



Board of Directors:

SUSIE KOESTERER, President
ELLEN SPIEGEL, Vice President
MARCIA MARCUS, Director
KRISTINA BREWER, Director
BOB NAST, Director

JARED BOUCHARD
General Manager

353 Santa Monica Drive • Channel Islands Beach, CA 93035-4473 • (805) 985-6021 • FAX (805) 985-7156
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BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE & AGENDA

NOTICE IS HEREBY GIVEN that the Board of Directors of the Channel Islands Beach Community Services District will hold A Regular Meeting beginning at 7:00 PM on Tuesday, March 14, 2017. The Meeting will be held at the **District Office Conference Room, 353 Santa Monica Drive, Channel Islands Beach, CA. 93035.** The Agenda is as follows:

A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:

B. PUBLIC COMMENTS: Opportunity for members of the public to address the Board on matters under the purview of the District and which are not on the agenda. (Time limit 3 minutes per speaker)

C. CONSENT CALENDAR:

1. Approve the Agenda Order
2. Financial Reports:
 - a. Cash Disbursal & Receipt Report –February 2017
3. Operations & Maintenance Report –
 - a. February 2017
4. Minutes
 - a. February 14, 2017
5. Authorize customer request for relief from water charges due to leaks on the property consistent with Resolution 16-06
 - a. Account # 00240-01 \$668.78
 - b. Account # 00550-01 \$65.63
 - c. Account # 17871-09 \$138.05

D. ACTION CALENDAR:

1. Review June 30, 2016 Final Budget to Actual, Interest and Cash Allocations
Recommendation: Review and approve the FY 15/16 year-end financials.
 - a. Final Budget to Actual 6/30/16

- b. Cash Account Summary
- c. Interest and Cash Allocations

- 2. Review the Channel Islands Beach Community Services District Annual Audit Report for Year Ended June 30, 2016
Recommendation: Approve the Channel Islands Beach Community Services District Annual Audit Report for Year Ended June 30, 2016

- 3. Review of agenda for the February 20, 2017 Joint meeting between City of Port Hueneme Council and Channel Islands Beach CSD Board
Recommendation: Review Agenda items

- 4. Consider casting a vote for the 2nd Run Off Election for Independent Special Districts, Alternate Member to the Ventura LAFCO—term to end January 1, 2017
Recommendation: Board Discretion

- 5. Consider California Special Districts Association (CSDA) call for nominations to the CSDA Board of Directors Seat C.(2018 – 2020 Term)
Recommendation: Board Discretion

E. INFORMATION CALENDAR

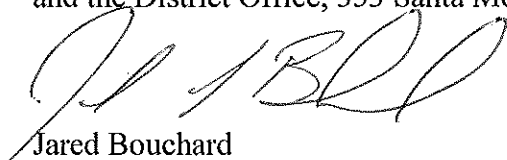
- 1. Report from Board Members of any meeting or conference where compensation from the District for attendance was received.

G. BOARD MEMBER COMMENTS

H. GENERAL COUNSEL & GENERAL MANAGER COMMENTS

AGENDA POSTING CERTIFICATION

This agenda was posted Friday, March 10, 2017 by 5:00 PM. The agenda is posted at the District Office and three public notice bulletin boards, which are accessible 24 hours per day. The locations include: Hollywood Beach School, 4000 Sunset, Corner Store, 2425 Roosevelt Blvd. and the District Office, 353 Santa Monica Drive, Channel Islands Beach, CA 93035.



Jared Bouchard
General Manager

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 OF THE BOARD IN ADVANCE OF THE MEETING TO ENSURE THE AVAILABILITY OF REQUESTED SERVICE OR ACCOMODATION. NOTICES, AGENDAS AND PUBLIC DOCUMENTS RELATED TO THE BOARD MEETINGS CAN BE MADE AVAILABLE IN ALTERNATIVE FORMAT UPON REQUEST.

Channel Islands Beach 2013

3/10/2017 10:06 AM

Register: 1000 - First CA Bank - Checking

From 02/01/2017 through 02/28/2017

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/01/2017	To Print	Carol J Dillon	-split-	Direct Deposit		X		647,783.54
02/01/2017	To Print	E.D. Brock	-split-	Direct Deposit		X		647,783.54
02/01/2017	To Print	Erika F Davis	-split-	Direct Deposit		X		647,783.54
02/01/2017	To Print	Jared Bouchard	-split-	Direct Deposit		X		647,783.54
02/01/2017	To Print	Joseph C. Mathein	-split-	Direct Deposit		X		647,783.54
02/01/2017	To Print	Lupe C Lopez	-split-	Direct Deposit		X		647,783.54
02/01/2017	To Print	Mark A Espinosa	-split-	Direct Deposit		X		647,783.54
02/02/2017	3099	A to Z Law, LLP	2000 - Accounts Payable		1,012.00			646,771.54
02/02/2017	3100	Aflac	2000 - Accounts Payable		558.80			646,212.74
02/02/2017	3101	Alert Communications	2000 - Accounts Payable	A3134C	186.55			646,026.19
02/02/2017	3102	CalPers	2000 - Accounts Payable		8,798.06			637,228.13
02/02/2017	3103	CIBCS-D-Petty Cash	2000 - Accounts Payable		277.49			636,950.64
02/02/2017	3104	Data West Corp.	2000 - Accounts Payable	Statement reform	560.00			636,390.64
02/02/2017	3105	Dial Security	2000 - Accounts Payable		210.00			636,180.64
02/02/2017	3106	Elecsys Corporation	2000 - Accounts Payable		223.50			635,957.14
02/02/2017	3107	FGL Environmental L...	2000 - Accounts Payable		133.00			635,824.14
02/02/2017	3108	Frontier	2000 - Accounts Payable		381.57			635,442.57
02/02/2017	3109	MCR Technologies, L...	2000 - Accounts Payable		1,739.72			633,702.85
02/02/2017	3110	Mycol, Inc.	2000 - Accounts Payable	pirkle park	120.00			633,582.85
02/02/2017	3111	Nationwide Retirement	2000 - Accounts Payable	pr pd 1/14/17 t...	3,223.66			630,359.19
02/02/2017	3112	Philip's Janitorial Ser...	2000 - Accounts Payable		185.00			630,174.19
02/02/2017	3113	Port Hueneme Marin...	2000 - Accounts Payable		266.59			629,907.60
02/02/2017	3114	Proven Print Services	2000 - Accounts Payable		806.52			629,101.08
02/02/2017	3115	SCE- Office	2000 - Accounts Payable		421.37			628,679.71
02/02/2017	3116	United Water Conser...	2000 - Accounts Payable	for 7/1/16 to 12...	4.27			628,675.44
02/02/2017	3117	County of Ventura - ...	2000 - Accounts Payable		420.16			628,255.28
02/02/2017	3118	FGL Environmental L...	2000 - Accounts Payable		405.00			627,850.28
02/02/2017	3119	Frontier	2000 - Accounts Payable		214.76			627,635.52
02/10/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/1			1,072.23	628,707.75
02/10/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/3			10,884.58	639,592.33
02/10/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/7			11,096.83	650,689.16
02/10/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/7			1,399.93	652,089.09
02/10/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/8			2,761.89	654,850.98
02/10/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/8			158.82	655,009.80
02/10/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/7			11,257.20	666,267.00
02/14/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/6			7,202.00	673,469.00
02/14/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/14			10,277.72	683,746.72
02/14/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/13			30,541.36	714,288.08
02/14/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/10			8,799.73	723,087.81
02/14/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/13			600.51	723,688.32

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Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/14/2017	3120	ACWA/JPIA Health ...	2000 - Accounts Payable		988.03			722,700.29
02/14/2017	3121	Arco	2000 - Accounts Payable		861.40			721,838.89
02/14/2017	3122	AT & T	2000 - Accounts Payable		647.87			721,191.02
02/14/2017	3123	Bay Alarm Company	2000 - Accounts Payable	103152	209.25			720,981.77
02/14/2017	3124	City of Oxnard	2000 - Accounts Payable	For sewer serv....	303,858.50			417,123.27
02/14/2017	3125	Document Systems, I...	2000 - Accounts Payable		159.25			416,964.02
02/14/2017	3126	Frontier	2000 - Accounts Payable		196.60			416,767.42
02/14/2017	3127	KEH & Associates, I...	2000 - Accounts Payable		1,845.00			414,922.42
02/14/2017	3128	Nationwide Retirement	2000 - Accounts Payable	pr pd 1/28/17 t...	3,424.44			411,497.98
02/14/2017	3129	Pacific Couriers	2000 - Accounts Payable		368.46			411,129.52
02/14/2017	3130	Port Hueneme Marin...	2000 - Accounts Payable		285.58			410,843.94
02/14/2017	3131	Prime Masonry Mate...	2000 - Accounts Payable		10.28			410,833.66
02/14/2017	3132	Red Wing Shoe Store	2000 - Accounts Payable	Mark	236.95			410,596.71
02/14/2017	3133	So. California Edison...	2000 - Accounts Payable		990.12			409,606.59
02/14/2017	3134	Soares, Sandall, Bern...	2000 - Accounts Payable		3,000.00			406,606.59
02/14/2017	3135	SoCalGas	2000 - Accounts Payable		41.65			406,564.94
02/14/2017	3136	Spectrum	2000 - Accounts Payable	cable	38.02			406,526.92
02/14/2017	3137	TC Experts, Inc.	2000 - Accounts Payable		997.30			405,529.62
02/14/2017	3138	United States Postal ...	2000 - Accounts Payable		2,000.00			403,529.62
02/14/2017	3139	Xpress Lube	2000 - Accounts Payable		412.05			403,117.57
02/14/2017		QuickBooks Payroll ...	-split-	Created by Pay...	18,157.38			384,960.19
02/15/2017	To Print	Carol J Dillon	-split-	Direct Deposit		X		384,960.19
02/15/2017	To Print	E.D. Brock	-split-	Direct Deposit		X		384,960.19
02/15/2017	To Print	Erika F Davis	-split-	Direct Deposit		X		384,960.19
02/15/2017	To Print	Jared Bouchard	-split-	Direct Deposit		X		384,960.19
02/15/2017	To Print	Joseph C. Mathein	-split-	Direct Deposit		X		384,960.19
02/15/2017	To Print	Lupe C Lopez	-split-	Direct Deposit		X		384,960.19
02/15/2017	To Print	Mark A Espinosa	-split-	Direct Deposit		X		384,960.19
02/17/2017	EDEP	DEPOSIT	1200 - Accounts Recei...	e-checks			25,954.53	410,914.72
02/24/2017	DEP	DEPOSIT	2050 - Customer Depo...	Dep 2/23			150.00	411,064.72
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/24			4,563.28	415,628.00
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/22			10,500.22	426,128.22
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/17			18,124.65	444,252.87
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/16			7,305.52	451,558.39
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/15			9,729.70	461,288.09
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/17			18,194.95	479,483.04
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/18			170.00	479,653.04
02/24/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/24			793.79	480,446.83
02/28/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/24			3,547.44	483,994.27
02/28/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/22			1,692.12	485,686.39

Channel Islands Beach 2013

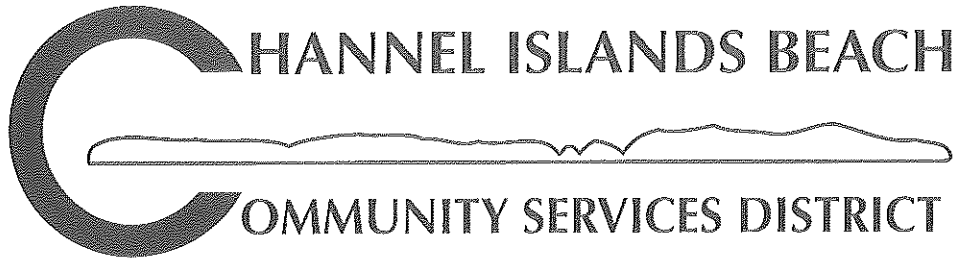
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<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
02/28/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/24			2,747.63	488,434.02
02/28/2017	DEP	DEPOSIT	1200 - Accounts Recei...	Dep 2/24			597.30	489,031.32
02/28/2017		QuickBooks Payroll ...	-split-	Created by Pay...	18,312.84			470,718.48



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Regular Board Meeting March 14, 2017

To: Board of Directors

From: Operations Manager

**Subject: February 2017 Operations Report,
Agenda Item C- 3**

Water System Repairs, Installations and Maintenance Tasks:

- a) District staff installed 2 Fire meters. A 1" Fire meter at 4168 Ocean DR. and a ¾" Fire meter at 124 Ocean Dr.
- b) District staff replaced 1 meter.
- c) District staff opened 2 meter accounts and closed 5 meter accounts.
- d) SWRCB monthly reports were emailed February 10, 2017.
- e) Water Purchased January 2017:
 - o 22.71 Ac/Ft = 7,399,000 gallons Jan 2017
 - o 46.07 Ac/Ft Calendar Year-to-date 2017
- f) Meter reading, maintenance, rereads, disconnects, and additional customer service activities are listed on the attached monthly stat sheet.
- g) The District continues to be in a Stage II water supply shortage. This is in compliance with the State Drought Emergency regulation.
- h) District staff have been mapping District valves, hydrants and manholes in Silver Strand and Hollywood by the Sea, as part of a GIS upgrade to our existing maps.

Waste Water System Repairs, Installations and Maintenance Tasks:

- a) District Staff filed a No Spill report.
- b) District pulled and cleaned check valves at A Station after the storm event due to a higher than expected flow situation that A Station was having trouble keeping up with during the storm event.
- c) District staff scheduled and monitored COPH sewer crews to perform hot spot cleaning and wet well cleaning. This was done throughout the District's sewer mains and pump and lift stations.
- d) Routine Preventive Maintenance and Inspections were performed throughout the month as well as minor troubleshooting and repairs.

Miscellaneous Tasks in Support of District Operations:

- a) District staff continues encouraging District customers to use water wisely. Customers who are creating runoff from irrigation or washing down of hard surfaces are contacted and asked to eliminate any waste of water.

