

MINUTES

The meeting was called to order at 6:05 pm.

1. Roll Call

The meeting was called to order by the Board President Mike Etchart at 6:05 pm at the District Office.

Present were: Board President Mike Etchart. Board Directors: James Kentosh, Mike Krumpschmidt, Larry Harrold, and Diana Engle. Staff Present were: General Manager, Mike Hollebrands, acting as Board Secretary; and the District's Attorney, Lindsay Nielson.

Absent: None

2. Approval of the minutes: Approval of April 16, 2019, Regular Board Meeting Minutes:

Mr. Kentosh made the motion to approve the April 16, 2019, Regular Board Meeting Minutes, subject to minor changes discussed. Mr. Harrold seconded the motion.

Kentosh/Harrold

All Ayes

M/S/C

3. Public Comments: Ms. Elizabeth Von Gunten, a former director of MOWD, was present.

Ronald Martinez, a customer of MOWD, spoke of his request for a Will-Serve Letter for his property at 125 N. Alvarado. He provided some background information and spoke of his problems with the property and the difficulties of providing care for his son, Blair. He presented a letter to the Board. Mr. Martinez was advised that, since this topic was not on the agenda, the Board could only discuss it briefly. The topic was sent to be discussed by the Ad-Hoc Committee on New Meters and Expansion of Service. In the meantime, the Board requested Mr. Martinez to submit another letter to MOWD with specific information relevant to a possible Will-Serve letter. Since this matter was not considered to be controversial, the Board authorized the committee and general manager to resolve this matter and issue the Will-Serve letter, if appropriate, without bringing it back to the Board.

Ms. McCray came to the meeting later and provided information on her request for a Will-Serve letter for a garage conversion at 245 North Lomita Avenue. Since the topic was not on the agenda, the Board was not able to discuss it in detail or make a decision. Mr. Kentosh gave a brief summary of MOWD's proposed allocation program and constraints on Will-Serve letters. The Board requested a letter providing specific information on the property and what is proposed for the garage conversion so that it can be discussed at a future committee meeting.

4. Financial Matters

Approval of Payroll and Payables from April 16, to May 15, 2019, in the amount of \$90,206.

Director Harrold made the motion to approve the payables. Mr. Kentosh seconded the motion.

Director Krumpschmidt asked why certain items are over budget. The General Manager provided an explanation and answered questions from the Board.

Harrold/Kentosh

All Ayes

M/S/C

5. Board Discussion/Actions

a) Draft FY2019-20 Budget

The status of the budget and specific budget items were discussed. Because of delays in the new Allocation Program, the Board intends to adopt a budget in June, without the rates being changed at that time. The new rates will be approved later as part of the Prop 218 process. Ms. Engle pointed out the draft budget gave an incorrect impression that the GSA expenses would end someday, while in fact, the GSA process is expected to continue for the foreseeable future. Directors provided input on the draft budget letter.

b) Comments on Draft Employee Manual

Directors had their questions answered and provided input on the draft manual:

Employees who opt out of the insurance benefit should provide proof of health insurance.

Clarification was provided on vacation accrual by new employees.

Discussion of prescription drug use by safety-sensitive employees.

By consensus, the Board decided not to offer any reimbursement to employees who opt out of the District's medical insurance program. The rationale is that MOWD offers the benefit and needs its employees to have reliable health insurance, but MOWD is under no obligation to provide reimbursement to an

employee who declines the benefit offered. Since the only employee who had declined the health insurance benefit has recently left the District, this is a convenient time to make this change.

The Board agreed that the employee manual is ready to be sent to a labor attorney for review.

c) Approval of Draft Prop 218 Notice

Mr. Kentosh acknowledged that the Prop 218 notice was not yet ready to be adopted, but the draft notice was put in the agenda packet to receive comments from the Board on the approach to be used.

Mr. Kentosh summarized the status of the rate and allocation process. The original intention was to adopt the new Allocation Program well in advance of the new budget and rates, which requires a lengthy Prop 218 process. However, problems with the proposed Allocation Program have delayed its implementation. Specifically, Ms. Engle and Mr. Hollebrands have been studying a number of customers who do not easily fit into the program due to multiple meters on a parcel, and other outliers. Some agricultural customers are not using their water for agriculture, possibly requiring reclassification of those customers and their allocations. Since the new rate structure relies heavily on the new allocation program, that means MOWD cannot adopt its new rates for several months, well after the annual budget must be adopted in June.

To save time, Mr. Kentosh proposed that the allocation program and the rates be adopted at the same time. That would also allow the two topics to be covered in the same public meeting. One concern with that approach is that customers might believe that they can protest the new allocation program, while in fact Prop 218 only allows them to protest the new rates.

After a vigorous discussion, it was decided by the Board consensus that it would be too confusing to customers for MOWD to implement the new allocations and rate structure at the same time. Instead, the plan is to adopt the new allocations when they are ready, followed by a Prop 218 notice with a 45-day notification. The public meeting would be held primarily to discuss the new rates.

There was some discussion of Over-Allocation charges with the new rate program, but that decision can be delayed until the new rates are adopted, along with the revised Prop 218 Notice.

d) General Manager Executive Coaching

Mr. Krumpschmidt presented his thoughts on this topic and made a motion to approve the expenditure of \$8,000 for executive coaching for the General Manager, to be performed by Susan Edlinger as outlined in her proposal dated May 21, 2019. Mr. Kentosh seconded the motion. The General Manager and

Board undertook a lengthy discussion about the benefits and usefulness of this process, how it should be accomplished, and the recent turmoil and staffing problems experienced. The motion was approved.

Krumpschmidt/Kentosh
4 Ayes 1 Nay (Harrold)
M/S/C

6. General Manager's Report

The G.M. briefed the Board on the status of the District:

Demand is being met from Wells 4 and 7. Taking no water from Casitas

A contractor was approved to do electrical work for Wells 1 and 2.

The vibration at Well 4 will be fixed after Wells 1 and 2 are running.

There's a new water leak on south La Luna Ave.

We are receiving applicants for two field positions.

After the loss of field staff, finding some meters for the monthly reading has been a challenge.

7. Board Committee Reports

GSA – Director Engle updated the Board on the GSA's rate-setting process. The peak rate will be \$79.16/AF.

The Budget/Rate Committee met last month, as discussed in Items 5a and 5c.

New Meters and Expansion of Service Committee: a meeting will be held soon.

Allocation Program Committee: Progress hindered by a short-term absence of staff.

8. Old Business

State Water was discussed at the Steve Bennett meeting. The EIR should be approved in July. An RFP is being prepared for the pipeline design. There is uncertainty as to how to move the State Water to the west within Ventura. Casitas MWD has hired a firm to gauge public support for State Water. The MOWD Board then discussed State Water timing. The economic study to support the need for State Water will likely not happen. Bennett's group will send out another press release on the group's efforts.

MOWD's proposed nitrate removal project at Well 8 is included within the *Ventura River Instream Flow* grant being managed by the Ventura Resource Conservation District.

Hollebrands, Kentosh and Krumpschmidt will meet with the grant manager on May 24 to learn more.

9. Board of Director Reports/Comments

Ms. Engle met with a groundwater modeling expert about options to evaluate the State's surface/groundwater model of the Ventura River.

The shothole borer is affecting local trees.

10. Closed Session: The Board of Director's held a closed session. After a briefing from the District's attorney, no action was taken by the Board. The closed session adjourned at 9:30 pm.

There being no further business to conduct at this time, Mr. Etchart adjourned the meeting at 9:30 p.m.

President

Secretary