

MINUTES

The meeting was called to order at 6:30 p.m.

1. Roll Call

The meeting was called to order by the Board President James Kentosh at 6:30 pm at Meiners Oaks Elementary School. No roll call was taken but all Board members were present and introduced by the Board President.

2. Approval of the minutes

There were no minutes to be approved

3. Public Comments

All public comments will be held at the end of the presentation

4. Financial Matters

There were no financial matters to be approved

5. Board Discussion and/or Action (No decisions were made or passed)

- A. Present were: Board President James Kentosh, Board Vice-President Mike Krumpschmidt Board Directors Larry Harrold and Mike Etchart. Staff present: General Manager Mike Hollebrands and Interim Secretaries Brandi Malone and Stacey Gilbert. Attorney Paul Huff was also present.

Mr. Kentosh thanked everyone for coming and mentioned that there was a vacancy on the Board due to Dale Carnathan resigning. Applications are now being taken if anyone is interested, and to present nay letters of interest to Mike Hollebrands, G.M.

- B. Public Hearing for the Drought and Water Rates, Mike Hollebrands will be giving a presentation on the current drought status and water rates, and then we will open it up for questions and answers. Mr. Kentosh stated that we won't be making a decision about water rates tonight, but that we will take everything into consideration and make any needed adjustments to our rate structure when we adopt our

formal budget at our June 21 regular meeting at 6pm at the. Mr. Kentosh handed it over to Mike Hollebrands to present the new rates.

C. Mike Hollebrands presents the power point “MOWD Rate Proposal 2016-2019” starting July 1, 2016. Much was presented in regards to the drought and how the new rates were figured and will be implemented. There were several interjections, statements and questions made from Mrs. Foley, Mr. Whitney, and Mr. Perron with Mr. Kentosh, Mr Krumpschmidt and Mr. Hollebrands giving answers and responses accordingly.

D. Questions/Statements by the public.

Mr. Rimpa asked what is the district is doing to control costs and what is the annual budget? Mr. Hollebrands gave the figures as follows, total proposed operating expenses for the year are \$1.25 Million, capital outlay has been cut back to \$473,000, total district expenses are at \$1.724 million, projected revenue after calculating 30% into it is only \$1.4 million giving us a \$322,000 deficit that will have to come from reserves. Mr. Rimpa asked, “is there a minimum required by the district or the state for any emergencies”. Mr. Hollebrands stated there is not a minimum that the state is requiring however the board has set a policy that they like to keep \$500,000 at all times as a minimum. Mr. Kentosh mentions a hypothetical situation of, “if the lake goes dry and we have to build an emergency well, that’s when our reserves come into play”.

Mr. Whitney asked in regards to the new tank, hypothetically speaking if we belonged to CMWD would we have needed that new tank? Mr. Hollebrands replied, yes, we would. Mr. Krumpschmidt stated that the real question he hears is, would we be better off under CMWD? There are a few things to consider. 1. The water Meiners Oaks receives is a different quality than from Casitas 2. If Casitas gets to 25% then they won’t be able to provide water like we would. But say we have rain, equal to what we received this year, we would be able to use our wells again but It could take Casitas a decade or more to get to that point. Our water can be replenished much faster than that lake can.

There was much discussion in regards to the best and cheapest way to keep water supplied to the customers.

Mr. Perron questions the percentage increase and why so high. Mr. Kentosh explained its more cost effective to increase in the manner we have presented it and that the district has steps in place to deal with many obstacles that are ahead. Mrs. Foley made the statement that it is affecting cost of living for most of the community and it didn’t used to be that way. Mr. Krumpschmidt validated her comment but states that even though the rates go up and you haven’t used more than before the cost of the infrastructure has gone up and it is necessary to adapt to that raise to keep the water flowing.

Mr. Perron had further questions and statements regarding irrigating and landscape. The time frame doesn't seem to mean anything. Mr. Kentosh responded as well as Mr. Hollebrands and Mr. Krumpschmidt reminding of the suggestions already in place and asked of the community.

Mr. Whitney poses the question of what is the district doing to pull back and save money seeing as everyone in the district has pulled back to save water and money. Mr. Hollebrands responds that we have pulled back on capital improvements. There are things that have to be replaced and maintained to keep things working.

