

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

October 23, 2009

President Lemere called the special meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:00 p.m. Wednesday, October 23, 2009.

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

Directors Absent:

Others Present: Charles Hamilton
Rob McDonald
Alex Keuper
Norma Rosales
Kathy Stone
Bert Bertrando
Jack Ruskey
Lauren Hanson
Doug Brown
Kate Rees
Janet Gringas
Robert Dunlop
Alonzo Orozco
Matt Blois

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

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

Relative to the District's participation in the COMB Capital Improvement Program, Mr. Hamilton presented a staff memo including two new options (7&8) as a possible basis for the adoption of Resolution No. 890 as presented at the October 21, 2009 Board meeting, and providing an alternative to draft Resolution No. 886 also presented at the October 21, 2009 Board meeting. He also presented a new and somewhat higher Project cost detail, including contingency, provided by Janet Gringas of COMB. The new options were discussed by the Board of Directors with input from others.

Director Drain expressed his disappointment about the lack of substantial response from the other south coast Cachuma agencies to Carpinteria Valley Water District's proposed cost sharing methodology that includes State Water, as did Director Roberts.

Mr. Hamilton distributed a draft of a letter to be presented to COMB on Monday, October 26, 2009, explaining the District's concerns and intentions if the new Option 7 were to be adopted. Discussion followed by Mr. Hamilton and COMB Bond Counsel Doug Brown that acknowledged that the Contribution Agreement included District approval of all the COMB CIP

projects shown as Exhibit A to the Contribution Agreement. Moreover, there was discussion about the need for subsequent action by COMB to actually authorize expenditures for the other projects, and that this District was not authorizing those expenditures now by approving the Contribution Agreement.

Director Lieberknecht made a motion and Director Van Wingerden seconded the motion to approve Resolution No. 890, Option #7 and the draft letter to COMB. Mr. Hamilton clarified with Counsel Stone that the Resolution and the documents it authorized for execution were being approved in “substantial form as presented,” but did not identify the discrepancy between Option 7 and the draft letter to COMB and the significance of the Contribution Agreement, precluding the District’s use of its otherwise entitled “veto vote” for COMB expenditures in excess of \$1 million. The Contribution Agreement was included in the October 21, 2009 Board packet, but not the October 23 Board packet.

Roll call on Resolution No. 890 resulted in adoption as follows:

Ayes: Lieberknecht, Van Wingerden, Roberts and Lemere
Nays: Drain

**INITIAL
STUDY/NEGATIVE
DECLARATION FOR
DETERMINATION
AND DISPOSITION
OF STATE WATER
PROJECT
ALLOTMENT
SURPLUS**

Mr. Hamilton distributed copies of letters received from the Environmental Defense Center and the County of Santa Barbara related to the District’s Initial Study/Negative Declaration for Determination and Disposition of State Water Project Allotment Surplus. He reported that thoughtful response letters to the comment letters would take some weeks before Board action would be requested. Counsel Stone commented that the letters raised significant legal questions.

**CLOSED SESSION
PURSUANT TO
GOVERNMENT
CODE SECTION
54956.9 (a)
MONTECITO WATER
DISTRICT ET AL
(INCL, CARPINTERIA
VALLEY WATER
DISTRICT) VS
PENFIELD & SMITH
ENGINEERS ET AL:
SANTA BARBARA
SUPERIOR COURT
CASE NUMBER
1303752**

Mr. Hamilton reached Counsel Mark Manion on the phone to participate in the agendaized closed session. President Lemere then convened the Board in closed session at 5:03 p.m. pursuant to Government Code Section 54956(a) - Conference With Legal Counsel – Existing Litigation, Montecito Water District et al (incl. Carpinteria Valley Water District vs. Penfield & Smith Engineers et al: Santa Barbara Superior Court case number 1303752. At 5:07 p.m. Mr. Lemere reconvened the Board in open session and reported that Counsel was instructed in regard to a District response to a settlement offer.

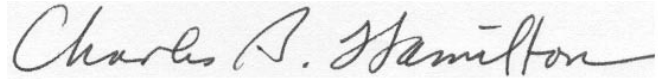
NEXT MEETING

The next scheduled Board meeting will be a regular Board meeting held on

November 4, 2009, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 5:14 p.m.

A handwritten signature in cursive script that reads "Charles B. Hamilton". The signature is written in black ink on a light-colored background.

Charles B. Hamilton, General Manager/Secretary