

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JULY 20, 2016, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Sannella called the Regular meeting to order at the hour of 5:00 p.m.

Director Martin led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Hernandez
Director Martin
Director Sannella

Staff Present: Interim General Manager Scaglione
Legal Counsel Scott
Administrative Services Manager Emmanuel
District Engineer Gumpel
Finance Manager Fusco
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Public Information/Conservation Supervisor Robbins
Financial Analyst Arthur
Construction Supervisor Anctil
Senior Construction Worker Carlisle
Landscape Maintenance Worker II Kubota
Executive Secretary Posvar
Administrative Secretary Johnson

Others Present: Brian Jewett, Black & Veatch
Scott Lynch, Black & Veatch

ADOPT AGENDA FOR THE REGULAR MEETING OF JULY 20, 2016

16-07-07 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Regular Board Meeting of July 20, 2016.

PRESENTATIONS

President Sannella presented Jorge Aceves, Wastewater Collection Systems Worker I, with his Certification of Competence in Collection System Maintenance Grade 2 from the California Water Environment Association.

President Sannella announced that Item No. 3.4 would be moved up on the agenda to allow numerous members of the public who wished to address the Board to be able to do so as soon as possible.

Construction Department Presentation

Senior Construction Worker Carlisle and Landscape Maintenance Worker II Kubota facilitated the presentation as follows:

- The Construction Department Team
- The Crews
- What Do We Do?
 - Construct, Maintain and Repair District Facilities and Appurtenances
 - After Hours (On Call)
 - Main Breaks
 - Desalination Connection
 - Valve Maintenance
- Landscape Crew
- Cal Fire Crew

General question and answer took place during the presentation.

This presentation was for information only.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board expressing his concerns about major development projects circumventing the provisions of Proposition 218 and the calculation of usage factors. He discussed high levels of density and the potential for litigation on two development projects. He thanked the Board.

CONSENT CALENDAR

16-07-08 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Board Workshop Meeting – June 6, 2016
- B. Regular Board Meeting – July 6, 2016

1.2 Warrant List through July 20, 2016 - \$3,843,455.82

1.3 Financial Reports

- A. Water Meter Count – June 30, 2016
- B. Water Production/Sales Report – 2015/2016
- C. Quarterly Financial Report – June 30, 2016
- D. Water Revenue and Expense Report – June 30, 2016
- E. Sewer Revenue and Expense Report – June 30, 2016
- F. Reserve Funds Activity – June 30, 2016

1.4 Operations & Maintenance Metrics Quarterly Report – June 30, 2016

REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS "SAN MARCOS HIGHLANDS," APNS: 182-110-02 & 03; 182-111-01; 184-240-14, 15, 32 & 33; AND 184-241-05, 06, 07 & 08 INTO THE VALLECITOS WATER DISTRICT AND THE SEWER IMPROVEMENT DISTRICT (VISTA SAN MARCOS, LTD)

Development Services Senior Engineer Scholl stated two options for the San Marcos Highlands annexation would be presented to the Board for their consideration and direction to staff.

Darrel Hale, member of the public, addressed the Board objecting to the variance because District rate payers have had the responsibility to pay for many years for virtually all of the District's cost of facilities, including construction of the treatment plants, reservoirs, pipe lines, heavy equipment, and staff necessary to support the District's mission. He discussed the rate payers' burden to pay for future facilities, reduce water use, and pay increased use costs.

He discussed the purpose and creating of Ordinance No. 196 stating that under the ordinance, the San Marcos Highlands developer is responsible for over \$3 million but is requesting a 75% reduction to \$750, 000 - that would be a gift. He thanked the Board.

Sandra Farrell, member of the public, asked the Board to delay their decision on the annexation and variance, and to review the public record and comments from the County and wildlife agencies before making a decision. She urged staff to review San Marcos Highland's habitat management plan which includes requirements for the open space, and stated that LAFCO may not agree to the annexation. She also expressed concern about the unrealistic drought assumption, cost and availability of water, and impact to farmers. She thanked the Board.

