

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, AUGUST 4, 2010, AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT FERGUSON

PLEDGE OF ALLEGIANCE – DIRECTOR HANNAN

ROLL CALL

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity which severely imperils public health, safety, or both. Also, items which arise after the posting of the Agenda may be added by a two-thirds vote of the Board of Directors.

ADOPT AGENDA FOR THE REGULAR MEETING OF AUGUST 4, 2010

PRESENTATIONS

Senior Water System Operator, **Ed Pedrazzi**, received his Certificate of Competency as a Backflow Prevention Assembly General Tester from the American Water Works Association.

ORAL COMMUNICATIONS

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until the matter is placed on a future agenda in accordance with Board policy.

NOTICE TO THE PUBLIC

All matters listed under the Consent Calendar will be voted upon by one motion. There will be no separate discussion of these items, unless a Board member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case it will be considered separately under Action Items.

CONSENT CALENDAR

- 1.1 APPROVAL OF MINUTES
 - A. REGULAR BOARD MEETING – JULY 21, 2010

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH AUGUST 4, 2010 - \$2,448,716.85

Recommendation: Approve Warrant List

1.3 INVESTMENT REPORT – JUNE 2010

1.4 FINAL ACCEPTANCE OF LA COSTA RIDGE, NEIGHBORHOOD 2.5 PHASE 2
(CITY VENTURES, LLC)

The project is located in the City of Carlsbad, south of Alga Road between El Fuerte Street and Melrose Avenue. Water and sewer service will be available to a total of 34 single-family homes.

Recommendation: Accept La Costa Ridge Neighborhood 2.5 Phase 2

1.5 FINAL ACCEPTANCE OF MRF TERTIARY FILTER PIPING REPLACEMENT

This project consisted of replacing the existing piping interior for tertiary filters one, two and three due to corrosion.

Recommendation: Accept the project; authorization to file a Notice of Completion and to release all retention funds to the contractor within the 30-day notice period, provided no claims are filed.

1.6 ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "BOOKER ANNEXATION" APN: 224-170-26 & 26 INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 5 & 6 FOR SEWER SERVICE

The request for annexation was approved on October 21, 2009, with conditions.

Recommendation: Adopt Resolution

*****END OF CONSENT CALENDAR*****

ACTION ITEMS

2.1 1789 SAVANNAH WAY (JACOB)

Mr. Jacob addressed the Board of Directors during public comment at the July 21, 2010, Board meeting regarding high pressure issues at his house. The property is located in the Twin Oaks Pressure Zone.

Recommendation: No action

2.2 REQUEST FOR REIMBURSEMENT OF COSTS FOR SEWER CONSTRUCTION – AUTUMN TERRACE PROJECT

At the July 12, 2010, Board Committee meeting, Mr. Effinger requested that the Board consider reimbursement of approximately \$440,000 in costs for the sewer main reconstruction which was required to mitigate the impacts of the Autumn Terrace Project.

Recommendation: Find that the Autumn Terrace project is not eligible for a Reimbursement Agreement and deny Mr. Effinger's request

2.3 REQUEST FOR FEE RELIEF – PARKVIEW AFFORDABLE HOUSING PROJECT

At the July 21, 2010 Board meeting, Mr. Bill Effinger requested that the Board consider deleting or deferring the proposed Land Outfall Impact Fee for the proposed 84 unit mixed use apartment project identified as the Parkview Project in the Richmar area of San Marcos.

Recommendation: The developers continue to address the project impacts with District staff during the normal review/approval process

2.4 2008 MASTER PLAN - REQUEST TO INCLUDE PROJECT AREA AND CONSIDERATION OF CONSERVATION INCENTIVES

At the July 12, 2010 Board Committee meeting, Mr. Paul Metcalf, representing the University District Project Planning Area, requested that the Board address two questions.

Recommendation: No Board action

2.5 RETURN TO WORK PROGRAM

A Return to Work Program provides guidelines for administering a modified work program to limit the lost work days an injured or ill employee may incur by providing meaningful work on a restricted or limited nature.

