



AGENDA

ADMINISTRATIVE AND FINANCE COMMITTEE MEETING Santa Fe Irrigation District

**Tuesday, August 10, 2021
9:00 a.m.**

Held at Santa Fe Irrigation District
5920 Linea del Cielo, Rancho Santa Fe, California 92067

CALL MEETING TO ORDER

IN-PERSON ORAL COMMUNICATIONS

Opportunity for members of the public to address the Committee (Government Code Section 54954.3) Individuals may address the Committee regarding items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Board, at any time. Comments and inquiries pertaining to items listed on the agenda will be received during the deliberation of the agenda item. Speakers are asked to state their name, address, and topic, and to observe a time limit of three (3) minutes each. Members of the public desiring to address the Committee are asked to complete a speaker's card, available at the table near the entrance and present it to the Board Secretary prior to the start of the meeting.

Instructions for Making Public Comment for Those Not Attending In-Person: Members of the public who wish to address the Committee under public comment or on specific agenda items **who are not in attendance at the meeting** may do so as instructed below:

You can send written comments to the Board Secretary for receipt **no later than 7:30 am on August 10, 2021** to be read during the appropriate portion of the meeting. Written comments must be limited to 300 words/ have a reading limit of 3 minutes for each comment and emailed to kjohnson@sfdwater.org, mailed to the attention of Kim Johnson, Board Secretary, SFID, P. O. Box 409, Rancho Santa Fe, CA 92067, or physically deposited in the District's payment drop box located in the public parking lot at the District's Administrative Office at 5920 Linea del Cielo, Rancho Santa Fe, California 92067.

ACTION AND DISCUSSION ITEMS

1. Approval of June 8, 2021 Minutes (pages 3-5)
2. Directors' and General Manager's Expense/Reimbursement (pages 6-7)

3. Monthly Investment Transaction Report (page 8)
4. Review District Administrative Code Articles 20 and 25 and Consider a Resolution Adopting Amendments to the District Administrative Code Articles 19 and 21 (pages 9-24)
5. Consider Authorizing the General Manager to Execute a Professional Services Agreement with Carollo Engineers, Inc.(pages 25-26)
6. Review Volumetric Rate Discount and Fees for Participation in the Permanent Special Agricultural Water Rate Program (pages 27-40)
7. Consider Designation of San Diego County Water Authority Refund for Local Water & Capital Improvement and Replacement Funds (pages 41-44)
8. Review Future Agenda Items (pages 45-49)

REPORTS

9. Administrative Services Report (verbal)
 - a. Payment Portal Update
10. Public Communications and Outreach Report (verbal)
11. General Manager's Report (verbal)
12. Committee Members' Comments (verbal)

INFORMATION ITEMS - None

ADJOURN

Next Scheduled Administrative and Finance Committee meeting: ***Tuesday, September 7, 2021 @ 9:00 a.m.***

Assistance for the disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call the Board Secretary at (858) 756-2424 for assistance at least three (3) working days prior to the meeting so the necessary arrangements can be made.

**MINUTES
ADMINISTRATIVE AND FINANCE
COMMITTEE MEETING
Santa Fe Irrigation District**

June 8, 2021
Santa Fe Irrigation District
5920 Linea del Cielo
Rancho Santa Fe, CA 92067

Due to the COVID-19 State of Emergency and pursuant waivers to certain Brown Act provisions under the Governor's Executive Orders, meetings of the Board and Board Committees will be conducted via Zoom Meeting (webinar/teleconference) and there will be no physical location from which members of the public may participate. Instead, the public may listen and/or view the meeting proceedings and provide public comment and comments on specific agenda items by following the posted instructions, including how to submit written comments for inclusion, instructions for viewing or listening to the meeting, and how to participate via Zoom. Additionally, these public comment procedures supersede the District's standard public comment policies and procedures to the contrary.

PRESENT: Vice President Frank Creede, Director Sandra Johnson, General Manager Albert Lau, Executive Assistant Kim Johnson, Public Communications Officer Teresa Penunuri, and members of the public were present. Also present was Goldie Herbon, San Diego County Water Authority.

CALL MEETING TO ORDER

Chairman Creede called the meeting to order at 9:00 a.m.

ORAL COMMUNICATIONS

None

ACTION AND DISCUSSION ITEMS

1. APPROVAL OF APRIL 6, 2021 MINUTES

Marlene King requested a correction to the minutes, Item 6, District Agricultural Program and Rate, stating she did not say that the District discontinued the program in 2015, but that she became aware of this in 2015. The Committee directed staff to verify the comments and approved the minutes as revised.

2. DIRECTORS' AND GENERAL MANAGER'S EXPENSE/REIMBURSEMENT

The Committee reviewed and approved the report as submitted.

Administrative and Finance Committee
June 8, 2021

3. MONTHLY INVESTMENT TRANSACTION REPORT

The Committee reviewed and approved the report as submitted.

4. REVIEW AND DISCUSS DISTRICT FINAL DRAFT FY22 BUDGET

ASM Gates utilized a PowerPoint presentation to explain the revisions from the prior Budget schedules presented to the Committee in April. He and GM Lau responded to questions from the Committee.

There was no action requested or required of the Committee. The full draft FY22 budget will be considered by the Committee at their May meeting.

5. CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AMENDMENT NO. 6 TO THE RECYCLED WATER PURCHASE AGREEMENT WITH THE SAN ELIJO JOINT POWERS AUTHORITY

ASM Gates presented the item and responded to questions from the Committee. The Committee discussed the proposed term, and change in the District's "take or pay" amount, and the potential for annual amendments to this 10-year agreement.

After discussion, the Committee agreed with staff's recommendation for approval and directed staff to move the item forward for full Board consideration at their regular May meeting.

6. FY22 RECLAIMED WATER FIXED & VARIABLE RATE ADJUSTMENTS

ASM Gates presented the item and noted it was for the Committee's information only.

There was no action requested or required of the Committee.

7. CREDIT CARD FEE REVIEW

Chairman Creede invited public comment.

Marlene King expressed concern that the District pays credit card fees for customers using those cards to pay their water bills and hoped the District will decide that customers assume those fees.

ASM Gates presented the item and responded to questions from the Committee.

After discussion, the Committee directed staff to develop a policy, effective July 1, 2021, to require customers utilizing a credit card for bill payment to pay a 2.53% fee, and present the policy to the full Board for their consideration.

Administrative and Finance Committee
June 8, 2021

REPORTS

8. ADMINISTRATIVE SERVICES REPORT

ASM Gates reported on financial impacts related to the COVID-19 pandemic and that the dollar amount of delinquent accounts has reduced from \$40,000 to \$13,000 as a result of staff follow up calls over the past two months.

9. PUBLIC COMMUNICATIONS AND OUTREACH REPORT

PCO Penunuri reported on the following:

- Information is being disseminated through the media regarding regional dry year and drought conditions
- The District purchased social media platforms for media/video to enhance outreach efforts
- In our commitment to help customers use water efficiently, the District is working with the San Diego County Water Authority on tailored landscape classes
- The District is closely tracking the drought declarations throughout the State
- A survey is planned for the end of May to ask customers their thoughts on how best to share the District's strategic planning initiatives
- The District will communicate any changes in the payment of credit card fees associated with utility bill payments
- A Request for Proposals has been issued for a new AMI customer portal

10. GENERAL MANAGER'S REPORT – GM Lau reported on the following:

- He thanked Director Johnson for her note regarding a future agenda items list
- A Request for Proposals has been issued for District Fees and Charges, working towards implementation of a revised ag water program and anticipates the work being completed within two to three months.

11. COMMITTEE MEMBERS' COMMENTS

Director Johnson thanked GM Lau for establishing a future agenda items list to help the Committee stay on track. She added that working with the Farm Bureau has been helpful on developing a new ag program at the District.

Chairman Creede thanked staff their work, especially appreciated their prompt action to address the Committee's concerns on credit card fees.

ADJOURN

Chair Creede adjourned the meeting at 3:28 p.m.

Frank Creede, Chairman

Administrative and Finance Committee
June 8, 2021

Santa Fe Irrigation District
Board of Directors Expenses
Paid During the Month of July 2021

	Paid During the Month					For July 1st to Present	Compensated Days of Service *				For July 1st to Present
	Per Diem Payments	Mileage & Parking	Travel & Meetings	Healthcare & Other Benefits	Total		Paid During the Month				
							Board	Committee	Other	Total	
Creede	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
Friehauf	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
***Hogan	450.00	0.00	0.00	505.90 **	955.90	955.90	0	1	2	3	3
Johnson	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
Menshek	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
	\$ 450.00	\$ 0.00	\$ 0.00	\$ 505.90	\$ 955.90	\$ 955.90					

* Compensated days of service may represent multiple meetings per day.

** Net of Director contribution toward expenditures

***Also represents SFID at San Diego County Water Authority & Metropolitan Water District delegate



U.S. BANCORP SERVICE CENTER
P. O. Box 6343
Fargo, ND 58125-6343

SANTA FE IRRIGATION DISTRICT

ACCOUNT NUMBER [REDACTED]
STATEMENT DATE 06-22-21
TOTAL ACTIVITY \$ 1,086.63

000013004 01 SP 0.560 106481357072953 P

ALBERT LAU
SANTA FE IRRIGATION DIST
PO BOX 409
RANCHO SANTA FE CA 92067-0409

"MEMO STATEMENT ONLY"
DO NOT REMIT PAYMENT

We certify that all purchases listed on this statement, unless annotated to the contrary, are true, correct and for official business only. Payment is authorized.

