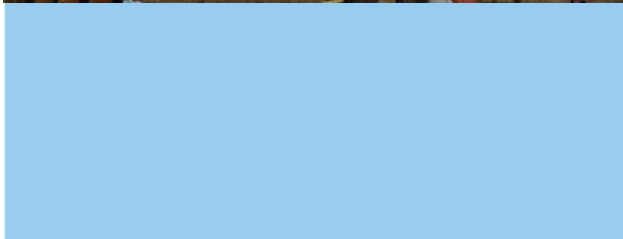


# CAMROSA WATER DISTRICT

BUILDING WATER SELF-RELIANCE



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2019 & JUNE 30, 2018

7385 SANTA ROSA RD., CAMARILLO, CA 93012  
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# CAMROSA WATER DISTRICT



## **Board of Directors**

**Eugene F. West, *President***

**Terry L. Foreman, *Vice-President***

**Al E. Fox, *Director***

**Jeffrey C. Brown, *Director***

**Timothy H. Hoag, *Director***

## BUILDING WATER SELF-RELIANCE

## **General Manager**

**Tony L. Stafford**

## **Prepared By:**

Tamara Sexton, Manager of Finance  
and  
Sandra Llamas, Senior Accountant

**Camrosa Water District**  
Comprehensive Annual Financial Report  
For the Fiscal Years Ended June 30, 2019 and June 2018

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# Introductory Section

October 24, 2019

Members of the Board of Directors  
Camrosa Water District

### Letter of Transmittal

It is our pleasure to submit Camrosa Water District's Annual Financial Report for the fiscal year ending June 30, 2019 (FY2018-19). This report was prepared pursuant to the guidelines set forth by the Governmental Accounting Standards Board (GASB).

District staff prepared this financial report in conjunction with an unmodified opinion issued by the independent audit firm Fanning & Karrh. The Independent Auditor's Report is located at the front of the Financial Section of this document. Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction to, and overview and analysis of, the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This report consists of management's representations concerning the finances of Camrosa Water District. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting practices (GAAP). Because the cost of internal control should not outweigh its benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that to the best of our knowledge, this financial report is complete and reliable in all material aspects.

### District Structure and Leadership

The Camrosa Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District is governed by a five-member Board of Directors, elected at large from within the District's service area.

Director	Title	Division	Expiration of Term	Occupation
Eugene F. West	President	Division 4	November 2020	Attorney
Terry L. Foreman	Vice-President	Division 5	November 2022	Geologist/Hydrogeologist
Al E. Fox	Director	Division 1	November 2022	Realtor
Jeffrey C. Brown	Director	Division 2	November 2022	Investment Consultant
Timothy H. Hoag	Director	Division 3	November 2020	Pharmacist/Teacher

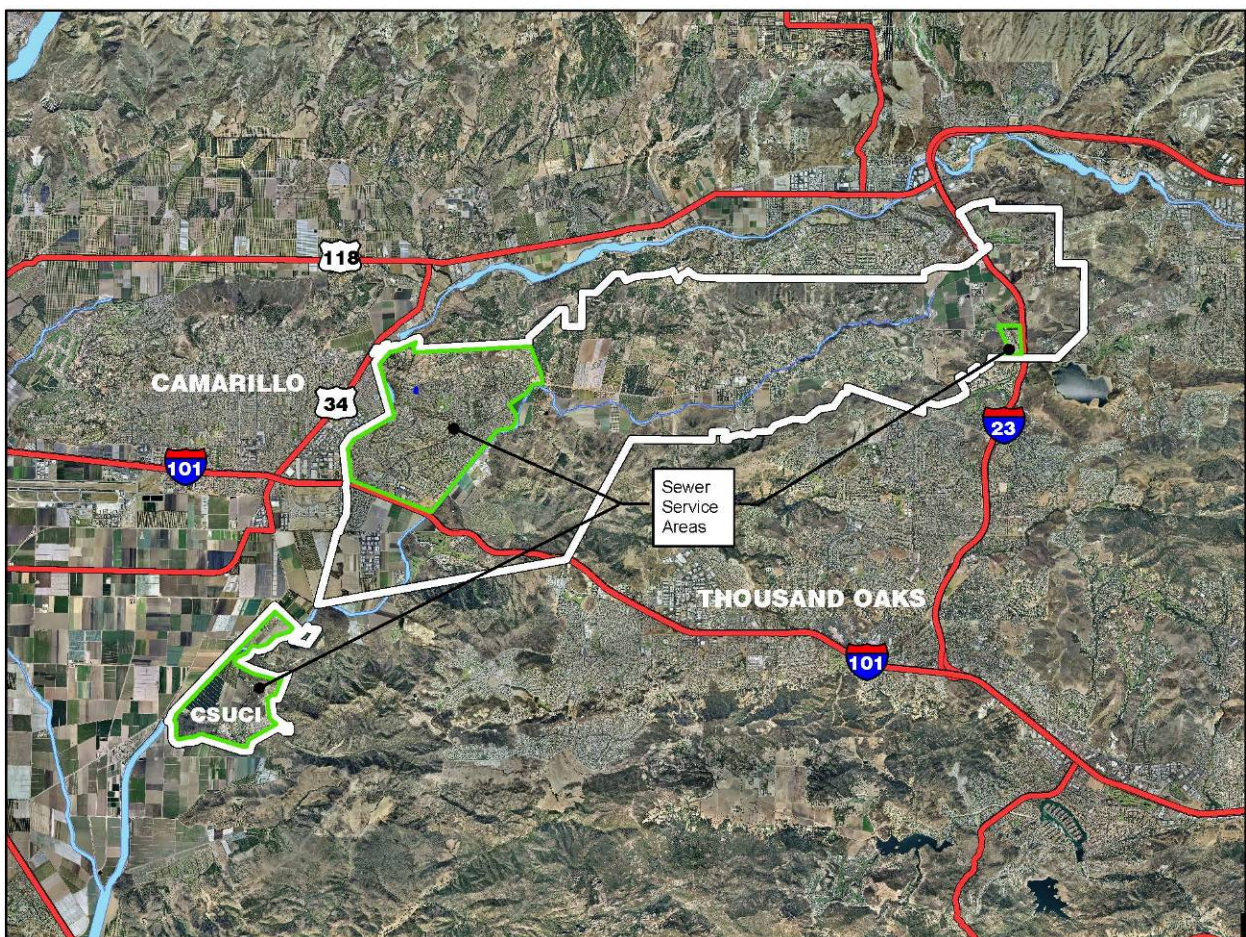
## General Manager

Daily operation of the District falls under the responsibility of the General Manager, Tony Stafford. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. As General Manager, Mr. Stafford is responsible for the general oversight of the production and distribution of potable and non-potable water, as well as wastewater collection, treatment and water recycling at the Camrosa Water Reclamation Facility (CWRF).

The District employs a full-time staff of 25 employees as of June 30, 2019. The District's Board of Directors meets on the second and fourth Thursday of each month. Meetings are publicly noticed and the public are welcome to attend.

## District Services

Currently, the District provides three classes of water (potable, non-potable, and recycled) to a population of more than 30,000 people through approximately 11,095 meters, which includes three master-metered communities. The majority of these connections are municipal and industrial, and the remainder (132 as of June 2019) is agricultural.



**Figure 1 – District Boundaries**

Potable water is a blend of local groundwater and imported water, primarily State Water Project (SWP) water from the Sacramento-San Joaquin Delta with a small percentage from the Colorado River Aqueduct (CRA). SWP and CRA water is imported via Metropolitan Water District (MWD) and accounts for approximately 59% of potable supplies. The remaining 41% is



groundwater that is treated at the wellhead and then pumped into the distribution system, either directly or after blending. The non-potable water the District serves is a combination of surface water diverted from Conejo Creek and local groundwater, and recycled water, which is a tertiary-treated product from the CWRP. In FY2018-19 the District delivered 6,657 acre-feet (AF) potable water, 5,671 AF non-potable water and 850 AF of recycled water, totaling 13,178 AF to its customers.

Residential customers make up approximately 90% (number of metered connections) of the District's customer base and consume approximately 33% of the water provided annually by the District.

Wastewater service is limited to 5,041 connections, which includes 8,927 equivalent dwelling units (EDUs), in a portion of the City of Camarillo and a sliver of the City of Thousand Oaks; the remainder of the District is either served by the Camarillo Sanitary District or on septic systems.

### Mission and Vision Statement

In October 2008, the Board of Directors completed a long-range Strategic Plan. The Board reevaluated the core business services the District provides to its customers and established the following objectives as the primary strategy to fulfill the District's mission:

- Develop independence from imported water deliveries
- Develop water reliability
- Affordable water and wastewater services
- Provide high quality water
- Strengthen the District's financial position
- Fully develop staff potential
- Improve systems operations and maintenance
- Educate customers
- Protect water supplies
- Exceed all regulatory standards

### Our Mission

*The Mission of Camrosa Water District is to meet the current and future needs of the community for water and sanitary services. Our products and services will be reliable, affordable, responsive and of high quality. At the same time, the District will prudently manage and maintain the District's assets, honor the public's trust, and maintain public awareness and confidence in the District's activities.*

### Our Vision

*Camrosa is a dynamic, resource-independent public entity that provides highly efficient and responsive service to its water and wastewater customers. The Board is prudent in the management of public resources and innovative in using modern tools to maintain system reliability and financial strength. The District is a lean organization, led by a cohesive Board and staffed by an honest, enthusiastic, highly competent and focused team, who find their work challenging and enjoyable and who have earned the trust of their well-informed customers.*

## **Economic Condition and Outlook**

Four main issues continue to impact the FY2019-20 operating revenues and expenses budget: California's variable weather, the increasing cost of imported water, effective management of the District's capital assets to provide high-quality service and reliability at affordable rates, and new state mandates. These issues require that the District continue to pursue self-reliance to maximize flexibility in its water supply sources, maintain its infrastructure assets, promote water use efficiency, and proactively engage with state regulatory agencies.

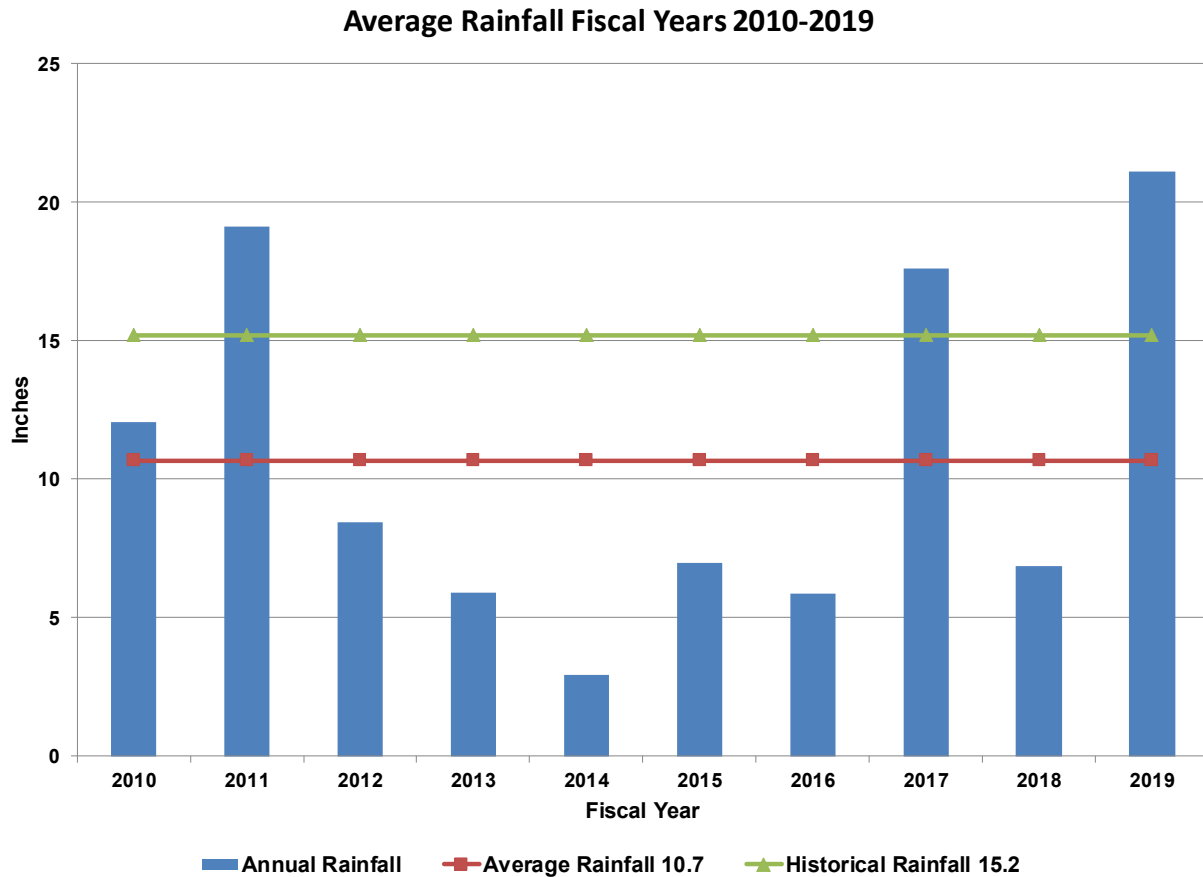
### **California's Variable Weather**

California experiences significant weather volatility. In the last eight years, Southern California has seen the wettest and driest months on record, and this fall experienced the Hill Fire which broke out at Hill Canyon Road, west of Santa Rosa Road, just before the Woolsey Fire began to grow out of control nearby, followed by a long, cool rainfall season. These dramatic weather swings exemplify the difficulty of forecasting water sales and highlight the necessity of maintaining a conservative financial outlook.

The FY2018-19 rainy season delivered above-average precipitation. DWR's Final Snow Survey of 2019 reports that the water content of California snowpack is 162 percent of normal, a significant increase from the Snow Survey of 2018 that reported 52 percent of average. Barring any extended periods of hot weather in the high altitude, this above-normal snowpack should produce runoff into late summer. Based on the banner winter, DWR announced that it will set SWP allocations at 75 percent, up from the initial 10 percent allocation in December and the 35 percent announced in February. (A 100-percent allocation is rare even in wet years due to Delta pumping restrictions to protect threatened and endangered fish species; the last 100-percent allocation was in 2006.)

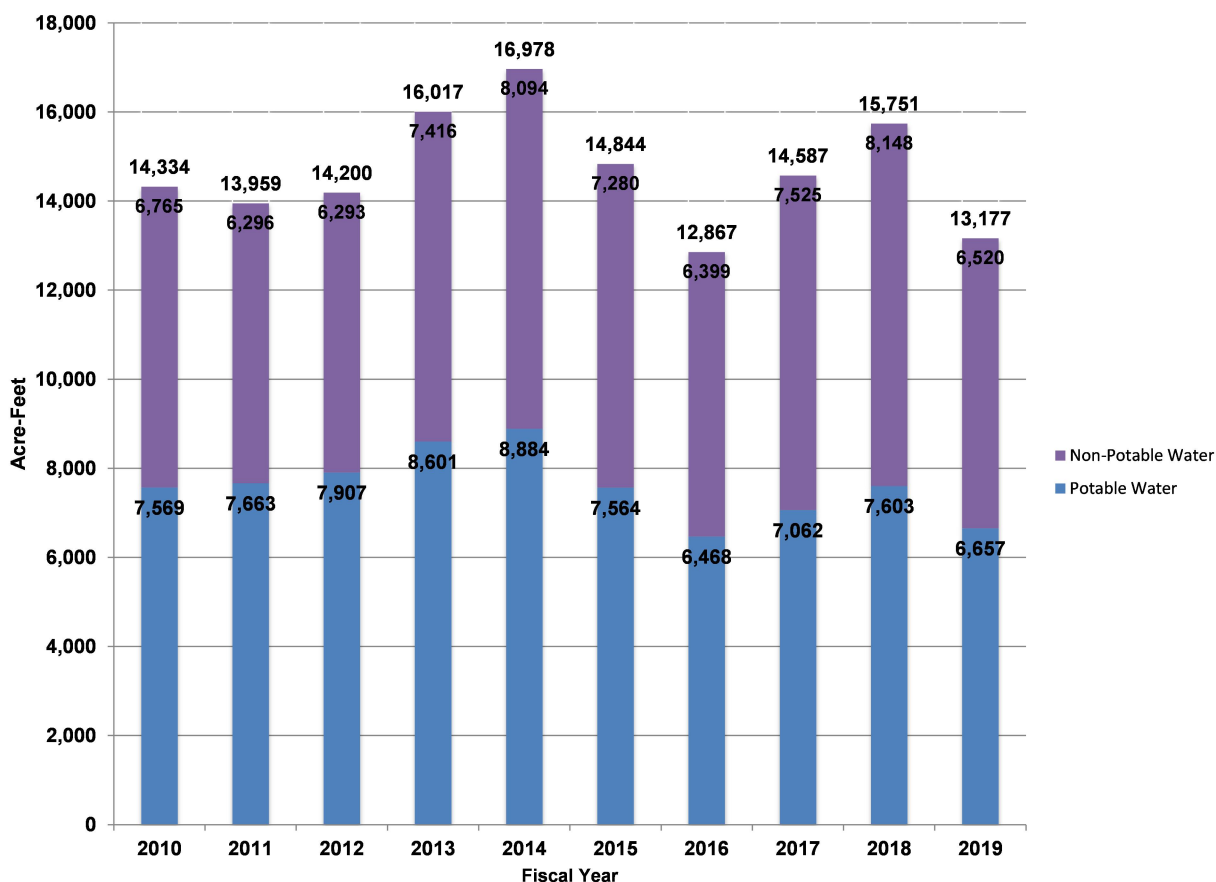


Locally, rainfall through June 30 was 21.12 inches, recorded from the Leisure Village CIMIS station, which is greater than the ten-year average rainfall for the District of 10.7 inches a year and above the historical average of 15.2 inches a year. By comparison, in FY2017-18, the area received 6.84 inches of rain. After two years of decent rainfall, Californians appear to have developed the sense that the state drought is over and have begun lessening conservation practices, resulting in higher water demands beginning in FY2016-17.



**Figure 2 – Historical Rainfall**

In general terms, the District went from delivering approximately 17,000 AFY before the drought to less than 13,000 AFY in FY2015-16. Camrosa experienced increased water sales beginning in FY2016-17, after the Water Supply Shortage was completely removed in May of 2017, through FY2017-18, as concerted conservation practices waned. However, FY2018-19 water sales again decreased, to 13,177 AF, from 15,571 AF in FY2017-18, most likely due to increased rainfall.

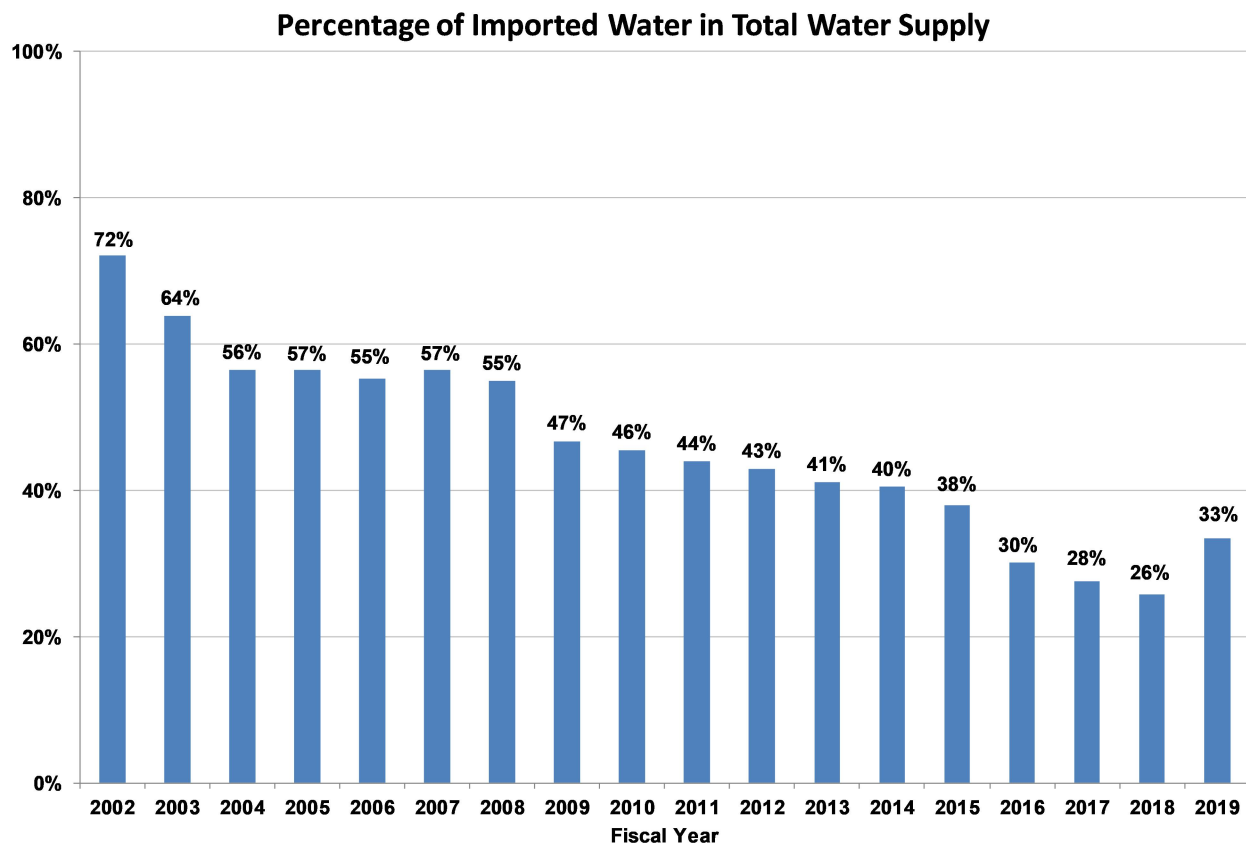


**Figure 3 – Historical Acre-Feet Deliveries**

### Imported Water Rates

Camrosa's potable water supply is a combination of local groundwater and imported water from Metropolitan Water District (MWD) delivered via Calleguas Municipal Water District (CMWD). Based on where CMWD and Camrosa are in the MWD service area, imported water is by and large State Water Project (SWP) water from the Sacramento-San Joaquin Delta; during SWP maintenance or periods of reduced Delta supply, as during the height of the drought, CMWD and Camrosa receive an increased amount of Colorado River water from MWD.

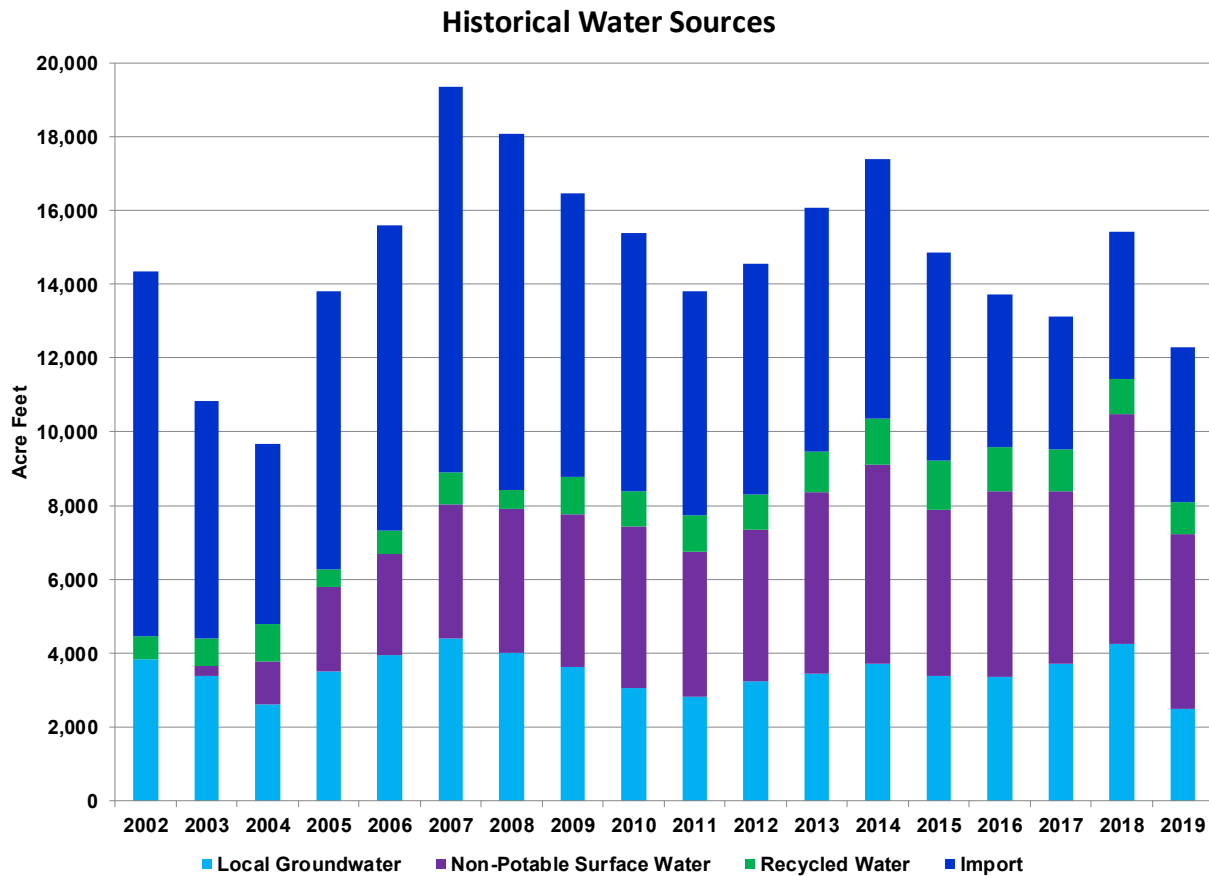
Imported water is the most expensive water in Camrosa's supply portfolio. Reducing the proportion of Camrosa's water supply that comes from imported sources helps mitigate the effects of reduced water sales as less revenue goes to cover the cost of imported water and more can be directed to additional local-resource projects. This has been the strategy of the District for the past twenty years, and Figures 4 and 5 reflect the District's efforts; at FY2018-19 year-end, imported water constituted 59 percent of Camrosa's potable water supply and 33 percent of its total supply (potable and non-potable).



