

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

June 24, 2009

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:00 p.m. Wednesday, June 24, 2009.

Directors Present: Lieberknecht, Roberts (arrived @ 4:46 p.m.) Van Wingerden, Drain, Lemere
Directors Absent: None
Others Present: Charles Hamilton
Norma Rosales
Rob McDonald
Omar Castro
Alex Keuper
Mark Manion

MINUTES

Following discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the minutes of the June 15, 2009 Board meeting. The motion carried by a 3-0-1 vote. Director Lieberknecht abstained and Director Roberts was absent.

MONTHLY BILLS

Business Manager Norma Rosales presented the monthly bills for the period of April 15, 2009 through June 16, 2009. Following discussion Director Drain moved and Director Lieberknecht seconded the motion to approve the bills as presented. The motion carried by a 4-0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

**REPORT OF RATE
AND BUDGET
COMMITTEE
MEETING**

Director Drain commented briefly about the two agenda items discussed at the Rate and Budget Committee meeting held on June 18, 2009 @ noon.

**CLOSED SESSION
PURSUANT TO
GOVERNMENT
CODE SECTION
54956.8**

At 4:10 pm President Lemere convened the Board in Closed Session for conference with Legal Counsel per Government Code Section 54956.8: Conference With Real Property Negotiators.

Property: El Carro Park Parcel "2" of Parcel Map 25,135; APN 004-005-004
District Negotiator: General Manager Charles Hamilton
Negotiating parties: Carpinteria Valley Water District and City of Carpinteria
Under Negotiation: El Carro Well Ground Lease price and terms of payment

At 4:29 President Lemere reconvened the Board in Open Session and reported that Negotiator Charles Hamilton had been given instructions by the Board on how to proceed with the negotiation.

Director Roberts did not participate in this discussion due to a potential conflict of interest.

**AWARD OF
CONTRACT FOR
DRILLING SERVICES
FOR EL CARRO
WELL NO. 2**

General Manager Hamilton noted that a decision on the award of contract for the drilling of El Carro Well No. 2 would not be requested until the July 1 Board meeting. District Engineer Bob McDonald then distributed copies of the bid summary showing a total of 5 bids ranging from a low bid of about \$891,000 to a high bid of about \$1.362 million. No action was taken.

**RECOMMENDATION
TO ENGAGE THE
SERVICES OF
BARTLETT,
PRINGLE AND
WOLF, LLP TO
PERFORM DISTRICT
AUDIT**

Following a brief introduction by Mr. Hamilton and comments by John Britton of Bartlett Pringle and Wolf, LLP, beginning his second year as managing partner for the District engagement, and discussion, Director Van Wingerden moved and Director Lieberknecht seconded the motion to engage the services of Bartlett Pringle and Wolf, LLP to perform the District audit and prepare the State Controllers report for the year ending June 30, 2009 at a cost not to exceed \$25,000, the same amount as the previous year. The motion carried by a 4-0 vote. Director Roberts was absent.

**RESOLUTION
NUMBER 886
ADOPTING AND
ESTABLISHING A
METHODOLOGY
FOR CALCULATION
OF THE CAPITAL
COST RECOVERY
FEE**

Following a brief introduction by Mr. Hamilton, and discussion, Director Van Wingerden moved and Director Drain seconded the motion to adopt Resolution Number 886, Adopting and Establishing a Methodology for Calculation of the Capital Cost Recovery Fee. The motion carried by a 4-0 vote.

Roll call on Resolution No. 886 resulted as follows:

Ayes: Drain, Lieberknecht, Lemere, Van Wingerden

Nays: None

Absent: Roberts

**DIRECTOR ROBERTS
ARRIVES**

Director Roberts arrived at 4:57 p.m.

**CHANGE IN RULE 17
PERTAINING TO
SEPARATE
METERING
REQUIREMENTS**

In anticipation of a Board action now scheduled for July 22, 2009, Mr. Hamilton distributed copies of a revised draft of the District Rules and Regulations, including changes to Rule 17 and the accompanying Appendix E. Counsel Mark Manion explained the proposed changes. Following discussion, no action was taken.

