



AGENDA REPORT

San Dieguito Water District

MEETING DATE: June 16, 2021

**INTERIM GENERAL
MANAGER:**

Isam Hireish

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Manager

CITY MANAGER:

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SUBJECT:

Introduction and Adoption of FY 2021-22 and FY 2022-23 San Dieguito Water District Operating and Capital Budget.

RECOMMENDED ACTIONS:

Staff recommends that the Board takes the following actions:

1. Adopt Resolution No. 2021-15 entitled "A Resolution of the Board of Directors of the San Dieguito Water District, Adopting the Fiscal Year 2021-22 San Dieguito Water District Operating and Capital Budget."
2. Adopt Resolution No. 2021-16 approving Position Titles and Pay Ranges for the San Dieguito Water District for FY 2021-22

SAN DIEGUITO WATER DISTRICT STRATEGIC PLAN:

Completing the District's budget is a FY 2021-22 objective of the Fiscal Sustainability Area of the District's Strategic Plan.

FISCAL CONSIDERATIONS:

The information contained in this report and the attached draft FY 2021-22 and FY 2022-23 San Dieguito Water District Operating and Capital Budget (Budget Document) establishes proposed revenue and expense budgets for the next two fiscal years, provides a longer term view of the proposed Capital Improvement Program (CIP), and forecasts the District's overall financial plan over the next five years.

BACKGROUND:

The San Dieguito Water District (District) adopts a two-year 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 two fiscal years, provides a longer-term view of the proposed CIP, and forecasts the District's overall financial plan over the next five years. 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.

BUDGET PROCESS:

The District utilizes fund accounting and operates as an Enterprise Fund, meaning that it operates similar to a business enterprise where the cost of providing goods and services is either partially or fully recovered by user rates and charges.

Zero-Based Budgeting (ZBB) is used as a tool for developing the District's operating budget. Under ZBB, budgets are built "from the ground up" and expenses and revenues are justified on their merit each year. With ZBB, historical information is given less weight and incremental budgeting is avoided. Resources are directed towards the most necessary and productive accounts on an annual basis. In the capital budget, due to the multi-year aspect of CIPs, previously appropriated balances remaining in active projects are carried over into the next fiscal year until the project is completed.

Once adopted, the District monitors budget information formally on a quarterly basis and informally on a monthly basis. Quarterly budget reports are brought before the Board for review and staff can make requests for budget adjustments at those times, if needed, with the approval of the Board.

ANALYSIS:

District Overview: The District's two-year cash-flow, based upon the proposed budget of revenues and expenses for FY 2021-22 and FY 2022-23 as detailed later in this report, is as follows:

#	Category	FY 2020-21 Revised	FY 2021-22 Proposed	FY 2022-23 Proposed
1	Beginning Balance	\$ 14,372,178	\$ 13,490,411	\$ 12,448,409
2	Operating Revenues	20,632,372	20,211,468	21,457,105
3	Capital Replacement Revenues	100,000	100,000	100,000
4	SDCWA Legal Settlement Refund	368,002	-	-
5	Total Revenues (2+3+4)	\$ 21,100,374	\$ 20,311,468	\$ 21,557,105
6	Operating Expenses	17,144,922	16,892,773	17,288,610
7	Debt Service Expenses	1,404,966	1,405,697	1,408,944
8	Capital Replacement Expenses	3,367,253	2,880,000	3,215,000
9	Fleet Replacement Expenses	65,000	175,000	150,000
10	Total Expenses (6+7+8+9)	\$ 21,982,141	\$ 21,353,470	\$ 22,062,554
11	Current Year Net (5-10)	(881,767)	(1,042,002)	(505,449)
12	Additional Revenue Requirement	-	-	-
13	Ending Balance (1+11+12)	\$ 13,490,411	\$ 12,448,409	\$ 11,942,960

As of the 3rd Quarter FY 2020-21 Budget Report, the District is anticipated to begin FY 2021-22 with an available net position of \$13,490,411. The FY 2021-22 projection shows total revenues of \$20,311,468 and total expenses of \$21,353,470 resulting in a negative cash-flow of \$1,042,002.

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 2020-21 Revised	FY 2021-22 Proposed	FY 2022-23 Proposed
Operating Reserve	\$ 2,631,934	\$ 4,263,025	\$ 4,348,286
Rate Stabilization Reserve	3,028,597	3,014,825	1,726,174
Capital Replacement Reserve	6,606,382	4,473,000	4,923,000
Fleet Replacement Fund Balance	1,223,498	697,559	945,500
Total Reserves & Balances	\$ 13,490,411	\$ 12,448,409	\$ 11,942,960

The District maintains three unrestricted reserves; an Operating Reserve with a target set at 90 days' worth of annual operating expenses for the District, a Rate Stabilization Reserve with a target calculated to be 15 percent of the District's annual revenue from rates and charges, and, a Capital Replacement Reserve with a target to be funded at 1 to 2 times the District's five-year future average capital expense budget. 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 Operating and Rate Stabilization reserves (FY 2020-21) were fully funded as of the beginning of FY 2020-21. The proposed FY 2021-22 and FY 2022-23 reserves and balances shown above, factor in the last approved rates implemented on May 1, 2019 and on June 1, 2020. A rate study is currently underway for rates that will go into effect on January 1, 2022, 2023 and 2024.

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

Fund	FY 2020-21 Revised	FY 2021-22 Proposed	% Diff from PY	FY 2022-23 Proposed	% Diff from PY
Operating	\$ 20,632,372	\$ 20,211,468	-2.0%	\$ 21,457,105	6.2%
Capital Replacement	100,000	100,000	0.0%	100,000	0.0%
Total Revenue	\$ 20,732,372	\$ 20,311,468	-2.0%	\$ 21,557,105	6.2%

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

Category	FY 2020-21 Revised	FY 2021-22 Proposed	% Diff from PY	FY 2022-23 Proposed	% Diff from PY
Potable Water Sales	\$ 12,916,803	\$ 12,308,242	-4.7%	\$ 13,108,278	6.5%
Potable Meter Service Charges	4,357,723	4,396,820	0.9%	4,697,453	6.8%
Recycled Water Sales	712,475	710,053	-0.3%	756,207	6.5%
Recycled Meter Service Charges	98,228	90,000	-8.4%	94,500	5.0%
Property Taxes	1,081,600	1,124,864	4.0%	1,169,858	4.0%
Pass Through Charges (IAC)	674,718	786,457	16.6%	817,915	4.0%
Engineering Fees	266,200	330,000	24.0%	330,000	0.0%
Interest & Property Earnings	445,000	422,247	-5.1%	438,514	3.9%
Billing Fees	59,625	22,785	-61.8%	24,380	7.0%
Other District Revenue	20,000	20,000	0.0%	20,000	0.0%
Total Operating Revenue	\$ 20,632,372	\$ 20,211,468	-2.0%	\$ 21,457,105	6.2%

Potable Water Sales are the District's largest revenue source and account for approximately 61 percent of operating revenue. The District is currently in the midst of a cost-of-service water rate study to determine rates for the next three years. Possible rate increases were not factored into the revenue budget as it was too early in the process. Once new rates are adopted, staff will return to the Board to request revenue budget adjustments in the 1st Quarter Report. Potable Water Sales are a variable revenue source that is dependent upon many factors, including customer demand, weather, and legislative mandates. Reduced customer

consumption has resulted in significant decreases in water sales. This reduction in water sales has placed tremendous strain on Potable Water Sales revenues. Potable Water Sales revenues have experienced modest increases since FY 2017-18.

Potable Water Sales are projected at 6,010 AF in both FY 2021-22 and in FY 2022-23. These projections are based upon a 6 percent decrease in water demand in FY 2022-23 due to a continued decrease in usage by customers. The proposed Potable Water Sales projection shows a 4.7 percent decrease in FY 2021-22. The decrease is due to anticipated reduced customer demand as a result of conservation efforts.

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 11,989 potable water meters and current rates, the proposed Potable Meter Service Charge projection shows a 0.9 percent increase in FY 2021-22 and then a 6.8 percent increase in FY 2022-23.

The Recycled Water Program made up of Recycled Water Sales and Meter Charges comprises roughly 4 percent of operating revenue. Similar to Potable Water Sales, Recycled Water Sales are expected to decrease slightly in FY 2021-22 followed by a small increase in FY 2022-23. Again, this is due to reduced customer consumption which has caused sales to decrease. The District is projecting 350 AF of sales in FY 2021-22 and 400 AF of sales in FY 2022-23. Based upon current water rates, and these updated sales projections, the proposed Recycled Water Sales projection show a decrease of 0.3 percent in FY 2021-22 and a 6.5 percent increase in FY 2022-23. 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 projection shows a decrease in FY 2021-22 and an increase in FY 2022-23.

