

DIRECTORS

Peter W. Hansen

Craig R. Kaihara

Thomas P. Vujovich, Jr.

John S. Broome

John D. Menne



PLEASANT VALLEY COUNTY WATER DISTRICT

PIONEER IN FOX CANYON AQUIFER CONSERVATION
SERVING AGRICULTURE SINCE 1956

154 S. LAS POSAS ROAD, CAMARILLO, CA 93010-8570

Phone: 805-482-2119

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STAFF

Jared L. Bouchard
General Manager

General Counsel
Arnold, Bleuel, LaRochelle,
Mathews & Zirbel, LLP

**PLEASANT VALLEY COUNTY WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Pleasant Valley County Water District Board of Directors will hold a **SPECIAL MEETING** at 10:00 a.m. on Tuesday, April 24, 2018, at the District Office located at 154 S. Las Posas Road, Camarillo, CA 93010-8570.

AGENDA

The agenda is posted at least 24 hours preceding the Board meeting, and contains all items on which Board action will be allowed pursuant to Government Code Section 54954.2. Action will be taken on unanticipated items only when an emergency (as defined in Section 54956.5) exists or as otherwise allowed under Section 54954.2(b).

An opportunity for members of the public to briefly address the Board on items not on the agenda is provided at the beginning and end of each meeting. Persons wishing to comment on agenda items should complete a speaker card and submit it (preferably before the meeting) to the Clerk. The Chairman will then recognize them at the appropriate time. Once recognized, persons should step to the podium, clearly state their name and address for the record, and address the item being considered in as brief, clear and concise a manner as possible.

OPEN SESSION AND CALL TO ORDER:

- 1) Pledge of allegiance.
- 2) Roll call.
- 3) Determination of quorum.
- 4) Approval of agenda.
- 5) Approval of Minute:

A. Thursday, January 11, 2018

- 6) Open Forum.

This is an opportunity for the public to address the Board on matters not appearing on the agenda. No action may be taken by the Board at this time, but items can be considered for placing on the agenda for a subsequent meeting.

7) ACTIONS ITEMS

- A. RATIFICATION OF CHECKS.** The Board will review and ratify checks issued and funds transferred since the Board of Directors meeting of Thursday, January 11, 2018

Recommendation: Approve

- B. RECEIVE PRESENTATION FY 18/19 BUDGET PRESENTATION FROM UNITED WATER CONSERVATION DISTRICT.**

Recommendation: Board action as appropriate

- C. CONSIDER ENGAGEMENT OF SOARES, SANDALL, BERNACCHI & PETROVICH, LLP. FOR CPA SERVICES TO THE DISTRICT.**

Recommendation: Authorize the General Manager to execute the agreement.

8) INFORMATION ITEMS:

- A. UPDATE ON THE OXNARD RECYCLED WATER PROJECT/SMP AND RECYCLED WATER PROJECTS.** The Staff will provide the Board with an update on the startup of the Salinity Management Pipeline for delivery of the Oxnard Recycled Water to Pleasant Valley and other potential recycled water projects.
- B. GMA UPDATE.** The staff will provide the Board of Directors with an update on actions that have been taken by the Fox Canyon Groundwater Management Agency.

9) GENERAL MANAGER COMMENTS.

10) OTHER BUSINESS.

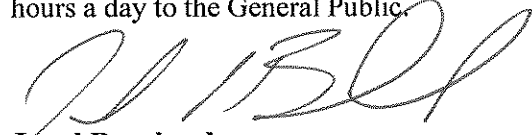
- 11) CLOSED SESSION.** It is the intention of the Pleasant Valley County Water District Board of Directors to be in closed session to consider the following items:

- A.** Conference with legal counsel-existing litigation Subdivision (a) of Section 54956.9, *California Government Code*. Name of case: *City of San Buenaventura v. United Water Conservation District and Board of Directors of United Water Conservation District*. Santa Barbara Superior Court Case Nos. VENCI 00401714 and 1414739.
- B.** Conference with legal counsel-potential/anticipated litigation. Subdivision (d) of Section 54956.9 of *California Government Code*. (One case)

12) ADJOURNMENT

In compliance with the Americans with Disabilities Act, all possible accommodations will be made for individuals with disabilities so they may attend and participate in meetings. If special assistance is needed, please call the Agency staff at (805) 482-2119 at least 24 hours prior to the meeting so proper arrangements may be assured. If requested, and as possible, agendas will be provided in alternative formats.

Agenda Posting Certification: This agenda was posted not less than 24 hours prior to the scheduled meeting date and time at 154 S. Las Posas Road Camarillo CA, 93010 in location that is accessible 24 hours a day to the General Public.

A handwritten signature in black ink, appearing to read 'J. Bouchard', written over a horizontal line.

Jared Bouchard
General Manager

MINUTES OF REGULAR MEETING OF THE
BOARD OF DIRECTORS
PLEASANT VALLEY COUNTY WATER DISTRICT HELD
Thursday January 11, 2018

Pursuant of notice duly given, a Regular Meeting of the Board of Directors of the Pleasant Valley County Water District was held on Thursday January 11, 2018, in the District headquarters facility, 154 South Las Posas Road, Camarillo, CA.

Call to Order

The meeting was called to order at 10:00 a.m. by President, Thomas P. Vujovich, Jr.

Agenda Item # 1 – Pledge of Allegiance was led by President Vujovich

Agenda Item # 2 – Roll Call

Attendance at the meeting was as follows:

Directors' Present: Thomas P. Vujovich, Jr., President
Craig Kaihara, Vice President
John Broome
Pete Hansen
John Menne

Staff Present: John Mathews, Attorney
Jared Bouchard, General Manger
Brian Cousino, Secretary/Treasurer
Azucena Sanchez, Administrative Secretary

Others Present: Jeanette Lombardo, State President California Women for Agriculture
Anthony Emmert, Deputy General Manager UWCD
Daniel Naumann, Director UWCD

Agenda Item # 3 – Determination of a Quorum

Quorum was established

Agenda Item # 4 – Approval of Agenda

It was moved by Director Kaihara to approve the agenda as presented: seconded by Director Menne, motioned passed unanimously.

Agenda Item # 5 – Approval of Minutes

Moved by Director Menne to approve the minutes of the special board meetings held October 10, 2017; seconded by Director Broome, motion passed unanimously.

Agenda Item # 6 – Open Forum Public Comment

Director Vujovich opened the public comment and invited representatives of United Water Conservation District (UWCD), Mr. Naumann and Mr. Emmert to address the Board. The UWCD representatives provided an update regarding UWCD efforts to secure a permit for Freeman Diversion Operations from National Marine Fisheries. Mr. Nauman and Mr. Emmert stated that three options for the modification of the fish ladder are being considered; rock ramp, vertical slot, or a notch. A short board discussion followed.

Ms. Lombardo to address the board. Ms. Lombardo updated the board on her work on keeping the coastal power plant open and the endangered species act (at a nation and state level. Finally Ms. Lombardo informed the board about the events of the last Fox Canyon GMA meeting. A short board discussion followed.

Agenda item # 7a – Election of Officers of the Board for 2018

Appointment of: Director Tommy P. Vujovich, Jr., President and Director Craig Kaihara, Vice President to PVCWD for the next three- year term. A short board discussion followed.

The above motion was passed by Director Broome seconded by Director Hansen; passed unanimously.

Agenda Item # 7b – Adoption of Board Meeting Calendar for 2018

It was moved by Director Broome, seconded by Director. Kaihara. Motion passed unanimously.

Agenda Item # 7c – Ratification of Checks

Director Menne asked about the payments made to The City of Oxnard, Mr. Bouchard explained that the payments were for the services received during the period September through November 2017.

It was moved by Director Broome to ratify the checks issued by the District, seconded by Director. Kaihara Motion passed unanimously and the list of checks ratified is appended to these minutes.

Agenda Item # 7d – Adoption of Resolution 18-01 Authorizing Salary Schedules for Pleasant Valley County Water District Employees from July 2014 to Current

Mr. Bouchard explained to the Board of Director the importance to adopt a Salary Schedule retroactive to 2014 stems from a requirement of CalPERS (California Public Employees Retirement System).

It was moved by Director Broome to adopt the Salary Schedule, seconded by Director Menne Motion passed unanimously.

Agenda Item # 7e – Approval of Draft Annual Audit For Fiscal Year Ending June 30, 2017

Mr. Cousino presented the Draft Annual Audit for Fiscal Year ending June 30, 2017. A short board discussion followed.

The above motion was passed by Director Kaihara seconded by Director Menne; passed unanimously.

Agenda Item # 7f – Consider Recycle Water Agreement with Camrosa Water District & Consider Amendment Agreement between Camrosa Water District and Pleasant Valley County Water District for the sale of water pursuant to State Water Resources Control Board Water Right Decision 1638

Mr. Bouchard provided an update. A board discussion followed. Director Vujovich moved to not approve the agreement in its current form and direct staff to continue negotiating the terms with Camrosa Water District. Motion was seconded by Director Menne. The motion passed 5-0

Agenda Item # 7g – Appointment of Azucena Sanchez as a Secretary of the Board.

Moved by Director Hansen second Director Menne; passed unanimously.

Agenda Item # 8a – Update on the Oxnard Recycled Water Project/SMP and Recycled Water Projects

Mr. Bouchard provided an update. A board discussion followed.

Agenda Item # 8c – GMA Update

Mr. Bouchard provided an update on the Draft Ground Water Sustainability Plan and the Oxnard Pleasant Valley User Groups interactions with GMA staff on the development of an agricultural allocation plan. A board discussion followed.

Agenda Item # 9 – General Manager Report

There was no report.

*After this Agenda Item Director Menne left the meeting around 12:15 p.m.

Agenda item # 10 – Other Business

There was no other business.

Minutes of Meeting
January 11, 2018

Agenda Item # 11 – Closed Session

The Board went into closed session per Government Code Sec 54956.9 (c) at 12:20 p.m. to conference with legal counsel on existing litigation. The Board came out of closed session at 12:35 p.m. District Counsel said

Agenda Item # 12 – Adjournment

The meeting was adjourned upon a motion duly made, seconded and carried unanimously at 12:36 p.m.

Respectfully Submitted:

Minutes Approval:

Azucena Sanchez, Secretary of the Board

Thomas P. Vujovich, Jr., President

DIRECTORS

Peter W. Hansen

Craig R. Kaihara

Thomas P. Vujovich, Jr.

