



Minutes of the Casitas Municipal Water District  
Board Meeting Held  
June 27, 2018

A meeting of the Board of Directors was held June 27, 2018 at the Casitas Municipal Water District located at 1055 Ventura Ave. in Oak View, California. The meeting was called to order at 3:00 p.m. President Word led the group in the flag salute.

1. Roll Call

Directors Baggerly, Kaiser, Bergen, Hicks and Word were present. Also present were Steve Wickstrum, General Manager, Carole A. Iles substituting for Rebekah Vieira, Clerk of the Board, and Attorney, John Matthews. There were five staff members and 12 members of the public in attendance.

2. Public comments (Items not on the agenda – three minute limit).

William Weirick. I wanted to speak to an issue that I observed at the last meeting and in particular I just want to respectfully ask the Board that when all Board members, there are a lot of people in this community that have spent a lot of time, they are very qualified they have made very analytically well thought out and considered questions for this Board on policy matters, many of them obviously do not agree with policy choices this Board makes but that's the public arena. It is unfortunate what I heard last week were words like "emotional" or people just being fearful in terms of characterizing the people who have made well considered, respectful arguments and discussion and asking for a higher level of policy discussion. We have enough in this country right now of basically attacking the character of people who disagree with one. We should not, specifically as elected officials, make any comments about the character of people who disagree with us. We should listen to their arguments and respond to them. And what I heard last week were, I thought, right on the edge of character comments on terms of people opposing or criticizing the policy choices of this Board. I think that we, as elected officials, need to respect all and we need to prove our positions as, explain our positions and address the questions, you know, raised by others and not use words that are associated with the character of people who oppose us and address points of policy that they are raising in terms of policy discussion. Thank you.

Robin Gerber. I'm Robin Gerber, I live in Ojai. First I want to thank Councilman Weirick for arranging to have the meeting videoed so that there can be more transparency about what happens with this Board. This, of course, should be your responsibility. I understand that there was somewhere around one million dollars spent to renovate this building, the nice dais where you are sitting. Feel free to tell me if I am wrong. This is a large amount of money and yet you could not find enough money to videotape these meetings so the citizens could figure out what is happening and what you are doing. And I notice your (unintelligible) when I brought up before about moving these meetings to a more, a time when people who work during the day could attend and you said we tried that and nobody came, well perhaps at that time there wasn't something of interest, but now clearly there is. And so I would say look at that again. If you are feeling that the people you represent because you are elected officials do not understand what you are doing. That's on you. You need to help us understand and that means having more transparency. You do not need to get up on your high horse of Theodore Roosevelt who did ride a very high horse. I happen to be a Roosevelt scholar and let me tell you that these are the things he said about citizenship because he believed deeply in the rights of citizens and he has some very good quotes about citizenship. He said the first requisite of a good citizen in the republic of ours, this republic of ours, is that he shall be able and willing to pull his own weight. That's what people sitting here are doing. We are pulling our weight. We are trying to figure out why our lake is disappearing and what you are doing about it. Clearly you are not letting us know. And in that speech he talked about the man in the arena, Mr. Kaiser, it is called citizenship in a republic and it says, he also says, it's quite a long speech. He said the poorest way to face life is to face it with a sneer and there has been too much sneering going on by some people on this Board. That's what Bill is alluding to and that needs to stop. You need to be talking to us and be informing us and not asking as if when the three sisters plan came before you, you didn't have to deign to put it on an agenda and actually talk to the people about it. Now I know that things are happening now and I am going to say that that's a victory for everyone sitting in this room because we have been putting pressure on you and it's only just starting. Thank you.

Director Word said that Item 8 on the agenda would speak to what Ms. Gerber was talking about and she should get some additional information.

Andy Gilman. Hello, I am Andy Gilman and the Executive Director of the Ojai Chautauqua. It's my first time here. I am an Ojai resident, I live on Golden West and both my parents' families live here and I have lived here a long time. At Ojai Chautauqua panels we have covered many things and Mary was on our panel on water and I'm appreciative of that. I wanted to praise Item 9, the interconnect with State Water and I would encourage you to have that on every single agenda possible or maybe you already have that in the works, that might be one of the central things that we are interested in. And the second thing, and this alludes to what Russ spoke to at the (unintelligible). Find a way as soon as you can on the website, my suggestion would be to promulgate everything you

are doing and have that be right on the home page. Maybe that's in the works but that's what everybody is interested in and I'm a website person and I know you could do it in a day with the will, right, and the right expertise but that's what everything is, the opacity of just understanding what the plans are and you know, you look in the paper, the plans are so easily misconstrued. What's going to happen with the lake, what water goes where so the clarity I think would solve half the problem. That's my suggestion to you. Even an op-ed piece in the paper would be great or even the Ojai Monthly. So I think that would go a long way and I know Russ spoke to that and he said that would be a priority and that was on May 21st. Then lastly, we are intending to hold an Ojai Chautauqua on water to check in where we are and also to kind of feature on Saturday, September 1st and I have invited Mr. Wickstrum to speak on that panel and I hope the Board will encourage that at least some representation from Casitas we'll have Calleguas and Ventura are there along with others so it think it would be a way for our whole community to see here's the progress that has been made so far where we are and what are the projections because, of course, if you look at the lake and get (unintelligible), you know that things are happening so we are hoping for that clarity. Thanks very much.

