

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

December 8, 2010

Secretary Hamilton called the regular meeting of the Board of Directors of the Carpinteria Valley Water District at Carpinteria City Hall to order at 5:30 p.m. Wednesday, December 8, 2010, and led the Board and others in the recital of the Pledge of Allegiance.

Directors Present: Lieberknecht, Roberts, Ducharme, Orozco

Directors Absent: Van Wingerden

Others Present: Charles Hamilton
Robert McDonald
Roger Myers
Norma Rosales
Alex Keuper
Omar Castro
Greg Stanford
Danny Rada
Sonia Fernandez
Betty Songer
Dave Moore
Bob Jordan
Clay Brown
Louisa Orozco
Amy Orozco
Rose Marie Johnson
Cathy Taylor
James Winslow
Geoff Stearns
Miguel Checa
Vera Benson
Bob Franco

**INTRODUCTION OF
NEW BOARD
MEMBERS**

General Manager and Secretary Charles Hamilton introduced new Directors Al Orozco and Lynne Ducharme. Director Orozco thanked the voters who elected him for their support as well as former Directors Lemere and Drain for their many years of service. Director Ducharme also thanked the residents of the City of Carpinteria for their support.

**SELECTION OF
TEMPORARY CHAIR**

Following discussion, Director Lieberknecht moved and Director Orozco seconded the motion to nominate Director Roberts to serve as Temporary Chair for this Board meeting. The motion carried by a 4-0 vote.

PUBLIC FORUM

Bob Franco expressed his congratulations to Directors Orozco and Ducharme for their new positions.

**CACHUMA
CONSERVATION
RELEASE BOARD
AND CACHUMA
OPERATION AND
MAINTENANCE
BOARD MEETINGS,
NOVEMBER 22, 2010**

Director Lieberknecht gave an oral report of the Cachuma Conservation Release Board and Cachuma Operation and Maintenance Board meetings held on November 22, 2010.

**ASSOCIATION OF
CALIFORNIA
WATER AGENCIES
AND JOINT POWERS
INSURANCE
AUTHORITY FALL
CONFERENCES**

Director Lieberknecht gave an oral report of the Association of California Water Agencies and Joint Powers Insurance Authority Fall Conferences held during the week of November 29, 2010.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

**PRESENTATION BY
OPERATIONS AND
MAINTENANCE
MANAGER OMAR
CASTRO**

Following an introduction by General Manager Hamilton, Operations Manager Omar Castro, along with Water Distribution Foreman Danny Rada and Water Treatment Foreman Greg Stanford, provided an overview of the duties and responsibilities of the Operations & Maintenance Department.

**CATER WATER
FILTRATION PLANT
IMPROVEMENT
CONTRIBUTION
AGREEMENT**

Following an introduction by General Manager Hamilton, Cathy Taylor, Water System Manager for the City of Santa Barbara provided a detailed presentation about the Cater Treatment Plant Ozone Project and its benefits. Discussion and questions from Bob Jordan and Geoff Stearns followed. Director Roberts made several comments about the proposed Contribution Agreement. Referring to the "Construction Permitting and Management" section he suggested that the Districts may wish to request a value engineering analysis to ensure the most cost effective construction. He questioned whether the "Failure to Make Timely Payments" section was intended to include such a costly penalty equating to about a 20% annual interest rate. He questioned whether there ought to be a less onerous provision in that section in the event of a six month overdue payment related to some natural disaster. He questioned whether, in the "Failure to Make Timely Payments" section, there should be some reciprocity to the Districts if Santa Barbara failed to serve the District for six months. He also questioned the rationale for the cost sharing percentages for Carpinteria Valley and Montecito Water Districts, proposed respectively as 20% and 19.7%.

**RESOLUTION
NUMBER 912
UPDATING CHECK
SIGNERS FOR IT'S
2006 COP MONEY**

Following a brief introduction by the General Manager and a comment by Business Manager Norma Rosales about this housekeeping item, Director Lieberknecht moved and Director Orozco seconded the motion to adopt Resolution Number 912 Updating Check Signers for its 2006 COP Money Market and Checking Accounts; 2010A COP Checking Account; and its

**MARKET AND
CHECKING
ACCOUNTS; 2010A
COP CHECKING
ACCOUNT; AND IT'S
GENERAL
OPERATING
ACCOUNT**

General Operating Account.

Roll call on Resolution No. 912 resulted in adoption as follows:

Ayes: Roberts, Lieberknecht, Ducharme, Orozco

Nayes: None

Absent: Van Wingerden

**RATIFICATION OF
CERTAIN ACTIONS
TAKEN BY THE
ORTEGA
RESERVOIR
COMMITTEE**

Following an introduction by General Manager Hamilton and discussion, Director Lieberknecht moved and Director Ducharme seconded the motion to ratify certain actions taken by the Ortega Reservoir Committee to repair leaking floor joints in the Ortega Reservoir with a cost to the District of about \$110,000. The motion carried by a 4-0 vote.

**STATE WATER
MARKETING
STRATEGY AND
DISCUSSIONS IN
PROGRESS**

General Manager Hamilton provided an update about the District's current State Water marketing strategy and recent discussions with prospective buyers. He reported on the recent action taken by the Pismo Beach City Council to authorize discussions with the Carpinteria Valley Water District concerning about 200 AF of water. He noted that this would be a complicated transfer due to the out-of-County location, and that recent discussions between the Central Coast Water Authority and San Luis Obispo County were the other way around, about CCWA acquiring water from San Luis Obispo County for use in Santa Barbara County. He also indicated that he has had telephone conversations with a representative of Coastal Management Resources, owner of the former Bixby Ranch, indicating a desire to re-start discussions with the District about the acquisition of 1,000 AF of State Water. At issue before an impasse was declared in the first set of discussions with CMR was indemnification of the District relative to a possible CEQA lawsuit against the District. He noted that selling State Water is a challenging endeavor, as any potential water transfer puts the District at the front end of a possibly controversial and complex land use decision process. He cited the experience the District previously had with Plains Exploration and Production Company as an example. Director Ducharme questioned Mr. Hamilton about contacts outside the local regional area. He indicated that he has done little to investigate this option, but that he would make some calls to the Metropolitan Water District and member agencies of the Metropolitan Water District such as the Irvine Ranch Water District to explore the matter. Director Orozco commented that reliability of the Colorado system has declined and that perhaps an agency like the one serving Moorpark may be interested in acquiring additional State Water. Director Roberts commented that a prospective Buyer is likely going to be somehow connected to the Coastal Branch of the California Aqueduct.

**BOARD
REORGANIZATION
SCHEDULED FOR
ACTION ON
DECEMBER 15, 2010**

Mr. Hamilton provided the Board with an overview and suggested some changes for the several Board Reorganization items scheduled for consideration and action at the December 15 Board meeting.

**CLOSED SESSION:
CONFERENCE WITH
LEGAL COUNSEL-
ANTICIPATED
LITIGATION**

Chair Roberts at 7:09 p.m. declared the Board adjourned for recess to Closed Session.

At 7:13 p.m. Chair Roberts 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 7:37 p.m. Chair Roberts re-convened the Board in open session and reported that no action was taken.

NEXT MEETING

The next scheduled Board meeting will be a regular meeting held on December 15, 2010, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

Chair Roberts declared the meeting adjourned at 7:37 p.m.



Charles B. Hamilton, General Manager/Secretary