



**SANTA FE IRRIGATION DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING**

Santa Fe Irrigation District
5920 Linea del Cielo
Rancho Santa Fe, California 92067
Safety Center

**WEDNESDAY, NOVEMBER 13, 2024
8:30 a.m.**

BOARD OF DIRECTORS

Michael T. Hogan
PRESIDENT
Dana Frieauf
VICE PRESIDENT
Sandra Johnson
Ron Magnaghi
Andy Menshek

Albert C. Lau, P. E.
GENERAL MANAGER

Assistance or the disabled: The District meeting facility is accessible to persons using wheelchairs and others with disabilities. Agendas are available in large print. Materials in alternative formats and other accommodation will be made available upon request. Please make your request for alternative format or other accommodations, to the Board Secretary at 858-756-2424 or via email to cmcdowell@sfidwater.org. Providing at least 72 hours' notice prior to the meeting will help to ensure availability.

This meeting will be held at the above date, time, and location, and Board members and members of the public may attend in person. Members of the public may also attend virtually. Additional details on in-person participation and virtual public participation are below. Please note that in the event of technical issues that disrupt the livestream of the meeting, the meeting will continue, unless otherwise required by law, such as when a Director is attending the meeting remotely pursuant to certain provisions of the Brown Act.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/85661111729?pwd=IQByOrRjt87FwKOq7P3Ewk9O8GaBds.1>

Passcode: 420929

Or One tap mobile:

+16699009128, 85661111729#, *420929# US (San Jose)

+16694449171, 85661111729#, *420929# US

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

+1 669 900 9128 US (San Jose), +1 669 444 9171 US, +1 719 359 4580 US, +1 253 205 0468 US, +1 253 215 8782 US, +1 346 248 7799 US, +1 386 347 5053 US, +1 507 473 4847 US, +1 564 217 2000 US, +1 646 558 8656 US, +1 646 931 3860 US, +1 689 278 1000 US, +1 301 715 8592 US, +1 305 224 1968 US, +1 309 205 3325 US, +1 312 626 6799 US, +1 360 209 5623 US, 888 475 4499 US Toll Free, 877 853 5257 US Toll Free

Webinar ID: 856 6111 1729

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International numbers available: <https://us02web.zoom.us/j/kcLApQTC3C>

Instructions for Members of the Public Who Wish to Address the Board of Directors on Oral Communications (For Items Not Appearing on the Posted Agenda which are within the Subject Matter Jurisdiction of the District or on Items other than Board Workshop Agenda Item 2) may do so as follows:

A. Instructions for Those Attending In-Person:

Members of the public desiring to address the Board of Directors in-person *on items not appearing on the agenda or on Items other than Board Workshop Agenda Item 2* 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. Speakers are asked to state their name, address, and topic, and to observe a time limit of three (3) minutes each.

B. Making Public Comment for Those Not Attending In-Person:

Members of the public who wish to address the Board of Directors *on items not appearing on the agenda or on Items other than Board Workshop Agenda Item 2* may do so as instructed below:

1. To provide **verbal comments during the meeting**, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the Board Secretary that you wish to speak during Oral Communications or on a specific agenda item. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Speakers are asked to state their name, address, and topic, and to observe a time limit of three (3) minutes each.
2. You may send *written comments* to the Board Secretary for receipt *no later than 7:30 am on November 13, 2024*, 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 cmcdowell@sfidwater.org, mailed to the attention of Celina McDowell, 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.

Instructions for Members of the Public Who Wish to Address the Board of Directors for Board Workshop Agenda Item 2 (Review Cost-of-Service Rates and Customer Impacts):

- A. You may provide verbal comments for Board Workshop Agenda Item 2 during the meeting in person at the meeting by completing a speaker's card, or by joining the Zoom meeting by computer, mobile phone, or dial-in number.

On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the Board Secretary that you wish to speak when Workshop Agenda Item 2 is considered by the Board. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9.

Whether providing comments in person or via Zoom, speakers are asked to state their name, address, and topic, and to observe the below listed time limits and other requirements (some of which may require submission of materials prior to the meeting):

1. The time limit for individual speakers is three (3) minutes.
 2. If two individuals yield their time to a third individual, the third individual may speak for up to ten (10) minutes. Individuals may yield their time to another speaker by so stating when their name is called by identifying the person speaking on their behalf. No other yielding of time may occur.
 3. A person desiring to make an organized group presentation may utilize written materials if he or she submits the materials to the Board Secretary (Celina McDowell, contact info above) by e-mail or USB drive at least 24 hours prior to the date and time of the meeting and will be permitted up to twenty (20) minutes for their presentation.
 4. The Board may receive additional comments from individuals or organized groups following the presentation by staff in person, or if via Zoom by using the “Raise Hand” feature on Zoom video conference by computer or mobile phone or by pressing *9 if joining the meeting using the Zoom dial-in number. Whether providing additional comments in person or via Zoom, individuals are asked to observe a time limit of two (2) minutes, and organized groups are limited to six (6) minutes.
 5. The Board President may, in his or her absolute discretion, extend or shorten the times described above or otherwise adjust the above procedures to accommodate numerous speakers. A decision of the President to do so in one instance shall not be deemed a waiver of these procedures as to any other instance or matter.
- B. You may send written comments for Board Workshop Agenda Item 2 for receipt *no later than 7:30 a.m., November 13, 2024*, to be read when Board Workshop Agenda Item 2 is considered by the Board. Written comments must be limited to 300 words/ have a reading limit of 3 minutes for each comment (except in the instance where two individuals, designated in the comment, yield their time to a third individual, in which case the comment must be limited to 1000 words/ have a reading limit of not more than ten (10) minutes and no other yielding of time may occur). Comments may be emailed to cmcdowell@sfidwater.org, mailed to the attention of Celina McDowell, 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.

Instructions for Listening to the Meeting Only:

Please click this link to listen to the meeting: <https://bit.ly/SFIDLIVE>.

Please note that the above link only provides the opportunity to listen to the meeting. To view or listen to the meeting via Zoom and have the opportunity to provide public comment, please use the Zoom link or Zoom dial-in information in the section above and follow the instructions in this agenda.

ROLL CALL - CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE – Director Menshek

ORAL COMMUNICATIONS ON ITEMS NOT APPEARING ON THE AGENDA

Opportunity for members of the public to address the Board of Directors on items not appearing on the posted agenda, pursuant to Government Code Section 54954.3.

ACTION AND DISCUSSION ITEMS

1. Designation of FY24 Year-End Fund Balance in Accordance with the District Reserve Policy (pages 5-11)
2. Selection of Final Financial Plan Option for Cost-of-Service Study and Proposition 218 Notice Development (pages 12-49)

CLOSED SESSION – None

ADJOURNMENT Any writings or documents provided to a majority of the Board of Directors for any item on this agenda will be made available for public inspection on the District's website at www.sfidwater.org



The mission of Santa Fe Irrigation District is to meet the water supply needs of all its customers — safely, sustainably, reliably, and cost-effectively.

BOARD REPORT

TO: Board of Directors

FROM: Albert C. Lau, P. E.

INITIATED BY: Seth Gates, Director of Administrative Services

DATE: November 13, 2024

SUBJECT: Designation of FY24 Year-End Fund Balance in Accordance With the District Reserve Policy

Strategic Focus Area:

GOAL 5. Sustainable and Effectively Managed Finances

Recommendation:

Designate Staff recommended reserves totaling approximately \$27.0 million (shown as follows) in accordance with Reserve Policy ("Policy").

| FY24 EOY | |
|----------------------------------|----------------------|
| Operating Fund | \$ 5,569,360 |
| Capital Improve. & Replace. Fund | 6,177,871 |
| Rate Stabilization Fund | 4,836,883 |
| Lake Hodges Fund | 10,400,000 |
| Total Reserves | \$ 26,984,114 |

Committee Recommendation:

The Administrative & Finance Committee will review this item at their regularly scheduled meeting on November 12, 2024, and Staff will present the Committee's recommendation for acceptance or modification of Staff's recommendations as shown in the memorandum.

Background:

In accordance with the District's Policy, the Board of Directors is required annually to designate available District fund balance for each reserve outlined in the Policy or leave any balance undesignated for potential future use(s).

The FY24 audited financial statements are still under review by Davis Farr, LLP, the District's new auditor. The District typically presents the audited financial statements to the Administrative & Finance Committee in early November, with requested receive and file of the Annual Comprehensive Financial Report (ACFR) by the Board of Directors at their regularly scheduled meeting in November. However, during the audit process by Davis Farr, and in consultation with the Governmental Accounting Standards Board, it has been determined that the presentation of the financial position of the Joint Facilities (R.E. Badger Treatment Plant, San Dieguito reservoir / pump station, and other associated facilities) needs to be reconfigured from the way it was presented in the past five years by The Pun Group (the District's prior auditors). Staff will present the financial statements and ACFR to the Administrative & Finance Committee and Board, respectively, in December.

Despite this delay, the ending fund balance position included in this memorandum is not anticipated to change, as the only final portion to complete for the FY24 audited financial statements is the presentation of the Joint Facilities (which does not impact cash, investments, or accounts payable; all which are incorporated into the final fund balance position for the District). Staff is recommending utilizing these fund balance figures as presented to enable the Board of Directors to make final decisions on cost-of-service options and revenue requirements prior to the ACFR presentation / adoption in December.

Discussion:

The Policy includes one restricted fund for capacity charges. The Capacity Charge Fund is a legally restricted fund (governed by Government Code Section 66013), where fees collected by the District for new potable water connections are deposited in this fund & fully expended each fiscal year on capital improvement projects. The total amount received / expended in FY24 was \$166,280.

The Policy also includes five unrestricted funds, whose balances are designated by the Board: 1. Capital Improvement and Replacement Fund, 2. Operating Fund, 3. Rate Stabilization Fund, 4. Pension Stabilization Fund (IRS guidelines apply), and 5. Lake Hodges Fund. The Pension Stabilization Fund is restricted by Internal Revenue Service code Section 115 and must be utilized for pension liabilities. However, there is flexibility to reimburse prior expenditures that District has made on pension obligations, and these funds could be liquidated quickly. The

balance at FY24 year-end in this fund was \$1,045,866 and are classified as other non-current assets in the District's financial statements (not cash & investments).

The Staff proposed designated fund balance for each of these four remaining funds & the justification for each is as follows:

Capital Improvement & Replacement Fund

The Board of Directors took action at their September 19, 2024, meeting to modify the Capital Improvement & Replacement Fund's minimum and maximum fund balance metrics and designated \$6,177,871 for the fund. To review all this information on these metrics and calculation of this fund balance, please see the link as follows:

<https://www.sfidwater.org/AgendaCenter/ViewFile/Agenda/09192024-504>

Staff's recommendation is to not modify this fund balance.

Operating Fund

This fund is established to maintain working capital for current operations in the event of unforeseen circumstances, such as natural disasters. The minimum level is 60 days of operating expenses, with a maximum level of 120 days. Staff have previously recommended designating 60 days of operational expenditures; specifically, at the July 24th cost-of-service special meeting. This would facilitate a balance between maintaining a sufficient fund balance to meet any unanticipated needs and the potential for a revenue requirement to be passed on to ratepayers. Based on the FY25 Budget, total operations & maintenance expenditures are \$40.9 million, less \$4.2 million in non-cash depreciation, and \$2.9 million in SDWD operating reimbursements. Therefore, a 60-day reserve would total approximately \$5.6 million, shown as follows:

| | |
|--|----------------------|
| FY25 Budget: Operation & Maintenance Spending | \$ 40,939,786 |
| Less: Depreciation & Amortization | (4,163,200) |
| Less: SDWD Operating Reimbursements | (2,896,315) |
| FY25 Net Operating Budget | \$ 33,880,271 |
| 60 Days | \$ 5,569,360 |
| 90 Days | \$ 8,354,039 |
| 120 Days | \$ 11,138,719 |

Rate Stabilization Fund

The Rate Stabilization Fund has a minimum fund balance requirement of 10% of budgeted variable water sales, and a maximum fund balance of 40% of budgeted variable water sales. As detailed by Staff at the July 24th special meeting, Staff recommends designating 20% of variable water sales; down from a previously established 25%. This reduction of 5% of variable water sales from the prior year's recommendation / reserve designation is due to the

Board’s action to establish potable water rates for the upcoming cost-of-service based on an assumed 9,000 AF of water sales, which is approximately 5.8% lower than the previous cost-of-service 9,550 AF of sales. This 5.8% reduction is a hedge against variation in water sales due to exogenous and / or endogenous factors, which is the primary need for the Rate Stabilization Fund. Due to this hedge, a reduction from 25% of variable water sales to 20% is justified. This yields a designation of approximately \$4.8 million, shown as follows.

| | |
|-----------------------------|---------------|
| FY25 Budget for Water Sales | \$ 24,184,416 |
| 20% of FY25 Budget | \$ 4,836,883 |

Lake Hodges Fund

In November of 2023, the Board of Director approved the establishment of a new unrestricted fund in the Policy for Lake Hodges. Titled the “Lake Hodges Dam” fund (“Fund”); it was “established to set aside monies that can be utilized for District required operating or capital expenditures for the current Lake Hodges dam or for any expenditures related to the new Lake Hodges dam.” The Fund has no minimum or maximum fund balance requirements, and any balance maintained is at the sole discretion of the Board. During the establishment of the Fund in November 2023, the Board designated a balance of approximately \$3.7 million. This figure is based on \$1.7 million in District obligated reimbursements to the City of San Diego for operations and maintenance expenditures to maintain flood control on the current Lake Hodges dam (though the validity for reimbursement of these expenditures are currently in dispute) and an additional \$2.0 million for the ability to pay a portion of the anticipated upcoming planning costs associated with the new Lake Hodges dam.

There are three separate expenditure types that the District is potentially liable for reimbursement to the City of San Diego for Lake Hodges:

1. Repairs on the current Lake Hodges Dam for flood control purposes
2. Planning and design expenditures for the new Lake Hodges Dam
3. Capital costs / debt service for the new Lake Hodges Dam

Item 1. Currently, the District is potentially liable for emergency repairs on the current Lake Hodges Dam as required by the Division of Safety of Dams (DSOD) to ensure flood control. These include previously expended repairs to the dam face totaling approximately \$11.2 million (with the District’s share equal to approximately \$1.6 million) and upcoming 2025 repairs to the spillway totaling \$1.5 million (with the District’s share equal to approximately \$215,000). It should be noted that there may be additional repair costs mandated by DSOD at the current Lake Hodges Dam in the intervening period between the spillway repair and completion of the new dam that are not included in these figures.

Item 2. The latest information on the planning / design / construction timeframe the City of San Diego has shared with the District was in October 2023, based on a letter they sent to DSOD (this may not be the most recent information; however, the City of San Diego has ceased all communication with the District regarding Lake Hodges). This timeframe reflected 100%

design completion in CY28, shown as follows (with construction beginning in CY30 and completion at the beginning of CY34).