Director Word pointed out that September 1st is Labor Day weekend and it may be difficult to get all the participants.

Tracy Albert. I don't have a prepared speech but I am an Ojai resident with my wife. We've been here about three and a half years. We are in the process of finishing a rather extensive construction project that candidly we were not going to start given what we understood was to be a really, kind of organized, well-tuned group of people we're dealing with water. And unfortunately, my wife and I came to discover that was not the case after hearing a number of represented meetings, the members of this Board was on. And we have, we decided to move ahead. I don't know if that was a wise move or not but here we are and I represent one of those groups of people that I think Peter Strauss talked about a couple of meetings ago that have just had it. Um, I am a retired professional, financial service arena for the firm call The White Touch. I ran the region, so I'd like to think I am fairly adroit financially and I find that the way that this group of professionals because I assume that you are all former professionals is somewhat of a travesty. One of the issues that came up and this is really a question that I have, I don't know who wants to address it, but I was hoping to get it addressed in this meeting is the California, is the water allocation that you finally went into the open market and sold this year as I understand it for half a million dollars. In the years prior, what were you doing with that allocation? Why was that, why did you not go into the open market and sell those allocated amounts and have money to be put into the reserves so maybe with the California connection, um, we'd have an easier time figuring out how the alternatives of the second capital that you would have reserved to obviously do some of these things necessary. That's it for the moment and I appreciate your time.

Mr. Wickstrum explained that it was a bit more complicated. It depended on the State Water Contract and the Department of Water Resources. In the past it was put back into a turn back pool that was developed in the Monterey Agreement. It would be reshuffled into other state water contractors. The amount of money was returned to the customers as a reduction in state water taxes. The change this year was to try and put some of the money into the State Water project interconnection project instead. Unfortunately, the turn back pool was what the Department of Water Resources made available. Two or three years prior to that the District was involved in the multi pool which was used more as a market base particularly in light of the case that State Water had declined to 15% and, at one point, 0% availability. It put a market value on the water instead of the price tag on the turn back pool. Casitas has to operate with the guidelines of the Department of Water Resources when dealing with the State Water project. That was what was available in the past. It was a big change this year in being allowed to participate in a bona fide exchange with a willing buyer, joining in with the City of Ventura for transfer for one year.

Director Bergen said that previously the rules had not allowed Casitas to do this. The Department of Water Resources is moving toward a market based approach which it had not done before. Casitas is taking the opportunity of the changing rules.

Tracy Albert asked if that was across the state and Director Bergen affirmed that it was.

Mr. Wickstrum commented that if more information was needed on State Water he should be given a call because there is a lot to it.

### 3. General Manager comments.

Mr. Wickstrum said he knew everyone was interested in the exploratory wells. Casitas has finally received two bids for drilling and should receive a full package from Water Resources Engineering Associates by the end of the week with the cost of the exploratory well which he hoped to bring back to the Board at the next meeting in July. Also, the US Forest Service has promised to provide Casitas with the FS299 Permit for putting data loggers into the Matilija area by the end of the week. It should have been as simple as the fifteen minutes it took Casitas to issue concurrence to the US Forest Service to put up a weather station at Robles Diversion Dam.

There was situation on Ojai Avenue caused by a mismarking of an AT&T line. There were also a lot of gas lines in the area. The AT&T line was hit by a Casitas backhoe during repair of a leaking water main in the Ojai System. A leak cannot be repaired until the other utilities have marked their lines. The company that located the AT&T line missed it by quite a bit. AT&T is repairing the line and hoping to have it completed by Thursday.

4. Board of Director comments.

Director Word reported that the last couple of weeks he had visited the Great Lakes. It was nice to see a lot of fresh water. A professor, who was an expert on the history of the Great Lakes, commented that a number of the lakes are totally covered with shells that have virtually decimated the salmon fishing on the Lakes. Pictures of ships in the Lakes were unrecognizable due to the encrustation of the shells. It is serious and everything must be done to keep them out of this area. He said that he went through a whole decontamination process before returning.

5. Board of Director Verbal Reports on Meetings Attended.

Director Bergen reported that she attended the Upper Ventura River GSA Board Meeting. The group is really beginning to work on setting up the Agency. The 2018/19 budget was approved. They are working on getting all the Quality Assurance/Quality Control procedures into the data that is being collected. A lot of hard administrative work is going on to get the different procedures in place.

Director Baggerly reported that on Friday, June 22, 2018 he attended the OBGMA Ad Hoc Committee for the Groundwater Management Plan and between himself as a Board Member, the Hydrogeologist, the Manager and attorney they continued to work on the draft of the Groundwater Management Plan. If it is not completed by the meeting the next day it will continued to the July meeting.