John S. Broome

John D. Menne



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Mathews & Zirbel, LLP

April 24, 2018, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: RATIFICATION OF CHECKS 1/11/2018 – 4/24/2018

AGENDA ITEM: 7A

Attached is the list of the checks issued and funds transferred from January 11, 2018 through April 24, 2018 that show the expenses incurred during that period of time

Recommendation: Approve

Pleasant Valley County Water District
Check Listing by Bank Account
January 11 through April 24, 2018

CUB- Check ng	Type	Date	Num	Name	Memo	Amount
	Check	01/15/2018	6933	BONDY GROUNDWATER CONSULTING,	INV # 035-01	-1,530.53
	Check	01/15/2018	6934	Asbury Environmental Serv.	INV # 282801	-35.00
	Check	01/15/2018	6935	FGL Environmental	INV # 714351A	-145.00
	Check	01/15/2018	EFT	AT&T Mobility	BILL CYCLE DATE: 11/19/17 - 12/18/17	-158.66
	Check	01/15/2018	6936	Chevron Card Services	INV# 52124601 PERIOD: 11/22/17 - 12/21/17	-622.00
	Check	01/15/2018	6937	FRONTIER	BILLING DATE: 12/25/17	-210.95
	Check	01/15/2018	6938	SHELL	INV# 79423752712 CLOSING DATE: 12/26/17	-70.57
	Check	01/15/2018	6939	U S Bank Payment Center	STATEMENT DATE: 12/22/17	-183.71
	Check	01/15/2018	6940	Assoc. of California Water	2018 Annual Agency Dues	-9,175.00
	Check	01/15/2018	6941	Promaid, Inc.	INV # 53091X JANUARY	-195.00
	Check	01/15/2018	6942	Dial Security	INV # 315231 BILLING CYCLE: 1/1/18 - 1/31/18	-72.00
	Check	01/15/2018	6943	Progressive Land Management, Inc.	INV# 9564 RANCH SYSTEM ANNUAL SUBSCRIPTIO	-360.00
	Check	01/15/2018	6944	UWCD	SERVICE DATE: 11/30/17 - 12/31/17	-28,835.40
	Check	01/15/2018	6945	Camrosa Water District	INV # 1865 WATER DELIVERED DECEMBER	-54,707.42
	Check	01/15/2018	6946	Macvalley Oil Company	INV # 17-062874	-843.60
	Liability Chec	01/18/2018		QuickBooks Payroll Service	Created by Payroll Service on 01/15/2018	-8,630.59
	Paycheck	01/19/2018	DD1140	Azucena Sanchez	Direct Deposit	0.00
	Paycheck	01/19/2018	DD1141	Daniel J Vasquez	Direct Deposit	0.00
	Paycheck	01/19/2018	6948	Dave P Souza		-214.58
	Paycheck	01/19/2018	DD1142	Donald R. Arnold	Direct Deposit	0.00
	Paycheck	01/19/2018	DD1143	Jared Bouchard	Direct Deposit	0.00
	Paycheck	01/19/2018	6947	Craig R Kaihara		-92.35
	Paycheck	01/19/2018	6949	John Menne		-91.35
	Paycheck	01/19/2018	6950	John S. Broome		-92.35
	Paycheck	01/19/2018	6951	Peter W Hansen		-92.35
	Paycheck	01/19/2018	6952	Thomas P Vujovich		-92.35
	Paycheck	01/19/2018	7039	Dave P Souza		-3,394.88
	Liability Chec	01/22/2018	eft	Employment Development Department	698-1246-9	-705.05
	Liability Chec	01/22/2018	EFT	United States Treasury	95-6006679	-3,756.44
	Check	01/23/2018	EFT	CalPERS.	HEALTH INSURANCE FEBRUARY DANNY, AZU & JA	-3,921.17
	Check	01/23/2018	EFT	CalPERS	EMPLOYER CONTRIBUTION AZU & JARED 12/30/17	-931.83
	Check	01/23/2018	EFT	CalPERS	EMPLOYER CONTRIBUTION DANNY, DON, DAVE 12	-1,010.76
	Check	01/24/2018	6959	Jared Bouchard.	Refund SDI incorrectly deducted	-536.73
	Check	01/24/2018	6960	John Menne.	Refund SDI incorrectly deducted	-2.80
	Liability Chec	01/24/2018	EFT	Employment Development Department	698-1246-9	-6.80
	Check	01/31/2018	6953	FGL Environmental	INV # 715977A DATE BILLIED: 1/12/18	-145.00
	Check	01/31/2018	6954	Hinricher, Douglas & Porter, LLP	INV# 6960 12/4/17 - 12/19/17	-4,209.95
	Check	01/31/2018	6955	ACWA/JPIA	INV # 0528804 INV DATE: 1/5/18	-455.08
	Check	01/31/2018	6956	Pitney Bowes Global Financial Ser LLC	INV# 3101869645 12/30/17	-141.06
	Check	01/31/2018	6957	Coastal Pipco Irrigation	S1990632 DATE 1/16/18	-298.25
	Check	01/31/2018	6958	Prudential Overall Supply	INV DATE# 12/30/17 ACC# 49303	-379.93
	Check	01/31/2018	6961	SCE/Payment Processing	ACC# 2-03-434-3236 BILL DATE: 1/17/18	-51,958.85
	Check	01/31/2018	6962	Harris Water Conditioning Inc.	PAY PERIOD: 1/15/18 - 2/15/18	-46.75
	Check	01/31/2018	6963	E. J. Harrison & Sons	STATEMENT DATE: 1/14/18	-179.60
	Check	01/31/2018	6964	UWCD	VOID: SEMI ANNUAL GROUNDWATER 8/1/17 - 12/31.	0.00
	Check	01/31/2018	6965	FCGMA	VOID: SEMI ANNUAL GROUNDWATER 7/1/17 - 12/31.	0.00
	Check	01/31/2018	6966	FCGMA	SEMI ANNUAL GROUNDWATER 8/17/17 - 12/31/17	-78,059.83
	Check	01/31/2018	6967	UWCD	SEMI ANNUAL GROUNDWATER 7/1/17 - 12/31/17	-504,232.34
	Check	01/31/2018	6968	Hands-On Consultations	INV # 10167	-60.00
	Liability Chec	02/01/2018		QuickBooks Payroll Service	Created by Payroll Service on 01/29/2018	-8,881.33
	Check	02/01/2018	HPD	SoCalGas		-223.67
	Paycheck	02/02/2018	DD1144	Azucena Sanchez	Direct Deposit	0.00
	Paycheck	02/02/2018	DD1145	Daniel J Vasquez	Direct Deposit	0.00
	Paycheck	02/02/2018	DD1146	Donald R. Arnold	Direct Deposit	0.00
	Paycheck	02/02/2018	DD1147	Jared Bouchard	Direct Deposit	0.00
	Liability Chec	02/05/2018	EFT	Employment Development Department	698-1246-9	-640.95
	Liability Chec	02/05/2018	EFT	United States Treasury	95-6006679	-3,309.52
	General Journ	02/07/2018	AS 01 / 18	Latasa Ranch	TO RECORD RETURN CHECK # 856	-1,336.20
	Check	02/07/2018	EFT	CalPERS	EMPLOYER CONTRIBUTIONS # 15184812 2017-2018	-1,096.60
	Check	02/07/2018	EFT	CalPERS	JARED & AZU 1/13/18 - 1/26/18 EMPLOYER CONTRI	-931.83
	Check	02/07/2018	EFT	CalPERS	DON & DANNY 1/13/18 - 1/26/18 EMPLOYER CONTRI	-1,010.76
	Check	02/11/2018	EFT	AT&T Mobility	12/19/17 - 1/18/18	-90.75
	Check	02/15/2018	6969	Prudential Overall Supply	INV 1/27/18	-685.79
	Check	02/15/2018	6970	ACWA/JPIA	INV # 0534782 COVERAGE MONTH: MARCH 2018	-347.24
	Check	02/15/2018	6971	Promaid, Inc.	INV # 53165X FEBRUARY	-195.00
	Check	02/15/2018	6972	SHELL	INV # 79423752801	-48.90
	Check	02/15/2018	6973	Macvalley Oil Company	INV # 18-067372 1/26/18	-843.60
	Check	02/15/2018	6974	Arnold, LaRochelle, Etal	INV # 52162 & 52163 1/26/18	-14,500.88
	Check	02/15/2018	6975	FGL Environmental	INV# 800509A 1/30/18	-145.00
	Check	02/15/2018	6976	Underground Service Alert	INV # 120180548 CODE PVC01WTR	-28.15
	Check	02/15/2018	6977	BONDY GROUNDWATER CONSULTING,	INV # 035-02 DATE: 2/1/18	-3,038.75
	Check	02/15/2018	6978	FRONTIER	2/20/18	-213.76
	Check	02/15/2018	6979	U S Bank Payment Center	12/26/17 - 1/22/18	-2,534.53
	Check	02/15/2018	6980	Dial Security	INV # 317225	-347.04

Pleasant Valley County Water District
Check Listing by Bank Account
January 11 through April 24, 2018

