

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, June 28, 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 Minutes:
 - a. **Tuesday, April 24, 2018**
 - b. **Tuesday, May 22, 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) Action Items

A. RATIFICATION OF CHECKS. The Board will review and ratify checks issued and funds transferred since the Board of Directors meeting of Tuesday, April 24, 2018.

Recommendation: Approve

B. CONSIDER FY 2018/ 19 BUDGET

Recommendation: Review and approve the FY 18/19 budget

C. CONSIDER BIENNIAL CONFLICT OF INTEREST CODE

Recommendation: Approve the Biennial Conflict of Interest Code

D. CONSIDER DEVELOPMENT OF A WATER WASTE ORDINANCE

Recommendation: Board Discussion and provide direction to staff

E. CONSIDER ENGAGEMENT OF FANNING AND KARRH FOR ANNUAL AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2018

Recommendation: Authorize General Manager to sign engagement letter and begin work on FY Ending June 30, 2018 Audit

8) GENERAL MANAGER COMMENTS

9) OTHER BUSINESS.


10) **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-potential/anticipated litigation. Subdivision (d) of Section 54956.9 of *California Government Code*. (One case)

11) **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 the location that is accessible 24 hours a day to the General Public.


Jared Bouchard
General Manager

MINUTES OF SPECIAL MEETING OF THE
BOARD OF DIRECTORS
PLEASANT VALLEY COUNTY WATER DISTRICT HELD
Tuesday, April 24, 2018

Pursuant of notice duly given, a Special Meeting of the Board of Directors of the Pleasant Valley County Water District was held on Tuesday, April 24, 2018, in the District headquarters facility, 154 South Las Posas Road, Camarillo, CA.

Call to Order

The meeting was called to order at 10:01 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 Manager
Brian Cousino, CPA
Azucena Sanchez, Administrative Secretary

Others Present: Jeanette Lombardo, State President California Women for Agriculture
Tina Rivera, UWCD
Mauricio Guardado, Director 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 Hansen, motion passed unanimously.

Agenda Item # 5 – Approval of Minutes

Moved by Director Kaihara to approve the minutes of the special board meetings held January 11, 2018; seconded by Director Hansen, motion passed unanimously.

Minutes of Meeting
Tuesday, April 24, 2018

Agenda Item # 6 – Open Forum Public Comment

There were no Public comments.

Agenda Item # 7A – Ratification of Checks

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

Agenda Item # 7B – Presentation FY18/19 Budget from United Water Conservation District

Director Vujovich invited Tina Rivera and Mauricio Guardado of UWCD to address the board and present their budget proposal and operational issues. The Board received the presentation without objection.

Agenda Item # 7C – Consider Engagement of Soares, Sandall, Bernacchi & Petrovich, LLP for CPA Services to the District.

Mr. Bouchard provided an update. A board discussion followed. The above motion was passed by Director Broome seconded by 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 # 8b – GMA Update

Mr. Bouchard provided an update on re-startup of the Salinity Management Pipeline for delivery of Oxnard Recycled Water to PVCWD and other potential recycled water projects.

Agenda Item # 9 – General Manager Report

Mr. Bouchard provided an update on outstanding District issues and the Ongoing District Operations.

- 1) Reported the District had received full cost recovery for repairs at Well 10.
- 2) Settled cost recovery with the City of Oxnard for outstanding Salinity Management Pipeline cost.

A board discussion followed.

Agenda item # 10 – Other Business

There was no other business.

Agenda Item # 11 – Closed Session

- A. The Board went into closed session per Government Code Sec 54956.9 (c) at 12:07 p.m. to conference with legal counsel on existing litigation. No action to report in Item 11A.

Minutes of Meeting
Tuesday, April 24, 2018

- B. The Board came out of closed session at 12:49 p.m. The following action was reported out of the closed session: The Board voted 5-0 to authorize the General Manager to interview and engage Special Water Counsel to advise the Board on potential litigation.

Agenda Item # 12 – Adjournment

The meeting was adjourned upon a motion duly made, seconded and carried unanimously at 12:50 p.m.

Respectfully Submitted:

Minutes Approval:

Azucena Sanchez, Secretary of the Board

Thomas P. Vujovich, Jr., President

MINUTES OF REGULAR MEETING OF THE
BOARD OF DIRECTORS
PLEASANT VALLEY COUNTY WATER DISTRICT HELD
Tuesday, May 22, 2018

Pursuant of notice duly given, a Regular Meeting of the Board of Directors of the Pleasant Valley County Water District was held on Tuesday, May 22, 2018, in the District headquarters facility, 154 South Las Posas Road, Camarillo, CA.

Call to Order

The meeting was called to order at 10:05 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

Directors' Absent: John Menne

Staff Present: John Mathews, Attorney
Jared Bouchard, General Manager
Azucena Sanchez, Administrative Secretary

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

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 Broome, motion passed unanimously.

