



Orange County Mosquito and Vector Control District

Serving Orange County Since 1947

BUILDING, PROPERTY, AND EQUIPMENT COMMITTEE MET JANUARY 16 AT 11:30 AM
EXECUTIVE COMMITTEE MET JANUARY 17 AT 12:00 PM
BUDGET AND FINANCE COMMITTEE MEETING 1:15 PM
POLICY AND PERSONNEL COMMITTEE MEETING 2:00 PM
NOMINATING COMMITTEE MEETING 2:30 PM

**NOTICE AND AGENDA
OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
THURSDAY JANUARY 18, 2018
854TH REGULAR MEETING 3:00 P.M.
13001 GARDEN GROVE BLVD.
GARDEN GROVE, CA 92843
WEBSITE ADDRESS: www.ocvector.org
REGULAR MEETING 3:00 P.M.**

A. PLEDGE OF ALLEGIANCE, ROLL CALL, AND LATE COMMUNICATIONS

1. Call business meeting to order 3:00 p.m.
2. Pledge of Allegiance
3. Roll Call - (If absences occur, consider whether to deem those absences excused based on facts presented for the absence — such determination shall be the permission required by law.)
4. Report of [Nominating Committee](#)
5. Election of Officers of 2018 Executive Board

PRESIDENT:	Barbara Kogerman	Laguna Hills
VICE-PRESIDENT:	Lucille Kring	Anaheim
SECRETARY:	Cheryl Brothers	Fountain Valley

Aliso Viejo	Phillip B. Tsunoda	Lake Forest	Scott Voigts
Anaheim	Lucille Kring	Los Alamitos	Mark Chirco
Brea	Cecilia Hupp	Mission Viejo	Robert Ruesch
Buena Park	Michael Davis	Newport Beach	Scott Peotter
Costa Mesa	Sandra Genis	Orange	Michael Alvarez
Cypress	Paulo Morales	Placentia	Craig Green
Dana Point	Richard Viczorek	Rancho Santa Margarita	April Josephson
Fountain Valley	Cheryl Brothers	San Clemente	Michelle Schumacher
Fullerton	Jennifer Fitzgerald	San Juan Capistrano	Pam Patterson
Garden Grove	Stephanie Klopfenstein	Santa Ana	Cecilia Aguinaga
Huntington Beach	Mike Posey	Seal Beach	Sandra Massa-Lavitt
Irvine	Lynn Schott	Stanton	Al Ethans
La Habra	James Gomez	Tustin	Letitia Clark
La Palma	Marshall Goodman	Villa Park	Bill Nelson
Laguna Beach	Toni Iseman	Westminster	Sergio Contreras
Laguna Hills	Barbara Kogerman	Yorba Linda	Peggy Huang
Laguna Niguel	John Mark Jennings	County of Orange	Lilly Simmering
Laguna Woods	Shari Horne		

6. Late/Other Communications

B. PUBLIC COMMENTS

(Individual Public Comments may be limited to a 3-minute or less time limit)

During Public Comments, the public may address the Board on any issue within the District's jurisdiction which is not on the agenda. The public may comment on any item on the Agenda at the time that item is before the Board for consideration. Any person wishing to speak must come up and speak from the lectern. There will be no dialog between the Board and the commenter. Any clarifying questions from the Board must go through the Board President.

C. PRESENTATIONS

1. [Recognize Outgoing President](#)
2. [Recognize Outgoing Trustees](#)

D. OCMVCD COMMITTEE REPORTS TO THE BOARD OF TRUSTEES

1. [Building, Property, and Equipment Committee](#)
2. [Executive Committee](#)
3. [Budget and Finance Committee](#)
4. [Policy and Personnel Committee](#)

E. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion. Any member of the Board may pull an item from the Consent Calendar for additional clarification or action.

1. Approval of DRAFT [Minutes](#) for the regular meeting of December 21, 2017
2. [Approve Warrant Register for November 2017 \(Exhibit A\)](#)
3. Approve Monthly Financial Report for November 2017 **(Exhibit A) FEBRUARY AGENDA**
4. [Approve Surplus Items to Auction \(Exhibit A\)](#)

F. BUSINESS AND ACTION ITEMS

1. [Review of the Fiscal Year 2016-17 Audited Financial Statements \(Exhibit A, B, C\)](#)
2. [Modification to the District Authorized Holiday Schedule for 2018 \(Exhibit A, B\)](#)
3. [Award Professional Services Contract to Government Financial Services for Temporary Financial Services \(Exhibit A\)](#)
4. [Adopt Resolution No. 459 Creating and Establishing the Position of Senior Accountant \(Exhibit A, B\)](#)

G. INFORMATIONAL ITEMS ONLY (NO ACTION NECESSARY)

1. Staff Presentation: Senior staff will give an update of vector activity in Orange County
2. [Appointment of Trustee Representatives](#)
3. [2017 Trustee Attendance Report \(Exhibit A\)](#)
4. [Board of Trustee Committee Assignments \(Exhibit A, B\)](#)
5. [Report of District Activities](#)

H. PRESIDENT'S REPORT AND TRUSTEE COMMENTS

I. DISTRICT MANAGER'S REPORT – Discussion and Possible Action

J. DISTRICT LEGAL COUNSEL REPORT – Discussion and Possible Action

CLOSING

K. CORRESPONDENCE – Discussion and Possible Action NONE

L. FUTURE AGENDA ITEMS

M. ADJOURNMENT

1. Adjourn to the next regular meeting of February 15, 2018 starting at 3:00 p.m. at the Orange County Mosquito and Vector Control District offices, 13001 Garden Grove Blvd., Garden Grove, CA 92843

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Orange County Mosquito and Vector Control District at (714-971-2421), during regular business hours, at least twenty-four hours prior to the time of the meeting."

"Materials related to an item on the Agenda submitted after distribution of the agenda packet are available for public inspection in the District Office located at Orange County Mosquito and Vector Control District offices, 13001 Garden Grove Blvd., Garden Grove, CA 92843 during normal business hours."

C. PRESENTATIONS

- 1. RECOGNIZE OUTGOING PRESIDENT**
- 2. RECOGNIZE OUTGOING TRUSTEES**



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # C.1

Prepared By: Tawnia Pett, Executive Assistant/Clerk of the Board
Submitted By: Rick Howard, District Manager

Agenda Title:

Recognition of Outgoing President

Recommended Action:

Executive Summary:

Incoming President will present a plaque to outgoing President Kogerman

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item: N/A

Exhibits:



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # C.2

Prepared By: Tawnia Pett, Executive Assistant/Clerk of the Board
Submitted By: Rick Howard, District Manager

Agenda Title:

Recognition of Outgoing Trustees

Recommended Action:

Executive Summary:

President will present a plaque to Trustees Kusumoto, Leckness, and Dahl

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item: N/A

Exhibits:

D. OCMVCD COMMITTEE REPORTS TO THE BOARD OF TRUSTEES

- 1. BUILDING, PROPERTY, AND EQUIPMENT COMMITTEE**
- 2. EXECUTIVE COMMITTEE**
- 3. BUDGET AND FINANCE COMMITTEE**
- 4. POLICY AND PERSONNEL COMMITTEE**



**BUILDING, PROPERTY, & EQUIPMENT COMMITTEE
MEETING NOTICE
JANUARY 16, 2018
11:30 A.M.**

TO: Building, Property & Equipment Committee
Michael Davis Buena Park
Mark Chirco Los Alamitos
Mike Alvarez Orange
Craig Green (C) Placentia
Sandra Massa-Lavitt Seal Beach
Al Ethans Stanton
Sergio Contreras Westminster

FROM: Tawnia Pett, Executive Assistant/Clerk of the Board

RE: Building, Property, & Equipment Committee Meeting:
11:30 a.m., Tuesday, January 16, 2018
Orange County Mosquito and Vector Control District
13001 Garden Grove Blvd., Garden Grove, CA

AGENDA

1. Call Meeting to Order and Roll Call
2. Public Comments
3. Discuss District Facility Needs Assessment
4. Adjourn

tep



EXECUTIVE COMMITTEE MEETING NOTICE JANUARY 17, 2018 12:00 PM

TO: Executive Committee
Barbara Kogerman, President Laguna Hills
Lucille Kring, Vice President Anaheim
Cheryl Brothers, Secretary Fountain Valley

FROM: Tawnia Pett, Executive Assistant/Clerk of the Board

RE: Executive Committee Meeting:
Thursday, January 17, 2018 12:00 PM
Orange County Mosquito and Vector Control District
13001 Garden Grove Blvd., Garden Grove, CA

AGENDA

1. Call Meeting to Order and Roll Call
2. Public Comments
3. Discuss changing the District's Operations Code to disband the Nominating Committee and just take nominations from the Board of Trustee for the Executive Board each year
4. Adjourn

tep



**BUDGET AND FINANCE COMMITTEE
MEETING NOTICE
JANUARY 18, 2018
1:15 P.M.**

TO: Budget and Finance Committee

Mike Posey	Huntington Beach
James Gomez	La Habra
Barbara Kogerman	Laguna Hills
John Mark Jennings	Laguna Niguel
Scott Voigts	Lake Forest
Scott Peotter	Newport Beach
Michelle Schumacher	San Clemente
Bill Nelson (Chair)	Villa Park
Lilly Simmering	County of Orange

FROM: Tawnia Pett, Executive Assistant/Clerk of the Board

RE: Budget and Finance Committee Meeting:
1:15 p.m., Thursday, January 18, 2018
Orange County Mosquito and Vector Control District
13001 Garden Grove Blvd., Garden Grove, CA

AGENDA

1. Call Meeting to Order and Roll Call
2. Public Comments
3. Approve Minutes of November 16, 2017
4. Review of Audited Financial Report ([Agenda Item F.1](#))
5. Review of Award for Professional Services Contract to Government Financial Services for Temporary Financial Services ([Agenda Item F.3](#))
6. Adjourn

tep

MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING

Orange County Mosquito and Vector Control District

TIME: 2:30 P.M., November 16, 2017

PLACE: 13001 Garden Grove Blvd., Garden Grove, CA 92843

Budget and Finance Committee Members Present:

Jim Dahl	San Clemente
Bill Nelson (Chair)	Villa Park
Lilly Simmering	County of Orange
James Gomez	La Habra
Mike Posey	Huntington Beach
James Gomez	La Habra
Barbara Kogerman	Laguna Hills
Scott Voigts	Lake Forest

Budget and Finance Committee Members Absent:

John Mark Jennings	Laguna Niguel
Scott Peotter	Newport Beach

Others Present:

Irwin B. Bornstein	Certified Public Accountant
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Staff Members Present

Rick Howard	District Manager
Wendy Goodson	Director of Administrative Services
Kassandra Servin	Customer Service Rep I

Chairperson, Bill Nelson called the meeting to order at 2:31 P.M.

1. **Call Meeting to Order and Roll Call:**
2. **Public Comments:** No public comments.
3. **Approve Minutes from October 19, 2017 Meeting:** On motion by Trustee Dahl, seconded by Trustee Simmering, and passed by majority vote the Minutes from the October 19, 2017 committee meeting were approved.
4. **Review of District Reserves Analysis and Policy Draft:** On motion by Trustee Voigts, seconded by Trustee Dahl, and passed by majority vote the reserve policy was approved.
5. **Adjourn:** Meeting adjourned at 2:38 p.m.



**POLICY AND PERSONNEL COMMITTEE
MEETING NOTICE
JANUARY 18, 2018
2:00 P.M.**

TO: Policy and Personnel Committee

Lynn Schott	Irvine
Toni Iseman	Laguna Beach
Barbara Kogerman	Laguna Hills
Shari Horne	Laguna Woods
April Josephson (Chair)	Rancho Santa Margarita
Michelle Schumacher	San Clemente
Sandra Massa-Lavitt	Seal Beach
Bill Nelson	Villa Park
Lilly Simmering	County of Orange

FROM: Tawnia Pett, Executive Assistant/Clerk of the Board

RE: Policy and Personnel Committee Meeting:
2:00 p.m., Thursday, January 18, 2018
Orange County Mosquito and Vector Control District
13001 Garden Grove Blvd., Garden Grove, CA

AGENDA

1. Call Meeting to Order and Roll Call
2. Public Comments
3. Approve minutes from November 16, 2017
4. Discuss Adopting Resolution No. 459 Creating and Establishing the Position of Senior Accountant ([Agenda Item F.4](#))
5. Adjourn

tep

MINUTES OF POLICY AND PERSONNEL COMMITTEE MEETING

Orange County Mosquito and Vector Control District

TIME: 2:00 P.M., November 16, 2017

PLACE: 13001 Garden Grove Blvd., Garden Grove, CA 92843

Policy and Personnel Committee Members Present:

Barbara Kogerman	Laguna Hills
April Josephson (Chair)	Rancho Santa Margarita
Sandra Massa-Lavitt	Seal Beach
Bill Nelson	Villa Park
Toni Iseman	Laguna Beach
Shari L. Horne	Laguna Woods
Jim Dahl	San Clemente
Lily Simmering	County of Orange

Policy and Personnel Committee Members Absent:

Lynn Scott	Irvine
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Others Present:

Alan R. Burns	District Counsel
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Staff Members Present:

Richard Howard	District Manager
Elizabeth Escobar	Administrative Assistant
Wendy Goodson	Director of Administrative Services
Lora Young	Director of Communications
Tina Pacific	Human Resources Analyst

The meeting was called to order at 2:07 P.M.

1. **Call Meeting to Order and Roll Call**
2. **Public Comments:** None
3. **Approve minutes from September 21, 2017 and the corrected minutes of the July 20, 2017 committee meeting:** On motion by Trustee Massa- Lavitt, seconded by Trustee Kogerman and passed by majority vote the Minutes of September 21, 2017 and corrected minutes for July 20, 2017 committee meeting were approved.
4. **Discuss Class and Compensation Policy (Agenda Item F.1).** On motion by Trustee Nelson, seconded by Trustee Dahl, and passed by majority vote the Committee were in agreement to move forward with Koff & Associates as vendor of choice for the Classification and Compensation Study.

5. **CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Government Code Section 54956.9 (1 case)
6. **OPEN SESSION: Report of Any Required Disclosures of Action in Closed Session.**
No comments.
7. **Adjourn:** Meeting adjourned at 2:28 P.M.



**NOMINATING COMMITTEE
MEETING NOTICE
JANUARY 18, 2018
2:30 P.M.**

TO: Nominating Committee:
Michael Davis Buena Park
Shari Horne Laguna Woods
April Josephson Rancho Santa Margarita

FROM: Tawnia Pett, Executive Assistant/Clerk of the Board

RE: Nominating Committee Meeting:
2:30 p.m., Thursday, January 18, 2018
Orange County Mosquito and Vector Control District
13001 Garden Grove Blvd., Garden Grove, CA

AGENDA

1. Public Comments
2. Select and Recommend One Candidate for Each Office of the Executive Board as per the District Operations Code 3.02.060: Election of Officers (Agenda Item 5)

3. Adjourn

tep

E. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion. Any member of the Board may pull an item from the Consent Calendar for additional clarification of action.

1. **APPROVAL OF DRAFT MINUTES FOR THE REGULAR MEETING OF DECEMBER 21, 2017**
2. **APPROVE WARRANT REGISTER FOR NOVEMBER 2017 (EXHIBIT A)**
3. **APPROVE MONTHLY FINANCIAL REPORT FOR NOVEMBER 2017 (EXHIBIT A)**
FEBRUARY AGENDA
4. **APPROVE SURPLUS ITEMS TO AUCTION (EXHIBIT A)**

MINUTES OF THE 853rd MEETING

BOARD OF TRUSTEES Orange County Mosquito and Vector Control District

TIME: 3:00 P.M. December 21, 2017

PLACE: 13001 Garden Grove Blvd., Garden Grove, CA 92843

PRESIDENT:	Barbara Kogerman	Laguna Hills
VICE-PRESIDENT:	Lucille Kring	Anaheim
SECRETARY:	Cheryl Brothers	Fountain Valley

TRUSTEES PRESENT:

Anaheim	Lucille Kring	Los Alamitos	Warren Kusumoto
Brea	Cecilia Hupp	Newport Beach	Scott Peotter
Buena Park	Michael Davis	Orange	Mike Alvarez
Costa Mesa	Sandra Genis	Placentia	Craig Green
Cypress	Stacy Berry	Rancho Santa Margarita	April Josephson
Fountain Valley	Cheryl Brothers	San Clemente	Jim Dahl
Fullerton	Jennifer Fitzgerald	San Juan Capistrano	Pam Patterson
Huntington Beach	Mike Posey	Santa Ana	Cecilia Aguinaga
La Habra	James Gomez	Seal Beach	Sandra Massa-Lavitt
La Palma	Marshall Goodman	Stanton	Al Ethans
Laguna Hills	Barbara Kogerman	Tustin	Letitia Clark
Laguna Niguel	John Mark Jennings	Villa Park	Bill Nelson
Laguna Woods	Shari Horne	Westminster	Sergio Contreras
Lake Forest	Scott Voigts	Yorba Linda	Peggy Huang

TRUSTEES ABSENT:

Aliso Viejo	Philip Tsunoda	Laguna Beach	Toni Iseman
Dana Point	Richard Viczorek	Mission Viejo	Dave Leckness
Garden Grove	Stephanie Klopfenstein	County of Orange	Lilly Simmering
Irvine	Lynn Schott		

*Trustees Viczorek, Klopfenstein, Iseman, and Simmering had an Excused Absence

OTHERS PRESENT:

Rick Howard, District Manager
Robert Cummings, Director of Scientific Technical Services
Wendy Goodson, Director of Administrative Services
Larry Shaw, Director of Operations
Lora Young, Director of Communications
Tawnia Pett, Executive Assistant/Clerk of the Board
Dana Zamora, Operations Specialist
Alan Burns, District Counsel

A. Opening:

1. **Call the Business Meeting to Order:** Vice President Kring called the meeting to order at 3:04 P.M.
2. **Pledge of Allegiance:** Vice President Kring asked Trustee Jennings to lead the Pledge of Allegiance.
3. **Roll Call:** Roll call indicated 25 Trustees were present with Trustees Kogerman, Voigts, and Dahl arriving late to bring the total to 28 out of the current Board membership of 35.
4. **Late/Other Communications:** An update to agenda item G.3 was distributed to the Board.

B. Public Comments: None**C. Presentations:**

Before presentations began, some District staff sang a vector holiday carol with the Board of Trustees.

1. Vice President Kring Recognized Trustee Contreras' five years of service to the District. Secretary Brothers recognized Vice President Kring's ten years of service to the District.
2. Vice President Kring recognized Trustee Berry's years of service as an outgoing Trustee.
1. CONTINUED Vice President Kring recognized President Kogerman's five years of service to the District.
3. Director of Scientific Technical Services Cummings presented to the board about the potential to take part in a mosquito control study using wolbachia infected male mosquitoes.

D. OCMVCD Committee Reports to the Board of Trustees:

1. Public Relations Committee: Committee Chair Berry reported that the committee met about the District updating its website. The committee approved the staff recommendation of using Streamline for the website work because of cost savings. Director of Communications Young reported that she is working with Streamline on a site architecture and will keep the board apprised of the website update status.
2. Building, Property, and Equipment Committee: Committee Chair Green reported that the committee met to discuss the facility needs of the agency. The committee took a tour of the facility during the discussion. The committee will meet with the selected needs assessment vendor on January 16.
3. Operations Committee: Committee member Green reported that the committee discussed agenda item F.2 and the committee recommends that the District also renew its contract with Clarke as a secondary vendor in case the need arises to have that vendor perform the mosquito aerial control work.
4. Executive Committee: There was no meeting because there were not enough members to have a quorum.

E. Consent Calendar: Items for Approval by General Consent

On motion from Trustee Voigts, seconded by Trustee Aguinaga, and passed by unanimous vote, the Board of Trustees approved Consent Calendar Items E.2 through E.7. Agenda Item E.1 was passed by majority vote due to absences at the previous Board Meeting (Abstained: Trustees Kring, Hupp, Fitzgerald, Jennings, Alvarez, and Contreras).

Ayes: Trustees Kring, Hupp, Davis, Genis, Berry, Brothers, Fitzgerald, Posey, Gomez, Goodman, Kogerman, Jennings, Horne, Voigts, Kusumoto, Peotter, Alvarez, Green, Josephson, Patterson, Aguinaga, Massa-Lavitt, Ethans, Clark, Nelson, and Contreras.

Noes: None.

Abstained: None.

Absent: Trustees Tsunoda, Viczorek, Klopfenstein, Schott, Iseman, Leckness, Dahl, Huang, and Simmering.

1. **Approval of Minutes:** Approved, without reading, the Minutes of the 852nd Meeting of the Board of Trustees held November 16, 2017.
 2. **Warrant Register for October 2017: (Exhibit A)** Received and filed.
 3. **Approved Monthly Financial Report for October 2017: (Exhibit A)** Received and filed.
 4. **Approved Contract Extension with SCI Consulting Group for Benefit Assessment Engineering and Professional Assessment Administrative Services: (Exhibit A):** Approved contract extension with SCI Consulting Group for Benefit Assessment Engineering and Professional Assessment Administrative Services.
 5. **Adopted Resolution No. 455 Releasing Kingston Nuisance Abatement Lien (Exhibit A, B):** Adopted Resolution No. 455 releasing the property at 1607 Kingston Road, Placentia from its nuisance abatement lien.
 6. **Adopted Resolution No. 456 Updating on Banking Authorizations with Farmers and Merchants Bank (Exhibit A, B):** Adopted Resolution No. 456 establishing authorized signatories for banking accounts held by the Orange County Mosquito and Vector Control District at Farmers and Merchants Bank.
 7. **Appointed Nominating Committee for 2018 Officers of the Board of Trustees:** Trustees Davis, Horne, and Josephson were selected for the nominating committee.
- F. **Business and Action Items:**
1. **Adopted Resolution No. 457 Updating and Amending the Orange County Mosquito and Vector Control District Conflict of Interest Code for 2017 (Exhibit A, B):** On motion from Trustee Peotter, seconded by Trustee Voigts, and approved by unanimous vote, the Board of Trustees adopted Resolution No. 457 adding the position of Information and Technology Manager to the Conflict of Interest Code.

Ayes:	Trustees Kring, Hupp, Davis, Genis, Berry, Brothers, Fitzgerald, Posey, Gomez, Goodman, Kogerman, Jennings, Horne, Voigts, Kusumoto, Peotter, Alvarez, Josephson, Dahl, Patterson, Aguinaga, Massa-Lavitt, Ethans, Clark, Nelson, and Contreras.
Noes:	None.
Abstained:	None.
Absent:	Trustees Tsunoda, Viczorek, Klopfenstein, Schott, Iseman, Leckness, Green, Huang, and Simmering.
 2. **Awarded Contract Renewal Between the Orange County Mosquito and Vector Control District and Vector Disease Control International, LLC to Perform Aerial Adult Mosquito Control Services (Exhibit A, B):** On motion from Trustee Gomez, seconded by Trustee Berry, and approved by unanimous vote, the Board of Trustees approved the Operations Committee recommendation of approving the extension of the contract for an additional two years from January 1, 2018 until December 31, 2019; authorized the District Manager to execute all contract documents associated with this action; and bringing a contract extension with Clarke Environmental Mosquito Management to a future board meeting.

Ayes:	Trustees Kring, Hupp, Davis, Genis, Berry, Brothers, Fitzgerald, Posey, Gomez, Goodman, Kogerman, Jennings, Horne, Voigts, Kusumoto, Peotter, Alvarez, Josephson, Dahl, Patterson, Aguinaga, Massa-Lavitt, Ethans, Clark, Nelson, and Contreras.
Noes:	None.
Abstained:	None.
Absent:	Trustees Tsunoda, Viczorek, Klopfenstein, Schott, Iseman, Leckness, Green, Huang, and Simmering.

G. Informational Items Only (NO ACTION NECESSARY):

- 1. **Staff Presentation:** Director of Scientific Technical Services Cummings gave an update on the recent vector activity in Orange County.
- 2. **Recognized District Employees Years of Service and Retirements:** The Board of Trustees recognized Director of Scientific Technical Services Cummings for his 20 years of service and recognized District retirees Accounting Supervisor Kimball and Vector Control Inspector II Rincon.
- 3. **Trustee Appointment Updates:** Received and filed.
- 4. **Report of District Activities:** Received and filed.