Type	Date	Num	Name	Memo	Amount
Check	02/15/2018	6981	Chevron Card Services	1/22/18 - 2/16/18 Inv # 666252	-904.76
Check	02/15/2018	6982	City of Camarillo	0411617 ACC# 33821-91868	-68.30
Check	02/15/2018	6983	Ventura County Star	ACC# VC0539949 PREMIUM EDITION 4/18	-103.45
Check	02/15/2018	6984	Diener's Electric	INV 3 27516 NEW DRAIN PUMP AND CHECK ROTAT	-116.31
Check	02/15/2018	6985	City of Oxnard	ACC# 294974 - 294975 DATE: 2/5/18	-26,370.90
Check	02/15/2018	6986	UWCD	12/31/17 - 1/31/18	-28,258.69
Check	02/15/2018	6987	Fanning & Karrh	FINAL BILLING YEAR ENDED 6/30/17	-4,250.00
Liability Chec	02/15/2018		QuickBooks Payroll Service	Created by Payroll Service on 02/12/2018	-8,881.35
Paycheck	02/16/2018	DD1149	Daniel J Vasquez	Direct Deposit	0.00
Paycheck	02/16/2018	DD1148	Azucena Sanchez	Direct Deposit	0.00
Paycheck	02/16/2018	DD1150	Donald R. Arnold	Direct Deposit	0.00
Paycheck	02/16/2018	DD1151	Jared Bouchard	Direct Deposit	0.00
Liability Chec	02/20/2018	EFT	United States Treasury	95-6006679	-3,309.48
Liability Chec	02/20/2018	EFT	Employment Development Department	698-1246-9	-640.95
Check	02/26/2018	EFT	CalPERS.	HEALTH INSURANCE STATEMENT DATE: 2/14/18	-3,921.17
Check	02/28/2018	6988	Jensen Design	INV # 48252 SERVICES 4/30/16 SMP RECYCLED WA	-9,467.50
Check	02/28/2018	6989	Walton Motors & Controls Inc.	INV# 39792	-1,128.70
Check	02/28/2018	6990	Hinricher, Douglas & Porter, LLP	INV # 7159	-4,997.00
Check	02/28/2018	6991	Camrosa Water District	INV # 1868	-84,164.80
Check	02/28/2018	6992	SCE/Payment Processing	STATEMENT DATE: 2/15/18	-30,837.85
Check	02/28/2018	6993	E.J. Harrison & Sons	STATEMENT DATE: 2/14/18	-176.60
Check	02/28/2018	6994	Harris Water Conditioning Inc.	STATEMENT DATE: 2/15/18	-46.75
Check	02/28/2018	6995	Underground Service Alert	INV # 1220170541	-36.40
Check	02/28/2018	6996	Arnold, LaRochelle, Etal	INV# 52193 & 52192	-12,958.84
Check	02/28/2018	6997	Promaid, Inc.	INV # 53210X CARPET CLEANING	-157.50
Check	02/28/2018	6998	City of Camarillo	METER # 15305625 CYCLE 1/4	-74.76
Check	02/28/2018	6999	City of Oxnard	ACC# 292457-294975 / 292457-294974	-21,134.27
Check	02/28/2018	7000	Chevron Card Services	1/22/18 - 2/21/18 ACC # 7898687194	-1,017.09
Check	02/28/2018	7001	Hands-On Consultations	INV # 10269	-345.10
Check	02/28/2018	7002	FRONTIER	BILLING DATE: 2/25/18	-212.75
Check	02/28/2018	7003	BONDY GROUNDWATER CONSULTING,	INV # 035-03 FEBRUARY 1-28, 2018	-48.75
General Joun	02/28/2018	HDP	Palmas produce, Inc.	To record returned deposit	-3,349.34
Liability Chec	03/01/2018		QuickBooks Payroll Service	Created by Payroll Service on 02/26/2018	-8,985.63
Paycheck	03/02/2018	DD1153	Daniel J Vasquez	Direct Deposit	0.00
Paycheck	03/02/2018	DD1152	Azucena Sanchez	Direct Deposit	0.00
Paycheck	03/02/2018	DD1154	Donald R. Arnold	Direct Deposit	0.00
Paycheck	03/02/2018	DD1155	Jared Bouchard	Direct Deposit	0.00
Paycheck	03/02/2018	7004	Azucena Sanchez		-1,349.73
Paycheck	03/02/2018	7005	Daniel J Vasquez		-1,145.02
Check	03/02/2018	EFT	CalPERS	INV # 15217321 EMPLOYER CONTRIBUTION UNFUN	-1,096.60
Check	03/02/2018	EFT	The Gas Company	INV # 0610009 3/2/18	-85.14
Liability Chec	03/05/2018	EFT	Employment Development Department	698-1246-9	-710.75
Liability Chec	03/05/2018	EFT	United States Treasury	95-6006679	-4,040.78
Check	03/07/2018	EFT	CalPERS	DON & DANNY 01/27/18 - 02/09/18	-931.83
Check	03/07/2018	EFT	CalPERS	AZU & JARED 01/27/18 - 2/9/18	-682.06
Check	03/11/2018	EFT	AT&T Mobility	1/19/18 - 2/18/18 ACC# 828309642	-69.16
Liability Chec	03/15/2018		QuickBooks Payroll Service	Created by Payroll Service on 03/13/2018	-8,934.09
Check	03/15/2018	7006	Camrosa Water District	INV # 1869 QTY 445.42 DELIVERED FEB 2018	-78,441.36
Check	03/15/2018	7007	Dial Security	INV # 319268	-72.00
Check	03/15/2018	7008	Eatwell Consultling	INV # 7694 2018 PESTICIDE HANDLER PROGRAM	-448.27
Check	03/15/2018	7009	Assoc. of Water Agencies of Ventura Couni	INV # 06-10600 2018 AWA MEMBERSHIP DUES	-1,500.00
Check	03/15/2018	7010	Promaid, Inc.	INV # 53221X MARCH	-195.00
Check	03/15/2018	7011	ACWA/JPIA	INV # 0540568 2/27/18	-401.16
Check	03/15/2018	7012	Access Information Management	INV # 2491556	-219.65
Check	03/15/2018	7013	Underground Service Alert	INV # 1120170539	-34.75
Check	03/15/2018	7014	Applied Backflow Tech., Inc.	INV # 6493 FLOWMETER TESTING, NON INVASIVE L	-2,750.00
Check	03/15/2018	7015	UWCD	1/31/18 - 3/3/18	-27,715.91
Check	03/15/2018	7016	FGL Environmental	INV # 802172A	-145.00
Check	03/15/2018	7017	U S Bank Payment Center	1/30/18 - 2/20/18	-2,692.67
Check	03/15/2018	7018	ACWA/JPIA	WORKERS COMP Q2 10/1/17 - 12/31/17	-2,155.42
Paycheck	03/16/2018	DD156	Azucena Sanchez	Direct Deposit	0.00
Paycheck	03/16/2018	DD1157	Daniel J Vasquez	Direct Deposit	0.00
Paycheck	03/16/2018	DD1158	Donald R. Arnold	Direct Deposit	0.00
Paycheck	03/16/2018	DD1159	Jared Bouchard	Direct Deposit	0.00
Check	03/19/2018	EFT	CalPERS	DANNY, DON 2/10/18 - 2/23/18	-931.83
Check	03/19/2018	EFT	CalPERS	AZU & JARED 2/10/18 - 2/23/18	-353.36
Check	03/19/2018	EFT	CalPERS	AZU & JARED 02/24/18 - 3/9/18	-682.06
Check	03/19/2018	EFT	CalPERS	DANNY & DON 02/24/18 - 3/9/18	-931.83
Check	03/19/2018	EFT	CalPERS.	INV # 15205362 BILLING MONTH APRIL 2018	-3,921.17
Liability Chec	03/20/2018	EFT	United States Treasury	95-6006679	-3,341.60
Liability Chec	03/20/2018	E-pay	Employment Development Department	698-1246-9 QB Tracking # 582053114	-648.51
Liability Chec	03/29/2018		QuickBooks Payroll Service	Created by Payroll Service on 03/26/2018	-9,046.88
Paycheck	03/30/2018	DD1160	Azucena Sanchez	Direct Deposit	0.00
Paycheck	03/30/2018	DD1161	Daniel J Vasquez	Direct Deposit	0.00
Paycheck	03/30/2018	DD1162	Donald R. Arnold	Direct Deposit	0.00
Paycheck	03/30/2018	DD1163	Jared Bouchard	Direct Deposit	0.00
Check	03/30/2018	7019	RICOH USA, INC	INV # 5052824666	-87.22

Pleasant Valley County Water District
Check Listing by Bank Account
January 11 through April 24, 2018

Type	Date	Num	Name	Memo	Amount
Check	03/30/2018	7020	E.J. Harrison & Sons	STATEMENT DATE: 3/15/18	-182.60
Check	03/30/2018	7021	Purchase Power	ACC# 0215-0914 STATEMENT DATE: 3/14/18	-108.99
Check	03/30/2018	7022	Harris Water Conditioning Inc.	SERVICE 3/15 - 4/15 ACC# 23317	-46.75
Check	03/30/2018	7023	Hinricher, Douglas & Porter, LLP	INV # 7199 FEBRUARY 2018	-448.20
Check	03/30/2018	7024	City of Oxnard	SERVICE PERIOD: 1/31/18 - 2/28/18	-69,565.14
Check	03/30/2018	7025	Chevron Card Services	INV# 52837412 PERIOD: 2/22/18 - 3/21/18	-725.14
Check	03/30/2018	7026	Arnold, LaRochelle, Etal	INV # 52511 FEBRUARY	-8,644.29
Check	03/30/2018	7027	Diener's Electric	INV # 27701	-145.69
Check	03/30/2018	7028	SCE/Payment Processing	DATE BILL: 3/17/18	-30,044.31
Check	03/30/2018	7029	City of Camarillo	inv # 33821-91868	-68.13
Liability Chec	03/30/2018	E-pay	Employment Development Department	698-1246-9 QB Tracking # 882492114	-658.96
Liability Chec	03/30/2018	E-pay	United States Treasury	VOID: 95-6006679 QB Tracking # 882755114	0.00
Check	03/30/2018	EFT	CalPERS	AZU & JARED EMPLOYER CONTRIBUTION 3/10/18 -	-931.83
Liability Chec	04/02/2018	E-pay	United States Treasury	95-6006679 QB Tracking # 1151090214	-3,371.40
Check	04/02/2018	EFT	CalPERS	EMPLOYER CONTRIBUTIONS UNFUNDED	-1,096.60
Check	04/05/2018	EFT	SoCalGas	BILLING PERIOD 2/28/18 - 3/29/18	-138.55
Check	04/11/2018	EFT	AT&T Mobility	BILL CYCLE: 2/19/18 -3/18/18 ACC# 828309642	-69.25
Liability Chec	04/12/2018		QuickBooks Payroll Service	Created by Payroll Service on 04/05/2018	-8,881.34
Paycheck	04/13/2018	DD1165	Daniel J Vasquez	Direct Deposit	0.00
Paycheck	04/13/2018	DD1166	Donald R. Arnold	Direct Deposit	0.00
Paycheck	04/13/2018	DD1164	Azucena Sanchez	Direct Deposit	0.00
Paycheck	04/13/2018	DD1167	Jared Bouchard	Direct Deposit	0.00
Check	04/15/2018	7030	FGL Environmental	INV # 803677A	-145.00
Check	04/15/2018	7031	U S Bank Payment Center	STATEMENT DATE: 3/22/18	-1,247.36
Check	04/15/2018	7032	FRONTIER	STATEMENT DATE: 3/25/18	-215.58
Check	04/15/2018	7033	BONDY GROUNDWATER CONSULTING,	INV# 035-04 PERIOD: MARCH 1-31-2018	-1,093.21
Check	04/15/2018	7034	Underground Service Alert	INV # 320180547	-19.90
Check	04/15/2018	7035	Access Information Management	INV # 2540506	-219.65
Check	04/15/2018	7040	Promaid, Inc.	INV # 53275X APRIL	-195.00
Check	04/15/2018	7041	Dial Security	INV # 321110	-72.00
Check	04/15/2018	7042	Coastal Pipco Irrigation	INV # S20172, TIP TOP	-174.85
Check	04/15/2018	7043	Prudential Overall Supply	STATEMENT : 3/31/18	-144.62
Check	04/15/2018	7044	UWCD	3/3/18 - 3/31/18	-28,270.00
Check	04/15/2018	7045	Camrosa Water District	INV # 1870 CONEJO WATER DELIVERED MARCH	-63,192.12
Check	04/15/2018	7046	Macvalley Oil Company	INV # 18-073815	-1,217.29
Check	04/15/2018	7047	Pitney Bowes Global Financial Ser LLC	INV # 3102074440	-141.06
Check	04/15/2018	7048	ACWA/JPIA	INV # 0546215 COVERAGE MONTH: MAY 2018	-401.16
Check	04/15/2018	7049	Hinricher, Douglas & Porter, LLP	INV # 15004 MARCH	-472.50
Check	04/15/2018	7050	Alliance Fire Protection	INV # 942 ANNUAL INSPECTION 2018	-1,250.00
Check	04/15/2018	7051	Walton Motors & Controls Inc.	INV # 39926 LABOR TO REPAIR VERTICAL HOLLOW	-3,234.25
Liability Chec	04/16/2018	E-pay	Employment Development Department	698-1246-9 QB Tracking # 1472857114	-640.95
Liability Chec	04/16/2018	E-pay	United States Treasury	95-6006679 QB Tracking # 1472943114	-3,309.50
Liability Chec	04/16/2018	E-pay	United States Treasury	95-6006679 QB Tracking # 1473058114	-1,232.20
Liability Chec	04/16/2018	E-pay	Employment Development Department	698-1246-9 QB Tracking # 1473204114	-159.03
Liability Chec	04/16/2018	E-pay	United States Treasury	95-6006679 QB Tracking # 1473256114	-1,097.38
Liability Chec	04/16/2018	E-pay	Employment Development Department	698-1246-9 QB Tracking # 1473437114	-197.42
Liability Chec	04/16/2018	E-pay	United States Treasury	95-6006679 QB Tracking # 1473475114	-1,269.64
Liability Chec	04/16/2018	E-pay	Employment Development Department	698-1246-9 QB Tracking # 1473496114	-214.97
Liability Chec	04/16/2018	E-pay	United States Treasury	95-6006679 QB Tracking # 1473512114	-1,232.18
Liability Chec	04/16/2018	E-pay	Employment Development Department	698-1246-9 QB Tracking # 1473558114	-214.97
Check	04/17/2018	EFT	CalPERS.	HEALTH INSURANCE INV # 152686016	-3,921.17
Check	04/17/2018	EFT	CalPERS	EMPLOYER CONTRIBUTION DON & DANNY 3/24/18	-682.06
Check	04/17/2018	EFT	CalPERS	EMPLOYER CONTRIBUTION JARED & AZU 3/24/18 -	-931.83
Total CUB-Checking					-1,454,995.93
					<u>-1,454,995.93</u>

DIRECTORS

Peter W. Hansen
Craig R. Kaihara
Thomas P. Vujovich, Jr.
John S. Broome
John D. Menne



PLEASANT VALLEY COUNTY WATER DISTRICT
PIONEER IN FOX CANYON AQUIFER CONSERVATION
SERVING AGRICULTURE SINCE 1956
154 S. LAS POSAS ROAD, CAMARILLO, CA 93010-8570
Phone: 805-482-2119
Fax: 805 484-5835

STAFF

Jared L. Bouchard
General Manager

General Counsel
Arnold, Bleuel, LaRochelle,
Mathews & Zirbel, LLP

April 24, 2018, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: RECEIVE PRESENTATION FY 18/19 BUDGET PRESENTATION FROM UNITED WATER CONSERVATION DISTRICT.

AGENDA ITEM: 7B

United staff will present the United Water Conservation District proposed FY 18/19 budget.

