

**VENTURA RIVER WATER DISTRICT
MINUTES OF REGULAR MEETING FEBRUARY 10, 2016**

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, T. Jamison and J. Curtis. Also present were: Legal Counsel L. Nielsen and General Manager/Board Secretary Bert Rapp. Public present were: Mr. David Marion, Smith Marion & Co. and Mr. George Galgas.

1. CALL MEETING TO ORDER – Board President E. Lee called the meeting to order at 3:00 P.M.

2. PLEDGE OF ALLEGIANCE – Led by M. Hanson.

3. CONSENT AGENDA:

- A. Minutes for regular meeting January 13, 2016
- B. Financial Expenditures for December 2015

B. Kuebler moved for approval with correction of J. Curtis voting "no" on leak relief for 508 Burnham Road and correcting signatures on 1-13-16, 2nd by T. Jamison. Motion carried 5-0,

4. PUBLIC COMMENT – None

5. ANNUAL AUDIT 2014-2015 – Smith Marion & Co. – D. Marion presented the Independent Auditors Report for the fiscal year ended June 30, 2015, reviewing it page by page. Mr. Marion reported that the District financial records are in good condition with no reportable conditions. B. Kuebler noted that the total net position "increased" not "decreased" by \$264,328 and the total net position should be \$3,423,325 not \$3,432,325, this error also needs correcting in Table 1. D. Marion also explained the pension liability of \$535,218 as being an unfunded liability primarily due to the assumptions on the rate of return on investments: GASBY uses 5.5% return and Calpers uses their historic average of 7.1%. B. Rapp stated that Calpers will be slowly increasing the employer's contributions to reduce the apparent liability indicated by GASBY. E. Lee requested that Smith Marion provide a revised audit report correcting the identified errors. J. Curtis moved for approval with the corrections. Seconded by M. Hanson. Carried 5-0.

6. APPROVAL OF RESERVE ALLOCATIONS – B. Rapp indicated that the audit shows that there is an additional \$86,800 from the FY 2014/15 that can be distributed to reserve funds. J. Curtis moved to allocate the funds as follows:

RECOMMEND ALLOCATIONS TO RESERVES				
	Reserve Funds (Committed Funds)	Balance 6-30-2015	Recommended Allocation	Balance Starting 7-1-2015
93500000	Operating Reserves	\$101,464	\$8,536	\$110,000
93600000	Water Sales Fluctuation Reserves	\$0	\$0	\$0
93700000	Capital Improvement Projects Reserves	\$1,249,200	\$53,264	\$1,302,464
93800000	Emergency Reserves	\$550,000	\$25,000	\$575,000
Totals:		\$1,900,664	\$86,800	\$1,987,464

Seconded by M. Hanson, carried 5-0.

7. MID YEAR BUDGET UPDATE – B. Rapp reported that revenues are running slightly above budget but may come in under budget if we have a wet spring. Expenses overall are running under budget with contract labor and equipment rental slightly above budget due to the number of leaks. Overall the fiscal year is projected to finish near budget. No action was taken.

8. GROUNDWATER SUSTAINABILITY AGENCY FORMATION UPDATE – B. Kuebler provided an update on the January 28th stakeholder meeting which had a good turnout and went well. At the February 4th meeting on the Boundary Change, Shirley Birosik with the LARWQCB indicated a concern about the San Antonio Creek area not being included in the basin and indicated that the

LARWQCB may provide written comments, however this area is not included in the current Bulletin 118 boundary.

9. **LEAK RELIEF DRAFT CONCEPT** – B. Rapp presented a draft leak relief concept for including in the next update to the Rules and Regulations. The program would assure that the District's direct costs are covered and provide limitations on eligible leaks so that leak relief is limited to unavoidable leaks as much as practical. After much discussion the General Manager was directed to prepare draft language for consideration with the next Rules and Regulations update.
10. **WATER RATE COST OF SERVICE ANALYSIS STATUS** – B. Rapp reported that the analysis of the "usage per tier" over declining usage years varies more in the higher tiers and would therefore support assessing the Water Sales Fluctuation Reserve cost at a higher rate on the upper tiers. J. Curtis also suggested investigating placing more of the well maintenance on the upper tiers in proportion to their higher usage. The anticipated publication date for a revise rate schedule is April 13th, followed by the 45 day protest period and final adoption on June 9th. B. Kuebler passed out a recent article AWWA Source magazine regarding cost of service water rate analysis. No action was taken on this item.
11. **GENERAL MANAGERS REPORT ON WELLS, WATER STATUS** – Well #2 was 88.6 feet below the ground surface on February 1, 2016. Well #1 is producing 613 gpm and is the only well pumping. Conservation in December was 18% above 2013. Supplemental Casitas water was turned off on January 8th but could be turned back on if more rain does not come soon. Revenues for the year to date are 28% higher than the budgeted revenues however if the next several months are rainy, revenues could come in under budget by the end of the fiscal year.
12. **OLD & NEW BUSINESS** – B. Rapp reported that the County review of the Water Availability report will include a comment that the water service to the Vons Shopping Center is not in compliance with LAFCO requirements because fire flow is provided by the Golden State water system. This will become an issue if any redevelopment is proposed by the shopping center. B. Rapp also provided highlights of the Groundwater Modeling conference held in Davis, CA on February 8 & 9. B. Kuebler did not attend the conference even though approved by the Board to do so, saving about \$1,200. E. Lee asked if staff had operated the generators under load at Parker and Baldwin, B. Rapp confirmed that these tests were conducted and facilities performed satisfactorily.


The Board adjourned to Executive Session at 5:40 P.M.

13. **EXECUTIVE SESSION** – An executive session was held regarding litigation pursuant to subdivision (b) of Section 54956.9, Government Code, Small vrs. VRWD case # 56-2015-00464077-CU-EI-VTA, City of Ventura vrs. VRWD, CPF-14-513875 and a personnel matter pursuant to Government Code Section 54957(b)(1).

The Board came out of Executive Session at 5:45 P.M. No decisions were made.

14. **MEETING ADJOURNMENT** – Meeting adjourned at 5:47 P.M. to Wed. March 9, 2016 at 3:00 P.M.

Attested:


Ed Lee, President


Bruce Kuebler, Vice President