

MINUTES OF THE
FISCAL POLICY COMMITTEE OF
VISTA IRRIGATION DISTRICT

September 12, 2018

A Meeting of the Fiscal Policy Committee was held on Wednesday, September 12, 2018, at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

Chair Dorey called the meeting to order at 1:00 p.m.

2. ROLL CALL

Directors present: Chair Dorey and Director MacKenzie.

Staff present: Eldon Boone, General Manager; Lisa Soto, Secretary of the Board; Brett Hodgkiss, Assistant General Manager; Frank Wolinski, Operations and Field Services Manager; Marlene Kelleher, Finance Manager; and Farrokh Shahamiri, Finance Associate.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

4. PUBLIC COMMENT TIME

There were no members of the public present.

5. DISTRICT FEES AND CHARGES OTHER THAN WATER RATES

See staff report attached hereto.

Assistant General Manager Brett Hodgkiss stated that the District's fees and charges other than water rates are calculated to recover the District's costs, and the proposed revisions are necessary to cover changes in the cost of materials, labor, contracted services and updated processes. He provided a brief summary of the proposed revisions.

Mr. Hodgkiss stated that the District's standard for new service laterals is 1" or 2", which requires additional parts to be used to adapt smaller meter connections to a larger services. The proposed fees related to service outlet, meter hook on and meter full install for certain meter sizes have been adjusted accordingly. The Committee discussed the current and future uses within the District of meter sizes under 1", particularly the 5/8" size. It was noted that while the District does not install many new 5/8" meters (mostly as flow indicator or "tattle tell" meters on larger fire services), there are still a significant number of these meters in use; as noted during previous discussions with the Board, the District still purchases 5/8" meters to replace stopped meters of the same size.

Mr. Hodgkiss reviewed the annexation fees, which are proposed to be increased by 7.8 percent. He stated that the calculation for these fees is based on the value of the District's assets (excluding the water system infrastructure), less the District's liabilities, and divided by the acreage of the District's service area. An increase in the value of assets coupled with the District controlling its liabilities has resulted in the annexation fees going up in 2019. Mr. Hodgkiss noted that the Building Industry Association (BIA) was

sent the Proposed Fee Summary, and the only clarification requested was about this particular fee. When staff explained the reason for the proposed increase, the representative from BIA was satisfied with the reasoning.

Under Customer Service Fees, Mr. Hodgkiss reviewed the fee labeled "Tax Roll", related to the calculation and addition of unpaid charges to the tax roll. Mr. Hodgkiss said that the increase to the Tax Roll fee is due to a greater amount of staff time being spent on this task. Mr. Hodgkiss pointed out three new fees listed under Customer Service Fees, which are to recover the cost of replacing damaged curb stops. He said that these fees will be applied when a curb stop has been damaged by the customer. He noted that the difference in the fee amount for a 1" curb stop (in comparison to the 5/8" and 3/4" damaged curb stop fees) is the cost of the part.

Mr. Hodgkiss thanked Finance Manager Marlene Kelleher, Finance Associate Farrokh Shahamiri and other staff involved with reviewing and updating the fees and charges for a job well done.

Mr. Shahamiri reviewed the calculations used to determine the fee for the water availability letter, which includes 65 minutes of staff time to prepare (total time spread among three staff members).

General Manager Eldon Boone stated that the District sets its fees and charges only to recover the District's costs from the party incurring the fee or requesting the service. Chair Dorey commented that this is an important point to emphasize at the upcoming public hearing.

The Committee recommended that the revised fees and charges other than water rates be presented for consideration by the Board of Directors at a public hearing on October 10, 2018. Mr. Hodgkiss said that staff will duly publish the notices for a public hearing on that date.

7. COMMENTS BY COMMITTEE MEMBERS

None were presented.

8. COMMENTS BY GENERAL MANAGER

On a matter of interest to the Fiscal Policy Committee, Mr. Boone spoke about a trust that was set up years ago by the Board to fund retiree health benefits. He stated that all retiree health benefits are now being paid for from this fund.

9. ADJOURNMENT

There being no further business to come before the Committee, at 1:44 p.m. Chair Dorey adjourned the meeting.


Paul E. Dorey, Chair

ATTEST:


Lisa R. Soto, Secretary

Board of Directors

VISTA IRRIGATION DISTRICT



**FISCAL POLICY COMMITTEE
STAFF REPORT**

Agenda Item: 5

Meeting Date:	September 12, 2018
Prepared By:	Marlene Kelleher
Reviewed By:	Brett Hodgkiss
Approved:	Eldon Boone

SUBJECT: DISTRICT FEES AND CHARGES OTHER THAN WATER RATES

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

PRIOR BOARD ACTION:

11/01/17 Conducted a public hearing. There were no public comments, written or oral, presented. Adopted Resolution No. 17-40 revising Rules and Regulations of the District relative to fees and charges other than water rates.

