

# Board Meeting Agenda

## Special Meeting

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

Pete Kaiser, Director  
James Word, Director

CASITAS MUNICIPAL WATER DISTRICT  
December 14, 2011  
2:00 P.M. – DISTRICT OFFICE

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

1. First Open Session at 2:00 p.m.
  - a. Public comments.
  - b. Closed Session  
  
Government Code Sec. 54956.9 (a)  
Conference with Legal Counsel – Existing Litigation  
Name of Case: Casitas Municipal Water District vs. United States.
2. Second Open Session and Call to Order at 3:00 p.m.
3. Public Comments
4. General Manager comments.
5. Board of Director comments.
6. Consent Agenda
  - a. Minutes of the November 22, 2011 Board Meeting.
  - b. Recommend approval of the submitted Reserve Statement and to continue to build additional Un-Restricted, Un-Designated reserves.
  - c. Recommend paying off the CalPERS Side Fund in the amount of \$36,114.

- d. Recommend approval of the cooperative agreement with the Ventura County Watershed Protection District to assist with maintaining stream gage equipment.

RECOMMENDED ACTION: Adopt Consent Agenda

7. Bills

8. Committee/Manager Reports

- a. Recreation Committee Minutes
- b. Executive Committee Minutes
- c. Water Resources Committee Minutes
- d. Finance Committee Minutes

9. Recommend acceptance of the fiscal year 2010-2011 Comprehensive Annual Financial Report.

RECOMMENDED ACTION: Motion approving recommendation

10. Recommend approval of an extension to the term of the Bait and Tackle and Park Store Concession Agreement.

RECOMMENDED ACTION: Motion approving recommendation

Recess Casitas Board Meeting

11. Lake Casitas Improvement Foundation Meeting

- a. Discussion regarding membership to the board of LCIF.
- b. Review of the Treasurer's report.
- c. Discussion regarding any approval of projects and expenditures for the coming year.

Reconvene Casitas Board Meeting

12. Resolution Awarding a contract to Toro enterprises Inc in the amount of \$589,535 for the Rincon 2(M) Pipeline Replacement, Station 65 to 76 Specification No. 11-346.

RECOMMENDED ACTION: Adopt Resolution

13. Recommend approval of an Agreement with Happy Valley Foundation for actions necessary to reduce water usage.

RECOMMENDED ACTION: Motion approving recommendation

14. Information Items:

- a. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.
  - b. Recreation Area Report for October.
  - c. Letter from Ojai Valley Board of Realtors regarding Ojai Flow's proposal.
  - d. Letter from United Water Conservation District to Linda Parks requesting support for future legislation related to inspections of watercraft for the presence of invasive mussels.
  - e. Letter from Casitas to Kathy Long regarding County of Ventura's Legislative Platform and Invasive Mussel Prevention.
  - f. News Articles.
  - g. Investment Report.
15. Closed Session
- a. (Govt. Code Sec. 54956.9 (c))  
Conference with Legal Counsel – Anticipated Litigation (One case).
16. Adjournment

If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 649-2251, ext. 113. (Govt. Code Section 54954.1 and 54954.2(a).

Minutes of the Casitas Municipal Water District  
Board Meeting Held  
November 22, 2011

A meeting of the Board of Directors was held November 22, 2011 at Casitas' Office, Oak View, California. Directors Kaiser, Baggerly, Word, Hicks and Bergen were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There was one staff member and two members of the public in attendance. President Kaiser led the group in the flag salute.

1. Public comments.

None

2. General Manager comments.

Mr. Wickstrum reported that he had contacted the Bureau of Reclamation attempting to get an update on the Safety of Dams. They will try to find the unsigned letter and move it along. We met in January of last year to discuss this and I called Michael Jackson two months ago and spoke to Rena in August and a few months prior to that. Mr. Wickstrum added that he had discussed our final payment in January and the possibility of relief from the annual RRA forms. It is a year long process to finalize the last payment.

3. Board of Director comments.

Director Word reported he had attended the City of Ventura water rate hearing and they are behind in terms of capital improvements, programs and funding. Water rates in the city of Ventura will have sizable increases.

4. Consent Agenda

ADOPTED

- a. Minutes of the November 9, 2011 Board Meeting.

The consent agenda was offered by Director Hicks, seconded by Director Baggerly and passed with Director Word abstaining as he had not attended the meeting.

5. Bills

APPROVED

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

6. Committee/Manager Reports

APPROVED FOR FILING

- a. Recreation Committee Minutes

Director Bergen pointed out a typo on item 6, line 2.

On the motion of Director Baggerly, seconded by Director Bergen and passed the Committee/Manager Reports with corrections were approved for filing.

7. Recommend approval of an agreement with Western Outdoor News for the 2012 Night Fishing Tournaments. APPROVED

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

8. Recommend consideration of a fee waiver for Ms. and Mr. Petrowski annual boat decals for years 09/10 and 10/11. DENIED

Park Services Manager Carol Belser reported an issue that was discussed at the Recreation Committee regarding a vessel under the name of Sherry Petrowski that was not in compliance. We sent a notice and in June of 2011 Mrs. Petrowski paid for a decal but they have been out of compliance since 2008. They wrote a letter asking for a fee waiver as they state they were not the owners of the boat. We have up to 15 vessels not in compliance that are moored. We are looking to update the agreement in our new concession agreement to have moored vessels to be in compliance and if not, in 30 days, we invoice the marina. We are working with the current and future concessionaires to rectify this issue.

Director Baggerly asked if there was any correspondence or notification to the Petrowskis from 2008 – 2010. Ms. Belser informed the board that when it expired we sent a letter and notify Mr. Wolfe. We talked to Bait and Tackle staff asking them to remind the customer. Mr. Wolfe commented that we remind the customers on a regular basis. Mr. Wolfe suggested that rather than create a situation whereby others may request similar waivers; the marina would cover the cost.

On the motion of Director Bergen, seconded by Director Baggerly and passed with Director Hicks voting no, the above proposal was denied and the offer of Mr. Wolfe was accepted.

9. Information Items:

- a. News Articles.
- b. Investment Report.

10. Closed Session

- a. (Govt. Code Sec. 54956.9 (c))  
Conference with Legal Counsel – Anticipated Litigation (One case).

President Kaiser moved the meeting to closed session at 3:30 p.m. with Mr. Mathews stating we are going into closed session pursuant to Government Code Section 54956.9 (c) Conference with legal counsel, anticipated litigation, one case.

President Kaiser reconvened the meeting into open session at 4:32 p.m. and Mr. Mathews stated that the board met and discussed the potential litigation with counsel and staff and there was no action.

11. Adjournment

President Kaiser adjourned the meeting at 4:34 p.m.

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James W. Word, Secretary  
Board of Directors

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: December 1, 2011  
TO: Board of Directors  
FROM: Denise Collin - Accounting Manager  
Re: Recommendation – to set Reserves

**RECOMMENDATION:**

It is recommended to approve the submitted Reserve Statement and to continue to build additional Un-Restricted, Un-Designated reserves.

**BACKGROUND AND OVERVIEW:**

Reserves calculated for the 2011 / 2012 fiscal year have resulted in a balance of \$753,995.17 Un-Restricted, Un-Designated funds.

It is recommended to leave this amount Un-Restricted and Un-Designated.

June 30th, 2011	
General Fund Balance:	2,483,182.95
PIMMA - Rabobank	500,471.30
Visa - Rabobank	23,035.50
LAIF	441.15
Smith Barney - Bonds	12,324,957.11
Smith Barney / Money Market	8,779.00
Allowance for Fair Value Investments	104,347.57
COVI	2,142,005.43
<b>Total Reserves</b>	<u>17,587,220.01</u>
<i>Less: Restricted:</i>	
Due to Debt Service Fund	6,082,911.80
Due to Mira Monte Fund	15,313.94
Capital Facilities	1,652,295.10
Safe Drinking Water	60,000.00
Flexable Storage	22,704.00
	<u>7,833,224.84</u>
<b>Total available for Un-Restricted</b>	<b>9,753,995.17</b>

<b>Restricted:</b>	
Due to Debt Service Fund	6,082,911.80
Due to Mira Monte Fund	15,313.94
Capital Facilities	1,652,295.10
Safe Drinking Water	60,000.00
Flexable Storage	22,704.00
<b>Total Restricted</b>	<b>7,833,224.84</b>
<b>Un-Restricted (designated funds)</b>	
Cash Flow	3,000,000.00
Storm Damage	1,500,000.00
Variation in Water Sales	1,500,000.00
Capital Improvements	3,000,000.00
<b>Total Un-Restricted (designated funds)</b>	<u>9,000,000.00</u>
<b>Un-designated funds 7/01/10</b>	<u>753,995.17</u>
<b>Total Un-Restricted</b>	<b>9,753,995.17</b>
<b>Total Reserves 2010/2011</b>	<b>17,587,220.01</b>

Restricted funds = Funds restricted by a third party and/or for Debt Service Fund.  
 Designated funds = Funds designated by Board for specific purpose.



CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: December 1, 2011  
TO: Board of Directors  
FROM: Denise Collin - Accounting Manager  
Re: Recommendation - Pay off CalPERS Side Fund

**RECOMMENDATION:**

It is recommended to approve paying the lump sum of \$36,114.00 to CalPERS to eliminate future finance charges.

**BACKGROUND AND OVERVIEW:**

In 2003 CalPERS implemented risk pools to ensure that plans with varying funded status could participate in the same pool. The following formula was used to calculate CMWD's Side Fund deficit:

Assets:	Funds (Cash) in the Pool
Less:	Liability (Total benefit due all retirees)
Equals:	The Side Fund (deficit)

The Side Fund deficit was funded (loaned) by CalPERS to CMWD in 2003, the interest rate for the loan is 7.75% over a period of 20 years. The Side Fund can always be eliminated by a single lump sum payment. The balance of the Side Fund is now \$36,114.00 with 13 years left on the loan.



**California Public Employees' Retirement System**  
**Actuarial Office**  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone · (916) 795-2744 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

November 28, 2011

CalPERS ID: 1902483898  
 Employer Name: CASITAS MUNICIPAL WATER DISTRICT  
 Rate Plan: MISCELLANEOUS PLAN

Re: Lump Sum Payment to reduce 2011-2012 & 2012-2013 pooled employer contribution rates

Dear Requestor:

As requested, 2011-2012 & 2012-2013 employer contribution rate information on your lump sum payment follows.

**If you are aware of others interested in this information (i.e. payroll staff, county court employees, port districts, etc.), please inform them.**

The information is based on the most recent annual valuation and assumes payment *by December 15, 2011* and no further contractual or financing changes taking effect before June 30, 2013. The Side Fund resulting from risk pooling valued at \$35,661 (including any adjustments due to plan amendments, vouchers, golden handshakes, etc.) as of June 30, 2012, will be reduced or eliminated by a lump sum payment in the amount of \$36,114. Any later adjustments due to plan amendments, vouchers, golden handshakes, or financing changes could increase or reestablish a negative side fund.

The change in your 2011/2012 & 2012/2013 employer contribution rates after you make the proposed lump sum payment, is displayed in the "Change to Total Employer Rate" line below.

Valuation as of June 30, 2009	Pre-Payment	Post-Payment
Projected 6/30/12 Side Fund (SF)	<b>(\$35,661)</b>	
Proposed Lump Sum Pmt by 12/15/11	<b>\$36,114</b>	
Revised projected 12/15/2011 SF		<b>\$0</b>
<b>2011-2012 Employer Contribution Rate</b>		
Risk Pool's Net Employer Normal Cost	6.622%	6.622%
Risk Pool's Payment on Amortization Bases	1.111%	1.111%
Surcharges for Class 1 Benefits	0.464%	0.464%
Phase out of Normal Cost Difference	0.000%	0.000%
Amortization of Side Fund	0.098%	0.000%
<b>Total Employer Contribution Rate</b>	<b>8.295%</b>	<b>8.197%</b>
Amortization Period	<b>14 years</b>	<b>N/A</b>
Change to 11/12 Total Employer Contribution Rate		<b>(0.098%)</b>

Valuation as of June 30, 2010	Pre-Payment	Post-Payment
2012-2013 Employer Contribution Rate		
Risk Pool's Net Employer Normal Cost	6.640%	6.640%
Risk Pool's Payment on Amortization Bases	1.206%	1.206%
Surcharges for Class 1 Benefits	0.465%	0.465%
Phase out of Normal Cost Difference	0.000%	0.000%
Amortization of Side Fund	0.095%	0.000%
<b>Total Employer Contribution Rate</b>	<b>8.406%</b>	<b>8.311%</b>
Amortization Period	<b>13 years</b>	<b>N/A</b>
Change to 12/13 Total Employer Contribution Rate		<b>(0.095%)</b>

To initiate this change, the enclosed Lump Sum Payment Request must be completed and returned to the Fiscal Services Division with a wire transfer or a check by December 15, 2011. A copy should be sent to us.

If you have questions, please call (888) CalPERS (225-7377).



KERRY J. WORGAN, MAAA, FSA, FCIA  
Senior Pension Actuary, CalPERS

**CASITAS MUNICIPAL WATER DISTRICT  
Interdepartmental Memorandum**

**DATE:** November 21, 2011

**TO:** Steven E. Wickstrum, General Manager

**FROM:** Neil Cole, Principal Civil Engineer

**SUBJECT:** Cooperative Agreement for Stream Gage Maintenance with the Ventura County Watershed Protection District

**RECOMMENDATION:**

It is recommended that the Board of Directors authorize the General Manager to sign the cooperative agreement with the Ventura County Watershed Protection District to assist with maintaining stream gage equipment.

**BACKGROUND:**

Casitas operates and maintains a stream gage on Coyote Creek and on Santa Ana Creek. Currently, Casitas maintains the equipment at both locations. This is an inefficient use of Casitas' human resources as the equipment is specialized and often requires several trips by different personnel to troubleshoot and correct the problems.

Ventura County Watershed Protection District technicians regularly maintain stream gage equipment from the same manufacturer. Ventura County Watershed Protection District is willing to maintain the stream gage stations on Coyote Creek and Santa Ana Creek in exchange for having direct access to the data collected for the County's ALERT system and watershed modeling. Casitas will still be required to pay for any repair or replacement of the stream gages. Casitas will be notified before any expense over \$500 is incurred. Casitas or the Ventura County Watershed Protection District has the option of canceling this agreement by providing 60 days notice of the intent to cancel.

**COOPERATIVE AGREEMENT FOR MAINTENANCE OF STREAM GAGE EQUIPMENT  
AT CERTAIN LOCATIONS IN THE VENTURA RIVER WATERSHED  
WP-1-2012-001**

This Cooperative Agreement (Agreement) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2012, and entered into by and between the Ventura County Watershed Protection District (hereinafter referred to as "the District") and Casitas Municipal Water District (hereinafter referred to as "Casitas").

**RECITALS**

WHEREAS, Casitas currently maintains stream gages at Coyote Creek and Santa Ana Creek; both are accessed from Santa Ana Road, North of Lake Casitas; and,

WHEREAS, Casitas has a need for stream flow data from these sites in order to monitor the inflow to Lake Casitas; and,

WHEREAS, Casitas currently holds an agreement with the landowner for the Coyote Creek gage site for access to the site; and, the Santa Ana Creek stream gage is located on property owned by the United States Bureau of Reclamation under the control of Casitas; and,

WHEREAS, the gages for Casitas must have the capability to measure continuous stream flow in order to create a complete annual record; and,

WHEREAS, the District will benefit from the stream gages for the District's Flood Warning System; that will provide stream discharge data for use in the District's watershed modeling efforts;

NOW, THEREFORE, Casitas and the District enter into this Agreement to provide for the maintenance of stream gages in the Ventura River Watershed.

**ARTICLE 1  
PURPOSE, TERM, TERMINATION, AND AMENDMENTS**

The purpose of this Agreement is to establish a working agreement between parties with regard to maintenance of stream gages located in the Ventura River Watershed, and the recording, collecting, and transmitting of data from those gages.

The term of this Agreement shall commence on the day and date written above and shall be effective until either party elects to terminate the Agreement. Written notice of termination shall be given no less than sixty (60) days prior to the proposed termination date. Any substantive amendment, modification, extension, or variation of terms of the AGREEMENT shall be in writing and shall be signed by an authorized representative of both parties.

## **ARTICLE 2 RESPONSIBILITIES OF THE PARTIES**

A. The District shall:

1. Use the District's ALERT System to transmit real-time data from Coyote Creek and Santa Ana Creek gages which data shall be made available through the Internet.
2. Perform routine maintenance on, measure stream flow and download data from the Coyote Creek and Santa Ana gages a minimum of twice a year.
3. Repair and replace the gages as needed—in the District's sole discretion—the cost of material and equipment which shall be paid by Casitas, provided that the District shall obtain Casitas' prior approval for any repair or replacement cost of which is reasonably estimated to exceed \$500.
4. Provide data from the Coyote Creek and Santa Ana Creek gages to Casitas in the raw form of gage heights, and include copies of all measurements made during the water year. District shall provide the data within 30 days of receiving the request from Casitas unless a later date is mutually agreed upon.

B. Casitas shall:

1. Pay within thirty (30) days of receipt of an invoice, the District's actual costs for repair or replacement of any equipment on Casitas' gages that may be damaged or faulty in any way for whatever reason. The costs shall be limited to the cost for equipment and materials. No labor or overhead costs will be paid by Casitas.

## **ARTICLE 3 ADMINISTRATION AND FUNDING**

This Agreement shall be jointly administered by the parties, and each party's administrative activities hereunder shall be regarded as in-kind services independently funded

by and performed at the discretion of the parties. The costs for all work by the District shall be duly documented and such documentation submitted to Casitas with each invoice. Casitas agrees to pay the District within thirty (30) days of the receipt of an invoice detailing costs required to be reimbursed under this Agreement.

#### **ARTICLE 4 MISCELLANEOUS PROVISIONS**

- 4.1 **APPROVAL BY PARTIES:** This Agreement and any amendments thereto shall not be binding on either party unless approved by its authorized representatives.
- 4.2 **COMPLETE AGREEMENT:** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. No prior oral or written understandings or agreements between the parties with respect to the subject matter of this Agreement are incorporated herein and any such understandings or agreements are entirely superseded by this Agreement.
- 4.3 **NO THIRD-PARTY BENEFICIARY:** Except as expressly set forth herein, this Agreement is not intended to benefit any person or entity not a party hereto.
- 4.4 **INTERPRETATION:** This Agreement shall be interpreted and construed reasonably and neither for nor against any of the parties, regardless of the degree to which had either party participated in its drafting.
- 4.5 **SEVERABILITY:** If any term, provision, covenant, or condition of this Agreement is determined by a court of competent jurisdiction to be invalid, void or enforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- 4.6 **INDEPENDENT CONTRACTORS:** The parties agree that they are, and at all times shall be, independent contractors of, and not the agent of the other.
- 4.7 **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- 4.8 **NONDISCRIMINATION:** In the performance of this Agreement, the parties shall abide by all applicable federal, state, and local laws, regulations, or ordinances pertaining to discrimination and shall not discriminate against any person, customer, servant or employee on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation.

4.9 INTELLECTUAL PROPERTY: By entering into this Agreement no party is deemed to be transferring any intellectual property rights, including, but not limited to proprietary information, patents and trademarks. Each party shall respect the intellectual property rights of the other, and shall not disclose any confidential information without prior written consent of the party that has developed the confidential information.

4.9 NOTICES: All notices or correspondence under the Agreement shall be given to the following addresses and shall be deemed delivered on the date of actual delivery or on the third business day after the date of mailing:

**CASITAS:** Steven E. Wickstrum, General Manager  
\_\_\_\_\_ Casitas Municipal Water District  
\_\_\_\_\_ 1055 Ventura Avenue  
\_\_\_\_\_ Oak View, CA 93022

**THE DISTRICT:** Norma Camacho, Director  
\_\_\_\_\_ Ventura County Watershed Protection District  
\_\_\_\_\_ 800 South Victoria Avenue  
\_\_\_\_\_ Ventura, CA 93009-1610

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

**CASITAS MUNICIPAL WATER DISTRICT**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Steven E. Wickstrum, General Manager

**VENTURA COUNTY WATERSHED PROTECTION DISTRICT**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Norma Camacho, Director



# A/P Fund

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

000298	A/P Checks:	010498-010580
	A/P Draft to P.E.R.S.	120113
	A/P Draft to State of CA	120112
	A/P Draft to I.R.S.	120111
	Void:	010551, 010552

000299	A/P Checks:	010581-010639
	A/P Draft to P.E.R.S.	
	A/P Draft to State of CA	
	A/P Draft to I.R.S.	
	Void:	

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

Denise Collin 12/18/11  
Denise Collin, Accounting Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature


\_\_\_\_\_  
Signature

**CASITAS MUNICIPAL WATER DISTRICT**  
**Payable Fund Check Authorization**  
**Checks Dated 11/18/11-12/08/11**  
**Presented to the Board of Directors For Approval December 14, 2011**

Check	Payee			Description	Amount
000298	Payables Fund Account	#	9759651478	Accounts Payable Batch 120111	\$189,165.70
000299	Payables Fund Account	#	9759651478	Accounts Payable Batch 120811	\$225,561.50
					\$414,727.20
000300	Payroll Fund Account	#	9469730919	Estimated Payroll 12/29/11	\$130,000.00
000301	Payroll Fund Account	#	9469730919	Estimated Payroll 1/12/12	\$130,000.00
					\$260,000.00
				Total	\$674,727.20

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

The above numbered checks, 000298-000301 have been duly audited is hereby certified as correct.

  
 \_\_\_\_\_  
 Denise Collin, Accounting Manager 12/8/11

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

CERTIFICATION

Payroll disbursements for the pay period ending 11/26/11  
Pay Date of 12/01/11  
have been duly audited and are  
hereby certified as correct.

Signed: Denise Collin 11/28/11  
Denise Collin

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

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

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

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01616	FRED BRENEMAN I-111811 PD 11/13/11-11/26/11	R	11/18/2011	391.00		010498		391.00
00166	OJAI PRINTING & PUBLISHING I-0085850INA Boat Inspection Forms	R	11/18/2011	131.92		010499		
	I-0086027INA Business Cards	R	11/18/2011	312.37		010499		444.29
00270	WELLS FARGO BANK C-110811E Accrue Use Tax	R	11/18/2011	42.70CR		010500		
	D-110811E Accrue Use Tax	R	11/18/2011	42.70		010500		
	I-110811 Monthly Credit Card Charges	R	11/18/2011	5,549.34		010500		
	I-110811A Vibration Class for E & M	R	11/18/2011	1,244.00		010500		
	I-110811B Tilable Showerpan & Drain,LCRA	R	11/18/2011	588.95		010500		
	I-110811C Elbows for WP Slides	R	11/18/2011	1,065.31		010500		
	I-110811D Dist Exam Review,CD Course	R	11/18/2011	300.25		010500		8,747.85
00695	AAA SERVICES CO. I-2372 Repair Pressure Washer, Garage	R	12/01/2011	86.66		010501		86.66
02033	Abbot Industrial Supplies I-38218 Bubble Wrap, Frost Protection	R	12/01/2011	91.16		010502		91.16
01985	AFLAC/FLEX ONE I-031174ER Service Fee Invoice Nov 11	R	12/01/2011	125.00		010503		125.00
00010	AIRGAS WEST I-103595809 Refill Oxygen Tanks, LCRA	R	12/01/2011	113.73		010504		
	I-103621053 Radnor Paint Pen	R	12/01/2011	28.10		010504		141.83
00011	ALERT COMMUNICATIONS I-111100847101 Call Center 12/11	R	12/01/2011	226.23		010505		226.23
00417	APPLIED INDUSTRIAL TECHNOLOGY I-85987608 Ball Bearing for OVPP Unit#1	R	12/01/2011	100.18		010506		100.18
00014	AQUA-FLO SUPPLY I-259512 PVC for Water Line Repair	R	12/01/2011	450.98		010507		
	I-260030 PVC for Water Line Repair	R	12/01/2011	132.84		010507		
	I-264166 PVC Cement for LCRA Maint	R	12/01/2011	9.42		010507		593.24
00840	AQUA-METRIC SALES COMPANY I-0040707IN Meter Reading Auto Gun	R	12/01/2011	1,443.71		010508		1,443.71

VENDOR SET: 01 Casitas Municipal Water D  
 BANK: AP ACCOUNTS PAYABLE  
 DATE RANGE: 11/18/2011 THRU 12/08/2011

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
01703	ARNOLD, BLEUEL, LAROCHELLE,							
I-33272	Matter No: 5088-008 10/11	R	12/01/2011	11,867.50		010509		
I-33273	Matter No: 5088-001 10/11	R	12/01/2011	1,902.00		010509		13,769.50
01666	AT & T							
I-000002798060	Local, Regional, Long Distance	R	12/01/2011	763.27		010510		
	District Office, Acct#C604513638777							
I-000002823453	T-1 Lines	R	12/01/2011	893.50		010510		1,656.77
00018	AT & T MOBILITY							
I-829434088X11142011	PT Wildlife Biologist Cell	R	12/01/2011	7.21		010511		7.21
02298	Automation Products Group, Inc							
C-589988A	Accrue Use Tax	R	12/01/2011	22.46CR		010512		
D-589988A	Accrue Use Tax	R	12/01/2011	22.46		010512		
I-589988	Float Switches for Telemetry	R	12/01/2011	309.80		010512		309.80
01242	AUTOMATIONDIRECT.COM INC.							
C-3952348A	Accrue Use Tax	R	12/01/2011	5.58CR		010513		
C-3969306A	Accrue Use Tax	R	12/01/2011	26.39CR		010513		
C-3970207A	Accrue Use Tax	R	12/01/2011	11.75CR		010513		
D-3952348A	Accrue Use Tax	R	12/01/2011	5.58		010513		
D-3969306A	Accrue Use Tax	R	12/01/2011	26.39		010513		
D-3970207A	Accrue Use Tax	R	12/01/2011	11.75		010513		
I-3952348	Fuses for Treatment Plant	R	12/01/2011	84.29		010513		
I-3969306	Motor, Mix Pump @ Ammonia Sta	R	12/01/2011	364.00		010513		
I-3970207	Fuse & Fuse Holder, Telemetry	R	12/01/2011	171.89		010513		620.18
00020	AVENUE HARDWARE, INC							
I-43910	Putty, Glaze for Casitas #2	R	12/01/2011	101.01		010514		
I-43924	Anchors for Ave#1 PP Valve	R	12/01/2011	92.19		010514		193.20
09065	ERIC BEHRENDT							
I-112811	D3 Cert Renewal	R	12/01/2011	90.00		010515		90.00
02059	Berkadia G							
I-112111	Interest Due - Mira Monte Loan	R	12/01/2011	4,037.50		010516		4,037.50
00032	BIOVIR LABORATORIES, INC							
I-111658	Giardia/Crypto 10/25/11	R	12/01/2011	396.48		010517		396.48
00724	BUREAU OF RECLAMATION							
I-112811	Application & Fees for Filming	R	12/01/2011	2,500.00		010518		2,500.00
	Monies Collected from Parana Films for Filming at LCRA							

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00645	CA DEPARTMENT OF PUBLIC HEALTH Water Hauler's Licence	R	12/01/2011	473.00		010519		473.00
02124	Chaulk Mound Trout Ranch Trout Stocking	R	12/01/2011	10,650.00		010520		10,650.00
01384	CLEAN HARBORS ENVIRONMENTAL SE Waste Disposal Services 11/10	R	12/01/2011	57.60		010521		57.60
00057	CLEAN SOURCE Janitorial Supplies, Dist Ofc	R	12/01/2011	269.49		010522		
	Janitorial Supplies for LCRA	R	12/01/2011	779.31		010522		1,048.80
01843	COASTAL COPY Copier Usage at LCRA	R	12/01/2011	32.10		010523		32.10
00062	CONSOLIDATED ELECTRICAL Modems, Parts for Telemetry	R	12/01/2011	5,021.76		010524		
	Lugs for Breaker Replacement	R	12/01/2011	36.07		010524		5,057.83
00719	CORELOGIC INFORMATION SOLUTION Realquest Subscription	R	12/01/2011	125.00		010525		125.00
00182	DEWITT PETROLEUM Gas and Diesel for LCRA	R	12/01/2011	4,314.72		010526		
	Gas for Main Yard	R	12/01/2011	4,646.47		010526		
	Gas for LCRA	R	12/01/2011	1,975.18		010526		10,936.37
00085	DON'S INDUSTRIAL SUPPLIES, INC Quick Hose Connects, Wtr Prk	R	12/01/2011	220.99		010527		
	Never-Seez for Pump Plants	R	12/01/2011	60.05		010527		281.04
00086	E.J. Harrison & Sons Inc Acct#1C00053370 Trash Pickup	R	12/01/2011	114.55		010528		
	Acct#1C-00054230, Trash Pickup	R	12/01/2011	570.00		010528		684.55
00488	ELECTRONIC SYSTEMS TECHNOLOGY Repair Modems, Telemetry	R	12/01/2011	243.24		010529		243.24
00095	FAMCON PIPE & SUPPLY Air Valves for Pipelines	R	12/01/2011	1,866.15		010530		
	Clamp for Pipeline Repair	R	12/01/2011	449.38		010530		
	Spool for Fairview PP	R	12/01/2011	391.46		010530		
	Spool and Gasket for Grand Ave	R	12/01/2011	183.93		010530		2,890.92

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00013	I-0391397 FERGUSON ENTERPRISES INC Pipe Supports for Ave 1 PP	R	12/01/2011	643.60		010531		643.60
00101	I-2543373 FISHER SCIENTIFIC Electrode for Lab	R	12/01/2011	218.63		010532		
	I-9984166 Glass Vials for Lab	R	12/01/2011	235.45		010532		454.08
00104	I-54189 FRED'S TIRE MAN Flat Repair, Eq#15, O & M CS	R	12/01/2011	15.00		010533		15.00
00106	I-F155914 FRONTIER PAINT Primer for Reservoir Roofs	R	12/01/2011	21.87		010534		21.87
00485	I-90882467 FRUIT GROWERS SUPPLY COMPANY Mesh Netting, Corrosion Cntrl	R	12/01/2011	193.98		010535		193.98
01280	I-4200814 FRY'S ELECTRONICS, INC. Computer Monitor for Robles	R	12/01/2011	99.58		010536		
	I-4200825 Hard Drive for LCRA Computer	R	12/01/2011	145.45		010536		
	I-4212805 Upgrade Memory, Data Card, IT	R	12/01/2011	62.47		010536		307.50
00216	I-112311 THE GAS COMPANY Acct#18231433006	R	12/01/2011	57.32		010537		
	I-112811 Acct#00801443003	R	12/01/2011	872.06		010537		929.38
00115	I-9689540293 GRAINGER, INC Batteries & Ballasts for Stock	R	12/01/2011	69.93		010538		
	I-9689550193 Light Ballasts for Dist Maint	R	12/01/2011	179.60		010538		
	I-9690387189 Spray Paint, Warehouse Stock	R	12/01/2011	175.42		010538		
	I-9690815932 Padlocks for Dist Maint	R	12/01/2011	76.02		010538		
	I-9691548169 Lockout/Tagout Kit, Raingear	R	12/01/2011	160.67		010538		
	for O & M I-9693028954 Safety Lanyards for E & M	R	12/01/2011	750.84		010538		1,412.48
00746	I-448533 GREEN THUMB INTERNATIONAL Plants for Waterpark	R	12/01/2011	77.80		010539		77.80
01772	I-112811 HASAN CONSULTANTS Srvcs Re: Rincon 2M Pipeline	R	12/01/2011	3,000.00		010540		3,000.00
01186	I-112911 GERARDO M HERRERA D3 Fee and Cert	R	12/01/2011	140.00		010541		140.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
02288	Hopkins Technical Products, In Glass Calibration Columns, TP	R	12/01/2011	941.04		010542		941.04
00127	INDUSTRIAL BOLT & SUPPLY Bolts, Screws for Grand Ave PP	R	12/01/2011	60.57		010543		60.57
02303	Irrigation Association - Certi Cert Renewal, Water Cons Spec	R	12/01/2011	100.00		010544		100.00
00131	JCI JONES CHEMICALS, INC Chlorine for TP, CM#530200	R	12/01/2011	1,587.60		010545		1,587.60
00140	LAB SAFETY SUPPLY, INC Disinfectant for Lab	R	12/01/2011	49.86		010546		49.86
01036	LANDMARK PAVING & GRADING, INC Asphalt Patching, Dist Maint	R	12/01/2011	11,054.00		010547		11,054.00
00328	LIGHTNING RIDGE Uniforms for LCRA Maint	R	12/01/2011	108.74		010548		108.74
00145	MAGNUM FENCE & SECURITY, INC. Canal Auto Gate Replacement	R	12/01/2011	988.00		010549		988.00
00151	MEINERS OAKS ACE HARDWARE							
C-467262	Wire Returned from Inv#461770	R	12/01/2011	134.05		010550		134.05
I-461770	Wire for Fisheries	R	12/01/2011	134.05		010550		134.05
I-462894	Hardware for LCRA Maint	R	12/01/2011	122.25		010550		122.25
I-462908	Pressure Regulator, Robles	R	12/01/2011	78.59		010550		78.59
I-463115	Pipe, Plugs for Robles	R	12/01/2011	428.57		010550		428.57
I-464299	Roof Materials for Robles	R	12/01/2011	253.76		010550		253.76
I-464577	9V Batteries, Rakes for WF	R	12/01/2011	33.14		010550		33.14
I-465018	Epoxy Gel, Screws for Pipeline	R	12/01/2011	3.72		010550		3.72
I-465098	Garden Tools for Waterpark	R	12/01/2011	32.73		010550		32.73
I-465108	Parts for Shower Sewer Trap	R	12/01/2011	14.99		010550		14.99
I-465195	Lumber Crayon, Hose Coup, PL	R	12/01/2011	11.20		010550		11.20
I-465259	Shovel, Hedge Shear for O&M CS	R	12/01/2011	43.79		010550		43.79
I-465268	Supplies for LCRA Maint	R	12/01/2011	42.86		010550		42.86
I-465280	Plywood, Screws for 4M PP	R	12/01/2011	50.82		010550		50.82
I-465281	Screen Material for 4M PP	R	12/01/2011	5.76		010550		5.76
I-465294	Roofing Sheet, Screws, Robles	R	12/01/2011	49.10		010550		49.10
I-465295	Drill Bits for O&M Shop	R	12/01/2011	9.58		010550		9.58
I-465334	Electrical Supplies, Telemetry	R	12/01/2011	18.90		010550		18.90
I-465530	Coating and WD40 for Dam	R	12/01/2011	20.12		010550		20.12
I-465554	Clamps, Tubing for I Fish Sink	R	12/01/2011	29.70		010550		29.70
I-465631	Sump Pump for Casitas #1 Pit	R	12/01/2011	72.92		010550		72.92
I-465632	Supplies for Treatment Plant	R	12/01/2011	27.38		010550		27.38
I-465646	Extn Cords for Pump Plants	R	12/01/2011	66.68		010550		66.68



VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
I-466125	Paint for Dist Ofc Building	R	12/01/2011	24.39		010550		
I-466132	Phone Case, Screwdriver, PL	R	12/01/2011	18.83		010550		
I-466196	Brace and Fasteners for 4MPP	R	12/01/2011	5.23		010550		
I-466197	Botls and Screws for 4MPP	R	12/01/2011	1.20		010550		
I-466224	Batteries for Telemetry	R	12/01/2011	17.14		010550		
I-466442	Hooks for IT Dept	R	12/01/2011	12.23		010550		
I-K65965	Hose Adapters for Pump Plants	R	12/01/2011	8.07		010550		1,503.65 *
00144	BOB MONNIER							
I-112211	Stormwater Course	R	12/01/2011	171.39		010553		
I-112911	Small Water System Course	R	12/01/2011	111.55		010553		282.94
00163	OFFICE DEPOT							
I-585316131001	Bulletin Board for Lab	R	12/01/2011	44.21		010554		
I-587881030001	Toner for LCRA	R	12/01/2011	378.52		010554		422.73
01570	Ojai Auto Supply LLC							
I-223861	Hose & Fittings for Bobcat,104	R	12/01/2011	160.36		010555		160.36
00165	OJAI LUMBER CO, INC							
I-2422645	Wood Poles for Waterpark	R	12/01/2011	86.60		010556		
I-2422834	Shims for Drywall, LCRA Maint	R	12/01/2011	9.64		010556		
I-2422920	Fasteners for Pump Plants	R	12/01/2011	1.72		010556		
I-2423151	Redwood Stain for Table LCRA	R	12/01/2011	498.69		010556		
I-2423152	Nails for Bridge Timbers,Maint	R	12/01/2011	58.99		010556		
I-2423166	Hammer Handle for Pump Plant	R	12/01/2011	7.04		010556		
I-2423293	Batteries for Pump Plants	R	12/01/2011	11.18		010556		673.86
00473	OJAI VALLEY GLASS							
I-36653	Window for Casitas 2	R	12/01/2011	23.86		010557		23.86
00383	ON DUTY UNIFORMS & EQUIPMENT							
I-101149	Uniforms for PSO	R	12/01/2011	479.40		010558		479.40
10072	PERMACOLOR, INC							
I-274356	18" Spool Coating/Finish, TP	R	12/01/2011	778.89		010559		
I-274366	Coat Pipe Spool, UOPP, Unit#1	R	12/01/2011	143.43		010559		
I-274368	18" Spools Recoated, TP	R	12/01/2011	911.80		010559		1,834.12
00619	PUMP CHECK							
I-4463	Pump Testing, Dist Facilities	R	12/01/2011	5,535.00		010560		5,535.00
02304	Howard Radding							
I-112111	Irrigation Controller Rebate	R	12/01/2011	250.00		010561		250.00

\* CK# 010551-010552 voided due to invoice detail running over on ck# 010550 to Meiners Oaks Ace Hardware.

