

Special Meeting: Prop 218 Public Hearing  
June 30, 2022  
5:00 pm

Meiners Oaks Water District  
202 W. El Roblar Drive  
Ojai, CA 93023-2211

## **Minutes**

The meeting was called to order at 5:00 pm.

### 1. **Call to Order**

The meeting was called to order by the Board President, Mike Etchart, at 5:01 pm via teleconference.

### 2. **Roll Call**

**Present:** Board President, Mike Etchart, Board Directors: James Kentosh, Christian Oakland, Loni Anderson, and Christy Cooper. Staff Present: General Manager, Justin Martinez, and Board Secretary, Summer Ward. Attorney Present: Stuart Nielson.

**Absent:** None

### 3. **Approval of the Minutes**

No minutes.

### 4. **Public Comments**

- Three members of the public present, no comments.

### 5. **What is a Prop 218 Hearing**

Director Etchart provided an overview of the California Proposition 218 "Right to Vote on Taxes Act, passed in 1996. The action of proposing an increase to water rates, falls under the jurisdiction of Prop 218. Director Etchart reviewed that Prop 218 Public Hearing notices and protest ballots were mailed to parcel owners of record (with the Ventura County Assessor's office) on May 6, 2022. A total of 1,349 notices were mailed. The notices and supplemental information was posted on the District website May 9, 2022. Additionally, the public hearing information was included on the May 31 customer bill statements. Protest ballots were requested to be submitted by June 28, 2022. If 50% plus 1 protest the new rates, the proposal would not pass. As of June 29, 2022, 27 (0.02%) have been submitted.

### 6. **About the District**

Director Etchart provided a brief history of the Meiners Oaks Water District, founded in 1949. The District serves approximately 4,200 people through 1,280 connections and 19 miles of pipeline. MOWD provides drinking water to domestic, commercial and agricultural customers with 4 active wells; just over 1 million gallons of storage and two booster stations.

Director Etchart shared that MOWD, like many in the Ojai Valley, relies solely on groundwater extraction. Lake Casitas was created in part to be the backup water source for groundwater pumpers in the valley during times of drought. Lake Casitas is a reservoir that accumulates water from diversion and runoff of the Ventura River and other creeks. Director Etchart noted, from the time of formation in 1949 to 2014, MOWD had never needed to pull from the lake to supply water for our customers. Since 2014, we have needed to get water from Casitas every year, typically from mid-Summer to Winter, depending on rainfall needed to replenish our wells.

## 7. **Drought Status**

Mr. Martinez reported that the MOWD Board of Directors declared a Stage 3 drought May 2016, due to a lack of rainfall and groundwater depletion. Lake Casitas remains at less than 40% capacity, currently the lake is at 32.4%. 2020-2021 was the driest year Ojai has had since 1906. Casitas anticipates Stage 4 drought conditions within six months and Stage 5 conditions by this time next year, without a significant amount of rain. Mr. Martinez noted that according to the CA Drought Map (June 16, 2022), Ojai is within the "Extreme Drought" zone. Mr. Martinez reviewed a graph of the Lake Casitas Storage Volume over time, comparing lake levels and total rainfall. He noted the steep decline in lake volume and rainfall after the year 2000.

No Public Comment.

## 8. **Allocation Program**

Ms. Ward provided an overview of the MOWD Allocation Program. Ms. Ward reported that back in 2015 allocations were largely based on historical water use, pre-drought. In 2016 MOWD hired Eagle Aerial to perform flyover infrared parcel mapping, to calculate irrigable vs. non-irrigable total area, for use in calculating new allocations. 2018 MOWD signed an MOU with Casitas, as our backup supplier, and agreed to adopt measures consistent with the Casitas Water Efficiency and Allocation Program. MOWD drafted the Allocation Program with allocation formulas consistent with the Casitas WEAP and adopted the program in 2020. New allocations were implemented in December 2021. The main difference in the new program is that for Residential customers allocations are based on parcel characteristics and have seasonal variation built into the monthly allocations; whereas, Agriculture and Commercial customers now have annual allocations, that reset each fiscal year in July. The Allocation Lookup Tool is available on the District website, under Customer Information.

