

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

November 15, 2006

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 15, 2006.

Directors Present: Lemere, Roberts, Lieberknecht, Drain, Van Wingerden
Directors Absent: none
Others Present: Charles Hamilton
Bob McDonald
Norma Rosales
Omar Castro
Chip Wullbrandt
Danna McGrew
Laura Copple
Simon Poulter
Matt Ingamells
Tad Buchanan
Mark Lloyd
Jeff Dinkin (arrived at 5:30 pm)

MINUTES

Following discussion, Director Van Wingerden moved and Director Roberts seconded the motion to approve the minutes of the October 25, 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 Van Wingerden moved and Director Lieberknecht seconded the motion to approve the monthly bills for the period of October 26, 2006 through November 15, 2006. The motion carried by a 5 – 0 vote.

PUBLIC FORUM

No one from the public addressed the Board.

OLD BUSINESS

**WAIVER OF
CONFLICT OF
INTEREST FOR
PRICE POSTEL &
PARMA ATTORNEY
STEVE MCGUIRE
RELATIVE TO HIS
COUNSEL TO
RANCHO MONTE
ALEGRE**

Following discussion, Director Drain moved and Director Lieberknecht seconded the motion to authorize President Lemere to execute an Acknowledgement and Consent statement addressing a potential conflict of interest on the part of Steve McGuire, attorney with Price Postel & Parma, whereby the District and Woodside Partners, LLC consent to the representation by Steve McGuire of Woodside Partners in the amendments to Rancho Monte Alegre's Covenants, Conditions and Restrictions related to an easement for drainage improvements on Lot 4, and further that Price Postel & Parma LLP acknowledges and agrees that neither Chip Wullbrandt nor any other member of Price Postel & Parma, LLP, who provides services to the District will provide any advice to Woodside with respect to any District interest in the above described matter. Director Roberts noted that this waiver of potential conflict of interest specifically and only applies to

the amendments to Rancho Monte Alegre's Covenants, Conditions and Restrictions relative to the easement for drainage improvements on Lot 4. The motion carried by a 5-0 vote.

NEW BUSINESS

RATE AND BUDGET COMMITTEE MEETING HELD ON NOVEMBER 8, 2006

General Manager Hamilton reported briefly on the items discussed during the Budget Committee meeting held on November 8, 2006, and attended by Director Roberts. In addition to the annual audit, items discussed included possible water rate structure changes relating to the Basic Charge, firelines and hydrant meters. Mr. Hamilton noted that a second Rate and Budget meeting is needed to review these possible rate structure changes in greater detail. The next meeting of the Rate and Budget Committee was then scheduled for November 30.

AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2006

Mr. Hamilton noted that this year's annual independent auditor's report included an expanded Management and Discussion Analysis, presented by the District's internal Auditor, Norma Rosales. He noted that the purpose of this expanded report is to provide the Board with an analysis of major trends relative to expenses and revenues and a context for evaluation of the current annual financial information contained in the report.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

Following Norma Rosales' presentation of Management's Discussion and Analysis, Danna McGrew, partner with Bartlett Pringle & Wolf and her associate, Laura Copple, presented their audited financial statements for the District as of June 30, 2006. Following discussion, Director Van Wingerden moved and Director Drain seconded the motion to approve and accept the draft independent auditor's report and financial statements for the year ending June 30, 2006 with minor typographical changes. The motion carried by a 5-0 vote.

STRATEGIC AND CAPITAL FACILITIES PLAN COMMITTEE MEETING HELD ON NOVEMBER 15, 2006

Mr. Hamilton reported that the Strategic and Capital Facilities Plan committee met earlier in the day to review various aspects of the Storage Tank Project. He then called Counsel Kathy Stone who joined the meeting by telephone.

TEMPORARY BRIDGE CONSTRUCTION ON RMA ACCESS ROAD

Mr. Hamilton reported briefly on the status of the temporary bridge construction on the RMA access road. This road and bridge are being constructed by the District to provide access to water facilities to be located on the upper Ranch, and are paid for entirely by Rancho Monte Alegre. Tad Buchanan and Mark Lloyd of Rancho Monte Alegre spoke briefly about the work in progress.

