

county of ventura

Grand Jury
800 South Victoria Avenue
Ventura, CA 93009
(805) 477-1600
Fax: (805) 658-4523

grandjury.countyofventura.org

October 9, 2018

Mike Hollebrand
Meiners Oaks Water District
202 W. El Roblar Drive
Ojai, CA 93023-2211

Subject: Required Response to 2017-2018 Final Report

Dear Mr. Hollebrand;

Our records indicate that we have not received a response from your District to our report entitled "Independent Special Districts" dated April 26, 2018. California Penal Code Section 933.05 requires responses and provides guidance to governing boards and officials.

A cover letter to your Special District was sent on or about April 23, 2018 regarding this response requirement, indicating that your Special District must respond within 90 days of receipt of that letter. Your response is now officially past due. I am also enclosing the Grand Jury Response Form for your convenience.

Please contact Dr. Ira Schoenwald immediately to discuss this matter and arrange for an immediate response as required.

Sincerely,



Ira Schoenwald, *Chair*
Counties and Special Districts Committee
Ira.Schoenwald@Ventura.org



Kathleen Diamond, *Foreperson*
2018-2019 Ventura County Grand Jury
kathleen.diamond@ventura.org

Response to Grand Jury Report Form

Report Title: Independent Special Districts

Report Date: April 26, 2018

Response by: Mike Hollebrands Title: General Manager

FINDINGS / CONCLUSIONS

- I (we) agree with the findings / conclusions numbered: _____
- I (we) disagree wholly or partially with the Findings / Conclusions numbered:
See Attached Letter CO2-CO3-R04
(Attach a statement specifying any portions of the Findings / Conclusions that are disputed; include an explanation of the reasons.)

RECOMMENDATIONS

- Recommendations numbered CO2-CO3-R04 have been implemented.
(Attach a summary describing the implemented actions and date completed.)
- Recommendations number _____ have not yet been implemented, but will be implemented in the future.
(Attach a time frame for the implementation.)
- Recommendations numbered _____ require further analysis.
- Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.

Date: 10-15-18

Signed: 

Number of pages attached: _____



10/15/2018

To: County of Ventura/Grand Jury
800 S. Victoria Ave
Ventura, Ca 93009

From: Meiners Oaks Water District
202 W. El Roblar
Ojai, Ca 93023

Subject: Independent Special Districts/Response

Meiners Oaks Water District is required to respond to the following:

CO-2;

Attached to this response is Resolution 21908-1 titled "Establishing Reserve Fund Policies." This resolution has been available to the public since its approval in a regularly scheduled Board Meeting (February 2011). The document is also available for viewing by the public on our website at www.meinersoakswater.org.

CO-3; Resolution 21908-1 stipulates that District reserves shall not fall below \$600,000. The resolution also states that the Board shall make every effort to contribute to the Capital Improvement Fund beginning 2011.

RO-4; Meiners Oaks Water District has had a website for some time now listing all of the key components under RO-4, including maps, links to transparent California and LAFCO;

- a) Name, location, contact information, and services provided
- b) Governance structure of the district, including election information and the process for constituents to run for board positions
- c) Compensation details including staff salaries, pensions, and benefits, or a link to this information on the State Controller's website
- d) Annual revenues and the sources of such revenues, including fees, property taxes and other assessments, bond debt, expenditures, and reserve amounts
- e) Reserve fund policy

- f) Geographic area served
- g) Most recent Municipal Service Review, and the most recent annual financial report provided to the State Controller or a link to this information on the State Controller's website
- h) Link to LAFCO

Sincerely,

Meiners Oaks Water District

Reserves Resolution Policy
February 19, 2008

**Resolution by the Meiners Oaks County Water District
Board of Directors Establishing
Reserve Fund Policies**

February 19, 2008
Resolution No. (21908-1)

Whereas, the Meiners Oaks County Water District operates a potable water production and distribution system under the authority of the California Water Code and by permit of the California Department of Health Services and;

Whereas, the District's surplus revenues from operations are reserved for the planned repair and replacement of the District's infrastructure, emergency repairs, capital improvements, and a resource to meet the on-going financial responsibilities of the District regardless of seasonal variations in cash flow from operating revenues, and;

Whereas, the Board of Directors finds that an Operations Reserve Fund equal to one-sixth (1/6) of the annual operating expense budget is required to provide funds to assure that routine financial obligations of the District can be met without incurring late charges or other penalties as a result of variations in cash flow from receivables, and;

Whereas, the Board of Directors finds that a Capital Replacement Fund must be maintained by the District to fund on-going replacement of the District's aging infrastructure and that contributions to this fund must be made annually based upon a scheduled depreciation of the District's facilities, and;

Whereas, the Board of Directors received and accepted a Facilities Replacement Report in February 2007 provided by the District's Consulting Civil Engineer and the report the annual depreciation values of the District's major facilities along with a 30 year replacement schedule, and;

Whereas, the Board of Directors finds that the facilities replacement plan can be funded over many years and contributions to the fund can be increased incrementally to reduce the impact to the cost of service to the District's customers, and;

Whereas, the Board of Directors also finds that funding capital replacement is critical to maintaining service to the District's customers and;

Whereas, the Board of Directors finds that from time to time funds are also needed to make capital improvements to the infrastructure as new requirements are imposed by regulatory agencies and as new technology offers the means to reduce operating costs, and;

Reserves Resolution Policy
February 19, 2008

Whereas, the Board of Directors finds that in addition to reserving funds for capital replacement a minimum level of funds must be available for emergencies to assure timely repair of damaged facilities and to avoid unnecessary accrual of debt, and;

Whereas; the Board of Directors finds that in the event of an emergency all reserves shall be available to make necessary repairs and meet all on-going financial obligations and that a total minimum reserve level shall be maintained by the District at all times, and;


Whereas, all reserves are subject to ordinary inflation and must be adjusted annually, and;

Now, Therefore Be It Resolved by the Board of Directors of the Meiners Oaks County Water District on February 19, 2008, that for the purposes of financial planning, the District shall allocate surplus revenues annually to the following reserve funds and maintain those funds at the following minimum levels over the course of the next five years:

Reserve Funds	Current	2008-09	2009-10	2010-11	2011-12	2012-13
Operating	\$ 130,000	\$ 135,720	\$ 141,692	\$ 147,926	\$ 154,435	\$ 161,230
Annual Increase	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
Capital Replacement and Improvement	\$ 1,160,000	\$ 864,280	\$ 718,308	\$ 452,074	\$ 645,565	\$ 838,770
Annual Contribution to Reserve					\$ 200,000	\$ 200,000
Emergency	\$ 1,290,000	\$ 1,000,000	\$ 860,000	\$ 600,000	\$ 800,000	\$ 1,000,000
(Emergency is the Total of All Reserves)						

It Is Further Resolved that the Board of Directors shall make every effort to prevent the Emergency Reserve from falling below \$600,000 and the Board shall make every effort to begin regular contributions to the Capital Replacement and Improvement Reserve beginning in 2011.

PASSED, APPROVED AND ADOPTED THIS 19TH DAY OF FEBRUARY 2008.


William Reynolds, President of the Board

ATTEST:

Sherrie Russell, Secretary