Property Taxes account for about 5 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 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 4 percent increase in FY 2021-22 and again in FY 2022-23.

Pass-Through Charges comprise roughly 4 percent of operating revenue. Received in the form of Infrastructure Access Charges (IAC) from customer billings, these charges are adjusted every January 1 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 in both FY 2021-22 and in FY 2022-23.

Engineering Fees make up 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 24 percent in FY 2021-22 due to more inspection and plan checks occurring, and then remain flat in FY 2022-23.

Interest & Property Earnings combined comprise roughly 2 percent of operating revenue. Interest earnings are received on invested District funds and have been trending upwards in recent years as rates have improved slightly. 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. With an anticipated market cooldown and low interest rates, Interest Earnings revenue projection shows a 5.1 percent decrease in FY 2021-22 and then a 3.9 percent increase in FY 2022-23.

Billing Fees and Other District Revenue, together account for approximately one-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. With the District continuing to not impose late and delinquent fees on customer accounts during the pandemic, Billing Fee revenue projection shows a 61.8 percent decrease in FY 2021-22 and a 7 percent increase in FY 2022-23.

Other District Revenue is a 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 flat in FY 2021-22 and in FY 2022-23.

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

Category	FY 2020-21 Revised	FY 2021-22 Proposed	% Diff from PY	FY 2022-23 Proposed	% Diff from PY
Capacity Fees	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
Total Capital Revenue	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	0.0%

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 for each of the next two years, the District's capacity fee revenue will remain flat at \$100,000 per year. This amount is equivalent to approximately 20 to 30 new water meters each year, depending on the size of meters requested.

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

Fund	FY 2020-21 Revised	FY 2021-22 Proposed	% Diff from PY	FY 2022-23 Proposed	% Diff from PY
Operating	\$ 17,144,922	\$ 16,892,773	-1.5%	\$ 17,288,610	2.3%
Debt Service	1,404,966	1,405,697	0.1%	1,408,944	0.2%
Capital Replacement	3,367,253	2,880,000	-14.5%	3,215,000	11.6%
Fleet Replacement	65,000	175,000	169.2%	150,000	-14.3%
Total Expenditures	\$ 21,982,141	\$ 21,353,470	-2.9%	\$ 22,062,554	3.3%

Operating expenses are proposed for major expense categories, including:

Category	FY 2020-21 Revised	FY 2021-22 Proposed	% Diff from PY	FY 2022-23 Proposed	% Diff from PY
Salaries	\$ 2,310,754	\$ 2,300,276	-0.5%	\$ 2,334,716	1.5%
Benefits	1,616,635	1,558,342	-3.6%	1,571,569	0.8%
Potable Water Purchases	6,996,710	6,676,972	-4.6%	7,013,811	5.0%
Water Treatment	2,851,400	2,881,108	1.0%	2,996,352	4.0%
Recycled Water Purchases	738,000	733,182	-0.7%	619,850	-15.5%
Materials & Supplies	475,770	520,020	9.3%	517,620	-0.5%
Contracts & Services	827,035	864,255	4.5%	866,305	0.2%
Internal Cost Allocation	1,325,618	1,325,618	0.0%	1,365,387	3.0%
Capital Outlay (Fixed Asset)	-	30,000	0.0%	-	-100.0%
Debt & Finance	3,000	3,000	0.0%	3,000	0.0%
Total Operating Expenses	\$ 17,144,922	\$ 16,892,773	-1.5%	\$ 17,288,610	2.3%

The proposed two-year budget provides salary and benefit costs for a staff of 24.0 Full Time Equivalents (FTE), including Administrative, Customer Service, Operations and Engineering staff. Staffing levels have remained consistent at 24.0 FTEs since FY 2013/14 when staffing was reduced from 25.4 FTEs after a District-wide reorganization.

The District, like the City, is currently operating under the July 1, 2019 through June 30, 2023 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. On June 19, 2019, the District Board of Directors adopted Resolution No. 2019-11, approving modifications to District salaries and benefits as a result of labor/management negotiations. The resolution approved a 2 percent increase to salaries each year, effective July 1, 2019, through June 30, 2023. These increases which have been incorporated into the District's FY 2021-22 budget require an update to the District's approved position titles and pay ranges to comply with CalPERS and California Code of Regulations §570.5.

The District is proposing the reclassification of 1.0 FTE, effective July 1, 2021. The reclassification would be from a Water Conservation Specialist to a Water Resource Specialist. In the past year, the state has moved forward on several legislative and regulatory initiatives that require a tremendous amount of additional data collection, verification and analysis. This reclassification will allow the position to better serve the District's drought and water management programs, perform complex technical evaluations and analyses on a broad range of water and recycled water issues, prepare technical and policy-oriented reports, review proposed state legislation, regulations and policies impacting the District, and prepare documents to comply with State of California Water Code. This will be in addition to the current duties assigned to the Water Conservation Specialist position. The proposed reclassification has the approval of the City Manager, the City Human Resources Department and the District Interim General Manager. Including salary and benefits, this reclassification is estimated to cost the District approximately \$32,000 annually when comparing the top step of both positions. There is no change to the number of employees in the District.

The District's proposed Salaries budget in the two-year budget includes standard employee step increases and career advancements, along with updates to the District's overtime and vacation buyout budgets. The FY 2021-22 Salary budget projection shows a decrease of 0.5 percent in FY 2021-22 as the District has hired new employees receiving lower salaries than the employees they replaced. The Salaries budget projection shows a 1.5 percent increase in FY 2022-23. Employee Benefits, including health coverage and other insurance costs, are projected to decrease 3.6 percent during FY 2021-22 then increase 0.8 percent in FY 2022-23. Payments on the District's Unfunded Actuarial Liability (UAL) will continue to be made at \$895,000 per year amount, per the Board-approved accelerated 15-year level amortized payment schedule.

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 two 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.

The District anticipates having close to 1,000 AF of local water available at the beginning of FY 2021-22. Additional local water may become available from rainfall and inflow into Lake Hodges during both FY 2021-22 and FY 2022-23. It is therefore estimated that approximately 34 percent of demand in both fiscal years will be met with less costly local water. The District pays a fixed monthly amount by agreement to the City of San Diego, for access to local water from Lake Hodges. For each of the two years, this amount is estimated to be \$75,000 annually but could rise once an assessment on potential repairs to Lake Hodges Dam is complete. Staff will monitor this issue and continue reporting to the Board.

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 this staff report, final wholesale commodity and fixed charge amounts for CY 2022 are not available from SDCWA. Therefore, the current numbers are based upon preliminary guidance from SDCWA. If final rates and charges are significantly different from those reflected in this report, staff will return to the Board to request budget adjustments in the quarterly process.

It is estimated that 3 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 costs are anticipated to decrease in CY 2022 as less treated water is purchased, and then projected to increase 4 percent in CY 2023.

SDCWA imported untreated water is estimated to account for approximately 63 percent of total potable demand in FY 2021-22 and in FY 2022-23. Untreated water is utilized when local water is not available. The SDCWA imported untreated water rate is estimated to increase 3.3 percent in CY 2022 and then projected to increase another 4 percent in CY 2023. Due to the sizeable swings in estimated local water availability each of the next two years, reliance on more expensive imported untreated water will also vary greatly and thus reflect large swings in estimated expenses. Overall, imported untreated water costs are estimated to decrease 3 percent in FY 2021-22 (based upon increased local water availability) but then increase 4 percent in FY 2022-23 (as local water availability is estimated to be reduced).

Fixed costs from SDCWA are also estimated to increase each of the next two years. The District currently pays six 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 will be known when the SDCWA Board adopts the Authority's budget and if necessary, will be incorporated into the District's adopted budget via the quarterly process. At this time, the total amount that the District pays SDCWA for fixed charges is estimated to decrease 2.8 percent in FY 2021-22 and increase 4 percent in FY 2022-23.

Overall, the Potable Water Purchases projection decreases 5.6 percent in FY 2021-22 and increases 5.5 percent in FY 2022-23.

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 1 percent increase in FY 2021-22 and a 4 percent increase in FY 2022-23.

Recycled Water is purchased from the San Elijo Joint Powers Authority (SEJPA) to serve District customers. Recycled water purchases are projected to be 350 AF in FY 2022-23 and the same in FY 2021-22. In addition, a 3.9 percent increase in wholesale recycled water costs will occur on both July 1, 2021 and July 1, 2022. Overall, the Recycled Water Purchases budget projection shows a 0.7 percent decrease in FY 2021-22 and a 15.5 percent decrease in FY 2022-23 due to a re-negotiated Take-or-Pay agreement.

