

MINUTES OF THE
FISCAL POLICY COMMITTEE OF
VISTA IRRIGATION DISTRICT

September 15, 2020

A Meeting of the Fiscal Policy Committee was held on Tuesday, September 15, 2020, at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

Chair Vásquez handed the gavel to Committee member Sanchez and suggested that he act as Chair for the meeting. Acting Chair Sanchez called the meeting to order at 2:00 p.m.

2. ROLL CALL

Directors present: Chair Vásquez and Director Sanchez

Staff present: Brett Hodgkiss, General Manager; Lisa Soto, 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. Present via teleconference: Ramae Ogilvie, Assistant Secretary of the Board.

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 parts/materials, labor and outside services. He added that this year's proposed changes reflect inflationary factors and updated detailed analysis of the costs that make up each fee. Mr. Hodgkiss further noted that the projected revenues from the proposed fees would typically increase annual fee revenue by approximately \$15,000; however, due to the economic impacts of the COVID-19 pandemic (pandemic), it is not anticipated that annual fee revenue will increase in Fiscal Year 2021.

Mr. Hodgkiss reviewed the Construction Fees stating that the proposed adjustments were based primarily on changes to the costs of outside services and parts/materials. He noted that the change to the Fire Hydrant Upgrade fee was primarily due to an increase in the cost of parts that are associated with the upgrade. Mr. Hodgkiss also reviewed the Fire Service Connection fees noting that lower paving costs and the elimination of soil compaction test costs contributed to the decreases in these fees.

Mr. Hodgkiss reviewed the Engineering Fees stating that three new Engineering Fees covering the cost of Encroachment Permits, Joint Use Agreements, and Exchange Meter Agreements are being proposed.

He explained that these proposed fees are intended to ensure that the cost of these services are solely borne by the requestor.

Mr. Hodgkiss reviewed the Customer Service and Water Conservation fees noting that the proposed changes to the damaged curb stop fees are due to an increase in the cost of parts. He stated that the most commonly charged Customer Service Fee, the Late Payment fee, is staying the same. Mr. Hodgkiss reminded the Committee that there continues to be a moratorium on shut-offs associated with non-payment due to the pandemic; therefore, the Late Payment fee is not currently being assessed.

Director Sanchez inquired if the pandemic has impacted the availability of any parts and/or materials. Mr. Hodgkiss stated that the District has not experienced any difficulty obtaining parts/materials. Finance Supervisor Shallako Goodrick explained that early in the pandemic the District increased its inventory of items that are most frequently used to ensure ample supply in the event of supply/distribution chain disruptions.

Director Sanchez commented on the volume of development related items that come before the Board and asked for clarification on why annual fee revenue is not being generated from these projects. Mr. Hodgkiss explained that fees for some of the current developments were previously paid, and the projects that have recently been coming before the Board are for future dates and won't generate fee revenue for some time. He noted that the District did not collect any capacity fees for the last quarter of Fiscal Year 2020, which is a good indicator of how the pandemic is affecting local development. It is estimated that District fee revenues were approximately \$300,000 less than anticipated in the fourth quarter of Fiscal Year 2020 largely due to a significant reduction in revenue generated by Customer Service Fees as well as no capacity fees being collected. Director Sanchez acknowledged the difficulty of trying to forecast future quarters based on the current situation. Mr. Hodgkiss commented that staff used its experience during the most recent recession to forecast the potential financial impact of the pandemic on fee revenues.

Director Sanchez suggested describing all the work that goes into the preparation of the fees and providing a brief update on fees associated with the implementation of Senate Bill 998, which governs the discontinuation of water service, in the Fiscal Policy Committee report to the Board.

Mr. Hodgkiss thanked Director of Administration Marlene Kelleher, Finance Supervisor Shallako Goodrick, Finance Associate Farrokh Shahamiri and other staff involved 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 7, 2020. Mr. Hodgkiss said that staff will duly publish the notice of public hearing.

6. COMMENTS BY COMMITTEE MEMBERS

None were presented.

7. COMMENTS BY GENERAL MANAGER

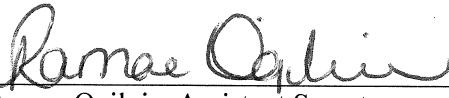
None were presented.

8. ADJOURNMENT

There being no further business to come before the Committee, at 2:37 p.m. Director Sanchez adjourned the meeting.


