

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

**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 Thursday, January 11, 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. Tuesday, October 10, 2017

- 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. ELECTION OF OFFICERS OF THE BOARD FOR 2018

- a. Board President
- b. Vice President

Recommendation: Individual votes for President and Vice President

B. CONSIDER 2018 BOARD MEETING CALENDAR

Recommendation: Approve or modify calendar as appropriate.

C. RATIFICATION OF CHECKS. The Board will review and ratify checks issued and funds transferred since the Board of Directors meeting of October 10, 2017.

Recommendation: Approve

D. CONSIDER BOARD RESOLUTION 18-01 OF PLEASANT VALLEY COUNTY WATER DISTRICT AUTHORIZING SALARY SCHEDULES FOR PLEASANT VALLEY COUNTY WATER DISTRICT EMPLOYEES FROM JULY 2014 TO CURRENT

Recommendation: Approve Resolution 18-01

E. CONSIDER DRAFT ANNUAL AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2017

Recommendation: Adopt Fiscal Year End June 30, 2017 Annual Audit

F. 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

Recommendation: Authorize the General Manager to Execute the Agreement(s) and authorize the General Manager in consultation with District Legal Counsel to make non sustentative modifications as appropriate

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 - *Government Code § 54956.9(d)(1): Pleasant Valley County Water District v. Fox Canyon Groundwater Management Agency*, Appeal, Ventura County Superior Court Case No. 56-2015-00464072-CU-WM-OXN.

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.



Jared Bouchard
General Manager

MINUTES OF REGULAR MEETING OF THE
BOARD OF DIRECTORS
PLEASANT VALLEY COUNTY WATER DISTRICT HELD
Tuesday October 10, 2017

Pursuant of notice duly given, a Regular Meeting of the Board of Directors of the Pleasant Valley County Water District was held on Tuesday, October 10, 2017, 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

Absent: John Menne

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

Others Present: Jeanette Lombardo, State President California Women for Agriculture

Agenda Item # 3 – Determination of a Quorum

Director Vujovich opened the public comment and invited Ms Lombardo

Agenda Item # 4 – Approval of Agenda

Mr. Bouchard proposed a modification to the agenda as follows:

- #5(a) should read "August 15, 2017" and (b) should be deleted
- #8 (c) should read ""Rectification of checks. The board will review and ratify checks issued and funds transferred since the Board of Directors meeting of August 15, 2017".
- #9 "General Manager Comment" should be deleted as it was entered twice.

It was moved by Director Kaihara to approve the agenda as adjusted, seconded by Director Broome, motioned passed unanimously.

Minutes of Meeting
October 10, 2017

Agenda Item # 5 – Approval of Minutes

Moved by Director Kaihara to approve the minutes of the special board meetings held August 15, 2017; seconded by Director Broome, motion passed unanimously.

Agenda Item # 6 – Open Forum Public Comment

Director Vujovich opened the public comment and invited Ms. Lombardo to address the board. Ms. Lombardo updated the board on the her work on keeping the coastal power plant open and the endangered species act (at a nation and state level). Ms. Lombardo informed the board she elected as National President for the American Agri-Women. Finally Ms. Lombardo informed the board about the events of the last Fox Canyon GMA meeting. A short board discussion followed.

Agenda item # 7a – Consider Resolution 17-04 Authorizing the District to contract with California Public Retirement System for District Health Care Benefits.

Mr. Bouchard provided a cost benefit analysis of health insurance for employee comparing current coverage under Cal Choice and CalPers. Mr. Bouchard analysis showed CalPers provided better benefits with less out of pocket cost for the employees. Mr. Bouchard emphasized that under CalPers the district would have to provide health insurance for retiree's (not required under Cal Choice) retroactively. A short board discussion followed.

A motion was passed authorizing the District to contract with California Public Retirement System for District Health Care Benefits; was passed by Director Broome seconded by Director Kaihara; passed unanimously.

Agenda Item # 7b – Report from General Manager regarding potential projects the District might consider as part of a short and long term planning

Mr. Bouchard noted that the District will be facing a numerous challenges in the horizon, both short and long term. Mr. Bouchard noted three common themes which will help guide the districts response to these challenges and ultimately provide a path to overcoming the challenges; the financial impact, expanding the Districts Water Portfolio and information systems. Mr. Bouchard identified seven projects for the board to consider, this would help in providing some direction to him facing the challenges in the horizon. A board discussion followed.

The board agreed to Jared pursuing the projections and provide further information to Board at future meetings.

Agenda Item # 7c – O/PV Growers Update

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

Minutes of Meeting
October 10, 2017

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. A board discussion followed.

Agenda Item # 8c – Ratification of Checks

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 # 9 – General Manager Report

There was no report.

Agenda item # 10 – Other Business

There was no other business.

Agenda Item # 11 – Closed Session

There was no closed business.

Agenda Item # 12 – Adjournment

The meeting was adjourned upon a motion duly made, seconded and carried unanimously at 12:34 a.m.

Respectfully Submitted:

Minutes Approval:

Brian Cousino, Secretary/Treasurer

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

January 11, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: Consider 2018 Board Meeting Calendar

AGENDA ITEM: 7B

Below is the proposed calendar of Board Meetings for calendar year 2018. The following meetings are proposed on the second Tuesday of the month at 10:00 am. The Board at its October 10, 2017 meeting elected to hold meetings quarterly on the second Tuesday of month quarterly.

January 9, 2018

April 10, 2018

July 10, 2018

October 9, 2018

Recommendation: Approve

DIRECTORS

Peter W. Hansen

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January 11, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: RATIFICATION OF CHECKS 10/05/2017 – 12/31/2017

AGENDA ITEM: 7C

Attached is the list of the checks issued and funds transferred from October 10, 2017 through December 31, 2017 that show the expenses incurred during that period of time

Recommendation: Approve

Pleasant Valley County Water District
Transactions by Account
As of December 31, 2017

