

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

January 25, 2006

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:00 p.m. Wednesday January 25, 2006.

Directors Present: Lemere, Roberts, Van Wingerden, Drain, Lieberknecht
Directors Absent: none
Others Present: Charles Hamilton
Bob McDonald
Omar Castro
Bill O'Brien
Danna McGrew
Simon Poulter
Roger Myers
Chip Wullbrandt

MINUTES

Following discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the minutes of the regular Board meeting held on January 18, 2006, as amended for typographical errors. The motion carried by a 4 – 0 vote. Director Lieberknecht abstained.

MONTHLY BILLS

Following discussion Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the monthly bills for the period of December 22, 2005 through January 25, 2006. The motion carried by a 5 – 0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

**DRAINAGE AND
SOIL EROSION
PROBLEMS
ASSOCIATED WITH
THE DISTRICT'S
STORAGE TANK
PROJECT**

General Manager Hamilton provided a brief overview of the current status of the District's and Ranch's efforts to address problems associated with the District's Storage Tank Project on Rancho Monte Alegre. He noted that while adequate temporary measures are now in place, neighbors remain concerned about potential increased drainage flows from the Ranch. The Ranch is exploring options to address their concerns.

**PROPOSAL FROM
PADRE ASSOCIATES
TO PREPARE AN
ADDENDUM TO THE
STORAGE TANK EIR**

Mr. Hamilton briefly commented on the need for an Addendum to the Storage Tank EIR to address project changes that have been identified since the last Addendum. Simon Poulter of Padre Associates provided a brief overview of the scope of the work to be provided. Following discussion, Director Drain moved and Director Van Wingerden seconded the motion to approve the Manager's recommendation to engage the services of Padre Associates, Inc. to prepare an Addendum to the Storage Tank EIR as set forth in their proposal dated January 20, 2006, at a cost not to exceed

\$10,000. The motion carried unanimously.

NEW BUSINESS

GASB 45 OTHER POST EMPLOYMENT BENEFITS (OPEB) ACCOUNTING

Danna McGrew of Bartlett Pringle & Wolf presented an overview of the research she performed to estimate the District's liability associated with GASB 45 Other Post Employment Benefits (OPEB). She estimated that beginning in 2010 the District would incur a liability of \$88,000, the difference between what the District pays for medical benefits for eligible retired employees, and what the total annual cost to the District is estimated to be. Each year the liability is projected to increase. The cumulative total liability is estimated to be \$479,000 in 2014. Ms. McGrew noted that one way to address the liability is to begin funding it. Following discussion President Lemere directed Ms. McGrew to continue her research, working with the Personnel Committee and staff, and provide detailed options that would address the cost of the liability.

PERSONNEL COMMITTEE MEETING HELD ON JANUARY 25, 2006

Director Van Wingerden provided a brief overview of the Personnel Committee meeting held on January 25, 2006. She noted the attendance of employee Greg Stanford who was elected by the non-exempt employees to represent them in the salary and benefit review process this year. He presented a prioritized list of salary and benefit proposals for the Committee and Board to consider in the new budget year. Mr. Hamilton distributed copies of the list to all Directors. The Personnel committee will meet again to review and discuss the proposals.

RESOLUTION NO. 824 SETTING COMPENSATION FOR DAYS OF SERVICE BY BOARD MEMBERS, REIMBURSEMENT OF BOARD MEMBER EXPENSES, PROVIDING FOR ETHICS TRAINING AND RELATED MATTERS.

Following discussion, Director Drain moved and Director Lieberknecht seconded the motion to approve draft Resolution No. 824 Setting Compensation for Days of Service By Board members, Reimbursement of Board Member Expenses, Providing for Ethics Training and Related Matters, as amended to include payment for attendance at a similar regional organization pursuant to the disbanding of the Association of Water Agencies of Santa Barbara County, and to provide for direct District payment of Director expenses as well as reimbursement.

Roll call on Resolution No. 824 resulted as follows:

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

The motion carried unanimously.

PLAN FOR CORRECTIVE ACTIONS FOR LYONS AND HIGH SCHOOL WELLS AT COST NOT TO EXCEED \$10,000

District Engineer Bob McDonald discussed the proposal included in the Board packet from Padre Associates to prepare a plan of action to address production problems at Lyons and High School wells at a cost not to exceed \$10,000. Following discussion, Director Roberts moved and Director Van Wingerden seconded the motion to approve the Managers' recommendation to engage the services of Padres Associates as generally set forth in their proposed scope of work dated December 9, 2005. The motion carried

unanimously.

