AGENDA FOR A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, JUNE 6, 2011, AT 1:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT POLTL

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.

ITEMS FOR DISCUSSION

1. PUBLIC HEARING FOR AND ADOPTION OF THE 2010 URBAN WATER MANAGEMENT PLAN (pp. 1-2)

2. CONSIDER APPROVAL OF A COOPERATIVE AGREEMENT TO ESTABLISH A REGIONAL ALLIANCE FOR COMPLIANCE WITH SB X7-7 (pp. 3-11)

3. PROPOSED 2011/2012 BUDGET REVIEW (provided under separate cover)

*****END OF DISCUSSION ITEMS*****

OTHER BUSINESS

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

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 1:00 p.m., Thursday, June 2, 2011.

Diane Posvar
MINUTES OF A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, JUNE 6, 2011, AT 1:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Poltl called the Committee meeting to order at the hour of 1:00 p.m.

Present:
Director Ferguson
Director Gentry
Director Hernandez
Director Poltl
Director Shell

Staff Present:
General Manager Lamb
Legal Counsel Scott
Finance Manager Scaglione
Administrative Services Manager Caudle
District Engineer Gerdes
Operations & Maintenance Manager Arrant
Principal Engineer Gumpel
Capital Facilities Engineer Scholl
Accounting Supervisor Fusco
Public Information Conservation Supervisor Urabe
Public Information Specialist Webb
Public Information Specialist Yerman
Executive Secretary Posvar

Also Present: Steve Maciej, Building Industry Association

Legal Counsel Scott noted that a Closed Session item has arisen subsequent to the posting of the agenda which the Board needs to discuss and take possible action. The item involves a conference with the District’s Labor Negotiator pursuant to Government Code section 54957.6 and may be added by a 4/5 vote of the Board pursuant to Government Code section 54954(b)(2).

11-06-01 MOTION WAS MADE by Director Ferguson, seconded by Director Hernandez, and carried unanimously, to add a Closed Session item to the agenda.

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

PUBLIC HEARING FOR AND ADOPTION OF THE 2010 URBAN WATER MANAGEMENT PLAN

Principal Engineer Gumpel stated that several departments have contributed/worked on this document. The purpose of the document is to compliance with the California Urban
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Water Management Planning Act Sections 10610 through 10656 and compliance with Senate Bill X7-7. All urban water suppliers are required to update their urban water management plans (UWMP) every five years. He reviewed the timeline of the document process to date. Principal Engineer Gumpel introduced Capital Facilities Engineer Scholl to present the contents of the UWMP.

Capital Facilities Engineer Scholl reviewed the sections of the UWMP as follows:

Introduction:
- Regulatory overview, including additional requirements since the 2005 UWMP
- VWD service area background
- 2008 Master Plan and Water Capital Improvement Program

During general discussion on this section, the Board Committee suggested staff consider developing policy to address the requirement that water suppliers grant a priority for the provision of service to lower income and affordable households should this issue actually arise in the future.

Land Use and Water Demand:
- Land use and population forecasts
- Water duty factors for each category of land use
- VWD’s water system peaking factors and curves
- Past, present and projected water demands

Senate Bill X7-7:
- Conservation targets of 10% by 2015 and 20% by 2020 on a gallons
- Regional Alliance conservation targets

Additional information was provided on the proposed formation of a Regional Alliance and conservation targets.

Water Supply:
- Overview of Metropolitan Water District and its water supplies
- Overview of the San Diego County Water Authority and its water supplies
- VWD’s existing and planned sources of water
- Overview of VWD’s existing water infrastructure
- Discussion of water supply alternatives

Water Quality:
- Colorado River
- State Water Project
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Water Supply Reliability:
• All UWMPs must include a water supply and demand assessment that compares
  the total projected water use with the projected water supply through the next 20
  years
• Assessment to be performed for normal water year, single dry year, and multiple
  dry year events

Water Demand Management Measures
• History of VWD’s water conservation program
• Best Management Practices

Water Recycling:
• Overviews VWD’s wastewater collection and treatment facilities
• VWD’s participation in the North San Diego County Regional Recycled Water
  Project
• Current and potential uses for VWD’s recycled water

Shortage Contingency Plan:
• All UWMPs must include a water shortage contingency analysis due to
  catastrophe, drought, or other situations
• Drought management planning

Staff also discussed adoption and post-adoption requirements

The Board Committee recommended this PowerPoint be posted on the District’s
website to allow the public to review it.

