

# **Amendments to Administrative Code, Article 12 in Revision of Agricultural Programs June 17, 2021**



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## Background

- TSAWR established in 2008 after MWD IAWP ended
- SFID Agricultural Program implemented in 2016
- SDCWA revised TSAWR program to PSWAR in 2020
- SDCWA PSAWR Program eligibility opens July 1, 2021



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## Purpose

- Addition of PSWAR definition
  - Pave the way for establishing PSWAR program
  - Provides lower ag rate in exchange for reduce reliability
- Revise SFID's program to be consistent with SDCWA PSWAR program



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## Staff Recommendation

- Approve administrative code updates
  - Administrative Code provides eligibility requirements that line up with SDCWA PSWAR eligibility
  - Creates a combined municipal/ag definition that aligns with SDCWA definition
  - Eliminates need to sub-meter



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## PSAWR Program Implementation Requirements

- SDCWA verifies eligibility
- Required monthly reporting
- Required site visits
- Required yearly audit
- Required customer agreement
  - Subject to cutback
  - No opt in/out
  - No opt out during cutback



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## Next Steps

- Outreach to existing and potential participants
- Begin to accept applications
  - Subject to SDCWA verification
- Finalize PSAWR rate and potential fee, bring to Board for approval



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# SANTA FE IRRIGATION DISTRICT FISCAL YEAR 2022 BUDGET

Board of Directors  
June 17, 2021



## Proposed FY22 Budget

### Development Timeline

Step	Jan	Feb	Mar	Apr	May	Jun
1 Administration prepares & Board reviews mid-year projections	✓	✓				
2 Administration meets with Managers to discuss upcoming budget		✓				
3 Managers submit requests			✓			
4 Administration assembles preliminary budget & updates FY21 projections			✓			
5 SDWD Staff reviews budget & provides input for Joint Facilities			✓			
6 Water Resources Committee Reviews proposed CAP & CIP Budgets				✓		
7 Finance & Administration Committee reviews FY22 Proposed Budget				✓		
8 Board holds budget workshop to review FY22 Proposed Budget & provide input				✓		
9 Water Resources Committee review of proposed modification to CAP & CIP Budgets					⊖	
10 Finance & Administration Committee member presented with budget modifications					✓	
11 Joint Facility Advisory Committee budget review					⊖	
12 Board reviews proposed modification to FY22 Budget in whole					✓	
13 Board holds public meeting for final review of budget document & adoption						✓

# Santa Fe Irrigation District FY22 Budget

## Changes Since May Board of Directors Presentation:

- Updated water purchase & sale projections based on recently proposed San Diego County Water Authority (SDCWA) 3.3% "all-in" increase effective January 1, 2022 – 3.2% for FY22,  
\*\* ~4.3% effective rate for SFID for Full CY - 5.6% average member agency impact for CY \*\*

### DRAFT CY 2022 Rate Recommendation

Variable (\$/AF)	CY 2021	CY 2022 Recommendation	%A
Supply Rate	\$940	\$1,009	7.3%
Treatment Rate	\$295	\$310	5.1%
Transportation	\$150	\$173	15.3%
Untreated SAWR	\$777	\$799	2.8%
Treated SAWR	\$1,072	\$1,109	3.5%
<b>Fixed (\$M)</b>			
Customer Service	\$25.60	\$25.60	0.0%
Storage	\$60.00	\$60.00	0.0%
Supply Reliability	\$38.84	\$39.3	1.3%
IAC (\$/ME)	\$4.24	\$4.24	0.0%
All-in Untreated	\$1,474	\$1,523	3.3%
All-in Treated	\$1,769	\$1,833	3.6%

5% below Prior Years Guidance (May '20)  
(\$1,604/AF)

	CY21 \$/AF	CY22 \$/AF	% Change
\$ AF Untreated	\$ 1,090	\$ 1,182	8.4%
\$ AF Treated	1,385	1,492	7.7%
<b>SFID Monthly Fixed Fees</b>	<b>\$ 259,340</b>	<b>\$ 249,417</b>	<b>-3.8%</b>

	Sources / Revenues	Uses / Expenses
SDCWA Update to 3.2% Pass-Through *	-	(248,235)

\*3.2% effective SDWD increase, 3.3% "all in" SDCWA rate

# Santa Fe Irrigation District FY22 Budget

## Changes Since May Board of Directors Presentation:

- Reduction of Local Water Fund utilization due to SDCWA reduction & water purchase timing / refinement of calculation