Type	Date	Num	Name	Memo	Credit
CUB Checking					
Liability Check	10/10/2017		United States Treasury	To reverse payroll item for FUTA District not subject to Futa	
Liability Check	10/12/2017		QuickBooks Payroll Service	Created by Payroll Service on 10/09/2017	8,550.82
Paycheck	10/13/2017	DD1113	Daniel J Vasquez	Direct Deposit	
Paycheck	10/13/2017	DD1114	Donald R. Arnold	Direct Deposit	
Paycheck	10/13/2017	DD1112	Azucena Sanchez	Direct Deposit	
Paycheck	10/13/2017	6834	Dave P Souza		3,257.66
Paycheck	10/13/2017	DD1115	Jared Bouchard	Direct Deposit	
Liability Check	10/13/2017	eft	Employment Development Department	688-1246-9	916.99
Liability Check	10/13/2017	eft	Employment Development Department	688-1246-9	136.00
Liability Check	10/13/2017	eft	United States Treasury	95-6006679	4,964.90
Check	10/13/2017	EFT	CalPERS	JARED & AZU CONTRIBUTION 9/23/17 - 10/6/17	931.83
Check	10/13/2017	EFT	CalPERS	DON, DAVE & DANNY CONTRIBUTION 9/23/17 - 10/6/17	1,283.46
Check	10/15/2017	6835	AT&T Mobility	8/19/17 - 9/18/17 Acc # 828309642	158.62
Check	10/15/2017	6836	SoCalGas	Acc # 06301383003 8/25/17 - 9/26/17	19.48
Check	10/15/2017	6837	Promaid, Inc.	Inv # 52899X	195.00
Check	10/15/2017	6838	SHELL	Inv # 79423752709	159.79
Check	10/15/2017	6839	Dial Security	Inv# 309298 9/26/17	72.00
Check	10/15/2017	6840	THE REINAL - THOMAS CORPORATION	INV # 2467012 ACC # 37519 TOYOTA TRUCK UNIT # 3	982.81
Check	10/15/2017	6841	U S Bank Payment Center	ACC# 424604455652027 DATE: 9-22-17	1,904.90
Check	10/15/2017	6842	Access Information Management	INV # 2254015	219.63
Check	10/15/2017	6843	CaliforniaChoice Benefits Administration	INV # 2769103 COVERAGE PERIOD: NOVEMBER 17	3,435.01
Check	10/15/2017	6844	Prudential Overall Supply		370.35
Check	10/15/2017	6845	ACWAUPIA	Inv # 0511368 Coverage Month: Nov 2017	455.08
Check	10/15/2017	6846	UWCD	8/30/17 - 9/28/17 Acc# 035-00710-00	27,704.60
Check	10/15/2017	6847	Camrosa Water District	Inv # 1859	6,310.70
Check	10/15/2017	6848	Piney Bowes Global Financial Ser LLC	Inv # 3101645623	141.06
Liability Check	10/26/2017		QuickBooks Payroll Service	Created by Payroll Service on 10/20/2017	8,550.80
Paycheck	10/27/2017	DD1116	Azucena Sanchez	Direct Deposit	
Paycheck	10/27/2017	DD1117	Daniel J Vasquez	Direct Deposit	
Paycheck	10/27/2017	DD1118	Donald R. Arnold	Direct Deposit	
Paycheck	10/27/2017	6849	Craig R Kaihara		92.35
Paycheck	10/27/2017	6850	Dave P Souza		3,257.67
Paycheck	10/27/2017	DD1119	Jared Bouchard	Direct Deposit	
Paycheck	10/27/2017	6851	John S. Broome		92.35
Paycheck	10/27/2017	6852	Peter W Hansen		92.35
Paycheck	10/27/2017	6853	Thomas P Vujovich		92.35
Liability Check	10/30/2017	EFT	United States Treasury	95-6006679	5,026.10
Liability Check	10/30/2017	eft	Employment Development Department	688-1246-9	916.00
Check	10/30/2017	EFT	CalPERS	Jared & Azucena 10/7/17 - 10/20/17 Contribution 1000954104	931.83
Check	10/30/2017	EFT	CalPERS	Don, Dave & Danny 10/7/17 - 10/20/17 Contribution 1000954105	1,283.46
Check	10/31/2017	6854	Camrosa Water District	Inv # 1860 Water Delivered in September	7,657.19
Check	10/31/2017	6855	Harris Water Conditioning Inc.	Service 10/15 - 11/15 Acc # 23317	46.75
Check	10/31/2017	6856	E.J. Harrison & Sons	Statement Date: 10/12/17	179.60
Check	10/31/2017	6857	Hinricher, Douglas & Portar, LLP	INV # 6421 9/30/17	6,422.50
Check	10/31/2017	6858	SCEPayment Processing	Statement Date: 10/17/17	99,665.69
Check	10/31/2017	6859	Azucena Sanchez	Message Reimbursement 10/21/17 - 10/24/17 GSDA	103.90
Check	10/31/2017	6860	ACWAUPIA	Workers Compensation Program Q1 7/1/17 - 9/30/17	2,576.26
Check	10/31/2017	6861	Arnold, LaRochele, Ebal	Inv # 51545, 51546 & 51547	17,490.26
Check	10/31/2017	6863	FGL Environmental	Inv # 711663A 10/19/17	139.00
Check	10/31/2017	6864	Chevron Card Services	Statement # 51632215 9/22/17 - 10/21/17	889.14
Check	10/31/2017	6865	City of Camarillo	Cycle Route 1/4 BB Date: 10/23/17	81.17
Check	11/03/2017	6866	City of Oxnard	Acc # 2949754 & 294974 Cycle 10-06 JUN - SEP 2017	331,971.84
Liability Check	11/03/2017		QuickBooks Payroll Service	Created by Payroll Service on 11/06/2017	9,042.42
Paycheck	11/10/2017	DD1120	Azucena Sanchez	Direct Deposit	
Paycheck	11/10/2017	DD1121	Daniel J Vasquez	Direct Deposit	
Paycheck	11/10/2017	DD1122	Donald R. Arnold	Direct Deposit	
Paycheck	11/10/2017	6867	Dave P Souza		3,257.67
Paycheck	11/10/2017	DD1123	Jared Bouchard	Direct Deposit	
Liability Check	11/13/2017	EFT	Employment Development Department	688-1246-9	1,003.31
Liability Check	11/13/2017	eft	United States Treasury	95-6006679	5,310.24
Check	11/14/2017	EFT	CalPERS	AZUCENA & JARED EMPLOYER CONTRIBUTION 11/04/17 - 11/17/17	931.83
Check	11/14/2017	EFT	CalPERS	DON, DAVE, DANNY EMPLOYER CONTRIBUTION 11/04/17 - 11/17/17	1,283.46
Check	11/15/2017	6868	Hands-On Consultations	Inv # 10065	701.19
Check	11/15/2017	6869	McCa's Meter Sales & Service	Inv #29921	2,331.95
Check	11/15/2017	6870	Dial Security	Inv # 311235 10/25/17	72.00
Check	11/15/2017	6871	SHELL	Inv # 79423752710 10/26/17 - 11/24/17	188.11
Check	11/15/2017	6872	Underground Service Alert	Inv # 1020170538 11/01/17	18.65
Check	11/15/2017	6873	U S Bank Payment Center	10/23/17 Acc# 2027	2,067.43
Check	11/15/2017	6874	FRONTIER	10/25/17 - 11/20/17 Acc# 482-2119	214.44
Check	11/15/2017	6875	AT&T Mobility	9/19/17 - 10/18/17 Acc# 828309642	158.84
Check	11/15/2017	6876	Donald R. Arnold	Costco Reimbursement	48.46
Check	11/15/2017	6877	ACWAUPIA	INV# 0516921 COVERAGE DECEMBER 2017	455.08
Check	11/15/2017	eft	CalPERS	INV # 100000015105038 COVERAGE NOV 17	1,096.60
Check	11/15/2017	6879	Ventura County Star	INV # 1782227 PUBLICATION 10/11/17	116.26
Check	11/15/2017	6880	Promaid, Inc.	INV # 52971X	195.00
Check	11/15/2017	6881	Prudential Overall Supply	ACC# 49303 OCTOBER	296.28
Check	11/15/2017	6882	Access Information Management	INV # 2306589 10/31/17	219.65
Check	11/15/2017	6883	Jared Bouchard.	Reimburse SDI amounts	87.85
Check	11/15/2017	6884	Daniel J Vasquez	INV # 452280 NAPA	12.21
Check	11/15/2017	6885	FISCOVERIT	Waterhouse#	2,313.37
Check	11/15/2017	6886	WFC SERVICES	Inv # 68989 Job # 50727	1,614.41
Check	11/15/2017	6887	Masvaley Oil Company	INV# 17-058824	843.60
Check	11/15/2017	6888	UWCD	SERVICE DATE: 9/29/17 - 10/29/17	28,835.40
Check	11/15/2017	6889	Camrosa Water District	INV # 1862	435.24
Check	11/15/2017	6890	FGL Environmental	INV # 713011A 11/09/17	145.00

