

Minutes of the Casitas Municipal Water District
Board Meeting Held
January 9, 2010

A meeting of the Board of Directors was held January 9, 2010 at Casitas' Office, Oak View, California. Directors Hicks, Handley, Kaiser, Word, and Baggerly were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board. There were no staff members and no members of the public in attendance.

1. Public Comments.

None

2. General Manager Comments.

Mr. Wickstrum reported that we are moving forward with signing of contracts with expert witnesses for the lawsuit and he understands that he has the authority to sign those contracts. Everything must be submitted by January 15th and we are on schedule for an initial hearing date of May 10th. The venue will be in DC.

Mr. Wickstrum reminded the board of the many accomplishments of the district in 2009. The board completed the Matilija agreement, and revisions to the Rates and Regulations. We still have a big hurdle with section 15. We offered Aflac to our employees and have seen an increase in enrollment for 2010. We participated in the Prop 1a tax protection effort, Ron Merckling and the Board worked with ACWA on that. Senior Canyon got past their overdue bill and are working on the prop 50 project. The steelhead protection signs are in place and we are appreciative of Russ's efforts on this. Many capital projects have been completed or are in process. The filter catwalks, filter coatings where we have one done, one in progress and two more to go and we are experiencing lower prices on these projects. Trying to go with the last two and get them done. They are 50 year coatings. Oak View and Rincon reservoirs have been redone. This is the only time we have taken reservoirs off line. Next year we will take care of the rest of the one tank scenarios. The Engineering staff is being challenged to knock reservoirs off line. We coated the lamella filter, completed Rincon pump plant rehab. Mr. Wickstrum complimented Neil Cole and Jim Weber's efforts to get that to completion. We received a Edison rebate and will continue to challenge staff to operate the vfd's effectively. We need to continue to save energy. Jim is working hard on pump plant electrical analysis. Some plants have old components that can't be replaced. We are in progress with 4m. We are continuing to work on screen brushes and performance evaluations on the baffles. Recreation is continuing Quagga inspections and promoting them in the rest of the state. We increased fees and saw a reduction in visitation which may be related to the economy. We ended on the positive side. We extended concession contracts and removed trailer rental. There is a lot of work to do with the Bureau. The Water Adventure had a successful year. We did the target

audit and completed the filming scout agreement. I feel good about the hiring of the new Park Manager. She brings order and leadership and I am looking forward for more good things happening out there. It was a good year and we accomplished a lot.

3. Board of Director Comments.

Director Handley thanked the General Manager and staff for doing a great job. Director Baggerly mentioned that we are going to be busy with the Urban Water Management Plan and review of section 15 which will involved water demand factors, the changes in rates and regs and your last report on water use and demand is five years old now. He suggested that we consider having a consultant do an updated water use and demand study in concert with a water and allocation study. It is too much work for our little staff. Mr. Wickstrum added that it is difficult for a consultant to wrap their hands around that but it can be discussed further.

Director Baggerly informed the board that he would not be at the meeting on Wednesday. Director Baggerly then suggested that the fishery at the lake needs to be looked at

Director Word suggested that before we do committee assignments I would like a top of your head comment on issues you see in each committee. We need some kind of outline on some of the issues you see that we will deal with. In appraisal packages we have goals and objectives. We need to put those together on priorities. We don't need six individual priorities. We need to have discussion on direction so we are all together. Maybe we could do this at the second meeting in January. Director Word added there are some things where we need outside assistance but we need to be together prior to developing budget. Director Kaiser mentioned the looming drought and how will that impact health and safety issues at the lake. He suggested the Recreation committee look at restriction of activities in the lake due to concentration of pollutants unless we get significant rain. Director Baggerly added the RMP is also popping up. Director Hicks thanked the board for their accomplishments stating he felt it was the best board we have had.

4. Board, Committee, and Meeting Approvals

a. Election of Board Officers

PRESIDENT	Richard Handley
VICE PRESIDENT	Pete Kaiser
SECRETARY	Russ Baggerly
ASST. SECRETARY	Jim Word

On the motion of Director Word, seconded by Director Baggerly and passed. The slate of officers was approved.

- a. Discussion and approval of meetings that will be considered authorized meetings for the Board.