Agenda Item # 5 – Open Forum Public Comment

There were no Public comments.

Agenda Item # 6A – Consider Recycle Water Agreement with CAMROSA WATER DISTRICT

Mr. Bouchard presented the Recycle Water Agreement with Camrosa Water District. A board discussion followed. The Board authorized the General Manager to execute the agreement after the General Manager and General Counsel negotiated and jointly agreed to terms of water quality, indemnification and termination of the agreement related to regulatory changes that may render the source unusable.

Minutes of Meeting
Tuesday, May 22, 2018

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

Agenda Item # 6B – Authorization for the General manager to appoint Dave Souza as an Extra-Help employee in accordance with Government Code Sections 31680.6 and 7522.56

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

Agenda Item # 6C – Consider Amendment to the Calleguas Municipal Water District Agreement for Construction and use of Salinity Management Pipeline Temporary Service Connections for PVCWD.

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

Agenda item # 7 – Other Business

There was no other business.

Agenda Item # 8 – Adjournment

The meeting was adjourned upon a motion duly made, seconded and carried unanimously at 11:40 a.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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General Manager

General Counsel
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Mathews & Zirbel, LLP

June 28, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: RATIFICATION OF CHECKS 4/24/2018 – 6/30/18

AGENDA ITEM: 7A

Attached is the list of the checks issued and funds transferred from April 24, 2018 through June 30, 2018 that show the expenses incurred during that period of time

Recommendation: Approve

1:31 PM
06/26/18
Accrual Basis

Pleasant Valley County Water District
Transaction Detail by Account
April 24 through June 30, 2018

Type	Date	Num	Name	Memo	Amount	Balance
CUB-Checking						
Liability ...	04/25/2018	E-pay	Employment Developme...	698-1246-9 QB T...	(639.00)	(639.00)
Deposit	04/25/2018			Deposit	26,117.66	25,478.66
Liability ...	04/26/2018		QuickBooks Payroll Servi...	Created by Payro...	(8,881.34)	16,597.32
Paycheck	04/27/2018	DD1...	Azucena Sanchez	Direct Deposit	0.00	16,597.32
Paycheck	04/27/2018	DD1...	Daniel J Vasquez	Direct Deposit	0.00	16,597.32
Paycheck	04/27/2018	DD1...	Donald R. Arnold	Direct Deposit	0.00	16,597.32
Paycheck	04/27/2018	DD1...	Jared Bouchard	Direct Deposit	0.00	16,597.32
Deposit	04/27/2018			Deposit	37,091.28	53,688.60
Liability ...	04/27/2018	E-pay	Employment Developme...	698-1246-9 QB T...	(640.95)	53,047.65
Liability ...	04/27/2018	E-pay	United States Treasury	95-6006679 QB ...	(3,309.50)	49,738.15
Check	04/30/2018	7052	Harris Water Conditionin...	04/15/18 - 05/15/...	(46.75)	49,691.40
Check	04/30/2018	7053	Diener's Electric	INV # 27763	(739.47)	48,951.93
