

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CARPINTERIA VALLEY WATER DISTRICT**

February 20, 2008

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:00 p.m. Wednesday February 20, 2008.

Directors Present: Lemere, Roberts, Van Wingerden, Lieberknecht
Directors Absent: Drain
Others Present: Bob McDonald
Suzie Lara
Norma Rosales
Kathy Stone
Roger Myers
Tad Buchanan
Jeff Kosowitz

MINUTES

Following discussion, Director Roberts moved and Director Van Wingerden seconded the motion to approve the minutes of the regular Board meeting held on February 6, 2008. The motion carried by a 4-0 vote.

MONTHLY BILLS

Following a brief overview presented by Business Manager Norma Rosales, and discussion, Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the monthly bills for the period of January 31, 2008 through February 20, 2008. The motion carried by a 4-0 vote.

**DIRECTOR
REIMBURSEMENT
REPORT**

Ms. Rosales reported that the only reimbursements for the second quarter (October-December 2007) were for the ACWA/JPIA Conference held in November.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

**WATER SHORTAGE
PARTNERSHIP
AGREEMENT WITH
IRVINE RANCH
WATER DISTRICT**

Following discussion, the Board instructed District Counsel to further expand the indemnity language to provide reciprocity in the Agreement pertaining to lawsuits from landowners. Director Roberts also directed Ms. Rosales to contact the ACWA/Joint Powers Authority for their review and comment of the indemnity language. The Board asked that the item be brought back to its February 27th meeting with the appropriate revisions.

NEW BUSINESS

**RANCHO MONTE
ALEGRE PHASES
AND CONTRACT
CHANGES**

District Special Counsel, Kathy Stone, provided a brief presentation on the RMA phases and contract changes. Following a brief discussion no action was taken.

**CAPITAL RESERVE
AND SECURITY
AGREEMENT
BETWEEN RMA
PARTNERS VI,
GARRISON LLC AND
THE DISTRICT**

District Special Counsel, Roger Myers, provided a brief presentation and overview of the Capital Reserve Security Agreement between CVWD, RMA and RMA's lender Garrison Loan Agency Services, LLC that provides for \$1 million security in the event RMA does not timely reimburse the District. Directors inquired about the adequacy of the \$1 million amount as well as the lack of definition of "failure to pay" in the event RMA defaults. The Board asked that the Agreement be brought back with any necessary revisions to its meeting on February 27th.

**REPORT OF ORTEGA
COMMITTEE
MEETING HELD ON
FEBRUARY 12, 2008**

District Engineer Bob McDonald gave an oral report on the Ortega Committee meeting held on February 12, 2008.

**AGREEMENT
BETWEEN
MONTECITO WATER
DISTRICT AND
CARPINTERIA
VALLEY WATER
DISTRICT FOR
JOINT INSURANCE
OF THE ORTEGA
RESERVOIR COVER**

Following a brief overview by Mr. McDonald and discussion by the Board, the Board asked that the Letter Agreement for joint insurance of the Ortega Reservoir cover be brought back to the board meeting scheduled for February 27th with further clarification. President Lemere commented on the appropriateness of listing CVWD as a Loss Payee as opposed to an Additional Named Insured on Montecito Water District's Property Policy with the ACWA/JPIA.

**CUSTOMER CREDIT
ON HIGH BILL DUE
TO UNFORESEEN
WATER LEAK**

Following discussion, Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve a customer credit in the amount of \$25.29 for account no. 14-6279-3 pursuant to District Rule No. 15(d) for an unusually high water bill caused by an unforeseen water leak. The motion carried by a 4-0 vote.

**STATUS OF
PROPOSED STATE
WATER
ALLOCATION
TRANSFER TO
GUADALUPE**

Ms. Rosales provided a brief summary of the meeting between CVWD and the City of Guadalupe on February 13th. Ms. Rosales commented that it is not likely that the City of Guadalupe will meet the February 28th deadline to execute an Option Agreement to hold the water for the City. After the 28th Guadalupe will be taking the risk of losing the water to another prospective buyer until an Option Agreement is executed.

**REPORT ON RATE &
BUDGET
COMMITTEE
MEETINGS HELD ON
FEBRUARY 7 AND 18,
2008**

Ms. Rosales distributed the District's Fiscal Year 2008/09 Preliminary Capital Expenditure Budget and briefly discussed key items in the District's Preliminary Fiscal Year 2008/09 Operations Budget. Ms. Rosales mentioned that a detailed presentation will be provided at the February 27th board meeting.

**GERNERAL MANGER
REPORTS**

DRAFT MARCH 2008

Ms. Rosales distributed copies of the draft March issue of H2KNOW and

ISSUE OF H2KNOW

received comments and suggestions for changes from members of the Board.

**DIRECTORS
REPORTS**

There were no Director's reports.

**CLOSED SESSION
PURSUANT TO
GOVERNMENT
CODE SECTION
54956.9 (a)**

At 5:35 p.m. President Lemere convened the Board in closed session for conference with legal counsel pursuant to Government Code Section 54956.9 (a) existing litigation: Theodore Sampson v. Carpinteria Valley Water District: Case No. 1241788. President Lemere reconvened the Board in open session at 5:43 p.m. Direction was provided to Legal Counsel.

NEXT MEETING

The next scheduled Board meeting will be a regular meeting held on February 27, 2008, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:12 p.m.



Charles B. Hamilton, General Manager/Secretary