Recommendation: Adopt the Return to Work Program and include it in the Employee Handbook

2.6 TRAVEL APPROVAL – PUBLIC UTILITIES OFFICIALS CONFERENCE

Per Section 2.1 of Ordinance No. 142, any meeting or conference that a Board member requests to attend for per diem or expense reimbursement that is not listed must be approved by the Board.

Recommendation: Request Board direction

*****END OF ACTION ITEMS*****

REPORTS

- 3.1 GENERAL MANAGER
- 3.2 DISTRICT LEGAL COUNSEL
- 3.3 SAN DIEGO COUNTY WATER AUTHORITY
- *Summary of Formal Board of Directors' Meeting – July 22, 2010*
- 3.4 ENCINA WASTEWATER AUTHORITY
- 3.5 ACWA/REGION 10
- 3.6 LAFCO
- 3.7 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS
ATTENDED

*****END OF REPORTS*****

OTHER BUSINESS

*****END OF OTHER BUSINESS*****

CLOSED SESSION

- 4.1 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 LIABILITY CLAIMS – CLAIMANT:
 - 1) MartinezAGENCY CLAIMED AGAINST: VALLECITOS WATER DISTRICT

- CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.6
CONFERENCE WITH LABOR NEGOTIATOR
Agency Designated Representative: General Manager
Employee Organization: Vallecitos Water District Employee Association

- CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(B) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION (ONE CASE)

*****END OF CLOSED SESSION*****

5.1 ADJOURNMENT

*****END OF AGENDA*****

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the Executive Secretary at 760.744.0460 ext. 264 at least 48 hours prior to the meeting.

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 3:00 p.m., Friday, July 30, 2010.



Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, AUGUST 4, 2010, AT 4:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Ferguson called the Regular meeting to order at the hour of 4:00 p.m.

Director Hannan led the pledge of allegiance.

Present: Director Ferguson
Director Gentry
Director Hannan
Director Shell

Absent: Director Poltl

Staff Present: General Manager Lamb
Legal Counsel Scott
Finance Manager Scaglione
Administrative Services Manager Caudle
District Engineer Gerdes
Principal Engineer Gumpel
Capital Facilities Engineer Scholl
Development Services Supervisor Brandstrom
Public Information/Conservation Supervisor Urabe
Public Information Specialist Webb
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF AUGUST 4, 2010

10-08-01 MOTION WAS MADE by Director Hannan, seconded by Director Shell, and carried unanimously, with Director Poltl absent, to adopt the agenda for the Regular Board Meeting of August 4, 2010.

PRESENTATIONS

President Ferguson presented Ed Pedrazzi with his Certificate of Competency as a Backflow Prevention Assembly General Tester from the American Water Works Association.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

- 10-08-02 MOTION WAS MADE by Director Shell, seconded by Director Hannan, and carried unanimously, with Director Poltl absent, to approve the Consent Calendar as presented.
- 1.1 Approval of Minutes
- A. Regular Board Meeting – July 21, 2010
- 1.2 Warrant List through August 4, 2010 - \$2,448,716.85
- 1.3 Investment Report – June 2010
- 1.4 Final Acceptance of La Costa Ridge, Neighborhood 2.5 Phase 2 (City Ventures, LLC)
- 1.5 Final Acceptance of MRF Tertiary Filter Piping Replacement

ACTION ITEMS

1789 SAVANNAH WAY (JACOB)

Mr. Jacob addressed the Board and stated that he attended the July 21, 2010, Board meeting and explained the situation at that time – the water pressure in the system burst a 600 psi fitting. Mr. Jacob stated that Vallecitos staff checked the pressure and found it to be 152 at the fire hydrant, which is approximately 20 feet from his service connection. He further stated that the pressure at his regulator was approximately 153-154 psi. Mr. Jacob stated that staff also tested all sprinkler heads and everything worked fine – there were no kickbacks nor was there a major drop or increase in water pressure. Mr. Jacob stated that on Saturday morning he found that the regulator had popped out of his system. He stated that something is happening to cause a surge between the fire hydrant and the irrigation system.