H. President's Report and Trustee Comments:

- 1. President Kogerman gave an update on her friend that was diagnosed with West Nile virus this year that she discussed at the November board meeting.
- 2. President Kogerman questioned whether the District should still have a Nominating Committee to suggest nominations for the Executive Board each January and asked staff to agendize the item for a future meeting.
- 3. Vice President Kring asked staff to look into switching the January 18, 2018 board meeting date because there might not be a quorum due to meeting conflicts.

I. District Manager's Report: None

J. District Legal Counsel Report: None

K. Correspondence: Staff reports from conferences attended in October and November.

L. Future Agenda Items: None

M. Adjournment:

- 1. President Kogerman adjourned the meeting at 3:54 p.m. to the next regularly scheduled meeting on Thursday, January 18, 2018.

I certify that the above minutes substantially reflect the actions taken by the Board of Trustees at its meeting held December 21, 2017



 Richard Howard, District Manager

Approved as written and/or corrected by the Board of Trustees at its _____
 _____ meeting held _____

ATTEST: _____
 _____, Secretary



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # E.2

Prepared By: Terry Pospisil, Accounting Specialist
Submitted By: Rick Howard, District Manager

Agenda Title:

Warrant Register for November 2017

Recommended Action:

Receive and file.

Executive Summary:

Receive and file payment of warrant register (**Exhibit A**) dated January 18, 2018 for \$550,359.88 as presented by in-house check runs dated November 9, 14, 22, 29, and 30, 2017.

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item:

Exhibits:

Exhibit A: [November Warrant Report](#)

ORANGE COUNTY MOSQUITO & VECTOR CONTROL DISTRICT

REGISTER OF DEMANDS

JANUARY 18, 2018

ACCOUNTS PAYABLE REGISTER

A/P Check Run Date 11/09/2017	63,538.78
A/P Check Run Date 11/14/2017 (Pepito's)	118.22
A/P Check Run Date 11/22/2017	74,510.37
Medicare Premium Allow. Reimb. (Dec) 11/29/2017 / Split	1,110.54
Retiree Medical Allow. Reimb. (Dec) 11/29/2017 / Split	468.10
Trustee-in-Lieu (Nov) 11/29/2017 / Split	1,000.00
P/R CalPERS Retirement 11/29/17	25.65
P/R CalPERS1 Health Remittance 11/29/17	33,093.71
P/R Colonial Remittance 11/29/17	457.22
P/R EDD Remittance 11/29/17	9,402.54
P/R EE ASSOC Remittance 11/29/17	840.00
P/R Guardian Remittance 11/29/17	12,977.03
P/R ICMA Remittance 11/29/17	18,177.21
P/R IRS Remittance 11/29/17	38,197.21
P/R Nationwide Remittance 11/29/17	4,065.00
P/R STATE DISBURSEMENT 11/29/17	847.30
P/R TASC Remittance 11/29/17	2,242.28
P/R PARS Remittance 11/29/17	3,090.55
P/R VSP Remittance 11/29/17	1,026.14
P/R CalPERS Retirement 11/30/17	53,511.25
P/R CalPERS1 Health Remittance 11/30/17	33,387.48
P/R EDD Remittance 11/30/17	11,121.84
P/R EE ASSOC Remittance 11/30/17	855.00
P/R ICMA Remittance 11/30/17	17,997.27
P/R IRS Remittance 11/30/17	42,587.04
P/R Nationwide Remittance 11/30/17	4,065.00
P/R STATE DISBURSEMENT 11/30/17	847.30
P/R TASC Remittance 11/30/17	2,242.28
P/R PARS Remittance 11/30/17	3,548.55
P/R CalPERS Retirement 11/30/17	2,792.96
P/R CalPERS1 Health Remittance 11/30/17	34,540.31
P/R EDD Remittance 11/30/17	9,634.46
P/R EE ASSOC Remittance 11/30/17	840.00
P/R ICMA Remittance 11/30/17	18,070.59
P/R IRS Remittance 11/30/17	38,515.13
P/R Nationwide Remittance 11/30/17	4,065.00
P/R STATE DISBURSEMENT 11/30/17	847.30
P/R TASC Remittance 11/30/17	2,242.28
P/R PARS Remittance 11/30/17	3,460.99
TOTAL	550,359.88

I hereby certify that the claims or demands covered by the foregoing listed warrants have been audited as to accuracy and availability of funds for payment thereof. Subscribed and sworn on this eighteenth day of January 2018, by:

Wendy Goodson, Director of Administrative Services


Terry Pospisil, Accounting Specialist

Agenda for the 854th Meeting, January 18, 2018

Exhibit A (Agenda Item E.2) Page 1 of 4 pages

Accounts Payable

Checks by Date - Summary by Check Date

User: tpospasil
 Printed: 1/3/2018 1:38 PM



O.C. MOSQUITO AND VECTOR CONTROL DISTRICT
 13001 GARDEN GROVE BLVD.
 GARDEN GROVE, CA 92843

Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	HUFF	Robert Huff	11/09/2017	18.80
ACH	REINIG	Allyson Reinig	11/09/2017	24.83
21343	AIRGAS	AIRGAS USA, LLC	11/09/2017	1,792.62
21344	ALANS	Alan's Lawn & Garden Center, Inc.	11/09/2017	624.94
21345	ALLEN	Robert L. Allen	11/09/2017	222.40
21346	ACCOC	Association of Calif. Cities Orange County	11/09/2017	5,000.00
21347	AJTMH	ASTMH / AJTMH	11/09/2017	735.00
21348	AT T	AT T	11/09/2017	131.32
21349	AT T FAX	AT T	11/09/2017	300.10
21350	COMM LAB	Barrios & Associates, LLC	11/09/2017	19,133.76
21351	BEL-AIR	Bel-Air Shells	11/09/2017	1,451.50
21352	BORNS	Irwin B. Bornstein	11/09/2017	343.75
21353	CAPCA	Calif. Assoc of Pest Control Advisers	11/09/2017	145.00
21354	CAGATE	California Gate & Entry System	11/09/2017	123.75
21355	SPECTRUM	Charter Communications Holdings, LLC	11/09/2017	2,191.77
21356	GG WATER	City of Garden Grove	11/09/2017	1,005.55
21357	DPR	Department of Pesticide Regulation	11/09/2017	140.00
21358	ESA	Entomological Society of America	11/09/2017	446.00
21359	ESCOBAR	Elizabeth Escobar	11/09/2017	152.63
21360	EWING	Ewing Irrigation Products, Inc.	11/09/2017	185.77
21361	GK	G & K Services	11/09/2017	1,153.48
21362	GONZA D	Denise Gonzalez	11/09/2017	0.43
21363	GFS	Governmental Financial Services	11/09/2017	1,080.00
21364	GRAINGER	Grainger	11/09/2017	420.55
21365	HARBOR	Harbor Freight Tools	11/09/2017	34.44
21366	HARPER	Harper & Burns, LLP	11/09/2017	3,703.80
21367	HILLS	Hill's Bros. Lock & Safe, Inc.	11/09/2017	36.10
21368	HOME DEP	Home Depot Credit Services	11/09/2017	4,039.15
21369	IRON	Iron Mountain Records Mgmt, Inc.	11/09/2017	73.13
21370	KENNEDY	Ted B. Kennedy	11/09/2017	674.49
21371	LIFE	Life Technologies	11/09/2017	1,871.90
21372	MACRES	Macres Florist	11/09/2017	58.45
21373	HASLER	MAIL FINANCE INC.	11/09/2017	103.24
21374	MARTIN D	Daniel Martinez	11/09/2017	575.00
21375	MCFADDEN	McFadden-Dale Industrial Hardware, LLC	11/09/2017	51.83
21376	MONJARAS	Monjaras & Wismeyer Group	11/09/2017	1,847.28
21377	PR	P & R Paper Supply Company, Inc.	11/09/2017	433.42
21378	PACIFIC	Tina Pacific	11/09/2017	685.29
21379	AQUATIC	Pentair Aquatic Eco-Systems Inc.	11/09/2017	162.26
21380	PRAXAIR	Praxair Distribution, Inc	11/09/2017	1,125.41
21381	GG DISP	Republic Waste Svcs of So. Calif., LLC	11/09/2017	1,171.80
21382	SCHORR	Schorr Metals	11/09/2017	8.96
21383	SCE	Southern Calif. Edison	11/09/2017	5,329.62
21384	SCG	Southern Calif. Gas Co.	11/09/2017	62.23
21385	SPARK	Sparkletts	11/09/2017	187.38
21386	SPEX	SPEX SAMPLE PREP, LLC	11/09/2017	1,220.00
21387	STAPLES	Staples Business Advantage	11/09/2017	287.39

Check No	Vendor No	Vendor Name	Check Date	Check Amount
21388	SUN	Sun Badge Company	11/09/2017	496.53
21389	TARGET	Target Specialty Products	11/09/2017	1,408.51
21390	ULINE	Uline Shipping Supply Specialists	11/09/2017	111.67
21391	WDA	Wildlife Disease Association	11/09/2017	110.00
21392	XEROX	Xerox Corporation	11/09/2017	845.55
Total for 11/9/2017:				63,538.78
21393	PEPITOS	Pepito's Restaurant Inc.	11/14/2017	118.22
Total for 11/14/2017:				118.22
21394	ACCELA	ACCELA, INC. 774375	11/22/2017	6,428.75
21395	ADAPCO	ADAPCO, INC.	11/22/2017	23,808.44
21396	AIRGAS	AIRGAS USA, LLC	11/22/2017	195.26
21397	ALL STAR	All Star Glass, Inc.	11/22/2017	625.40
21398	ART	Art Supply Warehouse	11/22/2017	26.97
21399	AT T	AT T	11/22/2017	405.38
21400	CSDA	Calif. Special Districts Assoc.	11/22/2017	6,842.00
21401	COSTCO	Capital One National Association	11/22/2017	27.45
21402	CHEM	Chem Service Inc.	11/22/2017	65.80
21403	EWING	Ewing Irrigation Products, Inc.	11/22/2017	132.65
21404	FM	F M CREDIT CARD	11/22/2017	5,216.51
21405	FEDEX	Federal Express Corp.	11/22/2017	295.37
21406	FEED	Feed Barn	11/22/2017	117.90
21407	KWEST	K'WEST Printing	11/22/2017	1,228.36
21408	LAMPIRE	Lampire Biological Laboratories, Inc.	11/22/2017	70.75
21409	MVCAC	M.V.C.A.C.	11/22/2017	3,950.00
21410	OFFICE	OFFICE DEPOT, INC.	11/22/2017	40.27
21411	OREILLY	O'Reilly Auto Enterprises, LLC	11/22/2017	1,794.35
21412	ORVAC	ORVAC ELECTRONICS	11/22/2017	135.57
21413	PCMG	PCMG, Inc.	11/22/2017	6,803.12
21414	PRAXAIR	Praxair Distribution, Inc	11/22/2017	1,385.69
21415	PARS	Public Agency Retirement Svcs	11/22/2017	300.00
21416	RECORDS	Records Systems Associates, Inc.	11/22/2017	6,780.60
21417	RONCO	Ronco Plastics	11/22/2017	171.83
21418	SEA LIFE	Sea Life Designs, Inc.	11/22/2017	982.12
21419	SHERWIN	Sherwin Williams	11/22/2017	75.49
21420	SIERRA	Sierra Club	11/22/2017	39.00
21421	SMART	Smart & Final Stores Corp	11/22/2017	393.79
21422	AMAZON	SYNCB/AMAZON	11/22/2017	2,561.84
21423	OCREGDEL	The O.C. Register	11/22/2017	95.48
21424	TT DEPOT	The Technology Depot, Inc.	11/22/2017	973.94
21425	TRUCPAR	Truck & Auto Supply, Inc.	11/22/2017	1,395.22
21426	VILLA	Villa Ford	11/22/2017	247.60
21427	VWR	VWR International LLC	11/22/2017	147.47
21428	DIEHL	White Nelson Diehl Evans LLP	11/22/2017	750.00
Total for 11/22/2017:				74,510.37
ACH	CalPERS	Calif. Public Employees' Retirement	11/29/2017	25.65
ACH	CalPERS1	CalPERS	11/29/2017	33,093.71
ACH	EDD	Employment Development Dept.	11/29/2017	9,402.54
ACH	EEASSOC	OCVCD Employee Association	11/29/2017	840.00
ACH	ICMA	ICMA	11/29/2017	18,177.21
ACH	IRS	Internal Revenue Service	11/29/2017	38,197.21

Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	NATION	Nationwide Retirement Solutions	11/29/2017	4,065.00
ACH	STATE	STATE DISBURSEMENT UNIT	11/29/2017	847.30
ACH	TASC	Total Administrative Services Corp.	11/29/2017	2,242.28
ACH	USB	U.S. Bank N.A. Minnesota	11/29/2017	3,090.55
21429	ABBE	ROGER ABBE	11/29/2017	46.12
21430	BOBBITT	William Bobbitt	11/29/2017	234.05
21431	CAMPBELL	JAMES CAMPBELL	11/29/2017	99.27
21432	DAIKER	John Daiker	11/29/2017	230.80
21433	EVER	GARY EVERINGHAM	11/29/2017	104.90
21434	LACHANCE	Glenn LaChance	11/29/2017	214.00
21435	LOUGHNER	LINDA LOUGHNER	11/29/2017	111.00
21436	NEWMAN	ERLE NEWMAN	11/29/2017	304.45
21437	Velten	Robert K. Velten	11/29/2017	234.05
21438	CLARK	Letitia Clark	11/29/2017	100.00
21439	DAHL	Jim Dahl	11/29/2017	100.00
21440	GOMEZ	James Gomez	11/29/2017	100.00
21441	ISEMAN	Toni Iseman	11/29/2017	100.00
21442	KUSUMOTC	Warren Kusumoto	11/29/2017	100.00
21443	LECKNESS	Dave Leckness	11/29/2017	100.00
21444	MASSA-LA	Sandra Massa-Lavitt	11/29/2017	100.00
21445	POSEY	Mike Posey	11/29/2017	100.00
21446	VICZOREK	Richard Viczorek	11/29/2017	100.00
21447	VOIGTS	Scott Voigts	11/29/2017	100.00
21448	COLONIAL	Colonial Life & Accident Insurance Co	11/29/2017	457.22
21449	Guard	Guardian - Appleton	11/29/2017	12,977.03
21450	VSP	Vision Service Plan	11/29/2017	1,026.14
Total for 11/29/2017:				127,020.48
ACH	CalPERS	Calif. Public Employees' Retirement	11/30/2017	53,511.25
ACH	CalPERS1	CalPERS	11/30/2017	33,387.48
ACH	EDD	Employment Development Dept.	11/30/2017	11,121.84
ACH	EEASSOC	OCVCD Employee Association	11/30/2017	855.00
ACH	ICMA	ICMA	11/30/2017	17,997.27
ACH	IRS	Internal Revenue Service	11/30/2017	42,587.04
ACH	NATION	Nationwide Retirement Solutions	11/30/2017	4,065.00
ACH	STATE	STATE DISBURSEMENT UNIT	11/30/2017	847.30
ACH	TASC	Total Administrative Services Corp.	11/30/2017	2,242.28
ACH	USB	U.S. Bank N.A. Minnesota	11/30/2017	3,548.55
ACH	CalPERS	Calif. Public Employees' Retirement	11/30/2017	2,792.96
ACH	CalPERS1	CalPERS	11/30/2017	34,540.31
ACH	EDD	Employment Development Dept.	11/30/2017	9,634.46
ACH	EEASSOC	OCVCD Employee Association	11/30/2017	840.00
ACH	ICMA	ICMA	11/30/2017	18,070.59
ACH	IRS	Internal Revenue Service	11/30/2017	38,515.13
ACH	NATION	Nationwide Retirement Solutions	11/30/2017	4,065.00
ACH	STATE	STATE DISBURSEMENT UNIT	11/30/2017	847.30
ACH	TASC	Total Administrative Services Corp.	11/30/2017	2,242.28
ACH	USB	U.S. Bank N.A. Minnesota	11/30/2017	3,460.99
Total for 11/30/2017:				285,172.03
Report Total (140 checks):				550,359.88



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # E.4

Prepared By: Lora Young, Director of Communications
Submitted By: Rick Howard, District Manager

Agenda Title:

Approve Surplus Items for Auction

Recommended Action:

Approve District surplus items for auction.

Executive Summary:

Pursuant to District Operations Code Chapter 4.05 and as part of the District's computer replacement program, any damaged, obsolete or older computers, printers and other electronics and peripheral devices are replaced based on a schedule or as needed. To avoid disposing of items as electronic waste, retired items are removed from the District's asset list and sent to auction.

The list of items in [Exhibit A](#), are currently being stored at the District for pick up and auction.

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item: N/A

Exhibits:



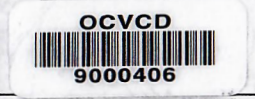



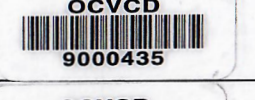


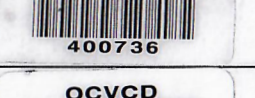
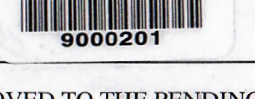
[Exhibit A: List of surplus items](#)

RETIRED ASSETS

Department: Information Technology

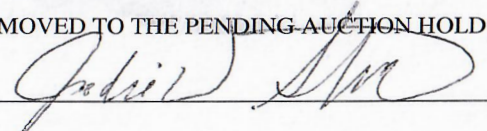
Page 1

DATE: Tuesday August 2, 2017

ITEM ASSET NUMBER	ADHERE ASSET TAG 	DESCRIPTION	DETAILS	MFG	SERIAL NUMBER
9000401		Laptop ProBook 4710s	Old, obsolete	Hewlett Packard	CNU9513LCS
9000406		Laptop ProBook 4710s	Old, obsolete	Hewlett Packard	CNU9513LPZ
9000408		Laptop ProBook 4710s	Old, obsolete	Hewlett Packard	CNU9513LRQ
9000443		Laptop ProBook 4720s	Old, obsolete	Hewlett Packard	2CE052000J
9000433		Laptop ProBook 4720s	Old, obsolete	Hewlett Packard	2CE050061K
9000435		Laptop ProBook 4720s	Old, obsolete	Hewlett Packard	2CE050062G
9000437		Laptop ProBook 4720s	Old, obsolete	Hewlett Packard	2CE050062W
9000409		Laptop ProBook 4710s	Old, obsolete	Hewlett Packard	CNU9513LR3
400736		Laptop Inspiron 5150	Old, obsolete	Dell	F9PLL51
9000201		FAX Machine Intellifax 2820	Old, obsolete, not working	Brother	U61325J6J675959

ITEMS HAVE BEEN MOVED TO THE PENDING-AUCTION HOLD AREA

Approved by: _____




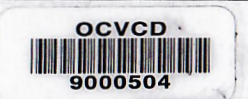

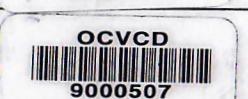
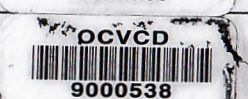
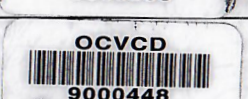
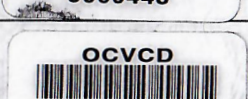




RETIRED ASSETS

Department: Information Technology

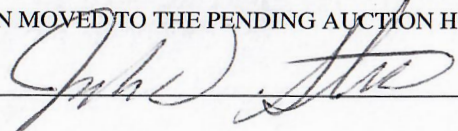
Page 2

DATE: Tuesday, August 22, 2017

ITEM ASSET NUMBER	ADHERE ASSET TAG 	DESCRIPTION	DETAILS	MFG	SERIAL NUMBER
9000434		Laptop ProBook 4720s	Old, obsolete	Hewlett Packard	2CE050062B
400739		Desktop Computer Precision 370	Old, obsolete	Dell	J7MLL51
9000504		Desktop Computer 6200 Pro Microtower	Old, obsolete	Hewlett Packard	MXL1282QG7
9000454		Desktop Computer 8000 Elite Convertible Microtower	Old, obsolete	Hewlett Packard	2UA0520NLB
9000507		Desktop Computer 6200 Pro Microtower	Old, obsolete	Hewlett Packard	MXL1282QJR
9000538		Power BackUPS Pro 1300	Dead	APC	381137X30674
9000448		Desktop Computer 8000 Elite Convertible Microtower	Old, obsolete	Hewlett Packard	2UA0520NJG
9000365		Desktop Computer Small Form Factor DX7500	Old, obsolete	Hewlett Packard	MXL9251F17
9000458		Monitor LA2205wg	Old, obsolete	Hewlett Packard	3CQ022C4ZR
9000514		Monitor LA2205wg	Old, obsolete	Hewlett Packard	3CQ125NR5Z

ITEMS HAVE BEEN MOVED TO THE PENDING AUCTION HOLD AREA



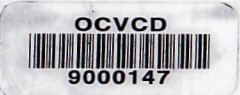



Approved by: _____



RETIRED ASSETS

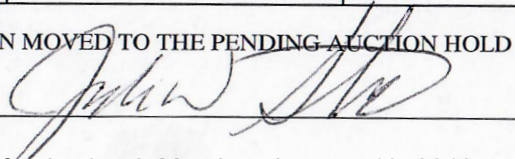
Department: Information Technology

DATE: Tuesday August 22, 2017

ITEM ASSET NUMBER	ADHERE ASSET TAG ↓	DESCRIPTION	DETAILS	MFG	SERIAL NUMBER
9000511		Monitor LA2205wg	Old, obsoete	Hewlett Packard	3CQ125NRB3
9000397		Monitor LE2201w	Old, obsoete	Hewlett Packard	CNK9470TLW
9000147		Printer Photosmart C3100	Old, no longer working	Hewlett Packard	CN67KC40QR
9000587		Monitor Elite Display E221i	Old, obsoete	Hewlett Packard	CNK30908M8
NO TAG	NO ASSET TAG	Tape Backup Drive Ultrium 1840	Old, obsoete	StorageWorks	USE09200A
NO TAG	NO ASSET TAG	CD/DVD Duplicator 2000i	Old, obsolete	Rimage	10014488
9000598		Monitor LA2405x	Old, obsolete	Hewlett Packard	CN43210RMP
9000202		Montiro Q22wb	Old, obsolete	Optiquet	QM5070801696

ITEMS HAVE BEEN MOVED TO THE PENDING AUCTION HOLD AREA

Approved by: _____



F. BUSINESS AND ACTION ITEMS

1. **REVIEW THE FISCAL YEAR 2016-17 AUDITED FINANCIAL STATEMENTS (EXHIBIT A, B, C)**
2. **MODIFICATION TO THE DISTRICT AUTHORIZED HOLIDAY SCHEDULE FOR 2018 (EXHIBIT A, B)**
3. **AWARD PROFESSIONAL SERVICES CONTRACT TO GOVERNMENT FINANCIAL SERVICES FOR TEMPORARY FINANCIAL SERVICES (EXHIBIT A)**
4. **ADOPT RESOLUTION NO. 459 CREATING AND ESTABLISHING THE POSITION OF SENIOR ACCOUNTANT (EXHIBIT A, B)**



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # F.1

Prepared By: Wendy Goodson, Director of Administrative Services
Submitted By: Rick Howard, District Manager

Agenda Title:

Review of the FY 16-17 Audited Financial Statements

Recommended Action:

The District Manager recommends that the Board of Trustees receive and file the Audited Basic Financial Statements dated June 30, 2017, the Audit Committee Letter for Fiscal Year 2016-17 and the Management Letter related to the Fiscal Year 2016-17 audit.

Executive Summary:

The District's contracted auditing firm, White Nelson Diehl Evans, LLP, has completed the independent audit for the Fiscal Year (FY) ended June 30, 2017. The audited basic financial statements along with the independent auditor's report and the report on internal control over financial reporting and compliance are included. The independent auditor's report indicates that the financial statements present fairly in all material aspects the financial position and activities of the District as of and for the year ended June 30, 2017. The report on internal control financial reporting is included in this agenda item. In accordance with Government Auditing Standards, this report discloses any non-compliance issues that the auditor encountered during the audit; it also discusses the District's internal controls over financial reporting. The auditor did not identify any non-compliance issues nor any material weaknesses in internal control. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement would not be prevented or detected and corrected in a timely manner.