**Figure 4 – Percentage of Imported Water in Total Water Supply**

That 33% was an increase from 26% in FY2017-18, resulting from reduced groundwater production. In 2018, the State Water Resource Control Board (SWRCB) promulgated a new maximum contaminant level (MCL) for 1,2,3-Trichloropropane (TCP). Three of Camrosa's wells that produce water into the potable system exceeded the new MCL and were taken offline, which required a corresponding increase in imported water. From a financial forecasting perspective, this development reinforces the need to be conservative on imported water projections.

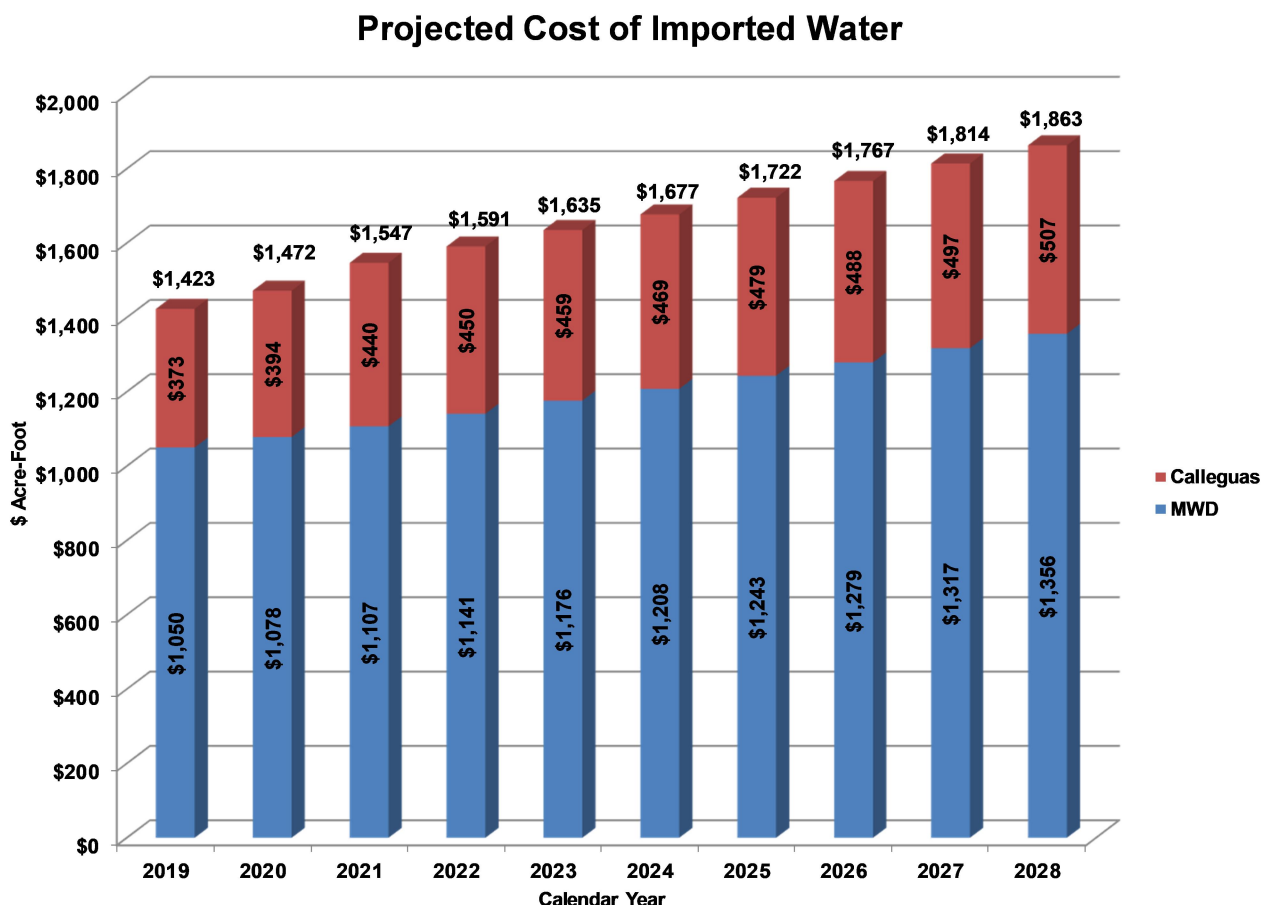
It also underscores the necessity of diversifying Camrosa's supply portfolio; simply reducing dependence on imported water doesn't automatically equate to increased supply reliability. As such, Camrosa continues to move towards self-reliance. FY2019-20 should see the addition of a new well—in a different basin than those impacted by TCP.



**Figure 5 – Historical Water Sources**

In addition to being the most expensive source of supply, imported water is also the single largest expense of the District, and the expectation that wholesale rates will continue to escalate provides another incentive to increase self-reliance. In 2019, the MWD Tier 1 wholesale rates increased by 3.44 percent and in 2020 the Tier 1 wholesale rates will increase by an additional 2.7 percent. In addition to MWD's rate increases, CMWD increased its Capital Construction Surcharge, Readiness-to-Serve Charge, and Capacity Reservation Charge, for a combined wholesale rate increase to the District of approximately 3.6 percent in 2019 and 5.6 percent in 2020.

The following graph illustrates the projected cost of imported water from Calleguas and Metropolitan Water District



**Figure 6 – Projected Cost of Imported Water**

## Water Supply Regulation

The State Water Project, which provides the majority of Camrosa’s imported water supply, depends on Sierra snowmelt and functional capacity of the Sacramento-San Joaquin Delta. Numberless variables impact Delta supply and a plurality of water users depend on it, rendering the SWP vulnerable to a host of interrelated pressures. Climatic variations, environmental legislation, and multiparty litigation have combined over the last decade to reduce SWP allocations to as low as five percent of contracted volumes. Solutions proposed to shore up this critical supply, in particular alternative conveyance, are nearly as old as the SWP itself—and remain as controversial as ever. The latest proposal, the California WaterFix project, is central to the current discussion of south-of-Delta supply reliability and, despite encouraging movement last year, exists today as nothing so much as an open question.

In years past, groundwater was for Camrosa, like much of the state, our “other” supply; cheaper, within our control, and essentially unregulated, at least from a quantity perspective. The Sustainable Groundwater Management Act (SGMA) changed that. Passed in 2014, SGMA requires the formation of local groundwater sustainability agencies (GSAs) for basins the state determined were high- or medium-priority. GSAs are required to assess conditions in their local basins and develop groundwater sustainability plans (GSPs). These GSPs are intended to define sustainability in the context of the respective basin and chart a path to achieving that by 2040, for basins in critical overdraft, or 2042, for high- and medium-priority basins not in critical



overdraft. Camrosa overlies five groundwater basins; four of them have GSAs that will be writing GSPs.

### Delta Conveyance

In July 2018, the Metropolitan Water District board voted to contribute \$10.8 billion to help fund construction of the California WaterFix, the nearly \$17 billion project that, at that time, proposed constructing two tunnels to convey Sacramento River water under the Delta. MWD predicted the program would add \$4.80 to the average monthly bill of ratepayers and would be less expensive than recycling, desalination, and other local projects. MWD considers the two-tunnel project to be the cheapest and least speculative option for Southern California to secure a continuing water supply in the face of climate variability, environmental restoration efforts, and increasing demands both within California and in neighboring states.

In his first State of the State Address, however, on February 12, 2019, Governor Newsom indicated that his administration would not support a twin-tunnel version of WaterFix. He claimed California can “build on the important work that’s already been done,” but what that will look like after additional design, environmental review, and permitting—and how reduced-capacity conveyance will impact imported supply reliability—is unclear. As such, the impact of Delta conveyance, including its absence, on imported water costs constitutes one of the most critical of the multiplying uncertainties Southern California water suppliers face.

### Sustainable Groundwater Management

The Arroyo Santa Rosa Groundwater Basin was originally designated as a medium-priority basin due to high nitrate concentrations, and the County of Ventura and Camrosa formed a GSA in 2016 to manage the portion of the basin east of the Bailey Fault, outside the Fox Canyon Groundwater Management Agency (FCGMA). Administrative fees to support the operation of the Arroyo Santa Rosa GSA will come from contributions by the County of Ventura and Camrosa. These costs are estimated at \$250,000 for FY2019-20 (Appendix 1) as they include the development of the GSP but are expected to drop significantly after the plan is written. In April 2018, DWR awarded the Arroyo Santa Rosa GSA a Sustainable Groundwater Planning Grant for half the cost of developing the Santa Rosa GSP, up to \$177,081. In 2018, the basin was provisionally recategorized as a very low-priority basin, though as of this writing that reprioritization is still in draft form. Regardless of the outcome, the ASRGSA will continue down the path of developing a GSP as such a plan provides a framework for sustainable management of Camrosa’s highest-producing groundwater basin. Projects to reach sustainability will be developed in the GSP process. Because Camrosa is the primary groundwater producer in the Santa Rosa Basin, the District has a vested interest in developing projects that ensure sustainability. Once the GSP has been developed, estimated costs of sustainability projects will be included in the budgeting process.

The Pleasant Valley Basin and Oxnard Subbasin are both high-priority basins in critical overdraft, meaning their GSPs are due in 2020. FCGMA is listed as an “exclusive” GSA in SGMA and has taken the lead in writing the GSPs for those basins. The same is true for the Las Posas Basin, though it is not in critical overdraft and its plan is not due until 2022. Camrosa overlies small portions of these basins that extend beyond the boundaries of the FCGMA, and has filed notice as the GSA for these areas, in order to protect our resources: the University Well that feeds the Round Mountain Water Treatment Plant is located in the Pleasant Valley Basin; the plant itself in the Oxnard subbasin; and Camrosa has a long history of importing water to customers within the Las Posas Basin. At the time of this writing, GSPs for the basins the FCGMA is writing are in draft form and no allocation systems have been developed; how SGMA will impact Camrosa operationally or financially is unknown at this time.

## Predictable, Competitive Rates

Due to prudent financial planning, the District was able to provide significantly less volumes of water over the drought without needing to implement revenue-recovery rates, as many districts throughout the state were forced to do. The District kicked off a comprehensive utility rate study for both water and wastewater in FY2016-17 and held a public rate hearing on June 13, 2019, to adopt an updated five-year rate schedule. Included in the study was a review of the commodity component of rates, fixed meter service fees, and the District's aging infrastructure and preventative maintenance requirements. Even with the July 2019 increases, the District's rates continue to be among the lowest in Ventura County.

## Effective Asset Management

Camrosa Water District was established in 1962; some of what became the District's infrastructure predates even that. As the system ages, its decreases through depreciation while the costs of keeping the system functioning increases. An asset management plan that supports the development, security, preservation, renewal, and replacement of the District's assets is included in the comprehensive rate study, to ensure adequate reserves are set aside to utilize for the investment in the aging infrastructure. Such projects include replacing pipeline segments, maintaining and upgrading treatment facilities, repairing reservoirs and pump station equipment, and rehabilitating the wastewater collection system. Setting aside reserves today for these repairs will prevent the District from being susceptible to untimely financial burdens and ultimately having to excessively raise rates.

## State Mandates

In May 2018, Governor Brown signed SB 606 and AB 1668, collectively known as the Water Conservation and Drought Planning Act. The act built upon Governor Brown's 2016 Executive Order B-37-16, "Making Conservation a Way of Life," and represents a new paradigm in urban retail water management in the state.

The Human Right to Water Act of 2012 (AB 685 [Eng]), signed by Governor Brown in 2012, established as state policy that the access to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes is a human right. Stemming from this, the accessibility and affordability of safe, clean drinking water remain as central as ever at the State Water Board and California Legislature under the Newsom administration. The programs resulting from the conservation and human right to water policy developments could have significant impacts on California's water agencies.

## Conservation as a Way of Life

The permanent regulations being developed by the SWRCB and other state agencies based on the Water Conservation and Drought Planning Act effectively impose allocation-based water management on urban water agencies across the state. By the end of 2021, the State anticipates providing each urban water agency with guidelines for how to determine their "water use objective," an agency-wide water budget comprising residential indoor water use, outdoor irrigation, and a water loss component. Commercial/industrial/institutional water use will be subtracted from total water production, but the State anticipates developing performance measures for that sector. There will be some allowance for recycled/non-potable water use, but it is unclear how that will factor into the calculation.

It is unknown at this time how such budgets will compare to historical water-use patterns, though the assumption is they are likely to constitute moderate to significant reductions from historical averages. Financial forecasting will be impacted by the

imposition of state-mandated water budgets, and by the uncertainty that can be expected over the next few years as the industry transitions to a new management mode.

### **Safe and Affordable Water**

Following three years of intense debate over the size and funding source of a statewide clean drinking water program, Governor Newsom signed SB 200 (Monning) into law on July 24, 2019, establishing the Safe and Affordable Drinking Water Fund in the State Treasury to “help water systems provide an adequate and affordable supply of safe drinking water.” The Fund will receive continuous appropriations from the general fund, the Greenhouse Gas Fund, and others—without relying on a tax on water ratepayers, which serves to minimize the direct impact on water agencies.

AB 401 (Dodd), enacted in 2015, requires that the State establish a low-income rate assistance (LIRA) program to protect Californians who struggle to pay for their water bills. The draft report proposes subsidizing households that make less than 200 percent of the Federal Poverty Level, which amounts to approximately 34 percent of households. In the wake of the drinking water tax’s failure earlier this year, it’s unlikely a tax will be proposed to fund the program anytime soon; considering that the draft report proposes a combination of programs estimated to cost between \$400M and a billion dollars per year, it remains to be seen what actions the Legislature will take in response to the report to raise the necessary funds and prove the program’s feasibility.

While Camrosa supports all communities having safe and reliable drinking water, we don’t believe that using residential water bills as the funding mechanism for a statewide social issue is an appropriate way to distribute the responsibility. We joined a large contingent of water suppliers and advocacy groups to communicate our opposition to the drinking water tax through comment letters and public testimony and were gratified the Legislature adopted an alternative funding mechanism. Camrosa will remain active in opposition to any efforts to unduly burden our ratepayers with the cost of programs that do not directly benefit them.

### **Major Accomplishments during FY2018-19**

The District completed a number of capital projects during FY2018-19 that improved potable water and non-potable water operations.

#### **Potable Capital Projects**

***Santa Rosa 8 Well Rehabilitation*** This project included pulling, inspection, assessment, minor maintenance and re-installation.

#### **Non-Potable Capital Projects**

***Non-Potable Freeway Crossing*** This project replaced a damaged section of non-potable steel casing under US Highway 101 at Conejo Creek.

***Pond Rip-Rap*** This project replaced rip-rap at the Diversion Creek storage ponds to prevent wind/water erosion.

### **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 GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes (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 views the budget as an essential tool for proper financial management. The budget is developed with input from the various program managers of the organization and is adopted prior to the start of each fiscal year. Any and all supplemental appropriations to the budget must be approved by the Board of Directors. The Board monitors the budget through Quarterly Financial Reports, Quarterly Investment Reports, and Year-End Budget Reports.

## **Financial Policies**

The District's Reserve Policy, the most recent version of which was adopted by Resolution of the Board on May 30, 2019, is intended to assure adequate reserves for ongoing needs while minimizing the need for new debt. The reserve levels established in the policy also help provide rate stabilization and ensure adequate fund levels to meet aging infrastructure replacements, unanticipated emergencies, and future growth. The Board receives reports of the reserve levels during the budget preparation process to ensure continued conformance with long-term Board strategy.

The District's Investment Policy, the most recent version of which was adopted by Resolution of the Board on January 10, 2019, is intended to provide guidelines and restrictions for prudent investment of the District's cash reserves. The District's portfolio is carefully monitored by a four-member committee that includes the General Manager, the Manager of Finance, and two Board members. The full Board receives quarterly reports on the type of investments, the current yield, maturity dates, and market value, as appropriate. The criteria for selecting investment options are, in order of priority: safety, liquidity, and yield. Generally, maturities are limited to two-year periods, and at least 25% of the portfolio will be invested in securities that can be liquidated on one day's notice. Investments are generally limited to government-issued or government-insured securities; for instance, the District currently has approximately \$26.9 million invested in the State's Local Agency Investment Fund (LAIF) as of June 30, 2019.

The District formalized and adopted a Debt Management Policy on August 11, 2016. The policy provides the following: 1. establishes criteria for the issuance of debt obligations so that acceptable levels of indebtedness are maintained; 2. transmits the message to investors and rating agencies that the District is committed to sound financial management; and 3. provides consistency and continuity to public policy development when the elected Board of Directors work from guidelines that govern the planning and execution of transactions and projects.

The District's budget is presented as a policy document, an operational tool, a financial planning tool, a link to the Strategic Plan, and a method of communication with the District's community and stakeholders. The purpose of the Budget Policy is to provide guidelines that will influence and direct the financial management practice of the District. The District's Budget Policy was adopted by Resolution of the Board on January 26, 2017 to establish procedures ensuring consistent practices for developing the yearly budget.

In addition to the basic financial statements, the District includes a Statistical Section, which provides both financial and non-financial trend data about the District and its operations.

## 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 Fanning & Karrh has conducted the audit of the District's financial statements. Their unmodified (clean) Independent Auditor's Report follows.

## Other Information

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements which follow the Independent Auditor's Report.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2018. This was the fourth year the District has received this national prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. Staff believes that its current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, the District also received the California Society of Municipal Financial Officer's (CSMFO) Operating Budgeting Excellence Award for its FY2018-19 annual operating budget document. This program is intended to "encourage and assist local governments to prepare budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting."

I would like to thank the Board of Directors for their continued interest and support towards achieving excellence in financial management. Additionally, this report could not have been accomplished without the hard work and dedication of staff. Special recognition is extended to Tamara Sexton, Manager of Finance, and Sandra Llamas, Senior Accountant. I would also like to thank all staff members for the efforts they put into the preparation of this report. District staff is dedicated to upholding the District's mission, implementing necessary improvements to operations and infrastructure, and pursuing alternatives to increase self-reliance, while remaining fiscally responsible and accountable to all those whom we serve.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tony Stafford". The signature is fluid and cursive, with the first name "Tony" and last name "Stafford" clearly distinguishable.

Tony L. Stafford  
General Manager





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

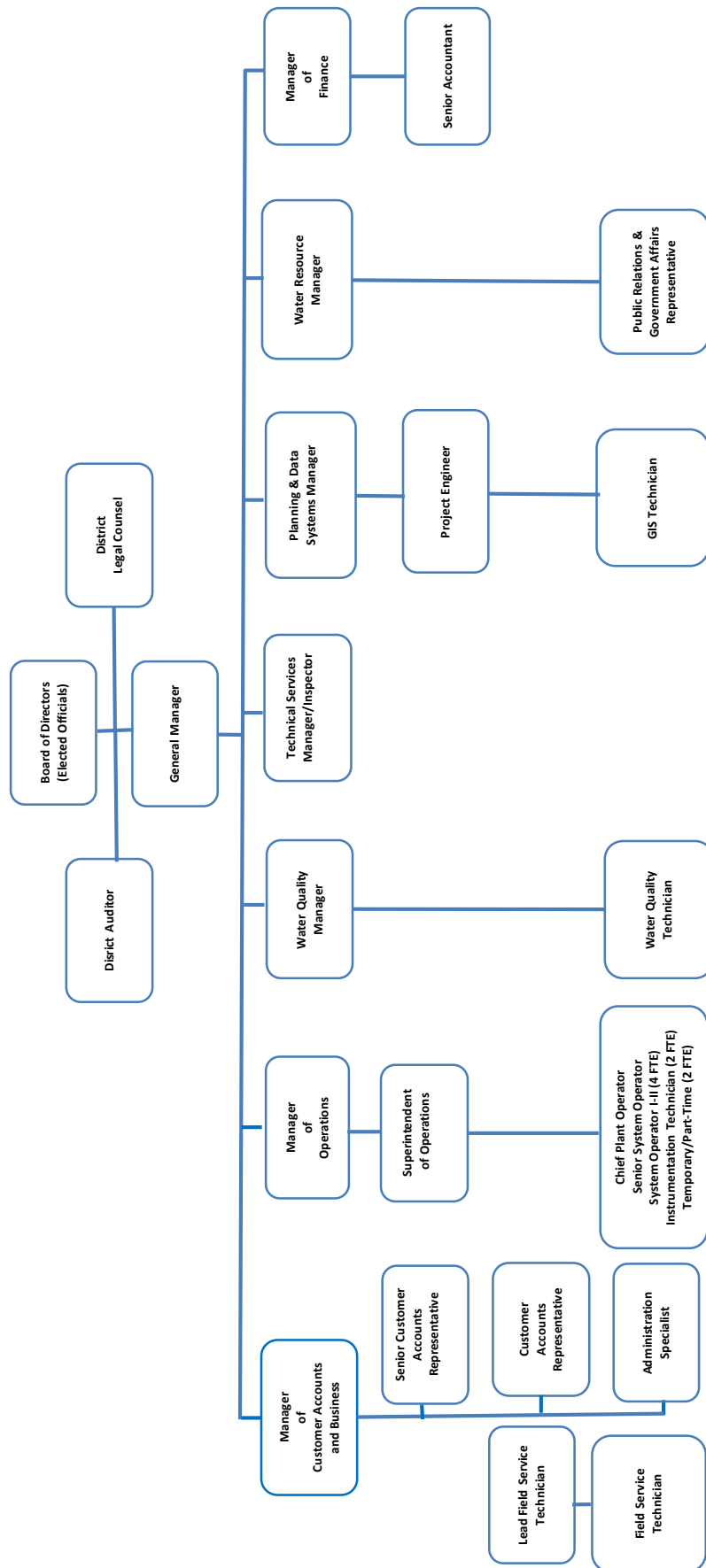
**Camrosa Water District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

Executive Director/CFO



# CAMROSA WATER DISTRICT



## BUILDING WATER SELF-RELIANCE

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## Financial Section



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Camrosa Water District:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Camrosa Water District (District), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America 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 financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camrosa Water District as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 11 and the Schedules of Proportionate Share of the Net Pension Liability and of Contributions on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Camrosa Water District's basic financial statements. The introductory section, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, other supplementary information 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.

### *Installment Sale Agreements*

In connection with our audit, nothing came to our attention that caused us to believe that Camrosa Water District was not in compliance with any of the financial agreements or financial covenants contained in the 2012 and 2016 Installment Sale Agreements executed in connection with the issuance of the Water and Wastewater Refunding Revenue Bonds, Series 2012, and the Water and Wastewater Revenue Bonds, Series 2016, respectively. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced covenants of the Installment Sales Agreements, insofar as they relate to accounting matters.

## **Restricted Use Relating to the Other Matter - Installment Sale Agreements**

The communication related to compliance with the aforementioned Installment Sale Agreements described in the Other Matter paragraph is intended solely for the information and use of the Board of Directors and management of Camrosa Water District and Willington Trust N.A. and is not intended to be and should not be used by anyone other than these specified parties.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2019, on our consideration of Camrosa Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Camrosa Water District's internal control over financial reporting and compliance.