Check	04/30/2018	7054	City of Oxnard	INV # 294974 & 2...	(14,995.94)	33,955.99
Check	04/30/2018	7055	E.J. Harrison & Sons	ACC # 0536 STA...	(179.60)	33,776.39
Check	04/30/2018	7056	SCE/Payment Processing	DATE BILL: 4/18/...	(10,940.26)	22,836.13
Check	04/30/2018	7057	FGL Environmental	INV # 80495A	(139.00)	22,697.13
Check	04/30/2018	7058	City of Camarillo	ACC# 91868	(74.76)	22,622.37
Check	04/30/2018	7059	Arnold, LaRochelle, Etal	INV# 52876	(9,854.00)	12,768.37
Check	04/30/2018	7060	Target Specialty Products	INV# PI0786810	(62.13)	12,706.24
Check	04/30/2018	7061	ACWA/JPIA	PROPERTY PR...	(2,741.00)	9,965.24
General ...	04/30/2018	SSB...		Void Ck# 6688 A...	120.00	10,085.24
General ...	04/30/2018	SSB...		Void ck# 6138 V...	150.00	10,235.24
Deposit	05/01/2018			Deposit	15,930.30	26,165.54
Check	05/01/2018	EFT	SoCalGas	BILLING PERIO...	(56.05)	26,109.49
Deposit	05/04/2018			Deposit	5,677.50	31,786.99
Deposit	05/04/2018			Deposit	8,199.66	39,986.65
Check	05/07/2018	EFT	CalPERS	UNFUNDED AC...	(1,096.60)	38,890.05
Check	05/07/2018	EFT	CalPERS	DANNY & DON 4...	(682.06)	38,207.99
Check	05/07/2018	EFT	CalPERS	JARED & AZU 4/...	(931.83)	37,276.16
Check	05/07/2018	EFT	CalPERS	DANNY & DON E...	(682.06)	36,594.10
Check	05/07/2018	EFT	CalPERS	AZU & JARED E...	(931.83)	35,662.27
Check	05/07/2018	7067	ACWA/JPIA	Revised Workers...	(59.98)	35,602.29
Check	05/07/2018	7068	ACWA/JPIA	Q3 1.1.18 - 3.31.18	(2,507.79)	33,094.50
Check	05/07/2018	EFT	FRANCHISE TAX BOARD	REVOLON 2018 ...	(800.00)	32,294.50
Liability ...	05/10/2018		QuickBooks Payroll Servi...	Created by Payro...	(9,038.19)	23,256.31
Paycheck	05/11/2018	DD1...	Azucena Sanchez	Direct Deposit	0.00	23,256.31
Paycheck	05/11/2018	DD1...	Daniel J Vasquez	Direct Deposit	0.00	23,256.31
Paycheck	05/11/2018	7062	Craig R Kaihara		(92.35)	23,163.96
Paycheck	05/11/2018	DD1...	Donald R. Arnold	Direct Deposit	0.00	23,163.96
Paycheck	05/11/2018	DD1...	Jared Bouchard	Direct Deposit	0.00	23,163.96
Paycheck	05/11/2018	7063	John Menne		(92.35)	23,071.61
Paycheck	05/11/2018	7064	John S. Broome		(92.35)	22,979.26
Paycheck	05/11/2018	7065	Peter W Hansen		(92.35)	22,886.91
Paycheck	05/11/2018	7066	Thomas P Vujovich		(92.35)	22,794.56
Check	05/11/2018	EFT	AT&T Mobility	BILLING PERIO...	(69.72)	22,724.84
Deposit	05/14/2018			Deposit	4,906.71	27,631.55
Liability ...	05/14/2018	E-pay	Employment Developme...	698-1246-9 QB T...	(665.98)	26,965.57
Liability ...	05/14/2018	E-pay	United States Treasury	95-6006679 QB ...	(3,481.40)	23,484.17
Check	05/15/2018	7069	Water Education Founda...	VOID: MEMBER...	0.00	23,484.17
Check	05/15/2018	7070	FRONTIER	BILLING PERIO...	(213.71)	23,270.46
Check	05/15/2018	7071	Promaid, Inc.	INV # 53332X M...	(195.00)	23,075.46
Check	05/15/2018	7072	U S Bank Payment Center	BILLING DATE: ...	(862.49)	22,212.97
Check	05/15/2018	7073	Chevron Card Services	BILLING PERIO...	(980.95)	21,232.02
Check	05/15/2018	7074	Access Information Man...	INV # 2601913	(219.65)	21,012.37
Check	05/15/2018	7075	Dial Security	INV # 324486	(72.00)	20,940.37

