

VENTURA RIVER COUNTY WATER DISTRICT
REGULAR MEETING HELD JUNE 8, 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 June 8, 2005.

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

There were present Directors Jack Curtis, Marvin Hanson, and Tom Jamison. Ed Lee and Eddie Ramseyer were absent. Also present were the District's Counsel Lindsay Nielson and, General Manager Matthew Bryant and, recording secretary/Office Manager Janet Schaefer. Members of the public present were Mr. George Galgas of 523 E. Katherine Avenue, and representing Mr. Rudolph Saldamando of 2320 Sumac Drive were Mr. Norm Davis, and Mr. John Diegus. Representing himself was Mr. John Cookson of 2493 Valley Meadow Drive.

T. Jamison moved for approval of the minutes of the Regular Board meeting held May 11, 2005 seconded by J. Curtis and carried.

T. Jamison moved for approval of the financial statements for April 2005, and the disbursements for May 2005. Accounts Payable check numbers 7160 - 7207, Trust check numbers 2458 - 2459, and Payroll check numbers 3738 - 3754 totaling \$101,873.76 seconded by J. Curtis and carried.

President Hanson opened the public hearing for the proposed rate increase at 5:31 o'clock p.m.

The proposed Personnel package for the fiscal year ending June 30, 2006 was discussed. Previously the committee had recommended a 4% cost of living increase to the salary schedule with no merit increases and no change in benefits. Staff reminded the Board that the two newest employees should be exempted from the merit wage freeze. One employee is still on probation and has received no merit increase to date and the other employee is on the low end of the scale and has only received one merit increase to date. J. Curtis moved approval of the Personnel package as presented by Staff to include merit increases for the two newest employees, seconded by T. Jamison and carried.

The proposed budget for the fiscal year ending June 30, 2006 was discussed. Action on this item was put off until the end of the meeting and close of the public hearing for the rate increase since the proposed rate increase was built into the proposed budget.

J. Curtis moved approval of Resolution 2005-201 to consolidate the District election with the general election to be held November 8, 2005. Seconded by T. Jamison and carried by a roll call vote.

RESOLUTION NO. 2005-201

RECEIVED

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MAY 10 2005

VENTURA RIVER COUNTY WATER DISTRICT

V.R.C.W.D.

REQUESTING THAT THEIR GENERAL DISTRICT ELECTION TO BE HELD ON NOVEMBER 8, 2005, BE CONSOLIDATED WITH OTHER ELECTIONS CALLED TO BE HELD ON THE SAME DAY AND IN THE SAME TERRITORY

WHEREAS, an election shall be conducted for the Ventura River County Water District pursuant to the Uniform District Election Law commencing with Section 10500 of the Elections Code on November 8, 2005, for the purpose of electing Directors; and

WHEREAS, the Board of Directors wishes the Elections Division of the Office of the County Clerk to conduct said election; and

WHEREAS, pursuant to Section 10400 et seq. of the Elections Code, said election may be consolidated with other elections to be held on the same day; and

WHEREAS, the Board of Directors desires to request that this District's General District Election be consolidated with any other election which may be held on the same date and involving the same territory.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS as follows:

THAT the General District Election of this District is to be held on November 8, 2005, and consolidated with any other elections held on the same date and involving all or a portion of the territory of the District pursuant to Section 10400 et seq. of the Elections Code; and further

THAT, pursuant to Elections Code Section 10002, the District shall reimburse the County in full for the services performed upon presentation of a bill to the District.

PASSED, APPROVED AND ADOPTED this 8th day of June, 2005.

ATTEST:

Marvin L. Hanson
(Title)

Marvin L. Hanson, President

Matthew L. Bryant
(Secretary)

Matthew L. Bryant, Secty/GM
(SEAL)

AYES: Curtis, Hanson, Jamison

NOES: None

ABSENT: Lee, Ramseyer

OSN.RESOLUTION.DISTRICT

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VENTURA RIVER COUNTY WATER DISTRICT TO APPROVE MODIFICATIONS TO THE VRCWD BY-LAWS.

