

Minutes of the Casitas Municipal Water District
Board Meeting Held
June 11, 2008

A meeting of the Board of Directors was held June 11, 2008 at Casitas' Office, Oak View, California. Directors Word, Hicks, Kaiser and Baggerly were present. Director Handley was absent. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were two staff members and four members of the public in attendance. President Word led the group in the flag salute.

1. Public comments.

None

2. Board of Director comments.

Directors Hicks and Baggerly reported having attended the wine festival and stated it was packed. Brent Doan reported there were no incidents and about 3,000 people in attendance.

Director Kaiser asked if we heard back regarding the tour boat. Mr. Wickstrum reported that we need to follow up with a phone call.

3. General Manager comments.

Mr. Wickstrum reported that Recreation had a successful weekend and special event.

Director Kaiser commended the staff for their efforts on taking care of pipeline issues in a timely manner.

4. Consent Agenda

ADOPTED

- a. Minutes of the May 28, 2008 Board Meeting.
- b. Resolution setting the Public Hearing for the Oak View Water Availability charge.
- c. Resolution awarding a contract for the Catwalk System to Irwin Industries in the amount of \$239,400.

The consent agenda was offered by Director Kaiser, seconded by Director Baggerly and passed by the following roll call vote:

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

Resolutions are numbered 08-14 and 08-15.

5. Bills

APPROVED

Director Hicks questioned # 27318 to Carmark Financing. Mr. Wickstrum explained this is the Mira Monte assessment district. There is a loan due each and every year, it was set up in 1982 and it goes on to the tax rolls. Director Kaiser questioned # 27395. Mr. Wickstrum explained this is one of the things that has come about with NMFS to go ahead and do tagging. It is a light electrical stun to bring the fish to you so you can tag it and turn it loose.

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

6. Committee/Manager Reports

APPROVED FOR FILING

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

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

7. Discussion on the proposed 2008-2009 Budget and Resolution setting a public hearing for the adoption of the Budget.

ADOPTED

Mr. Wickstrum explained that a budget workshop was held on May 31st and we have a General Manager recommended budget at this point. There will be changes made before it is board approved. We need to change to 100% prop 1A funding. Adjustment of rates will be in accordance to what the finance committee has suggested as a rate increase in some areas and a decrease in some areas. We will then follow with a rate adoption, prop 218 hearing near the end of August. Accounting Manager Denise Collins handed out a list of answers to questions from the budget workshop.

Director Hicks stated his difficulty with the additional overhead charged to Recreation. Denise Collins explained that we did a large clean up last year and there were items that had been depreciated over too long a period of time and others that were not depreciated at all. She added that fixed assets have been cleaned up and done according to a schedule. President Word asked if it will level out now. Denise explained it is a calculation based on salaries, overhead, administration, management and board expenses.

Director Baggerly also had questions about the overhead and wanting to see the overhead that is paid by the other departments of the district. Denise explained that it does not show overhead. Water is one district. Recreation is separate. The overhead covers board, management, administrative costs.

President Word added we will shortly have the final draft from Raftelis, and in it they have looked item by item to reallocate costs into whatever field they should be put into. We asked them to give us a program that will include full tax funding. We are asking them to set fixed charges at our current rate of 22% of total revenue. Industry is at 25%. Water rates are reduced for residential, increased for others, service charges are adjusted. The net effect is a 10% increase in total revenue.

Jim Finch questioned the ag gravity rate and he does not want to pay for pumping if it is not used. He added that he sat in on a couple of the Finance Committee meetings and there was a lot of adjusting of the fixed rates. He never saw the justification given to justify the fixed charge. Why did we pick 22%? President Word explained that 22% is our current fixed charge,

Roger Essick stated that when we first started this process of looking at the cost of service and service charges and the ag community looked at those things and tried to come up with where you were. We were assured that with this model process and we can look at it again to see how it comes up. We have never been able to look at the model and see if it does come up with 22%.

Mr. Wickstrum explained that our budget is used to start with. Denise Collins will ask Raftelis for the information.

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

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

Resolution is numbered 08-16.

8. Discussion on the proposed rates for the Lake Casitas Recreation Area and Resolution setting a Public Hearing for the adoption of rates.

ADOPTED

Mr. Wickstrum explained that the memorandum lists only those rates that are changing. We went through several meetings regarding these rates which started in November last year. In going through the budget I had to make some changes to the Recreation budget and recommend some fee increases to get close to balancing the budget. Key points for fee increases are to generate funding through daily vehicle charge and camping sites. Annual boat permits do not generate as much funding but an increase is justifiable as we are spending a lot of time with each boat and have the cost of tags. We have to look at this as an enterprise that is self supporting. We still have about a \$400,000 deficit even with the revised rates.

Director Kaiser mentioned that Casitas Management and Staff are on the cutting edge with rates having a differential in the low season and mid week vs. weekends. It costs us more on the weekend to take care of it. Director Hicks asked Brent Doan for his thoughts on the proposed rates. Brent explained that the proposed rates will be good in that there is an option for mid week and we can spread people out with lower rates in the off season which could have some good affects.

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

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

Resolution is numbered 08-17.

9. Information Items:

- a. Letter of appreciation from AWA.
- b. Memo from the Accounting Manager regarding the L.A.I.F. Investment strategy
- c. News Articles of Interest
- d. Investment Report

President Word adjourned the meeting at 5:23 p.m.

Secretary