

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

August 23, 2006

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:03 p.m. Wednesday August 23, 2006.

Directors Present: Lemere, Roberts, Lieberknecht, Van Wingerden, Drain
Directors Absent: None
Others Present: Charles Hamilton
Bob McDonald
Omar Castro
Norma Rosales
Suzie Lara
Chip Wullbrandt
Sam Frye

MINUTES

Following discussion, Director Roberts moved and Director Van Wingerden seconded the motion to approve the Board minutes of the July 26, 2006 Board meeting. The motion carried by a 5-0 vote.

MONTHLY BILLS

Following a brief overview presented by Business Manager Norma Rosales, and discussion, Director Lieberknecht moved and Director Drain seconded the motion to approve the monthly bills for the period of July 27, 2006 through August 23, 2006. The motion carried by a 5 – 0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

There was no "Old Business".

NEW BUSINESS

**RECOMMENDATION
TO APPLY A
CUSTOMER CREDIT
FOR WATER LOSS**

Following discussion, Director Drain moved and Director Roberts seconded the motion to apply a credit in the amount of \$145.03 to customer account no. 18-0301-6 in accordance with Board policy for large water loss caused by an unforeseeable leak in a customer water line. The motion carried by a 5-0 vote.

**ACWA/JPIA
PROPERTY
INSURANCE
APPRAISAL**

General Manager Hamilton referred to the property insurance appraisal enclosed in the Board agenda packet and noted that the matter was handled thoroughly by Omar Castro in his and Norma Rosales' absences. The appraisal would result in a refund for the overall decrease in values attributable to the reduction in coverage for the Carpinteria Reservoir. President Lemere asked questions about the process and reason for the appraisal and questioned the accuracy of appraisal estimates for accounts receivable, catastrophic coverage of District vehicles garaged on District premises, and District Office Building and attached Board meeting room. Business Manager Rosales responded that she would follow-up with the

JPIA on these questions.

**CLOSED SESSION:
CONFERENCE WITH
LABOR
NEGOTIATOR
PURSUANT TO
GOVERNMENT
CODE SECTION
54957.6. DISTRICT
NEGOTIATOR:
JEFFERY A. DINKIN ;
EMPLOYEE
ORGANIZATION;
INTERNATIONAL
UNION OF
OPERATING
ENGINEERS, LOCAL
12**

At 4:15 pm President Lemere announced and the Board convened in Closed Session for a conference with Labor Negotiator Jeff Dinkin pursuant to Government Code Section 54957.6, relevant to negotiations with the International Union of Operating Engineers. President Lemere reconvened the Board in Open Session at 4:40 pm and reported that Labor negotiator Jeff Dinkin had been provided with direction from the Board but that no action was taken.

**REQUEST FROM
WATER EDUCATION
FOUNDATION FOR
CONTRIBUTION FOR
CALENDAR YEAR
2006**

Mr. Hamilton reported that he had been contracted by the Water Education Foundation a second time for an annual contribution. He noted that the Foundation provides excellent water facility tours throughout the State. Following discussion Director Lieberknecht moved and Director Drain seconded the motion to make a contribution not to exceed \$550 for calendar year 2006. The motion carried by a 3-2 vote. Directors Van Wingerden and Drain voted no.

**GENERAL
MANAGER'S
REPORTS**

**FINANCIAL -
MONTHLY
STATEMENTS**

Business Manager Norma Rosales presented the monthly financial statements for the period ending July 31, 2006.

WATER SUPPLY

District Engineer Bob McDonald presented the monthly Water Supply report for July 2006.

PROJECT STATUS

Mr. Mc Donald presented the Project Status report for August 2006. Director Drain suggested that a follow-up story in the District newsletter about maintenance of waterless urinals would be helpful. Mr. Hamilton also distributed copies of a letter signed by Omar Castro delivered to residents in the vicinity of the Lyons Well on Casitas Pass road notifying them about the repair work to be done at the Well.

**OPERATIONS AND
MAINTENANCE**

Mr. Castro presented the Operations and Maintenance report for the month of August, 2006. He provided additional information about the work to be performed by Bakersfield Well and Pump at Lyons Well. Mr. Hamilton noted that he was forming a staff working group to evaluate the status and consider options for the District's wells and optimal groundwater

production.

**DIRECTOR ROBERTS
LEANES MEETING**

Director Roberts left the Board meeting at 5:10 p.m.

**CCWA BOND
REFINANCING**

Mr. Hamilton reported that the Central Coast Water Authority was refinancing its bonds and achieving its minimum goal of a net present value savings of 3% for its member agencies, including Carpinteria Valley Water District. A copy of the Carpinteria Valley Water District Appendix J to appear in the Official Statement was included in the Board packet.

