

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

**November 16, 2011**

President Van Wingerden called the regular meeting of the Board of Directors of the Carpinteria Valley Water District in the Carpinteria Valley Water District's Boardroom to order at 5:30 p.m. Wednesday, November 17, 2011, and led the Board and others present in the Pledge of Allegiance.

Directors Present: Van Wingerden, Roberts, Orozco, and Brown

Directors Absent: Lieberknecht

Others Present: Charles Hamilton  
Steven Lee  
John Britton  
Tracey Solomon  
Rebecca Bjork  
Michele DeCant  
Tom Mosby  
Doug Morgan  
Toni Bailey  
Jeff Dinkin (arrived 6:30 pm)

**MINUTES**

Following discussion, Director Orozco moved and Director Brown seconded the motion to approve the minutes of the November 9, 2011 Board meeting. The motion carried by a 3-0 vote, with President Van Wingerden abstaining.

**MONTHLY BILLS**

Following questions and discussion about inviting Bill Brennan to talk to the Board at a future meeting regarding the Delta Habitat Conservation and Conveyance Plan, related to an ACWA invoice, it was moved by Director Roberts and seconded by Director Orozco to approve the monthly bills as presented. The motion carried by a 4-0 vote.

**PUBLIC FORUM**

No one from the public addressed the Board.

**DRINK CARPINTERIA  
WATER EVENT**

Director Orozco reported on the Drink Carpinteria Water event held on November 10, 2011 and stated that in general, people chose bottled water over the District's water, but some could not tell the difference. General Manager Hamilton stated that the Drink Carpinteria Water Committee would be meeting on Friday, November 18, 2011 to evaluate the Drink Carpinteria Water Campaign and discuss future plans.

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

**November 16, 2011**

**LETTER DATED OCTOBER  
20, 2011 FROM REBECCA  
BJORK, WATER  
RESOURCES MANAGER,  
CITY OF SANTA BARBARA**

General Manager Hamilton introduced Water Resources Manager Rebecca Bjork and Public Works Business Manager Michele DeCant of the City of Santa Barbara. Ms. DeCant provided information about how the City failed to bill Montecito and Carpinteria Valley Water District for a combined amount of about \$145,000 because of accounting oversights in fiscal years 2008, 2009 and 2010. These errors were brought to Ms. Bjork's attention by Ms. Decant after she observed a problem in preparing the 2011 fiscal year billings. The errors were made by the previous individual who held the position of Business Manager.

Ms. Bjork also stated later in the discussion that there was another unrelated error discovered going back to a billing in 2004 for State loan costs of about \$390,000 related to an earlier Cater Improvement Project.

Vice President Morgan of Montecito Water District expressed displeasure that so little supporting documentation was initially sent to the Districts with the October 20, 2011 letter from Ms. Bjork. He also commented that during the years 2007 through 2010, many customers have moved in and out of the Montecito District area. To now assess these charges now in year 2011 is problematic. He asked that the City send additional detailed backup for his Board to review, in addition to the backup that is part of tonight's board packet.

Director Roberts stated that an annual reconciliation needs to be performed to avoid an occurrence of this sort of accounting error happening again.

President Van Wingerden inquired if the City is absolutely certain that the charges now being assessed were not paid in a previous fiscal year and was told that they were not. Due to the late assessment, President Van Wingerden also stated that a 'payment plan' would need to be discussed, as a quite substantial amount of money is being requested.

Director Roberts inquired if the City of Santa Barbara is self-insured. Ms. Bjork responded that the City is part of an insurance pool, but with a \$1M deductible. Director Roberts requested that the General Manager obtain an evaluation of possible exposure to CVWD related to negligent actions by the City of Santa Barbara at the Cater Treatment Plant.

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

**November 16, 2011**

A Montecito Water District Finance Committee Meeting will be held on November 22, 2011 to discuss this matter. General Manager Hamilton stated that in order to reach a mutually agreed upon plan of action, the District will need to hold joint committee meetings in the future with Montecito Water District.

President Van Wingerden suggested that the Board discuss this matter further upon Business Manager Norma Rosales' return in February of 2012. A recommendation to the District Board will eventually be made by the Rate and Budget Committee.

**DISCUSSION AND  
ANALYSIS OF AUDITED  
FINANCIAL STATEMENTS  
PREPARED BY BARTLETT  
PRINGLE & WOLF**

John Britton a partner with of Bartlett Pringle & Wolfe presented a report on the Financial Statements and accompanying letters for the fiscal years ending June 30, 2011 and 2010.

Mr. Hamilton presented Management's Discussion and Analysis. He noted a gradual decline of revenues and also reported that salaries and benefits are significantly trending upward, in large part related to health benefit costs.

Director Roberts was pleased that there were more graphics in this report than previous years, making it easier to evaluate the data.

Mr. Britton pointed out that there is a new Footnote (14D) stating that CVWD and MWD, as a result of basin construction defects, are responsible for future repairs of an unknown magnitude at the Ortega Reservoir.

Director Robert moved and Director Orozco seconded the motion to approve the Financial Statements prepared by Bartlett Pringle & Wolf for fiscal years ending June 30, 2011 and 2010.

**REFUNDS FOR OVER-  
BILLED IRRIGATION  
ACCOUNTS**

After a brief discussion, Director Roberts moved and Director Brown approved the issuance of refunds to customers as follows: Irrigation accounts: #17-170092-02 (\$3,102.93); #17-170209-6 (\$3,102.93); #17-170242-04 (\$3,102.93); and #18-180620-00 (\$789.93).

**LAFCO SPECIAL DISTRICTS  
SELECTION COMMITTEE  
MEETING**

Following discussion, President Van Wingerden announced that she will attend the LAFCO Special Districts Selection Committee meeting on January 23, 2012.

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

**November 16, 2011**

**CLOSED SESSION  
CONFERENCE WITH  
LABOR NEGOTIATOR  
PURSUANT TO  
GOVERNMENT CODE  
SECTION 54957.6. DISTRICT  
NEGOTIATOR: JEFFERY A.  
DINKIN; EMPLOYEE  
ORGANIZATION:  
INTERNATIONAL UNION OF  
OPERATING ENGINEERS,  
LOCAL 12**

At 6:57 pm President Van Wingerden adjourned the open session of the Board Meeting and re-convened the Board in closed session pursuant to [insert agenda wording here]. At 7:59 President Van Wingerden reconvened the Board in open session and announced that no action was taken in closed session.

**NEXT MEETING**

The next Board meeting will be a regular meeting held on December 14, 2011, at 5:30 p.m. in the Carpinteria City Council Chamber, 5775 Carpinteria Ave, Carpinteria, California.

**ADJOURNMENT**

President Van Wingerden declared the meeting adjourned at 8:00 p.m.

  
\_\_\_\_\_  
Charles B. Hamilton, General Manager/Secretary