Within the basic financial statement, [Exhibit A](#) - is a management's discussion and analysis (MD&A) that is presented to supplement the readers' review of the basic financial statements. The MD&A is written by management and follows the format prescribed by generally accepted accounting principles for governments. The financial statements, notes, supporting schedules and narrative explanations help to ensure that all fiscal data is presented which may be needed by any persons or groups with an interest in the financial affairs of the District, such as the Board of Trustees, taxpayers and others. This document reflects the District's commitment to the highest levels of financial reporting by using a format that meets the standards adopted by the Government Accounting Standards Board which is recognized as the authoritative body for the promulgation of standards of financial accounting and reporting for local governments.

Included in this agenda item is [Exhibit B](#) - Audit Committee Letter, which communicates certain required items regarding the conduct of the audit such as the auditor's level of responsibility, accounting policies adopted, applied, accounting estimates used and other general accounting topics analyzed during the audit process; this letter reports that no transactions lacked authoritative guidance, all significant transactions have been included in the financial statements and that there were no difficulties or disagreements when working with

management. Also included is **Exhibit C** - Management Letter, which reports suggestions made by the auditors to management regarding possible improvements to operating efficiencies or internal controls. Management is appreciative of these suggestions and has already implemented the suggested procedures.

The Budget and Finance Committee meets prior to the January 2018 Regular Board Meeting to review the financial statements and to present the committee's report at the Board Meeting.

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item:

Exhibits:

Exhibit A: Audited Basic Financial Statement with Report on Audit by Independent Certified Public Accountants

Exhibit B: Audit Committee Letter Addressed to the Board of Trustees provided by White Nelson Diehl Evans LLP

Exhibit C: Management Letter Addressed to Board of Trustees and District Management provided by White Nelson Diehl Evans LLP

**ORANGE COUNTY MOSQUITO AND
VECTOR CONTROL DISTRICT**

BASIC FINANCIAL STATEMENTS

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

FISCAL YEAR ENDED JUNE 30, 2017

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Orange County Mosquito and Vector Control District
Garden Grove, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Orange County Mosquito and Vector Control District (the District), as of and for the year ended June 30, 2017, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the State Controller's Minimum Audit Requirements for California Special Districts, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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 each major fund of the District as of June 30, 2017 and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Facilities Improvement Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1d to the financial statements, the District adopted Governmental Accounting Standards Board's Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The adoption of this standard required additional note disclosures and required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, the schedule of funding progress - other post-employment benefits plan, the schedule of employer contributions - other post-employment benefits plan, and the annual money - weighted return on investments - other post-employment benefits plan identified as Required Supplementary Information (RSI) in the accompanying table of contents, 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 RSI 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

White Nelson Michl Evans LLP

Irvine, California
November 28, 2017

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis
June 30, 2017

This section of the financial statements of the Orange County Mosquito and Vector Control District (District) is management's overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements and accompanying notes.

Background

The Orange County Mosquito and Vector Control District is a special district originally formed in 1947 as the Orange County Mosquito Abatement District with the purpose of protecting the County from mosquitoes and mosquito-borne diseases. In 1975, the District was renamed as the Orange County Vector Control District and assumed responsibility for comprehensive vector control, specifically adding fly and rat control services. Then in 2004, the District established a Red Imported Fire Ant program. In 2015, the District was renamed to Orange County Mosquito and Vector Control District to better identify the District's purpose.

The District's operation is overseen by a 35 member Board of Trustees with one member appointed by each of the 34 cities within the District's boundaries and one member appointed by the County of Orange.

Financial Highlights

The comparisons in the discussion and analysis below are between FY 2015-16 and FY 2016-17. All increases and decreases are expressed relative to FY 2015-16 amounts.

Government-wide Financial Statements

- The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2017 by \$20.2 million (net position). Of this amount, \$15.1 million (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$1.9 million (10.2 percent).
- Revenues from governmental activities and general revenues totaled \$14.0 million, an increase of \$1.1 million over the prior year.
- Expenses of governmental activities totaled \$12.1 million, an increase of \$1.1 million over the prior year.

Fund Financial Statements

- As of June 30, 2017, the District's governmental funds reported a combined ending fund balance of \$15.5 million, an increase of \$2.3 million over the prior year. Of this amount, \$9.8 million is available for spending at the District's discretion (unassigned fund balance).

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2017

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

In accordance with the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, the District's government-wide financial statements include a Statement of Net Position and a Statement of Activities.

The Statement of Net Position presents information on all of the District's assets, deferred inflows of resources, liabilities, deferred outflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position also provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). This statement measures the success of the District's activities over the past year and can be used to determine whether the District has successfully recovered all of its costs.

The government-wide financial statements are in this report's financial section immediately following the Management's Discussion and Analysis (MD&A), beginning on page 12.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds are reported within two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2017

The District reports two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Facilities Improvement Special Revenue fund. The District adopts an annual appropriated budget for each governmental fund, and a budgetary comparison statement has been provided for each to demonstrate compliance with this budget.

The governmental fund financial statements are found in the financial section of this report following the government-wide financial statements, beginning on page 14.

Fiduciary funds. The District uses a fiduciary fund to account for the activity of the trust fund established to administer the District's plan for post-retirement medical benefits. The fiduciary fund financial statements are found in the financial section of this report following the governmental fund financial statements, beginning on page 20.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found in the financial section of this report following the fund financial statements, beginning on page 22.

Government-wide Financial Analysis

As noted earlier, over time the increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Following is a table which compares the District's net position at the end of the current and prior fiscal years.

Net Position

	Governmental Activities	
	30-Jun-16	30-Jun-17
Current and other assets	\$13,670,352	\$16,076,500
Net OPEB asset	800,203	653,117
Capital assets	5,105,393	5,038,957
Total assets	19,575,948	21,768,574
Deferred outflows	1,132,929	1,673,555
Total deferred outflows	1,132,929	1,673,555
Long-term liabilities	1,474,217	2,525,210
Other liabilities	480,090	599,977
Total liabilities	1,954,307	3,125,187
Deferred inflows	462,861	152,479
Total deferred inflows	462,861	152,479
Net investment in capital assets	5,105,393	5,038,957
Unrestricted	13,186,316	15,125,506
Total net position	\$18,291,709	\$20,164,463

At June 30, 2017, assets and deferred outflows exceed liabilities and deferred inflows, resulting in a net position of \$20.2 million.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2017

- Assets increased by \$2.2 million. The majority of this increase is due to general operating activities and is reflected by an increase to cash of \$2.3 million offset by a decrease of \$0.1 million to the net OPEB asset.
- Liabilities increased by \$1.2 million. This increase is mainly attributable to 1) a \$0.6 million addition to the pension-related debt of the terminated OCERS defined benefit pension plan as a result of actuarial changes (see Note 7B of the Notes to Basic Financial Statements for additional information) and 2) \$0.5 million increase to the net pension liability, see Note 7A of the notes to Basic Financial Statements for additional information). The remainder of the increase is due to the timing of payments made for operating activities.
- Pension-related deferred outflows increased by \$0.5 million while pension related deferred inflows decreased by \$0.3 million, see Note 7A(b) of the Notes to Basic Financial Statements for additional information.

Net investment in capital assets: An important component of net position is capital assets (e.g., land, structures, and vehicles). The District's net investment in capital assets is \$5.0 million, representing 25 percent of the total net position at fiscal year-end. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Unrestricted: The remainder of the District's net position is categorized as unrestricted net position, totaling \$15.1 million or 75 percent of the total net position. Unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors. The District's unrestricted net position increased by \$1.9 million over the prior year. The reasons for this increase are identified by analyzing the changes in net position.

Changes in Net Position

	Governmental Activities	
	30-Jun-16	30-Jun-17
Program revenues:		
Charges for services	\$ 222,952	\$ 293,225
Rental income	403,900	341,873
Operating contributions and grants	-	93,938
General revenues:		
Property taxes	12,192,451	13,147,070
Interest income	55,553	65,366
Other revenues	27,102	19,912
Total revenues	12,901,958	13,961,384
Expenses:		
General government	2,613,754	3,393,537
Health and sanitation	8,380,305	8,695,093
Total expenses	10,994,059	12,088,630
Increase/(decrease) in net position	1,907,899	1,872,754
Net position - July 1	16,383,810	18,291,709
Net position - June 30	\$18,291,709	\$20,164,463

The District's current year net position increased by \$1.9 million, the same amount of the prior year's increase. Although the increase in net position remained the same, revenues increased by \$1.1 million and expenses increased by an offsetting \$1.1 million.

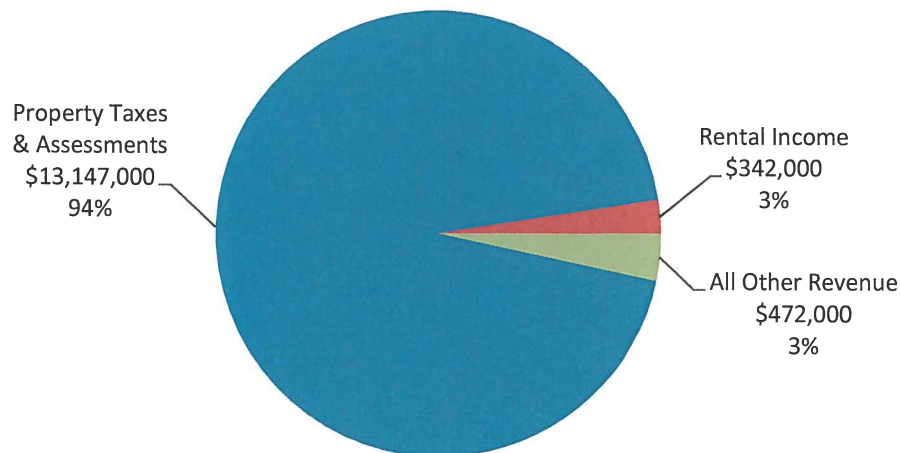
ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis
June 30, 2017

Key elements of the changes in revenues and expenses include:

- An increase of \$310,000 in property taxes resulting from a) an increase of \$280,000 in ad valorem property taxes due to a rise in assessed value and b) an increase of \$30,000 in monies received as pass-through from the dissolution of redevelopment agencies.
- An increase of \$640,000 in assessment revenue resulting from a \$0.70 increase per benefit assessment during the year for Assessment District No. 2.
- An increase of \$94,000 in state grant revenues received for Zika-related treatment.
- \$150,000 decrease in expenses due to the prior year's final contribution to the Discovery Cube Science Center's vector-related interactive display.
- \$200,000 increase in insurance costs for workers' compensation coverage.
- \$300,000 net increase in field expenses resulting from early and increased surveillance, monitoring, and treatment of mosquitoes during the most recent warm weather season.
- \$240,000 increase in pension expense.
- \$500,000 increase for estimated pension true-up costs for the District's closed plan with OCERS.

Revenues by Source (Government-wide)



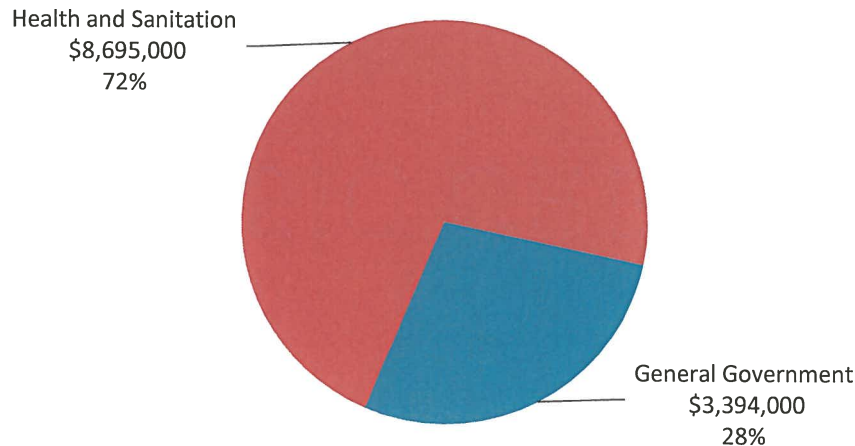
As identified in the graph of revenues by source, nearly all of the District's revenues (94 percent) come from the District's share of the ad valorem property tax and property tax assessments. Of the \$13.1 million property tax and assessment revenue, 45 percent is from the District's share of the ad valorem property tax and the remaining 55 percent is from the District's property tax benefit assessments. In FY 2016-17 the District's benefit assessment rate remained the same for Assessment District No. 1 at \$1.92 per parcel while the benefit assessment rate for Assessment District No. 2 increased from \$6.02 per parcel to \$6.72 per parcel. This increase in the benefit assessment rate accounts for nearly all of the increased assessment revenue.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2017

Expenses by Function (Government-wide)



The District's expenses totaled \$12.1 million in fiscal year 2016-17. Of that total, \$8.7 million (72 percent) was for health and sanitation purposes while the remainder was for general administrative functions of the District.

During fiscal year 2016-17, the District's Health and Sanitation functional expense category had \$387,000 of program revenues (\$293,000 of charges for services and \$94,000 of operating grants); the General Government functional expense category had \$342,000 of program revenues (charges for services – rental income on District property).

Financial Analysis of the District's Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$15.5 million, an increase of \$2.3 million over the prior year. Revenues of \$14.0 million exceeded expenditures of \$11.7 million.

Approximately 63% (\$9.8 million) of the combined ending fund balances constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the combined ending fund balances is categorized as nonspendable (1% of total fund balance) or committed (36% of total fund balance), indicating that it is not available for new spending because it has already been designated as:

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2017

Nonspendable

Inventories	\$105,192
Computer loans	5,967

Committed

Retiree medical insurance	171,687
Retirement contingency	1,060,542
Vehicle replacement	597,140
Liability reserve	460,389
Equipment replacement	455,337
Emergency vector control	1,151,399
Habitat remediation	185,668
Facilities improvement	1,443,668
Environmental issues	12,064

General Fund. The General Fund is the chief operating fund of the District and comprises 99% of the expenditures of the District. At the end of the current fiscal year the unassigned fund balance of the General Fund was \$9,801,598 while the total fund balance was \$14,006,983. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The General Fund's unassigned fund balance represents 84% of General Fund expenditures while the General Fund's total fund balance represents 121% of General Fund expenditures.

The General Fund's fund balance increased in fiscal year 2016-17 by \$2.0 million while in the prior year, fund balance increased by \$0.9 million. The \$1.1 million increase over fiscal year 2015-16 was a result of higher revenues in FY 2016-17 as expenditures were \$11.6 million in each year. Current year revenues were higher by \$1.1 million due to a \$310,000 increase in property tax revenue as a result of a rise in assessed value, a \$640,000 increase in assessment revenue as a result of a \$0.70 rate increase per benefit unit in Assessment District No. 2, and a state grant with revenue of \$94,000 which was received to assist with treatment for preventing Zika-carrying mosquitoes.

Facilities Improvement Special Revenue Fund. This fund is used to account for monies set aside for future building needs and for rehabilitation of current facilities. For fiscal year 2016-17, revenues of \$320,000 exceeded expenditures of \$74,000, resulting in an increase of \$246,000 to fund balance. The total fund balance at year end is \$1,444,000 and it is all committed for facility improvements.

Budgetary Highlights

In preparing its budget, the District attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the Board of Trustees adopts budget adjustments during the fiscal year to reflect both changed priorities and availability of additional revenues. During the course of the year, the Board of Trustees amended the District's originally adopted expenditure budget in the General Fund by \$47,400.

General Fund. The General Fund balance reflected a positive net budget variance of \$2.1 million when comparing actual amounts to the final budget for the current fiscal year. This amount reflects a positive variance of \$0.7 million in revenues and a positive variance of \$1.4 million in expenditures. The positive revenue variance resulted from actual

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2017

revenues exceeding the budget for property and assessment taxes, intergovernmental revenues, and charges for services. The positive expenditure variance resulted from actual expenditures being less than the final budget in all divisions except for Trustees, District Manager, and Insurance.

Capital Asset and Debt Administration

Capital assets. The District's capital assets for governmental activities as of June 30, 2017, total \$5,038,957, net of accumulated depreciation. This is a net decrease of \$66,436 from June 30, 2016. The capital assets include land, structure and improvements, equipment and furniture, and vehicles. Capital asset additions totaled \$235,261 and depreciation expense totaled \$301,697. There were no capital asset disposals during the year.

Capital Assets, net of depreciation

	Governmental Activities	
	30-Jun-16	30-Jun-17
Land	\$ 2,010,329	\$ 2,010,329
Construction in progress	-	-
Structures and improvements	2,276,578	2,159,877
Equipment and furniture	269,579	318,143
Vehicles	548,907	550,608
Total	\$ 5,105,393	\$ 5,038,957

Additional information on the District's capital assets can be found in the Capital Assets Note (Note 4) of the Notes to Basic Financial Statements.

Long-term debt. At the end of the current fiscal year, the District had total debt outstanding of \$2,525,210.

Outstanding Debt

	Governmental Activities	
	30-Jun-16	30-Jun-17
Employee compensated absences	\$ 411,809	\$ 447,499
Pension-related debt	-	556,381
Net pension liability	1,062,408	1,521,330
Total	\$ 1,474,217	\$ 2,525,210

Information on employee compensated absences can be found in Note 1(k) of the Notes to the Basic Financial Statements. Information on the pension-related debt can be found in Note 7B of the Notes to Basic Financial Statements, under the heading of Terminated OCERS Defined Benefit Pension Plan. Information on the net pension liability can be found in Note 7A of the Notes to Basic Financial Statements, under the heading of CalPERS Defined Benefit Pension Plan.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Management's Discussion and Analysis

June 30, 2017

Economic Factors and Next Year's Budget

The District's overall revenues for FY 2017-18 are budgeted to be \$14.2 million while expenditures are budgeted to be \$14.3 million. These budgetary expectations reflect the continuation of program enhancements which were begun in FY 2015-16 of the *Aedes* Response Team, the West Nile Virus Strike Team, expansion of the underground storm drain teams, and the implementation of the education and outreach programs.

The majority of the funding for the District's programs comes from property taxes and assessments:

- Property taxes are budgeted at \$5.6 million, anticipating only a small increase from the prior year.
- Assessments for Assessment District No. 1 will remain at \$1.92 per parcel and are projected to yield \$1.5 million.
- Assessments for Assessment District No. 2 will remain at \$6.72 per parcel and are projected to yield \$5.7 million.

Other revenues are expected to remain generally stable from the prior fiscal year, and include anticipated state grant revenues of \$138,000.

Personnel costs are anticipated to increase to \$9.67 million and are estimated to account for 71 percent of the District's operating expenditures in fiscal year 2017-18.

Capital outlay costs are budgeted to be \$295,000 in the Operating Fund and \$515,000 in the Facilities Improvement Fund in fiscal year 2017-18. The most significant proposed capital purchases include \$160,000 for vehicle replacements/additions, \$97,000 for computer and security equipment, \$115,000 for repaving the parking lot, \$200,000 for a new roof on the Haster Business Park (HBP) facility, and \$200,000 for a new HVAC system for the HBP facility.

The District's total fund balance is estimated to be \$14.2 million as of June 30, 2018.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the Orange County Mosquito and Vector Control District for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, 13001 Garden Grove Boulevard, Garden Grove, CA 92843.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF NET POSITION

June 30, 2017

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments	\$ 15,655,327
Receivables:	
Accounts	40,220
Taxes	91,207
Accrued interest	31,915
Due from other governments	146,672
Loans	5,967
Inventory	105,192
Net OPEB asset	653,117
Capital assets, not being depreciated	2,010,329
Capital assets, net of depreciation	<u>3,028,628</u>
 TOTAL ASSETS	 <u>21,768,574</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amounts from pension	<u>1,673,555</u>
LIABILITIES:	
Accounts payable	212,109
Accrued liabilities	355,020
Unearned revenue	2,215
Deposits payable	30,633
Noncurrent liabilities:	
Due within one year	147,675
Due in more than one year	<u>2,377,535</u>
 TOTAL LIABILITIES	 <u>3,125,187</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred amounts from pension	<u>152,479</u>
NET POSITION:	
Net investment in capital assets	5,038,957
Unrestricted	<u>15,125,506</u>
 TOTAL NET POSITION	 <u>\$ 20,164,463</u>

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF ACTIVITIES

For the year ended June 30, 2017

Functions/programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Revenue and Changes in Net Position
Governmental activities:					Governmental Activities
General government	\$ 3,337,779	\$ 341,873	\$ -	\$ -	\$ (2,995,906)
Health and sanitation	8,695,093	293,225	93,938	-	(8,307,930)
Interest on pension-related debt	55,758	-	-	-	(55,758)
Total governmental activities	<u>\$ 12,088,630</u>	<u>\$ 635,098</u>	<u>\$ 93,938</u>	<u>\$ -</u>	<u>(11,359,594)</u>

General revenues:

Taxes:

Property taxes and assessments, levied for general purpose	13,147,070
Investment income	65,366
Miscellaneous	19,912

Total general revenues 13,232,348

Change in net position 1,872,754

Net Position at Beginning of Year 18,291,709

Net Position at End of Year \$ 20,164,463

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

	General	Special Revenue Fund Facilities Improvement	Total Governmental Funds
ASSETS			
Cash and investments	\$ 14,177,879	\$ 1,477,448	\$ 15,655,327
Receivables:			
Accounts	40,220	-	40,220
Taxes	91,207	-	91,207
Accrued interest	31,915	-	31,915
Due from other governments	146,672	-	146,672
Loans	5,967	-	5,967
Inventory	105,192	-	105,192
TOTAL ASSETS	\$ 14,599,052	\$ 1,477,448	\$ 16,076,500
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 208,962	\$ 3,147	\$ 212,109
Accrued liabilities	355,020	-	355,020
Unearned revenue	2,215	-	2,215
Deposits payable	-	30,633	30,633
TOTAL LIABILITIES	566,197	33,780	599,977
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues	25,872	-	25,872
FUND BALANCES:			
Nonspendable:			
Inventory	105,192	-	105,192
Loans	5,967	-	5,967
Committed to:			
Retiree medical insurance	171,687	-	171,687
Retirement contingency	1,060,542	-	1,060,542
Vehicle replacement	597,140	-	597,140
Liability reserve	460,389	-	460,389
Equipment replacement	455,337	-	455,337
Emergency vector control	1,151,399	-	1,151,399
Habitat remediation	185,668	-	185,668
Facilities improvement	-	1,443,668	1,443,668
Environmental	12,064	-	12,064
Unassigned	9,801,598	-	9,801,598
TOTAL FUND BALANCES	14,006,983	1,443,668	15,450,651
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,599,052	\$ 1,477,448	\$ 16,076,500

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2017

Fund balances - total governmental funds	\$ 15,450,651
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets net of depreciation have not been included as financial resources in the governmental funds activity.	5,038,957
Long-term liabilities are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds. Long-term liabilities consist of the following:	
Compensated absences	(447,499)
Pension-related debt	(556,381)
Governmental funds report all OPEB contributions as expenditures, however, in the Statement of Net Position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.	653,117
Certain revenues in the governmental funds are deferred inflows of resources because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements.	25,872
Pension related debt applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities.	
Deferred outflows of resources	1,673,555
Deferred inflows of resources	(152,479)
Net pension liability	(1,521,330)
Net position of governmental activities	\$ 20,164,463

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended June 30, 2017

	General	Special Revenue Fund Facilities Improvement	Total Governmental Funds
REVENUES:			
Taxes and assessments	\$ 13,147,070	\$ -	\$ 13,147,070
Intergovernmental	238,627	-	238,627
Charges for services	140,687	-	140,687
Investment income	58,443	6,923	65,366
Rental income	28,270	313,603	341,873
Miscellaneous	19,912	-	19,912
TOTAL REVENUES	<u>13,633,009</u>	<u>320,526</u>	<u>13,953,535</u>
EXPENDITURES:			
Current:			
General government	2,175,899	33,535	2,209,434
Health and sanitation	9,049,700	-	9,049,700
Capital outlay	375,480	40,509	415,989
TOTAL EXPENDITURES	<u>11,601,079</u>	<u>74,044</u>	<u>11,675,123</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,031,930	246,482	2,278,412
FUND BALANCES AT BEGINNING OF YEAR	<u>11,975,053</u>	<u>1,197,186</u>	<u>13,172,239</u>
FUND BALANCES AT END OF YEAR	<u>\$ 14,006,983</u>	<u>\$ 1,443,668</u>	<u>\$ 15,450,651</u>

