MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
RANCHO CALIFORNIA WATER DISTRICT

Thursday, March 13, 2014
8:30 a.m.

INTRODUCTION

A regular meeting of the Board of Directors of the Rancho California Water District was held on Thursday, March 13, 2014, at the appointed meeting place of the Board, the Board Room of the District's Administrative Headquarters Building, located at 42135 Winchester Road, Temecula, California.

ROLL CALL

President Corona called the meeting to order at 8:30 a.m. A quorum was declared with the following directors being present:

                        Steve Corona       John Hoagland
                        Ben Drake           William Plummer
                        Lisa Herman         James Stewart
                        Roger Ziemer

Also present were members of the District staff and others, including but not limited to, General Counsel Jim Gilpin of Best Best & Krieger; Matt Stone, General Manager; Richard Williamson, Assistant General Manager; Jeff Armstrong, Chief Financial Officer/Treasurer; Andrew Webster, Chief Engineer; Craig Elitharp, Director of Operations and Maintenance; Corey Wallace, Engineering Manager–Design; Warren Back, Engineering Manager–Planning; Heath McMahon, Construction Contracts Manager; Tim Carlisle, Field Services Manager–Construction; Bill Barnes, Field Services Manager–Facilities; Eileen Dienzo, Human Resources Manager; Jake Wiley, Associate Engineer; Dave Morrison, Safety/Risk Officer; Denise Landstedt and Bill Stephens, Senior Water Resources Planners; Meggan Valencia, Public Information Officer; Vicki Browder, Budget/Debt Administrator; Ruth Zintzun, Finance Administrator; Jeff Kirshberg, Principal Engineer; Denise Todd, Administrative Services Supervisor/Deputy District Secretary; Ana Belland, Administrative Assistant; and Kelli Garcia, District Secretary.

Present in the audience were Brad Neufeld of Gresham, Savage, Nolan & Tilden; Eastern Municipal Water District Board member Joe Kuebler; Steve Tiritilli and Brian Snell of JST Real Estate Services, Inc.; Stan Heaton of Temecula Engineering Consultants; Bizhan and Wendy Fazeli of Fazeli Cellars; and Frank Igo of Rancon Group.

PLEDGE OF ALLEGIANCE

Director Hoagland led the Pledge of Allegiance to the Flag.
Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the District Secretary at (951) 296-6900 at least 48 hours before the meeting, if possible.

ADDITIONS TO AGENDA

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code (Brown Act), upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of Rancho California Water District (RCWD) after the Agenda was posted.

There were no additions to the Agenda.

APPROVAL OF AGENDA

President Corona entertained a motion to approve the Agenda of the regular meeting of the Board of Directors of the Rancho California Water District of March 13, 2014, as presented.

MOTION: Director Drake moved to approve the Agenda of the regular meeting of the Board of Directors of the Rancho California Water District of March 13, 2014. Director Herman seconded the motion, and it carried unanimously.

PUBLIC COMMENT

An opportunity was given for any person to address the Board of Directors (Board) upon any subject not identified on the Agenda, but within the jurisdiction of the Rancho California Water District. For items not listed on the Agenda, the Brown Act imposes limitations on what the Board may do during public comment. As to matters on the Agenda, persons will be given an opportunity to address the Board when the matter is considered.

There were no public comments.

ITEM 1. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION — Significant Exposure to Litigation (Per Government Code Section 54956.9 (c)) One (1) Potential Case

At 8:32 a.m., President Corona declared the meeting in closed session. Board members, legal counsel, and select staff members remained, all other individuals left the room.
The Board reconvened in open session at 9:15 a.m., whereby General Counsel Jim Gilpin announced that there were no reportable actions.

ITEM 2. CONSIDER APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS’ REGULAR MEETING OF FEBRUARY 13, 2014

There being no additions or corrections to the minutes of the Board of Directors’ regular meeting of February 13, 2014, President Corona entertained a motion from the Board.

MOTION: Director Drake moved to approve the meeting minutes, as presented. Director Plummer seconded the motion, and it carried unanimously.