Richard L. Vásquez, Chair

ATTEST:


Ranae Ogilvie, Assistant Secretary
Board of Directors
Vista Irrigation District



**FISCAL POLICY COMMITTEE
STAFF REPORT**

Agenda Item: 5

Meeting Date:	September 15, 2020
Prepared By:	Shallako Goodrick
Reviewed By:	Marlene Kelleher
Approved:	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:

10/16/19 Conducted a public hearing. There were no public comments, written or oral, presented. Adopted Resolution No. 19-30 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 would increase revenue to the District slightly (about \$15,000) if the number and type of transactions remained similar to those in the past. However, due to the economic impacts of the COVID-19 pandemic, staff does not expect the number and/or type of transactions to remain similar in Fiscal Year 2021; therefore, it is not anticipated annual fee revenues will increase. The average individual fee increase is approximately 1%.

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.

Three new Engineering fees entitled for Encroachment Permit, Joint Use Agreement and Exchange Meter Agreement are proposed to ensure that staff time and recording fees not part of or compensated by other fees, related to permits, agreements and mapping be borne by the requestor.

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, 2021.

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. A majority of the changes in this fee study are related to either an increase or a decrease in the cost of outside services and/or parts. 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 2021.

ATTACHMENT: Proposed Fee Summary

Vista Irrigation District

PROPOSED FEE SUMMARY

Effective: January 1, 2021

	Current Fee	Proposed Fee	\$ Change	% Change
Construction Fees:				
5/8" Meter Full Install	\$ 5,554	\$ 5,652	\$ 98	1.8%
5/8" Meter Hook On	683	677	(6)	(0.9%)
5/8" Service Outlet *	4,871	4,975	104	2.1%
3/4" Meter Full Install	5,551	5,655	104	1.9%
3/4" Meter Hook On	680	680	-	0.0%
3/4" Service Outlet *	4,871	4,975	104	2.1%
1" Meter Full Install	5,638	5,770	132	2.3%
1" Meter Hook On	767	795	28	3.7%
1" Service Outlet *	4,871	4,975	104	2.1%
1 1/2" Meter Full Install	7,755	7,702	(53)	(0.7%)
1 1/2" Meter Hook On	1,896	1,857	(39)	(2.1%)
1 1/2" Service Outlet *	5,859	5,845	(14)	(0.2%)
2" Meter Full Install	7,512	7,534	22	0.3%
2" Meter Hook On	1,653	1,689	36	2.2%
2" Service Outlet *	5,859	5,845	(14)	(0.2%)
Fire Hydrant Full Install *	17,071	17,041	(30)	(0.2%)
Fire Hydrant Upgrade *	6,011	6,519	508	8.5%
4" Fire Service Connection *	12,120	11,723	(397)	(3.3%)
6" Fire Service Connection *	12,634	12,303	(331)	(2.6%)
8" Fire Service Connection *	13,576	13,256	(320)	(2.4%)
10" Fire Service Connection *	15,198	14,824	(374)	(2.5%)
Air Vent, Blow Off, and Gate Valve for Fire Service	4,093	4,035	(58)	(1.4%)
Commercial Irrigation Service Conversion Fee	1,972	1,954	(18)	(0.9%)
Backflow Device Set-up	250	252	2	0.8%
Reset Pressure Valve	198	200	2	1.0%
1" Construction Meter Deposit With Backflow Device	1,024	1,068	44	4.3%
Refundable Amount	580	615	35	6.0%
1" Construction Meter Deposit With Spanner and Backflow Device	1,045	1,088	43	4.1%
Refundable Amount	598	631	33	5.5%
3" Construction Meter Deposit With Backflow Device	4,018	4,138	120	3.0%
Refundable Amount	2,772	2,867	95	3.4%
Unauthorized Taking of District Water	2,665	2,708	43	1.6%
Relocate Construction Meter	167	168	1	0.6%
Unauthorized Construction Meter and Backflow Device Move Penalty	322	335	13	4.0%
Subdivision Construction Meter Deposit	8,874	8,827	(47)	(0.5%)
Refundable Amount	6,832	6,790	(42)	(0.6%)
Meter Service Lateral Termination	1,958	1,914	(44)	(2.2%)
Temporary Offsite Service*	6,763	6,718	(45)	(0.7%)
Plus: Per Foot Frontage Charge	64	62	(2)	(3.1%)
Temporary Service Agreement Conversion*	7,457	7,418	(39)	(0.5%)
Plus: Per Foot Frontage Charge	64	62	(2)	(3.1%)
Temporary Service Agreement Conversion Excluding Tieback and Permit*	5,837	5,798	(39)	(0.7%)
Plus: Per Foot Frontage Charge	64	62	(2)	(3.1%)
Cancellation of Meter Application	261	263	2	0.8%
Meter Downsize from 3/4"	521	525	4	0.8%
Meter Downsize from 1"	521	525	4	0.8%
Meter Downsize from 1 1/2"	944	950	6	0.6%
Meter Downsize from 2"	1,190	1,202	12	1.0%

