

SAN JOAQUIN COUNTY MOSQUITO & VECTOR CONTROL DISTRICT

7759 SOUTH AIRPORT WAY, STOCKTON, CA 95206

Telephone: (209) 982-4675 Fax: (209) 982-0120

Website: www.sjmosquito.org Email: district@sjmosquito.org

BOARD OF TRUSTEES MEETING

AGENDA

**Tuesday, January 21, 2014
1:00 P.M.**

All proceedings before the Board of Trustees are conducted in English. The District does not furnish interpreters and, if one is needed, it shall be the responsibility of the person needing one. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the District, please contact the Manager at (209) 982-4675 at least 48 hours prior to the meeting to enable the District to make reasonable arrangements to ensure accessibility.

1. CALL TO ORDER; ROLL CALL

- a. Seating of Officers for the 2014 Board of Trustees
President – Marc Warmerdam
Vice President – Gary Lambdin
Secretary – Joy Meeker

2. PUBLIC COMMENT PERIOD – This time is reserved for members of the public to address the Board of Trustees relative to matters within the jurisdiction of the San Joaquin County Mosquito & Vector Control District. No action may be taken on non-agenda items unless authorized by law. Speakers should hold comments on items listed as a Public Hearing until the Hearing is opened. Comments will be limited to five minutes per person.

3. CONSENT CALENDER

- a. Draft Minutes of the December 17, 2013 regular meeting of the Board of Trustees
- b. Expenditure and financial reports for December 2013
- c. July 1, 2013 Actuarial Report on GASB 45 Retiree Benefit Valuation
- d. District activities report for December 2013
- e. Public Information & Outreach report for December 2013
- f. Manager's report
- g. Correspondence

4. FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDING JUNE 30, 2013

A representative from Croce & Company will present the financial review for the Board's consideration and action.

5. REVIEW AND DISCUSSION OF TRUSTEE HEALTH INSURANCE COVERAGE

Board will consider Trustee Health Insurance Coverage as currently constituted.

6. REQUEST FOR AUTHORIZATION TO SIGN A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH THE SACRAMENTO / YOLO MOSQUITO AND VECTOR CONTROL DISTRICT FOR SHARED CONTRACTED LARGE SCALE AERIAL SPRAY SERVICES.

7. REPORT OF WHITE SLOUGH PROPERTY LEASE EXTENSION WITH THE CITY OF LODI

8. REQUEST FOR AUTHORIZATION TO DEVELOP AN ELIGIBILITY LIST FOR THE POSITION OF MOSQUITO CONTROL TECHNICIAN I , MOSQUITO CONTROL TECHNICIAN II and TO FILL THE VACANCY FOR THE POSITION OF OFFICE SECRETARY

9. CLOSED SESSION (Pursuant to CGC §54956.9)
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Sec. 54956.9
(1 Potential Case)

REPORT OF CLOSED SESSION

10. CONSIDERATION OF TORT CLAIM

11. COMMENTS FROM TRUSTEES AND STAFF ON NON-AGENDA ITEMS

12. OTHER BUSINESS; ANNOUNCEMENT OF FUTURE BOARD AND COMMITTEE MEETINGS

- The next regular meeting of the Board of Trustees will be 1:00 p.m. Tuesday, March 18, 2014

13. ADJOURN

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 1

1. CALL TO ORDER; ROLL CALL

a. SEATING OF OFFICERS FOR THE 2014 BOARD OF TRUSTEES

President – Marc Warmerdam, San Joaquin County

Vice President – Gary Lambdin, City of Stockton

Secretary – Joy Meeker, San Joaquin County

Re: Agenda Item 1a. , the Board took action at their December 17, 2013 regular meeting to re-elect Trustee Warmerdam to the position of President, Trustee Lambdin to the position of Vice President, and Trustee Meeker to the position of Secretary for 2014.

This item is for information only.

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 3

3. CONSENT CALENDER

- a. **Draft minutes of the December 17, 2013 regular meeting of the Board of Trustees**
- b. **Expenditure and Financial reports for December 2013**
- c. **July 1, 2013 Actuarial Report on GASB 45 Retiree Benefit Valuation**
- d. **District activities report for December 2013**
- e. **Community Education Program report for December 2013**
- f. **Manager's report**
- g. **Correspondence**

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and generally require no discussion. If the Board would like to discuss any item listed, it may be pulled from the Consent Calendar and discussed separately.

If there are no items that the Board would like to discuss separately, it is recommended that the Board of Trustees approve the Consent Calendar as presented.

Attachments

**SAN JOAQUIN COUNTY MOSQUITO & VECTOR CONTROL DISTRICT
7759 SOUTH AIRPORT WAY, STOCKTON, CALIFORNIA 95206**

MINUTES OF THE BOARD OF TRUSTEES MEETING

December 17, 2013

1. Call to Order

The regular meeting of the Board of Trustees of the San Joaquin County Mosquito and Vector Control District was held Tuesday, December 17, 2013, at the District's Stockton office. President Marc Warmerdam called the meeting to order at 1:00 p.m.

Trustees Present:

Jay Colombini
Jack Fiori
Omar Khweiss
Gary Lambdin
Joy Meeker
Chet Miller
Jack Snyder
Marc Warmerdam
Frances Groen
Mike Manna

Staff Members Present:

Eddie Lucchesi, Manager
John Fritz, Asst. Manager
Carol Aksland, Acting Secretary

Legal Advisor:

Christopher K. Eley, Attorney at Law

Other: None

Trustee Absent:

Greg O'Leary

2. Public Comment Period

No comments

3. Consent Calendar

- a. Minutes of the November 19, 2013 regular meeting of the Board of Trustees
- b. Expenditure and Financial Reports for November 2013
During the Financial Report, Manager Lucchesi provided two proposals to the Board 1.) Depositing \$82,245 in the Vector Control Joint Powers Authority Contingency Fund in order to meet the Prudent Balance amount of \$596,676; and 2) purchasing 21 hand held PC tablets for field reporting purposes in the amount of \$36,645. These units would replace the aging units currently used by staff.
- c. District Activities Report for November 2013
- d. Community Education Program report for November 2013
- e. Manager's report
- f. Correspondence – Manager Lucchesi provided copies of a faxed letter from Russ Stoddart received just prior to the start of the Board meeting. Mr. Stoddart requested the letter be provided to the Board as correspondence.

Following review and discussion of the Consent Calendar, it was moved by Trustee Miller, seconded by Trustee Groen, to approve the Consent Calendar as presented; the motion was unanimously approved.

4. Proposal to Change District Logo:

District Public Information Officer Aaron Devencenzi gave a power point presentation on the reasons for changing the District's logo. Mr. Devencenzi provided history of prior changes to the District's logo over the years and the rationale behind those changes. The new Logo is to clearly reflect the District's mission; with emphasis on the image of the mosquito and support of a catch phrase. After review and discussion, Trustee Fiori made a motion to proceed with the process of changing the District's logo. This motion was seconded by Trustee Khweiss, and was unanimously approved.

5. Award of Bid to Purchase Two (2) ½ Ton 4X4 pick-up Trucks

Manager Lucchesi reported on staff's actions to solicit bids from local dealers for two vehicles. Proposals were received from the following dealers:

Big Valley Ford, Stockton, CA	\$41,275.90
Hiller Ford, Escalon, CA	\$41,498.90
Tracy Ford, Tracy, CA	\$42,377.50
Sanborn Chevrolet, Lodi, CA	\$53,408.16

It was recommended by staff to purchase the vehicles from the lowest responsible bidder. Following review and discussion it was moved by Trustee Lambdin, seconded by Trustee Miller, to approve the purchase of two (2) trucks in the amount of \$41,275.90, from Big Valley Ford, Stockton; the motion was unanimously approved.

6. Mosquito and Vector Control Association of California (MVCAC)

a. Report of MVCAC (Association) Annual Planning Session, December 5-6, 2013

Manager Lucchesi provided the Board a brief report on the MVCAC Board of Directors Annual Planning Session. This was the first meeting introducing the new management firm, KP Public Affairs to the Association. Manager Lucchesi stated the new firm has depth in experience dealing with legislative advocacy and regulatory affairs and is eager to represent the Association by establishing priorities for achievement in this next calendar year.

b. Request for authorization to attend MVCAC Annual Conference, February 18-21, 2014

Manager Lucchesi requested authorization for selected staff and interested trustees to attend the Mosquito & Vector Control Association of California (MVCAC) Annual Conference, February 18-21, 2014 San Diego, CA. Following review and discussion, it was moved by Trustee Meeker, seconded by Trustee Groen to authorize Manager Lucchesi, selected staff and interested Trustees to attend this conference; the motion was unanimously approved.

7. Election of Officers for the Board of Trustees for 2014.

Following review and discussion it was moved by Trustee Snyder seconded by Trustee Khweiss to nominate and elect Trustee Warmerdam to the position of President; to nominate and elect Trustee Lambdin to the position of Vice President; and to nominate

and elect Trustee Meeker to the position of Secretary. This motion was unanimously approved.

8. Comments From Trustees and Staff on Non-Agenda Items

Manager Lucchesi noted that the item of Trustee Health Insurance would be addressed at the January 21, 2014 board meeting.

9. Other Business; Announcement of Future Board and Committee Meetings

- The next regular meeting of the Board of Trustees will be 1:00 p.m. Tuesday, January 21, 2014.

10. Adjournment

There being no further business, it was moved by Trustee Khweiss, seconded by Trustee Groen, to adjourn the meeting at 2:23 p.m.; the motion passed unanimously.

MS. JOY MEEKER, SECRETARY

MR. EDDIE LUCCHESI, MANAGER

San Joaquin County Mosquito & Vector Control District Budget and Actual Comparison, Expenses

July through December 2013

Ordinary Expense	Dec 2013		Jul - Dec 13		Budget		\$ Over Budget		% of Budget	
60000000 - EE SALARIES & WAGES										
6001011 - Manager	10,016.92	60,101.52	125,940.00	(65,838.48)	47.72%					
6001012 - Assistant Manager	7,891.80	46,795.26	102,820.00	(56,024.74)	45.51%					
6001013 - Public Info Officer	5,896.38	35,383.34	76,855.00	(41,271.66)	46.16%					
6001014 - Administrative Assistant	5,092.44	30,559.18	66,205.00	(35,645.82)	46.16%					
6001015 - Secretary	-	-	48,595.00	(48,595.00)	0.0%					
6002011 - Entomologist	7,366.80	44,200.80	95,770.00	(51,569.20)	46.15%					
6002012 - Assistant Entomologist	5,068.26	30,409.56	65,890.00	(35,480.44)	46.15%					
6002013 - Micro Biologist	3,972.10	23,832.60	58,490.00	(34,657.40)	40.75%					
6002014 - Lab. Tech I	4,452.86	26,717.16	57,890.00	(31,172.84)	46.15%					
6003011 - Mech II	5,562.60	33,375.60	72,315.00	(38,939.40)	46.15%					
6003012 - Mech I	4,593.04	27,558.24	59,710.00	(32,151.76)	46.15%					
6004011 - Fishery Manager	5,077.06	30,462.36	66,005.00	(35,542.64)	46.15%					
6004012 - Assistant Fish Hatchery	3,244.68	19,468.08	42,425.00	(22,956.92)	45.89%					
6005011 - Mosq. Control Supervisor	18,219.08	108,565.78	236,245.00	(127,679.22)	45.96%					
6005012 - MC Tech II	16,083.86	96,503.16	209,095.00	(112,591.84)	46.15%					
6005013 - MC Tech I	70,679.44	423,309.30	929,210.00	(505,900.70)	45.56%					
6006011 - Board of Trustees	1,070.00	5,340.00	13,200.00	(7,860.00)	40.46%					
6007011 - REG EXTRA HELP	1,419.50	23,452.99	50,000.00	(26,547.01)	46.91%					
6008010 - Veh/Ret/Perf/Ed/Etc.										
6008011 - District Veh	120.00	720.00	1,560.00	(840.00)	46.15%					
6008012 - Ed Incentive	512.78	3,067.08	6,670.00	(3,602.92)	45.98%					
Total 6008010 - Veh/Ret/Perf/Ed/Etc.	632.78	3,787.08	8,230.00	(4,442.92)	46.02%					
Total 60000000 - EE SALARIES & WAGES										
	176,339.60	1,069,822.01	2,384,690.00	(1,314,867.99)	44.86%					
60100000 - EMPLOYEE BENEFITS										
6010100000-UNEMPLOYMENT INS	-	588.87	15,245.00	(14,656.13)	3.86%					
6010800000 OTHER-DEF COMP	30.00	200.00	500.00	(300.00)	40.0%					
6020000000-RET DIST SHARE	49,233.16	301,952.90	684,370.00	(382,417.10)	44.12%					
6040000000-LIFE INSURANCE	226.80	1,367.10	2,650.00	(1,282.90)	51.59%					
6091000000-A3R Plan125 ERContri	30,870.03	182,312.68	433,010.00	(250,697.32)	42.1%					
6050000000-HEALTH INSURANCE										
6051004 - Sick Leave Bank Payable	1,162.24	6,854.18	35,000.00	(28,145.82)	19.58%					
6050101 - Dental	5,309.10	31,873.11	65,295.00	(33,421.89)	48.81%					
6050102 - MEDICAL	55,449.10	335,648.81	710,250.00	(374,601.19)	47.26%					
6050103 - VISION	779.90	4,728.91	10,180.00	(5,451.09)	46.45%					
Total 6050000000-HEALTH INSURANCE	62,700.34	379,105.01	820,725.00	(441,619.99)	46.19%					

San Joaquin County Mosquito & Vector Control District Budget and Actual Comparison, Expenses

July through December 2013

	Dec 2013	Jul - Dec 13	Budget	\$ Over Budget	% of Budget
6050000200-OPEB TRUST CONTRI	-	-	-	-	0.0%
6050000214 EE COMP ABSENCE	-	-	53,740.00	(53,740.00)	0.0%
6500214-1 Vacation Payout	-	-	6,215.00	(6,215.00)	0.0%
6050214-2 Sick Leave Payout	-	-	59,955.00	(59,955.00)	0.0%
Total 6050000214 EE COMP ABSENCE	-	-	-	-	0.0%
6060200000-DISABLE INS	2,331.37	13,916.17	27,460.00	(13,543.83)	50.68%
60300 - OASDI DISTRICT	-	-	-	-	-
6030000000-SS REG EE	-	-	3,718.00	(3,718.00)	0.0%
60300-1 VLP SS Tax	9,526.83	62,557.34	147,755.00	(85,197.66)	42.34%
6030000000-SS REG EE - Other	9,526.83	62,557.34	151,473.00	(88,915.66)	41.3%
Total 6030000000-SS REG EE	-	-	-	-	-
6030100000-MEDICARE REG	-	-	872.00	(872.00)	0.0%
60301-1 VLP Medicare Tax	2,372.21	14,810.46	34,700.00	(19,889.54)	42.68%
6030100000-MEDICARE REG - Other	2,372.21	14,810.46	35,572.00	(20,761.54)	41.64%
Total 6030100000-MEDICARE REG	-	-	-	-	-
6030200000-SS UTILITY	88.01	1,454.09	3,100.00	(1,645.91)	46.91%
6030300000-MEDICAR UTILITY	20.58	340.07	730.00	(389.93)	46.59%
Total 60300 - OASDI DISTRICT	12,007.63	79,161.96	190,875.00	(111,713.04)	41.47%
Total 6010000 - EMPLOYEE BENEFITS	157,399.33	958,604.69	2,234,790.00	(1,276,185.31)	42.9%
620000 - GEN SRVS&SUPPLIES	-	-	-	-	-
6201000 - OFFICE EXPENSE GEN	219.89	3,914.10	10,000.00	(6,085.90)	39.14%
6201001 - GEN OFFICE EXPENSES	-	-	1,000.00	(1,000.00)	0.0%
6201003 - SMALL DEVICES NONCAPITAL	219.89	3,914.10	11,000.00	(7,085.90)	35.58%
Total 6201000 - OFFICE EXPENSE GEN	-	-	-	-	-
6206000000-COMMUNICATIONS	907.40	10,679.93	21,350.00	(10,670.07)	50.02%
6209000 - MEMBERSHIPS	5,394.00	17,576.00	18,300.00	(724.00)	96.04%
6211000 - MAINT-EQUIPMENT	7,451.15	31,965.98	50,000.00	(18,034.02)	63.93%
6211004 - FUEL, LUBE & OIL	-	59,062.65	122,500.00	(63,437.35)	48.21%
6214000 - RENTS&LEASES-EQUIP	87.15	4,913.65	11,000.00	(6,086.35)	44.67%
Total 6217000 - TRANS&TRAVEL	2,153.45	5,436.68	25,000.00	(19,563.32)	21.75%

