

MINUTES OF THE ADJOURNED MEETING OF THE
BOARD OF DIRECTORS OF THE
VISTA IRRIGATION DISTRICT

March 19, 2008

An Adjourned Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, March 19, 2008, at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

President MacKenzie called the meeting to order at 8:30 a.m.

2. ROLL CALL

Directors present: MacKenzie, Dorey, Mendez, Jewell and Williams.

Directors absent: None

Staff present: Roy Coox, General Manager; Elaine Chan, General Counsel; Eldon Boone, Assistant General Manager; Brett Hodgkiss, Administrative Manager; Don Smith, Director of Water Resources; Brian Smith, Director of Engineering; Marlene Kelleher, Accounting Manager; and Marian Schmidt, Administrative Assistant.

Other attendees: Dr. Darian, a member of the public, arrived at 9:35 a.m.

3. PLEDGE OF ALLEGIANCE

Director Dorey led the pledge of allegiance.

4. APPROVAL OF AGENDA

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| 08-03-38 | <i>Upon motion by Director Jewell, seconded by Director Mendez and unanimously carried, the Board of Directors approved the agenda as reordered, moving Item 12 to follow Item 16.</i> |
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5. PUBLIC COMMENT TIME

No public comments were presented on items not appearing on the agenda.

6. CONSENT CALENDAR

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| 08-03-39 | <i>Upon motion by Director Dorey, seconded by Director Mendez and unanimously carried, the Board of Directors approved the Consent Calendar, including Resolution No. 08-17 approving disbursements.</i> |
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A. Water line project and Notice of Exemption

See staff report attached hereto as Exhibit A-1. Staff recommended and the Board approved this water line project for four industrial buildings consisting of approximately 12.14 gross acres,

known as Shadowridge Business Center 2, owned by LBA Realty Fund Holding Co III, LLC., and LBA of MET Partners I-Co VIII, LLC., located at 760 Shadowridge Drive, Vista, and directed staff to file the Notice of Exemption with the County Clerk (LN 2006-033; PC 14-247; APN 217-023-33, 34 and 37; DIV NO. 4).

B. Replacement of District vehicle

See staff report attached hereto as Exhibit A-2. Staff recommended and the Board authorized the purchase of a 3/4 ton pickup truck, with service body.

C Minutes of Board of Directors meeting on March 5, 2008

The minutes of March 5, 2008 were approved as presented.

D Resolution ratifying check disbursements

RESOLUTION NO. 08-17

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 32081 through 32180 drawn on the Union Bank of California totaling \$245,947.42.

FURTHER RESOLVED that the Board of Directors does hereby authorize the execution of the checks by the appropriate officers of the District.

PASSED AND ADOPTED by the following roll call vote of the Board of Directors of Vista Irrigation District this 19th day of March 2008.

AYES: Directors Mendez, MacKenzie, Dorey, Jewell and Williams
NOES: None
ABSTAIN: None
ABSENT: None

7. CSDA REGIONAL SCHOLARSHIP COMPETITION

See staff report attached hereto as Exhibit B.

The Public Relations Committee reported that all three participants were outstanding candidates. The winner, Luis Velasquez, is from Rancho Buena Vista High School and is currently interning with the IS Department. Director Mendez was impressed that Mr. Velasquez came from another country legally, became an American citizen, and wanted to take full advantage of the American way, thus setting an example to many. The District will submit Mr. Velasquez' name for consideration in the Regional CSDA competition.

08-03-40 *Upon motion by Director Mendez, seconded by Director Williams and unanimously carried, the Board of Directors approved the following awards in conjunction with the CSDA scholarship competition: \$1,000 scholarship to Luis Velasquez as the winner; and, \$500 scholarships to Brittany Smith and Lukas Smith as runners-up.*

8. PROPOSITION 98 – THE CALIFORNIA PROPERTY OWNERS AND FARMLAND PROTECTION ACT

See staff report attached hereto as Exhibit C.