Director Hicks reported that yesterday he had attended the Ventura Chamber of Commerce meeting. He met Dr. Cresswell, the new Superintendent of Schools for Ventura. He learned that NOAA has approved edible mussel farms about three miles off the coast of Ventura.

Director Word added that it is thought that the white fish in the Great Lakes may be eating the mussels. It may be that because the food source has dwindled because of the mussels. There may be an evolutionary process occurring.

6. Consent Agenda.

ADOPTED

Director Word welcomed Carole Iles substituting for Rebekah Vieira.

Recommend approval of Workers' Compensation Insurance Coverage renewal with CSAC Excess Insurance Authority in the amount of \$130,220 for fiscal year 2018/2019.

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

AYES: Directors: Baggerly, Kaiser, Bergen, Hicks, Word

NOES: Directors: None  
ABSENT: Directors: None

7. Review of District Accounts Payable Report for the Period of 6/07/18 - 6/20/18. APPROVED

On the motion of Director Hicks, seconded by Director Baggerly, the Accounts Payable Report was approved by the following roll call vote:

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

8. Discussion regarding the Board's direction to video record and broadcast future meetings of the Board of Directors. DIRECTION APPROVED

Mr. Wickstrum said that the Board had heard loud and clear a request for videoing and providing meetings to the public in a timely fashion. A meeting will be held with Spinitar and an assessment made on Friday of the existing equipment and whether additional equipment may be needed. He asked the Board if it was their direction to move forward with videoing. Director Baggerly said that Board members were probably all aware of the Ventura County video recording, archiving and agenda management. The proceedings of the Board can be watched at any time or during the meeting on streaming. The company, called Granicus also services the City of Ventura. A few years ago it was quite expensive but that is no longer the case. He indicated he would like the Board to give direction to staff to seek a sole source contract with Granicus and return with a quote for the Board to consider.

Director Word questioned whether it would be better to have more than one quote. Director Baggerly said he found another company that was much more expensive used by Contra Costa and was told by the Assistant General Manager of the City (of Ventura) and from the Mayor that Granicus was pretty inexpensive on an annual basis.

Director Word asked if the question was did the Board want the meetings recorded and how would they be stored and made available. All of that would need to be part of the package. Director Baggerly affirmed that there was a setup fee and an annual fee and that it could be customized. He said that the Board needed to move on it expeditiously which is why he suggested the sole source instead of waiting three months to put out an RFP.

Director Kaiser said he felt it was important to get a couple of other quotes based upon the type of format that was being requested just to be sure that the Board was being transparent with the public.

Attorney Matthews commented that what was on the agenda was direction

to staff to look at the possible videoing recording and broadcasting of future meetings. There was no provision for sole source and he didn't think it would take three months. He said he felt uncomfortable with the Board taking action aimed at a sole source. It wasn't set up that way. The message that had come across loud and clear was that the public wanted to see some sort of recording and if it turned out this one provider met the requirements and was the only one, then the District would move forward.

Director Baggerly said he wanted to amend what he said to say that Casitas would not look for a sole source contract immediately, but at least direct the staff to get the cost. Director Bergen said that would be the amount of time, all the different formatting and archiving so that it could come back to the next meeting.

Director Word said that it had budget implications and there was budget going forward. He asked if staff had enough direction on that basis. Mr. Wickstrum confirmed that he did.

Director Baggerly said that the City was paying three thousand dollars for a set up fee and about three thousand three hundred dollars for the annual fee. It would change to five hundred dollars the second year and approximately four thousand dollars by the third or fourth year but those numbers may not be accurate. He said it was based on population so what the City was paying was probably going to be less than what Casitas would pay.

On the motion of Director Baggerly, seconded by Director Bergen, the above direction to staff was approved by the following roll call vote:

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

9. Discussion regarding the development of a resolution acknowledging the importance of the State Water Interconnection Project and associated projects to enhance local water supplies.

ADOPTED – RESOLUTION NO. 18-13

On the motion of Director Baggerly, seconded by Director Bergen the above resolution was adopted by the following roll call vote:

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

Director Baggerly said that the Board had been asked many times to take official action about the State Water Interconnection Project. He felt this was something that could be done. It followed the environmental process and the

District's involvement at the end of that process by taking part in it as a responsible agency.

Bruce Kuebler. Good afternoon, my name is Bruce Kuebler. I am speaking as an individual today. Thanks you very much for putting this on the Agenda. I think it's a good step forward. I have two suggestions, I guess. One, in the fourth whereas where you say there appears to be more opportunities, seems like there are more opportunities. I think it is very clear and secondly it seems like now therefore, be it resolved, as I see it weak in terms of commitment. It seems like it should apply only to Casitas if you are taking action as Casitas, not all parties. I'd like to have it say something like - resolved Casitas hereby commits to getting State Water project water into the service area and hereby directs the General Manager or staff to develop preliminary plans for necessary water system improvements. The way it reads right now you are just resolving to make a decision but you don't say where that decision is going to go, if it's favorable to the state project or not. It still seems like it's sort of up in the air you can take it or leave it depending on the results of some of the studies the costs and things like that. We need to commit now to doing it and make the project happen. So I would urge you to make some changes to the resolution and be more committing to moving ahead. I understand there are lots of items out there. One of the things that concerns me is that the role of Ventura, I was reading one of their items, some controversy about their adopting a budget next week, on July 9th I think it is, and it seems like this conflict about how much state water they really want to use if they go to direct potable use to meet their long term demand they would plan on not using much state water project at all and if that's the case what interest would they have in developing a cross Ventura pipeline to be able to meet the needs of Casitas here. It gets involved with the Toyoshima (?) agreement and how much water they have to take out of the estuary, things like that. It seems like they either have a choice of going to direct potable use which is going to cost 500-600 million dollars I understand, based on some numbers or going more into the State Water Project and minimizing the development of the direct potable use right now while there's a lot of uncertainty about how that could be under the guidelines for direct potable use. So anyway, I would just like to see more commitment in your resolution. Thank you for listening.

