

Minutes of the Casitas Municipal Water District
Board of Directors Meeting Held
December 12, 2007

A meeting of the Board of Directors was held December 12, 2007 at Casitas' Office, Oak View, California. Directors Baggerly, Word, Hicks, and Kaiser were present. Director Handley was absent. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board and Attorney, Rob Sawyer. There were three staff members and one member 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 provided his written report on his attendance at the ACWA conference. President Baggerly reported that he spoke about the Quagga mussel at every possible occasion. Director Hicks added that he has been to four conferences during his time on the Board and this was the one conference where he came back with something useful. The solar issues and the Quagga issues were the major ones. Director Hicks also attended a workshop regarding succession planning and the average age of the workforce is 44 years and they typically retire at 58. There will be a shortage of workers over the next few years. Director Word added that he had attended the same session and that everybody will be in the same boat. The demand is greater than the supply. We may have to do some things differently than we have done in the past to keep the employees. President Baggerly added that we may have to look at the retirement package in order to be competitive. Director Word added that loyalty in younger workers is to what they are doing not to the company.

Director Kaiser reported the he visited the Recreation area and front gate staffs were inspecting a boat. Director Word asked about a tour of the solar panel installation. Mr. Wickstrum will try to schedule a tour on Monday morning. Since there was interest from multiple directors this would be noticed as a special meeting.

Rob Sawyer reported he attended the Proposition 218 seminar and this district did get a head start with two notices and votes. The manner in which the district handled it was along the line of the new assembly bill.

3. Consent Agenda

ADOPTED

- a. Minutes of the November 14, 2007 Board Meeting.
- b. Resolution canceling the December 26th Board Meeting.
- c. Recommend approval of Purchase Order #08324 to Cooper Bussman, Inc. in the amount of \$23,200 for an electrical hazard and arc flash hazard analysis.

Director Word asked if item c was the amount for the study only. Mr. Wickstrum confirmed that it was only for the study.

The Consent Agenda was offered by Director Hicks, seconded by Director Word and adopted by the following roll call vote:

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

Resolution is numbered 07-59.

4. Bills

APPROVED

Director Kaiser questioned item #25745 and #25829 to Daley & Heft. Rebekah Vieira explained that this was the attorney that is representing the District for the two pending lawsuits. Director Kaiser then asked about the City of Ventura Flexible storage charge. Denise Collin explained that we have an agreement with Castaic and it is split so we invoice and are paid. We split this with the City of Ventura and United for the State Water Project.

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

5. Committee/Manager Reports

APPROVED FOR FILING

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

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

6. Staff Presentations

- a. Update on the recent meetings and proposed actions regarding the Quagga mussel and memo from Rob Weinerth from attendance at the American Bass Convention.

Brian Roney gave an update on the Quagga mussel issue. He attended a meeting where he learned that 82,000 vessels had been inspected with 96 quarantined at the checkpoints. There was a suggestion for a database and it was recommended that a boater's passport be issued. The passport would be issued to the registered owner and it would have to be presented at the gate. Fish & Game did get \$ 4.5 million and they have hired staff and are Training dogs to sniff out Quagga. The cost of training is \$25,000 per dog. We will encourage Fish & Game to bring those dogs around our way. Currently they are targeting

other facilities like Clear Lake and Tahoe. Metropolitan is putting together training in February at a cost of \$3,000 per person. Casitas has turned away five boats that were suspect. Only two other facilities; Lake Skinner and Diamond Valley are inspecting. Director Kaiser asked if there was any discussion about scientific approaches. Mr. Roney said there is testing with enzymes and chlorine concentrations. Other agencies have adapted equipment and systems to allow a system shutdown to clean out the mussels.

Director Hicks mentioned that after going to the conference he would support shutting the lake down for a year because of the potential damage the Quagga mussel could do to us. This would give us time to find something to eradicate the mussel. He felt the potential revenue loss is not worth the cost associated with an infestation of the Quagga mussel. Director Kaiser added that infected bodies of water have been infected for a long time and it has not been resolved. Director Word added that if the lake is closed it would not reopen. Director Kaiser felt the Board should look at this before a drastic decision is made. President Baggerly added that it is worse than tragic and dramatic if we did get infected and then it is too late. Brian Roney added that they have stepped up the monitoring and the Fisheries Biologist has snorkeled and did not see evidence of the mussel.