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00313	ROCK LONG'S AUTOMOTIVE							
I-3626	Replace Radiator, Eq#27, LCRA	R	12/01/2011	723.24		010562		
I-3850	Service,Repair EQ# 35, Engin	R	12/01/2011	1,092.92		010562		
	Lube & Oil Change, Smog, Front and Rear Shock Absorbers							
I-3925	Smog, Oil & Lube, EQ#33, Eng	R	12/01/2011	162.26		010562		1,978.42
01109	SALVADOR LOERA TRANSPORTATION							
I-12735	Crushed Rock for Ojai E Res	R	12/01/2011	600.00		010563		
I-12843	Road Base for LCRA Maint	R	12/01/2011	600.00		010563		1,200.00
01240	SENSUS USA							
I-DP12000215	Software Telephone Support	R	12/01/2011	30.00		010564		30.00
02305	Ellen Sklarz							
I-112111	Irrigation Controller Rebate	R	12/01/2011	250.00		010565		250.00
00725	SMART & FINAL							
I-111611	Cleaning, Breakroom Supply TP	R	12/01/2011	73.26		010566		73.26
00215	SOUTHERN CALIFORNIA EDISON							
I-112111	Acct#2237011044	R	12/01/2011	21.26		010567		
I-112211	Acct#2157697889	R	12/01/2011	684.01		010567		
I-112211A	Acct#2266156405	R	12/01/2011	178.49		010567		
I-112211B	Acct#2312811532	R	12/01/2011	45.89		010567		929.65
01662	TYLER TECHNOLOGIES, INC.							
I-32773	UB Online Fees, Nov 11	R	12/01/2011	153.00		010568		153.00
00825	USA BLUEBOOK							
I-535722	Inflatable Plug, Casitas Dam	R	12/01/2011	463.70		010569		463.70
00469	MIKE WERBER							
I-112211	Safety Boots	R	12/01/2011	78.74		010570		78.74
00271	WEST COAST AIR CONDITIONING							
I-S36173	PM Service at Dist Ofc	R	12/01/2011	185.00		010571		
I-S36503	Replace Pulley, A/C Unit DO	R	12/01/2011	438.00		010571		
I-S36569	Nitrate for A/C Unit DO	R	12/01/2011	26.81		010571		649.81
1	MONTIEL, LINDA							
I-000201111290488	US REFUND	R	12/01/2011	10.92		010572		10.92
1	WELTY, JOHN F							
I-000201111290487	US REFUND	R	12/01/2011	1.71		010573		1.71

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1	ANACAPA BJB LLC							
I-000201111290489	US REFUND	R	12/01/2011	33.50		010574		33.50
00124	ICMA RETIREMENT TRUST - 457							
I-CUI201111290486	457 CATCH UP	R	12/01/2011	423.08		010575		
I-DCI201111290486	DEFERRED COMP FLAT	R	12/01/2011	2,203.86		010575		
I-DI%201111290486	DEFERRED COMP PERCENT	R	12/01/2011	171.06		010575		2,798.00
01960	Moringa Community							
I-MOR201111290486	PAYROLL CONTRIBUTIONS	R	12/01/2011	16.75		010576		16.75
00985	NATIONWIDE RETIREMENT SOLUTION							
I-CUN201111290486	457 CATCH UP	R	12/01/2011	211.54		010577		
I-DCN201111290486	DEFERRED COMP FLAT	R	12/01/2011	4,566.39		010577		4,777.93
00180	S.E.I.U. - LOCAL 721							
I-UND201111290486	UNION DUES	R	12/01/2011	627.75		010578		627.75
00230	UNITED WAY							
I-UWY201111290486	PAYROLL CONTRIBUTIONS	R	12/01/2011	45.00		010579		45.00
01985	AFLAC/FLEX ONE							
I-120211	Reimburse Medical 2011	R	12/02/2011	189.27		010580		189.27
01441	ADVANTAGE TELECOM, INC							
I-35648	Monthly Phone Charges, LCRA	R	12/08/2011	647.17		010581		647.17
01707	AIRGAS SPECIALTY PRODUCTS							
I-131221700	Ammonium Hydroxide for TP	R	12/08/2011	3,027.32		010582		3,027.32
00010	AIRGAS WEST							
I-103641640	Wire Wheels for Pipelines	R	12/08/2011	41.12		010583		41.12
00029	AMERICAN TOWER CORP							
I-1133958	Tower Rent, Red Mtn, Rincon Pk	R	12/08/2011	1,485.77		010584		1,485.77
00020	AVENUE HARDWARE, INC							
I-44264	Shovel, Crow Bar, O & M CS	R	12/08/2011	30.12		010585		
I-44426	Knee Pads for O & M CS	R	12/08/2011	12.76		010585		42.88
00030	B&R TOOL AND SUPPLY CO							
I-1238139000101	Safety Glasses for Pipelines	R	12/08/2011	22.91		010586		22.91

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00679	BAKERSFIELD PIPE & SUPPLY INC I-S1742770001 Adapters for Grand Ave PP	R	12/08/2011	36.36		010587		36.36
01616	FRED BRENEMAN I-120611 PD 11/27/11-12/10/11	R	12/08/2011	391.00		010588		391.00
01165	CARL WARREN & COMPANY I-1341995 Professional Services Nov 11	R	12/08/2011	343.20		010589		343.20
00055	CASITAS BOAT RENTALS I-001352 I-001355 I-103111 Replace Fuel Filter, Eq#289 Gas for Boats at LCRA Reimburse Cafe Pass Revenue	R R R	12/08/2011 12/08/2011 12/08/2011	117.05 1,161.55 1,940.00		010590 010590 010590		3,218.60
00057	CLEAN SOURCE I-263803601 I-263952500 Janitorial Supplies, LCRA Janitorial Supplies, LCRA	R R	12/08/2011 12/08/2011	13.78 2,452.12		010591 010591		2,465.90
00511	CMH Center for Family Health I-9240 Drug Test	R	12/08/2011	45.00		010592		45.00
00060	COASTLINE EQUIPMENT I-54378 Repair Eq#116, Backhoe	R	12/08/2011	442.32		010593		442.32
00062	CONSOLIDATED ELECTRICAL I-9009649576 I-9009649603 I-9009650114 Items for Frost Protection,E&M Heat Shrink for Telemetry Lights for WP Showerhouse	R R R	12/08/2011 12/08/2011 12/08/2011	149.76 176.82 62.87		010594 010594 010594		389.45
00331	COORDINATED WIRE ROPE I-72355 Wire Rope Clips for Docks,LCRA	R	12/08/2011	53.38		010595		53.38
01483	CORVEL CORPORATION I-C00203188379 I-C00203249086 I-C00203255739 I-M134004581003 Claim#11-93056 Claim#11-95561 Claim#11-95564 Claim#11-95561	R R R R	12/08/2011 12/08/2011 12/08/2011 12/08/2011	100.00 100.00 100.00 334.07		010596 010596 010596 010596		634.07
00296	CUMMINS CAL PACIFIC, LLC I-00638587 TP Generator Repairs	R	12/08/2011	5,137.82		010597		5,137.82
00081	DELTA LIQUID ENERGY I-23207167 I-23207168 Fill Propane Tank, LCRA Maint Fill Propane Tank, Showers	R R	12/08/2011 12/08/2011	363.92 618.19		010598 010598		982.11

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02171 I-1939	Engbretson Underwater Photogra Trout Image for LCRA Website	R	12/08/2011	50.00		010599		50.00
00091 I-US0130526692	ERNST & YOUNG LLP 4TH Progress Billing Acct Srvc	R	12/08/2011	1,135.00		010600		1,135.00
00095 I-138238	FAMCON PIPE & SUPPLY Gaskets for Reservoir Roofs	R	12/08/2011	51.48		010601		51.48
10120 I-113011	CHARLES Z. FEDAK & COMPANY Audit Services Nov 11	R	12/08/2011	1,624.00		010602		1,624.00
00013 I-0393464 I-7741489	FERGUSON ENTERPRISES INC Gauges for Warehouse Inv Hot Water Heaters, J Showers	R R	12/08/2011 12/08/2011	223.68 4,964.96		010603 010603		5,188.64
00099 I-111587A I-111589A	FGL ENVIRONMENTAL Metals, Total-Mn Wet Chemistry-NO3	R R	12/08/2011 12/08/2011	70.00 61.00		010604 010604		131.00
09027 I-120511	DALE GODFREY Tile, Blades for Showerstall	R	12/08/2011	100.48		010605		100.48
00432 I-120511	GOVERNMENT FINANCE OFFICERS AS GFOA Award for CAFR	R	12/08/2011	435.00		010606		435.00
00115 I-9695146960 I-9695773888 I-9696009613 I-9696009621 For E & M Crew	GRAINGER, INC Titan Positioning Assembly,TP Titan Positioning Assembly,TP Drum Heaters for Pump Plants Gloves, Hand Cleaner,Ear Plugs	R R R R	12/08/2011 12/08/2011 12/08/2011 12/08/2011	110.45 220.89 375.59 266.70		010607 010607 010607 010607		973.63
01177 I-107002910	ICON SAFETY COMPANY INC. O2 Sensor for Gas Detector, TP	R	12/08/2011	151.79		010608		151.79
00126 I-113011	CAROLE ILES Reimburse Mileage 11/11	R	12/08/2011	36.90		010609		36.90
00872 I-3924	Irrisoft, Inc. Weather Station Signal Service	R	12/08/2011	79.00		010610		79.00
00140 I-1018208624	LAB SAFETY SUPPLY, INC Hard Hats for District Use	R	12/08/2011	502.58		010611		502.58

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00329	MCMASTER-CARR SUPPLY CO. I-11842436 Wind Socks for Treatment Plant	R	12/08/2011	86.32		010612		86.32
00151	MEINERS OAKS ACE HARDWARE							
	C-466494 Credit in Full Inv#466315	R	12/08/2011	96.51CR		010613		
	I-466312 PVC Parts for Waterpark	R	12/08/2011	11.10		010613		
	I-466315 Pump for WP, See Cm#466494	R	12/08/2011	96.51		010613		
	I-467011 Concrete for Waterpark	R	12/08/2011	18.39		010613		
	I-467083 Shears, Broom for O&M CS	R	12/08/2011	45.37		010613		
	I-467242 Keys Made for Eq#42, PL Truck	R	12/08/2011	6.82		010613		
	I-467462 Paint Brush, Thread, Pipeline	R	12/08/2011	11.04		010613		
	I-467518 Batteries, Fasteners for TP	R	12/08/2011	11.31		010613		
	I-467536 Keys Made for Pipelines	R	12/08/2011	4.79		010613		
	I-467597 Tools and Supplies O&M CS	R	12/08/2011	63.05		010613		
	I-467717 Parts to Repair Chain Fence,TP	R	12/08/2011	30.63		010613		202.50
00834	NEXTEL COMMUNICATIONS I-425958314121 LCRA Monthly Cell Charges	R	12/08/2011	932.27		010614		932.27
01570	Ojai Auto Supply LLC							
	I-225010 Oil Cap for #55, Lamps for #37	R	12/08/2011	50.36		010615		
	I-225140 Oil Cap, Oil for Eq#54	R	12/08/2011	37.57		010615		87.93
00912	OJAI BUSINESS CENTER, INC I-7155 Shipping for Telemetry	R	12/08/2011	81.60		010616		81.60
00165	OJAI LUMBER CO, INC I-2423666 Shims for Tile Work	R	12/08/2011	9.64		010617		9.64
00169	OJAI VALLEY SANITARY DISTRICT							
	I-13771 Cust#20594 Sewer Service Oct	R	12/08/2011	150.63		010618		
	I-13969 Cust#20594 Sewer Service Dec	R	12/08/2011	150.63		010618		
	I-14051 Cust#52921 Sewer Service Dec	R	12/08/2011	50.21		010618		351.47
00178	PARADISE CHEVROLET I-567854 Heater Knob for Eq#34	R	12/08/2011	19.10		010619		19.10
02187	Pitney Bowes Inc I-597982 Postage Ink and Sealer	R	12/08/2011	256.29		010620		256.29
01334	POWER MACHINERY CENTER							
	I-E65626 Club Car Lease, Y13634	R	12/08/2011	798.20		010621		
	I-E65636 Club Car Lease, Y13864	R	12/08/2011	602.67		010621		1,400.87

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00033	ROBERT SKEELS & CO. I-42661 Padlocks for O&M CS	R	12/08/2011	188.13		010622		188.13
00313	ROCK LONG'S AUTOMOTIVE I-3874 Lube & Oil Change, Eq#19,Maint Also, Replaced Belt Tensioner	R	12/08/2011	375.27		010623		
	I-3927 Replaced Hose Assembly, Eq#54 LCRA Maint Truck	R	12/08/2011	323.11		010623		
	I-3950 Smog Inspection, Eq#34, Maint	R	12/08/2011	53.00		010623		
	I-3951 Smog Inspection for Eq#9,WC	R	12/08/2011	44.75		010623		
	I-3953 Smog Inspection, Eq#28, Maint	R	12/08/2011	53.00		010623		
	I-3957 Smog Inspection, Eq#38, Maint	R	12/08/2011	44.75		010623		
	I-3964 Smog Inspection, Eq#30, E&M	R	12/08/2011	44.75		010623		938.63
01107	SAWYER PETROLEUM I-S78818 Motor Grease for Pump Plants	R	12/08/2011	47.91		010624		47.91
00213	SERVICEMASTER COMMERCIAL I-28932 Janitorial Services D.O.	R	12/08/2011	1,032.00		010625		1,032.00
00215	SOUTHERN CALIFORNIA EDISON I-113011 Acct#2210507034	R	12/08/2011	9,473.49		010626		
	I-120111 Acct#2210503702	R	12/08/2011	4,554.19		010626		
	I-120211 Acct#2269631768	R	12/08/2011	19.82		010626		
	I-120311 Acct#2237789169	R	12/08/2011	22.72		010626		
	I-120311A Acct#2210505426	R	12/08/2011	1,950.15		010626		
	I-120311B Acct#2210502480	R	12/08/2011	59,829.59		010626		75,849.96
00048	STATE OF CALIFORNIA I-120211 State Water Plan Payment	R	12/08/2011	105,780.00		010627		105,780.00
00223	STOCK BUILDING SUPPLY I-4674326700 Planks for Bridge Repair, LCRA	R	12/08/2011	429.86		010628		429.86
00405	R.J. THOMAS MFG. CO.,INC. C-00147579A Accrue Use Tax	R	12/08/2011	314.25CR		010629		
	D-00147579A Accrue Use Tax	R	12/08/2011	314.25		010629		
	I-00147579 Campfire Rings & Grills, LCRA	R	12/08/2011	4,334.40		010629		4,334.40
00225	UNDERGROUND SERVICE ALERT I-1120110094 New Tickets Nov 11	R	12/08/2011	148.50		010630		148.50
00247	County of Ventura I-120611 Annual Encroachment Permit	R	12/08/2011	915.00		010631		915.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00246	VENTURA COUNTY AIR POLLUTION							
I-1026943	Permit for LCRA Gas Tank	R	12/08/2011	535.00		010632		
I-1026963	Permit, Standby Generator @ TP	R	12/08/2011	535.00		010632		1,070.00
00257	VENTURA RIVER COUNTY WATER							
I-113011	Acct#0537500A	R	12/08/2011	26.29		010633		
I-113011A	Acct#0350100A	R	12/08/2011	26.57		010633		52.86
00271	WEST COAST AIR CONDITIONING							
I-S34480	A/C Repair, District Office	R	12/08/2011	887.00		010634		
I-S37032	Update Holiday A/C Schedule	R	12/08/2011	65.00		010634		952.00
00274	JAMES WORD							
I-Oct 11	Reimburse Mileage 10/11	R	12/08/2011	78.81		010635		78.81
00489	STEVE WICKSTRUM							
I-Nov 11	Reimburse Expenses 11/11	R	12/08/2011	270.57		010636		270.57
1	Gloria Bradley							
I-000201112020490	TS Refund	R	12/08/2011	85.00		010637		85.00
1	Sandra Higginbotham							
I-000201112020491	TS Refund	R	12/08/2011	10.00		010638		10.00
1	Denise Gallion							
I-000201112080492	TS Refund	R	12/08/2011	84.00		010639		84.00
00128	INTERNAL REVENUE SERVICE							
I-T1 201111290486	Federal Withholding	D	12/01/2011	21,832.67		120111		
I-T3 201111290486	FICA Withholding	D	12/01/2011	15,967.90		120111		
I-T4 201111290486	Medicare Withholding	D	12/01/2011	5,241.20		120111		43,041.77
00049	STATE OF CALIFORNIA							
I-T2 201111290486	State Withholding	D	12/01/2011	7,438.78		120112		7,438.78
00187	CALPERS							
I-PER201111290486	PERS EMPLOYEE PORTION	D	12/01/2011	10,268.31		120113		
I-PRR201111290486	PERS EMPLOYER PORTION	D	12/01/2011	12,405.77		120113		22,674.08



12/08/2011 9:24 AM  
 VENDOR SET: 01 Casitas Municipal Water D  
 BANK: AP ACCOUNTS PAYABLE  
 DATE RANGE: 11/18/2011 THRU 12/08/2011

A/P HISTORY CHECK REPORT

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
* * T O T A L S * *								
		NO		INVOICE AMOUNT		DISCOUNTS		CHECK AMOUNT
	REGULAR CHECKS:	140		341,572.57		0.00		341,572.57
	HAND CHECKS:	0		0.00		0.00		0.00
	DRAFTS:	3		73,154.63		0.00		73,154.63
	EFT:	0		0.00		0.00		0.00
	NON CHECKS:	0		0.00		0.00		0.00
	VOID CHECKS:	0	VOID DEBITS	0.00				
			VOID CREDITS	0.00		0.00		
				0.00				
TOTAL ERRORS: 0								
VENDOR SET: 01	BANK: AP	TOTALS:	143	414,727.20		0.00		414,727.20
BANK: AP	TOTALS:		143	414,727.20		0.00		414,727.20
REPORT TOTALS:			143	414,727.20		0.00		414,727.20

**Casitas Municipal Water District  
Reimbursement Disclosure Report (1)  
Fiscal Year 2011/12  
July 1, 2011-November 30, 2011**

<u>Date paid</u>	<u>Board of Director/ Employee</u>	<u>Description</u>	<u>Amount Paid</u>
7/7/11	Luke Sohlt	T2 Exam and Certification	\$ 125.00
7/13/11	Scott Lewis	Airfare to CMWD 6/20-6/28	\$ 264.50
7/13/11	Scott Lewis	Personal Vehicle Miles to Newport (Round Trip)	\$ 198.90
7/13/11	Scott Lewis	Lodging in Newport, OR 6/6-6/9	\$ 281.76
7/13/11	Scott Lewis	DNA Lab Supplies	\$ 650.67
7/13/11	Scott Lewis	Lodging at CMWD 6/20-6/28	\$ 381.20
7/13/11	Scott Lewis	Car Rental at CMWD 6/20-6/28	\$ 482.62
7/21/11	Pete Kaiser	Lodging in D.C. 7/11-7/13	\$ 801.50
8/24/11	Curtis Orozco	Safety Boot Purchase	\$ 115.00
8/31/11	Ron Yost	Possessory Tax (Dam Tender House)	\$ 521.68
9/8/11	Mike Shields	Safety Boot Purchase	\$ 113.53
9/8/11	Ron Yost	Safety Boot Purchase	\$ 115.00
9/15/11	Scott Lewis	Airfare to CMWD 8/20-8/26	\$ 401.80
9/15/11	Scott Lewis	Lodging at CMWD 8/20-8/26	\$ 529.57
9/15/11	Scott Lewis	Car Rental at CMWD 8/20-8/26	\$ 262.60
9/15/11	Tracy Medeiros	D2, D3 Review Class	\$ 257.25
9/23/11	Tracy Medeiros	Water Distribution System Class	\$ 113.04
9/23/11	Jim Weber	Safety Boot Purchase	\$ 115.00
10/6/11	Lisa Barbee	Advance for Calpers Forum	\$ 680.16
10/12/11	Scott Lewis	Airfare to CMWD 9/26-9/30	\$ 344.50
10/12/11	Scott Lewis	Lodging at CMWD 9/26-9/30	\$ 356.76
10/12/11	Scott Lewis	Car Rental 9/26-9/30	\$ 211.80
10/12/11	Scott MacDonald	Advance for AWWA Fall Conf	\$ 394.00
10/12/11	Luke Sohlt	Advance for AWWA Fall Conf	\$ 394.00
10/14/11	Lisa Kolar	Pesticide Exam Fees	\$ 140.00
10/14/11	Lisa Kolar	Advance for Travel to Pesticide Exam	\$ 120.80
10/20/11	Mark Passamani	Lodging at Safety Seminar 9/6-9/7	\$ 148.00
10/20/11	Suzi Taylor	Chapstick for Giveaway at Ojai Day	\$ 240.00
10/28/11	Mary Bergen	Airfare to Sacramento 9/19-9/20	\$ 289.40
10/28/11	Mary Bergen	Car Rental in Sacramento 9/19-9/20	\$ 113.15
11/2/11	Eric Behrendt	Lodging for Vibration Class 10/24-10/28	\$ 598.88
11/2/11	Eric Behrendt	Personal Vehicle Miles to Class (Round Trip)	\$ 210.90
11/2/11	Scott MacDonald	D3 Certification	\$ 100.00
11/9/11	Neil Cole	Underground Training Class for Todd Evans	\$ 125.00
11/9/11	Scott Lewis	Airfare to CMWD 10/25-10/28	\$ 280.80
11/9/11	Scott Lewis	Lodging at CMWD 10/25-10/28	\$ 240.81
11/9/11	Scott Lewis	Car Rental at CMWD 10/25-10/28	\$ 228.55
11/9/11	Cinnamon McIntosh	Advance for Backflow Class	\$ 872.79
11/9/11	Suzi Taylor	Foor for Chamber Mixer at LCRA	\$ 482.63
11/17/11	Luke Sohlt	Fees for D3 Certification	\$ 100.00
11/17/11	Robert Vasquez	Safety Boot Purchase	\$ 170.00

Note:

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

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: December 7, 2011  
TO: Board of Directors  
FROM: General Manager, Steve Wickstrum  
Re: Recreation Committee Meeting of December 5, 2011

**RECOMMENDATION:**

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

**BACKGROUND AND OVERVIEW:**

1. **Roll Call.** Directors Kaiser and Hicks  
Staff – PSM Carol Belser, PSO III Aaron Wall  
Public – None
2. **Public comments.**  
None.
3. **Board/Management comments.**  
Director Hicks asked if there was any wind damage to report. PSM Belser stated that the National Weather Service issued a wind warning and advised the closure of Lake Casitas boating activities. Staff proceeded with action to remove boaters from Lake Casitas.

PSM Belser announced that the new reservation software is up and running in test mode, with the target of January 2012 to go public with the online reservation system. PSM recognized APSO Jack Kirk and Carole Isles for their diligent work to get the reservation system operational.

PSM Belser stated that there had been a trout plant prior to Thanksgiving. The plant event was restricted from the public in order to allow a chance for the fish to disperse and acclimate to Lake Casitas.

PSM Belser announced that the concession request for proposal is out on the street, with a site walk scheduled for December 8<sup>th</sup> and proposals due on December 20<sup>th</sup>. The concessions include the marina facilities and café, the Park Store, and the Water Park food service.

4. **Review of the draft Casitas Water Adventure 2011 Report.**  
PSM III Aaron Wall presented the draft report to the committee. The report addressed the key topics of the Water Adventure's financial status, marketing, maintenance, staffing and training, and special activity programs. A key change this past year is the implementation of a marketing coordinator that has made outreach efforts to groups to fill the slower days of the summer. Also, the change in the ticket office and reservations has greatly improved customer services. The Committee recommended that this presentation be made to the Board.

5. **Review of Incidents and Comments.**

PSM Belser reported on a few minor incidents that were addressed by staff at Lake Casitas.

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: December 7, 2011  
TO: Board of Directors  
FROM: General Manager, Steve Wickstrum

Re: Executive Committee Meeting of December 6, 2011

**RECOMMENDATION:**

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

**MEETING:**

1. Roll Call. Director Kaiser, Director Baggerly
2. Public Comments. None.
3. Board/Manager comments.  
Director Baggerly suggested that the committee talk about the direction for a board planning day. In the past several years the planning was conducted during the regularly scheduled board meeting(s). Directors Baggerly and Kaiser suggested a separate meeting in January for planning. The topics can be timely for staff preparation of the next fiscal budget. Topics suggested by the committee included the direction of the Board, the new agreement with the City of Ventura, Recreation revenue/expense balance, and other important project and planning for the District.  
  
The Committee briefly discussed the initial thoughts on the recent decision by Judge Wiese and Casitas takings claim.
4. Agreement with Ventura County Watershed Protection District – Coyote Gauging Station Maintenance.  
Staff has developed an agreement with the VCWPD to maintain Casitas' gauging station on Coyote Creek. Casitas and VCWPD have joint interest and equipment at the remote gauging station. As such, the agreement proposes to have VCWPD maintain the station and Casitas will pay for the repair/replacement of Casitas equipment as needed. The agreement has a 60-day termination clause. The Committee recommended moving the agreement to the Board for consideration of authorizing the General Manager to sign the agreement.
5. Bid review for Rincon 2(M) Main Replacement.  
The General Manager reported that bids have been received for the project and staff recommends accepting the bid provided by Toro Enterprises, Inc. in the amount of \$589,535.00. The project is within the budget. The Committee recommended moving this item to the Board.

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: November 23, 2011  
TO: Board of Directors  
FROM: General Manager, Steve Wickstrum  
Re: Water Resources Committee Meeting of November 21, 2011

**RECOMMENDATION:**

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

**BACKGROUND AND OVERVIEW:**

1. **Roll Call.**  
Director Baggerly and Director Hicks.  
Staff – Neil Cole and Ron Merckling.  
Public – Leon Berg (Happy Valley School) and Mac Lojowsky (Ojai Valley School).
2. **Public Comments.** None.
3. **Board Comments.**  
Director Hicks commented on today's article in the Ventura Star concerning the possible disruption of the Colorado River Accord and the unlimited funding that is to be provided to restore the Salton Sea.
4. **Manager Comments.**  
Mr. Merckling informed the committee that he had received a request from a Ventura school teacher that has asked to allow his students to test and operate remotely operated vehicles in Lake Casitas. The teacher's program is science education oriented. The teacher has been asked to provide appropriate insurance and he will be referred to Recreation staff for continuing action.
5. **Smart Controller Rebate Request of Ojai Valley School.**  
Mr. Merckling presented the need and desire of the Ojai Valley School (OVS) to improve landscape irrigation practices. OVS has approximately eighteen irrigation controllers throughout the large education complex in the Upper Ojai. Of specific note are the large turf playing fields. It is staff's recommendation to provide two irrigation controller rebates for the turf fields and it was suggested that OVS become involved with the new grant program for large landscape irrigation improvements. Mr. Lojowsky and Mr. Berg seemed interested in the prospects of the new grant program for their respective schools.
6. **Review of agreement with Happy Valley Foundation regarding reduction of water usage.**  
Neil Cole has been working with Mr. Leon Berg, Happy Valley Foundation (HVF), now known as Besant Hill School, to address the request for a will-serve letter for a conditional use permit and the additional construction of a pool complex and additional

student and faculty housing at its Upper Ojai campus. It was noted that HVF was assigned an allocation of 18.5 acre-feet, but has expanded its water use to more than 30 acre-feet through the addition of turf playing fields and other uses. An agreement has been drafted that states HVF will rely on the development and application of groundwater well(s) such that HVF will not exceed the allocation. If HVF does exceed the water allocation, HVF will be charged two times the applicable unit rate for the classification for each unit of water HVF uses in excess of the allocation.

Mr. Berg recognizes the challenge to bring water use back into conformance with the allocation, but felt that taking the turf fields off of the Casitas supply will accomplish this goal. Mr. Berg also expressed interested in the grant program assistance to conserving water at his campus.

The agreement will be presented to the Casitas Board on December 14, 2011.

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: November 23, 2011  
TO: Board of Directors  
FROM: General Manager, Steve Wickstrum  
Re: Finance Committee Meeting of November 18, 2011

**RECOMMENDATION:**

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

**BACKGROUND AND OVERVIEW:**

1. **Roll Call.**  
Director Bergen and Director Word  
Staff – Steve Wickstrum, Denise Collin, and Ron Merckling
2. **Public comments.** None.
3. **Board/Management comments.**  
Mr. Merckling reported on the teleconference with proponents of California Forward, regarding the ballot initiative being proposed. The details of the ballot initiative can be read at CAFWD.ORG. The proposal is to have performance standards for governmental entities, report on meeting the performance standards, and create local collaborations to share ad valorem taxes. The committee discussed a few of the impacts this proposal could have on the district, including loss of the tax funding.  
  
The General Manager reported that the recent bid opening for the Rincon 2(M) Main replacement project provide favorable bidding prices for the District. The bids are presently under review and evaluation. It is expected that staff will bring forward a recommendation to award the bid during the December 14, 2011, meeting of the Board.
4. **Presentation and review of the Draft Comprehensive Annual Financial Report.**  
Mr. Paul Kaymark, from the accounting firm of Charles Z. Fedak & Company, presented the draft CAFR to the Committee. One specific change in the CAFR is a new statement sheet that separates the Recreation Fund from the Water Fund. This sheet provides additional clarity to describing each fund. The final CAFR will be presented to the Board on December 14, 2011.
5. **Review of the Financial Statement for October 2011.**  
The Committee reviewed the October 2011 financial statement and asked questions regarding various elements of the statement. The Committee asked about the increase in Water Conservation account expenses over last year, which are related to the number



of Smart irrigation controller rebates issued by Casitas this year, and the increase in Recreation salary expenses over last year, which is a result of time taken off without pay by one employee. There were no other significant issues or concerns, other than lagging water sales to date, that the Committee addressed.

6. **Review of the Water Consumption Report for October 2011.**

The Committee noted a continued lag in water sales to Resale Pumped and Agriculture classifications. The La Nina weather predictions of a drier and cooler winter may influence the lag in water sales that resulted from above normal rainfall during the 2010-11 water year. It was noted that the Resale Gravity is above the pace of last year, but is likely to curtail in order to balance in-district demand levels.

7. **Discussion regarding setting of reserves.**

Denise Collin presented the current status of reserves. The Committee agreed that there be no change to the current setting of reserves.

8. **Discussion of Options regarding the CalPERS Side Fund.**

Denise Collin presented that the District has a \$36,484 amount due in the CalPERS Side Fund. This item came from Director Word's notice that CalPERS was offering a lesser interest rate on the Side Fund than the previous 7.75% that the district is now paying. It was noted that the remaining side fund due by the district is very small, when compared to other agencies in the CalPERS system. The Committee's recommendation is to pay off the side fund in one payment to avoid any further interest accrual on the district's account. This item will be brought forward to the Board on December 14, 2011.

9. **Discussion regarding the 1996 Agreement with the City of Ventura.**

The General Manager reported that the meeting between the General Manager, Director Word, and City of Ventura Water General Manager Shana Epstein and Susan Rungren resulted in a better understanding of the water agreement between our agencies. It was suggested to draft agreement amendment language for consideration by both agencies. Casitas will prepare the draft language.

**Casitas Municipal Water District**

**Management Report**

**June 30, 2011**

**Casitas Municipal Water District**

**Management Report**

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

# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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

Board of Directors  
Casitas Municipal Water District  
Oak View, California

## **Dear Members of the Board:**

In planning and performing our audit of the financial statements of Casitas Municipal Water District (District) as of and for the years ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Our consideration on internal control was for the limited period described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

**Summary of Current Year Comments and Recommendations**

**None Noted**

\*\*\*\*\*

This report is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.



Charles Z. Fedak: Company CPAs - An Accountancy Corporation

**Charles Z. Fedak and Company, CPA's – An Accountancy Corporation**

Cypress, California

October 31, 2011

**APPENDIX**

**Casitas Municipal Water District**

**Audit/Finance Committee Letter**

**June 30, 2011**



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

# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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

Board of Directors  
Casitas Municipal Water District  
Oak View, California

We have audited the basic financial statements of the Casitas Municipal Water District (District) for the year ended June 30, 2011 and have issued our report thereon dated October 31, 2011. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of the District's basic financial statements.

