

CALLEGUAS MUNICIPAL WATER DISTRICT

2100 Olsen Road, Thousand Oaks, California 91360

www.calleguas.com

BOARD OF DIRECTORS MEETING

January 7, 2026, 4:00 p.m.

AGENDA

Written communications from the public must be received by 8:30 a.m. on the Thursday preceding a regular Board meeting in order to be included on the agenda and considered by the Board at that meeting. Government Code Section 54954.2 prohibits the Board from taking action on items not posted on the agenda except as provided in Subsection 54954.2(b).

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

BOARD OF DIRECTORS

Raul Avila, President

Thibault Robert, Vice-President

Reddy Pakala, Secretary

Jacquelyn McMillan, Treasurer

Scott H. Quady, Director

2. PUBLIC COMMENTS

This portion of the agenda may be utilized by any member of the public to address the Board of Directors on any matter within the jurisdiction of the Board that does not appear on the agenda and on matters that are on the agenda but are not designated as action items. Depending on the subject matter, the Board of Directors may be unable to respond at this time, or until the specific topic is placed on the agenda at a future Calleguas Board Meeting, in accordance with the Ralph M. Brown Act. Please limit remarks to three minutes.

To participate:

<https://us06web.zoom.us/j/86832132229?pwd=o3NfJOxScO8dC1PbMcKiGgL3avlhjD.1>

Phone # +1 720 707 2699 US (Denver)

Webinar ID: 868 3213 2229

Passcode: 938450

3. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)

Consideration of any items that require addition to the agenda due to the existence of an emergency situation, the need to take immediate action, and requests for remote participation due to emergency circumstances.

4. REVIEW OF THE AGENDA

Discussion regarding the need to postpone or delete any items or take any items out of order.

5. PRESENTATIONS

- A. Presentation of Association of California Water Agencies Joint Powers Insurance Authority President's Special Recognition Award

6. CONSENT CALENDAR

Consent Calendar items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration. If any Board member requests that an item be removed from the Consent Calendar for further discussion, it will be moved to the first item on the Action Items portion of the Agenda.

- A. Approve the Minutes of the December 10 and December 17, 2025 Board Meetings
- B. Award Contract in the Amount of \$250,000 to TCB Industrial Inc. to Perform As-Needed Preventative and Corrective Maintenance Services on Hydroelectric Power Generators
- C. Award Contract in the Amount of \$250,000 to General Pump Company to Perform As-Needed Preventative and Corrective Maintenance Services for Distribution Pumps
- D. Approve New Capital Project and Approve Capital Project Budget Allocation in the Amount of \$20,000 for the Replacement of Lake Bard Water Filtration Plant Staff Housing, Phase 1 (Project No. 633)
- E. Adopt Proposed Changes to the District's Administrative Code
- F. Receive and Affirm the Annual Comprehensive Financial Report of Calleguas Municipal Water District for the Fiscal Year Ended June 30, 2025
- G. Adopt the District's Investment Policy
- H. Adopt the District's Fixed Asset Policy

7. ACTION ITEMS

Action Items call for separate discussion and action by the Board for each agenda topic.

- A. Discussion of a Notice to Set Date, Time, and Place of Public Hearing to Consider Amending Ordinance No. 12, Covering Rules and Regulations for Water Service to Member Agencies within Calleguas Municipal Water District, at 4:00 p.m. on March 18, 2026
- B. Discussion Regarding Employee Cost of Living Adjustment and Revised Salary Schedule
- C. Public Hearing and Discussion Regarding Resolution No. 2118, Declaring the Necessity for Acquisition of a Permanent Easement and Temporary Construction Easement for the Calleguas-Ventura Interconnection, and Authorizing the District's Legal Counsel to Institute Eminent Domain Proceedings in Connection Therewith (Central Camarillo Property, LLC, Parcel No. 152-0-170-090)

8. REPORTS

Report items are placed on the agenda to provide information to the Board and the public and no Board action is sought.

A. GENERAL MANAGER AND STAFF REPORTS

- 1. Monthly Status Report
- 2. Discussion Regarding Potential Changes to the Board of Directors' Medical Benefits – Dan Smith, Manager of Finance, and Tricia Ferguson, Manager of Human Resources and Risk Management
- 3. November 2025 Financial Statements – Dan Smith, Manager of Finance
- 4. Discussion Regarding Setting a Formal Policy Establishing the District's Responsibility to Extend the Salinity Management Pipeline to Dischargers – Fernando Baez, Manager of Engineering

B. GENERAL COUNSEL REPORT

C. BOARD OF DIRECTORS REPORTS

- 1. Committee Meeting Reports

2. Board Member Reports on Ancillary Duties

Reports on ancillary duties are placed on the agenda to provide a forum for discussion concerning the activities of external entities to which Calleguas Board members are assigned in a representative capacity.

- a. Report of ACWA Region 8 Director
- b. Report of ACWA Joint Powers Insurance Authority Representative
- c. Report of Association of Water Agencies of Ventura County Representative
- d. Report of Fox Canyon Groundwater Management Agency Representative
- e. Report of Metropolitan Water District Director
- f. Report of Ventura LAFCo Commissioner
- g. Report of Ventura County Regional Energy Alliance Representative
- h. Report of Ventura County Special Districts Association Representative

3. Directors' List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

Reimbursable meetings reports are placed on the agenda to comply with statutory and Calleguas Administrative Code requirements for members of a legislative body who attend a meeting at the expense of the local agency to provide a report of the meeting.

4. Discussion regarding upcoming meetings to be attended by Board members

9. REQUEST FOR FUTURE AGENDA ITEMS

10. BOARD COMMENTS

Comments by Board members on matters they deem appropriate. A Board member may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities.

11. INFORMATION ITEMS

12. CLOSED SESSION

13. ADJOURNMENT to Board Meeting January 21, 2026 at 4:00 p.m.

Note: Calleguas Municipal Water District conducts in-person meetings in accordance with the Brown Act. The District has also established alternative methods of participation which permit members of the public to observe and address public meetings telephonically and/or electronically. These methods of participation can be accessed through the internet link provided at the top of this agenda.

In addition to the above referenced methods of participation, members of the public may also participate by submitting comments by email to info@calleguas.com by 5:00 p.m. on the calendar day prior to the public meeting. Email headers should refer to the Board meeting for which comments are offered. Comments received will be placed into the record and distributed appropriately.

Agendas, agenda packets, and additional materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available on the District website at www.calleguas.com.

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Secretary to the Board in advance of the meeting to ensure the availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

CALLEGUAS MUNICIPAL WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
December 10, 2025

MINUTES

The meeting of the Board of Directors of Calleguas Municipal Water District was held in-person at 2100 E. Olsen Road, Thousand Oaks CA 91360. The District also provided telephonic and electronic methods of participation for the public as noted on the meeting agenda.

The meeting was called to order by Raul Avila, President of the Board, at 4:00 p.m.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

Directors Present at District Headquarters:	Raul Avila, President Thibault Robert, Vice President (arrived at 4:02 p.m.) Reddy Pakala, Secretary Scott Quady, Director
Director Participating via Videoconference:	Jacquelyn McMillan, Treasurer
Staff Present at District Headquarters:	Kristine McCaffrey, General Manager Ian Prichard, Deputy General Manager Omar Castro, Manager of Operations & Maintenance Wes Richardson, Manager of Information Technology Kara Wade, Clerk of the Board
Legal Counsel Present at District Headquarters:	Walter Wendelstein, Wendelstein Law Group, PC, District Counsel

2. PUBLIC COMMENTS

None

3. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)

None

4. REVIEW OF THE AGENDA

No changes to the agenda.

5. REPORTS

A. GENERAL MANAGER AND STAFF REPORTS

1. Monthly Status Report – *The Monthly Status Report is provided for information only. Highlights and questions will be addressed at the December 17 Board meeting.*

B. GENERAL COUNSEL REPORT

No report.

C. BOARD OF DIRECTORS REPORTS

1. Directors' List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

Board members provided reports on various meetings that they attended that are subject to the District's reimbursement policy.

2. Discussion regarding upcoming meetings to be attended by Board members

None

6. REQUEST FOR FUTURE AGENDA ITEMS

None

7. BOARD COMMENTS

Director Quady said that he will not be at the December 17 Board Meeting. The General Manager noted that Director McMillan will be remote at the December 17 Board meeting and all three of the other Board members would need to attend in person to ensure a quorum is present.

Director McMillan congratulated Director Quady on being elected Vice-Chair of Association of California Water Agencies Region 8.

Director Avila requested that the Clerk of the Board schedule one-hour meetings with the President and each of the Board Members.

8. CLOSED SESSION

- A. Pursuant to Government Code Section 54956.9(d)(4) – Conference with legal counsel regarding initiation of litigation - 1 case
- B. Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel
 - Existing Litigation, Las Posas Valley Water Rights Coalition, et.al., v. Fox Canyon Groundwater Management Agency, et.al., Santa Barbara Superior Court Case No. VENCI00509700
 - Existing Litigation, OPV Coalition et. al. vs Fox Canyon Groundwater Management Agency, et. al., Santa Barbara Superior Court Case No. VENCI00555357

At 4:07 p.m., Director Avila adjourned to Closed Session to discuss Items 8.A and 8.B as stated on the agenda. Closed Session began at 4:10 p.m.

CLOSED SESSION CONTINUING

At 5:47 p.m., Closed Session ended. At 5:50 p.m., Director Avila reconvened to Open Session.

Regarding Item 8.A, direction was given to staff and Counsel.

Regarding Item 8.B, the Board received an update and no action was taken.

9. ADJOURNMENT

Director Avila declared the meeting adjourned at 5:51 p.m.

Hereby certified,

Reddy Pakala, Board Secretary

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
December 17, 2025

MINUTES

The meeting of the Board of Directors of Calleguas Municipal Water District was held in-person at 2100 E. Olsen Road, Thousand Oaks CA 91360. The District also provided telephonic and electronic methods of participation for the public as noted on the meeting agenda.

The meeting was called to order by Raul Avila, President of the Board, at 4:00 p.m.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

Directors Present at District Headquarters:	Raul Avila, President Thibault Robert, Vice President Reddy Pakala, Secretary
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Directors Participating via Videoconference:	Jacquelyn McMillan, Treasurer
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Director Absent:	Scott Quady, Director
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Staff Present at District Headquarters:	Kristine McCaffrey, General Manager Ian Prichard, Deputy General Manager Fernando Baez, Manager of Engineering Omar Castro, Manager of Operations and Maintenance Kat Ehret, Senior Communications Specialist Tricia Ferguson, Manager of Human Resources and Risk Management Matt Gomez, System Maintenance Supervisor Henry Graumlich, Executive Strategist Charlotte Holifield, Manager of External Affairs Amy Kou, GIS Analyst Jennifer Lancaster, Manager of Water Resources Megan Neilson, Senior Administrative Assistant Wes Richardson, Manager of Information Technology Cesar Romero, Senior Project Manager Steve Sabbe, IT Specialist Dan Smith, Manager of Finance Kara Wade, Clerk of the Board
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Staff Participating via
Videoconference:

Sue Taylor, Accounting Supervisor

Legal Counsel Present at
District Headquarters:

Walter Wendelstein, Wendelstein Law Group, PC, District
Counsel

2. PUBLIC COMMENTS

None

3. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)

None

4. REVIEW OF THE AGENDA

Director Avila requested that Item 8.A.5 be moved ahead of Presentations.

8. REPORTS

A. GENERAL MANAGER AND STAFF REPORTS

5. Introduction of Calleguas Challenge Coin – Kat Ehret, Senior Communications Specialist

The Senior Communications Specialist introduced the Calleguas Challenge Coin and explained its significance to the agency. She presented each Director with a coin and provided them with additional coins to award to individuals they determine should receive one.

5. PRESENTATIONS

A. Five Year Service Recognition for Director Avila

Director Robert presented Director Avila his five-year service recognition pin.

B. Presentation of American Society of Civil Engineers (ASCE) Santa Barbara/Ventura Branch Project of the Year Award to the Calleguas-LVMWD Interconnection

Sam Potts, President of the Santa Barbara/Ventura Branch of ASCE, presented the Project of the Year Award to Calleguas for the Calleguas-LVMWD Interconnection.

- C. Presentation of the ASCE Santa Barbara/Ventura Branch Professional of the Year Award to Senior Project Manager Cesar Romero, P.E.

Sam Potts, President of the Santa Barbara/Ventura Branch of ASCE, presented the Professional of the Year Award to Senior Project Manager Cesar Romero, P.E. Director Avila presented Cesar Romero with the first Calleguas challenge coin.

- D. Introduction of New GIS Analyst Amy Kou

The Manager of Information and Technology introduced the GIS Analyst.

6. CONSENT CALENDAR

- A. Approve the Minutes of the November 19, 2025 Board Meeting
- B. Receive and Affirm the Payment Register for the District's Activities from November 6, 2025 to December 3, 2025
- C. Receive and Affirm the Quarterly Consultant Report for the District's Activities through September 30, 2025
- D. Approve Capital Project Budget Allocation in the Amount of \$115,000 and Approve Professional Services by MKN & Associates in the Amount of \$108,055 to Perform Design Phase Engineering Services for the April 85, LLC (Marz Farms) SMP Discharge Station (Project No. 625)

On a motion by Director Pakala, seconded by Director Robert, the Board of Directors voted 4-0 to approve the Consent Calendar.

AYES: Directors McMillan, Pakala, Robert, Avila

NOES: None

ABSENT: Director Quady

7. ACTION ITEMS

None

President Avila requested a short break of the meeting.

8. REPORTS

A. GENERAL MANAGER AND STAFF REPORTS

1. Monthly Status Report

Staff highlighted five items from the Monthly Status Report. The Board asked questions and staff answered them.

2. Update Regarding Potential Changes to the Board of Directors' Medical Benefits – Dan Smith, Manager of Finance, and Tricia Ferguson, Manager of Human Resources and Risk Management

The Manager of Finance and the Manager of Human Resources and Risk Management presented the report.

3. October 2025 Financial Statements – Dan Smith, Manager of Finance

The Manager of Finance presented the report.

4. November 2025 Water Use and Sales, October 2025 Hydro Power Generation, November 2025 Investment Summary Reports – Dan Smith, Manager of Finance

The Manager of Finance presented the report.

B. GENERAL COUNSEL REPORT

1. General Counsel's Report

No report.

C. BOARD OF DIRECTORS REPORTS

1. Committee Meeting Report

None

2. Board Member Reports on Ancillary Duties

a. Report of ACWA Region 8 Director

No report.

b. Report of ACWA Joint Powers Insurance Authority Representative

No report.

c. Report of Association of Water Agencies of Ventura County Representative

No report.

d. Report of Fox Canyon Groundwater Management Agency Representative

Director Pakala said he attended the December 12 Watermaster meeting.

e. Report of Metropolitan Water District Director

Director McMillan provided a written report on the Metropolitan meetings she attended from November 20 to December 17. Director McMillan's report is attached and made part of the approved minutes on file with the District.

f. Report of Ventura LAFCo Commissioner

No report.

g. Report of Ventura County Regional Energy Alliance Representative

No report.

h. Report of Ventura County Special Districts Association (VCSDA) Representative

No report.

2. Directors' List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

Board members provided reports on various meetings that they attended that are subject to the District's reimbursement policy.

3. Discussion regarding upcoming meetings to be attended by Board members

The General Manager noted that registration for the Association of California Water Agencies (ACWA) DC Conference is now open and that Directors should let the Clerk of the Board know if they would like to attend.

The General Manager said that an Engineering and Construction Committee meeting needs to be scheduled.

Director Avila announced that he was nominated as chair of the ACWA Local Government Committee and to the ACWA Board of Directors.

9. REQUEST FOR FUTURE AGENDA ITEMS

Director Pakala requested a future committee meeting to discuss power costs and potential opportunities for efficiency.

The General Manager said there will be a future agenda item to further discuss options for Board medical benefits.

10. BOARD COMMENTS

Director Pakala noted he has served on the Calleguas Board for one year. He shared that he is pleased to be on the Board and looks forward to the future. Fellow Board members expressed their appreciation for his service, noting that he has brought a valuable new perspective since joining the Board.

11. INFORMATION ITEMS

None

12. CLOSED SESSION

- A. Pursuant to Government Code 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation – two cases.

At 5:45 p.m., Director Avila adjourned to Closed Session to discuss Item 12.A as stated on the agenda. Closed Session began at 5:53 p.m.

CLOSED SESSION CONTINUING

At 6:35 p.m., Closed Session ended. At 6:39 p.m., Director Avila reconvened to Open Session.

Regarding Item 12.A, the Board received an update from Counsel. Direction was given to staff and Counsel and no action was taken.

13. ADJOURNMENT

Director Avila declared the meeting adjourned at 6:39 p.m.

Hereby certified,

Reddy Pakala, Board Secretary

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



06B MEMO CONSENT CALENDAR

THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Omar Castro, Manager of Operations & Maintenance

Subject: Item 6.B – Award Contract in the Amount of \$250,000 to TCB Industrial Inc. to Perform As-Needed Preventative and Corrective Maintenance Services on Hydroelectric Power Generators

Objective: Deliver reliable service, ensure infrastructure reliability, and accomplish the mission in a cost-effective manner through preventative and corrective maintenance services for hydroelectric power generators.

Recommended Action: Award contract in the amount of \$250,000 to TCB Industrial Inc. to perform as-needed preventative and corrective maintenance services on hydroelectric power generators.

Budget Impact: \$250,000 over the contract period of one year. Appropriate funding is included in the Fiscal Year (FY) 2025-26 budget and would be included in future FY budgets.

Discussion: Calleguas utilizes preventative and corrective maintenance services for six hydroelectric power generators on a scheduled and as-needed basis. Eighteen potential maintenance contractors received the bid solicitation. One bid was received from TCB Industrial Inc (TCB), as the sole and therefore lowest responsive and responsible bidder. The contract will be for one year with an option to renew annually for up to two additional years. Staff reviewed the bid and determined that, based on the costs of work in previous years, the pricing submitted by TCB is reasonable.

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Omar Castro, Manager of Operations & Maintenance

Subject: Item 6.C – Award Contract in the Amount of \$250,000 to General Pump Company to Perform As-Needed Preventative and Corrective Maintenance Services for Distribution Pumps

Objective: Deliver reliable service, ensure infrastructure reliability, and accomplish the mission in a cost-effective manner through preventative and corrective maintenance services for pumping facilities.

Recommended Action: Award contract in the amount of \$250,000 to General Pump Company to perform as-needed preventative and corrective maintenance services for distribution pumps.

Budget Impact: \$250,000 over the contract period of one year. Appropriate funding is included in the Fiscal Year (FY) 2025-26 budget and would be included in future FY budgets.

Discussion: Calleguas utilizes preventative and corrective maintenance services for its pump stations and pumps at the Wellfields on a scheduled and as-needed basis. Twenty-three potential maintenance contractors received the bid solicitation. Two bids were received, with General Pump Company as the lowest responsive and responsible bidder. The contract will be for one year with an option to renew annually for up to two additional years. Staff reviewed the bid and scope of work and determined that, based on the cost and scope of work performed in previous years, the pricing submitted by General Pump Company is reasonable.

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Fernando Baez, P.E., Manager of Engineering

Subject: Item 6.D – Approve New Capital Project and Approve Capital Project Budget Allocation in the Amount of \$20,000 for the Replacement of Lake Bard Water Filtration Plant Staff Housing, Phase 1 (Project No. 633)

Objective: Maintain operational excellence and ensure infrastructure reliability by providing suitable living conditions for essential staff to promptly respond to emergencies at the District headquarters by replacing Staff Houses Nos. 2 and 3.

Recommended Actions: Approve new capital project and approve capital project budget allocation in the amount of \$20,000 for the Replacement of Lake Bard Water Filtration Plant Staff Housing, Phase 1 (Project No. 633).

Budget Impact: Allocate capital project budget in the amount of \$20,000.

Discussion: The District owns three manufactured houses located around Lake Bard used as housing by key employees. These homes are approximately 40 years old and nearing the end of their useful life. Continuing to provide housing for critical staff at Lake Bard Water Filtration Plant (LBWFP) is part of the District's emergency response program, as well as a tool for recruiting and retaining highly-qualified and capable staff in light of persistently high housing costs in Ventura County and its environs. Having staff reside on-site ensures that the District can maintain its current rapid response capabilities, thereby minimizing downtime, mitigating risk, and containing costs.

If the project is not implemented, the houses will continue to deteriorate and residing staff could choose to leave. If staff no longer lived at the LBWFP, the District would be unable to respond as quickly to emergencies; security breaches; and issues with standby power, the distribution system, and water treatment operations. This absence of on-site staff could, potentially result in

increased expenses and more serious operational and environmental impacts. Eliminating staff housing at LBWFP would also remove a valuable tool for recruitment and retention.

An emergency, security breach, or other operations event requiring immediate staff response typically occurs several times per year. If there weren't any employees living on the property, the District would be unable to achieve the quick response time currently provided and could experience higher costs and/or more significant consequences from such events. To achieve a similar emergency response time without replacing the houses (approximately 5 minutes), the District would need to add two positions, which would cost approximately \$360,000 per year. Replacing the houses is more cost effective over the long-term than adding Control Room staff. Additionally, staff living in these houses pay rent, which over the life of the houses, pays for costs of providing them.

Various alternatives for replacement of the staff houses were investigated and presented to the Ad-Hoc Committee on Employee Housing. The alternatives included:

- Rehabilitation of the houses
- Complete replacement with
 - Mobile home
 - Container home
 - Tiny home
 - Standard construction
 - Manufactured home

After consideration of the various alternatives, the Ad-Hoc Committee recommended the houses be replaced with manufactured homes.

This budget allocation covers the costs for preparation of bid documents by staff, with appropriate limited support from consultants. Once design of the replacement staff houses is completed, additional budget allocation will be requested for construction. Additionally, replacement of Staff House No. 1 will be addressed as Phase 2.

Attachments:

Capital Project Information and Evaluation Sheets

Name: Replacement of LBWFP Staff Housing, Phase 1
Project No: 633

Description: Replace two of the three staff houses located at Lake Bard.

Location: Lake Bard

Purpose: Provide suitable living conditions for key staff, who currently reside in manufactured houses approximately 40 years old that have received insufficient maintenance. Continue to provide housing for key staff at Lake Bard Water Filtration Plant as part of the District's emergency response program, as well as a tool for recruiting and retaining highly-qualified and capable staff in light of persistently high housing costs in Ventura County and environs. Having staff reside on-site ensures that the District can maintain its current rapid response capabilities minimizing downtime, mitigating risk, and containing costs.

Estimated Construction Cost: \$810k/house

Category

☐ Salinity Management
☐ Water Transmission

☐ Outage Water Supply Reliability
☐ Improvements to Existing Facilities
☒ Rehabilitation, Replacement & Relocation

Budget Estimates

Project Phase	Amount	Cumulative Amount	Date	Notes
Design	\$20,000	\$20,000	1/7/2026	

Name: Replacement of LBWFP Staff Housing, Phase 1
Project No: 633

Ranking Category	Description	
Consequences of Not Implementing Project (A)	If the project is not implemented, the houses would continue to deteriorate and residing staff could choose to leave. If staff no longer lived at the LBWFP, the District would be unable to respond as quickly to emergencies; security breaches; and issues with standby power, the distribution system, and water treatment operations, potentially leading to increased expenses and more serious operational and environmental impacts. Eliminating staff housing at LBWFP would also remove a valuable tool for recruitment and retention.	
Probability of Occurrence (B)	The probability of an emergency, security breach, or other operations event requiring staff response is 100% and typically occurs several times per year. If there are no employees living at the LBWFP, the District would not be able to achieve the quick response time currently provided and could experience higher costs and/or more significant consequences from such events.	
Cost Considerations (C)	The most cost-effective approach to remediating the conditions of the houses will be recommended to the Board. Due to their condition and lack of suitable foundation, Staff Houses 1 and 2 require complete replacement with a new manufactured house. For Staff House 3, staff is investigating various alternatives to determine the most cost-effective approach (renovation vs. replacement and appropriate contracting mechanism). To achieve a similar emergency response time without replacing the houses (approximately 5 minutes), the District would need to add two positions, which would cost approximately \$360,000 per year. Replacing the houses is more cost effective over the long-term than adding Control Room staff and offers additional benefits.	
	Evaluation Score	25
	Priority Ranking	High

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Tricia Ferguson, Manager of Human Resources and Risk Management

Subject: Item 6.E – Adopt Proposed Changes to the District’s Administrative Code

Objective: Update the Administrative Code to incorporate proposed policy changes and other necessary modifications and updates.

Recommended Action: Adopt proposed changes to the District’s Administrative Code.

Budget Impact: None

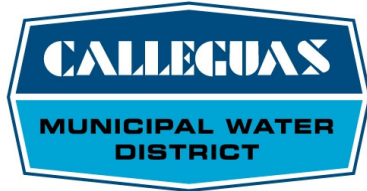
Discussion: The purpose of this action is to change the District’s Administrative Code to reflect:

- General
 - Updates to section numbering and terminology.
- Substantive changes:
 - 2.11.2(f)(1) Authorized Activities and Expenses: District-owned devices are required to be returned to the District when a Director leaves office. Removed option to reimburse the District for devices for consistency with Cybersecurity Policy.
 - 2.12 Director Benefits: Removed Director-Procured Coverage option.
 - 3.2.1 (10) President of the Board Duties: Added language to specify confidential employee hotline reports reviewed by the Board President are specifically related to the General Manager.
 - 4.5(c) General Duties: Updated section to reflect the General Manager’s responsibilities related to the confidential employee hotline.
 - 4.5(h) General Duties: Added language to delegate authority to the General Manager to choose whether to press charges against trespassers.

- 5.2 (h) General Duties: Added language to specify confidential employee hotline reports reviewed by District Counsel are specifically related to the General Manager.
- 10.9(f) Credit Cards: Added the Cleaning Crew Lead to the home improvement credit card for the purchase of maintenance and cleaning supplies.
- 12.3 Confidential Employee Hotline: Added a new section to consolidate language found in the separate duties section for individual District positions. Updated language to reflect the current reporting and review process.
- 12.5.2.2 Compensatory Time Off: Added a balance threshold for converting overtime to Comp Time.
- 12.5.2.7 Discretionary Bonus: Added a balance threshold for converting bonus to Annual Leave.
- 12.5.3(a)(1) Retirement Benefits: Added additional language regarding CalPERS Employer Paid Member Contributions to meet CalPERS recommendations.
- Section 15 Cybersecurity Program: New section added.

Attachment:

Proposed Redline Changes to Administrative Code



Calleguas Municipal Water District Administrative Code

January 7, 2026

Disclaimer: This Administrative Code reflects the action of the Board of Directors of Calleguas Municipal Water District as of the date set forth above and may not reflect the most current actions of the Board. In case of any discrepancy between this version and the official records of Calleguas Municipal Water District, the official records will prevail.

Table of Contents

PART 1 - GENERAL PROVISIONS	5
1.1 FORMATION AND GENERAL PURPOSE OF THE DISTRICT	5
1.2 TITLE AND PURPOSE OF THE ADMINISTRATIVE CODE	5
1.3 DEFINITIONS	5
1.4 INTERPRETATION.....	6
1.5 MAINTENANCE	6
1.6 ACTS BY DEPUTIES	6
1.7 SEVERABILITY	7
1.8 AMENDMENT.....	7
1.9 GENDER, TENSES, AND NUMBER	7
PART 2 - BOARD OF DIRECTORS	8
2.1 ELECTION.....	8
2.2 APPOINTMENT	8
2.3 OATH OF OFFICE	8
2.4 DIVISIONS AND REAPPORTIONMENT	8
2.5 POWERS.....	8
2.6 ELECTION OF BOARD OFFICERS.....	8
2.7 DESIGNATION OF METROPOLITAN BOARD REPRESENTATIVE.....	9
2.8 GENERAL DUTIES.....	9
2.9 LEAVES OF ABSENCE	10
2.10 BOARD DIRECTION TO DISTRICT STAFF.....	10
2.11 COMPENSATION AND REIMBURSEMENT.....	11
2.12 BENEFITS	16
2.13 MEETINGS AND MINUTES	18 18
PART 3 - BOARD OFFICERS.....	26 26
3.1 ELECTION.....	26 26
3.2 DUTIES.....	26 26
PART 4 - GENERAL MANAGER.....	29 29
4.1 GENERAL POWERS.....	29 29
4.2 SIGNATURE AUTHORITY	29 29
4.3 COMPENSATION	29 29

4.4	EMERGENCY POWERS	29 <u>29</u>
4.5	GENERAL DUTIES	30 <u>30</u>
4.6	DELEGATION OF AUTHORITY BY GENERAL MANAGER	32 <u>32</u>
4.7	TRAVEL AND EXPENSE REIMBURSEMENT	32 <u>32</u>
PART 5 -	DISTRICT COUNSEL.....	33 <u>33</u>
5.1	POSITION AUTHORIZED	33 <u>33</u>
5.2	GENERAL DUTIES	33 <u>33</u>
5.3	TRAVEL AND EXPENSE REIMBURSEMENT	34 <u>34</u>
PART 6 -	CLERK OF THE BOARD.....	35 <u>35</u>
6.1	GENERAL DUTIES	35 <u>35</u>
PART 7 -	RECORDS REQUESTS AND MAINTENANCE	37 <u>37</u>
7.1	GENERALLY.....	37 <u>37</u>
7.2	AGENDA PACKETS.....	37 <u>37</u>
7.3	RECORDS RETENTION	37 <u>37</u>
7.4	DISTRICT-RELATED ELECTRONIC DATA IN PERSONAL DEVICES OR ACCOUNTS	38 <u>38</u>
PART 8 -	ANNEXATIONS.....	39 <u>39</u>
8.1	MEMBERSHIP IN METROPOLITAN WATER DISTRICT	39 <u>39</u>
8.2	GOVERNING LAW	39 <u>39</u>
8.3	CRITERIA	39 <u>39</u>
8.4	MANDATORY CONDITIONS	40 <u>40</u>
8.5	PROCEDURE	40 <u>40</u>
8.6	FINANCIAL POLICIES	42 <u>42</u>
PART 9 -	CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)	44 <u>44</u>
9.1	ADOPTION OF CEQA GUIDELINES	44 <u>44</u>
9.2	DELEGATION OF RESPONSIBILITY FOR CEQA COMPLIANCE	44 <u>44</u>
PART 10 -	PROCUREMENT POLICY	48 <u>48</u>
10.1	DEFINITION OF TERMS.....	48 <u>48</u>
10.2	PROCUREMENT FOR PUBLIC WORKS CONSTRUCTION PROJECTS	50 <u>50</u>
10.3	PROCUREMENT OF PROFESSIONAL SERVICES.....	55 <u>55</u>
10.4	APPROVAL AND SIGNATORY AUTHORITY	56 <u>56</u>
10.5	APPROVAL OF INVOICES	57 <u>57</u>

10.6 DISBURSEMENT OF FUNDS	57 ⁵⁷
10.7 CODE OF CONDUCT	58 ⁵⁸
10.8 PETTY CASH FUND	58 ⁵⁸
10.9 CREDIT CARDS.....	58 ⁵⁸
10.10 NO COMMITMENT OF FUNDS FOR NON-DISTRICT PURPOSES	59 ⁵⁹
10.11 PREVAILING WAGES	60 ⁶⁰
10.12 GRANT COMPLIANCE.....	60 ⁶⁰
PART 11 - SIGNING AUTHORITY	61 ⁶¹
PART 12 - PERSONNEL MATTERS.....	62 ⁶²
12.1 EMPLOYEE HANDBOOK.....	62 ⁶²
12.2 EQUAL OPPORTUNITY EMPLOYER	62 ⁶²
12.3 CONFIDENTIAL EMPLOYEE HOTLINE	62 ⁶²
12.4 HIRING AUTHORITY.....	62 ⁶²
12.5 EMPLOYEE CLASSIFICATION, COMPENSATION, AND NON-ELECTIVE BENEFITS	63 ⁶³
12.6 ELECTIVE BENEFITS	71 ⁷¹
PART 13 - SPONSORSHIP POLICY	81 ⁸¹
13.1 SPONSORSHIP	81 ⁸¹
13.2 CRITERIA FOR ELIGIBILITY.....	81 ⁸¹
13.3 PROCEDURE	82 ⁸²
13.4 CERTIFICATION OF ORGANIZATION.....	82 ⁸²
13.5 APPROVAL PROCESS.....	83 ⁸³
PART 14 – LEGISLATIVE ADVOCACY	84 ⁸⁴
14.1 PRINCIPLES.....	84 ⁸⁴
14.2 PROCEDURES.....	85 ⁸⁵
Part 15 – CYBERSECURITY PROGRAM	87 ⁸⁷
15.1 CYBERSECURITY PROGRAM	87 ⁸⁷
15.2 CYBERSECURITY PROGRAM EMPLOYEE MANUAL.....	87 ⁸⁷

PART 1 - GENERAL PROVISIONS

1.1 FORMATION AND GENERAL PURPOSE OF THE DISTRICT

Calleguas Municipal Water District (District) was formed on December 10, 1953 under the California Municipal Water District Act of 1911. The general purpose of the District is to provide its service area with a reliable supply of regional and locally developed water.

1.2 TITLE AND PURPOSE OF THE ADMINISTRATIVE CODE

This Administrative Code shall be known as the "CALLEGUAS MUNICIPAL WATER DISTRICT ADMINISTRATIVE CODE" and is sometimes referred to as the "Administrative Code" or the "Code". This Code contains certain operational policies of the District and supersedes and replaces Ordinance No. 13 (which was repealed by the District in 2002) and all previously adopted versions of the Code.

1.3 DEFINITIONS

As used in this Code, unless otherwise specifically provided or the context otherwise requires:

"Auditor" refers to the firm which performs an annual audit of the District's financial statements and internal financial controls.

"Board" refers to the Board of Directors of Calleguas Municipal Water District.

"Board Officers" or **"officers"** refers to the then serving officers appointed by the Board from among the Board members as provided in this Code.

"Deputy General Manager" refers to the then serving Deputy General Manager of the District.

"Director" refers to an elected or appointed member of the Board.

"District" refers to Calleguas Municipal Water District.

"District Counsel" refers to the then serving legal counsel to the Board.

"Employee" refers to a District employee.

"General Manager" refers to the then serving General Manager of the District.

"Metropolitan" or "MWD" refers to The Metropolitan Water District of Southern California.

"Person" refers to any person, firm, or legal entity.

"President" refers to the Director then serving as President of the Board.

"Secretary of the Board" refers to the Director then serving as Secretary of the Board.

"Clerk of the Board" refers to the then serving Clerk of the Board of the District.

"State" shall mean the State of California.

"Treasurer" refers to the Director then serving as Treasurer of the Board.

"Vice President" refers to the Director then serving as Vice President of the Board.

1.4 INTERPRETATION

Wherever these policies and procedures refer to certain provisions of California law, including without limitation certain sections or provisions of the Brown Act, the Water Code, the California Environmental Quality Act (CEQA), and the Government Code, it is understood that the entire applicable law shall govern, and these policies and procedures shall not serve as a substitute for review of the entire applicable law then in effect. If reference is made to any portion of this Code, or to any ordinance or resolution of the District, the reference shall apply to all amendments and additions thereto.

1.5 MAINTENANCE

A copy of this Code shall be distributed to each Director and to such other persons as the General Manager or the Board deems appropriate. At least once every three years, and otherwise as needed as determined by the Board, the General Manager will review this Code and prepare and present revisions to the Board for consideration.

1.6 ACTS BY DEPUTIES

Whenever a power is granted to, or a duty is imposed upon, an officer or Employee of the District, whether by statute, ordinance, resolution, or order of the Board, the power may be exercised, or the duty may be performed by a deputy, assistant, or Employee authorized by such officer or Employee.

1.7 SEVERABILITY

If any part of this Code is, for any reason, held to be invalid or unenforceable, such decisions shall not affect the validity of the remaining portions of this Code.

1.8 AMENDMENT

This Code may be amended, modified, changed or repealed only by action of the Board, in its sole discretion.

1.9 GENDER, TENSES, AND NUMBER

As used in this Code, the present tense includes the past and future tenses, and the future tense includes the present tense; the masculine gender includes the feminine gender, and the feminine gender includes the masculine gender; and the singular includes the plural, and the plural, the singular.

PART 2 - BOARD OF DIRECTORS

2.1 ELECTION

Members of the Board are elected to office in accordance with applicable law including the provisions of the Municipal Water District Law of 1911. Each Director shall hold office for a term of four years from and after the date of taking office. A Director may be elected to multiple terms in accordance with applicable law.

2.2 APPOINTMENT

When a vacancy occurs on the Board, the remaining members of the Board may fill such vacancy by appointment in accordance with California Water Code Section 71254 and California Government Code Section 1780, or the corresponding provisions of any successor statute.

2.3 OATH OF OFFICE

Persons elected to the Board shall take office at the end of the first Board meeting in December conducted after the final certification of the general election. Persons elected and/or appointed to the Board shall take the required oath of office prior to assuming office. A Notary Public or Deputy County Clerk shall administer the oath. See Elections Code Sections 10505, 10507, 10551 and 10554.

2.4 DIVISIONS AND REAPPORTIONMENT

The District is divided into five Divisions as shown on the Official Map of Division Boundaries on file at the County of Ventura Elections Division. Each Division is represented by one Director who shall be a resident of the Division. Notwithstanding the foregoing, the District is subject to re-division in accordance with the procedures set forth in California Water Code Section 74450 – 74470 et seq.

2.5 POWERS

All powers of the District shall be vested in the Board except for those powers delegated to the General Manager as set forth herein; in the California Water Code; and in the Ordinances and Resolutions of the District; or as otherwise delegated by the Board.

2.6 ELECTION OF BOARD OFFICERS

- (a) At the first meeting in January of the year following any election at which any Director is elected, the Board shall vote for one of its members as its presiding officer, who shall have the title of President of the Board. At the same time, the

Board shall also vote for Directors to serve as Vice President, Treasurer, and Secretary of the Board. The Board may, at any time by vote, modify one or more officer assignments. The newly elected officers shall take office at the conclusion of the meeting at which they are elected unless the Board designates another time.

- (b) The selection of Board members by consensus to serve on committees of the District and representative positions at other organizations will occur at the second meeting in January of the year following any election. This includes the assignment of chairperson, member, and alternate responsibilities for District committees, and representative and alternate positions at other organizations. The Board may, at any time by vote, choose to modify one or more committee assignments and/or representative positions at other organizations.
- (c) Votes as contemplated under this section will be placed on the Board agenda in accordance with the Brown Act and this Code.

2.7 DESIGNATION OF METROPOLITAN BOARD REPRESENTATIVE

The District's representative(s) to the Metropolitan Water District of Southern California Board of Directors will be selected by a vote of the Board, as authorized in the Metropolitan Water District Act, Section 51 and in accordance with the timeframe established in section 2.6(b) above.

2.8 GENERAL DUTIES

The Board of Directors shall:

- (a) Establish the District's policies, mission, and goals by vote at public meetings and hold the General Manager responsible if the policies, mission, and goals of the District are not implemented.
- (b) Assure that the District is responsive to the interests of those it represents.
- (c) Comply with the law and use District powers lawfully.
- (d) Insist that critical and strategic information from which to make decisions and exercise judgments is available in a timely manner.
- (e) Assist staff by assessing issues from a broader perspective, providing outside perspective and guidance.
- (f) Protect the assets of the District.
- (g) Assure that the District is well managed.

- (h) Select the District's officers, General Manager, District Counsel, and Auditor in accordance with California Water Code Section 71340.
- (i) Assure that the District's long-term plans are designed to meet the District's mission and purpose.
- (j) Review and assess long-term planning for the District.
- (k) Establish policies that will provide for the effective conduct of the Board's meetings.
- (l) Be prepared for the meetings of the Board.
- (m) Approve and adopt the annual budget and any amendments thereto.
- (n) Approve and adopt a salary schedule and positions set forth in the organization chart for District Employees and any amendments thereto.
- (o) File Form 700 Statements of Economic Interests as required by the District's Conflict of Interest Code.
- (p) Participate in two hours of sexual harassment prevention training every two years in accordance with Government Code Section 12950.1.
- (q) Participate in ethics training every two years in accordance with California Government Code Section 53235, including at least two hours of training in ethics principles and ethics laws relevant to his or her public service.

2.9 LEAVES OF ABSENCE

In accordance with California Government Code Section 1062, no Director shall absent himself or herself from the State for more than 60 days, unless the absence is for District business or has been approved by the Board. In the case of illness or other urgent necessity, a quorum of the Board may approve an extension of a Director's absence from the State.

2.10 BOARD DIRECTION TO DISTRICT STAFF

- (a) The Board provides guidance and instruction to the General Manager. Individual Directors shall not instruct the General Manager in the execution of his or her powers and duties.
- (b) All general business of the District, including requests for information and instructions to Employees, are to be conducted through the General Manager,

or in the absence of the General Manager, the Deputy General Manager. The exceptions to this limitation are: (1) coordination with the Clerk of the Board related to a Director's duties described in Part 6 this Code, (2) coordination with the Manager of Human Resources and Risk Management on a Director's District-provided benefits, and (3) coordination between the Board Treasurer and the Manager of Finance on District financial matters.

- (c) The General Manager shall promptly provide information requested by Directors as necessary to assist in decision making and policy direction. Routine requests by individual Directors for readily available written information, documents, reports, studies, analyses, or compilations shall not require formal Board approval. If requests for staff assistance or for such information or documents are estimated to require more than four hours of staff time or consulting time, or if they will require less than four hours but are of a recurring nature, these requests shall be submitted in advance to the Board of Directors by the individual Director for formal approval.

2.11 COMPENSATION AND REIMBURSEMENT

2.11.1 GENERAL RULES

- (a) Compensation and reimbursement of expenses for Directors is authorized by, and subject to, California Water Code Sections 71255 et seq. and 20200 et seq., and California Government Code Section 53232.
- (b) The Board's compensation rules and rates are set forth in District Ordinance No. 15. Annually, the Board will review the compensation paid to Directors and may make changes to the established compensation rate by amending Ordinance No. 15 and setting a new compensation rate in accordance with applicable law.
- (c) Subject to Ordinance No. 15 and applicable law, Directors may be compensated for each day's attendance at meetings of the Board and for each day's service to the District rendered at the request of the Board or the General Manager not exceeding a total of 10 days in any calendar month. Any Director who represents the District on the Metropolitan Board is also entitled to receive compensation and expense reimbursement from the District with respect to such service for a total of 10 additional days in any calendar month.
- (d) Directors may receive compensation and expense reimbursement from the District for two conferences each Fiscal Year that require travel and an overnight stay. Any conferences above two per Fiscal Year require prior approval of the President or Board.

- (e) Subject to the requirements of California Government Code Sections 53232.2 and 53232.3, a Director may be reimbursed for any actual and necessary expenses incurred in the performance of duties required or authorized by the Board, including, without limitation, reimbursement for authorized travel and other expenses when on official duty or when acting on behalf of the Board.
- (f) Board Members shall provide a brief oral report on each compensable meeting attended at the next regularly scheduled Board meeting.

2.11.2 AUTHORIZED ACTIVITIES AND EXPENSES

The guidelines set forth below are provided to clarify activities by Directors that are authorized for compensation and reimbursement. However, such guidelines always remain subject to applicable law including, without limitation, California Government Code Sections 53232 et seq. and California Water Code Sections 20201, 20202, 71255 and 71256, as may be amended from time to time:

- (a) Only one day's compensation may be paid for activities performed within a calendar day. Example: If a Director attends a Board meeting and another authorized meeting on the same date, the Director shall only be entitled to compensation for one meeting. However, reimbursement for compensable mileage, meals, and other expenses may be paid for both meetings.
- (b) Directors are authorized to receive compensation and reimbursement for expenses for the following:
 - (1) Attending regular and special meetings of the Board.
 - (2) Performing necessary duties associated with, and required of, an elected official serving on the Board, including participation in required training, either in person or via remote means.
 - (3) Representing the District in any of their collateral assignments.
 - (4) Representing the District when requested by the Board, the President, or the General Manager, including attendance at other meetings or functions of government agencies (State, County, and City), Member Agencies (per Ordinance 12), associations, committees, etc.
 - (5) Representing the District outside of the State with prior approval of the Board.

- (6) Participating in activities related to the District's mission and purpose with prior approval of the President or Board.
 - (7) Participating in conference calls of more than one-half hour's duration which are for the purpose of any of the items listed above, subject to applicable approvals.
 - (8) Travel to or from an authorized activity when it is impractical to travel on the same day as the activity.
- (c) A Director may elect not to receive compensation and/or reimbursement for expenses for any authorized activity.
 - (d) A Director may appeal to the Board any recommendation of the General Manager or decision by the President to deny authorization for compensation and reimbursement.
 - (e) A Director shall secure prior approval of the Board before incurring expenses for hosting conferences, receptions, meetings, group meals, or other activities related to the duties of a Director, other than activities paid for at the Director's personal expense.
 - (f) Agenda packets are sent by electronic means and the District will purchase the following:
 - (1) A District-owned laptop computer, ~~or an~~ electronic tablet device, and necessary accessories. The District will not pay for any charges associated with a data service plan. When the Director leaves office, they ~~may either must~~ return the ~~aforementioned~~ equipment to the District ~~or reimburse the District for the depreciated value of the equipment.~~
 - (2) A District-owned color ink jet printer or similar, paper, and ink cartridges so that the Director may print the packets at home. When the Director leaves office, they may either return the printer to the District or reimburse the District for the depreciated value of the printer.

2.11.3 TRAVEL

- (a) The District shall reimburse a Director for his or her actual and necessary expenses for approved travel as follows:

- (1) All expenses must be ordinary and necessary for the conduct of District business.
- (2) Authorized expenses while traveling overnight on District business may include, but are not limited to, meals, lodging, baggage handling, tips, transportation costs only to and from the destination required for business purposes, and any other reasonable incidental expenses of the trip which are District related rather than personal in nature. Disallowed expenses include, but are not limited to, personal telephone calls, laundry service, and in-room movies. If a family member or guest accompanies the Director, lodging expenses may only be reimbursed at the applicable rate for a single room to be occupied by only one person. Travel costs, meals and all other incidental expenses for a family member or guest are not authorized for payment from District funds.
- (3) Directors have the option to select either reimbursement at 1.5 times the Government Per Diem Rate for Meals and Incidentals (www.gsa.gov/perdiem) for the closest area to where the meal is consumed (M&I Rate) or reimbursement for actual costs of meals. The method of reimbursement selected will apply for all days of the trip. When submitting a request for reimbursement for meals while attending a conference, an itinerary of the conference must be submitted with the request. The itinerary must include a schedule that includes all meals provided by the conference. When the conference attended provides meals as part of the registration fee, the meal is not eligible for reimbursement.
 - (i) If reimbursement for the actual costs of meals is selected, the following guidelines apply.
 - a. Expenses may include the cost of meals and non-alcoholic beverages. Under no circumstances will the District pay for or reimburse for any expenses associated with the purchase or consumption of alcoholic beverages.
 - b. Itemized receipts must be submitted to substantiate the actual cost of meals.
 - c. The reimbursement amount shall not exceed 1.5 times the M&I Rate.

- d. Any reimbursement greater than 1.0 times the M&I Rate is considered taxable by the Internal Revenue Service and will be added to the Director's taxable wages.
- (ii) The following guidelines apply to reimbursement at 1.5 times the M&I Rate.
 - a. Itemized receipts need not be submitted. The M&I rate prorates a percentage of the daily rate to each meal.
 - b. On the first and last days of travel, the Director is entitled to per diem reimbursement for only those meals eaten while traveling.
 - c. Any reimbursement greater than 1.0 times the M&I Rate is considered taxable by the Internal Revenue Service and will be added to the Director's taxable compensation.
- (4) Transportation shall be selected based on the lowest overall cost to the District after all costs are considered. All airline travel shall only be by airplane coach or economy class except when coach or economy seats are unavailable at the time of ticketing, or where a physical problem, essential business, or exceptional circumstance warrants travel in a higher class.
- (5) A Director who purchases airline tickets for the purpose of combining personal travel with District travel, or for travel with a family member, shall only be reimbursed for the cost of the Director's ticket which is required for the work-related purpose of the travel.
- (6) A Director shall not be reimbursed by the District for an expense reimbursed by another party.
- (b) Directors who incur expenses on behalf of the District, or who travel on or engage in District business which requires the expenditure of funds on their behalf, shall prepare an expense claim form to document, substantiate, and account for, all expenses.
 - (1) All reimbursement claims shall be submitted to the Clerk of the Board before reimbursement will be made.
 - (2) Receipts and itemized bills must be attached.

- (3) When claiming expenses for business purposes for one or more guests, the original receipt and an itemized bill stating the amount of the meal, a description of the purpose of the meal and the names of the people present and their affiliations shall be provided.
- (4) Requests for payment at 1.5 times the M&I rates do not require documentation.
- (c) Individual expenses incurred by and for a Director and reimbursed by the District exceeding \$100.00 shall be reported in an annual report as required by law.

2.12 BENEFITS

This paragraph outlines the benefits that are either provided or available to Directors. Although the District may provide other benefits to its Employees, benefits not listed in this paragraph are not provided to the Directors.

- (a) The premiums for the following benefits are fully paid by the District:

- (1) Workers Compensation
- (2) Medical coverage

Directors have the following options for medical coverage as follows:

- (i) District-Procured Coverage
 - a. The District will pay the full cost of medical insurance premiums for health plans available to the District through CalPERS, as follows:
 - Directors seated prior to December 1, 2012 (Director and dependents)
 - Directors seated on or after December 1, 2012 (Director only)
 - b. Board Members may change the Level of Enrollment and Style of Coverage as allowed by the enrollment rules published by CalPERS.

(ii) ~~Director-Procured Coverage~~

- a. ~~At the beginning of his or her term and annually during the open enrollment period, the Director may choose to waive the District-procured coverage and maintain their own medical coverage. If the Director is paying some or all of the premium for their medical coverage, the District shall reimburse the Director for the amount of the premium paid, not to exceed the maximum amount the District pays for medical insurance premiums available to Directors as outlined in Section 2.12(a)(2)(i)a above. This premium reimbursement is available for the Director only.~~
- b. ~~Proof of medical coverage containing the monthly premium amount and coverage period must be provided to the Manager of Human Resources and Risk Management annually for reimbursement or at the time of renewal. Reimbursement will be paid monthly through payroll for the enrollment period provided in the supporting documentation.~~
- c. ~~Any changes to the premium amount must be reported within 30 days to the Manager of Human Resources and Risk Management and must be accompanied by supporting documentation. Failure to provide documentation will result in a hold on premium reimbursements.~~
- d. ~~Directors who wish to change from Director-procured medical coverage to District-procured medical coverage may opt into the District-procured medical coverage only during the annual enrollment period established by CalPERS.~~

~~(iii)~~(ii) Waiver of Coverage

Directors may choose to waive the District-~~Procured Coverage and Director-~~Procured Coverage and choose to maintain their own medical coverage at their expense.

- (3) Dental coverage (Director and dependents) (consistent with the coverage described in Section 12.5.2 of this Code)

- (4) Vision coverage (Director and dependents) (consistent with the coverage described in Section 12.5.2 of this Code)
 - (5) Group Life Insurance (Director only) (consistent with the coverage described in Section 12.5.6 of this Code, except that the coverage amount shall be up to \$25,000)
- (b) Federal taxes associated with Medicare and Social Security are paid by the District and withheld from compensation for Board members who are not exempt from such taxes as required by law.
- (c) The following benefits are available to Directors; however, all costs associated with these benefits are the responsibility of the Director:
- (1) Deferred Compensation (consistent with the plan described in Section 12.5.3 of this Code)
 - (2) Flexible Spending Account (IRS 125 Program for unreimbursed medical and dependent care expenses; see Part 12 of this Code)
 - (3) Medical coverage for dependents of Directors seated on or after December 1, 2012

2.13 MEETINGS AND MINUTES

2.13.1 GENERAL

- (a) All proceedings of the Board and any Advisory Body (as defined below) shall be held in accordance with the applicable provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.) as amended from time to time (the "Brown Act"). Should any of the following provisions conflict with any of the provisions of the Brown Act, the Brown Act shall be deemed controlling.
- (b) All meetings of the Board and any Advisory Body shall be open to the public and all persons shall be permitted to attend except as otherwise provided in the Brown Act.
- (c) As used herein:
- (1) "Advisory Body" means a "legislative body" as defined in Section 54952(b) of the Brown Act including any decision-making or

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advisory body created by ordinance, resolution, or formal action of the Board. In accordance with Section 54952(b), an advisory committee composed solely of two or fewer members of the Board is an Advisory Body only if the committee has continuing subject matter jurisdiction or meets pursuant to a schedule fixed by ordinance, resolution, or formal action of the Board.

- (2) "Meeting" means any congregation of a majority of the members of the Board or Advisory Body at the same time and location (including teleconference location as permitted by Section 54953 of the Brown Act) to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the Board or Advisory Body.
 - (3) "Member" means a Director or a member of an Advisory Body or any person elected or appointed to serve as a Director or member who has not yet assumed the duties of office.
- (d) A majority of the Members of the Board or Advisory Body shall not, outside a meeting authorized by the Brown Act, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the Board or the Advisory Body.
- (e) Nothing contained herein shall be construed as preventing an Employee or official of the District from engaging in separate conversations or communications outside of a meeting with Members of the Board or the Advisory Body in order to answer questions or provide information regarding District business, as long as that Employee or official does not communicate to members of the Board or Advisory Body the comments or position of any other Member or Members of such body. Furthermore, the meeting requirements of the Brown Act shall not apply to any of the situations described in Section 54952.2(c) of the Brown Act including the following:
- (1) Individual contacts or conversations between a Member of the Board or Advisory Body and any other person that do not violate subsection (d) of this Section.
 - (2) The attendance of a majority of the Members of the Board or Advisory Body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the Board or Advisory Body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, any business of a specified nature

that is within the jurisdiction of the District.

