

Minutes of the Casitas Municipal Water District
Board Meeting Held
December 14, 2011

A meeting of the Board of Directors was held December 14, 2011 at Casitas' Office, Oak View, California. Directors Kaiser, Baggerly, Word, Hicks and Bergen were present. Also present were Steve Wickstrum, General Manager, Carole Iles substituting for Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were two staff members, Paul Kaymark, Senior Audit Manager with Charles Z. Vedak & Company and four members of the public in attendance. President Kaiser led the group in the flag salute.

1. (a) Public comments.

Mr. Mathews reminded those present that public comments could be made on anything within the jurisdiction of the District. The Board may respond or order staff to respond at a later date.

Mr. Robert Daddi was called. He stated that he wanted to commend Casitas for trying to conserve water specifically with regard to the Federal action. The District has plenty of reserves and has spent twenty million dollars for State water which is part of the insurance for reserves. About 5,500 acre feet of the Ojai ground water is taken per year, 60% of which is released for the fish ladder. When a decision is made, he urged the Board to make sure that the loss of reserves which will be cumulative for a very long time does not have an adverse impact. He said that in case the Board was not aware of it, another issue was that Golden State Water paid a \$120,000 fine for failure to report a discharge for 1,054 days which he considered unconscionable.

Mr. Dick Barnett indicated that he had twenty five years with the District as an employee and consultant and was involved in numerous supply and demand studies including when the USBR enlarged the canal to divert more water into the lake. He stated that, in his opinion, we are going to run short of water, not in his lifetime but in that of his children's or grandchildren's. He said we presented a very fair case against the United States but we did not come out on top. He said he did not know whether we should appeal considering the amount of time, money and staff time it would take, but he did know that the General Manager has a better understanding of the supply and demand than anyone in the United States and urged the Board to take direction from him.

Mr. Alastair Coyne urged the Board not to take the lawsuit any further.

- (b) Government Code Sec. 54956.9(a)
Conference with Legal Counsel – Existing Litigation
Name of Case: Casitas Municipal Water District vs. United States

President Kaiser moved the meeting to closed session at 2:10 p.m. with Mr. Mathews stating we are going into closed session pursuant to Government

Code Section 54956.9(c) Conference with legal counsel, existing litigation
Casitas Municipal Water District vs. United States.

2. President Kaiser reconvened the meeting into open session at 3:53 p.m. Mr. Mathews reported that the Board had extensive discussion with Special Counsel in DC and authorized him to file a Notice of Appeal. Directors Word, Hicks and Kaiser affirmed the decision, Directors Baggerly and Bergen voted against.

3. Public comments

None.

4. General Manager comments.

Mr. Wickstrum reported that he had received a letter from the USBR on the safety of dam repayment which will be moved to the Finance Committee for discussion on Friday and then to the Board for update.

The Fish & Game Commission is meeting tomorrow (Thursday) in San Diego. It may cause action that will prevent Casitas from planting any fish at all. Carol Belser will attend and report back. It is a result of environmental actions against the Dept. of Fish & Game to cease and desist planting fish that may interfere with endangered species. The bass fishing community including those who sell equipment and licenses is aware of the meeting. DFG is still stocking urban lakes. The Board will be updated as more information becomes available.

5. Board of Director comments.

Director Hicks reported that Dorothy Loebel had called and said that the memorial tree planted for Jim Loebel had died. Director Hicks wondered if something could be done by the Lake Casitas Improvement Foundation.

6. Consent Agenda

ADOPTED

- a. Minutes of the November 22, 2011 Board Meeting.
- b. Recommend approval of the submitted Reserve Statement and to continue to build additional Un-Restricted, Un-Designated reserves.
- c. Recommend paying off the CalPERS Side Fund in the amount of \$36,114.
- d. Recommend approval of the cooperative agreement with the Ventura County Watershed Protection District to assist with maintaining stream gage equipment.