Cardholder _____ Date _____ Approver _____ Date _____

NEW ACCOUNT ACTIVITY					
POST DATE	TRAN DATE	TRANSACTION DESCRIPTION	REFERENCE NUMBER	MCC	AMOUNT
05-26	05-24	CALIFORNIA SPECIAL DISTRI 916-442-7887 CA PUR ID: 101097530294 TAX: 0.00	24202981145030030632764	8641	600.00
05-28	05-27	AMAZON.COM AMZN.COM/BILL AMZN.COM/BILL WA PUR ID: 112-8963693-26362 TAX: 0.00	24431061147083346256820	5942	31.75
05-28	05-27	AMZN RENTAL PURCHASE AMZN.COM/BILL WA PUR ID: 112-8963693-26362 TAX: 0.00	24692161148100572642159	5942	103.45
05-31	05-27	SOUTHWES 5262391287067 800-435-9792 TX FRIEHAUF/DANA DEPARTURE: 09-26-21 SAN WN U RNO WN J SAN	24692161149100334192963	3066	212.96
06-10	06-09	SWAMIS ENCINITAS BOULEVA ENCINITAS CA PUR ID: 7608401129 TAX: 0.00	24765011161091737000386	5812	46.61
06-14	06-11	SQ *RANCHO ROASTERS RANCHO SANTA CA PUR ID: 00011529215102195 TAX: 0.74	24692161163100761164007	5814	11.75
06-16	06-15	THE ORIGINAL PANCAKE H 760-9431939 CA PUR ID: Check: (1823) Rvc TAX: 4.94	24000971166862601947474	5812	80.11

1-10-100-5345
1-10-150-5345
1-10-100-5345
1-10-100-5271
1-10-100-5271
1-10-100-5271

BY:

Default Accounting Code:

CUSTOMER SERVICE CALL 800-344-5696	ACCOUNT NUMBER <div></div>		ACCOUNT SUMMARY	
	STATEMENT DATE 06-22-21	DISPUTED AMOUNT \$.00	PREVIOUS BALANCE	\$.00
SEND BILLING INQUIRIES TO: C/O U.S. BANCORP SERVICE CENTER, INC U.S. BANK NATIONAL ASSOCIATION P.O. BOX 6335 FARGO, ND 58125-6335	AMOUNT DUE \$ 0.00 DO NOT REMIT		PURCHASES & OTHER CHARGES	\$1,086.63
			CASH ADVANCES	\$.00
			CASH ADVANCE FEE	\$.00
			CREDITS	\$.00
			TOTAL ACTIVITY	\$1,086.63

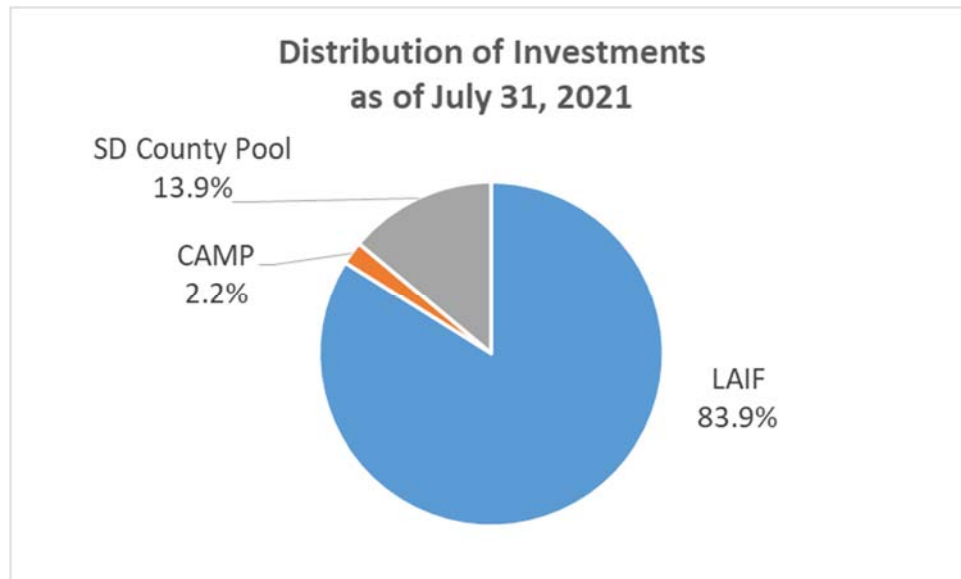
Investment Transaction Report for July 2021

The following is a list of the month's investment activity

Security/Investment Pool	Settlement Date	Activity	Yield to Maturity	Maturity Date	Principal Amount
LAIF	7/6/2021				(\$750,000)
LAIF	7/20/2021				(\$1,500,000)
Net Activity					(\$2,250,000)

Investment Funds*

	<u>As of 6/30/21</u>	<u>As of 7/31/21</u>
Local Agency Investment Fund (LAIF)	29,505,007	27,278,109
San Diego County Treasurer's Pool	4,515,267	4,522,501
<u>California Asset Management Program (CAMP)</u>	<u>710,179</u>	<u>710,210</u>
Total	\$32,980,423	\$32,510,820



*May include accrued interest not available currently for withdrawal

DATE: August 10, 2021

TO: Administrative and Finance Committee

FROM: General Manager

SUBJECT: Review District Administrative Code Articles 20 and 25 and Consider a Resolution Adopting Amendments to the District Administrative Code Articles 19 and 21

RECOMMENDATION:

It is the Staff recommendation that the Administrative and Finance Committee:

1. Review Articles 19, Assessments; 20, Procurement, 21, Capitalization; and 25, Interruption of Service; consider proposed revisions to Articles 19 and 21, and
2. Consider recommending the Board of Directors adopt a Resolution amending the District's Administrative Code; and
3. Discuss and take other action as appropriate.

DISCUSSION:

Provided as Attachment A are redline versions of Articles 19, Assessments, and Article 21 Capitalization, and unaltered versions of Articles 20, Procurement, and 25, Interruption of Service, of the District Administrative Code. The proposed changes to Article 21 reflect the basic requirements of the Surplus Land Act and the new Department of Housing and Community Development guidelines implementing the Surplus Land Act.

Article 19 is proposed for deletion in its entirety because it not legally required.

Articles 20 and 25 require no revision; however, staff recommends Committee, and ultimately Board evaluation, as part of the review process.

General Counsel has reviewed all proposed revisions.

All updates to the Administrative Code must be adopted by resolution. A draft Resolution is provided adopting these revisions as Attachment B.

FISCAL IMPACT:

There is no fiscal impact resulting from the review of this item.

Attachment A: Redline versions of Articles 19 and 21, Unaltered versions of Articles 20 and 25

Attachment B: Draft Resolution Adopting Amendments to the District Administrative Code

Prepared by: Kim Johnson, Executive Assistant

Approved by: Albert C. Lau, P. E., General Manager

~~ARTICLE 19.—ASSESSMENTS~~

~~SEC. 19.1 ASSESSMENTS~~

~~Prior to the passage of Proposition 13, which added Article XIII A to the California Constitution, Santa Fe Irrigation District (the District) also levied assessments for the purpose of paying a portion of the operations and other expenses of the District. Since the passage of Proposition 13, and implementing legislation by the State Legislature, the District receives only a portion of the general one percent (1%) levied on properties is determined pursuant to procedures established by the State Legislature and administrated by the County. These assessments are collected by the County of San Diego on behalf of the District.~~

ARTICLE 20. - PROCUREMENT

Sec. 20.1 General

The Santa Fe Irrigation District (District) shall procure required goods and services commensurate with acceptable quality at the lowest possible cost. Appropriate internal financial controls shall be exercised over all procurements. No procurement shall be authorized unless the goods or services to be procured have been approved pursuant to the District's budgetary process.

The General Manager shall execute and maintain administrative procedures to ensure that the procurement of all goods and services are properly documented as conforming to this policy, related internal financial controls, and all applicable administrative procedures.

The District shall not discriminate against any person or entity because of race, color, creed, sex, religion, national origin, disability, medical condition, sexual orientation, or any other protected category under federal, state or local law and shall place, in all procurement related solicitations or advertisements for formal procurement of goods or services, a statement that all qualified bidders will receive consideration without regard to color, creed, sex, religion, marital status, age, national origin, disability, medical condition, sexual orientation, or any other protected category under federal, state or local law, or words to that effect.

The General Manager may, at their discretion, delegate duties contained in this policy.

Sec. 20.2 Public Works Construction Contracts

Sec. 20.2.1 General

All District construction and capital improvements work in excess of \$35,000, unless performed by Santa Fe Irrigation District (the District) forces, shall be let by competitive bidding in accordance with Sections 20560-20570 of the Public Contract Code, unless otherwise approved by the Board, as in an emergency and in accordance with Public Contract Code section 22050.

Sec. 20.2.2 Acceptance of Bids

Acceptance of any bid over \$35,000 shall be by action of the Board. The Board reserves the right to reject all bids or to make such award as it deems to be in the best interest of the District, and in accordance with law.

The General Manager is authorized to accept any bids of \$35,000 or less, and reserves the right to reject all bids or to make such award in the best interest of the District, and in accordance with law.

Sec. 20.2.3 Relief of Bidders

A bidder shall not be relieved of their bid unless by consent of the Board as provided in Public Contract Code Section 5100 et. seq.

Sec. 20.2.4 Prequalified Bidders

The District reserves the right to prequalify bidders on public works projects.

Sec. 20.2.5 Change Orders

Sec. 20.2.5.1 Individual

The General Manager is authorized to approve change orders up to \$35,000 when a change in the scope of work occurs, as long as the project budget has sufficient funds.

Sec. 20.2.5.2 Cumulative Total

The General Manager is authorized to approve change orders as specified in Sec. 20.2.6.1 to a maximum cumulative total value of 15% of the contract for contracts under \$1 million and 7.5% of contracts over \$1 million or \$150,000, whichever is greater, without prior approval of the Board.

Sec. 20.2.6 Project Acceptance

Sec. 20.2.6.1 General

The Board of Directors shall accept all public works projects and authorize staff to file a notice of completion.