General Manager Lamb confirmed that staff met with Mr. Jacob at his property. Mr. Lamb stated that the report from staff indicated the pressure was 140 and when the sprinklers were turned on, the pressure dropped to 135, which is normal. When staff turned off the sprinklers, the pressure went up to 145. General Manager Lamb stated that these levels are within the range of what the pressure should be in the area. Staff reviewed all of the other accounts on Savannah Way along with the immediate area as well as the Trussell station which is downstream and reduces the pressure from the Twin Oaks pressure zone. There have been no discrepancies, surges, or nothing in the system that would cause any kind of surge that would break the regulator. General

Manager Lamb stated that he had directed staff to test the sprinkler system to verify whether or not there was a surge or something else being caused by the water meter or by some water demand on Mr. Jacob's side. There was only a 5 pound surge either way which is within the normal range. General Manager Lamb stated that there has been nothing found in the District's system, from the meter to the public side, - that is operating incorrectly. The system is operating within the pressure it is designed to operate. General Manager Lamb stated that there could possibly be air trapped in the system on Mr. Jacob's side, or the valve is opening very quickly which would cause a hammer internally. General Manager Lamb stated that if there was a 600 pound surge within the District's system, staff would know it; there would be reports of failure throughout the agency and throughout the area.

Mr. Jacob stated that there is something wrong somewhere; his pipe has been broken twice. Mr. Jacob stated that prior to this time, he has had no problem with the water service. He further stated that he has done everything he could on his side that he could reasonably do, but doesn't know what is causing the problem.

Director Gentry thanked Mr. Jacob for bringing his issue before the Board and working with staff on this case. He stated that it doesn't appear that there is a problem with the system, but that there is obviously a problem somewhere that is causing this issue. Director Gentry asked that the Board direct staff to continue to monitor Savannah Way and to continue to make note of any different conditions or circumstances that would indicate a systematic problem. Director Gentry further stated to Mr. Jacob that he needs to continue investigating the issue between his meter and his house.

Mr. Jacob stated that staff had indicated to him that the only thing that would increase the pressure would be when the tanks are topped off. He asked General Manager Lamb if that area has been addressed.

General Manager Lamb stated that the pressure within Mr. Jacob's service zone can range anywhere between 129 to 142 pounds at the meter. General Manager Lamb further stated that as the tank is filled up, one may see a 0.4 pound increase every hour if the tank goes to full capacity. If the tank were full, and if the pump system went completely static (no demand in the system) there would be approximated 143 pounds at his meter. The odds of this happening are very slim. This is a gravity system - there is nothing in the system itself that turns on that would cause a hydraulic surge. General Manager Lamb stated that the pressure reducing station that serves water from Mr. Jacob's pressure zone to the next pressure zone down is also monitored. There is nothing in the records that indicated any type of surge or activity. General Manager Lamb stated that a pressure monitoring chart could be placed in the area. He further stated that a meter master could be placed on Mr. Jacob's system for a 24 hour period. This will track Mr. Jacob's water demands every 10 seconds.

Director Hannan asked if there was any possibility that an animal could be damaging the pipe since it is located above ground. Mr. Jacob indicated no, that he has no animals and that the pipe has burst open.

Monitoring devices will be placed in Mr. Jacob's area.

No Board action was taken.

REQUEST FOR REIMBURSEMENT OF COSTS FOR SEWER CONSTRUCTION –
AUTUMN TERRACE PROJECT

General Manager Lamb stated that Mr. Effinger approached the Board at the July 12, 2010, Board Committee meeting and requested that the District consider reimbursement of approximately \$440,000 for the Autumn Terrace project. Staff has provided the Board with a memo outlining the timeframe, along with a copy of staff's July 1, 2010 letter to Mr. Effinger, and a copy of an e-mail message from Mr. Effinger to Mr. Bill Rucker dated April 1, 2009. General Manager Lamb stated that, just prior to this meeting, Mr. Effinger provided a copy of his response at which staff has not had time to review/address.

