

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

March 25, 2009

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:00 p.m. Wednesday, March 25, 2009, and led the Board and others in the recital of the Pledge of Allegiance.

Directors Present: Lemere, Van Wingerden, Drain, Roberts
Directors Absent: Lieberknecht
Others Present: Charles Hamilton
Rob McDonald
Omar Castro
Alex Keuper
Chip Wullbrandt
Kathy Stone
Philip Castiglia
David Morris
Other members of the public

MINUTES

Following discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the minutes of the March 11, 2009 Board meeting. The motion carried by a 4-0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

**RATE AND BUDGET
COMMITTEE
MEETING OF
MARCH 19, 2009 AND
PROPOSED FY 09-10
BUDGET AND RATES**

Following a brief introduction by General Manager Hamilton about the Rate and Budget process, Administrative Analyst Dr. Alex Keuper presented an overview of the proposed FY 09-10 Budget and Rates. Following comments by Directors, and Mr. Hamilton, several members of the public addressed the Board with questions and concerns about the District water rate structure, its high debt burden, and suggestions for consideration. Discussion continued until about 5:30 pm when President Lemere declared a 5 minute recess. After the recess Mr. Lemere directed Mr. Hamilton to proceed with all necessary steps to issue the Public Notice for the Proposition 218 public hearing on the proposed Rates and Charges scheduled for May 27, 2009 at 7 pm at Carpinteria City Hall.

**REQUEST OF PHILIP
CASTIGLIA RE:
DISTRICT RULE 17C
AND "GRANNY
FLATS"**

Following a brief overview of the circumstances pertaining to Mr. Philip Castiglia's request for a can and will serve letter from the District relative to the conversion of a garage to a "granny flat" dwelling unit on his property, Mr. Castiglia presented his concerns about District Rules as applied to his property. Following discussion by the Directors, President Lemere announced that the matter would be taken under advisement for further

consideration.

**POSSIBLE CONFLICT
OF INTEREST RE:
PRICE POSTEL AND
PARMA
REPRESENTATION
OF VENECO INC**

Following a brief introduction by President Lemere, David Morris presented his concerns relative to a possible conflict of interest in Price Postel and Parma's representation of both Veneco Inc. and the Carpinteria Valley Water District. Counsel Wullbrandt responded that neither he nor anyone in his firm has advised the District or Veneco on any matter involving the two entities. Further he stated that should such an occasion for a possible conflict present itself, to avoid any issue, he would decline representation.

**REPORT OF STATE
WATER SALE
COMMITTEE
MEETINGS**

Mr. Hamilton distributed copies of a term sheet for the sale of 600 to 800 AF of water, or more, to a client represented by L&P consultants. Following discussion and a brief description of the purposes for the use of the water on property in north Santa Barbara County, by Mark Lloyd of L&P Consultants, President Lemere directed Mr. Hamilton and the State Water Sale Committee to continue the process and take the necessary steps to prepare a draft Option to Purchase agreement for the Board's consideration.

**PROCESSING
AGREEMENT
BETWEEN THE
DISTRICT AND THE
CENTRAL COAST
WATER AUTHORITY**

Following a brief introduction by Mr. Hamilton as to its purposes to ensure reimbursement of the Central Coast Water Authority by the Carpinteria Valley Water District and address liability issues relative to a proposed water transfer between the District and a client of L&P consultants in north Santa Barbara County, Director Roberts moved and Director Drain seconded the motion to approve the proposed Processing Agreement Between the District and Central Coast Water Authority for a Proposed Transfer. The motion carried by a 4 - 0 vote.

**CACHUMA PROJECT
COST SHARING**

Discussion on this matter was deferred until the Board meeting of April 15, 2009.

**ALTERNATE
MEMBER OF
STRATEGIC WATER
MANAGEMENT
COMMITTEE**

Following discussion, President Lemere appointed Director Drain to serve as the alternate member of the Strategic Water Management Committee.

DIRECTOR REPORTS

**CCRB AND COMB
BOARD MEETINGS**

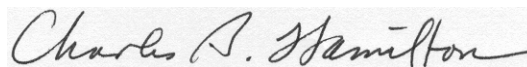
Director Van Wingerden gave an oral report about the Cachuma Conservation Release Board and Cachuma Operation and Maintenance Board meetings held on March 23, 2009.

NEXT MEETING

The next scheduled Board meeting will be held on April 1, 2009 at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez, Avenue.

ADJOURNMENT

President Lemere declared the Board meeting adjourned at 7:00 p.m.



Charles B. Hamilton, General Manager/Secretary