Sec. 20.2.6.2 Retention

In addition to withholding any amounts as liquidated damages, the District may, withhold 150% of the value of all disputed work items, including punch list work items, as disputed funds pursuant to the provisions of Public Contract Code section 7107. Retention shall be released in accordance with Public Works Contract Code Section 7107. The District may further withhold funds to sufficiently address stop notices at 125% of the amount of an outstanding Stop Notice pursuant to Civil Code Section 3186.

Sec. 20.3 Procurement of Goods, Services and Supplies

Sec. 20.3.1 District Procurement Approval Levels

The General Manager is authorized to make purchases of \$35,000 or less for goods, services and supplies. Purchases over \$35,000 require approval of the Board of Directors. The General Manager will designate levels of purchasing authority to appropriate District staff.

Sec. 20.3.2 Authorized Procurement Methods

Sec. 20.3.2.1 Purchase Orders

A purchase order is required for all purchases of \$500 or more.

Sec. 20.3.2.1 Open Purchase Orders

Open purchase orders are used when the District must purchase repetitive, specified services or items, or categories of items, from the same vendor over extended periods or on a monthly basis, or requiring numerous shipments.

Sec. 20.3.2.2 Professional Services Contracts

The District may contract for professional services in accordance with Government Code Section 4525 et. seq. All contracts awarded for professional services shall be awarded based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required.

Sec. 20.3.2.3 Procurement Card Purchases

Procurement card(s) may be used to purchase supplies, services and equipment. The General Manager shall determine the appropriate number of cardholders and the transaction type, amount and merchant limits of each cardholder.

Sec. 20.3.2.3.1 Procurement Card Purchase Review

The General Manager will review monthly the procurement card purchases made authorized District staff cardholders. The Finance Committee will review all procurement card purchases made by the General Manager as part of its monthly review of General Manager expenses and reimbursements.

Sec. 20.3.2.4 Petty Cash

The maximum petty cash expenditure allowed is \$100. Splitting purchases in order to utilize petty cash rather than standard purchasing procedures is not permitted.

Sec. 20.3.3 Emergency Purchases

In an emergency, the General Manager is authorized to waive any provision of this policy. Any waiver authorized hereunder will be documented as required by this policy and remedied by informing and retroactively obtaining the approval of the Board of Directors within sixty (60) days of the procurement or the end of the fiscal year, whichever is earlier. Notwithstanding anything to the contrary, the General Manager shall comply with the provisions of Public Contract Code section 22050, as applicable.

Sec. 20.3.4 Sole Source Purchases

Sole source purchases are seldom justified and are discouraged. A sole source purchase must be documented as to why only one supplier is acceptable. This documentation must be verified by the General Manager, who is responsible for making the final determination on sole source purchases.

ARTICLE 21 - CAPITALIZATION

SEC. 21.1 CAPITAL ASSETS

Capital assets are assets that are 1) used in the operations of the District, 2) have a probable future benefit either singly or in combination with other assets, and 3) have been the subject of a transaction that gives the District the right to or control of the asset. Capital assets may include land, land improvements, easements, water rights, buildings, building improvements, vehicles, machinery, equipment, works of art, historical treasures, infrastructure, and any intangible assets that have a useful life beyond a single reporting period. Capital assets do not include inventory held for use in unidentified future projects.

It is the purpose of this policy to provide clear guidelines for the financial treatment of capitalizable and non-capitalizable transactions.

SEC. 21.2 GENERAL PROVISIONS

Sec. 21.2.1 Definitions

Capital Equipment is equipment that 1) has a useful economic life of at least two years and 2) has a cost which meets or exceeds thresholds established by the District.

Expensed Equipment is equipment that has a useful economic life less than two years or has a cost below the District's threshold.

Sec. 21.2.2 Valuation Threshold

The minimum value of an asset that qualifies it to be capitalized is \$7,500. This is the per-unit cost of the asset. Groups of assets that cost more than \$7,500 in aggregate but not individually are not capitalizable except as noted in Section 21.2.5, Groups of Assets.

The cost of the unit is 1) the total cost of all invoices for the item, including transportation and installation charges and interest expense directly related to the unit's acquisition or making it ready for use plus 2) the net book value of any assets given in exchange plus 3) the present value of any liability incurred. If this information is not available, the cost is determined by an appraisal of the unit's value.

The initial development cost of making a decision as to which project to construct or acquire is not capitalizable. It is the responsibility of the employee overseeing the acquisition to provide all relevant data to Accounting.

If the asset is the subject of a federal award program that sets a maximum threshold, it will be capitalized according to the award program rules regardless of the District's threshold.

Sec. 21.2.3 Useful Life

The cost of an asset, less salvage value, is depreciated over its estimated useful life. Standard useful lives for groups of assets are as follows:

Land Improvements	20 years
Transmission & Distribution Lines	25-50 years

Filtration Plant	25-40 years
Hydroelectric Generation	25 years
Reservoirs	50 years
Buildings	20-50 years
Autos & Trucks	5 years
Construction & Maintenance Equipment	10 years
Office Furniture & Fixtures	5 years
Computer Equipment	3 years
Other Office Equipment	5 years

If there is a substantial reason for an asset to be given a non-standard useful life, it should be noted at the time the asset is acquired. Alternative useful lives may be derived from 1) general guidelines from a professional organization, 2) information from other governmental agencies, 3) internal experience, or 4) outside professionals such as engineers, architects, etc. The alternative method should take into consideration the relative quality of the asset, the intended use, and the environment in which it will be placed.

It is the District's practice to depreciate capital assets other than land over their useful life using the straight-line method. The amount to be depreciated is the asset's adjusted cost less an estimated salvage value. The salvage value is the value an asset is expected to have when it is no longer useful for its intended purpose. If there is a substantial reason for a more rapid method of depreciation to be applied to an asset, it should be noted at the time the asset is acquired.

Assets that are acquired or constructed for a specific short-term purpose and do not have an alternative future use are charged to expense at the time the costs are incurred.

Sec. 21.2.4 Procurement

The procurement process for capital and non-capital equipment is outlined in the Article 20 and in the District's Procurement Procedures.

Sec. 21.2.5 Groups of Assets

The threshold given in Section 21.2.2, Valuation Threshold, is generally applied to individual items. However, items that are acquired as a group and must be maintained as a group in order to perform their function may be capitalized as a single asset. For example, desks and tables may be acquired in bulk but their usefulness is not affected by dividing them up, so they cannot be considered a group asset. A telephone system, however, must be networked and would therefore be considered a group asset. Also, see Section 21.9, Computers and Software. Items purchased with the intention of adding to or replacing a part of an existing group asset must meet valuation and useful life thresholds separately from the group.

Sec. 21.2.6 Tagging and Identification

Every moveable physical asset valued over \$500 must have an asset tag affixed at the time it is acquired regardless of it being capitalized or not. This does not include items held in inventories such as meters, pipes, and valves. Assets that are the subject of federal grants or awards must be counted and listed by their custodial department at least every two years per federal regulations.

Sec. 21.2.7 Custodianship

The responsibility for tagging and for control of the asset rests with the department to which the asset is assigned. Each department will maintain a list of assets under its control to be updated at a minimum of once a year. Each department is also responsible for the proper use and care of all equipment in their custody.

Sec. 21.2.8 Impairment

A capital asset that has been impaired must have its cost written down to its remaining fair value, if that is less than its net book value. Circumstances under which an asset may become impaired include physical damage, changes in legal or environmental factors, technological change or obsolescence, changes in use, construction stoppage, and permanent removal from service. An asset is considered impaired when 1) the decline in service utility is significant and 2) the decline in service utility is unexpected.

Assets whose impairment is evidently temporary do not have their cost adjusted. If an asset's cost is reduced for impairment, no recovery gain may be taken should the impairment prove temporary. Impairment costs are calculated using restoration cost, service unit, or deflated depreciated replacement cost as outlined in GASB Statement Number 42.

SEC. 21.3 LAND AND EASEMENTS

Land is real property to which the District holds title and is capitalized, not expensed, but not depreciated. It is recorded at historical cost and remains at that cost until disposal. The cost of non-exhaustible land improvements, those which do not require maintenance or replacement, are included in the cost of land. Easements are an interest in land owned by another party and are not assigned a value unless paid for by the District, in which case they are treated as land.

Costs which are considered a part of the value of acquired land include, but are not limited to: the contract price, brokers' commissions, legal fees, ownership guarantee insurance, real estate surveys, exercised options, special assessments, the cost of building demolition net of salvage (see Section 21.6.3, Demolition Costs), lease cancellation costs, and subsequent costs for permanent improvements.

Costs which are specifically not capitalizable include services related to land not purchased and easements or rights of way that are limited as to time.

SEC. 21.4 LAND IMPROVEMENTS

Land improvements are costs to prepare land for its intended use and may include excavation, roads and driveways, sidewalks, drainage systems, power lines, sanitation systems, fencing, outdoor lighting, landscaping, and any other items that require maintenance or replacement. See Section 21.3, Land and Easements, as to cost of non-exhaustible improvements.

SEC. 21.5 CAPITAL IMPROVEMENT PROJECTS/CONSTRUCTION IN PROGRESS

The costs for District projects are accumulated over the period that construction occurs and, after the project is substantially complete, are assigned to a capital account as one or more assets. A

project is substantially complete when the Engineering Department has certified it is usable for its intended purpose; full completion and acceptance are not necessary for capitalization. Capital improvements are subject to the same valuation thresholds and useful life limitations as other assets. Depreciation is not recorded on projects until they are capitalized.

Costs which are considered a part of a project's capitalized value include internal and external labor, materials, tools and equipment purchased solely for use in the project, outside services, insurance premiums, and overhead. Interest expense net of interest earned that is incurred during construction and preparation for construction is also capitalizable. This is true regardless of whether the associated debt is related to the project, as outlined in Financial Accounting Standards Board Statement Number 34 and amended by Statement Number 62.

