

MINUTES

The meeting was called to order at 6:01 p.m.

1. Roll Call

The meeting was called to order by the Board President James Kentosh at 6:01 pm at the District Office.

Present were: Board President James Kentosh, Board Vice-President Mike Krumpschmidt, Board Directors Larry Harrold, Diana Engle, and Mike Etchart. Staff Present: General Manager Mike Hollebrands and Board Secretary Stacey Gilbert. Attorney Lindsay Nielson was also present.

2. Approval of the minutes

Approval of the September 20th, 2016 Regular Meeting minutes:

Mr. Etchart made the motion to approve the September 20th, 2016 Regular Meeting minutes. Mr. Harrold seconded the motion.

Etchart/Harrold
All Ayes
M/S/C

3. Public Comments

Ms. Elizabeth Anne von Gunten was present.

Mr. Weyrick was present in regards to their project going in at 203 E. El Roblar. It was thought there would be comments concerning this project. There was a municipal advisory council meeting the night prior that brought up a lot of questions about their "Net Zero" requirement and would have been happy to speak with them outside of our meeting to enlighten them of how it works. They were under the impression that we would have public here because it was announced in the advisory council by one of our customers that MOWD would be having their board meeting on Tuesday. Grace Malloy (arrived late) – She serves on the Ojai Valley MAC. Ms. Malloy had heard the report from the Ojai Valley Planning Department about the project at 203 E. El Roblar, and there was quite an outcry from the neighbors of the area. The developer kept referring to a letter he had received from MOWD; that was not in their preparation packet; that stated there was enough water for us and from her understanding, his permit

includes required mitigation measures that would have to be implemented before he could build such as replacing fixtures and things like that so that it's a net zero use of water. However, there were a lot of people there saying while we are all attempting to reduce water use by 30% or more, how can we say there is enough water to be had if the wells are dry. She has a lot of neighbors going to her with that question, and she had no answer, so that is why she is here to get some more information. Mr. Kentosh explained that we as a district had issued them a Will Serve letter back in 1995 which unfortunately had no sunset date on it. Since then Casitas has passed new rules and regulations in 2009 on how they will charge us for the water. Now, when anyone comes to us with a request for a new connection, we have to send them to Casitas to pay the capital improvement fee to them as well as to us. So what he had informed these developers was while yes we gave you the Will Serve letter they also have to go to Casitas and negotiate what they are to pay for the water they presume to use. So we have not said there is more water it is just that they have to go to Casitas to get more water and that we are obligated to give them what we said we would within the capacity of those meters. So what they are doing is this Net Zero idea and going to Meiners Oaks School and doing some upgrade to fixtures there as well as going to Nordhoff High school and Matilija School and taking out some grass and also fixing fixtures. Ms. Malloy asked if that net zero is on the whole 6 ACF or just the 4 ACF that is above their will serve letter. Mr. Hollebrands stated that they have not worked out that whole "net zero 6 ACF we do not have to buy from Casitas." with Casitas yet. He has instructed them that while this net zero idea is all fine and great but before they state they do not need water from Casitas and we are going to move forward with the project, they need to talk to Casitas. The developers stated that they would be going to Casitas to either talk to them tomorrow or within the next week. All we are saying is that if they need anything beyond what their initial work was back in 1995 which was to be retail buildings and we said well here are these meters and these meters will cover that. Well, their new project came in and now they are saying they need more. So then if they need more then they need to go to Casitas and get more water because we can only offer you "this" amount under those current will serve letters. They really are trying to make an effort to do the right thing by saving as much as they can with the net zero concepts with catching the water in underground tanks and using gray water. Mr. Krumpschmidt brought up the question in regards to our allocation from Casitas and how that will affect it. Will this project be factored into it? Mr. Hollebrands stated that, that would be something he will have to discuss with Mr. Wickstrum once we know the outcome of the conversation between the developers and Casitas. On a side comment, Ms. Malloy stated that she thinks we should ban lawns. We are not opposed to banning lawns, but we fall under the guidelines of Casitas, so when they ban lawns, then we will follow suit.

