

## Council Questions

### June 11, 2024 – City Council Meeting

#### ITEM 4.4 Shelter Crisis Extension and Annual and One-Time Homeless Services Agreements

1. For how long the St. Timothy's Lot has been "on hiatus?" At this point, shouldn't we just remove it from the list?

St. Timothy's has been on hiatus since just after the pandemic transition back to in-person work (2021) and is kept on the list due to continued interest in rejoining service. Staff will remove the lot from the City capacity count and add it as a footnote for future reports and communications. **It remains on the County site list.**

#### ITEM 4.5 2023-24 North Bayshore Trip Cap Monitoring Reports

1. On the average, biking has dropped since the pandemic and stayed down for some time. Do you have any guesses as to why?

Bicycle mode share has been impacted by hybrid work and incremental return to work policies. Hybrid work has allowed employees to be less sensitive to the distance between their residence and work by not having to physically commute onsite every workday. Thus, not as many commuters may be living within walking/biking distance of North Bayshore, contributing to the decrease in active mode commuter volumes. Additionally, the decline in Caltrain ridership has also resulted in less last mile connections by bicyclists into NBS, and most recently, the temporary closure of Permanente Creek for construction in spring 2023 contributed to reduced biking.

2. Transit use is also down since the pandemic. Do the figures reflect mostly private bus transit or mostly public transit?

The decrease in transit ridership is mostly due to the decrease in private transit ridership. The private transit ridership makes up over 95% of overall transit ridership in the North Bayshore district, which decreased from 5,600 riders during AM peak period in spring 2020, to 2,500 riders during AM peak period in Spring 2024. Similar magnitude of decrease was observed for the PM peak period. One possible explanation for the decrease in the transit ridership could be due to the increased health concerns with riding transit vehicles as a result of the COVID-19 pandemic, thus leading to people preferring to commute via single-occupant vehicle (SOV) and high-occupancy vehicle (HOV).

3. Do these figures have any implications for our reversible bus lane?

Staff has been monitoring transit patterns, specifically the return to office in the North Bayshore area and noting the slow bounce back of transit use. As a result, on January 30, 2024, staff recommended to the Council Transportation Committee (CTC) that the Shoreline Bus Lane and Utility Improvements project be phased. The first phase would complete all the original scope elements of the project, except for the median bus lane element.

The second phase would be a feasibility study of interim pedestrian or bicycle improvements through the U.S. 101/Shoreline Boulevard interchange. The third phase would construct the median bus lane element when conditions in North Bayshore support the use.

CTC supported staff's recommendation. Staff will bring this phasing recommendation for Council's consideration at a future Council meeting.

4. Do you think these changing figures have any implications for how we should plan our North Bayshore-related infrastructure in general?

The planned North Bayshore transportation infrastructure will provide a connected transportation system that prioritizes active transportation and transit use, both for accessing North Bayshore and for local circulation within the North Bayshore area. This transportation network is needed to serve both the residential and commercial development in North Bayshore. The current changes in travel demand post-pandemic and slowdown in office development does not change the transportation infrastructure needed for a complete transportation system in North Bayshore, but it does change the timing of when these improvements should be implemented. Staff will continue to monitor the changes in travel demand and recommend to Council changes to project delivery timing as appropriate through the Capital Improvement Program.

#### **ITEM 4.7 2231 West Middlefield Road (APN: 147-17-097)-Acquisition of Real Property**

1. Does the City pay the capital gains tax for the property owner?

No. Public agencies are not required to pay the capital gains tax for the property owners when a property is acquired.

#### **ITEM 4.8 Annual Street Maintenance, Projects 23-01 and 24-01-Professional Services Agreement**

1. Should #16 (Mardell Way) reference Victory Ave., not Victoria Ave.?

Yes, the referenced street intersecting with Mardell Way should be Victory Avenue, not Victoria Avenue. This was a typographical error.

2. Glad to see all this street pavement planned for next summer. Will it include any bike improvements or addition of trees along streets or in medians?

Refreshing/updating of existing bicycle lanes will be included as part of the roadway pavement maintenance project. The pavement project does not include tree plantings.

3. Please remind us of what the street pavement work planned for this summer is.

There are three projects this year for construction of pavement maintenance:

- SB-1 Street, 21-30 - Currently in construction. Locations include Velarde Avenue, Bay Street, Pamela Drive, Fairbrook Drive and Doverton Square.
- California Street Complete Street Pilot, 21-40 – This project was approved by Council on May 28 and construction will begin this fall.
- Miramonte Pavement Improvements – Council will consider approving the plans and specifications, and authorizing staff to advertise this project at the June 25 meeting. Construction is expected to start this fall.

#### **ITEM 4.9 Valley Water Cost-Sharing Agreement**

1. Smart Metering is known for being a strong conservation method. Please share a little about how AMI systems contribute to water conservation.

Smart Metering allows customers to monitor water use in near real-time, allowing for customer-side leaks to be detected and fixed earlier than with traditional bi-monthly meter reading. Real-time use monitoring also allows customers to analyze their water use patterns and identify opportunities for conservation, such as installing new water-efficient equipment and modifying high water-use behaviors.

2. Why are we doing recycled water when the city has more water than we can use?

Recycled water increases the City's water resiliency by providing a local, drought-proof water supply to diversify our water portfolio. Although in some years the City has more water than we can use, in other years the City is subject to water supply reductions. These dry year cutbacks are projected to increase in the future. Recycled water improves the City's dry year water supply allocation, resulting in lower cutbacks during droughts.

3. What are the long-term cost implications of building these facilities?

The long-term costs for Mountain View's Recycled Water Expansion Program are detailed in the City's updated Recycled Water Feasibility Study (discussed with Council on March 22, 2022). The estimated capital cost for completing the North Bayshore recycled water system is \$27.4 million (Alternative 1), with an additional \$47.9 million needed to expand recycled water into the East Whisman Area (Alternative 3).

The long-term costs for replacing the City's existing water metering system with advanced metering infrastructure (AMI) is estimated at \$13.3 million. Much of these costs would be incurred irrespective of whether the new water meters were AMI-capable or not.

4. We get funding through Valley Water now, but how is long-term maintenance funded?

Long-term funding for water system operation and maintenance is funded through the City's Water Fund, which is primarily supported by water rates.

#### **ITEM 6.1 Holistic Citywide Review of Street Parking Regulations**

1. Can the City legally require new development subject to AB 2097 to "help cover the costs of parking permits and establishing permit zones?"

A legal analysis will be required to respond to this question. If Council supports staff's recommendation for a comprehensive review of the Residential Parking Permit (RPP) Program, a legal review will be included in the analysis of any proposed changes to the program and options related to potential development requirements.

2. Can the City legally prohibit residents in newly constructed multifamily dwellings from participating in RPP zones?

A legal analysis will be required to respond to this question. If Council supports staff's recommendation for a comprehensive review of the Residential Parking Permit (RPP) Program, a legal review will be included in the analysis of any proposed changes to the program, including who may be able to participate.

3. Are unmarked crosswalks, any intersection? If so, that would make it illegal to park on a corner, correct?

Per the California Vehicle Code (CVC), Section 275, a crosswalk is present (marked or unmarked) where there are sidewalks, and the roadways intersect at approximately right angles. Parking on the approach side of a corner that meets this definition would be a violation under the CVC Section 22500(n), which prohibits parking within 20 feet the approach side of a marked or marked crosswalk.

4. Can you define discharging sewage? Does it include discharging sewage into a container that is hanging from the vehicle or placed on the ground? If not, why not? (Page 4)

The means of discharge of sewage is outlined in MVCC Section 35.32.3.1 which notes "It shall be unlawful to discharge or cause a threatened discharge to any curbside gutter, storm sewer, storm drain gutter, creek, or natural outlet any domestic sewage, sanitary sewage, industrial wastes, polluted waters, construction waste, litter or refuse except where permission is granted by the fire chief. Unlawful discharges to storm drains shall include, but are not limited to, discharges from: toilets, sinks, commercial or industrial processes, cooling systems, air compressors, boilers, fabric or carpet cleaning, equipment cleaning, vehicle cleaning, swimming pools, spas, fountains, construction activities (e.g., painting, paving, concrete placement, saw cutting, grading), painting and paint stripping, unless specifically permitted by a discharge permit or unless exempted pursuant to regulations established by the fire chief. Additionally, it shall be unlawful to discharge any pollutants or waters containing pollutants that would contribute to violations of the city's stormwater discharge permit or applicable water quality standards." Therefore, discharge into a container is not included.

5. Does an obstruction of a sidewalk include a vehicle parked in a driveway but a portion of it intrudes into the sidewalk?

Yes, obstruction applies to a vehicle parked in a driveway with the exception of a vehicle's lights, mirrors, or devices that are required to be mounted upon a vehicle, which can encroach onto the sidewalk but cannot extend over 10 inches according to the CVC 22500(f).

6. Does parking within 18" of a curb mean a vehicle needs to be no more than 18" from the curb? (Page 4)

Correct, a vehicle's right-side wheels need to be no more than 18" from the curb (CVC Section 22502). Some exceptions to this provision in the CVC can be found [here](#).

7. Is it illegal to block one's own driveway?

Yes. The CVC does not provide exemptions for residents or property owners to block their own driveway.

8. What are examples of parking areas being used for storage? (Page 8)

There have been instances of trailers storing materials or equipment being parked in the street for extended periods of time.

9. Are shipping pods regulated in any way on the street?

The City of Mountain View does not allow the placement of PODS or other storage units on the public roadway. They do not meet CVC Section 670 that defines a vehicle; therefore, they are not allowed to be "parked" on the street. Placement of these storage units in the public right of way may result in a code enforcement violation if they are not interfering with safe use of the roadway and Police enforcement if obstructing safe use of the roadway.