There was a discussion regarding Proposition 98, which would bar government agencies from taking private property through eminent domain for development or commercial types of purposes, but could impose hardships on water agencies trying to site and build facilities. Director Jewell asked that his opposition letter written to the VID Board of Directors dated March 19, 2008 be made of record that if Proposition 98 does pass, there will be documentation that this Proposition addressed multiple subjects and is fatally flawed. A copy of the letter was handed to the Board Secretary for the record (attached hereto as C.1). Director Jewell mentioned that this Proposition is also a rent control measure. The Board elected to oppose Proposition 98.

08-03-41 *Upon motion by Director Williams, seconded by Director Mendez and unanimously carried, the Board of Directors adopted Resolution No. 08-18 opposing Proposition 98, by the following roll call vote:*

*AYES: Directors Jewell, Mendez, Dorey, Williams, and MacKenzie
NOES: None
ABSTAIN: None
ABSENT: None*

A copy of Resolution No. 08-18 is on file in the official Resolution Book of the District.

9. BOARD WORKSHOP RECAP

See staff report attached hereto as Exhibit D.

General Manager Roy Coox thanked everyone for participating in the workshop with Mr. Bob Rauch as facilitator. However, since there were issues that were not addressed, Mr. Rauch compiled a list of remaining discussion items for the Board to review. The first half of the next workshop will be a discussion on a plan to resolve these issues, and the second half of the discussion will be the strategic planning. Participants were asked to rank the top five priority items for discussion at the next workshop and email them to the General Manager, who would compile the lists and forward them to Mr. Rauch.

08-03-42 *Upon motion by Director Mendez, seconded by Director Jewell and unanimously carried, the Board of Directors directed the General Manager to correlate the top five priorities to be sent by noon March 20, 2008 from all the participants of the workshop.*

10. MATTERS PERTAINING TO THE ACTIVITIES OF THE SAN DIEGO COUNTY WATER AUTHORITY

See staff report attached hereto as Exhibit E.

Director Williams reported that he, along with Directors Dorey and Jewell and Mr. Coox, attended the All American Canal Lining Project tour. Director Dorey mentioned that it would have been nice to see the actual paving of the project and if they could have seen Reach Two, but due to

unforeseen circumstances, they only toured one site out of the three that were scheduled.

Mr. Coox attended the General Manager's meeting at the Water Authority. He reported on the "draft" drought response model ordinance. The work group discussed the model ordinance that lays out all the drought alert stages so they are consistent throughout the county. The model ordinance will be presented to the CWA Board for approval, and then sent to the member agencies for their Boards and councils to consider.

There also was a discussion of AB1881, the draft model landscape ordinance, that was put out by DWR and how it will impact cities and counties. Although the ordinance would directly affect the City of Vista, VID would be involved in the implementation of the provisions. Also briefly discussed was the Laird Bill (AB 2175) which will set conservation targets for all water agencies. The SDCWA is keeping a watch on both of these bills.

In addition, a presentation of the SDCWA's long range financing plan was presented by their Finance Director. In addition to the 14% increase announced by MET, the Water Authority is looking at a potential increase of up to 12% for 2009.

11. REPORTS ON MEETINGS AND EVENTS ATTENDED BY DIRECTORS, AND AUTHORIZATION FOR DIRECTOR ATTENDANCE AT UPCOMING MEETINGS AND EVENTS

See staff report attached hereto as Exhibit F.

Directors Mendez, Jewell, and MacKenzie would like to attend the Water Agencies Association of San Diego County quarterly dinner meeting on April 17, 2008.

Director Dorey will be attending the ACWA Groundwater meeting in Sacramento on March 21, 2008, and the Southern California Water Committee "From Vision to Decision" quarterly meeting on March 28, 2008.

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| 08-03-43 | <i>Upon motion by Director MacKenzie, seconded by Director Mendez and unanimously carried, the Board of Directors authorized Directors Mendez, Jewell, MacKenzie, and possibly Director Williams to attend the Water Agencies quarterly dinner, and also for Director Dorey to attend the Southern California Water Committee quarterly committee meeting.</i> |
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Director Jewell attended seminars on both CEQA and NEPA. He voiced his concern whether or not VID should have a compliance officer to deal with the guidelines of CEQA and NEPA, such as tracking all of the regulatory issues that involve VID. He voiced that staff should follow up with a checklist to ensure VID is in compliance. Ms. Chan stated that the compliance standards come up within the projects. Mr. Coox stated that VID is aware of the requirements and the project managers are up to date in reference to completing a check list and making sure they have the support people who are following through.

