

**VENTURA RIVER WATER DISTRICT  
MINUTES OF REGULAR MEETING FEBRUARY 15, 2017**

Directors present were: Bruce Kuebler, Jack Curtis, Ed Lee and Marvin Hanson. Treasurer Peggy Wiles attended via teleconference from 3:00 p.m. – 4:30 p.m. and was not present and did not vote for agenda items 8, 9, 11, and 12. Also present were: Attorney Lindsay Nielson, General Manager/Board Secretary Bert Rapp, and Office Manager Amy Joy Bakken. Public present: George Galgas momentarily attended.

1. **CALL MEETING TO ORDER**- President Bruce Kuebler called the meeting to order at 3:00 P.M.
2. **PLEDGE OF ALLEGIANCE** – Bruce Kuebler.
3. **CONSENT AGENDA:**
  - A. **MINUTES JANUARY 18, 2017**
  - B. **FINANCIAL EXPENDITURES FOR JANUARY 2017**
  - C. **FINANCIAL REPORTS FOR DECEMBER 2016**

Ed Lee moved for approval of the Consent Agenda, items A, B, & C, seconded by Marvin Hanson and carried 4-0 for items B & C only. Jack Curtis abstained on item A – Minutes of January 18, 2017 as he was not in attendance at that board meeting. Approval of consent agenda item A approved 3-1. (AYES: Ed Lee, Marvin Hanson, Peggy Wiles. ABSTENTION: Jack Curtis)

4. **PUBLIC COMMENT** – None
5. **WATER USE FLUCTUATION RESERVE REDUCTION** – Bert Rapp discussed the provisions in the Cost of Service Rates designed to achieve fiscal stability during periods of reduced water usage. One of the provisions is the Water Use Fluctuation Reserve. Bert Rapp discussed that his initial calculations of this reserve may have been overly conservative. A comparison between the water rates of the Ventura River Water District and the water rates of other Ventura County water agencies was presented by Bert Rapp. It was noted that the Ventura River Water District has one of the lowest base rates compared to these other agencies, however currently has one of the higher costs for users in the upper cost classes (over 30 units/month). Bruce Kuebler stated his continued discomfort with costs being allocated to cost classes 3 and 4. Ed Lee and Peggy Wiles disagreed with this position noting that higher costs to higher users encourage conservation. Usage is currently running 9% under budget for the year but depending on the rain year, usage may increase during the summer months. The board has the authority to raise Single Family Residential rates by up to \$1.00 per unit with 30 days written notice as needed to minimize lost revenue. Bert Rapp recommended reducing the Water Use Fluctuation Reserve Target from \$790,000 to \$200,000 over a 3 year period and subsequently reducing the Single Family Residential rates to reflect this change effective 3/15/17. Bert Rapp also suggested postponing analysis of the water usage drop until the March Board meeting to better analyze the rain year. Jack Curtis moved to approve the recommended actions of reducing the Water Use Fluctuation Reserve Target and Single Family Residential rates effective 3/15/17, seconded Ed Lee, approved 5-0.
6. **REVISIONS TO WATER METER STANDARDS**– Bert Rapp discussed the two different types of meters the District is currently using. The Positive Displacement (PD) meter, which has been historically used, lasts about 15-30 years but loses accuracy after 4-5 years. The new sonic meters do not lose accuracy but have a fixed life of 20 years. The District has installed about 30 of the sonic meters which measure water with the Doppler Effect and have much higher accuracy at low flows than the PD meters. Bert Rapp recommended changing the standard meters for the District to sonic meters for large water users (over 30 units/month on average), PD meters for smaller users and always installing texting meters when meter maintenance is performed. Texting meters increase conservation, reduce impact of customer leaks and reduce staff time. Bruce Kuebler asked how meters will be tested and how averages will be calculated. Bert Rapp described the meter testing

process used by the District's Utility Workers in the field. He also described the billing system data that will be used to analyze historical average usage by meter. The initial cost difference between the sonic meters and PD meters with texting is \$11 per meter or 3% more per meter. However, the payback time on investment is about 2-3 years. It was also noted that this recommendation would be a starting point subject to change as needed. Marvin Hanson moved to approve revisions to water meter standards as recommended, seconded Ed Lee, approved 5-0.

7. **REPORT ON UVR GROUNDWATER AGENCY BY BRUCE KUEBLER**– Bruce Kuebler stated that the public hearing to elect the UVR Groundwater Agency as a Groundwater Sustainability Agency is scheduled for March 9<sup>TH</sup> at 7:00 p.m. at the Oak View Community Center. The regular meeting of the UVR Groundwater Agency will be held March 9<sup>th</sup> at 1:00 p.m. at Casitas Municipal Water District. Three Ad-Hoc subcommittees have been formed: Budget Subcommittee with budget due May 2017, Bylaws Subcommittee with due date of June 2018 and Conflict of Interest Code subcommittee with a due date of August 1, 2017. Bruce Kuebler also discussed his concerns regarding the relationship of the UVR Groundwater Agency to other agencies such as the State Water Board and how this will affect minimum thresholds and measurable objectives. Legal Counsel for the JPA advised that it is better to maintain separation from the CA action plan. Bruce Kuebler and Bert Rapp plan to attend the American Groundwater Trust program on Groundwater Sustainability in Bakersfield on February 21 to learn more about how other agencies maintain relationships of this nature. Bruce Kuebler also has a conference call on March 14, 2017 with SGMA and the State Water Board to discuss his concerns. No action was taken.
  