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

June 30, 2017

Net change in fund balances - total governmental funds	\$ 2,278,412
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay	235,261
Depreciation	(301,697)
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(35,690)
Additions to pension related debt (due to differences in actual activity as compared to actuarial assumptions) are reported as expenses in the Statement of Activities but do not require the use of current financial resources and, therefore, are excluded from the governmental funds expenditures.	(500,623)
Interest expense for pension related debt is reported as an expense in the Statement of Activities but does not require the use of current financial resources and, therefore, is excluded from the governmental funds expenditures.	(55,758)
Governmental funds report contributions to the OPEB plan as expenditures when paid, however, in the Statement of Activities, the OPEB cost is the expense.	(147,086)
Certain revenues in the governmental funds are deferred inflows of resources because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements.	7,849
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.	<u>392,086</u>
Change in net position of governmental activities	<u>\$ 1,872,754</u>

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

BUDGETARY COMPARISON STATEMENT BY DEPARTMENT

GENERAL FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
FUND BALANCE				
AT BEGINNING OF YEAR	\$ 11,975,053	\$ 11,975,053	\$ 11,975,053	\$ -
RESOURCES (INFLOWS):				
Taxes and assessments	12,727,000	12,727,000	13,147,070	420,070
Intergovernmental	50,000	50,000	238,627	188,627
Charges for services	64,000	64,000	140,687	76,687
Investment income	28,650	28,650	58,443	29,793
Rental income	26,300	26,300	28,270	1,970
Miscellaneous	10,000	10,000	19,912	9,912
TOTAL RESOURCES (INFLOWS)	12,905,950	12,905,950	13,633,009	727,059
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government:				
Trustees	50,750	50,750	51,239	(489)
District Manager	338,660	338,660	356,605	(17,945)
Legal services	195,000	195,000	101,184	93,816
Nondepartmental	433,850	422,650	375,872	46,778
Administrative services	771,990	791,990	623,817	168,173
Insurance	496,350	496,350	667,182	(170,832)
Health and sanitation:				
Technical services	1,496,540	1,491,540	1,434,100	57,440
Field operations	6,424,080	6,443,080	5,852,689	590,391
Vehicle maintenance	589,705	535,705	512,355	23,350
Building maintenance	179,325	179,325	169,213	10,112
Public information	735,110	735,110	542,344	192,766
Information technology	560,020	560,020	413,184	146,836
Public service	149,330	149,330	124,947	24,383
Habitat remediation	1,000	1,000	868	132
Capital outlay	485,200	563,776	375,480	188,296
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	12,906,910	12,954,286	11,601,079	1,353,207
EXCESS OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	(960)	(48,336)	2,031,930	2,080,266
FUND BALANCE				
AT END OF YEAR	\$ 11,974,093	\$ 11,926,717	\$ 14,006,983	\$ 2,080,266

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

BUDGETARY COMPARISON STATEMENT

FACILITIES IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
FUND BALANCE				
AT BEGINNING OF YEAR	\$ 1,197,186	\$ 1,197,186	\$ 1,197,186	\$ -
RESOURCES (INFLOWS):				
Investment income	3,500	3,500	6,923	3,423
Rental income	290,000	290,000	313,603	23,603
TOTAL RESOURCES (INFLOWS)	293,500	293,500	320,526	27,026
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	72,100	72,100	33,535	38,565
Capital outlay	370,000	370,000	40,509	329,491
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	442,100	442,100	74,044	368,056
EXCESS OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	(148,600)	(148,600)	246,482	395,082
FUND BALANCE				
AT END OF YEAR	\$ 1,048,586	\$ 1,048,586	\$ 1,443,668	\$ 395,082

See accompanying notes to the basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2017

	<u>Other Post-Employment Benefits (OPEB) Trust Fund</u>
ASSETS:	
Cash and investments	\$ 2,925,424
TOTAL ASSETS	<u>2,925,424</u>
NET POSITION:	
Held in trust for OPEB benefits	<u>2,925,424</u>
TOTAL NET POSITION	<u><u>\$ 2,925,424</u></u>

See accompanying notes to basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended June 30, 2017

	Other Post-Employment Benefits (OPEB) Trust Fund
ADDITIONS:	
Net investment income	\$ 251,790
TOTAL ADDITIONS	<u>251,790</u>
DEDUCTIONS:	
Benefits	119,931
Administrative expense	<u>17,917</u>
TOTAL DEDUCTIONS	<u>137,848</u>
CHANGE IN NET POSITION	113,942
NET POSITION - BEGINNING OF YEAR	<u>2,811,482</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,925,424</u></u>

See accompanying notes to basic financial statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Description of Reporting Entity:

The Orange County Mosquito Abatement District was formed in 1947, in accordance with Division 3, Chapter 5, of the California Health and Safety Code. By resolution of the Board of Trustees, the name of the District was changed to Orange County Vector Control District, effective January 1, 1976, and to Orange County Mosquito and Vector Control District (the District) effective January 15, 2015. The District encompasses all of Orange County. The governing power of the District is vested in a Board of Trustees, consisting of one member appointed by the Orange County Board of Supervisors for the County at large and one member appointed by each City Council within the District. Members are appointed and serve a two to four year term and are provided \$100 per monthly meeting attended in lieu of travel expenses.

b. Government-wide and Fund Financial Statements:

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 District, except for its fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

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 to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Government-wide and Fund Financial Statements (Continued):

Fund Financial Statements (Continued):

The fund financial statements provide information about the District's funds. Separate financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

The District reports the following major governmental funds:

The General Fund is used to account for all financial activity in the District except for that which is required to be accounted for in other funds.

The Facilities Improvement Special Revenue Fund is used to account for the collection of rents on District properties and the expending of this revenue source on building and facility rehabilitation and development needs.

The fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The District's other post-employment benefits (OBEP) trust fund accounts for the activity of the District's plan for post-retirement medical benefits.

c. Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary other post-employment benefits trust fund. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations are reported in the government-wide financial statements. Under 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 are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. Measurement Focus and Basis of Accounting (Continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, current assets, current liabilities and deferred inflows of resources are generally included on the balance sheets. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund financial statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means that amounts can be estimated, or otherwise determined. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, rental income, charges for services and interest 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.

d. New Accounting Pronouncements:

Current Year Standards

Governmental Accounting Standards Board (GASB) 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, implemented by the District in fiscal year 2016-2017 that resulted in additional note disclosures and required supplementary information.

GASB 77 - *Tax Abatement Disclosure*, effective for periods beginning after December 15, 2015, and did not impact the District.

GASB 79 - *Certain External Investment Pools and Pool Participants*, contains certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015, and did not impact the District.

GASB 80 - *Blending Requirements for Certain Component Units*, effective for periods beginning after June 15, 2016, and did not impact the District.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements (Continued):

Pending Accounting Standards

GASB has issued the following statements, which may impact the District's financial reporting requirements in the future:

- GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017.
- GASB 82 - *Pension Issues*, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 85 - *Omnibus 2017*, effective for periods beginning after June 15, 2017.
- GASB 86 - *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.

e. Investments:

Investments are reported at the fair value, which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

f. Receivables:

Management has determined that all receivables are collectible for the year ended June 30, 2017.

g. Inventory:

The District's inventory consists of chemicals used in the abatement of vectors within the County of Orange. The inventory has been valued using the first-in, first-out cost method.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

h. Capital Assets:

Capital assets that include land, structures and improvements, equipment and furniture, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Useful Life</u>
Structures and improvements	30 years
Equipment and furniture	5 to 20 years
Vehicles	8 to 10 years

i. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to the pension plans equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to the pension plans for annual changes in employer's proportion and differences between employer contributions and the proportionate share of contributions. Each annual amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred outflow related to pensions for annual differences between actual and expected experiences. Each annual amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Deferred Outflows/Inflows of Resources (Continued):

Deferred Outflows of Resources (Continued):

- Deferred outflow related to the pension plans resulting from the annual differences in projected and actual earnings on investments of the pension plan fiduciary net position. Each annual amount is amortized over five years.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred inflow for *unavailable revenues* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: charges for services. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.
- Deferred inflow related to the pension plans for annual changes in employer's proportion and differences between employer contributions and the proportionate share of contributions. Each annual amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflow related to pensions for annual differences between actual and expected experiences. Each annual amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow from pensions resulting from annual changes in assumptions. Each annual amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

j. Claims and Judgments:

When it is probable that a claim liability has been incurred and the amount of the loss can be reasonably estimated, the District records the loss, net of any insurance coverage.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

k. Compensated Absences:

Compensated absences (vacation, compensatory time off and sick leave) are reported as expenditures in the general fund when paid. Any remaining unpaid liability at year-end is recorded on the statement of net position since such obligation is not payable with currently available financial resources, and paid by resources in the District's general fund.

Upon termination, the District is obligated to compensate employees the earned, but unused vacation and compensatory time. At June 30, 2017, there were no employee contracts which included provisions to pay out unused sick leave.

The change in the District's compensated absences liability during the year ended June 30, 2017 consisted of the following:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017	Due Within One Year
Compensated absences	\$ 411,809	\$ 562,084	\$ (526,394)	\$ 447,499	\$ 147,675

l. Net Position:

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.

Restricted Net Position - This component of net position consists of external constraints placed on net position imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The District has no restricted net position.

Unrestricted Net Position - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

m. Fund Equity:

In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest authority, the Board of Trustees. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

Assigned include amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District General Manager is authorized to assign amounts to a specific purpose, which was established by the governing body in the Fund Balance Policy.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which the restricted fund balance is available. Committed, assigned, and unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District's policy is to apply restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

n. Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1, and are payable in two installments on November 1 and February 1, and become delinquent December 11 and April 11. The County bills and collects the property taxes and remits them to the District in installments during the year. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The County is permitted by State law (Proposition 13) to levy taxes at 1 % of full market value (at time of purchase) and can increase the assessed values no more than 2% per year. The District receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period.

o. Pensions:

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

p. Use of Estimates:

The preparation of financial statements in accordance 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. Accordingly, actual results could differ from the estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

Budgetary Data:

The District adopts an itemized budget statement of anticipated revenues, estimated operating expenditures and reserve requirements for the General Fund and Facilities Improvement Special Revenue Fund and files it with the County Auditor's office annually. The sources of financing operating costs and reserve requirements are: (1) available balance carried forward from the preceding year, (2) property taxes, (3) interest, and (4) other miscellaneous items. The legal level of control is by department.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED):

Excess of Expenditures over Appropriations:

Excess of expenditures over appropriations by department in individual funds is as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Major Fund:			
General Fund:			
Trustees	\$ 50,750	\$ 51,239	\$ (489)
District Manager	338,660	356,605	(17,945)
Insurance	496,350	667,182	(170,832)

3. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows:

	<u>Government Wide Statement of Net Position</u>	<u>Fiduciary Fund Statement of Net Position</u>	<u>Total</u>
Cash and investments	<u>\$ 15,655,327</u>	<u>\$ 2,925,424</u>	<u>\$ 18,580,751</u>

Cash and investments consist of deposits and investments, as noted below:

	<u>District Funds</u>	<u>OBEP Trust</u>	<u>Total</u>
Deposits with financial institutions	\$ 222,901	\$ -	\$ 222,901
Investments	<u>15,432,426</u>	<u>2,925,424</u>	<u>18,357,850</u>
Total cash and investments	<u>\$ 15,655,327</u>	<u>\$ 2,925,424</u>	<u>\$ 18,580,751</u>

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

3. CASH AND INVESTMENTS (CONTINUED):

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

The District's Investment Policy is reviewed and adopted by the Board of Trustees each year. Investment vehicles not specifically mentioned in the District's investment policy, are not authorized unless the policy is amended by the Board of Trustees. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of the employer contributions to the other post-employment benefit trust that are governed by the trust agreement.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Issues	5 years	None	None
Federal Agency Issues	5 years	None	50%
Banker's Acceptances	180 days	40%	30%
Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A
Orange County Investment Pool (OCIP)	N/A	None	None
Money Market Mutual Fund	N/A	20%	10%

N/A - Not Applicable

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

3. CASH AND INVESTMENTS (CONTINUED):

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy states that at no time will more than 50% of the District's funds be invested longer than one year. Purchases greater than two years will meet the following requirements and restrictions:

1. The security must be a U.S. Treasury Note or Bond, or Federal Agency Issue.
2. A maximum of 25% of the District's invested funds can be invested in securities over two years.
3. No securities can be purchased by the District with a maturity greater than five years unless matched to a specific cash flow or asset acquisition and the Board of Trustees has authorized the investment no less than three months prior to the purchase.

As of June 30, 2017, the District had the following investments and original maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Remaining Maturity 6 Months or Less</u>
California Local Agency Investment Fund	\$ 13,801,400	\$ 13,801,400
Orange County Investment Pool	1,631,026	1,631,026
PARS OPEB Trust Fund	2,925,424	2,925,424
	<u>\$ 18,357,850</u>	<u>\$ 18,357,850</u>

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the California Local Agency Investment Fund, Orange County Investment Pool, and PARS OPEB Trust Fund are not rated.

Concentration of Credit Risk:

The District's investment policy imposes restrictions for certain types of investments with any one issuer beyond that stipulated by the California Government Code; however, external investment pools are excluded from this requirement. At June 30, 2017, the District's investments consisted entirely of investments in external investment pools (including the OPEB Trust).

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

3. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent 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 percent of the secured public deposits. At June 30, 2017, the District deposits (bank balances) were insured by the Federal Deposit Insurance Corporation up to \$250,000 or collateralized as required under California Law.

District Investments in State Investment Pool and County Investment Pool:

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The District is also a voluntary participant in the Orange County Investment Pool (OCIP) that is regulated by California Government Code and the Orange County Board of Supervisors under the oversight of the County of Orange Treasury Oversight Committee. The fair value of the District's investments in these pools is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF and OCIP for each respective portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and OCIP, which are recorded on an amortized cost basis.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

3. CASH AND INVESTMENTS (CONTINUED):

Cash and Investments - Other Post-Employment Benefits (OPEB) Trust:

The District established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District's other post-employment benefits (OPEB) health plan (Plan). The OPEB Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the District.

Those guidelines are as follows:

Risk Tolerance:	Moderate
Time Horizon:	Long-Term
Income or Liquidity Needs:	As Requested
Account of Trust Restrictions:	None
Unique Needs and Circumstances:	None
Investment Objective:	Moderate Index Plus
Strategic Ranges:	0% - 20% Cash 40% - 60% Fixed Income 40% - 60% Equity

Acceptable Investments:

The following is a list of acceptable investments for the OPEB Trust:

Equity Securities:	Fixed Income Mutual Funds:
Domestic	Corporate
American Depository Receipts (ADRs)	Government
Equity Mutual Funds:	High Yield
Large Cap Growth and Value	International and Emerging Market
Mid Cap Core	Convertible
Small Cap Growth and Value	Preferred
International and Emerging Markets	Closed End Funds
REITs	Cash and Cash Equivalents:
Exchange Traded Funds (ETFs)	Money Market Mutual Fund
Fixed Income Securities:	Commercial Paper
Government/Agencies	CDs and Bankers Acceptance
Mortgage Backed Bonds	
Corporate Bonds and Notes	
Unit Trusts	

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

3. CASH AND INVESTMENTS (CONTINUED):

Cash and Investments - Other Post-Employment Benefits (OPEB) Trust (Continued):

Fixed Income Guidelines:

The fixed income guidelines consist of (a) the long-term fixed income investments (greater than seven years in maturity) shall constitute no more than 20%, and as little as 0% of the total Plan assets, (b) the intermediate-term fixed income investments (between three and seven years in maturity) shall constitute no more than 60%, nor less than 20% of the total Plan assets, (c) the high-yield portion of the Plan shall constitute no more than 10%, and as little as 0% of the total Plan assets, (d) the convertible bond exposure shall constitute no more than 10%, and as little as 0% of the total Plan assets, and (e) the short-term fixed income investments (between one and three years in maturity) shall constitute no more than 20%, and as little as 0% of the total Plan assets.

Equity Guidelines:

The equity guidelines consist of (a) the domestic large cap equity investments of the Plan shall constitute no more than 50% nor less than 20% of the total Plan assets, (b) the domestic mid-capitalization equity investments of the Plan shall constitute no more than 20%, and as little as 0% of the total Plan assets, (c) the domestic small capitalization equity investments of the Plan shall constitute no more than 20%, nor less than 0% of the total Plan assets, (d) the international equity investments of the Plan shall constitute no more than 20% and as little as 0% of the total Plan assets, and (e) the real estate investments of the Plan shall constitute no more than 10%, and as little as 0% of the total Plan assets.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The District's investments in the Orange County Investment Pool, California Local Agency Investment Fund, and PARS OPEB Trust Fund are not subject to the fair value measurement hierarchy.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

4. CAPITAL ASSETS:

Capital assets activity for the year ended June 30, 2017, is as follows:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 2,010,329	\$ -	\$ -	\$ 2,010,329
Total capital assets, not being depreciated	<u>2,010,329</u>	<u>-</u>	<u>-</u>	<u>2,010,329</u>
Capital assets, being depreciated:				
Structures and improvements	4,548,177	-	-	4,548,177
Equipment and furniture	819,910	103,878	(6,742)	917,046
Vehicles	1,906,157	131,383	-	2,037,540
Total capital assets, being depreciated	<u>7,274,244</u>	<u>235,261</u>	<u>(6,742)</u>	<u>7,502,763</u>
Less accumulated depreciation for:				
Structures and improvements	(2,271,599)	(116,701)	-	(2,388,300)
Equipment and furniture	(550,331)	(55,314)	6,742	(598,903)
Vehicles	(1,357,250)	(129,682)	-	(1,486,932)
Total accumulated depreciation	<u>(4,179,180)</u>	<u>(301,697)</u>	<u>6,742</u>	<u>(4,474,135)</u>
Total capital assets, being depreciated, net	<u>3,095,064</u>	<u>(66,436)</u>	<u>-</u>	<u>3,028,628</u>
Governmental Activity capital assets, net	<u>\$ 5,105,393</u>	<u>\$ (66,436)</u>	<u>\$ -</u>	<u>\$ 5,038,957</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

 General government \$ 301,697

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

5. DEFERRED COMPENSATION PLAN:

The District offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457 whereby employees authorize the District to withhold funds from their wages to be invested in individual savings accounts and other investments. Funds may be withdrawn by participants at termination of employment or retirement. Pursuant to Section 457, the District established trusts in which all assets are held by ICMA Retirement Corporation and Nationwide Retirement Solutions. All assets are held for the exclusive benefit of the plan participants and their beneficiaries and the assets shall not be diverted for any other purpose. Each participant directs the investments of their respective accounts and the District has no liability for any losses that may be incurred. Pursuant to federal legislation, the Section 457 plan assets were placed in trust for the exclusive benefit of all employees and their beneficiaries and are not available to the creditors of the District. For this reason, the assets and related liabilities of the plan are not included in the financial records of the District and are not included in the accompanying financial statements.

6. SELF-INSURANCE PROGRAM:

The District is a member of the Vector Control Joint Powers Agency (Agency).

Description of Joint Powers Agency:

The Agency is comprised of California member districts and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Agency is to arrange and administer programs of insurance for the pooling of specific self-insurance limits and purchase excess insurance coverage above those limits. Each member District is represented on the Board of Directors. Officers of the Agency are elected annually by the Board members.

Self-insurance Programs of the Agency:

Liability and Workers' Compensation:

Periodic deposits/expenditures are paid by member districts and are adjusted retrospectively to cover actual costs. Each member district has a specific retention level. The Orange County Mosquito and Vector Control District has a self-insured retention level of \$25,000 for general liability, automobile liability, and errors of omissions, and \$50,000 for workers' compensation and pays 100% of all losses incurred under those amounts. The District does not share or pay for losses of other districts under their retention level. Losses of \$50,000 to \$500,000 are pooled among all participating districts for workers' compensation and losses in excess of \$25,000 to \$1,000,000 for general liability. These limits are covered by excess insurance purchased by the Agency to a limit of \$17,000,000 for general liability and statutory coverage plus \$5,000,000 for workers' compensation subject to \$500,000 self-insured retention level. There were no instances in the past three years where a settlement exceeded the District's coverage, and no significant reductions in the insurance have occurred.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS:

A. CalPERS Defined Benefit Pension Plans:

a. General Information about the Pension Plans:

Plan Descriptions:

All qualified permanent and probationary employees are eligible to participate in the District's 2.0% at 55 (Tier I), 2.0% at 60 (Tier II), and 2.0% at 62 (Tier III PEPRA) Miscellaneous Employee Pension Plans (Plans), cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided:

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect for the year ended June 30, 2017, are summarized as follows:

	Miscellaneous		
	Tier I Prior to July 13, 2012	Tier II On or After July 13, 2012	Tier III - PEPRA On or After January 1, 2013
Hire date			
Benefit formula	2%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	7%	6.25%
Required employer contribution rates:			
Normal cost rate	8.880%	7.159%	6.555%
Payment of unfunded liability	\$ 40,867	\$ -	\$ 613

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

A. CalPERS Defined Benefit Pension Plans (Continued):

a. General Information about the Pension Plans (Continued):

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

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

As of June 30, 2017, the District reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 1,521,330</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2016, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

A. CalPERS Defined Benefit Pension Plans (Continued):

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

The District's proportionate share of the net pension liability for all Plans as of the measurement dates ended June 30, 2016 and 2015 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2015	0.03873%
Proportion - June 30, 2016	0.04379%
Change - Increase (Decrease)	0.00506%

For the year ended June 30, 2017, the District recognized pension expense of \$59,863. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 451,950	\$ -
Differences between actual and expected experience	14,967	(3,429)
Change in assumptions	-	(141,597)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	469,672	(7,453)
Net differences between projected and actual earnings on plan investments	736,966	-
Total	<u>\$ 1,673,555</u>	<u>\$ (152,479)</u>

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

A. CalPERS Defined Benefit Pension Plans (Continued):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

\$451,950 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2018	\$ 281,657
2019	255,331
2020	341,256
2021	190,882
2022	-
Thereafter	-

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

A. CalPERS Defined Benefit Pension Plans (Continued):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Actuarial Assumptions:

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability determined in the June 30, 2015 actuarial accounting valuation. The June 30, 2016 total pension liability was based on the following actuarial methods and assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available on the CalPERS website.

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

A. CalPERS Defined Benefit Pension Plans (Continued):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Change of Assumptions:

There were no changes of assumptions during the measurement period June 30, 2016. Deferred inflows of resources for changes of assumptions presented in the financial statements represent the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate:

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

A. CalPERS Defined Benefit Pension Plans (Continued):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate (Continued):

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

- (a) An expected inflation of 2.5% used for this period
(b) An expected inflation of 3.0% used for this period

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

A. CalPERS Defined Benefit Pension Plans (Continued):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net Pension Liability	\$ 2,727,361
Current Discount Rate	7.65%
Net Pension Liability	\$ 1,521,330
1% Increase	8.65%
Net Pension Liability	\$ 524,606

Pension Plan Fiduciary Net Position:

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Subsequent Events

In December 2016, CalPERS' Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and result in increases to employers' normal costs and unfunded actuarial liabilities. For the GASB Statement 68 accounting valuations, the discount rate will move straight to 7% starting with the June 30, 2017 measurement date reports and will result in an increase to employer's total pension liabilities.

- c. Payable to the Pension Plan:

At June 30, 2017, the District had no outstanding amount of contributions due to the pension plan required for the year ended June 30, 2017 for the CalPERS plans.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

B. Terminated OCERS Defined Benefit Pension Plan:

Plan Description:

The Orange County Mosquito and Vector Control District participated in the Orange County Employees' Retirement System (OCERS), a cost-sharing multiple employer, defined benefit pension plan, for all employees prior to January 5, 2007. The participating entities in OCERS share proportionally in all risks and costs, including benefit costs. The District's withdrawal as of January 4, 2007, precludes the District from sharing risks and costs with other participating entities. Only the District will be held responsible for costs of its plan. OCERS was established in 1945, under the provisions of the County Employees Retirement Law of 1937, and provides members with retirement, death, disability and cost-of-living benefits. Members employed prior to September 21, 1979, are designated as Tier I members. For Tier II members employed after September 20, 1979, the County Board of Supervisors adopted certain sections of the Government code which established formulas producing reduced allowances. OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans that are administered by OCERS. The report can be obtained from OCERS at 2223 Wellington Avenue, Santa Ana, California 92701.