The Board Committee recommended this item be submitted to the full Board for
consideration and approval, after the Public Hearing to be held on June 15, 2011.

CONSIDER APPROVAL OF A COOPERATIVE AGREEMENT TO ESTABLISH A
REGIONAL ALLIANCE FOR COMPLIANCE WITH SB X7-7

Principal Engineer Gumpel stated that the purpose of this item is to consider approval of
an agreement between Vallecitos Water District (VWD), Olivenhain Municipal Water
District, Rincon del Diablo Municipal Water District, and San Dieguito Water District to
establish and carry out a regional alliance in accordance with Part 2.55 of the California
Water Code for Urban Water Management Plan (UWMP) reporting purposes. SB X7-7
requires each urban retail water supplier to develop an urban water use target and
authorizes urban retail water suppliers to determine and report progress toward
achieving these targets on an individual or regional basis.

The Department of Water Resources (DWR) Guidebook and DWR Methodology 9
provide that urban retail water suppliers are eligible to form a regional alliance in
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accordance with Water Code section 10608.2(a) if the suppliers meet at least one of several specified criteria, such as (1) the suppliers are recipients of water from a common wholesale water supplier, or (2) the suppliers are located within the same hydrologic region as depicted in the California Water Plan. All of the four parties to this agreement meet those criteria in addition to sharing other relevant commonalities and are therefore eligible to form a regional alliance for the purposes of determining and reporting progress toward achieving their water use targets on a regional basis.

The agencies will jointly notify DWR of the formation of their regional alliance, if approved. In accordance with DWR Guidebook and DWR Methodology 9, the members have prepared an urban water use target and an interim urban water use target for the region which are included within each of the other member's individual UWMPs. Each member of the regional alliance has developed its own water use targets, along with other supporting data and determinations, which are included in each member's individual UWMP.

The formation of a regional alliance provides VWD with an additional compliance alternative to meet 2015 and 2020 reduction targets set forth in SB X7-7. A regional alliance allows VWD to meet either the individual or regional goal.

The Board Committee recommended this item be submitted to the full Board for consideration and approval.

Steve Maciej, Building Industry Association, asked staff what the current per capita water consumption is.

Staff responded that the 2010 per capita is approximately 157.

PROPOSED 2011/2012 BUDGET

Finance Manager Scaglione reviewed the proposed 2011/12 budget transmittal letter, the purpose of the letter, as well as the proposed budget. The proposed budget totals $99,711,000 and is comprised of $60,521,000 for capital projects, $18,302,000 for water purchases, $9,528,000 for water operations, and $11,360,000 for wastewater operations. The capital budget includes carryover projects, new projects, and replacement of two vehicles. Meters in service are projected to be 20,617, water purchases are projected to total 14,827 acre feet and the reserve balance is projected to be $16,900,000 for 2011/12.

The budget anticipates a rate increase for the next two years. A Public Hearing has been scheduled for July 20, 2011 to consider a 28¢ increase per Tier 1 unit effective January 1, 2012 and another 28¢ Tier 1 per unit increase effective January 1, 2013. Sewer charges are anticipated to increase by 5.65% in 2011/12 and 5.5% for 2012/13.

This item was presented for information only.
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OTHER BUSINESS

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.6
CONFERENCE WITH LABOR NEGOTIATOR

11-06-02 MOTION WAS MADE by Director Ferguson, seconded by Director Hernandez, and carried unanimously, to move into Closed Session pursuant to Government Code 54957.6 Conference with Labor Negotiator.

REPORT AFTER CLOSED SESSION

The Board Committee reconvened to Open Session at the hour of 2:50 p.m. The Board Committee, in Closed Session, directed the District’s Negotiator to take appropriate action concerning employee negotiations.

ADJOURNMENT

There being no further business to discuss, President Poltl adjourned the Board Committee meeting at the hour of 2:51 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 15, 2011, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James W. Poltl, President
Board of Directors
Vallecitos Water District

ATTEST:

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