

Minutes of the Casitas Municipal Water District
Board of Directors Regular Meeting Held
February 23, 2005

A regular meeting of the Board of Directors was held February 23, 2005 at Casitas' Office, Oak View, California. Directors Hicks, Kaiser, Bennett, Baggerly and Word were present. Also present were General Manager, John Johnson; Rebekah Vieira, Clerk of the Board; and Attorney, Rob Sawyer. There were three staff members and five members of the public in attendance. President Hicks led the group in the flag salute.

1. Public comments.
None
2. Board of Director comments.

Director Baggerly had two items for the board consideration. He asked if there could be a short discussion before moving to the second one. Back in January at our second board planning day we got around to the General Manager's performance evaluation and John passed out those pieces of paper and I assume that most of the board members turned them in. Then I waited for the full board to get together to actually speak as one board. As of today we have not got together. Let's assume that the board did fill out and return all of the evaluations that would mean in my mind that the General Manager received five separate and totally different evaluations and sets of directions and that would be impossible for any one human being to follow. President Hicks said he took responsibility because they were supposed to be turned in to me and I did not follow up. I did not even fill mine out yet. It was kind of confusing. Those were two different sheets as I recall and they are a little different from the ones that we have had in the past. Director Word said they were different. President Hicks asked if we could go back to the one that we had as it was more comprehensive and easier to understand. Director Bennett said the board needs to know that it has been the policy for the board members to turn it in to the president and then the President talks to the General Manager. President Hicks said that is the way we have done it in the past. Director Baggerly said it would be helpful to have a closed session so that we can all speak freely. President Hicks said in the past we have given John a raise almost every year and quite frankly this year under the budget constraints we are under I do not think the board is contemplating that. I hope John is not contemplating that either. I can see that John is not smiling. But anyway, that was when we used to go into session was to contemplate that and then we discussed everything else and since that was not on our plate at our organizational meeting it was not brought up at that point. We didn't go there right away. You are right we should get those in and I would like to have that other one John that we have used in the passed.

Director Kaiser said in regards to the policy, I understand where Director Baggerly is coming from and I was in his same seat a few years ago. Is this a written policy on how we proceed on this or is it something that is historically carried on by individual directors completing and forwarding to the President. President Hicks said there is no written policy that he is aware of. Usually we get together and if there are comments they are

made to the President. Director Baggerly said it is really helpful for the GM and his staff to know where we five individuals are coming from. President Hicks said I think that is true but to get five individuals doing their own evaluation if he gets one area where three say there is a problem then he really knows there are three people that think there is a problem in this area. If you give him a homogenized report that might not be as useful for him. We can do it anyway the board wants to do it and I am glad you brought it back up. That is the way we have done it in the past. Director Baggerly asked if everybody was comfortable with discussing it on our own evaluation in closed session. President Hicks said personally he thinks it is better to have the individual do it. To do it individually and have three guys independently come up with something that is a problem he should take a look at it. Director Bennett said he agrees with you. All the reports should go to you and if you see an issue we should have a closed session. If a particular board member has a particular issue I don't know why we couldn't go into closed session. President Hicks said we have done that in the past when John would leave. Director Word said we need a new form and last years did have responsibilities enumerated. This one was totally blank. Director Kaiser asked if the form that is being mentioned is the form that Director Kaiser introduced last year. President Hicks asked for the one that was used last year. Mr. Johnson said he would supply that form.

