

MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF  
VISTA IRRIGATION DISTRICT

May 5, 2025

A Special Meeting of the Board of Directors of Vista Irrigation District was held on Monday, May 5, 2025, at the offices of the District, 1391 Engineer Street, Vista, California.

**1. CALL TO ORDER**

President Sanchez called the meeting to order at 1:30 p.m.

**2. ROLL CALL**

Directors present: Miller, Nuñez, Kuchinsky, MacKenzie, and Sanchez.

Directors absent: None.

Staff present: Brett Hodgkiss, General Manager; Ramae Ogilvie, Secretary of the Board; Lesley Dobalian, Director of Water Resources; Randy Whitmann, Director of Engineering; Frank Wolinski, Director of Operations and Field Services; Shallako Goodrick, Director of Administration; Elizabeth Xaverius, Administrative Assistant; Breona Paz, Customer Service Supervisor; Greg Bryant, Customer Service Supervisor; and Brent Reyes, Management Analyst. General Counsel Elizabeth Mitchell of Burke, Williams & Sorensen was also present.

Other attendees: Steve Gagnon of Raftelis Financial Consultants, Inc. (Raftelis); LaVonne Peck of the San Luis Rey Indian Water Authority; and Richard Vásquez, member of the public. Gina DePinto and Nicki Bartak of Raftelis were present via teleconference.

**3. PLEDGE OF ALLEGIANCE**

Director Miller led the Pledge of Allegiance.

**4. APPROVAL OF AGENDA**

The agenda was approved as presented.

**5. ORAL COMMUNICATIONS**

No public comments were presented on items not appearing on the agenda.

**6. COMPREHENSIVE COST OF SERVICE/WATER RATE STUDY**

See staff report attached hereto.

Director of Administration Shallako Goodrick provided an overview of the District's past water rate setting process stating that water rate studies are prepared every five years. Historically, staff has prepared the comprehensive cost of service/water rate study (study); however, with the District incorporating debt financing into this study, staff determined that it would be best to use a consulting firm that has experience in integrating financing instruments into water rate models to prepare this study. She said that staff is requesting that the Board review the proposed rate alternatives presented by Raftelis and provide feedback so that the study report can be completed.

Steve Gagnon of Raftelis provided a presentation on the study and rate alternatives via a PowerPoint presentation. He reviewed the study process and said the purpose of a study is to ensure that consistent with legal requirements, the District's water rates recover the costs associated with providing water service to each customer. Mr. Gagnon said that they projected future revenue and expenses to determine if revenue is sufficient to cover operations, capital, reserves and debt coverage requirements. He stated that the study analyzed the District's revenue and operating and capital expense needs using various assumptions for Fiscal Years (FYs) 2026 through 2034, adjusting costs over the period by inflation factors; capital projects were adjusted annually by four percent over the 10-year period.

There was discussion regarding the Operation & Maintenance (O&M) and Capital Improvement Projects (CIP) presentation slides. Mr. Gagnon stated that the water purchase costs were calculated using the San Diego County Water Authority's (Water Authority) historical averages over the past five years; it was noted that although the capital improvement costs were projected over a 10-year period, water rates can only be set for a period of five years. He stated that the study assumes that a combined average balance of \$29.7 million per year, for FYs 2026 through 2030, is required to be kept in the Working Capital and Emergency & Contingency reserves to pay for the operating costs and capital projects.

Mr. Gagnon stated that the model proposes a shift in how water rate adjustments would be structured for FYs 2026 through 2030. The District would continue to pass-through Water Authority rate and charge increases to its customers; however, the annual water rate adjustment for inflation would be incorporated into water rates for FYs 2026 through 2030 rather than being implemented separately each year. Ms. Goodrick clarified that the average annual inflationary adjustment on a typical customer's bi monthly bill (3/4-inch meter using 24 units of water) is about two percent.

Mr. Gagnon reviewed the three proposed rate alternatives for the five-year period (FYs 2026 through 2030). He noted that each year the water rates and charges would be increased by the noted percentage to ensure that the District's revenues and reserves sufficiently fund current and future operations and large capital projects.

- Alternative 1 - increase water rates and charges by 8.25% per year; identified large capital project construction costs would be funded on a "pay as you go" (pay-go). Much of the burden of paying for the identified multi-generational capital projects would be borne by current ratepayers.
- Alternative 2 - increase water rates and charges by 4.00% per year; identified large capital project construction costs would be financed, which spreads their costs over the multiple generations that benefit from the projects.
- Alternative 3 - increase in water rates and charges by 5.25% per year; identified large capital project construction costs would be funded by a combination of pay-go and financing. Partial debt financing would spread some of the costs over multiple generations but the cost burden on current ratepayers would be higher.

It was noted that all three alternatives do not include the Water Authority pass-through rates and charges and that each alternative would sufficiently fund the reserve balances for the identified five-year period. Ms. Goodrick stated that the water rate model for Alternatives 2 and 3, which rely on debt financing to fund large capital project construction, used the most conservative financing scenario of issuing bonds at a five percent interest rate.

Mr. Gagnon reviewed the proposed methodology including changes to the commodity rates, service charge, fire connection services and locked meter charges. He stated that a three-tier system is being proposed in which the water rate for each tier would be based on the cost and allotment of the water supplies associated with each tier. The Tier 1 rate would be based on a mix of the lowest cost water (local water and purchased raw water from the Water Authority that is treated at the Weese and Escondido-Vista water treatment plants); the Tier 2 rate would be based on the second lowest cost water (purchased raw water from the Water Authority that is treated at the Weese and Escondido-Vista water treatment plants and purchased treated water from the Water

Authority); Tier 3 rates would be based on the highest cost water (purchased treated water from the Water Authority). It was noted that the unit allotment per tier based on meter size remains the same.

Mr. Gagnon said the service charge is calculated based using hydraulic capacity and would increase annually by the same percentage as the commodity rate. The fire connection service charge is based on the actual cost to serve fire connections and the potential flow through each fire connection. Locked meters (voluntarily) are proposed to be charged 100 percent of the service charge.

Mr. Gagnon reviewed examples of monthly bill impacts for each rate alternative; it was shown that a typical residential customer's bi-monthly bill (3/4-inch meter and using 24 units of water) would increase by between \$4.24 and \$15.48 (1.6% to 5.9%) in the first year based on the rate alternatives presented. Ms. Goodrick noted that during the first year that the new rates are implemented each customer's bill would adjust differently due to the proposed changes in methodology; however, in years two through five, the total bill for each customer would increase equally by the percentage of the selected rate alternative.

Ms. Goodrick reviewed the tentative timeline, noting that the study report and Proposition 218 notice would be presented to the Board in early August; if approved, the Proposition 218 process would begin, culminating with a public hearing on the proposed rates in November. If the proposed water rates and charges are adopted, customers would be notified of the rate increase beginning January 1, 2026; new rates (inclusive of the Water Authority pass-through) and charges would appear on all bills beginning March 1, 2026. It was noted that increases would be implemented one-time each a year for FYs 2026 through 2030.

The Board received clarification and provided feedback on the timeline. Ms. DePinto provided additional information regarding the Proposition 218 process and discussed various public outreach activities.

Richard Vásquez commented on the presentation and said it answered several of his questions, but he is still concerned about what will be coming in the future.