10. Why are only some streets marked No Parking on Street Cleaning days?

There are six streets posted with no parking signs for a 2-hour period on specific days to allow for specially scheduled street sweeping. These streets were selected 10 to 20 years ago as requiring the extra sweeping, with posted notices to allow enforcement, due to the high density of existing on-street parking on those streets not allowing the street sweeper to be effective. These streets are California Street (Shoreline Blvd. to Ortega Ave.), Crisanto Avenue (Escuela Ave. to Rengstorff Ave.), Foxborough Drive (Hedgerow Ct. to Sylvan Ave.), Latham Street (Showers Dr. to Chiquita Ave.), Ortega Avenue (El Camino Real to Mora Ct.), and Sylvan Avenue (Glenborough Dr. to Moorpark Way).

11. Why is the parking in front of the post office not timed parking all the time given the amount of self service in the post office such as PO boxes.

While time-limit parking is intended to support adjacent land uses, they are not intended to be designated for the exclusive use of each business and all their operations. Most post office services are closed by 5:00 pm; the 24-minute regulation ends at 6pm. Additionally, this maintains consistency with other nearby regulations to minimize confusion of time limit enforcement hours in the general downtown area.

12. When the original RPPP was created, did staff look at RPPPs in other cities? If so, please share the information.

Yes, staff looked at several other programs. These are included in the "Existing Residential Permit Programs Research Report" developed in December 2014, which can be found here:

<https://www.mountainview.gov/home/showpublisheddocument/1470/637956459087570000>

13. There are many, many vehicles that are parked illegally in the city. How are parking regulations enforced throughout the city?

Proactive parking enforcement is primarily conducted by Police Assistants and Community Services Officers (CSOs), who are tasked specifically with patrolling for parking violations. This includes monitoring for unauthorized use of handicap parking spaces, vehicles parked in red zones, and compliance with timed parking restrictions. While our patrol officers and CSOs also respond to parking complaints as they are received, proactive parking enforcement by these officers occurs less frequently. However, while it is less common for our patrol officers to conduct proactive parking enforcement, they may do so at their discretion.

14. Approximately what is the mileage of non-City Streets within city boundaries?

El Camino Real, Central Expressway, and RT Jones Road total approximately seven linear miles within Mountain View. Additionally private streets typically found in larger private commercial, office, and residential developments are considered non-City streets within City boundaries; staff does not have this mileage information available.

15. Page 4. What is a curb extension?

Curb extension is when the curb is modified to widen the sidewalk and narrow the street at corners or mid-block crosswalks to provide additional pedestrian sidewalk space and reduce street crossing distance.

16. Page 8 How is storage on a street defined?

The term "storage" is not explicitly defined in CVC or MVCC. In general, staff interprets this as someone choosing to use the street to store their personal or business items or equipment in a trailer, vehicle, or other container.

17. Page 8 The prohibition of working on cars in public streets seems like it's outdated. Aren't the days of the shade-tree mechanics over?

Vehicle repairs and servicing can create contaminated runoff. Prohibition of parking vehicles on street for the purpose of repairing them reduces likelihood of pollutants flowing into storm drains. Additionally mobile car repair services have increased in popularity and the regulation ensures the public right of way is used for public use rather than a private entity in the business of repairing vehicles.

18. Page 8 Also, why do we prohibit washing cars on public streets? Is it due to stormwater protection requirements?

Washing cars can create contaminated runoff. Prohibition of parking vehicles on street for the purpose of washing them reduces the likelihood of pollutants flowing into storm drains.

19. How much workload is associated with the recommendation to update the MVCC?

The task to update the MVCC would involve a legal analysis of the California Vehicle Code, the Mountain View City Code, as well as a review of best practices of parking regulations in municipal codes; therefore, the effort to provide updates would be extensive involving Traffic Engineering, Police, and City Attorney. Additionally, if Council supports staff's recommendation for a comprehensive review of the Residential Parking Permit (RPP) Program, any final approved revisions may need a MVCC update to align with the revised program; therefore, all tasks relating to RPP Program review should be completed prior to City Code update.

20. Why aren't there restrictions throughout the City for street-sweeping? It is such an important part of our stormwater protection efforts.

Current street sweeping efforts have been adequate to keep debris out of our storm drains. The costs to add restrictions (sign installations), sweep according to the limited hours specified on the signs, and subsequent enforcement would be substantial and not provide significant benefits.

21. Explain why street sweeping is important.

Street sweeping removes debris from gutters and roadsides, resulting in less debris in the storm drains and in creeks and preventing localized flooding during storms. It also provides for general cleanliness of streets.

22. In the Staff Presentation, please explain what all the color codes on the parking restriction mean.

The general application of curb colors is identified in Attachment 1 of the staff memo (see Regulations R30-R34). Staff is not planning to go into this level of detail in the presentation in order to keep the presentation from being too long; however, staff will be prepared to answer questions about the curb colors.

23. The staff report says, "The MVCC does not include any specific restrictions related to the use of public street parking areas for storage or business purposes (e.g., trailer storage, work/company vehicles, cars for sale) ..." Do other cities have these restrictions?

It is unknown if other cities have these types of regulations. Staff will research what other cities have if Council wants this considered as part of the recommended code update task.

24. Do we know if people in our affordable housing projects – who may be essential workers and more likely to go into work every day or own service vehicles, or may live in larger extended families with multiple teens or adults with cars – actually use less or more parking per housing unit than in our market rate housing projects?

Staff does not have this information, but this could be part of the research conducted if Council supports the recommendation for a comprehensive review of the Residential Parking Permit Program.

25. Is there anything regarding ride hailing, delivery, rental bikes and scooters and AV parking that we should look into for our MVCC?

The establishment of taxi stands is the only ride-hailing regulation in MVCC. Deliveries are considered under loading zone regulations and bike and scooter parking is considered under MVCC 19.57.

26. Toronto is doing compact car parking only in some parts of the city. Is that something cities are doing to cut carbon emissions?

When parking stalls are marked on the street for parallel parking, they must accommodate most passenger vehicles per standard design guidelines. Such markings provide stalls that are longer than the space most sedans occupy and more red zones than typical, resulting in a significant loss of parking. For this reason, parking stall markings are not typically installed. Larger cities with metered parking will often use compact parking to maximize the use of curb space, but generally designating and marking compact spaces has not been known to be a local practice to address emission concerns.

#### **ITEM 7.1 Fiscal Year 2024-25 Recommended Budget and Fiscal Years 2023-25 Council Work Plan: 12-Month Project Updates**

1. What was the 3<sup>rd</sup> quarter General Sales Tax payment received from CDTFA? How does this compare to the 1<sup>st</sup> and 2<sup>nd</sup> quarter payments, and does this change any sales tax projections/assumptions moving forward?

Sales tax revenue declined slightly Q3 and Q4 2023 compared to the same quarter in the prior fiscal year. The City received the final distribution for Q1 2024 late May which decreased 6.4% compared to the prior year. We would need to receive \$5.6 million Q2 2024 in order to meet the sales tax estimate for the current fiscal year which is possible as we have received \$5.8 million in the same period in the last two fiscal years.

##### Bradley-Burns Local Tax Distribution

Q3 2023 = \$6.2M (1.4% below Q3 2022)

Q4 2023 = \$6.0M (essentially the same as Q4 2022)

Q1 2024 = \$5.1M (6.4% below Q1 2023)

Staff is not recommending any revisions to current or future projections at this time. Staff will receive another sales tax update from the City's consultant, HdL, in late July/early August.



2. Does the Legislature's rejection of the Governor's ERAF budget proposal change any projects/assumptions?

Even though the Governor's request to include charter schools in the excess ERAF calculation wasn't reflected in the state Senate and Assembly's joint budget proposal released on 5/29/24 there is speculation that it may still be in play as a condition for the Governor to sign an agreement by the 6/15/24 budget deadline. Until the State budget is adopted, staff is not recommending any change to the City's projections/assumptions related to excess ERAF revenue.

3. Does the proposed budget include or exclude the \$757,000 that would have been at risk from the Governor's proposal?

Historically, it has been the City's practice to not include excess ERAF in the revenue budget of the General Fund, due to the potential for the revenue source to be reduced or eliminated. With recent interest from the State in challenging the calculation of the excess ERAF distributions and given the state's projected budget deficit, staff recommends the continuation of this practice.

4. Can staff clarify the \$12,210,281 proposed to be expended for equipment purchases from the Equipment Maintenance and Replacement Fund (page 5-31)? This is an unusually large expenditure, and quite so when thinking about the Fire fleet replacement approved not long ago.

Please refer to Fiscal Year 2024-25 Recommended Budget pages 7-52 and 7-53 for the list of items that will be replaced by the Equipment Replacement Fund.

5. Where would the annual contribution to the Silicon Valley Animal Control Authority (SVACA) be found? It isn't in the Citywide Memberships list on page 7-7, although that may be a good place for this.

The annual contribution to the Silicon Valley Animal Control Authority (SVACA) can be found on pages 4-232 and 7-10. Staff did not include this item on page 7-7 as this is a service that we engaged with the organization to provide, not a membership.

6. A related question – is the proposed decrease in SVACA annual contribution as a consequence of the addition of the Town of Los Gatos to the JPA factored into the budget?

The Police Department was not made aware of the decrease in the City's annual contribution to SVACA because of the addition of the town of Los Gatos until after budget requests were submitted and the Recommended Budget was being compiled. No adjustment to the Recommended Budget has been made. Staff will propose including the reduction in the Adopted Budget.

7. In case the Council may wish to slow/soften the impact of the increases to utility rates (7-58), what are some alternative approaches or strategies we could consider?

**For Water** – The provider cost increases (8.8% SFPUC and 12.9%/12.2% SCVWD) plus 2.4% CPI for inflation (City costs) results in over a 6% rate increase that would have been applied across the board had there not been a fee study. The recommendation is a 6% revenue increase but instead of across the board, it includes rate structure adjustments to align rates with the cost of doing service.

If Council wanted to adopt a lower % revenue increase, the City would not be collecting enough to cover costs and would likely have to make that up with a larger increase in the future, requiring another Prop 218 hearing. The current Prop 218 notice also includes future increases (above passthrough and inflation) for system operations and capital improvement needs. There is approx. \$33.0 million of priority infrastructure improvement projects needed over the next ten years (pg. 1-30 of RB Transmittal).

