

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

November 19, 2008

An Adjourned Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, November 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. General Counsel Joel Kuperberg was also present.

Directors absent: None

Staff present: Roy Coox, General Manager; Lisa Soto, Secretary of the Board; Eldon Boone, Assistant General Manager; Brett Hodgkiss, Administrative Services Manager; Don Smith, Director of Water Resources; Brian Smith, Director of Engineering; Brent Reyes, Public Education Aide; and Marian Schmidt, Administrative Assistant.

Other attendees: Directors-elect Richard Vásquez and Marty Miller.

3. PLEDGE OF ALLEGIANCE

Director Mendez led the pledge of allegiance.

4. APPROVAL OF AGENDA

08-11-147 *Upon motion by Director Jewell, seconded by Director Mendez and unanimously carried, the Board of Directors approved the agenda as presented.*

5. PUBLIC COMMENT TIME

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

6. CONSENT CALENDAR

08-11-148 *Upon motion by Director Jewell, seconded by Director Mendez and unanimously carried, the Board of Directors approved the Consent Calendar, including Resolutions No. 08-51 approving disbursements, and No. 08-56 setting terms and conditions of detachment.*

A. Parcel map

See staff report attached hereto. Staff recommended and the Board accepted the parcel map for a two single-family residential dwelling lot split consisting of approximately 2.54 gross acres, owned by Cary L. Snodgrass, located at 1010 Miramar Road, Vista (LN 2006-079; PC 3-193; APN 183-170-77; DIV NO 4).

B. Detachment terms and conditions

See staff report attached hereto.

The Board adopted Resolution No. 08-56 setting the terms and conditions of detachment for a 3.50 acre parcel located at Vista Merriam, San Marcos, owned by John De Bruyn of Westland Nursery, and directed staff to file the resolution with LAFCO and the Vallecitos Water District (LN 2008-034; APN 182-260-07; CF 500-363; LAFCO R008-13; DIV NO 5). by the following roll call vote:

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

Resolution No. 08-56 is on file in the official Resolution book of the District.

C. Water system and Encroachment Permit

See staff report attached hereto. Staff recommended and the Board accepted the water system for a six-lot industrial park known as North Avenue Business Park consisting of approximately 5.00 gross acres and the Board approved Encroachment Permit No. 109 and directed staff to record it with the County Recorder for the encroachment of a decorative stamped concrete driveway within District easement on property owned by North Avenue Vista 1, LLC, located at 775 North Avenue, Vista (WOI-3036; LN 2006-010; PC 14-248; APN 161-061-31 through 36; DIV NO 2).

D. Minutes of Board of Directors meeting on November 5, 2008

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

E. Resolution ratifying check disbursements

RESOLUTION NO. 08-51

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 33910 through 34025 drawn on the Union Bank of California totaling \$502,743.73.

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 November 2008.

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

7. AGRICULTURAL WATER PROGRAMS

See staff report attached hereto.

Mr. Roy Coox, General Manager, summarized the status of the agricultural discount programs the District offers to its agricultural customers. He stated that Metropolitan has agreed to phase-out the Interim Agricultural Water Program (IAWP) over a period of several years, and beginning in January 2009, the District's agricultural customers who are currently under the IAWP program will have the option to opt-out of the program. Mr. Coox also stated that the County Water Authority has approved its own agricultural discount program called the Special Agricultural Water Rate (SAWR) program.

Mr. Brett Hodgkiss, Administrative Services Manager, reported that on October 14, 2008, the Metropolitan Water District (MWD) Board of Directors approved changes to the IAWP that will phase-out the program over the next four calendar years, resulting in termination on December 31, 2012. This action included the opt-out provisions that allow current IAWP participants to exit the program beginning January 1, 2009, and each January 1st thereafter until the program ends. Mr. Hodgkiss stated that the program will phase-out proportionally over those years and as the discount goes down, so does the required reduction. If customers elect to opt-out, they will be subject to the same restrictions as all other residential and commercial customers. The Board amended the District's IAWP program rules to reflect these changes.

Mr. Hodgkiss also reported that on October 23, 2008, the CWA Board of Directors adopted a new two-year transitional Special Agricultural Water Rate (SAWR) available to those customers opting-out of the IAWP. Qualifications for participation in the transitional SAWR are the same as the IAWP (one acre utilized exclusively for commercial agricultural purposes, as defined by MWD). Customers electing to participate in the SAWR program in 2009 may opt-out on January 1, 2010. The Board decided that the District will offer this two-year transitional SAWR program to its customers opting-out of the IAWP.

Mr. Hodgkiss reported that when ownership of the property changes, the program will stay with the property and the assessed property owners will be advised that they are on the program. The District added language to the recertification form stating that the program restrictions will be recorded against the property with the County Recorder. This will ensure that the acknowledgement and certification form from the original property owner are being recorded with the County Recorder and will be available to a potential purchaser. There will be an un-recording document filed with the County once the property owner opts-out. Mr. Eldon Boone, Assistant General Manager, clarified that in order for customers to stay in the IAWP or to opt into the SAWR program, they have to be in the existing IAWP program and complete a recertification form.