1:31 PM
06/26/18
Accrual Basis

Pleasant Valley County Water District
Transaction Detail by Account
April 24 through June 30, 2018

Type	Date	Num	Name	Memo	Amount	Balance
Check	05/15/2018	7076	Underground Service Alert	INV # 220180540...	(71.15)	20,869.22
Check	05/15/2018	7077	ACWA/JPIA	INV # 0551736 5/...	(401.16)	20,468.06
Check	05/15/2018	7078	McMaster Carr Supply	INV # 59237363 ...	(351.79)	20,116.27
Check	05/15/2018	7079	Employment Developme...	LETTER ID: L17...	(57.05)	20,059.22
Check	05/15/2018	7080	Camrosa Water District	INV # 1871 WAT...	(86,416.52)	(66,357.30)
Check	05/15/2018	7081	Prudential Overall Supply	INV DATE: 4/28/18	(215.36)	(66,572.66)
Check	05/15/2018	7082	UWCD	SERVICE DATE: ...	(28,270.00)	(94,842.66)
Check	05/15/2018	7083	Ventura County Star	1 YEAR SUSCRI...	(321.79)	(95,164.45)
Check	05/15/2018	7084	Hinricher, Douglas & Port...	INV # 7696 APRI...	(5,893.50)	(101,057.95)
Check	05/15/2018	7085	KEH & ASSOCIATES, IN...	INV # 011702 BIL...	(4,377.50)	(105,435.45)
Check	05/15/2018	7086	City of Oxnard	INV # 294974 / 2...	(51,146.13)	(156,581.58)
General ...	05/15/2018	SSB...	Water Education Founda...	For CHK 7069 vo...	(173.00)	(156,754.58)
Deposit	05/16/2018			Deposit	2,541.00	(154,213.58)
Deposit	05/16/2018			Deposit	263.13	(153,950.45)
Check	05/17/2018	EFT	CalPERS.	HEALTH INSUR...	(3,921.17)	(157,871.62)
Deposit	05/18/2018			Deposit	6,204.00	(151,667.62)
Deposit	05/21/2018			Deposit	43,478.40	(108,189.22)
Deposit	05/23/2018			Deposit	12,176.99	(96,012.23)
Liability ...	05/24/2018		QuickBooks Payroll Servi...	Created by Payro...	(8,908.20)	(104,920.43)
Liability ...	05/24/2018	E-pay	Employment Developme...	698-1246-9 QB T...	(644.73)	(105,565.16)
Liability ...	05/24/2018	E-pay	United States Treasury	95-6006679 QB ...	(3,325.08)	(108,890.24)
Paycheck	05/25/2018	DD1...	Azucena Sanchez	Direct Deposit	0.00	(108,890.24)
Paycheck	05/25/2018	DD1...	Donald R. Arnold	Direct Deposit	0.00	(108,890.24)
Paycheck	05/25/2018	DD1...	Daniel J Vasquez	Direct Deposit	0.00	(108,890.24)
Paycheck	05/25/2018	DD1...	Jared Bouchard	Direct Deposit	0.00	(108,890.24)
Deposit	05/25/2018			Deposit	63,575.40	(45,314.84)
Check	05/31/2018	7087	Arnold, LaRochelle, Etal	INV # 53097 & 53...	(8,164.00)	(53,478.84)
Check	05/31/2018	7088	E.J. Harrison & Sons	STATEMENT DA...	(179.60)	(53,658.44)
Check	05/31/2018	7089	AIRGAS USA, LLC	INV# 9075964616	(105.67)	(53,764.11)
Check	05/31/2018	7090	Harris Water Conditionin...	STATEMENT DA...	(46.75)	(53,810.86)
Check	05/31/2018	7091	City of Camarillo	BILL DATE: 5/23/...	(68.13)	(53,878.99)
Check	05/31/2018	7092	Chevron Card Services	ACC# 78986871...	(742.85)	(54,621.84)
Check	05/31/2018	7093	SCE/Payment Processing	BILL DATE: 5/17/...	(27,392.46)	(82,014.30)
Check	05/31/2018	7094	Hands-On Consultations	INV # 10419 MA...	(297.50)	(82,311.80)
Check	05/31/2018	7095	Access Information Man...	INV # 2365226, 2...	(878.62)	(83,190.42)
Deposit	05/31/2018			Deposit	2,071.20	(81,119.22)
Deposit	06/04/2018			Deposit	67,016.03	(14,103.19)
Deposit	06/04/2018			Deposit	76,236.00	62,132.81
Deposit	06/06/2018			Deposit	2,569.90	64,702.71
Deposit	06/06/2018			Deposit	9,093.72	73,796.43
Liability ...	06/07/2018		QuickBooks Payroll Servi...	Created by Payro...	(9,056.76)	64,739.67
Paycheck	06/08/2018	DD1...	Azucena Sanchez	Direct Deposit	0.00	64,739.67
Paycheck	06/08/2018	DD1...	Daniel J Vasquez	Direct Deposit	0.00	64,739.67
Paycheck	06/08/2018	DD1...	Donald R. Arnold	Direct Deposit	0.00	64,739.67
Paycheck	06/08/2018	7097	Craig R Kaihara		(92.35)	64,647.32
Paycheck	06/08/2018	DD1...	Jared Bouchard	Direct Deposit	0.00	64,647.32
Paycheck	06/08/2018	7098	John S. Broome		(92.35)	64,554.97
Paycheck	06/08/2018	7099	Peter W Hansen		(92.35)	64,462.62
Paycheck	06/08/2018	7100	Thomas P Vujovich		(92.35)	64,370.27
Liability ...	06/08/2018	E-pay	Employment Developme...	698-1246-9 QB T...	(666.79)	63,703.48
Liability ...	06/08/2018	E-pay	United States Treasury	95-6006679 QB ...	(3,455.36)	60,248.12
Check	06/08/2018	EFT	CalPERS	INV # 15313446 ...	(1,096.60)	59,151.52
Check	06/08/2018	EFT	CalPERS	EMPLOYER CO...	(931.83)	58,219.69
Check	06/08/2018	EFT	CalPERS	EMPLOYER CO...	(682.06)	57,537.63
Check	06/08/2018	EFT	CalPERS	EMPLOYER CO...	(931.83)	56,605.80
Check	06/08/2018	EFT	CalPERS	EMPLOYER CO...	(682.06)	55,923.74

1:31 PM
 06/26/18
 Accrual Basis

Pleasant Valley County Water District
 Transaction Detail by Account
 April 24 through June 30, 2018