ITEM 3. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors (Board) at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

A. Consider Approval of Financial Statements, January 31, 2014

B. Consider Approval of Treasurer’s Report and Certification of Cash Sufficiency, as of January 31, 2014

C. Consider Ratifying Register of Audited Demands for the Period January 26 through February 25, 2014

D. Consider Approval of a Memorandum of Understanding between Rancho California Water District (RCWD) and the RCWD Employees’ Association

E. Consider Approval of a Memorandum of Understanding between Rancho California Water District (RCWD) and the RCWD Management, Professional, and Confidential Employees’ Association

F. Consider Approval of a Local Project Sponsor Agreement with The High Country Conservancy for Distribution of a California Department of Water Resources Integrated Regional Water Management (IRWM) Planning Grant Award to the Upper Santa Margarita Watershed IRWM Planning Region

G. Consider Approval of the Temecula Valley Basin Salt and Nutrient Management Plan and Adoption of the Appropriate Resolution
   1. Resolution Approving the Temecula Valley Basin Salt and Nutrient Management Plan, Dated March 2014

H. Review and Consider Retirement Medical Benefit Plan Actuarial Valuation Reports

I. Consider Approval of Amendment to Rancho California Water District’s Retirement Medical Benefits Plan and Adoption of the Appropriate Resolution
   1. Resolution Approving an Amendment to the Rancho California Water District Retirement Medical Benefits Plan
J. Consider Approval of Budgeted Contract Items Over $50,000
   1. Consider Approval to Award a Professional Services Agreement for the Indirect Potable Reuse Preliminary Design—Brine Conveyance System Alignment Study and Basis of Design (Project No. D1790)
   2. Consider Approval to Award a Sole-Source Professional Services Agreement for the Well No. 210 Replacement (Project No. D1780), Well No. 215 Replacement (Project No. D1779), and Well No. 216 Replacement (Project No. D1781)

At this time, Director Drake requested that Items 3D, 3E, and 3G be pulled for separate discussion. Similarly, President Corona requested the same for Item 3J1.

Hearing no other requests to remove an item for separate discussion, President Corona entertained a motion to approve the remaining Consent Calendar items, as presented.

MOTION: It was moved by Director Hoagland and seconded by Director Drake to approve remaining Consent Calendar Items 3A-C, 3F, 3H-I, and 3J2, as presented, and the resolution entitled:

RESOLUTION NO. 2014-3-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CALIFORNIA WATER DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, APPROVING AN AMENDMENT TO THE RANCHO CALIFORNIA WATER DISTRICT RETIREMENT MEDICAL BENEFITS PLAN

The motion was carried by the following vote:

Aye: Directors Corona, Drake, Herman, Hoagland, Plummer, Stewart, and Ziemer
No: None
Absent: None
Abstain: None

Referencing both Consent Calendar Items 3D and 3E “Consider Approval of a Memorandum of Understanding between Rancho California Water District (RCWD) and the RCWD Employees’ Association” and “Consider Approval of a Memorandum of Understanding between Rancho California Water District (RCWD) and the RCWD Management, Professional, and Confidential Employees’ Association.” Director Drake commented that he is not in agreement with approving the memorandum of understanding (MOU) with each group at this time and further opined that this should be postponed until all the numbers for the budget are complete, and then the MOUs be approved in June.
MOTION: Director Drake moved to not approve the MOUs with RCWD Employees’ Association and RCWD Management, Professional, and Confidential Employees’ Association until the entire budget is approved on June 12, 2014. Director Ziemer seconded the motion, and discussion continued.

Director Hoagland expressed a difference of opinion, citing that both association groups’ MOU figures (numbers) have been included in both the operating and non-operating budgets, and have been negotiated in good faith with staff in agreement thereof.

SUBSTITUTE MOTION: Director Hoagland moved to approve both Consent Calendar Items 3D and 3E, as presented. Director Herman seconded the motion, and discussion continued.