Mr. Hodgkiss informed the Board of changes made to the Special Agricultural Water Rate Resolution (Section 1.8) and the recertification form in order to incorporate the recording process. The changes made to the certification and recertification form included a space for the recording, incorporated the language in the form for the recording, added a line for the owner to sign the certification form acknowledging that it will be recorded against the property, and an acknowledgement for the signatories on the form that they are subject to fees and penalties associated with the program. Along with the certifications, the owner will also receive a summary of information that explains the options in more detail.

President MacKenzie requested staff to eliminate the acronyms from the summary form. She also requested staff to send the notices by certified mail with return receipt requested. Director Jewell suggested a legal description of the property should be on the recertification form, and also a notary form to be added. He directed staff to check with the County Recorder for format requirements.

08-11-149 *Upon motion by Director Jewell, seconded by Director Mendez, the Board of Directors adopted Resolution 08-52 amending existing program rules pertaining to the Interim Agricultural Water Program, by the following roll call vote:*

AYES: *Directors Williams, Dorey, Mendez, Jewell, and MacKenzie*

NOES: *None*

ABSTAIN: *None*

ABSENT: *None*

A copy of Resolution 08-52 is on file in the official Resolution Book of the District.

08-11-150 *Upon motion by Director Dorey, seconded by Director Williams, the Board of Directors adopted Resolution 08-53 adopting program rules pertaining to the Special Agricultural Water Rate, by the following roll call vote:*

AYES: *Directors Williams, Dorey, Mendez, Jewell, and MacKenzie*

NOES: *None*

ABSTAIN: *None*

ABSENT: *None*

A copy of Resolution 08-53 is on file in the official Resolution Book of the District.

Mr. Brent Reyes left the meeting at this time.

8. DESALINATION PROJECT REPORT

See staff report attached hereto.

Mr. Coox reported that the nine San Diego County water agencies that have contracted with Poseidon Resources to purchase water from the Carlsbad Desalination Project have formed a group called the San Diego Desal Partners. He also stated that the District has been monitoring the activities of this group and has been invited to attend their meetings along with the Water Authority to discuss taking a portion of the desalinated water produced. Mr. Coox further stated that Poseidon Resources plans to start producing desalinated water by August of 2011. The District has been asked by the Desal Partners to propose terms and conditions under which the District will commit to take desalinated water as an exchange partner for those agencies that are physically unable to receive it.

Mr. Brian Smith, Director of Engineering, mentioned that the District will potentially obtain desal water in any event if the San Diego County Water Authority becomes involved in the project due to the major connections onto the Water Authority's Tri-Agency pipeline. Mr. Coox further stated that, in that case, nothing would change operationally and that the District would call for Water Authority water which would happen to be desalinated water, but there is no guarantee that the Water Authority could distribute the amount of acre feet of water produced by the project, especially in the winter.

There was clarification that the exchange partners will be in a three way contract. Mr. Brian Smith stated the Desal Partners have an agreement with Poseidon Resources to pay for the amount of water they signed up for, and in turn, they will have exchange partners to take the water they can't receive.

There was a brief discussion regarding possible infrastructure changes to be made by the District to accommodate the desal water. Mr. Smith stated that the current system may require upgraded facilities in order to move the water efficiently. There would also be changes such as operational valving, SCADA control and reprogramming. The District's staff has worked as a team to determine the operational and financial impacts involved with an agreement to serve as a project exchange partner.

Mr. Coox voiced that that the District is looking at ways to protect itself and its system in order to avoid stranded assets and to prepare for any changes to the delivery regime or any request to take additional desalinated water. He further stated that the draft letter to San Diego Desal Partners includes a comprehensive list of questions and concerns in order to determine the feasibility of developing an exchange partnership arrangement.

08-11-151 *Upon motion by Director Jewell, seconded by Director Dorey and unanimously carried, the Board of Directors approved the concept of the draft letter and directed the General Manager to send the letter to the San Diego Desal Partners.*

Finance Manager Marlene Kelleher joined the meeting during the above discussion. Mr. Brian Smith left the meeting after this item.

A brief break was taken from 10:00 a.m. to 10:08 a.m.

9. CERTIFICATION OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING AWARD

See staff report attached hereto.

Mr. Boone shared with the Board a plaque that was awarded to the District from the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting (CAFR). This award focuses on government units and public employee retirement systems whose comprehensive annual financial reports achieve the highest standards in government accounting and financial reporting. Mr. Boone gave a special thanks to Marlene Kelleher, Finance Manager, for her accomplishments in bringing the District up to an award winning CAFR. A press release will be prepared upon the request of the Board.

Ms. Marlene Kelleher left the meeting after this item.

10. DECEMBER BOARD MEETING DATES

See staff report attached hereto.

