

**VENTURA RIVER COUNTY WATER DISTRICT
REGULAR MEETING HELD MAY 11, 2005**

Pursuant to due and official notice, a regular meeting of the Board of Directors of the Ventura River County Water District was held at 409 Old Baldwin Road, Ojai, California on May 11, 2005.

President M. Hanson called the meeting to order at 5:30 o'clock p.m.

There were present Directors Jack Curtis, Marvin Hanson, Tom Jamison, Ed Lee, and Eddie Ramseyer. Also present were the District's Counsel Lindsay Nielson and, General Manager Matthew Bryant and, recording secretary/Office Manager Janet Schaefer and, Field Supervisor Russell Klassen. Members of the public present were Mr. George Galgas of 523 E. Katherine Avenue and, Realtor Mrs. Nora Davis representing both the potential buyers Mr. Curtis & Mrs. Deborah Johnson and seller Mrs. Florence Shagy current owner of the property located at 240 Feliz Drive. Also present was Mr. Rudolph Livingston of 214 Descanso Avenue.

E. Ramseyer moved for approval of the minutes of the Regular Board meeting held April 13, 2005 seconded by T. Jamison and carried.

J. Curtis moved for approval of the financial statements for March 2005, and the disbursements for April 2005. Accounts Payable check numbers 7120 - 7159, Trust check numbers 2455 - 2457, and Payroll check numbers 3712 - 3716 and 3728 - 3737 (payroll check series 3717 - 3727 were voided due to a printing error) totaling \$49,095.15 seconded by T. Jamison and carried.

Mrs. Nora Davis appealed to the Board of Directors to extend an agricultural irrigation rate to Mr. & Mrs. Curtis Johnson the potential buyers of 240 Feliz Drive. Current owner Mrs. Florence Shagy has an agricultural irrigation rate granted before the moratorium on agricultural connections that went into effect with Resolution 2001-182 dated November 14, 2001. Mrs. Davis stated that a domestic rate would present a financial hardship to the farming operation and could devalue the property. Additionally, the property is subject to the Land Conservation Act that is part of the Williamson Act and the property must remain agricultural for ten years. The Board of Directors explained that in times of drought water supply is not available to supply the existing customers and requires water to be purchased from an outside source. Staff explained that Mrs. Shagy wrote a letter dated August 3, 2003 requesting the rate be transferred to a new owner. M. Bryant responded in writing on August 25, 2003 stating that agricultural rates are non-transferable, a copy of Resolution 2001-182 was sent with the reply letter as an attachment. President Hanson expressed that the Board must address the needs of all customers and without a new water source there is no water available for agricultural purposes, Counsel expressed that water will be made available to the new applicant at a domestic rate. Mrs. Davis requested a grace period to extend the agricultural rate until the new owners can explore drilling a well. E. Ramseyer moved to deny an agricultural rate, seconded by J. Curtis and carried. Mrs. Davis thanked the Board and left the meeting.

Mr. Rudolph Livingston requested relief from damage invoice #263 for damage to the District's angle meter stop. Mr. Livingston stated that he had a leak in his kitchen and to prevent water loss and damage to his house he operated the only valve he found at the meter to shut off the service. Mr. Livingston contended that the valve was old and defective before he turned it or it would not have failed. Additionally, he felt that the Rules and Regulations 16.2 is intended for malicious acts. Counsel stated that customers are responsible for damage they cause to VRCWD facilities whether malicious or negligent. Staff explained that had Mr. Livingston called the emergency response phone number a technician would have responded to operate the District's valve. Mr. Livingston replied that from a prior experience he did not have confidence in a timely response from calling the emergency response phone number. Staff explained that the delay in answering his prior call to the emergency response phone number was due to a major main line failure where all calls were returned in the order received, in excess of 200 calls were fielded that night. Staff had in fact responded to all three of Mr. Livingston's calls that night and explained the delay in response at that time. Major system failure does not compare to the current incident. Director J. Curtis expressed that emergency response is available at all times upon request. Director J. Curtis asked if the customer had any other valve available on his side of the meter to shut off his service. Mr. Livingston explained that with Staff's assistance he later found a valve at the house he could have used. Director J. Curtis explained that the valve on the District's side of the meter is to be operated by District personnel only. Additionally, the repair of a damaged angle meter stop can require shutting down an entire street and is the reason for Rules and Regulations section 16.2. After much discussion T. Jamison moved to deny Mr. Livingston's request for relief, seconded by E. Lee and carried. Mr. Livingston thanked the Board for their time and left the meeting.

M. Bryant read Resolution 2005-202 expressing appreciation to Russell P. Klassen for 15 years of service. J. Curtis moved approval of Resolution 2005-202, seconded by E. Lee and carried by a unanimous roll call vote. The Board congratulated and thanked Russell for his dedication.

RESOLUTION EXPRESSING APPRECIATION TO RUSSELL P. KLASSEN FOR 15 YEARS OF SERVICE TO VENTURA RIVER COUNTY WATER DISTRICT.