General Manager Lamb stated that the District did negotiate in good faith with the project proponents with respect to getting the project to move forward. General Manager Lamb stated that when Mr. Effinger met with Mr. Rucker and himself, concessions were made due to a lack of timing on both parties.

President Ferguson suggested to the Board that this item be continued in order to allow staff time to address Mr. Effinger's response.

Legal Counsel Scott stated that staff has a disagreement with the issues that Mr. Effinger raised. In an effort to dispel any misunderstandings, Ordinance No. 161 applies to this situation. Mr. Effinger just recently raised this issue about a reimbursement. Legal Counsel Scott stated that as noted by General Manager Lamb, staff negotiated with Autumn Terrace proponents in good faith. Approximately one year ago, Autumn Terrace proponents appeared before the Board and stated that they were perfectly satisfied with what was agreed to as far as the fees and charges. Ordinance No. 161 has been in effect since April of 2009 and is the Ordinance that has effect on this situation.

Mr. Effinger, member of the public, stated that he provided the document as a courtesy so that the Board could follow along – his intent was to read it into the record.

President Ferguson stated that Mr. Effinger could read it into the record, however, the Board is not in a position to address his two page letter.

Mr. Effinger stated that they were put in the same position – the staff report was received on Friday, which was the first time they could look at what staff was reporting. He further stated that they worked over the weekend putting all the stuff together so that they could address the staff report. Mr. Effinger stated that their intent was to lay out before the Board their issues. He further stated that they discovered that Policy 161 was not in effect until the very day that their project was approved on April 15, 2009, as 9-4-10 and two items later, 9-4-12 was 161. In effect, this means that 115 was in effect when they were working with this. He further stated that they were not aware there was a 161 until they started doing all the research to find out what was going on. Mr. Effinger stated that they were put in a position; the Board was kind enough to put them on the agenda today and the report was not available to them until they went on the website when the packet was done. Mr. Effinger stated that they are asking that the Board take some time to look at what they've stated and then they could come back again and discuss the issues.

10-08-03 MOTION WAS MADE by Director Shell, seconded by Director Gentry, and carried unanimously, with Director Poltl absent, to continue this item to the September 1, 2010, Board meeting.

REQUEST FOR FEE RELIEF – PARKVIEW AFFORDABLE HOUSING PROJECT

General Manager Lamb stated that he would like to make a correction to a statement in the staff report. District staff had spoken with City of San Marcos staff regarding the status of the project when the staff report was being prepared. Differing interpretations were given by City staff on the status of the project. The project is in fact being processed, whereas the staff report stated it is not currently being processed.

General Manager Lamb stated Mr. Effinger approached the Board on July 21, 2010, regarding the Parkview Project. Specifically, he was addressing the issue of the impacts the project would have from a land outfall standpoint. In the studies that were done for the project, staff identified an amount per day of sewage and a preliminary cost based upon the land outfall study that was in the 2002 Master Plan. Mr. Effinger requested that the District postpone, delay, or waive the fee. During the process, Mr. Effinger cited a few sections from the Government Code and also AB 1600. Those were passed on to Legal Counsel for review. Legal Counsel's opinion at this time is that they either don't apply or the issue was in compliance with those statutes and AB 1600.

General Manager Lamb stated that the project itself is going through the process with the City of San Marcos and will be a part of the Richmar Specific Plan when the Plan is approved. To date, a Water and Sewer Study has been completed for the project based upon proponents asking that it be done and that it continues to go through the review process. General Manager Lamb stated that at this time, it is in the review process; the District has not commented on the project or issued an availability letter,

nor has staff seen any environmental documents for the project that would be issued by the City of San Marcos. He further recommended that the request be put on hold and that the developers continue to work with staff on this project as it moves forward.

Mr. Effinger, member of the public, stated that what General Manager Lamb said is correct, and that his client is concerned. He further stated that what they are interested in, because of what has transpired with Autumn Terrace, his client wants to make sure that when they receive the will serve letter, that all of the fees and everything that has been laid on the table, and everyone is aware of, doesn't suddenly jump it like it did on Autumn Terrace with a \$1.2 million surprise. He further stated that his client wants them to go on record to say that any amount of money that is being put forth for fees, they want to have it explained clearly so that everyone understands and there are no surprises once they get that letter. Mr. Effinger stated that they do not have a problem with Mr. Lamb's recommendation.