*Janning : Karst*

Ventura, California  
October 24, 2019

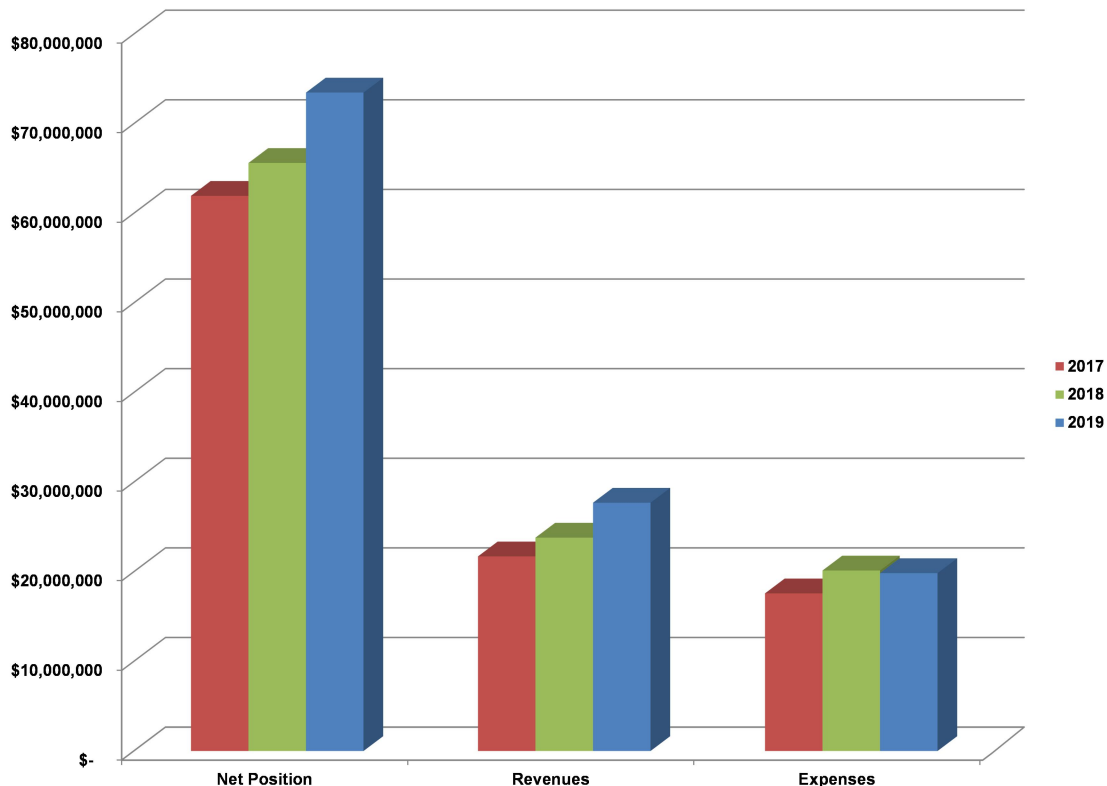
**Management's Discussion and Analysis (MD&A)**  
**(For the Fiscal Years Ended June 30, 2019 and June 30, 2018)**

The following discussion and analysis of the Camrosa Water District's (District) financial performance during FY2018-19 provides an overview of the District's operational activities that impacted the financial performance of the District. It should be reviewed in conjunction with the transmittal letter and the District's basic financial statements that begin on page 13.

**Financial Highlights**

The following chart displays FY2018-19 financial changes in comparison to FY2017-18 and FY2016-17:

- In FY2018-19, the District's net position increased 12%, or \$7.9 million, to \$73.5 million. In FY2017-18, the District's net position increased by 5.8%, or \$3.6 million to \$65.6 million.
- In FY2018-19, the District's total revenues increased by 16.4%, or \$3.9 million, due primarily to receipt of capital and mitigation fees from new developments offset by a decrease in water consumption sales. In FY2017-18, the District's total revenues increased by 9.7%, or \$2.1 million.
- In FY2018-19, the District's expenses decreased by 1.5%, or \$0.3 million, which is mostly due to decreased pipeline repairs compared to the prior year. In FY2017-18, the District's expenses increased 14.7%, or \$2.6 million.



**Figure 7 – Financial Highlights**

## Required Financial Statements

This annual report consists of a series of financial statements with accompanying notes. The *Statements of Net Position* reflects the solubility of the District at the end of FY2018-19 and provides a comparison of assets and liabilities as they existed at the end of the prior fiscal year. The *Statements of Revenues, Expenses and Changes in Net Position* compares operational results from FY2018-19 with FY2017-18. The *Statements of Cash Flows* provides information about the District's cash receipts and cash payments during the reporting periods.

*Method of Accounting:* The District uses a single enterprise fund for accounting and reporting the results of all operations. The statements referenced above include all assets and liabilities using an accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

*Notes to Financial Statements:* The notes that follow the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 18-38.

## District as a Whole

The District is operated and reported as a single enterprise fund. The operating results reported in the accompanying financial statements reflect the total performance of the District as a whole.

## Net Position Analysis

One way of evaluating the District's financial health is through the *Statements of Net Position*. Over time, increases or decreases in the District's *net position* – the difference between assets (what the District owns) and deferred outflows of resources and liabilities (what the District owes) and deferred inflows of resources – indicate whether its financial health is improving or deteriorating. Other non-financial factors, such as changes in the District's jurisdiction, the status of capital projects, and the level of continuing constituent support, must always be considered in assessing the overall health of the District.

The following is a summary of the *Statements of Net Position* of the District and the change in comparison to the two prior fiscal years:

<b><u>Net Position</u></b>					
<i>(in millions)</i>					
<u>Assets</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Current Assets	\$32.1	\$25.8	\$6.3	\$21.8	\$4.0
Restricted Cash	7.7	7.8	(0.1)	8.3	(0.5)
Capital Assets (net of depreciation)	54.2	53.9	0.3	54.5	(0.6)
Other Non-Current Assets	0.8	0.9	(0.1)	1.0	(0.1)
<u>Total Assets</u>	<u>94.8</u>	<u>88.4</u>	<u>6.4</u>	<u>85.6</u>	<u>2.8</u>
Deferred Outflows of Resources	1.9	2.1	(0.2)	1.9	0.2
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$96.7</u>	<u>\$90.5</u>	<u>\$6.2</u>	<u>\$87.5</u>	<u>\$3.0</u>
<u>Liabilities</u>					
Long-Term Debt	\$15.0	\$16.7	\$1.7	\$18.4	\$1.7
Net Pension Liability	4.5	4.5	0.0	3.9	(0.6)
Other Liabilities	3.4	3.3	(0.1)	2.7	(0.6)
<u>Total Liabilities</u>	<u>22.9</u>	<u>24.5</u>	<u>1.6</u>	<u>25.0</u>	<u>0.5</u>
Deferred Inflows of Resources	0.3	0.4	0.1	0.5	0.1
<u>Total Liabilities and Deferred Inflows of Resources</u>	<u>\$23.2</u>	<u>\$24.9</u>	<u>\$1.7</u>	<u>\$25.5</u>	<u>\$0.6</u>
<u>Net Position</u>					
Net Investment in Capital Assets	\$45.8	\$43.9	\$1.9	\$43.5	\$0.4
Unrestricted Net Position	27.7	21.7	6.0	18.5	3.2
<u>Total Net Position</u>	<u>\$73.5</u>	<u>\$65.6</u>	<u>\$7.9</u>	<u>\$62.0</u>	<u>\$3.6</u>

If net position serves as a useful indicator of an institution's financial position, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$73.5 million at June 30, 2019 and by \$65.6 million at June 30, 2018, which indicate it is of sound financial health.

By far the largest portion of the District's net position reflect Net Investment in Capital Assets, which represent Capital Assets, net of accumulated depreciation, less any related debt used to acquire those assets plus any unspent funds. 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.

For the year ended June 30, 2019, Total Net Position increased by \$7.9 million and by \$3.6 million for the year ended June 30, 2018. In FY2018-19 Current Assets increased by \$6.3 million mainly due to the receipt of capital and mitigation fees from new developments. The decrease of \$0.2 million in Deferred Outflows of Resources is related to pension liability activities. Restricted Cash, Capital Assets and Other Current Assets increase by \$0.1 million. Liabilities decreased by \$1.6 million mainly as a result of principal payment of existing long term debt.

In FY2017-18, Current Assets increased by \$4.0 million due to increased Net Operating and Non-Operating Revenues. Restricted Cash, Capital Assets and Other Assets decreased by \$1.2 million. Deferred Outflows of Resources increased by \$0.2 million due to pension liability related activities. Long-Term Debt decreased by \$1.7 million as a result of principal payment on existing long term debt, and Net Pension Liability and Deferred Inflows of Resources had a combined increase of \$0.5 million.

The following is a summary of the *Statements of Revenues, Expenses and Changes in Net Position* of the District with a comparison to the two prior fiscal years:

	<b><i>Changes in Net Position</i></b>				
	(in millions)				
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Beginning Balance	\$65.6	\$62.0	\$3.6	\$57.8	\$4.2
Operating Revenues	20.3	22.4	(2.1)	19.0	3.4
Operating Expenses	(19.3)	(19.6)	0.3	(16.9)	(2.7)
Non-Operating Revenues	1.4	1.0	0.4	0.8	0.2
Non-Operating Expenses	(0.5)	(0.6)	0.1	(0.7)	0.1
Capital Contributions	5.7	0.3	5.4	1.9	(1.6)
Grants	0.3	0.1	0.2	0.1	0.0
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>*Total Net Position</u>	\$73.5	\$65.6	\$7.9	\$62.0	\$3.6



## Revenue

Revenue generated from operations produces more than 73% of total revenue. Capital Contributions and Grants contribute to more than 21% of total revenue. Non-Operating Revenues, such as taxes and interest revenue make up the remainder.

Water rates are comprised of a commodity (usage) charge and a fixed meter service fee. Sewer rates are a fixed fee, billed monthly. The District conducted a Proposition 218 public hearing on June 13, 2019, at which the Board adopted a five-year rate schedule that includes various increases for the commodity and meter service charges for both water and wastewater services.

The Statement of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of the changes of financial position. The following summary of revenues by source is provided for the past three fiscal years:

	<b><u>Total Revenues</u></b> (in millions)				
	2019	2018	Change	2017	Change
Operating Revenues					
Water Revenue	\$14.1	\$16.2	(\$2.1)	\$13.1	\$3.1
Meter Revenue	2.6	2.6	0.0	2.5	0.1
Sewer Revenue	3.3	3.3	0.0	3.2	0.1
Other	0.3	0.3	0.0	0.2	0.1
Total Operating Revenues	<u>\$20.3</u>	<u>\$22.4</u>	<u>(\$2.1)</u>	<u>\$19.0</u>	<u>\$3.4</u>
Non-Operating Revenues					
Property Taxes	\$0.6	\$0.6	\$0.0	\$0.6	\$0.0
Interest Income	<u>0.8</u>	<u>0.4</u>	<u>0.4</u>	<u>0.2</u>	<u>0.2</u>
Total Non-Operating Revenues	<u>\$1.4</u>	<u>\$1.0</u>	<u>\$0.4</u>	<u>\$0.8</u>	<u>\$0.2</u>
<u>Total Revenues Before Capital Contributions and Grants</u>	<u>\$21.7</u>	<u>\$23.4</u>	<u>(\$1.7)</u>	<u>\$19.8</u>	<u>\$3.6</u>
Capital Contributions	\$5.7	\$0.3	\$5.4	\$1.8	(\$1.5)
Capital Grant Income	<u>0.3</u>	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>0.0</u>
<u>Total Revenues After Capital Contributions and Grants</u>	<u>\$27.7</u>	<u>\$23.8</u>	<u>\$3.9</u>	<u>\$21.7</u>	<u>\$2.1</u>

The District's Operating Revenue decreased by \$2.1 million in FY2018-19 and increased by \$3.4million in FY2017-18. The decrease in FY2018-19 was due to decreased water sales as a result of increased rain, which resulted in less water deliveries. The increase in FY2017-18 was due to increased water sales as a result of dry weather conditions, increased demand, and an increase in the volumetric water and fixed meter service fee rates effective July 2017.

The District's Non-Operating Revenue increased by \$0.4 in FY2018-19 and by \$0.2 in FY2017-18. The increase in both years is due to increased interest income as a result of increasing interest rates and higher account balances.

## Expenses

Expenses for Water Purchases and Utilities represent 55% of total Direct Operating Expenses while Salaries and Benefits account for 24%. All other expenses account for 21% of the total Direct Operating Expenses for the period. The following summary of expenses by category is provided for the past three fiscal years:

	<b><u>Total Expenses</u></b>				
	(in millions)				
<u>Operating Expenses</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Water Purchases	\$7.8	\$7.9	(\$0.1)	\$6.5	\$1.4
Salaries and Benefits	3.9	3.7	0.2	3.4	0.3
Utilities	1.3	1.4	(0.1)	1.2	0.2
Other	3.5	3.9	(0.4)	3.2	0.7
<u>Direct Operating Expenses</u>	<u>\$16.5</u>	<u>\$16.9</u>	<u>(\$0.4)</u>	<u>\$14.3</u>	<u>\$2.6</u>
Depreciation	2.8	2.7	0.1	2.6	0.1
<u>Total Operating Expenses</u>	<u>\$19.3</u>	<u>\$19.6</u>	<u>(\$0.3)</u>	<u>\$16.9</u>	<u>\$2.7</u>
<u>Non-Operating Expenses</u>					
Debt Issuance Cost	\$0.0	\$0.0	\$0.0	\$0.2	(\$0.2)
Loss of Asset	0.1	0.0	0.1	0.0	0.0
Interest Expense	0.5	0.6	(0.1)	0.5	0.1
<u>Total Non-Operating Expenses</u>	<u>\$0.6</u>	<u>\$0.6</u>	<u>\$0.0</u>	<u>\$0.7</u>	<u>(\$0.1)</u>
<u>Total Expenses</u>	<u>\$19.9</u>	<u>\$20.2</u>	<u>(\$0.3)</u>	<u>\$17.6</u>	<u>\$2.6</u>

Total Direct Operating Expenses decreased by \$0.4 million in FY2018-19 and increased by \$2.6 in FY2017-18. The decrease in FY2018-19 is a result of lower pumping power usage due to decreased water deliveries. Also, unpredictable pipeline repairs were less than in the prior year. The increase in FY2017-18 is a result of higher water demand, water production and imported water purchases.

Total Non-Operating Expenses remained the same in FY2018-19 and decreased by \$0.1 million in FY2017-18. The decrease in FY 2017-8 was due to debt issuance cost related to the 2016A Revenue Bonds in FY2016-17. No debt was issued in FY2017-18, and therefore, there were no debt issuance costs.

## Capital Assets and Debt Administration

<b><u>Net Capital Assets</u></b>					
(in millions)					
<u>Capital Assets</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Water Plant	\$68.0	\$66.9	\$1.1	\$64.8	\$2.1
Sanitation Plant	30.8	30.8	0.0	29.8	1.0
Buildings & Equipment	3.5	3.3	0.2	3.1	0.2
Land and Easements	1.7	1.6	0.1	1.3	0.3
Construction in Progress	3.5	1.9	1.6	3.4	(1.5)
	<u>\$107.5</u>	<u>\$104.5</u>	<u>\$3.0</u>	<u>\$102.4</u>	<u>\$2.1</u>
Less Accumulated Depreciation	<u>53.3</u>	<u>50.5</u>	<u>2.8</u>	<u>47.9</u>	<u>2.6</u>
Net Capital Assets	<u>\$54.2</u>	<u>\$54.0</u>	<u>\$0.2</u>	<u>\$54.5</u>	<u>(\$0.5)</u>

Total Capital Assets increased \$3.0 million (before depreciation) during the FY2018-19 and by \$2.1 million during FY2017-18, reflecting a net increase in the value of the Water Plant, Sanitation Plant and Construction in Progress. Please see note 4, page 25, to the basic financial statements for further detail.

Water system projects completed during the fiscal year include the Non-Potable Water Freeway Crossing, which required the installation of approximately 250-feet of new steel casing under highway 101 at Conejo Creek to allow the installation of a new 24" non-potable water line. Other water projects completed during FY2018-19 include the Santa Rosa #8 Well Rehabilitation and Pond Rip Rap.

### Debt Administration

At year-end, the District had the following long-term debt obligations:

2016A Water and Wastewater Refunding Revenue Bonds	\$ 13,858,439
2012 Water and Wastewater Refunding Revenue Bonds	1,120,010
Total Long-term Debt	<u>\$ 14,978,449</u>
Less current portion	1,754,197
Net Long-Term Debt	<u>\$ 13,224,252</u>

The Series 2012 Refunding Revenue Bond will be paid off in FY2019-20. It represents the refunding of the 2001 Refunding Revenue Bond. Refunding resulted in more than \$784,000 in net present value savings and in lower debt service payments to the District.

The District issued \$9,630,000 in 2011A project bonds in September 2011. Proceeds of the bonds were designated to fund \$6,508,000 of water capital projects and \$2,447,000 of wastewater capital projects. In September 2016, District advance refunded the 2011A bonds and obtained additional funding in the amount of \$6,000,000, with the issuance of the Water and Wastewater Refunding Revenue Bonds Series 2016A, for water projects. Please see note 5, page 26, to the basic financial statements for further discussion.

## ***Economic Factors and Next Year's Budget and Rates***

### ***Local Water Supplies***

In 2018, the State Water Resource Control Board (SWRCB) promulgated a new maximum contaminant level (MCL) for 1,2,3-Trichloropropane (TCP). Three Camrosa wells were taken out of service after detections of 1,2,3-TCP, which required a corresponding increase in imported water. From a financial forecasting perspective, this development has resulted in reductions in local water production and increased imported water purchases, which could adversely affect the District's financial position. The District is evaluating new treatment technologies to resume local water production.

### ***Requests for Information***

This financial report is designed to provide a general overview for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Manager, 7385 Santa Rosa Road, Camarillo, CA 93012.

# Financial Statements

Camrosa Water District  
**Statements of Net Position**  
June 30, 2019 and 2018

<b>Assets</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	2	\$ 28,556,655	\$ 22,420,563
Restricted Cash and Cash Equivalents	2	499,488	427,897
Receivables:			
Customer - Net of Allowance for Doubtful Accounts of \$19,500 and \$7,500 at June 30, 2019 and 2018, respectively		2,087,424	2,324,395
Interest		194,123	114,737
Property Taxes		15,810	32,200
Grants and Other Reimbursements		407,085	152,486
Prepaid Expenses and Other Current Assets		290,131	256,968
Current Portion of Note Receivable	3	87,672	82,991
<b>Total Current Assets</b>		<b>32,138,388</b>	<b>25,812,237</b>
<b>Non-current Assets</b>			
Restricted Cash and Cash Equivalents	2	7,707,332	7,792,083
Certificates of Deposit	2	740,943	738,935
Capital Assets Not Being Depreciated	4	5,157,557	3,512,448
Capital Assets Being Depreciated	4	48,994,915	50,411,949
Note Receivable, Net of Current Portion	3	30,308	117,980
<b>Total Non-current Assets</b>		<b>62,631,055</b>	<b>62,573,395</b>
<b>Total Assets</b>		<b>94,769,443</b>	<b>88,385,632</b>
<b>Deferred Outflows of Resources</b>			
Deferred Loss From Debt Refunding		733,546	824,997
Deferred Outflows Related to Pensions	8	1,173,959	1,295,359
<b>Total Deferred Outflows of Resources</b>		<b>1,907,505</b>	<b>2,120,356</b>



Camrosa Water District  
**Statements of Net Position (Continued)**  
June 30, 2019 and 2018

Liabilities	Notes	<u>2019</u>	<u>2018</u>
<b>Current Liabilities</b>			
Accounts Payable		2,311,743	2,314,349
Accrued Interest Payable		234,958	263,788
Wages, Benefits and Payroll Taxes Payable		118,027	114,618
Current Portion of Compensated Absences		248,051	212,844
Customer Surety Deposits		262,164	157,378
Other Liabilities		145,694	51,061
Current Portion of Long-Term Debt	5	1,754,198	1,736,208
<b>Total Current Liabilities</b>		<u>5,074,835</u>	<u>4,850,246</u>
<b>Long-Term Liabilities</b>			
Long-Term Debt, Net of Current Portion	5	13,224,252	14,978,450
Compensated Absences, Net of Current Portion		108,539	148,307
Net Pension Liability	8	4,462,042	4,521,229
<b>Total Long-Term Liabilities</b>		<u>17,794,833</u>	<u>19,647,986</u>
<b>Total Liabilities</b>		<u>22,869,668</u>	<u>24,498,232</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Related to Pensions	8	330,212	386,540
<b>Net Position</b>			
Net Investment in Capital Assets		45,772,455	43,930,663
Unrestricted Net Position		27,704,613	21,690,553
<b>Total Net Position</b>	\$	<u><u>73,477,068</u></u>	<u><u>\$ 65,621,216</u></u>

Camrosa Water District  
**Statements of Revenues, Expenses and Changes in Net Position**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

	Notes	2019	2018
<b>Operating Revenues</b>			
Potable Water Sales	\$	9,480,862	\$ 10,834,922
Non-Potable Water Sales		4,647,217	5,400,519
Meter Service Fees		2,615,301	2,557,753
Sewer Service Fess		3,336,794	3,314,305
Other Revenue		249,548	324,256
<b>Total Operating Revenues</b>		<u>20,329,722</u>	<u>22,431,755</u>
<b>Operating Expenses</b>			
Potable Water Purchases		6,660,630	6,191,640
Non-Potable Water Purchases		1,168,281	1,699,343
Salaries		2,611,738	2,457,385
Employee Benefits		1,265,853	1,282,627
Outside Contracts		1,110,930	1,200,415
Professional Services		121,235	177,493
Utilities		1,257,242	1,426,842
Communications		57,353	67,431
Repairs and Maintenance		1,247,224	1,435,959
Supplies		411,385	471,982
Legal Services		75,956	26,263
Dues and Subscriptions		43,474	38,245
Conference and Travel		31,752	23,313
Safety and Training		37,037	38,762
Board		114,302	113,720
Bad Debt		19,598	6,994
Fees and Charges		133,753	156,170
Insurance		87,261	83,305
Depreciation		2,842,512	2,684,495
<b>Total Operating Expenses</b>		<u>19,297,516</u>	<u>19,582,384</u>
<b>Operating Income</b>		<u>1,032,206</u>	<u>2,849,371</u>
<b>Non-Operating Revenues</b>			
Investment Income		777,536	391,082
Gain on Sale of Asset		-	10,146
Property Taxes		620,590	657,620
<b>Total Non-Operating Revenues</b>		<u>1,398,126</u>	<u>1,058,848</u>
<b>Non-Operating Expenses</b>			
Interest Expense		(497,004)	(561,227)
Loss on Disposal of Asset		(57,615)	-
<b>Total Non-Operating Expenses</b>		<u>(554,619)</u>	<u>(561,227)</u>
<b>Income Before Capital Contributions and Grants</b>		<u>1,875,713</u>	<u>3,346,992</u>
Capital Contributions	6	5,689,517	255,935
Capital Grant Income		290,622	67,519
<b>Change in Net Position</b>		<u>7,855,852</u>	<u>3,670,446</u>
<b>Net Position at Beginning of Year</b>		<u>65,621,216</u>	<u>61,950,770</u>
<b>Net Position at End of Year</b>	\$	<u>73,477,068</u>	<u>\$ 65,621,216</u>

Camrosa Water District  
**Statements of Cash Flows**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Cash Received from User Charges	\$ 20,543,694	\$ 21,965,521
Other Operating Receipts	117,632	196,200
Cash Payments to Employees	(2,616,021)	(2,442,189)
Cash Payments for Operating Expenses	<u>(13,870,017)</u>	<u>(13,854,700)</u>
Net Cash Provided/(Used) By Operating Activities	<u>4,175,288</u>	<u>5,864,832</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Property Taxes	636,980	643,106
Surety Deposits	<u>104,786</u>	<u>113,563</u>
Net Cash Provided/(Used) By Non-Capital Financing Activities	<u>741,766</u>	<u>756,669</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of Capital Assets	(3,104,802)	(2,051,997)
Proceeds from Water and Sewer Capital Fees	5,666,117	158,549
Receipt of Grants and Other Reimbursements	36,023	102,933
Payments Received on Capital Note Receivable	82,991	78,559
Proceeds from Sale of Capital Assets	-	10,146
Repayment of Long-Term Debt	(1,590,000)	(1,525,000)
Interest Payments	<u>(580,591)</u>	<u>(641,187)</u>
Net Cash Provided/(Used) By Capital and Related Financing Activities	<u>509,738</u>	<u>(3,867,997)</u>
<b>Cash Flows From Investing Activities</b>		
Interest Income	<u>696,140</u>	<u>336,783</u>
Net Cash Provided/(Used) By Investing Activities	<u>696,140</u>	<u>336,783</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	6,122,932	3,090,287
Cash and Cash Equivalents at Beginning of Year	<u>30,640,543</u>	<u>27,550,256</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 36,763,475</u></u>	<u><u>\$ 30,640,543</u></u>

Camrosa Water District  
**Statements of Cash Flows (Continued)**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Operating Income	\$ 1,032,206	\$ 2,849,371
Adjustments to Reconcile Operating Net Income to Net Cash Provided/(Used) by Operating Activities		
Depreciation	2,842,512	2,684,495
Pension Contribution in Excess of Pension Expense	5,887	177,714
(Increase)/Decrease in Operating Assets		
Customer Receivables	236,971	(254,767)
Prepaid Expenses and Other Current Assets	(33,163)	(71,723)
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	(2,606)	477,552
Wages, Benefits and Payroll Taxes Payable	3,409	10,841
Compensated Absences	(4,561)	6,617
Other Current Liabilities	<u>94,633</u>	<u>(15,268)</u>
Net Cash Provided/(Used) By Operating Activities	<u>\$ 4,175,288</u>	<u>\$ 5,864,832</u>
<b>Non-Cash Capital and Related Financing Activities</b>		
Donated Easements	<u>\$ 23,400</u>	<u>\$ 97,386</u>

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

**Note 1 - Summary of Significant Accounting Policies**

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

The Camrosa Water District (District), a special district of the State of California, was created in 1962 and operates under the authority of Division 12 of the California Water Code. The District is primarily engaged in the activities of selling and delivering water and collecting and treating sewage. The District's service area includes portions of the cities of Camarillo, Thousand Oaks and Moorpark, and an unincorporated portion of the County of Ventura. The District's five-member Board of Directors comprises representatives from five geographical divisions of the District who are elected at large.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District is discussed below.

