura River Water District will attempt to reprioritize from a medium to a low basin.

A lot of work has been done on the water shortage contingency planning and it has been discussed with Counsel who has suggested that we take a look at a rate study. We have begun to look at our accounting principles and working with Incode. I Hope we get enough rain that we don't hit 50% but what we are seeing in the numbers is the people in our district are conserving water. 20% is a good mark that we are seeing in a lot of our classifications. There will be more work on resolutions and ordinances and we will get it to a workshop with this group to inform you all of what has been developed.

3. Board of Director comments.

Director Baggerly informed the board that he had been asked to speak at the League of Women Voters meeting on December 13<sup>th</sup> at CLU in Thousand Oaks. Director Baggerly then mentioned that Lorraine Walters has asked that he give a brief presentation on what OBGMA will need to do.

4. Board of Director Verbal Reports on Meetings Attended.

Mr. Word reported his attendance at the Economic Development session with the Ventura Chamber. There was an update on what is happening with proposed development. One area that is not discussed very much is what is going on or how they are approaching the development at the Marina. There are about 300 units to be developed which will be within our district.

Director Baggerly reported that he represented OBGMA at the Board of Supervisors meeting when Steve Bennett proposed his emergency ordinance on wells. He then reported on the meeting that didn't happen, the meeting with Ventura Water on the water service agreement. They did not get the info to us until the day before the meeting. We had waited for eight months and they didn't get it to us. The meeting has been put out to the 19<sup>th</sup> of November. We got a draft of comments from the city. I have been over them a few times. Director Word added he is also going to that if the meeting transpires. We have had a few meetings fall through. The meeting will be with the City Manager, Councilman Tracy and Shauna Epstein.

Director Kaiser reported that he and Director Bergen had a meeting regarding the Upper Ventura GSA and are waiting for additional information.

5. Consent Agenda ADOPTED

a. Minutes of October 22, 2014 Meeting.

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

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

6. Bills APPROVED

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

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

7. Recommend approval of entering into an agreement with RNT Consulting Inc. in an amount not to exceed \$49,575 to provide the District with a Vulnerability Assessment and a Control and Management Plan for Invasive Species (Dreissenid Mussels). APPROVED

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

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

8. Recommend approval of a purchase order to Goulds Pump, Inc. in the amount of \$71,726.15 plus shipping for additional pump stages for the Ventura Avenue No. 1 Pump Plant. APPROVED

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

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

9. Recommend approval of the purchase of Incode's Remit Plus hardware and software in the amount of \$10,565.00 plus an annual maintenance fee of \$1,994.00. APPROVED

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

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

10. Information Items:

- a. Water Resources Committee Minutes.
- b. Recreation Committee Minutes.
- c. Executive Committee Minutes.
- d. Lake Casitas Recreation Area Report for September 2014.
- e. Water Consumption Report.
- f. CFD No. 2013-1 (Ojai) Monthly Cost Analysis.
- g. Investment Report.

On the motion of Director Word, seconded by Director Baggerly, the Information Items were approved for filing upon the following roll call vote:

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

11. Adjournment

President Hicks adjourned the meeting at 3:38 p.m.

---

Pete Kaiser, Secretary

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: November 7, 2014  
TO: Steve Wickstrum - General Manager  
FROM: Denise Collin - Accounting Manager  
Re: Leak Relief Request – Claire & Reid Bowman  
10901 Creek Road  
Account Number: 70-00590-00

**RECOMMENDATION:**

Approve Leak Relief Request of \$744.99.

**BACKGROUND AND OVERVIEW:**

In August of 2014 Mr. and Mrs. Bowman had two leaks. The first was detected August 2, 2014 when they experienced very low water pressure in their home. Upon investigating it was discovered there was water coming out near their street. The leak was underground and not easily detected. The leak was repaired using parts they had and Randy Davis did the excavation.

The second leak was discovered on August 31, 2014 when they noticed puddles of water in the back yard. Mr. and Mrs. Bowman hired a leak detection service to locate the leak. The leak was an abandoned 2" line near the elbow forty feet from where the puddles were noticed. The leak was repaired on September 3, 2014.

Mr. and Mrs. Bowman have met all criteria for Leak Relief in the amount of \$744.99.

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: November 7, 2014  
TO: Steve Wickstrum - General Manager  
FROM: Denise Collin - Accounting Manager  
Re: Leak Relief Request – Ralph Begley  
1005 spring Street  
Account Number: 25-19704-00

**RECOMMENDATION:**

Approve Leak Relief Request of \$682.25.

**BACKGROUND AND OVERVIEW:**

On August 25, 2014 Mr. Begley called for assistance in locating his meter to check for a leak as he was hearing water running, however Mr. Begley states he is deaf in one ear resulting in a delay in hearing the water running as long as it did.

Mr. Begley called a plumber and located the leak in the back yard water line and repaired the leak.

August 29, 2014 our Service Technician checked the meter to confirm the leak was repaired and the meter was still spinning slowly suggesting another leak. Mr. Begley then hired a leak detection service and discovered a leaking hose bib and repaired that leak.

September 3, 2014 our Service Technician checked the meter again with no leak detected.

Mr. Begley has met all criteria for Leak Relief in the amount of \$682.25.



---

---

CASITAS MUNICIPAL WATER DISTRICT  
INTEROFFICE MEMORANDUM

---

---

**TO:** STEVE WICKSTRUM, GENERAL MANAGER  
**FROM:** TODD EVANS, ASSISTANT ENGINEER  
**SUBJECT:** AWARD A PURCHASE ORDER CONTRACT FOR AN INFORMAL BID RAMP REPLACEMENT & SIDEWALK REPAIR AT THE DISTRICT MAIN OFFICE  
**DATE:** SEPTEMEBR 12, 2014

---

**RECOMMENDATION:**

It is recommended that the Board of Directors authorize the General Manager to sign a Purchase Order Contract to the lowest responsible bidder, J & T Engineering and Construction for ramp replacement and sidewalk repair in amount of \$6,900.00

**BACKGROUND AND DISCUSSION:**

The handicap ramp located at the front of the District's main office is not ADA compliant.

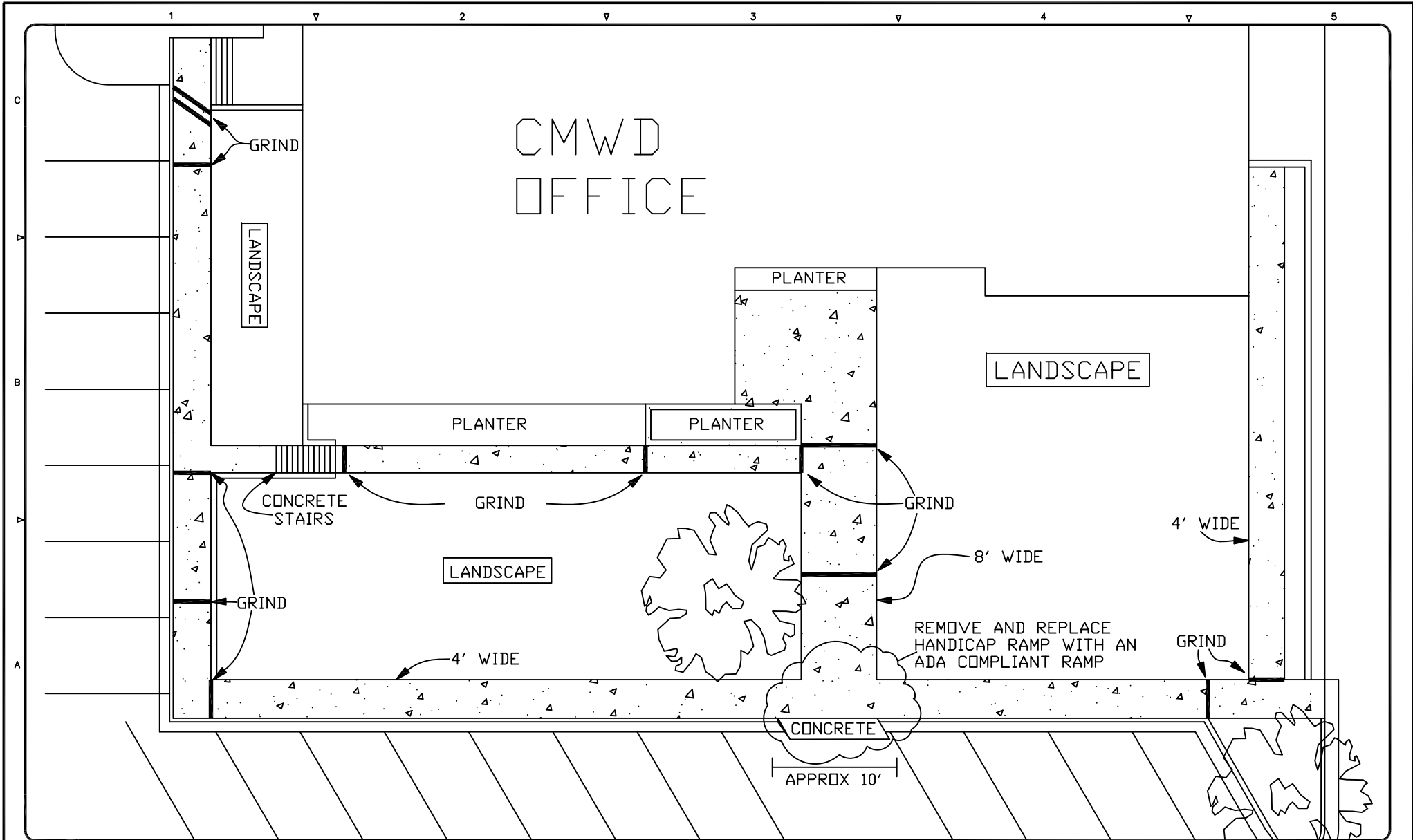
Staff put out a request for bids to remove the existing ramp and replace it with an ADA compliant ramp (approximately 100 sf), and to grind approximately 60 linear feet of sidewalk that has uplifted and poses a possible trip hazard. See the attached detail.

The informal bid was sent out and 6 submittals were received. The bid results are:

<u>Contractor</u>	<u>Bid Amount</u>
J & T Engineering and Construction	\$6,900
New Vision Construction	\$8,400
McCarthy Concrete	\$8,530
Stone Concepts Inc.	\$13,600
ACR Concrete & Asphalt Construction Inc.	\$17,924

The lowest responsibly bidder was J & T Engineering and Construction. Their license is current and all reference has come back positive.

No budget exists for this project. The recommendation to address this problem came from the safety committee and therefore was not a budgeted project.



Revisions: \_\_\_\_\_  
 Date: By: \_\_\_\_\_ Description: \_\_\_\_\_

**CASITAS MUNICIPAL WATER DISTRICT**  
 OAK VIEW, CALIFORNIA

**CMWD MAIN OFFICE SIDEWALK  
 CONCRETE REPAIR**  
 DEATIL A



Designed By: TE Drawn By: TE Checked By: NC

SUBMITTED: TODD EVANS

APPROVED: NEIL COLE RCE 44680

SCALE: NTS DATE: 08/08/14 DWG # XXXX

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: November 21, 2014

TO: Board of Directors

FROM: Assistant to General Manager, Rebekah Vieira

Re: Modification to Healthcare Flexible Spending Plan administered by WageWorks to allow carry-over of \$500.

**RECOMMENDATION:**

It is recommended that the Board of Directors approve the modification to the Healthcare Flexible Spending Plan to allow for carry-over of \$500 from one plan year to the next beginning with the 2015 plan year.

**BACKGROUND:**

The District has offered to full time employees the ability to participate in a healthcare flexible spending plan allowing employees to withhold money on a pre-tax basis to pay for unreimbursed medical bills such as co-pays or prescriptions. These plans are allowed under section 125 of the IRS code and have been considered "use it or lose it". If an employee withheld more than the amount of expenses they had in a plan year they had to forfeit that unused balance that was in their account.

A new modification to the code allows for companies to provide a carry-over of up to \$500 so that if an employee did not spend all of their balance they could carry-over the unused portion, up to \$500 to the next plan year. There is no increase in administrative fees for this new provision. Please contact me if you have any questions.



**PLAN AMENDMENT**

**ARTICLE I  
PREAMBLE**

**1.1 Adoption and effective date of amendment.** The Employer adopts this Amendment to the (enter name of plan) ("Plan") to reflect changes to Internal Revenue Code (IRC) Section 125(i), as amended by the Internal Revenue Service (IRS) Notice 2013-71. The employer and Plan sponsor intends this Amendment as good faith compliance with the requirements of this Notice. This Amendment shall be effective on or after the date the Employer elects in Section 2.1 below.

**1.2 Election of Carryover.** To the extent that the Plan contains "grace period" language, said language for any "grace period" for the health flexible spending account (health FSA) will be voided for Plan years following the Plan year that carryover is adopted and such language shall be replaced with the "carryover" language outlined below.

**1.3 Supersession of inconsistent provisions.** This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

**ARTICLE II  
CARRYOVER ELECTION**

**2.1 Effective Date.** This Amendment is entered into as of the date outlined below and shall be effective for  the 2013 Plan year and beyond,  the 2014 Plan year and beyond or  the 2015 Plan year and beyond.

**2.2 Carryover Amount.** The Plan shall provide for a carryover of \$500 of any amount remaining unused in a health FSA as of the end of the Plan year. Such carryover amount may be used to pay or reimburse medical expenses under the health FSA incurred during the entire Plan year to which it is carried over.

**2.3 Limited Purpose Health FSA.** Notwithstanding the foregoing, any Plan participant shall be assumed to be enrolled in a Limited Purpose Health FSA if such participant has already enrolled in a health care savings account for the following Plan year.

This Amendment has been executed as of the date signed.

**Signature:**

**Email:**

**Title:**

**Company:**

**CASITAS MUNICIPAL WATER DISTRICT**  
**Payable Fund Check Authorization**  
**Checks Dated 11/4/14-11/18/14**  
**Presented to the Board of Directors For Approval November 26, 2014**

Check	Payee			Description	Amount
000531	Payables Fund Account	#	9759651478	Accounts Payable Batch 102314	\$244,105.12
000532	Payables Fund Account	#	9759651478	Accounts Payable Batch 103014	\$208,338.73
					\$452,443.85
000530	Payroll Fund Account	#	9469730919	Special Payroll Requirements	\$75,000.00
000533	Payroll Fund Account	#	9469730919	Estimated Payroll 12/11/14	\$135,000.00
					\$210,000.00
				Total	\$662,443.85

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, 000530-000533 have been duly audited is hereby certified as correct.

  
 \_\_\_\_\_  
 Denise Collin, Accounting Manager

*11/20/14*

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

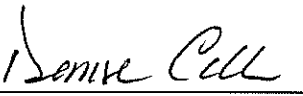
# A/P Fund

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

000531	A/P Checks:	019393-019413
	A/P Draft to P.E.R.S.	111343
	A/P Draft to State of CA	111342
	A/P Draft to I.R.S.	111341
	Voids:	

000532	A/P Checks:	019414-019523
	A/P Draft to P.E.R.S.	
	A/P Draft to State of CA	
	A/P Draft to I.R.S.	
	Void:	019474-019476

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

 11/20/14  
Denise Collin, Accounting Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

CERTIFICATION

Payroll disbursements for the pay period ending 11/08/14  
Pay Date of 11/13/14  
have been duly audited and are  
hereby certified as correct.

Signed: Denise Collin 11/10/14  
Denise Collin

Signed: \_\_\_\_\_  
Signature

Signed: \_\_\_\_\_  
Signature

Signed: \_\_\_\_\_  
Signature

11/18/2014 3:33 PM  
 VENDOR SET: 01 Casitas Municipal Water D  
 BANK: \* ALL BANKS  
 DATE RANGE: 11/04/2014 THRU 11/18/2014

A/P HISTORY CHECK REPORT

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	11/18/2014			019474		
C-CHECK	VOID CHECK	V	11/18/2014			019475		
C-CHECK	VOID CHECK	V	11/18/2014			019476		

\* \* T O T A L S \* \*

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	3	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	

TOTAL ERRORS: 0

VENDOR SET: 01	BANK: *	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
			3	0.00	0.00	0.00
BANK: *		TOTALS:	3	0.00	0.00	0.00



VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01186	GERARDO M HERRERA							
I-110414	D4 Certification Exam	R	11/04/2014	200.00		019393		200.00
02215	Scott MacDonald							
I-103114	D4 Certification Exam	R	11/04/2014	130.00		019394		130.00
00004	ACWA/JPIA							
I-0313713	Health Insurance 11/14	R	11/13/2014	118,774.44		019395		118,774.44
01325	Aflac Worldwide Headquarters							
I-450642	Supplemental Insurance 11/14	R	11/13/2014	2,905.82		019396		2,905.82
09835	ANCHOR CONCRETE CUTTING							
I-116	Concrete Cutting for WP	R	11/13/2014	780.00		019397		780.00
00821	BEST BEST & KRIEGER LLP							
I-736279	Matter #8235600002 10/14	R	11/13/2014	294.80		019398		294.80
01483	CORVEL CORPORATION							
I-684802431	Bill Review	R	11/13/2014	19.78		019399		19.78
10120	CHARLES Z. FEDAK & COMPANY							
I-103114	Audit Services	R	11/13/2014	9,626.00		019400		9,626.00
00093	FEDERAL EXPRESS							
I-283099663	Shipping for Management	R	11/13/2014	20.11		019401		20.11
02689	Hot Springs Medical Surgical G							
I-100214	DOS 10/2/14 Claim#14-16612	R	11/13/2014	129.47		019402		129.47
00667	Kennedy/Jenks Consultants, Inc							
I-87262	Project 1189010*00 10/14	R	11/13/2014	427.50		019403		427.50
01944	Luke Scholt							
I-110514	Manage for Success Course	R	11/13/2014	114.68		019404		114.68
00050	STATE OF CALIFORNIA - EDD							
I-L0922150720	UI Benefit Charges 7/14-9/14	R	11/13/2014	790.00		019405		790.00
00234	UNITED WATER CONSERVATION							
I-110614	State Water Plan Payment	R	11/13/2014	194.50		019406		194.50
00257	VENTURA RIVER WATER DISTRICT							
I-103114	Acct#0350100A	R	11/13/2014	16.90		019407		16.90
I-103114A	Acct#0537500A	R	11/13/2014	51.00		019407		67.90

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00949	CITY OF VENTURA I-110614 State Water Plan Payment	R	11/13/2014	389.00		019408		389.00
00124	ICMA RETIREMENT TRUST - 457 I-CUI201411100909 457 CATCH UP	R	11/13/2014	423.07		019409		
	I-DCI201411100909 DEFERRED COMP FLAT	R	11/13/2014	2,221.16		019409		
	I-DI%201411100909 DEFERRED COMP PERCENT	R	11/13/2014	85.53		019409		2,729.76
01960	Moringa Community I-MOR201411100909 PAYROLL CONTRIBUTIONS	R	11/13/2014	16.75		019410		16.75
00985	NATIONWIDE RETIREMENT SOLUTION I-CUN201411100909 457 CATCH UP	R	11/13/2014	864.53		019411		
	I-DCN201411100909 DEFERRED COMP FLAT	R	11/13/2014	4,432.85		019411		
	I-DN%201411100909 DEFERRED COMP PERCENT	R	11/13/2014	326.90		019411		5,624.28
00180	S.E.I.U. - LOCAL 721 I-COP201411100909 SEIU 721 COPE	R	11/13/2014	12.00		019412		
	I-UND201411100909 UNION DUES	R	11/13/2014	694.25		019412		706.25
00230	UNITED WAY I-UWY201411100909 PAYROLL CONTRIBUTIONS	R	11/13/2014	60.00		019413		60.00
00594	ACTION PREPAREDNESS TRAINING I-86574 CPR/AED/First Aid Training	R	11/18/2014	650.00		019414		
	I-86575 CPR/AED/First Aid Training	R	11/18/2014	650.00		019414		1,300.00
00010	AIRGAS USA LLC I-9922563509 Cylinder Rental for Pipelines	R	11/18/2014	32.88		019415		32.88
00011	ALERT COMMUNICATIONS I-141000847101 Call Center 11/15	R	11/18/2014	289.94		019416		289.94
00836	AMERICAN RED CROSS I-4626893 ARC Certifications	R	11/18/2014	105.00		019417		105.00
00029	AMERICAN TOWER CORP I-1798021 Tower Rent Red Mtn, Rincon Pk	R	11/18/2014	1,692.12		019418		1,692.12
00014	AQUA-FLO SUPPLY I-676197 PVC for Waterpark	R	11/18/2014	60.97		019419		
	I-683143 PVC Parts for Stock at TP	R	11/18/2014	32.36		019419		
	I-685225 Irrigation Parts for Waterpark	R	11/18/2014	32.57		019419		
	I-686274 PVC Parts or Pipelines	R	11/18/2014	387.88		019419		
	I-688311 Irrigation Parts for Waterpark	R	11/18/2014	55.90		019419		
	I-688641 PVC for Leak in Waterpark	R	11/18/2014	85.79		019419		
	I-689478 PVC for Leak at Waterpark	R	11/18/2014	827.85		019419		
	I-696499 PVC Parts for LCRA Maint	R	11/18/2014	44.61		019419		

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
I-697048	PVC Parts for LCRA Maint	R	11/18/2014	46.24		019419		1,574.17
01703	ARNOLD LAROCHELLE MATTHEWS							
I-42451	Matter#5088001 10/14	R	11/18/2014	6,879.00		019420		
I-42452	Matter#5088009 10/14	R	11/18/2014	600.00		019420		
I-42453	Matter#5088012 10/14	R	11/18/2014	696.00		019420		
I-42454	Matter#5088014 10/14	R	11/18/2014	6,795.00		019420		14,970.00
02179	Art Street Interactive							
I-112277	Hosting/Maint Res Website	R	11/18/2014	542.15		019421		542.15
01666	AT & T							
I-000005891557	T-1 Line Acct#8310001729783	R	11/18/2014	357.32		019422		
I-000005893331	T-1 Lines Acct#8310002969306	R	11/18/2014	1,092.91		019422		1,450.23
00679	BAKERSFIELD PIPE & SUPPLY INC							
I-S2104106001	Clamps for Upper Ojai PP	R	11/18/2014	19.51		019423		19.51
00032	BIOVIR LABORATORIES, INC							
I-IEH141338	Giardia/Crypto 9/17/14	R	11/18/2014	396.65		019424		396.65
01616	FRED BRENEMAN							
I-111814	11/9/14-11/22/14	R	11/18/2014	391.00		019425		391.00
00945	CAMCO BREAKER & CONTROLS, INC.							
I-29086	20 Amp Breaker for Casitas Dam	R	11/18/2014	252.63		019426		
I-29108	Contactoer for Treatment Plant	R	11/18/2014	874.75		019426		
I-29111	Coil, Overload Unit for Dam	R	11/18/2014	513.85		019426		1,641.23
02060	CAPCO Analytical Services, Inc							
I-141530	Analyze TP Filter Waste	R	11/18/2014	849.45		019427		849.45
00055	CASITAS BOAT RENTALS							
I-Oct 14 Cafe Passes	Reimburse Cafe Passes	R	11/18/2014	1,473.19		019428		1,473.19
00055	CASITAS BOAT RENTALS							
I-Oct 14 Gas	Gas for Boats at LCRA	R	11/18/2014	1,118.28		019429		1,118.28
02564	CD Photocopy Service, Inc.							
I-147453	DOS 10/16/13 Claim#13-11419	R	11/18/2014	82.82		019430		
I-147765	DOS 10/21/13 Claim#13-11419	R	11/18/2014	90.82		019430		
I-147957	DOS 10/23/13 Claim#13-11419	R	11/18/2014	83.09		019430		256.73

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01384	CLEAN HARBORS ENVIRONMENTAL SE Waste Disposal E&M and Maint	R	11/18/2014	640.35		019431		640.35
00057	CLEAN SOURCE Credit Memo for Inv#286840600	R	11/18/2014	128.58CR		019432		
	I-286708901 Janitorial Supplies	R	11/18/2014	154.29		019432		
	I-286840600 Janitorial Supplies	R	11/18/2014	133.89		019432		159.60
01843	COASTAL COPY Copier Usage at District Ofc	R	11/18/2014	140.35		019433		140.35
00059	COASTAL PIPCO PVC for C Camp Repair	R	11/18/2014	128.73		019434		128.73
02712	Denise Comisky Camping Fee Refund	R	11/18/2014	485.00		019435		485.00
00061	COMPUWAVE McAfee Gold Support 1 Year	R	11/18/2014	504.90		019436		504.90
02701	Conservation Warehouse Accrue Use Tax	R	11/18/2014	26.78CR		019437		
	C-CW28940A Accrue Use Tax	R	11/18/2014	17.14CR		019437		
	D-CW28931A Accrue Use Tax	R	11/18/2014	26.78		019437		
	D-CW28940A Accrue Use Tax	R	11/18/2014	17.14		019437		
	I-CW28931 Water Saving Hose Nozzles	R	11/18/2014	436.51		019437		
	I-CW28940 Water Saving Hose Nozzles	R	11/18/2014	272.84		019437		709.35
00062	CONSOLIDATED ELECTRICAL Spare Motor Controllers 4 PPs	R	11/18/2014	19,151.01		019438		
	I-9009703096 Connenctor Module, Rincon PP	R	11/18/2014	1,982.73		019438		21,133.74
00719	CORELOGIC INFORMATION SOLUTION Realquest Software Monthly	R	11/18/2014	137.50		019439		137.50
02660	Cumulus Broadcasting, Inc. Radio Ads for Drought	R	11/18/2014	282.80		019440		282.80
01001	CUSTOM PRINTING Business Cards for LCRA	R	11/18/2014	119.19		019441		
	I-131450 Day Use & Boat Hang Tags	R	11/18/2014	426.76		019441		545.95
02034	D.K. Mechanical Oil Change, BIT Inspect #81	R	11/18/2014	539.14		019442		
	I-2999 Replace Fuel Pump, #54	R	11/18/2014	75.00		019442		
	I-3000 BIT Inspection, #69	R	11/18/2014	219.99		019442		
	I-3001 Bit Inspection, #282	R	11/18/2014	75.00		019442		
	I-3007 Air Leak, #68 LCRA Dump Truck	R	11/18/2014	250.71		019442		1,159.84



VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00104	FRED'S TIRE MAN							
I-78104	Oil Change #31 LCRA Van	R	11/18/2014	36.45		019453		36.45
00106	FRONTIER PAINT							
I-F0199080	Paint Supplies for LCRA Maint	R	11/18/2014	112.49		019454		
I-F0199352	Paint Primer for Pipelines	R	11/18/2014	35.97		019454		148.46
02158	Google, Inc.							
I-12008569	Additional Usage	R	11/18/2014	6.50		019455		6.50
00115	GRAINGER, INC							
I-9580125236	Fiberglass Angles for Dam	R	11/18/2014	257.55		019456		
I-9580125244	Safety Goggles for TP	R	11/18/2014	24.94		019456		
I-9589291765	Ear Plugs for LCRA Maint	R	11/18/2014	69.88		019456		352.37
02488	Graybar Electric							
I-975586415	Frost Protection Tape, PPs	R	11/18/2014	1,027.97		019457		1,027.97
02217	Greg Rents							
I-22865	Concrete for Camp F	R	11/18/2014	228.41		019458		
I-22885	Concrete for Camp F	R	11/18/2014	221.42		019458		
I-22927	Vibe Plate for LCRA Maint	R	11/18/2014	53.75		019458		503.58
00121	HACH COMPANY							
I-9086427	Free Ammonia Reagent for Lab	R	11/18/2014	56.70		019459		56.70
01052	HARBOR FREIGHT TOOLS USA, INC							
I-02184291	Tarp Cover for Ave 1 PP	R	11/18/2014	27.93		019460		27.93
00369	HARRINGTON INDUSTRIAL PLASTICS							
I-01385578	Sodium Hypo Pump Tube TP	R	11/18/2014	348.05		019461		348.05
00122	BILL HICKS							
I-Sep & Oct 14	Reimburse Mileage 9/14, 10/14	R	11/18/2014	269.36		019462		269.36
00596	HOME DEPOT							
I-2216876	Cordless Impact Wrench, Maint	R	11/18/2014	213.93		019463		
I-3441583	Tile for LCRA Maint	R	11/18/2014	5.48		019463		219.41
00894	HOSE-MAN, INC.							
I-5208740000105	Parts for #8, E&M Truck	R	11/18/2014	54.92		019464		54.92
00127	INDUSTRIAL BOLT & SUPPLY							
I-00146259	Wedge Anchors for Pump Plants	R	11/18/2014	116.37		019465		116.37

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00493	J & H ENGINEERING GENERAL District Patchwork	R	11/18/2014	13,375.00		019466		13,375.00
00131	JCI JONES CHEMICALS, INC Chlorine for TP, CM#636834	R	11/18/2014	1,770.00		019467		
	I-636999 Chlorine for TP, CM#637044	R	11/18/2014	1,770.00		019467		
	I-638181 Chlorine for TP, CM#638221	R	11/18/2014	899.94		019467		
	I-638182 Chlorine for TP, CM#638222	R	11/18/2014	1,770.00		019467		6,209.94
01022	KELLY CLEANING & SUPPLIES, INC Janitorial Services, LCRA	R	11/18/2014	300.00		019468		300.00
02705	Ludeca, Inc. Laser Alignment Tool, TP	R	11/18/2014	5,300.85		019469		5,300.85
00497	SUSAN McMAHON Reimburse Expenses 11/14	R	11/18/2014	643.04		019470		643.04
00329	MCMaster-CARR SUPPLY CO. Polyethylene Sheet for PP	R	11/18/2014	13.42		019471		
	I-15776307 Windsock for Dam Hoisthouse	R	11/18/2014	133.24		019471		146.66
01404	MCT TRAILERS Air Cond, Heater for Trailer	R	11/18/2014	756.75		019472		
	I-61138 Tiedowns for #11, Dist Maint	R	11/18/2014	56.92		019472		813.67
00151	MEINERS OAKS ACE HARDWARE Flat Chisel for Dist Maint	R	11/18/2014	21.51CR		019473		
	I-633486 Cable Ties for TP	R	11/18/2014	10.26		019473		
	I-634909 Temporary Gate Chain, LCRA	R	11/18/2014	154.16		019473		
	I-635172 Bulkhead Fitting for TP	R	11/18/2014	10.27		019473		
	I-635567 Flex Seal, Nuts & Bolts for WP	R	11/18/2014	69.08		019473		
	I-635630 Parts, Supplies for LCRA Maint	R	11/18/2014	19.75		019473		
	I-635753 Part Cleaner for Dist Maint	R	11/18/2014	14.84		019473		
	I-635865 Bolts & Screws for Fountain	R	11/18/2014	1.94		019473		
	I-635923 Trash Cans for Dist Maint	R	11/18/2014	50.02		019473		
	I-635929 Spot Remover, Brush for TP	R	11/18/2014	9.28		019473		
	I-635941 Yellow Jacket, Mouse Traps	R	11/18/2014	27.35		019473		
	I-636009 Paint Brushes for Pipelines	R	11/18/2014	10.06		019473		
	I-636033 Electrical Connectors, Maint	R	11/18/2014	13.68		019473		
	I-636053 Yellow Jacket Traps, Dam	R	11/18/2014	18.75		019473		
	I-636056 Grease for Pump Plant Use	R	11/18/2014	4.07		019473		
	I-636103 Wrenches, Brushes for PL	R	11/18/2014	41.27		019473		
	I-636176 Concrete for Villanova	R	11/18/2014	13.72		019473		
	I-636243 Magnets, Velcro for Telemetry	R	11/18/2014	30.15		019473		
	I-636706 Wood, Edging for LCRA Maint	R	11/18/2014	25.05		019473		
	I-636808 Conduit for Ave 1 PP	R	11/18/2014	80.52		019473		
	I-636857 Trash Bags for Pump Plants	R	11/18/2014	9.66		019473		

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
I-636859	Concrete for Pipelines	R	11/18/2014	13.72		019473		
I-637043	Glass, Showerheads for Maint	R	11/18/2014	47.27		019473		
I-637121	Supplies for Waterpark	R	11/18/2014	61.98		019473		
I-637126	Flat Chisel for Dist Maint	R	11/18/2014	21.51		019473		
I-637431	Parts for Camp F Toilet	R	11/18/2014	13.00		019473		
I-637461	Angle Grinder for Ave 1 PP	R	11/18/2014	64.49		019473		
I-637691	Supplies for Fountain Lights	R	11/18/2014	12.81		019473		
I-637715	Bulb for Fountain Lights, LCRA	R	11/18/2014	3.66		019473		
I-637897	Parts for Fountain Lights, LCRA	R	11/18/2014	16.21		019473		
I-637924	Tie Down, Broom, Shovel, LCRA	R	11/18/2014	53.42		019473		
I-638071	Electric Parts for Dist Ofc	R	11/18/2014	32.98		019473		
I-638084	Air Compressor Parts, Pipeline	R	11/18/2014	9.06		019473		
I-638204	Wire, Tape, Cable for Maint	R	11/18/2014	9.57		019473		
I-K36919	Concrete for Waterpark	R	11/18/2014	52.35		019473		1,004.40
00143	METTLER TOLEDO, INC.							
I-641159896	Lab Balance Maintenance	R	11/18/2014	175.00		019477		175.00
02702	MTECH Inc							
I-22467	Skid Fire Extinguisher Unit	R	11/18/2014	3,751.75		019478		3,751.75
02185	Oasis Technology Inc.							
I-1104146	Tech Support for Oct 14	R	11/18/2014	1,000.00		019479		1,000.00
00163	OFFICE DEPOT							
I-735808430001	Office Supplies	R	11/18/2014	104.43		019480		
I-736782783001	Office Supplies	R	11/18/2014	461.97		019480		
I-738754220001	Office Supplies	R	11/18/2014	45.05		019480		
I-738754692001	Office Supplies	R	11/18/2014	29.66		019480		641.11
01570	Ojai Auto Supply LLC							
I-323162	Fuel Pump for #54	R	11/18/2014	91.90		019481		
I-323579	Gas Hose for #8, E&M	R	11/18/2014	42.33		019481		
I-324017	Gas Hose for #8, E&M Truck	R	11/18/2014	21.17		019481		
I-324224	Wiper Blades for #22 E&M	R	11/18/2014	32.87		019481		
I-324475	Gas Cap for #29, LCRA Truck	R	11/18/2014	9.34		019481		
I-324859	Fuse Kit for #68, Dist Maint	R	11/18/2014	9.63		019481		
I-325176	Fuses for #42, Pipeline Truck	R	11/18/2014	14.93		019481		222.17
00912	OJAI BUSINESS CENTER, INC							
I-9870	Shipping, Printing, Laminating	R	11/18/2014	114.41		019482		114.41
00607	OJAI ELECTRIC							
I-072182	Work Done at Waterpark	R	11/18/2014	112.00		019483		112.00



VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00165	OJAI LUMBER CO, INC							
	C-1411695330 Lumber Returned	R	11/18/2014	22.82		019484		
	I-1411695328 Lumber for Dist Maint	R	11/18/2014	22.82		019484		
	I-1411695329 Lumber for Dist Maint	R	11/18/2014	18.88		019484		
	I-1411695352 Concrete Forms for Camp F	R	11/18/2014	51.08		019484		
	I-1411695357 Wire Mesh for Concrete Camp F	R	11/18/2014	34.35		019484		
	I-1411695402 Combination Locks for 3MPP	R	11/18/2014	30.94		019484		
	I-1411696515 Brushes for LCRA Maint	R	11/18/2014	5.74		019484		
	I-1411696854 Mesh & Stakes for LCRA Maint	R	11/18/2014	70.14		019484		211.13
00169	OJAI VALLEY SANITARY DISTRICT							
	I-16844 Acct#20594	R	11/18/2014	162.96		019485		
	I-16916 Acct#52921	R	11/18/2014	54.32		019485		217.28
10072	PERMACOLOR, INC							
	I-276213 Coat Motor Mute Frame 4M	R	11/18/2014	300.00		019486		
	I-276217 Coat Motor Mutes Stands 4M	R	11/18/2014	650.00		019486		950.00
02187	Pitney Bowes Inc							
	I-339850 Postage Machine Sealer & Ink	R	11/18/2014	322.19		019487		322.19
00686	POLLARD CO., INC.							
	I-I393913IN Wrench & Spanner, Lab	R	11/18/2014	39.13		019488		39.13
00823	POLYDYNE, INC.							
	I-918856 Cationic Polymer for TP	R	11/18/2014	13,937.00		019489		13,937.00
02149	PolyJohn Enterprises Corporati							
	I-161277 Chemical Toilets for District	R	11/18/2014	2,660.63		019490		2,660.63
01439	PRECISION POWER EQUIPMENT							
	I-2856 Chain & Oil for Dist Maint	R	11/18/2014	33.26		019491		
	I-2910 Chain & Line for Pipelines	R	11/18/2014	49.42		019491		82.68
10042	PSR ENVIRONMENTAL SERVICE, INC							
	I-6808 Gas Tank Inspection Main Yard	R	11/18/2014	210.00		019492		
	I-6809 Gas Tank Inspection, LCRA	R	11/18/2014	210.00		019492		420.00
00619	PUMP CHECK							
	I-5715 Pump Tests at Grand Ave PP	R	11/18/2014	655.00		019493		655.00
01915	Raco Manufacturing and Eng. Co							
	I-88646 AlarmAgent Service Renewal	R	11/18/2014	516.00		019494		516.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
10131	RESOURCE ACTION PROGRAMS							
	C-103114078981369INA Accrue Use Tax	R	11/18/2014	316.35CR		019495		
	D-103114078981369INA Accrue Use Tax	R	11/18/2014	316.35		019495		
	I-103114078981369IN Water Education Kits	R	11/18/2014	4,218.00		019495		4,218.00
00313	ROCK LONG'S AUTOMOTIVE							
	I-13192 Trans Oil Pan Gaskets, #37	R	11/18/2014	9.87		019496		
	I-13255 Repairs to #42, Pipeline Truck	R	11/18/2014	897.86		019496		
	I-13418 Service #29, Maint Truck	R	11/18/2014	437.16		019496		
	I-13442 Service #39, Maint Truck	R	11/18/2014	320.43		019496		1,665.32
02475	Rutan & Tucker, LLP							
	I-704137 Acct#0295180001 10/14	R	11/18/2014	20,039.61		019497		20,039.61
02344	ServiceMaster Building Mainten							
	I-18141 Janitorial Services, Dist Ofc	R	11/18/2014	1,196.00		019498		1,196.00
00725	SMART & FINAL							
	I-35 Breakroom Supplies,Vinegar	R	11/18/2014	48.76		019499		48.76
00842	Smith Electric Service							
	I-14168001 HVAC System Replacement	R	11/18/2014	15,452.87		019500		15,452.87
02003	Sostre & Associates							
	I-2640 CMS Fee, Website Hosting	R	11/18/2014	249.00		019501		
	I-2670 CMS Fee, Web Hosting/Maint	R	11/18/2014	249.00		019501		498.00
10100	SPECIALTY MARINE, INC							
	I-12194 Service Rogue Boat #135	R	11/18/2014	809.91		019502		
	I-12208 Service #289, Cortez Boat	R	11/18/2014	2,688.36		019502		3,498.27
00207	State Board of Equalization							
	I-00019584411 Water Rights Fee-Casitas Dam	R	11/18/2014	6,401.82		019503		6,401.82
	Acct#WRSTF094004822							
00207	State Board of Equalization							
	I-00019813628 Water Rights Fee-Matilija Dam	R	11/18/2014	398.82		019504		398.82
	Acct#WRSTF094002774							
02707	State Ready Mix Inc.							
	I-459359 Slurry for Backfill, Pipelines	R	11/18/2014	470.31		019505		470.31
02643	Take Care by WageWorks							
	I-2445318 Reimburse Medical	R	11/18/2014	100.00		019506		100.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01959	The Wharf							
I-79498	FR Pants & Shirts for E&M PPE	R	11/18/2014	391.52		019507		
I-79502	FR Pants & Shirts for E&M PPE	R	11/18/2014	261.01		019507		652.53
02497	Total Barricade Service, Inc.							
I-26821	Barricades for Pipeline Repair	R	11/18/2014	40.50		019508		40.50
02527	Traffic Technologies LLC							
I-16086	Canal Bridge Signs	R	11/18/2014	82.90		019509		82.90
09465	TRAVIS AGRICULTURAL CONSTRUCTI							
I-146600	Dela Garrigue Bridge Repairs	R	11/18/2014	22,994.00		019510		22,994.00
01512	TRENCH SHORING COMPANY							
I-10177320001	Traffic Plate Rentals,Pipeline	R	11/18/2014	311.50		019511		311.50
01662	TYLER TECHNOLOGIES, INC.							
I-025108389	Monthly UB Online Fees	R	11/18/2014	153.00		019512		153.00
00225	UNDERGROUND SERVICE ALERT							
I-1020140091	New Ticket Charges	R	11/18/2014	306.00		019513		306.00
02694	Ventura County Star							
I-1122453	Conservation Ads	R	11/18/2014	597.00		019514		597.00
00254	VENTURA LOCKSMITHS							
I-12951	Keys Made for Pump Plants	R	11/18/2014	97.83		019515		97.83
09955	VENTURA WHOLESALE ELECTRIC							
I-189981	Electric Parts for Fountain	R	11/18/2014	101.64		019516		
I-190135	Electrical Parts for Fountain	R	11/18/2014	5.32		019516		
I-190219	Electrical Parts for Fountain	R	11/18/2014	37.63		019516		
I-190338	Cable Ties, Conduit for E&M	R	11/18/2014	163.40		019516		
I-197562	Electrical Parts for Dist Ofc	R	11/18/2014	26.55		019516		334.54
01283	Verizon Wireless							
I-9734852815	Monthly Cell Charges, DO & TP	R	11/18/2014	720.79		019517		
I-9734853465	Monthly Cell Charges, LCRA	R	11/18/2014	302.44		019517		1,023.23
01396	VULCAN MATERIALS COMPANY							
I-70544722	Recycle Old Asphalt	R	11/18/2014	200.00		019518		
I-70544723	Cold Mix for Pipelines	R	11/18/2014	534.00		019518		734.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
02583	WageWorks I-125A10358798 FSA Monthly Admin Fee	R	11/18/2014	86.40		019519		86.40
00271	WEST COAST AIR CONDITIONING I-S61308 Check A/C Unit at Dist Ofc I-S61321 Blower Motor for Dist Ofc A/C	R	11/18/2014	126.00		019520		
		R	11/18/2014	1,749.00		019520		1,875.00
00403	WESTERN WATER WORKS SUPPLY CO. I-36148800 Ball Valves for Warehouse	R	11/18/2014	868.84		019521		868.84
00330	WHITE CAP CONSTRUCTION SUPPLY I-10002610997 Nitrile Gloves for Pipelines	R	11/18/2014	68.76		019522		68.76
1	Todd Kaufman I-000201410290906 UB Refund	R	11/18/2014	22.18		019523		22.18
00128	INTERNAL REVENUE SERVICE I-T1 201411100909 Federal Withholding I-T1 201411100910 Federal Withholding I-T3 201411100909 FICA Withholding I-T3 201411100910 FICA Withholding I-T4 201411100909 Medicare Withholding I-T4 201411100910 Medicare Withholding	D	11/13/2014	23,649.89		111341		
		D	11/13/2014	10,649.80		111341		
		D	11/13/2014	20,106.70		111341		
		D	11/13/2014	4,016.36		111341		
		D	11/13/2014	5,491.62		111341		
		D	11/13/2014	939.32		111341		64,853.69
00049	STATE OF CALIFORNIA I-T2 201411100909 State Withholding I-T2 201411100910 State Withholding	D	11/13/2014	7,837.22		111342		
		D	11/13/2014	3,347.87		111342		11,185.09
00187	CALPERS I-PBB201411100909 PERS BUY BACK I-PEB201411100909 PEBRA EMPLOYEES PORTION I-PER201411100909 PERS EMPLOYEE PORTION I-PER201411100910 PERS EMPLOYEE PORTION I-PRB201411100909 PEBRA EMPLOYER PORTION I-PRR201411100909 PERS EMPLOYER PORTION I-PRR201411100910 PERS EMPLOYER PORTION	D	11/13/2014	66.87		111343		
		D	11/13/2014	1,126.10		111343		
		D	11/13/2014	9,719.48		111343		
		D	11/13/2014	44.73		111343		
		D	11/13/2014	1,126.10		111343		
		D	11/13/2014	11,922.98		111343		
		D	11/13/2014	59.04		111343		24,065.30

\* \* T O T A L S \* \*

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	128	352,389.77	0.00	352,389.77
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	3	100,104.08	0.00	100,104.08
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00	
		VOID CREDITS	0.00	
			0.00	0.00

TOTAL ERRORS: 0

11/18/2014 3:33 PM  
 VENDOR SET: 01 Casitas Municipal Water D  
 BANK: AP ACCOUNTS PAYABLE  
 DATE RANGE: 11/04/2014 THRU 11/18/2014

A/P HISTORY CHECK REPORT

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
VENDOR SET: 01	BANK: AP	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS		CHECK AMOUNT	
			131	452,493.85	0.00		452,493.85	
BANK: AP	TOTALS:		131	452,493.85	0.00		452,493.85	
REPORT TOTALS:			134	452,493.85	0.00		452,493.85	

Void CK# 018846, Deposit (50.00)  
 Refunded from Ojai Day

---

452,443.85

**Casitas Municipal Water District**  
**Reimbursement Disclosure Report (1)**  
**Fiscal Year 2014/15**  
**July 1, 2014-October 31, 2014**

<u>Date paid</u>	<u>Board of Director/ Employee</u>	<u>Description</u>	<u>Amount Paid</u>
7/1/2014	Denise Collin	Car Rental CSDA Leadership Summit 6/22/14-6/24/14	\$ 246.96
7/1/2014	Denise Collin	Lodging CSDA Leadership Summit 6/22/14-6/24/14	\$ 423.14
7/1/2014	Denise Collin	Airfare CSDA Leadership Summit 6/22/14-6/24/14	\$ 367.50
7/1/2014	Eric Grabowski	Safety Boots	\$ 127.93
7/1/2014	Tim Lawson	Safety Boots	\$ 170.00
7/16/2014	RJ Faddis	Lodging for RJ Faddis & Mitch Tull, Quagga Training 5/27/14-5/29/14	\$ 596.20
7/16/2014	Scott Lewis	Airfare CMWD 6/15/14-6/20/14	\$ 448.00
7/16/2014	Scott Lewis	Lodging CMWD 6/15/14-6/20/14	\$ 408.75
7/16/2014	Scott Lewis	Car Rental CMWD 6/15/14-6/20/14	\$ 320.65
7/16/2014	Denise Collin	Advance for Calpers Forum 10/27/14-10/29/14	\$ 565.77
7/24/2014	Brian Taylor	Wood Chips for Damage Repair from Matilija Conduit Leak	\$ 216.00
8/12/2014	Neil Cole	Water Education Seminar	\$ 130.00
8/12/2014	Ron Yost	Damtender House Property Tax Bill	\$ 548.37
9/3/2014	Scott Lewis	Airfare to CMWD 8/17/14-8/23/14	\$ 305.20
9/3/2014	Scott Lewis	Lodging CMWD 8/17/14-8/23/14	\$ 408.75
9/3/2014	Scott Lewis	Car Rental CMWD 8/17/14-8/23/14	\$ 327.95
9/3/2014	Scott Lewis	Car Rental for Patrol Boat Inspection (for LCRA) in Medford	\$ 105.52
9/17/2014	RJ Faddis	Advance for Travel/Watercraft Inspector Training	\$ 688.20
9/17/2014	Mitch Tull	Advance for Travel/Watercraft Inspector Training	\$ 600.57
9/24/2014	David Pope	Safety Boots	\$ 160.18
9/24/2014	Robert Vasquez	Safety Boots	\$ 170.00
10/8/2014	Scott MacDonald	Safety Boots	\$ 170.00
10/15/2014	Scott Lewis	Office Chair for Fisheries Manager	\$ 279.99
10/15/2014	John Parlee	Safety Boots	\$ 170.00
10/30/2014	Joel Cox	Safety Boots	\$ 170.00
10/30/2014	Lisa Kolar	Advanced Pest Control Course	\$ 250.00
10/30/2014	Lisa Kolar	Qualified Applicator Certificate Exams	\$ 100.00
10/30/2014	Luke Sohlt	D4 Exam	\$ 130.00

Note:

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

**CASITAS MUNICIPAL WATER DISTRICT  
TREASURER'S MONTHLY REPORT OF INVESTMENTS  
11/19/14**

Type of Invest	Institution	CUSIP	Date of Maturity	Adjusted Cost	Current Mkt Value	Rate of Interest	Date of Deposit	% of Portfolio	Days to Maturity
*TB	Federal Home Loan Bank	313379EE5	06/14/2019	\$1,379,967	\$1,343,777	1.625%	10/03/2012	8.30%	1645
*TB	Federal Home Loan Bank	313379RN1	12/27/2024	\$978,364	\$988,304	3.027%	06/18/2014	6.10%	3638
*TB	Federal Home Loan Bank	3133802D8	11/23/2022	\$1,477,575	\$1,474,560	2.400%	11/19/2014	9.10%	2884
*TB	Federal Home Loan Bank	313380A98	08/14/2024	\$126,966	\$127,098	2.500%	07/03/2014	0.78%	3505
*TB	Federal Home Loan Bank	313380S73	10/11/2022	\$699,720	\$678,475	2.430%	08/11/2014	4.19%	2842
*TB	Federal Home Loan Bank	313381ST3	01/17/2023	\$250,346	\$247,200	1.500%	09/08/2014	1.53%	2938
*TB	Federal Home Loan Bank	313381TA3	01/17/2023	\$277,619	\$273,563	2.240%	09/08/2014	1.69%	2938
*TB	Federal Farm CR Bank	3133EAZM3	07/24/2023	\$1,658,682	\$1,680,827	2.380%	09/16/2014	10.38%	3125
*TB	Federal Home Loan Bank	3133XFKF2	06/11/2021	\$704,776	\$675,399	5.625%	01/16/2013	4.17%	2362
*TB	Federal Home Loan Bank	3133XWNB10	06/12/2015	\$703,502	\$710,913	2.875%	07/01/2010	4.39%	203
*TB	Federal Home Loan Bank	3134A4VG60	11/17/2015	\$719,739	\$731,395	4.750%	07/19/2010	4.52%	358
*TB	Federal Home Loan MTG Corp	3134G43A4	10/30/2024	\$849,441	\$839,936	2.500%	07/03/2014	5.19%	3581
*TB	Federal Home Loan MTG Corp	3135G0ES80	11/15/2016	\$688,909	\$693,498	1.375%	03/12/2012	4.28%	716
*TB	Federal Home Loan MTG Corp	3137EABA60	11/17/2017	\$1,109,659	\$1,119,710	5.125%	01/03/2012	6.91%	1078
*TB	Federal Home Loan MTG Corp	3137EADB2	01/13/2022	\$682,503	\$668,987	2.375%	09/08/2014	4.13%	2574
*TB	US Treasury Inflation Index NTS	912828JE10	07/15/2018	\$1,151,481	\$1,174,345	1.375%	07/06/2010	7.25%	1316
*TB	US Treasury Notes	912828LZ10	11/30/2014	\$700,116	\$700,385	2.125%	07/01/2010	4.32%	11
*TB	US Treasury Inflation Index NTS	912828MF40	01/15/2020	\$1,136,181	\$1,173,192	1.375%	07/01/2010	7.24%	1856
*TB	US Treasury Bond	912828WE6	11/15/2023	\$769,628	\$796,977	2.613%	12/13/2013	4.92%	3236
Accrued Interest					\$97,412				
<b>Total in Gov't Sec. (11-00-1055-00&amp;1065)</b>				<b>\$16,065,173</b>	<b>\$16,195,952</b>			<b>88.14%</b>	
<b>Total Certificates of Deposit: (11.13506)</b>				<b>\$0</b>	<b>\$0</b>			<b>0.00%</b>	
**	<b>LAIF as of: (11-00-1050-00)</b>		N/A	<b>\$446</b>	<b>\$446</b>	0.23%	Estimated	<b>0.00%</b>	
***	<b>COVI as of: (11-00-1060-00)</b>		N/A	<b>\$2,179,758</b>	<b>\$2,179,758</b>	0.35%	Estimated	<b>11.86%</b>	
<b>TOTAL FUNDS INVESTED</b>				<b>\$18,245,376</b>	<b>\$18,376,155</b>			<b>100.00%</b>	
Total Funds Invested last report				\$18,213,628	\$18,366,015				
Total Funds Invested 1 Yr. Ago				\$18,140,154	\$18,396,955				
****	<b>CASH IN BANK (11-00-1000-00) EST.</b>			<b>\$5,071,542</b>	<b>\$5,071,542</b>				
	<b>CASH IN Western Asset Money Market</b>			<b>\$4,010</b>	<b>\$4,010</b>	0.01%			
<b>TOTAL CASH &amp; INVESTMENTS</b>				<b>\$23,320,928</b>	<b>\$23,451,707</b>				
TOTAL CASH & INVESTMENTS 1 YR AGO				\$20,177,423	\$20,434,224				

- \*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.