The Board discussed the three alternatives presented and received clarification on various aspects of each alternative; the Board requested that the Capital Projects List be expanded to show construction costs projected out 30 years. Staff addressed various questions about the timeline and the ability to provide the public with ample notification in advance of rate increases.

It was noted that the Board is not being asked to make a final decision on the water rates and charges at this time; it is being asked to select a preferred rate alternative so that Raftelis can proceed with finalizing the rate study report, which will be presented to the Board at its August 6, 2025 meeting for review and approval. Director Miller stated that Alternative 2 is the most mathematically logical option and provides the lowest possible rate increase.

After a brief discussion, the Board took the following action:

25-05-54	<i>Upon motion by Director Miller, seconded by Director MacKenzie and unanimously carried (5 ayes: Miller, Nuñez, Kuchinsky, MacKenzie, and Sanchez), the Board of Directors directed staff and Raftelis to proceed with finalizing the water rate study report based on the 4.00% increase presented in Alternative 2.</i>
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## 7. COMMENTS BY DIRECTORS

The Board thanked Mr. Gagnon, Ms. DePinto, Ms. Bartak and staff for their thoroughness and hard work.

## 8. COMMENTS BY GENERAL COUNSEL

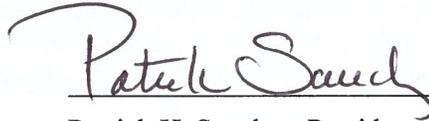
Ms. Mitchell wished everyone a safe and happy Cinco de Mayo.

**9. COMMENTS BY GENERAL MANAGER**

Mr. Hodgkiss thanked staff and Raftelis for their exhaustive efforts and expressed his gratitude to the Board for their time commitment and on-going support through the process. He wished Director MacKenzie a happy birthday.

**10. ADJOURNMENT**

There being no further business to come before the Board, at 3:58 p.m., President Sanchez adjourned the meeting in honor and memory of Bo Mazzetti.



Patrick H. Sanchez, President

ATTEST:



Ranae Ogilvie, Secretary  
Board of Directors  
VISTA IRRIGATION DISTRICT



**STAFF REPORT**

**Board Meeting Date:** May 5, 2025  
**Prepared By:** Shallako Goodrick  
**Approved By:** Brett Hodgkiss

SUBJECT: COMPREHENSIVE COST OF SERVICE/WATER RATE STUDY

RECOMMENDATION: Review and provide input on proposed revisions to the water rates and charges.

PRIOR ACTION: At its January 19, 2022 meeting, the Board conducted a public hearing and increased water rates and service charges, modified the tiered water rate structure allotments and renewed the pass through of the San Diego County Water Authority (Water Authority) costs and the annual inflationary adjustments (Rate Adjustment Policy) through December 31, 2026.

FISCAL IMPACT: The revenue generated by all three rate alternatives are based on a cost of service model and designed to ensure that the District's revenues and reserves sufficiently fund current and future operations and capital costs. The impact on each customer will vary based on the water rates and charges adopted. A typical residential customer's bi-monthly bill (¾ inch meter and using 24 units of water) would increase by between \$4.24 and \$15.48 (1.6% to 5.9%) in year one based on the rate alternatives being presented.

SUMMARY: In 2009, the Board approved water rate adjustments and rate structure modifications, including the implementation of a tiered water rate structure. In 2013 and 2017, the Board approved the renewal of the pass through of Water Authority costs and annual inflationary adjustments to the service charge (Rate Adjustment Policy). In 2022, the Board increased water rates and services charges, modified the tiered water rate structure allotments and renewed the pass through of the Water Authority costs and the annual inflationary adjustments through December 31, 2026.

Historically, staff prepared the cost of service/water rate studies (based on capital projects being funded on a pay-go basis) and developed the required noticing for the public hearing in compliance with Proposition 218. However, with the District incorporating debt financing into this cost of service/water rate study, staff (with input from its financial advisor, NHA Advisors) determined that it would be best to use a consulting firm that has experience in integrating financing instruments into water rate models to prepare a cost of service/water rate study. Accordingly, the District entered into an agreement with Raftelis Financial Consultants, Inc. (Raftelis) to prepare a comprehensive cost of service/water rate study, including cost of services analysis and water rate model development, and provide associated public outreach services (e.g., open house meetings, public hearing notices, etc.).

Raftelis has conducted a detailed cost of service analysis, in compliance with Proposition 218, to ensure that the District's rates equitably recover the costs associated with providing water service to each customer. The analysis examined operating and capital improvement costs and projected these costs over a ten-year period ending in Fiscal Year 2034. The projections are based on the estimated costs necessary to continue to operate and maintain the water system and utilize industry standard cost indexes and historical averages. Raftelis is seeking input on proposed rate methodologies and alternatives.

DETAILED REPORT: As a governmental district, and unlike a public utility, the District does not make a profit or have shareholders, and all revenues go back into the water system. Revenues derived from the proposed water rate and service charge adjustments will not exceed the cost to provide water service to customers, and the revenues will not be utilized for any purpose other than financing the District's operating and capital needs.

The District has and will continue to experience ongoing upward pressures on water rates and charges, including the rising cost of purchased water, compliance with new federal and state regulations, inflation and the cost of several large capital projects that will require debt financing. Over the next 12 years, the District plans to replace the roof on Pechstein Reservoir, the District's largest storage tank built in 1978 (estimated \$25 million), construct a new reservoir (Pechstein II) that will provide additional required storage and allow Pechstein Reservoir to be taken out of service for the roof replacement project (estimated \$42 million) and replace the nearly 100-year old Vista Flume, which conveys treated water from the Escondido-Vista Water Treatment Plant (EVWTP), that has reached the end of its useful life (estimated \$263 million).

### **Proposed Methodology**

Water Rates and Tiers – unit allotment per tier based on meter size remains unchanged. Tier 1 rate is based on the lowest cost water mix, local water and some purchased raw water (from the Water Authority) treated at EVWTP; tier 2 rate is based on a mix of purchased raw water treated at EVWTP and purchased treated water from the Water Authority; and tier 3 is based solely on purchased treated water from the Water Authority.

Service Charge (Ready to Serve Charge) – based on published American Water Works Association meter capacity ratings (with a  $\frac{3}{4}$  in meter being set at one); methodology is consistent with the calculation of the District's capacity fees.

Fire Connection Services – similar to the service charge, the fire connection service charge is based on the flow capacity of the fire service connection.

Locked Meters (Voluntary) – 100% of the service charge billed for meters that are voluntarily locked.

### **Alternatives**

Staff proposes that the District adopt water rates and charges for a period of five years; each year the water rates and charges would be increased to ensure the District has sufficient revenues to cover the costs of providing water service. Staff also proposes that the District continue its policy that all Water Authority fees and charges for wholesale water be passed through to customers for a period of five years ending December 30, 2030.

Three rate alternatives are being presented; alternative 1 is based on “pay as you go” (pay-go) for all capital projects; alternative 2 is based on financing all large capital projects, most notably the replacement of the Pechstein Reservoir roof, construction of Pechstein II Reservoir and the replacement of the Vista Flume; alternative 3 is based on pay-go and partial debt financing for all capital projects. All three alternatives do not include the Water Authority pass-through costs as these amounts are unknown.