San Joaquin County Mosquito & Vector Control District

Budget and Actual Comparison, Expenses

July through December 2013

	Dec 2013	Jul - Dec 13	Budget	\$ Over Budget	% of Budget
6220001 · AUDITORS PAYROLL&P					
6220095 · AUDTR DIR ASSM SRV		-	3,000.00	(3,000.00)	0.0%
6220195 · 55401- AUDITOR DIR ASSESS CHRG	10,620.38	10,620.38	12,000.00	(1,379.62)	88.5%
6220295 · 55402-AUDITOR DIR ASSESS CHRG	17,637.92	17,637.92	18,000.00	(362.08)	97.99%
Total 6220095 · AUDTR DIR ASSM SRV	28,258.30	28,258.30	30,000.00	(1,741.70)	94.19%
6221000 · PROF&SPEC SRVS					
6221001 · LEGAL&ACCTING	728.00	13,948.00	65,000.00	(51,052.00)	21.46%
6221002 · CONTR AIRCRAFT	8,034.00	307,489.60	510,000.00	(202,510.40)	60.29%
6221003 · OTHERS	145.00	25,821.57	73,260.00	(47,438.43)	35.25%
Total 6221000 · PROF&SPEC SRVS	8,907.00	347,259.17	648,260.00	(301,000.83)	53.57%
6221012 · TX ADMIN CHRGS	41,629.50	41,629.50	85,000.00	(43,370.50)	48.98%
6221050400-LAB EXP					
622150401 SM LAB EQUIP/FURNTR	-	96.78	1,500.00	(1,403.22)	6.45%
6221050400-LAB EXP - Other	2,207.88	22,698.16	35,000.00	(12,301.84)	64.85%
Total 6221050400-LAB EXP	2,207.88	22,794.94	36,500.00	(13,705.06)	62.45%
6226001600-PERMITLS/LIC'S OTHER	-	4,035.00	6,700.00	(2,665.00)	60.22%
6226016000-SOFTWARE TECHSUP/LIC	1,301.57	7,733.11	19,150.00	(11,416.89)	40.38%
6226601700-COMMUNITY OUTREACH	-	13,063.30	40,000.00	(26,936.70)	32.66%
6226019120-ANIMAL/FISH FEED	-	1,865.66	7,000.00	(5,134.34)	26.65%
6226019121-Fish	-	1,865.66	7,000.00	(5,134.34)	26.65%
Total 6226019120-ANIMAL/FISH FEED	-	1,865.66	7,000.00	(5,134.34)	26.65%
6226000 · DISTRICT SPEC EXP	2,951.81	2,951.81	2,500.00	451.81	118.07%
6226013 · TRAINING-ED EXPENSES	-	340.00	2,500.00	(2,160.00)	13.6%
6230000 · INSURANCE					
6232010 · INSURANCE-WORKERS COMP	12,445.00	129,083.00	116,620.00	12,463.00	110.69%
6236000 · INSUR-Prop/Fidelity/NOWAircraft	-	80,700.00	82,645.00	(1,945.00)	97.65%
6230000 · INSURANCE - Other	-	-	6,400.00	(6,400.00)	0.0%
Total 6230000 · INSURANCE	12,445.00	209,783.00	205,665.00	4,118.00	102.0%
6238000 · MISC EXP					
6238001 · BANK CHARGE	-	1.46	800.00	(798.54)	0.18%
6238002 · CASH SHORT/OVER CASH BOX	-	-	50.00	(50.00)	0.0%
6238000 · MISC EXP - Other	288.00	299.77	1,450.00	(1,150.23)	20.67%
Total 6238000 · MISC EXP	288.00	301.23	2,300.00	(1,998.77)	13.1%

San Joaquin County Mosquito & Vector Control District Budget and Actual Comparison, Expenses

July through December 2013

	Dec 2013	Jul - Dec 13	Budget	\$ Over Budget	% of Budget
6240000 · CLTHIN&PRSNAL SUPP					
6246000 · HOUSEHOLD EXP	1,313.76	5,878.05	14,500.00	(8,621.95)	40.54%
6246000101-Haz Mat Dispo	43.25	77.15	600.00	(522.85)	12.86%
6246000 · HOUSEHOLD EXP - Other	1,838.33	8,380.34	18,000.00	(9,619.66)	46.56%
Total 6246000 · HOUSEHOLD EXP	1,881.58	8,457.49	18,600.00	(10,142.51)	45.47%
6249000 · UTILITIES					
6252000000-AGRI CHEM	2,899.43	20,420.47	35,000.00	(14,579.53)	58.34%
6252000100-FISHERY	-	7,523.44	15,300.00	(7,776.56)	49.17%
6252000000-AGRI CHEM - Other	3,168.48	591,458.08	1,300,000.00	(708,541.92)	45.5%
Total 6252000000-AGRI CHEM	3,168.48	598,981.52	1,315,300.00	(716,318.48)	45.54%
6260000 · MAINT STRUCT&GROUNDS					
6264000 · RENT-STRUCT&GROUND	9,763.63	16,668.66	35,000.00	(18,331.34)	47.63%
6269000 · SM TOOL&INSTRMNT	74.00	444.00	2,600.00	(2,156.00)	17.08%
Total 620000 · GEN SRVS&SUPPLIES	133,302.98	1,464,539.68	2,769,925.00	(1,305,385.32)	52.87%
Total Expense	467,041.91	3,492,966.38	7,389,405.00	(3,896,438.62)	47.27%
Other Expense					
6300000 · OTHER CHARGES					
6301000 · CONTRI OTHER AGENCY					
6301002 · CMVCA RESEARCH FOUNDATION	-	38,160.00	38,160.00	-	100.0%
6301003 · SJC FARM BUREAU	-	-	600.00	(600.00)	0.0%
6301004 · OTHERS	-	-	1,000.00	(1,000.00)	0.0%
Total 6301000 · CONTRI OTHER AGENCY	-	38,160.00	39,760.00	(1,600.00)	95.98%
6381000 · TXS&ASSMNTS					
Total 6300000 · OTHER CHARGES	-	38,160.00	100.00	(100.00)	0.0%
6400000 · CAPITAL EXPENSE					
6411000 · STRUCT& IMPROVS					
6411001 · STOCKTON	-	34,264.00	80,000.00	(45,736.00)	42.83%
6411005 · WHITE SLOUGH	13,483.00	13,483.00	18,000.00	(4,517.00)	74.91%
6411006 · LODI	-	-	-	-	0.0%
6411008 · ESCALON	20.00	25,779.83	250,000.00	(224,220.17)	10.31%
Total 6411000 · STRUCT& IMPROVS	13,503.00	73,526.83	348,000.00	(274,473.17)	21.13%

San Joaquin County Mosquito & Vector Control District Budget and Actual Comparison, Expenses

July through December 2013

	Dec 2013	Jul - Dec 13	Budget	\$ Over Budget	% of Budget
6451000 - EQUIPMENT					
6451001001-SHOP/VEH REPLACEMENT	262.04	262.04	52,000.00	(51,737.96)	0.5%
6451001002-SOFTWARES/PROGRAMS	-	-	10,000.00	(10,000.00)	0.0%
6451001003-EQUIP/LAB	-	-	20,000.00	(20,000.00)	0.0%
6451001004-EQUIP/FIELD/FISH	-	1,342.30	32,000.00	(30,657.70)	4.2%
6451001005-EQUIP/OFFICE	-	-	10,000.00	(10,000.00)	0.0%
Total 6451000 - EQUIPMENT	262.04	1,604.34	124,000.00	(122,395.66)	1.29%
Total 6400000 - CAPITAL EXPENSE	13,765.04	75,131.17	472,000.00	(396,868.83)	15.92%
Total Other Expense	13,765.04	113,291.17	511,860.00	(398,568.83)	22.13%
TOTALS	480,806.95	3,606,257.55	7,901,265.00	(4,295,007.45)	45.64%

**San Joaquin County Mosquito & Vector Control District
FUND BALANCE REPORT
December 2013**

1/16/2014

DISTRICT OPERATIONS	SJC-55401 GEN FUND	SJC-55402 BEN ASSESSMENTS	SJC-55411 CONTINGENT	SJC-55412 GEN RESERVE	ALL FUNDS TOTAL
REVENUES	2,722,486.68	934,727.06	-	-	-
TRANSFER IN	-	-	-	-	-
NET (EXPENSES) REVENUES	\$ 2,722,486.68	\$ 934,727.06	\$ -	\$ -	-
EXPENSES	463,169.03	17,637.92	-	-	-
TRANSFER OUT	300,000.00	-	-	-	-
	\$ 763,169.03	\$ 17,637.92	\$ -	\$ -	-
NET (EXPENSES) REVENUES	\$ 1,959,317.65	\$ 917,089.14	\$ -	\$ -	2,876,406.79
REVENUES:					
PROPERTY TAX	2,078,247.17	-	-	-	-
ST-HOMEOWNER PROP TAX	14,293.63	-	-	-	-
INTEREST INCOME	-	-	-	-	-
OTHER GOVT PASS THROUGH	14,293.63	-	-	-	-
SPECIAL ASSESSMENTS CURR	562,788.75	934,727.06	-	-	-
MISC. REVENUES	14,507.80	-	-	-	-
**MEDICAL REIMBURSEMENT	38,355.70	-	-	-	-
TOTAL REVENUES	\$ 2,722,486.68	\$ 934,727.06	\$ -	\$ -	3,657,213.74
BEGINNING BALANCE, AUDITORS, 11/30/13	3,314,297.36	4,220.72	1,075,901.00	2,112,854.00	
ENDING BALANCE, AUDITORS, 12/31/13	5,337,530.47	921,309.86	1,075,901.00	2,112,854.00	
DEPOSIT IN TRANSIT	-	-	-	-	-
REVOLVING FUND BALANCE, 12/31/13	618,363.97	-	-	-	-
CALCARD PAYABLE	(1,496.35)	-	-	-	-
ADJUSTED ENDING BALANCE, 12/31/13	\$ 5,954,398.09	\$ 921,309.86	\$ 1,075,901.00	\$ 2,112,854.00	10,064,462.95
ENDING FUND BALANCE, 12/31/12	\$ 5,020,600.39	\$ 920,843.94	\$ 1,075,893.00	\$ 2,627,151.00	9,644,488.33

Revenue, SJC-55401

Medical Reimbursement includes the following reimbursements to the District:

- a. District's contribution to EE's Plan 125 used to purchase health insurance, \$29,327.03
- b. EE's out of pocket cost, \$4,293.43

Misc. revenue includes Calcard rebate of \$6,686.54

Expenses, SJC-55401

Includes the District's contribution to EE's Plan 125, \$30,870.03

San Joaquin County Mosquito & Vector Control District Budget and Actual Comparison, Revenues

July 2013 through January 2014

Ordinary Income

Income

470000000-MISC. REVENUES

470600101-OUTLAWED WARRANTS	-	-	-	0.0%
470600201-OUTLAWED WAR.DISTRICT	-	-	-	0.0%
470700000-OTHER MISC REVENUES				
4707000101-SALES CAPITAL ASSETS	74,448.00	5,000.00	69,448.00	1,488.96%
4707000201-SALES NONCAP ASSETS	-	150.00	(150.00)	0.0%
4707000401-CALCARD REBATE	11,538.27	15,000.00	(3,461.73)	76.92%
4707000501-WC DISABILITY	9,448.11	-	9,448.11	100.0%
4707000601-PAYROLL OTHERS	40.00	-	40.00	100.0%
4707001010-OTHERS	-	-	-	0.0%
4707001011-MED INSUR REBATES	11,283.93	5,000.00	6,283.93	225.68%
470700101104-MIR EE PLAN 125	172,980.82	412,410.00	(239,429.18)	41.94%
470700101103-MIR EE OUTPOCKET	25,648.18	62,575.00	(36,926.82)	40.99%
470700101102-MIR RETIREES	32,175.25	59,312.00	(27,136.75)	54.25%
470700101101-MIR TRUSTEES	4,920.08	8,502.00	(3,581.92)	57.87%
Total 4707001011-MED INSUR REBATES	235,724.33	542,799.00	(307,074.67)	43.43%

Total 470700000-OTHER MISC REVENUES

Total 470000000-MISC. REVENUES

4100000 - PROPERTY TAX

4101000100-REDEV RESIDU DISTRI	-	25,390.00	(25,390.00)	0.0%
4100100010-SECURED	1,843,089.87	3,373,405.00	(1,530,315.13)	54.64%
4102070 - SECURED SB813	11,885.55	10,000.00	1,885.55	118.86%
4101000 - UNSECURED	216,968.58	224,620.00	(7,651.42)	96.59%
4101070 - UNSECURED SB813	54.01	-	54.01	100.0%
4101020 - SB813 PRIOR	21.23	-	21.23	100.0%
4101030 - UNSECURED PRIOR	42.17	-	42.17	100.0%
Total 4100000 - PROPERTY TAX	2,072,061.41	3,633,415.00	(1,561,353.59)	57.03%

4400000 - INTEREST INCOME

4401204 - CITIZENS BUS BANK MMKT	5.27	10.00	(4.73)	52.7%
4455401 - GEN FUND	6,419.00	11,480.00	(5,061.00)	55.92%
4455402 - SPEC ASSESSMENTS	599.00	870.00	(271.00)	68.85%
4455411 - CONTINGENT	1,294.00	2,640.00	(1,346.00)	49.02%
4455412 - GEN RESERVE	2,854.00	6,610.00	(3,756.00)	43.18%
Total 4400000 - INTEREST INCOME	11,171.27	21,610.00	(10,438.73)	51.7%

San Joaquin County Mosquito & Vector Control District Budget and Actual Comparison, Revenues

July 2013 through January 2014

	Jul '13 - Jan '14	Budget	\$ Over Budget	% of Budget
4400604 · STATE OTHER INLIEU TX HWY PROP	-	-	-	0.0%
4500000 · AID FRM OTHER GOVT AGENCIES				
4505110 · STATE IN LIEU TAXES	26.26	-	26.26	100.0%
4505500 · STATE AID HOMEOWNER PROPTY	21,602.90	45,020.00	(23,417.10)	47.99%
4576000 · OTHER GOVT REDEVL P PASS THRU	14,293.63	22,530.00	(8,236.37)	63.44%
Total 4500000 · AID FRM OTHER GOVT AGENCIES	35,922.79	67,550.00	(31,627.21)	53.18%
4605000 · CHARGES FOR SERVICES				
4605116370155401 SPECIAL TAX	560,969.89	1,058,075.00	(497,105.11)	53.02%
4605116370255402 · BEN ASSESSMNT	934,798.78	1,780,915.00	(846,116.22)	52.48%
Total 4605000 · CHARGES FOR SERVICES	1,495,768.67	2,838,990.00	(1,343,221.33)	52.69%
Total Income	3,957,406.78	7,129,514.00	(3,172,107.22)	55.51%

San Joaquin County Mosquito & Vector Control District

Expenses by Vendor Summary

December 2013

	<u>Dec 13</u>
ACME Saw N Industrial Supply	121.20
Alaska Air (conference)	395.60
Amazon Marketplace (office supply)	95.36
American Auto Body Inc.	2,443.76
American Event Rentals-American Galaxy	251.53
ARK Petroleum Equipment Inc.	42.00
B&B Heating and Air Conditioning, Inc	98.00
Battery Bill, Inc	198.16
Bay Alarm	839.43
Big Valley Ford	32.67
BioQuip	122.55
Budget Blinds	611.00
Cal Floor Covering Inc.	13,483.00
California Aquaculture Association	100.00
California Special Districts Association	5,294.00
CalPERS	55,449.10
Capital Rubber Co., Ltd.	93.28
Central Valley Motor-Napa Auto Parts	27.13
Charlie's Day & Nite Inc	402.87
Chase Chevrolet Co.	579.63
Chevron and Texaco Card Services	2,163.22
City of Lodi	367.34
City of Stockton	253.57
Clutch & Brake Xchange Inc.	530.34
Creative Outdoor Environments, Inc.	1,200.00
De Lage Landen Financial Services	213.79
Delta Dental	5,309.10
Edlund Loo	6,989.00
Eley, Christopher K	748.00
Entomological Society of America	288.00
ESRI Inc.	1,301.57
Farwest Steel	262.04
FedEx	8.50
FP Mailing Solutions	811.88
French Camp Rd Self Storage-Tranz 330	74.00
G&K Services	2,360.70
Groen, Francis W. (conference, travel reimbursement)	753.41
Helena Chemical Company	4,557.05
Hewlett-Packard Financial Services Co.	257.83
Horizon Distributor	52.81
Imperial Building Maintenance	1,035.70
Integrated DNA Technologies, Inc.	25.98
J. H. Simpson Co	941.79
J. Milano Co., Inc.	40.07
Life Technologies Corp (Invitrogen)	596.56
Lowe's	153.19
Lucas Business Systems	(222.76)
Mayaco, Marketing&Internet	175.00
Moorman's Water Systems Inc.	124.20
Nationalwide Retirement Solutions	60.00
Nestle Pure Life Direct, Nestle Water	208.56
Pacific Gas&Electric Co.	3,580.91
Precissi Flying Service	8,034.00
PSC Environmental Services Group	43.25

San Joaquin County Mosquito & Vector Control District
Expenses by Vendor Summary

December 2013

	<u>Dec 13</u>
Rain for Rent	32.34
SEB Garage Center Str Stockton	3.00
Smart&Final	87.79
Spark Creative Design	400.00
Stericycle Inc.	129.41
Stockton Filter Supply Co., Inc.	87.76
Stockton Petroleum Co.	12,929.36
Stockton Scavengers Association, Inc	120.40
TelePacific (Arrival Communications)	907.40
TerryBerry	2,551.81
Thermo Fisher Scientific LLC	874.81
Tom Hillier Ford	355.13
Unum Life Insurance	2,558.17
US Health Works Medical Group	145.00
US PostMaster	8.83
Vector Control Joint Powers Agency	82,245.00
Vision Service Plan CA	779.90
VWR International	250.54
Wal Mart	19.36
Wilbur-Ellis (returned merchandise)	(1,388.57)
Yosemite Meat & Deli	700.00
Zee Medical Co.	185.43
TOTAL	<u><u>227,961.74</u></u>

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 3c.

