

Minutes of the Casitas Municipal Water District  
Board Meeting Held  
June 24, 2015

A meeting of the Board of Directors was held June 24, 2015 at the District office in Oak View, California. The meeting was called to order at 3:00 p.m. Directors Bergen, Kaiser, Baggerly, Word and Hicks were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were three staff members and four members of the public in attendance. President Bergen led the group in the flag salute.

1. Public Comments (items not on the agenda – three minute limit).

Jim Finch spoke to the board regarding allocations and that he thinks he can do it with 2.25 acre feet but when he spoke to a neighbor, the neighbor asked for three acre feet. Mr. Finch encouraged the board to look at the allocations geographically. He does not want to be a 2.25 acre feet with a neighbor at three and then he gets cut further. He added that he thinks the farmers are more than willing to work with you. Mr. Wickstrum explained that we have had people come in stating they need three acre feet when their neighbor is using 1.35 and added that we do have the ability to look at it geographically.

2. General Manager comments.

Mr. Wickstrum informed the board that the Upper Ojai 3M job is complete and online. He then mentioned that we are watching SB88, a new legislation that looks onerous in that the State Board is in charge of enforcing consolidation of water agencies. There is state funding to do the consolidation and there is a process by which there is communication between stakeholders and the consolidating agency and the state to coordinate how this is done. Mr. Wickstrum added that Carol Belser met with the State on the quagga grant and it sounds like we should have a letter authorizing the grant at the end of the week. Ron Merckling is meeting with DWR group to discuss the grant application filed for aeration system and the reporting requirements on that grant.

3. Board of Director comments.

Director Hicks commented on the request for water usage of the board members and he thought that the report that was provided was a good tool for customers to know their own water use and suggested sending a report to every customer. Ms. Collin explained that the information is available for every customer on their account via our web. Mr. Wickstrum added we have talked about putting three years of usage on the bills.

Director Baggerly mentioned that the current water service agreement with the city allows them to rent water from the district. Since 2005, about 8,000 acre feet has been exported from the district. If we added that water back in the lake we would be above 50% and be in a different position. While the district has been working to change that agreement, to no avail, we have not had any luck and water is still going out of the district.

4. Board of Director Verbal Reports on Meetings Attended.

Director Hicks mentioned the water issues meeting he attended and felt it was the best meeting he has attended.

Director Word mentioned some interesting concepts that were discussed at the AWA meeting. The speaker thought we should use water as a commodity and water should be traded like anything else. Director Baggerly mentioned he was surprised to see pixie packages for sale at Vons.

Director Kaiser reported the attendance of himself, Mary and Steve at the Ventura River GSA meeting yesterday. A lot of time was spent on various types of lawsuits and waiver of conflicts of interest. We talked about future membership on that agency and it was interesting when Shauna Epstein suggested opening it up to certain people or to open the entire river to the GSA process. President Bergen added that the obvious interaction of the GSA process along with the lawsuit and cross complaint complicates things. Russ McGlothlin was there and extremely helpful, treading a careful line but provided some good insights on the difference in adjudication and GSA and newer legislation for streamlining adjudication and the process for the court to stay action on the lawsuit while the GSA is organized. Director Baggerly asked if the waiver was signed. President Bergen replied that the City of Ventura and Casitas have not signed the waiver. We need to discuss that further.

5. Consent Agenda

ADOPTED

a. Minutes of June 10, 2015 Meeting.

Director Word suggested clarification to item 9 where it was discussing the usage of 80% of 89 numbers, not to exceed three acre feet per acre. Mr. Wickstrum explained that this is the correct language and that we are not able to provide three acre feet per acre to all Ag or we would exceed our safe yield. Some of our Ag customers use less than two acre feet per acre on a regular basis.

On the motion of Director Word, seconded by Director Baggerly, the Consent Agenda was adopted by the following roll call vote:

AYES:	Directors:	Hicks, Word, Baggerly, Kaiser, Bergen
NOES:	Directors:	None
ABSENT:	Directors:	None

6. Bills

APPROVED

Director Word questioned #21007 for excess charges for armored service. Denise Collin explained that in our contract there is a limitation on the amount they can carry between cash and checks and if it goes over that limit there is an additional fee. We are going to be reimbursed from Rabobank for those fees as we are still transitioning to the remit plus process.

