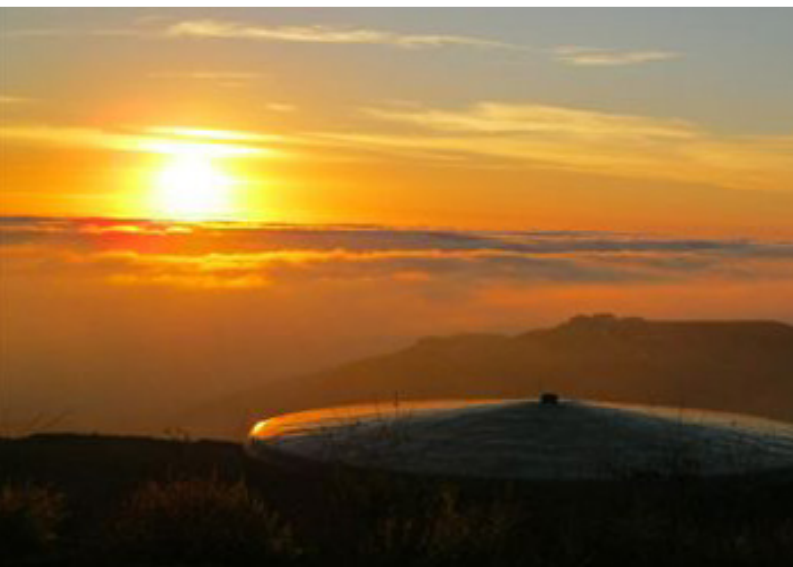




2017 Year in Review





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2017 Board of Directors



Craig Elitharp.....**President, Division 3**

Jim Hernandez.....**Vice President, Division 2**

Betty Evans.....**Division 1**

Mike Sannella.....**Division 4**

Hal Martin.....**Division 5**

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.

MISSION STATEMENT



The mission of Vallecitos Water District is to serve as water and wastewater specialists, providing exceptional and sustainable services.

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

Highly Trained Staff

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

Outreach and Education

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.

Quality and Efficiency

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

Active Industry Partner

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

Vallecitos

Water District

FACTS

Area:

The District's service area is 45-square miles providing water, sewer, and reclamation services to a population of more than 100,000 residents of San Marcos, Lake San Marcos, portions of Carlsbad, Escondido, Vista and unincorporated communities.



Infrastructure:

- 358 miles of water pipes
- 10 water pumping stations
- 19 water storage reservoirs
- 276 miles of sewer pipeline
- 4 sewer lift stations
- 1 water reclamation facility
- Twin Oaks Reservoir #1 - 33 million gallon capacity
- Twin Oaks Reservoir #2 - 40 million gallon capacity

General Manager's Message



It takes a great team to build a great organization. My first year with Vallecitos gave me a chance to see our employees in action. As I review the details of this report, it is clear the accomplishments recounted within it are the result of extraordinary collaboration by the District's most important asset—its people. At every layer of our organization, each individual plays a valued part in

moving the Vallecitos Water District forward. A special district that provides water, wastewater and recycled water services isn't just tanks and pipes and pumps; those are assets that the District needs. What the Vallecitos Water District really is—is people.

This report documents a year's accomplishments and forward progress toward our vision in what has been a highly critical year for Vallecitos. A year we remember for many reasons and one that saw Vallecitos do something it has never done before—be at the forefront of a public health concern involving children: lead in drinking water at schools. Vallecitos was the first water district in the region to complete lead testing at each and every school within the District's service area.

Getting this work done so quickly proves that Vallecitos is an organization of action; a workforce of engaged professionals who create, pursue, perform, and achieve in support of the District's mission statement. In this report, you will see a snapshot of that activity and the remarkable endeavors that Vallecitos embarked upon, which taken together, make for a powerful and inspiring story of commitment and success. This year the District held our AA+ bond rating, invested in Capital Improvement Projects totaling over 2 million dollars, declared an end to the drought and educated well over 1,000 local school children.

Vallecitos has long been an integral part of the region. Apart from our core mission of providing water, wastewater and recycled water services, the District and its employees assisted the community by:

- Hosting/Co-hosting four blood drives
- Providing 91 meals to those in need
- Donating glasses to the Lion's Club to assist 35 disadvantaged individuals
- Raising \$900 for Susan G. Komen (breast cancer)

In closing, I would like to thank Vallecitos' Board of Directors for their outstanding leadership and all of the employees for carrying forth the District's outstanding legacy and enduring commitment to serving our community.