3c. July 1, 2013 Actuarial Report on GASB 45 Retiree Benefit Valuation

Provided is the summary of the July 1, 2013 actuarial report of the District's other post-employment benefit (OPEB) programs. The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Government Accounting Standards Board (GASB 45). Copies of the complete report will be available at the meeting.

The next valuation is scheduled to be prepared as of July 1, 2015 as required for continued participation in the California Employer's Retiree Benefit Trust (CERBT).

Attachment

Bickmore

December 9, 2013

Eddie Lucchesi
District Manager
San Joaquin County Mosquito & Vector Control District
7759 S. Airport Way
Stockton, CA 95206

Re: July 1, 2013 Actuarial Report on GASB 45 Retiree Benefit Valuation

Dear Eddie:

We are pleased to enclose our report providing the results of the July 1, 2013 actuarial valuation of other post-employment benefit (OPEB) liabilities for the San Joaquin County Mosquito & Vector Control District (the District). The report's text describes our analysis and assumptions in detail.

The primary purposes of the report are to develop the value of future OPEB expected to be provided by the District, and the current OPEB liability and the annual OPEB expense to be reported in the District's financial statements for the fiscal years ending June 30, 2014 and 2015.

This valuation was prepared with the understanding that:

- The District will continue to follow its previously established policy of prefunding OPEB liabilities through the irrevocable trust account with the California Employers' Retiree Benefit Trust (CERBT). The District has indicated to us that it will continue to invest in CERBT asset allocation Strategy 3, using a Margin for Adverse Deviation of .14%. Accordingly, liabilities were calculated based on a 6.25% discount rate.
- There have been no changes in benefits since the 2011 valuation was prepared. The District's current PEMHCA resolution on file with CalPERS was executed in 2002 and provides for retirees to receive PEMHCA Minimum Employer Contribution (MEC), phased in on an "unequal contribution" basis. The District maintains a Flexible Benefit Plan to pay amounts in excess of the MEC for active employees and, by agreement, also provides additional amounts in excess of the MEC for retirees.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of the District's staff, who provided valuable information and assistance to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,



Catherine L. MacLeod, FSA, EA, MAAA
Director, Health and Benefit Actuarial Services

Enclosure

A. Executive Summary

This report presents the results of the July 1, 2013 actuarial valuation of the San Joaquin County Mosquito & Vector Control District (the District) other post-employment benefit (OPEB) programs. Briefly, benefits include subsidized medical insurance coverage for eligible retirees plus access to dental and vision insurance. The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45).

How much the District contributes each year affects the calculation of liabilities. In May 2012, the District began prefunding its OPEB obligations, with a sizable initial contribution. Future District contributions are expected to be greater than or equal to the Annual Required Contribution (ARC) each year. Trust assets are currently invested in the California Employers' Retiree Benefit Trust (CERBT) with Asset Allocation Strategy 3. At the time the 2011 valuation was prepared, a discount rate of 6.25% was used. The District indicated to Bickmore that no change is planned to either the asset allocation strategy or the current "Margin for Adverse Deviation"; accordingly, this valuation was also prepared using a 6.25% discount rate. Use of this rate is not a guarantee of future investment performance, but rather an assumption about the expected long term rate of return.

We calculate the GASB 45 actuarial accrued liability (AAL) to be \$1,010,696 and the normal cost to be \$21,213 as of July 1, 2013. The District reported assets in CERBT as of July 1, 2013 of \$608,722 to offset these liabilities. Thus, the unfunded accrued liability as of this date is \$401,974 and the funded ratio is 60.2%.

Exhibits presented in this report reflect our understanding that the results of this July 1, 2013 valuation will be applied in determining the annual OPEB expense for the District's fiscal years ending June 30, 2014 and 2015. We have included a summary of the information we anticipate will be reported for the District's fiscal year ended June 30, 2013 in Appendix 1 of this report.

The following summarizes results for the fiscal year ending June 30, 2014:

- We calculate the annual required contribution (ARC) to be \$45,504.
- District contributions are assumed to equal the ARC. It is expected that the District will pay its portion of retiree premiums during the period and contribute (or request a refund of) the balance of the ARC to CERBT.
- Based on the calculations and contributions described above and detailed in Table 1C of this report, we project a net OPEB obligation of \$36,173 on June 30, 2014.

These results are shown in tables beginning on page 11. Projected results for the fiscal year ending June 30, 2015 are also shown in these tables.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to retain coverage for themselves and their dependents. To the extent that actual experience is not what we assumed, future results will be different. Due to the relatively small size of the

Executive Summary (Concluded)

District's employee group, differences from what we project are more likely to occur. These variances, unfortunately, may lead to more volatility in results from one valuation to the next, although the generally stable benefit design in this program should offset the volatility to some extent. We also note that this valuation has been prepared on a closed group basis; no provision is made for new employees.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages.

The next valuation is scheduled to be prepared as of July 1, 2015 as required for continued participation in CERBT. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

H. Certification

This report presents the results of our actuarial valuation of the other post employment benefits provided by the San Joaquin County Mosquito & Vector Control District. The purpose of this valuation was to provide the actuarial information required for the District's reporting under Statement 45 of the Governmental Accounting Standards Board. The calculations were focused on determining the plan's funded status as of the valuation date, developing the Annual Required Contribution and projecting the Net OPEB Obligations for the years to which this report is expected to be applied.

We certify that this report has been prepared in accordance with our understanding of GASB 45. To the best of our knowledge, the report is complete and accurate, based upon the data and plan provisions provided to us by the District. We believe the assumptions and method used are reasonable and appropriate for purposes of the financial reporting required by GASB 45. The results may not be appropriate for other purposes.

The undersigned individual is a Fellow in the Society of Actuaries and Member of the American Academy of Actuaries who satisfies the Academy Qualification Standards for rendering this opinion.

Signed: December 9, 2013

Catherine L. MacLeod

Catherine L. MacLeod, FSA, EA, MAAA

Table 1A
Summary of Valuation Results

The following summarizes the results of our valuation of OPEB liabilities for the District calculated under GASB 45 for the fiscal year ending June 30, 2014 as well as projected amounts for the fiscal year ending June 30, 2015.

The results shown below and on the following two pages reflect our understanding that the District intends to contribute 100% of the ARC or more for each fiscal year up to and including the years to which this report is expected to be applied. Should those contributions differ by more than an immaterial amount, some of the results in this report will need to be revised.

Valuation date	Prefunding Basis	
	7/1/2013	
For fiscal year beginning	7/1/2013	7/1/2014
For fiscal year ending	6/30/2014	6/30/2015
Discount rate	6.25%	6.25%
Number of Covered Employees*		
Actives	35	35
Retirees	17	17
Total Participants	52	52
Actuarial Present Value of Projected Benefits		
Actives	\$ 649,278	\$ 685,525
Retirees	526,961	505,051
Total APVPB	1,176,239	1,190,576
Actuarial Accrued Liability (AAL)		
Actives	483,735	532,174
Retirees	526,961	505,051
Total AAL	1,010,696	1,037,225
Actuarial Value of Assets	608,722	633,093
Unfunded AAL (UAAL)	401,974	404,132
Normal Cost	21,213	21,902
Benefit Payments		
Actives (in retirement)	4,333	9,337
Retirees	54,845	52,742
Total	59,178	62,079

* The numbers of active employees and retirees shown above are as of the valuation date and are not necessarily the number expected in the following year. Because this valuation has been prepared on a closed group basis, no potential future employees are included and, based on assumptions outlined in Table 4, we recognize the possibility that active employees may leave employment, some may retire and elect benefits and coverage for some of the retired employees may cease.

Table 1B
Calculation of the Annual Required Contribution

The following exhibit calculates the amortization payments and the annual required contribution (ARC) on a prefunding basis for the fiscal years ending June 30, 2014 and June 30, 2015.

Fiscal Year End	Prefunding Basis	
	6/30/2014	6/30/2015
Funding Policy		
Discount rate	6.25%	6.25%
Amortization method	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30
Remaining period (in years)	26	25
Determination of Amortization Payment		
UAAL	\$ 401,974	\$ 404,132
Factor	18.5978	18.1091
Payment	21,614	22,317
Annual Required Contribution (ARC)		
Normal Cost	21,213	21,902
Amortization of UAAL	21,614	22,317
Interest to 06/30	2,677	2,764
Total ARC at fiscal year end	45,504	46,983

While the following is not intended to be used to determine the normal cost or ARC in either of these fiscal years, this information may be of value for general planning purposes:

Valuation date	7/1/2013	
Fiscal Year End	6/30/2014	6/30/2015
Projected covered payroll	\$ 2,224,211	\$ 2,296,498
Normal Cost as a percent of payroll	1.0%	1.0%
ARC as a percent of payroll	2.0%	2.0%
ARC per active ee	1,300	1,342

Table 1C
Expected OPEB Disclosures

The exhibit below develops the annual OPEB expense, estimates the expected OPEB contributions and projects the net OPEB obligation for the fiscal years ending June 30, 2014 and June 30, 2015. The calculations assume the District continues to follow the prefunding approach outlined on the prior page.

Fiscal Year End	Prefunding Basis	
	6/30/2014	6/30/2015
1. Calculation of the Annual OPEB Expense		
a. ARC for current fiscal year	\$ 45,504	\$ 46,983
b. Interest on Net OPEB Obligation (Asset) at beginning of year	2,249	2,261
c. Adjustment to the ARC	(2,056)	(2,122)
d. Annual OPEB Expense (a. + b. + c.)	45,697	47,122
2. Calculation of Expected Contribution		
a. Estimated payments on behalf of retirees	59,178	62,079
b. Estimated contribution to OPEB trust	(13,674)	(15,096)
c. Total Expected Employer Contribution	45,504	46,983
3. Change in Net OPEB Obligation <i>(1.d. minus 2.c.)</i>	193	139
Net OPEB Obligation (Asset), beginning of year	35,980	36,173
Net OPEB Obligation (Asset) at fiscal year end	36,173	36,312

Please note:

1. The expected payments to retirees shown in item 2.a. above are estimates and should be replaced with the actual payments when preparing financial statements.
2. Based on the projected amount of retiree benefits in each of these two fiscal years, it does not appear as if a contribution to the OPEB trust will be required. In fact, a refund from the trust to the District is possible if retiree payments exceed the ARC. We have assumed that the District will take a refund in the event this occurs, so that total contributions equal the ARC. If no refund is taken and total contributions exceed the ARC, the excess contribution(s) will reduce the net OPEB obligation.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
District Activities Report

December 2013

Work Completed:

CONTINUATION OF SWIMMING POOL INSPECTIONS ON PROPERTIES IN FORECLOSURE

The District continues to work with the County Assessor's office and the County GIS Department to develop a list of properties with swimming pools that are either in default or full foreclosure. 9 pools were identified on the December list, down from 27 in November. This was the fewest number of pools the District has received in 8 years.

FIELD ACTIVITIES

Field Technicians maintained access to mosquito breeding sources through brush removal and herbicide applications. The mild and dry conditions this year has allowed for uninterrupted work on these sites. Willows, wild berries and other herbaceous brush that impedes mosquito breeding site access are typically targeted for the brushing and herbicide applications. In addition, technicians continue to respond to occasional mosquito service requests reported by the public.

EQUIPMENT MAINTENANCE

Technicians and shop personal began cleaning and calibrating spray equipment in preparation for next year's spraying activities.

TOTAL TREATMENT WORK CONDUCTED DURING THE MONTH OF DECEMBER

GROUND WORK

9.5 Acs Larvicided
0 Acs Adulticided
10.5 Acs Herbicided

AERIAL WORK

0 Acs Larvicided
0 Acs Adulticided

SERVICE REQUESTS

6 Mosquitoes

4 Fish Requests

35 Neglected Pools

WORK SCHEDULED FOR JANUARY

- **CONTINUE TO INSPECT NEGLECTED SWIMMING POOLS REPORTED BY THE PUBLIC AND IDENTIFIED ON THE CURRENT HOME FORECLOSURE LIST**
- **CONTINUE BRUSH REMOVAL/HERBICIDE ACCESS PROJECTS**
- **BEGIN TREE HOLE MOSQUITO APPLICATIONS**
- **CONTINUE COMPILING RECORDS FOR THE NPDES YEAR END REPORT**

Public Information & Outreach

Month End Report

for
month ending December, 2013

To: Ed Lucchesi
Manager

From: Aaron Devencenzi
Public Information Officer

Monthly Activities

- Five school presentations were given with 312 students in attendance. Additional presentations were scheduled for January.
- The District agreed to participate in Ag Venture in Stockton during January of 2014. This event reaches 500-1000 students and adults in a five hour period.
- I continued working on the 2013 Annual Report as data was provided.
- The design for the new District logo was completed. The logo was approved by the District's trustees after a brief presentation. During the presentation we discussed the cost of phasing in the new logo over a period of time. As supplies with the old logo are used, the new logo will be phase in.
- The District website was updated with a winter spray notice, board minutes, agenda, and a special meeting was posted.
- A presentation was given for Lodi Parks and Rec. Department with 25 people in attendance. We discussed mutual cooperation between the Parks Department and the District as well as potential for the *Aedes aegypti* in San Joaquin County.
- I worked with the mechanics providing a safety presentation for the safe use of chainsaws.
- I participated in hands-on training in crisis communication while working briefly with Office of Emergency Services (OES) during the extreme cold weather condition. OES is a valuable resource for the District in the event the District needs their services in an emergency situation. Learning their system for mutual aid will streamline our communication efforts in the event we need their assistance.

Work scheduled for the month of January, 2014:

- Three school presentations are scheduled with six classes in attendance. We will be participating in Ag Venture at the Stockton fair grounds. The new logos will be ordered for the vehicles. A safety organization folder for new hires and for yearly training records will be updated and redeveloped. A poster will be made for the Fish Facility Manager and a presentation developed for MVCAC conference. Planning and developing a media buy campaign will begin for the new year.