If construction is placed on hold, the accumulated costs will remain classified as construction in progress as long as completion is probable and construction will resume within a reasonable period of time. When construction is abandoned, the accumulated costs are expensed.

SEC. 21.6 BUILDINGS AND ADDITIONS

Sec. 21.6.1 General

A building is a permanent structure for the housing of persons, animals, plants, or personal property. An addition is a modification to the structure to create additional space within the building and is treated as a separate asset if it has a substantially different function from the previously existing space.

All costs of building construction are included in its valuation following the guidelines in Section 21.5, Capital Improvement Projects/Construction in Progress. Buildings acquired by purchase are valued at cost. See Section 21.10, Contributed Assets, for valuation of buildings acquired by contribution.

Elements of a building's valuation, in addition to those listed in Section 21.5, include: the original contract price, modifications to make it usable, planning and permitting, temporary structures used during construction, and demolition as outlined in Section 21.6.3. Valuation specifically excludes extraordinary costs such as those due to a strike, flood, fire, or other casualty.

Sec. 21.6.2 Acquired with Land

When land and buildings are acquired together, the total cost is allocated between the assets using an appraisal or fair market valuation unless it is planned to demolish the building at acquisition (see Section 21.6.3, Demolition Costs).

Sec. 21.6.3 Demolition Costs

If a decision has been made to demolish a building at the time it is acquired, the total acquisition cost and the cost of demolition is capitalized as a part of the land value. Any decision to demolish a building subsequently will result in the demolition cost being assigned to new construction on the same site and the net book value of the demolished building will be

expensed. If no new construction is intended, both the net value of the building and the cost of demolition are expensed.

SEC. 21.7 OWNED EQUIPMENT

Sec. 21.7.1 Non-Moveable Equipment

Non-moveable or fixed equipment consists of machinery, furnishings, and other items physically attached to a building. If acquired with the building, they are part of the building's value. If the equipment is acquired later, it may be treated as a separate asset.

Sec. 21.7.2 Accessory Equipment

Equipment that is closely related, but not attached, to a capital item and that is a part of the original order becomes a portion of the cost of the capital item. Accessory equipment acquired subsequent to the capital item has the capitalization criteria applied to it separately.

Sec. 21.7.3 Fabricated Equipment

Equipment that is assembled from parts by District staff may be capitalized if it meets the valuation and useful life thresholds. For purposes of valuation, the cost includes the total cost of the parts plus the fully-loaded value of the labor dedicated to assembly. Labor is not included in the cost if the amount is inconsequential or unknown. Networks of computing devices are generally not considered fabricated equipment as the devices may be used separately from the network, but see Section 21.9, Computers and Software.

If all of the parts are to be purchased from a single vendor, they may be listed on a single purchase order, following District Procurement Procedures. Larger projects and those including multiple vendors should be assigned a project number for tracking purposes. It is the responsibility of the department acquiring the equipment to notify the Accounting Department of the project's completion.

SEC. 21.8 LEASED EQUIPMENT

Sec. 21.8.1 Capital Leases

Capital leases are those in which 1) the title to the property passes to the District by the end of the term, 2) there is a bargain purchase option, 3) the term is 75% or more of the economic life of the property, or 4) the beginning present value of the payment stream is 90% or more of the excess fair value as outlined in Statement of Financial Accounting Standards Number 13. The property is capitalized at the net present value of the stream of payments and recorded in the same manner as other purchased assets.

Sec. 21.8.2 Operating Leases

Operating leases are any leases other than capital leases as defined in Section 21.8.1, Capital Leases. They are not capitalized and the payments are expensed in the period they are made.

SEC. 21.9 COMPUTERS AND SOFTWARE

In the case of computer equipment and software purchased as a group and for use as an integrated system, the assets may be considered for capitalization as a group. Items purchased separately or over an extended period of time may not be considered as a group.

SEC. 21.10 CONTRIBUTED ASSETS

Contributed assets are items whose ownership has been transferred to the District for no compensation. These are assigned a fair market value based upon the contributor's carrying value, values of comparable properties, or deflated current construction costs as obtained from the Engineering Department or outside experts. The estimated historical cost is then reduced by an appropriate amount of depreciation.

SEC. 21.11 MODIFICATIONS OF EXISTING ASSETS

Sec. 21.11.1 Enhancements

Acquisition and installation of component parts for the purpose of extending the life or capabilities of an existing asset are capitalized when the cost and useful life of the components exceed the established thresholds. Enhancements are adjustments to the value of the original asset.

Sec. 21.11.2 Repairs and Maintenance

Parts and labor that do not sufficiently extend the life or capabilities of an existing asset are expensed regardless of the magnitude of cost.

SEC. 21.12 DISPOSITION

Sec. 21.12.1 Sale, ~~or~~ Transfer, or Lease of Real Property

For any real property owned in fee simple by the District, the Board will consider and determine by resolution whether the property is no longer necessary for District purposes. The District may for valuable consideration sell or lease the property upon terms that appear to the Board to be in the best interest of the District. The manner of sale or lease shall be approved by the Board, subject to the procedures of the Surplus Land Act (commencing with Government Code Section 54220 *et seq.*) and the Surplus Land Act Guidelines issued by the California Department of Housing and Community Development, if applicable. Such procedures may include, but not be limited to, providing a written notice of availability of the property to certain public agencies and private entities as required by law, negotiating in good faith with interested agencies and entities, and notifying the California Department of Housing and Community Development prior to agreeing to sell or lease the property.

Prior to disposing of any real property, the planning agency having jurisdiction over the property shall be notified pursuant to Government Code Section 65402 of the intent of the District to dispose of the real property. Failure of the planning agency to report within 40 days after the matter has been submitted shall be conclusively deemed a finding that the proposed sale is in conformity with the adopted general plan. If the planning agency disapproves the sale, the disapproval may be overruled by the Board.

Sec. 21.12.2 Sale or Transfer of District Equipment

Sale of District equipment is prohibited without the express consent of the General Manager. Property over \$5,000 may only be sold by consent of the Board of Directors. ~~Sale of real property is subject to rules under Government Code Section 65402~~

Proceeds from the sale of equipment are used to offset the write-off of the net book value of the equipment and gains or losses are recognized on the difference. Assets that are transferred from one department to another must be reported. All available information on the asset being sold or transferred must be communicated to the Accounting Department.

Sec. 21.12.2 Trade-in

Trade-ins of existing equipment for the purpose of obtaining other equipment are subject to the same limitations as sales under Section 21.12.1, Sale or Transfer. The net book value of the asset to be traded becomes a part of the purchase price of the new asset. All available information on the asset to be traded must be communicated to the Accounting Department.

Sec. 21.12.3 Lost or Stolen

Immediately upon discovery that equipment has been lost or stolen, it must be reported to Administration. All available information on the asset must be subsequently communicated to the Accounting Department as soon as possible. Lost or stolen equipment is written off when recovery is determined to be unlikely.

ARTICLE 25. - INTERRUPTION OF SERVICE

SEC. 25.1 NOTICE OF INTERRUPTION

In case of necessity, water may be shut off from Santa Fe Irrigation District's (the District) mains and conduits, but such stoppage will be for the shortest time possible. Whenever possible, customers will be notified at least 24 hours in advance of such action.

SEC. 25.2 EMERGENCY INTERRUPTION

In case of an emergency, water service may be interrupted without notice.

SEC. 25.3 CUSTOMER RESPONSIBILITY

The District will not be responsible for the safety of boilers, hot water tanks and other facilities or appliances on the premises of any customer due to interruption of service. Customer shall be responsible for shutting off the gas or electricity to hot water tanks and to take such steps as may be appropriate to protect other facilities and appliances.

ATTACHMENT "B"

RESOLUTION NO 21-__

RESOLUTION OF THE BOARD OF DIRECTORS OF SANTA FE IRRIGATION DISTRICT ADOPTING AMENDMENTS TO THE DISTRICT ADMINISTRATIVE CODE – ARTICLES 19, 20, 21, and 25

WHEREAS, the Santa Fe Irrigation District (“District”) is an irrigation district organized and existing pursuant to the Irrigation District Law, commencing with Section 20500 of the California Water Code; and

WHEREAS, pursuant to Water Code section 22075, the District may do any act necessary to furnish sufficient water in the District for any beneficial use; and

WHEREAS, to facilitate the District’s ability to furnish sufficient water for beneficial use, the District has, from time to time, adopted rules and regulations regarding the operation and administration of the District; and

WHEREAS, the District has compiled the rules and regulations in an Administrative Code; and

WHEREAS, the District has revised the Administrative Code on numerous occasions; and

WHEREAS, the District has reviewed and desires to revise certain Articles of the Administrative Code, as indicated in Exhibit “A,” attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Fe Irrigation District as follows:

1. The matters set forth in the recitals to this Resolution are true and correct statements.
2. The amendment of the Administrative Code is not subject to the California Environmental Quality Act.
3. The Santa Fe Irrigation District Administrative Code, Articles 19, 20, 21, and 25, are amended as set forth in Exhibit “A,” attached hereto and incorporated herein.
4. This Resolution shall take effect immediately.

PASSED, ADOPTED, AND APPROVED at a regular meeting of the Board of Directors of the Santa Fe Irrigation District held on the 19th day of August 2021 by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Michael T. Hogan, President

ATTEST:

Albert C. Lau, P. E., Secretary

Seal:

DATE: August 10, 2021

TO: Administrative & Finance Committee

FROM: General Manager

SUBJECT: Consider Authorizing the General Manager to Execute a Professional Services Agreement with Carollo Engineers, Inc.