Leo Schempp, member of the public, asked does the approval of the annexation require granting a variance of \$2.3 million dollars of the annexation fees required by District Ordinance No. 196 and if annexing the property and the variance of \$2.3 million are two separate issues.

Interim General Manager Scaglione stated it's a request for variance for annexation. The fees are still assessed on those acres that are annexed. The variance is to annex fewer acres, and those issues are the same.

Mr. Schempp asked if the District has received any letters or emails regarding this annexation, to which Interim General Manager Scaglione responded yes.

Mr. Schempp stated he welcomes new development to this great community, but he believes that development must pay its own way, as the current annexation fee schedule is based on financial and engineering studies, and is fair, appropriate, and legally established. He expressed concern about the rising costs of water and maintenance of water and sewer infrastructure, lack of financial and engineering basis for the variance, and the \$2.3 million variance being a gift of public funds. He asked the Board to vote no on the variance, and requested the Board ask the developer to withdraw their annexation request. He thanked the Board.

Director Martin requested staff address this issue before hearing additional comments from members of the public.

Development Services Senior Engineer Scholl provided background information on the San Marcos Highlands project, stating it is a proposed residential development located on approximately 288.53 acres of unimproved land located at the northern end of Las Posas Road. The developer proposes to develop 66.53 acres of the property. The development will consist of 189 single-family homes on 29.28 acres, 1.56 acres of parks, 15.02 acres of right of way and 20.67 acres of open space (including 2.5 acres of irrigated slopes adjacent to dedicated open space). The remaining 222.0 acres will be dedicated open space. 140.17 acres of the project property are located within the existing Vallecitos Water District's Sphere of Influence (SOI). The remaining 148.36 acres are located within the Vista Irrigation District (VID). The project is not located within VWD's current sewer service area.

Development Services Senior Engineer Scholl provided a presentation to the Board detailing the annexation requirements for water and sewer as outlined in Ordinance No. 196 and alternatives with the proposed variance.

General discussion and question and answer took place during the presentation.

Denis Pollak, member of the public, addressed the Board stating his experience with the Leucadia Wastewater District, a civil engineering firm, and developments and annexations.

He stated reduced fees do not make business sense and suggested a workshop so the community will understand what's being done. He thanked the Board.

Mike Hunsaker, member of the public, addressed the Board stating he is representing the Property Owners Defense League, and his concern for the lack of water or sewer, and the need for developers to pay for all the new water and sewer systems that are needed.

He further stated concerns about Proposition 218 and the amount of capacity the District has. He thanked the Board.

Jim Simmons, representing the developer of this project, addressed the Board working through a concept not considered in Ordinance No. 196. He stated they are asking to annex 66.6 acres of water and sewer into the District and to leave out the rest of the property that will be put into a conservancy. He said a couple of million dollars will be given to the conservancy to maintain it into perpetuity as biological open space federally controlled by the Army Corp for which permits have already been issued and will never need water or sewer service. He stated that a creek running through the project will require restoration and water and will be included in the annexation.

He further stated that he is not asking for a discount; he is developing 66.6 acres out of 288 acres. Mr. Simmons explained the timing and process with the City and LAFCO.

General discussion took place during which President Sannella clarified with staff that the fees that are being charged per acre are not being reduced or discounted, and that the fees per acre are the same with or without the variance option.

Charlie Duvel, member of the public, addressed the Board stating his experience with Encina Wastewater Authority and the mitigating process and that he now knows what the developer is doing; the District is doing what's right.

Leo Schempp, member of the public, addressed the Board stating his confusion as to why a variance was indicated in the agenda item.

General discussion took place, during which Director Martin requested staff correct the annexation information so that people understand the District is charging only for what they are annexing. Legal Counsel Scott suggested Ordinance No. 196 be revised to make it less confusing. The ordinance will be brought back to the Board at a future meeting.

16-07-09 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to approve the annexation, Option No. 2, which includes the variance.