# Casitas Municipal Water District

*Comprehensive Annual Financial Report  
for the  
Fiscal Years Ended June 30, 2014 and 2013*



1055 Ventura Avenue, Oak View, California 93022 . 805.649.2251  
[www.casitaswater.com](http://www.casitaswater.com)





Casitas Municipal Water District  
Oak View, California

Comprehensive Annual Financial Report

Fiscal Years Ended  
June 30, 2014 and 2013

Prepared by:

*Denise Collin – Accounting Manager / Treasurer*

---

This Page Left Blank Intentionally

---

**Casitas Municipal Water District  
Comprehensive Annual Financial Report  
For the Fiscal Years Ended June 30, 2014 and 2013**

**Table of Contents**

	<b><u>Page No.</u></b>
Table of Contents	i-ii
<b>Introductory Section</b>	
Letter of Transmittal	1-3
Board of Directors and Management	4
Organizational Chart	5
Government Finance Officers Association – Certificate of Achievement in Financial Reporting	6
<b>Financial Section</b>	
Independent Auditor’s Report	7-8
Management’s Discussion and Analysis	9-13
Basic Financial Statements:	
Statements of Net Position	14
Statements of Revenues, Expenses and Changes in Net Position	15
Statements of Cash Flows	16-17
Notes to the Basic Financial Statements	18-39
<b>Required Supplementary Information</b>	
Schedule of Funding Status	40-41
<b>Supplementary Information</b>	
Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual	42
Combining Schedule of Net Position	43-44
Combining Schedule of Revenues and Expenses	45-46
Detail Schedule of Operating Expenses – Water Department	47-49
Detail Schedule of Operating Revenues & Expenses – Recreation Department	50-51

**Casitas Municipal Water District  
Comprehensive Annual Financial Report  
For the Fiscal Years Ended June 30, 2014 and 2013**

**Table of Contents (continued)**

	<b><u>Page No.</u></b>
<b>Statistical Section</b>	
Statistical Section – Table of Contents	52
Changes in Net Position by Component – Last Ten Fiscal Years	53-54
Operating Revenues by Source – Last Ten Fiscal Years	55
Operating Expenses by Activity – Last Ten Fiscal Years	56
Revenue Base – Last Ten Fiscal Years	57
Revenue Rates – Last 1999-2008	58
Revenue Rates – Fiscal Year 2009	59
Revenue Rates – Fiscal Year 2013	60
Customers by Type – Last Ten Fiscal Years	61
Ratio of Outstanding Debt – Last Ten Fiscal Years	62
Debt Coverage – Last Ten Fiscal Years	63
Demographics and Economic Statistics – Last Ten Fiscal Years	64
Operating and Capacity Indicators – Last Ten Fiscal Years	65
<b>Report on Internal Controls and Compliance</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66-67

# **Introductory Section**





October 31, 2014

Board of Directors  
Casitas Municipal Water District

## **Introduction**

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Casitas Municipal Water District (District) for the fiscal years ended June 30, 2014 and 2013, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

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

## **District Structure and Leadership**

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

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

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

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



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

### **Economic Condition and Outlook**

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

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

### **Internal Control Structure**

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

### **Budgetary Control**

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

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

### **Investment Policy**

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

### **Water Rates and District Revenues**

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

## **Audit and Financial Reporting**

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

## **Awards and Acknowledgements**

For the year ended June 30, 2013, the District received for the 20<sup>th</sup> year the Government Finance Officers Association of the United States and Canada's (GFOA) *Certificate of Achievement for Excellence in Financial Reporting*. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. (See Page 6)

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

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

Respectfully submitted,

---

Steve Wickstrum  
General Manager

---

Denise Collin  
Accounting Manager/Treasurer

# Casitas Municipal Water District

## Directory

July 1, 2013 – June 30, 2014

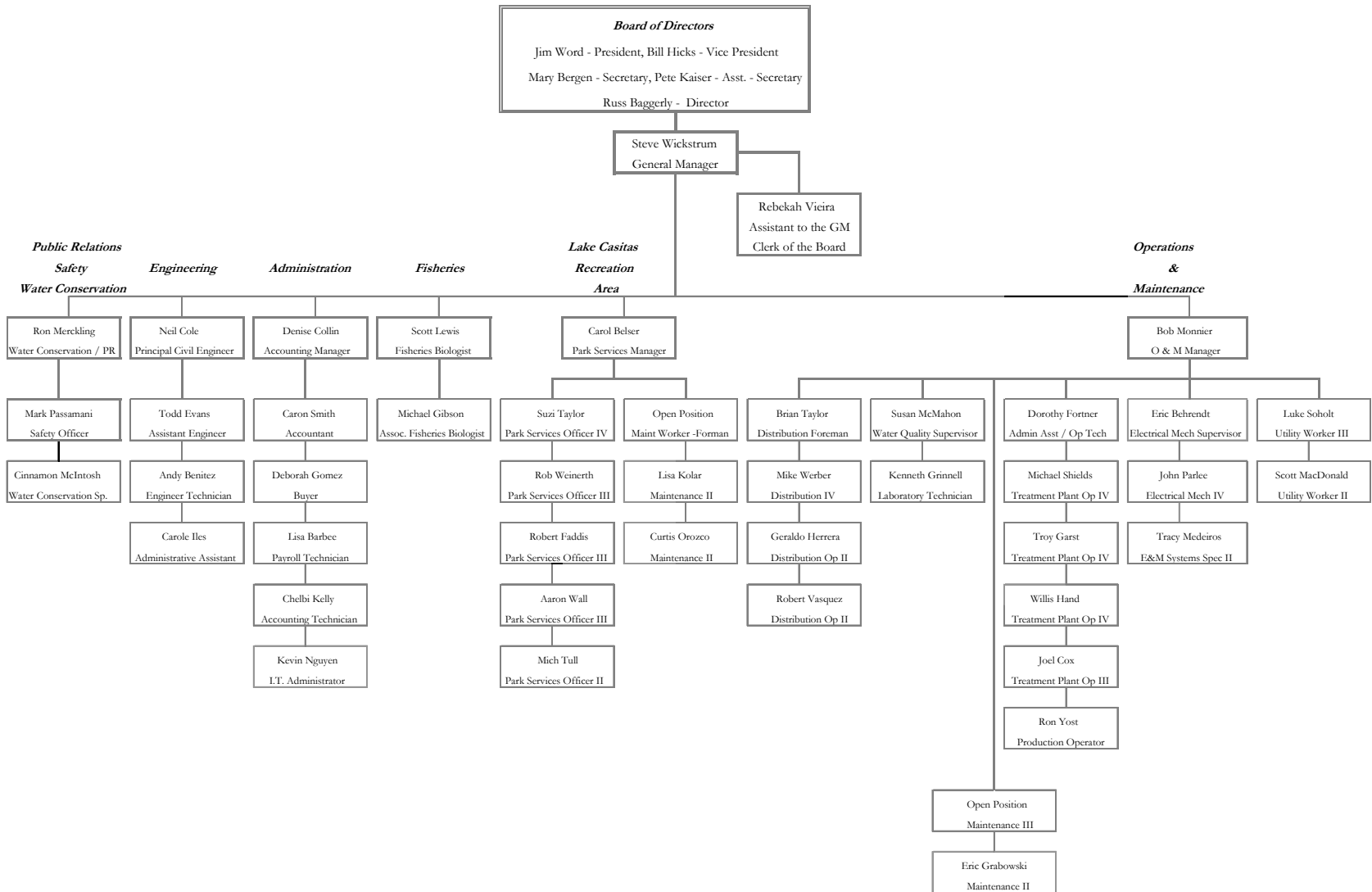
### Board of Directors

Board Member	Division	Date of Original Election or Appointment	Ending Date of Term
Bill Hicks	Division 1	November, 1990	December, 2014
Jim Word	Division 2	May, 1997	December, 2016
Pete Kaiser	Division 3	November, 2002	December, 2016
Mary Bergen	Division 4	November, 2010	December, 2014
Russ Baggerly	Division 5	November, 2004	December, 2016

### Staff

Steve Wickstrum	General Manager
Rebekah Vieira	Assistant to the General Manager and Clerk of the Board
Neil Cole	Principal Civil Engineer
Carol Belser	Park Services Manager
Denise Collin	Accounting Manager / Treasurer
Bob Monnier	Treatment Plant Manager
Ron Merckling	Water Conservation / PR
Scott Lewis	Fisheries Biologist
Open Position	Safety Officer

# Casitas Municipal Water District Organizational Chart





Government Finance Officers Association

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

Presented to

**Casitas Municipal Water District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# **Financial Section**





Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

6081 Orange Avenue  
Cypress, California 90630  
(714) 527-1818  
(562) 598-6565  
FAX (714) 527-9154  
EMAIL [czfco@czfcpa.com](mailto:czfco@czfcpa.com)  
WEB [www.czfcpa.com](http://www.czfcpa.com)

## Independent Auditor's Report

Board of Directors  
Casitas Municipal Water District  
Oak View, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Casitas Municipal Water District (District) as of and for the years ended June 30, 2014 and 2013, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprises the District's basic financial statements.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Casitas Municipal Water District as of June 30, 2014 and 2013, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



## **Independent Auditor's Report, continued**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 13 and the required supplementary information on page 40 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Matters***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section on pages 1 through 6, the supplementary information of combining schedules on pages 41 through 50, and the statistical section on pages 52 through 65 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplementary information of combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated September 30, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 66 and 67.

**Charles Z. Fedak & Company, CPA's – An Accountancy Corporation**  
Cypress, California  
October 31, 2014

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Casitas Municipal Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2014 and 2013. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- In 2014, the District's net position increased 0.71% or \$579,622, from \$81,209,259 to \$81,788,881. In 2013, the District's net position decreased 0.87% or \$711,076, from \$81,920,335 to \$81,209,259.
- In 2014, the District's operating revenue increased 12.9% or \$1,710,744 primarily due to a \$1,287,479 increase in retail water consumption revenue and a \$327,981 increase in wholesale water sales. In 2013, the District's operating revenue increased 13.5% or \$1,566,951 primarily due to a \$1,793,489 increase in retail water consumption revenue and a \$382,206 decrease in wholesale water sales.
- In 2014, the District's operating expenses increased 4.4% or \$599,415 primarily due to a \$372,418 increase in pumping expenses and a \$478,084 increase in water treatment expenses. In 2013, the District's operating expenses increased 13.2% or \$1,592,010 primarily due to a \$460,430 increase in source of supply expenses and a \$627,440 increase in general and administrative expenses.

**Required Financial Statements**

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

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

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

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

**Notes to the Basic Financial Statements**

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

**Statement of Net Position**

	<b>Condensed Statements of Net Position</b>				
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>2012</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 37,464,389	33,757,560	3,706,829	32,466,841	1,290,719
Capital assets, net	<u>58,881,559</u>	<u>56,930,970</u>	<u>1,950,589</u>	<u>58,241,716</u>	<u>(1,310,746)</u>
<b>Total assets</b>	<u>96,345,948</u>	<u>90,688,530</u>	<u>5,657,418</u>	<u>90,708,557</u>	<u>(20,027)</u>
<b>Liabilities:</b>					
Current liabilities	1,939,378	1,514,803	424,575	1,685,999	(171,196)
Non-current liabilities	<u>12,617,689</u>	<u>7,964,468</u>	<u>4,653,221</u>	<u>7,102,223</u>	<u>862,245</u>
<b>Total liabilities</b>	<u>14,557,067</u>	<u>9,479,271</u>	<u>5,077,796</u>	<u>8,788,222</u>	<u>691,049</u>
<b>Net position:</b>					
Net investment in capital assets	53,612,183	54,428,683	(816,500)	55,501,696	(1,073,013)
Restricted for debt service	153,708	180,151	(26,443)	199,890	(19,739)
Unrestricted	<u>28,022,990</u>	<u>26,600,425</u>	<u>1,422,565</u>	<u>26,218,749</u>	<u>381,676</u>
<b>Total net position</b>	<u>81,788,881</u>	<u>81,209,259</u>	<u>579,622</u>	<u>81,920,335</u>	<u>(711,076)</u>
<b>Total liabilities and net position</b>	<u>\$ 96,345,948</u>	<u>90,688,530</u>	<u>5,657,418</u>	<u>90,708,557</u>	<u>(20,027)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$81,788,881 and \$81,209,259 as of June 30, 2014 and 2013, respectively.

One of the largest portions of the District's net position (65% and 67% as of June 30, 2014 and 2013, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

At the end of fiscal years 2014 and 2013, the District showed a positive balance in its unrestricted net position of \$28,022,990 and \$26,600,425, respectively.

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**Statement of Revenues, Expenses and Changes in Net Position**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>2012</u>	<u>Change</u>
<b>Revenues:</b>					
Operating revenues	\$ 14,923,271	13,212,527	1,710,744	11,645,576	1,566,951
Non-operating revenues	3,096,836	2,539,563	557,273	4,072,198	(1,532,635)
<b>Total revenues</b>	<u>18,020,107</u>	<u>15,752,090</u>	<u>2,268,017</u>	<u>15,717,774</u>	<u>34,316</u>
<b>Expenses:</b>					
Operating expenses	14,238,444	13,639,029	599,415	12,047,019	1,592,010
Depreciation and amortization	3,152,038	3,084,521	67,517	3,097,495	(12,974)
Non-operating expenses	539,074	730,142	(191,068)	519,796	210,346
<b>Total expenses</b>	<u>17,929,556</u>	<u>17,453,692</u>	<u>475,864</u>	<u>15,664,310</u>	<u>1,789,382</u>
<b>Net income before capital contributions</b>	90,551	(1,701,602)	1,792,153	53,464	(1,755,066)
<b>Capital contributions</b>	489,071	990,526	(501,455)	232,755	757,771
<b>Change in net position</b>	579,622	(711,076)	1,290,698	286,219	1,004,479
<b>Net position, beginning of year</b>	81,209,259	81,920,335	(711,076)	81,634,116	286,219
<b>Net position, end of year</b>	<u>\$ 81,788,881</u>	<u>81,209,259</u>	<u>579,622</u>	<u>81,920,335</u>	<u>1,290,698</u>

The statement of revenues, expenses and changes of net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$579,622 in fiscal year 2014 and decreased by \$711,076 in fiscal year ended June 30, 2013

**Total Revenues**

	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>2012</u>	<u>Change</u>
<b>Operating revenues:</b>					
Retail water consumption	\$ 7,054,465	5,766,986	1,287,479	3,973,497	1,793,489
Wholesale water sales	2,041,254	1,713,273	327,981	2,095,479	(382,206)
Monthly water service charge	1,996,560	1,981,097	15,463	1,875,582	105,515
Recreation revenue	3,625,800	3,637,050	(11,250)	3,599,744	37,306
Other water charges and services	205,192	114,121	91,071	101,274	12,847
<b>Total operating revenues</b>	<u>14,923,271</u>	<u>13,212,527</u>	<u>1,710,744</u>	<u>11,645,576</u>	<u>1,566,951</u>
<b>Non-operating revenues:</b>					
Property taxes	2,192,072	2,147,033	45,039	2,025,655	121,378
Property tax assessment for SWP	566,610	462,896	103,714	1,554,698	(1,091,802)
Mira Monte assessment	31,797	19,783	12,014	17,630	2,153
Oak View availability charge	-	232	(232)	293	(61)
Interest and investment earnings	281,851	(164,338)	446,189	449,707	(614,045)
Other non-operating revenues, net	24,506	73,957	(49,451)	24,215	49,742
<b>Total non-operating revenues</b>	<u>3,096,836</u>	<u>2,539,563</u>	<u>557,273</u>	<u>4,072,198</u>	<u>(1,532,635)</u>
<b>Total revenue</b>	<u>\$ 18,020,107</u>	<u>15,752,090</u>	<u>2,268,017</u>	<u>15,717,774</u>	<u>34,316</u>

The District's total revenues increased 14.4% or \$2,268,017 in 2014 primarily due to an increase in retail water sales of \$1,287,479 along with an increase in wholesale water sales of \$327,981 and an increase in investment earnings of \$446,189.

The District's total revenues increased \$34,316 in 2013 primarily due to an increase in retail water sales of \$1,793,489 along with a decrease in the Clean Water Act surcharge of \$1,091,802 and a decrease in investment earnings of \$614,045.

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**Total Expenses**

	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>2012</u>	<u>Change</u>
<b>Operating expenses:</b>					
Source of supply	\$ 1,421,801	1,958,838	(537,037)	1,498,408	460,430
Pumping	1,685,967	1,313,549	372,418	1,194,225	119,324
Water treatment	1,783,448	1,305,364	478,084	1,184,305	121,059
Transmission and distribution	762,346	640,781	121,565	527,004	113,777
Telemetry	332,776	309,327	23,449	294,816	14,511
Customer accounts	400,493	412,021	(11,528)	387,735	24,286
Recreation expenses	3,939,152	3,662,878	276,274	3,551,695	111,183
General and administrative	<u>3,912,461</u>	<u>4,036,271</u>	<u>(123,810)</u>	<u>3,408,831</u>	<u>627,440</u>
<b>Total operating expenses</b>	<u>14,238,444</u>	<u>13,639,029</u>	<u>599,415</u>	<u>12,047,019</u>	<u>1,592,010</u>
<b>Depreciation and amortization</b>	<u>3,152,038</u>	<u>3,084,521</u>	<u>67,517</u>	<u>3,097,495</u>	<u>(12,974)</u>
<b>Non-operating expenses:</b>					
State water project expense	451,590	517,749	(66,159)	382,908	134,841
Tax collection expense	8,360	31,284	(22,924)	30,158	1,126
Interest expense – long-term debt	79,124	87,015	(7,891)	94,969	(7,954)
Amortization of deferred charges	<u>-</u>	<u>94,094</u>	<u>(94,094)</u>	<u>11,761</u>	<u>82,333</u>
<b>Total non-operating expense</b>	<u>539,074</u>	<u>730,142</u>	<u>(191,068)</u>	<u>519,796</u>	<u>210,346</u>
<b>Total expenses</b>	<u>\$ 17,929,556</u>	<u>17,453,692</u>	<u>475,864</u>	<u>15,664,310</u>	<u>1,789,382</u>

The District's total expenses increased 2.7% or \$1,789,382 in 2014 primarily due to a \$372,418 increase in pumping expenses and a \$478,084 increase in water treatment expenses.

The District's total expenses increased 11.4% or \$1,789,382 in 2014 primarily due to a \$460,430 increase in source of supply expenses and a \$627,440 increase in general and administrative expenses.

**Capital Asset Administration**

At the end of fiscal years 2014 and 2013, the District's investment in capital assets amounted to \$58,881,559 and \$56,930,970, respectively, (net of accumulated depreciation). This investment in capital assets includes land, land rights, transmission and distribution systems, wells, tanks, reservoirs, pumps, buildings and structures, equipment, vehicles and construction-in-process, etc. There were numerous capital asset additions in fiscal years 2014 and 2013. See further detailed information in Note 4.

Changes in capital asset amounts for 2014 were as follows:

	<u>Balance</u>		<u>Transfers/</u>	<u>Balance</u>
	<u>2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>2014</u>
Capital assets:				
Non-depreciable assets	\$ 6,222,973	1,944,659	(1,696,767)	6,470,865
Depreciable assets	101,466,636	4,854,735	(103,975)	106,217,396
Accumulated depreciation	<u>(50,758,639)</u>	<u>(3,152,038)</u>	<u>103,975</u>	<u>(53,806,702)</u>
Total capital assets, net	<u>\$ 56,930,970</u>	<u>3,647,356</u>	<u>(1,696,767)</u>	<u>58,881,559</u>

Changes in capital asset amounts for 2013 were as follows:

	<u>Balance</u>		<u>Transfers/</u>	<u>Balance</u>
	<u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>2013</u>
Capital assets:				
Non-depreciable assets	\$ 6,510,012	1,776,290	(2,063,329)	6,222,973
Depreciable assets	99,405,821	2,060,815	-	101,466,636
Accumulated depreciation	<u>(47,674,117)</u>	<u>(3,084,522)</u>	<u>-</u>	<u>(50,758,639)</u>
Total capital assets, net	<u>\$ 58,241,716</u>	<u>752,583</u>	<u>(2,063,329)</u>	<u>56,930,970</u>

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**Debt Administration**

In 2014 and 2013, long-term debt decreased by \$244,809 and \$237,733, respectively, due to regular principal payments on the District's outstanding debts. See further detailed information in Note 7.

Changes in long-term debt amounts for 2014 were as follows:

	<b>Balance 2013</b>	<b>Additions</b>	<b>Principal Payments</b>	<b>Balance 2014</b>
Long-term debt:				
Special assessment bonds	\$ 134,500	-	(14,000)	120,500
State Water loan payable	<u>2,367,787</u>	<u>-</u>	<u>(230,809)</u>	<u>2,136,978</u>
Total long-term debt	<u>\$ 2,502,287</u>	<u>-</u>	<u>(244,809)</u>	<u>2,257,478</u>

Changes in long-term debt amounts for 2013 were as follows:

	<b>Balance 2012</b>	<b>Additions</b>	<b>Principal Payments</b>	<b>Balance 2013</b>
Long-term debt:				
Special assessment bonds	\$ 148,500	-	(14,000)	134,500
State Water loan payable	<u>2,591,520</u>	<u>-</u>	<u>(223,733)</u>	<u>2,367,787</u>
Total long-term debt	<u>\$ 2,740,020</u>	<u>-</u>	<u>(237,733)</u>	<u>2,502,287</u>

**Conditions Affecting Current Financial Position**

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

**Requests for Information**

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

**< Page Intentionally Left Blank >**

# **Basic Financial Statements**



**Casitas Municipal Water District**  
**Statements of Net Position**  
**June 30, 2014 and 2013**

<i>Assets</i>	<b>2014</b>	<b>2013</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 9,141,298	4,609,512
Investments (note 2)	15,129,592	16,093,230
Accrued interest receivable	76,918	75,246
Accounts receivable – water sales and services	1,113,022	1,208,645
Accounts receivable – special assessments	153,708	180,151
Accounts receivable – property taxes	60,757	58,427
Accounts receivable – other	427,942	297,819
Water-in-storage inventory (note 3)	11,025,928	11,025,928
Materials and supplies inventory	93,862	87,074
Prepaid expenses and other deposits	241,362	121,528
<b>Total current assets</b>	<b>37,464,389</b>	<b>33,757,560</b>
<b>Non-current assets:</b>		
Capital assets, not being depreciated (note 4)	6,470,865	6,222,973
Depreciable capital assets, net (note 4)	52,410,694	50,707,997
<b>Total non-current assets</b>	<b>58,881,559</b>	<b>56,930,970</b>
<b>Total assets</b>	<b>\$ 96,345,948</b>	<b>90,688,530</b>
<b><i>Liabilities and Net Position</i></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 860,270	658,422
Accrued salaries and related benefits	136,220	118,876
Customer deposits	40,294	38,895
Unearned revenue	3,031	5,739
Accrued interest payable	17,216	19,075
Long-term liabilities – due within one year:		
Compensated absences (note 5)	474,605	428,987
Reimbursement agreement (note 6)	154,456	-
Bonds payable (note 7)	15,000	14,000
Loans payable (note 7)	238,286	230,809
<b>Total current liabilities</b>	<b>1,939,378</b>	<b>1,514,803</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	474,606	428,988
Reimbursement agreement (note 6)	2,857,442	-
Other post-employment benefits payable (note 8)	7,281,449	5,278,002
Bonds payable (note 7)	105,500	120,500
Loans payable (note 7)	1,898,692	2,136,978
Total non-current liabilities	12,617,689	7,964,468
<b>Total liabilities</b>	<b>14,557,067</b>	<b>9,479,271</b>
<b>Net position: (note 9)</b>		
Net investment in capital assets	53,612,183	54,428,683
Restricted for debt service	153,708	180,151
Unrestricted	28,022,990	26,600,425
<b>Total net position</b>	<b>81,788,881</b>	<b>81,209,259</b>
<b>Total liabilities and net position</b>	<b>\$ 96,345,948</b>	<b>90,688,530</b>

See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
Operating revenues:		
Retail water consumption	\$ 7,054,465	5,766,986
Wholesale water sales	2,041,254	1,713,273
Monthly water service charge	1,996,560	1,981,097
Recreation revenue	3,625,800	3,637,050
Other water charges and services	205,192	114,121
Total operating revenues	14,923,271	13,212,527
Operating expenses:		
Source of supply	1,421,801	1,958,838
Pumping	1,685,967	1,313,549
Water treatment	1,783,448	1,305,364
Transmission and distribution	762,346	640,781
Telemetry	332,776	309,327
Customer accounts	400,493	412,021
Recreation expenses	3,939,152	3,662,878
General and administrative	3,912,461	4,036,271
Total operating expenses	14,238,444	13,639,029
Operating income(loss) before depreciation	684,827	(426,502)
Depreciation – water department – capital recovery	(2,831,449)	(2,781,305)
Depreciation – recreation department – capital recovery	(320,589)	(303,216)
<b>Operating loss</b>	<b>(2,467,211)</b>	<b>(3,511,023)</b>
Non-operating revenue(expense):		
Property taxes – ad valorem	2,134,473	2,048,309
Redevelopment agency property tax increment	57,599	98,724
Property tax assessment for State Water Project	566,610	462,896
State water project expense	(451,590)	(517,749)
Mira Monte assessment	31,797	19,783
Oak View availability charge	-	232
Tax collection expense	(8,360)	(31,284)
Interest and investment earnings	492,219	386,611
Change in fair-value of investments	(210,368)	(550,949)
Interest expense – long-term debt	(79,124)	(87,015)
Amortization of deferred charges	-	(94,094)
Other non-operating revenues/(expenses), net	24,506	73,957
Total non-operating revenues, net	2,557,762	1,809,421
<b>Net income(loss) before capital contributions</b>	<b>90,551</b>	<b>(1,701,602)</b>
Capital contributions:		
Federal, state and local capital grants	489,071	990,526
<b>Change in net position</b>	<b>579,622</b>	<b>(711,076)</b>
Net position, beginning of year	81,209,259	81,920,335
Net position, end of year	\$ 81,788,881	81,209,259

See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 14,888,771	12,737,394
Cash paid to vendors and suppliers for materials and services	(7,487,102)	(8,063,802)
Cash paid to employees for salaries and wages	(4,992,482)	(5,079,639)
Net cash provided(used) by operating activities	2,409,187	(406,047)
Cash flows from non-capital financing activities:		
Proceeds from property taxes and assessments	2,806,232	2,677,374
Net cash provided by non-capital financing activities	2,806,232	2,677,374
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,090,729)	(1,773,776)
Proceeds from capital grants	489,071	990,526
Principal paid on long-term debt	(244,809)	(237,733)
Interest paid on long-term debt	(81,832)	(85,933)
Net cash used in capital and related financing activities	(1,928,299)	(1,106,916)
Cash flows from investing activities:		
Proceeds from sale of investments	4,531,885	658,953
Purchases of investments, net	(3,777,766)	(4,686,778)
Interest and investment earnings	490,547	375,213
Net cash provided(used) by investing activities	1,244,666	(3,652,612)
<b>Net increase(decrease) in cash and cash equivalents</b>	4,531,786	(2,488,201)
Cash and cash equivalents, beginning of year	4,609,512	7,097,713
Cash and cash equivalents, end of year	\$ 9,141,298	4,609,512

*Continued on next page*

See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
Reconciliation of operating loss to net cash provided(used) by operating activities:		
Operating loss	\$ <u>(2,467,211)</u>	<u>(3,511,023)</u>
Adjustments to reconcile operating loss to net cash provided(used) by operating activities:		
Depreciation and amortization	3,152,038	3,084,521
State water project expense	(451,590)	(517,749)
Other non-operating revenues, net	24,506	73,957
Changes in assets and liabilities:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services, net	95,623	(375,146)
Accounts receivable – other	(130,123)	(99,987)
Materials and supplies inventory	(6,788)	8,206
Prepaid expenses and other deposits	(119,834)	647
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	201,848	(171,761)
Accrued salaries and wages	17,344	(1,437)
Customer deposits	1,399	(2,301)
Unearned revenue	(2,708)	1,082
Compensated absences	91,236	(4,220)
Other post-employment benefits payable	<u>2,003,447</u>	<u>1,109,164</u>
Total adjustments	<u>4,876,398</u>	<u>3,104,976</u>
Net cash provided(used) by operating activities	<u>\$ 2,409,187</u>	<u>(406,047)</u>

See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

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

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

**B. Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales & recreational charges), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a purchased maturity of three months or less to be cash equivalents.

