

AGENDA REPORT

San Dieguito Water District

**MEETING
DATE:**

June 26, 2024

**PREPARED
BY:**

Mary Kazungu, Finance
Manager

**GENERAL
MANAGER:**

Isam Hireish

DEPARTMENT:

Utilities

**DISTRICT
SECRETARY:**

Pamela Antil

SUBJECT:

Adoption of Fiscal Year 2024-25 San Dieguito Water District Operating and Capital Budget

RECOMMENDED ACTIONS:

The District Board is requested to take the following actions:

1. Adopt Resolution No. 2024-07, titled "A Resolution of the Board of Directors of the San Dieguito Water District, Adopting the Fiscal Year 2024-25 San Dieguito Water District Operating and Capital Budget". (Attachment A)
2. Adopt Resolution No. 2024-08 titled "A Resolution of the Board of Directors of the San Dieguito Water District, Approving Position Titles and Pay Ranges for the San Dieguito Water District for Fiscal Year 2024-25." (Attachment B)

ENVIRONMENTAL CONSIDERATIONS:

The action being considered by the Board is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" under Section 15378(b)(5) of CEQA Guidelines. The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment.

This item is not related to the Climate Action Plan.

STRATEGIC PLAN:

This item relates to the Fiscally Sound and Efficient area of the District's Strategic Plan.

FISCAL CONSIDERATIONS:

The information contained in this report and the attached draft FY 2024-25 San Dieguito Water District Operating and Capital Budget (Budget Document) establishes proposed revenue and

expense budgets for the next fiscal year, provides a longer-term view of the proposed Capital Improvement Program (CIP), and forecasts the District's overall financial plan over the next year.

Changes Made After Budget Introduction

After the Budget Introduction on May 15, 2024, the following changes to the Operating Expense Budget were made based on new information available:

1. Allocated an additional \$85,000 for Contracts and Services related to Lake Hodges local water issues, and District asphalt repairs.
2. Added \$33,779 to Salaries and Benefits for the reclassifications of a Utility Maintenance Specialist II and a Utility Maintenance Field Supervisor, to Utility Maintenance Supervisors in order to reflect their new additional duties and responsibilities.
3. \$23,296 in various Materials and Supplies line items to reflect updated price quotes and proposed increases from vendors.

| Revenue Fund | FY 2023-24 Adopted | FY2023-24 Revised | FY2024-25 Proposed | % Change |
|---|-------------------------------|------------------------------|-------------------------------|-----------------|
| Operating | \$ 21,070,643 | \$ 21,070,643 | \$ 22,859,486 | 8% |
| Capital Replacement | 100,000 | 100,000 | 150,000 | 33% |
| Total Revenue | \$ 21,170,643 | \$ 21,170,643 | \$ 23,009,486 | 8% |
| | | | | |
| Expense Fund | | | | |
| Operating | \$ 19,988,238 | \$ 20,197,238 | \$ 22,366,650 | 10% |
| Capital Replacement | 2,450,000 | 2,450,000 | 5,450,000 | 55% |
| Debt Service | 1,411,000 | 1,411,000 | - | |
| Fleet Replacement | 511,500 | 511,500 | 390,000 | -31% |
| TOTAL | \$ 24,360,738 | \$ 24,569,738 | 28,206,650 | 13% |
| *Please note some rows/columns may not sum exactly due to Excel rounding. | | | | |

BACKGROUND:

The San Dieguito Water District ("District") adopts an operating and capital budget on the same schedule as the City of Encinitas ("City"). The District's budget document provides for a detailed outline of the proposed revenue and expense budgets for the next fiscal year, provides a longer term view of the proposed CIP, and forecasts the District's overall financial plan over the next year. The budget document is a financial plan that guides the District in its mission of delivering safe, reliable water in a cost-effective and environmentally sustainable manner.

On June 21, 2023, the Board approved the FY 2023-24 District Operating and Capital Budget. Subsequent adjustments were made to the FY 2023-24 budget as part of the FY 2023-24 Quarterly Budget Reports. On May 15, 2024, staff introduced the FY 2024-25 budget which was developed with several assumptions taken from the 2024 District Cost of Service Water Rate Study and the accompanying rates that were approved by the Board on April 17, 2024. The assumptions include: that the District will receive at least 750AF of local water from Lake Hodges Dam, inflationary escalations on some line items ranging from 3-8 percent, San Diego County Water Authority (SDCWA) anticipated water purchase rate increases of 8.5 percent, minimal account growth since the District service area is mostly built out, no change in customer water demand, and a CIP execution rate of 75 percent.

ANALYSIS:

District Overview: The District's cash-flow, based upon the proposed budget of revenues and expenses for FY 2024-25 as detailed later in this report, is as follows:

As of 3rd Quarter FY 2023-24 Budget Report, the District is anticipated to begin FY 2024-25 with an available net position of \$12,533,376. With total revenues of \$23,009,486 and total expenses of \$28,206,650 it is projected that the District will have a shortfall of \$5,197,164 in FY 2024-25 as shown on the following table. The FY 2024-25 projection factors in the nine (9) percent revenue increase approved by the Board on April 17, 2024 at the conclusion of the 2024 cost of service study.

| # | Category | FY 2023-24 Adopted | FY2023-24 Revised | FY2024-25 Proposed* |
|--|---------------------------------|-----------------------|----------------------|------------------------|
| 1 | Beginnining Balance | \$ 13,321,108 | \$ 16,124,415 | \$ 12,533,376 |
| 2 | Operating Revenues | 21,070,643 | 21,070,643 | 22,859,486 |
| 3 | Capital Replacement Revenues | 100,000 | 100,000 | 150,000 |
| 4 | Total Revenues (2+3) | \$ 21,170,643 | \$ 21,170,643 | \$ 23,009,486 |
| 5 | Operating Expenses | 19,988,238 | 20,197,238 | 22,366,650 |
| 6 | Debt Service Expenses | 1,411,000 | 1,411,000 | - |
| 7 | Capital Replacement Expenses | 2,450,000 | 2,450,000 | 5,450,000 |
| 8 | Fleet Replacement Expenses | 511,500 | 511,500 | 390,000 |
| 9 | Total Expenses (5+6+7+8) | \$ 24,360,738 | \$ 24,569,738 | \$ 28,206,650 |
| 10 | Current Year Net (4-9) | (3,190,095) | (3,399,095) | (5,197,164) |
| 11 | Additional Revenue Requirement | - | - | - |
| 12 | Ending Balance (1+10+11) | \$ 10,131,013 | \$ 12,725,320 | \$ 7,336,212 |
| *Beginning balance as projected in 3rd Quarter FY23/24 Report | | | | |
| Please note some rows/columns may not sum excatly due to Excel rounding. | | | | |

The annual overall ending net position which is utilized to fund the District's reserves and individual fund balances is proposed as follows:

| Category | FY 2023-24 Adopted | FY2023-24 Revised | FY2024-25 Proposed |
|---|-----------------------|----------------------|-----------------------|
| Operating Reserve | \$ 5,033,620 | \$ 4,928,607 | \$ 5,480,032 |
| Capital Replacement Reserve | 3,350,000 | 7,206,249 | 3,040,768 |
| Rate Stabilization Reserve | 1,145,866 | 2,849,204 | - |
| Fleet Replacement Fund | 601,526 | 1,140,356 | 488,252 |
| Total Reserves & Balances | \$ 10,131,012 | \$ 16,124,416 | \$ 9,009,052 |
| *Please note some rows/columns may not sum exactly due to Excel rounding. | | | |

The District maintains three (3) unrestricted reserves; an Operating Reserve with a target set at 90 days' worth of annual operating expenses for the District, a Capital Replacement Reserve with a target to be funded at 1 to 2 times the District's five-year future average capital expense, and a Rate Stabilization Reserve with a target calculated to be 15 percent of the District's annual revenue from rates and charges. The District also maintains a balance in its Fleet Replacement Fund based upon scheduled fleet purchases and a seven-year amortized contribution schedule for each vehicle, although this is not an official reserve.

