



AGENDA
MEETING OF THE FISCAL POLICY COMMITTEE
MONDAY, SEPTEMBER 23, 2024 – 10:00 A.M.
1391 Engineer Street, Vista, CA 92081
Phone: (760) 597-3100 www.vidwater.org

NOTICE FOR PARTICIPATION

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board meeting telephonically, please contact the Board Secretary during regular business hours at (760) 597-3128. Notification received 48 hours before the meeting will assist Vista Irrigation District in making reasonable accommodations.

The public may participate in this meeting in-person and by teleconference. To join this meeting via telephone, please dial (877) 873-8018; the Pass Code is 474698#.

Public Participation/Comment: Members of the public can also participate in the meeting by emailing your comments on an agenda item to the Board Secretary at BoardSecretary@vidwater.org; such email should include the agenda item number in the subject line and must be received before the time the meeting commences. Members of the public, whether participating in-person or telephonically, may address the Board of Directors in real-time during the public comment period and when specific agenda items are being considered. Please announce your attendance if participating telephonically or fill out a speaker slip if participating in-person if you would like to provide real-time public comment.

1. CALL TO ORDER

2. ROLL CALL

3. CONSIDER APPROVAL OF AGENDA

In the case of an emergency, items may be added to the Agenda by a majority vote of the Committee. An emergency is defined as a work stoppage, a crippling disaster, or other activity that severely imperils public health, safety, or both. Also, items that arise after the posting of the Agenda may be added by a unanimous vote of the Committee.

4. ORAL COMMUNICATIONS

Members of the public may address the Committee on items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Committee. Speakers are asked to limit their comments to five (5) minutes; the total time allowable for all public comment on items not appearing on the agenda at any one meeting may be limited. Comments on items listed on the agenda will be taken before or during discussion of the agenda item. Members of the public desiring to address the Committee are asked to complete a speaker's slip available on the table near the entrance of the Boardroom and present it to the Board Secretary prior to the meeting.

5. 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.

6. DISTRICT PURCHASING POLICY

Recommendation: Consider revisions to Purchasing Policy, Section 4.3 of the District Rules and Regulations.

7. COMMENTS BY COMMITTEE MEMBERS

This item is placed on the agenda to enable individual Committee members to convey information not requiring discussion or action.

8. COMMENTS BY GENERAL MANAGER

Informational report by the General Manager on items not requiring discussion or action.

9. ADJOURNMENT

NOTE: ITEMS ON THE AGENDA MAY BE TAKEN OUT OF SEQUENTIAL ORDER AS THEIR PRIORITY IS DETERMINED BY THE COMMITTEE

- The agenda package and materials related to an agenda item submitted after the packet's distribution to the Committee are available for public review in the lobby of the District office during normal business hours.*
- Agendas and minutes are available at www.vidwater.org.*
- VID Committee meetings are held on an as needed basis.*

AFFIDAVIT OF POSTING

I, Ranae Ogilvie, Board Secretary of the Vista Irrigation District, hereby certify that I posted a copy of the foregoing agenda outside the lobby of the District office at 1391 Engineer Street, Vista, California at least 72 hours prior to the meeting, in accordance with Govt. Code Sec. 54954.2(a).

Date: September 12, 2024


Ranae Ogilvie, Board Secretary



**FISCAL POLICY COMMITTEE
STAFF REPORT**

Agenda Item: 5

**Meeting Date:
Prepared By:
Approved By:**

**September 23, 2024
Shallako Goodrick
Brett Hodgkiss**

SUBJECT: DISTRICT FEES AND CHARGES OTHER THAN WATER RATES

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

PRIOR BOARD ACTION: At its October 17, 2023 meeting, the Board conducted 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; no public comments, written or oral, were presented. After closing the public hearing, the Board adopted Resolution No. 2023-41 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 by approximately \$124,000 if the number and type of transactions remained similar to those in the past.

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 to be revised to properly account for changes in the cost of labor, parts/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 labor costs, parts/material costs, burden, 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, 2025.

DETAILED REPORT: Staff has performed detailed costs studies on all fees and charges. The proposed changes are necessary due to inflationary factors. The proposed fees are calculated using current costs for labor, parts/materials, burden, and outside services; a majority of the changes in this fee study are related to increases in labor costs and/or parts/materials costs. Staff will present the changes of individual fees at the Fiscal Policy Committee meeting. The proposed fees reflect the estimated cost of providing services in calendar year 2025.

ATTACHMENTS:

- Fee Analysis Executive Summary
- Proposed Fee Summary
- Strikeout version of amended sections of the Rules and Regulations



Fees and Charges other than Water Rates

Vista Irrigation District (District) has over 100 different fees and charges that are collected for the provision of services. Every year, the District performs a nexus study and fee analysis 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 to be increased or decreased to properly account for changes in the cost of labor, materials, and outside services for the coming year. Below are brief descriptions of the most common components used in the calculation of fees and charges and explanations as to why fees and charges are increasing by service category (e.g. Construction, Engineering, Customer Service and Water Conservation). Attached is a Proposed Fee Summary that shows each of the fees and charges, the amount of increase or decrease and a brief note of factors contributing to the increase or decrease in a fee or charge. The data and detailed fee calculations are available to the public for public review at the District office.

Fee Components

The calculation of individual fees and charges is based on identified cost centers, such as labor, parts and materials and contract services. Labor costs are fully burdened to include taxes, benefits, equipment and assets, support staff and supervision, computers and other related overhead costs. Actual costs are used for all parts, materials and outside services; these costs are based on contract pricing, inventory values, last order cost or a request for quote from a vendor. Fees and charges can increase or decrease depending on changes to these cost centers as well as labor hours associated with providing a service.

Parts and Materials - inventory part costs are taken directly from the District's inventory system at Fiscal Year-end and based on the average actual cost of an item. Non-inventory part costs are based on the last purchase of an item or a quote from a vendor. The District procures parts and materials via a competitive bidding process to ensure it purchases items at the lowest price.

