

Board of Directors

Al E. Fox
Division 1
Jeffrey C. Brown
Division 2
Timothy H. Hoag
Division 3
Eugene F. West
Division 4
Terry L. Foreman
Division 5

General Manager

Frank E. Royer

Board Minutes

Regular Meeting

Wednesday, June 22, 2011

Camrosa Board Room
5:00 PM

Call to Order The meeting was convened at 5:00 P.M.

Present: President Al E. Fox
Director Jeffrey C. Brown
Director Timothy H. Hoag
Director Eugene F. West
Director Terry L. Foreman

Absent: None

Staff: Frank E. Royer - General Manager
Tony Stafford - Deputy General Manager - Operations
Tamara Sexton – Business Services Manager
Joe Willingham – Data & Planning Manager
Terry Curson – Project Engineer
Brandon Johnson – Legal Counsel

Guests: Don Hauser- Calleguas

Approve Minutes of the Board Meeting of June 8, 2011.

Amendments: Director Foreman requested an amendment of the minutes related to the bond financing to include a statement that “The underwriter indicated there were no disadvantages in joining the CMFA.”

M/S/C (West/Hoag) to approve the Minutes of the Board Meeting of June 8, 2011 as amended.

Public Comments

None

Special Presentations and Announcements

None

Consent Agenda

1. ****Approval of Vendor Payments**

Summary: A summary of accounts payable in the amount of \$1,068,501.74 was provided for Board information and approval.

M/S/C (Brown/West) to approve the payments to vendors as presented by staff in the amount of \$1,068,501.74.

Primary Agenda

2. ****Formation of Camrosa Water District Financing Authority**

Summary: The District is currently in the process of initiating a bond issuance to fund certain projects. The financing structure includes the creation of the Camrosa Water District Financing Authority through a JPA with CMFA. The formation of the Authority will provide the ability to issue Revenue bonds to achieve interest cost savings

M/S/C (Hoag/Brown) to adopt a resolution of the Board to 1) Execute the Joint Exercise of Powers Agreement to join as a member of the CMFA and 2). Adopt a Resolution Authorizing the Execution and Delivery of a Joint Exercise of Powers Agreement (JPA) and By-Laws by and between Camrosa Water District and California Municipal Finance Authority (CMFA) creating the Camrosa Water District Financing Authority (Authority). Roll Call: Brown – Aye, Hoag – Aye; West – Aye; Foreman – Aye; Fox – Aye; Noes – None

3. ****Cost Analysis of Options for the Use of Non-potable Water**

Summary: The District is evaluating the impact upon potable water rates of various options for using Non-potable water within the District's service area. Director Foreman presented to the Board various rate comparisons that should be considered as decisions are made related to the projects under consideration in the FMP. Emphasis was given to the importance of providing benefits to all rate payers and ensuring fairness through a well-thought-out process as the District seeks to optimize the use of its water portfolio. The presentation included questions that should be posed, and issues that should be addressed, along with examples of the type of analysis that would be useful in the decision process.

Extensive discussion of the points made ensued as members of the Board shared individual opinions on the material presented. There was general consensus that in evaluating the various projects, there is a need to ensure the decisions made are consistent with the District's Mission Statement and that they are effective in improving reliability, maintaining water quality and keeping rates affordable. Addressing the cost of source water by developing local resources was generally recognized as a primary method of affecting future rate increases. *No action taken; for information only.*

Administrative Matters

4. Agreement for Bio-solids Removal

Summary: The WRF produces over 1600 tons of bio-solids each year that needs to be hauled off site for proper disposal. The District typically contracts with outside firms to dispose of the bio-solids produced.

M/S/C (Hoag/West) to authorize the General Manager to enter into a five-year agreement with Liberty Composting, Inc. to remove bio-solids from the Water Reclamation Facility (SRF) at a rate of \$47.65 per ton.

5. **Reserve Policy

Summary: The purpose of the Reserve Policy is to assure adequate reserves for ongoing needs while minimizing the need for new debt. The reserve levels established in the policy also help provide rate stabilization and ensure adequate fund levels to meet aging infrastructure replacements, unanticipated emergencies, and future expansion needs of the District. The Reserve Policy was last revised in January 2010. Minor adjustments to the policy have been made to accommodate bond financing requirements.

M/S/C (Brown/West) to adopt of a Board Resolution implementing the District's Reserve Fund Policy. Roll Call: Brown – Aye, Hoag – Aye; West – Aye; Foreman – Aye; Fox – Aye; Noes – None

Information Items

6. **2010 Consumer Confidence Report

Summary: Consumer Confidence reports are prepared each year by water purveyors to communicate details of water quality to customers within the service area. The District's 2010 CCR was provide for board information. Camrosa continues to meet or exceed all federal and state drinking water standards. *No action taken; for information only.*

7. **Santa Barbara Bank and Trust

Summary: The District's primary disbursement account is maintained with SBBT. Since staff's last report to the Board of Directors in July 2010, Pacific Capital Bancorp (PCB), the parent company of SBBT, has returned to a strong financial position. *No action taken; for information only.*

Closed Session

None

Comments by General Manager

General Manager reported will be out of office on June 23rd.

Comments by Directors

Director Hoag reported to the Board on the impacts of pharmaceuticals on recycled water as presented at the AWAVC's Waterwise meeting.

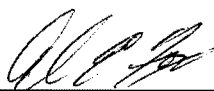
Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 6:50 P.M.



Frank E. Royer, Secretary/Manager
Board of Directors
Camrosa Water District

ATTEST:



Al E. Fox, President
Board of Directors
Camrosa Water District