Director Hicks said that the Citizen's Committee that had been formed had recommended that State Water be the first priority for the City.

Director Bergen said with regard to the commitment side, it would be like saying I want to buy a house but I'm going to sign a contract for a house when I don't know how many bedrooms and bathrooms it has and what the cost would be. This thing is not designed yet, we don't know what the cost is going to be and the whole thing depends on the negotiation with all the parties. She said she is committed to making it happen, it is a huge opportunity but to say it will be done no matter what without the basic information, she said she can't "go there".

Director Baggerly said the language contained in the now therefore be it

resolved was almost verbatim from the Notice of Preparation for the project. It was what everyone had looked at and agreed to and what was available without actually doing what Mr. Kuebler would want to be done and that was approve a project that was not actually before Board. That was not the Board's fiduciary responsibility.

10. Public Hearing for the adoption of the 2018-2019 Budget.
  - a. Public Hearing
  - b. Resolution adopting the general fund budget, debt service fund and Mira Monte Water Assessment District fund budgets for the Fiscal Year ending June 30, 2019.

ADOPTED – RESOLUTION NO. 18-14

Director Word said that it was the time and date set for a public hearing to consider input regarding the proposed 2018/19 budget. He asked the Clerk of the Board to read the names of the public who called or submitted communications regarding the budget.

The Clerk of the Board reported that there were no communications.

Director Word opened the Public Hearing to consider the 2018/19 budget.

Mr. Wickstrum gave a PowerPoint presentation laying out the budget. He reported that budget preparations usually began in January with staff looking at the projects that occur on a daily basis. He expressed appreciation to the staff in putting the budgets together and being very conservative with their numbers. With declining water sales and increased costs Casitas is very careful with the funds. Revenues are very important to fund the District. The primary revenue is water sales and water services. The District is anticipating a total revenue of slightly over \$22,000,000 including a 12% increase in water rates and the service charges approved last year after the Water Rates Study and recommendations. Recreation has a very good revenue source between the operations and Waterpark. The Waterpark has been paying for itself and then some. It was thought that when the lake went down Recreation revenue would go down. It is still one of the best camping places and the populations have continued tell us that even though there has been a decline in the water surface and less water activities.

Balancing the revenue are the expenses that are contained in the budget document. A large expense is \$2.68 million for electrical mechanical. It costs \$1.6 million for power to pump water into Oak View, Ojai, Upper Ojai and the Rincon Area. The Recreation Area expenses include the operation and the Waterpark at about \$5.4 million projected for the year. Part of the expense is due to staffing. They are needed to host the public and protect the property. It is 24/7

365 day operation. Other areas are chemicals for water treatment. About a quarter of a million dollars was spent to add oxygen to the lake to preserve water quality. The District received an eight hundred thousand dollar grant to put the hypolemic system into the lake which took care of a manganese problem that was developing. Total expenses are at \$19.9 million. A number of capital projects are being done in the Engineering Department about half of which are in the Ojai service area. \$750,000 for electrical mechanical will be for electrical conversions of 1950 through 1959 equipment. All of the pump plants will have been upgraded except for the Rincon Pump Plant. Trucks that did not have air conditioning have now been replaced and a diesel trailer for the pipeline crew is proposed. It would have been useful to refuel the generator at the San Antonio yard during the Thomas fire. The budget includes two trucks to replace existing. Generally capital expenditures for utilities are not very large. The \$50,000 budget includes replacing some of the two and six inch meters which are expensive, but there aren't a lot.

With regard to Recreation, Carol Belser has an extremely good relationship with the Bureau of Reclamation that provided 50/50 coverage on some of the capital projects. Over the past six years the Bureau has helped with road surfacing, campground improvements and the front gate entrance. New fencing will replace the fencing from pole to pole out at the Waterpark which currently is rope netting to prohibit people from entering the Lazy River. He expressed his appreciation for the Waterpark operations which is making a profit.