Director Baggerly's second item was the whirling disease and he felt that the board needs to develop a plan for the possibility of a spread of the disease from the lake if we have it. He would hope that the board could entertain developing an ad hoc committee to look at the issues. Brian Roney said that Fish and Game has said that we can stock additional outside trout from another company. In March or April they will put hatchery raised trout in a pen in the marina and monitor them. They turned us down on finding if the tubefex worm is present. Director Kaiser asked what was their rationale in turning us down. Brian Roney said they did not have the time or budget. This solution was their scientific solution to determine if we have the disease or not. Director Baggerly added that it has been a couple of months now. People can catch fish freeze them and cut them up and use them as bait. President Hicks said the only way I could determine is to catch them and check them and see. How fast does it spread and does anybody know that. Brian Roney said they don't appear to have a handle on that which is why their plan is to bring the trout in and see if they contract the disease. Director Word asked if they think it only affects the trout. Director Baggerly said it doesn't affect anything but salmonoid fish. It doesn't affect bass, pike, and crappie. Brian Roney said it affects trout younger than a year old or one pound or less. Director Bennett said what do we do if we have it. Director Baggerly said we need to educate the public on how and where to clean the fish. President Hicks said we could tell them now. Director Baggerly said the spores will survive most treatment plant processes. Director Baggerly said this is why he wants to establish a committee to get some things going. Director Word said then they take them home to clean the fish and if you catch trout in the lake you can't clean them at the lake. Is that what we are saying? Director Kaiser said because the sinks are interconnected with the septic systems and it is pumped and taken to a treatment plant versus someone who would clean it in a sink at home. Director Bennett said that is going to the same place. Director Baggerly said we could educate people and help stop the spread of this thing. President Hicks said the problem is no one knows if we have it for

sure. Director Bennett said we can't educate all of the public. Director Baggerly said Dr. Cox confirmed that the fish we got have it. President Hicks said couldn't we catch a sample size and check them and then verify that we have it then go all out on it. Director Baggerly said we already know we got infected fish. What is more important is if we have the secondary host which causes the infection and that is the tubefex worm. We need a biologist to examine the mud to see if the worm exists. We haven't been able to do that for two months.

Director Kaiser asked if the fish that DFG were going to put in the pens juveniles. Brian said they would be juvenile to make them more susceptible to contract the disease. Director Kaiser asked how long does it take for them to exhibit the disease. Brian said he does not know. Brian said they are going to put them in March or April this year. Director Baggerly said we need to do something because this can affect any ones that go over the dam in a spill. President Hicks said we are damned if we do and damned if we don't. Director Baggerly said we need to do something. Mr. Johnson said it can be referred to the recreation committee to draft a plan to deal with it. President Hicks said to have the part-time biologists to look at it and come to the recreation committee.

3. Consent Agenda. **ADOPTED**
- a. Minutes of regular meeting held February 9, 2005.
 - b. Approval of the schedule and plan for developing the 2005-2006 budget.
 - c. Recommend approval of a purchase order to Jandu Enterprises in the amount of \$18,500 for the purchase and installation of new fish sinks.
 - d. Recommend approval of a purchase order to Plantasia Landscaping in the amount of \$26,367.95 for landscaping Santa Ana Ramp.
 - e. Resolution authorizing application to FEMA and the State Office of Emergency Services.
 - f. Resolution authorizing the purchase of boarding floats and docks for the Santa Ana Ramp at the Lake Casitas Recreation Area.

On the motion of Director Bennett, seconded by Director Kaiser and passed the consent agenda was approved with the following roll call vote:

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

Resolutions are numbered 05-17, and 05-18

4. Bills. **APPROVED**

Director Baggerly asked about #17330 to Datastream. Ken Weber explained that this was to write some programs to get information for the auditors. Director Baggerly requested that all voided checks be accounted for on the register with the company name on it and have it marked void so we don't have checks out of sequence as it makes him nervous. Mr. Johnson said he will take care of it.

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

5. Committee/Manager Report(s). APPROVED FOR FILING
- a. Report on Specific Issues
 - b. Water Resources Committee Report
 - c. Finance Committee Reports
 - d. Conservation/Public Relations/Legislative Report

Mr. Johnson reported that in Water Resources Committee they have scheduled items for the Urban Water Management Plan and it will be done by the end of the year and will required board input. Additionally the land conservancy gates need to be reconstructed so that they are always closed to individuals so that they close off the canal road and the district will pay for that change. Director Baggerly added that both he and Director Bennett thought we should pay for this.