4. General Manager's Report

- **System Status and production – GM and field techs moved the wharf-head on El Roblar out of harm's way and installed an isolation valve where it previously was.**
- **Unknown property ownership by the District – District personnel stumbled upon a piece of property that is east of our treatment plant that is a little over 50 acres of property. We are assuming it is a part of the area that includes most of Cozy Dell Trail and is next to the Etchart property. Due to this new found information, we need to look into the liability of having hikers on that trail. Mr. Martinez came across this property using a cell phone app while trying to find other places to hunt and it does say Meiners Oaks Water. When he presented it to the GM, the GM went to the county to confirm that is, in fact, our property. This gives the district the possibility to have another area for a tank or well. Mr. Etchart mentioned other options such as to sell it possibly to the Land Conservancy. Mr. Krump Schmidt suggested that we contact Jordan to assess that property for possibilities like a deep water well so that the Board can make a true assessment as to the liability and whether to keep it or sell it. Mr. Hollebrands asked Mr. Neilson to pull a title report to see if we actually own it. Ms. Engle mentioned the liability issue and proper signage. If we are the owner of the property, contact our insurance company of liability issues.**
- **Mr. Kentosh asked about the de minimus pumpers meeting and an update. Mr. Hollebrands explained that the de minimus pumpers needed an explanation of what they would be responsible for, what authority the GSA has and had questions in regards to the powers of eminent domain. This opened up the gates to further discussion.**
- **Ms. Engle asked for an update on the JPA/GSA. Mr. Hollebrands informed that he had talked to Mindy in the afternoon who said that Jeff Pratt was not kept up to speed by Tully who is no longer there and Zoey is on her way out which correlates to why they wanted to push through all those changes so quickly. Mr. Krump Schmidt is going to push for a meeting.**

5. Board Committee Reports

- **Drought Committee met on August 10th, 2016 – minutes are attached – Minutes attached**

6. Board of Directors Reports

- **Mr. Etchart has no report**
- **Mr. Krump Schmidt – 2 short questions – 1) He had gone on the website the other day to confirm when the Board meetings were but found that it was not on there. Ms. Gilbert stated that the Calendar is not updating for some reason and will look into why but assures that the Calendar of**

Events will be up to date going forward. Ms. Engle also requested that we call the meeting agenda on the website “Regular Meeting Agenda Packet.” That way it lets everyone know that it is everything and not just the Agenda. 2) Oath of Office questions – It was decided to wait to do the Oath of Office at our November meeting since the paperwork states “as of November 8th, 2016.”

- Mr. Harrold – Asked about the property owned by Mark Hatton down on Meyer Rd and he encroached on our easement which resulted in us spending \$10k-\$15k cleaning that up. Asked if we had put a lien on that property. Mr. Neilson and Mr. Hollebrands said yes we did. Mr. Harrold then asked what happened with that lien. It was determined that we need to look into it a little more and find out.
- Ms. Engle – As she was leaving work, she found out the DWR had released its final boundary of MODS for the ground water basin. Found some information regarding B37-16 Order. She has all the powerpoints that talk about what is coming down from the state and is very informational. One last thing, the state is embarking on a low-income water rate system program and having workshops and webinars. It is something that we may be able to educate ourselves and possibly others and its worth looking into.
- Mr. Kentosh – He attended the Drought Summit hosted by Casitas. Ms. Engle was there, and Mr. Hollebrands was a panelist. He felt it went well and it seemed that Casitas Municipal is starting to take the drought seriously and dealing with things with a sense of urgency.

7. Financial Matters

1. Approval of Payroll and Payables from August 16th, 2016 to September 15th, 2016 in the amount of:

Payables -	\$ 62,931.74
<u>Payroll -</u>	<u>\$ 27,655.91</u>
Total -	\$ 90,587.65

Mr. Harrold made the motion to pay the monthly expenses. Mr. Krumpschmidt seconded the motion.

Ms. Engle would like to have the financial aspect of the drought surcharge. How much we are we taking in for the surcharge? What is the accumulative amount with Casitas? What we have billed for drought surcharge and what we have taken in on our end.

