

**VENTURA RIVER WATER DISTRICT  
MINUTES OF REGULAR MEETING NOVEMBER 14, 2018**

Directors present were: Jack Curtis, Peggy Wiles, Bruce Kuebler, Ed Lee and Marvin Hanson. Also present were: Attorney Lindsey Nielson, General Manager/Board Secretary Bert Rapp, Office Manager Amy Joy Bakken and Jason Atyabi of Bartlett Pringle and Wolf. Public present were: Carl Enson, Ron Calkins, Jeff Stone, Terry Hormanek and Dave Parsonage.

1. **CALL MEETING TO ORDER-** President Jack Curtis called the meeting to order at 3:01 P.M.
2. **PLEDGE OF ALLEGIANCE** – Marvin Hanson.
3. **CONSENT AGENDA:**
  - A. **MINUTES OCTOBER 17<sup>TH</sup>, 2018**
  - B. **FINANCIAL REPORTS FOR SEPTEMBER AND OCTOBER 2018**

Marvin Hanson moved for approval of the consent agenda items, seconded Bruce Kuebler (for item A carried 5-0, for item B carried 4-0, Peggy Wiles abstained due to her absence from the last board meeting).

4. **PUBLIC COMMENT (FOR ITEMS NOT ON THE AGENDA)** – Jeff Stone introduced himself and the two other customers he brought with him. He stated they were in attendance to learn more about the lawsuit filed by the City of Ventura against water purveyors in the Ojai Valley. Lindsey Nielson gave a brief statement regarding the lawsuit. He stated that a motion was filed to stay the action while the UVRGA completes its groundwater sustainability plan. The lawsuit itself was filed in San Francisco. The City of Ventura asked the court to designate the lawsuit as complex litigation to allow more time so the Motion for Stay has been postponed from December 7<sup>th</sup> until January 2019.
5. **SWEARING IN DIRECTORS JOHN CURTIS AND EDWARD LEE**– Bert Rapp said that both John Curtis and Edward Lee ran unopposed in the election and therefore were automatically re-elected to their board seats for another four years. Bert Rapp recited the oath which was repeated by John Curtis and Ed Lee as they were sworn in and took the oath of office.
6. **ANNUAL AUDIT FY 2017-2018-BARTLETT, PRINGLE AND WOLF & BUDGET TRANSFERS** – Jason Atyabi of Bartlett, Pringle and Wolf gave a presentation of the FY18 audit findings including a review of his firms qualifications, required communications, overview of significant changes, etc. Balance sheet comparisons included an increase in cash equivalents, a decrease in accounts receivable and an increase in property, plant and equipment. Accounts payable and net pension liability also increased. Revenue came in higher compared to the prior year due to the implementation of the water budget structure as well as the sale of more water. Water purchases decreased significantly due to Well #7 coming online allowing the District to purchase less water from Casitas. Jason Atyabi also discussed the prior year management letter which had identified some significant deficiencies and control deficiencies. The significant deficiency related to the District's depreciation schedule was noted to still be an issue however all other issues from the prior year have been eradicated by management in the current year. Amy Joy Bakken presented the general ledger accounts that came in over budget for the year and requested a budget transfer to cover the overages but noted that overall expenses still came in under budget. Bert Rapp stated that the planned water rate increase would be on hold until after the Winter of 2019 as the District's cash balance is healthy and revenues came in higher during the year than expected due to the hot dry Winter of 2018. Bruce Kuebler moved for approval of the recommended actions to accept the annual audit as presented and approve budget transfer #3, seconded Peggy Wiles and carried 5-0.
7. **ACCEPTANCE OF IMPROVEMENTS-WELL#6 DRILLING** – Bert Rapp discussed Well #6 being complete including the installation of the pump and VFD. Kear Groundwater observed the drilling and recommended it be accepted and to close out the contract. Bert Rapp showed a diagram of the old Well #5 vertical alignment compared to the new Well #6 vertical alignment which illustrated the vast improvement. Well #6 won't be brought online until demand requires though it will be run periodically just

to keep it fresh and working. There are several items remaining to be completed on Well #6 including the chlorine tank and pump, meter, check valve, pressure relief valve and connection to distribution system. Ed Lee moved for approval of the recommended action to accept the project as complete, direct the General Manager to record the Notice of Completion, and release the 5% retention of \$8,387.25 after the 35 day lien period, seconded Marvin Hanson and carried 5-0.

