

MINUTES

The meeting was called to order at 6:00 p.m.

1. Roll Call

The meeting was called to order by the Board President James Kentosh at 6:00 pm at the District Office.

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

*Mr. Kentosh stated that we are going to go slightly out of order tonight and move items 7a and 7b to after Public comments.

2. Approval of the minutes

Approval of the May 17th, 2016 Regular Meeting minutes and the June 6th, 2016 Special Meeting minutes:

Mr. Etchart made the motion to approve the May 17th, 2016 Regular Meeting minutes and the June 6th, 2016 Special Meeting Minutes Mr. Harrold seconded the motion.

James Kentosh had one comment of the minutes of the board meeting regarding Resolution 20160517 approval. The minutes do not state the board tally, are we supposed to have a vote tally? It does not state who did what.

Lindsay Nielson stated that it should state who did what. It should state that it was unanimously approved by the board.

Etchart/Harrold

All Ayes

M/S/approved as corrected for the May minutes and carried for the June minutes

3. Public Comments

Ms. Elizabeth Anne von Gunten was present and stated for the record, "I am Elizabeth Von Gunten, first elected to this board in 2006 by popular vote;

reelected without opposition in 2010, and wrongly removed not long thereafter.” She has concerns on governance of the board which now consists solely of appointed members. She doesn’t feel this was the way it was intended. At some level this board needs to address that issue of governance.

Ms. Camille Sears was present to talk about the final vote on the proposed rate increases. The thing she is most concerned about is the penalty if you go above the allocation given per month. She thinks that the level that constitutes the allocation should be done on a month by month basis rather than on an annual average per month. What this does is requires those of us that are growers to reduce by 60% in the summer which gives us practically nothing, but then gives us a surplus in the winter months. The new point she wants to raise is the issue of \$1.00 surcharge and that the actual rates that you propose have to be tied to the actual cost of delivering the water and, Jim, I believe you stated it is tied to the cost to deliver water because Casitas charges us that \$1.00 but Casitas only charges us that \$1.00 if we go over that allocation they have given us. Ms. Sears then states that to the extent that you do charge the extra dollar per unit going over the allocation that it only be charged if Casitas levies that charge because that would reflect the cost of delivering that water. Mr. Kentosh then states that if Casitas does not levy that charge to us we will not be passing on that charge. Ms. Sears then raises the questions that if the rate is then approved when will it take into effect? Will it be this billing cycle of next? Mr. Hollebrands answers that it will not go truly into effect until the July 19th meter read but they won’t see the full bill on the new rates until the September bill.

Mr. Krumpschmidt responded to 2 things; First, he heard the term arbitrary in terms of the water rates and he wants it known that what we did is far from arbitrary and that many hours in sub-committee meetings have taken place to work out what is fair and equitable for our customers so that someone doesn’t think that it was an off the cuff reaction. Secondly, he wants to point out that there were some interesting ideas that were mentioned that we didn’t think about and that we haven’t had a chance to research those aspects and how it would impact our customers not to mention the legal aspects of how we would charge people for water and that we need to get with the drought committee to look at these issues in depth and then come back with a clear response to those ideas while we will still implement what we have now.

Mr. Don Edwards had a comment in regards to the allocation and the method in which that allocation was created and asked that we reconsider that method and maybe adopt something that is more reflective of the actual usage. He thinks that if we take the opportunity to be more reflective to what the water allocation is per month then you can make it educational to the user.

*At this time the minutes were taken out of order, however for the sake of continuity they will be taken in agenda order.

4. General Manager's Report

- **System Status and Production – All is well, we had a main break happen on June 6th on Besant Rd. but it was taken care of quickly. Production: Wells are declining and are now producing a lot of air in the water so the time is growing near. Well levels across the board have dropped an average of about 6 feet from a month ago. The G.M. stated that he hoped for another two weeks of pumping before we would have to start purchasing water from Casitas.**
- **Drought Contingency Plan – The draft plan is online for public comment. We are hoping to put together a committee that will go over the plan and fine tune it where we think the plan is lacking.**
- **Update on human resources interviews – Mr. Hollebrands has met with Susan Edlinger our new HR representative, she is very intelligent and it was enlightening to speak with her. The staff has met with her as well; all in all there was good feedback. Mr. Hollebrands wants to put together another meeting with staff to follow up.**

5. Board Committee Reports

No Board Committee Reports were presented at this time

6. Financial Matters

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

Payables -	\$ 27,012.44
Payroll -	\$ 30,891.69
Total -	\$ 57,904.13

Mr. Harrold made the motion to pay the monthly expenses. Mr. Etchart seconded the motion. After some discussion:

Kentosh/Etchart

All Ayes

M/S/C

7. Board Discussion and/or Action

- a) Interviews for and selection of candidates for Board member opening and appointment of new director – James Kentosh presented the 2 candidates: Diana Engle, a water scientist, and Don Campbell, CEO of a Solar company. Unfortunately Mr. Campbell withdrew via email to Mr. Hollebrands.

Mr. Kentosh acknowledges said withdrawal with regret. Mr. Kentosh continued the interviews by acknowledging the presence of Diana Engle. Mr. Kentosh informed Mrs. Engle that this position was to fill the vacancy of Mr. Carnathan's spot on the Board of Directors

Mr. Kentosh poses the question if she has the time to give to this Board given her very busy schedule. Ms. Engle answered absolutely.

Mr. Etchart requested Ms. Engle to tell again about her water background. Ms. Engle went into great detail about her background referencing the many things she has done that have been laid out in her resume she presented to the Board before this meeting.

