

MINUTES OF THE  
FISCAL POLICY COMMITTEE OF  
VISTA IRRIGATION DISTRICT

September 19, 2019

A Meeting of the Fiscal Policy Committee was held on Thursday, September 19, 2019, at the offices of the District, 1391 Engineer Street, Vista, California.

**1. CALL TO ORDER**

Chair MacKenzie called the meeting to order at 9:00 a.m.

**2. ROLL CALL**

Directors present: Chair MacKenzie and Director Vásquez.

Staff present: Brett Hodgkiss, General Manager; Ranae Ogilvie, Assistant Secretary of the Board; Randy Whitmann, Director of Engineering; Frank Wolinski, Director of Operations and Field Services; Marlene Kelleher, Director of Administration; Shallako Goodrick, Finance Supervisor; and Farrokh Shahamiri, Finance Associate.

**3. APPROVAL OF AGENDA**

The agenda was approved as presented.

**4. PUBLIC COMMENT TIME**

There were no members of the public present.

**5. DISTRICT FEES AND CHARGES OTHER THAN WATER RATES**

See staff report attached hereto.

General Manager Brett Hodgkiss stated that the District's fees and charges other than water rates are calculated to recover the District's costs, and the proposed revisions are necessary to properly account for changes in the cost of materials, labor, and outside services. He added that every other year the District does a comprehensive time and motion study as part of the review process, verifying the time and costs that goes into each fee; time and motion studies were performed as part of this year's review. Mr. Hodgkiss noted that many of the proposed changes are the result of materials and/or outside services needing to be added or deleted from the fee calculation. He provided a brief summary of the proposed revisions.

Mr. Hodgkiss reviewed the Construction Fees stating that the proposed increases to meter and service outlet related fees are due to the addition of the cost for importing and exporting materials as well as an increase in paving costs. He also reviewed the fire service related fees noting that the increase is due to the addition of the cost of importing and exporting materials and cost of traffic control as well as additional staff time needed to complete the work. Mr. Hodgkiss stated that the proposed changes to the 1" construction meter fees are the result of an increase in the cost of parts; there is a corresponding increase in the refundable amount.

Mr. Hodgkiss reviewed the Engineering Fees noting that the proposed changes to the Hydraulic Analysis with Schematic Layout, Statement of Cost, Water Availability Letter and Quitclaim/Cancellation of Recorded Documents fees all reflect an increase in the amount of staff time needed to perform these services. He stated that the primary factors influencing the proposed increase of the Capacity fees are the value of existing infrastructure and the cost of capital projects identified in the 2018 Water Master Plan.

Under Customer Service Fees, Mr. Hodgkiss noted that the proposed \$2 increase in the Late Payment fee is a reflection of increased staff time needed to respond to customer inquiries and process the late payments. He reviewed the Door Hanger fee stating that the increase is the result of the implementation of Senate Bill 998 (SB 998). Mr. Hodgkiss explained that SB 998 requires the District to translate its policy related to the discontinuance of water service for non-payment into five different languages and provide a copy of the policy (in all five languages) along with the door hanger; the proposed change reflects an increase in staff time related to this task as well as the cost to copy the policy (in all five languages). He pointed out two new Customer Service Fees associated with the implementation of SB 998, the Non-Payment Lock Hardship fee and the After Hours Unlock Hardship fee; only residential customers that provide documentation of household income that is 200% below the Federal Poverty Line (e.g. recipient of Cal WORKS, CalFresh, etc.) qualify for these fees.

Chair MacKenzie suggested that since SB 998 has led to new and increased District fees, staff should document all of the costs associated with implementing the new law for a year and provide a summary of the data collected to the Board.

Mr. Hodgkiss thanked Director of Administration Marlene Kelleher, Finance Supervisor Shallako Goodrick, and Finance Associate Farrokh Shahamiri and other staff for a job well done in reviewing and updating the fees and charges. The Committee members also commended staff for its thoroughness in the preparation of the fees.

The Committee recommended that the revised fees and charges other than water rates be presented for consideration by the Board at a public hearing on October 16, 2019. Mr. Hodgkiss said that staff will duly publish the notice of public hearing.

## **6. CAPITAL PROJECT FUNDING SOURCES**

See staff report attached hereto.

The Committee discussed various funding options for current and future capital projects, including the potential replacement of the Flume and the San Pasqual Undergrounding Project.

Mr. Hodgkiss stated that some of the funding sources the District will be considering are “Pay as you go” (PAYGO), State Revolving Fund Loans, grants and bonds. He added that the type of funding for each capital project will be determined by the cost of the project and whether it will be phased or constructed all at once.