### **Auditor's Responsibility under United States Generally Accepted Auditing Standards**

As stated in our Audit Engagement Letter dated April 20, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with oversight of the Governing Board are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve the Governing Board or management of its responsibilities of oversight in the District's external financial reporting process or any other processes.

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing requirements previously communicated in our Audit Engagement letter dated April 20, 2011.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements.

We noted no transactions entered into by the District during fiscal year 2011 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

### **Management's Judgments, Accounting Estimates and Financial Disclosures**

Accounting estimates play an integral part in the preparation of basic financial statements by management and are based upon management's knowledge, experience and current judgment(s) about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the position in the basic financial statements is (are):

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits payable is based on an actuarial evaluation of this liability that was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate the annual required contribution for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the basic financial statements are neutral, consistent and clear. Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the basic financial statements is (are):

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 5 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits payable in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

### **Corrected and Uncorrected Misstatements**

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management as follows:

There were no audit adjustments proposed by the auditor to the original trial balance presented to us to begin our audit.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principal to the District's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit processes and testwork.

**Disagreements with Management**

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit of the District.

**Management Representations**

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated October 31, 2011.

**Conclusion**

We appreciate the cooperation extended us by Steve Wickstrum, General Manager and Denise Collin, Accounting Manager, in the performance of our audit testwork.

We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified, parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.



Charles Z. Fedak - Company CPAs - An Accountancy Corporation

**Charles Z. Fedak and Company, CPA's - An Accountancy Corporation**

Cypress, California

October 31, 2011

# Casitas Municipal Water District

*Comprehensive Annual Financial Report  
for the  
Fiscal Years Ended June 30, 2011 and 2010*



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



Casitas Municipal Water District  
Oak View, California

Comprehensive Annual Financial Report

Fiscal Years Ended  
June 30, 2011 and 2010

Prepared by:

*Denise Collin – Accounting Manager / Treasurer*

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**Casitas Municipal Water District  
Comprehensive Annual Financial Report  
For the Fiscal Years Ended June 30, 2011 and 2010**

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**Casitas Municipal Water District  
Comprehensive Annual Financial Report  
For the Fiscal Years Ended June 30, 2011 and 2010**

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# **Introductory Section**







October 31, 2011

Board of Directors  
Casitas Municipal Water District

## **Introduction**

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Casitas Municipal Water District (District) for the fiscal years ended June 30, 2011 and 2010, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

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

## **District Structure and Leadership**

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

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

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

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

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

### **Economic Condition and Outlook**

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

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

### **Internal Control Structure**

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

### **Budgetary Control**

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

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

### **Investment Policy**

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

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

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

## **Audit and Financial Reporting**

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

## **Risk Management**

The District has purchased insurance for the purpose of protecting itself against general and auto liabilities in performing the District's services. The District is also a member of CSAC Excess Insurance Authority (Authority) for its workers' compensation coverage. The purpose of the Authority is to purchase excess insurance coverage.

## **Awards and Acknowledgements**

For the year ended June 30, 2010, the District received for the 17<sup>th</sup> year the Government Finance Officers Association of the United States and Canada's (GFOA) *Certificate of Achievement for Excellence in Financial Reporting*. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. (See Page 6)

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

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

Respectfully submitted,

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Steve Wickstrum  
General Manager

---

Denise Collin  
Accounting Manager/Treasurer

# Casitas Municipal Water District

## Directory

July 1, 2010 – June 30, 2011

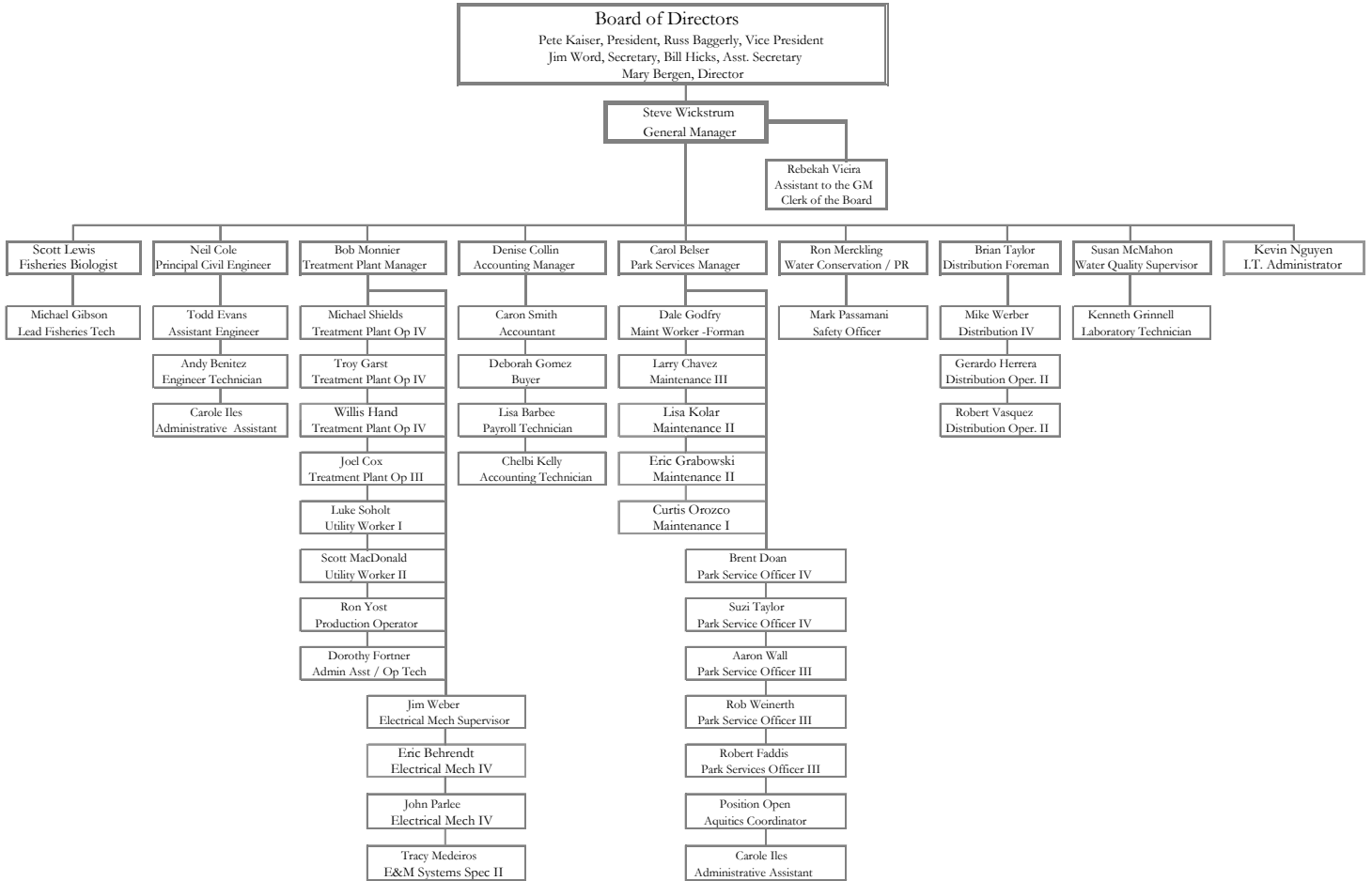
### Board of Directors

Board Member	Division	Date of Original Election of Appointment	Ending Date of Term
Bill Hicks	Division 1	November, 1990	December, 2014
Jim Word	Division 2	May, 1997	December, 2012
Pete Kaiser	Division 3	November, 2002	December, 2012
Mary Bergen	Division 4	November, 2010	December, 2014
Russ Baggerly	Division 5	November, 2004	December, 2012

### Staff

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

# Casitas Municipal Water District Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Casitas Municipal Water District  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# **Financial Section**







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

# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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

## Independent Auditor's Report

Board of Directors  
Casitas Municipal Water District  
Oak View, California

We have audited the accompanying financial statements of the Casitas Municipal Water District (District) as of and for the year ended June 30, 2011, which collectively comprises the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The comparative financial information as of June 30, 2010 was audited by other auditors whose report dated November 29, 2010, expressed an unqualified opinion on those basic financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Casitas Municipal Water District as of June 30, 2011, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. That report can be found on page 63.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 13 and the required supplementary information on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Independent Auditor's Report, continued

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section on pages 1 through 6, the supplemental information section on pages 39 through 48, and the statistical section on pages 49 through 62 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplemental information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Charles Z. Fedak and Company CPAs - An Accountancy Corporation*

**Charles Z. Fedak and Company, CPA's – An Accountancy Corporation**  
Cypress, California  
October 31, 2011

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Casitas Municipal Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2011 and 2010. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- In 2011, the District's net assets increased 4.0% or \$3,139,094, from \$78,495,022 to \$81,634,116. In 2010, the District's net assets increased 1.1% or \$887,565, from \$77,607,457 to \$78,495,022.
- The District's operating revenues decreased 10.2% or \$1,238,317 in 2011 primarily due to a \$777,853 decrease in retail water consumption revenue and a \$341,733 decrease in recreation revenues. In 2010, the District's operating revenue increased 0.5% or \$64,921 primarily due to a \$299,807 decrease in retail water consumption revenue and a \$348,894 increase in wholesale water sales.
- The District's operating expenses increased 3.7% or \$415,989 in 2011 primarily due to a \$154,957 increase in source of supply costs and a \$387,864 increase in general and administrative expenses. In 2010, the District's operating expenses increased 3.3% or \$315,659 primarily due to a \$391,668 increase in recreation expenses.

**Required Financial Statements**

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

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

**Financial Analysis of the District**

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

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

**Notes to the Basic Financial Statements**

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

**Statement of Net Assets**

	<b>Condensed Statements of Net Assets</b>				
	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 30,713,074	26,707,836	4,005,238	26,663,814	44,022
Non-current assets	105,855	117,617	(11,762)	129,379	(11,762)
Capital assets, net	59,174,652	60,182,486	(1,007,834)	61,460,323	(1,277,837)
<b>Total assets</b>	<u>89,993,581</u>	<u>87,007,939</u>	<u>2,985,642</u>	<u>88,253,516</u>	<u>(1,245,577)</u>
<b>Liabilities:</b>					
Current liabilities	2,139,098	2,246,946	(107,848)	4,189,075	(1,942,129)
Non-current liabilities	6,220,367	6,265,971	(45,604)	6,456,984	(191,013)
<b>Total liabilities</b>	<u>8,359,465</u>	<u>8,512,917</u>	<u>(153,452)</u>	<u>10,646,059</u>	<u>(2,133,142)</u>
<b>Net assets:</b>					
Net investment in capital assets	55,423,113	55,277,544	145,569	55,408,560	(131,016)
Restricted for debt service	55,913	60,922	(5,009)	67,343	(6,421)
Unrestricted	26,155,090	23,156,556	2,998,534	22,131,554	1,025,002
<b>Total net assets</b>	<u>81,634,116</u>	<u>78,495,022</u>	<u>3,139,094</u>	<u>77,607,457</u>	<u>887,565</u>
<b>Total liabilities and net assets</b>	<u>\$ 89,993,581</u>	<u>87,007,939</u>	<u>2,985,642</u>	<u>88,253,516</u>	<u>(1,245,577)</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$81,634,116 and \$78,495,022 as of June 30, 2011 and 2010, respectively.

One of the largest portions of the District's net assets (68% and 70% as of June 30, 2011 and 2010, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

At the end of fiscal years 2011 and 2010, the District showed a positive balance in its unrestricted net assets of \$26,155,090 and \$23,156,556, respectively.

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

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

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 10,956,600	12,194,917	(1,238,317)	12,129,996	64,921
Non-operating revenues	7,665,749	3,410,798	4,254,951	3,921,295	(510,497)
<b>Total revenues</b>	<u>18,622,349</u>	<u>15,605,715</u>	<u>3,016,634</u>	<u>16,051,291</u>	<u>(445,576)</u>
Expenses:					
Operating expenses	11,587,130	11,171,141	415,989	10,819,482	351,659
Depreciation and amortization	3,037,340	2,863,329	174,011	2,823,215	40,114
Non-operating expenses	932,880	814,859	118,021	2,722,188	(1,907,329)
<b>Total expenses</b>	<u>15,557,350</u>	<u>14,849,329</u>	<u>708,021</u>	<u>16,364,885</u>	<u>(1,515,556)</u>
<b>Net income before capital contrib.</b>	3,064,999	756,386	2,308,613	(313,594)	1,069,980
Capital contributions	74,095	131,179	(57,084)	63,784	67,395
<b>Change in net assets</b>	3,139,094	887,565	2,251,529	(249,810)	2,501,339
<b>Net assets, beginning of year</b>	<u>78,495,022</u>	<u>77,607,457</u>	<u>887,565</u>	<u>77,857,267</u>	<u>(249,810)</u>
<b>Net assets, end of year</b>	<u>\$ 81,634,116</u>	<u>78,495,022</u>	<u>3,139,094</u>	<u>77,607,457</u>	<u>2,251,529</u>

The statement of revenues, expenses and changes of net assets shows how the District's net assets changed during the fiscal years. In the case of the District, net assets increased by \$3,139,094 in fiscal year ended June 30, 2011 and increased \$887,565 for the fiscal year ended June 30, 2010.

**Total Revenues**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
<b>Operating revenues:</b>					
Retail water consumption	\$ 3,605,636	4,383,489	(777,853)	4,683,296	(299,807)
Wholesale water sales	2,007,858	2,068,095	(60,237)	1,719,201	348,894
Monthly water service charge	1,979,273	2,036,499	(57,226)	2,104,557	(68,058)
Recreation revenue	3,269,377	3,611,110	(341,733)	3,526,264	84,846
Other water charges and services	94,456	95,724	(1,268)	96,678	(954)
<b>Total operating revenues</b>	<u>10,956,600</u>	<u>12,194,917</u>	<u>(1,238,317)</u>	<u>12,129,996</u>	<u>64,921</u>
<b>Non-operating revenues:</b>					
Property taxes	2,012,458	1,959,850	52,608	1,982,172	(22,322)
Clean Water Act surcharge	1,682,991	1,290,042	392,949	1,685,062	(395,020)
Mira Monte assessment	17,113	18,601	(1,488)	18,914	(313)
Oak View availability charge	7,657	7,709	(52)	6,992	717
Water storage valuation	3,318,094	-	3,318,094	-	-
Interest and investment earnings	402,229	129,472	272,757	213,695	(84,223)
Other non-operating revenues, net	225,207	5,124	220,083	14,460	(9,336)
<b>Total non-operating revenues</b>	<u>7,665,749</u>	<u>3,410,798</u>	<u>4,254,951</u>	<u>3,921,295</u>	<u>(510,497)</u>
<b>Total revenue</b>	<u>\$ 18,622,349</u>	<u>15,605,715</u>	<u>3,016,634</u>	<u>16,051,291</u>	<u>(445,576)</u>

The District's total revenues increased 19.3% or \$3,016,634 in 2011 primarily due to change in the water storage valuation calculation increase of \$3,318,094. In 2010, the District's total revenues decreased 2.8% or \$445,576 due to a \$395,020 decrease in Clean Water Act surcharge revenue and a \$84,223 decrease in interest and investment earnings.

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**Total Expenses**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
<b>Operating expenses:</b>					
Source of supply	\$ 1,493,036	1,338,079	154,957	1,170,637	167,442
Pumping	1,168,939	1,166,950	1,989	1,292,700	(125,750)
Water treatment	1,107,391	1,165,062	(57,671)	1,197,050	(31,988)
Transmission and distribution	488,434	530,798	(42,364)	448,678	82,120
Telemetry	251,534	266,133	(14,599)	197,119	69,014
Customer accounts	362,054	308,364	53,690	436,851	(128,487)
Recreation expenses	3,436,849	3,504,726	(67,877)	3,113,058	391,668
General and administrative	3,278,893	2,891,029	387,864	2,963,389	(72,360)
<b>Total operating expenses</b>	<u>11,587,130</u>	<u>11,171,141</u>	<u>415,989</u>	<u>10,819,482</u>	<u>351,659</u>
<b>Depreciation and amortization</b>	<u>3,037,340</u>	<u>2,863,329</u>	<u>174,011</u>	<u>2,823,215</u>	<u>40,114</u>
<b>Non-operating expenses:</b>					
Water storage valuation	-	-	-	2,282,736	(2,282,736)
State water project expense	787,665	666,442	121,223	281,896	384,546
Tax collection expense	31,158	30,416	742	29,433	983
Interest expense – long-term debt	102,295	106,239	(3,944)	116,361	(10,122)
Deferred charges amortization	11,762	11,762	-	11,762	-
<b>Total non-operating expenses</b>	<u>932,880</u>	<u>814,859</u>	<u>118,021</u>	<u>2,722,188</u>	<u>(1,907,329)</u>
<b>Total expenses</b>	<u>\$ 15,557,350</u>	<u>14,849,329</u>	<u>708,021</u>	<u>16,364,885</u>	<u>(1,515,556)</u>

The District's total expenses increased 4.8% or \$708,021 in 2011 primarily due to a \$154,957 increase in source of supply costs, a \$387,864 increase in general and administrative expenses and a \$121,223 increase in State water project expense. The District's total expenses decreased 9.3% or \$1,515,556 in 2010 due primarily to a change in the water storage valuation calculation of \$2,282,736 occurring in fiscal year 2009.

**Capital Asset Administration**

At the end of fiscal years 2011 and 2010, the District's investment in capital assets amounted to \$59,174,652 and \$60,182,486, respectively, (net of accumulated depreciation). This investment in capital assets includes land, land rights, transmission and distribution systems, wells, tanks, reservoirs, pumps, buildings and structures, equipment, vehicles and construction-in-process, etc. There were numerous capital asset additions in fiscal years 2011 and 2010. See further detailed information in Note 6.

Changes in capital asset amounts for 2011 were as follows:

	<u>Balance</u>		<u>Transfers/</u>	<u>Balance</u>
	<u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>2011</u>
Capital assets:				
Non-depreciable assets	\$ 7,551,749	284,981	(1,398,661)	6,438,069
Depreciable assets	94,185,837	3,142,799	(15,431)	97,313,205
Accumulated depreciation	(41,555,100)	(3,037,340)	15,818	(44,576,622)
<b>Total capital assets, net</b>	<u>\$ 60,182,486</u>	<u>390,440</u>	<u>(1,398,274)</u>	<u>59,174,652</u>

Changes in capital asset amounts for 2010 were as follows:

	<u>Balance</u>		<u>Transfers/</u>	<u>Balance</u>
	<u>2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>2010</u>
Capital assets:				
Non-depreciable assets	\$ 7,068,683	583,474	(100,408)	7,551,749
Depreciable assets	93,480,113	1,102,426	(396,702)	94,185,837
Accumulated depreciation	(39,088,473)	(2,863,329)	396,702	(41,555,100)
<b>Total capital assets, net</b>	<u>\$ 61,460,323</u>	<u>(1,177,429)</u>	<u>(100,408)</u>	<u>60,182,486</u>

**Casitas Municipal Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**Debt Administration**

In 2011 and 2010, long-term debt decreased by \$1,165,403 and \$1,158,821, respectively, due to regular principal payments on the District's outstanding debts. See further detailed information in Note 8.

Changes in long-term debt amounts for 2011 were as follows:

	<u>Balance 2010</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2011</u>	<u>Current Portion</u>
Long-term debt:					
Special assessment bonds payable	\$ 173,500	-	(12,000)	161,500	13,000
State Water loan payable	3,017,650	-	(209,757)	2,807,893	216,373
Note payable to U.S. Bureau of Reclan	1,887,292	-	(943,646)	943,646	943,646
Total long-term debt	\$ <u>5,078,442</u>	<u>-</u>	<u>(1,165,403)</u>	<u>3,913,039</u>	<u>1,173,019</u>

Changes in long-term debt amounts for 2010 were as follows:

	<u>Balance 2009</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2010</u>	<u>Current Portion</u>
Long-term debt:					
Special assessment bonds payable	\$ 185,500	-	(12,000)	173,500	12,000
State Water loan payable	3,220,825	-	(203,175)	3,017,650	209,757
Note payable to U.S. Bureau of Reclan	2,830,938	-	(943,646)	1,887,292	943,646
Total long-term debt	\$ <u>6,237,263</u>	<u>-</u>	<u>(1,158,821)</u>	<u>5,078,442</u>	<u>1,165,403</u>

**Conditions Affecting Current Financial Position**

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

**Requests for Information**

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



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# **Basic Financial Statements**

**Casitas Municipal Water District**  
**Statement of Net Assets**  
**June 30, 2011 and 2010**

<i>Assets</i>	<b>2011</b>	<b>2010</b>
Current assets:		
Cash and cash equivalents (note 2)	\$ 5,327,895	13,757,210
Investments (note 2)	12,429,305	3,514,292
Accrued interest receivable	62,272	78,397
Accounts receivable – water sales and services	893,593	988,429
Accounts receivable – special assessments	217,413	234,422
Accounts receivable – property taxes	86,778	94,555
Accounts receivable – other	345,895	33,703
Water-in-storage inventory (note 3)	11,025,928	7,707,834
Materials and supplies inventory	97,903	92,731
Prepaid expenses and other deposits	226,092	206,263
Total current assets	30,713,074	26,707,836
Non-current assets:		
Deferred charges, net (note 4)	105,855	117,617
Capital assets, not being depreciated (note 5)	6,438,069	7,551,749
Depreciable capital assets, net (note 5)	52,736,583	52,630,737
Total non-current assets	59,280,507	60,300,103
<b>Total assets</b>	<b>89,993,581</b>	<b>87,007,939</b>
<i>Liabilities and Net Assets</i>		
Current liabilities – payable from unrestricted current assets:		
Accounts payable and accrued expenses	325,429	423,913
Accrued salaries and related benefits	80,035	196,060
Customer deposits	121,871	60,537
Deferred revenue	5,804	-
Accrued interest payable	22,620	20,851
Long-term liabilities – due within one year:		
Compensated absences (note 6)	410,320	380,182
Bonds payable - current portion (note 7)	13,000	12,000
Loans payable - current portion (note 7)	1,160,019	1,153,403
Total current liabilities	2,139,098	2,246,946
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 6)	410,321	380,183
Other post-employment benefits payable (note 8)	3,070,026	1,972,749
Bonds payable (note 7)	148,500	161,500
Loans payable (note 7)	2,591,520	3,751,539
Total non-current liabilities	6,220,367	6,265,971
<b>Total liabilities</b>	<b>8,359,465</b>	<b>8,512,917</b>
Net assets: (note 9)		
Net investment in capital assets	55,423,113	55,277,544
Restricted for debt service	55,913	60,922
Unrestricted	26,155,090	23,156,556
<b>Total net assets</b>	<b>81,634,116</b>	<b>78,495,022</b>
<b>Total liabilities and net assets</b>	<b>\$ 89,993,581</b>	<b>87,007,939</b>

See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
Operating revenues:		
Retail water consumption	\$ 3,605,636	4,383,489
Wholesale water sales	2,007,858	2,068,095
Monthly water service charge	1,979,273	2,036,499
Recreation revenue	3,269,377	3,611,110
Other water charges and services	94,456	95,724
Total operating revenues	10,956,600	12,194,917
Operating expenses:		
Source of supply	1,493,036	1,338,079
Pumping	1,168,939	1,166,950
Water treatment	1,107,391	1,165,062
Transmission and distribution	488,434	530,798
Telemetry	251,534	266,133
Customer accounts	362,054	308,364
Recreation expenses	3,436,849	3,504,726
General and administrative	3,278,893	2,891,029
Total operating expenses	11,587,130	11,171,141
Operating income(loss) before depreciation and amortization	(630,530)	1,023,776
Depreciation and amortization – water department	(2,759,856)	(2,570,594)
Depreciation – recreation department	(277,484)	(292,735)
<b>Operating income(loss)</b>	<b>(3,667,870)</b>	<b>(1,839,553)</b>
Non-operating revenue(expense)		
Property taxes	2,012,458	1,959,850
Clean Water Act surcharge	1,682,991	1,290,042
Mira Monte assessment	17,113	18,601
Oak View availability charge	7,657	7,709
Water storage valuation (note 3)	3,318,094	-
State water project expense	(787,665)	(666,442)
Tax collection expense	(31,158)	(30,416)
Interest and investment earnings	402,229	129,472
Interest expense – long-term debt	(102,295)	(106,239)
Deferred charges amortization	(11,762)	(11,762)
Other non-operating revenues/(expenses), net	225,207	5,124
Total non-operating revenues, net	6,732,869	2,595,939
<b>Net income(loss) before capital contributions</b>	<b>3,064,999</b>	<b>756,386</b>
Capital contributions:		
Federal, state and local capital grants	74,095	131,179
<b>Change in net assets</b>	<b>3,139,094</b>	<b>887,565</b>
Net assets, beginning of year	78,495,022	77,607,457
Net assets, end of year	<b>\$ 81,634,116</b>	<b>78,495,022</b>

See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Statement of Cash Flows**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 10,739,244	13,088,402
Cash paid to vendors and suppliers for materials and services	(6,059,375)	(7,977,609)
Cash paid to employees for salaries and wages	(4,542,574)	(4,256,289)
Net cash provided by operating activities	137,295	854,504
Cash flows from non-capital financing activities:		
Proceeds from property taxes and assessments	3,713,847	3,276,204
State water project expense	(787,665)	(666,442)
Other non-operating revenues/(expenses), net	194,049	(25,292)
Net cash provided by non-capital financing activities	3,120,231	2,584,470
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,029,119)	(1,585,494)
Proceeds from capital grants	74,095	131,179
Principal paid on long-term debt	(1,165,403)	(1,158,821)
Interest paid on long-term debt	(96,491)	(107,098)
Net cash used in capital and related financing activities	(3,216,918)	(2,720,234)
Cash flows from investing activities:		
Proceeds from sale of investments	-	9,000,000
Purchases of investments	(8,889,383)	(3,435,574)
Interest and investment earnings	419,460	64,168
Net cash provided(used) by investing activities	(8,469,923)	5,628,594
<b>Net increase in cash and cash equivalents</b>	(8,429,315)	6,347,334
Cash and cash equivalents, beginning of year	13,757,210	7,409,876
Cash and cash equivalents, end of year	\$ 5,327,895	13,757,210

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See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
Reconciliation of operating income(loss) to net cash provided by operating activities:		
Operating income(loss)	\$ (3,667,870)	(1,839,553)
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:		
Deprecation and amortization	3,037,340	2,863,329
Changes in assets and liabilities:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services, net	94,836	31,777
Accounts receivable – other	(312,192)	861,708
Materials and supplies inventory	(5,172)	3,199
Prepaid expenses and other deposits	(19,829)	(65,461)
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	(98,484)	(1,909,102)
Accrued salaaraies and wages	(116,025)	(26,176)
Customer deposits	61,334	(10,219)
Deferred revenue	5,804	(19,232)
Compensated absences	60,276	(6,771)
Other post-employment benefits payable	1,097,277	971,005
Total adjustments	3,805,165	2,694,057
Net cash provided by operating activities	\$ 137,295	854,504

See accompanying notes to the basic financial statements

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

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

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

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 14, *The Financial Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units* (an amendment of No. 14). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The District has no blended or discretely-presented component units.

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

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

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

**C. Financial Reporting**

The District's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB No. 34). This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

Under GASB No. 34, enterprise funds, such as the District, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The District has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

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

**1. Use of Estimates**

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

**2. Cash and Cash Equivalents**

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

**3. Investments and Investment Policy**

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

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

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

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

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

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

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

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

**7. Materials and Supplies Inventory**

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

**8. Prepaid Expenses**

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



**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

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

**9. Restricted Assets**

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

**10. Capital Assets**

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

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

**11. State Water Project Participation Rights**

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

**12. Deferred Charges**

The deferred charges are from bond issuance costs that will be amortized using the straight-line method over the remaining life of the respective debt service.

**13. Compensated Absences**

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

**14. Customer Deposits**

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

**15. Post Employment Retirement Benefit**

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

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

**16. Net Assets**

The financial statements utilize a net assets presentation. Net assets are categorized as follows:

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

**17. Water Sales**

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

**18. Capital Contributions**

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

**19. Economic Dependency**

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

**20. Budgetary Policies**

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

**21. Reclassifications**

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(2) Cash and Investments**

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

	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	\$ 5,327,895	13,757,210
Investments	12,429,305	3,514,292
Total cash and investments	\$ 17,757,200	17,271,502

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

	<b>2011</b>	<b>2010</b>
Cash on hand	\$ 4,300	3,200
Deposits with financial institutions	2,671,898	553,680
Deposits in money market accounts	509,250	8,438,573
Investments	14,571,752	8,276,049
Total cash and investments	\$ 17,757,200	17,271,502

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

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

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

***Custodial Credit Risk***

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

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

***Investment in State Investment Pool***

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

***Ventura County Pooled Investment Fund***

The District is a voluntary participant in the VCPIF and the District determines the amount and term of its investment. The County Treasurer makes investments in accordance with a Statement of Investment Policy reviewed and approved annually by the Board of Supervisors. The Treasury Investment Oversight Committee comprised of the County Treasurer, a representative of the Board of Supervisors, the County Investment Manager, a representative of the County Superintendent of Schools and other Treasury Department support staff meets semi-annually to review the activities of the Treasurer and provide a report to the Board of Supervisors. The County's Treasurer has indicated to the District that as of June 30, 2011 that the value of the County's portfolio was approximately \$2.0 billion.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

***Interest Rate Risk***

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

Investment Type	Total	Remaining Maturity			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	>60 Months
Federal Treasury and Agency Obligations	\$ 12,429,305	2,815,463	1,422,939	5,943,665	2,247,238
Local Agency Investment Fund (LAIF)	441	441	-	-	-
Ventura County Pooled Investment Fund	2,142,006	2,142,006	-	-	-
Total	\$ 14,571,752	4,957,910	1,422,939	5,943,665	2,247,238

Investment Type	Total	Remaining Maturity			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	>60 Months
Federal Treasury and Agency Obligations	\$ 3,515,362	3,515,362	-	-	-
Local Agency Investment Fund (LAIF)	650,682	650,682	-	-	-
Ventura County Pooled Investment Fund	4,110,005	4,110,005	-	-	-
Total	\$ 8,276,049	8,276,049	-	-	-

***Credit Risk***

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

Investment Types	Total	Minimum Legal Rating	Exempt From Disclosure	Rating at Year End AAA
Federal Treasury and Agency Obligations	\$ 12,429,305	N/A	\$ -	12,429,305
Local Agency Investment Fund (LAIF)	441	N/A	441	-
Ventura County Pooled Investment Fund	2,142,006	AAA	2,142,006	-
Total	\$ 14,571,752		\$ 2,142,447	12,429,305

Investment Types	Total	Minimum Legal Rating	Exempt From Disclosure	Rating at Year End AAA
U.S. Treasury Obligations	\$ 3,515,362	N/A	\$ -	3,515,362
Local Agency Investment Fund (LAIF)	650,682	N/A	650,682	-
Ventura County Pooled Investment Fund	4,110,005	AAA	4,110,005	-
Total	\$ 8,276,049		\$ 4,760,687	3,515,362

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

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

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

	<u>2011</u>	<u>2010</u>
Beginning balance – water-in-storage	\$ 7,707,834	7,707,834
Water storage valuation	<u>3,318,094</u>	<u>-</u>
Ending balance – water-in-storage	<u>\$ 11,025,928</u>	<u>7,707,834</u>

**(4) Deferred Charges**

The deferred charges balance relates to the originating loan fees for the 1991 California Department of Water Resources Loan for the water treatment plant. The balance is being amortized over a twenty year period. The deferred charges net balances are as follows:

The balance at June 30, consists of the following:

	<u>2011</u>	<u>2010</u>
Deferred charges	\$ 247,808	247,808
Accumulated amortization	<u>(141,953)</u>	<u>(130,191)</u>
Deferred charges, net	<u>105,855</u>	<u>117,617</u>

**(5) Capital Assets**

***Construction-In-Process***

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

The balance at June 30, consists of the following projects:	<u>2009</u>	<u>2010</u>	<u>2011</u>
Rincon pump plant rehabilitation	\$ 888,950	1,142,400	158,364
Upper Ojai pump plant rehabilitation	-	-	126,845
Ojai 4M Reservoir Upgrade	-	268,825	-
Patrol boat refurbishing	42,523	-	-
Various other minor projects	<u>89,275</u>	<u>92,589</u>	<u>104,925</u>
Construction-in-process	<u>\$ 1,020,748</u>	<u>1,503,814</u>	<u>390,134</u>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(5) Capital Assets, continued**

Changes in capital assets for the year were as follows:

	<u>Balance 2010</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2011</u>
Non-depreciable assets:				
Land and land rights	\$ 6,047,935	-	-	6,047,935
Construction-in-process	1,503,814	284,981	(1,398,661)	390,134
Total non-depreciable assets	<u>7,551,749</u>	<u>284,981</u>	<u>(1,398,661)</u>	<u>6,438,069</u>
Depreciable assets:				
State water project entitlement	2,880,437	-	-	2,880,437
Transmission and distribution system	37,251,838	93,526	-	37,345,364
Pumping plant	7,389,110	1,477,967	-	8,867,077
Water treatment plant	23,625,604	1,336,797	-	24,962,401
Buildings and structures	1,861,274	17,408	-	1,878,682
Equipment	3,671,826	32,669	(15,431)	3,689,064
Fish ladder	8,270,495	-	-	8,270,495
Recreation assets	7,299,348	184,432	-	7,483,780
Alternate swimming facility	1,935,905	-	-	1,935,905
Total depreciable assets	<u>94,185,837</u>	<u>3,142,799</u>	<u>(15,431)</u>	<u>97,313,205</u>
Accumulated depreciation and amortization:				
State water project entitlement	(1,659,648)	(47,250)	-	(1,706,898)
Transmission and distribution system	(16,055,333)	(521,478)	-	(16,576,811)
Pumping plant	(3,570,012)	(428,842)	-	(3,998,854)
Water treatment plant	(10,539,788)	(1,092,826)	387	(11,632,227)
Buildings and structures	(960,039)	(56,918)	-	(1,016,957)
Equipment	(1,548,930)	(242,680)	15,431	(1,776,179)
Fish ladder	(2,107,057)	(369,862)	-	(2,476,919)
Recreation assets	(4,630,318)	(180,688)	-	(4,811,006)
Alternate swimming facility	(483,975)	(96,796)	-	(580,771)
Total accum depr. and amort.	<u>(41,555,100)</u>	<u>(3,037,340)</u>	<u>15,818</u>	<u>(44,576,622)</u>
Total depreciable assets, net	<u>52,630,737</u>	<u>105,459</u>	<u>387</u>	<u>52,736,583</u>
Total capital assets, net	<u>\$ 60,182,486</u>	<u>390,440</u>	<u>(1,398,274)</u>	<u>59,174,652</u>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(5) Capital Assets, continued**

Changes in capital assets for the year were as follows:

	<u>Balance 2009</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2010</u>
Non-depreciable assets:				
Land and land rights	\$ 6,047,935	-	-	6,047,935
Construction-in-process	1,020,748	583,474	(100,408)	1,503,814
Total non-depreciable assets	<u>7,068,683</u>	<u>583,474</u>	<u>(100,408)</u>	<u>7,551,749</u>
Depreciable assets:				
State water project entitlement	2,880,437	-	-	2,880,437
Transmission and distribution system	37,242,149	9,689	-	37,251,838
Pumping plant	7,461,973	264	(73,127)	7,389,110
Water treatment plant	22,804,852	827,654	(6,902)	23,625,604
Buildings and structures	1,819,887	41,387	-	1,861,274
Equipment	3,743,778	112,850	(184,802)	3,671,826
Fish ladder	8,212,757	57,738	-	8,270,495
Recreation assets	7,378,375	52,844	(131,871)	7,299,348
Alternate swimming facility	1,935,905	-	-	1,935,905
Total depreciable assets	<u>93,480,113</u>	<u>1,102,426</u>	<u>(396,702)</u>	<u>94,185,837</u>
Accumulated depreciation and amortization:				
State water project entitlement	(1,606,501)	(53,147)	-	(1,659,648)
Transmission and distribution system	(15,535,641)	(519,692)	-	(16,055,333)
Pumping plant	(3,284,994)	(358,145)	73,127	(3,570,012)
Water treatment plant	(9,571,338)	(975,352)	6,902	(10,539,788)
Buildings and structures	(903,990)	(56,049)	-	(960,039)
Equipment	(1,506,109)	(227,623)	184,802	(1,548,930)
Fish ladder	(1,737,194)	(369,863)	-	(2,107,057)
Recreation assets	(4,555,525)	(206,664)	131,871	(4,630,318)
Alternate swimming facility	(387,181)	(96,794)	-	(483,975)
Total accum depr. and amort.	<u>(39,088,473)</u>	<u>(2,863,329)</u>	<u>396,702</u>	<u>(41,555,100)</u>
Total depreciable assets, net	<u>54,391,640</u>	<u>(1,760,903)</u>	<u>-</u>	<u>52,630,737</u>
Total capital assets, net	<u>\$ 61,460,323</u>	<u>(1,177,429)</u>	<u>(100,408)</u>	<u>60,182,486</u>



**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(5) Capital Assets, continued**

*State Water Project Entitlement*

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

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

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

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

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

The District amortizes a portion of capitalized participation rights each year using a formula that considers the total estimated cost of the project, estimated useful life and estimated production capacity of the assets based upon information provided by the State of California. Amortization expense totaled \$47,250 and \$53,147 for the fiscal years ended June 30, 2011 and 2010, respectively.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(6) Compensated Absences**

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which are accrued when benefits are fully vested. The District's liability for compensated absences is determined annually.