**PRICE POSTEL &
PARMA
ENGAGEMENT
LETTER**

Mr. Hamilton provided a brief introduction for this item, noting that the cost to retain Price Postel & Parma was reduced by 50% in accordance with the approved 2009-2010 Budget, and that new language was added to address the need for independent counsel primarily in relation to business with Montecito Water District. Following comments by Counsel Mark Manion of Price Postel & Parma, and discussion by Directors, Director Lieberknecht moved and Director Drain seconded the motion to engage the services of

Price Postel and Parma for continuing legal services as set forth in the proposed engagement letter dated June 25, 2009. The motion carried by a 5-0 vote.

GENERAL MANAGER REPORTS

ORTEGA RESERVOIR- STATUS REPORT

Counsel Manion provided a brief overview of the trial scheduled for the Ortega Reservoir lawsuit, noting that the March 29, 2010 trial date set by Judge Brown could be moved up if there is a settlement in the previous case he will be hearing. Director Lemere raised a concern that remedial work that could be done at the Reservoir now before a trial should not be unnecessarily postponed. Mr. Hamilton was then directed to raise this concern at the next joint Montecito/Carpinteria Valley Water District Ortega Reservoir Committee meeting for discussion.

FINANCIAL

MONTHLY STATEMENTS

Business Manager Rosales presented the District's Monthly Statements for the month of May 2009 for Board review and discussion.

OPERATIONS AND MAINTENANCE

Operations & Maintenance Manager Omar Castro presented the O&M report for the months of April and May 2009 for review and comment by the Board.

ENGINEERING

District Engineer Bob McDonald presented the Engineering report for the month of June 2009 for Board review and comment.

WATER SUPPLY

Administrative Analyst Dr. Alex Keuper presented the Water Supply report for the months of April and May 2009 for Board review and comment.

COUNSEL JEFF DINKIN ARRIVES

Counsel Jeff Dinkin arrived at 5:40 pm.

REPORT OF PERSONNEL COMMITTEE MEETING

Director Van Wingerden provided a brief report about the Personnel Committee meeting held on June 23, 2009 about "temporary performance of General Manager duties during absences and related planning." Mr. Hamilton reported that he is tentatively planning a 2-3 week vacation in October.

GENERAL MANAGER'S COMPENSATION FOR FISCAL YEAR 2009-2010

Following a brief discussion, Director Van Wingerden moved and Director Drain seconded the motion to increase the General Manager's annual salary by 3%, to \$141,934, effective July 1, 2009, with no changes to other benefits. The motion carried unanimously by a 5-0 vote.

CLOSED SESSION: CONFERENCE WITH LABOR NOGOTIATOR

At 5:47 pm President Lemere convened the Board in Closed Session for conference with Legal Counsel per Government Code Section 54957.6:

Conference with Labor Negotiator.
District Representative: Jeffrey Dinkin
Employee Organization: Local 12, International Union of Operating

Engineers

At 5:59 pm President Lemere reconvened the Board in Open Session.

ASSOCIATE ENGINEER POSITION

Director Van Wingerden moved and Director Drain seconded the motion to create the exempt salaried position of Associate Engineer, designated as an "Employee Professional" not part of the bargaining unit, with a salary range of \$76,852 - \$98,377. The motion carried unanimously by a 5-0 vote.

Director Drain then moved and Director Van Wingerden seconded the motion to appoint Brian King as Associate Engineer at the 8th step of the salary range, with a starting salary of \$93,636/year, effective May 17, 2009, when he began his new duties as Associate Engineer. It was noted that Mr. King would also receive a 3% cost of living increase, the same as members of the bargaining unit, effective July 1, 2009. The motion carried unanimously by a 5-0 vote.

DIRECTOR REPORTS

CACHUMA CONSERVATION RELEASE BOARD AND CACHUMA OPERATIONS AND MAINTENANCE BOARD MEETINGS

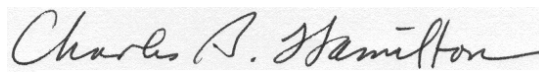
Director Lieberknecht gave an oral report of the Cachuma Conservation Release Board and Cachuma Operations and Maintenance Board Meetings held on June 22, 2009.

NEXT MEETING

The next scheduled Board meeting will be a regular Board meeting held on July 1, 2009, at 4:00 pm in the Board meeting room at 1301 Santa Ynez Ave. Director Roberts requested and it was so directed by President Lemere that an item to discuss Board meeting times and televised meetings be placed on the July 1, 2009 Board agenda.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:09 p.m.



Charles B. Hamilton, General Manager/Secretary