* 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, 2021

		Current Fee	Proposed Fee	\$ Change	% Change
Engineering Fees:					
Hydraulic Analysis with Schematic Layout		\$ 782	\$ 788	\$ 6	0.8%
Statement of Cost		470	473	3	0.6%
Update Statement of Cost		209	211	2	1.0%
Specifications Book Cost		70	68	(2)	(2.9%)
Plan Check (per Sheet)		483	487	4	0.8%
As-Built Deposit (per Sheet)		466	469	3	0.6%
Refundable Amount (per Sheet)		466	469	3	0.6%
Construction Contract		1,757	1,771	14	0.8%
Water Availability Letter		292	295	3	1.0%
Water Availability Letter Update		136	137	1	0.7%
Private Ownership Agreement		818	825	7	0.9%
Grant of Right of Way (to Public)		573	577	4	0.7%
Quitclaim/Cancellation of Recorded Documents		695	700	5	0.7%
Encroachment Permit*		-	573	573	-
Joint Use Agreement*		-	412	412	-
Exchange Meter Agreement*		-	410	410	-
Fire Flow Analysis (Only)		229	231	2	0.9%
Annexation Fee (per Acre)		6,802	6,867	65	1.0%
Annexation/Administration - VID Not Conducting Agency		2,262	2,280	18	0.8%
Annexation/Administration - VID Conducting Agency		2,262	2,280	18	0.8%
Annexation/Administration - VID Conducting Reorganization		2,262	2,280	18	0.8%
Detachment Fee (per Acre)		-	-	-	-
Detachment/Administration - VID Conducting Agency		2,262	2,280	18	0.8%
Detachment/Administration - VID Not Conducting Agency		2,262	2,280	18	0.8%
5/8" Capacity Fee	<i>Current # of meters:</i>	5,560	4,166	4,205	39
				6,308	59
3/4" Capacity Fee	<i>Current # of meters:</i>	16,945	6,249	6,308	59
				10,514	99
1" Capacity Fee	<i>Current # of meters:</i>	2,865	10,415	10,514	99
1 1/2" Capacity Fee	<i>Current # of meters:</i>	1,323	20,830	21,027	197
2" Capacity Fee	<i>Current # of meters:</i>	879	33,327	33,644	317
3" Capacity Fee	<i>Current # of meters:</i>	55	66,654	67,288	634
4" Capacity Fee	<i>Current # of meters:</i>	24	104,148	105,137	989
6" Capacity Fee	<i>Current # of meters:</i>	13	208,295	210,275	1,980
8" Capacity Fee	<i>Current # of meters:</i>	2	333,272	336,440	3,168
10" Capacity Fee	<i>Current # of meters:</i>	1	479,079	483,632	4,553
12" Capacity Fee	<i>Current # of meters:</i>	0	895,670	904,181	8,511
Meter Service Lateral Inspection		635	641	6	0.9%
RPDA Inspection		573	578	5	0.9%
RPDA and Lateral Inspection Without Shutdown		1,323	1,334	11	0.8%
RPDA and Lateral Inspection With Shutdown		2,198	2,216	18	0.8%
Fire Hydrant Inspection		938	945	7	0.7%
Fire Hydrant and Lateral Inspection without Shutdown		1,688	1,701	13	0.8%
Fire Hydrant and Lateral Inspection with Shutdown		2,063	2,079	16	0.8%

*New Fee

Vista Irrigation District
PROPOSED FEE SUMMARY
Effective: January 1, 2021

	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Customer Service Fees:</u>				
Late Penalty	\$ 15	\$ 15	\$ -	-
Delinquent Door Hanger	65	66	1	1.5%
Delinquent Lock	148	153	5	3.4%
Delinquent Lock Hardship*	50	50	-	-
After Hours Lock or Unlock	166	167	1	0.6%
After Hours Unlock Hardship*	150	150	-	-
Broken Lock	166	167	1	0.6%
Pulled Meter	166	167	1	0.6%
Tax Roll	89	88	(1)	(1.1%)
Returned Check	37	36	(1)	(2.7%)
Voluntary Lock or Unlock	63	63	-	0.0%
Meter Bench Test	417	420	3	0.7%
5/8" Damaged Curb Stop	802	816	14	1.7%
3/4" Damaged Curb Stop	802	816	14	1.7%
1" Damaged Curb Stop	847	853	6	0.7%
<u>Water Conservation Fees:</u>				
Second Water Citation within 12 Months	\$ 220	\$ 221	\$ 1	0.5%
Third Water Citation within 12 Months	456	442	(14)	(3.1%)
Four or More Water Citations within 12 Months	692	662	(30)	(4.3%)
1" and Smaller Flow Restrictor Installation & Removal	292	295	3	1.0%
1½" and 2" Flow Restrictor Installation & Removal	554	552	(2)	(0.4%)

*Hardship: 200% below the Federal Poverty Line