Director Drake expressed disagreement with Director Hoagland’s substitute motion, stating that he does not understand why certain portions of the budget are being considered for approval prior to the entire budget being brought together for Board of Directors’ approval.

Following Director Drake’s comment, President Corona called for the question for the substitute motion on the floor, and it carried with a 5-2 vote, with Directors Drake and Ziemer opposed.

With regard to Consent Calendar Item 3G “Consider Approval of the Temecula Valley Basin Salt and Nutrient Management Plan and Adoption of the Appropriate Resolution,” Director Drake referenced discussion during a presentation provided by (Consultant) Dr. Michael Welch at the February 27, 2014 regular meeting of the Engineering and Operations Committee regarding the 1,200 gallons per day (GPD) discharge flows, whereby, conversation entailed how the County of Riverside (County) determines the amount of flows based upon different items that are built into a home, thereby limiting discharge amounts to 1,200 GPD. Director Drake opined that, before Rancho California Water District (RCWD/District) moves forward with the subject proposed plan, it should have Dr. Welch conduct an additional study on the potential impacts to the groundwater in the Temecula Valley Basin, noting that RCWD should not become the “policing agency” with regard to size of property and discharge limitations. Secondary to this, Director Drake advised that, with the County’s new General Plan recently approved allowing wineries on smaller parcels in a residential zone, staff needs to review the potential impact this may have on the District.

MOTION: Director Drake moved to have the Board of Directors approve Consent Calendar Item 3G, with a caveat that staff return subject item with additional information—as discussed—about what the requirements will be for discharge on different-sized parcels with specific provisions pertaining to the limit of 1,200 GPD discharge. Director Plummer seconded the motion, and discussion continued.

At this time discussion ensued regarding clarification to the County’s specifications pertaining to the provisions of 1,200 GPD discharge limitations and/or requirements, including the size of septic tanks versus the amount of discharge.
Commenting on the discussion, Assistant General Manager Richard Williamson noted that there are provisions in place presently at the San Diego Regional Water Quality Control Board (SDRWQCB) level that the 1,200 GPD limit is calculated such that if commercial projects in the subject area are exceeding cumulative discharges of waste flow greater than the subject limit, an SDRWQCB assessment of compliance with water quality standards waste discharge requirement will be needed. Additionally, Mr. Williamson opined that there are provisions in the proposed subject resolution, as well as in the Salt Nutrient Management Plan (SNMP), whereby RCWD will be reviewing sewage practices in the Temecula Valley Basin, including wine country. Moreover, he explained that the direction staff has received from the Groundwater Protection Policy—adopted by the Board of Directors at their regular meeting of December 12, 2013 (as well as discussions held during the SNMP presentations) was to first focus on the commercial and industrial classes.

Director Plummer briefly commented on the subject discussion during Dr. Welch’s presentation at the aforementioned meeting, citing that the report stipulates that the District should continue “monitoring” construction of residential units in wide open areas versus “prohibiting” therein.

Following discussion, President Corona called for the question on the motion on the floor, with the adoption of the resolution entitled:

RESOLUTION NO. 2014-3-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CALIFORNIA WATER DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, APPROVING THE TEMECULA VALLEY BASIN SALT AND NUTRIENT MANAGEMENT PLAN, DATED MARCH 2014

The motion was carried by the following vote:

Aye: Directors Corona, Drake, Herman, Hoagland, Plummer, Stewart, and Ziemer
No: None
Absent: None
Abstain: None

In regard to Consent Calendar Item 3J1 “Consider Approval to Award a Professional Services Agreement for the Indirect Potable Reuse Preliminary Design—Brine Conveyance System Alignment Study and Basis of Design (Project No. D1790),” President Corona inquired if staff has conducted a study as to the energy charges. Responding, Chief Engineer Andrew Webster explained that the items were analyzed in the conceptual data study, and will be more refined in the preliminary design study.