- (3) The attendance of a majority of the Members of the Board or Advisory Body at any of the following events or gatherings, provided that a majority of the Members do not discuss among themselves, other than as part of the scheduled meeting or program, business of a specific nature that is within the jurisdiction of the Board or Advisory Body:
 - (i) An open and publicized meeting organized to address a topic of local community concern by a person or organization other than the District;
 - (ii) An open and noticed meeting of another body of the District, or an open and noticed meeting of a legislative body of another local agency; or
 - (iii) A purely social or ceremonial occasion.
- (4) The attendance of a majority of the Members of the Board or Advisory Body at an open and noticed meeting of a standing committee of the Board or Advisory Body, provided that the Members of the Board or Advisory Body who are not Members of the standing committee attend only as observers.
- (f) All regular meetings of the Board and all meetings of any Advisory Body shall be held within the boundaries of the District except as follows:
 - (1) To comply with State or Federal law or court order;
 - (2) To inspect real property or personal property that cannot be moved;
 - (3) To meet on a multi-agency matter at the facility of one of the participating agencies;
 - (4) To discuss legislative or regulatory matters with state or federal officials;
 - (5) To discuss matters relating to a District facility at the facility; and
 - (6) To consult with legal counsel at counsel's office if so doing will result in a reduction in cost to the District associated with the meeting.

2.13.2 REGULAR/SPECIAL/EMERGENCY MEETINGS

- (a) The Board shall hold regular meetings on the first and third Wednesday of each month at the hour of 4:00 p.m., unless otherwise noticed in accordance with applicable law, at the District's headquarters located at 2100 E. Olsen Road, Thousand Oaks, California. A regular meeting may be adjourned by the Board or by less than a quorum to another time. An adjourned regular meeting is a regular meeting for all purposes if held within five days of the regular meeting. If the adjourned meeting is held more than five days after the regular meeting, a new agenda shall be posted.
- (b) In accordance with Section 54956 of the Brown Act, special meetings may be called by the President (or, in the absence of the President, by the Vice President) or by a majority of the Board upon 24 hours' notice to each Director.
- (c) In accordance with Section 54956.5 of the Brown Act, in the event of an "emergency situation" the Board or Advisory Body may hold a special emergency meeting without complying with the 24-hour notice requirement or agenda posting required for special meetings, if prompt action is necessary due to disruption or threatened disruption of District facilities. An "emergency situation" includes both an "emergency" and a "dire emergency" as determined by a majority of the Board. An "emergency" is a work stoppage, crippling activity, or other activity that severely impairs public health or safety, and a "dire emergency" is a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that providing the one hour notice of meeting required for an emergency would endanger public health or safety. In accordance with Section 54956.5(b)(2) of the Brown Act, notice of the emergency meeting must be given to each local newspaper and radio and television station that has requested notice of special meetings at least one hour prior to the meeting in the case of an emergency meeting and at or near the time notice is given to the Board Members in the case of a dire emergency. The Board or Advisory Body may meet in closed session during any emergency meeting in accordance with the Brown Act if agreed to by at least two-thirds of the members of the Board or Advisory Body, or if less than two-thirds of the Members are present, by unanimous consent of the Members present. Except as provided herein, all emergency meetings shall be held in accordance with all other special meeting requirements.

- (d) Each Advisory Body may establish a time and place for regular meetings and may call special meetings and emergency meetings in the same manner as the Board.

2.13.3 RECORD OF PROCEEDINGS

- (a) The Clerk of the Board shall record minutes showing action taken by the Board at regular, special and emergency meetings. The approved minutes shall be available for public inspection.
- (b) Any person attending an open meeting of the Board may record the proceeding on audio or video media unless the Board finds the recording cannot continue without noise, illumination or obstruction of view constituting a persistent disruption of proceedings.

2.13.4 RULES OF CONDUCT

- (a) The affirmative vote of at least three Directors is necessary for the Board to take action. The Board shall take action by motion, resolution or ordinance. All votes will be by roll call vote.
- (b) Neither the Board nor any Advisory Body shall take action by secret ballot, whether preliminary or final.
- (c) Advisory Bodies shall adopt rules of order appropriate to their work.
- (d) If any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend such a session. The Board may establish a procedure for readmitting individuals not responsible for willfully disturbing the orderly conduct of the meeting.
- (e) In addition to the authority granted in section (d) above, the presiding member of the Board conducting a meeting, or their designee, may remove or cause the removal of, an individual for disrupting the meeting. Prior to removing the individual, the presiding member or their designee shall warn the individual that their behavior is disrupting the meeting and that failure to cease their behavior may result in removal. The presiding member or their designee may then remove the individual if they do not promptly cease their disruptive

behavior. For the purposes of this section, “disruptive” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the ordinary conduct of the meeting.

- (f) The Board shall not prohibit public criticism of the policies, procedures, programs or services of the District or of the acts or decisions of the Board. However, no privilege or protection is hereby conferred for expression beyond that otherwise provided by law.
- (g) Any expression of a Director’s opinion must not appear to be as a representative of the District. Directors that participate in social media and express personal views related to Calleguas and the business of the District must incorporate language clarifying that the views expressed are their personal views and not those of Calleguas.

2.13.5 AGENDA

- (a) In consultation with the Board President, the General Manager will develop the agenda for each Board meeting. In addition to those agenda items set by the General Manager, any Director or District Counsel may request an item be placed on a future Board meeting agenda during Board discussion of future agenda items.
- (b) At least 72 hours before a regular meeting or adjourned regular meeting, or at least 24 hours prior to a special meeting, the Clerk of the Board shall post an agenda specifying the time and location of the meeting. The agenda shall be posted in a location that is freely accessible to the public and shall contain a general description of each item of business to be transacted or discussed at the meeting, including the items to be discussed in closed session.
- (c) The agenda for all meetings shall include the opportunity for the public to address the Board prior to taking action on any matter. The agenda for regular and adjourned regular meetings shall include the opportunity for the public to address the Board on matters within the jurisdiction of the District that are not on the agenda and for those items that are on the agenda but which are not action items.
- (d) Except as otherwise provided herein, no substantive discussion shall occur nor action shall be taken on matters not shown on the posted agenda. However, Directors may briefly respond to statements made or questions posed during public comment, request clarification, provide a reference to staff or other resources for factual information, request staff to report back to the Board at a subsequent meeting, or direct staff

to place a matter of business on a future agenda. The Board may take action on items not appearing on the posted agenda under any of the following conditions, provided that prior to discussing such item the Board publicly identifies the item:

- (1) Upon a determination by a vote of the Board that an emergency situation exists, as defined in Section 54956.5 of the Brown Act.
 - (2) Upon a determination by a two-thirds vote of the Board present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the agenda being posted.
 - (3) The item was posted for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.
- (e) The agenda shall describe matters to be discussed in closed session in substantially the form specified for such matter in Section 54954.5 of the Brown Act.
- (f) Prior to adoption of any new or increased general tax or assessment the Board shall comply with the 45-day public notice and public meeting and hearing procedures specified in Section 54954.6 of the Brown Act.

2.13.6 CLOSED SESSIONS

- (a) The Board may conduct a closed session to discuss and consider those items authorized for closed session under the Brown Act. By way of example, but without limitation, the Board may conduct a closed session to:
- (1) Consider property acquisition or disposition by eminent domain or otherwise;
 - (2) Consider pending or potential claims or litigation;
 - (3) Consider threats to public services or facilities;
 - (4) Consider the appointment, promotion or job performance of Employees;

- (5) Consider charges levied against an Employee;
 - (6) Establish the District's position regarding Employee negotiations; or
 - (7) Conduct any District business when public session is not possible due to riot or other interruption.
- (b) Action taken in closed session and the vote, abstention, or absence of each member shall be reported in accordance with the Brown Act (California Government Code §54957.1).

2.13.7 MINUTES

- (a) The Clerk of the Board shall prepare or delegate the preparation of written minutes of each meeting reflecting all official actions taken by the Board, the disposition of all items on the agenda, specific statements of Directors requested by them to be included when related to reasons for voting in a specific manner, and matters requested by a Director to be included as an agenda item for the meeting. The number and title of all ordinances and resolutions shall appear in the minutes.
- (b) Written minutes must be approved by a vote of the Board and signed by the Secretary of the Board. Original copies of all minutes will be maintained in the District's minute books maintained by the Clerk of the Board.

PART 3 - BOARD OFFICERS

3.1 ELECTION

The Board Officers shall be elected as provided in Part 2 of this Code.

3.2 DUTIES

3.2.1 PRESIDENT OF THE BOARD

The President may make and second motions and shall have a voice and vote in all proceedings. The President shall:

- (a) Preside over all meetings of the Board including:
 - (1) Opening the meeting at the appointed time, calling the meeting to order, and determining that a quorum is present;
 - (2) Announcing each item of business on the agenda and the recommended motion;
 - (3) Calling for motions;
 - (4) Calling for public participation during meetings, when appropriate;
 - (5) Determining questions of order and enforcing rules of the Board;
 - (6) Ensuring that all members of the Board have an equal opportunity during discussion of issues. The President may be involved in discussion on any matter, but his or her right to expression shall be not greater than that of any other Director;
 - (7) Stating the motion and announcing passage or failure;
 - (8) Opening, conducting, and closing public hearings;
 - (9) Adjourning meetings of the Board;
 - (10) Reviewing each report ~~which they receive~~received through the confidential employee hotline related to the General Manager and taking ~~the any~~ necessary action(s) to ~~addressbring~~ bring the ~~concerns raised~~matter to a satisfactory resolution.

- (b) Lead the discussion for selection by consensus of members to serve on committees of the District and representative positions at other organizations in accordance with section 2.6(b), including the assignment of chairperson and alternate responsibilities for District committees, and representative and alternate positions at other organizations.
- (c) Develop the Board agenda in consultation with the General Manager.
- (d) Set the time and place for any special meeting of the Board.
- (e) Represent the District in public ceremonies.
- (f) Serve as public spokesperson of the District and express the approved policy of the District when called upon to do so.

3.2.2 VICE PRESIDENT

The Vice President of the Board shall:

- (a) Perform all the duties of the President during the absence of the President.
- (b) Act in the place of the President, if for any reason the position of President is vacant, until a new President is selected.

3.2.3 SECRETARY OF THE BOARD

The Secretary of the Board shall:

- (a) Perform all the duties of the President during the absence of the President and Vice President.
- (b) Attest to the signature of the President of the Board on all ordinances, resolutions, and minutes.
- (c) Certify the Board meeting minutes.
- (d) Perform all the duties of the Treasurer during the absence of the Treasurer.

3.2.4 TREASURER

The Treasurer shall:

- (a) Generally, review checks presented for the payment of District obligations, and available supporting documents, for accuracy.
- (b) Review monthly investment and disbursement reports, budget documents, and financial reports made to the Board.
- (c) Have authority to co-sign disbursement vouchers and wire transfers.
- (d) Perform all the duties of the Secretary during the absence of the Secretary.

PART 4 - GENERAL MANAGER

4.1 GENERAL POWERS

The General Manager is the chief executive officer of the District. Subject to applicable law, the General Manager's general powers and authority are as set forth by the Board in the form of ordinances, resolutions, motions and this Code. The General Manager shall be responsible to the Board for, and have jurisdiction over, the proper administration of all affairs of the District, as established by the Board, including those matters specified herein and in California Water Code Sections 71362 and 71363.

4.2 SIGNATURE AUTHORITY

In addition to the documents signed by the General Manager in the ordinary course of administering the affairs of the District, the General Manager is specifically authorized by Ordinance No. 18, as may be amended by the Board from time to time, to enter into and sign certain documents and instruments for and on behalf of the District, either alone or together with certain officers as specified in Ordinance No. 18.

4.3 COMPENSATION

The General Manager shall be paid a salary commensurate with his or her responsibilities, which salary shall be established by contract and any adjustments subject to approval by the Board. Under the terms of the contract with the District, the General Manager serves at the discretion of the Board.

4.4 EMERGENCY POWERS

- (a) The General Manager has the authority to declare an emergency, which allows the General Manager to take the actions described herein if the General Manager determines that the District's ability to provide services is jeopardized by unanticipated events. If an emergency has been declared, and is continuing as provided herein, the General Manager is empowered to take those actions authorized under California Public Contract Code Section 22050, including the authority to repair or replace public facilities, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. The General Manager shall maintain good and accurate records of all purchases made under the authority of this Section.

- (b) If an emergency is declared as provided in subsection (a), the Board shall review the need for continuation of the emergency, and the actions taken by the General Manager, in accordance with applicable law including California Government Code Section 8630. At each Board meeting at which the emergency is considered, the General Manager shall report to the Board justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency. The Board shall declare the termination of the emergency at the earliest possible date that conditions warrant.

4.5 GENERAL DUTIES

- (a) The General Manager shall have the full power and authority to employ and discharge all Employees (other than those officers appointed by the Board in accordance with California Water Code Section 71340) at his or her pleasure and prescribe their duties and fix their compensation, subject to salary ranges and numbers and types of positions approved by the Board. Salaries will be identified on the salary schedule adopted and amended by the Board.
- (b) Additionally, the General Manager is authorized to employ additional assistance as may be required from time to time as determined by the General Manager:
- (1) To provide substitutes for Employees on leave;
 - (2) To fill a position in advance of termination or retirement of an Employee currently occupying that position;
 - (3) To temporarily (for a period of less than 12 months) add or reclassify positions to facilitate anticipated or ongoing transitions;
 - (4) To perform emergency work; or
 - (5) To establish temporary internships, including the assignments, scope, duties, duration, and compensation of same.
- (c) ~~The General Manager shall maintain the operation of a~~ will review each report received through the confidential employee hotline. ~~Reports submitted through the hotline are to be provided to the President and General Manager unless the complaint is about the General Manager, in which case reports are to be provided to the President and District Counsel. The General Manager shall review each report on its merits and take the~~any necessary action(s) to bring the matter to a satisfactory resolution.

- (d) The General Manager will provide the Board with the following summary information:
- (1) In January and July of each year:
 - (i) A list of each Employee hired, promoted, or terminated during the preceding six-month period. As appropriate, the list will include: the date of hiring, promotion, or termination, and the present and former job title and present and former salary.
 - (ii) A summary of all changes made to the Employee Handbook, as defined in Code Section 12.1, during the preceding six-month period.
 - (2) In January of each year, unless provided the previous December:
 - (i) A current salary schedule, schedule of rates for on-call, special duty incentive pay, tuition reimbursement maximum contribution, and lease rates for District-owned housing at Lake Bard.
 - (ii) A current organization chart.
 - (iii) A listing of the current Internal Revenue Service mileage rate and the Government Meals and Incidental rate for the cities to which the Directors and District staff are expected to travel in the next 12 months.
 - (3) In January, April, July, and October of each year:
 - (i) A summary of all reports submitted through the confidential employee hotline.
- (e) The General Manager is authorized to approve changes to the annual budget for accounts included as part of the "Operating Administration Expenses" and "Capital Related Expenses" provided the total budgeted expenses do not change. Any adjustment increasing the District's total budgeted expenses must be brought to the Board for review and approval.
- (f) The General Manager is authorized to conduct an appropriate salary survey a minimum of every three years.
- (g) The General Manager is authorized to act on the District's behalf with respect to responding to claims filed under the Government Claims Act (Government Code section 810 et seq.).

~~(h) The General Manager is delegated the authority, in their discretion, about whether to press charges against trespassers on District property.~~

4.6 DELEGATION OF AUTHORITY BY GENERAL MANAGER

The powers and duties of the General Manager may be delegated as follows:

- (a) Under the direction of the General Manager, District staff shall perform duties assigned by the General Manager with like effect as though such duties were performed or rendered by the General Manager. The Deputy General Manager shall act with the General Manager's authority in his or her stead in the event the General Manager is absent or unable to act in person.
 - (1) The Board shall establish in advance the person who is to assume the position of "Acting General Manager" in the absence of both the General Manager and the Deputy General Manager." In the absence of both the General Manager and Deputy General Manager, the "Acting General Manager" shall have the authority and powers of the General Manager, and such authority and powers will continue until the General Manager and/or Deputy General Manager are again available and able to serve or until the Board appoints a successor.
 - (2) The General Manager shall inform the Board in advance of planned absences longer than one day in duration.
- (b) Each duly authorized delegate under this Section shall act in the name of the General Manager, except when empowered by law or in writing by the Board to act in his or her own name, and his or her acts shall be equally effective whether done in his or her own name or, if so empowered by the Board, in the name of the General Manager.

4.7 TRAVEL AND EXPENSE REIMBURSEMENT

- (a) All travel by the General Manager must be approved in advance by the Board President and is subject to the rules applicable to Board members as set for in Section 2.11.3 of this Code except that meals are reimbursable at the M&I Rate, not at 1.5 times the M&I Rate.
- (b) All expenses incurred by the General Manager must be approved in writing by the Board Treasurer or Board President before they are reimbursed.

PART 5 - DISTRICT COUNSEL

5.1 POSITION AUTHORIZED

By contract approved by the Board, the District shall engage an attorney to serve as General Counsel to the District ("District Counsel"). By approval of the Board, the District may also retain such other legal counsel as the Board deems necessary to advise the District. The contracts for all legal counsel retained by the District shall be based upon an agreed fee schedule.

5.2 GENERAL DUTIES

District Counsel shall be responsible for:

- (a) Representing the District, the Board, and any officer of the District, in all legal actions brought by or against the District, the Board, or any officer of District, in his or her official capacity.
- (b) Submitting advice or opinions to the Board when requested to do so by the Board.
- (c) Submitting advice or opinions on District-related matters to the General Manager when requested to do so by him/her.
- (d) Reviewing and making appropriate comment on matters or recommendations presented in written or oral form.
- (e) Reviewing notices, resolutions, ordinances, minutes, agreements, contracts, and supporting materials in advance of meetings.
- (f) Attending each meeting of the Board, unless excused in advance or during a meeting by the President of the Board.
- (g) Attending meetings involving the District as requested by the General Manager or, in the case of a meeting of an Advisory Body of the District, upon request of the General Manager or the Advisory Body's Chairperson.
- (h) Reviewing each report ~~that they receive~~received through the confidential employee hotline related to the General Manager and taking ~~the~~any necessary action(s) to ~~address~~bring the ~~concerns raised~~matter to a satisfactory resolution.
- (i) Testing the functionality of the confidential employee hotline at least once each calendar year to confirm that claims about the General Manager are being delivered directly to the Board President and District Counsel. The test is to be

performed at different dates in different years and without advance coordination with the General Manager.

- (j) Submitting a quarterly summary report of legal activities.

5.3 TRAVEL AND EXPENSE REIMBURSEMENT

- (a) All travel by District Counsel must be approved in advance by the Board President and is subject to the rules applicable to Board members as set for in Section 2.11.3 of this Code.
- (b) All expenses incurred by District Counsel must be approved in writing by the Board Treasurer or Board President prior to reimbursement for those expenses.

PART 6 - CLERK OF THE BOARD

6.1 GENERAL DUTIES

The duties of the Clerk of the Board include, without limitation:

- (a) Attending to all administrative support needs of the Directors, including coordinating schedules, transportation, meals, and lodging, as needed, in support of meetings involving District business (MWD, Member Agencies, ACWA, AWA, etc.).
- (b) Attending to the administrative requirements of the Brown Act with respect to scheduling and preparing for all regular, special, and emergency Board meetings and Advisory Body meetings, including without limitation:
 - (1) Preparing the agenda and supporting documents for each meeting and arranging for distribution of agenda packets.
 - (2) Publishing and posting notices required by the Brown Act.
 - (3) During meetings, recording the actions of the Board.
- (c) Making certified copies of official correspondence.
- (d) Maintaining the records and documents of the Board (minute books, resolutions, ordinances, policies).
- (e) Receiving documents addressed to the Board including acceptance of service of process for the District.
- (f) Administering the District's Conflict of Interest Code as follows:
 - (1) Notifying Directors, staff, and consultants of filing deadlines related to annual Form 700s and Statements of Assuming or Leaving Office and providing them with the necessary forms.
 - (2) Maintaining required documents at the District and filing required documents with the County of Ventura.
- (g) Administering the Oath of Office to members of the Board as a Notary Public or Deputy County Clerk.
- (h) Coordinating with the County of Ventura concerning Division elections.

- (i) Coordinating with the President of the Board, the designated Metropolitan Water District Director representative, and guests for all inspection or information tours.
- (j) Maintaining custody of the District seal.

PART 7 - RECORDS REQUESTS AND MAINTENANCE

7.1 GENERALLY

All public records requests, oral or in writing, received by the District shall be promptly forwarded to the Clerk of the Board for consideration and processing. All such requests shall be handled in accordance with the applicable requirements of the California Public Records Act ("PRA"). The General Manager, in consultation with legal counsel, will make all final decisions on any questions regarding compliance with these acts. The District may charge for the cost of mailing and copying costs not to exceed the maximum allowable statutory fee under the PRA, as may be amended from time to time.

7.2 AGENDA PACKETS

Subject to Section 7.1, above, the following specific procedures will apply to requests for copies of the District's Board meeting agenda packets (the "Packet"):

- (a) A standing request for a copy of the Packet made in accordance with Government Code Section 54954.1 shall be valid for the calendar year in which it was made. All requests will expire on December 31 of the year in which they were submitted. If an individual or group wishes to continue to receive information after a request has expired, a new request must be submitted. The request must specify the address to which the response is to be transmitted.
- (b) All other requests for a copy of a Packet shall be processed in accordance with Section 7.1, above.

7.3 RECORDS RETENTION

- (a) The District has adopted a records retention program establishing orderly procedures for retaining District records in active files and in inactive files and for disposing of records when they are no longer needed for administrative, fiscal, historical, or legal purposes.
- (b) The procedures will promote the efficient and cost-effective conduct of the District's business by reducing the number of records in the active file areas, eliminating unnecessary retention of duplicate or obsolete documents, and providing for timely transfer of inactive records. The result will enable the District to function efficiently with a minimum of file equipment, will facilitate the retrieval of records, and will establish a tradition of good records management for the District. In addition, the records management program will ensure that records with long-term value are retained and protected.

- (c) The records of all District departments are covered by the records retention program. That is, the records retention program covers all papers, maps, and other documentary records made or received by the District in connection with its business, and preserved by the District as evidence of its functions, policies, decisions, operations, or other activities, or because of the value of the information they contain.

7.4 DISTRICT-RELATED ELECTRONIC DATA IN PERSONAL DEVICES OR ACCOUNTS

If a public records request is made for information related to District business that could be stored in a Board Member or Employee's personal electronic device (such as a phone, tablet, or computer) or personal email or texting account, the following procedure will be followed:

- (a) The General Manager shall send a written or email request to each affected Director or Employee directing them to (1) search their personal devices and accounts for a specific type or category of record, (2) provide copies of all such records to the Clerk of the Board within seven calendar days of the request, and (3) sign an affidavit that they have searched all of their personal electronic devices and accounts and has produced all documents responsive to the request.
- (b) Within the requested seven calendar days, the Director or Employee shall either (1) provide the requested records, if any, to the Clerk of the Board in electronic or paper format and the signed affidavit or (2) provide an explanation why more time is needed to complete the request. Up to 10 additional calendar days may be requested if the search and production of the requested documents would take substantial time to find and produce.
- (c) If additional time is requested, the Director or Employee shall provide the requested records, if any, to the Clerk of the Board in electronic or paper format and the signed affidavit before the end of the extended time period.

PART 8 - ANNEXATIONS

8.1 MEMBERSHIP IN METROPOLITAN WATER DISTRICT

Any annexation to the District shall also be a concurrent annexation to Metropolitan Water District of Southern California.

8.2 GOVERNING LAW

Any annexation to the District shall be accomplished in accordance with this Code, Division III of the Metropolitan Administrative Code, and applicable law including the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 et seq.).

8.3 CRITERIA

- (a) An area proposed for annexation shall not, after annexation, leave an un-annexed area entirely surrounded by an area annexed to the District (a “window”) unless the Board finds that the District's interests will not be adversely affected by the existence of such a window.
- (b) An area proposed for annexation shall neither create an island by including land that does not share a common border with the existing District service area nor include a narrow, meandering path of land for the express purpose of linking properties proposed for annexation unless the Board finds that the District's interests will not be adversely affected by the existence of such an island or annexed land.
- (c) Proposed annexations shall include the entirety of all legal parcels which are the subject of the proposed annexation unless the Board determines that the District's interests will not be adversely affected by a proposed partial annexation.
- (d) Annexations will be considered only when the subject property is located where it is physically and economically practical for a District Member Agency to provide water service, as determined by the District.
- (e) Any area proposed for annexation to a Member Agency or joining the service area of a Member Agency delivering water supplied by the District, and not already within the District shall be annexed to the District concurrently.

8.4 MANDATORY CONDITIONS

All terms and conditions of annexation shall contain the following provisions:

- (a) The sale and delivery of all water by the District, regardless of the nature and time of use of such water, shall be subject to regulations promulgated by the District.
- (b) Except upon terms and conditions specifically approved by the Board, water sold and delivered by the District shall not be used in any manner which intentionally or avoidably results in the direct or indirect benefit of areas outside the District including use of such water outside the District or use thereof within the District in substitution for other water used outside the District.
- (c) The District shall not be obligated to provide or pay for any additional works or facilities necessitated by the annexation.

8.5 PROCEDURE

8.5.1 BOARD APPROVAL

The Board will consider and may approve annexations in a three-step process as summarized below:

- (a) The Board adopts a resolution initiating the annexation;
- (b) If Metropolitan approves “Informal Terms and Conditions” of the proposed annexation, the District Board adopts a resolution requesting that Metropolitan approve “Formal Terms and Conditions” and requesting approval by the Ventura County Local Agency Formation Commission (“LAFCO”);
- (c) After the District receives the Metropolitan and LAFCO resolutions granting the approvals described in subparagraph (b), above, the Board adopts a final resolution accepting Metropolitan’s Formal Terms and approving the annexation.

8.5.2 REQUEST FOR ANNEXATION

A request for annexation shall be made in writing by the owner of the land to be annexed, or the owner’s authorized agent (the “Applicant”).

8.5.3 INITIATION OF ANNEXATION

For initiation of annexation, the request shall include:

- (a) A legal description and a detailed map of the area proposed to be annexed, showing existing District and Metropolitan annexation boundaries, and clearly indicating the metes and bounds of the area and the gross and net acreage for the area with sufficient documentation to support the gross and net acreage specified;
- (b) The Assessor's Parcel Numbers of all parcels included in the area proposed to be annexed;
- (c) The present vesting and legal descriptions of each parcel in the area proposed to be annexed;
- (d) A description of:
 - (1) Present use of each of the parcels included within the area proposed to be annexed;
 - (2) Existing or proposed development plans for such parcels;
- (e) A plan for implementing the water use efficiency guidelines set forth in Section 3107 of the Metropolitan Administrative Code;
- (f) A signed Landowners' Request to Annex and Approval of Parcel Charges for every parcel in the area proposed to be annexed;
- (g) A deposit against administrative annexation expenses in accordance with this Code; and
- (h) Any other information and documentation requested by the District.

8.5.4 APPROVAL BY METROPOLITAN AND LAFCO

Prior to the Board's consideration of a resolution requesting approval by Metropolitan and LAFCO, the Applicant shall submit to the District:

- (a) Any changes to the annexation documentation submitted previously;
- (b) Documents demonstrating project compliance with the California Environmental Quality Act ("CEQA") including reference to the District and Metropolitan as suppliers of potable water, and which address the necessity of annexation to the District; and

- (c) An agreement signed by the Applicant indemnifying the District against liability related to the District's actions in the annexation.

8.5.5 FINAL APPROVAL

Prior to the Board's consideration of a resolution of final approval of an annexation, the District must have received all of the following:

- (a) A certified resolution of the Metropolitan Board of Directors fixing Formal Terms and Conditions for the annexation;
- (b) A certified resolution from LAFCO approving the annexation;
- (c) Payment by the Applicant of all annexation fees required by Metropolitan and the District in accordance with this Code; and
- (d) All other documents and information required by the District as provided herein.

8.5.6 NOTICE OF COMPLETION TO LAFCO

Within five business days of the final approval of an annexation by the Board, the District shall send a Request for Notice of Completion to LAFCO.

8.6 FINANCIAL POLICIES

8.6.1 DIRECT ADMINISTRATIVE COSTS

- (a) The Applicant shall pay all direct administrative costs incurred as a result of annexation investigation, evaluation and proceedings.
- (b) Before annexation is initiated or District funds expended on a given annexation, the Applicant shall deliver a deposit sufficient to pay for all routine costs of annexation as calculated and requested in writing by the District after preliminary review of the annexation proposal.
- (c) In the event annexation is commenced but not completed and funds are advanced by the Applicant, all unexpended funds shall be refunded to the Applicant upon request or after five years from the date Calleguas received the deposit, whichever comes first.

8.6.2 CALLEGUAS ANNEXATION FEE

In addition to the expenses listed in this Section 8, Applicants for areas annexing to the District shall pay to the District a per acre annexation fee based on the net present value of property taxes due to the District.

8.6.3 METROPOLITAN ANNEXATION FEE

The District shall collect from the Applicant the Metropolitan Annexation Processing Fee and the Metropolitan Annexation Fee in accordance with Metropolitan's Administrative Code (Sections 3100 (b) 7 and 3300), as may be amended from time to time.

- (a) The Metropolitan Annexation Processing Fee shall be transferred to Metropolitan with the Request for Approval of Informal Terms and Conditions.
- (b) The Metropolitan Annexation Fee shall be transferred to Metropolitan before recordation of the annexation.

8.6.4 PAYMENT REQUIREMENTS

The Applicant shall pay all administrative annexation expenses, Metropolitan Annexation Fees, and District Annexation fees in full prior to completion of the annexation.

8.6.5 DISCRETIONARY WAIVER OF CHARGE AND FEE

The processing fee and the annexation charge may be waived in cases where the Board requests a small annexation to prevent or close a "window" in an existing member public agency or as otherwise specified in this Code.

8.6.6 ANNUAL REVIEW OF CALLEGUAS ANNEXATION FEE

The Per-Acre Fee and the Back Tax Computation shall be recalculated by the District annually and the adjusted fee shall become effective as of the first day of each calendar year or on another date selected by the Board.

PART 9 - CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

9.1 ADOPTION OF CEQA GUIDELINES

Section 15022(d) of the State CEQA Guidelines (the "Guidelines") allows agencies to adopt the Guidelines by reference in order to comply with certain CEQA provisions relating to public agency implementing procedures. The Board has determined that adoption of the Guidelines as the District's implementing procedures will result in increased administrative efficiency by avoiding the need to continually review and update District-developed implementing procedures. Accordingly, the Guidelines, as amended from time to time, are adopted as the District's CEQA Implementing Procedures.

9.2 DELEGATION OF RESPONSIBILITY FOR CEQA COMPLIANCE

9.2.1 RESPONSIBILITY OF BOARD OF DIRECTORS

The Board shall have responsibility for administering CEQA as follows:

- (a) Reviewing and considering or, as applicable, certifying a final Environmental Impact Report (EIR) or approving or, as applicable, adopting a Negative Declaration prior to approving a project.
- (b) Making all findings required by Sections 15091 and 15093 of the Guidelines.
- (c) Taking such other actions as CEQA requires of the Board.

9.2.2 RESPONSIBILITY OF THE GENERAL MANAGER

The General Manager or, under the General Manager's direction, District staff, shall have responsibility for administering CEQA as follows:

- (a) Determining whether a project is exempt from compliance with CEQA, including without limitation determining whether a particular project satisfies one of the exemptions specified in Section 9.2.3, below.
- (b) Conducting an Initial Study and deciding whether to prepare an EIR or Negative Declaration.
- (c) Preparing an EIR or Negative Declaration.
- (d) Determining that a Negative Declaration has been completed within the statutory time period.

- (e) Preparing responses to comments on environmental documents.
- (f) Preparing comments and responding to requests for comments related to environmental documents of other agencies.
- (g) Filing applicable notices required by CEQA.
- (h) Taking such other actions as CEQA allows or requires the staff of an agency to take.

9.2.3 EXEMPTIONS

The District has determined that the following specific District activities are within the exemptions established by the CEQA Guidelines and by statute:

- (a) Annexations to the District of areas containing existing public or private structures developed to the density allowed by the current zoning of the gaining or losing governmental agency, whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities. (Guidelines Section 15319)
- (b) Annexation of individual small parcels of the minimum size for facilities exempted by Section 15303 of the Guidelines. (Guidelines Section 15319)
- (c) Emergency repairs to District facilities, pipelines, and appurtenances necessary to maintain service. (Guidelines Section 15269)
- (d) Sales of District surplus property (Guidelines Section 15312) except that if real property is located in an area of statewide, regional or area wide concern (Guidelines Section 15206(b)(4)) the sale would be exempt only if:
 - (1) The property does not have significant values for wildlife habitat or other environmental purposes, and
 - (2) Any of the following conditions exist:
 - (i) The property is of such size, shape, or inaccessibility that it is incapable of independent development or use; or

- (ii) The property to be sold would qualify for an exemption under any other class of categorical exemption in the Guidelines; or
 - (iii) The use of the property and adjacent property has not changed since the time of purchase by the public agency.
- (e) Basic data collection, research, experimental management, and resource evaluation activities of the District which do not result in a serious or major disturbance to an environmental resource either for information gathering purposes, or as part of a study leading to an action which the District has not yet approved, adopted, or funded.
- (f) Inspections by the District or its consultants to check for performance of a District operation, or quality, health, or safety of a District project. (Guidelines 15309)
- (g) Operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing District structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. (Guidelines 15301)
- (h) Replacement, relocation or reconstruction of existing District structures, pipelines, or facilities on the same site with structures, pipelines, or appurtenant facilities serving substantially the same purpose and with substantially the same capacity as the existing structure, pipeline, or facility. (Guidelines 15302)
- (i) The normal operations of District headquarters for public gatherings including, but not limited to, Board meetings, public meetings on water related issues, watershed group or stakeholder meetings, and the like. (Guidelines 15323)
- (j) Minor alterations in the conditions of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees including, but not limited to, minor grading, gardening, landscaping, trenching and backfilling, maintenance dredging, and fuel management activities of the type set forth in Guidelines Section 15304.
- (k) Construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior

of the structure, such as installation of new piping, instrumentation, pumps, valves, air compressors, rectifiers, or power supplies.

- (l) Changes in the organization of the District as long as the changes do not change the geographical area in which previously existing powers are exercised. Examples include the establishment of a subsidiary district or the consolidation of the District with another district having identical powers.
- (m) [Reserved - Capital Construction Charge]
- (n) Actions necessary to prevent or mitigate an emergency involving the District's facilities or threatening the District's facilities (not including long-term projects with a low probability of short-term occurrence).
- (o) Projects of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline. For purpose of this section, "pipeline" includes subsurface facilities but does not include any surface facility related to the operation of the underground facility. (Public Resources Code 21080.21)
- (p) Rejected or disapproved projects.

This listing of exemptions is not intended to be exclusive and the availability of each exemption must be determined based on the particular facts. Without limiting the foregoing, the categorical exemptions listed above shall not apply where: (1) a reasonable possibility exists that the activity may have a significant environmental impact because of unusual circumstances; (2) project cumulative impacts would be considerable and therefore significant; (3) the project occurs in certain sensitive environments (as specified in the Guidelines); (4) a project affects scenic resources within official state scenic highways; (5) a project is located on a toxic site listed by the California Environmental Protection Agency; or (6) a project causes substantial adverse changes in significant historic resources.

PART 10 - PROCUREMENT POLICY

The District will procure goods and services in support of its administrative, operational, and capital improvement requirements. It is the intent of the District to engage in procurements that ensure it will receive goods and services of the appropriate quantity, of a satisfactory level of quality, delivered in a timely manner, and at a price that represents the best value to the District and its ratepayers.

All purchases of materials, supplies, equipment, and services required by the District shall be made in accordance with the following policy and applicable law.

10.1 DEFINITION OF TERMS

The following definitions shall apply to this part:

- (a) **“Agreement”** means a contractual document entered into between the District and a Consultant or Contractor for engagements involving the provision of Services, typically delivered over an extended period of time.
- (b) **“Bid”** means a sealed (electronically or physically) price offer to perform work in accordance with specifications, conditions, and other requirements included in a Notice Inviting Bids (NIB).
- (c) **“Bidder”** means a Contractor or Supplier that submits a Bid in response to a NIB or an Invitation for Quote.
- (d) **“Consultant”** means an individual, firm, or entity that provides Professional Services.
- (e) **“Construction Services Agreement”** means a written agreement for the provision of Public Works Construction by a Contractor.
- (f) **“Contract”** means a written document establishing terms and conditions between parties for the provision of Goods or Services (Professional or General) and includes Construction Service Agreements, General Service Agreements, Professional Service Agreements, and Purchase Orders.
- (g) **“Contractor”** means an individual, firm, or entity that provides Public Works Construction services or General Services.
- (h) **“Cooperative Purchasing”** means any procurement conducted on behalf of two or more public agencies in order to obtain the benefit of volume purchasing and/or reduction in administrative expenses.

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- (i) **“Formal Competitive Solicitation”** means a written request for a Bid, Proposal, or Quotation in accordance with written terms and conditions included in the request.
- (j) **“General Services”** means services provided by a Contractor that are not Public Works Construction and include, but are not limited to, trade, janitorial, maintenance, and operating activities.
- (k) **“General Services Agreement (GSA)”** means a written agreement for the provision of General Services by Contractors and includes but is not limited to Maintenance Service Agreements and Security Agreements.
- (l) **“Goods”** means all types of tangible personal property including materials, supplies, and equipment.
- (m) **“Informal Competitive Solicitation”** means a written request for a Bid, Proposal, or Quotation in accordance with written terms and conditions included in the request.
- (n) **“Managers”** means a person who oversees the functioning of a District department and the Executive Strategist. Manager does not include Project Managers in the Engineering Department.
- (o) **“Material Change”** means a change to essential terms in a Contract including, but not limited to, monetary consideration, scope of services, insurance and indemnity obligations, and assignment.
- (p) **“Notice to Proceed”** means a document authorizing discrete Services or Construction under a PSA or GSA.
- (q) **“Professional Services”** means services provided by any specifically trained or experienced person, firm, or corporation specializing in financial, economic, accounting, engineering, environmental, information technology, legal, architectural, public relations, right-of-way, or other specialized disciplines. Services may include the provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, opinion, inspection, investigation, audit, brokering, presentation, or representation of the District before or in dealings with another party.
- (r) **“Professional Services Agreement (PSA)”** means a written agreement for the provision of Professional Services by a Consultant.
- (s) **“Proposal”** means a formal plan submitted by a Consultant that addresses the District's specifications, conditions, and other requirements. A Proposal may be provided in response to a Request for Proposal (RFP) or informal request by the District.

- (t) **“Proposer”** means a Consultant that submits a Proposal.
- (u) **“Public Works Construction”** means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.
- (v) **“Purchase Order (PO)”** means a document issued by the District to a Consultant, Contractor, or Supplier for Goods and Services and indicates the description of work, and/or types, quantities, delivery requirements, and agreed prices for Services or Goods to be provided to the District.
- (w) **“Quotation (Quote)”** means a document setting out the cost for Goods or Services.
- (x) **“Request for Proposal (RFP)”** means a written request for the submission of a Proposal in accordance with specifications, conditions, and other requirements included in the request.
- (y) **“Request for Qualifications (RFQ)”** means a request for Consultants or Contractors to submit their qualifications to qualify them for a specific project or professional service.
- (z) **“Service(s)”** means the labor, intellectual property, or other work product provided by a Contractor or Consultant that is not tangible personal property.
- (aa) **“Supplier”** means a provider of Goods.

10.2 PROCUREMENT FOR PUBLIC WORKS CONSTRUCTION PROJECTS

10.2.1 BIDDING AND DOCUMENTATION FOR PUBLIC WORKS CONSTRUCTION SERVICES

The procurement of services for Public Works Construction projects shall be governed by the provisions of the California Public Contract Code. The District may procure services for Public Works Construction projects as authorized below:

- (a) Any procurement up to and including \$4,999:
 - (1) No bid solicitation process is required.
 - (2) No Purchase Order is required.
 - (3) A Construction Services Agreement is required for the procurement of Services.
- (b) Any procurement over \$4,999 and up to and including \$34,999:
 - (1) Requires an Informal Competitive Solicitation process with at least two competitive price Quotations. If two Quotes cannot be obtained, documentation shall be provided demonstrating that two or more Quotes have been solicited and supporting the finding that two Quotes cannot be obtained; and
 - (2) Requires a Purchase Order or Contract executed by an Employee with proper authorization as set forth herein in the section entitled "Approval and Signatory Authority."
- (c) Any procurement over \$34,999 is subject to the competitive bidding requirements under California Public Contract Code §20642 et seq., as applicable, and the following:
 - (1) The following Formal Competitive Solicitation process:
 - (i) A call for public Bids shall be made by the Board of Directors.
 - (ii) At least one Bid solicitation notice (and more than one if so directed by the Board) shall be advertised in a local newspaper of general circulation or through a designated e-procurement platform utilized by the District.
 - (iii) Sealed bids will be publicly opened at a pre-determined date, time, and location.
 - (iv) Purchase Order or Contract will be awarded to the lowest responsive and responsible Bidder, except that the District always reserves the right to reject all bids.
 - (v) Consideration shall be given not only to the bid price, but also to the general competency of the Contractor for the performance of the work. A Contractor must submit

information demonstrating that it is competent to manage the proposed project and carry it forward to a successful conclusion, has professional integrity and honesty of purpose, and has sufficient financial resources to complete the project.

- (vi) Contracts shall not be awarded to any Contractor listed by the California Labor Commissioner as ineligible to bid, work on, or be awarded a public works project.
- (2) Requires a Purchase Order or Contract executed by an Employee with proper authorization as set forth in the section entitled "Approval and Signatory Authority."
- (d) Material Changes to a Contract require authorization under a Change Order. Approval and execution are subject to the thresholds established in the section entitled "Approval and Signatory Authority".
- (e) Expenditures shall not be broken down or divided into sub-groups for purposes of avoiding the above guidelines.

10.2.2 BIDDING AND DOCUMENTATION FOR PROCUREMENT OR LEASING OF GOODS

The District may procure or lease Goods as authorized below:

- (a) Any procurement up to and including \$4,999:
 - (1) No Bid solicitation process is required; and
 - (2) No Purchase Order is required.
- (b) Any procurement over \$4,999 and up to and including \$49,999:
 - (1) Requires an Informal Competitive Solicitation process with at least two competitive price Quotations. If two Quotes cannot be obtained, documentation shall be provided demonstrating that two or more Quotes have been solicited and supporting the finding that two Quotes cannot be obtained; and
 - (2) Requires a Purchase Order executed by an Employee with proper authorization as set forth herein in the section entitled "Approval and Signatory Authority."

- (c) Any procurement over \$49,999 shall follow the procedures below:
 - (1) The following Formal Competitive Solicitation process:
 - (i) At least one Bid solicitation notice shall be advertised in a local newspaper of general circulation or through a designated e-procurement platform utilized by the District.
 - (ii) Sealed Bids will be publicly opened at a pre-determined date, time, and location.
 - (iii) Purchase Orders will be awarded to the lowest responsive bidder, except that the District always reserves the right to reject all bids.
 - (2) Requires a Purchase Order executed by an Employee with proper authorization as set forth in the section entitled "Approval and Signatory Authority."
- (d) Material Changes to a Contract require authorization. Approval and execution are subject to the thresholds established in the section entitled "Approval and Signatory Authority" and based on the final value of the Contract after the change is incorporated.
- (e) Expenditures shall not be broken down or divided into sub-groups for purposes of avoiding the above guidelines.

10.2.3 BIDDING AND DOCUMENTATION FOR PROCUREMENT OF GENERAL SERVICES

The District may procure General Services as authorized below:

- (a) Any procurement up to and including \$4,999:
 - (1) No Bid solicitation process is required;
 - (2) No Purchase Order is required.
 - (3) General Services Agreement is required
- (b) Any procurement over \$4,999 and up to and including \$49,999:
 - (1) Requires an Informal Competitive Solicitation process with at least two competitive price Quotations. If two Quotes cannot be

obtained, documentation shall be provided demonstrating that two or more Quotes have been solicited and supporting the finding that two Quotes cannot be obtained; and

- (2) Requires a Contract executed by an Employee with proper authorization as set forth herein in the section entitled "Approval and Signatory Authority."
- (c) Any procurement over \$49,999 shall follow the procedures below:
 - (1) The following Formal Competitive Solicitation process:
 - (i) At least one Bid solicitation notice shall be advertised in a local newspaper of general circulation or through a designated e-procurement platform utilized by the District.
 - (ii) Sealed bids will be publicly opened at a pre-determined date, time, and location.
 - (iii) Contracts will be awarded to the lowest responsive and responsible bidder, except that the District always reserves the right to reject all bids.
 - (2) Requires a Contract executed by an Employee with proper authorization as set forth in the section entitled "Approval and Signatory Authority."
- (d) Material Changes to a Contract require authorization. Approval and execution are subject to the thresholds established in the section entitled "Approval and Signatory Authority" and based on the final value of the Contract after the change is incorporated.
- (e) Expenditures shall not be broken down or divided into sub-groups for purposes of avoiding the above guidelines.

10.2.4 EXCEPTIONS TO COMPETITIVE PROCUREMENT REQUIREMENTS

- (a) The following procurements are exempt from the competitive solicitation process: books, periodicals, advertising, seminars, conferences, travel, subscriptions, postage, utilities, bank charges, memberships, permits, and land.

- (b) The competitive solicitation process is waived for procurements where the required Good or Service is available from only one viable source (Good or Service provider). Negotiations shall be conducted with the provider of the Good or Service to achieve the most favorable pricing terms of sale.
- (c) Competitive solicitation may be performed through cooperative procurement processes as set forth in the Public Contract Code sections 10298 and 10299.
- (d) The competitive solicitation process is not required when materials or services are necessary to respond to an emergency in accordance with Public Contract Code Section 20645 and the requirements of Section 22050 of the California Public Contract Code.
- (e) Competitive solicitation is not required for construction or maintenance work costing less than \$35,000 when it is not possible to clearly define the work scope in advance.

10.3 PROCUREMENT OF PROFESSIONAL SERVICES

- (a) Professional services contracts shall be entered into with Consultants demonstrating expertise and experience in the type of work to be performed and a proven history of high-quality work. Contracts will typically be for a “not-to-exceed” fee associated with a particular scope of work. Work for which it is not possible to define a scope in advance may be performed on a time-and-materials basis.
- (b) If it is in the best interest of the District, and at the full discretion of the General Manager and/or responsible department Manager, a Request for Proposal (RFP) or Request for Qualifications (RFQ) may be used to solicit proposals or qualifications from consultants.
- (c) The following criteria shall be used to qualify candidates for Professional Services:
 - (1) Specialized experience and technical competence of the proposer and its personnel considering the type of services required and the complexity of the project.
 - (2) The Consultant's familiarity with types of problems applicable to the project.
 - (3) Past record of performance on projects with the District, other governmental agencies or public bodies, and with private industry, including such factors as control of costs, quality of work, and ability to meet schedules.

- (4) The Consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
- (5) The Consultant's level of financial responsibility.
- (6) Fee proposal for the proposed services.
- (7) Other key factors as appropriate for the type of service.

10.4 APPROVAL AND SIGNATORY AUTHORITY

- (a) In accordance with Ordinance No. 18, the General Manager has the authority to approve the following procurement-related contracts. All procurement contracts not listed below must be approved by the Board of Directors.
 - (1) Professional services contracts that are paid for on a time and materials basis and where the estimated value of the services does not exceed \$100,000 in any fiscal year, or that are paid for at a fixed scope and fee where the contracted fee does not exceed \$100,000;
 - (2) Public Works Construction contracts in amounts less than \$35,000;
 - (3) Materials procurement contracts in amounts less than \$100,000;
 - (4) Contracts for procurement of utility service such as electricity, telephone, natural gas, sewer, and water;
 - (5) All construction change orders in which each individual change to the work is both less than \$100,000 and less than 25% of the original construction contract amount; and
 - (6) All contracts of insurance including, without limitation, insurance policies and endorsements for general liability, workers' compensation, automobile, and health benefits for employees of the District;
 - (7) Contracts necessary to respond to an emergency in accordance with the requirements of Section 22050 of the California Public Contract Code.
- (b) The following Employees have the authority to make purchases and sign purchase orders, contracts, and notice-to-proceed letters up to the limits shown in the following table.

Deputy General Manager	\$49,999
Managers and Assistant Managers	\$34,999
Operations and Maintenance Supervisors, Project Managers, Facilities Coordinator, and Clerk of the Board	\$4,999

- (c) The following Employees have the authority to sign construction change orders in which each individual change to the work is within the limits shown in the following table and is less than 25% of the original construction contract amount.

Deputy General Manager	\$49,999
Manager of Engineering	\$34,999
Project Managers	\$4,999

- (d) All Contracts that exceed the authority listed Section 4(a) must be approved by the Board.
- (e) Expenditures shall not be broken down or divided into sub-groups for purposes of avoiding the above guidelines.

10.5 APPROVAL OF INVOICES

All invoices must be approved by the appropriate Manager. Managers can assign a designee to approve invoices if the Manager is out of the office and unable to complete the process; alternatively, the General Manager or Deputy General Manager has the authority to approve invoices on behalf of a Manager in their absence.

Managers may also, at their discretion, delegate authority to approve invoices based on the limits outlined in Section 10.4(b) of the Procurement Policy. If a Manager wishes to delegate this authority, written notification must be given to the Manager of Finance.

10.6 DISBURSEMENT OF FUNDS

All checks, wires and ACH transfers will be disbursed in a timely manner after approval by the General Manager or their designee. A monthly post-listing of payments including wires, ACH transfers, and checks, showing the payee, purpose, payment date, amount, the check number, and invoice number, shall be reviewed by the Treasurer and presented to Board of Directors at a public meeting.

10.7 CODE OF CONDUCT

- (a) No Director or Employee shall participate in the selection, award, or administration of a contract if a conflict of interest would be involved. Such a conflict would arise when the Employee or Board member, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the above, has a financial or other interest in the firm selected for award.
- (b) Directors and Employees will neither solicit nor accept gratuities, favors, or anything of value from contractors or consultants or potential contractors or consultants who might in any way benefit from a decision made or action taken by that Board member or Employee in the course of his or her duties.

10.8 PETTY CASH FUND

A petty cash fund of no more than \$1,400 shall be maintained in the Finance Department vault for the purpose of providing ready cash for small expenditures. Petty cash shall be disbursed in accordance with the District's procedure for expense reimbursements. Petty cash requests should be limited to less than \$100. The Manager of Finance, Deputy General Manager, or General Manager can authorize expenditure reimbursements above \$100. The petty cash fund will be reconciled and replenished on a monthly basis.

10.9 CREDIT CARDS

- (a) The District may acquire credit cards for use by Employees. The Manager of Finance will maintain a written log of credit cards. Employees who have credit cards will sign for these cards and be responsible for them.
- (b) Credit cards may be used to charge necessary supplies, equipment, services and authorized travel, food and lodging for the person in possession of the credit card and any/or another District Employee or Board Member.
- (c) Credit cards may not be used for personal benefit or non-District purposes.
- (d) Receipts for all credit card expenditures must be submitted to the Finance Department monthly with the credit card statement, including any documentation stating the purpose of the expenditure. For meals, documentation should include the purpose of the meal and the names and affiliations of the people present.
- (e) The following table sets the maximum limits on credits cards assigned to specific Employees and that may only be used by the designated Employee.

Issuance of credit cards is subject to the approval of the General Manager on a case-by-case basis. All of these are general purpose cards such as VISA or American Express:

Employee	Maximum Limit
General Manager, Deputy General Manager, Managers, Assistant Managers, and the General Services Supervisor	\$10,000

- (f) The following table sets forth the limits on credit cards for general use by Employees. Issuance of credit cards is subject to the approval of the General Manager on a case-by-case basis. These cards may only be used with the approval of the “Responsible Employee” as designated below and that Responsible Employee is also responsible for collecting receipts.

Type of credit card	Limit	Responsible Employee
General purpose card(s) for travel, meetings, and miscellaneous supplies	\$25,000	Clerk of the Board
Card for a home improvement store	\$5,000	System Maintenance Supervisor Cleaning Crew – Crew Leader,

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- (g) All invoices for general purpose credit cards shall be reviewed and approved by the General Manager. All invoices for credits cards from a home improvement store shall be reviewed and approved by a Manager and must comply with the procurement guidelines established above. In addition, the General Manager’s credit card shall be reviewed and approved by the Board Treasurer, or in the absence of the Board Treasurer, by the Board President. Board approvals may be obtained by email.
- (h) Failure to comply with the rules for credit card use can result in disciplinary action and/or loss of credit card privileges.

10.10 NO COMMITMENT OF FUNDS FOR NON-DISTRICT PURPOSES

Neither Directors nor Employees shall obligate or commit District funds for the purchase of goods or services for personal or non-District related use, even if the Board Member or Employee reimburses the District for the incurred cost.

10.11 PREVAILING WAGES

All entities that contract with the District are required to comply with the provisions of the California Labor Code, including those relating to the payment of prevailing wage rates.

10.12 GRANT COMPLIANCE

For procurements involving state or federal grant funding, all grant-required procedures shall be implemented and all grant-required language will be incorporated into bid documents, professional services agreements, equipment supply contracts, and construction contracts as needed.

PART 11 - SIGNING AUTHORITY

The authority to enter into and sign contracts and instruments for and on behalf of the District is delegated as provided in Ordinance No. 18 adopted by the District, as may be amended from time to time by the Board. The express authority delegated thereunder shall not restrict or otherwise limit the general authority of the Board to bind the District by contract or instrument as provided under applicable law, including, without limitation California Water Code Section 71300.

PART 12 - PERSONNEL MATTERS

12.1 EMPLOYEE HANDBOOK

The District's employment policies and procedures, including, without limitation, a description of certain Employee benefits and plans maintained by the District, are described in the District's Employee Handbook. Every Employee of the District shall be provided with electronic access to the most recent version of the Employee Handbook. Subject to applicable law, and any limitations contained in this Code, or any ordinance or resolution adopted by the Board, the Employee Handbook may be modified or amended from time to time by the General Manager.

12.2 EQUAL OPPORTUNITY EMPLOYER

The District is an equal opportunity employer. The District does not discriminate against qualified Employees or applicants because of race, color, religion, sex, sexual preference, sexual identity, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, military status, marital status, religion, exercise of reproductive rights, status as a cannabis user off-duty and away from the job, or any other characteristic protected by federal or state law or local ordinance.

