



# 2016 YEAR IN REVIEW



# VALLECITOS WATER DISTRICT

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## 2016 Board of Directors

Mike Sannella.....	President, Division 4
Craig Elitharp.....	Vice President, Division 3
Betty Evans.....	Division 1
Jim Hernandez.....	Division 2
Hal Martin.....	Division 5

## General Manager

Glenn Pruim

## Vallecitos Water District Board Meetings

The public is welcome to attend the Vallecitos Board meetings the first and third Wednesday of each month at 5:00 p.m. in the District's Administration Building – 201 Vallecitos de Oro, San Marcos. For more information, contact the Board Secretary at (760) 744-0460 or visit the District's website at

[www.vwd.org/Board](http://www.vwd.org/Board).

## General Manager's Message

For the Vallecitos Water District, calendar year 2016 was a marked improvement over 2015. The year started with Vallecitos in a Level 2 "Drought Alert" condition. The good news, starting in early January, was that Vallecitos began receiving high-quality desalinated water directly from the Claude "Bud" Lewis Desalination Plant in Carlsbad, California. The direct connection pipe, located at the corner of Pawnee and Cherokee Streets in San Marcos, delivers as much as 4,083 acre feet of desalinated water annually to Vallecitos' distribution system. This equates to approximately 27 percent of Vallecitos' annual supply and is enough water to meet the needs of more than 8,100 families for one year.

More good news came to Vallecitos in the spring, with the completion of the San Elijo Hills Pump Station in San Marcos. Under an agreement with the Olivenhain Municipal Water District (OMWD), Vallecitos purchases a minimum of 2,750 acre-feet per year of treatment services from OMWD, roughly the amount of water required to supply 5,500 families. Vallecitos purchases these services at a lower rate than is offered by regional water wholesalers, reducing the per-unit purchase cost of water to Vallecitos and to our customers.

Rounding out the good news for 2016, in July Vallecitos' Board of Directors voted to rescind the mandatory drought restrictions under its "Level 2 Drought Alert" and move to voluntary conservation measures under its "Level 1 Drought Watch," thereby ending restrictions on outdoor watering. This was made possible by the increased reliability of the desalinated water previously mentioned.

While the desalinization connection has received a lot of attention in the past year, it is not the only investment we have under way to ensure the value of the services we provide. The many facets of Vallecitos' business are routinely operated to provide value and ensure Vallecitos' sustainability, making our services worth the rates we charge. We invest regularly in maintaining and upgrading our storage, distribution and collection systems based on cost-benefit analyses that protect against the expensive shocks that come from deferring maintenance for too long. At the same time, we operate our facilities as cost-effectively as possible, always with an eye toward reducing energy bills, maximizing the productivity of our workforce and striving for sustainability.

Sustainability isn't just a part of our job – it's a guiding influence for everything that we do. Sustainability is founded on a simple belief: everything that we need for our survival depends, either directly or indirectly, on the natural environment. From our water sources in the Pacific Ocean, to our recycled water that we produce at our Meadowlark Water Reclamation Facility, sustainability is entrenched in our efforts to provide water, wastewater and recycled water services. Further, Vallecitos works to embrace sustainability at our facilities. Vallecitos' Sustainable Demonstration Garden was recognized as a "Certified Wildlife Habitat" by the National Wildlife Federation. Our Solar Carport Project provides an average of 90% of the electricity used at our Administration, Operations and Maintenance Facility each year. But the definition of sustainability goes beyond the environment, our water sources and our facilities. Our rates need to be sustainable to adequately maintain our water, wastewater and recycled water systems.

Without question, Vallecitos has a solid history of performance and we are moving forward to provide exceptional and sustainable water and wastewater services to the more than 97,000 people who depend on us. I was selected by the Vallecitos Board of Directors and joined the District in November of 2016. I have a passion for the water and wastewater industry. I am honored to be Vallecitos' new General Manager. We have successfully met many challenges in the past, and I look forward to serving you in 2017 and beyond.



The Vallecitos Water District is pleased to announce that after a nationwide search with over 50 applicants, the Board of Directors appointed Glenn Pruim as its new General Manager.

Glenn Pruim received his Bachelors and Masters of Civil Engineering from the University of Illinois. A registered engineer in Civil and Mechanical Engineering, Glenn has an extensive background in public works, engineering, and water and wastewater operations.