FISCAL IMPACT: The revenue produced by these fees and charges is designed to recover the costs associated with the services provided by the District. Adoption of the new miscellaneous fees and charges will increase revenue to the District if the number and type of transactions remain similar to those in the past. In Fiscal Year 2018, the District collected approximately \$1.9 million in revenues from miscellaneous fees and charges. Staff estimates an increase in annual fee revenues of approximately \$61,000.

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

The District's fees and charges are being presented to the Fiscal Policy Committee for review and comment prior to consideration by the full Board. After the Committee's review and recommendation, the Board will conduct a public hearing to receive comments prior to considering adoption of the revised fees and charges. The fees would become effective January 1, 2019.

DETAILED REPORT: Staff has performed detailed costs studies on all fees and charges. The proposed changes are necessary due to inflationary factors and the updated results of the very detailed analysis of the cost make-up of each fee. The proposed fees are calculated using current costs for labor, materials and outside services. A majority of the changes in this fee study are related to either an increase or a decrease in the cost of services and/or parts. Staff will present the changes of individual fees at the Committee meeting. The proposed fees reflect the estimated cost of providing services in calendar year 2019.

ATTACHMENT: Proposed Fee Summary

Vista Irrigation District

PROPOSED FEE SUMMARY

Effective: January 1, 2019

	Current Fee	Proposed Fee	\$ Change	% Change
Construction Fees:				
5/8" Meter Full Install	\$ 4,489	\$ 4,674	\$ 185	4.1%
5/8" Meter Hook On	848	665	(183)	(21.6%)
5/8" Service Outlet *	3,641	4,009	368	10.1%
3/4" Meter Full Install	4,490	4,672	182	4.1%
3/4" Meter Hook On	849	663	(186)	(21.9%)
3/4" Service Outlet *	3,641	4,009	368	10.1%
1" Meter Full Install	4,598	4,762	164	3.6%
1" Meter Hook On	957	753	(204)	(21.3%)
1" Service Outlet *	3,641	4,009	368	10.1%
1 1/2" Meter Full Install	5,862	7,030	1,168	19.9%
1 1/2" Meter Hook On	1,377	1,799	422	30.6%
1 1/2" Service Outlet *	4,485	5,231	746	16.6%
2" Meter Full Install	6,839	6,816	(23)	0.3%
2" Meter Hook On	1,776	1,585	(191)	(10.8%)
2" Service Outlet *	5,063	5,231	168	3.3%
Fire Hydrant Full Install *	12,874	13,429	555	4.3%
Fire Hydrant Upgrade *	5,987	6,200	213	3.6%
4" Fire Service Connection *	8,343	8,754	411	4.9%
6" Fire Service Connection *	8,781	9,228	447	5.1%
8" Fire Service Connection *	9,703	10,168	465	4.8%
10" Fire Service Connection *	11,278	11,609	331	2.9%
Air Vent, Blow Off, and Gate Valve for Fire Service	4,004	4,093	89	2.2%
Commercial Irrigation Service Conversion Fee	1,928	1,995	67	3.5%
Backflow Device Set-up	240	248	8	3.3%
Reset Pressure Valve	180	186	6	3.3%
1" Construction Meter Deposit With Backflow Device	607	618	11	1.8%
Refundable Amount	241	241	-	-
1" Construction Meter Deposit With Spanner and Backflow Device	635	645	10	1.6%
Refundable Amount	264	264	-	-
3" Construction Meter Deposit With Backflow Device	3,754	3,934	180	4.8%
Refundable Amount	2,582	2,714	132	5.1%
Unauthorized Taking of District Water	2,576	2,624	48	1.9%
Relocate Construction Meter	150	155	5	3.3%
Unauthorized Construction Meter and Backflow Device Move Penalty	308	319	11	3.6%
Subdivision Construction Meter Deposit	9,052	8,985	(67)	(0.7%)
Refundable Amount	6,993	6,925	(68)	(1.0%)
Meter Service Lateral Termination	1,702	1,690	(12)	(0.7%)
Temporary Offsite Service	6,674	6,477	(197)	(3.0%)
Plus: Per Foot Frontage Charge	58	61	3	5.2%
Temporary Service Agreement Conversion	7,283	7,104	(179)	(2.5%)
Plus: Per Foot Frontage Charge	58	61	3	5.2%
Temporary Service Agreement Conversion Excluding Tieback and Permit	5,663	5,484	(179)	(3.2%)
Plus: Per Foot Frontage Charge	58	61	3	5.2%
Cancellation of Meter Application	250	259	9	3.6%
Meter Downsize from 3/4"	570	589	19	3.3%
Meter Downsize from 1"	570	589	19	3.3%
Meter Downsize from 1 1/2"	937	979	42	4.5%
Meter Downsize from 2"	1,099	1,171	72	6.6%

