

February 17, 2022

**NOTICE OF A MEETING OF THE
VENTURA COUNTY WATERWORKS DISTRICT NO. 19
SOMIS CITIZENS' ADVISORY COMMITTEE**

NOTICE IS HEREBY GIVEN that a meeting of the Ventura County Waterworks District No. 19 Somis Citizens' Advisory Committee will be held **Thursday, February 24, 2022 from 3:30 p.m. to adjournment** via Zoom. To electronically join the meeting please follow the provided steps – At the specific time (3:30 p.m.) dial the number (669) 900-6833, when prompted enter the meeting ID 470 052 7072. You can also join the meeting by visiting this link - **Join Zoom Meeting** <https://us02web.zoom.us/j/4700527072>

Advisory Committee Members: Please contact the District Office by telephone at (805-378-3005), or by email at wspc@ventura.org, no later than February 23, if you are unable to participate on the call.

Sincerely,



Joseph C. Pope, P.E.
Director, Water and Sanitation

AGENDA OF MEETING

1. CALL TO ORDER
2. APPROVAL OF THE MINUTES OF THE DECEMBER 16, 2021 MEETING MINUTES
3. PUBLIC COMMENTS - Members of the public may address the Citizens' Advisory Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee but do not appear on the agenda. With respect to agenda items, the public will be given an opportunity to address the Committee when the item is reached in the meeting.



4. COMMITTEE MEMBER'S COMMENTS - Members of the Citizens' Advisory Committee may address the meeting with information or observations relevant to the operation of District 19 but do not appear on the Agenda.
5. DISTRICT STAFF REPORT
 - A. FINANCIAL REVIEW
 1. Update on the current financial status of District 19 including:
 - a. Cash Flow Analysis sheet showing revenue and expense items
 - b. Acquisition & Replacement Fund sheet showing sources and uses of funds
 - c. Financial Status Report for Operations and Maintenance
 2. Recap of Rate Analysis Presentation for Fiscal Year 2022/2023
 - a. ACTION ITEM: Approve 2.5% Rate Increase effective July 2022
 3. Report from the CAC Financial Subcommittee
 - B. CAPITAL PROJECTS REVIEW
 1. Progress Report for Active Capital Projects with updated timelines
 2. Financial Status Report for Capital Projects
 - C. WATER FACTS
 1. Water Supply
 - a. Updated District 19 Water Production and Sales Reports
 - b. Status of water supply available through State projects
 2. Water Quality
 - a. Resolution of water quality complaints from District customers
 - b. Update on pumped groundwater and delivered potable water quality
 3. Water Costs
 - a. Cost of water purchased from Calleguas Municipal Water District
 - b. Groundwater allocation from Fox Canyon GMA
 - c. Litigation status to secure pumping allocation (*FCGMA V. LPVWRC*)
 - D. DISTRICT 19 O&M UPDATES – An update on the Operations and Maintenance of the District for the second quarter of Fiscal Year 2022 (October 1 to December 31, 2021).
 - E. ADMINISTRATIVE UPDATE – An update on issues related to administration of the District including billing, charges, fees, programs, etc.
 1. Aged Report
 2. AMI Report



F. DIRECTOR'S INFORMATIONAL ITEMS – Provides the opportunity for the Director to present items that are not within the subject matter of the District's Staff Report

6. AVENUES OF PUBLIC OUTREACH – An update on how the District is reaching out to its customers concerning water conservation.
7. FUTURE AGENDA ITEMS
8. ADJOURNMENT

*The next District 19 regularly scheduled Citizens' Advisory Committee meeting will be held on April 21, 2022.

****NOTICES:** The following information is provided to help you understand, follow, and participate in the Board meeting: Public Comments – Public comment is the opportunity for members of the public to participate in meetings by addressing the Citizens Advisory Committee in connection with one or more agenda or non-agenda items.

- Observe the Citizens Advisory Committee meeting live at:
<https://us02web.zoom.us/j/4700527072>
- If you wish to make a comment on a specific agenda item, you may attend the meeting via Zoom, and you will be given a chance to be heard. If you prefer to submit a written comment ahead of time, please submit your comment via email by 5:00 p.m. on the day prior to the Committee meeting. Please submit your comment to WSPC@ventura.org. Please indicate in the Subject Line, the Agenda item number (e.g., Item No. 3A). Your email will be read by the Water and Sanitation Director and placed into the record.
- If you are watching the live stream of the Committee meeting and would like to make a general public comment for items not on the day's agenda or to comment on a specific agenda item as it is being heard, you may attend the meeting via Zoom, and you will be given a chance to be heard. If you prefer to submit a comment in writing, please submit your comment to WSPC@ventura.org. Please indicate in the Subject Line, the Agenda item number (e.g., Item No. 3A). Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT (805) 378-3005. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.



Draft

**SOMIS CITIZENS' ADVISORY COMMITTEE
VENTURA COUNTY WATERWORKS DISTRICT NO. 19
MINUTES OF THE DECEMBER 16, 2021 MEETING**

COMMITTEE MEMBERS IN ATTENDANCE: Diana Enos, Lynette Buchanan-Roth,
Kathy Janowski, Kirby Thomas

COMMITTEE MEMBERS ABSENT: David Hutter

COMMITTEE MEMBER VACANCY: None

STAFF: Joseph Pope, Director
Scott Meckstroth, Deputy Director
June Kim, Engineering Manager
Ryan Lippincott, Engineering Manager
Jean Fontayne, Staff Services Manager
Debra Cavaletto, Accounting Manager
Vimie Alvarez, Principal Accountant
Pam Cook, Senior Accountant
Julie Taylor, Management Assistant

GUESTS: None

* * *

1. CALL TO ORDER

The meeting was called to order at 3:31 p.m.

2. APPROVAL OF THE MINUTES OF THE OCTOBER 14, 2021 MEETING

Mr. Pope pointed out that a correction had been made since the written materials were sent out, since an error was discovered in the transcription. This correction was to the statement attributed to Ms. Buchanan-Roth regarding the La Niña cycle. The minutes now include Ms. Buchanan-Roth's explanation that since we are in a weak La Niña cycle, there could be more rainfall than in previous years due to a possible strong effect by other weather teleconnections such as the MJO (Madden Julian Oscillation).

Mr. Pope and Ms. Buchanan-Roth had a brief discussion of weather cycles.

Mr. Thomas mentioned how the minutes stated that an organizational chart would be sent to the group. Ms. Janowski stated that she believed it had already been sent out. Ms. Taylor stated that she would send out the organizational chart again to the entire group, and that if Mr. Thomas did not receive the chart, she could send him a paper copy through the mail.

Mr. Thomas moved to approve the minutes as corrected. Ms. Enos seconded the motion. There were no objections.

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE MEMBER'S COMMENTS

- Ms. Buchanan-Roth reported that she has received positive feedback from District agricultural customers. Ms. Buchanan-Roth stated that she believes that District customer confidence has grown. She stated that she attributed this to the fact that the rates have held steady, due to the hard work of the Committee, including the Financial Sub-Committee, and Mr. Pope.
- Ms. Buchanan-Roth stated that there are abandoned or underused parcels near her property that are approximately 160 acres (lemons) and 180 acres (avocados) in her area. About 60% have been abandoned. If these parcels were fully restored to the levels they were ten years ago, Ms. Buchanan-Roth stated she calculated this would generate approximately \$750,000 to the District. Ms. Buchanan-Roth stated that there are even more parcels that could become customers, and she recommended assuring the growers to continue to farm.
- Ms. Buchanan-Roth proposed that the Committee reach out to the agricultural community, perhaps getting together and generating an email blast from the Committee to the agricultural community, assuring them that the Committee is cognizant of the needs of the District, describing the accomplishments that have been done and the progress made, and addressing any possible nervousness regarding the operations of the District that arose prior to Mr. Pope becoming Director.
- Ms. Buchanan-Roth recommended that this outreach take place months prior to any Proposition 218 being sent out to the District.
- Mr. Pope agreed that outreach prior to Proposition 218 would be a good idea, and that also attaching a letter to the Proposition 218 is a good idea, creating the trust that only the Committee can cultivate within the District
- Mr. Pope requested to have Ms. Buchanan-Roth send him the calculation of the water usage that the 160 acres of lemons and 180 acres of avocados would be. Mr. Pope stated that in considering new customers, it is important to keep in mind that if the District's water sales exceed the groundwater pumping allocation, then imported water would need to be purchased from Calleguas.
- Mr. Pope asked if any other Committee members had any feedback on Ms. Buchanan-Roth's suggestion regarding outreach to the community. Ms. Enos stated that she thought that outreach to the community was a good idea, and that she also received positive feedback from the community from the last letter that was sent out from the Committee.
- Ms. Buchanan-Roth mentioned that the letter could go out to all customers, not only to agricultural customers. Ms. Enos stated that she believes that residential customers should be aware and would be interested to learn of the Committee's efforts to support agriculture. Mr. Thomas stated that he would help with the letter as well.

- A discussion was held regarding whether the letter would be through U.S. Postal Mail or email. Ms. Buchanan-Roth stated that she originally had email in mind.
- Mr. Thomas suggested that the letter could go out with monthly bills, and that the letter could be exclusive to District 19. Mr. Pope agreed, but stated that some customers are on paperless billing, and so they would need to be sent the letter as well.

5. DISTRICT STAFF REPORT

A. Financial Review

- Mr. Pope discussed item number three regarding the yearly financial audit of the County. Mr. Pope pointed out that the report that is linked to in the Agenda does not include a separate Waterworks report, which is included in the written materials.
- Starting from the beginning of the financial review portion of the written materials, Mr. Pope pointed out that the written materials go through the end of October, so four months into the fiscal year. There have been \$1.3 million in revenue, with \$828,000 in operating expenditures. Mr. Pope mentioned that Well 2 is the most significant expense in the Capital Uses of Funds portion of the written materials. Mr. Pope stated that there have been some additional invoices that have been received since the preparation of the written materials, but nothing unexpected. Moving to the debt service spreadsheet, it shows tracking of the Well 2 surcharge as well as other debt service payments. So far, the County loan has not been drawn from for the Well 2 project. If at the end of the project the \$2.65 million grant has all been used, a discussion would be held regarding whether it would be better to continue to pay the remaining project costs from cash reserves, then the Well 2 surcharge could be freed up for other capital projects in the future.
- The Profit & Loss Analysis of the District was shown to the group. Mr. Pope stated that his goal is obviously for the net results of operation to gain a profit, as opposed to taking a loss.
- The Cash Reserve Analysis graph was shown to the group. Mr. Pope mentioned how in FY20, the Districts cash reserves fell below proposed targets. However, the District was able to recover due to the increased groundwater pumping allocation, and the surcharges.
- In terms of the District's expenses so far this fiscal year, since we are 33% through the fiscal year, Mr. Pope stated that he expected to be 33% through the Adopted Budget expenses. Some are higher, groundwater extraction and water system power for example, but everything else was at or below 33%
- Mr. Pope showed how in response to Ms. Buchanan's request, a designation was placed on the Capital Projects Financial Status Report to indicate that the report has abbreviated numbers.
- Ms. Alvarez confirmed for Mr. Pope that the state reimburses the District on a regular basis, approximately three months at a time, for the grant.

- Mr. Pope shared the Debt Service Report, explaining that once the RCA loan is drawn on, all payments will be made at the end of the fiscal year.
- Mr. Pope next presented his Rate Analysis Presentation.
 - Mr. Pope stated that although the written materials stated that he wanted the group to vote on the rate analysis, he will wait until all five members are present.
 - Mr. Pope stated that he will present to the group on the financial conditions of the District, the rate analysis assumptions, known risks, discussion on capital project financing, rate analysis objectives, cash reserves scenarios with variable grant/rate/debt financing of capital projects, analysis of surcharges vs. one-time rate increase in July 2022, analysis of Somis Farmworker Housing Project fiscal impacts on the District, and recommendations for Fiscal Year 2022/23 (July 1, 2022 to June 30, 2023).
 - Mr. Pope stated that since the recommended rate change would not be implemented until July of 2022, this issue could be taken up at a Board of Supervisors meeting up until the month of June. This would allow time to discuss the proposed rates at the February regular meeting and still prepare and send out the letter suggested by Ms. Buchanan-Roth prior to the Proposition 218 notice.
 - Mr. Pope showed the group his written materials that were included in the agenda packet regarding the financial conditions of the District.
 - End of Fiscal year 2020 (6/30/20) ended with negative cash reserve balance
 - Dec 2020 Waterworks District Board Approved:
 - Minimum Reserve policy of 25% Operating Costs, 10% Revenue, and 2% of net assets
 - Well 2 Surcharge (ends after 30 years)
 - Las Posas Adjudication Surcharge (ends 12/31/2021)
 - Ended Fiscal Year 2021 (6/30/21) with cash reserve balance of \$1.18M
 - FY 2021 O&M Expenditures: \$2,862,365
 - FY 2021 Capital Expenditures: \$360,013
 - FY 2021 Water Produced: 2,321.69 acre-feet
 - FY 2021 Cost per Acre-Foot of Produced Water: \$1,232.88/AF (\$2.83/HCF)
 - Mr. Pope discussed the assumptions that went into the rate analysis:
 - Calleguas Municipal Water District Rate increase of 3.5% for 2022
 - Assumes steady water demand of 2,296 AF/year after SFWH is complete
 - Assumes average inflationary increases used for rate analysis:

- Labor 3.5%, Electricity 4%, materials 3%, and new capital loans 30-year @ 2% fixed
 - In terms of electricity, Mr. Pope stated that the SCE tariff for Ag and Pumping accounts has increased 19.5% since March of 2019, so there is a significant amount of uncertainty here.
 - Assumes groundwater pumping allocation remains at 2,300 acre-feet per year
 - Assumes 360-unit Farmworker Housing (SFWH) is completed by Fiscal Year 2024
- Mr. Pope discussed his Capital Project Timing Recommendations:
 - 538 New Reservoir for Farmworker Housing (funded by SFWH developer): FY 2022-23
 - Pipeline Replacement Hwy 118: FY 2023-24
 - 538 Reservoir #2 Replacement: FY 2025-26
- Operations and Maintenance Project Timing Recommendations:
 - Balcom Canyon Reservoir Repair/Recoat: FY 2023 (rate funded)
 - Well #4 Pump Replacement: FY 2023 (rate funded)
 - Bradley Pump Station Greentree Reservoir: FY 2024/25 (debt funded)
- Ms. Janowski asked if these maintenance projects could be delayed, if necessary. Mr. Pope mentioned that the Well #4 Pump Replacement is critical infrastructure and should not be delayed, but the others perhaps.
- Mr. Pope discussed the known risks:
 - Wet years result in lower sales / reduction in revenues
 - The new ordinance for Fox Canyon provides that the District would be allowed to carry over up to 50% of the District's allocation to the following year.
 - Mr. Pope and Ms. Buchanan-Roth held a brief discussion of various factors and possibilities that go into predicting the weather.
 - Mr. Pope stated that he studied quite a bit of hydrology in college and graduate school, so he, just like Ms. Buchanan-Roth, is interested in issues of climate and weather.
- Returning to known risks, Mr. Pope discussed the following:
 - Higher incidence of main line breaks during wet years
 - Increases in customer demand above 2,300 acre-feet per year (+ system losses) will result in increased imported water purchases
 - Adjudication of Las Posas Valley (LPV) Groundwater Basin is still on-going
 - Fox Canyon (or the Courts) will set LPV sustainable pumping yield, which could result in lower than 2,300 acre-feet pumping allocation