During his ten years at the City of Carlsbad, he served as City Engineer, Public Works Director and General Manager/Utilities Director of the City's subsidiary, Carlsbad Municipal Water District. More recently, he worked for the City of Encinitas and San Dieguito Water District as Public Works Director/General Manager, where he concurrently held titles of: City Engineer, Public Works Director, San Dieguito Water District General Manager, Encinitas Sanitary District General Manager and Cardiff Sanitation District General Manager.

# Mission Statement

**Water and wastewater specialists,  
providing exceptional and sustainable services.**

## Organizational Values

### *Integrity*

Honest and ethical policies, communication and actions without bias.

### *Respect*

Appreciate differences in background, opinion and approach, and acknowledge with high regard.

### *Trust*

Our actions and words inspire fairness and support.

### *Loyalty*

Dedicated to the Public, the District and its employees.

### *Responsibility*

Demonstrate prudent use of all public and environmental resources.

### *Professionalism*

Conduct interactions in a courteous and respectful manner and be accountable for personal actions and decisions.



# Vision of the Future

The District will continue to provide exceptional and sustainable services by:

Supporting and retaining highly trained staff that is knowledgeable, engaged, team-oriented and responsive to the community and other agencies.

Providing continuous outreach and education to our customers on issues and topics that impact the services we provide and our role as water and wastewater specialists.

Proactively, innovatively, and continuously improving the quality and efficiency of our operations and service.

Providing support for the good of the region to remain a respected and active industry partner.

# About Vallecitos Water District

The Vallecitos Water District emerged from a need. Dwindling ground water supplies in the San Marcos and Twin Oaks valleys spurred the formation of the San Marcos County Water District that in 1955 would go on to tap into the imported water supply infrastructure that the San Diego County Water Authority was constructing at the time.

Today, the special district that met the water needs of a few hundred has grown to provide water, sewer and reclamation services to a population of more than 97,000 that includes San Marcos, Lake San Marcos and portions of Escondido, Carlsbad and Vista.

- 350 miles of water pipes
- 11 water pumping stations
- 19 water storage reservoirs
- 178 miles of sewer pipeline
- 4 sewer lift stations
- 1 water reclamation facility
- Twin Oaks Reservoir #1 - 33 million gallons
- Twin Oaks Reservoir #2 - 40 million gallons



# Meeting Community Needs by Unique Design

Very few organizations experience success without a plan, and the Vallecitos Water District is no different. The blueprint to expand facilities, perform specialized maintenance, adopt a new technology or introduce a new outreach program actually starts long before implementation. To assist in meeting goals, Vallecitos regularly updates critical documents that serve as an itinerary to providing the superior service our customers have come to expect.

**Master Plan** – This report, produced every five years, examines all of the District’s current pipes, pump and lift stations, reservoirs and other aspects related to the water-delivery or water-disposal process and develops plans to upgrade them as necessary. The Master Plan projects 20 to 25 years into the future, making updates according to population growth and the expected useful life of infrastructure within the District.

**Urban Water Management Plan** – Also updated every five years, this document is critical to identifying existing and potential new water sources to meet customer demand for the next 20 to 25 years.