The organization study proposal will be discussed at the next personnel committee. Director Baggerly asked why it is not enough time to interview all the employees. Mr. Johnson said it is the view of the personnel committee that there is not enough money. John Baker said he would be willing to interview all the employees within that price amount. Director Bennett also asked to get one more bid as we need at least two bids.

There was a discussion regarding late fees for sales tax and if recreation or water side would pay the late fees. Mr. Johnson said this hasn't been resolved but will be resolved between staff members.

Director Baggerly asked about the power study and off peak use. Mr. Johnson provided information from Bob Monnier regarding the pump plants. Avenue pump plant serves different kinds of pumps. One when the lake level is high and another when the lake level is low. There is a different effect for all of them. Mr. Johnson reported that there may be a 3% savings. Director Baggerly said it is the savings on a million dollar budget for electricity. Mr. Johnson said there is a million dollars in the budget for electricity but this is the avenue one pump plant. Director Baggerly said so it is 3% of these two. Mr. Johnson said that in the 3% there are a lot of assumptions and it is just these two pump plants. His concerns in giving you a number is that when demand decreases you may save money but will have less revenue and the budget difference may not be big enough to see. Director Kaiser said when he and Russ were on the Finance Committee in December there was a discussion with individual managers and it was suggested that there would be savings based on the water level of the lake and that as it goes up there is less cost and a savings of a half million dollars. Mr. Johnson replied that he is not sure what was remembered but if he heard that he would have mentioned that it is not likely to occur. It would be unlikely to save 50% of the budget. If it was said it would have been said by Bob Monnier and he is the one who compiled this report. He

did say that there could be some potential for power savings. Director Baggerly said we could track this as bills come in a see the savings before budget time. President Hicks said because the lake level is higher it takes less energy to pump and that would be the only savings. Director Word said that we tried to look at it based on the bills so far through the end of January but they might have been for previous months. We have to look at what we save versus the cost of sales. We will keep looking at this. President Hicks said it is not going to be a big deal, perhaps \$15,000 savings. Director Baggerly said Pete and I heard something about savings in electricity costs. President Hicks said we can compare 04 to 05.

On a motion by Director Word, seconded by Director Bennett and passed the Committee/Manager Reports were approved for filing.

6. Revision of certain Recreation Area Public Use Fees and Charges.
 - a. Public Hearing

President Hicks said this is the time and place for the public hearing regarding Recreation Area Public Use Fees and Charges and asked for the names of any public who had commented. The Clerk of the Board said there were none. President Hicks asked for the General Manager's report.

Mr. Johnson asked Park Services Manager Brian Roney to make the presentation to the Board. Mr. Roney explained that the item before you total twelve changes, four are reductions. He reminded the board of his need to have a balanced budget in the recreation area and he provided a quick summary of the rates.

1. Reduce two annual passes to the water adventure to one annual pass good seven days a week for \$59.95.
2. Eliminate the charge for infants.
3. Reduce the reserved splash pass.
4. Increase the day use vehicle charge from \$6.50 to \$7.00.
5. Daily boat to \$7.00.
6. Reduce the canoe and kayak half price to \$3.00.
7. Change the Frequent Visitor Card to a decal which is what the annual pass was and provide a second pass to the same family for \$50.00.
8. Camping institute a \$10.00 late check out fee. This is not viewed as a revenue source.
9. Increase basic tent site so that all tent sites are \$18.00.
10. Increase the hook-up price by \$1.00 to catch an error that was made previously and only affected Execute sites.
11. Trailer storage have an impound fee of \$25.00.
12. Change the late fee for trailer storage from the current \$2.50 to 10% of the outstanding balance.