[illegible]

The majority of planning expenditures are not anticipated to be able to be financed with the construction of the new dam, as an entity may only reimburse expenditures made on a capital project with permanent financing three years prior to the debt issuance. With this provision and the City's published timeline, debt financing would be required to be in place at the start of construction, or CY30, with all proceeds prior to CY27 not being eligible for reimbursement. As has been seen on other large infrastructure projects with the City of San Diego (i.e. Pure Water), their timeline estimates have not been accurate. Based on this, it should be assumed that all planning costs will not be able to be financed with the permanent debt issuance and will be financed by the City under a separate debt instrument (or potentially as pay-go). However, Staff's recommendation is that the District should set-aside their proportionate share of planning costs to make on a pay-go basis to the City.

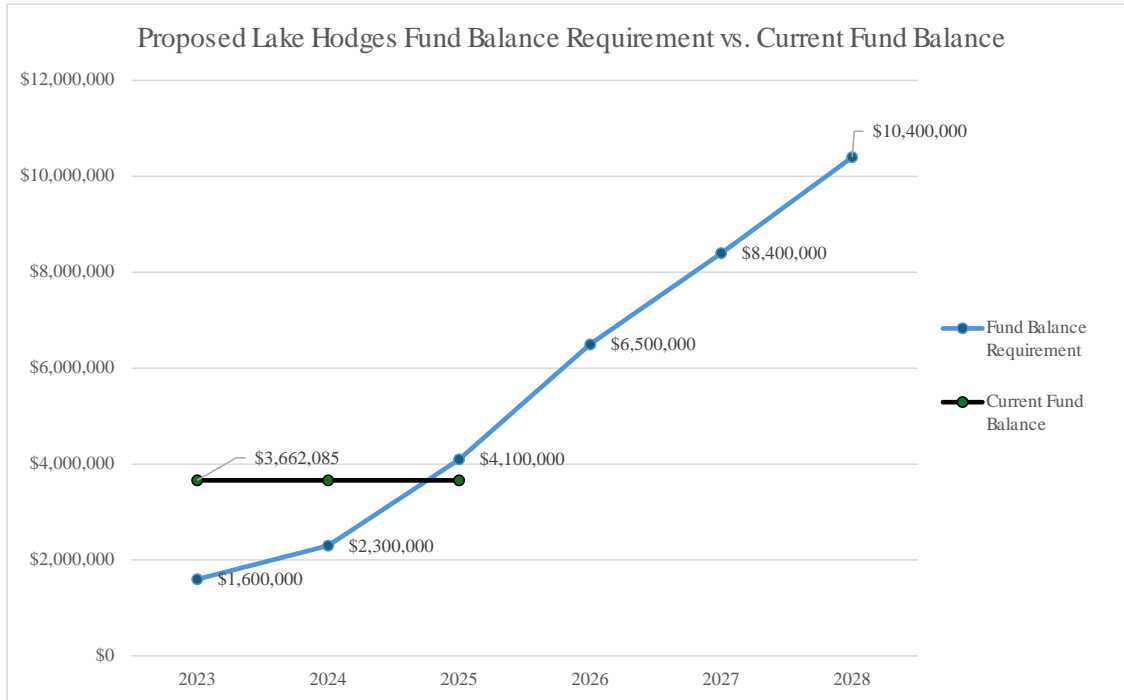
Planning / design costs, based on District knowledge of other large capital projects, are assumed to be approximately 15% of total capital costs and escalate each year based on engineering inflation rates. The original price of the dam replacement provided to the District was approximately \$300 million in 2022 dollars. Based on this, the total cost for the replacement of the dam is anticipated to be over \$500 million based on the City's provided timeline and a 5% inflationary rate per year. The District's share of planning / design expenditures is then 14.3% of this total amount, or \$8.6 million in total by the completion of planning / design, shown as follows.

| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Cost in Future Dollars | \$ 320,000,000 | \$ 330,000,000 | \$ 350,000,000 | \$ 360,000,000 | \$ 380,000,000 | \$ 400,000,000 |
| Planning / Design % Complete | 0% | 10% | 30% | 60% | 80% | 100% |
| To-Date Total Planning / Design Costs | \$ - | \$ 4,950,000 | \$ 15,750,000 | \$ 32,400,000 | \$ 45,600,000 | \$ 60,000,000 |
| SFID Share of Planning/ Desing Costs | \$ - | \$ 700,000 | \$ 2,300,000 | \$ 4,600,000 | \$ 6,500,000 | \$ 8,600,000 |

Item 3. Unlike the emergency repairs & planning / design expenditures, which are one-time expenditures, capital costs and associated debt service for the District's portion of the dam replacement should be considered an on-going expenditure and intergenerational in nature. Based on this, the Lake Hodges Fund should not include any debt service for the replacement of the dam. Any requirement for debt set aside should be considered in future cost-of-service after the complete financing picture is clarified.

The total Staff recommended fund balance is equal to \$10.4 million by 2028, as shown as follows.

| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Emergency Repairs Set Aside | \$ 1,600,000 | \$ 1,600,000 | \$ 1,800,000 | \$ 1,800,000 | \$ 1,800,000 | \$ 1,800,000 |
| Planning/ Design Costs Set Aside | \$ - | \$ 700,000 | \$ 2,300,000 | \$ 4,600,000 | \$ 6,500,000 | \$ 8,600,000 |
| Total Reserve Balance | \$ 1,600,000 | \$ 2,300,000 | \$ 4,100,000 | \$ 6,400,000 | \$ 8,300,000 | \$ 10,400,000 |



However, there is still significant financial exposure to the District for potential requirements on the current Lake Hodges Dam in addition to cost escalation beyond assumed levels for the new Lake Hodges Dam. These unknowns are mostly due to the City of San Diego ceasing all communication with the District and potential cost overruns including: any unplanned partial demolition of the existing dam to ensure the safety of the new construction, material cost increases, design requirements to meet current safety standards, etc. Additionally, due to the positive financial position that the District currently is in, with available undesignated funds, the Board has the option to set aside funds to allow for a sufficient fund balance to offset these costs without any ratepayer impact.

Based on the current financial condition of the District, the known potential for payment to the City for previously incurred costs, and the upcoming variability in the significant costs associated with both the old and new Lake Hodges dams; Staff's recommendation is to designate the full \$10.4 million as previously outlined for the Lake Hodges Dam fund.

Lake Hodges Fund Reserve Policy Modification

The current Policy for the Lake Hodges Fund is solely at the Board's discretion for fund balance levels and utilization of any balance maintained. Staff is not recommending modifying the Policy to memorialize funding milestones due to the current ambiguity in the City of San Diego timelines and requirements for both the existing and new Lake Hodges dams.

Undesignated Fund Balance

Total cash & investments, less accounts payable, for FY24 year-end total \$37.1 million based on the current draft financial statements. Using Staff recommendations for designation of funding for each of the Policy's unrestricted funds, total reserves equal \$27.0 million and the resulting amount of undesignated funding is \$10.2 million, shown as follows.

| | FY24 EOY | FY23 EOY | Change |
|-----------------------------------|----------------------|----------------------|---------------------|
| Cash & Investments | \$ 45,415,416 | \$ 42,806,795 | \$ 2,608,621 |
| Less: Accounts Payable | <u>(8,238,539)</u> | <u>(6,701,897)</u> | <u>(1,536,642)</u> |
| Net Cash & Investments | \$ 37,176,877 | \$ 36,104,898 | \$ 1,071,979 |

Days Cash on Current Budget 400.5 428.0

| | | | |
|----------------------------------|----------------------|----------------------|-----------------------|
| Operating Fund | \$ 5,569,360 | \$ 7,592,004 | \$ (2,022,644) |
| Capital Improve. & Replace. Fund | 6,177,871 | 10,909,447 | (4,731,576) |
| Rate Stabilization Fund | 4,836,883 | 6,268,734 | (1,431,851) |
| Lake Hodges Fund | <u>10,400,000</u> | <u>3,662,085</u> | <u>6,737,915</u> |
| Total Reserves | \$ 26,984,114 | \$ 28,432,270 | \$ (1,448,156) |

Days Cash on Current Budget 290.7 337.1

| | | | |
|-------------------------------|----------------------|---------------------|---------------------|
| Net Undesignated Funds | \$ 10,192,763 | \$ 7,672,628 | \$ 2,520,135 |
|-------------------------------|----------------------|---------------------|---------------------|

The level of undesignated funds proposed to be utilized in the cost-of-service to offset customer rate increases now and / or in the future is dependent on revenue adjustments approved by the Board of Directors in the upcoming cost-of-service.



The mission of Santa Fe Irrigation District is to meet the water supply needs of all its customers — safely, sustainably, reliably, and cost-effectively.

BOARD REPORT

TO: Board of Directors

FROM: Albert C. Lau, P. E.

INITIATED BY: Seth Gates, Director of Administrative Services

DATE: November 13, 2024

SUBJECT: Selection of Final Financial Plan Option for Cost-of-Service Study and Proposition 218 Notice Development

Strategic Focus Area:

GOAL 5. Sustainable and Effectively Managed Finances

Background / Discussion

At the October 7th Special Board Meeting, Staff presented the final plan for the District based on three individual years of 5% revenue adjustments for District operations, maintenance, and capital expenditures, effective March 2025, and then January 2026 - 2027. At this meeting, the Board requested Staff return at a future special meeting to outline additional financial plan options at 1% and 3% revenue adjustment levels for March 2025 and associated customer impacts. Staff worked with IB Consulting to provide these additional scenarios, with Attachment A outlining four separate options for the March 2025 revenue requirement for Board review (with associated customer impacts): a 0% increase; a 1% increase; a 3% increase; and a 5% increase.

Staff is requesting that the Board select one of these options, or another potential option not presented, and provide direction to develop the cost-of-service administrative record and associated Proposition 218 Notice. Based on this direction, the remaining calendar for the current cost-of-service is anticipated to be the following:

- December 19th: Review cost-of-service administrative record and Proposition 218 Notice
- January 3rd, 2025: Mail date for Proposition 218 Notices
- February 20th, 2025: Public Hearing

Staff anticipate beginning outreach on the cost-of-service to all District customers in December and will continue up to and beyond the Public Hearing date.

Additionally, at their October 17th regular meeting, the Board directed Staff to notice the new potable water rates associated with the San Diego County Water Authority pass-through effective January 1, 2025. Customers received this notice and associated information, including the ability to access questions / answers on these rates and reasons for the increase, the week of November 4th.

Attachment A: IB Consulting Presentation



Santa Fe Irrigation District

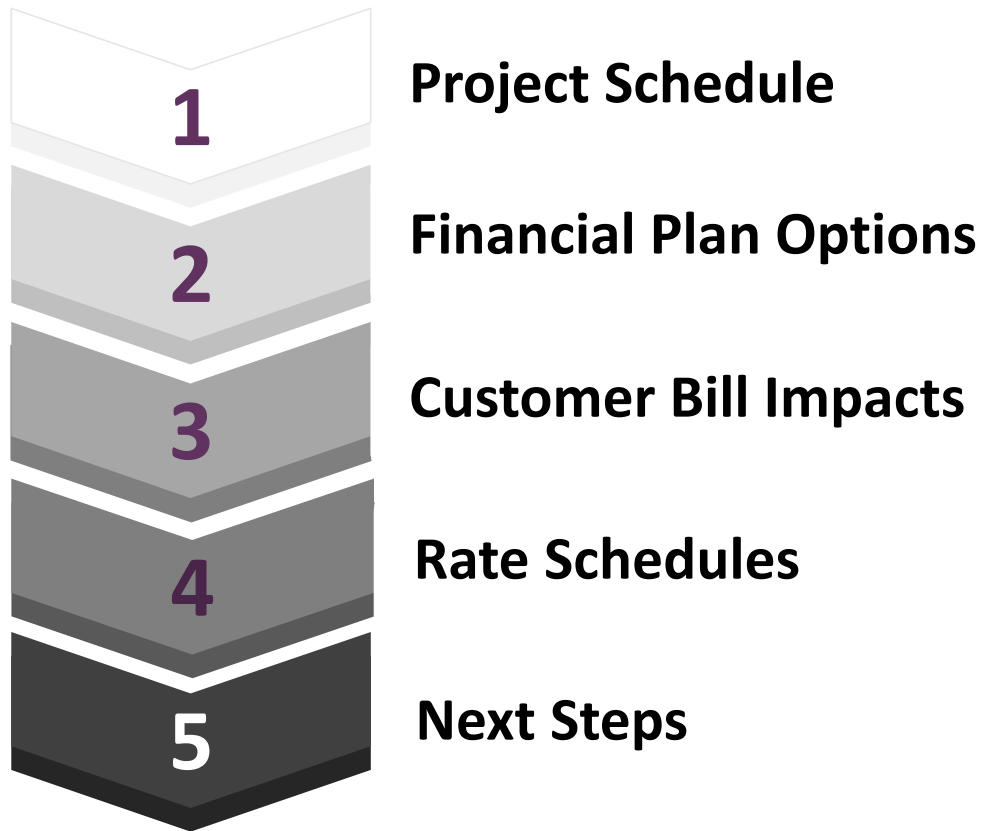
Proposed Financial Plans and Bill Impacts