Current year (FY 2023-24) Operating and Capital Replacement reserves were fully funded as of the beginning of FY 2023-24. The proposed FY 2024-25 reserves and balances shown above, factor in the nine percent (9%) revenue increase approved by the Board on April 17, 2024 at the conclusion of the 2024 cost of service study, with implementation to begin on July 1, 2024. The table also shows the potential status of reserves if the District was to receive at least 750AF of local water and maintain a CIP program with a 75 percent execution rate, per the Board's direction during the rate study workshops.

District Revenues: The District is proposing revenues in two (2) funds, as follows:

| Fund | FY 2023-24 Adopted | FY 2023-24 Revised | FY 2024-25 Proposed |
|----------------------|-------------------------------|-------------------------------|--------------------------------|
| Operating | \$ 21,070,643 | \$ 21,070,643 | \$ 22,859,486 |
| Capital Replacement | 100,000 | 100,000 | 150,000 |
| Total Revenue | \$ 21,170,643 | \$ 21,170,643 | \$ 23,009,486 |

Operating revenue is proposed to be received from a variety of sources, including:

| Category | FY 2023-24 Adopted | FY 2023-24 Revised | FY 2024-25 Proposed | % Diff from PY |
|--------------------------------|-------------------------------|-------------------------------|--------------------------------|---------------------------|
| Potable Water Sales | \$ 12,677,292 | \$ 12,677,292 | \$ 13,308,549 | 5.0% |
| Potable Meter Service Charges | 4,560,461 | 4,560,461 | 5,094,766 | 11.7% |
| Recycled Water Sales | 838,331 | 838,331 | 877,626 | 4.7% |
| Recycled Meter Service Charges | 109,548 | 109,548 | 134,236 | 22.5% |
| Property Taxes | 1,228,351 | 1,228,351 | 1,505,097 | 22.5% |
| Pass Through Charges (IAC) | 809,060 | 809,060 | 856,611 | 5.9% |
| Engineering Fees | 340,878 | 340,878 | 475,092 | 39.4% |
| Interest & Property Earnings | 456,367 | 456,367 | 536,309 | 17.5% |
| Billing Fees | 25,355 | 25,355 | 46,200 | 82.2% |
| Other District Revenue | 25,000 | 25,000 | 25,000 | 0.0% |
| Total Operating Revenue | \$ 21,070,643 | \$ 21,070,643 | \$ 22,859,485 | 8.5% |

As previously mentioned, the first revenue adjustment of nine (9) percent increase from the 2024 Water rate cost of service study has been factored into the projected revenue where applicable. The increase will go into effect on July 1, 2024.

Potable Water Sales are the District's largest revenue source and normally account for approximately 58-61 percent of operating revenue. Potable Water Sales are a variable revenue source that is dependent upon many factors, including customer demand, weather, and legislative mandates. The recent extremely wet weather has resulted in significant decreases in water sales and this reduction has placed tremendous strain on Potable Water Sales revenues.

The proposed Potable Water Sales revenue projection shows a five (5) percent increase over FY 2023-24. The increase is due to the recently approved revenue adjustment effective July 1, 2024. It is also anticipated that water sales in the upcoming fiscal year may not increase much as customers continue conservation efforts and also due to the substantial rainfall received this year in the region.

Potable Meter Service Charges are the next largest revenue source and make up roughly 22 percent of operating revenue. Potable water customers pay a bi-monthly service charge based upon the size of the potable water meter serving their property. Calculated from the District's current base of 13,735 potable water meters and current rates, the proposed Potable Meter Service Charge projection shows an 11.7 percent increase in FY 2024-25 mainly due to the approved rate increase and a small increase in meter growth.

Recycled Water Sales comprise roughly four (4) percent of operating revenue. A slight increase in sales is projected in FY 2024-25 as warmer weather is anticipated. The District is projecting 365 AF of sales in FY 2024-25. Based upon updated sales projections, the proposed Recycled Water Sales projection show an increase of 4.7 percent in FY 2024-25.

Recycled Meter Service Charges make up 0.5 percent of operating revenue. Recycled water customers pay a monthly service charge based upon the size of the recycled water meter serving their property. Based upon current rates, the proposed Recycled Meter Service Charge revenue projection shows a 22.5 percent increase in FY 2024-25.

Property Taxes account for approximately six (6) percent of operating revenue. Originally classified as an irrigation district, the District has maintained its rightful share of Property Tax revenue, even after becoming a subsidiary district of the City. The District has seen Property Tax revenues increase each of the last five (5) years due to the continued strength of the local real estate market and increasing valuations. Due to this trend, the proposed Property Tax revenue projection shows a 22.5 percent increase in FY 2024-25.

Pass Through Charges comprise roughly four (4) percent of operating revenue. Received in the form of Infrastructure Access Charges (IAC) from customer billings, these charges are adjusted every January 1st with customers being billed for the IAC based upon the size of the water meter serving their property. These revenues received are then passed through and paid in-kind to the San Diego County Water Authority (SDCWA) and have a corresponding amount on the expense side of the budget, essentially being a budget neutral item. Based upon current preliminary rate and charge estimates from SDCWA, the Pass-Through Charge projection is expected to increase 5.9 percent in FY 2024-25.

Engineering Fees make up roughly two (2) percent of operating revenue. Engineering Fees are derived from the District's Board-approved schedule of fees and charges and include cost recoverable services such as new meter installation fees, water availability letters, plan check fees, and job inspection fees. The District also receives revenue from the City for engineering services performed in support of development projects within District boundaries. Based upon current trends, staff is anticipating that Engineering Fee revenue will increase 39.4 percent in FY 2024-25 mainly due to updated miscellaneous fees and charges approved on March 20, 2024, and which will become effective on July 1, 2024.

Interest & Property Earnings comprise roughly two (2) percent of operating revenue. Interest earnings are received on invested District funds and have been trending upwards in recent years as interest rates have increased. Property earnings are received from the rental of District

properties, cellular site leases, and income from electricity generation from the hydroelectric facility, which is shared with the Santa Fe Irrigation District (SFID). Improved rental terms with users of District property and renegotiated terms on several cellular site leases have led to increased revenue from property in recent years. The Interest & Property Earnings revenue projection shows a 17.5 percent increase in FY 2024-25.

Billing Fees and Other District Revenue, together account for approximately a half percent of the District's operating revenue. Billing fees are derived from the District's Board-approved schedule of fees and charges and include such items as delinquency fees, return check charges and new account set up fees. As the District has been working towards more efficient billing and collections practices in recent years, revenue from these fees has declined as fewer customers have been delinquent in their accounts. Based upon current trends, Billing Fee revenue projection shows an 82.2 percent increase in FY 2024-25 mainly due to the aforementioned updated miscellaneous fees and charges.

Other District Revenue is a small but largely unpredictable collection of miscellaneous revenues, including rebates, refunds, cost recovery from damage to District infrastructure, and other one-time sources. Based upon historical trends, Other District Revenue is projected to remain unchanged in FY 2024-25.

Capital Replacement revenue is proposed to be received from a single source:

| Category | FY 2023-24 Adopted | FY 2023-24 Revised | FY 2024-25 Proposed | % Diff from Revised |
|------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Capacity Fees | \$ 100,000 | \$ 100,000 | \$ 150,000 | 33.3% |
| Total Capital Revenue | \$ 100,000 | \$ 100,000 | \$ 150,000 | 33.3% |

Capacity Fee revenue is derived from the District's Capacity Fee Study, which sets an amount that customers must pay to "buy-in" to the water system when a new water meter is purchased. Based upon current development projections, the District's capacity fee revenue will increase to \$150,000 per year. This amount is equivalent to approximately 20 to 30 new water meters each year, depending on the size of meters requested and based on the new updated fees and charges.