Director Word asked how the Frequent Visitor Card would be applied and would it be the same as boats? Mr. Roney explained that it would be on the right hand corner so that these vehicles could go in the number two lane. Director Baggerly asked about the

reconstruction of the gate and is the number two lane staying. Mr. Roney said that eventually they would be modifying this to be an automatic pass card with an express lane for annual passes. The current cards are being used fraudulently. Director Kaiser asked about the history of changing from the decal in the past and going to the card and perhaps there was a reason for that decision. Mr. Johnson said he would have to look that up. Director Bennett said that different family members would have to use the same car. Director Kaiser said this is something that we would have to understand and we should look at the minutes. Director Bennett said we might have a record of it and asked what happens if someone brings an alternate car. Mr. Roney replied that the decal is good for that car only and they would need to purchase an additional decal at the reduced price. President Hicks added that it could be good advertising for the lake. Gary Wolfe asked if you sold a car and brought a scrapped decal back in could you get a new one. Mr. Roney responded yes.

Director Kaiser asked how the Lazy River was paid for. Mr. Roney explained that this was through the capital facilities project. It was \$1.7 million and currently the Recreation area is paying back \$85,000 a year through the depreciation fund. Director Kaiser asked if it was like interest on a note. Mr. Roney said it is determined by Ken's department as far as depreciation over twenty years. Director Kaiser asked if that note is being taken care of by the rate payers of the district. Mr. Johnson showed the board audited numbers showing a number of years where we made more than we spent and it reverses back and forth. If you look at the next one you can see that in the past we similarly set up. Closer to 1990 they were negative until 1993. That means that your net surplus over fifteen years is about \$29,000 total net surplus. Within that revenue and expense we have the revenues we get from grants all the revenues that come out of the district and the expenses and the depreciation that pays off your capital investment. Over the years I think one could get to the position that the district does not put money into the recreation area and has not for fifteen years. Director Kaiser's question goes to where the money comes from for the initial investment that we make that over fifteen years is ultimately paid off. You could look at it as potentially some kind of a note, while not written, is being paid on over the years so as the years pass you end up paying that money off so that you break even. In this years budget we are suggesting that you separate that so you can determine what investment the district has in recreation on an ongoing basis. Generally all the money comes back from recreation that you put in as an investment. Director Kaiser said you know how I feel about the local ratepayers being able to use the area and the amenities and if this is on the backs of the rate payers that there be some reductions that could be afforded to the rate payers. Mr. Johnson said from my explanation that over the last 15 years the rate payers have not invested any money into the actual operation. Director Kaiser said except carrying the note. Mr. Johnson said we need to look at that. There are a number of things going on and we need to do an analysis to see if there is any. The way it has worked is that the water rate payers get all of their money back in the end. That is the way it is supposed to work. This year we want to set it up in a way to keep track of that money that needs to come back. Director Bennett said that we are the only lake where rate payers do not have to tote most of the expenses. It has been an excellent program and I want to compliment Brian on doing a great job.

Director Baggerly added that if he didn't have to pay such a high overhead he would be in the black.

President Hicks opened the hearing to the public at 3:43 p.m. Larry Yuva asked about the increased boat patrols for the increase in fees and wanted to know how many patrols there would be. Mr. Roney replied that we haven't scheduled them but there will be a noticeable increase with an additional three per week or daily staffed patrols. Larry then commented on having rate payers pay a reduced rate for a second decal. \$50 is a lot of money and if it is the same family it should be at least a 50% break for the same people but different car. Pat Baggerly commented that the Forrest Service pass is \$30.00 and you hang it on your rear view mirror. If you have to buy an additional pass it is \$5.00. She felt there should be a more equitable way to have multiple passes. Norm Smith commented that with the pass situation often there will be a different vehicle that is used to pull a boat then for a family trip. He thought there should be more of a discount for a second car for a family. President Hicks said that the visitor pass is a good deal at \$70.00 it gets you into the lake anytime. Director Word asked if we could make any changes on this and recommended that we go ahead and approve the fees and with the frequent visitor card provide an additional pass at half price.