Staff will continue to work through the process. No Board action was taken.

2008 MASTER PLAN – REQUEST TO INCLUDE PROJECT AREA AND CONSIDERATION OF CONSERVATION INCENTIVES

General Manager Lamb stated that Mr. Metcalf approached the Board Committee on July 12, 2010 and raised a couple of issues. Specifically, he requested that their project be included in the Master Plan and, were there any incentives toward water conservation and water reduction. Subsequently, staff met with Mr. McDonald and Mr. Metcalf to discuss the Master Plan process and why the land use was stopped in June, 2008, as far as what was included and what was not included. Ultimately, it was determined that the issue was with regard to fees. General Manager Lamb stated that the Master Plan does not address fees; the Master Plan identifies facilities and is a planning tool for what may be needed at some point in the future and when it may be needed. Fees are developed separately, on an annual basis by review of debt service, projects that are included/not included in the Master Plan, when it is needed, etc. General Manager Lamb stated that subsequent to the meeting, he sent a letter dated August 2, 2010, to Mr. McDonald identifying and clarifying two issues. One, that they would not pay any fees that were any different than anybody else in the district and that the mitigation fee issue for projects that create densities higher than what is allowed, staff would continue to work in an open process with them and make sure that they are part of the review process. This was acceptable to them. General Manager Lamb stated that they have agreed that whether the project is or is not in the Master Plan, it doesn't have a material impact on the availability of services and it doesn't necessarily have an impact on the fees, because the fees are calculated separately.

General Manager Lamb stated that the other item related to incentives for conservation was looked at in two ways. One was the financial incentive - is there something that could be provided to mitigate fees as they pay their capacity fees to make sure they are

only paying for what they need vs. what may be a standard for something, which can be addressed at the staff level. Second, is how does the District allow for conservation that has occurred over the years. They are looking at building projects and using higher quality, higher end improvements, plus even considering gray water systems and would like to know if there are incentives and how does the Master Plan deal with that. General Manager Lamb stated that staff has explained that this is done on a five year basis as the Master Plan is developed. As conservation moves forward, it is seen in a reduction in demands which then goes into the next Master Plan. It is not something that is looked at on an annual basis. General Manager Lamb stated that at this point, it is believed that an agreement has been reached with Mr. Metcalf that whether or not their project had been included is really irrelevant. General Manager Lamb stated that at this point, this is referenced for information only and no recommendation for action.

Mr. Metcalf, member of the public, addressed the Board. Mr. Metcalf clarified that Mr. Lamb met with Gary Levitt. Mr. Metcalf stated that he has spoke with Gary and Mike and they are very optimistic that all the issues they have raised with staff can be worked out at this time. Mr. Metcalf thanked the Board.

No Board action was taken.

RETURN TO WORK PROGRAM

General Manager Lamb stated that over the years, the District has had an informal Return to Work program. Through ACWA/JPIA, the District's insurance provider as well as other health providers, it was strongly encouraged to get employees back to work as quickly as possible. The Return to Work program allows employees to return to work and provide meaningful work, helping to reduce backlogs of work that would otherwise not be accomplished in their absence. ACWA/JPIA strongly encourages this type of program and has indicated long term benefits can result in financial savings. ACWA/JPIA Risk Management staff as well as Legal Counsel approved the document.

Staff recommended the Board adopt the Return to Work Program and include it in the Employee Handbook.

10-08-04 MOTION WAS MADE by Director Gentry, seconded by Director Shell, and carried unanimously, with Director Poltl absent, to approve the Return to Work Program and to include it in the Employee Handbook.

TRAVEL APPROVAL – PUBLIC UTILITIES OFFICIALS CONFERENCE

General Manager Lamb stated that Ordinance No. 142 identifies the base of business of the Board of Directors with respect to meetings that can be attended which are approved for per diem reimbursement. The Ordinance also stipulates that any other meetings or conferences which a Board member wishes to attend for per diem and

expense reimbursement must be approved as an agenda item at a Board meeting.