Funding Policy:

The District was a contracting employer with the Orange County Employees Retirement System (OCERS) before it withdrew from OCERS and contracted with CalPERS to provide retirement benefits for its members with respect to service after January 4, 2007. Effective from the date of withdrawal, OCERS is only responsible for providing benefits to employees or retirees of Orange County Mosquito and Vector Control District who were members of OCERS before January 5, 2007.

Per the termination and continuing contribution agreement entered into on June 1, 2008 with OCERS and Orange County Mosquito and Vector Control District, commencing as of December 31, 2010 and at least every three years thereafter OCERS will hire an actuary to recalculate the District's Unfunded Actuarial Accrued Liability (UAAL) obligation, based on accumulated assets and liabilities attributable to the District. All District members with OCERS will be considered a "closed group" for purposes of recalculating the UAAL. Based on the recalculation, in the event that there is any new UAAL obligation required of the District, it will be satisfied within 3 years following the effective date of each recalculation, including any accrued interest. In the event there is a surplus or negative UAAL, the surplus will remain in the retirement system as a credit against any future UAAL, unless the surplus exceeds 115%, which then it may be transferred to CalPERS.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

B. Terminated OCERS Defined Benefit Pension Plan (Continued):

Accounting and Reporting:

As a result of the withdrawal from OCERS and the terms of the termination and continuing contribution agreement, the related UAAL is considered to be a pension-related debt and, as such, is accounted for as a long-term liability of the District. The UAAL at June 30, 2017 is \$556,381. The outstanding liability is reported as a noncurrent liability on the government-wide financial statements. Contributions are reported as debt service payments when made.

Interest accrues on the outstanding liability at the interest rate assumption utilized in the most recent actuarial valuation.

Changes to the UAAL for the year ended June 30, 2017 were as follows:

UAAL as of June 30, 2016	\$	-	
Interest from actuary report dated December 31, 2015 to June 30, 2017 at a rate of 7.25%		55,758	
Net increase due to changes in actuarial assumptions (1)		<u>500,623</u>	
UAAL as of June 30, 2017	\$	<u>556,381</u>	(2)

(1) The increase in the UAAL was due to the following changes in actuarial assumptions utilized in the most recent actuarial valuation as of December 31, 2015:

UAAL as of December 31, 2014	\$	294,854
Interest on UAAL at 7.25%		21,377
Contributions made during 2015		(328,277)
Loss due to unfavorable investment returns		498,329
Loss due to salary increases higher than expected		109,747
Loss due to payee mortality experience		104,574
Gain due to COLA increases lower than expected		(264,435)
Loss due to other actuarial experience		<u>64,454</u>
UAAL as of December 31, 2015	\$	<u>500,623</u>

(2) The next required actuarial valuation is scheduled to be as of December 31, 2017. The unfunded actuarial accrued liability calculated at that time could differ from the current estimate.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

7. RETIREMENT PLANS (CONTINUED):

B. Terminated OCERS Defined Benefit Pension Plan (Continued):

Summary of Principal Actuarial Assumptions and Methods:

The unfunded actuarial accrued liability was determined using assumptions as part of the December 31, 2015 valuation using the entry age normal actuarial cost method. These assumptions included (a) 7.25% investment rate of return (net of both investment and administrative expenses), (b) projected annual salary increases that vary by duration of service and (c) 3.0% cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of OCERS assets was determined by using the market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected return on a market value basis, and is recognized over a five-year period. The valuation value of assets is the actuarial value of assets reduced by the value of the non-valuation reserves. It should be noted that the District has previously withdrawn from OCERS, and the liabilities for the District have been determined using frozen service previously accrued while at OCERS but with projected salaries at retirement for current active employees.

Beginning with the December 31, 2013 valuation, all existing UAAL layers were combined into a single layer and are being amortized over 20 years. Any increases or decreases in the UAAL that arise in future years due to actuarial gains or losses or due to changes in actuarial assumptions will be amortized over separate 20 year closed (declining) periods. It should be noted that the above amortization policy is only applicable in determining the UAAL contribution for an on-going employer. For an employer like the District that has already withdrawn from OCERS, the rate of payment to fund the UAAL is governed by its termination agreement with OCERS.

C. PARS Defined Contribution Benefit Plan:

Effective December 22, 2006, the Orange County Mosquito and Vector Control District adopted the Public Agency Retirement System (PARS) 457 FICA Alternative Retirement Plan for part-time, seasonal and temporary employees.

The PARS plan is solely funded by the contributions from the employees. The contribution rate is 7.50% of gross earnings for employees. Total payroll for employees covered by this plan at June 30, 2017 was \$923,417. The amount of employee contributions for the year ended June 30, 2017 was \$69,256.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN:

Plan Description:

The District contributes to an agent multiple-employer defined benefit plan, California PERS (CalPERS) Health Plan (PEMHCA), to provide post-employment health care benefits. The plan assets are held in a trust account held by the Public Agency Retirement Services (PARS) that was created in July 2008. The program provides comprehensive health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the District. District members become eligible to retire and receive District-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service. Retired members over the age of 65 may join one of the Supplemental (Medicare-coordinated) options under PEMHCA. Benefits are paid for the lifetime of the retiree. The District's basic contribution on behalf of retirees is determined under the "Unequal Contribution Method" as described in Government Code Section 22892(c), as applied to the statutory minimum contribution for active employees of \$122/month (2015), \$125/month (2016), and \$128/month (2017). The contribution on behalf of retirees is 45% of \$122 (\$54.90) for 2015, 50% of \$125 (\$62.50) for 2016, and 55% of \$128 (\$70.40) for 2017. The percentage increases each year by 5% until it reaches 100% of the statutory minimum contribution for years 2026 and later.

Below is the plan participant data as of June 30, 2017:

Retirees and beneficiaries receiving benefit	36
Active plan members	<u>39</u>
Total plan participants	<u>75</u>

In addition to the generally applicable rules described above, there are two grandfathering provisions which apply as follows:

- (1) Employees hired prior to July 1, 2009 have an additional allowance of \$234.05 added to their statutory minimum as described above. The \$234.05 represents the medical allowance as of the date the new CalPERS resolution was adopted, and is frozen for all future years.
- (2) There are a number of grandfathered retirees who transferred from the Orange County Employees' Retirement System (OCERS) Health Plan to PEMHCA in April, 2006, which is administered by CalPERS. These grandfathered retirees are eligible to receive a monthly grant equal to the greater of their 2006 monthly grant (calculated as \$399.75 per month, reduced for service less than 25 years), or the current District contribution as determined under the rules described in paragraph (1) above.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

Accounting for the Plan:

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

Method Used to Value Investments:

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

Funding Policy:

The contribution requirements of plan members and the District are established and may be amended by the District's Board and/or the employee associations. Currently, contributions are not required from plan members. Plan assets in the trust account held by PARS have an actuarial value of \$2,874,620 as of a July 1, 2015 actuarial report. The District made premium payments of \$150,535 during the 2016-2017 fiscal year, which were entirely reimbursed by funds in the PARS Trust and required retiree contributions. The purpose of the contributions was to cover the pay-as-you-go financing requirement.

Annual OPEB Costs and Net OPEB Asset:

As a result, the District calculated and recorded a Net OPEB Asset, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented in the following table:

Annual required contribution		\$	137,821
Interest on net OPEB asset			(52,013)
Adjustment to annual required contribution			<u>61,278</u>
Annual OPEB cost			147,086
Premium payments made by the District	\$	150,535	
Less: Reimbursement from OPEB trust and required retiree contributions		<u>(150,535)</u>	
Actual contributions made to OPEB trust			<u>-</u>
Decrease in net OPEB asset			147,086
Net OPEB Asset - beginning of year			<u>(800,203)</u>
Net OPEB Asset - end of year		\$	<u>(653,117)</u>

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

Annual OPEB Costs and Net OPEB Asset (Continued):

The ARC of \$137,821, is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over an open thirty year period.

Three-Year Trend Information:

The District's annual OPEB cost, the actual contributions, percentage of annual OPEB cost contributed to the plan and the net OPEB asset for the year ended June 30, 2017 and the previous two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
06/30/2015	\$ 55,420	\$ -	0.00%	\$ (949,012)
06/30/2016	148,809	-	0.00%	(800,203)
06/30/2017	147,086	-	0.00%	(653,117)

Funded Status and Funding Progress:

As of July 1, 2015, the most recent actuarial valuation date, the plan was 104.56% funded (actuarial value of assets as a percentage of the actuarial accrued liability). The actuarial accrued liability for benefits was \$2,749,154 and the actuarial value of assets was \$2,874,620, resulting in a surplus of \$125,466. The covered payroll (annual payroll of active employees covered by the plan) was \$3,678,053, and the ratio of the UAAL to the covered payroll was (3.41%).

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The unfunded actuarial accrued liability was determined using assumptions as part of the July 1, 2015 valuation using the projected unit credit actuarial cost method. These assumptions included (a) 6.5% investment rate of return (net of administrative expenses), (b) healthcare trend rates of 8% decreasing to an ultimate rate of 5% over a period of 3 years, and (c) Medical CPI of 4%. These assumptions all include an implicit inflation component of 2.5%. The actuarial value of plan assets was determined by using the market value of the PARS account as of June 30, 2016, without adjustment. The District's unfunded actuarial accrued liability is being amortized as a level dollar amount over an open period of 30 years. Any increases or decreases in UAAL that arise in future years due to actuarial gains or losses and/or changes in actuarial assumptions will be combined with the outstanding balance of the UAAL from the previous valuation and amortized over a new 30 year period.

The changes to the Actuarial Accrued Liability (AAL) from July 1, 2012 to July 1, 2015 are summarized as follows:

AAL as of July 1, 2012	\$ 1,954,178
Passage of time	390,816
Increase in premiums less than expected	(78,956)
Change in PERS Health administrative fee	3,131
Change in mortality tables	109,625
Change in healthcare trend rate	42,201
Change in discount rate	152,132
Valuation of implicit subsidy	476,093
Census (gain)	<u>(300,066)</u>
AAL as of July 1, 2015	<u>\$ 2,749,154</u>

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2017

9. OPERATING LEASES:

Operating leases arise from renting the District's property on Haster Street in Garden Grove, California. The cost and corresponding accumulated depreciation of the building and land related to these operating leases as of June 30, 2017 is \$3,823,288 and \$(374,681), respectively. Initial lease terms generally range from 12 to 60 months. Future minimum rental payments to be received on non-cancelable operating leases are contractually due as follows as of June 30, 2017:

Year Ending <u>June 30</u>	<u>Amounts</u>
2018	\$ 130,756
2019	27,950
2020	<u>13,050</u>
	<u>\$ 171,756</u>

Total rent revenue for the year ended June 30, 2017 was \$313,603.

10. COMMITMENTS AND CONTINGENCIES:

The District participates in certain state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

11. SUBSEQUENT EVENTS:

Events occurring after June 30, 2017, have been evaluated for possible adjustments to the financial statements or disclosure as of November 28, 2017, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years*

Fiscal year ended	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement period	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.01758%	0.01548%	0.01787%
Plan's proportionate share of the net pension liability	\$ 1,521,330	\$ 1,062,408	\$ 1,112,227
Plan's covered - employee payroll	\$ 4,993,576	\$ 4,479,991	\$ 4,184,192
Plan's proportionate share of the net pension liability as a percentage of its covered - employee payroll	30.47%	23.71%	26.58%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	74.06%	78.40%	79.82%
Plan's proportionate share of aggregate employer contributions	\$ 276,937	\$ 224,563	\$ 147,143

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

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

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

There were no changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years*

Fiscal year ended	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 451,950	\$ 431,624	\$ 483,044
Contributions in relation to the actuarially determined contributions	<u>(451,950)</u>	<u>(431,624)</u>	<u>(483,044)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 5,003,137	\$ 4,993,576	\$ 4,479,991
Contributions as a percentage of covered - employee payroll	9.03%	8.64%	10.78%

Notes to Schedule:

Valuation Date	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Cost-sharing employers	Entry age normal cost method**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	Market Value***
Inflation	2.75%**
Salary increases	Depending on age, service, and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years (2%@55 and 2%@60), 52 years (2%@62)**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.**

* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

** - The valuation for June 30, 2012 and 2013 (applicable to fiscal years ended June 30, 2015 and 2016, respectively) included the same actuarial assumptions.

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013 and 2014 valuations (applicable to fiscal years ended June 30, 2016 and 2017, respectively).

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

OTHER POST-EMPLOYMENT BENEFITS PLAN

For the year ended June 30, 2017

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (AVA) (b)	Unfunded Actuarial Accrued Liability (Surplus) (UAAL) (a) - (b)	Funded Ratio AVA (b)/(a)	Annual Covered Payroll (c)	(Surplus) UAAL as a % of Covered Payroll [(a)-(b)]/c
07/01/2009	\$ 3,377,688	\$ 1,445,996	\$ 1,931,692	42.81%	\$ 4,120,718	46.88%
07/01/2012	\$ 1,954,178	\$ 2,576,408	\$ (622,230)	131.84%	\$ 4,120,718	-15.10%
07/01/2015 (1)	\$ 2,749,154	\$ 2,874,620	\$ (125,466)	104.56%	\$ 3,678,053	-3.41%

(1) The changes to the AAL from July 1, 2012 to July 1, 2015 are summarized as follows:

Changes to AAL	AAL
AAL as of July 1, 2012	\$ 1,954,178
Passage of time	390,816
Increases in premiums less than expected	(78,956)
Change in PERS Health administrative fee	3,131
Change in mortality tables	109,625
Change in healthcare trend rate	42,201
Change in discount rate	152,132
Valuation of implicit subsidy	476,093
Census (gain)	(300,066)
AAL as of July 1, 2015	<u>\$ 2,749,154</u>

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 397,333	124.50%
2011	397,333	33.22%
2012	397,333	71.40%
2013	44,786	0.00%
2014	44,786	0.00%
2015	44,786	0.00%
2016	137,821	0.00%
2017	137,821	0.00%

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

OTHER POST-EMPLOYMENT BENEFITS PLAN
(CONTINUED)

For the year ended June 30, 2017

ANNUAL MONEY-WEIGHTED RETURN ON INVESTMENTS

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense (1)</u>
6/30/17	8.98%

(1) Ten years of historical information is required by the Governmental Accounting Standards Board Statement No. 74. Fiscal year ended June 30, 2017 was the first year of implementation; therefore, only one year is presented.

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

Board of Trustees
Orange County Mosquito and Vector Control District
Garden Grove, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Orange County Mosquito and Vector Control District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2017.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

White Nelson Dick Evans LLP

Irvine, California
November 28, 2017

Board of Trustees
Orange County Mosquito and Vector Control District
Garden Grove, California

We have audited the financial statements of Orange County Mosquito and Vector Control District (the District) for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our planning letter to you dated June 21, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As discussed in Note 1d to the financial statements, in fiscal year 2016-2017, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. GASB Statement No. 74 requires the District to add additional disclosures and required supplementary information. There was no material impact on the District's financial statements as a result of the implementation of GASB Statement No. 74. No other accounting policies were adopted and the application of other existing policies was not changed during the year ended June 30, 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the District's financial statements were:

- a. When available, management's estimate of the fair value of investments is based on quoted prices in active market. When quoted prices in active markets are not available, fair values are based on evaluated prices received by a third party service provider.
- b. Management's estimate of useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

Sensitive Estimates (Continued):

- c. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on an actuarial valuation provided by CalPERS.
- d. The unfunded actuarial accrued liability (pension-related debt) for the District's terminated defined benefit plan with OCERS is based on certain actuarial assumptions and methods prepared by an outside consultant.
- e. Management's estimates of the other post-employment benefits plan net OPEB asset and actuarial accrued liability which impacts the annual required contributions are based upon several key assumptions that are set by management with the assistance of an independent third party actuary. These key assumptions include anticipated investment rate of return, health care cost trends, projected salary increases, mortality and certain amortization periods.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reported in Note 7 regarding the District's retirement plans and Note 8 regarding the District's other post-employment benefits plan.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As a result of our audit related testwork, we did not identify any such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Significant Audit Findings (Continued)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 28, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, the schedule of funding progress - other post-employment benefits plan, the schedule of employer contributions - other post-employment benefits plan, and the annual money-weighted return on investments - other post-employment benefits plan, which are required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

White Nelson Nick Evans LLP

Irvine, California
November 28, 2017

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TUSTIN
LETITIA CLARK
VILLA PARK
BILL NELSON
WESTMINSTER
SERGIO CONTRERAS
YORBA LINDA
PEGGY HUANG
COUNTY OF ORANGE
LILLY SIMMERING

November 28, 2017

White Nelson Diehl Evans LLP
2875 Michelle Drive, Suite 300
Irvine, CA 92606

This representation letter is provided in connection with your audit of the financial statements of the Orange County Mosquito and Vector Control District (the District), which comprise the respective financial position of the governmental activities and each major fund as of June 30, 2017, 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 opinions 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 (U.S. GAAP).

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 November 28, 2017 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 May 31, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting District.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation

"An Independent Special District Serving Orange County Since 1947"

The mission of the Orange County Mosquito and Vector Control District is to provide the citizens of Orange County with the highest level of protection from vectors and vector-borne diseases.

of 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, including those measured at fair value, 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 U.S. GAAP, if applicable.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements, if applicable.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP, if applicable.
- 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.
 - 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 Board of Trustees 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 no knowledge of 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

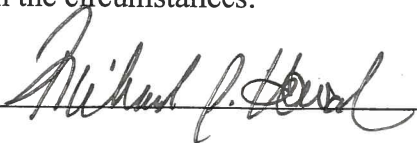
- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending

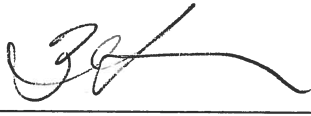
budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 28) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 29) 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.
- 30) 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.
- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments are properly valued.
- 34) The lack of a provision for uncollectible receivables is appropriate.
- 35) 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.
- 36) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 37) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 38) Capital assets are properly capitalized, reported, and, if applicable, depreciated.
- 39) 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 position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 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) Expenditures of federal awards were below the \$750,000 threshold in year ended June 30, 2017, and we were not required to have an audit in accordance with the Uniform Guidance.
- 43) OCERS pension related debt does not have a new actuary report available as of the date of this letter. The pension related debt amount as of 6/30/17 is \$556,381 with an expected new valuation report available in November 2017.
- 44) Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.
- 45) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Signature: 

Signature: 

Title: District Manager

Title: Director of Administrative Services



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # F.2

Prepared By: Rick Howard, District Manager
Submitted By: Rick Howard, District Manager

Agenda Title:

Modification to the District Authorized Holiday Schedule for 2018

Recommended Action:

Adopt Resolution Number 458 modifying the District Authorized Holiday Schedule for 2018

Executive Summary:

The Orange County Mosquito and Vector Control District (District) has an authorized Holiday Schedule (Schedule) which designate holidays recognized by the District. The schedule is included in the District's Personnel and Salary Resolution No. 415; last updated on June 15, 2017 ([Exhibit A](#)).

For 2018, New Year's Eve falls on a Monday. The following day, Tuesday, January 1, 2019 is a designated holiday. Staff recommends that the Lincoln Birthday holiday, which falls on Monday February 12, 2018, be "swapped" for December 31, 2018. This recommended change is to facilitate workplace efficiency.

This proposed change is only for 2018 and does not permanently alter the Schedule for dates beyond 2018.

The Orange County Mosquito and Vector Control District Employee Association has reviewed the proposed one-time modification and supports the recommended action.

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item:

June 15, 2017 - Personnel and Salary Resolution No. 415.

Exhibits

[Exhibit A: Designated Holiday Schedule](#)

[Exhibit B: Resolution No. 458](#)

ARTICLE VII

HOLIDAYS

SECTION 1. Holidays Observed

A. District employees shall observe the following holidays:

New Year's Day
Martin Luther King, Jr.'s Birthday
Lincoln's Birthday (February 12)
Washington's Birthday (Presidents' Day)
Memorial Day
Independence Day
Labor Day
Columbus Day (Second Monday in October)
Veteran's Day (November 11)
Thanksgiving Day
Day After Thanksgiving
Christmas Eve
Christmas Day

B. When a holiday falls on a Sunday, the next day shall be observed as the holiday.

C. When Christmas Day or New Year's Day falls on a Saturday, the Friday immediately preceding each day shall be observed as the holiday.

D. When any other holiday falls on a Saturday, eight (8) hours of compensatory time shall be credited to each regular permanent/probationary, limited-term employee's account, with a prorated amount credited for a part-time employee.

E. Full-time employees who are on a pay status during the pay period which includes March 1 each fiscal year during the term of this agreement (commonly known as Good Friday), shall be credited with two (2) hours of compensatory time at the end of the pay period which includes that date. Part-time employees whose regularly assigned work schedule is at least twenty (20) hours per week shall, in like manner, earn and be credited with one (1) hour of compensatory time.

SECTION 2. Eligibility for Holiday Pay

A. An employee must be paid for all or a portion of both the regularly scheduled working assignment immediately prior to a holiday and the regularly scheduled working assignment immediately after that holiday in order to receive holiday pay. With District approval, compensatory time earned for working on a holiday or for a holiday falling on a regularly scheduled day off may be taken on the first scheduled working day after the holiday.

B. A new employee whose first working day is the day after a holiday shall not be paid for that holiday.

C. An employee who is terminating employment for reasons other than paid District retirement and whose last day as a paid employee is the day before a holiday shall not be paid for that holiday.

D. Only regular permanent/probationary, or limited-term employees shall be eligible for holiday pay.

SECTION 3. Holiday Pay

A. On each of the holidays designated above, each full-time employee scheduled to work but permitted to take the day off shall receive eight (8) or nine (9) hours pay computed at the employee's basic hourly rate according to the employee's regularly scheduled work hours. A part-time employee scheduled to work but permitted to

RESOLUTION NO. 458

**A RESOLUTION BY THE BOARD OF TRUSTEES OF THE
ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
ADJUSTING THE RECOGNIZED HOLIDAY SCHEDULE FOR 2018**

WHEREAS, the Board of Trustees has adopted Personnel and Salary Resolution No. 439 which sets forth various personnel rules and compensation and benefit provisions for employees; and,

WHEREAS, the District's Personnel and Salary Resolution (PSR) requires revisions and amendments; and

WHEREAS, the PSR is the District's controlling personnel and compensation document; and

WHEREAS, the PSR is amended per the changes included within; and

WHEREAS, the Board of Trustees does hereby determine to amend certain language and benefits provided to employees included in PSR for 2018 only.

NOW, THEREFORE, the Board of Trustees does hereby RESOLVE and DETERMINE that Resolution No. 458 is hereby amended as follows:

Section 1 That the Board of Trustees adopts Resolution No. 458 amending the District's Holiday Schedule for 2018 only.

Section 2 That the Lincoln Birthday holiday of February 12, 2018 be replaced with December 31, 2018.

Section 3 This action applies to 2018 only.

PASSED, APPROVED, and ADOPTED by the Board of Trustees of the Orange County Mosquito and Vector Control District at its regular meeting thereof held on the 18th day of January 2018, at 13001 Garden Grove Blvd., Garden Grove, California, 92843.

,President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Trustees of the Orange County Mosquito and Vector Control District at a regularly scheduled meeting, held on January 18, 2018: APPROVED AS TO FORM:

, Secretary

Alan R. Burns, District Counsel



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # F.3

Prepared By: Wendy Goodson, Director of Administrative Services
Submitted By: Rick Howard, District Manager

Agenda Title:

Award Professional Services Contract to Government Financial Services for temporary Financial Services.

Recommended Action:

Approve contract between Government Financial Services and the Orange County Mosquito and Vector Control District for professional financial services for the period January 18, 2018 through June 30, 2018 in the amount of \$68,000; and authorize the District Manager to execute all contract documents.

Executive Summary:

The Orange County Mosquito and Vector Control District (District) has utilized Government Financial Services (GFS) to perform an independent and third-party review of the District's financials since 2005.

However, and due to the recent retirement of the District's Accounting Supervisor, a void has been created and it is necessary to ensure that the financial tasks and responsibilities of the District continue. GFS is in a unique position in that they are knowledgeable of all the District's financial programs, including the District's budget preparation, processes and procedures. GFS' proposal is attached and more fully describes the proposed scope of work.

Staff recommends that the Board of Trustees approve the proposed Professional Services Agreement with GFS.

