

Minutes of the Casitas Municipal Water District
Board of Directors Meeting Held
July 11, 2007

A meeting of the Board of Directors was held July 11, 2007 at Casitas' Office, Oak View, California. Directors Baggerly, Word, Hicks, Handley and Kaiser were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board and Attorney, Rob Sawyer. There were three staff members and three members of the public in attendance. Director Baggerly led the group in the flag salute.

1. Public comments.

None

2. Board of Director comments.

Director Hicks reported the he had kayaked around the island and it took two hours.

Director Word reported that he attended the Ventura Chamber Business Advocacy Roundtable. They are supporting a couple of bills that concern us. AB 938 Regional Water Management deals with Proposition 218 and clarification of that. SB 1002 water Quality Flood Control appropriates \$918 million in bond funding. \$200 million for grants for integrated regional water projects and \$16 million for grants for conversation. Ron Merckling was asked to track these bills

Director Handley reported that he reviewed the gap analysis and expressed concerns regarding some safety issues. The District is working on some remedies of safety issues. He thought this should be discussed at the Personnel Committee including the possibility of obtaining the services of a safety consultant to share with other agencies to further implement requirements. Director Word added he would prefer to see the person be a consultant and not an additional to staff. President Baggerly added there is a lot to be done in this area

President Baggerly asked staff to think about and prepare for the pre meetings we need and schedule separate Water Resources committees to deal with water efficient and allocation ordinance and conservation class for resale customers.

Director Hicks added that Jim Passanisi of the City of Ventura will give a presentation to the City Council on the drought Monday, July 16.

President Baggerly reported that Pete would be here as soon as he can be, he is in jury duty.

3. Consent Agenda

ADOPTED

- a. Minutes of the June 27, 2007 Board Meeting.
- b. Recommend approval of a purchase order in the amount of \$22,500 to Jim Allison for the annual purchase of fish for Lake Casitas Recreation area.

- c. Resolution approving continued check signing authority and use of a corporate credit card which was granted with the Interim Co-General Manager position to the Assistant to the General Manager.
- d. Recommend authorizing the President of the Board to execute the Donation Agreement between Casitas and the County of Los Angeles for the acquisition of a 1981 Wilson Patrol Boat at no cost.

Recommended Action: Adopt Consent Agenda

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

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

Resolution is numbered 07-36.

4. Bills

APPROVED

Director Hicks questioned #24571 for raingear. Mr. Wickstrum said he would check on it.

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

5. Committee/Manager Reports

APPROVED FOR FILING

- a. Personnel Committee minutes

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

6. Discussion regarding the California Public Employees' Retirement System and how our benefit factor works.

Rebekah Vieira reported that the Personnel Committee suggested providing some information on how the CalPERS retirement benefit works. She explained the benefit factor for Casitas of 2% at 60 and provided the Board with a chart showing years of service and age of retirement which then determines the percentage of final compensation that would be paid to a retiree. It was also expressed that since the district participated in social security, the amount received from CalPERS is reduced by \$133.33 per month and for most individuals they will also see a reduction in the amount of social security that is paid out to them. Rebekah explained that the benefit factor that we have is the least benefits to the employees, From a competitive aspect as a potential employer she has begun having individuals ask what the PERS benefit factor is and has had candidates decide not to apply because it is not competitive with what is currently offered by other agencies. Rebekah also mentioned that the purpose of this discussion was solely to provide information and in no way is intended as a request to modify the PERS contract at this time.

Director Hicks mentioned an article that was in the LA Times regarding pensions and most of the auto companies are doing away with the pensions. Director Word pointed out that in order to pay there has to be a fund established. Some municipalities have had some problems. They were so super funded and made no annual contribution to the fund, and had enough value to cover employees. Many of the percentages were raised and time elements were reduced. Then when stock market didn't do well, super funds went away. Number of municipalities had to make large annual contributions to the fund to keep them afloat, even laying off current workers to pay for retired workers. He went on to explain that those organizations in the private sector that get rid of the pension plans and they are trying to handle retirement programs in a different way such as contributions to a 401(k) etc. This is something we will constantly look at and we have to be careful of the costs. The next time we renegotiate we may look at it again.