MANAGER'S REPORT

For the period December 11, through January 15, 2013

- The District completed the investigation of the notice from Cal-OSHA of a complaint they received alleging violation of the Safety Orders found in Title 8 of the California Code of Regulations. The Assistant Manager completed the necessary follow-up. A copy of the complaint was included in your packet last month. Each alleged condition was appropriately addressed. A follow-up inspection was conducted by two representatives from Cal-OSHA. They interviewed me in my office and met with John Fritz at the District's White Slough facility. Much of their investigation was centered on the District's former use of the materials labeled Paracide F and Parasite S, commonly known as Formalin. This material was used from 2002 through 2009 for the purposes of controlling fish parasites found on the mosquito fish reared at White Slough. The material was not longer used after 2009 due to the increased costs and lack of supply. Today, all wild mosquito fish introduced to White Slough are first placed in a hospital tank for localized treatment using potassium permanganate (parasiticide) prior to transfer to our earthen ponds.
In addition, I received communication from the San Joaquin County Board of Supervisors of a complaint they received from Ms. Tiffany Anderson of similar allegations relating to use of Formalin at White Slough. A copy of the complaint is included in the Consent Calendar – (3g Correspondence) portion of the Board Packet.
- The District received one public records request from the California Tax Payers Association requesting information on the District's Special Tax and Benefit Assessment. I provided District Board resolutions, ballot language and election results, time-frame of elections, and the current revenue estimate the District receives from these two assessments. A copy of the request is included in your packet. The information provided is on file and available for the Board's review.
- I worked with Croce and Company in preparing for the District's Annual Audit. This year the District Audit will include the Management and Discussion Analysis, in addition I will working with Croce to assist in developing a Financial Reserve Policy for the District.
- I collaborated with the manager of the Sacramento / Yolo MVCD to work out a Memorandum of Understanding for shared large scale aerial spray services with our current contractor Vector Disease Control International (VDCI). This collaborative effort is intended to guarantee local service in the event the District requires large scale adulticiding treatments to either rural or congested areas (urban). Currently the District contacts VDCI approximately 72 hours prior to a spray event, at times there is a conflict due to VDCI having prior commitments. This agreement provides for a plane and pilots to be stationed in Sacramento County. Both Districts guaranteed 650,000 treated acres of which 120,000 acres obligated from San Joaquin County MVCD. This would be a three year agreement, and provides for increased efficiency and a cost savings to the District. This item will be covered during the board meeting, Agenda Item # 6 in the Board Packet.
- The Assistant Manager and I are preparing to develop an eligibility list for (MCT I) employee candidates available for the planned retirement of a couple of our current employees. Not all of our current employees are planning retirement at the same time, but have referenced a separation some time during this fiscal year. Due to this information, we need to take a proactive approach in preparing for this event since there is a required amount of training prior to assigning an operational zone. I will be requesting authorization to move forward in this area.

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 3g

3g. Correspondence Information

1. Letter from City of Manteca notifying District of the Re-appointment of Trustee Jack Snyder and corresponding article from Manteca Bulletin
2. Public Information Request from California Taxpayers Association regarding Property Assessments.
3. Communication from San Joaquin County Board of Supervisors of complaint received by the Board from Ms. Tiffany Anderson.

Attachments



CITY OF MANTECA

MANTECA CITY COUNCIL
WILLIE WEATHERFORD, MAYOR
VINCENT HERNANDEZ, II, COUNCILMAN
JOHN W. HARRIS, COUNCILMAN
DEBBY MOORHEAD, COUNCILWOMAN
STEPHEN DeBRUM, COUNCILMAN

December 18, 2013

Jack Snyder
255 Poplar Avenue
Manteca, CA 95336

**SUBJECT: REAPPOINTMENT TO BOARD OF TRUSTEES OF THE SAN
JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL
DISTRICT**

Dear Mr. Snyder:

The City Council, at its December 17, 2013 meeting, considered your reappointment to the Board of Trustees of the San Joaquin County Mosquito and Vector Control District for a four-year term.

With the affirmation of the City Council, it was my decision to reappoint you, Jack Snyder as Trustee representing the City of Manteca.

Thank you for volunteering your time for the betterment of our community.

Sincerely,

**WILLIE W. WEATHERFORD
MAYOR**

www/smo

cc: Eddie Lucchesi, San Joaquin County Mosquito & Vector Control District



January 9, 2014

San Joaquin County Mosquito and Vector Control District
ATTN: Aaron Devencenzi, Public Information Officer
7759 S Airport Way
Stockton, CA 95206

SUBJECT: California Public Records Act Request

To Whom it May Concern:

Pursuant to the California Public Records Act (Government Code Section 6250 et seq.), I am requesting additional information about assessments within the San Joaquin County Mosquito and Vector Control District.

The San Joaquin County Auditor-Controller indicates the district has the following assessments:

- SJC MOSQUITO ABATE
- SJC MOSQ & VCTR CONTR-BEN ASMT

To help you understand what I am looking for, a number of districts levy an assessment on property owners. Typically, these assessments appear on a property owner's property tax bill (which is in excess of ad valorem property taxes). After passage of Proposition 218 in 1996, some local governments resubmitted various assessments to voters or property owners, seeking reauthorization for a local assessment. However, not all assessments in existence prior to 1996 are required to be put to a vote of the public.

Specifically, I am interesting in obtaining the following:

- For assessments that were put to a vote before the property owners or a vote of the public, I am requesting the ballot question, the complete language of the measure (which specifies how the assessment is imposed and who shall pay the assessment); the results of the assessment election; and the most recent estimate of how much revenue is generated from the assessment.

- For assessments that have not been submitted to a vote, I am looking to obtain a copy of the governing board's (ie a City Council, Board of Directors, or County Board of Supervisors) resolution authorizing the assessment (which specifies how the assessment is imposed and who shall pay the assessment); and the most recent estimate of how much revenue is generated from the assessment.

I ask for a determination on this request within 10 days of your receipt of it, and an even prompter reply if you can make that determination without having to review the records in question. If you determine that some but not all of the information is exempt from disclosure and that you intend to withhold it, I ask that you redact it for the time being and make the rest available as requested. If you need more than 10 days to comply with my records request, please notify me of the estimated timeframe with which you can comply.

If I can provide any clarification that will help expedite your attention to my request, please contact me at 916-930-3102 or rob@caltax.org. While I would prefer electronic copies, if that cannot be provided, hard copies of the requested materials may be provided. I ask that you notify me of any duplication costs before you duplicate the records so that I may decide which records I want copied.

Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Gutierrez', with a long horizontal flourish extending to the right.

Robert Gutierrez
Research Analyst
California Taxpayers Association



SAN JOAQUIN COUNTY BOARD OF SUPERVISORS COMMUNICATIONS

GENERAL GOVERNMENT – January 7, 2014

FROM	SUBJECT	PROPOSED ACTION
1. Jerome C. Whitverding, Auditor-Controller, San Joaquin County, dated December 19, 2013.	QUARTERLY REVIEW OF TREASURER- TAX COLLECTOR'S STATEMENT OF ASSETS, AS OF SEPTEMBER 30, 2013.	1. COB to receive and file. Copy to CAO and CC.
2. William R. Petrone, Staff Director, SEIU Local 1021, dated December 18, 2013.	WITHDRAWAL OF FOURTH STEP COMPLAINT, MOU SECTION 3-4.3 FLOATING HOLIDAYS.	1. COB to receive and file. 2. Copy to HR Director for information. 3. Copy to CAO and CC.
3. Tiffany Anderson, dated December 10, 2013.	COMPLAINT REGARDING THE USE OF FORMALIN AT WHITE SLOUGH FACILITY.	1. COB to receive and file. 2. Copy to Manager, Mosquito & Vector Control for action. 3. Copy to CAO and CC.
4. William R. Petrone, Staff Director, SEIU Local 1021, dated November 27, 2013.	FOURTH STEP COMPLAINT FOR VIOLATION OF MOU SECTION 3-4.3 (ALL BARGAINING UNITS) FLOATING HOLIDAYS ON BEHALF OF ALL MEMBERS IDENTIFIED AS BEING HIRED BETWEEN THE DATES OF DECEMBER 6, 2011 AND JULY 23, 2013.	1. COB to receive and file. 2. Copy to HR Director for information. 3. Copy to CAO and CC.
5. Shabbir A. Khan, Treasurer & Tax Collector, San Joaquin County.	SAN JOAQUIN COUNTY TREASURY BALANCE 11-30-2013.	1. COB to receive and file 2. Copy to CAO and CC.
6. Jerome C. Whitverding, Auditor-Controller, San Joaquin County.	SOCIAL SECURITY NUMBER TRUNCATION PROGRAM REVIEW, ISSUED 11-08-2013.	1. COB to receive and file. 2. Copy to CAO and CC.

December 10th, 2013

SJC BOARD OF SUPERVISORS
COMMUNICATIONS # 3
Category 56
Board Meeting Date 1/7/2014

The Hon. Bob Elliot
Supervisor of the 5th District of San Joaquin County
San Joaquin County Administration Building
44 N. San Joaquin St., Suite 627
Stockton, CA 95202

Dear Supervisor Elliot,

I am writing for assistance with the investigation of several hazardous conditions at the San Joaquin County Mosquito & Vector Control District (District). These conditions affect the safety and health of employees, and potentially the surrounding environment, including water resources.

Having sustained work injuries myself and enduring the death of a co-worker, it is my hope that your office will compel the District to follow applicable state laws and CAL/OSHA standards, that District employees are properly trained and advised of potential exposure to hazardous materials, and that the District is held accountable for their misconduct.

More than a year ago, the Division of Occupational Safety and Health conducted an initial investigation with no citations issued. However, my documentation, personal experience, and that of others, is in conflict with the investigator's findings. Because the investigator was unable to witness field operations alongside employees and/or visit other facilities, the results are incomplete.

For example, after an exposure at the District's White Slough facility in Lodi, I was interviewed by the San Joaquin County District Attorney's office regarding the District's undisclosed use of Formalin. District employees were NEVER informed of the use of this pesticide or provided the MSDS sheet for it. However, the OSHA investigator was not made aware of this facility or the chemicals used there, did not visit the facility, and of course, did not complete environmental studies.

In addition, the ponds at the White Slough facility are not lined, and are located below the water table. It seems this is not safe.

I am asking that the Board of Supervisors, County Agencies, and yourself:

- 1) Investigate the District for:
 - a. Failure to comply with applicable hazardous material guidelines and California law.
 - b. Failure to provide for the appropriate safety of their employees; and
 - c. Failure to disclose the exposure to certain chemicals to their employees

- 2) Visit the White Slough facility and determine what chemicals/treatments have been applied in the area, whether documented in writing or not
- 3) Test the bodies of water and surrounding environment for undocumented use of hazardous chemicals, including general microbiological testing, bacterial pathogens, parasites and human viruses
- 4) Test the bodies of water and surrounding environment for undocumented and/or inappropriate use of formalin specifically
- 5) Ensure the District educates and trains employees on the chemicals used, including their exposure risk and appropriate stabilizing medical treatment upon exposure, and that these actions are documented as required by law
- 6) Ensure the District reports all chemical treatments to the appropriate governmental agencies
- 7) Provide me with information regarding the handling of this complaint

Please note I have documentation available to support my complaints, including information regarding the use of formalin at the White Slough facility. I tried to complete the online form and was unable to do so. Therefore, I respectfully request that an investigator from your office contact me and pursue this investigation as soon as possible.

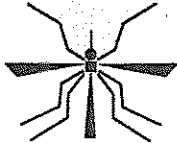
Thank you,

Tiffany Anderson

Tiffany Anderson
2 N. Avena Avenue
Lodi, CA 95240
(209) 625-8587

cc: Scott Hudson, Commissioner, San Joaquin County Office of Agricultural
Donna Herron, Director, San Joaquin County Environmental Health Dep.
Monica Nino, Administrator of San Joaquin County
James P. Willet, District Attorney of San Joaquin County
Cathleen Galgiani, Senator, California State Senate 5th District
Kristin Olsen, Assemblywoman, California State Assembly 12th District
Susan Regman, Assemblywoman, California State Assembly 9th District
Richard Pan, Assemblyman, California State Assembly 13th District
Kamela D. Harris, Attorney General of the State of California
Edmund G. Brown Jr., Governor of the State of California
Jerry McNerney, Congressman, U.S. House of Representatives CA 9th District
Diane Feinstein, Senator, U.S. Senate CA Representative
Barbara Boxer, Senator, U.S. Senate CA Representative

**SAN JOAQUIN
COUNTY**



**MOSQUITO &
VECTOR CONTROL
DISTRICT**

BOARD OF TRUSTEES

MARC WARMERDAM
PRESIDENT
SAN JOAQUIN COUNTY

GARY LAMBDIN
VICE PRESIDENT
CITY OF STOCKTON

JOY MEEKER
SECRETARY
CITY OF ESCALON

CITY OF LATHROP
OMAR KHWEISS

CITY OF LODI
JACK V. FIORI

CITY OF MANTECA
JACK SNYDER

CITY OF RIPON
FRANCIS GROEN

CITY OF TRACY
CHET MILLER

SAN JOAQUIN COUNTY
JAY COLOMBINI

SAN JOAQUIN COUNTY
MIKE MANNA

SAN JOAQUIN COUNTY
GREG O'LEARY

LEGAL ADVISOR
CHRISTOPHER K. ELEY

January 10, 2014,

Honorable Bob Elliot, Chair
Board of Supervisors
County of San Joaquin
44 N San Joaquin St
Sixth floor, Suite 627
Stockton, CA 95202

Re: Complaint Regarding the Use of Formalin at White Slough Facility

Dear Supervisor Elliot,

The complaint received by the Board of Supervisors was previously investigated by the 2011/12 San Joaquin County Grand Jury, San Joaquin County Agricultural Commissioner's Office, and the State Division of Occupational Safety and Health (CALOSHA). In addition, our District has conducted an in house investigation to the extent practicable.

In summary, the San Joaquin County Mosquito and Vector Control District was not found to be in violation of any of the alleged claims from Ms. Anderson.

All supporting investigation reports are located at the District's Stockton Office and available for review.

Please do not hesitate to contact me should you have any questions or need additional information.

Sincerely,

Eddie Lucchesi
Manager

Cc: Lois Sahyoun, Clerk of the Board

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 4

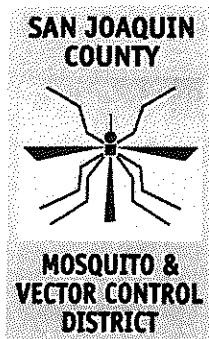
4. FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDING JUNE 30, 2013

Croce & Company Accountancy Corporation recently finished the financial review for FY2012-13. A representative from Croce will present the financial review to the Board for consideration and action. The review will include the Management, Discussion and Analysis. Per Health and Safety Code Section 2079, the Board of Trustees is required to provide for regular audits pursuant to Government Code Sections 26909 and 53890.

Enclosed is a copy of the audit report for review before the Board meeting. Please bring your copy of the report to the meeting for review and discussion.

This item requires Board action.

Attachment



January 9, 2014

BOARD OF TRUSTEES

MARC WARMERDAM
PRESIDENT
SAN JOAQUIN COUNTY

GARY LAMBDIN
VICE PRESIDENT
CITY OF STOCKTON

JOY MEEKER
SECRETARY
CITY OF ESCALON

CITY OF LATHROP
OMAR KHWEISS

CITY OF LODI
JACK V. FIORI

CITY OF MANTECA
JACK SNYDER

CITY OF RIPON
FRANCIS GROEN

CITY OF TRACY
CHET MILLER

SAN JOAQUIN COUNTY
JAY COLOMBINI

SAN JOAQUIN COUNTY
MIKE MANNA

SAN JOAQUIN COUNTY
GREG O'LEARY

LEGAL ADVISOR
CHRISTOPHER K. ELEY

Croce & Company Accountancy Corporation
Post Office Box 1607
Stockton, California 95201-1607

This representation letter is provided in connection with your audit of the financial statements of **San Joaquin County Mosquito and Vector Control District** (the District), which comprise the respective financial position of the governmental activities and the major fund of June 30, 2013, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 20, 2013, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 29, 2010, including our responsibilities for the preparation and fair presentation of the financial statements and for the preparation of the supplemental information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of the accounting principles generally accepted in the United States of America.
7. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements other than as disclosed in Note N to the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.

- c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
- 14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government - Specific

- 18. We have made available to you all financial records and related data, and all audit or relevant monitoring reports, if any, received from funding sources.

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
22. We are responsible for the District's compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statements amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
23. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
24. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
25. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

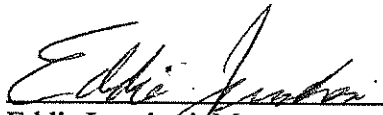
27. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
28. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
29. The financial statements properly classify all funds and activities.
30. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
31. Components of net position (net investment in capital assets, net of related debt; restricted, and unrestricted) and equity amounts are properly classified and, if applicable, approved.
32. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
33. Provisions for uncollectible receivables have been properly identified and recorded.
34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
37. Special and extraordinary items are appropriately classified and reported, if applicable.
38. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
39. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.


40. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net position is properly recognized under the policy.
41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
42. We have reviewed the District's liability for accumulated unused sick leave and believe that the liability as disclosed is a reasonable approximation of the District's obligation based on current available data.
43. The charges to capital asset accounts as recorded in the books represent cost of additional equipment, or additions or improvements to existing facilities, or replacements thereof. All units of property which have been replaced, sold, or otherwise disposed of or which are permanently unusable have been removed from the fixed asset accounts.
44. All disbursements are reviewed by the Board of Trustees and approval or disapproval is so stated in the minutes of the meetings. All transfers of funds are approved by the Board of Trustees and so stated in the minutes of the meetings.
45. We have reviewed travel, meals, and entertainment expenditures and have determined that all related expenditures are reasonable and pertain to District operations.
46. We have reviewed the remaining estimated useful lives of all capital assets and have determined that such lives are appropriate.
47. We believe that the actuarial assumptions and methods used to measure the Other Post-Employment Benefits liability and costs for financial accounting and reporting purposes are appropriate in the circumstances.

48. In regards to the preparation of the Special Districts Financial Transactions Report and the Local Government Compensation Report by you, we have –
- a. Made all management decisions and performed all management functions.
 - b. Designated an individual with suitable skill, knowledge, or experience to oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the result of the services.
49. The adjusting journal entries for the period ended June 30, 2013, which have been proposed by you, are approved by us and will be recorded on the books of the District.

Sincerely,

**SAN JOAQUIN COUNTY MOSQUITO
AND VECTOR CONTROL DISTRICT**


Eddie Lucchesi, Manager


Emily Nicholas, Accountant

**SAN JOAQUIN COUNTY MOSQUITO
AND VECTOR CONTROL DISTRICT**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2013

Working Draft

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Independent Auditors' Report

To the Board of Trustees
San Joaquin County Mosquito and Vector Control District

We have audited the accompanying financial statements of the governmental activities and the major fund of **San Joaquin County Mosquito and Vector Control District** (the District) as of and for the year ended June 30, 2013, 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 governmental activities and the major fund of **San Joaquin County Mosquito and Vector Control District** as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 33 through 34 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 summary of revenues – general fund, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The summary of revenues – general fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CROCE & COMPANY
Accountancy Corporation
Stockton, California
December 20, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Working Draft

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2013

The following is a narrative overview and analysis by the management of San Joaquin County Mosquito and Vector Control District (the District) of the financial activities of the District for the fiscal year ended June 30, 2013. Readers should consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- Total assets of the District were \$13,374,629 with cash and cash equivalents at \$10,626,141 and capital assets at \$2,415,141, net of accumulated depreciation.
- Total liabilities were \$1,172,925, including compensated absences of \$602,289 and accounts payable of \$267,449.
- Assets of the District exceeded liabilities at the close of the most recent fiscal year by \$12,201,704 (net position). Of this amount, \$9,786,563 (unrestricted) may be used to meet the District's ongoing obligations and \$2,415,141 represents the District's net investment in capital assets.
- The District's net position increased by \$383,321 from \$11,818,383 in FY 2012 to \$12,201,704 in FY 2013.
- Total general revenues for the fiscal year 2012-2013 were \$6,713,645. This figure is \$75,477 greater than the prior year, due primarily to the receipt of redevelopment residual distributions and low/moderate income housing funds.
- Total operating expenses for the fiscal year 2012-2013 were \$6,330,324. This figure is 8% less than the prior year, due primarily to the completion of a site lease in the prior year and the removal of a \$500,000 environmental remediation liability related to property owned in Escalon, California, which was sold during October 2013.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report includes both required supplemental information and other supplemental information.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2013

The first of these government-wide statements is the *Statement of Net Position*. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference 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 as a whole is improving or deteriorating.

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

Financial Analysis

Net Position

As year to year financial information is accumulated in a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2013

The following table provides a summary of the District's net position:

	Net Position			
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Amount change</u>	<u>Percent change</u>
Cash and cash equivalents	\$ 10,626,141	\$ 10,721,010	\$ (94,869)	(0.9)
Other assets	333,347	342,979	(9,632)	(2.8)
Capital assets	<u>2,415,141</u>	<u>2,487,457</u>	<u>(72,316)</u>	(2.9)
 Total assets	 <u>13,374,629</u>	 <u>13,551,446</u>	 <u>(176,817)</u>	 (1.3)
 Other liabilities	 380,750	 293,379	 87,371	 29.8
Long-term liabilities	<u>792,175</u>	<u>1,439,684</u>	<u>(647,509)</u>	(45.0)
 Total liabilities	 <u>1,172,925</u>	 <u>1,733,063</u>	 <u>(560,138)</u>	 (32.3)
 Invested in capital assets, net of related debt	 2,415,141	 2,487,457	 (72,316)	 (2.9)
Unrestricted – capital assets preservation	710,000	800,000	(90,000)	(11.3)
Unrestricted – contingencies	1,074,607	599,043	475,564	79.4
Unrestricted – public health emergencies	1,913,885	1,913,885	-	-
Unrestricted – undesignated	<u>6,088,071</u>	<u>6,017,998</u>	<u>70,073</u>	1.2
 Total net position, end of year	 <u>\$ 12,201,704</u>	 <u>\$ 11,818,383</u>	 <u>\$ 383,321</u>	 3.2

The District's net position increased by \$383,321 as compared to the \$261,059 decrease in net position in the prior year. The District's increase in net position is due to the combined changes of the following major components:

- The District removed a \$500,000 environmental remediation liability related to the property in Escalon, California. The property was sold during October 2013.
- The Board of Trustees designated a portion of the unrestricted funds for capital asset preservation, contingencies, and public health emergencies. These funds require Board approval for allocation and expenditure of funds.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2013

Comparative data is accumulated and presented to assist analysis. The following table provides a summary of the District's changes in net position.

Changes in Net Position

	June 30, <u>2013</u>	June 30, <u>2012</u>	Amount <u>change</u>	Percent <u>change</u>
Revenues				
Property taxes	\$ 3,628,767	\$ 3,468,629	\$ 160,138	4.6
Property assessments	2,827,244	2,781,904	45,340	1.6
Reimbursements and rebates	157,072	158,199	(1,127)	(0.7)
Property tax relief	69,238	68,713	525	0.8
Investment income	16,395	46,307	(29,912)	(64.6)
Other revenues	14,929	10,669	4,260	39.9
Rental income – site lease	-	103,747	(103,747)	(100.0)
Total revenues	<u>6,713,645</u>	<u>6,638,168</u>	<u>75,477</u>	1.1
Expenditures				
Salaries and wages	2,180,689	2,247,991	(67,302)	(3.0)
Chemicals	1,440,170	1,422,264	17,906	1.3
Employee benefits	1,297,882	1,331,657	(33,775)	(2.5)
Insurance	322,197	204,013	118,184	57.9
Professional services	558,383	604,831	(46,448)	(7.7)
Payroll taxes	166,285	168,664	(2,379)	(1.4)
Fuel	120,398	118,374	2,024	1.7
Rent expense – site lease	-	108,675	(108,675)	(100.0)
Tax administration charges	79,975	81,900	(1,925)	(2.4)
Maintenance of equipment	79,026	65,816	13,210	20.1
Office expense	63,034	56,631	6,403	11.3
Miscellaneous	44,525	44,866	(341)	(0.8)
Laboratory services	33,275	37,816	(4,541)	(12.0)
Utilities	33,507	33,180	327	1.0
Auditor's direct assessment	28,204	27,575	629	2.3
Maintenance of structures and grounds	105,161	25,899	79,262	306.0
Transportation and travel	18,436	24,141	(5,705)	(23.6)
Rental of equipment	18,663	21,047	(2,384)	(11.3)
Household expense	15,355	20,673	(5,318)	(25.7)
Memberships	20,015	15,140	4,875	32.2
Clothing and personal supplies	11,490	14,062	(2,572)	(18.3)
Communications	10,843	10,046	797	7.9
Small tools and instruments	305	2,588	(2,283)	(88.2)
Auditor's payroll charges	1,988	2,183	(195)	(8.9)
Rental of structures and grounds	3,673	1,969	1,704	86.5
Special departmental expense	1,384	1,548	(164)	(10.6)
Education reimbursements	2,401	868	1,533	176.6
Taxes and administration	24	75	(51)	(68.0)
Environmental remediation	(500,000)	-	(500,000)	(100.0)
Depreciation	173,036	204,735	(31,699)	(15.5)
Total expenses	<u>6,330,324</u>	<u>6,899,227</u>	<u>(568,903)</u>	(8.2)
Change in net position	383,321	(261,059)	644,380	246.8
Net position, beginning of year	<u>11,818,383</u>	<u>12,079,442</u>	<u>(261,059)</u>	(2.2)
Net position, end of year	<u>\$ 12,201,704</u>	<u>\$ 11,818,383</u>	<u>\$ 383,321</u>	3.2

(Continued)

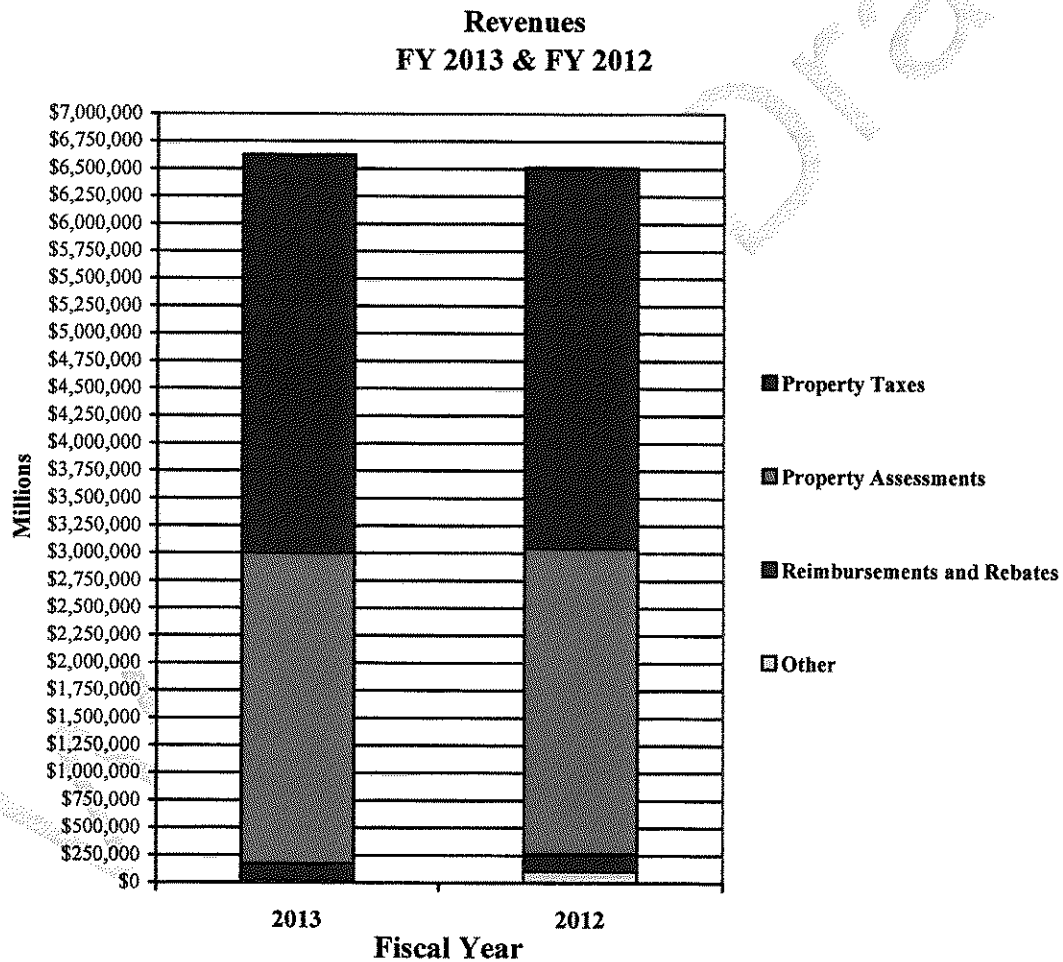
SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2013

Analysis of the more significant variances in revenues follows:

- Property taxes have increased \$160,138, which is attributable to the receipt of redevelopment residual distributions and low/moderate income housing funds during the year ended June 30, 2013.
- Rental income site lease decreased \$103,747 due to the completion of the site lease during the year ended June 30, 2012.



(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

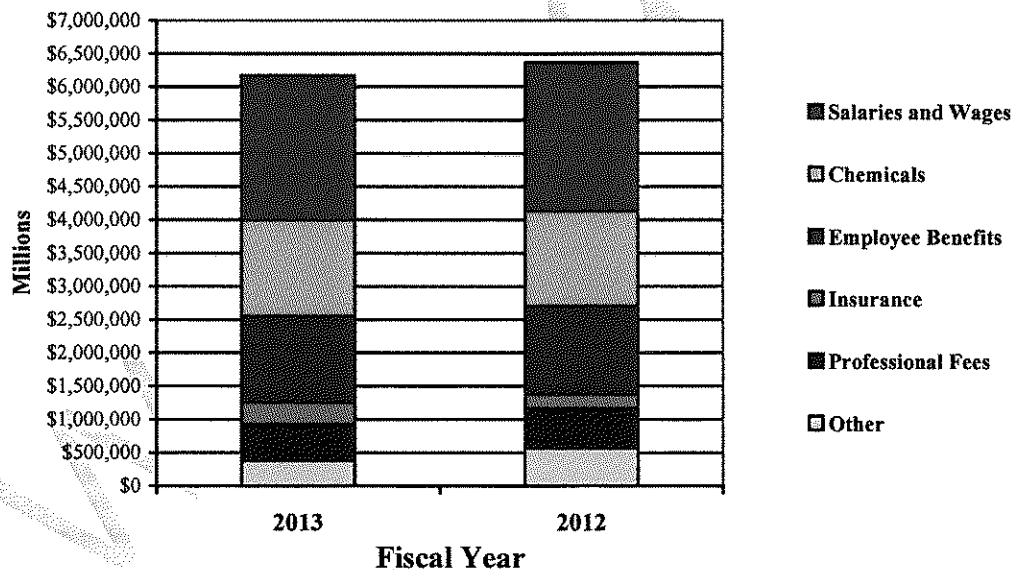
Management's Discussion and Analysis (Continued)

June 30, 2013

Analysis of the more significant variances in expenses follows:

- Insurance increased \$118,184 due to an increase in workers' compensation insurance through the Vector Control Joint Powers Agency.
- Rent expense-site lease decreased \$108,675 due to the completion of the site lease during the year ended June 30, 2012.
- Maintenance of structures and grounds increased \$79,262 due to fire damage repair required at the white slough property.
- Environmental remediation decreased \$500,000 due to the removal of the accrued remediation liability related to property owned in Escalon, California. The property was sold in October 2013.

**Expenses
FY 2013 & FY 2012**



(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis (Continued)

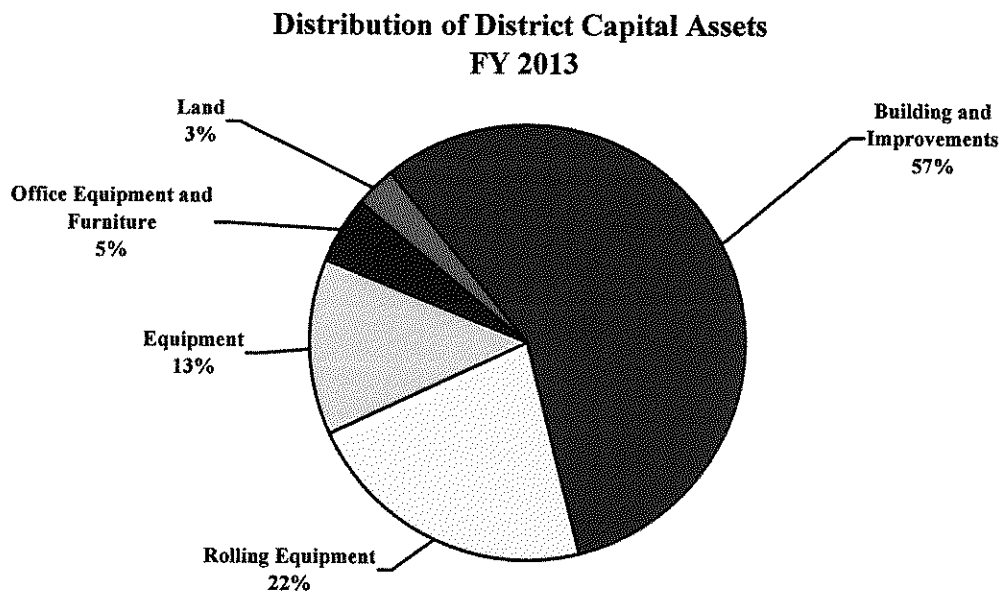
June 30, 2013

Capital Asset and Debt Administration

Capital Assets Activity

The District's net investment, after depreciation, in capital assets as of June 30, 2013 amounted to \$2,415,141. The District's capital assets include all land, buildings and improvements, rolling equipment, office furniture and equipment, and equipment owned by the District. The total decrease in the District's investment in capital assets for the current fiscal year was .2% or \$72,316. This represents \$173,036 of depreciation and \$6,144 of disposals offset by capital additions of \$106,864.