Material Burden - this cost represents the burden on material costs for the labor to obtain, store and distribute the materials. The material burden rate is calculated every five years and is based on the labor costs to operate and stock the warehouse. The material burden percentage decreased from 25% to 20%.

Service Burden - this cost represents the burden on outside service contracts costs for labor to negotiate, prepare, execute and administer an agreement through completion. The service burden is calculated every five years. The District procures outside services via a competitive bidding process to ensure it gets the items at the lowest price. The services burden decreased from 8% to 5%.

Outside Services – the District contracts with third-party parties to provide certain services, such as paving and traffic control. The cost associated with said services is included in various construction related fees and pricing set forth in the contract. Costs can change annually due to new contracts being negotiated or pricing being adjusted for inflation (as specified in the contract terms).

Labor Rate – the labor rate is equal to the average non-management employee’s salary plus burden, including taxes, benefits, equipment and assets, support staff and supervision, liability insurance, computers, supplies and other related overhead costs. The labor rate is calculated annually based on actual costs, estimated salary increases at 3.31% (generally based on the U.S. Department of Labor’s Consumer Price Index – All Urban Consumers – San Diego, California) as well as changes in benefit and other burden related costs. The fully burdened labor rate, which incorporated adjustments to salary, benefit and other burden related costs, increased by 6.21%.

Labor Time – the District completes a full time and motion study for all fee and charges every other year. In years that the time and motion study is not undertaken, the time component of labor costs remains constant, unless adjustments are necessary due to changes in process. When a time and motion study is performed, the time estimates to complete tasks associated with a fee or charge are reviewed and adjusted, if necessary, to ensure they reflect the average actual time to complete said task.

Fee Increase Summary

Construction Fees

Construction fees are comprised of labor, parts/materials and outside services costs. Labor cost increases are explained in the Fee Components section. Overall, part costs have increased by approximately 3.70%, which is significantly less than the prior two years.

Engineering Fees

Most Engineering Fees are comprised of labor cost, the exceptions being Annexation, Detachment and Capacity Fees. Labor cost increases are explained in the Fee Components section.

Customer Service Fees

Customer Service Fees are mainly comprised of labor costs, which are explained in the Fee Components section. The Return Check fee also includes bank fees, and the Damaged Curb Stop fees include parts.

Miscellaneous Fees

Miscellaneous Fees are mainly comprised of labor costs, which are explained in more detail in the Fee Components section of this summary. The Bid Protest Fees also include costs associated with legal counsel’s time to review bid protest documents.

Water Conservation Fees

Water Conservation Fees are mainly comprised of labor costs, which are explained in the Fee Components section.

Vista Irrigation District

PROPOSED FEE SUMMARY

Effective: January 1, 2025

	Current Fee	Proposed Fee	\$ Change	% Change	Comments
Construction Fees:					
5/8" Meter Full Install	\$ 7,355	7,553	\$ 198	2.7%	Labor, paving, and trucking costs increased and burden and parts costs decreased
5/8" Meter Hook On	691	676	(15)	(2.2%)	Labor costs increased and burden and parts costs decreased
5/8" Service Outlet *	6,664	6,877	213	3.2%	Labor, paving and trucking costs increased and burden costs decreased
3/4" Meter Full Install	7,368	7,556	188	2.6%	Labor, paving and trucking costs increased and burden and parts costs decreased
3/4" Meter Hook On	704	679	(25)	(3.6%)	Labor costs increased and burden and parts costs decreased
3/4" Service Outlet *	6,664	6,877	213	3.2%	Labor, paving and trucking costs increased and burden costs decreased
1" Meter Full Install	7,550	7,803	253	3.4%	Labor, paving, trucking and parts costs increased and burden costs decreased
1" Meter Hook On	886	926	40	4.5%	Labor and parts costs increased and burden costs decreased
1" Service Outlet *	6,664	6,877	213	3.2%	Labor, paving and trucking costs increased and burden costs decreased
1 1/2" Meter Full Install	9,627	9,908	281	2.9%	Labor, paving, trucking and parts costs increased and burden costs decreased
1 1/2" Meter Hook On	1,684	1,764	80	4.8%	Labor and parts costs increased and burden costs decreased
1 1/2" Service Outlet *	7,943	8,144	201	2.5%	Labor, paving and trucking costs increased and burden costs decreased
2" Meter Full Install	9,873	10,152	279	2.8%	Labor, paving, trucking and parts costs increased and burden costs decreased
2" Meter Hook On	1,930	2,008	78	4.0%	Labor and parts cost increased and burden costs decreased
2" Service Outlet *	7,943	8,144	201	2.5%	Labor, paving and trucking costs increased and burden costs decreased
Fire Hydrant Full Install *	23,519	24,176	657	2.8%	Labor, paving, trucking and parts costs increased and burden costs decreased
Fire Hydrant Upgrade *	9,419	9,358	(61)	(0.6%)	Labor and parts costs increased and burden costs decreased
4" Fire Service Connection *	14,654	15,354	700	4.8%	Labor, paving, trucking and parts costs increased and burden costs decreased
6" Fire Service Connection *	15,051	15,755	704	4.7%	Labor, paving, trucking and parts costs increased and burden costs decreased
8" Fire Service Connection *	17,443	17,973	530	3.0%	Labor, paving, trucking and parts costs increased and burden costs decreased
10" Fire Service Connection *	19,819	21,005	1,186	6.0%	Labor, paving, trucking and parts costs increased and burden costs decreased
Air Vent, Blow Off, and Gate Valve for Fire Service	5,562	5,667	105	1.9%	Labor and parts costs increased and burden costs decreased
Commercial Irrigation Service Conversion Fee	2,364	2,429	65	2.7%	Labor and parts costs increased and burden costs decreased
Backflow Device Set-up	290	308	18	6.2%	Labor costs increased
Reset Pressure Valve	230	244	14	6.1%	Labor costs increased
1" Construction Meter Deposit With Backflow Device	1,756	2,043	287	16.3%	Labor and parts costs increased
Refundable Amount	1,155	1,421	266	23.0%	Parts costs increased
1" Construction Meter Deposit With Spanner and Backflow Device	1,786	2,072	286	16.0%	Labor and parts costs increased
Refundable Amount	1,180	1,446	266	22.5%	Parts costs increased
3" Construction Meter Deposit With Backflow Device	5,607	6,615	1,008	18.0%	Labor and parts costs increased
Refundable Amount	4,014	4,972	958	23.9%	Parts costs increased
Unauthorized Taking of District Water	3,032	3,266	234	7.7%	Labor and a unit of water costs increased
Relocate Construction Meter	193	205	12	6.2%	Labor costs increased
Unauthorized Construction Meter and Backflow Device Move Penalty	384	408	24	6.3%	Labor costs increased
Subdivision Construction Meter Deposit	10,342	11,682	1,340	13.0%	Labor and parts costs increased and burden costs decreased
Refundable Amount	7,969	9,380	1,411	17.7%	Parts costs increased
Meter Service Lateral Termination	2,335	2,593	258	11.0%	Labor, paving and trucking costs increased and burden costs decreased
Temporary Offsite Service *	8,664	8,987	323	3.7%	Labor, paving and trucking costs increased and burden costs decreased
Plus: Per Foot Frontage Charge	82	85	3	3.7%	Labor, paving, trucking and parts costs increased and burden costs decreased
Temporary Service Agreement Conversion *	9,648	10,031	383	4.0%	Labor, paving and trucking costs increased and burden costs decreased
Plus: Per Foot Frontage Charge	82	85	3	3.7%	Labor, paving, trucking and parts costs increased and burden costs decreased
Temporary Service Agreement Conversion Excluding Tieback & Permit *	8,352	8,600	248	3.0%	Labor, paving and trucking costs increased and burden costs decreased
Plus: Per Foot Frontage Charge	82	85	3	3.7%	Labor, paving, trucking and parts costs increased and burden costs decreased
Cancellation of Meter Application	296	314	18	6.1%	Labor costs increased