Pleasant Valley County Water District
Transactions by Account
As of December 31, 2017

Type	Date	Num	Name	Memo	Credit
Check	11/15/2017	6891	Diner's Electric	INV # 25191	216.00
Check	11/15/2017	6892	Ferguson Waterworks #1083	VOID: Inv # 18232	
Liability Check	11/22/2017		QuickBooks Payroll Service	Created by Payroll Service on 11/17/2017	8,550.81
Liability Check	11/22/2017	eft	United States Treasury	95-6006679	4,964.92
Liability Check	11/22/2017	eft	Employment Development Department	698-1246-9	915.99
Paycheck	11/24/2017	DD1124	Azuena Sanchez	Direct Deposit	
Paycheck	11/24/2017	DD1125	Daniel J Vasquez	Direct Deposit	
Paycheck	11/24/2017	DD1126	Donald R. Arnold	Direct Deposit	
Paycheck	11/24/2017	6893	Dave P Souza		3,257.66
Paycheck	11/24/2017	DD1127	Jared Bouchard	Direct Deposit	
Check	11/29/2017	EFT	CalPERS	DON, DAVE, DANNY EMPLOYER CONTRIBUTION 11/04/17 - 11/17/17	1,283.46
Check	11/29/2017	EFT	CalPERS	AZUCENA & JARED EMPLOYER CONTRIBUTION 11/04/17 - 11/17/17	931.83
Check	11/30/2017	6894	Harris Water Conditioning Inc.	SERVICE 11/15 - 12/15	46.75
Check	11/30/2017	6895	Hiricher, Douglas & Porter, LLP	INV # 6511 OCTOBER 17	2,072.00
Check	11/30/2017	6896	E.J. Harrison & Sons	11/14/17 ACC # 536	179.60
Check	11/30/2017	6897	Fanning & Karrh	11/18/17 PROGRES BILLING AUDIT 2017	12,000.00
Check	11/30/2017	6898	Refable Pump	INV # 1700559 PO# 2791 WELL #3 PUM REPLACEMENT	41,481.92
Check	11/30/2017	6899	CalPERS.	CALPERS ID# 2915501490 11/14/17 HEALTH PREMIUM STATEMENT	3,840.16
Check	11/30/2017	6900	Hands-On Consultations	INV # 10094	159.00
Check	11/30/2017	6901	Arnold, LaRochele, Etal	INV # 51779 & 51780 11/20/17	29,755.54
Check	11/30/2017	6902	City of Camarillo	BILL DATE: 11/21/17	81.17
Check	11/30/2017	6903	SCE/Payment Processing	BILLING DATE: 11/17/17	89,458.62
Check	11/30/2017	6904	Travis AG Construction	Inv # 17764 Well 10 Final Billing 9-1-2017 / 11/22/17	10,785.00
Check	11/30/2017	6905	Chevron Card Services	Acc # 7898687194 10/22/17 - 11/21/17	704.67
Check	11/30/2017	6906	Environmental Health Div	INV # 0170492 FACILITY ID : FA0008783	1,198.23
Check	11/30/2017	6907	FRONTIER	11/25/17 Acc # 8054822119	211.62
Paycheck	12/01/2017	6917	Dave P Souza		590.70
Liability Check	12/07/2017		QuickBooks Payroll Service	Created by Payroll Service on 12/04/2017	8,822.89
Paycheck	12/08/2017	DD1128	Azuena Sanchez	Direct Deposit	
Paycheck	12/08/2017	DD1129	Daniel J Vasquez	Direct Deposit	
Paycheck	12/08/2017	DD1130	Donald R. Arnold	Direct Deposit	
Paycheck	12/08/2017	DD1131	Jared Bouchard	Direct Deposit	
Liability Check	12/08/2017	EFT	Employment Development Department	698-1246-9	721.34
Liability Check	12/08/2017	EFT	United States Treasury	95-6006679	3,736.26
Check	12/15/2017	6908	Promaid, Inc.	INV # 53039X DECEMBER	195.00
Check	12/15/2017	6909	ACWAU/PIA	INV# 0622800 COVERAGE MONTH: JANUARY	455.06
Check	12/15/2017	6910	Carrosa Water District	INV # 1864 QTY = 250.27 PRICE= 162.31	39,993.41
Check	12/15/2017	6911	UWCD	SERVICE DATE: 10/29/17 - 11/30/17	27,704.60
Check	12/15/2017	6912	Dial Security	INV# 313183	72.00
Check	12/15/2017	6913	SHELL	INV# 79423752711	71.24
Check	12/15/2017	6914	CalPERS	INV # 15131983	1,096.60
Check	12/15/2017	6915	Prudential Overall Supply	INV # 49303	296.26
Check	12/15/2017	6916	U S Bank Payment Center	10/24/17 - 11-20/17	1,498.70
Check	12/15/2017	EFT	AT&T Mobility	10/19/17 - 11/18/17 ACC # 628309642	158.66
Check	12/15/2017	eft	CalPERS.	Coverage Month: January Inv # 100015123278	3,921.17
Check	12/15/2017	eft	CalPERS	Danny, Don and Dave Inv # 1000982694 Employer contribution 11/18/17	1,283.46
Check	12/15/2017	eft	CalPERS	Azuena & Jared Employer Contribution 11/18/17 - 12/01/17	931.83
Liability Check	12/19/2017	eft	United States Treasury	95-6006679	117.80
Liability Check	12/19/2017	EFT	Employment Development Department	698-1246-9	0.61
Liability Check	12/21/2017		QuickBooks Payroll Service	Created by Payroll Service on 12/18/2017	8,530.71
