

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: March 14, 2023

Report

Date: March 10, 2023

Subject: General Manager's Report

Recommendation:

Information Only.

Chris Mickelsen Is Appointed to the San Mateo Local Agency Formation Commission (LAFCo) as the Alternate Special District Member.

The election for the LAFCo Alternate Special District Member is now complete, and Chris Mickelsen has been appointed as the Alternate Special District Member to serve through May 2024.

San Francisco Public Utilities Commission (SFPUC) Projected Rate Increase for Fiscal Year 2023-2024

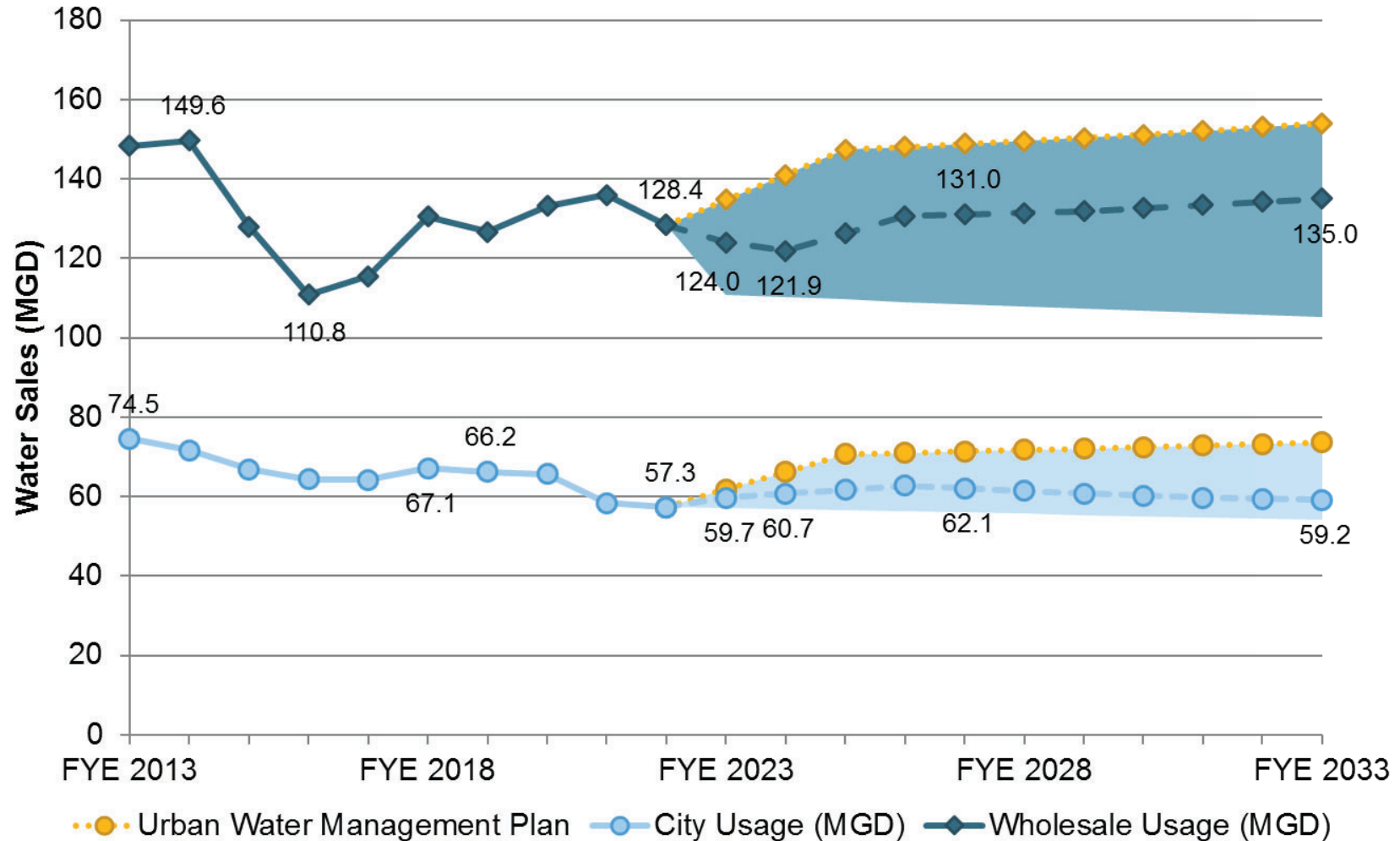
At SFPUC's annual meeting for the BAWSCA wholesale customers held February 21, 2023, SFPUC staff provided projections for a rate increase for the wholesale customers for the upcoming fiscal year at 11.6%. A rate increase is scheduled to be voted on at a Commission rate hearing in May 2023. The increase would be effective July 1, 2023.

At last year's annual meeting held in February 2022, the projected rate increase for FY 2023-2024 was 10.9%. (The 10.9% SFPUC rate increase was included in the District's rate model.)

SFPUC projections for Fiscal Years 2024-2025 through Fiscal Years 2026-2027 are at 0% assuming moderate growth in water sales. Historically the balancing account (balance to/from the wholesale customers to SFPUC) has allowed for SFPUC rate stability in recent years, however the balancing account is now at a zero balance.