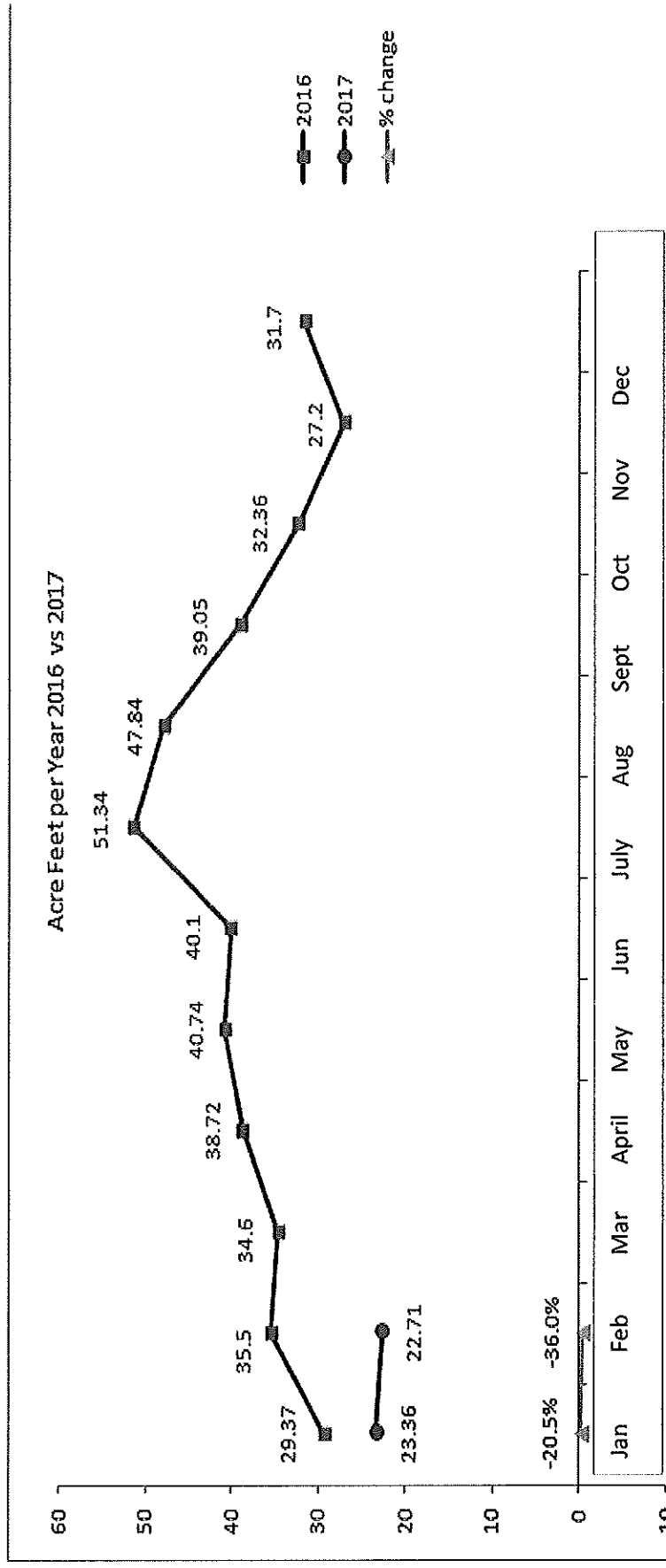
**Operations & Maintenance Monthly Statistics Totals
February 2017**

WATER: MAINTENANCE & REPAIRS	Quantity
Emergency Turn Offs	1
Fire Hydrant Service / Flushing	0
Main or Service Line Repairs/Installation	0
Meter Installation (new or construction)	0
Fire Meter / Manifold Installations	2
Meters Replaced	1
Meter Trims/Box/ Covers	7
Meter Relocate (service lines)	0
USA Markings	15
Sampling / Residuals	7
Valve Maintenance/ Exercising Program	2
WATER: CUSTOMER SERVICE	
Door Hangers	50
Re-Reads	59
Meter Reads	1889
Pressure Checks/WaterQuality	1
Disconnect Non-Payment	0
Meter Reconnects/Open	3
Closed Accounts/Final reads	5
Check Meter for Leaks/Repair	15
WASTEWATER: MAINTENANCE AND REPAIRS	
Inspections/Cleaning	15
Preventive Maintenance	15
Repairs/Improvements	0
RUBBISH RELATED TASKS	
Barrel Removals	1
Trash P/U/ Miscellaneous	3
Deliver Trash/Recycle Barrels	1
COMMUNITY SERVICE	
Hand Deliveries	5
Public Notice Postings	8
Miscellaneous	2

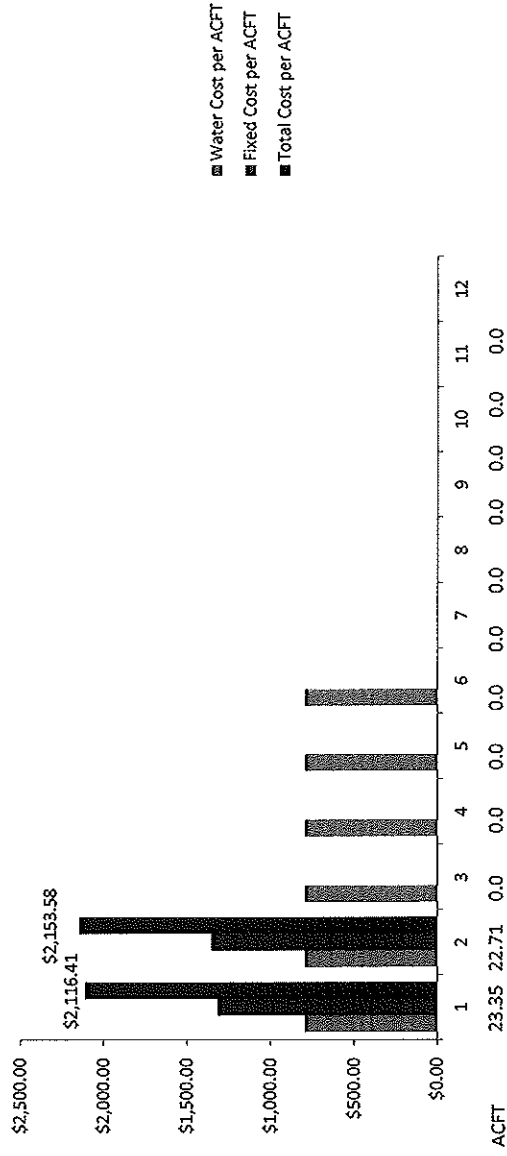
	2016	2017	
	AC/FT	AC/FT	% change
Jan	29.37	23.36	-20.5%
Feb	35.5	22.71	-36.0%
Mar	34.6		
April	38.72		
May	40.74		
Jun	40.1		
July	51.34		
Aug	47.84		
Sept	39.05		
Oct	32.36		
Nov	27.2		
Dec	31.7		
Total	448.52	46.07	

	2013	2017	
	AC/FT	AC/FT	% change
Jan	41.17	23.36	-43%
Feb	37.45	22.71	-39%
Mar	43.70		
April	41.59		
May	46.07		
Jun	51.28		
July	53.40		
Aug	51.35		
Sept	50.07		
Oct	45.31		
Nov	40.21		
Dec	41.39		
total	542.97	46.07	

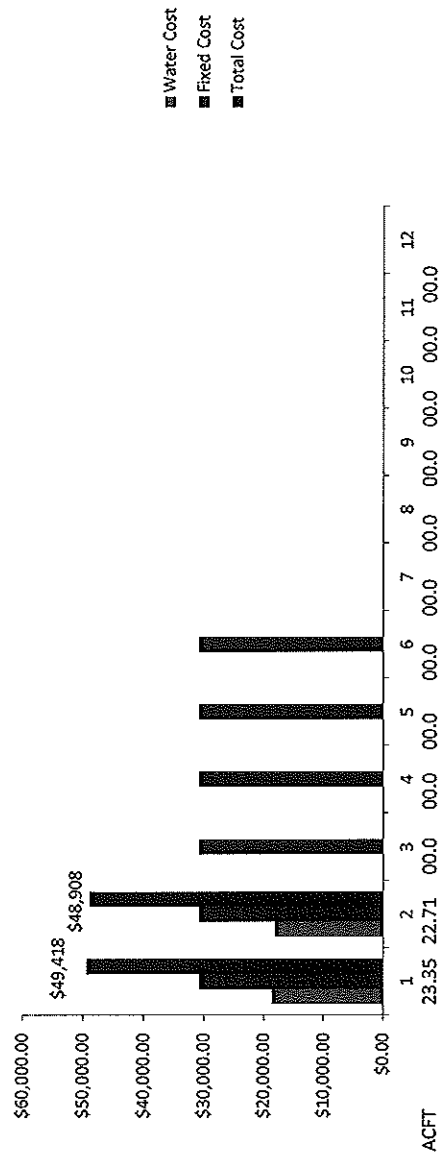
2017		2016		Difference
Gal/day/person		Gal/day/person		G/D/P
Jan	27.3	Jan	34.4	-7.1
Feb	26.6	Feb	41.6	-15
Mar		Mar	40.5	
April		April	45.3	
May		May	47.7	
Jun		Jun	46.6	
July		July	60.1	
Aug		Aug	56.0	
Sept		Sept	45.8	
Oct		Oct	37.9	
Nov		Nov	31.9	
Dec		Dec	37.1	



Monthly Water Costs per ACFT 2017



Total Monthly Water Costs 2017



MINUTES OF THE
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING, February 14, 2016

A. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE:

Vice President Spiegel called the meeting to order at 5:30 PM and led everyone in attendance in the Pledge of Allegiance. In attendance, Director Marcus, Director Brewer, Director Nast, General Counsel, John Mathews, General Counsel, Peter Candy, General Manager, Jared Bouchard and Office Manager, CJ Dillon.

President Koesterer was absent.

B. PUBLIC COMMENTS:

None

C. CONSENT CALENDAR:

Vice President Spiegel moved to approve the Consent Calendar and Director Marcus seconded the motion. The motion passed unanimously.

Director Marcus asked if Staff had noticed an increase in home water leaks. Mr. Bouchard told her customers are asking for them more because now they not only pay for the water leak , they pay the consumption in their wastewater charge.

Marcus, Spiegel, Brewer and Nast 4 - Yes 0 - No

D. CLOSED SESSION

a.). Conference with Legal Counsel - Anticipated Litigation

Pursuant to California Government Code, Section, 54956.9 the District will meet with Legal Counsel to decide whether to initiate litigation. (Number of cases: Two)

The General Manager read the Closed Session item D-a and the Board went into Closed Session at 5:40 PM.

7:00 PM, The Board returned from Closed Session with Legal Counsel, pursuant to Code Section, 54956.9. John Mathews announced no reportable action was taken.

E. ACTION CALENDAR

1. Discuss potential agenda items requested from Director Nast and provide Staff with direction as to which items to place on the agenda and prepare appropriate Staff reports.

Mr. Bouchard told the Board that a request for six or seven items to be placed on an agenda that Staff has only two weeks to prepare for, as well as get the day-to-day operations completed is difficult to do. He requested Board members to call him before they send out emails or speak with residents about District operations. His door is always open and he can give them any information they need. Mr. Bouchard added that communication is key to successful District Staff and Board.

There were short discussions regarding "Fake Pay", City of Oxnard's Wastewater Project

and the DOD Federal Surplus Property Program .

No Board Action was taken on this item.

2. Review of draft staff reports for the February 23, 2017 Port Hueneme Water Agency agenda packet.

There were no reports available.

3. Consider response letter from United water conservation District (UWCD) regarding baseline water testing requested by director Nast.

a. Existing monitoring adequately serves as baseline monitoring for known water quality issues within the United States to boundaries.

b. USGS has plans to study the vulnerability of the Oxnard plain's drinking water aquifers to contamination related to oil and gas industry activities, and will react to new information as it becomes available.

c. It is not clear to how the unspecified "baseline testing "differs from the extensive water quality testing routinely performed by United and other purveyors who serve potable water to the public.

Director Nast explained the definition of Baseline water testing. After a lengthy discussion between Staff and the Board, it was decided that Director Nast would bring a defined list of items to test for and Mr. Bouchard would spend the \$1,100.00 for testing.

Director Marcus moved to approve Director Nast bringing the defined list of items to test for and Mr. Bouchard spending the \$1,100.00 for Baseline testing. Vice President Spiegel seconded the motion and the motion passed unanimously.

Marcus, Spiegel, Brewer and Nast 4 - Yes 0 - No

4. Discuss tour United Water Conservation District Facilities and get confirmation of board members attending - March 13, 2017

The General Manager announced the tour for March 13, 2017 from 8:30AM till 2:00PM. He told the Board they needed to let him know if they were attending, because if 3 or more of the Board was attending, he would have to post a Notice Agenda.

No Action was taken on this item.

5. Consider dates for Ethics and Harassment training.

Mr. Bouchard gave the following dates for the Board to choose for Ethics Training. This is a biannual course that is mandatory for Board Members. The dates available are March 2, 6 or 13 of 2017 for 2 hours. The Board majority selected March 2, 2017, 9:30 AM to 11:30 AM at the office.

E. INFORMATION CALENDAR:

1. Port Hueneme Water Agency Workshop scheduled for February 15, 2017 at 12 P.M.

Vice President Spiegel told the Board the entire Board is welcome to join this workshop and listen in, but only PHWA Board Members will be able to participate.

2. Report from Board Member of any meeting or conference where compensation from the District for attendance was received.

Mr. Bouchard reported on behalf of Director Brewer and Director Nast who attended a Facilities Committee Meeting. They used this meeting as an opportunity to review the District's Strategic Plan. They also visited a couple of the District's wastewater facilities. There was no action taken.

F. BOARD MEMBER COMMENTS:

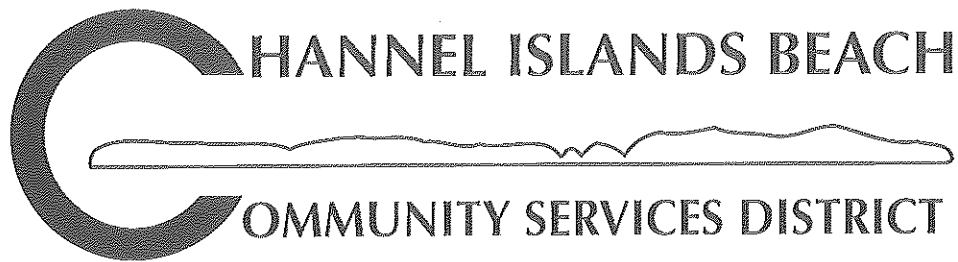
Director Nast took a walking tour at the City of Oxnard's wastewater plant and they discussed 3 different proposals for future plants.

G. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:

The General Manager announced that the Staff has made an offer of employment to fill long time employee Jeff Spieler's position.

The Board Meeting adjourned at 8:05 PM.

Ellen Spiegel, Vice President



Board of Directors:

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Regular Board Meeting, March 14, 2017

TO: Board of Directors

From: General Manager

Subject: Review June 30, 2016 Final Budget to Actual, Interest and Cash Allocations

Agenda Item D-1

Attached for the Boards Review is 2 separate 2016 yearend Financial Documents that will tie directly to the 2015/16 Audit. The Board must approve these documents in the order provided below prior to the approval of the 2015/16 Audit.

Please find the following financial statements:

1. **Final Budget to Actual 6/30/15-** Provides a line item by line item analysis of the year-end expenditures and income vs. the budgeted amounts. The Districts total combined increase in net assets (line item 115, column D) amounts to \$466,732. The increase or loss for each of the Districts enterprise funds can be found as follows. **This report to be handed out at the Board Meeting.**
 - **Water** – \$201,875 Line Item 114
 - **Waste Water-** \$331,108 Line Item 114
 - **Solid Waste-** \$(20,846) Line Item 114
 - **Community Service-** (-\$37,381) Line Item 114

2. **Cash Account Summary-**Provides a summary of Board Restricted, Outside restricted and Unrestricted cash accounts.
 - **Board Restricted** funds are monies the Board has acted upon and reserved for specific purposes, such as operating reserves, repairs and maintenance reserves and rate stabilization reserves. The Board may reallocate those funds as the Board finds appropriate and in the best interest of the District.

 - **Outside Restricted** funds are monies that the District is legally or contractually bound to maintain and account for, for specific designated purposes. Customer deposits and future loan payments are examples of outside restricted monies. The Board cannot reallocate or use those monies for any purpose but the legally or contractually designated purpose.

- **Unrestricted** funds are limited to \$35,000 in each enterprise. The \$35,000 limit is set by Board policy. Unrestricted monies are those in the Districts checking account that staff pays day to day operating cost and accounts payable with.

At the close of the fiscal year the Districts cash on hand for each utility is as follows:

	Unrestricted	Board Restricted	Outside Restricted	Total
• Water -\$	35,000	2,482,830	24,231	2,2542,061
• Sewer-\$	35,000	1,897,634	344,917	2,277,551
• Trash-\$	35,000	406,236	26,583	403,471

Recommendation: Review and approve the FY 15/16 year-end financials.