These financial statements present the District and its component units, the Camrosa Water District Financing Authority and the Arroyo Santa Rosa Groundwater Sustainability Agency. As defined by GASB, the financial reporting entity consists of the primary government, as well as component units, for which the District is considered to be financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization, (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the District, (3) management (below the level of elected officials) of the primary government have operational responsibility for the activities of the component unit, or (4) the component unit's total debt is expected to be repaid entirely with resources of the primary government.

The Camrosa Water District Financing Authority (Authority) is authorized to buy, sell and lease property and to issue bonds, expend bond proceeds, and borrow and loan money for any of its corporate purposes pursuant to the Act and a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004, by and among the cities, counties, districts and other political subdivisions that are parties to that agreement. The District's Board of Directors acts as the governing body of the Authority. The decision to blend the Authority was reached due to the District's Board of Directors governing the Authority, as well as the District's management responsibility of the operations.

The Arroyo Santa Rosa Groundwater Sustainability Agency (GSA) serves as the GSA for the Arroyo Santa Rosa Valley Basin. The GSA was originally designated as a medium-priority basin due to high nitrate concentrations, and the County of Ventura and Camrosa formed a GSA in 2016 to manage the portion of the basin east of the Bailey Fault, outside the Fox Canyon Groundwater Management Agency (FCGMA). Administrative fees to support the operation of the Arroyo Santa Rosa GSA will come from contributions by the County of Ventura and Camrosa. These costs are estimated at \$250,000 for FY2019-20 as they include the development of the GSP but are expected to drop significantly after the plan is written. The decision to blend the Arroyo Santa Rosa Valley Basin GSA was reached due to the fact that the component unit has substantively the same governing body as the District, and the operational responsibility for the Component Unit rest with management of the District. Five of six board

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

members are board members of the District and the General Manager of the District is also the Executive Officer of the GSA.

***B. Basis of Accounting***

The Camrosa Water District is accounted for as an enterprise fund in accordance with GAAP as applied to governmental units. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the expenses, including depreciation, of providing goods or services to the general public are recovered through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, and other purposes. Because the Camrosa Water District is accounted for as an enterprise fund, the District uses the economic resources measurement focus and the accrual basis of accounting is used for financial statement reporting purposes.

Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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

***C. Basic Financial Statements***

The basic financial statements provide information about the District's proprietary fund. The focus of proprietary fund measurement is upon determination of operating income, changes in net position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

***D. Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Significant estimates used in preparing these financial statements include:

- Depreciation expense
- Accrual of net pension liability

The District believes the techniques and assumptions used in establishing these estimates are appropriate.



Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

***E. Cash and Cash Equivalents***

For purposes of the statements of cash flows, the District considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

***F. Investments***

Investments are carried at fair value.

***G. Accounts Receivables and Allowance for Uncollectible Accounts***

Water and Wastewater revenues are billed on the tenth of every month. Revenues resulting from customer usage occurring after the last meter reading date and prior to the end of the year are accrued. This accrual is reflected under customer receivables in the Statement of Net Position. As of June 30, 2019 the accrued customer receivables were approximately \$1,813,665 and \$1,918,591 at June 30, 2018.

The District uses the allowance method, and a provision has been made for bad debts. Accounts for which no payments have been received are written off at the discretion of management. Accounts receivable as reflected in the financial statements are from customers located within the cities of Camarillo, Thousand Oaks and Moorpark, and an unincorporated portion of the County of Ventura.

***H. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Examples of prepaid items for the District are property and liability insurance premiums and payments for software maintenance.

***I. Capital Assets***

Capital assets that are acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. 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:

Water Plant	20-40 years
Sanitation Plant	20-50 years
Buildings and Equipment	3-50 years

***J. Construction in Progress***

Construction in progress represents cost accumulated for the replacement and improvement of the District's water and wastewater systems as well as the rehabilitation of structures and other projects that were not completed as of year-end.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

**K. Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets by the government that is applicable to a future reporting period. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. This amount is deferred and amortized as a component of interest expense over the shorter of the life of the refunded or refunding debt. The District also recognizes deferred outflows of resources related to pensions.

**L. Compensated Absences**

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

The changes in compensated absences were as follows:

Balance July 1, 2018	Earned	Taken	Balance June 30, 2019	Current Portion	Long-Term Portion
\$ 361,151	\$ 284,022	\$ (288,583)	\$ 356,590	\$ 248,051	\$ 108,539

Balance July 1, 2017	Earned	Taken	Balance June 30, 2019	Current Portion	Long-Term Portion
\$ 354,534	\$ 293,853	\$ (287,236)	\$ 361,151	\$ 212,844	\$ 148,307

**M. Pensions**

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

**N. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District reports deferred inflows related to pensions.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

***O. Contributed Capital***

Deeded facilities received from developers are recorded at estimated construction cost. Such facilities are recorded as District assets and are depreciated in accordance with established policies for similar capital assets. Easements granted are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

The District requires prepayment of water and sewer capital fees prior to commencement of construction of residential and commercial developments. Such fees, which are nonrefundable, are recorded as contributed capital upon receipt. Grants for capital asset acquisition, facility development and rehabilitation are reported as capital grant income.

***P. Net Position***

Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the financial statements.

Net position is classified in the following categories:

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

**Note 2 - Deposits and Investments**

The District's carrying value of deposits was \$1,948,064 and \$1,934,986 at June 30, 2019 and 2018, respectively. The corresponding bank balance was \$2,101,129 and \$2,154,202 respectively. Of the bank balance, \$500,000 was covered by Federal deposit insurance at both June 30, 2019 and 2018. The California Government Code requires all financial institutions to secure a local governmental agency's deposits by pledging governmental securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deeds mortgage notes having a value of 150% of an agency's total deposits, and collateral is considered to be held in the name of the District. All cash held by financial institutions is, therefore, entirely insured or collateralized.

***Fair Value Measurement*** The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses Level 1 inputs, which are quoted prices in active markets for identical assets. Certificates of deposit in the amount of \$740,943 are valued using quoted market prices (Level 1 inputs).

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

At June 30, the District had the following investments:

	2019	2018
State of California - Local Agency Investment Fund (LAIF)	\$ 26,870,480	\$ 20,642,679
Money Market Funds	7,130,152	7,173,206
Insured Cash Shelter Account	814,504	889,397
Total Included in Cash and Cash Equivalents	<u>34,815,136</u>	<u>28,705,282</u>
 Certificates of Deposit	 740,943	 738,935
Total Investments	<u>\$ 35,556,079</u>	<u>\$ 29,444,217</u>

Total investments as presented in the table above, the carrying value of deposits disclosed at the beginning of this note, and petty cash in the amount of \$275, represent the District's cash and cash equivalents as of June 30, 2019 and 2018 respectively.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares. The fair value of the District's investment in this pool is reported at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The share value of the District's investment in LAIF is \$26,870,480 and \$20,642,679 at June 30, 2019 and 2018, respectively.

The District's investment policy provides guidelines for the prudent investment of the District's funds as allowed per statutes. Under the provision of the District's Investment Policy, and in accordance with Section 53601 of the California Government Code, the District may invest in the following types of investments:

- Securities of the U.S. Government or its agencies
- Certificates of Deposit (or Time Deposits placed with commercial banks and or/savings & loan companies)
- State of California Local Agency Investment Fund (State Pool) Deposits
- Interest bearing demand accounts with commercial banks and/or savings & loan companies

The insured cash shelter account, money market funds, and time certificates of deposit are held with Wilmington Trust. Wilmington Trust has a Standard & Poor's and Fitch credit rating of A and A3 with Moody's. The certificates of deposit are subject to an Investment Agreement for the maintenance of reserve funds for the District's revenue bonds. The State of California Local Agency Investment Fund is an unrated external investment pool.

**Credit Risk.** To address credit risk, the District invests its funds in accordance with state statutes and the District's investment policy. The criteria for selecting investments are, in order of priority, (1) safety – the consideration of the potential loss of principal or interest; (2) liquidity –

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

the ability to have funds available at any moment in time with a minimal potential loss; and (3) yield – the optimum rate of return while preserving capital.

**Concentration of Credit Risk.** The District's investment policy provides that no more than 33% of the District's portfolio may be invested with a single firm or institution with the exception of the State of California Local Agency Investment Fund.

**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 rates risk is by structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturity, investing primarily in short-term securities, and occasionally restructuring the portfolio to minimize the loss of fair value and/or to maximize cash flow. Investments in LAIF are liquid and deposits can generally be converted to cash within twenty-four hours without loss of interest.

**Note 3 - Note Receivable**

The District has a note receivable from California State University, Channel Islands (CSUCI) for the construction of the water system on the premises of CSUCI. The note requires monthly payments of \$7,664.41 including interest of 5.5% through October 2020. The note receivable is comprised of the following at June 30<sup>th</sup>:

	2019	2018
CSUCI	\$ 117,980	\$ 200,971
Less Current Portion	(87,672)	(82,991)
Net Note Receivable	<u>\$ 30,308</u>	<u>\$ 117,980</u>

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

**Note 4 - Capital Assets**

The activity for each of the major classes of capital assets and accumulated depreciation for the fiscal years ended June 30, 2019 and 2018 are shown in the following tables:

Capital Assets by Major Class:	June 30, 2018	Increases	Transfers/ Decreases	June 30, 2019
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 1,618,170	\$ 51,210	\$ -	\$ 1,669,380
Construction in Progress	1,894,278	2,799,532	(1,205,633)	3,488,177
Total Capital Assets Not Being Depreciated	3,512,448	2,850,742	(1,205,633)	5,157,557
Capital Assets Being Depreciated:				
Water Plant	66,919,253	1,147,270	(14,085)	68,052,438
Sanitation Plant	30,767,634	-	-	30,767,634
Buildings and Equipment	3,253,617	278,208	(7,566)	3,524,259
Total Capital Assets Being Depreciated	100,940,504	1,425,478	(21,651)	102,344,331
Less Accumulated Depreciation for:				
Water Plant	33,426,469	1,857,095	(14,085)	35,269,479
Sanitation Plant	14,959,367	738,091	-	15,697,458
Buildings and Equipment	2,142,719	247,326	(7,566)	2,382,479
Total Accumulated Depreciation	50,528,555	2,842,512	(21,651)	53,349,416
Total Capital Assets Being Depreciated, Net	50,411,949	(1,417,034)	-	48,994,915
Capital Assets, Net	<u>\$ 53,924,397</u>	<u>\$ 1,433,708</u>	<u>\$ (1,205,633)</u>	<u>\$ 54,152,472</u>

Capital Assets by Major Class:	June 30, 2017	Increases	Transfers/ Decreases	June 30, 2018
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 1,372,984	\$ 245,186	\$ -	\$ 1,618,170
Construction in Progress	3,359,879	1,644,132	(3,109,733)	1,894,278
Total Capital Assets Not Being Depreciated	4,732,863	1,889,318	(3,109,733)	3,512,448
Capital Assets Being Depreciated:				
Water Plant	64,799,973	2,129,571	(10,291)	66,919,253
Sanitation Plant	29,782,538	985,096	-	30,767,634
Buildings and Equipment	3,053,596	255,131	(55,110)	3,253,617
Total Capital Assets Being Depreciated	97,636,107	3,369,798	(65,401)	100,940,504
Less Accumulated Depreciation for:				
Water Plant	31,645,534	1,791,226	(10,291)	33,426,469
Sanitation Plant	14,248,676	710,691	-	14,959,367
Buildings and Equipment	2,015,251	182,578	(55,110)	2,142,719
Total Accumulated Depreciation	47,909,461	2,684,495	(65,401)	50,528,555
Total Capital Assets Being Depreciated, Net	49,726,646	685,303	-	50,411,949
Capital Assets, Net	<u>\$ 54,459,509</u>	<u>\$ 2,574,621</u>	<u>\$ (3,109,733)</u>	<u>\$ 53,924,397</u>



Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

**Note 5 - Long-Term Debt**

The District generally incurs long-term debt to finance projects or purchase assets that will have useful lives equal to or greater than the related debt. The District's debt rating is "AA" from Standard & Poor's.

The net revenues of the Water System are pledged toward the repayment of the Water Revenue Bonds. FY2018-19, net water revenues totaled \$8,364,764 and principal and interest payments for water revenue bonds were \$1,536,881. FY2017-18, net revenues totaled \$5,673,563, and principal and interest payments were \$1,533,881. Also, the net revenues of the Wastewater System are pledged toward the repayment of the Wastewater Revenue Bonds. During FY2018-19, net wastewater revenues totaled \$2,584,931 and principal and interest payments for wastewater revenue bonds totaled \$633,250. FY2017-18, net revenues totaled \$1,080,188 and principal and interest payments were \$633,350.

The District is subject to certain revenue bond covenants on outstanding debt, as defined, equal to at least 115% of the current annual debt service requirements. As of June 30, 2019, the debt service coverage for Water was 544% and for Wastewater was 408%. As of June 30, 2018, the debt service coverage for Water was 370% and for Wastewater was 171%.

The outstanding balances for each of these long-term obligations are reported as liabilities on the statement of net position. The amount of the obligation that is due within one year is shown as a current liability and the balance as a noncurrent liability.

Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums.

**Water and Wastewater Revenue Bonds Series 2016A**

In September 2016, the District issued Revenue Bonds, Series 2016A, in an aggregate principal amount of \$14,020,000. The proceeds from the sale of the bonds is being used to finance additional improvements to the Water System, and were also used to refund all of the outstanding Water and Wastewater Revenue Bonds, Series 2011A, of which \$8,150,000 was outstanding, (3) fund a reserve account established for the bonds and (4) to pay costs incurred in connection with the issuance, sale, and delivery of bonds. The bonds require semi-annual payments, with interest ranging from 2.00% to 5.00%, through January 2046.

Proceeds, bond premiums and remaining 2011A reserve accounts amounting to \$9,261,855 were placed in escrow to pay the principal and interest of the 2011A bonds when due, resulting in a deferred loss of debt refunding \$885,000. The net present value savings (economic gain) amounted to \$420,427.

**Water and Wastewater Refunding Revenue Bonds Series 2012**

In February 2012, the District issued \$7,575,000 Water and Wastewater Refunding Revenue Bonds, Series 2012. The proceeds from the sale of the bonds were used to refund all of the outstanding Water and Wastewater Systems Refunding Revenue Bonds, Series 2001, previously issued by the District in the amount of \$11,700,000, of which \$8,085,000 was outstanding. The refunding of the bonds resulted in more than \$784,000 in net present value

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savings and in lowering the District's annual debt service payment. The bonds require semi-annual payments, with interest ranging from 2.00% to 5.00%, through January 2020.

The District's debt issues and transactions are summarized below:

	Balance June 30, 2018	Additions/ New Debt	Proceeds/ Retirement	Balance June 30, 2019	Current	Long-Term
2012 Refunding Bonds	\$ 2,100,000	\$ -	\$ (1,030,000)	\$ 1,070,000	\$ 1,070,000	\$ -
2012 Refunding Bonds Premium	142,031	-	(92,020)	50,011	50,011	-
2016 Refunding Bonds	12,980,000	-	(560,000)	12,420,000	580,000	11,840,000
2016 Refunding Bonds Premium	1,492,627	-	(54,188)	1,438,439	54,188	1,384,251
	<u>\$ 16,714,658</u>	<u>\$ -</u>	<u>\$ (1,736,208)</u>	<u>\$ 14,978,450</u>	<u>\$ 1,754,199</u>	<u>\$ 13,224,251</u>

	Balance June 30, 2017	Additions/ New Debt	Proceeds/ Retirement	Balance June 30, 2018	Current	Long-Term
2012 Refunding Bonds	\$ 3,085,000	\$ -	\$ (985,000)	\$ 2,100,000	\$ 1,030,000	\$ 1,070,000
2012 Refunding Bonds Premium	234,051	-	(92,020)	142,031	92,020	50,011
2016 Refunding Bonds	13,520,000	-	(540,000)	12,980,000	560,000	12,420,000
2016 Refunding Bonds Premium	1,546,815	-	(54,188)	1,492,627	54,188	1,438,439
	<u>\$ 18,385,866</u>	<u>\$ -</u>	<u>\$ (1,671,208)</u>	<u>\$ 16,714,658</u>	<u>\$ 1,736,208</u>	<u>\$ 14,978,450</u>

Future debt service requirements through maturity are as follows:

Fiscal Year Ending June 30	2012 Refunding Bonds	2016 Revenue Bonds	Total Interest	Total
2020	1,070,000	580,000	518,331	2,168,331
2021	-	605,000	441,631	1,046,631
2022	-	640,000	417,431	1,057,431
2023	-	660,000	391,831	1,051,831
2024	-	695,000	358,831	1,053,831
2025-2029	-	3,905,000	1,385,181	5,290,181
2030-2034	-	2,255,000	897,900	3,152,900
2035-2039	-	1,075,000	661,450	1,736,450
2040-2044	-	1,360,000	372,000	1,732,000
2045-2046	-	645,000	48,750	693,750
	<u>\$ 1,070,000</u>	<u>\$ 12,420,000</u>	<u>\$ 5,493,336</u>	<u>\$ 18,983,336</u>

**Debt Service Reserve** The trust agreement of the revenue bonds series 2016A and refunding revenue bonds series 2012 require a reserve account to be created and held in trust by the Trustee for an amount equal to the Reserve Account Requirement. Moneys in the Reserve Account shall be used solely for the purpose of replenishing the Interest Account or the Principal Account under the Trust Agreement. The reserve accounts balance as of June 30, 2019 was \$879,529 and \$809,527 for the 2016A and 2012 issuance, respectively.

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**Arbitrage** At June 30, 2019, the District has revenue bonds outstanding that are subject to arbitrage limitations. Arbitrage rebate refers to the required payment to the U.S. Treasury Department of excess earnings received on applicable tax-exempt bond proceeds that are invested at a higher yield than the yield of the tax-exempt bond issue. The District does not anticipate an arbitrage rebate liability.

**Note 6 - Capital Fees and Capital Contributions**

Capital Fees and Capital Contributions consisted of the following at June 30:

	2019	2018
Potable Water Capital Contributions:		
Capital Fees	\$ 1,986,350	\$ 82,225
Mitigation Fees	1,686,260	34,249
In-Kind Capital Contributions	23,400	97,386
Total Potable Water Capital Contributions	3,696,010	213,860
Non-Potable Water Mitigation Fees	637,597	-
Sewer Capital Fees	1,355,910	42,075
Total Capital Contributions	<u>\$ 5,689,517</u>	<u>\$ 255,935</u>

**Note 7 - Deferred Compensation Plan**

For the benefit of its employees, the District participates in three 457 Deferred Compensation Programs (Programs). The multiple Programs were created in accordance with Internal Revenue Code Section 457. The purpose of these Programs is to provide deferred compensation for employees that elect to participate in the Programs. Generally, eligible employees may defer a 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. The trusts hold the assets for the exclusive benefit of plan participants and their beneficiaries. Plan assets are not the property of the District, or subject to the claims of the District's general creditors. The ending investment balance was \$2,294,945 and \$2,311,243 as of June 30, 2019 and 2018, respectively.

**Note 8 - Defined Benefit Pension Plan**

**A. General Information about the Pension Plan**

**Plan Descriptions, Benefits Provided and Employees Covered** All qualified permanent and probationary employees are eligible to participate in the Camrosa Water District's Miscellaneous Plan (Plan). The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State and Local Government resolution. The plan provides retirement, death and disability benefits to plan members and beneficiaries. The benefit provisions of the plan's employees are established by statute. A full description regarding number of employees covered, benefit provisions, assumptions, and membership

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information for the Camrosa's rate plan is listed in Camrosa's rate plan's June 30, 2016 Annual Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Prior January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Required Employee Contribution Rates	7%	6.25%
Required Employer Contribution Rates	8.892%	6.842%

**Contributions** Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2018 (the measurement date), the active employee contribution rate is 7% of annual pay and the employers' contribution rate is 8.892% of annual payroll.

Beginning in FY2015-16, CalPERS collected employer contributions towards unfunded liability and side fund as a dollar amount instead of the prior method of a contribution rate. The pool's unfunded liability is allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. This allows employers to track their own unfunded liability and pay it down faster if they choose. Camrosa's unfunded liability payment for FY2018-19 had been determined to be \$265,076. However, was prepaid in a lump sum of \$255,811.

For the year ended June 30, 2019, the contributions recognized by the plan from the employer were as follows:

Contributions - employer	\$219,923
Contributions for employer unfunded liability	\$255,811
Contributions - employee (paid by employer)	\$154,943

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

As of June 30, 2019, the District's reported net liability for its proportionate share of the net pension liability was \$4,462,042.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2018, and the total pension

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liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.11469%
Proportion - June 30, 2018	0.11840%
Change - Increase (Decrease)	0.00371%

For the year ended June 30, 2019, the District recognized pension expense of \$464,757. At June 30, 2019, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions paid after measurement date	\$ 458,869	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	22,060	-
Differences between Expected and Actual Experiences	171,201	58,259
Changes in Assumptions	508,686	124,669
Changes in Proportion and Difference between Actual Contributions and Proportionate Share of Contributions	13,143	147,284
Total	<u>\$ 1,173,959</u>	<u>\$ 330,212</u>

The \$458,869 reported as deferred outflows of resources is related to pensions the District contributed after the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(inflows) of Resources
2020	375,029
2021	204,857
2022	(154,876)
2023	(40,133)
Thereafter	0

**Actuarial Methods and Assumptions** For the measurement period ended June 30, 2018 (the measurement date); the total pension liability was determined by rolling forward the June 30, 2017 total pension liability determined in the June 30, 2017 actuarial accounting valuation. The June 30, 2018 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Services
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

**Discount Rate** The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

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

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

Asset Class	Current Target Allocation	Real Return Years 1-10 *	Real Return Years 11+ **
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00 %	(0.92)%

\* An expected inflation of 2% used for this period

\*\*An expected inflation of 2.92% used for this period

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

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

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

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
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All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARS�) of all members that are provided with pensions (active, inactive, and retired) as of the beginning of the measurement period
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The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during measurement period, and the remaining net difference between projected and actual investment earnings on pension plan investments at the measurement date is to be amortized over the remaining four-year period. The net difference between projected and actual investment earnings on pension plan investments in the schedule of collective pension amounts represents the unamortized balance relating to the current measurement period and the prior measurement period on a net basis.