- Alternative 1 - increase water rates and charges by 8.25% per year; identified large capital project construction costs would be funded by pay-go. Much of the burden of paying for the identified multi-generational capital projects is borne by current ratepayers.
- Alternative 2 - increase water rates and charges by 4.00% per year; identified large capital project construction costs would be financed. Since these capital projects have long service lives, financing spreads their costs over the multiple generations (30-35 years) that benefit from the projects. While financing capital projects, which includes debt issuance cost and interest payments, costs more than pay-go, a smaller increase to rates and charges is needed over time.
- Alternative 3 - increase water rates and charges by 5.25% per year; identified large capital project construction costs would be funded by a combination of pay-go and financing. Partial debt financing would spread some of the costs over multiple generations but the cost burden on current ratepayers would be higher. This alternative requires a rate increase that is higher than Alternative 2 to meet revenue requirements associated with a greater amount of pay-go funding for capital projects.

It is anticipated the water rate and service charge revenues based on any of the three alternatives plus the pass through of Water Authority fees and charges over the upcoming five years will recover, but not exceed, the cost of providing water service, which includes, but is not limited to, water purchases from the Water Authority, system operations and maintenance, facility and equipment maintenance, system rehabilitation, regulatory compliance, metering, billing, conservation, reserves, capital projects, financing (if needed) and account management.

Steve Gagnon from Raftelis will be making today's presentation. Staff is seeking feedback on the proposed rate alternatives and direction to continue with the rate setting process.

ATTACHMENTS:

- Presentation Slides
- Cash Flow Projections
- Reserve Policies Descriptions

# Vista Irrigation District

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## Water Rate Study

May 5<sup>th</sup> Presentation of Rate Alternatives for Board Evaluation



# Raftelis Project Team



**Steve Gagnon, PE (AZ)**  
Project Manager

28 years of experience

16+ years of financial planning  
and rate setting for CA utilities

Registered with the MSRB as a  
Municipal Advisor

Environmental Engineer in AZ

Former Chair of CA-NV AWWA  
Financial Management Committee



**Gina DePinto, APR**  
Communications Lead

Manager

35 years communications and  
outreach experience

Member Public Relations Society  
of America

Member California Assn of Public  
Information Officials

Member AWWA: CA-NV Section

Member Municipal Managers  
Assn of Southern California



**Nicki Bartak**  
Staff Consultant

Consultant

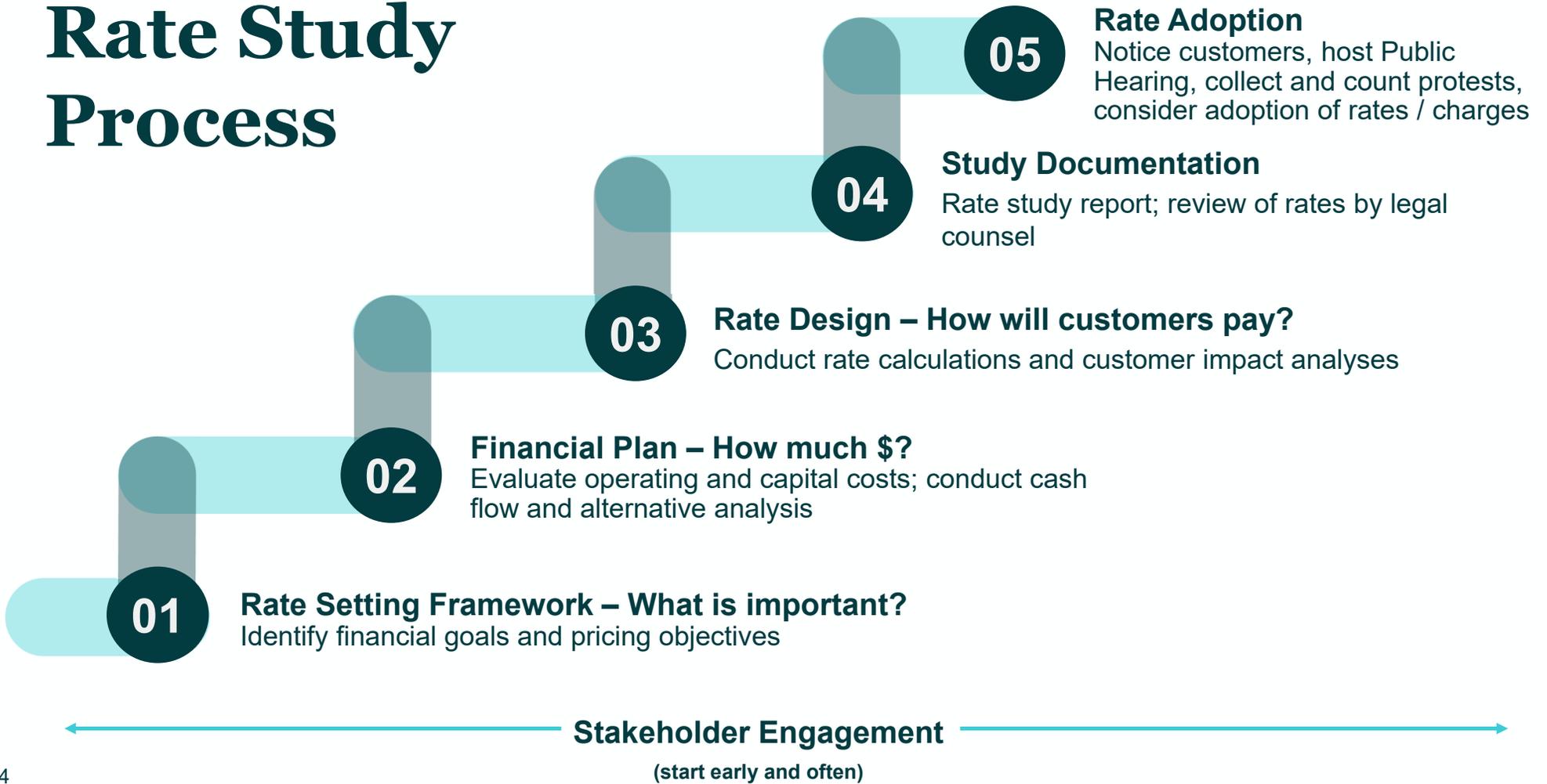
6 years of experience in the water  
and utility industry

Member AWWA: Rocky Mountain  
Section

# Agenda

- 1. Introduction**
- 2. Financial Plan**
- 3. Rate Changes and Alternatives**
- 4. Methodology and Customer Bill Impacts**
- 5. Board Feedback**

# Rate Study Process



# Why Would the District do a Water Rate Study?

- **Rates must keep up with the District's costs**
  - › Large future capital projects
- Water service is not like other government services (Police, Fire, Libraries, Parks) that are funded by tax dollars from a General Fund
- The District is primarily funded by customer rate revenue
  - › It's a non-profit business
- By law (Proposition 218), rates must be based on the cost to serve water



