



Minutes of the Casitas Municipal Water District
Board Meeting Held
January 9, 2019

A meeting of the Board of Directors was held January 9, 2019 at the Casitas Municipal Water District located at 1055 Ventura Ave. in Oak View, California. The meeting was called to order at 3:00 p.m. President Word led the group in the flag salute.

1. Roll Call

Directors Spandrio, Brennan, Baggerly, Kaiser, and Word were present. Also present were Mike Flood, Interim General Manager, Rebekah Vieira, Clerk of the Board, and Attorney John Mathews. There were two staff members and fifteen members of the public in attendance

2. Public comments (Items not on the agenda – three minute limit).

None

3. General Manager comments.

Mr. Flood wished the Board a Happy New Year and explained that there were many things that have occurred in the last 30 days. We had some main breaks. On December 25th on Grand Avenue and another one yesterday at the Lake. The Grand Avenue was 1930's 8 inch cast iron. We clamped it twice but it continued to dribble. We will have to do some major surgery on that line and replace about 100 foot of pipe. The break at the lake did involve a ten inch main and was repaired by the afternoon and put about half of the park out of water. They are back in service.

The Management Committee on the critical drought protection measures met this morning with 2/3's of the members. CA Department of Fish & Wildlife did not show up. The Bureau will send it to NMFS for final comment. We hope to have concurrence from NMFS by the end of the month to put those measures in place.

President Word asked how the diversion is doing. Mr. Flood responded that it seems to be able to handle the storms that we have had with the conditions of the facility. We are getting quick flashes of water and once the storm stops it decreases quickly. We have one permit for the fish screen bay

clean out and are waiting for the federal permit. We have engaged Monique Limon and the Bureau of Reclamation to help move it along. The State has given a verbal to back off of the 1600 permit now. We are in position to take advantage of it when there is a window of opportunity.

On the FS299 permit we have had little help from anyone we sent letters to. Po Fung is scheduling meetings with Senators Feinstein and Harris' to discuss. We are contacting Julia Brownley's office and are working with an individual in DC that moved the ball the last time to try to push this.

On the State Water Project they have informed us that we have 10% of our initial allocation. The snow survey showed they are 67% of normal. This is an extremely conservative allocation. I will alert you when the allocation changes. We may be interested in doing an exchange again this year.

4. Board of Director comments.

President Word suggested a special meeting on Saturday morning at 10:00 on the General Manager recruitment.

Director Brennan expressed thanks to staff who were called out on Christmas eve and on Christmas day. He also expressed thanks to the families whose holiday was disrupted.

Director Spandrio shared a slide on lake volume and demand assumptions and asked for an updated slide for our next board meeting and start discussing worse case planning for the future.

5. Board of Director Verbal Reports on Meetings Attended.

President Word reported on his attendance at the AWA meeting. The Water wise meeting is on the 17th and there is a session on Direct Potable reuse on the 30th. In the Government report they quoted Gov. Newsom's rejection of Governor Brown's plan for the twin tunnels and instead he supports narrowing the project and a more modest proposal. These will have direct bearings on cost of project with the intertie.

6. Election of Board Officers.

President Word explained our system of rotating the officer positions and if as there was no objection the Board Officers were presented as follows:

President	Pete Kaiser
Vice President	Russ Baggerly
Secretary	Brian Brennan
Assistant Secretary	Angelo Spandrio
Past President/At Large	Jim Word.

The slate of officers was offered by Director Brennan, seconded by Director Baggerly and adopted by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

The gavel passed to President Kaiser who then stated the following:

Fellow Board members, community members, and district staff:

I'm honored to take the helm as Board President at this pivotal time.

I first want to again welcome our new colleagues to the Board: Mr. Brennan and Mr. Spandrio and thank those Directors who most recently served this District, Ms. Bergen and Mr. Hicks.

This historic drought, notwithstanding recent rains, presents ongoing challenges. This is a critical time to think about who we are, how we operate and how we ensure long term water security for our customers. I believe this Board is committed to doing just that.

With change comes opportunity. As you know, in the fall of last year, our long-term General Manager retired. In the wake of the changing of the guard, I am committed to a top-to-bottom evaluation of the operations of the District.

We know there is still more to be done, but have started this important work. At this crossroads, as a Board, we will provide concerted direction and make the decisions necessary to focus on building a strong future.

Casitas will continue to implement purposeful changes that realign the District to effectively achieve its core function and mission: Delivering safe, clean and reliable water at a fair rate to consumers.

Personally, I come from a background in objective-based management. We need to show innovation, action and results. We've made progress but we need to do a better job District-wide of tracking all our projects and moving things forward to successful conclusions.