On the motion of Director Kaiser, seconded by Director Hicks, the bills were approved by the following roll call vote:

AYES:	Directors:	Hicks, Word, Baggerly, Kaiser, Bergen
NOES:	Directors:	None
ABSENT:	Directors:	None

7. Resolution of appreciation to Caron Smith for ten years of service to Casitas. ADOPTED

President Bergen read the resolution of appreciation and thanked Ms. Smith for her ten years of service to the District.

The resolution was offered by Director Baggerly, seconded by Director Kaiser and passed by the following roll call vote:

AYES:	Directors:	Hicks, Word, Baggerly, Kaiser, Bergen
NOES:	Directors:	None
ABSENT:	Directors:	None

Resolution is numbered 15-24

8. Public Hearing for the adoption of the 2015-2016 Budget.

a. Public Hearing

President Bergen stated this is the time and place for a public hearing to consider input regarding the proposed Fiscal Year 2015-2016 Budget. She asked the Clerk of the Board to provide the names of the public who called or submitted communications regarding the proposed budget. Ms. Vieira stated there were none. President Bergen then asked for the General Manager's report.

Mr. Wickstrum provided his report and added that staff had spent six months putting the budget together, it had been reviewed by the Finance Committee and the board of directors and he was proud to offer this final budget. President Bergen opened the public hearing at 3:24 p.m. Mr. Finch asked why the Administration numbers went up. Ms. Collin explained that is a result of the overhead charges at the Recreation area going down. Director Word stated he is impressed with how much detail goes into the budget and staff did an outstanding job putting it together. Director Kaiser echoed those sentiments. Mr. Wickstrum added that staff is appreciate of the board's support and there is a lot of work at hand to keep the system alive as we are past the 50 year mark on a lot of our infrastructure. President Bergen then closed the public hearing at 3:28 p.m.

- b. Resolution adopting the general fund budget, debt service fund and Mira Monte water assessment district fund budgets for the Fiscal Year ending June 30, 2016. ADOPTED

The resolution was offered by Director Baggerly, seconded by Director Kaiser and passed by the following roll call vote:

AYES: Directors: Hicks, Word, Baggerly, Kaiser, Bergen  
NOES: Directors: None  
ABSENT: Directors: None

Resolution is numbered 15-25

9. Resolution fixing a tax rate for Fiscal Year 2015-2016 and authorizing the President of the Board to execute a certificate requesting the Ventura County Board of Supervisors to levy such a tax. ADOPTED

The resolution was offered by Director Kaiser, seconded by Director Baggerly and adopted by the following roll call vote:

AYES: Directors: Hicks, Word, Baggerly, Kaiser, Bergen  
NOES: Directors: None  
ABSENT: Directors: None

Resolution is numbered 15-26

10. Resolution to adopt, under Proposition 4, the 2015/2016 Establishment of Appropriations Limit of \$11,916,598. ADOPTED

The resolution was offered by Director Baggerly, seconded by Director Word and adopted by the following roll call vote:

AYES: Directors: Hicks, Word, Baggerly, Kaiser, Bergen  
NOES: Directors: None  
ABSENT: Directors: None

Resolution is numbered 15-27

11. Resolution authorizing the levy of a special tax for fiscal year 2015-2016 for Community Facilities District No. 2013-1 (Ojai). ADOPTED

The resolution was offered by Director Baggerly, seconded by Director Kaiser and passed by the following roll call vote:

AYES: Directors: Hicks, Word, Baggerly, Kaiser, Bergen  
NOES: Directors: None  
ABSENT: Directors: None