~~12.3~~ 12.3 CONFIDENTIAL EMPLOYEE HOTLINE

The District shall maintain the operation of a confidential employee hotline. Reports submitted through the hotline are provided to the General Manager and Manager of Human Resources and Risk Management, unless the complaint is about the General Manager. Reports regarding the General Manager will be sent to the Board President and District Counsel. Each report will be reviewed on its merits and the designated recipients of the report will take any necessary action(s) to bring the matter to a satisfactory resolution.

12.4 HIRING AUTHORITY

The General Manager has the authority to employ, terminate, assign duties to, and direct the day-to-day activities of District Employees, except that the Board retains the authority to employ, terminate, and assign duties to the General Manager and District Counsel.

- (a) The General Manager has the authority to establish Employee job classifications and descriptions, subject to periodic review of overall personnel utilization by the Board.

- (b) To ensure fair and impartial Employee selection, supervision, promotion, and evaluation, the District reserves the right to reasonably regulate the employment of relatives in the same department or in the same chain of command. The General Manager reserves the right to approve in advance the hiring, promotion, or transfer of any person who is a relative of a current Employee and would work in the same department or within the chain of command of that Employee. If the General Manager determines that the marital or familial relationship between Employees creates difficulties for supervision, security, safety, or morale, the person shall not be hired, promoted, or transferred.
- (c) For purposes of this Section 12.3, a “relative” includes any of the following:
 - (1) spouse;
 - (2) domestic partner;
 - (3) brother, step-brother, brother-in-law;
 - (4) sister, step-sister, sister-in-law;
 - (5) parents, step-parents, parents-in-law;
 - (6) children, step-children, son-in-law, daughter-in-law;
 - (7) any other member of the Employee’s household.

12.45 EMPLOYEE CLASSIFICATION, COMPENSATION, AND NON-ELECTIVE BENEFITS

12.45.1 EMPLOYEE CLASSIFICATIONS AND DEFINITIONS

The District classifies Employees as follows:

“Temporary”: Temporary Employees are Employees hired on a temporary basis and paid on an hourly basis. Temporary Employees are not eligible for Employee benefits beyond the statutory benefits required by law. Examples of Temporary Employees include student interns, seasonal and summer Employees, and persons needed to fill-in for a temporary (i.e., less than six months) staffing need.

“Hourly”: Hourly Employees are Employees who are not Temporary Employees and are scheduled to work less than 40 hours per week. Hourly Employees are not eligible for Employee benefits beyond the statutory benefits required by law, except that they receive pay for Holidays as set forth

herein.

“Regular”: Regular Employees are Employees scheduled to work an average of 40 hours per week on a continuing, indefinite basis. Regular Employees are entitled to the benefits as set forth herein, subject to eligibility under the applicable plan and applicable law.

“Operators”: Employees assigned on a permanent basis to work in the Operations Division and assigned to the Water Distribution Operator, Water Treatment Operator, or Senior Water Treatment Operator job position.

“Exempt and Non-Exempt”: All employees are non-exempt under the federal Fair Labor Standards Act (“FLSA”), including Project Managers in the Engineering department. Pursuant to the FLSA, Managerial employees, including the General Manager, Deputy General Manager, Executive Strategist, Managers, and Assistant Managers shall be paid on a salary basis and not accrue overtime.

“Workweek”: A workweek is a fixed and regularly recurring period of 168 hours consisting of seven consecutive 24-hour periods.

- (a) 5/40 Alternative Work Schedule - A 5/40 work schedule shall consist of five 8-hour days equaling 40 hours per workweek, with the workweek defined as beginning at 12:00 a.m. on Saturday and ending at midnight the following Friday.
- (b) 9/80 Alternate Work Schedule - The 9/80 work schedule is defined as beginning exactly 4 hours into the 8-hour shift on the day of the week that corresponds with the employee’s alternating regular flex day off.

Example: Friday On/Off:

Wk	F	Sa	S	M	T	W	Th	F	Total
1	0	0	0	9	9	9	9	4	= 40
2	4	0	0	9	9	9	9	0	= 40

- (c) 4/10 Standard Work Schedule - A 4/10 work schedule shall consist of four 10-hour days equaling 40 hours per workweek and is defined as beginning at 12:00 a.m. on Saturday and ending at midnight the following Friday.
- (d) The Operators workweek begins at 12:00 a.m. on Monday and ends at midnight the following Sunday.

- (e) The General Manager, or designated representative(s), shall be empowered to arrange work schedules in alternate time distributions provided that such alternate distributions are in the best interests of the District. All employees of the District are subject to call for emergencies that are inherent in the District's responsibilities.

"Regularly Scheduled Workdays" are Monday through Friday except as follows:

- (a) A supervisor may assign an Employee to work on Saturday and/or Sunday as regularly scheduled workdays if the Employee is allowed to take off an equivalent number of days from Monday to Friday. This action requires the Employee to work 40 hours within the defined 7-day workweek.
- (b) For Operators assigned to a 12-hour day or night shift, "Regularly Scheduled Workdays" are those days on which the Employee is assigned to work, as listed on the published monthly schedule.
- (c) For all employees except Operators, start and stop times may be changed by a supervisor with 12 hours' notice in order to meet District needs. Regular pay will apply to the hours worked and any overtime will be calculated as described in 12.4.2.1 Overtime.

"Workday": A workday, for purposes of overtime calculation, begins at the start of the Employee's regularly scheduled shift and ends 24 hours later.

12.45.2 EMPLOYEE COMPENSATION

- (a) Salary ranges for positions will be adopted by the Board ("Salary Schedule"). Any changes to the Salary Schedule must be approved in advance by the Board.
- (b) In December or January of each year, the General Manager shall recommend to the Board a percentage cost-of-living adjustment (COLA) based on the Federal Consumer Price Index Report for the 12-month period ending in November for the urban area in closest proximity to the District. Any COLA approved by the Board shall become effective January 1 and apply to salaries, tuition reimbursement amounts, special duty incentive pay, and daily standby pay. The COLA does not apply to the salary of the General Manager.

- (c) Each Employee's salary is subject to adjustment in accordance with their assigned salary increment in the range assigned to their position. At no time may an Employee's salary exceed the ranges established for their position in the Salary Schedule unless working out of class.

12.45.2.1 OVERTIME

The District will voluntarily pay daily overtime to certain non-exempt Employees as follows:

- (a) For Temporary, Hourly, and Regular Employees, overtime shall be paid to all nonexempt Employees at a rate equivalent to 1 1/2 times the hourly rate for work in excess of their regularly scheduled work shift, but less than 12 hours, in any one day. Overtime shall be paid to all non-exempt Employees at a rate equivalent to two times the hourly rate for work in excess of 12 hours in any day. Overtime of time and one-half will be paid for all hours worked up to eight on any day which is not one of the Regularly Scheduled Workdays. In addition, double-time will be paid for all hours worked in excess of eight hours on any day that is not one of the Regularly Scheduled Workdays.
- (b) Double-time is paid for all hours worked over 12 in a Regularly Scheduled Workday.
- (c) For Temporary, Hourly, and Regular Employees, in instances when approved work hours are continuous into the next workday, the calculation for overtime or double-time will continue to the advantage of the Employee.
- (d) For Operations, overtime will be paid only when the number of hours paid at the regular rate exceeds 40 in a workweek. Double-time will be paid when the Operator works in excess of 12 hours in one shift.
- (e) No Employee will be paid both daily and weekly (or pay period) overtime for the same overtime hours worked.
- (f) Overtime compensation shall not be included in calculating the Employee's regular rate of pay.

12.45.2.2 COMPENSATORY TIME OFF

Compensatory time off ("Comp Time") for non-exempt Employees is allowed in lieu of a cash payment for overtime work as long as it is provided or paid at a rate no less than one and one-half hours for each overtime hour worked.

- (a) Employees may not accrue combined Comp Time and annual leave in excess of the amounts set forth in the section of this Code entitled "Annual Leave."
- (b) An Employee who has reached ~~the maximum accrual amount~~ 430 hours of combined Comp Time and Annual Leave will be paid overtime compensation for any additional overtime work at the applicable overtime rate when it is incurred.
- (c) Upon termination of employment, Employees shall be entitled to cash payment for unused Comp Time credit accumulated prior to the separation date.
- (d) Exempt Employees do not accrue Comp Time for overtime worked. To calculate sick or Annual Leave time used by an Exempt Employee, the sick time and/or Annual Leave time used will be the difference between total hours in a pay period and total hours worked in that pay period.

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12.45.2.3 HOLIDAY PAY

The District shall pay holiday pay for District Holidays (as defined in this Code) as follows:

- (a) Regular Employees who do not work on the District Holiday will receive regular pay for their regularly scheduled work hours. Regular Employees who work on the District Holiday will be paid at the applicable overtime rate for any hours worked up to eight and double-time for hours more than eight hours worked on the District Holiday.
- (b) Hourly Employees who do not work on the District Holiday will receive four hours of regular pay. Hourly Employees who work on the District Holiday will be paid at the applicable overtime rate.
- (c) Operators who do not work on the District Holiday will receive eight hours of regular pay. Operators who work on the District

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Holiday will receive 8 hours of regular pay for the District Holiday and be paid at the applicable overtime rate.

- (d) Temporary Employees who do not work on the District Holiday will not receive any pay for that District Holiday. Temporary Employees who work on a District Holiday shall be paid their regular rate of pay.
- (e) When a holiday falls on a weekend and the day off is scheduled for a Friday or Monday, an Employee will receive pay for one but not both days as described above.

12.45.2.4 STANDBY STATUS

The Manager of Operations and Maintenance may assign any Employee standby status outside of his or her regular duty schedule. Standby status does not restrict the Employee other than to require Employee to respond by telephone to a telephone/~~beeper~~ notice within 20 minutes and to arrive at the site of the ~~emergency~~callout within one hour of the original time notified. Employees will receive a per diem payment for each day they are assigned on-call duty.

12.45.2.5 CALL-BACK PAY

Employees may occasionally be requested to dispatch to a District facility before or after their regularly scheduled hours. The responding Employee will receive a minimum of two hours of overtime pay each time the Employee is dispatched. The Employee's call-back paid time begins when he or she leaves home to perform the work or logs into the District servers if doing the work remotely and the paid time stops when he/she returns home or logs out of the District's servers, excluding any time for personal errands. For call-backs that flow continuously into a regularly scheduled shift, the call-back is measured from the time the Employee leaves home until the time his or her regular shift begins. All time worked as part of a call-back period will be paid at the overtime rate unless, with ~~supervisor~~Supervisor approval, the Employee uses the call-out hours to complete his or her Regularly Scheduled Workday.

12.45.2.6 SHIFT DIFFERENTIAL PAY

Shift differential pay will be calculated on the Employee's Hourly Rate and only in increments of 15 minutes. Shift differential pay will apply only to pay (not benefits) for actual hours worked and will not apply

to the use of earned compensatory time, leave, or holidays not worked.

- (a) For Operators, in addition to his or her regular compensation, an Employee will be entitled to receive a shift differential payment of ten percent of the Employee's regular rate of pay if (1) they work between the hours of 7 p.m. and 7 a.m. (2) the hours worked were requested by a ~~supervisor~~Supervisor or ~~manager~~Manager and not by the Employee or for the Employee's convenience.
- (b) For all other staff, in addition to his or her regular compensation, an Employee will be entitled to receive a shift differential payment of ten percent of the Employee's regular rate of pay if (1) they work between the hours of 7 p.m. and 6:30 a.m. (2) the hours worked were requested by a ~~supervisor~~Supervisor or ~~manager~~Manager and not by the Employee or for the Employee's convenience.

12.45.2.7 DISCRETIONARY BONUS

- (a) The General Manager has the sole discretion to approve or disapprove a discretionary, performance-based bonus of up to 3% of an Employee's total compensation during the year preceding his or her annual performance review. Total compensation is calculated as all District paid regular pay, overtime pay, and shift differential pay for the employee's position. An Employee is only eligible for a bonus after he or she has attained the highest proficiency level at his or her position on the Salary Schedule.
- (b) At the Employee's request ~~and subject to accrual limits described herein~~, the bonus may be converted to Annual Leave. The combined Comp Time and Annual Leave balances cannot exceed 430 hours after the bonus has been converted. The conversion shall be calculated at the Employee's current salary rate, that is, the amount an Employee is paid for one hour of work shall be converted to one hour of Annual Leave.

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12.45.2.8 SPECIAL DUTY INCENTIVE PAY

Employees assigned to serve on the Hazardous Materials Team are eligible to receive special duty incentive pay at the time of their annual performance review. If the Employee served in this capacity for less than 12 months prior to their review, the incentive pay will be prorated for the time the employee was assigned. Selection for these assignments must be voluntary, a vacancy must exist, and the Employee must be approved by the General Manager.

12.45.2.9 TEMPORARY PROMOTION

For the purposes of this Section, a temporary promotion is the full-time performance of most of the significant duties of a position in one classification by an individual in a lower classification. The temporary promotion will be reflected in the Employee's annual performance evaluation.

An Employee who is temporarily promoted for a period of at least 3 consecutive weeks shall receive additional pay equal to a three-step salary increase or an 8.25% salary increase, whichever is higher, not to exceed the salary range maximum of the higher classification. With the exception of medical leave, a position shall not be filled by a temporary promotion for more than 12 months, except by mutual agreement of the parties.

12.45.3 RETIREMENT BENEFITS

(a) The Board has approved retirement benefits by contract with CalPERS.

(1) For Employees who were hired prior to January 1, 2013 or employees hired after January 1, 2013 who qualify under the CalPERS definition of a "Classic" employee, the contract provides a benefit of 2% of salary at age 55 with the final average compensation period of 36 months.

~~(2) For Employees who were hired after January 1, 2013 and do not qualify under the CalPERS definition of a "Classic" employee, the contract provides a benefit of 2% of salary at age 62 with the final average compensation period of 36 months.~~

- i. ~~(b)~~ Where the law allows, the District provides that the normal member contributions are paid by the District to CalPERS on behalf of the Classic Employee. These contributions are reported as additional compensation under the provisions of the Government Code Section 20691, paying and reporting the value of Employer Paid Member Contributions (EPMC). The following conditions apply to the payment of the EPMC:

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1. This benefit shall apply to all Classic employees in the CalPERS Retirement Program.
2. This benefit shall consist of paying 100% of the normal contributions as EPMC and reporting the same percent (value) of compensation earnable, (excluding Government Code Section 20636 (c)(4)) as additional compensation.

(2) For Employees who were hired after January 1, 2013 and do not qualify under the CalPERS definition of a "Classic" employee, the contract provides a benefit of 2% of salary at age 62 with the final average compensation period of 36 months.

- (b) If an employee gives his or her Supervisor or Manager written notice of their intent to retire more than six months from the planned retirement date, he or she shall be entitled to a bonus of \$1,000 payable in their final paycheck. To qualify for the incentive, the employee must separate from the District on the date specified in the written notice of retirement.

- (~~d~~c) Retirement benefits are subject to laws governing the CalPERS system.

12.56 ELECTIVE BENEFITS

Elective benefits apply only to Regular Employees. Where "Employee" or "Employees" are referenced in this section, it shall mean "Regular Employee" or "Regular Employees."

Notwithstanding anything to the contrary provided herein, the Board, in its discretion, may change, modify, or discontinue altogether one or all of the elective benefits described herein or otherwise provided by the District.

12.56.1 MEDICAL PLANS

12.56.1.1 GENERAL

The District will maintain membership in at least one group health plan (hereinafter "group plan"), as selected and approved from time-to-time by the Board. Each eligible Employee may participate in a group plan upon completion of the minimum amount of service established by the group plan.

12.56.1.2 DEFINITIONS

For the purposes of Section 12.5.1:

"CalPERS" means California Public Employees Retirement System.

"Eligible Member" or **"Member"** means a Regular Employee, retired Employee, and their dependents. It may also include present and past Board Members within the limits of prevailing law.

"Dependent" means the spouse or registered domestic partner and all dependent children eligible for coverage under the group plan.

"Hourly Rate" means the Employee's annual salary divided by 2,080 hours.

"Retiree" means an Eligible Member at least fifty years of age who has met the eligibility requirements of the District's retirement system, has applied for CalPERS retirement payments to begin at the time that they left employment at the District, and is receiving or is eligible to receive a ~~retirement stipend~~.

"Level of Enrollment" means the appropriate level of health insurance coverage: single-party, two-party, or family.

"Style of Coverage" refers to the type of coverage either Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO).

12.56.1.3 MEDICAL BENEFITS FOR ACTIVE EMPLOYEES

It is the intent of the District to ensure that medical benefits are available to all Eligible Members. To that end, the following guidelines are provided:

- (a) For Employees, the District will pay the full cost of medical insurance premiums of health plans available to the District through CalPERS. The coverage will include the Employee and all dependents allowed by the CalPERS Health Benefit program. Employees may change the Level of Enrollment and Style of Coverage as allowed by the enrollment rules published by CalPERS.

12.56.1.4 MEDICAL BENEFITS FOR RETIRED EMPLOYEES

The District provides the following medical benefits for Retirees:

- (a) Continuing medical insurance coverage after retirement for Employees and their dependents is subject to the laws governing the CalPERS medical program. Employees must meet the requirements established by CalPERS to be eligible to receive this coverage under the District's health insurance plan.
- (b) Regardless of date of hire, if a Retiree or his or her dependent chooses to participate in the District's CalPERS medical insurance coverage and such Retiree or dependent is qualified to do so, the District pays the Minimum Employer Contribution as defined in Section 22892 of the Public Employee Medical and Hospital Care Act directly to CalPERS. It is the responsibility of the Retiree or dependent to pay CalPERS directly for the remainder of the cost of the medical insurance.
- (c) Coverage for Retirees is subject to the following added condition: when a Retiree attains Medicare eligible age, they must enroll in and retain both Parts A and B of Medicare in order to continue coverage in a Medicare Supplement group plan offered by a District-authorized carrier.
- (d) If a Retiree or his or her dependents choose to participate in the District's CalPERS health insurance coverage and are qualified to do so, the District will reimburse them for the cost of health insurance as follows.
 - (1) For Retirees hired as Employees by the District before July 1, 1995 who have worked at the District for five contiguous years, the District will reimburse them for the total cost of health insurance premiums for the Retiree and any qualified dependents. Upon the death of the Employee, the District will continue to reimburse the Employee's dependents for their health care premiums

as long as they are allowed to remain insured under CalPERS rules and regulations.

- (2) For Retirees hired as Employees by the District on or after July 1, 1995 and before January 1, 2013 who have worked at the District for 12 contiguous years, the District will reimburse them for the total cost of the health insurance premium for the Retiree only (no dependents). Upon the death of the Employee, the District will continue to pay the current CalPERS health insurance plan Minimum Employer Contribution for the Employee's dependents as long as they are allowed to remain insured under CalPERS rules and regulations.
 - (3) For Retirees hired as Employees by the District on or after January 1, 2013, the District will provide no direct reimbursement for the cost of health insurance. The District will only be responsible for the CalPERS health insurance plan Minimum Employer Contribution. Upon the death of the Employee, the District will continue to pay the current CalPERS health insurance plan Minimum Employer Contribution for the Employee's dependents as long as they are allowed to remain insured under CalPERS rules and regulations.
- (e) Employees hired on or after January 1, 2013 shall participate in a Health Savings Account Plan (HSA) designed to provide reimbursement of Qualified Medical Expenses upon retirement. "Qualified Medical Expenses" are those expenses authorized under the provisions of Section 213(d) of the Internal Revenue Service Tax Code.
- (1) The District's monthly contribution to an Employee's HSA plan will be revised annually on January 1st and will be based on the following calculation:
50% of the then-current maximum monthly premium for a single party HMO or PPO available from CalPERS

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the then-current CalPERS health insurance plan Minimum Employer Contribution.
 - (2) Employees shall be fully vested for all District contributions made on their behalf after one year of

employment at the District. If an Employee works for the District for less than one year, the funds in his or her HSA Plan shall revert to the District.

12.56.2 DENTAL AND VISION PLANS

The District will maintain membership in a group dental and vision plan, as selected and approved by the Board, subject to the following:

- (a) For Employees, the District will pay the full cost of dental and vision insurance. The coverage will include the Employee and all dependents allowed by the insurance plan.
- (b) Each Eligible Member may participate in these plans upon completion of the minimum amount of service established by the group plan.
- (c) The District does not pay for either dental or vision benefits for any Retiree. Retirees are eligible under the provisions established through Consolidated Omnibus Budget Reconciliation Act (COBRA) to continue their coverage.

12.56.3 DEFERRED COMPENSATION PLAN

Employees of the District may defer portions of their compensation pursuant to the provisions of Section 457 of the Internal Revenue Code. Deferred compensation plans shall be approved by the Board by resolution or contract.

12.56.4 FLEXIBLE SPENDING ACCOUNTS

Employees may annually contribute to flexible spending accounts (IRS 125 Plan) maintained by the District. An Employee may contribute the maximum allowed by law in any plan year to a "Dependent Daycare Account" and/or an "Unreimbursed Medical Expense Account." Flexible spending accounts are subject to the provisions of prevailing tax law regarding limitations, administration and disbursements.

12.56.5 EMPLOYEE ASSISTANCE PROGRAM (EAP)

To help maintain the well-being of its Employees, the District has established an Employee Assistance Program (EAP) that provides assessment and referral when problems of a personal nature affect the Employee's life and work. Participation in the Program shall be confidential and shall not be grounds for discipline.

12.56.6 LIFE INSURANCE PROGRAM

The District provides each Employee with limited Life Insurance and Accidental Death and Dismemberment Coverage in the amount of \$100,000. This coverage is provided at no cost to the Employee. This coverage amount may be reduced after Employees reach a certain age due to limitations in the insurance policy. Additionally, Employees have the option to, at their own expense, purchase additional insurance for themselves and their dependents.

12.56.7 HOLIDAY TIME

- (a) Employees are entitled to leave of absence without loss of pay on the following designated holidays ("District Holidays"): January 1st; Martin Luther King, Jr.'s Birthday; President's Day; Memorial Day; July 4th; Labor Day; Veteran's Day; Thanksgiving Day; the day following Thanksgiving Day; and December 25th.
- (b) If a District Holiday falls on Sunday, the following Monday is a holiday. If a holiday falls on Saturday, the preceding Friday is a holiday.
- (c) If a holiday falls on an employee's flex day off, the employee will receive 8 hours of Comp Time to be used in accordance with the rules set forth in Section 12.4.2.2 of the Administrative Code.

12.56.8 FLOATING TIME OFF

- (a) Employees shall be credited with 16 hours of floating time off each calendar year. The time will be credited in January each year.
- (b) Floating time off must be used during the calendar year in which it is credited. Unused floating time off will not be carried forward to the next calendar year.
- (c) New Employees are credited with eight hours of floating time off if hired on or after July 1st and credited with 16 hours of floating time off if hired before July 1st.
- (d) Any accrued but unused floating time off is paid to the Employee upon termination of employment.

12.56.9 ANNUAL LEAVE

- (a) Employees begin to accrue annual leave from the date of hire. Thereafter, for continuous service, annual leave credit shall be earned at the following rates:
 - (1) Employment start through 48 months, 8 hours per month;
 - (2) 49 through 108 months, 10 hours per month;
 - (3) 109 through 168 months, 12 hours per month;
 - (4) 169 through 240 months, 14 hours per month;
 - (5) Over 240 months, 14.66 hours per month.
- (b) To attract experienced candidates for key positions, the General Manager may, for the purposes of calculating annual leave only, credit a new Employee with additional years of employment at the District commensurate with that Employee's relevant work experience.
- (c) Unused leave credit shall be accumulated and carried forward from month-to-month. An Employee may accrue up to 480 hours of annual leave and Comp Time combined. Once an Employee's accrual balance reaches that limit, the Employee will no longer accrue additional leave.
- (d) Twice each year the District will offer Employees an option to convert annual leave and earned Comp Time into a cash payment. In the case of financial hardship, the conversion may be done at other times with the approval of the General Manager.
 - (1) For each hour of time converted, the Employee will receive cash in the amount of his or her current Hourly Rate of pay, less applicable taxes.
 - (2) In order to qualify for this conversion, the Employee must:
 - (i) Have taken at least 80 hours of annual leave time and/or Comp Time off during the preceding 12 months, and
 - (ii) Have at least 80 hours of combined annual leave and Comp Time remaining in his or her accrual after the conversion has been completed.

The General Manager can waive these requirements if

the employee submits a request to the General Manager in writing outlining why they were not able to meet the requirements.

- (e) Upon termination of employment, Employees shall be entitled to cash payment for unused annual leave credit accumulated prior to the separation date.
- (f) The District reserves the right to deny annual leave time if it would result in a payment beyond the normal salary payment for any pay period.

12.56.10 PAID SICK LEAVE

- (a) Sick leave for pay credit shall be accumulated at the rate of four hours of leave for each pay period of employment.
- (b) Sick leave credit shall be accumulated and carried forward from month to month.
- (c) If an Employee retires from the District, unused accumulated sick leave may be converted to additional CalPERS service credit based on the guidelines established under the District's CalPERS contract. Unused sick leave is not otherwise compensable.
- (d) There is no limitation on the number of accumulated sick leave hours.
- (e) The purpose of sick leave is to allow an Employee to fill in the hours needed to receive a full salary payment for any pay period. The District reserves the right to deny the payment of sick time if the payment would increase the amount of pay received beyond the normal salary payment for any pay period. "Denial of use" means that the Employees' sick leave account would not be reduced, and the time requested would not be paid.
- (f) Upon termination of employment, Employees are not entitled to cash payment for unused sick leave.
- (g) To aid an Employee when they or a family member has a serious or catastrophic illness or injury, sick leave may be transferred from one or more Employees to the affected Employee, subject to the following conditions:
 - (1) The illness must qualify the receiving Employee for time off in accordance with the Family and Medical Leave Act (FMLA) and

California Family Rights Act (CFRA).

- (2) Sick leave shall be transferred on an hour for hour basis, and the transferring Employee must have at least 240 hours of sick leave remaining after the transfer has been completed.
- (3) The transfer may not be made from any Employee to an Employee who signs his or her annual performance reviews.
- (4) The donation request must be made in writing by the transferring Employee.
- (5) The donation is subject to the approval of the General Manager and may be denied at his or her sole discretion.

12.56.11 DISTRICT HOUSING

The District may lease District-owned residences at Lake Bard to certain Employees subject to certain qualifications and duties as specified in the lease.

The District will ensure that the leased residence is properly maintained and repaired promptly. It is the responsibility of the Employee leasing District housing to inform the Manager of Operations and Maintenance of any maintenance or repair issues as soon as possible and to maintain the property in a clean and sanitary condition, avoiding damage beyond normal wear and tear. Both the District and the Employee leasing District housing are responsible for maintaining the property's condition through their respective duties, as outlined in the lease agreement. Additionally, the District will conduct an annual inspection of the property's condition and provide a report to the Board.

12.56.12 PROFESSIONAL DUES

The District will pay for the renewal of professional dues for Employees when such dues are related to their fulfillment of duties for the District pursuant to authorization by the General Manager.

12.56.13 TUITION REIMBURSEMENT

To encourage training and professional career advancement, the District may reimburse the costs of tuition, registration, books, and laboratory and parking fees subject to the following terms and conditions.

- (a) Coursework must be related to the Employee's present position with the District or be expected to provide the District with future benefit.

Notwithstanding the foregoing, courses not related to the Employee's present position with the District, or which are not expected to provide the District with future benefit, but are required to complete an approved degree, may qualify for reimbursement. Such courses must be approved in advance by the General Manager.

- (b) The maximum rate of reimbursement for tuition costs will be limited to maximum reimbursable amounts per quarter unit or semester unit. The rate of reimbursement is adjusted annually in accordance with the procedure described herein in Code Section 12.4.2(b).
- (c) Coursework is limited to 12 units per quarter or semester, as applicable.
- (d) In order to be eligible for reimbursement, the Employee must successfully complete all coursework for which reimbursement is to be paid with a grade of "C" or better or a passing grade if students are graded only on a "pass or fail" basis.

PART 13 - SPONSORSHIP POLICY

The District intends to participate in, and/or provide funding or in-kind contributions to, eligible organizations and events whose program goals are consistent with that mission. This Policy provides guidance for the District's expenditure of public funds on sponsorship requests and requires consideration of the District's mission, the nature of the proposal, and the District's marketing needs when evaluating any request. The financial management and transparency of any organization receiving a sponsorship are also factors which are evaluated under this Policy to ensure that Calleguas's contributions are being used appropriately.

13.1 SPONSORSHIP

Sponsorship is defined as an agreement or arrangement between the District and a not-for-profit organization, government agency, or an organization hosting a charitable program (where the format involves informing the public about the District), where the organization receives either money or a benefit-in-kind for an event or program. In exchange for such a sponsorship, the District receives publicity or other benefits that further the District's mission. This policy does not apply to memberships, event registrations, or co-funding agreements for water use efficiency projects.

13.2 CRITERIA FOR ELIGIBILITY

The District may approve, at its absolute discretion, a sponsorship request that illustrates the nexus between the requested sponsorship and one or more of the following Criteria for Eligibility:

- (a) Raising public awareness on issues related to the District's mission.
- (b) Building key stakeholder and community relationships to further the District's mission.
- (c) Promoting collaboration with regional partners to further the District's mission.

Examples of sponsorships which may be funded include, but are not limited to, the following:

- (a) Water conferences
- (b) Chamber of commerce events which feature the District or address topics within the mission of the District
- (c) Water-related educational programs

13.3 PROCEDURE

All requests for District sponsorships will be made in writing and submitted to the General Manager's office. Requests may come from staff, Directors, or outside organizations and must contain the following information:

- (a) Name of the person requesting the sponsorship.
- (b) Name of the organization to receive the sponsorship.
- (c) Mission or purpose of the organization.
- (d) Name, e-mail, and phone number of a contact representative for the organization.
- (e) A description of the project, program, or event, and how it fulfills Criteria for Eligibility established by this Policy.
- (f) Contribution amount being requested from the District.

All sponsorship requests must be submitted with adequate time for review and processing.

13.4 CERTIFICATION OF ORGANIZATION

If the total of all sponsorships for a single organization will be \$5,000 or more in any fiscal year, the organization must be certified by the District's Sponsorship Committee. Contributions less than \$5,000 may be approved by the General Manager.

In order to be certified the organization will need to provide:

- (a) Proof of good standing/qualification in California and as a nonprofit recognized by the Internal Revenue Service.
- (b) Financial statements for the three years preceding the request.
- (c) Form 990 tax returns for the three years preceding the request.
- (d) A pro-forma budget for the current year.
- (e) A list of responsible directors and their contact information.
- (f) Such consultant, employment, and contractor agreements for goods and services as may be requested by the District's Sponsorship Committee to support its certification review of items (1) - (5) above. Redaction of personally identifiable information is permitted.

If approved, certification will be required once every three years. The certification process will be performed on an as needed basis to respond to requests, by scheduling a meeting of the Sponsorship Committee. Similarly, the Sponsorship Committee can choose to reconsider certification and decertify an organization at any time in response to a request by a Committee or Board Member.

13.5 APPROVAL PROCESS

The District Sponsorship Committee, consisting of two Board members with support from the General Manager and the Manager of Finance, will review sponsorship requests.

Sponsorship requests will be reviewed and approved as follows:

- (a) Sponsorships of \$5,000 or more will be reviewed and approved annually by the Sponsorship Committee and included in the annual budget.
- (b) If required, the Sponsorship Committee will request and review submitted information to determine the certification status of the organization under this Policy.
- (c) Certification, recertification, and decertification can be performed at any time over the course of the fiscal year, as necessitated by requests by organizations requesting sponsorship, Committee Members, and Board Members.
- (d) Contributions less than \$5,000 may be approved by the General Manager.

No matter how worthy the cause, the District is prohibited by the California Constitution from making outright “donations” (i.e., an outright gift, made without any expectation of tangible or other value being returned) of public funds or property to be used strictly for charitable or similar purposes.

PART 14 – LEGISLATIVE ADVOCACY

These Legislative Advocacy Procedures (Procedures) are intended to guide District officials and staff in monitoring legislative proposals that are likely to impact the District, and to allow for a timely response to these issues. Adherence to the Procedures will ensure that legislative advocacy will be administered consistently and in conjunction with the identified Legislative Priorities (“Priorities”) adopted annually by the Board of Directors. Together, the Procedures and the Priorities will provide the District’s General Manager or designee the direction and discretion to effectively advocate for the District’s best interests in a manner consistent with the District’s strategic plan.

14.1 PRINCIPLES

- (a) The Board of Directors recognizes that active engagement in legislative matters will aid and accelerate the implementation of the District’s strategic and long-term goals. Although the expenditure of public funds for the purpose of supporting or opposing a ballot measure or candidate is prohibited by California Government Code Section 54964, the expenditure of public funds is allowed to advocate for or against proposed legislation or regulatory actions that will affect the public agency expending the funds under California Government Code Section 53060.5.
- (b) It is the policy of the District to proactively monitor and advocate for legislation and/or proposed regulations identified by the Priorities and at the specific direction of the Board of Directors. This process may involve interaction with local, state, and federal government representatives and entities. The District also encourages participation in regional, state, and national organizational efforts and associations for the purpose of knowledge enhancement, coalition-building, and general elaboration of the District’s Priorities.
- (c) Given the nature of the legislative process, it is critical that District staff be able to take positions on bills in a timely manner. As such, the General Manager or designee is hereby authorized to take positions on issues that fall within Board adopted Priorities.
- (d) If a legislative or regulatory matter arises that staff believes merits the District’s engagement, but the issue does not fall under an existing Priority, the matter shall be brought before the Board’s Public Engagement, Communication, and Legislative Affairs Committee for consideration and guidance. Periodically, it may be beneficial for the full Board to adopt a position on an issue that may or may not fall under the approved Priorities. Staff will use discretion in selecting these issues for Board consideration.

- (e) Generally, the District will not address matters irrelevant to the District's services, such as social issues or international relations issues.

14.2 PROCEDURES

Staff will track and respond to legislative issues in a timely and consistent manner, utilizing the following process:

- (a) Staff shall review legislation of potential interest to the District and recommend a position to the General Manager or designee based on one or more of the following criteria:
 - (1) The position recommendation is consistent with the adopted Priorities.
 - (2) The position recommendation is approved by the Board of Directors.
 - (3) The position recommendation is approved by the Public Engagement, Communication, and Legislative Affairs Committee.
- (b) After a position approval is received, staff shall recommend an advocacy course of action to the General Manager or designee. Such courses of action may include, but not be limited to, letters, phone calls, testimony at public meetings, and emails. The General Manager or designee shall approve administration by staff of the appropriate form of advocacy based upon circumstances specific to the situation.
- (c) If a chosen course of action involves legislative position letters, the letters shall state the District's position, as follows:
 - (1) A "support" position means legislation in this area advances the District's goals and priorities.
 - (2) An "oppose" position means legislation in this area could potentially harm the District, negatively impact or undo District initiatives, or does not advance the District's goals and priorities.
 - (3) Positions of "support if amended" or "oppose if amended" may also be communicated, along with specific suggestions for changes in the legislation.
 - (4) Legislation shall be prioritized according to the following categories:
 - (i) Priority 1: Bills given a "1" priority are of significant concern because they have a major importance, directly impact the District and / or its member agencies, and /or set a critical precedent. These bills receive comprehensive advocacy, which will include one or more of the courses of action described in Section 2.

- (ii) Priority 2: Bills given a “2” priority are of concern because they may have an impact on the District and / or its member agencies, and / or may set a negative precedent. These bills generally will merit advocacy through District letters and / or coalition efforts.
 - (iii) Priority 3: Bills given a “3” priority are of some concern, but are determined to be a lower priority for District resources. These bills will generally be monitored by staff without incurring direct advocacy.
- (d) The General Manager shall retain the authority to sign position letters on behalf of the District without seeking Board approval.
- (e) The General Manager or designee may also provide a letter of concern or interest regarding a legislative issue without taking a formal position.
- (f) Periodically, staff shall submit a report summarizing advocacy activity to the Board of Directors. This report shall include the following:
 - (1) A list of the bills evaluated.
 - (2) A summary of the potential impact of the bill on the District and / or member agencies.
 - (3) A summary of the bills on which Calleguas has engaged in written advocacy since the previous report, plus copies of letters submitted.

Part 15 – CYBERSECURITY PROGRAM

The District recognizes the increasing threat of cyberattacks and the importance of protecting its information systems, operational technology, and sensitive data while being committed to ensuring the confidentiality, integrity, and availability of its digital assets and services. The District has developed a Cybersecurity Program that establishes a framework for managing cybersecurity risks, responding to incidents, and complying with applicable federal and state regulations, including the America’s Water Infrastructure Act (AWIA) and guidance from the Cybersecurity and Infrastructure Security Agency (CISA).

15.1 CYBERSECURITY PROGRAM

The Manager of Information Technology is responsible for establishing and maintaining the Program in alignment with applicable laws, regulations, and industry best practices. The Program defines roles, responsibilities, and procedures for managing cybersecurity risks and may be updated as necessary to address evolving threats and operational needs.

15.2 CYBERSECURITY PROGRAM EMPLOYEE MANUAL

All Employees are required to read and abide by the Cybersecurity Program Employee Manual and updates thereto as may be performed from time to time. Every Employee of the District shall be provided with electronic access to the most recent version of the Cybersecurity Program Employee Manual.

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RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



06F MEMO CONSENT CALENDAR

THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Dan Smith, Manager of Finance

Subject: Item 6.F - Receive and Affirm the Annual Comprehensive Financial Report of Calleguas Municipal Water District for the Fiscal Year Ended June 30, 2025

Objective: Provide financial stability that supports accomplishing the District's mission in a cost-effective manner.

Recommended Action: Receive and Affirm the Annual Comprehensive Financial Report of Calleguas Municipal Water District for the Fiscal Year Ended June 30, 2025.

Budget Impact: None

Discussion: Nigro & Nigro, PC performed the independent audit of Calleguas's Financial Statements for the Fiscal Year ended June 30, 2025 and documented them in the Annual Comprehensive Financial Report (ACFR). Nigro & Nigro has expressed an unmodified opinion (clean opinion) on the District's financial statements as follows: "... present fairly, in all material respects, the financial position of the District as of June 30, 2025 and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Nigro & Nigro has also provided the Statements on Auditing Standards (SAS) 114 Letter, Auditor's Communication with Those Charged with Governance, required under Government Auditing Standards. This letter provides information on significant audit findings/other issues, significant unusual transactions, corrected and uncorrected misstatements, and a notation that there were no disagreements with management about the presentation of the financial statements. They have also provided the SAS 115 Letter, Report on Internal Control Over Financial Reporting in Accordance with Government Auditing Standards. This letter can be found on page 56 of the ACFR. The audit was previously reviewed in detail with the Finance Committee.

Attachment:

Calleguas Annual Comprehensive Financial Report – June 2025
Calleguas Audit Communications Letter

**CALLEGUAS MUNICIPAL WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2025
(With Comparative Amounts as of June 30, 2024)**

NIGRO & NIGRO^{PC}

CALLEGUAS MUNICIPAL WATER DISTRICT*For the Fiscal Year Ended June 30, 2025**Board of Directors and Key Management Personnel*

BOARD OF DIRECTORS

Name	District	Office	Term Expires
Raul Avila	1	President	December 2028
Thibault Robert	4	Vice President	December 2026
Jacquelyn McMillan	5	Treasurer	December 2026
Reddy Pakala	3	Secretary	December 2028
Scott H. Quady	2	Director	December 2028

MANAGEMENT PERSONNEL

Name	Position
Kristine McCaffrey, P.E.	General Manager
Ian Prichard	Deputy General Manager
Fernando Baez, P.E.	Manager of Engineering
Tricia Ferguson	Manager of Human Resources and Risk Management
Henry Graumlich	Executive Strategist
Charlotte Holifield	Manager of External Affairs
Jennifer Lancaster	Manager of Water Resources
Omar Castro	Manager of Operations and Maintenance
Wes Richardson	Manager of Information Technology
Dan Smith	Manager of Finance

CALLEGUAS MUNICIPAL WATER DISTRICT

For the Fiscal Year Ended June 30, 2025

Table of Contents

INTRODUCTORY SECTION

Page

Transmittal Letter	i
--------------------------	---

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Balance Sheets.....	10
Statements of Revenues, Expenses and Changes in Net Position.....	11
Statements of Cash Flows.....	12
Notes to Financial Statements.....	14
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability	44
Schedule of the District's Contributions to the Defined Benefit Pension Plan.....	45
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	46
Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan.....	48

OTHER INFORMATION

Schedule of Historic and Projected Water Sales.....	50
Schedule of Ten Largest Customers	51
Schedule of Annual Water Rates	52
Schedule of Assessed Valuation and Secured Tax Levy	53
Schedule of Historic Operating Results	54
Schedule of Projected Operating Results.....	55

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	56
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Introductory Section

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

web site: www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

December 17, 2025

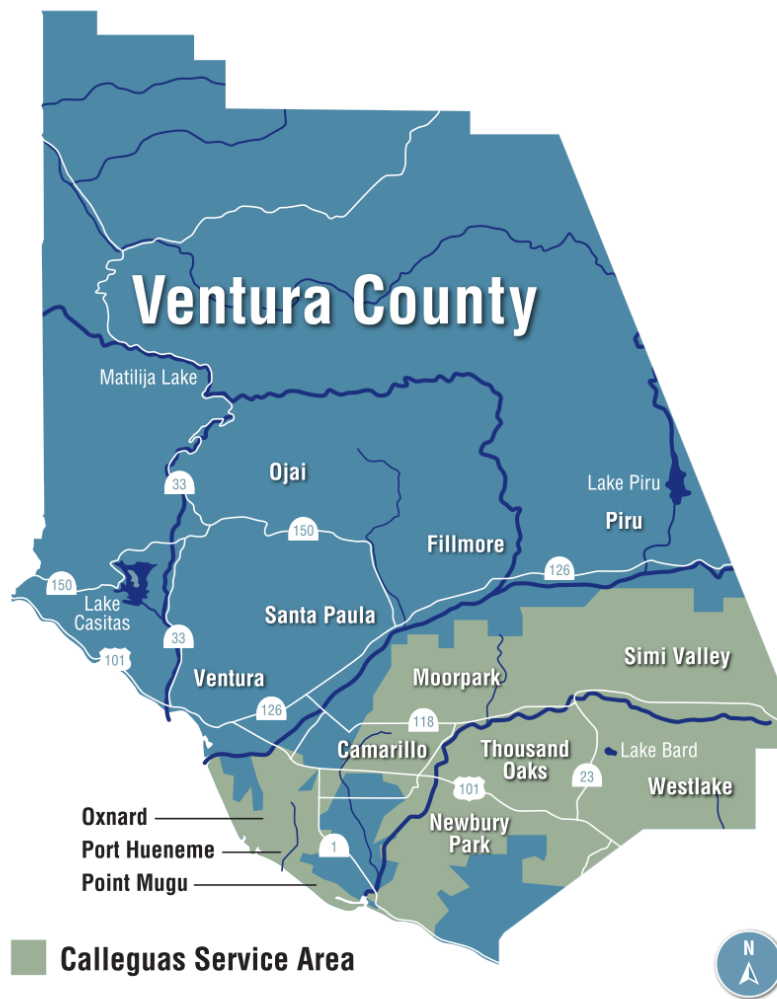
To the Board of Directors and Purveyors of Calleguas Municipal Water District:

Calleguas Municipal Water District (Calleguas) is pleased to submit the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2025. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the requirements issued by the Government Accounting Standards Board (GASB). Calleguas's management is responsible for the accuracy, completeness and fairness of the information presented, including all disclosures, and for ensuring that the financial statements are free of material misstatement. Management also maintains an internal control structure designed to provide reasonable assurance that assets are safeguarded and that the financial data is reliable.

Profile of Calleguas

Calleguas's mission is to provide the service area with a reliable supplemental supply of regional and locally developed water in an environmentally and economically responsible manner.

Calleguas was created as a special district in 1953 by ballot measure for the purpose of providing southeastern Ventura County with a reliable supply of high-quality supplemental water. Today Calleguas provides water service to an estimated population of 650,000 through 19 retail water purveyors. Calleguas's 366-square-mile service area encompasses the cities of Oxnard, Port Hueneme, Camarillo, Thousand Oaks, Simi Valley, and Moorpark, and surrounding unincorporated areas, including Naval Base Ventura County, Oak Park, Lake Sherwood, Somis, and Bell Canyon. Calleguas is a member agency of the Metropolitan Water District of Southern California (Metropolitan).



Water is delivered into the Calleguas service area through a connection with Metropolitan, and the majority of Calleguas's water supply is treated at Metropolitan's Jensen Water Treatment Plant in Granada Hills. Calleguas then conveys the high-quality drinking water through 130 miles of 18-inch to 78-inch diameter pipelines, twelve reservoirs, five hydroelectric generators, and six pump stations for delivery to consumers.

In order to provide customers with water during outages of imported supplies, Calleguas also owns and operates Lake Bard and the Lake Bard Water Filtration Plant, the Las Posas Aquifer Storage and Recovery (ASR) facility with 18 wells, and interconnections with the Crestview Mutual Water Company and Las Virgenes Municipal Water District. To facilitate development of local brackish groundwater supplies and potable reuse of recycled water, Calleguas operates a 19-mile-long Salinity Management Pipeline (SMP) with an outfall extending into the Pacific Ocean.

Calleguas is governed by an elected five-member Board of Directors. The Board of Directors are responsible to the members of the public of their respective divisions, and to the general public within the Calleguas service area, for proper conduct of Calleguas affairs. Directors are elected to four-year terms by the registered voters in five geographic divisions. These divisions are apportioned by population. Terms are staggered to ensure continuity, with public elections held in at least two divisions every two years. Directors must reside within their elected division. The Board appoints the General Manager and employs the Auditor and District Counsel.

Water Supply and Reliability

In 2024, Calleguas delivered over 21 billion gallons of safe and reliable drinking water to serve over 650,000 people. That is 75 percent of the residents in Ventura County—plus all the hospitals, restaurants, schools, and businesses in the Calleguas service area.

Calleguas's potable water supply is purchased from Metropolitan, formed in 1928. Metropolitan depends on the State Water Project and the Colorado River for supply and delivers those sources to its member agencies via a network of reservoirs, aqueducts, and pumping facilities. Calleguas has a single connection to Metropolitan, at the "East Portal" in Chatsworth. From there, water is conveyed through the 1.3-mile Santa Susana Tunnel to the "West Portal" in Simi Valley, where it branches into a pipeline distribution system. Calleguas's supply typically comes from the State Water Project, because there is limited Metropolitan infrastructure in place to deliver Colorado River water to Calleguas. Due to shortages of State Project Water in 2021 and 2022, however, 16–29% of Calleguas's supply during that time came from the Colorado River Aqueduct delivered through Metropolitan's Greg Avenue Pump Station in Burbank.

Metropolitan imposes transmission costs, debt service allocation, and other costs on the imported water supply, which are passed on by Calleguas to its customers. Metropolitan faces

several challenges in providing a reliable and high-quality water supply for its member agencies, including Calleguas. These include, among others: (1) the impact of drought conditions and a changing climate on Metropolitan's principal sources of water, the State Water Project and the Colorado River; (2) reduced deliveries of water generated from the snowpack of the western Sierra Nevada Mountains through the Sacramento Delta resulting from environmental laws, regulations, and court orders, including those relating to the protection of sensitive species and habitat; (3) the increased competition for low-cost water supplies; and (4) increased environmental regulations for clean and safe drinking water.

Numerous groundwater basins underlie Calleguas's service area, including the Oxnard, Pleasant Valley, Las Posas, Santa Rosa, Simi Valley, and Conejo Basins. Several Calleguas purveyors produce groundwater from these basins, depending on imported water supplied by Calleguas to supplement supplies to meet demands and/or to blend with groundwater supplies to control water quality. Calleguas does not currently produce any local groundwater as part of its supply portfolio.

Calleguas also operates an ASR Wellfield in the Las Posas Basin to store imported water and extract it when it is needed. Calleguas operates its ASR Wellfield under certain specific conditions, including scheduled and unscheduled outages.

Beginning in 2020-21, California experienced a severe drought and implemented water use restrictions to conserve water. In 2022, Calleguas was placed on mandatory water restrictions by Metropolitan requiring a reduction in outdoor watering to one day a week. During this time of limited supply from Metropolitan, Calleguas supplemented its water supply by utilizing the imported water stored in the Las Posas Basin. Calleguas pumped approximately 3,800 AF of stored imported water from its Las Posas ASR Wellfield in the Las Posas Basin to meet demands. In Fiscal Year 2022-23, water sales decreased to 59,759 AF. By the end of 2023, rainfall exceeded expectations and allocations on the State Water Project were increased. However, water sales continue to be depressed due to less demand for outdoor irrigation during wet years as well as continued conservation. Calleguas had water sales of 65,254 AF in Fiscal Year 2023-24 and 76,159 AF in Fiscal Year 2024-25.

Major Initiatives

The Calleguas Board of Directors adopted the "New Model for Resilience" Strategic Plan in 2023. Since then, Calleguas has engaged in a series of collaborative, iterative, and productive conversations with local and regional partners to envision and plan for long-term water reliability and resilience. This process, the Water Resources Implementation Strategy (WRIST), built on the history of extensive regional collaboration to enhance existing partnerships and forge new ones. The goal of WRIST was to develop preferred portfolios of projects with a regional focus

and evaluate them according to multiple criteria and priorities. With those portfolios identified, Calleguas is now embarking on the early stages of planning for implementation of the selected conceptual projects and programs to diversify and strengthen its water supply. Potential future investments under consideration include:

- Developing new local water supplies, such as making use of brackish (slightly salty) groundwater by constructing new desalter facilities
- Groundwater storage programs to store water from wet periods so it is available during dry ones
- Maximizing the use of recycled water through advanced treatment and groundwater injection and extraction, as well as expanding existing recycled water (“purple pipe”) systems
- Extending Calleguas’s water delivery system to allow locally produced water to be conveyed to all parts of the service area

Current Major Projects

Calleguas-Las Virgenes Interconnection

The Association of California Water Agencies awarded Calleguas Municipal Water District and Las Virgenes Municipal Water District its prestigious Clair A. Hill Award for the interconnection completed this year between the two districts on Lindero Canyon Road between Westlake Village and Thousand Oaks, through Oak Park. The Calleguas-Las Virgenes Interconnection will provide emergency water supply between the two agencies, which had previously operated as two entirely separate systems. The interconnection included a pump station & pressure reducing station, approximately 6,100 linear feet of 30-inch welded steel pipeline, turnout relocation, and reverse flow valve.

Lindero Pump Station Rehabilitation

The Lindero Pump Station Rehabilitation will replace aging pumps, motors, electrical systems, and piping to improve operability and reliability and prevent failure of aging components.

Calleguas-Ventura Interconnection

The Calleguas-Ventura Interconnection will install approximately 18,670 feet of 30-inch welded steel pipe and a meter station to enable the delivery of potable water between Calleguas’s and the City of Ventura’s systems. The Interconnection will provide a means for Calleguas to receive potable water from the City during an outage of imported supplies.

Lake Bard Pump Station, Lake Bard Water Filtration Plant Flow Meter, and Lake Bard Outlet Tower Improvements

This project includes the installation of three 350 horse power pumps to enable approximately 2,988 acre feet of Lake Bard water that cannot currently be treated by the Lake Bard Water Filtration Plant (LBWFP) due to insufficient hydraulic head to be pumped through the treatment process; the addition of a 60-inch flowmeter upstream of the LBWFP, and replacement of the five 48-inch butterfly valves at the Lake Bard Outlet Tower.

Smith Road Tank

The Smith Road Tank involves the construction of a 3.5-million-gallon aboveground steel tank in Simi Valley. The tank will be connected to both Calleguas Conduit North Branch and Calleguas Conduit South Branch. This will enable Calleguas to meet demands in the Simi Valley Region during a short-term outage of imported water.

Salinity Management Pipeline (SMP), Phase 3

Calleguas's SMP currently extends approximately 19 miles from its upstream end just north of Camarillo to its downstream terminus at the Hueneme Outfall, where it discharges into the Pacific Ocean in Port Hueneme. Phase 3 will extend the SMP inland from its current upstream terminus in Camarillo another 5.1 miles to connect to additional dischargers. The pipeline alignment would extend from Camarillo into the Santa Rosa Valley in unincorporated Ventura County.

Financial Management and Internal Controls

Management is responsible for establishing and maintaining an internal control structure designed to safeguard Calleguas assets, ensure the reliability of financial reporting, and promote compliance with applicable laws and regulations. Calleguas's Finance Department coordinates monthly financial reviews, Board-level oversight of investment and budgeting policies, and an annual external audit.

Nigro & Nigro PC, Certified Public Accountants, have issued an unmodified opinion on Calleguas's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

The Board approves and adopts Calleguas's budget annually. It is developed with input from every department at Calleguas to provide a complete view of Calleguas's financial health and the resources available to support Calleguas's mission, values, and strategic goals. Long-term financial planning is incorporated into Calleguas's capital improvement plan and rate-setting frameworks. Key financial policies include reserves, investments, fixed assets, and debt management.

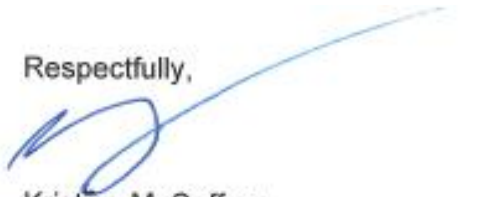
For the fiscal year ended June 30, 2025, Calleguas's overall financial position remained strong. Calleguas has a bond rating of AA+. Significant factors affecting financial performance included increases in wholesale water rates in response to increases in imported water costs, pumping power expenses, and capital spending on reliability projects.

Acknowledgments

The preparation of this report was made possible thanks to the Finance Department, with support from the entire organization. We would like to thank the Board of Directors for their continued support and professionalism in managing Calleguas's finances.

This financial report is designed to provide Calleguas's funding sources, customers, stakeholders and other interested parties with an overview of Calleguas's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Calleguas's Finance Department, 2100 Olsen Road, Thousand Oaks, CA 91360.