Type	Date	Num	Name	Memo	Amount	Balance
Check	06/11/2018	EFT	AT&T Mobility	BILL CYCLE DA...	(69.72)	55,854.02
Deposit	06/11/2018			Deposit	79,367.90	135,221.92
Deposit	06/13/2018			Deposit	500.40	135,722.32
General ...	06/13/2018	SSB...	Water Education Founda...	Reverse of GJE ...	173.00	135,895.32
Deposit	06/14/2018			Deposit	4,287.90	140,183.22
Check	06/15/2018	7101	AIRGAS USA, LLC	INV # 9076514933	(492.56)	139,690.66
Check	06/15/2018	7102	BONDY GROUNDWATE...	INV # 035-05 MAY	(195.00)	139,495.66
Check	06/15/2018	7103	Underground Service Alert	INV # 520180551	(33.10)	139,462.56
Check	06/15/2018	EFT	FRONTIER	5-25-18 / 6-19-18	(219.49)	139,243.07
Check	06/15/2018	7105	Access Information Man...	INV # 2649180	(499.15)	138,743.92
Check	06/15/2018	7106	Prudential Overall Supply	STATEMENT 26-...	(228.88)	138,515.04
Check	06/15/2018	7107	Promaid, Inc.	INV # 53396X SE...	(195.00)	138,320.04
Check	06/15/2018	7108	ERIKA DAVIS	INV # 2018-01 S...	(520.00)	137,800.04
Check	06/15/2018	7109	SOARES, SANDALL & P...	INV # 48198	(4,500.00)	133,300.04
Check	06/15/2018	7110	UWCD	SERVICE DATE: ...	(28,270.00)	105,030.04
Check	06/15/2018	7111	AIRGAS USA, LLC	INV # 9954034243	(15.58)	105,014.46
Check	06/15/2018	7112	ACWA/JPIA	INV # 0557157 c...	(401.16)	104,613.30
Check	06/15/2018	7113	City of Oxnard	INV #	(104,331.71)	281.59
Check	06/15/2018	7114	Hinricher, Douglas & Port...	INV # 7765 MAY ...	(3,006.50)	(2,724.91)
Check	06/15/2018	7115	BROWNSTEIN HYATT F...	INV # 722606 W...	(4,696.74)	(7,421.65)
Check	06/15/2018	EFT	SoCalGas	INV # 1660009	(71.68)	(7,493.33)
Deposit	06/18/2018			Deposit	600.00	(6,893.33)
Check	06/19/2018	EFT	CalPERS.	HEALTH INSUR...	(3,921.17)	(10,814.50)
Deposit	06/20/2018			Deposit	105,948.98	95,134.48
Liability ...	06/21/2018		QuickBooks Payroll Servi...	Created by Payro...	(8,881.35)	86,253.13
Paycheck	06/22/2018	DD1...	Donald R. Arnold	Direct Deposit	0.00	86,253.13
Paycheck	06/22/2018	DD1...	Daniel J Vasquez	Direct Deposit	0.00	86,253.13
Paycheck	06/22/2018	DD1...	Azucena Sanchez	Direct Deposit	0.00	86,253.13
Paycheck	06/22/2018	DD1...	Jared Bouchard	Direct Deposit	0.00	86,253.13
Liability ...	06/22/2018	E-pay	Employment Developme...	698-1246-9 QB T...	(640.95)	85,612.18
Liability ...	06/22/2018	E-pay	United States Treasury	95-6006679 QB ...	(3,309.48)	82,302.70
Check	06/22/2018	EFT	CalPERS	DON & DANNY E...	(387.48)	81,915.22
Check	06/22/2018	EFT	CalPERS	JARED & AZU E...	(931.83)	80,983.39
Check	06/30/2018	7116	SCE/Payment Processing	STATEMENT DA...	(20,544.63)	60,438.76
Check	06/30/2018	7117	Dial Security	INV # 326314 SE...	(72.00)	60,366.76
Check	06/30/2018	7118	RICOH USA, INC	INV # 5053705043	(28.80)	60,337.96
Check	06/30/2018	7119	Harris Water Conditionin...	SERVICE 6/15-7/...	(46.75)	60,291.21
Check	06/30/2018	7120	E.J. Harrison & Sons	STATEMENT DA...	(179.60)	60,111.61
Check	06/30/2018	7121	City of Camarillo	BILL DATE: 6/21/...	(68.13)	60,043.48
Total CUB-Checking					60,043.48	60,043.48
TOTAL					60,043.48	60,043.48

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

June 28, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: Consider FY 2018/19 Budget

AGENDA ITEM: 7B

Attached for review is the proposed budget for Pleasant Valley County Water District Fiscal Year 2018/19. The budget is presented in a new format that provides greater transparency as to where the Districts Revenues are being spent on an annual basis. The format also will assist staff in utilizing the budget as management tool for analyzing future financial positioning of the District, tracking budgetary performance throughout the year and making future years budget adjustments.