I want to ensure that we're going to innovate and streamline processes to make delivery of our services more efficient. That means continuing capital improvements to make service better, and, addressing our internal operations to effectively elicit ratepayer confidence. We need to set a new tome of leadership and results-oriented policymaking. And I expect the management team to follow the directions of this Board to timely completion.

We're going to push back on onerous, nebulous, or obtuse Federal and State bureaucratic inclinations that limit our ability to maintain our facilities, maximize diversions and steward the environment. Meanwhile, we need to be more proactive and prospective in working with these and local agencies to attain the progress that will improve our water security and enhance protection of Endangered Species.

I want to encourage local dependent water agencies to improve on their own water delivery system investments to facilitate more independence from Casitas. Water security rate setting needs to be commensurate with the responsibilities each agency has for the community it services. In my opinion, Casitas with its limited financial resources, cannot subsidize other districts only to see in turn their disproportionate artificial lower rates extended onto the back of Casitas' direct ratepayers. There needs to be a philosophy of capital improvement or system investment by all agencies to responsibly reduce reliance on Casitas as the primary source of water, but rather and truly, a back-up source only needed in the most critical emergency times.

We're going to continue to modernize and expand our communication and transparency efforts. We've started this process but need to continue to answer questions quickly and openly about the status of important projects and water supply so our customers can be confident in our plans to ensure water security.

In the coming weeks, I plan to organize the first 'State of the District' presentation with District managers and personally direct the presentation of this information with goals and objectives attached to it for our served community. I will institute an ad-hoc committee to begin immediately on this important effort.

As we start this year, a new Board is in charge now and soon, also a new General Manager. New directives are already in place with the expectation to be fulfilled. Together, the Board, District Managers, and dedicated staff look forward to working with the public to achieve many successes in 2019 and beyond!
Thank you.

Director Baggerly added that Casitas has a public franchise responsibility to make sure we can provide water to our customers forever. If the lake goes dry we will find water someplace else.

7. Selection of Board Committees and Ad Hoc Committees.
 - a. Board Member Assignments.
 - b. Schedule of Committee Meetings
 - c. President Assignments to Ad-Hoc Committees

The board discussed the committee meetings and decided that the Quagga Committee would be cancelled with any quagga issues being able to be handled in the Water Resources Committee.

The Committee Assignments and schedule is as follows:

COMMITTEE ASSIGNMENTS:

	<u>Members</u>	<u>Alternate</u>
Executive	Kaiser/Baggerly	Word
Finance	Word/Kaiser	Spandrio
Personnel	Word/Brennan	Baggerly
Recreation	Brennan/Spandrio	Kaiser
Water Resources	Baggerly/Spandrio	Brennan

COMMITTEE DATES AND TIME:

	<u>Date</u>	<u>Time</u>
Executive	2 nd Friday	10:00 a.m.
Finance	3 rd Friday	10:00 a.m.
Personnel	2 nd Tuesday	4:30 p.m.
Recreation	1 st Tuesday	10:00 a.m.
Water Resources	3 rd Tuesday	10:00 a.m.

Ad Hoc Committee Assignments

	<u>Members</u>	<u>Alternate</u>
State Water	Brennan/Spandrio	Baggerly
Public Relations	Kaiser/Baggerly	Brennan
State of the District	Kaiser/Spandrio	Word

The committee assignments and schedule was offered by Director Word, seconded by Director Baggerly and approved by the following roll call vote:

AYES: Directors: Spandrio, Brennan, Baggerly, Kaiser, Word
 NOES: Directors: None
 ABSENT: Directors: None

8. Assignments to Outside Associations and Approval of Authorized Meetings for the Board. APPROVED

Bruce Kuebler reminded the district that the appointment to UVRGA would need to be done by resolution. Mr. Mathews added you can do it by resolution today.

Director Brennan suggested adding the City of Ventura Water Commission meeting to the list with Director Word and Director Brennan as alternate.

Mr. Mathews instructed the board on attendance at committee meetings and suggested not attending a standing committee meetings that one does not sit on. If you attend an outside association meeting and receive compensation for a day of service you have to give a verbal report.

Director Brennan moved to approve the outside associations and meetings with the addition of the Ventura Water Commission and by resolution for the UVRGA. This was seconded by Director Word and adopted by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

Director Spandrio then questioned attendance at the Supervisor Bennett meeting which is titled Ojai Ventura Water Agency Partnership. Director Brennan disclosed that he works in Supervisor Bennett's office and does not attend those meetings.

On the motion of Director Word, seconded by Director Baggerly, the Ojai Ventura Water Agency Partnership was added to the list by the following roll call vote:

AYES:	Directors:	Spandrio, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None
ABSTAIN:	Directors:	Brennan

9. Resolution authorizing memberships. ADOPTED

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

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

Resolution is numbered 19-01

President Kaiser asked that a board planning day be scheduled for Saturday, January 19th at 10:00 a.m. Director Brennan moved to hold the special

meeting, this was seconded by Director Baggerly and passed by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

10. Consent Agenda APPROVED

- a. Minutes from the December 12, 2018 meeting.