We have included only the budget transmittal document from United. This 16 page transmittal provides a high level over view of the proposed budget. The entire 230 page budget can be found on United Website at:

<https://www.unitedwater.org/images/stories/reports/Financial-Reports/2018-19%20Proposed%20Budget%20Plan%20for%20Fiscal%20Year%202018-19.pdf>

A couple of items of relevance to PVCWD that can be found in the transmittal overview are the proposed increases that make up the pump charges PVCWD pays fir ground water pumping and if we received surface cost.

	Current	Proposed	Percentage	Dollar Amount Change
Water Conservation Fund	\$45.08	\$46.43	2.99%	\$1.35
Freeman Diversion Fund	\$24.77	\$25.51	2.99%	\$.77
Surface Water PV Fund	\$55	\$55	0%	0
Fixed Fee Monthly	\$28,270	\$26,850	-5%	-\$1,420

AGENDA ITEM: 7B

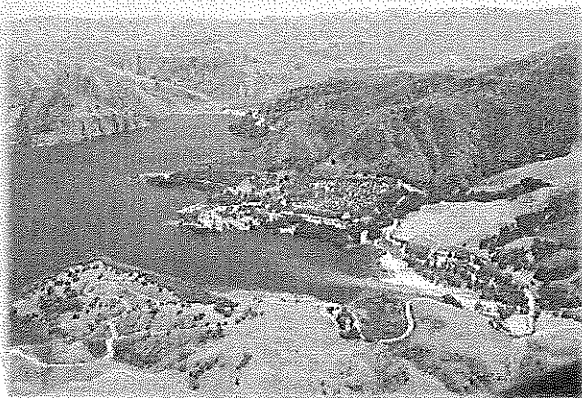
Assuming PVCWD 2018 groundwater extractions remain exactly the same as 2017 and no surface is delivered from United, the 2.99% increase in pump charges would be a \$ 26K increase in pump charges to PVCWD. The net increase to PVCWD budget if the reduction in fixed cost (-17K) is factored in would be a \$9k increase in fees paid to United.

Recommendation: Board Action as appropriate.

United Water Conservation District

106 N. 8th Street, Santa Paula, CA 93060

Proposed Budget Plan Fiscal Year 2018-19



Organized as a California Special District

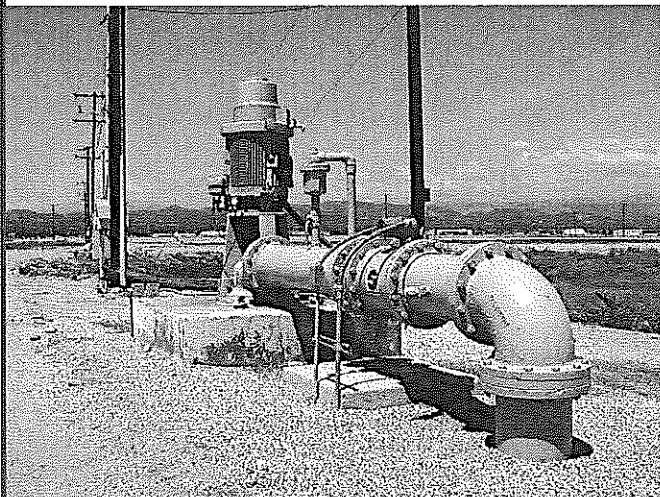
USGS flow monitoring equipment downstream of Santa Felicia Dam.



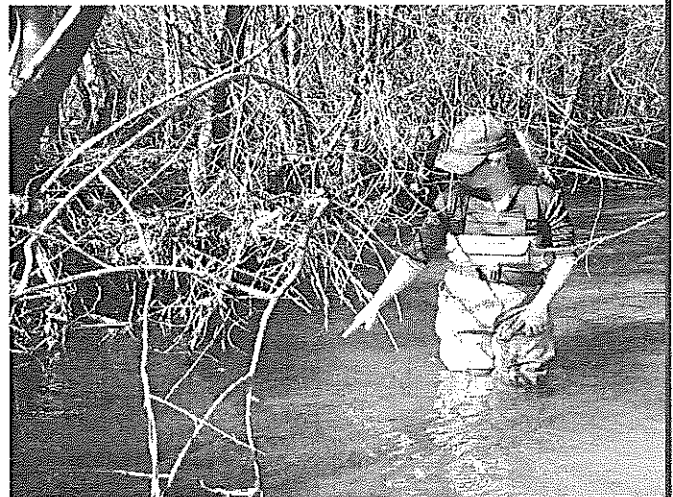
Row and tree crops are a legacy of Ventura County.



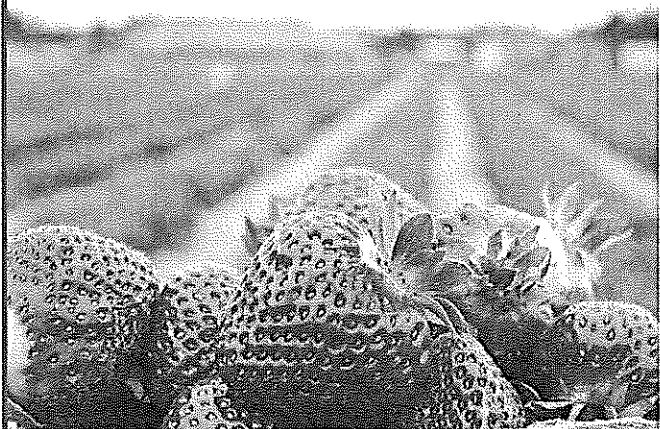
United Water Conservation District must balance the use/needs of a limited water supply in the Santa Clara River Watershed for environmental concerns, agriculture, and residential and commercial customers. UWCD strives to provide a clean and reliable water supply that supports the region's economy and quality of life that is enjoyed by everyone in Ventura County.



OH Pipeline provides water to the Oxnard and Port



Piru Creek - Maintaining quality habitat is crucial for the environment and the District's operations.



Strawberries are the No. 1 crop and provide open space for enhancing our quality of life.



OH Booster Plant and variable frequency drive.

Board of Directors
Robert Eranio, President
Daniel C. Naumann, Vice President
Michael W. Mobley, Secretary/Treasurer
Sheldon G. Berger
Bruce E. Dandy
Lynn E. Maulhardt
Edwin T. McFadden III



UNITED WATER CONSERVATION DISTRICT
"Conserving Water since 1927"

General Manager
Mauricio E. Guardado, Jr.

Legal Counsel
David D. Boyer

April 20, 2018

Board of Directors
United Water Conservation District

Subject: Proposed Budget Plan for Fiscal Year 2018-19

Honorable Board Members:

Introduction

Enclosed is the Proposed Budget Plan for FY 2018-19 (operations and capital improvement program) for the District. As required by the District's "Budget Submittal Policy", the budget will be presented by the General Manager to the Board and District rate payers by May 1st in order to provide sufficient review and discussion time prior to final adoption in June 2018.

The schedule for the budget review period is recommended as follows:

- | | | |
|--------------------|---|---|
| April 24 | ● | PV representatives meet to discuss the proposed budget and rates |
| April 26 | ● | OH Users meet to discuss the proposed budget and rates (required by Water Delivery Agreement) |
| April 23 – June 13 | ● | Budget document review period |
| May 1 | ● | Hold PTP meeting to discuss proposed budget and rates |
| May 22 | ● | Scheduled Budget Study Session |
| June 13 | ● | Groundwater Hearing and FY 2018-19 Budget Plan Consideration |

The Budget Development Process

The Proposed Budget Plan represents the Board's policy document providing organizational directives (via allocation of resources) to staff for the next 12 months, in keeping with the overall mission of the District.

The budget is a plan to provide guidance to staff. Although staff tries to anticipate all of the operating and capital improvement project (CIP) needs for the upcoming fiscal year, the budget must be flexible. The spending plan may be revised (via requests for supplemental appropriations, appropriation transfers, etc.) during the upcoming fiscal years in order to adjust for changing economic conditions, unanticipated needs or repairs, and to be proactive in

situations that could benefit the District's rate payers, when appropriate. Any changes made throughout the fiscal years are clearly documented and the cumulative impacts are reviewed monthly by the Finance and Audit Committee. Staff reports must contain fiscal impact information and identify funding sources to cover resulting budget increases. All recommended revisions to the adopted budget during the fiscal year will be presented to the Board for discussion and approval in accordance with the District's Budget Amendment Policy.

The District's entire budget development process, from start (January) to finish (June) represents almost six months of intense effort by staff to plan out the next fiscal year's activities (including the projected costs and estimated revenues available to the District) – focusing on the District's statutory responsibility to protect and augment water supplies necessary for the public health, welfare and safety of the people of the State of California, and utilizing the policies, guidelines and priorities, which the Board has previously set for accomplishing this core mission of the District.

In preparing the budget, staff reviews all of the District's operations, activities and infrastructure to determine their effectiveness in protecting our water resources. We also look at what other objectives could or would need to be performed in order to improve the District's ongoing average annual groundwater overdraft within the hydrologically connected aquifers, water quality concerns and continuous seawater intrusion. California is not completely out of drought conditions in certain areas, with Ventura County being one of them. Facing significantly low groundwater levels and a continued drought, this budget includes the District's responses to improve upon these more drastic conditions. Additionally, the budget focuses on addressing the regulatory and environmental mandates we must comply with in order to continue to preserve and maintain our local surface water and groundwater resources.

Expenditures are proportionally allocated to the five primary operating funds based on activities and facilities involved and the contribution of their role to the overall mission of the District. Although United's recharge and other water conservation efforts may not be uniform in each area of the District on an annual basis, over time the data and information available to the District clearly shows that the results of the District's recharge and conservation efforts contribute district-wide. In order to apportion those costs in a fair and reasonable manner (and to ensure the fees we charge do not exceed the District's resource management costs), which are not directly related to one specific zone or one specific facility (e.g., pipeline), staff reviews each expenditure, utilizing their professional judgment and Board policies and guidelines, to allocate the costs on a percentage basis to one or more zones/facilities in as consistent and fiscally sound manner as possible. Often, expenditures are spread over multiple funds. A good example of how the District apportions cost can be seen by reviewing the Environmental Activities Cost Allocation Policy included in the back of the budget document. This policy has been revised several times as staff learns more about what actions are necessary to comply with the Endangered Species Act (ESA), how these requirements will be met, and the specific benefits derived from compliance activities. Groundwater extraction and water delivery charges are then calculated identifying all necessary expenditures for operations, capital asset replacements and reserve requirements. Consistent with its statutory mandate under the California Water Code, the net expenditures covered by the charges (rate for each acre-foot of groundwater extracted or

surface water delivered in-lieu of groundwater pumping) is then placed in a simple algebraic formula, which includes projected groundwater extractions for each zone established by the Board of Directors and results in the lowest statutorily allowable 3:1 ratio charge to customers: Municipal and Industrial Users to Agricultural Users. Quantitative analysis providing factual support for the 3:1 ratio between agricultural water and non-agricultural water charges will be provided at the Board's May 22nd Budget Workshop and at the June 13 Public Hearing. The analysis will demonstrate related to groundwater charges that:

- Fees imposed are necessary to carry out the District's regulatory purposes and provisions;
- Fees do not exceed the reasonable cost of providing the services necessary to the activity on which the fees are based; and
- That the manner of allocating cost bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the District's activity.