MOTION: President Corona moved to approve Consent Calendar Item 3J1, as presented. Director Hoagland seconded the motion, and it carried unanimously.
ITEM 4. PUBLIC HEARING TO CONSIDER ADOPTION OF A MITIGATED NEGATIVE DECLARATION FOR THE WELL NO. 102 WELLHEAD TREATMENT FACILITIES (PROJECT NO. D1723)

Associate Engineer Jake Wiley briefly addressed the Board of Directors (Board) with updated information concerning the public hearing for the Board to consider adoption of a Mitigated Negative Declaration for the Well No. 102 Wellhead Treatment Facilities (Project No. D1723), as discussed at the February 27, 2014 regular meeting of the Engineering and Operations Committee (Committee).

Additionally, Mr. Wiley announced that staff received two additional public comment letters—the first letter was from the Soboba Band of Luiseño Indians, whereby they had no comment and referred the matter to the Pechanga Band of Luiseño Indians. The second letter was received from the California Department of Public Health, regarding non-environmental design issues.

Following Mr. Wiley's update on the subject matter, President Corona declared the public hearing open and asked if there were any individuals wanting to submit a comment during this portion of the meeting—hearing none, he entertained a motion from the Board to close the public hearing.

MOTION: Director Hoagland moved to close the public hearing. Director Drake seconded the motion, and it carried unanimously.

ITEM 5. CONSIDER A RESOLUTION TO ADOPT THE INITIAL STUDY, MITIGATED NEGATIVE DECLARATION, AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE WELL NO. 102 WELLHEAD TREATMENT FACILITIES (PROJECT NO. D1723)

A. Resolution Adopting an Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program for the Well No. 102 Wellhead Treatment Facilities (Project No. D1723)

The public hearing concerning the adoption of the Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program for the Well No. 102 Wellhead Treatment Facilities (Project No. D1723) having been held and closed, Director Drake moved to approve the subject item without discussion.

MOTION: It was moved by Director Drake and seconded by Director Hoagland to approve the subject resolution entitled:

RESOLUTION NO. 2014-3-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CALIFORNIA WATER DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ADOPTING AN INITIAL STUDY, MITIGATED NEGATIVE DECLARATION, AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE WELL NO. 102 WELLHEAD TREATMENT FACILITIES (PROJECT NO. D1723)
The motion was carried by the following vote:

Aye: Directors Corona, Drake, Herman, Hoagland, Plummer, Stewart, and Ziemer

No: None

Absent: None

Abstain: None

ITEM 6. CONSIDER APPROVAL OF CUSTOMER FEE FOR THE LOS CABALLOS PRESSURE REDUCING STATION

Engineering Manager-Planning Warren Back addressed the Board of Directors (Board) with updated material regarding Rancho California Water District (RCWD/District) collecting an additional fee from customers that are requesting water service, as reimbursement for a portion of the cost of the Los Caballos Pressure Reducing Station (LCPRS), whereby the fee to be paid would be in addition to the District’s standard connection fees and the developer’s own cost to design and construct the necessary distribution main and pipeline appurtenances to attain service from the intermediate pressure zone (IPZ) area.

Utilizing a PowerPoint presentation, Mr. Back displayed revised maps of the subject area and briefly discussed the comparison between service pressure zones 1790 versus 1610.

Lengthy discussion ensued between the Board and staff regarding pressure reductions in the IPZ area, the amount of acreage, and being fair to the corresponding wineries therein.

Next, Director Drake suggested that General Manager Matt Stone read the comments from Riverside County’s (County) Environmental Impact Report (EIR) for the subject area.

Referencing the County’s EIR Public Services Utilities Sewer-1 and Sewer-2 sections, Mr. Stone read verbatim summary comments on the mitigation measures therein.

Following the EIR reading, President Corona acknowledged receipt of three “Speaker Request” forms on the subject matter and began by welcoming Stan Heaton of Temecula Engineering Consultants to the podium. Mr. Heaton addressed the Board and briefly discussed properties that may or may not benefit from the higher pressure zones in the IPZ. He then displayed a map showing lower-pressure areas.

Next, President Corona invited BJ and Wendy Fazeli to the podium; however, Mr. Fazeli advised that they both declined to speak, noting that their inquiries were addressed during previous discussion.