- Failure of any Well during peak irrigating time periods will result in increased purchases of Calleguas water
 - Mr. Pope stated that this scenario actually did occur this past year. However, two wells being maxed out were able to cover the need, and no Calleguas water was purchased. This was over an approximately two-week period. Well #4 was the well that was offline.
- Recommend additional \$1.5M in cash reserve to cover emergency well replacement.
- Failure of aging infrastructure ("old pipes") could result in unplanned emergency repairs and water losses
- Magnitude of Calleguas and SCE rates increases are uncertain (but certainly going up)
- Variable interest rates for debt service (Well 2 and USDA Re-Finance)
 - Mr. Pope held a discussion regarding Capital Project Financing
- Options for Project Financing
 - Rate / Cash Reserve Funded – takes long time to build up savings
 - Grants – Uncertainty in timing, eligibility, and can require matching funds, but 'free' \$
 - Loans – Spreads project costs over 20 to 30 years; interest rates can be fixed (SRF) or variable (County RCA loan)
- Any loan requires pre-approval by County Financial Planning Committee
 - Must be able to show District's long-term ability to pay off debt service
- Recommendation: capital projects funded 25% from reserves and 75% loans
- Ms. Buchanan-Roth asked about the possibility of grants from the Build Back Better plan. Mr. Pope stated that he has and will continue to monitor possible grant opportunities. As of now, nothing stands out to him as a sure thing, but there will be additional guidance put out by the agencies, and he will keep an eye on the situation.
- Options for Project Financing
 - Rate/cash reserve funded – but this takes a long time to build up savings
 - Grants – uncertainty in timing, eligibility, and can require matching funds, but "free" money
 - Loans – spreads project costs over 20 to 30 years; interest rates can be fixed (SRF) or variable (County RCA loan)
- Any loan requires pre-approval by County Financial Planning Committee

- Must be able to show District's long-term ability to pay off debt service
 - Recommendation: capital projects funded 25% from reserves and 75% loans
 - Alternative Analyses includes variations on capital project funding sources
- Mr. Pope next discussed the rate analysis objectives, which are to maintain Cash Reserves at or above target levels, and maintain zero or greater Net Result of Operation.
- Mr. Pope pointed out in the written materials the various rate scenarios and showed the various graphs in the written materials for each scenario. Each scenario had assumptions which were listed in the written materials. Mr. Pope explained that the different scenarios were a thought exercise. Mr. Pope explained that he is recommending a 2.5% rate increase beginning July 2022.
- Mr. Pope discussed his analysis of capital surcharges versus a 2.5% rate increase in July of 2022. The surcharges aren't a big portion of the monthly cost for the higher demand users, but they are a high portion of the monthly cost for the lower users. Ms. Buchanan-Roth explained that the rates themselves are different for lower versus higher users of water. Mr. Pope explained that a surcharge to fund capital improvement projects would be similar to the Las Posas adjudication surcharge. It would be a 5% increase for a lower residential user, a 2% increase for an average residential user, and a 0.5% increase for a larger agricultural user. This would be in contrast to a 2.5% rate increase, which would result in the same percentage increase for all customers. Mr. Pope explained that a disadvantage of a surcharge to fund capital projects is that the surcharge could only go towards capital projects, not toward the net result of operation, which would trend downward below zero with only surcharges. This is why Mr. Pope does not recommend using only surcharges going forward. Mr. Pope stated that he believes that in order to raise revenue, a more traditional approach of raising rates should be used. Surcharges are not off the table, if in the future they are necessary.
- Ms. Janowski stated that the Financial Sub-Committee met and discussed this material. Ms. Janowski stated that she concurs with Mr. Pope's assumptions, and that she did ask Mr. Pope to prepare additional written materials, which he did. Ms. Janowski stated that the amount of information is a lot, but it is useful.
- Ms. Janowski stated that it does take time to build up reserves. Dips in cash reserves should be avoided in the future. Ms. Janowski stated that she agrees with Mr. Pope's assumptions, and that Mr. Pope has done a tremendous job of explaining the entire situation to the Committee.
- Ms. Janowski stated that the surcharge served its purpose, but that it is not a route that should be taken at this time, because it would not account for the annual increase of costs such as labor, etc.
- Ms. Janowski asked Mr. Pope to discuss what the other districts are doing for their rate increases. Mr. Pope stated that District 1 decided to use a pass-through rate increase, which would match future rate increases to the rate increases of

Calleguas. Mr. Pope stated that this would not make sense for District 19 because of the high amount of groundwater that District 19 is able to use as a percentage of total water sold.

- Mr. Pope also discussed the Somis Farmworker Housing fiscal impact:
 - Capital Improvement Charges and Connection Fees: \$1,138,751
 - CICs: \$1,071,656 - used for Capital Projects only
 - Meter Fees: \$61,460 – used for labor and materials for meter installation
 - Developer Funded Infrastructure Investments (estimated)
 - New 300,000 gallon Reservoir valued at approximately \$750,000
 - 3 miles of new water main valued at approximately \$750,000
 - Projected Annual Water Use and Revenue \$171,493 (FY 2024 – w/2.5% inc. July 2022)
 - 85 acre-feet at \$3.58/HCF Institutional Rate (as opposed to the Multi-Family Rate): \$131,812
 - Mr. Pope explained that the institutional rate is higher than the multi-family rate. The reason the Somis Farmworker Housing development would pay the institutional rate is because the development is going to be run by a nonprofit organization. Others paying the institutional rate would be the school, churches, fire department, any other government agencies.
 - Fixed Meter Charges (including Well 2 Surcharges): \$39,681
 - Total revenue per acre-foot: \$2,017 per acre-foot
- Mr. Pope's recommendation is to approve a 2.5% Commodity and Fixed Rate increase, effective July 1, 2022 (this was displayed as Scenario A-3 in the written materials). However, Mr. Pope will wait to have the group vote until the February meeting.

B. Capital Projects Review

- Well 2 Facility – Mr. Lippincott explained that the project is going well. The contractor poured the filter slab and will be setting the filter vessels on the following day, and then will move on to the chemical containment pad. The costs and timelines are as expected. In terms of change orders, there have been three additive and one deductive, with a total of approximately \$10,000 added to the contract.
- 538 Pressure Zone Reservoir – Mr. Lippincott stated that staff are looking to start preliminary design after the Somis Farmworker Housing developer builds the 538 reservoir.
- Pipe Replacement in Cal Trans ROW – No updates currently.

C. Water Facts

1. Water Supply

- Mr. Pope explained that for the month of November, 174 acre feet were pumped from the three wells, with zero Calleguas purchases.

- Mr. Pope showed a map describing the conditions of the major reservoirs in the state, but stated that the map is outdated due to recent precipitation.
- Mr. Pope also showed a map of drought conditions in the state, and explained that he hopes that these conditions improve as well.

2. Water Quality Report

- Mr. Pope stated that there were not any water quality complaints since the last meeting.

3. Water Costs

- Mr. Pope discussed Calleguas charges for the month of November, explaining that there were zero purchases of water, but there is a readiness to serve charge, as well as CRCs (capacity reserve charges) were due.

E. Administrative Update

- Mr. Pope discussed the Aged Report, showing \$25,095 in past due bills over 61 days. This is split approximately evenly between residential and agricultural customers.

F. Director's Informational Items

- Mr. Pope showed the recent Board Letter regarding the Somis Farmworker Housing Development Agreement to Install Water Improvements, which was approved on December 14, 2021.
- Mr. Pope explained the AMI report, which will track the number of AMI portal accounts for the District. Mr. Pope also included a map showing the AMI base stations.

6. AVENUES OF PUBLIC OUTREACH -

- Mr. Pope explained that W&S staff has put out a voluntary irrigation schedule that is not applicable to agricultural customers. This is more applicable to the districts that import more water, but Mr. Pope stated that he wanted to be consistent between districts. Mr. Thomas shared that he has already received this by email.

7. FUTURE AGENDA ITEMS

- Mr. Pope stated that if a member wanted to write a draft letter, he can review it and include it as a discussion topic for the next meeting. Ms. Buchanan-Roth stated that she would provide a draft letter to Mr. Thomas by the end of January.
- Mr. Pope stated that water rates and outreach (in terms of the letter) will be discussed at the next meeting.
- Mr. Pope thanked Ms. Cook and Ms. Alvarez for all of their hard work.
- Mr. Thomas stated that he did receive the organizational chart.

8. ADJOURNMENT

- The meeting adjourned at 4:57 p.m.

3. PUBLIC COMMENTS - Members of the public may address the Citizens' Advisory Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee but do not appear on the agenda. With respect to agenda items, the public will be given an opportunity to address the Committee when the item is reached in the meeting.
4. COMMITTEE MEMBER'S COMMENTS - Members of the Citizens' Advisory Committee may address the meeting with information or observations relevant to the operation of District 19 but do not appear on the Agenda.
5. **DISTRICT STAFF REPORT**
 - A. FINANCIAL REVIEW
 1. Update on the current financial status of District 19 including:
 - a. Cash Flow Analysis sheet showing revenue and expense items
 - b. Acquisition & Replacement Fund sheet showing sources and uses of funds
 - c. Financial Status Report for Operations and Maintenance
 2. Recap of Rate Analysis Presentation for Fiscal Year 2022/2023
 - a. ACTION ITEM: Approve 2.5% Rate Increase effective July 2022
 3. Report from the CAC Financial Subcommittee

Current Activities for Accounting Period 07 (Period ending 01/31/22)									
WW#19 Somis									
Detailed ADHOC Analysis									
1	Total Beginning Balances			\$1,067,610	\$49,420	\$1,183,093	\$1,183,093	\$1,183,093	
2	Total Ending Balances			\$49,420	\$1,183,093	\$1,714,393	\$422,204	\$1,903,004	
7	O&M/ Rate Stab Fund	FMS ACT#		FY20 ACTUAL	FY21 ACTUAL	FY22 ADJUSTED BUDGET	FY22 ACTUAL	% Actual vs Budget	FY22 YR-END PROJECTION
8	Beginning Balances			\$9,165	\$9,165	\$919,328	\$919,328		\$919,328
9									
10	Operating Revenue								
11	Interest Earnings	8911		\$0	\$0	\$0	\$0		\$0
12	Federal & State Disaster			\$0	\$0	\$0	\$0		\$0
13	State Aid - SB90			\$0	\$0	\$0	\$0		\$0
14	Meter Sales & Install/Line Ext. Fee	9613		\$1,975	\$2,866	\$2,000	\$2,545	127%	\$2,600
15	Planning/Engr Svc Fee	9481		\$125	\$0	\$200	\$7,500	3750%	\$7,500
16	Permit Fees	9708		\$0	\$0	\$0	\$0		\$0
17	Water Sales	9614		\$3,107,276	\$3,549,443	\$3,490,811	\$1,836,231	53%	\$3,497,991
18	Las Posas Adjudication Surcharge	9614		\$0	\$182,318	\$157,189	\$161,309	103%	\$161,309
19	Other revenue - misc.	9708/9751/9790		\$49,651	\$40,898	\$10,400	\$65,420	629%	\$65,397
20	Total - Operating Revenue			\$3,159,028	\$3,775,526	\$3,660,600	\$2,073,005		\$3,734,797
21									
22	Operating Expenditure								
23	Phone/Supplies/Bad Deb/Misc	See Sch		\$86,675	\$88,664	\$88,900	\$49,785	56%	\$99,284
24	System Maint. Repairs & Replac.	See Sch		\$309,878	\$228,569	\$453,500	\$138,327	31%	\$452,800
25	Indirect Cost Recovery	2158		\$18,597	\$23,238	\$21,700	\$10,845	50%	\$21,700
26	O&M Labor Charges	2205		\$1,288,046	\$885,370	\$1,073,700	\$554,409	52%	\$965,100
27	State Permit/Fees	2159-F01		\$16,026	\$13,700	\$5,000	\$1,500	30%	\$12,000
28	Legal Cost	2185		\$128,185	\$59,459	\$60,000	\$21,609	36%	\$157,561
29	Mgmt /Admin./ Eng. Svcs	2204		\$117,900	\$173,800	\$178,000	\$44,500	25%	\$178,000
30	Special Technical Services	See Sch		\$4,071	\$62,095	\$64,000	\$345	1%	\$66,900
31	Water Analysis	2188		\$6,034	\$6,398	\$15,000	\$3,704	25%	\$5,700
32	Cross Connection Fees	2159-XC59		\$4,140	\$6,000	\$5,200	\$1,600	31%	\$5,200
33	Groundwater Extraction	2312-FX12		\$27,500	\$35,700	\$84,000	\$69,800	83%	\$84,000
34	Water Purchase	2312		\$663,946	\$118,970	\$476,500	\$66,307	14%	\$138,700
35	Water System Power	2313		\$565,891	\$600,422	\$407,100	\$404,065	99%	\$672,200
36	Water Maintenance Supply			\$0	\$0	\$0	\$0		\$0
37	Conservation Program	2159-CS59		\$0	\$0	\$5,000	\$0	0%	\$5,000
38	Meter Replacement & Change Outs	2264		\$276,200	\$51,100	\$46,000	\$19,500	42%	\$46,000
39	Other Loan Pymts-Principal (USDA)	3212		\$72,000	\$73,986	\$77,000	\$0	0%	\$104,100
40	Other Loan Pymts-USDA Interest	3452		\$88,728	\$76,285	\$83,900	(\$1,010)	-1%	\$11,100
41	Depreciation Expense	3361		\$341,922	\$335,897	\$327,800	\$193,356	59%	\$327,800
42	Right of Way Easements Purchase	3552		\$0	\$0	\$0	\$0		\$0
43	Right of Way Easements Temporary	3553		\$300	\$500	\$0	\$0		\$0
44	Debt Contra	3992		\$0	\$0	\$0	\$0		\$0
45	Debt & Capital Reserve Contributions	5111		\$1,073	\$0	\$51,700	\$9,061	18%	\$9,100
46	Contribution - ISF	5111		\$0	\$25,210	\$6,400	\$0	0%	\$10,900
	CAFR Adjustments								
47	Total - Operating Expenditure			\$4,017,111	\$2,865,363	\$3,530,400	\$1,587,703	45%	\$3,373,145
48	Result of Operation			(\$858,083)	\$910,163	\$130,200	\$485,302	373%	\$361,652
49	Transfer to/fr Capital Reserve			\$858,083		\$0			(\$361,652)
50	O&M Fund Balance Reserve:			\$9,165	\$919,328	\$1,049,528	\$1,404,630		\$919,328
51									
52	Minimum Balance								
53	25%	of O&M expenses		\$1,004,278	\$716,341	\$882,600	\$396,926		\$843,286
54	10%	of rate revenue		\$4,965	\$4,090	\$1,040	\$6,542		\$6,540
55									

