

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

June 3, 2009

President Lemere called the special meeting of the Board of Directors of Carpinteria Valley Water District at Carpinteria City Hall to order at 7:00 p.m. Wednesday June 3, 2009, 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

Members of the public in attendance who addressed the Board on various matters included David Morris, Brian Nash, Antoinette Chartier, Ann Louise Bardach, Vera Bensen, Bob Lesser, Carl Stucky and Judy Garrison.

MINUTES

Following discussion, Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the minutes of the regular Board meeting held on May 27, 2009. The motion carried by a 4-0 vote. Director Drain abstained.

PUBLIC FORUM

David Morris addressed the Board about his concerns about possible conflicts of interest for this District in its use of the law firm of Price Postel and Parma to provide legal counsel.

OLD BUSINESS

**PROPOSITION 218
PUBLIC HEARING
AND PROTEST
RESULTS**

Mr. Hamilton announced that as of 9:00 a.m. on Monday, June 1, 2009 a total of 1,056 protest petitions were counted after eliminating duplicates. No attempt was made to verify the validity of each protest submittal. The deadline for protest submittals was the close of the Public Hearing on May 27. Protests arriving in the mail postmarked May 27, 2009 were also counted. He noted that another 20-25 protest submittals were hand delivered to him by Vera Bensen earlier in the evening. A total of 3,200 protests were necessary to effectuate a majority protest in order to prevent increases to the water rates and charges as proposed.

**RESOLUTION
NUMBER 883
APPROVING THE
2009-2010 BUDGET**

Following a presentation by Mr. Hamilton in response to some of the comments by members of the public made during the May 27, 2009 Public Hearing, Mr. Hamilton introduced Business Manager Norma Rosales who made a presentation about the proposed 2009-2010 Budget and the District's long term debt and fixed cost obligations. Following public comment and discussion, Director Drain moved and Director Lieberknecht seconded the motion to adopt draft Resolution no. 883 Approving the 2009-2010 Budget.

Roll call on Resolution No. 883 resulted in adoption as follows:

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

**RESOLUTION
NUMBER 884
ADOPTING RATES
AND CHARGES FOR
WATER SERVICE
AND AMENDING
DISTRICT RULES
AND REGULATIONS
RELATING TO SUCH
RATES AND
CHARGES**

Following an introduction by Mr. Hamilton, Administrative Analyst Dr. Alex Keuper made a presentation about the District's water rate structure and proposed rates and charges increases. Following public comment and discussion, Director Drain moved and Director Van Wingerden seconded the motion to adopt Resolution Number 884 Adopting Rates and Charges for Water Service and Amending District Rules and Regulations Relating to Such Rates and Charges.

Roll call on Resolution No. 884 resulted in adoption as follows:

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

NEW BUSINESS

**REPORT OF RATE
AND BUDGET
COMMITTEE**

Mr. Hamilton reported that the items discussed at the Rate and Budget meeting held on May 29, 2009 at noon are set forth as the next three items on the agenda.

**DISTRICT RULE NO.
17 D AND APPENDIX
REQUEST FOR
EXEMPTION**

Following a brief report by Director Drain, a member of the Rate and Budget Committee, and comments by Mr. Philip Castiglia, Counsel Mark Manion, and others, Director Roberts moved and Director Drain seconded the motion to direct staff, with assistance from District counsel to prepare a possible change in District Rule No. 17 for Board consideration that would possibly exclude the sort of case presented by Mr. Castiglia from the rule. The motion carried by 5-0 vote.

**MONTECITO WATER
DISTRICT'S "OFFER
TO PURCHASE
CVWD CARRYOVER
WATER"**

Following a recommendation from Mr. Hamilton to be given approval to sell up to 600 AF of the District's Cachuma carryover water at a price of \$300/AF to Montecito Water District, and discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the General Manager's recommendation. The motion carried by a 5-0 vote.

**PROPOSED COMB
BOND ISSUE AND
CACHUMA MEMBER
UNIT COST SHARING
FORMULA**

Following a recommendation from Mr. Hamilton that the Board formally request that the Cachuma Operation & Maintenance Board (COMB) prepare a new cost sharing methodology not based solely on the 1950's Project yield percentages for consideration and use by COMB for its proposed 2009 \$16 million bond issue debt service, and comments by Kate Rees, General Manager of COMB, Director Roberts moved and Director Van Wingerden seconded the motion to approve the Manager's recommendation. The motion carried by a 5-0 vote.

**DIRECTORS
REPORTS**

**CACHUMA
CONSERVATION
RELEASE BOARD
AND CACHUMA
OPERATION AND
MAINTENANCE
BOARD MEETINGS**

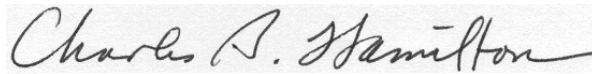
Director Drain gave an oral report about the Cachuma Conservation Release Board and Cachuma Operation and Maintenance Board meetings held on May 18, 2009.

NEXT MEETING

The next scheduled Board meeting will be a regular meeting held on June 24, 2009, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 9:50 p.m.



Charles B. Hamilton, General Manager/Secretary