RECOMMENDATION:

It is the Staff recommendation that the Administrative & Finance Committee:

1. Recommend Board of Directors authorize the General Manager to execute a professional services agreement with Carollo Engineers, Inc., for \$42,907; and
2. Take other action as appropriate.

DISCUSSION:

Santa Fe Irrigation District maintains a list of various fees that are subject to California Proposition 26; including development, annexation, capacity, and other fees. These fees are charged to recover specific costs incurred by the District. Proposition 26 language defines these fees as:

- *A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.*

Additionally, Proposition 26 puts the burden of proof on the agency that charges these fees that they are proportionate to costs incurred, as follows:

- *The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.*

Based on this, Staff committed to reviewing these fees for appropriate cost recovery every three years. Previously, the Board approved an update to these fees in August 2018; therefore, Staff issued a request-for-proposal (RFP) to update these fees through six separate task orders. Based on Staff review of the responses to the RFP, Carollo Engineers (Carollo) was selected as the most responsive bidder in May 2021.

Two of these six tasks were for the review of the District's rate (Task 4) and fee(s) (Task 6) to comply with the San Diego County Water Authority's Permanent Special Agricultural Water Rate (PSAWR) and Proposition 26, respectively. Based on Board direction that implementation of the PSAWR program should be completed as-soon-as feasible, Staff authorized Carollo to begin Task 4 & 6 immediately. As these tasks are being completed, Staff will begin working with Carollo on Tasks 1-3 and Task 5. However, to complete these tasks, the Board needs to authorize the full contract with Carollo for \$42,907 for all tasks, as shown in their RFP cost estimate as follows (as this exceeds the General Manager's signing authority of \$35,000).

Cost Estimate

Santa Fe Irrigation District Update and Development of District Fees and Charges		Jennifer Ivey Project Manager	Mark Panny Lead Analyst	Kim Lightner Analyst	Alex Bugbee QA/QC	Administrative Support	TOTAL
TASK		\$297	\$190	\$164	\$210	\$115	
BASIC SERVICES							
Task 1: Review and Calculate Annexation Fees	2.0	4.0	8.0	1.0	-		\$2,876
Task 2: Review and Calculate Capacity Fees	4.0	6.0	12.0	1.0	-		\$4,506
Task 3: Update Miscellaneous Fees	8.0	16.0	32.0	2.0	-		\$11,084
Task 4: Calculate Discount for PSAWR Participants	6.0	12.0	20.0	1.0	-		\$7,552
Task 6: Reports and Meeting Attendance	16.0	12.0	24.0	4.0	4.0		\$12,268
Total Basic Services	36.0	50.0	96.0	9.0	4.0		\$38,286
OPTIONAL SERVICES							
Task 5: Develop Fee for SDCWA PSAWR Program	4.0	6.0	12.0	1.0	1.0		\$4,621
Total Optional Services	4.0	6.0	12.0	1.0	1.0		\$4,621

**Note: The proposed scope of work and fee assumes that all meetings will take place virtually via video conference.*

Staff will then begin work with Carollo on these remaining tasks & bring the results back to the Administrative & Finance Committee when completed for discussion and proposed recommendation for Board approval.

FISCAL IMPACT:

Sufficient funding was included in the Administrative Department's FY22 Budget to complete this Proposition 26 review.

Prepared by: Seth M. Gates, Administrative Services Manager
 Approved by: Albert C. Lau, P.E., General Manager

DATE: August 10, 2021

TO: Administrative & Finance Committee

FROM: General Manager

SUBJECT: Review Volumetric Rate Discount & Fees for Participation in the Permanent Special Agricultural Water Rate Program

RECOMMENDATION:

It is the Staff recommendation that the Administrative & Finance Committee:

1. Review the volumetric discount & program details for the Permanent Special Agricultural Water Rate; and
2. Take other action as appropriate.

BACKGROUND:

The San Diego County Water Authority (SDCWA) established the Transitional Special Agricultural Water Rate (TSAWR) in 2008, which allowed member agency customers to receive a discounted price on their agricultural water use in exchange for a lower level of water supply reliability. The District did not participate in TSAWR and could not subsequently join the program; however, due to a combined effort from SDCWA to offer competitive agriculture water waters & increasing interest from member agency customers to re-open the program, the Permanent Special Agricultural Water Rate (PSAWR) was established.

Member agencies who participated in TSAWR could roll over existing customers into the PSAWR program effective January 1, 2021. Other member agencies (including the District) who did not participate in TSAWR could begin enrolling customers in the PSAWR program effective July 1, 2021. In anticipation of this July 1, 2021 enrollment date, District Staff updated the Administrative Code to reflect necessary changes to participate in the PSAWR program and initiated the process to develop the appropriate fee(s) to ensure cost recovery for the program. This memo outlines the basis for these fees to properly administer the PSAWR program for the District.

DISCUSSION:

Costs associated with participation in the PSAWR include re-programming the District's customer billing system, mandatory monthly reporting to SDCWA to receive the program discount, and annual validation of customer eligibility & audit requirements, among others. These program costs were not included in the District's cost-of-service / rate setting process in 2019, which could have been recovered through an incremental charge to participating customers. However, as these costs

were not envisioned in the rate setting process, these costs are necessary to be recovered via imposed fees under California Proposition 26; whose language defines these fees as:

- *A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.*

Additionally, Proposition 26 puts the burden of proof on the agency that charges these fees that they are proportionate to costs incurred, as follows:

- *The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.*

In compliance with Proposition 26, District Staff engaged Carollo Engineers (Carollo) to complete a fee study for customer participation in the PSAWR program in addition to validating what the volumetric discount afforded to a customer would be for participation in exchange for the lower level of supply reliability.

Volumetric Discount

The discount per HCF for participation in the PSAWR program was evaluated by Carollo based on the reduced level of service from SDCWA. As outlined in Attachment A, Carollo determined that the volumetric discount for participation in the PSAWR program currently is \$1.20 per HCF for FY22. Based on the District's current rate of \$6.11 per HCF for agricultural water use, the PSAWR rate charged to customers would be a uniform rate of \$4.91 per HCF.

PSAWR Fees

For compliance with Proposition 26, Carollo worked with District Staff to determine the requirements for participation in the PSAWR program, the cost associated with these requirements, and how to properly assess PSAWR customers for recovery of these costs. Carollo's findings are outlined in Attachment B, titled "Permanent Special Agricultural Water Rate (PSWAR) Program Fee".

There are two separate costs that were defined for participation in the PSAWR program: 1.) an application fee and 2.) a bi-monthly charge for continued participation. The application fee is outlined in section 1.2.1 of Attachment B, which is a fee to recover one-time costs associated with approximately 45 minutes of Customer Service Representative II time to ensure that the customer is on the appropriate grower's list for PSAWR eligibility, create a customer file to be audited by SDCWA, and re-program the customer's account in the District's billing system. At the fully-loaded rate (salary and benefits) of \$45.50 per hour, these 45 minutes total \$34.13 – which Staff would recommend the Board round-down to \$34 for simplification - to be paid to the District with the submission of SDCWA's and District's (to-be developed) application forms.

Customer Application Review Task	Staff	Hourly/Loaded	Hours	Total \$
Review customer on grower's list	Customer Service Rep II	\$ 45.50	0.25	\$ 11.38
Review customer application & file accordingly for SDCWA review	Customer Service Rep II	\$ 45.50	0.25	\$ 11.38
Program customer as Ag/SFR/PSAWR in Springbook	Customer Service Rep II	\$ 45.50	0.25	\$ 11.38
Total One-Time Fixed Cost per Customer		\$ 136.50	0.75	\$ 34.13

The bi-monthly charge is outlined in section 1.2.2 of Attachment B, which is a fee to recover ongoing costs associated with SDCWA requirement compliance to maintain the District & customer eligibility in the program. The majority of costs associated with continuing compliance are for monthly reporting on District-wide and PSAWR customer water use. Meter reads will have to be done monthly & all at the same time (the District has four rotating potable water billing cycles that do not have the same billing timeline, so this is a cumbersome task even with AMI) for PSAWR customers & all potable water customers in the District. This monthly reporting will require approximately 4 hours of Customer Service Representative II time to pull all reads at the fully-loaded rate of \$45.50 per hour. This will also necessitate approximately 3 hours of the Administrative Service Manager's time to review & complete all information in the monthly SDCWA report (as shown in Attachment C) at the fully-loaded rate of \$119.60. This monthly charge totals \$6,489.60 per year, shown as follows.

Process	Staff	Hourly/Loaded	Hours	Total Cost
Completion of monthly certification	Customer Service Rep II	\$45.50	4	\$182.00
	Administrative Services Manager	\$119.60	3	\$358.80
A) SDCWA Monthly Reporting Total				\$540.80
B) Annual Total for SDCWA Monthly Reporting (A x 12 months)				\$6,489.60

The District is also required to complete annual reporting & site verification to maintain PSAWR program eligibility. This annual reporting includes SDCWA staff visiting two District PSAWR enrolled customers (chosen at random by SDCWA) to do a site verification, reviewing applications and documentation maintained by the District, and an annual certification that is the same as the monthly certification shown in Attachment C. The time associated with each of these task is: site visit will require 3 hours for a Utility Worker II for one site visit (6 hours total) at a fully-loaded rate of \$45.50 per hour; 15 minutes of Customer Service Representative II time to provide customer file & information at a fully-loaded rate of \$45.50 per hour; and 3 hours of Administrative Service Manager's time to review & complete all information in the annual SDCWA report (as shown in Attachment C) at the fully-loaded rate of \$119.60. This totals \$643.18, shown as follows.