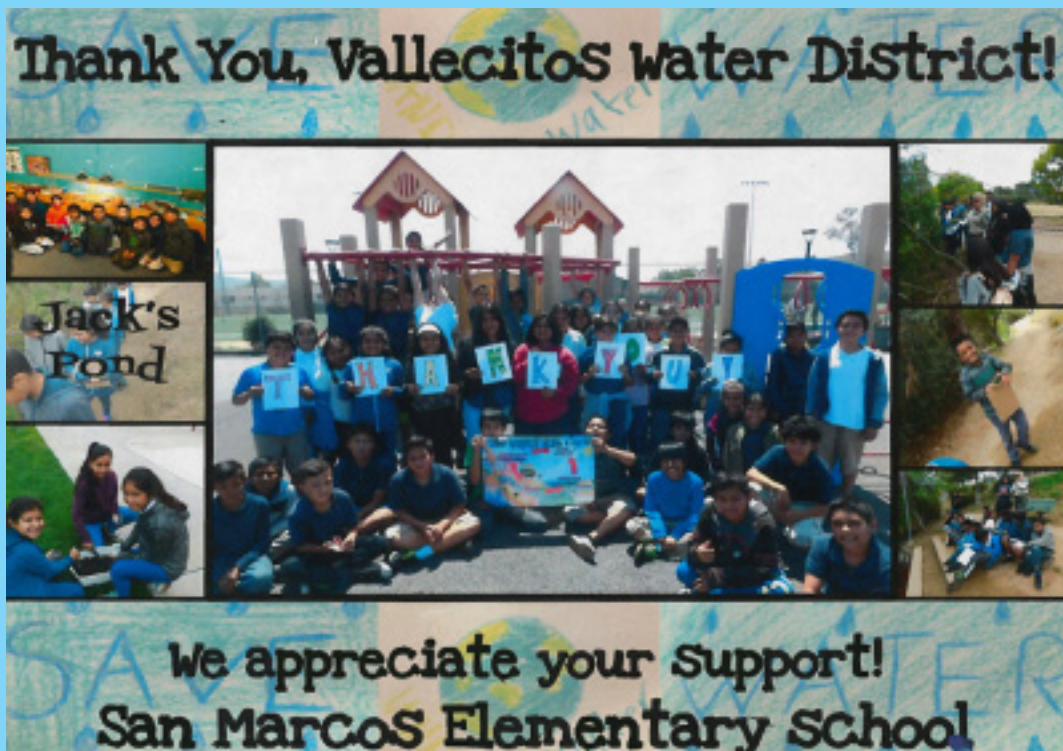
Capital Improvement Program:

The Capital Improvement Project (CIP) program builds on information gathered from the District's Water, Wastewater, and Recycled Water Master Plan and on-going operational analysis to develop a list of projects to improve our infrastructure. Projects are divided into Water, Sewer, or Reclaimed water systems and then further divided into replacement or capacity categories. Replacement projects replace District facilities that have come to the end of their service life. The District maintains 358 miles of water pipe and 276 miles of sewer pipe including many other types of storage and processing facilities. Thirty-five percent of the District's water pipes and 28 percent of the sewer pipes were constructed before 1980. The CIP program is challenged with prioritizing replacement projects to maintain the integrity of the various systems to provide quality water and sewer service to our customers. In addition, capacity projects increase the operation of the District's systems to account for future population growth and changing demands due to development projects. The program is evaluated every year during an annual budget process. Some projects include:

- Completed a \$605,000 Filter Media Replacement project in June 2017 at Meadowlark Reclamation Facility (MRF) to improve the quality of our recycled water and reduce chemical costs at the plant.
- Completed a \$240,000 repair project in October 2017 at Lift Station #1 to protect the infrastructure to ensure reliable discharge of sewer flows to MRF and Encina.
- Initiated a \$675,000 refurbishment project for the 2.4 million gallon Schoolhouse Water Tank to ensure water quality for San Elijo Hills residents.
- The District began construction of a \$400,000 Pressure Reducing Station upgrade project in December 2017 in the northern part of the District to improve remote monitoring and control of the potable water system in this area.

Local students tour the District and get to look behind-the-scenes

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 both the water and wastewater departments. The District also has educational partnerships with the City of San Marcos, San Marcos Historical Society, Palomar College and the San Diego County Office of Education to teach children and young adults the value of water.