Gary asked how it would be phased in. Director Word said the expiration date would be one year from the date of purchase and they could have different colored decals for each year. Larry Yuva asked how many passes are sold annually. Mr. Roney replied approximately 2,600. The public hearing was closed at 4:02 p.m.

- b. Resolution approving the Preliminary Assessment for the Restructuring and Revision in Fees and Charges for the Lake Casitas Recreation Area and adopting the notice of exemption. **ADOPTED**

A motion to adopt the resolution was presented by Director Word, seconded by Director Bennett and adopted by the following roll call vote:

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

Resolution is numbered 05-19

- c. Resolution adopting the proposed changes in the recreation area public use fees and charges. **ADOPTED**

A motion to adopt the resolution with a modification to the second annual pass was presented by Director Word, seconded by Director Bennett and adopted by the following roll call vote:

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

Resolution is numbered 05-20

7. Resolution authorizing concessionaire agreement for operation of the snack bar at the Water Adventure. ADOPTED

Two bids were received for the operation of the snack bar at the water adventure. One from Norm Smith and one from Gary Wolfe. They were both interviewed in February and both proposals are in your board packet. We looked at the difference between the two and an attempt was made at scoring the two proposals. This scoring showed Gary Wolfe's proposal at 48 and Norm Smith proposal at 61 and based on that it is recommended to award the contract to Norm Smith.

President Hicks commented that he and Pete are on the Recreation committee and both Norm and Gary were present at the meeting and there are plusses and minuses on both sides. Either one will do a good job and we want the board's wisdom and input for this decision. Director Bennett said that he enjoys the dedication of both concessionaires and they have continued to improve their operations. He asked who did the grading. Mr. Roney replied that it was himself and Brent Doan. Director Bennett said he would go along with the grading.

Gary Wolfe spoke to his proposal and explained that the Water Adventure snack bar has limited storage and limited power with no microwave and little room for food prep. He proposed to open an hour earlier to catch the waiting people. He also proposed tables with umbrellas near the trailer and special passes to go to the lake snack bar and boat rental. He added that Carlos has a degree in restaurant management from Oxnard College and he ran their cafeterias for two years and teaches food safety. He would be available to cater birthdays providing cake and ice cream and party favors and could be open for non scheduled times. He could offer catering for parties and he guaranteed the rent would be paid.

Norm Smith said that on the financial side he guarantees the same revenue as last year and 15% if over and above that and he thinks it will be. He added that the park store stocks many of the same items. He has the idea of an additional trailer and having a bar/buque to offer hot dogs, tri tip, chicken and hamburgers. The type of staff would be interchangeable between the store and this operation. He added that Brian has asked about catering and he explained that he did some of that last year and that he is already doing some of these things.

Pat Baggerly asked about the length of the contract. Director Word said it is four years. President Hicks replied that it is a four year contract. Director Baggerly said that the food concessionaires should not be in conflict. There is Mexican food at the snack shop and the food at the water park should be different. President Hicks said Norm is not

planning on service Mexican food. Director Bennett said he hopes the two concessionaires will continue working together.

A motion to adopt the resolution was presented by Director Bennett, seconded by Director Kaiser and adopted by the following roll call vote:

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

Resolution is numbered 05-21

8. Discussion regarding dealing with the Legislature's suggestion that Special Districts are embargoing million of tax payer's dollars by maintaining reserves.
TABLED