Electrical Mechanical is a large capital area. \$600,000 is for the purchase of equipment for the Rincon Pump Plant for Edison switch gear and a new building adjacent or attached to the existing building to house the new equipment. The District is also looking at staging pumps at Avenue 1 Pump Plant. If the lake continues to drop a few of the pumps must be restaged in order to continue pumping, also, awnings to deal with heat and other equipment including a high pressure compressor which is from the 1960s or early 1970s. Also included are the SCADA panels in the Ojai area. A lot of conversion has already occurred because of the condition of the Ojai System when the District took it over and will continue.

Director Baggerly asked if solar panels had been considered to power shade for the pumps. Mr. Wickstrum said it could be looked at again but the power load is so high the power would be sold back to Edison because it would not be able to handle the pump demands.

Mr. Wickstrum continued with the Treatment Plant. He said there was nothing on the scale of the past. It would involve cleaning of a filter and looking at the intake structure that has a cart that keeps derailing. It may be the wheels or the track and may lead to other issues which will have to be addressed. Maintaining the Treatment Plant in good order is critical.

In the Engineering Department, Julia Aranda will be administering

projects, some with the help of consultants. Some are in design phase but the De La Garrigue Bridge must be completed either in October this year or after the rains because the canal cannot be blocked. The videoing of the meetings can be applied to the Office Remodel project.

The District is looking at a lot of the systems through consulting engineers to help get through the large menu. There are two blocks in Engineering, some of which are in the design phase.

Regarding the main office remodel, Mr. Wickstrum said he had talked about it at the workshop and thought it was going to be eliminated but if additional funding is needed for videoing the Board meetings, that's where it can be applied. Added in is the Lake Casitas Recreation Area vegetation management. It is being turned over to a consulting engineer to try to proceed through some of the permitting processes that are needed. It is difficult to get through because of burning issues and mitigation offsets that can be difficult to deal with. A lot of vegetation has grown up which, when the water comes up will be food for algae. Cleaning the dry areas of the lake would be a good goal to accomplish.

Right now there is \$1 million for the exploratory well. There is potential for being over that number. For now it is in the budget and hopefully at the July meeting there will be a number that the District can move forward with. Also, there is \$200,000 for the Casitas/Calleguas intertie, which some people will say is not much, but that will get some planning into effect. When there is a good plan there will have to be discussion about financing beyond the reserves and rates to be able to fund the State Water Project. They are not going to be projects that can be assumed via rates or reserves. A place is being held as a starting position for additional studies during this year. If it requires more, it will come back to the Board for discussion.

Mr. Wickstrum said he was happy to have Julia here. Going into the Ojai System it was recognized that the District had its plate full with the number of leaks, the equipment, SCADA and some of the systems in place. The District is starting to put some numbers to some of the design work and construction work. He expressed hope that projects can move from design work to construction with priorities but unfortunately there isn't unlimited budget to take care of all the needs of the Ojai System. At some point it will have to be done on a strict budget that is related to the water rates, but major areas to be addressed have been identified.

The reserves will be reset in the next few months but this gives an idea of where they are now, unrestricted at \$21 million. There will be further discussion on some of the reserves about whether or not they should be restricted. There is OPEB and the District will begin to fashion some of these reserves by mid October. This also gives the location of where the District would balance out the difference between revenues and expenditures on any year given that capital

improvements and variation in water sales are being dealt with. The District has not had to deal with storm damage as yet. Those are the things that can be relied on and take from to be able to make the budget balance. Estimated revenue is at \$22,224,081 million, expenses at \$19,785,441 and total capital at almost \$4.9 million. Added together the deficit is \$2.45 million. \$1.69 million is available in the trust for capital improvements for Engineering for the Ojai System that will be covered with the Ojai funds. The other is the unrestricted reserves that would be pulled out at this point. \$761,459 is to basically balance the budget which was the goal.

Director Baggerly asked where the \$750,000 would come from out of the total list of unrestricted reserves. Director Word said that one area would certainly be the storm damage that has not been experienced. There is almost a quarter of a million dollars in reserves. Mr. Wickstrum explained that the \$750,000 would be taken out of reserves and the reserves would be re-designated as to what amounts the District has. Alternate water supplies could be the Hobo although \$1 million is being pulled out for that. There are conservation penalties which could be water conservation and alternate water supplies. Capital improvements for distribution and electrical mechanical definitely would come out of that so those numbers can be reset and even variation of water sales given the projection has actually gone down. Last year we projected the Ojai System at about \$16,000 for 100 AF of water sales and this coming year the projection is just slightly around \$14,000, 2,000 AF of water sales less in the coming year.

Getting an El Nino and everyone conserving has a big effect on water sales and there is a high probability of that happening, also, those who lost crop in the Thomas Fire. When agriculture doesn't use water, revenues go down.

Director Baggerly said he would agree that the OPEB is not unrestricted. Mr. Wickstrum said he agreed that it would have to be moved to restricted and there would be more discussion. Director Bergen clarified that OPEB has to do with pensions. Denise Collin explained that it was unrestricted but designated. Director Baggerly asked if the \$500,000 for alternate water supplies was enough. Mr. Wickstrum said it was newly fashioned just recently and might cover the \$200,000 for the interconnect or any other associated project. The District is looking at a lot of projects for alternate water supplies that could far exceed that amount and would be looking at financing and grant funding other than revenue from rates and taxes. Director Hicks asked if there was enough money for the barrel type situation for the fish ladder. Mr. Wickstrum said it would be prime for grant funding but there wasn't time to do construction between now and when El Nino could hit.