**For Wastewater** – The provider cost increase (3.2% Palo Alto Treatment Plant operating, not including future capital costs) plus 2.4% CPI for inflation (City costs) results in slightly less than a 3% rate increase needed, that would have been applied across the board had there not been a fee study. The recommendation is 3% revenue increase which includes a 2% increase for Treatment Plant future capital costs (extending the plan to increase rates 2% per year over ten years because of cost increases), so the increase is already slightly lower (1% revenue + 2% Treatment Plant future capital). Instead of an across-the-board increase, it includes rate structure adjustments to align rates with the cost of doing service (spreading some of this over 2 years). If Council wanted to adopt a lower % revenue increase, the City would not be collecting enough to cover costs and would likely have to make that up with larger increases in the future (see water write-up above). Or if Council did not want to include the 2% for Treatment Plant future capital, an increase would be needed in the future to pay for the City's share of debt for capital costs. The current Prop 218 notice also includes future increases (above passthrough and inflation) for system operations and capital improvement needs. There is approx. \$40.0 million of priority infrastructure improvement projects needed over the next ten years (pg. 1-32 of RB Transmittal).

**For Solid Waste** – The provider cost increases (4.87% Recology and 14.3% SMaRT Station) plus 2.4% CPI for inflation (City Costs) results in slightly more than a 6% increase needed. Unlike the water and wastewater rate studies for which rate structure adjustments did not result in any additional revenue increase needed, the Solid Waste rate study showed the need for a 10% overall revenue increase, on top of the provider cost increases for FY24-25. As stated in previous years' budget documents and Prop 218 notices, costs have increased significantly over the past few years to abide by Senate Bill 1383 which mandates residential and commercial organics composting. However, rates have only been adjusted by provider cost increases until such time a rate study could be performed. As such, the City has relied on the available balance in the fund. The rate study impacts vary based on account type and are recommended to be phased in over a three-to-four-year period to lessen the impact. Again, the City will be relying on available fund balance to get through this period. If Council wanted to lower the % revenue increase needed for provider cost increases, the City would not be collecting enough to cover costs and would likely have to make that up with larger increases in the future. If Council wanted to phase in the rate study revenue increases needed over a longer period, staff would need to reevaluate if there would be sufficient available fund balance.

8. How much excess ERAF has the city been receiving on an annual basis over the past 5-10 years?

Fiscal Year	General Fund Excess ERAF Revenue
2014-15	983,254.47
2015-16	1,086,457.82
2016-17	779,677.31
2017-18	1,589,625.08
2018-19	3,233,338.65
2019-20	4,706,825.60
2020-21	6,841,404.74
2021-22	8,259,877.16
2022-23	8,156,584.26
2023-24 (will receive late June)	9,201,399.04

9. What are Development Updates in the chart on page 1-6?

Development Updates refers to a monthly report that the Planning Division provides the Downtown Committee on the various planning permits and associated development projects within the Downtown Precise Plan area. The monthly Development Project report for Downtown is posted online at: <https://econdev.mountainview.gov/downtown/ongoing-downtown>.

10. What is the schedule of funds going into the Sea Level Rise Reserve? Given the estimated \$122 million cost of projects, why are more funds not being put into the reserve? (Page 1-28)

Given the fiscal condition of the Shoreline Regional Park Community Fund and the estimated capital projects spending timeline related to the Sea Level Rise project, staff recommended increasing the annual contribution to the Sea Level Rise project from \$3 million to \$6 million.

11. On page 1-29 the budget includes a 14.1% increase in meter rates. What is driving the increase in meter rates?

The 14.1% increase in meter rates is from SFPUC to the City. See top of page 2 attachment and schedule on page 9. The City is charged for one 6", one 8", and four 10" Turbine Meters. The 6" is going from \$1,256/mo. to \$1,438/mo. The 8" is going from \$1,875/mo. to \$2,517/mo. and the 10" is going from \$3,391/mo. to \$3,775/mo. In total, the annual charge is going from \$200,340/yr. to \$228,600/yr. or a 14.1% increase.

12. On page 1-29 it says, "The Recycled Water consumption rate is increasing due to upcoming capital improvement costs ...". Is the consumption rate increasing or is the cost increasing? Consumption rate could be interpreted as the volume of recycled water used per day.

The consumption rate (charge per unit of recycled water used) is increasing because City costs are increasing (capital improvement costs). So, the City needs to collect more revenue to cover the increased costs.

13. What does this mean “\$3.4 million being returned to development impact fees.” on page 1-31? And “\$1.0 million being returned to development impact fees.” on page 1-32?

The \$3.4 million mentioned on page 1-31 refers to unspent capital project budget appropriations that are going back into the Water Development Impact Fee subfund, to be re-appropriated on future projects. Similarly, the \$1.0 million mentioned on page 1-32 refers to the unspent capital project budget appropriations that are going back into the Wastewater Fund – Development Impact Fee subfund, to be re-appropriated on future projects.

14. Why do we typically reference the utility cost increases for a single-family residence when multi-family residences comprise the majority of the housing in the city?

Please refer to Fiscal Year 2024-25 Recommended Budget Page 7-80 for the comparison of the utility rates for Single Family, Multi-Family, Apartment Complex and Commercial. Staff will consider referencing to this page in future budget transmittals.

15. What has been the traffic and usage of [www.ilovemv.org](http://www.ilovemv.org) online marketplace? (Page 1-60)

The Chamber of Commerce has shared that the overall ilovemv.org site is still under reconstruction as the Chamber transitions it from serving as the primary portal for COVID information back to its original intent of being the site for the Visitors Center. The Chamber has not marketed the site and meaningful metrics are not available except for the ilovemv gift card. Over the past 12 months, 104 gift cards have been sent with a value of \$6,500.

16. How many people/families living in RVs at the city’s safe parking lots have transitioned to more stable housing? What is the average length of time that a person/family stays at the city’s safe parking lots?

Below is the data from page 8 of the [2023 Homeless Initiatives Update](#) provided to Council and available on the City website for reference (see attachment). This is based on the latest available data, which is from Fiscal Year 2022-23:

- 37 clients exited the program.
- 48% of the clients who exited the program went to permanent housing destinations (the County's target is 30%)
- For the 37 clients who exited the program, the average length of the stay was 154 days.

17. How many customers are not compliant with mandatory composting per state requirements as stated on page 1-73?

There are 410 customers non-compliant with SB 1383 mandatory composting out of 1,564 total commercial and multi-family accounts subject to the requirements.

18. What information does the GIS Rent Stabilization Division platform provide that helps the public understand the City's rental market? Why is this needed? (Page 1-73)

The "GIS Rent Stabilization Division platform" is a public facing website that includes an interactive map of multi-family rental units in the City. The updated, user-friendly map allows the public to see what units are covered by the CSFRA and MHRSO. The work undertaken this year updated the map to include MHRSO covered units and affordable housing units, including those not covered by the CSFRA. It also now includes summary information in an infographic format and an improved search function. The updated map is anticipated to be released in the summer of 2024.

19. What specifically is this statement referring to "Reviewed internal procedures and systems to maximize efficiencies" on page 1-74?

The City Clerk's Office routinely evaluates its internal procedures to determine whether updates would result in operational efficiencies. Some areas that have been and continue to be updated are: use of a QR code for City Council agenda and reports in lieu of hard copy production; streamlined process and timing for recruitment and onboarding of members to boards, commissions and committees; streamlined public records act request routing, document redactions, review and response; processing previously digitized permanent records for public consumption through Laserfiche portal; proofing of newly codified ordinances for accuracy; migrating paper-based processes to digital; streamlined management of records and storage at the City's Municipal Operations Center; and production of procedures and videos for liaisons to boards, commissions and committees to encourage uniformity in agendas and minutes.

20. What is the usage by the public of the OpenGov transparency portal? (Page 1-75)

FASD has not officially announced or launched the OpenGov transparency portal on the City's website to the public, although the information currently contained on the portal is updated daily and is available to the public. Once we announce and launch an updated portal with a refreshed look, staff will begin collecting usage data. This is expected to occur over the summer.

21. How specifically was the rental housing petition process streamlined as noted on page 1-75?

Staff simplified petition forms; clarified instructions and supporting materials; and redesigned all petition related webpages to improve understanding and accessibility of the process and accompanying materials for landlords and tenants. For example, two separate forms were combined into one form so that petitioners can file one petition and address multiple issues at once which reduced repetitive filings for one unit. Additionally, excel workbooks with auto calculating formulas were created or updated so that landlords and tenants can more easily petition the City without having to perform calculations on their own. Furthermore, the Rental Housing Committee amended Hearing Procedure timelines to more appropriately process decisions, including taking into account time for translation and interpretation support.

22. Why are the CSFRA/RHC expenditures increasing by such a large amount? (Page 1-78)

The Fiscal Year 2024-25 budget proposes additional funding for staffing, both permanent and temporary, necessary to implement RHC-adopted requirements. The RHC has established policies, regulations, and procedures for effective implementation of the rent stabilization programs. Highlights of recent and ongoing efforts include:

- Adopted regulations to increase compliance with CSFRA/MHRSO requirements, including establishing late fees for non-payment of annual fees, failure to timely register rent stabilized properties, etc.
- Adopted regulations clarifying the definition of rent in relation to utilities. As part of these regulations, a One-Time Utility Adjustment Petition process was outlined with the expectation that staff would implement the process in Q1/Q2 of Fiscal Year 2024-25.
- Enhanced ongoing staff outreach and education to help more landlords and tenants know their rights and responsibilities under the law.

As noted by staff during prior RHC meetings, adopting these program requirements would require additional staff capacity, including temporary, hourly, and/or permanent staff. The RHC's Fiscal Year 2024-25 budget proposes a reduction in expenditures related to general operating costs and professional services, which will offset a portion of the increased costs. Increased efficiencies with administering the rent stabilization program (such as through the online portal, which lowers time and costs through extensive data tracking capabilities) is anticipated to also help reduce operating costs. While the CSFRA shows an increase in expenditures, the MHRSO shows a decrease.