- Final Budget to Actual 6/30/16
- Cash Account Summary
- Interest and Cash Allocations

1 CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT

2 Proposed Budget & Actual Audited Numbers
 3 For Year Ended June 30, 2016

G/L Account	2015/2016		2015/2016		Chg	Waste Water		Solid Waste Disposal		COMMUNITY SERVICE		Total
	Adopted Budget	Actual Audited #'	%	Water		%	Water	%	Disposal	%	Service	
OPERATING REVENUES												
11 Water Revenue	3110	1,710,000	1,598,172	1,598,172	100%	0	0	0	0	0	0	1,598,172
12 Sewer Revenue	3120	1,142,560	1,115,762	1,115,762	100%	0	0	0	0	0	0	1,115,762
13 Sewer Revenue - Onward	3120	608,440	582,194	582,194	100%	0	0	0	0	0	0	582,194
14 Trash Revenue	3130	667,980	666,400	666,400	100%	0	0	666,400	100%	0	0	666,400
15 TOTAL OPERATING REVENUE		4,128,680	3,962,528	3,962,528	100%	0	0	666,400	100%	0	0	3,962,528

Water Conservation
 No chng in Oxn. Pymt

18 OPERATING EXPENSES

Water System Expense												
20 PHWA Water Contract	4210	743,000	604,009	604,009	100%	0	0	0	0	0	0	604,009
21 Water Samples	4215	14,000	11,948	11,948	100%	0	0	0	0	0	0	11,948
22 SDHS Annual Admin Fee	4220	6,400	5,069	5,069	100%	0	0	0	0	0	0	5,069
23 Annual Water Quality Report	4225	1,600	1,483	1,483	100%	0	0	0	0	0	0	1,483
24 Cress Connect Contract Chrg	4230	1,600	1,483	1,483	100%	0	0	0	0	0	0	1,483
25 R & M - Distribution	4235	56,000	84,442	84,442	100%	0	0	0	0	0	0	84,442
26 Capital Replacement Fund	4240	112,128	0	0	100%	0	0	0	0	0	0	0
27 Well Rehabilitation	4256	0	0	0	100%	0	0	0	0	0	0	0
30 Total Water System Expense		944,728	708,584	708,584	100%	0	0	0	0	0	0	708,584

Water leaks/ Repairs

32 Sewer System Expense

33 Waste Water Transportation	4260	655,000	607,717	607,717	100%	0	0	0	0	0	0	607,717
34 Operations & Maintenance	4265	115,000	104,464	104,464	100%	0	0	0	0	0	0	104,464
35 Telemetry	4270	15,500	20,232	20,232	100%	0	0	0	0	0	0	20,232
36 Power	4275	21,000	15,077	15,077	100%	0	0	0	0	0	0	15,077
37 Capital Replacement Fund	4280	208,656	0	0	100%	0	0	0	0	0	0	0
38 Total Sewer System Expense		1,015,156	747,490	747,490	100%	0	0	0	0	0	0	747,490

No increase from Oxn.
 Inc. in telemetry cost

40 Trash Expense

41 Trash Service	4285	489,000	474,637	474,637	100%	0	0	474,637	100%	0	0	474,637
42 Total Trash Expense		489,000	474,637	474,637	100%	0	0	474,637	100%	0	0	474,637

44 Maintenance Expenses

45 Gasoline	4310	15,000	12,043	4,938	41%	4,576	38%	1,445	12%	1,084	9%	12,043
46 Vehicle Maintenance	4320	6,000	8,311	3,408	41%	3,158	38%	997	12%	748	9%	8,311
47 Building Security	4330	860	837	209	25%	210	25%	209	25%	209	25%	837
48 Building Maintenance	4340	18,500	7,382	1,846	25%	1,846	25%	1,845	25%	1,844	25%	7,382
49 Signs & Barriers	4350	1,500	0	0	0%	0	0%	0	0%	0	0%	0
50 Public Landscape Project	4360	1,500	1,559	0	0%	0	0%	0	0%	1,559	100%	1,559
51 Employee Workplace Safety	4370	4,000	3,682	1,510	41%	1,389	38%	442	12%	331	9%	3,682
52 Emergency Preparedness	4380	1,500	527	132	25%	132	25%	132	25%	131	25%	527
53 Total Maintenance Expenses		48,860	34,341	12,043	11,321	5,071	5,906	34,341				

55 Salaries & Benefits

54												34,341
----	--	--	--	--	--	--	--	--	--	--	--	--------

1 CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT

2 Proposed Budget & Actual Audited Numbers

3 For Year Ended June 30, 2016

2015/2016 2015/2016

Solid

Waste

COMMUNITY

%

Total

Account	Adopted	Actual	Chg	Water	%	Water	%	Disposal	%	Water	%	Service	%	Total
G/L	Account Budget	Audited #'s	* Water	Water	%	Water	%	Disposal	%	Water	%	Service	%	Total
4400	531,030	547,873		213,659	39%	191,756	35%	93,138	17%	49,310	9%	547,873	9%	547,873
4500	15,400	12,817		4,998	39%	4,486	35%	2,179	17%	1,154	9%	12,817	9%	12,817
4525	105,700	110,528		43,106	39%	38,685	35%	18,790	17%	9,947	9%	110,528	9%	110,528
4550	53,103	51,607		20,127	38%	18,062	35%	8,773	17%	4,645	9%	51,607	9%	51,607
4575	2,600	2,721		1,116	41%	1,034	38%	327	12%	244	9%	2,721	9%	2,721
4600	17,000	14,475		5,645	39%	5,086	35%	2,461	17%	1,303	9%	14,475	9%	14,475
4650	3,000	2,988		1,195	40%	1,195	40%	448	15%	150	5%	2,988	5%	2,988
4700	0	0		0	0%	0	0%	0	0%	0	0%	0	0%	0
	727,833	743,009		289,856		260,284		126,116		66,753		743,009		743,009

56	Regular Salaries	4400	531,030	547,873		213,659	39%	191,756	35%	93,138	17%	49,310	9%	547,873	1 Additional emp
57	Payroll Taxes	4500	15,400	12,817		4,998	39%	4,486	35%	2,179	17%	1,154	9%	12,817	
58	Group Insurance	4525	105,700	110,528		43,106	39%	38,685	35%	18,790	17%	9,947	9%	110,528	1 Additional emp
59	Retirement Benefits	4550	53,103	51,607		20,127	38%	18,062	35%	8,773	17%	4,645	9%	51,607	
60	Uniforms	4575	2,600	2,721		1,116	41%	1,034	38%	327	12%	244	9%	2,721	1 Additional emp
61	Worker's comp Insurance	4600	17,000	14,475		5,645	39%	5,086	35%	2,461	17%	1,303	9%	14,475	
62	Employee Education	4650	3,000	2,988		1,195	40%	1,195	40%	448	15%	150	5%	2,988	
63	Other Employee Costs	4700	0	0		0	0%	0	0%	0	0%	0	0%	0	
64	Total Salaries & Benefits		727,833	743,009		289,856		260,284		126,116		66,753		743,009	
65	Administrative Expenses														
66	Administrative Expenses														
67	Regular Board Payments	5010	7,500	6,100		1,830	30%	1,830	30%	610	10%	1,830	30%	6,100	
68	Special Board Meetings	5020	2,300	2,000		600	30%	600	30%	200	10%	600	30%	2,000	
69	Board/Committee Expenses	5030	1,300	358		107	30%	107	30%	36	10%	108	30%	358	
70	Board Conferences & Seminars	5040	4,000	4,800		1,632	34%	1,632	34%	768	16%	1,632	16%	4,800	Bd/Staff education
71	Board Travel & Lodging	5050	5,000	10,306		4,122	40%	4,122	40%	1,546	15%	516	5%	10,306	
72	District Dues & Memberships	5100	18,500	17,202		7,053	41%	5,505	32%	2,924	17%	1,720	10%	17,202	
73	Office Supplies	5210	7,000	6,399		2,048	32%	2,048	32%	2,048	32%	255	4%	6,399	
74	On-line Bill Paying	5215	6,750	6,670		2,268	34%	2,201	33%	2,201	33%	0	0%	6,670	
75	Communications	5220	14,000	15,025		3,756	25%	3,756	25%	3,756	25%	3,757	25%	15,025	
76	Printing & Publications	5230	5,000	2,592		778	30%	778	30%	778	30%	258	10%	2,592	
77	Postage & Shipping	5240	15,000	15,722		4,777	30%	4,777	30%	4,777	30%	1,571	10%	15,722	
78	Miscellaneous Office Expense	5250	11,300	11,010		3,303	30%	3,303	30%	3,303	30%	1,101	10%	11,010	
79	Office Utilities	5260	3,000	3,300		980	30%	980	30%	980	30%	330	10%	3,300	
80	Mileage reimbursement	5270	0	0		0	0%	0	0%	0	0%	0	0%	0	
81	Equipment leases	5280	0	0		0	0%	0	0%	0	0%	0	0%	0	
82	Equipment R & M	5290	6,000	5,794		3,261	48%	1,902	28%	1,559	20%	272	4%	5,794	Postage mtr lease inc.
83	Capital Purchases	5300	44,500	0		0	37%	0	56%	0	7%	0	0%	0	
84	Insurance	5400	22,200	28,199		9,870	35%	9,870	35%	2,820	10%	5,639	20%	28,199	Premium inc.
85	Legal Services	5510	25,000	41,472		18,248	44%	13,271	32%	8,294	20%	1,639	4%	41,472	Water
86	Accounting Services	5520	42,000	36,700		16,148	44%	11,744	32%	7,340	20%	1,468	4%	36,700	
87	Computer Services	5530	13,600	15,841		4,752	30%	4,752	30%	4,752	30%	1,585	10%	15,841	
88	Engineering Services	5540	51,000	0		0	15%	0	85%	0	0%	0	0%	0	
89	Payroll Service	5550	0	0		0	30%	0	30%	0	30%	0	10%	0	
90	Trustee & Bank Fees	5560	6,000	1,778		284	16%	925	52%	284	16%	285	16%	1,778	
91	Other Professional Services	5585	10,000	81,740		24,522	30%	24,522	30%	24,522	30%	8,174	10%	81,740	Rateis Rate
92	Legal Notices Publication	5600	5,000	3,604		1,225	34%	1,189	33%	1,190	33%	0	0%	3,604	Survey
93	Public Information	5650	1,500	0		0	25%	0	25%	0	25%	0	25%	0	
94	Total Administrative Expenses		327,450	317,612		111,514		99,764		74,438		31,896		317,612	
95															
96															
97	OTHER OPERATING EXPENSES														
98	Non-cash Depreciation		0	260,462		132,835	51%	119,813	46%	7,814	3%	0	0%	260,462	
99	Amortization		0	46,067		47,197	102%	-1,130	-2%	0	0%	0	0%	46,067	
100	Bad Debt		0	4,249		1,445	34%	1,402	33%	1,402	33%	0	0%	4,249	
101	Total Other Operating Expenses		0	310,778		181,477		120,085		9,216		0		310,778	

CIB COMMUNITY SERVICES DISTRICT
 CASH ACCOUNTS
 June 30, 2016

	TOTAL	UNRESTRICTED				BOARD RESTRICTED				OUTSIDE RESTRICTED			
		WATER	SEWER	TRASH	COMMUNITY SERVICE	WATER	SEWER	TRASH		WATER	SEWER	TRASH	
Petty Cash	500	500	0	0	0								
First California Bank	579,021	34,500	35,000	35,000	0	474,521							
County of Ventura:													
Customer Deposits	79,750								24,231				24,232
Board Restricted-Op Reserves	280,000					138,000	82,000	60,000					
Board Reserves-R & M	3,087,579					2,240,121	1,031,628	284,239					
BPD Reserved-Rate Stab	1,230,801					104,709	784,006						
Outside restricted - Water Bonds	0												
Unrestricted	(368,971)					(474,521)	(13,718)						
Total County of Ventura	4,309,159	0	0	0	0	2,008,309	1,883,916	344,239	24,231	24,232	24,232	24,232	24,232
Union-Water Outside Restricted	0	0	0	0	0								
-Water Board Reserves R&M	0	0	0	0	0								
Union-Sewer Outside Restricted	320,685	0	0	0	0					320,685			
-Sewer Board Rate Stable Fund	13,718	0	0	0	0		13,718						
	334,403	0	0	0	0	0	13,718	0	0	320,685	0	0	0
Total Cash Accounts	5,223,083	35,000	35,000	35,000	0	2,482,830	1,897,634	344,239	24,231	344,917	24,232	24,232	24,232
			105,000				4,724,703						393,380

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
 Outside Restricted Cash
 YE June 30, 2016

Account	Account #	Balance @ 30-Jun-16	Restricted @ 30-Jun-16	Restriction
Petty Cash	1010	500	0	No outside restrictions
FCB-Checking	1000	545,007	0	No outside restrictions
FCB-MMF	1005	34,014	0	No outside restrictions
County of Ventura	1020	4,309,159	72,695 0	Customer Deposits 1/3 each to W,S,T
Union-Sewer Interest Pymt Fund	1060	386	0	Interim a/c for 1064 & 1065
Union-Sewer Reserve Fund	1061	236,310	236,310	S 100% restricted
Union-Sewer Construction Fund	1062	5	5	S 100% restricted for construction
Union-Sewer Interest Installment Fund	1064	25,494	24,370	S 2/6 of int pymt of 71,131 due 5/1/17
Union-Sewer Principal Installment Fund	1065	72,208	60,000	S 8/12 prin pymt of 90,000 due 11/1/16
		<u>5,223,083</u>	<u>393,380</u>	
			W = WATER 24,232	
			S = SEWER 344,917	
			T = TRASH <u>24,232</u>	
			<u>TOTAL OUTSIDE RESTRICTED</u>	<u>393,380</u>

CIB COMMUNITY SERVICES DISTRICT
 CASH ACCOUNT SUMMARY
 30-Jun-16

	<u>WATER</u>	<u>SEWER</u>	<u>TRASH</u>	<u>TOTAL</u>
Unrestricted	35,000	35,000	35,000	105,000
Board Restricted	2,842,830	1,897,634	344,239	5,084,703
Outside Restricted	<u>24,231</u>	<u>344,917</u>	<u>24,232</u>	<u>393,380</u>
Total Cash	<u>2,902,061</u>	<u>2,277,551</u>	<u>403,471</u>	<u>5,583,083</u>



Board of Directors:

SUSIE KOESTERER, President
ELLEN SPIEGEL, Vice President
MARCIA MARCUS, Director
KRISTINA BREWER, Director
BOB NAST, Director

JARED BOUCHARD
General Manager

353 Santa Monica Drive • Channel Islands Beach, CA 93035-4473 • (805) 985-6021 • FAX (805) 985-7156
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR • CHANNELISLANDSBEACHCSD.COM

Regular Board Meeting, March 14, 2017

To: Board of Directors

From: General Manager

Subject: Review the Channel Islands Beach Community Services District Annual Audit Report for Year Ended June 30, 2016

Agenda Item D-2

In a previous Board action, the financials statements that are reflected in the audit were reviewed and approved. Those financial statements represented a summary of the District's financial performance for FY 2015 - 2016. The reports indicated the following breakdown of performance by enterprise and can be tied directly to the audit on the page indicated:

- **Water** – \$201,875 Page 33
- **Waste Water**- \$331,108 Page 37
- **Solid Waste**- \$(20,846) Page 39
- **Community Service**- \$ (37,381)) Page 41

Included is a copy of the Districts 2015/16 Audit.

The Districts 2015/16 Annual Audit report was prepared by Teaman, Ramirez & Smith, Inc. The Auditors Management Letter is also enclosed. The report issues a clean report for the Districts financial statements, internal controls and compliance with fiscal policies set by the Board.