District Expenses: The District is proposing expenses in four (4) funds, as follows:

| Fund | FY 2023-24 Adopted | FY2023-24 Revised | FY2024-25 Proposed |
|---------------------------|-------------------------------|------------------------------|-------------------------------|
| Operating | \$ 19,988,238 | \$ 20,101,238 | \$ 22,366,650 |
| Debt Service | 1,411,000 | 1,411,000 | - |
| Capital Replacement | 2,450,000 | 2,450,000 | 5,450,000 |
| Fleet Replacement | 511,500 | 511,500 | 390,000 |
| Total Expenditures | \$ 24,360,738 | \$ 24,473,738 | \$ 28,206,650 |

Operating expenses are proposed for major expense categories, including:

| Category | FY 2023-24 Adopted | FY2023-24 Revised | FY2024-25 Proposed | % Diff from PY |
|---------------------------------|-----------------------|----------------------|-----------------------|----------------|
| Salaries | \$ 2,564,535 | \$ 2,564,535 | \$ 3,142,221 | 18% |
| Benefits | 1,779,444 | 1,779,444 | 1,894,411 | 6% |
| Potable Water Purchases | 9,550,526 | 9,575,526 | 10,013,187 | 4% |
| Water Treatment | 2,472,000 | 2,472,000 | 2,924,976 | 15% |
| Recycled Water Purchases | 643,650 | 643,650 | 704,815 | 9% |
| Materials & Supplies | 603,515 | 603,515 | 1,049,302 | 42% |
| Contracts & Services | 937,768 | 987,768 | 1,141,380 | 13% |
| Internal Cost Allocation | 1,433,800 | 1,433,800 | 1,469,358 | 2% |
| Capital Outlay (Fixed Asset) | - | 38,000 | 24,000 | -58% |
| Debt & Finance | 3,000 | 3,000 | 3,000 | 0% |
| Total Operating Expenses | \$ 19,988,238 | \$ 20,101,238 | \$ 22,366,650 | 10% |

The proposed budget provides salary and benefit costs for a staff of 27.0 Full Time Equivalents (FTE), including Administrative, Customer Service, Operations and Engineering staff. Staffing levels remain unchanged from FY2023-24.

The District, like the City, is currently operating under the July 1, 2023 through June 30, 2027 Memorandum of Understanding (MOU) with SEIU Local 221, of which a majority of its employees are members. Management is unrepresented but generally follows the same terms and conditions as set forth in the MOU.

The District's proposed Salaries budget includes standard employee step increases and career advancements, along with updates to the District's overtime line items. The FY 2024-25 Salary budget projection shows an increase of 18 percent. Employee Benefits, including health coverage and other insurance costs, are projected to increase six (6) percent during FY 2024-25.

The Potable Water Purchases category will increase due to the previously mentioned impacts, namely, increase in water purchase costs, loss of Lake Hodges local water, and the anticipated SDCWA rate increases. SDCWA is anticipating the need to increase rates up to 39 percent over the next three (3) years with 16 to 22 percent being proposed for CY 2025. Potable water purchases are the largest component of the District's operating budget and can range anywhere from 30 percent to 50 percent of the operating budget. The District has traditionally had two (2) sources of potable water, local water from its share of rights to water from Lake Hodges, and imported water purchased from the San Diego County Water Authority (SDCWA). The District's budget and expenses for potable water can vary greatly depending on the ratio of local water used compared to imported water.

Loss of local water from Lake Hodges: Following the conclusion of a condition assessment on Lake Hodges Dam, the Division of Safety of Dams (DSOD) in February 2023 imposed a level 280-ft. restriction on the dam. This essentially deprives the District of its cheapest source of water. Therefore, it is estimated that approximately 87 percent of demand in FY 2024-25 will be met with more costly water from SDCWA. The proposed budget in a best-case scenario is conservatively

projecting that the District may receive 750AF (about 13 percent of District demand) from Lake Hodges Dam as the City of San Diego strives to meet and maintain the 280 ft. level restriction.

SDCWA potential 16 to 22 percent rate increase effective January 1, 2025: Imported water is purchased from SDCWA. The District pays a per acre-foot amount to SDCWA based upon the volume of imported water purchased each month (commodity). Furthermore, as a member agency of SDCWA, the District pays various fixed charges to SDCWA each month for access to imported water. Each of these costs is adjusted by SDCWA on a calendar year (CY) basis. At the time of the preparation of this staff report, final wholesale commodity and fixed charge amounts for CY 2025 have not been finalized, therefore, the current numbers are based upon preliminary estimates of an 8.5 percent increase as was estimated in the water rate study.

It is also estimated that seven (7) percent of total potable water demand will be satisfied from SDCWA imported treated water each year. Imported treated water is used during times when the District's water treatment plant is unavailable, either due to planned maintenance or capital project work. The SDCWA imported treated water rate is also anticipated to increase in CY 2025. If final rates and charges become available after final budget approval on June 26, 2024, staff will bring forward amendments in the quarterly budget reports.

SDCWA imported untreated water is estimated to account for approximately 80 percent of total potable demand in FY 2024-25. Untreated water is utilized when local water is not available. The SDCWA imported untreated water rate is also expected to increase in CY 2025. Due to the DSOD restriction on Lake Hodges Dam, local water may not be available for several years to come and reliance on more expensive imported untreated water will also increase. This is thus reflected in the large swings in estimated water purchase expenses. Overall, imported untreated water costs are estimated to increase in FY 2024-25 as local water unavailability continues.

Fixed costs from SDCWA are also estimated to increase in the next year. The District currently pays six (6) distinct fixed charges (four directly to SDCWA and two pass-through charges to the Metropolitan Water District) for access to imported water. Fixed Charges are generally based upon each agency's historical average of purchases of imported water from SDCWA with that average amount being charged on a per acre-foot rate. The fixed costs are currently based on rate and charge guidance from SDCWA staff. Final fixed costs may be made available prior to budget adoption and will be incorporated into the final budget.

Due to the difference in source water quality between local water and imported water, water treatment costs are generally more expensive when the District utilizes more local water and less expensive when more imported water is used. Overall, the Water Treatment projection shows a 15 percent increase in FY 2024-25 mainly reflecting the increase in chemical costs.

Recycled Water is purchased from the San Elijo Joint Powers Authority (SEJPA) to serve District customers. Recycled water purchases are projected to increase by nine (9) percent from 350 AF in FY2023-24 to 365 AF in FY 2024-25. This reflects an increase in the volume purchased as well as on wholesale recycled water costs that will occur on July 1, 2025, bringing the cost of recycled water to \$1,931 per AF from the current \$1,839 per AF.

Inflationary price increases: Like other agencies, the District continues to experience price increases in materials, supplies goods and services.

Materials & Supplies expenses include, but are not limited to, such things as office supplies, billing materials, parts and materials for infrastructure repairs and maintenance, small equipment and

tools, computer software and hardware, fuel, safety supplies, books, and postage. Many accounts in this category have been experiencing significant price increases as a result of supply chain issues compounded by higher fuel/transportation costs. Overall, the Materials & Supplies budget projection shows a 42 percent increase in FY 2024-25 most of which can be attributed to increased appropriations for meter replacements.

Contracts & Services expenses include, but are not limited to professional, technical, maintenance, and construction contracts, and such items as legal fees, insurance, utilities, banking fees, water conservation, marketing and outreach. Overall, the Contracts & Services budget projection shows a 13 percent increase in FY 2024-25.

The District pays an Internal Cost Allocation to the City for services provided in the areas of Finance, Fleet Maintenance, Human Resources, Information Technology, Risk Management, Records Management, and other support services. The District's Internal Cost Allocation budget projection shows a two (2) percent increase in FY 2024-25.

Debt & Finance expenses is the smallest category in the operating budget and is related to collection service expenses on delinquent accounts and the writing off of uncollectible accounts. Due to improved collections efforts with the District's new collections vendor, the Debt & Finance budget projection remains flat in FY 2024-25.

