

Regular Meeting  
June 18, 2019  
6:00 p.m.

Meiners Oaks Water District  
  
202 West El Roblar Drive  
Ojai, CA 93023-2211  
Phone 646-2114

## MINUTES

The meeting was called to order at 6:03 p.m.

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### 1. Roll Call

The meeting was called to order by the Board President Mike Etchart at 6:03 pm at the District Office.

Present were: Board President Mike Etchart, Board Directors, James Kentosh and Larry Harrold. Staff Present: General Manager, Mike Hollebrands, Board Secretary, Summer Ward and Attorney, Stuart Nielson were also present.

Absent: Directors Mike Krumpschmidt and Diana Engle.

### 2. Approval of the minutes

Approval of May 21, 2019, Regular Meeting minutes:

Mr. Kentosh made the motion to approve May 21, 2019, Regular Meeting minutes. Mr. Harrold seconded the motion.

Kentosh/Harrold  
All Ayes (Absent: Krumpschmidt & Engle)  
M/S/C

### 3. Public Comments

Ms. Von Gunten – was present.

### 4. Financial Matters

- Approval of Payroll and Payables from May 16 to June 15, 2019 in the amount of:

Payables -	\$ 155,949.44
Payroll -	\$ 23439.03
Total -	\$ 179,338.47

Mr. Harrold made the motion to approve the Payroll and Payables from May 16 to June 15, 2019. Mr. Kentosh seconded the motion.

Mr. Kentosh asked for clarification on the increase in contractor work. Mr. Hollebrands stated that the additional contractor work was necessary for repairs on S. La Luna and El Camino, due to no field staff at the time. Mr. Harrold asked for clarification on the \$1200 upholstery expense; Mr. Hollebrands stated it was the service truck interior was destroyed by rats, and a new field operator is now using the vehicle.

Public Comment – None.

Kentosh/Harrold  
All Ayes (Absent: Krumpschmidt & Engle)  
M/S/C

## 5. Board Discussion/Actions

- a) Approval of 2019-20 Fiscal Year Budget and Resolution 061819  
Mr. Kentosh reported that the draft budget for the fiscal year 2019-2020 is ready for approval; of note, this approval does not include the rates. A copy of the budget summary was included in the board packet for review.

Mr. Kentosh made the motion to approve the 2019-2020 Fiscal Year Budget Resolution 061819. Mr. Harrold seconded the motion.

Roll Call:  
Kentosh – Y            Harrold – Y            Etchart – Y  
Krumpschmidt – Absent            Engle – Absent

All Ayes  
M/S/C

- b) Presentation and Approval of Draft Financial Audit for FY 2017-18  
Mr. Hollebrands introduced Cindy Fanning, CPA of Fanning & Karrh, CPAs. Ms. Fanning briefly introduced herself and the overall audit findings. Ms. Fanning stated that there were no incidents of non-compliance found during the Financial Audit for FY 2017-2018. The Board reviewed the draft financial audit documents, including the Independent Auditor Report and the Management Letter. Some of the discussion points included the adoption of the GASB 75 (post-employment benefits) and the associated future liabilities; there are 14 adjustments including accruals, old payroll tax, doubtful accounts, capital asset depreciation, and unbilled receivables. Standards of practice and preparations for future liabilities were discussed at length; Ms. Fanning will review with the District outside of the Board meeting.

Mr. Kentosh made the motion to approve the Draft Financial Audit for FY 2017-2018 presented by Ms. Cindy Fanning, CPA. Mr. Harrold seconded the motion.

Director Etchart requested clarification on the GASB 75 requirements, does it only apply if MOWD was the last employer or does MOWD continue to have future liabilities even if the employee works elsewhere before retirement. Ms. Fanning will research and provide an answer in follow-up to the meeting.

Director Kentosh asked that the language in the first paragraph of the “Notes to Financial Statements” be changed to represent regulatory language for All Directors to reside within District Boundaries, not that they must own property within the District. Ms. Fanning to make those language changes.

Ms. Fanning to make discussed revisions and submit an official letter to the Board for approval.