Mrs. Foley asked if we were getting more money from the service charges or the water charge. Mr. Hollebrands responds from the water.

Mrs. Rolland asks why we didn't get any state water. Mr. Hollebrands responds that Casitas has a state allocation although we can't get that state water to Casitas because there is no pipeline to get the water here. Mr. Kentosh responded with information regarding how much it would take to get water from the state. The question was asked, what Santa Barbara is doing. They have a desalination plant that was built in 1990 to help with the drought back then, but now they are spending close to 13 million to get it up and operational again to service their area, they are in the same boat we are if not worse.

This all boils down to having a contingency plan for water and allowing Mr. Hollebrands to continue to front those talks to find some sort of plan.

Mr. Hirsch asked the question; is there a way that customers can bank water between months without being charged a fine on the months we go over our allocation? His thought is to have a yearly allocation instead of a monthly allocation. He doesn't feel that it should be that hard in the computer to do that. Mr. Kentosh poses the thought that by doing it yearly, it is possible that you will pay way more later because you may have used your allocation earlier in the year. Mr. Hollebrands responds that Casitas won't allow us as a district to bank the water so how can the district allow you to bank water based on an allocation that would decrease annually. We can't guarantee the water will be there. Mr. Kentosh entertains the idea and we can think about it but that's about all we can do at this time.

Mr. Carruthers asked 2 questions. 1. You have not communicated what you have done to reduce your operating costs. 2. What if this doesn't pass? I have protested until you can show how you have reduced costs. Mr. Hollebrands responds that what we have done is cut \$22,000 out of our expenditure side of the budget and over \$500,000 out of our capital budget. The problem with that is, we can continue to cut back but we still have to be able to pay the bills at the end of day and those bills go up annually and there is nothing we can do about. So we do as much in house work as much as we can. Mr.

Etchart responds with inviting anyone to come to a monthly meeting and physically see the board go over the budget line for line to find areas where we can cut costs. He commends Mike for his efforts at finding different ways to get things done at a more cost effective way. There was much further discussion regarding the drought in general. Ms. Sears had some questions regarding the drought surcharge and the cost of Casitas water in relation to ours.

Mrs. Salas posed the question regarding transferring unused water to someone else who may need it. Mr. Hollebrands stated the allocations are non-transferable. Mrs. Salas then asked why is there not something mailed out every month letting customers know of how to conserve. After much discussion and informing as to what we already have in place it was determined that we as a district will try to find cost effective ways to get more information out.

Ms. Sears posed the question of is it possible to have a month by month or season by season allocation due to the hotter months. Mr. Hollebrands responded that it is possible to do that. Casitas does that, however not everyone has that same issue as you do or as AG customers do.

Mr. Salas asked the question of does the state have long term plans for water usage and conservation in communities like ours. Mr. Hollebrands responds that the Governor uses the Dept. of Water Resources (DWR) and he has his own water committee that brief and school him in the various things happening throughout the state and what the best efficiency options are. Then those ideas and laws trickle to us eventually. So yes they are looking into that.

Mr. Lopez states that a few years ago we were asked to cut back by 20%. Now if we just continued to do that it would take care of the seasons. That's how it was for a while so why has it stopped, what changed. There was discussion regarding allocation and how it was determined.

There was discussion regarding the wells and whether it is feasible to tap into that "cold water well" but there is a lot of unknowns there. Mrs. Foley asked the question on what are we doing new to conserve water and to maintain. Mr. Hollebrands responded with there is not much else to do other than to manage what we have now in a tighter fashion. This isn't just a temporary thing this needs to be a whole different state of mind.

There was more discussion on how to conserve and being educated properly and where to find that information

Ms. Von Gunten stated that we all need to look at the future and live within our means and be realistic individually.

6. General Manager's Report

No GM report at this time

7. Board of Directors Reports

No BOD reports at this time

8. Closed Session

No closed session

9. Meeting Adjournment

There being no further business to conduct at this time, Board President James Kentosh adjourned the meeting at 8:45 PM.

President

Secretary