23. On page 3-31 library fines are referenced. Weren't library fines eliminated? If so, what year?

The Library no longer collects overdue fines for items that are returned past the due date, or processing fees for lost or damaged items. These fines were eliminated in FY 2019-20. The Library still collects fees for the cost of replacement of items that are lost or damaged. [See FY 2023-24 Master Fee Schedule, page 70 of 102].

24. Page 3-36 of the staff report references a Google reimbursement agreement that expired in FY 2022-23. What was that agreement about?

The Google reimbursement agreement provided funding for limited period Senior Planner positions in the Community Development Department and limited period Associate Civil Engineer positions in the Public Works Department, at the fully burdened cost to the City, including administrative overhead. This funding was to provide staffing resources to the Departments to ensure capacity was available to process Google planning applications.

25. The Development Services Fund has been running a deficit for a while. Why have rates not been adjusted prior to the current study?

Historically, DSF rates/charges have been intermittently updated based on inflation/CPI. Once deficits were identified several steps were taken to begin to address the deficiencies: an RFP was prepared and issued, and a consultant was engaged in December 2023. The typical timeline for a cost allocation plan update and user fee study is 12-18 months and staff is working towards completion within 12 months. Going forward, staff is planning to have a consulting firm prepare a review and update every 5 years.

26. Do retirees receive annual COLA increases in their pensions? If so, how are the increases calculated?

Yes, retirees covered under CalPERS may receive annual COLA increases based on their prior agency contracted COLA and the year of their retirement. The City of Mountain View's contracted COLA is 2%. CalPERS calculates annual inflation figures for COLAs by using the All-Urban Consumer Price Index (CPI-U). Please refer to CalPERS FAQ: <https://www.calpers.ca.gov/page/retirees/cost-of-living/cola> for details on how the COLAs are calculated and applied for eligible retirees.

27. What is the data in the chart at the bottom of page 3-47? Is it dollars? Is it percent? Is it something else?

The data in the chart is a percentage. We will make sure to label this in the Adopted Budget.

28. Didn't the council remove this item from the workplan? Review and recommend amendments to the Municipal Code to remove contradictory, unenforceable, or otherwise outdated sections, as staff time is available. (Page 4-10)

Yes, Priorities A.4. (Explore placing a measure on the ballot to amend the City Charter) and C.40. (Review and make periodic amendments to the Municipal Code in a phased approach to remove contradictory, unenforceable, or otherwise outdated sections) were removed from the Fiscal Years 2023-25 Council Work Plan at the February 27, 2024, City Council meeting by majority vote of the Council.

29. In the past workload metrics have had targets. Have those been dropped?

Yes, as part of the review and re-design of the Performance Measures this year targets for workload metrics have been discontinued. There were several reasons for the discontinuance of targets for workload metrics, such as:

- Workload metrics focus on inputs, not outcomes, therefore missing the objective of actual effectiveness and value of metrics
- Workload metrics usually encourage quantity over quality, forcing employees to focus on completing a high volume of work rather than ensuring the work is done well for customers
- Workload metrics don't always align perfectly with goals or objectives of the City and/or department. Therefore, it is important to view performance and workload measures together, to provide proper context to the performance outcome.

30. In the City Clerk's metrics, is the number of public meeting agendas and percent published on time just for council meetings? (Page 4-21)

Yes



31. The title of the City Manager's section says DEPARTMENT MANAGER—ASSISTANT CITY MANAGER. Should ASSISTANT be deleted? (Page 4-30)

The Assistant City Manager is the department manager for the City Manager Office.

32. Throughout section 4, what does original amount refer to? Is it an adopted amount from this year? Is it the actuals from last year?

The original amount in section 4 represents the budget the department has designated for that item.

33. On page 4-84 it says - Completed construction and hosted a grand opening and dedication of the Rengstorff Aquatics Center Replacement Project in conjunction with the Public Works Department. Will this happen this fiscal year?

At the time accomplishments were submitted for the budget document, the contractor had made significant progress on the construction of the Rengstorff Park Aquatics Center and staff believed that construction would be completed, and a grand opening would take place within the current fiscal year. Based on recent developments in commissioning the building water and all-electric pool heating systems, the timeline for completion and hosting a grand opening has been delayed by approximately one month. Staff anticipates that construction may be completed this summer, and a grand opening will be scheduled later this summer which may take place after the new fiscal year begins.

34. Where are the six outdoor benches made from repurposed wind turbine propellers located? (Page 4-84)

The bench locations are located at: Senior Center (installed), Teen Center (installed), Charleston Park (to be installed), Sylvan Park (to be installed) and future Evelyn Park (2 benches to be installed)

35. Why is the performance metric regarding parks/open space per 1000 residents just including Shoreline and not having two metrics to include one without Shoreline? (Page 4-88)

CSD has updated this performance measure to only include Shoreline Park as a way of looking at acreage more holistically across the City. As the Parks and Recreation Strategic Plan is developed, staff and the consultant team are working to identify and categorize the parks and open space acreage. The final Plan will include updated acreage totals and classifications of types of open space, including Shoreline.

36. Why is there not a metric to support growth in tree canopy coverage given the city has a goal to increase coverage by 5 percentage points? (Page 4-88)

As part of the Biodiversity and Urban Forest Plan, existing canopy goals are being reviewed and considered. The Plan will recommend updated tree canopy goals to include a recommendation for an implementation and monitoring timeline to promote awareness and track progress.



37. What is the Popular Annual Financial Report cited on page 4-118?

A Popular Annual Financial Report (PAFR) is a condensed version of the Annual Comprehensive Financial Report (ACFR), similar to how the Budget in Brief is a condensed version of the Adopted Budget. The PAFR conveys financial information in a short, condensed and easily understood manner, in an attractive and easy-to-follow format, written in a concise and clear style. The data in the PAFR is extracted from the ACFR and is usually issued around the same time as the ACFR (within 6 months of the end of the fiscal year).

38. Can staff list the changes made to the Capital Improvement Program in response to the April 9 study session?

Staff will be bringing the Recommended Fiscal Year 2024-25 CIP to the June 25 Council meeting, with a Council Report that will list several updates and details of changes made since the April 9 Study Session, including those made in response to Council's directions. The recommendations will include the Council directed changes, including:

- Closing the Hope Street and Villa Street Traffic Signal project.
- Changing the title for the Fire Station No. 3 Feasibility Study and Preliminary Design project to include construction.
- Retaining the Underground Utilities at 1020 Terra Bella project.
- Adding the Active Transportation Improvements project previously recommended for deferral.
- Adding the El Camino Real/Castro Protected Intersection and Castro Bikeway Improvements (Yosemite/High School) project previously recommended for deferral.

39. In this sentence - Develop layout and usage schematics for the new Public Safety Building in conjunction with the Public Works, Police and Fire Departments – on page 4-142 should it say Police rather than Fire?

Yes

40. Are the various Community Benefit Fees from the Precise Plans or the Public Benefit Fee for Development Agreements included in the Master Fee Schedule? If not, why not?

The Community and Public Benefit Values are listed on the budget resolution instead of the Master Fee Schedule as those are not development impact fees adopted based on a nexus study, but rather adopted fees based on economic feasibility studies.

41. What is the impact of the termination of the Landings project to the Shoreline Regional Park Community Fund? How much in property taxes is lost from the demolished commercial building that had been there?

Per the Council Report dated June 23, 2020, for the Landings Project, the project at 2003 Landings Drive was projected to provide \$4.8 million in additional property tax to the Shoreline Regional Park Community Fund.

42. What is the impact of the market-rate housing developed by Sobrato to the Shoreline Community? How much property tax revenue is generated by this development?

Per the Council Reported dated April 13, 2021, the Sobrato development at 1255 Pear Avenue is projected to net an annual property tax increase of approximately \$5.1 million to the Shoreline Regional Park Community Fund, which is inclusive of the market-rate units and the commercial office space.

43. How much funding from the Housing Fund is currently reserved/encumbered for the various affordable housing projects? Can staff list these projects?

The following are the nine active projects in the City's pipeline. The total funding provided by the City for seven of the nine projects is \$88.8 million total, which is composed of City funds as well as grant awards the City has successfully obtained. Of the \$88.8 million total, approximately \$68.5 million are specifically City funds (BMR funds, Housing Impact funds)

- Crestview (\$9.05 million total - \$1.6 million are City funds, \$880K will remain)
- La Avenida (\$15 million total (all are City funds)
- 1265 Montecito (\$16 million total (all are City funds)
- Lot 12 (\$17.25 million total - \$9.25 million are City funds)
- 96 W. El Camino Real (Danco) (\$8 million total - \$7.07 million are City Funds)
- Terra Bella (\$13.5 million - \$11.1 million are City funds)
- Linda Vista (\$10 million - \$8.4 million are City funds)
- 87 E. Evelyn (TBD – Council funding consideration in Q4 2024)
- 57-67 E. Evelyn (TBD – Council funding consideration in Q4 2024)

44. What are the nine affordable housing projects in development?

The nine projects are listed in the response to the previous question.

45. Can staff explain or walk through this statement: "The Fiscal Year 2023-24 estimated GOF operating balance carryover of \$2.3 million, prior fiscal year unallocated balance of \$17.7 million, and one-time revenue of \$10.0 million provides an available balance of \$30.0 million." What is the difference between the operating balance carryover and the "prior fiscal year unallocated balance?" What is the remaining \$7.0 million balance proposed to be used for?

The city has a General Operating Fund (GOF) and a General Non-Operating Fund (GNOF). The GOF is designed for ongoing revenue and expenses, while the GNOF is for one-time activities. At the end of each fiscal year, any remaining balance in the GOF will move to the GNOF for future one-time spending. The above sentence states that an estimated \$2.3 million from the GOF will transfer to the GNOF. Combining this with the remaining balance in the GNOF and any one-time revenue, there will be a total of \$30.0 million for one-time activities."