Tracy Albert. Do you break out your maintenance capex against your other capex, or no? Director Word said he did not understand the question. Mr. Albert said that in maintenance there's annual maintenance, (unintelligible) capital expenses and then you are buying new equipment I'm assuming annually

based on that number that I saw but there's no breakout for maintenance. It looks like this woman can answer the question. Ms. Collin asked if he had looked at the Agenda. He confirmed that he had. Ms. Collins answered his question and he said that he did not see it.

Director Word said capital projects are broken into replacement and new and maintenance separately in the budget. Mr. Wickstrum said that day was the day of the public hearing for various budgets.

Director Word opened the public hearing.

Bruce Kuebler. I guess more of the question about the budget packet. You have, in your packet you have a ten year or multi-year capital improvement program. That's not being adopted today. When does that get adopted?

Mr. Wickstrum confirmed that it was being adopted that day.

Mr. Kuebler. OK, I just wasn't clear about, I just had a concern about, like the hobo (unintelligible) project that you have a million dollars currently but you have no money in there the next two or three years. I understand that's a five or six million dollar project if it proves out. It looks like you are willing to spend a million dollars to test it which is good but then you are not planning on spending the additional money in the next three or four years assuming it plays out. That surprised me. You don't have any money in there for the new fish screen that would be self-cleaning. You don't have any money for capital on the State Water Project like preliminary design, getting a pump station to pump it up into the Ojai Valley. So it just surprised me that you don't have numbers for the some of those critical items but you have a lot about costs for improving the Golden State water system.

Mr. Wickstrum explained that there is funding for Golden State in hand. The District will have to look at other funding for the projects Mr. Kuebler listed, including grants or bond funding.

Mr. Kuebler said you need some sort of financing before you put it is capital projects.

Robin Gerber. That seems like an inadequate response, frankly Mr. Wickstrum. I think somewhere in that budget you have to indicate specifically that you are looking at these alternative sources and what the supply is and, I'm not a budget expert in terms of Tracy and that, but, um, that maybe your budget is in deficit, but you're letting us know. If it isn't in the budget, is it going to get done? I guess that's how I see it. I mean, you're making these comments about what might happen that are frankly quite vague. So where can I, as a citizen, find that? Is that in the budget? It's somewhere in your head. It's some other sources that might happen. Where is it? We talked about this. Not having a plan. This is the problem, not having a written plan. Now we've heard at this water committee

meeting there's going to be a proposal to get a consultant to get a plan that may happen, I don't know, by the end of the year. In the meantime, I feel like I have no idea from this budget other than a million bucks is going into drilling into the mountain now instead of, horizontally, OK, and two hundred thousand toward the State Water connection. Again, you know, it that enough? But then you said there was another five hundred thousand that might go toward that. It seems to me, Tracy help me out here, you're the finance guy, it seems to me there's a lot of vagueness in here.

Director Bergen commented that the budget is a planning document and none of the expenditures that exceed Mr. Wickstrum's authority will actually be approved and done until they go to the Board with actual numbers. Anything not in the budget meant there is insufficient information. The District has to stay within the rate structure. Fifteen million dollars can't be put in the budget when the money doesn't come from rate payers. It does not mean there is no intention to do it. All the budget numbers are a ballpark picture of what will be returned for final approval.

Ms. Gerber. I appreciate that it is a planning document. What I am saying is there needs to be some kind of planning document, I don't know what it is that speaks more specifically to supply and how you are looking at the long term sustainability of water for us who are so worried about it. And secondly I think really, Mr. Wickstrum, you didn't respond to Mr. Hick's comment about capturing storm water. I mean, I have heard, I've been told by experts, by people I consider experts, that we wouldn't be in this stage 3 drought if you had taken, uh, measures that had been recommended over two years ago to capture storm water. Things like taking out vegetation, eucalyptus trees and other vegetation, again, I am not an expert on this, I believe Tom Asher came and talked to you and made recommendations last year. Did we capture the amount of storm water that we could have, and what everyone has told me is the answer is no. Not at all. And now you're saying that we can't build that thing Mr. Hicks wants to build in time to capture storm water. Well, why not? Why didn't you think about it sooner? I don't feel that you have very adequate response to that.

Director Hicks explained that in his opinion the problem lies with NOAA not allowing water to be released because of the fish. Diversion could not occur this year because of the fire and not being able to remove the screens. Mr. Wickstrum has devised a plan with barrels that rotate to keep debris from clogging the screens which may be eligible for grant funding if the water bond passes.

Ms. Gerber. Are there not other measures for storm water capture like the removal of vegetation then take the increased amount of water and other things were recommended, what else has been done?

Director Hicks said that a lot of the arundo has been removed.

Ms. Gerber. My other question is this. You have one hundred and eighty seven thousand dollars in there for Board what? For the Board. One hundred and eight thousand and change.

