

Minutes of the Casitas Municipal Water District  
Board Meeting Held  
February 11, 2009

A meeting of the Board of Directors was held February 11, 2009 at Casitas' Office, Oak View, California. Directors Hicks, Handley, Kaiser, Baggerly and Word were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were four staff members and four members of the public in attendance. President Hicks led the group in the flag salute.

1. Public comments.

Doug Hanson asked if the board would consider creating a set of standards in order to contemplate the coalition to work with other clean lakes such as Cachuma. President Hicks noted that we would be having further discussion on the restrictions at the lake during the discussion on item 7 on the agenda.

2. Board of Director comments.

Director Word passed out the annual report from the Ventura County Regional Energy Alliance. He also attended the Chambers Government Affairs meeting this week and the Finance Officer from the City of Ventura talked about their budget and process. One item that came up was the proposal for Boating and Waterways to merge with State Parks. This would not be in our best interest. Mr. Merckling added this is something we have worked against in the past.

Director Baggerly provided the itinerary for the ACWA DC conference. A number of meetings with representatives on the committee for natural resources, our two senators have been scheduled. We are asking the California or western states members to sign a letter to the new Secretary of Interior Ken Salazar to fund specific items for quagga and zebra mussel for the western states. The current legislation is for the great lakes region. Director Baggerly thanked Ron Merckling for his diligent work to get this arranged.

Director Kaiser mentioned that he heard from ranchers in the Temecula and Fallbrook area that those on MWD will have to cut back their usage by 50% this summer.

President Hicks commented about some roof repair work and cautioned that employees should not be doing roofs or trees. Mr. Wickstrum said we will discuss it.

3. General Manager comments.

Mr. Wickstrum provided an update on Senior Canyon. A letter was issued per the discussion at the last board meeting with a March 1<sup>st</sup> deadline to provide us with their plan in writing and also included notice that the delinquency charge was going to be added to the bill. In addition we have had a meeting to discuss issues of rates and methods of trying to get themselves financially stable. We also discussed issues of merger, and what is required by Casitas.

Mr. Wickstrum then commented on the Matilija Agreement. It has been redrafted and sent to Tom Lagier who was on vacation last week. He will be reviewing it this week with Jeff Pratt and will get back to us. There may be some more twists and turns. We have informed Tom that we will do a minor diversion tomorrow from Matilija under the water rights license.

Mr. Wickstrum then informed the board of a small leak in the Rincon main that has been a puzzlement to find. We did a shut down, re-watered and we are back in business at this moment.

4. Consent Agenda

APPROVED

- a. Minutes of the January 28, 2009 Board Meeting.

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

5. Bills

APPROVED

Director Kaiser questioned the Cal OSHA penalty. Mr. Wickstrum explained that it was related to an injury suffered when a part time employee was cutting tree limbs. He cut his arm with the chain saw. The incident was reviewed and penalties assessed to the district in part because of the lateness in reporting the incident. The extent of the injury was not known until Monday and that was when the injury was reported. Director Kaiser suggested notification via e-mail in the future. President Hicks asked about the payment to Gold Coast Security. Mr. Wickstrum reported that the dam tender's house still did not have electricity. Payments to gold Coast Security will continue until the dam tender is in place. We will be reviewing the dam tender agreement with the Personnel Committee. Director Word questioned #1485 for \$20,900 for blue gill. Brent Doan explained that is for a shipment of blue gill. We will have another delivery for black crappie. \$45,000 was budgeted for fish stocking. Director Baggerly asked if we are checking to make sure the water is clean. Brent answered yes and we have permits from Fish and Game.

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

6. Committee/Manager Reports

APPROVED FOR FILING

- a. Finance Committee Minutes
- b. Recreation Committee Minutes

Director Word mentioned that customers are now able to pay their bill via credit card. In a few months the payments may be able to be made online. Director Kaiser added that other government agencies charge the customer for the credit card usage.

President Hicks mentioned that he had a call regarding the big boat from a service organization. He added that we would still need the pink slip and he had heard that they think Pat Weinberger has the pink slip.

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

7. Resolution extending the vessel restrictions to Lake Casitas Recreation Area as a result of the threat of invasive mussels. ADOPTED

Mr. Wickstrum reported that it has almost been a year since we instituted the restrictions and developed a program to allow entry under controlled circumstances. The action we took had a one year period. We are nearing that and it seems it is time to evaluate and consider an extension of the restrictions. Areas are continuing to be infected by the Quagga mussel. There is starting to be some motion to funding and research and aggression towards this invasive species. There is progress compared to one year ago when it was not on anyone's radar. The actions by our board, Russ and Ron brought this to attention throughout the state. We would like you to consider an extension of the current program. We have done as good a job as can be done by the board and staff actions to protect Lake Casitas as a drinking water supply.

Doug Hanson added that Russ, in spearheading this, has set the stage for the state. As a fisherman, it is working well. I would like to see it expanded to other lakes. Is there infestation that is not related to the Colorado River? Director Baggerly stated there have been three in Colorado, 2-3 in Utah and near misses in Northern California and Tahoe. Boats were caught with Quagga mussels attached to them in Oregon and Washington. There was a scare at Silverwood. Department of Water Resources got some false positives and could not verify the DNA. Testing said they had it but they could not find it. Director Kaiser added that the map shows infestations including Irvine Lake, Rattlesnake Reservoir and that it is still progressing. Mr. Hanson stated he supports the procedure but was hoping common criteria could be established with other lakes. Director Baggerly said it is a possibility. Working with multiple legal jurisdictions can be difficult. We would be concerned if they would be as rigorous as we are. If not, we can't consider it. I would be glad to look at it. It is very complicated to get everyone to do the same thing and have the same commitment as we have.