The following graph displays the District's largest capital asset categories and their portion (%) of the District's total asset value as of June 30, 2013.



Additional information on the District's capital assets can be found on page 23 herein.

Long Term Debt Activity

On June 30, 2013, the District had total long-term obligations outstanding of \$792,175. This is a \$647,509 decrease in long-term obligations from FY 2012. As of June 30, 2013, the District removed the \$500,000 environmental remediation liability related to property in Escalon, California. The property was sold during October 2013.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2013

Future obligations include compensated absences, retiree health insurance liabilities, and other post-employment benefits other than pensions.

Notes F, G and J to the financial statements contain further detail on the above-noted long-term obligations.

Future Financial Outlook

The District anticipates revenues to remain consistent the prior year with the exception of the proceeds from the sale of the Escalon property and a reduction in redevelopment related revenues. The District does not anticipate any unusual expenses for the coming year.

Requests for Information

The financial report is designed to provide the reader with a general overview of the District's finances. Questions concerning any of the information provided herein or requests for additional information should be addressed to the General Manager, San Joaquin County Mosquito and Vector Control District, 7759 South Airport Way, Stockton, California 95206.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Statement of Net Position

June 30, 2013

	Governmental activities
Assets	
Cash and cash equivalents	\$ 10,626,141
Accounts receivable	2,070
Interest receivable	6,023
Inventory	317,016
Prepaid expenses	8,238
Capital assets, net of accumulated depreciation of \$2,009,193	<u>2,415,141</u>
Total assets	<u>13,374,629</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	267,449
Accrued liabilities	113,301
State loan – Chapter 1168/85	67,380
Compensated absences	602,289
Retiree health insurance liabilities	88,822
Accrued other post-employment benefits	<u>33,684</u>
Total liabilities	<u>1,172,925</u>
Deferred inflows of resources	<u>-</u>
Net position	
Net investment in capital assets	2,415,141
Unrestricted	<u>9,786,563</u>
Total net position	<u>\$ 12,201,704</u>

The accompanying notes are an integral part of this financial statement.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Statement of Activities

For the year ended June 30, 2013

	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net (expenses) revenues and changes in net position</u>
Governmental activities			
Operations	\$ 6,330,324	\$ -	<u>\$ (6,330,324)</u>
Net program (expenses) revenues			<u>(6,330,324)</u>
General revenues			
Property taxes			3,628,767
Property assessments			2,827,244
Reimbursements and rebates			157,072
Property tax relief			69,238
Investment income			16,395
Other revenues			<u>14,929</u>
Total general revenues			<u>6,713,645</u>
Change in net position			383,321
Net position, beginning of year			<u>11,818,383</u>
Net position, end of year			<u>\$ 12,201,704</u>

The accompanying notes are an integral part of this financial statement.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Balance Sheet – Governmental Funds

June 30, 2013

	<u>General fund</u>
Assets	
Assets	
Cash and cash equivalents	\$ 10,626,141
Accounts receivable	2,070
Interest receivable	6,023
Inventory	317,016
Prepaid expenses	<u>8,238</u>
Total assets	<u>\$ 10,959,488</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 267,449
Accrued liabilities	113,301
State loan – Chapter 1168/85	67,380
Compensated absences	90,000
Retiree health insurance liabilities	<u>12,513</u>
Total liabilities	<u>550,643</u>
Fund balance	
Nonspendable:	
Prepaid expenses	8,238
Inventory	317,016
Committed to:	
Capital asset preservation	710,000
Contingencies	1,074,607
Public health emergencies	1,913,885
Unassigned	<u>6,385,099</u>
Total fund balance	<u>10,408,845</u>
Total liabilities and fund balance	<u>\$ 10,959,488</u>

The accompanying notes are an integral part of this financial statement.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2013

Total fund balance – governmental funds **\$ 10,408,845**

Amounts reported for governmental activities in the statement of net position are different from those reported in the governmental funds because of the following:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.

Capital assets	\$ 4,424,334	
Less accumulated depreciation	<u>(2,009,193)</u>	
	<u>\$ 2,415,141</u>	2,415,141

A portion of compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. (512,289)

A portion of retiree health insurance liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (76,309)

Accrued other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the funds. (33,684)

Net position of governmental activities **\$ 12,201,704**

The accompanying notes are an integral part of this financial statement.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

**Statement of Revenues, Expenditures and Changes
in Fund Balance – Governmental Funds**

For the year ended June 30, 2013

	<u>General fund</u>
Revenues	
Property taxes	\$ 3,698,005
Property assessments	2,827,244
Reimbursements and rebates	157,072
Investment income	16,395
Other revenues	<u>14,929</u>
Total revenues	<u>6,713,645</u>
Expenditures	
Operating	
Salaries and benefits	3,546,724
Services and supplies	3,178,717
Capital outlay	<u>100,720</u>
Total expenditures	<u>6,826,161</u>
Excess (deficiency) of revenues over expenditures	(112,516)
Fund balance, beginning of year	<u>10,521,361</u>
Fund balance, end of year	<u>\$ 10,408,845</u>

The accompanying notes are an integral part of this financial statement.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance –
Governmental Funds to the Statement of Activities**

For the year ended June 30, 2013

Net change in fund balances – governmental funds	\$ (112,516)
Amounts reported for governmental activities in the statement of activities are different because:	
Change in compensated absences is recorded as a reduction in expense in the statement of activities.	1,989
Change in retiree health insurance liabilities is recorded as a reduction in expense in the statement of activities.	12,839
Change in other post-employment benefit liabilities is recorded as a reduction in expense in the statement of activities.	53,325
Change in environmental remediation liability is recorded as a reduction in expense in the statement of activities.	500,000
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds.	(173,036)
Governmental funds report capital outlays as expenditures while governmental activities record depreciation expense to allocate those expenditures over the life of the assets.	<u>100,720</u>
Change in net position of governmental activities	<u>\$ 383,321</u>

The accompanying notes are an integral part of this financial statement.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note A – Summary of Significant Accounting Policies

This summary of significant accounting policies of San Joaquin County Mosquito and Vector Control District (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

The District was formed in 1945 and operates under the California Health and Safety Code for the purpose of mosquito and vector control in San Joaquin County.

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not classified as program revenues are presented as general revenues.

Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is comprised of one major fund as follows.

General fund – This fund is established to account for resources devoted to financing the general services that the District performs. Property taxes, special taxes and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note A – Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, special taxes and property tax relief are recognized as revenues in the year for which they are intended to finance.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 45 days of the end of the current fiscal period and apply to the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to the long-term portion of compensated absences and retiree health insurance are recorded only when payment is due.

Property taxes, special taxes, interest, property tax relief, charges for services and operating grants and contributions associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Inventory

The District's inventory, which includes mosquito and vector control chemicals, is stated at the lower of cost or market using the first-in, first-out (FIFO) method of valuation.

Capital assets

All capital assets are valued at historical cost. The District's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

All capital assets with limited useful lives are depreciated over their estimated useful lives. Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the balance sheet as a reduction in the book value of capital assets.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note A – Summary of Significant Accounting Policies (Continued)

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the following useful lives listed below to capital assets.

Buildings and improvements	10-45 years
Rolling equipment	5 years
Office furniture and equipment	5-10 years
Other equipment	3-10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Net position

Equity in the government-wide statements is classified as net position and displayed in three components as follows:

Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.

Unrestricted net position – Amounts not required to be reported in other components of net position.

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.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note A – Summary of Significant Accounting Policies (Continued)

Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Amounts that cannot be spent because they are either not in spendable in form or are legally or contractually required to be maintained intact.

Restricted – Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision making authority.

Assigned – Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned – Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

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

Property taxes

Property taxes were levied January 1, 2012 and were payable in two installments on December 12, 2012 and April 10, 2013. The County of San Joaquin bills and collects property taxes on behalf of the District.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note A – Summary of Significant Accounting Policies (Continued)

New accounting pronouncements

Government Accounting Standards Board (GASB) Statement No. 63

The District implemented Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources which are distinct from assets and liabilities and amends the net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB Statement No. 68

In June 2012, GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of GASB Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The scope of this Statement addresses accounting and financial reporting for substantially all pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan.

The District will be required to implement the provisions of this Statement for the year ending June 30, 2015, with the provisions of the Statement required to be applied retroactively. The District expects to recognize additional liabilities for outstanding defined pension benefit obligations upon the implementation of this Statement.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note B – Cash and Cash Equivalents

As of June 30, 2013, the carrying amount of the District's bank deposits was \$564,379 and the bank balance was \$566,055, of which \$316,055 was not insured by the Federal Deposit Insurance Corporation. In addition, as of June 30, 2013 the carrying amount of the District's insurance fund deposits and the insurance fund balance was \$614,947, of which \$614,947 was uninsured and uncollateralized.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Cash and cash equivalents invested in an external investment pool as of June 30, 2013 consists of the following:

	Investment pool fair value	Investment pool cost basis
<u>Investments in external investment pool</u>		
San Joaquin County Treasurer		
General fund	\$ 5,284,424	\$ 5,283,367
Special assessment fund	453,641	453,550
Contingency fund	1,077,447	1,077,232
General reserve fund	2,630,949	2,630,423
	<u>\$ 9,446,461</u>	<u>\$ 9,444,572</u>

Cash held by the San Joaquin County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.sjgov.org/treasurer/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained in the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. The value of the District shares in the Pool, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's position in the Pool. The District's investment in the Pool is unrated, stated fair value, available upon demand and considered cash equivalents.

The District is not required to and does not maintain a formal investment policy.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note C – Capital Assets

Capital asset activity for the year ended June 30, 2013 is as follows:

	Balance June 30, 2012	Additions	Disposals	Balance June 30, 2013
Nondepreciable capital assets				
Land	\$ 93,002	\$ -	\$ -	\$ 93,002
Land – Escalon pollution remediation outlays	39,084	12,262	-	51,346
Construction in progress	12,289	-	(6,144)	6,145
Total nondepreciable capital assets	<u>144,375</u>	<u>12,262</u>	<u>(6,144)</u>	<u>150,493</u>
Depreciable capital assets				
Buildings and improvements	2,536,708	-	-	2,536,708
Rolling equipment	961,612	65,791	(59,917)	967,486
Office furniture and equipment	210,178	7,275	-	217,453
Other equipment	530,658	21,536	-	552,194
Total depreciable capital assets	4,239,156	94,602	(59,917)	4,273,841
Less accumulated depreciation	(1,896,074)	(173,036)	59,917	(2,009,193)
Total depreciable capital assets, net	<u>2,343,082</u>	<u>(78,434)</u>	<u>-</u>	<u>2,264,648</u>
Total capital assets, net	<u>\$ 2,487,457</u>	<u>\$ (66,172)</u>	<u>\$ (6,144)</u>	<u>\$ 2,415,141</u>

Note D – State Loan – Chapter 1168/85

The District applied for and received a state loan in the amount of the shortfall in funding received through supplemental roll tax revenue during the 1984-85 fiscal year. The loan is interest free and was to be repaid from the 1984-85 fiscal year supplemental roll tax revenue received by the District after January 15, 1986. No due date has been assigned to the loan. The balance due on the loan at June 30, 2013 is \$67,380.

Note E – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters.

In order to insure for risks of loss, the District participates with other Districts in the Vector Control Joint Powers Agency (VCJPA) and purchases non-owned aircraft insurance through a commercial carrier. The relationship between the District and the VCJPA is such that VCJPA is not a component unit of the District for financial reporting purposes.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note E – Risk Management (Continued)

The VCJPA is established for the purpose of funding and developing programs to provide various insurance coverages for its member mosquito abatement and vector control districts in California. VCJPA consists of 35 districts throughout California and maintains pooled coverage programs for its members for workers' compensation, general liability, auto physical damage, and errors & omission. VCJPA also provides group purchased insurance programs for its members for multi-peril property, boiler and machinery, business travel accident, public employees' dishonesty/faithful performance, employee assistance, and employment practices liability. Refer to Note K for a summary of District insurance coverage.

Each district pays premiums commensurate with the level of coverage required or requested and shares surpluses and deficits proportionate to their participation in the VCJPA. Premiums are determined based on the ultimate cost of the experience to date of the member districts.

Deposits at the VCJPA bear interest based on the average daily balance maintained by each District. These deposits are invested in the Local Agency Investment Fund.

The latest audited financial information for the VCJPA is for the fiscal year ended June 30, 2012 and the condensed financial information is as follows:

Total assets	\$ 12,509,995
Total liabilities	<u>7,321,246</u>
Net assets	<u>\$ 5,188,749</u>
Total revenues	\$ 4,134,961
Total expenses	<u>4,097,408</u>
Increase in net assets	<u>\$ 37,553</u>

Workers' compensation

Annual premiums, based on the District's total payroll, are deposited in the District's separate Pooled Workers' Compensation Account at the VCJPA. The Account is reduced by the District's share of all Program claim settlements, excess insurance premiums and related administrative expenses. Five years after the end of each fiscal year, the VCJPA is to make a retroactive adjustment to fund/collect any remaining balance/deficit in the District's account. While the District's ultimate share of workers' compensation claim settlements and related administrative expenses is uncertain, management of the District does not believe it will have a material impact on the District's financial statements.

The workers' compensation fund provides coverage up to a maximum of \$500,000, self-insured retention (SIR). Excess workers' compensation insurance is provided by the Local Agency for Workers' Compensation Excess Joint Powers Authority (pooled liability program) up to a maximum of \$5,000,000 for employer liability and statutory coverage for workers' compensation.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note E – Risk Management (Continued)

General liability

Annual premiums are deposited in the District's separate Liability Account at the VCJPA. The account is reduced by the District's share of all program claim settlements, excess insurance premiums and related administrative expenses. Four years after the end of each fiscal year, the VCJPA will make a retroactive adjustment to refund/collect any remaining balance/deficit in the District's account. While the District's ultimate share of liability claim settlements and related administrative expenses is uncertain, management of the District does not believe it will have a material impact on the District's financial statements.

The District pays an annual premium to VCJPA for general liability coverage. The general liability fund provides coverage up to a maximum of \$1,000,000, self-insured retention (SIR). Coverage above the program self-insured retention is provided by a special liability policy with limits of \$14,000,000 in excess of \$1,000,000.

Unobligated fund

The District has an unobligated cash fund which earns interest for the District. The balance in the unobligated fund at June 30, 2013 was \$524,175.

Property contingency fund

The District has a property contingency cash fund which earns interest for the District. The balance in the property contingency fund at June 30, 2013 was \$90,772.

Note F – Compensated Absences

Employees accrue vacation leave based on length of service. Accumulated vacation leave is subject to maximum accruals for all employees. As of June 30, 2013, the District's accrued liability for accumulated unused vacation leave and overtime is \$253,282. Employees are paid for their accumulated unused vacation leave upon separation from service. The liability is expected to be liquidated with future resources and not with expendable available financial resources.

In addition, employees accrue sick leave which is not subject to maximum accruals. The District has estimated and recorded a liability for accumulated unused sick leave of \$349,007. The estimated liability was based on the employees vesting method and various retirement assumptions with certain modifications for the year ended June 30, 2013. The current portion of the liability was estimated to be \$90,000. The remainder has been recorded in the statement of net assets as the liability is expected to be liquidated with future resources and not with expendable available resources.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note F – Compensated Absences (Continued)

The accumulated unused sick leave is converted to a sick leave bank by the San Joaquin County Employees Retirement Association (Association) upon the employee's retirement or paid to the employee in the form of a 1/3 cash payout for represented employees and unrepresented employees hired after December 18, 2001 or 100% cash payout for unrepresented employees hired before December 19, 2001. The sick leave bank is used to pay post-retirement medical, dental and vision insurance premiums. Once the retiree's sick leave bank is depleted, the retiree is responsible for his/her medical, dental and vision insurance premiums.

For all District employees hired on or before August 27, 2001, retiree sick leave banks were funded through investment earnings of the Association. This program ceased March 31, 2011 (refer to Note G). For all District employees hired subsequent to August 27, 2001, the Association depletes the account as insurance premiums are reimbursed to the District. During the year ended June 30, 2013, the District was reimbursed for post-employment benefits paid in the amount of \$75,257 from 16 retirees.

