



Board of Directors

Russ Baggerly, Director
Angelo Spandrio, Director
Brian Brennan, Director

Pete Kaiser, Director

CASITAS MUNICIPAL WATER DISTRICT
Meeting to be held at the

Special Board Meeting Agenda

The meeting will be held via teleconference.
To attend the meeting please call US Toll Free (888) 788-0099 or (877) 853-5247
Enter Meeting ID: 917 9748 5675#

July 10, 2020 @ 11:00 AM

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of §54954.2 of the Government Code and except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under section 54954.3 of the Government Code.

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC COMMENTS - Presentation on District related items that are not on the agenda - three minute limit.
4. REVIEW AND DISCUSSION REGARDING THE PUBLIC OPINION SURVEY RESULTS
5. GENERAL MANAGER COMMENTS
6. BOARD OF DIRECTORS COMMENTS
7. ADJOURNMENT



DRAFT



Casitas Municipal Water District Customer Priorities

Key Findings from a Survey
Conducted June 25-30, 2020

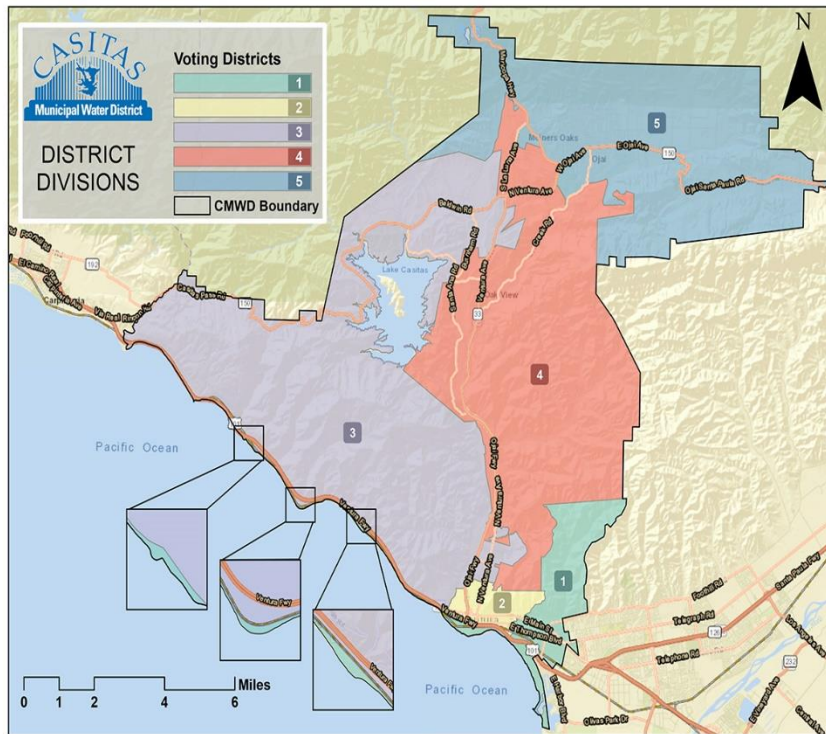
220-5863



OPINION
RESEARCH
& STRATEGY

Methodology

- Conducted a dual-mode survey, online, by cell, and landline between June 25-30, 2020
- Telephone surveys were offered in English and Spanish



- Surveys were completed with a random sample of 437 voters registered within Casitas Municipal Water District, and who are likely to vote in the November 2020 election
- Overall margin of error for the whole sample: +/-4.9%
- Some percentages may not sum to 100% due to rounding

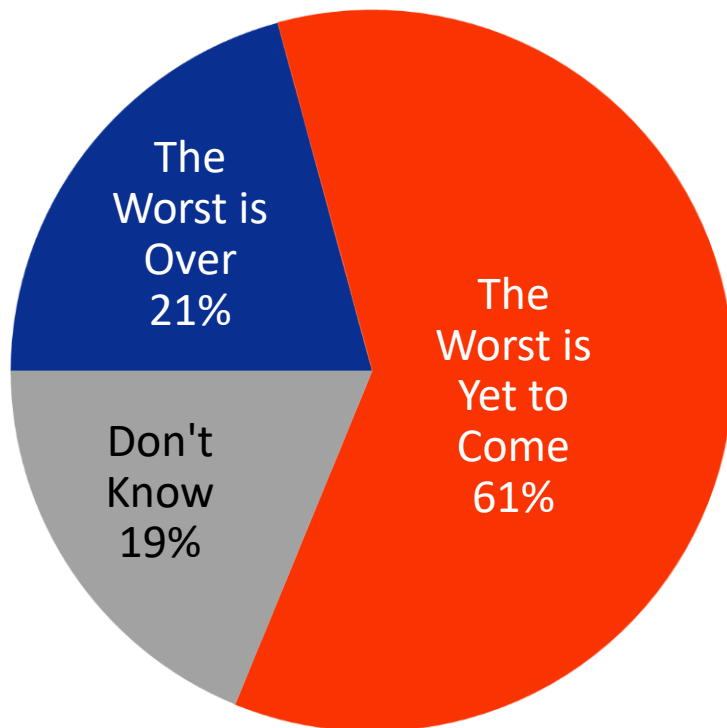


Issue Context



Six-in-ten believe that the worst of the current pandemic is yet to come.

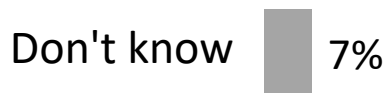
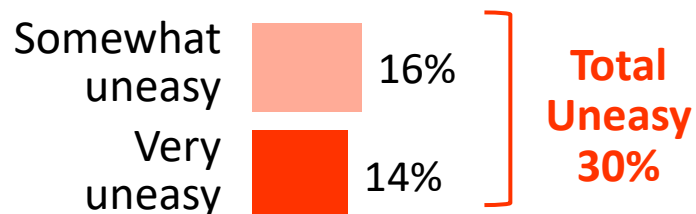
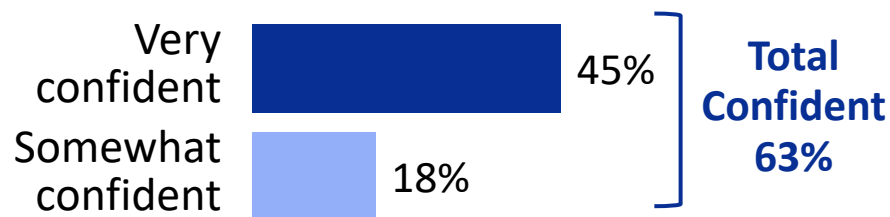
When it comes to the coronavirus pandemic, do you think that:



Demographic Group	The Worst is Over	The Worst is Yet to Come
Party		
Democrat	7%	78%
Independent	22%	57%
Republican	48%	29%
Age		
18-49	17%	66%
50+	23%	57%
Gender		
Men	25%	56%
Women	17%	65%

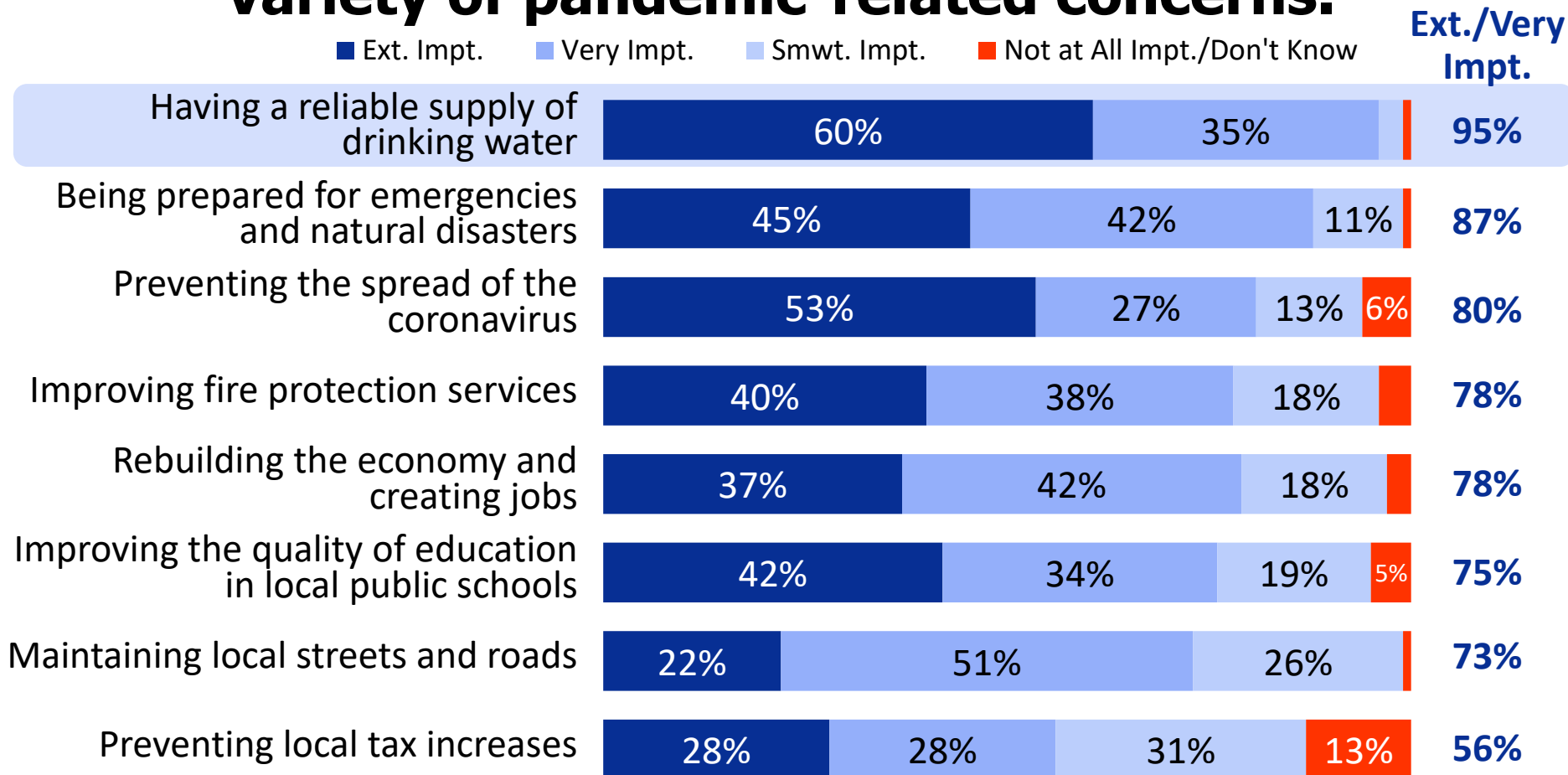
Three in ten are uneasy about meeting their living expenses in the next few months.