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. A majority of the accounts in this category are remaining flat from the prior-year budget. Overall, the Materials & Supplies budget projection shows a 8.5 percent increase in FY 2021-22 but then decreases by 0.5 percent in FY 2022-23.

Contracts & Services expenses include, but are not limited to, such things as legal fees, insurance, utilities, banking fees, water conservation, marketing and outreach, as well as professional, technical, maintenance, and construction contracts. Minor increases are proposed for employee training costs, banking and credit card fees, replacement of 800 MHz radios and inspection permit costs. Overall, the Contracts & Services budget projection shows an 4.3 percent increase in FY 2021-22 and a 0.2 percent increase in FY 2022-23.

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 City recently updated its Cost Allocation Plan (CAP) for this two-year budget to ensure the allocations for these services provided are current. As a result of the updated CAP, the District's Internal Cost Allocation budget projection shows a 5 percent increase in FY 2021-22 and remains flat in FY 2022-23.

Capital Outlay (Fixed Asset) expenses are seeing a one-time \$30,000 increase in FY 2021-22 due to the purchase of a replacement valve machine for one of the District's vehicles.

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 both years.

Capital Replacement appropriations for the two-year budget are proposed as follows:

Project Number	Project Title	FY 2020-21 Revised	FY 2021-22 Proposed	FY 2022-23 Proposed
CW 21A	Joint Facilities Master Plan Project	1,750,000	1,500,000	1,500,000
CW 21B	Joint Facilities Acquisitions Project	150,000	150,000	150,000
CW 21C	Water Infrastructure Improvements	287,253	450,000	450,000
CW 21D	Transmission Line Maintenance	375,000	150,000	150,000
CW 21E	Meter Replacement & Automation Project	100,000	50,000	100,000
CW 21F	SCADA Automation Upgrade Program	30,000	30,000	15,000
CW 21G	Urban Water Management Plan Update (5 yr)	75,000	-	-
CW 21H	Water Rate Study	100,000	-	-
CW21I	Water Master Plan Update (10 year)	-	-	-
CW21J	Potable Reuse Study-Next Steps	-	-	-
CW21K	Lake Hodges Capital Repairs	500,000	500,000	500,000
CW21L	AWIA Risk & Resiliency Assessment	-	-	-
TBD	Recycled Water Retrofit Loan Program	-	50,000	-
TBD	Asbestos Pipe Repair	-	-	350,000
Total Capital Replacement		\$ 3,367,253	\$ 2,880,000	\$ 3,215,000
Total % Difference from Prior Year		N/A	-16.9%	10.4%

The District is proposing to appropriate funding to eight capital projects in FY 2021-22 totaling \$2,880,000 and eight capital projects in FY 2022-23 totaling \$3,215,000. Appropriations are split between District projects (approximately 35 percent to 40 percent) and Joint Facilities projects (approximately 60 percent to 65 percent), which are for facilities that are jointly owned by the District and the Santa Fe Irrigation District.

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 2012 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 decrease by \$250,000 each of the two years at \$1,500,000 per year as many projects in the JFMP are now underway. Appropriated funding will go toward various continuing projects, including mechanical dewatering improvements, clearwell and washwater tank seismic improvements, handrail improvements at San Dieguito Reservoir, Badger Operations building roof replacement, sedimentation basin concrete repairs, Cielo Pump Station valve replacement and reline/replace drain lines and force mains.

Funding for Joint Facilities Capital Acquisitions is proposed to be set at \$150,000 in FY 2021-22 alone as sufficient funding is currently available from prior year appropriations. This funding will be used for various hardware upgrades, installation of a new lake management system, purchase of a cloud-based phone system and handsets, and to replace various analyzers and equipment at the Plant.

Appropriations for District capital projects are based upon the District's 2010 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 raising valves and vaults associated with the City's pavement rehabilitation, new Caudor pressure reducing station, water line relocations at Belleview and Cambridge, Orpheus PRV relief valve, and North Coast Highway 101 streetscape related relocations. Transmission Line Improvement projects include: replacing the cathodic protection bed on Via Fortuna Ranch Road, and the 24" valve replacement on Encinitas Blvd. and Willowspring Dr. 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.

Debt Service expenses are proposed as follows:

Category	FY 2020-21 Revised	FY 2021-22 Proposed	% Diff from PY	FY 2022-23 Proposed	% Diff from PY
Principal Payments	\$ 1,190,000	\$ 1,240,000	4.20%	\$ 1,295,000	4.4%
Interest payments	211,766	162,497	-23.27%	110,744	-31.8%
Administrative Fees	3,200	3,200	0.00%	3,200	0.0%
Total Debt Service	\$ 1,404,966	\$ 1,405,697	0.1%	\$ 1,408,944	0.2%

The District is currently paying debt service on two 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 payment of \$634,397 in FY 2021-22 and \$636,044 in FY 2022-23. The 2014 Water Revenue Refunding Bonds, which mature in FY 2023-24 and were used to fund District projects, have a total principal and interest payment of \$768,100 in FY 2021-22 and \$769,700 in FY 2022-23. In both years, \$3,200 is budgeted as administrative costs for trustee fees and continuing disclosure compliance.

Fleet Replacement expenses are proposed as follows:

Proposed Purchase	Vehicle Replacing	FY 2020-21 Revised	FY 2021-22 Proposed	FY 2022-23 Proposed
Ford F-250 Duty Truck	2012 Ford 150- VM285 (9 years old)	\$ 65,000	\$ -	\$ -
Ford 550 Bio-diesel Truck	2009 Ford- VM261 (12 years old)		\$ 130,000	
Electric Kia Kona	2009 Hybrid Ford Escape-VM266 (12 years old)		\$ 45,000	
TBD	2013 VM296 Vacuum Trailer (8 years old)			\$ 150,000
Total Fleet Replacement		\$ 65,000	\$ 175,000	\$ 150,000

The District maintains a Fleet Replacement Fund to facilitate the planned replacement of vehicles and equipment. Currently, the District maintains a fleet of 14 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 2021-22, the District is proposing to purchase a bio-diesel truck and an electric vehicle to replace Units 261 and 266 that have reached the end of their useful lives. In FY 2022-23, the District plans to replace an 8-year-old vacuum trailer. The District is projecting a \$1,203,285 balance in the Fleet Replacement Fund at the beginning of FY 2021-22.

ENVIRONMENTAL CONSIDERATIONS:

The action being considered by the Board of Directors 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.

ATTACHMENTS:

Attachment A: San Dieguito Water District Resolution No. 2021-15 entitled "A Resolution of the Board of Directors of the San Dieguito Water District, Adopting the Fiscal Year 2021-22 San Dieguito Water District Operating and Capital Budget."

Attachment B: San Dieguito Water District Resolution No. 2021-16 entitled "A Resolution of the Board of Directors of the San Dieguito Water District, Adopting Position Titles and Pay Ranges for the Fiscal Year 2021-22."

RESOLUTION NO. 2021-15

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGUITO
WATER DISTRICT ADOPTING THE FISCAL YEAR 2021/22 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 2021/22 Operating Budget; and

WHEREAS, the Board of Directors has reviewed the proposed Fiscal Year 2021/22 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 2021/22 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 2021/22 as summarized in Exhibit 1.

PASSED, APPROVED AND ADOPTED this 16th day of June 2021, by the Board of Directors of the San Dieguito Water District.

Tony Kranz, President

ATTEST:

Pamela Antil, Secretary to the Board

APPROVED AS TO FORM:

Leslie E. Devaney, 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 _____ day of _____, 2021 by the following vote:

AYES:

NOES:

ABSENT:

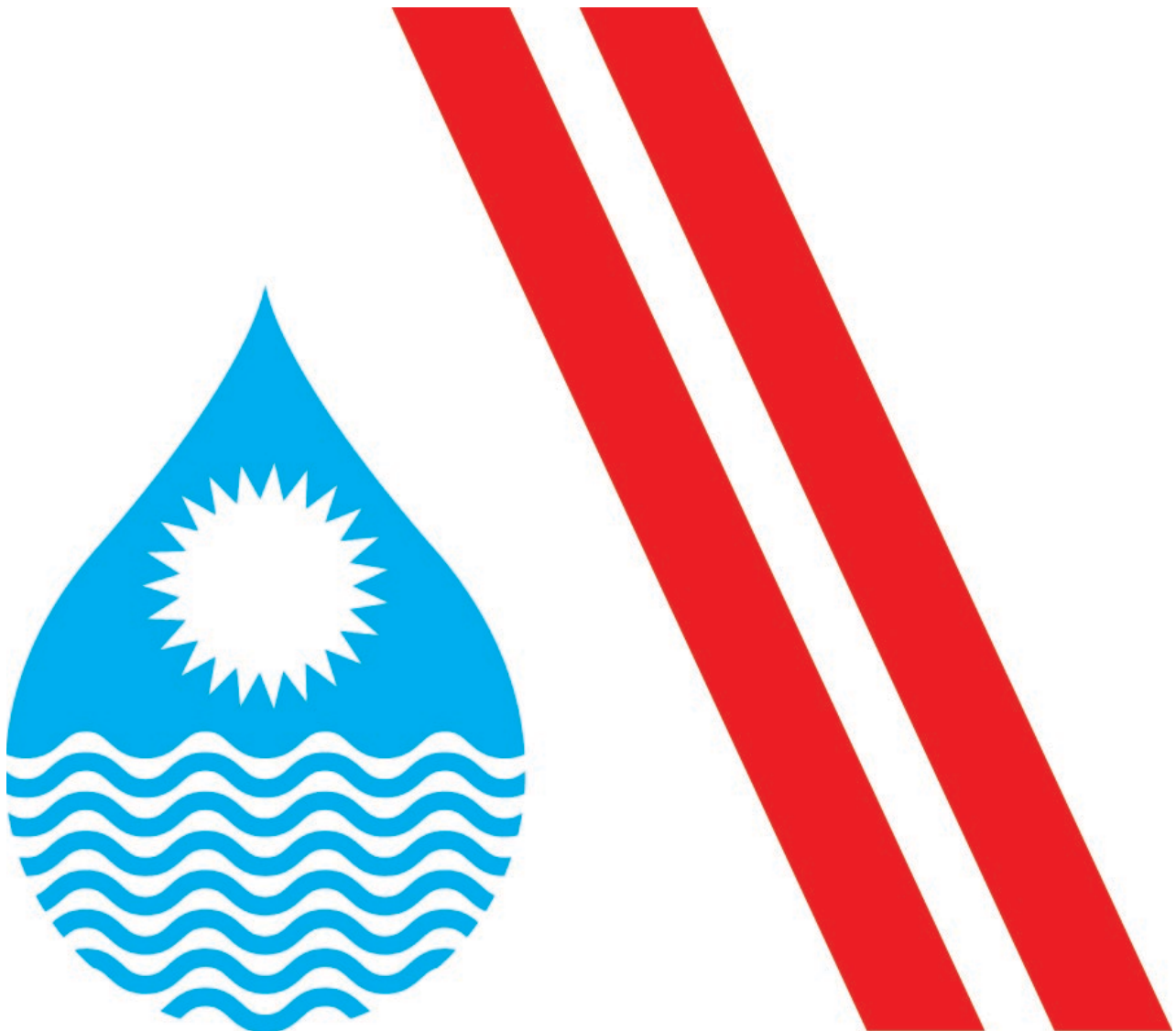
ABSTAIN:

Kathy Hollywood, Board Clerk

San Dieguito Water District Fiscal Years 2021/22 and 2022/23 Operating and Capital Budget

San Dieguito Water District

A Subsidiary District of the City of Encinitas



San Dieguito Water District

Fiscal Years 2021/22 and 2022/23

Operating and Capital Budget

Board of Directors

Tony Kranz, President
Catherine Blakespear, Vice President
Joe Mosca, Director
Kellie Shay Hinze, Director
Joy Lyndes, Director

District Management

Pamela Antil, City Manager
Tim D’Zmura, Director of Public Works
Isam Hireish, Asst. Director Public Works/Interim General Manager
Raul Gonzalez, Operations Manager
Blair Knoll, Senior Engineer
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

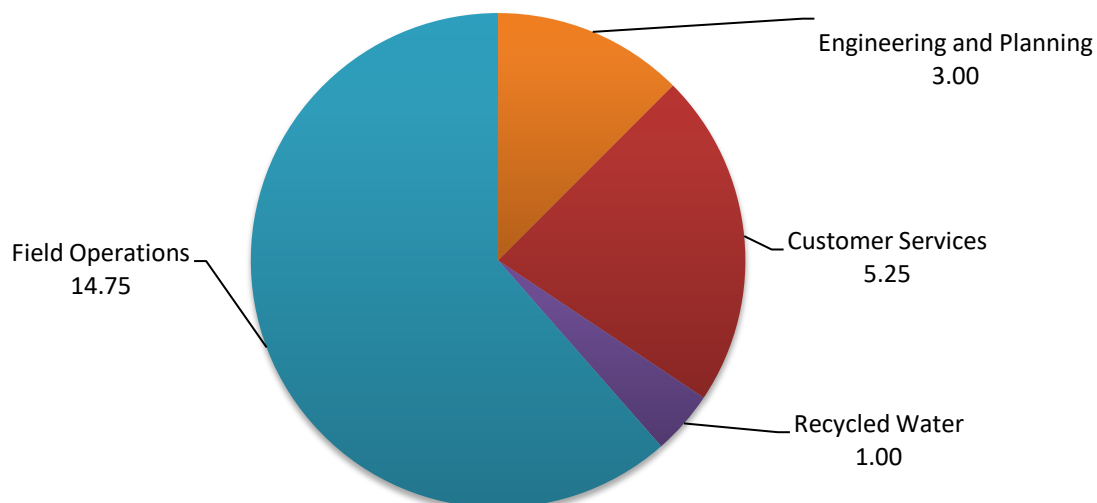
Position Summary by Classification (FTE's)

Classification Title	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Adopted	FY 21/22 Proposed	FY 22/23 Proposed
General Manager	1.00	0.00	0.00	0.00	0.00
Assistant District Manager	0.00	1.00	1.00	1.00	1.00
Senior Engineer	1.00	1.00	1.00	1.00	1.00
Superintendent	1.00	0.00	0.00	0.00	0.00
Water Operations Manager	0.00	1.00	1.00	1.00	1.00
Finance Manager II	1.00	1.00	1.00	1.00	1.00
Engineer I / II	1.00	1.00	1.00	1.00	1.00
Utility & Maintenance Field Supervisor	1.00	1.00	1.00	1.00	1.00
Utility & Maintenance Specialist I / II	6.00	6.00	6.00	6.00	6.00
Finance Analyst I / II / III	1.00	1.00	1.00	1.00	1.00
Water Conservation Specialist I / II	1.00	1.00	1.00	0.00	0.00
Water Resource Specialist	0.00	0.00	0.00	1.00	1.00
Program Coordinator	1.00	1.00	1.00	1.00	1.00
Utility & Maintenance Technician I / II / III / IV	6.00	6.00	6.00	6.00	6.00
Finance Technician I / II / III	2.00	2.00	2.00	2.00	2.00
Program Assistant I / II / III	1.00	1.00	1.00	1.00	1.00
District Total	24.00	24.00	24.00	24.00	24.00

Position Summary by Division (FTE's)

Division FTE's	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Adopted	FY 21/22 Proposed	FY 22/23 Proposed
Administration	0.00	0.00	0.00	0.00	0.00
Customer Services	5.25	5.25	5.25	5.25	5.25
Water Purchases and Treatment	0.00	0.00	0.00	0.00	0.00
Recycled Water	1.00	1.00	1.00	1.00	1.00
Field Operations	14.75	14.75	14.75	14.75	14.75
Engineering and Planning	3.00	3.00	3.00	3.00	3.00
District Total	24.00	24.00	24.00	24.00	24.00

FY 2021/22 Proposed FTE's by Division



District Personnel and Organization

Total Personnel Expenses

Salaries / Benefits	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Adopted	FY 21/22 Proposed	FY 22/23 Proposed
Salaries	\$ 1,998,722	\$ 2,037,441	\$ 2,310,754	\$ 2,300,276	\$ 2,334,716
Benefits	1,580,537	1,611,903	1,616,635	1,558,342	1,571,569
District Total	\$ 3,579,259	\$ 3,649,344	\$ 3,927,389	\$ 3,858,618	\$ 3,906,285

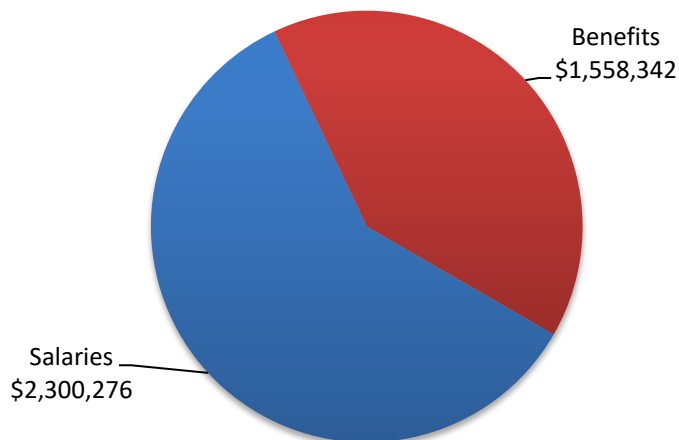
Division Personnel Summary

Division Salaries & Benefits	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Adopted	FY 21/22 Proposed	FY 22/23 Proposed
Administration	\$ 1,013,404	\$ 1,028,178	\$ 954,700	\$ 955,693	\$ 956,707
Customer Services	567,817	578,085	651,452	656,773	670,229
Water Purchases and Treatment	-	-	-	-	-
Recycled Water	117,965	106,803	126,339	135,986	135,612
Field Operations	1,431,469	1,496,380	1,696,885	1,580,988	1,634,836
Engineering and Planning	448,604	439,899	498,013	529,178	508,901
District Total	\$ 3,579,259	\$ 3,649,344	\$ 3,927,389	\$ 3,858,618	\$ 3,906,285

