

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

November 14, 2007

President Lemere called the regular meeting of the Board of Directors of Carpinteria Valley Water District to order at 4:00 p.m. Wednesday, November 14, 2007.

Directors Present: Lemere, Roberts, Lieberknecht, Van Wingerden, Drain
Directors Absent: None
Others Present: Charles Hamilton
Norma Rosales
Suzie Lara
Bob Mc Donald
Kathy Stone
Cathy Taylor
Brett Gray
Kate Rees
Susan Thompson
Janet Gingras
Rebecca Bjork

MINUTES

Following discussion, Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve the minutes of the October 17, 2007 Board meeting. The motion carried by a 4-0 vote. Director Drain abstained.

MONTHLY BILLS

Following a brief overview, presented by Business Manager Norma Rosales, and discussion, Director Roberts moved and Director Drain seconded the motion to approve the monthly bills for the period of October 18, 2007 through November 14, 2007. The motion carried by a 5-0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

**PADRE ASSOCIATES
PROPOSAL FOR
ENVIRONMENTAL
SERVICES FOR EL
CARRO WELL AND
PIPELINES PROJECT**

Following a recommendation by General Manager Hamilton, and discussion, Director Drain moved and Director Lieberknecht seconded the motion to approve the proposal from Padre Associates, Inc. to prepare environmental analyses and documentation for the proposed El Carro Well Replacement and Central Zone Pipeline Improvements, for a not to exceed cost of \$23,310. The motion carried by a 5-0 vote.

NEW BUSINESS

**PRESENTATION BY
CATHY TAYLOR OF
CITY OF SANTA
BARBARA RE:**

Following an introduction by President Lemere, Santa Barbara Water System Manager Cathy Taylor made a presentation about advanced treatment solutions for the Cater Treatment Plant, including findings from a year long pilot study performed by Corollo Engineers. Ms. Taylor noted that

CATER TREATMENT PLANT

of two options that generally meet the desired treatment goals, using chloramines or ozone, the use of ozone is the preferred alternative. Cost information was provided that reflects Carpinteria Valley Water District's approximate 20% cost share for the considered Treatment Plant improvements. Their total cost is estimated to be about \$14.4 million without a Proposition 50 grant or \$9.4 million with a Proposition 50 grant.

Mr. Hamilton presented a comparative summary of south coast monthly residential water bills and highlighted the parts of the water rate structure that are to be affected by additional Cater capital and operating expense.

PRESENTATION BY BRETT GRAY OF CACHUMA OPERATION & MAINTENANCE BOARD RE: PROPOSED SOUTH COAST CONDUIT SYSTEM FUNDING AND UPGRADE

Following an introduction by Board President Lemere, Brett Gray, Operations supervisor for the Cachuma Operation and Maintenance Board presented an overview of a proposal for South Coast Conduit System Reliability funding. It provides for a revenue bond issue of \$16 million, and continuation of the current level of budgeted funds for capital improvements to be used instead for on-going funding by Cachuma member units of the revenue bond debt service. In the course of the discussion it was clarified that the main compelling reason to construct a "second barrel" to parallel the South Coast Conduit in Goleta, as proposed, is to address major reliability issues.

DIRECTOR ROBERTS LEAVES MEETING

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

CHANGE ORDER FOR CAMARILLO ENGINEERING, INC

Following discussion, Director Drain moved and Director Lieberknecht seconded the motion to approve the change order for Camarillo Engineering Inc, re: RMA Phase V grading work, in the amount of \$333,900, reimbursable to the District by RMA. The motion carried by a 4-0 vote.

CHANGE ORDER FOR PENFIELD & SMITH

Following discussion, Director Drain moved and Director Lieberknecht seconded the motion to approve the change order for Penfield & Smith re: RMA Phase V construction management and inspection services, in the amount of \$35,750, reimbursable to the District by RMA. The motion carried by a 4-0 vote.

PENFIELD & SMITH PROPOSAL FOR PREPARATION OF SPECIFICATIONS AND BID PACKAGE

Following discussion, Director Drain moved and Director Lieberknecht seconded the motion to approve the Penfield & Smith Proposal for Preparation of Specification and Bid Package re: RMA Phase V Bridge Construction for a cost not to exceed \$8,325, reimbursable to the District by RMA. The motion carried by a 4-0 vote.

Director Lemere requested that staff confirm the letter of credit and available cash backing up RMA's financial commitment to reimburse the District for all expenditures on behalf of RMA.

RESOLUTION NUMBER 857 AUTHORIZING INVESTMENT OF MONIES IN THE

Following discussion Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve Resolution No. 857 Authorizing Investment of Monies in the Local Agency Investment Fund.

Roll call on Resolution No. 857 resulted as follows:

**LOCAL AGENCY
INVESTMENT FUND**

Ayes: Lieberknecht, Drain, Lemere, Van Wingerden
Nays: None
Absent: Roberts
Abstain: None

The motion carried by a 4 – 0 vote.

**RESOLUTION
NUMBER 858
AUTHORIZING
INVESTMENT OF
BOND PROCEEDS IN
THE LOCAL
AGENCY
INVESTMENT FUND**

Following discussion Director Van Wingerden moved and Director Lieberknecht seconded the motion to approve Resolution No. 858 Authorizing Investment of Bond Proceeds in the Local Agency Investment Fund.