On page 3 of the audit Financial Highlights of the 2015-2016 fiscal year are discussed and detailed. The conclusions represented in the audit are arrived at based on the following procedures auditors perform during the audit, but are not limited to:

- Review all bank statements and cancelled checks, including bank reconciliations.
- Review accounts receivable, analysis and sampling of customer pay histories and rates and confirm with the customer the actually amount paid during the year.
- Review procedures and policies of the District to ascertain the staff is in compliance.
- Review accounts payable, including verification of payments.
- Review payroll records for accuracy of pay rates, overtime, accrued vacation and sick time.

- Review contracts with vendors to ascertain the District is in compliance with the agreement.
- Prepare the audited financial statements in accordance with Government Auditing Standards and generally accepted accounting principal

Recommendation: Approve the Channel Islands Beach Community Services District Annual Audit Report for Year Ended June 30, 2016

CHANNEL ISLANDS BEACH
COMMUNITY SERVICES DISTRICT
ANNUAL AUDIT REPORT
Years Ended June 30, 2016 and 2015

Channel Islands Beach Community Services District
Annual Audit Report
Years Ended June 30, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Channel Islands Beach Community
Services District
Oxnard, CA

Report on the Financial Statements

We have audited the accompanying financial statements of the Channel Islands Beach Community Services District (the "District"), as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Channel Islands Beach Community Services District, as of June 30, 2016 and 2015, and the respective changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2016, the District adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information section is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplemental information section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information section is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reported dated _____ 2017, 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 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.

Riverside, California
_____ 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Channel Islands Beach Community Services District, we offer readers of the Channel Islands Beach Community Services District's financial statements this narrative overview and analysis of the Channel Islands Beach Community Services District and its financial activities for the fiscal year ended June 30, 2016.

OVERVIEW

FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: 1) Statements of Net Position; 2) Statements of Revenues, Expenses and Changes in Net Position; 3) Statements of Cash Flows; and, 4) Notes to the Financial Statements. In addition to the basic financial statements, supplementary information is also presented.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position present information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The Statement of Cash Flows presents information regarding the District's use of cash during the year. Cash flows will differ from revenues and expenses because the statement accounts only for transactions that resulted in the District's receipt or payment of cash during the year.

FINANCIAL HIGHLIGHTS

SIGNIFICANT EVENTS AND TRANSACTIONS

- ◆ The Board of Directors restricted the following amounts to their respective utilities:
 - Water - \$2,240,121 for future unanticipated repairs and maintenance of the water distribution system, a \$138,000 operating reserve and \$104,709 for rate stabilization.
 - Sewer - \$82,000 operating reserve and \$784,006 for rate stabilization and \$1,031,628 for unanticipated repairs and maintenance.
 - Trash - \$60,000 operating reserve and \$284,239 for rate stabilization.
- ◆ Capital assets decreased by \$223,127. Most of the decrease was due to depreciation expense of \$260,462 and the purchase of \$37,335 in office furniture and equipment.
- ◆ Accounts payable has increased by \$413,958, most of which is related to accrued waste water charges to the City of Oxnard.

FINANCIAL STATEMENTS

NET POSITION

The District's Net Position as of June 30, 2016, 2015 and 2014 totaled \$10,200,108 \$9,742,290 and \$9,292,496, respectively. At the end of the current year, the District is able to report positive balances in all categories of net position. The District's net position increased by \$457,818 from the prior year.

FIGURE 1. NET POSITION

	<u>As of June 30, 2016</u>	<u>As of June 30, 2015</u>	<u>As of June 30, 2014</u>
Assets			
Current Assets	\$ 6,632,275	\$ 5,726,908	\$ 6,385,597
Restricted Assets	393,380	397,600	1,420,385
Capital Assets, Net	5,850,525	6,073,652	3,845,688
Other Assets	<u>3,366,443</u>	<u>3,471,053</u>	<u>3,657,053</u>
TOTAL ASSETS	<u>\$ 16,242,623</u>	<u>\$ 15,669,213</u>	<u>\$ 15,308,723</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	<u>\$ 247,783</u>	<u>\$ 294,979</u>	<u>\$ 342,176</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 247,783</u>	<u>\$ 294,979</u>	<u>\$ 342,176</u>
Liabilities			
Current Liabilities	\$ 1,999,458	\$ 1,576,302	\$ 1,368,385
Long-Term Debt	<u>4,290,840</u>	<u>4,645,600</u>	<u>4,990,018</u>
TOTAL LIABILITIES	<u>\$ 6,290,298</u>	<u>\$ 6,221,902</u>	<u>\$ 6,358,403</u>
Net Position			
Net Investment in Capital Assets	\$ 1,690,147	\$ 1,615,943	\$ 1,848,450
Unrestricted	<u>8,509,961</u>	<u>8,126,347</u>	<u>7,444,046</u>
TOTAL NET POSITION	<u>\$ 10,200,108</u>	<u>\$ 9,742,290</u>	<u>\$ 9,292,496</u>

Total assets increased by \$573,410, which is mostly due to the increase in net position as a result of operations. Total liabilities increased by \$68,396 which is due to a combination of increased current liabilities and a decrease in long-term debt due to principal payments made on outstanding sewer and water bonds.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

Charges for operating services totaled \$3,962,528, \$3,885,773 and \$3,976,345 for the years ended June 30, 2016, 2015, and 2014 respectively. The District is reporting operating income of \$626,077, \$691,863, and \$932,532 for the years ended June 30, 2016, 2015 and 2014. Operating expenses before depreciation and amortization totaled \$3,029,922, \$2,924,652 and \$2,807,344 for the years ended June 30, 2016, 2015 and 2014. Depreciation and amortization expenses totaled \$306,529, \$269,258 and \$236,469 as of June 30, 2016, 2015 and 2014.

**FIGURE 2. REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30:**

	2016	2015	2014
Revenues			
Charges for Operating Services	\$ 3,962,528	\$ 3,885,773	\$ 3,976,345
Interest	22,317	14,982	15,065
Other Non-Operating Revenues*	27,135	(28,347)	38,231
TOTAL REVENUES	\$ 4,011,980	\$ 3,872,408	\$ 4,029,641
Expenses			
Operating Expenses	\$ 3,336,451	\$ 3,193,910	\$ 3,043,813
Other Non-Operating Expenses	200,773	211,766	223,377
Amortization on Contributed Assets	16,938	16,938	16,938
TOTAL EXPENSES	\$ 3,554,162	\$ 3,422,614	\$ 3,284,128
Change in Net Position	\$ 457,818	\$ 449,794	\$ 745,513
Net Position at Beginning of Year	\$ 9,742,290	\$ 9,292,496	\$ 8,546,983
Net Position at End of Year	\$ 10,200,108	\$ 9,742,290	\$ 9,292,496

* Includes \$87,671, \$169,062 and \$82,834 loss from Joint Venture for the years ended June 30, 2016, 2015, and 2014, respectively.

Total revenues increased by \$139,572. Most of the increase is due to an increase in charges for service which increased by \$76,755.

Total expenses increased by \$131,548. Most of the increase is due to an increase in amount due to the City of Oxnard for waste water transportation and operations and maintenance costs of sewer lines.

CAPITAL ASSETS

The District's Capital Assets for 2014, 2015 and 2016 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Assets</u>
2014	\$ 7,714,524	\$ (3,868,836)	\$ 3,845,688
2015	\$ 10,132,986	\$ (4,059,334)	\$ 6,073,652
2016	\$ 10,154,820	\$ (4,304,295)	\$ 5,850,525

During the current year, the District capitalized sewer lines totaling \$15,097 and various operating assets totaling \$22,238. Please refer to Note 4, *Capital Assets*, presented in the Notes to Financial Statements for additional detail regarding the District's Capital Assets.

LONG-TERM DEBT

At the end of the current fiscal year, the District had \$4,644,470 total long-term debt outstanding. For 2015 and 2014, the District had \$4,988,888 and \$5,327,421 total long-term debt outstanding. The decrease in Long-Term Debt was mostly due to principal payments of \$343,288. Please refer to Note 5, *Long-Term Debt*, presented in the Notes to Financial Statements for additional detail regarding the District's Long-Term Debt.

ECONOMIC FACTORS AND BUDGET

The District does not anticipate any increase in business or water consumption within the Harbor for Fiscal Year 2016-17. However, when the economic climate improves, the District anticipates significant redevelopment or new development to occur within the Channel Islands Harbor resulting in increased consumption and revenues. The District will take that into consideration in future budget years.

Another factor affecting the District's operation is California's ongoing draught and state's mandated water conservation program. Although the District has ample water supplies to meet current customer demands, the District has implemented stage 2 water supply shortage regulations, which includes limits on outdoor watering and wasteful water practices. The District's efforts to comply with state mandated water conservation requirements has resulted in decreased water consumption by District's customers.

The District has not revised the rate structure for services in recent years; however the board periodically reviews the cost of providing services, future maintenance requirements of the District's infrastructures and future capital expenditures needs in order to set new rates for the District's services. The board anticipates such changes will take place in the near term to maintain the level of services provided by the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board, the District's Member Agencies, taxpayers, and creditors with a general overview of the Channel Islands Beach Community Services District's accountability for the money it manages. If you have questions about this report or need additional financial information, contact the Channel Islands Beach Community Services District's Administration Department, 353 Santa Monica Drive Oxnard, California, 93035.

BASIC FINANCIAL STATEMENTS

Channel Islands Beach Community Services District
Statements of Net Position
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets:		
Unrestricted Cash (Notes 1, 2 and 3)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 1, 2 and 3)	4,724,703	4,598,380
Accounts Receivable (Note 1)	428,418	422,209
Other Receivable (Note 1)	1,148,820	566,626
Interest Receivable	7,253	3,891
Prepaid Items (Note 1)	208,013	10,283
Inventory (Note 1)	10,068	20,519
Total Current Assets	6,632,275	5,726,908
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Notes 1, 2 and 3)	393,380	397,600
Land and Construction in Progress, Not Being Depreciated (Note 4)	42,060	42,060
Capital Assets, Net of Depreciation (Note 4)	5,808,465	6,031,592
Total Noncurrent Assets	6,243,905	6,471,252
OTHER ASSETS		
Investment in Water JPA, Net of Accumulated Depreciation (Notes 3 and 10)	3,366,443	3,471,053
Total Other Assets	3,366,443	3,471,053
Total Assets	16,242,623	15,669,213
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding (Note 1)	247,783	294,979
Total Deferred Outflows of Resources	\$ 247,783	\$ 294,979

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Net Position - Continued
June 30, 2016 and 2015

	2016	2015
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 1,410,149	\$ 996,191
Other Liabilities (Note 1)	20,000	22,445
Current Portion of Long-term Debt (Note 5)	353,630	343,288
Accrued Payroll, Taxes and Benefits	101,915	90,273
Customer Deposits	72,695	79,750
Accrued Interest	41,069	44,355
Total Current Liabilities	1,999,458	1,576,302
Long-term Debt (Note 5):		
Sewer Revenue Series 2005A Bond Payable, Net	2,937,034	3,023,164
Water Refunding Series 2012 Bond Payable, Net	1,707,436	1,965,724
Total Long-term Debt, Net of Unamortized Premium (Note 5)	4,644,470	4,988,888
Less Current Portion	(353,630)	(343,288)
Total Long-term Debt	4,290,840	4,645,600
Total Liabilities	6,290,298	6,221,902
NET POSITION (Notes 1 and 6)		
Net Investment in Capital Assets	1,690,147	1,615,943
Unrestricted	8,509,961	8,126,347
Total Net Position	\$ 10,200,108	\$ 9,742,290

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Water Revenue	\$ 1,598,172	\$ 1,561,168
Sewer Revenue	1,115,762	1,106,821
Sewer Revenue - Oxnard	582,194	566,626
Trash Revenue	666,400	651,158
Total Operating Revenues	3,962,528	3,885,773
OPERATING EXPENSES		
Water System Expenses:		
PHWA Water Expenses	604,009	583,618
Water Samples	11,948	9,541
SDHS Annual Administrative Fee	5,069	-
Cross Connect Contract Charges	1,633	1,586
Repairs and Maintenance - Distribution	84,442	93,952
Water Quality Report	1,483	1,332
Total Water System Expenses	708,584	690,029
Sewer System Expenses:		
Waste Water Transportation - Oxnard	607,717	607,717
Operations and Maintenance	104,464	213,708
Telemetry	20,232	19,822
Power	15,077	18,256
Total Sewer System Expenses	747,490	859,503
Trash Expenses:		
Trash Services	474,637	472,312
Total Trash Expenses	474,637	472,312
Maintenance Expenses:		
Vehicle Expenses	8,311	5,575
Building Maintenance and Security	8,219	8,321
Sign and Banner Expense	-	776
Public Landscape Project	1,559	1,274
Employee Workplace Safety	3,682	2,099
Gasoline Expenses	12,043	13,448
Emergency Preparedness Expense	527	658
Total Maintenance Expenses	34,341	32,151
Salaries and Benefits:		
Regular Salaries	547,873	491,732
Retirement Benefits	51,607	48,045
Uniforms	2,721	3,104
Insurance	125,003	115,171
Payroll Taxes	12,817	11,972
Employee Educational Expense	2,988	2,462
Total Salaries and Benefits	\$ 743,009	\$ 672,486

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Revenues, Expenses and Changes in Net Position - Continued
Years Ended June 30, 2016 and 2015

	2016	2015
OPERATING EXPENSES (CONTINUED)		
Administrative Expenses:		
Board Meetings	\$ 8,100	\$ 8,100
Board/Committee Expenses	358	886
Conferences and Seminars - Board	15,106	9,076
Dues/ Membership	17,202	14,228
Office Supplies	6,399	6,135
E-Pay Online	6,670	6,291
Communications	15,025	12,663
Printing and Publications	2,592	3,989
Postage and Shipping	15,722	13,356
Utilities	3,300	2,455
Miscellaneous Office Expense	11,010	10,868
Other Professional Services	81,740	7,678
Office Equipment Maintenance	6,794	4,175
Insurance	28,199	20,732
Accounting Services	36,700	38,645
Computer Services	15,841	10,731
Legal Services	41,472	16,938
Payroll Services	-	31
Engineering Services	-	4,742
Bank and Trustee Fees	1,778	1,765
Legal Notices Publication Expense	3,604	1,180
Public Information Expense	-	1,150
	317,612	195,814
Other Operating Expenses:		
Depreciation (Note 4)	260,462	223,191
Amortization (Note 1)	46,067	46,067
Bad Debt (Note 1)	4,249	2,357
	310,778	271,615
	310,778	271,615
Total Other Operating Expenses	310,778	271,615
Total Operating Expenses	3,336,451	3,193,910
OPERATING INCOME	\$ 626,077	\$ 691,863

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Revenues, Expenses and Changes in Net Position - Continued
Years Ended June 30, 2016 and 2015

	2016	2015
NON-OPERATING REVENUES AND EXPENSES		
Investment Earnings	\$ 22,317	\$ 14,982
Net Gain (Loss) from Joint Venture (Note 10)	(87,671)	(169,062)
Developmental Impact Fee (Note 1)	47,632	77,072
County Tax Apportionment (Note 1)	67,174	60,546
Interest Expense	(200,773)	(211,766)
Net Gain (Loss) from Sale of Capital Assets	-	3,097
	(151,321)	(225,131)
INCOME BEFORE CONTRIBUTIONS	474,756	466,732
CAPITAL CONTRIBUTIONS		
Amoritization on Contributed Capital	(16,938)	(16,938)
	(16,938)	(16,938)
CHANGE IN NET POSITION	457,818	449,794
NET POSITION, BEGINNING OF YEAR	9,742,290	9,292,496
NET POSITION, END OF YEAR	\$ 10,200,108	\$ 9,742,290