The roll call vote was as follows:

AYES: Elitharp, Evans, Hernandez, Martin, Sannella
NOES:
ABSTAIN:
ABSENT:

PUBLIC HEARING

President Sannella opened the hearing as duly noted and posted to collect sewer service fees on the tax roll. The hearing was opened at 6:53 p.m.

Interim General Manager Scaglione stated the District elects to have the sewer service fees from sewer only customers collected on the tax roll. State Health Code requires the District to specify on an annual basis the method it will use to collect sewer service fees.

Staff recommended the Board adopt the resolution authorizing the sewer service fees to be collected on the tax roll.

Mike Hunsaker, member of the public, addressed the Board requesting copies of the studies behind the basis for the sewer charge increases. He also requested that in the future these documents be posted on the District's website.

Interim General Manager Scaglione stated the current Cost of Service Study (COSS) was included in the agenda packet, and that there was no increase as of July 1.

Finance Manager Fusco explained that the Public Hearing was for the sewer service fees for Improvement District "A" (IDA) to be collected on the tax roll; the Board has not set sewer rates yet, and the rates for IDA are the same based on the 2013 COSS. The 2013 COSS is on the District's website.

President Sannella clarified for Mr. Hunsaker that this resolution just allows the District to be able to receive the fees through the tax rolls and the County tax collector, in turn, remits them to the District.

There being no other persons wishing to address the Board, President Sannella closed the hearing at 6:57 p.m.

16-07-10 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, to adopt the resolution authorizing sewer service fees to be collected on the tax roll.

Resolution No. 1497 - The roll call vote was as follows:

AYES: Elitharp, Evans, Hernandez, Martin, Sannella
NOES:
ABSTAIN:
ABSENT:

ACTION ITEMS

DROUGHT UPDATE

Public Information/Conservation Supervisor Robbins stated if approved by the Legislature, the 2016-17 State Budget will provide \$2 million for the "Save Our Water" campaign which is a partnership between the State and the Association of California Water Agencies (ACWA). The theme of the campaign is, "Water Conservation. IT'S FOR LIFE." The District's Public Information Department will begin to shift messaging to follow that theme by promoting the permanent drought restrictions under the District's new drought ordinance while encouraging customers to continue good water conservation habits.

He provided the following update for the month of June:

- The District's June 2016 water production increased 11% from June 2015 but decreased 23.5% from June 2013.
- In June 2016, customers used 94.8 gallons per day compared to June 2015, when customers used 84.6 gallons per day.

General discussion took place, during which Interim General Manager Scaglione stated the District is still required to report water conservation data compared to 2013 to the State Water Resources Control Board. This information will be presented to the Board on a quarterly basis under the Consent Calendar.

President Sannella requested staff provide the Board with month-to-month trending data of water usage and related financial data.

General discussion took place.

Mike Hunsaker, member of the public, addressed the Board stating he wanted to extoll the beneficial changes in the new digital meters the District has; they've proved to be quite informative. His meter allowed him to find a leak that was just past the new meter which was unfortunately caused by the installation of the new meter. He didn't discover where the leak was until he checked the meter and shut the water off to the house. The one thing he thought was missing in the District's plan for drought level 1 was to require every apartment to have a separate meter. If you have one big six or three-inch meter, you can't determine where these leaks are. This is going to become a major water loss

in the future. It gets really expensive for the low and middle income tenants to have to pay for water for the whole facility when there is no individual responsibility and no way to find where the leaks are. The District has a very rigorous fine system for people who have leaks and don't fix them. You can discover where the leaks are in a single family dwelling because you have a meter for that house, but you do not have a meter for every apartment. If there is one leak or a dozen leaks in an apartment complex, how do you determine where they are? Who is responsible? Is it an internal leak in a faucet, too much use in toilets, or is someone growing marijuana in their apartment? He thinks the District needs to have individual meters and avoid instances where there is one master meter and the apartment landlord rents meters from the District and charges a five percent or more administrative fee. Let's make sure if there is going to be accountability, that it applies to all.