**Vista Irrigation District
PROPOSED FEE SUMMARY
Effective: January 1, 2025**

	Current Fee	Proposed Fee	\$ Change	% Change	Comments
Meter Downsize from ¾"	604	642	38	6.3%	Labor costs increased
Meter Downsize from 1"	604	642	38	6.3%	Labor costs increased
Meter Downsize from 1½"	1,061	1,206	145	13.7%	Labor, parts and burden costs increased
Meter Downsize from 2"	1,344	1,498	154	11.5%	Labor, parts and burden costs increased

* 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, 2025

	Current Fee	Proposed Fee	\$ Change	% Change	Comments	
Engineering Fees:						
Hydraulic Analysis	\$ 943	1,002	\$ 59	6.3%	Labor costs increased	
Water Supply Study	1,487	1,580	93	6.3%	Labor costs increased	
Construction Cost Estimate Summary	545	579	34	6.2%	Labor costs increased	
Update Construction Cost Estimate Summary	243	258	15	6.2%	Labor costs increased	
Plan Check (per Sheet)	560	595	35	6.3%	Labor costs increased	
As-Built Deposit (per Sheet)	536	567	31	5.8%	Labor costs increased	
Refundable Amount (per Sheet)	536	567	31	5.8%	Labor costs increased	
Construction Agreement	1,975	2,127	152	7.7%	Labor costs increased	
Water Availability Letter	339	360	21	6.2%	Labor costs increased	
Water Availability Letter Update	158	168	10	6.3%	Labor costs increased	
Private Ownership Agreement	945	1,001	56	5.9%	Labor costs increased	
Grant of Right of Way (to Public)	842	893	51	6.1%	Labor costs increased	
Quitclaim/Cancellation of Recorded Documents	984	1,044	60	6.1%	Labor costs increased	
Encroachment Permit	872	924	52	6.0%	Labor costs increased	
Joint Use Agreement	939	981	42	4.5%	Labor costs increased	
Exchange Meter Agreement	472	502	30	6.4%	Labor costs increased	
Fire Flow Analysis	230	244	14	6.1%	Labor costs increased	
Annexation Fee (per Acre)	7,559	7,013	(546)	(7.2%)	Net asset values decreased	
Annexation/Administration	2,624	2,787	163	6.2%	Labor costs increased	
Detachment Fee (per Acre)	-	-			No charge	
Detachment/Administration	2,624	2,787	163	6.2%	Labor costs increased	
5/8" Capacity Fee	<i>Current # of meters:</i> 5,534	6,076	6,556	480	7.9%	Inflation on value of net assets and increase estimated costs of future capital
3/4" Capacity Fee	<i>Current # of meters:</i> 17,033	9,114	9,835	721	7.9%	Inflation on value of net assets and increase estimated costs of future capital
1" Capacity Fee	<i>Current # of meters:</i> 2,905	15,190	16,391	1,201	7.9%	Inflation on value of net assets and increase estimated costs of future capital
1 1/2" Capacity Fee	<i>Current # of meters:</i> 1,318	30,380	32,782	2,402	7.9%	Inflation on value of net assets and increase estimated costs of future capital
2" Capacity Fee	<i>Current # of meters:</i> 897	48,608	52,451	3,843	7.9%	Inflation on value of net assets and increase estimated costs of future capital
3" Capacity Fee	<i>Current # of meters:</i> 79	97,216	104,903	7,687	7.9%	Inflation on value of net assets and increase estimated costs of future capital
4" Capacity Fee	<i>Current # of meters:</i> 24	151,900	163,911	12,011	7.9%	Inflation on value of net assets and increase estimated costs of future capital
6" Capacity Fee	<i>Current # of meters:</i> 16	303,800	327,821	24,021	7.9%	Inflation on value of net assets and increase estimated costs of future capital
8" Capacity Fee	<i>Current # of meters:</i> 2	486,080	524,514	38,434	7.9%	Inflation on value of net assets and increase estimated costs of future capital
10" Capacity Fee	<i>Current # of meters:</i> 1	698,740	753,989	55,249	7.9%	Inflation on value of net assets and increase estimated costs of future capital
12" Capacity Fee	<i>Current # of meters:</i> 0	1,306,340	1,409,632	103,292	7.9%	Inflation on value of net assets and increase estimated costs of future capital
Meter Service Lateral Inspection	810	860	50	6.2%	Labor costs increased	
RPDA/Meter Inspection	665	706	41	6.2%	Labor costs increased	
RPDA/Meter and Lateral Inspection Without Shutdown	1,535	1,630	95	6.2%	Labor costs increased	
RPDA/Meter and Lateral Inspection With Shutdown	2,550	2,708	158	6.2%	Labor costs increased	
Fire Hydrant Inspection	1,088	1,155	67	6.2%	Labor costs increased	
Fire Hydrant and Lateral Inspection without Shutdown	1,958	2,079	121	6.2%	Labor costs increased	
Fire Hydrant and Lateral Inspection with Shutdown	2,393	2,541	148	6.2%	Labor costs increased	

