

**VENTURA RIVER WATER DISTRICT
MINUTES OF REGULAR MEETING MARCH 15, 2017**

Directors present were: Bruce Kuebler, Jack Curtis, Peggy Wiles, Ed Lee and Marvin Hanson. Also present were: Attorney Lindsay Nielson, General Manager/Board Secretary Bert Rapp, and Office Manager Amy Joy Bakken. Public present were: Ron Calkins and George Galgas.

1. **CALL MEETING TO ORDER-** President Bruce Kuebler called the meeting to order at 3:00 P.M.
2. **PLEDGE OF ALLEGIANCE** – Bruce Kuebler.

Bruce Kuebler stated that items 6 & 10 of the agenda would be discussed as one item.

3. **CONSENT AGENDA:**
 - A. **MINUTES FEBRUARY 15, 2017**
 - B. **FINANCIAL EXPENDITURES FOR FEBRUARY 2017**
 - C. **FINANCIAL REPORTS FOR JANUARY 2017**

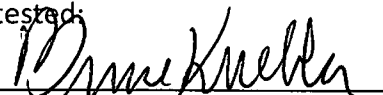
Jack Curtis moved for approval of the Consent Agenda, items A, B, & C, seconded by Marvin Hanson and carried 5-0 for items B & C only. Peggy Wiles abstained on item A – Minutes of February 15, 2017 as she was not present for agenda items 8, 9, 11, and 12. Approval of consent agenda item A approved 4-1. (AYES: Bruce Kuebler, Ed Lee, Marvin Hanson, Jack Curtis. ABSTENTION: Peggy Wiles)


4. **PUBLIC COMMENT** – VRWD customer Ron Calkins made a statement regarding his reasons for attending the meeting. He talked about his background working for the City of Ventura for many years and his experience with water utilities. He believes that VRWD should take advantage of current low interest rates and obtain debt financing for certain capital improvement projects. He stated that he disagrees with the way costs are allocated to cost classes 3 & 4. He also said he believes the VRWD has done a lot on the demand management side but not enough on the supply management side.
5. **APPROVAL OF REVISIONS TO THE 10-YEAR CAPITAL IMPROVEMENT PROGRAM** –Some neighborhoods in the district have been identified as having fire flow below the current standards. Bert Rapp presented maps and gave an explanation of improvements that would be required to increase fire flow. Peggy Wiles asked if the Fire Department is aware of flow deficiencies and encouraged District communication with them. Bert Rapp explained the changes to the Capital Improvement Program. He went on to discuss debt financing and presented a chart of the sensitivity of the water rates to construction inflation rates. Over a ten year period, the trend of construction inflation rates was at about 3%. Ron Calkins complimented Bert Rapp on his report but said that he disagreed with the assessment of inflation and interest rates. Bert Rapp said he will look into alternate solutions to improve fire flow with a scope of work and cost proposals for the Vons, Monte Via/Rio Via and Grapevine neighborhoods. Ed Lee moved to approve the recommended actions of approving the changes to the Capital Improvement Program and completing scope of work and cost proposals to improve fire flow deficiencies, seconded Marvin Hanson, approved 5-0.
6. **APPROVAL OF RATE ADJUSTMENT TO COMPENSATE FOR USAGE REDUCTION & 10. UPDATE RULES AND REGULATIONS – LOWER WATER USE FLUCTUATION RESERVE EFFECTIVE MARCH 15, 2017**– Agenda items 6 & 10 were combined to a single action to implement one overall rate change instead of two. Bert Rapp gave an explanation of the water rate adjustment required to compensate for the reduction in water usage. Usage is 12% below the projected FY 16/17 budget. The water rate adjustment for the decrease in the Water Use Fluctuation Reserve combined with the water rate adjustment for the decline in water usage combines to an overall reduction in water rates for Single Family Residential customers. Bruce Kuebler asked for clarification on how the water rates are calculated. Bert Rapp gave an explanation of how he uses the variables of acre feet of usage and desired revenue to calculate the water rates based on the cost classes determined by

the FY14/15 usage patterns. Bert Rapp also discussed publishing the rate change in the Spring Newsletter. Peggy Wiles commented that the District should promote continued conservation requirements as a prominent part of the newsletter. Ed Lee moved to approve the update to the Rules and Regulations effective 3/15/17 to reflect the combined rate change as stated on the board meeting handout, seconded Peggy Wiles, approved 5-0.

7. **REPORT ON UVR GROUNDWATER AGENCY BY BRUCE KUEBLER**– Bruce Kuebler discussed the two meetings held by the UVR GSA: A resolution was passed to be designated as a Groundwater Sustainability Agency. The attorney is filing the official documents with the DWR, and 90 days after the documents are posted to the website the action will become official. This is expected to be in mid to late June. At the regular meeting of the UVR GSA an ad-hoc committee was created to interface with the CA Water Action Plan. Bert Rapp, Mike Hollebrands and Mary Bergen are working on the budget and plan to present it to the UVR GSA Board at their next meeting on April 13th. Also, a draft of the job description for executive director will be completed at that time. The City of Ventura is going forward with their watershed study with the Bureau of Reclamation. The UVR GSA decided not to participate in the grant application for the study. No action was taken.
8. **AGREEMENT WITH THE OJAI VALLEY GREEN COALITION** – Bert Rapp presented the changes made to the OVGC Grant Agreement since the last board meeting. The VRWD's General Manager will no longer participate in the OVGC Oversight Group, the MOU states no partnership is created between the parties, the OVGC stated their overhead rate to be 15%, and VRWD will be declared as "additionally insured" by OVGC. Ed Lee indicated he was satisfied with the revisions to the agreement. Jack Curtis moved to approve the revised Agreement with the Ojai Valley Green Coalition, Seconded Peggy Wiles, approved 5-0.
9. **VOTE ON LAFCO SPECIAL DISTRICT REPRESENTATIVE**– A 2nd Runoff Election for a LAFCO Special District Alternate Member is being held as neither candidate received a quorum of votes in the first runoff election. The board consensus was to vote for Al Fox.
10. **UPDATE RULES AND REGULATIONS – LOWER WATER USE FLUCTUATION**– (See item 6)
11. **GENERAL MANAGER REPORT ON WELLS, WATER STATUS**– The aquifer is currently 1.3 feet above the 25 year average for March 1 at an elevation of 534. Well #1 is pumping 4-6 hours per day at a rate of 925 GPM up from 235 GPM last month. Only 177 units of water were purchased from Casitas Municipal Water District in February and no Purchased Water Surcharge was imposed. Revenues for February came in under budget. Lake Casitas was at 43.3% as of March 1, 2017 increasing 11.1 feet or 6.6% since last month. No action was taken.
12. **OLD & NEW BUSINESS** –A meeting will be held by Steve Bennett on March 22, 2017 from 10:00 A.M. to noon to discuss connecting to State Water. Office Manager Amy Joy Bakken gave an update on the VRWD mailing campaign encouraging customers to switch to Auto-Pay with the District. Participation increased by 38 customers since the mailing went out. No action was taken.
13. **EXECUTIVE SESSION** – Bruce Kuebler moved the meeting into executive session at 5:00 P.M. No actions were taken after the executive session.
14. **MEETING ADJOURNMENT** – Bruce Kuebler called the meeting adjourned at 5:08 P.M.

Attested:


Bruce Kuebler, President


John Curtis, Vice President