

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

July 26, 2006

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 3:35 p.m. Wednesday July 26, 2006.

Directors Present: Lemere, Roberts, Lieberknecht, Van Wingerden, Drain
Directors Absent: None
Others Present: Charles Hamilton
Bob McDonald
Omar Castro
Suzie Lara
Chip Wullbrandt
Jim Stubchaer
Kate Rees
Larry Nimmer
Katherine Stone
Bob Henry
Cathy Henry
Eric Magee
Micah Somarriba

**STORAGE TANK
PRESENTATION BY
DYK**

General Manager Hamilton introduced representatives Eric Magee and Micah Somarriba from DYK, Inc, the contractor building the Storage tank on Rancho Monte Alegre. They presented a detailed overview of the construction in progress and discussed in detail the seismic safety features of the Tank.

**DIRECTOR ROBERTS
ARRIVES**

Director Roberts arrived at 3:55 pm.

**CLOSED SESSION
PURSUANT TO
GOVERNMENT
CODE 54956.9(B)**

President Lemere convened the Board in closed session at 4:10 pm pursuant to Government Code Section 54956.9 (b) Conference with Legal Counsel - Anticipated Litigation. President Lemere reconvened the Board in open session at 4:30 p.m. President Lemere then reported that no action was taken, but Counsel Stone was given direction relative to the drainage issue associated with the Storage Tank Project.

**STORAGE TANK
CONSTRUCTION
VIDEO**

Mr. Hamilton reported that he had received a preview of the Storage Tank construction video prepared by Nimmer Pictures. He suggested the Board consider expanding the video to include the other 3 projects of the District's Capital Improvement Program, namely the Ortega Reservoir and Carpinteria Reservoir cover projects as well as the Headquarters well and filtration plant project, for a total video cost not to exceed \$10,000. Following questions posed to Larry Nimmer and discussion, Director Drain moved and Director Roberts seconded the motion to create a video that included all four of the District's Capital Improvement Program projects at an amount not to exceed

\$10,000. The motion carried by a 5-0 vote.

MINUTES

Following discussion, director Van Wingerden moved and Director Drain seconded the motion to approve the Board minutes of the June 7, 2006 Board meeting with corrections and minor typographical errors noted by Director Van Wingerden. The motion carried by a 4-0 vote. Director Roberts abstained.

MINUTES

Following discussion, director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the Board minutes of the June 28 Board meeting, with the addition of Counsel Wullbrandt listed as in attendance. The motion carried by a 4-0 vote. Director Drain abstained.

MONTHLY BILLS

Following a brief overview presented by Administrative Assistant Suzie Lara, and discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve the monthly bills for the period of June 28, 2006 through July 26, 2006. The motion carried by a 5 – 0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

MEMORANDUM OF UNDERSTANDING TO DEVELOP AN INTEGRATED REGIONAL WATER MANAGEMENT PLAN

Mr. Hamilton commented briefly on his reasons for a recommendation that the Board take a favorable action on the proposed Memorandum of Understanding for the development of an Integrated Regional Water Management Plan. He noted that the amount of money to invest at this point, \$2,667 if the Sanitary District and the City of Carpinteria also participate, was minimal and that it was deemed necessary to ensure the District's eligibility to obtain Proposition 50 funds and future funding from the State. He also noted that should the District not receive funds, it would be beneficial to be part of the Plan if it enabled other local agencies to obtain needed grant or loan monies. He indicated that he had met with Craig Murray of the Sanitary District and Dale Lipp of the City of Carpinteria, who were of the same general opinion as to the merits of participation in spite of their low expectations of actually applying for Prop 50 grant funds. The Sanitary District is scheduled to consider the matter on August 1 and the City on August 14. Mr. Hamilton then deferred to Kate Rees of the Cachuma Operation and Maintenance Board to provide more insight into the evolution of the MOU, and how the process is expected to go forward. Both she and Counsel Wullbrandt provided information about the Plan's evolution and value. Director Drain expressed misgivings about the creation of yet another bureaucracy within the County that was not what he had in mind when he voted for Prop 50. Director Van Wingerden discussed her misgivings relative to new potential burdensome cost impacts on agriculture. Director Lemere questioned the wisdom of the proposed Steering Committee decision making process placing future District funding applications in the hands of a committee of others. Ms Rees responded that every participating agency will be entitled to be a member of the Steering Committee. Following discussion, Director Lieberknecht moved and Director Roberts seconded the motion to execute a Memorandum of Understanding to Develop an Integrated Regional Water Management Plan. The motion carried by a 3-2 vote. Director Van

Wingerden and Director Drain voted no.