The first page of the budget is a summary sheet that contains all the various expenses the Districts anticipates paying. The Line item on the left has a corresponding back up page where you may reference the calculations used to populate the summary sheet.

The budget as proposed anticipates revenues in excess of expenditures in the amount of \$545k, a modest 10% of operating revenues for the agency. Staff believes 10% of operating revenues to be modest considering the potential need for significant investment in the future as a result of SGMA and other factors affecting the agency's ability to provide a reliable and plentiful source of water to its' customers.

The Districts liquid cash position and budgetary ability to demonstrate revenues in excess of expenditures will affect its rating, borrowing capacity and long term interest rates should we need to borrow in order to advance projects that secure long term water supplies. In general terms, most debt issuance would be burdened with covenants that would require the District to demonstrate that, after all operating expenses and debt payments are funded there are sufficient revenues in excess of expenditures to pay 115% to 150% of that debt service payment each year.

A high level evaluation of the Districts current position indicates a debt capacity of approximately 4 million dollars.

AGENDA ITEM: 7B

The above information is provided for reference in the context that, while we are not recommending rate increases this year, there will be a need for rate increases in the near future to maintain sufficient revenues to cover increased pump fees, replenishment fees and fund future projects.

In summary the proposed budget shows a 26% increase in cost. The majority of that increase can be identified by the projected 24% increase in water purchase cost. The increase in water purchase cost is mainly attributable to increased deliveries of recycled water from the City of Oxnard and decreased use of well facilities.

Recommendation: Review and approve the FY 18/19 budget

	A	B	C	D	E	G
1	PLEASANT VALLEY COUNTY WATER DISTRICT					
2	Adopted Budget Fiscal Year Ending June 30, 2019					
3						
4					YTD Actual	18/19
5		G/L	6/30/2017	17/18	& Projected	Adopted
6		Account	actual	Budget	06/18	Budget
7	OPERATING REVENUES					
8						
9	Water Revenue	3140	4,179,161	4,710,000	4,796,971	5,010,000
10	TOTAL OPERATING REVENUE		4,179,161	4,710,000	4,796,971	5,010,000
11						
12	OPERATING EXPENSES					
13						
14	Cost of Water					
15	Water Purchases	4110 thru 4160	1,661,166	1,740,145	2,154,911	2,456,780
16	UWCD Fixed Costs	4135	524,400	339,240	339,240	322,200
17	Utilities - Well Pumps	4120 & 4230	612,847	910,740	692,679	760,000
18	Total Cost of Water		2,798,413	2,990,125	3,186,830	3,538,980
19						
20	Salaries & Benefits					
21	Regular Salaries - Field	4100	266,076	272,950	346,999	280,000
22	Regular Salaries - Office	4500	56,065	55,000	61,721	61,500
23	Regular Salaries - Director Fees	4510	2,000	2,500	1,867	2,500
24	Payroll Taxes		24,193	24,720	34,400	34,400
25	Retirement Contribution - Benefit	4610	40,111	40,000	57,915	31,240
26	Medical Insurance - Benefit	4611	12,910	15,000	35,161	35,500
27	Workers Compensation	4114	6,156	8,500	9,057	8,220
28	Total Salaries & Benefits		407,511	418,670	547,120	445,140
29						
30	Maintenance and Distribution					
31	Wells Cost	4150	39,037	120,000	26,299	55,000
32	Lateral Pump Utilities and Costs	4233	35,724	45,500	37,774	45,500
33	Truck Expense	4235	9,809	20,000	11,740	20,000
34	Maintenance - Equipment	4341	585	2,600	228	3,000
35	Maintenance - Grounds	4342	3,938	1,700	500	1,500
36	Repairs and Maintenance	4345, 4345.01	5,535	9,500	9,056	14,000
37	Water Treatment Testing	4346	21,610	4,000	1,751	4,000
38	Small Tools and Supplies	4347	9,144	2,500	6,066	6,000
39	Total Maintenance and Distribution Expenses		125,382	205,800	93,413	149,000
40						
41	Administrative Expenses					
42	Communications	4231	4,503	4,600	4,387	5,000
43	Utilities - Building	4232	4,919	4,800	7,117	7,000
44	Repairs and Maintenance - Building	4343	1,545	500	5,777	25,000
45	SMP Monitoring	4345.02		0	15,841	15,000
46	Recycle Water ONM	4348		0	518	600
47	Seminars	4350		0	3,013	3,000
48	Reimburse Expense	4376		0	500	1,000
49	Office Supplies	4525	8,925	9,500	8,693	9,000
50	Postage & Shipping	4527	1,583	1,500	800	1,500
51	Printing	4529		0	165	1,000
52	Legal Notices Publication and Web Site	4531	875	750	633	3,500
53	Memberships	4533	10,265	13,000	13,000	14,000
54	Lafco Fees	4536	2,468	2,000	2,500	2,500
55	Professional Fees	4537.1	1,300	2,500	2,500	2,500
56	Professional Fees - Payroll	4537.2	1,286	1,500	614	1,000
57	Professional Fees - Audit	4537.3	18,113	22,000	16,250	17,000
58	Professional Fees - Computer consulting	4537.4	2,105	4,000	6,737	6,000
59	Professional Fees - Legal	4537.5	318,582	280,000	174,722	240,000
60	Professional Fees - Management	4537.6	36,499	35,000	35,000	35,000
61	Professional Fees - Engineering consulting	4537.7			9,926	50,000
62	Professional Fees - Independent Consultant	4537.8			0	30,000
63	Office Maintenance	4539	7,620	0	6,631	8,000
64	Licenses & Permits	4540	1,218	0	1,325	1,500
65	Insurance	4567	14,752	15,000	15,183	15,000
66	Lease Easement	4570	1,000	1,000	1,000	1,000
67	Security	4580	1,873	0	1,135	1,200
68	Election Expenses	4650	1,999		0	2,000
69	Total Administrative Expenses		441,430	397,650	333,964	498,300
70						
71	TOTAL OPERATING EXPENSES		3,772,736	4,012,245	4,161,327	4,631,420
72						