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

***Sensitivity of the Net Pension Liability to Changes in Discount Rate*** The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$6,669,242
Current Discount Rate	7.15%
Net Pension Liability	\$4,462,042
1% Increase	8.15%
Net Pension Liability	\$2,640,034

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

***C. Payable to the Pension Plan***

At June 30, 2019, the District reported a payable of \$15,179 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

**Note 9 - Profit Share Plan**

The District has a profit sharing plan, pursuant to Section 401 of the Internal Revenue Code. The plan includes a provision under Section 414(h)(2) whereby each plan participant that is classified as management is required to contribute 5% of salary. Mandatory contributions totaled \$75,928 and \$74,661 in 2019 and 2018, respectively.

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**Note 10 - Major Customers**

The District's top ten water customers represent 21% of the water revenue sales during the fiscal year ended June 30, 2019. The District's top ten wastewater customers represent 43% of the wastewater revenue during the fiscal year ended June 30, 2019.

**Note 11 - Risk Management**

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

**Note 12 - Joint Powers Insurance Authority**

The District participates in the property, liability and worker's compensation program organized by the Association of California Water Agencies/Joint Powers Insurance Authority (JPIA) created to provide self-insurance program to water agencies in the State of California. The JPIA is not a component unit of the District for financial reporting purposes, as explained below.

JPIA provides liability, property, and worker's compensation insurance for the District, which is one of approximately 370 participating water districts and agencies, for losses in excess of the member districts' specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. JPIA is governed by a board composed of members from participating districts. The board controls the operations of JPIA, including selection of management and approval of operating budgets, independent of any influence by the members from beyond their representation on the board. Each member shares surpluses and deficiencies proportionately to its participation in JPIA.

Based on audited financial statements, at September 30, 2018, JPIA had total assets and deferred outflows of \$189,442,532, liabilities and deferred inflows of \$102,976,928 and net position of \$86,465,604, respectively. The District paid premiums of \$131,533 and \$121,500 to JPIA for property, liability and worker's compensation insurance during the years ended June 30, 2019 and 2018, respectively.

The District's specified self-insurance retention level under JPIA program is \$5,000 per claim. Assistance with disposition of claims within the self-insured retentions is provided through the JPIA. The District had no outstanding claims under JPIA and no liabilities relating to outstanding claims (including estimates for incurred but not reported claims) were recorded as of June 30, 2019 and 2018.

**Note 13 - Joint Powers Agreement creating the Arroyo Santa Rosa Valley Basin Groundwater Sustainability Agency (GSA)**

The District, along with the County of Ventura, participate as members of the Arroyo Santa Rosa Valley Basin Groundwater Sustainability Agency (GSA), to provide sustainable

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management of the Arroyo Santa Rosa Valley Basin pursuant to the Sustainable Groundwater Management Act of 2014 (SGMA). The Basin underlies the Santa Rosa Valley.

At June 30, 2018, the GSA had total assets of \$89,208, total liabilities of \$14,238 and net position of \$74,970.

The GSA will develop, adopt, and implement a Groundwater Sustainability Plan (GSP) for the Basin pursuant to SGMA and other applicable provisions of law. It has been determined that the GSA is a blended component unit of the District.

**Note 14 - Leases**

The District has various leases for vehicles and equipment that are classified as operating leases. Total rent expense for all operating leases for 2019 and 2018 were \$62,096 and \$60,332, respectively.

Future minimum lease payments under the operating leases with initial or remaining terms of one year or more are as follows:

Year Ending June 30:		
2020	\$	53,523
2021		12,666
2022		8,458
2023		7,056
2024		5,292
Total	\$	<u>86,995</u>

**Note 15 - Commitments and Contingencies**

**Grant Award** Grant funds received by the District are subject to audit by the grantor agencies. Such audits 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.

**Long Term Commitments** The District has an agreement with the City of Thousand Oaks to purchase non-potable surface water. The term of the agreement is for 40 years, effective June 5, 2013. The parties, by mutual consent, may extend the term of the agreement for additional five-year periods. The average yearly purchase of non-potable water for the last four years is \$577,126. Upon the effective date of the agreement, the price per acre foot of non-potable water was \$104.89, and the parties agreed to adjust the unit price per acre foot on September 1<sup>st</sup> of each year by adjusting the unit price by the annual percentage change from the preceding July to July period of the Consumer Price Index of Los Angeles-Riverside-Orange County. The FY2018-19 price per acre foot of non-potable water is \$118.42.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

**Note 16 - Upcoming Governmental Accounting Standards Board Statements**

***GASB Statement No. 87 - Leases***

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

This statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

***GASB Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements***

The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. It also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and risk associated with changes in terms associated with debt will be disclosed. The effective date of this statement is for reporting periods after June 15, 2018.

***GASB Statement No. 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period.***

The objective of this statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

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This statement requires the interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

The requirements of this statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

***GASB Statement No. 90 – Accounting and Financial Reporting for Majority Equity Interest.***

The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

A government's majority equity interest in a legally separate organization should be reported as an investment if that equity interest meets the GASB's definition of an investment. An investment is defined as a security or other asset that a government holds primarily for the purpose of income or profit and has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. For majority equity interest in a legally separate entity that does not meet the definition of an investment, GASB 90 requires a government to report the legally separate entity as a component unit.

For purposes of applying this statement, an equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable.

This statement requires that a component unit in which a government has a 100 percent equity interest accounts for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired 100 percent equity interest in the component unit.

The requirements of this statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interest in legally separate organizations. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The effective date of this statement is for reporting periods beginning after December 15, 2018.

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**Note 17 - Subsequent Events**

Events occurring after June 30, 2019 have been evaluated for possible adjustment to the financial statements or disclosure as of October 24, 2019, which is the date the financial statements were available to be issued. No subsequent events occurred.

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Camrosa Water District  
**Required Supplementary Information**  
**California Public Employees' Retirement System**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

***Schedule of Proportionate Share of the Net Pension Liability***

Year Ended*	Proportion of the Net Pension Liability	Proportionate Share (amount) of Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2015	0.04777%	\$ 2,972,338	\$ 1,793,513	165.73%	78.74%
6/30/2016	0.09775%	\$ 2,681,851	\$ 1,855,543	144.53%	78.40%
6/30/2017	0.11286%	\$ 3,920,511	\$ 1,801,650	217.61%	74.03%
6/30/2018	0.11469%	\$ 4,521,229	\$ 2,073,238	218.08%	72.83%
6/30/2019	0.11840%	\$ 4,462,042	\$ 2,251,315	198.10%	72.65%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

***Schedule of Contributions***

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2010	\$ 196,089	\$ 196,089	0	\$ 1,790,608	10.95%
6/30/2011	\$ 210,545	\$ 210,545	0	\$ 1,847,747	11.39%
6/30/2012	\$ 229,055	\$ 229,055	0	\$ 1,837,194	12.47%
6/30/2013	\$ 219,919	\$ 219,919	0	\$ 1,741,459	12.63%
6/30/2014	\$ 238,130	\$ 238,130	0	\$ 1,793,513	13.28%
6/30/2015	\$ 268,188	\$ 268,188	0	\$ 1,855,543	14.45%
6/30/2016	\$ 299,168	\$ 299,168	0	\$ 1,801,650	16.61%
6/30/2017	\$ 358,336	\$ 358,336	0	\$ 2,073,238	17.28%
6/30/2018	\$ 406,564	\$ 406,564	0	\$ 2,251,315	18.06%
6/30/2019	\$ 458,869	\$ 458,869	0	\$ 2,412,241	19.02%



# CAMROSA WATER DISTRICT



## BUILDING WATER SELF-RELIANCE

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Camrosa Water District  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Operating Revenue</b>			
Potable Water Sales	\$ 10,044,700	\$ 9,451,209	\$ (593,491)
Recycle/Non-Potable Water Sales	4,355,000	3,951,614	(403,386)
Water Sales to PV	444,500	678,598	234,098
Meter Revenue	2,572,700	2,615,301	42,601
Sewer Revenue	3,319,300	3,336,794	17,494
Special Services	151,343	224,468	73,125
Pump Zone/Miscellaneous	47,257	55,913	8,656
<b>Total Operating Revenue</b>	<b>20,934,800</b>	<b>20,313,897</b>	<b>(620,903)</b>
<b>Non-Operating Revenue</b>			-
Property Taxes	626,167	620,590	(5,577)
Interest Income	313,462	777,592	464,130
<b>Total Non-Operating Revenues</b>	<b>939,629</b>	<b>1,398,182</b>	<b>458,553</b>
<b>Operating Expenses</b>			
Water Purchases - CMWD	6,708,625	6,279,972	428,653
CMWD Fixed Charges	797,578	790,926	6,652
CCP	600,935	645,223	(44,288)
SMP CMWD	207,281	112,790	94,491
Utilities	1,607,516	1,257,243	350,273
Salaries & Benefits	4,110,457	3,877,592	232,865
Contract/Prof. Svcs	1,880,634	1,209,398	671,236
Supplies & Services	2,430,176	2,255,358	174,818
<b>Total Operating Expenses</b>	<b>18,343,202</b>	<b>16,428,502</b>	<b>1,914,700</b>
<b>Non-Operating Expenses</b>			
Debt Service 2011A/2016	1,046,031	1,046,031	-
Debt Service 2012	1,124,100	1,124,100	-
Capital Replacement Contribution	1,270,000	2,950,000	(1,680,000)
<b>Total Non-Operating Expenses</b>	<b>3,440,131</b>	<b>5,120,131</b>	<b>(1,680,000)</b>
<b>Net Operating Results</b>	<b>91,096</b>	<b>163,446</b>	<b>72,350</b>
Capital Fees	-	5,666,117	5,666,117
Grants	-	290,622	290,622
<b>Net Operating Results</b>	<b>\$ 91,096</b>	<b>\$ 6,120,185</b>	<b>\$ 6,029,089</b>
<b>Adjustments to Accounting Principles Generally Accepted in The United States of America</b>			
Depreciation Expense		(2,842,511)	
Loss of Asset		(57,615)	
Unrealized Loss on Investments		(56)	
Blended component unit activity-Arroyo Santa Rosa GSA		(10,678)	
Capital Replacement Contribution		2,950,000	
Contributed Capital In-Kind		23,400	
Principal Payments on Debt		1,620,000	
Amortization of Bonds Premium		53,127	
<b>Change in Net Position</b>		<b>7,855,852</b>	
<b>Net Position at Beginning of Year</b>		<b>65,621,216</b>	
<b>Net Position at End of Year</b>		<b>\$ 73,477,068</b>	

Camrosa Water District  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Operating Revenue</b>			
Potable Water Sales	\$ 9,801,200	\$ 10,801,589	\$ 1,000,389
Recycle/Non-Potable Water Sales	4,108,300	4,822,286	713,986
Water Sales to PV	299,729	558,575	258,846
Meter Revenue	2,534,700	2,557,753	23,053
Sewer Revenue	3,324,700	3,314,305	(10,395)
Special Services	58,615	277,468	218,853
Pump Zone/Miscellaneous	43,700	81,786	38,086
<b>Total Operating Revenue</b>	<b>20,170,944</b>	<b>22,413,762</b>	<b>2,242,818</b>
<b>Non-Operating Revenue</b>			-
Property Taxes	536,013	657,620	121,607
Interest Income	130,000	393,147	263,147
<b>Total Non-Operating Revenues</b>	<b>666,013</b>	<b>1,050,767</b>	<b>384,754</b>
<b>Operating Expenses</b>			
Water Purchases - CMWD	6,497,778	6,423,455	74,323
CMWD Fixed Charges	833,625	828,462	5,163
CCP	600,153	622,485	(22,332)
SMP CMWD	195,441	16,581	178,860
Utilities	1,423,162	1,426,842	(3,680)
Salaries & Benefits	3,805,520	3,740,012	65,508
Contract/Prof. Svcs	1,843,322	1,353,653	489,669
Supplies & Services	2,275,845	2,457,838	(181,993)
<b>Total Operating Expenses</b>	<b>17,474,846</b>	<b>16,869,328</b>	<b>605,518</b>
<b>Non-Operating Expenses</b>			
Debt Service 2011A/2016	1,045,331	1,045,331	-
Debt Service 2012	1,121,900	1,121,900	-
Capital Replacement Contribution	1,100,000	4,390,000	(3,290,000)
<b>Total Non-Operating Expenses</b>	<b>3,267,231</b>	<b>6,557,231</b>	<b>(3,290,000)</b>
<b>Net Operating Results</b>	<b>94,880</b>	<b>37,970</b>	<b>(56,910)</b>
Capital Fees	-	158,549	158,549
Grants	-	67,519	67,519
<b>Net Operating Results</b>	<b>\$ 94,880</b>	<b>\$ 264,038</b>	<b>\$ 169,158</b>
<b>Adjustments to Accounting Principles Generally Accepted in The United States of America</b>			
Depreciation Expense		(2,684,495)	
Gain on Sale of Asset		10,146	
Unrealized Loss on Investments		(2,065)	
Blended component unit activity-Arroyo Santa Rosa GSA		(10,568)	
Capital Replacement Contribution		4,390,000	
Contributed Capital In-Kind		97,386	
Principal Payments on Debt		1,525,000	
Amortization of Bonds Premium		81,004	
<b>Change in Net Position</b>		<b>3,670,446</b>	
<b>Net Position at Beginning of Year</b>		<b>61,950,770</b>	
<b>Net Position at End of Year</b>		<b>\$ 65,621,216</b>	

Camrosa Water District  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

***Budgetary Policy*** The District prepares annual operating budgets for planning, control, and evaluation purposes. Project-length budgets, which generally encompass more than one fiscal year, are also prepared for major construction projects.

***Adopted Operating and Capital Budget*** In June 2018, the Board of Directors adopted a \$22.3 million budget for FY2018-19. The District adheres to the budget policies and budgetary controls. The schedule on the previous page presents the Adopted Operating Budget amounts and compares them to actual amounts as presented on a modified accrual basis, which are different from the amounts presented in the Statements of Revenues, Expenses, and Changes in Net Position for the Fiscal Years ended June 30, 2019 and 2018.

***Monthly and Quarterly Financial Reporting*** In accordance with best financial management practices, Finance provides monthly financial reports to District Staff and quarterly financial reports to the Board of Directors. Performance compared to the budget is monitored throughout the year. These monthly financial reports are prepared to provide timely information on the financial progress of the District.

***Annual Financial Reporting*** The District elects to present the budgetary schedule, optional for Enterprise Funds, in accordance with best practices recommended by professional accounting organizations and in keeping the District's commitment to transparency in financial reporting and disclosure. The schedule is prepared on a budgetary basis and compares the adopted budget to actual expenses for the period as presented on Budgetary Comparison Schedule in Other Supplementary Information.



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

To the Board of Directors of  
Camrosa Water District:

We have audited, in accordance with the 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, the financial statements of Camrosa Water District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Camrosa Water District's basic financial statements, and have issued our report thereon dated October 24, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Camrosa Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Camrosa Water District's internal control.

*A deficiency in internal control* 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

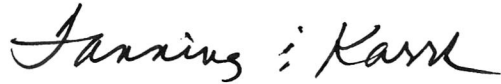
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Camrosa Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Janning : Karr". The signature is written in a cursive, flowing style.

Ventura, California  
October 24, 2019

# CAMROSA WATER DISTRICT



BUILDING WATER  
SELF-RELIANCE

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# Statistical Section

This part of the District's annual financial report presents detailed background to the financial statements and preceding narrative sections, and corroboration of statements as to the District's overall financial health.

<b>Contents:</b>	<b>Pages:</b>
<u>Financial Trends</u> schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	48-55
<u>Revenue Capacity</u> schedules contain information to help the reader assess the District's most significant local revenue source; water sales.	56-67
<u>Debt Capacity</u> 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.	68-70
<u>Operational Information</u> schedules present historical water demand, water Source and District's facilities to help the reader understand how the information in the District's financial reports relates to the services the District provides and the activities it performs.	72-76
<u>Demographic and Economic Information</u> schedules assist reader to understand the environment within which the District's financial activities take place.	78-79

# Financial Trends

Camrosa Water District  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net Position				
Net investment in capital assets	\$ 38,292,496	\$ 38,692,636	\$ 30,139,020	\$ 32,243,467
Restricted	-	-	-	-
Unrestricted	9,130,997	9,168,791	18,808,381	19,597,906
Total Net Position	<u>\$ 47,423,493</u>	<u>\$ 47,861,427</u>	<u>\$ 48,947,401</u>	<u>\$ 51,841,373</u>

*Table 1 – Net Position by Component (1 of 2)*

Camrosa Water District  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

2014	2015	2016	2017	2018	2019
\$ 41,338,152	\$ 41,644,267	\$ 43,002,970	\$ 43,454,256	\$ 43,930,663	\$ 45,772,455
-	-	-	-	-	-
14,197,247	11,883,870	14,821,731	18,496,514	21,690,553	27,704,613
<u>\$ 55,535,399</u>	<u>\$ 53,528,137</u>	<u>\$ 57,824,701</u>	<u>\$ 61,950,770</u>	<u>\$ 65,621,216</u>	<u>\$ 73,477,068</u>

*Table 1 – Net Position by Component (2 of 2)*

Camrosa Water District  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Water Revenue	\$ 10,012,122	\$ 10,314,160	\$ 10,925,574	\$ 12,263,213
Sewer Revenue	2,480,174	2,715,834	2,860,876	2,886,205
Meter Revenue	1,628,975	1,628,392	1,622,818	1,642,204
Other	<u>150,235</u>	<u>173,426</u>	<u>113,114</u>	<u>77,870</u>
Total Operating Revenues	14,271,506	14,831,812	15,522,382	16,869,492
<b>Operating Expenses</b>				
Water Purchases	6,429,288	6,595,635	7,039,814	8,058,511
Utilities	1,075,069	1,103,378	1,019,844	1,066,593
Salaries & Benefits	2,442,034	2,611,732	2,646,411	2,462,314
Outside Contract/Professional Services	986,798	983,420	1,058,357	946,930
Supplies & Services	821,618	1,032,974	848,344	847,752
Amortization	-	-	14,191	-
Depreciation	<u>2,044,529</u>	<u>2,065,661</u>	<u>2,077,598</u>	<u>2,123,625</u>
Operating Expenses	13,799,336	14,392,800	14,704,559	15,505,725
<b>Operating Income</b>	472,170	439,012	817,823	1,363,767
<b>Non-Operating Revenues</b>				
Property Taxes	526,832	506,299	499,273	498,948
Interest Income	126,871	104,910	61,341	87,209
Unrealized Gain on Investments	-	-	-	-
Gain on Disposal of Fixed Asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Operating Revenues	653,703	611,209	560,614	586,157
<b>Non-Operating Expenses</b>				
Loss of Capital Asset	-	73,920	14	423
Debt Issuance Costs	-	-	-	-
Unrealized loss on Investment	-	-	-	-
Interest Expense	<u>488,170</u>	<u>444,148</u>	<u>573,241</u>	<u>567,140</u>
Non-Operating Expenses	488,170	518,068	573,255	567,563
<b>Income Before Capital Contributions</b>	<u>637,703</u>	<u>532,153</u>	<u>805,182</u>	<u>1,382,361</u>
Capital Contributions	780,358	92,737	280,792	51,400
Grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,460,211</u>
	780,358	92,737	280,792	1,511,611
<b>Change in Net Position before Cumulative</b>	1,418,061	624,890	1,085,974	2,893,972
Cummulative Effect of Accounting Changes	<u>-</u>	<u>(186,956)</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>1,418,061</u>	<u>437,934</u>	<u>1,085,974</u>	<u>2,893,972</u>
Net Position Beginning of Year	<u>46,005,432</u>	<u>47,423,493</u>	<u>47,861,427</u>	<u>48,947,401</u>
<b>Net Position at End of Year</b>	<u>\$ 47,423,493</u>	<u>\$ 47,861,427</u>	<u>\$ 48,947,401</u>	<u>\$ 51,841,373</u>

Table 2 – Changes in Net Position (1 of 2)

Camrosa Water District  
**Changes in Net Position**  
**Last Ten Fiscal Years**

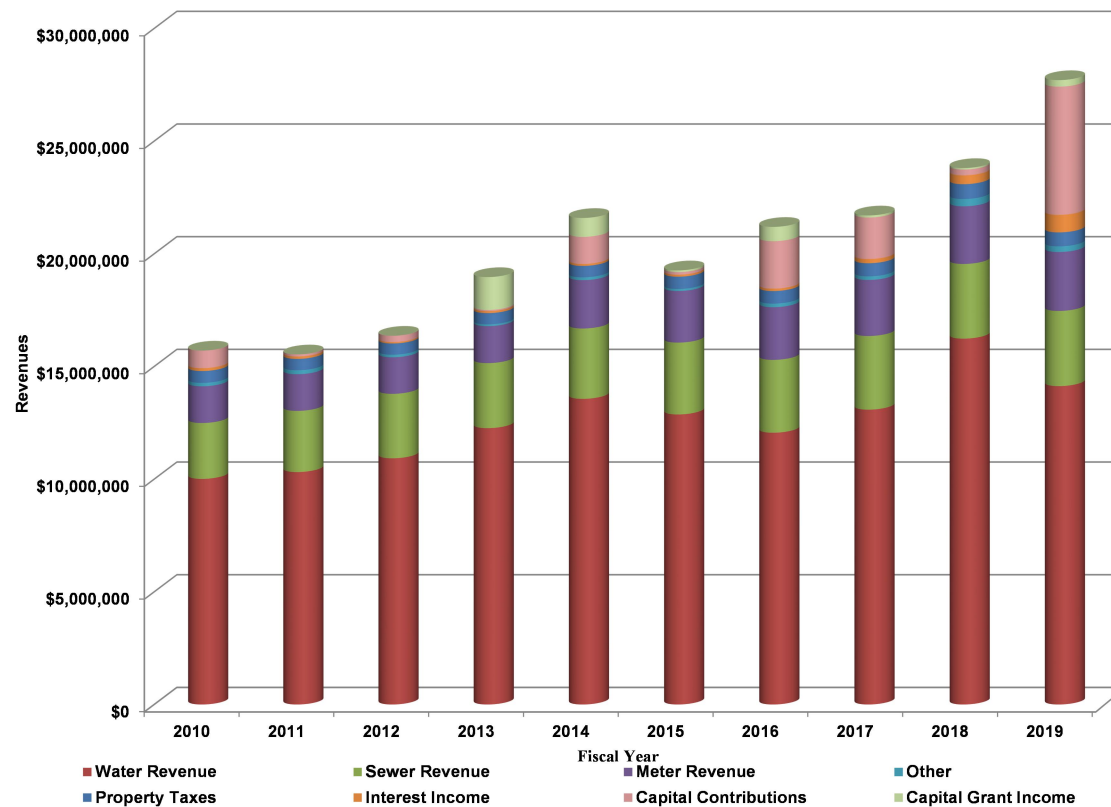
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 13,563,401	\$ 12,870,854	\$ 12,059,982	\$ 13,084,503	\$ 16,235,441	\$ 14,128,079
3,121,845	3,189,312	3,233,519	3,267,395	3,314,305	3,336,794
2,146,078	2,289,890	2,338,102	2,488,157	2,557,753	2,615,301
123,790	90,392	157,472	159,719	324,256	249,548
<u>18,955,114</u>	<u>18,440,448</u>	<u>17,789,075</u>	<u>18,999,774</u>	<u>22,431,755</u>	<u>20,329,722</u>
9,008,654	8,305,257	7,147,319	6,500,815	7,890,983	7,828,911
1,393,717	1,477,011	1,335,096	1,240,947	1,426,842	1,257,242
2,619,886	2,709,587	2,553,178	3,392,976	3,740,012	3,877,591
821,497	1,015,370	1,154,828	1,313,596	1,377,908	1,232,165
1,064,287	1,502,354	1,864,428	1,827,780	2,462,144	2,259,095
-	-	-	-	-	-
<u>2,133,668</u>	<u>2,179,599</u>	<u>2,354,424</u>	<u>2,601,408</u>	<u>2,684,495</u>	<u>2,842,512</u>
17,041,709	17,189,178	16,409,273	16,877,522	19,582,384	19,297,516
1,913,405	1,251,270	1,379,802	2,122,252	2,849,371	1,032,206
509,066	544,911	559,558	582,211	657,620	620,590
86,291	87,466	105,523	186,302	393,147	777,593
-	-	27,581	2,194	-	-
-	-	-	11,260	10,146	-
<u>595,357</u>	<u>632,377</u>	<u>692,662</u>	<u>781,967</u>	<u>1,060,913</u>	<u>1,398,183</u>
246	110,092	-	-	-	57,615
-	-	-	227,159	-	-
-	-	-	-	2,065	57
<u>542,633</u>	<u>515,489</u>	<u>475,167</u>	<u>486,119</u>	<u>561,227</u>	<u>497,004</u>
542,879	625,581	475,167	713,278	563,292	554,676
<u>1,965,883</u>	<u>1,258,066</u>	<u>1,597,298</u>	<u>2,190,941</u>	<u>3,346,992</u>	<u>1,875,713</u>
1,201,427	116,963	2,107,391	1,842,037	255,935	5,689,517
<u>839,789</u>	<u>76,298</u>	<u>633,159</u>	<u>93,091</u>	<u>67,519</u>	<u>290,622</u>
2,041,216	193,261	2,740,550	1,935,128	323,454	5,980,139
4,007,099	1,451,327	4,337,848	4,126,069	3,670,446	7,855,852
<u>(313,073)</u>	<u>(3,458,589)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,694,026</u>	<u>(2,007,262)</u>	<u>4,337,848</u>	<u>4,126,069</u>	<u>3,670,446</u>	<u>7,855,852</u>
<u>51,841,373</u>	<u>55,535,399</u>	<u>53,528,137</u>	<u>57,824,701</u>	<u>61,950,770</u>	<u>65,621,216</u>
<u>\$ 55,535,399</u>	<u>\$ 53,528,137</u>	<u>\$ 57,865,985</u>	<u>\$ 61,950,770</u>	<u>\$ 65,621,216</u>	<u>\$ 73,477,068</u>

