

SFID COST OF SERVICE PUBLIC HEARING

January 16, 2020



Cost of Service Timeline

March 21, 2019: Review additional rate structure options and process for cost-of-service

April 30, 2019: Discussion on alternative cost allocation strategies in accordance with American Water Works Association M1 manual (i.e. base-extra capacity methodology).

July 31, 2019: Update on base-extra capacity methodology outcomes and alternative of allocation of local water / varying availability.

September 19, 2019: Consideration of five (5) SFR rate structure options and overview of additional customer classes. Selection of 5 tier meter overlay rate structure for single-family residential and uniform rates for other customer classes. Overview of District revenue requirement of 3% per year for three years.

November 21, 2019: Review of draft cost-of-service report and Proposition 218 notice.

Outreach & Rate Payer Participation

December 10, 2019: District offices

December 11, 2019: La Colonia Community Center

January 8, 2020: Solana Beach City Council

January 9, 2020: Rancho Santa Fe Association

- Presentation utilized available on District website in addition to supporting documentation and SFID rates Q&A;
- Information to remain on SFID website, including bill calculator (viewed over 500 times);
- Proposition 218 Notice sent to customers on November 27, 2019 – approximate majority protest is 3,250

Requested Actions

- 3% total revenue adjustments February 1, '20 / January 1, '21 / January 1, '22
 - *Staff will return each fiscal year prior to January 1st to review proposed increase for SFID operations (max 3%) and SDCWA pass-through*
- 5 tier SFR structure with “meter overlay”, uniform for other customer classes
 - *First bills for all customer classes (except recycled water) will go out after April 1, 2020*
- Adjustments to bi-monthly fixed charges

Requested Actions

- 5yr SDCWA pass-through (January 1, '24) – max 5% rate impact
- 5yr SEJPA pass-through (July 1, '24) – max 7% rate impact
- Ability to implement demand management rates upon direction by Board
- Private fire charge adjustments

QUESTIONS?



SENATE BILL 998 IMPLEMENTATION

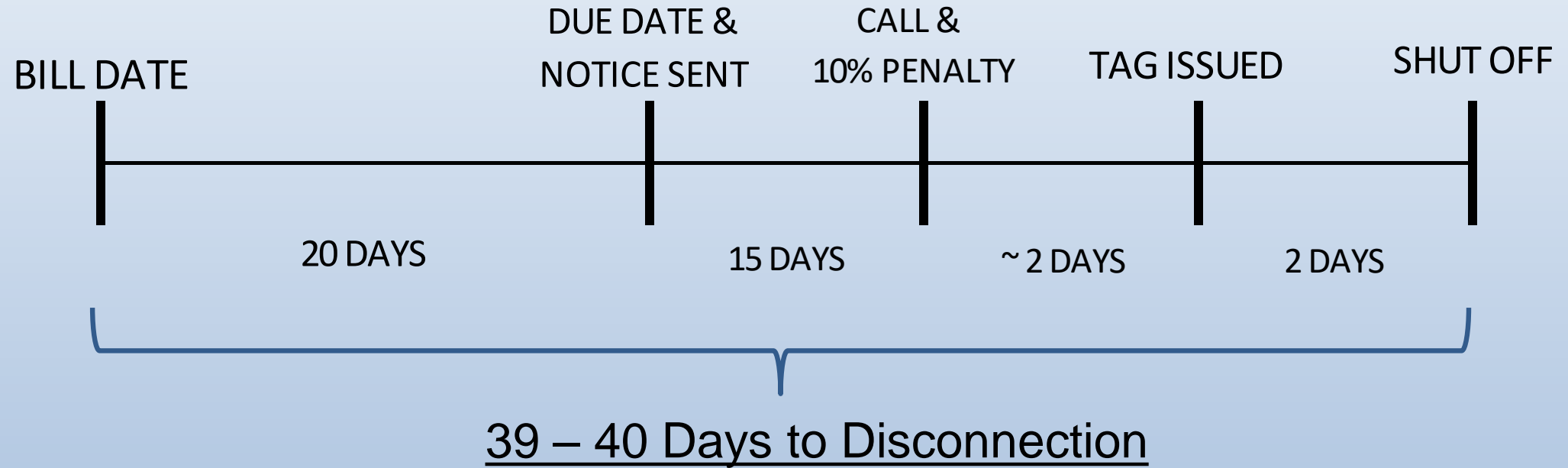
January 16, 2020



Senate Bill 998 Background

- Senator Bill Dodd introduced in 2018
- Recognized importance of water to life, health, and safety
- Intended to aid in avoiding residential (SFR and MFR) service disconnections due to non-payment
- Required implementation by February 1, 2020 for SFID and other agencies