Thinking about your personal financial situation over the next few months, do you feel confident or uneasy you will be able to meet your living expenses?



Demographic Group	Total Confident	Total Uneasy
Party		
Democrat	60%	35%
Independent	62%	30%
Republican	71%	20%
Age		
18-49	57%	34%
50+	67%	27%
Gender		
Men	62%	33%
Women	64%	27%

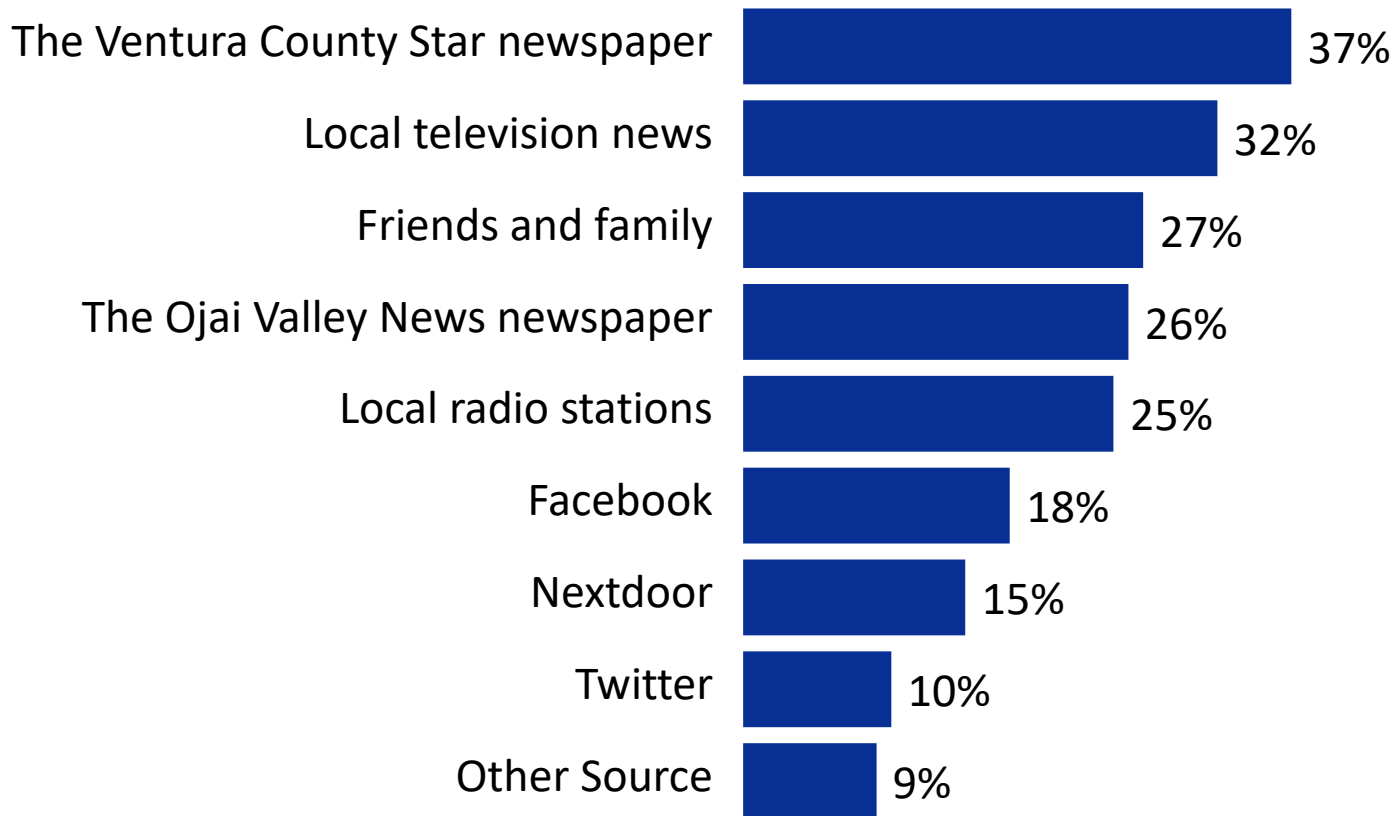
Customers view having a reliable supply of drinking water as more important than a variety of pandemic-related concerns.



At the same time, the intensity of the priority around water supplies has fallen since last year, when 76% rated it “extremely important.”

The most frequently used sources of information are local newspapers and television news.

*Where do you get most of your news and information about issues affecting your local area?
(Multiple Responses Accepted)*