Fiscal Impact:

Amount Requested \$ 68,000

Sufficient Budgeted Funds Available: Yes

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item:

Exhibits:

[Exhibit A: Government Financial Services Contract](#)



Governmental Financial Services

December 14, 2017

Ms. Wendy Goodson
Director of Administrative Services
Orange County Mosquito & Vector Control District
1300 I Garden Grove Boulevard
Garden Grove, CA 92843

Dear Ms. Goodson;

At your request, we are providing this revised proposal for Governmental Financial Services to provide additional and continuing accounting assistance to the Orange County Mosquito & Vector Control District (District). This proposal includes a summary which itemizes the different tasks we anticipate performing with estimated hours by month; this summary is not intended to limit the number of hours provided per month or by task as the various tasks can necessarily require different amounts of time than anticipated. We anticipate providing the following assistance;

Continuing services;

- Coordination/preparation/review of the year-end closing for FY 2017/18
- After FY 2017/18 financial statement preparation by the auditors; Preparation of the MD&A and a reconciliation between the annual financial statements and the general ledger
- Preparation of the State Controller's Report of Financial Transactions for FY 2016/17 (due in January 2018)
- Monthly work: review of monthly journal entries, tenant rental payment reconciliations, bank reconciliations, and monthly financial reports

Additional services requested while accountant/accounting supervisor position is unfilled;

- Monthly work: preparation of journal entries, tenant rental payment reconciliations, bank reconciliations, and monthly financial reports
- Assistance with gathering information for requests from other special districts
- Assistance with the joint FY 2018/19 and 2019/20 budget preparation. This proposal assumes that there will be no change to the format/presentation of the budget worksheets and final budget document. Significant changes to the budget worksheets and document will likely require additional hours to be added to the proposal. Specific tasks anticipated include;

3972 Barranca Parkway, Suite J-411, Irvine, CA 92606
Office Phone: (949) 654-1044

- o Preparation of worksheets for mid-year review showing FY 2016/17 actual data, FY 2017/18 budget, FY 2017/18 actual results through 12/31/17
- o Preparation of budget worksheets for departmental meetings showing prior year actual data, FY 2017/18 adopted budget, and FY 2017/18 proposed amended budget. When FY 2018/19 and FY 2019/20 budget requests are available, such data will be incorporated into the budget worksheets.
- o Preparation of salary and benefit estimates for FY 2017/18, FY 2018/19, and FY 2019/20. Estimates for regular employees will be made using their existing rates and increased as of the first pay period beginning in July in accordance with the existing MOU. Estimates for seasonal employees will require rate and total hours data to be provided by District staff
- o Preparation of revenue estimates for FY 2017/18, FY 2018/19, and FY 2019/20. Data will be required from staff and other consultants regarding assessment rates and anticipated grants.
- o When available, attendance at departmental budget meetings. Generally, attendance at afternoon meetings will not be possible.

The following areas of services are excluded from this proposal:

- Investing
- Internal control reviews (auditors should provide this service)
- Attestation services (auditors should provide this service)

Fees for our services will be charged at \$120 per hour through June 30, 2018, and at \$130 per hour after June 30, 2018. We propose a contract amount of \$68,000 for calendar year 2018 with the understanding that the budget worksheets and format will be the same as were used in the FY 2017/18 budget process. All work will be under the direction of the Director of Administrative Services. Work will be performed as a mixture of off-site and on-site hours.

Thank you for providing us the opportunity to present this proposal. We would be pleased to provide any additional information or answer any questions you may have regarding our proposal.

Very truly yours,

GOVERNMENTAL FINANCIAL SERVICES



Julie Matsumoto
Principal



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # F.4

Prepared By: Wendy Goodson, Director of Administrative Services
Submitted By: Rick Howard, District Manager

Agenda Title:

Adopt Resolution No. 459 creating and establishing the position of Senior Accountant

Recommended Action:

That the Board of Trustees establish the position of Senior Accountant Job Description and Adopt Resolution 459.

Executive Summary:

With the retirement of the Accounting Supervisor in December 2018, the need to reevaluate the existing position and the scope and workload of the position was appropriate. The Accounting Supervisor position did not oversee or supervise other staff, and a higher level of education in the accounting field is highly desirable. The District management recommends that the current position of Accounting Supervisor be changed to Senior Accountant due to the level of professional competency required to successfully execute the required work.

The attached Senior Accountant Job Description and accompanying resolution formally establish the position.

Fiscal Impact:

Amount Requested: N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item:

Exhibits:

[Exhibit A: Senior Accountant Job Description](#)

[Exhibit B: Resolution No. 459 Establishing the Position of Senior Accountant and Pay Range](#)



Orange County Mosquito and Vector Control District

SENIOR ACCOUNTANT

Department/Division:	Administrative Services
Reports To:	Director of Administrative Services
Provides Direction To:	Accounting Specialist
Exemption Status:	Non-Exempt
Annual Salary Range:\$67,496 - \$83,865	A52
Date Prepared:	January 18, 2018

GENERAL PURPOSE

Under general supervision of the Director of Administrative Services, performs a variety of professional and technical assignments and analytical work in support of financial administration work, budgeting, accounting, auditing and payroll and perform additional related duties as required.

DISTINGUISHING CHARACTERISTICS

Positions in this class are responsible for maintenance or processing of financial, fiscal and audit records and transactions involving a variety of items in different forms which require the exercise of a general understanding of the rules, policies and procedures of the District. Incumbents in this class are expected to solve difficult problems, monitor work performed by administrative staff and act as a financial resource to management, employees, other government agencies and the general public. By nature of this position, it is classified as a confidential position.

ESSENTIAL FUNCTIONS

The duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to this position.

1. Creates and maintains exceptional customer service relations with District Management/Staff, Board of Trustees, vendors and constituents.
2. Assists in the preparation and maintenance of the District Budget.
3. Monitors and researches revenue projections against actuals, expenditures and monitors variance reports.
4. Maintains accounting records and balances accounts for all District checking and investment accounts.

5. Prepares reconciliations, prepares complex journal entries and prepares financial statements and other reports on a monthly/quarterly/annual basis, and, as necessary.
6. Performs and maintains accounting transactions and records in a complex, computerized financial accounting system.
7. Maintain, analyzes and reconciles transactions and ledgers.
8. Balances all general ledgers including project and grant ledgers.
9. Performs transfers and prepares adjusting/recurring journal entries as necessary.
10. Audits petty cash accounts, accounts receivables and reimbursement requests for accuracy and conformance with District policies and government spending codes and deposit schedules.
11. Processes and maintains tenant lease documents, rents and receipts.
12. Audits Purchasing Program procedures and protocols.
13. Coordinates and reconciles annual physical inventory of fixed and controlled assets of the District.
14. Researches and advises departmental representatives and Director of Administrative Services regarding accounting matters and policies.
15. Prepares Board agenda items related to finance and accounting matters under the direction of the Director of Administrative Services.
16. Facilitates annual financial audit including preparing supporting schedules and records.
17. Processes District payroll on a bi-weekly basis, executes and assists in payroll related tasks and responding to payroll related inquiries.
18. Conducts administrative, fiscal, or operational studies and initiates or participates in surveys; completes research and presents findings and recommends appropriate actions.
19. Assists in the development and maintenance of business practices procedures and documentation.
20. Prepares and submits special district, state and federally mandated financial reporting requirements, as required.

21. Attends conferences, seminars, and courses to maintain current knowledge of accounting and financial management programs, and related practices.

QUALIFICATIONS GUIDELINES

Knowledge of:

- Federal, State, County and District accounting codes, standards and regulations.
- District and departmental financial reporting practices.
- General accounting and public finance principles, practices and methods.
- Budgeting methods.
- Payroll and cost accounting techniques.
- Principles of research, statistical analysis, and report preparation.
- Standard office procedures, methods and computer equipment.
- English usage, spelling, vocabulary, grammar and punctuation.
- Principles and procedures of record keeping.
- Word-processing, spreadsheet, database, accounting, payroll, graphics and specialized software programs.
- Public relations techniques.
- Safe driving principles and practices.

Ability to:

- Conduct research, perform analysis, and prepare and present reports of findings.
- Work independently.
- Apply pertinent Federal, State, and local laws, codes, and regulations including financial and departmental policies and procedures.
- Prepare clear and concise correspondence and reports from various sources.
- Type at a speed necessary for successful job performance
- Respond to questions from the public and District personnel regarding policies and procedures for assigned area.
- Perform mathematical computations quickly and accurately.
- Plan and organize work to meet schedules and timelines.
- Understand and follow oral and written instructions.
- Communicate clearly and concisely, both orally and in writing.
- Operate modern office equipment including computer equipment and software.
- Establish, maintain, and foster positive and harmonious working relationships with those contacted in the course of work.

Education/Training/Experience:

Any combination equivalent to experience and education that could likely provide the desired knowledge and abilities. A typical way to obtain the knowledge and abilities would be:

Experience: Two years of experience in research and analysis involving accounting, budgeting, payroll processing, financial and cost analyses, and related assignments.

Education: Bachelor's degree preferred, from an accredited college or university in accounting, public administration, business administration, or a related field, preferably supplemented by additional training, certification, and coursework through professional associations or extension programs.

Licenses; Certificates; Special Requirements:

A valid Class C or Class 3 California State driver's license issued from the California Department of Motor Vehicles.

PHYSICAL AND MENTAL DEMANDS

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Physical Demands

- While performing the duties of this job, the employee is frequently required to use hands to finger, handle, feel or operate objects, tools, or controls.
- Reach with hands and arms.
- The employee is frequently required to sit, talk or hear and to occasionally lift and carry records and documents typically weighing less than 20 pounds.
- The employee is occasionally required to stand and walk.
- Specific vision abilities required by this job include close vision, color vision and the ability to adjust focus.

Mental Demands

- While performing the duties of this class, employees are regularly required to use written and oral communication skills.
- Read and interpret data, information and documents.
- Explain policies and procedures as applied to specific situations.
- Use math and mathematical reasoning; observe and interpret situations.
- Learn and apply new information or new skills.
- Interact with District staff, other organizations and the public in a professional manner.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The position works under typical office conditions.

RESOLUTION NO. 459

**A RESOLUTION BY THE BOARD OF TRUSTEES OF THE
ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**

ESTABLISHING THE SENIOR ACCOUNTANT POSITION AND PAY RANGE

WHEREAS, included within the FY 2017-18 Budget for Accounting Supervisor is amended to Position Title, Salary Range and Class Specification to the position of Senior Accountant; and

WHEREAS, the Job Description for the Senior Accountant position is to be formally established.

NOW, THEREFORE, the Board of Trustees of the Orange County Mosquito and Vector Control District does hereby RESOLVE as follows:

SECTION 1. That Personnel and Salary Resolution No. 415 Approving Position Titles, Salary Ranges, and Class Specifications for Senior Accountant is hereby established.

SECTION 2. That the Senior Accountant Job Description is hereby approved and adopted.

SECTION 3. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED, and ADOPTED by the Board of Trustees of the Orange County Mosquito and Vector Control District at its regular meeting thereof held on the 18th day of January 2018, at 13001 Garden Grove Blvd., Garden Grove, California, 92843.

, President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Trustees of the Orange County Mosquito and Vector Control District at a regularly scheduled meeting, held on January 18, 2018: APPROVED AS TO FORM:

, Secretary

Alan R. Burns, District Counsel

G. INFORMATIONAL ITEMS

1. **STAFF PRESENTATION: SENIOR STAFF WILL GIVE AN UPDATE OF VECTOR ACTIVITY IN ORANGE COUNTY**
2. **APPOINTMENT OF TRUSTEE REPRESENTATIVES**
3. **2017 TRUSTEE ATTENDANCE RECORD (EXHIBIT A)**
4. **BOARD OF TRUSTEE COMMITTEE ASSIGNMENTS (EXHIBIT A, B)**
5. **REPORT OF DISTRICT ACTIVITIES**



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # G.2

Prepared By: Tawnia Pett, Executive Assistant/Clerk of the Board
Submitted By: Rick Howard, District Manager

Agenda Title:

Trustee Terms of Office to Expire on January 1, 2018 at 11:59 A.M.

Recommended Action:

Receive and file.

Executive Summary:

The following Trustees' terms of office will expire on January 1, 2018 at 11:59 A.M.

Bolded City/County has appointed a representative:

Trustee Representative	Governing Body	Date of Communication
Lucille Kring	Anaheim	December 5, 2017 (4 Years)
Cecilia Hupp	Brea	January 16, 2017
Paulo Morales	Cypress	December 11, 2017 (2 Years)
Cheryl Brothers	Fountain Valley	December 19, 2017 (4 Years)
Jennifer Fitzgerald	Fullerton	January 16, 2018
Mike Posey	Huntington Beach	January 16, 2018
Lynn Schott	Irvine	January 9, 2018 (2 Years)
Marshall Goodman	La Palma	January 16, 2018
Scott Voigts	Lake Forest	January 16, 2018
Mark Chirco	Los Alamitos	December 18, 2017 (2 Years)
Robert Ruesch	Mission Viejo	January 9, 2018 (2 Years)
Mike Alvarez	Orange	December 12, 2017 (2 Years)
Michelle Schumacher	San Clemente	December 19, 2017 (2 Years)
Cecilia Aguinaga	Santa Ana	November 21, 2017 (2 Years)
Bill Nelson	Villa Park	November 28, 2017 (2 Years)

Previous Relevant Board Actions for This Item:



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # G.3

Prepared By: Tawnia Pett, Executive Assistant/Clerk of the Board
Submitted By: Rick Howard, District Manager

Agenda Title:

2017 Trustee Attendance Report

Recommended Action:

Receive and File

Executive Summary:

Each year, at the January board meeting, Trustees are given a record of Trustee attendance through December of the previous year.

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item: N/A

Exhibits:

[Exhibit A: 2017 Board of Trustees Attendance Report](#)

Orange County Mosquito and Vector Control District
 RECORD OF ATTENDANCE OF THE 2017 BOARD OF TRUSTEES

From the First Meeting Held on August 11, 1947 through the 853rd Meeting Held December 21, 2017

Representing	Trustee	First Appointed		Years of Service		2017 Meetings		Total Meetings Since Appointed		
						Attended		Held	Attended	%
Aliso Viejo	Phillip B. Tsunoda	July	2007	10 yr.	6 mo.	8	67%	126	118	94%
Anaheim	Lucille Kring	January	2008	10 yr.	0 mo.	11	92%	120	108	90%
Brea	Cecilia Hupp	September	2015	2 yr.	4 mo.	10	83%	28	22	79%
Buena Park	Michael Davis	January	2013	6 yr.	8 mo.	11	92%	80	70	88%
Costa Mesa	Sandra Genis	August	2015	2 yr.	5 mo.	10	83%	29	25	86%
Cypress	Stacy Berry	April	2015	2 yr.	9 mo.	10	83%	33	31	94%
Dana Point	Richard Viczorek	January	2017	1 yr.	0 mo.	10	83%	12	10	83%
Fountain Valley	Cheryl Brothers	April	2005	12 yr.	9 mo.	12	100%	153	139	91%
Fullerton	Jennifer Fitzgerald	February	2017	1 yr.	0 mo.	7	64%	11	7	64%
Garden Grove	Stephanie Klopfenstein	January	2017	1 yr.	0 mo.	10	83%	12	10	83%
Huntington Beach	Mike Posey	January	2017	1 yr.	0 mo.	9	75%	12	9	75%
Irvine	Lynn Schott	January	2015	3 yr.	0 mo.	5	42%	36	23	64%
Laguna Beach	Toni Iseman	June	2006	11 yr.	7 mo.	9	75%	139	122	88%
Laguna Hills	Barbara Kogerman	January	2013	5 yr.	0 mo.	11	92%	60	50	83%
Laguna Niguel	John Mark Jennings	January	2017	1 yr.	0 mo.	8	67%	12	8	67%
Laguna Woods	Shari L. Horne	July	2014	3 yr.	6 mo.	11	92%	42	39	93%
La Habra	James Gomez	January	2005	13 yr.	0 mo.	9	75%	156	136	87%
Lake Forest	Scott Voigts	November	2015	3 yr.	0 mo.	12	100%	26	25	96%
La Palma	Marshall Goodman	January	2017	1 yr.	0 mo.	10	83%	12	10	83%
Los Alamitos	Warren Kusumoto	January	2016	2 yr.	0 mo.	12	100%	24	24	100%
Mission Viejo	Dave Leckness	March	2013	4 yr.	10 mo.	9	75%	58	48	83%
Newport Beach	Scott Peotter	January	2015	3 yr.	0 mo.	12	100%	36	31	86%
Orange	Michael Alvarez	January	1997	9 yr.	0 mo.	9	75%	108	87	81%
Placentia	Craig Green	January	2017	1 yr.	0 mo.	11	92%	12	11	92%
Rancho Santa Margarita	April Josephson	December	2014	3 yr.	1 mo.	12	100%	37	37	100%
San Clemente	Jim Dahl	January	2012	6 yr.	0 mo.	11	92%	72	68	94%
San Juan Capistrano	Pam Patterson	January	2015	3 yr.	0 mo.	11	92%	36	28	78%
Santa Ana	Cecilia Aguinaga	November	2010	7 yr.	0 mo.	9	90%	71	64	90%
Seal Beach	Sandra Massa-Lavitt	January	2017	1 yr.	0 mo.	11	92%	12	11	92%
Stanton	Al Ethans	January	1997	21 yr.	0 mo.	10	83%	253	238	94%
Tustin	Letitia Clark	January	2017	1 yr.	0 mo.	9	75%	12	9	75%
Villa Park	Bill Nelson	January	2016	2 yr.	0 mo.	11	92%	24	21	88%
Westminster	Sergio Contreras	January	2013	5 yr.	0 mo.	10	83%	60	47	78%
Yorba Linda	Peggy Huang	January	2015	3 yr.	0 mo.	9	75%	36	28	78%
County of Orange	Lilly Simmering	April	2016	1 yr.	9 mo.	7	58%	21	14	67%



ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

January 18, 2018

AGENDA REPORT

AGENDA ITEM # G.4

Prepared By: Tawnia Pett, Executive Assistant/Clerk of the Board
Submitted By: Rick Howard, District Manager

Agenda Title:

Board of Trustee Committee Assignments

Recommended Action:

Receive and File

Executive Summary:

Each year, at the installation of new Board officers, the Board Committees are reconstituted. Enclosed with the Agenda is a questionnaire and committee function sheet. Please select your first, second, and third choice for committees on which you would like to serve and complete the Trustee information.

Please complete the questionnaire and return to Tawnia Pett no later than January 26, 2018. New committees will be approved at the February board meeting and will commence in March.

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available:

Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item: N/A

Exhibits:

[Exhibit A: Committee Questionnaire](#)

[Exhibit B: Committee Functions List](#)

Committee assignments will be made at the February meeting and commence after approval at the February meeting. Please indicate your first, second, and third choice on the following list of committees. (See attached list for the Committee Functions.)

Please return questionnaire to Tawnia Pett by January 26, 2018.

COMMITTEES

CHOICES

Budget & Finance	1st <input type="checkbox"/>	2nd <input type="checkbox"/>	3rd <input type="checkbox"/>
Building, Property & Equipment	1st <input type="checkbox"/>	2nd <input type="checkbox"/>	3rd <input type="checkbox"/>
Executive	<u>(Board Officers & Past-President)</u>		
Nuisance Abatement	1st <input type="checkbox"/>	2nd <input type="checkbox"/>	3rd <input type="checkbox"/>
Operations	1st <input type="checkbox"/>	2nd <input type="checkbox"/>	3rd <input type="checkbox"/>
Policy and Personnel	1st <input type="checkbox"/>	2nd <input type="checkbox"/>	3rd <input type="checkbox"/>
Public Relations	1st <input type="checkbox"/>	2nd <input type="checkbox"/>	3rd <input type="checkbox"/>
Legislative	1st <input type="checkbox"/>	2nd <input type="checkbox"/>	3rd <input type="checkbox"/>

Signed: _____

Trustee Name (Print): _____

Occupation: _____

Home Address: _____

City: _____ Zip Code: _____

Contact Phone: _____

E-mail Address: _____

**Orange County Mosquito and Vector Control District
BOARD OF TRUSTEES COMMITTEE FUNCTIONS**

BUDGET AND FINANCE COMMITTEE - 9 MEMBERS

Staff: District Manager Director of Administrative Services

Convenes: As necessary. Meets in spring to deliver Budget recommendation to Board in April.

Scope: The Budget and Finance Committee is responsible for oversight of District financial activities and policies. The Committee, also responsible for monitoring the District's budgets, meets annually on an as needed basis to review the proposed budgets for the upcoming year. The Committee provides comments and direction regarding appropriations and funding levels for these budgets. The Committee also reviews District financial policies and practices such as reserve amounts and fund transfers to insure public review of all financial activities and practices.

BUILDING, PROPERTY, AND EQUIPMENT COMMITTEE - 7 MEMBERS

Staff: District Manager Department Heads

Convenes: As necessary

Scope: The Building, Property and Equipment Committee is responsible for oversight of District building, property, and equipment issues. The Committee meets on an as needed basis to review and provide direction regarding short-term and long-term property and building planning; provides recommendations to the Board regarding acquisition, improvements, and disposal of District property. The Committee also reviews equipment and vehicle purchases and/or bids, and provides recommendations to the Board regarding selection and approval of these items.

EXECUTIVE COMMITTEE - 4 MEMBERS (Board Officers, Past-President)

Staff: District Manager Legal Counsel

Convenes: As necessary

Scope: The Executive Committee is comprised of the President, Vice President, Secretary, and Past-President of the District. The Executive Committee meets with the other Committees and District Manager on important financial and operational issues.

OPERATIONS COMMITTEE - 7 MEMBERS

Staff: District Manager Director of Communications
Director of Operations Director of Scientific Technical Services

Convenes: As necessary

Scope: The Operations Committee is responsible for oversight of the District's basic operation and special programs. The Committee reviews operational activity reports and provides direction to staff regarding operational issues, policies and procedures, staffing, and budget. The Committee also provides recommendations to the Board on legislative items.

POLICY AND PERSONNEL COMMITTEE - 9 MEMBERS

Staff: District Manager

Convenes: As necessary

Scope: The Policy and Personnel Committee is responsible for oversight of District policies and personnel issues. This Committee meets on an as needed basis to review changes to administrative, policies and procedures, and then provides recommendations to the Board regarding action on these items. The Policy and Personnel Committee annually reviews and provides recommendations regarding the District Manager's contract, and changes to the District's Personnel and Salary Resolution. The Committee also reviews and provides recommendations to the Board regarding new position requests, position reclassifications, position descriptions, and is responsible for hearing and making decisions regarding employee disciplinary appeals.

PUBLIC RELATIONS COMMITTEE – 9 MEMBERS

Staff: District Manager

Director of Communications

Convenes: As necessary

Scope: The Public Relations Committee is responsible for oversight of the District public outreach, education, vector and vector-borne disease education, and overall awareness of the District, and its services. The Committee provides comments and directions on education objectives, and public outreach campaigns and goals. The Committee also reviews request for proposals for outreach related purchases and contracts.

NUISANCE ABATEMENT COMMITTEE – 7 MEMBERS

Staff: District Manager

Director of Operations

Convenes: As necessary

Scope: The Nuisance Abatement Committee has the responsibility to determine if certain properties constitute a nuisance because of vector breeding and authorize certain fines and penalties to be assessed against the property owner(s).

LEGISLATIVE COMMITTEE – 9 MEMBERS

Staff: District Manager

Director of Communications

Convenes: As Necessary

Scope: The Legislative Committee has the responsibility of reviewing, following, and tracking legislation throughout the course of the legislative session that may impact the District.

Vector of the Month

Western Black-Legged Tick, *Ixodes pacificus*

Ixodes pacificus is a species of hard tick that has been recovered from a variety of hosts along the Pacific Coast from Washington and Oregon through California. Included in the host records are birds (quail), mammals (cats, dogs, deer, chipmunks, pocket mice, deer mice, horses, and man), and lizards (fence and alligator lizards). *Ixodes pacificus* is found mainly in wooded and grassy areas across the state.

