

AGENDA FOR A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, SEPTEMBER 13, 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. UTILITY BILLING: PRINT, MAIL AND ELECTRONIC BILL PRESENTMENT AND COLLECTION SERVICES - PRESENTATION
2. FALL 2010 SPLASH - VALLECITOS WATER DISTRICT QUARTERLY NEWSLETTER
3. DEMONSTRATION GARDEN UPDATE
4. OPEN HOUSE UPDATE

*****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, September 9, 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, SEPTEMBER 13, 2010, AT 1:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Present: Director Gentry
Director Hannan
Director Poltl
Director Shell

Absent: Director Ferguson

Staff Present: General Manager Lamb
Finance Manager Scaglione
Administrative Services Manager Caudle
District Engineer Gerdes
Operations & Maintenance Manager Arrant
Accounting Supervisor Fusco
Capital Facilities/Construction Engineer Gumpel
Public Information/Conservation Specialist Webb
Executive Secretary Posvar

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

UTILITY BILLING: PRINT, MAIL AND ELECTRONIC BILL PRESENTMENT AND
COLLECTION SERVICES

General Manager Lamb stated that this item was presented to the Board a few months ago. At that time there was some confusion regarding the credit card use option. He stated that the information has been clarified and introduced Accounting Supervisor Fusco to present the information.

Accounting Supervisor Fusco stated that currently the only option available is printing and mailing of the bills which is done through an outside service; there is no direct electronic billing option available. The current payment methods consist of mail-in, walk-in, the drop box, automated clearing house (ACH), and 3rd party (credit card, e-check).

Accounting Supervisor Fusco stated that a customer survey was conducted February 24 through August 30, 2010. There were 248 customers who participated in the survey. Of those 248, 244 or 98% of the customers expressed interest in participating in an

electronic billing and payment program. Of those 248, 161 or 66% wish to pay by ACH or other electronic method rather than just using a credit card. Twenty seven percent of the customers are willing to pay a convenience charge to use a credit card. However, 88% of customers willing to pay a convenience charge will pay up to \$3 per transaction (the current fee is \$5.50 by a 3rd party partner). He also shared some of the customer's feedback regarding the District's lack of electronic payment options.

Accounting Supervisor Fusco stated that the goal is to provide the greatest flexibility to customers in accessing account data as well as flexibility in receiving and paying their monthly bill. This can be accomplished by offering customers various billing/payment options such as the ACH (currently available to customers), electronic billing (customers would receive their bill via e-mail), electronic payment, and credit card payment (currently available to customers through 3rd party - \$5.50 per transaction, paid to Official Payments), and credit payment acceptance by the District directly (\$1 per transaction plus 0.095% of bill amount – District must absorb the cost to allow this option; not being implemented at this time). Currently, 12 members of the San Diego County Water Authority offer some form of electronic billing or electronic payment.

Accounting Supervisor Fusco stated that staff has been working with a company called Infosend for print and mail options. Contracting with Infosend would allow the District to fully utilize electronic media and send all billing information to them for printing and mailing of bills. The benefits include flexibility to easily modify billing format and billing statements; eliminate purchase of paper supplies for customer bills; eliminate warehousing of paper supplies; current customer payment options are retained; and ACH customers would no longer receive blue payment envelopes. Infosend will waive the \$9,000 start-up fee with a three year contract.

Offering electronic payment would allow the customers to make payments on-line through the District website. The benefits would include the ability of the customer to make one-time, scheduled or set up auto-pay payments; the customer has the ability to sign up for electronic billing (including existing ACH customers); consumption, billing and payment history available on-line (after signing up for electronic billing); reduction in staff time/costs handling, processing, storing and destroying checks; save bank processing charge of .10¢ per check; reduce landfill waste by not receiving paper bill and check. The electronic payment start-up cost would be \$4,500 and electronic collection transaction cost from EPX (3rd party) of 25¢ per payment (net 15¢).

Offering electronic billing would allow the customers to receive their monthly bill on-line and access to payment and usage history seamlessly through the District's website. The benefits would include reduced postage and paper costs as bills would no longer be delivered via U.S. mail; reduced landfill waste by not sending paper bill. The District would pay an electronic bill cost of 13¢ per transaction plus a \$75 monthly maintenance fee. This would become revenue neutral after 357 customers sign up and then would become a reduction in costs as more sign up.

