

MINUTES

The meeting was called to order at 6:02 p.m.

1. Roll Call

The meeting was called to order by the Board President Mike Etchart at 6:02 pm at the District Office.

Present were: Board President Mike Etchart, Board Directors Jim Kentosh, Mike Krumpschmidt, Diana Engle and Larry Harrold. Staff Present: General Manager Mike Hollebrands and Board Secretary Summer Ward. Attorney Lindsay Nielson was also present.

Absent: None.

2. Approval of the minutes

Approval of the February 20, 2018, Regular Meeting minutes:

Mr. Kentosh made the motion to approve the February 20, 2018, Regular Meeting minutes. Mr. Harrold seconded the motion.

Kentosh/Harrold
All Ayes
M/S/C

Mr. Kentosh expressed a concern over the growing length of the meeting minutes. Mr. Neilson replied with guidance that the minutes need only summarize discussions and document actions/votes; they do not need to be verbatim.

Public Comment:

Morgan – Requested an edit to the minutes reflected on page 7 regarding allocation rate adjustments; secretary noted request. Morgan also posed the question why would the board want to limit the minutes.

3. Public Comments

Ms. Moll – Are you incorporated or not incorporated; do you have articles of incorporation or operational agreement? Mr. Neilson replied that MOWD is organized under the State Water Code.

4. General Manager's Report

- **System Status – Currently running at about 50% capacity, but meeting current demand. A truck hit a hydrant on S. Arnaz, due to staff being busy with other District affairs Sam Hill's crew was called out to do repair. Scada is working properly since Thomas Fire repairs.**
- **Thomas Fire Update – Final SDRMA invoice was submitted. FEMA has been onsite to follow-up and will help cover any costs not covered by SDRMA. Total cost estimated to be \$140,000.**
- **Cost request from public member about special meeting costs – The GM reported the cost for the full board to be present for special meetings is \$750.00/meeting.**
- **AWA Annual Symposium April 19, 2018 8:00 am – 1:30 pm. - The event will be held at the Oxnard Marriot Hotel; Ms. Engle will be attending through her employer.**

5. Board Committee Reports

None.

6. Old Business

- **Financial: CA Special District Training Expense – Mr. Hollebrands did not have the expense cost, however, the training is used by the district frequently, including the Ethics Training and other opportunities throughout the year.**
- **State Water – Mr. Kentosh reviewed the previous board meeting discussions regarding State Water as well as all of the State Water meetings he has attended since the February 20th regular board meeting. Mr. Kentosh and Mr. Krumpschmidt both shared their impressions from the various meetings, with some differing opinions. Mr. Hajas led a very detailed and extensive discussion based on the "Three Sisters Concept" (report included in meeting packet). The presentation was based on 3 points, defining the problem, State Water reliability and proposed alternative solutions. Mr. Hajas highlighted the need for a long-term supply, the necessity for cooperation and communication between retailers, continued pressure on Casitas MWD to take action and supports the agenda item proposed for an economic analysis. Mr. Hajas supplied the board with a supplemental Financial Addendum the group composed. The board and public were appreciative of the time and efforts put forth by Mr. Hajas and the collaborative.**
- **Matilija Dam Removal – Mr. Hollebrands stated that there will be a meeting on March 23, 2018 11:00- 1:00 at the Saticoy Operations Yard to discuss funding sources and amounts for the project and some**

mitigation. Mr. Hollebrands will be attending and will express the district's concerns; he will also extend invite to Ventura River to attend the meeting.

- **Generators – Mr. Hollebrands is checking pricing, noted there are concerns about shelf life; rental agencies are also looking at increasing their stock after the Thomas Fire.**

7. Board of Directors' Reports

Mr. Kentosh – Requested clarification on whether he has to keep all @meinersoakswater.com emails or will they be saved on the MOWD server? The board clarified that the server will save all MOWD email correspondence. He added that Ms. Engle has been voted on as the AWA Board Alternate Director.

Mr. Krumpschmidt – Noted that members need to be vigilant during the transition to the new email, select the correct email address from contacts. He requested that the District put on record its support for Casitas moving forward with State Water and add to the April agenda. He expressed support for moving ahead with an economic study. In follow-up to the Bennett meeting, he would like to pursue more information related to available grants.

Mr. Harrold – Reminder to the board that a recognition of Mr. Kentosh's service as president is needed, as well as some form of celebration of the District's upcoming 70th anniversary.