Outside Affiliations Approvals for 2010 – These affiliations and meetings are considered approved for the attendance of any Board Member for any meeting without additional Board Action. These meetings are considered paid meetings for Board attendance:

Ventura County Special District Association – Kaiser
California Special District Association – All
Association of Water Agencies – all can attend. Word on board/Hicks alternate.
Association of California Water Agencies – Region 8 Hicks & Wickstrum, all can attend.
ACWA Legislative Committee Liaison – Ron Merckling
American Water Works Association – Steve Wickstrum
California Park & Recreation Society – Carol Belser
National Notary Association – Rebekah Vieira
Society of Human Resource Management – Rebekah Vieira
CALPELRA – Rebekah Vieira
Greater Ventura Chamber of Commerce – Hicks/ Word Alternate
Ojai Chamber of Commerce – Kaiser / Handley as alternate
State Water Contractors – Steve Wickstrum
American Fisheries – Scott Lewis and Mike Gibson
Salmonid Restoration Foundation – Scott Lewis/ Baggerly
OBGMA – Handley/Baggerly
LAFCO – as needed
Ventura County Regional Energy Alliance – Word / Kaiser alternate

Board Attendance approved when dealing with Casitas Business:

Matilija Dam Removal Meetings – Baggerly / Hicks
Bureau of Reclamation – Hicks / Baggerly
State/Federal Legislative Committee meetings – Ron Merckling/others as needed
Agenda Meetings – President
Watershed Coalition of Ventura County – Baggerly
Ventura River Watershed Council – Baggerly / Handley as alternate.
Tri County Fish Team – Baggerly / Scott Lewis
Ventura River HCP - Word

On the motion of Director Kaiser, seconded by Director Baggerly and passed, the above meetings were approved.

- c. Selection of Board Committee assignments and dates of meetings.

COMMITTEE ASSIGNMENTS:

Alternate

Executive	Handley/Kaiser	Baggerly
Personnel	Handley/Hicks	Word
Water Resources	Baggerly/Word	Hicks
Recreation	Hicks/Baggerly	Kaiser
Finance	Word/Kaiser	Handley

COMMITTEE DATES AND TIME:

	<u>Date</u>	<u>Time</u>
Executive	1 st Thursday	8:00 a.m.
Personnel	3 rd Wednesday	4:30 p.m.
Water Resource	3 rd Monday	3:00 p.m.
Recreation	1 st Monday	9:00 a.m.
Finance	3 rd Friday	9:00 a.m.

On the motion of Director Word, seconded by Director Baggerly and passed, the committee assignments were approved.

d. Review Committee functions and set priorities for Committees.

The board reviewed Resolution 06-54 which outlined the parameters of the committees. Mr. Wickstrum mentioned one area where there is some overlap is in regards to the finances and Recreation.

Water Resources will be reviewing section 15 and looking at allocations and developing a suitable format. Other issues will be Urban Water Management Plan.

Executive Committee is a catch all for other things and primarily dealing with things that don't fit other committees. Haven't had too many meetings in the last year. Don't see anything pressing in this area now unless we need to redirect something to this area.

Finance Committee deals with budget and setting of rates. Raftellis had suggested a 10% increase then 5% and then zero. We did not have an increase last year. We will need to look at this closely. Director Word added that other issues would be working with the auditor to look at some alternatives on cost of

water in storage. It is difficult to understand because it is cost accounting versus retail accounting. It seems like we are way undervalued in our water in storage.

Recreation Committee will continue to work on agreements for Bureau and the RMP. Director Word added we need to do some looking on upgrades we need before we can address the financing of those upgrades.

Personnel will involve negotiations in the next year and half want to have agreement ready prior to the end of the current agreement. We are continuing to revise the employee ordinance and policies. They are like the rates and regulations. There are a lot of fragmented things.

5. Discussion Items:

a. State Water

Mr. Wickstrum informed the board of the 5% of state water allocation. We need to continue to talk about state water. A lot of money has been paid without very much water coming in to this area. Discussions were held on Thursday with Vicky Musgrove at the City of Ventura. We are linking in with her to join with a potential sale of our state water to a solar firm that is starting plants in the Mojave Desert. This is the deal we brought to the board last year but we had already sold water to pool a/b. This year we are not selling to pool a/b. It is positive in that moving some water to a solar plant to take energy off rest of the system and brings revenue into this district and reduces the tax roll. We will be part of the sale. They are trying to get 1320 acre feet. If we are only getting 5% of water is 250 acre feet and city contributes 500 acre feet. We are striking deal as soon as possible.

