

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

April 19, 2006

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 7:00 p.m. Wednesday April 19, 2006.

Directors Present: Lemere, Roberts, Van Wingerden, Drain, Lieberknecht
Directors Absent: none
Others Present: Charles Hamilton
Bob McDonald
Suzie Lara
Chip Wullbrandt
Alex Keuper
Dick Poedtke

MINUTES

Following discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the minutes of the regular Board meeting held on March 29, 2006 with a few minor corrections. The motion carried by a 4-0 vote. President Lemere abstained.

PUBLIC FORUM

Dick Poedtke addressed the Board with a few questions related to source of supply and the relationship of groundwater to water quality and earthquake issues.

OLD BUSINESS

There was no Old business.

NEW BUSINESS

**REPORT OF RATE &
BUDGET
COMMITTEE
MEETING HELD ON
APRIL 10, 2006**

**REFINANCING OF
DISTRICT
CERTIFICATES OF
PARTICIPATION**

General Manager Hamilton reported that the Rate and Budget Committee discussed the merits of refinancing the \$9 million Series 2000 Certificates of Participation (COPs) to obtain an estimated net present value savings of \$585,000 over the life of the COPs. Director Drain and Director Roberts reported that they agreed on a recommendation to the Board to increase the overall re-issue by another \$1 million to raise new funds for the District's well rehabilitation needs, in particular the El Carro Well. Mr. Hamilton noted that the estimated impact of the additional \$1 million debt on a typical residential bill would be about 17 cents/month. Director Van Wingerden noted that the additional \$1 million would still have to be paid back and extend the life of the debt obligation. Following discussion Director Roberts moved and Director Drain seconded the motion to authorize the Manager to proceed with the preparation of the COP re-financing for a not to exceed

amount of \$10,000,000. The motion carried unanimously.

**PROPOSED FISCAL
YEAR 2006-2007
BUDGET AND
WATER RATE
INCREASES**

Administrative Analyst Dr. Alex Keuper, stepping in for Business Manager Norma Rosales on maternity leave, presented an overview of the District's proposed fiscal year 2006-2007 Budget and water rate increases. Following his presentation of a comparison of other agency water rates, Director Roberts commented that in some cases other agencies receive tax revenues not reflected in the monthly water bills. Montecito Water District, for example collects an annual parcel tax. Projected monthly bill increases for residential customers based on ¾" meter service with usage of 15 units of water will be about 8.4% if there is no Option/Purchase agreement to sell District State Water Allotment to Plains Exploration and Production Company, and 5.5% if there is an executed agreement. President Lemere commended Dr. Keuper for his clear and concise presentation. Board action on the proposed Budget and water rate increases is scheduled to take place on May 24. Mr. Hamilton noted that some of the Budget and rate numbers will be firmed up and are anticipated to change slightly between this meeting and May 24.

**PROPOSED CHANGE
IN RULES AND
REGULATIONS –
SANITARY DISTRICT
MUTUAL AID**

Mr. Hamilton reported that the proposed change to the Rules and Regulations in the Board packet addresses the Rate And Budget Committee recommendation to eliminate the District's monthly service charge for use of a District temporary meter by the Sanitary District. This is based on the mutual aid status of the two Districts that includes Water District use of Sanitary District equipment and labor. President Lemere directed the Manager to determine the District's insurance coverage when Sanitary District personnel provide both the labor and equipment on District facilities. Action on this item is scheduled for the next regular Board meeting on April 26, 2006.

**RESOLUTION NO. 828
APPROVING AND
ADOPTING A
REVISED DEFERRED
COMPENSATION
PLAN**

Mr. Hamilton reported that the proposed revised Deferred Compensation Plan is necessary to permit employees to borrow money from their accounts. Director Lieberknecht inquired as to the guidelines for such loans. Administrative Assistant Lara responded that standard IRS guidelines must be followed. The District does not create its own guidelines. Following discussion, Director Van Wingerden moved and Director Roberts seconded a motion to approve Resolution No. 828 Approving and Adopting a Revised Deferred Compensation Plan.

Roll call on Resolution No. 828 resulted as follows:

Ayes: Lieberknecht Van Wingerden, Drain, Roberts and Lemere

Nays: None

Absent:: None

Abstain: None

The motion carried unanimously.

**REPORT OF
PERSONNEL
COMMITTEE**

**MEETING HELD ON
APRIL 5, 2006**

**RECOGNITION OF
INTERNATIONAL
UNION OF
OPERATING
ENGINEERS, LOCAL
12, AFL-CIO**

Mr. Hamilton noted the inclusion IN the Board packet of letters from both Price Postel and Parma attorney Melissa Fasset and California Department of Industrial Relations Mediator Draza Mrvichin concerning the confirmation of the majority designation of 14 (non-exempt) employees electing to be represented by the International Union of Operating Engineers, Local 12, AFL-CIO. Director Van Wingerden requested that costs associated with this new process be tracked.