November 13, 2024



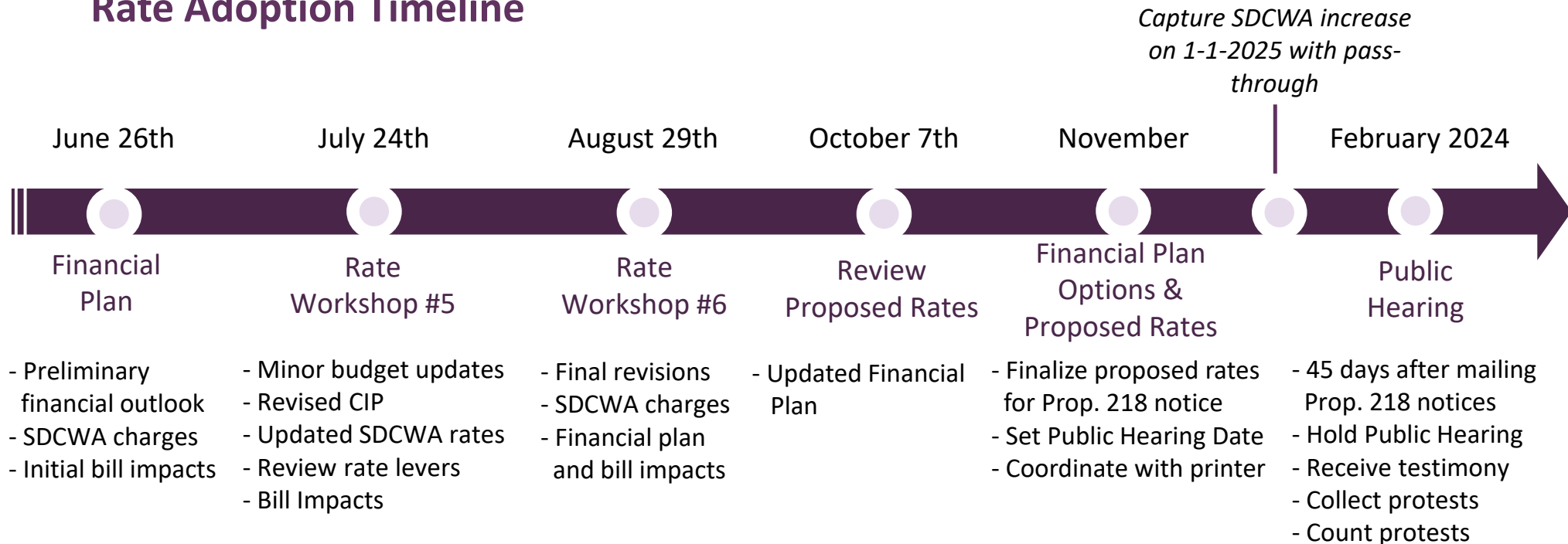
Rate Study Session

Proposed Financial Plans and Rates



Santa Fe Irrigation District – Project Schedule

Rate Adoption Timeline



SDCWA Rates

Final CY 2025 Adopted Rates

| SDCWA Summary | | |
|---------------------------------|----------|-----------|
| Fixed Charges (\$/month) | CY 2024 | CY 2025 |
| SDCWA Monthly Fixed Costs | | |
| MWD Readiness-to-Serve Charge | \$19,899 | \$22,812 |
| MWD Capacity Charge | \$15,072 | \$18,426 |
| Supply Reliability Charge | \$63,197 | \$76,861 |
| Customer Service Charge | \$40,571 | \$45,059 |
| Emergency Storage Charge | \$95,465 | \$102,662 |
| Infrastructure Access Charge | \$45,825 | \$47,138 |
| Transportation Charge | \$0 | \$45,059 |
| Variable Rates (\$/AF) | CY 2024 | CY 2025 |
| Variable Purchased Water Costs | | |
| SDCWA Treatment Cost | \$400 | \$500 |
| SDCWA M&I Melded Untreated Rate | \$1,200 | \$1,355 |
| Transporation Charge | \$189 | \$141 |
| PSAWR Discount | (\$297) | (\$443) |

January 1st rates Capturing CY 2025 Pass-Through Fixed Charges (limited to 10% Cap)

| Fixed Charges Capturing CY 2025 Pass-Throughs | | | | | | |
|---|-------------|--------------|--------------------|------------|--------------------|------------|
| Potable Customers (except PSAWR) | CY24 | CY25 | CY25 | | CY25 | |
| Meter Size | | Pass-Through | Total | % Increase | MAX | % Increase |
| 5/8" & 3/4" | \$98.51 | \$14.11 | \$112.62 | 14% | \$108.36 | 10% |
| 1" | \$157.11 | \$23.50 | \$180.61 | 15% | \$172.82 | 10% |
| 1 1/2" | \$303.62 | \$47.00 | \$350.62 | 15% | \$333.98 | 10% |
| 2" | \$479.42 | \$75.19 | \$554.61 | 16% | \$527.36 | 10% |
| 3" | \$1,036.13 | \$164.49 | \$1,200.62 | 16% | \$1,139.74 | 10% |
| 4" | \$1,856.55 | \$296.06 | \$2,152.61 | 16% | \$2,042.21 | 10% |
| 6" | \$3,819.68 | \$610.92 | \$4,430.60 | 16% | \$4,201.65 | 10% |
| 8" | \$8,214.77 | \$1,315.81 | \$9,530.58 | 16% | \$9,036.25 | 10% |
| 10" | \$12,316.85 | \$1,973.71 | \$14,290.56 | 16% | \$13,548.54 | 10% |

| Variable Rates Capturing CY 2025 Pass-Throughs | | | |
|--|--------|--------------|---------------|
| Customer Class | CY24 | CY25 | CY25 |
| | | Pass-Through | Total |
| Single-Family | | | |
| Tier 1 | \$5.02 | \$0.26 | \$5.28 |
| Tier 2 | \$6.19 | \$0.26 | \$6.45 |
| Tier 3 | \$6.54 | \$0.26 | \$6.80 |
| Tier 4 | \$7.47 | \$0.26 | \$7.73 |
| Multi-Family | \$5.68 | \$0.26 | \$5.94 |
| Non-Residential | \$5.75 | \$0.26 | \$6.01 |
| Irrigation / Agriculture | \$5.80 | \$0.26 | \$6.06 |
| PSAWR | | | |
| Tier 1 | \$5.02 | \$0.26 | \$5.28 |
| Tier 2 | \$5.26 | (\$0.08) | \$5.18 |

Financial Plan Options

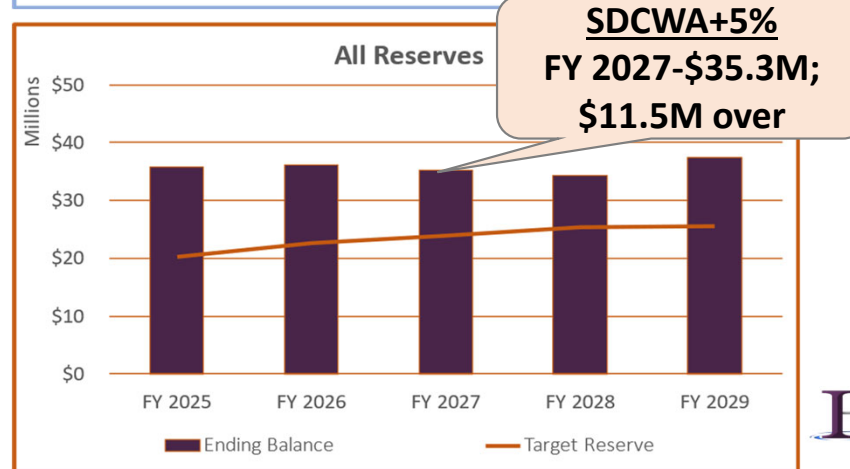
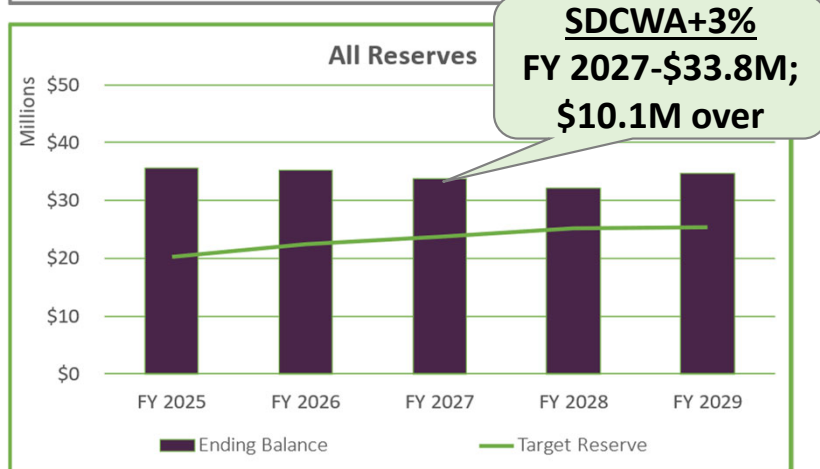
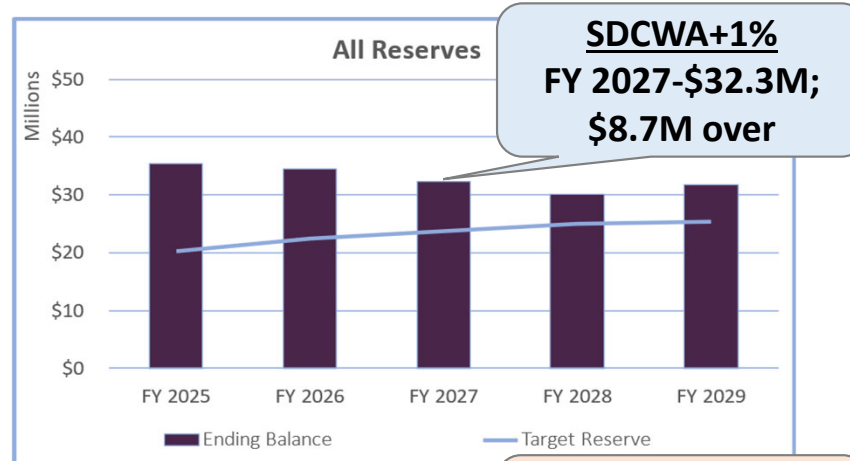
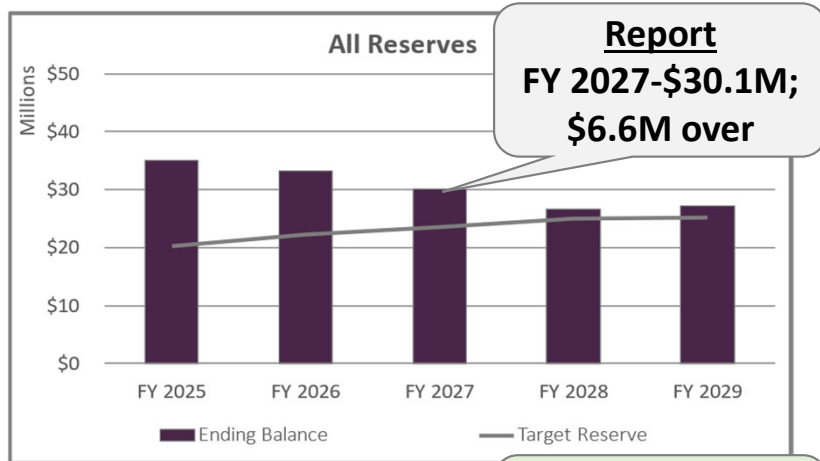
- 0% Revenue Adjustment for District
- 1% Revenue Adjustment for District
- 3% Revenue Adjustment for District
- 5% Revenue Adjustment for District



**SANTA FE
IRRIGATION DISTRICT**

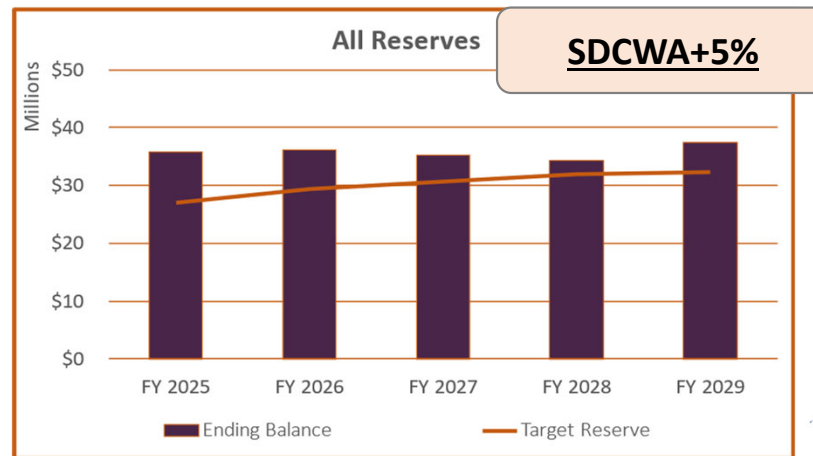
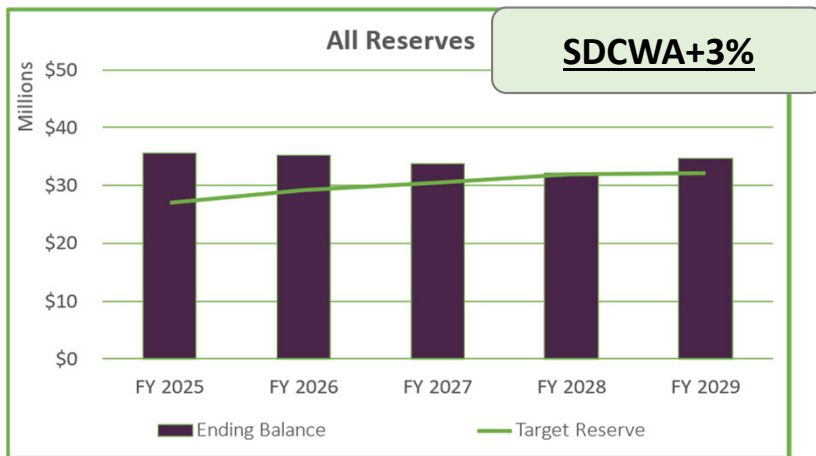
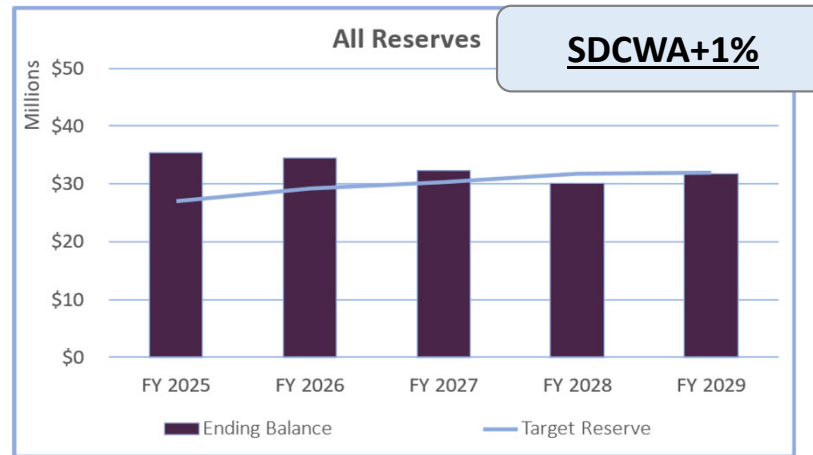
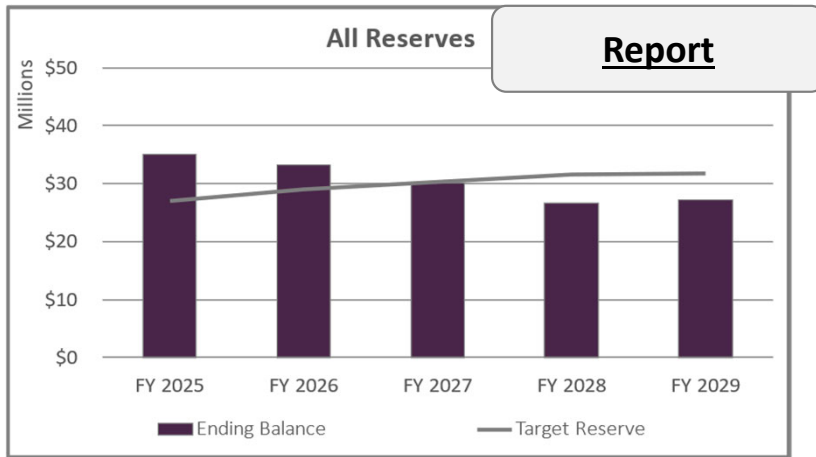
Revised Financial Plan Options