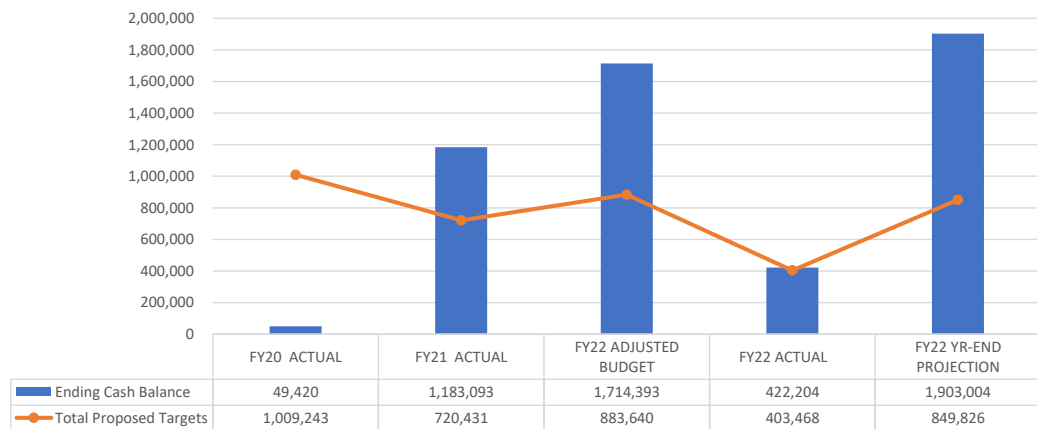
	Current Activities for Accounting Period 07 (Period ending 01/31/22)								
				FY20	FY21	FY22	FY22	% Actual vs	FY22 YR-END
56	Acquisition&Replacement Fund			ACTUAL	ACTUAL	ADJUSTED BUDGET	ACTUAL	Budget	PROJECTION
57	Beginning Balances			\$1,058,445	\$40,255	\$214,351	\$214,351		\$214,351
58									
59	Capital Sources of Funds								
60	Interest Earnings	8911		\$13,754	\$19,945	\$1,800	\$1,288	72%	\$1,800
61	State Grant				\$176,264	\$0	(\$176,264)		\$2,454,258
62	Capital Impr Charges	9615		\$6,000	\$2,000	\$6,000	\$30,000	500%	\$30,000
63	Loan Proceed	9841	(USDA	\$0	\$0	\$4,787,000	\$0	0%	\$1,300,000
64	Other Revenue-Misc	9790		\$45,000	\$0	\$0	\$0		\$0
65	Gain/Loss Revenue Capital Asset	9822							\$0
66	Depreciation Expense	3611	CY Fun	\$341,922	\$335,897	\$327,800	\$193,356	59%	\$327,800
67	Total - Capital Sources of Funds			\$406,676	\$534,105	\$5,122,600	\$48,380	1%	\$4,113,858
68	Capital Uses of Funds								
69	Water System Replacement & Construction Projects:								
70	Misc Water System Improvement	2112		\$411,067	\$37,300	\$10,000	\$459	5%	\$10,500
71	General System Improvement	4112		(\$4)	(\$4)	\$0	(\$0)		\$84
72	Well#4 Treatment Fac Repl	4112		\$0	\$0	\$0	\$0		\$0
73	Well 2 Treatment Facility	4112		\$99,470	\$305,318	\$3,137,000	\$1,331,349	42%	\$2,454,258
74	Well#2 Treatment Facility	4114		\$0	\$0	\$0	\$0		\$0
75	Pipe Replacement at Caltrans	4112		\$0	\$0	\$0	\$0		\$0
76	NewCalleguasWtrTrnout	4112		\$0	\$0	\$0	\$0		\$0
77	Sand Canyon Waterline & BPS	4112		\$0	\$0	\$0	\$0		\$0
78	Pipe Replacement Caltrans ROW	4114		\$3,220	\$0	\$250,000	\$0	0%	\$0
79	Pipe Replacement Caltrans	4114		\$0	\$0	\$0	\$0		\$0
80	Well 3 Replacement	4114		\$0	\$0	\$0	\$0		\$0
81	Bradley Rd Turnout	4114		\$0	\$0	\$0	\$0		\$0
82	538 Reservoir Replacement	4112		\$45,270	\$5,096	\$100,000	\$8,014	8%	\$66,358
83	538 Transmission Replacement	4112		\$3,560	\$0	\$0	\$0		\$0
84	Water Construction Project	4114		\$0	\$0	\$0	\$0		\$0
85	Total Syst. Replc & Construc Proj.			\$562,582	\$347,710	\$3,497,000	\$1,339,823	38%	\$2,531,200
86	Misc Expense			\$0	\$0	\$0	\$0		\$0
87	System Maint, Repairs & Replc.			\$0	\$0	\$0	\$0		\$0
88	Engineering Services	2204		\$4,200	\$12,300	\$12,100	\$0	0%	\$12,100
89	Other Equipment	4601		\$0	\$0	\$1,300,000	\$0	0%	\$1,300,000
90	Contributions-ISF & Other Funds	5111		\$0	\$0	\$0	\$0		\$0
92	Total - Capital Uses of Funds			\$566,782	\$360,010	\$4,809,100	\$1,339,823	28%	\$3,843,300
93	Net Cash Balance			(\$160,106)	\$174,095	\$313,500	(\$1,291,442)		\$270,558
94	Transfer to/fr O&M			(\$858,083)	\$0	\$0	\$0		\$361,652
96	Ending Capital Fund Balance Reserve			\$40,255	\$214,351	\$527,851	(\$1,077,092)		\$846,561
97									

	Current Activities for Accounting Period 07 (Period ending 01/31/22)							
98	DEBT SERVICE - RCA - Well 2 Construction Proj.				FY21	FY22	FY22	% Actual vs FY22 YR-END
99	Beginning Balances				\$0	\$49,415	\$49,415	\$49,415
100								
101	Sources of Fund							
102	Well 2 Surcharge				\$49,415	\$87,600	\$45,251	\$1 \$87,700
	Subtotal - Sources of Fund				\$49,415	\$87,600	\$45,251	\$87,700
103								
104	Debt Service							
105	Loan Principal Pymts - RCA				\$0	\$0	\$0	\$0
106	Other Loan Pymts - RCA Interest				\$0	\$0	\$0	\$0
107	Subtotal - Debt Service				\$0	\$0	\$0	\$0
108								
109	Net Cash Balance				\$49,415	\$87,600	\$45,251	\$87,700
110								
111	Ending Debt Service Reserve				\$49,415	\$137,015	\$94,666	\$137,115

Current Activities for Accounting Period 07 (Period ending 01/31/22)																		
NET RESULTS OF OPERATION COMPARISON BETWEEN FISCAL YEARS																		
Fiscal Year 2021-22																		
FY22																		
ADJUSTED																		
FY22																		
% Actual vs																		
Budget																		
FY22 YR-END																		
PROJECTION																		
OPERATION FUND																		
FY20																		
ACTUAL																		
FY21																		
ACTUAL																		
ADJUSTED																		
BUDGET																		
FY22																		
ACTUAL																		
% Actual vs																		
Budget																		
FY22 YR-END																		
PROJECTION																		
1 Water Sales																		
2 Water Sales																		
3 Las Posas Adjudication- Surcharges																		
4 Other O&M Revenues																		
5 Total Sales																		
6																		
7 Water & Power Cost																		
8 Water Supply Cost																		
9 Water System Power																		
10 Total Water and Power Costs																		
11 Gross Profit (Loss)																		
12																		
13 Operating Cost																		
14 System Maint. Repairs & Replac.																		
15 O&M Labor																		
16 Meter Replacement & Change Outs																		
17 Misc O&M Cost																		
18 County and Agency Services																		
19 Debt Service																		
20 Funded Depreciation																		
21 Total Operating Cost																		
22 Net Result of Operation																		
37																		
38																		
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Current Activities for Accounting Period 07 (Period ending 01/31/22)								
CASH RESERVE ANALYSIS								
			FY20 ACTUAL	FY21 ACTUAL	FY22 ADJUSTED BUDGET	FY22 ACTUAL	% Actual vs Budget	FY22 YR-END PROJECTION
1	Operating Revenues							
2	Water Sales		3,107,276	3,549,443	3,490,811	1,836,231	53%	3,497,991
3	Las Posas Adjudication- Surcharges			182,318	157,189	161,309	103%	161,309
4	Other O&M Revenues		51,751	43,764	12,600	75,465	599%	75,497
5	Subtotal - Operating Revenues		3,159,028	3,775,526	3,660,600	2,073,005	57%	3,734,797
6								
7	Operating Expenses							
8	Water Purchases		663,946	118,970	476,500	66,307	14%	138,700
9	Water System Power		565,891	600,422	407,100	404,065	99%	672,200
10	Other O&M Expenses		2,284,624	1,659,804	2,158,100	924,985	43%	2,119,245
11	Fund Depreciation		341,922	335,897	327,800	193,356	59%	327,800
12	Subtotal - Operating Expenses		3,856,383	2,715,092	3,369,500	1,588,713	47%	3,257,945
13								
14	Net Operating Revenues		(697,355)	1,060,434	291,100	484,292		476,852
15								
16	Non-Operating Revenues							
17	Capital Revenues		51,000	2,000	6,000	30,000	500%	30,000
18	State Grant			176,264	0	(176,264)	0	2,454,258
19	Fund Depreciation		341,922	335,897	327,800	193,356	59%	327,800
20	Debt Proceeds		0	0	4,787,000	0	0%	1,300,000
21	Well 2 Surcharge			49,415	87,600	45,251	1	87,700
22	Interest Earnings		13,754	19,945	1,800	1,288	72%	1,800
23	Subtotal - Non Operating Revenues		406,676	583,520	5,210,200	93,631	2%	4,201,558
24								
25	Debt Service							
26	RCA Loan - USDA Loan Payoff		160,728	150,271	160,900	(1,010)	-1%	115,200
27	RCA Loan - Well 2 Const. Prj			0	0	0		0
28	Subtotal - Debt Service		160,728	150,271	160,900	(1,010)	-1%	115,200
29								
30	Capital Expenses							
31	Well 2 Treatment Facility Prj		99,470	305,318	3,137,000	1,331,349	42%	2,454,258
32	Other System Improv. Proj		463,112	42,392	360,000	8,473	2%	76,942
33	Misc. Capital Cost		4,200	12,300	1,312,100	0	0%	1,312,100
34	Total Capital Expenses		566,782	360,010	4,809,100	1,339,823	28%	3,843,300
35								
36	Net Revenues		(1,018,190)	1,133,673	531,300	(760,890)		719,910
37								
38	Beginning Balance		1,067,610	49,420	1,183,093	1,183,093		1,183,093
39	Ending Balance		49,420	1,183,093	1,714,393	422,204		1,903,004
40						0		
41	Total Proposed Targets		1,009,243	720,431	883,640	403,468		849,826

Cash Reserve Analysis



WATERWORKS DISTRICT NO. 19 (SOMIS) WATER SERVICE
OPERATION AND MAINTENANCE FINANCIAL STATUS REPORT (\$000)

	Current Activities for Accounting Period 07 (Period ending 01/31/22)						
		A	B	B	C	D	E
		ACTUAL	ADOPTED BUDGET	ADJUSTED BUDGET	CURRENT	% of	Yr-End
	DESCRIPTION	FY 21	FY 22	FY 22	ACTUAL	Act vs Bud	Projection
1	EXPENDITURES					c/b	
2	System Maint. Repairs & Replac.	228.6	453.5	453.5	138.3	31%	452.8
3	Pipes, Fitting, Valves & Other Maint. Supp	134.9	152.5	152.5	58.2	38.2%	152.5
4	Maintenance Contract	93.7	301.0	301.0	80.1	26.6%	300.3
5	Other Maintenance	-	-	0.0	0.0		0.0
6	Special Technical Services	62.1	64.0	64.0	0.3	0.0	66.9
7	Reservoir & Well Insp	56.3	37.0	37.0	0.0	0.0%	37.0
8	Design & Print CCR Rpt and Others	1.4	17.0	17.0	0.3	2.0%	17.0
9	Urban Water MGMT Plan & Master Plan Updates	-	5.0	5.0	0.0	0.0%	5.0
10	SCADA Reporting	-	5.0	5.0	0.0	0.0%	5.0
13	O&M Labor Charges	885.4	-	1,073.7	554.4	51.6%	965.1
14	State Permit/Fees	13.7	-	5.0	1.5	30.0%	12.0
15	Mgmt /Admin./ Eng. Svcs	173.8	-	178.0	44.5	25.0%	178.0
16	Legal Cost	59.5	-	60.0	21.6	36.0%	157.6
17	Water Analysis	6.4	-	15.0	3.7	24.7%	5.7
18	Cross Connection Fees	6.0	-	5.2	1.6	30.8%	5.2
19	Groundwater Extraction	35.7	-	84.0	69.8	83.1%	84.0
20	Water Purchase	119.0	-	476.5	66.3	13.9%	138.7
21	Water System Power	600.4	-	407.1	404.1	99.3%	672.2
22	Water Maintenance Supply	0.0	-	0.0	0.0		0.0
23	Conservation Program	0.0	-	5.0	0.0	0.0%	5.0
24	Meter Replacement & Change Outs	51.1	-	46.0	19.5	42.4%	46.0
25	Phone/Supplies/Bad Deb/Misc	88.7	-	88.9	49.8	56.0%	99.3
26	Indirect Cost Recovery	23.2	-	21.7	10.8	50.0%	21.7
27	Other Loan Pymts-Principal	0.0	-	0.0	0.0		0.0
28	Other Loan Pymts-Principal (USDA)	74.0	-	77.0	0.0	0.0%	104.1
29	Other Loan Pymts - RCA Interest	0.0	-	0.0	0.0		0.0
30	Other Loan Pymts-USDA Interest	76.3	-	83.9	-1.0		11.1
31	Depreciation Expense	335.9	-	327.8	193.4	59.0%	327.8
32	Right of Way Easements Purchase	0.0	-	0.0	0.0		0.0
33	Right of Way Easements Temporary	0.5	-	0.0	0.0		0.0
34	Contribution - ISF	25.2	-	6.4	0.0	0.0%	10.9
35	Debt & Capital Reserve Contributions	0.0	-	51.7	9.1	17.5%	9.1
36	TOTAL EXPENDITURES	2,865.4	517.5	3,530.4	1,587.7	45.0%	3,373.1
37	REVENUES						
38							
42	Meter Sales & Install/Line Ext. Fee	2.9	2.0	2.0	2.5	127.3%	2.6
43	Planning/Engr Svc Fee	-	0.2	0.2	7.5	3750.0%	7.5
44	Permit Fees	-	-	0.0	0.0		0.0
45	Water Sales	3,549.4	3,490.8	3490.8	1836.2	52.6%	3,498.0
46	Las Posas Adjudication Surcharge	182.3	157.2		161.3		161.3
47	Other revenue - misc.	40.9	10.4	10.4	65.4	629.0%	65.4
48	Gain/Loss Revenue Capital Asset	-	-	0.0	0.0		0.0
49	TOTAL REVENUES	3,775.5	3,660.6	3,503.4	2,073.0	59.2%	3,734.8
50	NET OF OPERATION	910.16	3,143.1	(27.0)	485.3		361.65
51	O&M Fund Balance Reserve:						
52	Beginning Fund Balance	9.17		919.33	\$919.33		\$919.33
53	Net of Operation	910.16		(26.99)	485.30		361.65
54	Transfer To/Fr Capital Fund			-			(361.65)
55	O&M Fund Balance Reserve:	\$919.33	\$0.00	\$892.34	\$1,404.63	\$0.00	\$919.33
56	Required O&M Fund Reserve: 25% of Exp.	\$716.34	\$129.38	\$882.60	\$396.93		\$843.29
57	O&M FBR vs Targeted Reserve	ok	alert	ok	ok	ok	ok

