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.

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

BILL DATE

20 DAYS

DUE DATE & NOTICE SENT

15 DAYS

CALL & 10% PENALTY

~ 2 DAYS

TAG ISSUED

2 DAYS

SHUT OFF

39 – 40 Days to Disconnection
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

- **Bill Date**: 7 Days
- **"Due Date"**: 13 Days
- **Notice Sent to Customer**: 15 Days
- **10% Penalty & Call to Customer**: 22 Days
- **Door Hanger**: 10 Days
- **Shut Off**:

**60 Day SB998 Requirement**

**67 Days to Disconnection or +27 Days**
### Timeline Comparison & Customer Impact

<table>
<thead>
<tr>
<th>Event</th>
<th>Timeframe</th>
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<tbody>
<tr>
<td>Bill Date</td>
<td>20 Days</td>
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<tr>
<td>Due Date &amp; Notice Sent</td>
<td>15 Days</td>
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<tr>
<td>10% Penalty</td>
<td>~ 2 Days</td>
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<tr>
<td>Tag Issued</td>
<td>2 Days</td>
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<tr>
<td>Shut Off</td>
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<tr>
<td>Notice Sent To Customer</td>
<td>10 Days</td>
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<td>&quot;Due Date&quot;</td>
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Timeline Comparison & Customer Impact

<table>
<thead>
<tr>
<th>ACCOUNT INFORMATION</th>
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<tbody>
<tr>
<td>ACCOUNT:</td>
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<tr>
<td>SERVICE ADDRESS:</td>
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<tr>
<td>SERVICE PERIOD:</td>
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<tr>
<td>BILLING DATE:</td>
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<tr>
<td>PENALTY DATE:</td>
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</tbody>
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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?