46. Is there a deferred maintenance and infrastructure backlog that is quantified? Do we have a policy or annual set-aside of funds to address deferred maintenance?

The Public Works Department has quantified the pavement maintenance and utility infrastructure needs. As noted in the April 9 Study Session memo for the CIP, the biannual pavement report identifies the City's overall Pavement Condition Index (PCI), including PCI for each street, and funding needed to maintain PCI and increase PCI by 5 points. The pavement program implements projects through annual Non-Discretionary projects in the CIP, from various ongoing funding sources, such as Gas Tax, Senate Bill 1, and others. However, as noted in the April 9 memo, staff estimates there is a shortfall of approximately \$2.2 million annually to maintain the existing PCI.

In 2022, the City completed master planning efforts for water, wastewater, and storm utilities identifying the needs of these systems, as well as funding needed. Projects are implemented similarly through the annual Non-Discretionary projects, funded with Water and Wastewater Funds derived from water and wastewater rates.

While there is no quantified list of facility needs (i.e., building maintenance), staff is taking the first step by beginning the implementation of a study to comprehensively assess the City's facilities and identify funding needs. In parallel, an asset management system application is being reviewed to provide an ongoing tool to track and plan for maintenance. Once these two efforts are integrated, staff will have a system in place for resource planning efforts. Ongoing facility maintenance repairs/replacements are also programmed annually through Non-Discretionary projects, funded with unrestricted funding sources (typically CIP Reserve and Construction/Conveyance Tax Funds) as there is no dedicated funding source for these maintenance projects.

47. What percentage of the cost of the Abandoned Shopping Cart Program is recovered by the fee? What would the fee need to be to achieve 100% cost recovery?

The City's Public Services Technician is allocated one quarter time to the abandoned shopping cart abatement program, at a cost of approximately \$29,120 for Fiscal Year 2023/24. To date, the City has collected \$9,730 in fees for the release of impounded shopping carts this fiscal year, which is approximately 33% of the operational cost. The current fee to release an impounded shopping cart is \$35. Holding the number of carts constant, a fee of \$104.75 would have been needed in Fiscal Year 23/24 to achieve 100% cost recovery.

However, applicability of the \$35 recovery fee depends on how a cart is labeled and how quickly it is retrieved. Carts that are labeled in accordance with California Business and Professions Code 222435.1 and retrieved within three business days must be released at no charge to the owner (per State law). In addition to the \$35 retrieval fee, Mountain View is also authorized to fine stores for failing to retrieve impounded carts from the City. This fee is \$50 per occurrence of abandonment (irrespective of the number of carts) and may be charged after three occurrences during a defined six-month period. Staff is evaluating options for implementing this second fine, to further improve cart containment on store premises and recover City costs.

48. Beginning when will the Council receive the new Council Policy A-10 reports listing contracts and agreements approved under the new, higher authority?

Staff anticipates the new report will be presented to the Council in September for April through June items and in October/November for July-September items, with quarterly reports to follow every 3 months.

49. Why is there not a Performance Measure for the Clerk's Office regarding timely completion of the minutes? Do we have a policy or internal goal for timely completion and approval?

City Council Policy A-13 states:

"As soon as possible after each Council meeting, the City Clerk shall provide Council with a copy of the draft minutes in the agenda packet for approval at the next regularly scheduled Council meeting."

It is staff's goal to present minutes as soon as possible to the City Council, though other more immediate priorities, unforeseen absences, and long-term staffing shortages have historically resulted in some form of delay in providing minutes to the City Council for approval. Additionally, some sets of minutes require a specific meeting to be called for approval, for example, minutes from meetings that involve the Shoreline Regional Park Community or the Capital Improvements Financing Authority. Minutes of joint meetings of the City Council and the Shoreline Regional Park Community are also joint minutes and may be delayed in coming back for approval until another joint meeting is called. Similarly, the Capital Improvements Financing Authority meets infrequently and there is often a year delay in bringing these minutes for approval.

50. Can staff provide more information about the Continuous Improvement Services budget proposal? What is the anticipated scope of work?

Staff will assess the opportunities and challenges in the departments and broader City organization to determine the scope for the use of this year's continuous improvement funds. Continuous improvement initiatives in prior years include the Matrix Study in Community Development and the Information Technology Strategic Plan.

51. How many property owners have participated in the ADU Amnesty Program? How many previously unpermitted ADUs are now permitted because of this program?

The Amnesty Program required unpermitted ADU's to be in place prior to 2019, and to date, 2 unpermitted ADUs that formally fall within the program parameters have participated in the Amnesty Program. However, the City has interacted with approximately 5 properties where 10 ADUs were constructed without the benefit of permits after 2019. Most of these ADU cases have been brought to CDD's attention by tenants occupying the unpermitted spaces. CDD continues to follow the same process as the Amnesty Program and current State law for these ADU cases.

52. Why are there no performance measures for CDD/Planning regarding timeliness in preparing and sending comment letters? Wouldn't this be important given strict state laws establishing deadlines for cities to respond?

This item was not included as a performance measure due to the fact that staff must adhere to strict review timelines and meet the deadlines under state law. The Planning Division is responsible for compiling comments from numerous City Departments/Divisions and reviewing the comments for thoroughness, clarity, and completeness while also ensuring we meet deadlines set forth in the State Government Code. The CDD/Planning performance measures do include the percent of planning permits reviewed by other City departments within 15 days, which is critical for the Planning Department to meet State deadlines. Adding a performance measure for Planning to send comments letters within state-mandated deadlines at 100% can be added if desired by Council.

53. Why are there no performance measures for CDD/Planning regarding timeliness in preparing and circulating EIRs, or other CEQA review metrics? Similarly, aren't there state laws we must comply with?

Preparation of environmental review documents per the California Environmental Quality Act (CEQA) is a requirement under State law for a Lead Agency (in this case, the City of Mountain View) to be able to make a final determination on a project. While there are state laws determining when a final decision is required on a project following the application being deemed complete, which encompasses environmental review, there are no specific timelines for when each step in the environmental review process is to be completed. Additionally, since it is current City practice to simultaneously conduct environmental review and project review, this metric would be relatively meaningless as environmental review begins early in the development review process, often prior to an application being deemed complete.

54. Could we create a performance measure for Planning regarding rounds of review for development proposals?

The number of rounds of review of a planning application is typically not within the control of the Planning Division. Often, the number of rounds of review are a result of the actions of the applicant, based on providing non-substantive responses to City comments from various departments or not providing adequate information requested or required. The Planning Division has reduced reviews in areas we can control, such as providing detailed comments to an applicant to help them better understand what is missing and by reducing the number of Design Review Consultation (DRC) meetings. Additionally, there is no universal standard for the number of rounds of review an application may take. Instead, the City has focused on providing typical review timelines on the new Development Permits website that capture the typical time it takes to obtain a permit approval based on the project scope, which staff has heard from applicants is more relevant information to know.

55. Would it be possible to establish a performance dashboard like this one for CDD?  
<https://tinyurl.com/2dkfsrte>

CDD is working on developing a dashboard related to development review information, as part of the Matrix Study recommendations. The initial dashboard is anticipated to be completed this calendar year. A more robust dashboard, like the example provided, would only be available with implementation of a Citywide Land Management System and other permitting database software.

56. Thank you very much for the Continuous Improvement Initiatives memo. It was very informative! There are some other programs/improvements that are not referenced. Can staff provide an update regarding the following:

- Ask Mountain View page/portal update.
- Moving the CNC out of the Housing Department
- City Hall Space Survey (in particular, what improvements are remaining?)
- Language Access and Multicultural Engagement Policy (when is this scheduled to go to CPPC?)
- Creating planning applications specifically for projects eligible for ministerial approval (e.g., SB 35, AB 2162, AB 101, AB 2339, AB 2011, etc.)

**- Ask Mountain View page/portal update**

Staff is assessing options for upgrading the Ask Mountain View Customer Relationship Management (CRM) system. This work is estimated to be completed in 2026. The goals are to: achieve enhanced user experience, streamlined process for managing resident requests, improve access to and analysis of CRM data, and integrate the CRM system with the upcoming implementation of a new Work Order Management System.

**- Moving the CNC out of the Housing Department**

Staff from the Housing Department and City Manager's Office have met to review the functions associated with Neighborhood Services to assure a clear understanding of the tasks and time and skill needed to carry them out. The City Manager's Office has assessed current staff capacity and the steps for an effective transition of responsibilities. We anticipate transitioning the support for the CNC meetings and grants to the City Manager's Office in 2025.

**- City Hall Space Survey (in particular, what improvements are remaining?)**

The Space Planning Study helped staff to explore options at both City Hall and the Municipal Operations Center (MOC) facilities for space needs. The MOC was included to evaluate the potential to move additional staff out to the MOC. As a result, several improvements have already been made, or are nearing completion, including the 888 Villa Street offices for Fire, Sustainability, and Information Technology Departments, and the City Hall fourth-floor office remodel for Housing Department's new location.

Two current projects soon to start construction include:

- The Community Development Department, lobby security upgrades; and
- The City Attorney's Office, office remodel to create more offices/cubicles.

Future projects will include:

- Community Development Department, Planning Division office remodel to provide more cubicle space;
- Community Development Department, Building Division office remodel to provide more cubicle space;
- MOC, administrative office remodel for two new offices; and
- Human Resources office remodel for additional staff.
- Language Access and Multicultural Engagement Policy (when is this scheduled to go to CPPC?)

The Language Access and Multicultural Engagement Policy defines citywide standards, responsibilities for resources, and procedures for multilingual translation and interpretation services to enhance all community members' access to City services and democratic participation in City government regardless of their primary language. The policy has begun a final round of review that will culminate in review and approval from the City Manager, followed by implementation. The policy will be implemented as an Administrative Rule and is not scheduled to go before the CPPC.