SDCWA Increase + 1%, 3%, 5% Revenue Adjustment for District



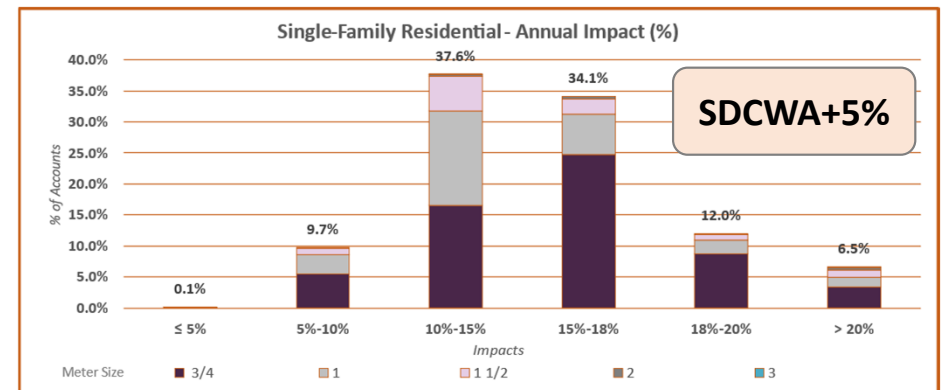
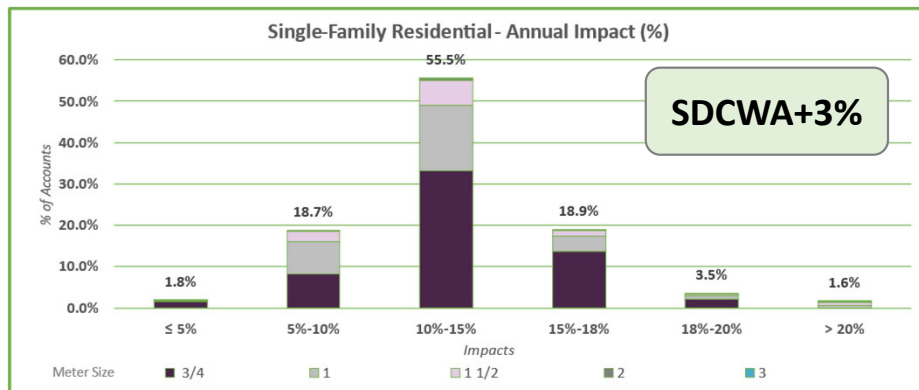
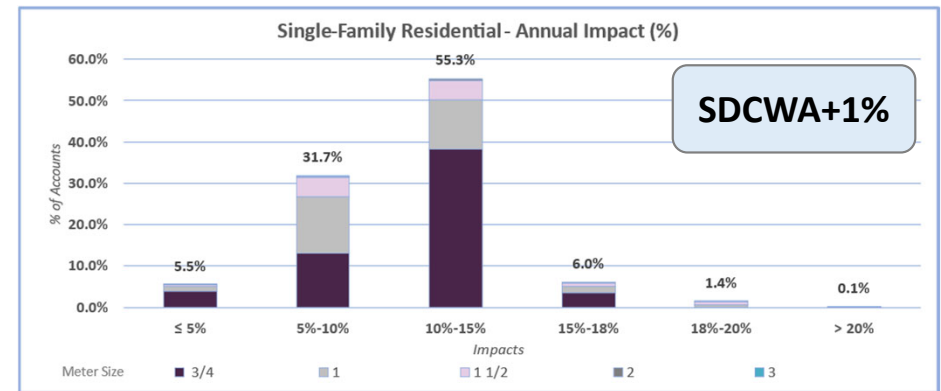
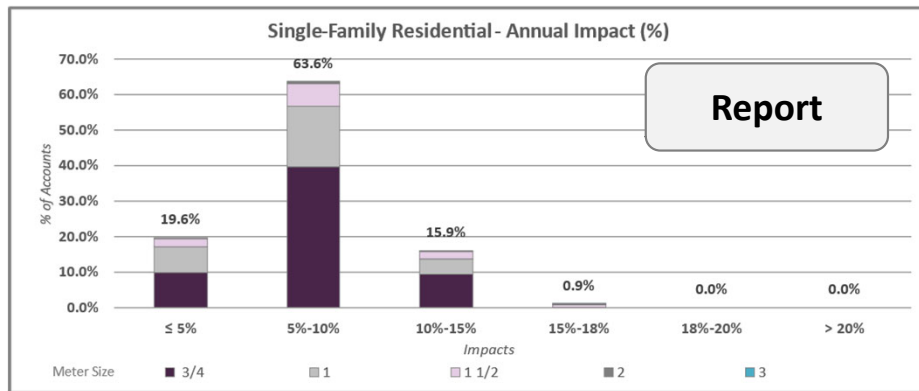
Ending Reserve Balances with Lake Hodges @ \$10.4M

SDCWA Increase + 1%, 3%, 5% Revenue Adjustment for District



Revised Financial Plan Options – Annual Impacts

SDCWA Increase + 1%, 3%, 5% Revenue Adjustment for District



Customer Bill Impacts

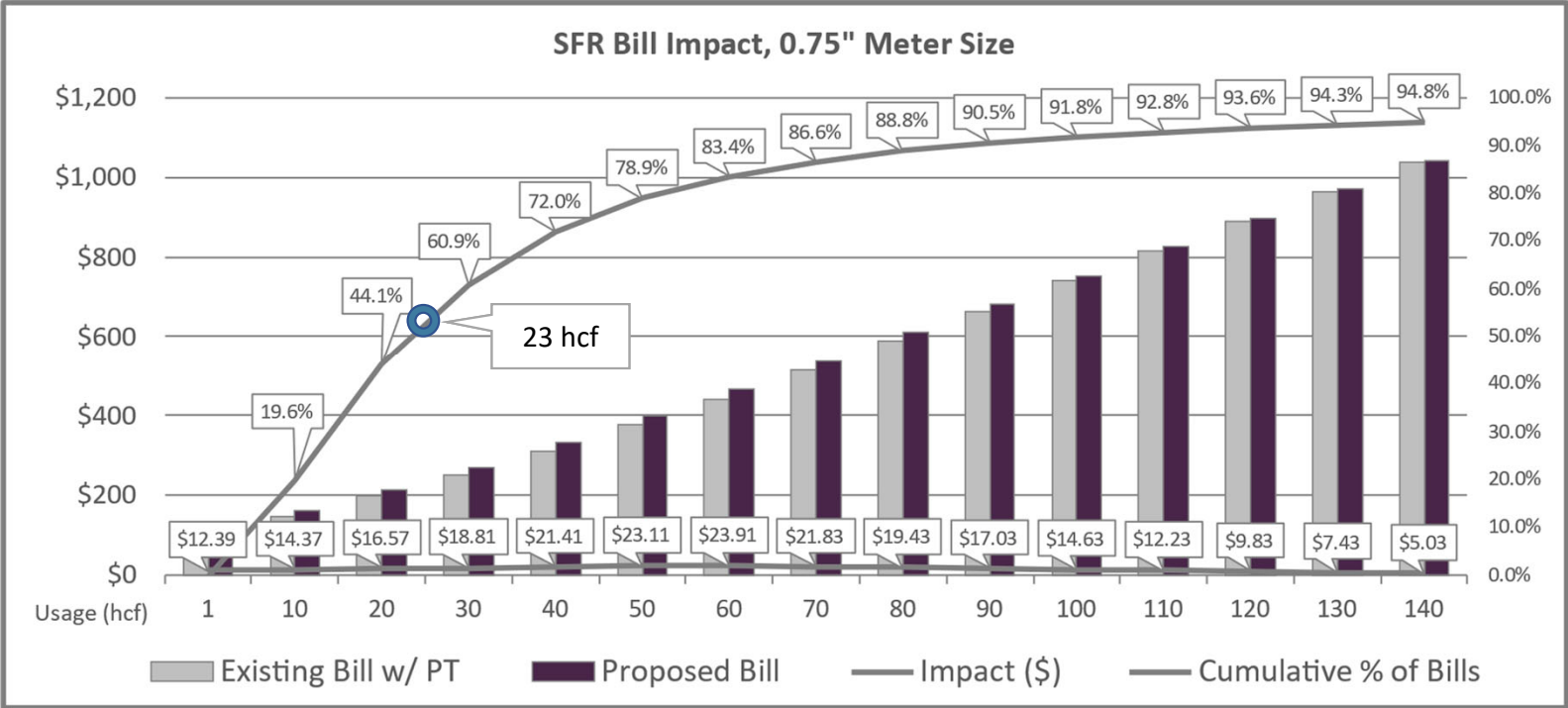
Single-Family with 3/4" Meter



**SANTA FE
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SFR Bill Impacts (3/4")

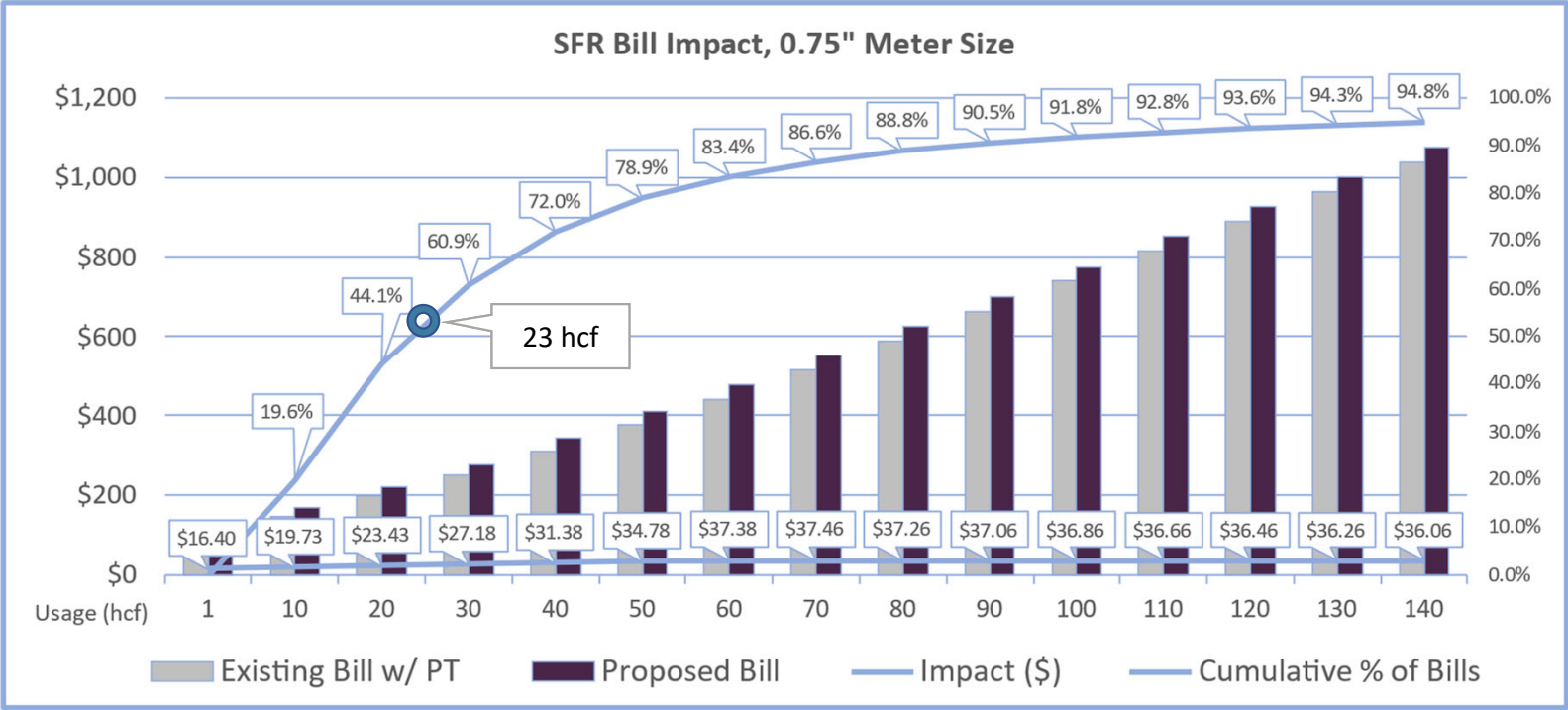
SDCWA + 0% Revenue Adjustment for SFID



50% of all bills captured

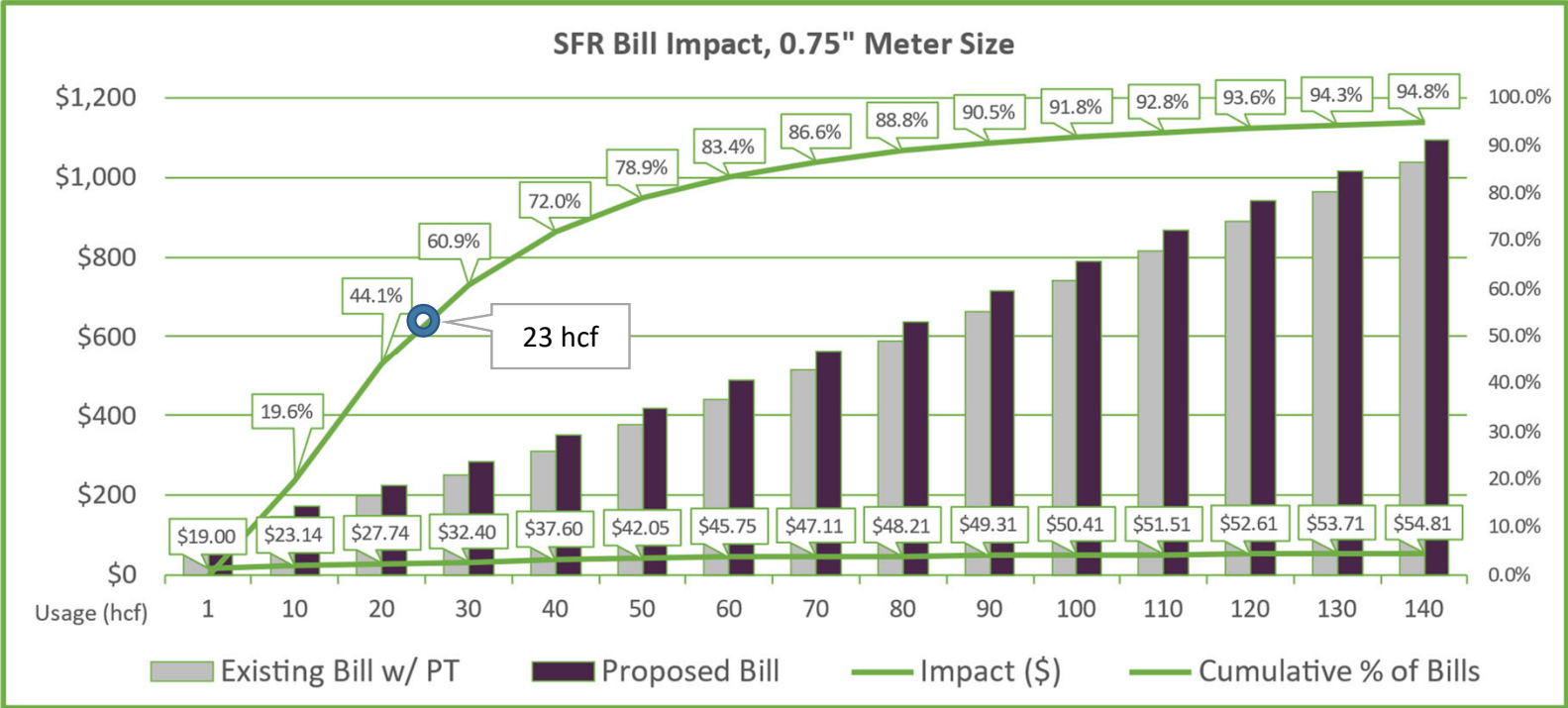
SFR Bill Impacts (3/4")