WHEREAS, Ventura River County Water District last evaluated the District By-Laws on; and

WHEREAS, Section 3: Qualifications and Elections should be modified to clarify that the cost of elections shall be assumed by the district except candidate statements shall be assumed by the candidate; and

NOW THEREFORE, be it resolved, that the Board of Directors of Ventura River County Water District modifies the Districts By-Laws as follows:

Section 3: QUALIFICATIONS AND ELECTIONS:

Any bona fide resident of Ventura River County Water District may be elected as a Director. In the event the number of qualified candidates running is equal to the vacancy to be filled, no election will be necessary as the candidates shall be appointed by the Ventura County Board of Supervisors, it will be necessary for an election to be conducted by the District to determine the Director to be so elected. **The cost of said election shall be assumed by the Ventura River County Water District except the candidate statement, which shall be assumed by the candidate.**


PASSED, APPROVED AND ADOPTED this 8th day of June 2005.

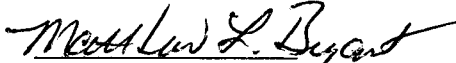
AYES: HANSON, CURTIS, JAMISON

NOES: NONE

ABSENT: LEE, RAMSEYER

Attest:


Marvin Hanson, President


Matthew L Bryant, Secretary

New water service applications for a main line extension to serve the properties at 11864, 11868, 11878 and, 11880 North Ventura Avenue were discussed. Staff met with the homeowners in the area and discussed the path for the project and associated costs and easement requirements. Staff received verbal agreement for easements. T. Jamison moved approval of the main line extension pending receipt of written confirmation of the easement grant and receipt of an application from the homeowner at 11868 N Ventura Avenue, seconded by J. Curtis and carried.

Mr. John Diegus addressed the Board regarding the proposed drain for surface water run-off in the area of the main pipeline at Valley Meadow. After review of the proposed plan and much discussion on the project's affect on the District's main line the Board indicated that the District has no objection to the project and will cooperate with the proposal.

M. Bryant reported on water production and use. The aquifer level in Well #2 on June 1, 2005 was 12.2' to water. M. Bryant reported on the status of Well rehabilitation. Well #1 is back in service and producing 1110 gpm, Well #2 is producing 1070 gpm, and Well #3 is producing 488 gpm. Well #5 is off-line due to the need for electrical work to tie in the new Chlorinator.

Increased use in the Burnham Road area was discussed. M. Bryant stated that Forest Home Ministries has turned on their irrigation line since restrictions on use have been lifted. Staff went on to speak of frustrations caused by the Forest Home operations that have impacted VRCWD's system. One of the conditions for service to Forest Home on the Will Serve letter was that the fire line had to be looped within a specified time line that was not met. When Forest Home did attempt to loop the line VRCWD was not notified. Forest Home attempted to shut down the fire line on a Saturday and used the District's valve without authorization or notice to VRCWD. Field Supervisor Russell Klassen was called out when they were unable to get the valve shut down. Mr. Klassen reiterated that only District personnel are authorized to operate District facilities and that the impact of their actions could cause shut down of the entire river bottom system. Mr. Klassen operated the valve so Forest Home could loop the upper and lower fire lines. Installation of the loop was installed improperly and the fire line failed and took the VRCWD service line with it causing shut down of the line for repair. Staff has told the management at Forest Home more than once that any activities on the fire line impacts VRCWD. Staff has requested a courtesy call to the District prior to work on that line. Additionally, when the loop of the fire line was installed Forest Home's lack of cooperation and failed installation caused a rapid water loss that resulted in brown water calls from other customers. After much discussion Staff was instructed to write a letter to the Director Jeff Phillippe outlining the above problems and stating that persistent violation of District policy will result in termination of service.

J. Schaefer reported that Staff is shopping for a new billing program to replace the current custom written program due to problems finding a programmer to support it. Staff has reviewed different "out-of-the box" programs and found Continental Utility Solutions Inc. has a program that looks promising. Staff has set-up a demonstration by the vendor for later this week. Budget for the fiscal year ending June 30, 2006 contains funds to maintain the current billing system in the Other Equipment Maintenance account. Staff may come back to the Board to request transfer of those funds to the Capital Improvement account Office Equipment to enable Staff to purchase a new program rather than spend the money to support the old program. Staff anticipates that the initial cost of the new program will not exceed the amount budgeted to maintain the old program.