Respectfully,



Kristine McCaffrey
General Manager
Calleguas Municipal Water District



Dan Smith
Manager of Finance
Calleguas Municipal Water District

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

Opinion

We have audited the accompanying financial statements of the Calleguas Municipal Water District (District), which comprise the balance sheet as of June 30, 2025, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Notes 1, 6, and 13 to the financial statements, as of July 1, 2024, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences and Statement No. 102, Certain Risk Disclosures. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Contributions to the Defined Benefit Pension Plan, and Schedule of Changes in the District's Net OPEB Liability and Related Ratios 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

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Other Information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 17, 2025, on our consideration of the 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 the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

Murrieta, California
December 17, 2025

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

Management's Discussion and Analysis (MD&A) offers readers of Calleguas Municipal Water District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2025. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2025, the District's net position increased 2.98%, or \$16,349,054 from the prior year's net position of \$548,149,127 to \$564,498,181, as a result of the year's operations.
- In fiscal year 2025, operating revenues increased by 22.76%, or \$29,405,450 from \$129,176,087 to \$158,581,537, from the prior year, primarily due to a \$28,260,887 increase in water sales.
- In fiscal year 2025, operating expenses before depreciation expense increased by 19.16% or \$22,790,209 from \$118,933,136 to \$141,723,345 from the prior year, primarily due to an increase in costs for the District's source of supply of \$21,936,316.

REQUIRED FINANCIAL STATEMENTS

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

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

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

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

Condensed Balance Sheets

	June 30, 2025	June 30, 2024	Change	June 30, 2023	Change
Assets:					
Current assets	\$ 283,303,567	\$ 263,084,284	\$ 20,219,283	\$ 254,288,671	\$ 8,795,613
Non-current assets	11,242,087	11,486,063	(243,976)	11,227,341	258,722
Capital assets, net	459,714,885	468,065,249	(8,350,364)	462,970,821	5,094,428
Total assets	754,260,539	742,635,596	11,624,943	728,486,833	14,148,763
Deferred outflows of resources	12,933,423	12,218,709	714,714	13,275,050	(1,056,341)
Total assets and deferred outflows of resources	\$ 767,193,962	\$ 754,854,305	\$ 12,339,657	\$ 741,761,883	\$ 13,092,422
Liabilities:					
Current liabilities	\$ 36,355,581	\$ 33,897,571	\$ 2,458,010	\$ 30,836,332	\$ 3,061,239
Non-current liabilities	164,541,284	170,476,791	(5,935,507)	176,210,947	(5,734,156)
Total liabilities	200,896,865	204,374,362	(3,477,497)	207,047,279	(2,672,917)
Deferred inflows of resources	1,798,916	2,330,816	(531,900)	2,404,682	(73,866)
Net position:					
Net investment in capital assets	304,972,609	304,927,097	45,512	293,831,581	11,095,516
Restricted for debt service reserves	10,797,836	11,486,063	(688,227)	11,227,341	258,722
Restricted for net OPEB asset	444,251	-	444,251	-	-
Unrestricted	248,283,485	231,735,967	16,547,518	227,251,000	4,484,967
Total net position	564,498,181	548,149,127	16,349,054	532,309,922	15,839,205
Total liabilities, deferred outflows of resources and net position	\$ 767,193,962	\$ 754,854,305	\$ 12,339,657	\$ 741,761,883	\$ 13,092,422

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$564,498,181 as of June 30, 2025.

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (54% as of June 30, 2025) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2025, the District showed a positive balance in its unrestricted net position of \$248,283,485 which may be utilized in future years.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues	\$ 158,581,537	\$ 129,176,087	\$ 29,405,450	\$ 112,889,260	\$ 16,286,827
Operating expenses	<u>(141,723,345)</u>	<u>(118,933,136)</u>	<u>(22,790,209)</u>	<u>(107,417,099)</u>	<u>(11,516,037)</u>
Operating income before depreciation	16,858,192	10,242,951	6,615,241	5,472,161	4,770,790
Depreciation expense	<u>(16,010,407)</u>	<u>(13,784,451)</u>	<u>(2,225,956)</u>	<u>(15,176,902)</u>	<u>1,392,451</u>
Operating income	847,785	(3,541,500)	4,389,285	(9,704,741)	6,163,241
Non-operating revenues(expenses), net	<u>14,899,006</u>	<u>12,044,567</u>	<u>2,854,439</u>	<u>6,795,814</u>	<u>5,248,753</u>
Change in net position before capital	15,746,791	8,503,067	7,243,724	(2,908,927)	11,411,994
Capital contributions:					
Local capital contributions	602,263	1,320,229	(717,966)	1,444,352	(124,123)
State capital grant	<u>-</u>	<u>6,015,909</u>	<u>(6,015,909)</u>	<u>-</u>	<u>6,015,909</u>
Change in net position	16,349,054	15,839,205	509,849	(1,464,575)	17,303,780
Net position:					
Beginning of year, as restated	<u>548,149,127</u>	<u>532,309,922</u>	<u>15,839,205</u>	<u>533,774,497</u>	<u>(1,464,575)</u>
End of year	<u>\$ 564,498,181</u>	<u>\$ 548,149,127</u>	<u>\$ 16,349,054</u>	<u>\$ 532,309,922</u>	<u>\$ 15,839,205</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased 2.98%, or \$16,349,054 from the prior year's net position of \$548,149,127 to \$564,498,181, as a result of the year's operations.

CALLEGUAS MUNICIPAL WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

FINANCIAL ANALYSIS OF THE DISTRICT (continued)**Total Revenues**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
Operating revenues:					
Water sales	\$ 137,449,230	\$ 109,188,343	\$ 28,260,887	\$ 95,175,211	\$ 14,013,132
Capacity reservation charge	7,834,356	7,409,256	425,100	7,348,086	61,170
Readiness-to-serve-purveyors	9,096,300	8,358,300	738,000	7,582,728	775,572
Water standby charges	1,417,723	1,377,102	40,621	1,381,714	(4,612)
Pumping power revenue	1,839,607	1,736,692	102,915	1,010,405	726,287
Salinity Management Pipeline fees	538,370	553,051	(14,681)	335,969	217,082
Other operating revenues	405,951	553,343	(147,392)	55,147	498,196
Total operating revenues	<u>158,581,537</u>	<u>129,176,087</u>	<u>29,405,450</u>	<u>112,889,260</u>	<u>16,286,827</u>
Non-operating:					
Property taxes	12,834,940	11,886,702	948,238	11,100,420	786,282
Investment earnings	10,196,712	8,311,036	1,885,676	3,159,653	5,151,383
Sale of capital assets	42,161	11,100	31,061	16,213	(5,113)
Insurance recovery proceeds	-	-	-	-	-
Other non-operating revenues	254,890	73,444	181,446	129,730	(56,286)
Total non-operating	<u>23,328,703</u>	<u>20,282,282</u>	<u>3,046,421</u>	<u>14,406,016</u>	<u>5,876,266</u>
Total revenues	<u>\$ 181,910,240</u>	<u>\$ 149,458,369</u>	<u>\$ 32,451,871</u>	<u>\$ 127,295,276</u>	<u>\$ 22,163,093</u>

In fiscal year 2025, operating revenues increased by 22.76%, or \$29,405,450 from \$129,176,087 to \$158,581,537, from the prior year, primarily due to a \$28,260,887 increase in water sales.

In fiscal year 2024, operating revenues increased by 14.43%, or \$16,286,827 from \$112,889,260 to \$129,176,087, from the prior year, primarily due to a \$14,013,132 increase in water sales.

CALLEGUAS MUNICIPAL WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
Operating expenses:					
Source of supply	\$ 112,619,768	\$ 90,683,452	\$ 21,936,316	\$ 79,198,810	\$ 11,484,642
Pumping	2,204,541	2,142,534	62,007	2,787,501	(644,967)
Administration	4,145,236	4,876,053	(730,817)	4,385,182	490,871
Administrative services	5,338,895	4,912,593	426,302	3,306,283	1,606,310
Engineering	2,369,581	2,169,585	199,996	2,247,808	(78,223)
Resources, conservation and governmental	1,266,082	1,791,599	(525,517)	1,976,964	(185,365)
Operations and maintenance	13,779,242	12,357,320	1,421,922	13,514,551	(1,157,231)
Total operating expenses	<u>141,723,345</u>	<u>118,933,136</u>	<u>22,790,209</u>	<u>107,417,099</u>	<u>11,516,037</u>
Depreciation expense	16,010,407	13,784,451	2,225,956	15,176,902	(1,392,451)
Non-operating expenses:					
Interest expense	5,392,728	7,163,852	(1,771,124)	7,125,745	38,107
Tax collection and financing charges	597,183	520,213	76,970	442,295	77,918
Cost of debt issuance	447,948	-	447,948	-	-
Project related expenses	1,991,838	553,650	1,438,188	42,162	511,488
Total non-operating	<u>8,429,697</u>	<u>8,237,715</u>	<u>191,982</u>	<u>7,610,202</u>	<u>627,513</u>
Total expenses	<u>\$ 166,163,449</u>	<u>\$ 140,955,302</u>	<u>\$ 25,208,147</u>	<u>\$ 130,204,203</u>	<u>\$ 10,751,099</u>

In fiscal year 2025, operating expenses before depreciation expense increased by 19.16% or \$22,790,209 from \$118,933,136 to \$141,723,345 from the prior year, primarily due to an increase in costs for the District's source of supply of \$21,936,316.

In fiscal year 2024, operating expenses before depreciation expense increased by 10.72% or \$11,516,037 from \$107,417,099 to \$118,933,136 from the prior year, primarily due to an increase in costs for the District's source of supply of \$11,484,642.

Capital Assets

	<u>Balance June 30, 2025</u>	<u>Balance June 30, 2024</u>
Capital assets:		
Non-depreciable assets	\$ 31,752,917	\$ 60,880,696
Depreciable assets	699,664,102	663,554,958
Accumulated depreciation	<u>(271,702,134)</u>	<u>(256,370,405)</u>
Total capital assets, net	<u>\$ 459,714,885</u>	<u>\$ 468,065,249</u>

At the end of year 2025, the District's investment in capital assets amounted to \$459,714,885 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$7,660,043 for various projects and equipment. See Note 5 for further information.

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

The long-term debt of the District is summarized below:

Long-term debt:	Balance	Balance
	June 30, 2025	June 30, 2024
Bonds payable	\$ 159,922,494	\$ 165,517,471
Loans payable	1,784,312	1,784,312
	<u>\$ 161,706,806</u>	<u>\$ 167,301,783</u>

Bonds payable decreased by a total of \$5,594,977 for the year ended June 30, 2025. Principal payments were \$74,555,000 and amortization of the debt premiums amounted to \$96,673. Bonds payable increased by \$69,956,696 from new debt. See Note 7 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

Management is unaware of any item that would affect the District's current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Finance Department, 2100 Olsen Road, Thousand Oaks, CA 91360.

CALLEGUAS MUNICIPAL WATER DISTRICT

Balance Sheets

June 30, 2025 (With Comparative Amounts as of June 30, 2024)

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	2025	2024
Current assets:		Restated
Cash and cash equivalents (Note 2)	\$ 6,851,470	\$ 4,099,008
Investments (Note 2)	173,217,212	168,479,539
Accrued interest receivable	1,583,471	1,333,297
Accounts receivable, utility	20,798,581	20,803,388
Other receivables	1,219,241	2,866,053
Inventory – water-in-storage (Note 4)	59,510,519	57,968,917
Inventory – pipeline	4,449,000	4,449,000
Prepaid expenses	15,674,073	3,085,082
Total current assets	283,303,567	263,084,284
Non-current assets:		
Restricted – cash and cash equivalents (Note 2 and 3)	10,797,836	11,486,063
Net OPEB asset (Note 8)	444,251	-
Capital assets – not being depreciated (Note 5)	31,752,917	60,880,696
Capital assets – being depreciated, net (Note 5)	427,961,968	407,184,553
Total non-current assets	470,956,972	479,551,312
Total assets	754,260,539	742,635,596
Deferred outflows of resources:		
Deferred amounts related to refunding of long-term debt (Note 7)	6,964,530	4,163,631
Deferred amounts related to net OPEB liability (Note 8)	1,287,235	1,727,131
Deferred amounts related to net pension liability (Note 9)	4,681,658	6,327,947
Total deferred outflows of resources	12,933,423	12,218,709
Total assets and deferred outflows of resources	\$ 767,193,962	\$ 754,854,305
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 23,493,389	\$ 19,823,660
Accrued salaries and benefits	650,515	295,280
Retentions payable	147,093	1,625,887
Deposits and unearned revenues	391,863	90,293
Accrued interest payable	2,501,186	2,963,027
Long-term liabilities – due within one year:		
Compensated absences (Note 6)	841,535	759,424
Bonds payable (Note 7)	8,330,000	8,340,000
Total current liabilities	36,355,581	33,897,571
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 6)	991,601	965,790
Loans payable (Note 7)	1,784,312	1,784,312
Bonds payable (Note 7)	151,592,494	157,177,471
Net OPEB liability (Note 8)	-	119,551
Net pension liability (Note 9)	10,172,877	10,429,667
Total non-current liabilities	164,541,284	170,476,791
Total liabilities	200,896,865	204,374,362
Deferred inflows of resources:		
Deferred amounts related to net OPEB liability (Note 8)	1,022,338	1,273,494
Deferred amounts related to net pension liability (Note 9)	776,578	1,057,322
Total deferred inflows of resources	1,798,916	2,330,816
Net position:		
Net investment in capital assets (Note 10)	304,972,609	304,927,097
Restricted for debt service reserves (Note 3)	10,797,836	11,486,063
Restricted for net OPEB asset (Note 3)	444,251	-
Unrestricted	248,283,485	231,735,967
Total net position	564,498,181	548,149,127
Total liabilities, deferred inflows of resources and net position	\$ 767,193,962	\$ 754,854,305

CALLEGUAS MUNICIPAL WATER DISTRICT*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	2025	2024
		Restated
Operating revenues:		
Water sales	\$ 137,449,230	\$ 109,188,343
Capacity reservation charge	7,834,356	7,409,256
Readiness-to-serve-purveyors	9,096,300	8,358,300
Water standby charges	1,417,723	1,377,102
Pumping power revenue	1,839,607	1,736,692
Salinity Management Pipeline fees	538,370	553,051
Other operating revenues	405,951	553,343
Total operating revenues	158,581,537	129,176,087
Operating expenses:		
Source of supply	112,619,768	90,683,452
Pumping	2,204,541	2,142,534
Administration	4,145,236	4,876,053
Administrative services	5,338,895	4,912,593
Engineering	2,369,581	2,169,585
Resources, conservation and governmental	1,266,082	1,791,599
Operations and maintenance	13,779,242	12,357,320
Total operating expenses	141,723,345	118,933,136
Operating income before depreciation	16,858,192	10,242,951
Depreciation expense	(16,010,407)	(13,784,451)
Operating loss	847,785	(3,541,500)
Non-operating revenues(expenses):		
Property taxes	12,834,940	11,886,702
Investment earnings	10,196,712	8,311,036
Sale of capital assets	42,161	11,100
Other non-operating revenues	254,890	73,444
Interest expense	(5,392,728)	(7,163,852)
Tax collection and financing charges	(597,183)	(520,213)
Cost of debt issuance	(447,948)	-
Project related expenses	(1,991,838)	(553,650)
Total non-operating revenue, net	14,899,006	12,044,567
Change in net position before capital contributions	15,746,791	8,503,067
Capital contributions:		
Local capital contributions	602,263	1,320,229
State capital grant	-	6,015,909
Total capital contributions	602,263	7,336,138
Change in net position	16,349,054	15,839,205
Net position:		
Beginning of year, as restated (Note 11)	548,149,127	532,309,922
End of year	<u>\$ 564,498,181</u>	<u>\$ 548,149,127</u>

CALLEGUAS MUNICIPAL WATER DISTRICT*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	2025	2024
		Restated
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 160,789,616	\$ 121,964,353
Cash paid to employees for salaries and wages	(13,001,766)	(12,233,164)
Cash paid to vendors and suppliers for materials and services	(141,456,225)	(107,071,645)
Net cash provided by operating activities	6,331,625	2,659,544
Cash flows from non-capital financing activities:		
Proceeds from property taxes, net of collection fees paid	12,237,757	11,366,489
Net cash provided by non-capital financing activities	12,237,757	11,366,489
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(7,660,043)	(18,878,879)
Proceeds from the sale of capital assets	42,161	11,100
Proceeds from local capital contributions	602,263	1,320,229
Proceeds state capital grant	-	3,149,856
Proceeds from debt issuance	66,230,445	1,784,312
Principal paid on long-term debt	(74,555,000)	(8,025,000)
Interest and redemption expenses paid on long-term debt	(6,373,840)	(7,095,456)
Net cash used in capital and related financing activities	(21,714,014)	(27,733,838)
Cash flows from investing activities:		
Sale of investments	26,025,718	49,058,603
Purchase of investments	(21,000,000)	(38,945,124)
Investment earnings	183,149	5,278,561
Net cash provided by investing activities	5,208,867	15,392,040
Net increase in cash and cash equivalents	2,064,235	1,684,235
Cash and cash equivalents:		
Beginning of year	15,585,071	13,900,836
End of year	<u>\$ 17,649,306</u>	<u>\$ 15,585,071</u>
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash and cash equivalents	\$ 6,851,470	\$ 4,099,008
Restricted – cash and cash equivalents	10,797,836	11,486,063
Total cash and cash equivalents	<u>\$ 17,649,306</u>	<u>\$ 15,585,071</u>

CALLEGUAS MUNICIPAL WATER DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash provided by operating activities:		Restated
Operating loss	\$ 847,785	\$ (3,541,500)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	16,010,407	13,784,451
Other non-operating revenues	254,890	73,444
Project related expenses	(1,991,838)	(553,650)
Change in assets – (increase)decrease:		
Accounts receivable	4,807	(4,415,708)
Other receivables	1,646,812	(2,866,053)
Inventory – water-in-storage	(1,541,602)	(4,303,290)
Prepaid expenses	(12,588,991)	-
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB liability	439,896	(212,982)
Deferred amounts related to net pension liability	1,646,289	746,786
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	3,669,729	1,616,236
Accrued salaries and benefits	355,235	22,414
Retentions payable	(1,478,794)	674,636
Deposits and unearned revenues	301,570	(3,417)
Compensated absences	107,922	712,881
Net OPEB liability	(563,802)	(295,894)
Net pension liability	(256,790)	1,295,056
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to net OPEB liability	(251,156)	278,936
Deferred amounts related to net pension liability	(280,744)	(352,802)
Total adjustments	<u>5,483,840</u>	<u>6,201,044</u>
Net cash provided by operating activities	<u>\$ 6,331,625</u>	<u>\$ 2,659,544</u>
Noncash investing, capital and financing transactions		
Change in fair-value of investments	<u>\$ 2,302,821</u>	<u>\$ 2,769,676</u>
Amortization of bond premium	<u>\$ 996,674</u>	<u>\$ 282,937</u>
Amortization of deferred amounts related to refunding of long-term debt	<u>\$ (477,403)</u>	<u>\$ (522,537)</u>

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Calleguas Municipal Water District (the District) was organized in December 1953 as a special district under the State of California Water Code Sections 71001 et seq. to provide a supplemental supply of water for the portion of Ventura County lying within District boundaries. The Board of Directors consists of five members, which has governance responsibilities over all activities related to the District. Board members are elected by the public to four-year terms. They have decision-making authority, power to designate management, responsibility to significantly influence operations and accountability for fiscal matters.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

4. Receivables and Allowance for Doubtful Accounts

The District grants credit to its customers, substantially all of whom are member purveyors in Ventura County, California. The District charges doubtful accounts arising from receivables to bad debt expense when it is probable that the accounts will be uncollectible.

5. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Inventories and Water in Storage

Supply inventories maintained by the District consist primarily of pipes, valves, and various fittings. Inventories are valued at lower of cost or market using the first-in, first-out method. Water in storage is valued at average cost.

7. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Water distribution system	10-50 years
Buildings and improvements	10-50 years
Equipment	5-10 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

9. Compensated Absences

In accordance with GASB Statement No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District's policy permits employees to accumulate earned but unused vacation benefits up to 480 hours. Any excess accumulation is forfeited by the employees if they reach the maximum limit. Upon termination, retirement or death of an employee, the District pays any accrued vacation in a lump-sum payment to the employee or beneficiary. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences, and the District's policies related to compensated absences. The measurement of compensated absences includes salary-related payment such as the employer portion of social security and medicare taxes.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

10. Pensions

For purposes of measuring the net pension liability and deferred outflows/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) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2023

Measurement Date June 30, 2024

Measurement Period July 1, 2022 to June 30, 2024

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 pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the 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 Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2023

Measurement Date June 30, 2024

Measurement Period July 1, 2022 to June 30, 2024

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

12. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** - This component of net position is restricted by external creditors, grantors, contributors or laws or regulations of other governments.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

D. Use of Estimates

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

E. Property Taxes

The Ventura County Assessor's Office assesses all real and personal property within the County each year. The Ventura County Tax Collector's Office bills and collects the District's share of property taxes. The Ventura County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the Ventura County Tax Collector's Office, which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien date March 1
Levy date July 1
Due dates November 1 and March 1
Collection dates December 10 and April 10

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

F. New Pronouncements – Governmental Accounting Standards Board (GASB)

During the fiscal year ended June 30, 2025, the District implemented a new pronouncement as follows:

GASB Statement No. 101 – Compensated Absences

This GASB Statement amends the definition of a compensated absence to encompass the various types of benefits offered by governmental employers and establishes a unified model for accounting and reporting. The statement also revises the related financial statement disclosure requirements, including eliminating certain disclosures previously required that GASB research found did not provide essential information to financial statement users. The GASB statement applies to all units of state and local governments. The District adopted the Statement as of July 1, 2024. See Note 11 for the effect of this Statement.

GASB Statement No. 102 – Certain Risk Disclosures

This GASB Statement requires state and local governments to disclose vulnerabilities due to certain concentrations and constraints that could significantly impact their financial health. A concentration refers to a dependency on a specific source—such as a major revenue stream, customer, supplier, or workforce—while a constraint involves legal, regulatory, contractual, or other external limitations that restrict an entity's ability to respond to those risks. If these factors make the government vulnerable to a near-term severe impact, disclosure is required in the notes to the financial statements. The goal of Statement No. 102 is to improve transparency and provide users with better insight into potential risks that could affect a government's financial condition. The District adopted the Statement as of July 1, 2024. See Note 13 for the effect of this Statement.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2025</u>
Cash and cash equivalents	\$ 6,851,470
Investments	173,217,212
Restricted – cash and cash equivalents	<u>10,797,836</u>
Total cash and investments	<u>\$ 190,866,518</u>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2025</u>
Petty cash	\$ 1,400
Demand deposits held with financial institutions	6,850,070
Investments	<u>184,015,048</u>
Total cash and investments	<u>\$ 190,866,518</u>

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2025, the carrying amount of the District's demand deposits were \$6,851,470 and the financial institution's balances were \$6,923,237. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The Fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

Investments

The District's investments as of June 30, 2025 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
U.S. treasury obligations	Level 1	AAa	\$ 33,485,951	\$ 10,420,160	\$ 3,883,594	\$ 19,182,197
U.S. government sponsored agency securities	Level 2	A to AAA	46,462,025	11,143,410	7,757,189	27,561,426
Asset-backed securities	Level 2	A to AAA	16,837,650	-	1,685,144	15,152,506
Medium-term corporate notes	Level 2	A to AAA	45,954,984	12,575,306	11,542,613	21,837,065
MortgageBacked Securities	Level 2	A to AAA	7,881,536	-	4,239,995	3,641,541
Commercial paper	Level 2	A to AAA	6,895,527	6,895,527	-	-
Supernational bonds	Level 2	A to AAA	4,414,169	3,422,163	-	992,006
Negotiable certificates-of-deposit	Level 2	AAA	-	-	-	-
Local Agency Investment Fund (LAIF)	N/A	N/A	10,728,032	10,728,032	-	-
Ventura County Investment Pool (VCIP)	N/A	N/A	2,653	2,653	-	-
Money-market mutual funds	N/A	N/A	554,685	554,685	-	-
Held by bond trustee:						
Money-market mutual funds	N/A	N/A	10,797,836	10,797,836	-	-
Total investments			\$ 184,015,048	\$ 66,539,772	\$ 29,108,535	\$ 88,366,741

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Credit Rating
U.S. Treasury Obligations	5-years	None	None	N/A
U.S. Government Sponsored Agency Securities	5-years	None	50%	None
Asset-Backed Securities	5-years	15%	5%	AAA
Banker's Acceptances	180 days	40%	5%	A-1
Collateralized Certificates-of-Deposit	5-years	30%	5%	\$250k deposit
Commercial Paper	270 days	25%	5%	AA above
Medium- Term Notes	5-years	30%	5%	A, A2
Money-Market Funds	None	20%	5%	AAAm, Aaa
MortgageBacked Securities	5-years	15%	5%	AAA, Aaa
Municipal Securities	5-years	20%	None	A, A2
California Local Agency Investment Fund (LAIF)	None	15%	15%	None
County of Ventura Investment Pool	None	15%	15%	None

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2025.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2025. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the District's investments were assigned a Level 2 input on the Investment Table.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in Ventura County Investment Pool

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

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 3 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The balance at June 30, 2025 consists of the following:

Description	June 30, 2025
Restricted – cash and cash equivalents	\$ 10,797,836
Net OPEB asset	444,251
Total restricted Net	\$ 11,242,087

Restricted assets consist of investments of debt proceeds held by the bond trustees as debt service reserves, and a net OPEB asset.

NOTE 4 – INVENTORY – WATER-IN-STORAGE

The balance at June 30, 2025 consists of the following:

Description	June 30, 2025
Groundwater basins	\$ 46,937,340
Lake Bard	12,162,491
Transmission system	410,688
Total water-in-storage	\$ 59,510,519

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2025, were as follows:

Description	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Non-depreciable assets:				
Land and rights of way	\$ 12,812,021	\$ 127,826	\$ -	\$ 12,939,847
Construction-in-process	48,068,675	7,408,142	(36,663,747)	18,813,070
Total non-depreciable assets	60,880,696	7,535,968	(36,663,747)	31,752,917
Depreciable assets:				
Water distribution system	595,693,098	32,188,908	(556,795)	627,325,211
Buildings and improvements	39,199,495	3,094,699	(23,699)	42,270,495
Equipment	28,662,365	1,504,215	(98,184)	30,068,396
Total depreciable assets	663,554,958	36,787,822	(678,678)	699,664,102
Accumulated depreciation:				
Water distribution system	(226,802,546)	(11,621,022)	556,795	(237,866,773)
Buildings and improvements	(5,785,986)	(3,078,832)	23,699	(8,841,119)
Equipment	(23,781,873)	(1,310,553)	98,184	(24,994,242)
Total accumulated depreciation	(256,370,405)	(16,010,407)	678,678	(271,702,134)
Total depreciable assets, net	407,184,553	20,777,415	-	427,961,968
Total capital assets, net	\$ 468,065,249	\$ 28,313,383	\$ (36,663,747)	\$ 459,714,885

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 6 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2025, were as follows:

Balance July 1, 2024	Net Change	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
\$ 1,725,214	\$ 107,922	\$ 1,833,136	\$ 841,535	\$ 991,601

As of June 30, 2025, the total liability for compensated absences was \$1,833,136, of which \$841,535 is expected to be paid within one year and is reported as a current liability. The beginning balance of compensated absences as of July 1, 2024, reflected a material difference upon implementation of GASB Statement No. 101; therefore, restatement was required.

NOTE 7 – LONG-TERM DEBT

Changes in bonds payable for the year ended June 30, 2025, were as follows:

Long-Term Debt	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion	Long-term Portion
2008 Series A	\$ 37,850,000	\$ -	\$ (1,300,000)	\$ 36,550,000	\$ 1,325,000	\$ 35,225,000
2010 Series B	69,160,000	-	(69,160,000)	-	-	-
2014 Series A	1,845,000	-	(1,845,000)	-	-	-
2016 Series A	17,755,000	-	(1,605,000)	16,150,000	1,685,000	14,465,000
2021 Series A	37,860,000	-	(645,000)	37,215,000	2,570,000	34,645,000
2024 Series A	-	60,445,000	-	60,445,000	2,750,000	57,695,000
Sub-total bonds payable	164,470,000	60,445,000	(74,555,000)	150,360,000	8,330,000	142,030,000
Less: Unamortized bond – premiums	1,047,471	9,511,696	(996,673)	9,562,494	-	9,562,494
Total bonds payable	165,517,471	69,956,696	(75,551,673)	159,922,494	8,330,000	151,592,494
Wells Fargo PFA loan	1,784,312	-	-	1,784,312	-	1,784,312
Total loans payable	1,784,312	-	-	1,784,312	-	1,784,312
Total long-term debt	\$ 167,301,783	\$ 69,956,696	\$ (75,551,673)	161,706,806	\$ 8,330,000	\$ 153,376,806

The total annual debt service requirements, including computing interest at 3.00% for the Refunding Revenue Bonds, for all the Bonds outstanding at June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 8,330,000	\$ 5,396,442	\$ 13,726,442
2027	8,430,000	5,190,787	13,620,787
2028	8,740,000	4,886,703	13,626,703
2029	9,060,000	4,562,542	13,622,542
2030	9,405,000	4,218,789	13,623,789
2031-2035	53,460,000	15,462,179	68,922,179
2036-2040	47,660,000	5,352,670	53,012,670
2041	5,275,000	131,875	5,406,875
Total	150,360,000	\$ 45,201,987	\$ 195,561,987
Current	(8,330,000)		
Long-term	\$ 142,030,000		

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – BONDS PAYABLE (continued)

Changes in the deferred outflows of resources regarding the loss on refunding of the revenue bonds for the year ended June 30, 2025, was as follows:

2008 Series A Variable Rate Refunding Revenue Bonds

Pursuant to an indenture dated March 1, 2008, the Calleguas-Las Virgenes Public Financing Authority issued the 2008 Series A Variable Rate Refunding Revenue Bonds in the amount of \$40,300,000 to provide funds to the District to refund the 2007 Series B Auction Rate Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year beginning July 1, 2025 and ending July 1, 2037. Interest is paid at a variable rate, which is determined weekly. Interest is payable monthly on the first business day of the month so long as the bonds bear interest at the weekly rate. The District, at its option, may convert the bonds to a fixed interest rate upon 60 days' notice to the bond counsel. Payments of principal redemption (but not any premium) and interest are supported by a letter of credit issued by Wells Fargo Bank, National Association. The credit facility will also be drawn on if other funds are not available to purchase bonds tendered by the owner. At June 30, 2025, the outstanding balance on the 2008 Series A Variable Rate Refunding Revenue Bonds amounted to \$36,550,000.

2010 Series B Water Revenue Bonds

Pursuant to an indenture dated February 1, 2010, the Calleguas-Las Virgenes Public Financing Authority issued the 2010 Series B Water Revenue Bonds in the amount of \$77,400,000 to provide funds to the District to finance the acquisition and construction of water system improvements and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2040, and interest is payable semiannually on July 1 and January 1 or each year bearing interest rates ranging from 5.449% to 5.944%. The bonds are federally taxable Build America Bonds issued under the American Recovery and Reinvestment Act of 2009. Under the Build America Bonds program, the District will receive a cash subsidy from the U.S. Treasury equal to 35% of the interest paid, payable biannually. The bonds are subject to mandatory sinking fund requirements starting July 1, 2022. In 2025, the District advanced refunded \$66,215,000 of the 2010 Series B bonds. At June 30, 2025, there is no outstanding balance.

2014 Series A Refunding Revenue Bonds

Pursuant to an indenture dated June 1, 2014, the Calleguas-Las Virgenes Public Financing Authority issued the 2014 Series A Refunding Revenue Bonds in the amount of \$46,660,000 to provide funds to the District to partially refund and defease the 2007 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2037, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 3.75% to 5.0%. The net proceeds of the 2014 Series A Refunding Revenue Bonds and amounts from the 2007 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2007 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$3.9 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2037 using the straight-line method. The advance refunding decreased the total debt service payments by approximately \$4,543,860 over the 23 years and resulted in an economic gain of \$3,169,541. For financial reporting purposes, the 2007 Series A Revenue Bonds has been considered partially defeased and therefore partially removed as a liability from the financial statements. The 2007 Series A Revenue Bonds were redeemed on July 1, 2016. In 2021, the District advanced refunded \$34,145,000 of the 2014 Series A bonds. At June 30, 2025, there is no outstanding balance.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – BONDS PAYABLE (continued)

2016 Series A Refunding Revenue Bonds

Pursuant to an indenture dated April 1, 2016, the Calleguas-Las Virgenes Public Financing Authority issued the 2016 Series A Refunding Revenue Bonds in the amount of \$27,585,000 to provide funds to the District to partially refund and defease the 2006 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2032, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 3% to 5%. The net proceeds of the 2016 Series A Refunding Revenue Bonds and amounts from the 2006 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2006 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$1.5 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2032 using the straight-line method. The advance refunding decreased the total debt service payments by \$4,917,385 over the 17 years and resulted in an economic gain of \$4,105,122. For financial reporting purposes, the 2006 Series A Revenue Bonds has been considered defeased and therefore partially removed as a liability from the financial statements. The 2006 Series A Revenue Bonds were redeemed on July 1, 2016. At June 30, 2025, the outstanding balance of the 2016 Series A Refunding Revenue Bonds amounted to \$16,150,000.

2021 Series A Refunding Revenue Bonds

Pursuant to an indenture dated April 6, 2021, the Calleguas-Las Virgenes Public Financing Authority issued the 2021 Series A Refunding Revenue Bonds in the amount of \$39,145,000 to provide funds to the District to partially refund and defease the 2014 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2037, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 0.135% to 2.565%. The net proceeds of the 2021 Series A Refunding Revenue Bonds and amounts from the 2014 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2014 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$1.8 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2037 using the straight-line method. The advance refunding decreased the total debt service payments by approximately \$3,602,871 over the 16 years and resulted in an economic gain of \$2,721,398. For financial reporting purposes, the 2014 Series A Revenue Bonds has been considered partially defeased and therefore partially removed as a liability from the financial statements. The 2014 Series A Revenue Bonds were redeemed on April 6, 2021. At June 30, 2025, the outstanding balance of the 2021 Series A Refunding Revenue Bonds amounted to \$37,215,000.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – BONDS PAYABLE (continued)

2024 Series A Refunding Revenue Bonds

Pursuant to an indenture dated December 9, 2024, the Calleguas-Las Virgenes Public Financing Authority issued the 2024 Series A Refunding Revenue Bonds in the amount of \$60,445,000 to provide funds to the District to partially refund and defease the 2010 Series B Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2040, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 2.23% to 2.88%. The net proceeds of the 2024 Series A Refunding Revenue Bonds and amounts from the 2010 Series B Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2010 Series B Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$3.2 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2040 using the straight-line method. For financial reporting purposes, the 2010 Series B Revenue Bonds has been considered defeased and therefore removed as a liability from the financial statements. At June 30, 2025, the outstanding balance of the 2024 Series A Refunding Revenue Bonds amounted to \$60,445,000.

General Provisions

The Board of Directors of the District passed resolution number 823 as amended by resolution number 889 to govern certain provisions applicable to all debt securities issued by the District, the parity obligations. Under these resolutions, and the terms of the debt agreements, all net operating revenues of the District, as defined, are irrevocably pledged for debt service. The bonds are subject to a rate covenant, which states that the District must collect net operating revenues, as defined, equal to or greater than 125% of the installment payments due on all parity obligations plus certain reserves. The District is prohibited from issuing additional parity obligations if the rate covenant is less than 125% for the 12 consecutive month period prior to issuance of the new obligations. The bond obligation's principal and interest payments are payable from net operating revenues received by the District from all sources including amounts held in accounts established by the bond indenture.

The District is required by bond indenture covenants to allocate all revenues in the following order each month:

1. An amount sufficient to provide for the current and next succeeding calendar month's estimated maintenance and operations.
2. An amount equal to the monthly pro rata share of the interest payable on the next interest payment date for all outstanding fixed rate parity obligations and 110% of the estimated interest payable on outstanding variable rate parity obligations.
3. One-twelfth the aggregate annual principal amount due on outstanding parity obligations.
4. One-sixth of any deficiency in reserve funds required by the parity obligations.
5. The remainder can be used to pay other obligations of the District that are subordinate to the parity obligations, finance construction or for any other legal use.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 7 – BONDS PAYABLE (continued)

Line of Credit

In conjunction with the issuance of the 2008 Series A Variable Rate Refunding Revenue Bonds, the District had a line of credit in the amount of \$36,550,000 that was used to fund construction. The line of credit expires on July 21, 2028. As of June 30, 2025, no amounts are drawn on the line of credit.

2024 – Loan Payable

On February 1, 2025, the District entered into an installment purchase agreement with the Calleguas-Las Virgenes Public Finance Authority (Authority) to provide funds for various capital improvement projects known as the 2024 project. Through this agreement, the Authority has approved the execution of a Credit Facility among the Authority, the District and Wells Fargo Bank National Association (Lender), to which the Lender has agreed to provide to the Authority, on a revolving basis, up to \$20,000,000 in funds to pay the costs of the 2024 project. The District is to purchase the 2024 Project in consideration for installment payments equal in time and amount to payments required to be made by the Authority pursuant to the Credit Facility as and when due to the Lender. The terms of the agreement provide for an interest rate per annum equal to the Secured Overnight Financing Rate (SOFR) Index Rate plus any applicable factor and spread. Interest shall be payable by the Authority on each interest payment date, any prepayment date, and on the Facility Maturity Date. For the quarter ending June 30, 2025, the SOFR index rate was 4.45%. As of June 30, 2025, the outstanding balance of the installment purchase agreement was \$1,784,312.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2025
OPEB related deferred outflows	\$ 1,287,235
Net OPEB asset	444,251
OPEB related deferred inflows	1,022,338

A. General Information about the OPEB Plan

Plan description

The District through an agent multiple-employer defined benefit plan, offers post-retirement health insurance benefits to retired employees. Retired employees hired by the District before July 1, 1995 are eligible to receive benefits, equal to their full insurance premium, if the employee has reached age 50, has five years of covered service and retires directly from the District. Retired employees hired by the District on or after July 1, 1995 and before January 1, 2013 are eligible to receive benefits, equal to the premium for the second highest premium for insurance products offered through the CalPERS Public Employees' Medical & Hospital Care Act (PEMHCA) plan, if the employee has reached age 50, has 12 years of District service and retires directly from the District. Retirees hired on or after July 1, 1995 that have not met the service requirement are entitled to the minimum PEMHCA premium. The plan also has provisions for surviving spouses and disability. Benefits are paid either to CalPERS or directly to the retiree if the retiree has elected out of CalPERS. Retired employees hired on or after January 1, 2013 receive no direct reimbursement for the cost of health insurance. During their employment, the District makes contributions to a Health Savings Account Plan designed to provide reimbursement of qualified medical expenses upon retirement under the provisions of Section 213(d) of the Internal Revenue Service Tax Code. The District entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the District's OPEB liability.

Employees Covered

As of the June 30, 2024, the measurement date, the following current and former employees were covered by the benefit terms under the plan:

	2024
Inactive plan members or beneficiaries currently receiving benefit payments	37
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	75
Total	112

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, recently contributions have been made to an OPEB Trust.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2024, the measurement period, the District's contributions totaling \$524,396 included \$386,766 in current year premium payments, and an implied subsidy of \$137,630.

Accounting for the Plan

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	5.50%
Long-Term Expected	
Rate of Return on Investments	5.50%
Inflation	2.50%
Payroll increases	2.75% per year
Medical trend rates	Non-medicare -5.5% for 2024, decreasing to an ultimate rate of 4.00% in 2070 Medicare - 4.50% for 2024, decreasing to an ultimate rate of 4.00% for 2030 and late
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

CALLEGUAS MUNICIPAL WATER DISTRICT*Notes to Financial Statements**June 30, 2025***NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)****B. Net OPEB Liability (continued)**

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	34.00%	4.80%
Fixed income	41.00%	1.80%
TIPS	5.00%	1.60%
Commodities	3.00%	3.70%
REITs	17.00%	3.70%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total</u>	<u>Plan Fiduciary</u>	<u>Net</u>
	<u>OPEB Liability</u>	<u>Net Position</u>	<u>OPEB Liability</u>
Balance at July 1, 2024	\$ 11,219,042	\$ 11,099,491	\$ 119,551
Changes for the year:			
Service cost	253,564	-	253,564
Interest	616,765	-	616,765
Differences in experience	-	-	-
Changes in assumption	(524,396)	-	(524,396)
Employer contributions	-	524,396	(524,396)
Net investment income	-	913,309	(913,309)
Benefit payments	-	(524,396)	524,396
Administrative expenses	-	(3,574)	3,574
Net changes	345,933	909,735	(563,802)
Balance at June 30, 2025 (Measurement date June 30, 2024)	\$ 11,564,975	\$ 12,009,226	\$ (444,251)

CALLEGUAS MUNICIPAL WATER DISTRICT*Notes to Financial Statements**June 30, 2025*

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**C. Changes in the Net OPEB Liability (continued)****Changes of Assumptions**

As of June 30, 2024, the measurement period, healthcare trend rates were updated.

Change of Benefit Terms

As of June 30, 2024, the measurement period, there were no changes in benefits.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.50%) or 1 percentage point higher (6.50%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	4.50%	5.50%	6.50%
Net OPEB Liability	<u>\$ 968,111</u>	<u>\$ (444,251)</u>	<u>\$ (1,629,584)</u>

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost	1% Increase
	4.50%	Trend Rate	6.50%
		5.50%	
Net OPEB Liability	<u>\$ (1,890,960)</u>	<u>\$ (444,251)</u>	<u>\$ 1,329,798</u>

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized an OPEB expense of \$222,631. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions made after the measurement date	\$ 597,693	\$ -
Changes in assumptions	99,777	(488,265)
Differences between expected and actual experience	107,774	(534,073)
Differences between projected and actual earnings on OPEB plan investments	481,991	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 1,287,235</u>	<u>\$ (1,022,338)</u>

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$597,693 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Amortization Period	Deferred
Fiscal Year Ended June 30	Outflows/(Inflows)
	of Resources
2026	\$ (55,323)
2027	212,455
2028	(192,281)
2029	(183,193)
2030	(45,784)
Thereafter	(68,670)
Total	\$ (332,796)

At June 30, 2025, the District had no outstanding amounts of contributions to the OPEB plan required for the year ended June 30, 2025.

NOTE 9 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2025
Pension related deferred outflows	\$ 4,681,658
Net pension liability	10,172,877
Pension related deferred inflows	776,578

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

The Plan

The District has engaged with CalPERS to administer the following pension plan for its employees (members):

	Miscellaneous Plan	
	Classic	PEPRA
	Tier 1	Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 63 & up	50 - 67 & up
Monthly benefits, as a % of eligible compensation	1.1%-2.5%	0.842% to 2.5%
Required member contribution rates	7.000%	7.750%
Required employer contribution rates – FY 2024	11.840%	7.680%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2024 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

At June 30, 2024 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plan		Total
	Classic	PEPRA	
	Tier 1	Tier 2	
Active members	41	39	80
Transferred and terminated members	18	6	24
Retired members and beneficiaries	64	1	65
Total plan members	123	46	169

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees’ Retirement Law.

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the year ended June 30, 2025, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic	PEPRA	
	Tier 1	Tier 2	
Contributions – employer	\$ 1,564,247	\$ 360,568	\$ 1,924,815

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

Proportionate Share of Net Pension Liability and Pension Expense

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

CALLEGUAS MUNICIPAL WATER DISTRICT*Notes to Financial Statements**June 30, 2025***NOTE 9 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)****Proportionate Share of Net Pension Liability and Pension Expense (continued)**

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2023 (Measurement Date)	\$ 60,316,554	\$ 49,886,887	\$ 10,429,667
Balance as of June 30, 2024 (Measurement Date)	\$ 65,222,173	\$ 55,049,296	\$ 10,172,877
Change in Plan Net Pension Liability	\$ 4,905,619	\$ 5,162,409	\$ (256,790)

The District's proportionate share percentage of the net pension liability for June 30, 2024, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2025</u>	<u>Fiscal Year Ending June 30, 2024</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	
Measurement Date	June 30, 2024	June 30, 2023	
Percentage of Risk Pool Net Pension Liability	0.210331%	0.208576%	0.001755%
Percentage of Plan Net Pension Liability	0.210331%	0.083602%	0.126729%

For the fiscal year ended June 30, 2025, the District recognized a pension expense of \$3,033,569. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 1,924,816	\$ -
Difference between actual and proportionate share of employer contributions	-	(742,259)
Adjustment due to differences in proportions	1,030,200	-
Differences between expected and actual experience	879,538	(34,319)
Differences between projected and actual earnings on pension plan investments	585,640	-
Changes in assumptions	261,464	-
Total Deferred Outflows/(Inflows) of Resources	\$ 4,681,658	\$ (776,578)

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARS� for the measurement period is 3.8 years.

An amount of \$1,924,816 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Amortization Period	Deferred
Fiscal Year Ended June 30	Outflows/(Inflows)
	of Resources
2026	\$ 904,290
2027	1,270,774
2028	5,892
2029	(200,692)
Total	\$ 1,980,264

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

The table below reflects long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

¹ An expected inflation of 2.3% is used for this period.

² Figures are based on the 2022 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate -	Current	Discount Rate +
	1%	Discount	1%
	5.90%	Rate 6.90%	7.90%
CalPERS – Miscellaneous Plan	\$ 18,973,982	\$ 10,172,877	\$ 2,928,271

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2025, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2025.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

Description	June 30, 2025
Net investment in capital assets:	
Capital assets – not being depreciated	\$ 31,752,917
Capital assets, net – being depreciated	427,961,968
Deferred amounts – refunding of long-term debt	6,964,530
Loans payable	(1,784,312)
Bonds payable – current portion	(8,330,000)
Bonds payable – non-current portion	<u>(151,592,494)</u>
Total net investment in capital assets	<u>\$ 304,972,609</u>

NOTE 11 – PRIOR PERIOD RESTATEMENT

Beginning net position as of July 1, 2024, was restated by \$529,004, for the District's retroactive restatement for the adoption of *GASB No. 101 - Compensated Absences* as noted below:

Description	Balance
Net position:	
Beginning of year, as previously stated	\$ 548,678,131
Compensated absences (GASB 101 implementation)	<u>(529,004)</u>
Beginning of year, restated	<u>\$ 548,149,127</u>

NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

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

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

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

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 13 – RISK DISCLOSURE: CONCENTRATION OF REVENUE SOURCE (GASB STATEMENT NO. 102)

The District is subject to systematic risk due to receiving over 75% of its revenues from water sales. This dependence exposes the District to potential service interruptions or financial impacts in the event of drought conditions, regulatory restrictions, or contamination of the water source. Although the District has contingency plans and infrastructure in place to supplement supply in emergencies, such alternatives may not fully meet demand or could result in significant additional costs.

The District continues to evaluate and implement diversification strategies, including the development of groundwater recharge projects, recycled water programs, and rate structure adjustments to mitigate these concentration risks.

In accordance with GASB Statement No. 102, Risk Disclosures, this note serves to disclose the concentration of revenue and associated risks that could significantly impact the District's financial position and results of operations.

NOTE 14 – RISK MANAGEMENT

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2024 – 401 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2024
Audit signed	March 27, 2025
Statement of financial position:	Sept 30, 2024
Total assets	<u>\$ 308,144,466</u>
Deferred outflows	<u>3,099,110</u>
Total liabilities	<u>177,706,110</u>
Deferred inflows	<u>4,357,741</u>
Net position	<u>\$ 129,179,725</u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 261,895,930
Total expenses	<u>(253,429,117)</u>
Change in net position	8,466,813
Beginning – net position	<u>120,712,912</u>
Ending – net position	<u>\$ 129,179,725</u>
F. Member agencies share of year-end financial position	Not Calculated

The District participated in the self-insurance programs of the Insurance Authority as follows:

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 14 – RISK MANAGEMENT (continued)

Property Loss – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value of \$48,405,017). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

General Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of \$60,000,000. This program does not have a deductible.

Auto Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000. This program does not have a deductible. **Public Officials' Liability** - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000.

Cyber Liability – The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

Crime – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The District has a \$1,000 deductible.

Public Official Bond – The District has purchased a \$200,000 bond to cover the general manager's faithful performance of duty.

Workers' Compensation – The Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers' compensation coverage. The Insurance Authority is self-insurance up to \$2,000,000 and has purchased excess insurance coverage of \$2,000,000 for employer's liability coverage.

Underground Storage Tank Pollution Liability – The Insurance Authority is self-insured up to \$500,000 per occurrence and has purchased excess coverage of \$3,000,000. The District has a \$10,000 deductible.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage. Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

Unemployment Insurance – The District has elected to participate in a self-insured unemployment insurance plan with the State of California, whereby unemployment insurance claims are reimbursed directly to the Employment Development Department as incurred. These payments are made in lieu of funding an account through regular quarterly payroll tax contributions. There were no material expenditures for unemployment insurance claims for the year ended June 30, 2025.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 15- COMMITMENTS AND CONTINGENCIES

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from a combination of debt, the District's replacement reserves and capital contributions. As of June 30, 2025, the District has committed approximately \$2,402,356 to complete projects currently in construction-in-progress.

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 – months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

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.

NOTE 16 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 17, 2025, the date on which the financial statements were available to be issued.

Required Supplementary Information

CALLEGUAS MUNICIPAL WATER DISTRICT*Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025***Last Ten Fiscal Years****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2015	0.09441%	\$ 6,625,697	\$ 5,806,610	114.11%	79.96%
June 30, 2016	0.09221%	7,978,753	6,064,679	131.56%	76.71%
June 30, 2017	0.09439%	9,360,414	6,189,392	151.23%	75.83%
June 30, 2018	0.06493%	6,257,110	6,300,974	99.30%	84.68%
June 30, 2019	0.05755%	5,897,072	6,596,428	89.40%	86.59%
June 30, 2020	0.06282%	6,835,529	6,883,125	99.31%	85.46%
June 30, 2021	0.01628%	880,173	7,662,170	11.49%	98.26%
June 30, 2022	0.07908%	9,134,611	7,955,997	114.81%	83.77%
June 30, 2023	0.08360%	10,429,667	9,201,284	113.35%	82.71%
June 30, 2024	0.21033%	10,172,877	10,551,467	96.41%	84.40%

Notes to Schedule:**Benefit Changes:**

There were no changes in benefits.

Changes in Assumptions:**From fiscal year June 30, 2015 and June 30, 2016:**

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90% and the inflation rate from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:

There were no significant changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:

There were no significant changes in assumptions.

CALLEGUAS MUNICIPAL WATER DISTRICT*Schedule of the District's Contributions to the Defined Benefit Pension Plan
For the Year Ended June 30, 2025***Last Ten Fiscal Years****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	\$ 787,218	\$ (787,218)	\$ -	\$ 6,064,679	12.98%
June 30, 2017	849,461	(849,461)	-	6,189,392	13.72%
June 30, 2018	916,920	(3,599,920)	(2,683,000)	6,300,974	14.55%
June 30, 2019	982,032	(2,182,032)	(1,200,000)	6,596,428	14.89%
June 30, 2020	1,020,661	(1,020,661)	-	6,883,125	14.83%
June 30, 2021	1,216,247	(1,216,247)	-	7,662,170	15.87%
June 30, 2022	1,368,001	(1,368,001)	-	7,955,997	17.19%
June 30, 2023	1,611,371	(1,611,616)	(245)	9,201,284	17.51%
June 30, 2024	1,667,507	(1,667,507)	-	10,551,467	15.80%
June 30, 2025	1,924,815	(1,924,815)	-	11,254,095	17.10%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%
June 30, 2025	June 30, 2023	Entry Age	Fair Value	2.30%	6.90%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

50 years (2%@55 and 2%@60), 52 years (2%@62)

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2025

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*				
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability:					
Service cost	\$ 253,564	\$ 258,779	\$ 213,756	\$ 243,080	\$ 238,765
Interest	616,765	615,799	591,203	691,632	668,177
Changes of assumptions	(524,396)	(530,092)	-	207,645	(194,648)
Differences between expected and actual experience	-	140,934	-	(1,052,697)	-
Benefit payments	-	(402,486)	(403,095)	(356,878)	(325,810)
Net change in total OPEB liability	345,933	82,934	401,864	(267,218)	386,484
Total OPEB liability - beginning	11,219,042	11,136,108	10,734,244	11,001,462	10,614,978
Total OPEB liability - ending	11,564,975	11,219,042	11,136,108	10,734,244	11,001,462
Plan fiduciary net position:					
Contributions - employer	524,396	402,486	793,679	740,878	786,810
Net investment income	913,309	381,901	(1,491,274)	1,883,526	467,591
Administrative expense	(3,574)	(3,073)	(4,576)	(3,487)	(4,263)
Benefit payments	(524,396)	(402,486)	(403,095)	(356,878)	(325,810)
Net change in plan fiduciary net position	909,735	378,828	(1,105,266)	2,264,039	924,328
Plan fiduciary net position - beginning	11,099,491	10,720,663	11,825,929	9,561,890	8,637,562
Plan fiduciary net position - ending	12,009,226	11,099,491	10,720,663	11,825,929	9,561,890
District's net OPEB liability	\$ (444,251)	\$ 119,551	\$ 415,445	\$ (1,091,685)	\$ 1,439,572
Plan fiduciary net position as a percentage of the total OPEB liability	103.84%	98.93%	96.27%	110.17%	86.91%
Covered payroll	11,478,783	11,478,783	9,804,769	8,279,580	7,739,962
District's net OPEB liability as a percentage of covered payroll	-3.87%	1.04%	4.24%	-13.19%	18.60%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2019 – There were no changes in benefits
Measurement Date June 30, 2020 – There were no changes in benefits
Measurement Date June 30, 2021 – There were no changes in benefits
Measurement Date June 30, 2022 – There were no changes in benefits
Measurement Date June 30, 2023 – There were no changes in benefits
Measurement Date June 30, 2024 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2019 – Mortality improvement scale was updated to Scale MP-2019
Measurement Date June 30, 2020 – There were no changes in assumptions
Measurement Date June 30, 2021 – The interest rate assumption changed to 5.50% and inflation changed to 2.50%.
Measurement Date June 30, 2022 – There were no changes in assumptions
Mortality improvement scale was updated to Scale MP-2021
Measurement Date June 30, 2023 – Healthcare trend rates were updated.
Measurement Date June 30, 2023 – Healthcare trend rates were updated.
Measurement Date June 30, 2024 – Healthcare trend rates were updated.

