

Minutes of the Casitas Municipal Water District
Board Meeting Held
February 8, 2012

A meeting of the Board of Directors was held February 8, 2012 at Casitas' Office, Oak View, California. Directors Baggerly, Word, Hicks, Bergen were present. Director Kaiser was absent. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were five staff members and three members of the public in attendance. President Baggerly led the group in the flag salute.

1. Public Comments

Pat Mc Pherson representing Ojai FLOW passed out handout and reminded the board that they had obtained approximately 1,900 signatures and presented that to Casitas months ago. We in Ojai FLOW after studying this for six months selected Casitas as the best choice to handle this issue with Golden State. We did that because you are a public agency and can do eminent domain if necessary and in this area you have a good system with water. If we put our trust in anyone it would be you folks. We have picked you. We are now setting with you folks for almost nine months with nothing formal out of this group. It is an embarrassment for us and should be for you too. He went over the stages on the handout describing the last nine months as being at phase zero. This is where you determine if you have expertise, financial exposure and should you move forward. That is the only question to deal with at this point. We understand that there was some risk involved in the proposal we gave you. It was revenue based financially and you would not collect until the deal was over. All front end costs would all be done prior to you receiving a penny. That is a lot to ask of you. What would happen if we got all the money to do phase 1 – 3? If we do that on property tax. What would it cost the rate payers. It comes out the average person in Ojai would pay \$68 per year estimating a \$3 million total cost. That is reasonable risk and we could sell that. We are willing to go forward with that. We hope that what we presented was not cast in stone. We believe we can sell that to the voters. \$68 a year is nothing to what they are paying each year and rates going forward. We are asking you to move it to phase 1. Phase 1 is to get expert advice. Hire Oderman and get his opinion. Get an accountant; hire a bonding person to give you an opinion. Those costs would have to be bourn by you folks. We are not asking for something unreasonable. We are owners of this organization. We also pay a tax to you for this project. Golden State is putting in a new well. We need your help and are asking to move this forward. Come out and tell the public you are moving to phase 1 and hire experts to determine if it makes sense. Phase 2 creates an improvement district and have the election. Do these simple things. It is not a lot of money and effort. The length of time you have had this we could have this done. Risk maybe \$300,000 and give us something for our money. Help us out. We are in trouble. There is another PUC meeting and the request is for 26 – 27% increase this is a serious problem. Please help us out.

Director Word asked what our expenditure to date on this project is. Mr. Wickstrum replied that he did not have the numbers with him.

Ryan Blatz also representing Ojai FLOW and the attorney for the group started by stating there have been some rumors that I was calling for someone on this board to be removed. I have not said that. I am the one saying lets wait and let Casitas do what is necessary. I am usually the one saying let them take their time. We don't have forever. We have anxious constituents and they are anxious to hear what the next step will be. Next week there will be a more formalized resolution for the city to say they don't want Golden State anymore and make the findings necessary for the public use, public necessity for eminent domain. This will give cover and guidance to Casitas. They are also looking and exploring ideas regarding what the city can do. There is uncertainty moving forward with legal issues and valuation. The questions on how to get a grasp on what it means to own the system. We are asking the people to buy it and let Casitas be the owners of it. We are on your team and looking for creative ways to use the City of Ojai's power in a more formal basis and not have the big expenditures up front. If we include a property bond option it would mitigate and diminish Casitas' risk. We said \$300,000 for this. Other costs are up to whatever level of certainty the board needs. The bonding would include that Casitas is paid back immediately. If the bond does not pass that is where the risk is. We also are hoping that if the City can formalize this it lends some confidence to other board members that don't represent constituents in Ojai. Hoping this lends a strong argument that we are doing this on behalf of the people looking at it. Management can be a benefit to both sides. Business diversification to more residential based can be beneficial to all constituents to the water district.

Richard Hajas speaking for Ojai FLOW added he was the one responsible for selling the group that you people were the best ones for this. It is not an easy job. Most residences of this district see you as an operation of the lake. There are few that understand what the role is. There is a negative view from many of these people whether it has been earned or not. You have celebrated your 50th anniversary. You started with a group of people with a vision for the future. They were taking risks and now you have one of the best water resources in Southern California. It is the most secure water resource there is. You also in the next 50 years will have to take a look and develop a vision for the next 50 years. You can't maintain with 3,000 connections. You will need the entire community you serve to secure that water resource so Met does not show up and bail you out. This is a small step and an opportunity to gain the loyalty of a small group in the community to take a step to build support for what you will need in the future. You know how hard it is to get revenue. It is not done through rates. 3,000 more connections won't solve it either. I know you have problems with Mutuals in the district that are in worse state the Golden State. They will need your help. Worse thing is for them to go to someone else or create some other thing or problem and enemy for the district in the future. I know how it works. You have been spending time with John. He will not tell you this is risk free. What is this

district going to look like and who will it serve? We are willing to work with you. We agree the proposal is not in concrete. We would like your ideas.

