



North County Agricultural Agencies Looking at Functional Consolidations to Improve Efficiencies and Cut Costs

May 10, 2011

Over the last several months, General Managers of the Fallbrook Public Utility District, Rainbow Municipal Water District, Valley Center Municipal Water District and Yuima Municipal Water District have been involved in informal discussions about the potential for achieving operational efficiencies and cost reductions through functional consolidations. Their preliminary findings will be reported to their respective Boards over the next few weeks.

These discussions have been motivated by the fact that each of these agencies has been impacted by rising costs and/or sharply declining agricultural water sales and has already taken significant internal steps to cut costs. “We all realize, however, that there is a limit to how far internal cost cutting in terms of staff reductions, deferred maintenance and replacement can be taken before we as water agencies start to seriously impair our ability to safely and effectively operate our respective water and wastewater systems” said Keith Lewinger GM of Fallbrook Public Utility District. As such, all the manager’s agreed that other approaches needed to be explored.

To date, at least at a conceptual level, the discussions have been positive with a number of areas identified where the four agencies could potentially combine or maximize existing resources to realize some increased efficiencies and economies. Some of the areas identified are: Backflow Testing; Engineering and Inspection Services; Equipment Sharing and Provision; Human Resources Administration; IT Administration and Support Services; Joint Procurement; Laboratory Services; Leak Detection; Meter Reading; Meter Testing; Safety Administration; SCADA Support; Specialized Expertise and Consultation; Traffic Control Services; Vehicle and Equipment Maintenance.

Out of these initial discussions has also come the concept of the four agencies forming a services joint powers authority (SJPA) which would provide the structural umbrella under which and through which these services could be coordinated or provided directly by the SJPA.

As envisioned, the SJPA could either coordinate service provisions between the agencies (all or a portion of the group) wanting to share a particular service, or the SJPA could actually provide the service directly if that proved to be advantages from a cost standpoint.

Each agency will be presenting this concept for review and reaction by their individual Boards in May. According to Gary Arant of Valley Center MWD, "The next step, if approved by our respective Boards, would be to expand the conceptual framework into a more complete and detailed document for formal consideration and ultimate adoption."

Assuming that the green light is given, then the participating agencies would start the process of identifying the various functional consolidations and service provisions, either through or directly by the SPJA, to be considered and approved by the Boards of each participating agency and then the SJPA Board. Results could be seen as early as FY 2011-12.

For further information, contact:

**Keith Lewinger, Fallbrook PUD
760-728-1125**

**Dave Seymour, Rainbow MWD
760-728-1178**

**Gary Arant, Valley Center MWD
760-735-4515**

**Lin Burzell, Yuima MWD
760-742-3704**