Ms. Engle – GSA meeting was 4 hours in length. Topics included coverage of the Standard Operating Procedures, Technical Study and the DWR Grant for the GSP. The resolution to approve the MOU failed and will not be signed by the GSA, adding that there is a push for Casitas to pursue State Water.

Mr. Etchart – None.

8. Financial Matters

- **Approval of Payroll and Payables from February 16th to March 15th, 2018 in the amount of:**

Payables -	\$171,467.51
Payroll -	<u>\$ 30,507.49</u>
Total -	\$ 201,975.00

Public Comments:

Morgan – cited the Ralph M. Brown Act rules and requirements for Regular Board Meeting Agendas and allowance for public participation.

Mr. Harrold made the motion to approve the Payroll and Payables from February 16th to March 15th, 2018. Mr. Krumpschmidt seconded the motion.

Harrold/Krumpschmidt

9. Board Discussion/Actions

- a) Discussion and approval of draft audit for fiscal year 2016-2017 – Presented by Rick Heldwein, CPA from Soars, Sandall, Bernacchi and Petrovich, LLP . He reviewed the Management Analysis, noted that standard AICPA language is used in the report, overall the District performed well in the financial audit. Further Mr. Heldwein stated that the audit focused on the financial statements with sampling of the operational controls; there were no concerns with current operational controls. There was discussion regarding a discrepancy of a carryover amount on the payables report that resides within the billing program. The firm will work with the District and the software technical support to resolve the discrepancy. Board comments and requested revisions will be sent to Mr. Hollebrands for inclusion in the final audit report. The final audit report will be brought back for board approval.

Public Comments:

Morgan – Requested a listing of all properties owned by the District, “land assets.” Additionally, he questioned why they are listed in the report as historical values.

Ms. Moll – Requested clarification on the difference between the MWAC vs Revenue Charges. Mr. Hollebrands stated office staff can answer these questions during regular business hours.

- b) Discussion and possible approval of Casitas MOU – Tabled to April pending addition of allocation value.

Public Comment:

Ms. Moll – Requested clarification on the meters listed on the MOU appendix table and Casitas classifications. Mr. Hollebrands replied regarding meters and clarification that the Hartmann connection is to wheel the water purchased through Casitas for Hartmann.

Morgan – Raised questions regarding the wheeling of water to Hartmann, as well as the Drought Contingency % reductions as compared to Casitas reductions, and recommended looking at other ways of achieving conservation other than penalizing the consumer base.

- c) Draft Drought Update release to customers – The draft update was prepared by Mr. Kentosh and Ms. Engle. Board recommended minor revisions, final version to be mailed with March 30th billing statements.

Mr. Kentosh made the motion to approve the Drought Update with the noted revisions. Mr. Krumpschmidt seconded the motion.

Kentosh/Krumpschmidt
All Ayes
M/S/C

- d) Discussion and approval of contributing to an economic analysis of Stages 4 and 5, cost to be shared by multiple agencies – General consensus to move forward with RFP process, tabled to April meeting.
- e) Report by Richard Hajas discussing possible solution to water supply reliability (Three Sisters Concept) – Presented in Old Business – State Water.
- f) Discussion and approval of proposed contract by co-counsel with Hathaway, Perrett, Webster, Powers, Chrisman & Gutierrez – moved to closed session, decision to be announced in open session prior to meeting adjournment.

Public Comment:

Ms. Foley – Expressed concerns about a perceived conflict of interest related to hiring an additional attorney.

Ms. Moll – Expressed concerns regarding item 9f being moved into closed session and related attorney fee costs for moving items into closed session.

10. Closed Session: The Board of Directors will hold a closed session to discuss personnel matters or litigation, pursuant to the attorney/client privilege, as authorized by Government Code Sections 54957 & 54956.8, 54956.9 and 54957.

- Conference with Legal Counsel and potential co-counsel – Anticipated/threatened litigation paragraphs (2, 4) subdivision (d) section 54956.9.

11. Meeting Adjournment

At 10:16 p.m. the board agreed to accept proposed contract from co-counsel.

Engle/Krumpschmidt
4 Ayes & 1 Nay - Kentosh
M/S/C

There being no further business to conduct at this time, Board President Mike Etchart adjourned the meeting at 10:21 PM.

President

Secretary