- 8. ENGAGEMENT OF JEANNE ZOLEZZI, HERUM/CRABTREE/SUNTAG-** Lindsey Nielson stated that Elizabeth Sarine who currently represents the District for the Channelkeeper and City of Ventura Adjudication lawsuits is going to work for the Attorney General so the District needs to replace her as counsel. Bruce Kuebler, Bert Rapp, Mike Hollebrands and Jim Kentosh interviewed the top two candidates and decided that Jeanne Zolezzi of Herum, Crabtree, Suntag was the best candidate. Bruce Kuebler moved for approval to engage Jeanne M. Zolezzi with Herum/Crabtree/Suntag, seconded Peggy Wiles and carried 5-0.
- 9. ANNEXATION 650 BURNHAM RD & 600 BALDWIN RD-RESOLUTION 2018-316-**Bert Rapp stated that the Initial Environmental Study for 650 Burnham Rd. found no significant impacts and that installation of a meter at this property would reduce Casitas water demand by about 80% and slightly increase VRWD usage of groundwater. He also found it would reduce truck traffic that would be required to truck in water and that the flooding risk from the river would be unchanged. For 600 Baldwin Rd. Casitas Municipal Water District (CMWD) prefers not to install a residential connection to their transmission main and VRWD has a 6" water main that crosses the driveway and serves a fire hydrant and Montessori School. The next steps to move forward with these annexations after Board approval would be requesting a letter of support from CMWD, requesting a letter of support from UVRGA and gaining approval from LAFCo. After LAFCo approval, VRWD would require payment of a capacity charge, casitas allocation fee and construction costs for the physical installation. Bruce Kuebler made some comments regarding how items should be re-worded in the Initial Environmental Study. **Public Comment:** Ron Calkins stated he didn't think it was right for the District to take on more customers when all the current District's customers have been working diligently to get through the drought. He asked if they could be CMWD customers. Bert Rapp stated it would be more complicated and difficult for them to be CMWD customers. Ed Lee moved for approval of the recommended actions to approve the Negative Declaration for 650 Burnham Rd and Adopt Resolution 2018-316 initiating proceedings for a Sphere of Influence Amendment and Change of Organization to the Ventura River Water District, seconded Marvin Hanson and carried 5-0 (Roll Call Vote, AYES-5)
- 10. LAFCo ELECTION OF SPECIAL DISTRICT REPRESENTATIVE-** A regular member as well as alternate member are up for election. For the regular member the board consensus was to choose Elaine Freeman. For the alternate member, John (Jack) Curtis was selected by board consensus.
- 11. CLOSE OFFICE CHRISTMAS EVE AND NEW YEARS EVE-** Bert Rapp requested that the District close the office on Christmas Eve and New Year's eve as both fall on a Monday. Staff would use their accrued vacation hours to cover the time. The District has little to no customer activity on these days and this would allow staff a four day weekend to spend with their families. Peggy Wiles moved for approval to close the office on Christmas Eve and New Year's Eve, seconded Bruce Kuebler and carried 5-0.
- 12. UPDATE ON THE UPPER VENTURA RIVER GROUNDWATER AGENCY-AND APPOINTMENT OF REPRESENTATIVES-RESOLUTION 2018-317-** Bruce Kuebler discussed the UVRGA meeting last month. The Board discussed a technical advisory committee. Brian Bondy, the Project Manager, came up with guidelines and formatted a technical advisory committee. According to the JPIA it has to be chaired by a Board Member but they wanted it to be more independent. They are trying to figure out if they can

have a technical advisory group that wouldn't be covered by the JPIA regulation. A recommendation will be made at the next meeting. They are trying to get two people who would be a certified geologist and/or hydrogeologist. They are hoping they can find some volunteers but there may have to be some kind of payment. The consultants will look at that and come up with a recommendation to take action in January. Also, they talked about the contributions from agencies that are helping to finance the agency. All agencies agree that as soon as the extraction fee is up and running that the contributions will end. Everyone will contribute equally until the extraction fee goes into effect. Several of the member agencies are willing to loan money for cash flow to be repaid and if it comes from the County there would be interest. Marvin Hanson recommended Luke Hall as a geologist. UVRGA also talked about organizational structure and they are planning on signing a contract for Bartlett, Pringle and Wolf to complete their audit. They plan to hire an additional person who would be called an Agency Administrator. Brian Bondy is the Project Manager and he would become Executive Director, Cece would then become Agency Administrator and then a new person would be responsible for Board Packets and the website etc. They will advertise and interview and hopefully hire someone new. A multi-year budget was approved that goes through 2025 which was needed in order to structure the extraction fee. Also, UVRGA is going to switch banks from Wells Fargo to Bank of the Sierra to reduce banking service costs. Marvin Hanson move for approval of the Resolution 2018-317 designating Bruce Kuebler to be the Director of UVRGA and Bert Rapp the alternate, seconded Peggy Wiles and carried 5-0 (Roll Call Vote, AYES-5).

- 13. GENERAL MANAGERS REPORT ON WATER & DISTRICT STATUS** - The aquifer is currently 14.8 feet below the 30 year average for November 1 at an elevation of 493.4 feet. Well #1 is pumping 845 GPM, down 55 GPM from last month. Well #3 is pumping 164 GPM down 30 GPM from last month. Well #4 is off due to low water levels. Well #7 is pumping 665 GPM, unchanged from last month. The wells are running at about 62% of their capacity to meet demand. No supplemental water was purchased from Casitas in October. Sales dollars billed on October 31, 2018 amounted to \$217,368, under budget by **\$23,922** for October. Water sold in October 2018 amounted to 31,821 HCF, a decrease of 38% below the 51,064 HCF sold in October 2013. On November 1, 2018, Lake Casitas level was at 30.8% of full capacity at elevation of 481.97 feet, 85.1 feet below spill elevation. The lake has decreased 0.6% or 1.1 feet since last month and decreased 1,314 AF since last month. No action was taken on this item.
- 14. OLD & NEW BUSINESS**– Ethics training is scheduled for Wednesday, November 28 from 10am to noon at the District Office. Peggy Wiles asked about the status of the studying the river percolation as well as CMWD responding to the request to join and head up the economic study. Bert responded that he applied for a grant for the Ventura River percolation study and should hear back around March. CMWD never responded to the request to join the study, however as the letter was addressed to the Casitas Board it should be on the Board agenda soon.
- 15. EXECUTIVE SESSION**– Jack Curtis moved the meeting in to executive session at 5:07 pm to discuss Pending litigation pursuant to Government Code Section 54956.9 (b) (Pending litigation pursuant to Government Code Section 54956.9 (b) (City of Ventura v. VRWD, CPF-14-513875, Friend of the Court filing, Channelkeeper. Jack Curtis moved the meeting out of executive session at 5:23 p.m.

No action was taken.

Jack Curtis adjourned the meeting at 5:23 pm.

Attested:

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Jack Curtis, President

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Peggy Wiles, Vice President