Learning the sources of our water, the water cycle, movement of water and conservation are part of state-established curriculum. Providing a tour allows school children an opportunity to receive presentations covering these topics.

The Vallecitos Water District 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. For more information, go to www.vwd.org/schoolprograms.

Striving for Transparency and Engagement through Innovative Social Media

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:

- Inform the public 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.

The year brought changes to the District's social media pages, as video was used more extensively as a tool for engagement. One example is the District's participation in the 2017 "Imagine a Day Without Water" campaign, a day in which millions of Americans raise awareness about the value of water. Vallecitos participated in this nation-wide event by producing a creative video using humor to convey the message to our community about how much we rely on water every day. The video reached more than 9,670 people through the District's Facebook, Twitter and YouTube accounts and was viewed 3,670 times. The video can be viewed at <http://bit.ly/2F53NVy>.



2017 Year-end Summary

Through Vallecitos' Facebook page in 2017, the District was able to reach* 322,205 people with 12,641 people engaging** on the posts. Through this low-cost outreach method, 512,556 impressions*** were made throughout the year. When coupled with the 161,905 impressions and 2,647 engagements made through the District's Twitter page, the District's messages were delivered 674,461 times, engaging with 15,288 people in the community.

By the end of 2017, the District's social media followers increased to more than 2,800 people. Looking to the future, the District will continue to strive to find innovative ways to increase engagement, followers, and transparency while providing pertinent water-related information to 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)

Vallecitos' Sustainable Demonstration Garden Becomes a Certified "Ocean Friendly Garden"

Already recognized as a "Certified Wildlife Habitat" by the National Wildlife Federation and an "Earth Friendly Garden" by the Master Gardeners Association, in 2017 Vallecitos' Sustainable Demonstration Garden was also recognized as an "Ocean Friendly Garden" by the Surfrider Foundation.



What features of Vallecitos' garden make it good for the ocean?

The garden has an extensive 2,500-gallon capacity rain water harvesting system, which collects rain from the roof that would otherwise flow to the ocean. The captured water is used to run the decorative water features located throughout the garden.

Further environmental benefits are demonstrated through the use of water-wise plants. When combined with the garden's mulch and biosolid pellets (a fertilizer made from recycled wastewater solids at a treatment plant partially owned by Vallecitos), the plants receive healthy nutrients without the use of harmful chemical fertilizers, which could flow off the garden during wet weather. To further reduce runoff, plants are irrigated through a weather-sensing irrigation controller and micro-irrigation, which only applies the minimal water that the plants will use.

How can I visit the Sustainable Garden?

The garden can be seen during business hours at 201 Vallecitos de Oro in San Marcos. To schedule a tour, go to www.vwd.org/sustainablegarden or contact the District at (760) 744-0460. To learn more about Ocean Friendly Gardens, go to <https://sandiego.surfrider.org/ofg/>.

What is an Ocean Friendly Garden?

Urban water runoff is the main source of ocean pollution. Runoff is caused by water, such as rain or excess irrigation, that runs off a property and washes pollutants down to the ocean. Therefore, much good can come by retaining this water and

keeping it out of our watershed. This is the foundation of an Ocean Friendly Garden.



Ocean Friendly Gardens apply CPR:

- * Conservation
- * Permeability
- * Retention

to landscapes, hard-scapes and streets.

They allow soil to act like a sponge to help restore the helpful functions of watersheds, like protecting local water supplies and preventing polluted runoff from reaching the ocean. Ocean Friendly gardens also use California native or other climate-appropriate plants, which don't need chemicals and commercial fertilizers, two of the main water pollutants.

A background photograph of the Vallecitos Sustainable Demonstration Garden, showing a modern building with a large, curved architectural element, surrounded by lush, colorful plants and a stone water feature. The text "OCEAN FRIENDLY GARDEN" is overlaid in large, white, bold letters at the bottom of the image.

OCEAN FRIENDLY GARDEN



The Vallecitos Water District Employee Association raised \$900 dollars for breast cancer causes.

Hosted/co-hosted four blood drives and collected over 30 units of blood.

Vallecitos gives back to the COMMUNITY

Provided 91 meals to those in need.

Donated glasses to the Lion's Club to assist 35 disadvantaged individuals.





WWW.VWD.ORG



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, visit the District's website at www.vwd.org/Board.