General Manager Lamb stated that Western Municipal Water District has extended an invitation to the 2nd Annual Public Officials Conference in Napa Valley, CA, September 8 – 10, 2010. This event is designed specifically for elected and appointed officials. Should any Board member wish to attend this conference, Board approval is required.

No member of the Board expressed an interest in attending. No Board action was taken.

REPORTS

GENERAL MANAGER

General Manager Lamb reported that the District received a letter of appreciation from the United States Department of Commerce for assistance with the 2010 census. Staff provided GIS work for the County on behalf of our area for land planning and to make sure that all voter registration and various agency voting boundaries are correct.

General Manager Lamb reported that the Quarterly Board Expense Report was provided to each Board member as required by policy.

General Manager Lamb reported that there was a main line break last week in the Coronado Hills area. Staff was exercising valves and occasionally when this is done, a valve will break. Unfortunately, where this valve was located, the only way to isolate it properly in order to fix it, meant having to shut down the water supply to Coronado Hills. The shutdown lasted from evening to early the next morning. General Manager Lamb stated that an automated voice phone system was utilized to notify 120 homes in the area. The cost to provide this service was only \$15.

General Manager Lamb provided a copy of an article that was in today's edition of the Ramona Sentinel regarding Ramona Municipal Water District taking action to change their Level 2 drought alert to Level 1.

General Manager Lamb reported that today the State Board took action on water going to the Delta and adopted new policy. The State indicated that there needs to be some significant difference on how flow comes through the Delta, namely up to 50% curtailment. This will have a big impact on the water industry. However, the decision is not binding; it is one more report that will be included in the long term decision. One interesting fact was an Appendix to the report that was presented to the Regional Board and determined to be left out. It identified the demands of San Jose as well as part of the San Francisco bay area that takes water from the State Water Project.

DISTRICT COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

Director Hannan stated that the July 22 Summary of the Formal Board of Directors' meeting was provided in the agenda packet.

ENCINA WASTEWATER AUTHORITY

Director Gentry reported that the Board meeting was held last week. The Energy Management Plan is moving forward and will be presented to the full Board this month. A number of tactical plan objectives that have been completed in the past year were also reviewed. A Board Workshop has been scheduled for September. A number of awards for construction projects were also issued.

ACWA REGION 10

Director Gentry reported that there have been no meetings.

LAFCO

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Ferguson noted that a written report was provided electronically. The report is on file.

OTHER BUSINESS

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95
LIABILITY CLAIMS – CLAIMANT:

1) Martinez

AGENCY CLAIMED AGAINST: VALLECITOS WATER DISTRICT

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

Agency Designated Representative: General Manager
Employee Organization: Vallecitos Water District Employee Association

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(B)
CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION (ONE CASE)

10-08-05 MOTION WAS MADE by Director Gentry, seconded by Director Shell, and carried unanimously, with Director Poltl absent, to move into Closed Session pursuant to Government Code Sections 54956.95, 54957.6, and 54956.9(B).

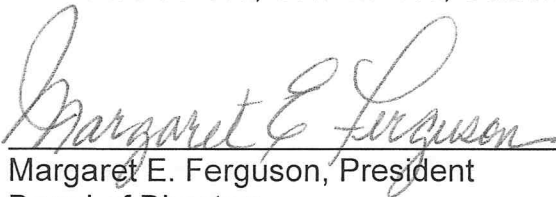
REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 5:28 p.m. The Board, in Closed Session, denied the claim of Nicole Martinez and directed staff to send the appropriate notice and refer the matter to the District's liability carrier. The Board also provided direction to the General Manager concerning labor negotiation matters and also directed staff and counsel to take appropriate action concerning the potential litigation item.

ADJOURNMENT

There being no further business to discuss, President Ferguson adjourned the Regular Meeting of the Board of Directors at the hour of 5:29 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, August 18, 2010, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.



Margaret E. Ferguson, President
Board of Directors
Vallecitos Water District

ATTEST:



Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District