Vista Irrigation District PROPOSED FEE SUMMARY Effective: January 1, 2025

	Current Fee	Proposed Fee	\$ Change	% Change	Comments
Customer Service Fees:					
Late Penalty	\$ 17	18	\$ 1	5.9%	Labor costs increased
Delinquent Door Hanger	77	82	5	6.5%	Labor costs increased
Mailed Discontinuation Notice	45	46	1	2.2%	Labor costs increased
Delinquent Lock	175	184	9	5.1%	Labor costs increased
Delinquent Lock Hardship *	57	59	2	3.6%	Change in Consumer Price Index
After Hours Lock or Unlock	191	203	12	6.3%	Labor costs increased
After Hours Unlock Hardship *	171	177	6	3.5%	Change in Consumer Price Index
Broken Lock	191	203	12	6.3%	Labor costs increased
Pulled Meter	191	203	12	6.3%	Labor costs increased
Tax Roll	104	111	7	6.7%	Labor costs increased
Returned Check	41	44	3	7.3%	Labor and banking costs increased
Voluntary Lock or Unlock	73	77	4	5.5%	Labor costs increased
Meter Bench Test	483	513	30	6.2%	Labor costs increased
5/8" Damaged Curb Stop	953	1,007	54	5.7%	Labor, parts increased
3/4" Damaged Curb Stop	953	1,007	54	5.7%	Labor, parts increased
1" Damaged Curb Stop	1,019	1,094	75	7.4%	Labor, parts increased
Miscellaneous Fees:					
Bid Protest Fee- Contract Under \$60k	350	371	\$ 21	6.0%	Labor costs increased
Bid Protest Fee- Contract Over \$60k	603	637	34	5.6%	Labor costs increased
Water Conservation Fees:					
Second Water Citation within 12 Months	\$ 255	271	\$ 16	6.3%	Labor costs increased
Third Water Citation within 12 Months	498	498	-	0.0%	No change
Four or More Water Citations within 12 Months	741	724	(17)	(2.3%)	Labor costs increased
1" and Smaller Flow Restrictor Installation & Removal	337	358	21	6.2%	Labor costs increased
1 1/2" and 2" Flow Restrictor Installation & Removal	643	687	44	6.8%	Labor, parts increased

* Hardship: 200% below the Federal Poverty Line

4.4.4 Service Related Charges

A. Non-Scheduled or Special Meter Readings

When requested by a customer, the District will make a special reading of a meter. For water billings based upon special readings, the above Service Charge and other fixed charges, and the Billing Period will be divided by the number of days in that billing period. The Service Charge and other fixed charges to be billed will be based on the number of days that the customer has received service since the last regularly scheduled meter reading. The same method will be used in prorating the number of units in all rate tiers.

B. Meter Bench Test

When requested by a customer, the District will bench test or, in the case of large meters, trailer test meters at a cost of \$~~513483~~.00 per test.

C. Ownership of Fire Hydrants

The VID entered into agreements with the City of Vista and the Vista Fire Protection District concerning the installation and maintenance of fire hydrants. These agreements are incorporated into these Rules and Regulations by this reference. The main segments of the agreement require VID to supply water at no charge for fire suppression and training and to relocate, reconstruct or replace fire hydrants at its expense. VID is responsible for the cost of all fire hydrant repairs and maintenance, including those brought about by traffic accidents or vandalism. Minor maintenance is the responsibility of the Fire Agency, as is annual inspections. This agreement is renewed yearly and may be canceled with a 30-day written notification by any of the parties.

D. Service Installations During Construction (Construction Meters)

1. 1" Construction Meters with Backflow Device

1" Construction Meters with Backflow Device may be issued to the applicant for a maximum of 30 days. The 1" Construction Meter with Backflow Device without a spanner wrench shall require a \$~~2,0431,756~~.00 deposit, of which \$~~1,4211,155~~.00 is refundable upon return of the meter in good condition within 35 days. The 1" Construction Meter with Backflow Device and a spanner wrench shall require a \$~~2,0721,786~~.00 deposit, of which \$~~1,4461,180~~.00 is refundable upon return of the meter and spanner wrench in good condition within 35 days. Water usage shall not be billed, but shall be deducted from the refundable deposit at the then current domestic water rate. The cost of necessary repairs to the meter will also be deducted from the deposit. The refund will be forfeited if the meter is not returned within 35 days.

2. 3” Construction Meters with Backflow Device (For a maximum of one year; new application required after one year)

A ~~\$6,6155,607.00~~ deposit shall be required on all construction meters with backflow device, ~~\$4,9724,014.00~~ of the deposit is refundable upon return of the meter and backflow device in good condition. All construction water shall be billed at the highest water rate tier and applicable Service Charge. Moving a construction meter and backflow device from one location to another shall cost ~~\$205193.00~~ per move. The charge for an unauthorized construction meter and backflow device move shall be ~~\$408384.00~~. The meter and backflow device may be recalled for repeated offenses. Resetting the pressure-sustaining valve shall cost ~~\$244230.00~~. Developers must use construction meters and backflow devices for landscaping, road grading or construction purposes. Prior to placing the new water system in service, construction water must be obtained from a construction meter served by the existing water distribution system. When the new water distribution system has progressed to the point that it may be placed into service, all service outlets shall be locked. The developer may then make application for subdivision construction water for on-site work.