*Table 2 – Changes in Net Position (2 of 2)*

**Revenues and Capital Contributions by Source  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Operating Revenue</b>										
Water Revenue	\$ 10,012,122	\$ 10,314,160	\$ 10,925,574	\$ 12,263,213	\$ 13,563,401	\$ 12,870,854	\$ 12,059,982	\$ 13,084,503	\$ 16,235,441	\$ 14,128,079
Sewer Revenue	2,480,174	2,715,834	2,860,876	2,886,205	3,121,845	3,189,312	3,233,519	3,267,395	3,314,305	3,336,794
Meter Revenue	1,628,975	1,628,392	1,622,818	1,642,204	2,146,078	2,289,890	2,338,102	2,488,157	2,557,753	2,615,301
Other	150,235	173,426	113,114	77,870	123,790	90,392	157,472	159,719	324,256	249,548
<b>Non-Operating Revenue</b>										
Property Taxes	526,832	506,299	499,273	498,948	509,066	544,911	559,558	582,211	657,620	620,590
Interest Income	126,871	104,910	61,341	87,209	86,291	87,466	105,523	186,302	393,147	777,593
Unrealized Gain on Investments	-	-	-	-	-	-	27,581	2,194	-	-
<b>Capital Contributions</b>	780,358	92,737	280,792	51,400	1,201,427	116,963	2,107,391	1,842,037	255,935	5,689,517
<b>Capital Grant Income</b>	-	-	-	1,460,211	839,789	76,298	633,159	93,091	67,519	290,622
<b>Total Revenue</b>	<b>\$ 15,705,567</b>	<b>\$ 15,535,758</b>	<b>\$ 16,363,788</b>	<b>\$ 18,967,260</b>	<b>\$ 21,591,687</b>	<b>\$ 19,266,086</b>	<b>\$ 21,222,287</b>	<b>\$ 21,705,609</b>	<b>\$ 23,805,976</b>	<b>\$ 27,708,044</b>

*Table 3 – Revenues and Capital Contributions by Source*



*Figure 8 – Historical Revenues and Capital Contributions*



### Connection Fees & Other Contributions

#### Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Connection Fees	\$ 121,000	\$ 92,737	\$ 121,438	\$ 51,400	\$ -	\$ 82,113	\$ 2,104,091	\$ 1,484,132	\$ 158,549	\$ 5,666,117
CSUCI Recycle Line	50,646	53,503	56,521	59,709	63,077	66,635	70,394	74,365	78,559	82,991
In-Kind Contributions	659,358	-	159,354	-	1,201,427	34,850	3,300	357,905	97,386	23,400
Grant	-	-	-	1,460,211	839,789	76,298	633,159	93,091	67,519	290,622
<b>Totals</b>	<b>\$ 831,004</b>	<b>\$ 146,240</b>	<b>\$ 337,313</b>	<b>\$ 1,571,320</b>	<b>\$ 2,104,293</b>	<b>\$ 259,896</b>	<b>\$ 2,810,944</b>	<b>\$ 2,009,492</b>	<b>\$ 402,013</b>	<b>\$ 6,063,130</b>

Table 4 – Connection Fees & Other Contributions

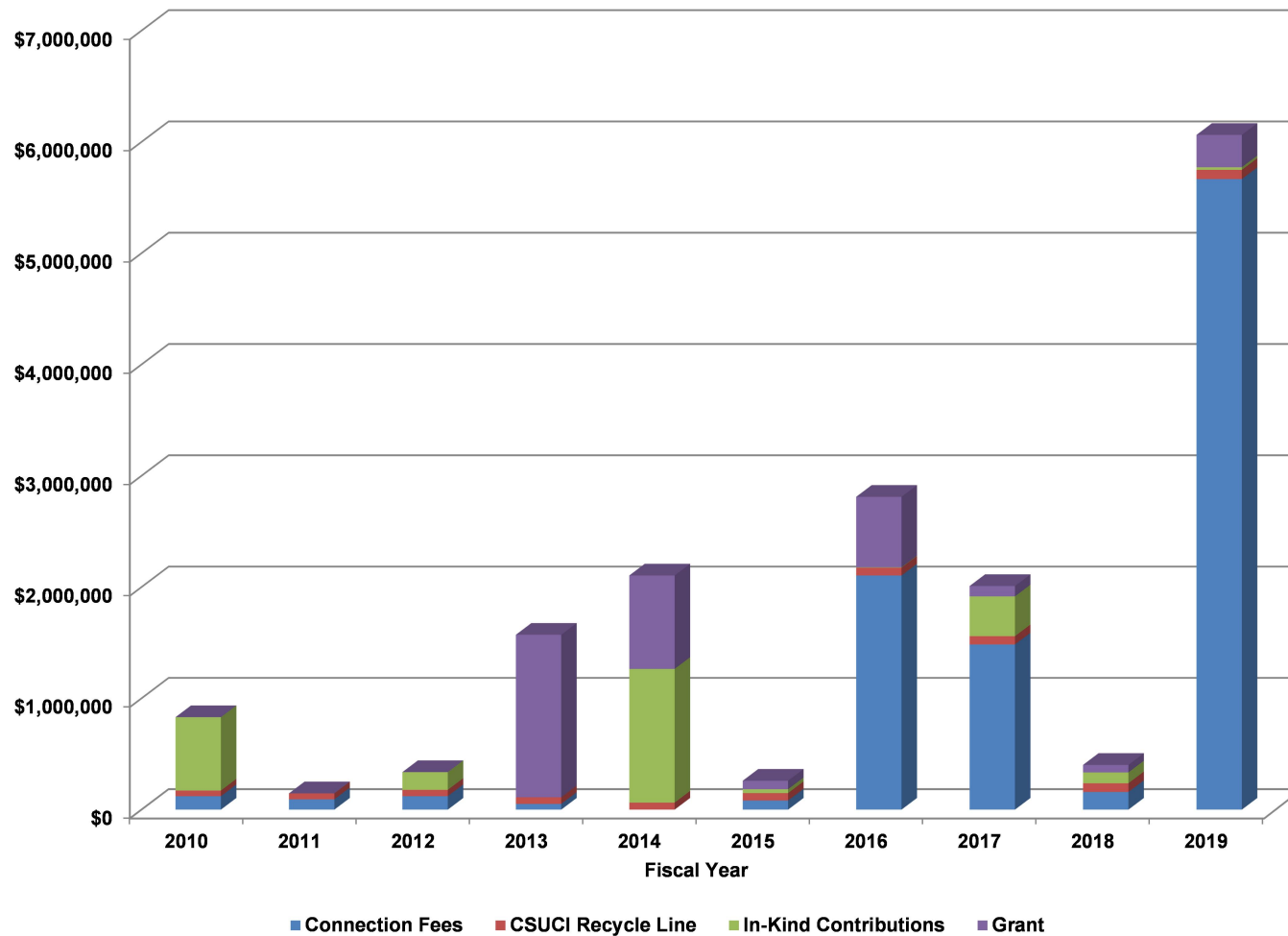
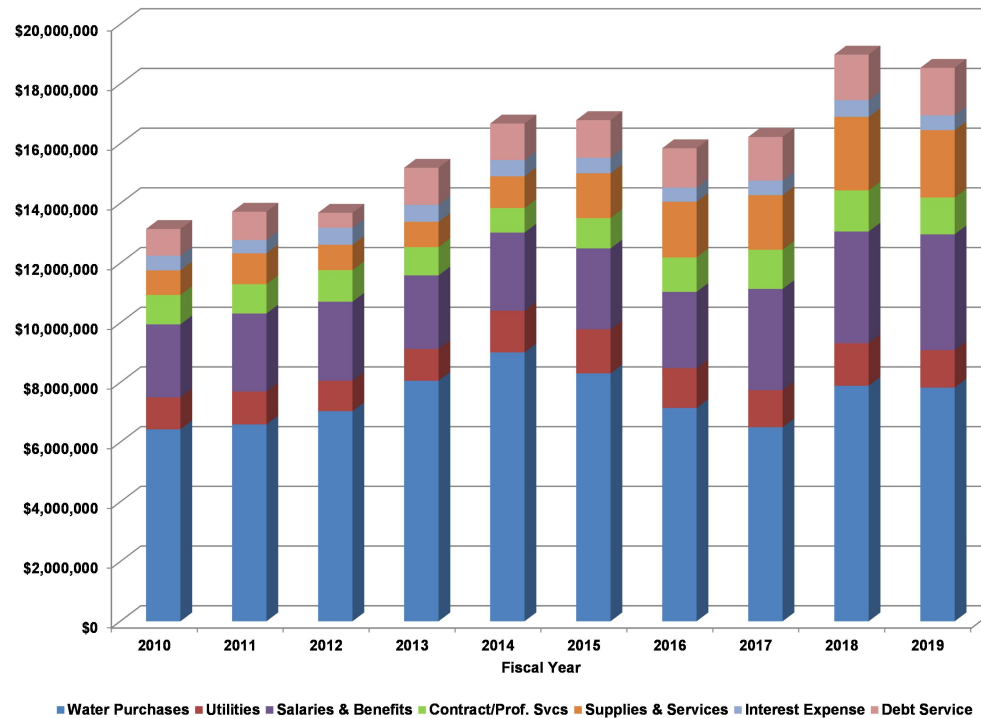


Figure 9 – Historical Connection Fees & Other Contributions

**Operating Expenses  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water Purchases	\$ 6,429,288	\$ 6,595,635	\$ 7,039,814	\$ 8,058,511	\$ 9,008,654	\$ 8,305,257	\$ 7,147,319	\$ 6,500,815	\$ 7,890,983	\$ 7,828,911
Utilities	1,075,069	1,103,378	1,019,844	1,066,593	1,393,717	1,477,011	1,335,096	1,240,947	1,426,842	1,257,242
Salaries & Benefits	2,442,034	2,611,732	2,646,411	2,462,314	2,619,886	2,709,587	2,553,178	3,392,976	3,740,012	3,877,591
Contract/Prof. Svcs	986,798	983,420	1,058,357	946,930	821,497	1,015,370	1,154,828	1,313,596	1,377,908	1,232,165
Supplies & Services	821,618	1,032,974	848,344	847,752	1,064,287	1,502,354	1,864,428	1,827,780	2,462,144	2,259,095
<b>Total Operating Expenses</b>	<b>11,754,807</b>	<b>12,327,139</b>	<b>12,612,770</b>	<b>13,382,100</b>	<b>14,908,041</b>	<b>15,009,579</b>	<b>14,054,849</b>	<b>14,276,114</b>	<b>16,897,889</b>	<b>16,455,004</b>
<b>Non-Operating Expenses</b>										
Interest Expense	488,170	444,148	573,241	567,140	542,633	515,489	475,167	486,119	561,227	497,004
Loss on Disposal of Capital Assets	-	73,920	14	423	246	-	-	-	-	-
Debt Issuance Costs	-	-	-	-	-	-	-	227,159	-	-
Loss on Capital Asset	-	-	-	-	-	110,092	-	-	-	57,615
<b>Total Non-Op Expenses</b>	<b>488,170</b>	<b>518,068</b>	<b>573,255</b>	<b>567,563</b>	<b>542,879</b>	<b>625,581</b>	<b>475,167</b>	<b>713,278</b>	<b>561,227</b>	<b>554,619</b>
<b>Depreciation &amp; Amortization</b>	<b>2,044,529</b>	<b>2,065,661</b>	<b>2,091,789</b>	<b>2,123,625</b>	<b>2,133,668</b>	<b>2,179,599</b>	<b>2,354,424</b>	<b>2,601,408</b>	<b>2,684,495</b>	<b>2,842,512</b>
<b>Debt Service</b>	<b>900,000</b>	<b>950,000</b>	<b>500,000</b>	<b>1,245,000</b>	<b>1,225,000</b>	<b>1,265,000</b>	<b>1,317,500</b>	<b>1,465,000</b>	<b>1,525,000</b>	<b>1,590,000</b>
<b>Total Expenses</b>	<b>\$ 15,187,506</b>	<b>\$ 15,860,868</b>	<b>\$ 15,777,814</b>	<b>\$ 17,318,288</b>	<b>\$ 18,809,588</b>	<b>\$ 19,079,759</b>	<b>\$ 18,201,940</b>	<b>\$ 19,055,800</b>	<b>\$ 21,668,611</b>	<b>\$ 21,442,135</b>

**Table 5 – Historical Operating Expenses**



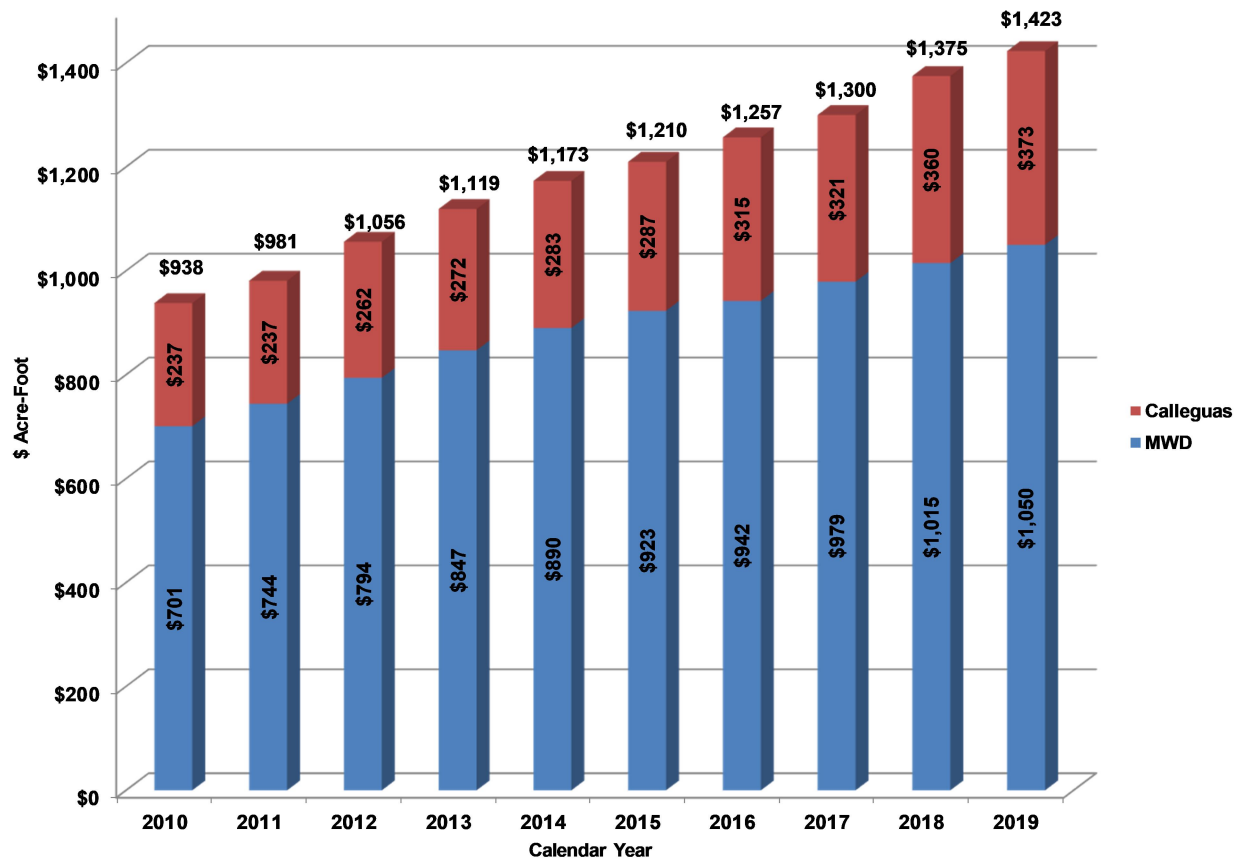
**Figure 10 – Historical Operating Expenses**

# Revenue Capacity

**Import Water Rates  
Last Ten Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>MWD</b>	\$701	\$744	\$794	\$847	\$890	\$923	\$942	\$979	\$1,015	1,050
<b>Calleguas</b>	\$237	\$237	\$262	\$272	\$283	\$287	\$315	\$321	\$360	373
<b>\$ A/F</b>	<b>\$938</b>	<b>\$981</b>	<b>\$1,056</b>	<b>\$1,119</b>	<b>\$1,173</b>	<b>\$1,210</b>	<b>\$1,257</b>	<b>\$1,300</b>	<b>\$1,375</b>	<b>\$1,423</b>

*Table 6 – Historical Imported Water Rates*



*Figure 11 – Historical Imported Water Rates*

### Historical Water Commodity Rates

<b>Potable Water</b>	<b>January 2009</b>	<b>February 2009</b>	<b>January 2010</b>	<b>January 2011</b>	<b>February 2013</b>	<b>July 2013</b>	<b>July 2014</b>	<b>July 2015</b>	<b>July 2016</b>	<b>July 2017</b>	<b>July 2019</b>
Residential/Master Meter/Domestic Agricultural First 12 Units	\$1.49	\$1.75	\$2.18	\$2.26	\$2.37	\$2.46	\$2.66	\$2.80	\$2.94	\$3.08	\$3.28
Residential/Master Meter/Domestic Agricultural 13 Units and Higher	\$1.84	\$2.07	\$2.53	\$2.63	\$2.69	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34	\$3.65
Commercial/Industrial/Public	\$1.72	\$2.07	\$2.53	\$2.63	\$2.69	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34	\$3.65
Municipal Irrigation/Residential Irrigation	\$1.84	\$2.07	\$2.53	\$2.63	\$2.69	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34	\$3.65
Fire Service/Other	\$1.84	\$2.07	\$2.53	\$2.63	\$2.90	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34	\$3.65
Agricultural Irrigation											
MWD Agricultural Discount Rate	\$1.49	\$1.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MWD Full Service Rate	\$1.84	\$2.07	\$2.53	\$2.63	\$3.29	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34	\$3.65
MWD Tier 2 Rate	\$2.27	\$2.33	\$2.84	\$2.95	\$2.69	\$3.28	\$3.54	\$3.72	\$3.90	\$4.08	n/a
Temporary Construction/Temporary Agricultural	\$1.84	\$2.07	\$2.53	\$2.63	\$3.28	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34	\$4.91
Temporary Municipal	\$2.39	\$2.53	\$3.09	\$3.21	\$3.28	\$3.28	\$3.54	\$3.72	\$3.90	\$4.08	\$4.91
Emergency Water Service	\$2.95	\$3.13	\$3.82	\$3.97	\$4.06	\$4.06	\$4.37	\$4.60	\$4.82	\$5.05	\$4.91
Commercial/Industrial/Public Out of Bounds	\$2.17	\$2.17	\$2.65	\$2.75	\$2.81	\$3.32	\$3.58	\$3.76	\$3.94	\$4.13	\$4.91
Residential Out of Bounds First 12 Units	\$1.77	\$2.12	\$2.65	\$2.75	\$2.81	\$2.81	\$3.03	\$3.19	\$3.34	\$3.50	\$4.91
<b>Non-Potable/Recycled Water Service</b>	<b>January 2009</b>	<b>February 2009</b>	<b>January 2010</b>	<b>January 2011</b>	<b>February 2013</b>	<b>July 2013</b>	<b>July 2014</b>	<b>July 2015</b>	<b>July 2016</b>	<b>July 2017</b>	<b>July 2019</b>
Non-Potable Commercial Agricultural	\$0.55	\$0.60	\$0.70	\$0.70	\$0.70	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64	\$1.92
Non-Potable Landscape Irrigation Water	\$0.55	\$0.60	\$0.70	\$0.70	\$0.70	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64	\$1.92
Non-Potable Residential Landscape	\$0.55	\$0.60	\$0.70	\$0.70	\$0.70	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64	\$1.92
Non-Potable Temporary Construction	\$0.55	\$0.60	\$0.70	\$0.70	\$0.70	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64	\$1.92
Non-Potable Commercial Agricultural (contractual)	\$0.46	\$0.46	\$0.46	\$0.46	\$0.46	\$0.50	\$0.54	\$0.59	\$0.60	\$0.61	\$0.61
Blended Non-Potable Agricultural	\$0.96	\$1.09	\$1.25	\$1.76	\$1.92	\$2.03	\$2.24	\$2.46	\$2.67	\$2.88	\$2.46
MWD Agricultural Discount Rate	\$0.96	\$1.09									
MWD Full Service Rate	\$1.14	\$1.25	\$1.76		\$1.92	\$2.03	\$2.24	\$2.46	\$2.67	\$2.88	n/a
MWD Tier 2 Rate	\$1.33	\$1.38	\$1.98		\$2.17	\$2.29	\$2.53	\$2.78	\$3.02	\$3.25	n/a
Recycled Commercial Agricultural					\$0.37	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64	\$1.92
Recycled Landscape Irrigation	\$0.40	\$0.40	\$0.55	\$0.55	\$0.55	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64	\$1.92
Recycled Commercial Agricultural (contractual)	\$0.24	\$0.27	\$0.37	\$0.37	\$0.37	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.40
Recycled Surplus Water (Served Outside District)	\$0.36	\$0.36	\$0.49	\$0.49	\$0.49	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64	\$1.92

