

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

February 21, 2007

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District at Carpinteria City Hall to order at 7:00 p.m. Wednesday February 21, 2007, and led the Board 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
Chip Wullbrandt
Omar Castro
Alex Keuper
Chip Wullbrandt
Karl Jakel
Charles Webber

MINUTES

Following discussion, Director Van Wingerden moved and Director Roberts seconded the motion to approve the minutes of the regular Board meeting held on January 24, 2007. The motion carried by a 4-0 vote. Director Drain abstained.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

**MID-YEAR 2006-2007
BUDGET REPORT**

Business Manager / Auditor Norma Rosales presented the mid-year 2006-2007 Operations budget report showing a projected year-end unspent balance in excess of \$200,000. No action was taken.

**RATE AND BUDGET
CONSIDERATIONS
FOR FISCAL YEAR
2007-2008**

General Manager Charles Hamilton presented a report to the Board providing a context for the 2007-2008 Rate and Budget process. He provided some descriptive information about the District; about the challenging and costly regulatory environment faced by the District; about District membership in costly regional joint powers authorities; about the often costly interface with other government agencies such as the County of Santa Barbara and California Department of Transportation; and about the high level of costly interaction with District customers. He provided a summary of major challenges identified and milestones achieved since 1995. He discussed the current status of District responses to several challenges. He provided further comments on what he views to be concerns and needs of the District. He was then followed by Business Manager Norma Rosales who discussed Business Department responsibilities and resource needs. Omar

Castro, Operating and Maintenance Manager then provided a summary of Operations And Maintenance Department responsibilities and needs. He was followed by District Engineer Bob McDonald, who summarized Engineering Department responsibilities and resource needs. Mr. Hamilton then provided some brief remarks about how the District would follow Proposition 218 requirements for public notification and a protest hearing. Counsel Wullbrandt provided additional comments that participation in the Proposition 218 protest process is limited to property owners of parcels of land, and that a majority of property owners filing protests would preclude the Board from increasing any proposed fees and charges. He further clarified that each parcel is entitled to a protest, regardless of the size or value of the property. Mr. Hamilton also provided the Board with a schedule of meetings leading up to the Proposition 218 public hearing on May 23, 2007 after which the Board could adopt the proposed 2007 - 2008 Rates and Budget.

**RULES AND
REGULATIONS
CHANGE FOR
WATER SERVICE TO
PARCELS WITH
MULTIPLE
DWELLING UNITS**

Mr. Hamilton referred to draft language in the Board packet highlighting a proposed change in the Rules and Regulations that would establish a requirement that individual meters be required for each residential dwelling unit on parcels with multiple residential dwellings. He noted that this was not an action item this evening but would be presented for consideration and possible action at the Board meeting on February 28, 2007.

**REVISION TO
FIRELINE CAPITAL
COST RECOVERY
FEE**

Mr. Hamilton briefly summarized the proposed methodology change in calculating the District Fireline Capital Cost Recovery fee. He noted that it provided an equitably calculated buy-in amount by a new customer that would be augmented by accumulated Fireline monthly service charges, analogous to the way the regular Capital Cost Recovery fees are calculated and increased over time. The proposed change will be on the agenda of a future Board meeting for consideration and action.

**PROPOSAL TO
ELIMINATE THE
BASIC CHARGE
COMPONENT FROM
THE METER
EQUIVALENCY
CHARGE**

Mr. Hamilton briefly summarized the proposed change in the methodology to calculate the meter equivalency charge (MEQ) that applies to master meter accounts. He noted that the Basic charge component would be eliminated from the MEQ. The Basic charge now collects revenue for capital expenditures, and to continue to collect it in the MEQ would be duplicative for master meter accounts. The resulting change will reduce the overall charge for master meter accounts and slightly increase the charge for single metered dwelling units.

Two members of the public, Karl Jakel, President of the Sandpiper III Homeowners Association, and Charles Webber, one of the property owners there, addressed the Board about their objections to the MEQ charge. They were not originally identified among the properties required to be charged in 2005 - 2006 due to an oversight by the District. They objected to the size of the increase they received and the basis for the charge, suggesting that there was no logic to charging for meters that were not in place. Director Roberts responded that the charge is not about meters but about the allocation of water reliability costs (State Water) equitably to all dwelling units of the District, regardless of whether or not they have separate meters or even use

any water.

**PROPOSAL FROM
KENNEDY/JENKS
CONSULTANTS TO
PREPARE THE 2005
URBAN WATER
MANAGEMENT
PLAN**

Mr. Hamilton discussed briefly the reasons for bringing this item to the Board at this time, and the selection of Kennedy/Jenks Consultants as the service provider. Following discussion, Director Roberts moved and Director Van Wingerden seconded the motion to approve the Manager's recommendation to engage the services of Kennedy/Jenks Consultants to prepare the District's 2005 Urban Water Management Plan as set forth in their proposal dated February 14, 2007, for a cost not to exceed \$22,500. The motion carried by a 5 – 0 vote.

RECESS

President Lemere declared a five minute recess at 8:57 p.m.

**GENERAL
MANAGER'S
REPORTS**

GENERAL

**DEPARTMENT OF
HEALTH SERVICES
2006 ANNUAL
REPORT**

Reconvening the Board at 9:04 pm President Lemere called on Mr. Hamilton to report on the next item. Mr. Hamilton noted that the Department of Health Services annual report form included with the Board packet was an information item and that Mr. Castro would be completing the form for submission by March 31, 2007.

**DISTRIBUTION
REHABILITATION
TRAINING**

Mr. Hamilton reported that he would be attending a two day training program on Distribution Rehabilitation sponsored by the American Water Works Association on March 15 and 16, 2007, held in San Francisco.

**EMERGENCY
PREPAREDNESS**

Mr. Hamilton reported that discussions were underway between the City of Carpinteria and the Carpinteria-Summerland Fire Protection District to schedule and plan at least a table top emergency exercise for Carpinteria Valley agencies.

**CAPITAL
IMPROVEMENT
PROGRAM**

**STORAGE TANK-
STATUS REPORT**

District Engineer Bob McDonald provided a summary of recent activity and progress with the Storage Tank Project on Rancho Monte Alegre. Director Lemere suggested that there may be an opportunity for the students of the Agricultural Department of Carpinteria High School to get involved in oak tree mitigation plantings on Rancho Monte Alegre. Director Van Wingerden offered the names of contacts at the high school and Mr. Hamilton indicated he would discuss the matter with representatives of Rancho Monte Alegre the next day.

**ORTEGA
RESERVOIR-
REPORT OF ORTEGA
COMMITTEE**

Directors Lieberknecht and Roberts provided a brief report about the status of the Ortega Reservoir Cover Project. Mr. Hamilton noted that Cushman, the contractor hired to assemble the roof, is scheduled to re-mobilize on site by on March 5, 2007.

**DIRECTORS
REPORTS**

**CENTRAL COAST
WATER AUTHORITY**

Director Lemere gave an oral report about the January 25, 2007 Central Coast Water Authority Board meeting.

NEXT MEETING

President Lemere announced that the next scheduled Board meeting will be a regular meeting held on February 28, 2007, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 9:30 p.m.

A handwritten signature in blue ink that reads "Charles B. Hamilton". The signature is written in a cursive style and is positioned above a horizontal line.

Charles B. Hamilton, General Manager/Secretary