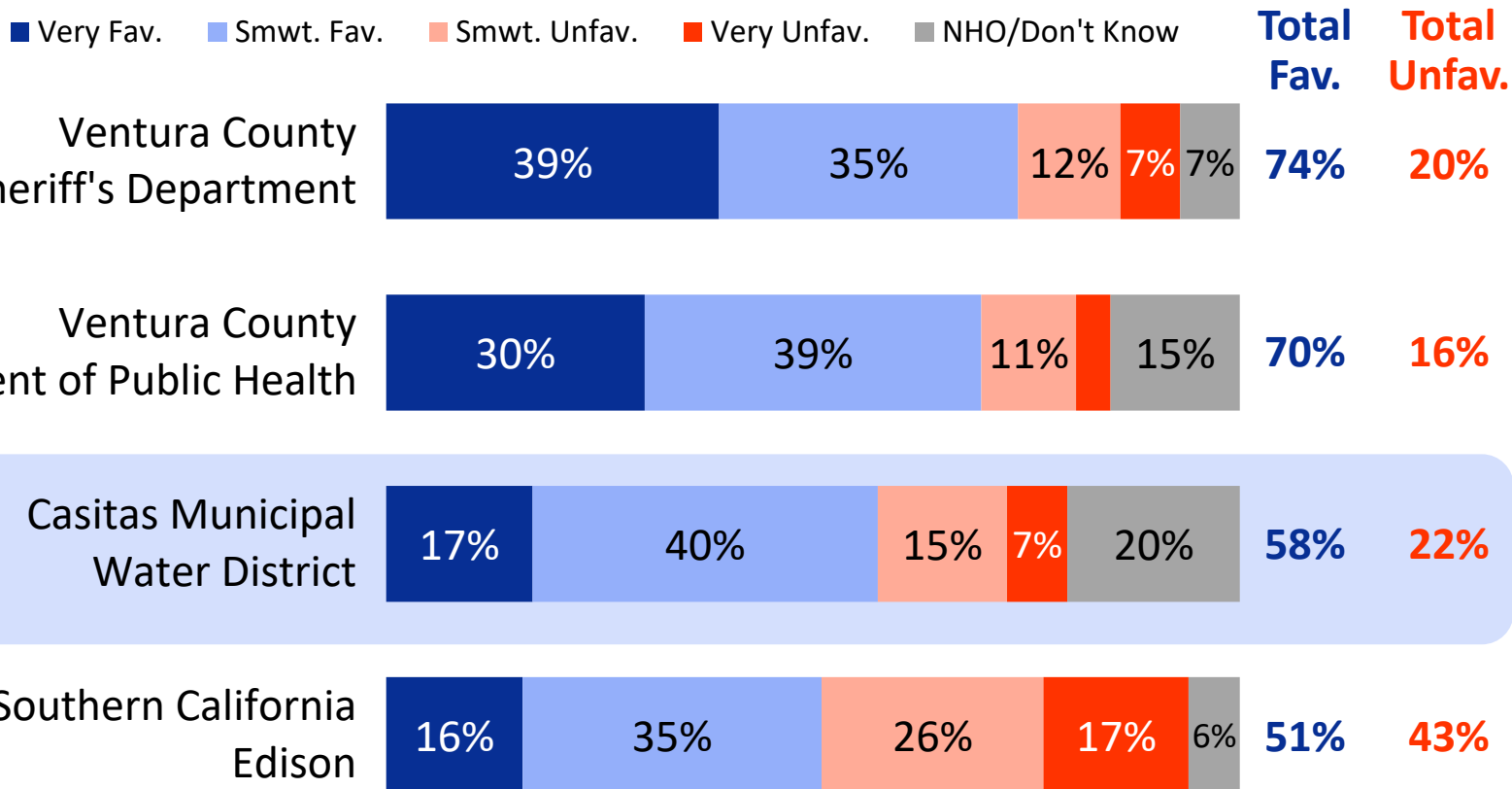


Perceptions of Casitas Municipal Water District



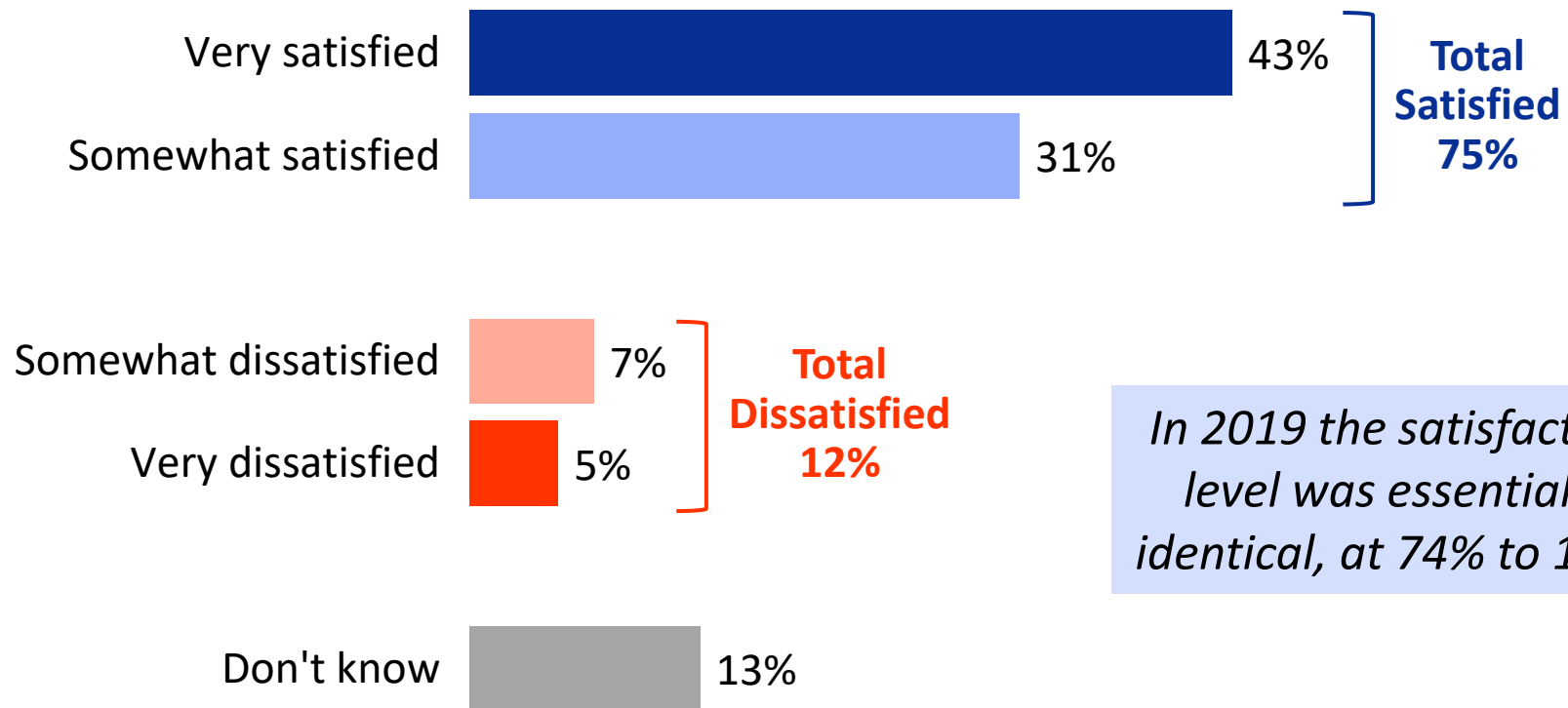
Three in five have a favorable view of Casitas Municipal Water District

Here are the names of some organizations that are active in public life. Please tell me if you have a very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable opinion of them.



Over seven-in-ten are satisfied with the job Casitas MWD is doing.

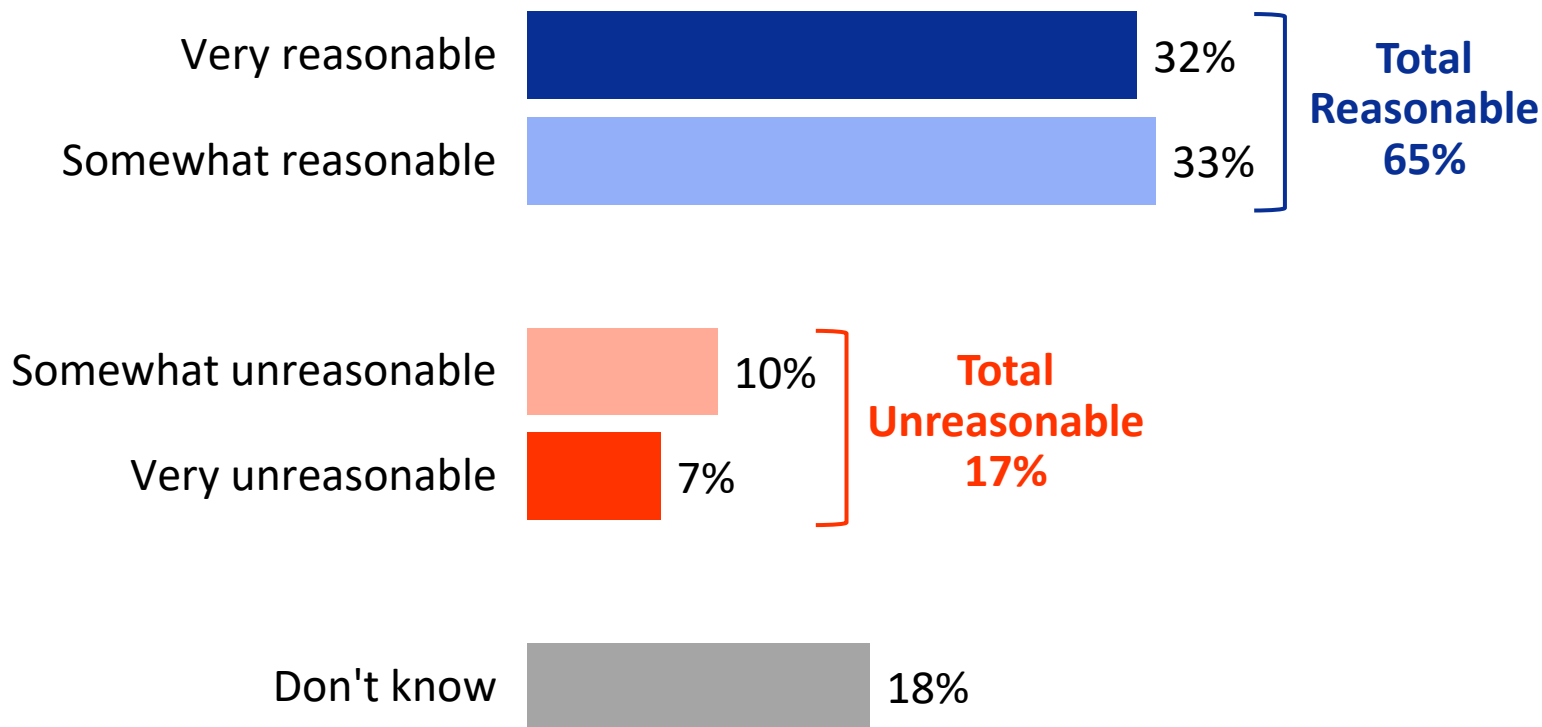
Are you satisfied or dissatisfied with the job the Casitas Municipal Water District is doing to provide water services to your household?



In 2019 the satisfaction level was essentially identical, at 74% to 19%.

