

Minutes of the Casitas Municipal Water District
Board Meeting Held
January 14, 2009

A meeting of the Board of Directors was held January 14, 2009 at Casitas' Office, Oak View, California. Directors Word, Hicks, Handley, Kaiser and Baggerly were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were two staff members and no members of the public in attendance. President Word led the group in the flag salute.

1. Public comments.

None

2. Board of Director comments.

Director Baggerly provided an update on the discussions that he is planning for the DC conference. The conversations will center on the Quagga and Zebra mussel issues. They have a group that includes a discussion about invasive species. They are very interested in what Andrea Cohen and other experts in the state have come up with for two specific issues. We need to get the Federal government to do something. First, The Department of Interior has control over Bureau of Reclamation and the National Park Service. National Park service controls Lake Mead. They estimate that the mussels have been in Lake Mead since 2005, they were found in 2007. An issue is that the National Park Service is comprised of recreationists. It is difficult to deal with resource protection. They have no control over all the entry places around Lake Mead. They have to make sure all boats are decontaminated before they leave the area. Second, is San Justo reservoir. Dr. Cohen says there is a chance for decontamination of the reservoir. Those are the two things we will be pushing so far. The plan is to try to work with the committees on National Resources and the Western states members. We would like them to sign on to a letter to the new Secretary of the Interior, Ken Salazar, from Colorado. There are a number of reservoirs in Colorado that are infested. A letter from California members or from the western state members would be powerful messages to have the Department of Interior.

President Word thanked everyone for the last year and the support and stated that we come together to work for the good of the cause. It has been interesting.

3. General Manager comments.

a. Verbal update on the Matilija Dam and Conduit Agreement

Mr. Wickstrum reported that yet another draft of an agreement was received on Sunday. This one appears to be a hybrid of an agreement from May of 2008. Discussions are continuing to attempt to reach an agreement.

b. Senior Canyon Mutual Water Company

Mr. Wickstrum reported that he has recently had a lot of interaction with Senior Canyon and read the following statement.

It is Casitas' direction to always have an open door to being approached by other water companies concerning help and advice about any possible water system transfer of ownership and providing a consistent message with respect to the direction the policies of Casitas.

It is Casitas' direction to be respectful of the authority which other water purveyors maintain in their respective water service areas.

It is Casitas' direction to consider an amicable and voluntary request by a water company to transfer the water system ownership if the transfer provides for a water system that meets District's standards, which also extends to the standards of the County and State, and that the transfer would not result in a financial, capital, and or maintenance, burden to Casitas' existing water customers.

Over the course of approximately ten years, Casitas has been approached several times by the Senior Canyon Mutual Water Company, respective Board members, General Managers, and on occasion customers of SCMWC, with respect to discussing the water system transfer of ownership and/or management options. Senior Canyon Mutual Water Company may be approaching a decision on the continued performance of their water company and its direction concerning the utilization of local water supplies.

Casitas must understand that there are many political viewpoints that surround the decision-making process, some of which are not favorable to Casitas, others are more favorable. Casitas must remain respectful of SCMWC decisions and continue with Casitas' direction to have an open door, respect given authority of water companies, consideration of any amicable and voluntary requests by water companies, and continue to respond in a reasonable and consistent manner.

Mr. Wickstrum added Senior Canyon is approaching a shareholder meeting in the next couple of weeks. We need to be consistent. This is their decision to make and we need to be realistic in what we can and can not do for them. They also put together documents that may or may not be favorable to us. They may have avenues they are trying to convince shareholders to vote one way or the other. They are addressing the outstanding amount that they owe. Director Word asked what they are trying to decide. Mr. Wickstrum answered whether to continue as a company, others want to move to be entirely independent of Casitas and develop wells. It is up to them to decide. Director Baggerly added it is not Casitas' design to take over, on our own volition, water companies that may be having trouble. Director Word asked if anyone from

Casitas is attending the meeting. Mr. Wickstrum replied no, we have not been invited.

Mr. Wickstrum then gave a status on some current projects. The catwalks are in place and going through a punch list. The Oak View tank is about 70% completed at this point. They are buttoning up our one filter for this year. We have decided to not go forward with the 4 M reservoir at this point because of the heat and we could get some stress on the system.