Changes to the compensated absences balance at June 30, 2011, were as follows:

<u>Balance 2010</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2011</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
\$ 760,365	422,156	(361,880)	820,641	410,320	410,321

Changes to the compensated absences balance at June 30, 2010, were as follows:

<u>Balance 2009</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2010</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
\$ 753,596	349,928	(343,159)	760,365	380,182	380,183

**(7) Long-term Debt**

Changes in long-term debt amounts for 2011 were as follows:

	<u>Balance 2010</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2011</u>	<u>Current Portion</u>
Long-term debt:					
Special assessment bonds payable	\$ 173,500	-	(12,000)	161,500	13,000
State Water loan payable	3,017,650	-	(209,757)	2,807,893	216,373
Note payable to U.S. Bureau of Reclamation	1,887,292	-	(943,646)	943,646	943,646
Total long-term debt	\$ 5,078,442	-	(1,165,403)	3,913,039	1,173,019

Changes in long-term debt amounts for 2010 were as follows:

	<u>Balance 2009</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2010</u>	<u>Current Portion</u>
Long-term debt:					
Special assessment bonds payable	\$ 185,500	-	(12,000)	173,500	12,000
State Water loan payable	3,220,825	-	(203,175)	3,017,650	209,757
Note payable to U.S. Bureau of Reclamation	2,830,938	-	(943,646)	1,887,292	943,646
Total long-term debt	\$ 6,237,263	-	(1,158,821)	5,078,442	1,165,403

***Bonds Payable:***

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

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

***Bonds Payable:***

***Mira Monte Special Assessment Bonds Payable, continued***

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 13,000	8,375	21,375
2013	14,000	7,750	21,750
2014	14,000	7,075	21,075
2015	15,000	6,375	21,375
2016	16,000	5,650	21,650
2017-2021	89,500	16,025	105,525
Total	\$ 161,500	<u>51,250</u>	<u>212,750</u>
Less current portion	<u>(13,000)</u>		
Total non-current	\$ <u>148,500</u>		

***Loans Payable:***

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 216,374	88,694	305,068
2013	223,732	81,335	305,067
2014	230,810	74,258	305,068
2015	238,285	66,782	305,067
2016	245,888	59,180	305,068
2017-2021	1,354,940	170,397	1,525,337
2022	297,863	7,205	305,068
Total	\$ 2,807,892	<u>547,851</u>	<u>3,355,743</u>
Less current portion	<u>(216,374)</u>		
Total non-current	\$ <u>2,591,518</u>		

***United States Bureau of Reclamation Loan Payable***

The note payable to the Bureau of Reclamation was incurred to construct the dam and main distribution system for Casitas Reservoir. The note is payable in decreasing annual installments ranging from \$260,000 to \$1,000,000 through the year 2012. Only the non-irrigation portion of the note bears interest at a rate of 2.6%, and that portion was paid-off in 2000. Debt service payments on the note payable to the Bureau of Reclamation are provided by the USBR note surcharge on parcels within the District. As of June 30, 2011, the District has one remaining payment of \$943,646.

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

During the fiscal year ended June 30, 2011, the District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

***Plan Description – Eligibility***

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

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

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Active plan members	51	49	49
Retirees and beneficiaries receiving benefits	43	43	42
Separated plan members entitled to but not yet receiving benefits	-	-	-
Total plan membership	94	92	91

***Plan Description – Benefits***

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

***Funding Policy***

The District is required to contribute the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 34.4% of the annual covered payroll.

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

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

*Annual Cost*

For the year ended June 30, 2011, the District's ARC cost is \$1,562,643. The District's net OPEB payable obligation amounted to \$3,070,026 for the year ended June 30, 2011. The District contributed \$465,366 in age adjusted contributions for current retiree OPEB premiums for the year ended June 30, 2011.

The balance at June 30, consists of the following:	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 1,557,883	1,387,879	1,387,879
Interest on net OPEB obligation	49,319	20,883	-
Adjustment to annual required contribution	(44,559)	-	-
Total annual OPEB expense	<u>1,562,643</u>	<u>1,408,762</u>	<u>1,387,879</u>
Change in net OPEB payable obligation:			
Age adjusted contributions made	(465,366)	(437,757)	(386,135)
Total change in net OPEB payable obligation	<u>1,097,277</u>	<u>971,005</u>	<u>1,001,744</u>
OPEB payable – beginning of year	<u>1,972,749</u>	<u>1,001,744</u>	<u>-</u>
OPEB payable – end of year	<u>\$ 3,070,026</u>	<u>1,972,749</u>	<u>1,001,744</u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2011 and the two preceding years were as follows:

<i>Three-Year History of Net OPEB Obligation</i>				
<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Age Adjusted Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation Payable</u>
2011	\$ 1,562,643	465,366	29.78%	\$ 3,070,026
2010	\$ 1,408,762	437,757	31.07%	\$ 1,972,749
2009	\$ 1,387,879	386,135	27.82%	\$ 1,001,744

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(9) Net Assets**

**Calculation of net assets as of June 30, were as follows:**

	<b>2011</b>	<b>2010</b>
Net investment in capital assets:		
Capital assets, not being depreciated	6,438,069	7,551,749
Depreciable capital assets, net	52,736,583	52,630,737
Current:		
Loans payable	(1,160,019)	(1,153,403)
Non-current:		
Loans payable	(2,591,520)	(3,751,539)
<b>Total net investment in capital assets</b>	<b>55,423,113</b>	<b>55,277,544</b>
Restricted net assets:		
Accounts receivable – special assessments	217,413	234,422
Current:		
Bonds payable	(13,000)	(12,000)
Non-current:		
Bonds payable	(148,500)	(161,500)
<b>Total restricted net assets</b>	<b>55,913</b>	<b>60,922</b>
Unrestricted net assets:		
Non-spendable net assets:		
Water-in-storage inventory	11,025,928	7,707,834
Materials and supplies inventory	97,903	92,731
Prepaid expenses and other deposits	226,092	206,263
Deferred charges, net	105,855	117,617
Total non-spendable net assets	<b>11,455,778</b>	<b>8,124,445</b>
Spendable net assets are designated as follows:		
Debt service funds reserve	6,082,912	5,348,721
Capital facilities reserve	1,652,295	1,650,795
Safe drinking water reserve	60,000	60,000
Flexible storage reserve	22,704	18,920
Storm damage reserve	1,500,000	1,500,000
Variation in water sales reserve	1,500,000	1,500,000
Cash flow reserve	3,000,000	3,000,000
Operating reserve	881,401	1,953,675
Total spendable net assets	<b>14,699,312</b>	<b>15,032,111</b>
<b>Total unrestricted net assets</b>	<b>26,155,090</b>	<b>23,156,556</b>
Total net assets	<b>\$ 81,634,116</b>	<b>78,495,022</b>

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(10) Defined Benefit Pension Plan**

***Plan Description***

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

The contribution rate for plan members in the CalPERS 2.0% at 60 Risk Pool Retirement Plan is 7% of their annual covered salary. The District makes these contributions required of District employees on their behalf and for their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension cost (APC) percentage of payroll for fiscal years 2011, 2010 and 2009 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal years 2011, 2010 and 2009, the District's annual contributions for the CalPERS plan were equal to the District's required and actual contributions for each fiscal year as follows:

***Three Years CalPERS Funding Information***

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2008-2009	\$ 205,649	100%	\$ -	6.689%
2009-2010	247,149	100%	-	6.944%
2010-2011	289,356	100%	-	7.304%

**(11) Deferred Compensation Savings Plan**

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

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by Nationwide at June 30, 2011 was \$1,658,637 and ICMA was \$974,095.

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2011, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 60***

In November 2010, the GASB issued Statement No.60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard address how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 61***

In November 2010, the GASB issued Statement No.61, *The Financial Reporting Entity, Omnibus*. This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and local Governments*. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 63***

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 64***

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. This standard is designed to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or swap counterparty's credit support provider, is replaced. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

**(13) Risk Management**

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

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



**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(13) Risk Management, continued**

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2011, 2010 and 2009. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2011, 2010 and 2009.

**(14) Commitments and Contingencies**

*Casitas Dam Project – Seismic Safety of Casitas Dam*

The United States Bureau of Reclamation (USBR) has undertaken and completed a project to strengthen Casitas Dam to better withstand seismic activity. Under Federal Law, Casitas may be required to pay 15% of those costs. The District and the USBR are negotiating Casitas' share of the cost of the project. Casitas may be responsible for approximately \$6,000,000 of the project's anticipated costs. The amount paid as of June 30, 2011 is \$2,125,765 which is the Municipal and Industrial portion or 42.5% of the cost attributable to Casitas. The amount that is attributable to Agricultural Customers or 57.5% of the cost is still to be resolved. The project is complete.

*State Water Contract*

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 1,270,327
2013	1,219,940
2014	1,168,778
2015	1,115,652
2016	1,062,526

As of June 30, 2011, the District has expended \$18,406,665 since the District started participating in the State Water Contract.

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

	<b>State Water Contract</b>
	<b><u>Long-term Obligations</u></b>
Transportation facilities	\$ 28,057,633
Conservation facilities	3,835,123
Off-aqueduct power facilities	1,543,445
Revenue bond surcharge	<u>1,562,905</u>
Total long-term SWP contract obligations	<u>\$ 34,999,106</u>

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

**Casitas Municipal Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(14) Commitments and Contingencies**

*State Water Contract, continued*

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

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

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

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

*Grant Awards*

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

*Litigation*

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

**(15) Subsequent Events**

Events occurring after June 30, 2011 have been evaluated for possible adjustment to the financial statements or disclosure as of October 31, 2011, which is the date the financial statements were available to be issued.

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## **Required Supplementary Information**



**Casitas Municipal Water District**  
**Schedule of Funding Status – Other Post-Employment Benefits Obligation**  
**For the Years Ended June 30, 2011 and 2010**

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

*Required Supplemental Information – Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2011	\$ -	21,810,100	21,810,100	0.00%	\$ 4,542,574	480.13%
6/30/2010	\$ -	19,842,800	19,842,800	0.00%	\$ 4,455,913	445.31%
6/30/2009	\$ -	19,842,800	19,842,800	0.00%	\$ 4,169,365	475.92%

The most recent valuation (dated June 30, 2011) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$21,810,100. There are no plan assets because the District funds on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2011 was \$4,542,574. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 480.13%.

***Actuarial Methods and Assumptions***

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

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

Valuation date	June 30, 2011
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll amortization
Remaining amortization period	30 Years as of the valuation date
Asset valuation method	30 Year smoothed market
Actuarial assumptions:	
Investment rate of return	2.50%
Projected salary increase	1.00%
Inflation - discount rate	2.50%
Individual salary growth	District annual COLA

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# **Supplementary Information**





**Casitas Municipal Water District**  
**Schedule of Revenues, Expenses, and Changes in Net Assets – Budget to Actual**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Adopted Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Operating revenues:					
Retail water consumption	\$ 4,828,650	-	4,828,650	3,605,636	(1,223,014)
Wholesale water consumption	1,822,145	-	1,822,145	2,007,858	185,713
Monthly water service charge	2,000,000	-	2,000,000	1,979,273	(20,727)
Recreation revenue	3,636,480	-	3,636,480	3,269,377	(367,103)
Other water charges and services	67,356	-	67,356	94,456	27,100
Total operating revenues	<u>12,354,631</u>	<u>-</u>	<u>12,354,631</u>	<u>10,956,600</u>	<u>(1,398,031)</u>
Operating expenses:					
Source of supply	1,924,110	-	1,924,110	1,493,036	431,074
Pumping	1,604,701	-	1,604,701	1,168,939	435,762
Water Treatment	1,048,575	-	1,048,575	1,107,391	(58,816)
Transmission and distribution	560,713	-	560,713	488,434	72,279
Telemetry	249,184	-	249,184	251,534	(2,350)
Customer accounts	351,622	-	351,622	362,054	(10,432)
Recreation expenses	3,796,125	-	3,796,125	3,436,849	359,276
General and administrative	6,214,916	-	6,214,916	3,278,893	2,936,023
Total operating expenses	<u>15,749,946</u>	<u>-</u>	<u>15,749,946</u>	<u>11,587,130</u>	<u>4,162,816</u>
Operating income before depreciation and amortization	(3,395,315)	-	(3,395,315)	(630,530)	2,764,785
Depreciation and amortization – utility department	-	-	-	(2,759,856)	(2,759,856)
Depreciation – recreation department	-	-	-	(277,484)	(277,484)
<b>Operating loss</b>	<u>(3,395,315)</u>	<u>-</u>	<u>(3,395,315)</u>	<u>(3,667,870)</u>	<u>(272,555)</u>
Non-operating revenue(expense)					
Property taxes	1,744,631	-	1,744,631	2,012,458	267,827
Clean Water Act surcharge	-	-	-	1,682,991	1,682,991
Mira Monte assessment	19,500	-	19,500	17,113	(2,387)
Oak View availability charge	7,500	-	7,500	7,657	157
Water storage valuation	-	-	-	3,318,094	3,318,094
State water project expense	-	-	-	(787,665)	(787,665)
Tax collection expense	(24,800)	-	(24,800)	(31,158)	(6,358)
Interest and investment earnings	110,000	-	110,000	402,229	292,229
Interest expense – long-term debt	(95,310)	-	(95,310)	(102,295)	(6,985)
Deferred charges amortization	-	-	-	(11,762)	(11,762)
Other non-operating revenues/(expenses), net	46,680	-	46,680	225,207	178,527
Total non-operating revenues, net	<u>1,808,201</u>	<u>-</u>	<u>1,808,201</u>	<u>6,732,869</u>	<u>4,924,668</u>
<b>Net income before capital contributions</b>	<u>(1,587,114)</u>	<u>-</u>	<u>(1,587,114)</u>	<u>3,064,999</u>	<u>4,652,113</u>
Capital contributions:					
Federal, state and local capital grants	458,462	-	458,462	74,095	(384,367)
<b>Capital contributions</b>	<u>458,462</u>	<u>-</u>	<u>458,462</u>	<u>74,095</u>	<u>(384,367)</u>
<b>Change in net assets</b>	<u>\$ (1,128,652)</u>	<u>-</u>	<u>(1,128,652)</u>	<u>3,139,094</u>	<u>4,267,746</u>
Net assets, beginning of year	78,495,022		78,495,022	78,495,022	
Net assets, end of year	<u>\$ 77,366,370</u>		<u>77,366,370</u>	<u>81,634,116</u>	

**Casitas Municipal Water District**  
**Combining Balance Sheet**  
**June 30, 2011**

<i>Assets</i>	<b>Operating Fund</b>	<b>Financing Fund</b>	<b>Improvement Assessment Fund</b>	<b>Eliminations for Financial Reporting</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 5,327,895	-	-	-	5,327,895
Investments	12,429,305	-	-	-	12,429,305
Accrued interest receivable	62,272	-	-	-	62,272
Accounts receivable – water sales and services	893,593	-	-	-	893,593
Accounts receivable – special assessments	-	-	217,413	-	217,413
Accounts receivable – property taxes	86,778	-	-	-	86,778
Accounts receivable – other	345,895	-	-	-	345,895
Due from other funds	15,314	6,082,912	-	(6,098,226)	-
Water-in-storage inventory	11,025,928	-	-	-	11,025,928
Materials and supplies inventory	97,903	-	-	-	97,903
Prepaid expenses and other deposits	226,092	-	-	-	226,092
Total current assets	<u>30,510,975</u>	<u>6,082,912</u>	<u>217,413</u>	<u>(6,098,226)</u>	<u>30,713,074</u>
<b>Non-current assets:</b>					
Deferred charges, net	105,855	-	-	-	105,855
Capital assets, not being depreciated	6,438,069	-	-	-	6,438,069
Depreciable capital assets, net	52,736,583	-	-	-	52,736,583
Total non-current assets	<u>59,280,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,280,507</u>
<b>Total assets</b>	<u><u>89,791,482</u></u>	<u><u>6,082,912</u></u>	<u><u>217,413</u></u>	<u><u>(6,098,226)</u></u>	<u><u>89,993,581</u></u>
<b><i>Liabilities and Net Assets</i></b>					
<b>Current liabilities – payable from unrestricted current assets:</b>					
Accounts payable and accrued expenses	325,429	-	-	-	325,429
Accrued salaries and wages	80,035	-	-	-	80,035
Customer deposits	121,871	-	-	-	121,871
Deferred revenue	5,804	-	-	-	5,804
Accrued interest payable	22,620	-	-	-	22,620
Due to other funds	6,082,912	-	15,314	(6,098,226)	-
Compensated absences - current portion	410,320	-	-	-	410,320
Bonds payable - current portion	-	-	13,000	-	13,000
Loans payable - current portion	216,373	943,646	-	-	1,160,019
Total current liabilities	<u>7,265,364</u>	<u>943,646</u>	<u>28,314</u>	<u>(6,098,226)</u>	<u>2,139,098</u>
<b>Non-current liabilities:</b>					
Compensated absences	410,321	-	-	-	410,321
Other post-employment benefits payable	3,070,026	-	-	-	3,070,026
Bonds payable	-	-	148,500	-	148,500
Loans payable	2,591,520	-	-	-	2,591,520
Total non-current liabilities	<u>6,071,867</u>	<u>-</u>	<u>148,500</u>	<u>-</u>	<u>6,220,367</u>
<b>Total liabilities</b>	<u><u>13,337,231</u></u>	<u><u>943,646</u></u>	<u><u>176,814</u></u>	<u><u>(6,098,226)</u></u>	<u><u>8,359,465</u></u>
<b>Net assets:</b>					
Net investment in capital assets	56,366,759	(943,646)	-	-	55,423,113
Restricted for debt service	-	-	55,913	-	55,913
Unrestricted	20,087,492	6,082,912	(15,314)	-	26,155,090
<b>Total net assets</b>	<u>76,454,251</u>	<u>5,139,266</u>	<u>40,599</u>	<u>-</u>	<u>81,634,116</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 89,791,482</u></u>	<u><u>6,082,912</u></u>	<u><u>217,413</u></u>	<u><u>(6,098,226)</u></u>	<u><u>89,993,581</u></u>

**Casitas Municipal Water District**  
**Combining Balance Sheet**  
**June 30, 2010**

<i>Assets</i>	<b>Operating Fund</b>	<b>Financing Fund</b>	<b>Improvement Assessment Fund</b>	<b>Eliminations for Financial Reporting</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 13,757,210	-	-	-	13,757,210
Investments	3,514,292	-	-	-	3,514,292
Accrued interest receivable	78,387	-	-	-	78,387
Accounts receivable – water sales and services	988,429	-	-	-	988,429
Accounts receivable – special assessments	-	-	234,422	-	234,422
Accounts receivable – property taxes	94,555	-	-	-	94,555
Accounts receivable – other	33,703	-	-	-	33,703
Due from other funds	1,947	5,348,721	-	(5,350,668)	-
Water-in-storage inventory	7,707,834	-	-	-	7,707,834
Materials and supplies inventory	92,731	-	-	-	92,731
Prepaid expenses and other deposits	206,263	-	-	-	206,263
Total current assets	<u>26,475,351</u>	<u>5,348,721</u>	<u>234,422</u>	<u>(5,350,668)</u>	<u>26,707,826</u>
<b>Non-current assets:</b>					
Deferred charges, net	117,617	-	-	-	117,617
Capital assets, not being depreciated	7,551,749	-	-	-	7,551,749
Depreciable capital assets, net	<u>52,630,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,630,737</u>
Total non-current assets	<u>60,300,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,300,103</u>
<b>Total assets</b>	<u><u>86,775,454</u></u>	<u><u>5,348,721</u></u>	<u><u>234,422</u></u>	<u><u>(5,350,668)</u></u>	<u><u>87,007,929</u></u>
<b><i>Liabilities and Net Assets</i></b>					
<b>Current liabilities – payable from unrestricted current assets:</b>					
Accounts payable and accrued expenses	423,913	-	-	-	423,913
Accrued salaries and wages	196,060	-	-	-	196,060
Customer deposits	60,537	-	-	-	60,537
Deferred revenue	-	-	-	-	-
Accrued interest payable	20,851	-	-	-	20,851
Due to other funds	5,348,721	-	1,947	(5,350,668)	-
Compensated absences - current portion	380,182	-	-	-	380,182
Bonds payable - current portion	-	-	12,000	-	12,000
Loans payable - current portion	<u>209,757</u>	<u>943,646</u>	<u>-</u>	<u>-</u>	<u>1,153,403</u>
Total current liabilities	<u>6,640,021</u>	<u>943,646</u>	<u>13,947</u>	<u>(5,350,668)</u>	<u>2,246,946</u>
<b>Non-current liabilities:</b>					
Compensated absences	380,183	-	-	-	380,183
Other post-employment benefits payable	1,972,749	-	-	-	1,972,749
Bonds payable	-	-	161,500	-	161,500
Loans payable	<u>2,807,893</u>	<u>943,646</u>	<u>-</u>	<u>-</u>	<u>3,751,539</u>
Total non-current liabilities	<u>5,160,825</u>	<u>943,646</u>	<u>161,500</u>	<u>-</u>	<u>6,265,971</u>
<b>Total liabilities</b>	<u>11,800,846</u>	<u>1,887,292</u>	<u>175,447</u>	<u>(5,350,668)</u>	<u>8,512,917</u>
<b>Net assets:</b>					
Net investment in capital assets	57,164,836	(1,887,292)	-	-	55,277,544
Restricted for debt service	-	-	60,922	-	60,922
Unrestricted	<u>17,809,772</u>	<u>5,348,721</u>	<u>(1,947)</u>	<u>-</u>	<u>23,156,546</u>
<b>Total net assets</b>	<u>74,974,608</u>	<u>3,461,429</u>	<u>58,975</u>	<u>-</u>	<u>78,495,012</u>
<b>Total liabilities and net assets</b>	<u>\$ 86,775,454</u>	<u>5,348,721</u>	<u>234,422</u>	<u>(5,350,668)</u>	<u>87,007,929</u>

**Casitas Municipal Water District**  
**Combining Statement of Revenues and Expenses**  
**June 30, 2011**

	<b>Water Fund</b>	<b>Recreation Fund</b>	<b>2011 Total</b>
Operating revenues:			
Retail water consumption	\$ 3,605,636	-	3,605,636
Wholesale water consumption	2,007,858	-	2,007,858
Monthly water service charge	1,979,273	-	1,979,273
Recreation revenue	-	3,269,377	3,269,377
Other water charges and services	94,456	-	94,456
Total operating revenues	7,687,223	3,269,377	10,956,600
Operating expenses:			
Source of supply	1,493,036	-	1,493,036
Pumping	1,168,939	-	1,168,939
Water treatment	1,107,391	-	1,107,391
Transmission and distribution	488,434	-	488,434
Telemetry	251,534	-	251,534
Customer accounts	362,054	-	362,054
Recreation expenses	-	3,436,849	3,436,849
General and administrative	3,278,893	-	3,278,893
Total operating expenses	8,150,281	3,436,849	11,587,130
Operating income(loss) before depreciation	(463,058)	(167,472)	(630,530)
Depreciation and amortization – water department	(2,759,856)	-	(2,759,856)
Depreciation – recreation department	-	(277,484)	(277,484)
<b>Operating income(loss)</b>	<b>(3,222,914)</b>	<b>(444,956)</b>	<b>(3,667,870)</b>
Non-operating revenue(expense)			
Property taxes	2,012,458	-	2,012,458
Clean Water Act surcharge	1,682,991	-	1,682,991
Mira Monte assessment	17,113	-	17,113
Oak View availability charge	7,657	-	7,657
Water-in-storage valuation	3,318,094	-	3,318,094
State water project	(787,665)	-	(787,665)
Tax collection expense	(31,158)	-	(31,158)
Interest and investment earnings	402,229	-	402,229
Interest expense – long-term debt	(102,295)	-	(102,295)
Deferred charges amortization	(11,762)	-	(11,762)
Other non-operating revenues/(expenses), net	225,207	-	225,207
Total non-operating revenues, net	6,732,869	-	6,732,869
<b>Net income(loss) before capital contributions</b>	<b>3,509,955</b>	<b>(444,956)</b>	<b>3,064,999</b>
Capital contributions:			
Federal, state and local capital grants	74,095	-	74,095
<b>Change in net assets</b>	<b>3,584,050</b>	<b>(444,956)</b>	<b>3,139,094</b>
Adjustment for noncash items:			
Depreciation and amortization – water department	2,759,856	-	2,759,856
Depreciation – recreation department	-	277,484	277,484
Water-in-storage valuation	(3,318,094)	-	(3,318,094)
Deferred charges amortization	11,762	-	11,762
<b>Total</b>	<b>\$ 3,037,574</b>	<b>(167,472)</b>	<b>2,870,102</b>

**Casitas Municipal Water District**  
**Combining Statement of Revenues and Expenses**  
**June 30, 2010**

	<u>Water Fund</u>	<u>Recreation Fund</u>	<u>2010 Total</u>
Operating revenues:			
Retail water consumption	\$ 4,383,489	-	4,383,489
Wholesale water consumption	2,068,095	-	2,068,095
Monthly water service charge	2,036,499	-	2,036,499
Recreation revenue	-	3,611,110	3,611,110
Other water charges and services	95,724	-	95,724
Total operating revenues	<u>8,583,807</u>	<u>3,611,110</u>	<u>12,194,917</u>
Operating expenses:			
Source of supply	1,338,079	-	1,338,079
Pumping	1,166,950	-	1,166,950
Water treatment	1,165,062	-	1,165,062
Transmission and distribution	530,798	-	530,798
Telemetry	266,133	-	266,133
Customer accounts	308,364	-	308,364
Recreation expenses	-	3,504,726	3,504,726
General and administrative	2,891,029	-	2,891,029
Total operating expenses	<u>7,666,415</u>	<u>3,504,726</u>	<u>11,171,141</u>
Operating income(loss) before depreciation and amortization	917,392	106,384	1,023,776
Depreciation and amortization – water department	(2,570,594)	-	(2,570,594)
Depreciation – recreation department	-	(292,735)	(292,735)
<b>Operating income(loss)</b>	<u>(1,653,202)</u>	<u>(186,351)</u>	<u>(1,839,553)</u>
Non-operating revenue(expense)			
Property taxes	1,959,850	-	1,959,850
Clean Water Act surcharge	1,290,042	-	1,290,042
Mira Monte assessment	18,601	-	18,601
Oak View availability charge	7,709	-	7,709
Water storage valuation	-	-	-
State water project	(666,442)	-	(666,442)
Tax collection expense	(30,416)	-	(30,416)
Interest and investment earnings	129,472	-	129,472
Interest expense – long-term debt	(106,239)	-	(106,239)
Deferred charges amortization	(11,762)	-	(11,762)
Other non-operating revenues/(expenses), net	5,124	-	5,124
Total non-operating revenues, net	<u>2,595,939</u>	<u>-</u>	<u>2,595,939</u>
<b>Net income(loss) before capital contributions</b>	<u>942,737</u>	<u>(186,351)</u>	<u>756,386</u>
Capital contributions:			
Federal, state and local capital grants	131,179	-	131,179
<b>Change in net assets</b>	<u>1,073,916</u>	<u>(186,351)</u>	<u>887,565</u>
Adjustment for noncash items:			
Depreciation and amortization – water department	2,570,594	-	2,570,594
Depreciation – recreation department	-	292,735	292,735
Water-in-storage valuation	-	-	-
Deferred charges amortization	11,762	-	11,762
<b>Total</b>	<u>\$ <u>3,656,272</u></u>	<u><u>106,384</u></u>	<u><u>3,762,656</u></u>

**Casitas Municipal Water District**  
**Detail Schedule of Operating Expenses – Utility Department**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Source of supply:		
Salaries and benefits	\$ 901,944	795,071
District equipment	8,677	3,217
Services and supplies	86,888	63,182
Utilities	7,770	8,576
Public information program	100	245
Computer upgrades – hardware and software	343	3,191
Costs applied	3,895	8,666
Purchased water	860	979
Outside contracts	213,916	161,502
Clothing and personal supplies	1,249	1,490
Communications	4,679	4,613
Memberships and dues	3,849	8,095
Printing and binding	9,589	10,240
Books and publications	186	497
Office supplies	157	428
Postage	9,586	9,665
Other professional services	172,124	218,217
Licenses and permits	19,224	13,923
Advertising and legal notices	-	-
Small tools	7,328	178
Safety program	-	220
Private vehicle mileage	656	1,073
Travel expense	32,193	16,211
Education and training	7,611	8,424
Insurance – EAP	126	127
Insurance - Aflac service fee	85	48
	<u>1,493,036</u>	<u>1,338,079</u>
Pumping:		
Salaries and benefits	218,533	235,071
Service and supplies	52,732	24,963
Power purchased for pumping	834,205	848,985
Outside contracts	60,920	55,886
Communications	1,562	1,585
Small tools	987	460
	<u>1,168,939</u>	<u>1,166,950</u>
Water treatment:		
Salaries and benefits	750,256	778,362
Service and supplies	67,746	52,121
Utilities	96,169	97,166
Chlorine	54,626	64,725
Polymer	23,301	22,684
Ferric	13,226	16,451
Ammonia	22,680	20,825
Caustics	62,089	75,171
Computer upgrades – hardware and software	866	935
Outside contracts	5,561	2,829
Clothing and personal supplies	1,003	566
Communications	2,366	2,129
Postage	-	63
Other professional fees	-	25,200
Licenses and permits	410	210
Travel	160	161
Small tools	5,153	4,300
Education and training	1,779	1,163
	<u>1,107,391</u>	<u>1,165,062</u>

Continued on next page

**Casitas Municipal Water District**  
**Detail Schedule of Operating Expenses – Utility Department, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Transmission and distribution:		
Salaries and benefits	\$ 355,655	357,562
District equipment	(37)	-
Service and supplies	56,298	84,535
Computer upgrades – hardware and software	2,177	2,164
Outside contracts	45,862	52,033
Clothing and personal supplies	230	690
Communications	2,091	2,528
Books and publications	74	47
Licenses and permits	2,619	2,958
Small tools	4,308	7,848
Office supplies	51	-
Travel expense	726	628
Printing and binding	-	75
Education and training	1,371	1,309
Other operating expenses	<u>17,009</u>	<u>18,421</u>
Total transmission and distribution	<u>488,434</u>	<u>530,798</u>
Telemetering:		
Salaries and benefits	204,168	212,012
Service and supplies	13,254	8,294
Utilities	13,559	23,439
Outside contracts	19,201	20,719
Communications	836	1,255
Clothing and personal supplies	-	29
Private vehicle mileage	-	96
Postage	35	-
Small tools	481	248
Travel	<u>-</u>	<u>39</u>
Total telemetering	<u>251,534</u>	<u>266,133</u>
Customer accounts:		
Salaries and benefits	313,520	244,568
Service and supplies	23,606	28,583
Computer upgrades – hardware and software	105	-
Leak relief expense	2,366	3,594
Bad debt provision	6,319	12,011
Clothing and personal supplies	492	446
Other operating expense	100	-
Outside contracts	12,176	13,216
Printing and binding	-	278
Postage	1,571	2,411
Licenses and permits	430	90
Small tools	192	826
Travel expense	498	538
Education and training	<u>681</u>	<u>1,803</u>
Total customer accounts	<u>362,054</u>	<u>308,364</u>

