

**VENTURA RIVER WATER DISTRICT
MINUTES OF REGULAR MEETING DECEMBER 14, 2016**

Directors present were: Ed Lee, Bruce Kuebler, Marvin Hanson, Jack Curtis, and Peggy Wiles. Also present were: Attorney Lindsay Nielson, General Manager/Board Secretary Bert Rapp, and Office Manager Amy Joy Bakken. Public present were: George Galgas, Jordan Kear, Ted Moore, T. Hall, W. Bevel and Mike Paige.

1. **CALL MEETING TO ORDER-** President Ed Lee called the meeting to order at 3:00 P.M.
2. **PLEDGE OF ALLEGIANCE** – Peggy Wiles
3. **OATH OF OFFICE** – Bert Rapp administered oath of office for Marvin Hanson, Bruce Kuebler & Peggy Wiles.
4. **CONSENT AGENDA:**
 - A. MINUTES NOVEMBER 9, 2016
 - B. FINANCIAL EXPENDITURES FOR NOVEMBER 2016
 - C. FINANCIAL REPORTS FOR OCTOBER 2016

Bruce Kuebler noted a small revision in wording to be made to the November 9th minutes. Jack Curtis moved approval of the Consent Agenda with the noted revision, seconded by Peggy Wiles and carried 5-0.

5. **PUBLIC COMMENT** – George Galgas congratulated Marvin Hanson, Bruce Kuebler and Peggy Wiles on their victories in the election.
6. **EVALUATION OF WATER USE FLUCTUATION RESERVE COLLECTION** - Bert Rapp discussed the concerns of several customers regarding the new water rates which prompted his review of the Water Use Fluctuation Reserve calculation. Graphs and charts were presented to show how the reserve could be reduced from \$290,000/year to \$67,000/year which would significantly lower the Cost Class 3 & 4 rates. Bert Rapp recommended postponing implementation of reduced rates for Single Family Residential to March 2017. At that time a review of the budget and water usage can be completed and new rates can be implemented if so decided by the Board. Peggy Wiles expressed the need to communicate this information to customers and Bert Rapp said information will be included in newsletter and bill note. J.Curtis moved to wait until March 2017 to reduce rates, seconded Bruce Kuebler, approved 5-0.
7. **WATER BUDGET RATES – AWARD OF CONTRACT** – Bert Rapp discussed two cost proposals: RDN for \$47,501.58 to prepare Water Budget Rates for January 1, 2018 implementation and Eagle Aerial Solutions for \$13,000 to classify land cover on each parcel. The purpose for implementing Water Budget Rates is customer education and to encourage conservation. The expected effect of showing customers how much water they need is a reduction in the overuse of water over time. Bert Rapp summarized Board consensus thus far for Water Budget Rates which included the use of average monthly evapotranspiration rate (with ability to override if needed) and approximate interior usage to be set at 2.3 units/person/month. Bert Rapp discussed most recent aerial photo from summer 2015 and recommended waiting until the June 2017 board meeting to make a decision on whether to do a new aerial photo. Bruce Kuebler expressed his continued concern by the allocation of costs for these contracts to only cost classes 3 and 4. He believes these rates would benefit all customers and the cost should be spread over all customers, and suggested the Board separate the contract approval, which he supports, from the method of payment. Peggy Wiles disagreed and pointed out that cost classes 3 and 4 have the biggest impact on usage whereas the lower cost classes don't have much more room to reduce their usage. Bert Rapp stated that 60% of VRWD customers use 12 units or less per month which is 25% of the water usage. 40% of VRWD customers use more than 12 units a month and constitute for 75% of water used. Marvin Hanson moved to approve award of contracts to RDN and Eagle Aerial Solutions, including the method of payment by

cost classes three and four, seconded Peggy Wiles, approved 4-1 (AYES: Ed Lee, Marvin Hanson, Jack Curtis, Peggy Wiles. NOES: Bruce Kuebler.)

