

Minutes of the Casitas Municipal Water District
Board Meeting Held
December 19, 2008

A special meeting of the Board of Directors was held December 19, 2008 at Casitas' Office, Oak View, California. Directors Word, Hicks, Handley, Kaiser and Baggerly were present. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were three staff members and seven members of the public in attendance. President Word led the group in the flag salute.

1. Swear in Board Members

Directors Word, Kaiser and Baggerly were sworn into office.

2. Public comments.

None

3. Board of Director comments.

President Word reported that the all who attended the ACWA conference have turned in their reports. He added that early registration for the Spring ACWA Conference is due on January 2nd. Director Handley thanked the management staff for inviting us to the employee lunch. Director Baggerly reported that a neighbor took her five kids to the Ventura River at the Land Conservancy entrance off Rice and went to the river crossing and found a number of stranded fish dying in pools. It is a natural occurrence. The kids tried to rescue the fish and put them in deeper pools.

4. General Manager comments.

Mr. Wickstrum reported that it seems like we are on a two week schedule for fish plants. He then reported on a notice he had just received from the state to hold off on Proposition 50 projects until further notice. Mr. Wickstrum thanked the board for their efforts, cooperation and decisions this past year. It has been a challenging year with the decisions we have had to make and for our employees.

5. Consent Agenda

ADOPTED

- a. Minutes of the November 25, 2008 Board Meeting.
- b. Resolution authorizing Employer Paid Member Contributions to the California Public Retirement System.
- c. Resolution authorizing Employer Pick-Up of employee contributions to CalPERS.

The Consent Agenda was offered by Director Handley, seconded by Director Kaiser and passed by the following roll call vote:

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

Resolutions are numbered 08-42 and 08-43.

6. Bills

APPROVED

Director Hicks questioned #0963 to ACWA. Rebekah Vieira explained that this covered two months.

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

7. Committee/Manager Reports

APPROVED FOR FILING

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

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

Recess Casitas Board Meeting

President Word recessed the Casitas Board Meeting at 4:39 p.m. and opened the Lake Casitas Improvement Foundation Meeting.

8. Lake Casitas Improvement Foundation Meeting

- a. Discussion regarding membership in LCIF.

Mr. Wickstrum suggestion reviewing membership in the LCIF and looking for recommendations for new members to help make it a better foundation. The following individuals were recommended for membership in the LCIF:

Rick Bisaccia, Jake Patel, Larry Elshere and Eric Gillett.

There was discussion of changing the bylaws to increase the numbers of directors of the foundation to nine on a permanent basis.

On the motion of Director Hicks, seconded by Director Kaiser and passed, the number of Directors in the LCIF was changed to 9. The bylaws will need to be changed to reflect this.

One current permanent member is no longer capable of serving on the Foundation and so Mrs. Weinberger is retired from office.

On the motion of Director Kaiser, seconded by Director Hicks and passed the four nominees to the LCIF were approved.

b. Review of the Treasurer's report

The treasurer's report was reviewed and there is a balance of \$13,808.

On the motion of Director Baggerly, seconded by Director Hicks and passed, the treasurer's report was approved.

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

Rob Weinerth requested the allocation of Lake Casitas Improvement Foundation funds to be used for Kids Fishing day, pea gravel for spawning beds, a digital waterproof camera and photo printer. LCIF has received \$8,390 in donations this last year from moonlight fishing and Anglers Choice tournaments and donations from the local community. Mr. Wickstrum suggested that we need to ensure there are no permit requirements for the pea gravel and wanted Rob to discuss this with Neil, DFG and the Corp of Engineers.

There was discussion with Eric Gillette regarding the rowing club and potential for grant money through the LA 84 Foundation.

On the motion of Director Handley, seconded by Director Kaiser and passed, the proposed expenditures for the LCIF were approved.

d. Discussion regarding the Center for Earth Concerns boat and determine if the Foundation will accept or reject the offer.

A letter has been received stating the Center for Earth Concerns boat was being given to the LCIF. To date a transferred title has not been received. President Word asked if we want the boat. Director Handley stated that if there is a concessionaire to run the boat on the lake it could be good but if no one is interested the lake will not benefit from the boat. Director Baggerly added that this utility can not afford to subsidize the boat. Mr. Wickstrum added that it is being donated to the LCIF. Does the LCIF support the boat?

Mr. Elshere added that he thought the boat could be used for the fishery or use it as a shop boat for fish and game usage. Mr. Wolfe added that the electrical system was built into his dock and he has paid the bill for eight years. Mr. Gillette added it seems like a valuable resource to discard. President Word added that one of the drawbacks was the size requires special licensing to operate.

On the motion of Director Kaiser, seconded by Director Baggerly and passed, staff was requested to investigate the ownership and any potential liens

against the boat and to review the pros and cons of use of this boat by staff on the lake.

- e. Review potential changes to the By-laws.

The by-laws will need to be modified to reflect the change in the number of members.

President Word adjourned the Lake Casitas Improvement Foundation meeting at 5:24 p.m. and reconvened the Casitas Board meeting

- 9. Recommend extending the current concessionaire agreements for a not to exceed 12 month period. APPROVED

Mr. Wickstrum reported that we are entering the end of our ten year agreements and the one for the park store was in 2004. We would like to offer a temporary extension on a month by month term for one year period or such time as new agreements are finalized. The intention is that new agreements would be finalized in a timely manner.

