

Minutes of the Casitas Municipal Water District
Board Meeting Held
April 28, 2010

A meeting of the Board of Directors was held April 28, 2010 at Casitas' Office, Oak View, California. Directors Handley, Kaiser, Word, and Hicks were present. Director Baggerly was absent. Also present were Steve Wickstrum, General Manager, Rebekah Vieira, Clerk of the Board, and Attorney, John Mathews. There were two staff members and three members of the public in attendance. President Handley led the group in the flag salute.

1. Public comments.

None

2. General Manager comments.

Mr. Wickstrum reported that the Resource Management Plan for the Lake Casitas Recreation Area had been received and we are considering rescheduling the board meeting for May 12th to consider review of comments that are due on the RMP by May 16th. Director Word added that in view of the trial being rescheduled that week we could continue with our regular meeting.

Mr. Wickstrum then reported on the Bureau of Reclamation report from the October 2009 inspection. Their report has a wide variety of errors and is problematic and a response will be sent.

3. Board of Director comments.

Director Hicks asked if the Boys & Girls Club would be invited to the Casitas Water Adventure soft opening on May 21st. He will discuss this further with Park Services Manager, Carol Belser.

4. Consent Agenda

ADOPTED

- a. Minutes of the April 14, 2010 Board Meeting.
- b. Recommend approval of a purchase order to Consolidated Electrical Distributors in the amount of \$172,239 for the purchase of the NEMA 3R walk in enclosure with fully wired power center assemble and electrical control equipment for the Ojai Valley 4M pump plant.

On the motion of Director Kaiser, seconded by Director Word and passed, the Consent Agenda was adopted.

5. Bills

APPROVED

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

6. Committee/Manager Reports APPROVED FOR FILING

a. Finance Committee Minutes

Director Hicks requested changing projects to projections on item #4.

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

7. Recommend approval of the revised Investment Policy. APPROVED

Denise Collin reported that the Investment policy has not been revised in a few years and the District is looking for more flexibility in investing our funds. One of the revisions to the policy is the prudent investor standard which states that fiduciary responsibility uses prudent advice and protects the districts funds as much as possible. The changes also allow for to ability to invest in specific federal funds and bonds. Director Kaiser thanked Director Hicks for brining this to the attention of the board.

On the motion of Director Kaiser, seconded by Director Hicks and passed, the Investment Policy was adopted.

8. Presentation by Jack Oehmke with Morgan Stanley Smith Barney regarding their proposal for investments. Direction provided to staff

Mr. Oehmke provided his presentation on his investment proposal. Director Hicks was concerned about tying money up for a long time and suggested CD's. Director Word added you would have to hire someone to manage that many CD's. Mr. Oehmke stated the proposal could be modified with different terms. The proposal provides an example of what is available while trying to maximize the yield.

Director Word added this program was developed for agencies like us with primary concern on the security of the investments. What is our flexibility to change in a few years when interest rates climb? Mr. Oehmke explained that this is completely customizable and can be changed.

Director Kaiser asked if the proposal complies with recently adopted investment policy. Denise Collin confirmed that all investments are federally backed. Director Kaiser stated he has no problems going ahead with this. Directors Word and Handley agreed.

On the motion of Director Kaiser, seconded by Director Word and passed, it was recommended to approve this in concept, refer it back to the Finance Committee to entertain an engagement letter which would come back to the Board for approval.

9. Discussion and selection of auditor. APPROVED

On the motion of Director Kaiser, seconded by Director Word and passed, the board approved acceptance of Brown & Armstrong as auditors for an initial period of one year.

10. Discussion and direction on the request of Senior Canyon Mutual Water Company for deferral of rate reclassification. APPROVED

Mr. Wickstrum explained that Senior Canyon Mutual Water Company has again requested an extension of the reclassification of their water rate. It is currently 25% Ag, 75% resale and was to move to 100% resale. It was deferred to this July or the completion of the Prop 50 project. The Prop 50 project should be completed before December 2011. It is recommended to authorize an extension until the replacement pipeline project is completed or to July 2011.

On the motion of Director Hicks, seconded by Director Kaiser and passed, the above recommendation was approved.

11. Information Items:
- a. Monthly Cost Analysis for operation of Robles, fisheries and fish passage.
 - b. Recreation Area Report
 - c. Notice from the Bureau of Reclamation regarding the release of the Resource Management Plan for Lake Casitas.
 - d. Investment Report

President Handley moved the meeting to closed session at 5:44 p.m.

12. Closed Session
- a. Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Government Code Section 54956.9)
Name of Case: Casitas Municipal Water District v. United States
 - b. Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Government Code Section 54956.9)
Name of Case: Casitas Municipal Water District v. Norman Smith
Case # Ventura Superior Court 56-2010-00370895 – CL-UD-VTA
 - c. Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Government Code Section 54956.9)
Name of Case: Casitas Municipal Water District v. Norman Smith
Case # Ventura Superior Court 56-2010-00370899 – CL-UD-VTA

President Handley adjourned the closed session at 5:58 p.m. and reopened the regular session. John Mathews reported that a report was given to the Board that the Casitas v. United States had been temporarily continued. Regarding the two other cases, counsel advised the board on proposed settlement and no action was taken.

13. Adjournment

President Handley adjourned the meeting at 5:59 p.m.

Secretary