Director Baggerly mentioned an article in Ken Harlow's Water News and that the first water transfer was overturned by the court. He asked if water transfers are still legal. Mr. Wickstrum stated we are working directly with people in state water. It was overturned because of a CEQA issue. This does not have a CEQA issue. It is not a permanent transfer. Conversations were had with United and Kennedy & Jenks before thanksgiving to get an idea of what the city and Casitas water be worth if we wanted to get out of it and sell it. We also discussed keeping the entitlement and leasing it to United or Calleguas to bring the water into the county. Lynn had some examples of that type of deal being struck throughout the state. We may discuss this further. The money would reduce the tax rolls for the ratepayers that are paying for it in taxes. Director Baggerly asked about relinquishing our administration of state water. Mr. Wickstrum stated that is another topic. Mike Solomon wants to do that but the issue is the way the contracts are structured. Casitas is responsible from the County for that. There would have to be structured agreement change with us and Ventura Watershed Protection District. There are a lot of things going on between the City and United. Director Hicks added we don't want to relinquish that power. Mr. Wickstrum added it is a burden on us. Mike would like to do it. We now have a question on billing that we are trying to resolve. There are many

issues that Casitas and the City have. Mr. Wickstrum added that if we are in a 20 year drought then state water probably won't be available.

b. Bureau of Reclamation Contracts and Agreements

Casitas Dam Modification Agreement – They messed up on numbers about three years ago. I have talked with Michael Jackson and he says they are still working on it. We need to have it. Last time there were a few costs still earning interest. We paid all interest bearing costs off. They might be able to give us a 20 year payment plan to pay off the \$2.8 million.

Recreation Agreement – Discussion were held with Bob Epperson but we did not get very far. Worked on it and agreed in theory. What he sent me is almost exactly what they sent before. We will work on it.

c. Employee negotiation process for 2010-11

There was discussion regarding the Board's previous plan to hire a negotiator. It was determined that more information would be gathered on this option and discussed further.

d. Staffing

There were many new hires in this last year. Workloads increased. In the future there may be need for a full time water conservation position. There has been discussion regarding succession planning.

e. Water Supply and Demand Planning

Water Supply and Demand we have good ideas on how to restructure section 15.

Urban water Management Plant. And contingency planning if we get to 1960 – 1963 period in that lake. What we would need to do to move water out of low lake levels and into the system. Contingency for pumps.

f. Water Rates and Budget

The Finance Committee will review all aspects of rates and budget. We are starting budget prep.

g. Recreation Capital Improvement Plan and Financing Options

Planning for time when we get past USBR restrictions. Put together our list and business plans on projects and determine how to finance projects. We know the targets we have out there. Director Word added that we are treating recreation like we treated the district, deferring and putting off and building up a list of what needs to be done that we may never get to what we ought to do.

Costs are climbing. We need to see what kind of contract we get from the Bureau. We need to address our alternatives. Mr. Wickstrum added there is infrastructure that needs improvement. Director Hicks mentioned the electrical at camp B. Director Baggerly added the list that was developed by Brian. He asked if all of those things had been completed. Mr. Wickstrum added that it will have to be completed in a phased approach. We make ends meet right now. We have to develop a good business plan.

h. Lake Casitas Fisheries Maintenance

Larry Elshere sent an e-mail on fish and it fluctuates in what I hear, see and read. What are we going to do? Do we have an unhealthy fishery? Scott will be here next week. Perhaps he can do an assessment on what it would take to do a survey.

Director Kaiser left the meeting at 10:00 a.m.

There was further discussion regarding the fishery with Director Hicks suggesting Carol discuss the trout plants with the Department of Fish & Game and ask if the plants have been rerouted elsewhere as a result of our Quagga restrictions.

Director Baggerly left the meeting at 10:07 a.m.

i. Other items

None

6. Closed Session:

Public Employee Performance Evaluation (Govt. Code Sec. 54957)
Title: General Manager

The closed session was not held at this meeting. It will be held at the January 27th board meeting.

7. Adjournment

President Handley adjourned the meeting at 10:10 a.m.

Secretary