NOTICE OF SPECIAL

BOARD OF DIRECTORS MEETING

9:00 A.M. MONDAY, NOVEMBER 25, 2013
VENTURA RIVER COUNTY WATER DISTRICT
409 OLD BALDWIN ROAD, OJAI, CA 93023

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public, which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of 54954.2 of the Government Code and except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under section 54954.3 of

1. CALL MEETING TO ORDER
2. PLEDGE OF ALLEGIANCE
3. CONSENT AGENDA – NO ITEMS
4. PUBLIC COMMENT – FOR ITEMS NOT ON THE AGENDA
   (LIMIT PER PERSON – 5 MINUTES)
5. FIRE FLOW TESTING EQUIPMENT – DONATION/PURCHASE OFFER
6. TEN YEAR FINANCIAL PLAN AND CAPITAL IMPROVEMENT PROGRAM REVIEW
7. OLD BUSINESS & NEW BUSINESS
8. MEETING ADJOURNMENT

VENTURA RIVER
COUNTY WATER DISTRICT

409 Old Baldwin Road
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Phone (805)646-3403
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VENTURA RIVER COUNTY WATER DISTRICT

DATE: NOVEMBER 25, 2013

TO: Board of Directors

FROM: Bert J. Rapp, P.E. General Manager

SUBJECT: DONATION/PURCHASE OFFER FOR FIRE FLOW TESTING EQUIPMENT

SUMMARY

A customer of the District, Mr. Denis Daniel, is a retired fire flow tester and has offered his equipment to the District as either a donation or for a purchase amount if the Board desires.

It would be very helpful if the District owned fire flow testing equipment. The value of the equipment is about $3,000 to $4,000. The equipment consists of flow dissipaters, pitot gauges and pressure gauges.

Mr. Daniel has provided the District the computer program for calculating the fire flows from the test data and has offered to provide free training of District staff for using the equipment.

RECOMMENDED ACTION

The General Manager recommends that the Board take the following action:

1. Offer Mr. Daniel $1,000 for his equipment and thank him for his valuable contribution to the District.

FISCAL SUMMARY

New fire flow test equipment would cost about $4,000. Mr. Daniel would like the Board to decide if they want to offer something to him for his equipment. If the Board does not desire to purchase the equipment Mr. Daniel would still like to donate the equipment to the District.

VENTURA RIVER COUNTY WATER DISTRICT

DATE: NOVEMBER 25, 2013

TO: Board of Directors

FROM: Bert J. Rapp, P.E. General Manager

SUBJECT: TEN YEAR FINANCIAL PLAN AND CAPITAL IMPROVEMENT PROGRAM REVIEW

SUMMARY

At the December 11, 2013 meeting the Board will be considering the implementation of the third 12% rate increase. In 2011 it was estimated that five 12% rate increases would be necessary to meet the maintenance and capital improvement needs.

In preparation for the important rate increase decision, this report presents an update to the 10 year financial plan and 20 year Capital Improvement Plan for initial review and comment.

The 20 year Capital Improvement Plan and the third 12% rate increase are scheduled for approval at the December 11, 2013 meeting and implementation in January 2014. The rate payers approved 12% rate increases for three years: 2013, 2014 and 2015.

RECOMMENDED ACTION

The General Manager recommends that the Board take the following action:

1. Review and comment on the proposed Capital Improvement Program changes. Final adoption will be at the December 11, 2013 Board Meeting.