SDCWA + 1% Revenue Adjustment for SFID



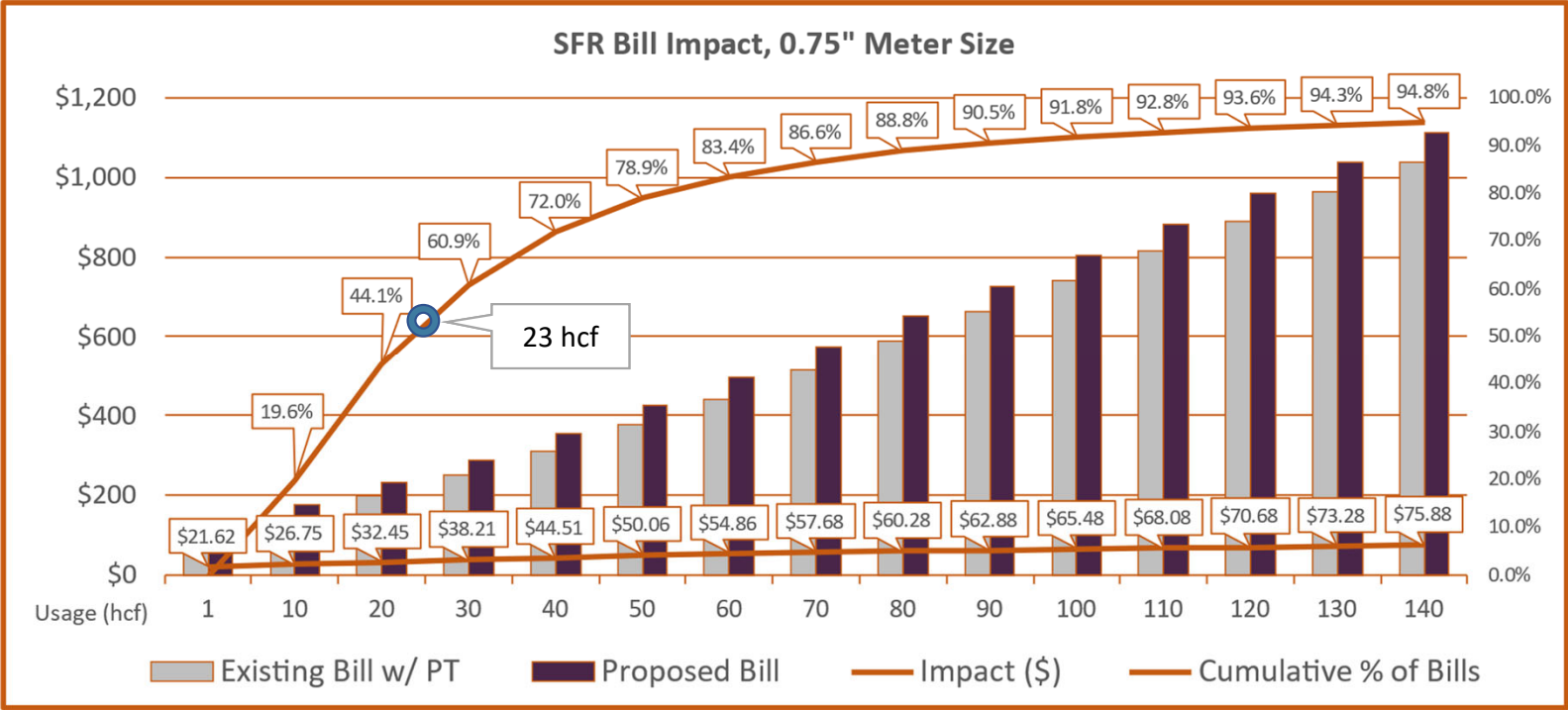
SFR Bill Impacts (3/4")

SDCWA + 3% Revenue Adjustment for SFID



SFR Bill Impacts (3/4")

SDCWA + 5% Revenue Adjustment for SFID



Customer Bill Impacts

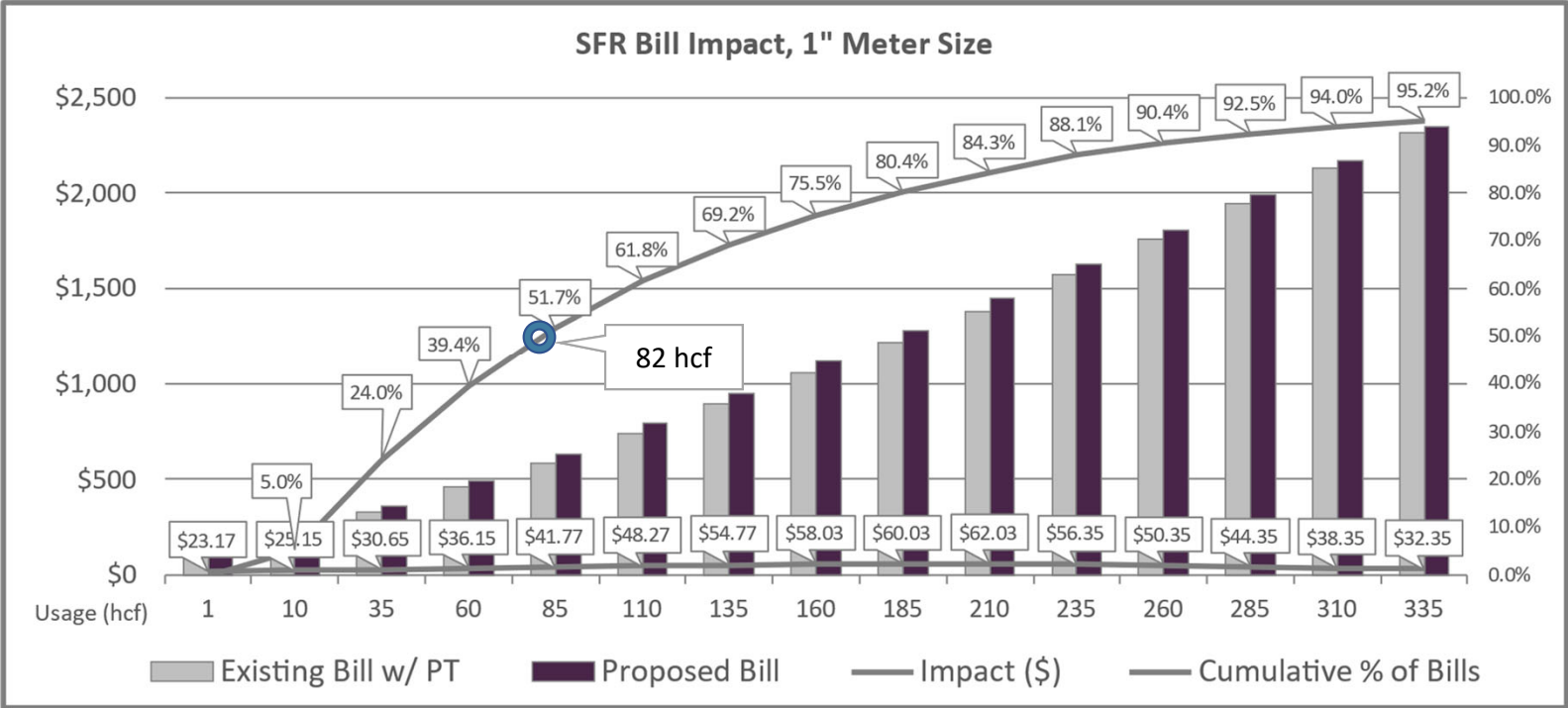
Single-Family with 1" Meter



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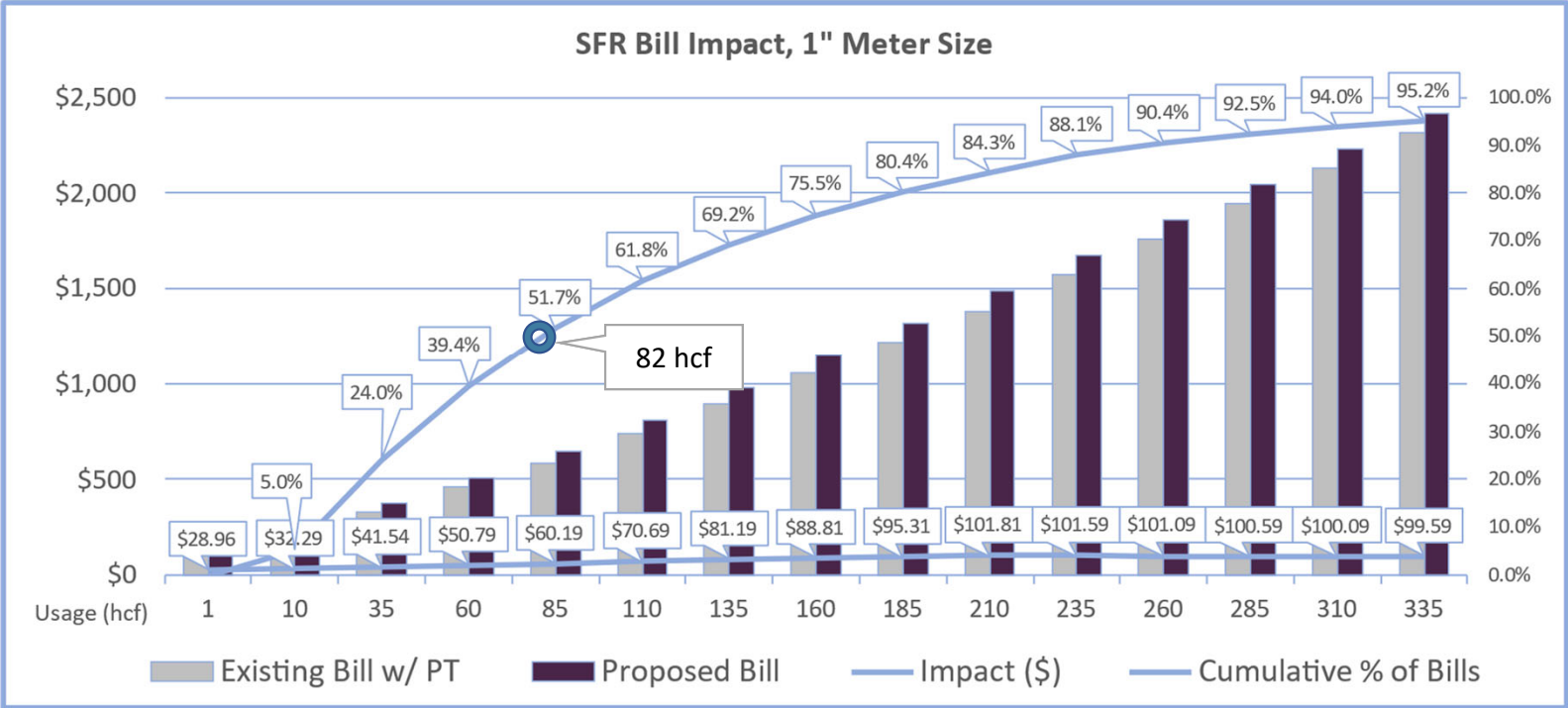
SFR Bill Impacts (1")

SDCWA + 0% Revenue Adjustment for SFID



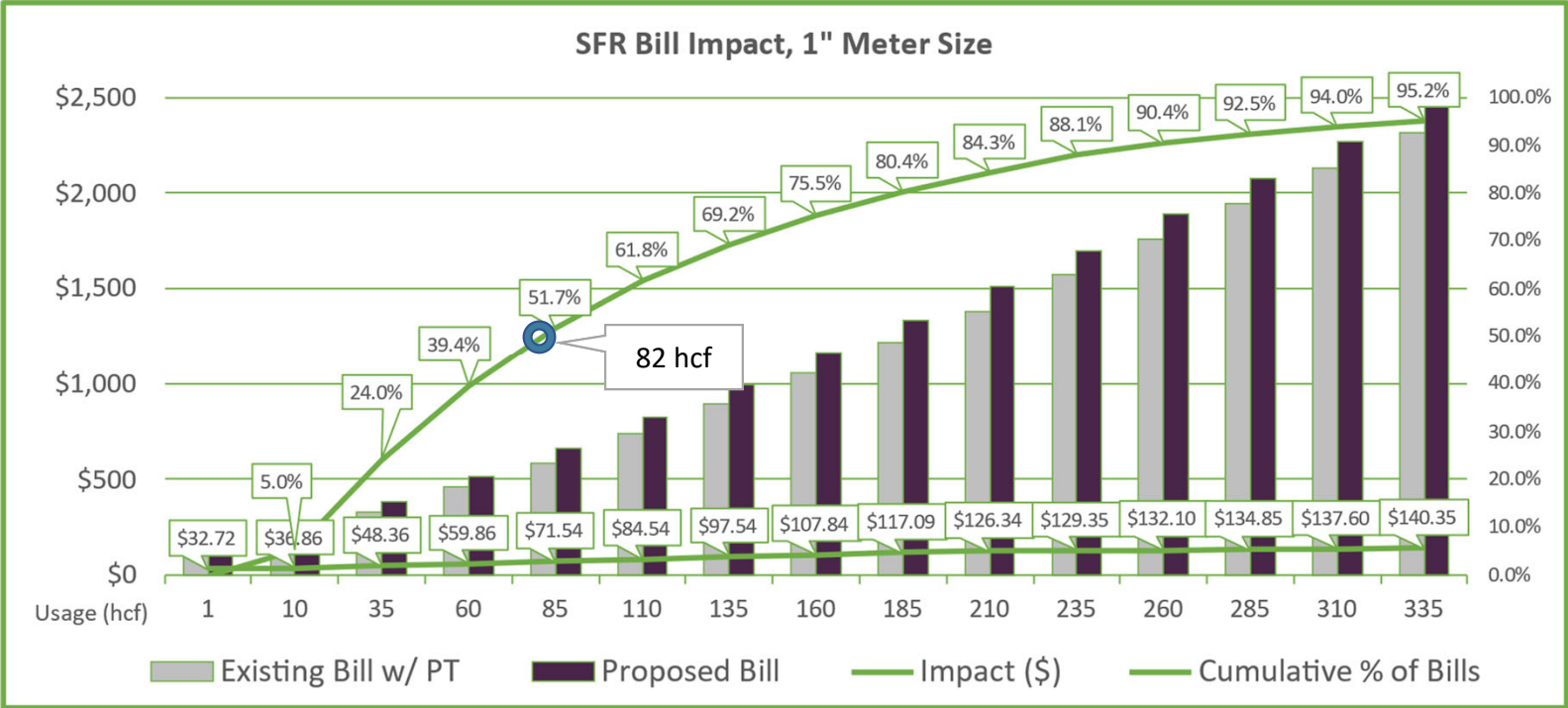
SFR Bill Impacts (1")

