

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, DECEMBER 17, 2008, AT 4:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT HANNAN

PLEDGE OF ALLEGIANCE – PRESIDENT 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 DECEMBER 17, 2008

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 – DECEMBER 10, 2008

*Approved minutes become a permanent public record of the District.*

**Recommendation: Approve Minutes**

- 1.2 WARRANT LIST THROUGH DECEMBER 17, 2008 - \$1,728,972.59

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS

- A. WATER METER COUNT – NOVEMBER 30, 2008
- B. WATER PRODUCTION/SALES REPORT – 2008/09
- C. WATER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2008
- D. SEWER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2008
- E. APPROPRIATED FUND BALANCE ACTIVITY – NOVEMBER 2008
- F. INVESTMENT REPORT – NOVEMBER 2008

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

ACTION ITEMS

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

REPORTS

- 2.1 GENERAL MANAGER
- 2.2 DISTRICT LEGAL COUNSEL
- 2.3 DEPUTY GENERAL MANAGER – ENGINEERING AND OPERATIONS  
- *CIP update*
- 2.4 SAN DIEGO COUNTY WATER AUTHORITY
- 2.5 ENCINA WASTEWATER AUTHORITY
- 2.6 ACWA/REGION 10
- 2.7 LAFCO
- 2.8 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS  
ATTENDED

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

OTHER BUSINESS

- 3.1 MEETINGS

**California Water Environment Association Annual Meeting**  
April 28 – May 1, 2009 – Palm Springs Convention Center, CA

3.2 COMMENTS/QUESTIONS REQUESTING FUTURE BOARD REVIEW/ACTION,  
COMMITTEE WORK OR STAFF REPORTS

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

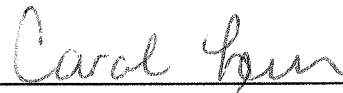
4.1 ADJOURNMENT

\*\*\*\*\*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. 261 at least 48 hours prior to the meeting.

AFFIDAVIT OF POSTING

I, Carol Lewis, 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, December 12, 2008.



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Carol Lewis

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, DECEMBER 17, 2008, AT 4:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

President Hannan led the pledge of allegiance.

Present: Director Ferguson  
Director Gentry  
Director Hannan  
Director Poltl  
Director Shell

Staff Present: General Manager Rucker  
Deputy General Manager Lamb  
Legal Counsel Scott  
Director of Finance Scaglione  
Director of Human Resources Caudle  
Engineering Manager Gerdes  
Operations & Maintenance Manager Arrant  
Engineering Supervisor Brandstrom  
Public Information Representative Webb  
Executive Secretary Lewis  
Administrative Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 17, 2008

Legal Counsel Scott reported that a Closed Session item pursuant to Government Code Section 54954.2 has arisen subsequent to the posting of the agenda which the Board needs to consider. A two thirds vote is needed to add the item to the agenda.

08-12-07 MOTION WAS MADE by Director Ferguson, seconded by Director Gentry, and carried unanimously, to add a Closed Session item to the agenda.

08-12-08 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried unanimously, to adopt the agenda for the Regular Meeting of December 17, 2008, as amended.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

08-12-09 MOTION WAS MADE by Director Ferguson, seconded by Director Gentry, and carried unanimously, to approve the Consent Calendar as presented:

1.1 Approval of Minutes

- A. Regular Board Meeting – December 10, 2008

1.2 Warrant List Through December 17, 2008 - \$1,728,972.59

1.3 Financial Reports

- A. Water Meter Count – November 30, 2008
- B. Water Production/Sales Report – 2008/09
- C. Water Revenue and Expense Report – November 30, 2008
- D. Sewer Revenue and Expense Report – November 30, 2008
- E. Appropriated Fund Balance Activity – November 2008
- F. Investment Report – November 2008

ACTION ITEMS

None.

REPORTS

GENERAL MANAGER

General Manager Rucker stated that the tentative Board Committee meeting dates had been previously distributed. Upon review, it has been determined that there is a conflict with a couple of the meeting dates. Under the Finance Committee, the tentative date of May 19 was rescheduled for May 12; under the Engineering Committee, the tentative date of November 11 was rescheduled for November 9.

General Manager Rucker stated that he met with Bob Hilber, CEO for Citizen's Development Corporation, to discuss pollution issues with Lake San Marcos. Residents Margaret Konn (retired Canadian Real Estate Attorney) and Fran Burian were also in attendance. Materials were provided to Mr. Hilber that included: A copy the DWR Water Permit, Division of Dam Safety information regarding the LSM Dam, the 2000 and 2002 EPA National Water Quality Inventory Reports on impacted bodies of waters in the United States, State Water Rights materials, Nonpoint Source Pollution materials as well as the SWRCB 303d documentation that provides validation that Ammonia as Nitrogen, Nutrients and Phosphorus as well as silt have impacted their privately owned body of water.