A majority also finds their current water rates to be reasonable.

Do you believe the water rates you currently pay to the Casitas Municipal Water District are reasonable or unreasonable?





Support for a Casitas Municipal Water District Bond Measure



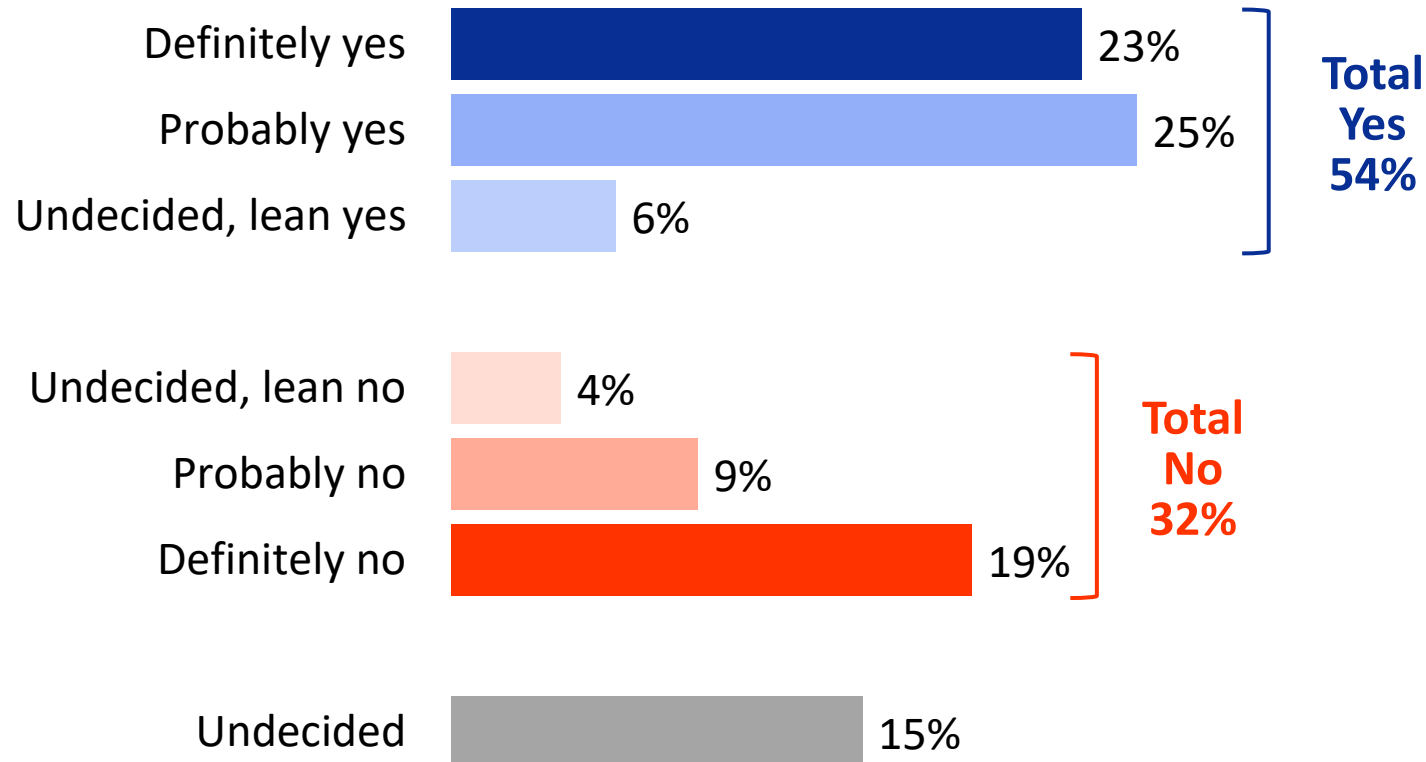
Draft Ballot Question Tested

In order to:

- Replace aging pipes/infrastructure to reduce leaks/avoid service interruptions;
- Preserve our local water supply in lake casitas, and secure additional supplies to help reduce vulnerability to droughts and the impacts of climate change;
- Increase our access to safe, high-quality water.

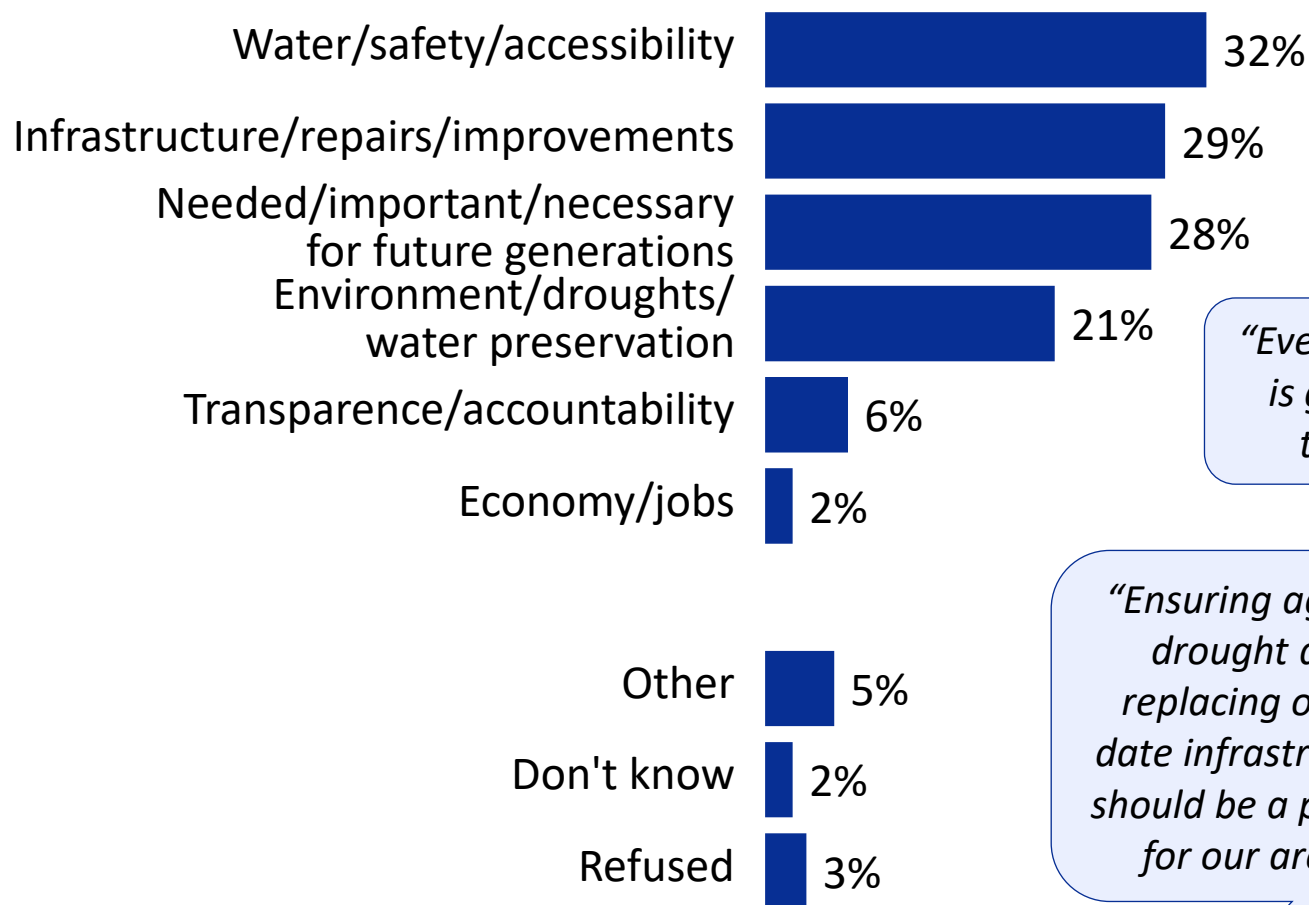
Shall the Casitas Municipal Water District measure authorizing \$155,000,000 in bonds at legal rates be adopted, levying 7.3 cents per \$100 of assessed value (\$6,880,000 annually) while bonds are outstanding, with independent audits, all money staying local?

A majority of customers support the measure from the start, without hearing additional information.



Supporters cite the importance of reliable water supplies.

*In a few words of your own, why would you vote YES on this potential bond measure?
(Open-ended)*



"We need to ensure we have good supply of good water."