President Baggerly thanked them for their comments and liked the idea of visioning going on for the next 50 years. He added that he is sorry we can't talk to you face to face right now but it doesn't mean we don't want to talk.

2. General Manager comments.

Mr. Wickstrum informed the board that Ventura County Star reporter Zeke Barlow is moving on to Virginia Tech as their Communications Director. We have been appreciative of his work and the reporting he has done at the star. President Baggerly added that he hopes the Star will hire another environmental reporter and suggested e-mailing Ken Marionski.

Mr. Wickstrum then reported that the online recreation reservations system is in place with 99 reservations having been made in one week. There are still a few tweaks that are going on. We have had some very good coordination from Jack Kirk, one of our APSO's. He has done a great job of getting this put together. Santa Barbara County has been working on the same project for three years.

3. Board of Director comments.

Director Hicks asked if the tree for Jim Loeble had been installed yet. Park Services Manager Carol Belser stated it has been ordered but not yet delivered.

Director Word handed out the copy of the annual report from the Ventura County Regional Energy Alliance and reminded the board that we would be taking an action at the next meeting regarding withdrawal from this organization.

4. Consent Agenda ADOPTED

- a. Minutes of the January 11, 2012 Board Meeting.
- b. Minutes of the January 25, 2012 Board Meeting.

On the motion of Director Word, seconded by Director Bergen and passed, the Consent Agenda was adopted.

5. Bills APPROVED

Director Hicks questioned #10100 for boat repairs. Ms. Belser explained this was for repair to a lower unit on one of our boats. Director Bergen questioned #10949. Mr. Wickstrum explained this was to take care of damage caused by our actions following a repair on Woodland where we over pressurized a system and blew out a toilet valve that caused extensive flooring damage.

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

6. Committee/Manager Reports APPROVED FOR FILING
- a. Finance Committee Minutes
 - b. Recreation Committee Minutes

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

7. Resolution commemorating the retirement of James Weber. ADOPTED

President Baggerly read the resolution aloud and the Board expressed their gratitude to James Weber for his 25 years of service to the District.

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

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

Resolution is numbered 12-07.

Mr. Wickstrum explained that there is a luncheon at Vista Point on Friday and we will have his final check and the proration of his longevity.

8. Recommend approval of the purchase of three E-Z Go Sport II gasoline powered carts from Coast Cart. APPROVED

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

9. Recommend approval of leak relief to Lisa Crouse in the amount of \$2,895.19. APPROVED

Mr. Wickstrum informed the board that this was a leak that was hard to locate in the Creek Road area. The water didn't surface. Three small leaks were eventually found that amounted to a great deal of water.

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

10. Information Items:
- a. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.

- b. Recreation Area Report for December.
- c. News Articles.
- d. Investment Report.

As the board was preparing to go into closed session Gary Wolfe told the board that he is willing to cooperate any way possible with the Marina. He would be willing to be at least as much in there now or adjust to market rate between Cachuma and Piru would be palatable and he will work with staff in any way possible.

President Baggerly moved the meeting to closed session at 3:41 p.m. with Mr. Mathews stating we were going into closed session for the three items listed below.

11. Closed Session

- a. Conference with Real Property Negotiators (Govt. Code Sec. 54956.8)
Property: Lake Casitas Recreation Area Marina
Park Store
Casitas Water Adventure temporary, seasonal Snack Bar concession
Agency Negotiator: Steve Wickstrum
Under Negotiation: Terms, price and contractual conditions
- b. (Govt. Code Sec. 54956.9 (c))
Conference with Legal Counsel – Anticipated Litigation (One case).
- c. Public Employee Performance Evaluation (Govt. Code Sec. 54957)
Title: General Manager

President Baggerly reconvened the meeting to open session at 5:21 p.m. with Mr. Mathews reporting that the board met with negotiators on the three items set forth in item a of the closed session and gave instructions regarding those lease negotiations. On item b of the closed session, Mr. Mathews reported that the Board met and received information from general counsel regarding potential litigation but no action was taken. Closed session item c was not discussed and will be continued to the next meeting.

12. Adjournment

President Baggerly adjourned the meeting at 5:22 p.m.

Bill Hicks, Secretary