Resolution is numbered 15-28

12. Discussion on drought response and requirements of the State Water Resources Control Board.

Mr. Wickstrum commented that it appears that the State Water Resources Control Board was looking for ways to eliminate us as one of their reasons was for a water well even though we stated it is in a mothball condition and is not part of our four years of water supply. It appears that they wanted to help out a certain pocket of the state and did not think there were any entities in Southern California that could qualify for the 4%. We would like to send another letter to the state asking that we be allowed to work under our Urban Water Management Plan and not require the 32% reduction. Last month we achieved a 23% reduction. Ron Merckling added that part of the discussions have been the request to subtract Ag from the urban water use calculation but they are asking us to have a signed letter agreement and to prepare an Ag Water Management Plan by February 2016. If you serve less than 25,000 acres of Ag land there is no need for an Ag Management Plan. There are inconsistencies and this will be raised in our letter. If we don't sign the letter we have to include Ag in the 32% reduction and that impacts Ag and does not make sense. If we add the Ag numbers we have achieved an 11% reduction. Director Word added this defeats the purpose of what we were designed to do. President Bergen added it does not make sense. We will conserve every bit we can and we have a good plan and are implementing it.

Director Baggerly added people are worried that when they hear the 32% reduction that each individual has to reduce their usage by 32% but that amount is on water production. Those that are using way too much water need to reduce

Mr. Wickstrum added that with our direct urban use now at a 23% reduction he expects the allocation program to assist in achieving that additional 9%. He added that he will be sending a letter to the State Water Resources Control Board.

13. Discussion and approval of Workers' Compensation Insurance Coverage for fiscal year 2015/2016. APPROVED

The board reviewed options to continue with the CSAC Excess Workers' Compensation Program at a price of \$118,124 and a quote provided by SDRMA for primary coverage at a cost of \$169,717.85.

On the motion of Director Word, seconded by Director Kaiser, the board moved to continue with the CSAC Excess Workers' Compensation Program. This was approved by the following roll call vote:

AYES:	Directors:	Hicks, Word, Baggerly, Kaiser, Bergen
NOES:	Directors:	None
ABSENT:	Directors:	None

14. Discussion regarding the possibility of cancelling the July 8<sup>th</sup> Board meeting and rescheduling some of the Committee meetings in July.

On the motion of Director Kaiser, seconded by Director Hicks the July 8<sup>th</sup> board meeting is cancelled, Recreation Committee is tentatively rescheduled to

July 20<sup>th</sup>, and Personnel and Executive will be rescheduled if necessary. This was approved by the following roll call vote:

AYES:	Directors:	Hicks, Word, Baggerly, Kaiser, Bergen
NOES:	Directors:	None
ABSENT:	Directors:	None

15. Information Items:

- a. Finance Committee Minutes.
- b. Investment Report.

On the motion of Director Word, seconded by Director Baggerly, the information items were approved by the following roll call vote:

AYES:	Directors:	Hicks, Word, Baggerly, Kaiser, Bergen
NOES:	Directors:	None
ABSENT:	Directors:	None

President Bergen moved the meeting to closed session at 4:02 p.m.

16. Closed Session


- a. Conference with Legal Counsel -- Existing Litigation (Subdivision (a) of Section 54956.9, Government Code). Name of Case: Golden State Water Company v. Casitas Municipal Water District. Case Number: 56-2013-00433986-CU-WM-VTA.
- b. Conference with Legal Counsel -- Existing Litigation (Subdivision (a) of Section 54956.9, Government Code). Name of Case: Native Electrical Construction, Inc. v. Casitas Municipal Water District. Case Number: 56-2014-00457255-CU-BC-VTA.
- c. Conference with Legal Counsel -- Existing Litigation (Subdivision (a) of Section 54956.9, Government Code). Name of Case: Santa Barbara Channelkeeper v. State Water Resources Control Board, et al. Case Number: CPF-14-513875. Cross Complaint filed by City of San Buenaventura v. Casitas Municipal Water District, et al.
- d. Conference with Legal Counsel -- Anticipated Litigation  
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9, Government Code. (number of potential cases: one)
- e. Public Employee Performance Evaluation (Govt. Code Sec. 54957)  
Title: General Manager

President Bergen moved the meeting back into open session at 5:48 p.m. with Mr. Mathews stating there were no reportable actions on any of the closed session items.

17. Discussion and possible recommendation for approval of modification to the General Manager's compensation. Tabled

18. Adjournment

President Bergen adjourned the meeting at 5:50 p.m.

  
Russ Baggerly, Secretary