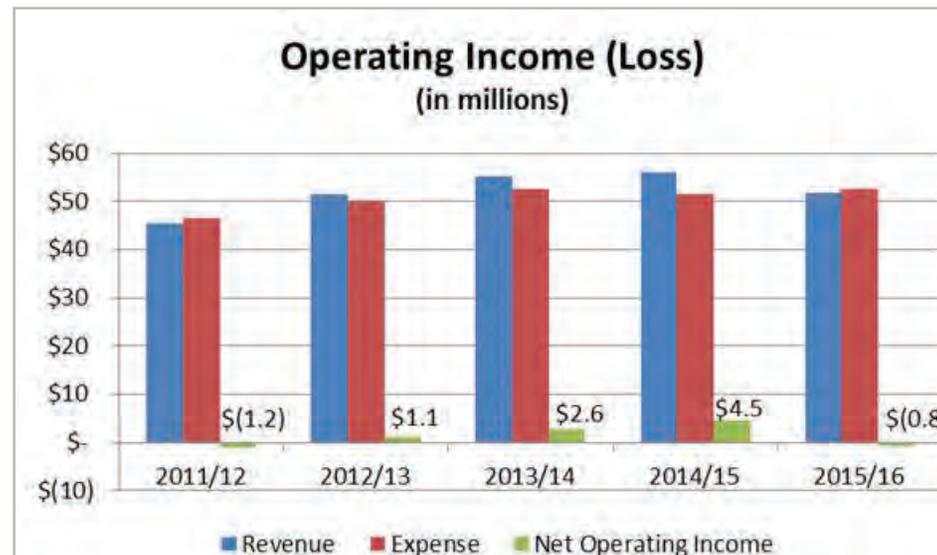
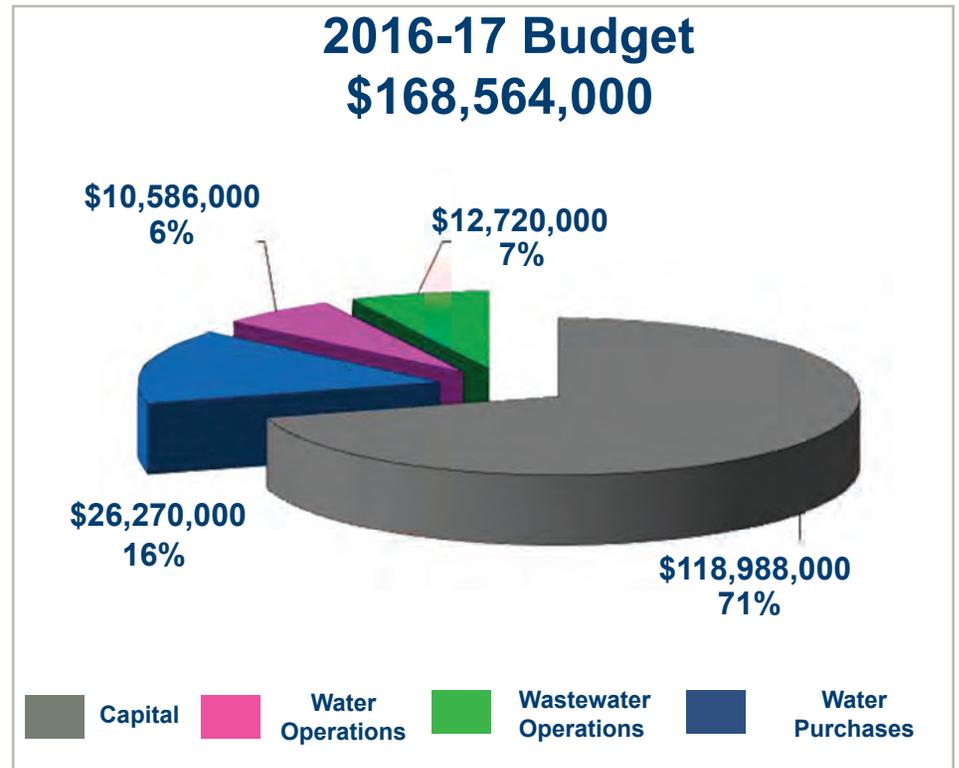
**Strategic Plan** - This report is a collaborative effort between the Board of Directors and Vallecitos staff that considers all aspects of Vallecitos’ operations. After reaching consensus on areas in need of improvement, goals are established with updates on progress reported in the document quarterly. A new Strategic Plan will be produced every five to seven years.



# Budget and Finances

During fiscal year 2015/16, water sales declined by 2,320 acre feet, or 17.9 percent, from the previous fiscal year due to vigilant conservation efforts by customers. The water sales revenue decline of \$4.6 million was only partially offset by a decline in water purchases of \$141,707. Overall operating revenues decreased year-to-year by \$4.2 million or -7.5 percent, primarily due to decreased water sales while total operating expenses increased by \$698,296 or 1.6 percent over the prior year.

Operating revenues were not sufficient to cover operating expenses and depreciation, resulting in an operating loss of \$806,851 for the first time since fiscal year 2011/12.



# Vallecitos Water District is Committed to being a Transparent Public Agency

Fiscal management and responsibility in public agencies is paramount. In 2016, Vallecitos was able to showcase its sincerity in assuring ratepayers that the District values their trust and is dedicated to providing the most crystal clear service possible by achieving both the “District Transparency Certificate of Excellence” and “District of Distinction” accreditation by the Special District Leadership Foundation (SDLF). The SDLF is an independent, nonprofit organization formed to promote good governance and best practices among California’s special districts through certification, accreditation and other recognition programs.