Process	Staff	Hourly/Loaded	Hours	Total Cost
Completion of annual certification	Customer Service Rep II	\$45.50	0.25	\$11.38
	Administrative Services Manager	\$119.60	3	\$358.80
Annual site visits	Utility Worker II	\$45.50	6	\$273.00
C) SDCWA Annual Reporting Total				\$643.18

The total monthly / annual compliance costs for the program is \$7,132.78. District Staff has made an assumption that 40 customers will be participating in the PSAWR program, which is used to then determine the individual customer charge to recoup this amount. Based on this assumption, the charge per customer would be \$178.32, which would be recovered through a bi-monthly charge on each PSAWR customer's bill of \$29.72. Staff recommends that the Board round down this number to \$177 per year or \$29.50 per bi-monthly bill for simplification.

Process	Staff	Hourly/Loaded	Hours	Total Cost
D) SDCWA Reporting Total (B+C)				\$7,132.78
E) Number of SFID PSAWR Eligible Accounts				40
F) Bi-Monthly Fixed Cost per Account (D ÷ E ÷ 6 billing cycles)				\$29.72

PSAWR Customer Billing

The bi-monthly billing for a PSAWR customer will be dependent on their classification as an agricultural or single-family residential / agricultural customer, which is based on their current classification with the District. There will be three charges for each customer on their bi-monthly bill: 1.) fixed meter charge, 2.) volumetric charge, and 3.) PSAWR fee.

The fixed meter charge will be based on the District's currently adopted rate for the customer's meter size. Agricultural only customers will have a lower meter fee as adopted in the current cost-of-service due to no fire protection component, while single-family residential customers who participate will still be charged the single-family rate for their meter size as this fire protection component / charge still needs to be maintained.

The volumetric charge for agricultural customers only, will be the uniform rate of \$4.91 per HCF. As detailed in the Board adopted revisions to section 12 of the District's administrative Code, single-family residential customers who participate in the program will be charged 44 HCF per bi-monthly period at the District's current tier structure (10 units Tier One @ \$2.48, 22 units Tier Two @ \$3.35, and 12 units of Tier Three @ \$4.90¹), with the rest of their consumption billed at the uniform agricultural water rate of \$4.91. This 44 HCF allotment is the assumed usage of any home(s) on the property & is a SDCWA requirement for participation (also shown in Attachment C). The third & final charge will be the \$29.50 charge for program participation.

¹ Except for ¾" customers who will have 9 units of Tier Three @ \$4.90 and 3 units of Tier Four @ \$5.32

Illustrative examples of each customer class are as follows:

Ag Only Customer - 1" Meter		
Fixed Meter Charge	\$	117.34
Volumetric - 200 Units		
200 @ \$4.91		982.00
PSAWR Charge		29.50
Total Bill - PSAWR	\$	1,128.84
Total Bill - Current Rate	\$	1,339.34
Savings	\$	210.50

SFR / Ag Customer - 1" Meter		
Fixed Meter Charge	\$	130.83
Volumetric - 200 Units		
10 @ \$2.48		
22 @ \$3.35		
12 @ \$4.90		
156 @ \$4.91		923.26
PSAWR Charge		29.50
Total Bill - PSAWR	\$	1,083.59
Total Bill - Current Rate	\$	1,174.81
Savings	\$	91.22

It will be incumbent on each customer to determine if their enrollment in the program will be fiscally beneficial as District Staff cannot appropriately determine what their water use will be and if the program savings (if any) is worth the reduced reliability, among other reasons.

Implementation / Board Action

Counsel is developing a resolution and SFID customer agreement that will be a contract between the District and the customer in regards to the PSAWR program and associated fees. This resolution will adopt the form of this agreement, which will enable the District to begin the program as soon as the resolution is adopted by the Board. The resolution and agreement will be docketed with this item for review and proposed adoption at the August 19, 2021 meeting.

Staff is recommending that the Board incorporate this program into the next cost-of-service process, which may meld these fees into the regular meter and volumetric charges to customers who participate in this program. If adopted in the cost-of-service process, these fees would no longer occur.

FISCAL IMPACT:

Adoption of the proposed fees would be dependent on customer participation in the PSAWR program. Based on the assumption of 40 participants, there would be one-time revenues of \$1,360 and on-going annual revenue of \$7,080 to offset program costs.

Prepared by: Seth M. Gates, Administrative Services Manager
Approved by: Albert C. Lau, P.E., General Manager

Attachment A: Carollo Engineers' report titled "Permanent Special Agricultural Water Rate (PSAWR) Discount"

Attachment B: Carollo Engineers' report titled "Permanent Special Agricultural Water Rate (PSAWR) Program Fee"

Attachment C: SDCWA Monthly / Annual Certification Form

PROJECT MEMORANDUM

PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR) DISCOUNT

Date: July 19, 2021

Project No.: 200197

Santa Fe Irrigation District

Prepared By: Mark Panny and Karly Nocera

Reviewed By: Jennifer Ivey, PE

Subject: Projected PSAWR Discount for Qualified Agricultural Customers

1.1 Background - Permanent Special Agricultural Water Rate

The Permanent Special Agricultural Water Rate (PSAWR) is a water rate for eligible agricultural customers, offered by the San Diego County Water Authority (SDCWA) to its member agencies. The member agencies can then identify eligible customers in their service area and pass on the rate benefits from the PSAWR program.

Participating member agencies receive a lower level of water service during water shortages or emergencies as part of the PSAWR program. In exchange, those member agency customers are exempt from paying storage and certain other fixed SDCWA charges that fund programs that provide greater water supply reliability during shortages or emergencies.

The PSAWR class of service is implemented at the SDCWA Board of Director's (Board's) discretion – with the PSAWR cost benefit components subject to annual review as part of the Water Authority's rate setting process. The PSAWR Program may be reevaluated and/or modified at any time at the Board's discretion. SDCWA opened the PSAWR Program to new eligible customers on January 1, 2021, after sunsetting its predecessor, the Transitional Special Agricultural Water Rate (TSAWR) program on December 31, 2020. The TSAWR program was closed to new participants so the Santa Fe Irrigation District (SFID) was not able to participate. However, the PSAWR program is open to new participants, including SFID customers who were eligible to participate as of July 1, 2021.

1.1.1 Purpose

Santa Fe Irrigation District (SFID) retained Carollo Engineers, Inc. to evaluate potential cost savings from the PSAWR program for qualifying SFID customers. This technical memorandum outlines the projected variable cost savings. These costs are strictly related to the discount per unit rate charged for PSAWR water deliveries, and do not include discounted SDCWA storage costs or other fixed charge credits or discounts from SDCWA.

1.2 Projected SAWR Variable Cost Impact for Qualified Agricultural Customers

1.2.1 SDCWA Rates and Projected Purchases

The PSAWR rate provides a discount to agricultural customers who qualify in exchange for a reduced level of service during water shortages or emergencies. The full SDCWA rates and reduced PSAWR rates for both treated and untreated water deliveries for Calendar Year (CY) 2020 through CY 2022 are shown in Table 1.

Table 1 SDCWA Rates for CY 2020 through CY 2022

Description	CY 2020 ⁽¹⁾	CY 2021	CY 2022
Full Rate - Treated (\$/AF)	\$ 1,255	\$ 1,305	\$ 1,337
Full Rate - Untreated (\$/AF)	\$ 965	\$ 1,029	\$ 1,057
PSAWR Rate - Treated (\$/AF)	\$ 1,035	\$ 1,072	\$ 1,109
PSAWR Rate - Untreated (\$/AF)	\$ 755	\$ 777	\$ 799

Note:

(1) The PSAWR rate was not offered in CY 2020. CY 2020 PSAWR rates are estimates based on the proposed reductions to the full rates.

For fiscal year ending (FYE) 2021, SFID purchased 700.3 acre-feet (AF) of treated water and 6,189.6 AF of untreated water from SDCWA. For FYE 2022, these figures are projected to change to 261 AF and 7,155 AF, respectively. These values are outlined in Table 2.

Table 2 Projected SDCWA Purchases

Description	FYE 2021	FYE 2022
Treated Water Purchases (AF)	700.3	261
Treated Water Purchases (%)	6%	4%
Untreated Water Purchases (AF)	6,189.6	7,155
Untreated Water Purchases (%)	94%	96%
Total Projected SDCWA Purchases	8,925	9,666

1.2.2 SFID PSAWR Agricultural Customer Base Assumptions

SFID currently has no active PSAWR customers within its service area. However, this model assumes all agricultural accounts will be accepted in the PSAWR program for FYE 2022. This analysis applied that full percentage to projected SDCWA water deliveries, therefore estimating that 100 percent of all agricultural water deliveries from SDCWA would be at the PSAWR rate. If some agricultural customers do not participate, the discount rate will remain unchanged because the PSAWR rate is set independent from program participation.

In CY 2020, agricultural customers used approximately 152 AF of total water – 116 AF of which was imported. This analysis held the demand level constant for FYE 2021 and FYE 2022 and applied the percentage splits of treated and untreated purchases from Table 2 to determine how much of each SDCWA water delivery PSAWR users would receive. This analysis is outlined in Table 3.

Table 3 Projected PSAWR Deliveries Purchases

Description	FYE 2021 ⁽¹⁾	FYE 2022
Total Agricultural Use (AF)	152.0	152.0
Total Agricultural SDCWA Purchases (AF)	116.0	116.0
PSAWR Qualified Total Imported Purchases (AF) ⁽²⁾	116.0	116.0

PSAWR Qualified Treated Purchases (AF) ⁽³⁾	6.9	4.1
PSAWR Qualified Untreated Purchases (AF) ⁽⁴⁾	108.9	111.7

Notes:

- (1) The PSAWR program will open to SFID agricultural accounts beginning on July 1, 2021 (FYE 2022). FYE 2021 numbers are shown for comparison purposes.
- (2) Based on the estimated share of agricultural accounts that are expected to qualify for the PSAWR rate (17%), multiplied by the total agricultural demand.
- (3) Based on the estimated share of SDCWA purchased as treated, from Table 2.
- (4) Based on the estimated share of SDCWA purchased as untreated, from Table 2.