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Water, Sewer and Trash Services	\$ 3,369,876	\$ 3,901,885
Cash Payments to Contract and Water System Services	(1,720,886)	(1,814,691)
Cash Payments to Maintenance and Administration Services	(344,599)	(219,444)
Cash Payments to Employees for Services	(731,367)	(673,836)
	<u>573,024</u>	<u>1,193,914</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Tax Apportionment	67,174	60,546
	<u>67,174</u>	<u>60,546</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
	<u>573,024</u>	<u>1,193,914</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Tax Apportionment	67,174	60,546
	<u>67,174</u>	<u>60,546</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
	<u>573,024</u>	<u>1,193,914</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Paid for Acquisition and Construction of Capital Assets	(37,335)	(2,451,448)
Capital Contributions	47,632	77,072
Principal Paid on Debt	(343,288)	(337,403)
Interest Paid on Debt	(204,059)	(215,537)
Proceeds from Sale of Assets	-	3,390
	<u>-</u>	<u>3,390</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		
	<u>(537,050)</u>	<u>(2,923,926)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Earnings	18,955	15,103
	<u>18,955</u>	<u>15,103</u>
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
	<u>18,955</u>	<u>15,103</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	<u>122,103</u>	<u>(1,654,363)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		
	<u>5,100,980</u>	<u>6,755,343</u>
CASH AND CASH EQUIVALENTS - END OF YEAR		
	<u>\$ 5,223,083</u>	<u>\$ 5,100,980</u>

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Cash Flows - Continued
Years Ended June 30, 2016 and 2015

	2016	2015
RECONCILIATION OF OPERATING INCOME		
TO NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Operating Income	<u>\$ 626,077</u>	<u>\$ 691,863</u>
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and Amortization	306,529	269,258
Bad Debt Expense	4,249	2,357
(Increase) Decrease in Accounts and Other Receivables	(592,652)	16,112
(Increase) Decrease in Prepaid Expenses	(197,730)	435
(Increase) in Inventory	10,451	8,086
Increase (Decrease) in Accounts Payable and Other Liabilities	411,513	216,488
Increase in Accrued Payroll Taxes and Benefits	11,642	(1,350)
(Decrease) in Deposits	<u>(7,055)</u>	<u>(9,335)</u>
TOTAL ADJUSTMENTS	<u>(53,053)</u>	<u>502,051</u>
NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES	<u>\$ 573,024</u>	<u>\$ 1,193,914</u>
SUPPLEMENTAL DISCLOSURES		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	4,724,703	4,598,380
Restricted Cash and Cash Equivalents	<u>393,380</u>	<u>397,600</u>
Total	<u>\$ 5,223,083</u>	<u>\$ 5,100,980</u>
Non-cash Investing and Financing Activities consisted of the following:		
Amortization Related to Long-term Debt	\$ 46,067	\$ 46,067
Amortization on Contributed Capital	\$ 16,938	\$ 16,938

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The Channel Islands Beach Community Services District, a public agency, was created by election held on November 2, 1982 as the first such district in Ventura County. The District began operations December 13, 1982 pursuant to the Community Services District Law of the State of California, as amended, with authority under the Government Code, Section 61000 et. seq. The District's major utility operations include the provision of water, sewer and trash utility services.

The Channel Islands Beach Community Services District is a successor district to its first predecessor agency, the Oxnard Beach County Water District ("OBCWD"), which was organized on January 28, 1960. Its inception resulted from the merging of three mutual water companies for the purpose of more economically providing water services to the beach communities and County of Ventura Channel Islands Harbor facilities. The District's immediate predecessor agency, the Channel Islands County Water District, succeeded OBCWD in 1973, followed by the Channel Islands Beach Community Services Districts' succession by its formation in 1982.

The Channel Islands Beach Community Services District is located on the coastal plain of Ventura County. The District comprises an unincorporated total of 6,630 acres; however, the major portion of this acreage is in a seaward extension to the three-mile limit. The developed portion of the District, which is on the county assessment rolls, lies around the Channel Islands Harbor and comprises about 151 acres. The District is bound on the east by the United States Naval Base Ventura County, Port Hueneme, on the north and west by portions of the Cities of Oxnard and Port Hueneme, and on the south by the Pacific Ocean.

The Channel Islands Beach Community Services District serves the communities of Hollywood Beach, Hollywood by the Sea and Silver Strand. The District also serves an adjacent incorporated portion of the Channel Islands Harbor, which is outside the District's boundaries, pursuant to existing service agreements with the County of Ventura and the City of Oxnard.

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standard Board Statement No. 72

In February of 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value 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 measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement No. 72 is effective for periods beginning after June 15, 2015. The District implemented GASB No. 72 and is reflected on the District's financial statements.

C) Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary funds distinguishes operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and services while operating expenses pertain directly the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and services.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E) 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 expenses during the reporting period. Actual results could differ from those estimates.

F) Restricted Net Position

Restricted net position represents restricted assets net of liabilities and related deferred inflows of resources that relate to those specific restricted assets. Restricted net position is assets for which constraints have been placed on the asset's use by creditors, contributors, laws or regulations of other governments, or as a consequence of a restriction established by the reporting government's own governing body at the time a particular fee, charge, levy, or assessment was approved. These restrictions must be more narrow than the general purposes for which the reporting government can use its resources.

A liability is considered to relate to restricted assets if the restricted assets resulted from the incurring of that liability or if the liability will be liquidated with those specific restricted assets held at year end.

G) Budgetary Data

Formal budgetary accounting is employed as a management control for the District. Annual operating budgets are adopted each fiscal year on the budgetary basis in accordance with existing legal requirements. Budgetary control is exercised at the utility enterprise divisional program level. The District did not modify their adopted budget for the year ended June 30, 2016.

The encumbrance method of accounting for budget information is not employed by the District.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H) Investments

As a governmental entity other than an external investment pool in accordance with GASB 31, the District's investments are stated at fair value except for interest-earning investment contracts (See Notes 2 and 3).

In applying GASB 31, the District utilized the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - a) Items required to be reported at amortized cost,
 - b) Items in external pools that are not SEC registered,
 - c) Items subject to involuntary participation in an external pool,
 - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) The gain/loss resulting from valuation will be reported within the revenue account "investment earnings" on the Statement of Revenues and Expenses.

In accordance with GASB Statement 9, for purposes of the statement of cash flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents.

I) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

J) Net Position

GASB No. 63 requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K) Accounts Receivable

Accounts receivable include \$150,357 and \$145,331 of unbilled utility services as of June 30, 2016 and 2015, respectively, which is attributable to the second half of the June 30th service period billed in July. The District has established a reserve for doubtful accounts based on the prior three years of bad debts. The amount of the reserve for doubtful accounts at June 30, 2016 and 2015 was \$5,000 and \$5,000 respectively. The Bad Debt expense was \$4,249 and \$2,357 as of June 30, 2016 and 2015, respectively.

L) Other Receivables and Other Liabilities

Other receivables include \$1,148,820 and \$566,626 from the City of Oxnard as of June 30, 2016 and 2015. The District and the City of Oxnard share a pipeline for wastewater transportation and treatment in which the City of Oxnard reimburses the District for the estimated cost for their portion of the use of the pipeline. Other liabilities, also, includes amounts accrued for trash services of \$20,000 and \$22,445 respectively, as of June 30, 2016 and 2015.

M) Inventory and Prepaid Items

Inventory is valued at the lower of cost (first-in, first-out) or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items include \$13,380 for insurance and dues, and \$194,633 for water purchases (Port Hueneme Water Agency true-up), as of June 30, 2016. Prepaid items include \$10,283 for insurance and dues as of June 30, 2015.

N) County Tax Apportionment

Taxes are considered revenue in the year in which collections are made, as that is when they are both measurable and available.

The District utilizes the services of Ventura County for the assessment and collection of taxes (special benefit assessments and general property taxes). These taxes are collected at the same time and on the same tax rolls as are county, cities, school districts and other special district taxes. Assessed valuations are the same for both District and County taxing purposes. The District receives an apportionment of the County's one percent (1%) maximum property tax levy. The percentage of tax that the District receives is determined by a formula prepared by the Ventura County Tax Assessor in accordance with State law. The valuation of property is determined as of March 1 of each year. Secured taxes are payable in two installments the first is due November 1, and the second due February 1. Such taxes are considered delinquent if not paid by December 10 and April 10 immediately following their respective due dates. Taxes on unsecured property are due March 1 and become delinquent August 31 and such taxes are levied at the prior years' secured tax rate. The county wide 1% levy has been pledged to debt service of the District.

O) Bond Discounts and Premiums

The District amortizes bond discounts and premiums using the straight-line method over the term of the related bond issue. The current related bond issue is the Sewer Revenue Bonds Series 2005A.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

P) Compensated Absences

Employees are entitled to accumulate vacation leave at a rate of two, three or four weeks per year, depending on the number of years of service completed. Upon termination, separation, or retirement, each employee is paid for all their accumulated vacation hours at the hourly rate then in effect. In accordance with accounting principles generally accepted in the United States of America, the liability is reflected in the line item for accrued payroll, taxes and benefits on the statement of net position and the current year allocation has been expensed.

Employees are entitled to accumulate sick leave at a rate of twelve days per year. Once during a twelve month period, an employee may request to exchange excess sick leave accruals for vacation hours at the rate of one hour of vacation time for each two hours of sick leave accrued if they comply with the following conditions: 1) must have accrued at least twelve days of unused sick leave and used six days or less during the previous twelve months, and 2) must maintain a sick leave accrual balance of at least ten days of sick leave after the once a year exchange of excess sick leave for vacation hours takes place. Upon termination, separation, or retirement, each employee is paid for all their accumulated sick leave at the hourly rate in effect. In accordance with accounting principles generally accepted in the United States of America, the liability is reflected in the line item for accrued payroll, taxes and benefits on the statement of net position and the current year allocation has been expensed.

Q) Contributed Capital

Contributed capital represents cash or utility plant additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment. In accordance with GASB Statement 33 all such capital contributions are reflected as revenues.

R) Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

2) CASH AND INVESTMENTS

The District has defined cash for purposes of the statement of cash flows to include cash on hand, demand deposits and cash with the County Treasurer.

The District participates in the County Pool Investment Program with interest being allocated on the basis of deposit in the Treasury. Investment policies and associated risk factors applicable to District monies are those of the County of Ventura and are included in the County's Annual Financial Report. The carrying value and estimated market value of the County of Ventura Pool at June 30, 2016, were \$2,092,243,347 and \$2,095,922,399, respectively. The District's share of the Pool at June 30, 2016, was approximately 0.2060 percent.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

The District utilized a commercial bank for all operational transactions. The District invests cash with the County Treasurer and in Union Bank (fiscal agent for proceeds of debt). At June 30, 2016 and 2015 the carrying amount of the District's petty cash, deposits and investments were \$5,223,083 and \$5,100,980 and are broken down as follows:

	2016	2015
Petty Cash	\$ 500	\$ 500
Union Bank	334,403	331,410
County Treasury	4,309,159	4,227,594
First California Bank	579,021	541,476
 Total	\$ 5,223,083	\$ 5,100,980

The District has adopted an investment policy, which authorizes the District's investment in local obligations, obligations of the United States Treasury and agencies, the County Pool Investment Program, savings and other interest bearing accounts. The District selects its investments based on safety, liquidity and yield.

Cash and Investments are classified in the accompanying financial statements as follows:

	2016	2015
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	4,724,703	4,598,380
Restricted Cash and Cash Equivalents	393,380	397,600
 Total Cash and Investments	\$ 5,223,083	\$ 5,100,980

Cash and investments consist of the following:

	2016	2015
Cash on Hand	\$ 500	\$ 500
Deposits with Financial Institutions	579,021	541,476
Ventura County Treasurer's Pooled Investments	4,309,159	4,227,594
Investments	334,403	331,410
 Total Cash and Investments	\$ 5,223,083	\$ 5,100,980

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. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of *Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Mutual Funds	N/A	20%	10%
County Pooled Investment Funds	N/A	None	None

*Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

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

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 rates 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 evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2016, the District had the following investments:

		<u>Maturity Date</u>
Ventura County Treasurer's Pooled Investments	\$ 4,309,159	N/A
Held by Bond Trustee: Money Market Funds	<u>334,403</u>	N/A
Total	<u>\$ 4,643,562</u>	

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 below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk - Continued

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	\$ 4,309,159	N/A	\$ -	\$ 4,309,159	\$ -	\$ -
Held by Bond Trustee: Money Market Funds	<u>334,403</u>	A	<u>-</u>	<u>334,403</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,643,562</u>		<u>\$ -</u>	<u>\$ 4,643,562</u>	<u>\$ -</u>	<u>\$ -</u>

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Government Code. The District has no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total District's investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Entity'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 government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2016, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Cash and Investments with Fiscal Agent - Restricted Assets

Cash and investments held and invested by fiscal agents on behalf of the District are pledged for payment or security of certain long-term debt issuances and construction projects. Fiscal agents are mandated by bond indentures as to the types of investments in which debt proceeds can be invested. The investments predominately consist of Governments securities which are held in book entry form by the trustee.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

Board Restricted Cash

Cash is Board restricted for the cost of the following District projects:

	2016	2015
Water and Sewer Distribution Unanticipated		
Repairs and Maintenance	\$ 3,271,749	\$ 2,723,941
Rate Stabilization	1,172,954	1,594,439
Reserved for Operations	280,000	280,000
Total	\$ 4,724,703	\$ 4,598,380

Restricted Cash

Cash is restricted for the following:

	2016	2015
Debt Service and Capital Improvements:		
Sewer Revenue Bond Series 2005A	\$ 320,685	\$ 317,850
Customer Deposits	72,695	79,750
Total	\$ 393,380	\$ 397,600

3) FAIR VALUE MEASUREMENTS

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

3) FAIR VALUE MEASUREMENTS - Continued

Fair value of assets measured on a recurring basis are as follows:

	2016		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 4,309,159	\$ -	\$ 4,309,159
Held by Bond Trustee: Money Market Funds	334,403	-	334,403
Total Investments	<u>\$ 4,643,562</u>	<u>\$ -</u>	<u>\$ 4,643,562</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 3,366,443	\$ 3,366,443	\$ -
	2015		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 4,227,594	\$ -	\$ 4,227,594
Held by Bond Trustee: Money Market Funds	331,410	-	331,410
Total Investments	<u>\$ 4,559,004</u>	<u>\$ -</u>	<u>\$ 4,559,004</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 3,471,053	\$ 3,471,053	\$ -

The Ventura County Treasurer's Pooled Investments and money market funds and money market mutual funds are exempt under GASB No. 72 fair value measurements. The Investment in Water JPA, Net of Accumulated Depreciation, classified in Level 3 is valued using the equity method. See Note 10.