General Manager Rucker briefly discussed the tentative Standing Committee meeting dates for Calendar Year 2009 modifying dates identified with conflicts.

DISTRICT COUNSEL

None.

DEPUTY GENERAL MANAGER – ENGINEERING AND OPERATIONS

Deputy General Manager Lamb reported on the following capital improvement projects:

24" Recycled Water Distribution Main – project is going out to bid; hoping to start construction sometime in January.

Lift Station No. 1 – at 90% on the plans; the District is purchasing the new pumps and motors and the wiring and installation should be completed by District staff within a few months.

Meadowlark Tank – nothing new; project is on hold and staff will continue to monitor.

Wulff Pressure Reduction Station - project is on hold pending the development around Emerald Heights moving forward.

Discovery Street – at final plan check; wrapping things up and getting it ready to go out to bid.

MRF – contractor has still not obtained required releases; Legal Counsel continues to work the contractor Counsel on a daily basis; project cannot be accepted as final until all releases have been obtained.

Tertiary Filter Piping – plans are complete; this project is on hold.

SAN DIEGO COUNTY WATER AUTHORITY

Director Ferguson reported that the combined November/December meeting will be held on December 18.

Director Ferguson asked if any discussion has taken place at EWA regarding the SDCWA revamping the Shadowridge plant. Director Hannan responded that nothing will go before Encina for a while as it is still in the feasibility study phase. Director Ferguson stated that there is an item on the SDCWA agenda for December regarding applying for a grant to do an investigative study.

Director Ferguson stated that another item on the SDCWA agenda pertains to a report on Gregory Canyon Landfill. In the report, it states that Olivenhain will be trucking reclaimed water from Olivenhain to Gregory Canyon Landfill. During the times they do not have enough reclaimed water, they will blend the reclaimed water with untreated SDCWA water.

ENCINA WASTEWATER AUTHORITY

Director Gentry stated that a copy of the November minutes was provided. There was a Board meeting this morning at which Director Hannan was nominated and elections successful as the new Chair. Mike Hogan, General Manager, announced his retirement effective April 1, 2009. His replacement will be Kevin Hardy.

Director Hannan requested input regarding Greg Moser's (EWA Counsel) comments (in open session of the EWA Board meeting) that his law firm of Procopio, Cory, Hargreaves and Savitch LLP, will be starting an internal ethics screening process (Ethics Committee) that will review issues which include situations wherein Procopio might represent clients that will litigate against EWA members. Discussion followed on the appropriateness or possible conflict of interest associated with the possibility of a potential situation(s) where Procopio represents a client that intends to sue one or more of the EWA Partners.

Following discussion, a motion was made by Director Ferguson, seconded by Director Shell, and carried unanimously, for staff to draft a letter from the VWD Board to the EWA Board listing its concerns regarding the perceived ethics of such a situation and include a suggested policy that sets forth a simple policy that if a member agency(s) is tentatively notified that it will be sued by a client represented by a legal firm that represents EWA, that the member agency must be notified at the earliest convenience and that it can oppose such litigation by EWA Counsel. This position should be based upon professional courtesy, regardless of internal "firewalls" of any EWA Counsel. The draft letter is to be brought back to the VWD Board for action prior to finalization and mailing to the EWA Board.

It was further suggested that the VWD Board be notified of when the item is docketed on the EWA Board agenda so that VWD Board members may attend the meeting to reinforce the need for such a policy by EWA.

#### ACWA REGION 10

Director Gentry stated that a meeting has not yet been scheduled.

#### LAFCO

Director Pottl stated that the Advisory Committee is meeting this Friday, December 19.

#### DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Shell submitted a written report on his attendance to the ACWA Conference on December 3 – 5, 2008.

#### OTHER BUSINESS

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54954.2  
POTENTIAL LITIGATION

08-12-10 MOTION WAS MADE by Director Ferguson, seconded by Director Shell, and carried unanimously, to move into Closed Session regarding potential litigation pursuant to Government Code Section 54954.2.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 5:09 p.m. The Board, in Closed Session, directed staff and Counsel to take appropriate action concerning the potential litigation matter.

ADJOURNMENT

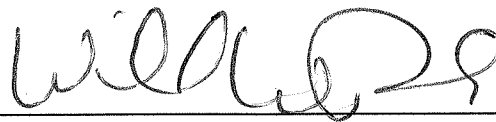
There being no further business to discuss, President Hannan adjourned the Regular Meeting of the Board of Directors at the hour of 5:10 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 7, 2009, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.



Trish Hannan, President  
Board of Directors  
Vallecitos Water District

ATTEST:



William W. Rucker, Secretary  
Board of Directors  
Vallecitos Water District