In the early 1980s, *I. pacificus* was incriminated as a potential vector of the type of bacteria that causes Lyme disease. This disease was first recognized in 1975 in Lyme, Connecticut, and is characterized by annular skin lesions (erythema chronicum migrans) that may be followed by arthritic, neurologic, or cardiac symptoms several weeks or months later. The disease is caused by a microbe called a spirochete (scientifically referred to as *Borrelia burgdorferi*), which may be seen moving in a serpentine fashion under a microscope. People are most commonly exposed to the Lyme disease agent by the immature nymphal tick, which is active in the spring and early summer; an average of 5-15% of nymphal western black-legged ticks in California are infected with *B. burgdorferi*.¹

Relatively few cases of Lyme disease were diagnosed in California in the early 1980s; however, after recognition of this disease by the medical community, a significant increase in diagnosed cases has occurred. Typically, 80 – 100 cases are recognized each year in the state, with the highest number of infections occurring in Trinity, Mendocino, Humboldt, Mono, Sierra, and Nevada

Counties. Because the symptoms of this disease are variable, it is possible that some victims of Lyme disease go undiagnosed.

The Orange County Mosquito and Vector Control District initiated a monitoring and testing program for ticks and spirochetes in 1984, which continues to this day. In March of 1991, *B. burgdorferi* spirochetes were isolated from a male *I. pacificus* collected near San Clemente in February. Since that time, more than 4,400 *I. pacificus* from Orange County have been checked for spirochetes and all other specimens have tested negative for *B. burgdorferi*. Although some people have claimed to have acquired Lyme disease while residing in Orange County, most infections have been attributed to people visiting northern California and the eastern U.S., where Lyme disease is more common.

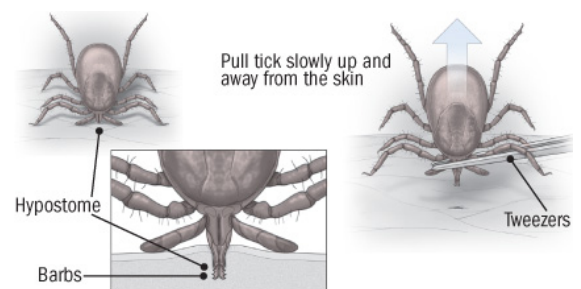
The principal protection against Lyme disease is awareness. Individuals are encouraged to avoid problems by learning more about the vector ticks and their natural habits and habitats. People are advised to avoid areas where ticks occur, or if potential exposure is unavoidable, use both protective clothing and tick repellents, check the entire body for ticks daily, and promptly remove attached ticks.

¹<http://www.cdph.ca.gov/healthinfo/LymeDisease.aspx>



Tick Removal

- Use Tweezers and grasp the tick's mouthparts as close to the skin as possible.
- Gently pull the tick straight out with steady pressure.
- Do not twist or jerk the tick.
- Do not try to remove the tick by burning it or applying ointment or lotion.
- Apply an antiseptic to the bite area after removing tick.
- Wash your hands with soap and water.



How to Remove a Tick and Prevent Future Bites

September 19, 2017 American Academy of Dermatology



A woman removing a tick from her arm. Credit: American Academy of Dermatology

As tick populations grow and spread across the country, their prevalence is increasing the public's risk for some troubling diseases. Of these diseases, say dermatologists from the American Academy of Dermatology, Lyme disease, Rocky Mountain spotted fever, Powassan virus and alpha-gal syndrome -- a mysterious red meat allergy -- are among the most serious.

"Although most ticks do not carry disease, it's important to be mindful of these risks and keep an eye out while you're outdoors," said board-certified dermatologist Lindsay Strowd, MD, FAAD, an assistant professor of dermatology at Wake Forest Baptist Medical Center in Winston-Salem, North Carolina. "If you notice a tick crawling on you or attached to your skin, remove it immediately to prevent any potential infection."

To remove a tick that is attached to your skin, Dr. Strowd recommends the following tips: Use tweezers to remove the tick. Sterilize the tip of the tweezers using rubbing alcohol and grasp the tick as close to the skin's surface as possible.

Pull upward with steady, even pressure. Avoid twisting, squeezing or crushing the tick, as this can cause its head or mouth to break off and remain in your skin. If this happens, use tweezers to remove the remaining parts. If you cannot remove the rest of the tick, see a board-certified dermatologist.

Dispose of the tick. Place it in a sealed bag or container; submerge the tick in alcohol; or wrap it tightly in tape. You may also want to save the tick in a sealed jar. That way, if you develop any symptoms after the bite, the tick can be tested for disease.

Clean the bite area with soap and water.

"Although ticks can bite at any time, they're most active in April through September," said Dr. Strowd. "Fortunately, there are many things people can do to protect themselves and their families against ticks." To prevent tick bites, Dr. Strowd recommends the following tips:

Walk in the center of trails. Avoid walking through heavily wooded and brushy areas with tall grass. If you must walk through heavily wooded areas, wear long pants and long sleeves. Pull your socks up over your pants, and tuck your shirt into your pants to prevent ticks from crawling up your body. It's also a good idea to wear light-colored clothes so that ticks can be spotted easily.

Use insect repellent that contains 20 to 30 percent DEET on exposed skin and clothing. Make sure to follow the product instructions. Parents should apply this product to their children, making sure to avoid the hands, eyes and mouth. Examine your skin after spending time in heavily wooded or brushy areas. Conduct a full-body tick check to make sure that no ticks are crawling on you. Since ticks prefer warm, moist areas, be sure to check your armpits, groin and hair. You should also check your children and pets, as well as any gear you used outside.

"If you develop any symptoms within a few weeks after a tick bite, such as a rash, fever or body aches, see a board-certified dermatologist," said Dr. Strowd. "Make sure you tell the doctor about your recent tick bite, when the bite occurred and where you most likely acquired the tick."

VECTOR ECOLOGY PROGRAM REPORT
December 2 - December 30, 2017

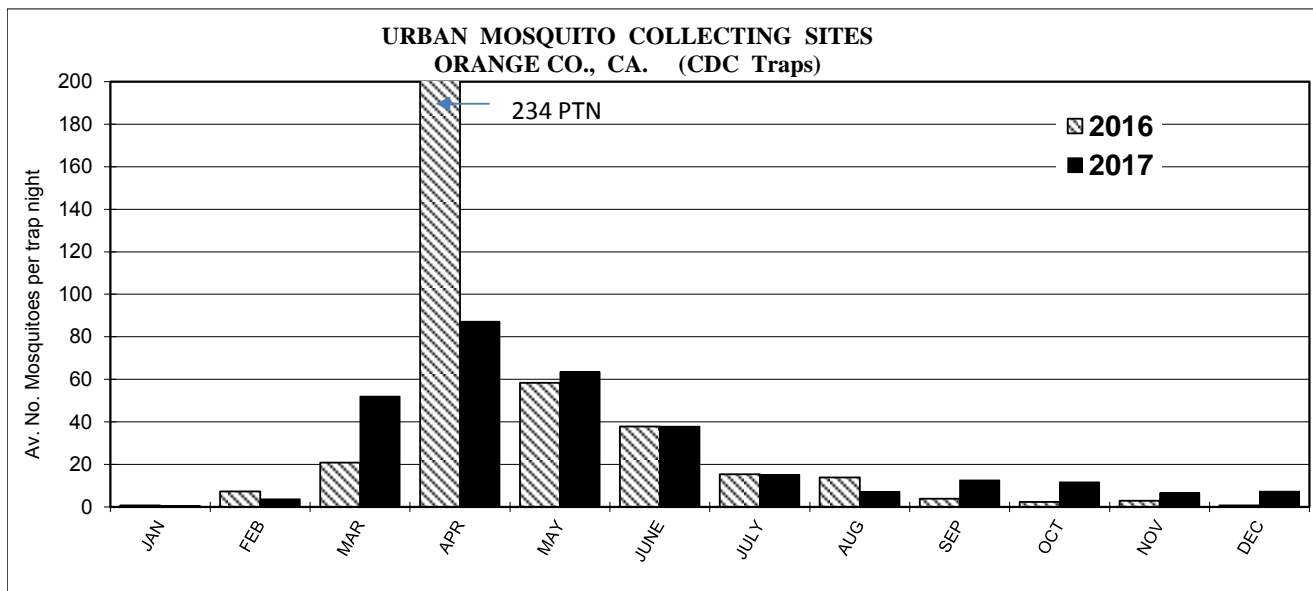
By

Robert F. Cummings, Director of Scientific Technical Services
Sokanary Sun, Laboratory Specialist
Kiet Nguyen, Assistant Vector Ecologist
Amber Semrow, Biologist
Laura Krueger, Vector Ecologist
Tim Morgan, Vector Ecologist
Mike Saba, Assistant Biologist
Carrie Fogarty, Microbiologist

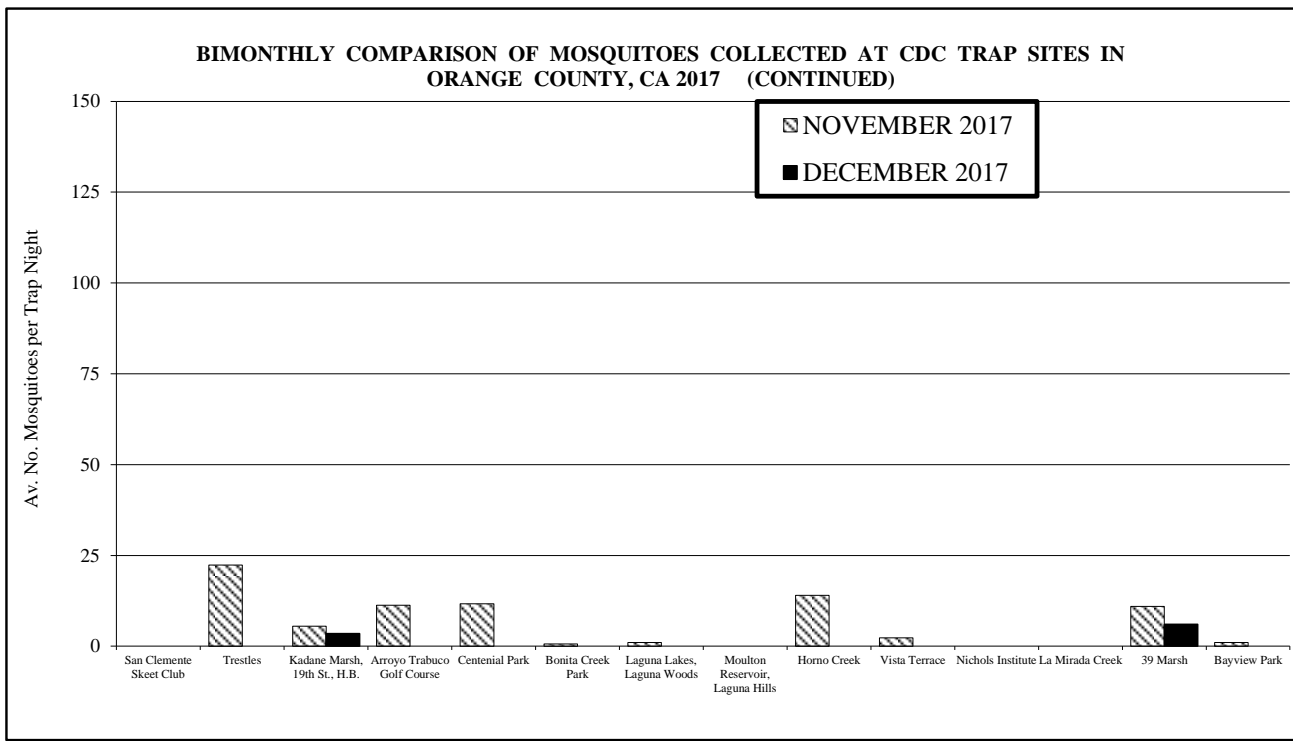
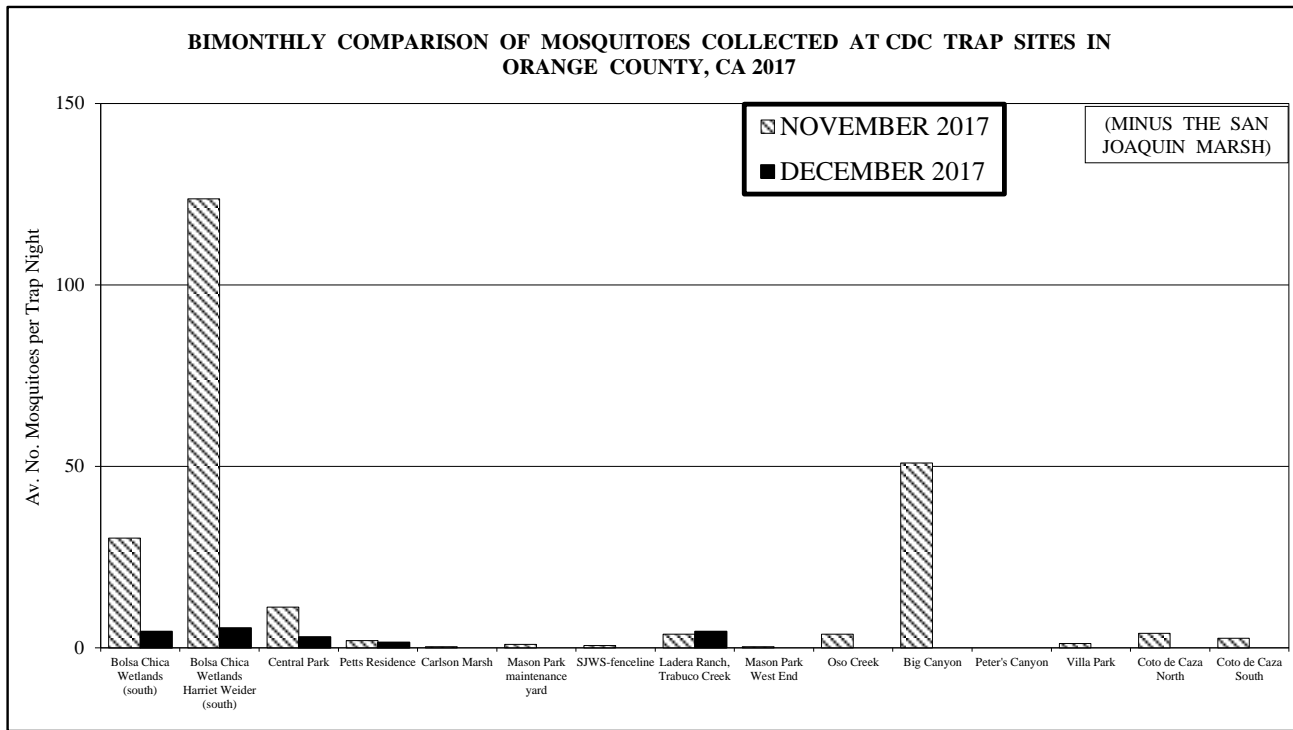
MOSQUITO TRAPPING
Mosquitoes/CDC/C0₂ Traps

During December, CDC trap counts decreased overall compared to the previous month. The decrease at these sites was the result of lower fall and winter temperatures. Fifteen winter routine CDC traps were operated for a total of 31 trap-nights (trapping every other week) during December. The proportion and amount of mosquitoes captured by species is as follows: the southern house mosquito, *Culex quinquefasciatus*, 45.4% (0 males, 74 females); the encephalitis mosquito, *Culex tarsalis*, 3.7% (0 males, 6 females); *Culex erythrothorax*, the Tule mosquito, 43.0% (0 males, 70 females), and the Cool Weather mosquito, *Culiseta incidens*, was 1.2% (0 males, 2 females). The total number of mosquitoes collected from CDC traps, across all species, was 163 (0 males and 163 females). The average number of mosquitoes collected in CDC traps per trap night (ptn) for urban sites was 7.4. Traps placed in urban wetlands averaged 4.1 ptn (some significant sites are: **Big Canyon Upper** (Newport Beach) and **Alona & 21st** (Santa Ana)).

Bold lettering signifies primary producers.



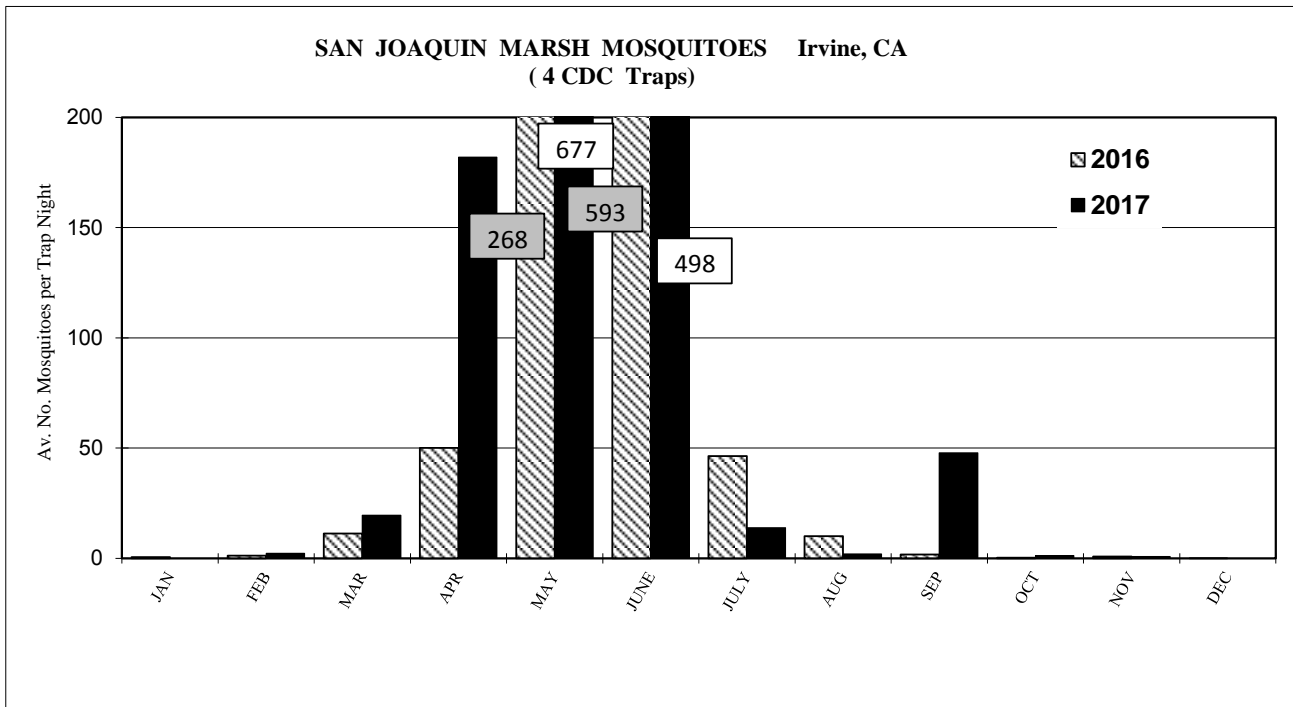
Mosquito Trapping (continued)



MOSQUITO SAMPLES TESTED FOR WEST NILE VIRUS

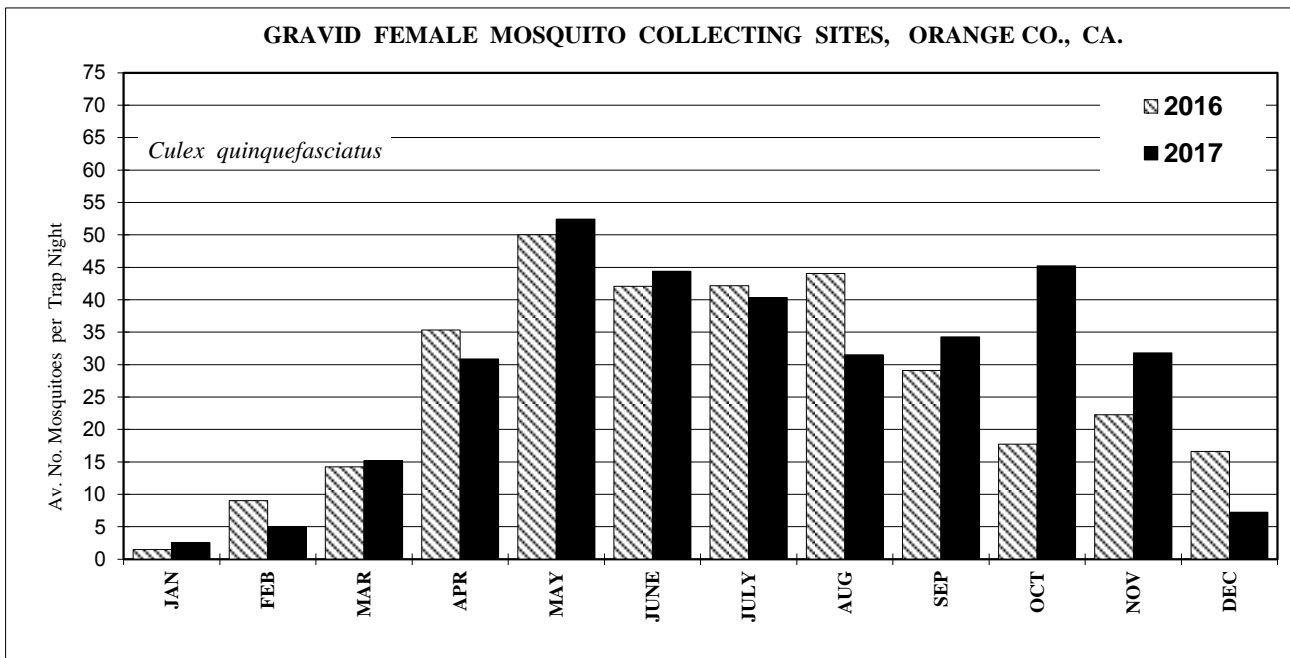
In total, 82 mosquito batches (pools) were collected by the District from December 2-30, 2017. The pools were collected from 16 cities. In December, all batches have been tested, with no samples positive for West Nile virus (WNV), Saint Louis encephalitis (SLE) or Western equine encephalomyelitis (WEE) viruses. The mosquito infection rate (MLE method) for December is 0 (CDC & CDPH considers an epidemic threshold to be an infection rate greater than 5.0).