# Financial Plan

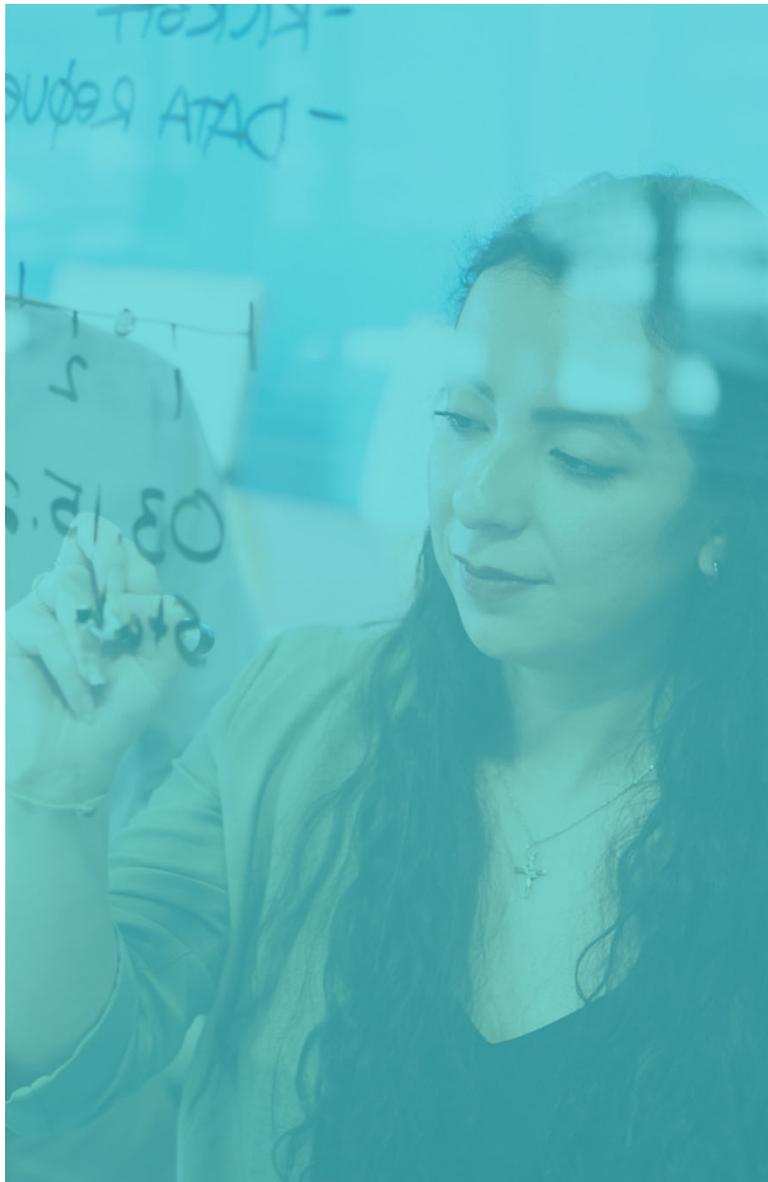


# What is a Financial Plan?

Projects future revenue and expenses and seeks to answer:

1. Is revenue sufficient to cover expenses?
  - a. Operations
  - b. Capital – looking out 10 years helps avoid large rate shocks
  - c. Reserves
  - d. Debt coverage requirements
  
2. If not, how much additional revenue is needed?





# Financial Plan Assumptions

- Assumed 15,250 acre feet of water sales
- Assumed 2,700 acre feet local water
- Used 2025 Budget adjusted for known differences as a baseline for projection
- Used various inflationary escalators, known actuals, and expected increases to project forward
- Assumed 4% yearly inflation on capital projects

Finance compared the rate model to 2026 Draft Budget and Capital Expenditures for reasonableness.

# O&M

Includes estimated SDCWA increases

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Purchase Costs	\$33,278,388	\$36,023,244	\$38,617,182	\$41,419,149	\$44,446,945
Personnel Services	\$17,930,609	\$18,825,417	\$19,475,329	\$20,380,185	\$20,967,618
Administrative	\$578,340	\$595,057	\$612,257	\$629,954	\$648,162
Contractual Services	\$8,355,800	\$7,568,277	\$7,787,036	\$8,012,119	\$8,243,707
Supplies	\$2,761,636	\$2,841,460	\$2,923,592	\$3,008,098	\$3,095,046
Power	\$836,257	\$860,429	\$885,299	\$910,889	\$937,218
Misc.	\$1,353,673	\$1,415,633	\$1,403,661	\$1,442,788	\$1,483,046
Other Expenditures	-\$1,615,848	-\$1,662,553	-\$1,710,609	-\$1,760,054	-\$1,810,928
Total Operating Expenses	\$63,478,855	\$66,466,964	\$69,993,748	\$74,043,127	\$78,010,815
Percent Increase		4.7%	5.3%	5.8%	5.4%