District Capital Improvement Program (CIP): The District is proposing to appropriate funding to 11 capital projects in FY 2024-25 totaling \$5,450,000. Appropriations are split between District projects (approximately 77 percent) and Joint Facilities projects (approximately 23 percent), which are for facilities that are jointly owned by the District and the Santa Fe Irrigation District. Projects shown without appropriations in the adopted and proposed budgets will be continuing with carryover funds from prior years. Capital Replacement appropriations for the budget are proposed as follows:

| Project Title | FY 2023-24 Adopted | FY2023-24 Revised | FY2024-25 Proposed |
|-----------------------------------|-------------------------------|------------------------------|-------------------------------|
| Joint Facilities Master Plan | \$ 500,000 | \$ 500,000 | \$ 1,000,000 |
| Joint Facilities Acquisitions | 150,000 | 150,000 | 250,000 |
| Water Infrastructure Improvements | 730,000 | 730,000 | 1,250,000 |
| Transmission Line Maintenance | 150,000 | 150,000 | 1,000,000 |
| Meter Replacement & Automation | 100,000 | 100,000 | 250,000 |
| SCADA Automation Upgrade Program | 20,000 | 20,000 | 20,000 |
| Encinitas Valve Replacement | - | - | |
| Asbestos Pipe Repair | - | - | 500,000 |
| Lake Hodges Dam Capital Repairs | 500,000 | 500,000 | 750,000 |
| Water Rate Study | 100,000 | 100,000 | - |
| System Condition Assessment | 200,000 | 200,000 | 130,000 |
| On Call Consultants | - | - | 200,000 |
| Urban Water Management Plan | - | - | 100,000 |
| Total Capital Replacement | \$ 2,450,000 | \$ 2,450,000 | \$ 5,450,000 |

Joint Facilities projects include improvements and upgrades to the R.E. Badger Water Filtration Plant (Plant), San Dieguito Reservoir, and other associated infrastructure, as outlined in the 2021 Joint Facilities Master Plan (JFMP). The JFMP recommended a 10-year capital improvement

program for these facilities in order to replace aging infrastructure and continue to meet health and safety requirements. Funding for Joint Facilities Master Plan Projects is proposed to increase by \$0.5 million in FY2024-25. This, in addition to prior-year funding that is usually carried-over, will go toward individual projects including: leach field replacement, filter surface washwater header and associated piping, clearwell solar, rehabilitation of the 15-inch drainline to San Dieguito Reservoir as well as the 30-inch forcemain to the REB Plant, and San Dieguito Reservoir repairs. The District expects to fully fund our share of these projects.

Funding for Joint Facilities Capital Acquisitions is proposed to increase to \$250,000 in FY 2024-25. This funding will be used for various software and hardware upgrades, for vehicle replacements, for security upgrades, and to purchase smaller treatment process equipment at the Plant.

Appropriations for District capital projects are based upon the District's 2022 Water System Master Plan and other current system knowledge from studies or field observation. Several projects receive on-going funding. Major Water Infrastructure Improvement projects include pipeline replacements, and various city pavement rehabilitation and overlay projects. Transmission Line Improvement projects include: phase two of replacing air releases and blow-off valves as well as transmission line maintenance.

The Meter Replacement and Automation Project provides funding for the replacement of water meters and for planning future technology upgrades on the water meter system. The District is in the process of initiating a project to replace the current Automated Meter Reading (AMR) technology meters with hybrid Automated Metering Infrastructure (AMI)/AMR ones. If the AMI/AMR technology is found to be feasible, staff will be pursuing various grant opportunities available to finance the conversion.

In FY 2024-25, funding is being added for several semi-regular projects. These projects include funding for the Urban Water Management Plan which is required to be updated every five (5) years, the continuation of the system condition assessment, future distribution valve and pipeline replacements and funding for on-call consultants to manage the various projects.

District Debt Service: Debt Service expenses are proposed as follows:

| Category | FY 2023-24 Adopted | FY2023-24 Revised | FY2024-25 Proposed |
|---------------------------|-------------------------------|------------------------------|-------------------------------|
| Principal Payments | \$ 1,350,200 | \$ 1,350,200 | \$ - |
| Interest Payments | 56,100 | 56,100 | - |
| Administrative Fees | 4,700 | 4,700 | - |
| Total Debt Service | \$ 1,411,000 | \$ 1,411,000 | \$ - |

The District is approaching the end of making debt service payments on two (2) bond issuances used to fund prior District and Joint Facilities capital projects.

The 2007 R.E. Badger Water Revenue Refunding Bonds, which mature in FY 2024-25 and were used to fund Joint Facilities projects, have a total principal and interest final payment of \$633,950 in FY 2024-25. The final year payment will be made from bond reserves in FY 2024-25 hence no appropriations are being requested.

The 2014 Water Revenue Refunding Bonds, which matured in FY 2023-24 and were used to fund District projects, have been paid off.

District Fleet Replacement: Fleet Replacement expenses are proposed as follows:

| Proposed Purchase | Vehicle Replacing | FY2023-24 Adopted | FY2024-25 Proposed |
|--------------------------------|----------------------------------|--------------------------|---------------------------|
| TBD | #249 2009 GMC T6500 Utility Body | \$ 148,500 | \$ 35,000 |
| TBD | #260 2008 S205 Bobcat Excavator | 80,000 | - |
| TBD | #273 2010 S205 Bobcat | 53,000 | - |
| TBD | #284 2012 Ford F-150 | 80,000 | - |
| TBD | #296 2013 ST Vacuum Trailer | 150,000 | - |
| TBD | #288 2014 Ford F-150 Truck | - | 70,000 |
| TBD | #305 2013 Ford F-150 Truck | - | 135,000 |
| TBD | #153 2000 Backhoe Loader | \$ - | \$ 150,000 |
| Total Fleet Replacement | | \$ 511,500 | \$ 390,000 |

The District maintains a Fleet Replacement Fund to facilitate the planned replacement of vehicles and equipment. Currently, the District maintains a fleet of 15 vehicles and 10 pieces of equipment. Contributions to the fund are based upon a seven-year replacement schedule and the estimated replacement cost for each unit. In many cases, due to continuous maintenance and regular condition assessments, the District is able to extend the life of its vehicles beyond their scheduled replacement. Vehicles are only replaced once they have passed their useful lifespan and are no longer able to function safely or efficiently.

In FY 2024-25, three (3) units (288, 305 and 153) are scheduled for replacement. Additionally, appropriations requested for the replacement of Unit 249 were insufficient due to the prices of electric vehicles skyrocketing. Staff is therefore requesting additional appropriations for Unit 249 so that the purchase can be completed. The District is projecting approximately \$488,000 remaining balance in the Fleet Replacement Fund at the end of FY 2024-25 if all the proposed units are replaced.

Adjusted Projected Ending Available Net Position:

Based upon conservative projections from the District's FY 2023-24 3rd Quarter Budget Report, staff is anticipating a beginning FY 2024-25 net position balance of \$12,533,377. With the proposed revenue of \$23,009,486 and expenses of \$28,206,650 for FY 2024-25, staff is projecting an ending FY 2024-25 available net position of \$7,336,213, or a decrease of \$5,197,164. This available net position is then re-stated to ensure compliance with District Board-approved reserve policies and targets.

| Fund Name | Beginning Balance* | Projected Revenue | Projected Expenses | Net Transfers | Current Year Net | Ending Balance | Restated FY 2024-25 Beg. Bal. |
|-----------------------------------|----------------------|----------------------|------------------------|----------------|-----------------------|---------------------|-------------------------------|
| Operating | \$ 1,831,108 | \$ 22,859,486 | \$ (22,366,650) | \$ (5,589,492) | \$ (5,096,656) | \$ (3,265,548) | \$ 5,515,064 |
| Rate Stabilization | 2,849,204 | - | - | - | \$ - | \$ 2,849,204 | - |
| Capital Replacement | 7,306,249 | 150,000 | (5,450,000) | 5,450,000 | \$ 150,000 | \$ 7,456,249 | 1,524,841 |
| Debt Service | - | - | - | - | \$ - | \$ - | - |
| Fleet Replacement | 546,816 | - | (390,000) | 139,492 | \$ (250,508) | \$ 296,308 | 296,308 |
| TOTAL | \$ 12,533,377 | \$ 23,009,486 | \$ (28,206,650) | \$ - | \$ (5,197,164) | \$ 7,336,213 | \$ 7,336,213 |
| *As of FY23/24 3rd Quarter Report | | | | | | | |

The beginning FY 2024-25 available net position will be modified after the fiscal year is completed and the District has final audited actual financial information, which will occur in November or December with the preparation of the District's FY 2023-24 Year-End Financial Report. Any modifications to the beginning available net position will also affect the projected ending net position, which would then be modified and reflected in the District's FY 2024-25 1st Quarter Budget Report.