Mr. Hodgkiss stated that if the Board’s decision were “To Flume”, funding sources/options for replacement of the Flume would largely be based on whether the project would be constructed in phases or all at once. If the project were to be constructed all at once, funding would likely come from a combination of cash, loans and grants; if the project were to be phased, funding would likely be on a PAYGO basis because costs could be spread over a longer period. He noted that the “To Flume or Not To Flume” decision

will drive the total amount of money needed for capital projects (on a go forward basis) and decisions on how and when they would be funded.

Mr. Hodgkiss stated that the San Pasqual Undergrounding Project is currently planned as a PAYGO project; however, if the project cost and/or timeline change, the funding source may have to change as well. The Committee discussed talking with its partner in the San Pasqual Undergrounding Project, City of Escondido, about different funding options.

The Committee discussed some of the possible grants that may be available to the District. Mr. Hodgkiss and Ms. Kelleher commented that the District has looked into working with a consultant to identify potential funding sources for large capital projects.

**7. COMMENTS BY COMMITTEE MEMBERS**

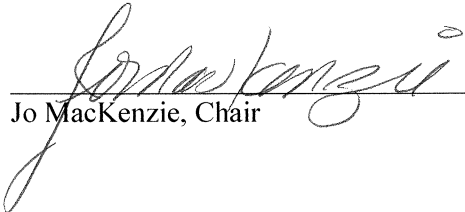
None were presented.

**8. COMMENTS BY GENERAL MANAGER**

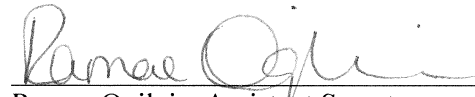
None were presented.

**9. ADJOURNMENT**

There being no further business to come before the Committee, at 10:16 a.m. Chair MacKenzie adjourned the meeting.

  
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Jo MacKenzie, Chair

ATTEST:

  
\_\_\_\_\_  
Ramae Ogilvie, Assistant Secretary  
Board of Directors  
VISTA IRRIGATION DISTRICT



**FISCAL POLICY COMMITTEE  
STAFF REPORT**

**Agenda Item: 5**

**Meeting Date:**  
**Prepared By:**  
**Reviewed By:**  
**Approved By:**

**September 19, 2019**  
**Shallako Goodrick**  
**Marlene Kelleher**  
**Brett Hodgkiss**

**SUBJECT:** DISTRICT FEES AND CHARGES OTHER THAN WATER RATES

**RECOMMENDATION:** Review the proposed revisions to the District's fees and charges and recommend that the Board of Directors conduct a public hearing for the purpose of receiving comments on revisions to the District's Rules and Regulations relative to fees and charges other than water rates.

**PRIOR BOARD ACTION:**

10/10/18 Conducted a public hearing. There were no public comments, written or oral, presented. Adopted Resolution No. 18-30 revising Rules and Regulations of the District relative to fees and charges other than water rates.

**FISCAL IMPACT:** The revenue produced by these fees and charges is designed to recover the costs associated with the services provided by the District. Adoption of the new miscellaneous fees and charges will increase revenue to the District if the number and type of transactions remain similar to those in the past. In Fiscal Year 2019, the District collected approximately \$2.5 million in revenues from miscellaneous fees and charges. Staff estimates an increase in annual fee revenues of approximately \$214,000.

**SUMMARY:** Every year, the District performs a nexus study to ensure that its fees and charges accurately reflect the actual costs of providing services and only those costs. As a result, the District's fees and charges need revision to properly account for changes in the cost of labor, materials, and outside services for the coming year. The fee summary schedule attached is a comprehensive list of fees and charges other than water rates. The proposed modifications to the fee summary result from changes in material costs, updated process analyses, changes in labor costs and costs of outside services.

The District's fees and charges are being presented to the Fiscal Policy Committee for review and comment prior to consideration by the full Board. After the Committee's review and recommendation, the Board will conduct a public hearing to receive comments prior to considering adoption of the revised fees and charges. The fees would become effective January 1, 2020.

**DETAILED REPORT:** Staff has performed detailed costs studies on all fees and charges. The proposed changes are necessary due to inflationary factors and the updated results of the very detailed analysis of the cost make-up of each fee. The proposed fees are calculated using current costs for labor, materials and outside services. Proposed changes to the Construction Fees are primarily related to the addition of or increase to the cost of outside services and increase/decrease in the cost of parts. Capacity fees are proposed to increase by 9.3%; the principal factor driving the adjustment is the incorporation of costs related to the District's infrastructure needs identified in the 2018 Water Master Plan. Staff will present the changes of individual fees at the Committee meeting. The proposed fees reflect the estimated cost of providing services in calendar year 2020.

