

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

March 15, 2006

Vice President Van Wingerden called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:08 p.m. Wednesday March 15, 2006.

Directors Present: Roberts, Van Wingerden, Drain, Lieberknecht
Directors Absent: Lemere
Others Present: Charles Hamilton
Norma Rosales
Bob McDonald
Suzie Lara
Omar Castro
Chip Wullbrandt

MINUTES

Following discussion, Director Roberts moved and Director Van Wingerden seconded the motion to approve the minutes of the regular Board meeting held on February 22, 2006. The motion carried by a 2 – 0 vote. Director Lieberknecht abstained. Directors Drain and Lemere were absent.

**DIRECTOR DRAIN
ARRIVES**

Director Drain arrived at 4:10 pm.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

NEW BUSINESS

**OPTION
AGREEMENT FOR
SALE OF STATE
WATER PROJECT
(SWP) ALLOTMENT**

General Manager Charles Hamilton reported on the status of the Initial Study/Negative Declaration for the proposed sale of State Water Project Allotment. He noted a letter had been received from Jon Picciuolo of Lompoc who commented on the public notice about the Negative Declaration, but not the Negative Declaration itself. In the letter he suggests that the location of the project as the Carpinteria Valley Water District service area is incorrect and that a Negative Declaration is inappropriate. Mr. Hamilton noted that he has encountered a common misperception that the Option Agreement enables the buyer, Plains Exploration & Production Company (PXP) to go forward with a project called Purisima Hills, when in fact this could only happen after a full Environmental Impact Report and a governmental process involving the Lompoc / Mission Hills / Vandenberg Village area. The District's proposed action or project is a stand alone agreement between the District and PXP. The comment period on the Negative Declaration ends at 5 pm on March 22, 2006.

Mr. Hamilton then presented the proposed Processing Agreement between

the Central Coast Water Authority and the Carpinteria Valley Water District. He noted that its purpose is to ensure that the Authority is reimbursed for expenses that should be borne by the District for such a matter and that the Authority not assume liabilities and is indemnified and held harmless relative to the proposed transfer. Director Drain questioned the rationale for expense reimbursements as the District is a member of the Central Coast Water Authority. Mr. Hamilton responded that expenses will mostly be for legal services but also certain staff contributions that are not part of general policy matters of benefit to all members. He noted that a similar arrangement had been established between the Authority and Santa Ynez ID#1 relative to a transfer involving Solvang. Mr. Hamilton also indicated that verbal assurances had been made by PXP representatives that such District costs on behalf of the PXP Transfer proposal would be reimbursed to the District by PXP. Director Roberts moved and Director Drain seconded the motion to approve and authorize Vice President Van Wingerden to execute the Processing Agreement between the Central Coast Water Authority and the District. The motion carried by a 3-1 vote, with Director Lieberknecht voting no.

**DIRECTOR ROBERTS
LEAVES MEETING**

Director Roberts left the meeting at 4:20 pm.

**REPORT OF RATE
AND BUDGET
COMMITTEE
MEETING HELD ON
MARCH 8, 2006**

Mr. Hamilton noted the enclosure in the Board packet, items that were reviewed by the Rate and Budget Committee on March 8, 2006. He then distributed copies of an ad to be placed in the March 23 edition of the Coastal View News announcing the Board meeting about the Budget on March 29 at City Hall at 7 pm. He noted that staff would be preparing both a preliminary draft of the budget ad well as a Rate and Budget Committee version for discussion by the Board and comments from the public. Following discussion the Board Vice President will direct staff to complete a Proposed Budget along with Proposed Water Rates for review at the Board's April 19 Board meeting. Mr. Hamilton noted that an opportunity exists now to re-finance the District Certificates of Participation and that this information would be reviewed and evaluated by the Rate and Budget Committee

**CUSTOMER
REQUEST FOR
CREDIT FOR
UNAVOIDABLE LOSS
OF WATER**

Following a presentation by Business Manager Norma Rosales, Director Lieberknecht moved and Director Drain seconded the motion to approve the application of the District policy to allow a credit on a high water bill for an unavoidable water loss for the customer in question (account no. 14-60195). The motion carried unanimously, with Directors Lemere and Roberts absent.