Revisions to Interfund Transfers:

Interfund transfers have been included to ensure that reserve target levels and operating objectives are satisfied. Updated information and revisions to the transfers will be presented to the Board for discussion and approval during the quarterly processes.

The revised budget has been developed prior to the finalization of proposed CY 2025 rates and charges from the SDCWA. Staff will return to the Board in the first quarter FY 2024-25 report to request any adjustments that may be necessary after SDCWA finalizes its rates and charges to member agencies.

ATTACHMENTS

- A. Resolution No. 2024-07 titled "A Resolution of the Board of Directors of the San Dieguito Water District, Adopting the Fiscal Year 2024-25 San Dieguito Water District Operating and Capital Budget" with Exhibit 1: San Dieguito Water District Fiscal Year 2024-25 Operating and Capital Budget
- B. Resolution No. 2024-08 titled "A Resolution of the Board of Directors of the San Dieguito Water District, Approving Position Titles and Pay Ranges for the San Dieguito Water District for Fiscal Year 2024-25" with Exhibit 1: San Dieguito Water District Salary Schedule for FY 2024-25 Effective July 1, 2024.

RESOLUTION NO. 2024-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGUITO
WATER DISTRICT ADOPTING THE FISCAL YEAR 2024-25 SAN DIEGUITO
WATER DISTRICT OPERATING AND CAPITAL BUDGET**

WHEREAS, each year the Board of Directors adopts an Operating Budget for the San Dieguito Water District with revenues and expenses for the upcoming year; and

WHEREAS, each year the Board of Directors adopts a Capital Budget for the San Dieguito Water District with appropriations for the upcoming year; and

WHEREAS, the Board of Directors desires to make provisions for a level of service commensurate with the needs of the San Dieguito Water District; and

WHEREAS, the Board of Directors has reviewed the proposed Fiscal Year 2024-25 Operating Budget; and

WHEREAS, the Board of Directors has reviewed the proposed Fiscal Year 2024-25 Capital Budget.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Directors of the San Dieguito Water District does hereby adopt the annual Operating Budget with revenues and expenses for Fiscal Year 2024-25 as summarized in Exhibit 1; and

BE IT FURTHER RESOLVED that the Board of Directors of the San Dieguito Water District does hereby adopt the Capital Budget with appropriations for Fiscal Year 2024-25 as summarized in Exhibit 1.

PASSED, APPROVED AND ADOPTED this 26th day of June 2024, by the Board of Directors of the San Dieguito Water District.

Allison Blackwell, President

ATTEST:

Pamela Antil, Secretary to the Board

APPROVED AS TO FORM:

Tarquin Preziosi, General Counsel

CERTIFICATION: I, Kathy Hollywood, Board Clerk of the San Dieguito Water District, California, do hereby certify under penalty of perjury that the foregoing Resolution was duly adopted at a regular meeting of the Board on the 26th day of June, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathy Hollywood, Board Clerk

San Dieguito Water District Fiscal Year 2024/25 Operating and Capital Budget

San Dieguito Water District

A Subsidiary District of the City of Encinitas



San Dieguito Water District

Fiscal Years 2024/25

Operating & Capital Budget

Board of Directors

Allison Blackwell, President
Tony Krantz, Vice President
Kellie Shay Hinze, Director
Joy Lyndes, Director
Bruce Ehlers, Director

District Management

Isam Hireh, General Manager
Habib Hariri, Principal Engineer
Elmer Alex, Senior Engineer
Raul Gonzalez, Operations Manager
Mary Kazungu, Finance Manager

Document prepared by San Dieguito Water District Staff
with support of the City of Encinitas Finance Department

San Dieguito Water District
160 Calle Magdalena
Encinitas, CA 92024
Tel: 760-633-2650
www.sdwd.org

District Personnel and Organization

FY 2024/25 Proposed Position Summary by Classification (FTE's)

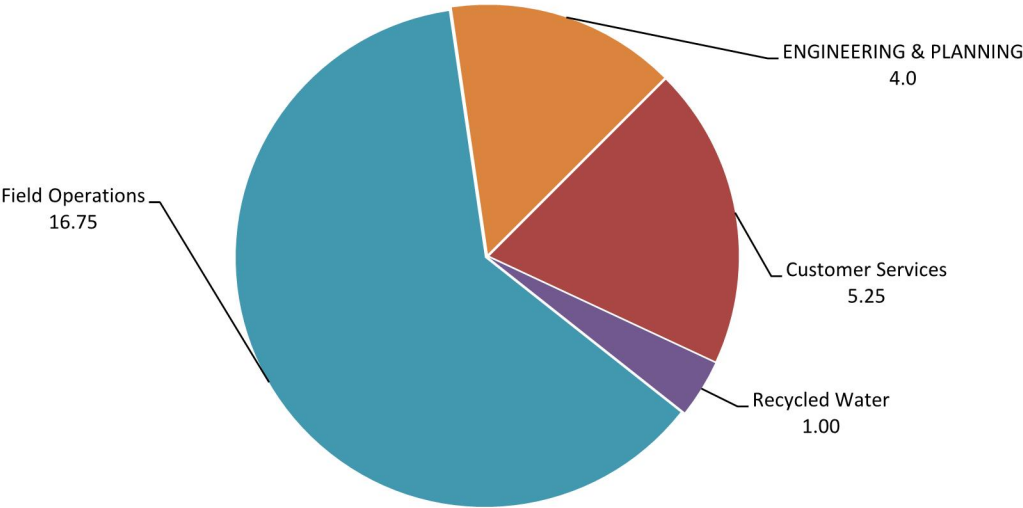
| Classification Title | FY 21/22 Actual | FY 22/23 Actual | FY 23/24 Adopted | FY24/25 Proposed Change | FY 24/25 Proposed |
|--|-----------------|-----------------|------------------|-------------------------|-------------------|
| General Manager/Director of Utilities | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Principal Engineer | 0.00 | 1.00 | 1.00 | - | 1.00 |
| Senior Engineer | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Water Operations Manager | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Finance Manager II | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Engineer I / II | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Utility & Maintenance Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 |
| Utility & Maintenance Specialist I / II | 6.00 | 6.00 | 6.00 | - | 6.00 |
| Finance Analyst I / II / III | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Water Resource Specialist | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Program Coordinator | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Utility & Maintenance Technician I / II / III / IV | 6.00 | 6.00 | 8.00 | (1.00) | 7.00 |
| Finance Technician I / II / III | 2.00 | 2.00 | 2.00 | - | 2.00 |
| Program Assistant I / II / III | 1.00 | 1.00 | 1.00 | - | 1.00 |
| District Total | 24.00 | 25.00 | 27.00 | 0.00 | 27.00 |

proposed change reflects reclass of a UMT to a Supervisor

FY 2023/24 Proposed Position Summary by Division (FTE's)

| Division FTE's | FY 21/22 Actual | FY 22/23 Actual | FY 23/24 Adopted | FY24/25 Proposed Change | FY 24/25 Proposed |
|-------------------------------|-----------------|-----------------|------------------|-------------------------|-------------------|
| Administration | 0.00 | 0.00 | 0.00 | - | 0.00 |
| Customer Services | 5.25 | 5.25 | 5.25 | - | 5.25 |
| Water Purchases and Treatment | 0.00 | 0.00 | 0.00 | - | 0.00 |
| Recycled Water | 1.00 | 1.00 | 1.00 | - | 1.00 |
| Field Operations | 14.75 | 14.75 | 16.75 | - | 16.75 |
| Engineering and Planning | 3.00 | 4.00 | 4.00 | - | 4.00 |
| District Total | 24.00 | 25.00 | 27.00 | 0.00 | 27.00 |