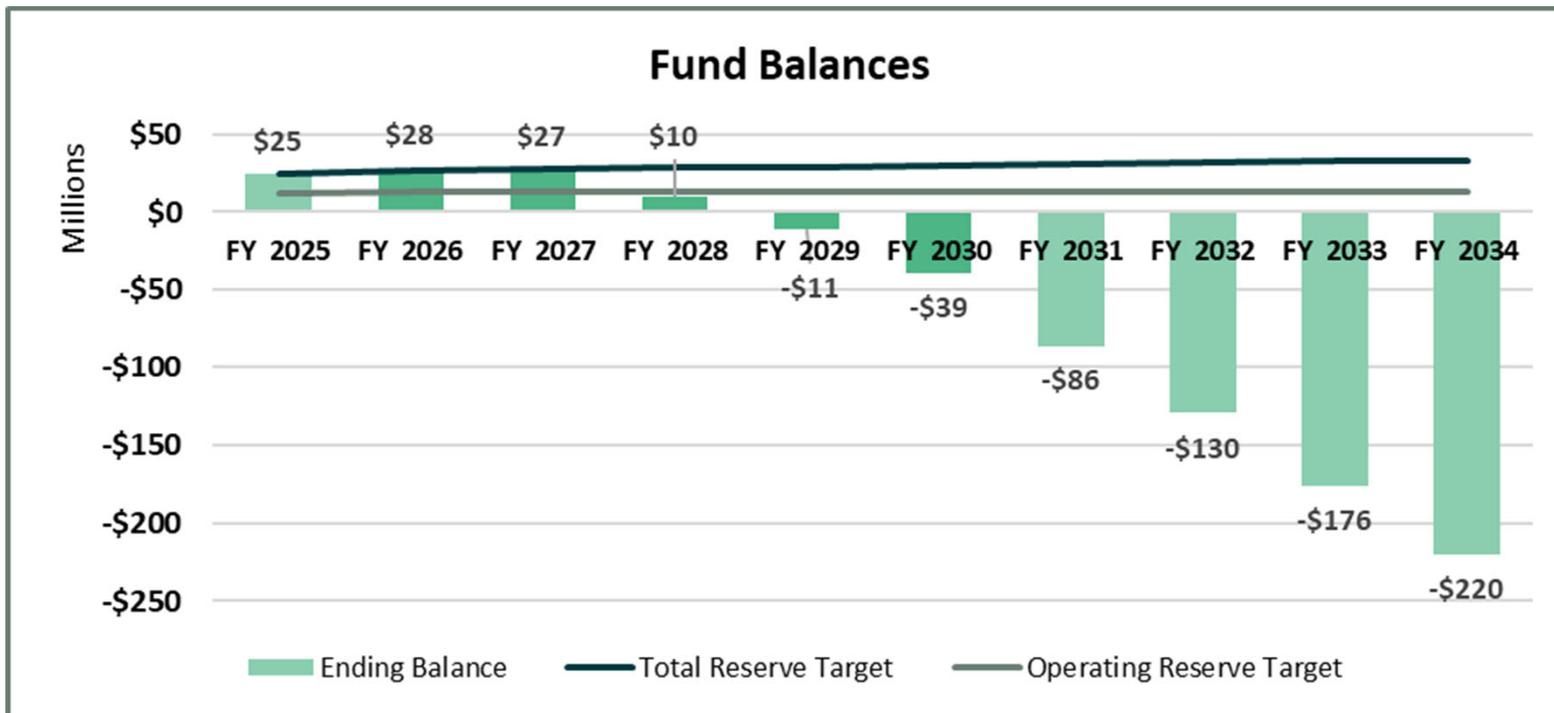
# Capital Improvement Projects

Inflated	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Main Replacement Program	4,000,000	4,650,000	4,009,777	4,170,168	5,241,585	5,451,248	5,669,298	5,896,070	6,131,913	6,377,190
San Marcos, S. Santa Fe Wide - Smilax to Bostick	-	-	-	279,999	337,791	-	-	-	-	-
Vista Flume Rehabilitation	428,057	1,000,000	4,307,680	4,804,467	4,996,646	5,355,028	31,496,102	32,755,946	34,066,184	35,428,831
Wellfield Assessment and Optimization	-	486,369	-	-	-	-	-	-	-	-
Groundwater Well	200,000	-	-	-	-	-	-	-	-	-
Pechstein II Reservoir	500,000	750,000	1,378,000	15,373,862	15,409,512	8,434,680	-	-	-	-
Pechstein Rehabilitation	-	-	-	-	582,398	12,113,885	12,598,441	-	-	-
Pump Stations 10 & 12 near Pechstein Reservoir	-	-	-	-	-	-	755,906	3,537,642	3,679,148	-
Deodar Reservoir	3,525,316	-	-	-	-	-	-	-	-	-
A Reservoir	-	-	-	-	-	484,555	503,938	4,716,856	4,905,530	-
C Reservoir Demo and PRV Upgrade- Offset Mainline	-	-	807,690	839,998	-	-	-	-	-	-
E-1 Reservoir Demo-565 Zone PRV	-	-	-	-	1,747,195	1,817,083	-	-	-	-
CO SD, S. Santa Fe Ave - Widening Project	-	-	-	-	-	-	-	-	-	1,133,723
Sante Fe 18-inch Pipelin - Robelini & Buena Crk	-	-	1,560,000	-	-	-	-	-	-	-
Valve Rehab on Dam Outlet	-	-	-	-	-	-	139,177	144,744	-	-
E. Reservoir Replacement/Upsize/Pump Station	1,034,958	-	-	-	-	-	-	-	-	-
HB Pipeline	-	-	-	-	-	-	-	-	-	1,700,584
486 Zone Pressure Relief	85,000	-	-	-	-	-	-	-	-	-
Non-Infrastructure	1,234,657	135,000	618,634	643,379	669,114	695,879	723,714	752,662	782,769	814,080
<b>Total Inflated</b>	<b>\$11,007,988</b>	<b>\$7,021,369</b>	<b>\$12,681,781</b>	<b>\$26,111,874</b>	<b>\$28,984,241</b>	<b>\$34,352,359</b>	<b>\$51,886,576</b>	<b>\$47,803,920</b>	<b>\$49,565,544</b>	<b>\$45,454,407</b>
Year to Year Change			81%	106%	11%	19%	51%	-8%	4%	-8%

# Reserve assumptions

Reserve	Target	Average Over FYE 2026 to FYE 2030
Operating Reserve (Work Capital)	20% of Water Sales	\$14,600,000
Emergency & Contingency Reserve	10% of Asset Value	\$15,100,000
Water Purchase Stabilization Reserve	None	
Capital Reserve	None	
<b>Total</b>		<b>\$29,700,000</b>

# Projected Reserve Balance without Revenue Increases (assumes CIP projects are executed)



# Rate Changes & Alternatives





# A Change to What is Passed-Through

## **Currently the District passes through:**

- A SDCWA Pass-through of all SDCWA costs.
- A District annual inflationary increase based on the San Diego Urban Consumer Price Index for All Urban Consumers. Effective July 1 each year applied to the service fee.

## **We Propose, for FYEs 2026-2030:**

- To continue the SDCWA Pass-through of all SDCWA costs.
- The proposed annual revenue increase (%'s shown for each alternative) accounts for inflation in the proposed volumetric rate and service fee.
  - No separate annual inflationary adjustment
- Customers would see this effective on their bills every March 1.

# Revenue and Debt Alternatives

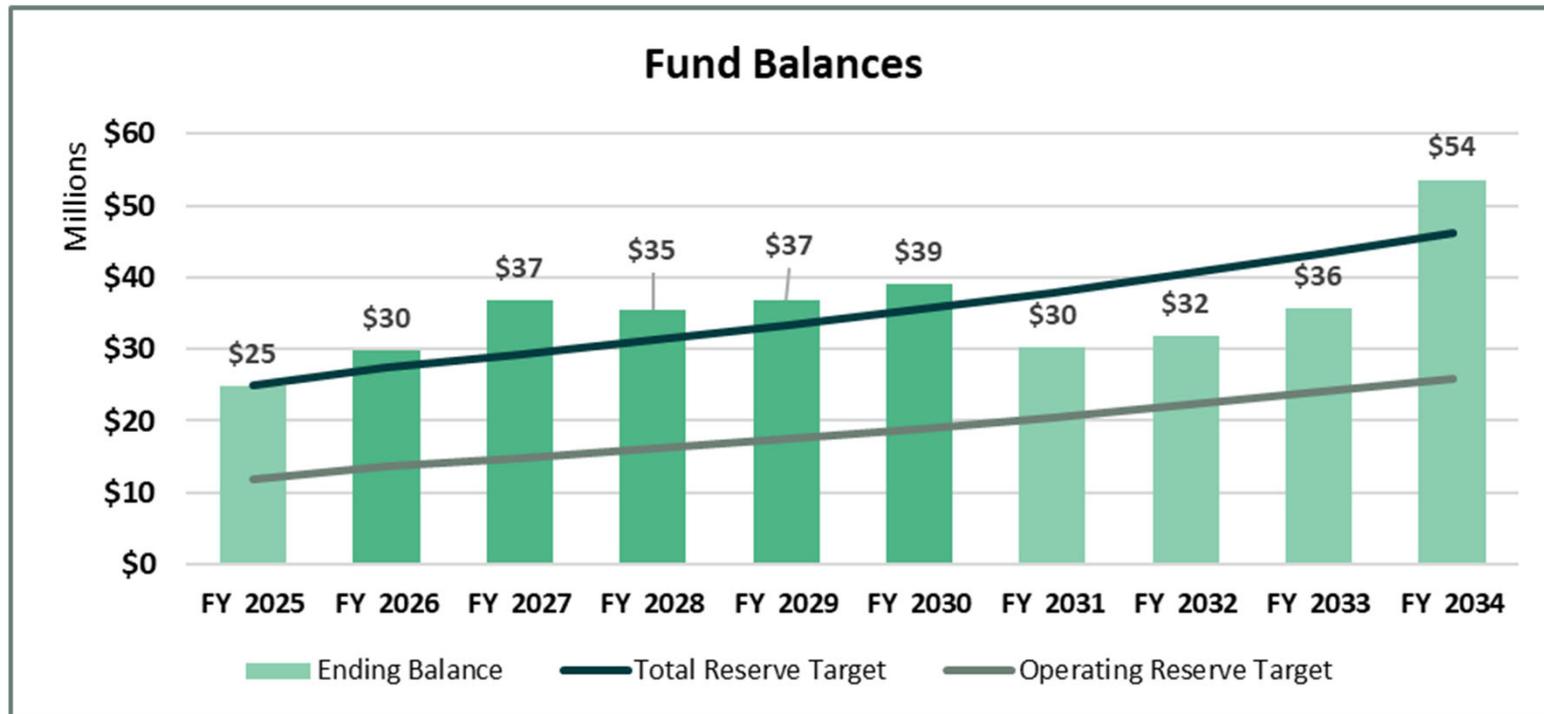
Revenue increases shown do not include Wholesale Water Pass-through increases and represent only the Districts required increases.