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

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

11. Review of District Accounts Payable Report for the Period of 12/06/18 - 01/02/19. APPROVED

On the motion of Director Word, seconded by Director Baggerly the Accounts Payable Report was approved by the following roll call vote:

AYES:	Directors:	Spandrio, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None
ABSTAIN:	Directors:	Brennan

12. Continuing Consideration of a Resolution Declaring a Stage 4 Water Supply Condition at Lake Casitas. Continued to next meeting

The Board discussed various alternatives and heard input from the following public:

Larry Fisher expressed concern on a possible moratorium and suggested that not be a part of the action on Stage 4.

A resident of the City of Ojai and owner of a vacant residential lot expressed concerns about the impact of any moratorium given the current state of development in the city of Ojai. As a residential lot owner I want to make it clear that the negative impact that a moratorium action would have on owners vacant lots. It would render it impossible to build. Second, the market would have seized up. Undeveloped property in Ojai is evaporating. No one knows how long this situation will exist. Everyone is doing their best. A lot of it is outside of our control. This could go on for a long period of time. Owners of

properties have carrying costs to deal with. If you own a property that is a tear down you can tear it down and have a meter and can build. If it is a vacant lot you are out of luck.

On the motion of Director Spandrio, seconded by Director Brennan, this item will be continued to the next board meeting. This was passed by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

13. Recommend approval of the list of contractors who are pre-qualified for calendar year 2019 to bid for pipeline construction jobs and perform emergency pipeline repairs using their 2019 rate schedule.

APPROVED

On the motion of Director Baggerly, seconded by Director Word the above recommendation was approved by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

14. Recommend authorizing the General Manager to enter into an agreement for professional engineering consulting services with Stantec Consulting Services, Inc. for preparation of the Comprehensive Water Resources Plan and Safe Yield Analysis for a fee not to exceed \$398,390.

Water Resources Committee to review

The Board discussed the scope of work and Director Spandrio asked that the item be reviewed in committee and then come back to the full board.

Richard Hajas suggested that a complex model may not give you the bang for the buck and you could spend a lot of time trying to get to a specific number which you will have to re-evaluate again in the future. Do it in a timely manner. Develop a minimum lake level as an insurance policy.

Director Word moved to accept option 2 and move forward with the consultant services agreement. This was seconded by Director Baggerly but failed for lack of majority approval. Director Brennan and Director Kaiser wanted to follow process and have it reviewed by the Water Resources Committee.

On the motion of Director Brennan, seconded by Director Spandrio, this item will go to the Water Resources Committee and the committee can make a

recommendation to the board for the next board meeting. This was passed by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

15. Recommend awarding a contract to Pueblo Water Resources, Inc. in the amount of \$15,320.00 for assessment of the Teague Watershed groundwater resources in relation to proposed pilot bore test wells in the Teague Watershed. APPROVED

On the motion of Director Baggerly, seconded by Director Brennan, the above recommendation was approved by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

16. Discussion of a letter regarding Ojai Valley Drought Economic Study.

The Board discussed the request to engage in an economic study and heard from the following members of the public:

Mary Bergen discussed estimating the economic effect that the fire caused to Ag. This went out for proposal and Cal Lutheran said they would not bid on it. The scale of impact here is too small. There are so many variables in Ag and staff here is working hard with other priorities. You would have to determine the impact of the fire first and then determine what the impact is as a result of the drought.

William Weirick explained the issue here is as we move forward part of the key is we demonstrate the need and then attract the resources. To achieve water security we all agree to have sustainability in the Ag sector will have to have significant public investment. What will be key to attracting those resources? Ag has an effect on fire safety. Part of this is to demonstrate to ratepayers and public the kind of investment we need to make. Legislative and grant sources need a demonstrated need and collaboration.

Mike Krumpschmidt, resident of Meiners Oaks and Director for MO Water, speaking as a 40+ year resident of the Ojai Valley added that we generally talk about price tag on any kind of idea that is floated. Consider the pricetag. Huge price tags are those are the kinds of prices that set people on their heels and cause people to not support ideas that should be supported. We can anticipate those expenditures in the future. If we are unlucky and attempts made to find

other sources of water and conserve and we get rainfall and if we are lucky, great. Can we be confident those supplies can continue and the lake will give us what we need? We know now that things are looking dire. If we wait and don't prepare our constituents about what could befall us if not supplied with water we could be facing an unsolvable problem. What is the magnitude of problem in terms of dollars? We could get a lot of resistance. Build people towards the idea that answers may cost \$100 million dollars. Point out financial cost if we don't do that. Financial cost can run into the billions if we do not have backup water. The ripple effect can be pervasive. Ag can be impacted. Don't know price tag attached to that. Casitas needs to take the lead on this and develop for the clear understanding of our constituents the ramifications of not taking adequate steps. Encourage you to take that leap for the people in the valley.