WATERWORKS DISTRICT NO. 19 (SOMIS) WATER SERVICE
CAPITAL PROJECTS FINANCIAL STATUS REPORT (\$000)

Current Activities for Accounting Period 07 (Period ending 01/31/22)								
	A	B	C	D	E	F	G	H
	ACTUAL	ADOPTED BUDGET	ADJUSTED BUDGET	ACTUAL FY 22			% of	Yr-End
DESCRIPTION	FY 21	FY 22	FY 22	EXP/REV	ENC	TOTAL	Act/Bud	Projection
1 NON CAPITALIZED EXPENDITURES:							d/c	
2 General System Improvement	0.0	0.0	0.0	(0.0)	0.0	(0.0)		10.0
3 SCADA Improvements	2.4	0.0	0.0	0.5	0.0	0.5		0.5
4 Well Repairs/Replacement	0.0	0.0	0.0	0.0	0.0	0.0		0.0
5 Greentree Res #2 Re-coat & Repair	34.7	0.0	0.0	0.0	0.0	0.0		0.0
7 Engineering Services	12.3	12.1	12.1	0.0	0.0	0.0	0.0%	12.1
8 Sub-Total Non Capitalized Expenditures	49.6	12.1	12.1	0.5	0.0	0.5	3.8%	22.6
9 WATER SYSTEM IMPROVEMENT:								
10 General System Improvement	0.0	0.0	0.0	(0.0)	1931.3	1,931.3		0.1
11 Well 2 Treatment Facility	305.3	0.0	3,137.0	1,331.3	0.0	1,331.3	42.4%	2,454.3
13 Pipe Replacement Caltrans ROW	0.0	0.0	250.0	0.0	0.0	0.0	0.0%	0.0
14 538 Reservoir Replacement	5.1	0.0	100.0	8.0	0.0	8.0	8.0%	66.4
15 538 Transmission Replacement	0.0	0.0	0.0	0.0	0.0	0.0		0.0
16 Sub-Total Water System Improvement	310.4	0.0	3,487.0	1,339.4	1,931.3	3,270.7		2,520.7
17 WATER CONSTRUCTION PROJECT								
18 Well#2 Treatment Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0
21 Sub-Total Water Water Constrction Project	0.0	0.0	0.0	0.0	0.0	0.0		0.0
22 Other Equipment	0.0	0.0	1,300.0	0.0	0.0	0.0		1,300.0
23 Total Expenditures	360.0	12.1	4,799.1	1,339.8	1,931.3	3,271.1	11072.9%	3,843.3
24 REVENUES								
25 Interest Earnings	19.9	0.0	1.8	1.3	0.0	1.3	71.6%	1.8
26 Capital Impr Charges	2.0	0.0	6.0	30.0	0.0	30.0	500.0%	30.0
26 State Grant	176.3	0.0	0.0	(176.3)	0.0	(176.3)	0.0%	2,454.3
26 Loan Proceed	0.0	0.0	4,787.0	0.0	0.0	0.0	0.0%	1,300.0
28 Other Revenue-Misc	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0
29 Total Revenues	198.2	0.0	4,794.8	(145.0)	0.0	(145.0)		3,786.1
30 Net of Operation	(161.8)	(12.1)	(4.3)	(1,484.8)	(1,931.3)	(3,416.1)		(57.2)
31 Beginning Capital Fund Balance	40.3	214.4	214.4	214.4		214.4		214.4
32 Prior Year CAFR Adjustments								0.0
33 Transfer To/Fr Capital Fund	0.0							361.7
34 Depreciation Expense	335.9	0.0	327.8	193.4		193.4		327.8
35 Ending Capital Fund Balance Reserve	214.4	202.3	537.9	(1,077.0)		(3,008.3)		846.6
36								
37								
38	SUMMARY OF CAPITAL FUND BALANCE				Capital	Funded	Total	
39					Acq Fund	Depr Fund	Cap Fund	
40			Beginning Fund Balance		(112.2)	326.5	214.3	
41			Revenue & Depreciation		3,786.1	327.8	4,113.9	
42			Transfer to/from O&m		361.7		361.7	
43			Expenditure & Encumbrances		(3,820.7)	(22.6)	(3,843.3)	
44			Ending Fund Balance		214.8	631.7	846.5	

WATERWORKS DISTRICT NO. 19 (SOMIS) WATER SERVICE
WELL 2 DEBT SERVICE FINANCIAL STATUS REPORT (\$000)

	Current Activities for Accounting Period 07 (Period ending 01/31/22)						
		A	B	B	C	D	E
		ACTUAL	ADOPTED BUDGET	ADJUSTED BUDGET	CURRENT	% of	Yr-End
	DESCRIPTION	FY 21	FY 22	FY 22	ACTUAL	Act vs Bud	Projection
1	DEBT SERVICE:					c/b	
2	Loan Principal Pymts - RCA						
3	Other Loan Pymts - RCA Interest						
4	TOTAL DEBT SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	DEBT SERVICE REVENUE						
6							
7	Well 2 Surcharge	\$49.41	\$87.60	\$87.60	\$45.25		\$87.70
8	TOTAL DEBT SERVICE REVENUE	\$49.41	\$87.60	\$87.60	\$45.25		\$87.70
9	NET FUND BALANCE	\$49.41	\$87.60	\$87.60	\$45.25		\$87.70
10	O&M Fund Balance Reserve:						
11	Beginning Fund Balance	\$0.00	\$49.41	\$49.41	\$49.41		\$49.41
12	Net Fund Balance	\$49.41	\$87.60	\$87.60	\$45.25		\$87.70
13	Debt Service Fund Balance Reserve:	\$49.41	\$137.01	\$137.01	\$94.67	\$0.00	\$137.11



Ventura County Waterworks District No. 19

Recap of Rate Analysis Presentation

Joe Pope

Director, Water and Sanitation Department

County of Ventura Public Works Agency

Feb 24, 2022

December 16, 2021

Presentation Overview

- Financial Conditions of the District
- Rate Analysis Assumptions
- Known Risks
- Discussion on Capital Project Financing
- Rate Analysis Objectives
- Cash Reserves and Net Result of Operations scenarios
- Recommendation for Fiscal Year 2022/23 (July 1, 2022 - June 30, 2023)

Financial Conditions of the District

- End of Fiscal year 2020 (6/30/20) ended with negative cash reserve balance
- Dec 2020 Waterworks District Board Approved:
 - Minimum Reserve policy of 25% Operating Costs, 10% Revenue, and 2% of net assets
 - Well 2 Surcharge (ends after 30 years)
 - Las Posas Adjudication Surcharge (ends 12/31/2021)
- Ended Fiscal Year 2021 (6/30/21) with cash reserve balance of \$1.18M
- FY 2021 O&M Expenditures: \$2,862,365
- FY 2021 Capital Expenditures: \$360,013
- FY 2021 Water Produced: 2,321.69 acre-feet
- FY 2021 Cost per Acre-Foot of Produced Water: \$1,232.88/AF (\$2.83/HCF)

Rate Analysis Assumptions

- Calleguas Municipal Water District Rate increase of 3.5% for 2022
- Assumes steady water demand of 2,296 AF/year after SFWH is complete
- Assumes average inflationary increases used for rate analysis:
 - Labor 3.5%, Electricity 4%*, materials 3%, and new capital loans 30-year @ 2% fixed
- Assumes groundwater pumping allocation remains at 2,300 acre-feet per year
- Assumes 360-unit Farmworker Housing (SFWH) is completed by Fiscal Year 2024
- Capital Project Timing Recommendations:
 - 538 New Reservoir for Farmworker Housing (funded by SFWH developer): FY 2022-23
 - Pipeline Replacement Hwy 118: FY 2023-24
 - 538 Reservoir #2 Replacement: FY 2025-26

* SCE tariff for Ag and Pumping accounts has increased 19.5% since March 2019

Rate Analysis Assumptions (continued)

- Operations and Maintenance Project Timing Recommendations:
 - Balcom Canyon Reservoir Repair/Recoat: FY 2023 (rate funded)
 - Well #4 Pump Replacement: FY 2023 (rate funded)
 - Bradley Pump Station Greentree Reservoir: FY 2024/25 (debt funded)

Known Risks

- Wet years result in lower sales / reduction in revenues
- Higher incidence of main line breaks during wet years
- Increases in customer demand above 2,300 acre-feet per year (+ system losses) will result in increased imported water purchases
- Adjudication of Las Posas Valley (LPV) Groundwater Basin is still on-going
- Fox Canyon (or the Courts) will set LPV sustainable pumping yield, which could result in lower than 2,300 acre-feet pumping allocation
- Failure of any Well during peak irrigating time periods will result in increased purchases of Calleguas water
 - Recommend additional \$1.5M in cash reserve to cover emergency well replacement.
- Failure of aging infrastructure (“old pipes”) could result in unplanned emergency repairs and water losses
- Magnitude of Calleguas and SCE rates increases are uncertain (but certainly going up)
- Variable interest rates for debt service (Well 2 and USDA Re-Finance)

Discussion on Capital Project Financing

- Options for Project Financing
 - Rate / Cash Reserve Funded - takes long time to build up savings
 - Grants - Uncertainty in timing, eligibility, and can require matching funds, but ‘free’ \$
 - Loans - Spreads project costs over 20 to 30 years; interest rates can be fixed (SRF) or variable (County RCA loan)
- Any loan requires pre-approval by County Financial Planning Committee
 - Must be able to show District’s long-term ability to pay off debt service
- Recommendation: capital projects funded 25% from reserves and 75% loans
- Alternative Analyses presented to CAC Dec 2021 included variations on capital project funding sources

Rate Analysis Objectives

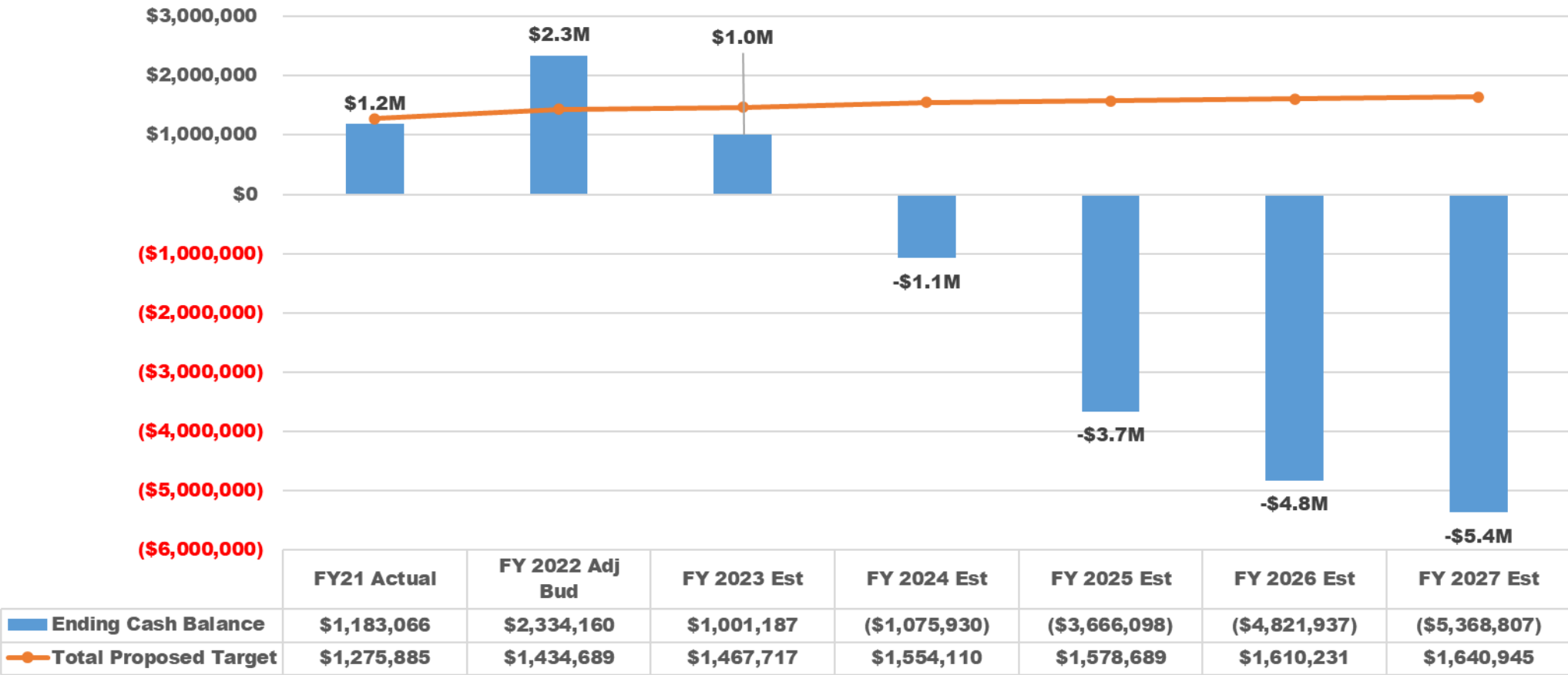
- Maintain Cash Reserves at or above target levels
- Maintain zero or greater Net Result of Operation

Baseline Scenario

- 100% Funding of Capital Projects from Rates and Reserves
- With and without rate increases