As always, in determining what is to be included in the budget, staff considers the following:

- Status Quo Operations – The budget should include only the minimum funding needed to run the District's current operations, with limited discretionary funding. Necessary or operational efficiency maintenance should not be deferred. At the same time, staff should consider minimizing or eliminating any status quo operations that no longer need to be performed. Management staff looked at all facets of the District's operations and considered whether tasks are performed for historical reasons or because they are necessary and essential. Those that were not deemed necessary and essential were removed from the budget.
- Continuing the District's Long Standing Mission – proactive awareness and accountability of our regulatory mission as a groundwater guardian (i.e. planning and preemptive action) that guides our efforts in balancing a limited supply of water for use by people and the environment.
- Address safety issues for employees, and protection of District assets and constituents.
- Address all mandated or legal requirements of the District.
- Ensure the financial stability and self-sustaining capabilities of the District and ensure that appropriate and/or reasonable reserve levels for all funds are maintained or achieved (please see Reserve Policy under Financial Policies tab). In the future, the Board may need to once again consider increasing the reserves as the District undertakes more complex and costly environmental and regulatory mandates and as it becomes necessary to address significant infrastructure repairs that were previously discussed.
- Address major rehabilitation or replacement for key District infrastructure that are necessary due to the aging process before more serious emergency repairs are needed.

Staff provided the Board with a balanced budget. The Proposed Budget Plan successfully incorporates all of the aforementioned priorities and includes rate increases to ensure the

advancement of the District's mandates and mission. The Proposed Budget Plan is fiscally prudent and, staff believes, in the best interest of the District and our rate payers. Each fund's spending plan and estimated funding resources will be discussed later in this document.

Budget Plan for Fiscal Year 2018-19 Summary

In light of the extended ongoing drought, water conservation and protection has become more critical than ever. While conservation and protection of the aquifers is the core of the District's mission, the lack of water coupled with extensive environmental regulations, aging infrastructure, and the critical need for new/alternative water sources are taxing District resources. The Budget Plan attempts to a) continue progressing with environmental and regulatory compliance matters (specifically ESA and FERC compliance), b) address immediate infrastructure needs as well as continues to put aside resources for impending capital costs, and c) extensively explores alternatives and technological options that advance the District's core mission of water conservation.

The Budget Plan includes significant resources, \$6.2 million, for FY 2018-19 for projects and designates nearly \$625,000 (FY 2018-19) toward the \$154 million CIP needs identified for upcoming years. A complete list of CIP projects can be found on page xii of this letter and are detailed further beginning on page 62 of the budget document.

Personnel costs are \$9.85 million for FY 2018-19. For FY 2018-19, one additional full time position is included in the Budget Plan for the environmental program, with a corresponding reduction of part time positions of 1.00 full time equivalent. An additional personnel change is the funding of the Engineering Manager position for only seven months of the year to focus on special projects prior to retirement. A more comprehensive list of staffing levels is located on page 9 of the budget.

Included in the Budget Plan are \$788,000 of Capital Outlay costs which are detailed on page 17 of the budget document. Some of the large capital outlay items include:

- Rehabilitation of PTP Well # 1 - \$123,000
- SFD Fish Passage - \$100,000
- Rehabilitation of OH Well #8 - \$83,000
- Data Concentrators for SCADA System - \$83,000
- E-Kiosk for Recreation Area - \$66,000
- Replacement O&M Vehicles - \$60,000

A total of \$3,918,425 is included in the Budget Plan for contractual services. Of the nearly \$4 million in FY 2017-18, approximately \$771,000 is related to FERC and ESA/HCP compliance matters (excluding legal costs), another \$859,500 is for all legal services (in addition to \$650,000 set aside in the General/Water Conservation and Freeman funds for legal matters), \$785,000 is for quagga mussel management, \$487,000 is for PMC operating agreement costs

and another \$40,000 is for groundwater model peer review services. A complete list of all contractual services are located on pages 18-19 of the budget document.

The Budget Plan also includes allocations of \$1.9 million for FY 2018-19 to meet the District's debt service obligations. Other general operating expenditures account for the remaining expenditures in the Budget Plan. Those operating expenditures for the most part are consistent with prior year expenditures with some minor inflationary adjustments.

In order to accomplish the goals set forth in the Budget Plan, rate increases to the Groundwater Extraction/Replenishment charges for the Water Conservation Activities Fund (Zone A) and Freeman Fund (Zone B) are necessary and therefore recommended for FY 2018-19. The rate increases for Zone A and B are not sufficient to cover operational costs for FY 2018-19. The \$1,054,471 (Zone A) operational deficit would be covered using existing fund balance.

The Budget Plan also includes rate adjustments for the three pipeline funds (Oxnard Hueneme, Pleasant Valley, and the Pumping Trough Pipeline) as described in the Operating Funds Overview section of this letter. These rate adjustments are essential to continue operation of these enterprises and maintain required reserve levels.

Operating Funds Overview

General/Water Conservation Fund

The General/Water Conservation Fund is comprised of Water Conservation Activities, General Operating Activities and Recreation Activities. The expenditures and revenues for these three activities are shown and accounted for separately for transparency purposes, but are all part of the District-wide water conservation efforts (General Water Conservation Fund).

The Water Conservation Activities Fund (Zone A) represents the groundwater extraction charge and other revenues and expenditures directly related to district-wide groundwater conservation, management, protection and replenishment activities necessary for the public health, welfare and safety and for the benefit of those who directly or indirectly rely upon groundwater supplies of the District, as set forth in the District's principal act in the California Water Code. The District's statutory and regulatory responsibilities and authorities include those activities and mandates required to perform its water conservation efforts.

The Water Conservation Activities Fund is supported primarily from Groundwater Extraction Charges and any available ad valorem property taxes, after funding general operating expenditures, including Recreation operations. However, the General Operating Activities Fund is used to account for all financial resources and expenditures of the District that are indirectly necessary for the support of District-wide water conservation efforts in Zone A and all other financial activities of the District that are not required by law, administrative action or Generally Accepted Accounting Principles (GAAP) to be accounted for in another fund, including the hydro-electric plant generation revenue. The General Operating Activities Fund also supports

some of the District's public education and legal activities, and public outreach as well as legislative tracking and advocacy. Activities in the General Operating Activities Fund are first supported by ad valorem property taxes (at the Board's discretion). Any property tax revenues remaining after funding these indirect support costs and unfunded recreation activities are available to offset water conservation activity (Water Conservation Activities Fund). If there are insufficient ad valorem property taxes available for the indirect support costs and recreation costs, groundwater extraction charges are used to cover the Board determined district-wide necessary costs.

The Recreation Activities Fund accounts for all recreation related activities that take place at the Lake Piru Recreation Area, including those mandated as a requirement of the District's Federal Energy Regulatory Commission license for its operation of the Santa Felicia Dam. Recreation activities are supported from revenues generated (if sufficient) by the District's agreement with its independent concessionaire (contracting rights and landlord maintenance), special event activity revenues and ad valorem property taxes.

The Budget Plan for the District's combined General/Water Conservation Fund includes a rate increase to the Zone A Water Conservation Groundwater Extraction Charge, of 2.99% for FY 2018-19. This increase is necessary in order to pay for on-going design and development costs of mandated infrastructure improvements and portions of initial construction of these improvements, thus reducing increases when construction of these projects is fully underway. The District projects the rate increase to generate a total of \$352,433 for FY 2018-19 (\$305,837 from groundwater extractions and \$46,596 from water deliveries, in-lieu groundwater extraction, via the PT and OH Pipelines).

The proposed rates reflect the minimum 3:1 rate ratio for non-agricultural (Municipal & Industrial-M&I) water to Agricultural water *required* by the California Water Code. The California Water Code authorizes the District to set the M&I to Agricultural rate ratio as high as 5:1. In 2017, the California Supreme court ruled that the District's extraction charges are not subject to Proposition 218. The District, however, must meet its burden of showing compliance with Proposition 26 to the extent that the groundwater extraction charges provide different rates for agricultural water and for non-agricultural water. Since FY 2013-14, the District has conducted two cost-of-service rate analyses (studies) to provide quantitative factual support for the different rates. The updated analyses for FY 2018-19 will be considered by the Board prior to its final action on the proposed increase on Water Conservation Extraction Charges.

	Current	Proposed	Chg	Chg
	FY 2017-18	FY 2018-19	\$	%
M&I per acre-foot	\$135.24	\$139.30	\$ 4.06	2.99%
AG per acre-foot	\$ 45.08	\$ 46.43	\$ 1.35	2.99%

For FY 2018-19, the Proposed Budget Plan includes total revenue projections of \$15.11 million, comprised primarily of approximately \$10.51 million from the Zone A Groundwater Extraction

Charge, \$1.60 million from Water Delivery (in-lieu of extraction) charges, and \$2.71 million in property taxes as shown on page 15 of this document.

Groundwater extractions District-wide are anticipated to increase by approximately 8,250 AF for FY 2018-19 compared to the FY 2017-18 Budget Plan. This increase is made up by a increase of approximately 8,100 AF in Ag use (2,100 in Zone A and 6,000 in Zone B) and an increase of approximately 150 AF in M&I use in Zone A.

In FY 2018-19 overall Water Deliveries (in-lieu extraction charges paid via pipeline deliveries) are projected to increase by 0.5% or 70 AF compared to the previous year. The increase is mostly attributed to water deliveries to Ag customers via the OH Pipeline.

In FY 2018-19 total fund expenditures are estimated to be \$16.16 million, which includes \$14.2 million for Water Conservation Activities (including \$2.82 million for capital improvements), \$0.44 million for General Operating Activities, and \$1.52 million for Recreation Activities.

The proposed FY 2018-19 General/Water Conservation Fund Budget Plan includes \$4.4 million for personnel expenditures, approximately \$329,656 less than the revised FY 2017-18 budget as a result of a supplemental appropriation of \$329,810 to pay down the District's unfunded pension liability in FY 2017-18. Also included in the Proposed FY 2018-19 Budget Plan is \$2.54 million for contractual services (consulting and legal) which is approximately \$956,815 less than projected for FY 2017-18. In FY 2018-19, the District is setting aside (designating) \$225,000 from the General/Water Conservation Fund for legal costs, instead of including that amount as a budgeted expense.

With the adoption of the FY 2012-13 Budget Plan, the Board approved the establishment of a capital replacement fund for the General/Water Conservation Fund, setting aside \$10.004 million through FY 2017-18, of which a total of \$7.504 million is designated for the Santa Felicia Dam Outlet Works Rehab and Probable Maximum Flood Containment projects. In FY 2018-19, the Proposed Budget Plan includes designating an additional \$1 million for water conveyance infrastructure and \$625,000 for replacement. The Budget Plan includes a year-end reserve of approximately \$4 to \$5 million, consistent with the Reserve Policy. The Reserve Policy allows the District to effectively manage cash flow in the General/Water Conservation Fund, and in particular the Water Conservation Activities Fund, in light of the fact that a majority of the revenues received take place February 1 and August 1, in the case of the Groundwater Extraction Charge receipts, and in December and May, in the case of property tax receipts. Ensuring sufficient reserves is fiscally responsible and essential to responding to the demands placed on the District and the uncertainties that come with operations and aging infrastructure and dynamic environmental and legal mandates.

Also included in the General/Water Conservation Fund budget are overhead costs of approximately \$1.93 million (FY 2018-19), debt service payments of \$1.45 million and \$2.82 million for capital projects. A complete list of all projected expenditures can be found on page 26 of the Budget Plan.

State Water Import Fund

The reliability of the State Water Project (SWP), due to the vulnerability of the Delta and environmental concerns and the current drought conditions, is a major issue that faces all State water contractors today and in the years to come. The Department of Water Resources (DWR), in compliance with a court order and to be conservative in its plans to meet a portion of Table A allocations owned by State Water Contractors (after receiving snowpack data showing lower than average water density in the Sierras and significantly lower rainfall statewide), is currently guaranteeing only 20% of each contractor's allocation in 2018.

The Budget Plan for the State Water Import Fund includes a separate voter approved property tax assessment of \$2.18 million to cover fixed and prior year variable costs associated with the District's State Water agreement. Pursuant to the District's State Water Agreement, the District is entitled to 5,000 AF, but leases 1,850 AF to the Port Hueneme Water Agency (subject to any reductions imposed by DWR) via the Metropolitan Water District of Southern California, leaving the District with 3,150 AF. The Budget Plan includes funding for 100% of the District's full allocation, or 5,000 AF. The District's State Water costs are not paid for by any Zone A or B pump charges or General ad valorem property taxes.