FY 2024/25 Proposed FTE by Division

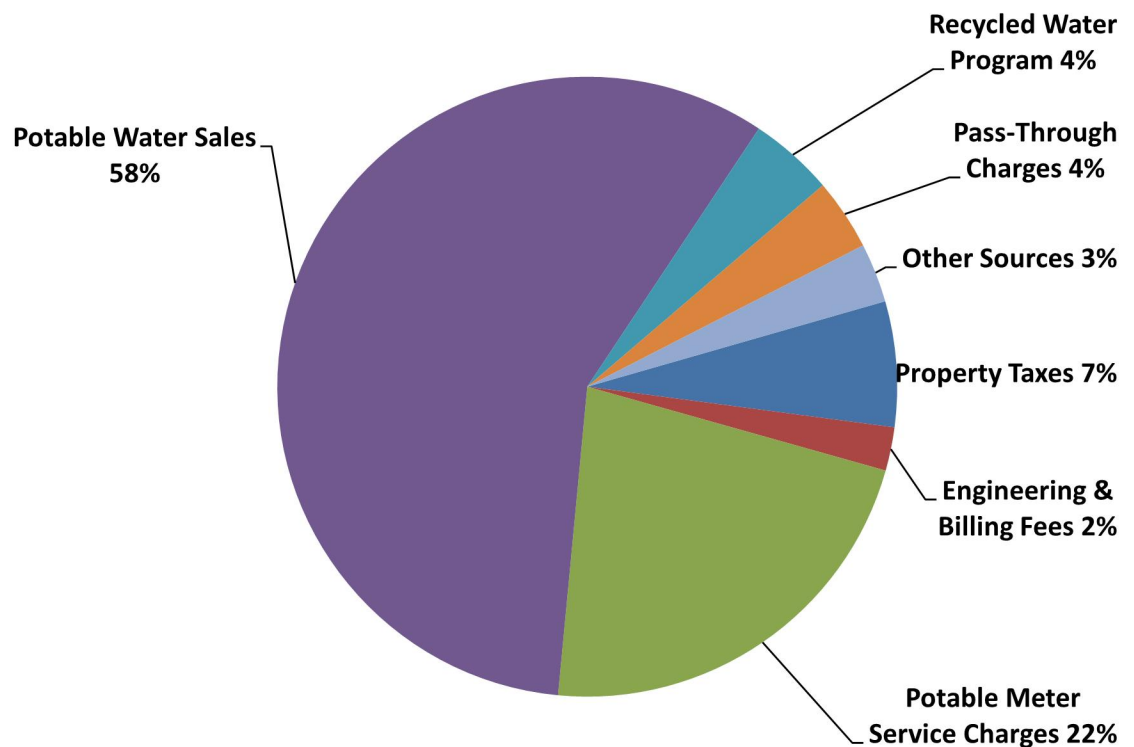


District Revenue

FY 2024/25 Proposed District Revenue Summary

| Revenue Source | FY 21/22 Actual | FY 22/23 Actual | FY 23/24 Adopted | FY 23/24 Revisions | FY 24/25 Proposed |
|---------------------------------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| Property Taxes | \$ 1,310,943 | \$ 1,433,426 | \$ 1,228,351 | \$ - | \$ 1,505,097 |
| Engineering Fees | 313,230 | 451,212 | 340,878 | - | 475,092 |
| Potable Water Meter Service Charges | 4,331,404 | 4,610,662 | 4,560,461 | - | 5,094,766 |
| Potable Water Sales | 10,494,914 | 11,264,426 | 12,677,292 | - | 13,308,549 |
| Recycled Water Meter Service Charges | 107,132 | 114,744 | 109,548 | - | 134,236 |
| Recycled Water Sales | 876,925 | 869,275 | 838,331 | - | 877,626 |
| Pass-Through Charges | 777,942 | 793,851 | 809,060 | - | 856,611 |
| Billing Charges | 47,171 | 63,290 | 25,355 | - | 46,200 |
| Investment Earnings | 241,532 | 381,762 | 290,038 | - | 306,640 |
| Income from Property (Rents & Leases) | 165,015 | 194,772 | 166,329 | - | 229,669 |
| Other District Revenue | 45,043 | 74,155 | 25,000 | - | 25,000 |
| Capital Contributions | 83,060 | 261,862 | 100,000 | - | 150,000 |
| Total | \$ 18,794,311 | \$ 20,513,438 | \$ 21,170,643 | \$ - | \$ 23,009,486 |

FY 2024/25 Proposed Revenue by Category



*Please note some rows/columns may not sum exactly due to excel rounding.

Operating Fund

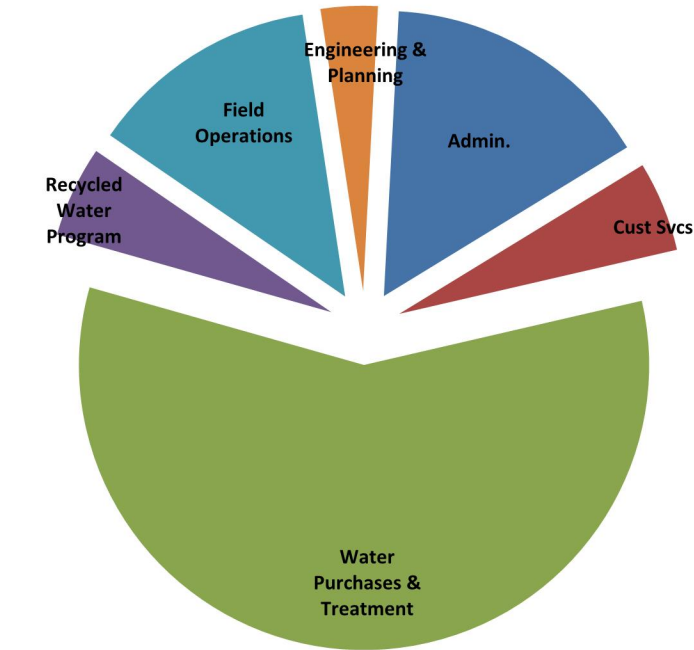
FY 2024/25 Proposed Operating Budget by Division

| Division | FY 20/21 Actual | FY 21/22 Actual | FY 22/23 Actual | FY23/24 Adopted | FY 24/25 Proposed |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Administration | \$ 2,510,547 | \$ 2,185,626 | \$ 2,630,282 | \$ 2,797,525 | \$ 2,977,528 |
| Customer Services | 743,682 | 755,783 | 844,087 | 1,008,582 | 1,082,108 |
| Water Purchases & Treatment | 9,206,067 | 9,558,080 | 9,579,241 | 12,047,526 | 12,938,163 |
| Recycled Water Program | 763,614 | 781,951 | 772,169 | 786,962 | 894,425 |
| Field Operations | 2,042,082 | 1,895,317 | 2,052,733 | 2,446,589 | 3,544,584 |
| Engineering & Planning | 500,859 | 425,069 | 562,491 | 798,060 | 929,842 |
| Operating Budget Total | \$ 15,766,851 | \$ 15,601,826 | \$ 16,441,003 | \$ 19,885,244 | \$ 22,366,650 |

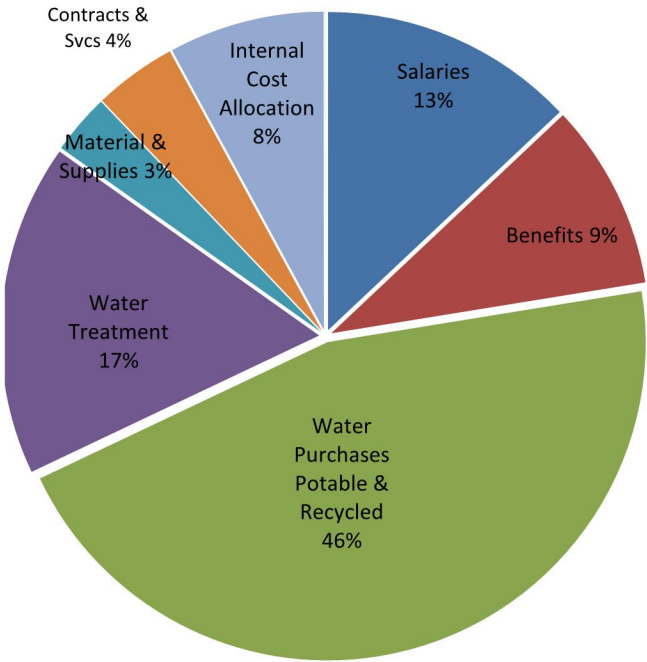
FY 2024/25 Proposed Operating Budget by Category

