

**VENTURA RIVER WATER DISTRICT
MINUTES OF REGULAR MEETING FEBRUARY 19, 2025**

- 1) **CALL TO ORDER & PLEDGE OF ALLEGIANCE** – Peggy Wiles called the meeting to order at 2:00 P.M. at the District office at 409 Old Baldwin Road, Ojai, California 93023.
- 2) **ROLL CALL**- Alma Quezada, General Manager, conducted the roll call.

Present: Directors Bruce Kuebler, Laurel Lary, Ed Lee, and Peggy Wiles.
 Absent: None
 Staff present: Alma Quezada; General Manager
 Mark Albertsen; Field Supervisor
 Stuart Neilson, Legal Counsel
 Public Present: Kurt Schultzel, Brian Aikens, Alan Connell, Margo McGrath, and Wyndra Roche
 Public on Zoom: Marsha LaMarca; John Britton and Chelsi Castillo of Bartlett, Pringle & Wolf;
 Yolanda Acosta of Rogers, Anderson, Malody & Scott (RAMS)

- 3) **PUBLIC COMMENT (FOR ITEMS NOT ON THE AGENDA)** – Margo McGrath requested a revision to her outdoor budget for citrus and oak trees, citing only 3 units are available for outdoor use for the January billing period. The General Manager stated a water budget adjustment can be evaluated and she will work with the property owners at a future date.
- 4) **CONSENT AGENDA:**
 - a) **MINUTES OF REGULAR MEETING JANUARY 15, 2025**
 - b) **MINUTES OF THE PUBLIC HEARING JANUARY 15, 2025**
 - c) **PAYMENTS AND CHECKS FOR JANUARY**
 - d) **FINANCIAL STATEMENTS FOR NOVEMBER 7 DECEMBER**

Director Lary pulled item B and D from the consent agenda for discussion. Discussion followed to include language in item B to capture statements from customers during the Public Hearing to merge with Casitas Municipal Water District, economies of scale on project costs, and the General Manager was directed to review the District's financial situation next year before acting on the next rate increase. A title change was requested to an expense account from "Ventura River Watershed Issues" to "Ventura River Water Adjudication" on item D. **Action:** Director Lary motioned to approve items B and D with revisions, seconded by Director Kuebler and the motioned carried with 4 votes in favor.

Discussion on items A and C followed with requested edits to item A. **Action:** Director Kuebler motioned to approve the consent agenda with revisions, seconded by Director Lee and the motion carried with 4 votes in favor.

ACTION ITEMS

- 5) **PUBLIC HEARING – CUSTOMER BILLING DISPUTE – FIERRO DRIVE:** Ms. LaMarca A customer at the 1000 block of Fierro Drive received a higher-than-normal water bill with 147 units of usage. The customer stated they did not have a leak during that time and is unable to explain the high-water usage. The General Manager provided the customer with \$665 credit in accordance with the District's Abusive Water Waste Penalty Relief program. The customer requested additional billing relief. **Recommend Action:** The General Manager recommended that the Board deny the request for clemency because there is no evidence of a meter misread, a leak event and to prevent the perception of a gift of public funds. The General Manager further recommended an upgrade to a smart meter to allow the customer to receive leak alerts. **Public Comment:** None. **Action:** Director Lee motioned to deny the request and upgrade the customer's meter to a smart meter, seconded by Director Lary and the motion carried unanimously.
- 6) **PRESENTATION OF ANNUAL AUDIT FOR FY 2023-2024 – BARTLETT, PRINGLE AND WOLF:** John Britton, CPA and Chelsi Castillo of Bartlett, Pringle, and Wolf (BPW) accountants presented the final audited financial statements with variances from the last fiscal year. VRWD financials were found to be fairly and accurately stated with a clean opinion. Discussion of the audit findings and recommendations indicated that prior year's deficiencies were addressed along with recommendations for the next fiscal year. Director Lary asked why salaries were higher in FYE 2024 and FYE 2023 when