Mr. Johnson explained his concerns about four million in reserves and concerns that the legislature may do some things to take that money away. The state can take action, they set the rules. We are an organization of the state and they can take action. There were some concerns in the Finance committee regarding our reserves and the board has had a long term policy of reducing the reserves. The committee felt it is an issue of protection in case the state takes it like they took the tax money. We could 1) do nothing and continue what we are doing now, 2) Pay it to reclamation or 3) talk about having a check ready to go. Director Word asked if the four million that is set aside would retire the whole debt. Mr. Johnson said it would take care of a significant portion. Director Word asked when is it due? Mr. Johnson replied that we pay \$900,000 each year. Director Word asked if it would reduce our annual payment. Mr. Johnson felt that it wouldn't reduce our annual payment but in two to three years it would be done. President Hicks asked about the Retro on the dam. Mr. Johnson explained that there is no contract. Director Baggerly said you think that they have the right to obviate that contract. Mr. Johnson said they are not obviating any contract. Mr. Word said they would be taking the reserves that we are holding to pay that. They are saying that special districts are setting on a lot of money. Rob said the state would say good luck paying for it. Just like they have taken the property tax. Director Baggerly said that any funds that may be established for the repayment of debt that the state has the right to come into this arm, the special districts and take their money? Mr. Johnson said you are formed and completely controlled by the state of California through the municipal water districts act. The legislature created that act; they can modify it at any time. You are a state organization and are under the authority of the legislature on how you are organized, controlled, and operated and how your money is controlled. If they decide to change it they probably have the ability to change some of those things. Would some people sue over it sure, but where would you end up. Director Bennett said if we pay in advance we would still need to pay \$900,000 next year. Could we pay in advance for the following years so we could then skip some years? Mr. Johnson said if you change the tax rate that you collect we try to balance that rate to end at zero. If you pay off early you can certainly end it early because you wouldn't have the authority to collect it. If the

question is can you get those payments on particular things early so you collect reserves next year you might be able to do that I don't know that I have not looked at it. Director Bennett said he is very worried about losing this money and it could happen overnight. Director Baggerly asked if we have heard anything else about it. Mr. Johnson said he gets notes from CSDA and some others have said things about it. It sounds like the Governor and the legislature are about to get into it. President Hicks decided to table this unless there is a motion. He did not feel there was enough information to make a decision. Director Word said we should look into this a little bit more and the possibility of making payments in advance. He also suggested that we watch this very closely.

9. Recommend approval of the audit report for 2003-2004. APPROVED

Accounting Manager Ken Weber explained that the auditor was here if there were any questions of the board. He said this has changes quite a bit from the first time we came to the board and it is a complete audit. He further explained that he had provided management analysis and detail on how to interpret and read the audit report. They have added that we compare budget to what we have actually spent. There is a section on here that explains the variances and I have gone through detail explaining how we budget versus how we come up with actual. Mr. Baggerly had called and asked a question. The variation of water sales is a budget item that is a float figure to make the budget balance. This year we are looking to make that a zero. This year we had 2 million more that we were going to spend in capital and that would come out of reserves. Our budget is based on cash basis accounting and the auditor report is based on accrual accounting. A lot of the variances are because we don't budget for depreciation.

Director Kaiser said it was hinted at earlier but he would like a better understanding of the administrative overhead that recreation pays. He asked what the expenses are for that charge. Ken explained that the calculation of overhead is a set rate based on labor. When the labor budget was smaller there was a smaller overhead. With the water park having over 100 employees the labor cost is greater. The more employees the greater are my cost to deal with the payroll. In addition we are buying more and processing more purchase orders and my time is increased for time spent on Recreation. Director Kaiser replied that it is your sections costs in part. President Hicks said it is total administrative overhead. Mr. Johnson said we charge recreation \$600,000 overhead which is 25% of the total overhead of the district. A couple of years we looked at actual costs versus this percentage and it started to look the same as we are doing it today. President Hicks asked how come it jumped so much. Mr. Johnson explained that we added the water adventure. President Hicks said he read it wrong.

On a motion by Director Word, seconded by Director Bennett and passed the above recommendation was approved.

10. Recommend approval of change orders #14-17 in the amount of \$13,084.27 for the Robles Fish Passage. APPROVED

Neil explained the change orders.

- 14. Emergency generator to operate the spill way gates
- 15. Vaki river watcher wouldn't fit in the shroud.
- 16. Permanent electric utility installation we pay Edison's costs.
- 17. Removal and installation of screen panels. Because of the early rains we had to remove the screens.

