

Minutes of the Casitas Municipal Water District  
Special Board Meeting Held  
May 20, 2023  
At the Ventura Marriott  
2055 Harbor Blvd  
Ventura, CA

1. CALL TO ORDER

President Hajas called the meeting to order at 9:12 a.m.

2. ROLL CALL

Directors Cole, Bergen, Kaiser and Hajas are present in person. Director Brennan is attending remotely from Galway Ireland via Zoom. Also present are GM Flood, AGM Dyer, EA Vieira and Counsel McNulty. There were two members of the public in attendance.

3. PUBLIC COMMENTS - Presentation on District related items that are not on the agenda - three minute limit.

Bill Miley asked about annual passes for the lake and if there is a fishing pier. Director Kaiser replied that we have one but it is being adapted to the rising of the lake.

4. DISCUSSION ITEM

4.a. Discussion of Managing Casitas MWD's Future Water Demands and Financial Requirements.

[Board Memo on Managing Future Water Demands and Financial Requirements 052023.pdf](#)

1. Discussion of Recent Casitas Strategic Planning

a. 2022 Supply and Demand Study

AGM Dyer provided a presentation reviewing the Supply and Demand study and information on recent demands.

Historical water demand shows that 1989 had the highest level of demand. It was at the end of a four year drought period that was the impetus for the WEAP. The demand fluctuates with most of the demand for Ag and Resale and backup water supply. Demands vary with weather. With the most recent drought we saw a decline in demand. In 2016 we adopted Stage 3 with a mandatory 30% reduction in water use and our customers reduced consumption beyond that.

There was discussion regarding Ag and crop changes but while Ag may have taken out some trees they have the idea of planting back and you can't fallow orchards.

President Hajas expressed that the greatest reductions in demand come from resale and Ag with the residential reduction being minor. Residential demand is not expected to increase much.

The WEAP planned demand is 14,831 AF which is lower than the stage 1 and 3 allocation. Demand is less than allocations and the planned demand. When looking at the comparison by customer type you can see that all classes stayed within their allocation and planned demand. Our customers collectively use less water than their allocations.

Regarding the safe yield of 18,420 AF. The Board wanted to factor in climate change and some unknowns that we were unable to quantify. Board adopted a safety factor of 15%. Demand of 14,865 AFY supply yield so the lake does not go to zero or below 50,000 AF.

There is uncertainty on the effects or the Matilija Dam removal, modification to Robles, and state regulations on instream flow criteria and what our customers will have available for groundwater pumping.

We are working to continue with project for Santa Barbara County intertie as we are finishing the permitting for that. We were selected for \$3.8 mil IRWMP project. The project has almost \$10 million grant funding and the rest is a zero percent loan.

The board discussed various aspects of the WEAP and allocation program with differing opinions on possible modifications. Further discussion and policy decisions may be made in the future surrounding allocations, stages, rate tiers, and fixed charges as there were no decisions made at this special meeting.

Director Cole asked for a break at 10:15 a.m. and the board was back in session at 10:26 a.m.

### 3. Discussion of Capital Replacement/Improvement Projects

The Finance committee has looked at capital replacement costs for the aging system. We looked at the next 20 years and have a ten year plan. Right now, the costs for the ten year plan are at \$57 million and that will be funded through rates, grants and bonds/loans. We have to plan for the replacement of our 60 year old system.

### 4. Discussion of District Finances

#### a. Revenue Requirements

Water sales are down 2,800 AF from where we budgeted. We expect an all-time low around 8,000 AF for the fiscal year. Expenses are \$15.5 million with storm expenses of \$1.7 million.

The current debt picture with the CFD has an outstanding \$2.8 million per year in general obligation bonds. This is not dependent on rates but on those in the CFD paying their property taxes. The district took out an eight year loan for the aquatic play structure which will be fully paid out of the fees we collect from the folks that use that facility. We also have the dam reinforcement amount until 2052 of \$77,000 a year. There has not been a lot of borrowing that has been done by the district.

#### b. Reserve Funds

Reserves are sitting at \$18 million, the prior year was \$25.1 million. As of 2018 we started including the CFD money in the reserves as it was easier to show the board what was being spent. We drew \$4 million out of CFD and storm reserve of \$1.7 which accounts for the

drop in reserves. We did receive notification of FEMA for 100% reimbursement of up to \$2.2 million for storm damage and we will put that back into reserves but it will be a number of months before that is received.

### c. Funding Sources

The last water rate study was done in 2017 which had a five year rate structure. The last increase was implemented in July of 2021. We are currently working with Bartle-Wells on a new rate model and hope to have it come before the board in June. There was no increase in the water rates in our current fiscal year.

There was a suggestion that we reach back out to the Olympic committee regarding hosting some events at the lake. Burt Handy reported that it was good to see the students back out on the lake again.

We will be looking at capital replacement borrowing of \$32 million with \$10 million debt issuance via loans or bonds every three to four years.

Funding for the Ventura Santa Barbara County Interties is looking good and the project is moving along. The bureau is leading the NEPA and that might slow it down a bit.

There was concern expressed regarding the rate study and anticipated rate increase not being enough with a reminder of the dwindling reserves and that they are not to be used for rate smoothing. Controlling expenses was also discussed along with the realization that staff is very careful with expenditures. There was a brief conversation on the use of AI.

Bill Miley suggested showing the things that need to be repaired under capital improvements to help the public understand quickly and visualize where the money is going.

Burt Handy asked that evapotranspiration of the lake be included on the chart so the general public understands that.

President Hajas called for a break at 11:22 am. At 11:39 p.m. President Hajas reconvened the meeting suggesting that we could talk about the supply side including the need to develop policies on how we operate the Santa Barbara Intertie and then we could discuss the potential impacts of the Matilija Dam Removal project.

GM Flood explained that we are moving forward with the intertie which would include the ability to purchase imported water. State Water has a 100% allocation this year. In 2019 we had 85% allocation. Our Table A is being sold to United as we have a five year agreement. We can revisit with the board one of the options where we would look to purchase water when the lake is at 50%. The ad hoc committee looked at including some purchases in there since we were heading towards stage four before the last five months. The idea was to purchase some fixed amount as the lake continued to go down and offset that use in the system and turn the plant down to save water in the lake. It is a significant cost and we have not got into serious negotiations with Central Coast Water Authority. We can bring that back and look at that as things get closer.

President Hajas called for a lunch break at 11:58 p.m. The board returned from lunch at 1:00 p.m. Director Brennan was not present for the remainder of the meeting.

President Hajas suggested that we talk about the Matilija Dam Removal Project and

how that will affect our operation short term and long term and how we will deal with that.

GM Flood explained that the county is the centerpiece as it is their facility. They are in the pursuing grant phase. Julia and Scott are following the progress. There will be more and larger cobble that will find its way to Robles. The methodology is have additional gates. The Santa Ana Bridge is done and they are working on some levies. They will have to raise the levy at Casitas Springs. The next step is moving forward with the physical modeling in Denver with the latest sediment transport model they are working with. Operations at Robles will be more challenging down the road. There is a possibility of installing some wells there to pump water in during those times to alleviate some of the impacts there to pump into the diversion facility. Moving the sediment out of the area will be the key thing. The proposal to remove the dam is to blow a hole in the bottom of the dam and let it flush. As further information is developed on this project it will be brought back to the board for discussion.

President Hajas added that it is a tough project, ultimately beneficial for the fish habitat above there is some of the best there it but it is fraught with issues of killing the river, fish and Robles and it is not simple to solve.

#### Adjournment

President Hajas adjourned the meeting at 1:20 p.m.

  
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Mary Bergen, Secretary