ITEM	Sources / Revenues						Uses / Expenses	
	SFID Cash Balance	Capital Improvement & Replacement Fund	Operating Fund	Rate Stabilization Fund	Local Water Fund	Total Designated Reserves	Undesignated Cash Balance	
<b>FY 22 Beginning Balances</b>	\$ 32,910,721	\$ 15,197,812	\$ 5,798,436	\$ 5,750,799	\$ 948,884	\$ 27,695,931	\$ 5,214,790	
Capacity Fees		90,000						
Non-Operating Revenues		8,956,251						
Capital Contribution from Depreciation		3,684,497						
Capital Expenditures		(13,215,633)						
Operating Revenues*				30,970,612				
Operating Expenditures*				(32,162,424)				
Transfer from Local Water Reserve				433,110				
Transfer from SDCWA Litigation				-				
Excess Local Water					-			
Utilization to Offset Imported Water					(433,110)			
<b>FY 22 Ending Balances</b>	<b>\$ 31,144,024</b>	<b>\$ 14,712,927</b>	<b>\$ 5,798,436</b>	<b>\$ 4,992,097</b>	<b>\$ 515,774</b>	<b>\$ 26,019,234</b>	<b>\$ 5,124,790</b>	

\*May be utilized for Operating Fund or Rate Stabilization Fund / operating revenues include transfer from local water fund

## Santa Fe Irrigation District FY21 Budget

### Changes Since May Board of Directors Presentation:

3. Increase in miscellaneous operating revenue due to credit card fee reimbursements

	Sources / Revenues	Uses / Expenses
Credit Card Revenue	70,000	-

4. Changes in CalOES / FEMA Grant Revenues

- (\$440,000) reduction in FY22 due to increase in FY21 reimbursements (same grant total)
- \$171,820 increase in SDWD reimbursements due to grant reduction
- \$268,180 increase in SFID Capital Reserve Fund utilization due to grant reduction

	Sources / Revenues	Uses / Expenses
CalOES / FEMA Grant Reimbursement	(440,000)	-
SDWD Reimbursement	171,820	-
Capital Reserve Fund	268,180	

## Santa Fe Irrigation District FY21 Budget

### Changes Since May Board of Directors Presentation:

5. Decrease in Operating / Rate Stabilization Fund due to increase in miscellaneous operating revenue, offset by decrease in Local Water Fund

	Sources / Revenues	Uses / Expenses
Operating / Rate Stabilization Fund	(60,726)	

\*\* Local Water Fund contributions / utilization for FY21 / FY22, respectively, are all estimates & actual calculation occurs during annual audit review at end of calendar year \*\*

# Santa Fe Irrigation District FY21 Budget

	Sources / Revenues	Uses / Expenses
<b>May Presentation - TOTAL</b>	<b>\$ 45,626,292</b>	<b>\$ 45,626,292</b>
SDCWA Update to 3.2% Pass-Through *	-	(248,235)
Credit Card Revenue	70,000	-
CalOES / FEMA Grant Reimbursement	(440,000)	-
SDWD Reimbursement	171,820	-
Local Water Fund	(257,508)	-
Capital Reserve Fund	268,180	-
Operating / Rate Stabilization Fund	(60,726)	-
<i>Sub-Total of Final Modifications</i>	<i>\$ (248,234)</i>	<i>\$ (248,235)</i>
<b>FY22 Budget - FINAL TOTAL</b>	<b>\$ 45,378,058</b>	<b>\$ 45,378,057</b>
<i>*3.2% effective SDWD increase, 3.3% "all in" SDCWA rate</i>		