Director Kaiser said he appreciated seeing Neil and Ken at the FEMA OES meeting and asked if any of these items would be covered by FEMA. Neil responded that they would not qualify. Number 17 was in October. Director Bennett commented that Neil has stayed on top of the overages and he is please that Neil has done a good job.

On a motion by Director Word, Seconded by Director Bennett and passed, the above recommendation was approved.

- 11. Resolution awarding a contract for the Aeration system replacement project specification no.04-294 in the amount of \$81,801 to Cushman Contracting Corporation ADOPTED

Mr. Johnson reported that the Aeration system helps us solve problems of phosphorous at the bottom of the lake and controls algae so we don't have to treat with copper sulphate all the time. The aeration system makes it so we only have to use a minimum of copper sulphate. We got bids and this is the lowest bid and is \$50,000 below the engineering estimate.

A motion to adopt the resolution was presented by Director Bennett, seconded by Director Word and adopted by the following roll call vote:

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

Resolution is numbered 05-22

- 12. Information items:

Level of lake -02/16/05 - -552.99 feet above mean sea level (14.01 feet below spill elevation); present storage is 217,631 acre feet (36,369 acre feet below full capacity of 254,000 acre feet, 90,631 acre feet above half capacity, or 85.68% of full capacity.

- a. January Recreation Report.
- b. Memo from Principal Civil Engineer regarding China Students visit with Casitas Municipal Water District.
- c. Letter to Rodney McInnis regarding Request for Assistance in complying with the Biological Opinion.
- d. Letter to Rodney McInnis regarding Robles Fish Passage Project Update.

- e. Press release regarding water rate adjustment proposal
- f. Press release regarding possibility of trout stocking company introducing spore into several lakes
- g. Investment Report of February 16, 2005.

Director Baggerly commented on the letters to Mr.; McInnis and he felt the request for technical assistance should come from engineer to engineer and he also felt that because of the takings case the relationship may have cooled with the Bureau and NOAA Fisheries. Mr. Johnson replied that he has a different take and there is a real responsibility to the problem and counsel suggested that we write them and keep them informed from the bottom and the top to protect you. Under their view we are trying to work the best we can. Director Baggerly said this may give you an ulcer. Mr. Johnson replied that it will protect you and their engineers are talking to us directly.

Rob Sawyer added that there was an article in the New York Times regarding the takings claims filed by Marzulla.

Director Bennett complimented Ron Merckling on the press releases. He said it is a long and tortured process but they are right on target.

13. Closed Session (Govt. Code Sec. 054957.6)

- a. Conference with Labor Negotiators:
District Designated Negotiators: John Johnson, Rebekah Vieira
Employee Organizations: SEIU, Recreation Unit, General Unit, Supervisory Unit.
- b. Conference with Legal Counsel—Anticipated Litigation:
Significant exposure to litigation – facts and circumstances that might result in litigation against the agency, but which the agency believes are not yet known to a potential plaintiff or plaintiffs. Govt. Code Section 54956.9(b)(3)(A)
- c. Conference with Real Property Negotiators (Section 54956.8):
District Designated Negotiators: John Johnson, James Word, Chuck Bennett
Property: Appropriative water rights, including future appropriative water rights, to the waters of Matilija Creek, and associated appurtenances including Matilija Conduit.
Negotiating Parties: Ventura County Watershed Protection District, County of Ventura, and California State Water Resources Control Board
Under Negotiation: Price, identification and nature of consideration other than cash, and terms of payment.
- d. Initiation of litigation pursuant to subdivision (c) of Section 54956.9: two cases.

President Hicks adjourned the meeting to closed session at 4:50 p.m. regarding Government Code Sections 54956.8. Upon adjournment of the Closed Session and

resumption of the public session at 4:55 p.m. President Hicks announced that no reportable action was taken in closed session. The meeting was adjourned immediately.

Secretary