

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

November 17, 2010

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order in the District Board Room at 4:02 p.m. Wednesday, November 17, 2010, 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
Omar Castro
Robert McDonald
Norma Rosales
Roger Myers
John Britton
Tracey Solomon
Sonia Fernandez
Lynne Ducharme
Vern Williams
Steve Tanner

MINUTES

Following discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the minutes of the November 10, 2010 Board meeting. The motion carried by a 5-0 vote.

MONTHLY BILLS

Business Manager Norma Rosales presented the monthly bills for the period of October 13, 2010 through November 9, 2010. Following discussion, Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the monthly bills as presented. The motion carried by a 5-0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

**BARTLETT PRINGLE
& WOLF, LLP
PRESENTATION OF
AUDITED
FINANCIAL
STATEMENTS**

Following an introduction by Bartlett Pringle & Wolf (BPW) auditor John Britton, Business Manager Norma Rosales presented the portion of the audited financial statements prepared by District management, namely, Management's Discussion and Analysis. She was followed by Mr. Britton who presented the audited financial statements as well as a comment letter addressed to the Board of Directors. Following discussion, questions by Directors, and the General Manager Hamilton's response to comments in the BPW comment letter, Director Van Wingerden moved and Director Drain seconded the motion to accept the audited Financial Statements prepared by Bartlett Pringle & Wolf, LLP for the fiscal years ending June 30, 2010 and 2009. The motion carried by a 5-0 vote.

**FUNDING OF OTHER
POST-EMPLOYMENT
BENEFITS
LIABILITY**

President Lemere moved this agenda item ahead of the next item on the agenda to facilitate BPW's participation before leaving the meeting. Mr. Hamilton recommended that this matter be tabled until the December 15, 2010 Board meeting to allow an expert presentation by Tracey Solomon of BPW to fully inform the Board of its options with regard to Other Post-Employment Benefits (OPEB), how their decision to fund them will affect the District's OPEB liability over time and contribute to upward pressure on future water rates.

**CAPITAL FUND FOR
WELLS**

Following a conceptual presentation by President Lemere, and discussion, Director Drain moved and Director Roberts seconded the motion to direct the General Manager to set up a capital fund of up to \$250,000 to support comprehensive preventive maintenance for District wells, including the Headquarters Well and the El Carro Well, using funds currently available from the Ortega Reservoir lawsuit settlement, for review and consideration by the District Strategic and Capital Facilities Plan Committee and subsequent Board approval. The motion carried by a 5-0 vote.

**REPORT OF
STRATEGIC AND
CAPITAL
FACILITIES PLAN
COMMITTEE
MEETING**

President Lemere reported that only the first item on the agenda for the Strategic and Capital Facilities Plan meeting held on November 11, 2010, which he attended, was discussed, namely, "Headquarters Well and lessons learned."

**CONTRACT WITH
BAKERSFIELD WELL
AND PUMP FOR
HEADQUARTERS
WELL REPAIR**

Following a brief introduction by General Manager Hamilton and comments by District Engineer McDonald, and discussion, Director Roberts moved and Director Van Wingerden seconded the motion to authorize a contract with Bakersfield Well and Pump to replace the existing pump, shaft bearings and 16 worn couplings and reinstall them in the Headquarters Well with a PVC insulator on the bowls, for a not to exceed amount of \$20,000. The motion carried by a 5-0 vote.

**BUDGET FOR
PUEBLO WATER
RESOURCES FOR
HEADQUARTERS
WELL SERVICES**

Following a brief presentation by Mr. Hamilton and discussion involving Steve Tanner of Pueblo Water Resources and Directors, Director Drain moved and Director Lieberknecht seconded the motion to establish a \$50,000 budget for Pueblo Water Resources for specialized services related to the Headquarters Well, with the condition that contacts for specialized experts be executed by and between the District and the expert provider, and not Pueblo Water Resources. The motion carried 5-0 vote.

**AWARD OF
CONTRACT TO
SPECIALTY
CONSTRUCTION
INC. FOR THE
CENTRAL ZONE
TRANSMISSION
MAIN**

Following a presentation by District Engineer McDonald, discussion by Directors, comments by Counsel J. Roger Myers and Vern Williams, Engineer of Record with Flowers and Associates for the CZ Main Project, Director Van Wingerden moved and Director Drain seconded the motion to award contract to Specialty Construction Inc. with bid items 8, 9 and 11 removed from the scope of work, including contingency, for a yet to be negotiated amount not to exceed \$898,000. The motion carried by a 5-0 vote.

GENERAL MANAGER REPORTS

General Manager reports were continued until the December 8, 2010 Board meeting.

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

At 6:07 p.m. President Lemere convened the Board in closed session: Conference with Legal Counsel - Anticipated Litigation - Initiation of Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9 (one case).

At 6:22 p.m. President Lemere re-convened the Board in open session. President Lemere then reported that during closed session Director Drain moved and Director Lemere seconded the motion to approve the Attorney-Joint Client Fee Agreement between Schimmel & Parks and the Montecito Water District and the Carpinteria Valley Water District in substantial form as presented, subject to final review and approval by Counsel Myers, and that the motion carried unanimously. He further reported that Directors Lieberknecht and Roberts were appointed to serve on Carpinteria Valley Water District's ad hoc committee to liaison with attorneys on behalf of the Board, replacing Directors Drain and Lemere.

NEXT MEETING

The Directors briefly discussed items for the next scheduled regular Board meeting to be held on December 8, 2010, at 5:30 p.m. in the Carpinteria City Council Chamber, 5775 Carpinteria Ave. Carpinteria, California.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:27 p.m.



Charles B. Hamilton, General Manager/Secretary