

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

June 9, 2010

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District at Carpinteria City Hall to order at 5:33 p.m. Wednesday, June 9, 2010, and led the Board and others in the recital of the Pledge of Allegiance.

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

Directors Absent: None

Others Present: Charles Hamilton

Bob McDonald

Norma Rosales

Omar Castro

Alex Keuper

Mark Manion

Nick Teng

Sonja Fernandez

Miguel Checa

Terry Schwartz

Chris Haskell

Tom Mosby

MINUTES

Following discussion and requests for additions by Miguel Checa and President Lemere, Director Drain moved and Director Lieberknecht seconded the motion to approve the minutes, as revised, of the regular Board meeting held on June 2, 2010. President Lemere directed Secretary Hamilton to make the appropriate changes. The motion carried by a 5-0 vote.

PUBLIC FORUM

No one from the public addressed the Board during the Public Forum.

**REPORT OF
STRATEGIC WATER
MANAGEMENT
COMMITTEE**

Directors Lemere and Lieberknecht gave brief oral reports on the Strategic Water Management Committee in a joint meeting on June 8, 2010 with the Montecito Water District Operations Committee in Montecito. General Manager Hamilton requested and Mr. Lemere directed that the item about the proposed Edgewood annexation be discussed at the June 30 Board meeting.

**COMB LATERAL
METER FAILURE,
DISTRICT OPTIONS
AND STATUS OF
DISCUSSIONS WITH
MONTECITO WATER
DISTRICT**

President Lemere reported that a tentative solution had been agreed upon by both Montecito Water District and Carpinteria Valley Water Districts during the Strategic Water Management Committee meeting in Montecito to go forward with the use of the Boundary meter as the primary meter to measure Cachuma water and the division of Cater treatment costs between Montecito and Carpinteria Valley Water Districts. He also noted that questions remain about possible monetary adjustments to past accounting based on questionable meter readings. Mr. Hamilton also reported that the Ortega south flow meter readings would continue and at the end of each year, if warranted, the accounting would be revised to reflect the differences

between the Boundary meter and Ortega south flow meter. He noted that a detailed draft letter to COMB was being prepared by Montecito General Manager Tom Mosby. Director Roberts commented that he was looking forward to the details of the letter. No action was taken.

**CONTINUATION OF
PUBLIC HEARING
ON PROPOSED
RATES AND
CHARGES FY 10-11**

President Lemere announced that the District's Proposition 218 Public Hearing for proposed Rates and Charges for FY 2010-11, originally scheduled for May 26, 2010, will be continued to July 14, 2010 due to an error in the official posting of the May 26 Board meeting.

**RATIFICATION OF
CCRB REVISED
APPROVED FY 10-11
FINAL SIX MONTH
BUDGET**

Following discussion, Director Drain moved and Director Lieberknecht seconded the motion to ratify the CCRB revised and approved final six month budget for fiscal year 2010-11. The motion carried by a 5-0 vote.

**ENGAGEMENT OF
INCREMENTUM FOR
ELECTRONIC
DOCUMENT
MANAGEMENT
SERVICES**

Following an introduction by General Manager Hamilton and a presentation by Business Manager Norma Rosales, and discussion, Director Drain moved and Director Lieberknecht seconded the motion to engage Incrementum for the provision of electronic document management services at a cost not to exceed \$8,379. The motion carried by a 5-0 vote.

**NOTICE OF
ELECTIVE OFFICES
TO BE FILLED**

Mr. Hamilton reported on the status of the District processing of the Notice of Elective Offices to be Filled in the upcoming November 2, 2010 election, involving three members of the Board of Directors.

**RESOLUTION
NUMBER 907
ADOPTING A
CANDIDATES'
STATEMENT FOR
THE 2010 ELECTION**

Following a brief introduction by Mr. Hamilton, and discussion, Director Lieberknecht moved and Director Van Wingerden seconded the motion to adopt Resolution Number 907, Adopting A Candidates' Statement for the 2010 Election.

Roll call on Resolution No. 907 resulted in adoption as follows:

Ayes: Roberts, Van Wingerden, Lieberknecht, Lemere, Drain
Nays: None
Absent: None

**FINAL CACHUMA
LAKE RESOURCE
MANAGEMENT
PLAN AND EIS**

Mr. Hamilton referred to the news release in the Board agenda packet dated May 20, 2010 by the Bureau of Reclamation regarding the Final Cachuma Lake Resource Management Plan and Environmental Impact Statement. He noted that COMB and Cachuma member units had submitted comments with regard to the protection of water quality.

**MONTHLY
STATEMENTS**

Business Manager Rosales presented the District's Monthly Statements for the month of April 2010 for Board review and discussion.

**EL CARRO WELL
STATUS REPORT**

District Engineer Bob McDonald presented an overview of the status of the El Carro Well Project, noting that the Project would continue through the summer with a scheduled end date of August 30, 2010.

**ENGINEERING
PROJECT REPORT**

Mr. McDonald presented the Engineering report for the month of May 2010 for Board review and comment.

**OPERATIONS
PROJECT REPORT**

Operations & Maintenance Manager Omar Castro presented the O&M report for the month of May 2010 for review and comment.

**WATER SUPPLY
REPORT**

Administrative Analyst Dr. Alex Keuper presented the Water Supply Report for the month of April 2010.

NEXT MEETING

The next scheduled Board meeting will be a regular meeting held on June 30, 2010, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

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

President Lemere adjourned the open session of the Board meeting at 6:51 p.m. and reconvened the Board in closed session at 6:56 p.m. pursuant to Government Code Section 54956.9 (a), existing litigation, Carpinteria Valley Water District et al vs. Penfield & Smith Engineers et al; Santa Barbara Superior Court Case Number 1303752.

OPEN SESSION

President Lemere reconvened the Board in open session at 7:24 p.m.

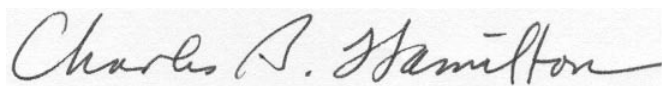
District Counsel Mark Manion reported that the Board unanimously approved a Settlement in the case of Carpinteria Valley Water District (CVWD) and Montecito Water District (MWD) v. Penfield & Smith et al. - Santa Barbara Superior Court Case No. 1303752.

The Settlement provided for the following:

- 1) Payment of \$2.9 million to CVWD and MWD from the defendants within 30 days of notice of CVWD's and MWD's approval of the Settlement;
- 2) Mutual general releases among all parties;
- 3) Retention of jurisdiction by the Superior Court to enforce the provisions of the Settlement;
- 4) Filing of a dismissal of the action with prejudice by CVWD and MWD once payment has been received and the Settlement agreement has been executed by all parties.

ADJOURNMENT

President Lemere declared the meeting adjourned at 7:25 p.m.



Charles B. Hamilton, General Manager/Secretary