7. Action Items

- a. Recommend approval of the 2006/2007 audit.

APPROVED

Paul Kaymark, auditor presented 2006-2007 fiscal year audit. President Baggerly asked if it is an unqualified opinion. Paul answered yes.

Director Hicks questioned the valuation of water storage and why the valuation goes up when there is less water. Paul answered it is the cost that you are incurring for the activities for the district. The cost went up so it revalues the cost of the water in the lake. Denise Collin added this is a calculation this district has used since its inception. Costs have gone up to produce the water so the value of water is higher.

Paul continued to explain that operating revenue increased by \$2 million and expenses increased from \$8.2 to \$10.2 million. The property tax money did come back this year. There was a clean up of \$1.5 million in depreciation. The depreciation number should go down next year. Denise Collin added that she cleaned up the fixed assets. Each year she has taken on a clean up of one area. A lot of our assets were being depreciated over too long a period of time which is incorrect. This district did not have a fixed asset policy in place until the board approved one this year. We adhered to that policy when doing this adjustment.

Director Kaiser asked if we were to close the lake how that would impact the depreciation of the assets of the lake. Denise answered that would not have

an impact. President Baggerly commented that the audit gets better every year and he thanked Denise and Paul.

On the motion of Director Word, seconded by Director Kaiser and passed, the above recommendation was approved.

- b. Recommend the Board of Directors authorize the President of the Board to sign the agreement regarding the San Antonio Creek Spreading Grounds Rehabilitation Project on behalf of Casitas Municipal Water District.

APPROVED

On the motion of Director Hicks, seconded by Director Kaiser and passed, the above recommendation was approved.

- c. Resolution approving the Preliminary Assessment for the extension of Old Grade Road Distribution System and adopting the notice of exemption.

ADOPTED

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

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

Resolution is numbered 07-60.

- d. Discussion regarding Board Planning Day.

President Baggerly suggested modifying Board Planning day and having additional sessions throughout the year concentrating on specific issues and potentially taking care of the housekeeping issues at the first meeting in January to appoint the committee members and pass the gavel to the next president. There was an issue with lack of attendance at the first board regular board meeting in January so it was determined that the Board Planning meeting would continue as scheduled on Saturday, January 5, 2008 at 9:00 a.m. and will be held at the district office. The primary purpose of the meeting will be to rotate the board positions, determine the committees that the board members will serve on and discuss the memberships of the district.

8. Information Items:

- a. Casitas Reservoir Water Inventory Summary.
- b. Fisheries Report for October
- c. Fisheries Report for November

- d. Letter from the California Urban Water Conservation Council.
 - e. Letter from the City of Ventura regarding the Mandatory Minimum Purchase Agreement.
 - f. Note from William Peck regarding the water rate increase.
 - g. Letter from Nordhoff High School Work Experience Class thanking Aaron Wall for his presentation on the importance of customer service.
 - h. Notice from State Water Project Contractors regarding 2008 State Water Project Allocation.
 - i. Article in Aqueduct Magazine regarding Quagga mussels.
 - j. CSDA Board Member Training being held March 6-7 in Long Beach.
 - k. Water Education Foundation 2008 Water Tours.
 - l. Special District and Local Government Institute Governance seminar being held February 7-8 in Palm Springs.
 - m. Monthly cost analysis for operation of Robles, fisheries and fish passage.
 - n. News Articles of interest
 - o. Investment Report
9. Closed Session:
- a. Conference with legal Counsel – existing litigation (Government Code Section 54956.9 (a). Name of Case: Alameda County Flood Control & Water Conservation District Zone 7, et al., v. State of California Department of Water Resources, etc., et. Al., Sacramento County Superior Court Case No. 05AS01775.
 - b. Conference with Legal Counsel -- Existing Litigation (Subdivision (a) of Section 54956.9, Government Code). Name of Case: Casitas Municipal Water District v. United States.

President Baggerly adjourned the meeting at 5:43 p.m. There was no closed session.

Secretary