NEW BUSINESS

GENERAL MANAGER'S REPORTS

FINANCIAL - MONTHLY STATEMENTS

Mr. Hamilton presented the monthly financial statements for the period ending June 28, 2006. He noted that that projected water sales were in excess of 400 acre feet less than budgeted. This is due mostly to the weather pattern of the last 6 months, but there is also a question relative to system water loss under investigation. He also noted that preliminary fiscal year end numbers show that District overall revenues are very close to the Budget, and exceeded expenses. Certificates of Participation (COP) interest revenue was much greater than budgeted due to slower project cash flow spending and the COP refunding.

SANTA BARBARA COUNTY INDEPENDENT SPECIAL DISTRICTS COMPLIANCE REPORT

Mr. Hamilton noted the inclusion of the Santa Barbara County Independent Special District Compliance Report in the Board agenda packet. He noted that representations and facts and figures about the District are very favorable.

INVENTORY- STATUS REPORT

Mr. Hamilton reported this year's inventory was the best ever in terms of correct and complete documentation, attributable to the collective efforts and hard work of employees Omar Castro, Tootie Maier and Norma Rosales.

WATER SUPPLY

District Engineer Bob McDonald reported that the District supplies are in good shape for the foreseeable future.

ENGINEERING- PROJECT STATUS REPORT

District Engineer Bob McDonald presented the Engineering – Project Status Report for the month of June, 2006

OPERATIONS AND MAINTENANCE

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

GENERAL

NOTICE OF ELECTION

Mr. Hamilton noted that the Notice of Election in the Board packet is posted at the District.

LETTER TO EDITOR, COASTAL VIEW NEWS, JULY 20, 2006, FROM JOHN J. GILMOUR

Mr. Hamilton distributed copies of John J. Gilmore's letter to the editor of the Coastal View News, with the title "All Three Inch Meters Are Not Billed Equally," published on July 20, 2006, and a draft response prepared by staff. Following discussion about the very detailed but thorough draft response, President Lemere directed staff to edit the response to be less wordy and with Board concurrence prepare it for publication as letter to the editor sent out under his name.

**UNION
NEGOTIATION
STATUS**

Mr. Hamilton reported that the first negotiation session with representatives of Local 12 of International Union of Operating Engineers is scheduled for August 23, 2006.

**CAPITAL
IMPROVEMENT
PROGRAM**

**STORAGE TANK-
STATUS REPORT**

Mr. Hamilton reported that the final concrete pour of the Tank Project was successfully completed earlier in the day, and he had received no complaints about truck traffic. He noted that the steel wire wrapping is scheduled for the middle of August and would be good time for a site visit. He also comment that discussions are on-going relative to acquisition for fill dirt and the need for some sort of terracing for the slope on the south face fo the tank to address both visual and drainage impacts.

**ORTEGA
RESERVOIR**

Director Roberts reported on the discussions occurring at the Ortega Reservoir Committee meeting he attended about schedule interface between Cushman Construction and Conservatek relative to the staging for the roof materials.

**DIRECTORS
REPORTS**

**CACHUMA
CONSERVATION
RELEASE BOARD
AND CACHUMA
OPERATION AND
MAINTENANCE
BOARD MEETINGS
JULY 17, AND 24, 2006**

Director Lieberknecht gave an oral report about the July 17 and 24, 2006 Cachuma Conservation Release Board and Cachuma Operation and Maintenance Board meetings.

NEXT MEETING

The next scheduled Board meeting will be a Regular Board meeting held on August 23, 2006, at 4:00 pm in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:25 p.m.

Charles B. Hamilton, General Manager/Secretary