Director Dorey attended the Southern California Water Committee's Colorado River Task Force. He spoke of the Salton Sea project coming down the pipeline. It's a \$9 billion project coming out of water rates to Southern California water users as MWD and local irrigation districts will be asked to contribute to this project.

Director Dorey attended the Council of Water Utilities breakfast, and an update was given on

the upper and lower Colorado River basin stating that 2008 looks good at 118% snow pack in the Rockies with more to come.

President MacKenzie participated in a conference call with the CSDA Alliance Executive Council to discuss the new logo that will be completed in a month or two to enable them to roll it out for the Alliance at the September conference.

President MacKenzie also attended the CSDA Legislative Committee meeting, noting the discussion was on the parolee re-alignment proposal by the legislative analyst and how it may or may not affect enterprise districts. She referenced an article in the ACWA news about the LAO suggesting a property tax shift to address the budget gap with \$188 million coming from water and sewer districts. She stated that CSDA has taken the position to oppose the LAO's parolee re-alignment suggestion.

President MacKenzie attended the CSDA Board of Directors business meeting accepting the strategic plan which Bob Rauch helped facilitate. She also attended the FERC public hearing at the City of Escondido, which was very informative. The San Luis Rey settlement parties are looking at submitting the full application by November 2008.

13. DIRECTOR COMMENTS

Director Jewell suggested the Board needs to think about increasing the General Manager's discretionary purchasing authority, and that this should be placed on an upcoming agenda.

Director Mendez suggested publicizing the ACWA scholarship in VID's lobby for customers. Mr. Coox stated that this scholarship is offered only to graduate students, and that ACWA does publicize this award through all of the universities in the State.

President MacKenzie will discuss rescheduling the May Board meeting at next meeting due to a conflict with the ACWA conference and Director Jewell's schedule.

14. COMMENTS BY GENERAL MANAGER

Mr. Coox informed the Board of a 24" transmission line break in the Sugarbush/Buena Creek area. The location of break was identified on a reducer between the pipe and the valve. Mr. Coox stated the pipe was evaluated to determine the condition of the pipe, and presented the Board with a copy of a leak repair evaluation form that is completed by our crews in the field to record and investigate every pipeline break incident. VID will now be looking at adding more valves to this pipe for future flexibility.

Mr. Coox and Mr. Brian Smith met with the City of Oceanside to receive an update on the Weese Treatment Plant. Mr. Coox stated that Oceanside's engineering study is complete and contained draft numbers for VID to review. He stated that the project is still in the conceptual stage and had not yet been agendized with the City Council. Mr. Coox will keep the Board informed.

Mr. Coox provided to the Board a follow up of two customer complaints. He stated that staff was very successful in handling each concern and taking care of the issues. Both customers were very appreciative of the information and thanked staff for the response. One was so grateful that he wanted to personally thank the Board, but will follow up with a letter instead.

Mr. Coox informed the Board that quagga mussels have been found in Lake Jennings and in Olivenhain Reservoir. Both are connected to the aqueduct system, so there is good possibility that this

is how the mussels are coming through. He also commented on issues with the IWAP program regarding enforcement to customers who bought property after the reductions took effect. The question is: does the program go with the customer or does it go with the land? VID has taken the position that it goes with the land, but it was found that different agencies are doing it different ways (agencies such as Valley Center, Fallbrook, and Rainbow, do it the same as VID). Mr. Coox wanted to inform the Board in case the legal issues persist. General Counsel Elaine Chan has taken a look at this issue and stated that VID has a regulation that was enacted which will bind the owners.

Mr. Coox also reported that he met with Rita Geldert, City Manager of the City of Vista, and he will be meeting with city staff this week. This meeting was focused on establishing a good relationship with the city and to work together on conservation plans.

Director MacKenzie asked the Board to consider going back to Item #5, Public Comment Time to allow a member of the public, Dr. Darian, to speak. All members of the Board were in agreement to allow Dr. Darian to speak.