**3. Investments and Investment Policy**

The District has adopted an investment policy directing the Accounting Manager/Treasurer to deposit funds in financial institutions.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Accounts Receivable and Allowance for Uncollectible Accounts**

The District extends credit to customers in the normal course of operations. When customers are delinquent in payment, the District will shut-off service and send amounts to a collection agency. As such, when management deems customer accounts uncollectible, the District uses the direct write-off method.

**5. Federal and State Capital and Operating Grants**

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a capital or operating grant receivable on the statement of net position and as capital grant contribution or operating grant revenue, as appropriate, on the statement of revenues, expenses and changes in net position.

**6. Water-In-Storage Inventory**

The value of water inventory is determined based upon the quantity of water in storage and rates estimated based on the maintenance of the District-owned reservoir facilities.

**7. Materials and Supplies Inventory**

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

**8. Prepaid Expenses**

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Position, continued**

**9. Restricted Assets**

Certain assets of the District are restricted in use by ordinance or debt covenant and, accordingly are shown as restricted assets on the accompanying statement of net position. Special assessments, and related receivables, are set aside from other assets since they are collected solely for the repayment of the District's Special Assessment bonds. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

**10. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Transmission and distribution system	50 years
Service lines	33 1/3 years
Wells and water treatment equipment	5-25 years
Other equipment and vehicles	5-11 years

**11. State Water Project Participation Rights**

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

**12. Compensated Absences**

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

**13. Customer Deposits**

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

**14. Other Post Employment Retirement Benefits**

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Position, continued**

**15. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.
- **Restricted Net Position** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This component of net position consists of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

**16. Water Sales**

Most water sales are billed on a bi-monthly cyclical basis. Water sales for some agricultural customers are billed monthly. Estimated unbilled water revenue through June 30 has been accrued at year-end.

**17. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

**18. Economic Dependency**

The District receives approximately one-third of its water sales revenue from the City of Ventura. The District's top ten customers represent approximately one-half of the total water sales revenue received. The District would lose a significant amount of its revenue if these major customers obtained water services from another source.

**19. Budgetary Policies**

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.



**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(2) Cash and Investments**

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

	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	\$ 9,141,298	4,609,512
Investments	15,129,592	16,093,230
Total cash and investments	\$ 24,270,890	20,702,742

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

	<b>2014</b>	<b>2013</b>
Cash on hand	\$ 4,400	4,400
Deposits with financial institutions	5,977,686	2,404,685
Deposits in money market accounts	982,528	31,367
Deposits in the Local Agency Investment Fund (LAIF)	445	444
Deposits in the Ventura County Pooled Investment Fund (VCPIF)	2,176,239	2,168,616
Investments	15,129,592	16,093,230
Total cash and investments	\$ 24,270,890	20,702,742

***Investments Authorized by the California Government Code and the District's Investment Policy***

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

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(2) Cash and Investments, continued**

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

***Investment in State Investment Pool***

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

***Ventura County Pooled Investment Fund***

The District is a voluntary participant in the VCPIF and the District determines the amount and term of its investment. The County Treasurer makes investments in accordance with a Statement of Investment Policy reviewed and approved annually by the Board of Supervisors. The Treasury Investment Oversight Committee comprised of the County Treasurer, a representative of the Board of Supervisors, the County Investment Manager, a representative of the County Superintendent of Schools and other Treasury Department support staff meets semi-annually to review the activities of the Treasurer and provide a report to the Board of Supervisors. The County's Treasurer has indicated to the District that as of June 30, 2014 that the value of the County's portfolio was approximately \$1.9 billion.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(2) Cash and Investments, continued**

***Interest Rate Risk***

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

<b>Investments at June 30, 2014:</b>		<b>Remaining Maturity</b>			
		<b>12 Months Or Less</b>	<b>13 to 24 Months</b>	<b>25 to 60 Months</b>	<b>&gt;60 Months</b>
<b>Investment Type</b>	<b>Total</b>				
Government sponsored entities securities	\$ 9,803,811	4,060,623	742,658	3,170,941	1,829,589
U.S. Treasury securities	3,893,517	705,936	-	1,201,128	1,986,453
Negotiable certificates-of-deposit	1,432,264	-	-	1,432,264	-
Total	<u>\$ 15,129,592</u>	<u>4,766,559</u>	<u>742,658</u>	<u>5,804,333</u>	<u>3,816,042</u>

<b>Investments at June 30, 2013:</b>		<b>Remaining Maturity</b>			
		<b>12 Months Or Less</b>	<b>13 to 24 Months</b>	<b>25 to 60 Months</b>	<b>&gt;60 Months</b>
<b>Investment Type</b>	<b>Total</b>				
Government sponsored entities securities	\$ 12,434,089	3,366,053	4,160,424	2,617,799	2,289,813
U.S. Treasury securities	3,659,141	704,760	718,620	-	2,235,761
Total	<u>\$ 16,093,230</u>	<u>4,070,813</u>	<u>4,879,044</u>	<u>2,617,799</u>	<u>4,525,574</u>

***Credit Risk***

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

<b>Investments at June 30, 2014:</b>		<b>Minimum Legal Rating</b>	<b>Exempt From Disclosure</b>	<b>Rating at Year End</b>
				<b>AAA - A1</b>
<b>Investment Type</b>	<b>Total</b>			
Government sponsored entities securities	\$ 9,803,811	A1	\$ -	9,803,811
U.S. Treasury securities	3,893,517	A1	-	3,893,517
Negotiable certificates-of-deposit	1,432,264	N/A	1,432,264	-
Total	<u>\$ 15,129,592</u>		<u>\$ 1,432,264</u>	<u>13,697,328</u>

<b>Investments at June 30, 2013:</b>		<b>Minimum Legal Rating</b>	<b>Exempt From Disclosure</b>	<b>Rating at Year End</b>
				<b>AAA - A1</b>
<b>Investment Type</b>	<b>Total</b>			
Government sponsored entities securities	\$ 12,434,089	A1	\$ -	12,434,089
U.S. Treasury securities	3,659,141	A1	-	3,659,141
Total	<u>\$ 16,093,230</u>		<u>\$ -</u>	<u>16,093,230</u>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(3) Water-In-Storage Inventory**

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

Changes in water-in-storage inventory were as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance – water-in-storage	\$ 11,025,928	11,025,928
Water storage valuation	-	-
Ending balance – water-in-storage	\$ <u>11,025,928</u>	<u>11,025,928</u>

**(4) Capital Assets**

***Construction-In-Process***

The District has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction-in-process balances at June 30 are as follows:

The balance at June 30, consists of the following projects:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Reservoir roads patch and/or slurry seal	\$ 146,364	-	-
Fairview pumping plant rehabilitation	273,480	-	-
3M pumping plant upgrade	-	-	265,901
Lake Casitas recreation area front gate	-	28,661	38,527
Various other minor projects	<u>42,233</u>	<u>146,377</u>	<u>118,502</u>
Construction-in-process	\$ <u>462,077</u>	<u>175,038</u>	<u>422,930</u>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(4) Capital Assets, continued**

Changes in capital assets for the year were as follows:

	<u>Balance 2013</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2014</u>
Non-depreciable assets:				
Land and land rights	\$ 6,047,935	-	-	6,047,935
Construction-in-process	175,038	1,944,659	(1,696,767)	422,930
Total non-depreciable assets	<u>6,222,973</u>	<u>1,944,659</u>	<u>(1,696,767)</u>	<u>6,470,865</u>
Depreciable assets:				
State water project entitlement	2,880,437	-	-	2,880,437
Transmission and distribution system	38,816,284	3,114,809	-	41,931,093
Pumping plant	10,031,352	105,476	-	10,136,828
Water treatment plant	25,830,587	1,133,868	-	26,964,455
Buildings and structures	1,901,154	27,816	-	1,928,970
Equipment	4,073,479	182,318	(103,975)	4,151,822
Fish ladder	8,270,495	-	-	8,270,495
Recreation assets	7,726,943	290,448	-	8,017,391
Alternate swimming facility	1,935,905	-	-	1,935,905
Total depreciable assets	<u>101,466,636</u>	<u>4,854,735</u>	<u>(103,975)</u>	<u>106,217,396</u>
Accumulated depreciation:				
State water project entitlement	(1,786,340)	(37,057)	-	(1,823,397)
Transmission and distribution system	(17,715,982)	(615,318)	-	(18,331,300)
Pumping plant	(4,871,342)	(432,068)	-	(5,303,410)
Water treatment plant	(13,890,913)	(1,168,977)	-	(15,059,890)
Buildings and structures	(1,133,041)	(59,433)	-	(1,192,474)
Equipment	(2,190,051)	(178,965)	103,975	(2,265,041)
Fish ladder	(3,163,619)	(336,923)	-	(3,500,542)
Recreation assets	(5,232,990)	(226,502)	-	(5,459,492)
Alternate swimming facility	(774,361)	(96,795)	-	(871,156)
Total accumulated depreciation	<u>(50,758,639)</u>	<u>(3,152,038)</u>	<u>103,975</u>	<u>(53,806,702)</u>
Total depreciable assets, net	<u>50,707,997</u>	<u>1,702,697</u>	<u>-</u>	<u>52,410,694</u>
Total capital assets, net	<u>\$ 56,930,970</u>	<u>3,647,356</u>	<u>(1,696,767)</u>	<u>58,881,559</u>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(4) Capital Assets, continued**

Changes in capital assets for the year were as follows:

	<u>Balance 2012</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2013</u>
Non-depreciable assets:				
Land and land rights	\$ 6,047,935	-	-	6,047,935
Construction-in-process	462,077	1,776,290	(2,063,329)	175,038
Total non-depreciable assets	<u>6,510,012</u>	<u>1,776,290</u>	<u>(2,063,329)</u>	<u>6,222,973</u>
Depreciable assets:				
State water project entitlement	2,880,437	-	-	2,880,437
Transmission and distribution system	38,570,053	246,231	-	38,816,284
Pumping plant	9,199,564	831,788	-	10,031,352
Water treatment plant	25,141,310	689,277	-	25,830,587
Buildings and structures	1,901,154	-	-	1,901,154
Equipment	3,982,037	91,442	-	4,073,479
Fish ladder	8,270,495	-	-	8,270,495
Recreation assets	7,524,866	202,077	-	7,726,943
Alternate swimming facility	1,935,905	-	-	1,935,905
Total depreciable assets	<u>99,405,821</u>	<u>2,060,815</u>	<u>-</u>	<u>101,466,636</u>
Accumulated depreciation:				
State water project entitlement	(1,748,769)	(37,571)	-	(1,786,340)
Transmission and distribution system	(17,131,275)	(584,707)	-	(17,715,982)
Pumping plant	(4,444,320)	(427,022)	-	(4,871,342)
Water treatment plant	(12,741,223)	(1,149,690)	-	(13,890,913)
Buildings and structures	(1,074,999)	(58,042)	-	(1,133,041)
Equipment	(2,011,835)	(178,216)	-	(2,190,051)
Fish ladder	(2,820,269)	(343,350)	-	(3,163,619)
Recreation assets	(5,023,861)	(209,129)	-	(5,232,990)
Alternate swimming facility	(677,566)	(96,795)	-	(774,361)
Total accumulated depreciation	<u>(47,674,117)</u>	<u>(3,084,522)</u>	<u>-</u>	<u>(50,758,639)</u>
Total depreciable assets, net	<u>51,731,704</u>	<u>(1,023,707)</u>	<u>-</u>	<u>50,707,997</u>
Total capital assets, net	<u>\$ 58,241,716</u>	<u>752,583</u>	<u>(2,063,329)</u>	<u>56,930,970</u>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(4) Capital Assets, continued**

*State Water Project Entitlement*

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

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

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

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

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

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

**(5) Compensated Absences**

Changes to the compensated absences balance at June 30, 2014, were as follows:

<u>Balance 2013</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2014</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
\$ 857,975	399,153	(307,917)	949,211	474,605	474,606

Changes to the compensated absences balance at June 30, 2013, were as follows:

<u>Balance 2012</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2013</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
\$ 862,195	368,235	(372,455)	857,975	428,987	428,988

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(6) Reimbursement Agreement**

*Casitas Dam Project – Seismic Safety of Casitas Dam*

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

Fiscal Year	Amount
2014*	\$ 77,228
2015	77,228
2016	77,228
2017	77,228
2018	77,228
2019	77,228
2020-2024	386,141
2025-2029	386,141
2030-2034	386,141
2035-2039	386,141
2040-2044	386,141
2045-2049	386,141
2050-2052	231,684
Total	\$ 3,011,898
Less current portion	(154,456)
Total non-current	\$ 2,857,442

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

**(7) Long-term Debt**

Changes in long-term debt amounts for 2014 were as follows:

	Balance 2013	Additions	Principal Payments	Balance 2014	Current Portion
Long-term debt:					
Special assessment bonds	\$ 134,500	-	(14,000)	120,500	15,000
State Water loan payable	2,367,787	-	(230,809)	2,136,978	238,286
Total long-term debt	\$ 2,502,287	-	(244,809)	2,257,478	253,286

Changes in long-term debt amounts for 2013 were as follows:

	Balance 2012	Additions	Principal Payments	Balance 2013	Current Portion
Long-term debt:					
Special assessment bonds	\$ 148,500	-	(14,000)	134,500	14,000
State Water loan payable	2,591,520	-	(223,733)	2,367,787	230,809
Total long-term debt	\$ 2,740,020	-	(237,733)	2,502,287	244,809



**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(7) Long-term Debt, continued**

***Bonds Payable:***

***Mira Monte Special Assessment Bonds Payable***

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 15,000	6,375	21,375
2016	16,000	5,650	21,650
2017	16,000	4,875	20,875
2018	17,000	4,075	21,075
2019	18,000	3,250	21,250
2020-2021	<u>38,500</u>	<u>3,825</u>	<u>42,325</u>
Total	\$ 120,500	<u>28,050</u>	<u>148,550</u>
Less current portion	<u>(15,000)</u>		
Total non-current	\$ <u>105,500</u>		

***Loans Payable:***

***1991 California Department of Water Resources Loan***

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 238,286	66,782	305,068
2016	245,888	59,180	305,068
2017	254,079	50,989	305,068
2018	262,202	42,866	305,068
2019	270,694	34,374	305,068
2020-2022	<u>865,829</u>	<u>49,375</u>	<u>915,204</u>
Total	\$ 2,136,978	<u>303,566</u>	<u>2,440,544</u>
Less current portion	<u>(238,286)</u>		
Total non-current	\$ <u>1,898,692</u>		

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(8) Other Post-Employment Benefits Payable**

During the fiscal year ended June 30, 2009, the District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

***Plan Description – Eligibility***

The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District.

Membership in the OPEB plan consisted of the following members as of June 30:

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Active plan members	53	49	48
Retirees and beneficiaries receiving benefits	43	43	43
Separated plan members entitled to but not yet receiving benefits	-	-	-
Total plan membership	96	92	91

***Plan Description – Benefits***

The District offers post employment medical benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the District’s CalPERS medical. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

***Funding Policy***

The District is required to contribute the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 49.7% of the annual covered payroll.

The District will pay 100% of the cost of the post-employment benefit plan. The District funds the plan on a pay-as-you-go basis and maintains reserves (and records a liability) for the difference between pay-as-you-go and the actuarially determined ARC cost.

***Annual Cost***

For the year ended June 30, 2014, the District’s ARC cost is \$2,480,054. The District’s net OPEB payable obligation amounted to \$7,281,449 for the year ended June 30, 2014. The District contributed \$558,632 in age adjusted contributions for current retiree OPEB premiums for the year ended June 30, 2014.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(8) Other Post-Employment Benefits Payable, continued**

The balance at June 30, consists of the following:	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 2,480,054	1,587,438	1,571,721
Interest on net OPEB obligation	131,950	104,221	76,751
Interest earnings on irrevocable trust balance	-	-	-
Adjustment to annual required contribution	<u>(49,925)</u>	<u>(50,796)</u>	<u>(49,068)</u>
Total annual OPEB expense	<u>2,562,079</u>	<u>1,640,863</u>	<u>1,599,404</u>
Contributions made:			
Contributions made to irrevocable trust	-	-	-
Retiree benefit payments paid outside of a trust	<u>(558,632)</u>	<u>(531,699)</u>	<u>(500,592)</u>
Total contributions made	<u>(558,632)</u>	<u>(531,699)</u>	<u>(500,592)</u>
Total change in net OPEB payable obligation	2,003,447	1,109,164	1,098,812
OPEB payable - beginning of year	<u>5,278,002</u>	<u>4,168,838</u>	<u>3,070,026</u>
OPEB payable - end of year	<u>\$ 7,281,449</u>	<u>5,278,002</u>	<u>4,168,838</u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years were as follows:

<i>Three-Year History of Net OPEB Obligation</i>				
<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Age Adjusted Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation Payable</u>
2014	\$ 2,562,079	558,632	21.80%	\$ 7,281,449
2013	1,640,863	531,699	32.40%	\$ 5,278,002
2012	1,599,404	500,592	31.30%	4,168,838

The most recent valuation (dated June 30, 2014) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$33,059,340. There are no plan assets because the District funds on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2014 was \$4,992,482. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 662.18%.

***Actuarial Methods and Assumptions***

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(8) Other Post-Employment Benefits Payable, continued**

*Actuarial Methods and Assumptions, continued*

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

Valuation date	June 30, 2013	
Actuarial cost method	Entry age normal cost method, open	
Amortization method	Level percent of payroll amortization	
Remaining amortization period	25 Years as of the valuation date	
Asset valuation method	5 Year smoothed market	
Actuarial assumptions:		
Investment rate of return	2.50%	
Projected salary increase	1.00%	
Inflation - discount rate	2.50%	
Health care - trend rate	<u>Year</u>	<u>Percentage</u>
	2014	7.00%
	2015	6.00%
	2016	6.00%
	2017	5.00%
	2018	5.00%
	2019+	4.00%

See Page 41 for the Schedule of Funding Status

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(9) Net Position**

Calculation of net position as of June 30, were as follows:

	<b>2014</b>	<b>2013</b>
Net investment in capital assets:		
Capital assets, not being depreciated	\$ 6,470,865	6,222,973
Depreciable capital assets, net	52,410,694	50,707,997
Current:		
Reimbursement agreement	(154,456)	-
Bonds payable	(15,000)	(14,000)
Loans payable	(238,286)	(230,809)
Non-current:		
Reimbursement agreement	(2,857,442)	-
Bonds payable	(105,500)	(120,500)
Loans payable	(1,898,692)	(2,136,978)
<b>Total net investment in capital assets</b>	<b>53,612,183</b>	<b>54,428,683</b>
Restricted net position:		
Accounts receivable – special assessments	153,708	180,151
<b>Total restricted net position</b>	<b>153,708</b>	<b>180,151</b>
Unrestricted net position:	<b>2014</b>	<b>2013</b>
Non-spendable net position:		
Water-in-storage inventory	11,025,928	11,025,928
Materials and supplies inventory	93,862	87,074
Prepaid expenses and other deposits	241,362	121,528
Total non-spendable net position	<b>11,361,152</b>	<b>11,234,530</b>
Spendable net position are designated as follows:		
Debt service funds reserve	7,715,413	7,150,526
Capital facilities reserve	1,854,692	1,730,638
Safe drinking water reserve	60,000	60,000
Flexible storage reserve	34,056	30,272
Safety of dams reserve	238,659	118,866
Storm damage reserve	1,850,000	1,500,000
Variation in water sales reserve	1,500,000	1,500,000
Cash flow reserve	3,000,000	3,000,000
Operating reserve	409,018	275,593
Total spendable net position	<b>16,661,838</b>	<b>15,365,895</b>
<b>Total unrestricted net position</b>	<b>28,022,990</b>	<b>26,600,425</b>
Total net position	<b>\$ 81,788,881</b>	<b>81,209,259</b>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(10) Deferred Compensation Savings Plan**

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

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by Nationwide at June 30, 2014 was \$1,780,653 and ICMA was \$1,486,565.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

**(11) Defined Benefit Pension Plan**

***Plan Description***

The District contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the District. Copies of CalPERS annual financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA, 95814.

The contribution rate for plan members in the CalPERS 2.0% at 60 Risk Pool Retirement Plan is 7% of their annual covered salary. The District makes these contributions required of District employees on their behalf and for their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension cost (APC) percentage of payroll for fiscal years 2014, 2013 and 2012 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS.

***California Public Employees Pension Reform Act of 2013***

On September 12, 2013, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013.

Key components of the legislation are as follows:

- Establishes PEPRA which will apply to all public employers and public pension plans on and after January 1, 2013 (Except specific exemptions);
- Establishes new retirement tiers/benefits for new public employees;
- Prohibits certain cash payments from being counted as compensation; and
- Increases retirement age for all new public employees.

***Second-Tier – Beginning January 1, 2013***

The contribution rate for plan members in the CalPERS 2.0% at 62 Retirement Plan under PEPRA is 6.25% of their annual covered wages. District employees contribute 6.25% of their annual covered wages to their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The employer and member contribution rate is 6.25% for a combined rate of 12.50% which will be in effect until June 30, 2015.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(11) Defined Benefit Pension Plan, continued**

For fiscal years 2014, 2013 and 2012, the District's annual contributions for the CalPERS plan were equal to the District's required and actual contributions for each fiscal year as follows:

***Three Years CalPERS Funding Information***

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2011-2012	\$ 312,713	100%	-	8.197%
2012-2013	326,356	100%	-	8.406%
2013-2014	330,845	100%	-	8.486%

***Actuarial Methods and Assumptions***

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits. See Page 40 for the Schedule of Funding Status.

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

Valuation date	June 30, 2013
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Asset valuation method	Market Value
Actuarial assumptions:	
Discount rate	7.50% (net of administrative expenses)
Projected salary increase	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

**(12) Risk Management**

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

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2014, 2013 and 2012. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2014, 2013 and 2012.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(13) Commitments and Contingencies**

*State Water Contract*

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 1,022,592
2016	978,856
2017	924,475
2018	870,095
2019	815,715

As of June 30, 2014, the District has expended \$20,507,672 since the District started participating in the State Water Contract.

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

	<b>State Water Contract</b> <b>Long-term Obligations</b>
Transportation facilities	\$ 16,455,443
Conservation facilities	5,759,531
Off-aqueduct power facilities	77,288
Revenue bond surcharge	<u>1,629,566</u>
Total long-term SWP contract obligations	<u><u>\$ 23,921,828</u></u>

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

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

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



**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(13) Commitments and Contingencies**

*State Water Contract, continued*

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

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

*Grant Awards*

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

*Litigation*

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

**(14) Subsequent Events**

Events occurring after June 30, 2014 have been evaluated for possible adjustment to the financial statements or disclosure as of October 31, 2014, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

**(15) Governmental Accounting Standards Board Statements**

**Newly Issued Accounting Pronouncements, But Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2014, that has effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 68***

In June 2013, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to District’s financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 69***

In January 2013, the GASB issued Statement No. 69 – *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to provide new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The impact of the implementation of this Statement to District’s financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 71***

In November 2013, the GASB issued Statement No. 71 – *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement No. 68. The impact of the implementation of this Statement to the District’s financial statements has not been assessed at this time.

