

AGENDA FOR A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, AUGUST 9, 2010, AT 1:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT FERGUSON

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. PRESENTATION BY SAN MARCOS UNIFIED SCHOOL DISTRICT SUPERINTENDENT KEVIN HOLT ON THEIR PROPOSED BOND ISSUE
2. PROPOSED REVISIONS TO THE RESERVE POLICY

*****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, August 5, 2010.



Diane Posvar

MINUTES OF A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, AUGUST 9, 2010, AT 1:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Present: Director Ferguson
Director Gentry
Director Poltl
Director Shell

Absent: Director Hannan

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

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

PRESENTATION BY SAN MARCOS UNIFIED SCHOOL DISTRICT (SMUSD)
SUPERINTENDENT KEVIN HOLT ON THEIR PROPOSED BOND ISSUE

Superintendent Kevin Holt introduced SMUSD Board President Becky Garrett. Mr. Holt provided an overview on SMUSD and discussed challenges their District is currently facing. On July 12, 2010, their Board agreed to move forward with a general obligation bond measure for the November 2, 2010, ballot. This is a \$287 million bond - \$45 million is local dollars, \$45 million is SMUSD funds toward facilities, SMUSD is projecting \$55 million in State matching funds. This equals \$380 million total worth of modernization projects and touches every school in the district. The bond, if passed, will allow their District to receive State matching funds. It is expected to cost property owners approximately \$40 per \$100,000 of the assessed value of their property (average assessed value is \$300,000) which would amount to approximately \$120 per year for the general obligation bond. Taxpayer protection is built into the measure; the funds can only be used for facilities and the money stays local. Three phone surveys were conducted in the community; there is strong support in the community for the bond measure.

PROPOSED REVISIONS TO THE RESERVE POLICY

Finance Manager Scaglione stated that in 2009 staff reviewed the policy but did not recommend changes. Operating reserves of three to six months of budgeted operating expenses, excluding wholesale water purchase, is commonly recommended by industry consultants and organizations. Staff is proposing to revise the Reserve Policy to eliminate water purchases from the operating expenses and increase the reserve from 90 to 150 days of other expenses. The proposed revisions will reduce the overall reserves by approximately \$1.4 million and more evenly distribute the burden between the water and sewer funds. There is no immediate fiscal impact since the reserve levels are considered during the rate setting process when more equitable rate distribution between funds can be realized. Also, when securing debt financing, the lower reserve level is more achievable, and the widely recognized parameters would be viewed favourably by rating agencies, possibly resulting in a lower cost of debt.

Staff proposed the Committee recommend the full Board consider adopting the revised Statement of Reserve Policy Resolution.

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

OTHER BUSINESS

Public Information/Conservation Supervisor Urabe provided an update on the Demonstration Garden Project as follows:

- Rain barrels were installed a couple of weeks ago
- The white PVC pipes which were installed will be painted
- The plant material is scheduled to be removed this Friday
- The City of San Marcos is requiring a permit for the shade structure due to safety issues – the City has certain height restrictions; District staff is working with City staff
- The plants are scheduled to be planted mid to late September
- Waiting on the core driller - he is out of state (he will drill the holes in the boulders for the water features); KRC liked the boulders that were onsite
- Getting a lot of publicity on the garden – there was an article in the UT, article in the ACWA Newsletter, and a reporter from NC Times wants to attend the Open House to do a feature story

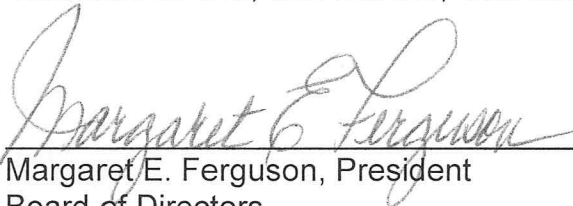
General Manager Lamb stated that staff is working on the Open House and has been discussing having guest speakers to discuss fire scapings, native plant gardening, and rainwater harvesting.

Public Information/Conservation Supervisor Urabe stated that a few homeowners associations have contacted her; Lake San Marcos Mall II would like to hire the Palomar students to redesign part of their common area; Lake San Marcos Mall IV came in today to see the rain water barrels; they want to install a system to collect their runoff to use for their irrigation.

ADJOURNMENT

There being no further business to discuss, President Ferguson adjourned the Board Committee meeting at the hour of 1:47 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, August 18, 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