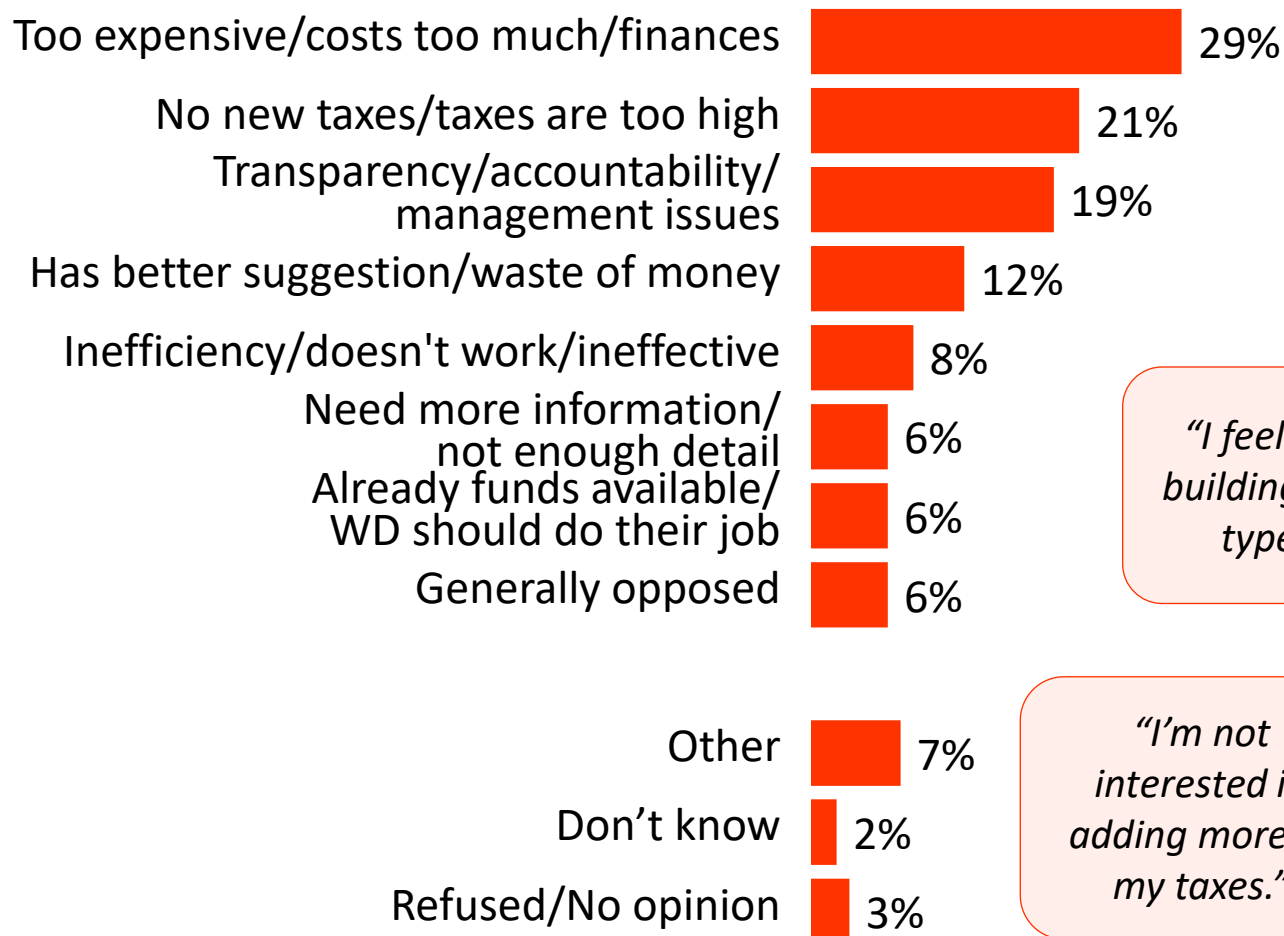
"Everybody needs water, population is growing, (and there is) a lot of talk of running out of water."

"Ensuring against drought and replacing out of date infrastructure should be a priority for our area."

"Water is an ongoing problem for California but a bigger problem in Ojai."

Opponents are primarily concerned about taxes and costs.

In a few words of your own, why would you vote **NO** on this potential bond measure?
(Open-ended)



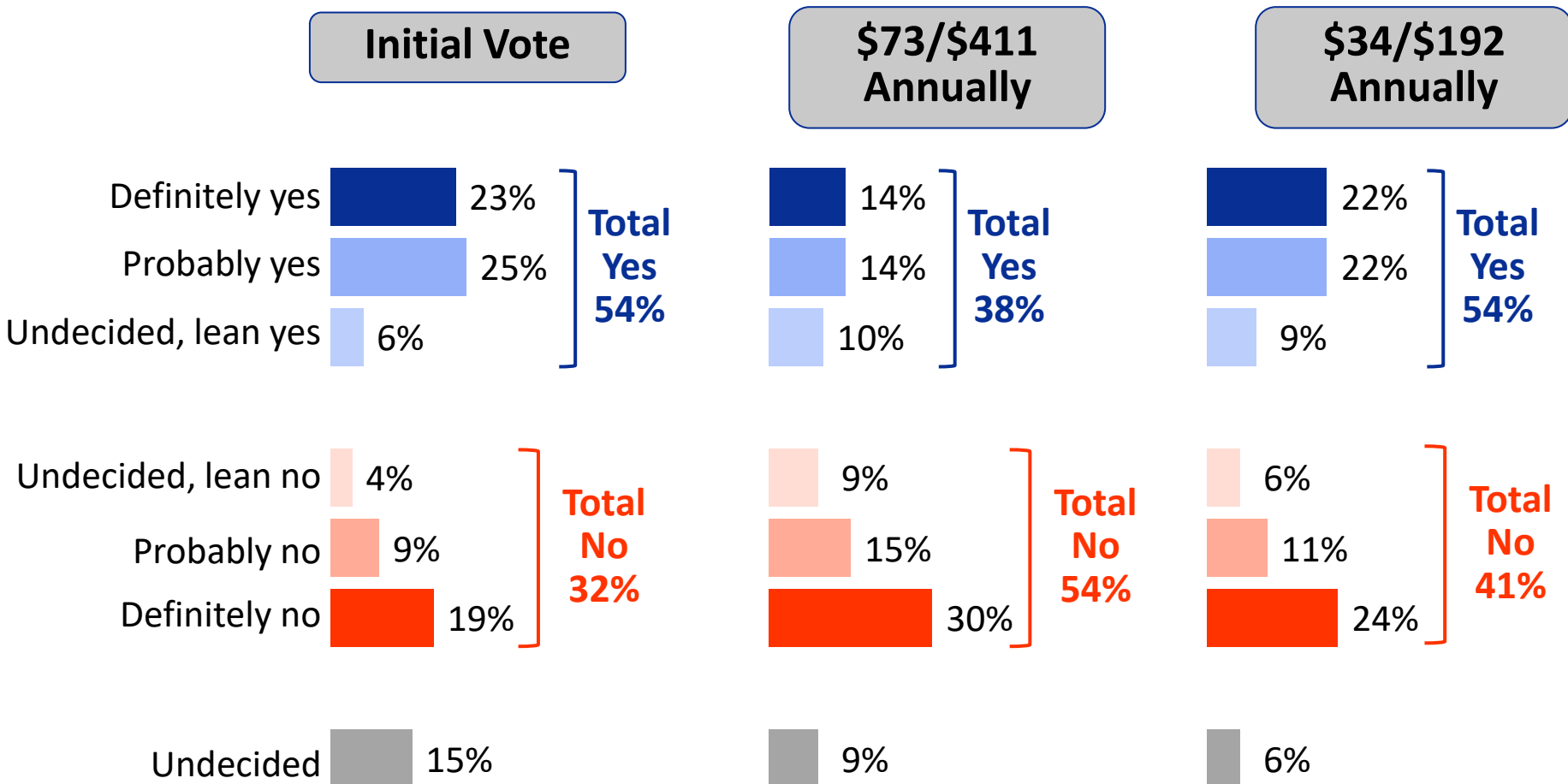
"Too expensive. Don't trust the expenditures will go to needed infrastructure."

"I feel the contractors who are building all this new high-density type housing should pay!"

"I'm not interested in adding more to my taxes."

"The bond is too big. We are on fixed income."

Support for the measure varies when the rate and average annual property tax is isolated.