PROPOSAL FROM PADRE ASSOCIATES TO FACILITATE COMPLIANCE WITH THE CALIFORNIA DEPARTMENT OF

Mr. Hamilton reported briefly on the need for consultant services to assist the District with compliance with the California Department of Fish and Game Streambed Alteration Agreement for the RMA access road. The proposal for services from Padre will cover services for both the installation of a temporary bridge crossing as well as the permanent bridge structure over upper Santa Monica Creek. Mr. Poulter of Padre Associates along with

**FISH AND GAME
STREAMBED
ALTERATION
AGREEMENT FOR
THE RMA ACCESS
ROAD**

Matt Ingamells were present to answer questions and discuss the scope of their services, including monitoring for the threatened red-legged frog so as to prevent a “take,” defined as injury or death. There are severe penalties associated with a “take.” The purpose of the temporary bridge is to enable the District to continue with the permanent bridge construction without entering the Creek. The permanent structure will be a free span bridge with abutments located outside of the hundred year flood plain. Mr. Hamilton noted that all expenses associated with this upper RMA project, including Padre’s proposed consulting services, will be paid for by RMA as they are related to RMA’s need for water service, and of no benefit to other District customers. Following discussion Director Drain moved and Director Lieberknecht seconded the motion to accept the proposal from Padre Associates to facilitate compliance with the California Department of Fish and Game Streambed Alteration Agreement as proposed, at a cost not to exceed \$28,000. The motion carried unanimously.

**SCHEDULE OF
REMAINING TANK
PROJECT
CONSTRUCTION,
DISINFECTION AND
BACKFILL**

District Engineer Bob McDonald reported briefly on the status of the remaining Storage Tank Project construction, disinfection and backfill of soil to bury the Tank. Work on these phases of the Tank Project is now expected to begin within the next few weeks.

**SCHEDULE FOR
CONSTRUCTION OF
RMA LOT 4
DIVERSION TO
SANTA MONICA
CREEK**

Tad Buchanan and Mark Lloyd of RMA addressed the Board briefly on the status of RMA’s Lot 4 diversion to Santa Monica Creek. The work is in progress and expected to be complete within about one month.

**SCHEDULE FOR
MODIFICATION OF
DETENTION BASIN
AND OUTFALL
STRUCTURES**

Mr. Hamilton reported that modifications to the detention basin and outfall structures located on Rancho Monte Alegre near the Storage Tank service road remained on hold until the District receives a revised CDP from the County. He reported that Tierra Construction has been selected and is prepared to be the contractor for this work.

**DIRECTOR AND
STAFF ATTENDANCE
AT THE JOINT
POWERS
INSURANCE
AUTHORITY AND
ASSOCIATION OF
CALIFORNIA
WATER AGENCIES
CONFERENCES**

Following discussion Director Van Wingerden moved and Director Roberts seconded the motion to authorize Directors Drain, Lemere and Lieberknecht as well as General Manager Hamilton and Business Manager Rosales to attend the Fall conferences of the Joint Powers Insurance Authority and the Association California Water Agencies during the week of December 4, 2006, held in Anaheim. The motion carried unanimously.

**GENERAL
MANAGER’S
REPORTS**

**FINANCIAL -
MONTHLY
STATEMENTS**

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

**OPERATIONS AND
MAINTENANCE**

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

ENGINEERING

WATER SUPPLY

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

**PROJECT STATUS
REPORT**

Mr. Mc Donald presented the Project Status report for November 2006.

**CLOSED SESSION:
CONFERENCE WITH
LABOR
NEGOTIATOR
PURSUANT TO
GOVERNMENT
CODE SECTION
54957.6.**

At 5:50 pm President Lemere convened the Board in Closed Session for a conference with labor negotiator Jeff Dinkin pursuant to Government Code Section 54957.6, pertaining to negotiations with the International Union of Operating Engineers, Local 12. President Lemere reconvened the Board in Open Session at 6:15 pm.

**MEMORANDUM OF
UNDERSTANDING
AND SIDE-LETTER
BETWEEN DISTRICT
AND
INTERNATIONAL
UNION OF
OPERATING
ENGINEERS, LOCAL
12**

In Open Session, Director Drain moved and Director Roberts seconded the motion to authorize the General Manager to execute the Memorandum of Understanding and Side-Letter between Carpinteria Valley Water District and the International Union of Operating Engineers, Local 12, for the period of November 16, 2006 to June 30, 2010. The motion carried unanimously. President Lemere then directed Jeff Dinkin to assist the District with the revision of the Personnel Manual now only applicable to the General Manager, District Engineer, Business Manager and Operations & Maintenance Manager, not represented by the union.