SDCWA + 1% Revenue Adjustment for SFID



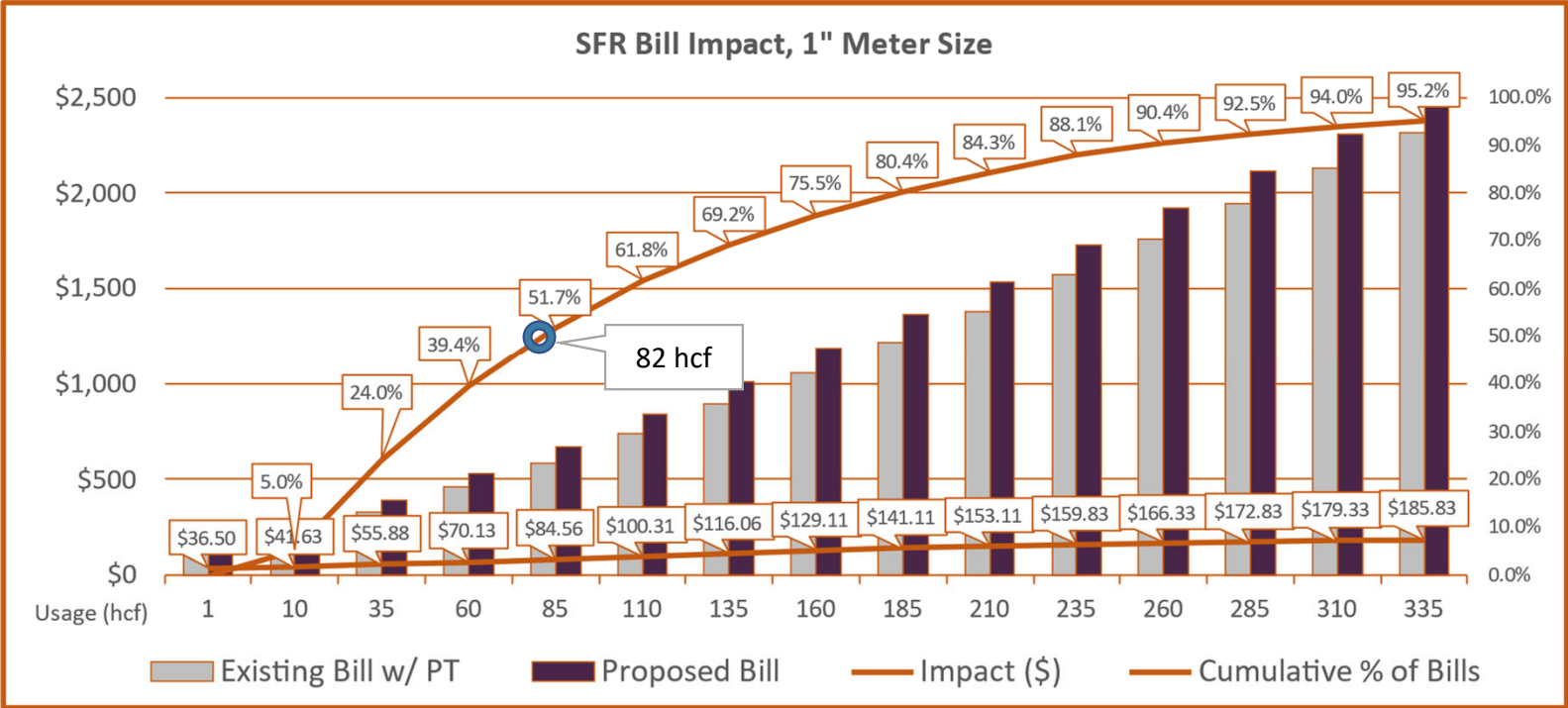
SFR Bill Impacts (1")

SDCWA + 3% Revenue Adjustment for SFID



SFR Bill Impacts (1")

SDCWA + 5% Revenue Adjustment for SFID



Customer Bill Impacts

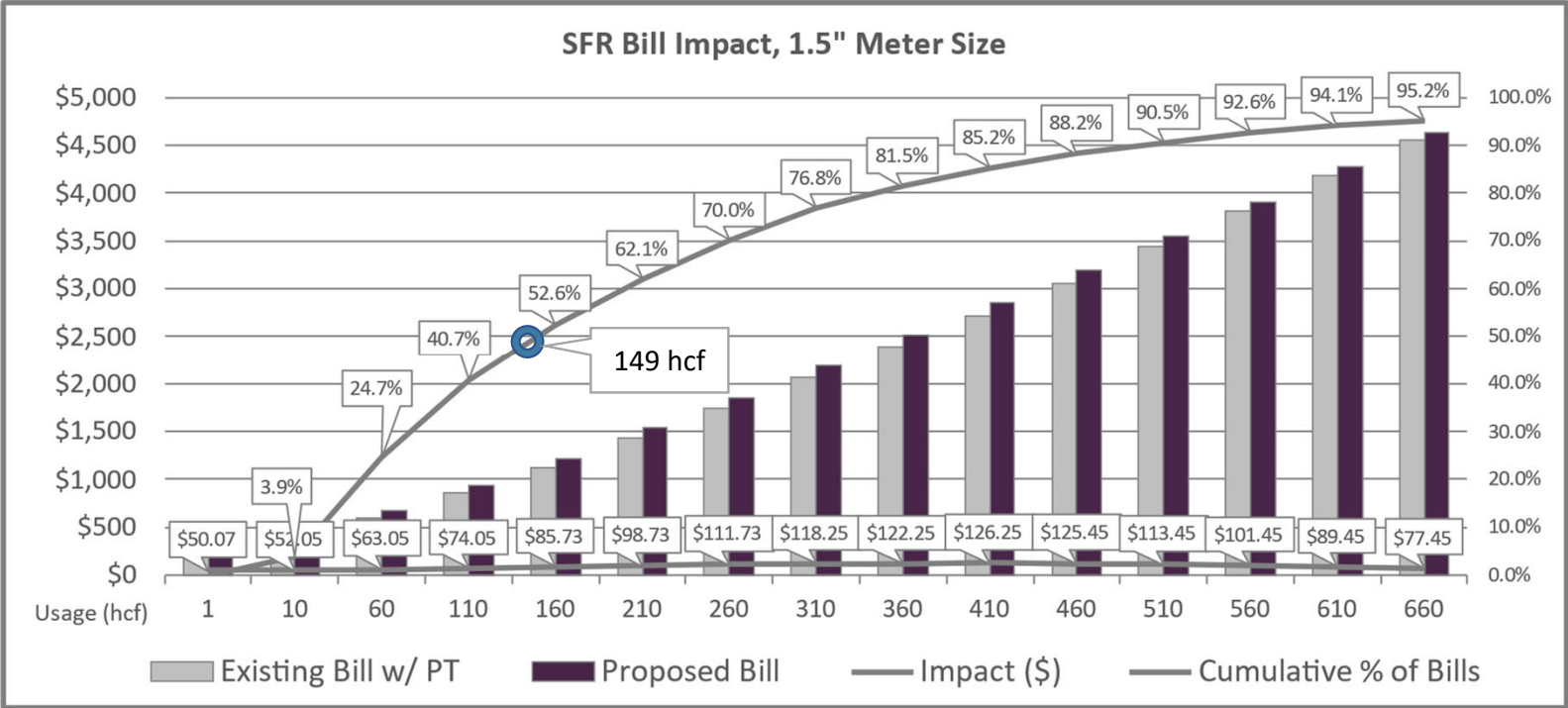
Single-Family with 1.5" Meter



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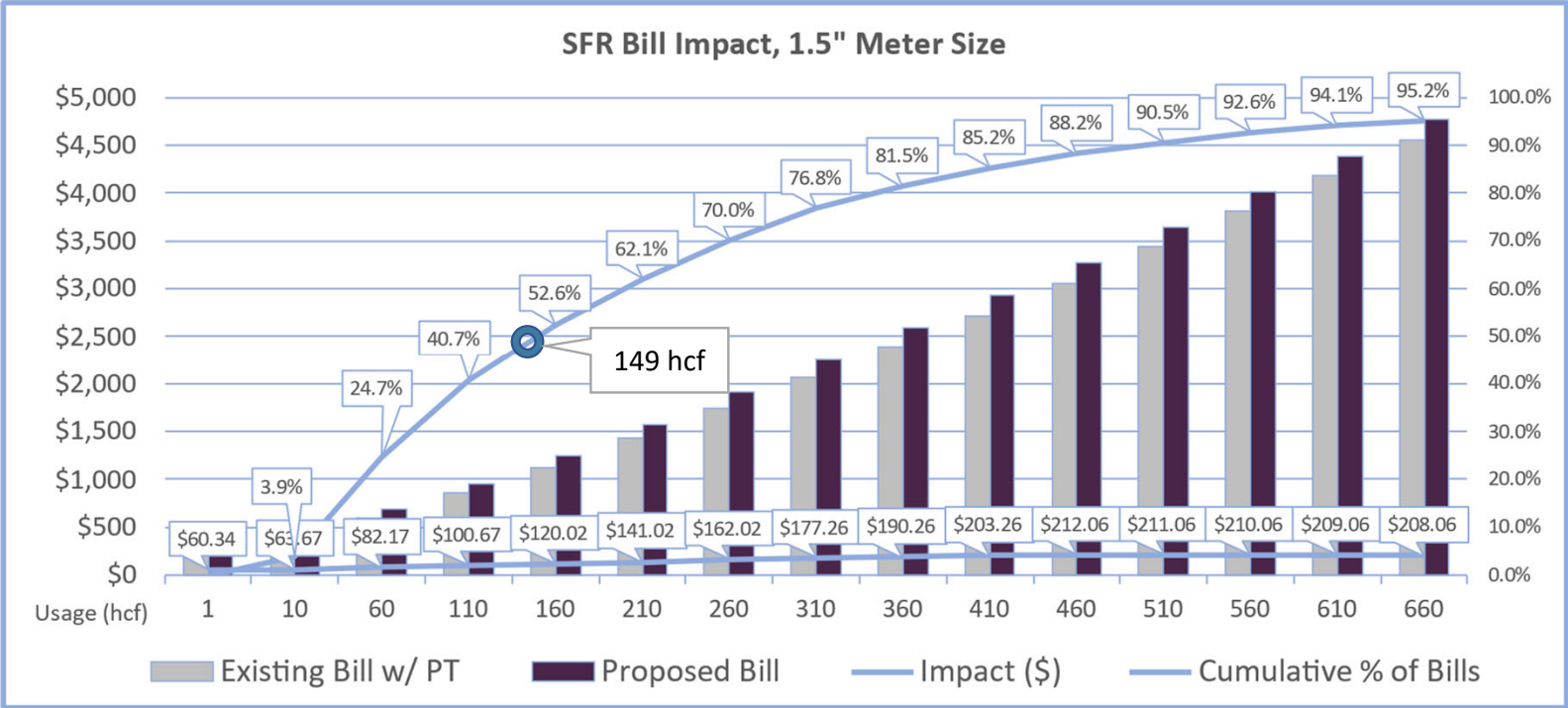
SFR Bill Impacts (1.5")

SDCWA + 0% Revenue Adjustment for SFID



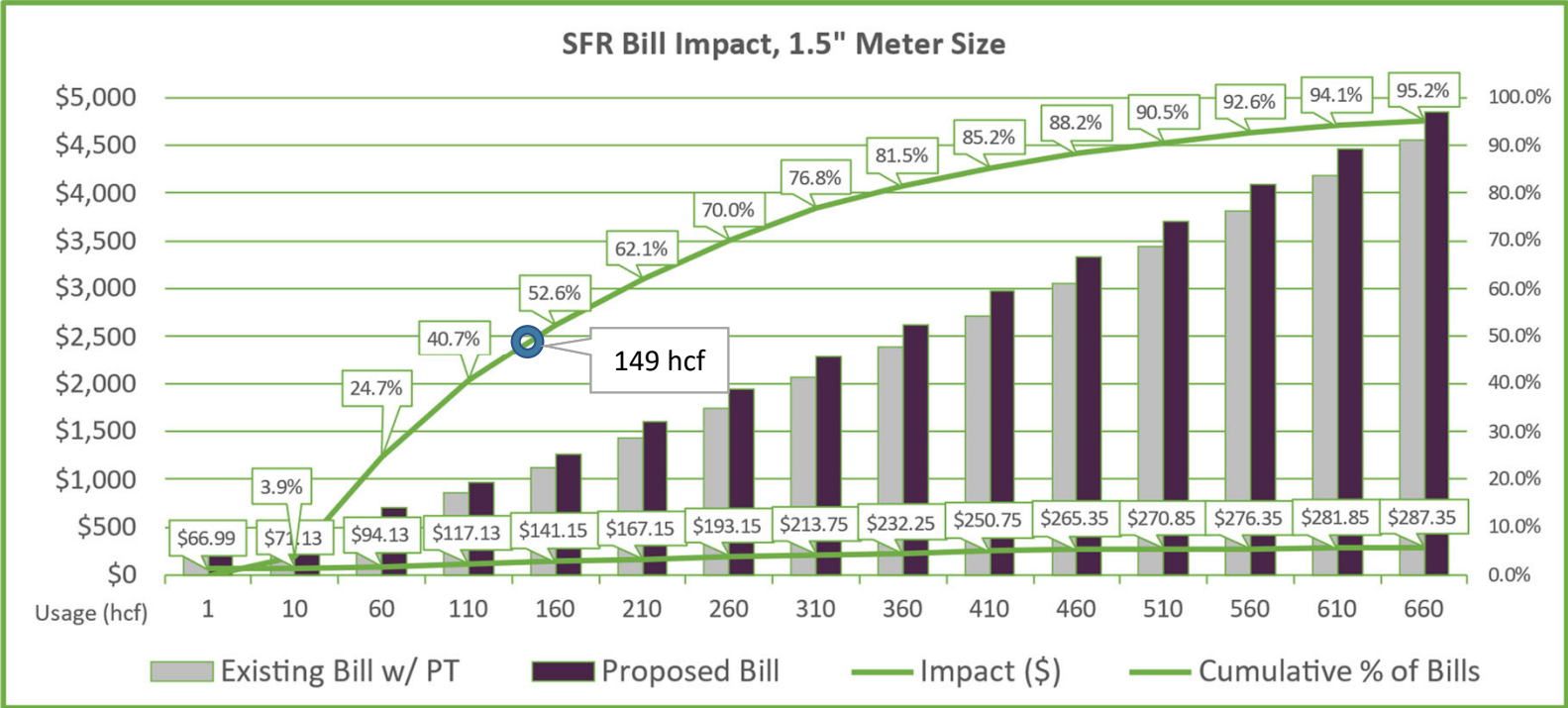
SFR Bill Impacts (1.5")