- 8. PRIVATE WELL DEVELOPMENT PROPOSAL CONCEPT- PRIMARY WATER RESOURCES –** Bert Rapp presented a draft proposal from Primary Water Resources (PWR). PWR would like to enter into a contract with the District to drill two wells on the Parker tank site and only be paid for the wells if they produce adequate quality and quantity of water. Preliminary concepts include VRWD spending \$30-\$70,000 for environmental document and \$120,000 for amenities while PWR would spend \$500,000 for well. Ed Lee expressed concern over many aspects of the proposed project. PWR's manager Ted Moore discussed track record of associate Mike Page and his high success of locating wells and showed the Board detailed maps and gave some explanation of the details of their plans. Some discussion regarding the quality of water around the proposed drilling site occurred. Jordan Kear discussed his experience with water quality in that area. The Board consensus was to take time to think about the presentation and no action was taken at this time.
- 9. AUTHORIZATION FOR DIRECTOR PEGGY WILES TO ATTEND NEW BOARD MEMBER TRAINING –** Peggy Wiles was appointed to office June 1, 2016 and elected on November 8, 2016. Bert Rapp discussed the upcoming California Special District Association Leadership Academy training to be offered in San Diego in February 2017 or Napa in July 2017. The cost to the district would be approximately \$1,500. Jack Curtis said the CSDA leadership training he received when he was first elected to a Board of Directors was very beneficial. Bruce Kuebler moved to approve Peggy Wiles attending new board member training, seconded Jack Curtis, approved 5-0.
- 10. MOVE REGULAR BOARD OF DIRECTORS MEETINGS TO THE THIRD WEDNESDAY OF THE MONTH BEGINNING JANUARY 2017 –** Bert Rapp discussed the overlapping of the VRWD board meetings and those of Casitas Municipal Water District. Directors and staff of VRWD would benefit from the opportunity to attend CMWD meetings. Bert Rapp recommended moving the regular Board meeting to the 3rd Wednesday of the month to eliminate the conflict. Jack Curtis moved to change regular board meetings to the 3rd Wednesday of the month beginning in January 2017, seconded Bruce Kuebler, approved 5-0.
- 11. RABOBANK POSITIVE PAY SECURITY SYSTEM SERVICES –** Rabobank is offering a security service called Positive Pay to prevent fraud on the District checking accounts. Cost for the service is approximately \$1,600 per year. The District was the target of check fraud in April 2016 and nearly lost \$21,200 but was prevented from the loss by a responsible business owner who questioned the fraudulent purchase. Marvin Hanson moved to implement Positive Pay services, seconded Peggy Wiles, approved 5-0.
- 12. DRAFT LETTER TO WELL SERVICE AREA CUSTOMERS – CASITAS \$5 PENALTY–** Bert Rapp talked about the \$5/unit penalty to be implemented by Casitas Municipal Water District for exceeding drought allocations. VRWD has already sent a letter to the Monte Via/Rio Via and Casitas Springs neighborhoods to notify them that conservation efforts must be increased to prevent the penalty. Bert Rapp recommends sending a similar letter to the well service areas. The cost to send the letters would be about \$2,500. The Board consensus was to send a letter to the well service areas.
- 13. GENERAL MANAGER REPORT ON WELLS, WATER STATUS –** Bert Rapp discussed conservation for the month was (add #) and for the year was 35%, rainfall is 1.3 inches for the year and nitrates are at 8.7 mg/L and may be lowered by the forecasted storm. Aquifer is at record low levels at 95.4 feet below the sounding point on Well #2. Revenue is under budget by \$4,362. Lake Casitas was at 35.5% capacity and has dropped 0.5% or 1 foot since last month.
- 14. INVESTIGATION OF WELL #7 CONSTRUCTION –** When Well #7 was being drilled, a piece of steel drill pipe got stuck in the borehole. Jordan Kear, the District's hydrogeologist, is concerned a piece of the drill pipe may have broken off and could be hindering the flow of water into the well. Bert Rapp

recommends a CITM electronic scan be done to determine if a piece of the pipe is indeed stuck there prior to accepting Well #7 from Jensen Well Drilling. The cost of the CITM scan is about \$6,250. Bruce Kuebler moved to have scan completed prior to well acceptance, seconded Jack Curtis, approved 5-0.

15. **OLD & NEW BUSINESS** – Bruce Kuebler inquired about status of District audit and the new law regarding granny flats and connection fees. Amy Joy Bakken responded that she has been working with auditors and plans to schedule them to attend the Board meeting and present the audit to the Board as soon as possible. Bert Rapp said he plans to read the law regarding connection fees and granny flats. Bruce Kuebler discussed unanimous approval of the Upper Groundwater Sustainability Joint Powers Agreement by the County on December 6. Directors and Alternates from each agency have been selected. The first meeting will be held on January 5th at Casitas Municipal Water District at noon. Four names of stakeholders have been submitted and a process for selecting stakeholder directors is to be determined.

16. **ELECTION OF OFFICERS** – Ed Lee opened nominations for President. Jack Curtis made motion to move all directors up one position with the exception of Marvin Hanson who will remain a Director, new appointments are: Bruce Kuebler, President – Jack Curtis, Vice President – Peggy Wiles, Treasurer, seconded Marvin Hanson, approved 5-0.

17. **EXECUTIVE SESSION** – Board entered executive session at 5:30pm to review General Manager performance under Govt. Code Section 54957 subdivision B-1. Board moved back into open session at 5:38pm. Bruce Kuebler reported that no actions were taken in the executive session.

18. **MEETING ADJOURNMENT** – 5:38 P.M.

Attested:



Bruce Kuebler, President



John Curtis, Vice President