

Minutes of the Casitas Municipal Water District
Board of Directors Meeting Held
May 9, 2007

A meeting of the Board of Directors was held May 9, 2007 at Casitas' Office, Oak View, California. Directors Baggerly, Word, Hicks, Handley and Kaiser were present. Also present were Steve Wickstrum, Interim Co-General Manager, Rebekah Vieira, Clerk of the Board, Interim Co-General Manager; and Attorney, Rob Sawyer. There were two staff members and no members of the public in attendance. Director Baggerly led the group in the flag salute.

1. Public comments.

None

2. Board of Director comments.

Director Word commented on an issue that came up at the AWA board meeting regarding the new County regulations on fire sprinkler systems for new homes requiring larger lines and meter. Mr. Wickstrum reported that he met with the fire department about three months ago about this issue and concern. The fire requirements are determined ahead of time before we write a will serve. We will change out a meter if an existing one needs to be upsized. There is no difference in stand by charges.

3. Consent Agenda

APPROVED

- a. Minutes of April 25, 2007 meeting.
- b. Minutes of the April 19, 2007 Board Meeting
- c. Minutes of the April 30, 2007 Board Meeting
- d. Recommend approval for the President of the Board to sign an engagement letter with Charles Z. Fedak for an amount not to exceed \$20,600 for the purpose of performing auditing services for the year ended June 30, 2007.

Recommended Action: Adopt Consent Agenda

President Baggerly suggested pulling item d for discussion.

Director Word offered Consent Agenda items a, b, and c, seconded by Director Hicks and passed.

On Item d, President Baggerly mentioned he posed an idea to the Co-Interim General Managers about the possibility of an audit expansion for certain issues. Denise Collin explained that most of the items that you wanted to do are being fulfilled or encompassed in our current audit. President Baggerly expressed concern over auditors spot checking some records and that it does not go deep enough for statistical analysis. Denise explained that it is common to pull a random set. If they find any discrepancy then they pull additional random sets. It is common practice. It may be a good idea to

pick an item or two from the list to have looked at in depth each year. Specific review for compliance with our policies and procedures, GASB, GAO, Federal and State laws on the following: Payroll reimbursements, credit card expenses, cash, petty cash, capital expenses, operations expenses, overhead expenses and depreciation. He added he did not want to hold up the audit or the approval of the engagement letter but we could expand it at a later date. The Finance Committee will evaluate additional items for the auditor to review.

Item d was offered by President Baggerly, seconded by Director Word and passed.

4. Bills

APPROVED

President Hicks questioned #24048 for the Robles tank replacement roof for \$400,000 and asked where the tank is. Mr. Wickstrum replied it is due north past Meiners Oaks and Fairview Road. The tanks are 1 million gallons each. Director Hicks then asked about #24055 to Soares and Sandals for attendance at the Investment Committee. Rebekah Vieira replied that this is for Ken Meredith to attend the quarterly Investment Committee meetings. The Finance Committee will review the necessity of this service.

Director Kaiser questioned #24054 for herbicide spray from Smith Pipe and Supply. Brian Roney shared that this was for Round Up. Mr. Wickstrum added we purchase it where we find the lowest price.

Director Handley mentioned #23993 to Marzulla & Marzulla in the amount of \$59,580.23 and requested an update on the total to date for Marzulla & Marzulla. He then questioned reimbursements for airfare and expenses for the Fisheries Biologist. Director Kaiser asked for information on how much we are spending on steelhead related issues. It is important for the public to be aware of how much we are spending.

On the motion of Director Kaiser, seconded by Director Handley and passed, the bills were approved.

5. Committee/Manager Reports

APPROVED FOR FILING

- a. Finance Committee Minutes, April 27, 2007.
- b. Finance Committee Minutes, May 1, 2007.

On the motion of Director Kaiser, seconded by Director Word and passed, the Committee/Manager reports were approved for filing.

6. Information items:

Level of lake -4/30/2007 - -557.00 feet above mean sea level 10.00 feet below spill elevation); present storage is 227,691 acre feet (26,309 acre feet below full capacity of 254,000 acre feet, 100,691 acre feet above half capacity, or 89.64% full capacity.

- a. Report on attendance at the annual California Association of Public Information Officers Conference.
- b. Letter from Ken Marsh regarding the Comets Float Fly held April 21-22, 2007.
- c. Letter from Larry Yuva requesting information. Mr. Wickstrum replied to his request on May 1, 2007.
- d. Letter from Jack Gazdik & Family regarding Family Fun Fishing Day.
- e. Letter from Kelly Eells and the District's letter of response to her concerns regarding the recent taste and odor issue.
- f. News Articles of Interest
- g. Investment Report

President Baggerly convened the meeting at 4:50 p.m. to closed session regarding 54956.9 Casitas v. United States. President Baggerly adjourned the closed session at 4:55 p.m. stating there was nothing to report from closed session and took a recess. Rob Sawyer and Steve Wickstrum left the meeting.

7. Closed Session

- a. Conference with Legal Counsel -- Existing Litigation (Subdivision (a) of Section 54956.9, Government Code). Name of Case: Casitas Municipal Water District v. United States.
- b. Conference with Legal Counsel - Anticipated Litigation Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 (one potential case).
- c. Conference with Real Property Negotiators (Section 54956.8):
District Designated Negotiators: Steve Wickstrum, Rebekah Vieira, Pete Kaiser, Bill Hicks
Property: Rights to operate Lake Casitas Recreation Area under Federal Water Project Recreation Act.
Negotiating Parties: Bureau of Reclamation
Under Negotiation: Lease, price, identification and nature of consideration, and terms of payment
- e. Conference with Legal Counsel – Existing Litigation (Subdivision (a) of Section 54956.9 Government Code. Name of Case: Aaron Stittler vs. Casitas Municipal Water District, Case number: CIV246325.
- e. PUBLIC EMPLOYEE APPOINTMENT
Title: General Manager.
Government Code Section 54957 (b) (1).

President Baggerly reconvened the meeting at 5:12 p.m. and went to closed session regarding 54957 (b) (1) Public employee appointment. Jennifer Bower of CPS joined the meeting. President Baggerly returned the meeting to open session at 7:35 p.m. stating no action was taken during closed session.

Secretary