

**RESPONSES
TO THE
SAN DIEGO LAFCO'S
REQUEST FOR INFORMATION (RFI)
NORTH COUNTY INLAND
MUNICIPAL SERVICE REVIEW**

**San Diego LAFCO
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Volume 2 of 2

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Effective January 1, 2001, Local Agency Formation Commissions (LAFCOs) are responsible for conducting a review of the municipal services provided by all local agencies. This requirement resulted from the passage of AB 2838 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). Among its many provisions, AB 2838 added §56430 to the Government Code, which requires that prior to, or in conjunction with, establishing or updating an agency's sphere of influence, LAFCOs conduct a service review of municipal services within geographic areas to be identified by the Commission. LAFCOs may also specify the service or services to be addressed in the service review. Service reviews are intended to be information documents to help identify and address service issues.

While service reviews may not directly change how services are provided, they will provide affected agencies, the public, and LAFCOs with a tool to comprehensively understand existing and future public service conditions. Service reviews may also trigger further studies and actions to evaluate and pursue organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently and cost effectively provided. In conjunction with the service review, the Commission is required to prepare a written statement of determinations with respect to each of the following: (1) Infrastructure needs or deficiencies; (2) growth and population projections for the affected area; (3) financing constraints and opportunities; (4) cost avoidance opportunities; (5) opportunities for rate restructuring; (6) opportunities for shared facilities; (7) government structure options, including advantages and disadvantages of consolidation or reorganization of service providers; (8) evaluation of management efficiencies; and (9) local accountability and governance.

AB 2838 also required that the Governor's Office of Planning and Research (OPR) develop service review guidelines for use by LAFCOs throughout the State. Although the OPR guidelines have not been completed, San Diego LAFCO has developed its own local guidelines for use in San Diego County.

In the case of the North County Inland Service Review Program, services that are primarily associated with growth and development will be included in the service review. Target services include, but are not limited to water, sewer,

drainage, libraries, road, parks, and police and fire protection. In accordance with the San Diego LAFCO's service review implementation strategies, the review of some of these and other municipal services may be deferred to other service review studies because some of the service providers share greater linkages to other geographic regions in San Diego County. LAFCO has established the geographic area of the service review as the City of Escondido and its current and proposed sphere of influence. The primary local agencies covered by the North County Inland Municipal Service Review include the City of Escondido, Valley Center Municipal Water District, Rincon del Diablo Municipal Water District, Vallecitos Water District, and the Vista Irrigation District.

In order for San Diego LAFCO to conduct the service review and make the necessary determinations, important information was collected from the agencies within the service review study area. To facilitate the collection of data, a Request for Information (RFI) was distributed to local agencies covering five categories: (1) agency profile; (2) infrastructure - facilities - services; (3) administration - management - operations; (4) fiscal; and (5) governance.

While the above categories provide the basis for the service review, supplemental information was collected based on the service area to be reviewed and the responses provided. The RFI was used to establish the factual basis for the service review process. Although every attempt has been made to make the questions as comprehensive as possible, follow-up inquiries were necessary. Providing the requested data was time-consuming; however, there is a statutory basis for this information request (Government Code §56386). Space was provided at the end of each RFI to indicate how many staff hours and fiscal resources it took to provide the requested information.

LAFCO recognizes that there is no entity more knowledgeable with respect to the provision of a service than the agency providing the service. As such, local agencies were encouraged to provide any additional information to assist LAFCO in conducting the service review.

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

**RESPONSES
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CITY OF ESCONDIDO

REQUEST FOR INFORMATION FORM

Agency Profile

1. Agency Name, Address, and Website: **City of Escondido (www.ci.escondido.ca.us): 201 North Broadway, Escondido, CA 92025**
2. District Principal Act (special districts only): **General law city**
3. Incorporation/formation date: **October 8, 1888**
4. Services Provided: **The City of Escondido is a full-service municipality providing police and fire protection, water and sewer, building safety regulation and inspection, circulation, public facility capital improvement financing and construction, street and park maintenance, planning and zoning, senior services, library and recreation services.**
5. Total number of employees: **829 employees. See attached Annual Operating Budget (Appendix B) for a breakdown of employee positions by organizational assignment.**
6. Acreage or square miles within agency: **23,288 acres or 36.38 sq miles with a total of 44,089 acres or 68.9 sq miles in the adopted sphere of influence.**
7. Total population within agency (specify source of information): **133,559 (2000 Census)**
8. Please provide:
 - (a) Strategic Plan: **Attached (Escondido 2 Year Action Plan; Appendix C)**
 - (b) Current Organizational Chart: **Attached (Annual 2001-2002 Operating Budget; Appendix B)**
 - (c) Annual Report: **Attached (2001 State of the City Highlights; Appendix D)**
 - (d) Mission Statement: **Attached; (Appendix E)**
 - (e) Copy of most recent adopted budget: **Attached (Annual 2001-2002) Operating Budget; Appendix B)**
 - (f) Copy of most recent financial audit:
 - (g) Copies of newsletters for past year: *

If any of the above items are not available, please explain.

**Individual departments of the City of Escondido send out notices, press releases and newsletters both regularly and on an as-needed basis to inform residents of specific projects and or events. The City also provides a newsletter to residents detailing the recreational programs. Copies of the various newsletters were not included with this service review but can be obtained on the City's website.*

9. Agency Contact: **Jay Petrek, Senior Planner, 760-839-4556**

10. Approving Official's Signature: _____

All service review forms must be signed by city manager, district manager or current administrative head of agency.

Infrastructure - Facilities - and Services

1. How are infrastructure needs determined? If needs are addressed in the agency's Capital Improvement Program or Master Plan, please provide copies of these documents.

The City of Escondido is a full-service municipality. The City's General Plan establishes target levels of services or "Quality of Life" standards for the different services. The specific City departments use these "Quality of Life" standards to evaluate the provision of services provided and to help determine related infrastructure needs. Some departments also prepare master plans addressing the long-term infrastructure needs.

In addition, each year the various departments prepare a proposed budget and capital improvements list which is forwarded to the City Manager's office and ultimately to the City Council. The City Council uses the information prepared by the departments to set priorities for funding through the budget and the capital improvement program.

Copies of the 2000 Water Master Plan (Appendix F), Wastewater Master Plan (Appendix G, 1997 Eagle Crest), the Five-Year Capital Improvement Program (Appendix H), Annual Operating Budget (Appendix B), the Citywide Facilities Plan (Appendix I) and other documents related to the provision of development related services and infrastructure have been submitted for inclusion in this municipal service review. The Appendices contain a Table of Contents listing all the technical studies attached to the City of Escondido's response.

2. If additional or upgraded infrastructure is required to accommodate growth, how will it be financed?

The City Of Escondido uses a variety of financing mechanisms allowed under current government code regulations. Detailed information about revenues sources can be found in the "Annual Operating Budget-2001-2002" (Appendix B).

The Five Year Capital Improvement Program proposes a total expenditure over the next five years of \$122.7 million for infrastructure improvements and upgrades. Revenues of \$119.3 million are projected to fund the improvements with \$3.4 million in existing funds. Revenues sources for the \$119.3 million include the following:

Developer Fees	8% or \$9.5 million
TRANSNET	15% or \$17.8 million
Library Bond Act	13% or \$15.5 million
Utilities	28% or \$33.4 million
Police Facility Bonds	13% or \$15.5 million
Gas Tax	11% or \$13.1 million
Operating Transfers	9% or \$ 10.7 million
Other Revenue	3% or \$ 3.5 million

The City is also proposing bond issues of approximately \$30 million over ten years to fund infrastructure improvements to the City’s existing water system.

3. Provide infrastructure upgrade and replacement schedules. Describe how the schedules are being met.

The City of Escondido has established goals and objectives included in the General Plan as well as a series of “Quality of Life” standards to ensure a minimum threshold for various public services, improvements and facilities. The City also prepared a Citywide Facilities Plan in 1999 consistent with the policies set forth in the General Plan.

The City staff continuously evaluates existing facilities and takes appropriate measures to ensure that adequate service levels are maintained. The timing of development in the Tiers 2 and 3 areas, or urbanizing areas, (see General Plan: Growth Management Element) is dependent upon the concurrent provision of facilities and services and is based upon the “Quality of Life” standards.

Although development is not restricted by the Quality of Life Standards, those standards are used as the basis for capital improvement programs, impact fees and other financing mechanisms established to provide facilities and services concurrent with need.

During each budget cycle, departments prepare a five-year capital improvements program for the services their department provides. After approval, the funds for the first year’s improvements are appropriated while the last four years of proposed capital improvement needs are used as planning tools.

In addition, several municipal departments prepare long-range master plans to guide infrastructure schedules for their services and facilities and for inclusion in the capital improvements program.

4. List and describe infrastructure deficiencies. Explain how deficiencies will be addressed; indicate if the deficiencies have resulted in any permit or other regulatory violations.

The City of Escondido has areas of the City that do not meet existing Quality of Life standards. City staff prepared a Citywide Facilities Plan to analyze the provision of services as related to the projected build-out of the General Plan (Appendix K). The Citywide Facilities Plan and annual updates provide information to the city staff and City Council regarding areas of deficiencies and appropriate remedies. In addition, the various master plans for specific services also identify areas needing specific upgrades or improvements.

The Regional Water Quality Control Board requires all 48 cities and special districts in Region 9 to report sewer overflows pursuant to Order 96-04. During the 1999-2000 reporting year, the City of Escondido reported 34 spills or overflows in the local system, the majority of which were from private systems not under the City's jurisdiction or control. The City had previously evaluated alternative means to avoid discharges from the Hale Avenue Recovery Facility which generally occur during periods of extremely wet weather, and has begun modifications of the plant, No other permit or regulatory violations have occurred due to City of Escondido controlled infrastructure deficiencies.

5. Describe any capital facilities that are underutilized, or facilities that could be shared by another agency.

The City of Escondido has no facilities that are underutilized but does participate in numerous interagency agreements with neighboring agencies to ensure the efficient provision of services.

6. How are service needs forecasted?

The City of Escondido's General Plan, budgetary, capital improvements and master plan process analyzes and monitors the existing and future needs for services based on land use designations and development. This information is then used to plan for upgrades or the construction of facilities concurrent with need and with policies adopted by the City Council.

7. How are growth and population projections integrated with the agency's plans for future service needs?

The City relies on population forecasts from SANDAG as well as information from the various city departments regarding future service needs. Each year the City also prepares an annual report on the status of the General Plan and progress in its implementation pursuant to

Government Code Section 65400(b). The report notes the General Plan Amendments that have been approved or are being processed since the adoption of the General Plan and the resulting change in the projected General Plan build out population. The City staff uses the population figures to monitor current service needs through reports to the City Manager.

The City is also a member of regional agencies, such as the North County Transit Districts, the San Diego County Water Authority, the San Dieguito River Regional Park JPA, the Encina JPA and other regional agencies. The City works with the regional providers or coordinators of services to ensure that services are supplied concurrent with demand and changes in projected population growth.

8. If a particular service is provided less than district-wide, provide a map showing the geographic area where the service is provided.

See Appendix T, Map of City of Escondido Water Service Area.

9. Describe any inequities (variations) in service levels within your agency. Explain why the inequities (variations) exist.

There are no inequities in service levels within the City of Escondido's boundaries. However, portions of the City of Escondido and its SOI are served by City Departments and special districts serve other areas. While all the agencies work cooperatively to ensure the most efficient provision of service to citizens, differences in the level of service may exist due to difference among the agencies. For example, there are areas within the unincorporated area of the City of Escondido's SOI which are served by septic systems and not public sanitary sewer systems. In addition, some of the City's SOI is served by volunteer fire protection agencies. These variations in service levels are generally a result of the service provider, the nature of the development in that area and the preferences of the residents.

Some areas served water by the City of Escondido are not within the existing municipal boundaries. These areas were once part of the water system of the Escondido Mutual Water Company, a private water purveyor that the City acquired in 1970. The City makes no distinction in the provision of water service between City residents and non-city residents. However, the water fund, as an enterprise fund, allocates monies each year to other City services such as fire and police protection (See Appendix K). The City relies on property owners to initiate annexation but some residents have not been amenable to proposed changes in jurisdictional boundaries.

10. Identify areas within the agency that could be more efficiently served by another agency.

The City works cooperatively with service providers to ensure that all services are efficiently provided. The City participates in a variety of mutual and automatic aid agreements (fire, police and EMS), exchange agreements for water and sewer service and other service agreements which ensure that services are provided in the most efficient manner and concurrent with need.

11. Identify areas outside the agency boundaries that your agency could provide services in an efficient manner.

The City of Escondido has an approved sphere of influence for the ultimate probable boundaries of its city. This SOI was adopted in 1993 and is in the process of being updated. The current and proposed SOI includes territories that are outside the current city boundaries but are expected to be best served by City services when development occurs or when annexation is appropriate. A map of the current SOI is included as Appendix J.

The City's SOI study analyzes the proposed inclusion of areas within the SOI and for annexation to the City. These areas are addressed in the City's General Plan but are not included within the current SOI. In addition, the City's SOI study examines the possible deletion of two communities, Deer Springs and Harmony Grove, from the City's SOI.

However, the City of Escondido does not intend to study or process any annexation and/or reorganization of service providers unless requested by other agencies, by the Escondido City Council, by residents or by LAFCO.

12. List planned or pending development and jurisdictional boundary changes that may require agency services. Provide description and location.

The City is in the process of completing a comprehensive sphere of influence update that lists the ultimate probable boundaries of the City including areas proposed for annexation and/or detachment. The SOI study and accompanying EIR is available at the City of Escondido for review.

13. Describe any joint power agreements or arrangements with other agencies regarding shared facilities, infrastructure, or services.

See Appendix P.

14. Provide the assessor parcel numbers or addresses of properties located outside the agency's jurisdictional boundaries that receive services from your agency.

Identify the service(s) provided to the affected property (ies) and the date that service commenced.

In 1970 the City of Escondido purchased the Escondido Mutual Water Company, a private water purveyor. The Mutual served areas both within the City's boundaries and unincorporated territory and the City continues to provide water service to portions of the unincorporated areas. See Appendix S, Map of the City of Escondido's Water Service area. In addition the City of Escondido has numerous properties that receive water service from the City though a 1994 exchange agreement with the Rincon Del Diablo Municipal Water District. Rincon Del Diablo MWD, in turn, serves residents of the City who can receive service most efficiently from their system. The exchange agreements are designed to provide the most efficient service to all the residents within the City Boundaries and the SOI.

Administration - Management - Operations

1. What awards or recognition has the agency received?

During 2001, the City of Escondido was named by Money Magazine as the Best Place in the West in which to retire and was named as a Kid-Friendly City for their broad range of youth programs. Ladies Home Journal also ranked Escondido number eight among the Top Ten Cities for Government.

2. List the total number of employees in your agency by category (executive, management, administrative, professional, operational, etc.); number of vacant positions for the last three years; and number of new hires each year for the last three years.

See attached budget (Appendix B) for a comprehensive list of employees by department in FY 2000-2001 and 2001-2002.

3. Describe staff reorganizations that have occurred within the preceding three years. Include pre- and post- organizational charts.

There have been no major reorganizations of staff within the last three years.

4. Provide the number of terminations, resignations, and retirements that have occurred annually over the past three years for executive, management, administrative, professional, and clerical positions, etc.

The Annual Operating Budget 2001-2002 (Appendix B) provides the number of full-time and part-time employees for each city department for the past four years and a total count for the last two budget years.

5. Provide policies, rules, or procedures that your agency has adopted that regulate communications between elected officials and employees.

The City of Escondido's Municipal Code establishes procedures for the interaction between the City Council and the city staff. It states: "The council and its members shall deal with the administrative service of the city only through the city manager, except for the purpose of inquiry; and neither the council nor any member thereof shall give orders to any subordinates of the manager. (Code 1957, § 1321)."

6. Describe the level that elected officials can be involved in administrative, management, and personnel matters. Describe how involvement has changed within the past three years.

See answer to Question 5. Elected officials are not involved in the administration, management and personnel matters of the City of Escondido except in a nominal and incidental manner.

7. What administrative, management, and operational functions are provided to the agency by private companies or other public agencies? Explain any management efficiencies and/or cost avoidance opportunities associated with these arrangements.

None

8. Describe cooperative arrangements with other agencies that produce administrative, management and/or operational efficiencies.

As stated previously, the City participates in numerous cooperative or exchange agreements to ensure that services are provided in the most efficient manner.

9. Describe policies covering employee and contractor performance incentives, both financial and otherwise.

Chapter 19 of the Escondido Municipal Code addresses all matters related to personnel issues. It was adopted by the City of Escondido, pursuant to the provisions of Government Code, Section 45000 et seq., to ensure reasonable, equitable and uniform standards for the administration of personnel affairs. (Code 1957, § 1511) The City of Escondido also provides a personnel handbook for all employees which is attached as Appendix L.

10. Explain agency policies and procedures pertaining to competitive bidding and sole source procurement. Provide a three-year listing and description of services provided to the agency on a sole source procurement basis. Identify the cost of each contract.

The purchasing system established in the Escondido Municipal Code was adopted in order to establish efficient procedures for the purchase of all supplies and equipment, to secure quality supplies and equipment at the lowest possible cost, to exercise positive financial control over purchases, to clearly define authority for the purchasing function and to assure the quality of purchases. The City of Escondido also complies with all bidding requirements set forth in the California Public Contract Code.

Fiscal

1. Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, assessments, grants, etc.).

The City of Escondido derives its revenues from a variety of sources. All revenues sources and amounts are listed in detail in the copy of the City's 2001-2002 budget which is attached as Appendix B.

2. Explain any constraints associated with the agency's ability to generate revenue.

The City's ability to generate revenue is constrained by existing government codes and by past voter approved initiatives such as Prop 13, 218 and 62. The City Council, as the elected representatives, must balance competing priorities as advocated by constituents and by the needs of the City. See attached "Additional Information" report (Appendix A) and Annual Operating Budget (Appendix B) for a description of all available financing constraints.

3. Provide and describe agency policies establishing limitations on the level of expenditures that staff may make without obtaining approval from the board of directors/city council.

According to the Escondido Municipal Code, contracts for services of estimated amounts of less than fifty thousand dollars (\$50,000.00) shall be executed by the city manager. Contracts for services of estimated amounts of less than twenty-five thousand dollars (\$25,000.00) may be executed by heads of city departments when so authorized in writing by the manager.

4. Provide an annual summary covering the past three years for legal expenditures. Also, provide a summary of expenditures associated with settling claims by employees or other parties during the past three years. Describe the justification for each expenditure.

The City of Escondido relies on its City Attorney's Office for legal services. The City Attorney has, for the past four fiscal years, remained constant in terms of the number of full-time employees and has remained relatively constant in terms of budget (\$1,161,075 in FY 2001-2002 as opposed to

\$1,004, 220 in FY 1998-1999). Special, outside counsel is only retained for highly specialized matters or when there is the potential for a conflict of interest.

5. Indicate your agency's bond rating and provide a discussion of the rating.

The City of Escondido has a bond rating of "A".