Mosquito Trapping (continued)

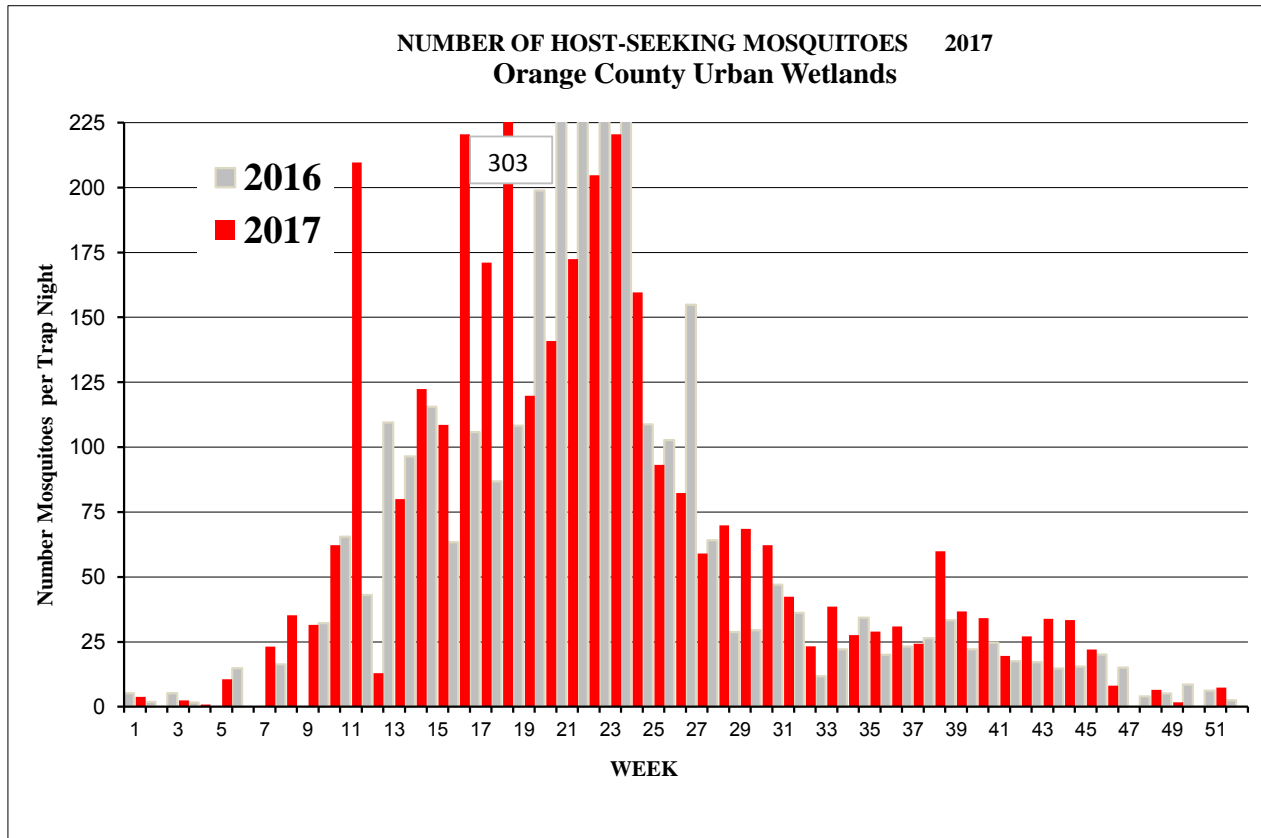
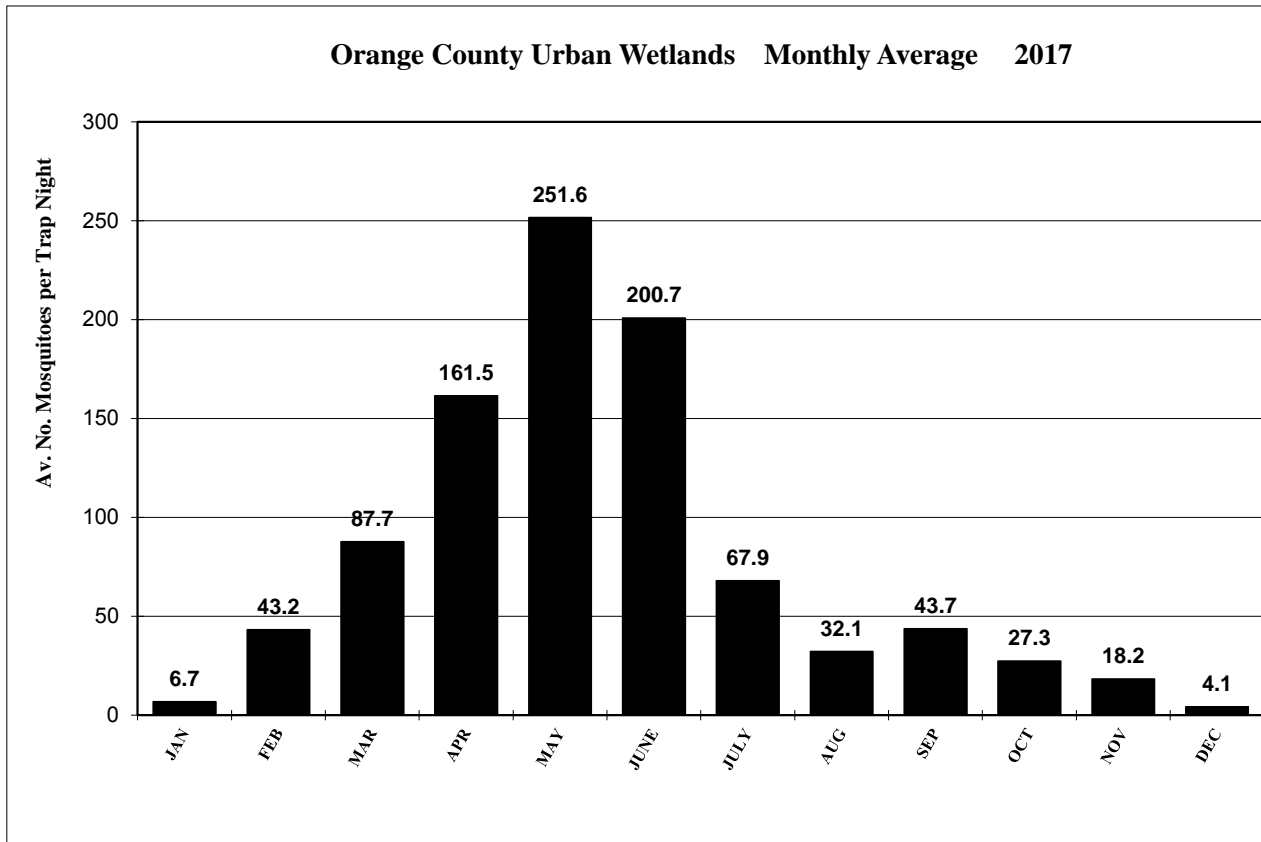


Mosquitoes/Gravid Traps

During December, 2017, the number of gravid female *Culex quinquefasciatus* averaged 7.26 ptn. These mosquitoes were collected weekly from 17 winter routine trap sites for a sum of 34 trap-nights (trapping every other week), and a total of 64 males and 247 females. Counts ranged from 1.0 to 20.5 mosquitoes ptn from all sites that were sampled. Highest counts ptn (in descending order) were from: Modjeska Park (Anaheim), Leisure World (Seal Beach), Central Park (Huntington Beach), and Aliso Creek (Laguna Woods). Some of these sites have been previously positive for WNV since introduction of the virus to Orange County in 2004. The total number of mosquitoes collected for the month was 313 (64 males and 249 females) for all species.



Mosquito Trapping (continued)

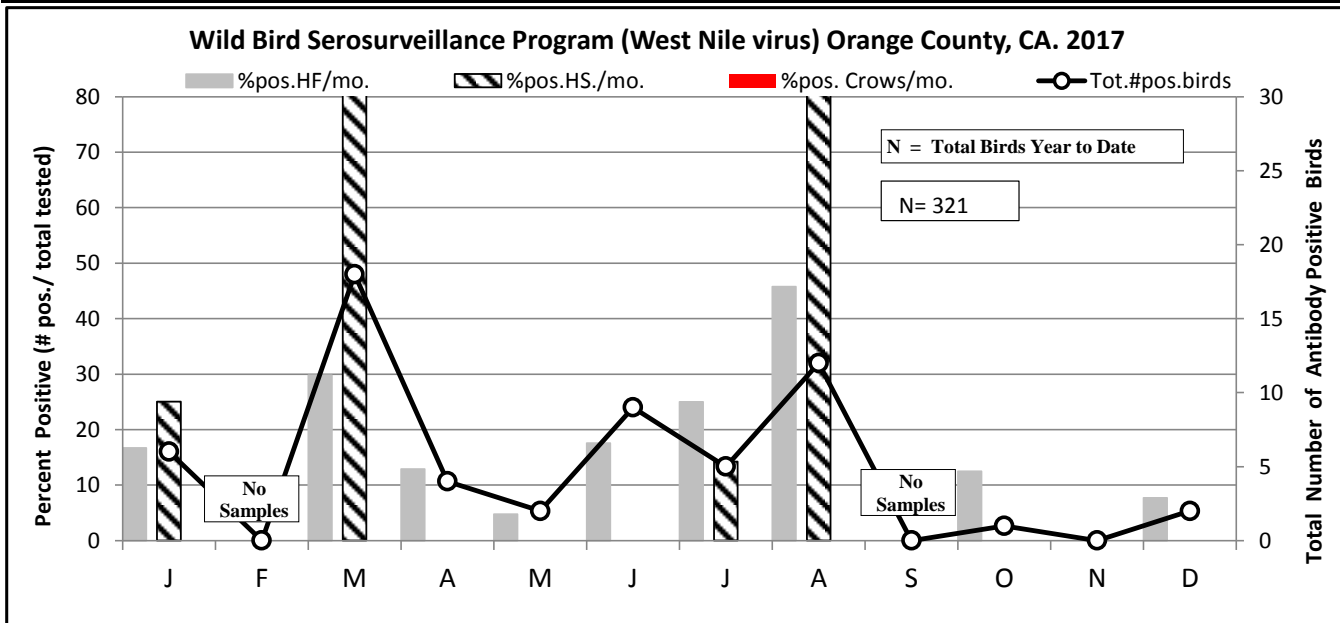


Wild Bird Surveillance (SLE/WEE/WNV) Program

The District received 11 reports of dead birds in December. Eight dead birds were collected, and of those, 6 were sampled. None of the dead birds tested positive for WNV. Year-to-date, the laboratory has detected 56 WNV-positive dead birds. Last year at this time, the District detected 1 WNV-positive dead birds. The dead bird program continues to test all dead birds submitted by the public and animal care facilities throughout the county for WNV.

During December, 31 wild birds (26 house finches and 5 House Sparrows) were sampled for WNV antibody testing. Two of the house finches sampled were positive for WNV antibodies. No crows were collected.

Month	1st time plus previously positive birds			Graph and table have been updated for WNV positives								
	Tot. birds tested	Tot.#pos.birds	%pos.for WNV	Tot.HF coll./mo.	Tot.HS coll./mo.	Tot. Crows coll/mo	#pos.HF/mo.	#pos.HS/mo.	#pos.Crows/mo	%pos.HF/mo.	%pos.HS/mo.	%pos. Crows/mo.
J	32	6	18.8	24	8	0	4	2	0	16.7	25.0	0
F	0	0	0.0	0	0	0	0	0	0	0.0	0.0	0
M	58	18	31.0	57	1	0	17	1	0	29.8	100.0	0
A	31	4	12.9	31	0	0	1	0	0	12.9	0.0	0
M	42	2	4.8	42	0	0	2	0	0	4.8	0.0	0
J	51	9	17.6	51	0	0	9	0	0	17.6	0.0	0
J	26	5	19.2	12	14	0	3	2	0	25.0	14.2	0
A	25	12	48.0	24	1	0	11	1	0	45.8	100.0	0
S	0	0	0.0	0	0	0	0	0	0	0.0	0.0	0
O	13	1	7.7	8	5	0	1	0	0	12.5	0.0	0
N	12	0	0.0	12	0	0	0	0	0	0.0	0.0	0
D	31	2	6.5	26	5	0	2	0	0	7.7	0.0	0
YTD	321	59	18.4	287	34	0	50	6	0	17.4	17.6	0.0



Wild Bird Surveillance (WNV) Program (cont'd)

CUMMULATIVE TOTAL NUMBER OF DEAD BIRDS TESTED AT OCMVCD AS OF DECEMBER 31, 2017									
Location	Dec	Dec POS	YTD	YTD POS	Location	Dec	Dec POS	YTD	YTD POS
Aliso Viejo			2		Los Alamitos			2	
Anaheim			55	11	Midway City				
Anaheim Hills			3	1	Mission Viejo			20	1
Brea			13		Modjeska Canyon				
Buena Park	1		5	3	Newport Beach			6	
Cerritos					Orange	1		27	3
Corona del Mar			1		Placentia			14	3
Costa Mesa			23		Portola Hills				
Coto de Caza			4		Rancho Sta. Margarita			5	
Cypress			11	1	Rossmoor				
Dana Point			3		San Clemente			11	
Foothill Ranch	1		2		San Juan Capistrano			8	
Fountain Valley			9	2	Santa Ana			22	
Fullerton			16	4	San Juan Hot Springs				
Garden Grove			20	3	Seal Beach			3	
Huntington Beach			31	1	Silverado Canyon			7	1
Irvine			56	5	Stanton			1	1
La Habra			17	5	Trabuco Canyon			3	
La Palma					Tustin			15	3
Ladera Ranch			4	1	Unincorp., O.C.				
Laguna Beach			3		Unincorp., Ortega Hwy.				
Laguna Hills			5		Villa Park			1	
Laguna Niguel	2		6		Westminster			3	1
Laguna Woods			3		Yorba Linda	1		14	4
Lake Forest			18	2	Other				
					TOTAL	6	0	472	56

Bird Species	Dec	Dec POS	YTD	YTD POS	Bird Species	Dec	Dec POS	YTD	YTD POS
American crow	2		179	46	Mourning Dove			22	1
American kestrel			4		Northern mockingbird			4	1
Barn Owl			8		Red-Shouldered hawk			9	
Common raven	1		9		Red-tailed hawk			20	
Cooper's hawk			39		Rock pigeon	1		13	1
Great horned owl			5		Swainson's thrush			3	
House finch			42	3	Western bluebird			8	2
House sparrow			16	1	Other*	2		84	1
Lesser goldfinch			7						
					TOTAL	6	0	472	56

*Includes all other bird species that were not frequently collected (≤ 5 for the year)

West Nile Virus Program (cont'd)

No human WNV were cases reported to the District in Orange County during December. Year-to-date, there have been 38 human infections reported in the county. In California, 502 human WNV cases have been reported year-to-date. Of the 502 cases, 370 (74%) had neuroinvasive disease and 29 fatalities have been reported from Kern (1), Los Angeles (19), Orange (4), San Bernardino (2), Stanislaus (1) and Yolo (2) counties.

CALIFORNIA ARBOVIRUS SURVEILLANCE TESTING SUMMARIES 2017								
Month of December					Year to Date			
	No. Tested	SLE Pos.	WEE Pos.	WNV Pos.	No. Tested	SLE Pos.	WEE Pos.	WNV Pos.
HUMANS	13	1	0	13	502	2	0	502
DEAD BIRDS	5	0	0	0	2,005		0	505
MOSQUITO POOLS (RT-PCR and RAMP tests)	61	0	0	1	44,377	179	0	3,371
CHICKENS								
California	0	0	0	0	11,029	9	0	305

TICK-BORNE DISEASE SURVEILLANCE

The District collects ticks for tick-borne disease surveillance, such as Lyme disease, Rocky Mountain spotted fever, and Pacific Coast tick fever. During the month of December, tick samples were collected in 2 locations in Orange County. Tick identification and abundance is pending. So far, no ticks have tested positive for disease agents in 2017.

FLEA-BORNE TYPHUS SURVEILLANCE

Twelve (12) flea-borne typhus cases have been reported year-to-date in 2017 for Orange County. Human cases have been reported from the following cities: Anaheim (2), Garden Grove (4), Tustin (1), Placentia (1), Huntington Beach (1), Yorba Linda (1), Santa Ana (1) and Orange (1).

PLAGUE SURVEILLANCE

The District maintains a surveillance program that tests acceptable host animals for exposure to plague. Year to date, the District has tested 74 samples from 15 jurisdictions in Orange County for exposure to plague, and all samples have tested negative. Animal species tested for plague in 2017 include roof rats, ground squirrels, coyotes, and wood rats.

DISEASE SURVEILLANCE & EMERGENCY PLANNING

Emergency Risk Rating

The WNV Risk Rating for Orange County in December was at the "Normal" range (1.5). This is due to low vector abundance, no detections of WNV-positive mosquito samples, no WNV-positive dead birds in Orange County, and no human WNV infections.

WEATHER INFORMATION, December, 2017

Highest Temp (°F): 86.0

Lowest Temp (°F): 37.0

Average Temp (°F):

-High: 74.10

-Low: 45.8

-Overall: 59.93

Total Precipitation (inches): 0.1

Five Year Average (2012-2016) for the Month of December

Average Temp (°F):

-High: 66.5

-Low: 46.0

-Overall: 56.0

MOSQUITO FISH- *Gambusia affinis*

There were approximately 1,500 *Gambusia affinis* planted in multiple source types including ponds and pools during the month of December 2017.

The cumulative total of *Gambusia affinis* planted in various sources from January 1 to December 31, 2017 was approximately 82,500.

PROJECT EVALUATIONS

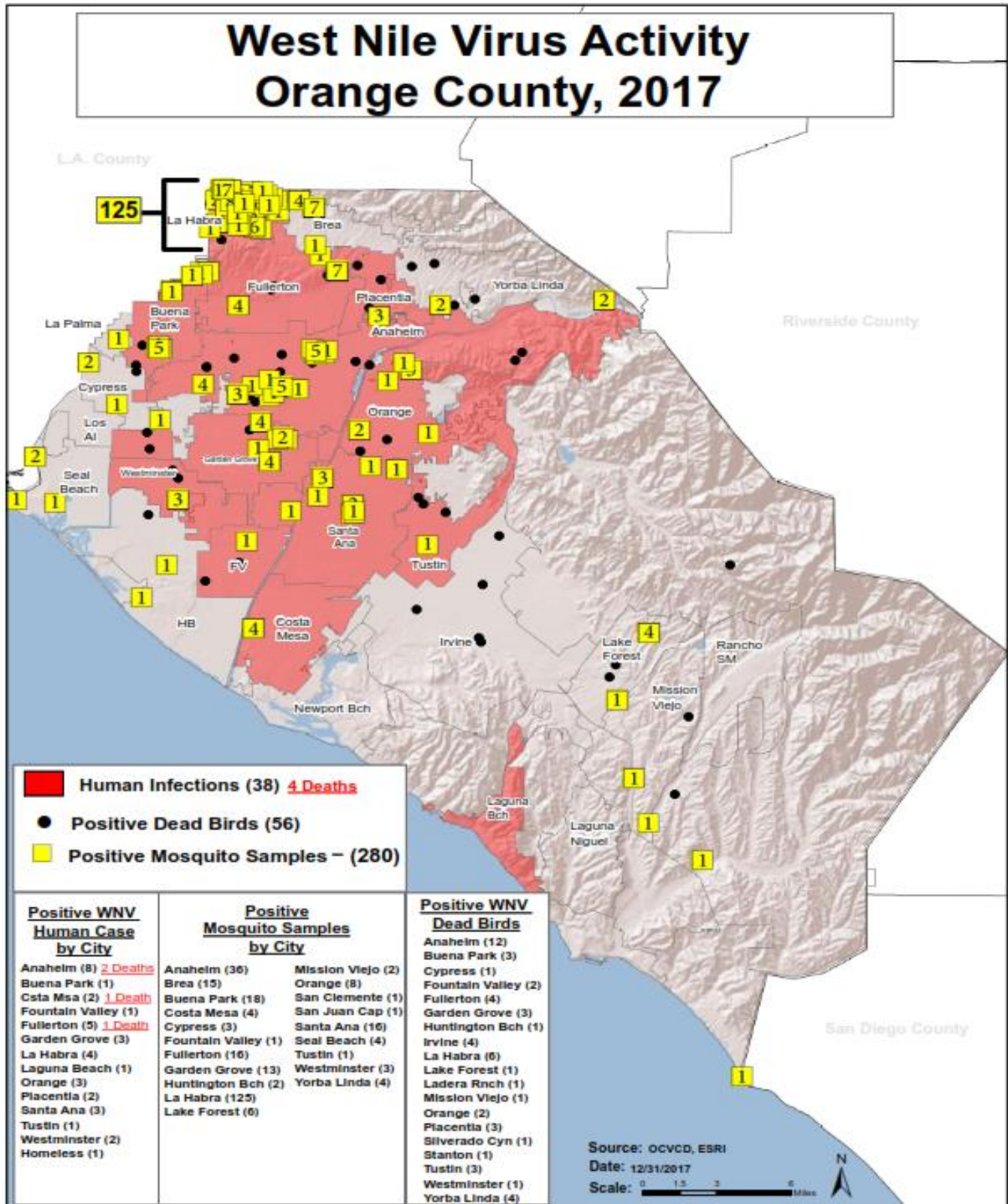
There were no vector control evaluation requests submitted in December 2017.

CUMMULATIVE TOTAL NO. OF DETECTED ADULT INAVSIVE <i>AEDES</i> (<i>ALBOPICTUS</i> & <i>AEGYPTI</i>) BY OCMVCD AS OF DECEMBER 31, 2017					
Location	December	YTD	Location	December	YTD
Aliso Viejo			Los Alamitos		1
Anaheim		33	Midway City		
Anaheim Hills			Mission Viejo		38
Brea		14	Modjeska Canyon		
Buena Park	1	5	Newport Beach		
Cerritos			Orange		21
Corona del Mar			Placentia		
Costa Mesa		2	Portola Hills		
Coto de Caza			Rancho Sta. Margarita		
Cypress		1	Rossmoor		
Dana Point			San Clemente		
Foothill Ranch			San Juan Capistrano		
Fountain Valley	1	1	Santa Ana		302
Fullerton		2	San Juan Hot Springs		
Garden Grove	1	56	Seal Beach		
Huntington Beach		5	Silverado Canyon		
Irvine		7	Stanton		3
La Habra	3	107	Trabuco Canyon		
La Palma		3	Tustin		
Ladera Ranch			Unincorp., O.C.		
Laguna Beach			Unincorp., Ortega Hwy.		
Laguna Hills			Villa Park		
Laguna Niguel			Westminster		
Laguna Woods			Yorba Linda		
Lake Forest		12	Other		
			TOTAL	6	613

***Aedes aegypti*, *Aedes albopictus*, and Zika Virus Surveillance.**

Overall, 225 mosquito batches (pools) of invasive *Aedes* that have been sent to the California Department of Public Health for testing of these six viruses: West Nile virus (WNV), Saint Louis encephalitis virus (SLE), Western equine encephalomyelitis virus (WEE), Zika virus (ZIKV), chikungunya virus (CHIKV), and dengue virus (DENV). One pool of *Aedes aegypti* collected on September 12, 2017, from the city of Garden Grove tested positive for WNV. New test results are pending.

The District is conducting intensive adult and larval surveillance for *Aedes aegypti* and *Aedes albopictus* mosquitoes in response to new discoveries of these invasive mosquitoes. Surveillance is also continuing in previously-known infestation areas throughout the county. Year-to-date, the District has received eleven travel-acquired Zika virus cases from OC Health Care. During 2016, the District investigated 31 travel-acquired Zika infections in Orange County.



Orange County Mosquito and Vector Control District West Nile Virus Risk Assessment, December 2017

Table 1. WNV Surveillance Factor	Assessment Value	Benchmark	Value	
1. Environmental Condition Favorable environmental conditions in Orange County for virus multiplication/transmission. Considers temperature for prior 1 or 2 week period.	1	Average daily temperature $\leq 56^{\circ}\text{F}$		
	2	Average daily temperature $57 - 65^{\circ}\text{F}$	2	
	3	Average daily temperature $66 - 72^{\circ}\text{F}$		
	4	Average daily temperature $73 - 79^{\circ}\text{F}$		
	5	Average daily temperature $> 79^{\circ}\text{F}$		

Cx tarsalis

2. Abundance of adult <i>Culex quinquefasciatus</i> or <i>Culex tarsalis</i> Area wide average of adult mosquitoes the last 5 years = mosquitoes/trap night by month.	1	Vector abundance very low ($\leq 50\%$)		
	2	Vector abundance below average (51 - 90%)	2	
	3	Vector abundance average (91 - 150%)		
	4	Vector abundance above average (151 - 300%)		
	5	Vector abundance well above average ($> 300\%$)		
3. Infection rate (MLE) in variable pool sizes of <i>Culex quinquefasciatus</i> and <i>Culex tarsalis</i> mosquitoes. Considers pooled data for prior 1 or 2 week period.	1	MLE = 0	1	
	2	MLE $\geq 0.001 - 1.0$		
	3	MLE = 1.1 - 2.0		
	4	MLE = 2.1 - 5.0		
	5	MLE > 5.0		
4. Dead Bird Infection Number of birds that have tested positive (recent infections only) for WNV during the prior 30 days.	1	No WNV positive dead birds in Southern California	1	
	2	One or more WNV positive dead birds in neighboring county		
	3	One WNV positive dead bird in Orange County		
	4	Multiple WNV positive dead birds in broad region of Orange County		
	5	Multiple clusters of WNV positive dead birds in specific regions of Orange County		
5. Seroprevalence of WNV in free-ranging birds WNV antibody-positive/total sampled biweekly.	2	$> 30\%$ seroprevalence		
	3	21 - 30% seroprevalence		
	4	11 - 20% seroprevalence		
	5	$< 10\%$ seroprevalence		
6. Human Infections Do not include this factor in calculations if no cases are detected in region	3	One or more human infections in neighboring county		
	4	One or more human infections in Orange County		
	5	Multiple human infections in specific region of Orange County		

Cx tarsalis

Response Level / Average Rating: Normal Season (1.0 to 2.5) Elevated Risk (2.6 to 4.0) High Risk (4.1 to 5.0)	TOTAL	6	
	AVERAGE	1.5	

H. PRESIDENT'S REPORT AND TRUSTEE COMMENTS

I. DISTRICT MANAGER'S REPORT – DISCUSSION AND POSSIBLE ACTION

J. DISTRICT LEGAL COUNSEL REPORT – DISCUSSION AND POSSIBLE ACTION

CLOSING

K. CORRESPONDENCE – DISCUSSION AND POSSIBLE ACTION NONE

L. FUTURE AGENDA ITEMS

M. ADJOURNMENT

- 1. ADJOURN TO THE NEXT REGULAR MEETING OF FEBRUARY 15, 2018 STARTING AT 3:00 P.M. AT THE ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT OFFICES, 13001 GARDEN GROVE BLVD., GARDEN GROVE, CA 92843**

