

Regular Meeting & Prop 218 Public Hearing

June 16, 2026

6:00 pm

Meiners Oaks Water District

202 W. El Roblar Drive

Ojai, CA 93023-2211

Minutes

1. Call to Order

The Board President, Mike Etchart, called the meeting to order at 6:05 pm. The meeting was also available via teleconference.

2. Roll Call

Present: Board President, Mike Etchart, Board Directors: James Kentosh, Christian Oakland, Joe Pangea, and Christine Cooper. Staff Present: General Manager, Justin Martinez, Board Secretary, Summer Ward, staff Brandi Malone, and Leslie McCleary. Attorney Present: Stuart Nielson.

Absent: None.

3. Approval of the Minutes

Approval of the May 19, 2026, Regular Board Meeting minutes.

Director Oakland made the motion to approve the minutes from the May 19, 2026, meeting. Director Kentosh seconded the motion.

No Public Comment.

Oakland/Kentosh

(5) Ayes – M/S/C

4. Public Comments

Three members of the public were present at the meeting, with three additional members present online. Comments provided at the meeting included a statement regarding water allocations and the impact of the drought on local landscaping, recommending that more water be used to improve things like fire resilience through crops.

A separate member of the public requested clarification on the size of their meter and whether this rate change was related to the Colorado River issue. Ms. Ward responded that the District can provide the meter size information at any point and offered to look up the

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customer's account information following the meeting. This rate change is not related to the Colorado River.

5. **Financial Matters**

a) **Approval of Payroll and Payables from May 16, 2026, to June 15, 2026, in the amount of:**

Payables:	\$ 125,689.59
Payroll:	<u>\$ 53,087.48</u>
Total:	\$ 178,777.07

Director Kentosh made the motion to approve the Payroll and Payables for May 16, 2026, to June 15, 2026. Director Oakland seconded the motion.

Director Cooper requested clarification on the expenditure amount in the contingency appropriations. Ms. Ward stated that it is related to the unbudgeted purchase of the Well 4a replacement equipment.

No Public Comment.

Kentosh/Oakland
(5) Ayes – M/S/C

6. **Public Hearing Pursuant to Prop 218 Regarding Possible Adoption of Proposed Water Rate Adjustments**

a) **Presentation**

Anthony Elowsky of Robert D. Neihaus (RDN) provided an introduction to RDN and the process for conducting the independent rate study for MOWD and other agencies throughout California. Mr. Elowsky began the presentation by providing an overview of the Proposition 218 process, how the comprehensive rate study was conducted, the calculations included in the cost-of-service analysis, and the recommended changes to the rate structure. Ms. Ward added clarification of the rate structure change by providing a specific example of a typical customer bill, which currently has line items for the MWAC (\$36/month/meter), Casitas Standby (\$3.37/month), some customers have additional zone charges for additional energy costs to pump to higher elevations and the additional Casitas Surcharge of \$1/HCF when the District must purchase water. The new structure will combine and simplify the rates. Most customers will have only two line items on their bills if the new structure is adopted: a fixed monthly meter charge and a consumption-based charge. This rate change is not a new fee on top of the existing fees; it is a combination and replacement. Mr. Elowsky explained that, aside from the change in the rate structure, the District has several large capital improvement infrastructure projects that require funding. The proposed rates help address those projects.

Mr. Martinez presented an overview of several projects, including photographs of existing equipment that needs to be replaced. The projects presented included the Tank 2 water storage tank replacement, the rehabilitation of Wells 1 & 2, the relocation of the Tico Booster electrical, the replacement of the 2009 Ford Ranger, the purchase and installation of chlorine analyzers at Wells 4a & 7, District Office rehabilitation, Valve replacements, continued upgrade to AMI smart meters, and a replacement treatment plant. Director Cooper noted the importance of the water storage tanks for maintaining water pressure in a gravity system and for fire protection.

Mr. Martinez and Ms. Ward reviewed the grant applications already submitted to assist with the replacement of the treatment plant (\$6 million) and AMI meters (\$95,000). Ms. Ward is actively working on an additional \$1.25-\$1.5 million grant for the Tank 2 replacement project, which would effectively cut the cost to the District in half and reduce the impact on customer rates.

Mr. Elowsky presented an overview of the financial impacts on the District and comparative customer impacts by meter size and average monthly water consumption. The rate study covered a 10-year period, with a proposed rate schedule of 5-years. Mr. Martinez noted that the District is developing a process for customers who want to request a downsized meter, which will require verification that a smaller meter will meet the specific demand at the customer's property. Elowsky also provided a comparison chart showing how MOWD's average customer bills compare with those of other local agencies.

b) Board Secretary's Preliminary Report of Protest Ballots

Ms. Ward reported that the District has a total of 1,426 parcels within its District boundary. As of noon on Friday, June 12, 2026, a total of 87 protest ballots had been received. The 87 ballots represent a protest of 6.10% of parcels, which is below the 50% plus one (714) threshold. Ms. Ward stated that all written comments have been reviewed and summarized into categories. Of the 87 protest ballots, 48.28% had no written comment, 35.63% cited the financial impact of a rate increase, 9.2% cited the rate structure, 4.6% concerned District operational decisions, and 2.3% were placed in "other" as they were not related to MOWD or the proposed rates.

c) Public Comments

(1) Where does it show the calculation of the service fee and usage fee justification? Mr. Elowsky stated that the meter capacity charges are based on industry standards and that information, including all costs associated with the service and usage fees, can be found in the comprehensive rate study report.