Ms. Collin explained that it was for Board salaries.

Ms. Gerber. Salary and benefits? What about, you get two hundred and forty nine dollars per meeting? Is that contained in there? Oh, you don't get paid for meetings? Oh, you do get paid for meetings?

Director Word indicated that it is one hundred and seventy nine dollars.

Ms. Gerber. So that's part of that number. So it's salaries plus benefits plus that number per meeting.

Ms. Collin said that their meeting amount is their salary.

Ms. Gerber. So you estimate how many meetings they are going to go to throughout the year and turn that into a salary. And has that increased since last year.

Board members explained that the maximum number of meetings that can be attended is 10 per month. Director Hicks expressed his pride that the District keeps pensions at the 2% at 60 level.

Ms. Gerber. Are there increases in the salaries per year or how does that work? Is there an increase in salaries?

Director Word said that was all negotiated as part of the labor contract. Ms. Collin said that Ms. Gerber was talking about the Board.

Ms. Gerber. I'm talking about the Board.

Director Word said there was an increase last year for the first time in ten years. Director Baggerly said that by law it was five percent.

Ms. Gerber. Five percent salary increase per year?

Director Baggerly said it was brought to the Board and did not happen automatically.

Ms. Gerber. And did it happen last year? I am just trying to understand is there a greater increase this year from last year.

Board Members answered that there was not.

Ms. Gerber. Well, I think you know it's useful for the public to understand

that you are elected officials, a lot of people don't understand and that you're paid to do the work you are doing.

Director Word explained that part of the discussion was a comparison of all the other special districts. The District is below the middle. Ms. Collins clarified that the Board does not receive pensions.

Ms. Gerber. Oh the Board doesn't receive pensions, salaries and health benefits.

Tracy Albert. Just real quickly (unintelligible). Out of curiosity, how much discussion do you guys have with respect to the budget because I didn't hear any here. I heard Mr. Wickstrum basically telling everybody what was it the budget and not a lot of discussion.

Director Kaiser explained that discussion takes place at Finance Committee meetings over months evaluating department budgets with the General Manager starting in February this year.

Mr. Albert. So these are actually, and are all of you or many of you are represented?

Director Kaiser explained there are two members of the committee with the meetings open to the public. Director Baggerly added that there were workshops as well.

Mr. Albert. Yes, I understand, unfortunately I was not able to attend. I unfortunately, have not gone through this in great detail, but (unintelligible) preliminary question, um, um, just get back at you. With respect, what kind of, with respect to Recreation um, when I kind of look at last year compared with your budget, about eight hundred and fifty thousand, well there's, actually, when I look at the revenue against your expense, there seems to be somewhat of a deficit and I guess my question for you is given the severity of what we are dealing with around this lake, why don't you shut it all down? Why don't you shut Recreation down and bring it back on line when we've got more water? 'Cause I am trying to figure out do the economics justify either to the lake or to the greater community the benefits of actually having this recreation basis.

Mr. Wickstrum said that the first mistake Mr. Albert had made was tying Recreation to the amount of water. When the District took on the project in the 1950s it was required by Reclamation to offer recreational activities at the water body. Shutting it down would be contrary to the District contract with the United States of America. Even if it were to be shut down there would be expenses to monitor the perimeter of the lake to keep the public out. It was not as simple as just shutting it down.

Mr. Albert. (Unintelligible). The government basically says that you have to

operate it. Okay, okay, fair question, thank you.

Andy Gilman. What I see is there are a couple of paradigms. I've heard in the City of Ojai, at least, and one would be that I completely understand if let's say the farmers on the east end of Ojai figured out how to reclaim storm water that less water is being purchased. That makes complete sense. But I think that what I would encourage you to do is to, you know, let's say you do the vertical drill and you see there is something there and it will require more money for the project or you tap into state water, it is going to cost a lot or the conservation that is happening in Ojai is going to result in less revenue. We all are ready to hear that and understand there is a cost to operate this agency, we get that. The paradigm shift I am offering to you to consider, I think that's something we are ready to take on. I personally would pay higher rates for more conservation for us to have more longevity. So that's what I wanted to suggest to you. Just be completely frank with us and public on your website and say here's the situation and what it is going to cost. We are ready for that and we understand that. We are just nervous about running out of water and you are going to do everything you can to prevent that and we want to work with you. Thank you.

