

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

March 22, 2006

Vice President Van Wingerden called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:00 p.m. Wednesday March 22, 2006 and led the Board in the recital of the Pledge of Allegiance.

Directors Present: Van Wingerden, Lieberknecht, Drain, Roberts

Directors Absent: Lemere

Others Present: Charles Hamilton
Bob McDonald
Norma Rosales
Omar Castro
Chip Wullbrandt
Steve Tanner
Darryl Clark

MINUTES

Following discussion, Director Drain moved and Director Lieberknecht seconded the motion to approve the minutes of the Board meeting held on March 15, 2006 as corrected for minor typographical errors. The motion carried by a 4-0 vote. President Lemere was absent.

PUBLIC FORUM

No member of the public wished to speak to any item not on the agenda. Mr. Darryl Clark of the International Union of Operating Engineers commented that he was in attendance to listen.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

**REPORT OF RATE
AND BUDGET
COMMITTEE
MEETING**

General Manager Hamilton provided a brief overview of the discussion of several items discussed at the Rate and Budget Committee meeting held on March 22, 2006 at noon. He noted that refinancing of the Central Coast Water Authority bonds would likely occur this year and result in lowering of the District's overall debt service costs by \$325,000 over the life of the Series 2006A reissue of the bonds. He also reported that a possible refinancing of the District Certificates of Participation (COPs) would net a present value savings of about \$585,000. The COP refinancing has the potential to greatly influence the District's proposed budget in the way the savings is used. The Board may want to use this opportunity to borrow additional funds for needed well rehabilitation. He also noted that the Board would be receiving a proposed change in the Rules and Regulations to reflect a mutual aid agreement between the Sanitary District and Carpinteria Valley Water District for action at an April Board meeting. Mr. Hamilton noted that this year's Budget process is designed to promote increased public participation and that Budget information presented on Wednesday at City Hall is preliminary as opposed to proposed, and that a follow up meeting at

City Hall in April to present the proposed Budget would be likely. Final adoption of the Budget and associated water rate increases is scheduled for May 24.

**AWARD OF BID FOR
PAVING OF BICYCLE
PATH ALONG SANTA
MONICA CREEK**

District Engineer Bob McDonald presented the results of the bid process for the re-paving of the bicycle path along Santa Monica Creek associated with the District Headquarters Well Lateral Project. He noted that this money is to be funded with State Revolving Loan funds and is facing a June deadline for completion. Director Roberts suggested that possible cost reductions to the bid submitted by Berry Construction of \$72,741 should be explored with the City of Carpinteria relative to the use of some other bike path material such as decomposed granite or making use of the City's latest contract for asphalt. The item was tabled pending further investigation for possible action at the next Board meeting on March 29, 2006.

**SERVICES OF PADRE
ASSOCIATES FOR
LYONS WELL
REHABILITATION
AND HIGH SCHOOL
WELL REPAIR**

District Engineer Mc Donald and consulting engineer Steve Tanner of Padre Associates presented information about the services solicited by the District and proposed by Padre Associates for needed Lyons well rehabilitation and High School well repairs. These are primarily technical services requiring specialized expertise to assist the District in determining the best course of action with regard to further steps related to possible major capital improvements. Lyons well is about 30 years old and still considered a good producer. It was constructed with galvanized steel materials. The High School well is about 15 years old, and experiencing sanding believed in part to be caused by corrosion of its carbon steel casing. Following lengthy discussion Director Lieberknecht moved and Director Roberts seconded the motion to approve the Manager's recommendation to engage the services of Padre Associates for Lyons well rehabilitation at a cost not to exceed \$24,000 and High School well repair at a cost not to exceed \$9,900. The motion carried by a 4-0 vote.

**OPTION PURCHASE
AGREEMENT WITH
PLAINS
EXPLORATION &
PRODUCTION**

Mr. Hamilton reported that District Counsel Chip Wullbrandt of Price Postel and Parma, and Business Manager Norma Rosales and he, with assistance from consulting engineer Jim Stubchaer, are continuing to vigorously negotiate the proposed State Water Transfer Option Agreement with Plains Exploration & Production (PXP) Company.