4) CAPITAL ASSETS

Minor expenditures for renewals and betterment are charged to expense. Major expenditures for renewals and betterment are capitalized. Costs of assets sold, retired or otherwise disposed of have been eliminated from accounts, and gains or losses on disposition are included in operations. Public domain (infrastructure) fixed assets are capitalized and include water distribution systems and sewer collection systems. Donated land is recorded at estimated or appraised value at the date donated to the District, as required by generally accepted accounting principles.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

4) CAPITAL ASSETS - Continued

The cost of capital assets is depreciated over the estimated lives of the assets on the straight-line method of depreciation. Estimated useful lives are:

Category	Life in years
Office Furniture and Equipment	5 to 10
Mobile Equipment	3 to 5
Tools and Shop Equipment	10
Office Building	20
Water System/Plant	25 to 50
1911 Act Sewer Lines	40

A summary of changes in capital assets for the year is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Total Capital Assets, Not Depreciated	42,060	-	-	42,060
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	77,164	22,238	12,492	86,910
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	253,828	-	3,009	250,819
Office Building	96,393	-	-	96,393
1911 Act Sewer Line	6,528,920	15,097	-	6,544,017
Water Distribution System	2,958,754	-	-	2,958,754
Total Capital Assets, Being Depreciated	10,090,926	37,335	15,501	10,112,760
Less Accumulated Depreciation:				
Office Furniture and Equipment	(73,601)	(3,853)	(12,492)	(64,962)
Vehicles	(125,363)	(13,084)	-	(138,447)
Tools and Shop Equipment	(198,032)	(8,827)	(3,009)	(203,850)
Office Building	(80,686)	(1,084)	-	(81,770)
1911 Act Sewer Line	(1,468,806)	(146,390)	-	(1,615,196)
Water Distribution System	(2,112,846)	(87,224)	-	(2,200,070)
Total Accumulated Depreciation	(4,059,334)	(260,462)	(15,501)	(4,304,295)
Total Capital Assets, Being Depreciated, Net	6,031,592	(223,127)	-	5,808,465
Capital Assets, Net of Depreciation	\$ 6,073,652	\$ (223,127)	\$ -	\$ 5,850,525

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

5) LONG-TERM DEBT

The following is a summary of the changes in Long-Term Debt:

<u>Changes in Long-Term Debt</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2005A Sewer Revenue Bond Series	\$ 3,000,000	\$ -	\$ 85,000	\$ 2,915,000	\$ 90,000
2012 Water Refunding Bond Series	1,965,724	-	258,288	1,707,436	263,630
Premiums on Bonds	23,164	-	1,130	22,034	-
Total	\$ 4,988,888	\$ -	\$ 344,418	\$ 4,644,470	\$ 353,630

Bonds Payable

In 2006, the District issued \$3,455,000 in Sewer Revenue Certificates of Participation Series 2005A to fund certain improvements to the Sewer System and to the Water System. The Certificates interest rates range from 3.70% to 5.25%. Interest on the Certificates is payable November 1st and May 1st of each year. Principal on the Certificates is payable in annual installments ranging from \$70,000 to \$225,000 commencing November 1, 2009 through November 1, 2035. At June 30, 2016, the District has a cash reserve balance for debt service of \$236,310 which is sufficient to cover the Certificates Indenture Reserve Requirement.

In June 2012, the District issued \$2,716,072 in Water Revenue Refunding Bonds Series 2012 to advance refund the 2005B Revenue Refunding Certificates of Participation. The bonds interest rate is 3.05%. Interest on the bonds is payable September 1st and March 1st of each year. Principal on the bonds is payable in annual installment ranging from \$240,984 to \$303,604 commencing September 1, 2012 through September 1, 2021.

Future debt requirements are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Sewer Bond</u> <u>Series 2005A</u>		<u>Water Bond</u> <u>Series 2012</u>		<u>Total</u> <u>Debt Requirements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 90,000	\$ 144,242	\$ 263,630	\$ 48,056	\$ 353,630	\$ 192,298
2018	95,000	140,173	272,961	39,873	367,961	180,046
2019	100,000	135,833	281,332	31,420	381,332	167,253
2020	105,000	131,193	289,240	22,719	394,240	153,912
2021	105,000	126,390	296,669	13,784	401,669	140,174
2022-2026	615,000	549,931	303,604	4,630	918,604	554,561
2027-2031	785,000	375,244	-	-	785,000	375,244
2032-2036	<u>1,020,000</u>	<u>139,388</u>	-	-	<u>1,020,000</u>	<u>139,388</u>
Total	<u>\$2,915,000</u>	<u>\$ 1,742,394</u>	<u>\$ 1,707,436</u>	<u>\$ 160,482</u>	<u>\$ 4,622,436</u>	<u>\$ 1,902,876</u>

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

5) LONG-TERM DEBT - Continued

Revenues Pledged

The District has pledged a portion of future sewer revenues and a portion of investment earnings to repay the District's Sewer Revenue Certificates of Participation Series 2005A. The District's Sewer Certificates of Participation are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Sewer Certificates of Participation are \$4,657,394, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings were \$85,000 and \$148,050, respectively.

The District has pledged a portion of water revenues and a portion of investment earnings to repay the District's Water Revenue Refunding Certificates of Participation Series 2012. The District's Water Certificates of Participation are payable solely from water revenues and a portion of investment earnings. Total principal and interest remaining on the Water Certificates of Participation are \$1,867,918, payable through fiscal year 2022. For the current year, principal and interest paid by water revenues and investment earnings were \$258,288 and \$56,016, respectively.

6) NET POSITION

Net position at June 30, 2016 and 2015, consisted of the following:

	2016	2015
Invested in Capital Assets:		
Net Investment in Capital Assets	\$ 1,690,147	\$ 1,615,943
Total Invested in Capital Assets	1,690,147 ⁽¹⁾	1,615,943 ⁽²⁾
Unrestricted Net Position	8,509,961	8,126,347
Total Net Position	\$ 10,200,108	\$ 9,742,290

⁽¹⁾ As of June 30, 2016, \$247,783 of deferred outflows of resources and \$(4,408,161) of capital related debt (net of reserves) were included in the net investment in capital assets.

⁽²⁾ As of June 30, 2015, \$294,979 of deferred outflows of resources and \$(4,752,688) of capital related debt (net of reserves) were included in the net investment in capital assets.

7) RETIREMENT PLAN

The District established a retirement plan for all eligible District employees during the year ended June 30, 1986. All full time, classified employees qualify. The plan is an Internal Revenue Service Code Section 457, Public Employees Deferred Compensation Plan. Contributions by employees are voluntary, and may be in any fixed amount, with modifications available at fixed intervals. The District contributes 10% of gross pay, with all contributions being currently funded. The District begins to deposit its contributions to the employee's annuity account upon successful completion of the employee's initial six (6) month probationary period. Vesting of the District's contributions begins at the end of the first year of employment. Thirty three and one third percent (33.3%) vests at the end of the first year, sixty-six and two thirds percent (66.6%) vests at the end of the second year, and one-hundred percent (100%) or full vesting occurs at the end of the third year of service, as measured from the date of initial hire of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

7) RETIREMENT PLAN - Continued

Participants may select from various investment fund options for the investment of their contributions and matching employer contributions. Employees may also select retirement benefit options ranging from lump sum distributions to life annuities upon separation from service.

The Deferred Compensation Plan is administered by Nationwide Retirement Solutions, Inc.

As a result of legislative changes, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to the legislative changes, these amounts were solely the property and rights of the District subject only to the claims of the District's general creditors. As a result, as of June 30, 1999, the deferred compensation investments are no longer reported in the District's financial statements.

8) INCOME TAX

The District is exempt from income taxes.

9) JOINT POWERS AGENCY (ACWAJPIA)

The District is a member of the Association of California Water Agency Joint Powers Insurance Authority (ACWAJPIA). The District receives the benefits of the pooled insurance risk program, but not as an equity member of the authority. Total insurance payments for the year ended June 30, 2016 and 2015 were \$31,297 and \$20,663 respectively.

10) PORT HUENEME WATER AGENCY/JOINT VENTURE

In 1994, the CIBCSO entered into a Joint Powers Agency Agreement (JPA) with the City of Port Hueneme (COPH) to create the Port Hueneme Water Agency (PHWA). The JPA was formed in order to develop a subregional Water Quality Improvement Program to address the need for area-wide planning, coordination, development, financing, constructions and operation of a water desalination plant and the necessary transport facilities to service the water need of CIBCSO, COPH, the US Navy installations at the Naval Base Ventura County, Port Hueneme. The PHWA is responsible to design, construct and operate facilities necessary to deliver a combination of ground water and imported water.

Financial statements for the PHWA can be obtained through the COPH.

CIBCSO's percentage share in PHWA's cost of the improvements and related liabilities varies from 0% to 86%, based on each party's share of the facilities - overall the total cost of improvements through June 30, 2016 was \$15,837,984, of which CIBCSO's share was \$3,129,814. CIBCSO's share in ongoing operating costs vary from 12% to 16% for certain fixed costs; other variable operating costs are allocated based on the volume of water delivered to each party.

CIBCSO uses the equity method to account for its share of the JPA according to the joint venture agreement. The initial investment was recorded at cost.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2016 and 2015

10) PORT HUENEME WATER AGENCY/JOINT VENTURE - Continued

CIBCSD's share of joint venture's net income is reported in CIBCSD's operating statement as a profit or loss in the joint venture. Nonoperating transactions between CIBCSD and the joint venture increase or decrease the equity interest. A summary of the assets, liabilities and results of operations of PHWA are as follows.

	2016	2015
Total Assets	\$ 19,437,574	\$ 18,999,794
Total Liabilities	2,402,161	1,435,022
Net Position		
Net Investment in Capital Assets	15,315,287	15,887,452
Restricted for Operations	522,700	367,223
Unrestricted	1,197,426	1,310,097
Total Net Position	\$ 17,035,413	\$ 17,564,772
	2016	2015
Total Revenues	\$ 4,109,638	\$ 4,256,886
Total Expenses	(4,638,997)	5,198,114
Net Increase (Decrease) in Net Position	\$ (529,359)	\$ (941,228)
CIBCSD's report its share of the PHWA as follows:		
Investment in PHWA	\$ 3,366,443	\$ 3,471,053
Profit (Loss) in PHWA Joint Venture	\$ (87,671)	\$ (169,062)
Amortization on Contributed Capital	\$ (16,938)	\$ (16,938)

11) SUBSEQUENT EVENTS

In September 2016, the District issued \$2,605,000 in Wastewater Revenue Refunding Bonds Series 2016 to advance refund the 2005A Sewer Revenue Certificates of Participation. The bonds interest rates range from 2% to 4%. Interest on the bonds is payable November 1st and May 1st of each year. Principal on the bonds is payable in annual installments, ranging from \$95,000 to \$180,000, commencing November 1, 2017 through November 1, 2035.

On August 9, 2016, the District adopted Ordinance 85 which changed the water and wastewater service charges structure that became effective on September 15, 2016.

SUPPLEMENTAL INFORMATION

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 1,710,000	\$ 1,598,172	\$ (111,828)
Sewer Revenue	1,142,560	1,115,762	(26,798)
Sewer Revenue - Oxnard	608,440	582,194	(26,246)
Trash Revenue	667,680	666,400	(1,280)
Total Operating Revenues	<u>4,128,680</u>	<u>3,962,528</u>	<u>(166,152)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	743,000	604,009	138,991
Water Samples	14,000	11,948	2,052
SDHS Annual Admin. Fee	6,400	5,069	1,331
Cross Connect Contract Charges	1,600	1,633	(33)
Repairs and Maintenance - Distribution	66,000	84,442	(18,442)
Water Quality Report	1,600	1,483	117
Capital Replacement Fund	112,128	-	112,128
Total Water System Expenses	<u>944,728</u>	<u>708,584</u>	<u>236,144</u>
Sewer System Expenses:			
Waste Water Transportation - Oxnard	655,000	607,717	47,283
Operations and Maintenance	115,000	104,464	10,536
Telemetry	15,500	20,232	(4,732)
Power	21,000	15,077	5,923
Capital Replacement Fund	208,656	-	208,656
Total Sewer System Expenses	<u>1,015,156</u>	<u>747,490</u>	<u>267,666</u>
Trash Expenses:			
Trash Services	489,000	474,637	14,363
Total Trash Expenses	<u>489,000</u>	<u>474,637</u>	<u>14,363</u>
Maintenance Expenses:			
Vehicle Maintenance Expenses	6,000	8,311	(2,311)
Building Security	860	837	23
Building Maintenance	18,500	7,382	11,118
Sign and Banner Expense	1,500	-	1,500
Public Landscape Project	1,500	1,559	(59)
Employee Workplace Safety	4,000	3,682	318
Gasoline Expenses	15,000	12,043	2,957
Emergency Preparedness Expense	1,500	527	973
Total Maintenance Expenses	<u>\$ 48,860</u>	<u>\$ 34,341</u>	<u>\$ 14,519</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Salaries and Benefits:			
Regular Salaries	\$ 531,030	\$ 547,873	\$ (16,843)
Retirement Benefits	53,103	51,607	1,496
Uniforms	2,600	2,721	(121)
Group Insurance	105,700	110,528	(4,828)
Worker's Compensation Insurance	17,000	14,475	2,525
Payroll Taxes	15,400	12,817	2,583
Employee Educational Expense	3,000	2,988	12
	<u>727,833</u>	<u>743,009</u>	<u>(15,176)</u>
Administrative Expenses:			
Regular Board Payments	7,500	6,100	1,400
Special Board Meetings	2,300	2,000	300
Board/Committee Expenses	1,300	358	942
Conferences and Seminars - Board	4,000	4,800	(800)
Board Travel and Lodging	5,000	10,306	(5,306)
Dues/Membership - District	18,500	17,202	1,298
Office Supplies	7,000	6,399	601
E-Pay Online	6,750	6,670	80
Communications	14,000	15,025	(1,025)
Printing and Publications	5,000	2,592	2,408
Postage and Shipping	15,000	15,722	(722)
Utilities	3,000	3,300	(300)
Miscellaneous Office Expense	11,300	11,010	290
Other Professional Services	10,000	81,740	(71,740)
Office Equipment Maintenance	6,000	6,794	(794)
Equipment Purchases	44,500	-	44,500
Insurance	22,200	28,199	(5,999)
Accounting Services	42,000	36,700	5,300
Computer Services	13,600	15,841	(2,241)
Legal Services	25,000	41,472	(16,472)
Engineering Services	51,000	-	51,000
Bank and Trustee Fees	6,000	1,778	4,222
Legal Notices Publication Expense	5,000	3,604	1,396
Public Information Expense	1,500	-	1,500
	<u>\$ 327,450</u>	<u>\$ 317,612</u>	<u>\$ 9,838</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Other Operating Expenses:			
Depreciation	\$ -	\$ 260,462	\$ (260,462)
Amortization	-	46,067	(46,067)
Bad Debt	-	4,249	(4,249)
Total Other Operating Expenses	-	310,778	(310,778)
Total Operating Expenses	3,553,027	3,336,451	216,576
OPERATING INCOME (LOSS)	575,653	626,077	50,424
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
Investment Earnings	6,500	22,317	15,817
Net Gain (Loss) from Joint Venture	-	(87,671)	(87,671)
Developmental Impact Fee	-	47,632	47,632
County Tax Apportionment	55,000	67,174	12,174
Total Nonoperating Revenues	61,500	49,452	(12,048)
Nonoperating Expenses:			
Interest Expense	204,066	200,773	3,293
Total Nonoperating Expenses	204,066	200,773	3,293
Total Nonoperating Revenues and Expenses	(142,566)	(151,321)	(8,755)
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 433,087	\$ 474,756	\$ 41,669

