

VENTURA RIVER COUNTY WATER DISTRICT
EMERGENCY MEETING HELD FEBRUARY 2, 2007

Pursuant to due and official notice, an emergency meeting of the Board of Directors of the Ventura River County Water District was held at 409 Old Baldwin Road, Ojai, California on February 2, 2007.

President E. Ramseyer called the meeting to order at 9:00 o'clock a.m.

There were present Directors J. Curtis, M. Hanson, T. Jamison, E. Lee, and E. Ramseyer. Also present were General Manager Matthew Bryant and, recording secretary/Office Manager Janet Schaefer. Representing Layne Christensen Company was Mr. Randy Kendall who arrived at 9:15 o'clock a.m. No other public was present.

M. Bryant reported that the pump on Well #2 had seized and gravel pack from the exterior of the casing had infiltrated the well and gotten in the pump causing the failure. M. Bryant reported that Well #2 was drilled in 1958 at a cost of \$7,019 with a projected 30 year life. During the life of the Well a rehab took place in 1991 that included blasting, brushing and bailing and inserting a sleeve liner that was gravel packed outside. The 1991 rehab was not projected to extend the original 30 year life and was expensed in 1991. In 2004 another rehab was done that included a chemical wash and a brush and bail at a cost of \$58,512 and was expected to extend the life by only 5 years as the rehab results were not the best. The actual life extension was only 21 months.

Mr. Randy Kendall of Layne Christensen Company addressed the Board about the condition of Well #2 and his recommendations. Mr. Kendall brought a sample of the gravel pack that was removed from the pump assembly for the Board to examine. Mr. Kendall stated that he feels the gravel pack is too small for the perforations in the Well casing and the production will need to be dropped back to 500 gpm or less to slow down that infiltration. He didn't recommend another sleeve as a cost effective long term solution and sleeving would still reduce production. Mr. Kendall recommended to not abandon the Well and to put a submersible pump at a lower gpm production to try to get five or so more years out of that Well as a supplement. Mr. Kendall recommended drilling a new Well at the Baldwin yard. There was some discussion from the Directors asking if the Parker site might be a viable option for a Well. Mr. Kendall stated that it can be explored and Sonar technology is available to help make that determination but the Baldwin yard is a known and proven site. Mr. Kendall further stated that a test hole drill at the Parker location would cost in the neighborhood of \$30,000. Mr. Kendall's preliminary estimate to drill a new well at the Baldwin yard is \$250,000 to \$300,000 and includes the services of Layne's in house Geologist. The Board requested a formal proposal to drill a new well at the Baldwin yard and a quote for Sonar exploration at Parker. Mr. Kendall left the meeting at 10:00 o'clock a.m.

After much discussion including the reduced water production that will require purchase of supplemental water to meet high demand periods. J. Curtis moved to drill a new Well at the Baldwin Yard site to replace Well #2, seconded by E. Lee and carried by a unanimous roll call vote.

E. Lee asked why Staff was requesting a budget of \$400,000. M. Bryant explained there will be additional costs in the form of engineering, permitting, grading, electrical and piping costs. E. Lee moved to authorize Staff to proceed with the new Well project not to exceed a cost of \$400,000. without coming back to the Board for approval, seconded by M. Hanson and carried.

T. Jamison moved to approve the revised Capital Improvement Plan that includes deferral of previously approved Capital Improvement projects, seconded by M. Hanson and carried. Director J. Curtis voted no. The projects to be deferred are: New Shop defer \$20,000 (of original \$50,000), Hydrant Replacement defer \$5,500 (of original \$11,000) and Alto Mixing System defer in full at \$45,000.

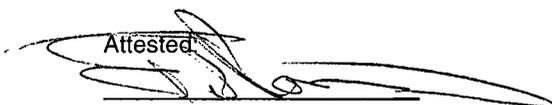
Staff requested a Finance Committee be appointed to determine how to fund this project and the day to day operations and the impact of this unplanned project on the District's cash flow. Director Lee stated that a Rate Committee was established to start work for the next budget year and project funding could be part of that Committee's duties. A meeting was set for Tuesday February 6, 2007 at 2:00 o'clock p.m. at the District Office.

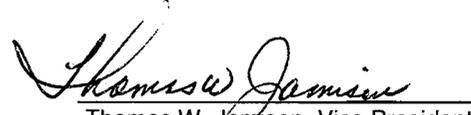
The meeting adjourned to executive session at 10:40 o'clock a.m. to discuss a personnel matter.

The meeting reconvened at 10:45 o'clock a.m. President Ramseyer stated for the record that a personnel matter was discussed and no action was taken.

There being no further action to come before this meeting on motion duly seconded the meeting was adjourned at 10:46 o'clock a.m.

Attested


Eddie P Ramseyer, President


Thomas W. Jamison, Vice President