At the April 20, 2016, Board meeting, Vallecitos was recognized for completing the essential governance transparency requirements, including conducting ethics training for all Board members, properly hosting open and public meetings and filing financial transactions and compensation reports to the State Controller in a timely manner. In addition, Vallecitos’ Board of Directors and executive staff also had to show proof of educational training in public governance, as well as compliance with ethics and harassment prevention training. Furthermore, in order to receive the recognition, the District’s website had to include posting of transparency requirements, including: election procedures and deadlines, posted board meeting schedules and agendas, current district budget, most recent financial audit, and a list of compensation for Board members and staff or a link to the State Controller’s webpage with the data.

Vallecitos is one of only 28 special districts, out of more than 2,000 within the State of California, to obtain the “District of Distinction” recognition.

Vallecitos received its first “District Transparency Certificate of Excellence” in 2014. The biannual accreditation is given to organizations for their outstanding efforts to promote a transparent, well governed public agency. Once a district receives a “District Transparency Certificate of Excellence” award they are eligible to receive accreditation as a “District of Distinction.” Vallecitos received its first “District of Distinction” accreditation on April 20, 2016, at the award ceremony in the District’s Board room.

“These awards are a testament to the Vallecitos Water District’s commitment to open government,” said Vallecitos’ 2016 Board President

Mike Sannella. “The Board of Directors, along with District staff, are to be commended for their efforts to empower the public with information and to facilitate public oversight and engagement.”

*From left to right: Vallecitos Board members Hal Martin and Jim Hernandez, Vallecitos 2016 Board President Mike Sannella, SDLF Treasurer Jo MacKenzie, Vallecitos Board member Betty Evans, 2016 Board Vice President Craig Elitharp.*



# Diversification Strategy

## Seawater Desalination

On November 21, 2012, the Board of Directors voted to enter into a water purchase agreement with the San Diego County Water Authority (SDCWA), to purchase up to 4,083 acre feet of desalinated water directly from the desalination plant in Carlsbad. Regional deliveries commenced in December of 2015. Deliveries direct to Vallecitos started in January of 2016.

A major benefit of purchasing desalinated water is that the deliveries are not subject to cutbacks or wholesaler-imposed water-use restrictions. It is also a local source, therefore it can be accessible during a major emergency if imported water is not available.

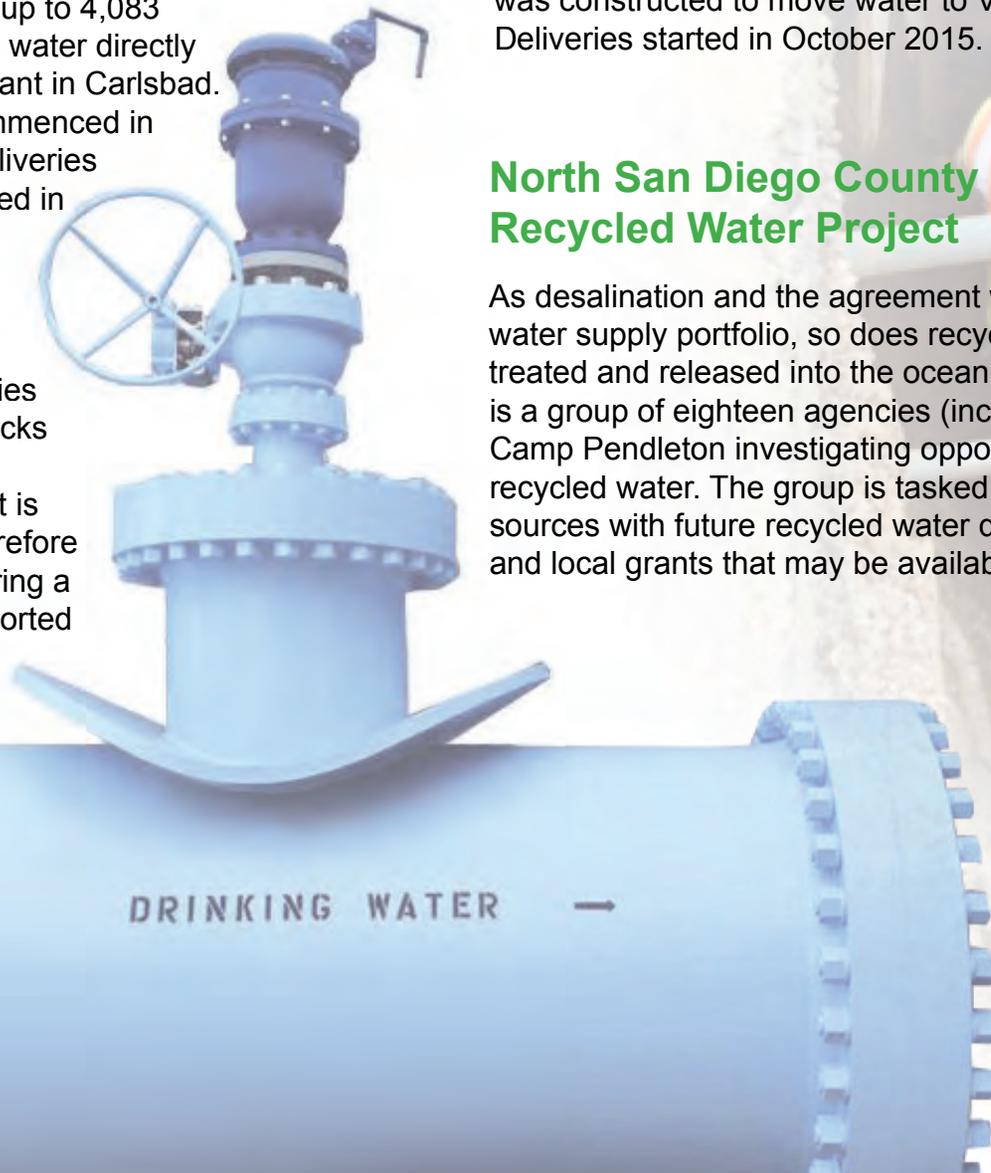
## Purchase Agreement with Olivenhain Municipal Water District (OMWD)