6. Describe the agency's investment policies/practices.

The City of Escondido's investment policies and practices are developed in accordance with the requirements in California state law. The City's Municipal Code states that all moneys belonging to or in the custody of the city, and which have been collected by or paid to the director of finance or which are under the control of such director, shall be deposited in such state or national banks in the state as he shall select, according to the terms of Government Code, Section 53630 et seq. The City's investment policy manual is also attached (Appendix M).

7. Discuss your agency's policies and procedures pertaining to maintaining and establishing reserves/retained earnings. What is the ratio of undesignated/contingency/emergency reserves to annual gross revenues? In your discussion, indicate if your agency limits the amount of reserves/retained earnings that may be accumulated.

The City of Escondido has an adopted policy of ensuring that reserves are at a level equal to 15% of its operating revenues.

8. Explain any variances within your agency regarding differing rates, fees, taxes, charges, etc.

There are no variations for residents of the City. Rates, fees, taxes and charges are applied equally to those receiving the services provided by the City of Escondido and residing within the City boundaries.

9. Explain agency policies and procedures regarding fee rebates, tax credits or other relief provided to service users. Discuss any rebates, credits, etc., that have been issued during the past three years and the circumstances and conditions.

The City of Escondido adjusts fees according to the cost of service and the level of the service provided. Fees and charges are set during the public hearing process. Rebates and tax credits occur when there is a corresponding decrease in the cost of providing service and in the level of service provided.

10. Describe and discuss any increases or decreases that your agency has implemented regarding rates, fees, taxes, or other charges during the past three years. Explain any opportunities for rate restructuring within your agency.

The City has increased storm water and sewer rates annually for the previous four years to reflect rising costs.

11. Discuss the agency's financial policies and practices for depreciation and replacement of infrastructure.

The City of Escondido is currently developing a policy for depreciation of infrastructure due to the new GASB 34 financial reporting requirements.

Governance

1. Explain the composition of the agency's governing body. Discuss whether board members/city council members are elected/appointed, at large or by district. Provide a three-year history of the election/appointment results for your agency. Identify the candidates and winner/appointee for each position subject to election/appointment.

***Lori Holt Pfeiler, Mayor (directly elected)
Tom D'Agosta, Council Member
Ed Gallo, Council Member
June Rady, Council Member
Marie Waldron, Council Member***

Election results for the City of Escondido are provided on the City's website.

2. Explain circumstances associated with resignations of elected and appointed officials during the past three years.

There have been no changes in elected officials except through the election process. (See Question 1) The City has a variety of appointed committees and groups that provide assistance and input to the various municipal departments and to the City Council. Appointments are made on a regular schedule as determined by the terms of the appointments. As citizen volunteers to these committees and boards resign, they are appointed by the City Council or by the appointing authority. Boards and Commissions which citizens of Escondido are encouraged to serve as volunteers on include: Building; Community Safety Committee; Community Services Commission; Design Review Board; Environmental Advisory Board; Historic Preservation Commission; Housing Advisory Commission

Trustees; Personnel; Planning Commission; Public Art Commission; Senior Advisory Board; and, Transportation Commission.

3. Explain the compensation and benefit package provided to members of the governing body.

City Council members receive a total, maximum salary of \$1,616.70 per month and participate in the City's health care and retirement packages, at the City's expense, as long as they remained elected officials

4. How frequently does the governing body of the agency meet? Provide a monthly summary of the number of meetings within the past three years.

The City Council meets in regularly scheduled meetings every Wednesday except for the fifth Wednesday of each month, for special called meetings and other meetings as needed.

5. How far in advance of meeting dates are meeting agendas made available to the agency's governing body and to the public? Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, advance notice, etc.?

Unless the City Council schedules otherwise or cancels a meeting, the City Council convenes regular meetings on the first four Wednesdays of every month at 4:00 p.m. and 7:30 p.m. in the City Council Chambers, 201 North Broadway. Regular council meetings are the formal "on the record" proceedings during which council actions are taken and decisions made.

Escondido City Council meetings are aired live on Wednesdays at 4:00 and 7:30 p.m. Re-broadcasts of the meetings are also aired on Sunday and Monday nights at 6:00 p.m., and on Tuesday mornings at 9:00 a.m., on Cox Communications Channel 19. The City convenes all meetings in accordance with the requirements and regulations of the Brown Act. This includes, but is not limited to, posting of agendas, open public meetings and notices in the various manner prescribed by State law.

6. Explain agency rules, procedures, programs for public notification of agency operations, meetings, programs, etc. How is public participation encouraged, i.e., open meetings, access to staff, customer suggestion opportunities, etc?

The City of Escondido adheres to all Government Code Sections for the notice of all public hearings and to the Brown Act. Meeting agendas are made available in excess of the 72-hour requirement in the California Opening Meeting Law (Brown Act). In addition, the City posts extensive information on its web page relating to all departments. The City also publishes newsletters, bill inserts, media and press releases and other information regularly. The City staff works extensively with community groups, schools and nonprofits to encourage public participation.

7. List and describe any violations or investigations within the past three years related to the Ralph M. Brown Act and the Political Reform Act. In addition, include in your response any grand jury or law enforcement agency violations and investigations.

During the past three years there have been two occasions when the District Attorney was asked to investigate potential violations of the Brown Act by a City Council member. In both cases, no legal action was taken.

8. Is your agency a product of a governmental reorganization (consolidation, merger, etc.)? Explain opportunities and obstacles for future functional (departmental) or structural (consolidation, merger, etc.) reorganizations. Provide copies of any relevant studies that your agency has conducted on reorganization and discuss the outcome.

The City was incorporated in 1888 and is not the product of any reorganization. The City routinely evaluates the functioning of all employees and departments and makes appropriate recommendations for changes to the departments heads and City Council as appropriate. There have been no major reorganizations of the City in the last three years.

9. Provide additional information that LAFCO should evaluate as part of the service review. If you believe LAFCO should obtain any additional information from other agencies, please list the information in your response.

In preparation for this service review, Requests for Information were sent to a total of ten (10) agencies which provides services to City of Escondido residents or to portions of the City's SOI. Those responses are on file with San Diego LAFCO.

Road Maintenance and Development

1. How many lane-miles of roads are maintained by your agency?

The City maintains 290 lane miles of roads.

2. What is the average maintenance cost per lane-mile?

The City's Engineering Department maintains and repairs the 290 miles of City streets including signs, street lights, traffic signals, sidewalks, curbs, flood control channels and public buildings in addition to maintaining the City's parks, open spaces, high school athletic fields and street trees. The Department also removes graffiti, provides dispatch services for the department and maintains all the City's communications equipment. Departmental employees are trained to perform a number of duties and

provide a variety of services to maximize efficiency. The budget for 2001-02 was \$3,871,495 for maintenance and operations.

3. Is road maintenance subsidized by the general fund?

Road maintenance and improvement costs are funded through a variety of sources including County TRANSNET funds, gas tax revenues, traffic impact fees, the street fund and General Fund monies.

4. How are new roads financed?

New roads are financed primarily through the "Traffic Impact Fee" which is a development fee imposed on all new development within the City. The fees collected provide for new traffic and transportation improvements to serve the additional traffic volumes generated by these new development projects. A fee of \$169 per ADT (\$1,690 per dwelling unit) for residential projects and \$42 per ADT for non-residential development was adopted in 1997.

5. What is the average Pavement Condition Index (PCI) of your agency's roadways?

The City does not use the PCI system for roadway maintenance. The City staff uses the "Quality of Life" standard of maintaining a Level of Service (LOS) C or better on Circulation Elements Street and intersections. In addition, the City's street improvement projects and maintenance programs are comprehensively reviewed by the City's Traffic and Transportation Task force which includes members of the Planning Commission, Transportation Commission, Chamber of Commerce, Escondido Neighborhood Alliance, Building Industry Association, local school districts and city staff. The Task Force evaluates the condition of the City's circulations system annually and prepares a report to the City Council regarding projects recommended for inclusion in the Street Capital Improvements Program (CIP).

6. What percentage of your agency's roads is above the PCI target minimum?

See answer to the preceding question.

7. Discuss issues/problems/incompatibilities associated with the circulation element or maintenance standards of the agency with the circulation elements or maintenance standards of adjacent jurisdictions.

There are none. The County of San Diego provides road maintenance for some areas within the City's SOI. There are occasionally questions from residents regarding the difference in service levels that are referred to the appropriate County department.

Time and Resources Necessary to Complete the RFI

Please specify the amount of staff time and associated costs expended by your agency to provide responses to the Request for Information (RFI).

The total consultant contract for preparation of the service review was \$30,000 and was funded by an allocation from the City's General Fund and by developer contributions. The City staff expended approximately 80 employee hours in preparation of the service review report at an estimated cost of \$7,600. The City will apply for reimbursement of these costs pursuant to SB 90, the bill allowing local jurisdictions to be reimbursed for state mandated costs.

**RESPONSES
TO THE
SAN DIEGO LAFCO'S
REQUEST FOR INFORMATION (RFI)
NORTH COUNTY INLAND
MUNICIPAL SERVICE REVIEW**

VALLEY CENTER MUNICIPAL WATER DISTRICT

REQUEST FOR INFORMATION FORM

Agency Profile

1. Agency Name, Address, and Website:

**Valley Center Municipal Water District
P.O. Box 67, Valley Center, CA 92082**

www.vcmwd.org

2. District Principal Act (special districts only):

**Municipal Water District Act
Division 20, of the California State Water Code, as amended.**

3. Incorporation/formation date:

July 12, 1954

4. Services Provided:

Water and Sewer Service

5. Total number of employees:

65 Authorized Positions

6. Acreage or square miles within agency:

63,720 acres (per 2002 Master Plan)

7. Total population within agency (specify source of information):

As of January 1, 2002, the District estimate of population is 21,949 based on a dwelling count of 7,839 and a per dwelling population of 2.80. This estimate reflects an increase of 983 people since the census of April 2000.

8. Please provide:

(a) Strategic Plan-**attached**

(b) Current Organizational Chart-**attached**

- (c) Annual Report-**attached**
- (d) Mission Statement-**attached**
- (e) Copy of most recent adopted budget-**attached**
- (f) Copy of most recent financial audit-**contained in attached "Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2001"**
- (g) Copies of newsletters for past year-**attached**

If any of the above items are not available, please explain.

- 9. Agency Contact: **Gary Arant, General Manager**
- 10. Approving Official's Signature: _____

All service review forms must be signed by city manager, district manager or current administrative head of agency.

Infrastructure - Facilities - and Services

- 1. How are infrastructure needs determined? If needs are addressed in the agency's Capital Improvement Program or Master Plan, please provide copies of these documents.

Water:

Water infrastructure needs have been determined through the master planning process, with the 1994 Water Master Plan as the current controlling document. Future water demands and infrastructure needs are based upon both the existing land use and the various community plans adopted by the County of San Diego. The agency is currently in the process of the updating the 1994 Water Master Plan.

Sewer:

Presently, the District operates two sewer service areas, Moosa and Skyline Ranch. Future sewer volumes and infrastructure requirements were addressed in the "Moosa Canyon Water Reclamation Project Collection System Study, February 1995", copy attached. With respect to Skyline Ranch, this facility serves a single private ownership, with the flows from

that development determining infrastructure needs. The District and the owners of Skyline Ranch are now in the process of evaluating the replacement of the facility.

Future Sewer Service Areas:

Future sewer service areas of the District are associated with large development projects, such as the Woods Valley Ranch, Orchard Run and Live Oak Ranch. Infrastructure requirements for these developments will be determined by the needs of the specific developments, with some possibility of limited service to surrounding properties.

2. If additional or upgraded infrastructure is required to accommodate growth, how will it be financed?

Facilities needed to facilitate growth have been financed from two sources:

- a. **Direct contributions by developers for in-development and some off-site facilities; and**
 - b. **Capacity Charges**
3. Provide infrastructure upgrade and replacement schedules. Describe how the schedules are being met.

Water:

Please refer to the “1994 Water Master Plan” for water schedules for water facilities.

Sewer:

Please refer to “Moosa Canyon Water Reclamation Project Collection System Study, February 1995”, for future sewer facilities in the Moosa Service area.

It should be noted that neither the “Water Master Plan of the Moosa Canyon Reclamation Project Collection System Study” set forth specific time schedules for when particular projects will be constructed. What these documents do is to outline the facilities which will be needed to allow both the water and wastewater systems to meet ultimate demands. Actual timing of when these facilities will be constructed has been and is largely determined by the rate of service growth, opportunities brought by the development process of the County of San Diego’s program of upgrading its roadway system, and the financial capacity of the District. Attached for

your review is a schedule of water system improvements that have been made since completion of the 1994 Water Master Plan, as well a map depicting the results of the schedule.

4. List and describe infrastructure deficiencies. Explain how deficiencies will be addressed; indicate if the deficiencies have resulted in any permit or other regulatory violations.

VCMWD has local areas that occasionally experience low pressure during peak usage, particularly after prolonged Santa Ana conditions, or with infrastructure failure. Redundant and backup facilities are identified in the Master Plan where practical. No permit or regulatory violations have occurred due to VCMWD controlled infrastructure deficiencies.

5. Describe any capital facilities that are underutilized, or facilities that could be shared by another agency.

VCMWD has no facilities that are under utilized. However, VCMWD has interagency agreements, primarily for emergency purposes, with neighboring agencies. VCMWD also serves a portion of a neighboring agency, Rincon del Diablo MWD, through an agreement. For the most part, however, the physical location and layout of VCMWD does not lend itself to sharing facilities.

6. How are service needs forecasted?

The master planning process for both water and sewer has analyzed existing and historical uses based on land use designations and projected these into the future based on SANDAG's forecast for growth and the county's approved land use.

7. How are growth and population projections integrated with the agency's plans for future service needs?

See item 6 above.

8. If a particular service is provided less than district-wide, provide a map showing the geographic area where the service is provided.

Sewer service map area is provided.

9. Describe any inequities (variations) in service levels within your agency. Explain why the inequities (variations) exist.

The water pressure varies at service locations, from very low (25psi) to very high (250 psi). The topography of VCMWD provides a vast disparity of elevations (300ft MSL to 2450 MSL).

10. Identify areas within the agency that could be more efficiently served by another agency.

None.

11. Identify areas outside the agency boundaries that your agency could provide services in an efficient manner.

a. Existing rural residential areas on the eastside of the existing service area boundaries that are currently supplied by private wells and have been experiencing problems with those wells.

b. Indian Reservation Lands generally found on the eastside of the existing service area, which receive emergency supplemental service from the District.

12. List planned or pending development and jurisdictional boundary changes that may require agency services. Provide description and location.

Two properties referred to in the above question that are adjacent to a VCMWD water main are requesting annexation due to the failure of their private wells. A map is enclosed for your review.

13. Describe any joint power agreements or arrangements with other agencies regarding shared facilities, infrastructure, or services.

The District is a member of the San Diego County Water Authority, and through its membership has shared in the financing, construction, operation and maintenance of the SDCWA Aqueduct System, which supplies its 23 member agencies. The District is also a signatory to the Countywide Mutual Aid Agreement in which the SDCWA and its member agencies agree to assist each other with personnel, equipment and materials in times of man-made or natural disasters.

14. Provide the assessor parcel numbers or addresses of properties located outside the agency's jurisdictional boundaries that receive services from your agency. Identify the service(s) provided to the affected property(ies) and the date that service commenced.

VCMWD provides supplemental and emergency water to the San Pasqual Band of Mission Indians, and serves an area in the Rincon Del Diablo MWD service area under an interagency agreement as indicated on the attached maps and parcel listing.

Administration - Management - Operations

1. What awards or recognition has the agency received?

ACWA Water Management Award, 1990

AWWA Energy Management Award, 1991

ACWA Water Management Gold Star Award, 1993

AWWA Award of Excellence In Safety, 1999

ACWA-JPIA Safety Awards (numerous)

San Diego Business Journal Outstanding Energy Management Award, 2001

Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for Fiscal Years 1991-1992 through 2000-2001

Certificate of Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers, FY 1997-1998 through FY 2001-2002

2. List the total number of employees in your agency by category (executive, management, administrative, professional, operational, etc.); number of vacant positions for the last three years; and number of new hires each year for the last three years.

Total number of employees by category:

Executive	1	Administrative	20
Management	4	Operational	37

(Note: Three Operational positions are in the process of being filled)

Number of vacant positions for the last three years: 1

Number of new hires for the last three years:

2000 - 2001: 5

1999 - 2000: 8

1998 - 1999: 0

3. Describe staff reorganizations that have occurred within the preceding three years. Include pre- and post- organizational charts.

In 2000 - 2001, a reorganization occurred in our field operations department as a result of significantly increased duties in the Pump & Motor division. Upon concurrence with an external consultant's recommendation, our Board of Directors authorized the formation of a Construction and Maintenance division staffed primarily with existing personnel to more evenly distributed the responsibilities and work performed. Pre- and Post-organizational charts attached.

4. Provide the number of terminations, resignations, and retirements that have occurred annually over the past three years for executive, management, administrative, professional, and clerical positions, etc.

2000 - 2001

Executive	0	Administrative	0
Management	0	Operational	0

1999 - 2000

Executive	0	Administrative	1
Management	0	Operational	3

1998 - 1999

Executive	0	Administrative	0
Management	0	Operational	1

5. Provide policies, rules, or procedures that your agency has adopted that regulate communications between elected officials and employees.

Resolution No. 1008 (see attached copy) was adopted on July 20, 1978, implementing Section 71362 of the Municipal Water District Law of 1911 establishing that the General Manager shall be responsible to the Board of Directors and shall keep the Board fully informed. Resolution further established that the day to day operation of the District and its employees is the responsibility of the General Manager and that individual members of the Board of Directors shall not contact District employees without giving notice to the General Manager. Upon request of a member of the Board of Directors, the General Manager will provide a convenient time and place for an interview between the Board member and the employee.

6. Describe the level that elected officials can be involved in administrative, management, and personnel matters. Describe how involvement has changed within the past three years.

Elected members of the Board of Directors involvement in administrative, management, and personnel matters includes, but is not limited to, active participation in annual budgetary processes which authorize activities from capital projects to staffing levels, serving on special project or benefits committees with personnel, directing employee relations officer and authorizing labor contracts.

As a matter of policy and practice, Board involvement in administrative, management, and personnel matters is at a policy level only, with no day-to-day involvement in these issues.

All personnel issues, except for those affecting the General Manager, are the responsibility of the General Manager. The Board would only be involved in a personnel matter as the final appeal hearing board under the District's grievance and disciplinary proceedings. However, this has never occurred during the tenure of the current General Manager(13 years).

There have been no changes in the last three years.

7. What administrative, management, and operational functions are provided to the agency by private companies or other public agencies? Explain any management efficiencies and/or cost avoidance opportunities associated with these arrangements.

General Legal Counsel- The agency does not have enough legal work to justify the employment of an in-house legal staff.

Auditor- Auditing is done on an annual basis, and as such there is no justification for employing an in-house auditing firm. Also, by utilizing an outside auditing firm, the District realizes a high degree of independence on the part of the auditor.