Mr. Harrold didn't have any questions but was very impressed with her resume.

Mr. Kentosh poses the question of being able to push for our interests when it comes to water regulations in regards to the conflict between water interests and fish interests. Ms. Engle stated that her motivation is in managing the water supply in a rational way which means balancing the water needs of the people and fish.

Mr. Etchart posed the question of whether there might ever be a conflict of interest between our Board and her work. Ms. Engle has discussed this issue with Mr. Hollebrands and she feels that the only conflict that could happen is if her company teamed with another company that would involve work to be done with the GSA which may never happen but if there ever is to be one she is more than happy to recuse herself from said conflict.

Mr. Nielson wanted to make Ms. Engle aware that we are in litigation with Channel Keepers and it was referenced that she had done some work with them many years ago.

**Mr. Krumpschmidt asked if she is a resident of Meiners Oaks Water District. Ms. Engle said yes I reside at 594 S. Rice Rd
Mr. Krumpschmidt then asked if we need to deliberate under closed session and Mr. Kentosh said it isn't necessary.**

Mr. Kentosh declares the interviews over and would like to entertain a motion.

Mr. Etchart made the motion to appoint Diana Engle as the replacement director to fill the remaining term of Mr. Carnathan ending January 2017. Mr. Harrold seconded. After some discussion and deliberation the vote was taken. Roll call vote - Kentosh – Aye, Krumpschmidt – Aye, Etchart – Aye, Harrold - Aye

- b) Oath of Office for new Board member appointment -
Mr. Hollebrands gave the Oath of Office to Ms. Engle, PhD**
- c) Board Committee Assignments 2016 – Mr. Kentosh stated that at the beginning of every year we as a Board need to establish our**

standing committees that will meet when necessary that allows Mr. Hollebrands to call upon to discuss issues that may come up. Each committee has its responsibilities and guidelines The committees and their members are proposed as follows: Executive Committee consisting of Mr. Kentosh and Mr. Krumpschmidt, Budget/Rate Committee consisting of Mr. Harrold and Mr. Etchart, GSA Committee consisting of Mr. Krumpschmidt and Mr. Etchart and Mr. Hollebrands as the alternate, Drought Committee consisting of Mr. Kentosh and Ms. Engle. Mr. Kentosh explained in detail what each committee does. Consider this the list of members and we will bring it back to the board for approval

- d) Resolution 062116-3 approval of annual budget for fiscal year 2016-17 – Mr. Kentosh asked if we need to make any changes. There was much discussion regarding the budget but more in regards to the drought surcharge. He further proposes that we adopt the budget as it is and implement the \$1.00 surcharge as implied and revisit it as needed in the future and entertains a motion...
Mr. Krumpschmidt made the motion to approve resolution 062116-3 adopting the budget for the fiscal year 2016-2017, Mr. Etchart seconded. After further discussion and clarification of the monies collected from the surcharge the motion went to a Roll Call vote – Kentosh – Aye, Etchart – Aye, Harrold – Aye, Engle – Aye, Krumpschmidt – Aye, Resolution passes unanimously
- e) Resolution 062116 approval new rates and fees for fiscal years 2016-2019 – Mr. Etchart moves to approve Resolution 062116 for the new rates and fees for fiscal year 2016-2019, Mr. Harrold seconded. No discussion. Roll call vote – Kentosh – Aye, Krumpschmidt – Aye, Etchart – Aye, Harrold – Aye, Engle – Aye, Resolution passes unanimously
- f) GSA – Receive any Board member comments on draft JPA – Mr. Kentosh gives the board a chance to make comments about the contract. After much discussion it was determined that there are not any major comments that need to be submitted.
- g) Resolution 062116-1 approval of Board member reimbursement and stipend – No comments given before the motion. Mr. Etchart moves we approve Resolution 062116-1 Board member reimbursement and stipend, Mr. Harrold seconded, No further discussion. Roll call vote – Kentosh – Aye, Krumpschmidt – Aye, Etchart – Aye, Harrold – Aye, Engle – Aye. Resolution passes unanimously.

8. Board of Directors Reports

Mr. Harrold – has none

Mr. Etchart – reported there is a lot of Asian citrus spraying going on up the hill.

Ms. Engle – asked what procedural paperwork is needed now. She was informed that Ms. Malone would be in contact with her to get everything needed.

Mr. Kentosh – 7/12 at 12pm he is giving a talk about the history of steal heads at Soule Park, 6/22 Casitas is doing a Conservative water Management Mtg at 3pm, He got a call from Mr. Kuebler the President of VRWD board stating their board has asked Bert Rapp the GM of VRWD to write a letter to Casitas insisting that Casitas hook up to state water and asked us if we would be interested in doing the same. Mr. Kentosh stated that he was hesitant on approaching it that way but he is more inclined to write a letter to Casitas encouraging them to do a study to find out the feasible options out there to get other resources of water. Mike has a meeting with the other district managers discussing this very issue so he will report back to us at the next board meeting how that went

Mr. Krumpschmidt – For the Drought committee; 1. The idea of banking water was brought up several times and feels the committee should study the feasibility of that so we can either act upon it or explain how it will not work and to look into the feasibility of the month to month allocation. Also, look at the timing aspect of watering. 2. To Mr.

Hollebrands – We have not seen any new information regarding our allocation from Casitas?

9. Closed Session

No closed session items were discussed

10. Meeting Adjournment

There being no further business to conduct at this time, Board President James Kentosh adjourned the meeting at 8:00 PM.

President

Secretary