3. Subdivision Construction Meters

An ~~\$11,68210,342.00~~ deposit shall be required on a Subdivision Construction Meter. ~~\$2,3022,373.00~~ of that deposit is retained for administration and testing for a net refundable deposit of ~~\$9,3807,969.00~~ if the meter is returned in good condition.

4.4.5 Administrative/Document Fees

The following fees shall be charged to customers and/or applicants where applicable:

Annexation/Detachment (Administrative Fee)	\$ 2,7872,624.00
Construction Agreement (Preparation Fee)	\$ 2,1271,975.00
Grant of Right of Way (Document)	\$ 893842.00
Private Ownership Agreement (Document)	\$ 1,001945.00
Quitclaim/Cancellation of Recorded Documents	\$ 1,044984.00
Encroachment Permit	\$924872.00
Joint Use Agreement	\$981939.00
Exchange Meter Agreement	\$502472.00
Water Availability Letter	\$ 360339.00
Water Availability Letter Update	\$ 168158.00

4.4.6 Annexation/Detachment (Change of Boundaries) Per Acre Fees

- A. Annexation Fees (See Sec. 3.1)

~~\$7,0137,559~~.00 per acre.

B. Detachment Fee (See Sec. 3.1)

\$0 per acre

4.4.7 Backflow Device Charges

New backflow device installations will be investigated and monitored with a set-up fee of ~~\$308290~~.00. The District will not be responsible for testing and repairs to such devices once they are entered on the monitoring system. (See "Cross Connection Control," Section 6.3.)

4.4.8 Collection of Connection Fees

For water meters purchased on or after January 1, 2018 that abut an existing water main or are determined to be a "Permanent Offsite Service" per Section 3.8.6 (Temporary and Permanent Offsite Water Services), the cost of connecting service is included as part of the "Capacity Fee" established in Section 4.4.16.

Connection fees shall be collected for the following cases:

A. Temporary Offsite Service (see Section 3.8.6)

In addition to the charges otherwise provided by these regulations, the cost for providing a Temporary Offsite Service will be ~~\$8,9878,664~~.00, plus an additional charge of ~~\$8582~~.00 per foot of frontage.

The cost of permit associated with a Temporary Offsite Service is dependent upon its jurisdiction and will be determined at the time of its application.

B. Permanent Water Service resulting from a Temporary Service Agreement (TSA)

Conversion from a temporary offsite service to a permanent onsite service to satisfy the terms and conditions of a TSA shall be ~~\$10,0319,648~~.00 plus an additional charge of ~~\$8582~~.00 per foot of the pro-rata share of pipeline costs.

Conversion from a temporary offsite service to a permanent onsite service excluding private plumbing tieback to satisfy the terms and conditions of a TSA shall be ~~\$8,6008,352~~.00 plus an additional charge of ~~\$8582~~.00 per foot of the pro-rata share of pipeline costs.

The cost of permit associated with a Permanent Water Service resulting from a TSA is dependent upon its jurisdiction and will be determined at the time of its application.

- C. Connection to “Pipeline Extensions Constructed by Developers” (See Section 3.8.7 C).

Connection fee shall be established in a payback agreement between the District and Developer.

4.4.9 Engineering Service Fees

- A. Hydraulic Analyses

The District’s hydraulic model is used to perform analyses and provide planning and design information for projects and ranges in the level of effort as follows:

Fire Flow Analysis – provides the available fire flow at a specific location in the system. A fire flow analysis does not review or determine system improvements that may be necessary to meet the specified fire flow requirement. The fee is \$~~244230~~.00.

Hydraulic Analysis – provides a review of a project for impacts on the existing system and identifies offsite improvements that may be necessary to maintain service levels in the system. Includes a summary page of the results and a schematic layout of the project and facilities. The fee is \$~~1,002943~~.00.

Water Supply Study – required for most new projects prior to plan checking improvement plans, a water supply study provides an analysis of the project and reports the requirements for conformance with the District’s planning and design criteria, including estimation of demands based on land-use, requirements for any proposed new facilities including pipeline sizes, and impacts to the existing system and need for offsite improvements. Includes a detailed summary report and figures to show schematic layout of required facilities to serve the proposed project. The fee is \$~~1,5801,487~~.00 for projects with minor pipeline extensions. Costs for large and/or more complex projects shall be performed on a time and materials basis through a deposit as determined necessary by the District.

- B. Construction Cost Estimate Summary

Provide a detailed cost of constructing waterline facilities using District forces (when available). The Construction Cost Estimate Summary is \$~~579545~~.00 and is effective for 30 days. Updating a construction cost estimate summary after 30-days have elapsed is \$~~258243~~.00.

- C. Plan Check

The District will check all improvement and grading plans, and if acceptable, will approve said improvement and grading plans. The fee for plan checking will be \$~~595,560~~.00 per sheet excluding all sheets not pertaining to or impacting District facilities. Plan checking for larger and/or more complex projects shall be performed on a time and materials basis through a deposit as determined necessary by the District.

D. As-Built Drawings

The District requires all final As-Built drawings to be submitted at the end of the project. A deposit of \$~~567,536~~.00 per sheet is collected at the beginning of the project. After acceptance of As-Built drawings and the project by the District, the deposit will be refunded.

E. Meter Service Lateral Inspection

The cost for inspecting a service lateral and meter assembly (2 inches and less) connected to a District pipeline by an outside contractor will be \$~~860,840~~.00. Reduced Pressure Detector Assembly (RPDA) inspection costs shall be used for larger service laterals and meters (3 inches and above).