Alternatives	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
1 – No Debt	8.25%	8.25%	8.25%	8.25%	8.25%
2 – Debt	4.00%	4.00%	4.00%	4.00%	4.00%
3 – Midway (Some debt)	5.25%	5.25%	5.25%	5.25%	5.25%

Alternatives	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2032
1 – No Debt						
2 – Debt				\$65M		\$120M
3 – Midway (Some debt)				\$45M		\$75M

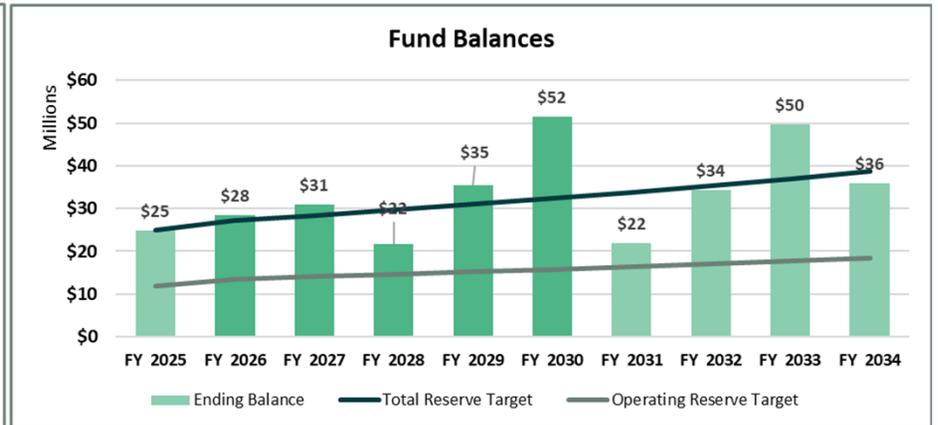
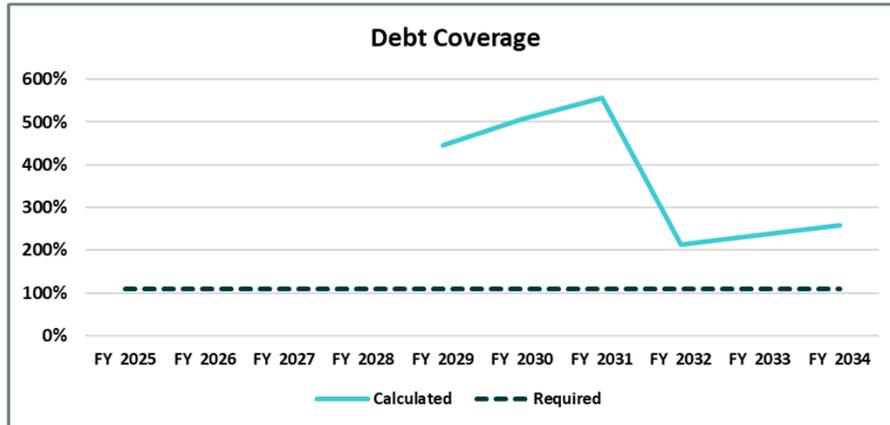
# Alternative 1 – No Debt

Alternative	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
1 – No Debt	8.25%	8.25%	8.25%	8.25%	8.25%



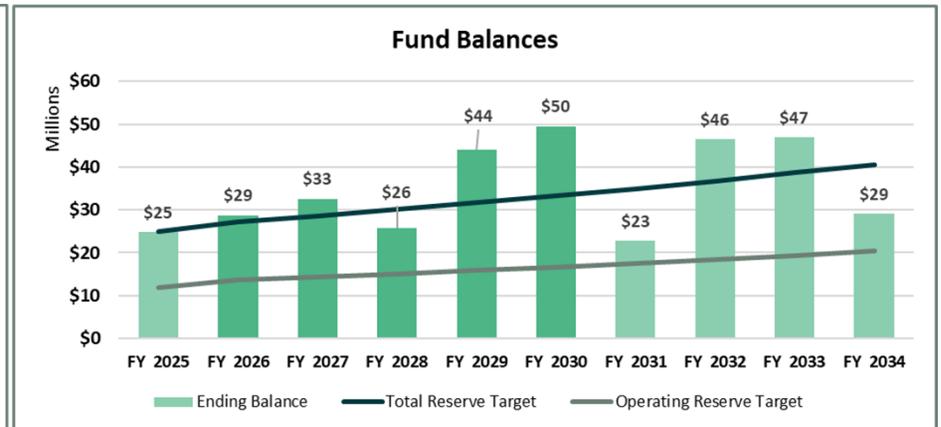
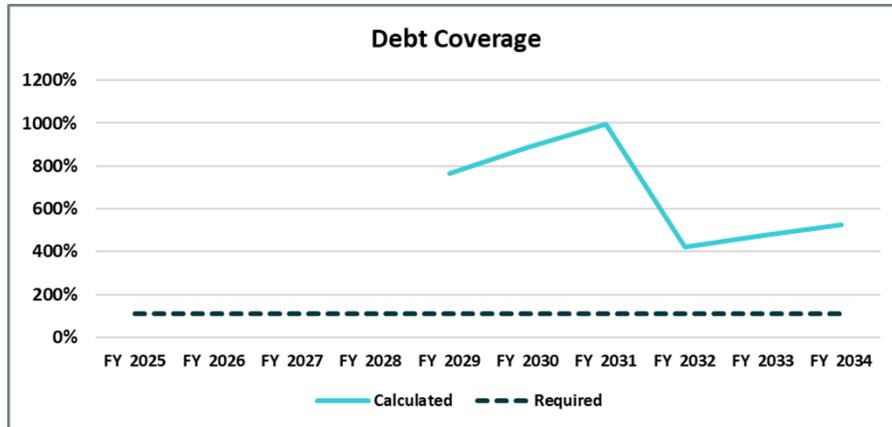
# Alternative 2 – Debt

Alternative	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2032
2 – Debt	4.00%	4.00%	4.00%	4.00%	4.00%	2 yrs- 4.00%
<b>Debt</b>				<b>\$65M</b>		<b>\$120M</b>



# Alternative 3 – Midway (Some Debt)

Alternative	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2032
3 – Middle Ground (Less debt)	5.25%	5.25%	5.25%	5.25%	5.25%	2 yrs -5.25%
<b>Debt</b>				<b>\$65M</b>		<b>\$75M</b>



# Methodology and Customer Bill Impacts



# Water Supply Cost for the Tiers

**1**

Based on a mix of the lowest cost water; local water and some purchased raw water treated at Weese and Escondido treatment plants.

**2**

Based on a mix of the second lowest cost water; remaining purchased raw water treated at Weese and Escondido treatment plants and purchased treated water.