1.2.3 Projected Cost Impact

To estimate the projected cost impact, this analysis calculated the purchased water costs for PSAWR qualified customers at both the full SDCWA rates and the discounted PSAWR rates. The difference in these two costs is the estimated cost impact from the PSAWR program. These results are shown in Table 4, Table 5, and Table 6.

Based on these calculations, the FY2022 PSAWR discount from the current District agricultural rate is \$1.20 per HCF. This rate will remain consistent regardless of how many agricultural customers participate in PWSAR.

Table 4 Projected PSAWR Deliveries Cost at Full SDCWA Rate

Description	FYE 2021 ⁽¹⁾	FYE 2022
Full SDCWA – Treated Water ⁽²⁾	\$ 8,859	\$ 5,384
Full SDCWA – Untreated Water ⁽³⁾	\$ 139,358	\$ 147,580
Full SDCWA – Total	\$ 148,216	\$ 152,964

Notes:

- (1) The PSAWR program will open to SFID agricultural accounts beginning on July 1, 2021 (FYE 2022). FYE 2021 numbers are shown for comparison purposes.
- (2) Full Treated Rate from Table 1 multiplied by projected PSAWR qualified treated purchases in Table 3.
- (3) Full Untreated Rate from Table 1 multiplied by projected PSAWR qualified untreated purchases in Table 3.

Table 5 Projected PSAWR Deliveries Cost at PSAWR Rate

Description	FYE 2021 ⁽¹⁾	FYE 2022
PSAWR – Treated Water ⁽²⁾	\$ 7,291	\$ 4,444
PSAWR – Untreated Water ⁽³⁾	\$ 83,397	\$ 88,034
PSAWR – Total	\$ 90,688	\$ 92,478

Notes:

- (1) The PSAWR program will open to SFID agricultural accounts beginning on July 1, 2021 (FYE 2022). FYE 2021 numbers are shown for comparison purposes.
- (2) PSAWR Treated Rate from Table 1 multiplied by projected PSAWR qualified treated purchases in Table 3.
- (3) PSAWR Untreated Rate from Table 1 multiplied by projected PSAWR qualified untreated purchases in Table 3.

Table 6 Projected Rate Impact

Description	FYE 2021 ^{(1) (2)}	FYE 2022 ⁽²⁾
Treated Water	\$ 1,568	\$ 939
Untreated Water	\$ 55,961	\$ 59,546
Total	\$ 57,528	\$ 60,485

Per Unit Rate Impact (\$ / HCF) ⁽³⁾

\$ 1.14

\$ 1.20

Notes:

- (1) The PSAWR program will open to SFID agricultural accounts beginning on July 1, 2021 (FYE 2022). FYE 2021 numbers are shown for comparison purposes.
 - (2) Difference between Table 4 and Table 5.
 - (3) Total divided by PSAWR qualified demand (Table 3).
-

ATTACHMENT "B"

PROJECT MEMORANDUM

PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR) PROGRAM FEE

Date: July 28, 2021

Project No.: 200197

Santa Fe Irrigation District

Prepared By: Karly Nocera

Reviewed By: Mark Panny

Subject: Projected PSAWR Program Fee

1.1 Purpose

The Permanent Special Agricultural Water Rate (PSAWR) is a water rate offered by the San Diego County Water Authority (SDCWA) to its member agencies for eligible agricultural customers. As a member agency of SDCWA, Santa Fe Irrigation District (SFID or District) can identify eligible customers in its service area and pass on the rate benefits from the PSAWR program.

Member agencies are responsible for administering the PSAWR Program at the retail customer level, with activities including but not limited to retail customer eligibility verification, program enrollment, reporting of program deliveries, and assistance with the year-end review processes.

SFID will incur costs associated with providing this program due to administrative and reporting processes. This Project Memorandum outlines the potential internal costs incurred by the District to initiate and administer this program.

1.2 Projected PSAWR Fixed Cost Impact

1.2.1 One-Time Fixed Costs

There is a one-time fixed charge for reviewing each customer's application. The data for this calculation is provided from the District's fully loaded hourly rate for the appropriate staff working on this task and an estimated number of hours for the task to be performed for each customer. The fully loaded rate indicates the cost of that staff's annual salary plus wages and benefits and any allocated overhead costs. Table 1 shows the service cost calculation of Customer Service Rep II performing these tasks.

Table 1 One-Time Fixed Cost for Each Customer

Customer Application Review Task	Staff	Hourly/Loaded	Hours	Total \$
Review customer on grower's list	Customer Service Rep II	\$ 45.50	0.25	\$ 11.38
Review customer application & file accordingly for SDCWA review	Customer Service Rep II	\$ 45.50	0.25	\$ 11.38
Program customer as Ag/SFR/PSAWR in Springbook	Customer Service Rep II	\$ 45.50	0.25	\$ 11.38
Total One-Time Fixed Cost per Customer		\$ 136.50	0.75	\$ 34.13

1.2.2 Recurring Fixed Costs

1.2.2.1 Monthly Reporting

Member agencies participating in the PSAWR Program are expected to provide monthly certification forms attesting to the total volume of SDCWA water purchases used to meet their eligible PSAWR customers' agricultural water demands. All certification form values will be rounded to the nearest tenth of an acre-foot (0.1 AF). Member agencies must submit their certification forms by the third (3) business day, by 5 p.m., following the end of the reported month in order to receive the discount on the water sales invoice for the reported month. Certification forms submitted after the third business day of the month will be processed for inclusion on the monthly water sales invoice for the month following the reported month. Certification forms submitted 60 calendar days or more after the end of the reported month will be ineligible to receive the PSAWR rate.

Every month, SFID will be responsible for reviewing and processing these certifications for each PSAWR customer's SDCWA water purchases. Staff estimates that this workflow will take approximately 4.00 labor hours of a Customer Service Rep II and 3.00 labor hours of an Administrative Services Manager each month.

1.2.2.2 Annual Reporting

SDCWA plans to conduct fiscal year-end assessments of the PSAWR Program, including reconciliation of certified monthly PSAWR Program water deliveries, pass-through of any identified PSAWR delivery adjustments to member agencies, and finalization of fiscal year-end PSAWR deliveries.

SFID and other member agencies will have their own processes and duties to support SDCWA's annual review, including:

- Providing back-up data used to complete their monthly certification forms.
- Supporting and facilitating PSAWR customer site visits by SDCWA staff intended to confirm adherence to PSAWR eligibility criteria.
- Performing annual eligibility reverifications.

Staff estimates that these tasks will require approximately 6.00 labor hours from a Customer Service Rep II, 4.00 labor hours from an Administrative Services Manager, and 6.00 labor hours from a Utility Worker II.

1.2.3 Recurring Cost and Fee Estimate

For the purposes of the following calculations, it is assumed that SFID will have 40 PSAWR program participants (100% participation of eligible agricultural accounts). The calculation uses staff costs and estimated hours for completing the monthly certification, annual certification, and annual site visit for these customers. It annualizes the monthly SDCWA reporting and adds that to the yearly total for annual SDCWA reporting. The resulting annual total for all SDCWA reporting is divided by the 40 participating PSAWR customers and then again divided by six to generate a bimonthly fixed cost per account (SFID bills on a bi-monthly basis). Table 2 shows these variables and calculations for the recurring fixed costs. The estimated bi-monthly cost for SFID is \$29.72 per account. This does not include any of the District's meter-related or customer service and billing costs, which were outlined in the District's recent cost of service study.

Table 2 Recurring Fixed Costs

Process	Staff	Hourly/Loaded	Hours	Total Cost
Completion of monthly certification	Customer Service Rep II	\$45.50	4	\$182.00
	Administrative Services Manager	\$119.60	3	\$358.80
A) SDCWA Monthly Reporting Total				\$540.80
B) Annual Total for SDCWA Monthly Reporting (A x 12 months)				\$6,489.60
Completion of annual certification	Customer Service Rep II	\$45.50	0.25	\$11.38
	Administrative Services Manager	\$119.60	3	\$358.80
Annual site visits	Utility Worker II	\$45.50	6	\$273.00
C) SDCWA Annual Reporting Total				\$643.18
D) SDCWA Reporting Total (B+C)				\$7,132.78
E) Number of SFID PSAWR Eligible Accounts				40
F) Bi-Monthly Fixed Cost per Account (D ÷ E ÷ 6 billing cycles)				\$29.72

CERTIFICATION FORM - PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR) PROGRAM

Calendar Year 2021

(Figures in AF and rounded to nearest 0.1 AF)

Member Agency: _____

Certification Month/Year: _____

I. Water Production & Sales:

(1) Full service purchased from County Water Authority (Net Deliveries)		566.8
(2) Change in water system storage (+ for withdrawals, - for storage)		(5.4)
(3) Total full service supply to system	(1) + (2) =	561.4
(4) Local production of other sources		0.0
(5) Total water supplied to system	(3) + (4) =	561.4
(6) Total sales		509.8

II. Water Used for Agricultural Purposes (Complete for SAWR accounts only):

(7) Agricultural use only	2.0
(8) Agriculture with incidental domestic use ¹	

Metered Quantity	No. of Single Family Dwellings	Metered Quantity - (No. of Single Family Dwellings * .05) =
1	2	0.9

(9) Total agricultural use	(7) + (8) =	2.9
(10) PSAWR water used for agriculture	(9) * [(3) / (5)] =	2.9

III. Gain, Loss and Differences Due to Timing of Meter Readings Calculation:

(11) Total gains/losses & timing differences (losses are negative)	(6) - (5) =	(51.6)
(12) Agricultural gains/losses & timing differences	(9) * [(11) / (6)] =	(0.3)
(13) Gains/losses & timing differences	(12) * [(3) / (5)] =	(0.3)

IV. Total Agricultural Credit:

(14) Total agricultural credit (losses increase, gains decrease credit)	(10) - (13) =	3.2
(15) Qualifying credit	Lesser of (3) or (14) =	3.2

V. Signature:

Member Agency	Name	Title	Date
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¹ - The single-family residential use factor (0.05 acre-feet/month) is based on data collected in Summer 2020 from four large agricultural member agencies that account for 45% of the current special agricultural water rate program.