BACKGROUND

The following table shows suggested changes to the 20 year Capital Improvement Plan:

PROPOSED CIP CHANGES FOR DECEMBER 11, 2013					
Project	Description	Comments	Cost	Existing Program Year	Proposed Program Year
Encino Loop	Install a 12-inch line under Hwy 33 from Catalina to Encino, pressure reducing station from 103 psi to 80 psi. Purpose: to provide emergency connection to Catalina/Barbara Street neighborhood. More Reliable pipe to lower lots on Encino Drive.	Eliminate this project, emergency service can be provided by hydrant to hydrant connection with Casitas. Fire flow in the Barbara Street area are about 1,200 gpm which are adequate. The existing water main in Encino Drive is against the hilside and appears to be at a low risk of damage from earth movement that has occured over the past 50 years.	($424,000)	2021	Eliminate
Nye Road Upgrade	Replace old pipe with 6-inch PVC	This project was constructed in 1996 and is in the CIP in error	($655,000)	2023	Eliminate
Monte Via System Upgrade	Replace 6" A.C. pipe with 8-inch PVC. The purpose of this project is to increase fire flows.	The fire flows in this area are lower than today's standards. However the flows can be improved somewhat by replacing 4" galvanized hydrant laterals and warfhead hydrants with 6" PVC laterals and standard hydrants. The life expectancy of the existing pipes is about year 2040. Recommend delaying upgrade until about 2035.	($647,000)	2024	2035
Well #1 & #4 Pumping Line	Replace Pumping line from Well #1 & #4 to Baldwin Tank, eliminate siphon, improve mixing in Baldwin tanks	The pumping line serving Well #1 & #4 is undersized and wasting energy. The replacement cost is about $20,000 and should be eligible for an Edison incentive grant. Upsizing the pipe would save at least $700 per year in energy cost and increase pumping capacity by about 200 gpm in Well #1 & #4 combined. The application to Edison for a grant cannot be made until the aquifer refills and Well # 4 is back in-service.	$25,000	None	2015
Parker Tank #2	Add a second tank at the Parker site	The existing tank does not provide adequate fire storage and the 4-inch backfill from the Alto tanks is insufficient to meet fire flow capacity. Storage = 528,000 should be 934,000 gallons. Alto tanks have a surplus of 925,000 gallons. Having a duplicate tank on the Parker site would help daily operations and maintenance activities.	$500,000	None	2021
Well #5 Curtis Well Redrill (Well #6)	Drill a new well on the Well #5 property	A study has determined that Well #5 is not salvageable but that the site should provide a sustainable 150 Gallons per minute with a new well.	$300,000	None	2014
Parker Booster Conversion to VFD	Convert Booster #3 to a Variable Frequency Drive and plumb with valving to serve Zone 5 directly.	These changes will save the energy loss in the pressure reducing valve from 133 psi to 55 psi. The project would save about $4,700 when the District is serving well water to Zone 5 and should have about a 10 year payback or shorter with an Edison incentive grant.	$40,000	None	2015
Re-drill Well #3	Well #3 is at the end of it's useful life and needs to be replaced	The casing on Well #3 is mild steel and is rotting. A new well needs to be drilled to replace it.	$600,000	None	2018
Eliminate Major Maintenance on Well #3	Instead of installing a liner in the well drill a new well.	If a liner is installed the capacity will be reduced and production would not be as great as with a new well, consider placing the well near Well #1.	($250,000)	2016	Eliminate
Vons Tract Upgrade	Replace 6" A.C. pipe with 8-inch PVC. The purpose of this project is to increase fire flows. Built in 1958	This project was identified in the 2010 Water System Evaluation Study but not included in the CIP.	$700,000	None	2035
Alto South Tank	Install a mixing valve		$11,000	None	2015
Chlorine Dilution Tank	Install a 2,000 or 3,000 gallon sodium hypochlorite tank	The District looses about $3,000 of chlorine a year due to degradation of the 12.5% sodium hypochlorite which degrades to 5% and then becomes stable. The objective is to find a free or low cost used chlorine tank and dilute the chlorine to 5% to prevent the loss of chlorine. A concrete slab, corrugated metal roof and chain link walls will be needed along with a transfer pump.	$12,000	None	2016
Booster Station Maintenance	Add Pump and Motor maintenance at $17,000 per booster every 14 years	These values represent the historic maintenance cost by the District.	$17,000	None	Varies
		Net change between 2013 and 2024:	($471,000)		

