

VENTURA RIVER COUNTY WATER DISTRICT
REGULAR MEETING HELD NOVEMBER 13, 2013

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 November 13, 2013.

Directors present were J. Curtis, M. Hanson, T. Jamison, B. Kuebler, and E. Lee. Also present were General Manager/Board Secretary Bert Rapp, and Counsel Lindsay Nielson. Public present was Mr. David Marion of Smith Marion, Inc. and George Galgas.

1. CALL MEETING TO ORDER – President M. Hanson called the meeting to order at 5:30 o'clock p m.
2. PLEDGE OF ALLEGIANCE – Led by E. Lee.
3. CONSENT AGENDA – A. MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 11, 2013.
B. FINANCIAL EXPENDITURES FOR SEPTEMBER 2013 AND FINANCIAL REPORT FOR AUGUST 2013.
T. Jamison moved for approval of the consent agenda, seconded by J. Curtis and carried.
4. PUBLIC COMMENT – None
5. AUDIT REPORT & MANAGEMENT LETTER – Mr. David Marion, CPA presented the audit report for the fiscal year ended June 30, 2013 and noted the changes from the previous year and no reportable conditions. The major changes to the District finances were an increase in the Total Cash from \$1,200,799 to \$1,468,405 and a significant increase in outside water purchases from \$67,719 to \$208,115 due to the drought. B. Kuebler noted that page two of the Management's Discussion and Analysis needs a revision to change "total liabilities decreased" to "total liabilities increased." Mr. Marion answered various questions that the Board had about the audit report and noted that there were no Reportable Conditions and only one minor Audit Adjustment indicating that the audit showed VRCWD staff is doing a good job on the accounting of the District. T. Jamison moved approval of Resolution 282, seconded by E. Lee, approved 5-0.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VENTURA RIVER COUNTY WATER DISTRICT
409 OLD BALDWIN RD, OJAI CA 93023
805-646-3403**


RESOLUTION # 2013 - 282

**RESOLUTION TO ACCEPT THE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

The Board of Directors of Ventura River County Water District hereby resolve to accept the District's audit report for the year ended June 30, 2013, as prepared by Smith Marion & Company, LLP.

PASSED, APPROVED AND ADOPTED this 13th day of November 2013.

AYES: Curtis, Hanson, Jamison, Kuebler, Lee
NOES: None
ABSENT: None


Marvin Hanson, President

Attest:

Jack Curtis, Treasurer

J. Curtis moved approval of Resolution 283, seconded by E. Lee, B. Kuebler noted that approval included the revision of the word "decreased" to "increased" as noted above. Approved 5-0.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VENTURA RIVER COUNTY WATER DISTRICT
409 OLD BALDWIN RD, OJAI CA 93023
805-646-3403**

RESOLUTION # 2013 - 283


**RESOLUTION TO ACCEPT THE MANAGEMENT LETTER
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

The Board of Directors of Ventura River County Water District hereby resolve to accept the District's Management Letter for the year ended June 30, 2013, as prepared by Smith Marion & Company LLP.

PASSED, APPROVED AND ADOPTED this 13th day of November 2013.

AYES: Curtis, Hanson, Jamison, Kuebler, Lee
 NOES: None
 ABSENT: None


 Marvin Hanson, President

Attest:

 Jack Curtis, Treasurer

6. ELECTRONIC BILL PAY OPTIONS – Jason Stinnett with CUSI joined the meeting by conference call and described the CUSI electronic Bill pay system so customers can receive and pay electronic water bills automatically and have them instantly logged into the District's billing program. J. Curtis requested that Mr. Stinnett provide water district references to B. Rapp to contact to determine satisfaction with the program. E. Lee expressed concern about having the customers who will not use the electronic billing system have to pay the \$4,000 cost to initiate the system. The Board directed B. Rapp to bring this item back at the December meeting after reviewing the references.
7. AWARD TANK PAINTING CONTRACT – B. Rapp reported that only one bid was received, it was from Superior Tank Solutions, Inc. and it was a reasonable amount. Because the price to paint each tank was the same whether 3, 4 or 5 tanks were painted the recommendation was to paint only the two Alto tanks and the Baldwin North tank. E. Lee moved for the recommended action to award the Tank Painting 2013 contract to Superior Tank Solutions in the amount of \$105,301 and authorize the General Manager change order authority to a combined total of \$15,000. Seconded by T. Jamison and carried 5-0.
8. ALTO CELL TOWER AUTHORIZATION TO NEGOTIATE LEASE – B. Rapp explained that cell companies would be able to limit their access to the tank site by creating a separate fenced area for their equipment pad and when they do need access to the tank site they would be required to schedule an appointment and pay overtime for afterhours callouts. E. Lee expressed concern about the aesthetic appearance of the cell tower. J. Curtis expressed concern about the structural impact on the tanks. B Rapp noted that the District may reserve the aesthetic approval rights and may require structural review prior to installation. T. Jamison moved to proceed with negotiations of the agreement. Seconded by B. Kuebler. Yes: J. Curtis, M. Hanson, T. Jamison, and B. Kuebler. Abstention: E. Lee. M. Hanson, Board President appointed B. Kuebler and T. Jamison to serve on the agreement negotiating committee.
9. BUDGET TRANSFER #3 – J. Curtis moved approval, of Budget Transfer #3 From 93500000 Operating Contingency \$5,000, To: 79000000 Legal Expense \$2,000 and 84300000 LAFCO Fees \$3,000, seconded by T. Jamison. Ayes: J. Curtis, T. Jamison, M. Hanson, E. Lee, and B. Kuebler.
10. TEN YEAR FINANCIAL PLAN & CAPITAL IMPROVEMENT PROGRAM - B. Rapp asked for historical background on a proposed 12-inch pipe under Hwy 33 at Encino. J. Curtis indicated the purpose might be to serve empty lots and eliminate the 195 psi pipeline in Encino. B. Rapp reported that from July 8th to November 12th the enhanced Well #1 had saved the customers \$56,000 in Casitas water purchases. The enhancement cost \$61,500. A workshop was scheduled for Monday, November 25, 2013 at 9:00 a.m. to review the 10 year plan and CIP.
11. ELECTION YEAR CYCLE, BOARD MEETING TIME & DIRECTOR TRAINING – B. Rapp reported that the District could save up to \$14,000 per election if the election year was changed from odd years to even years. The process is to adopt a Resolution requesting the change and submit it to the County Board of Supervisors for approval. The terms of incumbents would be extended one year. If it is approved, the District would be responsible for the cost of mailing a postcard to all the residents in the District notifying them of the change. T. Jamison moved that the resolution be prepared and brought back to the Board at the December meeting. Seconded by J. Curtis and carried.

With regard to a 3:00 p.m. regular meeting time B. Rapp explained that moving the meeting time to 3:00 would save the District about \$1,600 in overtime annually and if meeting subjects were likely attract significant public input those meeting could be scheduled later in the evening. J. Curtis expressed concern that the 3:00 time would exclude customer participation. T. Jamison moved to change the regular meeting time from 5:30 p.m. to 3:00 p.m. to take effect in January 2014 and to put a notice on the December water bill. Seconded by E. Lee. Ayes: T. Jamison, M. Hanson, E. Lee, and Bruce Kuebler. No's: J. Curtis.

B. Rapp reported that the District had been awarded a \$650 scholarship from the Special Districts Scholarship Foundation for Director B. Kuebler to attend the Leadership Academy for new Directors. B. Kuebler has offered to pay for his travel and lodging so there will be no cost to the District for B. Kuebler to attend the training.

12. REPORT ON WELLS AND WATER – B. Rapp reported on wells, production, and usage. The static aquifer level at Well #2 on November 1, 2013 was 82.5 feet below the surface. The level has dropped 6.3 feet since the first of last month, and is 29.2 feet below the 25 year average for November. District wells cannot meet customer demand requiring the purchase of supplemental water since October 4, 2012. The Purchased Water Surcharge on the October 31, 2013 billing was 45 cents per unit. Wells #2 and #4 have been shut down due to lack of production from low groundwater levels. Well #1 is producing 790 GPM (Gallons Per Minute) down 25 GPM from last month. Well #3 is pumping 152 GPM, down 43 GPM from last month. Total well production is 942 GPM down about 68 GPM from last month. Ground water levels are currently 2-feet above the record low of 1990. Water use for FYE 2013 remained low despite two years of drought. Nitrate levels in Well #3 are 39 mg/L and the blended water leaving the Baldwin site has a level of 20 mg/L. Monthly testing of nitrates is being performed on Well #1, #3 and the Baldwin tanks for the mixed water.

13. At 7:53 p.m. the meeting was adjourned to executive session to discuss on-going litigation, Klassen vs. VRCWD. The meeting reconvened at 8:02 p.m. no decisions were made.

14. ATTORNEY’S REPORTS – None.

15. OLD BUSINESS & NEW BUSINESS – B. Rapp reported that there will be an AWA Waterwise Breakfast on November 21, 2013, the subject is the water year status by the three major water districts. B. Rapp, L. Nielson, J. Curtis and B. Kuebler will attend.

11. MEETING ADJOURNMENT - On motion duly seconded at 8:06 o'clock p.m. the meeting was adjourned.

Attested:

Marvin L Hanson
 Marvin Hanson, President

Thomas Jamison
 Thomas Jamison, Vice President