No Public Comment.

## 9. **District Capital Improvement Projects, Expenses & Operating Costs**

Mr. Martinez reviewed the list of capital improvement projects, including a replacement treatment plant, a new source water well, Meiners Rd booster station and backup generation upgrade, replacement water storage tank, Well 8 blending station, Wells 4 & 7

backup chloramination station, water main upgrade/replacement, advanced meter infrastructure (smart meters), and office expansion. Mr. Martinez gave a short explanation of each project and the reasons for each. Mr. Martinez added the estimated costs associated with the design, engineering and construction costs for each project over the next 10-years, as well as the impact on fiscal reserves.

Mr. Martinez shared that operating costs have increased significantly over the past five years; contractor costs are up 30-50% and materials are up 60-70%. Ways that the District is working to control costs include expanding contractor and vendor networks, minimizing staff overtime, improved inventory management and actively seeking grant funds.

#### 10. **New Sources of Funding**

Mr. Martinez stated that MOWD entered into a partnership with Watershed Progressive, Regina Hirsch, in January 2022, for grant assistance. The District received its first grant from the Ventura County Resource Conservation District & CA Wildlife Conservation Board for a Well 8 Nitrate Removal Feasibility Study (completed in March 2022), with Grant funding of \$26,700 and MOWD share of cost \$7,060. MOWD submitted grant applications for three planning projects through the WCB VRIF-2 in January 2022. Those projects include: (1) Waterwise for vulnerable communities & land resilience partnership (requested \$158,000 with \$17,000 share of cost); (2) Alternative water sourcing for aquatic ecosystem health (requested \$42,000 with \$5,000 share of cost); (3) AMI metering for evaluation of streamflow enhancement (requested \$57,897.57 with \$22,000 share of cost). MOWD anticipates receiving the grant award in August 2022. Mr. Martinez concluded that the new MOWD Grants Committee is actively monitoring Federal, State and Local grant opportunities.

Public Comment:

#### 11. **Proposed New Water Rates**

Director Kentosh reviewed the proposed rates, provided in the Prop 218 notices. The Monthly Water Availability Charge will remain steady at \$36.00 over the next 3-years; the Meter Capacity Charges (for meters 1" or larger) will see a very slight increase starting in FY 2023. The Board proposes combining the MWAC and MCC charges into a single "Meter Fee." The rate per unit of water (100 cu.ft or 748 gal) is proposed to increase to \$3.85 this fiscal year, a more significant jump as these rates have not been adjusted in four years; postponed during COVID pandemic. The rate would then increase by \$0.05 each fiscal year after for the remaining two-year period.

Public Comment:

Mr. O'Donnell apologized for just joining the meeting, stated that he does not believe the individual rate impact is transparent enough. Additionally, he expressed that he felt the rate

per unit increase was extraordinary, even with the current economic inflation. He urged the Board to look at alternatives to rate increases for capital improvement, such as loans. Director Kentosh responded that the District has historically had a “pay as you go” policy, however, there may be situations where a loan may be appropriate and worth consideration. Director Etchart added that the Board and team are very sensitive to the rate changes, as rate payers themselves. Director Etchart thanked Mr. O’Donnell for his feedback and for joining our meeting tonight.

Director Anderson shared that grants often have a share of cost, not always free money. These are critical infrastructure projects and the costs of chemicals, materials, engineering and construction have all increased.

Director Cooper noted that as we move towards Stage 4 drought, conservation will be increased, which will decrease revenues.

Mr. Krumpschmidt commented that he understands what Mr. O’Donnell is saying as a rate payer and former board member. He recommended penciling out if interests of a loan is beneficial or not, we are in the perfect storm economically. He noted that he appreciates that the District is putting the increases on the consumption side, so that higher users pay the greater burden than the low users.

The vote on the Prop 218 Water Rates will occur at the July 19 regular board meeting.

## 12. **Meeting Adjournment**

There being no further business to conduct at this time, Board President Mike Etchart adjourned the meeting at 6:06 pm.

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**Board Secretary**

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**Board President**