F. RPDA Inspection

The costs associated with inspection of a RPDA or service laterals and meters 3 inches or larger, are as follows:

RPDA/meter inspection	\$ 706,665 .00
RPDA/meter and lateral inspection without shutdown	\$ 1,630,535 .00
RPDA/meter and lateral inspection with shutdown	\$ 2,708,550 .00

G. Time and Materials Basis (Deposit)

Costs for items not covered in the fee schedule or under circumstances determined by the District where the level of effort is too variable or likely greater than allowed for in the fees will be based on actual costs through collection of a deposit. Items include, but not limited to, complex hydraulic analyses and plan checks, water supply assessments, reimbursement agreements, construction of waterline facilities by District forces and miscellaneous inspection work.

4.4.10 Fire Hydrant Installations

Full installations include up to 30 feet of pipe. Installations over 30 feet in length shall be performed on a time and materials basis through a deposit. The cost of permit associated with fire hydrant installations will be determined at the time of application. The cost of permit is dependent upon its jurisdiction.

Full Installation	\$ <u>24,17623,519.00</u>
Upgrade	\$ <u>9,3589,419.00</u>

The cost associated with inspection of a Fire Hydrant is as follows:

Fire Hydrant inspection	\$ <u>1,1551,088.00</u>
Fire Hydrant and lateral inspection without shutdown	\$ <u>2,0791,958.00</u>
Fire Hydrant and lateral inspection with shutdown	\$ <u>2,5412,393.00</u>

4.4.11 Fire Service

4" Fire Service Connection	\$ <u>15,35414,654.00</u>
6" Fire Service Connection	\$ <u>15,75515,051.00</u>
8" Fire Service Connection	\$ <u>17,97317,443.00</u>
10" Fire Service Connection	\$ <u>21,00519,819.00</u>

Fire service connection installations include up to 30 feet of pipe. Installations over 30 feet in length shall be performed on a time and materials basis through a deposit. When an in-line gate valve, air vent and blow-off is required, a fee of \$5,6675,562.00 will be charged. The cost of permit associated with fire service connections will be determined at the time of application. The cost of permit is dependent upon its jurisdiction. It is the responsibility of the applicant to purchase and install the RPDA.

4.4.12 Water Meter Fees

A. Water Meter Fees

⁵ / ₈ " Hook-on Meter	\$ <u>676691.00</u>
Service Outlet	\$ <u>6,8776,664.00</u>
Full Installation	\$ <u>7,5537,355.00</u>

The smallest meter size allowable shall be a ³/₄" meter. A ⁵/₈" meter is only allowed for installation in condominiums, and mobile home subdivisions where each unit is metered separately or in similar low demand non-landscaping uses as approved by the District General Manager.

(Resolution No. 4191, Last Revision 2/16/83: Resolution 83-15)

³ / ₄ " Hook-on Meter	\$ <u>679704.00</u>
Service Outlet	\$ <u>6,8776,664.00</u>
Full Installation	\$ <u>7,5567,368.00</u>
1" Hook-on Meter	\$ <u>926886.00</u>
Service Outlet	\$ <u>6,8776,664.00</u>
Full Installation	\$ <u>7,8037,550.00</u>
1 ¹ / ₂ " Hook-on Meter	\$ <u>1,7641,684.00</u>
Service Outlet	\$ <u>8,1447,943.00</u>
Full Installation	\$ <u>9,9089,627.00</u>
2" Hook-on Meter	\$ <u>2,0081,930.00</u>

Service Outlet	\$ <u>8,1447,943.00</u>
Full Installation	\$ <u>10,1529,873.00</u>

3" or larger sized meters by time and materials only.

The cost of permit associated with water meter installations will be determined at the time of application. The cost of permit is dependent upon its jurisdiction.

B. Cost for Reduction of Meter Size

Reduction of a meter size shall be performed by the District upon written request by the owner. The owner shall be responsible for the cost of labor and parts associated with the reduction of a meter size. However, there shall be no charge to the owner for the cost of the new meter. Owner shall retain equity in the meter based on the smaller size.

The costs associated with reduction of a meter size are as follows:

Meter downsize from 3/4"	\$ 642604.00
Meter downsize from 1"	\$ 642604.00
Meter downsize from 1 1/2"	\$ <u>1,2061,061.00</u>
Meter downsize from 2"	\$ <u>1,4981,344.00</u>

The reduction of a meter size from 3" or larger sized meter is by time and materials only.

C. Refunds for Discontinued Meters

There are no refunds for discontinued meters.

D. Collection of Capacity Fee on Behalf of the San Diego County Water Authority

This District will not accept any otherwise eligible application for meter service installation unless it is accompanied by payment of the applicable capacity fee imposed by the San Diego County Water Authority. These fees are in accordance with the schedule authorized by the San Diego County Water Authority, which may be changed by that agency from time to time. This District is acting only as a collection agent for these fees.

E. Cancellation of Meter Application or Service Change

The cost for canceling a meter application or service change after it has been submitted and processed will be \$314296.00.

F. Service Lateral Termination

The cost for terminating a meter service lateral will be \$~~2,5932,335~~.00.

G. Commercial Irrigation Service Conversion

The cost for converting an existing domestic commercial service lateral into a dedicated combination irrigation and domestic service will be \$~~2,4292,364~~.00.

4.4.13 District Overhead

A ~~2025~~% material burden factor will be applied to all bills rendered for parts or material furnished by the District. In addition, an ~~58~~% services burden will be applied to all bills rendered that require the District to administer a contract.

4.4.14 Fees Related to Payment of Bills

A. Delinquent Bills and Meters Locked for Non-Payment

All water bills are due and payable upon presentation. If unpaid pursuant to Sections 2.2.3 and 2.2.4, the bill becomes delinquent. If not paid by the penalty date, the service becomes subject to discontinuance and will be charged a fee of \$~~1817~~.00. Prior to discontinuing a service, a reminder is given to the customer by attaching a door hanger or mailing a discontinuation notice. The fee charged for a door hanger will be \$~~8277~~.00. The fee charged for a mailed discontinuation notice will be \$~~4645~~.00. Returned check charge will be \$~~4441~~.00.