5. PUBLIC COMMENT TIME

Dr. Darian lives at 990 Quails Trail in Vista and reported on the rare and endangered species of palms and other plants that he is cultivating on his property for the purpose of eliminating carbon and raising the water table. He read a statement from a letter given to him from the lead gardener at the San Diego Zoo appraising Mr. Darian's garden in regard to his knowledge and devotion to horticulture. He also stated that the garden needs to be preserved for all to observe and study. Dr. Darian also informed the Board that most of the irrigation is from the local water system, which has become very costly to care for these plants even though he conserves as much water as possible and plans the location of his plants very carefully. He requested that the Board exempt him from any water restrictions. Dr. Darian invited the Board and General Manager to visit his property to better understand his situation. President MacKenzie stated to Dr. Darian that, under public comment time, the VID Board cannot take any action. This needs to be discussed with Staff, and if his concerns are not resolved to his satisfaction at the staff level, this can be agendaized to come back in a formal meeting. At that time, his comments and concerns could be voiced and the Board could discuss his request. Dr. Darian thanked the Board and left the meeting.

A brief break was taken from 10:45 a.m. to 10:58 a.m.

15. REPRESENTATIVES TO THE SAN LUIS REY INDIAN WATER RIGHTS SETTLEMENT NEGOTIATIONS

See staff report attached hereto as Exhibit G.

The following is a verbatim transcript of the discussion which took place on this item.

Mr. Mendez - Wants to make a motion. I'm sorry but at this point I don't think we really don't need to spend a whole lot of time with this because per the sheet that was handed out shows who are the people suppose to be on this negotiation committee, so I make the motion to leave it as is.

MacKenzie - Be specific.

Mendez - I want to see Elaine, Roy Coox, Don Smith as our representatives.

Jewell - What sheet is he talking about?

MacKenzie - The FERC stuff that I sent out.

Mendez - I don't want anybody else added to it such as our ex-General Manager sitting on the negotiation team. He can be a source of viable information pertinent to any negotiations, or history historical, but not to sit on the negotiating team.

MacKenzie - So you're saying not at the table.

Mendez - Yes.

MacKenzie - Is there a second to that motion?

Williams - Yes.

Mendez - I also want to add something to that, I'm sorry I should have mentioned this. I'd like to see Eldon be brought up to speed on some of this, and maybe once in awhile you sit in on it as well okay, instead of having one guy all the time, and all of a sudden you are gone or something happens, heaven forbid. Like Kent Foster for instance, when he had his medical condition come up, that is a horrible feeling to have somebody with all that knowledge and stuff just all of a sudden just disappear out of the picture and set us back. Elaine was fantastic at coming up to speed on this stuff and talking about a quick study, so I can appreciate that. But as far as the negotiating team, the only reason I'm making this motion because I think that there's quite an evident problem, and I didn't think of it as much before, but I'm going to have to admit that I was very wrong in my assessment on the team before. And having John being present at the table would really be a set-back, and later I'll talk about some of this, there are some things and issues I would like to talk about during close session that involve Indian negotiations.

Jewell - Are we just talking about who sits where? What are you talking about?

Mendez - On the negotiating team, Director Jewell.

Jewell - I know who is on the negotiating team.

Mendez - That's who needs to stay on the team and that definitely should remain that way, without adding another person to it.

Jewell - Well, I didn't think we were.

Mendez - Well, I just want to make sure it stays that way.

MacKenzie - Discussion?

Dorey - Yes. I don't think there is any doubt as to who's on the negotiating team. Who goes to the meeting, or is allowed to go to the meeting is still up to the discretion of the counsel if she so chooses to use the resource, and that's what Mr. Amodeo is, the resource. And so, by saying he can't go to the meetings, that's her choice. He's not the negotiating team. The official negotiating team is still Counsel, Roy and Don, and we can so designate that, but saying that she can't bring John along to say "hey, is that right or whatever, is wrong. We can't do that.

Jewell - I don't think you can tie somebody's hands.

Mendez – There's just certain things that John – Elaine go ahead.