**< Page Intentionally Left Blank >**

## **Required Supplementary Information**



**Casitas Municipal Water District**  
**Schedule of Funding Status**  
**For the Years Ended June 30, 2014 and 2013**

**(1) Defined Benefit Pension Plan – Tier I - Classic**

<b>Development of the Actuarial Value of Assets Calculation in a Risk Pool</b>			
The District is part of the CalPERS Miscellaneous 2.0% at 60 yrs. Risk Pool	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
1. Plan's accrued liability	\$ 26,151,797	27,075,304	28,159,018
2. Plan's side fund	(36,484)	-	-
3. Pool's accrued liability	682,375,804	736,231,913	798,282,602
4. Pool's side fund	1,499,824	2,948,645	13,568,129
5. Pool's actuarial value of assets (AVA) including receivables	639,237,247	701,224,211	N/A
6. Plan's actuarial value of assets (AVA) including receivables [(1+2) / (3+4) x 5]	24,410,697	25,685,088	N/A
7. Pool's market value of assets (MVA) including receivables	572,006,330	589,970,009	N/A
8. Plan's market value of assets (MVA) including receivables [(1+2) / (3+4) x 7]	21,843,335	21,609,899	23,742,456

**Funding History**

The Funding History below shows the actuarial accrued liability, the actuarial value of assets, the market value of assets, funded ratios and the annual covered payroll. The actuarial value of assets is used to establish funding requirements and the funded ratio on this basis represents the progress toward fully funding future benefits for current plan participants. The funded ratio based on the market value of assets is an indicator of the short-term solvency of the plan in the risk pool.

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (a)</u>	<u>Share of Pool's Market Value of Assets (MVA) (b)</u>	<u>Plan's Share of Pool's Unfunded Liability (a-b)</u>	<u>Funded Ratio MVA (b/a)</u>	<u>Annual Covered Payroll</u>
June 30, 2011	\$ 26,151,797	21,843,335	4,308,462	83.53%	\$ 3,643,785
June 30, 2012	27,075,304	21,609,899	5,465,405	79.81%	3,738,797
June 30, 2013	28,159,018	23,742,456	4,416,562	84.32%	3,753,868

**(2) Defined Benefit Pension Plan – Tier II - PEPRA**

<b>Development of the Actuarial Value of Assets Calculation in a Risk Pool</b>			
The District is part of the CalPERS Miscellaneous 2.0% at 62 yrs. Risk Pool	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
1. Plan's accrued liability	\$ N/A	N/A	2,138
2. Plan's side fund	N/A	N/A	-
3. Pool's accrued liability	N/A	N/A	1,063,294
4. Pool's side fund	N/A	N/A	-
5. Pool's actuarial value of assets (AVA) including receivables	N/A	N/A	N/A
6. Plan's actuarial value of assets (AVA) including receivables [(1+2) / (3+4) x 5]	N/A	N/A	N/A
7. Pool's market value of assets (MVA) including receivables	N/A	N/A	N/A
8. Plan's market value of assets (MVA) including receivables [(1+2) / (3+4) x 7]	N/A	N/A	2,869

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (a)</u>	<u>Share of Pool's Market Value of Assets (MVA) (b)</u>	<u>Plan's Share of Pool's Unfunded Liability (a-b)</u>	<u>Funded Ratio MVA (b/a)</u>	<u>Annual Covered Payroll</u>
June 30, 2011	*	-	-	0.00%	\$ -
June 30, 2012	*	-	-	0.00%	-
June 30, 2013	\$ 2,138	2,869	(731)	134.19%	51,943

\* This Plan began on January 1, 2013.

**Casitas Municipal Water District  
Schedule of Funding Status  
For the Years Ended June 30, 2014 and 2013**

**(3) Other Post-Employment Benefits Payable**

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

***Funded Status and Funding Progress of the Plan***

Funding progress is presented for the year(s) that an actuarial study has been prepared since the effective date of GASB Statement 45. Actuarial review and analysis of the post-employment benefits liability and funding status is performed annually on the plan. The next scheduled actuarial review and analysis of the post-employment benefits liability and funding status will be performed in fiscal year 2014 based on the year ending June 30, 2014.

# **Supplementary Information**





**Casitas Municipal Water District**  
**Schedule of Revenues, Expenses, and Changes in Net Position – Budget to Actual**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Adopted Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Operating revenues:					
Retail water consumption	\$ 4,084,739	-	4,084,739	7,054,465	2,969,726
Wholesale water consumption	1,807,650	-	1,807,650	2,041,254	233,604
Monthly water service charge	1,988,117	-	1,988,117	1,996,560	8,443
Recreation revenue	3,595,083	-	3,595,083	3,625,800	30,717
Other water charges and services	88,486	-	88,486	205,192	116,706
<b>Total operating revenues</b>	<u>11,564,075</u>	<u>-</u>	<u>11,564,075</u>	<u>14,923,271</u>	<u>3,359,196</u>
Operating expenses:					
Source of supply	1,693,390	-	1,693,390	1,421,801	271,589
Pumping	1,235,519	-	1,235,519	1,685,967	(450,448)
Water Treatment	1,165,347	-	1,165,347	1,783,448	(618,101)
Transmission and distribution	822,006	-	822,006	762,346	59,660
Telemetry	227,484	-	227,484	332,776	(105,292)
Customer accounts	438,402	-	438,402	400,493	37,909
Recreation expenses	4,089,407	-	4,089,407	3,939,152	150,255
General and administrative	6,187,349	-	6,187,349	3,912,461	2,274,888
<b>Total operating expenses</b>	<u>15,858,904</u>	<u>-</u>	<u>15,858,904</u>	<u>14,238,444</u>	<u>1,620,460</u>
Operating income before depreciation	(4,294,829)	-	(4,294,829)	684,827	1,738,736
Depreciation – water department	-	-	-	(2,831,449)	(2,831,449)
Depreciation – recreation department	-	-	-	(320,589)	(320,589)
<b>Operating loss</b>	<u>(4,294,829)</u>	<u>-</u>	<u>(4,294,829)</u>	<u>(2,467,211)</u>	<u>(1,413,302)</u>
Non-operating revenue/(expense)					
Property taxes	1,985,803	-	1,985,803	2,192,072	206,269
Property tax assessment for State Water Project	-	-	-	566,610	566,610
Mira Monte assessment	-	-	-	31,797	31,797
Oak View availability charge	-	-	-	-	-
State water project expense	-	-	-	(451,590)	(451,590)
Tax collection expense	(25,332)	-	(25,332)	(8,360)	16,972
Interest and investment earnings	298,000	-	298,000	281,851	(16,149)
Interest expense – long-term debt	(74,258)	-	(74,258)	(79,124)	(4,866)
Deferred charges amortization	-	-	-	-	-
Other non-operating revenues/(expenses), net	20,000	-	20,000	24,506	4,506
<b>Total non-operating revenues, net</b>	<u>2,204,213</u>	<u>-</u>	<u>2,204,213</u>	<u>2,557,762</u>	<u>353,549</u>
<b>Net loss before capital contributions</b>	<u>(2,090,616)</u>	<u>-</u>	<u>(2,090,616)</u>	<u>90,551</u>	<u>(1,059,753)</u>
Capital contributions:					
Federal, state and local capital grants	367,884	-	367,884	489,071	121,187
<b>Capital contributions</b>	<u>367,884</u>	<u>-</u>	<u>367,884</u>	<u>489,071</u>	<u>121,187</u>
<b>Change in net position</b>	<u>\$ (1,722,732)</u>	<u>-</u>	<u>(1,722,732)</u>	<u>579,622</u>	<u>(938,566)</u>
Net position, beginning of year	<u>81,209,259</u>		<u>81,209,259</u>	<u>81,209,259</u>	
Net position, end of year	<u>\$ 79,486,527</u>		<u>79,486,527</u>	<u>81,788,881</u>	

**Casitas Municipal Water District**  
**Combining Schedule of Net Position**  
**June 30, 2014**

<i>Assets</i>	<b>Operating Fund</b>	<b>Financing Fund</b>	<b>Improvement Assessment Fund</b>	<b>Eliminations for Financial Reporting</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 9,141,298	-	-	-	9,141,298
Investments	15,129,592	-	-	-	15,129,592
Accrued interest receivable	76,918	-	-	-	76,918
Accounts receivable – water sales and services	1,113,022	-	-	-	1,113,022
Accounts receivable – special assessments	-	-	153,708	-	153,708
Accounts receivable – property taxes	60,757	-	-	-	60,757
Accounts receivable – other	427,942	-	-	-	427,942
Due from other funds	84,789	7,715,412	-	(7,800,201)	-
Water-in-storage inventory	11,025,928	-	-	-	11,025,928
Materials and supplies inventory	93,862	-	-	-	93,862
Prepaid expenses and other deposits	241,362	-	-	-	241,362
<b>Total current assets</b>	<b>37,395,470</b>	<b>7,715,412</b>	<b>153,708</b>	<b>(7,800,201)</b>	<b>37,464,389</b>
<b>Non-current assets:</b>					
Capital assets, not being depreciated	6,470,865	-	-	-	6,470,865
Depreciable capital assets, net	52,410,694	-	-	-	52,410,694
<b>Total non-current assets</b>	<b>58,881,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,881,559</b>
<b>Total assets</b>	<b>96,277,029</b>	<b>7,715,412</b>	<b>153,708</b>	<b>(7,800,201)</b>	<b>96,345,948</b>
<b>Liabilities and Net Position</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	860,270	-	-	-	860,270
Accrued salaries and wages	136,220	-	-	-	136,220
Customer deposits	40,294	-	-	-	40,294
Unearned revenue	3,031	-	-	-	3,031
Accrued interest payable	17,216	-	-	-	17,216
Due to other funds	7,715,412	-	84,789	(7,800,201)	-
Long-term liabilities – due within one year:					
Compensated absences	474,605	-	-	-	474,605
Reimbursement agreement	154,456	-	-	-	154,456
Bonds payable	-	-	15,000	-	15,000
Loans payable	238,286	-	-	-	238,286
<b>Total current liabilities</b>	<b>9,639,790</b>	<b>-</b>	<b>99,789</b>	<b>(7,800,201)</b>	<b>1,939,378</b>
<b>Non-current liabilities:</b>					
Long-term liabilities – due in more than one year:					
Compensated absences	474,606	-	-	-	474,606
Reimbursement agreement	2,857,442	-	-	-	2,857,442
Other post-employment benefits payable	7,281,449	-	-	-	7,281,449
Bonds payable	-	-	105,500	-	105,500
Loans payable	1,898,692	-	-	-	1,898,692
<b>Total non-current liabilities</b>	<b>12,512,189</b>	<b>-</b>	<b>105,500</b>	<b>-</b>	<b>12,617,689</b>
<b>Total liabilities</b>	<b>22,151,979</b>	<b>-</b>	<b>205,289</b>	<b>(7,800,201)</b>	<b>14,557,067</b>
<b>Net position:</b>					
Net investment in capital assets	56,744,581	-	(120,500)	-	56,624,081
Restricted for debt service	-	-	153,708	-	153,708
Unrestricted	17,380,469	7,715,412	(84,789)	-	25,011,092
<b>Total net position</b>	<b>74,125,050</b>	<b>7,715,412</b>	<b>(51,581)</b>	<b>-</b>	<b>81,788,881</b>
<b>Total liabilities and net position</b>	<b>\$ 96,277,029</b>	<b>7,715,412</b>	<b>153,708</b>	<b>(7,800,201)</b>	<b>96,345,948</b>

**Casitas Municipal Water District**  
**Combining Schedule of Net Position**  
**June 30, 2013**

<i>Assets</i>	<b>Operating Fund</b>	<b>Financing Fund</b>	<b>Improvement Assessment Fund</b>	<b>Eliminations for Financial Reporting</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 4,609,512	-	-	-	4,609,512
Investments	16,093,230	-	-	-	16,093,230
Accrued interest receivable	75,246	-	-	-	75,246
Accounts receivable – water sales and services	1,208,645	-	-	-	1,208,645
Accounts receivable – special assessments	-	-	180,151	-	180,151
Accounts receivable – property taxes	58,427	-	-	-	58,427
Accounts receivable – other	297,819	-	-	-	297,819
Due from other funds	47,353	7,150,526	-	(7,197,879)	-
Water-in-storage inventory	11,025,928	-	-	-	11,025,928
Materials and supplies inventory	87,074	-	-	-	87,074
Prepaid expenses and other deposits	121,528	-	-	-	121,528
<b>Total current assets</b>	<b>33,624,762</b>	<b>7,150,526</b>	<b>180,151</b>	<b>(7,197,879)</b>	<b>33,757,560</b>
<b>Non-current assets:</b>					
Capital assets, not being depreciated	6,222,973	-	-	-	6,222,973
Depreciable capital assets, net	50,707,997	-	-	-	50,707,997
<b>Total non-current assets</b>	<b>56,930,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,930,970</b>
<b>Total assets</b>	<b>90,555,732</b>	<b>7,150,526</b>	<b>180,151</b>	<b>(7,197,879)</b>	<b>90,688,530</b>
<b>Liabilities and Net Position</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	658,422	-	-	-	658,422
Accrued salaries and wages	118,876	-	-	-	118,876
Customer deposits	38,895	-	-	-	38,895
Unearned revenue	5,739	-	-	-	5,739
Accrued interest payable	19,075	-	-	-	19,075
Due to other funds	7,150,526	-	47,353	(7,197,879)	-
Long-term liabilities – due within one year:					
Compensated absences	428,987	-	-	-	428,987
Bonds payable	-	-	14,000	-	14,000
Loans payable	230,809	-	-	-	230,809
<b>Total current liabilities</b>	<b>8,651,329</b>	<b>-</b>	<b>61,353</b>	<b>(7,197,879)</b>	<b>1,514,803</b>
<b>Non-current liabilities:</b>					
Long-term liabilities – due in more than one year:					
Compensated absences	428,988	-	-	-	428,988
Other post-employment benefits payable	5,278,002	-	-	-	5,278,002
Bonds payable	-	-	120,500	-	120,500
Loans payable	2,136,978	-	-	-	2,136,978
<b>Total non-current liabilities</b>	<b>7,843,968</b>	<b>-</b>	<b>120,500</b>	<b>-</b>	<b>7,964,468</b>
<b>Total liabilities</b>	<b>16,495,297</b>	<b>-</b>	<b>181,853</b>	<b>(7,197,879)</b>	<b>9,479,271</b>
<b>Net position:</b>					
Net investment in capital assets	54,563,183	-	(134,500)	-	54,428,683
Restricted for debt service	-	-	180,151	-	180,151
Unrestricted	19,497,252	7,150,526	(47,353)	-	26,600,425
<b>Total net position</b>	<b>74,060,435</b>	<b>7,150,526</b>	<b>(1,702)</b>	<b>-</b>	<b>81,209,259</b>
<b>Total liabilities and net position</b>	<b>\$ 90,555,732</b>	<b>7,150,526</b>	<b>180,151</b>	<b>(7,197,879)</b>	<b>90,688,530</b>

**Casitas Municipal Water District**  
**Combining Schedule of Revenues and Expenses**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Water Fund</b>	<b>Recreation Fund</b>	<b>2014 Total</b>
<b>Operating revenues:</b>			
Retail water consumption	\$ 7,054,465	-	7,054,465
Wholesale water consumption	2,041,254	-	2,041,254
Monthly water service charge	1,996,560	-	1,996,560
Recreation revenue	-	3,625,800	3,625,800
Other water charges and services	205,192	-	205,192
<b>Total operating revenues</b>	<b>11,297,471</b>	<b>3,625,800</b>	<b>14,923,271</b>
<b>Operating expenses:</b>			
Source of supply	1,421,801	-	1,421,801
Pumping	1,685,967	-	1,685,967
Water treatment	1,783,448	-	1,783,448
Transmission and distribution	762,346	-	762,346
Telemetry	332,776	-	332,776
Customer accounts	400,493	-	400,493
Recreation expenses	-	3,939,152	3,939,152
General and administrative	3,912,461	-	3,912,461
<b>Total operating expenses</b>	<b>10,299,292</b>	<b>3,939,152</b>	<b>14,238,444</b>
Operating income(loss) before depreciation	998,179	(313,352)	684,827
Depreciation – water department	(2,831,449)	-	(2,831,449)
Depreciation – recreation department	-	(320,589)	(320,589)
<b>Operating income(loss)</b>	<b>(1,833,270)</b>	<b>(633,941)</b>	<b>(2,467,211)</b>
<b>Non-operating revenue(expense)</b>			
Property taxes	2,192,072	-	2,192,072
Property tax assessment for State Water Project	566,610	-	566,610
Mira Monte assessment	31,797	-	31,797
State water project	(451,590)	-	(451,590)
Tax collection expense	(8,360)	-	(8,360)
Interest and investment earnings	281,851	-	281,851
Interest expense – long-term debt	(79,124)	-	(79,124)
Other non-operating revenues/(expenses), net	24,506	-	24,506
<b>Total non-operating revenues, net</b>	<b>2,557,762</b>	<b>-</b>	<b>2,557,762</b>
<b>Net income(loss) before capital contributions</b>	<b>724,492</b>	<b>(633,941)</b>	<b>90,551</b>
<b>Capital contributions:</b>			
Federal, state and local capital grants	71,105	417,966	489,071
<b>Change in net position</b>	<b>795,597</b>	<b>(215,975)</b>	<b>579,622</b>
<b>Adjustment for noncash items:</b>			
Depreciation – water department	2,831,449	-	2,831,449
Depreciation – recreation department	-	320,589	320,589
Other post-employment benefits payable	2,003,447	-	2,003,447
<b>Total</b>	<b>\$ 5,630,493</b>	<b>104,614</b>	<b>5,735,107</b>

**Casitas Municipal Water District**  
**Combining Schedule of Revenues and Expenses**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Water Fund</b>	<b>Recreation Fund</b>	<b>2014 Total</b>
<b>Operating revenues:</b>			
Retail water consumption	\$ 7,054,465	-	7,054,465
Wholesale water consumption	2,041,254	-	2,041,254
Monthly water service charge	1,996,560	-	1,996,560
Recreation revenue	-	3,625,800	3,625,800
Other water charges and services	205,192	-	205,192
<b>Total operating revenues</b>	<b>11,297,471</b>	<b>3,625,800</b>	<b>14,923,271</b>
<b>Operating expenses:</b>			
Source of supply	1,421,801	-	1,421,801
Pumping	1,685,967	-	1,685,967
Water treatment	1,783,448	-	1,783,448
Transmission and distribution	762,346	-	762,346
Telemetry	332,776	-	332,776
Customer accounts	400,493	-	400,493
Recreation expenses	-	3,939,152	3,939,152
General and administrative	3,912,461	-	3,912,461
<b>Total operating expenses</b>	<b>10,299,292</b>	<b>3,939,152</b>	<b>14,238,444</b>
Operating income(loss) before depreciation	998,179	(313,352)	684,827
Depreciation – water department	(2,831,449)	-	(2,831,449)
Depreciation – recreation department	-	(320,589)	(320,589)
<b>Operating income(loss)</b>	<b>(1,833,270)</b>	<b>(633,941)</b>	<b>(2,467,211)</b>
<b>Non-operating revenue(expense)</b>			
Property taxes	2,192,072	-	2,192,072
Property tax assessment for State Water Project	566,610	-	566,610
Mira Monte assessment	31,797	-	31,797
State water project	(451,590)	-	(451,590)
Tax collection expense	(8,360)	-	(8,360)
Interest and investment earnings	281,851	-	281,851
Interest expense – long-term debt	(79,124)	-	(79,124)
Other non-operating revenues/(expenses), net	24,506	-	24,506
<b>Total non-operating revenues, net</b>	<b>2,557,762</b>	<b>-</b>	<b>2,557,762</b>
<b>Net income(loss) before capital contributions</b>	<b>724,492</b>	<b>(633,941)</b>	<b>90,551</b>
<b>Capital contributions:</b>			
Federal, state and local capital grants	71,105	417,966	489,071
<b>Change in net position</b>	<b>795,597</b>	<b>(215,975)</b>	<b>579,622</b>
<b>Adjustment for noncash items:</b>			
Depreciation – water department	2,831,449	-	2,831,449
Depreciation – recreation department	-	320,589	320,589
Other post-employment benefits payable	2,003,447	-	2,003,447
<b>Total</b>	<b>\$ 5,630,493</b>	<b>104,614</b>	<b>5,735,107</b>

**Casitas Municipal Water District**  
**Detail Schedule of Operating Expenses – Water Department**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Source of supply:</b>		
Advertising and legal notices	\$ 365	-
Books and publications	34	517
Clothing and personal supplies	337	1,118
Communications	3,553	4,086
Computer upgrades – hardware and software	4,828	2,161
Costs applied	1	1,424
District equipment	6,622	10,308
Education and training	5,719	4,743
Insurance – Aflac service fee	104	22
Insurance – EAP	164	170
Licenses and permits	26,311	19,292
Memberships and dues	42,280	7,454
Office supplies	64	254
Other professional services	15,643	31,052
Outside contracts	123,449	748,551
Postage	11,284	10,346
Printing and binding	6,473	8,281
Private vehicle mileage	944	636
Purchased water	916	985
Salaries and benefits	1,081,111	1,014,547
Services and supplies	68,153	70,067
Small tools	41	290
Travel expense	19,180	18,294
Utilities	4,225	4,240
<b>Total source of supply</b>	<u>1,421,801</u>	<u>1,958,838</u>
<b>Pumping:</b>		
Communications	1,588	1,616
Outside contracts	21,806	5,230
Power purchased for pumping	1,430,727	1,071,501
Salaries and benefits	169,773	164,899
Service and supplies	58,854	70,053
Small tools	3,121	165
Travel	98	85
<b>Total pumping</b>	<u>1,685,967</u>	<u>1,313,549</u>
<b>Water treatment:</b>		
Ammonia	35,536	29,509
Caustics	104,605	62,392
Chlorine	89,460	74,430
Clothing and personal supplies	818	981
Communications	3,122	1,567
Education and training	990	2,586
Ferric	13,794	15,952
Licenses and permits	1,266	745
Outside contracts	92,736	51,746
Polymer	30,744	27,863
Postage	50	24
Private vehicle mileage	122	-
Salaries and benefits	1,218,637	878,134
Service and supplies	63,490	68,283
Small tools	4,482	600
Travel	430	-
Utilities	123,166	90,552
<b>Total water treatment</b>	<u>\$ 1,783,448</u>	<u>1,305,364</u>

*Continued on next page*

**Casitas Municipal Water District**  
**Detail Schedule of Operating Expenses – Water Department, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Transmission and distribution:</b>		
Books and publications	\$ 108	223
Communications	467	669
Computer upgrades – hardware and software	1,969	328
Education and training	2,806	410
Licenses and permits	7,228	10,658
Other operating expenses	26,443	19,937
Outside contracts	116,360	97,417
Salaries and benefits	466,041	410,359
Service and supplies	132,622	94,960
Small tools	7,473	5,527
Travel expense	829	293
<b>Total transmission and distribution</b>	<u>762,346</u>	<u>640,781</u>
<b>Telemetering:</b>		
Communications	985	913
Outside contracts	27,978	24,706
Postage	355	-
Salaries and benefits	257,894	237,316
Service and supplies	21,400	19,674
Small tools	437	-
Utilities	23,727	26,718
<b>Total telemetering</b>	<u>332,776</u>	<u>309,327</u>
<b>Customer accounts:</b>		
Bad debt provision	6,938	8,886
Clothing and personal supplies	454	1,074
Communications	456	473
Computer upgrades – hardware and software	5,213	-
Education and training	1,104	1,795
Leak relief expense	8,070	2,828
Licenses and permits	270	100
Outside contracts	14,522	13,833
Postage	2,562	1,297
Printing and binding	-	501
Private vehicle mileage	-	367
Salaries and benefits	336,998	337,947
Service and supplies	22,855	42,343
Small tools	106	175
Travel expense	945	402
<b>Total customer accounts</b>	<u>\$ 400,493</u>	<u>412,021</u>

*Continued on next page*



**Casitas Municipal Water District**  
**Detail Schedule of Operating Expenses – Water Department, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>General and administrative:</b>		
Advertising and legal notices	\$ 934	1,001
Bank charges	20,324	11,556
Books and publications	4,285	4,669
Clothing and personal supplies	4,652	5,344
Communications	41,594	37,767
Computer upgrades – hardware and software	12,865	13,186
Directors election fees	-	14,606
District equipment	133,740	131,204
Education and training	24,539	11,740
Gains/losses on inventory	(32,366)	11,046
Insurance – Aflac	828	310
Insurance – EAP	1,171	1,388
Insurance – liability	65,423	56,167
Licenses and permits	12,848	10,089
Memberships and dues	34,096	82,716
Office equipment maintenance	1,283	1,184
Office supplies	11,564	9,079
Other professional services	164,063	304,326
Outside contracts	338,899	525,114
Petty cash over/short	13	1
Postage	1,331	997
Printing and binding	1,380	4,241
Private vehicle mileage	7,961	9,005
Safety program	5,470	3,675
Salaries and benefits	3,858,013	3,456,532
Service and supplies	89,409	66,440
Small tools	186	161
Travel expense	6,870	4,479
Utilities	58,715	54,846
Vehicle costs direct	123,637	115,823
Workers' compensation	102,065	88,543
Costs applied	(161,455)	(159,478)
Administrative overhead burden	(1,021,876)	(841,486)
<b>Total general and administrative</b>	<b>3,912,461</b>	<b>4,036,271</b>
<b>Depreciation expense:</b>		
Water department	2,831,449	2,781,305
<b>Total depreciation expense</b>	<b>2,831,449</b>	<b>2,781,305</b>
<b>Total operating expenses – water dept.</b>	<b>\$ 13,130,741</b>	<b>12,757,456</b>