Paycheck	12/22/2017	DD1132	Azuena Sanchez	Direct Deposit	
Paycheck	12/22/2017	DD1133	Daniel J Vasquez	Direct Deposit	
Paycheck	12/22/2017	DD1135	Jared Bouchard	Direct Deposit	
Paycheck	12/22/2017	DD1134	Donald R. Arnold	Direct Deposit	
Paycheck	12/23/2017	6918	Dave P Souza		214.58
Liability Check	12/22/2017	EFT	United States Treasury	95-6006679	3,620.30
Liability Check	12/22/2017	EFT	Employment Development Department	698-1246-9	690.04
Check	12/22/2017	EFT	CalPERS	JARED & AZU EMPLOYER CONTRIBUTION 12/02/17 - 12/15/17 100X	931.83
Check	12/22/2017	EFT	CalPERS	DANNY, DON, DAVE EMPLOYER CONTRIBUTION 12/02/17 - 12/15/17	1,010.76
Check	12/31/2017	6919	RICOH USA, INC	INV # 5051675167	23.96
Check	12/31/2017	6920	Purchase Power	STATEMENT: 12/14/17	208.99
Check	12/31/2017	6921	Employment Development Department	LETTER ID: L1897530528 ACC ID: 698-1246-9	346.47
Check	12/31/2017	6922	Macvalley Oil Company	INV# 17-062874	843.60
Check	12/31/2017	6923	Harris Water Conditioning Inc.	12/15/17 - 01/15/17	46.75
Check	12/31/2017	6924	E.J. Harrison & Sons	12/31/17 ACC# 536	179.60
Check	12/31/2017	6925	SCE/Payment Processing	12/16/17 ACC# 2-03-434-3235	51,277.87
Check	12/31/2017	6926	Hiricher, Douglas & Porter, LLP	inv# 6883	1,473.50
Check	12/31/2017	6927	City of Camarillo	11/02/17 - 12/01/17 Acc # 33621- 91868	68.39
Check	12/31/2017	6928	Arnold, LaRochele, Etal	Inv # 51959 & 51960	15,680.11
Check	12/31/2017	6929	City of Oxnard	9/30/17 - 11/30/17 Acc# 292457-294974 & 75	166,003.10
Check	12/31/2017	6930	AAA Propane Service	inv # 968847	188.17
Check	12/31/2017	6931	KEH & ASSOCIATES, INC.	INV # PVCWDD11701	2,826.25
Total CUB-Checking					1,190,951.10
					<u>1,190,951.10</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, LaRoche,
Mathews & Zirbel, LLP

January 11, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: CONSIDER BOARD RESOLUTION 18-01 OF PLEASANT VALLEY COUNTY WATER DISTRICT AUTHORIZING SALARY SCHEDULES FOR PLEASANT VALLEY COUNTY WATER DISTRICT EMPLOYEES FROM JULY 2014 TO CURRENT

AGENDA ITEM: 7D

The attached is Resolution and attached schedule of salaries reflects the current and past salaries/wages of the different employee classification the District maintains as staff. The need to adopt this resolution retroactive to 2014 stems from a requirement of CalPERS (California Public Employees Retirement System) that all employers must adopt a salary schedule in order to verify payroll and the appropriate retirement calculations associated with the respective classifications, in the case of PVCWD, there was not a formally adopted salary schedule and because of that CalPERS is unable to verify the appropriate retirement benefits for upcoming retirees of the District.

Recommendation: Approve Resolution 18-01

Resolution 18-01

BOARD RESOLUTION OF PLEASANT VALLEY COUNTY WATER DISTRICT
AUTHORIZING SALARY SCHEDULES FOR PLEASANT VALLEY COUNTY WATER
DISTRICT EMPLOYEES FROM JULY 2014 TO CURRENT

WHEREAS, the governing body of Pleasant Valley County Water District (PVCWD) has the authority to adopt salary schedules for its employees;

WHEREAS, the governing body of Pleasant Valley County Water District has in past practice adopted salaries as part of its' budget process;

WHEREAS, the governing body of Pleasant Valley County Water District recognizes the need the to formally adopt salaries for the purpose of CAL PERs retirement calculations and processing;

WHEREAS, the governing body of Pleasant Valley County Water District adopts the attached the schedule of salaries retroactive to July 1, 2014 for those employees earning wages during the period of time covered;

WHEREAS, the governing body of Pleasant Valley County Water District adopts the attached the schedule of salaries retroactive to July 1 2014;

NOW, THEREFORE, BE IT RESOLVED that the governing body of Pleasant Valley County Water District adopts the attached salary schedule, as set forth above.