Chan – Can I ask that I am happy to talk about specific issues, but not in open session, so if we can come back to this, I would appreciate it because I understand what you are saying, I think I understand what you are saying. So when we go to close session, I'll talk about specific issues that have been involved and then we can talk about it further. Is that okay?

Mendez – That would be appropriate then discuss this afterwards then?

MacKenzie – It's the pleasure of the Board.

Dorey – We have a motion on the table.

Mendez – I make that motion.

MacKenzie – Well, it could be withdrawn if you prefer.

Chan – I don't have any problem with the motion, in other wards, the negotiating team stays the same, as what's been appointed. I have no problem with that.

Jewell – Modify the motion, but add Eldon?

Mendez – I have not modified it yet. But my recommendation and I would like to just change it at this time to have Eldon up to speed on some of this so that he can attend this once in awhile and be a part of it. He is the General Manager Assistant.

Jewell – I think you ought to make him a full member.

Mendez – No. Once in awhile Roy will not be able to attend for one reason or another, then Eldon can go is what I'm getting at.

MacKenzie – Well, I think he probably needs to be brought up to speed in the interim though too rather than just walking in because he's going to be like a deer with headlights, but the question is do you want him specifically to be a part of the negotiating team. I think what we're looking at is who's going to be sitting there at the table. And back in September, October, we removed Mr. Amodeo and replaced him with Roy. By having him back at the table, it becomes a perception issue and it takes away from maybe setting a different tone for these negotiations. How staff works with Eldon, I think the direction is, as I understood the motion was to have Eldon brought up to speed and if that means he goes to every meeting or every other meeting, that's fine.

Coox – I think that's an excellent idea, and a smart thing to do, but if you leave that to us, I think we can figure that out.

Mendez – And that's all I'm saying. If you feel that you need to have him come to a meeting to see what's going on, then that's what needs to happen. If Elaine sees that he needs to be educated on something, or be brought up to speed, she can talk to him. That's your thing. You're staff, you take care of it. All I'm saying is that it is a prudent thing to do is to have him involved in it.

Jewell – Then we should add him to the team because you really can't tie the stage director's hands as to who's in the room at any particular time.

Mendez – And so be it.

MacKenzie – So the motion is?

Mendez – The motion is to involve Eldon in negotiating team.

MacKenzie – To include.

Mendez – To include Eldon.

MacKenzie – Congratulations.

Coox – Does that mean you expect Eldon now to go to all of the meetings, including sitting at the table, that type of thing?

Mendez – That's your choice, that's your choice.

Coox - Okay, I think it's just a semantic, I don't think you need to add him to the team for that to happen, but if you do that, I just want to make sure we're all on the same understanding.

Mendez – Okay.

Jewell – We're authorizing him.

Mendez – How's that?

Jewell - Instead of appointing him, we are authorizing him.

Mendez - Okay

MacKenzie – I think that's the direction you were going.

Mendez – Yes, that's really what I wanted. We have a negotiating team, but if Eldon needs to go for one reason or another Roy's not going to be there, Eldon is brought up to speed. Then he goes.

MacKenzie – Or if he doesn't anything else better to do on Thurs. afternoon when you're having your meeting, he can go, but it's up to the discretion of the General Manager.

Coox – Good.

Jewell & Williams – What is the motion?

Mendez – The negotiating team being Roy, Elaine and Don at the table and authorizing Eldon to attend at Elaine's and Roy's discretion.

MacKenzie – At staff's discretion.

Mendez – At staff's discretion.

MacKenzie – That's the motion. Is that the second?

Williams – The original motion was that regarding John.

Dorey – There was no motion about John.

Mendez – There's no motion about John. John's not to sit at the table.

Williams – The problem is his presence.

Mendez – Yes.

MacKenzie – We have a motion on the floor that's only been changed to authorize Eldon to also be a part of the team as.

Jewell – I think that's where we are. What have you got (Board Secretary)?

Board Secretary – To keep the team as it is on the negotiating team and to authorize Eldon Boone to attend at Staff's discretion.

MacKenzie – We want specifics in there. The specific was that the Roy Coox, Elaine Chan, Don Smith, and Kent Foster.