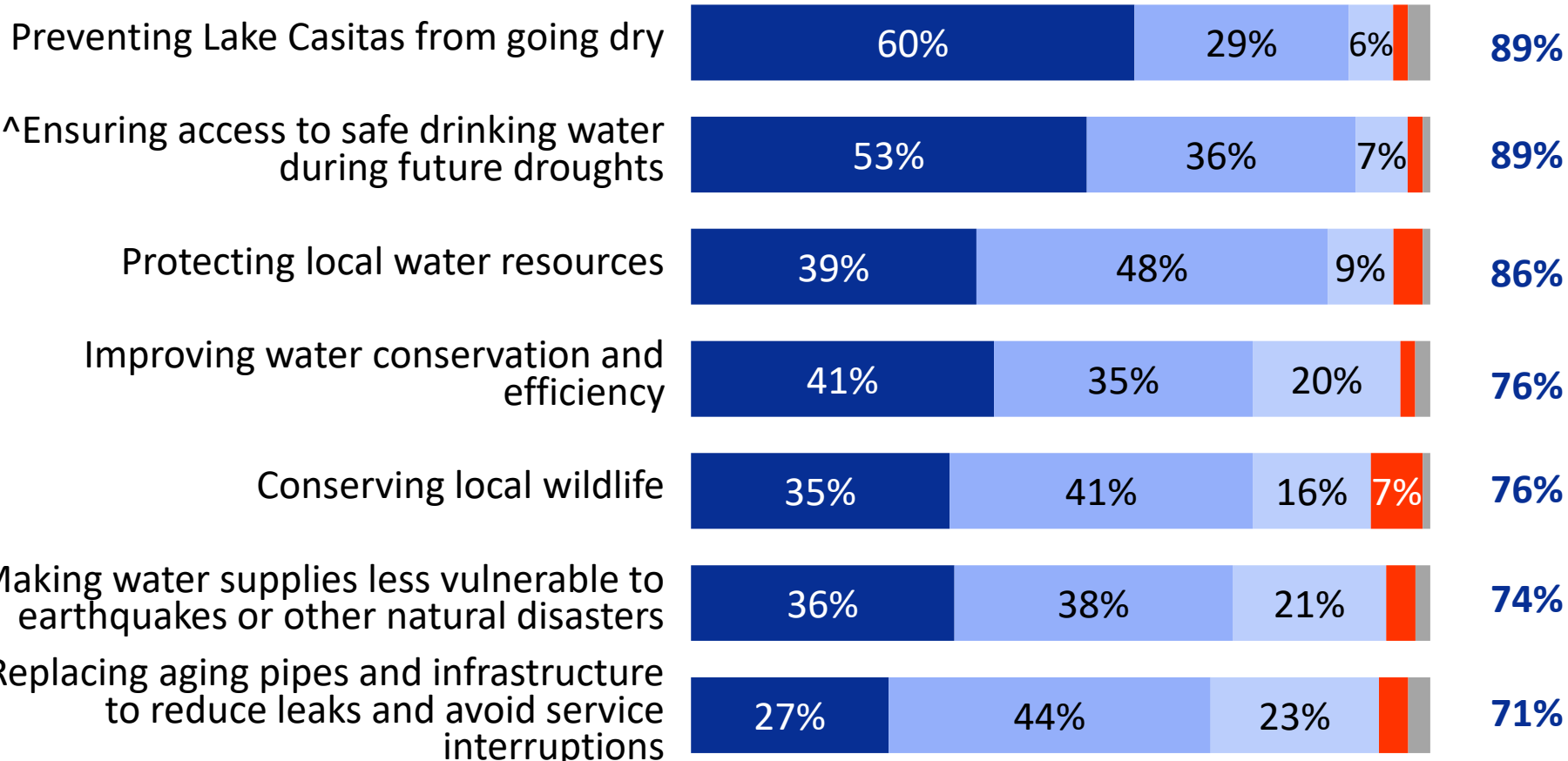


Project Spending Priorities



Customers prioritize spending to prevent Lake Casitas from going dry and ensure access to safe drinking water during future droughts.

■ Ext. Impt. ■ Very Impt. ■ Smwt. Impt. ■ Not Too Impt. ■ Don't Know **Ext./Very Impt.**



Specific infrastructure improvements generally rate as relatively lower priorities.

■ Ext. Impt. ■ Very Impt. ■ Smwt. Impt. ■ Not Too Impt. ■ Don't Know

Ext./Very Impt.

^Building pipelines, pump stations, and facilities needed to reliably bring water to our community



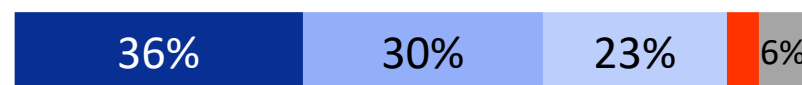
68%

Improving outdated pipelines



68%

Diversifying our reliable local sources of water



66%

Upgrading water testing and treatment facilities



66%

Reducing our reliance on Lake Casitas for our water supply



53%

^Connecting to and importing water from the State Water Project



50%

Expanding existing pipelines to increase the flow of water



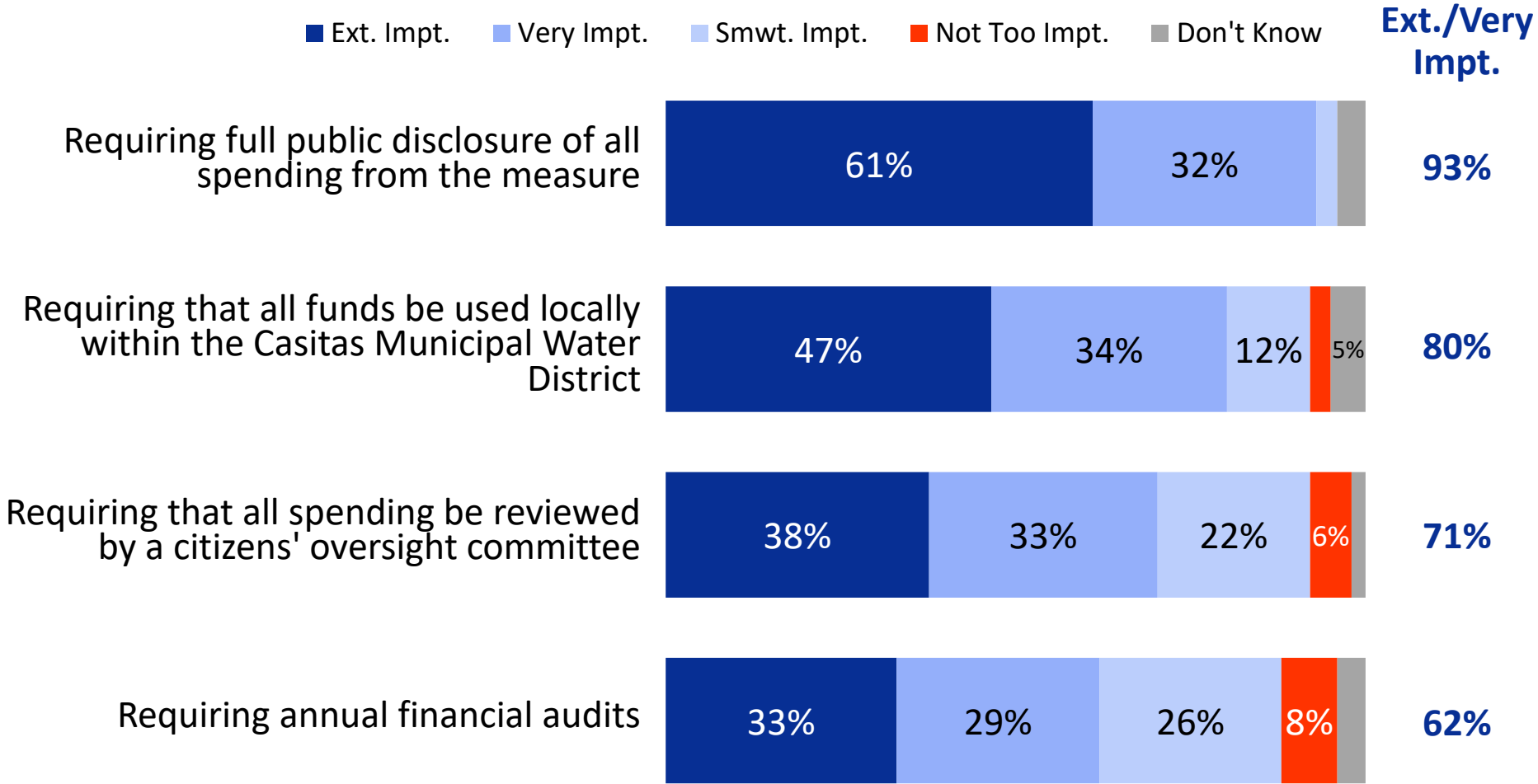
48%

Conserving local steelhead trout



41%

Strong majorities of customers prioritize fiscal accountability provisions.





Messaging



Information About the Need for the Bond Measure

(Ranked in Order of Effectiveness)

(RISKS) Being dependent on a single primary source of water is risky. A major pipeline failure, contamination or earthquake could cut-off our water supply. This measure will help Casitas Municipal Water District connect to additional water sources so they can continue to provide clean, safe water at all times, even when faced with a disaster or emergency.

(ACCOUNTABILITY) This measure includes strict accountability requirements to make sure that funds are used effectively and as promised. It includes an independent citizen oversight committee and annual independent financial audits. The funds raised cannot be legally diverted to other purposes or by the State, and must be spent according to the plan approved by voters.

(DIVERSIFY) Depending on one primary source of water is risky for any community, let alone one that has a history of consistent drought cycles. We must act now to diversify the sources of our water supply or face increasing water shortages during the next 5 years if drought conditions continue. This can lead to more stringent water use restrictions, which affect everyone in our community and could have longer lasting impacts to quality of life. This measure will allow us to connect to multiple additional sources of water for our community to rely on in the future.