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios (continued) *For the Year Ended June 30, 2025*

	Last Ten Fiscal Years*		
Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:			
Service cost	\$ 247,270	\$ 240,068	\$ 233,076
Interest	644,668	609,404	576,607
Changes of assumptions	(69,566)	-	-
Differences between expected and actual experience	(134,108)	-	-
Benefit payments	(281,424)	(303,478)	(280,334)
Net change in total OPEB liability	406,840	545,994	529,349
Total OPEB liability - beginning	10,208,138	9,662,144	9,132,795
Total OPEB liability - ending	10,614,978	10,208,138	9,662,144
Plan fiduciary net position:			
Contributions - employer	739,424	743,478	715,334
Net investment income	545,285	418,927	428,746
Administrative expense	(1,648)	(12,553)	(3,126)
Benefit payments	(281,424)	(303,478)	(280,334)
Net change in plan fiduciary net position	1,001,637	846,374	860,620
Plan fiduciary net position - beginning	7,635,925	6,789,551	5,928,931
Plan fiduciary net position - ending	8,637,562	7,635,925	6,789,551
District's net OPEB liability	\$ 1,977,416	\$ 2,572,213	\$ 2,872,593
Plan fiduciary net position as a percentage of the total OPEB liability	81.37%	74.80%	70.27%
Covered payroll	7,265,664	6,840,936	6,703,386
District's net OPEB liability as a percentage of covered payroll	27.22%	37.60%	42.85%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits
Measurement Date June 30, 2018 – There were no changes in benefits
Measurement Date June 30, 2019 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
Measurement Date June 30, 2018 – There were no changes in assumptions
Measurement Date June 30, 2018 – There were no changes in assumptions

Subsequent Event:

Measurement Date June 30, 2021 – None

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan For the Year Ended June 30, 2025

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially determined contribution	\$ 275,621	\$ 268,244	\$ 150,000	\$ 389,000	\$ 384,000
Contributions in relation to the actuarially determined contributions	(597,693)	(524,396)	(404,278)	(793,679)	(740,878)
Contribution deficiency (excess)	\$ (322,072)	\$ (256,152)	\$ (254,278)	\$ (404,679)	\$ (356,878)
Covered payroll	\$ 11,478,783	\$ 11,478,783	\$ 9,804,769	\$ 8,123,104	\$ 8,279,580
Contributions as a percentage of covered payroll	5.21%	4.57%	4.12%	9.77%	8.95%

Notes to Schedule:

Valuation Date	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)	(1)	(1)
Amortization period	12.4-years	12.4-years	12.4-years	12.4-years	13.4-years
Asset valuation method	5-year rolling	5-year rolling	5-year rolling	5-year rolling	5-year rolling
Discount rate	5.50%	5.50%	5.50%	5.50%	6.25%
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%
Medical trend rates	(2)	(2)	(2)	(2)	(2)
Mortality	(3)	(3)	(3)	(3)	(3)
Mortality improvement	(4)	(4)	(4)	(4)	(4)

(1) Closed period, level percent of pay

(2) Non-medicare - 6.00% for 2023, decreasing to an ultimate rate of 4.0 in 2070 and later
Medicare - 4.50% for 2023, decreasing to an ultimate rate of 4.0 in 2030 and

(3) CalPERS 2000-2019 Experience Study

(4) Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

* Fiscal year 2018 was the first year of implementation; therefore, only seven years shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan (continued) For the Year Ended June 30, 2025

Fiscal Year Ended	Last Ten Fiscal Years*		
	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 461,000	\$ 458,000	\$ 440,000
Contributions in relation to the actuarially determined contributions	<u>(786,810)</u>	<u>(739,424)</u>	<u>(743,478)</u>
Contribution deficiency (excess)	<u>\$ (325,810)</u>	<u>\$ (281,424)</u>	<u>\$ (303,478)</u>
Covered payroll	\$ 7,739,962	\$ 7,265,664	\$ 6,840,936
Contributions as a percentage of covered payroll	10.17%	10.18%	10.87%

Notes to Schedule:

Valuation Date	June 30, 2019	June 30, 2017	June 30, 2017
-----------------------	---------------	---------------	---------------

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial cost method	Entry age normal	Entry Age	Entry Age
Amortization method	Closed period, level percent of pay	(1)	(1)
Amortization period	15.1-years	20-years	20-years
Asset valuation method	5-year rolling	5-year rolling	5-year rolling
Discount rate	6.25%	6.25%	6.25%
Inflation	2.75%	2.75%	2.75%
Medical trend rates	(2)	(2)	(2)
Mortality	(3)	(3)	(3)
Mortality improvement	(4)	(4)	(4)

(1) Closed period, level percent of pay

(2) Non-medicare - -5.5% for 2024, decreasing to an ultimate rate of 4.00% in 2070

Medicare - 4.50% for 2024, decreasing to an ultimate rate of 4.00% for 2030 and l

(3) CalPERS 2000-2019 Experience Study

(4) Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

* Fiscal year 2018 was the first year of implementation; therefore, only eight years shown.

Other Information

CALLEGUAS MUNICIPAL WATER DISTRICT*Schedule of Historic and Projected Water Sales (Unaudited)**For the Fiscal Years Ended June 30, 2021 to 2026 With Further Projections*

	2021	2022	2023	2024	2025	2026	Projected 2031	2036
PURVEYORS:								
City of Simi Valley:								
Ventura County Water Works District #8	20,968	18,630	13,043	14,370	16,770	16,414	16,329	16,736
Golden State Water	5,492	4,896	3,477	4,160	4,639	4,441	4,417	4,528
Total Simi Valley	26,460	23,526	16,520	18,530	21,409	20,855	20,746	21,264
City of Thousand Oaks:								
City of Thousand Oaks	10,957	9,854	6,661	7,687	9,187	8,689	8,644	8,859
California American Water Company	15,869	14,657	10,685	11,499	13,192	12,912	12,845	13,165
California Water Service Company	7,424	6,673	4,597	5,169	6,209	5,892	5,861	6,007
Total City of Thousand Oaks	34,250	31,184	21,943	24,355	28,588	27,493	27,350	28,031
City of Moor park:								
Ventura County Water Works District #1	8,044	6,849	5,193	5,763	6,948	6,426	6,392	6,552
City of Camarillo:								
City of Camarillo	5,321	5,693	2,976	2,191	3,199	3,797	3,777	3,872
Camrosa County Water District	6,416	5,152	3,225	3,355	3,878	4,316	4,293	4,400
Total City of Camarillo	11,737	10,845	6,201	5,546	7,077	8,113	8,070	8,272
City of Oxnard:								
City of Oxnard	8,807	10,040	6,909	7,807	7,674	8,080	8,038	8,238
Unincorporated:								
Berylwood Heights Mutual Water Company	-	6	-	-	-	1	1	1
Brandeis Mutual Water Company	54	49	25	39	46	42	42	43
Butler Ranch Mutual Water Company	-	-	-	-	-	-	-	-
Crestview Mutual Water Company	328	218	-	-	180	142	142	145
Oak Park Water Service	2,255	1,973	1,396	1,594	1,866	1,780	1,771	1,815
Pleasant Valley Mutual Water Company	430	243	40	84	287	212	211	217
Solano Verde Mutual Water Company	351	337	218	191	241	262	261	267
Ventura County Water Works District #19	10	10	169	21	193	79	79	81
Ventura County Water Works District #38	1,902	1,710	1,145	1,324	1,650	1,515	1,507	1,544
Total Unincorporated	5,330	4,546	2,993	3,253	4,463	4,033	4,014	4,113
TOTAL WATER SALES	94,628	86,990	59,759	65,254	76,159	75,000	74,610	76,470

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Ten Largest Customers (Unaudited)
For the Fiscal Year Ended June 30, 2025

	Water Sales ⁽¹⁾	Percentage of Total ⁽²⁾	Water Revenue	Percentage of Total ⁽³⁾
PURVEYORS:				
City of Simi Valley	16,770	22.0%	\$ 33,812,098	21.8%
California American Water	13,192	17.3%	26,474,162	17.1%
City of Oxnard	7,674	10.1%	16,072,104	10.4%
City of Thousand Oaks	9,187	12.1%	18,372,725	11.8%
Ventura County Waterworks District #1	6,948	9.1%	14,248,210	9.2%
California Water Service	5,169	6.8%	12,971,515	8.4%
Golden State Water	4,639	6.1%	9,299,170	6.0%
Camrosa Water District	3,878	5.1%	7,974,616	5.1%
City of Camarillo	3,199	4.2%	6,630,799	4.3%
Triunfo Water and Sanitation District	1,866	2.5%	4,032,086	2.6%
TOTAL	72,522	95.3%	\$ 149,887,486	96.7%

Source: The District

(1) In acre-feet.

(2) Based on total Fiscal Year 2024-25 water sales of 76,159 acre-feet.

(3) Based on Fiscal Year 2024-25 water sale revenues of \$155,105,329

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Annual Water Rates (Unaudited)
For the Years 2017 to 2025

<u>Year</u>	<u>MWD Charge</u>	<u>O & M</u>	<u>Capital Charge</u>	<u>Total</u>
2017	\$ 979	\$ 77	\$ 244	\$ 1,300
2018	1,015	77	283	1,375
2019	1,050	79	294	1,423
2020	1,078	82	312	1,472
2021	1,104	84	319	1,507
2022	1,143	89	329	1,561
2023	1,209	123	300	1,632
2024	1,256	202	272	1,730
2025	1,395	214	286	1,895
2026	1,528	227	303	2,058

CALLEGUAS MUNICIPAL WATER DISTRICT*Schedule of Assessed Valuation and Secured Tax Levy (Unaudited)**For the Fiscal Years Ended June 30, 2017 to 2026*

<u>Fiscal Year</u>	<u>Assessed Valuation Within District ⁽¹⁾</u>	<u>Percent Change</u>	<u>Property Tax Levy</u>	<u>Percent Change</u>
2017	\$ 90,722,781	4.8%	\$ 6,754,044	5.0%
2018	91,778,094	1.2%	7,051,746	4.4%
2019	100,662,215	9.7%	7,732,107	9.6%
2020	104,311,428	3.6%	8,057,156	4.2%
2021	108,290,803	3.8%	8,379,333	4.0%
2022	112,701,593	4.1%	8,645,821	3.2%
2023	120,594,600	7.0%	9,265,577	7.2%
2024	127,100,841	5.4%	9,861,178	6.4%
2025	132,331,892	4.1%	10,189,556	3.3%
2026	137,440,660	3.9%	10,822,721	6.2%

(1) 000's omitted

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Historic Operating Results (Unaudited)
For the Fiscal Year Ended June 30, 2021 to 2025

	2021	2022	2023	2024	2025
Revenues:					
Water sales	\$ 140,946,567	\$ 133,290,274	\$ 95,175,211	\$ 109,188,343	\$ 137,449,230
Pumping power revenue	906,801	925,223	838,816	1,199,649	1,219,216
Capacity reservation charge	6,429,822	7,233,510	7,348,086	7,409,256	7,834,356
Readiness to serve - purveyors	6,295,572	6,519,444	7,582,728	8,358,300	9,096,300
SMP revenues	164,211	197,706	335,969	553,051	538,370
Interest income	2,601,655	1,423,406	3,048,694	5,541,361	7,893,891
Taxes	9,865,259	10,222,205	11,100,420	11,886,702	12,834,940
Property standby charges	1,442,109	1,420,806	1,381,714	1,377,102	1,417,723
Power Sales	673,427	464,238	171,588	537,043	620,391
Build America Bond Subsidy	1,495,182	1,435,134	1,363,563	1,288,018	602,263
Other revenues	190,103	168,036	184,876	626,788	660,841
Total Revenues	171,010,708	163,299,982	128,531,666	147,965,612	180,167,521
Expenditures:					
Cost of water	103,248,802	98,598,641	69,658,984	80,239,021	101,182,956
Capacity reservation charge-M	1,818,375	2,124,445	2,131,550	2,066,640	2,299,106
Readiness to serve - MWD	6,227,586	6,567,393	7,408,276	8,377,792	9,137,706
Pumping power	1,455,952	1,617,340	2,787,501	2,142,534	2,204,541
O & M expenses	19,269,435	12,818,528	25,942,757	26,652,008	28,291,816
Total Expenditures	132,020,150	121,726,347	107,929,069	119,477,995	143,116,126
Net Revenues	\$ 38,990,558	\$ 41,573,635	\$ 20,602,598	\$ 28,487,617	\$ 37,051,394
Debt Service:					
Interest expense	\$ 9,280,000	\$ 5,655,000	\$ 7,720,000	\$ 8,025,000	\$ 8,340,000
Bond principal payments	7,770,081	6,446,341	6,948,207	6,897,160	5,829,330
Total Debt Service	\$ 17,050,081	\$ 12,101,341	\$ 14,668,207	\$ 14,922,160	\$ 14,169,330
Debt Service Coverage	2.29	3.44	1.40	1.91	2.61
Cash Balance - End of Year	\$ 186,315,054	\$ 191,531,795	\$ 174,709,500	\$ 172,578,548	\$ 180,068,682

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Projected Operating Results (Unaudited)
For the Fiscal Years Ended June 30, 2026 to 2030

	2026	2027	2028	2029	2030
Revenues:					
Water sales	\$ 147,994,000	\$ 159,434,330	\$ 175,694,270	\$ 187,856,250	\$ 197,803,840
Pumping power revenue	1,200,000	1,224,000	1,248,480	1,273,450	1,298,920
Capacity reservation charge	7,741,200	7,899,090	8,698,620	9,408,800	9,985,290
Readiness to serve - purveyors	9,833,890	10,479,150	12,468,980	15,198,520	16,714,930
SMP fees	638,980	699,870	763,830	810,320	851,620
Interest income	4,845,000	5,062,380	4,279,490	3,841,960	3,494,870
Taxes	12,850,000	13,107,000	13,369,140	13,636,520	13,909,250
Property standby charges	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Pumping power revenue	600,000	600,000	600,000	600,000	600,000
Other revenues	357,580	258,890	260,240	261,630	263,060
Total Revenues	187,410,650	200,114,710	218,733,050	234,237,450	246,271,780
Expenditures:					
Cost of water	109,055,290	119,188,030	133,165,710	142,976,790	150,697,670
Capacity reservation charge-M	2,443,880	2,473,080	2,932,610	3,642,780	4,219,280
Readiness to serve - MWD	9,833,890	10,479,150	12,468,980	15,198,520	16,714,930
Pumping power	2,100,000	2,142,000	2,184,840	2,228,540	2,273,110
O & M expenses	30,673,537	31,412,016	31,844,260	32,885,082	33,483,630
Total Expenditures	154,106,597	165,694,276	182,596,400	196,931,712	207,388,620
Net Revenues	\$ 33,304,053	\$ 34,420,434	\$ 36,136,650	\$ 37,305,738	\$ 38,883,160
Debt Service:					
Interest expense	\$ 8,330,000	\$ 8,430,000	\$ 8,740,000	\$ 9,060,000	\$ 9,405,000
Bond principal payments	5,513,270	5,213,680	4,891,100	4,550,860	4,188,600
Total Debt Service	\$ 13,843,270	\$ 13,643,680	\$ 13,631,100	\$ 13,610,860	\$ 13,593,600
Debt Service Coverage	2.41	2.52	2.65	2.74	2.86
Projected Water Sales (Acre Fee	75,000	73,500	73,870	74,240	74,610

Other Independent Auditors' Reports



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

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, financial statements of the Calleguas Municipal Water District (District), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California
December 17, 2025

CALLEGUAS MUNICIPAL WATER DISTRICT

Report to the Board of Directors

**For the Fiscal Year Ended
June 30, 2025**

**NIGRO
& NIGRO^{PC}**

CALLEGUAS MUNICIPAL WATER DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2025

	<u>Page</u>
Letter to Board of Directors	1
Required Communications	2
Summary of Adjusting Journal Entries	5



Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

We are pleased to present this report related to our audit of the financial statements of the Calleguas Municipal Water District (District) as of and for the year ended June 30, 2025. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Murrieta, California
December 17, 2025

Required Communications

CALLEGUAS MUNICIPAL WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2025

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2025. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices	<p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
Audit Adjustments	Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries .
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

CALLEGUAS MUNICIPAL WATER DISTRICT*Required Communications**For the Fiscal Year Ended June 30, 2025*

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none">1. Management's Discussion and Analysis2. Required Pension Plan Disclosures3. Required OPEB Plan Disclosures <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

CALLEGUAS MUNICIPAL WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2025

Area		Comments
Introductory & Other Information		We were not engaged to report on the Introductory and Other Information Section, which accompany the financial statements but are not RSI. Such information has 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 it.

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

Summary of Adjusting Journal Entries

CALLEGUAS MUNICIPAL WATER DISTRICT

Summary of Adjusting Journal Entries For the Fiscal Year Ended June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJEs provided by client			
10-0-00-1830	Equipment - Other	6,417.17	
20-2-80-5850	Contrib Capital-State Grant	651,590.90	
20-2-80-8300	Interest Expense	176,297.92	
10-3-10-9130	Equipment Other		6,417.17
20-0-00-1220	A/R - Grants		651,590.90
20-0-00-2350	Interest Payable		176,297.92
Total		834,305.99	834,305.99
Adjusting Journal Entries JE # 2			
To move loss to additional depreciation			
20-2-80-9000	Depreciation Expense	397,727.60	
20-2-80-5990	(Gain)/Loss on Disposal of Assets		397,727.60
Total		397,727.60	397,727.60
Total Adjusting Journal Entries		1,232,033.59	1,232,033.59
Total All Journal Entries		1,232,033.59	1,232,033.59

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Dan Smith, Manager of Finance

Subject: Item 6.G - Adopt the District's Investment Policy

Objective: Review and update the District's Investment Policy to ensure it is in compliance with California state law and meets the District's needs.

Recommended Action: Adopt the District's Investment Policy.

Budget Impact: None

Discussion: The Board reviews and approves the District's Investment Policy on at least an annual basis. Additionally, several changes are proposed consistent with the California Government Code regarding investments and are recommended by the District's Investment Manager, Chandler Asset Investment.

The proposed changes are as follows:

- Remove County of Ventura Investment Pool as an authorized investment and add California Asset Management Program (CAMP) pool as an authorized investment: CAMP provides increased responsiveness and flexibility over the County of Ventura Investment Pool and better meets the District's current financial needs
- Amend language related to investments in Commercial Paper: These changes are necessary to reflect changes made in the Government Code
- Correct Manager of Administrative Services to Manager of Finance: Change to reflect current position title

The Board retains the option to make changes to the policy at any time. The proposed changes were previously reviewed with the Finance Committee and the committee concurred that these changes are appropriate.

Attachment:
Proposed Redline Changes to Investment Policy



CALLEGUAS MUNICIPAL WATER DISTRICT INVESTMENT POLICY

1. Policy

- 1.1 Calleguas Municipal Water District (Calleguas) shall invest its funds in such a manner as to comply with all applicable state and local laws; ensure prudent money management; provide for daily cash flow requirements; and comply with the requirements of this Calleguas Investment Policy (Investment Policy).
- 1.2 In order of importance, the following three fundamental criteria shall be followed in the investment program. *Reference: California Government Code (CGC) §53600.5*
 - 1.2.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To achieve this objective, the District will diversify its investments by investing funds among a variety of securities with independent returns.
 - 1.2.2 Liquidity: The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating objectives that might be reasonably anticipated.
 - 1.2.3 Return on Investment: The District's investment portfolio shall have the objective of producing an optimum rate of return on available assets, commensurate with an appropriate level of risk.

2. Scope

Except for funds held in the District's working bank accounts used for daily operations and retirement funds held in a trust, it is intended that the Investment Policy cover all investment activities and financial assets of the District.

3. Prudence

Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local

agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing District funds, all those responsible shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized herein. *Reference: CGC §53600.3*

4. **Performance Standards**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the District. The District shall establish a performance benchmark. Benchmarks may change over time based on changes in market conditions investment preferences or cash flow requirements.

5. **Ethics and Conflicts of Interest**

5.1 **Prohibited activities.** All people involved in the District's investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions. These individuals shall also refrain from undertaking personal investment transactions with the same individual(s) employed by the financial institution(s) with whom business is conducted on behalf of the District.

5.2 **Required Disclosure Filings.** Board members, General Manager, Manager of FinanceAdministrative Services, and the provider of investment management services are required by the District's Conflict of Interest Code to file annual California Fair Political Practices Commission Statements of Economic Interests (Form 700) when assuming office, leaving office, and on annual basis while serving in these roles.

5.3 **Bond Fee splitting**
All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers and dealers will disclose any fee sharing arrangements or fee splitting to the Manager of FinanceAdministrative Services prior to the execution of any transaction.

6. Responsibilities of the District Board of Directors

- 6.1 **Policy Adoption and Review.** The Investment Policy and any amendments thereto shall be adopted by action of the District Board of Directors (Board) at a public meeting. On an annual basis and at such other times as the Board desires, the Board shall review the Investment Policy. *Reference: CGC §53646(a)(2)*
- 6.2 **Delegation of Authority.** On an annual basis and at such other times as the Board desires, the Board shall delegate authority for investment of funds, investment management services, and emergency actions by the Board. *Reference: CGC §53607*
- 6.2.1 **Investment of Funds.** The Board delegates the responsibility to invest or reinvest the District's funds or to sell or exchange securities so purchased to the Manager of ~~Finance~~Administrative Services, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with the Investment Policy. Delegation of this authority shall be reviewed annually concurrent with the Board's review of the Investment Policy and at such additional times as the Board desires. No person may engage in an investment transaction except as provided under the terms of the Investment Policy and the procedures established by the Manager of ~~Finance~~Administrative Services.
- 6.2.2 **Investment Management Services.** The District has authorized the use of investment management services for the District's funds. The provider of investment management services must meet the requirements for authorized financial dealers and institutions described in Section 8 and is required to follow the Investment Policy. Any change in investment management services provider must be approved by the Board.
- 6.2.3 **Emergency Actions by the Board.** An emergency meeting of the Board will be called whenever necessary to deal with important investment issues that cannot await a regularly scheduled Board meeting. In the event a quorum of the Board cannot be obtained for the emergency meeting prior to the time a decision must be made, the Board Treasurer shall have the authority to make such emergency decisions as are necessary within the parameters of these guidelines and which are in the best interest of the District. In the event the Board Treasurer is unavailable, the Board President shall make any emergency decisions.

7. Responsibilities of the Manager of ~~Finance~~Administrative Services

7.1 **General.** The Manager of ~~Finance~~~~Administrative Services~~ is responsible for investing or reinvesting the District's funds and selling or exchanging securities so purchased. He is also responsible for coordinating and communicating with the provider of investment management services. *Reference: CGC §53607*

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7.2 **Annual Reviews**

7.2.1 The Manager of ~~Finance~~~~Administrative Services~~ shall review the District's portfolio for compliance at least annually and shall report to the Board major incidences of noncompliance through the review of the portfolio.

7.2.2 The Manager of ~~Finance~~~~Administrative Services~~ shall perform an annual review of the investment policy and portfolio of the Ventura County Investment Pool (VCIP) and the Local Agency Investment Fund (LAIF) and shall report to the Board any policy changes that affect the risk and/or return of funds invested in those investment pools.

7.3 **Internal Controls.** The Manager of ~~Finance~~~~Administrative Services~~ shall establish and maintain a system of internal controls to ensure that the assets of the District are protected from loss, theft, fraud, or misuse. Accordingly, the Manager of ~~Finance~~~~Administrative Services~~ shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

7.4 **Reports**

The Manager of ~~Finance~~~~Administrative Services~~ shall submit monthly and quarterly reports to the Board.

7.4.1 **Monthly Reports.** Monthly reports shall be submitted within 30 days of the month following the end of the month covered by the report. The report shall include a list of investment transactions and for each investment it will describe the type of investment, date of maturity, par and dollar amount invested, yield to maturity, credit quality, and current market value as of the date of the report.

7.4.2 **Quarterly Reports.** The Manager of ~~Finance~~~~Administrative Services~~ shall submit a quarterly report within 45 days following the end of the quarter covered by the report. *Reference: CGC §53646 (b, c, e, g)*

- Except for investments in VCIP and LAIF, this report shall include the type of investment, issuer, date of maturity, par and dollar amount invested for all securities, investments and moneys held by the District

as well as the current market value as of the date of the report and the source of that valuation.

- For investments in LAIF and the Ventura County Pool, the report shall include the most recent statements received from these institutions.
- The report shall document compliance of the portfolio with the investment policy, or explain the manner in which the portfolio is not in compliance.
- The report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.
- The report shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs.

8. Authorized Financial Dealers and Institutions

- 8.1 The purchase by the District of any investment not purchased directly from the issuer shall be purchased either from an institution licensed by the state as a broker-dealer as defined in California Corporations Code §25004, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by California Financial Code §5102) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank. *Reference: CGC §53601.5*
- 8.2 The District shall transact business only with financial dealers and institutions that are recognized primary dealers reporting to the New York Federal Reserve Bank and have offices located in the State of California. These dealers, or if unrated their parent company, must also maintain an A-1/P-1 short-term credit rating.
- 8.3 All broker/dealer firms providing services to the District, and all individuals involved in District investment activity at those firms, shall be reputable and trustworthy. These firms and individuals shall be knowledgeable and experienced in public agency investing and the investment products involved. These firms shall have the ability to meet all of their financial obligations in dealing with the District.

9. **Credit Rating Services**

The ratings published by the rating services recognized by the Securities and Exchange Commission's (SEC) Nationally Recognized Statistical Rating Organizations (NRSRO) shall be used as a measure of the investment risk associated with an investment.

10. **Safekeeping and Custody**

All security transactions entered into by the District shall be conducted on a delivery versus payment basis. Securities will be held by the provider of investment management services and evidenced by safekeeping receipts. Third party safekeeping arrangements will be approved by the Manager of ~~Finance~~Administrative Services and will be corroborated with a written custodial agreement.

11. **Authorized Investments**

11.1 The Board authorizes the Manager of ~~Finance~~Administrative Services and the provider of investment management services to make investments of the type described in this section. *Reference: CGC §53601*

~~11.1.1 Ventura County Investment Pool (VCIP)~~

~~Definition: VCIP is a fund managed by the Treasurer-Tax Collector of the County of Ventura that local agencies may use to deposit funds for investment. Each investor earns interest proportional to their investment in the overall pool.~~

~~Authorized Investment: Investment in the VCIP must not exceed the lesser of the limit established by County of Ventura or 15% of the total portfolio. Should the District's holdings in the VCIP reach or exceed this limit, the District will take immediate action to reduce the balance upon receipt of the monthly statement.~~

11.1.~~12~~ **Local Agency Investment Fund (LAIF)**

Definition: LAIF is a special fund in the State Treasury that local agencies may use to deposit funds for investment. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. Each investor earns interest proportional to their investment in the overall pool. The State keeps an amount for reasonable costs of making the investments, not to exceed one quarter of one per cent of the earnings.

Authorized Investment: Investment in LAIF must not exceed the lesser of the limit established by LAIF or 15% of the total portfolio. Should the District's holdings in LAIF reach or exceed this limit, the District will take immediate action to reduce the balance upon receipt of the monthly statement. The District's portfolio invested in LAIF must also follow the maximum limit, \$75 million.

11.1.2 California Asset Management Program (CAMP)

Definition: CAMP is a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. Investments offered through the Cash Reserve Portfolio (CAMP Pool) and CAMP Term are permitted for all local agencies under California Government Code Section 53601(p).

CAMP Pool: This daily liquidity, stable net asset value (NAV) investment option stresses daily liquidity and safety of principal as two of its objectives, as underscored by its AAAM¹ rating from S&P Global. Earning a competitive yield is a third goal after safety and liquidity.

CAMP Term (Term): This investment option is for agencies with known cash flows to have an opportunity to optimize interest earnings. This fixed-rate, fixed-term investment option, rated AAAF² by Fitch Ratings, offers securities with maturities ranging from 60 days to one year. Term investments are designed to match a Shareholder's specific cash flow requirements. Investment principal and interest are paid at maturity, with an automatic sweep into the CAMP Pool.

Authorized Investment: Investment in CAMP must not exceed the lesser of the limit established by CAMP or 15% of the total portfolio. Should the District's holdings in LAIF reach or exceed this limit, the District will take immediate action to reduce the balance upon receipt of the monthly statement. The District's portfolio invested in LAIF must also follow the maximum limit, 10% of the beneficial interest in the CAMP pool.

11.1.3 Certificates of Deposit

Definition: A certificate of deposit (CD) is a savings certificate with a fixed maturity date and fixed interest rate. CDs of up to \$250,000 are federally insured.

Authorized Investment: Investment in CDs is limited to a maximum of 30% of the total portfolio and to a maximum of 5% deposited in any one institution. CDs must be issued by a nationally or state-chartered bank, a

savings association or a federal association (as defined by §5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. *Reference: CGC §53601(i)*

The first \$250,000 of collateral security may be waived if the institution is insured pursuant to Federal Law. *Reference: CGC §53653*

Non-Negotiable CD deposits exceeding \$250,000 must be collateralized with the collateral held separately from the issuing institution and must be placed in institutions rated AA or higher by two of the three major rating agencies (Moody's, Standard & Poor's, and Fitch). Collateral is limited to the following:

- Mortgages/trust deeds valued at no less than 150% of the deposit amount; or
- Eligible securities other than mortgages/trust deeds valued at no less than 110% of the deposit amount.

Any Non-Negotiable Certificates of Deposit shall be limited to no more than 20% of the total portfolio will be invested in a combination of federally insured and collateralized time deposits.

Negotiable Certificates of Deposit (NCD) in excess of the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

11.1.4 Treasury Obligations

Definition: Treasury obligations are direct obligations of the United States Government. They are highly liquid and are considered the safest investment security. U.S. Treasury issues include:

- Treasury Bills are non-interest-bearing securities issued by the U.S. Treasury to finance the national debt. They are issued at a lower dollar amount ("discount") than the dollar amount that will be paid at maturity. Most bills are issued to mature in three months, six months, or one year.

- Treasury Notes are medium-term interest-bearing securities issued as direct obligations of the U.S. Government having initial maturities of two to 10 years.
- Treasury Bonds are long-term interest-bearing securities issued as direct obligations of the U.S. Government having initial maturities of more than 10 years.

Authorized Investment: There is no limitation on the percentage of the portfolio invested in this category. ~~Under a provision sunseting on January 1, 2026~~ Under a provision effective January 1, 2026 and sunseting on January 1, 2031, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. *Reference: CGC §53601(b)*

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11.1.5 Federal Agency Obligations

Definition: Federal Agency Obligations are issued by U.S. Government Agencies (Agencies) or Government Sponsored Enterprises (GSEs). Although they were created or sponsored by the United States (U. S.) Government, most Agencies and GSEs are not guaranteed by the U. S. Government. The GSE and Agency market is very large and liquid, with billions traded every day.

Authorized Investment: Federal Agency Securities and Instruments of Government Sponsored Enterprises may be purchased from the following issuers:

- Federal Farm Credit System
- Federal Home Loan Bank System
- Federal Home Loan Mortgage Corporation (Freddie Mac)
- Federal National Mortgage Association (Fannie Mae)
- Federal Agriculture Mortgage Association (Farmer Mac)
- Tennessee Valley Authority (TVA)

There is no limitation on the percentage of the portfolio invested in this category. No more than 30% of the District's total investment portfolio may be invested in any one Agency or GSE. The maximum percent of

agency callable securities in the total portfolio will be 20%. ~~Under a provision sunseting on January 1, 2026~~ Under a provision effective January 1, 2026 and sunseting on January 1, 2031, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. *Reference: CGC §53601(f)*

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11.1.6 Bankers' Acceptances

Definition: A bankers' acceptance is short-term credit arrangement guaranteed by a commercial bank that enables a business to obtain funds to finance commercial transactions. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. An acceptance is a high-grade negotiable instrument.

Authorized Investment: Bankers' acceptances must be issued by domestic banks and must be eligible for purchase by the Federal Reserve System. Purchases of these instruments may not exceed 180 bankers days maturity. At the time of purchase, no more than 40% of the total portfolio may be invested in bankers' acceptances and no more than 5% of the District's total portfolio may be invested in bankers' acceptances from any one bank. *Reference: CGC §53601(g)*

11.1.7 Commercial Paper

Definition: Commercial paper is a short term, unsecured, promissory note issued by a corporation to raise working capital.

Authorized Investment: The District may invest in commercial paper which is rated at the time of purchase in the highest rating category as provided by an NRSRO (for example, A1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch). Purchases of commercial paper may not exceed 270 days maturity ~~nor represent more than 10% of the outstanding paper of an issuing corporation.~~ At the time of purchase, no more than 25% of the total portfolio may be invested in commercial paper and no more than 5% of the total portfolio may be invested in any one issuer. Under a provision sunseting on January 1, 2026, no more than 40% of the total portfolio may be invested in Commercial Paper if the Agency's investment assets under management are greater than \$100,000,000.

The entity that issues the commercial paper shall meet all of the conditions in at least one of the bullets below. *Reference: CGC §53601(h)*

- Is organized and operating in the United States as a general corporation; has total assets in excess of \$500,000,000; and has debt

other than commercial paper, if any, that is rated in a rating category of A or its equivalent or higher by an NRSRO.

- Is organized within the United States as a special purpose corporation, trust, or limited liability company; has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; and has commercial paper that is rated A-1 or higher, or the equivalent, by an NRSRO.

11.1.8 Asset-Backed Securities (ABS)/Mortgage backed Securities (MBS)

Definition: Asset-backed securities (ABS) are securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal are paid to investors from borrowers who are paying down their debt. A mortgage-backed security is a type of ABS that is secured by a mortgage or collection of mortgages.

Authorized Investment: The District may invest in any equipment lease-backed certificate, consumer receivable pass-through certificate, consumer receivable-backed bond, or mortgage pass-through security, collateralized mortgage obligation, mortgage-backed, or other pay-through bond from issuers not defined in sections 11.1.4 and 11.1.5 of Authorized Investments, with a maximum remaining final maturity of five years. ABS must be rated in rating category of AA by an NRSRO. At the time of purchase, no more than 20% of the total portfolio may be invested in asset-backed/mortgage backed securities paper and no more than 5% of the District's total portfolio may be invested in any one issuer. *Reference: CGC §53601(o)*

11.1.9 Medium Term Notes

Definition: Medium term notes are debt obligations issued by corporations and banks, usually in the form of unsecured promissory notes. These are negotiable instruments that can be bought and sold in a large and active secondary market. For the purposes of California Government Code, the term "Medium Term" refers to a maximum remaining maturity of five years or less. They can be issued with fixed or floating interest rates, and with or without early call features, although the vast majority are fixed-rate and

non-callable. Corporate notes have greater risk than Treasuries or Agencies because they rely on the ability of the issuer to make payment of principal and interest.

Authorized Investment: The District may invest in corporate notes issued by corporations organized and operating within the United States. Corporate notes eligible for investment shall have a rating category of A or higher at time of purchase by an NRSRO. They shall have a maximum remaining maturity of no more than five years after the date of purchase. Purchases of corporate notes must not exceed 30% of the District's total portfolio. The maximum principal amount in any one company must not exceed 5% of the District's portfolio. *Reference: CGC §53601(k)*

11.1.10 Money Market Funds

Definition: A money market fund is an investment vehicle made up of a pool of moneys collected from several investors for the purpose of investing in short-term securities representing high-quality, liquid debt and monetary instruments.

Authorized Investment: The District may invest in money market funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and are rated AAAM or Aaa or better by Standard & Poor's or Moody's. Purchases of money market funds may not exceed 20% of the total portfolio. The maximum principal amount in any one issuer must not exceed 5% of the District's total portfolio. *Reference: CGC §53601(l)*

11.1.11 Municipal Securities of Local Agencies

Definition: Municipal securities of local agencies are debt securities issued by states, cities, counties and other governmental entities to fund their day-to-day obligations and to finance their capital projects.

Authorized Investment: The District may invest in municipal securities rated in rating category A or higher by at least one NRSRO. The maximum principal amount in any one issuer must not exceed 5% of the District's total portfolio. *Reference: CGC §53601(c, d, e)*

11.1.12 Supranationals

Definition: United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the

International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank,

Authorized Investments: The District may invest in obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 10 percent of the agency's total portfolio that may be invested pursuant to this section. *Reference: CGC §53601(q)*

11.1.13 Collateralized Bank Deposits

Definition: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

Authorized Investment: Agency's deposits with financial institutions will be collateralized with pledged securities. There are no limits on the dollar amount or percentage that the Agency may invest in collateralized bank deposits. *Reference: CGC §53651*

11.1.14 Joint Powers Authority (JPA) Pools

Definition: The JPA is organized pursuant to California Government Code Section 6509.7 and invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA.

Authorized Investment: The JPA has retained an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (q). *Reference: CGC §53601 (p)*

11.2 **Investment Agreements.** Investment agreements must be approved in advance by the Board with notice to Standard & Poor's and Moody's.

11.3 **Ineligible Investments.** Investments not described herein, including but not limited to common stocks, financial futures contracts and options, and securities

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with a forward settlement date exceeding 45 days are prohibited in the District's portfolio. Additionally, the District shall not invest in reverse floaters, range notes, or interest only strips that are derived from a pool of mortgages, nor may the District invest in any security that could result in zero interest accrued if held to maturity.

- 11.4 **Application of portfolio percentages and credit ratings.** Percent limitations for each permissible investment type listed herein are based on book value at time of purchase. Percentages may change after purchase as a result of withdrawals from the portfolio. Credit quality refers to the credit rating at the time of purchase. If an investment's credit rating falls below the minimum rating, the Manager of ~~Finance~~Administrative Services will perform a timely review and decide whether to sell or hold the investment.
- 11.5 **Portfolio Life and Maximum Maturities.** The average life of the total portfolio at any time shall not exceed four years. The maximum maturity for all investments, unless otherwise noted, is five years. U.S. Treasuries and Federal Agencies with maturities longer than five years may be purchased for specific purposes with the prior approval by the Board at least 90 days in advance of the purchase.
- 11.6 **Amount on Deposit in any One Institution.** The amount deposited in any one banking institution shall not exceed the lesser of the percentage set forth in the Investment Policy or the amount allowed by law, whichever is less.

Authorized Investments Summary Table

Investment Category	Max % of Portfolio in Category	Max % of Portfolio in a Single Issuer	Maximum Maturity	Minimum Quality
Ventura County Investment Pool	15%	N/A	N/A	N/A
Local Agency Investment Fund	15%	N/A	N/A	N/A
<u>California Asset Management Program (CAMP)</u>	<u>15%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Certificates of Deposit	30%	5%	5 years	above \$250,000, collateral AA by Moody's, S&P & Fitch (2 of 3 rating agencies)
Treasury Obligations	100%	100%	5 years	None
Federal Agency Obligations	100%	30%	5 years	None
Bankers' Acceptances	40%	5%	180 days	Federal Reserve Eligible
Commercial Paper	40%	5%	270 days	A-1 by S&P, P-1 by Moody's, or F-1 by Fitch
Asset-Backed/Mortgage-Backed Securities	20%	5%	5 years	Rating category AA by an NRSRO
Medium Term Notes	30%	5%	5 years	Rating category A or higher by an NRSRO
Money Market Funds	20%	5%	N/A	AAAm or Aaa by S&P or Moody's
Municipal Securities	100%	5%	5 years	Rating category A or higher by an NRSRO
SupraNationals IBRD/IADB/IFC	10%	5%	5 years	Rating category AA by an NRSRO
Collateralized Bank Deposits	100%	None	5 years	None
Joint Powers Authority	100%	None	None	None

(see Sections 11.1 through 11.5 for additional requirements)

13. Glossary

Below are definitions of terms used in this policy.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker-Dealer: A person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. It also refers to securities pledged by a bank to secure deposits of public monies.

Delivery Versus Payment: A settlement system that stipulates that cash payment must be made prior to or simultaneously with the delivery of the security.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Fiduciary. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in the other's best interests.

Issuer: Any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable. The investment's term or remaining maturity is measured from the settlement date to final maturity.

Portfolio: Collection of securities held by an investor.

Primary dealer: One of a group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Principal: The original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Rate of return: The yield obtainable on a security based on its purchase price or its current market price.

Securities: A security is any proof of ownership or debt that has been assigned a value and may be sold. For the investor, a security represents an investment as an owner, creditor or rights to ownership on which the investor hopes to gain profit. Examples are stocks, bonds and options.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Time Draft: A type of check that is guaranteed by the issuing bank, but that is not payable in full until a specified amount of time after it is received and accepted.

Yield: The rate of annual income return on an investment, expressed as a percentage.

Adopted by the Calleguas Municipal Water District Board of Directors on ~~December 18, 2024~~January 7, 2026.

Raul Avila, President
Board of Directors

Date

ATTEST:

Reddy Pakala, Secretary
Board of Directors

Date

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Dan Smith, Manager of Finance

Subject: Item 6.H - Adopt the District's Fixed Asset Policy

Objective: Review and maintain the District Fixed Asset Policy to ensure compliance with Governmental Accounting Standard Board (GASB) rules.

Recommended Action: Adopt the District's Fixed Asset Policy.

Budget Impact: None

Discussion: Finance staff is working on reviewing and updating all the District's financial policies, including the Fixed Asset Policy, which has not been updated since 2013. The Fixed Asset Policy determines the criteria and thresholds the District uses to record construction and purchases as capital assets.

Staff reviewed the fixed asset policies of governmental organizations within Ventura County and around the state. It was determined that the thresholds used in the current policy are consistent with thresholds used by most other agencies at this time. The District also reviewed GASB guidance on fixed asset policies and have made changes to the policy to ensure compliance.

There are minor changes to the language throughout with added language to provide guidance on how to evaluate, calculate, and report the reduction in the value of an asset due to impairment. The proposed changes were previously reviewed with the Finance Committee and the committee concurred that these changes are appropriate.

Attachment:
Proposed Redline Changes to Fixed Asset Policy

Calleguas Municipal Water District ~~Capitalization~~ Guidelines~~Fixed Asset Policy~~

Overview

It is the practice of Calleguas Municipal Water District (District) to maintain accurate and complete records of property, plant and equipment held and to capitalize and depreciate them according to the appropriate accounting and regulatory requirements. In compliance with GASB 34, GASB 42 and GASB 51 requirements, the District's capital assets are reported at historical costs. The costs of capital assets include costs that are directly attributable to asset acquisition such as capitalized interest and ancillary charges necessary to place the asset into its intended location~~s~~ and condition for use. Capital assets are depreciated over their estimated useful lives unless the asset is inexhaustible such as land.

Definition

Capital assets are tangible and intangible assets acquired for use in operations and include land, land improvements, permanent easements, rights of way, buildings, building improvements, vehicles, machinery, equipment, infrastructure, internally developed and purchased software, construction in progress and all other assets that meet the criteria and threshold requirements.

Criteria

Requirements for Capitalization:

To be considered for capitalization an asset must fulfill ~~three~~ the following characteristics:

- The asset must be acquired (purchased, constructed, or donated) for use in operations and not for investment or sale.
- The asset must have a useful life beyond the current fiscal year.
- The asset must meet the capitalization threshold amount.
- Assets that are donated to the District will be recorded at their fair market value and capitalized if the asset meets the useful life and threshold requirements.

If the capitalization dollar threshold is not met, exceptions may be taken into consideration if units of assets are purchased in bulk (i.e. locker units purchased and installed). In addition, components of a system (i.e. cameras of a surveillance system) may cost less than \$5,000 per unit, but if the total cost of the system~~s~~ is \$5,000 or greater, the system will be capitalized as a single asset.

Expenditures Subsequent to Acquisition or Improvements to an Existing Asset:

These expenditures include the cost for renovations, betterments, or improvements that add to the permanent value of the asset, make the asset better than it was when it was purchased, or extend its life beyond the original useful life. To capitalize these costs, the improvements must fulfill at least one of the following criteria:

- The useful life of the asset is significantly increased beyond the normal operating period for the asset.

- The productive capacity of the asset is improved.
- The quality of units or services produced from the asset is enhanced (i.e. increased water service reliability from seismic retrofits to a reservoir).

Routine repairs and normal maintenance activities that restore an asset to its original operating condition shall be expensed as incurred.

Capital Projects

Definition

A capital project includes the acquisition or construction of new water distribution facilities, buildings, structures, and roadways or where there is betterment to existing assets which fulfills one of the following criteria: a) significantly extends the useful life of the asset beyond the normal operating period for the asset; b) the productive capacity of the asset is improved; c) the quality of units or services produced from the asset is enhanced. A capital improvement (CIP) project may include development of software or systems for use in District operations.

Capital projects are distinguished from ~~major~~ major maintenance projects in that the latter are major repairs to existing buildings or structures and may not necessarily prolong or extend the estimated useful life of the asset. The repairs may be enhancements to bring the asset up to original standards or to comply with new standards. Major maintenance may involve upkeep, refurbishment and repair of the interior or the exterior of buildings, water distribution system and may include electrical, mechanical or structural maintenance. Normal maintenance activity necessary to keep an asset in its normal operating condition during its expected useful life will be expensed. Major maintenance shall be expensed unless the work meets the criteria for capitalization as a betterment, addition, or replacement.

Capital Program Budget & Approval Process

The District's Engineering Department prepares a Quarterly Project Report, which itemizes and provides a budget for each project. Any changes to the Capital Improvement Program budget are presented to the Board for approval at this time as part of this process.

Financial Reporting

The costs of capital projects under construction at a balance sheet date are presented on the balance sheet as "Construction in Progress" (CIP), which represents the temporary capitalization of labor and materials of a project for financial reporting. While assets are reported as Construction ~~i~~n Progress, depreciation is not calculated. When a project is completed and the asset is put in service, the accumulated costs are capitalized by reclassifying the costs from the asset under construction account to the appropriate fixed asset account, and depreciation will commence on the new asset.

Project Stages

Preliminary stage: The period before the construction or acquisition of an asset becomes probable. All costs are period operating expenses. Examples of costs incurred in this stage include planning level studies and labor costs.

Pre-construction Stage: Construction or acquisition is probable but has not yet occurred. For District purposes this phase will be based on approval by the Board of Directors. Costs directly identifiable with the construction or acquisition are recorded to the capital project. Examples of costs incurred in this stage include design costs, architectural services, permitting, consultant studies and direct labor costs. Only directly attributable costs may be capitalized.

Construction Stage: when the construction or acquisition has commenced and continues until the project is substantially complete and ready for its intended use. All costs directly identifiable with the project are recorded to the capital project.

In-service Stage: The project is substantially complete and ready for its intended use. Capitalization of the asset occurs at this point and depreciation begins.

Capitalized Labor Costs

Labor performed by a District employee that can be identified or associated with a capital project and has a direct benefit to the project is capitalized. Examples include the labor of engineers, project managers, inspectors and operations support personnel. Time should be tracked through the District's timesheet software for each project.

Benefits provided to employees such as medical insurance, life insurance, paid holidays, annual leave and post retirement benefits are considered burden. A burden rate is applied to the hours recorded to a capital project and becomes part of the capitalized cost. The rate will be calculated at the beginning of the fiscal year using the actual costs incurred by the District during the previous year.

General and Administrative (G&A) costs are not allocated to capital projects and, therefore, are not capitalized. G&A costs are general in nature and are not directly identifiable to the capital project. Examples of G&A costs are un-allocated costs from departments such as Human Resources and Administration.

Land Preparation and Improvements

The costs to prepare land for its intended use are added to the valuation of the land, and these costs, therefore, are not depreciated. Examples include grading, fill, tree removal, and environmental remediation.

There are other land improvements, such as landscaping, that are exhaustible and are therefore both capitalized and depreciated. Ongoing landscaping maintenance shall be expensed.

Component Accounting

A component is accounted for separately if its estimated useful life is different from the main asset to which it is a component. If the actual cost of a component cannot be specifically identified, a reasonable method of allocation should be used to assign values. In accordance with GASB 34, ~~C~~component accounting should be used for the construction of buildings and structures as well as the installation of certain systems and equipment.

Grant Funded Assets

Infrastructure funded with grant monies should be tracked and any disposition of these assets should follow the granting agency's instructions.

Costs Incurred Subsequent to In-service Date

Costs incurred after an asset has been placed in service include repairs, maintenance, replacements, and betterments. ~~Appendix~~~~Exhibit B~~ ~~on the following pages~~ provides guidelines and examples to determine if the costs should be classified as a capital maintenance project or a major maintenance operating expense. Capitalization shall occur only when the expenditure increases capacity, efficiency, or useful life beyond the original expectation.

Non-CIP Projects

Purchases of an individual piece or pieces of equipment, furniture, vehicles, software and other fixtures with an expected useful life of greater than one year and costing over \$5,000 are capitalized as non-CIP assets.

These are generally individual pieces of equipment, furniture, software licenses, and vehicles that are purchased directly from outside vendors and are ready for use once installed for District operations. These items must have a useful life of more than one year and must meet the capitalization dollar threshold. All normal expenditures of readying an asset for its intended use such as installation, freight or delivery are capitalized.

In addition to the costs listed above, all costs associated with modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for its intended purpose may also be capitalized.

Depreciation

Asset Depreciation Methods

With the exception of land and permanent ~~right-of-ways~~rights-of-way, all capitalized assets should be depreciated using the straight-line method over the useful life of the asset class. An asset's life is the period of time over which services are expected to be rendered by the asset. Appendix A lists the threshold and lifespan for each category of fixed assets. The calculation of depreciation should be based on historical cost. A full month of depreciation is taken on an asset placed in service at any time during the month. No depreciation is taken for the month of disposal. Salvage value shall be assumed to be zero unless otherwise supported.

Asset Impairment

The District shall evaluate capital assets for impairment in accordance with GASB Statement No. 42. An asset is considered impaired when an event or change in circumstance significantly and unexpectedly reduces the asset's service utility. Indicators of impairment include physical damage, technological obsolescence, changes in legal or environmental requirements, changes in the manner or duration of use, or construction stoppages. When impairment is identified, the District shall measure and record the loss using the most appropriate measurement method, such as the restoration cost approach, service units approach, or depreciated replacement cost. Impairment losses shall be recognized in the period in which the impairment occurs and disclosed in the financial statements, including the cause, method, and

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financial impact of the impairment.

Appendix A

Asset Category	Threshold	Years
Land & ROW	-	-
Land Improvements	25,000	10-20*
Buildings	25,000	50
Building Improvements	25,000	10-25*
Distribution System: Including major repairs or modifications that increase the life of the asset more than 10 years.	75,000	10-50*
Furniture & Equipment: includes office equipment, software and computers.	5,000	3-5*
Trucks, Vehicles & Boats	10,000	5
Heavy Equipment: Included is equipment used for construction & utility carts	10,000	10
Equipment & Instrumentation: includes communication equipment	5,000	5-10*

* Useful life Ranges should be determined based on industry or historical information.

Appendix B

Guidelines for Capitalized Improvements and Routine Maintenance Classification

Capitalized Improvements*

Improvement to an asset that extends the useful life or capacity

Addition of new or replacement major components of an asset

Substantial upgrades or modifications of an asset

*To be capitalized the improvement must meet the useful life and threshold requirements or it should be expensed

Routine Maintenance

Improvements that keep an asset in efficient operating condition

Routine maintenance and replacement of minor components of an asset

Incidental repair to an asset

Examples of Capitalized Improvements and Routine Maintenance

Capitalized Improvements

Re-pave Parking Lots

Major remodeling of building to improve space utilization or capacity

Replacement of a major component of an asset such as an HVAC unit

Substantial water system modifications

Routine Maintenance

Patching or sealing parking lot

Preventative maintenance repairs to buildings

Replacement of a minor component such as a thermostat

Repair small section of water system

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Kristine McCaffrey, General Manager

Subject: Item 7.A – Discussion of a Notice to Set Date, Time, and Place of Public Hearing to Consider Amending Ordinance No. 12, Covering Rules and Regulations for Water Service to Member Agencies within Calleguas Municipal Water District, at 4:00 p.m. on March 18, 2026

Objective: Deliver reliable service and accomplish the mission in a cost-effective manner by updating Ordinance No. 12 consistent with current conditions and rate structures.

Recommended Action: Set date, time, and place of Public Hearing to consider amending Ordinance No. 12, Covering Rules and Regulations for Water Service to Member Agencies within Calleguas Municipal Water District, at 4:00 p.m. on March 18, 2026.

Budget Impact: None

Discussion: Ordinance No. 12, Covering Rules and Regulations for Water Service to Member Agencies within Calleguas Municipal Water District, establishes the basic policies and requirements for receiving potable water service from Calleguas, including billing and service connections.

Ordinance No. 12 is updated when needed to address changes. Most of the proposed changes to Ordinance No. 12 are associated with the elimination of Tier 2 water costs from Metropolitan Water District of Southern California and clarify that changes to the requirements of the ordinance will be made by ordinance (instead of resolution); the remainder of the changes address typographical errors and consistency in terminology. These proposed changes have been reviewed by District Counsel.

Ordinances can only be amended after a public hearing, with a 60-day public notice prior to that hearing. Staff proposes to set a hearing date to amend Ordinance No. 12 at 4:00 p.m. on March 18, 2026.