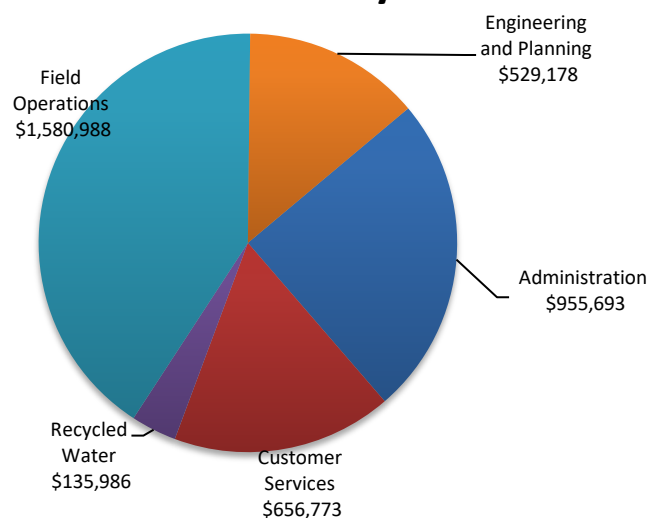
Other Personnel Related Expenses (Non-Regular Salary & Benefits)

Other Personnel Related Expenses	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Adopted	FY 21/22 Proposed	FY 22/23 Proposed
Board Member Meeting Stipends	\$ 7,850	\$ 5,150	\$ 8,000	\$ 8,000	\$ 8,000
Temporary Salaries & Benefits	5,295	3,279	12,500	10,000	10,000
Retiree Health OPEB Contribution	8,170	17,559	49,700	50,694	51,708
CalPERS Shared Risk Pool Unfunded Liabi	395,302	1,384,180	897,000	897,000	897,000
Overtime	53,428	43,476	72,000	69,000	69,500
Vacation Buy-Out	24,317	45,089	84,600	64,500	56,000
Compensated Absences	-	-	-	-	-
Uniforms/Clothing	6,083	(9,663)	10,620	10,620	10,620
Auto Allowance	1,800	800	1,800	1,800	1,800
District Total	\$ 502,244	\$ 1,489,870	\$ 1,136,220	\$ 1,111,614	\$ 1,104,628

FY 21/22 Salary to Benefit Ratio



FY 21/22 Salary and Benefit Costs by Division



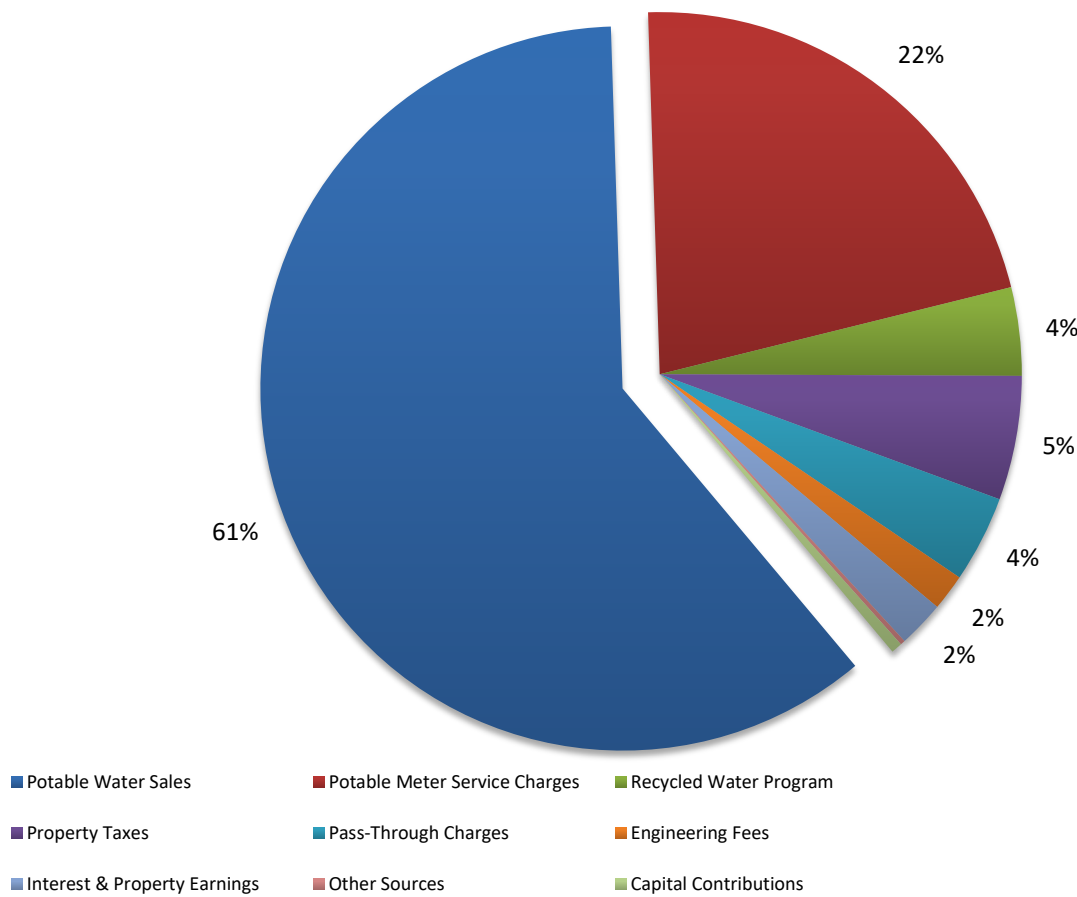
Revenue

District Revenue Summary

Revenue Source	FY 19/20 Actual	FY 20/21 Adopted	FY 21/22 Proposed	FY 22/23 Proposed
Property Taxes	\$ 1,159,681	\$ 1,081,600	\$ 1,124,864	\$ 1,169,859
Engineering Fees	324,647	266,200	330,000	330,000
Potable Meter Service Charges	4,162,249	4,357,723	4,396,820	4,697,454
Potable Water Sales	10,944,746	13,141,803	12,308,242	13,108,277
Recycled Meter Service Charges	97,431	98,228	90,000	94,500
Recycled Water Sales	644,436	912,476	710,053	756,207
Pass Through Charges	611,622	674,718	786,457	817,915
Billing Charges	46,185	59,625	22,785	24,380
Investment Earnings	741,662	293,201	263,073	276,227
Income from Property	110,176	151,799	159,174	162,287
Other District Revenue	14,401	20,000	20,000	20,000
Capital Contributions	168,300	100,000	100,000	100,000
	-	-	-	-
Total	\$ 19,025,535	\$ 21,157,372	\$ 20,311,468	\$ 21,557,105

District Revenue Summary

FY 2021/22 Proposed Revenue by Category



Operating Program

Operating Budget by Division and Category

53192690 - Administration		FY 18/19 Actual		FY 19/20 Actual		FY 20/21 Adopted		FY 21/22 Proposed		FY 22/23 Proposed
Salaries	\$	7,850	\$	5,150	\$	8,000	\$	8,000	\$	8,000
Benefits		403,566		1,401,798		946,700		947,694		948,708
Materials & Supplies		26,069		37,420		49,250		84,400		84,500
Contracts & Services		184,589		193,194		268,075		322,515		325,365
Internal Cost Allocation		1,212,084		1,272,688		1,336,323		1,325,618		1,365,387
Debt & Finance		4,644		1,849		3,000		3,000		3,000
Administration Total	\$	1,838,802	\$	2,912,099	\$	2,611,348	\$	2,691,227	\$	2,734,960

53192691 - Customer Services		FY 18/19 Actual		FY 19/20 Actual		FY 20/21 Adopted		FY 21/22 Proposed		FY 22/23 Proposed
Salaries	\$	444,179	\$	454,069	\$	527,515	\$	541,230	\$	552,375
Benefits		123,665		124,017		123,812		115,543		117,854
Materials & Supplies		38,380		35,737		59,000		59,200		59,200
Contracts & Services		144,105		133,336		188,020		203,450		212,450
Customer Services Total	\$	750,329	\$	747,159	\$	898,347	\$	919,423	\$	941,879