Mr. Weirick. I'll just amplify that, if we have a choice between sufficient water and security and higher rates, I think we'll take the higher rates. I just had some questions and I haven't been able to get answers for them. I am just going to pose them, your questions I would like to understand with respect to the boring project. First my understanding is the reason to go vertical was a difficulty in getting permits to do an exploratory well horizontally. That's my understanding. I hope, you know, I'm just going to tell you the things I understand and my questions and the other things I'd like some clarification on. Second of all, my understanding is the depth of the, this well is, if not (unintelligible) is extremely rare for a well to go that deep. This is not something that is known or done frequently or regularly in terms of, I believe we're down to almost 7,000 feet as I recall and not a lot of experience doing that or knowing what you are going to get when you are down there, but my understanding is that an attempt to explore or the ability to take water out of the Matilija formation and the way the geology is it plunges down and you're accessing it vertically because the Forest Service is basically putting some impediments into doing that exploration horizontally only. Um, on a risk adjusted basis, I wonder have you had some peer review or had say somebody in the petroleum industry with experience with petroleum geology because they are the only people who regularly go that deep and know what's going on at that depth, to get you some peer opinions, second opinions about on a risk adjusted basis what you are likely to run into. What are some of the problems you may run into. We are talking about a million dollars plus of commitment here and you know you kind of want to assess what the risks are what the benefits are what the costs are because in terms of restricted capital availability you want to put that capital towards the highest rate of return and I think a lot of people, including myself, if it's an either/or situation of limited capital, um, focusing on getting water from outside the watershed as opposed from getting more water out of this watershed, in other words depending upon rain and

this watershed as opposed to being able to diversify from rain to other watersheds is a fairly basic question. And then the next couple of questions I have is my understanding in terms of the, after the slippery rock decision is that the burden of proof is on showing that taking water, additional water out of a formation like this is that you are not having a deleterious effect on other beneficial users and that would include the wildlife in the National Forest. That's my reading and what people have suggested to me might be going on with the situation in terms of the slippery rock decision, that was a decision where Dick Wolf wanted to sell some water to Montecito and the Goleta District said no and there was an evolution of the relationship between senior and junior water rights in the situation. And so, and I finally wanted to say one of the things I don't understand is in terms of risk assessment, the County has already presented a challenge letter to this whole situation in terms of taking water that might affect the habitat in the National Forest and has there been a legal assessment of the, uh, risks involved and whether we are going to, even if there was water, you would have to get the permitting to be able to take it. So these are the things that in my mind, I just think about in terms of comparative risk assessment and cost. Thank you.

Director Word said it was a gamble any way it was looked at but it is unknown until tried, until it can be determined what it is thought to be there, is there and usable. There is part of the same thing bringing in State Water. If the entire allocation is received, which has happened two or three times, it would mean receiving 5,000 AF. The Board is criticized for doing or not doing anything and would prefer to get some answers.

With no further comments the public hearing was closed.

On the motion of Director Baggerly, seconded by Director Kaiser, the above resolutions were adopted by the following roll call vote:

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

11. Resolution fixing a tax rate for Fiscal Year 2018-2019 and authorizing the President of the Board to execute a certificate requesting the Ventura County Board of Supervisors to levy such a tax.

ADOPTED – RESOLUTION NO. 18-15

Mr. Wickstrum reported that it was the usual resolution that was adopted every year for Prop 13 limits. Ms. Collin pointed out it was for the State Water project.

On the motion of Director Kaiser, seconded by Director Bergen, the above resolution was adopted by the following roll call vote:

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

12. Resolution to adopt, under Proposition 4, the 2018/2019 Establishment of Appropriations Limit of \$13,842,055.

ADOPTED – RESOLUTION NO. 18-16

On the motion of Director Baggerly, seconded by Director Hicks, the above resolution was adopted by the following roll call vote:

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

13. Resolution authorizing the levy of a special tax for fiscal year 2018-2019 for Community Facilities District No. 2013-1 (Ojai).

ADOPTED – RESOLUTION NO. 18-17

On the motion of Director Kaiser, seconded by Director Hicks, the above resolution was adopted by the following roll call vote:

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

14. Recommend approval of the Watersheds Coalition of Ventura County (WCVC) Amendment to the Memorandum of Understanding (MOU) to Participate in the Watersheds Coalition of Ventura County's Integrated Regional Water Management (IRWM) Planning Efforts.

APPROVED

On the motion of Director Baggerly, seconded by Director Hicks, the above recommendation was approved by the following roll call vote:

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

15. Resolution Honoring Carole Iles upon her Retirement from the District.

ADOPTED – RESOLUTION NO. 18-18

Director Baggerly read aloud a resolution honoring Carole Iles for twenty-seven years of service. Carole Belser, Park Services Manager, stated that Carole's position was unique in the District since she worked for both Recreation and Engineering. She went on to say that for fun, a plaque had been created to be attached to the vault door stating "Isles of Ailes of Iles Files" depicting

overflowing file cabinets on an island with a person (Carole) drowning under the weight of all the papers! Lisa Kolar from the Maintenance Department provided the creativity, carving and painting skills for the plaque. Everyone appreciated the humor. Mr. Wickstrum commented that Lisa Kolar made all the signs at Recreation which are very artistic. He also commented about the time that Carole had worked for him in the Engineering Department. Director Word asked Carole if she had Julia trained to which she replied "I'm working on it".

The resolution was adopted by affirmation.

16. Information Items:

Information Items:

- a. Recreation Area Report for April, 2018.
- b. Quagga Committee Minutes
- c. Investment Report.

On the motion of Director Kaiser, seconded by Director Bergen, the information items were approved by the following roll call vote:

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

17. Adjournment.

President Word adjourned the meeting at 4:45 p.m.

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Mary Bergen, Secretary