## Santa Fe Irrigation District Fiscal Year 2022 Budget Summary Sources of Funds

	FY 2020 Actual	FY 2021 Budget Projected		FY 2022 Budget	% Change Bgt to Bgt	% Change Proj to Bgt
<b>OPERATING REVENUES</b>						
Potable Water Sales	\$ 18,017,436	\$ 20,273,277	\$ 20,651,297	\$ 20,844,496	2.8%	0.9%
Recycled Water Sales	848,372	944,272	993,348	979,777	3.8%	-1.4%
Fixed Charges	5,507,658	5,550,470	5,465,470	5,702,305	2.7%	4.3%
SDWD Local Water Reimbursement	57,072	271,956	62,849	130,235	-52.1%	107.2%
SDWD Treatment Reimbursement	2,513,456	2,824,389	2,747,808	2,853,800	1.0%	3.9%
Misc Operating Revenue	473,260	420,000	333,464	460,000	9.5%	37.9%
<b>Total Operating Revenue</b>	<b>\$ 27,417,254</b>	<b>\$ 30,284,364</b>	<b>\$ 30,254,236</b>	<b>\$ 30,970,612</b>	<b>2.3%</b>	<b>2.4%</b>
<b>NON-OPERATING REVENUES</b>						
Capacity Charges	\$ 101,128	\$ 90,000	\$ 198,704	\$ 90,000	0.0%	-54.7%
Interest Income	734,124	378,500	368,819	378,500	0.0%	2.6%
Property Tax	2,645,623	2,500,000	2,728,946	2,783,525	11.3%	2.0%
SDWD Capital Reimbursement	279,634	4,791,055	3,636,964	4,158,072	-13.2%	14.3%
Grant Revenue - CalOES / FEMA	145,600	785,212	1,200,000	1,337,852	70.4%	11.5%
Misc Non-Operating Revenue	376,350	157,556	1,102,046	208,303	32.2%	-81.1%
<b>Total Non-Operating Revenue</b>	<b>\$ 4,282,459</b>	<b>\$ 8,702,323</b>	<b>\$ 9,235,479</b>	<b>\$ 8,956,251</b>	<b>2.9%</b>	<b>-3.0%</b>
<b>TOTAL REVENUE</b>	<b>\$ 31,699,713</b>	<b>\$ 38,986,688</b>	<b>\$ 39,489,715</b>	<b>\$ 39,926,864</b>	<b>2.4%</b>	<b>1.1%</b>
<b>OTHER SOURCES OF FUNDS</b>						
Transfer from Bond Reserve	\$ 1,346,875	\$ -	\$ -	\$ -	-	-
Transfer from Local Water Reserve	-	-	88,424	433,110	-	-
Transfer from Capital Reserve Fund	-	5,065,143	2,630,956	4,259,382	-15.9%	61.9%
Transfer from Operating Fund / Rate Stabilization	47,983	-	-	758,702	-	-
<b>Total Other Sources of Funds</b>	<b>\$ 1,394,858</b>	<b>\$ 5,065,143</b>	<b>\$ 2,719,380</b>	<b>\$ 5,451,194</b>	<b>7.6%</b>	<b>100.5%</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 33,094,571</b>	<b>\$ 44,051,831</b>	<b>\$ 42,209,096</b>	<b>\$ 45,378,057</b>	<b>3.0%</b>	<b>7.5%</b>

FY 21 Projections increased \$361,659 due primarily to increased water sales

FY 21 Projections increased \$500,443 due primarily to \$440,000 increase in grant revenue

FY 21 Projections decrease \$1,095,493 due primarily to local water increase, water sales, grant revenues

Santa Fe Irrigation District  
Fiscal Year 2022 Budget Summary  
Uses of Funds

OPERATING EXPENSES	FY 2020	FY 2021		FY 2022	% Change	% Change
	Actual	Budget	Projected	Budget	Bgt to Bgt	Proj to Bgt
<b>Water Expenses:</b>						
Imported Water Purchases	\$ 9,006,545	\$ 10,138,624	\$ 10,560,821	\$ 11,521,327	13.6%	9.1%
Local Water Costs	76,680	636,900	147,292	305,000	-52.1%	107.1%
Recycled Water Purchases	791,852	943,000	993,348	979,777	3.9%	-1.4%
<b>Personnel Expenses</b>						
Salaries	4,971,469	5,167,573	5,078,167	5,381,421	-4.1%	6.0%
Retirement - CalPERS	1,320,603	1,526,507	1,518,300	1,677,171	9.0%	10.5%
Healthcare (Medical / Dental)	773,236	828,892	844,413	880,034	6.2%	4.2%
Retiree Healthcare	582,553	531,716	531,716	535,748	0.8%	0.8%
Other Personnel Expenses (less: capitalized labor)	226,648 (66,628)	241,058 (907,651)	241,263 (125,000)	255,837 (120,000)	6.1%	6.0%
<b>Non-Personnel Expenses</b>						
Administration Expense	1,104,802	1,276,421	986,309	1,451,927	13.7%	47.2%
Engineering Expense	121,023	370,875	276,516	260,875	-29.7%	-5.7%
Operations & Maintenance	1,342,990	1,728,450	1,504,977	1,701,975	-1.5%	13.1%
Joint Facilities	3,588,677	3,791,231	3,620,317	3,646,835	-3.8%	0.7%
Capital Contribution (Equal to Depreciation)	3,242,425	3,504,497	3,504,497	3,684,497	5.1%	5.1%
<b>Total Operating Expenses</b>	<b>\$ 27,079,875</b>	<b>\$ 30,178,093</b>	<b>\$ 29,682,935</b>	<b>\$ 32,162,424</b>	<b>6.6%</b>	<b>8.4%</b>
<b>CAPITAL EXPENSES</b>						
Capital Acquisitions	\$ 1,049,918	\$ 1,210,000	\$ 1,038,736	\$ 1,277,000	5.5%	22.9%
Capital Improvements	2,864,894	12,557,467	10,079,000	11,956,633	-4.9%	18.5%
<b>Total Capital Expenses</b>	<b>\$ 3,914,812</b>	<b>\$ 13,767,467</b>	<b>\$ 11,117,736</b>	<b>\$ 13,215,633</b>	<b>-4.0%</b>	<b>18.9%</b>
<b>LONG TERM DEBT EXPENSES</b>						
Bond Debt Service	\$ 1,346,875	\$ -	\$ -	\$ -	-	-
<b>Total Long-Term Debt Expenses</b>	<b>\$ 1,346,875</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>TOTAL EXPENSES</b>	<b>\$ 32,341,562</b>	<b>\$ 43,945,559</b>	<b>\$ 40,800,671</b>	<b>\$ 45,378,057</b>	<b>3.3%</b>	<b>11.2%</b>
<b>RESERVE CONTRIBUTION</b>						
Transfer to Local Water Reserve	\$ 386,362	\$ -	\$ 651,946	\$ -	-	-100.0%
Transfer to Capital Reserve Fund	367,647	-	-	-	-	-
Transfer to Operating Fund / Rate Stabilization	-	106,274	756,479	-	-100.0%	-100.0%
<b>Total Reserve Contribution</b>	<b>\$ 753,009</b>	<b>\$ 106,274</b>	<b>\$ 1,408,425</b>	<b>\$ -</b>	<b>-100.0%</b>	<b>-100.0%</b>
<b>TOTAL USES OF FUNDS</b>	<b>\$ 33,094,571</b>	<b>\$ 44,051,833</b>	<b>\$ 42,209,096</b>	<b>\$ 45,378,057</b>	<b>3.0%</b>	<b>7.5%</b>