Freeman Diversion Fund

The Proposed FY 2018-19 Budget Plan includes recommended increases of 2.99% to the Zone B Freeman Facilities (Pump) Charge (Zone B). This increase is necessary to maintain and improve the Freeman Diversion facilities that enhance the District's ability to divert surface water from the Santa Clara River for groundwater recharge purposes. The District must also respond to complex and costly regulatory and environmental mandates which affect the Freeman Diversion, including UWCD's compliance with the federal Endangered Species Act. For example, in FY 2018-19, revenues generated by the rate increase will be used to fund the Habitat Conservation Plan (HCP) which requires approximately \$282,500 for FY 2018-19. Without this increase, operating and maintaining these facilities, responding to these environmental mandates, and protecting and augmenting our water resource needs will be jeopardized. The District projects the rate increase for FY 2018-19 to generate a total of \$109,633 (\$81,910 from groundwater extractions and \$25,602 from water deliveries (in-lieu groundwater extraction) via the PT and OH Pipelines).

The proposed Freeman rates reflect the minimum 3:1 rate ratio (Municipal & Industrial usage to Agricultural usage) *required* by the California Water Code. The District will provide quantitative factual support for the difference in Zone B charges in a manner similar to the Zone A charges. This information will be presented for the Board's consideration prior to making its final rate decisions for FY 2018-19.

	Current	Proposed	Chg	Chg
	FY 2017-18	FY 2018-19	\$	%

M&I per acre-foot	\$ 74.31	\$ 76.54	\$ 2.23	2.99%
AG per acre-foot	\$ 24.77	\$ 25.51	\$ 0.77	2.99%

Zone A rate payers pay 0% of Freeman facilities charge, Zone B rate payers pay 100% of the Freeman facilities charge.

Revenues for this fund are projected at \$3.74 million, \$2.82 million derived from groundwater extractions, while \$879,169 is attributed to water deliveries (in-lieu groundwater extraction) via the PTP and OHP systems. Expenditures total \$3.67 million, of which \$966,254 (26%) account for transfers to cover capital improvement projects (CIP). The most significant CIP funded is the Freeman Diversion Rehab project at \$782,185. The budget also includes \$635,435 in personnel costs, contractual services costs of \$816,961, and overhead costs of \$513,322. A complete list of expenditures for the Freeman fund can be found on page 40 of the budget document. These actions result in a balanced budget and a year-end reserve of approximately \$800,000 to \$1,000,000. The budget also leaves \$57,815 designated for future Freeman improvements, which is well below the projection of \$35 million needed in the next few years for the Freeman Diversion Rehab CIP project alone.

Oxnard-Hueneme Pipeline Fund

The Proposed FY 2018-19 Budget Plan FY's for the OHP Fund includes a revenue estimate of \$8.31 million, nearly half of which includes proceeds from financing the Iron/Manganese Treatment CIP, which is expected to be completed over the next two fiscal years. The budget also includes total expenditures of \$8.76 million, which includes depreciation expense of \$402,000 for each fiscal year, resulting in a budget shortfall of approximately \$451,778. This shortfall is after the rate changes identified below for this fund. Water delivery projections for FY 2018-19 are anticipated to be about 10,640 AF, decreasing by approximately 1% compared to the 10,731 AF projected for FY 2017-18 since Emergency Ordinance E remains in place.

(Based on Revenue Needed)

	Current	Proposed
	FY 2017-18	FY 2018-19

Variable per acre-foot	\$ 306.60	\$ 306.60
Fixed Cost	\$16,689.00	\$16,689.00

Costs included in the Proposed FY 2018-19 Budget Plan FY's the OHP Fund include \$1.02 million in personnel costs, \$2.04 million in operating costs (of which \$1.15 million is for electric utility costs), \$402,000 in depreciation, \$475,085 in overhead costs, \$247,067 for debt service,

\$194,545 for capital outlay, and \$4.38 million in CIP transfers. The primary capital improvement project proposed for funding is the Iron and Manganese Treatment project.

The OHP Fund is projected to end FY 2018-19 with reserves of approximately \$1,084,073, which is in line with the required reserve level per the OHP Water Delivery Agreement.

In addition, a rate reduction is proposed to the fixed well replacement charge that was agreed to by the OHP contractors starting in FY 2006-07. The well replacement schedule/financing plan is listed on pages 44 and 45 of this document.

Pleasant Valley Pipeline Fund

The Proposed FY 2018-19 Budget Plan for the PV Pipeline Fund (PVP Fund) includes no rate increase to the delivery rate, which will remain at \$55 per AF. Also, the monthly service charge for the three (3) “C” customers are set to remain at \$17 per customer. No water deliveries are anticipated in the next year due to the lack of surface water from the Santa Clara River. The fixed monthly fee implemented in FY 2014-15 to maintain the PV system and reservoirs will decrease to \$26,850 in FY 2018-19.

A total revenue estimate of \$325,612 and projected expenditures (including depreciation) of \$412,147 is included in the budget. Costs remain relatively unchanged from the previous year, with the exception of a decrease in projected employee benefits due to a payment of unfunded pension liability in FY 2017-18 of \$121,834 which is not budgeted for FY 2018-19. The ending balance is projected to be \$275,040 which is right on target with the contract required level of \$274,869.

Pumping Trough Pipeline (PTP) Fund

The Proposed 2018-19 Budget Plan estimates revenue totaling \$3.07 million for FY 2018-19, while total expenditures are \$3.3 million (including depreciation of \$456,000). The shortfall in the operating budgets are primarily the result of higher contractual costs to conduct an infrastructure assessment study, higher maintenance costs to begin replacing corroding turnouts, and capital outlay cost to repair Well #1. Existing fund balance will be used to cover the operational deficit for FY 2018-19.

The Operation and Maintenance (O&M) charge will remain at \$235.00 per month. The ending balance for FY 2018-19 is projected to be \$295,076 which meets the required reserve of \$250,000 - \$300,000.

	Current	Proposed	Chg	Chg
	FY 2017-18	FY 2018-19	\$	%
O&M Charge per AF	\$ 235.00	\$ 235.00	\$ 0.00	0%
Fixed Monthly Charge	\$ 950.00	\$ 950.00	\$ 0.00	0%
Fixed Monthly Charge-Upper	\$ 675.00	\$ 675.00	\$ 0.00	0%

Overhead Fund

The costs covered by the Overhead Fund budget include, but are not limited to, employee compensation (primarily Administration and Finance staff) and business related expenditures (i.e. mailing, communication systems, computer technology/equipment, office supplies, etc.) required for administration of the District's operations, legal costs, independent auditing services for the District's financial statements and repairs and maintenance to the District's Santa Paula office. The expenditures in the Overhead Fund are all allocated to the other operating funds (i.e. General/Water Conservation Fund, OH, PV and PT Pipeline Funds, and the Freeman Fund) based on a Board approved and industry standard indirect costs allocation methodology.

The projected total expenditures in the District's Overhead Fund for FY 2018-19 are approximately \$3.38 million, which is nearly unchanged from FY 2017-18.

Capital Improvement Project Plan

A Five-Year (FY 2018-2019 through FY 2022-23) Capital Improvement Plan is included in this document, along with project detail pages. The plan provides insight as to the projects necessary to be completed or being considered by the District in the very near future.

Appropriations and the necessary funding approved in prior years by the Board for Capital Improvement Projects (CIP) continues to be appropriated and carried forward from year to year until the CIP is completed or closed out. The Board can only appropriate new funding one year at a time to avoid committing future Boards to financial responsibilities that they would not have made a decision on. By approving funding for a CIP in FY 2018-19, the Board is indicating that this is a project which they would like to see implemented and/or completed. Future funding needs will be requested on an annual basis and will indicate the on-going support of a project.

The Five-Year Capital Improvement Project Plan is shown on page 59 of this document. It is projected that \$11.19 million in CIP funding/appropriations will be carried over from FY 2017-18 to FY 2018-19. Of this carry over amount, 100% is already funded, with funds included in the appropriate CIP Fund and designated for the individual projects. New or additional funding for CIP totaling \$9.36 million for FY 2018-19 is recommended with identified resources coming from transfers from the operating funds or financing proceeds.

The largest projects in terms of expenditures in FY 2018-19 are the Iron and Manganese Treatment (\$1.4 million), the Freeman Diversion Rehabilitation (\$782,185), the New Headquarters (\$500,000), and the PTP Turnout Metering System (\$385,780).

On the following page is a summary of the projects funded in FY 2018-19 as well as additional funding needed through FY 2022-23:

Budget Plan for Fiscal Year 2018-19
 United Water Conservation District
 April 20, 2018

	FY 2018-19 Allocation	FY 2019-20 to FY 2022-23 Allocations Needed
Well Replacement Program (OH Fund)	\$ 3,979	\$ 853,000
Freeman Diversion Rehab (Freeman Fund)	\$ 782,185	\$ 34,830,000
Santa Felicia Dam Outlet Works Rehab (General Fund)	\$ 474,484	\$ 64,946,000
Santa Felicia Dam PMF Containment (General Fund)	\$ 495,645	\$ 26,860,000
Santa Felicia Dam Sediment Management (General Fund)	\$ -	\$ -
Lower River Invasive Species Control Project (General Fund, PVP, PTP)	\$ 257,632	\$ 13,855,000
OHP Iron and Manganese Treatment (OH Fund and Debt Proceeds)	\$ 1,400,001	\$ 2,918,090
Quagga Decontamination Station (General Fund)	\$ 149,868	\$ -
Park Service Officer Facility Replacement (General Fund)	\$ 73,589	\$ -
Lake Piru Asphalt (General Fund)	\$ 114,160	\$ 316,000
Day Use Pavilion Rehab (General Fund)	\$ 39,795	\$ -
Day Use Restroom Rehab (General Fund)	\$ 27,218	\$ -
Juan Fernandez Day Use (General Fund)	\$ 41,636	\$ 125,000
Solar Project – Piru (General, Freeman, OHP, PVP,PTP Fund)	\$ 10,668	\$ -
Ferro-Rose Recharge (General Fund)	\$ 159,606	\$ 1,550,000
Brackish Water Treatment Plat (General Fund)	\$ 40,153	\$ -
Recycled Water (Freeman Fund)	\$ 108,979	\$ 240,000
Rice Avenue Overpass PTP (PTP Fund)	\$ 287,027	\$ -
PTP Turnout Metering System (PTP Fund – Debt Proceeds and Grants)	\$ 385,780	\$ -
Pothole Trailhead (General Fund)	\$ 52,000	\$ -
New Headquarters (General, Freeman, OHP, PVP,PTP Fund)	\$ 500,000	\$ 6,000,000
State Water State Interconnection Project (General Fund)	\$ 212,078	\$ 755,000
Lower Piru Creek Habitat (General Fund)	\$ 202,985	\$ 210,000

	FY 2018-19 Allocation	FY 2019-20 to FY 2022-23 Allocations Needed
Replace El Rio Trailer (General, Freeman, OHP, PVP, PTP Fund)	\$ -	\$ 390,000
Santa Paula-Saticoy Conveyance Pipeline (General Fund)	\$ 300,000	\$ -
SFD Spillway Floor Repair	\$ 82,156	\$ -
Total	\$ 6,201,983	\$ 153,848,090

District Financial Policies

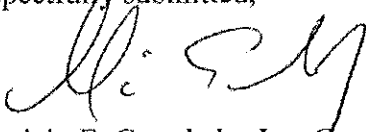
The following financial policies of the District are included in the budget document. Some of the policies have been updated to reflect recommendations for improved efficiency and effectiveness. Any recommended changes are included where appropriate, and recommended for adoption by the Board of Directors.