Chan – Kent Foster is a consultant. He cannot be on the team.

Mendez – I did not add him.

Board Secretary – To have Elaine Chan, Roy Coox, and Don Smith to stay on the negotiation team and authorize Eldon Boone to attend at Staff's direction.

Mendez – Yes.

MacKenzie – That works. Staff's direction, does that work?

Williams – I have a question. At the last session, Kent was there at the table?

Mendez – Yes.

Williams – John was at the table?

Dorey – We talked about this going into closed session.

Chan – I would like to go into close session on this and happy to talk about it.

MacKenzie & Williams – Why?

Chan – Because we are going to talk about issues.

Williams – Okay, but we are not on issues now, were on, who's on the team?

Jewell – That's where we are now. As far as we've gone is the team.

Dorey – The team is the only person of authority to make any decisions for the Board is the General Manager and the Counsel. Right?

Williams & MacKenzie – No.

MacKenzie – They are not authorized to make any decisions.

Dorey – In our behalf they are the only ones to make a decision is there is a decision to be offered.

Chan – What we are doing is we're negotiating and whatever we negotiate we would probably make a recommendation to you. You have the ultimate authority, there's no question about that. Nobody else has any real input.

Dorey – That's what I am saying.

Chan – That's correct.

Dorey – That's what I'm saying, you and you. That's it.

Chan – It's really Don, Roy, and me. We're there, we discuss things, and we make decisions on which direction to take the negotiations. That's the three of us, that's how it going to be.

Williams – Is there a perception on the other guys then?

Chan – That's right.

MacKenzie – It has been for the past 40 years.

Jewell – It's probably going to be a dance for awhile.

Mendez – No, it does not have to be. We'll go into closed session, I'd like to talk about something then, and I'm going to talk to our Counsel about it. This is dragging out too long.

MacKenzie – I have a motion and I believe I have a second from Director Williams. And the motion as I heard it was: to re-affirm the negotiating team to be Roy Coox, Elaine Chan, and Don Smith, with Eldon Boone attending on an "as needed" staff directional basis. Is that what the motion is understood to be?

Mendez – Yes.

MacKenzie – And that's acceptable to the second? All in favor.

Ayes 4

All opposed – none

Motion carries unanimously.

08-03-44

Upon motion by Director Mendez, seconded by Director Williams and unanimously carried, the Board of Directors reaffirmed the negotiating team of Elaine Chan, Roy Coox, and Don Smith with Eldon Boone attending on an "as needed" staff directed basis.

16. CLOSED SESSION FOR CONFERENCE WITH LEGAL COUNSEL

President MacKenzie adjourned the meeting to closed session at 11:10 a.m. for a conference with legal counsel to discuss the following pending litigation:

- A. San Luis Rey Indian Water Rights Settlement per Govt. Code section 54956.9(a).
- B. Southwest Engineering, Inc. vs. Vista Irrigation District, Case No. 37-2007-00051041-CU-BC-NC, per Government Code section 54956.9(a).

The meeting reconvened in open session at 12:38 p.m. President MacKenzie declared that no reportable action had been taken.

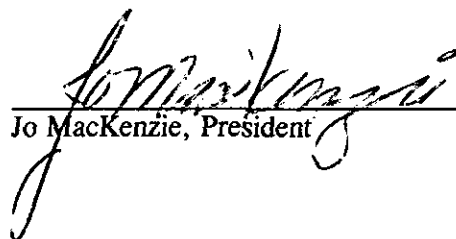
12. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto as Exhibit H.

- It was agreed that Brett Hodgkiss will put out a press report on the scholarships.
- It was agreed to place an item on an upcoming agenda to discuss increasing the General Manager's discretionary purchasing authority from \$25,000.

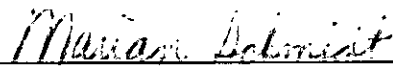
17. ADJOURNMENT

There being no further business to come before the Board, at 12:41 p.m. President MacKenzie adjourned the meeting to April 2, 2008 at 8:30 a.m.



Jo MacKenzie, President

ATTEST:



Marian Schmidt, Assistant Secretary
Board of Directors
VISTA IRRIGATION DISTRICT