	A	B	C	D	E	G
1	PLEASANT VALLEY COUNTY WATER DISTRICT					
2	Adopted Budget Fiscal Year Ending June 30, 2019					
3						
4					YTD Actual	18/19
5		G/L	6/30/2017	17/18	& Projected	Adopted
6		Account	actual	Budget	06/18	Budget
73	OTHER REVENUES					
74	Late Charges	3145	16,741	0	12,335	8,000
75	Interest Income	Various	3,154	2,500	5,643	6,000
76	RDA Passthrough	5400		0	9,526	9,500
77	Total Taxes - County	Various	258,815	175,000	175,000	180,000
78	Non-Operating	5590	21,910	20,000	20,000	20,000
79						
80	TOTAL OTHER REVENUES		300,620	197,500	222,504	223,500
81						
82	OTHER EXPENSES					
83	(Gain)/Loss on disposal	4712	210			
84	Miscellaneous/penalty	5595	72	0	500	2,000
85	TOTAL OTHER EXPENSES		282	0	500	2,000
86						
87	OPERATING INCOME (LOSS)		706,763	895,255	857,648	600,080
88	Capital Improvement/Acquisition					
89	Capital acquisition		523,242	45,000	45,000	55,000
90						
91	NET CASH SURPLUSE(DEFECIT)		183,521	850,255	812,648	545,080
92						
93	NON-CASH CHARGES					
94	Depreciation Expense	4709	133,281	0	148,359	150,000
95						
96						
97						
98						
99						
100						
101						
102						
103						

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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Fax: 805 484-5835

STAFF

Jared L. Bouchard
General Manager

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

June 28, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: CONSIDER BIENNIAL CONFLICT OF INTEREST CODE

AGENDA ITEM: 7C

The District must review and amend as needed every even-numbered year and submit any changes made to the County of Ventura. Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

After reviewing the last format provided in 2016, there is no suggested modification for 2018. Attached is the 2018 Local Agency Biennial Notice with NO amendment required.

Recommendation: Approve

2018 Local Agency Biennial Notice

Name of Agency: PLEASANT VALLEY COUNTY WATER DISTRICT
Mailing Address: 154 SOUTH LAS POSAS RD, CAMARILLO, CA. 93010
Contact Person: JARED BOUCHARD Phone No. 805-482-2119
Email: jared@pvcwater.com Alternate Email: admin.pvcwd@verizon.net

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

06/28/2018

Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2018**, or by the date specified by your agency, if earlier, to:

**Board of Supervisors
800 S. Victoria Avenue
Ventura, CA 93009-1920**

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

**CONFLICT OF INTEREST CODE
PLEASANT VALLEY COUNTY WATER DISTRICT**

The Political Reform Act, Government Code section 81000 et seq., requires local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs., § 18730) which contains the terms of a standard Conflict of Interest Code, which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

The terms of California Code of Regulations, Title 2, Section 18730, and any amendment to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference as the Conflict of Interest Code for the **PLEASANT VALLEY COUNTY WATER DISTRICT**, and along with the attached Exhibit A, which designates positions requiring disclosure and Exhibit B, which sets forth disclosure categories for each designated position, constitute the Conflict of Interest Code of the **PLEASANT VALLEY COUNTY WATER DISTRICT**. Persons holding positions designated in Exhibit A shall file Form 700 Statements of Economic Interests with the Filing Officer specified for that position in Exhibit A.

IN PREPARING THE FORM 700, DESIGNATED FILERS NEED ONLY DISCLOSE THOSE FINANCIAL INTERESTS FALLING WITHIN THE DISCLOSURE CATEGORIES DESIGNATED FOR THAT FILER'S POSITION AS STATED IN EXHIBITS A AND B.