- Accounts Receivable and Write-off Policy
- Auditor Rotation and Selection Policy
- Budget Amendment Policy
- Budget Submittal Policy
- Capital Asset Policy
- Debt Management Policy
- Disposition of Surplus Assets Policy
- Employee Recognition Policy
- Engineering Projects and Administration Policy
- Environmental Activity Cost Allocation Policy
- Expense Reimbursement and Board Member Compensable Activity Policy
- Fraud Detection and Prevention Policy
- Groundwater Well Registration Policy
- Identify Theft Protection Program
- Investment Policy
- Procurement Policy
- Records Management Retention and Destruction Policy
- Reserve Policy
- Vehicle and Equipment Replacement and Maintenance/Repairs Schedule and Policy
- Verification of Production Statement

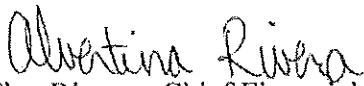
Conclusion

While the above-mentioned funds represent the primary operating and capital improvement funds of the District, there are other fund budgets recommended in this document. These additional funds are used for maintaining mandated reserves for specific purposes. All of the District funds' budgets for FY 2018-19 are balanced, as proposed to the Board.

Respectfully submitted,



Mauricio E. Guardado, Jr. - General Manager



Tina Rivera - Chief Financial Officer

DIRECTORS

Peter W. Hansen

Craig R. Kaihara

Thomas P. Vujovich, Jr.

John S. Broome

John D. Menne



PLEASANT VALLEY COUNTY WATER DISTRICT

PIONEER IN FOX CANYON AQUIFER CONSERVATION
SERVING AGRICULTURE SINCE 1956

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STAFF

Jared L. Bouchard
General Manager

General Counsel
Arnold, Bleuel, LaRoche, &
Mathews & Zirbel, LLP

April 24, 2018, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

AGENDA ITEM: 7C

Subject: CONSIDER ENGAGEMENT OF SOARES, SANDALL, BERNACCHI & PETROVICH, LLP. FOR CPA SERVICES TO THE DISTRICT.

Staff is proposing PVCWD engage the services of a new CPA firm for financial support services. The proposal is requested in an effort to improve administrative efficiencies for the District. The General Manager has a long working history with the team from Soares, Sandall, Bernacchi & Petrovich, LLP (SSB&P); it is not a reflection on the competent services that have been and continue to be provided by Hinricher, Douglas & Porter, LLP.

Since joining PVCWD the General Manager has been evaluating where administrative improvements can occur to reduce reliance on outside consultants, increase internal management activities and improve the overall work flow of District work plans. As mentioned above the team of individuals from SSB&P have worked with the General Manager in the past in setting up financial controls, budgetary oversight and development programs, trained internal support staff, and developed the financial reporting tools the General Manager feels necessary to properly administer the financial assets of PVCWD. To date, staff has not been able to dedicate the time to our current CPA firm to get these programs going, nor does staff for see in the near future where adequate time to work on these projects will be available. The team from SSB&P has an intimate understanding of how staff would like to have these programs developed and implemented and will not require the General Manager to allocate a significant amount of time to the development and implementation of these systems.

AGENDA ITEM: 7C

After the initial development and implementation of the accounting tools, training and procedures it is anticipated that a significant of the work being performed by outside consultants will be performed in house resulting in significant cost savings annually to the District. After implementation it is anticipate that we would only need book keeping services for 4 to 6 hours monthly to work with District staff in reviewing month end reconciliations and payroll reports. The CPA assigned to the District would review those reports and mainly only become significantly involved with billable hours during budget development and audit preparation.

Recommendation: Authorize the General Manager to execute the agreement.

Soares, Sandall, Bernacchi & Petrovich, LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

BILLIE JO RODRIGUEZ, C.P.A. RICK C. HELDWEIN, C.P.A.
JUAN M. SOTO, C.P.A. SHARON I. ROBERTS, C.P.A.
PRAJESH (RAJ) ACHARYA, C.P.A. TATSIANA D. SHAPIRO, C.P.A.

FRANK J. SOARES (1908-1991)
THOMAS W. PETROVICH (1937-2013)
DEBRA N. DETTENMAYER (1955-2014)

CONSULTANTS

RICK B. SMITH, C.P.A. KENNETH R. MERIDETH, C.P.A.
BERNARD D. BERNACCHI GEORGE E. SANDALL, C.P.A.

April 23, 2018

Jared Bouchard
Pleasant Valley County Water District
154 S. Las Posas Road
Camarillo, CA 93010

Subject: ENGAGEMENT OF SERVICES

We are pleased to submit the following proposal for services for Pleasant Valley County Water District for the years ended June 30, 2018 and 2019. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

1. Assist with preparation of workpapers for audit.
2. Prepare the annual state report, LFGA 80.
3. Assist with preparation of the annual budget.
4. Assist with monthly reconciliations.
5. Prepare annual Forms 1099/DE 542, as necessary.
6. Prepare annual Board Restricted Cash Calculation.
7. Respond to regulatory agency notices as needed
8. Other accounting support from time to time as agreed upon in writing.

We expect to begin our work May 1, 2018.

It is our policy to keep work papers related to this engagement for 10 years. Upon the expiration of the 10 year period you agree that we shall be free to destroy our work papers. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

You are responsible for management decisions and functions, and for designating a competent employee to oversee any bookkeeping services, tax services, or other services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

While we are, of course, available to provide you with accounting, tax planning and business planning services, it is our policy to put all advice upon which a client might rely into a written memorandum prior to you relying on such advice. We believe this is necessary to avoid confusion and to make clear the specific nature of our advice. You should not rely on any advice that has not been put into writing for you.

Prajesh (Raj) Acharya is the engagement partner for the services specified in this letter. His responsibilities include supervising Soares, Sandall, Bernacchi & Petrovich, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the report.

Our engagement cannot be relied upon to disclose errors, fraudulent financial reporting, misappropriation of assets, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement. By your signature below, you understand and agree that you are responsible for preventing and detecting fraud.

We will not be responsible for advising you with respect to independent contractor status as part of our services. If you have any questions regarding the classification of employees versus independent contractors, we strongly encourage you to consult with legal counsel experienced in employment practice matters.

Our fees are based on the time required by the individuals assigned to the engagement plus out-of-pocket expenses. Our standard rates are subject to review in June of each year.

Partners	\$	320		
Managers	\$	210	-	\$ 320
Accountants	\$	90	-	\$ 210
Paraprofessional	\$	135	-	\$ 110
Clerical	\$	88		

Our invoices for these fees will be rendered each month as work progresses and are due and payable upon presentation. Fees not paid within 30-days of invoice date will be charged a late charge at a rate of up to 10% per year, and, at our election, we will stop all work until your account is brought current, or we will withdraw from this engagement. Pleasant Valley County Water District acknowledges and agrees that we are not required to continue work in the event of Pleasant Valley County Water District's failure to pay on a timely basis for services rendered as required by this engagement letter. Pleasant Valley County Water District further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of Pleasant Valley County Water District's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to Pleasant Valley County Water District for any damages that occur as a result of our ceasing to render services.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes, before resorting to litigation. Cost of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. **In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Jared Bouchard
Pleasant Valley County Water District
April 23, 2018
Page Three

We shall be pleased to discuss this letter with you at any time.

Soares, Sandall, Bernacchi & Petrovich, LLP is dedicated to performing to the highest professional standards. The Firm's goal is to assure the public, and everyone who relies on the integrity of financial statements, that the Firm's services are of the highest quality. The Firm contracted with the American Institute of Certified Public Accountants to have an independent evaluation of our accounting and auditing practice. Soares, Sandall, Bernacchi & Petrovich, LLP received an "unqualified" opinion, the highest level of report attainable, on its 2014 peer review. As members of the American Institute of Certified Public Accountants and California Society of Certified Public Accountants, we are required to perform an internal review every year and contract for an independent peer review every three years. A copy of our latest unqualified report is attached.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

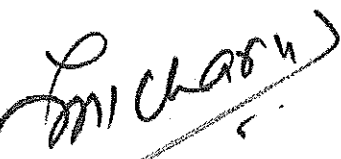
SOARES, SANDALL, BERNACCHI & PETROVICH, LLP
Certified Public Accountants

Prajesh (Raj) Acharya, CPA

PA:srb

Enclosures: copy of letter for signature
return envelope
unqualified report

Approved by:


Signature

4/23/2018
Date

DIRECTORS

Peter W. Hansen

Craig R. Kaihara

Thomas P. Vujovich, Jr.

John S. Broome

John D. Menne



PLEASANT VALLEY COUNTY WATER DISTRICT

PIONEER IN FOX CANYON AQUIFER CONSERVATION
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General Manager

General Counsel
Arnold, Bieuel, LaRochelle,
Mathews & Zirbel, LLP

April 24, 2018, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

AGENDA ITEM: 9

Subject: GENERAL MANAGER COMMENTS

Update on outstanding District issues:

1. **WELL 10 Repair and Settlement:** Well 10 was hit by a truck in January of 2017. Staff prepared the reimbursement cost and supplemental settlement information and has received 100% cost recovery for the damages. The total amount of reimbursement was \$243,831.36 The break down for the cost incurred were submitted and paid as follows:
 - a. Direct Repair cost and Parts = \$119,624.29
 - b. PVCWD Man Hours= \$5210.59
 - c. Replacement water = \$118,996.48

2. **City of Oxnard SMP Cost Recovery Negotiations:** For some time there had been an unofficial agreement for the repayment of cost incurred by PVCWD for the SMP turnout construction, engineering and other related expenses. The issue remained unresolved for over a year. Staff reinitiated the discussions and received the negotiated reimbursement from The City of Oxnard in the amount of \$26,435.35

Ongoing District Operations:

1. **City of Oxnard Recycled Water Received Since January 2018 to current as of 4/20/2018= 311 ac/ft.**

2. **Conejo Creek Water Received Since January 2018 to current as 4/20/2018 = 1,689.35 ac/ft.**

AGENDA ITEM: 9

- 3. Well meter calibration-** All 11 of the District well meters were tested and found to be in compliance and properly calibrated.

Correspondence:

1. Staff submitted the attached **(attachment 1)** letter to the Fox Canyon Ground Water Management Agency on the proposed Preliminary Draft Ground Water Sustainability Plan.
2. PVCWD , United Water, Calleguas and Camrosa submitted the attached **(attachment 2)** joint comment letter on the Preliminary Draft Ground Water Sustainability Plan

Ongoing Issues of relevant to PVCWD:

1. Staff and General Counsel coordinated and attended a meeting with the City of Oxnard and Oxnard Drainage District (ODD) in an attempt to facilitate discussion allowing construction water from the Hueneme Road Recycled Water Pipeline Construction to be placed into the ODD system. Without this permit there will be significant unanticipated cost increases to the construction of The City of Oxnard Hueneme Road Recycled Water Pipeline.
2. Staff continues to attend weekly Oxnard Pleasant Valley (OPV) users meeting regarding an internal agricultural allocation. The group is working on refining and providing details to the hybrid plan supported by the OPV general membership. The plan has been presented to the FCGMA. To Date the FCGMA staff has yet to indicate support for the plan; rather they are looking for areas of further compromise with OPV landowners who do not support the plan.
3. Staff has attended FCGMA Operations Committee Meetings and FCGMA Board meetings to make comment and support the OPV plan and stay abreast of developments related to the Ground Water Sustainability Plan
4. General Counsel is working on an extension to the current Calleguas Salinity Management Pipeline use Agreement. The current agreement expires in July 2018. Calleguas has indicated they are willing to consider an extension of up to 3 years.

DIRECTORS

Peter W. Hansen

Craig R. Kaihara

Thomas P. Vujovich, Jr.