(LAKE CASITAS) Our community currently relies heavily on Lake Casitas to provide us with the drinking water we need to run our homes, farms, and businesses. However, the Lake saw its lowest water levels yet just last year, and is expected to dry up completely in the next 6 years if we return to severe drought conditions. This measure will help us develop multiple, local, and additional sources of water to help preserve our water supply in Lake Casitas.

Information About the Need for the Bond Measure

(Ranked in Order of Effectiveness)

(DROUGHT) Persistent droughts are a major vulnerability for our community's water supply here in Western Ventura County - and are projected to become longer, more frequent and more severe with the increasing impacts of climate change. This bond measure will help protect our water supply in Lake Casitas from the impacts of drought by increasing the number of water supply sources to pull from during dry years.

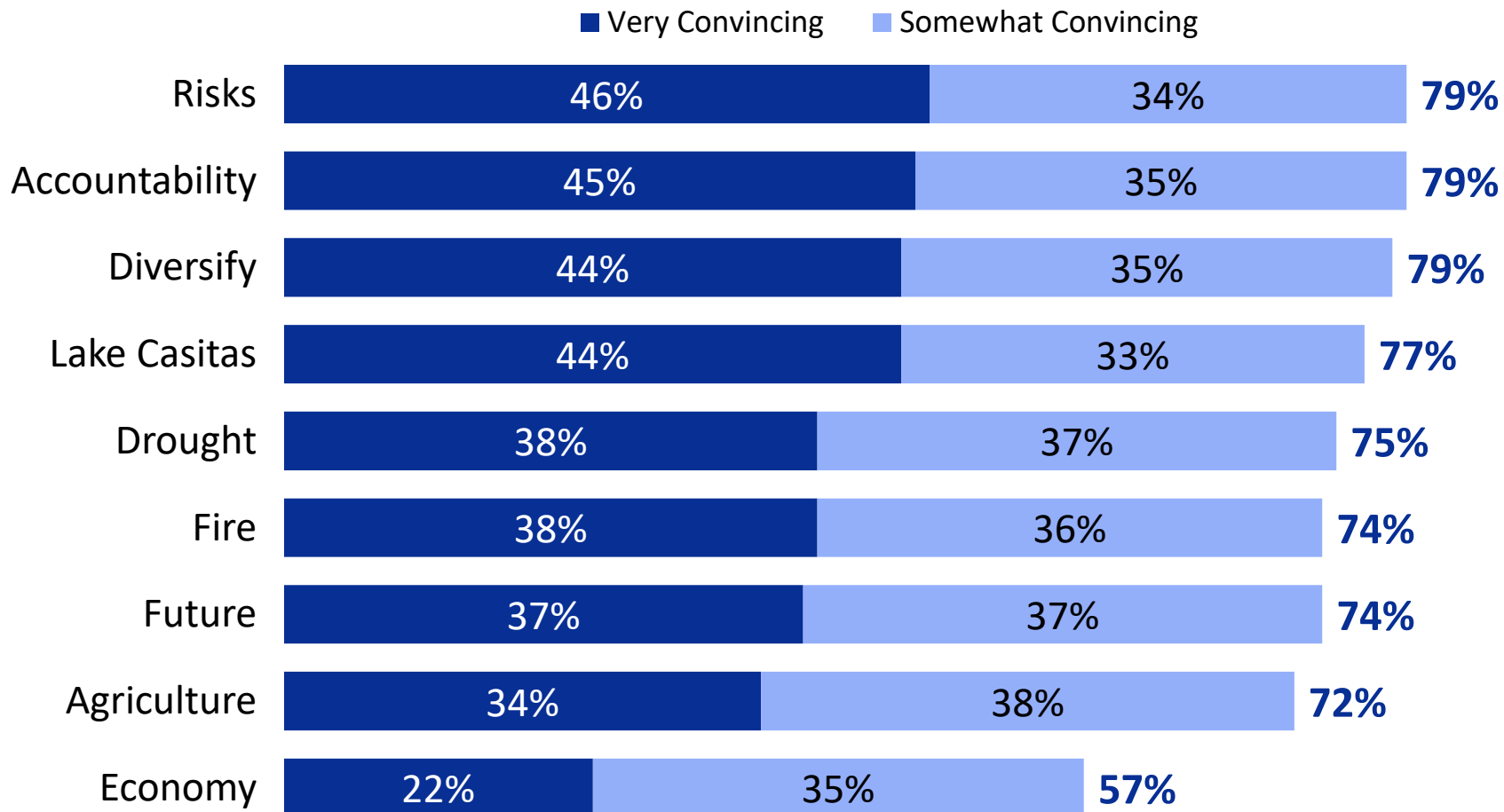
(FIRE) Wildfires are an unfortunate and increasing reality of life. Wildfires have a negative impact on local water quality as they lead to erosion that carries mud and sediment into our water supply. In addition, we rely on the water in Lake Casitas to help us fight wildfires throughout the region, such as the recent Thomas Fire. By diversifying the sources of our water supply, this bond measure will allow us to help to maintain water supply and quality in Lake Casitas during wildfires.

(FUTURE) We need to consider all options to ensure a reliable supply of water for ourselves and future generations. In order to make sure our children and grandchildren have a reliable supply of water, we need to make investments today.

(AGRICULTURE) Agriculture is a big part of our local economy, responsible for thousands of jobs on over 6,000 acres served by our water district. We need to increase our water supply to ensure there will be enough water to support our thriving agricultural industry. This measure is critical to securing the future of our local farms and ranches.

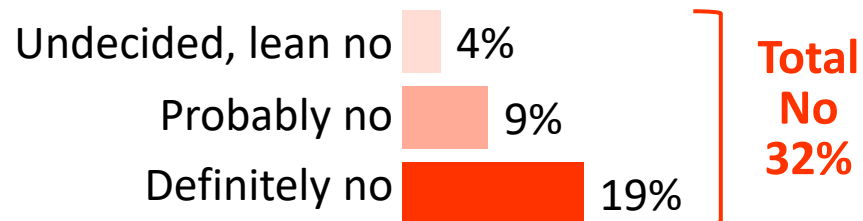
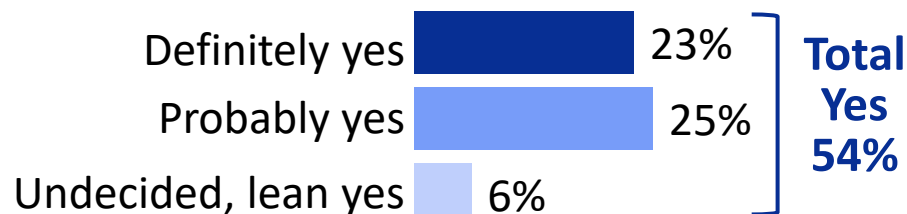
(ECONOMY) As our state moves into a deep recession, we need to do everything we can to preserve jobs. This measure will help to support a strong economy by providing a more reliable water supply that will help to maintain good, family-supporting jobs for local workers and throughout our regional agriculture industry.

Information about the need for water supply diversity tends to be the most compelling.



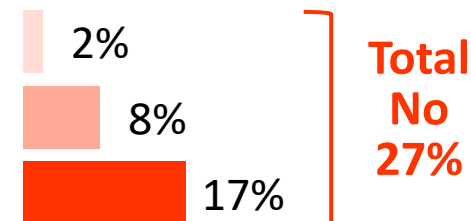
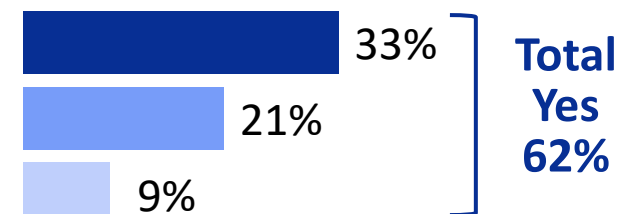
After hearing additional information, customer support for the measure increases by eight percentage points.

Initial Vote



Undecided 15%

After Education



Undecided 10%

Arguments in Opposition to a Bond Measure

(Ranked in Order of Effectiveness)

(PRICE) This measure will borrow over \$150 million, which will cost local taxpayers around \$300 million to pay back over time - including interest. That could mean nearly \$350 more in property taxes for the average homeowner.

(RECESSION) The coronavirus pandemic has plunged California into a deep recession, and local families are having a hard time making ends meet already. Now is not the time for a bond measure that will drive up taxes for local families even further.

(RATES TOO HIGH) Local water customers pay too much already; we have had two double-digit increases in our water rates in the last 5 years, and many households are still paying hundreds of dollars per year in property tax assessments related to water service. We just can't afford to raise local taxes even more.