J. Schaefer reported that the Association of Water Agencies of Ventura County will hold its monthly breakfast on Thursday June 16, 2005. J. Curtis and M. Hanson will attend.

M. Bryant reported that Meiner's Oaks County Water District has hired a new General Manager who will start on Monday June 13, 2005.

M. Bryant reported that State Compensation Insurance Fund has sent notice that premiums will be reduced by 3.8% next year.

T. Jamison moved to closed the public hearing and to approve the proposed budget for the year ending June 30, 2006 that includes a 7% rate increase at 6:56 o'clock p.m. Mr. Galgas requested to be heard and asked if a 30 day notice was given for the rate increase. Counsel responded that the rate increase was discussed at the May 11th Board meeting. Staff responded that a public notice was published on May 27th, June 1st, and June 8th, and was posted on the District's notice board and on the office building. The meeting was stopped for 5 minutes to allow Staff to look for the legal requirement to furnish Mr. Galgas. At 7:02 o'clock p.m. Staff told Mr. Galgas that the legal requirement would be furnished to him. J. Curtis seconded the motion to close the public hearing and approve the proposed budget and rate increase and the motion carried.

**VENTURA RIVER COUNTY WATER DISTRICT
FISCAL YEAR BUDGET
2005 - 2006**

FINAL BUDGET APPROVED JUNE 8, 2005

ACCOUNT NUMBER	ACCOUNT NAME	BUDGET 2005 - 2006
61000000	PROPERTY TAX SECURED	\$0
61500000	PROPERTY TAX UNSECURED	\$0
62000000	PROPERTY TAX PRIOR	\$0
62500000	INTEREST	\$3,000
63500000	H/O PROPERTY TAX RELIEF	\$0
64000000	CAPITAL IMPROVEMENT CHARGES	\$2,300
64500000	WATER SALES	\$978,000
64500001	PURCHASED WATER BURCHARGE	\$0
64800001	RE-CONNECT FEES	\$700
64900000	SERVICE INSTALLATIONS	\$1,000
64900004	ANNEDIATION FEES	\$0
65000000	OTHER REVENUE	\$0
TOTAL INCOME		\$987,000

ACCOUNT NUMBER	OPERATING EXPENSE	BUDGET 2005 - 2006
70000000	SALARIES	\$297,000
71000000	EXTRA HELP	\$0
71500000	FICA	\$25,000
71750000	PERS	\$35,000
72000000	GROUP INSURANCE	\$50,000
72500000	STATE UNEMPLOYMENT INSURANCE	\$4,000
73000000	TELEPHONE & COMMUNICATIONS	\$9,200
74000000	LIABILITY INSURANCE	\$42,500
74500000	WORKERS COMPENSATION INSUR.	\$22,000
74700000	FUEL OIL/FIRES	\$11,000
75000000	AUTO EQUIPMENT MAINTANANCE	\$4,000
75500000	OTHER EQUIPMENT MAINTANANCE	\$36,000
76000000	MEMBERSHIP/DUES/SUBSCRIPTIONS	\$5,000
77000000	OFFICE SUPPLIES	\$10,000
77500000	JANITORIAL	\$3,000
77700000	OPERATING SUPPLIES	\$54,000
77750000	1" MAN REPAIR VALLEY MEADOW	\$20,000
78000000	POSTAGE	\$14,000
78500000	BOARD MEMBER FEES	\$0
79000000	LEGAL EXPENSE	\$25,000
79000001	INTEREST HIBBERD NOTE	\$2,500
80000000	ENGINEER/PROFESSIONAL SERVICE	\$25,000
80200000	CONTRACT LABOR	\$45,000
80300000	METER REPLACEMENT	\$5,000
80400000	SECURITY	\$1,000
80500000	PUBLIC/LEGAL NOTICES	\$4,000
81000000	ELECTION SUPPLIES	\$1,000
82000000	WATER PURCHASES	\$80,000
83000000	DIRECTORS TRAVEL EXPENSE	\$0
83500000	PUBLIC RELATIONS/SEMINARS	\$3,000
84000000	UTILITIES	\$85,000
84100000	EQUIPMENT RENTAL	\$500
84200000	COLLECTION	\$200
84300000	LAFCO FEES	\$2,000
84400000	MISC. EXP./TAXLIC./BANK CHARGES	\$1,500
84500000	LOSS ON ASSET DISPOSAL	\$0
84600000	STEELHEAD HCP PLAN	\$2,000
85000000	DEPRECIATION	\$0
TOTAL EXPENSE		\$980,400
OPERATING PROFIT		\$6,600