Engineering Services- Though the District has an Engineering Department and two registered civil engineers, it often employs outside consultants to provide engineering services (engineering, project management, inspection, surveying, mapping, drafting, etc.) to meet workloads that exceed the capacity of the in-house staff. In this manner, the District can expand and contract its engineering capacity without taking on the obligations and required accommodations for in-house engineering staff.

Laboratory Services- The District uses outside state certified laboratories for the numerous water quality and wastewater testing requirements, which has proven more cost effective than establishing and staffing an in-house laboratory.

8. Describe cooperative arrangements with other agencies that produce administrative, management and/or operational efficiencies.

From local to statewide level, water agencies are mutually committed to the sharing of information and resources related to the improvement of administrative, management and operational functions and efficiencies for all agencies. Examples include a joint powers insurance authority and health benefits authority formed to reduce costs and increase the collective purchasing power of member agencies contracts for liability, property, workers' compensation, employee assistance programs and health benefits insurance. In addition, agencies partner to provide cost-effective risk management, recruiting, retention, consulting, personnel safety and supervisory training opportunities.

In terms of specific projects or programs, through the membership in the San Diego County Water Authority, the District supports and participates in the Authority's public information, public education, and water conservation programs, which would be much less cost effective if these programs were established and supported solely by the District.

9. Describe policies covering employee and contractor performance incentives, both financial and otherwise.

The District imposes liquidated damages if the contractor fails to complete a project within the specified time schedule, after accounting for recognized rain delay days and change-order related delays.

10. Explain agency policies and procedures pertaining to competitive bidding and sole source procurement. Provide a three-year listing and description of services provided to the agency on a sole source procurement basis. Identify the cost of each contract.

See attached District Administrative Code Article 140, pertaining to this question.

Sole Source Providers

<u>Provider</u>	'98-'99	'99-'00	'00-'01
Best, Best & Krieger General Counsel	\$69,109.00	\$31,481.00	\$96,657.00
Hecht, Solberg & Robinson Retirement & Tax Counsel	\$6,595.00	\$2,269.00	\$10,396.00
Data Stream Main Frame Software Support Provider	\$28,781.00	\$18,093.00	\$23,547.00
Gilchrist, Steen, Stanfield & Newquist Auditors	\$18,300.00	\$18,700.00	\$19,700.00

Fiscal

1. Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, assessments, grants, etc.).

Fees and Charges Policy. Each water and sewer system ultimately shall be self-sufficient. Administrative costs incurred by the District shall be allocated to each system in accordance with general practices and reimbursed to the general fund.

Interest earnings on cash held by the general fund for other funds shall be allocated to the respective funds annually.

In accordance with Section 160.3(g), all fees and charges for wholesale water and water related services shall be passed through to District customers by action of the Board of Directors. (Sec. 115.8(b))

Revenue Diversification Policy. When rate increases are needed to cover District costs, other than wholesale pass through costs, consideration should be given to meeting at least 50% of the District's fixed operating expenditures with the monthly meter service charge and property taxes. (Sec. 115.8(f))

Water Service. See "Article 160: Water Service - Rules and Regulations" and "Schedule of Rates" for details of all water rates and charges.

Sewer Charges. See "Section 171.10: Sewer Charges" for details of all sewer charges, and "Article 172: Rimrock STEP System" for pressure sewer collection system charges.

Property Taxes. The District receives a share of the 1% property tax from the County of San Diego. These funds ensure that property which is not receiving water from the District but benefits by having water available for future development and fire protection contribute to the cost of the water system.

Water availability charges. The District assesses all property in the District an annual water availability charge of \$10/acre with a \$10/parcel minimum. The proceeds are expended as follows: 60% to meet MWD readiness-to-serve charge obligations and 40% for revenue debt service and ongoing capital requirements. Parcels that are permanent open space and parcels that are not presently using, and have no intention to use, water purchased from the District may elect to defer these charges.

Annexation Charges. See "Article 220.3: Annexation Procedures."

Investment Income. Funds held for future use are invested. Within the authority and constraints of this policy and California law the investment portfolio of the District shall be designed to attain a market-average rate of return while seeking to ensure the preservation of capital and maintain a level of liquidity necessary to meet the cash flow requirements of the District. However, the rate of return shall become a consideration only after the basic requirements of preservation of capital and adequate liquidity have been met. Market-average rate of return is defined as the average return on one-year U. S. Treasury bills. (Sec. 50.3(a))

Service Charge for Copies. To reimburse the District for time and material expended to copy District records for private use, the following charges will be made:

- | | | |
|-----|--|--|
| (a) | Copies of letters, reports, etc.
(8-1/2" x 14" or smaller) | \$.15 per page |
| (b) | Copies of water bills or registers | \$.50 per page |
| (c) | District maps - 24"x36" or smaller | \$1.00 per page |
| (d) | District maps - larger than 24"x36",
including 200 scale topographic blue lines | \$4.00 per page |
| (e) | Report of Water Consumption and
Billing | \$5.00 per account
per year
(Sec. 115.7) |

Service Charge for Returned Personal Checks. If any personal check offered in payment pursuant to Section 115.1 is returned without payment, for any reason, a returned check charge of \$20.00 plus any applicable delinquency charges are hereby imposed. Said charge may be added to and become part of any underlying obligation and a different method of payment for that payment and future payments by such person may be prescribed. (Government Code Section 6157, Chapter 75/1978) (Sec. 115.2)

Service Charge for Cut Seals/Locks. A service charge of \$35.00 shall be imposed on any account which has been locked off for any reason and which is turned on by cutting the District lock, lock-wing or seal. This charge shall be in addition to the normal turn-on charge, and any costs to repair or replace damaged lock-wings or services. (Sec. 115.3)

Lease of Facilities. The District leases space at several reservoir sites to various telecommunications companies for antenna towers. Rents are negotiated and vary by demand and location.

Cooperative Arrangements with Other Agencies. The District provides services to a limited number of parcels outside its boundaries under agreements with other agencies. These include customers of Rincon del Diablo Municipal Water District that receive water through VCMWD pipelines and an emergency connection with the San Pasqual Indian Reservation. We also bill and collect sewer charges for the City of Escondido for a subdivision that receives water from VCMWD and sewer services from the City. These arrangements include nominal surcharges to compensate to reimburse for additional costs and/or lost revenues. These arrangements eliminate the need for costly duplicate infrastructure, and provide better service to the citizens affected.

2. Explain any constraints associated with the agency’s ability to generate revenue.

There are no formal constraints on the District’s ability to generate revenue, other than those provided by state law. However, since over 80% of the District’s water sales are to agricultural users, the District is sensitive to pressures on North County agriculture and the concerns of its residents. A significant increase in water rates could result in a decline in agriculture and a corresponding decrease in water sales, resulting in less revenue.

3. Provide and describe agency policies establishing limitations on the level of expenditures that staff may make without obtaining approval from the board of directors/city council.

General Purchases (Sec. 140.2):

Amount	\$0 to \$1,000	\$1,000 to \$3,500	\$3,500 to \$10,000	\$10,000 to \$35,000	\$35,000 and more
Process	Best price	Best price	3 informal quotes	3 informal quotes	Formal bid process
Approval	Dept. Head	Dept. Head	Dept. Head, Finance Director	Dept. Head, Finance Director, General Manager	Dept. Head, General Manager, Board of Directors

Professional and Consulting Services (Sec. 135.3):

Amount	\$0 to \$5,000	\$1,000 to \$50,000	\$50,000 to \$250,000	\$250,000 and more
Process	3 proposals	3 proposals	10 initial proposals; reviewed by committee appointed by General Manager, select 3 for detailed review	Same as others, plus advertisement 15 days prior in newspaper
Approval	Dept. Head	Dept. Head	Dept. Head, General Manager, Board of Directors	Dept. Head, General Manager Board of Directors

In addition, Ordinance 171, enacted in 1989 by a vote of the District’s residents, established a limitation on the expenditure of District funds for

capital improvements. This limitation is adjusted annually on January 1 for the consumer price index. The limitation effective January 1, 2002, is \$1,623,310 per project except that for water storage projects the limitation is \$2,434,971. Projects in excess of these limitations must be ratified by a District-wide election. This limitation does not apply to funds expended by property owners, developers, or others for capital projects that will be dedicated to the District, or to funds from assessment or improvement districts formed in the manner provided by the laws of the State of California.

4. Provide an annual summary covering the past three years for legal expenditures. Also, provide a summary of expenditures associated with settling claims by employees or other parties during the past three years. Describe the justification for each expenditure.

See attached schedule

5. Indicate your agency's bond rating and provide a discussion of the rating.

The District had no general obligation bonded debt at June 30, 2001. As the District has issued no bonded debt for public placement since 1968, it is not rated by any investment rating service.

6. Describe the agency's investment policies/practices.

See "Section 50.3: Statement of Investment Policy."

7. Discuss your agency's policies and procedures pertaining to maintaining and establishing reserves/retained earnings. What is the ratio of undesignated/contingency/emergency reserves to annual gross revenues? In your discussion, indicate if your agency limits the amount of reserves/retained earnings that may be accumulated.

See "Section 115.8(a): Reserves."

The District's Operating Reserve, which is held for emergencies equals 1 year's operating expenditures (excluding water and power). Limitations on other individual reserves are explained in the attached District code section. While there is no limit on retained earnings, unreserved retained earnings on June 30, 2001, were zero.

8. Explain any variances within your agency regarding differing rates, fees, taxes, charges, etc.

Pump Charge. The Pump Charge for water service varies depending on the elevation of the reservoir that serves the customers' meters. Valley Center

is marked by many rolling hills, steep canyons and beautiful valleys. While this varying topography lends itself well to community character and aesthetics, it also presents many challenges when it comes to delivering water. Fortunately, the San Diego County Water Authority had the good wisdom to place its aqueduct system either through or very near the Valley Center Municipal Water District service area. Unfortunately, these facilities deliver water at a gravity gradient or pressure, which requires the District to lift water at least once to more than 80% of its customers. There are 10 pump zones in all, lifting 30,000 to 40,000 acre-feet of water annually from the lowest elevation of 970 feet above sea level to over 2330 ft. above sea level.

Agricultural Discount Water Rate. A discounted water rate is provided for water used for the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefore. By accepting this discount, the agricultural customer agrees that mandatory reductions in water may occur in the future. In the event of a mandatory reduction in water usage, the certified agricultural customer will be required to reduce water usage before any other class of customer is required to reduce usage. The discount is offered by MWD and SDCWA and is passed through to the District's qualified agricultural customers. Approximately 80% of water sold by the District is at the agricultural rate.

9. Explain agency policies and procedures regarding fee rebates, tax credits or other relief provided to service users. Discuss any rebates, credits, etc., that have been issued during the past three years and the circumstances and conditions.

Other than the discounted agricultural water rate explained above, which is sometimes referred to as an agricultural rebate, the District does not generally provide rebates and credits.

However, in 1997 and 2001 the District received credits from the Metropolitan Water District, through the San Diego County Water Authority, representing the District's share of surplus revenues. These credits were returned to our then-current customers. This refund was made by direction of the Board of Directors and does not constitute policy for future refunds.

From time to time, the District may make one-time adjustments in customer's water bills when warranted.

10. Describe and discuss any increases or decreases that your agency has implemented regarding rates, fees, taxes, or other charges during the past three years. Explain any opportunities for rate restructuring within your agency.

See Schedule attached.

The current basic rate structure has been in existence since 1991. Prior to that, the rate structure was a two-step declining block, primarily benefiting large agricultural users. However, following the 1990-1991 drought, the Board implemented single block rate to encourage water conservation.

In large part (83% of all commodity revenues collected), the current rate structure simply passes through costs from the Metropolitan Water District of Southern California, the San Diego County Water Authority. All proceeds from the balance of the rates (17% of the total) go solely to cover VCMWD operating, maintenance and capital costs. None are diverted to fund other non-water or sewer related functions, as is the practice of many area general-purpose governments.

When compared to the rate structures of other surrounding agencies, VCMWD's monthly meter service fee is comparatively higher. This is done so that the agency can meet its goal of covering one-half of its fixed costs with fixed or non-commodity based revenue, helping to offset the commodity revenue variations associated to serving a rural and agricultural community.

The primary alternative to the current structure would be the implementation of an inclining block rate, ostensibly aimed at fostering more conservation. However, such a rate structure would be a severe hardship to customers already paying among the highest rates in the state for agricultural water, plus the cost of pumping averaging just over \$100 per acre-foot.

In the final analysis, the current structure seems to be well accepted by the community, allows the District to consistently meet its operations, maintenance and capital requirements, and as a single block rate, is regarded as a conservation rate structure. While the Board of Directors, on its own initiative, can make the opportunity to restructure, the question is why would an agency restructure rates generally viewed to be effective and equitable.

11. Discuss the agency's financial policies and practices for depreciation and replacement of infrastructure.

Depreciation is computed using the straight-line method at rates recommended by the State Controller's Office, which are based upon the estimated useful lives of the assets.

New or expanded facilities are funded by capacity fees collected by the District when new meter services are purchased and from interest earned on existing reserves. Replacement facilities have been financed from standby fees and capital reserves on a "pay as you go" cash basis instead of debt financing. This reserve is funded annually by a combination of net operating and non-operating revenues.

The District has not attempted to annually fund the replacement reserves with an amount equivalent to the value of facilities "retired" as a result of the depreciation schedule. However, in the recent past, net revenues annually transferred to the capital reserves and in turn reinvested in the capital plant have usually approximated the annual depreciation amount.

Facilities which are identified and budgeted annually for replacement are not determined solely by the depreciation schedule, but are identified through a process which assesses a combination of factors, including age, condition (frequency of repairs), and the critical nature of the facility (for example, main transmission pipeline versus local distribution line). Also, existing facilities are replaced when County of San Diego road improvements force a relocation, or private development projects provide the opportunity to replace an existing facility.

To date, this method of identifying facilities for replacement and pay-as-you-go financing of these types of projects has met the needs of the District without creating rate impacts or spikes. However, at some point in the future large replacement projects, such as those outlined in the Water Master Plan of 2002, could require debt financing, with all or a portion of the debt service requirements met with the revenue stream currently funding the capital reserves. The District is therefore in the process of preparing a Request For Proposal for a Long Term Financing Plan to finance all or a portion of the projects contained in that Master Plan.

Governance

1. Explain the composition of the agency's governing body. Discuss whether board members/city council members are elected/appointed, at large or by district. Provide a three-year history of the election/appointment results for your agency.

Identify the candidates and winner/appointee for each position subject to election/appointment.

The District is governed by a five-member Board of Directors elected by geographic divisions. Board members are elected to serve four-year terms with an election conducted each even numbered year for the alternating terms of office.

Three-Year History of Election/Appointment Results:

Election was conducted on November 3, 1998 for Board Members representing Divisions 2, 3, and 5. Candidates were:

**Division 2: George W. Armstrong and William G. Dyson
Division 3: Gary A. Broomell and Gabriella Nanci
Division 5: Merle J. Aleshire and Chester A. Nowicki**

Results of the November 3, 1998 election were the election of George W. Armstrong, Gary A. Broomell and Merle J. Aleshire, each to serve 4-year terms.

Charles W. Stone, Jr. was appointed Member of the Board of Directors on February 28, 2000, to fill the vacancy resulting from the resignation of Director Paul G. Feld.

No election was held for a Valley Center M.W.D. Board of Director in the November 7, 2000 General Election as there was an insufficient number of candidates to conduct an election. During the filing period for this election only current Board members Robert A. Polito (Division 1), and Charles W. Stone, Jr. (Division 4) filed papers and the Board of Supervisors declared them elected to the Board of Directors for four-year terms of office.

Randy D. Haskell was appointed Member of the Board of Directors on October 1, 2001, to fill the vacancy resulting from the resignation of Director George W. Armstrong.

2. Explain circumstances associated with resignations of elected and appointed officials during the past three years.

Director Paul G. Feld resigned as Board Member effective January 3, 2000, citing health problems.

Director George W. Armstrong resigned as Board Member effective August 6, 2001 due to health problems.

3. Explain the compensation and benefit package provided to members of the governing body.

Board of Directors may elect coverage (health, dental, life) provided employees of the Valley Center Municipal Water District, and any cost for elected coverage is paid by the Board Member.

4. How frequently does the governing body of the agency meet? Provide a monthly summary of the number of meetings within the past three years.

Board of Directors meetings are held on the 1st and 3rd Mondays of each month. If there are no items requiring Board attention, the Board meeting is cancelled. Monthly summary within the past three years of the number of meetings is as follows:

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
January	1	1	1	1
February	2	2	2	2
March	1	1	1	2
April	2	1	2	--
May	1	1	2	--
June	2	2	2	--
July	2	1	1	--
August	1	1	2	--
September	1	2	1	--
October	1	1	2	--
November	1	1	2	--
December	1	2	2	--

5. How far in advance of meeting dates are meeting agendas made available to the agency's governing body and to the public? Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, advance notice, etc.?

Agendas for Board of Directors meetings are available to the public, per the Brown Act, a minimum of 72 hours before the regular meeting. However, agendas are typically available to the governing body and public (mailed, posted and on web site) the Thursday prior to Monday's regular Board meeting, or approximately 96 hours in advance. The public is encouraged to attend the Board meetings held at 2:00 p.m. in which adequate parking and seating spaces are made available.

6. Explain agency rules, procedures, programs for public notification of agency operations, meetings, programs, etc. How is public participation encouraged, i.e., open meetings, access to staff, customer suggestion opportunities, etc?

Matters to be considered by the Board (i.e., implementation of new procedures/programs) are described in the agenda notices for the meeting. When appropriate, workshops are conducted to obtain the public's input. A direct mailing to customers of a proposed program may be forwarded to provide notification of a proposal with the public invited to submit written comments or attend the hearing/meeting. During deliberation of each agenda item, the public is invited to speak. Programs available to our customers are advertised through messages on the water bills and described in the newsletters.

7. List and describe any violations or investigations within the past three years related to the Ralph M. Brown Act and the Political Reform Act. In addition, include in your response any grand jury or law enforcement agency violations and investigations.

None

8. Is your agency a product of a governmental reorganization (consolidation, merger, etc.)? Explain opportunities and obstacles for future functional (departmental) or structural (consolidation, merger, etc.) reorganizations. Provide copies of any relevant studies that your agency has conducted on reorganization and discuss the outcome.

No.

VCMWD essentially serves the unincorporated community of Valley Center, and as such is viewed as a very important aspect of local control and determination. Any type of reorganization that would impede the ability of the District to serve the specific and unique needs and characteristic of this rural, agricultural community would likely not be supported. Another obstacle would be the concern that reorganization with an agency with fewer financial resources and less political stability could actually result in lower levels of service and higher overall operating costs for the customers of the Valley Center Municipal Water District.

There have been no studies.

9. Provide additional information that LAFCO should evaluate as part of the service review. If you believe LAFCO should obtain any additional information from other agencies, please list the information in your response.