PASSED AND ADOPTED this January 11, 2018 by the following vote to wit:

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

NOES:

ABSTAINS:

Brian Cousino,
Secretary/Treasurer, PVCWD

Thomas P Vujovich, Jr.,
President, PVCWD Board of Directors

DIRECTOR
 Peter W. Mosher
 CHRIS E. KILPATRICK
 Thomas S. Vigilante, Jr.
 JAMES S. BROWN
 JAMES S. BROWN



PLEASANT VALLEY COUNTY WATER DISTRICT
 POSITION # PWC-DISTRICT MANAGER CONSERVATION
 3770000 AGRICULTURE SPEC 104

104 E. LAKEWOOD BLVD., DANVERS, CA 95618-4870
 Phone: 925-452-5115
 Fax: 925-452-4823

PLVW
 David A. Bouchard
 District Manager
 Andrew C. Brown
 Maintenance & Repair, LLP

SALARY SCHEDULES

2014 2015 2016 2017

Position	Description	Employee Classification	Salary per year	Salary hours rate	Salary per year	Salary hours rate	Salary per year	Salary hours rate	Salary per year	Salary hours rate
GENERAL MANAGER Dave Souza	Manage the District in accordance with policies and guidelines set by the Board of Directors. Responsible for supervision of all phases of water receipt and distribution; system operation and maintenance; record keeping; personnel hiring, discipline and training.	(1) Full-Time Regular Employee; (2) Exempt/ Administrative Employee.	July 2014 - Dec 2014 \$50,747.28		Jan 2015 - Jun 2015 50,747.28 July 2015 - Dec 2015 \$ 52,269.00		Jan 2016 - Jun 2016 \$ 52,269.00 July 2016 - Dec 2016 \$ 55,459.80		Jan 2017 - Jun 2017 \$ 55,707.08 July 2017 - Dec 2017 \$55,459.80	
GENERAL MANAGER Jared Bouchard	Manage the District in accordance with policies and guidelines set by the Board of Directors. Responsible for supervision of all phases of water receipt and distribution; system operation and maintenance; record keeping; personnel hiring, discipline and training.	(1) Full-Time Regular Employee; (2) Exempt/ Administrative Employee.							According to the Employee contract (July 2017 to current) \$130,000.00	
WATER SYSTEM OPERATOR II	Under limited supervision performs skilled and semi-skilled tasks in the operation and maintenance of water distribution systems. Performs related work as required with some responsibility for supervision and training. This is the senior journeyman level in the Water System Operator series. There are supervisory and training responsibilities at this level.	(1) Full-Time Regular Employee; (2) Non-Exempt/Hourly Employee.	27.82 July 2014							29.51 Jan 2017 30.40 July 2017
ADMINISTRATIVE ASSISTANT / BOOKKEEPER	Must have office management and administrative assistant ability. Work independently with limited supervision. Must be able to establish and maintain good relations with landowners, customers, co-workers and general public. Perform all record keeping, secretarial, bookkeeping and other administrative tasks pertinent to the operations, maintenance and management of the District. Must be familiar with computer, general office machines and equipment and be proficient and accurate in computer operation, including word processing and spreadsheets abilities.	(1) Full-Time Regular Employee; (2) Non-Exempt/Hourly Employee.	0							27.79 Jan 2017 28.62 July 2017

Increment 3% Cost of Living per Year

DIRECTORS

Peter W. Hansen

Craig R. Kaihara

Thomas P. Vujovich, Jr.

John S. Broome

John D. Menne



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STAFF

Jared L. Bouchard
General Manager

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

January 11, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: Consider Draft (1-8-18) Annual Audit for Fiscal year Ended June 30, 2017 and 2016 and Independent Auditor's Report.

AGENDA ITEM: 7E

The attached is the Draft (1-8-18) Annual Audit for Fiscal year Ended June 30, 2017 and 2016 and Independent Auditor's Report, issued by Fanning & Karrh Certified Public Accountants.

Recommendation: Approve Draft (1-8-18)

DRAFT (1-8-18)

PLEASANT VALLEY COUNTY WATER DISTRICT

Financial Statements for the
Years Ended June 30, 2017 and 2016
And Independent Auditor's Report

Fanning & Karrh

Certified Public Accountants

A Professional Corporation

DRAFT (1-8-18)

PLEASANT VALLEY COUNTY WATER DISTRICT

Table of Contents

	<u>Page</u>
Independent Auditor's Report.....	1 - 2
Management's Discussion and Analysis.....	3 - 6
Basic Financial Statements:	
Statements of Net Position.....	7
Statements of Revenues and Expenses and Changes in Net Position.....	8
Statements of Cash Flows.....	9
Notes to the Basic Financial Statements.....	10 - 18
Required Supplementary Information.....	19



INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Directors of
Pleasant Valley County Water District:

We have audited the accompanying financial statements of Pleasant Valley County Water District (District) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

DRAFT (1-8-18)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pleasant Valley County Water District as of June 30, 2017 and 2016, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the Schedules of Proportionate Share of the Net Pension Liability and of Contributions on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ventura, California
January __, 2018

DRAFT

DRAFT (1-8-18)

PLEASANT VALLEY COUNTY WATER DISTRICT
 STATEMENTS OF NET POSITION
 June 30, 2017 and 2016

ASSETS	<u>Notes</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS			
Cash and cash equivalents	2	\$ 1,322,633	\$ 562,925
Time certificates of deposit	2	155,986	405,393
Accounts receivable		409,368	334,148
Recycled water connection facility costs receivable	4	-	1,112,057
Prepaid expenses		5,281	5,466
TOTAL CURRENT ASSETS		<u>1,893,268</u>	<u>2,419,989</u>
CAPITAL ASSETS			
Land and easements		231,144	231,144
Utility plant		7,504,357	6,997,141
Buildings and equipment		682,282	691,107
Construction in progress		70,608	202,146
TOTAL CAPITAL ASSETS		8,488,391	8,121,538
Less: Accumulated depreciation and amortization		<u>(6,093,587)</u>	<u>(5,984,947)</u>
NET CAPITAL ASSETS	3	<u>2,394,804</u>	<u>2,136,591</u>
TOTAL ASSETS		<u>4,288,072</u>	<u>4,556,580</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5	<u>103,057</u>	<u>20,720</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		47,937	624,560
Accrued water liability		347,322	607,160
Accrued utilities and other expenses		71,554	69,178
TOTAL CURRENT LIABILITIES		<u>466,813</u>	<u>1,300,898</u>
LONG-TERM LIABILITIES			
Net pension liability	5	<u>227,087</u>	<u>102,719</u>
TOTAL LIABILITIES		<u>693,900</u>	<u>1,403,617</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	5	<u>62,644</u>	<u>112,730</u>
NET POSITION			
Net investment in capital assets		2,394,804	2,136,591
Unrestricted		<u>1,239,781</u>	<u>924,362</u>
TOTAL NET POSITION		<u>\$ 3,634,585</u>	<u>\$ 3,060,953</u>

See accompanying notes to financial statements.