President Hicks thanked Larry Elshere for his help with the locking program. Mr. Elshere added that it is nice to hear that there could be a possibility of a coalition and it is good to hear what the major concerns are. Perhaps we could take those to Cachuma to see if it could be possible. Director Baggerly offered to go with him. Mr. Elshere added everyone still watches Casitas. It is working. Imagine if two different districts came together, it could be a pivot point for the state.

Mr. Wickstrum added one concern with Cachuma is that it is a facility on the State Water project. It has taken a long time to talk about facilities on the state water project. State water project ends up in Lake Cachuma. We are concerned about other contamination potentials such as flow and how do you make sure they remain clean and pure. We are fortunate that our own watershed in this area has no outside source. In testing, they don't know they have an infected lake for six months to a year after the infection. We would have to develop a level of trust. President Hicks said we are not comfortable doing something yet but will keep an open mind.

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

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

Resolution is numbered 09-03.

8. Recommend approval of the fee agreement with Marzulla Law for continuing prosecution of the case of Casitas v. United States.

APPROVED

John Mathews reported that we are midstream in the case. The agreement was negotiated between me, Steve, Director Word and Roger Marzulla. There is a hybrid contingency award if the district prevails. There are obligations to pay expert fees. The General Manager has authority to approve hiring of those experts. If the district decides not to pursue the case any longer for any number of reasons then Marzulla would be compensated at an hourly rate of \$400 per hour.

Director Baggerly asked if he found out the makeup of the appeals court. Mr. Mathews stated there are 16 members; the majority are Reagan and Clinton appointees, one from Carter, some from Bush 1 and some from Bush 2. It appears pretty evenly split court if prescribe political standards of who they were appointed by.

Director Baggerly asked if the effective date is after the appeal court puts in its final decision on the case and does it include the en banc. Mr. Mathews answered that is correct. Director Baggerly thought there was no reason to do

this today; we could wait until the full appeals court decision. Marzulla is operating under the \$45,000 appeal amount. Mr. Mathews explained that the \$45,000 agreement is nothing more than an e-mail between the district and Marzulla. This is good faith on his point at this time. Mr. Mathews did not recommend waiting. Marzulla went ahead and filed the brief in good faith.

A motion to approve the agreement was made by Director Word, seconded by Director Kaiser.

Director Handley then stated he could not support the motion as he felt it is an ill-advised lawsuit. Having read the amicus briefs on behalf of the federal government it does not have merit to move forward. Director Kaiser added that we have to look out for our rate payers now and in the future and we have to take care of their needs through these drought periods. This is best serving our rate payers. We need to look at how to recompense the money spent thus far. If there is a chance to make us whole we need to pursue this. President Hicks added it needs to be settled one way or the other.

Director Word added that we are limited in where we get our water and how much we get. If we were getting state water we would get maybe 15% this year. The only water we have is what comes down the river or out of the sky. Other sources are very costly. If we got a judgment there are a number of things we could do, increase size of reservoirs, increase capacity of dam, lake. Other things could be done but are outside of our ability at this point. Our rate payers deserve an opportunity to break even. There is not any assurance from the government that they will not take additional water from us. We have some in that group that want to release water out of Casitas dam. We need to get a resolution.

On the motion of Director Word, seconded by Director Kaiser and passed with Directors Word, Kaiser and Hicks as ayes and Directors Baggerly and Handley as noes.

9. Information Items:

- a. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.
- b. Recreation Area Report for January.
- c. Water Adventure 2008 End of Season Report.
- d. News Articles of Interest
- e. Investment Report

Aaron Wall and Justin Klein presented the Water Adventure report for the 2008 season. It was a successful season that was profitable and we suffered no major injuries. We enjoyed a lot of returning staff this year. We were opened all 79 scheduled days of operation. We increased safety training, added documentation and tailgate meetings. Goals we addressed in this report include looking to improve on our existing features, splash pad, play structure and lazy

river. The board thanked them for the positive season and for the report. Director Kaiser added they did a fantastic job on this report, and showed graphically the problems. It will weigh on our shoulders for the next budget year. Aaron thanked Steve and Brent for help and guidance in formulating a document we can look back on.

Director Word noticed on the Recreation Report that the Renaissance Fair and Family Fishing are on the same day. Can't one be changed? Brent said we were trying to reach that magic window between March and Easter. We can do both on the same day. He also noted that revenue was up 10%.

10. 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

Conference with Legal Counsel – Existing Litigation  
(Subdivision (a) of Government Code Section 54956.9)  
Name of Case: California Trout, Inc. and Friends of the River v. State Water Resources Control Board. Casitas is named as real parties in interest.

President Hicks moved the meeting to closed session at 5:16 p.m. re Government Code 54956.9 CMWD v United States and Cal Trout and Friends of the River v. State Water Resources Control Board.

11. Reconvene Open Session

President Hicks reconvened the meeting to open session at 5:24 p.m. stating no action was taken in closed session.

12. Adjournment

President Hicks adjourned the meeting at 5:24 p.m.

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Secretary