**Casitas Municipal Water District**  
**Detail Schedule of Operating Revenues & Expenses – Recreation Department, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Recreation revenue:</b>		
Animal permit	\$ 24,105	19,659
Bad debt collection recovery	1,437	-
Boat fees - annual	44,539	54,111
Boat fees - daily	11,448	13,625
Boat fees - overnight	1,270	1,790
Boat inspection fees - Quagga	4,435	7,706
Boat lock revenue - Quagga	3,715	5,066
Boat rental - concession	72,895	84,070
Cafe - concession	24,738	29,882
Cafe pass fee	24,845	26,065
Cafe pass reimbursement	(24,073)	(23,002)
Camping fees	1,677,532	1,587,177
Commercials	15,550	7,097
Donation vouchers	(300)	-
Event reimbursement	-	450
Events	32,229	38,238
Gift cards and certificates	75	(443)
Guest pass	(370)	(205)
Kayak and canoes annual	3,270	4,364
Kayak and canoes daily	3	128
Miscellaneous revenue	1,269	7,465
Over / short - recreation	267	(103)
Over / short - water park	(23)	2
Park store	41,579	39,646
Rain checks	(2,185)	(4,623)
Reservations	126,503	113,901
Shower facility fees	24,063	21,357
Snow bird pumping	2,260	-
Trailer storage fees	179,806	177,361
Vehicle fees - daily	336,140	393,102
Violation ordinance fees	13,982	9,065
Visitor cards	126,834	144,302
Visitor cards - Quagga refunds	-	(83)
Water park - donation voucher	-	(60)
Water park - group pass fee	(9,464)	(10,170)
Water park - guest pass	(444)	-
Water park - junior lifeguard	8,100	5,740
Water park - late day pass fee	72,957	79,435
Water park - lifeguard training	1,480	3,120
Water park - locker fee	1,200	1,059
Water park - next day pass fee	(1,707)	(2,342)
Water park - promotion	(523)	720
Water park - rain checks	(2,014)	(2,908)
Water park - reservation fee	22,267	19,110
Water park - season pass fee	28,304	23,614
Water park - shade rental fee	6,055	8,925
Water park - shower facility fee	17,126	17,233
Water park - single splash fee	699,594	721,985
Water park - water fitness - fee	8,370	7,950
Water park snack bar	6,661	6,469
<b>Total recreation revenue</b>	<b>\$ 3,625,800</b>	<b>3,637,050</b>

*Continued on next page*

**Casitas Municipal Water District**  
**Detail Schedule of Operating Revenues & Expenses – Recreation Department, continued**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Recreation expenses:</b>		
Administrative overhead burden	\$ 1,021,876	841,486
Advertising and legal notices	5,561	3,386
Bad debt provision	3,829	31,050
Bank charges	3,856	2,599
Books and publications	-	3,377
Chemicals – water playground	3,817	3,163
Chlorine	22,989	25,678
Clothing and personal supplies	16,377	12,891
Communications	13,810	13,894
Computer upgrades – hardware and software	8,020	1,020
Credit card fees	50,653	50,953
District equipment	123,294	128,839
Education and training	3,503	1,698
Fish purchases	-	29,995
Licenses and permits	6,736	6,459
Memberships and dues	1,310	1,284
Office supplies	7,820	4,560
Other operating expenses	-	1,852
Outside contracts	216,248	260,365
Postage	1,651	941
Printing and binding	12,748	13,342
Private vehicle mileage	39	-
Public information program	9,491	8,451
Purchased water	71,049	68,442
Safety program	2,243	2,669
Salaries and benefits	2,006,160	1,881,255
Service and supplies	178,019	141,419
Small tools	2,405	2,322
Travel expense	780	788
Utilities	144,868	118,700
	<b>Total</b>	<b>3,939,152</b>
	<b>3,939,152</b>	<b>3,662,878</b>
Recreation operating loss before depreciation	(313,352)	(25,828)
Depreciation – recreation department	(320,589)	(303,216)
<b>Recreation operating loss</b>	<b>\$ (633,941)</b>	<b>(329,044)</b>

**NOTE: Please see Page 45 and 46 for further information about the Recreation Fund and the Capital Contributions received for the fiscal years presented.**

# **Statistical Section**



**Casitas Municipal Water District  
Statistical Section**

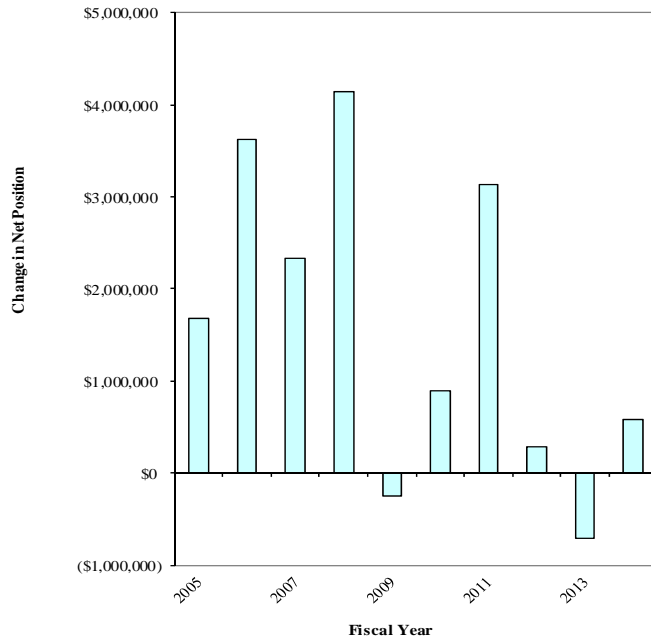
This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

**Table of Contents**

	<b><u>Page No.</u></b>
Financial Trends These schedules contain information to help the reader understand how the District’s financial performance and well-being have changed over time.	53-56
Revenue Capacity These schedules contain information to help the reader assess the District’s most significant own-source revenue, water sales.	57-61
Debt Capacity These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	62-63
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District’s financial activities take place.	64
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the service the District provides.	65

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 9,688,724	11,258,803	13,291,119	13,805,964	12,129,996
Operating expenses (see Schedule 3)	(8,378,443)	(8,262,068)	(10,289,724)	(10,107,124)	(13,384,114)
Depreciation and amortization	(2,495,930)	(2,363,709)	(4,207,595)	(2,975,653)	(2,834,977)
<b>Operating income(loss)</b>	<b>(1,185,649)</b>	<b>633,026</b>	<b>(1,206,200)</b>	<b>723,187</b>	<b>(4,089,095)</b>
Non-operating revenues(expenses)					
Property taxes	525,019	526,622	1,734,216	1,831,087	1,982,172
Clean Water Act surcharge	1,070,545	1,085,494	1,006,501	1,071,637	1,685,062
Mira Monte assessment	9,549	20,307	18,605	19,657	18,914
Oak View availability charge	7,579	7,754	7,439	7,862	6,992
Property tax collection expense	(13,854)	(15,707)	(13,448)	(28,261)	(29,433)
Investment income/(loss)	138,716	269,336	404,167	463,786	213,695
Water-in-storage valuation	-	-	-	-	-
Satate water project expense	-	-	-	-	-
Federal grants	-	-	-	-	-
Capital facilities charges	-	-	-	-	-
Gain/(Loss) on sale/disposition of assets	(5,566)	-	-	-	-
Interest expense	(159,437)	(131,650)	(129,810)	(123,440)	(116,361)
Other revenue/(expense), net	(51,559)	204,592	46,646	31,307	14,460
Total non-operating revenues(expenses), net	1,520,992	1,966,748	3,074,316	3,273,635	3,775,501
<b>Net income before capital contributions</b>	<b>335,343</b>	<b>2,599,774</b>	<b>1,868,116</b>	<b>3,996,822</b>	<b>(313,594)</b>
Capital contributions	1,342,081	1,016,530	458,002	146,880	63,784
<b>Changes in net position</b>	<b>\$ 1,677,424</b>	<b>3,616,304</b>	<b>2,326,118</b>	<b>4,143,702</b>	<b>(249,810)</b>
Net assets by component:					
Invested in capital assets, net of related debt	\$ 55,377,759	55,808,167	54,099,748	54,636,436	55,408,560
Restricted	226,563	91,941	103,054	75,088	67,343
Unrestricted	12,166,821	15,487,339	19,510,763	23,145,743	22,131,554
<b>Total net position</b>	<b>\$ 67,771,143 <sup>(1)</sup></b>	<b>71,387,447</b>	<b>73,713,565</b>	<b>77,857,267</b>	<b>77,607,457</b>



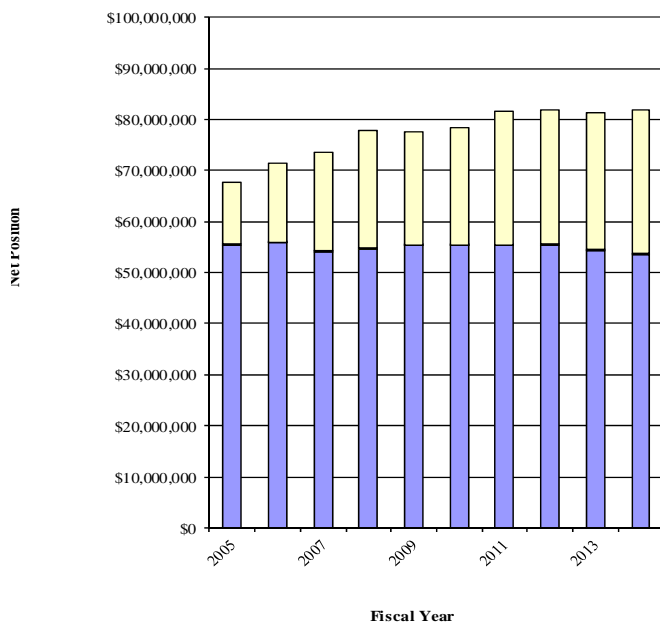
**Notes:**

(1) The District made a prior period adjustment of \$796,383.

Source: Casitas Municipal Water District Accounting Department

# Schedule 1

Fiscal Year				
2010	2011	2012	2013	2014
12,194,917	10,956,600	11,645,576	13,212,527	14,923,271
(11,171,141)	(11,587,130)	(12,047,019)	(13,639,029)	(14,238,444)
(2,863,329)	(3,037,340)	(3,097,495)	(3,084,521)	(3,152,038)
<u>(1,839,553)</u>	<u>(3,667,870)</u>	<u>(3,498,938)</u>	<u>(3,511,023)</u>	<u>(2,467,211)</u>
1,959,850	2,012,458	2,025,655	2,147,033	2,192,072
1,290,042	1,682,991	1,554,698	462,896	566,610
18,601	17,113	17,630	19,783	31,797
7,709	7,657	293	232	-
(30,416)	(31,158)	(30,158)	(31,284)	(8,360)
129,472	402,229	449,707	(164,338)	281,851
-	3,318,094	-	-	-
(666,442)	(787,665)	(382,908)	(517,749)	(451,590)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(106,239)	(102,295)	(94,969)	(87,015)	(79,124)
(6,638)	213,445	12,454	(20,137)	24,506
<u>2,595,939</u>	<u>6,732,869</u>	<u>3,552,402</u>	<u>1,809,421</u>	<u>2,557,762</u>
756,386	3,064,999	53,464	(1,701,602)	90,551
131,179	74,095	232,755	990,526	489,071
<u>887,565</u>	<u>3,139,094</u>	<u>286,219</u>	<u>(711,076)</u>	<u>579,622</u>
55,277,544	55,261,613	55,501,696	54,428,683	53,612,183
60,922	217,413	199,890	180,151	153,708
<u>23,156,556</u>	<u>26,155,090</u>	<u>26,218,749</u>	<u>26,600,425</u>	<u>28,022,990</u>
<u>78,495,022</u>	<u>81,634,116</u>	<u>81,920,335</u>	<u>81,209,259</u>	<u>81,788,881</u>

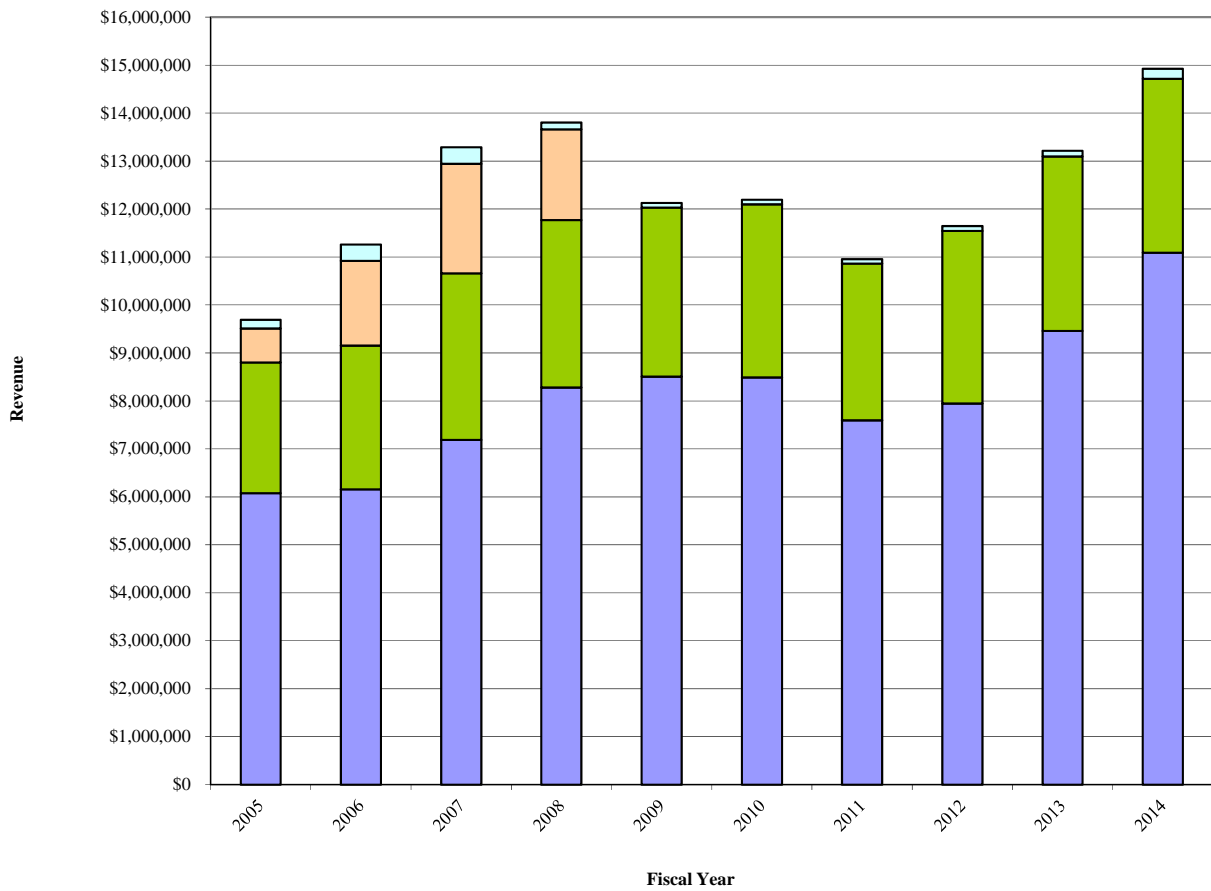




**Casitas Municipal Water District  
Operating Revenue by Source  
Last Ten Fiscal Years**

**Schedule 2**

Fiscal Year	Water Sales and Service	Recreation Revenue	Water Storage Valuation	Other Operating Revenue	Total Operating Revenue
2005	\$ 6,075,618	2,728,679	704,148	180,279	9,688,724
2006	6,157,482	2,996,915	1,768,645	335,761	11,258,803
2007	7,188,942	3,469,248	2,282,734	350,195	13,291,119
2008	8,282,482	3,487,877	1,890,639	144,966	13,805,964
2009	8,507,054	3,526,264	-	96,678	12,129,996
2010	8,488,083	3,611,110	-	95,724	12,194,918
2011	7,592,767	3,269,377	-	94,456	10,956,600
2012	7,944,558	3,599,744	-	101,274	11,645,576
2013	9,461,356	3,637,050	-	114,121	13,212,527
2014	11,092,279	3,625,800	-	205,192	14,923,271

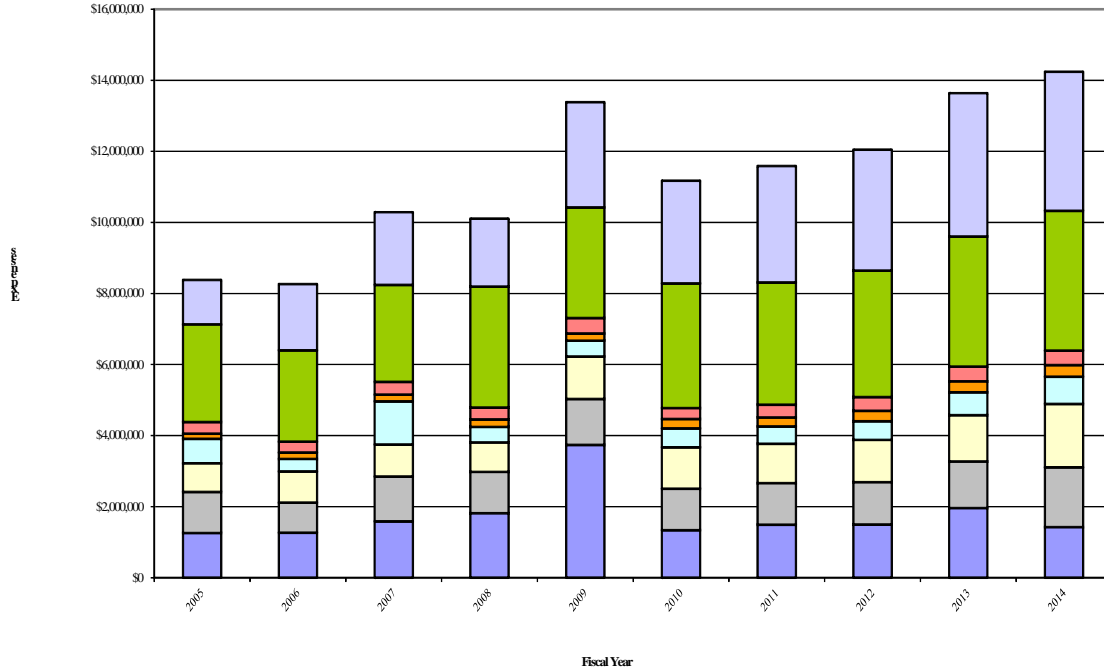


Source: Casitas Municipal Water District Accounting Department

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

## Schedule 3

Fiscal Year	Source of Supply	Pumping	Water Treatment	Transmission and Distribution	Telemetering	Customer Accounts	Recreation Area	General and Administrative	Total Operating Expenses
2005	\$ 1,260,178	1,151,358	810,650	687,261	142,260	331,338	2,747,871	1,247,527	8,378,443
2006	1,266,305	844,456	876,220	358,083	174,943	308,137	2,570,736	1,863,188	8,262,068
2007	1,584,516	1,261,227	898,454	1,221,291	185,521	359,407	2,730,670	2,048,638	10,289,724
2008	1,815,132	1,160,984	831,760	435,705	209,198	335,952	3,401,609	1,916,784	10,107,124
2009	3,735,269	1,292,700	1,197,050	448,678	197,119	436,851	3,113,058	2,963,389	13,384,114
2010	1,338,079	1,166,950	1,165,052	530,798	266,133	308,364	3,504,726	2,891,029	11,171,141
2011	1,493,036	1,168,939	1,107,391	488,434	251,534	362,054	3,436,849	3,278,893	11,587,130
2012	1,498,408	1,194,225	1,184,305	527,004	294,816	387,735	3,551,695	3,408,831	12,047,019
2013	1,958,838	1,313,549	1,305,364	640,781	309,327	412,021	3,662,878	4,036,271	13,639,029
2014	1,421,801	1,685,967	1,783,448	762,346	332,776	400,493	3,939,152	3,912,461	14,238,444

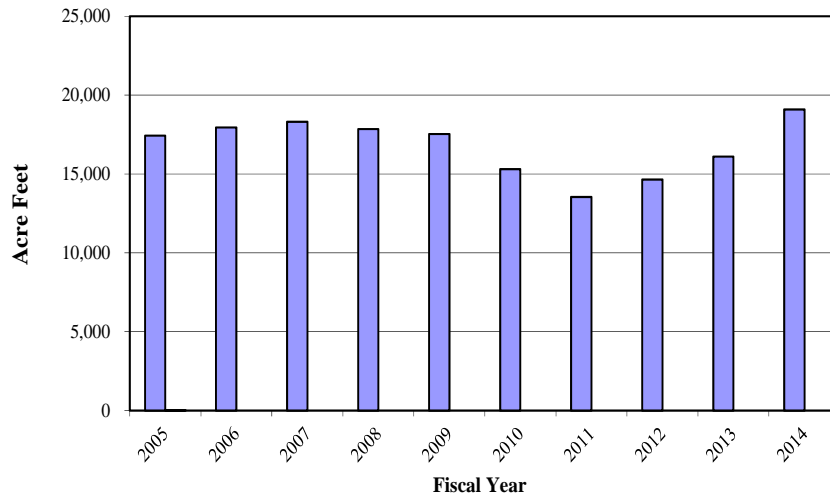


Source: Casitas Municipal Water District Accounting Department

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

**Schedule 4**

Fiscal Year	Water Sales (Acre Feet)
2005	17,425
2006	17,952
2007	18,318
2008	17,844
2009	17,533
2010	15,307
2011	13,549
2012	14,655
2013	16,106
2014	19,093



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

**Source:** Casitas Municipal Water District Accounting Department

# Casitas Municipal Water District Revenue Rates<sup>(1)</sup> Last Ten Fiscal Years

## Schedule 5

Gravity Zone Water Consumption (per HCF)										
Categories	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Residential:										
0-10 HCF	\$ 0.621	0.640	0.659	0.699	0.720	0.742	0.835	0.835	0.868	0.888
11-17 HCF	0.992	1.022	1.053	1.118	1.152	1.187	1.322	1.322	1.369	1.389
18+ HCF	1.379	1.420	1.463	1.552	1.598	1.646	1.825	1.825	1.888	1.908
Business	0.646	0.665	0.685	0.727	0.749	0.771	0.832	0.832	0.897	0.958
Industrial	0.608	0.626	0.645	0.684	0.704	0.725	0.783	0.783	0.856	0.958
Resale	0.374	0.385	0.397	0.421	0.434	0.447	0.474	0.474	0.545	0.709
Other	0.627	0.646	0.665	0.706	0.727	0.749	0.808	0.808	0.883	0.958
Temporary	1.958	2.017	2.078	2.204	2.270	2.338	2.493	2.493	2.686	2.706
Recreation	N/A	0.900	0.927	0.984	1.014	1.044	1.121	1.121	1.121	0.958
Irrigation	0.298	0.307	0.316	0.335	0.345	0.355	0.398	0.398	0.448	0.717

Pumped Zone Water Consumption (per HCF) <sup>(2)</sup>										
Categories	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Residential:										
0-10 HCF	\$ 0.846	0.871	0.898	1.053	1.069	1.001	1.094	1.094	1.127	1.127
11-17 HCF	1.216	1.254	1.292	1.472	1.501	1.446	1.581	1.581	1.628	1.628
18+ HCF	1.605	1.652	1.702	1.906	1.947	1.905	2.084	2.084	2.147	2.147
Business	0.871	0.897	0.924	1.081	1.098	1.030	1.091	1.091	1.156	1.197
Industrial	0.832	0.858	0.884	1.038	1.053	0.984	1.042	1.042	1.115	1.197
Resale	0.846	0.871	0.897	1.036	1.044	0.967	1.109	1.109	1.275	1.275
Other	0.852	0.878	0.904	1.060	1.076	1.008	1.067	1.067	1.142	1.197
Temporary	2.184	2.249	2.317	2.558	2.619	2.597	2.752	2.752	2.945	2.945
Recreation	0.874	0.900	0.927	1.338	1.363	1.303	1.380	1.380	1.380	1.197
Irrigation	0.298	0.307	0.316	0.450	0.455	0.375	0.418	0.418	0.468	0.717

Water Service Charges (monthly)										
Meter Size	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Residential:										
5/8" - 1"	\$ 10.72	11.04	11.37	12.06	12.42	12.79	14.01	14.01	15.30	15.99
1 1/2" - 2"	32.91	33.90	34.92	37.05	38.16	39.30	43.03	43.03	46.99	49.1
2 1/2" - 3"	70.08	72.18	74.35	78.88	81.25	83.69	91.64	91.64	100.07	104.57
4"	148.75	153.21	157.81	167.42	172.44	177.61	194.48	194.48	212.37	221.93
6"	439.12	452.29	465.86	494.24	509.07	524.34	574.15	574.15	626.97	655.18
Businesses:										
5/8" - 1"	19.42	20.00	20.60	21.86	22.52	23.20	24.59	24.59	26.85	28.06
1 1/2" - 2"	59.56	61.35	63.19	67.04	69.05	71.12	75.39	75.39	82.33	86.03
2 1/2" - 3"	126.93	130.74	134.66	142.86	147.15	151.56	160.65	160.65	175.43	183.32
4"	269.39	277.47	285.79	303.19	312.29	321.66	340.96	340.96	372.33	389.08
6"	795.19	819.05	843.62	895.00	921.85	949.51	1,006.48	1,006.48	1,099.08	1,148.54
Industrial:										
5/8" - 1"	14.49	14.92	15.37	16.30	16.79	17.29	18.06	18.06	19.72	20.61
1 1/2" - 2"	44.45	45.78	47.15	50.02	51.52	53.07	55.43	55.43	60.53	63.25
2 1/2" - 3"	94.70	97.54	100.47	106.58	109.78	113.07	118.12	118.12	128.99	134.79
4"	200.99	207.02	213.23	226.22	233.01	240.00	250.70	250.70	273.76	286.08
6"	593.86	611.68	630.03	668.40	688.45	709.10	740.71	740.71	808.86	845.26
Irrigation:										
5/8" - 1"	23.88	24.60	25.34	26.88	27.69	28.52	31.94	31.94	34.88	36.45
1 1/2" - 2"	73.20	75.40	77.66	82.39	84.86	87.41	97.90	97.90	106.91	111.72
2 1/2" - 3"	155.96	160.64	165.46	175.53	180.80	186.22	208.57	208.57	227.76	238.01
4"	331.03	340.96	351.19	372.58	383.76	395.27	442.70	442.70	483.43	505.18
6"	977.17	1,006.49	1,036.68	1,099.81	1,132.80	1,166.78	1,306.79	1,306.79	1,427.01	1,491.23
Resale (Gravity):										
5/8" - 1"	40.61	41.83	43.09	45.71	47.08	48.49	51.40	51.40	56.13	58.66
1 1/2" - 2"	124.56	128.30	132.15	140.19	144.40	148.73	157.65	157.65	172.15	179.7
2 1/2" - 3"	265.38	273.34	281.54	298.69	307.65	316.88	335.89	335.89	388.63	406.12
4"	563.27	580.17	597.58	633.98	653.00	672.59	712.95	712.95	778.54	813.57
6"	1,662.70	1,712.58	1,763.96	1,871.39	1,927.53	1,985.36	2,104.48	2,104.48	2,298.09	2,401.5
Resale (Pumped):										
5/8" - 1"	15.71	16.18	16.67	17.69	18.22	18.77	21.59	21.59	23.58	24.64
1 1/2" - 2"	48.17	49.62	51.11	54.22	55.85	57.53	66.16	66.16	72.25	75.5
2 1/2" - 3"	102.59	105.67	108.84	115.47	118.93	122.50	140.88	140.88	153.84	160.76
4"	217.76	224.29	231.02	245.09	252.44	260.01	299.01	299.01	326.52	341.21
6"	642.81	662.09	681.95	723.48	745.18	767.54	882.67	882.67	963.88	1,007.25
Other:										
5/8" - 1"	16.21	16.70	17.20	18.25	18.80	19.36	20.52	20.52	22.41	23.42
1 1/2" - 2"	49.72	51.21	52.75	55.96	57.64	59.37	62.93	62.93	68.72	71.81
2 1/2" - 3"	105.90	109.08	112.35	119.19	122.77	126.51	140.88	140.88	153.45	160.5
4"	224.77	231.51	238.46	252.98	260.57	268.39	284.49	284.49	310.66	324.64
6"	663.47	683.37	703.87	746.74	769.14	792.21	839.74	839.74	914.00	958.27
Temporary:										
1 1/2" - 2"	45.11	46.46	47.85	50.77	52.29	53.86	57.09	57.09	62.34	65.15
2 1/2" - 3"	96.12	99.00	101.97	108.18	111.43	114.77	121.66	121.66	132.85	138.83
Recreation:										
5/8" - 1"	20.72	21.34	21.98	23.32	24.02	24.74	26.22	26.22	28.63	
1 1/2" - 2"	63.57	65.48	67.44	71.54	73.69	75.90	80.45	80.45	87.85	
2 1/2" - 3"	135.46	139.52	143.71	152.46	157.03	161.74	171.44	171.44	187.21	
4"	287.47	296.09	304.97	323.54	333.25	343.25	363.85	363.85	397.32	
6"	848.60	874.06	900.28	952.02	980.58	1,010.00	1,070.60	1,070.60	1,169.10	

**Notes:**

(1) Rates as of June 30 of each fiscal year.