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

7. Bills

APPROVED

Director Hicks questioned the expenses of \$2,500 to the USBR and \$5,000 for hot water heaters. Carol Belser explained that the USBR fees paid by commercial film companies is collected by Casitas and forwarded. They will be returned to Casitas at a later date. The new hot water heaters provide flash heat for more efficiency, energy savings and economy.

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

8. Committee/Manager Reports

APPROVED FOR FILING

- a. Recreation Committee Minutes
- b. Executive Committee Minutes
- c. Water Resources Committee Minutes
- d. Finance Committee Minutes

Director Word asked about the status of the submerged boat at Lake Casitas. Carol Belser reported that it may be removed by the U.S. Navy in January or February.

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

9. Recommend approval of fiscal year 2010-2011 Comprehensive Annual Financial Report.

APPROVED

Mr. Paul Kaymark, Senior Audit Manager with Charles Z. Vedak & Company reported on the 2010-2011 Comprehensive Annual Financial Report (CAFR).

Director Baggerly commented that we have unqualified statements which Mr. Kaymark confirmed. It was also confirmed that the formula for water valuation had not changed. Director Word suggested that the Organization Chart on page 5 be dated.

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

10. Recommend approval of an extension to the term of the Bait and Tackle and Park Store Concession Agreement.

APPROVED

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

11. President Kaiser recessed the Casitas Board Meeting and opened the Lake Casitas Improvement Foundation Meeting at 4:15 p.m.

- a. Discussion regarding membership to the Board of LCIF.

The Board of Directors will remain the same.

- b. Review of the Treasurer's report.

On the motion of Director Baggerly, seconded by Director Kaiser and passed, the Treasurer's Report was approved for filing.

APPROVED FOR FILING

- c. Discussion regarding any approval of projects and expenditures for the coming year.

It was agreed that a letter of appreciation should be sent with regard to the donations received from Shelly and Jim Reyes. If appropriate, a letter should be sent to the Dept. of Fish & Game depending on what action is taken on its proposal. A new tree should be obtained to replace the memorial tree for Jim Loebel. The Board also directed staff to move forward with Kids' Fishing Day.

President Kaiser closed the LCIF meeting and reconvened the Casitas Board Meeting at 4:30 p.m.

- 12. Resolution Awarding a contract to Toro Enterprises, Inc. in the amount of \$589,535 for the Rincon 2(M) Pipeline Replacement, Station 65 to 76 – Specification No. 11-346. ADOPTED

The resolution awarding a contract to Toro Enterprises, Inc. in the amount of \$589,535 for the Rincon 2(M) Pipeline Replacement was offered by Director Hicks, seconded by Director Baggerly and passed by the following roll call vote:

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

- 13. Recommend approval of an Agreement with Happy Valley Foundation for actions necessary to reduce water usage.

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

- 14. Information Items:

- a. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.
- b. Recreation Area Report for October.

- c. Letter from Ojai Valley Board of Realtors regarding Ojai Flow's proposal.
- d. Letter from United Water Conservation District to Linda Parks requesting support for future legislation related to inspections of watercraft for the presence of invasive mussels.
- e. Letter from Casitas to Kathy Long regarding County of Ventura's Legislative Platform and Invasive Mussel Prevention.
- f. News Articles.
- g. Investment Report.

A Board Planning Day meeting was set for Saturday, January 7, 2012 at 9:00 a.m. at the CMWD office.

President Kaiser moved the meeting to closed session at 4:44 p.m. with Mr. Mathews stating we are going into closed session pursuant to Government Code Section 54956.9(c) Conference with legal counsel, anticipated litigation (one case).

15. Closed Session

- a. (Govt. Code Sec. 54956.9 (c))
Conference with Legal Counsel – Anticipated Litigation (One case).

President Kaiser reconvened the meeting into open session at 5:05 p.m. and Mr. Mathews stated that the board met and discussed the potential litigation with counsel and staff and there was no action.

16. Adjournment

President Kaiser adjourned the meeting at 5:06 p.m.

James W. Word, Secretary
Board of Directors