Continued on next page



**Casitas Municipal Water District**  
**Detail Schedule of Operating Expenses – Utility Department, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
General and administrative:		
Salaries and benefits	3,210,298	2,937,313
District equipment	124,903	84,100
Service and supplies	127,828	88,425
Utilities	48,678	48,513
Bad debt expense	1,934	265
Computer upgrades – hardware and software	25,228	22,012
Vehicle costs direct	93,465	64,892
Outside contracts	120,251	162,810
Clothing and personal supplies	7,135	8,635
Communications	33,558	29,709
Office equipment maintenance	1,434	1,468
Memberships and dues	85,389	80,312
Printing and binding	3,595	2,747
Books and publications	4,094	3,901
Office supplies	11,619	11,757
Postage	2,283	2,762
Other professional services	126,976	100,622
Licenses and permits	6,652	10,655
Advertising and legal notices	1,534	578
Small tools	5,033	617
Safety program	2,525	8,056
Private vehicle mileage	7,894	7,729
Travel expense	14,101	7,542
Directors election fees	8,419	-
Education and training	15,678	16,929
(Gains)/losses on inventory	(8,299)	3,053
Petty cash over/short	(9)	70
Interest and penalties	308	859
Insurance – liability	54,995	54,983
Workers' compensation	58,713	65,329
Insurance – EAP	1,361	1,335
Insurance - Aflac	1,160	508
Bank charges	19,386	26,563
Other operating expenses	1,418	-
Costs applied	(173,871)	(103,936)
Administrative overhead burden	(766,774)	(860,082)
Total general and administrative	<u>3,278,893</u>	<u>2,891,029</u>
Depreciation and amortization:		
Water treatment	<u>2,759,856</u>	<u>2,570,594</u>
Total depreciation and amortization	<u>2,759,856</u>	<u>2,570,594</u>
<b>Total operating expenses – utility department</b>	<u><u>\$ 10,910,138</u></u>	<u><u>10,237,008</u></u>

**Casitas Municipal Water District**  
**Detail Schedule of Operating Revenues & Expenses – Recreation Department, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Recreation revenue:		
Animal permit	\$ 19,023	24,168
Area use permits	-	(15)
Bicycles - concession	7,746	6,513
Boat fees - annual	61,393	59,085
Boat fees - daily	14,146	15,280
Boat fees - overnight	2,188	2,105
Boat inspection fees - Quagga	6,923	10,362
Boat lock revenue - Quagga	8,893	10,692
Boat rental - concession	80,312	73,274
Cafe - concession	23,610	22,578
Cafe pass fee	23,870	4,345
Cafe pass reimbursment	(23,060)	(4,136)
Camping fees	1,504,075	1,568,522
Camping promotion	-	6,174
Commercials	-	13,100
Donation vouchers	(775)	(790)
Event reimbursment	1,999	2,869
Events	27,699	42,043
Gasoline - concession	90	102
Gift cards and certificates	165	(204)
Guest pass	(620)	(1,305)
Kayak and canoes annual	3,220	4,525
Kayak and canoes daily	303	30
Miscellaneous revenue	2,474	11,492
Over / short - recreation	245	(676)
Over / short - water park	227	(10)
Park store	3,343	35,377
Rain checks	(2,998)	(5,144)
Reservations	106,135	118,252
Shower facility fees	17,503	23,493
Telephone	12	65
Trailer storage fees	177,711	176,292
Vehicle fees - daily	344,208	420,475
Violation ordinance fees	16,175	37,926
Visitor cards	143,499	141,823
Water park - cooler fees	-	4,256
Water park - donation voucher	(190)	-
Water park - group pass fee	42,740	57,260
Water park - junior lifeguard	1,760	2,450
Water park - late day pass fee	60,620	59,080
Water park - lifeguard training	2,640	-
Water park - locker fee	957	1,287
Water park - miscellaneous revenue	539	4,160
Water park - next day pass fee	11,650	16,790
Water park - promotion	(12)	-
Water park - rain checks	(4,489)	(4,426)
Water park - reservation fee	5,795	9,315
Water park - season pass fee	19,890	23,325
Water park - shade rental fee	4,604	7,125
Water park - shower facility fee	14,853	15,114
Water park - single splash fee	526,105	575,486
Water park - special event fee	-	360
Water park - water fitness - fee	8,078	4,225
Water park snack bar	4,103	16,167
Wi-fi internet fees	-	454
Total recreation revenue	<u>3,269,377</u>	<u>3,611,110</u>

Continued on next page

**Casitas Municipal Water District**  
**Detail Schedule of Operating Revenues & Expenses – Recreation Department, continued**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Recreation expenses:		
Administrative overhead burden	\$ 766,774	860,082
Advertising and legal notices	2,989	5,055
Bad debt provision	951	303
Bank charges	560	-
Books and publications	65	139
Chemicals – water playground	1,713	1,907
Chlorine	25,517	24,504
Clothing and personal supplies	16,090	15,087
Communications	25,667	24,020
Computer upgrades – hardware and software	11,225	9,943
Credit card fees	55,728	57,887
District equipment	130,586	96,235
Education and training	2,688	3,737
Fish purchases	59,138	49,980
Licenses and permits	4,060	2,509
Memberships and dues	1,630	907
Office equipment maintenance	801	-
Office supplies	7,709	8,240
Other professional services	798	12,211
Outside contracts	220,661	208,220
Postage	1,269	1,535
Printing and binding	18,156	12,804
Private vehicle mileage	358	1,150
Public information program	2,978	167
Purchased water	66,840	70,003
Safety program	3,824	8,732
Salaries and benefits	1,664,303	1,718,021
Service and supplies	199,233	166,326
Small tools	7,800	7,520
Travel expense	5,230	5,465
Utilities	131,508	132,037
	<u>3,436,849</u>	<u>3,504,726</u>
Total		
Depreciation – recreation department	<u>277,484</u>	<u>292,735</u>
Total recreation expenses	<u>3,714,333</u>	<u>3,797,461</u>
<b>Net recreation income(loss)</b>	<u>\$ (444,956)</u>	<u>(186,351)</u>

# **Statistical Section**



**Casitas Municipal Water District  
Statistical Section**

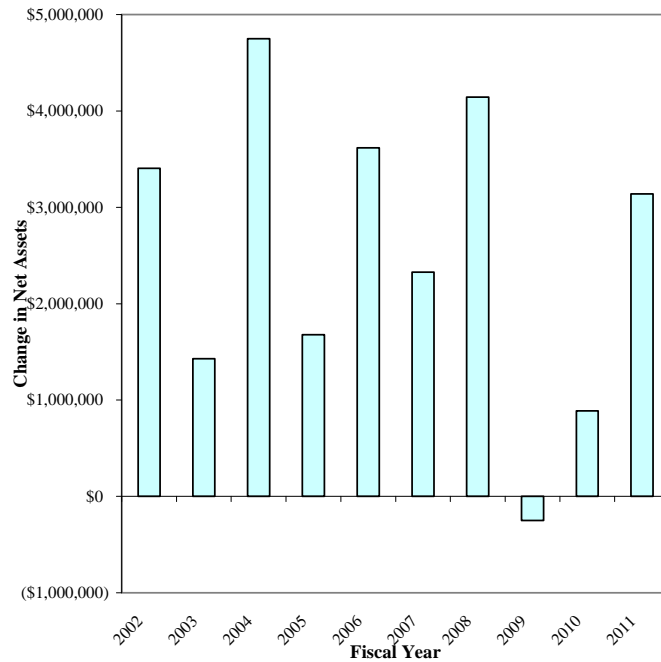
This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

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Financial Trends These schedules contain information to help the reader understand how the District’s financial performance and well-being have changed over time.	50-53
Revenue Capacity These schedules contain information to help the reader assess the District’s most significant own-source revenue, water sales.	54-58
Debt Capacity These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	59-60
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District’s financial activities take place.	61
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the service the District provides.	62

## Casitas Municipal Water District Changes in Net Assets and Net Assets by Component Last Ten Fiscal Years

	Fiscal Year				
	2002	2003	2004	2005	2006
Changes in net assets:					
Operating revenues (see Schedule 2)	\$ 8,850,451	8,417,164	8,854,143	9,688,724	11,258,803
Operating expenses (see Schedule 3)	(6,778,848)	(8,212,939)	(7,866,167)	(8,378,443)	(8,262,068)
Depreciation and amortization	(1,670,777)	(1,693,885)	(1,722,585)	(2,495,930)	(2,363,709)
<b>Operating income(loss)</b>	<b>400,826</b>	<b>(1,489,660)</b>	<b>(734,609)</b>	<b>(1,185,649)</b>	<b>633,026</b>
Non-operating revenues(expenses)					
Property taxes	2,325,808	2,698,760	2,467,821	525,019	526,622
Clean Water Act surcharge	-	-	-	1,070,545	1,085,494
Mira Monte assessment	-	-	-	9,549	20,307
Oak View availability charge	-	-	-	7,579	7,754
Property tax collection expense	-	-	(26,535)	(13,854)	(15,707)
Investment income/(loss)	495,218	240,699	73,851	138,716	269,336
Federal grants	55,330	-	-	-	-
Capital facilities charges	134,426	93,002	-	-	-
Gain/(Loss) on sale/disposition of assets	-	-	7,386	(5,566)	-
Interest expense	(61,144)	(250,890)	(151,058)	(159,437)	(131,650)
Other revenue/(expense), net	52,550	137,214	22,771	(51,559)	204,592
<b>Total non-operating revenues(expenses), net</b>	<b>3,002,188</b>	<b>2,918,785</b>	<b>2,394,236</b>	<b>1,520,992</b>	<b>1,966,748</b>
<b>Net income before capital contributions</b>	<b>3,403,014</b>	<b>1,429,125</b>	<b>1,659,627</b>	<b>335,343</b>	<b>2,599,774</b>
Capital contributions	2,445	-	3,090,000	1,342,081	1,016,530
<b>Changes in net assets</b>	<b>\$ 3,405,459</b>	<b>1,429,125</b>	<b>4,749,627</b>	<b>1,677,424</b>	<b>3,616,304</b>
Net assets by component:					
Invested in capital assets, net of related debt	\$ 39,484,283	44,631,416	52,913,400	55,377,759	55,808,167
Restricted	4,938,887	284,778	235,244	226,563	91,941
Unrestricted	14,695,414	15,631,515	12,945,075	12,166,821	15,487,339
<b>Total net assets</b>	<b>\$ 59,118,584</b>	<b>60,547,709</b>	<b>66,093,719</b>	<b>67,771,143 <sup>(1)</sup></b>	<b>71,387,447</b>



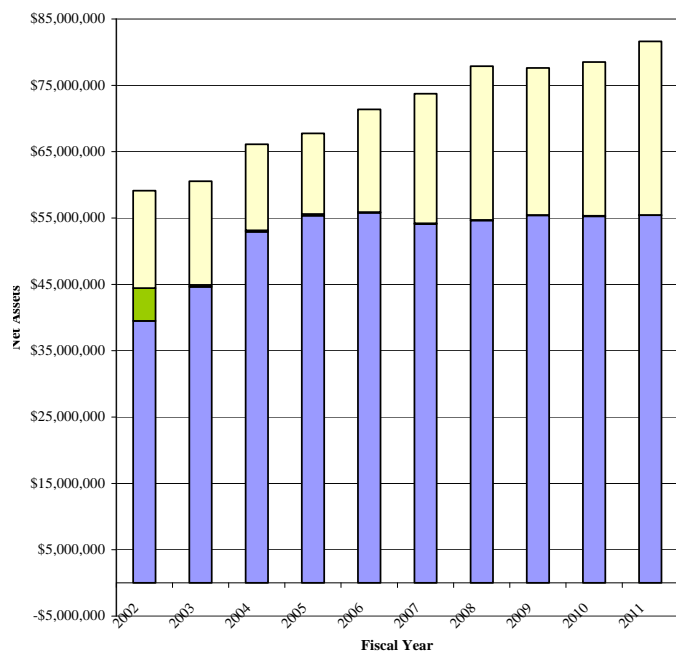
**Notes:**

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

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

## Schedule 1

Fiscal Year				
2007	2008	2009	2010	2011
13,291,119	13,805,964	12,129,996	12,194,917	10,956,600
(10,289,724)	(10,107,124)	(13,384,114)	(11,171,141)	(11,587,130)
(4,207,595)	(2,975,653)	(2,834,977)	(2,863,329)	(3,037,340)
(1,206,200)	723,187	(4,089,095)	(1,839,553)	(3,667,870)
1,734,216	1,831,087	1,982,172	1,959,850	2,012,458
1,006,501	1,071,637	1,685,062	1,290,042	1,682,991
18,605	19,657	18,914	18,601	17,113
7,439	7,862	6,992	7,709	7,657
(13,448)	(28,261)	(29,433)	(30,416)	(31,158)
404,167	463,786	213,695	129,472	402,229
-	-	-	-	3,318,094
-	-	-	(666,442)	(787,665)
-	-	-	-	-
-	-	-	-	-
(129,810)	(123,440)	(116,361)	(106,239)	(102,295)
46,646	31,307	14,460	(6,638)	213,445
3,074,316	3,273,635	3,775,501	2,595,939	6,732,869
1,868,116	3,996,822	(313,594)	756,386	3,064,999
458,002	146,880	63,784	131,179	74,095
2,326,118	4,143,702	(249,810)	887,565	3,139,094
54,099,748	54,636,436	55,408,560	55,277,544	55,423,113
103,054	75,088	67,343	60,922	55,913
19,510,763	23,145,743	22,131,554	23,156,556	26,155,090
73,713,565	77,857,267	77,607,457	78,495,022	81,634,116

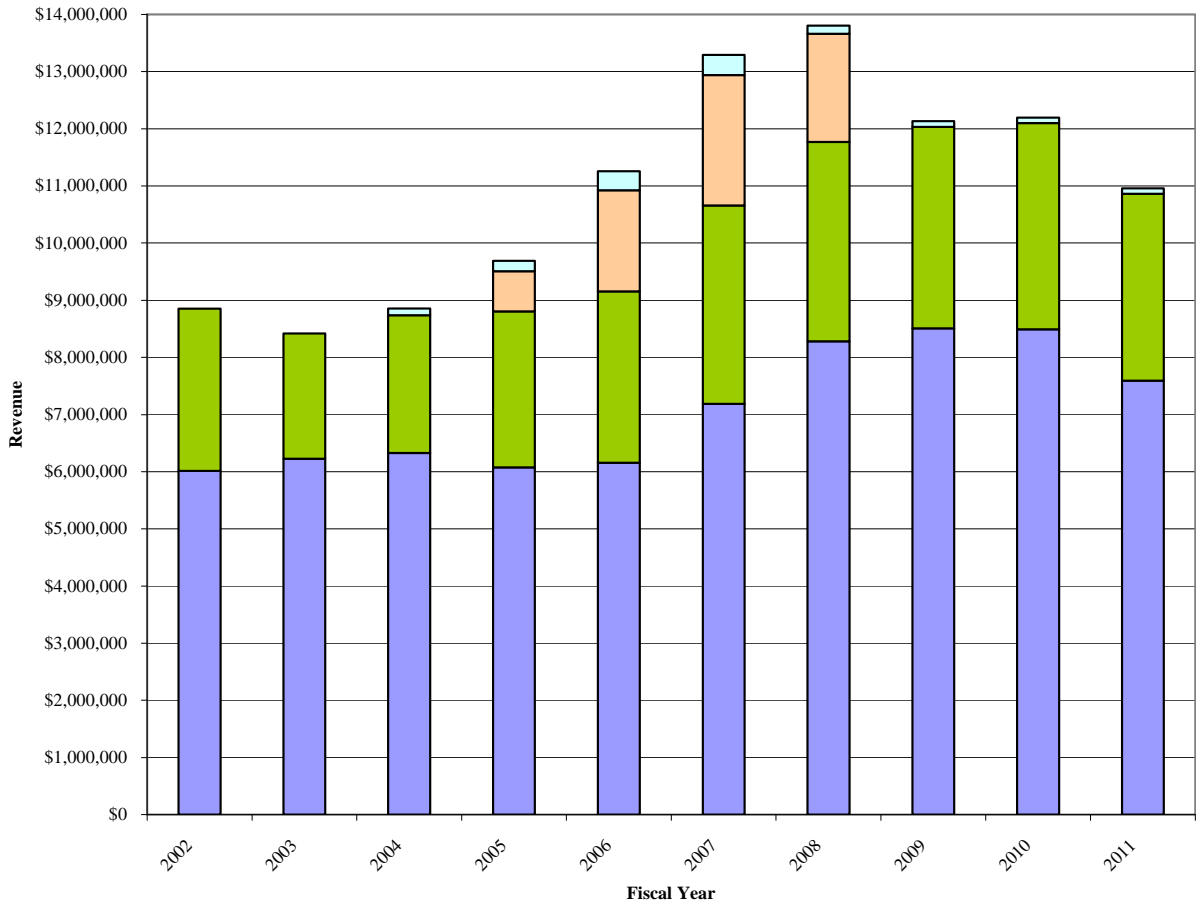




**Casitas Municipal Water District  
Operating Revenue by Source  
Last Ten Fiscal Years**

**Schedule 2**

Fiscal Year	Water Sales and Service	Recreation Revenue	Water Storage Valuation	Other Operating Revenue	Total Operating Revenue
2002	\$ 6,014,499	2,835,952	-	-	8,850,451
2003	6,226,072	2,191,092	-	-	8,417,164
2004	6,325,927	2,412,902	-	115,314	8,854,143
2005	6,075,618	2,728,679	704,148	180,279	9,688,724
2006	6,157,482	2,996,915	1,768,645	335,761	11,258,803
2007	7,188,942	3,469,248	2,282,734	350,195	13,291,119
2008	8,282,482	3,487,877	1,890,639	144,966	13,805,964
2009	8,507,054	3,526,264	-	96,678	12,129,996
2010	8,488,083	3,611,110	-	95,724	12,194,917
2011	7,592,767	3,269,377	-	94,456	10,956,600

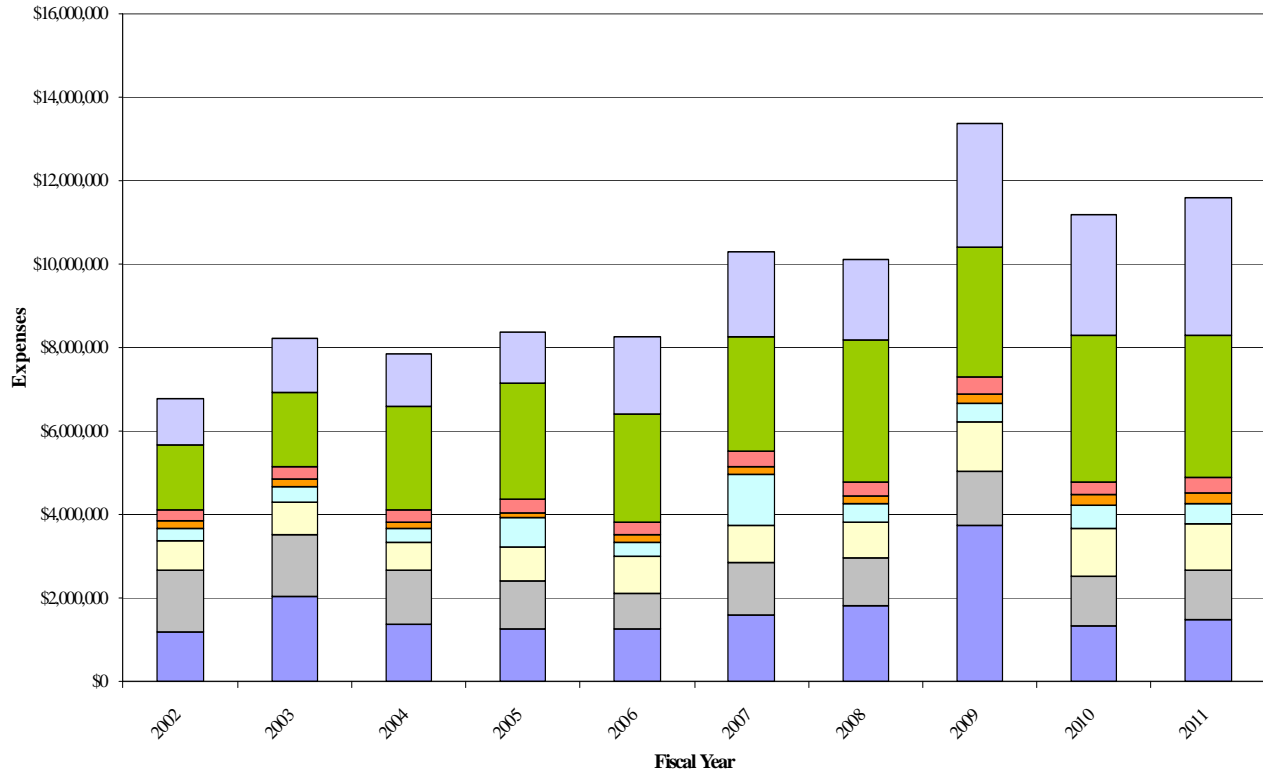


Source: Casitas Municipal Water District Accounting Department

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

### Schedule 3

Fiscal Year	Source of Supply	Pumping	Water Treatment	Transmission and Distribution	Telemetering	Customer Accounts	Recreation Area	General and Administrative	Total Operating Expenses
2002	\$ 1,201,900	1,466,859	683,599	332,816	162,744	269,114	1,533,782	1,128,034	6,778,848
2003	2,038,776	1,486,079	785,332	356,064	179,509	302,980	1,773,929	1,290,270	8,212,939
2004	1,373,555	1,272,672	694,784	331,412	150,053	282,828	2,488,759	1,272,104	7,866,167
2005	1,260,178	1,151,358	810,650	687,261	142,260	331,338	2,747,871	1,247,527	8,378,443
2006	1,266,305	844,456	876,220	358,083	174,943	308,137	2,570,736	1,863,188	8,262,068
2007	1,584,516	1,261,227	898,454	1,221,291	185,521	359,407	2,730,670	2,048,638	10,289,724
2008	1,815,132	1,160,984	831,760	435,705	209,198	335,952	3,401,609	1,916,784	10,107,124
2009	3,735,269	1,292,700	1,197,050	448,678	197,119	436,851	3,113,058	2,963,389	13,384,114
2010	1,338,079	1,166,950	1,165,062	530,798	266,133	308,364	3,504,726	2,891,029	11,171,141
2011	1,493,036	1,168,939	1,107,391	488,434	251,534	362,054	3,436,849	3,278,893	11,587,130

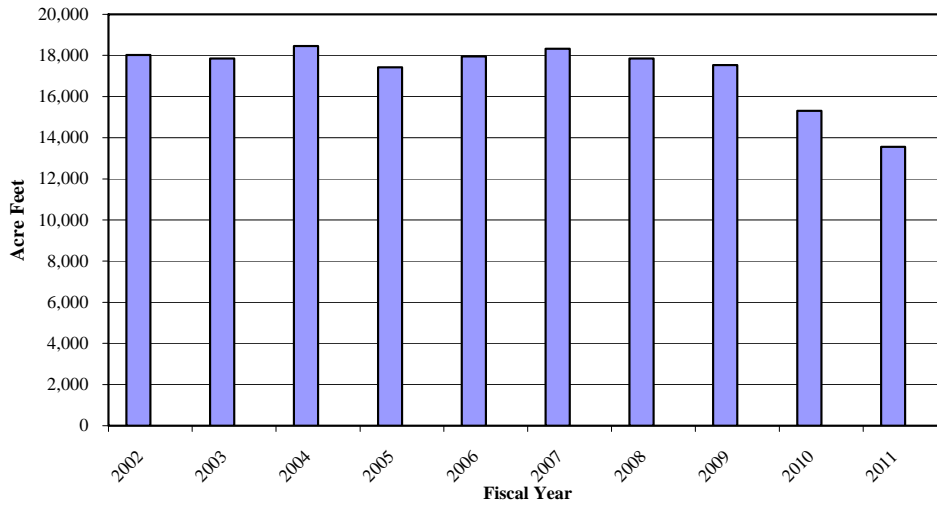


Source: Casitas Municipal Water District Accounting Department

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

**Schedule 4**

Fiscal Year	Water Sales (Acre Feet)
2002	18,014
2003	17,852
2004	18,450
2005	17,425
2006	17,952
2007	18,318
2008	17,844
2009	17,533
2010	15,307
2011	13,549



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

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

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

**Schedule 5**

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

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

Meter Size		Water Service Charges (monthly)									
		Fiscal Year									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Residential:											
5/8" - 1"	\$	10.72	11.04	11.37	12.06	12.42	12.79	14.01	14.01	15.30	15.99
1 1/2" - 2"		32.91	33.90	34.92	37.05	38.16	39.30	43.03	43.03	46.99	49.1
2 1/2" - 3"		70.08	72.18	74.35	78.88	81.25	83.69	91.64	91.64	100.07	104.57
4"		148.75	153.21	157.81	167.42	172.44	177.61	194.48	194.48	212.37	221.93
6"		439.12	452.29	465.86	494.24	509.07	524.34	574.15	574.15	626.97	655.18
Businesses:											
5/8" - 1"		19.42	20.00	20.60	21.86	22.52	23.20	24.59	24.59	26.85	28.06
1 1/2" - 2"		59.56	61.35	63.19	67.04	69.05	71.12	75.39	75.39	82.33	86.03
2 1/2" - 3"		126.93	130.74	134.66	142.86	147.15	151.56	160.65	160.65	175.43	183.32
4"		269.39	277.47	285.79	303.19	312.29	321.66	340.96	340.96	372.33	389.08
6"		795.19	819.05	843.62	895.00	921.85	949.51	1,006.48	1,006.48	1,099.08	1,148.54
Industrial:											
5/8" - 1"		14.49	14.92	15.37	16.30	16.79	17.29	18.06	18.06	19.72	20.61
1 1/2" - 2"		44.45	45.78	47.15	50.02	51.52	53.07	55.43	55.43	60.53	63.25
2 1/2" - 3"		94.70	97.54	100.47	106.58	109.78	113.07	118.12	118.12	128.99	134.79
4"		200.99	207.02	213.23	226.22	233.01	240.00	250.70	250.70	273.76	286.08
6"		593.86	611.68	630.03	668.40	688.45	709.10	740.71	740.71	808.86	845.26
Irrigation:											
5/8" - 1"		23.88	24.60	25.34	26.88	27.69	28.52	31.94	31.94	34.88	36.45
1 1/2" - 2"		73.20	75.40	77.66	82.39	84.86	87.41	97.90	97.90	106.91	111.72
2 1/2" - 3"		155.96	160.64	165.46	175.53	180.80	186.22	208.57	208.57	227.76	238.01
4"		331.03	340.96	351.19	372.58	383.76	395.27	442.70	442.70	483.43	505.18
6"		977.17	1,006.49	1,036.68	1,099.81	1,132.80	1,166.78	1,306.79	1,306.79	1,427.01	1,491.23
Resale (Gravity):											
5/8" - 1"		40.61	41.83	43.09	45.71	47.08	48.49	51.40	51.40	56.13	58.66
1 1/2" - 2"		124.56	128.30	132.15	140.19	144.40	148.73	157.65	157.65	172.15	179.7
2 1/2" - 3"		265.38	273.34	281.54	298.69	307.65	316.88	335.89	335.89	388.63	406.12
4"		563.27	580.17	597.58	633.98	653.00	672.59	712.95	712.95	778.54	813.57
6"		1,662.70	1,712.58	1,763.96	1,871.39	1,927.53	1,985.36	2,104.48	2,104.48	2,298.09	2,401.5
Resale (Pumped):											
5/8" - 1"		15.71	16.18	16.67	17.69	18.22	18.77	21.59	21.59	23.58	24.64
1 1/2" - 2"		48.17	49.62	51.11	54.22	55.85	57.53	66.16	66.16	72.25	75.5
2 1/2" - 3"		102.59	105.67	108.84	115.47	118.93	122.50	140.88	140.88	153.84	160.76
4"		217.76	224.29	231.02	245.09	252.44	260.01	299.01	299.01	326.52	341.21
6"		642.81	662.09	681.95	723.48	745.18	767.54	882.67	882.67	963.88	1,007.25
Other:											
5/8" - 1"		16.21	16.70	17.20	18.25	18.80	19.36	20.52	20.52	22.41	23.42
1 1/2" - 2"		49.72	51.21	52.75	55.96	57.64	59.37	62.93	62.93	68.72	71.81
2 1/2" - 3"		105.90	109.08	112.35	119.19	122.77	126.57	140.88	140.88	153.45	160.5
4"		224.77	231.51	238.46	252.98	260.57	268.39	284.49	284.49	310.66	324.61
6"		663.47	683.37	703.87	746.74	769.14	792.21	839.74	839.74	914.00	958.27
Temporary:											
1 1/2" - 2"		45.11	46.46	47.85	50.77	52.29	53.86	57.09	57.09	62.34	65.15
2 1/2" - 3"		96.12	99.00	101.97	108.18	111.43	114.77	121.66	121.66	132.85	138.83
Recreation:											
5/8" - 1"		20.72	21.34	21.98	23.32	24.02	24.74	26.22	26.22	28.63	
1 1/2" - 2"		63.57	65.48	67.44	71.54	73.69	75.90	80.45	80.45	87.85	
2 1/2" - 3"		135.46	139.52	143.71	152.46	157.03	161.74	171.44	171.44	187.21	
4"		287.47	296.09	304.97	323.54	333.25	343.25	363.85	363.85	397.32	
6"		848.60	874.06	900.28	952.02	980.58	1,010.00	1,070.60	1,070.60	1,169.10	

**Notes:**  
(1) Rates as of June 30 of each fiscal year.  
(2) Rates are net of applicable energy surcharges.

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

**Casitas Municipal Water District  
Revenue Rates  
Fiscal Year 2011**

**Schedule 5-1**

In fiscal year 2008, the District changed its rate structure as follows:

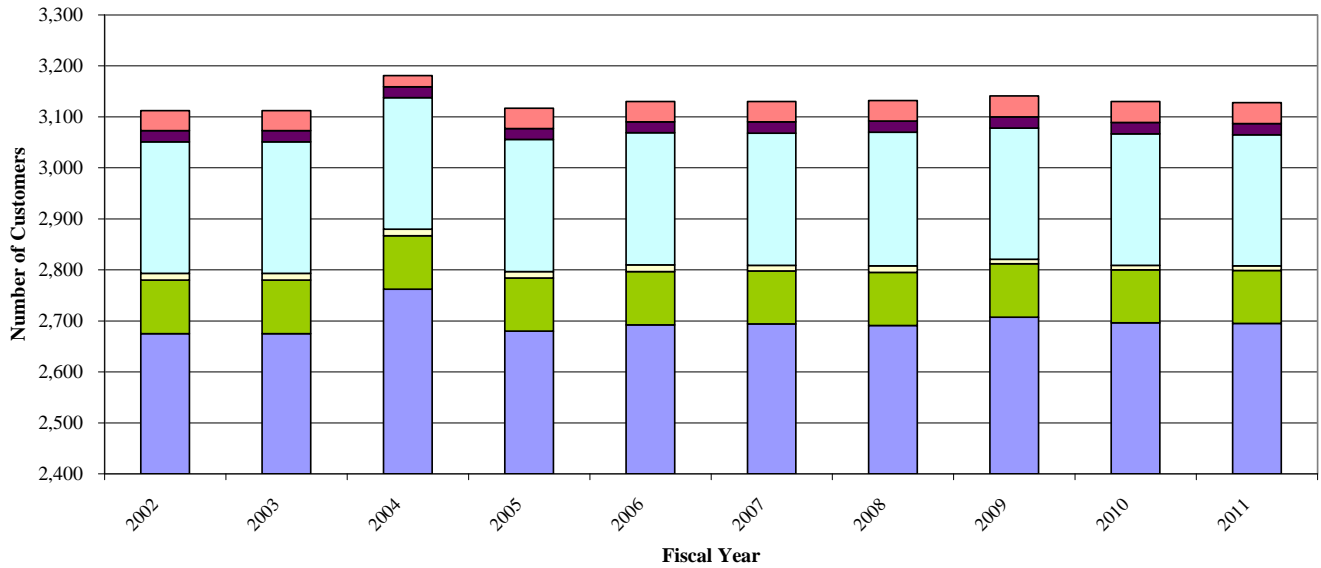
<b>RATE SCHEDULE - CLASS 1 SERVICE</b>				<b>Rate per Unit **</b>	
				<b>GRAVITY</b>	<b>PUMPED</b>
<b>Residential</b>					
	Bi-Monthly Lifeline	0-20 Units		\$ 0.567	\$ 0.831
	Bi-Monthly Usage	21-34 Units		\$ 1.003	\$ 1.267
	Bi-Monthly Usage	35-100 units		\$ 1.404	\$ 1.668
	Bi-Monthly Usage	101 units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

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

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

**Schedule 6**

Fiscal Year	Customer Type						Total
	Residential	Business	Industrial	Agricultural	Wholesale	Other	
2002	2,675	105	13	258	22	39	3,112
2003	2,675	105	13	258	22	39	3,112
2004	2,762	105	13	258	21	22	3,181
2005	2,680	104	13	259	21	40	3,117
2006	2,692	105	13	259	21	40	3,130
2007	2,694	104	11	259	22	40	3,130
2008	2,691	104	13	262	22	40	3,132
2009	2,707	105	9	257	22	41	3,141
2010	2,696	104	9	258	22	41	3,130
2011	2,695	104	9	257	22	41	3,128