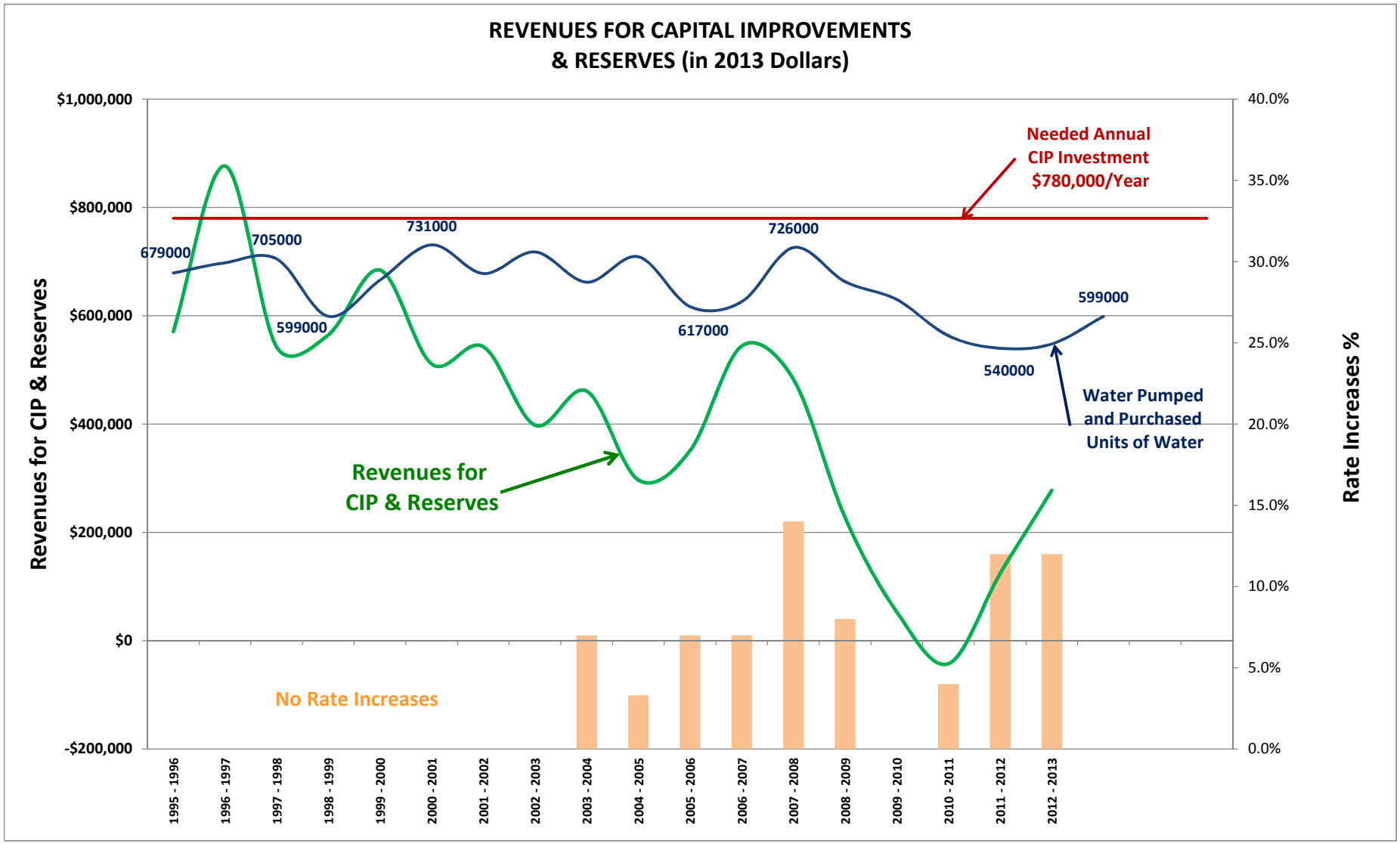
Valve and Hydrant replacement costs have been increased to reflect the low bid prices from the 2013 bids.