Lengthy discussion ensued between the Board, staff, and legal counsel regarding the calculation of the subject additional fee and the Reimbursement Agreement for benefiting properties deciding to connect to the District’s LCPRS facility.
MOTION: Director Drake moved to recommend the Board of Directors approve Rancho California Water District collect from each customer requesting water service from the Los Caballos Pressure Reducing Station an additional fee calculated at $643.00 per acre based on: (1) 50 percent of the estimated cost for the LCPRS; and (2) total acreage of all properties deemed to potentially benefit from the facility, plus interest equal to the prime rate published in the Wall Street Journal on the date the Notice of Completion is recorded with the County of Riverside for the design and construction of the LCPRS; and the inclusion of provisions in the Reimbursement Agreement that are consistent with the Board of Directors’ Groundwater Protection Policy, as related in the Riverside County provisions for future connection to public sewer facilities as utilized in previous Wine Country project approvals. Director Hoagland seconded the motion, and discussion continued.

Discussion ensued between the Board and staff to clarify that the District is only imposing specific conditions that the County has already set forth and is implementing, as well as future hook-ups/connections on the subject line.

Following brief discussion, President Corona called for the question for the motion on the floor, and it carried with a 6-1 vote, with Director Herman opposed.

ITEM 7. CONSIDER SETTING THE DATE, TIME, AND PLACE FOR A PUBLIC HEARING TO CONSIDER ADOPTION OF AN ORDINANCE REGARDING COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS AND RESCINDING ORDINANCE NO. 2001-6-1

Referencing the subject item, it was the consensus of the Board of Directors to have said public hearing take place at their April 10, 2014 regular meeting and have staff conduct the appropriate public hearing noticing requirements.

MOTION: Director Hoagland moved to recommend the Board of Directors (Board) conduct a public hearing on Thursday, April 10, 2014 at 8:30 a.m. in the Board room of the Rancho California Water District Administrative Headquarters Building to consider adoption of an ordinance raising the level of compensation for members of the Board. Director Stewart seconded the motion, and it carried with a 6-1 vote, with Director Herman opposed.

ITEM 8. CONSIDER REQUEST BY SOUTHERN CALIFORNIA EDISON FOR A GRANT OF EASEMENT OVER A PORTION OF THE ALVAREZ PUMP STATION/WELL NO. 234 SITE

Engineering Manager-Design Corey Wallace briefly addressed the Board of Directors (Board) with supplemental information requested by the Engineering and Operations Committee during discussion at its regular meeting of February 27, 2014, regarding consideration/approval of the Grant of Easement request from Southern California Edison Company, consisting of approximately 209 square feet of Rancho California Water District-owned property at the Alvarez Pump Station/Well No. 234 site.
MOTION: Director Herman moved to recommend the Board of Directors approve the Grant of Easement request from Southern California Edison Company, as presented. Director Drake seconded the motion, and it carried unanimously.

ITEM 9. INFORMATION ITEMS

This item is intended for information only, however, at the discretion of the Board, may be discussed.

A. Activity Report, Committees of the Board for the Month of February 2014
B. Claims Activity Report for the Period Friday, February 7 through Tuesday, March 4, 2014
C. Information Items

With no discussion concerning the information items, President Corona moved on to the next order of business.

ITEM 10. GENERAL COUNSEL’S REPORT

General Counsel Jim Gilpin had no items to report.

At this time, President Corona changed the order of presenting the next item, as General Manager Matt Stone was away from the dais.

ITEM 12. BOARD MEMBERS’ COMMENTS AND REPORTS

Director Drake commented on recently attending a California State Board of Food and Agriculture meeting that included the Drought Task Force, whereby discussion involved farmers having water demand issues with the Department of Water Resources.

Director Stewart commented on having attended the Water Education Foundation (WEF) Water 101 Course in Davis, California, citing that Southern California is better prepared in groundwater storage and protection policies versus Northern California having no groundwater protection policies in place. Additionally, he learned that per capita, Southern California uses less water than Northern California.