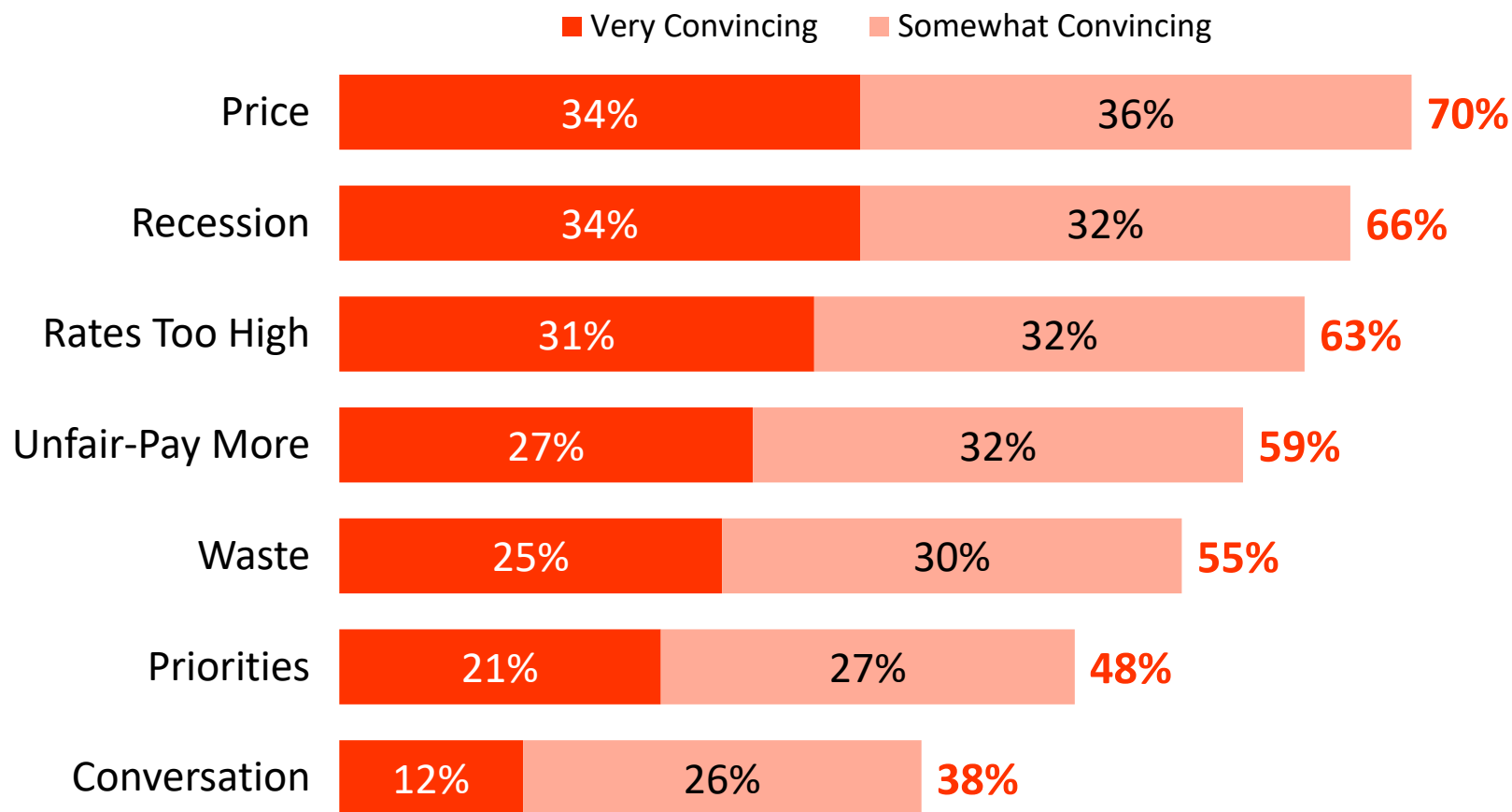
(UNFAIR- PAY MORE) This measure isn't fair. It charges some property owners a lot more than others, even though they use about the same amount of water.

(WASTE) We simply can't trust that money from this measure will be spent as promised. It will end up getting wasted on local politicians' pet projects.

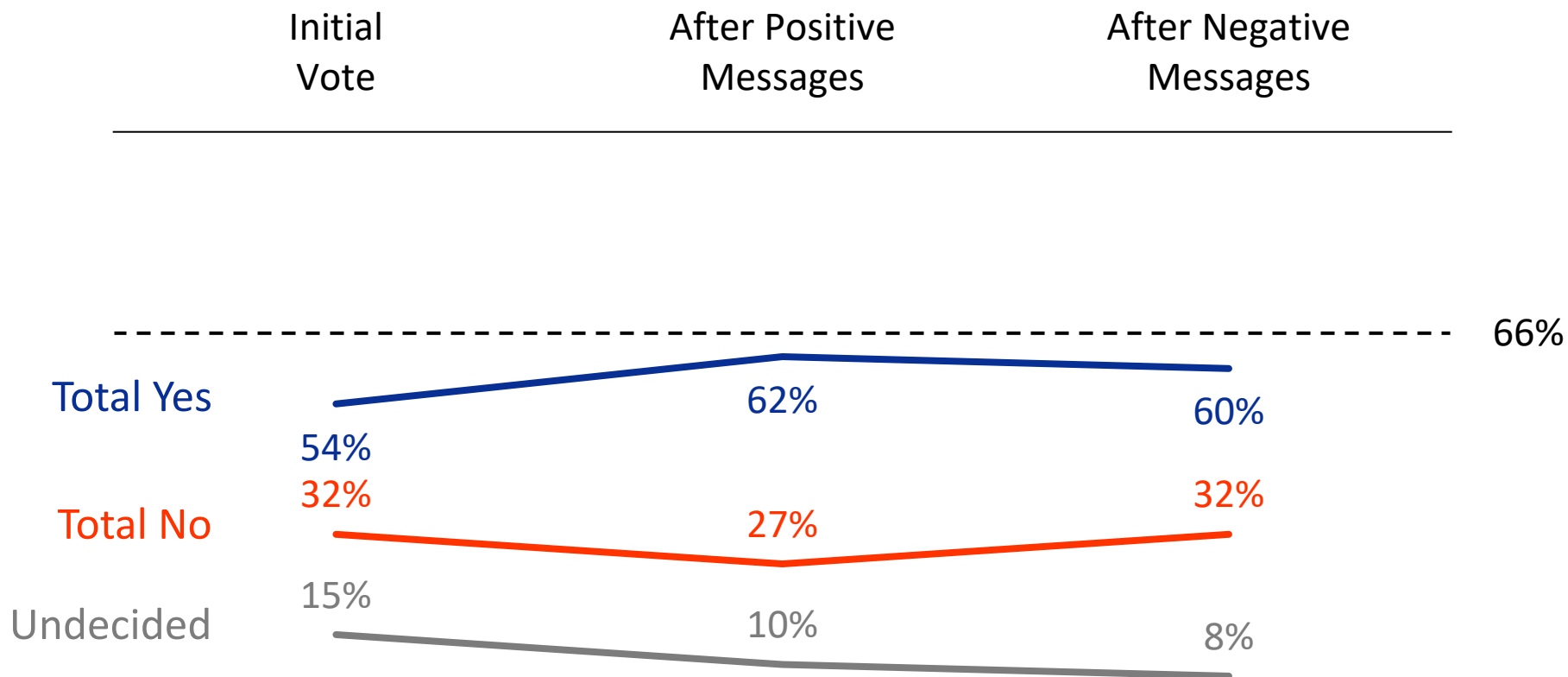
(PRIORITIES) Our community has many serious needs - from fighting the coronavirus pandemic, to building affordable housing and reducing homelessness to repairing our roads. We shouldn't spend so much money on this pipeline project when we have so many other, more urgent needs.

(CONSERVATION) Our community is already conserving water at such a high rate, we don't need to spend all of this money on water projects when we can just keep conserving water like we have been.

Economic arguments against a measure are generally ranked as most persuasive.



After hearing all information, support goes up but remains slightly below the required threshold for passage.





Conclusions



Conclusions

- Customers have very positive feelings toward Casitas MWD, with three-fourths of voters satisfied with the job the District is doing and a solid majority viewing rates as reasonable.
- There is a strong recognition of the importance of having a reliable water supply, with customers ranking it as a the most urgent of a list of local priorities.
- Customers prioritize preserving Lake Casitas and ensuring access to safe drinking water during future droughts, and rate them as a high priority for investment.
- At the same time, customers also feel some economic unease – with most saying that the worst of the pandemic is yet to come, and many uneasy about their household finances.
- In the current environment, while customers offer consistent and durable majority support for a \$155 million bond measure, that support remains just shy of the required two-thirds supermajority.
- Customers' satisfaction with the District's work to date and high levels of tax sensitivity likely create obstacles to getting to two-thirds.
- The District should consider continuing its education and outreach work, with the goal of broadening public understanding of the urgency of making water infrastructure investments now.
- The combination of that education, along with the passage of the pandemic and some amount of economic recovery, could create opportunities to reach the required two-thirds.

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