AGENDA FOR A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, APRIL 29, 2013, AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT HERNANDEZ

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.

PRESENTATION / INFORMATIONAL ITEM

1. PRESENTATION OF URBAN VILLAGES RELATING TO DISTRICT ORDINANCE #177 – MR. MICHAEL MCDONALD

DIRECTOR'S COMMENTS / FUTURE AGENDA ITEMS

*****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 4:00 p.m., Thursday, April 25, 2013.

Diane Posvar
President Hernandez called the Committee meeting to order at the hour of 4:00 p.m.

Present:  
Director Evans  
Director Ferguson  
Director Martin  
Director Potl  
Director Hernandez

Staff Present:  
General Manager Lamb  
Assistant General Manager Scaglione  
Legal Counsel Scott  
Legal Counsel Jackson  
Director of Engineering and Operations Gerdes  
Administrative Services Manager Emmanuel  
Principal Engineer Gumpel  
Water Operations Supervisor Pedrazzi

Others Present:  
Michael McDonald  
Michael McSweeney, BIA  
Steve Nielsen, Dexter Wilson  
Jim Simmons, Consultants Collaborative

ORAL COMMUNICATIONS

Mr. Hunsaker and Mr. Gentry, members of the public, stated they would like to reserve their comments until after the presentation.

DISCUSSION/ACTION ITEMS

President Hernandez stated that, before the presentation begins, he wanted to make sure that all understand that this is a presentation format. There are two requests for oral communications that will speak afterward. This is not a discussion nor a debate. It is just gathering information for those Board members who were not here during other presentations for that particular issue.

PRESENTATION OF URBAN VILLAGES RELATING TO DISTRICT ORDINANCE #177 – MR. MICHAEL MCDONALD

Mr. McDonald thanked the Board members for allowing them the opportunity to make a presentation and explain their position about a number of things and not really focusing specifically on the densification fee that’s in place. He mentioned the last time he addressed the Board that his partner and he, Gary Levitt, are inherently not litigious people. In fact, this is the first law suit he has ever brought in thirty years of being in
Minutes of a Committee Meeting of the Whole  
Special Board Meeting of the Board of the Directors of the Vallecitos Water District  
April 29, 2013  

business. The reason for it is economic impact to their north city project alone from any other projects. They calculate to be about $7 million cost for the densification fee. They felt they had no alternative other than challenging the densification fee. Today he has several people who will be working with him on the presentation – Mike McSweeney from the BIA, Steve Nielsen with Dexter Wilson, and Jim Simmons of Consultants Collaborative. All will be participating in this presentation. The one thing that he would encourage that, as questions come up, or if for some reason they’re not making their position clear, he thinks it would be to everybody’s advantage that it’s open up to questions to make sure that they are clear in what they are trying to present today. He turned the presentation over to Mike McSweeney.

Mr. McSweeney stated that if they have any questions during the presentation, just feel free to interrupt them and ask them. Mr. McSweeney introduced himself stating he is the Senior Public Policy Advisor for the Building Industry Association. They have a presentation today to discuss last year’s fee study, how it effects development and actually some errors that they think might be there. He facilitated the presentation as follows:

- Table of contents/Outline  
  - Need for treatment capacity  
  - Fee implementation  
  - Fee methodology  
  - Conclusions and request

Mr. McSweeney introduced Steve Nielsen to continue the presentation.

Director Martin asked Mr. McSweeney if he has done several of these with different water districts; is it common for him.

Mr. McSweeney responded no.

Director Martin asked Mr. McSweeney if he has ever done any of these before.

Mr. McSweeney stated no, they haven’t had the kind of issues with a water district that they have with Vallecitos.

General Manager Lamb addressed the Board stating that at the same time the District was going through this fee structure, BIA was over at Olivenhain discussing their fee structure with them as well. So he would have to dispute what Mr. McSweeney said. He restated to Mr. McSweeney that he was over addressing Olivenhain’s fees and proposed rate increases concurrently when the District was going through this.