Education, Training and Certifications

Important factors in how efficient and effective a public water agency is in meeting both the short and long-term needs of its service area are the levels of education, training and attainment of certifications by its operations, engineering and administrative personnel. Attached is a comprehensive listing of the educational, training and certification accomplishments of the Valley Center Municipal Water District's personnel.

Road Maintenance and Development

1. How many lane-miles of roads are maintained by your agency?
n/a
2. What is the average maintenance cost per lane-mile?
n/a
3. Is road maintenance subsidized by the general fund?
n/a
4. How are new roads financed?
n/a
5. What is the average Pavement Condition Index (PCI) of your agency's roadways?
n/a
6. What percentage of your agency's roads is above the PCI target minimum?
n/a
7. Discuss issues/problems/incompatibilities associated with the circulation element or maintenance standards of the agency with the circulation elements or maintenance standards of adjacent jurisdictions.
n/a

Time and Resources Necessary to Complete the RFI

Please specify the amount of staff time and associated costs expended by your agency to provide responses to the Request for Information (RFI).

Engineering Department

District Engineer	3 hours
Engineering Technician	2 hours

Finance Department	
Director of Finance	2 hours
Manager of Accounting	7 hours
Accounting Technician	2 hours
Field Operations	
Director of Operations	2 hours
General Administration	
General Manager	7 hours
Executive Assistant	3 hours
Manager of Human Resources	<u>2 hours</u>
Total	30 hours

**RESPONSES
TO THE
SAN DIEGO LAFCO'S
REQUEST FOR INFORMATION (RFI)
NORTH COUNTY INLAND
MUNICIPAL SERVICE REVIEW**

RINCON DEL DIABLO MUNICIPAL WATER DISTRICT

REQUEST FOR INFORMATION FORM

Agency Profile

1. Agency Name, Address, and Website:

Rincon del Diablo Municipal Water District
1920 North Iris Lane
Escondido CA 92026
www.rinconwater.org

2. District Principal Act (special districts only):

Municipal Water District Act of 1911

3. Incorporation/formation date:

February 19, 1954

4. Services Provided:

Water and Fire

5. Total number of employees:

18 employees

6. Acreage or square miles within agency:

26,000 acres, located partially within the City of Escondido (City), partially within the unincorporated area of San Diego County, and partially within the city of San Marcos.

7. Total population within agency (specify source of information):

110,380 (Shepherd & Staats, Inc.) **Appendix #1**

8. Please provide:

(a) **Strategic Plan:** Urban Water Management Plan 2000 **Appendix #2**

(b) **Current Organizational Chart:** **Appendix #3**

(c) **Annual Report:**

Currently the District uses the Audited Financial Statements in lieu of an Annual Report. Staff is in the process of compiling financial information required in the development of a Comprehensive Annual Financial Statement (CAFR) for fiscal year ended June 30, 2002.

(d) **Mission Statement:** Currently Under Review

(e) **Copy of most recent adopted budget: Appendix #4**

(f) **Copy of most recent financial audit: Appendix #5**

(g) **Copies of newsletters for the past year: Appendix #6**

If any of the above items are not available, please explain.

9. **Agency Contact:** Annette S. Hubbell, General Manager

10. Approving Official's Signature: _____

All service review forms must be signed by city manager, district manager or current administrative head of agency.

Infrastructure - Facilities - and Services

- 1. How are infrastructure needs determined? If needs are addressed in the agency's Capital Improvement Program or Master Plan, please provide copies of these documents.**

A copy of the Amended Water Master Plan for Rincon del Diablo Municipal Water District (herein referred to as Rincon or District) dated August 1998 is attached (**Appendix #7**). This Master Plan is scheduled for an update in 2003. Other projects are identified during the budget process and included in the Capital Improvement Program.

- 2. If additional or upgraded infrastructure is required to accommodate growth, how will it be financed?**

The majority of infrastructure projects within the District will not be growth related, since Rincon's service area is nearing build-out. Any growth related infrastructure that may be required would be analyzed on an individual basis in order to determine the most cost-effective and equitable means of financing the applicable costs. This could include, but not be limited to, the formation of an Improvement District, developer reimbursements, District participation and/or a combination of various financing methods.

- 3. Provide infrastructure upgrade and replacement schedules. Describe how the schedules are being met.**

With respect to infrastructure integrity, the District maintains a state-of-the-art corrosion control program. Results of the program are measured in terms of main line failures per year. A 10-year history of main line failures reports an average of two leaks per year. (A main line leak is considered any leak that occurs on water mains that are not less than 2 inches in diameter and more than 300 gallons per minute). An infrastructure upgrade and replacement schedule has yet to be implemented; however, the District is currently working with an engineering consultant to develop a more definitive schedule. Please note pages 45, 46 and 47 from the District's Master Plan (**Appendix #7**) that outlines phasing of proposed improvements to the water system. In addition, in late 2001 the Board of Directors decided to implement programs that will further enhance the life of the distribution system and has commissioned a study of the infrastructure system.

- 4. List and describe infrastructure deficiencies. Explain how deficiencies will be addressed; indicate if the deficiencies have resulted in any permit or other regulatory violations.**

The District's system operations are designed to handle multiple contingencies that allow operations staff to redirect water flows in periods of high or extreme demands. Detailed records are developed and used as a tool to predict system

deficiencies before they occur. In addition, the District uses the latest technology in computerized system modeling to achieve the highest performance rates and achieve the longest life from each of its major system components. A close working relationship with regulatory officials and a staff knowledgeable in regulatory issues help insure that permit violations do not occur.

5. Describe any capital facilities that are underutilized, or facilities that could be shared by another agency.

The District's operational facilities have been designed to provide for maximum utilization. As to facilities that could be shared by others, the District currently has a water system inter-tie with Vista Irrigation District and several with the City. In addition, the District has signed lease agreements, in cooperation with the City, for shared use of the jointly owned Hubbard Hill property site as a base for various mobile telecommunication equipment owned by Pac Bell.

Please see Questions #10 and 13 in this section for further discussion on shared facilities and other arrangements.

As part of a community outreach effort, the District shares its facilities, as needed, with the following agencies:

- Registrar of Voters - Voter Polling
- San Diego County Sheriff/City of Escondido Police Department
 - Communications Equipment Site /Aerial Landmarks
 - Canine Training
 - Staging Area for Law Enforcement Operations
- San Diego Dept. of Health Services – Cool Zone Program Participation

The District also shares its global web presence by providing a comprehensive links page to other fire and water related agencies.

Please see the section on Governance Question #8, for a discussion of the Rincon Fire Protection District.

6. How are service needs forecasted?

The District is one of 23 member agencies of the San Diego County Water Authority (CWA or SDCWA). Member agency status entitles the District to purchase water for its needs from the CWA on a wholesale basis. As the regional wholesaler, the CWA works to insure that adequate amounts of imported water will be available to satisfy future water requirements.

Currently, all water distributed by the CWA is purchased from the Metropolitan Water District (MWD) and is delivered to the CWA's pipelines from the MWD facilities. The District's future supply sources will be from CWA, City (shortage-

sharing agreements), and recycled water from the City. CWA, MWD and Rincon continuously pursue additional water supplies, both local and imported, to meet SANDAG's population projections.

In addition, the District is a signatory of the *Memorandum of Understanding Regarding Urban Water Conservation (MOU)* in California with the California Urban Water Conservation Council. As partner for a "Water Efficient California", and as a signatory to the MOU, the District has agreed to implement 14 Best Management Practices (**Appendix #8**) for the efficient use of water in urban areas, further insuring an adequate supply of water for future needs.

The District monitors past, current, and projected water use, population trends, and available water supplies on an annual basis and prepares a written report, "*Urban Water Management Plan*." This report is submitted to the Department of Water Resources every five years (**See attached Urban Water Management Plan 2000, Appendix #2**) and is instrumental in the planning of an adequate supply of water in the future.

7. How are growth and population projections integrated with the agency's plans for future service needs?

See Question 6 of this section and Question 9 of the last section regarding the Recycled Water Program.

8. If a particular service is provided less than district-wide, provide a map showing the geographic area where the service is provided.

A map is enclosed (**Appendix #9**) showing Rincon's Improvement District "1" (Water); Improvement District "A" (Water); and Improvement District "E" (Fire). Please see Question 8 under Governance for a discussion of the Rincon del Diablo Fire Protection District.

9. Describe any inequities (variations) in service levels within your agency. Explain why the inequities (variations) exist.

There are no inequities or variances in the level of service.

10. Identify areas within the agency that could be more efficiently served by another agency.

There are none. However, to better and more efficiently serve our customers, exchange agreements were established with the City [entitled *Settlement and Operational Agreement Between the City of Escondido and Rincon del Diablo Municipal Water District, effective December 1, 1994, (1994 Agreements)*] **Appendix #10**, and on a smaller scale, with the Valley Center Municipal Water

District. Exchange agreements allow one agency to use another agency's existing pipelines, thus realizing significant savings to the District's ratepayers.

11. Identify areas outside the agency boundaries that your agency could provide services in an efficient manner.

See answer to Question 10.

12. List planned or pending development and jurisdictional boundary changes that may require agency services. Provide description and location.

All planned or pending projects are located within the existing boundaries of the District. Following is a list of proposed developments within Rincon's jurisdiction.

- Escondido Research & Technology Center (186 acres)
- Escondido Tract No. 811 (9 Residential Lots)
- County of San Diego Tract No. 4266 (13 residential lots)
- County of San Diego Tract No. 4992 (4 residential lots)
- County of San Diego Tract No. 4824 (9 residential lots)
- Montreux Subdivision (84 residential lots)

13. Describe any joint power agreements or arrangements with other agencies regarding shared facilities, infrastructure, or services.

See Question 10 that discusses the 1994 Agreements. In addition, the *1999 Agreement for Purchase of Recycled Water Between the City of Escondido and Rincon del Diablo Municipal Water District (Appendix #11)* lays out the terms and conditions for the purchase of recycled water. Further, it stipulates that *the City agrees to allow the District to purchase, in times of Water Shortages, Available Water in an amount sufficient to make the proportional reductions in total water deliveries equal for both parties at the then-prevailing SDCWA filtered non-interruptible water rates. For purposes of this Agreement, "Water Shortages" shall mean a reduction by the SDCWA of imported water deliveries to member agencies because of drought conditions (Section 13 of the 1994 Agreements).*

Rincon has the capability to serve the community of Del Dios through a 2-inch emergency connection that serves Del Dios Mutual Water Company. We also have emergency connections with Vista Irrigation District and several with the City. The Vista and Escondido connections can be used to serve and receive emergency water.

The District, as a member of the San Diego County Water Authority, participates in the financing, construction, operation and maintenance of the SDCWA Aqueduct System, which supplies its 23 member agencies. This includes the current construction of the CWA's Emergency Storage Project.

In addition, the District also certifies its customers who participate in the agricultural rebate program offered by MWD and CWA. By accepting this discount, the agricultural customer agrees that mandatory reductions in water may occur in the future. In the event of a mandatory reduction, the certified agricultural customer will be required to reduce its “ag” water before any other class of customer is required to reduce its usage. Approximately 11% of water sold by the District is at the agricultural rate (also discussed in the Administrative Section, Question #5).

The District is also a signatory to the Countywide Mutual Aid Agreement in which the CWA and its member agencies agree to assist each other with personnel, equipment and materials in times of man-made or natural disasters.

For additional information relating to shared facilities, please see the answer to Question #5 in this section.

14. Provide the assessor parcel numbers or addresses of properties located outside the agency’s jurisdictional boundaries that receive services from your agency. Identify the service(s) provided to the affected property(ies) and the date that service commenced.

There are no properties outside Rincon’s jurisdictional boundaries that receive services from our agency. There are, however, 735 parcels outside jurisdictional boundaries served through exchange agreements with the City as previously noted in the discussion of the 1994 Agreements. Pursuant to the May 1, 1957 Agreement by and among City, Rincon, and SDCWA, operating procedures have been established whereby the amount of water delivered by each party to the customers of the others is reported to SDCWA. In turn, SDCWA bills the receiving party for the amount of water delivered at the then-current SDCWA Rate. A copy of the May 1, 1957 Agreement is incorporated under Exhibit “E” of the 1994 Agreements (**Appendix #10**).

Administration - Management - Operations

1. What awards or recognition has the agency received?

Awards

- General Manager of the Year for 2001 – 2002 California Special Districts Association (CSDA).
- Special Recognition for achieving a low ratio of “Paid Claims and Case Reserves” in the Property Program and Workers’ Compensation Program, awarded 1996, 1999 and 2000 Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA)
- Award of Excellence in Safety, 1997 American Water Works Association (AWWA)

- Water Management Gold Star Certification, 1996 (program since discontinued) ACWA
- Special Recognition for Its Exemplary Safety in the Workers' Compensation Program, 1996 ACWA/JPIA

Grants/Reimbursements)

- State Water Resources Control Board (SWRCB), Division of Clean Water, Recycled Water Distribution System \$426,265
- SB 90 - Reimbursement of State Mandated Costs \$ 51,000
- CWA Joint Public Information Council (JPIC) Splashdown Newsletter \$ 3,400
- CWA JPIC Xeriscape Demonstration Garden \$ 10,000
- MWD Community Partnering Program - Xeriscape Garden Improvements (pending) \$ 51,700
- Hans and Margaret Doe Charitable Trust – Xeriscape Garden Improvements (pending) \$ 49,000

Low-Interest Loans from Prop 13

- SWRCB, Division of Clean Water, Recycled Water Distribution System \$1,278,794

1. **List the total number of employees in your agency by category (executive, management, administrative, professional, operational, etc.); number of vacant positions for the last three years; and number of new hires each year for the last three years.**

Number of employees by category:

- Executive (1) General Manager
- Management (4) Director of Operations
Director of Finance
Engineering Manager
Human Resources/Office Services Manager
- Administrative (4) Public Information Officer
Executive Secretary
Accounting Technician (2)
- Operational (9) Water Maintenance Foreman/Inspector
Lead Water Worker
Senior Water Service Worker / Backflow Specialist
Senior Water Service Worker (2)
Water Service Worker (4)

One position (Engineering Technician) was vacated through a termination and subsequently eliminated.

The number of new hires for the last three years is as follows:

- 1999 2
- 2000 7
- 2001 5 (1st quarter)

2. Describe staff reorganizations that have occurred within the preceding three years. Include pre- and post- organizational charts.

Three staff reorganizations were performed since 1999:

- July 2000 (**Appendix #12**) hired full-time Public Information Officer. Expanded the scope of duties to include conservation. Previously the conservation duties had been performed by the Executive Secretary position.
- January 2001 (**Appendix #13**) Reclassified Human Resource/Accounting Assistant II position to Human Resources/Office Services Manager. Duties expanded to include IT administration.
- May 2001 (**Appendix #14**) reclassified two accounting positions into the uniform and upgraded classification of Accounting Technician.

3. Provide the number of terminations, resignations, and retirements that have occurred annually over the past three years for executive, management, administrative, professional, and clerical positions, etc.

The annual number of terminations, resignations and retirements for the past three years by category are:

- 1999 - (1) Executive (resignation)
(1) Administrative (resignation)
(2) Operational (resignation; termination)
- 2000 - (2) Management (retirement)
(1) Administrative (resignation)
(4) Operational (3 resignations; 1 termination)
- 2001 (1) Clerical (termination - position subsequently reclassified and upgraded to Administrative.)

In the period from 1989 to 1999 there were a total of nine employees who left District employment [resignation (5), retirement (4)].

4. Provide policies, rules, or procedures that your agency has adopted that regulate communications between elected officials and employees.

In May 2001 the Board adopted Legislative Procedures that govern the process by which the Board officially communicates with elected officials. The Board, usually accompanied by staff, also participates in visits to elected officials or

invites them to attend a Board meeting. Those guidelines are attached as **Appendix #15**.

- 5. Describe the level that elected officials can be involved in administrative, management, and personnel matters. Describe how involvement has changed within the past three years.**

The Board sees its role chiefly as one of policy development. The General Manager and her staff are charged with policy implementation. The Board speaks as one voice and provides its direction at official meetings. Board involvement in administrative, management, and personnel matters is usually at a policy level only, with no day-to-day involvement.

During the last three years, committee work has decreased with the Board opting for participation as a committee of the whole. The three standing committees are: Finance & Personnel; Public Information & Intergovernmental Relations; and, Engineering & Long-Range Planning.

- 6. What administrative, management, and operational functions are provided to the agency by private companies or other public agencies? Explain any management efficiencies and/or cost avoidance opportunities associated with these arrangements.**

In order to ensure that administration, management and operational functions are cost effective, the District has performed various cost-of-service studies. Elements analyzed in ascertaining the viability of using outside services included personnel costs, required space, and time and efficiency studies. More simply, there is not enough work to justify a full-time employee for the below named tasks.

Administrative

- Legal Services
- Records Management Program Development
- Gardening and Outside Maintenance
- Janitorial
- Bill Printing and Mailing
- Computer Programming

Operational

- Engineering Services
- Pump Testing
- Reservoir Maintenance
- Weed Abatement
- Fire Services
- Laboratory Services

Financial

- Auditing Services
- Rate and Reserve Studies

The District also has various agreements with the City and several water agencies to provide services that are beneficial to all affected agencies. Please see answer to question 8 in this section and questions 10 and 13 in the previous section for further discussion.

7. Describe cooperative arrangements with other agencies that produce administrative, management and/or operational efficiencies.

The District currently has cooperative or exchange agreements for fire and water related services with several agencies. Cooperative arrangements with other agencies would include the following:

- Emergency water connections to Del Dios Mutual Water Company
- Emergency water connections (interconnections) to and from Vista Irrigation District and the City
- Exchange water service agreements with the City and Valley Center Municipal Water District
- Administrative agreement with City to operate the Rincon Fire Protection District (**Appendix #16**)
- Agreement to purchase recycled water from the City
- Agreement with the City to share water equally during a water shortage
- Agreement between Rincon and the City to lease the Hubbard Hill Property Site as a mobile telecommunications base for PacBell
- Agreement with ACWA/JPIA to provide pooled coverage for Workers Compensation, Property, Vehicle, and Liability Insurance
- Agreement with the California Urban Water Conservation Council to implement Best Management Practices for the efficient use of water in urban areas of California
- Agreements with the SDCWA and the MWD to cost-share ultra-low flush toilet and high-efficiency washing machine vouchers and other customer-oriented conservation incentives

8. Describe policies covering employee and contractor performance incentives, both financial and otherwise.

Employee and contractor performance incentives are achieved through the PACE (Performance, Appraisal, Compensation, and Evaluation) Program which is designed to accomplish the following:

- Reward excellence in performance and provide incentive to achieve maximum results;
- Retain and motivate employees;
- Align individual contributions with District goals and objectives; and,
- Promote and recognize a team environment.

The major components of the PACE Program are: base salary, merit pay, team-based pay, and employee benefits.

Evaluation criteria include three distinct categories to facilitate this process: (1) core job responsibilities, (2) special projects, and (3) professional development. Employees and their supervisors, on an annual basis, agree upon a set of goals and expected outcomes. Evaluations are done quarterly with a final review that discusses actual outcomes and unanticipated results.