John S. Broome

John D. Menne



PLEASANT VALLEY COUNTY WATER DISTRICT

PIONEER IN FOX CANYON AQUIFER CONSERVATION
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General Counsel
Arnold, Blauel, LaRoche, et al.,
Mathews & Zirbel, LLP

April 3, 2018

Eugene West, Chairman and Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, California 93009

Re: Comments on November 2017 Preliminary Draft Ground Water Sustainability Plan (PDGSP) for Oxnard and Pleasant Valley Basins

Dear Chair West and Board,

Pleasant Valley County Water District (PVCWD) appreciates the opportunity to provide input on the Draft Ground Water Sustainability Plan (PDGSP). Given the very technical nature of the PDGSP and the relative incompleteness of the document PVCWD chose not to engage a technical expert to provide comment at this time. We reserve the right to provide full and complete comments at the time a complete GSP is made available. It is our understanding that others within the water community may be submitting detailed technical analysis of the PDGSP which we are confident will align with the preliminary draft concerns PVCWD has with the PDGSP.

PVCWD understands that FCGMA released the PDGSPs to facilitate early stakeholder engagement with the goal of reviewing and inclusion of that input into the development of a final GSP. When the PDGSP was released, FCGMA emphasized that they were preliminary drafts and that some sections are not complete and the final GSPs that will ultimately be adopted by the Board of Directors may be subject to significant revision. As part of the presentation on January 3, 2018 to the FCGMA Board it was emphasized that the FCGMA considered PDGSP Sections 1 and 2.1 through 2.3 to be substantially complete, despite numerous placeholders.

PVCWD's primary concern at this time with the sections that were categorized as substantially complete, is that throughout the PDGSP it is difficult to discern what the data set, modeling tools and objectives are, that are being relied upon to evaluate the overall basin health, arrive at safe yield determinations and establish threshold criteria. For example:

Section 2.3.2

States there is an increase in basin storage, but that section also contains widely conflicting data as to how much the increase actually is and which of the storage numbers are being relied upon to reach the conclusions is unclear. Such inconsistencies are demonstrated in the following sections.

"The cumulative change in storage in the model over the period of record was an increase of 129,428 AF (Figure 2-18). Pumping in FCGMA is reported on a calendar year basis, so pumping shown in the figures is per calendar year, while change in storage is per water year."

"Model input for subsurface flow from the Eastern Las Posas Subbasin into PVB may be too high by as much as 4,000 AFY, suggesting that the actual cumulative change in storage over the period of record may have been only an increase of about 49,428 AF (129,428 AF – [4,000 AFY x 20 years (1995 to 2015)])."

Section 2.3.3

Concludes that pumping within the PV Basin will increase the "potential " for sea water intrusion within the Oxnard Sub Basin . However Table 2-9 shows only a 380 AFY inflow from the Oxnard Sub Basin and an outflow of 2642 AFY to the Oxnard Sub Basin from the Pleasant Valley Basin (PVB).

"Additionally, pumping in the Fox Canyon and Grimes Canyon Aquifers in the PVB can increase groundwater flow from the UAS of the Oxnard Subbasin to the Fox Canyon and Grimes Canyon Aquifers in both the Oxnard Subbasin and PVB. This increase in downward groundwater flow decreases the water level in the UAS, thereby potentially inducing seawater intrusion."

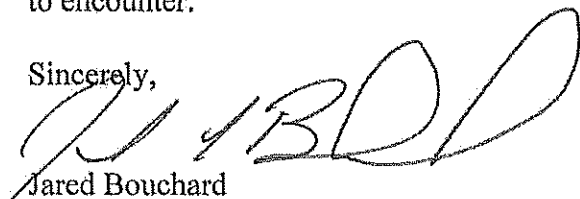
Scenario F

The PDGSP relies upon Scenario F to reach a conclusion that a 50% reduction in the PVB is necessary. However it fails to explain if that 50% reduction includes water from the North Pleasant Valley Desalter or would even larger reductions be required when that project comes on line, as is discussed in section 2.1.1. Of equal concern is that Table 2-9 shows a basin in balance with only a 214 AFY deficit. There is a vast difference in 214 AFY reductions in pumping that the data seems to suggest and an 8000 AFY year reduction proposed in the PDGSP.

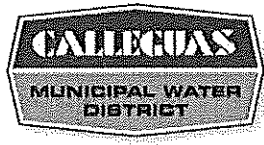
In short the PDGSP in its current form does not support the conclusions that a 50 % reduction in the PVB is necessary. The PDGSP tables and hydrographs quantify and demonstrate an increase in storage, recovering ground water levels based on climatic cycles, a balanced basin yield and basin outflows in excess of inflows.

PVCWD respectfully submits these comments with a sincere desire to assist the FCGMA in bringing back a GSP that can be supported, vetted and stand up to the technical scrutiny it is sure to encounter.

Sincerely,



Jared Bouchard
PVCWD General Manager



March 26, 2018

Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA. 93009-1610

Subject: **Recommendations for Completing the Groundwater Sustainability Plans for Las Posas Valley, Pleasant Valley, and Oxnard Basins**

Dear FCGMA Board of Directors:

The purpose of this letter is to communicate the five most important recommendations that our Districts agree would improve the three Groundwater Sustainability Plans (GSPs) currently being prepared by the Fox Canyon Groundwater Management Agency (FCGMA) for the Las Posas Valley, Pleasant Valley, and Oxnard Basins. If these recommendations are not implemented we fear that the final GSPs will fail to meet the analysis and stakeholder-involvement requirements of the Sustainable Groundwater Management Act (SGMA), and will not be supported by stakeholders or approved by the California Department of Water Resources (DWR). Our technical experts, several of which are also members of the FCGMA's Technical Advisory Group (TAG), share our perspective that the draft GSPs must contain sufficient information regarding selection of sustainability criteria, impacts of those criteria, and cost versus benefit for each future water-supply scenario, in order for community members and other stakeholders (e.g., water suppliers) to provide informed input as required by SGMA.

We appreciate the urgency and level of effort made to date by the FCGMA and its consultant, Dudek, to prepare the three preliminary draft GSPs released for public review and input last November. We concur with California Department of Water Resources' (DWR's) SGMA regulations and guidance documents, as well as the statements by your Board and staff, that local stakeholder input is essential to produce GSPs that will meet the long-term water resource needs of the communities within each basin. Despite the hard work of the FCGMA's Board, staff, consultant, and TAG, preparation of the three GSPs has fallen significantly behind schedule. However, the schedule situation would have been worse if the FCGMA had not had the foresight to respond proactively to SGMA and begun the GSP process so early. We are concerned, however, that the most important (and currently incomplete), chapters of the GSPs—"Chapter 3-Sustainable Management Criteria" and "Chapter 5-Projects and Management Actions"—may not receive the analytical and deliberative efforts they deserve, as a result of time constraints. Less than two years remain before the "hard" deadline (January 1, 2020) for submittal of the Oxnard and Pleasant Valley

Basin GSPs. Before that date, Chapters 3 and 5 of the GSPs will require extensive analysis, community/stakeholder discussion, and careful, informed deliberation by the Board to set forth:

- The criteria—including minimum thresholds and measurable objectives—by which our communities define sustainability of our water supplies, and
- Potential water supply scenarios, including a preferred path forward, and the impacts of each scenario on our region’s communities, economy, and environment for the foreseeable future.

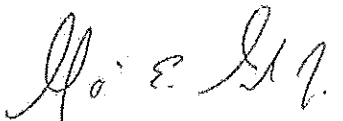
In order for the GSPs to gain community and stakeholder acceptance—as well as DWR approval—we believe the following recommended revisions and additions are critical:

1. **Expand the discussion of minimum thresholds in Section 3 of each GSP to include information regarding “How minimum thresholds may affect the interests of beneficial uses and users of groundwater or land uses and property interests,” as required by §354.28 of SGMA.** We understand that far less time has been spent to date by the FCGMA, Dudek, and the TAG developing this section than has been spent on Sections 1 and 2 (“Administrative Setting” and “Basin Setting”). However, the minimum thresholds set in the GSPs for each sustainability indicator are the foundation for determining sustainable yield, the need for new water-supply projects to meet any shortfall, and the future availability and cost of groundwater. Essentially no information is provided in the preliminary draft GSPs to inform the reader of the likely range of impacts on water availability and potential costs to achieve proposed minimum thresholds, or of the potential effects of assuming alternative minimum thresholds. Little opportunity for community or stakeholder input on sustainability indicators, minimum thresholds, or measurable objectives has been provided until late in the review period, as the FCGMA’s workshops so far have focused primarily on the “Basin Setting” discussions of each GSP.
2. **Include a cost-benefit analysis of the top three to five projects (or suites of projects) and management actions that will be included in Chapter 5 (“Projects and Management Actions”) in the next draft of the GSPs.** Chapter 5 was largely incomplete, with partial information provided in some subsections, in the preliminary draft GSPs. An analysis of several likely alternative “packages” for future water supply in each basin is important to allow community members and water districts to understand the cost implications of different minimum thresholds, measurable objectives, and future projects or management actions. We further recommend that FCGMA staff, Dudek, and the TAG start the planning process for such an analysis as soon as possible.
3. **Use the best available tools/science—the groundwater models developed by United WCD and Calleguas MWD—to conduct the sustainable yield analysis and forecasted-impact evaluations required by SGMA.** The TAG has expressed support for applying both of these models to these analyses. Development of model input parameters for the water-supply scenarios to be considered in the GSPs will likely take several months, and should be explicitly specified as a priority for the FCGMA staff and Dudek so that modeling of selected scenarios can begin without delay.

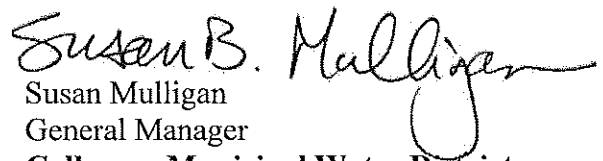
4. **Develop a realistic timeline (with important milestones) and resources budget (including level of effort and cost estimates) for completing the required analyses, public participation, writing, and review cycles for each GSP, and plan now to provide those resources.** We strongly recommend allowing the TAG to participate in developing this proposed timeline and reviewing the estimated level of effort. Our Districts have contributed significant staff and consultant time so far to support preparation of the preliminary draft GSPs, and we anticipate an even more intense effort will be required to conduct the remaining analyses and submit the Oxnard and Pleasant Valley GSPs to DWR by the January 1, 2020, deadline and the Las Posas Valley GSP by the January 1, 2022 deadline.
5. **Each of the three GSPs should be reorganized to more closely conform to DWRs “Guidance Document for the Sustainable Management of Groundwater: Groundwater Sustainability Plan Annotated Outline,” dated December 2016.** Based on numerous experiences that our districts have had submitting documents to DWR, an expedited and favorable outcome is more likely if DWR guidance and example documents are followed. We understand that it is not possible to exactly match the required sections and sub-sections of the GSPs on a one-to-one basis with the section headings recommended by DWR. However, we feel that each GSP section could, with modest effort, be reorganized to more closely follow DWR’s annotated outline.

If you would like clarification on any of the recommendations presented in this letter, please do not hesitate to contact the undersigned. Each of our Districts plans to submit more detailed comments regarding other needed modifications for each GSP under separate cover, but wanted to provide FCGMA with these comments of mutual interest to our agencies.

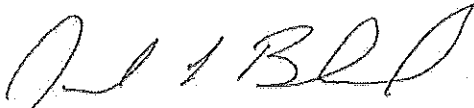
Sincerely,



Mauricio E. Guardado, Jr.
General Manager
United Water Conservation District



Susan Mulligan
General Manager
Calleguas Municipal Water District



Jared Bouchard
General Manager
Pleasant Valley County Water District



Tony Stafford
General Manager
Camrosa Water District

Cc: Jeff Pratt, Executive Officer, Fox Canyon Groundwater Management Agency
Kimball Loeb, Groundwater Manager, Ventura County Watershed Protection District