Mr. McSweeney stated that he is correct; he went to one meeting at Olivenhain. He thinks he came to four meetings up here.
Mr. Nielsen facilitated the presentation as follows:

- **VWD treatment capacity/flows**
  - Phasing
  - Projected wastewater flows
  - Sewer EDU’s at fiscal year end
  - Sewer flow in MGD

- **Fee implementation examples**

- **Fee methodology**
  - 2008 existing community
  - 2008 projected community at year 2030
  - Future densification

- **Financial impact for 100 EDU’s added**
  - Atkins fee study identifies costs of purchasing treatment for additional units (based on the assumption that all capacity will be used up by 2030)
  - Atkins fee study does not identify impacts or revenue for additional units related to conveyance and land outfall portions of the fee

Mr. McSweeney facilitated the balance of the presentation as follows:

- **Maximum zoning density allowances rarely equal actual units permitted**
  - CIP studies always assume maximum density per parcel
  - CIP studies assume all land is flat (no topographic challenges) and don’t consider environmental constraints (open space)
  - CIP studies fail to consider competing state laws (AB 32, SB 375, Title 24 – net zero energy)
  - CIP Studies fail to consider emerging technologies, State legislation (gray water) or water re-use

- **Example properties shown**

- **Final Thought – Why is VWD the only agency with a density impact fee?**

- **Conclusions**
  - 2008 Master Plan significantly overestimates 2030 projected flows
  - Water Conservation goals are not reflected in the 2030 flow projections
  - Unrealistic to assume that all non-vacant parcels will develop to zoning allowance
  - SANDAG sewer projections show no new sewer capacity needed through 2040
  - Overly conservative treatment capacity projections unfairly burden VWD customers
  - Fails to consider state laws (AB 32, SB 376, Title 24 - net zero energy)
  - Fails to consider emerging technologies (gray water) or water re-use policy changes
Increased density pays for new treatment, but doesn’t get credit for over payment of outfall and conveyance fees

- Standard fees applied to increased density more than cover identified treatment cost impacts

- **Request**
  - Suspend Ordinance 177 and toll the Urban Villages San Marcos lawsuit until the VWD Board can have adequate information and time to make a determination about rescinding Ordinance 177

Mr. McSweeney stated it’s their position that it’s only proper to sit back down with District staff, District’s consultant, Atkins, their consultant, and go over these things and answer the questions that they have. Because the way they’re looking at it, it’s the District has enough capacity well into the future. And if they are going to build that much more when the reality is the direction the market is going, is probably won’t have to do the outfall, because they’re going to be directing these flows to water reuse. That’s where the future is, that’s where the growth is going to occur, and quite frankly, the District is probably going to have to do a different study to figure out what is it going to cost then to ramp up turning the wastewater into potable water. That’s a whole other subject.

Mr. McSweeney did a calculation which resulted in a population number of 156,000; SANDAG’s population was 110,000 in 2030. That’s another 26,000 people beyond that, that’s what they already got in the ground operating today.

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

Mr. Hunsaker, member of the public, addressed the Board Committee stating that this is an ordinance. It goes through a very long process and even when you have the workshops and have two readings of the ordinance. And if you make a mistake, if you go back and change it, settlements, legal matters can freeze you in. It is very difficult to go back once you’ve gotten a settlement. If you don’t have the same degree of openness and the same degree of consideration, you’ve got a problem that you’ve built in forever. If there’s anything to be done, this should be a new ordinance not a settlement which locks you in. As far as the densification not reaching the levels that your zoned for, that is unfortunately true. In San Marcos Unified School District for the entire Twin Oaks area, they figure for one school, the elementary school, the population will go over the next two years from 701 students to 703. The densification is not occurring out in the rural and suburban areas to that extent. What about the areas that will be growing dramatically. These are the high density apartments – Creekside, University District. And you have your general plans. But these general plans do not consider bonus units. And any businessman, any good businessman, and he considers Mr. McDonald a good businessman, should be considering and using bonus units. And that can be 35% over your density allowance. As far as projection goes, there was a big housing problem in 2007 – 2012 pretty much we’re just now recovering. That very much disrupted any projections that you had. So if you’re going to do bonus units and
you’re going to have high density. He saw pictures here of suburbs – there’s not much units there. If we’re going to do this, let’s do it right; new ordinance, not lock ourselves in, take cognizance of where the growth is going to be and the effect of bonus units. He thanked the Board.