Attachments:

Proposed Redline Changes to Ordinance No. 12

ORDINANCE NO. 12

AN ORDINANCE OF CALLEGUAS MUNICIPAL WATER DISTRICT
COVERING THE RULES AND REGULATIONS FOR WATER SERVICE
TO MEMBER AGENCIES WITHIN CALLEGUAS MUNICIPAL WATER DISTRICT,
AS AMENDED

WHEREAS, Calleguas Municipal Water District ("District") is a public agency and special district created in 1953 by a vote of the electorate and organized pursuant to the Municipal Water District Act of 1911, as amended; and

WHEREAS, the District is a member agency of the Metropolitan Water District of Southern California ("Metropolitan" or "~~Metropolitan Water District~~"); Metropolitan is a consortium of 26 cities and water districts which cooperatively plan and manage water supply resources for approximately 19 million people in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Ventura counties; and

WHEREAS, the District's purpose is to provide a supplemental imported water supply to its service area in order to augment local water supplies for municipal, industrial, and agricultural users; and

WHEREAS, the District serves approximately 366 square miles within the southeast portion of Ventura County, including the cities of Simi Valley, Moorpark, Thousand Oaks, Camarillo, Oxnard, and Port Hueneme as well as the unincorporated areas of Oak Park, Santa Rosa Valley, Bell Canyon, Lake Sherwood, Somis, Las Posas Estates, Camarillo Heights, and Naval Base Ventura County through its Member Agencies; and

WHEREAS, the Municipal Water District Act of 1911, as amended, enables the District to establish water rates it charges its Member Agencies, ~~among other things; and for the purposes of paying operating expenses, providing for repairs and depreciation of works, providing a reasonable surplus, and paying interest on bonded debt, among other things; and~~

WHEREAS, the Board of Directors of the District (the "Board of Directors") by Ordinance No. 12, adopted July 21, 1971, established the rules, regulations and rates for water sold to its Member Agencies; and

WHEREAS, ~~the Board of Directors has amended Ordinance No. 12 by resolution over the years to establish new rates for water sold to its Member Agencies; and determined that certain modifications to Ordinance No. 12 are necessary;~~

WHEREAS, ~~the Board of Directors, by Resolution No. 1379, adopted November 27, 2002, established two tiers establishment, modification, and approval of rates for water sold to its Member Agencies; and~~

Ordinance No. 12
TBD 2025

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WHEREAS, the Board of Directors has determined that certain modifications to the District's rate structure for water service are necessary and desirable, and that certain ~~or other~~ modifications to Ordinance No. 12 are necessary; and

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WHEREAS, the Board of Directors finds that making these modifications in the form of an Amended Ordinance No. 12 ~~charges by the District~~ is preferable to further amending the ordinance by resolution because the Amended Ordinance No. 12 will incorporate all modifications to the rules, regulations and rate structures for water sold to its Member Agencies into one identifiable document; and

WHEREAS, the Board of Directors finds that these modifications are for the purpose of meeting operating and construction expenses, and are therefore exempt from requirements of the California Environmental Quality Act; CEQA pursuant to Public Resources Code 21080(b)(8)

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NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CALLEGUAS MUNICIPAL WATER DISTRICT AS FOLLOWS:

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SECTION 1. AUTHORITY. That, subject to all applicable provisions of the Municipal Water District Act of 1911, as amended, the following rules, regulations and rate structures governing the service of water to Member Agencies by the District are hereby adopted and shall become effective on the date adopted by the Board of Directors.

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SECTION 2. DEFINITIONS.

(a) ~~"Base Demand" shall mean the greater of the Initial Base Demand or the ten year rolling average, calculated annually, of all of a Member Agency's water purchases from the District measured on a fiscal year basis during the preceding ten years.~~

(b)(a) "Board of Directors" or "Board" shall refer to the Board of Directors of the Calleguas Municipal Water District.

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(c)(b) "Capacity Charge" is a charge imposed on each Member Agency and designed to recover the cost of providing infrastructure to meet peaking ~~capacity within the distribution system and emergency demands.~~

(c)(c) "Capacity Rate" is the rate at which the Capacity Charge is assessed.

(d)(d) "District" shall mean the Calleguas Municipal Water District, duly organized under and by virtue of the Municipal Water District Act of 1911, ~~as amended~~ as amended.

(e)(e) "Domestic and Municipal purposes" shall mean the use of water for all domestic, municipal, commercial, industrial, and recreational purposes, commonly, but not exclusively, served by the water supply of the city, town, or other similar population group.

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~~(g)~~(f) “General Manager” shall refer to the General Manager of the Calleguas Municipal Water District.

(g) “High Flow Charge” is a charge for water, applied when a Member Agency's demand for water at a given service connection exceeds the established maximum rated flow capacity of that particular District service connection.

~~(h)~~ “Initial Base Demand” means the Member Agency's highest annual water purchases including full service deliveries and Interim Agricultural Water Program deliveries from the District in any fiscal year during the period from fiscal year 2002/03 through fiscal year 2013/14.

~~(i)~~ Reserved.

~~(h)~~(h) “Low Flow Charge” is a charge for water, applied when a Member Agency's demand for water at a given service connection is more than zero but less than ~~ten percent (10%)~~ of the established rated maximum flow capacity of that particular District service connection.

~~(i)~~(i) “Member Agency” shall mean any city, municipal water district, county water district, county waterworks district, mutual water company, public or private utility and other public corporation, the corporate area of which, in whole or in part, is included in the District as a separate unit.

~~(j)~~(j) “Minimum Maintenance Charge” is a charge intended to cover costs associated with service connection meter reading and processing for inactive service connections.

~~(k)~~(k) “Pumping Charge” is a charge to a Member Agency intended to reimburse the District for electrical service costs incurred for the operation of District pump stations. The charge shall be assessed based on invoices to the District from the electrical service provider or as calculated by the District when the District is the electrical service provider.

~~(l)~~(l) “Readiness-to-Serve Charge” is a charge intended to recover the principal and interest payments on ~~Metropolitan Water District's~~Metropolitan's non-tax supported debt service that had been or would be issued to fund capital improvements necessary to meet the continuing reliability and water quality needs associated with current and projected demands.

~~(p)~~ “Service Connection” shall mean all pipes, valves, meters and other necessary or usual appurtenances required for operation and measurement of water delivered from a District transmission pipeline to a Member

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(m) Agency.

~~(q)(n)~~ “Temporary Service Connection” is a service connection for construction or other non-permanent purposes subject to all terms and conditions of a District operating agreement.

~~(r)(o)~~ “Temporary Water Rate” is the rate for water supplied to an entity other than a Member Agency at a Temporary Service Connection for construction or other short-term purposes clearly defined and approved in advance in writing by the General Manager.

~~(s)~~ “Tier 1 Annual Maximum” means an amount of water equal to 90% of the Base Demand for Member Agencies.

~~(t)(p)~~ “Tier 1 Supply Rate” is a water rate for domestic and municipal water, set to recover supply costs, applicable to all water purchases, up to the Tier 1 Annual Maximum.

~~(u)~~ “Tier 2 Supply Rate” is a water rate for domestic and municipal water, set at the District's cost of developing additional supply, applicable to all water purchases, exceeding the Tier 1 Annual Maximum.

SECTION 3. DOMESTIC AND MUNICIPAL WATER.

(a) Each Member Agency shall be obligated to pay for all water delivered to the Member Agency by the District at the appropriate rate as established annually by the Board of Directors.

~~(b)~~ Effective January 1, 2013, Tier 1 and Tier 2 Supply Rates shall be applied to the purchases by Member Agencies as follows:

~~(1)~~ Tier 1 Supply Rate shall apply to all water purchases up to the Tier 1 Annual Maximum, as calculated annually by the District, in a given calendar year.

~~(2)~~ Tier 2 Supply Rate shall apply to all water purchases in excess of the Tier 1 Annual Maximum, as calculated annually by the District, in a given calendar year.

~~(b)~~ Not Used

(c) The Readiness-to-Serve Charge assessed by Metropolitan Water District will be proportionally shared by the Member Agencies based on the current ~~ten~~ (10) fiscal year rolling average of water purchases.

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- (d) A Capacity Charge shall be paid by each Member Agency annually based on the calculated total average flow rate that occurred during the Member Agency's peak week of water purchases from May 1 through September 30. The Capacity Charge will be determined in the second quarter of the calendar year during the annual rate setting process and calculated by using the prior calendar year's peak week. ~~The components of the Capacity Charge shall include current Tier 1 and Tier 2 water purchases.~~ Each week shall begin on Tuesday. The charge shall be determined by multiplying the average flow as calculated in cubic feet per second (cfs) by the Capacity Charge as established by the Board of Directors. Payment shall be paid in ~~twelve (12)~~ equal monthly installments starting in January of the following calendar year.
- (e) Pumping charges associated with the delivery of water shall be passed through as a line item on the monthly water bill to the applicable Member Agencies. If a District pump station delivers water to more than one Member Agency, the utility bills will be apportioned accordingly by the percentage of water purchased by the applicable Member Agencies.
- (f) The billing rate for water supplied to any entity at a Temporary Service Connection for construction or other short-term purposes clearly defined and approved in advance in writing by the General Manager shall be billed at the Temporary Water Rate as established by the Board of Directors. Temporary customers shall deliver to the District an executed copy of the District's "Application ~~For~~ Temporary Water Service" agreement and the deposit amount noted in the agreement prior to the commencement of temporary service. The entity shall be subject to all terms and conditions as outlined in the agreement, including time and materials charges for installation, monthly maintenance, and removal of temporary service equipment. The deposit may be waived for contractors currently performing work under a contract with the District.
- (g) When a Member Agency's demand for water at a given service connection exceeds the established maximum flow capacity of that particular District service connection, a High Flow Charge calculated at ~~one hundred and fifty percent (150%)~~ 150% of the rated maximum capacity of the service connection will be assessed for each tenth of an hour of operation over the established maximum flow capacity.
- (h) When a Member Agency's demand for water at a given service connection is more than zero but less than ~~ten percent (10%)~~ % of the established maximum flow capacity of that particular District service connection, a Low Flow Charge calculated at 10% of the rated maximum capacity of the service connection will be assessed for each tenth of an hour of operation between zero and ~~ten percent (10%)~~ % of the established maximum flow capacity.

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- (i) A Minimum Maintenance Charge, as established by the Board of Directors, shall be assessed on a monthly basis, in place of monthly water sales, for each service connection with monthly water sales less than the Minimum Maintenance Charge.
- G) The Board of Directors shall have the absolute and sole authority to change the rates specified in this Ordinance, and to implement new rates or pass-through charges imposed on the District. The Board of Directors shall make every reasonable effort to provide ~~sixty (60) days~~ days advance notice to all Member Agencies of such rate changes.

SECTION 4. BILLING. Water meters shall be read weekly, on Tuesdays, and on the nearest business day to the last calendar day of each month. As soon after the billing period as practicable, the District will mail or deliver to each Member Agency a statement of its bill for the preceding month. All bills or charges shall be due and payable immediately upon receipt. The following conditions also apply:

- (a) Delinquencies/Penalties. Water service bills shall be delinquent if not paid by the last business day of the month of the date of mailing. Delinquent bills are subject to a penalty of ~~one percent (1%)~~ % of the outstanding balance which shall be added thereto and charged to and collected from the Member Agency on a monthly basis, including the previous month's penalty. If payment for water service and/or penalty is not received in the District Office within ~~sixty (60) days~~ after such bill has become delinquent, the Board will consider appropriate action including discontinuance of service. Notice of discontinuance of service will be given to the delinquent Member Agency by registered mail at least ~~ten (10) days~~ prior to the date of discontinuance.
- (b) Cash Deposit. Whenever any Member Agency fails to pay its water bills, the Board of Directors may require as a condition for further service a cash deposit, at an amount determined by the Board, to guarantee the prompt payment of its account in the future. The Board of Directors shall have full power to determine whether or not such deposit shall be made and the amount thereof, and the time when the requirement for deposit by any Member Agency shall be discontinued.
- (c) Application of Deposit. If a Member Agency who has made such deposit fails to pay its delinquent bill or bills, including all added penalties within ~~thirty (30) days~~ after delinquency, its deposit shall be applied on its account and the service discontinued until such time as the deposit is restored by the Member Agency.

SECTION 5. GENERAL TERMS AND CONDITIONS.

- (a) Authorized Distribution of District Supplied Water. ~~The right of any Member Agency to water served by the District's facilities shall be restricted to the amount required for uses within the District's boundaries. Except as required by state law, or a wheeling agreement authorized by the District's Board of Directors, no~~

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potable water conveyed by the District or produced by a Member Agency shall be delivered or sold for any use outside of the District's boundaries, nor shall water conveyed by the District or produced by a Member Agency be sold or delivered for any use within the District's boundaries in substitution for water used outside the District.

The use of water trucks, or other mobile, temporary, or otherwise non-fixed facilities and equipment to deliver District water shall be limited to short duration uses within the District's boundaries for construction purposes ~~uses~~ or to meet acute, emergency response needs, as requested by designated public health and safety agencies, including the Ventura County Public Health Department, Ventura County Fire Department, and similar federal, state, and local entities.

Distribution system interconnections between Member Agencies are permitted provided that the water delivered remains within the District's boundaries.

- (b) Proof of Annexation. Per the conditions outlined in Section 5.a, a Member Agency may not supply any District sourced water to a new service address until it has received a written ~~release~~confirmation from the District ~~confirming~~ that the address lies within the District's boundaries.
- (c) Violation of Authorized Distribution. Should the District suspect that a Member Agency is in violation of distributing water outside the limits of this Ordinance, the Board of Directors shall provide the Member Agency no less than ~~fifteen~~ (15) days to present any ~~relevant~~pertinent factual evidence and mitigating circumstances regarding the matter; the Board of Directors shall then render a decision that shall be final, conclusive, and definitive. Should it be determined by the Board of Directors that ~~terms~~terms of this Ordinance have been, or are being, violated, the Board of Directors may assess fines or fees, request a suspension of service, and impose other actions as deemed appropriate to the Member Agency. Notice of any such determination of the District shall be in writing and mailed to such Member Agency within ~~ten~~ (10) days of such determination. Should suspension of service be imposed, deliveries shall be resumed only when the Member Agency involved proves to the satisfaction of the District that it has fully complied with the above rules and regulations. Determination of billing amounts shall be based on the retail meter totals or, if retail totals are not available, shall be based on the maximum industry standard for the Southern California region, gallons per capita per day, of use for the type of customer being served.
- (d) Annual Estimate of Demand. Within ~~(30) thirty~~ days of a written request, each Member Agency shall furnish the District with an estimate of its water requirements by water service type and month for the ensuing five-year period.
- (e) Development Coordination. Member Agencies shall not sign and approve any

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plans for development, public, or other projects that affect District facilities unless those plans are already signed by the District. A project is considered to affect District facilities if any District facilities lie within the project site, are referenced in the project plans or are in the public right-of-way in the vicinity of the project site. If a Member Agency signs plans for a project that affects District facilities and is not already signed by the District, then that Member Agency assumes responsibility for any damage caused to the District's facilities by the project. Member Agencies shall not approve plans that do not comply with the more stringent of California Division of Drinking Water (DDW) requirements, American Water Works Association (AWWA) Standards, or District Standard Drawings to ensure proper protection of the District's pipelines and appurtenances.

SECTION 6. AVAILABILITY OF SUPPLY.

- (a) District Responsibility. It is declared that the District was formed primarily to make water available to the people of the District, through distribution systems now established, or which may hereafter be established, as are able to use and distribute water at uniform rates of flow over substantial periods. The District's primary source of supply is from Metropolitan. This water supply may not be adequate or constant. The District assumes no responsibility for quantity, quality, pressure, or constancy of supply. The District will not be liable for interruptions or shortages of supply, nor for any loss or damage occasioned thereby. During times of threatened or actual water ~~shortage~~ shortage, the Board of Directors shall apportion the available water supply among Member Agencies in an equitable manner with due regard to public health and safety, and in accordance with the provisions of the Municipal Water District Act of 1911, as amended.
- (b) Operating Conditions. All sales and deliveries of water at the rates established by the Board shall be subject to the ability of the District to sell and deliver such water under operating conditions determined by the General Manager.

- (c) Peak Hourly Demands. The District's system is not designed to serve peak hourly demands. The District reserves the right to curtail peak hourly deliveries, as necessary, to conform to pipeline capacity and to assure equitable apportionment of available water and of service to all Member Agencies.
- (d) Emergency Interruptions. The District shall have the right to interrupt supply of water without prior notice in the event of an emergency.
- (e) Supply Shortages. In the event reduced water supplies cause Metropolitan to impose water allocations among its member agencies and surcharges for deliveries exceeding those allocations, the Board of Directors, at its discretion, may similarly allocate available supplies among District ~~member-~~
~~surveyors~~ Member Agencies and levy any surcharges as deemed appropriate, including those imposed on the District by Metropolitan.

Moreover, under shortage conditions, the Board may, by resolution, impose a moratorium on District annexations and/or the installation of new retail service connections by Member Agencies in an effort to extend available supplies among existing water users.

- (f) Interruption of Service. Interruption of service will be necessary from time to time to facilitate routine maintenance, internal inspection, rehabilitation, and improvement projects on District facilities. Whenever maintenance of the District's system requires interruption of delivery of water at any point or points, such delivery may be interrupted, without liability on the part of the District, provided that except in cases of emergency, as determined by the General Manager, notice of such interruption of service shall be given to the affected Member Agency in advance of such interruption. The District standard for such interruption may include all services along four ~~(4)~~ consecutive miles of pipeline for a minimum ~~seventy-two (72)~~ hour period.
- (g) Required Storage. In order to meet demand fluctuations, emergency interruptions and scheduled interruption of services, Member Agencies within the District shall provide adequate storage or alternate supplies, other than from District facilities, to meet their peak daily and hourly demands.

SECTION 7. SERVICE CONNECTIONS.

- ~~(a)~~ Application for Service Connection. A Member Agency wishing to take delivery of water at a particular location shall submit a written application for a turnout and meter station to the District on a form provided by the District. The decision whether to approve the application shall be solely within the discretion of the District. The Member Agency shall be responsible for all costs associated with

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(a) building the turnout and meter station at the requested location and connecting it to an existing District transmission pipeline. The Member Agency shall provide the necessary right-of-way to the District for construction, operation, and maintenance of the turnout and meter station. The Member Agency shall deposit an amount equal to the estimated cost of design of the facility prior to initiation of project design by the District and shall deposit an amount equal to the estimated cost of construction (including inspection and construction management) prior to the District's advertising the project for construction. Upon completion of construction, the District will prepare a report summarizing its costs associated with construction of the turnout, meter station, and associated pipelines and will provide an accounting to the Member Agency. In the event the actual cost is less than the deposit, the District will provide a refund. In the event the actual cost exceeds the deposit, such Member Agency shall promptly pay to the District the amount by which the costs shall exceed the deposited amounts. Service shall be initiated once full payment has been received.

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(b) Ownership of Facilities. All service connections, appurtenances, meters, and transmission pipelines installed hereunder shall be and become the property of the District and shall be maintained, repaired, and renewed by the District when rendered unserviceable through normal wear and tear; provided, however, that any replacements, repairs, or adjustments to any meters, or property, required because of the act, negligence or carelessness of the Member Agency, its agents or employees, or persons under its control, shall be charged against and collected from such Member Agency.

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(c) Operation of Valves. Shutoff valves at service connections, or in transmission pipelines belonging to the District, shall not be operated by the Member Agency, without authorized District consent. Authorized consent can be granted by the General Manager, the Manager of Operations and Maintenance, or a designee of the Manager of Operations and Maintenance.

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(d) Tampering. It shall be unlawful for any person to meddle, tamper with, or operate any facilities, including, but not limited to, service connections, water meters, service pipe, transmission pipelines or valves without authorized District consent. Authorized consent can be granted by the General Manager, the Manager of Operations and Maintenance, or a designee of the Manager of Operations and Maintenance. It shall be unlawful for any person to tap, break, or damage any District transmission pipeline, service connections, or appurtenances or any other equipment of the District.

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(e) Access and Use of District Facilities. Member Agencies shall not enter District distribution facilities, including buildings, cabinets, and vaults, nor use District facilities to support support or house Member Agency equipment without approval from the District.

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(f) Communication. Member Agencies shall promptly report any leaks, failures of water supply and equipment, security breaches, and other matters requiring timely response

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of District staff to the District's Control Room. All requests for routine operational assistance may be directed to the District's Control Room or to the appropriate District supervisor. Inquiries about policies and procedures, general information and coordination for project planning should be directed to the Manager of Operations and Maintenance. Requests to initiate new service or modify the rated capacity of existing service connections must be made in writing and filed with the General Manager.

(g) District Equipment as Billing Meter. District equipment shall be used as the primary billing meter to calculate flow rates, accumulate water use and determine the occurrence and duration of High and Low Flow Charge penalty periods. Member Agency metering data shall only be considered when District equipment is inoperable.

(h) Metering Equipment Standards. The District's established standard for metering equipment used for Member Agency billing of potable water deliveries shall be restricted to the combination of a venturi and differential pressure transmitter(s). Transmitters shall be configured as an input to a programmable logic controller or flow totalizer to calculate rate of flow and accumulate water use.

(i) Meter Testing. The District shall calibrate and test all metering components a minimum of once annually to confirm accuracy of ~~plus or minus two percent ($\pm 2.0\%$); $\pm 2.0\%$~~ . A Member Agency may request to have a service connection meter tested by the District whenever the Member Agency suspects inaccuracy. The Member Agency affected shall have the right to witness any such test. In the event that such test shall disclose an error exceeding ~~plus or minus two per cent ($\pm 2.0\%$); $\pm 2.0\%$~~ , an adjustment shall be made in metered charges to the Member Agency affected, covering the known or estimated extent and period of duration of such error up to a six-month period. If such test shall disclose an error exceeding ~~plus or minus two per cent ($\pm 2.0\%$); $\pm 2.0\%$~~ the expenses of such test shall be borne by the District; otherwise, such expenses shall be borne by the Member Agency requesting such test.

(j) District Provided Controls. The District may install and maintain flow rate signals, pulsed totalizer contacts, valve open and close control inputs, downstream pressure regulation, and rate-of-flow controls at service connections upon the issuance of a purchase order or letter of request and authorization from the Member Agency. All District supplied signals and controls are provided as a

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(j) courtesy to the Member Agency. It is the responsibility of the Member Agency to control their own system demands and maintain operations within the rated capacity of their service connection(s), and any reliance upon District equipment is done so solely at the risk of the Member Agency. The inaccuracy or failure of District provided signals and controls does not constitute cause to avoid payment of High or Low Flow Charges, nor to dispute the receipt of District water or metered totals. All costs for installation and maintenance of requested automation equipment shall be paid by the Member Agency. The District reserves the right to refuse installation and to remove controls if it so desires.

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(k) Float Mode. If a Member Agency does not wish to use open and close control signals or if a Member Agency requests to bypass their open and close control signals at a service connection, the District shall configure the service connection to be in "Float Mode," whereby the connection instantaneously responds to changes in downstream pressure at any rate of flow needed to maintain downstream pressure regardless of the service connection's rated flow range. If Float Mode is requested, either verbally or under the execution of a Float Mode Request Form, the Member Agency understands that operation in this mode will result in the accumulation of Low Flow Charge penalty hours and potentially in High Flow Charge penalty hours, and the Member Agency agrees to pay all charges as assessed.

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(l) Hydraulic Transients. Member Agencies shall operate their water distribution systems in a manner which does not cause hydraulic transients or pressure changes at service connections that are greater than 125% of the average pressure delivered to the Member Agency and no less than 50% of the average pressure delivered to the Member Agency or 20 psi, whichever is greater.

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SECTION 8. LEGAL CHALLENGES. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance by section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

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SECTION 9. ADMINISTRATION. All water service shall be made in accordance with these rules and regulations unless otherwise approved by the Board of Directors. These rules and regulations may be amended, modified, changed, or repealed by the Board of Directors ~~by resolution or ordinance.~~

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SECTION 10. NOTICES. All notices and communications from agencies to the District relating to the service of water or the administration of these rules and regulations by the District, shall be addressed to the General Manager of the District, 2100 Olsen Road, Thousand Oaks, California 91360.

SECTION 11. PREVIOUS RESOLUTIONS. All Resolutions passed with ~~regard to~~ regard to water rate structures and service connection policies that are in conflict with this ordinance are hereby cancelled.

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SECTION 12. EFFECTIVE DATE AND SUNSET. This Ordinance shall be given effect at 12:01 a.m. on ~~July 7, 2022~~, _____. This Ordinance shall not have a sunset date.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, ~~2025~~ _____

Raul Avila, President
Board of Directors

On motion by Director _____ and seconded by Director _____, the foregoing ordinance is adopted upon this ~~seventh~~ _____ day of ~~July 6, 202~~, ____, ____, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

I HEREBY CERTIFY that the foregoing Ordinance was adopted at a regular meeting of the Board of Directors of Calleguas Municipal Water District held on ~~July 6, 2022,~~_____.

ATTEST:

Thibault Robert, Secretary
Board of Directors

(SEAL)

RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



07B MEMO ACTION ITEMS

THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2025

To: Board of Directors

From: Tricia Ferguson, Manager of Human Resources and Risk Management

Subject: Item 7.B - Discussion Regarding Employee Cost of Living Adjustment and Revised Salary Schedule

Objective: For continued workplace excellence, ensure that Calleguas's salaries remain competitive to attract and retain high-quality employees.

Recommended Action: Approve a cost-of-living adjustment of 3.6% effective January 1, 2026 and adopt a revised salary schedule effective January 1, 2026.

Budget Impact: None. The budget for the current fiscal year assumed an increase of 3.3%. Due to salary savings from open positions, there are enough funds in the budget to cover the additional costs in the current fiscal year.

Discussion:

Section 12.4.2 (b) of Calleguas's Administrative Code states: "In December or January of each year, the General Manager shall recommend to the Board a percentage cost-of-living adjustment (COLA) based on the Federal Consumer Price Index (CPI) Report for the 12-month period ending in November for the urban area in closest proximity to the District. Any COLA approved by the Board shall become effective January 1 and apply to salaries, tuition reimbursement amounts, special duty incentive pay, and daily on-call duty pay. The COLA does not apply to the salaries of the General Manager and District Counsel." Over the last 20 years, the Board has approved the COLA adjustment in the amount of the CPI.

Calleguas has high quality and hardworking staff, and it is recommended that the Board approve a COLA effective January 1, 2026 and adopt the resultant revised salary schedule for January 1, 2026.

Attachments:

- Proposed 2025 salary schedule, including tuition reimbursement amounts, special duty incentive pay, daily on-call duty pay, and retirement health savings account contribution
- Chart of Calleguas COLA increases for the past 20 years

CALLEGUAS MWD SALARY SCHEDULE**PROPOSED EFFECTIVE
January 1, 2026**

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
Board				
Board Member (Per Meeting)		\$ 240.00		
Full-Time Positions				
Administrative Assistant 1	\$ 55,838.40	\$ 76,503.36	\$ 2,326.60	\$ 3,187.64
Maintenance Worker 1	\$ 60,691.20	\$ 83,151.84	\$ 2,528.80	\$ 3,464.66
Accounting Technichian 1	\$ 62,685.12	\$ 85,884.72	\$ 2,611.88	\$ 3,578.53
Facility Coordinator 1	\$ 64,340.40	\$ 88,151.28	\$ 2,680.85	\$ 3,672.97
Administrative Assistant 2	\$ 66,496.80	\$ 91,106.16	\$ 2,770.70	\$ 3,796.09
Maintenance Worker 2	\$ 69,914.88	\$ 95,789.76	\$ 2,913.12	\$ 3,991.24
Accounting Technichian 2	\$ 71,291.76	\$ 97,675.20	\$ 2,970.49	\$ 4,069.80
Electro Mechanical Technician 1	\$ 74,917.44	\$ 102,643.68	\$ 3,121.56	\$ 4,276.82
Senior Administrative Assistant	\$ 76,368.96	\$ 104,633.04	\$ 3,182.04	\$ 4,359.71
Water Distribution Operator	\$ 76,667.76	\$ 105,041.52	\$ 3,194.49	\$ 4,376.73
Senior Accounting Technichian	\$ 76,881.84	\$ 105,334.32	\$ 3,203.41	\$ 4,388.93
Instrumentation Technician	\$ 79,046.64	\$ 108,300.48	\$ 3,293.61	\$ 4,512.52
Facility Coordinator 2	\$ 79,410.48	\$ 108,799.44	\$ 3,308.77	\$ 4,533.31
Department Administrator 1	\$ 79,956.72	\$ 109,547.76	\$ 3,331.53	\$ 4,564.49
Senior Maintenance Worker	\$ 82,586.88	\$ 113,151.60	\$ 3,441.12	\$ 4,714.65
Laboratory Technician	\$ 83,862.00	\$ 114,898.32	\$ 3,494.25	\$ 4,787.43
Electro Mechanical Technician 2	\$ 84,692.40	\$ 116,036.16	\$ 3,528.85	\$ 4,834.84
Control Technician	\$ 87,216.96	\$ 119,494.56	\$ 3,634.04	\$ 4,978.94
Department Administrator 2	\$ 88,948.56	\$ 121,866.72	\$ 3,706.19	\$ 5,077.78
IT Specialist 1	\$ 89,173.20	\$ 122,174.64	\$ 3,715.55	\$ 5,090.61
Water Treatment Operator	\$ 89,626.80	\$ 122,796.48	\$ 3,734.45	\$ 5,116.52
Construction Inspector 1	\$ 91,984.32	\$ 126,026.88	\$ 3,832.68	\$ 5,251.12
Cross Connection Specialist	\$ 91,984.32	\$ 126,026.88	\$ 3,832.68	\$ 5,251.12
Senior Instrumentation Technician	\$ 94,129.44	\$ 128,965.20	\$ 3,922.06	\$ 5,373.55
Public Affairs Specialist	\$ 94,595.52	\$ 129,604.08	\$ 3,941.48	\$ 5,400.17
Sr Human Resources Analyst	\$ 94,945.92	\$ 130,084.08	\$ 3,956.08	\$ 5,420.17
Laboratory Coordinator	\$ 95,496.72	\$ 130,838.88	\$ 3,979.03	\$ 5,451.62
Management Analyst	\$ 97,759.92	\$ 133,939.92	\$ 4,073.33	\$ 5,580.83
Senior Maintenance Crew Leader	\$ 97,894.32	\$ 134,124.24	\$ 4,078.93	\$ 5,588.51
Senior Electro Mechanical Technician	\$ 97,894.32	\$ 134,124.24	\$ 4,078.93	\$ 5,588.51
IT Specialist 2	\$ 98,090.88	\$ 134,393.04	\$ 4,087.12	\$ 5,599.71
Construction Inspector 2	\$ 100,757.76	\$ 138,046.80	\$ 4,198.24	\$ 5,751.95
Electrical Construction Inspector	\$ 100,757.76	\$ 138,046.80	\$ 4,198.24	\$ 5,751.95
Assistant Project Manager	\$ 101,422.32	\$ 138,957.36	\$ 4,225.93	\$ 5,789.89

CALLEGUAS MWD SALARY SCHEDULE**PROPOSED EFFECTIVE
January 1, 2026**

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
Senior Control Technician	\$ 102,096.24	\$ 139,880.88	\$ 4,254.01	\$ 5,828.37
Emergency Response Coordinator	\$ 104,055.12	\$ 142,564.80	\$ 4,335.63	\$ 5,940.20
Senior Communications Specialist	\$ 104,055.12	\$ 142,564.80	\$ 4,335.63	\$ 5,940.20
Distribution Crew Leader	\$ 105,159.60	\$ 144,077.76	\$ 4,381.65	\$ 6,003.24
Senior Operator	\$ 106,180.56	\$ 145,476.48	\$ 4,424.19	\$ 6,061.52
Water Resource Specialist	\$ 107,900.16	\$ 147,832.32	\$ 4,495.84	\$ 6,159.68
Control System Specialist	\$ 112,255.68	\$ 153,800.40	\$ 4,677.32	\$ 6,408.35
IT Specialist 3	\$ 113,893.92	\$ 156,044.16	\$ 4,745.58	\$ 6,501.84
GIS Analyst	\$ 113,893.92	\$ 156,044.16	\$ 4,745.58	\$ 6,501.84
Associate Project Manager	\$ 114,500.64	\$ 156,876.00	\$ 4,770.86	\$ 6,536.50
Assistant Operations Supervisor	\$ 114,500.64	\$ 156,876.00	\$ 4,770.86	\$ 6,536.50
Senior Water Resource Specialist	\$ 118,690.56	\$ 162,616.08	\$ 4,945.44	\$ 6,775.67
Environmental Health & Safety Specialist	\$ 122,186.88	\$ 167,406.48	\$ 5,091.12	\$ 6,975.27
Clerk of the Board	\$ 123,050.40	\$ 168,590.16	\$ 5,127.10	\$ 7,024.59
System Maintenance Supervisor	\$ 126,672.24	\$ 173,551.92	\$ 5,278.01	\$ 7,231.33
Distribution System Supervisor	\$ 126,672.24	\$ 173,551.92	\$ 5,278.01	\$ 7,231.33
General Services Supervisor	\$ 126,672.24	\$ 173,551.92	\$ 5,278.01	\$ 7,231.33
Sr IT Specialist	\$ 127,464.48	\$ 174,637.44	\$ 5,311.02	\$ 7,276.56
Control System Supervisor	\$ 127,650.24	\$ 174,892.08	\$ 5,318.76	\$ 7,287.17
Accounting Supervisor	\$ 129,108.00	\$ 176,889.12	\$ 5,379.50	\$ 7,370.38
Operations Supervisor	\$ 132,756.24	\$ 181,887.60	\$ 5,531.51	\$ 7,578.65
Project Manager	\$ 134,297.28	\$ 183,998.88	\$ 5,595.72	\$ 7,666.62
Regulatory Compliance Supervisor	\$ 137,975.04	\$ 189,037.44	\$ 5,748.96	\$ 7,876.56
Principal Water Resource Specialist	\$ 140,329.20	\$ 192,262.80	\$ 5,847.05	\$ 8,010.95
Senior Project Manager	\$ 151,045.92	\$ 206,945.52	\$ 6,293.58	\$ 8,622.73
Assistant Manager of Operations & Maintenance	\$ 162,104.40	\$ 222,096.96	\$ 6,754.35	\$ 9,254.04
Manager of Human Resources & Risk Management	\$ 182,247.12	\$ 249,695.04	\$ 7,593.63	\$ 10,403.96
Manager of External Affairs	\$ 189,537.12	\$ 259,682.16	\$ 7,897.38	\$ 10,820.09
Manager of Water Resources	\$ 189,537.12	\$ 259,682.16	\$ 7,897.38	\$ 10,820.09
Manager of Information Technology	\$ 189,537.12	\$ 259,682.16	\$ 7,897.38	\$ 10,820.09
Executive Strategist	\$ 198,868.80	\$ 272,467.20	\$ 8,286.20	\$ 11,352.80
Manager of Operations & Maintenance	\$ 198,868.80	\$ 272,467.20	\$ 8,286.20	\$ 11,352.80
Manager of Finance	\$ 209,442.24	\$ 286,954.08	\$ 8,726.76	\$ 11,956.42
Manager of Engineering	\$ 209,442.24	\$ 286,954.08	\$ 8,726.76	\$ 11,956.42
Deputy General Manager	\$ 238,221.12	\$ 326,383.92	\$ 9,925.88	\$ 13,599.33
General Manager		\$ 409,842.72		\$ 17,076.78

CALLEGUAS MWD SALARY SCHEDULE

PROPOSED EFFECTIVE
January 1, 2026

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
Part-Time Positions (Hourly)				
Cleaning Crew-Crew Leader (Hourly)		\$ 31.16		
Cleaning Crew 2 (Hourly)		\$ 29.01		
Cleaning Crew 1 (Hourly)		\$ 26.83		
Student Intern (Hourly)	\$ 20.00	\$ 30.00		

Calleguas MWD Other Rates of Pay

PROPOSED EFFECTIVE January 1, 2026

Standby Duty

\$ 68.85 Per Day

Special Incentive Pay

Hazmat Level "A" Team	\$ 1,854.75 per year
Hazmat Decontamination Team	\$ 871.96 per year

Tuition Reimbursement

Quarter Unit	\$ 581.31 maximum
Semester Unit	\$ 871.96 maximum

District Housing Lease Rates

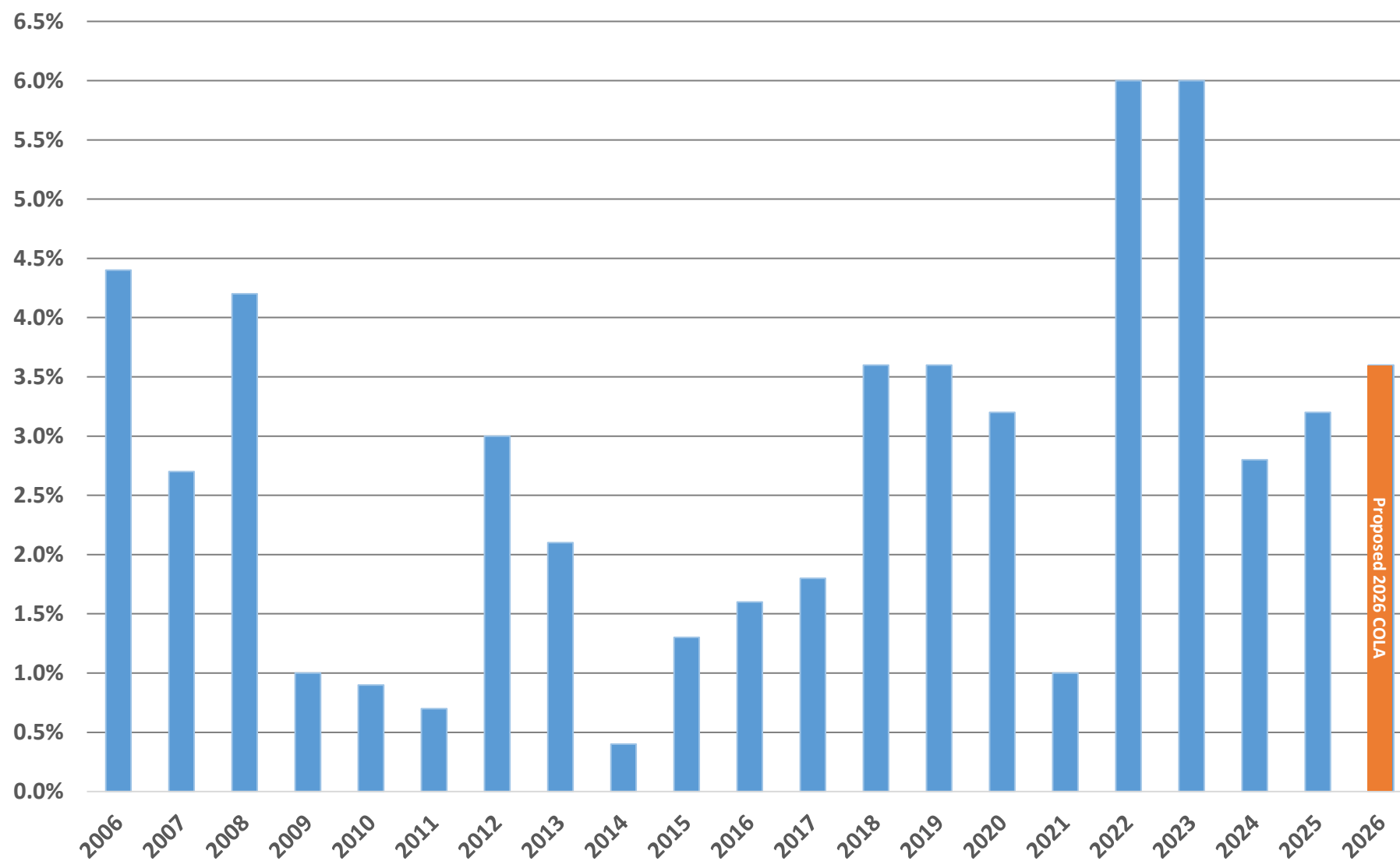
District House #1, 2 & 3	\$ 1,853.57 Effective Feb-2026
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Retirement Health Account Contribution*

For Employees Hired after 01/01/13	\$ 252.83 per pay period
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* Annual calculation based on Health Premiums not COLA

CMWD Historical and Proposed COLA Adjustments



RAUL AVILA, PRESIDENT
DIVISION 1

REDDY PAKALA, SECRETARY
DIVISION 3

SCOTT H. QUADY, DIRECTOR
DIVISION 2



THIBAUT ROBERT, VICE PRESIDENT
DIVISION 4

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

BOARD MEMORANDUM

Date: January 7, 2026

To: Board of Directors

From: Fernando Baez, Manager of Engineering

Subject: Item 7.C – Public Hearing and Discussion Regarding Resolution No. 2118, Declaring the Necessity for Acquisition of One Permanent Easement and One Temporary Construction Easement for the Calleguas-Ventura Interconnection, and Authorize the District’s Legal Counsel to Institute Eminent Domain Proceedings in Connection Therewith (Central Camarillo Property, LLC, Parcel No. 152-0-170-090)

Objective: Improve resilience, plan for agility, and diversify the water portfolio through the construction of the Calleguas-Ventura Interconnection.

Recommended Action: Adopt Resolution No. 2118, Declaring the Necessity for Acquisition of Certain Easements for the Calleguas-Ventura Interconnection and Authorizing the District’s Legal Counsel to Institute Eminent Domain Proceedings in Connection Therewith (Central Camarillo Property, LLC, APN 152-0-170-090)

Discussion: Design for the Calleguas-Ventura Interconnection (Project) is nearly complete and right-of-way acquisition is underway to prepare to bid and construct the project. The property owner at Parcel No. 152-0-170-090 has thus far been unresponsive to the District’s offer and correspondence relating to the acquisition of easements.

In order to adopt a Resolution of Necessity, the Board of Directors must find and determine that:

- A. The public interest and necessity require the project;
- B. The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- C. The property is necessary for the proposed project; and
- D. The offer required by Section 7267.2 of the Government Code has been made to the owners of record.

These hearings relate only to issues A, B, C, and D above, as they may apply to the subject property. Any other issues, including value, are not proper subjects for these hearings.

Each of these issues are addressed in further detail below:

A. The public interest and necessity require the proposed project.

The public use to be served by the project is water supply reliability within the region. The project consists of an interconnection pipeline, flow control and metering station, and associated infrastructure improvements within Calleguas's service area to interconnect with the City of San Buenaventura's (Ventura's) potable water system. The Interconnection is a cost-effective means to improve reliability and flexibility of Calleguas' and Ventura's potable water storage and distribution systems, by improving the ability of both agencies to provide potable water to existing customers during emergencies. The project will help reduce the risk of potential water shortages associated with natural disasters and required system maintenance, if either agency experiences either a complete or partial supply outage not significantly affecting the supply of the other agency. For Calleguas, the interconnection is a means of providing 14.7 cubic feet per second (cfs) during outages that do not affect Ventura's water supply. For Ventura, the interconnection is a means of providing 20.8 cfs during outages that do not affect Calleguas's supply from the Metropolitan Water District of Southern California.

B. The property is necessary for the project.

To construct the project, Calleguas seeks to acquire a utility easement for Calleguas's facilities and a temporary construction easement from property owned by Central Camarillo Property, LLC (Parcel No. 152-0-170-090) (collectively, the "Easements"). See Attachment A for a legal description of the Easements. The proposed facilities on the property consist of construction of a water pipeline and associated appurtenances. The Easements allow for construction of the facilities and subsequent operation and maintenance of those facilities.

C. The proposed project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury.

Several alternative alignments were evaluated in the SWP Interconnection Alignment Study and the Final Environmental Impact Report; however, it was determined that the environmentally superior project is the proposed project with the pipeline location within Parcel No. 152-0-170-090.

The location of the proposed easements on the property was selected to cause the least possible disruption to the property owners. The pipeline is located adjacent to the property line and a portion of the pipeline is located offset of the property line near the intersection of Central Ave and W. Ponderosa Drive to avoid an existing farm fruit and vegetable stand and an existing waterline.

D. The offer required by the Government Code has been made to the owners of record.

The offer required by the Government Code Section 7267.2 was made by Calleguas to the owners by letter dated September 3, 2025. The offer has not resulted in negotiated agreements. The Total Just Compensation offered in the current letter was \$56,989, based on an appraisal by Hoffman, Vance & Worthington. However, the amount of the offer is not an appropriate issue to consider at this hearing. While not required by law, in addition to sending the formal offer, Calleguas's right-of-way agent has reached out to the property owner via phone and e-mail seven times with no response.

A notice notifying the property owner that Calleguas intends to consider the adoption of a Resolution of Necessity to acquire by eminent domain one permanent easement and one temporary easement was mailed to the property owner on December 18, 2025, in accordance with the requirements of state law.

Attachment:

Resolution No. 2118, Declaring the Necessity for Acquisition of Certain Easements for the Calleguas-Ventura Interconnection and Authorizing the District's Legal Counsel to Institute Eminent Domain Proceedings in Connection Therewith (Central Camarillo Property, LLC, APN 152-0-170-090)

RESOLUTION NO. 2118

A RESOLUTION OF THE BOARD OF DIRECTORS OF
 CALLEGUAS MUNICIPAL WATER DISTRICT
 DECLARING THE NECESSITY FOR ACQUISITION OF
 CERTAIN EASEMENTS FOR THE
 CALLEGUAS-VENTURA INTERCONNECTION AND AUTHORIZING THE
 DISTRICT'S LEGAL COUNSEL TO INSTITUTE EMINENT DOMAIN
 PROCEEDINGS IN CONNECTION THEREWITH (CENTRAL CAMARILLO
 PROPERTY, LLC, APN 152-0-170-090)

WHEREAS, permanent easements in the property described in Attachment A, and temporary construction easements described in Attachment B, and according to the terms set forth in the proposed easement deed in Attachment C ("Property"), attached hereto and made a part hereof by reference, are to be acquired by eminent domain pursuant to the authority under California Constitution, Article I Section 19; California Water Code sections 71690, 71691, 71693 and 71694; Title 7, Part 3, of the California Code of Civil Procedure, and other provisions of law and

WHEREAS, the Property is being acquired as construction, maintenance, and operation easement for the Calleguas-Ventura Interconnection ("Project"); and

WHEREAS, the public interest and necessity require the proposed Project; and

WHEREAS, the proposed Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; and

WHEREAS, the proposed Project is an element of the Calleguas-Ventura Interconnection, and

WHEREAS, the Property is necessary for the proposed Project; and

WHEREAS, the District has provided notice of this hearing as required by Code of Civil Procedure §1245.235; and

WHEREAS, the offer required by §7267.2 of the Government Code has been made to the owner or owners of record; and

WHEREAS, on May 3, 2023, the Calleguas Municipal Water District's Board of Directors certified the Final Environmental Impact Report, made required findings, and adopted a Mitigation Monitoring and Reporting Program for the Project through passage of Resolution No. 2074, in accordance with the California Environmental Quality Act.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CALLEGUAS MUNICIPAL WATER DISTRICT BY AT LEAST A TWO-THIRDS VOTE DOES RESOLVE:

SECTION 1. The Board of Directors hereby finds, determines, and declares:

a. The above recitals are true and correct.

- b. The public use to be served by the condemnation of the Property includes, but is not limited to, enhanced water supply reliability and resilience.
- c. The public interest and necessity require the proposed Project.
- d. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- e. The Property is necessary for the proposed Project.
- f. The owner(s) of the Property has (have) received notice of the hearing hereon and been afforded a reasonable opportunity to appear and be heard as required by Code of Civil Procedure Section 1245.235 et seq.
- g. The offer required by Section 7267.2 of the Government Code has been made to the owner(s) of record.

SECTION 2. The Attorney for Calleguas Municipal Water District or his designee is hereby authorized to institute eminent domain proceedings in the Ventura County Superior Court for the purpose of acquiring the Property for said public use, and the Attorney is authorized to take such action as may be reasonably necessary to complete the acquisition thereof in the name of Calleguas Municipal Water District, including, but not limited to, the taking of immediate possession and the use of the Property, upon compliance with the requirements of law applicable thereto. The total sum fixed by said Superior Court, in its order determining and establishing security for such immediate possession, shall be deposited and maintained in the Treasury of the State of California. The Attorney is further authorized to correct any errors or to make or agree to any non-material changes in the legal description of the real property that is deemed necessary for the conduct of the condemnation action or any other proceedings or transactions required to acquire the Property.

SECTION 3. The Board's Secretary shall certify to the adoption of this resolution and shall cause this resolution and its certification to be filed in the Office of General Manager for the District.

PASSED AND ADOPTED this seventh day of January 2026.

Raul Avila, President
Board of Directors

I HEREBY CERTIFY that the foregoing Resolution was adopted at a meeting of the Board of Directors of Calleguas Municipal Water District held on January 7, 2026.

ATTEST:

Reddy Pakala, Secretary
Board of Directors

(SEAL)

EXHIBIT "A"

**LEGAL DESCRIPTION FOR
PERMANENT EASEMENT LYING WITHIN DEED RECORDED AUGUST 9, 2002 AS
INSTRUMENT NO. 02-189008 O.R.
APN 152-0-170-090**

PARCEL 2 OF PARCEL MAP WAIVER NO. 1129 RECORDED AUGUST 9, 2002 AS INSTRUMENT NO. 02- 189008 OF OFFICIAL RECORDS, AND BEING A PORTION OF LOT 44, RANCHO SANTA CLARA DEL NORTE, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY TERMINUS ON THE 7TH COURSE OF SAID PARCEL 2, DESCRIBED AS SOUTH 39°39'09" WEST, DISTANT 94.93 FEET;

THENCE SOUTH 40°13'38" WEST 51.93 FEET ON A DIFFERENT BASIS OF BEARINGS TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 49°46'34" EAST 763.95 FEET PARALLEL WITH CENTRAL AVEUE 60.00 WIDE AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE SAID COUNTY RECORDER IN BOOK 30, PAGES 9 THROUGH 11 OF RECORDS OF SURVEYS

THENCE SOUTH 83°33'45" EAST 35.71 FEET;

THENCE SOUTH 44°24'12" EAST 382.72 FEET;

THENCE SOUTH 79°06'45" EAST 205.80 FEET TO THE EASTERLY LINE OF SAID LOT 44;

THENCE SOUTH 29°18'15" WEST 31.62 FEET ALONG SAID EASTERLY LINE TO THE NORTHERLY LINE OF PARCEL 1, DESCRIBED IN THE RELINQUISHMENT RECORDED NOVEMBER 1, 1965, AS DOCUMENT NO. 79035, IN BOOK 2889 PAGE 528 OF OFFICIAL RECORDS, RECORDED IN SAID COUNTY RECORDERS OFFICE;

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 1 THE FOLLOWING THREE (3) COURSES;

THENCE NORTH 79°06'45" WEST 205.19 FEET;

THENCE NORTH 44°24'12" WEST 381.42 FEET;

PERMANENT EASEMENT IN 02-189008 OR
CONTINUED

THENCE NORTH 83°33'45" WEST 34.15 FEET;

THENCE LEAVING SAID NORTHERLY LINE OF SAID PARCEL 1, NORTH 49°46'34"
WEST 503.06 FEET PARALLEL WITH SAID CENTRAL AVENUE;

THENCE SOUTH 40°13'26" WEST 70.00 FEET TO THE NORTHEASTERLY LINE OF SAID
CENTRAL AVENUE;

THENCE NORTH 49°46'34" WEST 30.00 FEET ALONG SAID CENTRAL AVENUE;

THENCE NORTH 40°13'26" EAST 70.00 FEET

THENCE NORTH 49°46'34" WEST 240.00 FEET PARALLEL WITH SAID CENTRAL
AVENUE TO WEST PONDEROSA DRIVE AND SAID 7TH COURSE;

THENCE NORTH 40°13'38" EAST 30.00 FEET ALONG SAID 7TH COURSE TO THE **TRUE
POINT OF BEGINNING**

PARCEL CONTAINS 1.006 ACRES, OR 43,830 SQUARE FEET, MORE OR LESS.

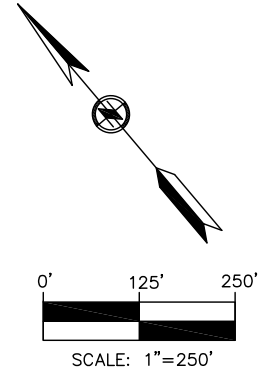
EXHIBIT B SHEETS 3 THROUGH 5 OF 5 IS INCLUDED HEREIN AND MADE A PART
HEREOF.

g d h 5/5/25

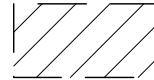


GREGORY D. HINDSON
CALIFORNIA LICENSED PROFESSIONAL LAND SURVEYOR, PLS 5670
FOR AND ON BEHALF OF THE MOLLENHAUER GROUP

AVENIDA DE APRISA
DOC. 94-018993 O.R.
PUBLIC R.O.W. 60' WIDE



LEGEND



INDICATES AREA OF LEGAL DESCRIPTION

CITY OF CAMARILLO
COUNTY OF VENTURA

PARCEL 1 - LLA 020189008
PORTION LOT 44 3MR26

WEST PONDEROSA DR

PORTION LOT 44 3MR26
PARCEL 2 - LLA 020189008

EASTERLY LINE LOT 44
WESTERLY LINE LOT 50
RANCHO SANTA CLARA DEL NORTE
RANCHO LAS POSAS

CENTRAL AVENUE

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818 937 9899 TEL
919 W. GLENOAKS BLVD 2ND FL
GLENDALE CALIFORNIA 91202
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SURVEYING+MAPPING
LAND DEVELOPMENT

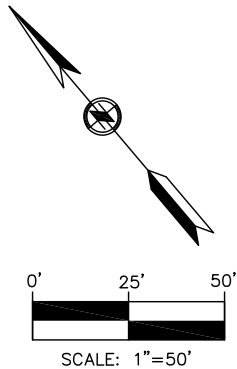
EXHIBIT "B"
PERMANENT EASEMENT
APN: 152-0-170-090

PREPARED FOR:

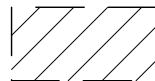
**CALLEGUAS MUNICIPAL
WATER DISTRICT**

DATE:	DECEMBER, 2024
JOB #	LA21363
DRAWN	MK
SCALE	1"=250'

SHEET 3 OF 5



LEGEND



INDICATES AREA OF LEGAL DESCRIPTION
43,830 SQ.FT. OR 1.006 ACRES

22

NOT TO SCALE

WEST PONDEROSA DR

P.O.B.