**- Creating planning applications specifically for projects eligible for ministerial approval (e.g. SB 35, AB 2162, AB 101, AB 2339, AB 2011, etc.)**

The Planning Division currently has one [formal application form](#) for all development permit types. This form lists various planning application types, including a check box for ministerial permits. When our new online planning applications go live in ePermitsMV, applicants will submit all projects electronically, but will still be prompted to identify their specific application types, including ministerial permit types they are pursuing. For SB 35, because a preliminary application is required to start the tribal consultation process, we have developed a [Preliminary SB35 Preliminary Application Checklist](#) that is submitted with the [Informal/Preliminary Planning Application Form](#). We also have an [informational brochure on the SB 35 Process](#). This information will transition from handouts to online web content with the new Development Permits website.

The Planning Division is currently developing information on SB 684 which we anticipate will be online in Q3 2024. City staff will continue to add information on other ministerial permit types and State Laws to the City website on an ongoing basis.

57. Can you please provide more details on these two goals listed on Page 4-141?

- Continue to support the implementation of initiatives for unhoused and unstably housed residents, including those living in vehicles, with both short-term and long-term actions by working with the City Manager's Office, Housing Department and Community Development Department, and ensuring the fire and life safety needs of all community member are met through adherence of the fire code.



- Implement the recommendations from the Development Services Review study for the development review process, including streamlining process improvements and implementation of technology, in conjunction with the Community Development, Public Works, and Information Technology Departments. The Fire and Environmental Protection Division Inspectors are actively working with the Community Development Department, Public Works, and IT to improve, and make more efficient, the workflow for the review of the permits and plans that are submitted for building renovations and/or new construction.

58. Why has the standard for turn out time increased from 1 minute to 1.5 minutes to 2 minutes over the past 8 years?

This change came as a result of the May 15, 2020, Community Hazard and Risk Assessment, Standards of Cover Study, and Station Location Analysis performed by CityGate Associates, LLC. The Study recommends a two-minute turnout time based on the best practice recommendations from the Center For Public Safety Excellence Commission on Fire Accreditation International.

59. If 2a. The turnout time is two minutes or less and 2b. The travel time for the first-due unit is four minutes or less then why is 2c. The first-due unit arrives within 7 minutes, 30 seconds of the time from the receipt of the 9-1-1 call? Why is 2c not within 6 minutes of receipt of the 9-1-1 call? (Page 4-144)

This one-and-a-half-minute difference takes into account 90 seconds for call processing by the Emergency Communications Center.

60. Similarly, why is c on page 4-145 8 minutes of receipt of the 9-1-1 call?

The eight-minute travel time accounts for all MVFD units responding to a building fire, not just the first due unit.

61. There seems to be increasing news coverage about PFAS in the uniforms and other gear used by firefighters. What is being done to address this?

The fire department is closely monitoring the use of PFAS in fire department turnout gear. Currently, there are no manufacturers that provide NFPA compliant turnout gear that do not have PFAS. Once a product is available, that meets all safety requirements and is NFPA compliant, the Fire Department plans to purchase several sets on a trial basis and eventually full implementation.

62. How much in total has been or will be spent on the redesign of the city's website and all of the micro-sites associated with the website?

The CIP for the main website and its subsites is \$565,000 with \$156,153 remaining. Here is a breakdown of the affiliated project costs:

- Website redesign for main site and three new subsites: The website redesign project cost approximately \$130,000 and involved a redesign of the main City of Mountain View website, [MountainView.gov](http://MountainView.gov), and the creation of three subsites for [Economic Development](#), [Mountain View Center for the Performing Arts](#) and [Mountain View Public Library](#). The project involved the design for the new website and subsites, content migration, 3rd party search integration, maintenance,



license and hosting fees, and training; new email notification system with site integration and training; and a translation tool for three languages (Spanish, Mandarin Chinese and Russian). The annual fee for the website maintenance, hosting and licensing fees runs about \$45,000. The new website and subsites went live in May 2023.

Other web projects involved the following:

- Expansion of Collaborate Mountain View site: The cost for the digital engagement platform known as Collaborate Mountain View, [Collaborate.MountainView.gov](https://Collaborate.MountainView.gov), is \$20,000 annually. This platform provides an opportunity for stakeholders to contribute ideas, discuss important topics and provided feedback on City policies and plans.
- Development Permits specialty site: The website-related costs for the development of the Development Permits site, [DevelopmentPermits.MountainView.gov](https://DevelopmentPermits.MountainView.gov), was \$150,000 plus annual maintenance costs. The Development Permits site is a comprehensive resource on permits, development requirements, and the corresponding review process.
- ePermitsMV microsite: The ePermitsMV site, [MountainView.gov/ePermitsMV](https://MountainView.gov/ePermitsMV) offers one location to submit building permits with 24/7 access to the status of the permit, the timeline of transactions on the permit (e.g., submittal dates, dates of City comments), and which City staff are assigned to review. The project cost was \$321,243.

63. How much has been spent in total on the roll out of the new city logo?

The City's refreshed visual identity project cost \$75,750. These costs involved \$68,250 for consultant services (research and survey work, brand presence including logo, visual identity system and concept, and brand identity guide development) and \$7,500 for graphic design services. The rollout costs have not been compiled. The transition to the new City logo has been taking place in phases when physical items such as letterhead, outreach materials, signs, and City vehicles are replaced, procured, or refurbished.

64. Is this really done? Complete development of the City's Artificial Intelligence Appropriate Use Policy and Guidelines in conjunction with the Information Technology Departments, City Manager's Office, and City Attorney's Office. (Page 4-180)

This item should be placed under the Departmental Goals for FY 2024-25 heading as it was on other departments' pages.

65. This is listed as an accomplishment for this year as well as a goal for the coming year - Implement a Roth 457 deferred compensation plan in conjunction with the Finance and Administrative Services Department. It seems like it would be one or the other. (Page 4-181)

The accomplishment is correct. For the FY 2024-25 Goals, we will update it to specify compliance with Secure 2.0 Act of 2022 for the City's 457 plan. What is the significance of highlighting "in conjunction with the City Clerk's Office in this sentence - Upgrade the City's Laserfiche system, including storage systems that meet the California Trusted System requirements to allow departments to be "paperless" in conjunction with the City Clerk's Office. (Page 4-192)

66. What is the significance of highlighting “in conjunction with the City Clerk’s Office in this sentence  
- Upgrade the City’s Laserfiche system, including storage systems that meet the California Trusted System requirements to allow departments to be “paperless” in conjunction with the City Clerk’s Office. (Page 4-192)

Two components are required for updating the City’s Laserfiche system to meet the requirements of a California Trusted System. The first is deployment of a redundant, secure, immutable storage system so documents cannot be removed or edited. The second component is the development of documented procedures regarding the system's execution. IT is responsible for the hardware component; the City Clerk’s Office is responsible for defining the processes supporting the appropriate use of the system.

67. On page 4-209, what are the forfeitures?

Library fines and forfeitures covers the cost of replacement items that are lost or damaged.

68. What is the thinking behind having a 1:1 ratio of new projects added to existing projects closed out for Public Works? How is magnitude of work taken into consideration in this metric?

The focus of this metric is Public Works Capital Improvement Program (CIP) projects. The ability to perform the timely implementation of CIP projects at any one time is dependent on staff capacity and resources to deliver existing projects before receiving new projects. A 1:1 target ratio provides information on how many existing projects have been completed and replaced with new projects to show balance of workload. The other metrics identified within this New Measure provide additional context with the magnitude of workload, including quantity of projects, average number of projects per project manager, and those projects exceeding \$10M.

69. Why do we provide SV@Home with \$2,500 of funding? (Page 7-5)

This funding began in FY 2019-20 and is part of the City’s base budget to support Affordable Housing Month each year. SV@Home leads Affordable Housing Month to put together programs, workshops, education/training, and events throughout Santa Clara County including in Mountain View. For example, SV@Home assisted the City this May in holding an affordable housing tour at the Luna Vista project to educate participants how such projects are financed, built, and operated.

70. What are the street boundaries of each neighborhood grant applicants?

Please see the attachment spreadsheet.

71. Did the Greater San Antonio Community Association cease to exist? (Page 7-6)

Staff is not aware of the status of the Greater San Antonio Community Association. Staff only knows the status of groups that apply for funding.

72. Did CalTega contact the Greater San Antonio Community Association before defining their boundaries to overlap with the Greater San Antonio Community Association?

Staff does not know if CalTega contacted the Greater San Antonio Community Association.

73. Grupo de Embajadores de Mountain View, a new applicant for a neighborhood association grant, seems to have very similar boundaries to an existing neighborhood association (Shoreline West). Why are both being recommended for grants? (Page 7-6)

Both groups were determined to be eligible for grant funding.

74. What are the rules when community groups with nearly the same boundaries, or overlapping boundaries, both apply for a neighborhood grant? (Page 7-6)

The neighborhood grant program and application guidelines do not prohibit groups with overlapping boundaries.

75. What prompted this sentence in the budget? The process will be reviewed, and options provided to the CNC Committee at the end of 2024 for future funding cycles. (Page 7-6)

During the April 17 CNC meeting to approve grant funding, some existing groups had questions about the funding for new applicants and their boundaries. The CNC asked staff to revisit the guidelines of the program to clearly define the eligibility requirements, including the issue of overlapping boundaries. Analysis will be provided during the CNC wrap-up meeting at the end of the calendar year.

76. On page 7-12 it says - The total cost is offset by a contribution from Google and VTA-Measure B funds. How much is Google contributing to the coming fiscal year?

This sentence should be removed as Fiscal Year 2023-24 was the last year we receive contribution from Google and VTA-Measure B funds for the Community Shuttle.

77. Why is Public Works the only department with a metric around responding to Ask Mountain View queries?

Because of how extensively Public Works utilizes AskMV as part of their daily operations inclusion of a metric for that Department was warranted. Other Departments where AskMV isn't as prominent in daily operations had insufficient data for a metric to be relevant. For all other AskMV requests, our standard response is to notify customers that they will receive a response within three business days. Departments may take longer to respond to customers if the issue is misidentified/labeled (by the customer), or if the request is complex and requires staff time to investigate the issue and formulate a response.