FY 21 Projections decreased by \$354,176 primarily due to non-personnel expenses, offset by \$150,000 increase in water purchases

FY 21 Projections for Local Water Fund contribution increased by \$113,008 due to increase in local water use (tentative based on current storage pool / SDCWA shutdown)

## Santa Fe Irrigation District FY22 Budget

### Requested Staff Action:

1. Approve operating & capital budget as presented to set appropriations & spending plan for FY22;

Staff will (in fall 2021):

- Return to the Board for discussion / review of proposed SFID cost increase & SDCWA pass-through based on current financial condition;
- Discuss proposed reserve levels / uses / contributions based on FY21 Annual Report;
- Ask for Board approval of AMMP / 10-year capital plan & any potential appropriation changes for capital program;
- Work with Board on potential appropriation / use of the District's undesignated funds.

\*\* Continue to monitor inflationary pressures on goods & services experienced in FY21 and anticipated to continue into FY22 \*\*



# Questions?



# NORTH SAN DIEGO COUNTY REGIONAL RECYCLED WATER PROJECT

## Cost Sharing Agreement

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Board of Directors  
Item # 11  
June 17, 2021



## Staff Recommendations:

1. Authorize the General Manager to execute the tenth amendment to the Joint Lobbying and Cost Sharing Agreement for the North San Diego County Regional Recycled Water Project (NSDRRWP)

Amendment terms;

- One- year term to be expired on March 31, 2022
- Annual cost of approximately \$15,000

## Background:

- ❑ In 2010 the North County Wastewater Agencies formed the North San Diego Water Reuse Coalition (Coalition) to pursue federal grant funding
- ❑ In 2011 the Coalition entered into an agreement with BlueWater Strategies, previously The Furman Group, for legislative outreach efforts in pursuit of federal funds for the NSDCRRWP
- ❑ In 2015, Santa Fe Irrigation District (District) decided to participate in the federal legislative outreach efforts
- ❑ The Cost of the annual legislative outreach effort is evenly shared among the 9 participating agencies
- ❑ The agreement with Bluewater Strategies has been amended on an annual basis

## Scope of Service:

- Develop, Reestablish and strengthen relationships with key staff policy makers ( Congress, Senate, Biden Administration and San Diego Congressional Delegation)
- Submit Appropriations Request forms for Coalition's priorities to San Diego Delegation
- Educate Members of Delegation on Coalition Priorities in Biden Administration Infrastructure Bill
- Submit Title XVI grant application for 2021
- Organize Coalition Hill visit

## **Title XVI grant program:**

- For Recycled Water Projects/ Infrastructure
- Administered by the US Bureau of Reclamation
- Provides up to \$20 million or a 25% federal cost share for authorized projects
- Potential grant funding for the District is up to \$2 million
- Additional future funding opportunities through possible new infrastructure funding bill to be established by the current Administration

## **Regional Recycled Water Planning Effort:**

- SFID Eastern Service Area Recycled Water Project
- May result in up to 685 AFY of new non-potable demands.
- Estimated cost in the \$10 million to \$15 million range

## Conclusion:

- Staff will evaluate the District specific benefits received at the end of this year and make recommendations to the Board as applicable
- Staff will continue pursuing other grant funding opportunities through California's Integrated Regional Water Management (IRWM) program, US Bureau of Reclamation and US EPA