This item was presented for information only.

COST OF SERVICE STUDY REPORT AND PROPOSED RATES FOR 2016 THROUGH DECEMBER 2019

Finance Manager Fusco stated the San Juan Capistrano decision caused all water agencies to review their billing procedures to ensure they were in compliance with Proposition 218. Upon the advice of legal counsel, the District was advised to move away from billing customers based on meter size and move to a method more common in the industry. In July of 2015, the District engaged Black & Veatch (B&V) to perform a COSS for water and wastewater charges.

Finance Manager Fusco provided a time line of the COSS process to date which included presentation of the COSS and various billing methodologies to the Board at public meetings and workshops held on January 6, 2016, February 8, 2016 and February 17, 2016. The water and sewer rates were also discussed at public workshops in reference to the fiscal year 2016-17 budget on June 8, 2016 and June 27, 2016. At the budget workshop on June 27, the Board adopted the fiscal year 2016-17 budget, based on a five percent rate increase overall for that year.

He further stated a draft of the Proposition 218 Notice of Public Hearing was provided to the Board, which includes the new methodology moving from billing per meter size to customer class, the tiered structure, ranges for the tiers, and rates per customer class. A copy of the COSS was also provided to the Board.

General discussion took place regarding the draft Proposition 218 Notice of Public Hearing and changes the Board would like made to make it easier to understand. The consensus of the Board was to add language at the beginning of the document which states what the rate change will mean to the average single family customer in dollars and cents.

General discussion took place regarding the number of years the Proposition 218 Notice of Public Hearing should cover. The consensus of the Board was that it should cover two years.

Mike Hunsaker, member of the public, addressed the Board stating that he agreed with Director Martin having the Proposition 218 Notice of Public Hearing cover two years considering the continuing drought.

He expressed concern about the changing 5/8" meters to 3/4" meters and the increased charges associated with the increased capacity.

Director Hernandez stated the District is phasing out 5/8 inch meters and is not charging more for the 3/4 inch meters versus the 5/8 inch meters. Interim General Manager Scaglione further clarified that the meter charge is not for capacity; it is for the recovery of the meter itself, meter reading, and other fixed charges of the District. As for the new meters, the 3/4 inch meters are the only size available which is the standard base meter of many water districts. He confirmed that the rate payer is not paying more for the 3/4 inch meter.

Interim General Manager Scaglione clarified that staff recommended the Board accept the "Water and Wastewater Cost of Service & Rate Design Analysis" report and affirmed staff will make revisions to the Proposition 218 Notice of Public Hearing based on the Board's input and will bring it back at the next Board meeting for further consideration.

16-07-11 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to accept the "Water and Wastewater Cost of Service & Rate Design Analysis" report and directed staff to revise the Proposition 218 Notice of Public Hearing, incorporating the changes they discussed and stating the rate will increase 5% each year for two years.

ORDINANCE AUTHORIZING ADMINISTRATIVE CHARGES TO RECOVER INDIRECT COSTS FOR FISCAL YEAR 2016-17

Finance Manager Fusco stated the 2013 Cost of Service Study titled, "Water Validation, Cost of Service & Rate Design Analysis; Wastewater Validation & Rate Analysis; Miscellaneous Fees & Overhead Rate Analysis (Report)", included a recommended method to calculate an annual overhead rate to recover indirect costs. The proposed ordinance maintains the District's desire to recover all of the administrative expenses incurred in connection with providing direct services. The recommended overhead rate of 205% was derived by dividing budgeted indirect costs by direct labor costs as per the recommended methodology in the Report.

Staff recommended the Board consider the recommended overhead rate of 205% and adopt the ordinance repealing Ordinance No. 192 and adjusting the overhead rate.

General discussion took place.

16-07-12 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to adopt the ordinance repealing Ordinance No. 192 and adjusting the overhead rate to 205%.