78. How many people are currently eligible for retirement?

HR's annual retirement analysis was run in January 2024. At that time, approximately 19% of the employee population was both age and service credit eligible to retire with CalPERS based on Mountain View Service only. Many employees have CalPERS service prior to Mountain View however that data is not in HR's system. In taking a broader look at employee demographics and using age eligibility alone, approximately 27% of employees were retirement eligible based on the City's Classic retirement formula (retirement at or at least age 50). This is a high estimate of retirement eligibility acknowledging some of these employees do not have prior service with CalPERS and many have a retirement age higher than 50.

79. Is the Security at the Library done by our police department? If not, why not?

In the past, security functions were managed by MVPD Police Assistants. However, there were challenges in recruiting qualified applicants for these positions. The challenges led to the transition to other options. The 1.0 FTE Limited Period Library Security Services Guard position was approved in the FY 2023-24 budget. The position was not filled until February 2024, so the library requested the position to continue in FY 2024-25. Most of the work is not at the level of police enforcement, so the position is supervised by Library employees. This 40 hour per week position receives training from Library staff to cover safety and security needs, including enforcement of the Library Behavior Policy. The position may report certain improper activities to the Police Department for enforcement support. Because the Library is open 72 hours per week, additional Hourly Building Attendants and contracted security service guards supplement the security needs of the library. The Police Department regularly patrols both the library and its surrounding areas as part of downtown “foot patrols.” The Library and Police Department communicate regularly about safety and security needs in and around the Library and the Police Department offers training to Library employees when needed.

80. There is a lot of concern about PFAS at the moment. Is our Fire Department using protective gear that contains PFAS? If so, what is the plan to phase it out?

Yes, our PPE contains PFAS, however it is only located in the moisture barrier, which do not come into contact with the firefighter’s skin unless it is damaged. We have an inspection process to ensure the integrity of the moisture barrier is not compromised. There is moisture barrier in development that is PFAS free, once it is approved by NFPA and passes testing and released to the market (“at some point in 2024”), MVFD will purchase them.

81. Do you believe AI and RPA will increase or decrease staff costs and staffing levels?

It is too early in the evolution of both AI and RPA to know the applicability of either of these technologies for the City. However, the goal of these technologies is to increase the efficiency and productivity of staff, resulting in a decrease in total staff costs.

82. Why are Community Development and Housing such small amounts when it’s so much of what we do and so much of what we get complaints about (permits take so long to get)?

Please refer to page 1-85 of the FY 24-25 Recommended Budget for a breakdown of total expenditures by departments. The combined budget for Housing and CDD accounts for approximately 10% of the City's total expenditures. It's important to note that this figure does not include certain significant housing loans budgeted under the non-departmental category. In recent years, the Council has approved additional positions for both departments to optimize staffing levels in CDD and Housing and staff. As we discussed in the Organizational Improvement Section on page 1-9, the City will maintain the commitment to identify any continuous improvements.

83. What do you worry about most regarding the budget over the next decade?

The most concerning issues with the budget over the next decade are:

- Expenditures are increasing at a higher rate than revenues.
- Economic uncertainty and the potential for a recession to occur within the next 10 years are both growing.
- Based on current projections, balancing the General Operating Fund in future years, and maintaining a structurally balanced budget may require a pause in adding new staffing positions and forgoing the addition of new programs and/or enhancement of current programs, unless additional dedicated ongoing funded sources are attained

**\*\*From Housing Department – Additional information:**

Staff received a request to summarize rent stabilization division activities and the cost allocation to the CSFRA/MHRSO funds. The attached chart provides this information.

Summary:

- Vast majority of activities are required, and a smaller number of activities are implied. All of these are 100% charged to CSFRA/MHRSO funds, with the exception of one item (pro-bono legal services) which was funded during the City's COVID emergency response efforts using one-time City funds. The pro-bono legal services are funded through Fiscal Year 2024-25. Staff will evaluate whether the need for this service will continue and, if so, options for non-City funding sources.
- Two activities are not required by the CSFRA/MHRSO. Neither activity is charged to CSFRA/MHRSO funds.
  - One item (MV Mediation Program) is a decades-old City-funded activity that existed long before the CSFRA/MHRSO. It is in the City's base budget.

The chart also includes direct references from the ordinance about requirements and RHC powers/duties where relevant.

## Attachment 3

Neighborhood Association/Group	Northern Boundary	Southern Boundary	Eastern Boundary	Western Boundary
<b>Groups receiving funding for FY 2024-25</b>				
<b>Arts Mountain View</b>	Central Expresway, El Camino Real, Shoreline Blvd, View Street	View Street	Shoreline Blvd	El Camino Real
<b>Blossom Valley</b>	Golden Way	Miramonte Ave	Madison Drive	Lincoln Drive
<b>CalTega</b>	Del Medio	Ortega	California	Latham / Fayette
<b>Community in Action Team</b>	Crisanto Ave	El Camino Real	Escuela Ave	Ortega Ave
<b>Cooper Park Neighborhood Assn.</b>	Chatham Way - Cooper Park	Levine Ave	Yorkton Dr	Grant Rd.
<b>Cuesta Park Neighborhood Association</b>	El Camino Real	Cuesta Park / Back Side of Villa Siena	Grant Road	Miramonte Ave.
<b>Dutch Haven Neighborhood</b>	Sleeper between Grant and Carol	Villa Nueva Way	Carol Ave between Sleeper and Eunice; extended to include Hilo Ct and Perich Ct	Grant Road between Sleeper and Eunice
<b>Gemello</b>	El Camino	Jardin Drive	El Monte Avenue	Karen Way
<b>Grupo de Embajadores de Mountain View</b>	Central Expressway	El Camino Real	Shoreline Boulevard	Villa Street (Staff asked for clarification regarding the western boundary but have not received a response)
<b>Hedgerow Group</b>	Foxborough Dr.	Glenborough Dr.	Sylvan Ave.	Glenborough Dr.
<b>Martens-Carmelita Neighborhood</b>	Carmelita Drive	Martens Avenue	Kentmere and Alexander Courts	Grant Road

<b>Monta Loma Neighborhood Association</b>	Middlefield Road	Central Expressway	Rengstorff Ave	San Antonio Road
<b>Moorpark Mobile Homes</b>	Moorpark Way	Rainbow Drive	n/a trailer park fence	Alice Avenue
<b>North Whisman Neighborhood Association</b>	Evandale Ave.	Middlefield Rd.	Easy St.	Leong Dr.
<b>Old Mountain View Neighborhood Association</b>	Evelyn Ave	El Camino Real	CA-85	Shoreline Blvd
<b>Rex Manor Neighborhood Association</b>	Middlefield Road	Montecito and Central Expressway	Shoreline Avenue and Burgoyne	Permanente Creek
<b>Sahara Mobile Village Neighborhood Association</b>	El Camino Real	King's Row/Martens Ave	Highway 85	Hanford/Grant
<b>Santiago Villa Neighborhood Association</b>	Shorebird	Pear	Moffett	Shoreline
<b>Shoreline West Association of Neighbors</b>	Villa Street	El Camino Real	Shoreline Boulevard	Escuela Avenue
<b>Slater Neighborhood Association</b>	Middlefield Road	Central Expressway	Whisman Road	Highway 85
<b>Springer Meadows Neighborhood Association, SMNA</b>	1160 & 1163 Barbara Avenue at. 1152 & 1158 Fordham Way	1190 & 1185 to 1558 & 1152 Fordham Way	Meadow Lane to 1381 & 1388 to 1180 & 1187 Marilyn Drive including Marilyn Court & Place	Satake Estates including Marigold Court & Satake Court
<b>Springer Tree Neighborhood Association</b>	Cuesta Dr	Spencer CT-> Orangetree Ln->Fordham Way -> Rose Ave	Miramonte Ave	Springer Rd

<b>Sunset Estates Mobilehome Owners Association</b>	New Frontier Mobilehome Park	East Dana Street	Acalanes Dr	Sylvan Avenue
<b>Varsity Park Neighborhood Association (VPNA)</b>	Marilyn Drive [Overlaps Springer Meadow SMNA]	Sladky Avenue	Miramonte Road [West side]	N. Springer Road [East side]
<b>Wagon Wheel Neighborhood Association</b>	Fairchild Dr.	E. Middlefield Rd.	N. Whisman Rd.	Tyrella Ave.
<b>Groups Not Receiving Funding for FY 2024-25</b>				
<b>Eagle Park youth Ultimate Frisbee group</b>	Not provided	Not provided	Not provided	Not provided
<b>Loreto Street Neighborhood Group</b>	Loreto Street	Loreto Street	Calderon Street	Bush Street
<b>Bonita Villa HOA</b>	W El Calmino Real	Hans Ave	Nilda Ave	Bonita Abe
<b>VAB - Vincent and Beyond Neighborhood Association</b>	Mercy St	Vincent Drive	Calderon Ave	Vincent Drive





April 12, 2024

Ms. Nicole Sandkulla  
CEO/General Manager  
Bay Area Water Supply & Conservation Agency  
155 Bovet Road, Suite 650  
San Mateo, CA 94402

Re: Fiscal Year 2024-25 Wholesale Water Rates Notice

Dear Ms. Sandkulla,

The San Francisco Public Utilities Commission (SFPUC) has determined that the **Fiscal Year 2024-25 Wholesale Water Rates will be \$5.67 per CCF**, representing a \$0.46 per CCF or 8.8% increase from the current rate for treated wholesale water, effective July 1, 2024. As required by WSA Section 6.03.A, the SFPUC has scheduled a public hearing to consider the adoption of the wholesale water rate, as follows:

May 14, 2024, 1:30 PM  
San Francisco City Hall  
1 Dr. Carlton B. Goodlett Place, Room 400  
San Francisco, CA 94102

The main driver of the rate increase is a partial repayment of the balancing account to SFPUC, which is projected to grow to \$28.9 million by the end of FY 2023-24 due to higher-than-projected proportional annual use and cost increases. For FY 2024-25, SFPUC has set rates to recover \$25.8 million of the overall balancing account.