DRAFT (1-8-18)

PLEASANT VALLEY COUNTY WATER DISTRICT
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2017 and 2016

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
OPERATING REVENUES			
Water sales and irrigation		\$ 4,195,902	\$ 3,405,118
OPERATING EXPENSES			
Water purchases		2,224,203	2,087,274
Salaries, wages and benefits		405,510	349,983
Utilities		606,963	898,273
Professional fees		339,281	493,396
Repairs and maintenance		98,092	76,067
Outside services		46,224	55,144
Insurance		14,750	14,818
Other		37,635	41,387
Depreciation and amortization		<u>133,281</u>	<u>115,274</u>
TOTAL OPERATING EXPENSES		<u>3,905,939</u>	<u>4,131,616</u>
INCOME (LOSS) FROM OPERATIONS		<u>289,963</u>	<u>(726,498)</u>
NON-OPERATING REVENUES AND EXPENSES			
Property taxes		258,816	270,742
Interest income		3,153	4,954
Other revenue		21,910	34,934
Loss on disposition of capital assets		<u>(210)</u>	<u>-</u>
TOTAL NON-OPERATING REVENUES AND EXPENSES		<u>283,669</u>	<u>310,630</u>
CHANGE IN NET POSITION		573,632	(415,868)
NET POSITION - Beginning of year		<u>3,060,953</u>	<u>3,476,821</u>
NET POSITION - End of year		<u>\$ 3,634,585</u>	<u>\$ 3,060,953</u>

See accompanying notes to financial statements.

DRAFT (1-8-18)

PLEASANT VALLEY COUNTY WATER DISTRICT
 STATEMENTS OF CASH FLOWS
 For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 4,117,062	\$ 3,284,937
Cash payments to employees	(410,650)	(385,166)
Cash payments for operating expenses	<u>(3,652,831)</u>	<u>(3,465,486)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>53,581</u>	<u>(565,715)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(354,664)	(308,136)
Cash paid for recycled water connection facility	(551,132)	(560,925)
Cash received for recycled water connection facility	<u>1,075,017</u>	<u>-</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>169,221</u>	<u>(869,061)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes collected	<u>258,816</u>	<u>270,742</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of time certificates of deposit	250,000	304,064
Interest income	6,180	3,433
Other revenue	<u>21,910</u>	<u>34,934</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>278,090</u>	<u>342,431</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	759,708	(821,603)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>562,925</u>	<u>1,384,528</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,322,633</u>	<u>\$ 562,925</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 289,963	\$ (726,498)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Depreciation and amortization	133,281	115,274
Pension contribution in excess of pension expense	(8,055)	(39,958)
Changes in operating assets and liabilities:		
Accounts receivable - customers	(78,840)	(120,183)
Prepays and other current assets	185	74
Accounts payable	(25,491)	(9,142)
Accrued water liability	(259,838)	210,847
Accrued utilities and other expenses	<u>2,376</u>	<u>3,871</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 53,581</u>	<u>\$ (565,715)</u>
NONCASH ACTIVITIES		
Accrued liabilities for recycled water connection facility	<u>\$ -</u>	<u>\$ 551,132</u>
Reinvestment of interest on time certificates of deposit	<u>\$ 593</u>	<u>\$ 1,866</u>

See accompanying notes to financial statements.

DRAFT (1-8-18)

PLEASANT VALLEY COUNTY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Pleasant Valley County Water District (District), a special district of the State of California, was organized in 1956 and formed under the County Water District Law of the State of California, as amended, Government Code Sections 30,000 et seq. The District is located in the easternmost section of the Oxnard plain in Ventura County, California and comprises an area of approximately 12,500 acres within the United Water Conservation District. Management of the District is by a five-member Board of Directors. All of the Directors own property within the District boundaries and either purchase water from the District or guarantee the payment of water purchases by tenants. Directors are elected for four year terms. The current directors are:

Thomas P. Vujovich, Jr.	President
Craig R. Kaihara	Vice- President
John S. Broome	Member
Peter W. Hansen	Member
John Menne	Member

The water distribution system is connected to the Pleasant Valley terminal reservoir constructed by the United Water Conservation District for the purpose of providing a supplemental agricultural water supply to the land in the Pleasant Valley area. The water transported into the District serves to alleviate the problems of groundwater overdraft and salt water intrusion into the underground basin presently supplying the District. In addition, the distribution system provides means of serving the intruded areas near the coast from inland wells should supplemental water not be available from the United Water Conservation District or Calleguas Water District.

The District has also constructed a series of wells which allows it to deliver water to its customers when none is available from United Water Conservation District or Calleguas Water District.

The District receives property taxes from the County of Ventura. The amount received approximates the current year property tax times a historical percentage, which is based on the three-year period prior to the passage of Proposition 13.

Reporting Entity – The District's reporting entity includes all significant operation and revenue sources which the District Board of Directors exercises oversight responsibility. Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service. There are no component units included in this report.

Basis of Accounting – The Pleasant Valley County Water District is accounted for as a proprietary fund in accordance with generally accepted accounting principles as applied to governmental units. Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the expenses, including depreciation, of providing goods or services to the general public are recovered through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, and other purposes. Because the District is accounted for as a proprietary fund, the District uses the economic resources measurement focus and the accrual basis of accounting is used for financial statement reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Net position is segregated into investment in capital and unrestricted.

DRAFT (1-8-18)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Principles of Presentation – The accompanying financial statements are presented utilizing the accrual method of accounting.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For the purpose of the Statement of Cash Flows, the District considers all highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. The District considers funds in the Ventura County Treasury Fund to be cash equivalents.

Capital Assets – Capital assets are recorded at cost. Depreciation is calculated using the straight-line and accelerated rates to distribute the cost of properties over their estimated service lives, ranging from three to fifty years.