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 1,710,000	\$ 1,598,172	\$ (111,828)
Total Operating Revenues	<u>1,710,000</u>	<u>1,598,172</u>	<u>(111,828)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	743,000	604,009	138,991
Water Samples	14,000	11,948	2,052
SDHS Annual Admin. Fee	6,400	5,069	1,331
Cross Connect Contract Charges	1,600	1,633	(33)
Repairs and Maintenance - Distribution	66,000	84,442	(18,442)
Water Quality Report	1,600	1,483	117
Capital Replacement Fund	<u>112,128</u>	<u>-</u>	<u>112,128</u>
Total Water System Expenses	<u>944,728</u>	<u>708,584</u>	<u>236,144</u>
Maintenance Expenses:			
Vehicle Maintenance Expenses	2,460	3,408	(948)
Building Security	215	209	6
Building Maintenance	4,625	1,846	2,779
Sign and Banner Expense	375	-	375
Employee Workplace Safety	1,640	1,510	130
Gasoline Expenses	6,150	4,938	1,212
Emergency Preparedness Expense	<u>375</u>	<u>132</u>	<u>243</u>
Total Maintenance Expenses	<u>15,840</u>	<u>12,043</u>	<u>3,797</u>
Salaries and Benefits:			
Regular Salaries	207,102	213,669	(6,567)
Retirement Benefits	20,710	20,127	583
Uniforms	1,066	1,116	(50)
Group Insurance	41,223	43,106	(1,883)
Worker's Compensation Insurance	6,630	5,645	985
Payroll Taxes	6,006	4,998	1,008
Employee Educational Expense	<u>1,200</u>	<u>1,195</u>	<u>5</u>
Total Salaries and Benefits	<u>\$ 283,937</u>	<u>\$ 289,856</u>	<u>\$ (5,919)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water - Continued
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 2,250	\$ 1,830	\$ 420
Special Board Meetings	690	600	90
Board/Committee Expenses	390	107	283
Conferences and Seminars - Board	1,360	1,632	(272)
Board Travel and Lodging	2,000	4,122	(2,122)
Dues/Membership - District	7,585	7,053	532
Office Supplies	2,240	2,048	192
E-Pay Online	2,295	2,268	27
Communications	3,500	3,756	(256)
Printing and Publications	1,500	778	722
Postage and Shipping	4,500	4,717	(217)
Utilities	900	990	(90)
Miscellaneous Office Expense	3,390	3,303	87
Other Professional Services	3,000	24,522	(21,522)
Office Equipment Maintenance	2,880	3,261	(381)
Equipment Purchases	16,465	-	16,465
Insurance	7,770	9,870	(2,100)
Accounting Services	18,480	16,148	2,332
Computer Services	4,080	4,752	(672)
Legal Services	11,000	18,248	(7,248)
Engineering Services	7,650	-	7,650
Bank and Trustee Fees	960	284	676
Legal Notices Publication Expense	1,700	1,225	475
Public Information Expense	375	-	375
	<u>106,960</u>	<u>111,514</u>	<u>(4,554)</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	132,835	(132,835)
Amortization	-	47,197	(47,197)
Bad Debt	-	1,445	(1,445)
	<u>-</u>	<u>181,477</u>	<u>(181,477)</u>
Total Other Operating Expenses			
	<u>1,351,465</u>	<u>1,303,474</u>	<u>47,991</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>\$ 358,535</u>	<u>\$ 294,698</u>	<u>\$ (63,837)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Sewer Revenue	\$ 1,142,560	\$ 1,115,762	\$ (26,798)
Sewer Revenue - Oxnard	608,440	582,194	(26,246)
Total Operating Revenues	<u>1,751,000</u>	<u>1,697,956</u>	<u>(53,044)</u>
OPERATING EXPENSES			
Sewer System Expense:			
Waste Water Transportation - Oxnard	655,000	607,717	47,283
Operations and Maintenance	115,000	104,464	10,536
Telemetry	15,500	20,232	(4,732)
Power	21,000	15,077	5,923
Capital Replacement Fund	208,656	-	208,656
Total Sewer System Expenses	<u>1,015,156</u>	<u>747,490</u>	<u>267,666</u>
Maintenance Expenses:			
Vehicle Maintenance Expenses	2,280	3,158	(878)
Building Security	215	210	5
Building Maintenance	4,625	1,846	2,779
Sign and Banner Expense	375	-	375
Employee Workplace Safety	1,520	1,399	121
Gasoline Expenses	5,700	4,576	1,124
Emergency Preparedness Expense	375	132	243
Total Maintenance Expenses	<u>15,090</u>	<u>11,321</u>	<u>3,769</u>
Salaries and Benefits:			
Regular Salaries	185,860	191,756	(5,896)
Retirement Benefits	18,586	18,062	524
Uniforms	988	1,034	(46)
Group Insurance	36,995	38,685	(1,690)
Worker's Compensation Insurance	5,950	5,066	884
Payroll Taxes	5,390	4,486	904
Employee Educational Expense	1,200	1,195	5
Total Salaries and Benefits	<u>\$ 254,969</u>	<u>\$ 260,284</u>	<u>\$ (5,315)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 2,250	\$ 1,830	\$ 420
Special Board Meetings	690	600	90
Board/Committee Expenses	390	107	283
Conferences and Seminars - Board	1,360	1,632	(272)
Board Travel and Lodging	2,000	4,122	(2,122)
Dues/Membership - District	5,920	5,505	415
Office Supplies	2,240	2,048	192
E-Pay Online	2,228	2,201	27
Communications	3,500	3,756	(256)
Printing and Publications	1,500	778	722
Postage and Shipping	4,500	4,717	(217)
Utilities	900	990	(90)
Miscellaneous Office Expense	3,390	3,303	87
Other Professional Services	3,000	24,522	(21,522)
Office Equipment Maintenance	1,680	1,902	(222)
Equipment Purchases	24,920	-	24,920
Insurance	7,770	9,870	(2,100)
Accounting Services	13,440	11,744	1,696
Computer Services	4,080	4,752	(672)
Legal Services	8,000	13,271	(5,271)
Engineering Services	43,350	-	43,350
Bank and Trustee Fees	3,120	925	2,195
Legal Notices Publication Expense	1,650	1,189	461
Public Information Expense	375	-	375
	<u>142,253</u>	<u>99,764</u>	<u>42,489</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	119,813	(119,813)
Amortization	-	(1,130)	1,130
Bad Debt	-	1,402	(1,402)
	<u>-</u>	<u>120,085</u>	<u>(120,085)</u>
Total Other Operating Expenses			
	<u>1,427,468</u>	<u>1,238,944</u>	<u>188,524</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>\$ 323,532</u>	<u>\$ 459,012</u>	<u>\$ 135,480</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 3,575	\$ 12,274	\$ 8,699
Developmental Impact Fee	-	5,240	5,240
Total Nonoperating Revenues	<u>3,575</u>	<u>17,514</u>	<u>13,939</u>
Nonoperating Expenses:			
Interest Expense	<u>148,050</u>	<u>145,418</u>	<u>2,632</u>
Total Nonoperating Expenses	<u>148,050</u>	<u>145,418</u>	<u>2,632</u>
Total Nonoperating Revenues and Expenses	<u>(144,475)</u>	<u>(127,904)</u>	<u>16,571</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ 179,057</u>	<u>\$ 331,108</u>	<u>\$ 152,051</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Trash Revenue	\$ 667,680	\$ 666,400	\$ (1,280)
Total Operating Revenues	<u>667,680</u>	<u>666,400</u>	<u>(1,280)</u>
OPERATING EXPENSES			
Trash Expense:			
Trash Service	489,000	474,637	14,363
Total Trash Expense	<u>489,000</u>	<u>474,637</u>	<u>14,363</u>
Maintenance Expenses:			
Vehicle Maintenance Expenses	720	997	(277)
Building Security	215	209	6
Building Maintenance	4,625	1,846	2,779
Sign and Banner Expense	375	-	375
Employee Workplace Safety	480	442	38
Gasoline Expenses	1,800	1,445	355
Emergency Preparedness Expense	375	132	243
Total Maintenance Expenses	<u>8,590</u>	<u>5,071</u>	<u>3,519</u>
Salaries and Benefits:			
Regular Salaries	90,275	93,138	(2,863)
Retirement Benefits	9,028	8,773	255
Uniforms	312	327	(15)
Group Insurance	17,969	18,790	(821)
Worker's Compensation Insurance	2,890	2,461	429
Payroll Taxes	2,618	2,179	439
Employee Educational Expense	450	448	2
Total Salaries and Benefits	<u>123,542</u>	<u>126,116</u>	<u>(2,574)</u>
Administrative Expenses:			
Regular Board Payments	\$ 750	\$ 610	\$ 140
Special Board Meetings	230	200	30
Board/Committee Expenses	130	36	94
Conferences and Seminars - Board	640	768	(128)
Board Travel and Lodging	750	1,546	(796)
Dues/Membership - District	3,145	2,924	221
E-Pay Online	2,227	2,201	26

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal - Continued
Year Ended June 30, 2016

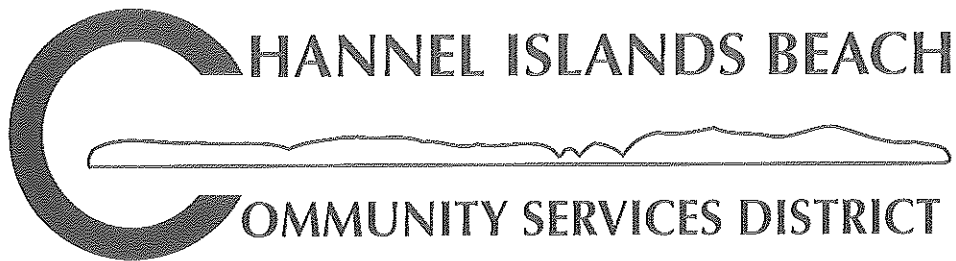
	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses: (Continued)			
Office Supplies	\$ 2,240	\$ 2,048	\$ 192
Communications	3,500	3,756	(256)
Printing and Publications	1,500	778	722
Postage and Shipping	4,500	4,717	(217)
Utilities	900	990	(90)
Miscellaneous Office Expense	3,390	3,303	87
Other Professional Services	3,000	24,522	(21,522)
Office Equipment Maintenance	1,200	1,359	(159)
Equipment Purchases	3,115	-	3,115
Insurance	2,220	2,820	(600)
Accounting Services	8,400	7,340	1,060
Computer Services	4,080	4,752	(672)
Legal Services	5,000	8,294	(3,294)
Bank and Trustee Fees	960	284	676
Legal Notices Publication Expense	1,650	1,190	460
Public Information Expense	375	-	375
	<u>53,902</u>	<u>74,438</u>	<u>(20,536)</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	7,814	(7,814)
Bad Debt	-	1,402	(1,402)
	<u>-</u>	<u>9,216</u>	<u>(9,216)</u>
Total Other Operating Expenses			
	<u>675,034</u>	<u>689,478</u>	<u>(14,444)</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>(7,354)</u>	<u>(23,078)</u>	<u>(15,724)</u>
Nonoperating Revenues:			
Investment Earnings	<u>650</u>	<u>2,232</u>	<u>1,582</u>
	<u>650</u>	<u>2,232</u>	<u>1,582</u>
Total Nonoperating Revenues			
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ (6,704)</u>	<u>\$ (20,846)</u>	<u>\$ (14,142)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Maintenance Expenses:			
Vehicle Maintenance Expenses	540	748	(208)
Building Security	215	209	6
Building Maintenance	4,625	1,844	2,781
Sign and Banner Expense	375	-	375
Public Landscape Project	1,500	1,559	(59)
Employee Workplace Safety	360	331	29
Gasoline Expenses	1,350	1,084	266
Emergency Preparedness Expense	375	131	244
Total Maintenance Expenses	<u>9,340</u>	<u>5,906</u>	<u>3,434</u>
Salaries and Benefits:			
Regular Salaries	47,793	49,310	(1,517)
Retirement Benefits	4,779	4,645	134
Uniforms	234	244	(10)
Group Insurance	9,513	9,947	(434)
Worker's Compensation Insurance	1,530	1,303	227
Payroll Taxes	1,386	1,154	232
Employee Educational Expense	150	150	-
Total Salaries and Benefits	<u>65,385</u>	<u>66,753</u>	<u>(1,368)</u>
Administrative Expenses:			
Regular Board Payments	\$ 2,250	\$ 1,830	\$ 420
Special Board Meetings	690	600	90
Board/Committee Expenses	390	108	282
Conferences and Seminars - Board	640	768	(128)
Board Travel and Lodging	250	516	(266)
Dues/Membership - District	1,850	1,720	130
Office Supplies	280	255	25
Communications	3,500	3,757	(257)
Printing and Publications	500	258	242
Postage and Shipping	1,500	1,571	(71)
Utilities	300	330	(30)

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service - Continued
Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses: (Continued)			
Miscellaneous Office Expense	\$ 1,130	\$ 1,101	\$ 29
Other Professional Services	1,000	8,174	(7,174)
Office Equipment Maintenance	240	272	(32)
Insurance	4,440	5,639	(1,199)
Accounting Services	1,680	1,468	212
Computer Services	1,360	1,585	(225)
Legal Services	1,000	1,659	(659)
Bank and Trustee Fees	960	285	675
Public Information Expense	375	-	375
	<u>24,335</u>	<u>31,896</u>	<u>(7,561)</u>
Other Operating Expenses:			
Depreciation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Operating Expenses	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	99,060	104,555	(5,495)
	<u>99,060</u>	<u>104,555</u>	<u>(5,495)</u>
OPERATING INCOME (LOSS)	<u>(99,060)</u>	<u>(104,555)</u>	<u>(5,495)</u>
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
County Tax Apportionment	55,000	67,174	12,174
	<u>55,000</u>	<u>67,174</u>	<u>12,174</u>
Total Nonoperating Revenues	55,000	67,174	12,174
	<u>55,000</u>	<u>67,174</u>	<u>12,174</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ (44,060)</u>	<u>\$ (37,381)</u>	<u>\$ 6,679</u>



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ELLEN SPIEGEL, Vice President
MARCIA MARCUS, Director
KRISTINA BREWER, Director
BOB NAST, Director

JARED BOUCHARD
General Manager

Regular Board Meeting March 14, 2017

To: Board of Directors

From: General Manager

Subject: Consider casting a vote for the 2nd Run Off Election for Independent Special Districts, Alternate Member to the Ventura LAFCO—term to end January 1, 2017

Agenda Item D-4

Attached is correspondence from the Ventura Local Agency Formation Commission containing the Official Ballot for the 2nd Run Off election of a Special District Alternate Member to the Ventura LAFCO.

There are 2 candidates with statements attached. The District cast its first ballot in the regular election on September 13, 2016 for Mike Mishler and second ballot supporting Mike Mishler in the first runoff election on November 10, 2016 . Mike Mishler has pulled his name from the 2nd runoff election and the Board may elect to cast a ballot for one of the two remaining candidates.

Recommendation: Board Discretion



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

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Received

FEB 22 2017

RUNOFF ELECTION SPECIAL DISTRICT ALTERNATE MEMBER

February 16, 2017

Chair of the Board
Channel Islands Beach Community Services District
353 Santa Monica Drive
Channel Islands, CA 93035-4473

RE: 2nd RUNOFF ELECTION – Ventura LAFCo Independent Special District Alternate Member

Dear President/Chair of the Board:

As you may recall, a runoff election was conducted to select the LAFCo special district alternate member. Ballots were due February 7. A total of 16 ballots were received and, based on the votes cast among the three candidates, no candidate received a majority of the votes of the quorum. Pursuant to the Rules and Regulations of the Ventura County Independent Special District Selection Committee (ISDSC), "A candidate shall be deemed elected upon receiving a majority of the votes of a quorum of the ISDSC. Should no candidate receive a majority vote, the two candidates receiving the highest number of votes shall then be voted upon." Candidates Al Fox and Andy Waters received the highest number of votes.

Enclosed please find your Official 2nd Runoff Ballot for the election of a special district alternate member to the Ventura LAFCo. This runoff election is being conducted by mail pursuant to California Government Code Section 56332(c) (or by email, if consent has been received by your District - see enclosed list of those districts which have consented to email), and is consistent with the Rules and Regulations of the Ventura County Independent Special Districts Selection Committee.