GENERAL REPORTS

**CALIFORNIA
PUBLIC EMPLOYERS
LABOR RELATIONS
ASSOCIATION
(CALPELRA)
ACADEMIES**

Mr. Hamilton reported on his recent completion of two academies given by the California Public Employers Labor Relations Association (Calpelra) covering the topics of "The Foundation of Labor Relations" and "The Negotiations Process." He noted that the District is now one of a very large number of public agencies contracting with a union representing public employees and that the District may need additional resources to manage this new relationship and the modern complexities of public sector personnel matters in general.

**H2KNOW,
DECEMBER 2006**

Mr. Hamilton distributed copies of the draft December 2006 issue of H2KNOW and received comments from the Directors.

"THE ABCs OF DBPS"

Mr. Hamilton commented that he included in the Board packet a copy of the

**BY PHILIP C.
SINGER,
SOUTHWEST
HYDROLOGY,
NOVEMBER
/DECEMBER 2006**

article, "The ABCs of DBPs," by Philip C. Singer, published in the November/December issue of Southwest Hydrology to make a point about the importance of District use of groundwater as a strategy to address the District's costly Disinfection-Byproduct (DBP) problem.

The article provides information about natural organic matter (NOM), typically measured as total organic carbon (TOC) or dissolved organic carbon (DOC) in water. NOM is a precursor to the formation of DBPs. Concentrations of TOC above 5 milligrams per liter (mg/l) are considered relatively high with respect to DBP formation. As reported in the article, State Water from the Delta ranges between 3 to 4 mg/l. Susan Thomson, Water Treatment Superintendent for the City of Santa Barbara Cater Treatment Plant recently advised Mr. Hamilton that Cachuma Project water TOC typically measures in the 2.7 to 3.4 mg/l range. District well water, however, contains almost no NOM. The use of District well water therefore results in almost no DBP formation. As such it constitutes a superior water supply to both Cachuma and State Water.

**DISTRICT
EMERGENCY
PREPAREDNESS**

Mr. Hamilton distributed copies of the District's Water System Emergency Response Plan to each Director, noting that for security purposes this remains a confidential and not public document. He received comments relative to its organization and ease of use and noted that it would be revised.

**MANAGEMENT
WORKLOAD**

Mr. Hamilton reported that management workload continues to be heavy, as it has been for several years, in part related to the District's Capital Improvement Program but also due to the breadth of responsibilities and assignments to managers in a small agency. He noted that he is encouraging vacations as well as attendance at major America Water Works Association conferences and other programs, including those sponsored by the Water Education Foundation.

**CAPITAL
IMPROVEMENT
PROGRAM**

**ORTEGA
RESERVOIR
COMMITTEE
MEETING HELD
NOVEMBER 14, 2006**

Director Roberts reported on the recent meeting of the Ortega Reservoir Committee meeting held on November 14, 2006. He noted that construction of the cover is indeed a remarkable feat, and suggested that it would benefit the District to have some favorable media coverage. Mr. Hamilton responded that at he would make an additional effort to do this.

**CIP DOCUMENTARY
VIDEO STATUS
REPORT**

Mr. Hamilton reported that the Capital Improvement Program video documentary now in production by Nimmer Associates would soon need to be reviewed by the Strategic and Capital Facilities Plan Committee No date was set for the next SCFP meeting.

**DIRECTORS
REPORTS**

**CENTRAL COAST
WATER AUTHORITY**

Director Lemere gave an oral report about the October 26, 2006 Central Coast Water Authority Board meeting.

**BOARD MEETING,
OCTOBER 26, 2006**

NEXT MEETING

The next scheduled Board meeting will be a Regular meeting held on December 20, 2006, at 4:00 pm in the Board meeting room at 1301 Santa Ynez Avenue.

ADJOURNMENT

President Lemere declared the meeting adjourned at 6:45 p.m.

Charles B. Hamilton, General Manager/Secretary