8. **MID YEAR BUDGET REVIEW** – Bert Rapp discussed the status of the mid-year budget stating that revenues are coming in about \$150,000 under budget due to the 9% drop in usage. Operating expenses are running about \$200,000 under budget and Capital Improvements are projected to be about \$195,000 under budget with the postponement of the Hydrant/Valve replacement work until Summer 2017. Bert Rapp presented graphic scenarios representing the sensitivity of the District's water rates to changes in usage and capital improvement projects. He discussed the fact that if usage continues to drop, a rate adjustment could be necessary, but recommended discussing this further at the March 15, 2017 board meeting, closer to the end of the rain season. He also would like to present possible adjustments to the Capital Improvement Program at that time. The board consensus was to review rates and Capital Improvement Projects in more detail at the next board meeting on March 15, 2017. No action was taken.
  
9. **AUTHORIZATION TO BID ON WELL #7 PUMP** – The drilling of Well #7 was completed in October 2016. The groundwater levels were so low at the time, further well development was postponed until the groundwater levels could recover during Spring of 2017. The new pump would be installed in about April of this year and further development work would be performed with the new pump. The anticipated cost of the pump & column pipe is about \$40,000. Bruce Kuebler asked if further well development prior to purchasing a pump would change the pump design. Bert Rapp noted that development should not change the pumping range and that development is anticipated to wear the permanent pump a bit but that it wouldn't be cost effective to use a temporary pump for the development work. Ed Lee recommended a change in the contract language on page F3 (board packet page 45) to add specific name(s) to item 7-4.5.7 – 2. Additional Insured endorsements. Bert Rapp recommended approving plans and specifications and authorizing the advertisement for bids for the Well #7 submersible pumps with Ed Lee's recommended contract language change. Jack Curtis moved to approve plans and specifications and authorize advertisement for bids as recommended with change to contract language, seconded Ed Lee, approved 4-0, Director Peggy Wiles absent.
  
10. **AGREEMENT WITH THE OJAI VALLEY GREEN COALITION** – Bert Rapp proposed a review of a draft grant agreement with the Ojai Valley Green Coalition (OVGC), a 501(c) (3) non-profit organization, to increase public education and outreach to our customers in order to improve water use efficiency. He noted \$10,000 had been budgeted to work with the OVGC which has in the past offered water use efficiency training and has expertise in the field. Bert Rapp indicated the grant agreement was meant to be used as a master agreement that could be edited in future years and that results of the OVGC's work would be reported on invoices and reviewed by him and the District's

Office Manager. Bert Rapp also noted that he had been invited by the OVGC to sit on their oversight committee to review their plans for the grant money received from the District and other donors in the area. Ed Lee expressed concern regarding the liability of having the District's General Manager participate on the OVGC committee as a permanent member. Ed Lee also said that he did not want the District to have any liability whatsoever related to this grant with the OVGC and would be motivated to vote no on this agenda item if he felt any liability for the District was at stake in this agreement. Peggy Wiles asked if there was a timeline for the agreement. Bert Rapp answered that he put an expiration date of 12/31/17 for any unused portion of the grant monies. Ed Lee proposed an alternate option of giving a contribution to the OVGC without a contract or specific direction or involvement. Peggy Wiles noted if we don't have specifications for how we want the donation spent we may be questioned by our customers on why we gave that grant. She also stated that similar programs that were held by Casitas Municipal Water District last summer do not appear to be scheduled for additional dates in 2017, according to the CMWD website. Bruce Kuebler said there was a definite need for a good water conservation education program and that it may very well be forced upon us by state or local regulations in the future if we don't implement it ourselves. It was the board consensus to postpone action on this item until District General Counsel has more time to review the liability language of the contract and board members have more time to think about the terms and agreement. No action was taken.

- 11. GENERAL MANAGER REPORT ON WELLS, WATER STATUS**– The aquifer is currently 39 feet below the 25 year average for February 1. Well #1 is pumping at 690 GPM, an increase of 157 GPM since last month. Lake Casitas water met 27% of well service area demand in January as Casitas water was needed to blend with Well #1 due to high nitrate levels. Revenues for January came in under budget. Lake Casitas was at 36.7% as of February 1, 2017 increasing 2.9 feet or 1.6% since last month. Current nitrate levels are down to 2.3 mg/L as of February 2, 2017. Office Manager Amy Joy Bakken gave a presentation to show board members how the District presents electronic bill payments for Board review, as well as how the new payroll direct deposit process works. She also informed the Board of a correction issue in progress with the IRS related to the District's Q4 2015 payroll tax reporting. No action was taken.
- 12. OLD & NEW BUSINESS** –None.
- 13. EXECUTIVE SESSION** – Bert Rapp stated there was no longer a need for executive session as previously expected.
- 14. MEETING ADJOURNMENT** – Bruce Kuebler called the meeting adjourned at 4:50 P.M.

Attested:

  
 Bruce Kuebler, President

  
 John Curtis, Vice President