9. Explain agency policies and procedures pertaining to competitive bidding and sole source procurement. Provide a three-year listing and description of services provided to the agency on a sole source procurement basis. Identify the cost of each contract.

The District adheres to Section 1511 and 1512 of the Board approved Purchasing Policy (**Appendix #17**) for procedures relating to competitive bidding and sole source procurement.

In the last three years, the District has had sole source services provided for computer programming, legal counsel, and annual audit reporting. The costs relating to these services vary according to work performed.

Providers:

Legal Counsel (see Fiscal Section, Question #4)

Data Stream (mainframe, software, support, programming, equipment)

2000-2001: \$16,186

1999-2000: \$ 9,245

1998-1999: \$20,290

Gilchrist, Steen, Stanfield & Newquist (auditors)

2000-2001: \$12,900

1999-2000: \$12,600

1998-1999: \$12,500

Various other expenditures relating to month-to-month contractual services including, but not limited to, janitorial and maintenance costs are reviewed upon expiration and bids requested when required.

Fiscal

1. Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, assessments, grants, etc.).

Revenues are derived from various sources, which are listed below and outlined on Pages 2 and 3 of the District's 2001-02 Budget (**Appendix #4**), and elsewhere in this report.

- Water Sales
- Service Charges
- Interest
- Operating
- Special Operating
- Property Taxes
- Connection Fees
- Grants
- Loans
- Misc. Engineering Fees and Charges

2. Explain any constraints associated with the agency's ability to generate revenue.

The District's ability to generate revenue is constrained by government codes and legislative limits. Constraints are also placed on the District by the fiscally conservative Board who are sensitive to the impact of rate increases on its constituents.

3. Provide and describe agency policies establishing limitations on the level of expenditures that staff may make without obtaining approval from the board of directors/city council.

The Board of Directors has approved an Administrative Code for the District that includes a Purchasing Policy establishing limitations on expenditure levels by authority and amount. Specific limits are outlined in the Purchasing Policy. (**Appendix #17**)

4. Provide an annual summary covering the past three years for legal expenditures. Also, provide a summary of expenditures associated with settling claims by employees or other parties during the past three years. Describe the justification for each expenditure.

	<u>Calendar Years</u>		
<u>Legal Fees</u>	1999	2000	2001
Redwine & Sherrill	\$ 83,614.02	\$ 71,461.95	\$ 34,468.52
Best, Best & Krieger LLP	\$ 8,921.41	\$ 423.84	\$ 15.00
Economic Study Group	<u>\$ 21,946.50</u>	<u>\$ 7,169.04</u>	<u>\$ 5,939.74</u>
TOTAL	\$114,481.93	\$ 79,054.83	\$ 40,423.26

In the past three years a total of \$132.00 has been paid by the District for the settlement of customer claims. These were small claims that the District settled as a good faith/customer service effort. There have been only two other claims involving customers or employees, which were submitted to the District's liability insurer, ACWA/JPIA, for resolution. Settlements made, if any, were paid out of the insured pool and no expense was directly incurred by the District.

5. Indicate your agency's bond rating and provide a discussion of the rating.

In 1998, the District issued Water Revenue Refunding Bonds, which is the only long-term debt issue currently outstanding. Moody's Investors Service and Standard & Poor's Ratings Group assigned insured ratings of "Aaa" and "AAA", respectively, which are the highest ratings available.

6. Describe the agency's investment policies/practices.

The District adheres to all Government Code Sections relating to permitted investments of public funds for Special Districts, which requires the basic policy objectives of safety, liquidity, and yield. The District's Investment Policy is reviewed, updated and approved by the Board of Directors on an annual basis. (Note: last updated April 9, 2002 and is attached as **Appendix #18**).

7. Discuss your agency's policies and procedures pertaining to maintaining and establishing reserves/retained earnings. What is the ratio of undesignated/ contingency/emergency reserves to annual gross revenues? In your discussion, indicate if your agency limits the amount of reserves/retained earnings that may be accumulated.

The District has reserves for the following categories, the appropriate balances of which are contained in the District's 2001-02 Budget previously included:

- Working capital
- Insurance-Liability
- Insurance-Worker's Comp
- Medical Retirement
- Revenue Bond Reserve
- Equipment Replacement/Maintenance
- Facility Replacement
- Future Capital Improvements
- Reclamation
- Capacity Fees – I.D."1" – Restricted
- Capacity Fees – I.D."A" – Restricted
- Rate Stabilization
- General Fund

Currently, the District is conducting a Reserve Study, the results of which will provide the policies and procedures for the establishment and maintenance of reserve accounts, funding limits for each, if any, and the designation of reserves for emergencies, contingencies, and infrastructure replacement. The Study, is anticipated to be completed in the summer of 2002, and will contain Board approved directives for the implementation of ratios between reserves and retained earnings.

8. Explain any variances within your agency regarding differing rates, fees, taxes, charges, etc.

Variances in the District's rates, fees, and charges have been developed according to classification and/or services provided. These variances are determined as part of the District's overall rate structure which was designed to be fair and equitable to the District's customers, provide sufficient operating revenues and to promote conservation. **(Appendices #19 and #20)**

The Property Taxes received relating to water service areas are the "1% of the 1%" allocated to Special Districts. The District places a \$72 per parcel/per acre fee on property located within the Fire District (I.D."E") for costs relating to offering fire protection services.

9. Explain agency policies and procedures regarding fee rebates, tax credits or other relief provided to service users. Discuss any rebates, credits, etc., that have been issued during the past three years and the circumstances and conditions.

The District currently offers credit/discounts for the following programs:

- Frugal User Discount – 30% reduction on monthly meter charges for single-dwelling residential accounts using 12 units or less every two months (1 unit = 1,000 gallons);
- Agricultural Rebate – Offered to certified customers (one or more acres of planted land). The rate reduction consists of \$.42 and \$.015 per 1,000 gallons of water use provided by MWD and the CWA, respectively;
- Lead and Copper Testing Program – Customers who participate in this program are given a credit of \$10, which is applied to their account;
- \$75 Vouchers for Ultra-Low Flush Toilets (ULFT's) and \$125 Vouchers for High-Efficiency Washers (HEW's) for both residential and commercial customers as well as other incentives to customers for participation in various conservation programs; and,
- Newsletter Promotions – The District offers contests, awards, and incentives through the newsletter. These promotions encourage customers to read the newsletter so they are kept informed of ongoing conservation programs, District projects and various water issues. (Example: 5,000 gallons of free water were offered to customers who

registered for the Direct Payment Program. This one offer resulted in a 29% increase in participants of the Direct Payment Program.

10. Describe and discuss any increases or decreases that your agency has implemented regarding rates, fees, taxes, or other charges during the past three years. Explain any opportunities for rate restructuring within your agency.

As part of the 2001-02 Budget process, the Board authorized the engagement of an engineering firm to study the District's rates, fees, and charges. This was the first rate study to be conducted by an outside consultant. Work began in August 2001.

In November 2001, the Board of Directors held a workshop to discuss the results of the study. At that workshop, the consultant and staff presented an overall picture of the District's rate history, current rate structure, methodologies, and assumptions. The information provided was in accordance with directives that any rate modifications incorporate the Board's policy of ensuring fairness and equitability, promotion of conservation and the provision of adequate revenues for District operations and capital project implementation.

On December 11, 2001, the Board of Directors adopted recommended modifications to the District's water rate structure, to become effective March 1, 2002 (**Appendix #19**). The rate structure is as follows:

- Rates to remain at \$1.91/per unit for the first 46 units, \$2.12 for 47 units and above. (1 unit = 1,000 gallons)
- No change to the Frugal User's Discount
Frugal User Discount provides a 30% reduction on prevailing service charges for single-dwelling residential accounts using 12 units or less on a bi-monthly basis.
- Elimination of the 1989-90 allocation system for single-family dwellings, mobile home parks, and apartments
Prior to the rate structure change, customers were given a tiered allocation based upon 100% of their 1989-90 pre-drought water usage. This allocation was eliminated in favor of a tiered rate based upon the "pay for what you use" principle. This principle encourages conservation.
- Elimination of Seasonal Designations
In addition to the 1989-90 allocation system, the tiered rates also varied by winter or summer seasons. This method was eliminated because water purchased by the District is not seasonably priced and also did not encourage conservation.
- Addition of a Water Classification and Rate for Recycled Water
The District is currently constructing a recycled water system. As part of the new rate structure, a price of \$1.68 per unit (1 unit = 1,000 gallons) was set for the sale of recycled water. Other information

relating to recycled water charges is outlined in the attached water rate sheet (**Appendix #19**).

- **Recover Costs Through a Combination of Rates and Reserves**
The Board has authorized the use of reserves to offset any budget shortfalls for the current and following year. After the 2002-03 Fiscal Year, the Board has requested an analysis of the impact of the modified rate structure on the revenue stream.
- **Other Fees and Charges**
The Board reviewed the District's fees and charges for the various customer and engineering services provided. Minimal adjustments were made and are included in the rate information sheet as previously discussed. (**Appendices #19 and #20**)

11. Discuss the agency's financial policies and practices for depreciation and replacement of infrastructure.

The District currently maintains a detailed list of depreciable assets that include Capital Outlay, Capital Projects, and various Utility Plant categories. These items are depreciated on an annual basis and are reported in the District's fiscal year-end reports. In order to proactively plan for replacement costs, the District has engaged the services of an engineering firm to study and develop an infrastructure replacement program that uses depreciation as part of the formula and final replacement calculations. This study is anticipated to be completed in May 2002 and will be used to determine the dollar amount to be included in the budget for specified projects.

Governance

1. Explain the composition of the agency's governing body. Discuss whether board members/city council members are elected/appointed, at large or by district. Provide a three-year history of the election/appointment results for your agency. Identify the candidates and winner/appointee for each position subject to election/appointment.

The District's governing body is composed of five directors representing the five divisions that make up the District. Directors are elected at the General Election held in even numbered years and hold their office for a four-year term. The three-year history of Directors is as follows:

John B. Hinrichs/President
Gregory M. Quist/Vice President
Willis G. Cornelius/Treasurer
Diana L. Towne/Director
Hanno Ix/Director

2. Explain circumstances associated with resignations of elected and appointed officials during the past three years.

There have been no resignations of any elected or appointed officials during the past three years.

3. Explain the compensation and benefit package provided to members of the governing body.

\$136.00 per diem/per meeting, ten-meeting maximum per month. There is no benefit package provided to Board members, although they may choose to participate in District-offered health insurance at their own expense.

4. How frequently does the governing body of the agency meet? Provide a monthly summary of the number of meetings within the past three years.

The Board meets monthly at the District office. The Board also conducts Special and Adjourned Board Meetings, Workshops and Committee Meetings, which are included in the summary totals listed below for the past three years:

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Jan	- 3	Jan - 3	Jan - 1	Jan - 2
Feb	- 4	Feb - 4	Feb - 1	Feb - 1
Mar	- 5	Mar - 2	Mar - 3	March - 1
Apr	- 3	Apr - 3	Apr - 4	
May	- 2	May - 4	May - 1	
Jun	- 2	Jun - 2	Jun - 3	
Jul	- 1	Jul - 2	Jul - 4	
Aug	- 4	Aug - 1	Aug - 3	
Sep	- 1	Sep - 3	Sep - 1	
Oct	- 5	Oct - 2	Oct - 1	
Nov	- 2	Nov - 2	Nov - 3	
Dec	- 1	Dec - 2	Dec - 2	
TOTALS	1999 - 33	2000 - 30	2001 - 27	2002 - 4

5. How far in advance of meeting dates are meeting agendas made available to the agency's governing body and to the public? Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, advance notice, etc.?

According to Government Code regulations (The Brown Act), regular Board meeting agendas are made available 72-hours prior to the meeting. Special Board meeting agendas are made available 24-hours prior to the meeting. Committee Board meeting agendas are made available 72-hours prior to the

meeting. Agendas are posted at the District and on our web site (www.rinconwater.org).

All meetings are accessible to the public. Regular Board meetings are held monthly (2nd Tuesday of the Month) at 7:00 p.m. at the District office. Special Board meetings and Committee Board meetings are generally held in the morning at the District office. Adequate meeting space is always provided and advance notice (as described above) is always given.

6. Explain agency rules, procedures, programs for public notification of agency operations, meetings, programs, etc. How is public participation encouraged, i.e., open meetings, access to staff, customer suggestion opportunities, etc?

Rincon uses many tools to incorporate public participation in District activities. Beyond the standard procedures required by the Government codes for notification of public meetings, the District posts Board meeting agendas on its website, www.rinconwater.org. The website also promotes customer comments and communication opportunities. The public is informed of District operations and programs through four newsletters published yearly as well as special notifications through direct mailing. Other tools of communications include bill inserts, media releases, new customer packets, essay and poster contests support of community activities, participation in the Chamber of Commerce and other local organizations such as the YMCA.

Rincon also participates in local community events such as the North County Water Awareness Award Day, Fire Prevention and Recognition Day, Landscape Workshops for Residential and Professional Landscapers, high school career days, "Principal for a Day", and high school commencement awards ceremonies.

7. List and describe any violations or investigations within the past three years related to the Ralph M. Brown Act and the Political Reform Act. In addition, include in your response any grand jury or law enforcement agency violations and investigations.

There are none.

8. Is your agency a product of a governmental reorganization (consolidation, merger, etc.)? Explain opportunities and obstacles for future functional (departmental) or structural (consolidation, merger, etc.) reorganizations. Provide copies of any relevant studies that your agency has conducted on reorganization and discuss the outcome.

The District is not the product of government reorganization. Currently, the District employs a total 18 employees to service approximately:

- 7,500 accounts;

- 129 miles of pipe;
- 4 water pump stations; and,
- 10 water reservoirs.

In an effort to maintain cost effective services, job descriptions have been revised to incorporate additional duties, and technologically advanced systems have been installed. Two years ago departments were reorganized to flatten the organization in order to increase accountability, improve response time, and enhance interaction among departments.

In 1976, and under the powers granted to it by the Municipal Water District Act of 1911, the District formed the Rincon del Diablo Fire Protection District. This District was formed for the purpose of providing fire protection to residents within Improvement District "E".

Concurrently, the City also operated and maintained a fire department that provided fire protection, paramedic and rescue services within its own boundaries.

In an effort to eliminate duplication of services and for the mutual benefit of both entities, the District and the City entered into a cooperative merger agreement dated August 18, 1989 (**Appendix #16**), which provides for a single fire department to be operated and managed by the City, while retaining the name Rincon del Diablo Fire Protection District.

The agreement further stipulates that revenues relating to the fire district would be collected by Rincon and passed through (less applicable administrative costs) to the City to cover the operational costs of providing fire and rescue services. Rincon also conducts an annual weed abatement program as part of its fire related duties.

- 9. Provide additional information that LAFCO should evaluate as part of the service review. If you believe LAFCO should obtain any additional information from other agencies, please list the information in your response.**

Maximization of District Resources

During the past two years, the District has undertaken an aggressive program of maximizing revenues, obtaining low-cost funding, obtaining reimbursement for services, acquiring grants, and streamlining work procedures for the purpose of absorbing/mitigating increases to customer paid rates, fees and charges.

These efforts have included the following:

- Recycled Water Project:
 - State Water Resources Control Board – Recycled Water Project;
\$426,000 Grant
 - \$1,278,794 low-interest Loan
 - MWD support in the amount of \$250 per acre-foot
 - CWA support in the amount of \$100 per acre-foot
- Receipt of \$51,000 from SB 90 Program for Reimbursement of State Mandated Costs
- Grant from the SDCWA's JPIC - Cooperative Communication Program for upgrades to the District's Xeriscape Garden in the amount \$10,000.
- Grant from the SDCWA's Cooperative Communication Program for development of youth newsletter in the amount \$3,400.
- Reduction of monthly banking fees.
- Application submitted to MWD's Community Partnering Program for the Xeriscape Demonstration Garden for \$51,700. Notification due in May.
- Application to Hans and Margaret Doe Charitable Trust for the Xeriscape Demonstration Garden for \$49,000. Notification pending.

Education (Degrees, Certification, Training)

As a smaller district with a small staff, our employees must be experts in their field and generalists in others; cross training is an important and on-going process. In addition, many employees fulfill dual roles. For example, one person holds three titles: Human Resources Manager, Office Services Manager, and Network Administrator. Our Public Information Officer is also our Conservationist and Web Master. Education and ongoing training are critical to the District's success and efficiency.

Although operations and engineering personnel are required to meet minimum California standards, Rincon encourages staff to exceed these standards. Fully 73% (eight of 11) of these personnel exceed current standards.

In an effort to maintain this level of continued education and training the District has incorporated the criteria of professional development into the District's PACE Program (discussed in the Administration Section, Question #5). This provides Rincon an opportunity to promote and encourage employee development in areas of safety, technology, management, emergency preparedness training and certification as well as academic degree programs.

Management education levels are as follows:

General Manager:

Bachelor of Science in Business Administration
Master of Business Administration
Water Distribution Operator, Grade D2, California Dept. of Health Services

Director of Operations:

Water Treatment Plant Operator, Grade T2 Calif. Dept. of Health Services
Water Distribution Operator, Grade D4, California Dept. of Health Services
Water Distribution Operator III, American Water Works Association
Certified Structural Steel Welder, American Welding Society
Certified Pipe Welder, American Welding Society
Hazardous Waste Operator, Incident Commander

Director of Finance:

Bachelor of Science in Business Administration
Various Accounting and Management Training Certificates

Human Resources/Office Services Manager/Network Administrator:

MCSE (Microsoft Certified System Engineer) for NT 4.0, Chapman
University – Microsoft Technical Education Center

Rincon Recycled Water Project

The Rincon Water Recycling Program consists of the construction of a system to distribute recycled water to eligible users within Rincon's service area. The recycled water is to be purchased under the terms of an agreement between Rincon and the City, which was executed on February 9, 1999 (**Appendix #11**). The recycled water (scheduled for delivery beginning July 2002), which originates from the City's Hale Avenue Resource Recovery Facility (HARRF), meets all requirements of Title 22 of the California Code of Regulations and will be conveyed via a City-constructed system to turnout locations for use by Rincon.

Users of the recycled water include Home Owner's Associations, Schools, Golf Courses, median strips, and parks. Initially the project will deliver approximately 400 acre-feet of water per year, with projections for the delivery of 700 acre-feet per year by 2020. Deliveries are expected to begin this summer.

Rincon was granted funding for this \$2 million project from the State Water Resources Control Board; 25% as a grant and the remainder at a 2.6% interest loan to be repaid over a twenty-year period. **Appendix #21** provides more information on the program.

Emergency Preparedness

In 2001 Rincon undertook a complete review and upgrade of its emergency preparedness policies and procedures. To test the elements of the revised plan and to evaluate needs, resources and further planning efforts, two emergency preparedness drills were held; one District-wide and one which involved just the Operations Division.

For the one-day District-wide drill, an earthquake scenario was used with accompanying power failures, pipe ruptures, water contamination, and simulated a three-day period. The drill involving the operations division took advantage of the scheduled 10-day shutdown of the aqueduct.

The objective of these planning efforts is to be prepared and responsive to the customer. Future drills are planned on a regular basis.