Ordinance No. 199 - The roll call vote was as follows:

AYES: Elitharp, Evans, Hernandez, Martin, Sannella

NOES:

ABSTAIN:

ABSENT:

ACCEPTANCE OF KNOLL ROAD SEWERLINE REPLACEMENT PROJECT

Capital Facilities Senior Engineer Hubbard stated this project replaced 300 feet of a section in Knoll Road, north of San Marcos Boulevard that was identified as having deficiencies in the pipeline. The project was constructed almost entirely at night and was completed earlier this month with no change orders. To date, the project is approximately \$300 under budget; however, anticipated additional administrative time will put the project over budget.

Staff recommended the Board increase the budget \$1,325, accept the project, and authorize the filing of a Notice of Completion and release of retention funds to the contractor following the 60-day period, provided no claims are filed.

General discussion took place.

16-07-13 MOTION WAS MADE by President Martin, seconded by Director Evans, and carried unanimously, to increase the budget \$1,325, accept the project, and authorize the filing of a Notice of Completion and release of retention funds to the contractor following the 60-day period, provided no claims are filed.

CONTRACT AMENDMENT #1 TO BLACK & VEATCH FOR COMPLETION OF THE 2014 WATER, WASTEWATER, AND RECYCLED WATER MASTER PLAN

Development Services Senior Engineer Scholl provided information on the Contract Amendment #1 to Black & Veatch for completion of the 2014 Water, Wastewater, and Recycled Water Master Plan. The amendment is for the total amount of \$64,405 which

includes the following:

- The primary addition to the scope of work is the completion of a Water Conservation and Capital Improvement Program Impact Analysis in the amount of \$51,605.
- In addition to the Water Conservation and Capital Improvement Program Impact Analysis, the augmentation request includes \$78,538 for 2014 Master Plan document additional tasks.
- Proposed Contract Amendment #1 also includes a credit of \$62,796 in contract adjustments for Program EIR task items that were altered or reduced, as well as \$2,942 in credit for additional services performed at cost by the consultant.

Staff recommended the Board approve Contract Amendment #1 to Black & Veatch in the amount of \$64,405.

General discussion took place.

16-07-14 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried 4 – 1 with Director Martin voting no, to approve the contract amendment.

REVISED EMPLOYEE HANDBOOK

Administrative Services Manager Emmanuel stated the Employee Handbook (handbook) was last revised March 17, 2010. In recent years edits have been made and pages were replaced as a result of policies that were approved by the Board, but a comprehensive update had not been done. As required by the most recent Memorandum of Understanding (MOU) with the Employee Association, the handbook was updated and presented to the Board for consideration and approval within 60 working days from the date of adoption of the MOU. The Employee Association and all employees received a copy of the revised handbook highlighting the changes and legal counsel has reviewed the changes as well.

Administrative Services Manager Emmanuel provided a brief overview of the revisions which included changes in laws, MOU updates, reorganization, and rewording to make the handbook easier to understand. Although the handbook looks different in format, existing policies or practices have not been changed unless specifically noted.

Staff recommended the Board approve the revised Employee Handbook. Upon the Board's approval, resolutions conflicting with the policies in the proposed handbook will be presented to the Board to be rescinded at a future Board meeting.

General discussion took place.

16-07-15 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to approve the revised Employee Handbook.

ORDINANCE NO. 197, BUSINESS OF THE BOARD

Interim General Manager Scaglione stated that at the July 6 Board meeting, the Board requested additional information outlining the benefits of membership in the various organizations the District is a member of as listed in Ordinance No. 197. Detailed information was provided to the Board exhibiting actual membership costs and savings on registration fees if applicable, and membership benefits.

General discussion took place, during which President Sannella stated the San Marcos Chamber of Commerce will be holding a "Meet Your Elected Officials" sundowner event on July 28. Executive Secretary Posvar will provide more information regarding this event to the Board.

General discussion took place regarding the various organizations the District is a member of, including the benefits of being a member of the Water Education Foundation (WEF). Although WEF does not provide discounts to members attending their tours, the organization is a very good source of information and education for the water industry.