Mr. Gary Wolfe addressed the board and explained that he wants to work with the district but has some capital improvements to make and to do so on a month to month basis is not prudent. Also, the issue of the percentage was high and he requested that it be lowered.

Mr. Norm Smith also was concerned about the next ten years and the restrictions placed at the lake. He understood that the agreement needs to be extended and hopes that it be as short a time as possible.

On the motion of Director Hicks, seconded by Director Kaiser and passed, the agreements will be extended for a not to exceed 12 months.

Mr. Wolfe asked for consideration on the amount of rent. Additional information is requested on this.

On the motion of Director Baggerly, seconded by Director Kaiser and passed the board approved a temporary reduction to 13% until new agreements are decided.

- 10. Resolution approving an agreement with County Watershed Protection District for reassignment of water rights associated with Matilija Dam.
Direction given to General Manager

Mr. Wickstrum reported that there are almost daily updates on this issue. John Mathews and I discussed this yesterday with Jeff Pratt and Tom Lagier. There have been several discussions to come to an agreement before 1/1/09. Working on transfer of water rights and be able to maintain the water right. That transfer opens the door for challenge and could result in loss so there is no water

for the slurry. We could get around that by not doing a transfer and do an extension of the current contract on a year to year basis. This would keep everything status quo. It does not harm us to keep it that way. We do what we do, water rights stay, and we extend the current agreement. We request an extension of the operating agreement for no charge. Also we request that they consider in this next year the transfer of the conduit to us so we can take care of our customers. When they got to decommissioning, we would transfer the right to divert at Matilija. Jeff told me that then they would take that right and turn it into a use for the slurry operations and they would then let that water right extinguish and it would disappear into the river. That is what is suggested. I have prepared a letter to send to them next week for them to consider and take to their meeting in January.

The board discussed this and had concerns about the liability of operating the dam and requested that the letter include a hold harmless agreement. It was suggested that a letter be sent with the following points. Remain the custodian of the water rights. This would be tied to the deconstruction of the dam and actual funding for the deconstruction from Congress, and then we would go hand in hand to transfer the water rights. Within a six month period any obligation to the dam would go from Casitas to the Watershed Protection District and we could operate it for nothing but we want a hold harmless from the county. The Watershed Protection District would transfer to Casitas the Matilija Conduit within that same six month period. Mr. Wickstrum said he would redraft a letter with those three items and provide it to President Word for signature.

11. Discussion regarding the scheduling and agenda for the Board Planning meeting.

RECOMMENDED ACTION: Direction to staff

It was decided to handle some of the typical board planning day items at the first meeting in January and then schedule additional meetings as needed.

12. Recommend acceptance of the fiscal year 2007-2008 Comprehensive Annual Financial Report. APPROVED

Paul Kaymark with Charles Z. Fedak presented the Board with the 2007-2008 Comprehensive Annual Financial Report. President Word added that it is a clean opinion. He told that board that there are accounting changes that will occur this next year and adjustments will have to be put in writing. Mr. Kaymark added that there were none this year. He added that there was a theft at Recreation and that could be an area to look at regarding cash collections.

On the motion of Director Hicks, seconded by Director Handley and passed, the audit was accepted.

13. Resolution approving including a 27th pay period in Fiscal Year 2008 for all Casitas Municipal Water District employees. ADOPTED

President Word explained that this is an issue every 11 years. Director Baggerly suggested we don't do anything; the only change is on the W-2. One year there would be extra pay. Mr. Wickstrum explained that the reason we brought this discussion to the board is because many agencies had no clue of this issue and we would like to set this as a standard for the district. Hopefully when this happens again in 11 years the people that are here won't go through the confusion that staff has spent on this issue. We want to establish a precedent. Mr. Kaymark explained that management gets paid 26 pay cycles per year. This only affects salaries. With this leap year it adds a 27th pay day next year. Denise Collin added that because in our employee manual it says that if a payday falls on a holiday we would be paid the day before the holiday we have to pay on December 31st. Last year when we calculated the salary we divided by 26. The holiday forces this into 2008 instead of 2009. Next year there will be 26 pay days. Director Kaiser added the management employees are working the two weeks that they are being paid for. Director Hicks said he is not for it. Mr. Wickstrum added that no one at the City had heard about this and some agencies do nothing and run the pay period the same as normal. Director Kaiser added they pay the same rate of pay. Director Baggerly said to just ignore it and pay the checks. Denise Collin added that since that changes the amount on the W-2 it is unethical to let this pass without the board's decision. Rebekah Vieira suggested that if the board desired to adopt the resolution that there is a change in it for clarification that there is no change to the rate of pay for the 27th pay day.

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

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

Resolution is numbered 08-44.

14. Information Items:
- a. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.
 - b. Recreation Area report for November.
 - c. Senator Feinstein's letter to Secretary of the Interior regarding the Delta Smelt Biological Opinion.
 - d. Reports from the ACWA conference
 - e. Letter from the Grand Jury following their briefing and tour of Casitas.
 - f. Letter from the State Water Contractors.
 - g. News Articles of Interest

h. Investment Report

15. Closed Session:

Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Government Code Section 54956.9)
Name of Case: Casitas Municipal Water District v. United States

President Word moved the meeting to closed session at 6:44 p.m.

16. Reconvene Open Session

The meeting was moved back to open session at 6:55 p.m. with President Word stating no action was taken in closed session.

17. Adjournment

President Word adjourned the meeting at 6:55 p.m.

Secretary