Bert Rapp with Ventura River Water District explained that the sponsors put together a scope of work. If Casitas board participates the scope of work would modify to address areas of concern for the Casitas board. If an economic study of lake going dry is of value to you, a scope of work would need to be completed for Casitas. Sponsors are interested in working with you on a revised scope of work. Ag that is dependent on Casitas may not be able to afford the cost of supplemental water.

Mr. Flood added that District staff does not have the capacity to take this on right now and something focused exclusively on the valley does not take into account all of our customers. Our focus should be on projects and analyzing our safe yield to provide answers and solutions to what we are looking at. Members of the community find this important but the district isn't the right vehicle for this.

Directors Baggerly, Kaiser and Word did not support this item at this time. Director Spandrio was supportive and thought the Finance committee could review it. Director Brennan was not for or against it and suggested the Executive Committee could review it. President Kaiser suggested they approach the economic development collaborative and see if you get anything the then come back to use and we can assign it to an Executive Committee.

17. Information Items: APPROVED
- a. Monthly Engineering Status Report for January, 2019.
 - b. Monthly Water Security Project Status Report for January, 2019.
 - c. Hydrologic Status Report for November, 2018.
 - d. LAFCo 2018 Election Results
 - e. Water Consumption Report.
 - f. CFD No. 2013-1 (Ojai) Monthly Cost Analysis.
 - g. Investment Report.

Director Word commended the Engineering Manager on item b. expressing that this is the kind of monthly report we would like to see on where we stand and realize there are some times when not much progress will show from one month to the next. It gives me a better feeling of seeing some progress

being made. The board concurred. Director Spandrio added I love this report but the one thing missing is an update on the State Water Interconnect with Ventura. Mr. Flood replied we can add that in. Director Spandrio asked for an update now. Mr. Flood reported that the CEQA document is in final internal review and revision. We sent comments a few months ago. The project is not in control of the district but it is expected that the CEQA document will be in front of their elected body in about a month. I would expect that it would get to its final form by summer and move forward in going out to bid later this year. The framework for how to operate has been worked on and the City of Oxnard has expressed an interest. Director Spandrio asked to be informed of when the next ad hoc committee is scheduled. Mr. Flood explained that the ad hoc is more focused on supply rather than projects and was conceived on the Cal water fix question and meeting that were held with the other contract holders. Mr. Spandrio responded that when the ad hoc committee was formed I was under the impression it was to attend 4 way meetings considering the interconnection. Mr. Flood explained it was put together for the Cal water fix issue. Mr. Spandrio responded I have the minutes from the first ad hoc committee meeting. I am under the impression that it was with the state water project tie in.

Mr. Spandrio then asked about the difference from the consumption report and the hydrology report. Mr. Flood explained that those two documents are not coordinated. Hydrology is done by Water Quality and Consumption is a billing issue on what goes through meter. Also billing is not on a perfect calendar month. Ms. Collin added that adjustments are made for billing. Meter read wrong or average for a stuck meter it will change the billing.

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

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

President Kaiser moved the meeting to closed session at 6:00 p.m. and called for a quick recess.

18. Closed Session

- a. Conference with Labor Negotiators (Govt. Code Sec. 54957.6)
Agency Designated Representatives: Rebekah Vieira, Draza Mrvichin
Employee Organization: Supervisory & Professional, General Unit and Recreation Unit.

- b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code §54956.9(a) *Santa Barbara Channelkeeper v. State Water Resources Control Board; City of San Buenaventura*, San Francisco County Superior Court, Case No. CPF-14-513875.

President Kaiser moved the meeting back into open session at 7:03 p.m. with Mr. Mathews stating that the Board met with Labor Negotiation representatives and also with General Counsel to discuss the status of the case. There were no actions taken.

- 19. Possible adoption of resolutions authorizing adoption of a Memorandum of Understanding with the General, Recreation, and Supervisory & Professional Units may be considered following the closed session.

ADOPTED

On the motion of Director Brennan, seconded by Director Word the resolutions were adopted by the following roll call vote:

AYES:	Directors:	Spandrio, Brennan, Baggerly, Kaiser, Word
NOES:	Directors:	None
ABSENT:	Directors:	None

Resolutions are numbered 19-02, 19-03, 19-04

- 20. Adjournment.

President Kaiser adjourned the meeting at 7:05 p.m.

Brian Brennan, Secretary