**3**

Based on the highest cost water; purchased treated water.

**Allotment of water units per tier, per meter size to remain unchanged.**

# Service Fee (Ready to Serve Charge)

- Using hydraulic capacities from the AWWA for the calculation of service fee charge.
- Alternative 2 shown below for illustrative purposes

Meter Size	Capacity (gpm)	Meter Type	Ratio to a 3/4" Meter	Customer Service & Meter	Meter Service	Total Charge	Current Bi-Monthly Charge	Difference (\$)
5/8"	20	Displacement	0.67	\$14.78	\$64.50	\$79.28	\$82.88	-\$3.60
3/4"	30	Displacement	1.00	\$14.78	\$96.75	\$111.53	\$109.34	\$2.19
1"	50	Displacement	1.67	\$14.78	\$161.25	\$176.03	\$161.56	\$14.47
1 1/2"	100	Displacement	3.33	\$14.78	\$322.50	\$337.28	\$293.26	\$44.02
2"	160	Displacement	5.33	\$14.78	\$516.00	\$530.78	\$450.72	\$80.06
3"	320	Single-jet	10.67	\$14.78	\$1,032.00	\$1,046.78	\$870.80	\$175.98
4"	500	Single-jet	16.67	\$14.78	\$1,612.50	\$1,627.28	\$1,343.10	\$284.18
6"	1,000	Single-jet	33.33	\$14.78	\$3,225.00	\$3,239.78	\$3,180.76	\$59.02
8"	1,600	Compound Class I	53.33	\$14.78	\$5,160.01	\$5,174.79	\$4,231.36	\$943.43
10"	2,300	Compound	76.67	\$14.78	\$7,417.51	\$7,432.29	\$6,331.64	\$1,100.65

# Fire Service and Locked Meters

Regarding Fire Service:

- › Current method - All fire service accounts pay a service charge of \$41.44 per month (\$82.88 bi-monthly) as of July 1, 2025.
- › The proposed charge is based on the cost to serve fire connections and the potential flow through each fire connection.
- › The cost to serve smaller fire connections can be small and therefore it is common to charge only the larger fire connections.
- › Alternative 2 show for illustrative purposes:

Fire Line Size	Potential Fire Demand	Bi-monthly Private Fire Protection	Current Bi-Monthly Charge	Difference (\$)	Difference (%)	Number of Connections
4"	38.32	\$26.85	\$82.88	-\$56.03	-67.6%	89
6"	111.31	\$78.00	\$82.88	-\$4.88	-5.9%	288
8"	237.21	\$166.21	\$82.88	\$83.33	100.5%	272
10"	426.58	\$298.91	\$82.88	\$216.03	260.6%	23

Locked Meters (Voluntary)-

- › Current method - 25% of service fee based on meter size.
- › New method - 100% of service fee based on meter size.

# Rates & Charges by Alternative

The rates shown would go up with the revenue adjustments for each alternative from FYE 2027 to FYE 2030

Service Fee		1	2	3	
Meter Size	Current				Count
5/8"	\$82.88	\$83.54	\$79.28	\$80.53	6,012
3/4"	\$109.34	\$117.75	\$111.53	\$113.36	17,111
1"	\$161.56	\$186.15	\$176.03	\$179.01	2,880
1 1/2"	\$293.26	\$357.16	\$337.28	\$343.13	1,302
2"	\$450.72	\$562.37	\$530.78	\$540.07	879
3"	\$870.80	\$1,109.61	\$1,046.78	\$1,065.26	81
4"	\$1,343.10	\$1,725.25	\$1,627.28	\$1,656.10	22
6"	\$3,180.76	\$3,435.36	\$3,239.78	\$3,297.31	17
8"	\$4,231.36	\$5,487.49	\$5,174.79	\$5,266.76	2
10"	\$6,331.64	\$7,881.64	\$7,432.29	\$7,564.45	1

Private Fire Protection	Current	1	2	3	Count
4"	\$82.88	\$28.65	\$26.85	\$27.38	89
6"	\$82.88	\$83.21	\$78.00	\$79.53	288
8"	\$82.88	\$177.32	\$166.21	\$169.48	272
10"	\$82.88	\$318.88	\$298.91	\$304.78	23

Volumetric Rates	Volumetric Rates	1	2	3
All Customers				
Tier 1	\$6.19	\$5.91	\$5.73	\$5.78
Tier 2	\$6.66	\$7.53	\$7.29	\$7.36
Tier 3	\$6.66	\$7.59	\$7.32	\$7.40
Agriculture	\$6.50	\$6.89	\$6.68	\$6.74
SAWR	\$5.01	\$5.37	\$5.19	\$5.24

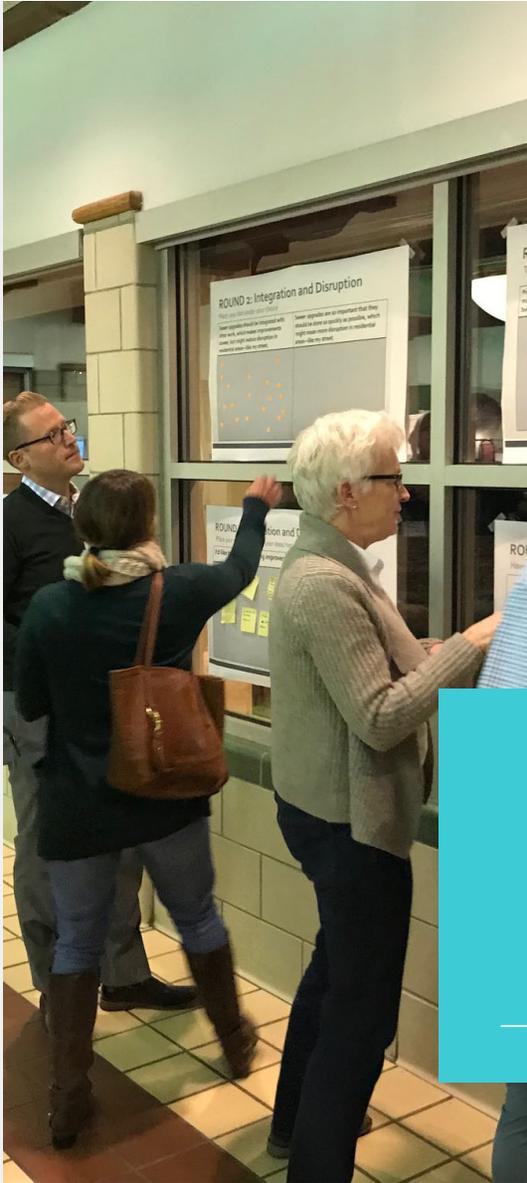
# Typical Monthly Bill Impacts by Alternative

- Includes the discussed rate structure changes
- In years two through five, the increases would equal the percentage alternative select for all customers.