Note G – Retiree Health Insurance Liabilities

Effective April 1, 2011, the District was no longer reimbursed for health insurance premiums paid for retirees with sick leave banks hired prior to August 27, 2001. During the year ended June 30, 2013, the District recorded a liability for the remaining retiree sick leave banks, in the amount of \$88,822. The current portion of the liability was estimated to be \$12,839 and the long-term portion as of June 30, 2013 was \$75,983.

Note H – Defined Benefit Pension Plan

Plan description

The District contributes to the Association, a cost-sharing multiple-employer defined benefit pension plan administered by the Board of Retirement. The Association provides retirement, disability, death, and survivor benefits to plan members and beneficiaries. The County Employee's Retirement Act of 1937 is the statutory basis for the Association. The Board of Retirement has the authority to establish and amend benefit provisions. The Association issues a publicly available financial report that includes financial statements and required supplementary information for the Association. A copy of the financial report may be obtained by writing to the Board of Retirement, San Joaquin County Employees' Retirement Association, 6 South El Dorado, Suite 400, Stockton, California, 95202.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note H – Defined Benefit Pension Plan (Continued)

Funding policy

Contribution rates are based on plan members' annual covered salary and are actuarially determined. As of June 30, 2013, contribution rates are as follows:

	<u>General members</u>
Employer rates	30.69%
Employee rates (average)	3.51%

All District employees are classified as general plan members. The contribution requirements of plan members and the District are established and may be amended by the Board of Retirement. The District's contribution to the Association for the years ended June 30, 2013, 2012, and 2011 were \$647,983, \$616,442, and \$572,257, respectively, equal to the required contributions for each year.

Note I – Deferred Compensation Plans

Employees of the District may participate in two deferred compensation plans adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plans are available to all full-time employees of the District. Under the plans, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. Total employee contributions to the plans during the year ended June 30, 2013 were \$75,201.

Note J – Other Post-Employment Benefits other than Pensions

Plan description

The District administers an Other Post-Employment Benefit (OPEB) Plan, a single-employer defined benefit plan. The District's OPEB Plan provides medical insurance for eligible retirees and spouses through the District's group health insurance, which covers both active and retired members. In order to be eligible to retire with District-paid health benefits, an employee must satisfy the requirements of CALPERS (attain age 50 with 5 years of credited service and following the 10th anniversary of participation in the plan). As of June 30, 2013, 16 participants were eligible to receive retirement health care benefits.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note J – Other Post-Employment Benefits other than Pensions (Continued)

The District contributes \$268.85 per month for employees retired prior to January 1, 2012 who elect to continue their CALPERS medical coverage through the District. The monthly contribution of \$268.85 is multiplied by a percentage based on years of service for employees retired after January 1, 2012. Retiree medical benefits continue to the retiree's spouse for his or her lifetime provided the spouse was covered at the time of the retiree's death.

The District passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT, an agent multiple-employer plan administered by CALPERS consisting of an aggregation of single-employer plans, is managed by an appointed board not under the control of the District Trustees. This Trust is not considered a component unit by the District and has been excluded from these financial statements. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

Funding policy

Effective May 15, 2012, the District, pursuant to Resolution 11/12-07, elected to prefund a portion of these benefits by accumulating assets with CERBT. Prior to May 15, 2012, the District funded the plan on a pay-as-you-go basis and maintained reserves and recorded a liability for the difference between the pay-as-you-go and the actuarially determined OPEB cost. As of June 30, 2013, the District recorded a liability for the difference between the prefunded amount and the actuarially determined net OPEB obligation.

Annual OPEB cost

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability (AAL) when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2013, the District contributed \$78,155 to the Plan. The District has recorded a Net OPEB Obligation of \$33,684.

The following table presents the components of the District's annual OPEB cost, amounts actually contributed, and changes in net OPEB obligation for the year ended June 30, 2013:

Annual required contribution	\$ 48,775
Interest on net OPEB obligation (asset)	36,292
Adjustment to annual required contribution	<u>(32,348)</u>
Annual OPEB expense	<u>52,719</u>

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note J – Other Post-Employment Benefits other than Pensions (Continued)

Contributions made:

Retired employees post-employment medical benefit payments	59,214
Contribution to OPEB Trust	18,941
Interest earned on OPEB Trust	<u>27,888</u>
Total employer contribution	<u>106,043</u>
Decrease in net OPEB obligation	(53,324)
Net OPEB obligation, beginning of year	<u>87,008</u>
Net OPEB obligation, end of year	<u>\$ 33,684</u>

Funded status of the plan

The most recent valuation dated July 1, 2011 includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$971,335. The AAL is partially funded since assets have been transferred into CERBT. The District's current year annual required contribution, and the prior year's lump sum transfer of \$500,000, along with investment income, resulted in assets with CERBT of \$608,772 as of June 30, 2013.

Schedule of funding progress

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial study is presented below.

Fiscal year end	Actuarial valuation date	Actuarial accrued liability (a)	Actuarial value of assets (b)	Unfunded actuarial liability (UAAL) (a) – (b)	Funded status (b) / (a)	Annual covered payroll (c)	UAAL as a percentage of covered payroll [(a) – (b)] / (c)
6/30/11	7/1/09	\$ 3,456,934	\$ -	\$3,456,934	0.00%	\$ 2,194,390	157.50%
6/30/12	7/1/11	963,523	502,679	460,844*	52.17	2,219,177	20.77
6/30/13	7/1/11	971,335	608,722	362,613	62.67	2,228,330	16.27

* The large decline of UAAL results from a significant reduction in the District's contribution toward retiree medical coverage since the actuarial valuation as of July 1, 2009.

(Continued)

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note J – Other Post-Employment Benefits other than Pensions (Continued)

Three-year trend information

The District's annual OPEB cost, percentage of annual OPEB costs contributed and the net OPEB obligation are as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>Percentage of annual OPEB costs contributed</u>	<u>Net OPEB obligation</u>
6/30/11	\$ 351,523	12.35%	\$ 590,025
6/30/12	57,088	981.12	87,008
6/30/13	52,719	201.15	33,684

Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The District's policy includes amortization of the unfunded actuarial accrued liability over a closed 30-year period initially established for the District's year ended June 30, 2010. The remaining amortization period applicable in determining the annual required contribution for the year ended June 30, 2013 was 27 years. Amortization payments are determined on a level percent of pay basis.

In the July 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.25% discount rate; (b) 3.25% projected annual salary increase, and (c) 4.5% health care cost trend rate increase.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note K – Insurance Coverage

The District is covered by the following types of insurance as of June 30, 2013:

<u>Coverage through commercial carrier</u>	<u>Limits of liability</u>
Non-owned aircraft	
Comprehensive liability	
Combined single limit each occurrence	\$ 1,000,000
Commercial general liability, automobile liability, and errors and omissions (pooled program)	
Self-insured retention	1,000,000
California Affiliated Risk Management Authorities	14,000,000
Workers' compensation (pooled program)	
Each occurrence and aggregate	
Self-insured retention	500,000
Commercial carrier – limit	
Workers' compensation	Statutory coverage
Employer's liability	5,000,000
Boiler and machinery (commercial carrier)	
Each occurrence	100,000,000
Deductible per occurrence	2,500 and up
Property and equipment (commercial carrier)	
Each occurrence	1,000,000,000
Deductible	10,000
Auto physical damage (pooled program)	
Each occurrence	35,000
Deductible per loss	500
Business travel accident (commercial carrier)	
Each occurrence	150,000
Deductible	N/A
Group fidelity (commercial carrier)	
Each occurrence	1,000,000
Deductible each loss	15,000

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Financial Statements

June 30, 2013

Note L – Governing Board

As of June 30, 2013, the eleven members of the District's Board of Trustees were as follows:

<u>Trustee</u>	<u>Term expires</u>
Marc Warmerdam, President	1/06/17
Gary Lambdin, Vice President	12/31/16
Joy Meeker, Secretary	6/07/16
Michael Manna	1/06/17
Jay Colombini	1/06/17
Chester C. Miller	12/31/16
Omar Khweiss	12/31/16
Gregory O'Leary	1/02/16
Francis Groen	12/31/14
Jack V. Fiori	12/31/13
Jack Snyder	12/31/13

Note M – Contingencies

The District is involved in litigation arising in the ordinary course of operations that, in the opinion of management, will not have a material effect on the financial condition of the District.

Note N – Subsequent Event

During October 2013, the District sold property located in Escalon, California for a sales price of \$75,000.

REQUIRED SUPPLEMENTAL INFORMATION

Working Draft

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – General Fund**

Year ended June 30, 2013

	Budgeted amounts <u>original/final</u>	Actual amounts <u>amounts</u>	Variance with final budget positive/ (negative)
Revenues			
Property taxes	\$ 3,546,468	\$ 3,628,766	\$ 82,298
Property assessments	2,801,562	2,827,244	25,682
Reimbursements and rebates	78,500	157,072	78,572
Property tax relief	71,653	69,238	(2,415)
Investment income	45,270	16,395	(28,875)
Other revenues	<u>13,190</u>	<u>14,929</u>	<u>1,739</u>
Total revenues	<u>6,556,643</u>	<u>6,713,644</u>	<u>157,001</u>
Expenditures			
Salaries and wages	2,361,770	2,180,689	181,081
Employee benefits	1,508,590	1,366,035	142,555
Chemicals	1,500,000	1,440,170	59,830
Professional services	661,350	558,383	102,967
Insurance	193,440	322,197	(128,757)
Payroll taxes	177,909	166,285	11,624
Fuel	119,200	120,398	(1,198)
Tax administration charges	86,000	79,975	6,025
Office expense	59,500	63,034	(3,534)
Maintenance of equipment	52,450	79,026	(26,576)
Laboratory services	50,000	33,275	16,725
Miscellaneous	46,090	44,524	1,566
Utilities	33,500	33,507	(7)
Auditor's direct assessment	28,390	28,204	186
Transportation and travel	25,000	18,436	6,564
Household expense	22,450	15,355	7,095
Rental of equipment	18,790	18,663	127
Memberships	17,350	20,015	(2,665)
Maintenance of structures and grounds	14,500	105,161	(90,661)
Clothing and personal supplies	11,200	11,490	(290)
Communications	10,500	10,843	(343)
Rental of structures and grounds	3,650	3,673	(23)
Auditor's payroll charges	3,000	1,988	1,012
Special departmental expense	2,500	1,384	1,116
Education reimbursements	2,500	2,401	99
Small tools and instruments	2,150	305	1,845
Taxes and administration	150	24	126
Capital outlay	<u>193,300</u>	<u>100,720</u>	<u>92,580</u>
Total expenditures	<u>7,205,229</u>	<u>6,826,160</u>	<u>379,069</u>
Excess (deficiency) of revenues over expenditures	(648,586)	(112,516)	536,070
Fund balance, beginning of year	<u>10,521,361</u>	<u>10,521,361</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,872,775</u>	<u>\$ 10,408,845</u>	<u>\$ 536,070</u>

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Notes to Required Supplemental Information

June 30, 2013

The Manager of the District prepares an expenditure budget annually which is approved by the Board of Trustees setting forth the contemplated fiscal requirements. The Manager also provides a revenue budget for property taxes, special taxes and other revenues based upon estimated allocations and receipts of the related revenues. The District's budgets are maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted. There were no amendments to the budget during the year ended June 30, 2013. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual revenues and expenditures may vary significantly from budget due to timing of such revenues and expenditures.

SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

**Other Supplemental Information
Summary of Revenues – General Fund**

Year ended June 30, 2013

Property taxes

Secured taxes – current year	\$ 3,275,149
Unsecured taxes – current year	205,051
Secured SB813 supplemental – current year	21,425
Unsecured SB813 supplemental – current year	(1,144)
Unsecured taxes – prior years	5,229
SB813 supplemental – prior years	762
Redevelopment residual distributions	97,544
Low/moderate income housing funds	<u>24,751</u>
	3,628,767

Property assessments

Benefit assessment	1,769,160
Special tax	<u>1,058,084</u>
	2,827,244

Investment income

General fund	11,390
Special assessment fund	1,376
Contingency fund	2,721
General reserve fund	6,672
Net decrease in fair value of investments	(7,743)
Revolving account	10
Insurance funds	<u>1,969</u>
	16,395

Property tax relief

State homeowners' property tax relief	43,733
Redevelopment pass-through	<u>25,505</u>
	69,238

Other

Reimbursements and rebates	157,072
Other revenues	<u>14,929</u>
	<u>172,001</u>

\$ 6,713,645

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 5

5. REVIEW AND DISCUSSION OF TRUSTEE HEALTH INSURANCE COVERAGE

The Board of Trustees, at the November 2013 regular meeting, directed staff to agendize Trustee Health Insurance coverage for discussion after the first of the year. The Board will have an opportunity to discuss the aspects of the current Health Insurance plan and provide input as to the future of the plan as it relates to Trustee coverage.

As a review, the Board authorized members of the Board of Trustees to participate in the District's employee health plan - **Resolution 08/09-5** (Attached), at the March 17, 2009 BOT meeting with costs of the benefit to be included in the 2009/10 budget year and implemented on August 1, 2009.

Currently,

- The District will pay up to 100% of the lowest priced HMO Premium for an Employee / Trustee who selects employee only coverage. The Employee / Trustee shall pay the difference of any higher premium plan selected.
- The District will pay up to 92% of the lowest priced HMO Premium for an Employee / Trustee who selects the Employee / Trustee + family coverage. The Employee / Trustee shall pay the difference of any higher premium plan selected.

Following discussion, The Board should determine whether to continue Trustee Health Coverage as currently constituted.

This item may require Board action.

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN JOAQUIN
COUNTY MOSQUITO & VECTOR CONTROL DISTRICT AUTHORIZING
ELIGIBLE TRUSTEES TO PARTICIPATE IN DISTRICT-SPONSORED
HEALTH AND WELFARE BENEFITS**

RESOLUTION 08/09-5

WHEREAS, the San Joaquin County Mosquito and Vector Control District (the District) provides health and welfare benefits to its employees as allowed by California Government Code (CGC) Sections 53200-53210; and

WHEREAS, the California Government Code beginning at Section 53201 allows the District to provide health and welfare benefits to any member of the legislative body of the District by paying all or such portion of the health care premiums as the District may elect, and

WHEREAS, the Board of Directors of the San Joaquin County Mosquito and Vector Control District is the legislative body for the District.

NOW THEREFORE IT IS RESOLVED, that the Board of Trustees of the San Joaquin County Mosquito and Vector Control District does hereby authorize the members of the Board of Trustees to participate in the District's health and welfare benefits as allowed by CGC Sections 53200-53210 and does authorize the District to pay for the members of the Board of Trustees an amount equal to the health care premium at the same level as those provided to employees under the then current Memorandum of Understanding with represented employees; said benefit to begin on August 1, 2009.