Mr. Gentry, member of the public, addressed the Board Committee stating he had a number of questions with respect to the presentation. He appreciated having the opportunity to hear it but he also had quite a number of questions that he heard the presentation from Mr. McSweeney and Steve. Hopefully there can be some light shed on those questions. The $7 million figure in fees that were calculated, how long a period of time was that spread out. Was that for the entire duration of the Village project or was it a period shorter than that. That wasn’t clearly understood in the presentation.

Mr. McDonald responded it was making an assumption on the densification portion of the project over and above what was currently zoned in that 2008 Master Plan times the densification fee with the build-out of the project. The timing for the build-out of the project – it’s a function of the market.

Mr. Gentry stated so cost will change regardless of the jurisdictional agency involved, those costs will change over a period of some time anyway. So the $7 million, at least in the terms of the cost for fees that might accrue to Vallecitos is somewhat speculative. The presumption of an 80 gallon per day per person EDU, he really didn’t hear a documented source for that statement. Perhaps they could share that.

Mr. Nielsen responded stating that what he tried to explain is you have data in the 2008 Master Plan that shows you what your current flows and what the current population is. So if you take your current flows divided by your population, he calculated 77 gallons per day per person. He rounded that up to 80.

Mr. Gentry stated that in the report that was given to the Board dated March 21, 2012, there is an EDU calculation that is posted in that report, it was part of the final report from the Atkins group, it was part of the final report in terms of the Board taking action on the 7th, it utilized a per gallon per EDU on a daily basis of 250 gallons per day. Now there are some water management BMP’s that the Vallecitos District has been a long time member of that’s striving to get even lower gallons per day per person. But presently, he thinks the right question would be what is the District’s calculation of gallons per day per person as an EDU calculation rather than having an undocumented 80 gallons per day per person. That assumption may be an error on both sides of the table in the discussion, but in the Atkins report it was 250 gallons per day per person. The General Manager might add to that.

General Manager Lamb stated that’s been an ongoing conversation staffs had with the BIA, with their consultant, and all the development community going through this whole process. The method was, these amount of EDU’s that have been sold, here’s your current flow, divide the one into the other, magic – flows are reduced from 250 gallons
per day per acre down to 183 was the number projected. What has been provided in a confidential memo was what was entered into the record by Mr. McDonald two years ago. That was a methodology on how the flow projection was based, was that flow should be at 180 gallons per day per EDU, not 250. There is a difference between flow and capacity. Every EDU that’s been sold at this District has a capacity entitlement to 250 gallons per day per EDU. Making a magical assumption that starting today forward maybe the District changes it. You cannot change your historic basis of what was sold and committed. What they have tried to get across to the Board at the presentation recently was if you take that assumption, and we’ve already picked up about a half million gallons per day over the last year, yet we’ve only connected a few hundred EDU’s. So the gallons per day is starting to come back up. The single family homes were still showing in the 240ish, 242 gallons per day per home. High density was coming in at 183, hence the new policy allotted a high density EDU in there at 180. That is built into the model and that is projected. So the concept of taking existing flow, dividing them by a number might be good as a snapshot in time right now right here at this moment. It doesn’t take into the fact that the projection population and calculation that Mr. McSweeney did, is assuming all people. It does not take into account development, all the different businesses and stuff that are also coming into play. Not just purely population. So there’s a whole lot of pieces that come into play.

Director Martin stated he is trying to understand the difference between the two numbers you’re coming up with. He’s saying it’s 80, you’re saying its 183.

General Manager Lamb stated he doesn’t know what the actual gallons per day per person is.

Director Martin asked there’s no way to calculate it.

Legal Counsel Scott stated there is one thing he needs to understand. When you are building a sewer system, we’re a transient society. If we all just stayed at home and didn’t go anywhere, then you could sort of base it on the population of the city. But people go to school, they go to restaurants, and you have businesses. We have influxes coming in capacities and the problem is if you don’t take a conservative approach and make sure that you’ve got capacity in the restaurants and in the businesses and in the schools and at home, when everybody flushes the toilets all at once, if you don’t have the capacity to treat it, to convey it, it’s welcome to Tijuana folks. It’s going to be popping up out of the manholes and you can potentially have some issues. It’s nice to talk about this in the abstract, but you’ve got to be realistic when you get down to building a system that’s going to accommodate what’s happening. That’s why historically, when we’ve looked at these things, we’ve also looked at making sure that we have capacity for the University. And that’s a transient population. And the colleges and the schools. We can sit here and have a little discussion about it, but this is a very complicated issue.