**ATTACHMENT:** Proposed Fee Summary

# Vista Irrigation District

## PROPOSED FEE SUMMARY

### Effective: January 1, 2020

	Current Fee	Proposed Fee	\$ Change	% Change
<b>Construction Fees:</b>				
5/8" Meter Full Install	\$ 4,674	\$ 5,554	\$ 880	18.8%
5/8" Meter Hook On	665	683	18	2.7%
5/8" Service Outlet *	4,009	4,871	862	21.5%
3/4" Meter Full Install	4,672	5,551	879	18.8%
3/4" Meter Hook On	663	680	17	2.6%
3/4" Service Outlet *	4,009	4,871	862	21.5%
1" Meter Full Install	4,762	5,638	876	18.4%
1" Meter Hook On	753	767	14	1.9%
1" Service Outlet *	4,009	4,871	862	21.5%
1 1/2" Meter Full Install	7,030	7,755	725	10.3%
1 1/2" Meter Hook On	1,799	1,896	97	5.4%
1 1/2" Service Outlet *	5,231	5,859	628	12.0%
2" Meter Full Install	6,816	7,512	696	10.2%
2" Meter Hook On	1,585	1,653	68	4.3%
2" Service Outlet *	5,231	5,859	628	12.0%
Fire Hydrant Full Install *	13,429	17,071	3,642	27.1%
Fire Hydrant Upgrade *	6,200	6,011	(189)	(3.0%)
4" Fire Service Connection *	8,754	12,120	3,366	38.5%
6" Fire Service Connection *	9,228	12,634	3,406	36.9%
8" Fire Service Connection *	10,168	13,576	3,408	33.5%
10" Fire Service Connection *	11,609	15,198	3,589	30.9%
Air Vent, Blow Off, and Gate Valve for Fire Service	4,093	4,093	-	0.0%
Commercial Irrigation Service Conversion Fee	1,995	1,972	(23)	(1.2%)
Backflow Device Set-up	248	250	2	0.8%
Reset Pressure Valve	186	198	12	6.5%
1" Construction Meter Deposit With Backflow Device	618	1,024	406	65.7%
Refundable Amount	241	580	339	140.7%
1" Construction Meter Deposit With Spanner and Backflow Device	645	1,045	400	62.0%
Refundable Amount	264	598	334	126.5%
3" Construction Meter Deposit With Backflow Device	3,934	4,018	84	2.1%
Refundable Amount	2,714	2,772	58	2.1%
Unauthorized Taking of District Water	2,624	2,665	41	1.6%
Relocate Construction Meter	155	167	12	7.7%
Unauthorized Construction Meter and Backflow Device Move Penalty	319	322	3	0.9%
Subdivision Construction Meter Deposit	8,985	8,874	(111)	(1.2%)
Refundable Amount	6,925	6,832	(93)	(1.3%)
Meter Service Lateral Termination	1,690	1,958	268	15.9%
Temporary Offsite Service*	6,477	6,763	286	4.4%
Plus: Per Foot Frontage Charge	61	64	3	4.9%
Temporary Service Agreement Conversion*	7,104	7,457	353	5.0%
Plus: Per Foot Frontage Charge	61	64	3	4.9%
Temporary Service Agreement Conversion Excluding Tieback and Permit*	5,484	5,837	353	6.4%
Plus: Per Foot Frontage Charge	61	64	3	4.9%
Cancellation of Meter Application	259	261	2	0.8%
Meter Downsize from 3/4"	589	521	(68)	(11.5%)
Meter Downsize from 1"	589	521	(68)	(11.5%)
Meter Downsize from 1 1/2"	979	944	(35)	(3.6%)
Meter Downsize from 2"	1,171	1,190	19	1.6%

\* The cost of permit associated with this fee will be determined at the time of application. The cost of permit is dependent upon its jurisdiction.