| Category | FY 20/21 Actual | FY 21/22 Actual | FY 22/23 Actual | FY23/24 Adopted | FY 24/25 Proposed |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Salaries | \$ 2,108,232 | \$ 2,039,866 | \$ 2,258,983 | \$ 2,447,292 | \$ 3,142,221 |
| Benefits | 1,549,644 | 1,129,415 | 1,556,860 | 1,718,693 | 1,894,411 |
| Potable & Recycled Water Purchases | 6,950,772 | 7,333,182 | 8,197,199 | 10,219,176 | 10,718,002 |
| Water Treatment | 2,886,039 | 2,881,108 | 2,024,552 | 2,472,000 | 2,924,976 |
| Material & Supplies | 413,364 | 413,994 | 393,516 | 603,515 | 1,049,302 |
| Contracts & Services | 499,776 | 471,134 | 631,209 | 987,768 | 1,141,380 |
| Internal Cost Allocation | 1,325,618 | 1,325,618 | 1,378,643 | 1,433,800 | 1,469,358 |
| Capital Outlay (Fixed Assets) | 32,487 | 7,485 | - | - | 24,000 |
| Debt & Finance | 919 | 24 | 41 | 3,000 | 3,000 |
| Operating Budget Total | \$ 15,766,851 | \$ 15,601,826 | \$ 16,441,003 | \$ 19,885,244 | \$ 22,366,650 |

FY 24/25 Proposed Budget by Division



FY 24/25 Proposed Budget by Category



*Please note some rows/columns may not sum exactly due to excel rounding.

Capital Replacement Fund

FY 2024/25 Proposed CIP Schedule (by Project)

| Project # | Project Title | Current Balance* | Adopted FY 22/23 | Adopted FY 23/24 | Proposed FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 |
|--------------|---------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| CW23A | Joint Facilities Master Plan Project | 5,461,335 | 1,500,000 | 500,000 | 1,000,000 | 1,500,000 | \$ 1,750,000 | \$ 1,750,000 | \$ 3,500,000 |
| CW23B | Joint Facilities Capital Acquisitions | 161,416 | 150,000 | 150,000 | 250,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| CW23C | Water Infrastructure Improvements | 1,709,494 | 450,000 | 730,000 | 1,250,000 | 1,190,000 | 1,500,000 | 980,000 | 315,000 |
| CW23D | Transmission Line Maintenance | 1,565,901 | 150,000 | 150,000 | 1,000,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| CW23E | Meter Replacement & Automation Progra | 1,485,092 | 100,000 | 100,000 | 250,000 | 300,000 | 300,000 | 500,000 | 500,000 |
| CW23F | SCADA Automation Upgrade Program | 39,533 | 15,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| CW23H | Asbestos Pipe Repair | 287,118 | 350,000 | - | 500,000 | 750,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| CW23J | Potable Re-Use Next Steps | 82,454 | - | - | - | - | - | - | - |
| CW23K | Lake Hodges Capital Repairs | 2,000,000 | 500,000 | 500,000 | 750,000 | 750,000 | 750,000 | 1,000,000 | 1,000,000 |
| CW23X | Encinitas Valve Replacement | 49,754 | - | - | - | - | - | - | - |
| CW24C | Water Rate Study | 23,627 | - | 100,000 | - | - | 100,000 | - | - |
| CW24D | System Condition Assessment | 200,000 | - | 200,000 | 130,000 | - | - | - | - |
| CW23X | Air Release & Blow Offs Replacement | 1,038,243 | - | - | - | - | - | - | - |
| TBD | On-Call Consultants | - | - | - | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| TBD | Urban Water Management Plan Update | - | - | - | 100,000 | - | - | - | - |
| Total | | \$ 14,103,967 | \$ 3,215,000 | \$ 2,450,000 | \$ 5,450,000 | \$ 5,060,000 | \$ 5,970,000 | \$ 5,800,000 | \$ 6,885,000 |

FY 2024/25 Proposed CIP Schedule (by Project Type)

| Project Type | Current Balance | Adopted FY 22/23 | Adopted FY 23/24 | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| SDWD Infrastructure Projects | \$ 7,930,938 | \$ 1,215,000 | \$ 1,500,000 | \$ 3,250,000 | \$ 2,660,000 | \$ 2,770,000 | \$ 2,900,000 | \$ 2,235,000 |
| SDWD Consultant Services and Studies | 550,278 | 350,000 | 300,000 | 950,000 | 750,000 | 1,300,000 | 1,000,000 | 1,000,000 |
| Joint Facilities Projects and Capital Acquisitions | 5,622,751 | 1,650,000 | 650,000 | 1,250,000 | 1,650,000 | 1,900,000 | \$ 1,900,000 | \$ 3,650,000 |
| Total | \$ 14,103,967 | \$ 3,215,000 | \$ 2,450,000 | \$ 5,450,000 | \$ 5,060,000 | \$ 5,970,000 | \$ 5,800,000 | \$ 6,885,000 |

FY 2024/25 Proposed CIP Project Funding Source(s)

| Funding Source | Current Balance | Adopted FY 22/23 | Adopted FY 23/24 | Proposed FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 | FY 28/29 |
|--|-----------------|------------------|------------------|-------------------|--------------|--------------|--------------|--------------|
| SDWD Capital Replacement Fund (Pay-Go) | \$ 14,103,967 | \$ 3,215,000 | \$ 2,450,000 | \$ 5,450,000 | \$ 5,060,000 | \$ 5,970,000 | \$ 5,800,000 | \$ 6,885,000 |

*Current balance as of March 31, 2024 (FY 23/24 3rd Quarter Report)

**Please note rows/columns may not sum exactly due to Excel rounding.

Debt Service Fund

FY 2024/25 Debt Service Schedule

| Fiscal Year 2024/25 Revised Budget | Principal | Interest | Total |
|--|-------------------|------------------|-------------------|
| 2007 R.E. Badger Water Refunding Bonds | \$ 620,000 | \$ 13,950 | \$ 633,950 |
| 2014 Water Revenue Refunding Bonds | - | - | - |
| Debt Administration Fees | - | - | 2,400 |
| Total | \$ 620,000 | \$ 13,950 | \$ 636,350 |

Future Debt Service Schedule - 2007 R.E. Badger Water Refunding Bonds

| Fiscal Year | Principal | Interest | Total |
|--|---------------------|---------------------|----------------------|
| Prior Years (2006/07 through 2023/24) | \$ 7,085,200 | \$ 3,171,040 | \$ 10,256,240 |
| 2024/25 FINAL PAYMENT* | 620,000 | 13,950 | 633,950 |
| * Please note final payment will be paid from bond reserves. | - | - | - |
| Total | \$ 7,705,200 | \$ 3,184,990 | \$ 10,890,190 |

Future Debt Service Schedule - 2014 Water Revenue Refunding Bonds

| Fiscal Year | Principal | Interest | Total |
|---------------------------------------|---------------------|---------------------|---------------------|
| Prior Years (2014/15 through 2023/24) | \$ 5,870,000 | \$ 1,169,236 | \$ 7,039,236 |
| 2023/24 PAID IN FULL | - | - | - |
| Total | \$ 5,870,000 | \$ 1,169,236 | \$ 7,039,236 |

*Please note some row/column totals may not sum exactly due to excel rounding.