compared to FYE 2022. The General Manager explained those amounts included an additional staff member and included PTO cash-outs. Further discussion on PTO accruals ensued and the General Manager was asked to return at a future meeting with a recommended revision to the Personnel Policy to reduce the amount of PTO accrual for staff. Director Wiles inquired on the use of our contracted accounting firm, RAMS. Yolanda Acosta with RAMS reported previous audit concerns on internal controls, segregation of duties, have been resolved and all account reconciliations are current. There are ongoing improvements needed for grant tracking and new fund-based accounting structure for loans and grants. RAMS can provide an additional layer of oversight and on-call accounting support. **Public Comment:** None. **Recommended Action:** The General Manager recommended that the board 1) Review and comment on the annual audit 2) Approve the FY 23/24 financial statements. **Action:** Director Kuebler motioned to approve the audited FY 2023/24 financial statements, seconded by Director Lee and the motion carried unanimously.

- 7) **NV5 – CHANGE ORDER #2 – DWR GRANT CASITAS CONSOLIDATION, PARKVIEW DRIVE PIPELINE:** The General Manager justified the change order discussed potential State contingency funding to address increased costs. The scope of work will be maximized within the available budget constraints. **Public Comment:** None. **Recommended Action:** The General Manager recommended that the Board approve Change Order No. 2 for the DWR Grant, Casitas Consolidation Parkview Pipeline Replacement project, authorizing the reallocation of \$116,083 from Task 3: Construction, to NV5's existing contract for construction management, staking, and materials and compaction testing, increasing the total contract amount from \$104,868 to 220,951. **Action:** Director Kuebler motioned to approve Change Order #2 to NV5's contract with revisions to the proposal to include the Construction Inspector being onsite and responsible for safety, seconded by Director Lee and the motion carried unanimously.
- 8) **MID YEAR BUDGET UPDATE, BUDGET TRANSFER, AND USE OF ACCOUNTING FIRM:** The General Manager presented the mid-year budget update highlighting that revenues are currently 26% over budget and projected to end 42% over budget by the end of the fiscal year due to lack of rain and warmer weather ahead. Expenses remain on budget and a reallocation of budget line items to "Meter Replacement & Maintenance" is recommended along with a budget transfer in the amount of \$162,000 to replace manual and radio-read meters ahead of their obsolescence date of December 2025. Past practice has been to replace 5% of the District's meter inventory annually and does not align with technological advancements. The Field Supervisor obtained a rough estimate to purchase 875 smart meters to bring the District's smart meter coverage to 100%. Discussion followed on the installation plan and pace of the new smart meters. A summary on the status and proposed budget reallocation of Capital Improvements was provided. The use of the accounting firm was heard with item 6. **Public Comment:** None. **Recommended Action:** The General Manager recommended that the Board review and comment on the mid-year budget and approve the budget transfer in the amount of \$162,000. **Action:** Director Kuebler motioned to approve the budget transfer in the amount of \$162,000, seconded by Director Lee and the motion carried unanimously.
- 9) **TICO CONSOLIDATION – APPROVAL OF AMENDED AND RESTATED CONSOLIDATION AND WATER SERVICE AGREEMENT:** The General Manager stated the revisions to the agreement were requested by the State to reflect current conditions. The revised agreement has been prepared by the District's legal counsel and the State has approved the amendments. Tico Mutual was provided opportunity to review and did not request any changes. Director Lary raised two key concerns about the consolidation: (1) the inequity of providing potable water while Tico shareholders maintain lower irrigation costs than existing District customers, and (2) the potential unfair advantage to Tico's customer's property values due to access to lower-cost irrigation water. **Public Comment:** None. **Recommended Action:** The General Manager recommended that the Board review the amended agreement and authorize the Board President to sign the agreement. **Action:** Director Kuebler motioned to approve the amended consolidation agreement and authorize the Board President to sign the agreement, seconded by Director Lee and the motion carried with 3 ayes and 1 no. (AYES: Director Wiles, Director Kuebler, and Director Lee and. NOES: Director Lary.)