**2006 ELECTION
FILING RESULTS**

Mr. Hamilton reported that this year's election would be uncontested, as only incumbents Drain, Roberts and Lemere filed election papers.

**BOARD MEETING
SCHEDULE
THROUGH
DECEMBER 2006**

Mr. Hamilton suggested that regular meetings could be limited to one per month through the month of December, with the exception that a special meeting might be necessary to consider the union negotiation. The Board considered and agreed to regular meetings on September 27, October 25, November 15, and December 20, 2006.

**OPERATOR
CERTIFICATION
STAKEHOLDERS
COMMITTEE**

Mr. Hamilton referred to the letter in the Board packet from the Department of Health Services acknowledging O&M Manager Omar Castro's selection for and membership on the Operator Certification Stakeholders Committee. He noted Mr. Castro's leadership in this area and that it reflected well on the District to have such a capable person on the District's management team.

**CENTRAL COAST
WATER AUTHORITY
OPERATING
COMMITTEE**

Mr. Hamilton reported on Dwayne Chisam's departure as the representative from Santa Maria on the CCWA Operations Committee and his replacement by Rick Sweet. Mr. Hamilton reported that he would be continuing for another year as the elected Chairman of the Committee. He also noted the renewed interest by members of the Committee in Santa Barbara County's Suspended Water as well as San Luis Obispo's Option/Transfer Offer.

**COMB SOUTH
COAST CONDUIT
"SECOND BARREL"
EIR CONSULTANT
SELECTION
COMMITTEE**

Mr. Hamilton reported that he was chosen to be on the selection committee for the consultant to prepare the environmental documentation for the South Coast Conduit/Goleta Reach pipeline project, along with Bob Roebuck of Montecito Water District. They will be meeting with Brett Gray of the Cachuma Operation and Maintenance Board.

**PRICE POSTEL &
PARMA
REPRESENTATION
OF LA CUMBRE
MUTUAL WATER
COMPANY**

Counsel Chip Wullbrandt reported to the Board that his firm, Price Postel & Parma, has recently been retained to provide legal services to La Cumbre Mutual Water Company, and that he sees no actual or potential conflict of interest in his representation of both the District and La Cumbre. Should one or the appearance of one arise he would immediately bring it to the Board's attention.

PROPOSITION 218

Mr. Hamilton reported that the Supreme Court decision in the Bighorn-Desert View Water Agency case included the determination that water rates and charges are property related. This eliminates the main basis for an argument against the application of Proposition 218 to the water agency rates

and charges. He stated that he would now prepare to follow the Proposition 218 protest hearing process for the District's next Rates and Budget process in 2007.

**CAPITAL
IMPROVEMENT
PROGRAM**

**STORAGE TANK-
STATUS REPORT**

Mr. Hamilton reported that DYK's steel wire wrapping machine is now scheduled for arrival at the Tank site on or about September 5, and that the wrapping process is expected to begin no later than September 11. He also noted that staff work, including numerous hours logged in by District Engineer Bob McDonald, continued on the drainage issue associated with the District detention basin and related facilities and appears to be progressing toward resolution.

**ORTEGA
RESERVOIR**

Mr. Hamilton had nothing to report at this time. The next Ortega Committee meeting will be held on September 12, 2006 at Montecito =Water District.

**DIRECTORS
REPORTS**

**CACHUMA
CONSERVATION
RELEASE BOARD
AND CACHUMA
OPERATION AND
MAINTENANCE
BOARD MEETINGS
OF AUGUST 2, 2006**

Director Lieberknecht gave an oral report about the August 2, 2006 Cachuma Conservation Release Board and Cachuma Operation and Maintenance Board meetings.

**APPLIANCE
FACTORY REQUEST
FOR REDUCTION IN
SERVICE
INSTALLATION BILL**

Mr. Hamilton noted the staff memo contained in the Board packet along with supporting documents relative to a concern raised by owners of the Appliance Factory about the District handling of a water service installation. Following discussion, Director Lieberknecht moved and Director Roberts seconded the motion not to direct staff to prepare a 12 month non interest payment plan for The Appliance Factory to allow them to pay the unpaid balance over time with no penalty. The motion carried by a 4-0 vote. Director Roberts was absent.

NEXT MEETING

The next scheduled Board meeting will be a Special Board meeting held on August 29, 2006, at 4:00 pm in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:58 p.m.

Charles B. Hamilton, General Manager/Secretary