(2) Rates are net of applicable energy surcharges.

Source: Casitas Municipal Water District Board of Directors approved rate ordinances and resolutions

## Casitas Municipal Water District Revenue Rates

### Schedule 5-1

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

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

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

## Casitas Municipal Water District Revenue Rates

### Schedule 5-2

In fiscal year 2013, the District changed its rate structure as follows:

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

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

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

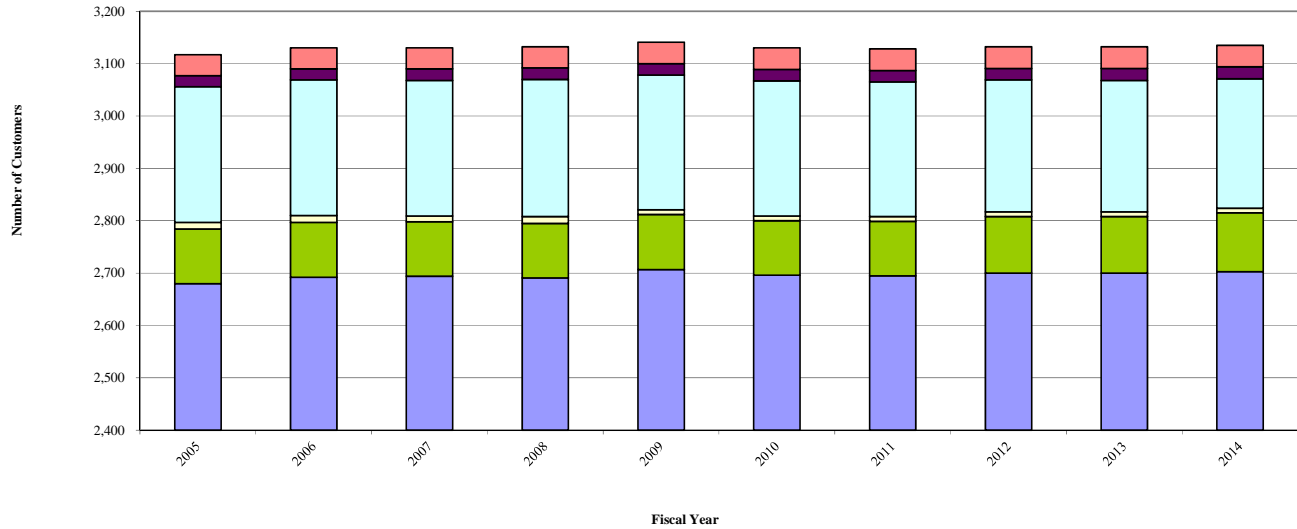
**9.3.4 COMBINATION (CLASS C) SERVICE.** Where more than one class of water service or use is provided through a single connection, the General Manager shall make an equitable proration of rates and fees, such proration shall be conclusive unless appealed within 30 days by the customer to the Board,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

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

# Casitas Municipal Water District Customers by Type Last Ten Fiscal Years

## Schedule 6

Fiscal Year	Customer Type						Total
	Residential	Business	Industrial	Agricultural	Wholesale	Other	
2005	2,680	104	13	259	21	40	3,117
2006	2,692	105	13	259	21	40	3,130
2007	2,694	104	11	259	22	40	3,130
2008	2,691	104	13	262	22	40	3,132
2009	2,707	105	9	257	22	41	3,141
2010	2,696	104	9	258	22	41	3,130
2011	2,695	104	9	257	22	41	3,128
2012	2,700	108	9	252	22	41	3,132
2013	2,700	108	9	251	23	41	3,132
2014	2,703	112	9	247	23	41	3,135



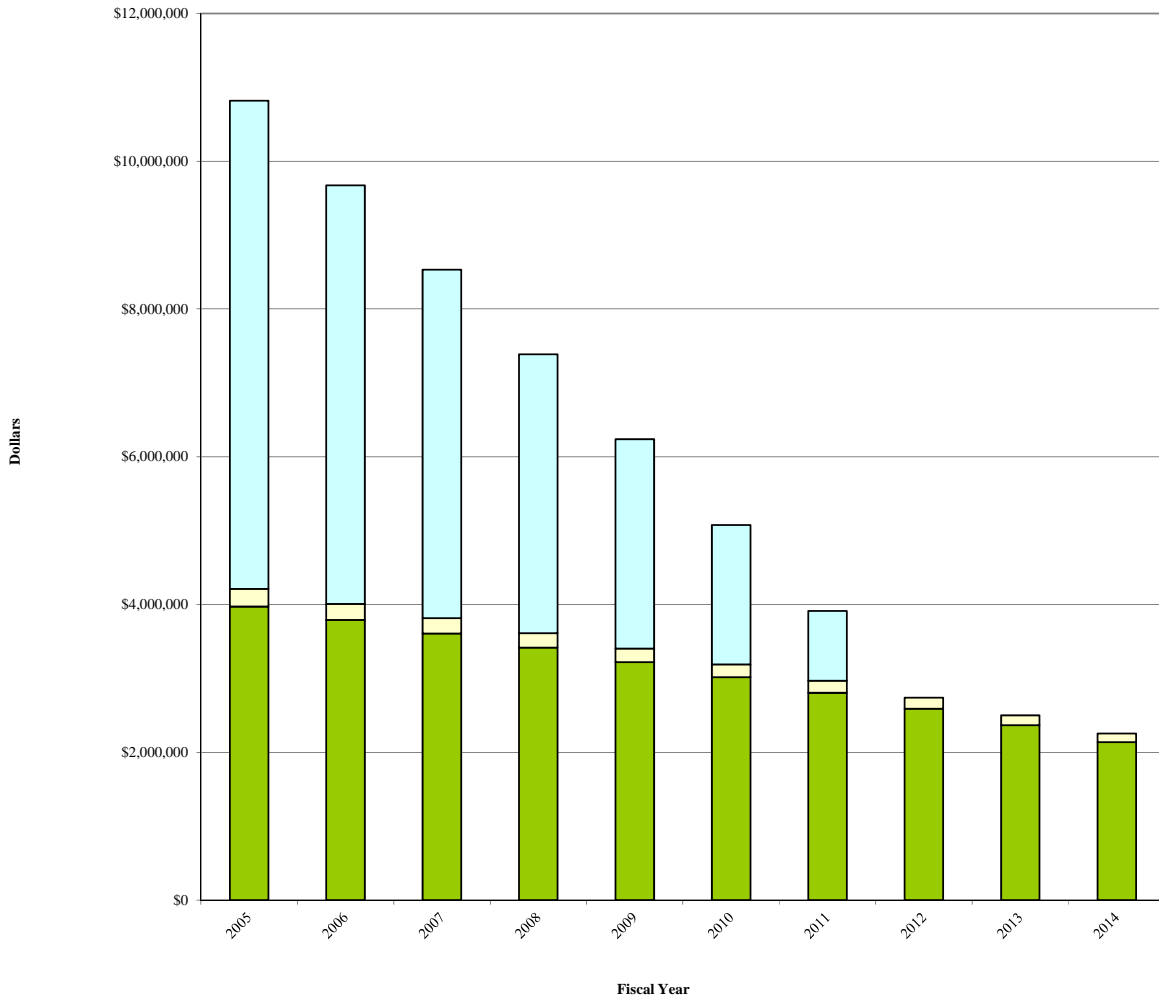
**Note:** Number of customers as of June 30 of fiscal year.

**Source:** Casitas Municipal Water District Accounting Department

## Casitas Municipal Water District Ratio of Outstanding Debt Last Ten Fiscal Years

### Schedule 7

Fiscal Year	Loans Payable	Bonds Payable	Note Payable	Total		
				Debt	Per Capita	As a Share of Personal Income
2005	\$ 3,973,120	240,500	6,605,522	10,819,142	15.11	0.05%
2006	3,792,883	217,500	5,661,876	9,672,259	13.49	0.05%
2007	3,608,238	207,500	4,718,230	8,533,968	11.68	0.04%
2008	3,417,845	196,500	3,774,584	7,388,929	9.96	0.03%
2009	3,220,825	185,500	2,830,938	6,237,263	8.28	0.01%
2010	3,017,650	173,500	1,887,292	5,078,442	6.57	0.01%
2011	2,807,893	161,500	943,646	3,913,039	5.02	0.01%
2012	2,591,520	148,500	-	2,740,020	3.46	0.01%
2013	2,367,787	134,500	-	2,502,287	3.12	0.01%
2014	2,136,978	120,500	-	2,257,478	2.78	0.01%



Source: Casitas Municipal Water District Accounting Department



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

**Schedule 8**

Fiscal Year	Net Revenues	Operating Expenses <sup>(1)</sup>	Net Available Revenues	Debt Service		Total	Coverage Ratio
				Principal	Interest		
2005	\$ 10,183,504	(8,378,443)	1,805,061	1,125,602	159,437	1,285,039	1.40
2006	13,990,227	(8,262,068)	5,728,159	1,132,484	131,650	1,264,134	4.53
2007	16,508,693	(10,289,724)	6,218,969	1,138,291	129,810	1,268,101	4.90
2008	17,231,300	(10,107,124)	7,124,176	1,145,039	124,805	1,269,844	5.61
2009	17,172,474	(12,382,370)	4,790,104	1,151,666	118,147	1,269,813	3.77
2010	15,605,715	(10,169,397)	5,436,318	1,158,821	107,098	1,265,919	4.29
2011	15,304,255	(9,614,381)	5,689,874	1,165,403	96,491	1,261,894	4.51
2012	15,717,774	(10,948,207)	4,769,567	237,733	89,085	326,818	14.59
2013	15,752,090	(11,998,166)	3,753,924	244,809	81,334	326,143	11.51
2014	18,020,107	(12,234,997)	5,785,110	253,286	73,157	326,443	17.72

**Notes:**

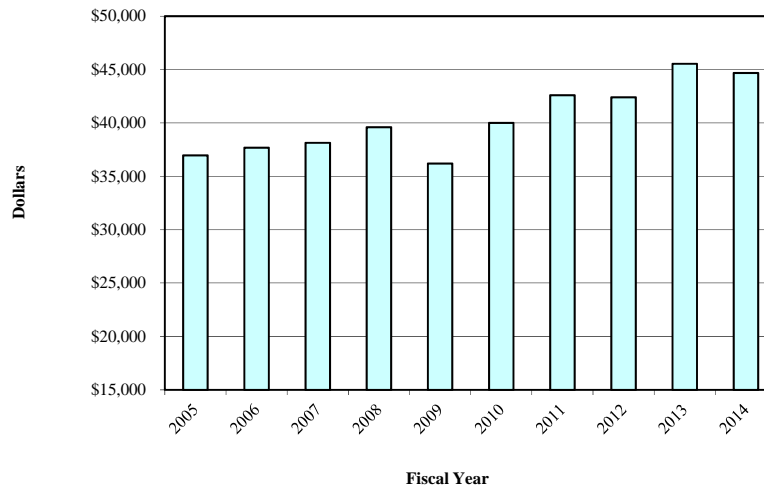
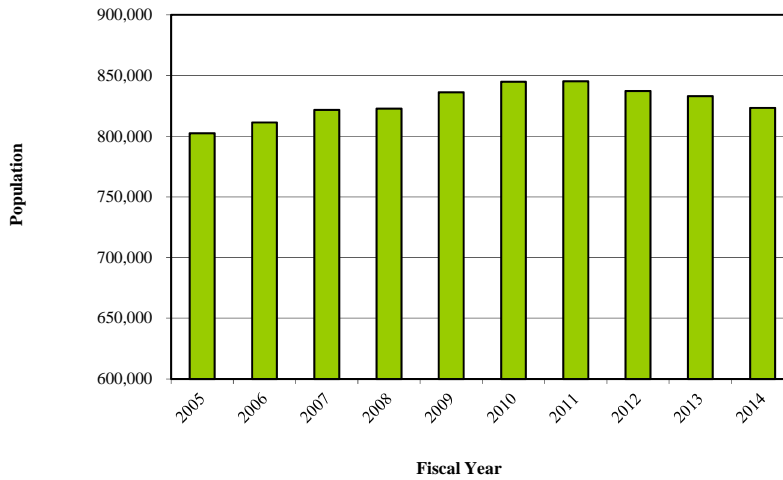
(1) Operating expenses exclude depreciation expense and OPEB accrued liability amount.

**Source:** Casitas Municipal Water District Accounting Department

**Casitas Municipal Water District  
Demographics and Economics Statistics – County of Ventura<sup>(1)</sup>  
Last Ten Fiscal Years**

**Schedule 9**

Year	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2005	4.6%	802,436	29,666,223	36,970
2006	4.6%	811,405	30,568,744	37,674
2007	4.3%	821,669	31,332,963	38,133
2008	4.6%	822,654	32,564,897	39,585
2009	9.2%	836,080	30,258,987	36,191
2010	10.0%	844,713	33,800,000	40,014
2011	11.0%	845,222	36,000,000	42,592
2012	9.2%	837,145	35,500,000	42,406
2013	7.4%	832,970	37,925,000	45,530
2014	6.2%	823,318	36,775,000	44,667



**Sources:** California Department of Finance and CaliforniaLaborMarketInfo

**Notes:**

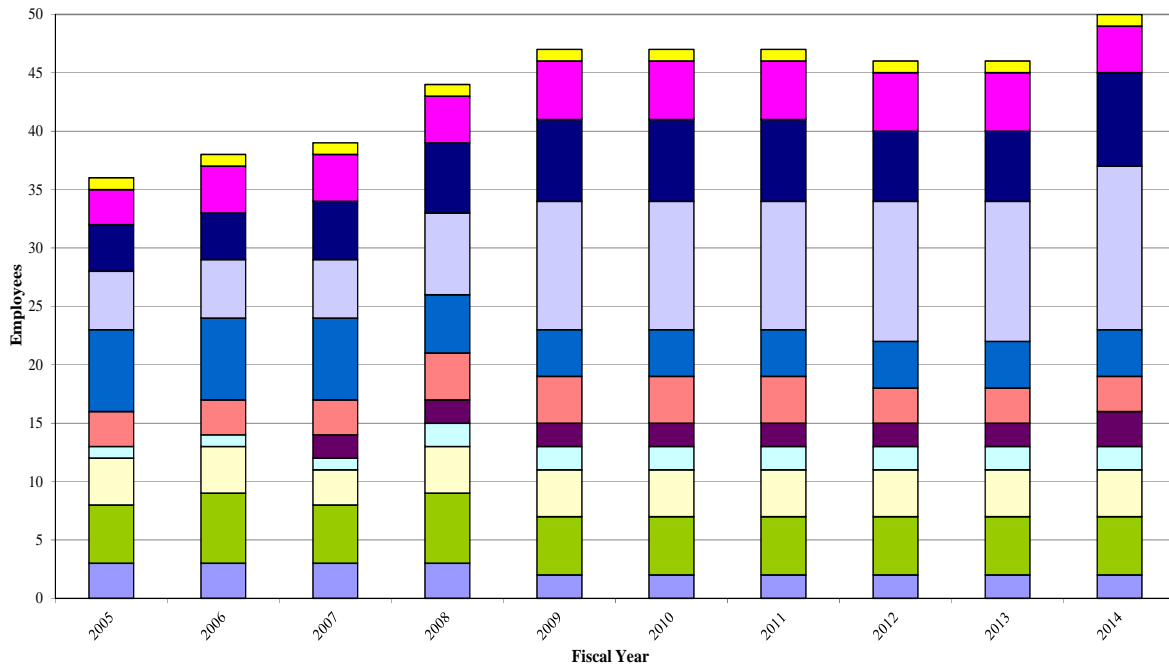
(1) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District.

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

Schedule 10

Paid - Full Time Positions

Department	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Management	3	3	3	3	2	2	2	2	2	2
Administration	5	6	5	6	5	5	5	5	5	5
Engineering	4	4	3	4	4	4	4	4	4	4
Water Quality Lab	1	1	1	2	2	2	2	2	2	2
Fisheries	0	0	2	2	2	2	2	2	2	3
Electrical and Mechanical	3	3	3	4	4	4	4	3	3	3
Distribution	7	7	7	5	4	4	4	4	4	4
Conservation and Treatment	5	5	5	7	11	11	11	12	12	14
Information Technology	1	1	1	1	1	1	1	1	1	1
Recreation Operations	4	4	5	6	7	7	7	6	6	8
Recreation Maintenance	3	4	4	4	5	5	5	5	5	4
<b>Total</b>	<b>36</b>	<b>38</b>	<b>39</b>	<b>44</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>46</b>	<b>46</b>	<b>50</b>



### Other Operating and Capacity Indicators

Fiscal Year	Miles of Pipeline	Lake Storage Capacity (AF)	Lake Level at Year-End (AF)	Percentage of Lake Capacity	Daily System Capacity (MGD)
2005	105.7	254,000	230,891	90.9%	65
2006	105.7	254,000	229,546	90.4%	65
2007	105.7	254,000	221,174	87.1%	65
2008	105.7	254,000	222,528	87.6%	65
2009	105.7	254,000	199,851	78.7%	65
2010	105.7	254,000	194,405	76.5%	65
2011	105.7	254,000	218,328	86.0%	65
2012	105.7	254,000	197,199	77.6%	65
2013	105.7	254,000	171,748	67.6%	65
2014	105.7	254,000	145,253	57.2%	65

N/A - Data not available for these years

AF - Acre Feet

MGD - Millions of Gallons per Day

**Sources:** Casitas Municipal Water District Operations and Accounting Departments

# **Report on Internal Controls and Compliance**





Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

6081 Orange Avenue  
Cypress, California 90630  
(714) 527-1818  
(562) 598-6565  
FAX (714) 527-9154  
EMAIL [czfco@czfcpa.com](mailto:czfco@czfcpa.com)  
WEB [www.czfcpa.com](http://www.czfcpa.com)

## **Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Casitas Municipal Water District  
Oak View, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Casitas Municipal Water District (District) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated October 31, 2014.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

**Independent Auditor's Report on Internal Controls Over Financial Reporting  
And on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, (continued)**

**Purpose of this Report**

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

**Charles Z. Fedak and Company, CPAs – An Accountancy Corporation**  
Cypress, California  
October 31, 2014

---

---

**CASITAS MUNICIPAL WATER DISTRICT  
INTEROFFICE MEMORANDUM**

---

---

**TO:** Board of Directors  
**FROM:** Steve Wickstrum, General Manager  
**SUBJECT:** Supersede Resolution No. 14-16, Approving A Contract Between The United States And The Casitas Municipal Water District For The Repayment Of Funds Expended For The Federally Performed Safety Of Dams Act Modification Program At The Casitas Dam And Reservoir.  
**DATE:** November 21, 2014

---

**RECOMMENDATION:**

It is recommended that the Board of Directors supersede Resolution No. 14-16 with Resolution No. 14-28.

**BACKGROUND AND DISCUSSION:**

Due to needed changes to the wording of Resolution No. 14-16 which authorized the signing of the Contract between Casitas and the Bureau of Reclamation, counsel has advised that the Board should supersede Resolution 14-16 and reauthorize the signing of the contract through resolution No. 14-28. This action is needed to move forward with the validation of the contract.

If you have any question in this regard, please ask counsel.



CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 14-28

RESOLUTION APPROVING A CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE CASITAS MUNICIPAL WATER DISTRICT FOR THE REPAYMENT OF FUNDS EXPENDED FOR THE FEDERALLY PERFORMED SAFETY OF DAMS ACT MODIFICATION PROGRAM AT THE CASITAS DAM AND RESERVOIR AND AUTHORIZATION OF EXECUTION OF SAID CONTRACT BY CASITAS MUNICIPAL WATER DISTRICT.

WHEREAS, the United States of America acting by and through the Regional Director, Mid-Pacific Region, Bureau of Reclamation (Reclamation), has substantially completed the Casitas Dam Modification under the authority of the Reclamation Safety of Dams Act (SOD Act), as amended; and

WHEREAS, the SOD Act provides for certain project costs incurred by the United States be reimbursed by the local water agency acting under Reclamation contract for the project purposes; and

WHEREAS, the Parties have negotiated in good faith a contract for the repayment of reimbursable costs for the Casitas Dam Modification Project, and Reclamation has transmitted an executed contract to Casitas Municipal Water District,

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water District that the President of the Board is hereby reauthorized to execute the Repayment Contract No. 8-07-20-W1531 providing for the repayment of Safety of Dams Modification Costs – Ventura River Project, California.

RESOLVED FURTHER, that this Resolution supercedes Resolution No. 14-16.

ADOPTED this 26<sup>th</sup> day of November, 2014.

\_\_\_\_\_  
Bill Hicks, President  
Casitas Municipal Water District

ATTEST:

\_\_\_\_\_  
Peter Kaiser, Secretary  
Casitas Municipal Water District

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 14-16

RESOLUTION APPROVING A CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE CASITAS MUNICIPAL WATER DISTRICT FOR THE REPAYMENT OF FUNDS EXPENDED FOR THE FEDERALLY PERFORMED SAFETY OF DAMS ACT MODIFICATION PROGRAM AT THE CASITAS DAM AND RESERVOIR.


WHEREAS, the United States of America acting by and through the Regional Director, Mid-Pacific Region, Bureau of Reclamation (Reclamation), has substantially completed the Casitas Dam Modification under the authority of the Reclamation Safety of Dams Act (SOD Act), as amended; and

WHEREAS, the SOD Act provides for certain project costs incurred by the United States be reimbursed by the local water agency acting under Reclamation contract for the project purposes; and

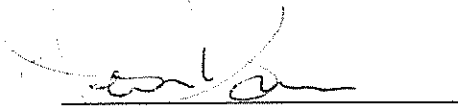
WHEREAS, the Parties have negotiated in good faith a contract for the repayment of reimbursable costs for the Casitas Dam Modification Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water District that the President of the Board is hereby authorized to execute the Repayment Contract No. 8-07-20-W1531 providing for the repayment of Safety of Dams Modification Costs – Ventura River Project, California.

ADOPTED this 13<sup>th</sup> day of August, 2014.

  
Bill Hicks, President  
Casitas Municipal Water District

ATTEST:

  
Pete Kaiser, Secretary  
Casitas Municipal Water District

---

---

CASITAS MUNICIPAL WATER DISTRICT  
INTEROFFICE MEMORANDUM

---

---

**TO:** STEVE WICKSTRUM, GENERAL MANAGER  
**FROM:** NEIL COLE, CIVIL ENGINEER  
**SUBJECT:** ADOPT RESOLUTION TO HOLD THREE PUBLIC HEARINGS TO ADOPT THREE PROPOSED MITIGATED NEGATIVE DECLARATIONS  
**DATE:** NOVEMBER 18, 2014

---

**RECOMMENDATION:**

It is recommended that the Board of Directors

1. Adopt the resolution to hold the public hearing on January 28, 2015 at the regular Board meeting to receive comments on the proposed Mitigated Negative Declaration for the Aeration Improvements at Lake Casitas project.
2. Adopt the resolution to hold the public hearing on January 28, 2015 at the regular Board meeting to receive comments on the proposed Mitigated Negative for the Santa Ana Launch Ramp Extension.
3. Adopt the resolution to hold the public hearing on January 28, 2015 at the regular Board meeting to receive comments on the proposed Mitigated Negative Lake Casitas Shoreline Vegetation Removal project.

**BACKGROUND AND DISCUSSION:**

On November 17, 2014 the public comment period began for three proposed mitigated negative declarations. The public comment period will end on December 9, 2014. All three proposed mitigated negative declarations were submitted to the State Clearinghouse for distribution. The Notice of Availability, Mitigated Negative Declaration and Notice of Completion were posted on Casitas' web site. Each project is described below:

Aeration Improvements at Lake Casitas will construct a system to inject oxygen into the lake water at various depths. This will increase the dissolved oxygen level in the lower areas of the lake without mixing the lake water. The increased dissolved oxygen levels will improve water quality in the lower lake elevations and provide a wider range of elevations to draw water from to avoid taste and odor issues. The project consists of installing a liquid oxygen storage tank and vaporizers on the vista point and running pipes and hoses into the lake.

Santa Ana Launch Ramp will add approximately 16,200 square feet of concrete to the lower end of the existing Ramp 1, adjacent to the Boat Rental facility.

Lake Casitas Shoreline Vegetation Removal Project will remove vegetation from the full lake level to the within 10 feet of the current shoreline in the North and eastern portions of the lake. The goal is to reduce the organic loading in the lake and thereby reduce algae bloom and improve water quality.