(2) What is the cost for over-allocation with the new rates? Ms. Ward stated that the District discontinued the "Drought Surcharge" in June of 2023, when the drought was officially declared over, and shifted allocations back to 100%. In future years, if we enter into another Drought Stage 2 or higher, the District would conduct a new Prop 218 public process to consider adopting a new "over-allocation" fee. Ms. Ward added that, yes, allocations appear on each customer's bill for reference; they are not mandated. While the District recommends staying within the allocation, there are

no penalties for going over. Director Cooper added that the District still promotes water conservation.

- (3) Why do we have a Casitas fee if the lake is full and we have our own water? Ms. Ward explained that the District has two connections to Casitas MWD and receives a monthly bill for those connections, whether or not the District uses them. Casitas MWD is the emergency backup supplier for MOWD. That monthly amount is divided evenly among all MOWD customers, which is the \$3.37/month standby fee currently on the bills. If the District, for example, cannot pump enough to meet customer demand and has to purchase water from Casitas MWD, then an additional \$1/HCF surcharge is added to every customer bill, on top of the current \$3.95/HCF. The new rate structure combines the standby fee and surcharge into the fixed monthly meter fee and the per-HCF fee; no additional fees will be added to monthly bills. Mr. Martinez provided an example of the 2023 winter storms that caused the road slide on Hwy 33 that exposed MOWD's mainline, which took over a year to repair.

d) **Close Public Hearing & Final Tally of Protests**

Director Etchart, with no further public comments or questions, closed the public hearing at 7:00 pm. Director Etchart, the Board, and Staff thanked everyone for participating in the public hearing. Ms. Ward displayed the final protest count on the screen. Ms. Ward reported that the District has 1,426 parcels within its boundary and that a total of 90 protest ballots have been received, representing 6.31%, below the threshold of 714, or 50% plus one.

7. **Board Discussion/Actions**

a) **Approve Resolution 20260616-1: Adopting Water Service Rates for FY2026/27 – 2030/31.**

Director Etchart introduced Resolution 20260616-1, adopting water rates for FY2026/27 through 2030/31.

Director Kentosh made the motion to approve Resolution 20260616-1: Adopting Water Service Rates for Fiscal Years 2026/2027 through 2030/2031. Director Cooper seconded the motion.

No Public Comment.

Kentosh/Cooper

Roll Call Vote: (5) Ayes – M/S/C

b) Approve and Adopt Resolution 20260616-2: Fiscal Year 2026-2027 Budget

Director Etchart introduced Resolution 20260616-2, "Approve and Adopt the Fiscal Year 2026-2027 Budget." Ms. Ward explained that there are two budgets for consideration. Staff and the Budget/Rate Committee prepared two scenarios: a budget scenario with the new rates and a second budget scenario in which rates remained unchanged. Ms. Ward requested that the Board name the scenario being motioned and approved for a vote.

Director Oakland made the motion to approve Resolution 20260616-2: Approve and Adopt FY2026-2027 Budget Scenario 1: New Rates. Director Cooper seconded the motion.

No Public Comment.

Oakland/Cooper

Roll Call Vote: (5) Ayes – M/S/C

c) Approve Resolution 20260616-3: Authorizing the General Manager to apply for, accept, and execute the Bureau of Reclamation WaterSMART Small-Scale Water Efficiency Grant for the Advanced Metering Infrastructure (AMI) Project.

Ms. Ward provided background on the grant application that the District submitted to the Bureau of Reclamation's WaterSMART program for the purchase and installation of 520 5/8" AMI smart meters. MOWD currently budgets \$50,000 per fiscal year towards this project; the additional \$95,000 requested in the grant application would help the District complete the remaining portion of the project. The benefits of the new AMI smart meters include integration with analytical software, which helps detect issues such as leaks. Customers will have access to an EyeOnWater App, which will provide real-time notifications. Ms. Ward stated that the application has been submitted and that the District has been issued an application tracking number. She will report back with an update on the award status.

Director Cooper made the motion to approve Resolution 20260616-3: Authorizing the General Manager to apply for, accept, and execute the Bureau of Reclamation WaterSMART Small-Scale Water Efficiency Grant for the Advanced Metering Infrastructure (AMI) Project. Director Oakland seconded the motion.

No Public Comment.