President Hernandez stated no we can’t; we’re not having a discussion.
General Manager Lamb stated to Director Martin that if he wanted to equate it, he would have to go back and look.

Legal Counsel Scott stated he just wants to make sure that they understand that you can’t just simply say…..

Director Martin stated he completely understands…..

General Manager Lamb stated he doesn’t actually have one, to find out what to give him, he would have to come back.

Director Martin stated that as a layman, he would say that consumption divided by the number of people tells you you’re at a purely average number. It’s not the high it’s not the low, it’s just an average number. And he thinks a mathematician would tell him that. He understands everything being talked about, but at that snapshot wherever that was taken, kind of like when 2008 rolled around, the new Master Plan, that was a snapshot in time and it changed from that day forward. Everything changes.

Mr. McSweeney stated that before they go on, if they could explain more.

President Hernandez stated no, we’re not going to explain. We already heard the explanation, we see the graphs, we’re doing questions now.

Mr. Gentry stated the next question with respect to Steve’s presentation on fee implementation example, he took a few moments while he was sitting there, but he also reflected earlier today on the Board’s documents that he received for the impact fee study back in March of 2012. And at the time, a great deal of time was spent with this whole issue of equity and fairness. Wasn’t trying to slam development and God knows in his profession as a land use planner, that’s one of the heavy concerns you always have going in. But he did a quick calculation on the fee implementation example that he thinks deserves a question by this Board and he thinks they’ve overstated their case with respect to the fee cost. He couldn’t get to their 300,000 plus figure because the ordinance specifically takes away that full 30 that they described and based their fees on, he believes. So there is question there about the calculation. He doesn’t count it to be an error, either on their part or on the ordinance part, he thinks a matter of some clarification and it deserves a recheck, obviously. Either his math is wrong or someone else’s math is wrong. But it’s inconsistent with what the ordinance was set up in structure for. He had a question about how they did that calculation. Their examples of residential subdivision …..

President Hernandez stated excuse me….
Director Martin stated going back to the point, he just brought up the question, would he explain again where he came up with those numbers for that snapshot in time. It seems to be basic to him.

Mr. Nielsen asked if he was referring to the issue just raised about the implementation.

Director Martin stated sure.

Mr. Nielsen stated the 10 versus the 30 EDU's. If they come up with a map right now of the district and say they’re zoned for 20 EDU's but they’re going to build 30, the District is going to say “you’re going to pay 30 EDU's at our standard fee and because you have ten EDU’s that we didn’t plan on, you’re going to pay 10 EDU's at the density fee.” And so that’s how the math works. You’re still looking at 40 units total on that example he gave, but because it’s less on one and more on another, that’s the way the implementation works.

Director Martin stated is that the way it does ....

General Manager Lamb stated he thinks it’s calculated correctly. The difference here is there is an assumption that parcel owners are allowed to have 20 units. As a water district, the authority and scope is not land use or land planning. We assume we have to allow for 20 units per acre. He has no choice. So in this case, you pick one unit that happens to build 10 instead of 20 and another one picks 30 instead of 20. How do we make that differentiation. And when you want to go back in time, he thinks if they were to compare Paloma, San Elijo Hills, Discovery Hills, the top of the mountain right next to it, way back when before they were approved, those projects were major increases in density. So to try to say this may or may not happen, hence he really has no choice. The 20/20 is assumed.

Director Martin asked wasn’t there an entirely new, prior to San Elijo, an entirely new formula came up by this group to address San Elijo.

General Manager Lamb responded no. San Elijo, when they built their project, not only did they build the improvements and the upgrades that were necessary for them, they paid the fees. They built all the tanks, all the pipes, all the storage. Meadowlark was being expanded and San Elijo was included in the Master Plan.