President MacKenzie announced that the Board Meeting for December 17, 2008 is cancelled, and the next meeting will be on Wednesday, December 10, 2008 at 8:30 a.m.

08-11-152 *Upon motion by Director Mendez, seconded by Director Jewell and unanimously carried, the Board of Directors cancelled the December 17, 2008 Board meeting.*

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

Director Williams reported an update regarding the Desal project and the canal lining.

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

See staff report attached hereto.

Director Dorey attended the Council of Water Utilities breakfast. Reporter Rob Davis from "The Voice of San Diego" spoke about water issues and stated that his newspaper is offered on-line as a new and different way of communicating with its readers.

President MacKenzie attended the California Special District Association's planning session. They discussed the status of the strategic plan and what has been accomplished to date.

13. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

The Board reminded staff to issue a press release on the CAFR award.

Director Dorey mentioned that he had read an editorial regarding the back country in Warner Springs stating that residents should respond to the County's General Plan. He suggested staff to check into this since planning groups make suggestions and changes, and the District should be aware of any General Plan provisions that are pertinent to the District.

14. DIRECTOR COMMENTS

Director Mendez stated that he would like to see VID continue on with the Shadowridge Plant, and Director Jewell expressed his farewell to the Board members and staff.

15. COMMENTS BY GENERAL COUNSEL

Mr. Joel Kuperberg updated the Board on some new Fair Political Practice Commission (FPPC) rules. These rule changes pertain to gifts received by public agency officials, and benefits that public officials receive from the agency itself. Mr. Kuperberg will send a memo of the rules to the General Manager prior to the first of the year.

16. COMMENTS BY GENERAL MANAGER

Mr. Coox informed the Board that a status report will be added to an upcoming agenda regarding the Southwest claim in which Daley & Heft will provide an update.

President MacKenzie advised that the next item would be a closed session item. At that time, Messrs. Vasquez and Miller left the meeting.

17. CLOSED SESSION FOR CONFERENCE WITH LEGAL COUNSEL

President MacKenzie adjourned the meeting to closed session at 10:37 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).

The meeting reconvened in open session at 11:05 a.m. President MacKenzie declared that no reportable action had been taken.

18. CLOSED SESSION TO CONDUCT PUBLIC EMPLOYEE PERFORMANCE EVALUATION – GENERAL MANAGER

President MacKenzie adjourned the meeting to closed session at 11:05 a.m. pursuant to Government Code section 54957 to conduct the General Manager’s performance evaluation.

The Board reconvened in open session at 11:55 a.m. President MacKenzie declared that no reportable action was taken.

19. GENERAL MANAGER COMPENSATION

08-11-153 *Upon motion by Director Jewell, seconded by Director Mendez and unanimously carried, the Board of Directors amended the General Manager’s employment agreement to make the new annual salary \$185,000, effective the first full pay period in December 2008.*

08-11-154 *Upon motion by Director Mendez, seconded by Director Jewell and unanimously carried, the Board of Directors amended the General Manager’s employment agreement so that, in addition to the annual salary, the General Manager shall receive a one-time incentive payment of \$7,000 payable in the first full pay period in December 2008.*

20. RESOLUTION HONORING DIRECTOR JEWELL

See staff report attached hereto.

President MacKenzie presented Director Jewell with a framed Resolution in recognition of his diligent and tireless service to the District and its customers for the past year.

08-11-155 *Upon motion by Director Dorey, seconded by Director Williams, the Board of Directors adopted Resolution 08-54 honoring Director Jewell for his service on the Board of Directors since November 7, 2007, by the following roll call vote:*

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

A copy of Resolution 08-54 is on file in the official Resolution Book of the District.

21. RESOLUTION HONORING DIRECTOR MENDEZ

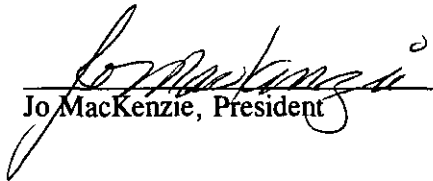
See staff report attached hereto.

President MacKenzie presented Director Mendez with a framed Resolution in recognition of his diligent and tireless service to the District and its customers for the past eight years.

08-11-156	<i>Upon motion by Director Dorey, seconded by Director Williams, the Board of Directors adopted Resolution 08-55 honoring Director Mendez for his service on the Board of Directors since December 6, 2000, by the following roll call vote:</i>
<i>AYES:</i>	<i>Directors Williams, Dorey, Jewell, and MacKenzie</i>
<i>NOES:</i>	<i>None</i>
<i>ABSTAIN:</i>	<i>Director Mendez</i>
<i>ABSENT:</i>	<i>None</i>
<i>A copy of Resolution 08-55 is on file in the official Resolution Book of the District.</i>	


22. ADJOURNMENT

There being no further business to come before the Board, President MacKenzie adjourned the meeting at 12:27 p.m.



Jo MacKenzie, President

ATTEST:



Marian Schmidt, Assistant Secretary
Board of Directors
VISTA IRRIGATION DISTRICT