Also having attended the WEF Water 101 Course, Director Ziemer added to Director Stewart’s comments by referencing an old mandate to have water meters installed in the local Northern California area and the irony that, until the installation of all water meters is complete, there would be no meter reads.

Director Hoagland reported on recently attending Western Municipal Water District’s Drought Town Hall meeting, whereby there was a great exchange of information on drought issues.

NOTE: General Manager Matt Stone returned to the dais at this time.
ITEM 11.  GENERAL MANAGER’S REPORT

General Manager Matt Stone briefly reported on updates pertaining to a tentative ruling in San Diego, California regarding the Metropolitan Water District of Southern California and the State Water Project contract not having any conveyance components.

ITEM 13.  CLOSED SESSION

At any time during the regular session, the Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege and may be held in closed session. Authority: Government Code Section 54956.9

A.  CONFERENCE WITH LABOR NEGOTIATORS (Per Government Code § 54957.6) — Negotiators: Labor Counsel Bradley Neufeld, Esq.; General Manager Matt Stone; Chief Financial Officer/Treasurer Jeff Armstrong; and Human Resources Manager Eileen Dienzo — Employee Organization: Rancho California Water District Employees’ Association

B.  CONFERENCE WITH LABOR NEGOTIATORS (Per Government Code § 54957.6) — Negotiators: Labor Counsel Bradley Neufeld, Esq.; General Manager Matt Stone; Chief Financial Officer/Treasurer Jeff Armstrong; and Human Resources Manager Eileen Dienzo — Employee Organization: Rancho California Water District Management, Professional, and Confidential Employees’ Association

C.  CONFERENCE WITH LABOR NEGOTIATORS (Per Government Code § 54957.6) — Negotiators: Labor Counsel Bradley Neufeld, Esq. and General Manager Matt Stone — Unrepresented Employees: Assistant General Manager, Chief Financial Officer/Treasurer, Chief Engineer, and Human Resources Manager

D.  CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Per Government Code § 54956.8) — Property: 28061 Diaz Road, Temecula, California. Agency Negotiators: Matt Stone, General Manager; Rich Williamson, Assistant General Manager; Jeff Armstrong, Chief Financial Officer/Treasurer; and Steve Tiritilli. Negotiating Party: Index Fresh. Under Negotiation: Lease Price & Terms

E.  CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — Shawn Bennett vs. Rancho California Water District, Case No. RIC 1218298

F.  CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION — Significant Exposure to Litigation (Per Government Code Section 54956.9 (c)) Two (2) Potential Cases

G.  CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — United States vs. Fallbrook Public Utility District, Case No. 1247

H.  CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — United States of America et al. vs. J-M Manufacturing Company, Inc. Case No. 5:06-CV-00055-GW
I. CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — Villanueva vs. Grossman, et al., Case No. RIC 1208685

J. CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — Rancho California Water District vs. Carollo Engineers, Inc. Case No. RIC 1216286

K. CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — In re Vail Lake Rancho California, LLC, Bankruptcy Court, Southern District of CA, Case No. 12-16684-LA11

L. CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — In re Vail Lake USA US Bankruptcy Court, Southern District of CA Case No. 13-05927-LA11

M. CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION (Per Government Code § 54956.9 (a)) — In re Vail Lake Village & Resort US Bankruptcy Court, Southern District of CA Case No. 13-05930-LA11

At 10:25 a.m., President Corona announced a ten-minute break to be followed by an adjournment to closed session, whereby Board members, legal counsel, and select staff members remained, and all other individuals left the room.

NOTE: The following left the meeting during closed session discussion: President Corona at 11:47 a.m. and Director Herman at 12:20 p.m.

The Board reconvened in open session at 12:25 p.m., whereby General Counsel Jim Gilpin announced that there were no reportable actions.

ITEM 14. ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 12:25 p.m.

/s/Kelli E. Garcia
Kelli E. Garcia, Secretary of the Board of Directors of the Rancho California Water District