**GENERAL
MANAGER'S
REPORTS**

**OPERATIONS-
SHEPARD MESA
LOSS OF WATER ON
MARCH 6, 2006**

Operations & Maintenance Manager Omar Castor distributed a detailed report about the events that occurred beginning Sunday March 5 through March 6, 2006 that resulted in loss of water and water pressure for many customers in the Shepard Mesa area. Mr. Hamilton commended all of the employees for their extra work and dedication that day to help restore water

service by the end of the day.

**CATER TREATMENT
PLANT QUARTERLY
MEETING**

Mr. Hamilton reported that he has requested that Mr. Castro begin attending some of the quarterly Cater meetings. Mr. Castro then gave a brief report about the news from the meeting that another \$220,000 would be necessary in addition to the \$600,000 already identified to complete the pilot plant studies of advanced treatments using combinations of granular activated carbon, ozone and chlorine dioxide.

**WATER ISSUES
STUDY GROUP
MEETING**

Mr. Hamilton reported that the Water Issues Study Group meeting on March 14 was about capital improvements, and that most of the presenting was done by Dr. Alex Keuper and Bob Mc Donald. A final meeting will be held on April 11.

**ETHICS TRAINING
WORKSHOP**

Mr. Hamilton reported that Directors Drain and Roberts and himself would be attending the Ethics Training workshop provided by the City of Carpinteria on Monday, March 20 at 5:30 pm.

**U.S. TITLE
TRANSFER OF
DISTRIBUTION
SYSTEM**

Mr. Hamilton reported that he had been informed that actual title transfer of the distribution system is expected within a few weeks, after the documentation goes to the U.S. Solicitor General on March 23 for signature.

**CAPITAL
IMPROVEMENT
PROGRAM**

**STORAGE TANK -
PUBLIC MEETING
REGARDING TRUCK
TRIPS**

Mr. Hamilton reported that no one from the public attended the meeting held on March 7 about the need for up to 35 truck trips to complete the pouring of half of the Storage Tank floor. Eric Pearson from County Public Works did attend and requested additional signage.

**CARPINTERIA
RESERVOIR-
LANDSCAPING
STATUS REPORT**

This item will be covered at the next Board meeting on March 22, 2006.

**ORTEGA
RESERVOIR
COMMITTEE
MEETING REPORT**

District Engineer Mc Donald commented briefly on the timing issue of the re-filling of the Ortega Reservoir as late as June. Installation of roof trusses and panels is scheduled to begin at the end of the summer.

**HEADQUARTERS
WELL**

Mr. Mc Donald reported that the pipeline connecting the Headquarters Well with the Storage Tank is now complete across Santa Monica Creek.

**DIRECTORS
REPORTS**

**CACHUMA
CONSERVATION
RELEASE**

Director Lieberknecht gave an oral report on the Cachuma Conservation Release Board/Cachuma Operation and Maintenance Board meetings held on February 22 and 27, and March 9, 2006.

**BOARD/CACHUMA
OPERATION AND
MAINTENANCE
BOARD**

**SPECIAL DISTRICT
ASSOCIATION
MEETING**

Director Van Wingerden gave an oral report on the Special District Association meeting held on February 27, 2006 in Solvang and a dangerous encounter with a boulder on the San Marcos pass on the way home. Mr. Hamilton distributed copies of the LAFCO memo about the election of Montecito Director Larry Wilson to replace Tim Campbell as one of two special district representatives on LAFCO.

NEXT MEETING

The next scheduled Board meeting will be a regular Board meeting held on March 22, 2006, at 4:00 pm in the Board meeting room at 1301 Santa Ynez Avenue,

ADJOURNMENT

Vice President Van Wingerden declared the meeting adjourned at 5:20 p.m.

Charles B. Hamilton, General Manager/Secretary