Please note that LAFCo special district members are to be selected by the *Independent Special District Selection Committee*, which is defined by state law as the "presiding officer of the legislative body of each independent special district" (Government Code §56325 and §56332). Neither LAFCo law nor the Brown Act requires that the presiding officer of the legislative body of a special district make his or her selection under Government Code section 56332 at a public meeting or obtain the approval of the legislative body before making the selection. Therefore, unless your district's enabling statutes or other laws or local rules and policies require it, you as the presiding officer may be able to cast your vote in the runoff election without first holding a public meeting. Thus, if

you determine that this option is available to you, it would allow for a more expeditious way to cast your ballot.

INSTRUCTIONS

- Use the enclosed Official Runoff Ballot to vote for only one candidate.
- The Ballot must be signed by the district president/chair or presiding officer.
- All ballots being returned via US Mail must be returned via CERTIFIED MAIL to the Ventura LAFCo at the address listed above. Districts that have previously consented to conduct this election via email can email a copy of the signed ballot to:
kai.luoma@ventura.org.
- **BALLOTS MUST BE RECEIVED BY 5:00 p.m. Monday, April 3, 2017. (Ballots received after 5:00 p.m. Monday, April 3, 2017 will not be counted.)**

There are 30 independent special districts eligible to vote in this election and at least 16 districts must return completed Ballots to achieve a quorum.

The election results will be mailed to each district no later than Monday, April 10, 2017. Please let us know if you have questions.

Sincerely,



Kai Luoma
Executive Officer

Enclosures

c: General Manager

OFFICIAL 2nd RUNOFF BALLOT

INDEPENDENT SPECIAL DISTRICTS SELECTION COMMITTEE
Alternate Special District Member to the Ventura LAFCo

Channel Islands Beach Community Services District

This is the Official Ballot for the Independent Special Districts Selection Committee for the purpose of electing **one** special district alternate member to the Ventura LAFCo. The 2nd runoff election consists of two candidates (listed below in alphabetical order) for special district alternate member of the Ventura LAFCo to fill the unexpired four-year term ending January 1, 2019.

VOTE FOR ONLY ONE CANDIDATE

A minimum of 16 qualified votes must be returned by the deadline to establish a quorum of the Independent Special Districts. In the event of a tie, the Rules and Regulations of the Ventura County Independent Special District Selection Committee (ISDSC) provide that a random drawing shall be conducted by the LAFCo Executive Officer and the Secretary/Recording Officer of the ISDSC or his/her designee to select the winning candidate.

PLEASE RETURN THIS SIGNED BALLOT, VIA CERTIFIED MAIL to the Ventura LAFCo, 800 S. Victoria Avenue, Ventura, CA 93009-1850, or if previous consent has been given to conduct this election via e-mail, send your signed ballot to kai.luoma@ventura.org. All Ballots MUST be signed by the district president/chair or presiding officer of the board and received by 5 P.M. Monday, April 3, 2016, to be considered.

As the District President, Chair or Presiding Officer of Channel Islands Beach Community Services District, I hereby cast this ballot as follows:

(Please mark the box next to the name of one candidate to cast the District's vote)

- | | | |
|--------------------------|-------------|------------------------------------|
| <input type="checkbox"/> | Al Fox | Camrosa Water District |
| <input type="checkbox"/> | Andy Waters | Calleguas Municipal Water District |

Board President/Chair/Presiding Officer (print name)

Board President/Chair/Presiding Officer (Signature)

Date

AL FOX

Served 21 years in the Navy, advancing through the ranks from Airman Recruit to Lieutenant.

Served aboard three aircraft carriers, all operating in the Gulf of Tonkin during the Vietnam War.

The last assignment was Aircraft Scheduling Officer for the Squadron that supported the National Science Foundation, including 17 countries in the Antarctica. In addition to that responsibility, I was a volunteer on the Navy's Parachute Rescue Team in the Antarctica.

Since retiring from the Navy in 1977, my wife Cindy and I have made our home in Camarillo.

I have four decades of experience as a Broker/Owner of a real estate company in Ventura County. While managing my multi-office operation, I also served on many of the Realtor Association's committees and served as President of the Camarillo Association of Realtors. I was voted as "Realtor of the Year" in 1984.

Elected as a Director on the Camrosa Water District in 1997, with continuous service to present, serving two terms as President.

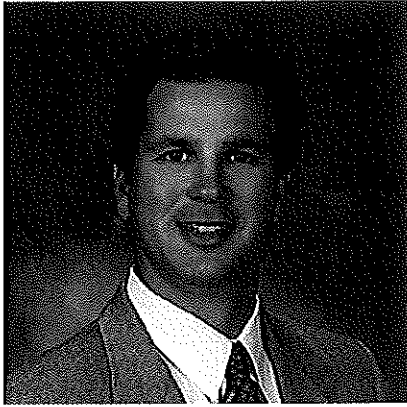
I served on the Fox Canyon Groundwater Management Agency.

I am a former President of the Association of Water Agencies of Ventura County, and currently serving as Secretary of the Association. I was honored as "Director of the Year" for this association in 2014.

Former President of the Ventura County Special Districts Association.

As I have stated above, I am not only concerned about my District, but am concerned about Ventura County, therefore I am soliciting your Districts vote for the LAFCo position.

Al E. Fox



Andy Waters

Director Waters would bring knowledge of the community, agriculture, and water resources to LAFCo.

He wants to see agriculture and water resources operated sustainably for generations to come.

Community

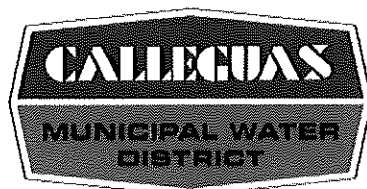
Director Waters was born in Thousand Oaks and grew up in Moorpark. He is a fourth generation farmer, with a family tradition of community service. His grandfather was on the committee that formed Calleguas Municipal Water District in the early 1950s to bring imported water into Ventura County. His father served on water agency boards in the Moorpark area and brought Director Waters to Fox Canyon Groundwater Management Agency meetings when he was still a teenager.

Agriculture

After graduating from Moorpark High School, Director Waters attended Cal Poly San Luis Obispo, majoring in agriculture. Knowing that farming was his lifelong passion, he returned to work for the family farm in Ventura County. He and his wife Heather have settled in Moorpark with their two daughters and their dog, Goose. He currently works with his brother managing the family business, growing berries, avocados, and vegetables in the unincorporated areas near Moorpark and Oxnard. He also serves as a board member for a commercial packing house.

Water Resources

Director Waters is continuing the family tradition of leadership in water resources. He serves as a board member for Thermic Mutual Water Company and Berylwood Heights Mutual Water Company. He is a member of the advisory committee for Ventura County Waterworks District No. 1 and chairs the Las Posas Basin Users Group. He represents mutual water agencies as an alternate member of the Fox Canyon Groundwater Agency Board of Directors. At Calleguas, he serves as Treasurer and is a member of the Groundwater and Finance Committees.



2100 Olsen Road
Thousand Oaks, CA 91360
(805) 579-7111



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

800 S. VICTORIA AVENUE • VENTURA, CA 93009-1850

TEL (805) 654-2576 • FAX (805) 477-7101

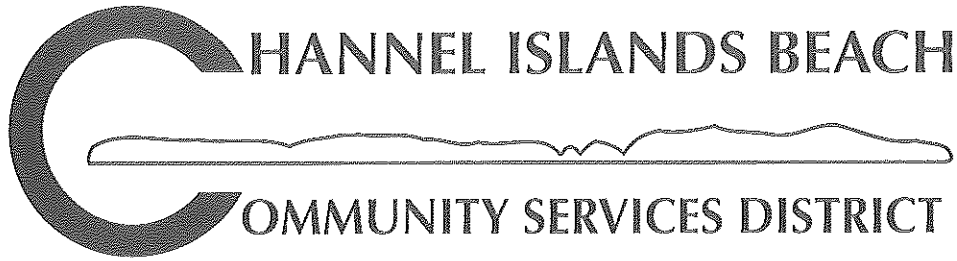
WWW.VENTURA.LAFCO.CA.GOV

INDEPENDENT SPECIAL DISTRICTS IN VENTURA COUNTY

As of February 2017

1. Bardsdale Public Cemetery District
2. Bell Canyon Community Services District*
3. Blanchard/Santa Paula Library District*
4. Calleguas Municipal Water District*
5. Camarillo Health Care District*
6. Camrosa Water District*
7. Casitas Municipal Water District*
8. Channel Islands Beach Community Services District
9. Conejo Recreation & Park District*
10. El Rancho Simi Public Cemetery District
11. Fillmore-Piru Memorial District
12. Fox Canyon Groundwater Management Agency*
13. Hidden Valley Municipal Water District
14. Meiners Oaks Water District*
15. Montalvo Community Services District*
16. Ojai Valley Sanitary District*
17. Ojai Water Conservation District*
18. Oxnard Drainage District No. 1
19. Oxnard Drainage District No. 2*
20. Oxnard Harbor District*
21. Piru Public Cemetery District
22. Pleasant Valley County Water District
23. Pleasant Valley Recreation & Park District*
24. Rancho Simi Recreation & Park District*
25. Saticoy Sanitary District*
26. Triunfo Sanitation District*
27. United Water Conservation District*
28. Ventura County Resource Conservation District*
29. Ventura Port District
30. Ventura River County Water District*

* Special Districts that have provided written consent to conduct the election via email.



Board of Directors:

SUSIE KOESTERER, President
ELLEN SPIEGEL, Vice President
MARCIA MARCUS, Director
KRISTINA BREWER, Director
BOB NAST, Director

JARED BOUCHARD
General Manager

353 Santa Monica Drive • Channel Islands Beach, CA 93035-4473 • (805) 985-6021 • FAX (805) 985-7156
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR • CHANNELISLANDSBEACHCSD.COM

Regular Board Meeting March 14, 2017

To: Board of Directors

From: General Manager

Subject: Consider California Special Districts Association (CSDA) call for nominations to the CSDA Board of Directors Seat C.(2018 – 2020 Term)

Agenda Item D-5

Attached is the call for nominations detailing the duties, expectations and requirements to nominate and or serve on the CSDA Board of Directors.

Recommendation: Board Discretion.

Received

FEB 22 2017



**California Special
Districts Association**
Districts Stronger Together

DATE: February 17, 2017
TO: CSDA Voting Member Presidents and General Managers
FROM: CSDA Elections and Bylaws Committee
**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT C**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2018 - 2020 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular member located within the geographic network that they seek to represent. (See attached Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend CSDA's two annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years.
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

Nomination Procedures: Any Regular Member in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is May 19, 2017.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 2nd. The ballots must be received by CSDA no later than 5:00 p.m. August 4, 2017. The successful candidates will be notified no later than August 8, 2017. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in September 2017.

Expiring Terms

(See enclosed map for Network breakdown)

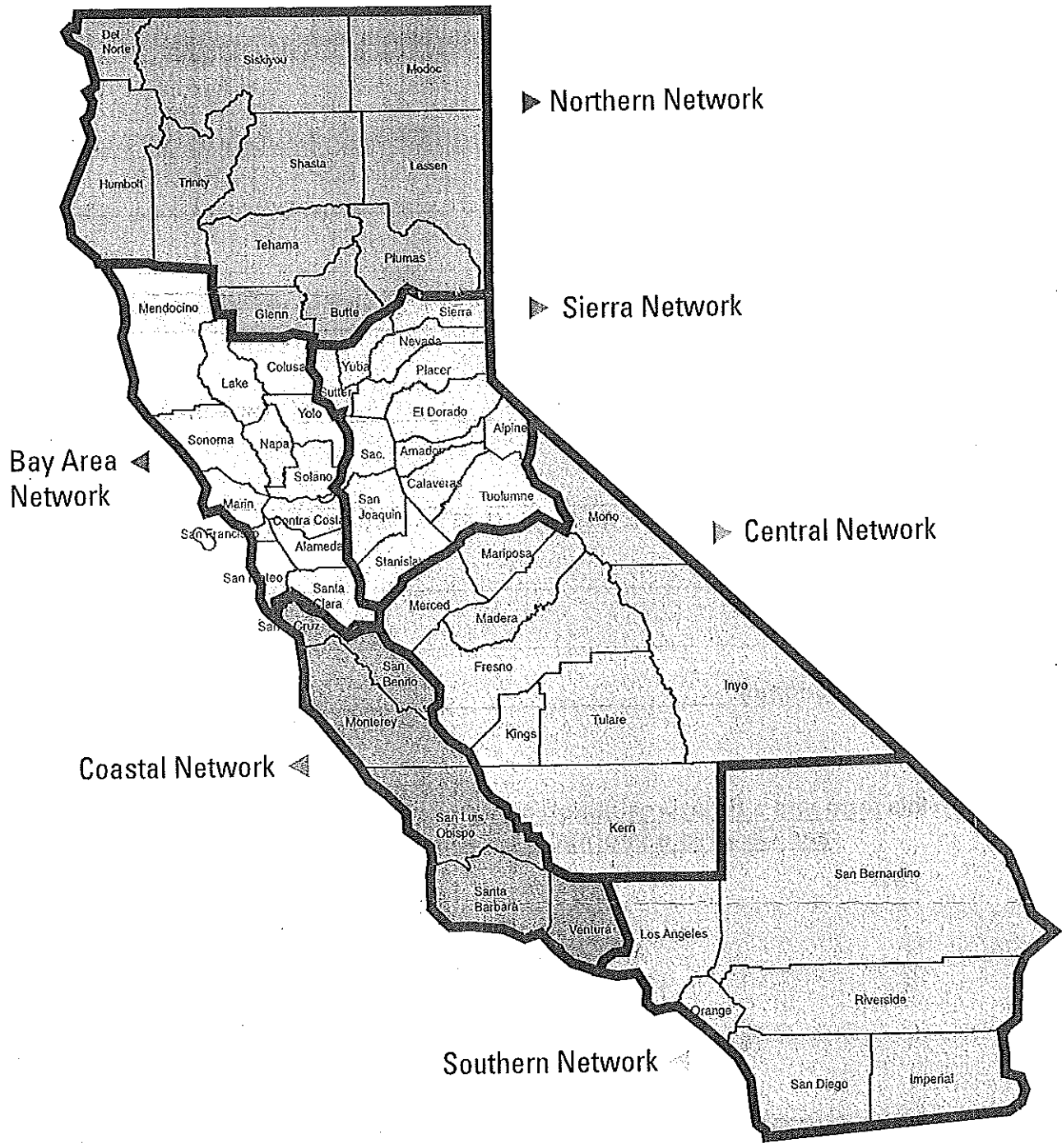
Northern Network	Seat C Fred Ryness, Burney Water District*
Sierra Network	Seat C Peter Kampa, Saddle Creek Community Services District*
Bay Area Network	Seat C Stanley Caldwell, Mt. View Sanitary District*
Central Network	Seat C Sandi Miller, Selma Cemetery District*
Coastal Network	Seat C Vincent Ferrante, Moss Landing Harbor District*
Southern Network	Seat C Arlene Schafer, Costa Mesa Sanitary District*

(* = Incumbent is running for re-election)

If you have any questions, please contact Beth Hummel at 877-924-CSDA or bethh@csda.net.



California Special Districts Association
DISTRICT NETWORKS





California Special
Districts Association
Districts Stronger Together

2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2017 will not be included with the ballot.**



California Special
Districts Association
Districts Stronger Together

2017 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____
(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form and a Board resolution/minute action supporting the candidate and Candidate Information Sheet by fax or mail to:

CSDA
Attn: Beth Hummel
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 19, 2017