## VENTURA RIVER WATER DISTRICT MINUTES OF REGULAR MEETING OCTOBER 14, 2015

Pursuant to due and official notice, a regular meeting of the Board of Directors of the Ventura River Water District was held at 409 Old Baldwin Road, Ojai, California.

Directors present were, E. Lee, B. Kuebler, M. Hanson and T. Jamison. J. Curtis was absent. Also present were, General Manager/Board Secretary Bert Rapp and temporary accounting assistant Don Good. Public present was Mr. George Galgas.

- 1. CALL MEETING TO ORDER Board Vice President E. Lee called the meeting to order at 3:00 P.M.
- 2. PLEDGE OF ALLEGIANCE Led by D. Good.
- 3. CONSENT AGENDA:
  - A. Financial expenditures for September 2015
  - B. Minutes for regular meeting September 9, 2015

On item #8 of the September 9<sup>th</sup> minutes Well #7 was changed to Well #1. T. Jamison moved for approval, seconded by M. Hanson. Motion carried 3-0 with B. Kuebler abstaining.

- 4. PUBLIC COMMENT None
- 5. VACATION OF EASEMENT BURNHAM RD @ ROCKAWAY B. Rapp reported that all of the property owners were notified of the vacation & no responses were received. Legal Counsel Lindsay Nielsen would like the legal description added to the Quit Claim. T. Jamison moved to have the Board President and General Manager sign and record the Quit Claim Deed after the legal description is added. Seconded by B. Kuebler. Item carried 4-0.
- 6. PURCHASE OF INTEGRATED BILLING AND ACCOUNTING PROGRAM D. Good presented the advantages of having an integrated billing and accounting program. The program is expected to save about 12 hours per month, reduce accounting overtime and reduce the potential for errors. T. Jamison asked how long it will take to train personnel on the program. D. Good indicated that this is a relatively simple program and training will only require 2 to 3 weeks. B. Kuebler moved to approve Budget Transfer #2 from Operating Reserves in the amount of \$29,000 to Account #9320000, Office Equipment, and Authorize the Board President to sign the agreement for the purchase of the CBSW/CYMA integrated financial program. Seconded by M. Hanson. Motion carried 4-0.
- 7. WATER RATE ANALYSIS SCHEDULE (CAPISTRANO CASE) B. Rapp explained that the proposition 218 update of the AWWA M1 Manual for rate analysis will be delayed until September 2016 and that it is recommended to move forward with a cost of service analysis of the water rates without the updated manual. The approach will be to report back to the Board each month on the progress of the analysis and decision points along the way, with the objective of having a revised rate ready for Board approval in January 2016. M. Hanson stated that the rate analysis needed to account for the additional wear and tear on equipment caused by higher water usage customers. The General Manager will perform the analysis with no action needed by the Board at this time.
- 8. CASITAS RESALE VERSES RETAIL RATE COMPARISON B. Rapp provided an analysis showing that total cost of water from Casitas for "retail" is \$2.59 per unit and "wholesale" is \$1.64 and this appears to be reasonable. The cost of Casitas water at first glance seems out of balance because the tier #1 rate is \$0.88 per unit while the wholesale rate is \$1.49. When the base rate revenues are accounted for, the costs appear to be reasonable. No action was taken on this item.
- 9. GROUND WATER SUSTAINABILITY AGENCY UPDATE KUEBLER & LEE B. Kuebler discussed two issues related to the future Groundwater Sustainability Agency: alternate representatives; and weighted voting. B. Kuebler noted that the Formation Committee had voted to not have alternates but that Meiners Oaks Water District would like to discuss the issue again. The down side of an alternate is that they may not have been attending meetings or not participating as much and may provide different direction than the regular member. The lack of continuity may

reduce the quality of decision making. T. Jamison commented that it is important to have someone to carry the Board's vote to the meeting. E. Lee expressed concern that if the regular member was out for an extended period the District would not have a voice. B. Rapp suggested that the rules allow an agency to immediately appoint a representative in such a case. B. Kuebler indicated his preference would be that the alternate issue be discretionary, left up to the individual agency. M. Hanson believes it is important to have an alternate to have a backup person.

The other issue is whether or not to have weighted voting. B. Kuebler noted that Ventura uses 4,000 to 5,000 AF/year, VRWD uses 1,200 and Meiners Oaks uses about 1,000 so the water agencies have the greatest interest and pay the most, compared to the four other representatives, so the water agencies should have a proportional say in what is being decided. One way to do it is to have weighted voting based upon the quantity of water pumped, or number of people served water or size of your budget. The other approach is to have a set up like the U.N. Security Council where the group of three water agencies, for a key decision like a cutback in pumping, have to have a majority of the three water agencies agree or the item dies. M. Hanson indicated that some type of weighted vote is the way to go.

- 10. CLAIM: JESSE SMALL VIBRATION DAMAGE DUE TO WELL DRILLING B. Rapp reported that this is a second claim from Jesse Small. The first claim was for vibrations related to the cleaning of Well #1. This claim is related to the vibrations associated with drilling three monitoring wells. The District had vibration & sound monitoring conducted during the drilling and found no significant sound or vibrations. T. Jamison moved to reject the claim. M. Hanson seconded the motion. Motion carried 4-0.
- 11. BUDGET TRANSFERS FOR FY 2014/15- B. Rapp indicated that the three proposed budget adjustments will close out the 2014/15 fiscal year. The Group Insurance overage was covered by special payments made by a former employee, the Auto Equipment maintenance overage was for air conditioning on the jeep and Legal Expense was for the cross compliant associated with the Santa Barbara Channel Keeper lawsuit. T. Jamison moved for approval of Budget Transfer #4. Seconded by B. Kuebler. Motion carried 4-0.
- 12. PURCHASE OF SUPPLEMENTAL FLOOD INSURANCE B. Rapp reported that the cost for flood insurance for the facilities at 409 Old Baldwin Road that are in Flood Zone X is \$821 and to obtain a cost for the facilities in Flood Zone AE, elevation certificates must be obtained first at a cost of about \$2,000. E. Lee indicated that the insurance would only replace the current value of the structures not provide replacement value and the policy could be purchased for only this year. No action was taken on this item.
- 13. GENERAL MANAGERS REPORT ON WELLS, WATER STATUS Well #2 was 80.7 feet below the ground surface on October 1, 2015. Well #1 is producing 670 gpm and is the only well pumping. Conservation was 39% below 2013. Revenues for September were only 1% lower than the budgeted revenues for September.
- 14. OLD & NEW BUSINESS AWA: Delta Oct. 15th, Think Tank Oct 29th B. Kuebler & B. Rapp will attend the two AWA meetings.
- 15. EXECUTIVE SESSION An executive session was be held regarding litigation pursuant to subdivision (b) of Section 54956.9, Government Code, Small vrs. VRWD case # 56-2015-00464077-CU-EI-VTA. No decisions were made.
- MEETING ADJOURNMENT The meeting adjourned at 4:37 P.M. to Wednesday November 4, 2015 at 3:00 P.M.

Attested:

Ed Lee, Vice President

Bruce Kuebler, Treasurer