*Table 7 – Historical Water Commodity Rates*

**Camrosa Water District  
Historical Water Meter Service Charge**

<b>Potable/Non-Potable Irrigation/Blended Agricultural</b>	<b>January 2009</b>	<b>February 2009</b>	<b>July 2013</b>	<b>July 2014</b>	<b>July 2015</b>	<b>July 2016</b>	<b>July 2017</b>	<b>July 2019</b>
3/4" (MM)	\$7.45	\$8.43	\$5.55	\$5.90	\$6.11	\$6.32	\$6.55	\$6.21
3/4"	\$7.60	\$8.60	\$11.56	\$12.29	\$12.72	\$13.17	\$13.64	\$12.79
1"	\$11.79	\$14.33	\$19.26	\$20.48	\$21.20	\$21.95	\$22.72	\$21.41
1.5"	\$21.93	\$28.67	\$38.54	\$40.98	\$42.42	\$43.91	\$45.46	\$42.94
2"	\$34.18	\$45.87	\$61.66	\$65.57	\$67.87	\$70.25	\$72.73	\$68.89
3"	\$73.24	\$100.33	\$134.87	\$143.41	\$148.44	\$153.66	\$159.09	\$151.09
4"	\$152.00	\$172.00	\$231.21	\$245.86	\$254.48	\$263.43	\$272.73	\$259.02
6"	\$228.00	\$258.00	\$346.82	\$368.79	\$381.72	\$395.15	\$409.10	\$388.69
8"	n/a	n/a	\$578.03	\$614.65	\$636.19	\$358.58	\$681.83	\$647.90
<b>Domestic</b>								
3/4"	\$15.05	\$17.03	\$17.11	\$18.19	\$18.83	\$19.49	\$20.18	\$12.79
1"	\$19.24	\$22.76	\$24.81	\$26.38	\$27.31	\$28.27	\$29.27	\$21.41
1.5"	\$29.38	\$37.10	\$44.09	\$46.88	\$48.53	\$50.23	\$52.01	\$42.94
2"	\$41.63	\$54.30	\$67.21	\$71.47	\$73.97	\$76.58	\$79.28	\$68.89
3"	\$80.69	\$108.76	\$140.42	\$149.31	\$154.55	\$159.99	\$165.60	\$151.09
4"	\$159.45	\$180.43	\$236.76	\$251.76	\$260.58	\$269.75	\$279.28	\$259.02
6"	n/a	n/a	\$352.37	\$374.69	\$387.82	\$401.47	\$415.64	\$388.69
8"	n/a	n/a	\$583.58	\$620.55	\$642.30	\$664.90	\$688.37	\$647.90
<b>Non-Potable</b>								
3/4" (MM)	\$7.45	\$8.43	\$5.55	\$5.90	\$6.11	\$6.32	\$6.55	\$4.89
3/4"	\$7.60	\$8.60	\$11.56	\$12.29	\$12.72	\$13.17	\$13.64	\$7.51
1"	\$11.79	\$14.33	\$19.26	\$20.48	\$21.20	\$21.95	\$22.72	\$10.28
1.5"	\$21.93	\$28.67	\$38.54	\$40.98	\$42.42	\$43.91	\$45.46	\$17.19
2"	\$34.18	\$45.87	\$61.66	\$65.57	\$67.87	\$70.25	\$72.73	\$25.52
3"	\$73.24	\$100.33	\$134.87	\$143.41	\$148.44	\$153.66	\$159.09	\$51.90
4"	\$152.00	\$172.00	\$231.21	\$245.86	\$254.48	\$263.43	\$272.73	\$86.54
6"	\$228.00	\$258.00	\$346.82	\$368.79	\$381.72	\$395.15	\$409.10	\$128.16
8"	n/a	n/a	\$578.03	\$614.65	\$636.19	\$358.58	\$681.83	\$211.35
<b>Blended Agricultural</b>								
1"	\$11.79	\$14.33	n/a	n/a	n/a	n/a	n/a	n/a
1.5"	\$18.34	\$22.30	n/a	n/a	n/a	n/a	n/a	n/a
2"	\$23.91	\$29.06	n/a	n/a	n/a	n/a	n/a	n/a
3"	\$30.31	\$36.63	n/a	n/a	n/a	n/a	n/a	n/a
4"	\$51.42	\$62.51	n/a	n/a	n/a	n/a	n/a	n/a
6"	\$89.08	\$108.30	n/a	n/a	n/a	n/a	n/a	n/a
<b>Fire Service</b>								
1"	\$40.00	\$40.00	\$43.61	\$46.38	\$48.00	\$49.69	\$51.45	\$51.03
1.5"	\$40.00	\$40.00	\$43.61	\$46.38	\$48.00	\$49.69	\$51.45	\$51.03
2"	\$40.00	\$40.00	\$43.61	\$46.38	\$48.00	\$49.69	\$51.45	\$51.03
3"	\$40.00	\$40.00	\$43.61	\$46.38	\$48.00	\$49.69	\$51.45	\$51.03
4"	\$40.00	\$40.00	\$43.61	\$46.38	\$48.00	\$49.69	\$51.45	\$51.03
6"	\$40.00	\$40.00	\$87.20	\$92.73	\$95.98	\$99.35	\$102.86	\$77.09
8"	\$40.00	\$40.00	\$156.98	\$166.92	\$172.77	\$178.85	\$185.17	\$129.17
10"	\$40.00	\$40.00	\$261.68	\$278.26	\$288.01	\$298.15	\$308.67	\$343.45

*Table 8 – Historical Water Meter Service Charge*

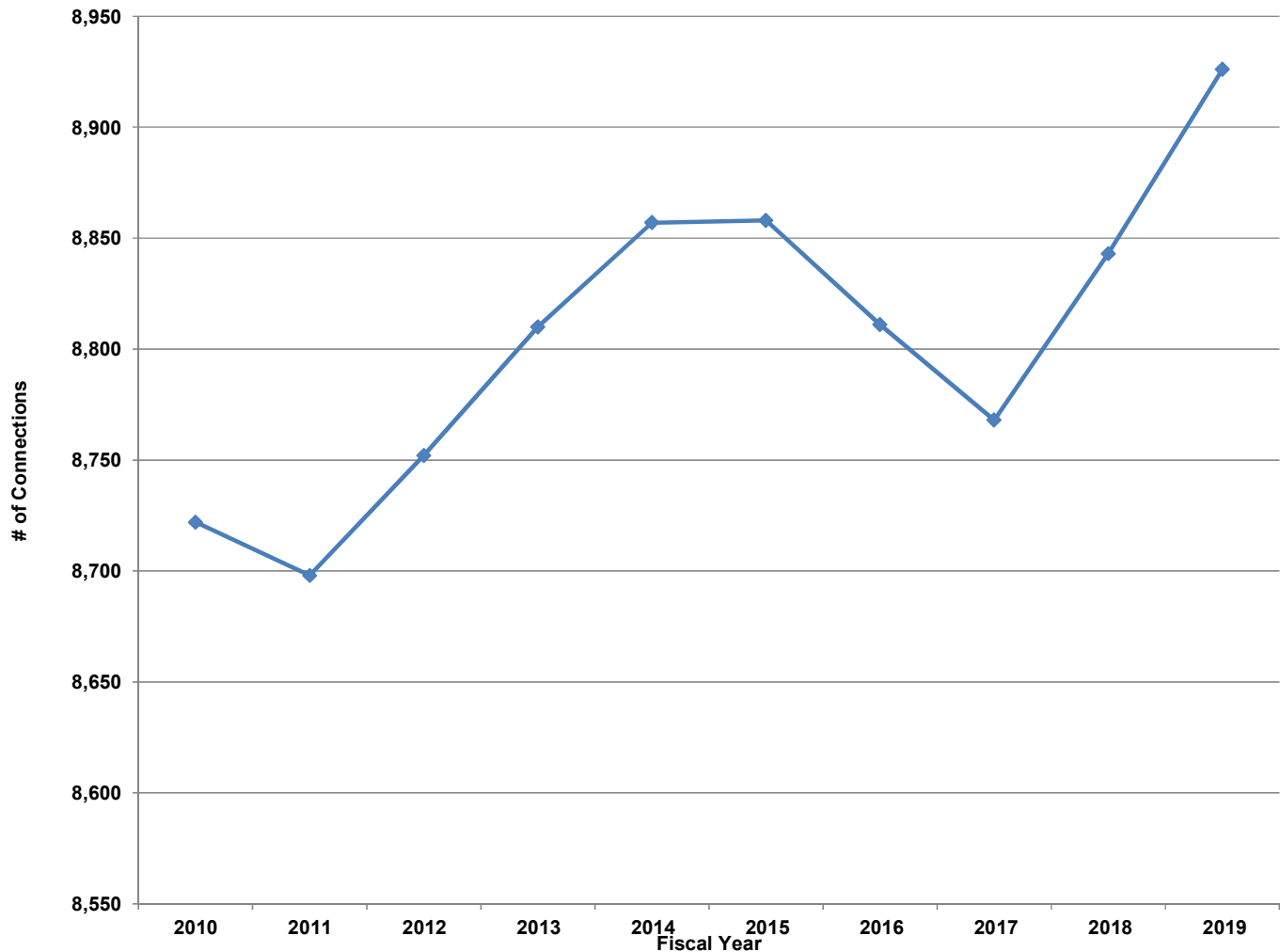
<b>July 2009</b>	<b>January 2010</b>	<b>July 2010</b>	<b>July 2011</b>	<b>July 2013</b>	<b>July 2014</b>	<b>July 2015</b>	<b>July 2016</b>	<b>July 2019</b>
\$22.25	\$25.10	\$26.10	\$27.35	\$29.51	\$30.10	\$30.70	\$31.32	\$33.49

*Table 9 – Historical Sewer Rates*

### Historical Billed Wastewater Connections Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Number of Connections</u>	<u>Percentage Increase</u>
2010	8,722	-5.23%
2011	8,698	-0.28%
2012	8,752	0.62%
2013	8,810	0.66%
2014	8,857	0.53%
2015	8,858	0.01%
2016	8,811	-0.53%
2017	8,768	-0.49%
2018	8,843	0.86%
2019	8,926	0.94%

*Table 10 – Historical Billed Wastewater Connections*



*Figure 12 – Historical Billed Wastewater Connections*

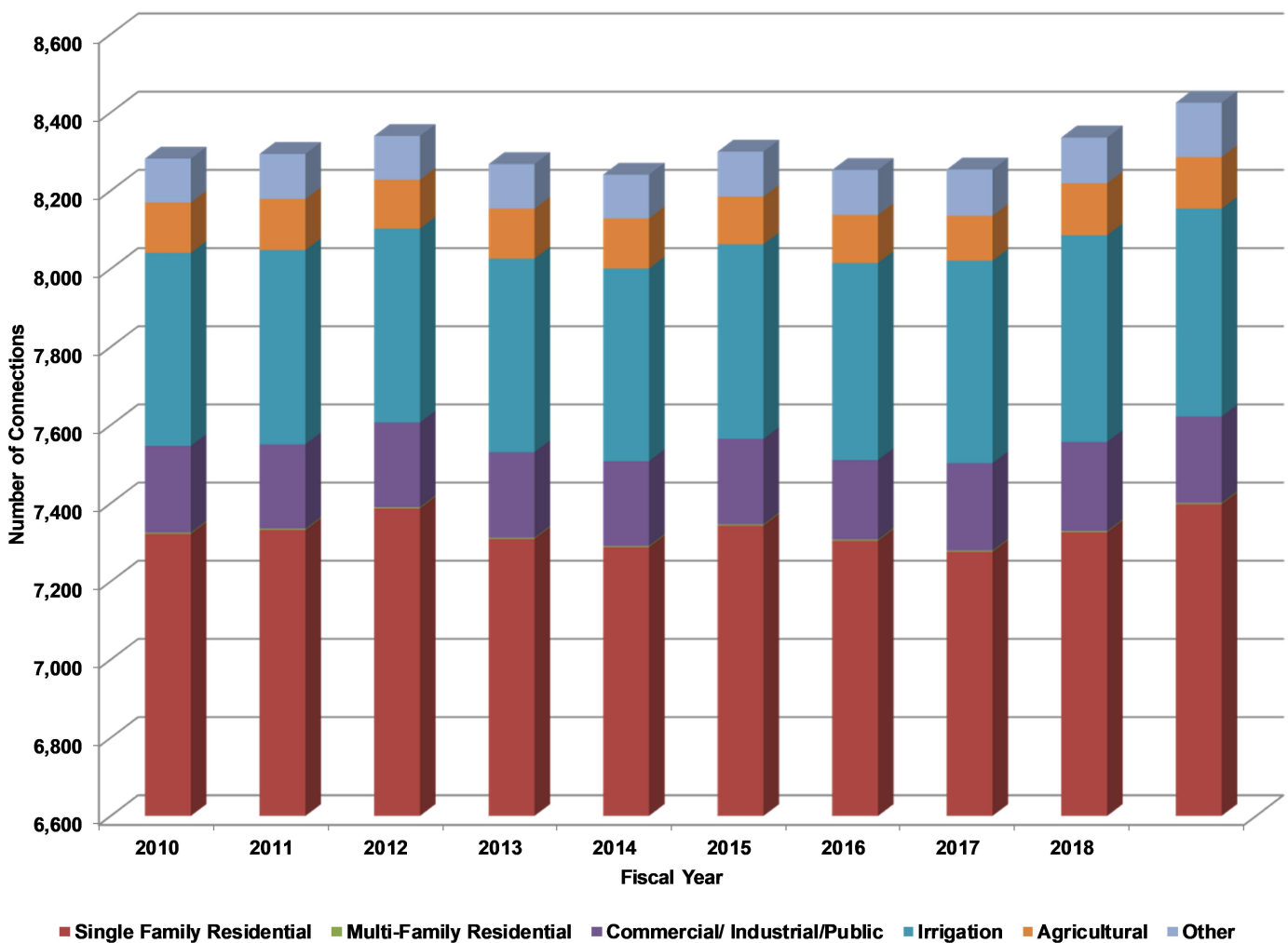
*Note: Beginning in 2008 through 2011, the decline of EDUs is directly related to the effort made by CSUCI to upgrade aging sewer system on campus to minimize infiltration and otherwise reduce wastewater flows.*



### Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Single Family Residential</u>	<u>Multi-Family Residential</u>	<u>Commercial/Industrial/Public</u>	<u>Irrigation</u>	<u>Agricultural</u>	<u>Other</u>	<u>Total</u>
2010	7,322	3	222	494	129	112	8,282
2011	7,332	3	216	497	131	115	8,294
2012	7,387	3	217	496	125	112	8,340
2013	7,309	3	219	495	128	114	8,268
2014	7,288	3	217	493	128	112	8,241
2015	7,343	3	219	498	122	115	8,300
2016	7,304	3	204	504	123	115	8,253
2017	7,276	3	224	518	115	118	8,254
2018	7,326	3	228	529	133	117	8,336
2019	7,398	3	221	532	132	139	8,425

*Table 11 – Historical Billed Water Connections*



*Figure 13 – Historical Billed Water Connections*

# **Ten Largest Water Customers - Current Year and Nine Years Ago**

## **Fiscal Year 2019**

	<u><b>Customer</b></u>	<u><b>Customer Type</b></u>	<u><b>Acre-Feet</b></u>	<u><b>Annual Revenues</b></u>	<u><b>% of Water Sales</b></u>
1	Leisure Village	Residential	918	\$ 971,778	5.80%
2	Reiter Brother Inc	Agricultural	1048	682,567	4.08%
3	Calif. State University CI	Public	361	388,882	2.32%
4	A Hartman Ranch, Inc.	Agricultural	359	261,220	1.56%
5	Laubacher Farms	Agricultural	345	255,935	1.53%
6	Mahan Ranch Golf Club LLC.	Commercial	167	247,627	1.48%
7	Waters Family Farm Inc.	Agricultural	158	210,552	1.26%
8	Marz Farms Inc.	Agricultural	266	193,400	1.16%
9	Camlam Farms Inc.	Agricultural	605	185,392	1.11%
10	Alfonso Lopez	Commercial	239	181,507	1.08%
	<b>Total Ten Largest Customers</b>		<b>4,466</b>	<b>3,578,858</b>	<b>21.37%</b>
	<u>All Other Customers</u>		<u>11,227</u>	<u>13,164,522</u>	<u>78.63%</u>
	<b>Total Water Revenue for</b>		<b>15,693</b>	<b>\$ 16,743,380</b>	<b>100.00%</b>

## **Fiscal Year 2010**

	<u><b>Customer</b></u>	<u><b>Customer Type</b></u>	<u><b>Acre-Feet</b></u>	<u><b>Annual Revenues</b></u>	<u><b>% of Water Sales</b></u>
1	Leisure Village	Residential	913	\$622,608.11	5.35%
2	Reiter Brother Inc	Agricultural	1,122	\$471,428.77	4.05%
3	Kruger	Commercial	298	\$292,391.03	2.51%
4	Calif. State University CI	Public	289	\$290,424.40	2.49%
5	Boskovich	Agricultural	848	\$258,121.56	2.22%
6	Mike Brucker Ranch Co.	Agricultural	821	\$165,911.58	1.43%
7	Bordiers Nursery	Agricultural	153	\$141,389.63	1.21%
8	A Hartman Ranch	Agricultural	388	\$127,443.31	1.09%
9	Tierra Cavo LLC	Agricultural	166	\$104,347.69	0.90%
10	Pleasant Valley Park & Recreation	Public	102	\$103,372.66	0.89%
	<b>Total Ten Largest Customers</b>		<b>5,101</b>	<b>\$2,577,438.74</b>	<b>22.14%</b>
	<u>All Other Customers</u>		<u>10,184</u>	<u>9,063,658.26</u>	<u>77.86%</u>
	<b>Total Water Revenue for District</b>		<b>15,286</b>	<b>11,641,097.00</b>	<b>100.00%</b>

*Table 12 – Ten Largest Water Customers*

**Ten Largest Wastewater Customers - Current Year and Nine Years Ago**

**Fiscal Year 2019**

	<u>Customer</u>	<u>EDUs</u>	<u>Annual Revenue</u>	<u>% of Wastewater Sales</u>
1	Leisure Village	2,162	\$ 812,378	24.51%
2	CSUCI	810	304,430	9.19%
3	Rancho Adolfo Mobile Home Estates	255	95,839	2.89%
4	Avalon Bay	161	60,510	1.83%
5	Essex Camino Inc.	161	60,510	1.83%
6	Adolfo Camarillo High School	59	22,175	0.67%
7	Emeritus at Camarillo	56	21,047	0.64%
8	Camino Ruiz LLC	47	17,664	0.53%
9	Marriott Brighton Gardens	42	15,785	0.48%
10	Pleasant Valley School	38	14,282	0.43%
	<b>Total Ten Largest Wastewater Customers</b>	<b>3,791</b>	<b>\$ 1,424,622</b>	<b>42.69%</b>
	All Other Customers	5,136	1,912,172	57.31%
	<b>Total Wastewater Revenue for District</b>	<b>8,927</b>	<b>\$ 3,336,794</b>	<b>100.00%</b>

**Fiscal Year 2010**

	<u>Customer</u>	<u>EDUs</u>	<u>Annual Revenue</u>	<u>% of Wastewater Sales</u>
1	Leisure Village	2,149	\$ 610,531	24.62%
2	CSUCI	732	207,961	8.38%
3	Rancho Adolfo Mobile Home Estates	255	72,446	2.92%
4	Essex Camino Inc.	161	45,740	1.84%
5	Corte Madera Apartments	161	45,740	1.84%
6	Adolfo Camarillo High School	59	16,762	0.68%
7	Marriot Brighten Gardens	56	15,910	0.64%
8	Kilroy Realty	47	13,353	0.54%
9	Marriot Corp.	42	11,932	0.48%
10	Pleasant Valley School	38	10,796	0.44%
	<b>Total Ten Largest Wastewater Customers</b>	<b>3,700</b>	<b>\$ 1,051,170</b>	<b>42.38%</b>
	All Other Customers	4,978	1,429,004	57.62%
	<b>Total Wastewater Revenue for District</b>	<b>8,678</b>	<b>\$ 2,480,174</b>	<b>100.00%</b>

*Table 13 – Ten Largest Wastewater Customers*

# CAMROSA WATER DISTRICT



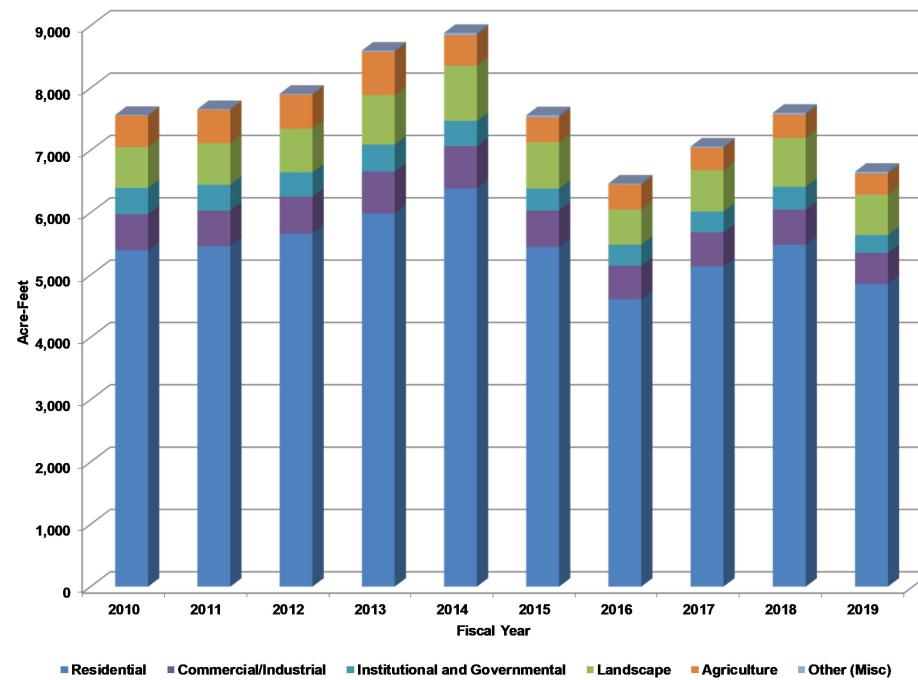
BUILDING WATER  
SELF-RELIANCE

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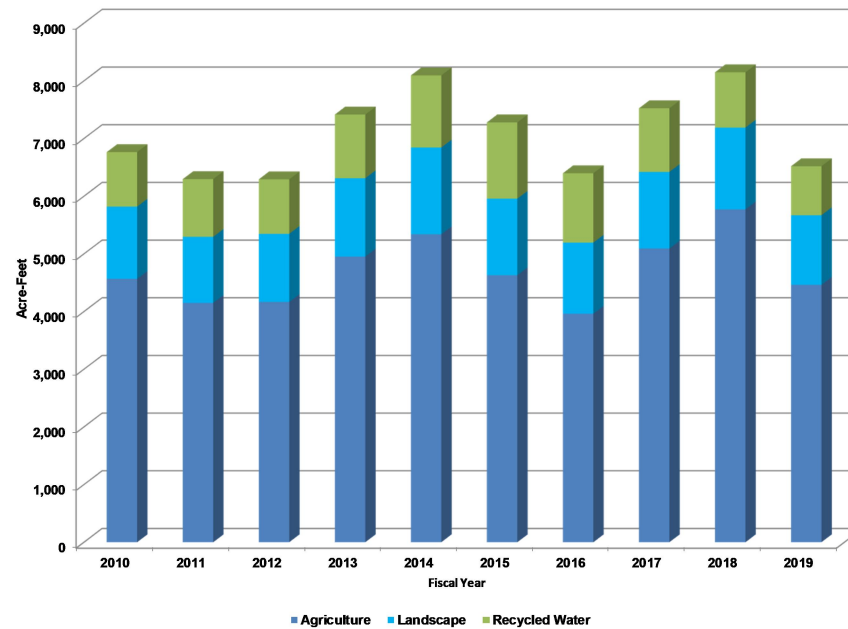
**Water Deliveries By Class - Acre-Feet  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Potable Water</b>										
Residential	5,397	5,464	5,663	5,988	6,388	5,449	4,610	5,139	5,486	4,854
Commercial/Industrial	579	570	594	672	677	584	539	545	562	500
Institutional and Governmental	422	413	390	432	408	352	336	332	368	286
Landscape	653	669	698	795	887	745	567	665	783	650
Agriculture	506	534	550	694	488	396	401	360	374	333
Other (Misc)	<u>12</u>	<u>13</u>	<u>12</u>	<u>20</u>	<u>36</u>	<u>38</u>	<u>15</u>	<u>21</u>	<u>30</u>	<u>34</u>
<b>Total Potable Water</b>	<b>7,569</b>	<b>7,663</b>	<b>7,907</b>	<b>8,601</b>	<b>8,884</b>	<b>7,564</b>	<b>6,468</b>	<b>7,062</b>	<b>7,603</b>	<b>6,657</b>
<b>Non-Potable Water</b>										
Landscape	1,253	1,146	1,182	1,359	1,505	1,327	1,233	1,328	1,418	1,207
Agriculture	4,567	4,150	4,166	4,953	5,340	4,630	3,962	5,093	5,772	4,463
Recycled Water	<u>945</u>	<u>1,000</u>	<u>945</u>	<u>1,104</u>	<u>1,249</u>	<u>1,323</u>	<u>1,204</u>	<u>1,104</u>	<u>958</u>	<u>850</u>
<b>Total Non-Potable Water</b>	<b>6,765</b>	<b>6,296</b>	<b>6,293</b>	<b>7,416</b>	<b>8,094</b>	<b>7,280</b>	<b>6,399</b>	<b>7,525</b>	<b>8,148</b>	<b>6,520</b>
<b>Total Acre-Feet Deliveries</b>	<b>14,334</b>	<b>13,959</b>	<b>14,200</b>	<b>16,017</b>	<b>16,978</b>	<b>14,844</b>	<b>12,867</b>	<b>14,587</b>	<b>15,751</b>	<b>13,177</b>

*Table 14 – Water Deliveries by Class*



**Figure 14 – Historical Potable Water Deliveries**



**Figure 15 – Historical Non-Potable Water Deliveries**

### **Assessed Valuations**

<b><u>Fiscal Year</u></b>	<b><u>Secured Assessed Valuation</u></b>	<b><u>Unsecured Assessed Valuation</u></b>	<b><u>Total</u></b>	<b><u>% Change</u></b>
2010	4,598,449,550	276,492,368	4,874,941,918	-1.68%
2011	4,562,003,372	261,933,824	4,823,937,196	-1.05%
2012	4,539,279,662	216,151,708	4,755,431,370	-1.42%
2013	4,567,072,569	209,920,926	4,776,993,495	0.45%
2014	4,678,271,589	139,077,637	4,817,349,226	0.84%
2015	4,907,112,472	128,877,820	5,035,990,292	4.54%
2016	5,145,103,092	115,142,342	5,260,245,434	4.45%
2017	5,330,477,983	121,837,738	5,452,315,721	3.65%
2018	5,583,931,181	165,603,337	5,749,534,518	5.45%
2019	5,821,051,039	168,334,118	5,989,385,157	4.17%