APN: 152-0-170-090

PORTION LOT 44 3MR26
PARCEL 2 - LLA 020189008

N40° 13' 38"E
30.00'

240.00'
N49° 46' 34"W

30.00'
70.00'

N40° 13' 26"E
30.00'
70.00'
30.00'
N49° 46' 34"W

CENTRAL AVENUE
60 FEET WIDE

S49° 46' 34"E
763.95'
503.06'
N49° 46' 34"W

30.00'
70.00'

SEE SHEET 5

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LAND DEVELOPMENT

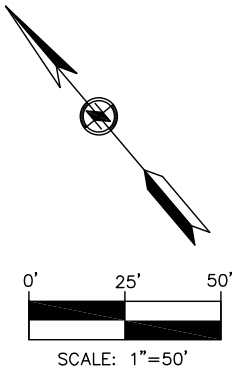
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PERMANENT EASEMENT
APN: 152-0-170-090

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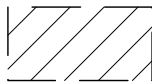
**CALLEGUAS MUNICIPAL
WATER DISTRICT**

DATE:	DECEMBER, 2024
JOB #	LA21363
DRAWN	MK
SCALE	1"=50'

SHEET 4 OF 5



LEGEND



INDICATES AREA OF LEGAL DESCRIPTION
43,830 SQ.FT. OR 1.006 ACRES

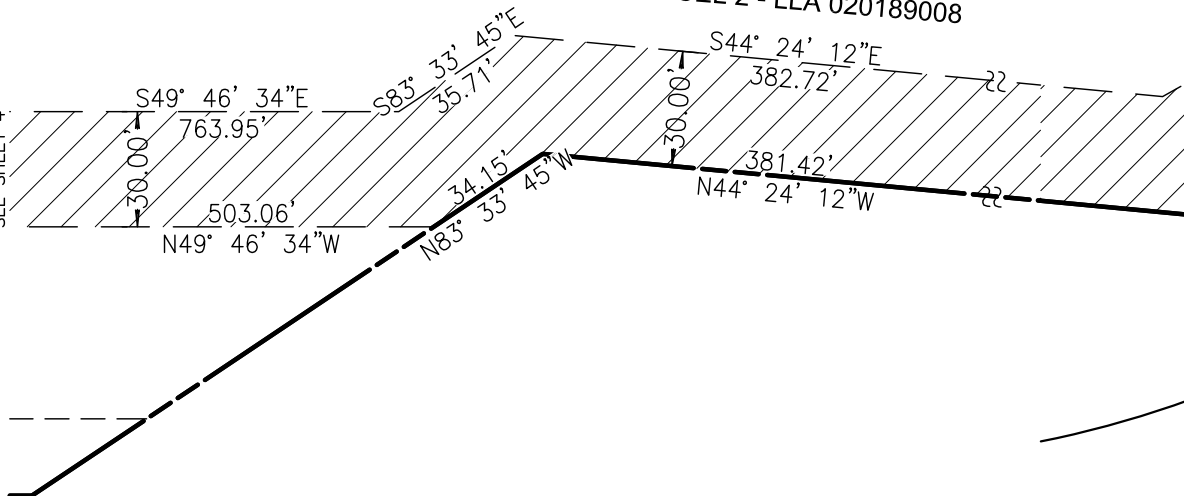
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NOT TO SCALE

APN: 152-0-170-090

PORTION LOT 44 3MR26
PARCEL 2 - LLA 020189008

SEE SHEET 4



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EXHIBIT 'B'
PERMANENT EASEMENT
APN: 152-0-170-090

PREPARED FOR:

**CALLEGUAS MUNICIPAL
WATER DISTRICT**

DATE:	DECEMBER, 2024
JOB #	LA21363
DRAWN	MK
SCALE	1"=50'

SHEET 5 OF 5

EXHIBIT "A"

**LEGAL DESCRIPTION FOR
TEMPORARY EASEMENT LYING WITHIN DEED RECORDED AUGUST 9, 2002 AS
INSTRUMENT NO. 02-189008 O.R.
APN 152-0-170-090**

PARCEL 2 OF PARCEL MAP WAIVER NO. 1129 RECORDED AUGUST 9, 2002 AS INSTRUMENT NO. 02- 189008 OF OFFICIAL RECORDS, AND BEING A PORTION OF LOT 44, RANCHO SANTA CLARA DEL NORTE, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 1

BEGINNING AT THE NORTHEASTERLY TERMINUS ON THE 7TH COURSE OF SAID PARCEL 2, DESCRIBED AS SOUTH 39°39'09" WEST, DISTANT 94.93 FEET;

THENCE SOUTH 40°13'38" WEST 21.93 FEET ON A DIFFERENT BASIS OF BEARINGS TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 49°46'34" EAST 754.83 FEET PARALLEL WITH CENTRAL AVEUE 60.00 WIDE AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE SAID COUNTY RECORDER IN BOOK 30, PAGES 9 THROUGH 11 OF RECORDS OF SURVEYS

THENCE SOUTH 83°33'45" EAST 37.27 FEET;

THENCE SOUTH 44°24'12" EAST 384.01 FEET;

THENCE SOUTH 79°06'45" EAST 206.42 FEET TO THE EASTERLY LINE OF SAID LOT 44;

THENCE SOUTH 29°18'15" WEST 31.62 FEET ALONG SAID EASTERLY LINE TO THE TO A POINT WHICH IS 30.00 FEET NORTHEASTERLY AT RIGHT ANGLES TO THE NORTHERLY LINE OF PARCEL 1, DESCRIBED IN THE RELINQUISHMENT RECORDED NOVEMBER 1, 1965, AS DOCUMENT NO. 79035, IN BOOK 2889 PAGE 528 OF OFFICIAL RECORDS, RECORDED IN SAID COUNTY RECORDERS OFFICE;

THENCE ALONG A PARALLEL LINE WITH THE NORTHERLY LINE OF SAID PARCEL 1 THE FOLLOWING THREE (3) COURSES;

THENCE NORTH 79°06'45" WEST 205.80 FEET.

THENCE NORTH 44°24'12" WEST 382.72 FEET;

THENCE NORTH 83°33'45" WEST 35.71 FEET;

THENCE LEAVING SAID PARALLEL LINE WITH THE NORTHERLY LINE OF SAID PARCEL 1, NORTH 49°46'34" WEST 763.95 FEET PARALLEL WITH SAID CENTRAL AVENUE TO WEST PONDEROSA DRIVE AND SAID 7TH COURSE;

THENCE NORTH 40°13'38" EAST 30.00 FEET ALONG SAID 7TH COURSE TO THE **TRUE POINT OF BEGINNING**

PARCEL 2

BEGINNING AT THE NORTHEASTERLY TERMINUS ON THE 7TH COURSE OF SAID PARCEL 2, DESCRIBED AS SOUTH 39°39'09" WEST, DISTANT 94.93 FEET;

THENCE SOUTH 40°13'26" WEST 21.93 FEET ON A DIFFERENT BASIS OF BEARINGS TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 49°46'34" EAST 240.00 FEET PARALLEL WITH CENTRAL AVEUE 60.00 WIDE AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE SAID COUNTY RECORDER IN BOOK 30, PAGES 9 THROUGH 11 OF RECORDS OF SURVEYS

THENCE SOUTH 40°13'26" WEST 70.00 FEET TO THE NORTHEASTERLY LINE OF SAID CENTRAL AVENUE;

THENCE NORTH 49°46'34" WEST 116.99 FEET ALONG SAID CENTRAL AVENUE;

THENCE LEAVING THE NORTHEASTERLY LINE OF SAID CENTRAL AVENUE NORTH 38°27'58" WEST 53.78 FEET;

THENCE ALONG THE 10TH, 9TH 8TH COURSES OF SAID PARCEL 2 THE FOLLOWING THREE (3) COURSES;

THENCE NORTH 23°12'52" WEST 47.98 FEET;

THENCE NORTH XX°12'52" WEST 2.36 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 25.00 FEET THENCE NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF AN ARC LENGTH OF 39.27 FEET TO WEST PONDEROSA DRIVE AND THE 7TH COURSE OF SAID PARCEL 2;

TEMPORARY EASEMENT IN 02-189008 OR
CONTINUED

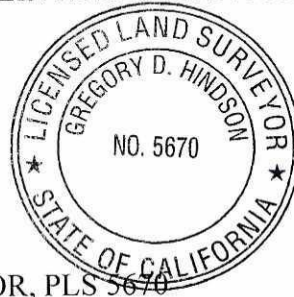
THENCE ALONG THE 7TH COURSE NORTH 40°14'06" WEST 13.00 FEET TO THE **TRUE POINT OF BEGINNING.**

PARCEL 1 CONTAINS 0.954 ACRES, OR 41,561 SQUARE FEET, MORE OR LESS.

PARCEL 2 CONTAINS 0.335 ACRES, OR 14,600 SQUARE FEET, MORE OR LESS.

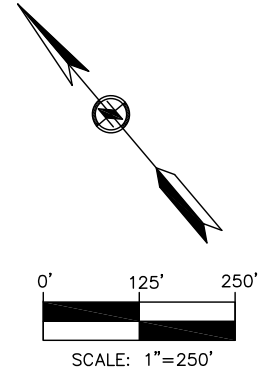
EXHIBIT B SHEETS 4 THROUGH 6 OF 6 IS INCLUDED HEREIN AND MADE A PART
HEREOF.

Gregory D. Hindson 5/5/25

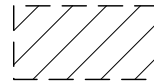


GREGORY D. HINDSON
CALIFORNIA LICENSED PROFESSIONAL LAND SURVEYOR, PLS 5670
FOR AND ON BEHALF OF THE MOLLENHAUER GROUP

AVENIDA DE APRISA
DOC. 94-018993 O.R.
PUBLIC R.O.W. 60' WIDE



LEGEND



INDICATES AREA OF LEGAL DESCRIPTION

CITY OF CAMARILLO
COUNTY OF VENTURA

PARCEL 1 - LLA 020189008
PORTION LOT 44 3MR26

PORTION LOT 44 3MR26
PARCEL 2 - LLA 020189008

WEST PONDEROSA DR

EASTERLY LINE LOT 44
RANCHO SANTA CLARA DEL NORTE
RANCHO LAS POSAS

CENTRAL AVENUE

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LAND DEVELOPMENT

EXHIBIT "B"
TEMPORARY EASEMENT
APN: 152-0-170-090

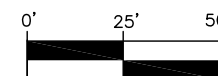
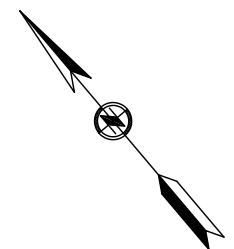
PREPARED FOR:

**CALLEGUAS MUNICIPAL
WATER DISTRICT**

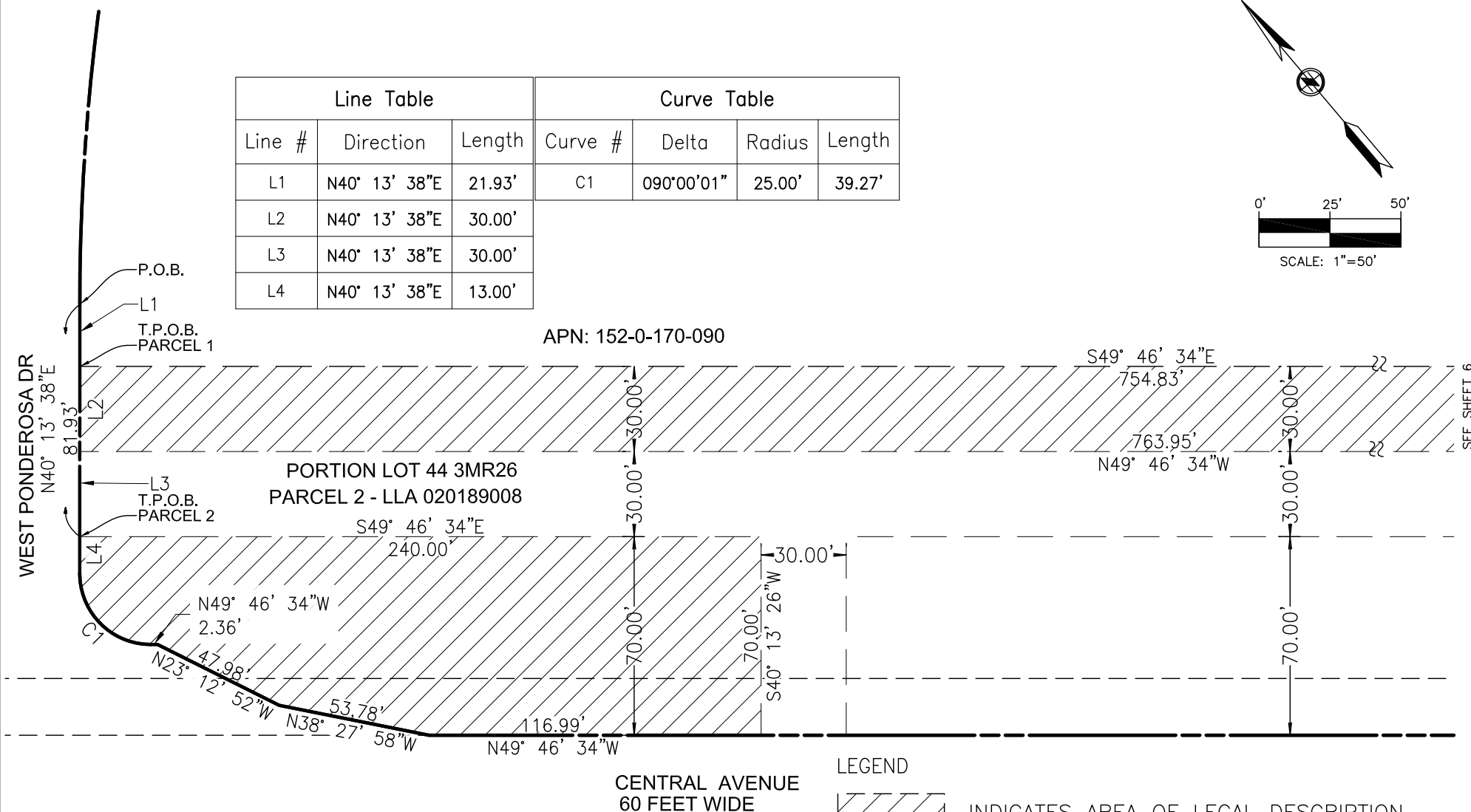
DATE:	DECEMBER, 2024
JOB #	LA21363
DRAWN	MK
SCALE	1"=250'

SHEET 4 OF 6

Line Table			Curve Table			
Line #	Direction	Length	Curve #	Delta	Radius	Length
L1	N40° 13' 38"E	21.93'	C1	090°00'01"	25.00'	39.27'
L2	N40° 13' 38"E	30.00'				
L3	N40° 13' 38"E	30.00'				
L4	N40° 13' 38"E	13.00'				



SCALE: 1"=50'



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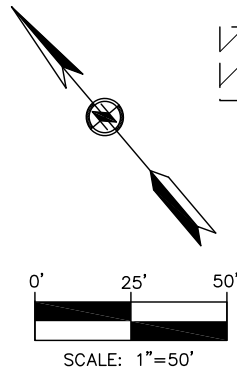
EXHIBIT 'B'
TEMPORARY EASEMENT
APN: 152-0-170-090

PREPARED FOR:

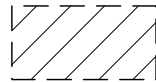
**CALLEGUAS MUNICIPAL
WATER DISTRICT**

DATE:	DECEMBER, 2024
JOB #	LA21363
DRAWN	MK
SCALE	1"=50'

SHEET 5 OF 6



LEGEND



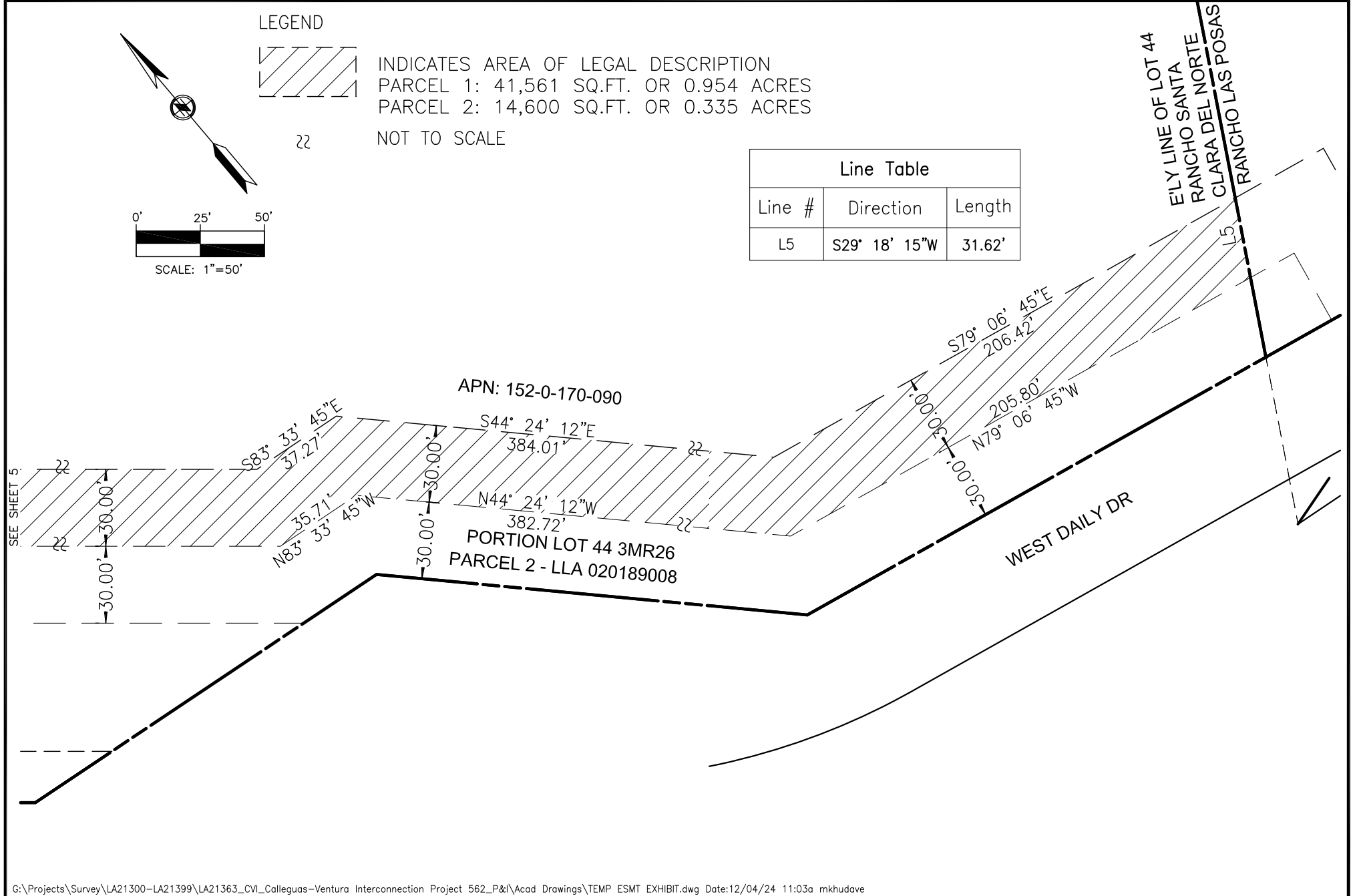
INDICATES AREA OF LEGAL DESCRIPTION
 PARCEL 1: 41,561 SQ.FT. OR 0.954 ACRES
 PARCEL 2: 14,600 SQ.FT. OR 0.335 ACRES

22

NOT TO SCALE

Line Table

Line #	Direction	Length
L5	S29° 18' 15"W	31.62'



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CIVIL ENGINEERING
 SURVEYING+MAPPING
 LAND DEVELOPMENT

EXHIBIT 'B'
TEMPORARY EASEMENT
APN: 152-0-170-090

PREPARED FOR:

**CALLEGUAS MUNICIPAL
 WATER DISTRICT**

DATE:	DECEMBER, 2024
JOB #	LA21363
DRAWN	MK
SCALE	1"=50'

SHEET 6 OF 6

Recorded at request of and
When recorded return to:

Hamner, Jewell & Associates
Government Real Estate Services
3183 Duncan Road, Suite E
San Luis Obispo, CA 93401

Exempt from the \$75 Building and Jobs Act Fee per Gov't Code §27388.1(2)(D) Public Agency
No fee pursuant to Government Code § 6103
No Documentary Transfer Tax per R&T Code § 11922
No Recording Fee per Government Code § 27383

Calleguas Municipal Water District

EASEMENT DEED

Calleguas - Ventura Interconnection (Project No. 562)

APN: 152-0-170-090
CMWD Parcel No. 6304

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

CENTRAL CAMARILLO PROPERTY, LLC ("GRANTOR")

do(es) hereby GRANT to the

CALLEGUAS MUNICIPAL WATER DISTRICT ("DISTRICT")

the following interests in real property:

A **Permanent Easement** in gross to survey, install, construct, reconstruct, enlarge, lay, alter, operate, patrol, remove, replace, and maintain a water or wastewater conduit, consisting of one or more underground water or wastewater pipelines and related facilities. These related facilities may include but are not limited to markers, air valves, manholes, valves, meters, surge control devices, test stations, buried communication devices, buried electrical conduits and devises, pull boxes, and all related incidents, fixtures, and appurtenances. The markers, test stations, pull boxes, blow off valves, air release valves, manholes, other related facilities, and turnouts may be located above ground or partially above ground. This easement shall be in, over, on, through, within, under, and across the Easement Area of the Real Property as defined in this paragraph. The "Real Property" is in the City of Camarillo, County of Ventura, State of California, and is described in Exhibit "A," attached hereto and incorporated by reference herein. The "Easement Area" which comprises the Permanent Easement is described and depicted in Exhibit "B", attached hereto and incorporated by reference herein.

The Permanent Easement(s) described herein shall be SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. The facilities and improvements installed in the Easement Area collectively are referred to herein as "District Facilities." Plans for District Facilities as they exist from time to time shall be maintained at the District's principal offices.

2. District shall have the right of ingress and egress for personnel, vehicles, and construction equipment to, from, and along the Easement Area at any time, without prior notice, including the right to use lanes, drives, rights-of-way, and roadways within the Real Property which now exist or which hereinafter may be constructed, as shall be convenient and necessary for the purpose of exercising the rights herein set forth; provided, however, that nothing herein shall prevent or limit Grantor's rights to close such roadways, lanes, or rights-of-way, and to provide District with comparable alternative access to the Easement Area, as deemed reasonable by the District.

3. As the amount of earth or other fill over its facilities can affect the structural integrity of the District's underground facilities, District shall have the right to maintain the height of earth or other fill over District's underground facilities. Grantor(s) shall not temporarily or permanently modify, or allow others to in any way modify, the ground surface elevation in the Easement Area from the elevation established upon completion of construction of the District's facilities without the District's written consent, which consent shall not be withheld unreasonably. Grantor(s) shall not conduct, or permit others to conduct, grading operations, ripping, stockpiling, or use, or permit others to use, explosives within or proximate to the Easement Area to the extent that District facilities may be damaged.

4. This easement(s) is subject to all existing fencing, canals, irrigation ditches, laterals, pipelines, roads, electrical transmission facilities, and communication lines existing on the date this easement is granted, and all future uses which do not directly or indirectly interfere with or endanger District's exercise of the rights described herein, including the right to use the Easement Area for agricultural purposes excepting vegetation which endangers the integrity of District Facilities; provided, however, that District shall have the right to clear and keep clear from the Easement Area all explosives, buildings, structures, walls, and other facilities of a permanent nature, and any earth cover or stockpile of material placed without the District's written consent, which interfere with District's use of the Easement Area. Grantor shall not construct, nor permit others to construct, such permanent facilities which conflict with District's ability to use the Easement Area. District shall have the right of exclusive use and possession within the Easement Area for a distance of two (2) feet in every direction around the outside surface of the District Facilities. In addition to any other legal and equitable remedies for violations of this paragraph, District shall have the right to do all things necessary and proper to remove any such vegetation, explosives, improvements, and materials, at the Grantor's expense.

5. Subsequent to the grant of this Easement, Grantor shall not grant any easements of any kind whatsoever to others in, over, on, through, within, under and across the Easement Area without the prior written approval of the District, which approval shall not be withheld unreasonably; and

A Temporary Construction Easement for the purposes of facilitating construction of District Facilities, including the right to place equipment and vehicles, pile earth thereon, and utilize said Temporary Construction Easement for all other related activities and purposes in, on, over, under, through, and across that certain portion of the Real Property which is described and depicted in Exhibit "C", attached hereto and incorporated by reference herein ("Temporary Construction Easement"). Said Temporary Construction Easement shall commence ninety (90) days after issuance by District of a Notice of Commencement of Construction, which shall be issued to Grantor by U.S. Mail, and shall automatically terminate upon completion of construction of District Facilities and restoration of the Temporary Construction Easement Area, or one (1) year after the effective date of the Notice of Commencement of Construction, whichever occurs first; however, District shall have the right to extend the Temporary Construction Easement term in three (3) month increments if District determines that additional time beyond the one year period is necessary for construction completion. In such case, District shall have the unilateral right to extend the Temporary Construction Easement period through construction completion and agrees to compensate Grantor **Two Thousand Nine Hundred Dollars**

(\$2,900) for each three-month extension term exercised. Payment for any such extension(s) shall be paid by District to Grantor concurrent with District's written notice to Grantor of District's intent to exercise such extension provisions. In any event, this Temporary Construction Easement shall terminate on or before December 31, 203.

GRANTOR:
Central Camarillo Property, LLC

Date: _____

By: _____
Name:
Title:

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

(Government Code §27281)

This is to certify that the interest in real property conveyed by the deed or grant dated _____, from Central Camarillo Property, LLC, is hereby accepted by order of the Board of Directors of Calleguas Municipal Water District on _____, pursuant to authority conferred by Ordinance No. 18, which the Calleguas Municipal Water District Board of Directors adopted on July 21, 2021, and the grantee consents to the recordation thereof by its duly authorized officers.

Dated: _____

CALLEGUAS MUNICIPAL WATER DISTRICT

By: _____
Raul Avila, President, Board of Directors

By: _____
Kristine McCaffrey, General Manager

STATE OF CALIFORNIA)

SS

COUNTY OF VENTURA)

I, _____, Clerk of the Board of Directors of Calleguas Municipal Water District, DO HEREBY CERTIFY that the attached and foregoing is a full, true and correct copy of Ordinance No. 18 of said Board, and the same has not been amended or repealed.

By: _____
Clerk of the Board

Dated: _____

Exhibit A
Real Property Legal Description

Real property in the City of Camarillo, County of Ventura, State of California, described as follows:

Parcel 2 of Parcel Map Waiver No. 1129 recorded August 9, 2002 as Instrument No. 2002-189008 of official records, and being a portion of Lot 44, RANCHO SANTA CLARA DEL NORTE, in the County of Ventura, State of California, as per map recorded in Book 3, Page 26 of Maps, in the office of the County Recorder of said county.

APN: 152-0-170-090

EXHIBIT "B"

**LEGAL DESCRIPTION FOR
PERMANENT EASEMENT LYING WITHIN DEED RECORDED AUGUST 9, 2002 AS
INSTRUMENT NO. 02-189008 O.R.
APN 152-0-170-090**

PARCEL 2 OF PARCEL MAP WAIVER NO. 1129 RECORDED AUGUST 9, 2002 AS INSTRUMENT NO. 02- 189008 OF OFFICIAL RECORDS, AND BEING A PORTION OF LOT 44, RANCHO SANTA CLARA DEL NORTE, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY TERMINUS ON THE 7TH COURSE OF SAID PARCEL 2, DESCRIBED AS SOUTH 39°39'09" WEST, DISTANT 94.93 FEET;

THENCE SOUTH 40°13'38" WEST 51.93 FEET ON A DIFFERENT BASIS OF BEARINGS TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 49°46'34" EAST 763.95 FEET PARALLEL WITH CENTRAL AVEUE 60.00 WIDE AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE SAID COUNTY RECORDER IN BOOK 30, PAGES 9 THROUGH 11 OF RECORDS OF SURVEYS

THENCE SOUTH 83°33'45" EAST 35.71 FEET;

THENCE SOUTH 44°24'12" EAST 382.72 FEET;

THENCE SOUTH 79°06'45" EAST 205.80 FEET TO THE EASTERLY LINE OF SAID LOT 44;

THENCE SOUTH 29°18'15" WEST 31.62 FEET ALONG SAID EASTERLY LINE TO THE NORTHERLY LINE OF PARCEL 1, DESCRIBED IN THE RELINQUISHMENT RECORDED NOVEMBER 1, 1965, AS DOCUMENT NO. 79035, IN BOOK 2889 PAGE 528 OF OFFICIAL RECORDS, RECORDED IN SAID COUNTY RECORDERS OFFICE;

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 1 THE FOLLOWING THREE (3) COURSES;

THENCE NORTH 79°06'45" WEST 205.19 FEET;

THENCE NORTH 44°24'12" WEST 381.42 FEET;

PERMANENT EASEMENT IN 02-189008 OR
CONTINUED

THENCE NORTH 83°33'45" WEST 34.15 FEET;

THENCE LEAVING SAID NORTHERLY LINE OF SAID PARCEL 1, NORTH 49°46'34"
WEST 503.06 FEET PARALLEL WITH SAID CENTRAL AVENUE;

THENCE SOUTH 40°13'26" WEST 70.00 FEET TO THE NORTHEASTERLY LINE OF SAID
CENTRAL AVENUE;

THENCE NORTH 49°46'34" WEST 30.00 FEET ALONG SAID CENTRAL AVENUE;

THENCE NORTH 40°13'26" EAST 70.00 FEET

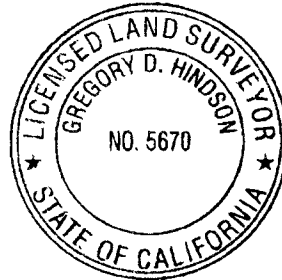
THENCE NORTH 49°46'34" WEST 240.00 FEET PARALLEL WITH SAID CENTRAL
AVENUE TO WEST PONDEROSA DRIVE AND SAID 7TH COURSE;

THENCE NORTH 40°13'38" EAST 30.00 FEET ALONG SAID 7TH COURSE TO THE **TRUE
POINT OF BEGINNING**

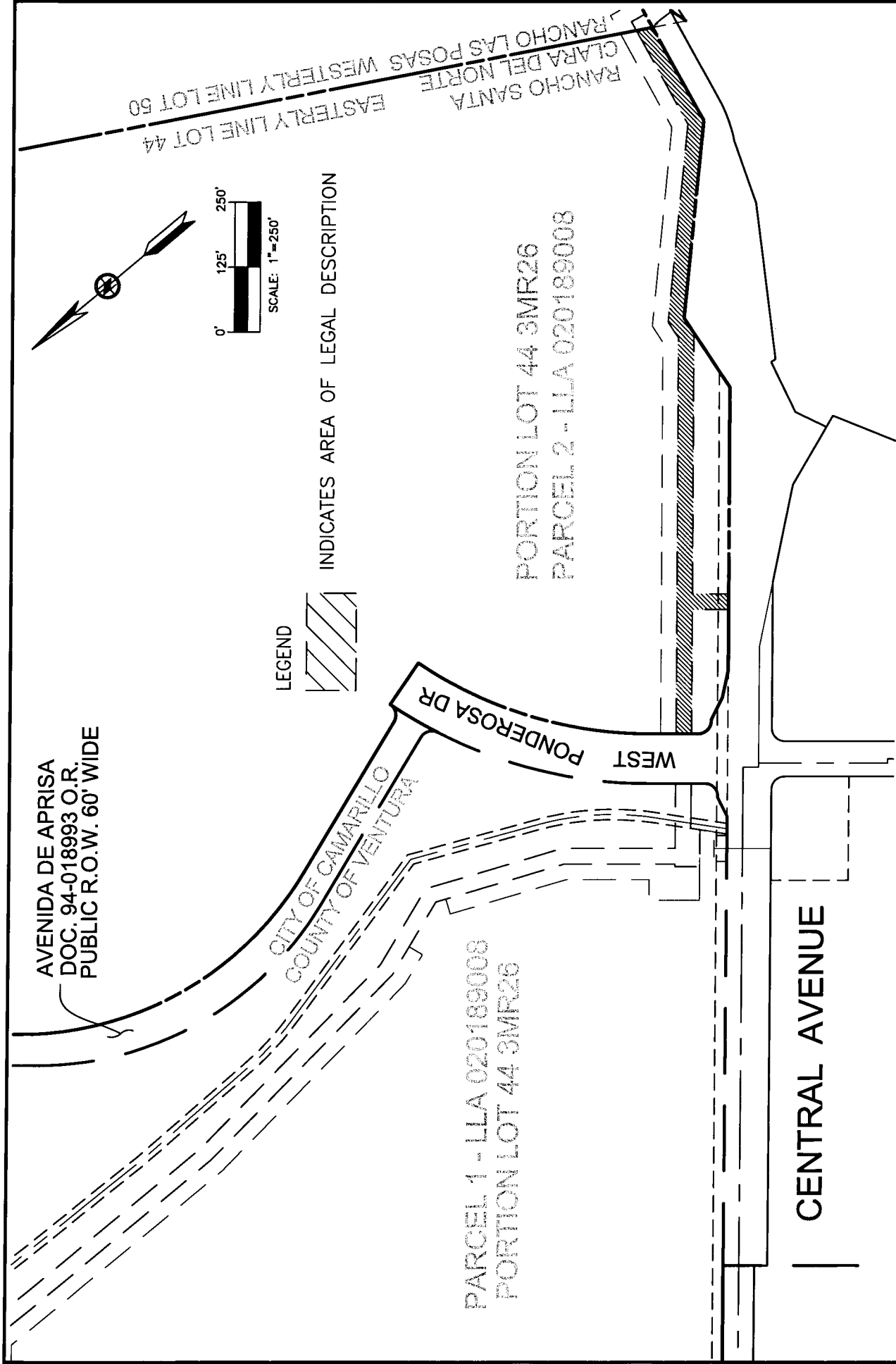
PARCEL CONTAINS 1.006 ACRES, OR 43,830 SQUARE FEET, MORE OR LESS.

EXHIBIT B SHEETS 3 THROUGH 5 OF 5 IS INCLUDED HEREIN AND MADE A PART
HEREOF.

8770 [Signature] 5/5/25



GREGORY D. HINDSON
CALIFORNIA LICENSED PROFESSIONAL LAND SURVEYOR, PLS 5670
FOR AND ON BEHALF OF THE MOLLENHAUER GROUP



G:\Projects\Survey\LA21300-LA21399\LA21363_CV_Calleguas-Ventura Interconnection Project 562_P&I\Acad Drawings\PERM ESMT EXHIBIT.dwg Date:05/07/25 04:04p mkhddove

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DATE:	DECEMBER, 2024												
JOB #	LA21363												
DRAWN	MK												
SCALE	1"=250'												
SHEET 3 OF 5													

EXHIBIT "C"

**LEGAL DESCRIPTION FOR
TEMPORARY EASEMENT LYING WITHIN DEED RECORDED AUGUST 9, 2002 AS
INSTRUMENT NO. 02-189008 O.R.
APN 152-0-170-090**

PARCEL 2 OF PARCEL MAP WAIVER NO. 1129 RECORDED AUGUST 9, 2002 AS INSTRUMENT NO. 02- 189008 OF OFFICIAL RECORDS, AND BEING A PORTION OF LOT 44, RANCHO SANTA CLARA DEL NORTE, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 26 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 1

BEGINNING AT THE NORTHEASTERLY TERMINUS ON THE 7TH COURSE OF SAID PARCEL 2, DESCRIBED AS SOUTH 39°39'09" WEST, DISTANT 94.93 FEET;

THENCE SOUTH 40°13'38" WEST 21.93 FEET ON A DIFFERENT BASIS OF BEARINGS TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 49°46'34" EAST 754.83 FEET PARALLEL WITH CENTRAL AVEUE 60.00 WIDE AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE SAID COUNTY RECORDER IN BOOK 30, PAGES 9 THROUGH 11 OF RECORDS OF SURVEYS

THENCE SOUTH 83°33'45" EAST 37.27 FEET;

THENCE SOUTH 44°24'12" EAST 384.01 FEET;

THENCE SOUTH 79°06'45" EAST 206.42 FEET TO THE EASTERLY LINE OF SAID LOT 44;

THENCE SOUTH 29°18'15" WEST 31.62 FEET ALONG SAID EASTERLY LINE TO THE TO A POINT WHICH IS 30.00 FEET NORTHEASTERLY AT RIGHT ANGLES TO THE NORTHERLY LINE OF PARCEL 1, DESCRIBED IN THE RELINQUISHMENT RECORDED NOVEMBER 1, 1965, AS DOCUMENT NO. 79035, IN BOOK 2889 PAGE 528 OF OFFICIAL RECORDS, RECORDED IN SAID COUNTY RECORDERS OFFICE;

THENCE ALONG A PARALLEL LINE WITH THE NORTHERLY LINE OF SAID PARCEL 1 THE FOLLOWING THREE (3) COURSES;

THENCE NORTH 79°06'45" WEST 205.80 FEET.

TEMPORARY EASEMENT IN 02-189008 OR
CONTINUED

THENCE NORTH 44°24'12" WEST 382.72 FEET;

THENCE NORTH 83°33'45" WEST 35.71 FEET;

THENCE LEAVING SAID PARALLEL LINE WITH THE NORTHERLY LINE OF SAID PARCEL 1, NORTH 49°46'34" WEST 763.95 FEET PARALLEL WITH SAID CENTRAL AVENUE TO WEST PONDEROSA DRIVE AND SAID 7TH COURSE;

THENCE NORTH 40°13'38" EAST 30.00 FEET ALONG SAID 7TH COURSE TO THE **TRUE POINT OF BEGINNING**

PARCEL 2

BEGINNING AT THE NORTHEASTERLY TERMINUS ON THE 7TH COURSE OF SAID PARCEL 2, DESCRIBED AS SOUTH 39°39'09" WEST, DISTANT 94.93 FEET;

THENCE SOUTH 40°13'26" WEST 21.93 FEET ON A DIFFERENT BASIS OF BEARINGS TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 49°46'34" EAST 240.00 FEET PARALLEL WITH CENTRAL AVEUE 60.00 WIDE AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE SAID COUNTY RECORDER IN BOOK 30, PAGES 9 THROUGH 11 OF RECORDS OF SURVEYS

THENCE SOUTH 40°13'26" WEST 70.00 FEET TO THE NORTHEASTERLY LINE OF SAID CENTRAL AVENUE;

THENCE NORTH 49°46'34" WEST 116.99 FEET ALONG SAID CENTRAL AVENUE;

THENCE LEAVING THE NORTHEASTERLY LINE OF SAID CENTRAL AVENUE NORTH 38°27'58" WEST 53.78 FEET;

THENCE ALONG THE 10TH, 9TH 8TH COURSES OF SAID PARCEL 2 THE FOLLOWING THREE (3) COURSES;

THENCE NORTH 23°12'52" WEST 47.98 FEET;

THENCE NORTH XX°12'52" WEST 2.36 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 25.00 FEET THENCE NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF AN ARC LENGTH OF 39.27 FEET TO WEST PONDEROSA DRIVE AND THE 7TH COURSE OF SAID PARCEL 2;

TEMPORARY EASEMENT IN 02-189008 OR
CONTINUED

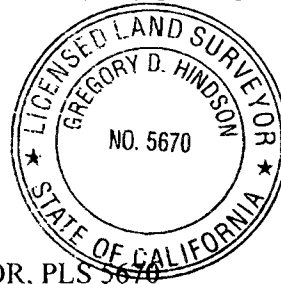
THENCE ALONG THE 7TH COURSE NORTH 40°14'06" WEST 13.00 FEET TO THE TRUE
POINT OF BEGINNING.

PARCEL 1 CONTAINS 0.954 ACRES, OR 41,561 SQUARE FEET, MORE OR LESS.

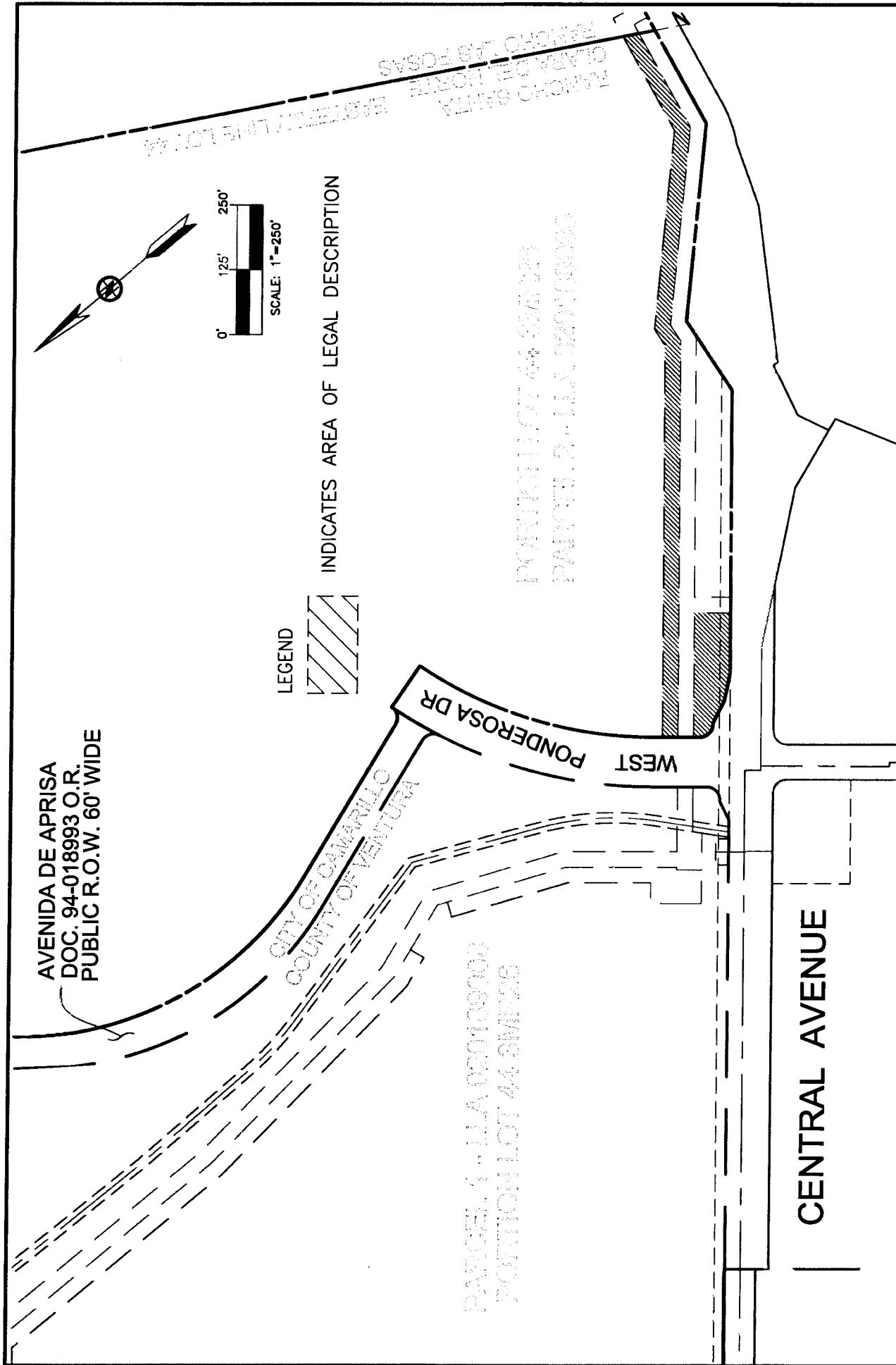
PARCEL 2 CONTAINS 0.335 ACRES, OR 14,600 SQUARE FEET, MORE OR LESS.

EXHIBIT C ON SHEETS 4 THROUGH 6 OF 6 IS INCLUDED HEREIN AND MADE A
PART HEREOF.


9270 Wm 5/5/25

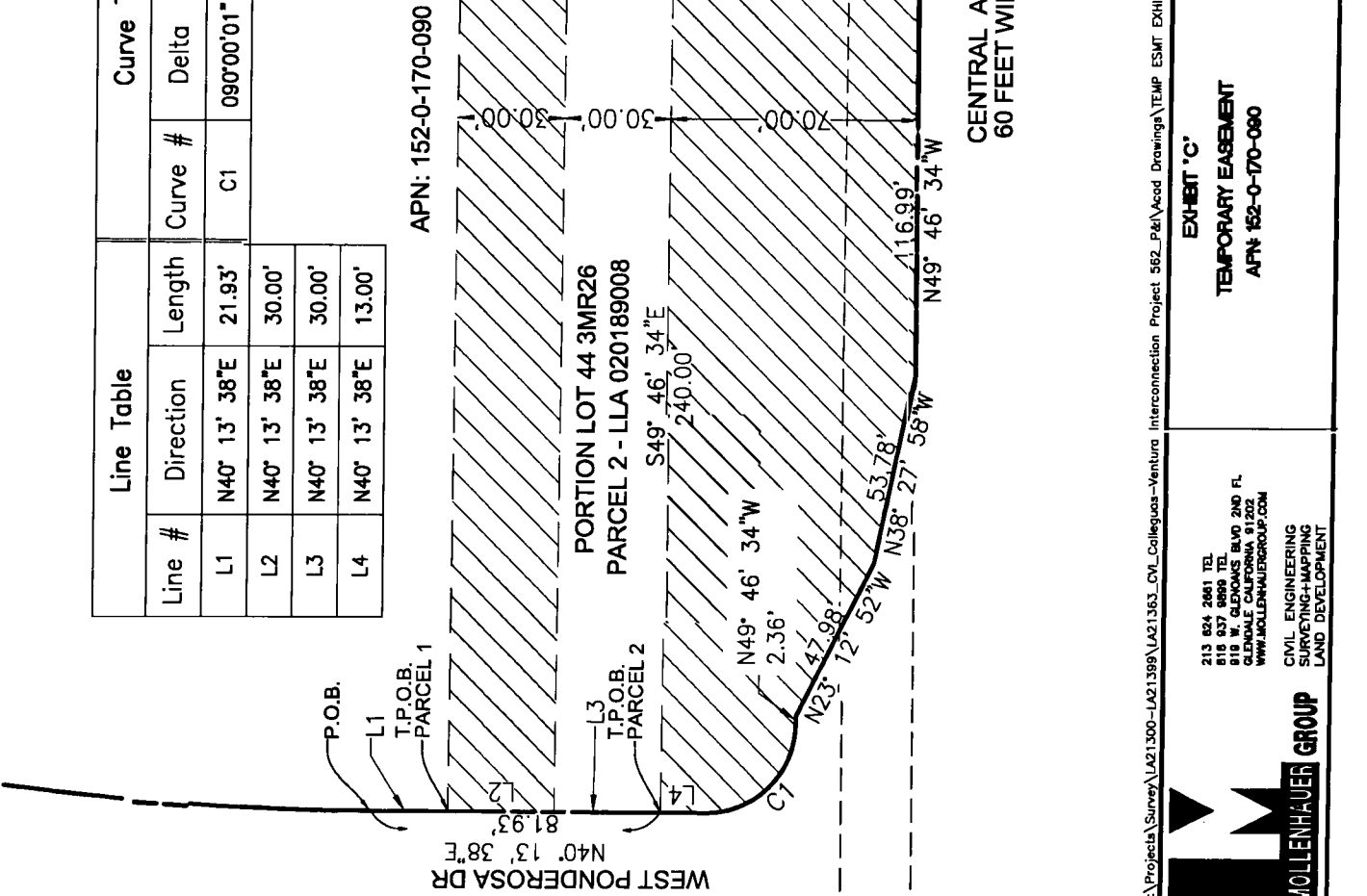


GREGORY D. HINDSON
CALIFORNIA LICENSED PROFESSIONAL LAND SURVEYOR, PLS 5670
FOR AND ON BEHALF OF THE MOLLENHAUER GROUP



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<div><div><div>MOLLEN+JASPER GROUP</div><div>CIVIL ENGINEERING SURVEYING+MAPPING LAND DEVELOPMENT</div></div><div>213 824 2861 TEL 916 877 6200 FAX 916 W. GLENDALE BLVD 2ND FL GLENDALF CALIFORNIA 91202 WWW.MOLLENJASPERGROUP.COM</div></div>	<div>EXHIBIT 'C'</div> <div>TEMPORARY EASEMENT</div> <div>APN 152-0-070-090</div>	<div>PREPARED FOR:</div> <div>CALLEGUAS MUNICIPAL WATER DISTRICT</div>	<table><tr><td>DATE:</td><td>DECEMBER, 2024</td></tr><tr><td>JOB #</td><td>LA21363</td></tr><tr><td>DRAWN</td><td>MK</td></tr><tr><td>SCALE</td><td>1"=250'</td></tr><tr><td colspan="2">SHEET 4 OF 6</td></tr></table>	DATE:	DECEMBER, 2024	JOB #	LA21363	DRAWN	MK	SCALE	1"=250'	SHEET 4 OF 6	
DATE:	DECEMBER, 2024												
JOB #	LA21363												
DRAWN	MK												
SCALE	1"=250'												
SHEET 4 OF 6													



Line Table			Curve Table			
Line #	Direction	Length	Curve #	Delta	Radius	Length
L1	N40° 13' 38"E	21.93'	C1	090°00'01"	25.00'	39.27'
L2	N40° 13' 38"E	30.00'				
L3	N40° 13' 38"E	30.00'				
L4	N40° 13' 38"E	13.00'				

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MOLLENHAUER GROUP
CIVIL ENGINEERING
SURVEYING+MAPPING
LAND DEVELOPMENT

213 824 2461 TEL
619 537 8899 TEL
918 W. GLENDALE BLVD 2ND FL
GLENDALE CALIFORNIA 91202
WWW.MOLLENHAUERGROUP.COM

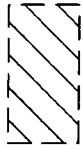
EXHIBIT 'C'
TEMPORARY EASEMENT
APN 152-0-170-090

PREPARED FOR:
**CALLEGUAS MUNICIPAL
WATER DISTRICT**

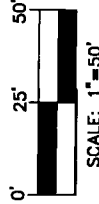
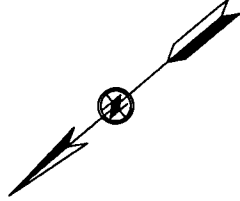
DATE: DECEMBER, 2024
JOB # LA21383
DRAWN MK
SCALE 1"=50'

SHEET 5 OF 6

LEGEND

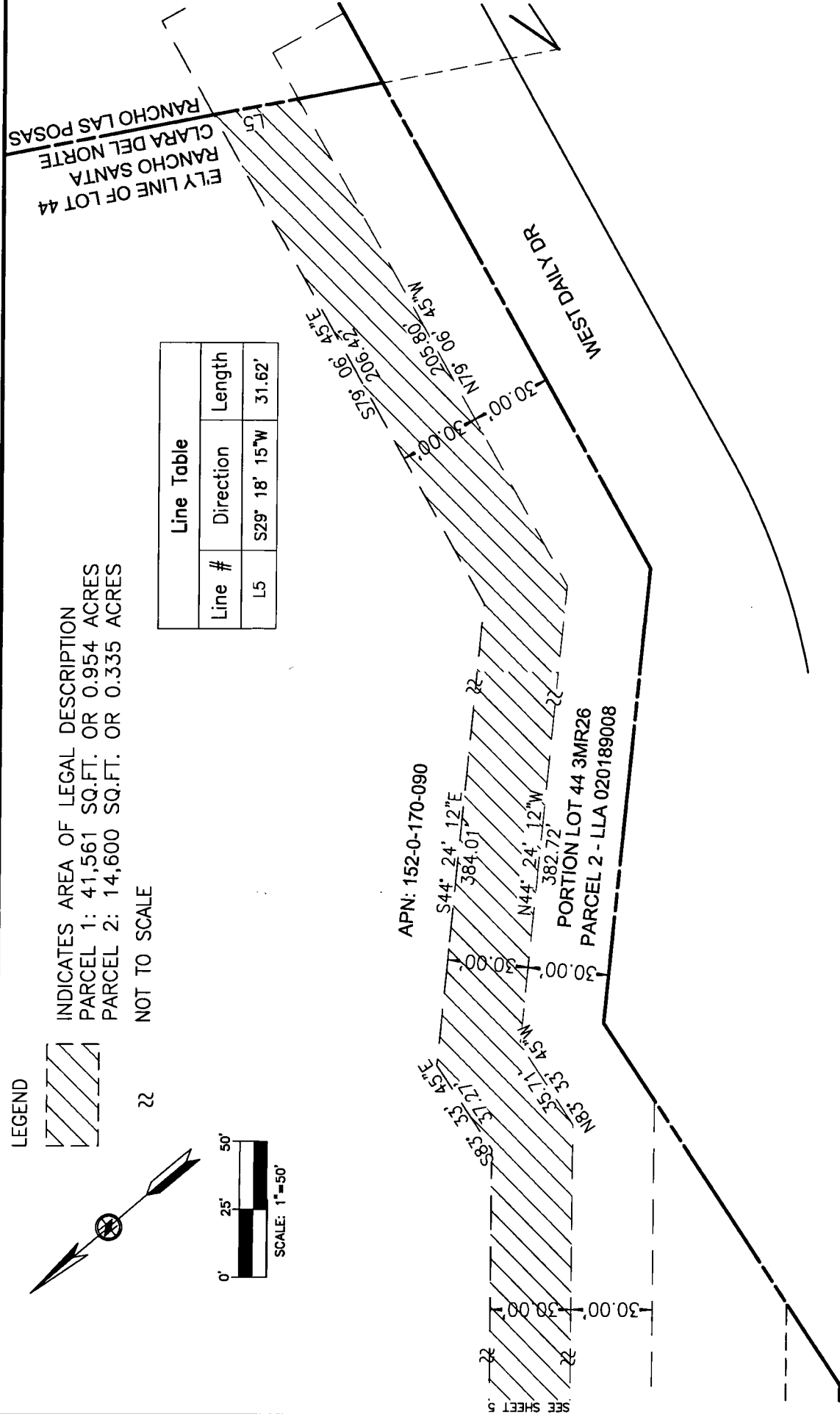


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INDICATES AREA OF LEGAL DESCRIPTION
 PARCEL 1: 41,561 SQ.FT. OR 0.954 ACRES
 PARCEL 2: 14,600 SQ.FT. OR 0.335 ACRES
 NOT TO SCALE

Line Table		
Line #	Direction	Length
L5	S29° 18' 15"W	31.62'



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 <p>MOLLENHAUER GROUP CIVIL ENGINEERING SURVEYING+MAPPING LAND DEVELOPMENT</p>	<p>EXHIBIT 'C' TEMPORARY EASEMENT APN: 152-0-170-090</p>	<p>PREPARED FOR: CALLEGUAS MUNICIPAL WATER DISTRICT</p>	<table border="1"> <tr> <td>DATE:</td> <td>DECEMBER, 2024</td> </tr> <tr> <td>JOB #</td> <td>LA21363</td> </tr> <tr> <td>DRAWN</td> <td>MK</td> </tr> <tr> <td>SCALE</td> <td>1"=50'</td> </tr> </table>	DATE:	DECEMBER, 2024	JOB #	LA21363	DRAWN	MK	SCALE	1"=50'
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	JOB #	LA21363									
	DRAWN	MK									
SCALE	1"=50'										
<p>SHEET 6 OF 6</p>											

General Manager's Monthly Status Report to the Board of Directors

08A1 REPORTS



Senior Project Manager Cesar Romero was named Engineer of the Year by the Santa Barbara/Ventura Branch of the American Society of Civil Engineers, as well as Professional of the Year by the Ventura County Chapter of the American Public Works Association. These honors recognize Cesar's outstanding leadership and mentorship in civil engineering, including his role spearheading the Calleguas-Las Virgenes Interconnection, which was also named "Project of the Year" by both organizations.