Harrold/Krumpschmidt
All Ayes
M/S/C

8. Board Discussion and/or Action

- a) Discussion of new meter/service request from Mr. Alary on behalf of Mr. Willi Coeler at 124 N. Poli – Current allocation for this property is 13 units per month – This property has 1 APN but with two parcel numbers. Mr. Coeler wants to sell one of the properties, but in order to do that, he needs a second meter on the other property. Seeing as this is two separate parcels the mistake was made not to have the second parcel have its own meter. On a billing aspect, it is already being charged two dwelling fees and the allocation the property has already factors in the usage of both dwellings. When those two houses were built, it should have been brought up then to have them purchase another meter and separate them out. Mr. Kentosh votes to give them the meter. Mr. Etchart votes to give them the meter. Mr. Krumschmidt says to correct the mistake but to be very careful with how we handle or anticipate future incidents and to not set a precedent. It was discussed further that within the Will Serve that will be issued MOWD will put certain verbiage regarding the mistake, and it being a one-time basis with drought information and the limitations and allocation premisses. Mr. Etchart made the motion to approve the second meter for Willi Coeler’s second parcel with the changes discussed in the Board meeting, and with final review by the Drought, Committee specified within the Will Serve Letter. Mr. Harrold seconded the motion
Etchart/Harrold
All Ayes
M/S/C
- b) Discuss customer allocation disbursement and Casitas MWD’s over allocation fee increasing from one dollar to five dollars – We know that Casitas is going to be charging us the five dollars for going over our allocation. However, we may need to come up with a new billing scheme such that at the end of this fiscal year we will be able to cover the overage amount Casitas has billed us for, if at all. It could take any number of ways to do this effectively. We are at a point where we either do our own thing, or we honor something outlined in the Casitas WEAP. However, that WEAP is based on a different set of numbers, which in turn would mean we would have to completely change our allocation system to fall in line with Casitas. Casitas also has a “bell curve” allocation and allow for more water use in the summer and less in the winter. The big question is how do we do what is fair for our customers. Mr. Krumpschmidt saw the main concern that Casitas is charging us an annual overage amount, if we go over, and we are doing it monthly. If they could change their way of billing by doing it monthly, it would be easier for us to be fairer to our customers. Ms. Engle suggested we do an accumulative idea where our customers see a rate that does not assume the overage until our accumulative basket of overages from Casitas reaches the mark of being over and then every month we contend with how much we went over that month.

Then at that point when we are in a condition in a given month, we buy water from Casitas and are charged the \$5 a unit then during that month our customers that go over will be billed that five dollar charge. Mr. Harrold commented that we could just wait till the following year to charge the customers the overage once we accurately know what we were charged. Mr. Krumpschmidt is not in favor of using Casitas' WEAP because what we have come up with already is fairer to our customers. Ms. Gilbert stated that from a billing aspect it is as easy as just turning the drought surcharge off or changing the rate at any given time. If we are on our wells, we would no longer need to charge the drought surcharge. Mr. Harrold stated that we should just leave it on there the whole time whether we are on Casitas or not because we are in a drought and customers should be charged the surcharge. Mr. Krumpschmidt commented on possibly giving credit to those who paid that surcharge if it turns out we did not have to pay the surcharge to Casitas. Ms. Engle asked on a legal aspect if we could keep that money collected for the surcharge if we do not end of paying that charge to Casitas? Mr. Neilson mentions it is not unlawful to hold onto the money and issue credits, but it may be unlawful if we kept it and used it for something else.

- c) Board approval of one-page informational bill stuffers to our customers – This has been tabled to a later date
- d) Discuss and approve General Manager's evaluation and salary increase – Mr. Kentosh and Mr. Krumpschmidt had gone over Mr. Hollebrands evaluation with him but they did not go over his possible raise. Mr. Hollebrands was asked to step outside till it was decided. In the past, the GM was given a 2% - 2.5% raise for his efforts throughout the year. Last year he was given 2.5% to show that it is not just the cost of living increase. Mr. Etchart agrees that he should get the same for he has done a wonderful job. The Board felt that Mr. Hollebrands should get not only the CPI average, which is about 1% but to increase that to 3% for merit of a job well done. There was discussion regarding the staff and raises as well and that it needs to be put in the budget for next year to have the staff taken care of as well for their job well done.

Mr. Etchart made the motion to give Mr. Hollebrands a 3% raise to be retroactive of this fiscal year. Mr. Harrold seconded the motion.

Etchart/Harrold

All Ayes

M/S/C

9. Closed Session: There was no closed session at this time

10. Meeting Adjournment

There being no further business to conduct at this time, Board President James Kentosh adjourned the meeting at 8:35 PM.

President

Secretary