Not Recommended

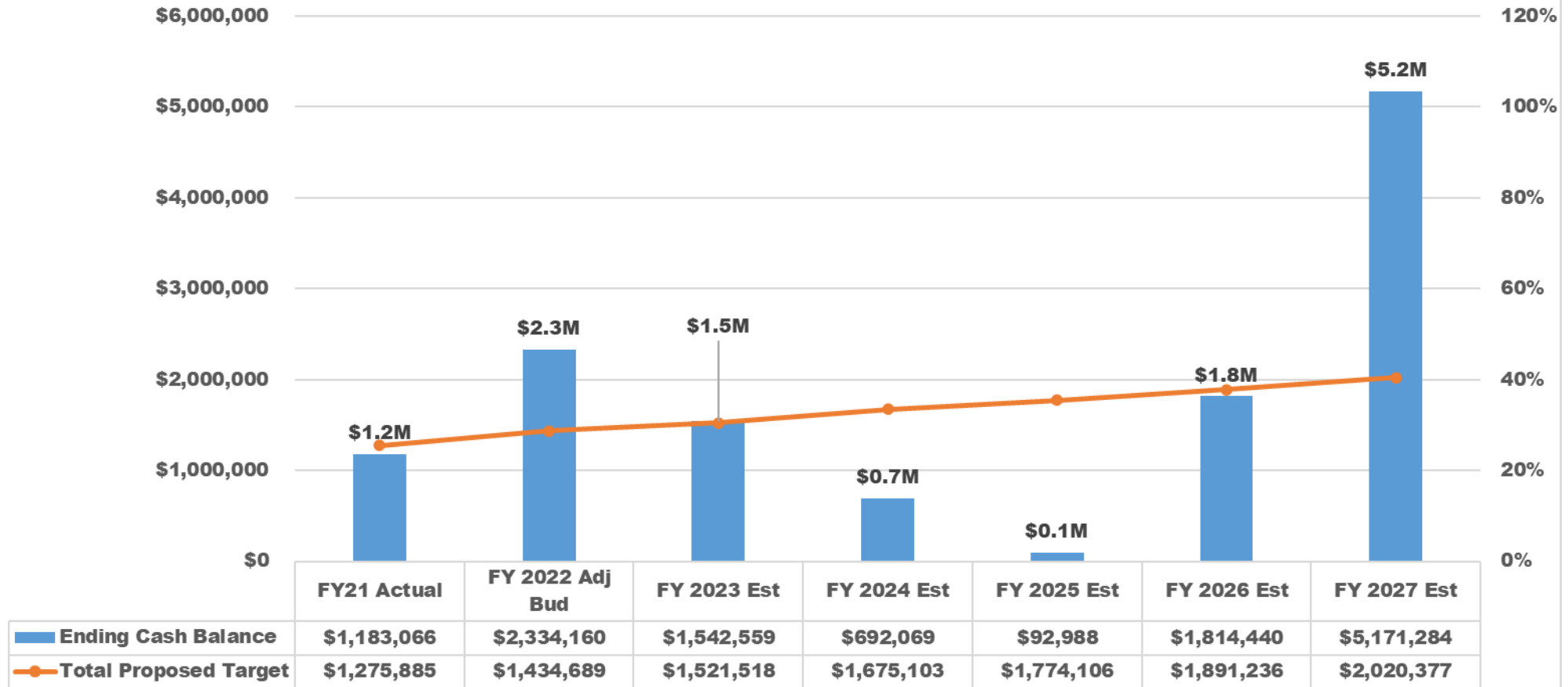
Cash Reserves Forecast Without Rate Increases
Capital Projects 100% Rate Financed
Farmworker Housing Completed by 2024



Cash Reserves Forecast With 15% Rate Increase per Year 2022-2027

Capital Projects 100% Rate Financed

Farmworker Housing Completed by 2024

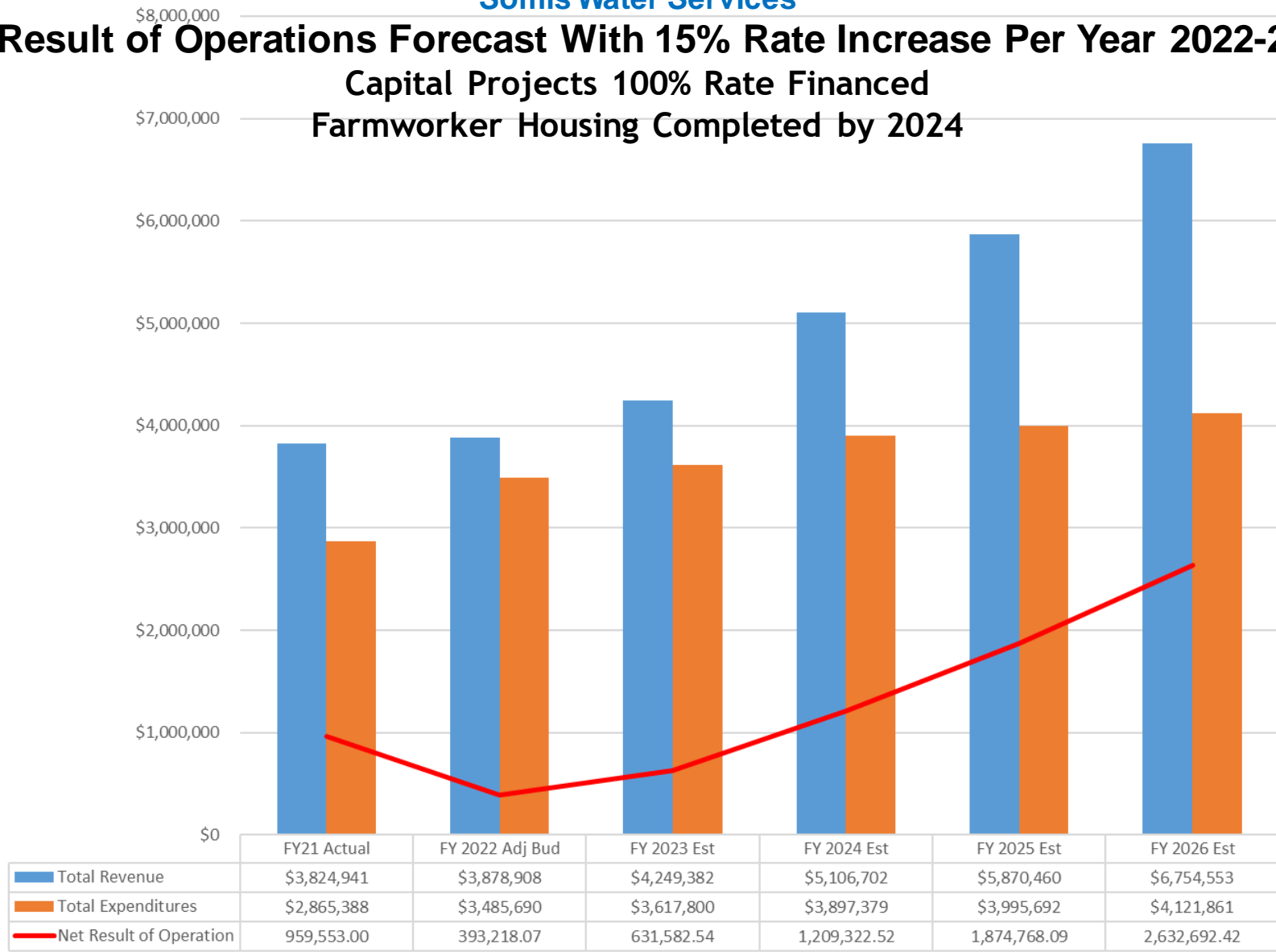


Somis Water Services

Net Result of Operations Forecast With 15% Rate Increase Per Year 2022-2027

Capital Projects 100% Rate Financed

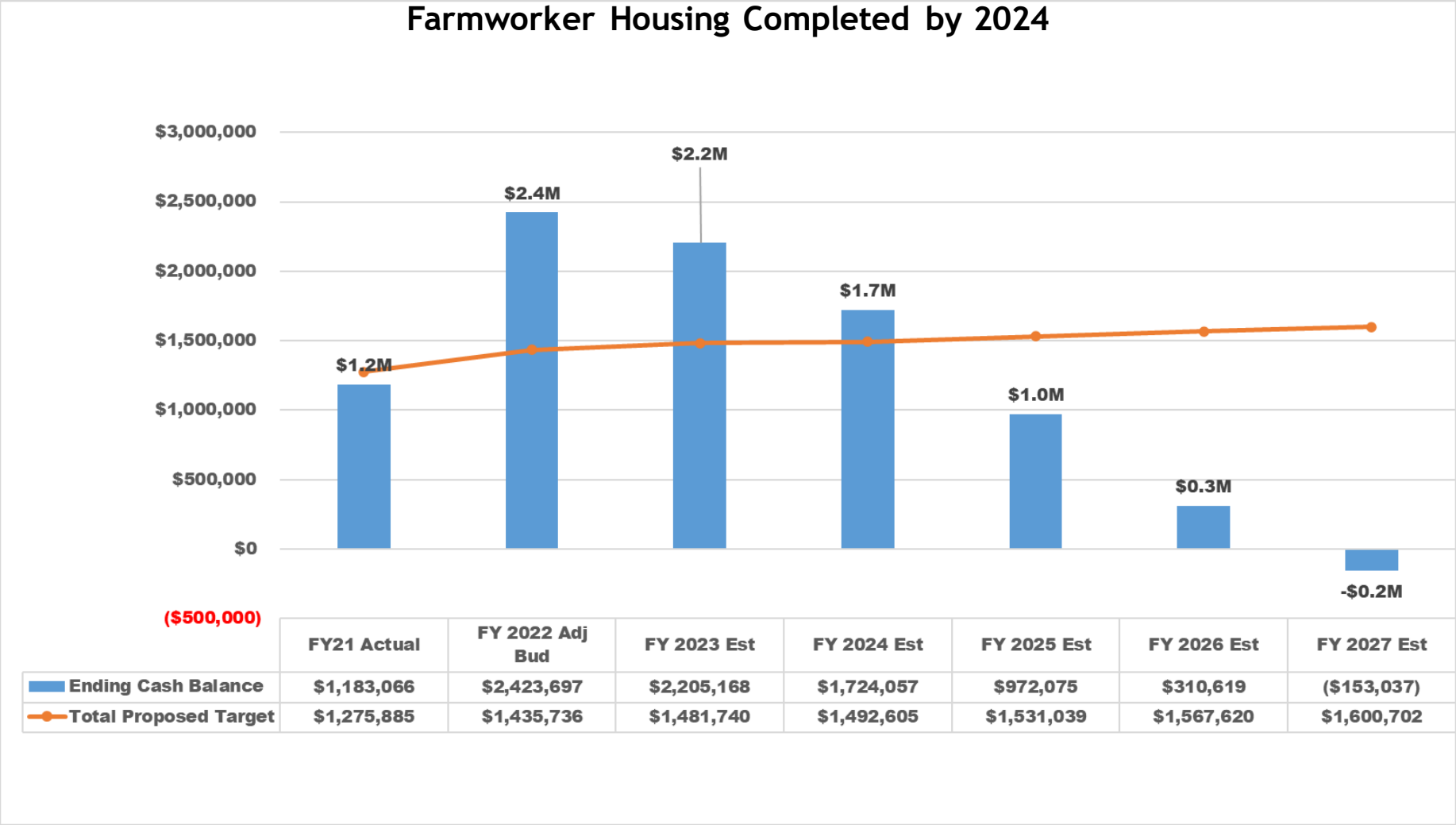
Farmworker Housing Completed by 2024



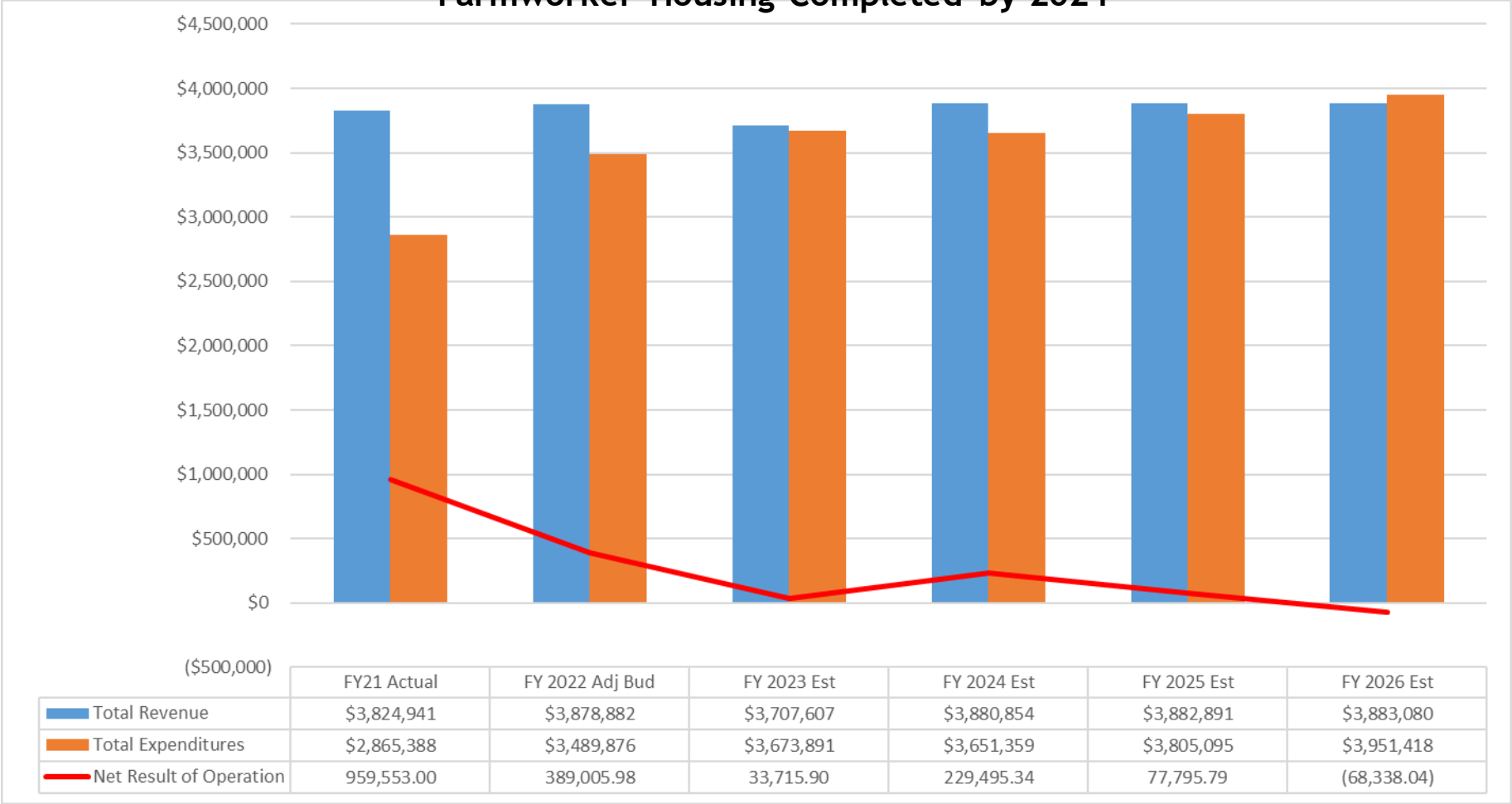
Scenario A

- 25% Funding of Capital Projects from Rates/Reserves
- 75% Funding of Capital Projects with Debt
- With Farmworker Housing
- With and without rate increases