53192692 - Water Purchases & Treatment		FY 18/19 Actual		FY 19/20 Actual		FY 20/21 Adopted		FY 21/22 Proposed		FY 22/23 Proposed
Potable Water Purchases	\$	5,580,321	\$	5,352,295	\$	6,996,710	\$	6,676,972	\$	7,013,810
Water Treatment		2,500,801		2,406,285		2,851,400		2,881,108		2,996,352
Water Purchases & Treatment Total	\$	8,081,122	\$	7,758,580	\$	9,848,110	\$	9,558,080	\$	10,010,162

53192693 - Recycled Water Program		FY 18/19 Actual		FY 19/20 Actual		FY 20/21 Adopted		FY 21/22 Proposed		FY 22/23 Proposed
Salaries	\$	93,001	\$	84,364	\$	100,130	\$	108,639	\$	107,718
Benefits		24,964		22,438		26,209		27,347		27,894
Recycled Water Purchases		608,818		495,200		738,000		733,182		619,850
Contracts & Services		2,640		4,483		12,000		12,000		12,000
Recycled Water Program Total	\$	729,423	\$	606,485	\$	876,339	\$	881,168	\$	767,462

53192694 - Field Operations		FY 18/19 Actual		FY 19/20 Actual		FY 20/21 Adopted		FY 21/22 Proposed		FY 22/23 Proposed
Salaries		1,099,913	\$	1,147,712	\$	1,280,693	\$	1,221,319	\$	1,267,974
Benefits		331,556		348,668		416,192		359,669		366,862
Materials & Supplies		313,202		293,783		359,920		367,420		367,420
Contracts & Services		43,622		150,724		285,090		251,290		241,490
Capital Outlay (Fixed Assets)		-		11,913		-		30,000		-
Field Operations Total	\$	1,788,293	\$	1,952,800	\$	2,341,895	\$	2,229,698	\$	2,243,746

53192695 - Planning & Engineering		FY 18/19 Actual		FY 19/20 Actual		FY 20/21 Adopted		FY 21/22 Proposed		FY 22/23 Proposed
Salaries	\$	365,604	\$	346,146	\$	394,290	\$	421,088	\$	398,649
Benefits		97,301		93,753		103,723		108,090		110,252
Materials & Supplies		10,122		21,605		25,000		75,000		75,000
Contracts & Services		3,051		2,529		7,494		9,000		6,500
Planning & Engineering Total	\$	476,078	\$	464,033	\$	530,507	\$	613,178	\$	590,401

Operating Budget Total	\$	13,659,075	\$	14,441,155	\$	17,106,546	\$	16,892,774	\$	17,288,610
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Long Term Debt

FY 2021/22 & FY 2022/23 Debt Service Schedule

Fiscal Year 2021/22	Principal	Interest	Total
2007 R.E. Badger Water Refunding Bonds	\$ 545,000	\$ 89,397	\$ 634,397
2014 Water Revenue Refunding Bonds	695,000	73,100	768,100
Debt Administration Fees	-	-	3,200
Total	\$ 1,240,000	\$ 162,497	\$ 1,405,697

Fiscal Year 2022/23	Principal	Interest	Total
2007 R.E. Badger Water Refunding Bonds	\$ 570,000	\$ 66,044	\$ 636,044
2014 Water Revenue Refunding Bonds	725,000	44,700	769,700
Debt Administration Fees	-	-	3,200
Total	\$ 1,295,000	\$ 110,744	\$ 1,408,944

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

Fiscal Year	Principal	Interest	Total
Prior Years (FY 2006/07 - FY 2016/2017)	\$ 3,430,000	\$ 2,404,976	\$ 5,834,976
FY 2017/18	455,000	171,619	626,619
FY 2018/19	475,000	152,919	627,919
FY 2019/20	490,000	133,619	623,619
FY 2020/21	525,000	111,466	636,466
FY 2021/22	545,000	89,397	634,397
FY 2022/23	570,000	66,044	636,044
FY 2023/24	595,000	40,916	635,916
FY 2024/25	620,000	13,950	633,950
Total	\$ 7,705,000	\$ 3,184,906	\$ 10,889,906

Future Debt Service Schedule - 2014 Water Revenue Refunding Bonds

Fiscal Year	Principal	Interest	Total
Prior Years (FY 2014/15 - FY 2016/17)	\$ 1,155,000	\$ 493,536	\$ 1,648,536
FY 2017/18	605,000	167,225	772,225
FY 2018/19	625,000	148,775	773,775
FY 2019/20	645,000	126,500	771,500
FY 2020/21	665,000	100,300	765,300
FY 2021/22	695,000	73,100	768,100
FY 2022/23	725,000	44,700	769,700
FY 2023/24	755,000	15,100	770,100
Total	\$ 5,870,000	\$ 1,169,236	\$ 7,039,236

Fleet Replacement Fund

Replacement Schedule

New Vehicle Information		Replaced Vehicle Information			
Vehicle #	Vehicle Description	Vehicle #	Vehicle Description	Age	Purchase Cost
Fiscal Year 2016/17 Actual					
FM-332	3-Yard Dump Truck	FM-216	2003 3-Yard Dump Truck	14	\$ 80,000
Total					\$ 80,000
Fiscal Year 2017/18 Actual					
TBD	2009 Vacuum Truck (Used)	N/A	New Addition to Fleet	N/A	\$ 60,000
Total					\$ 60,000
Fiscal Year 2018/19 Actual					
No replacements					\$ -
Total					\$ -
Fiscal Year 2019/20 Actual					
FM-	Electric Kia Kona	FM-283	2011 Ford Ranger	9	\$ 44,786
Total					\$ 44,786
Fiscal Year 2020/21 Adopted					
TBD		FM-285	2004 Ford F-150	16	\$ 65,000
Total					\$ 65,000
Fiscal Year 2021/22 Proposed					
TBD	Bio-diesel truck	FM-261	2009 Ford F-550 Truck	12	\$ 130,000
TBD	Electric Kia Kona	FM-266	2009 Ford Escape	12	\$ 45,000
Total					\$ 175,000
Fiscal Year 2022/23 Proposed					
TBD		FM-296	Vacuum Trailer	8	\$ 150,000
Total					\$ 150,000

Capital Improvement Program Summary

7-Year CIP Schedule (by Project)

Project #	Project Title	Current Balance *	I	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
CW21A	Joint Facilities Master Plan Projects	6,448,785		1,750,000	1,500,000	1,500,000	1,750,000	1,750,000	2,500,000	2,500,000	2,500,000
CW21B	Joint Facilities Capital Acquisitions	383,991		150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
CW21C	Water Infrastructure Improvements	1,697,749		287,253	450,000	450,000	600,000	600,000	600,000	600,000	600,000
CW21D	Transmission Line Improvements	1,299,945		375,000	150,000	150,000	150,000	150,000	200,000	200,000	200,000
CW21E	Meter Replacement and Automation Program	1,238,924		100,000	50,000	100,000	100,000	100,000	500,000	500,000	500,000
CW21F	SCADA Automation Upgrade Program	117,901		30,000	30,000	15,000	15,000	15,000	15,000	15,000	15,000
CW21G	Urban Water Management Plan Update (5-year)	54,427		75,000	-	-	-	90,000	-	-	-
CW21H	Water Rate Study Update (3-year)	73,236		100,000	-	-	100,000	-	-	100,000	-
CW21I	Water Master Plan Update (10-year)	149,747		-	-	-	-	-	-	-	-
CW21J	Potable Reuse Plan-Next Steps	82,454		-	-	-	-	-	-	-	-
CW21K	Lake Hodges Capital Repairs	500,000		-	500,000	500,000	-	500,000	500,000	500,000	500,000
CW21L	AWIA Risk & Resiliency Assessment	32,275		500,000	-	-	-	-	-	-	-
TBD	Recycled Water Loan Retrofit Program	-		-	50,000	-	-	-	-	-	-
TBD	Asbestos Pipe Repair	-		-	-	350,000	500,000	-	1,000,000	1,000,000	1,000,000
		-		-	-	-	-	-	-	-	-
Total		\$ 12,079,434	\$	3,367,253	\$ 2,880,000	\$ 3,215,000	\$ 3,365,000	\$ 3,355,000	\$ 5,465,000	\$ 5,565,000	\$ 5,465,000

7-Year CIP Schedule (by Project Type)