APPROVED AND ADOPTED this 28th day of June, 2018:

By: _____
Print Name: Thomas P. Vujovich, JR.
Title: President of the Board

EXHIBIT A – DESIGNATED POSITIONS AND FILING OFFICERS

# of POSITIONS	POSITION TITLE	DISCLOSURE CATEGORIES (From Exhibit B)	FILING OFFICER (Designate County Clerk of Board [COB] or Local Agency's Clerk [AC])
5	Board of Directors	1	County Clerk of the Board
1	District Manager	1	County Clerk of the Board
1	Secretary of the Board	1	County Clerk of the Board
1	General Counsel	1	County Clerk of the Board

**PLEASANT VALLEY COUNTY WATER DISTRICT
2014 CONFLICT OF INTEREST CODE
RESOLUTION NO. 14-02**

EXHIBIT B

DISCLOSURE CATEGORIES

Subject to the definition set forth in the Political Reform Act and application regulations.

Category 1 – BROADEST DISCLOSURE

- (1) All sources of income, gifts, loans and travel payments;
- (2) All interests in real property; and
- (3) All investments and business positions in business entities.

Category 2 – REAL PROPERTY

All interests in real property, including interests in real property held by business entities and trusts in which the public official holds a business position or has an investment or other financial interest.

Category 3 – LAND DEVELOPMENT, CONSTRUCTION AND TRANSACTION

All investments, business positions and sources of income, gifts, loans and travel payments, from sources which engage in land development, construction, or real property acquisition or sale.

Category 4 – PROCUREMENT

All investments, business positions and sources of income, gifts, loans and travel payments, from sources which provide services, supplies, materials, machinery or equipment which the designated position procures or assists in procuring on behalf of their agency or department.

Category 5 – REGULATION AND PERMITTING

All investments, business positions, and sources of income, gifts, loans and travel payments, from sources which are subject to regulatory, permitting or licensing authority of, or have an application or license pending before, the designated position's agency or department.

Category 6 – FUNDING

All investments, business positions and sources of income, gifts, loans and travel payments, from sources which receive grants or other funding from or through the designated position's agency or department.

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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STAFF

Jared L. Bouchard
General Manager

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Arnold, Bleuel, LaRochelle,
Mathews & Zirbel, LLP

June 28, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: CONSIDER DEVELOPMENT OF A WATER WASTE ORDINANCE

AGENDA ITEM: 7D

Consider Development of a water waste ordinance.

Recommendation: Board Discussion and provide direction to staff.

DIRECTORS

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June 28, 2018 SPECIAL MEETING

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

Subject: CONSIDER ENGAGEMENT LETTER OF FANNING & KARRH FOR ANNUAL AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2018.

AGENDA ITEM: 7E

Attached for review the Engagement Letter for Fanning & Karrh Certified Public Accountants for the Fiscal Year ending June 30, 2018.

Recommendation: Authorize General to sign engagement letter and begin work on FY Ending June 30, 2018 Audit.

June 22, 2018

To the Board of Directors and management of
Pleasant Valley County Water District:

We are pleased to confirm our understanding of the services we are to provide Pleasant Valley County Water District (District) for the year ending June 30, 2018.

We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. CalPERS Schedule of Proportionate Share of the Net Pension Liability
3. CalPERS Schedule of Contributions

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of Pleasant Valley County Water District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will also request written representations from the District's attorneys as part of the engagement, and they may bill the District for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Accordingly, we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of Pleasant Valley County Water District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. The audit documentation for this engagement is the property of Fanning & Karrh and constitutes confidential information.

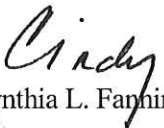
Our fee estimate anticipates keeping our time to a reasonable minimum by maximizing the participation of your personnel in routine aspects of the audit, such as preparation of schedules and analyses. The professional fees for our services described above will not exceed \$16,450. You will also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. Additional expenses will not exceed \$250 per year.

Estimating the fees for work to be performed is extremely difficult to do; however, we are willing to perform the proposed engagement with the understanding that our fees will not exceed the above maximum estimate unless unforeseen circumstances arise. If a circumstance such as this arises, we will advise you as soon as possible and obtain agreement on how we should proceed. Should the engagement require less time than is presently anticipated, our fees would be reduced accordingly. Our fees for any additional services you may request will be mutually agreed upon before we commence work.

We appreciate the opportunity to continue to be of service to Pleasant Valley County Water District 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.

Sincerely,

Fanning & Karrh


Cynthia L. Fanning

This letter correctly sets forth the understanding of Pleasant Valley County Water District.

Management Signature _____

Title _____

Date _____

Governance Signature _____

Title _____

Date _____