Report for December 2025 Activities

Water Resources Implementation Strategy (WRIST)

1. Brackish Groundwater Desalter Optimization Study for the Upper Calleguas Creek Watershed – The General Manager and Deputy General Manager continue to work with the selected consultant to refine the scope of work.
2. Regional Exchange Program Framework – The General Manager and Deputy General Manager continue to work with Woodard & Curran on the Regional Exchange Program Framework, focusing on the issues of water quality and cost.

Water Policy and Strategy

3. The Metropolitan Water District of Southern California (Metropolitan) Board of Directors considered the following issues of particular relevance to the District. Agendas, background materials, live streaming meetings, and video archives for all of the Metropolitan Board and Committee meetings may be accessed through the Metropolitan website, <https://mwdh2o.legistar.com/Calendar.aspx>.
 - *Delta Conveyance Project (DCP) Update:* Metropolitan Directors received a comprehensive update on the DCP. In December 2024, the Metropolitan Board approved continuing funding for DCP planning and preconstruction work contingent on various commitments from the Department of Water Resources (DWR). The update demonstrated that DWR has delivered on its commitments to Metropolitan, which include refunding \$75 million to Metropolitan to resolve contract accounting issues; obtaining key permits; actively exploring ways to close the funding gap for the final project; and advancing solutions to address near-term reliability for the State Water Project (SWP). The necessary water rights amendment and Delta Plan consistency determination are moving ahead and anticipated to be completed in 2027. Following those milestones, the Delta Conveyance Design and Construction Authority will provide an updated cost estimate and Metropolitan anticipates its project funding commitment decision in the fourth quarter of 2027.
 - *Colorado River Update:* The Metropolitan Board continues to meet in open and closed sessions to deliberate on Metropolitan's negotiating position on the Colorado River operating guidelines, which are set to expire at the end of 2026. The guidelines govern the operation of the system, including releases from Lake Powell to Lake Mead, Lake Mead elevation triggers for reduced deliveries, how supply reductions are shared, and management of Lake Mead storage. The seven Colorado River basin states continue to work toward a plan to operate the system even as long-standing divisions among the upper and lower basin states frustrate agreement; however, there is consensus that the existing guidelines are insufficient to manage the system given the range of potential

climate futures. The federal government has extended its previous deadline of November 11, 2025 for the states' consensus agreement to February 14, 2026.

- *Proxy Procedures for Metropolitan Voting:* With the passage of Assembly Bill (AB) 523 (Irwin) amending the Metropolitan Water District Act, Metropolitan member agencies represented by a single Metropolitan Director have the option of voting by proxy as of January 1, 2026. Proxy voting may be implemented if a Metropolitan Director, as the sole representative of a Member Agency, is unable to attend a Metropolitan Board meeting and that Director may designate another Director from another Metropolitan Member Agency to vote as his or her proxy. The proxy designation must be made in writing to the Metropolitan Board Secretary and Board Executive Secretary by 3:00 p.m. one business day prior to the applicable Board meeting. The proxy vote only applies to Board meeting votes, not committee votes, and is limited to six Board meetings in a calendar year. This change in voting procedures ensures that Calleguas's position can be represented despite the absence of its single representative, allowing the District to exercise its right of representation similar to those Member Agencies which, due to their weighted assessed valuation vote, have multiple directors.
- *Retirement of Metropolitan General Manager:* President Avila and Calleguas's General Manager, Deputy General Manager, and Executive Strategist joined with Metropolitan Directors, staff, and community leaders in honoring Deven Upadhyay as he retired as Metropolitan's General Manager. Calleguas's General Manager spoke on behalf of the District, thanking Mr. Upadhyay for his service and presenting him with a District resolution, a print of a custom watercolor rendering of Lake Bard, and the District's newly-minted challenge coin.



4. Decision Making Under Deep Uncertainty Conference – The Executive Strategist presented at the annual conference of the Society for Decision Making Under Deep Uncertainty (DMDU). DMDU is a multi-disciplinary association focused on improving decision-making where decision-makers may not know or agree upon the models that link actions to consequences and hence cannot effectively assign probabilities to a range of future conditions. While reliable predictions may be impossible, there are decisions that can better adapt to the range of future possibilities. The Executive Strategist used Metropolitan's Climate Adaptation Master Plan for Water as a case study for decision-makers grappling with making effective decisions in the face of inherent uncertainty about future conditions.

External Affairs

Partnerships



5. The General Manager joined a small group of other invited professionals for the Association of California Water Agencies (ACWA) Foundation's Student Lunch at the ACWA Conference. The ACWA Foundation sponsors ten undergraduate and graduate students from a variety of colleges and disciplines to attend the conference to expose them to the many career opportunities in water. This is the first time a lunch was held during the conference to directly connect students with professionals working in the field for mentorship and information sharing. It was highly successful and the ACWA Foundation hopes to hold similar lunches at future conferences.
6. Directors Avila, Robert, McMillan, Quady, and Pakala, as well as the General Manager, Deputy General Manager, Executive Strategist, Manager of External Affairs, Manager of Water Resources, and Senior Communications Specialist, attended the ACWA Fall Conference in San Diego. The conference offered updates on the latest in water policy and innovation, as well as networking with industry professionals from across the state. Director Quady took his seat as Vice Chair of the ACWA Region 8 Board of Directors, which also includes Director McMillan. Subsequent to the conference, various directors and staff were appointed to the following ACWA committees:
 - Director Avila – Local Government (Chair) and Federal Affairs
 - Director McMillan – Agriculture
 - Director Quady – Energy and Water Quality
 - General Manager – Water Management and Energy
 - Manager of External Affairs – State Legislative



7. President Avila, the General Manager, Manager of External Affairs, Operations Supervisor, and Senior Communications Specialist welcomed Ventura County Sheriff Jim Fryhoff and City of Simi Valley Council Members Joseph Ayala and Elaine Litster for a tour and briefing of the District. Sheriff Fryhoff attended the District-sponsored SWP tour in November and has continued to demonstrate a strong interest in learning more about Calleguas and water supply issues in Ventura County. Councilmember Litster is also a strong advocate for water supply reliability, having traveled to Sacramento with President Avila and the Manager of External Affairs last summer to advocate for the DCP. The enthusiastic trio received a tour from the Operations Supervisor that included Lake Bard, the Control Room, and the chance to observe a Lake Bard Water Filtration Plant (LBWFP) filter in the backwash process.

8. The General Manager, Manager of External Affairs, Manager of Water Resources, Operations Supervisor, and Senior Communications Specialist welcomed a group of five representatives from TreePeople for a briefing and tour. TreePeople is one of Southern California's largest environmental organizations, inspiring more than 3 million people to plant and care for trees and help build resilient communities. Attendees included TreePeople's Associate Director of Watershed Health, who participated in the November 2025 District-sponsored SWP tour as a guest of Santa Clarita Valley Water Agency. Calleguas staff provided an overview of the District and Ventura County water supplies, followed by a tour of key facilities, including Lake Bard and the LBWFP. Discussions covered regional water supply challenges, collaborative efforts, and major capital projects, such as the Salinity Management Pipeline (SMP).



9. Along with Director Quady, the Manager of External Affairs attended the City of Thousand Oaks "State of the City" event presented at California Lutheran University. Hundreds of people attended the annual gathering, which featured a keynote address from Mayor David Newman, who formally completed his one year of leading the City Council. Mayor Newman's

remarks began with a discussion of the Palisades Fire and the numerous Public Safety Power Shutoff (PSPS) events the City had to contend with in early January 2025. He specifically mentioned the City's water system running on backup power during this time and the City's commitment to continuing to invest in power supplies to ensure that critical water infrastructure remains operational during emergencies.

10. The Deputy General Manager and Manager of External Affairs attending the swearing-in ceremony of the new City of Agoura Hills mayor, Las Virgenes Municipal Water District (LVMWD) Legislative Program Manager Jeremy Wolf. Calleguas and LVMWD staff often collaborate on legislative work and Mayor Wolf has participated in the last two Calleguas-led Regional Legislative Group meetings. Mayor Wolf, who was first elected to the Agoura Hills City Council in 2022, will serve a one-year term as mayor while he continues full-time in his role at LVMWD.



Presentations

11. The General Manager, accompanied by President Avila, presented to the Rancho Simi Recreation and Park District Board. She provided an overview of the District and discussed WRIST and the many activities underway to enhance water supply reliability and resilience in southeastern Ventura County, including the regional desalter study, DCP, and Metropolitan's regional conveyance improvements. The presentation was well-received.

Water Resources

Public Outreach and Engagement

12. Calleguas's monthly Purveyor Managers Meeting included a tour of the Calleguas-LVMWD Interconnection Pump Station and Pressure Regulating Station, led by Senior Project Manager Cesar Romero. Following the tour, attendees convened at the Triunfo Water and Sanitation District (TWSD) office, where the Manager of Operations and Maintenance discussed Metropolitan's 2025/26 shutdown schedule. This was followed by a presentation by the



Manager of Finance on the Cost-of-Service Study. The subsequent discussion solicited purveyor input on potentially shifting a portion of the District's variable rate to a new fixed charge. The meeting concluded with a roundtable of manager updates.

13. The annual Association of Water Agencies of Ventura County (AWA) bus tour included a stop at Calleguas. The Manager of Water Resources presented general information about the District, its history, and current and future water management challenges and opportunities. Additionally, the Operations Supervisor gave a presentation about Lake Bard and the LBWFP, the Las Posas Aquifer Storage and Recovery Wellfield, and the distribution system. There were 26 attendees on the tour.

Water Use Efficiency and Conservation

14. Staff attended Metropolitan's monthly virtual Water Use Efficiency Meeting, which included updates on recent Board meeting presentations, the status of various grants, the conservation program, and communications campaigns. The meeting concluded with a Member Agency roundtable.
15. In December, there were 150 applications with approved reservations under the Turf Replacement Program (TRP) for a total reserved amount of \$2,696,541 in Metropolitan funding. Another seven applications are in the pre-approval stage, awaiting a confirmed reservation. These applications total \$282,428 in requested Metropolitan funding, although funds are not committed until an application is approved. A small percentage of applications typically drop out at this stage. Since July 1, there have been 23 TRP rebates paid, totaling \$296,828 in Metropolitan funding. For FY 2025-26, under the Device Rebate Program, there are currently 62 applications in good standing (i.e., rebate applications that have not been denied or expired due to inactivity) totaling \$5,436 in reserved Metropolitan funding and \$1,269 in Calleguas funding. An additional 471 rebates have been paid since July 1, totaling \$37,077 in Metropolitan funding and \$4,294 in Calleguas funding.

Upcoming Events

16. *Saturday, January 10, 9 a.m. - 11 a.m. – Hands-on Drip Irrigation Workshop*
The UC Master Gardeners of Ventura County are scheduled to conduct their monthly Calleguas-sponsored drip irrigation workshop at District headquarters. This hands-on class teaches participants how to convert their existing sprinkler systems to drip irrigation. Registration is required at <https://surveys.ucanr.edu/survey.cfm?surveynumber=46852>
17. *Saturday, February 7, 10 a.m. – 12 p.m. – Rain Barrel Sale*
In partnership with Rain Barrels International, Calleguas will host a rain barrel sale event at District headquarters. Customers can choose from rain barrels ranging in size from 50 to 60 gallons, priced between \$75 and \$95 plus tax. Barrels may be preordered at <https://www.rainbarrelsintl.com/events/calleguas-mwd>. A limited number of barrels will be available for purchase at the event; preordering is highly recommended. After purchase, customers may apply for a \$35 rebate per barrel (limit two per household) through bewaterwise.com.

Groundwater Resources

Fox Canyon Groundwater Management Agency (FCGMA)/Las Posas Valley Watermaster (Watermaster)

18. The December meeting of the FCGMA/Watermaster board consisted of routine reports and multiple items in closed session.

LPV Watermaster PAC and Technical Advisory Committee (TAC)

The Deputy General Manager continues in his role as Chair of the PAC. The PAC regularly meets the first and third Thursday of the month at 3:00 p.m. in the Calleguas Board room; a hybrid option is always available via Zoom.

19. Neither the PAC nor TAC met in December. The next regularly scheduled meeting of the PAC is January 15.

Groundwater Storage

20. Groundwater storage totals through the end of November include 1.09 AF of well production and 641.23 AF of well injection.

Groundwater storage totals through November are as follows:

East Las Posas Wellfield Injection	641.23 AF
East Las Posas Wellfield Production	1.09 AF
Current ASR Wellfield Storage	23,474 AF
East Las Posas In Lieu	6,348 AF
West Las Posas In Lieu	25,192 AF
Conejo Creek Project	23,453 AF
UWCD Storage	10,482 AF
Oxnard In Lieu	18,060 AF

Engineering

Recognitions

21. *American Public Works Association (APWA) Award*—The Ventura County Chapter of APWA selected the Calleguas-LVMWD Interconnection as Project of the Year (Environmental Category) and Senior Project Manager Cesar Romero as Professional of the Year. The Project of the Year award recognizes excellence in the design, construction, and management of public works projects. The Professional of the Year award honors individuals who have demonstrated outstanding leadership, innovation, and dedication to the public works profession.

Construction

Please see the new table, created at the request of Director Pakala, summarizing projects in construction at the end of the Monthly Status Report.

22. *Lake Sherwood Pump Station Rehabilitation (591)* – The contractor, MMC Inc., continued working on punchlist items, including procurement of a replacement dashpot for the tilted disk check valve and submittal of O&M manuals and record drawings. *(CIP Priority: High)*
23. *Lindero Pump Station Rehabilitation (592)* – A pre-construction meeting was held with Southern California Edison (SCE) to review and discuss the SCE portion of the project. A project kick-off meeting was held with Northern Digital Inc. (NDI) for the Programmable Logic Controller (PLC), Operator Interface Terminal, and SCADA development services, and PLC control panel. The environmental consultant, Rincon Consultants, Inc., performed a pre-construction biological survey to prepare for the contractor to move their storage containers to the site. *(CIP Priority: High)*
24. *CCSB Strengthening for Metrolink SCORE Improvements (614)* – Structural Preservation Systems, LLC submitted insurance and bonds, currently under review by the District's insurance consultant, Paladin Risk Management. *(CIP Priority: High)*
25. *Networking Center Relocation and Administration Building Storage Room Addition (620)* – The contractor, Pre Con Industries, completed the structural foundations (forming, rebar, and concrete) for the Networking Center and Administration Building Storage Room Addition. The contractor also continued with electrical improvements at the Administration and Control Buildings. *(CIP Priority: High)*
26. *LBWFP Roof Replacements (621)* – The Agreement with the contractor, Rite-way Roof Corporation, was fully executed and the preconstruction meeting was scheduled. *(CIP Priority: High)*

Design

27. *Conejo Pump Station Rehabilitation (480)* – Kennedy Jenks Consultants (KJ) continues study of design impacts related to the implementation of value engineering design alternatives. (No change.) *(CIP Priority: High)*
28. *SMP Phase 3 and Las Virgenes MWD/Triunfo Water & Sanitation District Joint Powers Authority (JPA) Pure Water Project SMP Discharge Station (536)* – Design engineer Perliter & Ingalsbe (P&I) continued preparation of 50% plans and specifications for SMP Phase 3 and preliminary design for the SMP discharge station. U.S. Bureau of Reclamation staff continued to work on the Title XVI grant agreement. *(CIP Priority: Low)*

29. *Calleguas-Ventura Interconnection (562)* – Staff returned comments on the 100% plans and specifications to the design engineer, P&I. Staff met on-site with the City of Oxnard to review and discuss the requested easement area for the pipeline. Staff also met on-site with one of the underlying property owners from whom an easement has been requested to review existing utilities and discuss the project. The right-of-way consultant and staff continued working with the property owners on negotiations for the temporary and permanent easements. *(CIP Priority: High)*
30. *Smith Road Tank (569)* – District staff met with design engineer P&I and geotechnical subconsultant NV5 to discuss geotechnical constraints and mitigation approaches. The environmental consultant, Aspen Environmental Group, continued preparation of the Draft Environmental Impact Report. P&I continued to work on 90% plans and specifications. *(CIP Priority: High)*
31. *Santa Rosa Hydro Improvements (582)* – Staff continues review of revised 90% instrumentation plans and specifications for the Hydro Station. (No change.) *(CIP Priority: Medium)*
32. *Crestview Well No. 8 (585)* – The General Manager met with the incoming and outgoing Crestview Board Presidents, as well as the new Crestview General Manager, to discuss the status of the agreement. *(CIP Priority: Not Evaluated)*
33. *Lake Bard Water Filtration Plant (LBWFP) Flowmeter and Lake Bard Outlet Tower Improvements (587)* – Staff continue to review 100% plans and specifications. (No change.) *(CIP Priority: High)*
34. *Fairview Well Rehabilitation (589)* – The design engineer, MKN & Associates (MKN), submitted the 50% design plans, which are under review by staff. *(CIP Priority: High)*
35. *Calleguas Conduit North Branch (CCNB) Broken Back Rehabilitation, Phase 4 (598)* – Staff continues to work to identify the next pipeline sections to be rehabilitated through carbon fiber lining. (No change.) *(CIP Priority: High)*
36. *Existing Crew Building Improvements and Crew Building Expansion (603R)* – Design engineer KJ continues to revise the Contract Documents to integrate design changes identified during the value engineering workshop and modifications to the HVAC system's design required by the U.S. Environmental Protection Agency's Technology Transition Rule. *(CIP Priority: High)*
37. *Somis Farmworker Housing SMP Discharge Station (607)* – The developer, Amcal, submitted the construction deposit. District staff is working alongside design consultant MKN to prepare bid-ready plans and specifications. *(CIP Priority: Medium)*

- 38. *Wellfield No. 2 Solar System (613)* – TerraVerde Energy submitted two Self-Generation Incentive Program applications to SCE on behalf of the District for two potential photovoltaic-battery energy storage systems at Wellfield No. 2. (CIP Priority: Low)
- 39. *LBWFP Site Civil and Electrical Improvements (622)* – Staff continues to review 100% plans and specifications. (CIP Priority: High)
- 40. *Marz Farms SMP Discharge Station (625)* – Design engineer MKN is preparing the final design documents. (CIP Priority: High)
- 41. *LBWFP Secondary Access (631)* – The design engineer, MNS, submitted 50% design plans and staff returned comments. Staff across multiple departments are working with MNS and other parties to address various issues related to the project.

Studies & Planning

- 42. *Pipeline Condition Assessment Program* – Staff is reviewing a proposal from V&A Engineering for the planned condition assessment of approximately 3.2 miles of the 42-inch diameter Lindero Feeder, including assessing and coordinating the appropriate insertion and extraction location for the SmartBall inspection tool. (No change.)
- 43. *Staff Housing* – The Board will consider the request for a new capital project and associated capital project budget allocation at the January 7, 2026 Board meeting.

Grants and Funding Opportunities

- 44. *Proposition 1, Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Funding* – DWR shared the grant closeout letter, including information on the release of retention amounts and outlining Post-Performance Reporting requirements for the three completed projects. Staff coordinated with project partners to share these updates and coordinate future reporting submittals.
- 45. *Proposition 1, Round 2 IRWM Implementation Grant Funding and Urban Community Drought Relief Grant* – DWR is reviewing progress reports and invoices for the third quarter of 2025.

Miscellaneous Engineering Activities

- 46. *Training* – The Manager of Engineering provided District staff with an overview of the District's GIS program. A representative from Underground Solutions also presented on fusible PVC pipe and pressure cast-in-place pipe advancements. One of the Construction Inspectors gave a presentation on preconstruction video best practices at the fourth cross-training session on construction inspection.

47. *Advanced Clean Fleet (ACF) Regulations and Compliance* – Staff continues to monitor regulatory updates from the California Air Resources Board related to the ACF regulations and compliance.

Operations and Maintenance

Storm Preparation

48. The December 24-25 storm produced 5.38 inches of precipitation as measured at the Lake Bard weather station. In anticipation of the event, staff worked diligently to ensure that District facilities were properly prepared and continued their efforts throughout the holiday to respond to the District's needs. Specifically, staff verified that all generators were fully operational and fuel levels were topped off. Additionally, all locations with sump and sump pumps were inspected and debris removed. Because significant levels of precipitation reduce demand, staff lowered storage levels to promote turnover and maintain water quality. During the event, the Wellfield experienced intermittent power outages due to SCE service issues. After discussion with SCE, it became clear that a resolution was uncertain and the decision was made to suspend all wellfield operations until rain and wind conditions subsided.

Salinity Management Pipeline

49. The City of Camarillo's North Pleasant Valley Desalter and Camrosa's Round Mountain Desalter are currently online and discharging brine into the SMP. Port Hueneme Water Agency's water treatment plant discharge station is currently offline for a tank rehabilitation project. This work is expected to last several months.
50. Aquatic Bioassay completed the annual dive inspection of the Hueneme Outfall in accordance with the requirements of the District's National Pollutant Discharge Elimination System permit and submitted a video record of the inspection.

LBWFP

51. Staff monitored Lake Bard for invasive mussels. Samples were collected and sent for veliger analyses and substates were inspected. No adult or larval mussels (Quagga or Golden) were detected during this quarterly sampling event.
52. Staff successfully completed algae management by strategically applying copper sulfate to affected areas of the lake.



53. On December 4, staff placed the LBWFP into production in preparation for the West Valley Feeder dewatering, which was required for Metropolitan's maintenance shutdown to install a bulkhead and replace a 78-inch valve belonging to DWR.

Las Posas Aquifer Storage and Recovery Wellfields

54. On December 4, staff placed the Las Posas Wellfield into production to offset the flow reduction from the Metropolitan scheduled shutdown.
55. In collaboration with a FCGMA-approved well meter tester, staff successfully completed the testing and certification of all 18 active wells. Each well has two meters, one for production/injection and another for pump-to-waste, so 36 meters were tested in total. Each meter passed the certification process and results have been reported to the FCGMA.
56. Staff completed sampling of Well Nos. 12 and 17 to collect Salt Density Index data to evaluate particulate index and any fouling indicators.
57. Staff completed maintenance on Well Nos. 1 through 18. Tasks included:
- Vegetation management
 - Rodent control
 - Visual inspections
 - Inspection of analyzer and safety sensors for proper function and parameters
 - Inspection of rectifiers

Water Distribution System

58. Staff performed manhole and asphalt repairs at the intersection of Hillcrest Drive and Kalinda Place in Thousand Oaks.
59. Calleguas met all state water quality standards. Staff collected samples for the following analytes:
- Microbiological
 - General mineral/general physical
 - Organics
 - Inorganics
 - Radiological
 - Volatile organic compounds
 - Semi-volatile organic compounds
 - Metals
 - Pesticides



60. Hydroelectric generators are currently online and operational; however, power generation is expected to be impacted by reduced seasonal flows and the Metropolitan shutdown.

61. Maintenance, repairs, and inspection were performed at:

- *Hydroelectric Generators*: East Portal, Conejo, Santa Rosa, Grandsen, and Springville
- *Reservoirs*: Thousand Oaks, Westlake, Conejo, Newbury Park, Springville, Lindero, Lake Sherwood, and Grimes Canyon
- *Turnouts*: Berylwood Mutual Water Company (MWC), Brandeis MWC, City of Camarillo, Camrosa, City of Simi Valley, Crestview MWC, Golden State Water Co., TWSD, City of Oxnard, Ventura County Waterworks Nos. 1 and 19, California Water Service Co., Pleasant Valley MWC, California-American Water Co., and City of Thousand Oaks
- *Pump Stations*: Lindero, TOD, Sherwood, Conejo, Calleguas-LVMWD Interconnection, and Grandsen
- *Pressure Regulating Stations*: Nos. 4, 6, 7, and 9
- Wellfield Generator Fuel Tanks

62. The Regulatory Compliance Division communicated water quality information from Metropolitan and Calleguas to purveyors by providing water quality maps from Metropolitan and Calleguas's distribution systems.

Training

63. Control Systems staff completed a three-day course for Modicon Industrial PLCs.

64. The Cross-Connection Specialist successfully completed the American Water Works Association backflow tester certification.

Human Resources and Risk Management (HRRM)

Human Resources

65. HRRM staff coordinated and participated in two interview panels for the selection of the new Assistant Manager of O&M. The District's current System Maintenance Supervisor Matt Gomez was chosen from a highly qualified group of internal and external candidates after two rounds of interviews. A 16-year District employee, Matt's role as System Maintenance Supervisor includes overseeing a division of 13 System Maintenance staff. He recently completed his Bachelor's degree in Business Administration and holds a Water Distribution Operator Grade 5 certification and a Water Treatment Operator Grade 2 certification.

66. Staff coordinated 15 interviews for the Water Resources / External Affairs, Administration, and Regulatory Compliance internships. A candidate was selected for each internship position and the cohort of three interns will begin in January 2026.

67. On December 16, HRRM staff hosted an All-Employee holiday celebration that included lunch and a raffle. Three employees were presented with service awards for their dedication to the District: Manager of IT Wes Richardson was honored for 25 years of service; Accounting Technician 2 Julie Schade was recognized for 10 years of service; and Senior Accounting Technician Rachelle Gin received her 5-year service award.



Risk Management

68. The Emergency Response Coordinator partnered with the Ventura County Fire Department and Ventura County Sheriff's Office of Emergency Services to deliver a presentation at AWA's workshop for small water systems regarding AB 367 (Bennett). The presentation was coordinated to provide an update on new requirements as outlined in the bill concerning backup energy or alternative water supplies, critical infrastructure identification and reporting, minimum fire safety standards, and after-action reporting.

69. The Emergency Response Coordinator attended a PSPS Advisory Board meeting hosted by SCE. Incident management staff from SCE provided a recap of the 2025 PSPS season and a comparison to PSPS activities in 2024. Additionally, SCE planning and meteorology personnel presented updates on a new webpage displaying grid hardening progress on SCE circuits, as well as 2026 fire weather forecasts.

70. The Emergency Response Coordinator attended the Ventura County Operational Area Emergency Coordinators meeting at the County's new Emergency Operations Center (EOC). The meeting included a tour of the EOC, an update from Ventura County Office of Emergency Services on disaster recovery programs, and updates from cities and other public agencies.

71. The Environmental Health & Safety (EH&S) Specialist completed the annual Hazardous Materials Business Plan electronic reporting. This report is due annually to the California Environmental Protection Agency and Ventura County's Certified Unified Program Agency. The plan includes the inventory of each hazardous material stored, a site map of the facility, an Emergency Response Plan, and a training plan. The District currently has six locations that require a Hazardous Materials Business Plan; five fall under Ventura County's purview and the sixth, East Portal, is regulated by Los Angeles County. Plans were submitted for the following facilities:

- LBWFP
- Grimes Canyon Disinfection Facility
- Grandsen Pump Station

- Fairview Pump Station
- Springville Hydroelectric Generating Station

Training

72. HRRM staff coordinated two half-day writing workshops for District staff. The focus of these two foundational workshops was to review the rules for business grammar and punctuation, plus business writing techniques. The training was well-received by attendees. Staff has requested additional training to build on these foundational skills in the areas of technical writing and development of standard operating procedures.
73. The EH&S Specialist provided training to staff on hazardous materials used in the water industry and multi-employer worksite hazard awareness.
74. The General Manager provided an SMP tour to the recently-hired GIS Analyst, which covered the history and purpose of the SMP and visits to the Hueneme Outfall, a discharge station, and SMP Control Tank. The General Manager leads these tours for all new staff to familiarize them with the SMP and its role in District operations and regional collaboration. The Environmental Services Manager from United Water Conservation District (United) also joined the tour, as she was unable to attend the previous tour provided to United staff.

Finance

75. Staff processed and paid 273 invoices, totaling approximately \$15.7 million, between November 20 and December 17.
76. Staff prepared purveyor invoices for water sales in November totaling \$10,234,839.38. Metropolitan invoiced the District for the same period a total of \$8,378,055.50.
77. The Metropolitan invoice for water purchased in October and paid in December is \$9,944,627.83.
78. The balance in the LAIF account as of November 30 was \$12,981,567.07. The monthly effective yield is at 4.096% for November.
79. Staff is reviewing and updating all financial policies of the District. Staff worked with Chandler Asset Management to update the Investment Policy to ensure compliance with government regulations regarding investments. Staff also reviewed the District's Fixed Asset Policy, updating it to meet the standards of the Governmental Accounting Standards Board. The proposed changes to both policies were presented to the Finance Committee for review.
80. Staff attended Laserfiche trainings to increase efficiency by understanding how to optimize the software's capabilities.

Information Technology

Cybersecurity

81. Staff attended several monthly cybersecurity webinars presented by the FBI and the federal Cybersecurity and Infrastructure Security Agency. These webinars provide timely updates on system vulnerabilities and allow agencies to share challenges and best practices.
82. During November, the District's phishing campaign resulted in no users clicking on the link. The security awareness training resulted in a 94% completion rate.
83. During November, the District's spam filter processed 49,605 emails, allowing 33% to be delivered, reporting 27% as spam, and rejecting 40% due to rules or viruses.

Miscellaneous Activities

84. Staff provided design review and other support to the Engineering Department on various projects, including:
 - Lake Bard Pump Station, LBWFP Secondary Flow Meter, and Lake Bard Outlet Tower Improvements
 - Networking Center Relocation and Administration Building Storage Room Addition
 - LBWFP Site Civil and Electrical Improvements

Hardware & Software

85. Staff worked with the District's networking consultant to replace two failing virtual servers in the Operational Technology network.
86. Staff began the process of decommissioning the local Microsoft Exchange Server, which will help strengthen the District's cybersecurity posture.
87. Staff received administrative training for Cityworks and the GIS Analyst was trained on continuing integration efforts.
88. Staff began working with a contractor on the upgrade of camera software to facilitate final installation of replacement cameras at the LBWFP.
89. Staff began the process of preparing computers for the intern cohort scheduled to begin in January.
90. Staff continued to provide Helpdesk functions. There were 50 tickets closed that included the following requests:
 - Setup and support audiovisual needs in Board and conference rooms for various meetings
 - Zoom application issues
 - Workstation software updates and troubleshooting
 - Preparation of GIS maps for staff

- Reviewing Board agenda packets and recordings before posting to the District's website and YouTube
- Printer maintenance
- Updates to the intranet page
- Repairs to turnout computers
- Email support

Projects in Construction

Project No.	Project Name	Jurisdiction	Board Division	Award Date	Contract Completion Date	Contractor	Consultant	Construction Amount	Construction % Complete
591	Lake Sherwood Pump Station Rehabilitation	Thousand Oaks	2	9/2/2020	11/23/2024	MMC, Inc. La Palma, CA	Perlitter & Ingalsbe	\$2,844,000	99
592	Lindero Pump Station Rehabilitation	Thousand Oaks	2	6/18/2025	12/17/2028	Pacific Hydrotech Corp. Perris, CA	Kennedy Jenks	\$16,329,000	0
620	NWC Relocation and Administration Building Storage Room Addition	Thousand Oaks	2	3/5/2025	2/19/2026	PreCon Industries, Inc. Santa Maria, CA	Kennedy Jenks	\$2,184,000	17
614	CCSB Strengthening for Metrolink SCORE Improvements	Simi Valley	1	11/5/2025	Pending NTP	Structural Preservation Systems, LLC Columbia, MD	Phoenix Civil Engineering Inc.	\$1,272,060	0
621	LBWFP Roof Replacements	Thousand Oaks	2	9/17/2025	5/6/2026	Rite-Way Roof Corporation Fontana, CA	Kennedy Jenks	\$357,646	0
							Total	\$22,986,706	



**November 30, 2025
Financial Statements**

Calleguas Municipal Water District
Statement of Net Assets
as of November 30, 2025

<u>ASSETS</u>	<u>11/30/25</u>
Current Assets:	
Unrestricted Assets	
Cash	\$ (501,764)
Investments	186,926,581
Accounts Receivable	18,266,295
Interest Receivable	1,460,181
Inventory	65,498,552
Prepaid Expenses	15,631,523
Restricted Current Assets	
Restricted Cash & Investments	34,423
Total Current Assets	<u>287,315,790</u>
Capital Assets:	
Land & Improvements	23,155,786
CIP	21,880,140
Distribution Facilities	627,325,211
Buildings & Improvements	32,054,557
Equipment	29,909,581
Total Capital Assets	<u>734,325,274</u>
Accumulated Depreciation	<u>(278,118,666)</u>
Capital Assets (Net of Accumulated Depreciation)	<u>456,206,608</u>
OPEB Asset	444,251
Total Assets	<u>\$ 743,966,650</u>
Deferred Outflows - Bond Refunding	6,666,958
Deferred Outflows - Pensions	4,681,658
Deferred Outflows - OPEB	1,287,235
Total Deferred Outflows	<u>\$ 12,635,851</u>
Total Assets & Deferred Outflows	<u>\$ 756,602,501</u>

Calleguas Municipal Water District
Statement of Net Assets
as of November 30, 2025

<u>LIABILITIES AND NET ASSETS</u>	<u>11/30/25</u>
Current Liabilities:	
Accounts Payable	\$ 20,600,807
Accrued Expenses	499,322
Interest Payable	1,783,500
Retention Payable	159,785
Deposits	383,343
Compensated Absences	862,739
Current portion of bonds payable	8,330,000
Total Current Liabilities	<u>32,619,494</u>
Long-Term Liabilities:	
Bonds payable, net of current portion	144,154,380
Compensated Absences	991,601
Pension Liability	9,220,607
Total long-term liabilities	<u>154,366,588</u>
Total Liabilities	186,986,083
Deferred Inflows - Pensions	776,578
Deferred Inflows - OPEB	1,022,338
Total Deferred Inflows	<u>\$ 1,798,916</u>
Total Liabilities & Deferred Inflows	<u><u>\$ 188,784,999</u></u>
Net Assets:	
Invested in capital assets, net of related debt	255,032,108
Restricted for Debt Service	5,219,912
Restricted for OPEB	444,251
Unrestricted	307,121,231
Total Net Assets	<u>567,817,502</u>
Total Liabilities, Deferred Inflows and Net Assets	<u><u>\$ 756,602,501</u></u>

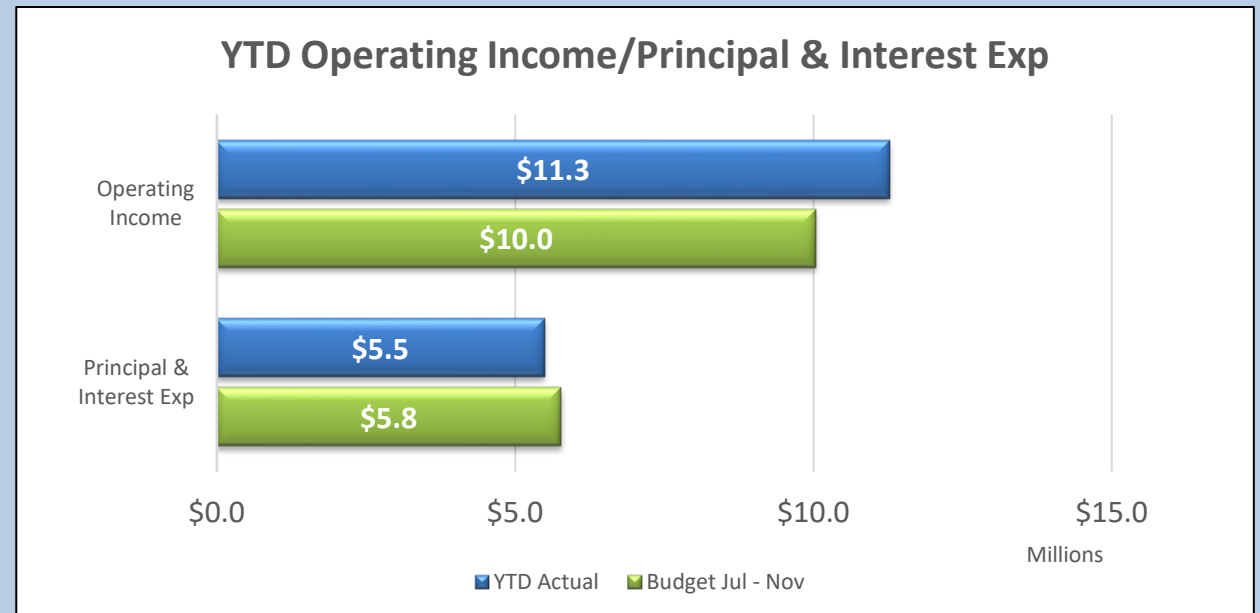
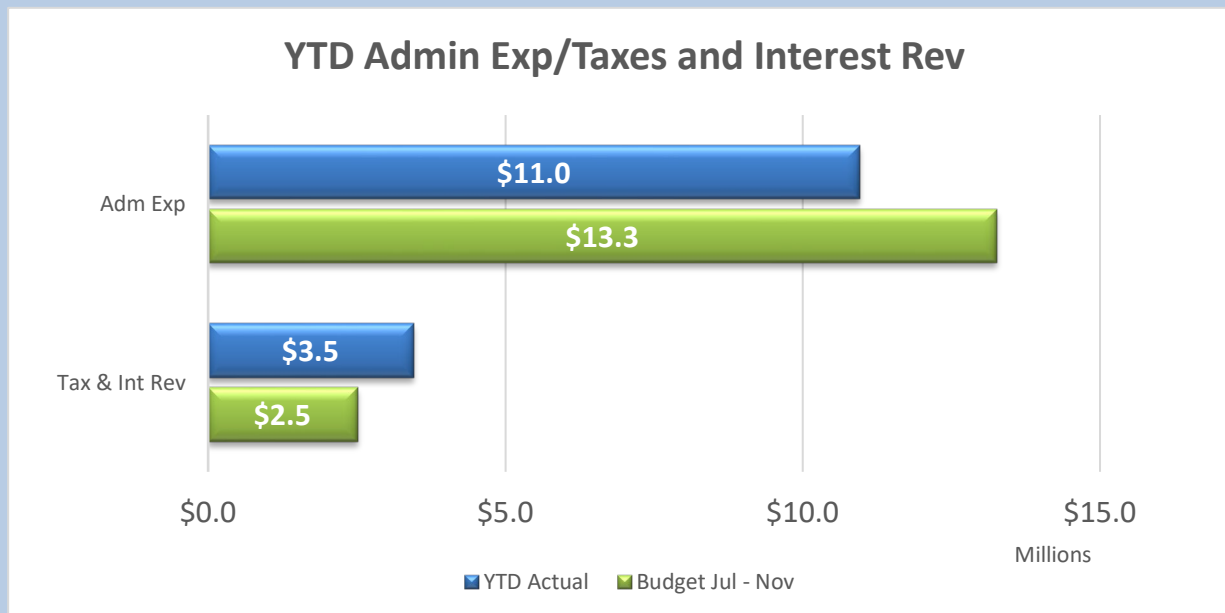
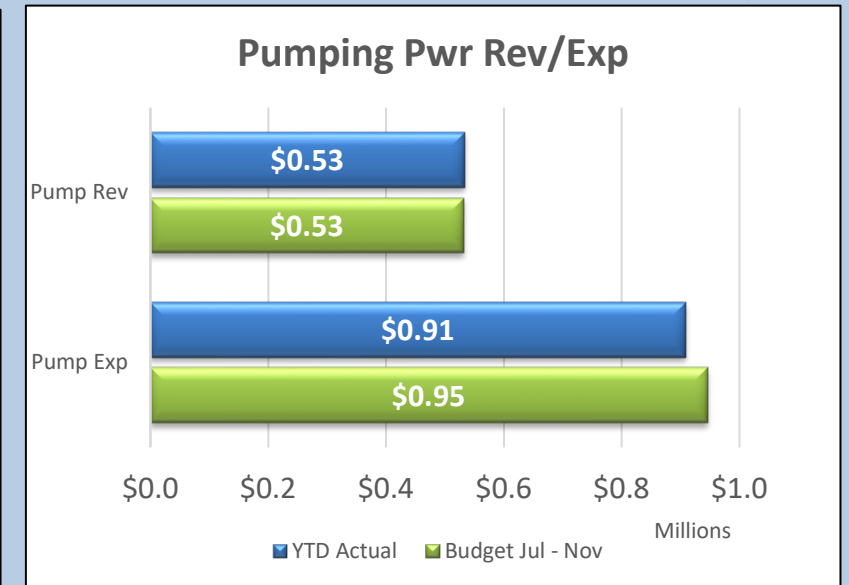
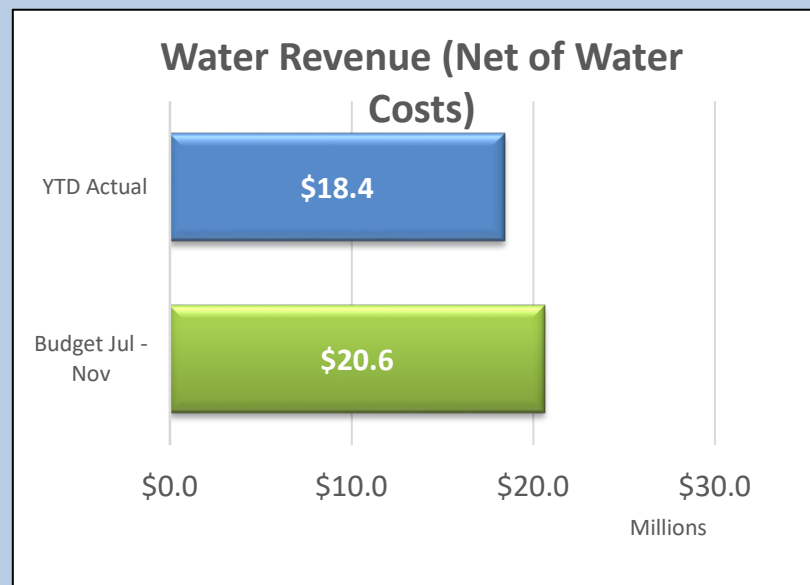
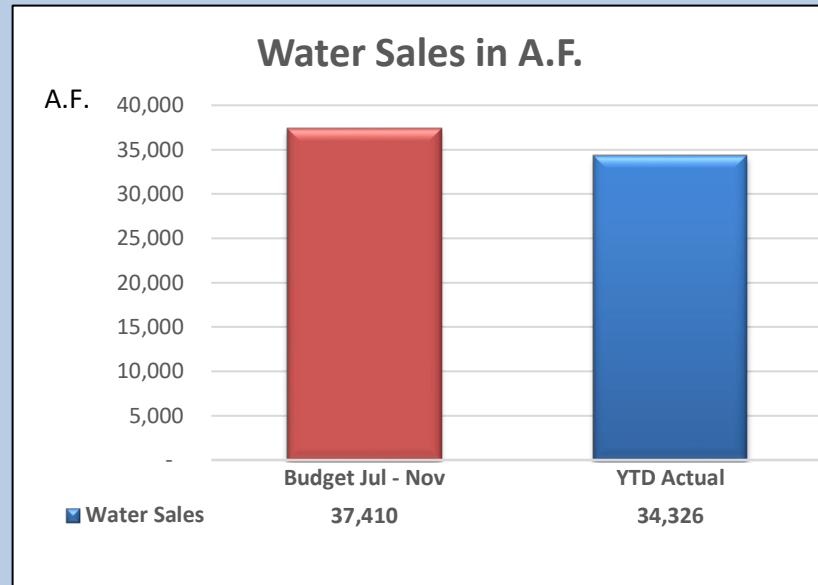
Calleguas Municipal Water District
Income Statement
Comparison for Five Months of Budget

	Fiscal Year 2025-26 Total Budget	Five Months of FY 2025-26 Budget	Five Months Ended 11/30/25	\$ Variance	%
Water Sales	\$ 147,450,210	\$ 70,782,689	\$ 65,048,329	\$ (5,734,360)	91.9%
Other Water Revenues	443,500	184,794	108,583	(76,211)	58.8%
Capacity Charge	7,741,200	3,324,846	3,322,315	(2,531)	99.9%
Readiness to serve-purveyors	9,833,890	3,790,967	3,790,125	(842)	100.0%
Recycled Water	100,290	58,269	85,606	27,337	146.9%
Pumping Power Revenue	1,200,000	531,600	532,789	1,189	100.2%
Power Generation	600,000	365,400	370,679	5,279	101.4%
SMP Fees	638,980	266,244	304,544	38,300	114.4%
Total Operating Revenues	168,008,070	79,304,809	73,562,971	(5,741,838)	92.8%
Cost of Water	108,970,110	52,196,682	48,679,711	3,516,971	93.3%
Capacity Reservation Charge-MWD	2,443,880	1,027,651	1,027,000	651	99.9%
Readiness to serve-MWD	9,833,890	3,958,139	3,972,958	(14,819)	100.4%
Recycled Water	85,180	35,494	54,539	(19,045)	153.7%
Pumping Power	2,100,000	945,000	908,432	36,568	96.1%
Total Cost of Water	123,433,060	58,162,966	54,642,641	3,520,325	93.9%
Salaries	12,563,080	5,234,668	4,935,786	298,882	94.3%
Benefits	6,092,830	2,538,699	2,179,021	359,678	85.8%
Fuel and vehicle exp	320,000	133,331	106,166	27,165	79.6%
Utilities	430,000	186,100	227,609	(41,509)	122.3%
Operations & Maintenance Supplies	1,528,672	784,535	448,987	335,548	57.2%
Office Supplies	521,595	230,087	189,176	40,911	82.2%
Outside services	4,131,303	2,064,225	1,298,342	765,883	62.9%
Consultants/Studies	1,617,677	709,536	334,237	375,299	47.1%
Permits, Leases and fees	342,200	107,262	137,157	(29,895)	127.9%
Travel & Training	352,770	143,269	108,498	34,771	75.7%
Memberships	239,110	197,222	177,946	19,276	90.2%
Insurance	495,000	495,000	439,240	55,760	88.7%
Legal	655,000	272,919	355,905	(82,986)	130.4%
Conservation	378,910	160,160	14,533	145,627	9.1%
Miscellaneous	2,500	1,044	797	247	76.4%
Capital Contributions	0	0	0	0	N/C
Total Operating Administration Expenses	29,670,647	13,258,057	10,953,401	2,304,656	82.6%
Operating Income	\$ 14,904,363	\$ 7,883,786	\$ 7,966,930	\$ 83,144	101.1%

Calleguas Municipal Water District
Income Statement
Comparison for Five Months of Budget

	Fiscal Year 2025-26 Total Budget	Five Months of FY 2025-26 Budget	Five Months Ended 11/30/25	\$ Variance	%
Operating Income	\$ 14,904,363	\$ 7,883,786	\$ 7,966,930	\$ 83,144	101.1%
Interest Income	4,845,000	2,018,750	3,307,277	1,288,527	163.8%
G/L on Investments	0	0	322,479	322,479	N/C
Water standby charges	1,350,000	6,750	6,795	45	100.7%
Tax Revenue	12,850,000	330,000	38,956	(291,044)	11.8%
Tax Collection, Bank & Bond Fees	(530,000)	(172,588)	(119,742)	52,846	69.4%
Other Income	357,580	149,001	98,272	(50,729)	66.0%
Loan Interest expense	(430,890)	(179,541)	(26,524)	153,017	14.8%
Bond Interest expense	(5,513,270)	(2,297,197)	(2,018,313)	278,884	87.9%
Bond Premium/Discount Amortization	765,500	318,956	594,854	275,898	186.5%
Build America Bond Subsidy	0	0	0	0	N/C
Total non-operating revenue/Expenses	13,693,920	174,131	2,204,053	2,029,922	
Income before Capital, Contributions, & Depreciation	28,598,283	8,057,917	10,170,983	2,113,066	126.2%
Depreciation	(14,660,000)	(6,108,338)	(6,575,346)	(467,008)	107.6%
Capital Equipment > \$5,000	(825,720)	(358,183)	(306,094)	52,089	85.5%
Project Expense	0	0	0	0	N/C
Gain/(Loss) on Sale of Capital Assets	0	0	29,025	29,025	N/C
Grant/Capital Contribution Revenue	0	0	753	753	N/C
Capital Related Expenses	(15,485,720)	(6,466,521)	(6,851,662)	(385,141)	106.0%
Changes in Net Assets	\$ 13,112,563	\$ 1,591,396	\$ 3,319,321	\$ 1,727,925	
Net Assets, beginning of year (Restated)			564,498,181		
Net Assets, end of year			\$ 567,817,502		

Financial Snapshot - November 30, 2025



Budget & Actuals for the month of November 2025

	Budget for Nov 30, 2025	Actuals for Nov 30, 2025	\$ Variance
Total Operating Revenues	\$ 13,165,617	\$ 10,234,853	\$ (2,930,764)
Total Cost of Water	9,692,925	7,689,466	2,003,459
Total Operating Admin Expenses	2,271,512	2,135,039	136,473
Operating Income	1,201,180	410,348	(790,832)
Total Non-Operating Rev/Exp	234,984	543,386	308,402
Capital Related Expenses	(1,282,457)	(1,445,191)	(162,734)
Changes in Net Assets	\$ 153,707	\$ (491,457)	\$ (645,164)

Cash & Investment Balances

	as of October 31, 2025	as of November 30, 2025
Cash	\$ 3,343,194	\$ (501,764)
Investments	186,254,843	186,926,581
Restricted Investments	34,318	34,423
Total:	\$ 189,632,354	\$ 186,459,239

Financial Snapshot - November 30, 2025



Current Ratio	Nov - 8.81	Current Assets/Current Liabilities
	Oct - 8.12	Measures the District's capacity to settle short-term debts using readily available assets. The higher the ratio is above 1.0, the better financial position the District is in.
Quick Ratio/Acid Test Ration	Nov - 6.32	Curr Assets-Inventory-Prepays)/Curr Liabilites
	Oct - 5.88	Measures the District's ability to settle current debts using quick assets, which are assets readily convertible to cash within 90 days. A good quick ratio is generally considered to be 1.0 or higher.
Debt Ratio	Nov - 25.1%	Total Liabilities/Total Assets
	Oct - 25.5%	Measures total Liabilities as a percentage of total assets. It reflects the District's ability to use its assets to cover its debt obligations. A lower debt ratiooften indicates greater stability, but industry specific benchmarks vary. Typically, a ratio around 50% is considered reasonable.
Debt Service Coverage	Nov - 2.05	Operating Income/(Principal + Interest)
	Oct - 2.32	Measures the District's ability to service debt payments by comparing its net operating income with its total debt service obligations. A 1.25 is required for the District to issue more debt per its Bond Documents. A 1.75-2.0 is looked on favavorably when issuing new debt financing.
Times Interest Earned	Nov - 5.58	Earnings before Interest & Depreciation/Interest Expense
	Oct - 6.36	Measures a portion of income available to cover future interest expenses. It reveals howmany times the District could pay interest from its income. Higher ratios are more faverable, indicating stronger financial health.

This table includes meetings that can be attended by all Board members. In order to ensure Brown Act compliance, a majority of members should not discuss Calleguas specific issues at meetings other than designated Calleguas Board Meetings.

Calleguas Board Meeting	Wed. 01/07, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA Waterwise*	Thu. 01/15, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
AWA Water Issues	Tue. 01/20, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
Metropolitan Sepulveda Feeder Pump Stations Project Groundbreaking*	Wed. 01/21, 10:00 a.m.	TBD, Venice IN PERSON ONLY
CoLAB Wheel Meeting*	Wed. 01/21, 12:00 p.m.	1672 Donlon Street, Ventura Hybrid Event
Calleguas Board Meeting	Wed. 01/21, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
Calleguas Purveyor Meeting	Thu. 01/22, 10:00 a.m.	2100 Olsen Road, Thousand Oaks IN PERSON ONLY
Southern California Water Coalition "The Water Stakes: A Conversation with MWD Leadership"*	Fri. 01/23, noon-2 p.m.	Santa Anita Park, Arcadia
AWA Channel Counties Water Utilities Committee*	Wed. 01/28, noon	Orchid Professional Building, 816 Camarillo Springs Rd., Camarillo IN PERSON ONLY
Calleguas Board Meeting	Wed. 02/04, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA Water Issues	Tue. 02/17, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
CoLAB Wheel Meeting*	Wed. 02/18, 12:00 p.m.	1672 Donlon Street, Ventura Hybrid Event
Calleguas Board Meeting	Wed. 02/18, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA Waterwise*	Thu. 02/19, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
ACWA DC2026 Conference*	Tue. 02/24 to Thu. 02/26	Washington D.C.
AWA Channel Counties Water Utilities Committee*	Wed. 02/25, noon	Orchid Professional Building, 816 Camarillo Springs Rd., Camarillo IN PERSON ONLY
Calleguas Purveyor Meeting	Thu. 02/26, 10:00 a.m.	2100 Olsen Road, Thousand Oaks IN PERSON ONLY

* Reservations required. Contact Kara if you would like to attend.