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION SETTING THE TIME AND PLACE FOR A PUBLIC HEARING TO  
RECEIVE COMMENTS FOR THE AERATION IMPROVEMENTS AT LAKE CASITAS

WHEREAS, the Casitas Municipal Water District is proposing to construct a hypolimnetic aeration system for Lake Casitas; and

WHEREAS, the proposed hypolimnetic aeration system will be constructed at the Vista Point with pipelines and hoses extending from the Vista Point into the lake; and

WHEREAS, Casitas desires to hold a public hearing to provide an opportunity for the public to comment on the proposed mitigated negative declaration.

NOW, THEREFORE, BE IT RESOLVED by the Casitas Municipal Water District that Casitas' Board of Directors set the time and place for the public hearing to be January 28, 2015 at the regularly scheduled board meeting to be held at 3:00 p.m. and that the Clerk of the Board is hereby directed to give notice of said hearing as required by law.

ADOPTED this 26th day of November, 2014.

---

President, Casitas  
Municipal Water District

ATTEST:

---

Secretary, Casitas  
Municipal Water District

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION SETTING THE TIME AND PLACE FOR A PUBLIC HEARING TO  
RECEIVE COMMENTS FOR THE SANTA ANA LAUNCH RAMP EXTENSION

WHEREAS, the Casitas Municipal Water District is proposing to construct a concrete extension to Santa Ana Ramp No. 1 at Lake Casitas; and

WHEREAS, Casitas desires to hold a public hearing to provide an opportunity for the public to comment on the proposed mitigated negative declaration.

NOW, THEREFORE, BE IT RESOLVED by the Casitas Municipal Water District that Casitas' Board of Directors set the time and place for the public hearing to be January 28, 2015 at the regularly scheduled board meeting to be held at 3:00 p.m. and that the Clerk of the Board is hereby directed to give notice of said hearing as required by law.

ADOPTED this 26th day of November, 2014.

---

President, Casitas  
Municipal Water District

ATTEST:

---

Secretary, Casitas  
Municipal Water District

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION SETTING THE TIME AND PLACE FOR A PUBLIC HEARING TO  
RECEIVE COMMENTS FOR THE LAKE CASITAS SHORELINE VEGETATION  
REMOVAL

WHEREAS, the Casitas Municipal Water District is proposing to remove vegetation from the northern and eastern shoreline of Lake Casitas; and

WHEREAS, the proposed vegetation removal will reduce the organic loading in the lake water once the water level increases; and

WHEREAS, Casitas desires to hold a public hearing to provide an opportunity for the public to comment on the proposed mitigated negative declaration.

NOW, THEREFORE, BE IT RESOLVED by the Casitas Municipal Water District that Casitas' Board of Directors set the time and place for the public hearing to be January 28, 2015 at the regularly scheduled board meeting to be held at 3:00 p.m. and that the Clerk of the Board is hereby directed to give notice of said hearing as required by law.

ADOPTED this 26th day of November, 2014.

---

President, Casitas  
Municipal Water District

ATTEST:

---

Secretary, Casitas  
Municipal Water District

**CASITAS MUNICIPAL WATER DISTRICT**

**MINUTES**  
**Water Resources Committee**

DATE: November 21, 2014  
TO: Board of Directors  
FROM: General Manager, Steve Wickstrum  
Re: Water Resources Committee Meeting of November 17, 2014

**RECOMMENDATION:**

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

**BACKGROUND AND OVERVIEW:**

1. **Roll Call.**  
Director Pete Kaiser and Director Russ Baggerly  
General Manager, Steve Wickstrum  
Public: Jim Kentosh, Director, Meiners Oaks Water District
2. **Public comments.**  
Mr. Kentosh stated that Meiners Oaks Water District is now 100 percent on Casitas for its water supply.
3. **Board Comments**  
Director Kaiser inquired about the recent sprouting of tamarisk along the northeast shoreline of Lake Casitas and asked for a plan to remove the invasive plant material.  
  
Director Baggerly commented on the City of Ojai proposal for a well moratorium.
4. **Manager Comments.**  
The General Manager informed the Committee that Susan McMahon attended the NALM conference where she heard and met consultants regarding quagga mussel. The City of Ventura is going to discuss a water service moratorium at its council meeting. CBS 60 Minutes had an interesting article on groundwater pumping in the California central valley, and advised watching this article.
5. **Update on Water Shortage Contingency Plan.**  
The General Manager informed the Committee that after the review by district counsel it was recommended to make changes to the approach of the plan and consult on water rates. The Committee discussed having a rate study performed and establishing the method for introducing the Plan to the Board and public.
6. **Inquiry to Casitas from parties interested in selling/developing local water wells.**  
The General Manager informed the Committee that he has received two inquiries that involved either the proposal to sell a well to Casitas or to consider Casitas' interest in developing water well infrastructure.
7. **Discussion regarding the Lake Casitas Vegetation Management.**  
The Committee was informed that staff has prepared a CEQA Mitigated negative Declaration to address the removal of vegetation that has grown along the receding shoreline of Lake Casitas. This removal would also include the tamarisk noted earlier by Director Kaiser. Staff will ask the Board to set a public hearing date to consider the public and agency input received on the proposed project.

8. **Discussion regarding Water Conservation status.**

Mr. Merckling reported on current water sales trends, grants to support water conservation efforts, and efforts by staff to assist the customers of the District. The Committee also discussed the approaching effort to develop the 2015 Urban Water Management Plan.



**CASITAS MUNICIPAL WATER DISTRICT**

**MINUTES**  
**Finance Committee**

DATE: November 27, 2014  
TO: Board of Directors  
FROM: General Manager, Steve Wickstrum  
Re: Committee Meeting of November 27, 2014, at 0930 hours

**RECOMMENDATION:**

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

**BACKGROUND AND OVERVIEW:**

1. **Roll Call.**  
Director Mary Bergen and Director Jim Word  
General Manager, Steve Wickstrum  
Accounting Manager, Denise Collin  
Paul Kaymark, Auditor, Charles Z. Fedak & Company  
Jack and Mattie Oehmke, Morgan Stanley
2. **Public comments.** None.
3. **Board/Management comments.** None.
4. **Presentation by Morgan Stanley regarding Investment of District Funds.**  
Mr. Jack Oehmke presented an overview of the investments by Casitas. One recent change was to liquidate the 10-year certificates of deposits due to restrictions that are in place in Government Code 53601(i) that limits the terms of CDs to five years. Mr. Oehmke will present the investment review to the Board of Directors during the meeting on November 26, 2014.
5. **Presentation by Charles Z. Fedak, LLC regarding the 2013/2014 Comprehensive Annual Financial Report (CAFR).**  
Mr. Paul Kaymark presented the auditor's independent report, the draft CAFR, for discussion during the committee meeting. The Committee was made aware of future financial reporting requirements and liabilities, such as CalPERS contribution rate changes that will be required in future years. Mr Kaymark will present the final CAFR to the Board of Directors during the meeting on November 26, 2014.
6. **Review of the Financial Statement for September 2014.**  
The Committee reviewed the district's revenues, interest gains, expenditures, and salaries and overtime expenditures in various budgets. Director Bergen noted that the Recreation Operations overtime in the last period exceeded the annual budget, and that this should be addressed during the FY 15/16 Budget development.
7. **Review of the Water Consumption for September 2014.**  
The Committee reviewed the water consumption numbers for the current fiscal year through August 2014. There are notable increases in water sales to the resale classification that are primarily influenced by the lack of rainfall and groundwater replenishment.

8. **Review of Claire & Reid Bowman's request for Leak Relief in the amount of \$744.99.**  
The Accounting Manager has received and considered a request for leak relief. The leak has been verified and corrected. The customers have complied with the requirements to qualify for leak relief consideration. The amount of the relief is above the authority of staff. This item is to be moved forward to the Board of Directors for a final consideration.
9. **Review of Ralph Begley's request for Leak Relief in the amount of \$682.25.**  
The Accounting Manager has received and considered a request for leak relief. The leak has been verified and corrected. The customers have complied with the requirements to qualify for leak relief consideration. The amount of the relief is above the authority of staff. This item is to be moved forward to the Board of Directors for a final consideration.
10. **Discussion regarding ramp and sidewalk repairs at main office.**  
The General Manager presented that staff has identified a safety and accessibility problem with the front sidewalk and handicap ramp that needs to be corrected as soon as possible. Staff has obtained bids to perform the work, with the lowest responsible bidder pricing the work at \$6,900. This cost is not a budgeted item, but given the safety hazards should be corrected immediately. The direction from the Committee is to move this bid proposal forward to the Board.
11. **Discussion regarding replacement of the ammonia storage tanks.**  
The General Manager presented that staff has identified a deterioration of the fiberglass tanks that store ammonia. Staff had an independent consultant evaluate the condition of the tanks that has resulted in a recommendation to replace the tanks as soon as possible. Staff are proceeding with the bid proposals for three types of tanks (fiberglass, steel and stainless steel) to replace the existing tanks. Upon successful receipt of the bids and selection of the tank material, staff desire to move the bid proposal forward to the Board. The replacement of the tanks is not presently budgeted.
12. **Discussion regarding main office lighting replacement.**  
The General Manager presented that staff are proceeding with the bidding to replace the lighting system in the district's main office. The replacement of the lighting is in the FY 2014/15 capital budget. Staff will receive and evaluate bids, and bring the bid proposal to the Board at a later date.

**CASITAS MUNICIPAL WATER DISTRICT**

**MINUTES**  
**Personnel Committee**

DATE: November 19, 2014  
TO: Board of Directors  
FROM: Assistant to General Manager, Rebekah Vieira  
Re: Committee Meeting of November 10, 2014, at 4:30 p.m.

**RECOMMENDATION:**

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

**BACKGROUND AND OVERVIEW:**

1. **Roll Call.**  
Director Russ Baggerly and Director Pete Kaiser  
General Manager, Steve Wickstrum  
Assistant to General Manager, Rebekah Vieira  
Carol Belser, Suzi Taylor
  
2. **Public comments.**  
Suzi Taylor brought the need for training under AB 2053 to the Board's attention and requested this be a topic at the next committee meeting. AB 2053 requires training include education on preventing abusive conduct in the workplace.  
  
Suzi Taylor also questioned the committee regarding a September 11<sup>th</sup> letter to the District Attorney from the District's General Counsel that she stated was not discussed at the Board level. This issue was to impose higher standards than the required 24 hours for a special meeting. The committee felt this did not need board action and that each Board member is informed of this issue.
  
3. **Board/Management comments.**  
Mr. Wickstrum informed the committee that a representative from the Employee Assistance Program was on site this morning to assist following the death of an employee this weekend.  
  
Director Baggerly questioned the plan for additional staffing and Mr. Wickstrum explained that it is in progress.
  
4. **Discussion regarding recruitments.**  
Candidates for the Operations and Maintenance Manager are being interviewed first with the hiring consultant. Interviews will be conducted in early December for final candidates.
  
5. **Discussion regarding potential modifications to the health savings account offered through WageWorks to allow for a carry-over of up to \$500.**  
Casitas offers full time employees the ability to participate in a health Flexible Spending Account administered through WageWorks to put aside money on a pre-tax basis to pay for unreimbursed medical expenses such as co-pays etc. Previously employees needed to be conservative on the amount they elected to put in this plan as it was considered a "use it or lose it" plan. Those rules have been amended and if an employer elects, employees are able to carry over \$500 into a new calendar year from funds withheld but unspent from their previous funds. Any amounts left in the plan in excess of \$500 are forfeited. There are no additional administrative fees per account to offer this feature. The Committee recommended forwarding this to the board for approval.

6. **Discussion regarding the need to reschedule or cancel the December Personnel Committee.**  
A request was received from Director Baggerly to re-schedule the meeting as he would not be available on December 8<sup>th</sup>. Because of difficult schedules in December it was suggested that the committee be cancelled.

The meeting was adjourned at 4:50 p.m.

---

---

**INTEROFFICE MEMORANDUM**

---

---

**TO:** STEVE WICKSTRUM  
**FROM:** SUSAN MCMAHON  
**SUBJECT:** NALMS CONFERENCE  
**DATE:** NOVEMBER 21, 2014  
**CC:** REBEKAH VIEIRA

---

I participated in the North American Lake Management Society (NALMS) conference last week. Twenty-four different information-packed sessions were attended, plus a tour of a reservoir with hypolimnetic aeration. Following are notes from some of the more valuable sessions that I attended:

**Evaluation of Copper based Aquatic Herbicides for Potential Control of Quagga and Zebra Mussels**

Water systems that have been colonized by quagga and zebra mussels often use copper based chemicals for algae control. The objective of this project was to determine the collateral damage these chemicals have on mussel populations, when the primary use of that chemical is for algae control.

Several herbicides were studied: copper sulfate, two copper chelated formulations and one liquid formulation. There were different responses to the chemicals depending upon whether they were used against quagga or zebra mussels. The quagga mussels are more sensitive to copper sulfate. Mortality of the quagga mussels after a 96 hour exposure to a 0.5 ppm (equivalent as copper) of each of the different herbicides was above 90 %.

Casitas normally applies copper at a dose rate similar to the study (0.5-0.7 ppm) to the shoreline area. However, the copper does not remain in the treatment area, and is mixed into the entire lake, with the resulting theoretical dose rate of 0.0025-0.0029 ppm after mixing. Of interest, because it is difficult to apply copper sulfate at a consistent dose rate for a period of 96 hours in a lake, is a different portion of the study involving delayed post exposure mortality of quagga mussels following short exposure to copper sulfate.

To accomplish this simulation, bags of mussels were placed in a drum containing the herbicide being tested, and removed after 8 and 12 hours. They were rinsed and placed in flow-through recovery coolers. They were examined every 12 hours until the 36-hour recovery time was reached following the longest exposure (12 hours), a total of 48 hours. There was no post exposure mortality of quagga mussels detected following short exposure to copper sulfate. Other herbicides were studied, but it seems that for quaggas none of them achieved mortality higher than 15% following short term exposure. However, more research needs to be done and another product may work better for us if we wanted to accomplish algae and mussel control at the same time with the same chemical. According to this study, copper-based algacides would work well for managing mussel infestations, but any method of managing mussels in a large reservoir is going to be costly. Copper sulfate is relatively inexpensive compared to the other products tested. For quagga mussels, copper sulfate is an obvious choice due to effectiveness and low cost. It is interesting to note that the mussels exposed

to copper keep filtering it into their bodies, instead of closing up like they do when exposed to sodium hypochlorite.

Also discussed in the literature was a lake-wide application of copper sulfate crystals to a lake in Nebraska during 2008, in an attempt to eradicate zebra mussels. It was applied at a rate of 1 ppm, and was considered effective for controlling zebra mussels. However, some fish mortality was observed following the treatment. It has been speculated that if copper sulfate was applied as granules or crystals, it would sink to the bottom of the treated water body where the majority of mussels are found. This type of application would allow the treatment to take effect over a longer period of time, as the granules dissolved. A very high mortality of adult mussels is likely to be achieved, but needs to be balanced with other environmental effects.

### **Invasive Zebra Mussels in Otsego Lake, New York**

This study found that even if there are no significant differences in density (counts) of mussels living in different habitats, there are differences in the biomass of the individual creatures. Mussels in shallow habitats on hard substrate have a greater biomass than mussels that are attached in deep or sediment covered areas. Invasive mussels were described as ecosystem engineers. They compete with zooplankton for food and release nitrogenous by-products which provide fuel for algal blooms. This all contributed to Toledo Water having to shut down for several days because of cyanobacteria (blue-green algae) problems. This study added to the knowledge base of mussel abundance and distribution.

### **Managing Massachusetts' Only Zebra Mussel Lake**

This particular lake has the option of using annual water level drawdowns to manage and reduce mussel populations. The technique has worked well, but would probably work better if aquatic plants were eradicated because they provide moist habitat that protects the mussels during drawdown.

### **Efficacy and Exposure Impacts of Zequanox for Controlling Zebra Mussels Adhering to Native Mussels in Midwestern Lakes**

Quagga and zebra mussels can adhere to native mussels, causing reductions in the native population. In an attempt to restore native mussel beds, this project evaluated the use of Zequanox as a means of controlling zebra mussels that are adhered to native Unionid mussels. A reduction of 68% in adhering zebra mussels was observed, with little deleterious effect on the native mussels. The invasive mussels use the Zequanox as a food source, and continue to feed after application as opposed to shutting down like they do when exposed to chlorine. Zequanox has not exhibited toxicity to other organisms. Normally Zequanox is not used for an entire lake treatment; it is used for integrated pest management in "high value areas" such as boat docks. Other methods of application are being investigated such as subsurface benthic treatment, and it is possible that pumping chemical to the bottom or application as a shoreline treatment might be effective.

### **An Engineered switch from Eutrophic to Meso-/Oligo-Trophic State in a Large Californian Reservoir**

This project documented the rapid and long term improvement of Comanche Reservoir following the installation of a hypolimnetic oxygenation system (Speece cone) in 1993. Oxygenation suppressed internal nutrient loading of phosphorous, chlorophyll (algae) levels dropped, and Secchi depths

(clarity) increased. Blooms of cyanobacteria (blue-green algae) decreased by over 93-99% in the long term. After applying hypolimnetic oxygenation for twenty-one years, the system is using 75% less oxygen. Other reservoirs have documented changes that took more time to reach the level of improvement noted in this project, possibly because of higher starting levels of organic material.

### **Quantifying Decreased Oxygen Demand Following Several Years of Oxygenation**

Low oxygen conditions commonly occur in the bottom of thermally stratified lakes. Hypolimnetic oxygenation systems improve water quality by increasing dissolved oxygen and distributing it through circulation and mixing throughout the lower depths of the lake. Initially, the addition of oxygen can result in accelerated oxygen depletion because of oxygen debt accumulated in the sediments. However the long term (5-14 years) effects of hypolimnetic oxygenation result in decreases of oxygen demand and decreased need for oxygen resulting in improved water quality over time. It was noted that if the system is turned on year-round, the oxygen demand decreased dramatically as opposed to turn off/turn on and try to catch up. At the end of the study the new background oxygen demand was less than 50% of when they started. If the water body is high in organic material it may take more time to see decreases in oxygen demand.

### **Small Scale Hypolimnetic Oxygenation: A Pilot Study within a Hypereutrophic Lake in Central Minnesota, USA**

This study investigated the efficacy of a small-scale side-stream, hypolimnetic oxygenation system. Oxygenation did not correct the hypoxia. Oxidized (ferric) iron fouled small apertures in the system and compromised delivery of oxygen supersaturated water back into the hypolimnion. However, the change in redox potential resulted in water quality improvements.

### **Layer Aeration: A 30-Year Review of Principles and Practice**

Layer Aeration is an artificial circulation technique that mixes discrete layers of the lake with the goal of improving water quality. Oxygen produced by photosynthesis in the upper layers is mixed into the lower layers resulting in water quality benefits.

### **Cyanobacteria Blooms: Causes, Consequences, In-Lake Controls**

Cyanobacteria (blue-green algae) can produce toxins and cause taste/odor problems. Cyanobacteria have a competitive advantage for many reasons. Some of these reasons include: slow growth and grazing rate, preference for higher temperatures, presence of gas vesicles which provide buoyancy to allow the use phosphate from the bottom plus the ability to move up to photic zone for photosynthesis, the ability to fix nitrogen from the air (requires a lot of energy), and planktonic grazers prefer not to use cyanobacteria as a food source. Cyanobacteria can be grouped in different “eco-strategist categories” according to different environmental conditions such as nitrogen phosphorous ratio, grazing rate, light penetration etc. There are a variety of lake management approaches for handling cyanobacteria which key on the environmental conditions which stimulate growth of cyanobacteria. A summary of the different methods was presented.

### **Response of Algal Community in Boulder Basin, Lake Mead to the Introduction of Quagga Mussels and Reduced Water Levels**

Algal data were analyzed in Lake Mead to determine that the introduction of quagga and zebra mussels produced a shift toward cyanobacteria (blue-green algae). Ecosystem changes relating to zooplankton food supply have been associated with this shift because cyanobacteria tend to eat the same food as zooplankton. Severe cyanobacteria blooms have been noted in the Great Lakes since the introduction of invasive mussels. Quagga mussels have been replacing the zebra mussels over time. The presence of quagga mussels correlates with an increase in toxin producing cyanobacteria such as *Microcystis*.

### **Bubble Plume Design and Operation Experience**

Different types of bubble plumes can be applied to various applications in reservoirs including destratification, aeration, hypolimnetic oxygenation etc. The basics of how bubble plumes work was presented, including modeling, design and operation of diffuser systems for the achievement of specific results.

### **Comparison of Methods for Quantifying Stratification**

There are numerous methods available for quantifying the magnitude of stratification in a reservoir. Some of these methods were presented along with the strengths, weaknesses and data requirements. The information is also useful for determining how well an aeration system is working. The particular lake used for this project demonstrated the typical delayed response after starting hypolimnetic oxygenation, and the difficulty of “catching up” to desired oxygen levels if the system is turned off for repairs or maintenance.

### **Speece Cone vs Line Diffuser; Full-Scale Study to Track Oxygen Distribution over Sediments and Throughout the Water Column**

Two comparable lakes were studied after applying oxygen in the form of a Speece cone to one, and hypolimnetic oxygenation to the other. The study will be redone next year because of problems in the oxygen delivery system. It was noted that it is difficult to reach target levels of dissolved oxygen if the systems are turned off temporarily, and the importance of starting oxygenation before stratification is in place. There was some discussion of using environmental triggers to determine when to start the system, and modeling to adjust the oxygen flow rate according to the data. Monitoring seems to be the weak point with water utilities, and it is good to have rapid feedback systems in place to respond to environmental conditions.



**CASITAS MUNICIPAL WATER DISTRICT  
TREASURER'S MONTHLY REPORT OF INVESTMENTS  
11/19/14**

Type of Invest	Institution	CUSIP	Date of Maturity	Adjusted Cost	Current Mkt Value	Rate of Interest	Date of Deposit	% of Portfolio	Days to Maturity
*TB	Federal Home Loan Bank	313379EE5	06/14/2019	\$1,379,967	\$1,343,777	1.625%	10/03/2012	8.30%	1645
*TB	Federal Home Loan Bank	313379RN1	12/27/2024	\$978,364	\$988,304	3.027%	06/18/2014	6.10%	3638
*TB	Federal Home Loan Bank	3133802D8	11/23/2022	\$1,477,575	\$1,474,560	2.400%	11/19/2014	9.10%	2884
*TB	Federal Home Loan Bank	313380A98	08/14/2024	\$126,966	\$127,098	2.500%	07/03/2014	0.78%	3505
*TB	Federal Home Loan Bank	313380S73	10/11/2022	\$699,720	\$678,475	2.430%	08/11/2014	4.19%	2842
*TB	Federal Home Loan Bank	313381ST3	01/17/2023	\$250,346	\$247,200	1.500%	09/08/2014	1.53%	2938
*TB	Federal Home Loan Bank	313381TA3	01/17/2023	\$277,619	\$273,563	2.240%	09/08/2014	1.69%	2938
*TB	Federal Farm CR Bank	3133EAZM3	07/24/2023	\$1,658,682	\$1,680,827	2.380%	09/16/2014	10.38%	3125
*TB	Federal Home Loan Bank	3133XFKF2	06/11/2021	\$704,776	\$675,399	5.625%	01/16/2013	4.17%	2362
*TB	Federal Home Loan Bank	3133XWNB10	06/12/2015	\$703,502	\$710,913	2.875%	07/01/2010	4.39%	203
*TB	Federal Home Loan Bank	3134A4VG60	11/17/2015	\$719,739	\$731,395	4.750%	07/19/2010	4.52%	358
*TB	Federal Home Loan MTG Corp	3134G43A4	10/30/2024	\$849,441	\$839,936	2.500%	07/03/2014	5.19%	3581
*TB	Federal Home Loan MTG Corp	3135G0ES80	11/15/2016	\$688,909	\$693,498	1.375%	03/12/2012	4.28%	716
*TB	Federal Home Loan MTG Corp	3137EABA60	11/17/2017	\$1,109,659	\$1,119,710	5.125%	01/03/2012	6.91%	1078
*TB	Federal Home Loan MTG Corp	3137EADB2	01/13/2022	\$682,503	\$668,987	2.375%	09/08/2014	4.13%	2574
*TB	US Treasury Inflation Index NTS	912828JE10	07/15/2018	\$1,151,481	\$1,174,345	1.375%	07/06/2010	7.25%	1316
*TB	US Treasury Notes	912828LZ10	11/30/2014	\$700,116	\$700,385	2.125%	07/01/2010	4.32%	11
*TB	US Treasury Inflation Index NTS	912828MF40	01/15/2020	\$1,136,181	\$1,173,192	1.375%	07/01/2010	7.24%	1856
*TB	US Treasury Bond	912828WE6	11/15/2023	\$769,628	\$796,977	2.613%	12/13/2013	4.92%	3236
Accrued Interest					\$97,412				
<b>Total in Gov't Sec. (11-00-1055-00&amp;1065)</b>				<b>\$16,065,173</b>	<b>\$16,195,952</b>			<b>88.14%</b>	
<b>Total Certificates of Deposit: (11.13506)</b>				<b>\$0</b>	<b>\$0</b>			<b>0.00%</b>	
**	<b>LAIF as of: (11-00-1050-00)</b>		N/A	<b>\$446</b>	<b>\$446</b>	0.23%	Estimated	<b>0.00%</b>	
***	<b>COVI as of: (11-00-1060-00)</b>		N/A	<b>\$2,179,758</b>	<b>\$2,179,758</b>	0.35%	Estimated	<b>11.86%</b>	
<b>TOTAL FUNDS INVESTED</b>				<b>\$18,245,376</b>	<b>\$18,376,155</b>			<b>100.00%</b>	
Total Funds Invested last report				\$18,213,628	\$18,366,015				
Total Funds Invested 1 Yr. Ago				\$18,140,154	\$18,396,955				
****	<b>CASH IN BANK (11-00-1000-00) EST.</b>			<b>\$5,071,542</b>	<b>\$5,071,542</b>				
	<b>CASH IN Western Asset Money Market</b>			<b>\$4,010</b>	<b>\$4,010</b>	0.01%			
<b>TOTAL CASH &amp; INVESTMENTS</b>				<b>\$23,320,928</b>	<b>\$23,451,707</b>				
TOTAL CASH & INVESTMENTS 1 YR AGO				\$20,177,423	\$20,434,224				

- \*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.