Roll call on Resolution No. 858 resulted as follows:

Ayes: Lieberknecht, Drain, Lemere, Van Wingerden
Nays: None
Absent: Roberts
Abstain: None

The motion carried by a 4 – 0 vote.

**REQUEST FOR
CUSTOMER CREDIT
FOR HIGH BILL DUE
TO UNAVOIDABLE
LOSS OF WATER**

Following a brief presentation by Mrs. Rosales and discussion, Director Drain moved and Director Lieberknecht seconded the motion to approve a credit in the amount of \$163.38 for high bill due to unavoidable water loss for account no. 04-0921-2. The motion carried by a 4-0 vote.

**REPORT OF RATE &
BUDGET
COMMITTEE
MEETING HELD
OCTOBER 26, 2007**

Mr. Hamilton gave an oral report of the Rate & Budget committee meeting held on October 26, 2007. He noted that discussion about the request from Villa Pinos Homeowners Association for a “lawn irrigation rate” was continued to the next scheduled Rate and Budget committee meeting. Director Drain reported that the committee also met with Mr. Regis and discussed his proposal for a revised water rate structure. He reported that the committee recommends that he be thanked for his thoughtful proposal but reject it for further consideration by the Board due to its rate calculation complexities and inconsistency with regard to Proposition 218 requirements for equitable allocation of cost of service. Moreover, it conflicts with current Board policy of recovering fixed costs through the monthly service charge.

**DRAFT AGENDA OF
RATE & BUDGET
COMMITTEE TO BE
HELD NOVEMBER
26, 2007**

Mr. Hamilton presented a draft agenda for the Rate & Budget committee meeting scheduled for November 26, 2007. In the ensuing discussion relative to the item about the water rate treatment for hotels and motels, Director Lemere requested additional information about the extent to which hotels and motels are currently taxed by the City. Staff was directed to continue to research this matter, with possible full Board discussion on December 19.

**DRAFT LETTER TO
MOTEL/HOTEL
MANAGERS**

Following review and discussion Mr. Hamilton was requested to hold off on a draft letter he prepared to motel and hotel managers until such time as the Rate & Budget Committee has considered the matter and the whole Board has an opportunity to discuss the matter.

**DRAFT DECEMBER
H2KNOW
NEWSLETTER**

Mr. Hamilton distributed a draft of an article he prepared for the December H2KNOW newsletter. Following discussion he was directed to prepare and substitute a new article.

**GENERAL
MANAGER'S
REPORTS**

**FINANCIAL -
MONTHLY
STATEMENTS**

This item was continued to the December 19 Board meeting.

**BUSINESS MANAGER
REPORT -
CALIFORNIA PERS
CONFERENCE - POST
RETIREMENT
BENEFITS**

Mrs. Rosales reported verbally on the PERS conference she recently attended regarding "other post retirement benefits." She noted that it will now be possible for the District to participate in 2008 in a special PERS trust fund which provides a vehicle for agencies to fund this accruing liability. Mr. Hamilton noted that the matter would be agendized on a future Rate & Budget committee agenda for consideration.

**OPERATIONS AND
MAINTENANCE -
MONTHLY REPORT**

This item was continued to the December 19 Board meeting.

**SHEPARD MESA
PUMP VALVE
REPLACEMENT**

This item was continued to the December 19 Board meeting.

**ENGINEERING -
WATER SUPPLY**

This item was continued to the December 19 Board meeting.

**PROJECT STATUS
REPORT**

This item was continued to the December 19 Board meeting.

GENERAL

**IRWMP
PROPOSITION 50
GRANT FUNDING
APPLICATION**

This item will be reviewed at the December 19 Board meeting.

**DISCUSSIONS WITH
GUADALUPE : SALE
OF STATE WATER**

This item was continued to the December 19 Board meeting.

**CARPINTERIA
VALLEY MANAGERS
MEETING HELD ON
NOVEMBER 6, 2007**

This item was continued to the December 19 Board meeting.

ORTEGA

Mr. Hamilton gave a brief report of the joint Montecito/Carpinteria Valley

**RESERVOIR-
ORTEGA
COMMITTEE
MEETING – NOTICE
OF
COMPLETION**

Water District Ortega Reservoir meeting held at the Ortega reservoir on November 13, 2007. He noted that the Committee approved the Notice of Completion for the design fabrication and installation of the aluminum cover. Following discussion, Director Drain moved and Director Van Wingerden seconded the motion to authorize the Board President's execution of this Notice of Completion. The motion carried by a 4-0 vote. Director Roberts was absent.

**FOOTHILL
RESERVOIR**

Mr. Hamilton gave a brief report on the status of a diesel fuel spill at the Tank site discovered on November 13. He reported briefly on the steps taken to ensure its containment and cleanup. He noted that a full report would be presented on December 19.

**DIRECTORS
REPORTS**

**CENTRAL COAST
WATER AUTHORITY
BOARD MEETING**

This item was continued to the December 19 Board meeting.

NEXT MEETING

The next scheduled Board meeting will be a regular Board meeting held on December 5, 2007, at 7:00 pm at the City of Carpinteria Council Chambers, 5775 Carpinteria Ave.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:22 p.m.



Charles B. Hamilton, General Manager/Secretary