

AGENDA FOR A COMMITTEE MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, MAY 10, 2010, AT 12:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT FERGUSON

ROLL CALL

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. VALLECITOS GARDEN REDESIGN / PALOMAR COLLEGE STUDENT PRESENTATIONS
2. PROPOSED 2010/2011 BUDGET (provided under separate cover)

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

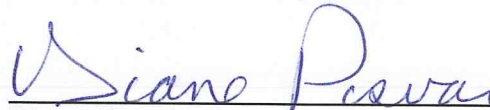
OTHER BUSINESS

\*\*\*\*\*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 12:00 p.m., Thursday, May 6, 2010.

  
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Diane Posvar

MINUTES OF THE COMMITTEE MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, MAY 10, 2010, AT 12:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Ferguson called the Committee meeting to order at the hour of 12:00 p.m.

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

Staff Present: General Manager Lamb  
Finance Manager Scaglione  
Administrative Services Manager Caudle  
District Engineer Gerdes  
Operations & Maintenance Manager Arrant  
Principal Engineer Gumpel  
Information Technology Supervisor Fisher  
Public Information/Conservation Supervisor Urabe  
Executive Secretary Posvar

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

VALLECITOS GARDEN REDESIGN / PALOMAR COLLEGE STUDENT PRESENTATIONS

Public Information/Conservation Supervisor Urabe stated that Conservation staff has been working with students at Palomar College to redesign the Vallecitos Landscaping and Demonstration Garden. Five groups of students submitted plans to the department and Conservation staff has picked their two top designs. Since each of these designs focuses on different areas of the garden, these two designs have been combined to complete the redesign.

Public Information/Conservation Supervisor Urabe introduced Matt Robertson. Mr. Robertson discussed the need for the District to be an information clearinghouse for its customers and the necessary base steps to begin the redesign project.

The two groups with the top designs were introduced and presented their ideas to the Board. The combined ideas included drought resistant plants, water features utilizing recirculated rainwater (can also be dry riverbed), and shade covers. KRC Rock and Agri Services have offered to donate materials.



Public Information/Conservation Supervisor Urabe presented more specific detail on the project and discussed the pros and cons to the proposed project as well as alternative options. The options included bubbling boulders in lieu of pondless waterfalls and rainwater harvesting utilizing rainwater barrels. Bushman Rainwater Harvesting (manufacturer) has offered to donate one large and one small rainwater barrel. These two options would reduce the overall cost of the project.

Public Information/Conservation Supervisor Urabe stated that the City of San Marcos will likely exempt the District from the permit process. She further stated that staff will apply for a grant from the San Diego County Water Authority for up to \$5,000.

Following general discussion, the Board recommended staff pursue the combination of the two projects with the preference of the bubbling rock design option in lieu of the pondless waterfalls presented and to submit this item at the May 19, 2010, Board meeting for action.

#### PROPOSED 2010/2011 BUDGET

Finance Manager Scaglione facilitated a PowerPoint presentation on the proposed 2010/2011 budget. He stated that the budget totals \$95,877,000. This compares to \$94,500,000 last year. This is composed of \$40,843,000 in operating expenses and \$55,034,000 in capital projects. In addition, \$5,225,000 from operations is being set aside for future capital replacement. The operating budget increased 4.3% compared to last year's budget. The increase was only 1.2% with water purchases carved out, and a 3.2% decrease with water and MRF costs carved out. New capital requests include Encina Wastewater Authority's capital replacement program, Rock Springs sewer project, Wulff tank replacement, meter replacement, two trucks, equipment, and other projects detailed in the capital section of the budget for replacement.

Advancing Water Diversity is this year's theme, focusing on water recycling, seawater desalination, and conservation. The remainder of the presentation focused on long-range planning; projected demand in acre feet; conservation pricing and fixed cost coverage; commodity rate trend; tier premium vs. cost of supply limitation; ready-to-serve rate trend; sustainability trends; debt service coverage ratio; major expense trends; personnel budget and projection; and, salaries and benefits. No new positions are requested in this year's budget; only a reclassification of one Computer Tech to a Systems Administrator, and three positions approved in the 08/09 budget will be filled. For planning purposes, three positions each year are assumed to be added from 2012 through 2015. The salaries and benefits recap noted a nonspecific line item for escalating reductions to benefits cost in 2012 through 2015 necessary to meet financial targets and avoid double digit increases to rates.

Following general discussion, the Board recommended the proposed 2010/2011 budget be submitted to the Board at the June 2, 2010, Board meeting for action.

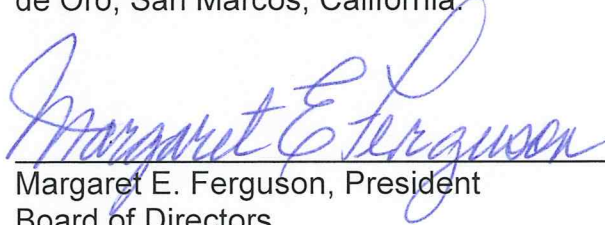
OTHER BUSINESS

None.

ADJOURNMENT

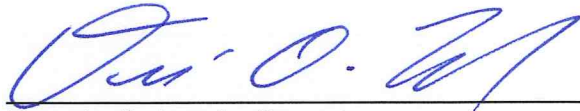
There being no further business to discuss, President Ferguson adjourned the Board Committee meeting at the hour of 2:17 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Tuesday, May 11, 2010, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.



Margaret E. Ferguson, President  
Board of Directors  
Vallecitos Water District

ATTEST:



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