### **Secured Tax Charges and Delinquencies**

<b><u>Fiscal Year</u></b>	<b><u>Secured Assessed Charge</u></b>	<b><u>Amount Delinquent June 30</u></b>	<b><u>% Delinquent June 30</u></b>
2010	492,411	\$26,862	5%
2011	488,083	\$20,315	4%
2012	482,308	\$11,761	2%
2013	484,896	\$6,987	1.44%
2014	489,840	\$5,749	1.17%
2015	512,858	\$4,255	0.83%
2016	540,450	\$7,397	1.37%
2017	567,163	\$4,543	0.80%
2018	591,316	\$4,466	0.76%
2019	614,392	\$11,173	1.82%

***Table 15 – Historical Assessed Valuations***

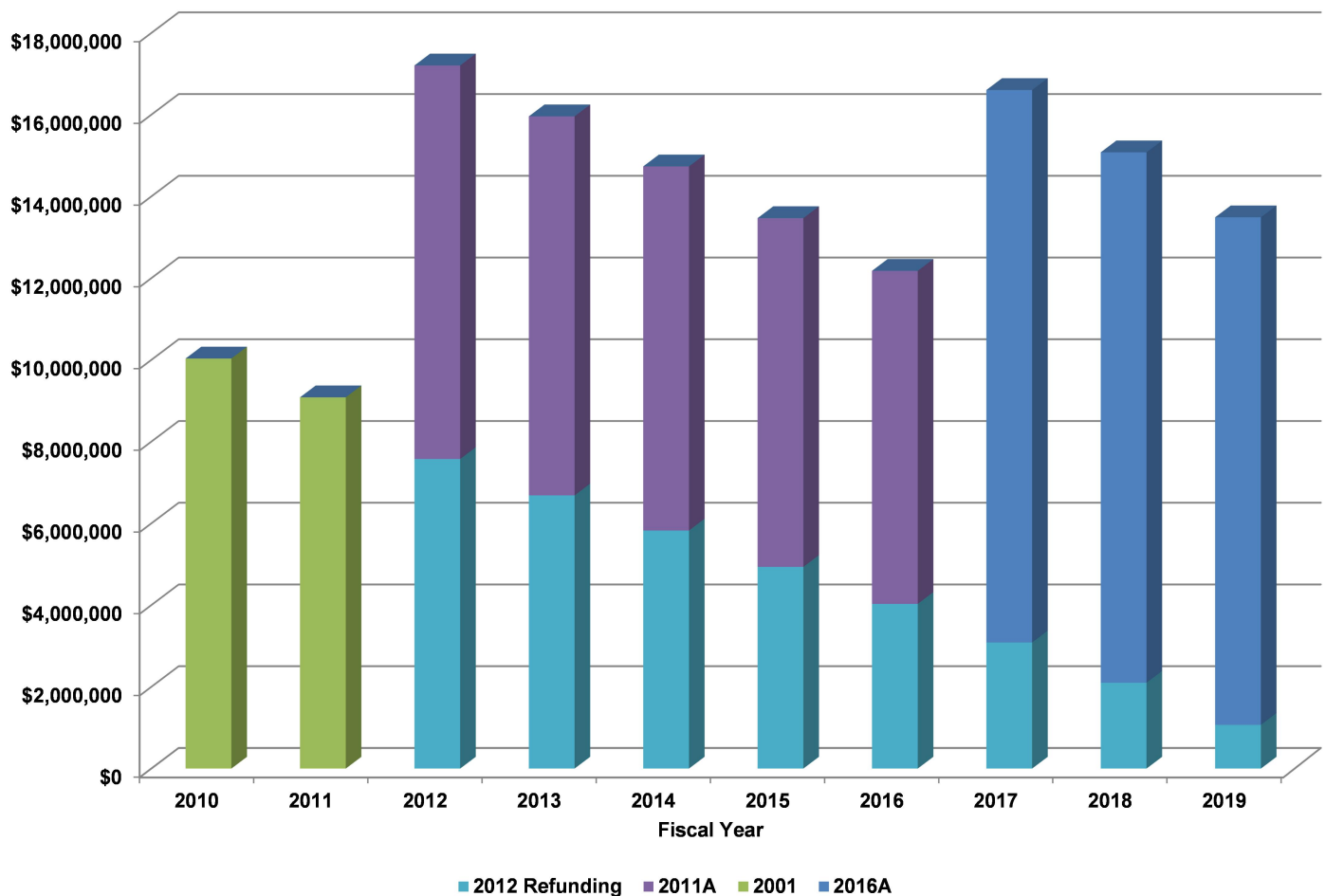


# Debt Capacity

<u>Fiscal</u>			<u>2011A</u>		<u>2012</u>		<u>2016</u>		<u>Total</u>	
<u>Year</u>	<u>2001</u>	<u>2011A</u>	<u>Bond</u>	<u>Refunding</u>	<u>Bond</u>	<u>2016A</u>	<u>Bond</u>	<u>Outstanding</u>	<u>Debt</u>	<u>Per Capita</u>
2010	10,035,000	-	-	-	-	-	-	10,035,000	\$	150.47
2011	9,085,000	-	-	-	-	-	-	9,085,000	\$	138.01
2012	-	9,630,000	289,259	7,575,000	694,152	-	-	18,188,410	\$	273.89
2013	-	9,275,000	273,658	6,685,000	602,131	-	-	16,835,789	\$	253.44
2014	-	8,910,000	258,057	5,825,000	510,111	-	-	15,503,168	\$	232.25
2015	-	8,535,000	242,456	4,935,000	418,091	-	-	14,130,547	\$	210.42
2016	-	8,150,000	226,854	4,030,000	326,071	-	-	12,732,925	\$	182.10
2017	-	-	-	3,085,000	234,051	13,520,000	1,546,815	18,385,866	\$	264.70
2018	-	-	-	2,100,000	142,031	12,980,000	1,492,627	16,714,658	\$	241.44
2019	-	-	-	1,070,000	50,011	12,420,000	1,438,439	14,978,450	\$	216.14

**Table 16 – Total Outstanding Debt**

## Outstanding Debt



**Figure 16 – Outstanding Debt**

Camrosa Water District  
**Water Debt Coverage**

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Operating &amp; Maint. Costs</u>	<u>Net Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage Ratio</u>
2010	12,329,460	9,954,143	2,375,317	546,300	288,184	834,484	2.85
2011	12,550,739	10,396,830	2,153,909	576,650	261,359	838,009	2.57
2012	13,033,994	10,696,641	2,337,353	303,500	406,810	710,310	3.29
2013	14,318,654	11,606,550	2,712,104	795,000	442,000	1,237,000	2.19
2014	16,362,572	13,206,095	3,156,477	785,000	423,600	1,208,600	2.61
2015	15,858,152	13,150,593	2,707,559	810,000	404,975	1,214,975	2.23
2016	16,651,844	12,294,192	4,357,652	847,500	380,325	1,227,825	3.55
2017	17,864,464	11,983,683	5,880,781	980,000	412,969	1,392,969	4.22
2018	20,041,849	14,368,286	5,673,563	1,040,000	493,881	1,533,881	3.70
2019	22,369,158	14,004,394	8,364,764	1,082,500	454,381	1,536,881	5.44

*Table 17 – Historical Water Debt Coverage*

Camrosa Water District  
**Wastewater Debt Coverage**

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Operating &amp; Maint. Costs</u>	<u>Net Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage Ratio</u>
2010	2,716,748	1,800,663	916,085	353,700	186,583	540,283	1.70
2011	2,985,019	1,930,308	1,054,711	373,350	169,216	542,566	1.94
2012	3,170,439	1,919,638	1,250,801	196,500	201,559	398,059	3.14
2013	3,188,395	1,779,060	1,409,335	450,000	205,800	655,800	2.15
2014	3,187,900	1,705,455	1,482,445	440,000	195,900	635,900	2.33
2015	3,296,787	1,858,986	1,437,801	455,000	185,925	640,925	2.24
2016	3,905,306	1,760,668	2,144,638	470,000	172,175	642,175	3.34
2017	3,385,467	2,292,431	1,093,036	505,000	114,399	619,399	1.76
2018	3,581,230	2,501,042	1,080,188	517,500	115,850	633,350	1.71
2019	5,009,039	2,424,108	2,584,931	537,500	95,750	633,250	4.08

*Table 18 – Historical Wastewater Debt Coverage*

# CAMROSA WATER DISTRICT



## BUILDING WATER SELF-RELIANCE

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# Operational Information

Camrosa Water District  
**Historical Water Demand/Sources**  
**Last Ten Fiscal Years**  
**(Acre-Feet)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Total Demand - Acre-Feet</b>	<b>14,334</b>	<b>13,959</b>	<b>14,200</b>	<b>16,017</b>	<b>16,978</b>	<b>14,845</b>	<b>12,867</b>	<b>14,587</b>	<b>15,751</b>	<b>13,177</b>
<b>Groundwater/Wells</b>										
Tierra Rejada Basin	482	435	514	428	443	367	36	164	350	827
Santa Rosa Basin	1,755	1,666	1,908	2,822	2,981	1,997	1,462	2,123	2,995	1,416
Pleasant Valley Basin	819	720	809	183	295	761	972	777	902	827
Perched Aquifer	-	-	-	-	10	263	883	664	1	363
<b>Groundwater/Wells</b>	<b>3,056</b>	<b>2,821</b>	<b>3,231</b>	<b>3,433</b>	<b>3,729</b>	<b>3,388</b>	<b>3,353</b>	<b>3,728</b>	<b>4,248</b>	<b>3,433</b>
<b>Imported Water</b>										
Calleguas	6,267	5,551	5,594	5,910	6,196	4,978	4,125	3,612	3,979	4,194
<b>Imported Water</b>	<b>6,267</b>	<b>5,551</b>	<b>5,594</b>	<b>5,910</b>	<b>6,196</b>	<b>4,978</b>	<b>4,125</b>	<b>3,612</b>	<b>3,979</b>	<b>4,194</b>
<b>Non-Potable/Recycled Water</b>										
Conejo Creek	4,465	3,743	4,061	4,930	5,736	5,109	4,886	4,718	5,849	4,373
Santa Rosa Basin	845	1,178	1,009	1,109	883	722	586	542	513	728
Imported Water	741	530	695	701	837	997	1,412	975	1,459	695
Camrosa WRF (Recycled)	926	899	1,071	1,006	1,250	1,323	1,204	1,104	958	850
CamSan WWTP (Recycled)	-	-	-	-	-	-	-	-	-	-
<b>Non-Potable/Recycled Water</b>	<b>6,977</b>	<b>6,350</b>	<b>6,836</b>	<b>7,746</b>	<b>8,706</b>	<b>8,151</b>	<b>8,088</b>	<b>7,339</b>	<b>8,780</b>	<b>6,646</b>
<b>Total Sources of Production</b>	<b>16,300</b>	<b>14,722</b>	<b>15,661</b>	<b>17,089</b>	<b>18,631</b>	<b>16,517</b>	<b>15,566</b>	<b>14,679</b>	<b>17,007</b>	<b>14,273</b>

*Table 19 – Historical Water Demand/Sources*

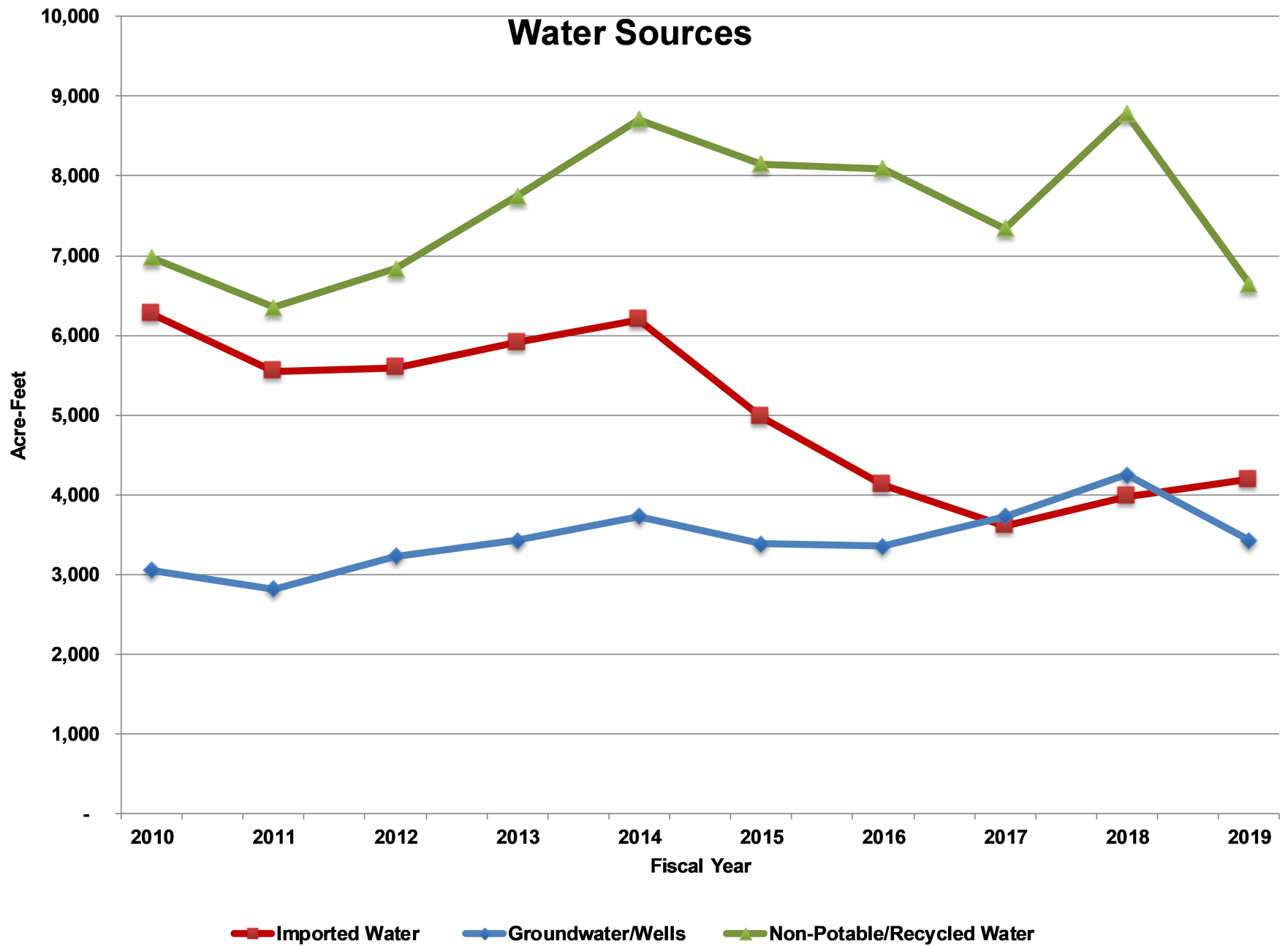


Figure 17 – Historical Water Demand by Source



Camrosa Water District  
Facilities Information

Established Water System Service Area 31 (Square miles)	Water System	
	1962	
<b>Water Facilities:</b>	<b>Potable</b>	<b>Non-Potable</b>
Miles of pipeline	188	34
Number of groundwater wells	8	4
Number of pumping stations	8	5
Number of meter stations	13	
Number of reservoirs	10	4
Number of treatment plants	1	
Number of fire hydrants	1083	43.00
Average Daily Water Production, MGD	7.38	6.46
Maximum Daily Water Production, MGD	9.98	14.68
Minimum Daily Water Production, MGD	2.48	0.10
<b>Wastewater Facilities:</b>		
Tertiary-treated Title 22 water		
Sewer Lift Stations	5	
Primary treatment, MGD	1.50	
Average Daily Wastewater Flow, MGD	1.23	
Maximum Daily Wastewater Flow, MGD	2.09	
Minimum Daily Wastewater Flow, MGD	1.11	

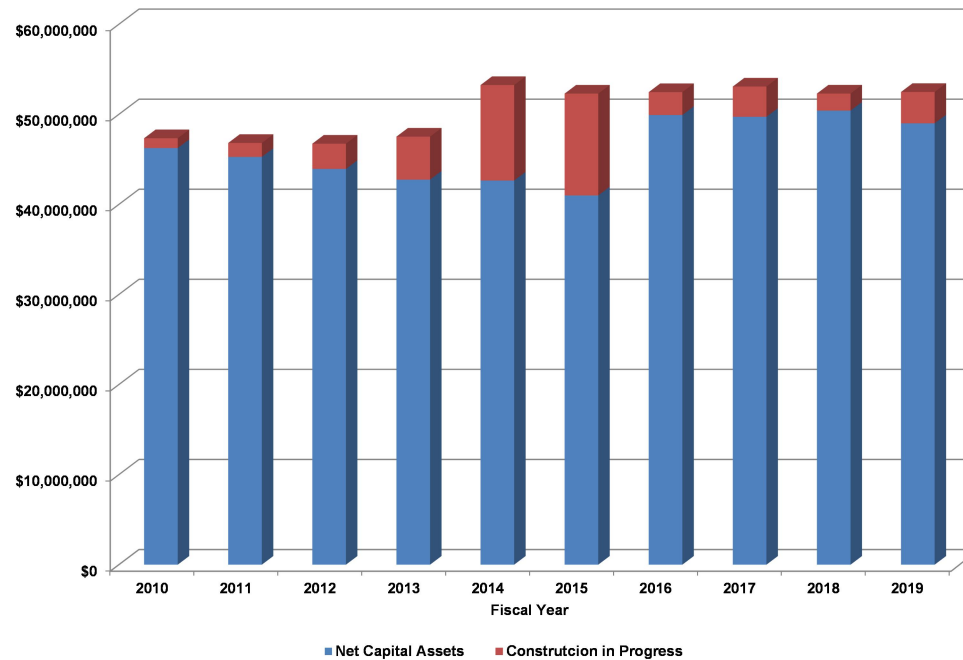
*Table 20 – District Facilities Information*

**Camrosa Water District  
Historical Capital Assets**

<b>Fiscal Year</b>	<b>Water Plant</b>	<b>Sanitation Plant</b>	<b>Buildings &amp; Equipment</b>	<b>Accumulated Depreciation</b>	<b>Net Capital Assets (less Construction in Progress)</b>	<b>Construtcion in Progress</b>
2010	47,262,538	28,948,327	3,142,255	(33,097,851)	46,255,269	1,092,822
2011	48,533,925	29,287,966	2,264,143	(34,812,429)	45,273,605	1,548,836
2012	50,240,680	28,208,866	2,364,852	(36,878,808)	43,935,590	2,806,680
2013	50,859,678	28,305,869	2,485,603	(38,902,145)	42,749,005	4,773,887
2014	52,739,159	28,412,029	2,507,268	(41,010,945)	42,647,511	10,601,204
2015	53,155,862	28,411,372	2,579,360	(43,152,352)	40,994,242	11,306,033
2016	63,438,656	29,108,335	2,830,255	(45,455,622)	49,921,624	2,544,641
2017	64,799,973	29,782,538	3,053,596	(47,909,462)	49,726,646	3,359,879
2018	66,919,253	30,767,634	3,253,617	(50,528,555)	50,411,949	1,894,279
2019	68,052,438	30,767,634	3,524,259	(53,349,416)	48,994,915	3,488,177

*Table 21 – Historical Capital Assets*

**Historical Capital Assets**



*Figure 18 – Historical Capital Assets*

# CAMROSA WATER DISTRICT



## BUILDING WATER SELF-RELIANCE

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# Demographic and Economic Information

Camrosa Water District  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**City of Camarillo (1)**

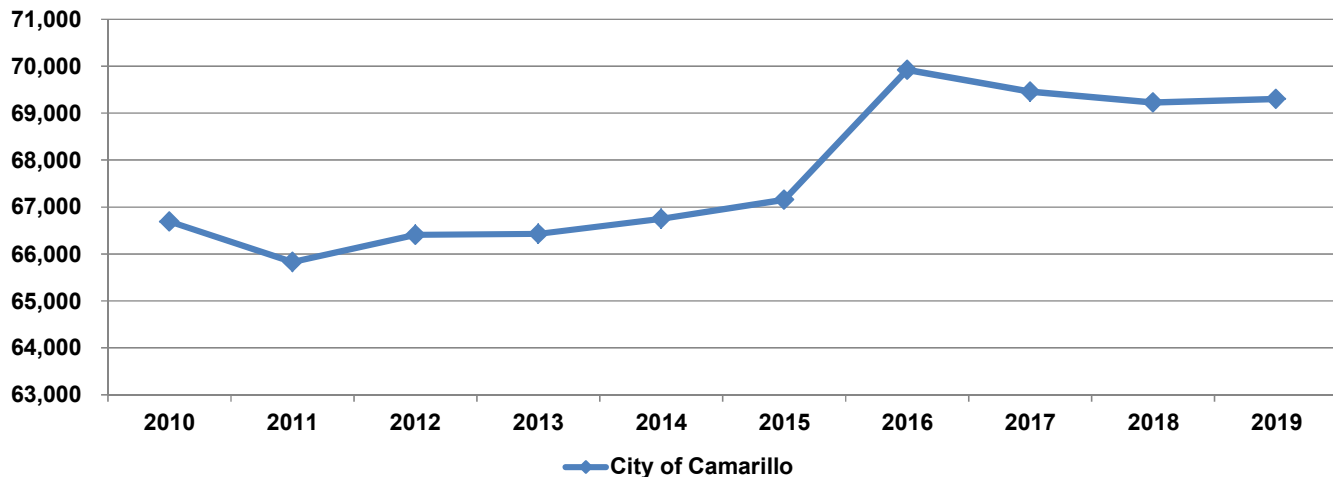
<b>Year</b>	<b>Unemployment Rate</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capital Personal Income</b>
2010	7.6%	66,690	2,646,326	39,681
2011	7.3%	65,830	2,477,973	37,642
2012	6.6%	66,407	2,439,394	36,734
2013	5.6%	66,428	2,613,278	39,340
2014	4.4%	66,752	2,572,222	38,534
2015	4.4%	67,154	2,586,638	38,518
2016	5.8%	69,924	2,963,380	42,380
2017	4.5%	69,460	2,958,440	42,592
2018	3.6%	69,229	3,271,440	47,225
2019	4.3%	69,301	3,231,171	46,625

Source: City of Camarillo CAFR and UCSB Economic Forecast Project

Note (1) The District has chosen to use the City of Camarillo's data as a representative of the District

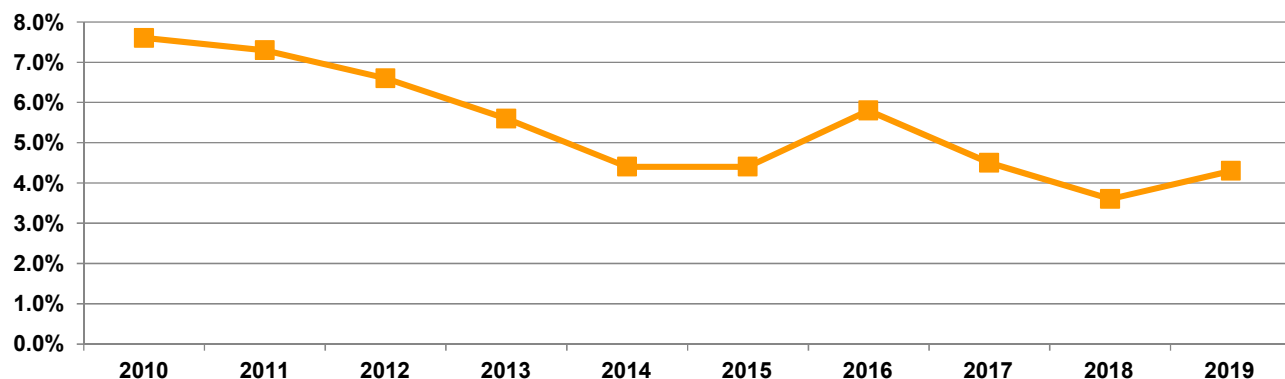
**Table 22 – Demographic and Economic Statistics**

**Population 10 Years**



**Figure 19 – City of Camarillo Population**

**City of Camarillo Unemployment Rate**



**Figure 20 – City of Camarillo Unemployment Rate**