4. Election of Officers

President	Bill Hicks
Vice President	Rich Handley
Secretary	Pete Kaiser
Asst. Secretary	Russ Baggerly

On the motion of Director Handley, seconded by Director Kaiser and passed the election of officers was approved.

President Hicks complimented Director Word on the handling of the fishing issues. Your leadership handled a situation that could have blown up in our faces. This was well done.

5. Determination of the Five Committees, selection of the Chair and Vice Chair and setting the meeting schedules for Executive, Finance, Personnel, Recreation and Water Resources Committees.

Executive Committee - Hicks/Handley	Alternate Kaiser
Finance – Handley/Word	Baggerly
Personnel – Word/Baggerly	Hicks
Recreation – Hicks/Kaiser	Word
Water Resources – Baggerly/Kaiser	Handley

The meetings are scheduled as follows:

Executive Committee - 2nd Tuesday at 8:00 a.m.

Finance Committee - 3rd Friday at 8:00 a.m.

Personnel Committee - 3rd Wednesday at 4:30 p.m.

Recreation Committee - 1st Monday at 9:00 a.m.

Water Resources - 2nd Friday at 8:00 a.m.

Meeting dates and times are subject to change.

6. Discussion and approval of meetings that will be considered authorized meetings for the Board. APPROVED

On the motion of Director Word, seconded by Director Kaiser and passed the list of meetings as presented was authorized.

On the motion of Director Word, seconded by Director Handley and passed, the assignments of staff and directors as discussed were approved.

7. Resolution approving memberships. ADOPTED

Director Baggerly pointed out a slight correction in #11 changing the year to 2009. Mr. Wickstrum questioned different sponsorship levels for AWA. Director Word added that it is good to be seen and we have a continued presence there and participation and would want to remain at the current level. President Hicks added we are at the right amount for the events and we hold the picnic at the lake.

The above resolution with the correction was offered by Director Handley, seconded by Director Baggerly and passed by the following roll call vote:

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

Resolution is numbered 09-01.

8. Consent Agenda ADOPTED

- a. Minutes of the December 19, 2008 Board Meeting.

The consent agenda was offered by Director Word, seconded by Director Baggerly and passed.

9. Bills APPROVED

President Hicks questioned #01662 to Tyler Technologies. Mr. Wickstrum explained that this was for training on the accounting software we purchased.

Director Handley asked about the base units or the allocation of units not showing up on the water bills. Director Baggerly added that the Water

Resources Committee will be looking at the bill. President Hicks added that we need to review the allocations as a priority this year.

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

10. Committee/Manager Reports APPROVED FOR FILING

a. Water Resources Committee Minutes

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

11. Information Items:

- a. Lake Casitas Storage Volume Comparison
- b. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.
- c. Recreation Area report for December.
- d. News Articles of Interest
- e. Investment Report

President Hicks commented on the water storage comparison. Mr. Wickstrum explained that the previous dry periods tracked in a similar manner. He added that the hydrology report would be on the next board agenda and added that Todd Evans has been a great addition to the Engineering staff.

Director Handley commented on some recent opinions printed in the local paper and that the editor does not have his facts straight. He felt that a letter to the editor should be written as the editor is not well informed and is not quoting fact. Director Word added that many letters that people wrote had incorrect facts in them. Director Handley added he is willing to write a letter. We are being blamed for the demise of agriculture in the Ojai Valley. Director Word mentioned that the three directors in Ojai should be the ones to address it. Director Baggerly added that there is good information on agriculture going out of business long before the 218 rate change. We are being blamed for things that happened in the market years before.

Mr. Wickstrum added that the next couple of years will be interesting and we will have to fasten our seatbelts. There will be our critics. Director Word added if they complain about the price of water there are several indicators that if anything our water is grossly under priced. Some areas in the state are getting 15% of the water they need. They are faced with real issues. Director Kaiser agreed with Director Handley. Director Kaiser will work with Director Handley on the misinformation

Director Word asked if the results of the trailer rental audit could be made available at the next Finance Committee.

12. Closed Session:

Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Government Code Section 54956.9)
Name of Case: Casitas Municipal Water District v. United States

No Closed Session was held.

13. Adjournment

President Hicks adjourned the meeting at 5:33 p.m.

Secretary