Passed and adopted on this 17th day of March 2009 by the following vote of the Board of Trustees:

BOARD OF TRUSTEES

San Joaquin County Mosquito and Vector Control District

AYES 9

NOES 0

ABSENT 2

ABSTAIN 0

SIGNED:


Michael Manna, President

ATTEST:


Gerald Schilber, Secretary

DATE: 3-17-09

Insurer, HMO, CY 2014	Plan Code	Premium CY2014	District Pays	Employee Trustee Pays/Monthly	
Anthem HMO Select/Bay, Employee Only		\$ 657.33	\$ 657.33	\$ -	
Anthem HMO Select/Bay, Employee+1 dependent		\$ 1,314.66	\$ 1,209.49	\$ 105.17	
Anthem HMO Select/Bay, Family		\$ 1,709.06	\$ 1,572.34	\$ 136.72	
Kaiser/Bay, EE	1041	\$ 742.72	\$ 657.33	\$ 85.39	
Kaiser/Bay, EE+1	1042	\$ 1,485.44	\$ 1,209.49	\$ 275.95	
Kaiser/Bay, family	1043	\$ 1,931.07	\$ 1,572.34	\$ 358.73	
Kaiser/Sacramento, Family	1033	\$ 1,772.13	\$ 1,572.34	\$ 199.79	
Anthem, HMO Traditional/Bay, Employee only		\$ 728.41	\$ 657.33	\$ 71.08	
Anthem, HMO Traditional/Bay, Employee+1		\$ 1,456.82	\$ 1,209.49	\$ 247.33	
Anthem, HMO Traditional/Bay, Family		\$ 1,893.87	\$ 1,572.34	\$ 321.53	
Blue Shield Access [†] /Bay, Employee Only	1021	\$ 836.59	\$ 657.33	\$ 179.26	
Blue Shield Access [†] /Bay, Employee+1 dependent	1022	\$ 1,673.18	\$ 1,209.49	\$ 463.69	
Blue Shield Access [†] /Bay, Family	1023	\$ 2,175.13	\$ 1,572.34	\$ 602.79	
Blue Shield NetValue/Bay, Employee Only	1241	\$ 704.01	\$ 657.33	\$ 46.68	
Blue Shield NetValue/Bay, Employee+1 dependent	1242	\$ 1,408.02	\$ 1,209.49	\$ 198.53	
Blue Shield NetValue/Bay, Family	1243	\$ 1,830.43	\$ 1,572.34	\$ 258.09	
Insurer, PPO, CY 2014	Code	CY2014	District Pays	Pays/Monthly	Pays/Biweek
PERS Choice/Bay, Employee Only	1061	\$ 667.03	\$ 657.33	\$ 9.70	\$ 4.46
PERS Choice/Bay, Employee+1 dependent	1062	\$ 1,334.06	\$ 1,209.49	\$ 124.57	
PERS Choice/Bay, Family	1063	\$ 1,734.28	\$ 1,572.34	\$ 161.94	
PERS Selec/Bay, Employee Only	1261	\$ 487.20	\$ 657.33	\$ -	\$ -
PERS Selec/Bay, Employee+1 dependent	1262	\$ 974.40	\$ 1,209.49	\$ -	
PERS Selec/Bay, Family	1263	\$ 1,266.72	\$ 1,572.34	\$ -	
PERS Care/Bay, Employee Only	1221	\$ 1,083.11	\$ 657.33	\$ 425.78	\$ 193.21
PERS Care/Bay, Employee+1 dependent	1222	\$ 2,166.22	\$ 1,209.49	\$ 956.73	
PERS Care/Bay, Family	1223	\$ 2,816.09	\$ 1,572.34	\$ 1,243.75	
Unitedhealthcare/Bay, Employee only		\$ 764.24	\$ 657.33	\$ 106.91	\$ 49.24
Unitedhealthcare/Bay, Employee+1		\$ 1,528.48	\$ 1,209.49	\$ 318.99	
Unitedhealthcare/Bay, Family		\$ 1,987.02	\$ 1,572.34	\$ 414.68	
Dental Plan	Code	CY2014	District Pays	Pays/Monthly	Pays/Biweek
Delta Dental-Employee only	D101	53.03	\$ 53.03	\$ -	
Delta Dental-Employee+1 dependent	D102	101.89	\$ 67.88	\$ 34.01	
Delta Dental-Family	D103	165.62	\$ 108.32	\$ 57.30	
Vision Plan	Code	CY2014	District Pays	Pays/Monthly	Pays/Biweek
VSP-Employee only	C101	10.88	\$ 10.88	\$ -	
VSP-Employee+1 dependent	B102	15.77	\$ 14.25	\$ 1.52	
VSP-Family	A103	28.28	\$ 21.92	\$ 6.36	

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 6

**6. REQUEST FOR AUTHORIZATION TO SIGN A MEMORANDUM OF UNDERSTANDING
AGREEMENT WITH THE SACRAMENTO / YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
FOR SHARED CONTRACTED LARGE SCALE AERIAL SPRAY SERVICES.**

The District currently is in the second year of a two-year contract with Vector Disease Control International (VDCI) for large scale aerial adulticiding ($\geq 10,000$ Acres) services. This contract terminates on December 31, 2014.

VDCI has proposed a three year shared agreement with the Sacramento / Yolo Mosquito and Vector Control District (SYMVCD) and San Joaquin County MVCD (SJCMVCD) that guarantees VDCI to service a combined acreage of 650,000 acres per calendar year of the three year agreement. San Joaquin County MVCD's share of the combined acreage is 120,000 acres. In exchange, VDCI shall supply a dedicated aircraft on site throughout the contract agreement at a reduced charge per treated acre.

The District's current contract with VDCI is set at a rate of \$0.86 per treated acre. The proposed charge is \$0.56 per treated acre.

A Memorandum of Understanding (MOU) has been drafted by SYMVCD that details the agreement for shared aerial services and related cost sharing between SYMVCD and SJCMVCD (Attached). If approved, this agreement shall immediately terminate the existing contract between our District and VDCI.

Staff will provide operational information to the Board and Legal Counsel Eley will provide his review of the drafted MOU.

This item requires Board action.

Attachment

**MEMORANDUM OF UNDERSTANDING CONCERNING SHARED
VDCI AERIAL SERVICES AND RELATED COST SHARING**

THIS MEMORANDUM OF UNDERSTANDING is made as of January ____, 2014, by and between Sacramento-Yolo Mosquito and Vector Control District ("Sac-Yolo"), and San Joaquin County Mosquito and Vector Control District ("San Joaquin"), who agree as follows:

1. Recitals. This MOU is made with reference to the following background recitals:

1.1. Sac-Yolo provides mosquito and vector control services to the Counties of Sacramento and Yolo. San Joaquin provides mosquito and vector control services to the County of San Joaquin.

1.2. Sac-Yolo recently entered into an agreement with Vector Disease Control International, LLC ("VDCI") for aerial pesticide application services. The three-year VDCI agreement obligates Sac-Yolo to an annual payment of \$364,000 (payable in equal monthly installments) in exchange for a VDCI obligation to supply a dedicated aircraft and apply pesticides to 650,000 acres per calendar year. Any acreage to be treated by VDCI exceeding 650,000 acres per year is subject to a charge of \$0.56 per treated acre. Sac-Yolo and VDCI may arrange for a second aircraft to be supplied by VDCI, in which case the price per acre for the additional aircraft would be \$0.70 per treated acre with a minimum of 20,000 acre mission per flight. The Sac-Yolo/VDCI agreement also provides that the agreement scope may encompass the aerial treatment of other counties that border Sacramento and Yolo counties.

1.3. San Joaquin desires to share in and utilize a portion of the services to be provided by VDCI and to share in a proportionate amount of the VDCI service fee, on and subject to the terms of this MOU.

2. Sac-Yolo/VDCI Agreement Management. Sac-Yolo will implement, execute and manage its aerial application services agreement with VDCI. Sac-Yolo will be the customer under the Sac-Yolo/VDCI agreement and it will be contractually liable to VDCI for payments due under that agreement.

3. San Joaquin Share of Service. San Joaquin will be entitled to receive aerial pesticide treatments by VDCI within the San Joaquin service area in the amount of 120,000 acres per calendar year of the 650,000 acres per year to be provided under the Sac-Yolo/VDCI agreement. San Joaquin from time to time will request Sac-Yolo to arrange and provide for San Joaquin area services by VDCI. San Joaquin will provide the precise scope, desired time(s), location, acreage and type of aerial spraying to be performed. San Joaquin will be responsible for supplying the pesticides to be applied, delivering and unloading the pesticides at the storage area (to be designated by VDCI) at Sacramento McClellan Airport, and removing and disposing of the empty pesticide containers. Sac-Yolo will instruct VDCI to perform the work as requested by San Joaquin and provide the services in accordance with the terms of the Sac-Yolo/VDCI agreement. If there is a conflict in requested services between Sac-Yolo and San Joaquin, then the agency that first requested the services will be served by VDCI first, unless the parties otherwise agree. The parties and VDCI will work

together to develop plans and schedules for coordinated VDCI services in the Sac-Yolo and San Joaquin service areas.

4. San Joaquin Funding of Cost Share.

4.1. For the full 650,000 acres per year under the Sac-Yolo/VDCI agreement, Sac-Yolo will be charged \$364,000 per calendar year payable to VDCI in 12 equal monthly installments. San Joaquin will pay and reimburse to Sac-Yolo 18.5% (calculated by 120,000 acres/year ÷ 650,000 acres/year) of the VDCI charges on a monthly basis. At the end of each month, Sac-Yolo will submit to San Joaquin an invoice in the amount of 18.5% of the VDCI monthly charges (plus any charges that may be due under section 4.2). San Joaquin will pay the invoice to Sac-Yolo within 30 days of its receipt. Interest will accrue on any late payment at the rate of 10% per annum. If payment has not been made within the 30-day period, then, in addition to other available remedies, Sac-Yolo may terminate this MOU or cease directing VDCI to perform work in the San Joaquin service area pending payment of past due charges and interest.

4.2. If San Joaquin requests aerial spraying by VDCI in a calendar year above the 120,000 acres amount, then any additional spraying above that amount will be charged to San Joaquin at the rate of \$0.56 per additional treated acre. If San Joaquin and Sac-Yolo agree that VDCI will provide a second aircraft to provide services to Sac-Yolo and San Joaquin, then San Joaquin will be charged at the rate of \$0.70 per acre treated by the second aircraft with a minimum of 20,000 acre mission per flight. These additional payments, if any, will be invoiced to and payable by San Joaquin in accordance with section 4.1.

5. Record Keeping. Sac-Yolo will keep and maintain accurate accounting and bookkeeping records relating to its charges by and payments to VDCI and the calculation of San Joaquin invoices. San Joaquin and its employees, accountants, attorneys and agents, may review, inspect, copy and audit these records, including all source documents.

6. Term. This MOU shall expire on December 31, 2016, unless sooner terminated by mutual written consent of the parties. The parties also may agree in writing to extend the term of this MOU.

7. Indemnity. San Joaquin agrees to indemnify, defend, protect, and hold harmless Sac-Yolo, and its officers, employees, and agents from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorney, expert witness and consultant fees, and litigation costs) of every nature arising out of San Joaquin's obligations and performance under this MOU and caused by any negligent act or omission, willful misconduct or violation of law of or by San Joaquin or its employees, agents and contractors, except where caused by the sole negligence or willful misconduct of Sac-Yolo or as otherwise provided or limited by law. San Joaquin's obligations under this indemnification provision will survive the expiration of this MOU.

8. Additional Insured. Sac-Yolo will request VDCI to add San Joaquin as an additional insured under the VDCI general and automobile insurance liability policies regarding liability arising out of the VDCI services under the Sac-Yolo/VDCI agreement and to

provide to San Joaquin written proof of insurance consistent with the requirements of the Sac-Yolo/VDCI agreement.

9. General Provisions.

9.1. Entire Agreement. The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the subject matter addressed in the MOU. This MOU supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the subject matter of this MOU, except those other documents that may be expressly referenced in this MOU.

9.2. Construction and Interpretation. The parties agree and acknowledge that this MOU has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this MOU. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this MOU.

9.3. Assignees. No party may assign, delegate, transfer or subcontract any of its rights, duties, obligations or other interests in this MOU without the other party's prior written consent. Any assignment, delegation, transfer or subcontract in violation of this provision is null and void and grounds for the other party to terminate this MOU.

SACRAMENTO-YOLO MOSQUITO AND
VECTOR CONTROL DISTRICT

SAN JOAQUIN COUNTY MOSQUITO
AND VECTOR CONTROL DISTRICT

By:

Gary Goodman
General Manager

By:

Ed Lucchesi
Manager

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 7

7. REPORT OF WHITE SLOUGH PROPERTY LEASE EXTENSION WITH THE CITY OF LODI

The first twenty (20) year term lease agreement with the city of Lodi for property at the White Slough Water Pollution Control Facility concludes February 1, 2014. Since the initial lease agreement on February 1, of 1994, the District has constructed 13 earthen ponds for the purpose of mosquito fish production, installed a modular office, and constructed a vehicle storage building. The District maintains exclusive possession of the premises based on those infrastructure improvements and has the right to extend the term of this lease on all the existing terms and conditions set forth for an additional twenty (20) years. The District pays an annual rent of \$2700. Per the initial lease agreement, the District notified the city of Lodi of our intent to renew the lease agreement for a second twenty (20) year term.

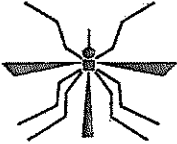
Attached is the copy of the notification letter to Konradt Bartlam, City Manager of the city of Lodi.

The manager shall provide a status report.

This item is for information only and does not require Board action.

Attachment

**SAN JOAQUIN
COUNTY**



**MOSQUITO &
VECTOR CONTROL
DISTRICT**

BOARD OF TRUSTEES

MARC WARMERDAM
PRESIDENT
SAN JOAQUIN COUNTY

GARY LAMBDIN
VICE PRESIDENT
CITY OF STOCKTON

JOY MEEKER
SECRETARY
CITY OF ESCALON

CITY OF LATHROP
OMAR KHWEISS

CITY OF LODI
JACK V. FIORI

CITY OF MANTECA
JACK SNYDER

CITY OF RIPON
FRANCIS GROEN

CITY OF TRACY
CHET MILLER

SAN JOAQUIN COUNTY
JAY COLOMBINI

SAN JOAQUIN COUNTY
MIKE MANNA

SAN JOAQUIN COUNTY
GREG O'LEARY

LEGAL ADVISOR
CHRISTOPHER K. ELEY

January 8, 2014

COPY

Konradt Bartlam
P.O. Box 3006
Lodi, CA 95241-1910
Cc: Public Works Director

RE: Property Lease Extension at White Slough Water Pollution Control
Facility

Dear Mr. Bartlam:

This letter shall serve as notice of extension to the 1994 twenty (20) year Lease agreement between the San Joaquin County Mosquito and Vector Control District (Tenant) and the City of Lodi (Owner) for an additional twenty (20) year term commencing February 1, 2014. The Tenant agrees to the existing terms and conditions set forth in the February 1, 1994 lease agreement.

Based on the language of the original Lease agreement; the extension would commence on February 1, 2014, and shall terminate, unless earlier terminated in accordance with the provision of this Lease, on a date twenty (20) years from the commencement date. Tenant shall have the right to again extend the term of this lease for an additional period of twenty (20) years, to be exercised by written notice to Owner during the last year of the second term of this Lease.

I look forward to your correspondence referencing our notice of extension.

Sincerely,

Eddie Lucchesi
Manager

Cc: Wally Sandelin, Public Works Director

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 2014 BOT Meeting, Agenda Item 8

8. REQUEST FOR AUTHORIZATION TO DEVELOP AN ELIGIBILITY LIST FOR THE POSITION OF MOSQUITO CONTROL TECHNICIAN I, MOSQUITO CONTROL TECHNICIAN II and TO FILL THE VACANCY FOR THE POSITION OF OFFICE SECRETARY

Due the planned retirement of a current employee in the MCT II position and the potential retirement of at least two current employees in the MCTI position, staff is seeking authorization to develop a contingency plan to fill those vacancies. In addition, staff is requesting to fill the current vacancy in the position of Office Secretary, staff will be developing a contingency plan to fill those vacancies per the District's civil service rules (District Policy 2900).

The MCT II eligibility list will be developed using current employees qualified to be considered for appointment to the vacant MCT II position. The eligibility list for the MCT II position shall remain in effect for a period of one year following the posting of the eligibility list. If the current MCT II list expires before a vacancy becomes available, staff will develop a new eligibility list using the same process as that used for the position of MCT I.

For potential vacancy(s) in the position of MCT I, staff will develop an eligibility list of qualified candidates following exams (written and oral), interviews, and background reviews. The list will establish those qualified to be appointed to any vacant position upon authorization by the Board of Trustees. The eligibility list will be used to fill the position upon its vacancy.

For the current vacancy in the position of Office Secretary, staff will develop an eligibility list of qualified candidates following exams (written and oral), and conduct interviews and background reviews. Staff will immediately fill the position once a qualified candidate has been selected from the eligibility list.

It is requested that the Board of Trustees authorize staff to fill the current vacancy of Office Secretary, and to fill the MCT II and MCT I positions based on the need to fill an upcoming vacancy if the MCT II vacancy is filled with a current MCT I and in the event of a planned employee retirement in the position of MCT I during this fiscal year.

This request is consistent with the requirements outlined in District Policy #2900.

This item requires Board Action

Attachments

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 15, 2014 BOT Meeting, Agenda Item 9.

9. **CLOSED SESSION (Pursuant to CGC §54956.9)**
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Sec. 54956.9
(1 Potential Case)

REPORT OF CLOSED SESSION

This will be a closed session for the purpose of discussing anticipated litigation.

Following the closed session, a person designated by the Board of Trustees will provide a report of closed session. Any action resulting from the discussions in closed session must be taken in open session.

Board Meeting Information

To: Board of Trustees
From: Eddie Lucchesi, Manager
CC: Chris Eley, Legal Counsel
Date: 1/16/2014
Re: January 15, 2014 BOT Meeting, Agenda Item 10.

10. CONSIDERATION OF TORT CLAIM

Board to consider whether to accept or reject claim filed by Michelle Morgan

This item requires Board Action.