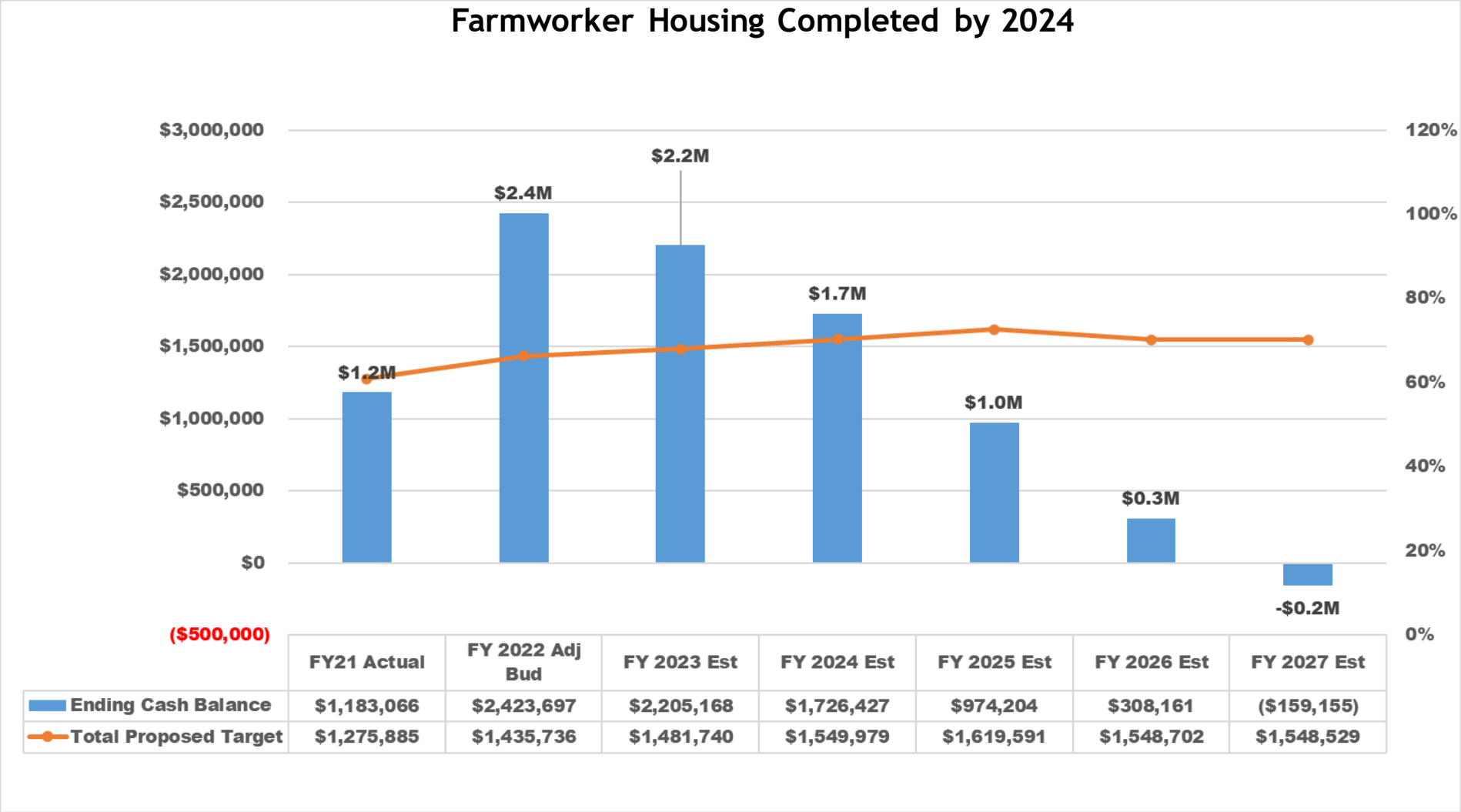
Cash Reserve Forecast With **No** Rate Increase
Capital Projects 25% Rate / 75% Debt Financed
Farmworker Housing Completed by 2024



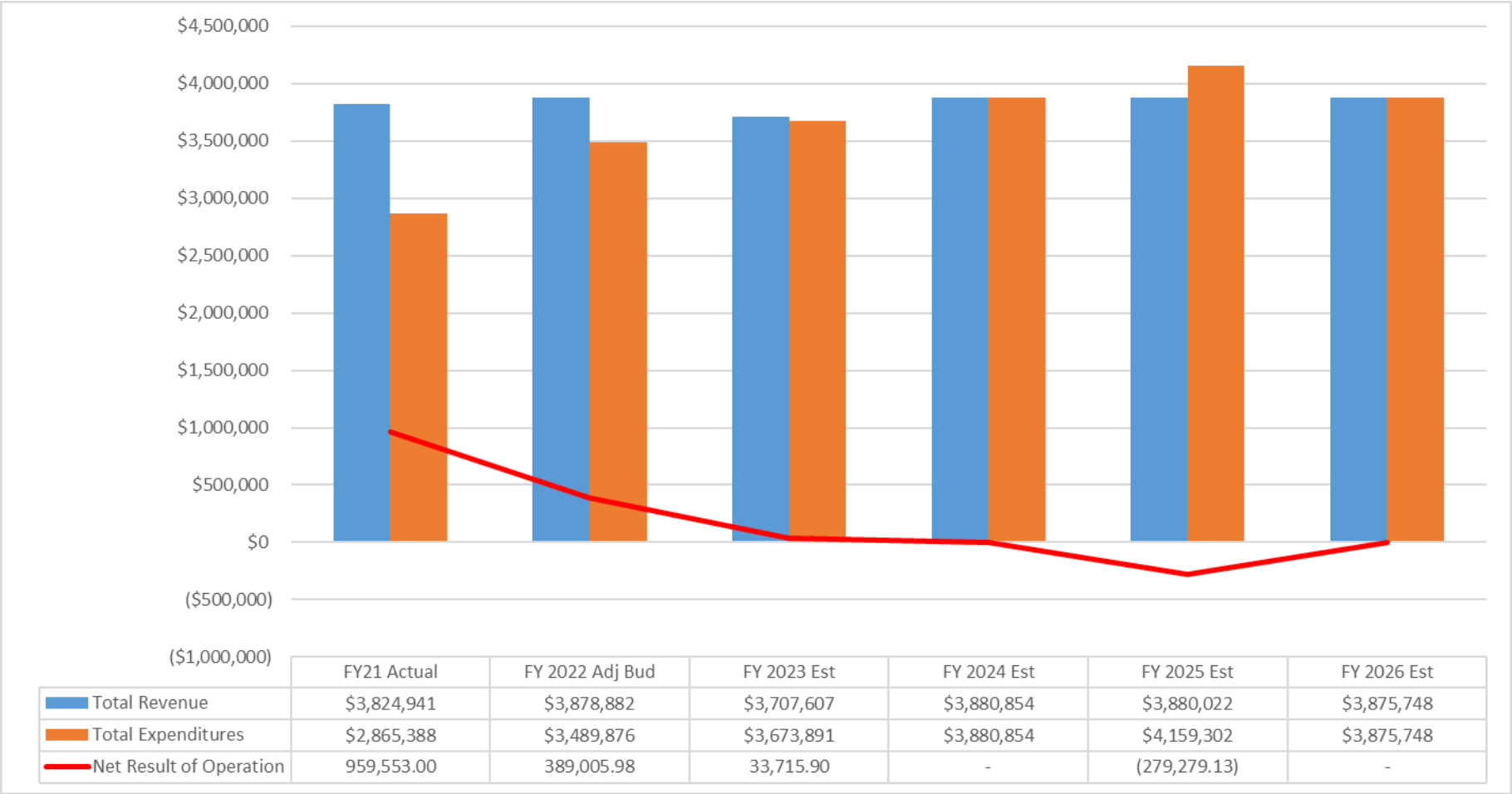
Net Result of Operations Forecast With **No** Rate Increase
Capital Funding 25% Rate / 75% Debt Financed
Farmworker Housing Completed by 2024



Cash Reserve Forecast With 2% Rate Increase July 2022
Capital Projects 25% Rate / 75% Debt Financed
Farmworker Housing Completed by 2024

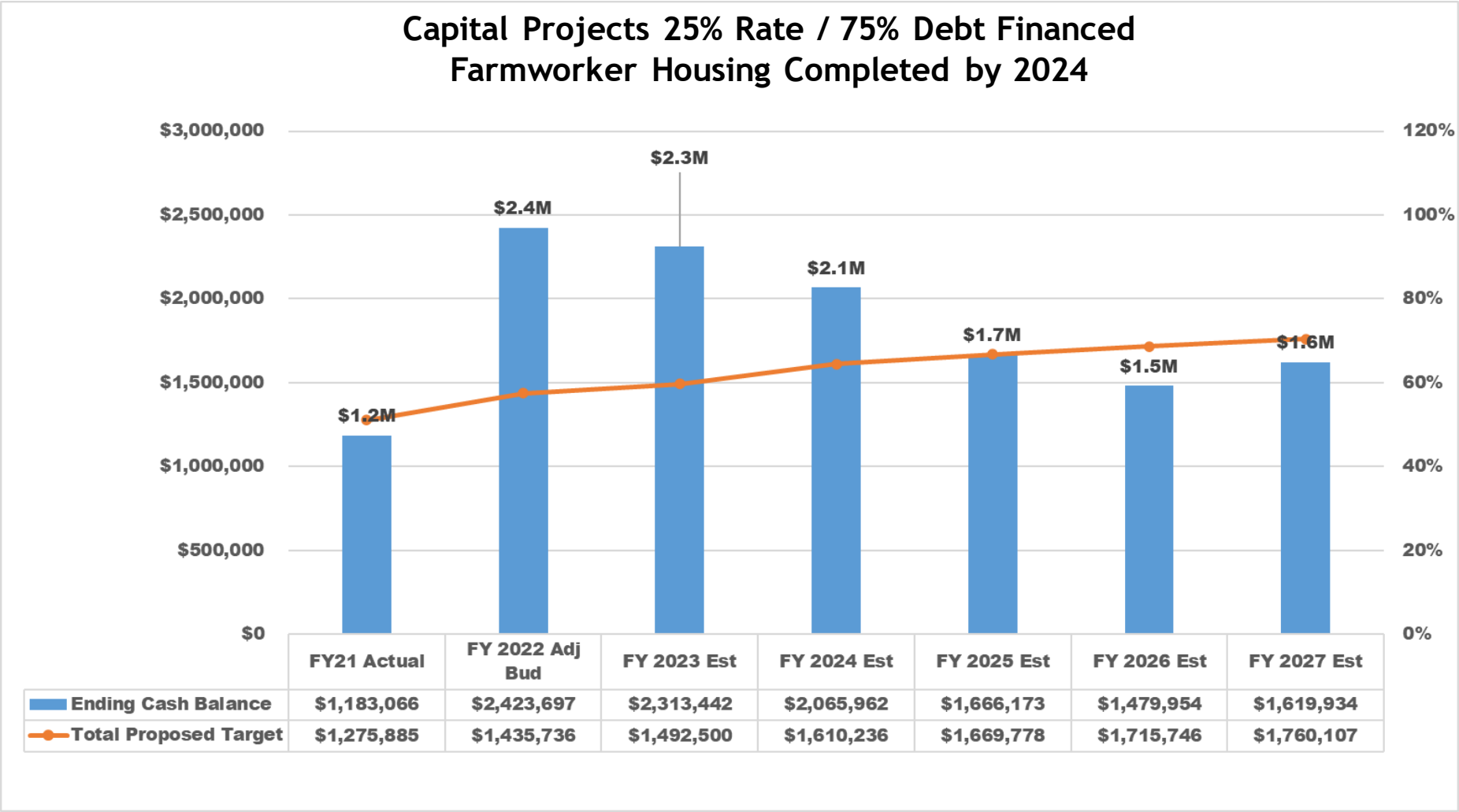


Net Result of Operations Forecast With 2% Rate Increase July 2022
Capital Projects 25% Reserve / 75% Debt Financed
Farmworker Housing Completed by 2024

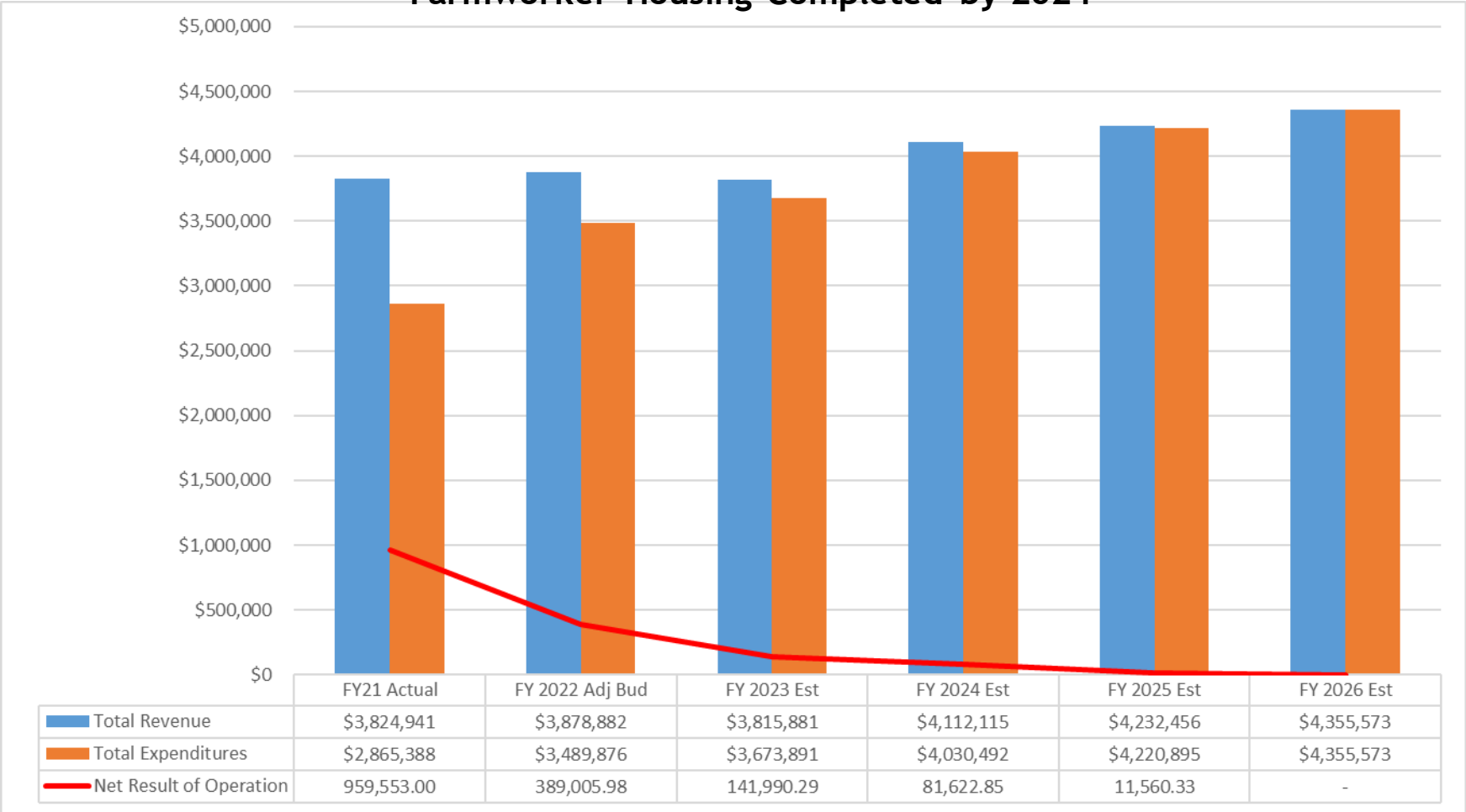


Cash Reserve Forecast **2.5%** Rate Increase July 2022
3% Per Year 2023-2027

Capital Projects 25% Rate / 75% Debt Financed
Farmworker Housing Completed by 2024