DATE: August 10, 2021

TO: Administrative & Finance Committee

FROM: General Manager

SUBJECT: Consider Designation of San Diego County Water Authority Refund for Local Water & Capital Improvement and Replacement Funds

RECOMMENDATION:

It is the Staff recommendation that the Administrative & Finance Committee:

1. Recommend Board of Directors designate the \$748,699.93 San Diego County Water Authority (SDCWA) refund as follows:
 - \$400,000 in the Capital Improvement and Replacement Fund for a District administrative campus photovoltaic system; and
 - \$348,699.93 in the Local Water Fund to offset imported water costs; and
2. Take other action as appropriate.

BACKGROUND:

In August 2020, the San Diego County Water Authority (SDCWA) was awarded \$44,373,872.29 in total for two cases against the Metropolitan Water District of Southern California (MWD) for stewardship rates paid CY11 to CY14 (refund time period). The MWD stewardship rate (in addition to system access and power charges) are assessed on the transportation of water through their system. The litigation was based on the improper assessment of the stewardship rate charged to SDCWA and their member agencies for the transportation of independent SDCWA supplies through the MWD system in violation of the two parties exchange agreement.

These amounts were returned to SDCWA member agencies proportionate to their imported water purchases during this time period. In March 2021, the Santa Fe Irrigation District (District) received \$748,699.93 as its proportionate share (refund). Staff presented potential options to the Board of Directors for utilization of this refund at their July 15, 2021 meeting. Based on input received at this meeting, Staff has developed the recommendations included in this report.

DISCUSSION:

Refund Background

**Please refer to agenda item 12 at the July 15, 2021 Board of Directors meeting for additional information (link: https://www.sfidwater.org/AgendaCenter/ViewFile/Agenda/_07152021-342)*

As previously stated in the July 15, 2021 Board memo, the refund was due to imported water purchases from the San Diego County Water Authority made by the District during CY11 to CY14 to satisfy customer demand above local water availability. Discussions at the July 15, 2021 Board meeting included additional questions on how imported water was charged to customers / who paid for imported water during the refund time period.

The District had consistent potable water rate structures for customers during the refund time period; with single-family residential (SFR) customers having a three-tier structure (with same breakpoints) and a uniform rate structure for all other potable water customers.

Single Family Residential

The SFR three tier rate structure, with the same usage breakpoints, was in effect from December 1, 2010 until August 1, 2016. This SFR rate structure is as follows:

Tier One:	1 – 15 HCF
Tier Two:	16 – 300 HCF
Tier Three:	301 + HCF

The cost-of-service in place during the refund time period included approximately 3,250 AF of local water for potable water customer rate setting purposes. SFR's tier one breakpoint of 15 HCF during this time period represents the availability of approximately 1,400 AF of local water for all potable water customers. The second tier then included the SFR proportionate share of the 1,850 AF of local water between what was included in the first tier and total local water, or approximately 20 HCF per SFR bi-monthly bill. The 20 HCF of local water was then blended into the entire second tier allotment of 285 HCF – i.e. a SFR customer's 16th HCF of consumption has the same amount of local water allocated to it as the 300th HCF of consumption.

Therefore, each unit of tier two is approximately 90% imported water & each unit of tier three is 100% imported water. SFR customers who used as little as 16 HCF on a bi-monthly basis paid for imported water.

Other Customers

All other potable water customers had a uniform rate structure, paying the same price for every unit of consumption. Each of these customer classes received their proportionate share of the approximate 3,250 AF of local water blended into their uniform rate, so each unit consumed paid for imported water. Therefore, all other potable water customers paid for imported water with each unit of consumption.

Utilization of SDCWA Refund

By placing the full refund in the Local Water Fund, SFR customers who only use 33 HCF or more currently would benefit from this resource through offsetting the cost of imported water from SDCWA. However, it has been shown that customers during the refund time period who used 16 HCF or more paid for imported water. Therefore, assuming similar customer consumption levels

then and now, placing the full amount of the refund in the Local Water Fund would not allow customers who used 16 – 32 HCF during the refund time period (and paid for imported water) to benefit from the Local Water Fund / SDCWA refund.

Based on this & Staff not having detailed consumption records for the time period, splitting the refund into two projects may be preferable: 1.) a use that would benefit current imported water customers, and 2.) a use that would benefit all water customers.

At the July 15, 2021 Board meeting, Staff heard Board member comments on ways to use the refund. Ways discussed at this meeting would be to utilize a portion of these one-time funds for one-time resources to offset imported water costs and to invest in a project that would be financially beneficial to District ratepayers. The one-time project discussed was for a photovoltaic (solar) project and to offset imported water costs through a deposit in the Local Water Fund.

Solar

A solar project would be beneficial in offsetting the ever-growing dependence & price for electricity used for operations. A solar project, as with any capital improvement project, would be for District-only facilities or jointly-owned facilities with San Dieguito Water District (SDWD). The joint facilities that utilize a significant amount of electricity include the San Dieguito pump station, Cielo pump station, and the R.E. Badger Filtration Plant. A solar project for one or a number of these facilities would be large-scale capital improvement project(s), whose large cost would be shared at approximately 55% / 45% between the District and SDWD, respectively. Based on SDWD's most recently adopted cost-of-service, their annual allotment for total joint facilities capital improvement project spending is \$1.5 million per year until the end of FY24. The District is currently finalizing the Asset Management Master Plan / 10-year capital plan for these jointly owned facilities & based on the identified capital projects, the full allotment of what SDWD has available to spend will be towards core treatment and local water facility repair / replacement. Any joint facilities solar project that would be undertaken would need the approval of SDWD and supplant their spending on these core treatment and local water capital projects. Based on this, Staff does not recommend using the refund for joint facilities solar project(s), though Staff is continuing to explore joint facilities solar project in conjunction with SDWD in the 10-year capital plan time-frame & with differing financing structures.

Based on this, Staff has begun exploring the potential for a District-only solar project that would offset electricity consumption at the District administration, engineering, and operation facilities at 5920 Linea del Cielo. This cost savings would benefit all ratepayers (all consumption levels & customer types) through the reduction in general operating expenditures.

In discussions with the District's energy consultant, DHK Engineers, and additional solar vendors, it is estimated that a solar project to offset these District facilities energy consumption would be approximately \$400,000. This would be for an approximate 90-100 kW array that would be located on stanchions within the District yard to allow for continued parking of employee & District vehicles. By placing these funds in the Capital Improvement & Replacement Fund, District Staff may begin working on design & eventual bid documents.

Local Water Fund

The refund of \$748,699.93, less the \$400,000 deposited in the Capital Improvement & Replacement Fund, leaves \$348,699.93 to be deposited in the Local Water Fund to offset imported water costs. This amount represents an approximate 4 month offset of SDCWA costs beginning January 1, 2022, dependent on consumption. This amount would benefit SFR customers who utilize 33 HCF or more on a bi-monthly basis & all uniform rate customers.

FISCAL IMPACT:

Depositing funds in the Local Water Fund will increase the balance available to offset imported water costs from SDCWA. These funds would be appropriated in the annual budget to offset these costs & reconciled annually during the acceptance of the annual report.

Depositing funds in the Capital Improvement & Replacement Fund will allow District Staff to continue planning a solar project for the District, which would then be brought back to the Water Resources Committee / Board of Directors for review & contract approval. The Board will then be required to appropriate funds in the District Capital Improvement Project program to execute the contract. This appropriation is anticipated to be required in FY22.

Prepared by: Seth M. Gates, Administrative Services Manager
Approved by: Albert C. Lau, P.E., General Manager

Administrative and Finance Committee Meeting
2021 Proposed Agenda Items List

JANUARY

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items:

- Quarterly Treasurer's Report
- Quarterly Board Expenses Report

Annual Items:

- Mid-Year Budget Review
- Distribution of CAFR
- Annual District Investment Policy Review and Update

FEBRUARY

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items: NONE

MARCH

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items:

- Receive and File Actuarial Evaluation (even years)

APRIL

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items:

- Quarterly Treasurer's Report
- Quarterly Board Expenses Report

Semi Annual Items:

- Bi-annual Security Update

Annual Items:

- Review Draft of FY 2022 Budget

MAY

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items:

- Review Final Draft of FY 2022 District Budget

JUNE

- Admin Code – Article 12 update for Ag definition

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items: NONE

JULY

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items:

- Quarterly Treasurer's Report
- Quarterly Board Expenses Report

Annual Items:

- Distribution of Fiscal Year 2022 District Budget
- Establish FY 2022 Appropriations Limit
- Set Fixed Charge Special Assessment

AUGUST

- Review Admin Code, Articles 19, 20, 21, and 25
- Review PSAWR Related Fees and Charges

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items: NONE

SEPTEMBER

- Section 115 Discussion – after Board presentation in August

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items: NONE

OCTOBER

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items:

- Quarterly Treasurer's Report
- Quarterly Board Expenses Report

Semi Annual Items:

- Bi-annual Security Update

Annual Items: NONE

NOVEMBER

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items: NONE

DECEMBER

Monthly Reports:

- Director Expenses
- GM Expenses
- Investment Transaction Report

Quarterly Items: NONE

Semi Annual Items: NONE

Annual Items:

- Acceptance of FY 2021 Financial Audit
- Reconciliation of Reserve Fund Balances

Bull Pen:

~~SDCWA Litigation Refund~~ (to full Board in July)

PSAWR

Cost of Service Study – 2022

Long-Term Financial Plan (5 years)