Pursuant to Water Code 25806, unpaid water charges may be added to and become a part of the annual assessment levied upon the real property. The cost for reporting delinquent accounts that are added to the property tax roll will be \$~~111104~~.00.

Services that are locked for non-payment of water bills will be charged an additional \$~~184175~~.00; customers who qualify for the Delinquent Lock Hardship fee will be charged \$~~5957~~.00. To unlock a meter after hours, there will be a charge of \$~~203191~~.00; customers who qualify for the After-hours Unlock Hardship fee will be charged \$~~177171~~.00.

Broken District locks shall be billed at the rate of \$~~203191~~.00 per lock. If a meter is pulled for delinquency, there will be a minimum charge of \$~~203191~~.00.

The fees charged for repairing damaged curb stops are as follows:

5/8" damaged curb stop:	\$ 1,007953 .00
3/4" damaged curb stop:	\$ 1,007953 .00
1" damaged curb stop:	\$ 1,0941,019 .00

The fee for repairing damaged curb stops larger than 1” is variable and is dependent upon the number of hours spent by District staff and parts used. The fee will be based on actual costs.

B. Meters Locked by Request of Owner

Upon written request by owner, the meter will be locked as a convenience to the customer by the District for a charge of ~~\$7773.00~~ and subsequently unlocked for an additional ~~\$7773.00~~. To lock or unlock a meter after hours, there will be a charge of ~~\$203491.00~~.

Locked meters will be charged a bi-monthly Readiness-to-Serve charge based on twenty-five percent (25%) of the Readiness-to-Serve charge for that account.

Locking of meters at the request of the owner does not relieve the owner of the responsibility for payment for any water used through the meter or for any damage resulting therefrom. All water registered through the meter after the District has locked the meter shall be paid for by the customer.

4.4.15 Capacity Fees

For all potable water meters installed and for all reclaimed water meters (excepting those areas subject to the contract with Buena Sanitation District dated May 19, 1981), the following charges shall be made:

<u>Meter Size</u>	<u>Capacity Fee</u>
5/8”	\$ 6,556,076.00
3/4”	\$ 9,835,114.00
1”	\$ 16,39145,190.00
1 1/2”	\$ 32,78230,380.00
2”	\$ 52,45148,608.00
3”	\$ 104,90397,216.00
4”	\$ 163,911451,900.00
6”	\$ 327,821303,800.00
8”	\$ 524,514486,080.00
10”	\$ 753,989698,740.00
12”	\$ 1,409,6321,306,340.00

These fees are not refundable. If the size of the meter is increased, the difference in capacity fees between the new and old meter at the current prices will be paid. There is no refund of the capacity fees if the meter is reduced in size.

The Board of Directors will waive all capacity fees when installing individual meters at multiple-family residences served by an existing single meter and will request that the San Diego County Water Authority will also waive their capacity fees for the customer.

4.4.16 Water Conservation Fees

Second water citation within 12 months \$ ~~271255.00~~

Third water citation within 12 months	\$ 498.00
In addition, a flow restrictor may be installed for up to five days.	
Four or more water citations within 12 months	\$ 724741 .00
In addition, a flow restrictor may be installed or service may be discontinued.	
1" and smaller flow restrictor installation & removal	\$ 358337 .00
1½" and 2" flow restrictor installation & removal	\$ 687643 .00

These fees will be added to the water account and will be subject to Section 2.2 - Billing Procedures.

4.4.17 Unauthorized Taking of District Water

If it is determined there has been an unauthorized use of District water through an illegal hook-up, the fee for this unauthorized taking of District water will be \$~~3,2663,032~~.00.

4.4.18 Miscellaneous Fees

A bid protest will be charged a fee for contracts under \$60,000 of \$~~371350~~.00. For contracts over \$60,000 the fee will be \$~~637603~~.00 to also cover the costs of taking the bid protest to the Board of Directors for consideration.



**FISCAL POLICY COMMITTEE
STAFF REPORT**

Agenda Item: 6

**Meeting Date:
Prepared By:
Approved By:**

**September 23, 2024
Shallako Goodrick
Brett Hodgkiss**

SUBJECT: DISTRICT PURCHASING POLICY

RECOMMENDATION: Consider revisions to Purchasing Policy, Section 4.3 of the District Rules and Regulations.

PRIOR BOARD ACTION: At its November 15, 2017 meeting, the Board adopted the current Purchasing Policy.

FISCAL IMPACT: None.

SUMMARY: The Purchasing Policy has remained unchanged for almost seven years. In order to reflect current operational realities and address the impacts of higher than normal inflation, staff proposes the policy be updated. Since November 2017, inflation has increased by 30 percent; staff proposes that the inflationary adjustment be rounded up to 33 percent and that all dollar thresholds contained in the policy be adjusted by this percentage.

DETAILED REPORT: The proposed revisions to the Purchasing Policy reflect inflationary adjustments to various purchasing thresholds. As proposed, the approval threshold for the General Manager would increase from \$60,000 to \$80,000; all purchases and contracts in excess of \$80,000 would require Board Approval. The threshold for formal bids would increase from \$60,000 to \$80,000. The requirement to use the District's standard contract and purchase order would be adjusted from \$6,000 to \$8,000. Additionally, it is proposed that the General Manager's approval authority for individual and cumulative change orders be adjusted from \$120,000 and \$240,000 to \$160,000 and \$320,000, respectively.

The proposed Purchasing Policy is presented in "redline" (strikethrough/underline) format from the previous version approved by the Board. If the Board adopts the Purchasing Policy for inclusion in the Rules and Regulations, the General Manager will update the Purchasing Procedures accordingly.

ATTACHMENT: Redline version of proposed Purchasing Policy

4.3 PURCHASING POLICY

<i>Adoption Date:</i>	November 15, 2017
<i>Action:</i>	Approved by VID Board of Directors, Minute Order No. 17-11-130
<i>Applicable Law/Code/Agency:</i>	CA Water Code, CA Government Code, Public Contract Code

4.3.1 Purpose

The purpose of this policy is to secure District supplies, services and equipment in the most efficient and effective manner.

