

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

August 26, 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, August 26, 2009, and led the Board and others present in the Pledge of Allegiance.

Directors Present: Lemere, Lieberknecht, Van Wingerden, Drain, Roberts

Directors Absent: None

Others Present: Charles Hamilton
Rob McDonald
Omar Castro
Alex Keuper
Norma Rosales
Mark Manion
David Gardner
Brad Milner
Philip Eckert
Lauren Hanson
Rebecca Bjork
Doug Brown
Kate Rees (arrived at 5 pm)
Janet Gringas (arrived at 5 pm)
Matt Bloise
Ben Preston

MINUTES

Following discussion, Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the minutes of the August 5, 2009 Board meeting. The motion carried by a 5-0 vote.

Following discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the minutes of the August 12, 2009 Board meeting. The motion carried by a 4-0-1 vote, with Director Roberts abstaining.

MONTHLY BILLS

Business Manager Norma Rosales presented the monthly bills for the period of July 29, 2008 through August 18, 2009. Following discussion, Director Lieberknecht moved and Director Roberts seconded the motion to approve the monthly bills as presented. Director Van Wingerden questioned if the District is obligated to issue refund checks for as little as .85 cents, considering the cost of issuing checks. Business Manager Rosales responded that she would look into the matter. The motion carried by a 5-0 vote.

PUBLIC FORUM

Philip Eckert of 6950 Gobernador Canyon requested that the Board provide non-confidential information about the salary and benefits of the two new employees hired by the District. President Lemere responded that it would be available at the next Board meeting on September 23, 2009.

OLD BUSINESS

ADDENDUM TO 2006 WATER RELIABILITY STRATEGIES REPORT FOR 2030

Brad Milner of Kennedy/Jenks Consultants presented the final Addendum to the 2006 Water Reliability Strategies Report for 2030 and explained the addition of four tables addressing conceptual information as well as known/published information set forth in the Addendum draft presented on August 5, 2009. He noted that in both cases, looking at just known/published information and considering also conceptual information, that continued retention by the District of up to 1,000 AF of its 2,000 AF of State Water Allotment is not necessary to meet the anticipated water demands through 2030. Following discussion, Director Drain moved and Director Roberts seconded the motion to accept the final report as presented. The motion carried by a 4-0-1 vote, with Director Lieberknecht abstaining.

AMENDMENT TO KENNEDY/JENKS PROPOSAL DATED JUNE 8, 2009

Following a brief introduction by Mr. Hamilton, Director Drain moved and Director Roberts seconded the motion to amend the Kennedy/Jenks proposal dated June 8, 2009 for Engineering Services to prepare an Addendum to the 2006 "Water Reliability Strategies for 2030 Report" resulting in a total contract amount not to exceed \$22,000. The motion carried by a 5-0 vote.

REPORT BY DAVID GARDNER OF FUGRO RE:CITY OF CARPINTERIA EIR FOR PROPOSED VENOCO PAREDON PROJECT AND POTENTIAL IMPACTS TO DISTRICT AND GROUNDWATER BASIN

Counsel Mark Manion of Price Postel and Parma did not participate in any manner during the presentation and discussion of this agenda item. David Gardner, principal hydrologist for Fugro West, Inc. presented a summary of his findings relative to his review of the documents submitted by Pueblo Water Resources on behalf of the District to the City of Carpinteria pertaining to Venoco's Paredon Project EIR, as well as the EIR itself. He stated that the Project location, depth of the proposed oil wells and drilling technologies collectively pose no risk to the groundwater resources of the Carpinteria Basin, and further that there is no risk that the Project would create or induce seawater intrusion into the relatively shallow groundwater aquifers of the Basin. He noted that should a monitoring program be conditioned for the Project that the District would be advised to participate. Following discussion, President Lemere requested that Mr. Gardner follow up with a written summary of his presentation, and he agreed to do so.

CEQA ACTIONS AND SCHEDULE FOR DETERMINATION AND DISPOSITION OF STATE WATER PROJECT ALLOCATION SURPLUS

Mr. Hamilton reported that the appropriate CEQA documents, namely, an Initial Study and a Negative Declaration with respect to the Determination and Disposition of a State Water Project Allotment surplus of 1000 AF as previously reported in the presentation about the Addendum to the 2006 Water Reliability Strategies Report for 2006 are undergoing final review. A Board hearing for their adoption is tentatively scheduled for the regularly scheduled Board meeting on October 21, 2009. No action was taken.