Fleet Replacement Fund

FY 2024/25 Fleet Replacement Schedule

| New Vehicle Information | | Replaced Vehicle Information | | | |
|---|--|------------------------------|-----------------------------|---------|--------------------|
| Vehicle # | Vehicle Description | Vehicle # | Vehicle Description | Age | Estimated Cost |
| Fiscal Year 2014-15 Actual | | | | | |
| FM-312 | Ford F-150 | FM-169 | 2001 Ford Ranger 4x4 | 14 | \$ 35,932 |
| FM-313 | Ford F-150 | FM-182 | 2001 Ford Ranger 4x4 | 14 | \$ 35,931 |
| FM-324 | Flat Bed Trailer | FM-238 | 2004 Bobcat Trailer | 11 | Moved to Ops Fund |
| - | 3-Yard Dump Truck | FM-216 | 3-Yard Dump Truck | Delayed | \$ - |
| Total | | | | | \$ 71,863 |
| Fiscal Year 2015-16 Actual | | | | | |
| FM-331 | Toyota RAV 4 Hybrid | FM-185 | 2002 Ford Explorer (4X4) | 14 | \$ (32,252) |
| Total | | | | | \$ (32,252) |
| Fiscal Year 2016-17 Actual | | | | | |
| FM-332 | 3-Yard Dump Truck | FM-216 | 2003 3-Yard Dump Truck | 14 | \$ 74,345 |
| Total | | | | | \$ 74,345 |
| Fiscal Year 2017-18 Actual | | | | | |
| FM-267 | New to Fleet (purchased used from City) | FM-211 | 2009 Vacuum Truck (used) | 0 | \$ 60,000 |
| Total | | | | | \$ 60,000 |
| Fiscal Year 2018-19 Actual | | | | | |
| TBD | Heavy Duty Truck | FM-261 | 2009 Ford F-550 | 10 | delayed |
| Total | | | | | \$ - |
| Fiscal Year 2019-20 Actual | | | | | |
| FM-371 | Hyundai Kia Kona-electric | FM-283 | 2011 Ford Ranger | 9 | \$ 44,786 |
| TBD | Backhoe/Loader* | FM-153 | 2000 Backhoe | 19 | delayed |
| Total (*backhoe cost was to be shared 50/50 with City Street Maint. Div.) | | | | | \$ 44,786 |
| Fiscal Year 2020-21 Actual | | | | | |
| FM-376 | 2022 Ford F-250 | FM-285 | 2012 Ford F-150 | 9 | \$ 50,056 |
| Total (*no replacements had originally been planned for FY 20/21 but Unit 285's transmission failed) | | | | | \$ 50,056 |
| Fiscal Year 2021-22 Actual | | | | | |
| TBD | Renewable diesel Truck | FM-261 | 2009 Ford F-550 Truck | 12 | \$ 80,000 |
| TBD | Electric Truck | FM-266 | 2012 Ford F-150 | 9 | \$ 50,354 |
| Total | | | | | \$ 130,354 |
| Fiscal Year 2022-23 Revised | | | | | |
| TBD | TBD | VM-296 | 2013 Vacuum Trailer | 8 | delayed |
| TBD | Electric vehicle | FM-236 | 2004 Ford F-150 | 18 | \$ 82,000 |
| Total | | | | | \$ 82,000 |
| Fiscal Year 2023-24 Adopted | | | | | |
| TBD | | 249 | 2009 GMT T6500 Utility Body | 15 | \$ 148,500 |
| TBD | | 260 | 2008 S205 Bobcat Excavator | 16 | \$ 80,000 |
| TBD | | 273 | 2010 S205 Bobcat | 14 | \$ 53,000 |
| TBD | | 284 | 2012 Ford F-150 | 12 | \$ 80,000 |
| | | 296 | 2013 ST Vacuum Trailer | 11 | \$ 150,000 |
| | | | | | \$ 511,500 |
| Fiscal Year 2024-25 Proposed | | | | | |
| TBD | | 288 | 2014 Ford F- 150 | 11 | \$ 70,000 |
| TBD | | 305 | 2013 Ford F- 150 | 12 | \$ 135,000 |
| TBD | | 153 | 2000 Backhoe Loader | 25 | \$ 150,000 |
| Additional appropriations for Unit 249 | | | | | \$ 35,000 |
| | | | | | \$ 390,000 |

*Please note some rows/columns may not sum exactly due to excel rounding.

RESOLUTION 2024-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGUITO WATER DISTRICT ADOPTING POSITION TITLES AND PAY RANGES FOR FISCAL YEAR 2024-25

WHEREAS, the Board of Directors of the San Dieguito Water District eliminates and creates positions of employment and approves reclassifications by Resolution including titles and pay ranges for all positions; and

WHEREAS, Board of Directors of the San Dieguito Water District is adopting the Position Titles and Pay Ranges for Fiscal Year 2024-25.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Dieguito Water District that the Position Titles and Pay Ranges as contained in the attached **Exhibit 1** are herewith adopted for Fiscal Year 2024-25.

PASSED, APPROVED AND ADOPTED this 26th day of June 2024 by the Board of Directors of the San Dieguito Water District, State of California.

Allison Blackwell, President

ATTEST:

Pamela Antil, Secretary to the Board

APPROVED AS TO FORM:

Tarquin Preziosi, General Counsel

CERTIFICATION: I, Kathy Hollywood, Board Clerk of the San Dieguito Water District,

ATTACHMENT B

California, do hereby certify under penalty of perjury that the foregoing Resolution was duly adopted at a regular meeting of the Board on the 26th day of June, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathy Hollywood, Board Clerk

San Dieguito Water District (SDWD)
Salary Schedule for Fiscal Year 2024-25
Effective July 1, 2024

5% Effective 7/1/2024

| Classification Title | HOURLY | | MONTHLY | |
|---|---------|----------|---------|--------|
| | MIN. | MAX. | MIN. | MAX. |
| Director of Utilities / General Manager | 73.0205 | 118.9422 | 12,657 | 20,617 |
| Engineer I | 44.9300 | 66.3823 | 7,788 | 11,506 |
| Engineer II | 48.1214 | 71.0974 | 8,341 | 12,324 |
| Finance Analyst I | 34.4115 | 48.4208 | 5,965 | 8,393 |
| Finance Analyst II | 37.8256 | 53.2245 | 6,556 | 9,226 |
| Finance Analyst III | 40.9010 | 60.4295 | 7,090 | 10,474 |
| Finance Manager I | 43.0664 | 63.6286 | 7,465 | 11,029 |
| Finance Manager II | 49.2771 | 76.4455 | 8,541 | 13,251 |
| Finance Manager III | 53.4007 | 82.8424 | 9,256 | 14,359 |
| Finance Technician I | 25.4933 | 34.1633 | 4,419 | 5,922 |
| Finance Technician II | 26.5171 | 37.3122 | 4,596 | 6,467 |
| Finance Technician III | 28.7489 | 40.4525 | 4,983 | 7,012 |
| Principal Engineer | 55.9837 | 86.8492 | 9,704 | 15,054 |
| Program Assistant I | 20.8067 | 27.8829 | 3,607 | 4,833 |
| Program Assistant II | 25.4933 | 34.1633 | 4,419 | 5,922 |
| Program Assistant III | 26.5171 | 37.3122 | 4,596 | 6,467 |
| Program Coordinator | 28.7489 | 40.4525 | 4,983 | 7,012 |
| Senior Engineer | 53.4007 | 82.8424 | 9,256 | 14,359 |
| Utility & Maintenance Field Supervisor | 37.1252 | 52.2389 | 6,435 | 9,055 |
| Utility & Maintenance Specialist I | 33.7743 | 47.5239 | 5,854 | 8,237 |
| Utility & Maintenance Specialist II | 37.1252 | 52.2389 | 6,435 | 9,055 |
| Utility & Maintenance Supervisor I | 38.7356 | 57.2301 | 6,714 | 9,920 |
| Utility & Maintenance Supervisor II | 40.9010 | 60.4295 | 7,090 | 10,474 |
| Utility & Maintenance Technician I | 25.4933 | 34.1633 | 4,419 | 5,922 |
| Utility & Maintenance Technician II | 26.5171 | 37.3122 | 4,596 | 6,467 |
| Utility & Maintenance Technician III | 28.7489 | 40.4525 | 4,983 | 7,012 |
| Utility & Maintenance Technician IV | 30.9801 | 43.5921 | 5,370 | 7,556 |
| Water Operations Manager | 49.2771 | 76.4455 | 8,541 | 13,251 |
| Water Resource Specialist | 42.2688 | 62.4503 | 7,327 | 10,825 |