Time and Resources Necessary to Complete the RFI

Please specify the amount of staff time and associated costs expended by your agency to provide responses to the Request for Information (RFI).

Time: 80 Hours

Cost: \$4,300

APPENDICES

- #1 Shepherd & Staats, Inc. (Population figures)**
- #2 2000 Urban Water Management Plan**
- #3 Current Rincon Organizational Chart**
- #4 Fiscal Year 2001-2002 Annual Budget**
- #5 Independent Auditor's Report**
- #6 Newsletters (Volume's 1, 2 and 3)**
- #7 Amended Water Master Plan**
- #8 California Urban Water Management Conservation Council, Best Management Practices**
- #9 Map of Rincon's Improvement District "1" (Water), Improvement District "A" (Water), and Improvement District "E" (Fire)**
- #10 Settlement and Operational Agreement Between City of Escondido and Rincon del Diablo Municipal Water District Effective December 1, 1994 (1994 Agreements)**
- #11 Agreement for Purchase of Recycled Water Between City of Escondido and Rincon del Diablo Municipal Water District (Recycled Water)**
- #12 July 2000 Organizational Chart**
- #13 January 2001 Organizational Chart**
- #14 July 2001 Organizational Chart**
- #15 Legislative Procedures**
- #16 Permanent Fire Service Agreement**
- #17 Purchasing Policy and Procedures**
- #18 Investment Policy**
- #19 Water Rates, Fees and Charges**

#20 Development Fees

#21 Recycled Water Program Information Sheet

**Responses
To The
San Diego LAFCO's
Request For Information (RFI)
North County Inland
Municipal Service Review**

Vallecitos Water District

REQUEST FOR INFORMATION FORM

Agency Profile

1. Agency Name, Address, and Website:

- Vallecitos Water District*
201 Vallecitos de Oro
San Marcos, CA 92069
- www.vwd.org
- Vicinity Map* *B see Exhibit A*

2. District Principal Act (special districts only):

- Section 30000 et seq., Division 12 of the California Water Code*

3. Incorporation/formation date:

- March 21, 1955*

4. Services Provided:

- Water, Wastewater, Water Reclamation*

5. Total number of employees:

- 82*

6. Acreage or square miles within agency:

- Approximately 45 square miles* *B 27,900 acres*

7. Total population within agency (specify source of information):

- 67,000 - SANDAG*

8. Please provide:

(a) Strategic Plan

A combination of the 1997 Water, Wastewater and Reclamation Master Plan (Exhibit F), current VWD adopted budget (Exhibit C), the Water and Wastewater

Capital Facility Fee Study (Exhibit G) and the 2000 Urban Water Management Plan (Exhibit N) constitute this District's strategic planning basis.

(b) Current Organizational Chart

X See Exhibit B

(c) Annual Report

X *The District does not issue an "Annual Report" but does prepare an annual audit report, which is attached as Exhibit "D".*

(d) Mission Statement

X *"The mission of the Vallecitos Water District is to provide planned, effective, equitable and fiscally sound water and sewer service to its residential, commercial and institutional customers.*

Recognizing that its resources are limited and valuable, the mission of the District is also to preserve and protect these resources, promoting their conservation and re-use while maintaining a high level of community awareness, so that future generations may continue to be served."

(e) Copy of most recent adopted budget

X See Exhibit C

(f) Copy of most recent financial audit

X See Exhibit D

(g) Copies of newsletters for past year

X See Exhibit E

If any of the above items are not available, please explain.

9. Agency Contact:

X *William W. Rucker, General Manager*

10. Approving Official's Signature: _____

All service review forms must be signed by city manager, district manager or current administrative head of agency.

Infrastructure - Facilities - and Services

1. How are infrastructure needs determined? If needs are addressed in the agency's Capital Improvement Program or Master Plan, please provide copies of these documents.

The water and wastewater infrastructure needs are based upon a comprehensive review of the general plans and land uses adopted by the various land planning agencies having jurisdiction within the service boundaries of the District. Data is compared with the population growth and development projections provided by SANDAG. Based upon this information and using historical water demand and sewer generation rates, future Capital Facilities are determined. This data is compiled and incorporated into a Water and Wastewater Master Plan which is updated on a five year basis. The current Master Plan was adopted in October 1997 and has been the basis for all capital improvements constructed through this current fiscal year. The 1997 Master Plan is in the process of being updated with adoption anticipated in August/September 2002. This practice has been adopted as a goal of the District's Board of Directors to promote accurate and fiscally responsible planning for an ever changing environmental, land use and regulatory environment. A copy of the current 1997 Water, Wastewater and Reclamation Master Plan (Exhibit F) is attached.

2. If additional or upgraded infrastructure is required to accommodate growth, how will it be financed?

As referenced in Response No. 1 above, the construction of Water and Wastewater Capital Facilities are based upon projections provided by SANDAG and the local land planning agencies. Capital Facilities are constructed to meet planned development and increased needs as required to allow adequately sized facilities on a regional basis in a cost effective manner. Upgrades to existing water distribution and sewer collection facilities for individual development projects, regardless of their size or impact, is a condition of the development and is not considered part of the Capital Facilities to be built by the District. There are exceptions to the above, when an area to be developed has existing infrastructure in place identified in the Master Plan for upgrades. This is accomplished through Development Agreements identifying the facilities required for the development and the facilities required for regional benefit.

The Water and Wastewater Capital Facilities required for regional benefit are funded through the collection of water and wastewater capacity fees, which is based on the Master Plan. The fees are identified in the Water and Wastewater Capital Facility Fee Study (Exhibit G) for the District which is attached.

Funding for local improvements for development is the responsibility of the Developer of the project. The exception to this policy is when there are Capital Improvements required for regional benefit that can be built concurrently with the facilities required for development. Reimbursements are made for the portion of the

facilities that provide regional benefits which are included in the Master Plan. Costs for local improvements are not reimbursed.

3. Provide infrastructure upgrade and replacement schedules. Describe how the schedules are being met.

Please refer to the 1997 Master Plan (Exhibit F) for the proposed construction schedules. These schedules are reviewed on an annual basis for determination of the facilities planned for the year, the need to construct the facility and the availability of funding. If the criteria is met to construct the facility the project is included in the Capital Budget for the applicable fiscal year.

4. List and describe infrastructure deficiencies. Explain how deficiencies will be addressed; indicate if the deficiencies have resulted in any permit or other regulatory violations.

Proper planning and adherence to the Master Plan has enabled the District to avoid infrastructure deficiencies.

There have been no permit or regulatory violations of any type by the District.

5. Describe any capital facilities that are underutilized, or facilities that could be shared by another agency.

As stated above, the planning horizons and goals of the District are based upon the land uses adopted by the local land planning agencies. There are no facilities identified in the Master Plan as underutilized or that could be shared by another agency. The exception is the use of emergency connections with adjacent agencies for limited service during emergencies. These connections are based upon emergency use only and are not considered in the sizing of the facilities in the Master Plan.

Underutilization of some components of the water and sewer systems may be present due to the facilities required for a region on a long term basis. An example would be the installation of a portion of a 12-inch sewer for a drainage basin at ultimate build-out, yet the initial development in the area would only require a 10-inch sewer. To provide reasonable costs effective facilities and not cause the construction of parallel facilities, the 12-inch sewer would be constructed. However, as these facilities are constructed for a specific benefit area within the service boundaries of the District, there is no excess capacity for another agency.

6. How are service needs forecasted?

The service needs are primarily based upon the adopted boundary of the District and the projected Sphere of Influence adopted for the District by LAFCO. The general plans and land uses adopted by the various land planning agencies having jurisdiction within the service boundaries of the District are continually updated and

compiled. This data is compared with the population growth and development projections provided by SANDAG and historical water demand and sewer generation rates. This data is compiled and utilized as the basis of the District's Geographic Information System (GIS) which forms the basis of all facility needs, assessment and tracking of facilities. The GIS system also includes a water and sewer models that are utilized to determine development impacts to existing infrastructure and proposed Capital Facilities.

This data is compiled and incorporated into a Water and Wastewater Master Plan which is updated on a five year basis.

7. How are growth and population projections integrated with the agency's plans for future service needs?

Please see response to Question No. 6.

8. If a particular service is provided less than district-wide, provide a map showing the geographic area where the service is provided.

There are no services provided to a specific area that are not available throughout the service boundaries of the District, however, the Sewer Improvement District is only a small portion within the overall District boundary.

9. Describe any inequities (variations) in service levels within your agency. Explain why the inequities (variations) exist.

There are no specific service inequities noted in either the water or sewer systems.

Water service pressure levels variations are present in all of the water distribution system because of the variations of topography within a pressure zone. Pressures may range from 40 psi to over 300 psi, because of the topography, yet the level of service is the same because the infrastructure installed for the pressure zone provides the same level of service reliability. Any deficiencies in regional systems are identified in the attached 1997 Master Plan (Exhibit F) and included as a scheduled Capital Improvement.

10. Identify areas within the agency that could be more efficiently served by another agency.

The service boundaries of the District identified in the 1997 Master Plan are based upon the adopted LAFCO Sphere of Influence for the District. There are no specific areas of outside agency service considered in the Master Plan. However, one small area east of Nordahl Road that currently utilizes a sewer lift station to convey flow into the gravity collection system of the District is under study. The current flow is approximately 50,000 gallons per day, with an ultimate projected flow of approximately 250,000 gallons per day. The possibility exists to construct a tunnel under Highway 78 to Mission Road and connect with an existing City of Escondido

sewer system. The project is in preliminary stages of developing a cost estimate to verify the cost effectiveness of the project, and is also dependent upon excess capacity being available in the Escondido system. This project has no appreciable impact to the Master Plan for the District.

11. Identify areas outside the agency boundaries that your agency could provide services in an efficient manner.

The service boundaries of the District identified in the 1997 Master Plan are based upon the adopted LAFCO Sphere of Influence for the District. There are no areas outside of the District sphere of influence that have been considered for service in the 1997 Master Plan. However, there is an area currently within the service boundaries of the District that receives sewer service from the City of Escondido. The area is referred to as the Country Club basin. Sewer service is presently provided by Escondido through a lift station, with an approximate average daily flow of 500,000 gallons. Preliminary discussions have taken place regarding the potential of Vallecitos providing gravity service to the area, eliminating the need for a lift station. The cost effectiveness and overall feasibility of this project has not been determined. The exchange could have an appreciable impact to the Master Plan for the District.

12. List planned or pending development and jurisdictional boundary changes that may require agency services. Provide description and location.

None pending.

13. Describe any joint power agreements or arrangements with other agencies regarding shared facilities, infrastructure, or services.

- **Questhaven Pipeline:** 30-inch water transmission main owned and operated by the Vallecitos Water District that provides wholesale water conveyance to the Carlsbad Municipal Water District and the Olivenhain Municipal Water District.
- **Land Outfall Pipeline:** Large diameter sewer outfall system owned and operated by the Vallecitos Water District providing collection and conveyance of untreated wastewater to the Encina Wastewater Authority for the City of Vista, County of San Diego (Buena Sanitation District) and City of Carlsbad.
- **Reclaimed Water Failsafe Pipeline:** Reclaimed water conveyance system owned and operated by the Vallecitos Water District for the conveyance of Reclaimed Water from the Meadowlark Reclamation Facility and Shadowridge Water Reclamation Plant to the Encina Wastewater Authority for the City of Vista and County of San Diego (Buena Sanitation District).
- **Encina Wastewater Authority:** Vallecitos Water District is one of six public agencies that own the Encina Wastewater Authority sewer treatment facility.

14. Provide the assessor parcel numbers or addresses of properties located outside the agency's jurisdictional boundaries that receive services from your agency. Identify the service(s) provided to the affected property(ies) and the date that service commenced.

See Exhibit H.

Administration - Management - Operations

1. What awards or recognition has the agency received?

*1999 Award of Excellence for the Twin Oaks Reservoir Project
American Society of Civil Engineers-San Diego Section*

*2000 Structural Project of the Year (Over \$10 Million)
Twin Oaks Reservoir Project
American Public Works Association-San Diego and Imperial Counties*

*2000 Engineering Project of the Year
Twin Oaks Reservoir Project
San Diego Engineering Council*

*2001 Engineering Excellence Merit Award
Twin Oaks Reservoir Project
Consulting Engineers and Land Surveyors of California*

*2001 President's Special Recognition Award
Liability Program-Low Paid Claims to Reserves Ratio
Association of California Water Agencies-Joint Powers Insurance Authority*

*1999, 2000, 2001 President's Special Recognition Award
Property Program-Low Paid Claims to Reserves Ratio
Association of California Water Agencies-Joint Powers Insurance Authority*

2. List the total number of employees in your agency by category (executive, management, administrative, professional, operational, etc.); number of vacant positions for the last three years; and number of new hires each year for the last three years.

Total number of employees by category:

<i>Executive</i>	<i>2</i>
<i>Management</i>	<i>3</i>
<i>Administration/Engineering</i>	<i>39</i>
<i>Professional</i>	<i>1</i>
<i>Operations/Maintenance</i>	<i><u>37</u></i>
<i>Total</i>	<i><u>82</u></i>

There were three vacancies in 1999, two in 2000, and seven in 2001. There were ten (10) new hires in 1999, six (6) in 2000, and thirteen (13) in 2001.

3. Describe staff reorganizations that have occurred within the preceding three years. Include pre- and post- organizational charts.

There were no reorganizations in any of the past three years.

4. Provide the number of terminations, resignations, and retirements that have occurred annually over the past three years for executive, management, administrative, professional, and clerical positions, etc.

The number of terminations, resignations, and retirements in the past three years by category are:

<i>Administration</i>	<i>8</i>
<i>Clerical</i>	<i>1</i>
<i>Operations/Maintenance</i>	<i>9</i>

5. Provide policies, rules, or procedures that your agency has adopted that regulate communications between elected officials and employees.

District Board Members have a clear understanding of their role as directors and, therefore, it has not been necessary for the District to adopt restrictive policies regulating communications between elected officials and employees. Each newly elected Board Member is given a thorough orientation by the General Manger and District Counsel. The role of a Board Member as a policy maker is clearly defined, and each Board Member is counseled on the inappropriateness of directing employees or micromanaging. In addition, newly elected directors are encouraged to attend various public agency seminars and educational programs that assist directors in understanding their role as elected officials. Each new Board Member is also provided copies of "A User's Guide to the Ralph M. Brown Act" published by the League of Women Voters, "Conflicts of Interest" pamphlet published by the California Attorney General's office, and the "Handbook for Public Agency Officials" authored by Wayne K. Lemieux. Furthermore, the proper role of Board Members and their relationship to the General Manager is also defined in the County Water District Act (Water Code, ' 30000 et seq.).

6. Describe the level that elected officials can be involved in administrative, management, and personnel matters. Describe how involvement has changed within the past three years.

Board Members establish the mission, policies, and priorities of the District. The General Manager is responsible for implementation. In accordance with the County Water District Act, the General Manager has full charge of the management, operations, and personnel matters of the District. The level of involvement of the Board of Directors has not changed within the past three years.

7. What administrative, management and operational functions are provided to the agency by private companies or other public agencies? Explain any management efficiencies and/or cost avoidance opportunities associated with these arrangements.

The District contracts with several private firms that provide legal counsel, engineering services, computer consulting services, and financial advisory services. Other services provided to administration by contract include security; bill preparation and mailing service; and equipment maintenance for the phone system, copiers, printers, computers, HVAC, and other equipment and facilities. Excepting small repair and construction jobs, the District contracts with construction firms for repair, replacement, and improvement projects.

The costs avoided by contracting out for these services include salaries, benefits, office or work space, and general overhead. By contracting for specialized professional and technical services and using outside construction services, the District avoids retaining staff that, at times, would not always be needed. The cost to purchase and maintain specialized equipment, materials, and supplies is also avoided.

8. Describe cooperative arrangements with other agencies that produce administrative, management and/or operational efficiencies.

§ *The District owns 20% of the Encina Water Pollution Control Facility, which is operated by the Encina Wastewater Authority. The participation in a larger, regionally operated facility is more cost effective than operating a smaller local treatment plant.*

§ *The District has an agreement with the Encina Wastewater Authority to provide laboratory services for analyses on District water samples provided and for report preparation. This service cut the cost to the District by one-half; closing an in-house lab and eliminating a Laboratory Technician position.*

§ *The Cities of Carlsbad and Vista participate, by agreement, with the District on the cost to build and operate a portion of the District's land outfall which carries wastewater to Encina.*

§ *Under agreements with the City of Carlsbad and the City of Vista, the District sends wastewater from two of its service areas through the Carlsbad and Vista systems for treatment at Encina, thereby avoiding the construction of and maintenance of two pump stations.*

§ *The member agencies of the San Diego County Water Authority participate in a mutual aid agreement that provides for emergency assistance which includes supply of materials, facilities, equipment, and personnel. By participating in this agreement, the District avoids the cost to acquire and*

maintain equipment, materials, and personnel that would only come in use when there is a major or catastrophic interruption of water service.

§ *The District and Vista Irrigation District have a water operations and maintenance agreement to provide more efficient and cost effective service to customers served by one district that receive water through an interconnection of water facilities operated by the other district.*

9. Describe policies covering employee and contractor performance incentives, both financial and otherwise.

The only policy covering employee performance incentives is a Merit increase policy, which is defined as “an advance from one step to a higher step within the existing salary range.” The salary range consists of nine 5% step increases. A Merit increase can be granted to an employee because of outstanding or exemplary work performance. The Merit increase is distinct and separate from all other types of increases and shall not exceed 5% and not increase any salary beyond the established range for the class. The District does not have any other policies for employee or contractor performance incentives

10. Explain agency policies and procedures pertaining to competitive bidding and sole source procurement. Provide a three-year listing and description of services provided to the agency on a sole source procurement basis. Identify the cost of each contract.

As a County Water District, Vallecitos is exempt from the California competitive bidding statutes relating to public works. However, construction projects over \$50,000 are customarily competitively bid. Moreover, Resolution No. 1133 (Exhibit I) establishes purchasing policies and procedures for the District. Sole source procurement is rarely used, and there are no examples during the last three years.

Fiscal

1. Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, assessments, grants, etc.).
- *Water sales,*
 - *Wastewater service charges,*
 - *Ready-to-serve water charges,*
 - *Reclaimed water sales,*
 - *Pumping charges (to recover power costs incurred to pump water to higher elevations),*
 - *Engineering services and inspection fees and charges,*
 - *Administrative, billing, overhead charges,*
 - *Investment income,*
 - *Property taxes,*
 - *Annexation fees, and*

- *Capital contributions (capital facility fees assessed on new development for future capacity and assets constructed and turned over to the District for maintenance).*

2. Explain any constraints associated with the agency's ability to generate revenue.

Notwithstanding the constraints imposed by the two-thirds voter requirement for imposition of taxes and the restrictions imposed by Proposition 218, the District is financially sound and, with the revenue sources listed above, is able to adequately generate revenues to properly operate and provide services to District residents.

3. Provide and describe agency policies establishing limitations on the level of expenditures that staff may make without obtaining approval from the board of directors/city council.