- 10) **RESOLUTION 2025-2: UPDATE TO RULES AND REGULATIONS – LEAK RELIEF & ABUSIVE WASTE PENALTY:** The General Manager discussed updates the District's Rules and Regulations to align with recent rate changes and to clarify conditions for leak relief applications. Revisions to Section 9: Water Rates were provided. Discussion on Section 28: Leak Relief followed, and the board proposed changes the eligibility period from 12 to 24 months, reducing the water volume eligible for leak relief from 200 to 100 units, a requirement that the leak be repaired before applying for leak relief, and providing evidence of the leak. Other changes were requested, and the General Manager was asked to refine the policy and bring the item back at a future date for Board consideration. **Public Comment:** None. **Recommended Action:** The General Manager recommended that the board approve Resolution 2025-2 to amend the District's Rules and Regulations. **Action:** Director Kuebler motioned to revise Resolution 2025-2 to only approve edits to Section 9: Water Rates and return with refined changes to Section 28: Leak Relief, seconded by Director Lee and the motion carried unanimously.
- 11) **CROSS CONNECTION CONTROL PLAN – NEW REQUIREMENTS FOR THE DISTRICT:** The General Manager discussed the need to take over the administrative functions of the Cross Connection Prevention and backflow testing from the County, which would involve developing a new plan, contracting with a certified backflow prevention assembly tester, and conducting a hazard assessment of all District connections. The General Manager also proposed revising job descriptions to include duties related to the new plan and suggested creating a new job description for a water operator. The team agreed to bring back these proposals for further discussion. **Public Comment:** None. **Recommended Action:** The General Manager recommended drafting revised job descriptions for board approval at a future date. **Action:** No motion is required.
- 12) **RESOLUTION 2025-3: RESOLUTION EXPRESSING APPRECIATION FOR DIRECTOR JOHN "JACK CURTIS AND HIS 47 YEARS OF DISTINGUISHED SERVICE:** The Board commended Director Curtis for 47 years of distinguished service, marking a historic tenure of leadership. Director Lee moved for approval of the resolution, seconded by Director Lary and the motion carried unanimously.
- 13) **DISCUSSION ON POTENTIAL ADJUSTMENT OF THE GENERAL MANAGER'S COMPENSATION:** The board members discussed the General Manager's performance at the January 15, 2025, board meeting and increased the base salary by 4%. **Action:** Director Lary motioned to approve a 4% merit increase to the General Manager's salary effective March 1, 2025, seconded by Director Kuebler it and the motion carried unanimously.

INFORMATION ITEMS - RECEIVE & FILE

- 14) **BOARD REPORTS ON MEETINGS ATTENDED:** Director Kuebler attended the UVRGA meeting with nothing to report. He also attended an Association of Water Agencies (AWA) meeting and noted Calleguas Municipal Water District was able to obtain pre-approval from the Air Pollution Control District (APCD) to use generator power ahead of a power shut off for their treatment plant. Direct Kuebler informed the board of proposed regulation (AB67) for water purveyors in response to recent wildfires.
- 15) **GENERAL MANAGER'S REPORT – WATER & DISTRICT STATUS:** The static aquifer level at Well #2 on February 1, 2025, was at elevation 534.0 feet; and decreased 1 foot since the first of last month. The aquifer is 9.7 feet below the 35-year average for January 1. Well #1 is pumping 997 GPM, down 7 GPM from last month. Well #7 is pumping 734 GPM, down 10 GPM from last month, Wells #2, # 3, #4 and #6 were off-line in January.
- 16) **OLD & NEW BUSINESS:** No old and new business to report.

CLOSED SESSION – The board entered into closed session at 4:45 pm.

- 17) **CLOSED SESSION**

The Board of Directors may hold a closed session to discuss the following items:

A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Action: No reportable action taken.

The board returned to open session at 4:50 pm.

Adjournment

There being no further business, the meeting was adjourned at 4:50 pm.

Attested:


Alma Quezada, Secretary