FISCAL SUMMARY

The proposed changes to the Capital Improvement program reduce the total expenditures between 2013 and 2024 by about $490,000. The program for the next ten years shows that sustained revenue of about $780,000 per year for Capital Improvements is necessary for the District.

The 10 year financial model shows that the three remaining 12% rate increases are still needed to complete the capital improvements.

After about year 2025 the district will likely have to begin a regular water main replacement program for the aging 27.5 miles of Asbestos Cement Pipe. At that time revenues of about $3,300,000 per year (2013 dollars) will be needed over a period of about 30 years. The trigger for the initiation of the water main replacement program will be the accelerating failure rate of the water mains.


REVENUES FOR CAPITAL IMPROVEMENTS
& RESERVES (in 2013 Dollars)
Revenues for CIP & Reserves
Rate Increases %
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
-$200,000
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Needed Annual
CIP Investment
$780,000/Year
679000
705000
599000
731000
617000
726000
540000
599000
Water Pumped
and Purchased
Units of Water
Revenues for
CIP & Reserves
No Rate Increases
1995 - 1996
1996 - 1997
1997 - 1998
1998 - 1999
1999 - 2000
2000 - 2001
2001 - 2002
2002 - 2003
2003 - 2004
2004 - 2005
2005 - 2006
2006 - 2007
2007 - 2008
2008 - 2009
2009 - 2010
2010 - 2011
2011 - 2012
2012 - 2013

VENTURA RIVER COUNTY WATER DISTRICT
10 - YEAR FINANCIAL PLAN - 2013 to 2023

Fiscal Year	2013 - 2014	2014 - 2015	2015- 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2022 - 2023
Percent of Annual Rate Increase:	12.0%	12.0%	12.0%	5.0%	4.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%
Percent of Volume Cost Rate Increase:	15.9%	15.3%	14.9%	6.0%	4.8%	4.8%	4.7%	3.5%	3.5%	2.3%	2.3%
RESERVES:											
OPERATING Goal: 7% of Expenses	$110,500	$110,000	$110,000	$110,000	$120,000	$120,000	$120,000	$130,000	$130,000	$130,000	$140,000
WATER SALES FLUCTUATIONS Goal: 25% of Water Sales	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CAPITAL IMPROVEMENT PROJECTS Goal: Meet CIP	$434,220	$386,686	$406,023	$841,624	$710,851	$626,324	$214,411	$102,057	$115,775	$380,464	$1,144,411
EMERGENCY CONTINGENCY Goal: $750,000	$438,220	$463,220	$488,220	$513,220	$538,220	$563,220	$588,220	$613,220	$638,220	$750,000	$750,000
Total Reserves:	$982,940	$959,906	$1,004,243	$1,464,844	$1,369,071	$1,309,544	$922,631	$845,277	$883,995	$1,260,464	$2,034,411
Reserves Goal Excluding CIP:	$548,720	$573,220	$598,220	$623,220	$658,220	$683,220	$708,220	$743,220	$768,220	$880,000	$890,000