The District's Resolution No. 1133 adopted November 15, 2000, (Exhibit I) allows staff to make the following budgeted purchases without board approval:

- *Contracts for construction or engineering services of \$50,000 or less,*
- *Materials, supplies, and equipment of \$25,000 or less, and*
- *Other purchases (not specifically addressed in the Resolution) of \$10,000 or less*

4. Provide an annual summary covering the past three years for legal expenditures. Also, provide a summary of expenditures associated with settling claims by employees or other parties during the past three years. Describe the justification for each expenditure.

During the last three years ending December 31, 2001, legal expenses have primarily been split between general services and litigation expenses relating to defective sewer pipe.

Construction Defect Litigation

Beginning in 1997, the District experienced a series of sewer line breaks. After investigation, it was determined that the breaks were a result of contractor negligence and defective pipes. The District was involved in two separate legal actions to recover damages caused by the pipe failures. Legal expenses were incurred in pursuing recovery of damages to the District.

<u>Construction Defect Litigation</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
	\$37,557	\$189,059	\$131,960

General Legal Services

General District matters include a wide range of legal service in virtually all areas of law relating to representation of California water districts. Examples of areas include

appearances of General Counsel at Board and Committee meetings, advising the Board and District staff on matters relating to the Brown Act, conflicts of interest, legislation, and applicable court cases. Also included are the preparation and negotiation of District contracts, encroachment litigation and easement issues, assistance in preparation of ordinances and resolutions, and review and update of the District Master Plan and compliance with the California Environmental Quality Act.

<u>General Legal Services</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
	\$102,850	\$57,316	\$76,123

Employee Claims

During the last three years, there were no employee claims. Legal services concerning employment matters were necessary to ensure appropriate resolution of personnel issues and District compliance with labor laws.

<u>Employee Matters</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
	\$5,252.00	\$42,483.00	\$585.00

Other Claims

The claims paid were for damages as a result of a water main break, minor vehicle damage, a sewer line backup, and minor customer relations problems.

<u>Claim Expenditures</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
	\$0.00	\$4,325.00	\$1,627.00

5. Indicate your agency's bond rating and provide a discussion of the rating.

The District's only outstanding long-term debt is a COP issuance with ratings of Aa1/VMIG-1 by Moody's, and AA+/A-1+ by Standard & Poors. These ratings indicate that the District's capacity to meet its financial commitment and obligation is very strong.

6. Describe the agency's investment policies/practices.

The District invests idle funds in accordance with Government Code Sections 53600 through 53686 and Resolution No. 1159 B Investment Policy (Exhibit J). The District's investment policy is more restrictive than Government Code limiting allowable investments and maturities as represented in the following table.

Investment	Limits	
	Portfolio %	Maturity
LAIF	90%	N/A
US Treasury bills and notes	90%	5 years
Federal agency obligations	30%	5 years
Non-negotiable CDs	20%	1 year
Repurchase agreements	10%	1 year
Savings accounts	10%	N/A

Currently, the District has seventy percent of its portfolio in LAIF and twenty-eight percent in federal agency obligation. The portfolio's weighted-average maturity is two hundred days.

7. Discuss your agency's policies and procedures pertaining to maintaining and establishing reserves/retained earnings. What is the ratio of undesignated/contingency/emergency reserves to annual gross revenues? In your discussion, indicate if your agency limits the amount of reserves/retained earnings that may be accumulated.

The District reports financial position and results of operations under the new provisions of GASB 34, which eliminates reservations and designations. The equity section of the balance sheet, or net assets, are comprised of the following:

- *Net assets invested in capital assets, net of related debt,*
- *Net assets restricted externally by creditors or law, and*
- *Unrestricted net assets.*

The District informally designates all unrestricted net assets for replacement of existing facilities and equipment and costs of accommodating growth through the expansion of capital facilities.

8. Explain any variances within your agency regarding differing rates, fees, taxes, charges, etc.

The District's rate structure for water and sewer services is based on classes of customers (residential, commercial, industrial, agricultural, etc.) and the rates are the same for each customer within the class. The only exception is for water customers in higher elevations where water must be pumped to provide service. The District recovers the power costs for the pump stations through an additional Pump Zone Charge.

The Capital Facility Fee is assessed on a case-by-case basis, depending on water demand requirements or wastewater flow quantities identified per Ordinance No. 122 (Exhibit K) and Ordinance No. 123 (Exhibit L).

Other rates and fees for administrative, engineering, or operational services are consistent for all types of customers. The District does not set a tax rate, it only collects a percentage of the 1% assessed by the county.

9. Explain agency policies and procedures regarding fee rebates, tax credits or other relief provided to service users. Discuss any rebates, credits, etc., that have been issued during the past three years and the circumstances and conditions.

The District provides a conservation credit ("Frugal User") for customers that use 5 units (hundred cubic feet) or less of water in a month. This is a 20% credit off the Ready-to-Serve Charge and the Sewer Service Charge. No other rebates or credits or other relief is provided to service users.

10. Describe and discuss any increases or decreases that your agency has implemented regarding rates, fees, taxes, or other charges during the past three years. Explain any opportunities for rate restructuring within your agency.

	<i>Rate in Effect:</i>				
	<i>January 1, 1999</i>	<i>March 17, 1999</i>	<i>January 1, 2000</i>	<i>March 7, 2001</i>	<i>July 1, 2001</i>
<i>Water commodity unit charge:</i>					
<i>Wholesale (MWD/SDCWA)</i>	\$ 1.17	\$ 1.18	\$ 1.20	\$ 1.20	\$ 1.20
<i>Retail (VWD)</i>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>
<i>Total unit charge</i>	1.50	1.51	1.53	1.53	1.53
<i>Pump zone unit charge¹</i>	0.08 to 0.25	0.08 to 0.25	0.08 to 0.25	0.22 to 0.43	0.22 to 0.43
<i>Ready-to-serve ⁵/₈" meter²</i>					
<i>Wholesale (MWD/SDCWA)</i>	0.20	0.20	1.53	2.11	2.11
<i>Retail (VWD)</i>	<u>7.05</u>	<u>7.05</u>	<u>7.05</u>	<u>7.05</u>	<u>7.60</u>
<i>Total Ready-to-serve</i>	7.25	7.25	8.58	9.16	9.71
<i>Sewer service charge per month³</i>	14.90	14.90	14.90	16.95	16.95

¹ Pump zone charges per unit of water represent the range of rates for six different zones.

² Changes to ready-to-serve charges applied to other meter sizes at the same rate of increase.

³ The sewer service charge disclosed above is for a single-family residence. Rates vary for other types of dwellings and businesses depending on demand. Changes in sewer service charges were at the same rate of increase for all customers as they were for single-family residences.

Water and sewer service rates have been restructured and refined over the years to reflect fair and equitable charges to District customers while recovering District costs and allowing for prudent operational reserves and capital facility improvement and replacement reserves.

- 11. Discuss the agency’s financial policies and practices for depreciation and replacement of infrastructure.

The District depreciates its fixed assets using the straight-line method with the following useful lives:

<i>Water transmission and distribution system</i>	<i>20 to 75 years</i>
<i>Wastewater system</i>	<i>10 to 50 years</i>
<i>Buildings</i>	<i>33 years</i>
<i>Transportation equipment</i>	<i>8 to 20 years</i>
<i>Field and shop equipment</i>	<i>5 to 20 years</i>
<i>Office equipment</i>	<i>10 years</i>

Approximately 9% of the water service revenue and 8% of the sewer service revenue is set aside in capital facility and equipment replacement reserves to fund the cost of replacement projects and purchases. The District’s Master Plan includes identification of projects.

Governance

- 1. Explain the composition of the agency’s governing body. Discuss whether board members/city council members are elected/appointed, at large or by district. Provide a three-year history of the election/appointment results for your agency. Identify the candidates and winner/appointee for each position subject to election/appointment.

The five member elected Board of Directors are each elected for four year terms. The terms are staggered so that two will stand election this November 2002 and the other three will stand election November 2004. Historically the Board was elected at large. Beginning with the year 2000, voters of the District voted to elect directors by Division.

The three-year history is as follows:

Candidates for the year 2000: Raymond Cruz, Margaret E. Ferguson, Trish Hannan, Dale Mason

Elected candidates – 2000: Raymond Cruz, Margaret E. Ferguson, Trish Hannan, Dale Mason

Appointed Director – 1999: Trish Hannan (replaced Terry Thielen)

Candidates for the year 1998: Paul Davy, Terry Thielen, Trish Hannan
Elected candidates - 1998: Paul Davy, Terry Thielen

- 2. Explain circumstances associated with resignations of elected and appointed officials during the past three years.

During the last three years there has only been one director resignation. Elected Director Terry Thielen submitted his resignation, by fax, on October 11, 1999, effective immediately following newspaper reports and a District Attorney investigation into Vallecitos Water District campaign statement issues and City of San Diego employment related issues.

3. Explain the compensation and benefit package provided to members of the governing body.

The Board of Directors are considered quasi-employees and are extended the same benefits package as all District Employees. The exception relates to the Directors (Davy & Hannan) who took office after July 1, 1994, and currently may not participate in the Public Employees Retirement System retirement program. Directors receive a per diem as currently set forth in Ordinance No. 130 (Exhibit M) and may receive \$150 per day for attending a meeting(s) not to exceed ten days per month. Reasonable expenses related to the attendance are prepaid/reimbursed. The benefits package includes Medical, Dental and Optical coverage and life insurance.

4. How frequently does the governing body of the agency meet? Provide a monthly summary of the number of meetings within the past three years.

The Board has regularly scheduled Board meetings on the first and third Wednesday's of each month beginning at 4:00 P.M. Additionally, special, adjourned, or workshop meetings may be scheduled as needed.

The three-year history of meetings per month is as follows:

1999: January 6 & 20; February 3 & 17; March 3 & 17; April 7 & 21; May 12 (Special due to May 5 meeting adjourned) & 19; June 2, 16 & Special Meeting on the 30; July 7 & 21; August 4 & 18; September 1 & 15; October 6 & 20; November 3 & 17; December 1 & 15

2000: January 5 & 19; February 2 & 16; March 1 & 15; April 5 & 19; May 3 & 17; June 7 & 21; July 5 & 19; August 2 & 16; September 1 (Special Meeting), 6 & 20; October 4 & 18; November 1, 3 (Special Meeting), & 15; December 6 & 20

2001: January 3 & 24 (Special due to January 17 meeting adjourned); February 2 (Special Meeting), 7 & 21; March 7 & 21; April 4 & 18; May 2 & 16; June 6 & 20; July 5 & 18; August 1, 15 & 20 (Special Meeting); September 5 & 19; October 3 & 17; November 7 & 21; December 5 & 19

2002: January 2 & 16; February 6 & 20; March 6 & 20; April 3 & 17; May 1 & 15;

5. How far in advance of meeting dates are meeting agendas made available to the agency's governing body and to the public? Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, advance notice, etc.?

All agendas for regular meetings are posted at least 72 hours in advance and mailed to individuals and businesses who have written requests for notice on file with the District. Additionally, the agenda is posted on the District's outdoor and indoor Bulletin Boards and Web Site. Meetings are accessible to the public and the building meets all American with Disabilities Act requirements. The Board Room can accommodate up to 125 people along with adequate parking for 59 vehicles plus 4 handicap parking spaces.

6. Explain agency rules, procedures, programs for public notification of agency operations, meetings, programs, etc. How is public participation encouraged, i.e., open meetings, access to staff, customer suggestion opportunities, etc?

Vallecitos Water District encourages community participation. All meetings (board and committee) are posted to the District's Web site, www.vwd.org, on the bulletin boards located in the main lobby and outside the main entry gate (public and special hearings are also noted in local papers as required by law). By publishing regular scheduled meeting times and locations on our Web site, quarterly newsletter and other special notices and publications throughout the year, the public is encouraged to attend District meetings on an ongoing basis. The District also coordinates its efforts with a number of other agencies. Agendas and the specific agenda item are mailed directly to the person(s) submitting items to go before the Board. At the beginning of the meeting, there is an oral communication announcement providing an opportunity for anyone to address the Board on items not on the agenda. Additionally, a person need only fill out a Request to Speak form in which to speak to the Board on any item on the agenda.

An open door atmosphere and willingness to provide public information and education is crucial. Some of the vehicles the District uses to keep our customer base informed are:

Public Notifications

- *Regular annual notifications, Door hangers, flyers, Major project information flyers, Water bill messages*

District Newsletter

- *Produced and mailed to all residences within the District on a quarterly basis*
- *Special publications on an as needed basis for breaking/important issues*

District Brochure

- *Mailed to all new customers and available to all - handed out with our speakers bureau program and at VWD's customer service counter.*

Web site

Displays

Lending Library

Miscellaneous Educational/Informational Brochures

- *Meadowlark Water Reclamation Facility, Know Your Soil, Xeriscape (several - some produced in-house, others from Sunset Books), Drip Irrigation, Composting, A Water-Wise Demonstration Garden for Your Business, Drought Survival Guide, Smart Water & Energy Use in the West, Nature's Way (about how wastewater treatment works for you), Water Gets a Second Chance. This list is not all inclusive of the educational materials the District hands out, but it is a good representation of some that are made available for our customers.*

Annual Reports

- *Budget, Water Quality Report (Consumer Confidence Report), Master Plan Update & Urban Water Management Plan (updated every five years)*

Telephone Hotlines

- *24/7 emergency line/service, Conservation Hotline, A Weather Information Line*

Video & Book Lending Library

- *Several books and videos on water, wastewater, landscaping, District business, etc.*

Public Hearings/Community Workshops

Open Houses at District Facilities

Tours

- *Regional Tours of Water/Wastewater Facilities, Local Tours of District/Other Water/Wastewater Facilities*

Citizens Advisory Committee (when needed)

Speakers Bureau

Special Community Events Participation

Conservation Projects

Wall of Fame (recognition of employees/District awards)

Single Subject Mini-Workshops (landscape, water demand management, etc.)

Recognition before Board of Directors (customer & employee)

7. List and describe any violations or investigations within the past three years related to the Ralph M. Brown Act and the Political Reform Act. In addition, include in your response any grand jury or law enforcement agency violations and investigations.

Since the formation of the District, there have been no violations or investigations related to the Ralph M. Brown Act or the Political Reform Act.

8. Is your agency a product of a governmental reorganization (consolidation, merger, etc.)? Explain opportunities and obstacles for future functional (departmental) or structural (consolidation, merger, etc.) reorganizations. Provide copies of any relevant studies that your agency has conducted on reorganization and discuss the outcome.

Vallecitos Water District exists pursuant to Section 30000 et seq. of the California Water Code and is not a product of any type of governmental reorganization. The District has absorbed two small Mutual Water Companies since its creation in 1955. Currently there are no ongoing opportunities related to any type of merger or reorganization. Consolidation discussions have taken place historically with the Vista Irrigation District (VID) which included a very preliminary analysis regarding

unification of staff utilizing natural attrition to reduce staff, along with reviewing the major capital facilities that could be mutually shared thus reducing capital costs related to expansion and operation of same. The discussions did not lead to any procedural steps initiating merger. Further, preliminary discussions with only incidental review have taken place with Rainbow Municipal Water District, Rincon del Diablo Municipal Water District and Leucadia County Water District. Contiguity of boundaries and possible consolidation of facilities led to these considerations. A number of informal discussions have also taken place over the years regarding the practicality of making the Encina Wastewater Authority a single wholesale/retail agency, strongly opposed by the coastal cities. The current adopted district sphere of influence recognizes the incorporation of specific lands historically served by VID and the master plan updates continue to work towards said incorporation of facilities and lands into the Vallecitos service area. Slow reorganization of the areas has been utilized, initiated by developing property with no wholesale attempt to initiate same. However, the current master plan update will include the consideration of total reorganization beginning with the "Boot Area" in the Twin Oaks Valley followed at some later date for the "Bennett Area" which will utilize the procedural learning curve of the "Boot Area."

There is a serious ongoing analysis related to exchanging equivalent sewer flows from gravity areas between the City of Escondido and Vallecitos Water District in order to maximize gravity efficiencies. This could allow for the shutting down of two existing lift station areas and one additional future pumping area that require energy and a much higher requirement of maintenance and operation. The prognosis is excellent that an agreement will be successfully negotiated between the entities.

9. Provide additional information that LAFCO should evaluate as part of the service review. If you believe LAFCO should obtain any additional information from other agencies, please list the information in your response.

Recognizing the very small percentage of Vallecitos lands within the City of Escondido and the incompatibility to inter-tie water or sewer systems, there does not appear to be additional issues for analysis or consideration. Pursuant to the most recent San Diego County Water Authority annual water rate comparison and the Black & Veatch annual sewer rate comparison, Vallecitos Water District has the next lowest combined monthly water and sewer charge within the county. That is not to say it has the lowest separate monthly water or sewer charge, but both are in the lowest quartile within the county.

Road Maintenance and Development

1. How many lane-miles of roads are maintained by your agency?
2. What is the average maintenance cost per lane-mile?
3. Is road maintenance subsidized by the general fund?
4. How are new roads financed?
5. What is the average Pavement Condition Index (PCI) of your agency's roadways?
6. What percentage of your agency's roads is above the PCI target minimum?
7. Discuss issues/problems/incompatibilities associated with the circulation element or maintenance standards of the agency with the circulation elements or maintenance standards of adjacent jurisdictions.

Time and Resources Necessary to Complete the RFI

Please specify the amount of staff time and associated costs expended by your agency to provide responses to the Request for Information (RFI).

**RESPONSES
TO THE
SAN DIEGO LAFCO'S
REQUEST FOR INFORMATION (RFI)
NORTH COUNTY INLAND
MUNICIPAL SERVICE REVIEW**

VISTA IRRIGATION DISTRICT

REQUEST FOR INFORMATION

Agency Profile

1. Agency Name, Address, and Website:
*Vista Irrigation District
1391 Engineer St.
Vista, CA 92083
www.vid-h2o.org*
2. District Principal Act (special districts only):
Response: Irrigation District Law – Section 20500 et. seq. of the California Water Code.
3. Incorporation/formation date: *September 11, 1923*
4. Services provided: *Potable Water*
5. Total number of employees:
Response: 95 budgeted positions (Currently there are 2 vacant positions and 4 temporary employees for a total of 97 employees, not including 5 elected officials)
6. Acreage or square miles within agency:
Response: Approximately 63,751 acres (21,316 acres within the District service boundary and 42,435 acres surrounding its local water supply at Lake Henshaw).
7. Total population within agency (specify source of information):
Response: Approximately 118,000 based on 2000 Census data received from SANDAG.
8. Please provide:
 - (a) Strategic Plan
Response: No specific strategic plan has been formally adopted by the District.
 - (b) Current Organization Chart
Enclosed
 - (c) Annual Report
Enclosed

(d) Mission Statement:

Response: The Mission of the Vista Irrigation District is to manage our available resources to meet the present and future water needs of our service area by providing a reliable supply of high quality water in an environmentally and economically responsible manner in an atmosphere of courtesy, integrity and quality of service.