Director Martin stated that the examples that were shown of those properties and he had to be on the other side of the table at that time, he remembered the densities were there and the City slashed them when it actually came to build it. So it does happen fairly frequently. Generally speaking, developments are not built to their highest use. Generally, not always. In this case, he thinks Mr. McDonald certainly are. But he is just saying, their generally not. So what happens, to bring it more to point, there was a project that was across from the Lowes that was going in, it was a three story unit on
Grand Avenue, and they came in he assume, they’re in a spa he understands that, but they paid their fees up front and all the fees are done. His question is suppose they didn’t get built. What happens. And that does happen on occasion.

General Manager Lamb asked what happens to…?

Director Martin responded the money that they paid.

General Manager Lamb stated it’s entitlement to the property. The Board has the authorization. Right now, if you look at the policy, non-transferable money, from a practice standpoint what’s happened in the past, you have a project that says they’re going to build 250 of them, they pay their fees for whatever reason, nobody comes in and writes a check up front anymore, so the odds of that happening, doesn’t happen very often, but let’s say you came in and through the entitlement process, whatever the case may be, you’ve got 230. Historically, the general practice has been they paid for it, they didn’t get it, they gave it back. And it’s been refunded. But that’s at the Board discretion and that has happened.

Director Evans stated her only question is when we did Paloma and Santa Fe and that we had this increase in density that happened, the Board did not have a density impact fee at that time.

General Manager Lamb stated there were no concerns at that time.

Director Evans asked if that was because there were no concerns or because they just didn’t know to be concerned.

General Manager Lamb stated no. When you go back, it was built 1988ish, when you start looking at the amount of growth and the amount of land, we’re still at 50% left in sewer, had about 45% left in the watershed. If they would have gone back in the mid-80’s, there was probably 75% left to grow. There was plenty of time to look and look at what’s going and make the changes. Steve is correct that the sewer flow projections have been, it used to be at 18, he thinks at one point, if you go back to ‘81, there was a projected flow of 21 million gallons per day back then. That’s the way things were modeled. Moving forward, if they start looking at the densification of projects that are coming in between University, the projects on the south end of the district, take a look at the one nobody likes, Merriam Mountains, they’re allowed 300. They were frozen at 2700 or 2800. What’s happening is it’s less and less land, higher and higher density, less and less time to mitigate the impact. The way this fee came about, again going back to it, five or seven years ago in the Strategic Plan of the Board, the Board said we need to address mitigation impacts of high density projects. Because back then, we literally had done five water supply assessments that we’re obligated to do by law, and we had a massive amount of potential additional units coming. Our job is not to say yes or no, it’s just if they want to build it, here’s the cost, here’s the improvements. That’s really what this came down to. It’s not a pro or con for growth or no growth; it’s if this is
coming, how do we allow for it. The way we project the flows, and that can be
debatable forever, let’s say the flow projection is 2040. O.k., but if a development is
bringing in that many additional units, just trying to say they have plenty of capacity,
we’re not saying that there’s capacity they can’t use. We’re saying how do we deal with
the extra. The extra demand is a different issue of when you hit your peak. Totally
different animal. One is capacity we owned, the other is when you get there. Nobody’s
talking about the fact that there is additional flow coming from these projects. And
where do you treat it. That’s the issue at hand.

Director Evans asked him to repeat that one more time.

General Manager Lamb stated let’s say we have 10 million gallons per day of treatment,
capacity. And that was based upon existing land use. We say it’s going to hit in 2030.
He thinks Steve’s graphic is very pointed. It’s all over the place. Take your best shot.
Every five years things change. The economy went stagnant, that’s what happened.
The issue is we still have 10 million gallons per day of treatment. He didn’t miraculously
come up with more treatment capacity. We just hit that number theoretically later on. If
you build an extra 1,000, regardless of when you build it, as Mr. McDonald said, he’s
looking at a 15-20 year buildout, there’s still another 1,000 units in sewer flow that
needs to be built somewhere. When we hit capacity is not the issue. The issue is does
that project mitigate its impact. That’s the bottom line. So how do we deal with that.
The discussions have been true to date. Every five years this Board looks at the Master
Plan, they look at our Urban Water Management Plan, and the Integrated Water
Resources Plan. Those things all come together; a fee study comes out of it. Right
now those fees do not include, and he would disagree with the presentation here and
have all along on how there is or is not impact. There’s a small component of treatment
debt. That debt does not cover the cost of additional treatment. That’s why we’re
saying the impact fee is just for treatment. He would disagree in the projection that
we’ve had not provided a basis of outfall. We have in fact. There was a separate study
done by IEC. That study was referenced and shown in the fee study that says the
average cost, reasonable cost on the outfall, is this amount of money. Again, we’re
looking at 20 and 30 year projections. When it happens is all over the place. So the
way this thing takes care of itself, is every five years we take new approved land uses,
we roll them into the Master Plan, we shake it up and we see what the fees are when
they come out the other end. Next time there could be a sewer treatment component
because of increased projected growth.