NEW BUSINESS

REPORT OF RATE AND BUDGET COMMITTEE MEETING HELD ON AUGUST 21, 2009

Mr. Hamilton reported that as an item of Old Business, the Rate and Budget Committee, during its meeting held on August 21, 2009 briefly considered the draft Questions & Answers document prepared as a result of the recently completed 2009-2010 Rates & Budget process. He requested that they be reviewed one more time by all Directors prior to their release and posting on

the District's web site. No action was taken.

**CUSTOMER CREDIT
RESULTING FROM
OVERCHARGES BY
DISTRICT OF CIP
COMPONENT OF
BILL FOR ALL OF
FISCAL YEAR 08/09**

Administrative Analyst Dr. Alex Keuper presented a summary of his findings relative to a billing overcharge during the entire 2008-2009 fiscal year by the District related to a meter no longer in use for a large multi-family complex. Following discussion Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the General Manager's recommendation to approve a total credit of \$3,593.40 to the responsible party for account numbers 08-082010-03, 08-082011-05, 08-082912-05, 08-082013-03 and 08-082014-06.

**PROPOSED
CONTRACT METER
READING AND
BUDGET
ADJUSTMENT**

Mr. Hamilton reported on the status of on-going meetings relative to a possible contract for meter reading to enable District field personnel to spend considerably more time on needed valve maintenance and repair. He noted that funds set aside for SCADA improvements would be available. No action was taken.

**BUDGET
ADJUSTMENT FOR
METER READING**

Mr. Hamilton reported that meetings and discussions with the provider of contract meter reading services and District employees were underway. He noted that monies set aside in the current Budget for SCADA improvements are available to fund a contract this year, possibly ready for Board consideration and action on September 23, 2009.

**RESOLUTION
NUMBER 886
AUTHORIZING THE
EXECUTION AND
DELIVERY OF JOINT
PARTICIPATION
AGREEMENT WITH
CACHUMA
OPERATION AND
MAINTENANCE
BOARD AND
AUTHORIZING
CERTAIN OTHER
ACTIONS**

Mr. Hamilton distributed a staff memo with attachments addressing the proposed Resolution No. 886 Authorizing the Execution and Delivery of a Joint Participation Agreement with the Cachuma Operation and Maintenance Board and Authorizing Certain Other Actions. He noted recent changes related to the scope of the proposed COMB bond issue as reflected in Exhibit B. COMB bond counsel Doug S Brown, with Straddling Yucca, Carlson and Rauch then presented an overview of the process to go forward if the Board were to adopt the proposed Resolution in substantial form as presented. Lauren Hansen, a Director of the Goleta Water District, and Rebecca Bjork, Water Resources Manager of the City of Santa Barbara, also addressed the Board. Kate Rees, COMB General Manager provided additional comments about the proposed COMB projects, their funding, schedule and process. Following discussion relative to concerns about a lack of resolution to the issue raised by Carpinteria Valley Water District about COMB member agency cost sharing for the bond debt, Director Lieberknecht moved and Director Roberts seconded the motion to approve Resolution No. 886. Following additional discussion, including the need for more coordinated discussion among the member agency Directors about this matter, the motion failed by 4 – 1 vote.

Roll call on Resolution No. 886 resulted as follows:

Ayes: Lieberknecht

Nays: Drain, Roberts, Van Wingerden, Lemere.

**INDEMNIFICATION
AGREEMENT**

President Lemere suggested that Indemnification Agreement matter should be taken up at a later meeting when the Joint Participation Agreement is re-scheduled and there was general consensus among the Directors for this

suggestion. No action was taken.

**CUSTOMER CREDIT
FOR UNFORSEEN
LEAK**

Following a brief presentation by Business Manager Norma Rosales and discussion, Director Drain moved and Director Lieberknecht seconded the motion to apply the Board policy as set forth in Rule No. 15, approving the General Manager's and Rate & Budget Committee's recommendation to apply a credit of \$120.96 to account No. 10-105141-01 and inform the customer of record that the customer could pay the remaining balance owed over a three month period if so desired. The motion carried by 5-0 vote.