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

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

**Casitas Municipal Water District  
Principal Customers  
Current Fiscal Year and Nine Years Ago**

**Schedule 7**

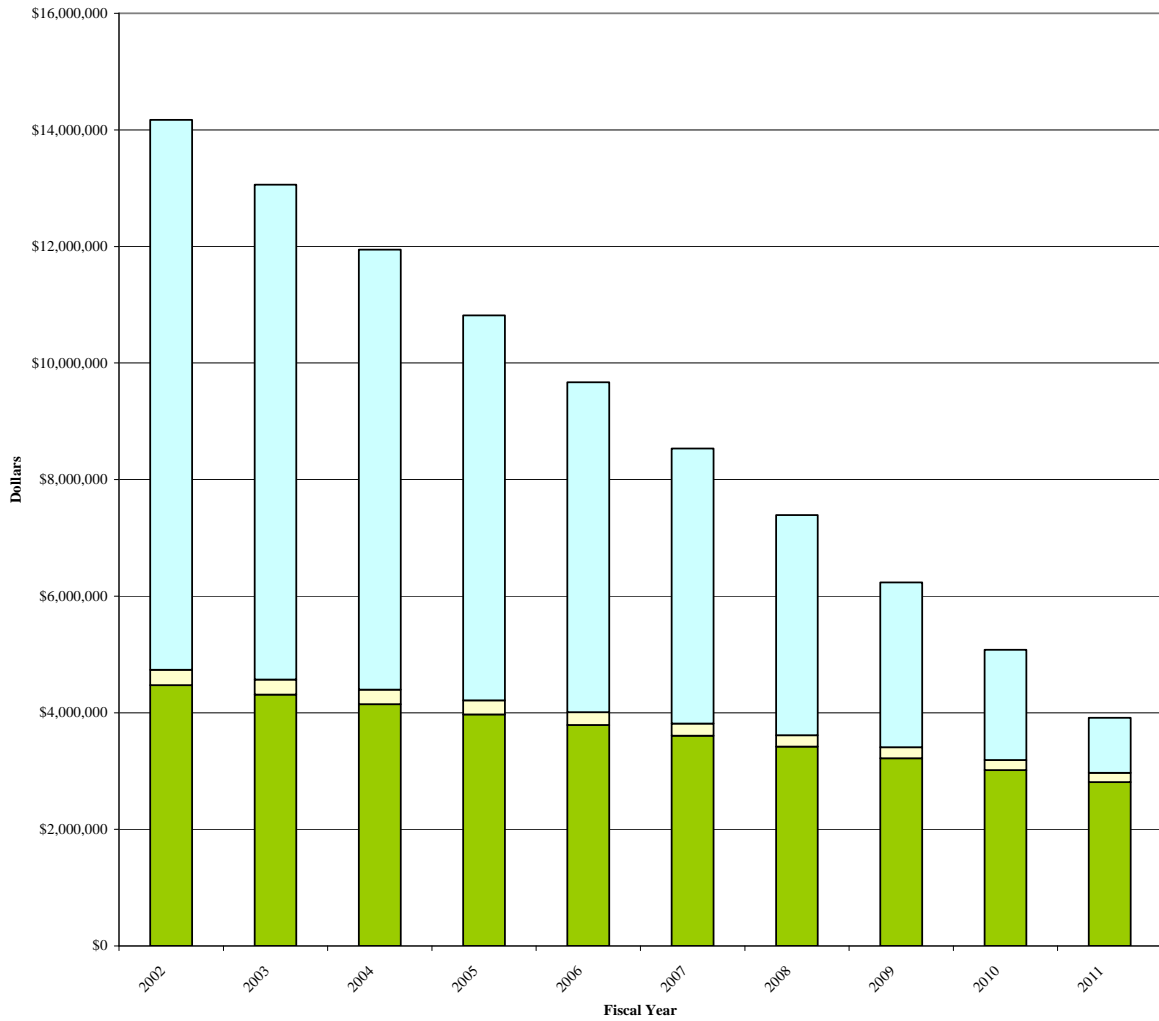
<u>Customer</u>	<u>2011</u>		<u>2002</u>	
	<u>Water Consumed (AF)</u>	<u>Percentage of Total</u>	<u>Water Consumed (AF)</u>	<u>Percentage of Total</u>
City of Ventura	5,851	43.18%	6,387	35.82%
Hermitage Mutual Water	467	3.45%	635	3.56%
Topa Topa Ranch Nursery	316	2.33%	392	2.20%
Ojai Valley Inn	282	2.08%	287	1.61%
James P. Finch	270	1.99%	382	2.14%
Mary Bergen	258	1.90%	221	1.24%
Paradise Grove	245	1.81%	-	0.00%
Vista Punta Gorda	241	1.78%	-	0.00%
Golden State Water	233	1.72%	-	0.00%
JLB Rancho La Vista	172	1.27%	-	0.00%
La Conchita Ranch	-	0.00%	577	3.24%
Mc Ghan Ranch	-	0.00%	266	1.49%
Senior Canyon Mutual Water	-	0.00%	393	2.20%
Southern California Water	-	0.00%	451	2.53%
<b>Total</b>	<b>8,335</b>	<b>61.52%</b>	<b>9,991</b>	<b>56.03%</b>
<b>Total Water Consumed (Acre Feet)</b>	<b>13,549</b>	<b>100.00%</b>	<b>17,831</b>	<b>100.00%</b>

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

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

**Schedule 8**

Fiscal Year	Loans Payable	Bonds Payable	Note Payable	Total		
				Debt	Per Capita	As a Share of Personal Income
2002	\$ 4,475,112	261,500	9,436,460	14,173,072	19.79	0.07%
2003	4,312,620	255,500	8,492,814	13,060,934	18.22	0.06%
2004	4,146,576	249,000	7,549,168	11,944,744	16.34	0.05%
2005	3,973,120	240,500	6,605,522	10,819,142	14.58	0.04%
2006	3,792,883	217,500	5,661,876	9,672,259	12.84	0.04%
2007	3,608,238	207,500	4,718,230	8,533,968	11.03	0.03%
2008	3,417,845	196,500	3,774,584	7,388,929	9.47	0.03%
2009	3,220,825	185,500	2,830,938	6,237,263	7.88	0.01%
2010	3,017,650	173,500	1,887,292	5,078,442	6.33	0.01%
2011	2,807,893	161,500	943,646	3,913,039	4.82	0.01%



Source: Casitas Municipal Water District Accounting Department



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

**Schedule 9**

Fiscal Year	Net Revenues	Operating Expenses <sup>(1)</sup>	Net Available Revenues	Debt Service		Total	Coverage Ratio
				Principal	Interest		
2002	\$ 12,314,609	(6,778,848)	5,535,761	421,280	61,144	482,424	11.47
2003	10,097,179	(8,212,939)	1,884,240	1,112,138	250,890	1,363,028	1.38
2004	10,664,828	(7,866,167)	2,798,661	1,116,190	151,058	1,267,248	2.21
2005	10,183,504	(8,378,443)	1,805,061	1,125,602	159,437	1,285,039	1.40
2006	13,990,227	(8,262,068)	5,728,159	1,132,484	131,650	1,264,134	4.53
2007	16,508,693	(10,289,724)	6,218,969	1,138,291	129,810	1,268,101	4.90
2008	17,231,300	(10,107,124)	7,124,176	1,145,039	124,805	1,269,844	5.61
2009	17,172,474	(12,382,370)	4,790,104	1,151,666	118,147	1,269,813	3.77
2010	15,605,715	(10,169,397)	5,436,318	1,158,821	107,098	1,265,919	4.29
2011	15,304,255	(9,614,381)	5,689,874	1,165,403	96,491	1,261,894	4.51

**Notes:**

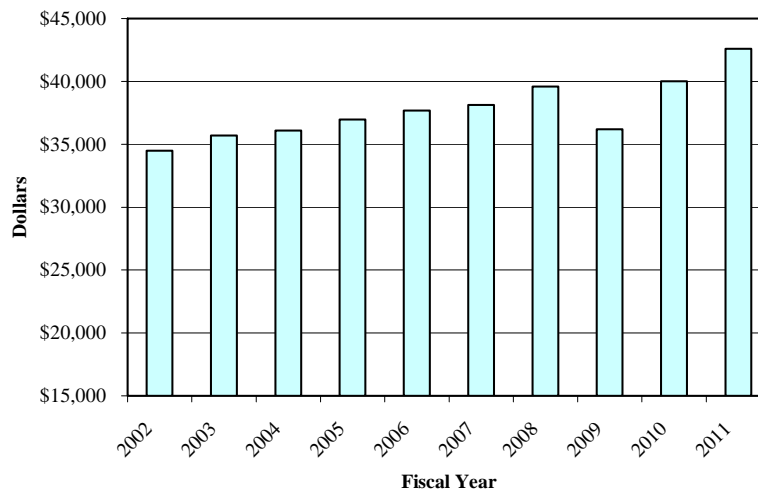
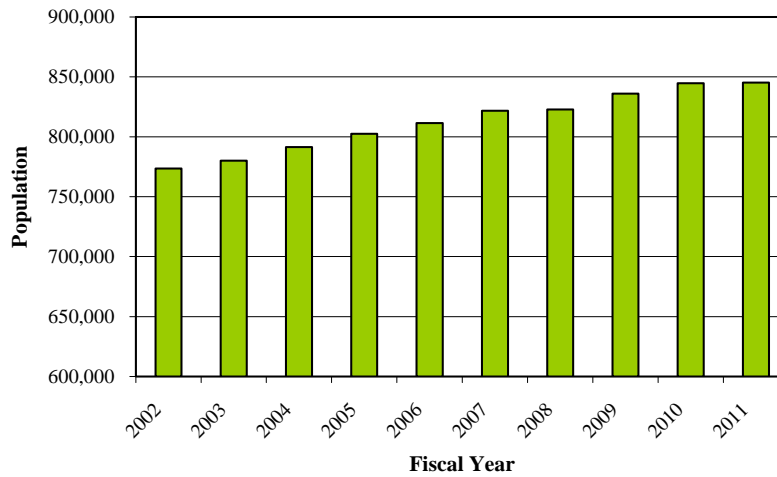
(1) Operating expenses exclude depreciation expense and OPEB accrued liability amount.

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

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

**Schedule 10**

Year	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2002	5.6%	773,539	26,676,989	34,487
2003	5.3%	780,089	27,860,349	35,714
2004	4.8%	791,310	28,562,451	36,095
2005	4.6%	802,436	29,666,223	36,970
2006	4.6%	811,405	30,568,744	37,674
2007	4.3%	821,669	31,332,963	38,133
2008	4.6%	822,654	32,564,897	39,585
2009	9.2%	836,080	30,258,987	36,191
2010	10.0%	844,713	33,800,000	40,014
2011	11.0%	845,222	36,000,000	42,592



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

**Notes:**

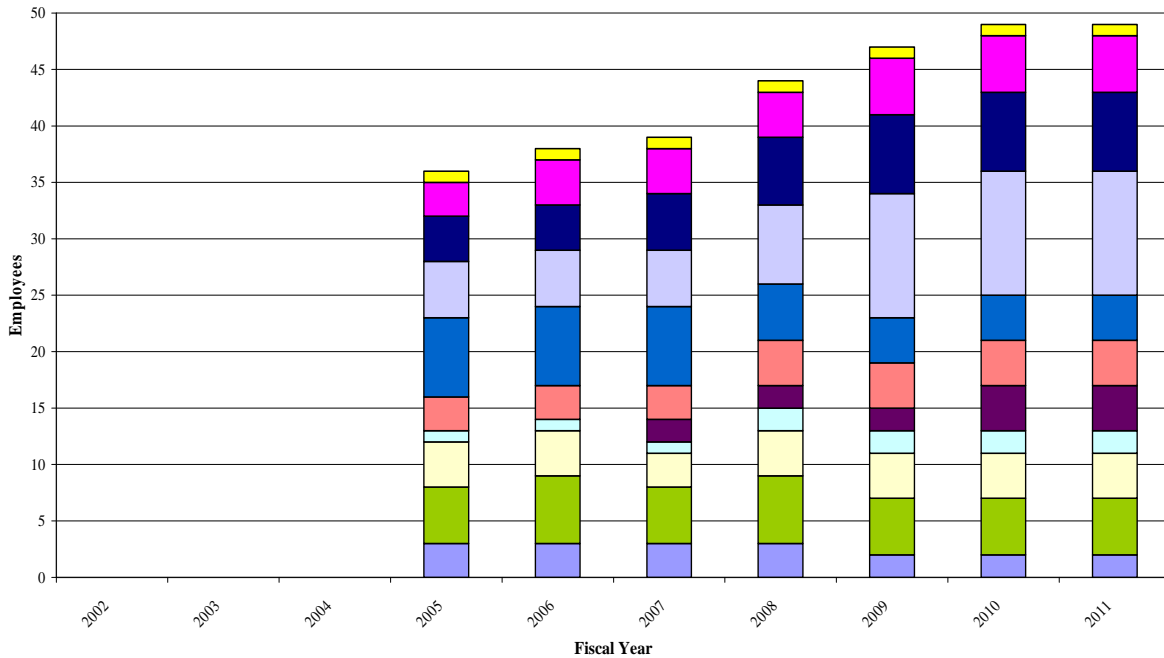
(1) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District.

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

Schedule 11

Paid - Full Time Positions

Department	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Management	N/A	N/A	N/A	3	3	3	3	2	2	2
Administration	N/A	N/A	N/A	5	6	5	6	5	5	5
Engineering	N/A	N/A	N/A	4	4	3	4	4	4	4
Water Quality Lab	N/A	N/A	N/A	1	1	1	2	2	2	2
Fisheries	N/A	N/A	N/A	0	0	2	2	2	4	4
Electrical and Mechanical	N/A	N/A	N/A	3	3	3	4	4	4	4
Distribution	N/A	N/A	N/A	7	7	7	5	4	4	4
Conservation and Treatment	N/A	N/A	N/A	5	5	5	7	11	11	11
Information Technology	N/A	N/A	N/A	1	1	1	1	1	1	1
Recreation Operations	N/A	N/A	N/A	4	4	5	6	7	7	7
Recreation Maintenance	N/A	N/A	N/A	3	4	4	4	5	5	5
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>36</b>	<b>38</b>	<b>39</b>	<b>44</b>	<b>47</b>	<b>49</b>	<b>49</b>



### Other Operating and Capacity Indicators

Fiscal Year	Miles of Pipeline	Lake Storage Capacity (AF)	Lake Level at Year-End (AF)	Percentage of Lake Capacity	Daily System Capacity (MGD)
2002	105.7	254,000	195,172	76.8%	65
2003	105.7	254,000	179,219	70.6%	65
2004	105.7	254,000	167,988	66.1%	65
2005	105.7	254,000	230,891	90.9%	65
2006	105.7	254,000	229,546	90.4%	65
2007	105.7	254,000	221,174	87.1%	65
2008	105.7	254,000	222,528	87.6%	65
2009	105.7	254,000	199,851	78.7%	65
2010	105.7	254,000	194,405	76.5%	65
2011	105.7	254,000	218,328	86.0%	65

N/A - Data not available for these years

AF - Acre Feet

MGD - Millions of Gallons per Day

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

# **Report on Internal Controls and Compliance**





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

# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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

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

Board of Directors  
Casitas Municipal Water District  
Oak View, California

We have audited the basic financial statements of the Casitas Municipal Water District (District) as of and for the year ended June 30, 2011 and 2010, and have issued our report thereon dated October 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

In planning and performing our audits, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### ***Compliance and Other Matters***

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

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

*Charles Z. Fedak & Company CPAs - An Accountancy Corporation*

**Charles Z. Fedak and Company, CPA's - An Accountancy Corporation**  
Cypress, California  
October 31, 2011

**Casitas Municipal Water District**  
Interdepartmental Memo

DATE: December 5, 2011

TO: Steve Wickstrum, General Manager

FROM: Carol Belser, Park Services Manager

SUBJECT: Bait & Tackle and Park Store Concession Agreement – Extension of Term

**RECOMMENDATION**

It is recommended that the Board authorize the General Manager to grant an extension of the Bait and Tackle and Park Store Concession Agreements through December 31, 2012, or until such time that a new concession agreement is finalized, whichever comes first.

**BACKGROUND**

The District and the Bureau finalized the Recreation Management Agreement on October 7, 2011. District staff are moving forward with the long awaited, long term, Lake Casitas Recreation Area concession agreements for the Marina and the Park Store. The Request for Proposals were distributed on November 23, 2011 with a submittal deadline of December 20, 2011. It is expected that the Board will consider and approve new long term concession agreements at their January 25, 2012 meeting.

The current agreements, which expire on December 31, 2011, need to be extended until the new agreements are in place.

December 14, 2011

Mr. Gary Wolfe  
Lake Casitas Marina, Inc.  
11311 Santa Ana Road  
Ventura, CA 93002

**Re: Bait & Tackle Concession Agreement – Modification of Terms**

Dear Mr. Wolfe:

Reference is hereby made to the Bait & Tackle Concession Agreement dated March 24, 1999 between the Lake Casitas Marina, Inc. (Concessionaire) and Casitas Municipal Water District (District) and letter agreements dated December 22, 2008, January 7, 2009, December 18, 2009 and December 15, 2010 modifying the term of the Concession Agreement to expire on December 31, 2011 and reduce the amount of percentage rent payable to District to thirteen percent (13%) of monthly gross receipts. The modifications also applied to the subleased Cycles 4 Rent and Snack Bar concessions.

Referenced is also hereby made to the Letter Agreement dated February 23, 2011 modifying the Bait and Tackle Concession Agreement to include the Park Store and the term of the Concession Agreement to expire on December 31, 2011, and Letter Agreement dated June 28, 2011 modifying payment of monthly gross sales to exclude the sale of alcoholic beverages.

As directed and approved by the District Board of Directors, District desires to modify the terms of the Bait & Tackle and Park Store Concession Agreements as follows commencing January 1, 2012:

Section 3 – Term, subparagraph A, “The term of this Agreement shall be extended for one (1) year commencing January 1, 2012 and terminating December 31, 2012 **or until such time that a new Concession Agreement is executed by the District, whichever occurs first.**”

All other terms and conditions of the Bait & Tackle Concession Agreement dated March 24, 1999, as amended, and the Park Store Concession Agreement dated February 1, 2004, as amended shall remain in full force and effect. District does not object to an extension of the Agreement on Snack Concession at Lake Casitas for the same time period.

Concessionaire and District hereby agree that the Agreement on Cycle Rental and Shaved Ice Concession at Lake Casitas Agreement terminates on December 31, 2011 and is specifically **not** extended.

If you are in agreement with the foregoing, please sign and date this Letter Agreement as indicated below and return the original to the undersigned. A duplicate original is enclosed for your files.

If you have any questions, please call me at extension 112.

Sincerely,

I have read, understand and agree to the above.

STEVEN E. WICKSTRUM  
General Manager

\_\_\_\_\_  
Gary Wolfe  
Dated: \_\_\_\_\_



## LAKE IMPROVEMENT FOUNDATION

GL# 11-2-62-2410-00

DATE	FROM	DEPOSIT	PYMTS	BALANCE	MEMORANDUM
10/01/1997	Tanaka Bait & Tackle	500.00		\$500.00	
10/01/1998	Oak View Civic Council	50.00		\$550.00	
10/01/1998	Tanaka Bait & Tackle	1,250.00		\$1,800.00	
09/01/1999	Tanaka Bait & Tackle	1,700.00		\$3,500.00	
09/01/1999	Rotary Club of Ojai West	500.00		\$4,000.00	
12/01/1999	Suzi Lydick	250.00		\$4,250.00	
01/01/2000	Bill Hicks	300.00		\$4,550.00	
05/01/2000	Pat Weinberger		487.99	\$4,062.01	T-Shirt Reimbursement
06/01/2000	Cash Contributions	34.00		\$4,096.01	
06/01/2000	James Word	15.00		\$4,111.01	
06/01/2000	Ronald Paul	45.00		\$4,156.01	
06/01/2000	Doris Harbison	15.00		\$4,171.01	
?????	Unknown Entry	212.54		\$4,383.55	
08/14/2002	Secretary of State		20.00	\$4,363.55	Filing F 10819
04/21/2003	American Bass Association	1,155.00		\$5,518.55	Bass
06/26/2003	American Bass Association	1,025.00		\$6,543.55	Bass
06/30/2004	Interest Transfer for Year	127.08		\$6,670.63	
06/30/2004	Memorial for Jim Loeble		177.04	\$6,493.59	Cost From Workorder 890402
12/23/2003	Elaine Paul	100.00		\$6,593.59	Plaque for Jim Loeble
07/01/2003	Affinity Group	250.00		\$6,843.59	Donation
06/30/2005	Santa Barbara Monumental Co.		283.08	\$6,560.51	Plaque for Jim Loeble
09/23/2005	Interest Transfer for Year	159.68		\$6,720.19	
08/18/2005	Secretary of State		20.00	\$6,700.19	
01/25/2006	The Tax Specialists		500.00	\$6,200.19	
06/30/2006	Interest Transfer for Year	233.55		\$6,433.74	
02/06/2007	Norm Smith / Family Fishing		500.00	\$5,933.74	
09/12/2007	State of California		20.00	\$5,913.74	LCIF Filing
12/26/2007	Roger Snowbarger	100.00		\$6,013.74	
03/14/2008	Kenneth Wayne McFeeters	50.00		\$6,063.74	
03/14/2008	Wells Hall	100.00		\$6,163.74	
03/14/2008	David C. Regan	100.00		\$6,263.74	
03/19/2008	Ojai Electric	100.00		\$6,363.74	
03/19/2008	Ventura Wholesale Electric Inc.	15.00		\$6,378.74	
03/24/2008	Coordinated Wire Rope	200.00		\$6,578.74	
07/18/2008	Night Fishing Tournament	1170.00		\$7,748.74	
08/22/2008	Contest for Fair Booth LCRA	300.00		\$8,048.74	
09/09/2008	Night Fishing Tournament	1305.00		\$9,353.74	
09/09/2008	Night Fishing Tournament	1350.00		\$10,703.74	
09/10/2008	Moonlight Fishing	990.00		\$11,693.74	
10/09/2008	Visions in Time Foundation	500.00		\$12,193.74	
10/21/2008	Night Fishing Tournament	1215.00		\$13,408.74	
10/21/2008	Night Fishing Tournament	900.00		\$14,308.74	
10/30/2008	Reclass to Revenue Re: Rob, Pirates Festival		500.00	\$13,808.74	Did not meet minimum payment of event space
12/18/2008	Moonlight Fishing	510.00		\$14,318.74	
02/01/2009	Okuma Fishing Tackle		858.00	\$13,460.74	Rods & Reels, Kid's Fishing Day
02/01/2009	Okuma Fishing Tackle		683.18	\$12,777.56	Rods & Reels, Kid's Fishing Day
02/01/2009	Okuma Fishing Tackle		333.19	\$12,444.37	Rods & Reels, Kid's Fishing Day
02/01/2009	Okuma Fishing Tackle		482.63	\$11,961.74	Rods & Reels, Kid's Fishing Day
02/01/2009	Okuma Fishing Tackle		107.25	\$11,854.49	Rods & Reels, Kid's Fishing Day
04/01/2009	Casitas Park Store		1250.00	\$10,604.49	Food, Kid's Fishing Day
04/01/2009	Casitas Park Store		1250.00	\$9,354.49	Food, Kid's Fishing Day
05/08/2009	State of California		20.00	\$9,334.49	LCIF Filing
06/17/2009	Night Fishing Tournament	1,440.00		\$10,774.49	
06/17/2009	Night Fishing Tournament	1,035.00		\$11,809.49	
07/28/2009	Donation	510.00		\$12,319.49	
08/18/2009	Donation Shelly M. Reyes	990.00		\$13,309.49	
08/27/2009	Donation West Coast Christian Anglers	420.00		\$13,729.49	
09/22/2009	Donation Shelly M. Reyes	855.00		\$14,584.49	
09/22/2009	Donation Shelly M. Reyes	810.00		\$15,394.49	
09/29/2009	Donation West Coast Christian Anglers	570.00		\$15,964.49	
02/22/2010	Donation Kiwanis Club	500.00		\$16,464.49	
02/22/2010	Donation Firemans Assoc. Charity Fund	606.00		\$17,070.49	
03/15/2010	Check 4569 Okuma Fishing Tackle		985.07	\$16,085.42	Family Fishing Day
03/15/2010	Check 4717 Coordinated Wire Rope		374.19	\$15,711.23	Family Fishing Day
03/19/2010	Check 4770 Sysco Food Services of LA		2249.63	\$13,461.60	Family Fishing Day
03/20/2010	Check 4648 Harbor Freight		21.60	\$13,440.00	Family Fishing Day
03/25/2010	Check 4725 Erics Tackle		593.99	\$12,846.01	Family Fishing Day
03/25/2010	Petty Cash Family Fishing Day		43.11	\$12,802.90	Family Fishing Day
06/29/2010	Donation Shelly M. Reyes	900.00		\$13,702.90	Family Fishing Day
03/09/2011	Importation Permit / Fish Planting		45.25	\$13,657.65	
03/23/2011	Rainbow Trout / Kids Fishing Day		7500.50	\$6,157.15	
03/24/2011	Food for Kids Fishing Day / Water Spring Alpine		239.60	\$5,917.55	
03/24/2011	Food for Kids Fishing Day / Hot Dog Buns		315.90	\$5,601.65	
05/09/2011	State of California		20.00	\$5,581.65	LCIF Filing
05/10/2011	LCIF Night Fishing	400.00		\$5,981.65	
06/15/2011	Jim Reyes	925.00		\$6,906.65	
08/29/2011	Money Order	500.00		\$7,406.65	Night Fishing Anglers Choice
10/18/2011	Daniel & Megan Merchant	155.00		\$7,561.65	Night Fishing Anglers Choice
10/18/2011	Kevin Caruso	255.00		<b>\$7,816.65</b>	Night Fishing Anglers Choice

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**CASITAS MUNICIPAL WATER DISTRICT  
INTEROFFICE MEMORANDUM**

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**TO:** STEVE WICKSTRUM, GENERAL MANAGER  
**FROM:** NEIL COLE, CIVIL ENGINEER  
**SUBJECT:** AWARD CONTRACT-RINCON 2(M) PIPELINE REPLACEMENT STATION 65 TO 76, SPECIFICATION 11-346  
**DATE:** NOVEMBER 21, 2011

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**RECOMMENDATION:**

It is recommended that the Board of Directors adopt the resolution:

1. Finding that the bid irregularities are minor and the bid submitted by Toro Enterprises Inc. is responsive.
2. Accepting the proposal submitted by the lowest responsible bidder, Toro Enterprises Inc.
3. Award the contract for the construction of the Rincon 2(M) Pipeline Replacement Station 65 to 76, Specification 11-346 to Toro Enterprises Inc in the amount of \$589,535.00.

It is further recommended that the President of the Board execute the agreement for said work and the Board authorize staff to proceed with the administration of the contract.

**BACKGROUND AND DISCUSSION:**

The 2004/05 winter storms damaged a portion of the Rincon 2(m) pipeline leaving many homes in the coastal communities without water for an extended period of time. The damaged portion of the pipeline was in the bottom of a large ravine. The pipeline was repaired but remains in a location where the pipeline could be damaged by future storm events.

In May 2008, work began on a preliminary study to determine the best method to replace the pipeline. In 2009, the study was completed and design began on the recommended alternative, directional drill the replacement pipe. The cost estimate at that time was about \$2 million to install two replacement pipes.

The project was advertised through F.W. Dodge and on the District's web site. Eleven bidders completed the non mandatory job walk. Six firms submitted proposals. The bid results are:

<b>FIRM</b>	<b>AMOUNT</b>
Toro Enterprises Inc.	\$589,535.00
Travis Agricultural Construction	\$595,390.00
Blois Construction inc.	\$613,500.00
Christensen Brothers Engineering Construction	\$630,319.85
MDR Inc.	\$929,100.00
AIS Construction	\$1,300,000.00

The bid submitted by Toro Enterprises Inc. did not include the signed Addendum No. 1 and pages 14 through 22 of the bid package. Toro Enterprises has subsequently submitted all of the information. Staff has reviewed the bid discrepancies with Casitas' attorneys. Staff is recommending that Board waive the discrepancies as being inconsequential.

Toro Enterprises Inc. has a current and active General Engineering contracting license. Toro Enterprises Inc. successfully completed a pipeline replacement project for Casitas in April 2011.

The FY 2011-12 Budget allocated \$1,100,000 for the completion of this project.

CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION AWARDING A CONTRACT  
FOR THE RINCON 2(M) PIPELINE REPLACEMENT STATION 65 TO 76  
SPECIFICATION NO. 11-346**

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

**WHEREAS**, the District received six bids,

**WHEREAS**, Toro Enterprises Inc. submitted the low bid in the amount of \$589,535.00.

**WHEREAS**, the District's Board has considered whether Toro Enterprises Inc. bid substantially complied with the requirements set forth in the bid invitation, and whether the lack of a signed Addendum No. 1 and pages 14-22 of the proposal package in the bid packet was an inconsequential deviation that may be waived.

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

1. That Toro Enterprises failure to include acknowledgement of Addendum No. 1 and pages 14-22 of the proposal package in the bid packet is an inconsequential deviation and waived.
2. That Toro Enterprises Inc. bid substantially complies with the requirements set forth in the bid invitation and is responsive.
3. That the bid from Toro Enterprises Inc. in the amount of \$589,535.00 be accepted for the Rincon 2(M) Pipeline Replacement Station 65 to 76, Specification 11-346 and a contract awarded.
5. That staff is hereby authorized and directed to proceed with the administration of the contract with Toro Enterprises Inc.

**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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

**ATTEST:**

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

CASITAS MUNICIPAL WATER DISTRICT  
Inter-Office Memorandum

DATE: December 9, 2011

TO: Board of Directors

FROM: General Manager, Steve Wickstrum

Re: Agreement with Happy Valley Foundation regarding reduction of water usage.

**RECOMMENDATION:**

It is recommended that the Board of Directors approve the Agreement with Happy Valley Foundation and authorize and direct the President of the Board to sign the Agreement.

**BACKGROUND AND OVERVIEW:**

Staff has been working with Mr. Leon Berg, Happy Valley Foundation (HVF), now known as Besant Hill School, to address the request for a will-serve letter for a conditional use permit, the additional construction of a pool complex and additional student and faculty housing at its Upper Ojai campus. It was noted that HVF is presently assigned an allocation of 18.5 acre-feet, but HVF has expanded its annual water use to more than 30 acre-feet through the addition of turf playing fields and other uses. An agreement has been drafted that states that HVF will comply with a water use reduction plan that relies primarily on the development and application of groundwater well(s). The direction of the plan is to bring the HFV annual water use back to the allocation amount, even with the proposed improvements. If HVF does exceed the annual water allocation, HVF will be charged two times the applicable unit rate for the classification for each unit of water HVF uses in excess of the allocation.

Mr. Berg recognizes the challenge to bring water use back into conformance with the allocation, but felt that taking the turf fields off of the Casitas supply will accomplish this goal. Mr. Berg also expressed interested in the grant program assistance to conserving water at his campus.

The agreement was reviewed during Water resources Committee meeting of November 23, 2011.

RECORDING REQUESTED BY  
CASITAS MUNICIPAL WATER DISTRICT  
WHEN RECORDED, MAIL TO:  
CASITAS MUNICIPAL WATER DISTRICT  
P.O. BOX 37  
OAK VIEW, CA 93022

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APN: 030-0-130-105; 030-0-130-045; 030-0-180-025;  
030-0-170-080; 030-0-060-075

**AGREEMENT BETWEEN HAPPY VALLEY FOUNDATION AND CASITAS  
MUNICIPAL WATER DISTRICT FOR ACTIONS NECESSARY TO REDUCE WATER  
USAGE**

**THIS AGREEMENT** is made and entered into by and between CASITAS MUNICIPAL WATER DISTRICT ("Casitas") and HAPPY VALLEY FOUNDATION ("HVF").

**RECITALS**

- A. Casitas is a Municipal Water District formed pursuant to the Municipal Water District Act of 1911 codified as Division XX of the California Water Code (commencing with Section 71000) for the purpose of conserving, storing, distributing, and selling water. The District's water is stored in Lake Casitas, a man-made reservoir.
- B. HVF is the current owner of five contiguous parcels of land described as Assessor Parcel Numbers 030-0-130-105, 030-0-130-045, 030-0-180-025, 030-0-170-080 and 030-0-060-075 (collectively referred to as the "Parcels"), which Parcels are located in the upper Ojai area of Ventura County, California. Assessor Parcel Numbers 030-0-130-105 and 030-0-130-045 as illustrated in "Exhibit A" attached hereto and incorporated herein by this reference are currently served water by Casitas. The Parcels are exclusively used by HVF in its operation of a private educational facility under a conditional use permit issued by the County of Ventura.
- C. HVF has two existing water service connections from Casitas to serve water to the HVF Parcels. The existing water service connections are separately billed under the following accounts: (1) Account No. 60-00310-00 providing water at the business rate classification through a two inch meter service with a water allocation of 3.82 acre-feet of water per fiscal year; and, (2) Account No. 60-00159-00 providing water at the business rate classification through a four inch meter service with a water allocation of 14.65 acre-feet of water per fiscal year. The sum of the annual water allocations for the two meters serving HVF is 18.5 acre-feet.
- D. HVF desires to construct new student and faculty housing and a pool facility with restrooms and showers ("Project"). The Project is a component of HVF's transition from an enrollment composition of 84 boarding-students, 20 day-students, and 28 boarding-faculty families to an enrollment composition of 114 boarding-students and 46 boarding-faculty families. The

Project is described in greater detail in the Project plan attached hereto as “Exhibit B” and incorporated herein by this reference (“Project Plan”). As a condition precedent to issuing a conditional use permit to HVF for the Project, the County of Ventura requires HVF to obtain a will-serve letter from Casitas.

- E. Casitas has an allocation program which allocates water to customers to allow Casitas to maintain its safe yield for Lake Casitas, and limits the expansion of new and existing water allocations and the issuance of will-serve letters, in accordance with Casitas’ Rates and Regulations and actions taken by the Casitas Board of Directors. Casitas would normally not issue a will-serve letter when a customer is using significantly more water than the water allocation without further consideration and action to either increase the water allocation to match the existing and proposed water demands of the customer or effectively reducing the water use by the customer to match the water allocation.
- F. During the period beginning in calendar year 2007 through calendar year 2010, HVF averaged 30.5 acre-feet of annual water demand from the combined water meters serving the Parcels, an average annual water demand that significantly exceeded HVF’s annual water allocation of 18.5 acre-feet.
- G. HVF proposes to implement a water use reduction plan that relies on HVF’s use of local groundwater to supplement its water supply so to reduce all HVF’s water demand, present and future, upon Casitas to equal to or less than the sum of the annual water allocations for the two meters serving HVF of 18.5 acre-feet.

**NOW THEREFORE BE IT AGREED AS FOLLOWS:**

- 1. **Recitals.** The above Recitals are hereby incorporated herein and made part of this Agreement as though fully set forth.
- 2. **Definitions.**
  - 2.1. **Water Reduction Plan:** The Water Reduction Plan dated August 12, 2011, developed by HVF and presented to Casitas, attached hereto as “Exhibit C” and incorporated herein by this reference.
  - 2.2. **Parcels:** Assessor Parcel Numbers 030-0-130-105, 030-0-130-045, 030-0-180-025, 030-0-170-080 and 030-0-060-075, which Parcels are under the record ownership of HVF.
  - 2.3. **Project Plan:** HVF’s plan to construct new residential student and faculty housing and a pool with bathrooms and showers on the Parcels for which HVF is seeking Conditional Use Permit from the County of Ventura. The Project Plan also includes certain water system improvements described in the Water Reduction Plan attached hereto as “Exhibit C” and incorporated herein by this reference.
  - 2.4. **Annual Water Allocation:** The limited amount of water assigned to a specific metered water service connection to Casitas’ water system, which water is served to a customer in accordance with the Casitas Rates and Regulations during the fiscal year starting July

1 and ending June 30. Annual Water Allocations assigned to specific properties are not transferable from one property to another and may not be sold or traded by Casitas customers. The Casitas Board of Directors reserves the right to alter allocations for any customer class at any time and the term allocation shall not mean an entitlement or imply a water right.

**2.5. Unit of Water** – One unit of water is a volume that equals 100 cubic feet or 748 gallons. There are 435.6 units of water in an acre foot of water.