Net Result of Operations Forecast **2.5%** Rate Increase July 2022
3% Per Year Increase 2023-2027
Capital Projects 25% Rate / 75% Debt Financed
Farmworker Housing Completed by 2024



Recommended Commodity Rates (2.5% increase)

Effective July 2022

Commodity Rates for Residential Customers			
Tier	Proposed Monthly Use (HCF)	Current 2021	Proposed 2022
1	0-10 hcf	\$2.35	\$2.41
2	>10-31 hcf	\$2.86	\$2.93
3	>31 hcf	\$3.78	\$3.87
<i>Note: Rates per 100 Cubic Feet of Water (HCF)=748 Gallons</i>			
Commodity Rates for Other Customer Classes			
	Customer Class	Current 2021	Proposed 2022
	Residential Multi Family	\$3.25	\$3.33
	Commercial	\$3.23	\$3.31
	Agricultural	\$3.02	\$3.10
	Industrial	\$5.35	\$5.48
	Institutional	\$3.49	\$3.58
	Temporary Construction	\$5.57	\$5.71
	Lift Charges	\$0.23	\$0.24

Recommended Fixed Charges (2.5% increase)

Effective July 2022

Monthly Meter Charges		
Meter Size	Current 2021	Proposed 2022
3/4-inch	\$20.18	\$20.68
1-inch	\$30.88	\$31.65
1 1/2-inch	\$57.61	\$59.05
2-inch	\$89.69	\$91.93
3-inch	\$191.28	\$196.06
4-inch	\$340.99	\$349.51
6-inch	\$699.22	\$716.70
Monthly Fireline Charges		
Meter Size	Current 2021	Proposed 2022
2-inch	\$9.38	\$9.61
3-inch	\$19.35	\$19.83
4-inch	\$36.55	\$37.46
6-inch	\$98.28	\$100.74
8-inch	\$204.75	\$209.87
Note: Water used through private fire services will be charged at the temporary construction water rate		

Well 2 Surcharges Remain Unchanged

Recommended Action

- **Approve 2.5% Commodity and Fixed Rate Increase, effective July 1, 2022 (Scenario A-3)**

PUBLIC **VENTURA COUNTY** **WORKS**



Administration Team

Questions?

December 16, 2021

5. DISTRICT STAFF REPORT

B. CAPITAL PROJECTS REVIEW

1. Progress Report for Active Capital Projects with updated timelines
2. Financial Status Report for Capital Projects

February 2022

ACTIVE CAPITAL PROJECTS REPORT - WATER AND SANITATION DEPARTMENT

Project Name	Project Manager	Phase	Phase % Complete	Proposed Funding	Remarks
Well 2 Fe and Mn Treatment Facility	R. Lippincott	Construction	66	Grant and County Loan	Working on site piping and electrical.
538 Reservoir Pump Station	R. Lippincott	30% Design, Environmental	5	Capital Funds	Currently working with the SFWH developers on plans for the 2nd 538 reservoir and then moving forward with the pump station design.
Pipe Replacement in Cal Trans ROW	Not assigned	Design	90	Capital Funds	Design was previously completed. The bid package needs to be prepared next.

5. DISTRICT STAFF REPORT

c. WATER FACTS

1. Water Supply

- a. Updated District 19 Water Production and Sales Reports
- b. Status of water supply available through State projects

2. Water Quality

- a. Resolution of water quality complaints from District customers
- b. Update on pumped groundwater and delivered potable water quality

3. Water Costs

- a. Cost of water purchased from Calleguas Municipal Water District
- b. Groundwater allocation from Fox Canyon GMA
- c. Litigation status to secure pumping allocation (*FCGMA V. LPVWRC*)

**Ventura County Waterworks - District No.1
Production Summary Report for**

Jan-22

DISTRICT 1	Local		Purchases	Total Prod.
	Pumped	In-Lieu		
Division 1				
Well 20	23.5			
Div. 1 Total	23.5		326.6	350.1
Division 2			2.5	2.5
Div. 2 Total	0.0		2.5	2.5
Division 3				
Well 15	32.0		1.3	33.3
Div. 3 Total	32.0		1.3	33.3
Division 4				
Well 95	6.6			
Well 98	31.5		0.7	32.2
Well 97	0.0			
Div. 4 Total	38.1	0.0	0.7	38.8
TOTAL DIST. 1 (AF)	93.6	0.0	331.1	424.8

**Ventura County Waterworks - District No.19
Production Summary Report for**

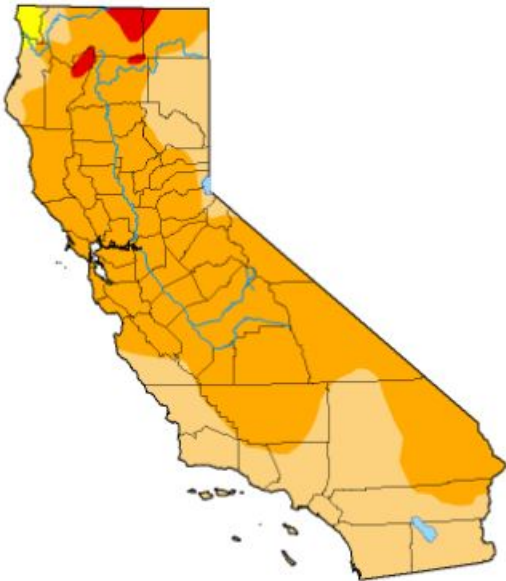
Jan-22

DISTRICT 19	Local		Purchases	Total Prod.
	Pumped	In Lieu (GCC)		
Well 2	14.5			
Well 3	54.2			
Well 4	11.0			
TOTAL DIST. 19 (AF)	79.6	0.0	0.0	79.6

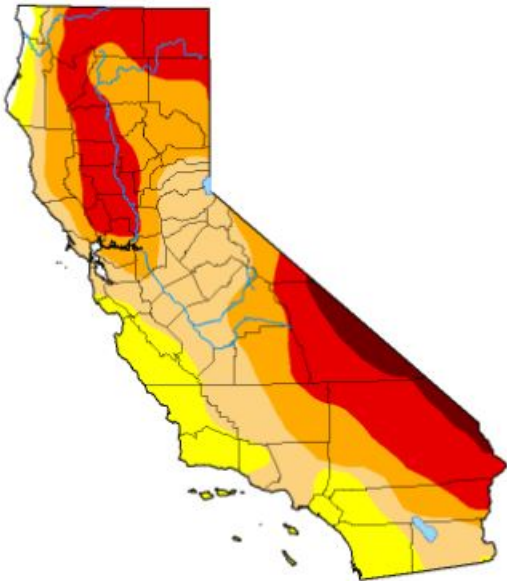
Drought Classification

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)

- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data



< February 8, 2022 >



< February 9, 2021 >

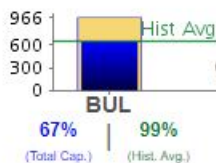
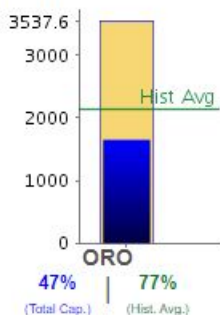
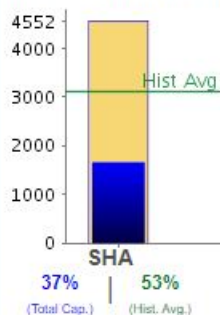


Statistics Comparison

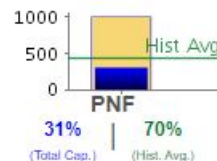
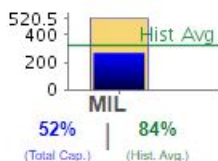
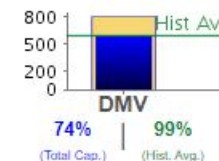
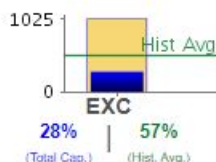
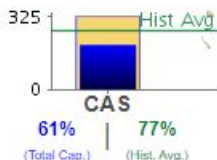
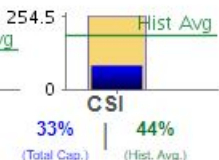
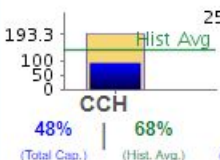
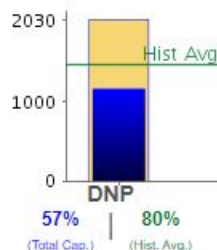
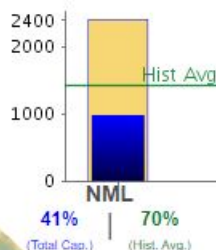
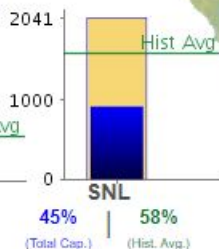
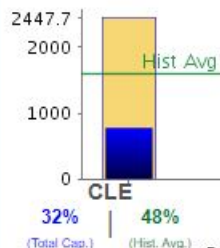
Week	None	D0-D4	D1-D4	D2-D4	D3-D4	D4	DSCI
2022-02-08	0.00	100.00	99.25	66.39	1.39	0.00	267
2021-02-09	0.64	99.36	85.10	57.87	31.41	3.75	277
Change	0.64	-0.64	-14.15	-8.52	30.02	3.75	10

CURRENT CONDITIONS MAJOR WATER SUPPLY RESERVOIRS: 14-FEB-2022

Data as of Midnight: 14-Feb-2022



Change Date: 14-Feb-2022



LEGEND

Blue Bar: Storage level for date
Gold Bar: Total reservoir capacity
Green Line: Historic level for date.

Capacity (TAF) | Historical Avg Mark

% of Capacity | % Hist. Avg.
(Click res. 3 char. code for details)

[Click for printable version of current data.](#)

The CSI link has been disabled to zoom in, for the lack of historical data.

Report Generated: 15-Feb-2022 2:13 PM

CALLEGUAS MUNICIPAL WATER DISTRICT
2100 Olsen Rd., Thousand Oaks, CA 91360

TO: VENTURA COUNTY WATER WORKS DST 19
DEPARTMENT OF PUBLIC WORKS
800 S VICTORIA AVE
VENTURA, CA 93009

Invoice Number: 017422
Mailed: 02/04/2022
Month Ending: 01/31/2022
Due Date: 02/28/2022

STATEMENT OF WATER FURNISHED DURING PERIOD AND IN AMOUNTS AS FOLLOWS:
METER STATIONS

METER LOCATION	PRESENT	PREVIOUS	HIGH/LOW FLOW CHARGE	CU. FT. DIFFERENCE
1 Balcom Canyon	170,476,100	170,476,100	0/0	0
2 Bradley	13,096,000	13,096,000	0/0	0
3 Donlon Large	0	0	0/0	0
4 Donlon Small	0	0	0/0	0
5 Price Road	367,520,400	367,520,400	0/0	0
6 Sand Canyon	899,803,800	899,803,800	0/0	0

REPLACED METER READING

METER LOCATION	PRESENT	PREVIOUS	
1			

METER ADJUSTMENT

METER LOCATION	REASON	CU. FT.	
1			

TOTAL CU. FT. 0
TOTAL AC. FT. 0.0

MWD Tier 1 Supply Rate @ \$243 per ac/ft	\$ 0.00
MWD Tier 2 Supply Rate @ \$285 per ac/ft	\$ 0.00
MWD System Access Rate @ \$389 per ac/ft	\$ 0.00
MWD Water Stewardship Rate @ \$0 per ac/ft	\$ 0.00
MWD System Power Rate @ \$167 per ac/ft	\$ 0.00
MWD Treatment Surcharge @ \$344 per ac/ft	\$ 0.00
CMWD O&M Surcharge @ \$89 ac/ft	\$ 0.00
CMWD Capital Construction Surcharge @ \$329 per ac/ft	\$ 0.00
SUB-TOTAL	\$ 0.00

Readiness to Serve	DATE: Jan-22	\$ 2,879.00	\$ 2,879.00
Minimum Charge	DATE: Jan-22	\$ 150.00	\$ 150.00

TOTAL DUE AND PAYABLE \$ 3,029.00

Account History

Base Demand	1,063.60 AF	
Tier 1 Water (90.0% of Base Demand)	957.20 AF	
2022 Tier 1 Purchases	0.00 AF	
2022 Tier 1 Water Available	957.20 AF	
2022 Tier 2 Purchases	0.00 AF	
Peak Weekly Average Flow	0.00 CFS	Peak Date/Time
Peak Hourly Average Flow	0.00 CFS	Peak Date/Time

1% Late charge will apply for payments not received by the due date.

5. DISTRICT STAFF REPORT

- D. DISTRICT 19 O&M UPDATES – An update on the Operations and Maintenance of the District for the second quarter of Fiscal Year 2022 (October 1 to December 31, 2021).