**REPORT OF
STRATEGIC WATER
MANAGEMENT
COMMITTEE
MEETING**

Mr. Hamilton reported that the Strategic Water Management Committee held a meeting at noon on August 26, 2009 at Montecito Water District to discuss a proposed Montecito Water District - Carpinteria Valley Water District Reorganization. Directors Lemere and Lieberknecht and Directors Shaikewitz and Frye of Montecito Water District attended as well as Santa Barbara LAFCO Executive Director Bob Braitman and General Managers Hamilton and Mosby.

**MWD/CVWD
SERVICE AREA
REORGANIZATION**

Mr. Hamilton reported that both Carpinteria Valley and Montecito Water District managers continue to discuss the details of a proposed Service Agreement between the two agencies related to what is now called the Lambert Road Area Reorganization. Board action is tentatively scheduled for September 23, 2009. Director Roberts requested that a "white paper" explaining the pros and cons of such an action be prepared and distributed in advance of any board action.

**EL CARRO WELL
PROJECT STATUS
AND SCHEDULE**

Mr. Hamilton referred to the memo dated August 21, 2009 in the Board packet prepared by District Engineer Bob McDonald who then presented a rationale and schedule for award of the design contract on September 23, 2009 for the Central Zone Pipeline Project, a part of the larger El Carro Well and Pipeline Project eligible for Prop 50 grant funding. No action was taken.

**EL CARRO WELL
GROUND LEASE
STATUS**

Counsel Mark Manion gave a brief report about the status of the appraisal of the well site in progress for the District's El Carro Well. No action was taken.

**RANCHO MONTE
ALEGRE PROJECT
STATUS AND
SCHEDULE**

Mr. Hamilton reported that Rancho Monte Alegre owner/representative Tad Buchanan reported to him that a contract had been executed for the sale of one of the undeveloped lots on the Ranch, and that it is now likely that construction would begin again under the Whitaker contract. Director Roberts requested and President Lemere directed that District conflicts counsel Kathy Stone prepare a written response about the feasibility of the District to relieve itself of its obligation to Rancho Monte Alegre if they are in fact in a condition of non-performance. Following discussion and request by Manager Hamilton, Director Drain moved and Director Lieberknecht seconded the motion to authorize Board President Lemere to extend the existing contract amendment for one additional month through October 15, 2009 if necessary. The motion carried by a 5-0 vote.

**RESOLUTION
NUMBER 887**

Following discussion, Director Lieberknecht moved and Director Van Wingerden seconded the motion to approve Resolution No. 887 Placing in

**PLACING IN
NOMINATION PEER
A. SWAN AS VICE
PRESIDENT OF THE
ASSOCIATION OF
CALIFORNIA
WATER AGENCIES**

Nomination Peer A. Swan as Vice President of the Association of California Water Agencies. The motion carried by a 5-0 vote.

Roll call on Resolution No. 887 resulted as follows:

Ayes: Drain, Lieberknecht, Van Wingerden, Roberts, Lemere
Nays: none

**BOARD MEETINGS
AT CARPINTERIA
CITY HALL**

Following discussion Director Roberts moved and Direct Lieberknecht seconded the motion to approve the scheduling of Board meetings on the second Wednesday of every month at Carpinteria City Hall, beginning on October 14, 2009. The motion carried by 4-1 vote with Director Van Wingerden voting no.

**GENERAL MANAGER
REPORTS**

FINANCIAL

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

**OPERATIONS AND
MAINTENANCE
MONTHLY REPORT**

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

**JPIA RISK
ASSESSMENT
LETTER DATED
AUGUST 11, 2009**

Mr. Castro discussed the Liability, Property and Workers' Compensation Risk Assessment letter from the ACWA Joint Powers Insurance Authority dated August 11, 2009 and District responses to specific Recommendations made in the letter. No action was taken.

ENGINEERING

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

WATER SUPPLY

Dr. Alex Keuper presented the Water Supply Report for the month of July 2009.

DIRECTOR REPORTS


There were no Director Reports.

NEXT MEETING

The next scheduled Board meeting will be a regular Board meeting held on September 23, 2009, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 7:02 p.m.



Charles B. Hamilton, General Manager/Secretary