Deferred Outflows of Resources and Deferred Inflows of Resources – Deferred outflows of resources is a consumption of net position by the District that is applicable to a future period and deferred inflows of resources is an acquisition of net position by the District that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statements of Net Position, but are not recognized in the financial statements as revenue and expenses until the period(s) to which they relate. Deferred outflows of resources and deferred inflows of resources are related to pensions.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) cost-sharing multiple-employer defined benefit plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the financial statements. Net position is classified in the following categories:

- Net investment in capital assets – This category includes capital assets, net of accumulated depreciation and reduced by any outstanding debt related to the acquisition, construction or improvement of those assets.
- Restricted – This category consists of net position with legal limitations imposed on their use by external restrictions by other governments, creditors, grantors, contributors, laws or regulations, or through constitutional provision, or enabling legislation. As of June 30, 2017 and 2016, the District did not have restricted net position.
- Unrestricted net position – This category consists of all other net position that does not meet the definition of restrict or invested in capital assets.

Reclassifications - Certain reclassifications have been made to the prior year financial statements in order to conform to the presentation of the current year financial statements for comparative purposes. There is no material effect on the financial statements.

DRAFT (1-8-18)

2. DEPOSITS AND INVESTMENTS

The District's carrying value of deposits with a bank was \$1,110,655 and \$664,735 at June 30, 2017 and 2016, respectively. The corresponding bank balance was \$1,287,345 and \$756,001, respectively. Of the bank balance at June 30, 2017, \$250,000 was covered by Federal deposit insurance. The California Government Code requires all financial institutions to secure a local government agency's deposits by pledging governmental securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits, and collateral is considered to be held in the name of the District. All cash held by financial institutions is, therefore, entirely insured or collateralized.

At June 30, 2017 and 2016, the District had \$367,941 and \$303,560, respectively, held in an external investment pool in the County of Ventura. Carrying value approximates fair value.

The County Treasurer maintains a cash investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the District based on the average daily balances on deposit with the County Treasurer. Investment earnings are accrued at year-end. The investment pool operates in accordance with appropriate state laws and regulations and the investment policy of the County. The District's investment in the County of Ventura Investment Pool was rated AAA by Standard & Poor's for a primary objective of safety and SI by Standard & Poor's for a secondary objective of liquidity.

To address credit risk, the District invests its funds in accordance with state statutes and the District's investment policy. The criteria for selecting investments are, in order of priority, (1) safety – consideration of the potential loss of principal or interest, (2) liquidity – the ability to have funds available at any moment in time with a minimal potential loss and (3) yield – the optimum rate of return while preserving capital.

3. CAPITAL ASSETS

	Balance <u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2017</u>
Capital assets not being depreciated -				
Land and permanent easements	\$ 231,144	\$ -	\$ -	\$ 231,144
Construction in progress	<u>202,146</u>	<u>107,648</u>	<u>(239,186)</u>	<u>70,608</u>
Total capital assets not being depreciated	<u>433,290</u>	<u>107,648</u>	<u>(239,186)</u>	<u>301,752</u>
Capital assets being depreciated:				
Water distribution system	6,997,141	507,216	-	7,504,357
Buildings and equipment	<u>691,107</u>	<u>16,026</u>	<u>(24,851)</u>	<u>682,282</u>
Total capital assets being depreciated	<u>7,688,248</u>	<u>523,242</u>	<u>(24,851)</u>	<u>8,186,639</u>
Less accumulated depreciation and amortization for:				
Water distribution system	(5,459,016)	(114,880)	24,641	(5,549,255)
Buildings and equipment	<u>(525,931)</u>	<u>(18,401)</u>	<u>-</u>	<u>(544,332)</u>
Total accumulated depreciation and amortization	<u>(5,984,947)</u>	<u>(133,281)</u>	<u>24,641</u>	<u>(6,093,587)</u>
Total capital assets being depreciated and amortized, net	<u>1,703,301</u>	<u>389,961</u>	<u>(210)</u>	<u>2,093,052</u>
Total capital assets, net	<u>\$ 2,136,591</u>	<u>\$ 497,609</u>	<u>\$ (239,396)</u>	<u>\$ 2,394,804</u>

DRAFT (1-8-18)

4. RECYCLED WATER CONNECTION FACILITY COSTS RECEIVABLE

The District has an agreement with the City of Oxnard (Oxnard) and other parties which provides for the delivery of recycled water from Oxnard's Groundwater Recovery Enhancement and Treatment Program (GREAT) (see note 6). In accordance with the agreement, the District was responsible for the design and construction of a connection facility for the recycled water. The facility was completed during the year ended June 30, 2017. The recycled water connection facility costs receivable at June 30, 2016 represented that portion of the facility costs to be reimbursed from Oxnard and other parties. Such amounts were received during the year ended June 30, 2017.

5. DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions, Benefits Provided and Employees Covered – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan). The Plan is a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. The Plan provides retirement, death and disability benefits to plan members and beneficiaries. The benefit provisions of the plan's employees are established by statute. A full description regarding number of employees covered, benefit provisions, assumptions, and membership information for the Plan is listed in the District's June 30, 2015 Annual Valuation Report. This report and CalPERS audited financial statements are publicly available reports that can be found on CalPERS website.

The Plan's provisions and benefits in effect at June 30, 2017, as summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Required employee contribution rates	7%	6.25%
Required employer contribution rates	7.159%	6.555%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning for the year ended June 30, 2016, CalPERS collected employer contributions towards unfunded liability as a dollar amount instead of the prior method of a contribution rate. The pool's unfunded liability is allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. The District's unfunded liability payment for the year ended June 30, 2017 was \$12,218.

For the year ended June 30, 2017, the contributions recognized as part of pension expense were as follows:

Contributions - employer	\$	32,352
Contributions - employee (paid by employer)	\$	16,043

B. Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, the District's reported net liability for its proportionate share of the net pension liability was \$227,087.