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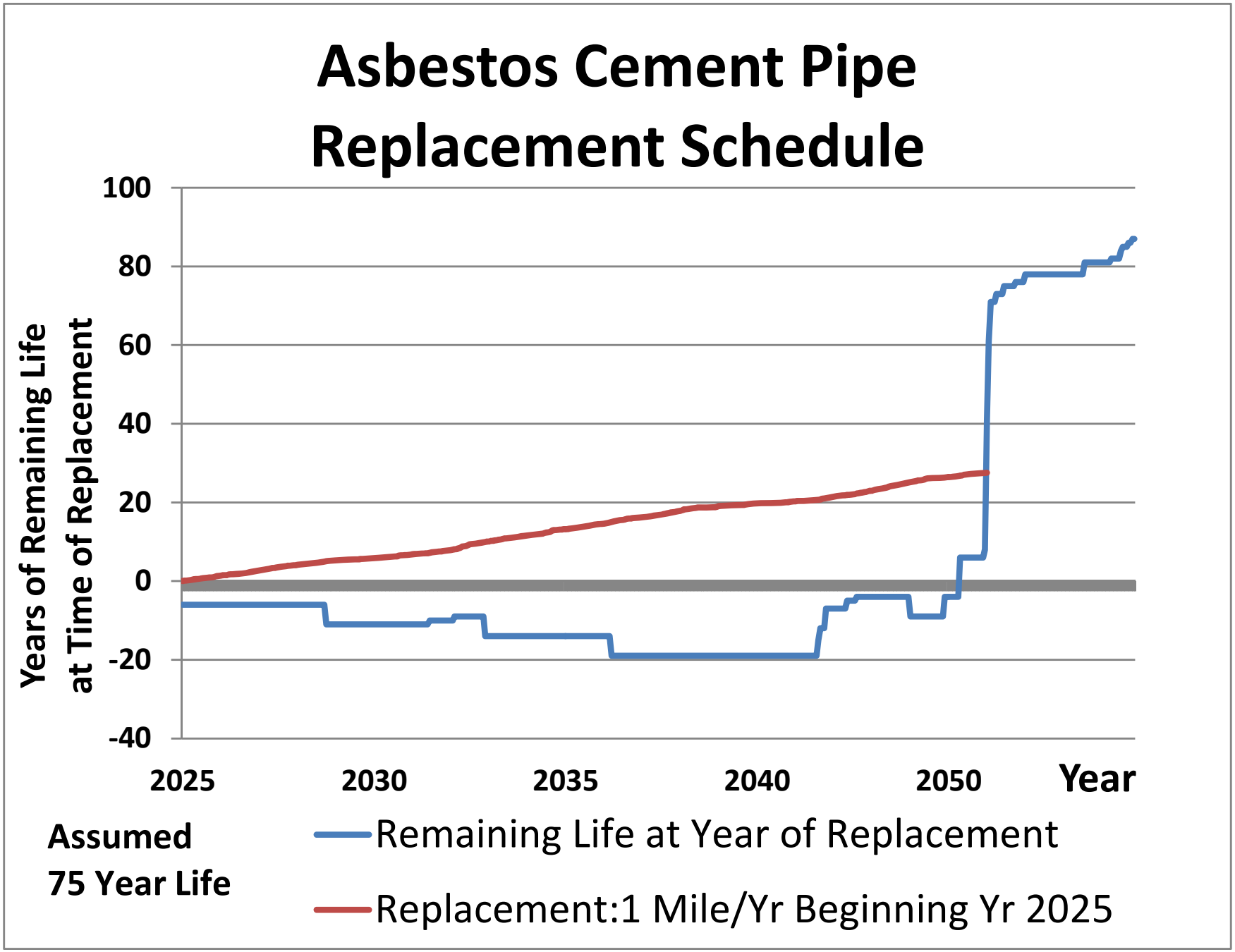
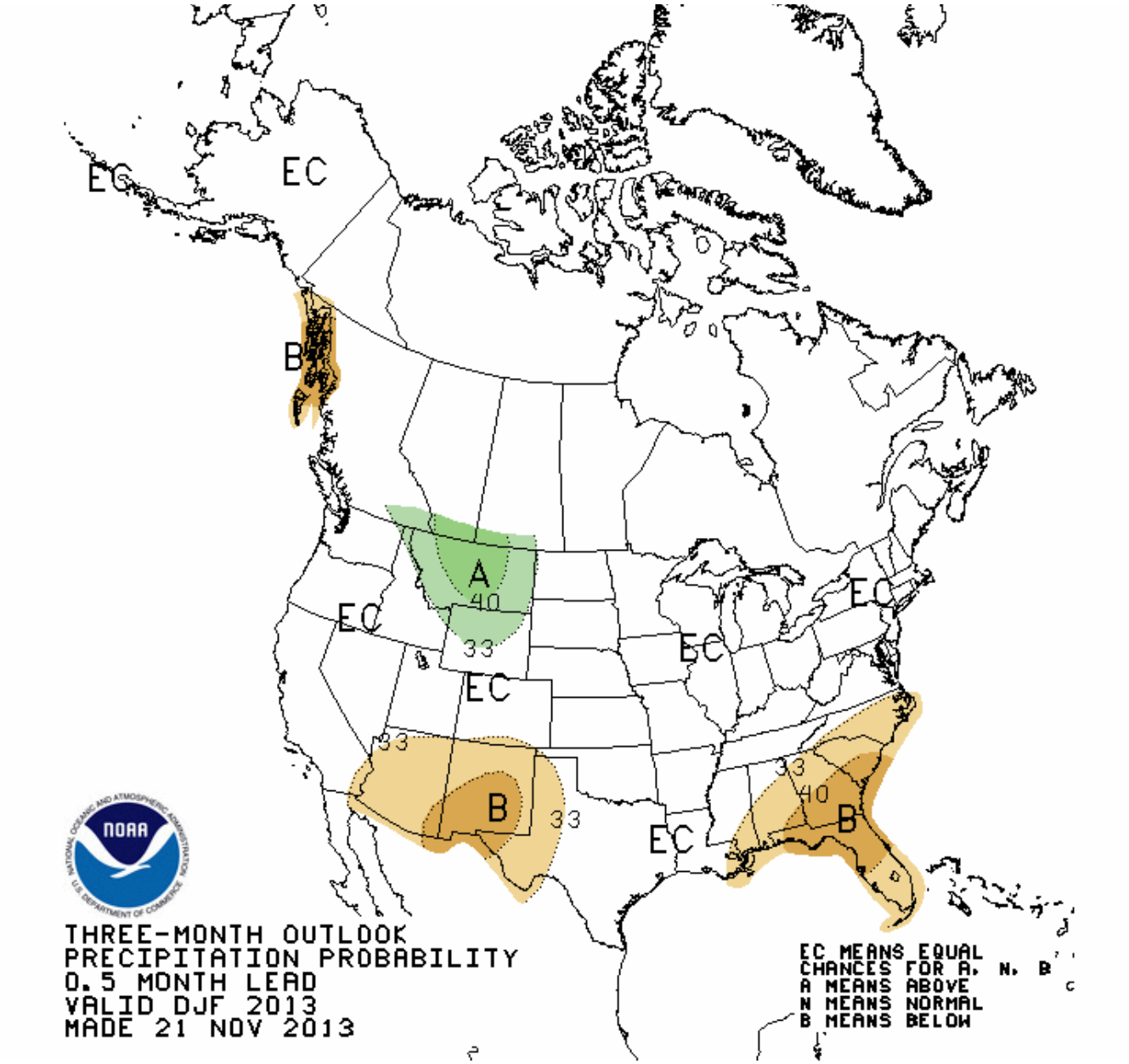
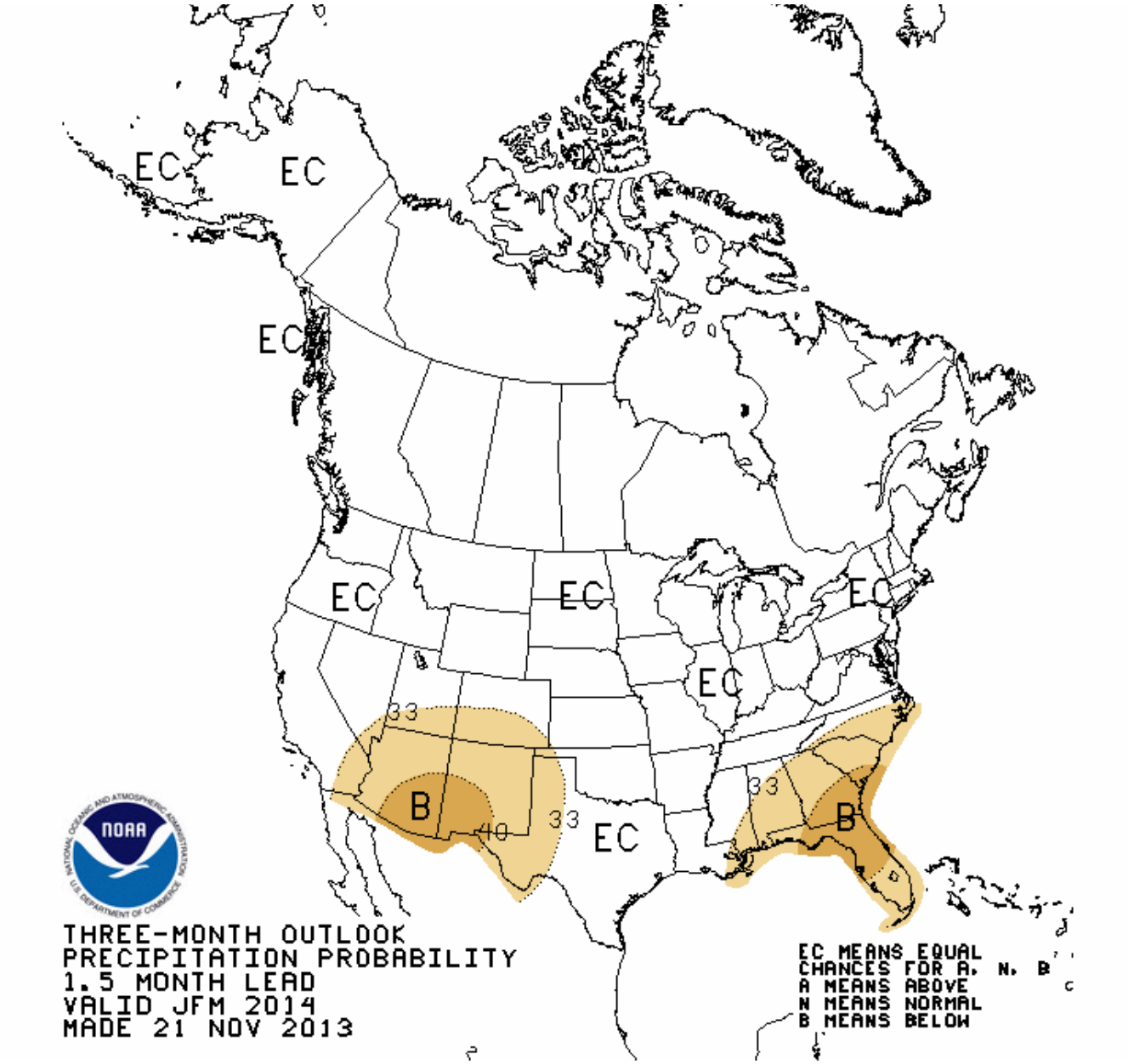

Asbestos Cement Pipe Replacement Schedule
Years of Remaining Life at Time of Replacement
100
80
60
40
20
0
-20
-40
2025
2030
2035
2040
2050
Year
Assumed 75 Year Life
Remaining Life at Year of Replacement
Replacement:1 Mile/Yr Beginning Yr 2025


EC
EC
B
A
40
33
EC
EC
EC
33
B
33
EC
33
40
B
THREE-MONTH OUTLOOK
PRECIPITATION PROBABILITY
0.5 MONTH LEAD
VALID DJF 2013
MADE 21 NOV 2013
EC MEANS EQUAL
CHANCES FOR A, N, B
A MEANS ABOVE
N MEANS NORMAL
B MEANS BELOW


EC
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EC
33
B
THREE-MONTH OUTLOOK
PRECIPITATION PROBABILITY
1.5 MONTH LEAD
VALID JFM 2014
MADE 21 NOV 2013
EC MEANS EQUAL
CHANCES FOR A, N, B
A MEANS ABOVE
N MEANS NORMAL
B MEANS BELOW