Current SFID Timeline and Details

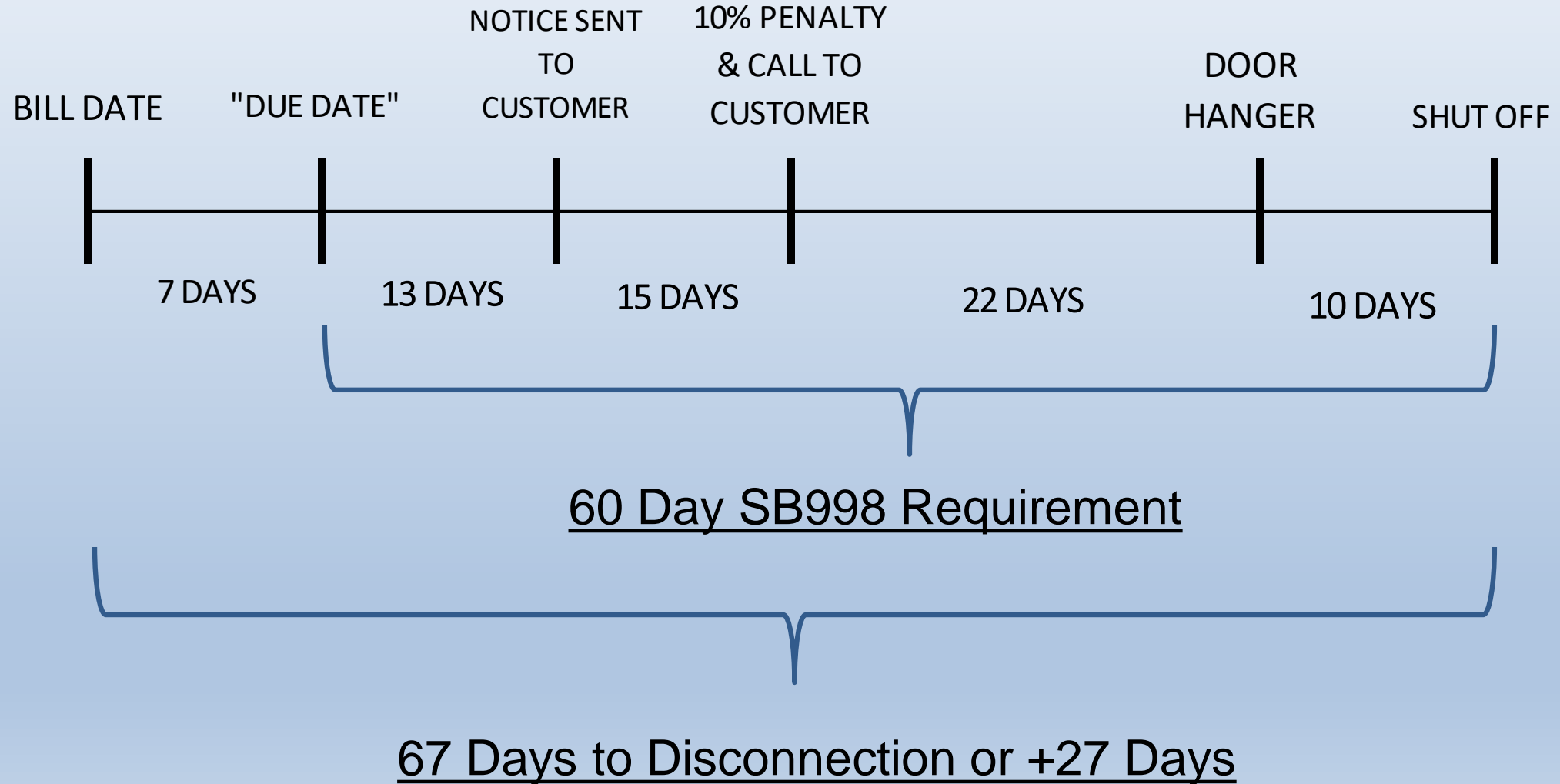


SB 998 Timeline and Details

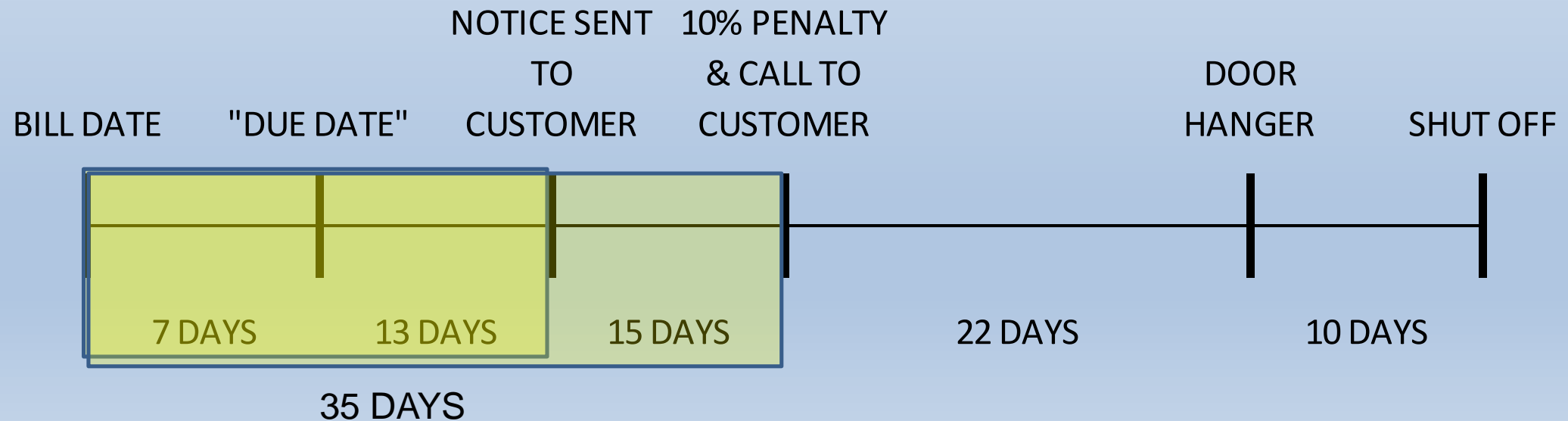
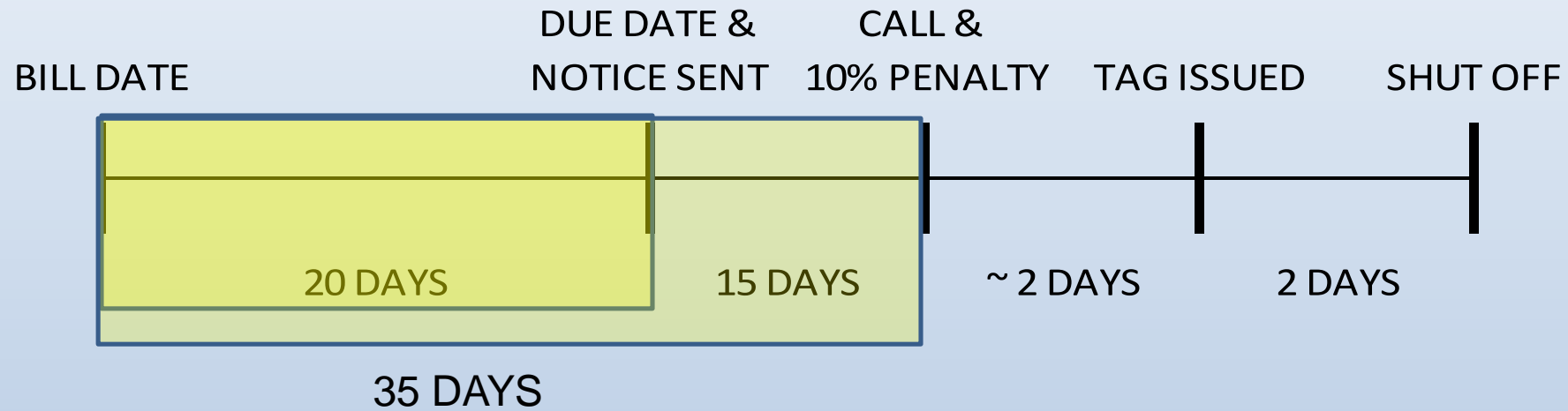
Considerations in New Timeline:

- Minimize disconnections
- Minimize customer confusion about timeline and any changes
- Current timeline ensures that payment occurs during the next billing cycle
 - ❖ 60 day requirement for SB998 makes any customer nearing disconnection have two billings due
 - ❖ Balance any potential financial impacts to District with requirements

SB 998 SFID Timeline and Details



Timeline Comparison & Customer Impact



Timeline Comparison & Customer Impact

Account Statement

ACCOUNT INFORMATION

ACCOUNT:

SERVICE ADDRESS:

SERVICE PERIOD: 10/2/2019 to 12/2/2019

BILLING DATE: 12/2/2019

PENALTY DATE: 1/5/2020

Senate Bill 998 Additional Requirements

Payment Plans:

- SB998 requirement for payment plans to be extended to disadvantage customers
 - ❖ SFID currently offers payment plans to all customers – continuation of practice of one per 12 months
 - ❖ Disadvantaged customers may have more than one per 12 months, but only one payment plan at a time

Late Fee:

- SB 998 requirement to waive one late fee for disadvantaged customers
 - ❖ SFID will offer all customers one waiver of late fee per 12 months on request

Policy of Discontinuation of Residential Water Service

- Required to be provided to customer nearing disconnection (with tag) and available on website – content is specified by SB998

Additional Customer Classes:

- For ease of management, revised timeline will be extended to all customer classes

Requested Actions

- Approved Administrative Code changes to comply with SB 998
- Approve Policy of Discontinuation of Residential Water Service

QUESTIONS?