Rob Sawyer added that the City of San Diego faced the situation. There is a temptation for public employers to increase benefits at no current costs, to attract people. With private employers there was no incentive to be cautious and over fund. Director Hicks asked if it was possible to obtain 20 years information on the average cost.

7. Information items:

Level of lake -7/2/2007 - -554.46 feet above mean sea level 12.54 feet below spill elevation); present storage is 221,124 acre feet (32,876 acre feet below full capacity of 254,000 acre feet, 94,124 acre feet above half capacity, or 87.06% full capacity.

- a. Notice of Public Meeting and Ojai Valley Sanitary District Board Presentation of the Ojai Valley Sanitary district Effluent Reuse Feasibility Study.
- b. Monthly Cost Analysis of Fish Passage Facility, Fisheries, Operation of Robles and Marzulla & Marzulla.
- c. News Articles of Interest
- d. Investment Report

Rob Sawyer advised the Board on litigation the district is involved in although not a named party which is Alameda County Flood Control District Zone Seven vs. Department of Water Resources. This was filed in 2005 by 14 state water project contracting agencies against the DWR. Northern California districts claim DWR was calculating expense allocations in a way that differs from what is in the contracts. It is a complex formula that started simple and used power to power pumps to move water. At some point the DWR decided to sell power in the market and buy power to power the pumps. Because of language in the contracts, the Northern California district contractors say they should have larger credits for that power. The reason Casitas is involved is because of a contract in 1963 between Ventura County Watershed Protection District and DWR which was assigned to Casitas in the early 70's for 20,000 acre feet of state water. Of the 20,000, 5,000 is sub assigned to United and 10,000 to the City of Ventura. Casitas has 5,000 acre feet. Now everybody is enjoined in the suit. In October the VCWPD amended complaint and tendered the defense to Casitas. Casitas took up defense but costs are allocated 25 % Casitas, 50% City, 25% United. Casitas and the City of Ventura have never received state water. Rob advised the board and the public that the case exists and it will become more expensive because of witness depositions etc. There is a

deposition on July 19th and it would be my intent to attend that to make sure Casitas and City of Ventura interests are represented.

Director Kaiser arrives at 5:10 p.m.

Mr. Wickstrum commented about the notice of public meetings on the effluent reuse on July 23rd, one at the City of Ventura at 1:00 and the other at OVSD at 7:00 pm. It was determined that there may be a quorum of the board at the meeting and so a quorum notice would be posted.

8. Closed Session:

- a. Conference with Legal Counsel -- Existing Litigation (Subdivision (a) of Section 54956.9, Government Code). Name of Case: Casitas Municipal Water District v. United States.
- b. Review of Workers' Compensation Claims – Insurance Liability government code 54956.95.
- c. Conference with Labor Negotiators:
District Designated Negotiator: Rebekah Vieira, Employee Organizations:
Management Employees. Govt. Code Section 54957.6(a).

President Baggerly convened to closed session at 5:20 p.m. regarding Government code 54956.9, Casitas vs. United States, 54956.5 Workers' Compensation claims and 54957.6 Conference with labor negotiator.

President Baggerly returned to open session at 5:51 pm and reported there was one item to report on, 54956.9 CMWD v. US and that Rob Sawyer would be providing the information.

Rob Sawyer reported that with respect to 8 a the board reports as follows: subsequent to the order of the United States Court of Federal Claims to deny the Districts request of certification or prior second motion for summary judgment, the board motioned directing legal counsel, Marzulla & Marzulla, to pursue an appeal by obtaining a final trial court order without trial and based on that final order appealing the judges ruling on second motion on summary judgment as to if there was a per se taking. The motion was passed three to two with the yes votes being Directors Hicks, Word and Kaiser. The noes were Directors Baggerly and Handley. There was no action taken on 8 b or c.

President Baggerly closed the meeting at 5:57 p.m.

Secretary