**GENERAL
MANAGER'S
REPORTS**

FINANCIAL

Business Manager Norma Rosales presented the Financial report for the month of December, 2005.

WATER SUPPLY

Mr. Hamilton presented the Water Supply report for the month of December, 2005.

ENGINEERING

Mr. Mc Donald presented the Project Status report for the month of January, 2006. He provided information about various conservation promotions. Discussion included the pros and cons of the use of waterless urinals.

OPERATIONS

Operations and Maintenance Manager Omar Castro presented the Operations and Maintenance report for the month of January, 2006.

GENERAL

**AGREEMENT WITH
PLAINS
EXPLORATION &
PRODUCTION (PXP)**

Mr. Hamilton provided a summary of the current meeting schedule and process related to the proposed option/purchase agreement with PXP for 400 AF of the District's State Water allotment. If the schedule holds the Board will be able to take action on February 22, 2006.

**PUBLIC
NOTIFICATION OF
DISTRICT FAILURE
TO MEET EPA'S
STAGE 1 RULE FOR
TRICHALOMETHANES**

Mr. Hamilton distributed copies of the draft notice to be mailed on February 3, 2006 to all residents of the District about levels of Total Trihalomethanes above drinking water standards. He discussed office procedures in place for him to personally respond to telephone calls, anticipated to begin as early as Friday, February 3, 2006. The notice states that the District expects to resolve the problem within three months and that major contributing factors to the problem included increased use of Cachuma water and the fact that two major projects, the covering of the Ortega Reservoir and the construction of a new 3 million gallon water storage tank, are taking longer to complete than expected.

MEETING RECESS

President Lemere declared a five minute recess at 6:00 pm.

**MEETING
RECONVENED**

President Lemere reconvened the Board meeting at 6:05 pm.

**MEETING OF THE
ASSOCIATION OF
WATER AGENCIES
OF SANTA BARBARA
COUNTY, JANUARY
27, 2006 AT 10 AM,**

President Lemere reported that the Association of Water Agencies of Santa Barbara County would be holding its last official meeting before disbanding at the District on Friday January 27, 2006 at 10 am. He requested that an arrangement of flowers and avocados be prepared as a gesture of Carpinteria Valley hospitality to the attendees at this final meeting of the association.

**CAPITAL
IMPROVEMENT**

PROGRAM

STORAGE TANK STATUS REPORT

Mr. Hamilton commented that staff continued to be performing at a high level of productivity with regard to all the work created by the District's Storage Tank Project and other Capital Improvement Program projects. He particularly commended the efforts of Bob McDonald and Norma Rosales. President Lemere proposed that the whole Board make a visit to the Storage Tank site. Following discussion it was agreed to hold a Special Board meeting at noon on Friday, February 10, 2006 and proceed from the Board room immediately to the Tank site.

CARPINTERIA RESERVOIR STATUS REPORT

Mr. Hamilton reported that the remaining landscaping associated with the covering of the Carpinteria Reservoir, including relocation of five Oak trees, is now scheduled to be completed by the end of February.

ORTEGA RESERVOIR STATUS REPORT

Mr. Hamilton had nothing new to report about this item.

HEADQUARTERS WELL AND FILTRATION PLANT STATUS REPORT

Mr. Castro reported the Headquarters Well pipeline tie-in at Santa Monica Road would be made soon and that very large rocks were encountered near the Santa Monica Road crossing.

DIRECTORS REPORTS

CACHUMA CONSERVATION RELEASE BOARD MEETING JANUARY 23, 2006

Director Lieberknecht gave an oral report about the January 23, 2006 Cachuma Conservation Release Board meeting.

CACHUMA OPERATION AND MAINTENANCE BOARD MEETING JANUARY 23, 2006

Director Lieberknecht gave an oral report about the January 23, 2006 Cachuma Operation and Maintenance Board meeting.

NEXT MEETING

The next scheduled Board meeting will be a special Board meeting held on February 10, 2006, at 12:00 noon in the Board meeting room at 1301 Santa Ynez Avenue, and will proceed to the District's new Storage Tank site on Rancho Monte Alegre. The next Regular Board meeting will be held on February 15, 2006 at 4:00 pm in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:15p.m.

Charles B. Hamilton, General Manager/Secretary