3. **Availability of Groundwater.** HVF hereby represents that it has identified and has the right to develop groundwater sources sufficient to meet HVF's demand for water that may exceed HVF's annual water allocation of 18.5 acre-feet delivered by Casitas.
4. **Development of Groundwater.** In accordance with the Project Plan and Water Reduction Plan, HVF agrees to develop groundwater as a supplemental water source so as to reduce HVF's total water demand, present and future, upon Casitas to equal to or less than the annual 18.5 water allocation for the two Casitas meters serving HVF.
5. **Will-Serve Letter.** Based upon HVF's agreement to develop groundwater in accordance with the Project Plan and Water Reduction Plan, Casitas agrees to issue HVF the will-serve letter as required by the County of Ventura as a condition precedent to the County's approval of the Project.
6. **Charge for Water Use Exceeding Allocation.** Upon the conclusion of each fiscal year, Casitas shall determine the amount of water use by HVF, as quantified by the summation of the water meter readings gathered by Casitas during the fiscal year for the two HVF water service accounts. Casitas shall then determine the amount of water delivered to HVF in excess of HVF's annual allocation of 18.5 acre-feet or any adjustment thereto. HVF shall be charged two times the applicable unit rate for the classification for each unit of water HVF uses in excess of the summed annual water allocation. The determination of excess water demand shall begin for the fiscal year 2011-2012, with the first determination of water usage made in July 2012.

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7. **Payment and Collection of Charges.** In accordance with the Casitas Rates and Regulations, HVF shall be invoiced and required to pay all charges for Casitas water service, including charges for water service imposed pursuant to this agreement. Casitas hereby reserves all rights and remedies it may have under applicable law to collect any and all charges for Casitas water service incurred by HVF.
8. **Right to Establish Rates and Allocations.** Notwithstanding any provision of this agreement, the Casitas Board of Directors may, in its sole discretion and in accordance with applicable law, set water rates and/or tiered rates and/or adjust or change individual water allocations that may be applicable to the water served to HVF.
9. **Right to Increase Allocation.** This Agreement does not preclude HVF from acquiring additional water allocation from Casitas, if said additional allocation is available and offered to HVF.



**10. Administration of Agreement.** All determinations made by Casitas with respect to administration of this agreement shall be made at the sole discretion of Casitas and HVF shall not contest in any manner such determinations.

**11. Recordation.** The parties hereto agree that, upon execution, this agreement shall be recorded in the Office of the Ventura County Recorder. Costs associated with the recordation of said agreement shall be borne by Casitas.

**12. Notice.** Any notice which may be required during the conduct of the work provided for by this Agreement or which may be required by law to be given or served upon any of the parties hereto may be given personally, or by depositing in the United States mail, postage prepaid, addressed to the respective parties hereto at the following respective addresses:

Casitas Municipal Water District  
1055 N. Ventura Avenue  
Oak View, CA 93022

Happy Valley Foundation-Besant Hill School  
P.O. Box 804  
Ojai, California 93024

**13. Severability.** If any term, covenant, condition, or provision of this contract is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

**14. No Inducement.** Each party acknowledges to the other that no one (including, without limitation, any party, or any agent of attorney of any party) has made any promise, representation, or warranty whatsoever, expressed or implied, written or oral, not contained herein concerning the subject matter hereof to induce it to execute this Agreement, and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation, or warranty not contained herein.

**15. Further Assurances.** The parties shall take such further actions and execute such further documents as shall be reasonably be necessary to effect the transactions contemplated under this Agreement.

**16. Construction.** The Parties have each carefully reviewed this Agreement, and have agreed to each term of the Agreement. No ambiguity shall be presumed to be construed against any Party.

**17. Captions.** The captions of the Sections of the Agreement are for convenience and reference only. They shall not be construed to define or limit the provisions to which they relate.

**18. Authority.** Each person executing this Agreement warrants and represents to the other party that it has the authority to execute this Agreement, that it has read and fully understands this Agreement, and that it is entering into this Agreement freely and voluntarily.

**19. No Waiver.** No failure or delay by either party in asserting any of its rights and remedies as to any default of the other party shall operate as a waiver of the default, of any subsequent or other default, or any of either parties' rights or remedies. No such failure or delay shall



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Ventura }

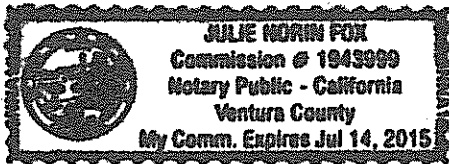
On 10/27/11 before me, James Sloss, Chairman of the Board  
Date Here Insert Name and Title of the Officer

personally appeared James Sloss  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: Julie Norin Fox  
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

Description of Attached Document

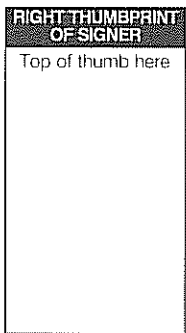
Title or Type of Document: Agreement between Happy Valley Foundation and Casitas Municipal Water District for actions necessary to reduce water usage  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

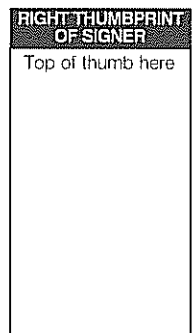
- Corporate Officer — Title(s): \_\_\_\_\_
- Individual
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Corporate Officer — Title(s): \_\_\_\_\_
- Individual
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

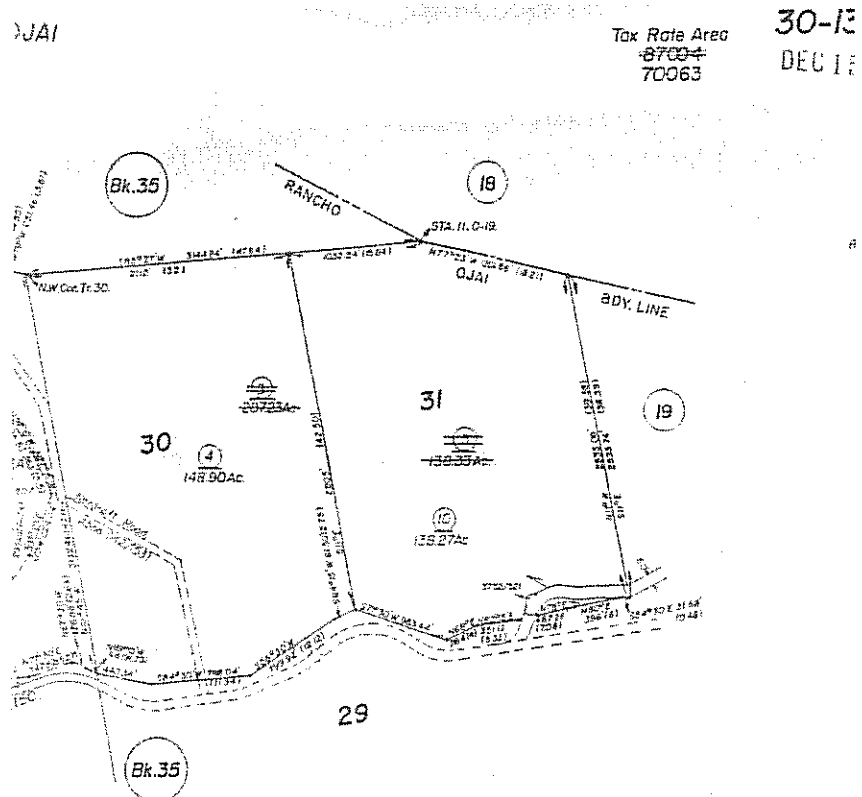


Signer Is Representing: \_\_\_\_\_

## Exhibit A

Real property in the unincorporated area of the County of Ventura, State of California, described as follows:

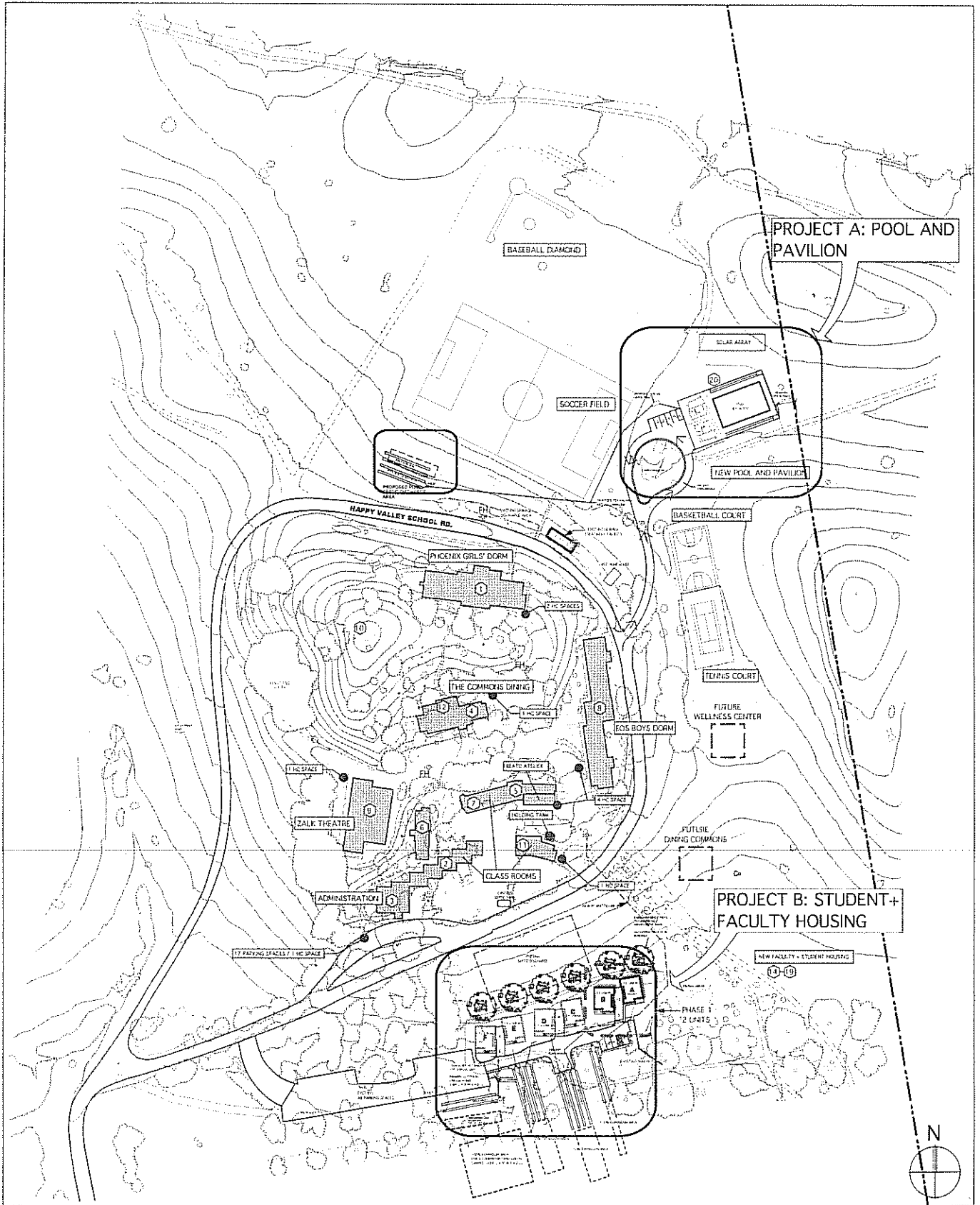
Lots 30 and 31 of the Bard Subdivision of the Rancho Ojai, in the County of Ventura, State of California, according to the map thereof on file and of record in the office of the County Recorder of Ventura County, California, in Book 5, page 25 1/2 of Maps, thereof.



NOTE: ASSESSOR'S PARCELS SHOWN ON THIS PAGE DO NOT NECESSARILY CONSTITUTE SEPARATE LOTS. CHECK WITH COUNTY RECORDER'S OFFICE FOR PLANNING DIVISION TO VERIFY.

Assessor's Map Bk. 30-Pg. 13  
County of Ventura, Calif.

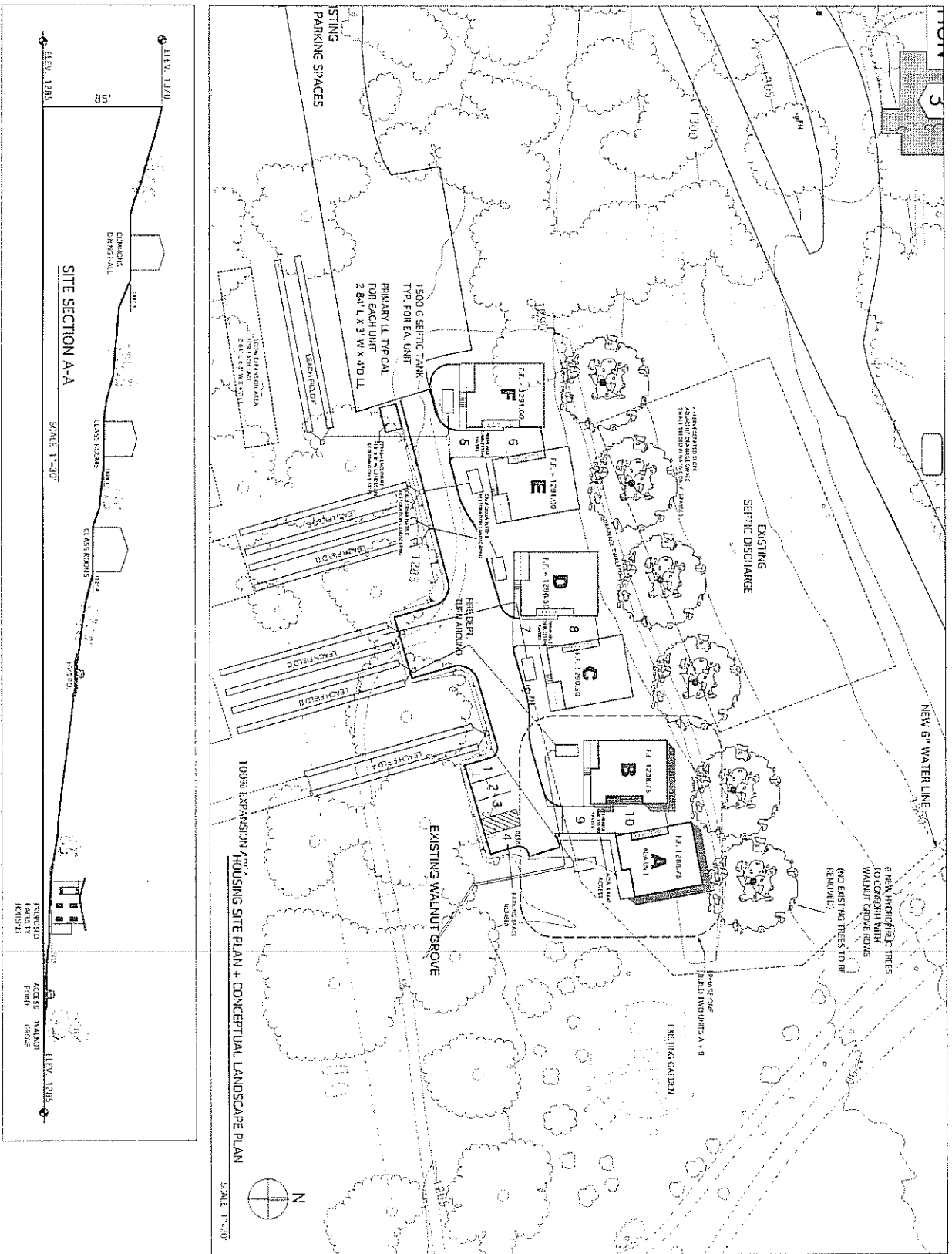
NOTE: Assessor's Block Numbers Shown in Ellipses



BESANT CAMPUS SITE PLAN

SCALE 1"=200'

# Exhibit B

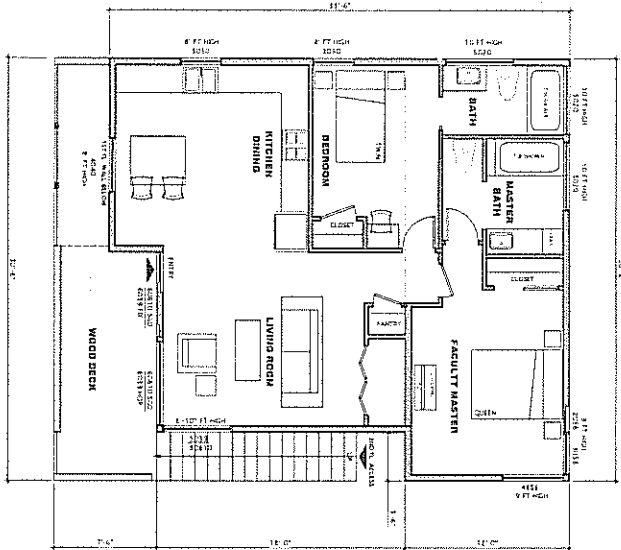


<b>domu</b> CREATING THE ART OF LIVING		<p>LOCAL SOURCE ARCHITECT AND INTERIOR DESIGNER 8500 COLUMBIA AVENUE, SUITE 200 DENVER, CO 80231 303.755.5000 WWW.DOMUDESIGN.COM</p>
<p>DESIGNED BY: DOMU DESIGN DATE: 08.28.2017 PROJECT: 100% EXPANSION OF HOUSING SITE PLAN</p>		
<p>CONCEPTUAL USE: RESIDENT SUBMITTAL PLANS (NOT FOR CONSTRUCTION)</p>		

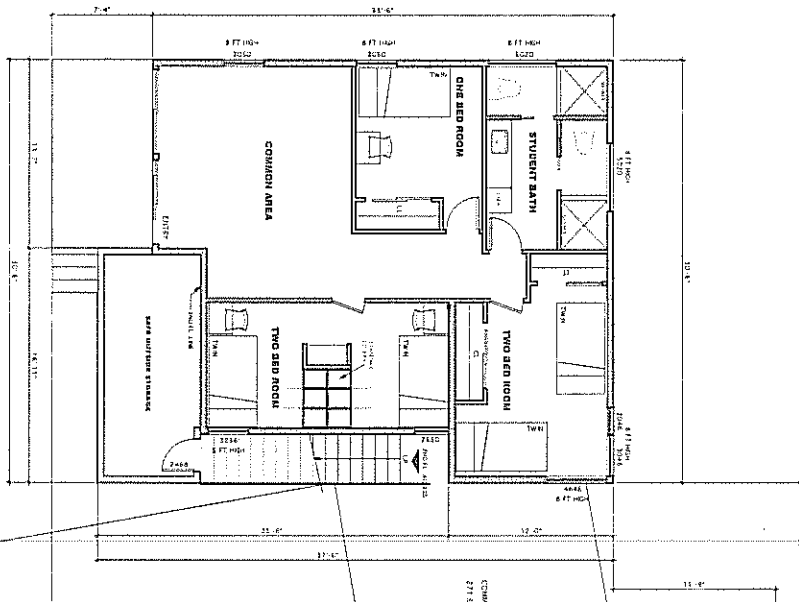
**BESANT HILL SCHOOL OF HAPPY VALLEY**  
6335 OLD SANTA FE BLVD. SUITE 100  
DENVER, CO 80231

**HOUSING SITE PLAN**  
**AH 1**

# Exhibit B



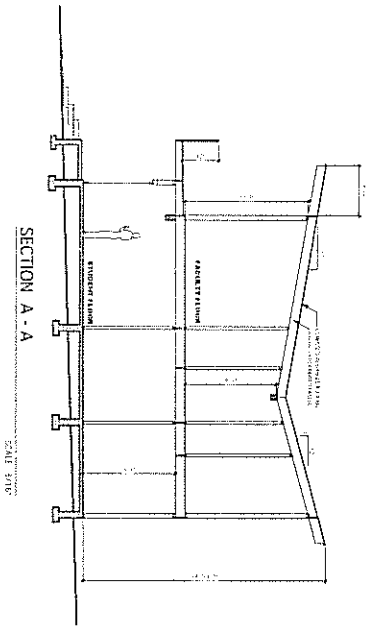
STUDENT / FACULTY HOUSING  
2ND FLOOR FACULTY UNIT  
SCALE 1/4"  
LIVING AREA: 882 SQ.FT.  
DECK: 228 SQ.FT.



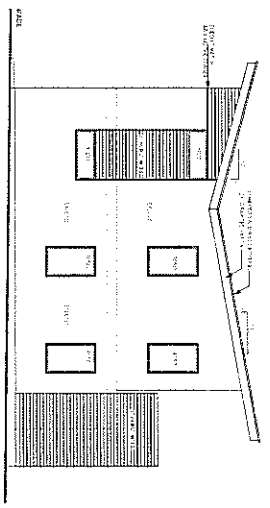
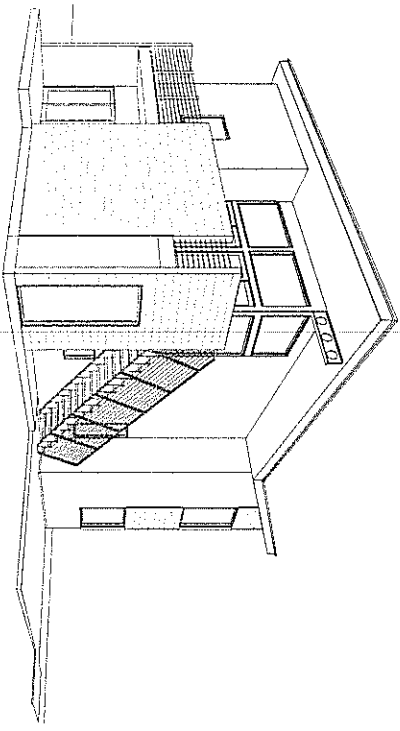
STUDENT / FACULTY HOUSING  
1ST FLOOR STUDENT UNIT  
SCALE 1/4"  
LIVING AREA: 1026 SQ.FT.  
PATIO: 181 SQ.FT.

REVERSE FLOOR PLAN UNIT

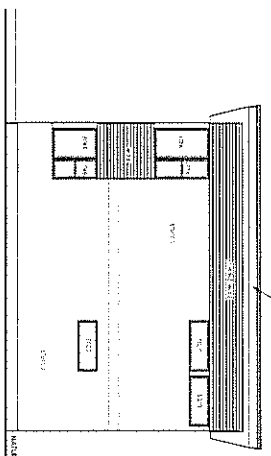
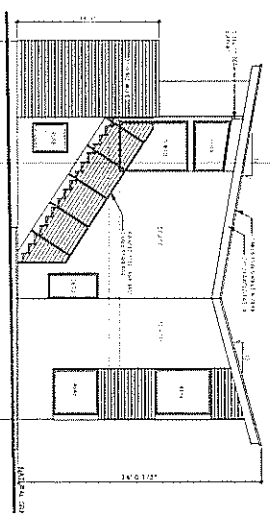
# Exhibit B



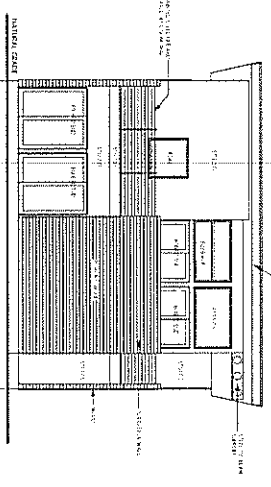
SOUTH EAST PERSPECTIVE



ELEVATIONS



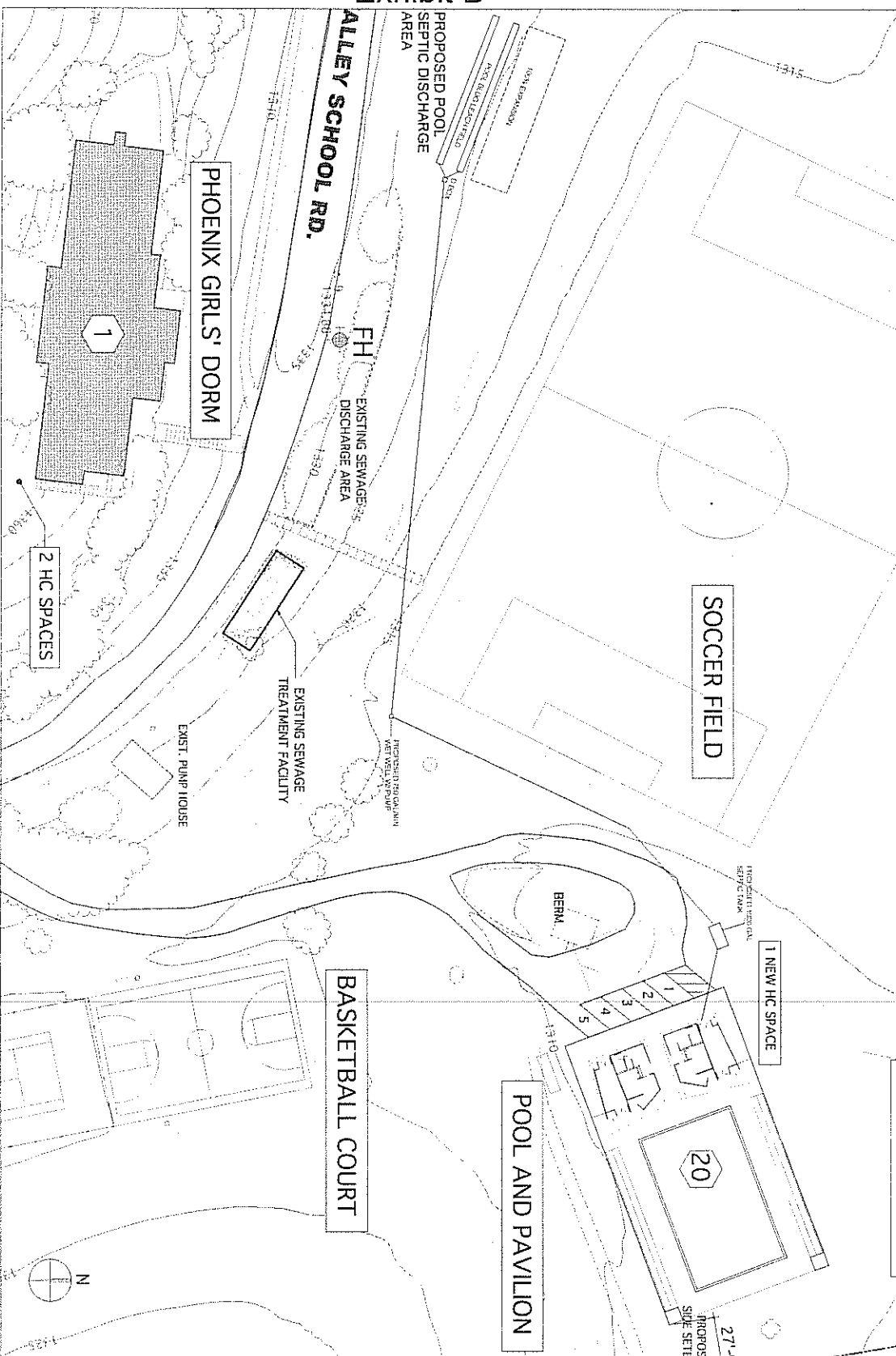
NORTH ELEVATION



SOUTH ELEVATION



# Exhibit B



POOL PAVILION SITE PLAN

SCALE 1" = 30'

**dorum**  
DESIGN GROUP

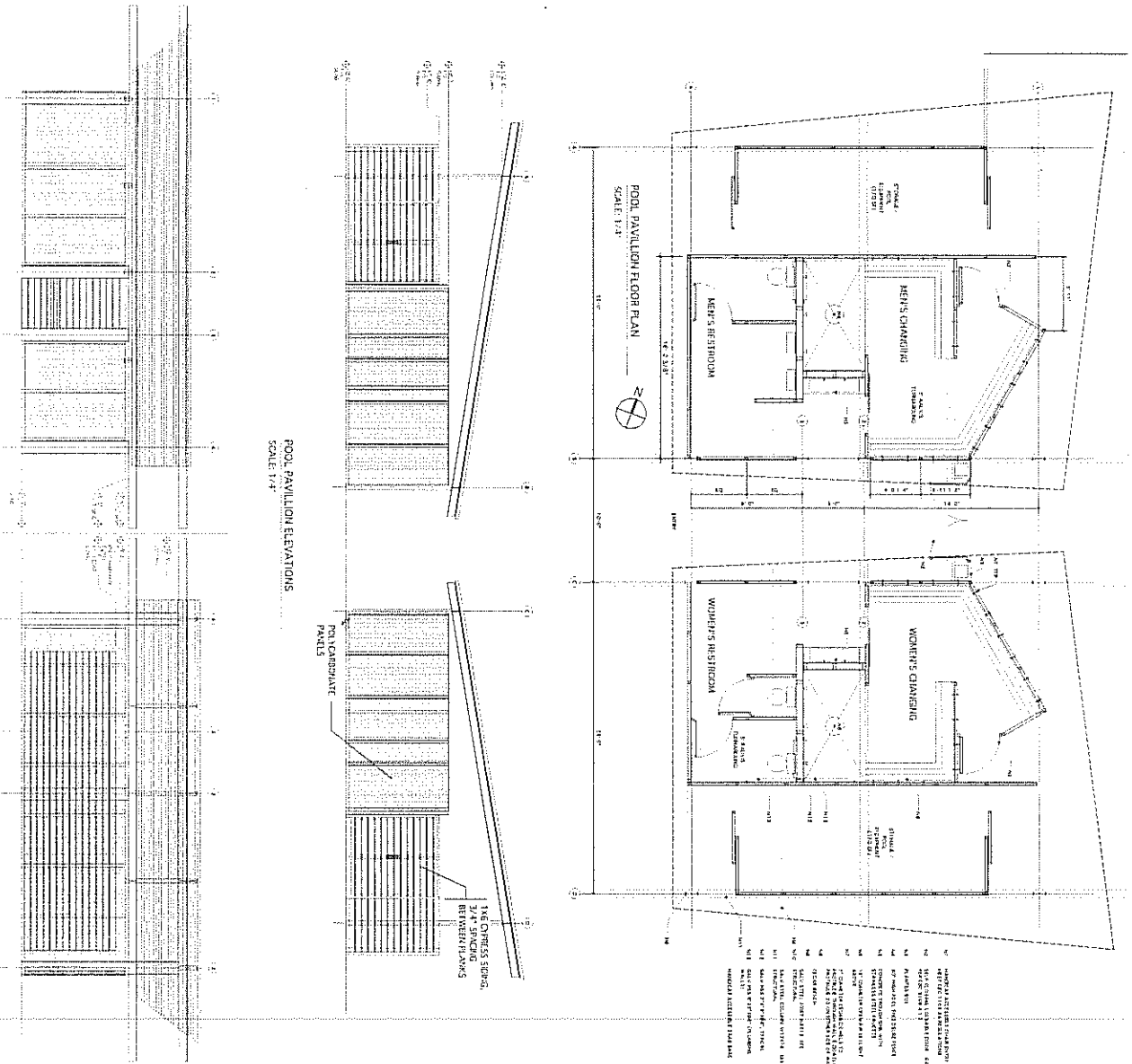
LESLIE ZONK, ASSISTANT ARCHITECT  
LESLIE ZONK ARCHITECTS, INC.  
1525 30TH AVENUE, SUITE 100  
DENVER, CO 80202  
www.fcdllidirect.com

PROJECT: BESANT HILL SCHOOL OF HAPPY VALLEY  
1525 30TH AVENUE, SUITE 100, DENVER, CO 80202

ARCHITECT: LESLIE ZONK ARCHITECTS, INC.  
DATE: 05/20/2011  
DRAWN: 05/20/2011  
CHECK: 05/20/2011  
SCALE: 1" = 30'

POOL PAVILION  
SITE PLAN  
AP 1

# Exhibit B



- 1. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 2. POLYCARBONATE PANELS
- 3. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 4. POLYCARBONATE PANELS
- 5. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 6. POLYCARBONATE PANELS
- 7. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 8. POLYCARBONATE PANELS
- 9. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 10. POLYCARBONATE PANELS
- 11. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 12. POLYCARBONATE PANELS
- 13. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 14. POLYCARBONATE PANELS
- 15. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 16. POLYCARBONATE PANELS
- 17. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 18. POLYCARBONATE PANELS
- 19. 1/4" OVERLAP SQUARES BETWEEN JOISTS
- 20. POLYCARBONATE PANELS

**domu**  
ARCHITECTS

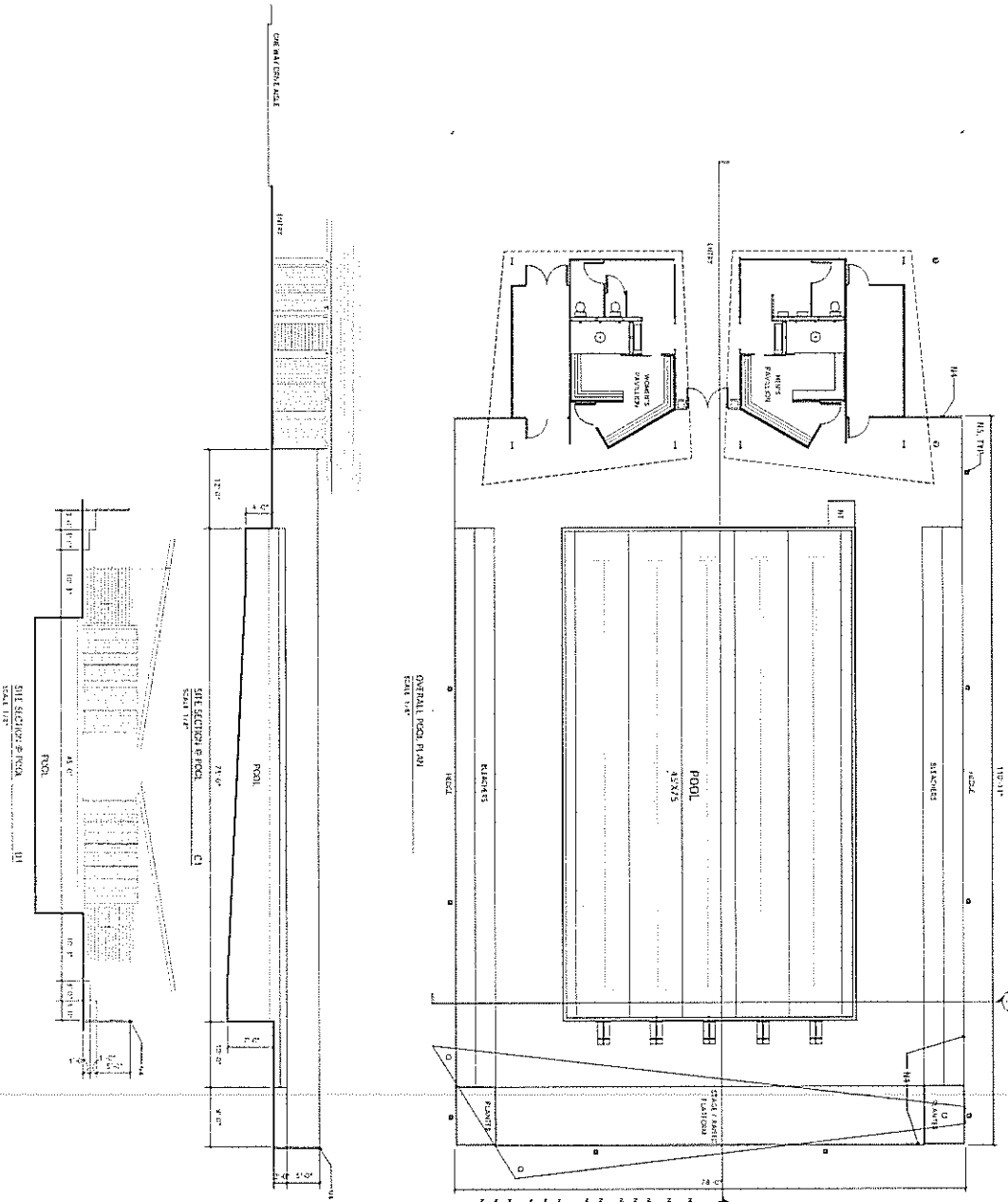
LARA ANSEL, ARCHITECT, P.A.  
4200 VALLEY VIEW, SUITE 200  
DALLAS, TEXAS 75244  
WWW.DOMUARCHITECTS.COM

**BESANT HILL SCHOOL OF HAPPY VALLEY**  
5505 DALLAS SAKAFAHILL A SCND  
DALLAS, TX 75244

CONDITIONAL USE PERMIT  
SIGNIFICANT PLANS (NOT FOR CONSTRUCTION)

DATE: 03/16/2011  
SCALE: VARIOUS  
PROJECT: POOL PAVILION PLAN+ELEV.  
DRAWING: AP 2

# Exhibit B



OVERALL POOL PLAN  
SCALE 1/8" = 1'-0"

CROSS SECTION  
SCALE 1/8" = 1'-0"

- 1. SEE NOTES ON SHEET 101 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 2. SEE NOTES ON SHEET 102 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 3. SEE NOTES ON SHEET 103 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 4. SEE NOTES ON SHEET 104 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 5. SEE NOTES ON SHEET 105 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 6. SEE NOTES ON SHEET 106 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 7. SEE NOTES ON SHEET 107 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 8. SEE NOTES ON SHEET 108 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 9. SEE NOTES ON SHEET 109 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 10. SEE NOTES ON SHEET 110 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 11. SEE NOTES ON SHEET 111 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 12. SEE NOTES ON SHEET 112 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 13. SEE NOTES ON SHEET 113 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 14. SEE NOTES ON SHEET 114 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 15. SEE NOTES ON SHEET 115 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 16. SEE NOTES ON SHEET 116 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 17. SEE NOTES ON SHEET 117 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 18. SEE NOTES ON SHEET 118 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 19. SEE NOTES ON SHEET 119 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.
- 20. SEE NOTES ON SHEET 120 FOR GENERAL NOTES TO BE OBSERVED BY CONTRACTOR.