Project Type	Current Balance *	I	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/26	FY 25/26
SDWD Infrastructure Projects	\$ 4,854,519	\$	792,253	\$ 1,180,000	\$ 1,565,000	\$ 1,365,000	\$ 1,365,000	\$ 2,815,000	\$ 2,815,000	\$ 2,815,000
SDWD Consultant Services and Studies	392,139		675,000	-	-	100,000	90,000	-	100,000	-
Projects with Other Agencies	-		-	50,000	-	-	-	-	-	-
Joint Facilities Projects and Capital Acquisitions	6,832,776		1,900,000	1,650,000	1,650,000	1,900,000	1,900,000	2,650,000	2,650,000	2,650,000
Total	\$ 12,079,434	\$	3,367,253	\$ 2,880,000	\$ 3,215,000	\$ 3,365,000	\$ 3,355,000	\$ 5,465,000	\$ 5,565,000	\$ 5,465,000

Project Funding Source(s)

Funding Source	Current Balance *	I	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
SDWD Capital Replacement Fund (Pay-Go)	\$ 12,079,434	\$	3,367,253	\$ 2,880,000	\$ 3,215,000	\$ 3,365,000	\$ 3,355,000	\$ 5,465,000	\$ 5,565,000	\$ 5,465,000

* Current Balance as of March 31, 2021 (FY 20/21 3rd Quarter Report)

Detail of Internal Fund Transfers

Detail of Transactions

FY 2021/22 Proposed	FY 2022/23 Proposed	From	To	Purpose
\$2,880,000	\$3,215,000	Operating	Capital Replacement	Transfer from Operating Fund to Capital Replacement Fund to maintain Capital Replacement reserve level
\$1,405,697	\$1,404,966	Operating	Debt Service	Transfer from Operating Fund to Debt Service Fund to facilitate principal and interest payments on District debt.
\$116,263	\$115,540	Operating	Fleet Replacement	Transfer from Operating Fund to Fleet Replacement Fund to facilitate on-going vehicle and equipment replacements
\$0	\$0	Operating	Rate Stabilization	Transfer from Operating Fund to Rate Stabilization Fund to maintain Rate Stabilization Reserve level

Summary of Funds Receiving Transfers

Fund	FY 2021/22 Proposed	FY 2022/23 Proposed
Capital Replacement Fund	\$2,880,000	\$ 3,215,000
Debt Service Fund	\$1,405,697	\$ 1,404,966
Fleet Replacement Fund	\$ 116,263	\$ 115,540
Rate Stabilization Fund	\$ -	\$ -
Total	\$4,401,960	\$ 4,735,506

Summary of Funds Providing Transfers

Fund	FY 2021/22 Proposed	FY 2022/23 Proposed
Operating Fund	\$4,401,960	\$4,735,506
Total	\$ 4,401,960	\$ 4,735,506

District Fund Budget Summaries

Fiscal Year 2020/21 through FY 2022/23

Fiscal Year 2020/21 District Fund Budget Summary (Revised)

Fund Name	Fund #	Beginning Fund Balance 07/01/20	FY 2020/21 Projected Revenues	Additional Revenue Requirement	FY 2020/21 Projected Expenses	Interfund Transfers (Rate Stabilization)	Interfund Transfers (Capital)	Interfund Transfers (Debt Service)	Interfund Transfers (Fleet)	Current Year Summary	Projected Ending Fund Balance 06/30/21	Projected Reserve Targets 06/30/21
Operations	531	\$4,248,512	\$ 21,000,374	\$0	\$ (17,144,922)	\$0	\$ (3,367,253)	(\$1,404,632)	(\$333,440)	(\$1,249,873)	\$2,998,639	\$2,631,636
Rate Stabilization	531	2,660,595	-	-	-	-	-	-	-	-	2,660,594	3,028,597
Capital Replacement	532	6,506,382	100,000	-	(3,367,253)	-	3,367,253	-	-	100,000	6,606,382	6,606,382
Debt Service	534	1,631	-	-	(1,404,966)	-	-	1,404,632	-	(334)	1,297	297
Fleet Replacement	535	955,058	-	-	(65,000)	-	-	-	333,440	268,440	1,223,498	1,223,498
Total District Funds		\$14,372,178	\$21,100,374	\$0	(\$21,982,141)	\$0	\$0	\$0	\$0	(\$881,767)	\$13,490,411	\$13,490,411

Fiscal Year 2021/22 District Fund Budget Summary (Proposed)

Fund Name	Fund #	Beginning Fund Balance 07/01/21	FY 2021/22 Projected Revenues	Additional Revenue Requirement	FY 2021/22 Projected Expenses	Interfund Transfers (Rate Stabilization)	Interfund Transfers (Capital)	Interfund Transfers (Debt Service)	Interfund Transfers (Fleet)	Current Year Summary	Ending Fund Balance 06/30/22	Projected Reserve Targets 06/30/22
Operations	531	\$2,631,636	\$ 20,211,468	\$ -	\$ (16,892,773)	\$0	(\$2,880,000)	(\$1,405,697)	(\$116,263)	(\$1,083,265)	\$1,548,371	4,263,025
Rate Stabilization	531	3,028,597	-	-	-	-	-	-	-	-	3,028,597	3,014,825
Capital Replacement	532	6,606,382	100,000	-	(2,880,000)	-	2,880,000	-	-	100,000	6,706,382	4,473,000
Debt Service	534	297	-	-	(1,405,697)	-	-	1,405,697	-	-	297	-
Fleet Replacement	535	1,223,498	-	-	(175,000)	-	-	-	116,263	(58,737)	1,164,761	697,559
Total District Funds		\$13,490,411	\$20,311,468	\$0	(\$21,353,470)	\$0	\$0	\$0	\$0	(\$1,042,002)	\$12,448,409	12,448,409

Fiscal Year 2022/23 District Fund Budget Summary (Proposed)

Fund Name	Fund #	Beginning Fund Balance 07/01/22	FY 2022/23 Projected Revenues	Additional Revenue Requirement	FY 2022/23 Projected Expenses	Interfund Transfers (Rate Stabilization)	Interfund Transfers (Capital)	Interfund Transfers (Debt Service)	Interfund Transfers (Fleet)	Current Year Summary	Ending Fund Balance 06/30/23	Projected Reserve Targets 06/30/23
Operations	531	\$4,263,025	\$ 21,457,105	\$0	\$ (17,288,610)	\$0	(\$3,215,000)	(\$1,404,966)	(\$115,540)	(\$567,011)	\$3,696,014	4,348,286
Rate Stabilization	531	3,014,825	-	-	-	-	-	-	-	-	3,014,825	1,726,174
Capital Replacement	532	4,473,000	100,000	-	(3,215,000)	-	3,215,000	-	-	100,000	4,573,000	4,923,000
Debt Service	534	-	-	-	(1,408,944)	-	-	1,404,966	-	(3,978)	(3,978)	-
Fleet Replacement	535	697,559	-	-	(150,000)	-	-	-	115,540	(34,460)	663,099	945,500
Total District Funds		\$12,448,409	\$21,557,105	\$0	(\$22,062,554)	\$0	\$0	\$0	\$0	(\$505,449)	\$11,942,960	11,942,960

Five-Year Cash Flow

District Summary

	Revised FY 20/21	Proposed FY 21/22	Proposed FY 22/23	Projected FY 23/24	Projected FY 24/25	Projected FY 25/26
1 Beginning Balance	\$ 14,372,178	\$ 13,490,411	\$ 12,448,409	\$ 11,942,960	\$ 12,064,322	\$ 12,541,560
2 Operating Revenues	21,000,374	20,211,468	21,457,105	22,529,960	23,656,458	24,129,587
3 Non-Operating Revenues	100,000	100,000	100,000	100,000	100,000	100,000
4 Total Revenues (2 + 3)	\$ 21,100,374	\$ 20,311,468	\$ 21,557,105	\$ 22,629,960	\$ 23,756,458	\$ 24,229,587
5 Operating Expenditures	17,144,922	16,892,773	17,288,610	17,634,382	17,987,070	18,346,811
6 Debt Service	1,404,966	1,405,697	1,408,944	1,409,216	637,150	0
7 Subtotal Expenditures (5 + 6)	18,549,888	18,298,470	18,697,554	19,043,598	18,624,220	18,346,811
8 CIP's / Work Projects	3,367,253	2,880,000	3,215,000	3,465,000	4,655,000	5,465,000
9 Vehicle / Equipment Replacement	65,000	175,000	150,000	0	0	0
10 Total Expenditures (7 + 8 + 9)	\$ 21,982,141	\$ 21,353,470	\$ 22,062,554	\$ 22,508,598	\$ 23,279,220	\$ 23,811,811
11 Transfers In (Out)	-	-	-	-	-	-
12 Current Year Net (4 - 10 + 11)	(881,767)	(1,042,002)	(505,449)	121,362	477,238	417,776
13 Additional Revenue Requirement	-	-	-	-	-	-
14 Ending Fund Balance (1 + 12 + 13)	\$ 13,490,411	\$ 12,448,409	\$ 11,942,960	\$ 12,064,322	\$ 12,541,560	\$ 12,959,337
15a Operating Reserve	\$2,631,636	4,263,025	4,348,286	4,523,957	4,750,155	5,237,045
15b Rate Stabilization Reserve	3,028,597	3,014,825	1,726,174	1,562,425	2,687,632	3,526,406
15c Capital Replacement Reserve	6,606,382	4,473,000	4,923,000	4,699,000	4,306,000	3,500,000
15d Debt Service Balance	297	-	-	-	-	-
15d Vehicle/Equipment Replacement Balance	1,223,498	697,559	945,500	1,278,940	797,774	695,885
16 Total Reserves (15a + 15b + 15c + 15d)	\$13,490,411	\$ 12,448,409	\$ 11,942,960	\$ 12,064,322	\$ 12,541,560	\$ 12,959,337

RESOLUTION NO. 2021-16

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGUITO
WATER DISTRICT ADOPTING POSITIONS TITLES AND PAY RANGES FOR
FISCAL YEAR 2021 - 22**

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

WHEREAS, the Board of Directors of the San Dieguito Water District is adopting the Position Titles and Pay Ranges for Fiscal Year 2021-22.