Kentosh/Harrold  
All Ayes (Krumpschmidt & Engle Absent)  
M/S/C

c) **Ventura Resource Conservation District Grant for Nitrate Removal at District Wells.**

Mr. Kentosh stated that Regina provided an update to the grant process during the May 24<sup>th</sup> meeting. Mr. Kentosh will be drafting grant narratives for both nitrate removal and the cold water formation. The MOWD grant project would require a 20% in-kind expense, as well as nitrate removal at the well-head and at the Sanitary District Treatment Plant. Mr. Kentosh and Mr. Hollebrands will meet with Jeff Palmer at the Sanitation District to discuss options.

**Public Comment –**

Ms. Von Gunten recommended calling the Resource Conservation for guidance and assistance with project research.

## **6. General Manager’s Report**

- **Operations & Maintenance Report**

Mr. Hollebrands reported that Summer has returned to work, and there are two new field operators (one certified and one scheduled level I certification in September). There are no pending repairs, and we now have all 4 wells operational and producing, only 3 in use for current demand. Well 4 is off due to 1, 2, & 7 meeting demand, #4 still producing air bubbles.

Mr. Kentosh asked when Mr. Hollebrands will be having the annual meeting with Mike Flood, Casitas GM to review the MOU. Mr. Hollebrands to contact M. Flood to schedule meeting. Additionally, Mr. Kentosh asked about the status of the peeling paint on the tank. Mr. Hollebrands stated the coating was analyzed in 2017 (1 year after the tank was recoated); there are no issues.

- Updated Board Committees – No update.

## **7. Board Committee Reports**

- GSA – Mr. Hollebrands stated that the FY 19-20 budget was approved, as well as the proposed extraction rates.
- Executive Committee Report – No update.
- Budget/Rate Committee Report – Draft budget discussed during item 5a.
- Allocation Program Committee Report – No update.
- New Meters and Expansion Committee Report – Will-Serve Letters were approved at Committee and issued to each customer waiting for a response.

## **8. Old Business**

- State Water – No update.
- Ojai, Ventura Water Partnership – Discussed during item 5c.
- Matilija Dam Removal Update – No update.
- Cold Water Formation – No update.
- Generators – Mr. Hollebrands stated that he contacted Catapillar for size and pricing information, looking at a trailer mounted generator that can travel to various MOWD sites. Mr. Hollebrands to provide detailed information at a future meeting.
- Special Districts Grand Jury Report – Mr. Etchart asked if this item needs to remain on the agenda, Ms. Ward clarified that there was further discussion requested regarding the Elections Process. The board agreed to keep the item on the agenda for the time being.

### **Public Comment-**

Ms. Von Gunten requested that MOWD create a policy for addressing the Elections Process.

## **9. Board of Directors' Reports/Comments**

Mr. Etchart – Mr. Etchart reported that there are many trees (and one of his Box Elder trees included) that have been infested with Shot-Hole Borers, a tiny beetle that feeds on the trees. There is currently no eradication plan. However, there may be funding assistance for tree removal service in the valley related to damage caused by this insect.

Mr. Kentosh – None.

Mr. Harrold – Mr. Harrold noted that the District Office needed landscaping; Mr. Hollebrands acknowledged the need and stated the District mower needed a repair and that the grounds would be taken care of in the coming week.

Ms. Engle – Absent.

Mr. Krumpschmidt – Absent.

The Board went into closed session at 7:46 p.m.

**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 – Personnel 54957 (b)(4)
- Conference with Legal Counsel – Existing Litigation (Paragraph (1) of subdivision (d) of Section 54956.9)
  - Meiners Oaks Water District vs. Moll, Ostling and Ojai Vista Farms 56-2018-00515474-CU-OR-VTA/
  - State Case: SBCK vs. SWRCB, San Francisco Superior Court, Case # CPF-14-513875

The board adjourned closed session at 8:00 pm.

Mr. Nielson stated that in closed session, they discussed updates on the ChannelKeeper and Moll cases, as well as personnel matters. No decisions were made during the closed session.

**11. Meeting Adjournment**

There being no further business to conduct at this time, Board President Mike Etchart adjourned the meeting at 8:03 pm.

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President

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Secretary