1001 G STREET, SUITE 101, SAN FRANCISCO, CA 94109  
WWW.DOMUDIRECT.COM

FOR THE ARCHITECT OF RECORD, THE ARCHITECT HAS REVIEWED THE SUBMITTALS FOR CONFORMANCE WITH THE PERMITTED USE OF THE PERMIT. THE PERMIT IS NOT A GUARANTEE OF THE ACCURACY OF THE INFORMATION PROVIDED. THE ARCHITECT'S REVIEW IS LIMITED TO THE INFORMATION PROVIDED AND DOES NOT CONSTITUTE A WARRANTY OF ANY KIND.

**CONDITIONAL USE PERMIT**  
SUBMITTAL PLANS (NOT FOR CONSTRUCTION)

**Exhibit C**  
**Besant Hill School Water Reduction Plan**  
 August 12, 2011

The Besant Hill School is requesting a Will-Serve letter in order to construct a new swimming pool with toilet/shower facilities and six student/faculty housing units each capable of housing five students and a faculty family of three. The faculty/student housing will be built over an estimated five year period. The new housing for 30 potential boarding students will result in an increase in the overall student population of the school, from the current 104 to a maximum of 114 students. While there will be an increase in boarding students there will also be a corresponding decrease in day students. There will be a maximum increase of 18 faculty and children living on-site. The site and floor plans are attached.

**The annual estimated increase in the amount of water consumed by the use of the swimming pool toilets and showers is: 41,260 gallons.**

(Assuming one shower and one flush (female only - males using waterfree urinals) /student for a maximum scenario of all 114 students using the facility/week during school session time - 32 weeks =  $8.8 \times 114 \times 32 = 32,102$  +  $1.6 \times 57 \times 32 = 2,918$  + an estimated 30 days of use during the summer of 20 people per day =  $20 \times 30 \times 10.4 = 6,240$  (assuming all female). The swimming pool would be filled once every 5-7 years and evaporative losses minimized by covering).

**The annual estimated increase in the amount of water consumed by the residents of the new housing units is: 600,708 gallons.**

(Using the average of 45.2 gallons per day/person (using water conserving fixtures and appliances, per: DrinkTap.org) and assuming 30 students residing for 32 weeks/year and the 18 faculty and children residing year round. (Students =  $30 \times 32 \times 7 \times 45.2 = 303,744$ . Staff families =  $18 \times 365 \times 45.2 = 296,964$ . Total = 600,708). This calculation does not take into account the offset produced by the decrease in day students.)

**The total estimated increase in water consumption is 641,968 gallons per year after all building is completed.**

Based on the report (11/16/2010) created by Mr. Larry Harris of CMWD, Besant Hill School currently uses 9,791,320 gallons of water per year. The proposed new construction will increase this by 641,968 gallons, bringing the total to: 10,433,288 gallons/year.

The schools allocation is 6,018,468 gallons/year. Therefore the water needed to balance Besant Hill School's actual and projected water use with its water allocation, as assigned by Casitas, is **4,414,820** gallons per year (13.55 acre-feet per year).

As noted in the report the only way to substantially reduce the school's usage is to reduce the water used for irrigation. According to the CMWD report, the school uses 4,577,019 gallons per year to irrigate the soccer, baseball, volleyball courts, and crop areas, ( $3,916,603 + 304,286 + 356,130$ ). Therefore by eliminating all Casitas originated water from these areas, the school's water usage

**Exhibit C**  
**Besant Hill School Water Reduction Plan**  
August 12, 2011

will decrease to within its allotment.

Since there is an active and certified well on the property, the school is planning on substituting well water for Casitas water for irrigating the aforementioned areas. The school has also determined other sprinkled areas which can be switched over.

This plan calls for the installation of a 5HP well pump, the water being pumped to a storage tank at the main pump house near the soccer field. Here the stored water will be boosted to 90psi and 60 gpm by a 7.5 HP VFD pump to supply irrigation water to the playing fields and other areas by tying into the existing irrigation distribution system.

# Casitas Municipal Water District

## Monthly Cost Analysis

### 2011/2012



12/07/2011

	<u>Marzula &amp; Marzula</u> <i>11-5-21-5049-12</i>	<u>Operation of Robles</u> <i>11-5-??-????-14</i>	<u>Fisheries</u> <i>11-5-28-50??-??</i>	<u>Project Name Fish Passage</u>	<u>Cost of the Fish Passage</u>
2003/2004	0.00	132,143.20	6,066.93		
2004/2005	0.00	298,006.35	39,124.63		8,079,888.06
2005/2006	274,270.75	144,052.92	93,406.52		0.00
2006/2007	194,409.73	110,707.78	188,651.75		114,790.04
2007/2008	21,111.90	117,299.80	272,644.56		0.00
2008/2009	1,207.75	88,201.00	307,739.00		0.00
2009/2010	216,797.47	124,874.54	342,756.94		0.00
2010/2011	169,932.80	148,506.23	373,535.60		
<b>Expenditures</b>					
July	691.67	5,316.70	21,434.00		
August	1,457.70	2,986.95	24,849.61		
September	0.00	14,252.92	26,760.88		
October	25.63	11,707.92	31,235.08		
November	0.00	10,201.99	19,537.36		
December					
January					
Feburary					
March				<b>Less: Grants</b>	
April				CA Coastal Conservancy	-1,750,000.00
May				CA Dept of Fish & Game	-1,500,000.00
June				CA Dept of Fish & Game	-1,000,000.00
				Pacific States Marine	-8,988.86
				(Timber Debris Fence)	
				Pacific States Marine	-18,980.00
				(Vaki Shroud)	
<b>Total Cost YTD</b>	<u>2,175.00</u>	<u>44,466.48</u>	<u>123,816.93</u>	<b>Total Cost TD</b>	<u>8,194,678.10</u>
				<b>Less: Grant Funding</b>	<u>-4,277,968.86</u>
<b>Total Project Cost</b>	<u>879,905.40</u>	<u>1,208,258.30</u>	<u>1,747,742.86</u>	<b>Total Project Cost</b>	<u>3,916,709.24</u>

**Total: Operation of Robles, Fisheries and Fish Passage** **6,872,710.40**

CASITAS MUNICIPAL WATER DISTRICT  
LAKE CASITAS RECREATION AREA

DATE: November 28, 2011  
 TO: Steve Wickstrum, General Manager  
 FROM: Carol Belser, Park Services Manager  
 SUBJECT: Recreation Area Monthly Report October 2011

Visitation Numbers

The following is a comparison of visitations for October 2011:

	October 2010	October 2011	Sept. 2011
Visitor Days	35,552	38,392	66,520
Camps	3,736	2,804	6,892
Cars	8,888	9,598	16,626
Boats	160	222	337
Kayaks & Canoes	5	4	1

Fiscal Year to Date Visitation	
2010/2011	299,592
2011/2012	320,376
% Change	6.937

Activities and Events

The Junior Explorer Program was held October 1 with six youth in attendance.

The Cross Country Ventura County Championships meet was held Friday, October 28 and had over 500 cars through the front gate.

There was a Float Fly event on October 14-16. There were 58 flyers and 30 campers over the weekend.

Staff Training

APSO and PSO staff started waterfront lifeguard training to be skilled in the use of equipment in the event a water rescue is needed.

Full-time and Part-time staff and volunteers participated in snake and dog training October 13 and 14 pertinent on to their role with the District. Bob Wisma from Ventura County Animal Control provided the training.

Boating

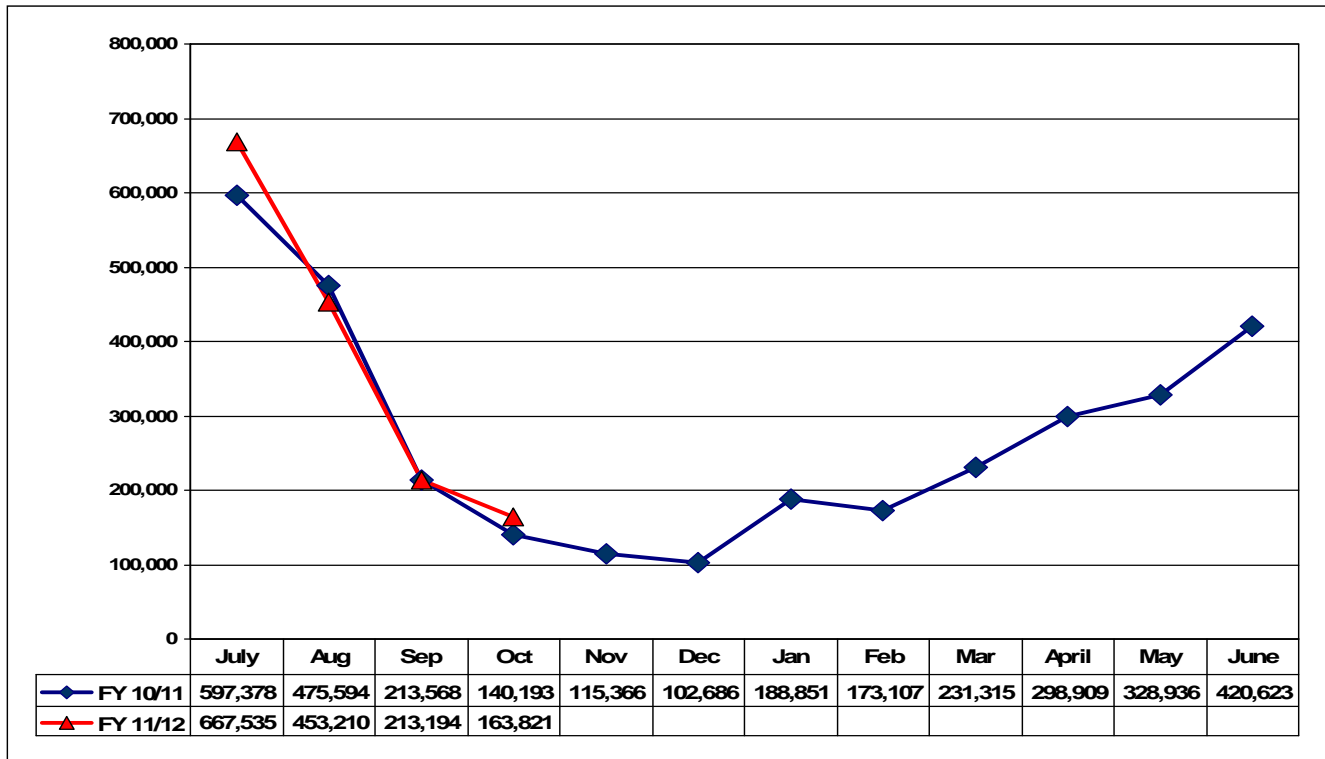
There were 14 cables sold for new inspections, 13 vessel re-inspections, and 458 boats were retagged. Thirteen failed the first inspection. Shoreline fishing at night was held October 7 and 8.

PSO and APSO staff are continuing to collect data for the creel survey and an opinion survey the first week of each month. The data collected is analyzed by Scott Lewis and will be used in the Fisheries Management Plan.

Revenue Reporting

The figures below illustrate all Lake Casitas Recreation Area’s revenue collected in the respective month (operations, concessions, Water Adventure, etc.) per the District’s Financial Summary generated by the Finance Manager.

LCRA TOTAL REVENUE

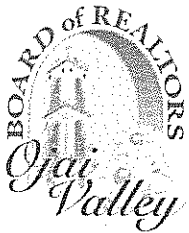


Incidents

Reportable incidents that occurred in the Recreation Area involving calls for emergency service include: an injury at the Radio Controlled Strip (struck by own propeller), arrest for felony child endangerment, lost boaters search and rescue in heavy fog and a fall from bicycle injury.



Board-info



# OJAI VALLEY BOARD OF REALTORS

*A Great Place to Visit . . .  
An Even Better Place to Live*

Board of Directors  
Casitas Municipal Water District  
1055 N. Ventura Ave.  
Oak View, CA 93022

November 22, 2011

**Members of the Board:**

The Ojai Board of Realtors met on November 16, 2011 to consider Ojai Flow's proposal to replace Ojai 's current water purveyor, Golden State Water Company, with Casitas Municipal Water District. The Board of Realtors after considering the merits of the proposal, concluded that it is in the best interest of Ojai and the surrounding community that Golden State Water Company be replaced.

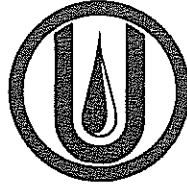
The cost of Golden State Water Company's service threatens the value of local real estate and the viability of local business. Golden State Water Company's rates not only threaten the value of property within the service area, but also the surrounding community. The Ojai Valley's attractiveness is greatly dependent on the character and vitality of the City of Ojai.

For many the equity established in their home is the largest portion of net worth of a live time's work. As a community we cannot allow any part of that equity to be diminished simply because an essential service is overpriced. When neighbors, literally as close as across the street from one another, experience a disparity of two to three times the cost for the same service, the community must seek a remedy.

We have confidence that Casitas Municipal Water District can use its authority as a public agency and its expertise as a water purveyor / water resource manager to help the Ojai community begin to bring the cost of water under control. The Ojai Board of Realtors supports Ojai Flows efforts and strongly recommends that your Board act on the proposal to buy out Golden State Water Company.

Dawn E. Shook  
Executive Officer

*Boat Info*



Board of Directors  
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Anthony H. Trembley

General Manager  
E. Michael Solomon

## UNITED WATER CONSERVATION DISTRICT

"Conserving Water Since 1927"

November 21, 2011

Linda Parks, Chair  
Board of Supervisors  
County of Ventura  
800 South Victoria Blvd  
Ventura CA, 93009

Dear Chair Parks:

United Water Conservation District understands that at its December meeting the Board of Supervisors will consider its legislative platform for 2012. The District respectfully request that the Board consider the inclusion of support for future legislation related to inspections of watercraft entering water reservoirs for the presence of invasive mussels. This would include funding for training and inspection programs throughout the state as well as funding for staff within the California Department of Fish and Game to coordinate inspection activities statewide.

Many reservoirs currently inspect for invasive mussels on watercraft, however there are still a significant number that do not. The lack of inspection within the state presents a serious problem to both water supply reliability and the cost to maintain the water distribution system. Boating on water reservoirs poses the largest risk of introducing mussels or other invasive species into an invasive-clean water system, and potentially, to other local and regional water systems.

In particular, regular boat inspections will reduce the risk of introducing damaging Quagga mussels into the California Aqueduct, State Water Project facilities and local and regional water reservoirs. To be effective, such inspections must be performed on a coordinated statewide basis.

Your consideration of this request is greatly appreciated.

Sincerely,

E. Michael Solomon  
General Manager

Cc: Kathy Long, Supervisor, County of Ventura  
Steve Wickstrum, Casitas Municipal Water District



November 23, 2011

The Honorable Kathy Long  
Supervisor, 3<sup>rd</sup> District  
County of Ventura  
800 South Victoria Avenue #1880  
Ventura, California 93009

**Re: County of Ventura's Legislative Platform – Invasive Mussel Prevention**

Dear Supervisor Long:

The Casitas Municipal Water District understands that the Board is considering its legislative platform for 2012 and respectfully requests the Board to support statewide actions to protect our valuable water supplies from the spread of invasive mussels. A quagga or zebra mussel infestation will be devastating to California's water supply, water quality, watershed habitats, endangered species, and economy.

In 2007, Casitas took swift and direct action to prevent the spread of invasive mussels into Lake Casitas by boating recreational activities and sought agency coordination to similarly act on behalf of all other California waterways and reservoirs. Casitas' actions are still being enforced with the same strength as was originally enacted. Our action to protect Ventura County's largest surface water supply is the standard by which others have followed in implementing their own programs. Unfortunately, many state and federal water resources are still at risk for invasive mussels due to inaction. Still at risk are the headwater reservoirs of the State Water Project and the State Water Project facilities that supply water to Ventura County.

More can be done to protect our water resources by supporting coordinated prevention programs and providing funding and training to local agencies to assist them in their boating inspection programs. Your continued leadership on this very important issue and commitment to accelerating the state's efforts in addressing the invasive mussel threat is greatly appreciated by the Casitas Municipal Water District. We strongly support your consideration of this issue for your 2012 legislative platform.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven E. Wickstrum", written over a horizontal line.

Steven E. Wickstrum  
General Manager

Cc: Linda Parks, Supervisor, County of Ventura  
Michael Solomon, United Water Conservation District

# OJAI VALLEY NEWS

The Ojai Valley's newspaper since 1891

ojaivalleynews.com

121st Year, No. 16 • Friday, Nov. 18, 2011 • Newsracks, 75¢, retail stores, 70¢ plus tax • Yearly subscription, \$52

## GSWC meets to discuss rates, capital improvements

**Bill Buchanan**  
publisher@ojaivalleynews.com

Billed as an informational meeting and open house, Golden State Water Company representatives met with about 40 local residents Wednesday night at the Nordhoff High School cafeteria. While those in attendance were not shy about

expressing their displeasure with GSWC, particularly over water rates and proposed increases, the mood of the assembly was less acrimonious than previous meetings between GSWC and the public. Ojai residents have consistently voiced their alarm at rising water rates. The latest proposal requests rate increases over 2011 levels that

would generate additional revenues of \$795,300 in 2013 for an increase of 14.8 percent; \$303,600 in 2014 for an increase of 4.9 percent; and \$340,500 in 2015 for an increase of 5.3 percent. The cumulative effect would amount to a 19 percent rate increase over the three-year period.

GSWC district manager Ken Petersen's opening comment of, "It's good to see the friendly faces," drew some laughs from the crowd. Petersen then launched into a presentation about the proposed water rate increase, and why the company felt it was justified, taking questions as he went along.

Petersen stated the money is needed to help fund more than \$6 million in local capital improvements, including building a new water tank to replace an old one, and replacing three miles of aging distribution pipeline to reduce leaks and for improved fire protection. He added that \$2.7 million in local projects are under construction, with another \$3.6 million in the planning stages.

As in other meetings, residents voiced their concerns about water rates they see as already



Photo by Logan Hall

**Ken Petersen, GSWC district manager, fields questions from citizens during the company's Wednesday night meeting at Nordhoff.**

higher than those of neighboring communities serviced by other water providers. Tony Cunningham asked Petersen why rates for the water meters were higher than other systems. Another resident asked, "Why do we pay for the meter each month? Why can't we just buy a meter of our own?"

Petersen answered that the meter fee is actually a service fee, which is based upon fixed costs of providing water to customers. Customers are then charged an additional fee based upon actual usage. He added that GSWC had a review

See GSWC, Page A3



Photo by Logan Hall

**Ojai resident John Whaley asks Golden State officials a question regarding the water company's rate increase requests.**

## GSWC:

Continued from Page A1

mechanism in place whereby a customer could have the company audit their needs and decide if a smaller and less expensive meter would be warranted.

However, earlier it was noted that approximately 2,000 of the almost 2,900 local customers already use the minimum size meter, so most customers would not receive any benefit from an audit.

Petersen added that the increase to the small average monthly customer would be 7.8 percent the first year, taking a typical bill of \$72.57 to \$78.26 — or an increase of \$5.69 per month.

Richard Hajas raised the question of how the rate increase would be allocated among customers, since Petersen had said the average small residential would go up an estimated 7.8 percent in 2013, but the total revenue increase would be 14.8 percent. "A typical customer's bill is going up 7.8 percent, but you are asking for a 14.8 percent increase — who's paying for that?" Petersen answered that the 14.8 percent was the revenue requirement, but did not give a detailed breakdown on costs other than those to small users.

But the company's website shows the breakdowns in 2013 as an additional \$92.97 per month for a 2-inch meter using 63 CCF of water, or an 18.7 percent increase; an additional \$119.03 per month for a 2-inch meter, using 112 CCF of water, or a 16.9

percent increase; and an additional \$212.15 per month for a 3-inch meter using 186 CCF of water, or a 17.3 percent increase. One CCF is equal to 100 cubic feet of water, or about 748 gallons.

Another resident questioned the company about a construction project on Del Norte listed on the GSWC capital improvements plan. He said he was a resident of that area, and that no construction was currently under way. He continued that if he could not rely on this information, how could he rely on other GSWC information. Petersen countered that the project was on track, that construction bids had been received and that he anticipated construction would be under way in the next few months.

Petersen was also asked about the decision not to hold a public participation rate hearing in Ojai, even though one had been requested. As it stands now, the nearest hearing would be about two hours from the city. Petersen said he would like to have a rate hearing in Ojai, adding, "We have discussed having one of our own here, but that decision has not been made."

After the meeting, Petersen said he was pleased with the open house, and to have an opportunity to have a review of water rates, explain why the rate increase is needed, and answer questions from the public.

Comment on  
this report at  
[ojaivalleynews.com](http://ojaivalleynews.com)

## Official opposition

**Steve Bennett**

*Ventura County Supervisor*

*The following letter was sent to the CPUC by Steve Bennett on Nov. 18.*

California Public Utilities Commission  
Public Advisor's Office  
320 West 4th St., Ste. 500  
Los Angeles, CA 90013  
Re: Request for Local Public Participation Hearing; Golden State Water Company  
Application No. A1107017 for Ojai Service Area  
Dear Commissioners:  
As the County Supervisor

for the Ojai Service Area, I have heard from many constituents who wish to personally express their opposition to the subject rate increase before the CPUC. The CPUC has scheduled a number of Public Participation Hearings around Southern California, and I formally request that such a hearing be scheduled in the Ojai Valley.

Currently, the nearest scheduled CPUC hearing is in Carson; a two-hour drive from Ojai. This great distance greatly hampers public input into the CPUC

hearing, and compromises the ability of the CPUC to make decisions that have been appropriately informed by the affected ratepayers. A hearing in the Ojai area is needed to properly afford local citizens the ability to participate in the CPUC process, and, so that your Commission may learn about local concerns from the personal testimony of Ojai Valley residents.

Cordially,  
Steve Bennett  
Supervisor, First District  
Ventura County Board of Supervisors

## F.L.O.W. effort support grows

PAT McPHERSON, OJAI

"A major element of Ojai F.L.O.W.'s plan to buy Golden State Water is the need for the citizens to locally manage the delicate Ojai water supply," says Ojai F.L.O.W. Chairperson Pat McPherson.

Ojai F.L.O.W. is pleased to receive a letter of support from A. Paul Jenkins, coordinator, Matilija Coalition, co-chair, Friends of the Ventura River, and environmental director of the Ventura County Chapter of the Surfrider Foundation.

Jenkins' letter to Ojai F.L.O.W. says: "Dear Pat, I am writing in support of the efforts of Ojai F.L.O.W. This is a critical step in the ongoing efforts to develop a holistic watershed management plan for the Ventura River watershed.

"Your efforts to bring the community together demonstrate that the Ojai Valley is aware of the threat to our ecosystem when outside corporate interests control a water supply. There are many examples from around the world and

in the United States in which corporations have drastically impacted local communities through profit-motivated actions that overdraft local water supplies.

Recent actions by Golden State and the PUC demonstrate that they do not answer to the community. In contrast, Casitas Municipal Water District, as well as the other water districts in the valley, are controlled by a locally elected board which gives the community some control over water management practices.

"We all depend on the responsible management of our water supply. With ever increasing pressure on this limited supply, it is crucial that the community is able to work together in a cooperative manner to ensure future sustainability. Please let us know how else we can assist in this important issue."

Ojai F.L.O.W. is a volunteer organization dedicated to citizen ownership and control of Ojai's water. They are focused on taking over Golden State Water that charges two to three times as much as public-owned water companies in the same area. Ojai F.L.O.W. has presented petitions to Casitas Municipal Water District asking them to take over the Golden State Water Company. Ojai F.L.O.W.'s feasibility study, request for signs and newsletter sign-up can be found on their web site, OjaiFLOW.com. They can be contacted by e-mail at [info@OjaiFLOW.com](mailto:info@OjaiFLOW.com).

## Corporate greed at its worst

RICHARD BRADLEY, OJAI

I received warm handshakes and happy smiles from Golden State Water Company's staff at their informational meeting on Nov. 16. They had many nice-looking charts and graphs. Their local staff and rank and file seem to be good folks just doing a job.

For me, the meeting boiled down to a shoulder shrug from their president when asked why Golden State's water rates are so high. He then said something to the effect that he understood Ojai's rates are the highest in Ventura County.

Ouch! Here's a business without competitors. Customers are umbilically connected to the life-sustaining resource it controls. It appears that their top executives and board

of directors in some distant city won't stop raising rates until someone else stops them. This is corporate greed at its worst.

Golden State must go! Please support F.L.O.W. and the effort to restore local control to this essential natural resource.

## Casitas suit against feds over fish-ladder water dismissed

By Zeke Barlow

Originally published 05:20 p.m., December 5, 2011

Updated 05:48 p.m., December 5, 2011

A judge Monday dismissed a lawsuit the Casitas Municipal Water District filed against the federal government seeking reimbursement for water it had to provide for endangered species.

The suit was "not ripe" because there was no proof Casitas lost anything by sending water down a fish ladder used by endangered steelhead trout, U.S. Court of Federal Claims Judge John Wiese wrote in his opinion.

The case was being monitored across the West for its potential to set a precedent in the area of water rights and endangered species. In the coming weeks, Casitas board members will discuss whether to drop the case, which has cost the district more than \$600,000, or appeal Monday's ruling.

Casitas sued in 2005, saying it should be reimbursed for water it had to provide for the trout under the Endangered Species Act. The company alleged a violation of the Fifth Amendment rights preventing unlawful taking of property and said the government should pay \$87.3 million for future and past water losses.

The case went through a series of appeals and arguments before Wiese ruled the district hasn't lost anything. Although the district has to send less water to Lake Casitas that can be stored for later use, it hasn't decreased the amount of water it provides to customers, Wiese wrote, and there is no way to determine future losses.

It was the correct decision, said John Echeverria, a Vermont Law School professor who filed a brief on behalf of the Natural Resources Defense Council.

"The reality is they suffered no economic harm and nobody lost one drop of water," he said. "The fact that the plaintiff came up empty-handed after six years of litigation will discourage the similar filing of such lawsuits in the future."

The decision proves the Endangered Species Act works to protect species and refrain from imposing economic damage on those who have to comply with it, he added.

But the fact that the case was thrown out because Casitas didn't lose anything may be fodder for others trying to argue against the Endangered Species Act, Echeverria said.

Wiese's ruling hints that if someone can prove they lost something, they could have a case, although Echeverria thinks that interpretation is wrong.

David Breemer of the Pacific Legal Foundation, which filed a brief siding with Casitas, said the district has arguments if it wants to appeal.

"I think its disappointing and it's going to be an interesting appeal," he said.

He said it was incorrect to say the government didn't take anything even though the water stored in the lake was for the public good. Eventually Casitas will lose something when the stored water supply is depleted.

The \$9 million fish ladder was designed to help steelhead migrate up and down the Ventura River. Casitas argued that 3,492 acre-feet of water were not sent to the lake because of the ladder mandates.

With so much water in the state being stored for later use, a similar issue is bound to come up elsewhere, Breemer said.

Casitas General Manager Steve Wickstrum wondered how far the lake level would have to drop during a drought before a judge would see the district has lost something and the case is "ripe."

"Each year we lose water that would have gone to Lake Casitas," he said.

Casitas board President Pete Kaiser said the board will have to review the ruling "and figure out what is the appropriate measures we need to take for our ratepayers now and in the future."

The district's lawyer, Roger Marzulla, would collect more money if he wins the case. But board member Russ Baggerly, who has been against the case from the start, said it is time to call it quits.

He said provisions built into the fish ladder operation allow the district to stop sending water down it during a drought, keeping the lake from going dry.

"This case is over," Baggerly said.



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**CASITAS MUNICIPAL WATER DISTRICT  
TREASURER'S MONTHLY REPORT OF INVESTMENTS  
12/07/11**

Type of Invest	Institution	CUSIP	Date of Maturity	Amount of Deposit	Current Mkt Value	Rate of Interest	Date of Deposit	% of Portfolio	Days to Maturity	Weighted Average Days to Maturity
*TB	Federal Home Loan Bank	3133XSP930	12/13/13	\$743,750	\$734,440	3.125%	07/01/10	5.81%	726	42
*TB	Federal Home Loan Bank	3133XWNB10	06/12/15	\$729,603	\$749,567	2.875%	07/01/10	5.93%	1265	75
*TB	Federal Home Loan Bank	3133XWW470	03/09/12	\$707,315	\$701,813	1.125%	06/30/10	5.55%	92	5
*TB	Federal Home Loan Bank	3134A4VG60	11/17/15	\$801,683	\$800,100	4.750%	07/19/10	6.33%	1420	90
*TB	Federal National MTG Association	3136FR3N10	09/20/16	\$723,188	\$697,249	2.125%	09/20/11	5.52%	1723	95
*TB	Federal Home Loan MTG Corp	3137EABS70	09/27/13	\$766,605	\$746,494	4.125%	07/01/10	5.90%	650	38
*TB	Federal Home Loan MTG Corp	3137EACD90	07/28/14	\$739,907	\$743,526	3.000%	07/01/10	5.88%	951	56
*TB	Federal Home Loan MTG Corp	3137EACE70	09/21/12	\$723,646	\$710,612	2.125%	06/30/10	5.62%	284	16
*TB	Federal Home Loan MTG Corp	3137EACF40	12/15/11	\$706,398	\$700,161	1.125%	06/30/10	5.54%	8	0
*TB	Federal Natl MTG Assn	31398AYY20	09/16/14	\$739,123	\$746,732	3.000%	07/01/10	5.91%	999	59
*TB	US Treasury Inflation Index NTS	912828JE10	07/15/18	\$1,055,030	\$1,188,967	1.375%	07/06/10	9.40%	2378	224
*TB	US Treasury Notes	912828JW10	12/31/13	\$709,352	\$717,661	1.500%	04/01/10	5.68%	744	42
*TB	US Treasury Notes	912828LZ10	11/30/14	\$718,129	\$735,273	2.125%	07/01/10	5.82%	1073	62
*TB	US Treasury Notes	912828MB30	12/15/12	\$709,707	\$706,888	1.125%	06/30/10	5.59%	368	21
*TB	US Treasury Inflation Index NTS	912828MF40	01/15/20	\$1,041,021	\$1,188,170	1.375%	07/01/10	9.40%	2918	274
*TB	US Treasury Notes	912828ML10	12/31/11	\$707,191	\$700,441	1.000%	06/30/10	5.54%	24	1
	Accrued Interest			\$58,062	\$73,956					
	<b>Total in Gov't Sec. (11-00-1055-00&amp;1065)</b>			<b>\$12,379,710</b>	<b>\$12,642,051</b>			<b>85.46%</b>		
*CD	CD -			\$0	\$0	0.000%		0.00%		
	<b>Total Certificates of Deposit: (11.13506)</b>			<b>\$0</b>	<b>\$0</b>			<b>0.00%</b>		
**	<b>LAIF as of: (11-00-1050-00)</b>		N/A	<b>\$442</b>	<b>\$442</b>	0.38%	Estimated	<b>0.00%</b>		
***	<b>COVI as of: (11-00-1060-00)</b>		N/A	<b>\$2,150,642</b>	<b>\$2,150,642</b>	0.81%	Estimated	<b>14.54%</b>		
	<b>TOTAL FUNDS INVESTED</b>			<b>\$14,530,793</b>	<b>\$14,793,134</b>			<b>100.00%</b>		
	Total Funds Invested last report			\$14,530,793	\$14,810,653					
	Total Funds Invested 1 Yr. Ago			\$16,190,480	\$16,180,520					
****	<b>CASH IN BANK (11-00-1000-00) EST.</b>			<b>\$2,703,957</b>	<b>\$2,703,957</b>					
	<b>CASH IN Western Asset Money Market</b>			<b>\$7,445</b>	<b>\$7,445</b>	0.010%				
	<b>CASH IN PIMMA Money Market</b>			<b>\$501,580</b>	<b>\$501,580</b>					
	<b>TOTAL CASH &amp; INVESTMENTS</b>			<b>\$17,743,775</b>	<b>\$18,006,116</b>					
	TOTAL CASH & INVESTMENTS 1 YR AGO			\$17,138,500	\$17,128,541					
*CD	CD - Certificate of Deposit									
*TB	TB - Federal Treasury Bonds or Bills									
**	Local Agency Investment Fund									
***	County of Ventura Investment Fund									
	Estimated interest rate, actual not due at present time.									
****	Cash in bank									

No investments were made pursuant to subdivision (i) of Section 53601, Section 53601.1 and subdivision (i) Section 53635 of the Government Code.  
All investments were made in accordance with the Treasurer's annual statement of investment policy.