Mr. Gentry stated the related question to the fee analysis that Steve did, he noticed the
examples in any of them did not also address the question of any fee credits back. He
assumes he did that just as a generalization and example. But in the case of the
density impact fee ordinance, ordinance 177, it’s directly related to, as the Atkins study
talks about, blanket elements that are going higher in terms of compliance with the land
use plan of the regional agencies. Whether it’s the city or the county or any of the
surrounding jurisdictions that Vallecitos serves. That has meant at least in the form of
the environmental review documents that the District has received, that they’re seeking
to do smart growth developments. And they’re doing those with a densification and intensification of land use categories. That also does imply that there are existing service units available and therefore the credits. So would his fee implementation example reflect that. He thinks he knows part of the answer based upon some of the discussions already. It does not. So he thinks there is an error in the example, at least a minor one. The three examples of properties that were given are all in the city and he noted with some curiosity that they’re also constrained by the city’s ridgeline ordinance which has a very restrictive kind of considerations that goes far beyond the density ordinance. He didn’t really see where those would ever be subject to the density impact fee whatsoever and he was curious why a more appropriate example, or two or three, could have been given. And he fails to understand either from his or Mr. McSweeney’s presentation how the costs were overestimated when the Atkins study and the report to the Board in March of 2012 clearly identified some total cost projections. And as the General Manager pointed out, there were some other studies that preceded it and he didn’t understand how the density impact fee ordinance would unduly overburden the existing Vallecitos customers. And that perhaps needs some explanation.

President Hernandez asked where the question was there because he lost…

Mr. Gentry stated the question is how does the fee ordinance unduly burden the Vallecitos customers.

Mr. McSweeney stated that basically you end up collecting money to build capacity that will never be used. And then who pays for the upkeep and maintenance of, this is like getting a car and thinking you need a V8 engine. It’s a difference between a 302 and a 454.

Mr. Gentry asked Mr. McSweeney doesn’t he ask the existing customer of Vallecitos then to share that burden of mitigating the impact.

President Hernandez stated that we’re answering questions and not discussing this issue. And that was your answer. He asked if there were any other questions from the Board members.

Mr. McDonald stated he would like to close on a couple of things. They have the pending lawsuit and his understanding is right now it’s been pushed back with his attorneys and the District’s attorneys, he thinks until the 10th of May, before there needs to be a response from them. They have requested here why the Board is reviewing their presentation a suspension of the ordinance 177 and together with that a tolling agreement on this entire lawsuit so the District is not spending money and they’re not spending money on it. On the intro, he would request that the District would push back this short term extension from, he believes it’s May 10th, to a date which gives the Board some time to discuss the results of the presentation they’re making today.
General Manager Lamb stated he would discourage any conversation on the litigation right now. He did add a Closed Session at the Board’s direction to Wednesday’s Board meeting. So they do have a Closed Session to be able to discuss this.

President Hernandez asked if there were any other questions from the Board members. There were none.

DIRECTOR’S COMMENTS/FUTURE AGENDA ITEMS

Director Evans said thank you, that was helpful.

Director Ferguson stated she had one discussion to make. Under the conclusions that were finally all listed on page 22 of the presentation, she had a question for the General Manager. She asked him if he has seen all of the conclusions; has he had a chance to address them.

General Manager Lamb stated that some of them are new to him, some of them are conclusions are based upon their opinion. This will be addressed in Closed Session.

Director Ferguson addressed President Hernandez stating that she would like to recommend that they turn these conclusions over to the General Manager and Attorney and let them have an opportunity to address them in writing.

General Manager Lamb stated they will do that in Closed Session.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Board Committee meeting at the hour of 5:10 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, May 1, 2013, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

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