The bottom line cost to the customer for the options would be zero with the exception of

the credit card option, which is \$5.50 per transaction. The cost to the District would be 13¢ per transaction for electronic billing and 15¢ per transaction for ACH and electronic payment. The District's cost for credit card option is \$1 per transaction plus .0095% of bill amount. The initial capital expense of software and installation is revenue neutral as all fees are waived with a three year contract. References on Infosend have been impeccable and reflect excellent customer service.

Customers would be made aware of payment options by notification on bills mailed; special insert with bills; notification on website; flyer at receptionist's desk as well as customer service and engineering counters; announcement in the next Splash edition; and announcement in the North County Times.

General discussion took place.

This item was presented for information only to the Board and staff will begin implementation of the program.

FALL 2010 SPLASH – VALLECITOS WATER DISTRICT QUARTERLY NEWSLETTER

General Manager Lamb reviewed the contents of the newsletter with the Board members and stated that Director Ferguson had provided him with some feedback. No other Board members had any comments.

DEMONSTRATION GARDEN UPDATE

Public Information/Conservation Specialist Webb stated that progress has been made and the project should be completed on schedule. He further stated that following consultation with construction and considering all options, staff will be moving forward with the shade structures; however, aluminum will be used to construct them instead of wood. This will spare the District some future maintenance expense and construction challenges. The aluminum will require very little upkeep and costs \$3,400, which is cheaper than using wood. There will be two of them and they should be installed next week.

Public Information/Conservation Specialist Webb stated that there is a new vendor for the water features installation. Within a week, he located the rocks and drilled them for the features. The vendor also found another rock which he carved into the shape of a bird bath.

Public Information/Conservation Specialist Webb stated that due to the size of the boulders, the typical solar pump would not be big enough to power the water function. What would be needed is a solar pool pump. Three of them would be needed and they are \$6,500 each. Staff is considering alternative options such as wiring the electricity to the existing system and placing a sign indicating that the water feature is powered by the solar ports. At the same time, staff would like to have a demonstration aspect of it by having a smaller version of the fountain that could be powered by a pump that could

be purchased at a local store and be available for home use.

Public Information/Conservation Specialist Webb stated that staff had arranged for students from San Marcos Middle School to help with the planting of the plants, however, the teacher has become sick and needed to undergo unexpected surgery. Staff has been working on a replacement and has received interest from community volunteers from the City of San Marcos as well as students from the Future Farmers of America. Everything should be completed in time for the Open House.

OPEN HOUSE UPDATE

General Manager Lamb reviewed the draft banner which is to be hung outside the VWD Administration fence and the Mission Avenue bridge (permit pending) as well as the draft postcard which will be distributed at the VWD and City of San Marcos lobby, local businesses, library, etc. Director Hannan suggested mailing the postcard to the attendants at the last landscaping workshop if the addresses are available.

General Manager Lamb also reviewed the proposed schedule of events for the Open House.

OTHER BUSINESS

Director Gentry stated that the 15th Annual Holiday Parade is coming up and the theme is the Twelve Days of Christmas. The Kiwanis Club is selling Twelve Days in advance in order to raise funds to create coloring books for elementary school children. Sponsorship is \$100.

General Manager Lamb stated that a couple of months ago he briefed the Board on the Goals and Objectives/Strategic Plan that has been in place to date and how to update it. He has received samples from a few other agencies and has been working with Michelle Tamayo of the Encina Wastewater Authority. He discussed the possibility of either having an all day workshop with a facilitator as done in the past or he could meet with Ms. Tamayo to discuss some of the basic topics already identified and then present the information to the Board members for feedback. Comments received could then be compiled for developing the Goals and Objectives/Strategic plan and then provided back to the Board members for discussion. At that point, Ms. Tamayo could meet with each Board member individually to get their thoughts. The information obtained from the individual meetings would then be compared with the draft that has been compiled. Once this has been done, then a workshop with the Board members would be scheduled. This is the general approach he would like to take.

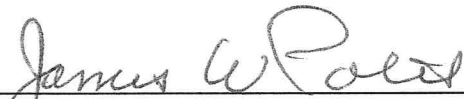
General discussion took place.

The consensus of the Board Committee, with Director Ferguson absent, was to allow General Manager Lamb to proceed with his preferred approach.

ADJOURNMENT

There being no further business to discuss, Vice President Poltl adjourned the Board Committee meeting at the hour of 1:57 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 15, 2010, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.



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

ATTEST:



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