DRAFT (1-8-18)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2015 and 2016 was as follows:

Proportion - June 30, 2015	0.00374%
Proportion - June 30, 2016	0.00654%
Change - Increase (Decrease)	0.00280%

For the year ended June 30, 2017, the District recognized pension expense of \$40,110. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 32,352	\$ -
Net differences between projected and actual earnings on plan investments	51,323	-
Difference between Expected and Actual Experiences	803	-
Changes in assumptions	-	9,861
Differences between Actual Contributions and Proportionate Share of Contributions	255	7,976
Change in Employer's Proportion	<u>18,324</u>	<u>44,807</u>
Total	<u>\$ 103,057</u>	<u>\$ 62,644</u>

The \$32,352 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(inflows) of Resources, Net
2017	\$ (18,340)
2018	(12,636)
2019	25,743
2020	<u>13,294</u>
Total	<u>\$ 8,061</u>

DRAFT (1-8-18)

Actuarial Methods and Assumptions - For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability determined in the June 30, 2015 actuarial accounting valuation. The June 30, 2016 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	3.3 % to 14.20%, depending on Entry Age and Service
Investment Rate of Return	7.50%
Mortality	Derived using CalPERS' Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

The underlying mortality assumption and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS' website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is deemed adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as schedule in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11–60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

DRAFT (1-8-18)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.0%	5.25%	5.71%
Global Debt Securities	20.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Amortization of Deferred Outflows and Deferred Inflows of Resources – Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflow and deferred inflows of resources related to pension and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with pensions (active, inactive, and retired) as of the beginning of the measurement period

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining net difference between projected and actual investment earnings on pension plan investments at the measurement date is to be amortized over the remaining four-year period. The net difference between projected and actual investment earnings on pension plan investments in the schedule of collective pension amounts represents the unamortized balance relating to the current measurement period and the prior measurement period on a net basis.

Deferred outflows of resources and deferred inflows of resources relating to differences between expected and actual experience, changes of assumptions and employer-specific amounts should be amortized over EARSL of members provided with pensions through the plan.

DRAFT (1-8-18)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65%) or 1 percentage point higher (8.65%) higher than the current year:

	<u>1% Decrease 6.65%</u>	<u>Current Discount Rate 7.65%</u>	<u>1% Increase 8.65%</u>
District's proportionate share of the net pension liability	\$ 414,136	\$ 227,087	\$ 72,500

Pension Plan Fiduciary Net Position – The plan's fiduciary net position disclosed in the District's GASB 68 accounting valuation report may differ from the plan assets reported in the District's funding actuarial valuation report due to several reasons. For the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in the District's funding actuarial valuation. Detailed information about the pension plan's fiduciary net position is available in the separately CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2017, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

6. COMMITMENTS

United Water Conservation District Water Delivery Contract – The District's contract with United Water Conservation District (United) calls for the District to receive 12.22% of all the water diverted at the Freeman Diversion through January 24, 2030. The cost of the water can be modified each year and is based on criteria sent out in the contract. As of June 30, 2017, the cost of the water was \$122.80 per acre foot plus a fixed monthly charge of \$43,700, decreasing to \$28,720 effective July 1, 2017. As part of this agreement, the District is required to maintain a reserve account with United which equals two times the average operating and maintenance expenditures incurred by United to operate the pipeline to the District.

Additionally, the District had a supplemental agreement with United which required monthly water purchase payments through the year ended June 30, 2017 to United sufficient to cover certain debt service requirements in connection with improvements to the Pleasant Valley Reservoir made by United.

Camrosa Water District Water Sales Agreement – The District entered into a contract with Camrosa Water District (Camrosa) on April 10, 2014 for the purchase of recycled and recaptured water from the Conejo Creek Project. The contract was entered into concurrently with the termination of a similar agreement with between the District and Calleguas Municipal Water District. The contract calls for the District to take up 3,000 acre feet of water per year of all water made available to it by Camrosa from water harvested through the Conejo Creek Project. The base unit price of the water is \$154.89 per acre foot, subject to an annual price adjustment on September 1st of each year based on the Consumer Price Index. This contract continues through April 2054.

The District pumps groundwater from the Fox Canyon Aquifer. This aquifer is managed by the Fox Canyon Groundwater Management Agency (GMA). The GMA adopted an ordinance which requires reduction of groundwater pumping. The reduction is based on the average annual water pumped during 1985-1989. Annual pumping must ultimately be reduced 25% on a graduated basis. There are financial penalties for pumping amounts in excess of the stated base period amounts. Users can build up conservation credits by pumping less than the annual quota. To date, the District has operated below its allocation and has not paid any penalties.

DRAFT (1-8-18)

However, in accordance with the agreement with Camrosa, the District has agreed to transfer to Camrosa any GMA conservation credits earned as a result of the use of water delivered by Camrosa under the water sales agreement.

Recycled Water Management and Use Agreement – In January 2014, the District entered into an agreement with the City of Oxnard (Oxnard) and other parties which provides for the delivery of recycled water from Oxnard's Groundwater Recovery Enhancement and Treatment Program (GREAT) and will be used to provide water service to its customers. The agreement also provides for the joint coordination and management of the recycled water. Water delivery rates will be based on first, second and third priority rates ranging up to \$650 per acre foot, adjusted annually based on the Consumer Price Index. The term of the Agreement will be for 10 years, with an option to renew for an additional 10 years.

7. MAJOR CUSTOMERS

The District has three customers whose water charges represent a significant portion of water revenue. Revenue from these three customers represented 19%, 12% and 9%, respectively, of water revenue during the fiscal year ended June 30, 2017.

8. RISK MANAGEMENT

The District is exposed to potential losses from claims arising from its business operations. Significant losses are covered by commercial insurance. There have been no significant reductions in insured coverage. Settlement amounts have not exceeded insurance coverage.

9. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January __, 2018, the date which the financial statements were available to be issued.

DRAFT (1-8-18)

PLEASANT VALLEY COUNTY WATER DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 California Public Employees' Retirement System
 June 30, 2017 and 2016
 Last 10 years *

Schedule of Proportionate Share of the Net Pension Liability

Year Ended *	Proportion of the Net Pension Liability	Proportionate Share (Amount) of Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/15	0.71300%	\$ 176,794	\$ 253,149	69.84%	86.15%
6/30/16	0.37400%	\$ 102,719	\$ 248,383	41.36%	92.31%
6/30/17	0.65400%	\$ 227,087	\$ 254,800	89.12%	83.66%

* The data provided in the schedule is based as of the measurement date of CalPERS net pension liability, which is as of the beginning of the District's fiscal year.

Schedule of Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/14	\$ 17,353	\$ 17,353	\$ -	\$ 253,149	6.85%
6/30/15	\$ 16,397	\$ 16,397	\$ -	\$ 248,383	6.60%
6/30/16	\$ 29,160	\$ 29,160	\$ -	\$ 254,800	11.44%
6/30/17	\$ 32,352	\$ 32,352	\$ -	\$ 281,382	11.50%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.