SDCWA + 1% Revenue Adjustment for SFID



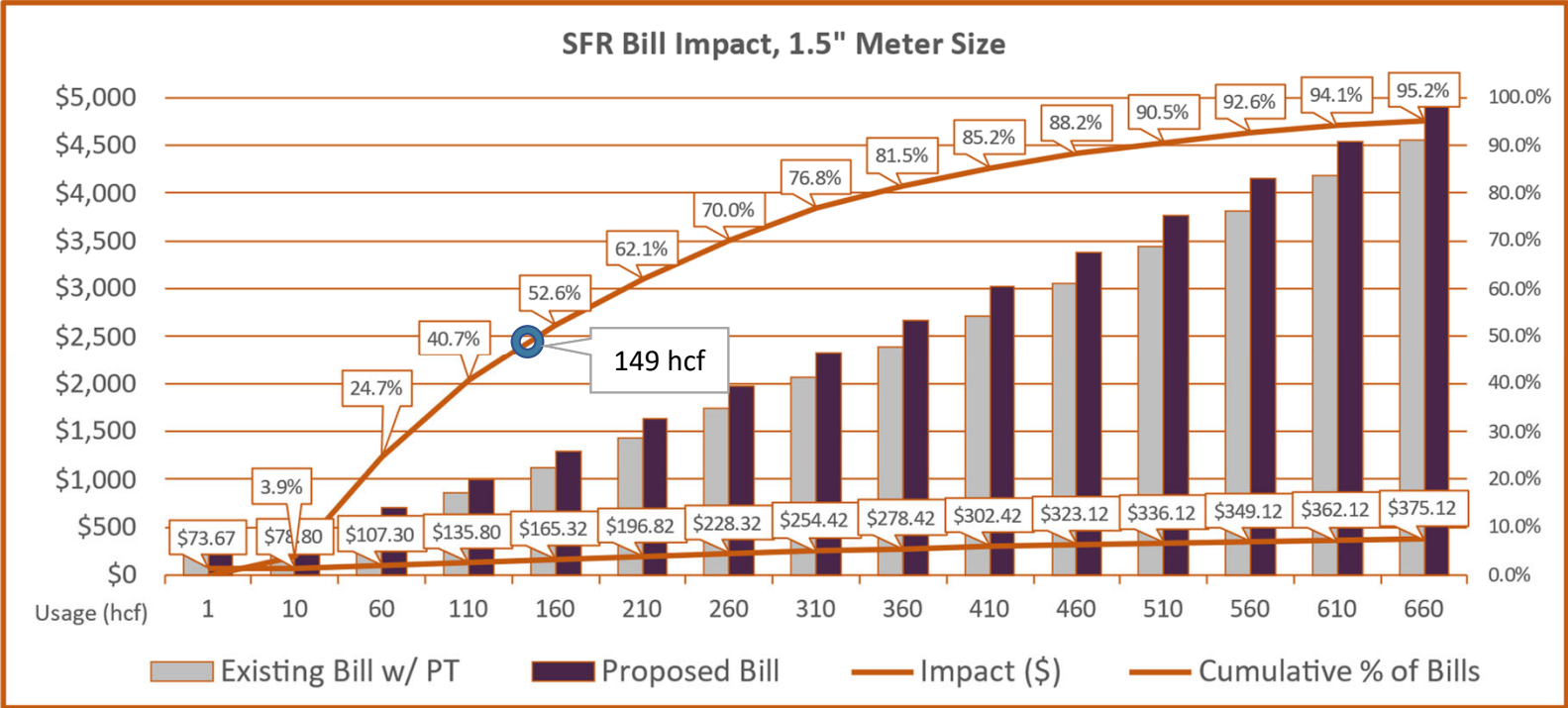
SFR Bill Impacts (1.5")

SDCWA + 3% Revenue Adjustment for SFID



SFR Bill Impacts (1.5")

SDCWA + 5% Revenue Adjustment for SFID



Customer Bill Impacts

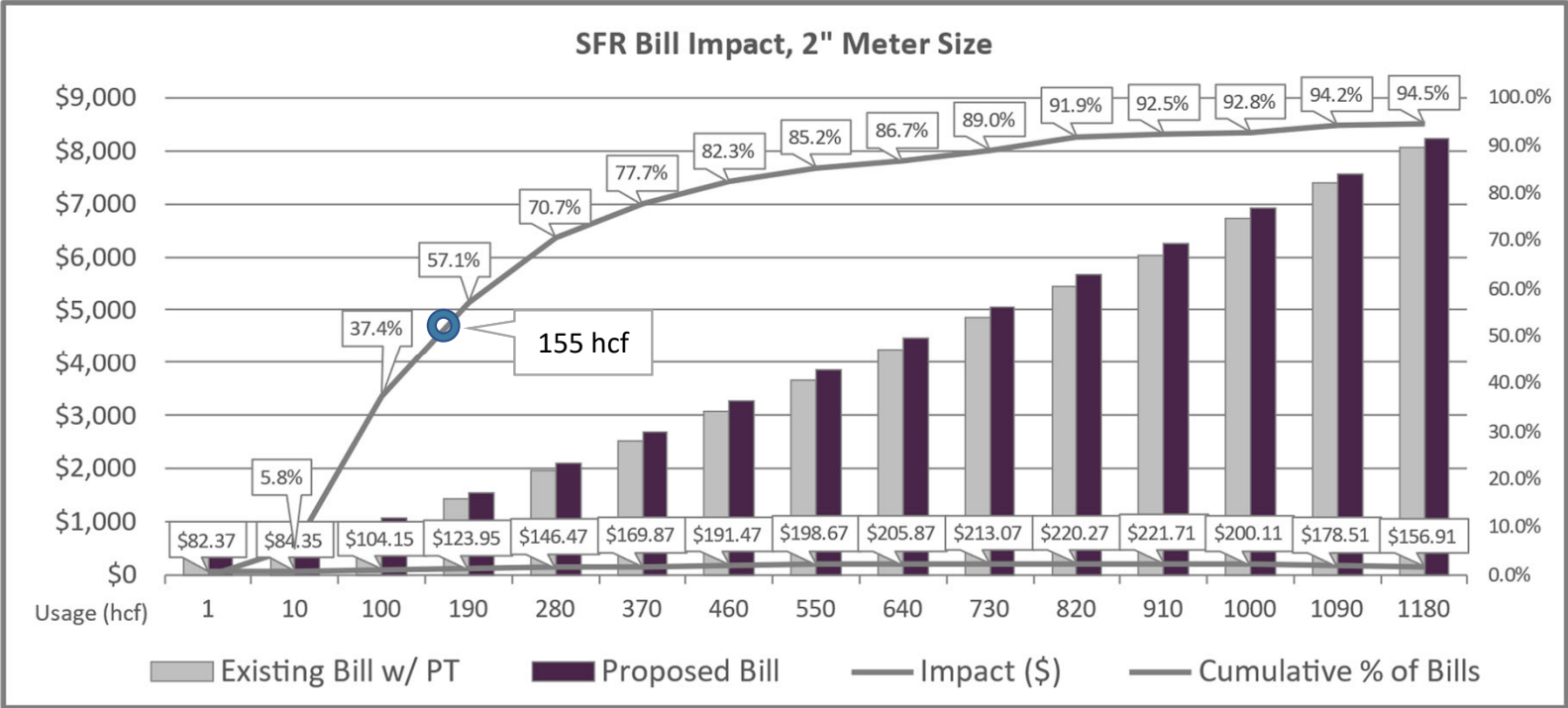
Single-Family with 2" Meter



**SANTA FE
IRRIGATION DISTRICT**

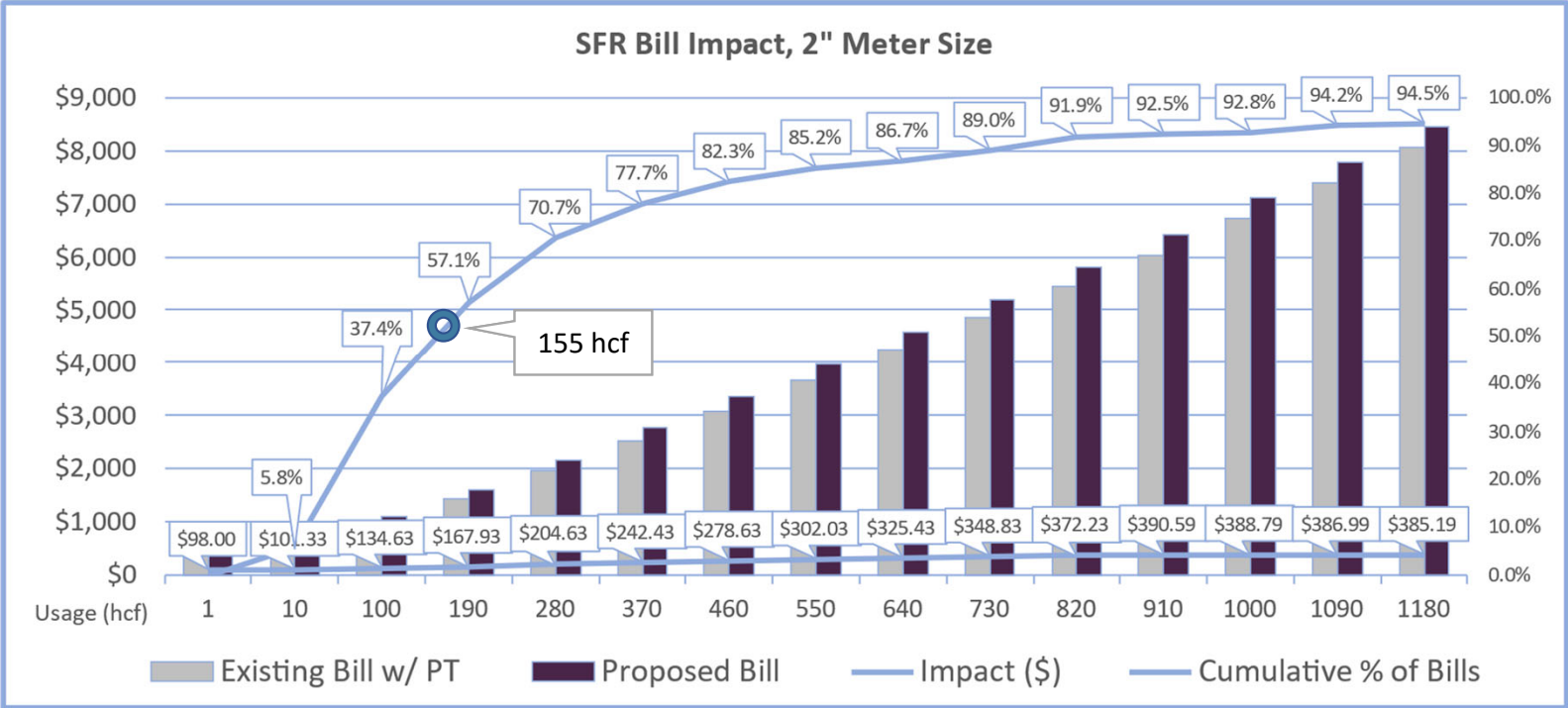
SFR Bill Impacts (2")

SDCWA + 0% Revenue Adjustment for SFID



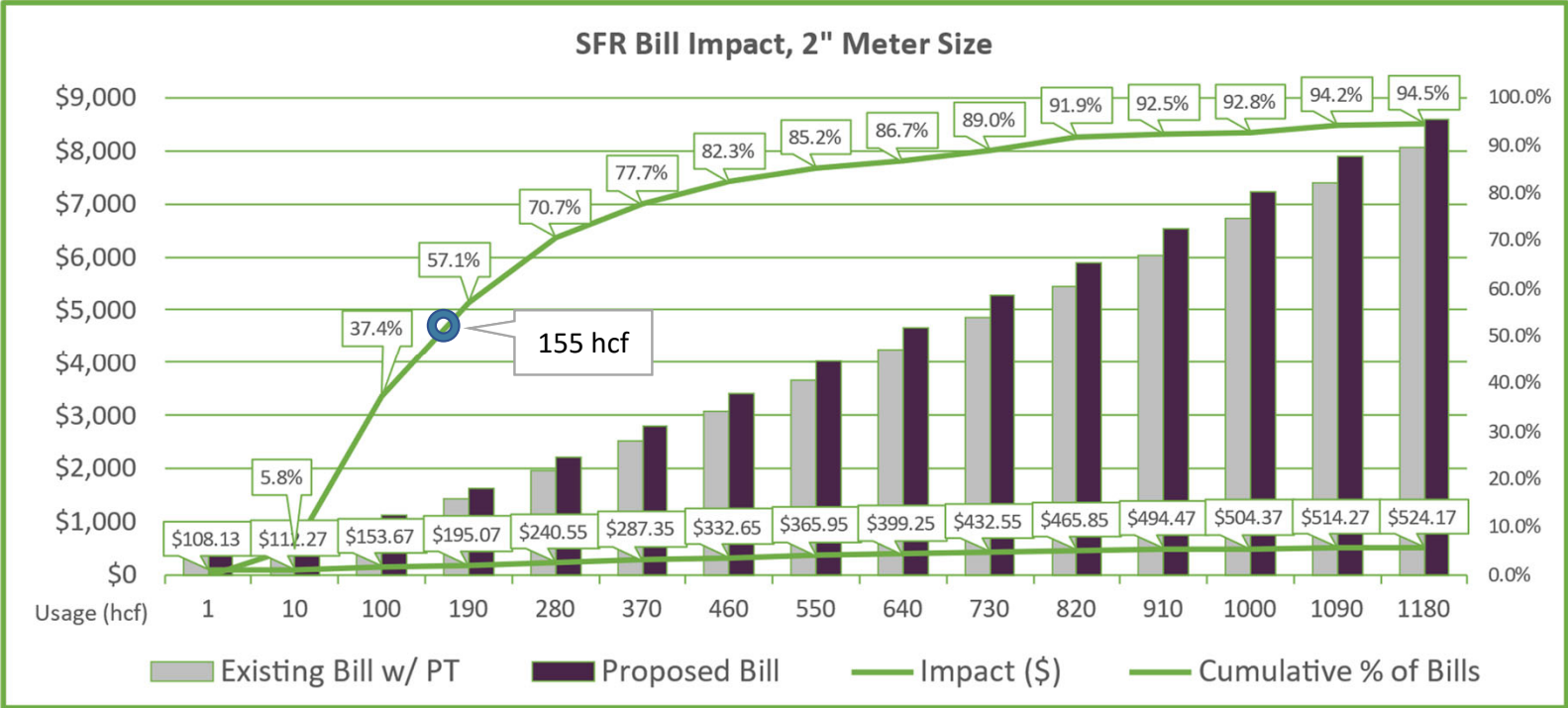
SFR Bill Impacts (2")