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 B** are herewith adopted for Fiscal Year 2021-22.

PASSED, APPROVED AND ADOPTED this 16th day of June 2021 by the Board of Directors of the San Dieguito Water District, State of California.

Tony Kranz, President

ATTEST:

Pamela Antil, Secretary to the Board

APPROVED AS TO FORM:

Leslie E. Devaney, 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 16th day of 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathy Hollywood, Board Clerk

San Dieguito Water District
Salary Schedule for Fiscal Year 2021-22
Effective July 1, 2021

EXHIBIT 1

Adopted by the Board of Directors on June 16, 2021
2% Increase Effective July 1, 2021

Miscellaneous Positions						
Grade	Classification Title	STEP	HOURLY	BI-WEEKLY	MONTHLY	ANNUAL
11	Program Assistant I	1	18.3276	1,466	3,177	38,121
		2	19.2441	1,540	3,336	40,028
		3	20.2061	1,616	3,502	42,029
		4	21.2166	1,697	3,678	44,131
		5	22.2772	1,782	3,861	46,337
		6	23.3913	1,871	4,054	48,654
13	Finance Technician I	1	22.4559	1,796	3,892	46,708
	Program Assistant II	2	23.5787	1,886	4,087	49,044
	Utility & Maintenance Technician I	3	24.7575	1,981	4,291	51,496
		4	25.9953	2,080	4,506	54,070
		5	27.2952	2,184	4,731	56,774
		6	28.6599	2,293	4,968	59,613
21	Finance Technician II	1	23.3577	1,869	4,049	48,584
	Program Assistant III	2	24.5256	1,962	4,251	51,013
	Utility & Maintenance Technician II	3	25.7516	2,060	4,464	53,563
		4	27.0395	2,163	4,687	56,242
		5	28.3915	2,271	4,921	59,054
		6	29.8109	2,385	5,167	62,007
		7	31.3015	2,504	5,426	65,107
22	Finance Technician III	1	25.3236	2,026	4,389	52,673
	Program Coordinator	2	26.5898	2,127	4,609	55,307
	Utility & Maintenance Technician III	3	27.9193	2,234	4,839	58,072
		4	29.3153	2,345	5,081	60,976
		5	30.7809	2,462	5,335	64,024
		6	32.3201	2,586	5,602	67,226
		7	33.9360	2,715	5,882	70,587
23	Utility & Maintenance Technician IV	1	27.2890	2,183	4,730	56,761
		2	28.6534	2,292	4,967	59,599
		3	30.0861	2,407	5,215	62,579
		4	31.5906	2,527	5,476	65,709
		5	33.1700	2,654	5,749	68,994
		6	34.8284	2,786	6,037	72,443
		7	36.5698	2,926	6,339	76,065
24	Finance Analyst I	1	29.7503	2,380	5,157	61,881
	Utility & Maintenance Specialist I	2	31.2379	2,499	5,415	64,975
		3	32.7997	2,624	5,685	68,223
		4	34.4399	2,755	5,970	71,635
		5	36.1620	2,893	6,268	75,217
		6	37.9699	3,038	6,581	78,977
		7	39.8683	3,189	6,910	82,926

Grade	Classification Title	STEP	HOURLY	BI-WEEKLY	MONTHLY	ANNUAL
25	Finance Analyst II	1	32.7019	2,616	5,668	68,020
	Utility & Maintenance Field Supervisor	2	34.3370	2,747	5,952	71,421
	Utility & Maintenance Specialist II	3	36.0539	2,884	6,249	74,992
		4	37.8566	3,029	6,562	78,742
		5	39.7492	3,180	6,890	82,678
		6	41.7369	3,339	7,234	86,813
		7	43.8237	3,506	7,596	91,153
41	Utility & Maintenance Supervisor I	1	33.4885	2,679	5,805	69,656
		2	35.1631	2,813	6,095	73,139
		3	36.9210	2,954	6,400	76,796
		4	38.7672	3,101	6,720	80,636
		5	40.7057	3,256	7,056	84,668
		6	42.7409	3,419	7,408	88,901
		7	44.8779	3,590	7,779	93,346
		8	47.1219	3,770	8,168	98,014
42	Finance Analyst III	1	35.3607	2,829	6,129	73,550
	Utility & Maintenance Supervisor II	2	37.1288	2,970	6,436	77,228
		3	38.9851	3,119	6,757	81,089
		4	40.9345	3,275	7,095	85,144
		5	42.9811	3,438	7,450	89,401
		6	45.1303	3,610	7,823	93,871
		7	47.3868	3,791	8,214	98,564
		8	49.7561	3,980	8,624	103,493
43	Finance Manager I	1	37.2327	2,979	6,454	77,444
	Water Resource Specialist	2	39.0944	3,128	6,776	81,316
		3	41.0491	3,284	7,115	85,382
		4	43.1016	3,448	7,471	89,651
		5	45.2565	3,621	7,844	94,134
		6	47.5195	3,802	8,237	98,841
		7	49.8952	3,992	8,649	103,782
		8	52.3902	4,191	9,081	108,972
44	Engineer I	1	39.5769	3,166	6,860	82,320
		2	41.5558	3,324	7,203	86,436
		3	43.6335	3,491	7,563	90,758
		4	45.8152	3,665	7,941	95,296
		5	48.1059	3,848	8,338	100,060
		6	50.5113	4,041	8,755	105,063
		7	53.0367	4,243	9,193	110,316
		8	55.6887	4,455	9,653	115,833
45	Engineer II	1	42.3880	3,391	7,347	88,167
		2	44.5074	3,561	7,715	92,575
		3	46.7327	3,739	8,100	97,204
		4	49.0695	3,926	8,505	102,065
		5	51.5229	4,122	8,931	107,168
		6	54.0991	4,328	9,377	112,526
		7	56.8042	4,544	9,846	118,153
		8	59.6443	4,772	10,338	124,060

Grade	Classification Title	STEP	HOURLY	BI-WEEKLY	MONTHLY	ANNUAL
61	Finance Manager II Water Operations Manager	1	42.6023	3,408	7,384	88,613
		2	44.7323	3,579	7,754	93,043
		3	46.9690	3,758	8,141	97,696
		4	49.3176	3,945	8,548	102,581
		5	51.7835	4,143	8,976	107,710
		6	54.3724	4,350	9,425	113,095
		7	57.0913	4,567	9,896	118,750
		8	59.9458	4,796	10,391	124,687
		9	62.9432	5,035	10,910	130,922
63	Senior Engineer	1	46.1673	3,693	8,002	96,028
		2	48.4758	3,878	8,402	100,830
		3	50.8996	4,072	8,823	105,871
		4	53.5686	4,285	9,285	111,423
		5	56.1168	4,489	9,727	116,723
		6	58.9227	4,714	10,213	122,559
		7	61.8686	4,949	10,724	128,687
		8	64.9623	5,197	11,260	135,121
		9	68.2103	5,457	11,823	141,877
65	Assistant Director of Public Works/Assistant General Manager	1	53.6314	4,291	9,296	111,553
		2	56.3130	4,505	9,761	117,131
		3	59.1287	4,730	10,249	122,988
		4	62.0851	4,967	10,761	129,137
		5	65.1894	5,215	11,299	135,594
		6	68.4486	5,476	11,864	142,373
		7	71.8712	5,750	12,458	149,492
		8	75.4647	6,037	13,081	156,967
		9	79.2381	6,339	13,735	164,815
		10	83.2001	6,656	14,421	173,056