ACCOUNT NUMBER	FIXED ASSETS	BUDGET 2005 - 2006
91000000	STRUCTURES & IMPROVEMENTS	\$22,000
91500000	WATER SYSTEM IMPROVEMENTS	\$260,000
92000000	AUTO EQUIPMENT	\$5,000
93000000	SHOP/MAINTANANCE EQUIPMENT	\$3,500
93200000	OFFICE EQUIPMENT	\$8,000
93500000	GAIN OR LOSS ON ASSET DISPOSAL	\$0
INVESTMENT IN FIXED ASSET		\$299,500
TOTAL NET INCOME		(\$292,800)
HIBBERD NOTE		\$20,000
93500000	APPROPRIATION CONTINGENCY FUND	\$300,000

VENTURA RIVER COUNTY WATER DISTRICT
FIVE YEAR PROJECT PLAN

APPROVED JUNE 8, 2005

Fiscal Year beginning July 1 ending June 30	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010
WATER SYSTEM IMPROVEMENTS					
HYDRANT REPLACEMENT	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
Replace 210,000 gal Tank at Baldwin Yard	\$220,000	\$500,000	\$100,000	\$260,000	\$60,000
Addition of Encino Pressure Reducing Station	\$26,000	\$70,000	\$50,000	\$500,000	\$250,000
Upgrade of SCADA Software	\$3,000	\$15,000	\$60,000		\$10,000
SHOP MAINTAINANCE EQUIPMENT					
Replace Welder / Generator	\$3,500				
STRUCTURES & IMPROVEMENTS					
NEW SHOP STRUCTURE	\$22,000				
OFFICE EQUIPMENT					
Replace Hewlett Packard Laser Printer	\$3,000				
MANDATORY Accounting Program Upgrade	\$6,000				
AUTO/EQUIPMENT REPLACEMENT					
Trailer to haul Electric Car for Meter Reading	\$5,000				
TOTALS	\$298,500	\$696,000	\$211,000	\$771,000	\$331,000

FUTURE PROJECTS

Replace 12" Valley Meadow to Encino	\$500,000	A
Loop Encino line across to Catalina or Barbara.	\$70,000	B
Casitas Springs Vault replacement	\$15,000	C
Loop Skyline to Saddle Mt entrance Encino to Alto Dr.	\$100,000	D
Replace Service Saddles Barbara St Tract	\$50,000	E
Install master meters to improve leak detection.	\$50,000	F
Explore New Water Source / Drill Well	\$250,000	G
Pipeline replacement on Valley Meadow.	\$50,000	H
Increase size of 6" line between Villanova & Hiway 33.	\$50,000	I
Pipeline & hydrant replacement- Feliz, Howard, Brandt, & Monterey.	\$250,000	J
Install hard connection to Southern California Water.	\$10,000	K
Install hard connection to Melrose Oaks CWD.	\$5,000	L
Pipeline replacement Ojai Terrace Tract (Book 10)	\$200,000	M
Replace or sleeve 12" main from the Baldwin Yard.	\$100,000	N
Pipeline & Hydrant replacement on Barbara St Tract.	\$200,000	O
Pipeline & Hydrant replacement Monte Via	\$100,000	P

The meeting was adjourned to executive session at 7:04 o'clock p.m. to discuss potential litigation.

The meeting reconvened at 7:24 o'clock p.m. President Hanson stated for the record that potential litigation was discussed and no action was taken.

There being no further business to come before this meeting on motion duly seconded the meeting was adjourned at 7:25 o'clock p.m.

Attested to:

Marvin L. Hanson
Marvin Hanson, President


Eddie P. Ramseyer, Vice President