Also on November 21, 2012, the Board of Directors voted to enter into an agreement with OMWD to purchase 2,750 acre feet of water annually. In order to receive treated water from the agreement, a pump station was constructed to move water to Vallecitos' water distribution system. Deliveries started in October 2015.

## North San Diego County Regional Recycled Water Project

As desalination and the agreement with OMWD diversifies the District's water supply portfolio, so does recycling water that would otherwise be treated and released into the ocean. Within North San Diego County there is a group of eighteen agencies (including Vallecitos), cities and Camp Pendleton investigating opportunities for expanding the use of recycled water. The group is tasked with matching future recycled water sources with future recycled water demand and is exploring federal, state and local grants that may be available to fund future projects.

The steps toward water diversification mentioned above, mixed with the District's constant water conservation outreach programs, exemplify the District's efforts to achieve the goals set forth in the long-standing water source diversification strategy. Reducing the demand for imported water to the region will bode well for Vallecitos' customers in the future.



# Customers get a glimpse inside Vallecitos at its ‘Water Academy’ Tour

Vallecitos has been able to promote many of its new sustainable programs and facilities through traditional outreach avenues. However, the tail end of 2012 saw the District take a new approach: placing customers on a bus for a first-hand view.

The “Water Academy” program, featuring presentations and visits to the District’s Twin Oaks Reservoirs and Meadowlark Water Reclamation Facility, has presented a unique perspective that has reaped immense value and has been enjoyed by over 300 customers to date. Participants are treated to a full day tour to learn what it really takes to run the Vallecitos Water District. Due to the value of the outreach provided, it earned the District an “Outstanding Outreach” award from the California WaterReuse Organization. In 2013, the ‘Water Academy Tour’ won an “Excellence in Communication” award of merit from the CAPIO (California Association of Public Information Officers) under the “innovation” category.

This year’s sixth annual “Water Academy” was a success. Fifty-four customers were able to see what Vallecitos is all about and meet the District’s knowledgeable staff and Board members. The feedback forms received from customers were all positive. Most of the respondents listed their knowledge of the Vallecitos before the tour to be fair or poor, and then good or excellent after the tour. The customers were impressed with staff’s love for their jobs and the District’s facilities.



# Using engagement to reach the heart of the community

Vallecitos has an active social media presence on Facebook and Twitter, and the reason is clear. Social media has proven to be an innovative way to increase the District's transparency and reach the heart of the community by being present in an approachable forum.