**EMPLOYEE
RETIREMENT AND
POST RETIREMENT
HEALTH BENEFITS**

Director Van Wingerden reported that the Personnel Committee is looking into changes of calculating retirement benefits and post retirement health benefits for future new employees of the District. Mr. Hamilton reported that he had obtained information about these options yet to be presented to Personnel Committee.

**CLOSED SESSION
PUSUANT TO
GOVERNMENT
CODE SECTION
54956.9 (b)**

At 7:57 pm President Lemere convened the Board in Closed Session pursuant to Government Code Section 54956.9 (b) potential threatened litigation: Ted Sampson Jr. v Carpinteria Valley Water District: WCAB Case#SBA83409, SBA84247. At 8:06 pm President Lemere reconvened the Board in open session. Mr. Lemere then reported that during Closed Session Director Drain moved and Director Van Wingerden seconded the motion to give legal Counsel direction and that the motion was approved unanimously.

**GENERAL
MANAGERS REPORT**

GENERAL

**LIABILITY AND
PROPERTY RISK
ASSESMENT LETTER
FROM ACWA JOINT
POWERS
INSRURANCE
AUTHORITY**

Mr. Hamilton had nothing to add to this information item in the Board packet.

**AMERICAN WATER
WORKS JOURNAL
ARTICLE "EIGHT
REVOLUTIONS IN
THE HISTORY OF
U.S. DRINKING
WATER
DISINFECTION"**

Mr. Hamilton had nothing to add to this information item in the Board packet.

**LETTER FROM
MONTECITO WATER
DISTRICT DATED
MARCH 23, 2006**

Mr. Hamilton had nothing to add to this information item in the Board packet.

**REGARDING WATER
TREATMENT
SUPERINTENDENT
RECRUITMENT**

**LETTER TO U.S.
SECRETARY OF
ENERGY
REGARDING WATER
EFFICIENCY
STANDARDS FOR
RESIDENTIAL
CLOTHES WASHERS**

Mr. Hamilton had nothing to add to this information item in the Board packet.

**POSSIBLE USE OF
SHEPARD MESA
TANK AS
COMMERCIAL
WIRELESS SITE**

Mr. Hamilton reported that there is commercial interest in the use of the soon to be acquired Shepard Mesa storage tank site as a location for wireless antenna. Director Drain expressed interest the use of the site to obtain needed revenue. Following discussion, Mr. Hamilton was directed by President Lemere to further explore the possibilities of the use of the tank site for commercial wireless antenna service.

**WATER ISSUES
STUDY GROUP
MEETING OF APRIL
11, 2006**

Mr. Hamilton distributed copies of evaluations submitted by members of the Water Issues Study Group on April 11, 2006. He noted that he felt it was a worthwhile endeavor even though attendance was erratic. Should the District decide to do this again next year, it would require less effort due to the creation of program format and content this year.

**CAPITAL
IMPROVEMENT
PROGRAM**

**STORAGE TANK-
STATUS REPORT**

Mr. Hamilton reported that two problems remain unresolved: 1) Truck drivers who deviate from the permitted haul route to the Tank site by exiting southbound on Highway 101 onto Padaro Lane instead of Santa Claus Lane, and 2) unfinished work related to drainage associated with the District's access road and detention basin. He noted that he was waiting for a response from one of the residents on the latter problem. In response to an inquiry by Director Drain he responded that any Director could visit the site at any time by calling Construction Manager Wayne Haefele, District Engineer Bob McDonald or himself to arrange a visit. Hard hats and vests will be provided.

**CARPINTERIA
RESERVOIR-
LANDSCAPING
STATUS REPORT**

Mr. Hamilton reported the landscaping is now complete at the Carpinteria Reservoir and that the Coast Live Oaks had been successfully transplanted.

**ORTEGA
RESERVOIR-
REPORT OF JOINT
MWD/CVWD
ORTEGA**

District Engineer Bob McDonald reported that the main topic of discussion at the Ortega Reservoir meeting was about recent rains having significantly impacted construction progress. Director Van Wingerden commented that after viewing the site she was impressed with the magnitude of the construction project. Mr. Hamilton noted that the next Ortega Reservoir

**RESERVOIR
COMMITTEE
MEETING**

Committee meeting is scheduled for May 2 at the District and the matter of delays and potential impact to District customers will be revisited.

**HEADQUARTERS
WELL AND
FILTRATION PLANT**

Mr' Hamilton had nothing new to report on this item.

**DIRECTORS
REPORTS**

**CENTRAL COAST
WATER AUTHORITY**

Director Van Wingerden gave an oral report on the Central Coast Water Authority Board meeting held on March 23, 2006.

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

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

NEXT MEETING

The next scheduled Board meeting will be a Regular meeting held on April 26, 2006, at 4:00 p.m. in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 8:30 p.m.

Charles B. Hamilton, General Manager/Secretary