(e) Copy of most recent adopted budget

Enclosed (Fiscal Year 2001/2002 Budget, Adopted June 20, 2001)

(f) Copy of most recent financial audit

Response: The most recent financial statement is included in the enclosed Annual Report.

(g) Copies of newsletters for past year

Response: The District does not publish a newsletter. A number of other mediums are used to provide information to the public. An Annual Report presents information about District activities as well as its financial position. The Consumer Confidence Report, which is distributed to all customers served by the District, provides water quality information as well as monitoring results. Through the web site, individuals can read about the District's history, view Board agendas and find out about Water Conservation Programs. Throughout the year, customers are provided with information about current activities via an on-hold telephone message, notices on their bills and press releases. Staff gives presentations on various water issues to service organizations, school children and other community groups. The District's participation in the California Special District Association's scholarship program and the North County Water Agencies Water Awareness poster contest provides another opportunity for public outreach to the community's youth. Lastly, facility tours are provided to educate individuals about water supply sources as well as water's journey to their tap.

If any of the above items are not available, please explain.

9. Agency Contact: *Brian Smith, Assistant Chief Engineer*

10. Approving Official's Signature:

All service review forms must be signed by city manager, district manager or current administrative head of agency.

Infrastructure – Facilities – and Services

1. How are infrastructure needs determined? If needs are addressed in the agency's Capital Improvement Budget or Master Plan, please provide copies of these documents.
Response: Copy of the VID Potable Water Master Plan dated, December 2000 is enclosed.
2. If additional or upgraded infrastructure is required to accommodate growth, how will it be financed?
Response: Financing for additional or upgraded infrastructure would be through capacity fees, grant funds, long term financing or a combination thereof.
3. Provide infrastructure upgrade and replacement schedules. Describe how the schedules are being met.
Response: Infrastructure and replacement projects are budgeted each fiscal year based on the needs identified by District operations and maintenance personnel and/or based on the facilities recommended in the District's Master Plan. Additionally the District has an ongoing main replacement program. Facilities needing replacement are identified and prioritized by several factors including age, material, leak history, location, number of services/fire hydrants on main, etc. Projects are included in each fiscal years capital budget and scheduled accordingly.
4. List and describe infrastructure deficiencies. Explain how deficiencies will be addressed; indicate if the deficiencies have resulted in any permit or other regulatory violations.
Response: Deficiencies have been identified and accommodated in the District's Potable Water Master Plan. These projects are prioritized and scheduled in upcoming fiscal year budgets. No deficiencies have resulted in any permit or regulatory violations.
5. Describe any capital facilities that are underutilized, or facilities that could be shared by another agency.
Response: The District is not aware of any such capital facilities.
6. How are service needs forecasted?
Response: Projected water demands are calculated based on future growth projections and land use water demand factors.
7. How are growth and population projections integrated with the agency's plans for future service needs?
Response: Water demands calculated from population projections and land use designations are analyzed using a computerized hydraulic analysis program to determine distribution system facility improvements and/or upgrades required to meet the increased demands. Improvements are determined based on several

distribution design criteria such as, maximum pipeline velocity and headloss, minimum and maximum allowable pressures and system storage requirements.

8. If a particular service is provided less than district-wide, provide a map showing the geographic area where the service is provided.
Response: The District is the Water Master for reclaimed water produced at the City of Vista's Shadowridge Water Reclamation Plant. Currently, the District delivers reclaimed water produced at the plant to the Shadowridge Golf Course, which is shown on the enclosed map.
9. Describe any inequities (variations) in service levels within your agency. Explain why the inequities exist.
Response: No significant inequities exist.
10. Identify areas within the agency that could be more efficiently served by another agency.
Response: The District currently provides or can provide service to all areas within its current boundary. There are two areas within the eastern portion of the District's boundary, located in the Twin Oaks Valley and Bennett Acres areas that were removed from the District's sphere of influence by LAFCO and included within the Vallecitos Water District's sphere of influence. While these areas can be served by Vallecitos, it is not a given that the service would be more efficient nor more reliable.
11. Identify areas outside the agency boundaries that your agency could provide service in an efficient manner.
Response: The District's Potable Water Master Plan only looks at providing service to areas within the District's current boundary. The District is unaware of any areas outside its current boundary that could be served in a more efficient manner.
12. List planned or pending development and jurisdictional boundary changes that may require agency services. Provide description and location.
Response: The District is unaware of any jurisdictional boundary changes that would affect District services.
13. Describe any joint power agreements or arrangements with other agencies regarding shared facilities, infrastructure, or services.
Response: The Escondido/Vista Filtration Plant is owned and operated under a Joint Powers Agreement between the City of Escondido and VID. The City of Escondido and VID also have a series of contracts regarding rights and transportation of local water from the San Luis Rey River.

14. Provide assessor parcel numbers or addresses of properties located outside the agency's jurisdictional boundaries that receive services from your agency. Identify the service(s) provided to the affected property(ies) and the date that service commenced.

Response: See enclosed list of Exchange Agreements for water service provided to customers outside of the District's boundaries.

Administrative – Management – Operations

1. What awards or recognition has the agency received?

Response: EXCELLENCE AWARD from the San Diego Business Journal for efficient electricity management; President’s Special Recognition Award from the ACWA-JPIA for achieving a low ratio of “Paid (injury) Claims and Case Reserves” to “Deposit Premiums”; ACWA “GOLD STAR” award for efficient water management practices’ Excellence Award from the Government Accounting Standards Board for the District’s early implementation of GASB 34; ACWA Water Management Award; AWWA Service to the Water Industry Award.

2. List the total number of employees in your agency by category (executive, management, administrative, professional, operational, etc.) number of vacant positions for the last three years and number of new hires each year for the last three years.

Response:

Employees by Category

Category of Employee	Total Employees Per Category
Executive	7
Management	12
Supervisory	6
Professional & Technicians	15
Administrative Support	21
Facilities, Construction & Water Resources	34
Total	95

Number of Vacancies and New Hires 1/1/99-12/31/2001

Year	1999	2000	2001
Vacancies (regular [not temporary] positions)	7	10	8
New Regular Positions		4	
New Hires (regular positions)	7	14	8

3. Describe staff reorganizations that have occurred within the preceding three years. Include pre- and post- organization charts.

Response: Only one reorganization took place during the period of 1998-2002. This reorganization was in response to regulatory changes in the water utility industry brought about by the Clean

Water Act of 1995. Under new regulatory requirements, employees engaged in activities involving water "quality" or "quantity" were required to be certified by the state. In response to these requirements, work teams were restructured to assure proper supervision of all activities involving water quality/quantity. Appropriate levels of state certification were mandated for all positions involved. In anticipation of labor market shortages of certified employees, new compensation structures were developed to effectively respond to issues involving recruitment and retention of highly skilled technicians in the construction, maintenance, water resources and engineering (inspections) functions of the organization. Approximately 30 state certified individuals received new pay ranges (primarily promotional). Organization Charts reflecting pre and post reorganization structures are enclosed.

4. Provide the number of terminations, resignations, and retirements that have occurred annually over the past three years for executive, management, administrative, professional, and clerical positions, etc.

Response:

Retirements by Category

Category of Employee	Calendar Year 1999	Calendar Year 2000	Calendar Year 2001
Executive			
Management	1	1	
Supervisory			
Professional & Technicians			1
Administrative Support			
Facilities, Const. & Water Resources			2
Total	1	1	3

Resignations by Category

Category of Employee	Calendar Year 1999	Calendar Year 2000	Calendar Year 2001
Executive			
Management			1
Supervisory		2	
Professional & Technicians	1	3	1
Administrative Support	2	1	1
Facilities, Construct & Water Resources	2	2	1
Total	5	8	4

(Answer 3 continued)

Terminations by Category

Category of Employee	Calendar Year 1999	Calendar Year 2000	Calendar Year 2001
Executive			
Management			
Supervisory			
Professional & Technicians	1		
Administrative Support			1
Facilities, Const. & Water Resources		1	
Total	1	1	1
Totals All Categories	7	10	8

5. Provide policies, rules or procedures that your agency has adopted that regulate communications between elected officials and employees.

Response: See enclosed RESOLUTION NO. 97-44

6. Describe the level that elected officials can be involved in administrative, management, and personnel matters. Describe how involvement has changed in the last three years.

Response: The Board sets policy on the administration of administrative, management and personnel matters. While the Board appoints the General Manager and Board officers/functionaries, it has delegated all appointing authority functions to the General Manager. Over the past three years, the Board adopted policies that have had the affect of delegating to the General Manager the final decision making authority in the due process termination of employees. The Board provides direction and authority to its negotiators and staff in matters pertaining to wages, salaries and terms of conditions of employment. The Board provides policy direction on staffing levels, accountability standards and organizational structures, but generally delegates the accomplishments of its directions to the General Manager or negotiators. (See enclosed Side letter of Agreement Between Vista Irrigation District and CALIFORNIA TEAMSTERS, etc.).

7. What administrative, management, and operation functions are provided to the agency by private companies or other public agencies? Explain any management efficiencies and/or cost avoidance opportunities associated with these arrangements.

Response: Auditing and legal services are outsourced. Auditors must be independent and it is believed that a "part -time" general

counsel is far less costly than having counsel on staff. Additionally, the District out sources various other services such as, water bill mailing, building and grounds maintenance and janitorial services.

8. Describe cooperative arrangements with other agencies that produce administrative, management and/or operational efficiencies.
Response: VID has interties with Oceanside, Rincon Del Diablo, Carlsbad MWD and Vallecitos WD to move water to and from each agency during emergencies and operational adjustments by any of the agencies. A formal arrangement is shared by VID and Vallecitos WD as well as numerous exchange agreements for water deliveries between the two agencies.

9. Describe policies covering employee and contractor performance incentives, both financial and otherwise.
Response: Employee performance incentives are limited to merit incentives for outstanding performance. Under the District's merit incentive program, employees may advance to the next step in a pay range, but not exceed the highest step of the range. The District generally has a five to seven step compensation system that establishes salaries via point factor, whole job ranking and market pricing compensation approaches. In addition, the District has employee recognition and safety incentive programs that provide modest awards, recognition and certificates to qualifying employees.

10. Explain agency policies and procedures pertaining to competitive bidding and sole source procurement. Provide a three-year listing and description of services provided to the agency on a sole source procurement basis. Identify the cost of each contract.
Response: The District's policies and procedures pertaining to competitive bidding and sole source procurement are included in the enclosed Operating Procedure No. 30 31 001, dated July 1, 1996. A three-year list and description of sole source procurements is enclosed.

Fiscal

1. Describe all revenue sources (i.e. property taxes, special taxes, service charges, fees, assessments, grants, etc.).
Response: Revenue sources include; water sales, service charges, fees, property rentals, investment income, and contributed capital.
2. Explain constraints associated with the agency's ability to generate revenue.
Response: None.
3. Provide and describe agency policies establishing limitations on the level of expenditures that staff may make without obtaining approval from the board of directors/city council.
Response: The District's policies establishing limitations on the level of staff expenditures are included in the enclosed Operating Procedure No. 30 31 001, dated July 1, 1996.
4. Provide an annual summary covering the past three years for legal expenditures. Also, provide a summary of expenditures associated with settling claims by employees or other parties during the past three years. Describe the justification for each expenditure.
Response: 1999 - \$173,341; 2000 - \$225,452; 2001 - \$176,503. All of these costs include costs to General Counsel and Special Counsel for a 32-year water rights litigation with 5 bands of Mission Indians along the San Luis Rey River. No expenditures for employee claims have been paid.
5. Indicate your agency's bond rating and provide a discussion of the rating.
Response: AAA rating from Standard and Poor.
6. Describe your agency's investment policies/practices.
Response: Investment Policy (Resolution No. 02-02) enclosed.
7. Describe your agency's policies and procedures pertaining to maintaining and establishing reserves/retained earnings. What is the ratio of undesignated/contingency/emergency reserves to annual gross revenues? In your discussion, indicate if your agency limits the amount of reserves/retained earnings that may be accumulated.
Response: Working capital reserves are limited to 20% of annual water sales. Emergency and contingency reserves are limited to 10% of fixed assets, net of accumulated depreciation.

8. Explain any variances within your agency regarding differing rates, fees, taxes, charges, etc.
Response: None.
9. Explain agency policies and procedures regarding fee rebates, tax credits or other relief provided to service users. Discuss any rebates, credits, etc., that have been issued during the last three years and the circumstances and conditions.
Response: The District paid off its general obligation bonds early and reduced customer's property taxes accordingly.
- The District, in conjunction with the Metropolitan Water District and the San Diego County Water Authority, offers several water conservation incentive programs including: Ultra-Low Flush Toilet Voucher Program; High Efficiency Clothes Washer Voucher Program; Homeowner Landscape Classes; Residential Water Use Survey; Professional Assistance for Landscape Management Program; Commercial, Industrial and Institutional Voucher Program.*
10. Describe and discuss any increases or decreases that your agency has implemented regarding rates, fees, taxes, or other charges during the past three years. Explain any opportunities for rate restructuring within your agency.
Response: There have been no water rate increases, except for pass-through costs from other government agencies. Fees have been adjusted based upon detailed cost studies of each service provided. Property taxes were reduced as noted in item 9 above.
11. Discuss the agency's financial policies and practices for depreciation and replacement of infrastructure.
Response: The District follows generally accepted accounting principles for depreciation. Depreciation funds are used for replacement of current infrastructure.

Governance

1. Explain the composition of the agency's governing body. Discuss whether board members/city council members are elected/appointed, at large or by district. Provide a three-year history of the election/appointment results for your agency. Identify the candidates and winner/appointee for each position subject to election/appointment.

Response: The Vista Irrigation District is governed by an elected Board of Directors consisting of five members. The District's service area is divided into five director divisions. One director is elected from each division and must reside in the division to which he or she is elected.

Election History: Incumbent directors for Divisions 1 and 3 were unopposed in the 1998 general election. Paul L. V. Campo, Division 1, and Linden R. Burzell, Division 3, were duly appointed by the Board of Supervisors on October 20, 1998 for four-year terms.

In the 2000 general election, Howard S. Williams, Division 4, was unopposed and declared elected. Richard L. Vásquez, Division 2, was opposed by Robert R. Mendez and Melville Capps. The declared winner for Division 2 was Robert R. Mendez. Jo MacKenzie, Division 5, was opposed by Bruce D. Strachan. Jo MacKenzie was re-elected as director for Division 5.

2. Explain circumstances associated with resignations of elected and appointed officials during the past three years.

Response: No resignations during the past three years.

3. Explain the compensation and benefit package provided to members of the governing body.

Response: Each Board Member receives compensation of \$135 per day for each day's attendance at meetings of the Board and for each day's service rendered as a member of the Board by request of the Board up to a maximum of ten (10) days in any calendar month. Board Members are eligible to participate in the District's health benefit package and receive reimbursement for travel expenses related to District approved business.

4. How frequently does the governing body of the agency meet? Provide a monthly summary of the number of meetings within the past three years.

Response: The Board of Directors regularly meets on the first and third Wednesday of each month. Special meetings and committee meetings are scheduled as needed.

Three-year history of regular and special Board of Directors meetings:

<u>1999</u>		<u>2000</u>		<u>2001</u>	
Jan.	2	Jan.	2	Jan.	2
Feb.	2	Feb.	2	Feb.	2
Mar.	2	Mar.	3	Mar.	2
April	2	April	2	Apr.	2
May	2	May	2	May	2
June	2	June	2	June	2
July	2	July	2	July	2
Aug.	2	Aug.	3	Aug.	3
Sep.	2	Sep.	2	Sep.	2
Oct.	2	Oct.	2	Oct.	2
Nov.	2	Nov.	2	Nov.	2
Dec.	1	Dec.	2	Dec.	2

5. How far in advance of meeting dates are meeting agendas made available to the agency's governing body and to the public? Are meetings accessible to the public, i.e. evening meetings, adequate meeting space, advance notice, etc.

Response: Agendas for all regular, adjourned, special and committee meetings are posted no later than 72 hours prior to the meeting pursuant to the Brown Act. Board members receive their agenda packets approximately 5 days prior to the scheduled Board meeting. All meetings are accessible to the public in the District's Board Room. There is currently seating available to accommodate up to 100 attendees.

6. Explain agency rules, procedures, programs for public notification of agency operations, meetings, programs, etc. How is public participation encouraged, i.e., open meetings, access to staff, customer suggestion opportunities, etc?

Response: The District prepares an annual Consumer Confidence Report that is mailed to all customers served by the District in June. The report provides water quality information and shows the results of monitoring for the prior calendar year (January through December). The District also uses press releases and messages on its bills to communicate upcoming events, as well as various programs available to customers served by the District. In the case of an emergency, the District employs one or more types of communication mediums, including press releases, telephone calls and door-to-door canvassing. The District's annual report provides information about the District, including its financial statements for a given fiscal year.

Agendas are available on the District web site by the Friday preceding the Wednesday Board meeting, which is in advance of the 72-hour Brown Act posting requirement. Each agenda includes

an opportunity for members of the public to address the Board on items that do not appear on the published agenda and are within the subject matter jurisdiction of the District. The Board does not take action on items not appearing on the posted agenda.

The District's on-hold telephone message provides detailed information on current programs, including names and phone numbers of appropriate staff available to provide customer assistance. In addition, the web site contains a list of departmental staff and their direct line phone numbers.

7. List and describe any violations or investigations within the past three years related to the Ralph M. Brown Act and the Political Reform Act. In addition, include in your response any grand jury or law enforcement agency violations and investigations.
Response: No violations or investigations.
8. Is your agency a product of a governmental reorganization (consolidation, merger, etc.)? Explain opportunities and obstacles for future functional (departmental) or structural (consolidation, merger, etc.) reorganizations. Provide copies of any relevant studies that your agency has conducted on reorganization and discuss the outcome.
Response: In 1993 VID consolidated with the Bueno Colorado Municipal Water District. Bueno ceased to exist and was dissolved in the process. VID is not aware of any opportunities or obstacles for future reorganizations.
9. Provide additional information that LAFCO should evaluate as part of the service review. If you believe LAFCO should obtain any additional information from other agencies, please list the information in your response.
Response: It appears to the District that vital information for completing a service area review would be cost of service, source and reliability of water supply and quality of water received and delivered.

Road Maintenance and Development

Response: This section does not apply to the Vista Irrigation District as road maintenance and development are the responsibility of other agencies within the District boundary.

Time and Resources Necessary to Complete the RFI

Response: The District estimates that approximately 50 hours of staff time has been expended to provide responses to the Request for Information.

Enclosures: Current Organization Chart
Annual Report
Fiscal Year 2001/2002 Budget, Adopted June 20,, 2001
VID Potable Water Master Plan dated, December 2000
Map of the Shadowridge Golf Course
RESOLUTION NO. 97-44
Side letter of Agreement Between Vista Irrigation District and
CALIFORNIA TEAMSTERS
Exchange Agreements
Investment Policy (Resolution No. 02-02)
Operating Procedure No. 30 31 001, dated July 1, 1996.
Sole Source Procurements, FY 2000-2002