Social media has also shown to be an excellent communication tool to engage with the public on issues that matter most to them. It has enabled the District to effectively:

- Let the public know about water main breaks and other emergency information;
- Provide resources that can help our followers, such as online billing, water-wise gardening classes, and conservation tips;
- Engage in real-time two-way communication with customers, providing them with answers to their concerns in a timely fashion;
- Relay pertinent information on drought regulations, Board decisions, construction projects, public hearings, etc.; and,
- Heighten the customer service experience by using any negative feedback as a springboard to improve services.

Through the Vallecitos Facebook page in 2016, the District was able to reach\* 333,294 people with 15,564 people engaging\*\* with the posts. Through this low-cost outreach method, 556,105 impressions\*\*\* were made throughout the year. When coupled with the 232,700 impressions made through the District's Twitter page, the District's messages were delivered 788,805 times throughout the community, rivaling even the best advertising campaign.

By the end of 2016, the District had more than 2,500 social media followers. Looking to the future, the District will strive to increase followers, transparency and engagement, and provide pertinent water-related information to continue to be a valuable resource for the community we serve.



\*Reach: Number of people who saw any content associated with the page. (Unique Users)

\*\*Engagement: Number of people who engaged with the page (post clicks, likes, comments, shares). (Unique Users)

\*\*\*Impressions: Number of impressions seen of any content associated with the page. (Total Count)

# More water in California reservoirs, but drought persists

In May 2015, the State Water Resources Control Board assigned mandatory water conservation goals to each urban area based on residential per capita water use. State regulations required Vallecitos Water District to reduce water consumption by 24 percent. To help achieve this goal, the District focused its efforts on outdoor irrigation since nearly 50-80 percent of residential water use within the District's boundaries is dedicated to irrigation. Significant savings can be achieved through a combination of proper plant selection and efficient irrigation methods.

With California's drought now in a sixth year, experts say it will take more than a few big rain storms to make up the difference. But recent wet weather has made small gains. The northern-most part of the state is in better shape than it's been for years and some parts are entirely drought-free. However, climate patterns throughout the State of California are different and the next lingering dry spell could be just around the corner. Therefore, it is important for customers to remember... Water Conservation. IT'S FOR LIFE!

**More than 60 percent of the state, concentrated in central and southern California, is still mired in severe to exceptional drought. To get out of a serious drought, it will take many years of above normal rain events.**

Water Conservation. **IT'S FOR LIFE.**

# San Marcos Unified School District students gain a wealth of knowledge touring the District's operations

When it comes to furthering water and sewer education, many local teachers and students are starting to realize that the bus stops here - literally. By paying for the most critical expense of a field trip - transportation - Vallecitos has bolstered participation in its school education programs. Last year, more than 1,000 students visited the District's headquarters for presentations on water sources and treatment, a tour of the Sustainable Demonstration Garden, and introduction to water and sewer departments. The District also has co-op programs with the City of San Marcos, San Marcos Historical Society and Palomar College, along with a partnership with the San Diego County Office of Education.

Learning the sources of our water, the water cycle, movement of water and conservation are part of the state-established curriculum. Providing a tour allows school children an opportunity to receive presentations covering these topics. Furthermore, the students tour the District's Sustainable Demonstration Garden and get to visit:

- Systems Collections Department to see a sewer maintenance truck demonstration; or
- Water Operations Department to see how water is delivered to their home; or
- Construction Department to see how heavy equipment is used to repair or install water and sewer infrastructure.

Vallecitos Water District also can provide a learning opportunity inside or outside of the classroom and tailor presentations to any age group or organization. Interest in our programs continues to grow.



# Awards

## 2016 District of Distinction

Accreditation from the Special District Leadership Foundation. Vallecitos is one of only 28 special districts, out of more than 2,000 within the State of California, to obtain the “District of Distinction” recognition.

## District Transparency Certificate of Excellence

2016 from the Special District Leadership Foundation for outstanding efforts to promote a transparent, well-governed public agency.

## Linda Vista East Sewer Project

2016 Project of the Year from American Water Works Association San Diego – Imperial Counties Chapter.

2016 Award of Merit Civil Engineering Project from The American Society of Civil Engineers - San Diego Section.

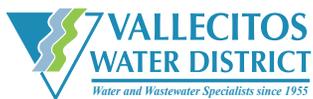
## San Elijo Hills Pump Station

2016 Engineering Excellence Merit Award by American Council of Engineering Companies.





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Division 3: Craig Elitharp  
Division 4: Mike Sannella  
Division 5: Hal Martin



**Social Media**  
Like us” on Facebook  
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