**REPORT OF
PERSONNEL
COMMITTEE
MEETING HELD ON
MARCH 22, 2006**

Mr. Hamilton reported briefly on the meeting of the Personnel Committee (Directors Drain and Van Wingerden) held on March 22, 2006 at 11 am. He noted that the Committee meeting was attended by employee Brian King substituting for Greg Stanford who was ill. He reported that they discussed the process unfolding whereby the District's non-exempt employees have requested representation by the International Union of Operating Engineers, AFL-CIO, Local 12. The Committee directed Mr. Hamilton to hold a meeting with all employees to let them know that the Committee had always recommended a choice for Board action: either a 5% cost of living increase for non-exempt employees with an employee contribution of 2% of the 7% now paid in full by the District, or a 3% cost of living increase, along with the other items suggested by the Committee including an increase in the matching District contribution for deferred compensation of 0.5%. The Personnel Committee also suggested that more employees be included in the

process, one from each of the Business, Engineering and Operations and Maintenance departments.

Mr. Hamilton reported that he held such a meeting with all employees following the Committee meeting. They were requested to report back at the Personnel Committee meeting scheduled for Wednesday March 29, 2006 at noon whether, if understanding that the Committee was no longer recommending a 2% employee contribution to the 7% employee contribution paid by the District, and proposing expanded employee participation in the Committee process, they still wished to pursue representation by the International Union of Operating Engineers, Local 12.

GENERAL MANAGER'S REPORTS

FINANCE

Business Manager Norma Rosales presented the Financial report for the month of February, 2006.

WATER SUPPLY

General Manager Hamilton presented the monthly Water Supply report for the month of February, 2006.

ENGINEERING

District Engineer Bob Mc Donald presented the Project Status Report for the month of March, 2006

OPERATIONS AND MAINTENANCE

District Manager of Operations and Maintenance Omar Castro presented the Operations and Maintenance Report for the month of March, 2006. He reported that work at the Shepard Mesa Tank has been completed. He also distributed several pictures of landscaping work underway at the Carpinteria Reservoir.

RECOGNITION OF DISTRICT AND NORMA ROSALES FOR PARTICIPATION IN THE CHILDREN'S SERVICES AUXILIARY 2005 HOLIDAY PROGRAM

Mr. Hamilton passed around a certificate signed by the Board of Supervisors of Ventura County acknowledging and thanking the District for its support and participation of the Holiday Programs of the Children's Services Auxiliary. This was the result of an initiative by Business Manager Norma Rosales to collect gifts during the 2005 Holiday season at the District for abused, neglected and needy court-dependent children throughout Ventura County. About 10,500 children received gifts. Mrs. Rosales was thanked and commended for her exemplary efforts by the Board and the Manager.

WATER ISSUES STUDY GROUP MEETING ON APRIL 11, 2006

Mr. Hamilton reported that the next Water Issues Study Group meeting on April 11, in addition to providing for acknowledgment of the participants for completion, would allow for discussion and feedback from the members as to the value of the Group and whether or not to offer it again next year.

CAPITAL IMPROVEMENT PROGRAM

Mr. Hamilton had no new information to present under the heading of the Capital Improvement Program.

DIRECTORS REPORTS

**CACHUMA
CONSERVATION
RELEASE BOARD
MEETING**

Director Van Wingerden gave an oral report about the Special Tour Meeting of the Cachuma Conservation Release Board held on March 16, 2006 at Lake Cachuma. It included a tour of Steelhead fish habitat improvement projects in the Hilton, Quiota and Salsipuedes Creeks.

**ETHICS TRAINING
WORKSHOP (AB1234)**

Directors Drain and Roberts reported briefly on the program of Ethics Training provided by the City of Carpinteria on March 20, 2006. Participants from the District also included General Manager Hamilton, Business Manager Rosales and Administrative Assistant Lara.

**NEXT BOARD
MEETING**

The next scheduled Board meeting will be a regular meeting held on March 22, 2006, at 7:00 p.m. at Carpinteria City Hall, 5775 Carpinteria Avenue.

ADJOURNMENT

Vice President Van Wingerden declared the meeting adjourned at 6:10 p.m.

Charles B. Hamilton, General Manager/Secretary