District 19 O&M Updates

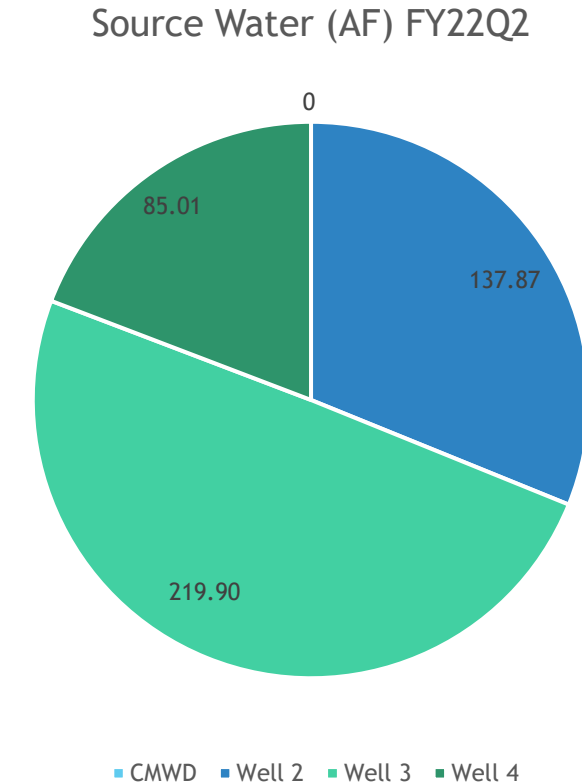
FY 2022 – Second Quarter (Oct. 1 to Dec. 31, 2021)

Operations & Maintenance

- ▶ 1 Main Line Break (6" AC on Worth Way)
- ▶ 1 Service Leak (on Sand Canyon)
- ▶ 8" Valve install (on Groves Place)
- ▶ Well 4 – Added column tube and lowered pump 60 feet
- ▶ Replaced Well 4 and Booster VFDs to soft starters due to component failure
- ▶ Upgraded 860 Pump Station electrical service for simultaneous pump operation
- ▶ Improved 1030 Pump Station to VFD to provide reliable constant pressure

Operations & Maintenance – Quarterly Source Water

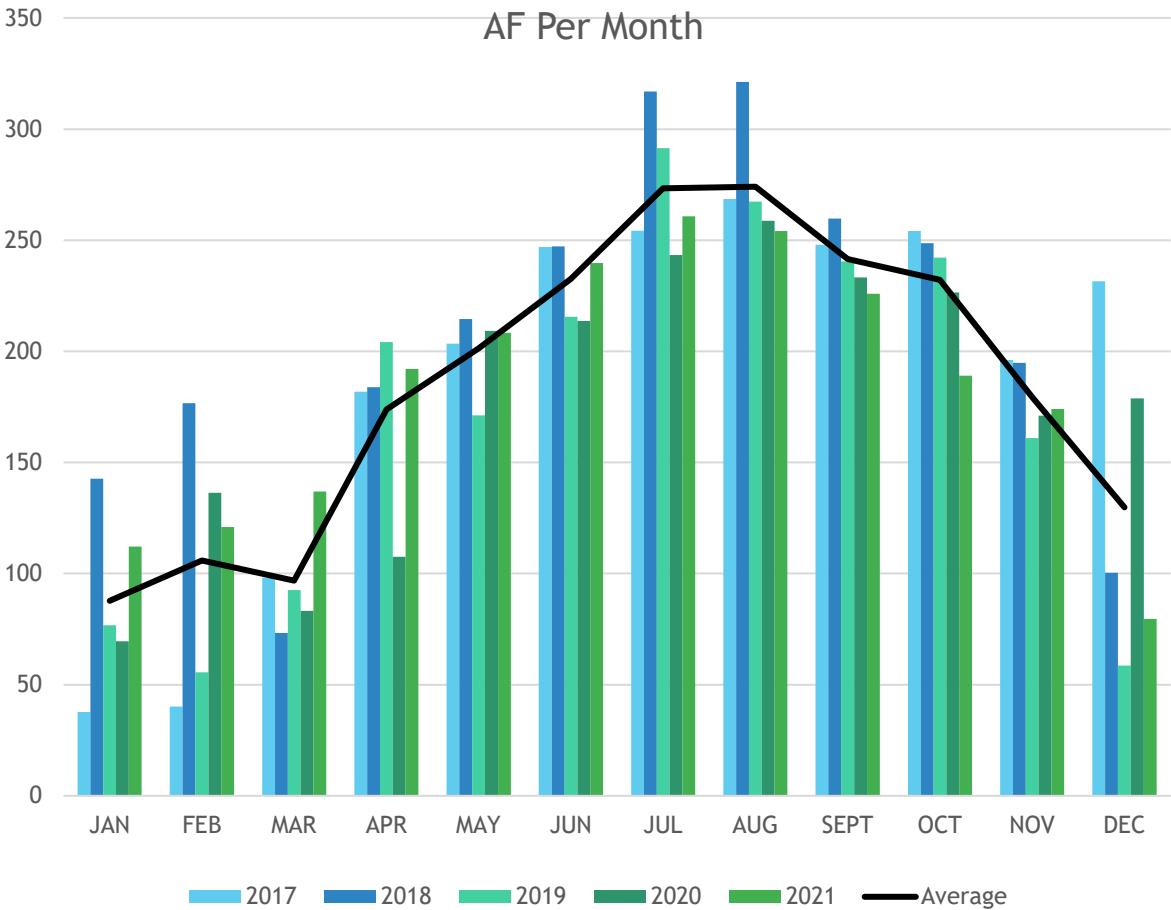
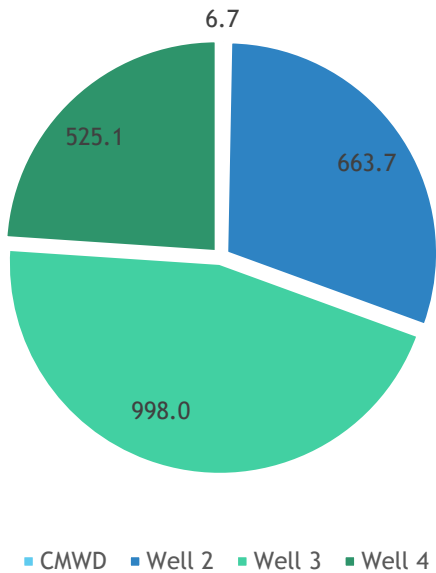
- ▶ Well # 2 – 1,100 gpm nominal pumping rate
 - ▶ 137.87 AF pumped
 - ▶ Water Quality (Fe=300 ug/L; Mn=150 ug/L)
- ▶ Well # 3 – 1,000 gpm nominal pumping rate
 - ▶ 219.90 pumped
 - ▶ Water Quality (Fe= 200 ug/L; Mn= 110 ug/L)
- ▶ Well # 4 – 1,100 gpm nominal pumping rate
 - ▶ 85.01 AF pumped
 - ▶ Water Quality Raw (Fe=1030 ug/L; Mn=490 ug/L)
 - ▶ Water Quality Finished (Fe<100 ug/L; Mn<20 ug/L)
- ▶ Total Well – 442.8 AF
- ▶ CMWD – 0 AF



O&M – 2021 Water Source and Demand

- ▶ Well Water
 - ▶ 2186.78 of 2305.18 AF GMA Allocation (95%)
- ▶ CMWD = 6.7 AF

2021 Source Water (AF)



Customer Service and Meter Reading

- ▶ Replaced 2 meters (stopped/malfunctioning)
- ▶ Customer Account Activity (turn on/off)
 - ▶ \$2,428 labor
- ▶ Customer Service Orders (check for leaks, verify reads, pressure, etc.)
 - ▶ \$5,220 labor
- ▶ Line Locations
 - ▶ \$7,279 labor
- ▶ Key Issues –
 - ▶ Meter replacement is hindered by supply issues
 - ▶ New Meter Bench Test
 - ▶ Customer Portal Video: <https://www.vcpublicworks.org/wsd/customerportal/>

Operations & Maintenance – Looking Forward

- ▶ Well 2
 - ▶ Fe+Mn Treatment Filters
 - ▶ Pump and Booster upsize
- ▶ SCADA at Somis PR Station
- ▶ Warranty recoating work on Greentree #1 and #2

Engineering – CIP and Development

- ▶ Well 2 Fe+Mn Treatment
- ▶ Somis Farmworker Housing



Questions?

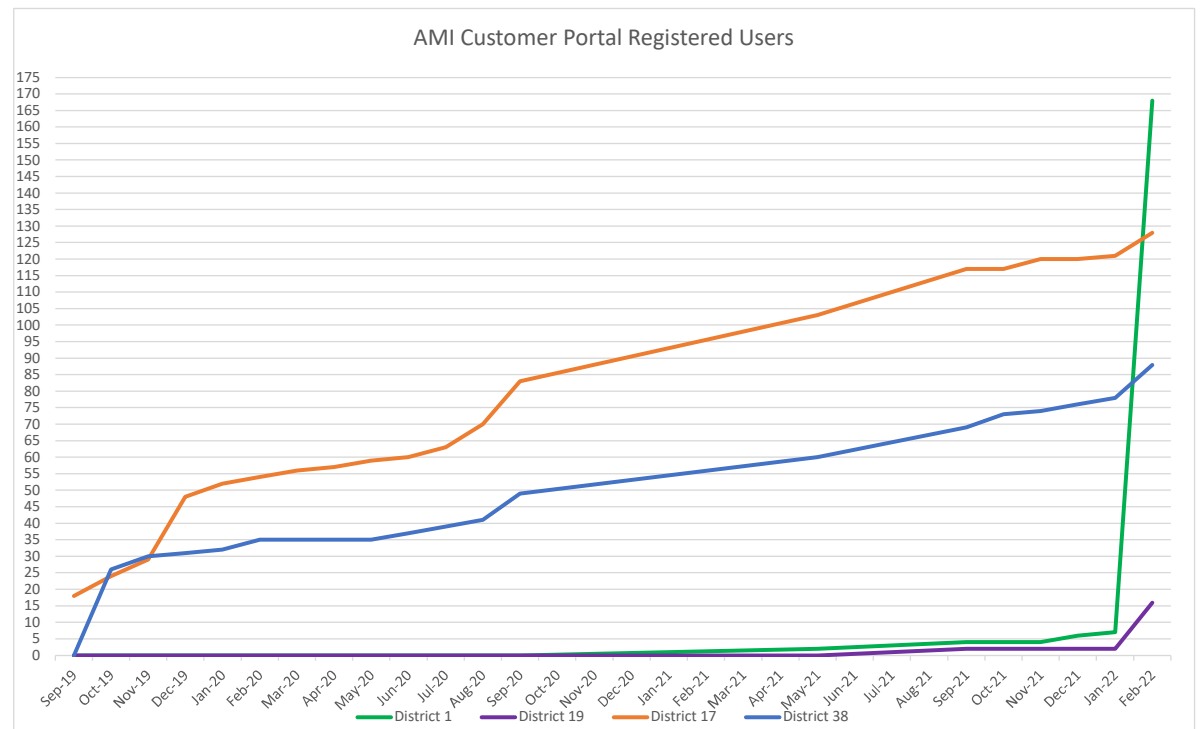
5. DISTRICT STAFF REPORT

- E. ADMINISTRATIVE UPDATE – An update on issues related to administration of the District including billing, charges, fees, programs, etc.
 - 1. Aged Report
 - 2. AMI Report

C_ACCOUNTSTATUS	All
C_LASTNAME	All
C_ACCOUNT	All

Row Labels	Sum of Y_CURRENTBALANCE	Sum of 0-30 Days	Sum of 31-60 Days	Sum of 61-90 Days	Sum of 91-120 Days	Sum of 121+ Days	61 > DAYS
CUE	\$151	\$141	\$10	\$0	\$0	\$0	\$0
Institutional	\$151	\$141	\$10	\$0	\$0	\$0	
VCWWD No. 1	\$1,084,945	\$831,848	\$64,092	\$39,738	\$28,388	\$120,879	\$189,005
Agricultural	\$126,465	\$61,596	\$15,246	\$7,504	\$13,133	\$28,986	
Commercial	\$93,120	\$78,675	\$9,714	\$4,731	\$0	\$0	
Industrial	\$18,479	\$18,437	\$42	\$0	\$0	\$0	
Institutional	\$30,141	\$25,370	\$684	\$1,187	\$1,421	\$1,479	
Residential	\$753,226	\$585,975	\$36,687	\$26,316	\$13,834	\$90,414	
Residential Multi Family	\$63,514	\$61,795	\$1,718	\$0	\$0	\$0	
VCWWD No. 16	\$111	\$101	\$10	\$0	\$0	\$0	\$0
Institutional	\$111	\$101	\$10	\$0	\$0	\$0	
VCWWD No. 17	\$191,753	\$137,060	\$31,913	\$3,934	\$2,095	\$16,751	\$22,779
Commercial	\$4,811	\$2,791	\$2,021	\$0	\$0	\$0	
Industrial	\$37,521	\$21,003	\$16,518	\$0	\$0	\$0	
Institutional	\$1,354	\$788	\$566	\$0	\$0	\$0	
Residential	\$148,067	\$112,478	\$12,809	\$3,934	\$2,095	\$16,751	
VCWWD No. 19	\$113,067	\$94,198	\$9,148	\$2,868	\$972	\$5,880	\$9,721
Agricultural	\$43,578	\$38,094	\$4,450	\$1,034	\$0	\$0	
Commercial	\$4,721	\$3,574	\$144	\$86	\$115	\$802	
Industrial	\$1,760	\$1,760	\$0	\$0	\$0	\$0	
Institutional	\$3,013	\$844	\$377	\$1,039	\$377	\$377	
Residential	\$58,294	\$48,295	\$4,108	\$709	\$480	\$4,702	
Residential Multi Family	\$1,701	\$1,632	\$69	\$0	\$0	\$0	
VCWWD No. 38	\$124,764	\$115,106	\$8,746	\$401	\$333	\$178	\$912
Commercial	\$25,482	\$25,194	\$288	\$0	\$0	\$0	
Institutional	\$1,312	\$446	\$178	\$178	\$333	\$178	
Residential	\$97,970	\$89,467	\$8,281	\$223	\$0	\$0	
Grand Total	\$1,514,791	\$1,178,455	\$113,919	\$46,941	\$31,788	\$143,688	\$222,417
						% 60 > to total	15%
						Last month	8%

Month	District 1	District 19	District 17	District 38
Sep-19	0	0	18	0
Oct-19	0	0	24	26
Nov-19	0	0	29	30
Dec-19	0	0	48	31
Jan-20	0	0	52	32
Feb-20	0	0	54	35
Mar-20	0	0	56	35
Apr-20	0	0	57	35
May-20	0	0	59	35
Jun-20	0	0	60	37
Jul-20	0	0	63	39
Aug-20	0	0	70	41
Sep-20	0	0	83	49
May-21	2	0	103	60
Sep-21	4	2	117	69
Oct-21	4	2	117	73
Nov-21	4	2	120	74
Dec-21	6	2	120	76
Jan-22	7	2	121	78
Feb-22	168	16	128	88



5. DISTRICT STAFF REPORT

F. DIRECTOR'S INFORMATIONAL ITEMS – Provides the opportunity for the Director to present items that are not within the subject matter of the District's Staff Report

6. AVENUES OF PUBLIC OUTREACH – An update on how the District is reaching out to its customers concerning water conservation.

7. FUTURE AGENDA ITEMS

8. ADJOURNMENT

*The next District 19 regularly scheduled Citizens' Advisory Committee meeting will be held on April 21, 2022.