4.3.2 Attachments

None.

4.3.3 Definitions

Definitions are contained in the glossary of the Purchasing Procedures.

4.3.4 Goals

The purchasing goals of the District shall be as follows:

- A. The District shall purchase the right goods at the best price at the right time, encourage competition among vendors, and maintain a consistent and satisfactory supply of goods and services for the District's use.
- B. The purchase of supplies, services, and equipment shall be made at the lowest possible cost commensurate with acceptable quality.
- C. Positive financial controls shall be exercised over purchases to ensure that goods and services are pre-authorized and that expenditures do not exceed budgeted amounts without proper approval.
- D. Authority and responsibilities for the purchasing function shall be clearly defined.
- E. When all other considerations are equal, staff will endeavor to purchase materials, equipment and services from a qualified vendor whose primary location of business is within the District boundaries.
- F. Opportunities for cooperative purchasing, in order to take advantage of similar needs and economies of scale, will be pursued with other public agencies whenever such purchases are feasible and in the best interest of the District.
- G. The District shall not discriminate against any vendor or contractor because

of race, color, religion, sex, national origin, ancestry, age, medical condition, sexual orientation, physical or mental disability, Vietnam-era veteran or special disabled veteran status, marital status or citizenship.

4.3.5 Types of Purchases

Each purchase shall be made through the applicable purchasing procedures identified for that type of purchase. Separate purchasing procedures shall exist for the procurement of supplies, equipment and non-professional services and for the procurement of professional services.

4.3.6 Documentation of Purchases

Each purchase shall be approved utilizing the appropriate form or document. The standard purchasing documents, depending on type of purchase, shall be the purchase order, bid package, and services contract.

4.3.7 Supplies, Equipment and Non-Professional Services

- A. The procurement of supplies, equipment and non-professional services shall be conducted according to the following:
 - open market purchases for items up to ~~\$8,000~~6,000;
 - informal written bids/quotations for items from ~~\$8,000~~6,000 to ~~\$80,000~~60,000; and
 - formal bids for items over ~~\$80,000~~60,000.
- B. The Board of Directors shall award all purchases based on formal bids.
- C. The purchase of highly technical supplies and equipment may be made through competitive negotiations following a request for proposals/evaluation process. Competitive negotiations for purchases of ~~\$80,000~~60,000 or more shall require Board approval.
- D. Sole source procurement from a single pre-qualified vendor may be conducted if the purchase item is obtainable only from that vendor based on availability and compatibility criteria. Sole source purchases of ~~\$80,000~~60,000 or more shall require Board approval.

4.3.8 Professional Services

- A. The procurement of professional services shall be conducted according to the following:
 - open market procurement for services up to ~~\$80,000~~60,000; and
 - requests for proposal for services over ~~\$80,000~~60,000.

- B. Professional services contracts of \$~~80,000~~~~60,000~~ or more shall be awarded by the Board of Directors.

4.3.9 Purchase Orders

- A. All purchases of supplies and equipment in excess of \$~~8,000~~~~6,000~~ and all contracted services shall require completion and approval of a purchase order.

4.3.10 Credit

- A. The General Manager or designee may obtain District gasoline cards, merchant cards or vendor credit to facilitate the procurement of services, supplies and equipment.
- B. The Board of Directors shall approve the establishment of an account for any credit card issued by a credit card network (e.g. Visa, MasterCard, etc.).
- C. Purchases using a District credit card, gasoline card, merchant card or vendor credit shall comply with applicable purchasing procedures.

4.3.11 Contracts

- A. A contract shall be required for all services performed for the District.
- B. A letter agreement may be executed for services up to \$~~8,000~~~~6,000~~.
- C. Contract payments shall require prior approval and authorization.
- D. Contract terms shall coincide with fiscal years wherever possible and shall not exceed three years without Board approval. Contracts in excess of \$~~80,000~~~~60,000~~ shall require Board approval.

4.3.12 Contract Change Orders

- A. The General Manager has authority to execute individual change orders not exceeding 10% of the contract amount or \$~~160,000~~~~120,000~~, whichever is less, and not cumulatively exceeding 20% of the contract amount or \$~~320,000~~~~240,000~~, whichever is less.
- B. The Board of Directors must formally approve all change orders that exceed the amounts set forth in 4.3.12 A.

4.3.13 Approvals

- A. All purchases shall be reviewed in advance for accuracy, appropriateness, and budget availability.

- B. All purchases shall be approved in advance by the appropriate level(s) in the organization commensurate with the type and amount of the purchase.
- C. All purchases shall be coordinated through Purchasing for the sake of efficiency, consistency, and fiscal control.

4.3.14 Construction Projects

- A. Construction projects shall be awarded according to the applicable purchasing procedures. Contracts shall be required for all phases of a construction project.
- B. Construction projects which are let for formal bid shall require a formal construction bid package which has been approved by General Counsel and the General Manager.

4.3.15 Disposal of Equipment and Supplies

- A. When obsolete equipment is replaced, every attempt should be made to exchange the old equipment as part of the new purchase.
- B. When surplus equipment must be discarded, it shall be disposed of through pre-approved channels in accordance with the best interests of the District's ratepayers.

4.3.16 Emergency Purchases

- A. Authorized employees shall be able to make immediate purchases in the case of an emergency. Every effort shall be made to receive appropriate approvals in advance.
- B. Applicable purchasing procedures (including forms and approvals) for the type of purchase made shall be completed as soon as possible following the purchase.

4.3.17 Waiver of Purchasing Guidelines

The Board of Directors may approve a waiver of these purchasing policies on a case-by-case basis, such as for major construction projects, real estate acquisitions, and cooperative purchasing programs.

4.3.18 Procedures

Purchasing procedures shall be developed to implement the directives set forth in this policy.