Cooper/Oakland

Roll Call Vote: (5) Ayes – M/S/C

d) **Approve Reallocation of Funds for Emergency Water Main Repair of \$60,000.**

Mr. Martinez reported that on May 25, 2026, Memorial Day, the District was notified of a significant water discharge from beneath the Cozy Dell Canyon Bridge on Maricopa Highway. District field staff determined that it was MOWD's primary 12" transmission main, conveying water from the Treatment Plant to the Tank Farm, that had failed. Immediate action was required to protect system reliability, preserve public infrastructure, and avoid interruption of water service. Staff isolated the damaged pipeline segment and temporarily transitioned the District's supply to water from Casitas MWD. Toro Enterprises was mobilized to assist District personnel, and the transmission main was restored to service after approximately 18 hours of repair work. The emergency main repair cost is \$57,321.73. The District's "appropriations for contingencies" budget is not sufficient to cover the unanticipated expense; staff recommends redistributing budgeted funds from the Office Back-up Battery and Valve Replacement budgets to the System Maintenance budget to cover the cost of the emergency repair. This reallocation will fully fund the repair without requiring an additional appropriation.

Director Pangea made the motion to approve the reallocation of \$60,000 from the Office Back-up Battery and Valve Replacement to System Maintenance to cover emergency repair costs. Director Kentosh seconded the motion.

No Public Comment.

Pangea/Kentosh
(5) Ayes – M/S/C

8. **General Manager's Report**

Mr. Martinez reported that the Casitas Lake level is at 98.9% as of June 10, 2026. Wells 2, 4a & 7 are running. Mr. Martinez stated that a meeting will be held with the OVLC, Ventura County, and other parties at the Riverview Trailhead to discuss the broken culvert. Director Pangea requested to attend the site meeting. Ms. Ward submitted the Smart Meter grant application for the AMI project funding. The last batch of AMI meters for the FY25/26 budget year has been ordered. Good progress is being made on the CalARP program compliance. Mr. Martinez reported on the Memorial Day 12" main line blowout under the bridge on Maricopa Highway. MOWD and Toro crews worked 18 hours to cut, remove, and replace the section of main line under the bridge. The District had to temporarily switch over to the Casitas connection during the repair. The Toro Enterprises invoice for the work totals \$57,321.73.

No Public Comment.

9. **Board Secretary's Report**

Ms. Ward provided a summary of administrative activities. Ms. Ward reported that staff had been receiving and responding to questions regarding the Water Rate Study and Prop 218 Public Hearing, filing protest ballots, preparing the public hearing materials, presentations, and related reports. Ms. Ward submitted on June 1, 2026, the US Bureau of Reclamation WaterSMART grant application requesting \$95,000 in federal funding to purchase 520 5/8" AMI meters, with a project period of 24 months from July 1, 2027, to June 30, 2029, with a District contribution of \$125,000. The District contribution matches the current annual budgeted amount. Additionally, Ms. Ward is actively working on a US Bureau of Reclamation Water SMART Drought Response grant application requesting \$1.25 million in federal funding to replace the deteriorating 500,000-gallon storage tank (Tank 2) with a 750,000-gallon storage tank. The District's capital improvement plan budgeted \$2.5 million; if the District is awarded this grant, it would cut the required MOWD loan amount to approximately \$1.5 million. Ms. Ward has a technical coordination meeting with the US Bureau of Reclamation on June 18. The grant application is due July 28, 2026. Ms. Ward reported that she completed the annual Payment Card Industry Data Security Standard (PCI DSS) business compliance assessment and quarterly control scans on May 6. The General Elections Consolidation forms and resolution were submitted to the County Elections Division on May 20. Ms. Ward completed the annual Elected Officials Salary Report and submitted the report to the County Elections Division on May 21. The annual bank signer and wire transfer forms are due and available for Director completion. Ms. Ward noted that the FY25/26 Financial Audit is in progress. Ms. Ward added the new SB827 required Fiscal and Financial Training to each Director's and Manager's Target Solutions platform. Email notices of training availability will be distributed next month.

No Public Comment.

10. **Board Committee Reports**

- Executive & Personnel Committee: No report.
- UVRGA: Met; routine meeting, with some discussion regarding the UVRGA considering the potential role of the Management Entity for the adjudication physical solution.
- Budget/Rate Committee: Already discussed FY26/27 Budget.
- Emergency Management Committee: No Report.
- Allocations, New Meters & Expansion of Services Committee: No report.
- Grants: No report.
- Treatment Plant Design Ad Hoc Committee: No report.

11. **Old Business**

- State Water: No report.
- Matilija Dam Removal Update: No report.

12. **Director Announcements/Reports**

- Director Kentosh: No report.
- Director Oakland: No report.
- Director Pangea: No report.
- Director Cooper: No report.
- Director Etchart: No report.

13. **Meeting Adjournment**

The next meeting will be held on July 21, 2026, at 6:00 pm, at the District Office. Since there was no further business to conduct, Board President Mike Etchart adjourned the meeting at 7:22 pm.

Board Secretary

Board President