RESOLUTION # 2005 – 202

WHEREAS, Russell P. Klassen, began service with the Ventura River County Water District on May 21, 1990; and

WHEREAS, Russell began his career as a Utility Worker and advanced through the positions to become the Field Supervisor; and

WHEREAS, during Russell's years of service, he contributed not only to the success of the water system operations of VRCWD, but through his dedication and creativity was an intricate part to the success of many projects to maintain and improve VRCWD transmission, storage, and distribution facilities, and

WHEREAS, the Board of Directors wishes to take proper notice and express its appreciation to Mr. Russell P. Klassen for all his hard work and dedication he has demonstrated during his 15 years with the Ventura River County Water District.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Ventura River County Water District:

1. The Board of Directors hereby expresses its congratulations and sincere appreciation to Mr. Klassen for his 15 years of satisfactory service to the Ventura River County Water District.
2. An original, fully executed copy of this resolution, suitably framed, shall be presented to Russell P. Klassen as an expression of appreciation from the Board of Directors.
3. Mr. Klassen will receive a Performance / Longevity Award in accordance with District Personnel Policy.

PASSED, APPROVED AND ADOPTED this 11th day of May 2005.

AYES: Hanson, Ramseyer, Jamison, Curtis & Lee

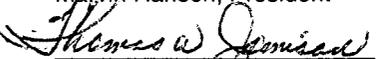
NOES: None

ABSENT: None



Marvin Hanson, President


Eddie Ramseyer, Vice President


Tom Jamison, Treasurer


John R. Curtis, Director


Ed Lee, Director

The Personnel Committee of E. Lee and E. Ramseyer reported that they met with Staff and reviewed the employee compensation and benefit package. Both Directors reported in detail the current benefit package provided and the budget impacts. Director E. Lee expressed that he wanted the Board and Staff to be aware of the current package provided to the employees and the fiscal impacts. Director E. Ramseyer expressed some concern about the reliability of the PERS retirement program. To help balance the current year's budget the committee recommended no merit increases in the next fiscal year and, discussion of having the employees pay a portion of the employee's share for PERS and, discussion to have the employees pay for dependent health care and, to grant a 4% cost of living increase to the current salary schedule. After much discussion E. Ramseyer moved to keep the current benefit package and approve a 4% cost of living increase. The motion died for lack of a second.

Discussion proceeded to the Budget Committee report by J. Curtis and T. Jamison report. The proposed budget for the fiscal year ending June 30, 2006 was reviewed in detail. The Board reviewed a 10-year budget analysis. In the 10-year period the cost of living has increased 25.6% but water rates have only increased 10.3% leaving a 15.3% deficit to the increased cost of living. Additionally, various hard cost increases have occurred in power costs, fuel costs, construction and insurance costs that have all impacted the budget. Director J. Curtis stated that improvements have been made to reduce over-head costs. In terms of power costs high efficiency pumps and pumping schedules are in place to get the best rates. Further, the District is built out so revenue will not increase unless rates are increased. Director T. Jamison expressed that he didn't feel decreasing the level of employee benefits was the way to balance the budget and was in effect a pay cut to the employees. Additionally, the District is under staffed in his opinion and such a cut will further affect employee morale. With the high cost of living in the area there have been problems recruiting employees and it is important to the integrity of the District to maintain a quality Staff. The Budget Committee recommended a 7% rate increase in all zones and base rates and to develop a strategic plan of estimated annual increases to catch up with the cost of living and to anticipate and fund future capital improvements and build an emergency reserve. The Board will study the preliminary budget for final approval at the June meeting. Staff was instructed to advertise for a public hearing at the June 8, 2005 Board meeting to consider a 7% rate increase.

J. Curtis moved approval of the transfers made from LAIF to the general operating checking account to fund operations in accordance with previously adopted investment policy, seconded by T. Jamison and carried. The transfers approved were April 27, 2005 \$20,000, April 29, 2005 \$93,000 and, May 10, 2005 \$40,000.

The District By-laws were reviewed with regard to the payment of election costs. Staff was instructed to draft a Resolution for the next Board meeting to amend Section 3 to state that the Candidate shall assume the cost of their Candidate statement.

M. Bryant reported on the status of Well rehabilitation. Well #3 is in the process of being tied into the SCADA system. Well #2 rehabilitation is complete and the well is back in service providing 1,055 gpm. Well #1 had the pump and motor pulled and the Well was videoed. The video was viewed at the Board meeting. The loss in production was due to two small holes in the column pipe. The video also showed a crack at the second pump bowl. This well is in the process of being brushed and bailed and will have a new pump and motor installed and upon completion of water quality testing will be put back in service.

M. Bryant reported on water production and use. The aquifer level in Well #2 on May 1, 2005 was 10.8' to water.

M. Bryant reported on the 12" main line failure at Valley Meadow. A temporary above ground main line was put in service on May 2, 2005. Staff is working with Engineer Bill Ghormley to formulate a plan for permanent repair and or relocation.

L. Nielson reported that Mr. & Mrs. Bruce Hibberd of 2480 Valley Meadow Drive have filed a generic claim against the District for damage to a tree when the 12" main line failed in the easement on their property. Counsel feels this is a precursor to litigation. Staff forwarded the claim to the District's insurance carrier.

L. Nielson reported that he has been District Counsel for 20 years this month. The Board thanked him for his many years of service.

M. Bryant reported that the 13th annual AWA Water Symposium is May 19, 2005. J. Curtis and M. Bryant will attend.

There being no further business to come before this meeting on motion duly seconded the meeting was adjourned at 8:10 o'clock p.m.

Attested to:


Marvin Hanson, President


Eddie P. Ramseyer, Vice President