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

Vista Irrigation District

PROPOSED FEE SUMMARY

Effective: January 1, 2019

	Current Fee	Proposed Fee	\$ Change	% Change	
Engineering Fees:					
Hydraulic Analysis with Schematic Layout Statement of Cost	\$ 561	\$ 579	\$ 18	3.2%	
Update Statement of Cost	381	393	12	3.1%	
Specifications Book Cost	201	207	6	3.0%	
Plan Check (per Sheet)	67	69	2	3.0%	
As-Built Deposit (per Sheet)	460	475	15	3.3%	
Refundable Amount (per Sheet)	442	462	20	4.5%	
Construction Contract	442	462	20	4.5%	
Water Availability Letter	1,655	1,709	54	3.3%	
Water Availability Letter Update	247	255	8	3.2%	
Private Ownership Agreement	131	135	4	3.1%	
Grant of Right of Way (to Public)	788	812	24	3.0%	
Quitclaim/Cancellation of Recorded Documents	552	568	16	2.9%	
Fire Flow Analysis (Only)	609	627	18	3.0%	
Annexation Fee (per Acre)	210	217	7	3.3%	
Annexation/Administration - VID Not Conducting Agency	6,133	6,613	480	7.8%	
Annexation/Administration - VID Conducting Agency	2,162	2,234	72	3.3%	
Annexation/Administration - VID Conducting Reorganization	2,162	2,234	72	3.3%	
Detachment Fee (per Acre)	-	-	-	-	
Detachment/Administration - VID Conducting Agency	2,162	2,234	72	3.3%	
Detachment/Administration - VID Not Conducting Agency	2,162	2,234	72	3.3%	
5/8" Capacity Fee	<i>Current # of meters:</i> 3,758	3,681	3,812	131	3.6%
3/4" Capacity Fee	<i>Current # of meters:</i> 17,552	5,521	5,718	197	3.6%
1" Capacity Fee	<i>Current # of meters:</i> 2,998	9,202	9,530	328	3.6%
1 1/2" Capacity Fee	<i>Current # of meters:</i> 1,535	18,405	19,060	655	3.6%
2" Capacity Fee	<i>Current # of meters:</i> 1,061	29,448	30,495	1,047	3.6%
3" Capacity Fee	<i>Current # of meters:</i> 111	58,896	60,991	2,095	3.6%
4" Capacity Fee	<i>Current # of meters:</i> 26	92,025	95,298	3,273	3.6%
6" Capacity Fee	<i>Current # of meters:</i> 15	184,049	190,596	6,547	3.6%
8" Capacity Fee	<i>Current # of meters:</i> 5	294,479	304,953	10,474	3.6%
10" Capacity Fee	<i>Current # of meters:</i> 1	423,314	438,371	15,057	3.6%
12" Capacity Fee	<i>Current # of meters:</i> 0	791,413	819,562	28,149	3.6%
Meter Service Lateral Inspection	580	599	19	3.3%	
RPDA Inspection	520	537	17	3.3%	
RPDA and Lateral Inspection Without Shutdown	1,240	1,281	41	3.3%	
RPDA and Lateral Inspection With Shutdown	2,080	2,149	69	3.3%	
Fire Hydrant Inspection	880	909	29	3.3%	
Fire Hydrant and Lateral Inspection without Shutdown	1,600	1,653	53	3.3%	
Fire Hydrant and Lateral Inspection with Shutdown	1,960	2,025	65	3.3%	

Vista Irrigation District
PROPOSED FEE SUMMARY
Effective: January 1, 2019

	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Customer Service Fees:</u>				
Late Payment	\$ 13	\$ 13	\$ -	-
Door Hanger	52	54	2	3.8%
Non-Payment Lock	140	144	4	2.9%
After Hours Lock or Unlock	158	164	6	3.8%
Broken Lock	158	164	6	3.8%
Pulled Meter	158	164	6	3.8%
Tax Roll	63	85	22	34.9%
Returned Check	36	36	-	-
Voluntary Lock or Unlock	60	62	2	3.3%
Meter Bench Test	400	413	13	3.3%
5/8" Damaged Curb Stop**	-	797	797	-
3/4" Damaged Curb Stop**	-	797	797	-
1" Damaged Curb Stop**	-	834	834	-
<u>Water Conservation Fees:</u>				
Second Water Citation within 12 Months	\$ 211	\$ 218	\$ 7	3.3%
Third Water Citation within 12 Months	446	450	4	0.9%
Four or More Water Citations within 12 Months	683	682	(1)	(0.1%)
1" and Smaller Flow Restrictor Installation & Removal	281	290	9	3.2%
1½" and 2" Flow Restrictor Installation & Removal	534	551	17	3.2%

** New fee