SDCWA + 1% Revenue Adjustment for SFID



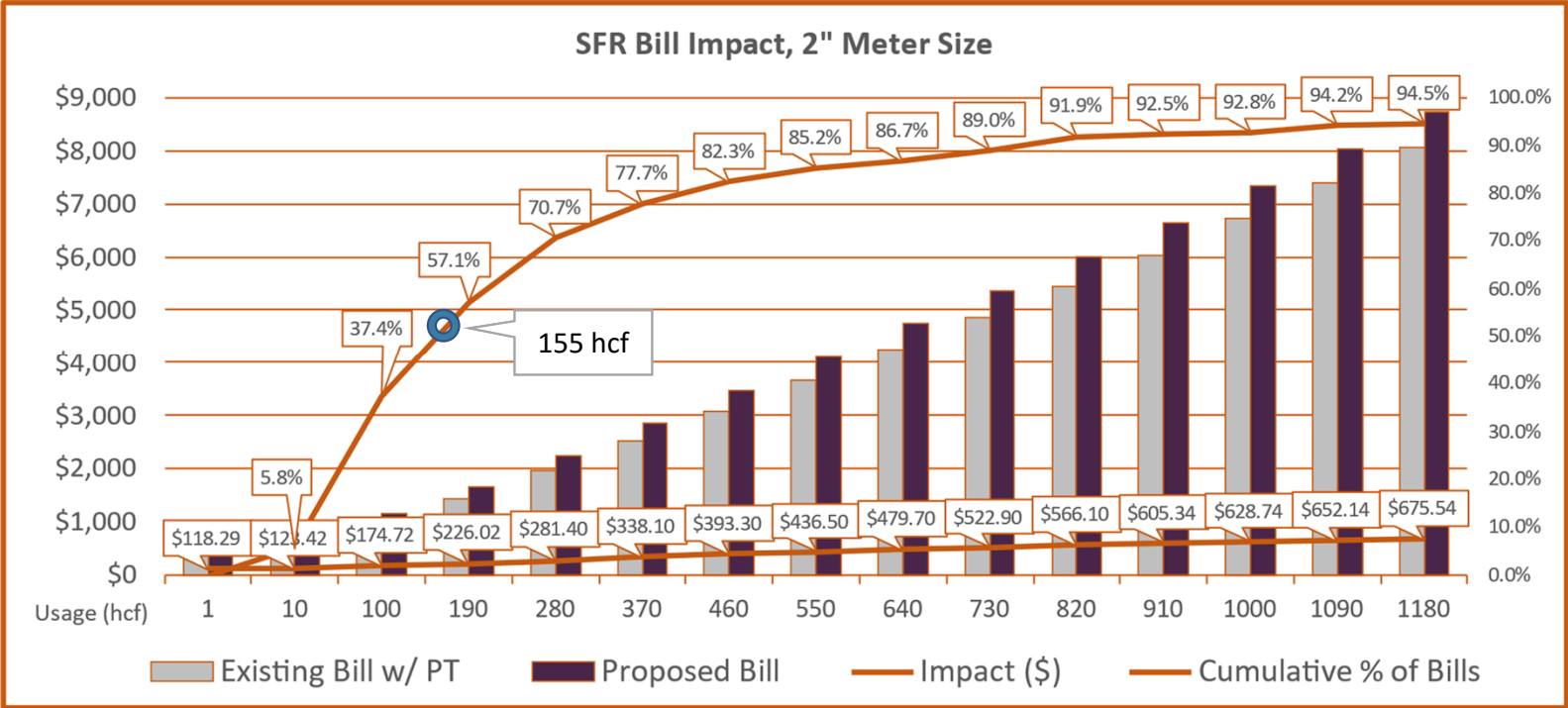
SFR Bill Impacts (2")

SDCWA + 3% Revenue Adjustment for SFID



SFR Bill Impacts (2")

SDCWA + 5% Revenue Adjustment for SFID



CY 2025 Rate Schedules

Fixed Charges and Variable Rates



**SANTA FE
IRRIGATION DISTRICT**

Proposed Rates (SDCWA + 0% Revenue Adj for SFID)

Fixed Charges and Variable Rates

| Proposed Bi-Monthly Potable Fixed Charge | |
|--|-------------------------------|
| Meter Size | Proposed Potable Meter Charge |
| 5/8" & 3/4" | \$110.68 |
| 1" | \$180.06 |
| 1 1/2" | \$353.47 |
| 2" | \$561.57 |
| 3" | \$1,220.56 |
| 4" | \$2,191.68 |
| 6" | \$4,515.47 |
| 8" | \$9,717.97 |
| 10" | \$14,573.63 |

| Proposed vs Existing | | |
|-------------------------------|-----------------|----------------|
| Existing Potable Meter Charge | Difference (\$) | Difference (%) |
| \$98.51 | \$12.17 | 12.4% |
| \$157.11 | \$22.95 | 14.6% |
| \$303.62 | \$49.85 | 16.4% |
| \$479.42 | \$82.15 | 17.1% |
| \$1,036.13 | \$184.43 | 17.8% |
| \$1,856.55 | \$335.13 | 18.1% |
| \$3,819.68 | \$695.79 | 18.2% |
| \$8,214.77 | \$1,503.20 | 18.3% |
| \$12,316.85 | \$2,256.78 | 18.3% |

| Variable Revenue Components (hcf) | |
|-----------------------------------|-------------------------|
| Customer Class / Tier | Proposed Variable Rates |
| Single-Family | |
| Tier 1 | \$5.24 |
| Tier 2 | \$6.45 |
| Tier 3 | \$6.62 |
| Tier 4 | \$7.23 |
| Multi-Family | \$5.82 |
| Non-Residential | \$5.85 |
| Agricultural / Irrigation | \$6.44 |
| PSAWR | |
| Tier 1 | \$5.24 |
| Tier 2 | \$5.74 |

| Proposed vs Existing | | |
|-------------------------|-----------------|----------------|
| Existing Variable Rates | Difference (\$) | Difference (%) |
| \$5.02 | \$0.22 | 4.4% |
| \$6.19 | \$0.26 | 4.2% |
| \$6.54 | \$0.08 | 1.2% |
| \$7.47 | (\$0.24) | -3.2% |
| \$5.68 | \$0.14 | 2.5% |
| \$5.75 | \$0.10 | 1.7% |
| \$5.80 | \$0.64 | 11.0% |
| \$5.02 | \$0.22 | 4.4% |
| \$5.26 | \$0.48 | 9.1% |

Proposed Rates (SDCWA + 1% Revenue Adj for SFID)

Fixed Charges and Variable Rates

| Proposed Bi-Monthly Potable Fixed Charge | |
|--|-------------------------------|
| Meter Size | Proposed Potable Meter Charge |
| 5/8" & 3/4" | \$114.54 |
| 1" | \$185.70 |
| 1 1/2" | \$363.59 |
| 2" | \$577.05 |
| 3" | \$1,253.00 |
| 4" | \$2,249.14 |
| 6" | \$4,632.79 |
| 8" | \$9,969.29 |
| 10" | \$14,950.01 |

| Proposed vs Existing | | |
|----------------------|-----------------|----------------|
| Existing Potable | Difference (\$) | Difference (%) |
| \$98.51 | \$16.03 | 16.3% |
| \$157.11 | \$28.59 | 18.2% |
| \$303.62 | \$59.97 | 19.8% |
| \$479.42 | \$97.63 | 20.4% |
| \$1,036.13 | \$216.87 | 20.9% |
| \$1,856.55 | \$392.59 | 21.1% |
| \$3,819.68 | \$813.11 | 21.3% |
| \$8,214.77 | \$1,754.52 | 21.4% |
| \$12,316.85 | \$2,633.16 | 21.4% |

| Variable Revenue Components (hcf) | |
|-----------------------------------|-------------------------|
| Customer Class / Tier | Proposed Variable Rates |
| Single-Family | |
| Tier 1 | \$5.39 |
| Tier 2 | \$6.61 |
| Tier 3 | \$6.80 |
| Tier 4 | \$7.45 |
| Multi-Family | \$5.98 |
| Non-Residential | \$6.01 |
| Agricultural / Irrigation | \$6.64 |
| PSAWR | |
| Tier 1 | \$5.39 |
| Tier 2 | \$5.95 |

| Proposed vs Existing | | |
|-------------------------|-----------------|----------------|
| Existing Variable Rates | Difference (\$) | Difference (%) |
| \$5.02 | \$0.37 | 7.4% |
| \$6.19 | \$0.42 | 6.8% |
| \$6.54 | \$0.26 | 4.0% |
| \$7.47 | (\$0.02) | -0.3% |
| \$5.68 | \$0.30 | 5.3% |
| \$5.75 | \$0.26 | 4.5% |
| \$5.80 | \$0.84 | 14.5% |
| \$5.02 | \$0.37 | 7.4% |
| \$5.26 | \$0.69 | 13.1% |

Proposed Rates (SDCWA + 3% Revenue Adj for SFID)

Fixed Charges and Variable Rates

| Proposed Bi-Monthly Potable Fixed Charge | |
|--|-------------------------------|
| Meter Size | Proposed Potable Meter Charge |
| 5/8" & 3/4" | \$117.05 |
| 1" | \$189.37 |
| 1 1/2" | \$370.15 |
| 2" | \$587.09 |
| 3" | \$1,274.07 |
| 4" | \$2,286.45 |
| 6" | \$4,708.95 |
| 8" | \$10,132.45 |
| 10" | \$15,194.38 |

| Proposed vs Existing | | |
|----------------------|-----------------|----------------|
| Existing Potable | Difference (\$) | Difference (%) |
| \$98.51 | \$18.54 | 18.8% |
| \$157.11 | \$32.26 | 20.5% |
| \$303.62 | \$66.53 | 21.9% |
| \$479.42 | \$107.67 | 22.5% |
| \$1,036.13 | \$237.94 | 23.0% |
| \$1,856.55 | \$429.90 | 23.2% |
| \$3,819.68 | \$889.27 | 23.3% |
| \$8,214.77 | \$1,917.68 | 23.3% |
| \$12,316.85 | \$2,877.53 | 23.4% |

| Variable Revenue Components (hcf) | |
|-----------------------------------|-------------------------|
| Customer Class / Tier | Proposed Variable Rates |
| Single-Family | |
| Tier 1 | \$5.48 |
| Tier 2 | \$6.71 |
| Tier 3 | \$6.91 |
| Tier 4 | \$7.58 |
| Multi-Family | \$6.08 |
| Non-Residential | \$6.11 |
| Agricultural / Irrigation | \$6.77 |
| PSAWR | |
| Tier 1 | \$5.48 |
| Tier 2 | \$6.10 |

| Proposed vs Existing | | |
|-------------------------|-----------------|----------------|
| Existing Variable Rates | Difference (\$) | Difference (%) |
| \$5.02 | \$0.46 | 9.2% |
| \$6.19 | \$0.52 | 8.4% |
| \$6.54 | \$0.37 | 5.7% |
| \$7.47 | \$0.11 | 1.5% |
| \$5.68 | \$0.40 | 7.0% |
| \$5.75 | \$0.36 | 6.3% |
| \$5.80 | \$0.97 | 16.7% |
| \$5.02 | \$0.46 | 9.2% |
| \$5.26 | \$0.84 | 16.0% |

Proposed Rates (SDCWA + 5% Revenue Adj for SFID)

Fixed Charges and Variable Rates

| Proposed Bi-Monthly Potable Fixed Charge | |
|--|-------------------------------|
| Meter Size | Proposed Potable Meter Charge |
| 5/8" & 3/4" | \$119.56 |
| 1" | \$193.04 |
| 1 1/2" | \$376.72 |
| 2" | \$597.14 |
| 3" | \$1,295.14 |
| 4" | \$2,323.76 |
| 6" | \$4,785.12 |
| 8" | \$10,295.62 |
| 10" | \$15,438.75 |

| Proposed vs Existing | | |
|-------------------------------|-----------------|----------------|
| Existing Potable Meter Charge | Difference (\$) | Difference (%) |
| \$98.51 | \$21.05 | 21.4% |
| \$157.11 | \$35.93 | 22.9% |
| \$303.62 | \$73.10 | 24.1% |
| \$479.42 | \$117.72 | 24.6% |
| \$1,036.13 | \$259.01 | 25.0% |
| \$1,856.55 | \$467.21 | 25.2% |
| \$3,819.68 | \$965.44 | 25.3% |
| \$8,214.77 | \$2,080.85 | 25.3% |
| \$12,316.85 | \$3,121.90 | 25.3% |

| Variable Revenue Components (hcf) | |
|-----------------------------------|-------------------------|
| Customer Class / Tier | Proposed Variable Rates |
| Single-Family | |
| Tier 1 | \$5.59 |
| Tier 2 | \$6.82 |
| Tier 3 | \$7.02 |
| Tier 4 | \$7.73 |
| Multi-Family | \$6.18 |
| Non-Residential | \$6.22 |
| Agricultural / Irrigation | \$6.90 |
| PSAWR | |
| Tier 1 | \$5.59 |
| Tier 2 | \$6.23 |

| Proposed vs Existing | | |
|-------------------------|-----------------|----------------|
| Existing Variable Rates | Difference (\$) | Difference (%) |
| \$5.02 | \$0.57 | 11.4% |
| \$6.19 | \$0.63 | 10.2% |
| \$6.54 | \$0.48 | 7.3% |
| \$7.47 | \$0.26 | 3.5% |
| \$5.68 | \$0.50 | 8.8% |
| \$5.75 | \$0.47 | 8.2% |
| \$5.80 | \$1.10 | 19.0% |
| \$5.02 | \$0.57 | 11.4% |
| \$5.26 | \$0.97 | 18.4% |

Summary

Next Steps

- November 13th: Final direction to staff on revenue adjustments
- December 19th: Review cost-of-service administrative record and Proposition 218 Notice
- January 3rd, 2025: Mail date for Proposition 218 Notices
- February 20th, 2025: Public Hearing

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Thank You