# Vista Irrigation District

## PROPOSED FEE SUMMARY

### Effective: January 1, 2020

		Current Fee	Proposed Fee	\$ Change	% Change	
<b>Engineering Fees:</b>						
Hydraulic Analysis with Schematic Layout		\$ 579	\$ 782	\$ 203	35.1%	
Statement of Cost		393	470	77	19.6%	
Update Statement of Cost		207	209	2	1.0%	
Specifications Book Cost		69	70	1	1.4%	
Plan Check (per Sheet)		475	483	8	1.7%	
As-Built Deposit (per Sheet)		462	466	4	0.9%	
Refundable Amount (per Sheet)		462	466	4	0.9%	
Construction Contract		1,709	1,757	48	2.8%	
Water Availability Letter		255	292	37	14.5%	
Water Availability Letter Update		135	136	1	0.7%	
Private Ownership Agreement		812	818	6	0.7%	
Grant of Right of Way (to Public)		568	573	5	0.9%	
Quitclaim/Cancellation of Recorded Documents		627	695	68	10.8%	
Fire Flow Analysis (Only)		217	229	12	5.5%	
Annexation Fee (per Acre)		6,613	6,802	189	2.9%	
Annexation/Administration - VID Not Conducting Agency		2,234	2,262	28	1.3%	
Annexation/Administration - VID Conducting Agency		2,234	2,262	28	1.3%	
Annexation/Administration - VID Conducting Reorganization		2,234	2,262	28	1.3%	
Detachment Fee (per Acre)		-	-	-	-	
Detachment/Administration - VID Conducting Agency		2,234	2,262	28	1.3%	
Detachment/Administration - VID Not Conducting Agency		2,234	2,262	28	1.3%	
5/8" Capacity Fee	<i>Current # of meters:</i>	5,561	3,812	4,166	354	9.3%
3/4" Capacity Fee	<i>Current # of meters:</i>	16,832	5,718	6,249	531	9.3%
1" Capacity Fee	<i>Current # of meters:</i>	2,810	9,530	10,415	885	9.3%
1 1/2" Capacity Fee	<i>Current # of meters:</i>	1,315	19,060	20,830	1,770	9.3%
2" Capacity Fee	<i>Current # of meters:</i>	879	30,495	33,327	2,832	9.3%
3" Capacity Fee	<i>Current # of meters:</i>	55	60,991	66,654	5,663	9.3%
4" Capacity Fee	<i>Current # of meters:</i>	22	95,298	104,148	8,850	9.3%
6" Capacity Fee	<i>Current # of meters:</i>	15	190,596	208,295	17,699	9.3%
8" Capacity Fee	<i>Current # of meters:</i>	2	304,953	333,272	28,319	9.3%
10" Capacity Fee	<i>Current # of meters:</i>	1	438,371	479,079	40,708	9.3%
12" Capacity Fee	<i>Current # of meters:</i>	0	819,562	895,670	76,108	9.3%
Meter Service Lateral Inspection		599	635	36	6.0%	
RPDA Inspection		537	573	36	6.7%	
RPDA and Lateral Inspection Without Shutdown		1,281	1,323	42	3.3%	
RPDA and Lateral Inspection With Shutdown		2,149	2,198	49	2.3%	
Fire Hydrant Inspection		909	938	29	3.2%	
Fire Hydrant and Lateral Inspection without Shutdown		1,653	1,688	35	2.1%	
Fire Hydrant and Lateral Inspection with Shutdown		2,025	2,063	38	1.9%	

**Vista Irrigation District**  
**PROPOSED FEE SUMMARY**  
**Effective: January 1, 2020**

	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>\$ Change</u>	<u>% Change</u>
<b><u>Customer Service Fees:</u></b>				
Late Payment	\$ 13	\$ 15	\$ 2	15.4%
Door Hanger	54	65	11	20.4%
Non-Payment Lock	144	148	4	2.8%
Non-Payment Lock Hardship*	-	50	50	-
After Hours Lock or Unlock	164	166	2	1.2%
After Hours Unlock Hardship*	-	150	150	-
Broken Lock	164	166	2	1.2%
Pulled Meter	164	166	2	1.2%
Tax Roll	85	89	4	4.7%
Returned Check	36	37	1	2.8%
Voluntary Lock or Unlock	62	63	1	1.6%
Meter Bench Test	413	417	4	1.0%
5/8" Damaged Curb Stop	797	802	5	0.6%
3/4" Damaged Curb Stop	797	802	5	0.6%
1" Damaged Curb Stop	834	847	13	1.6%
<b><u>Water Conservation Fees:</u></b>				
Second Water Citation within 12 Months	\$ 218	\$ 220	\$ 2	0.9%
Third Water Citation within 12 Months	450	456	6	1.3%
Four or More Water Citations within 12 Months	682	692	10	1.5%
1" and Smaller Flow Restrictor Installation & Removal	290	292	2	0.7%
1½" and 2" Flow Restrictor Installation & Removal	551	554	3	0.5%

\*Hardship: 200% below the Federal Poverty Line



**FISCAL POLICY COMMITTEE  
STAFF REPORT**

**Agenda Item: 6**

**Meeting Date:  
Prepared By:**

**September 19, 2019  
Brett Hodgkiss**

SUBJECT: CAPITAL PROJECT FUNDING SOURCES

RECOMMENDATION: Discussion only.

FISCAL IMPACT: None.

SUMMARY: The Committee has requested that this item be added to the agenda to discuss potential funding sources for future capital projects.