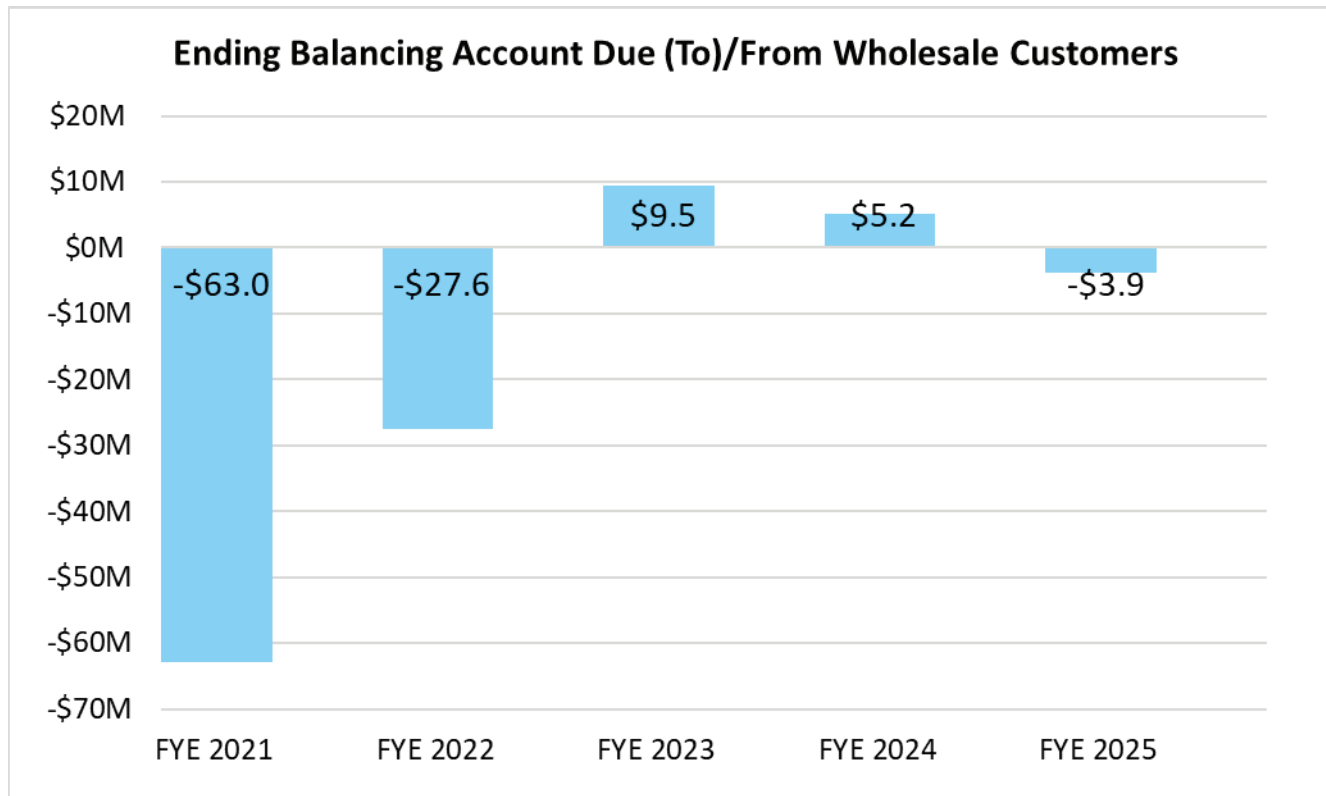
SFPUC Regional Water System

Water Sales: Actuals and 10-Year Financial Plan Projections



Balancing Account Impact

- Balancing account owed to wholesale was very high in recent years, allowing for lower rates as SFPUC paid it back
- Projecting full pay-back and money owed to retail by the end of this fiscal year
- No balancing account limits ability to smooth rate increases



Wholesale Revenue Requirement and Balancing Account

Wholesale Revenue Requirement Summary

(\$M)	Actual		Projected				
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Wholesale Revenue Requirement (WRR)							
Operating Costs	130.5	137.0	137.2	142.0	146.0	150.2	154.4
Debt Service	147.3	158.9	158.7	160.2	173.9	175.0	188.3
Revenue-Funded Capital	9.6	16.9	16.7	16.8	16.9	17.0	17.0
Subtotal WRR	\$287.4	\$312.8	\$312.6	\$318.9	\$336.8	\$342.1	\$359.7
Adjustments & Payments	(0.3)	(0.3)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Debt Service Coverage	2.3	14.2	1.5	0.5	4.8	0.4	4.7
Total Wholesale Revenue Requirement	\$289.4	\$326.6	\$313.9	\$319.2	\$341.3	\$342.2	\$364.1
Wholesale Rate Increase	0.0%	15.9%	11.6%	0.0%	0.0%	0.0%	4.5%
Rate (\$/CCF)	\$4.10	\$4.75	\$5.30	\$5.30	\$5.30	\$5.30	\$5.54
Usage Basis (MGD)	128.4	124.0	121.9	126.2	130.6	131.0	131.4
Total Wholesale Revenues	\$257.0	\$289.6	\$318.2	\$328.3	\$339.7	\$340.7	\$358.0
Balancing Account Due (To)/From Wholesale Customers							
Beginning Balancing Account	(63.0)	(27.6)	9.5	5.2	(3.9)	(2.3)	(0.9)
Revenue Under/(Over) Collection	35.4	37.0	(4.2)	(9.1)	1.6	1.4	6.1
Ending Balancing Account	(27.6)	9.5	5.2	(3.9)	(2.3)	(0.9)	5.2