General discussion took place regarding the SDNEDC, during which Director Evans asked what percentage of the District's rate payers are business owners who belong to the SDNEDC that the District interacts with. She stated she could not support membership to the SDNEDC even at the \$1,500 level, since the Board will not limit the amount of per diems paid to attend SDNEDC meetings, which amounts to more than \$5,800 per year to represent a small percentage of rate payers. She confirmed with President Sannella and Director Martin that the District is not required to be a member in order to attend the monthly meetings.

The consensus of the Board was to direct staff to revise Ordinance No. 197 to reflect the elimination of the membership to the San Marcos Chamber of Commerce, decrease the membership level to the SDNEDC from \$5,000 to \$1,500, and list the approved organizations in alphabetical order. The revised ordinance will be presented to the Board at the next Regular Board meeting.

REPORTS

INTERIM GENERAL MANAGER

Interim General Manager Scaglione reported on the following:

- The District has accepted an offer on the avocado grove; however, there are some issues with the buyer.
- The District's Water Academy is scheduled for October 20, 2016.
- The Employee Recognition Luncheon will be held on July 21.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans reported that three different organizations were awarded federal funds for the Clean Water Initiatives in San Diego. Pure Water San Diego will receive \$5 million; Padre Dam Recycling will receive \$4.5 million for Phase 1 of their expansion; and the Sweetwater Authority Reclamation Project will receive \$3.7 million. The City of Oceanside will also receive almost \$36,000 for their water reclamation program.

ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance to the Capital Improvement Committee meeting on July 20 at which a review of capital projects and discussion regarding a recently approved professional services agreement took place. He stated he will be participating on the interview panel for engineers to conduct the reclamation study.

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on July 12 at which the 2016 financial audit overview was presented, kicking off the annual audit process. The Committee recommended a resolution for appropriation of funds for the Fiscal Year 2017 Operating and Capital Program Budget be forwarded to the Board for approval. He also attended a Board workshop on July 20 at which the Board considered the integration of Encina Wastewater Authority Joint Powers Authority with San Elijo Joint Powers Authority. The proposed integration was voted down.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Martin, Elitharp, Evans and President Sannella reported on their attendance to the Council of Water Utilities (COWU) meeting on July 19.

Director Evans stated the August COWU meeting has been cancelled.

President Sannella reported on his attendance to the California Special Districts Association certification program.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez commented that he hopes the groundwater study that will be presented to the Board in the fall will be very detailed with new information. District Engineer Gumpel provided a brief update on the study.

President Sannella asked when the Board would be receiving information on the property behind the District office. District Engineer Gumpel stated the Engineering Department is working with several different developers to look at three options: full development; moderate development with light industrial on this side of the hill and residential on the other side; and mitigation.

President Sannella requested an update on what recreational plans the City is working on for South Lake. District Engineer Gumpel stated that the current development at Rancho Coronado does not involve recreation at South Lake. The City is not moving forward with any new progress on South Lake at this time.

CLOSED SESSION

PERSONNEL MATTERS PURSUANT TO GOVERNMENT CODE SECTION 54957(b)
– TO CONSIDER APPOINTMENT OR EMPLOYMENT OF A PUBLIC EMPLOYEE

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

USAA / Glen Perlman

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 – PUBLIC
EMPLOYEE PERFORMANCE EVALUATION

Title: General Counsel

16-07-16 MOTION WAS MADE by Director Martin, seconded by President Sannella, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54957(b), 54956.95, and 54957.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 9:21 p.m. The Board, in Closed Session, rejected any and all claims of Glen Perlman related to the incident that occurred on May 26, 2016 and directed staff to refer the handling of the claim to ACWA/JPIA.

The Board, in Closed Session, also discussed the appointment of a new General Manager and conducted a performance evaluation of the General Counsel in accordance with Government Code section 54957.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 9:22 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, August 3, 2016, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Michael A. Sannella, President
Board of Directors
Vallecitos Water District

ATTEST:

Tom Scaglione, Secretary
Board of Directors
Vallecitos Water District