Monthly Charges	Use (hcf)	Alternative 1 8.25%		Alternative 2 4.00%		Alternative 3 5.25%	
		(\$)	(%)	(\$)	(%)	(\$)	(%)
3/4" Typical SFR Customer	12	\$7.74	5.9%	\$2.12	1.6%	\$3.75	2.8%
3/4" Low Water Use SFR Customer	6	\$2.52	2.7%	-\$1.66	-1.8%	-\$0.45	-0.5%
3" Nursery	572	\$506.64	12.1%	\$343.71	8.2%	\$391.07	9.3%
4" Government Agency	1,403	\$1,239.18	12.5%	\$862.48	8.7%	\$972.10	9.8%
6" School	1,060	\$704.50	8.3%	\$370.31	4.4%	\$467.27	5.5%

# Timeline

Description	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
<b>Begin Newsletter mailing (June-July Billings)</b>	1-Jun									
<b>Postcard Mailing</b>	●									
<b>Open House/Town Hall</b>		●								
<b>Board Meeting Final Report &amp; Authorize 218</b>			6-Aug							
<b>Mail 218 Notice (45 Day notice period begins)</b>			27-Aug							
<b>Open House/Town Hall</b>				●						
<b>Objection Closes after 45 day period</b>					15-Oct					
<b>Objection Board Meeting</b>						5-Nov				
<b>Public Hearing</b>						19-Nov				
<b>Notice of Increase on Bill Messaging</b>								1-Jan		
<b>New Rates Used on All Billings</b>										1-Mar



# Next Steps

Advice on preferred scenario to proceed with for the public notice?



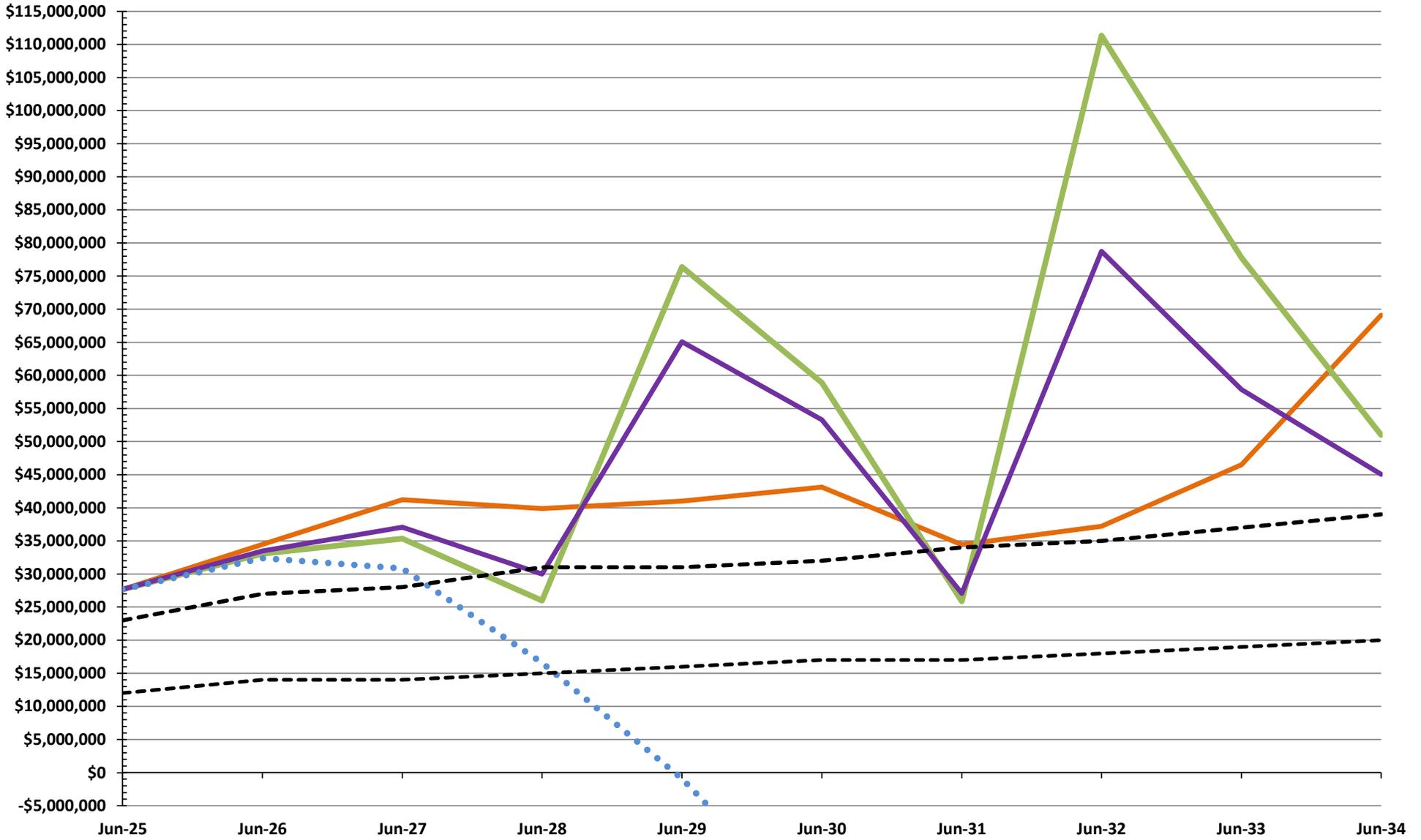
# Thank you

## Contacts

Steve Gagnon, P.E. / [sgagnon@raftelis.com](mailto:sgagnon@raftelis.com)

Gina DePinto, APR / [gdepinto@raftelis.com](mailto:gdepinto@raftelis.com)

**Vista Irrigation District  
CASH FLOW PROJECTION  
Water Rate Study Alternatives through FY 2034**



— Alternative 1   
 — Alternative 2   
 — Alternative 3   
 ●●● Current Projected Cash   
 - - - Working Capital Reserve   
 - - - Emergency Reserve

## **Vista Irrigation District RESERVE POLICY**

The District has established certain reserves to meet its internal requirements, its external legal requirements, and to provide savings to pay for replacement and/or repair of District facilities and properties due to natural disasters and emergencies. The dollar amount of each reserve account is based upon a particular formula which is reviewed and adjusted annually. The efficient and discrete use and management of these reserves, when combined with appropriate security measures, assure the District and its customers that the current levels of service, reliability and quality will continue into the future.

### *Working Capital Reserve*

The purpose of the Working Capital Reserve is to protect the District's ability to have enough funds to meet its most basic and common financial obligation against operating revenue and expense variances, such as reduced water sales, tax and investment revenues, and/or increased operating expenses, such as extraordinary measures necessary as the result of unforeseen climatic, operational and economic conditions. This reserve represents 20% of the District's annual water sales.

### *Emergency and Contingency Reserve*

The purpose of the Emergency and Contingency Reserve is to have savings to pay for unanticipated expenses resulting from emergencies including, but not limited to, earthquakes, floods, winds, fires, and damages to or destruction of District facilities and properties. This reserve represents 10% of the District's capital assets, net of accumulated depreciation.

### *Water Purchase Stabilization Reserve*

The purpose of the Water Purchase Stabilization Reserve is to accumulate the necessary funds during wet years to help offset the financial burden sustained during dry years. In years that local water production is in excess of the historical average production, the Water Purchase Stabilization Reserve is funded by transferring the value of the excessive local water. In years that local water production is less than the historical average, a transfer of funds equal to the current cost of imported raw water multiplied by the shortfall of local water production is made to avoid an increase in water rates.

### *Capital Improvement Reserve*

The purpose of the Capital Improvement Reserve is to provide funding for the District's Capital Improvement Program. The District continually updates the Capital Improvement Program as priorities, designs and estimated costs change. The only commitment to actual funding of capital improvements occurs annually with the adoption of the District's Capital Budget.