The balancing account costs are partially buffered by lower Wholesale Revenue Requirements projected for FY 2024-25 as well as projected increased water sales. The Fiscal Year 2024-25 Wholesale Revenue Requirement, including below-the-line adjustments, is projected to be approximately \$4.8 million lower than the prior year. Higher water usage as the region returns to new normal after the impact of the recent drought and COVID-219 pandemic softens the volumetric rates. Volumes for FY 2024-25 are projected to be 129.3 MGD, based on the latest current-year forecasts and an expected slow recovery from drought conditions over the next three years.

The SFPUC's proposed volumetric rate is right in the middle of the anticipated range of rates that were presented to BAWSCA in January.

**London N. Breed**  
Mayor

**Newsha K. Ajami**  
President

**Sophie Maxwell**  
Vice President

**Tim Paulson**  
Commissioner

**Anthony Rivera**  
Commissioner

**Kate H. Stacy**  
Commissioner

**Dennis J. Herrera**  
General Manager



## Monthly Meter Charges

As part of the ongoing wholesale meter calibration and replacement project, new meter technologies and sizes are planned to replace certain wholesale meters. To ensure there are monthly service charges for all current meters and planned meters, the SFPUC is updating the W-25 schedule with new FY 2024-25 monthly meter charges, in accordance with Section 6.04B of the WSA. The attached “FY 2024-25 Wholesale Water Service Charges Final Report” provides details regarding the development and calculation of the proposed charges.

Based on feedback received from BAWSCA and the Wholesale Customers, the updated meter charges have been structured to result in the least structural change to the rates and to minimize the shift between different meter sizes. The updated charges are set to collect 1.5% of the total Wholesale Revenue Requirement (WRR). The specific charges have been set by proportionately allocating this revenue target using an equivalent meter schedule based on the American Water Works Association standardized meter capacities.

## Untreated Wholesale Water Rate Discount Factor

The Fiscal Year 2023-24 Untreated Wholesale Water Rate Discount will be \$0.39 per CCF, an increase of \$0.01 from the current rate, effective July 1, 2024. The discount factor is equal to the Harry Tracy Water Treatment Plant total projected cost. The discount is calculated by dividing the relevant cost by total wholesale water deliveries.

The San Francisco Public Utilities Commission will hold a public hearing on this rate at its May 14, 2024 meeting.

## Fiscal Year 2024-25 Billing

As in prior years, the following charges, unrelated to the Wholesale Revenue Requirement, will be effective July 1, 2024:

- **BAWSCA Bond Surcharge:** The monthly bills include the February 2013 prepayment of the Pre-2009 Assets surcharge for the repayment of BAWSCA issued bonds. The amounts of the surcharge are proportionate to water consumption and have been adjusted accordingly. The SFPUC bills and collects the surcharge on behalf of BAWSCA and remits these amounts to the trustee.
- **Late Fees:** Late payment penalties as specified in Schedule W-44 will be in effect. The SFPUC encourages Wholesale customers to sign up for electronic billing and payment services to make timely payments and to avoid late fees. Please sign up with our SFPUC BillPay service at [myaccount-water.sfpuc.org](https://myaccount-water.sfpuc.org) to receive and pay your bills online. If you have any questions, please contact customer assistance at (415) 551-3000.

In addition to the above, we understand that beginning at some time during Fiscal Year 2024-25, BAWSCA will also be assessing a **Water Management Charge**, which will be added to SFPUC bills. This new charge is anticipated to

begin in late summer or early fall, but the specific date and amounts are not known at this time.

## Enclosures

Per WSA Section 6.03.A, supporting documents are required if there is a rate increase. This year, we are also providing various materials associated with the changes to the monthly service charges following WSA Section 6.04.B. We are attaching the following:

- Attachment N-1: Balancing Account/Rate Setting Calculation: A table showing the change in the Wholesale Revenue Requirement and how the wholesale rate was calculated
- Attachment N-3: Schedule of Projected Water Sales, Wholesale Revenue Requirements and Wholesale Rates: A schedule showing projected Wholesale Customer water sales and rates for the proposed rate year and the following four fiscal years
- FY 2024-25 Calculation of Untreated Water Discount Factor
- Schedule W-25: Wholesale Use with Long-Term Contract - Proposed Fiscal Year 2024-25 Wholesale Customer water rates
- Fiscal Year 2024-25 BAWSCA Bond Surcharge letter and schedule showing the bond surcharge for each member agency
- FY 2024-25 Wholesale Water Service Charges Final Report: A report recommending changes to the rate structure
- Response to Comments Received on Draft Proposed Changes to Monthly Service Charges

If you have any questions, please contact me at 415-487-5227 or [ecorvinova@sfwater.org](mailto:ecorvinova@sfwater.org).

Sincerely,



Erin Corvinova  
Financial Planning Director

Enclosures

cc: Dennis Herrera, SFPUC, General Manager  
Ronald Flynn, SFPUC, Chief of Staff  
Steve Ritchie, SFPUC, Water Enterprise Assistant General Manager  
Nancy Hom, SFPUC, CFO & Business Services AGM  
Laura Busch, SFPUC, Deputy CFO  
Matthew Freiberg, SFPUC, Rates Manager

Alison Kastama, SFPUC, BAWSCA & Wholesale Customer Liaison  
Sheryl Bregman, SF City Attorney  
Catherine Malina, SF City Attorney  
Christina Tang, BAWSCA, Finance Manager  
Wholesale Customer Representatives

**Balancing Account / Rate-Setting Calculation**  
**Reference Section 6.03.A.3**  
**Fiscal Year 2024-25**

**Schedule N-1**

**1. Actual Changes to Balancing Account for FY 2022-23**

A. Balancing Account as of June 30, 2022 (unaudited)	\$ (30,641,319)
B. Interest on Balancing Account and Coverage Reserve	\$ (882,377)
C. Wholesale Revenues for Fiscal Year	\$ (273,153,247)
D. Wholesale Revenue Requirement for Fiscal Year	\$ 300,159,320
E. Net Change in Wholesale Revenue Coverage	\$ 14,151,740
F. Settlement Credits or Other Adjustments	\$ 75,000
<b>G Balancing Account as of June 30, 2023 (unaudited)</b>	<b>\$ 9,709,117</b>

**2. Projected Changes to Balancing Account for FY 2023-24**

A. Balancing Account as of June 30, 2023	\$ 9,709,117
B. Interest on Balancing Account and Coverage Reserve	\$ (194,787)
C. Wholesale Revenues for Fiscal Year	\$ (322,342,500)
D. Wholesale Revenue Requirement for Fiscal Year	\$ 340,360,191
E. Settlement Credits or Other Adjustments	\$ -
F. Balancing Account as of June 30, 2024	\$ 27,532,021
G. Net Change in Wholesale Revenue Coverage	\$ 1,385,905
<b>H. Total Revenue Deficiency or (Surplus)</b>	<b>\$ 28,917,926</b>

**3. Projected Changes to Balancing Account for FY 2024-25**

A. Balancing Account as of June 30, 2024	\$ 28,917,926
B. Interest on Balancing Account and Coverage Reserve	\$ (896,835)
C. Wholesale Revenues for Fiscal Year	\$ (362,855,817)
D. Wholesale Revenue Requirement for Fiscal Year	\$ 333,848,194
E. Settlement Credits or Other Adjustments	\$ -
F. Balancing Account as of June 30, 2025	\$ (986,532)
G. Net Change in Wholesale Revenue Coverage	\$ 1,396,465
<b>H. Total Revenue Deficiency or (Surplus)</b>	<b>\$ 409,933</b>
I. Projected Water Sales in CCF	63,111,217
J. Deficiency or (Surplus) \$/CCF	\$ 0.01
K. Deficiency or (Surplus) CCF as a Percentage of Revenues	0%

Schedule of Projected Water Sales, Wholesale Revenue Requirements, and Wholesale Rates

Schedule N-3

Reference Section 6.03.A.3

Fiscal Year 2024-25

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
<b>Water Enterprise</b>					
<b>Operations &amp; Maintenance Expenses</b>					
Source of Supply	\$ 25,540,735	\$ 26,578,281	\$ 27,692,095	\$ 28,617,165	\$ 29,557,569
Pumping	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	\$ 42,303,984	\$ 44,022,507	\$ 45,867,354	\$ 47,399,579	\$ 48,957,201
Transmission & Distribution	\$ 22,058,451	\$ 22,954,536	\$ 23,916,490	\$ 24,715,433	\$ 25,527,620
Customer Services	\$ 255,461	\$ 265,838	\$ 276,979	\$ 286,231	\$ 295,637
<b>Total Operations &amp; Maintenance Expenses</b>	<b>\$ 90,158,630</b>	<b>\$ 93,821,162</b>	<b>\$ 97,752,918</b>	<b>\$ 101,018,409</b>	<b>\$ 104,338,027</b>
<b>Administrative &amp; General Expenses</b>					
Countywide Cost Allocation Plan (COWCAP)	\$ 1,394,916	\$ 1,451,582	\$ 1,512,413	\$ 1,562,936	\$ 1,614,297
SFPUC Bureaus	\$ 19,858,275	\$ 20,664,982	\$ 21,530,988	\$ 22,250,243	\$ 22,981,419
Compliance Audit	\$ 29,102	\$ 29,102	\$ 29,102	\$ 29,102	\$ 29,102
Other Administrative & General	\$ 10,356,854	\$ 10,773,896	\$ 11,224,965	\$ 11,598,244	\$ 11,978,045
<b>Total Administrative &amp; General Expenses</b>	<b>\$ 31,639,147</b>	<b>\$ 32,919,562</b>	<b>\$ 34,297,468</b>	<b>\$ 35,440,525</b>	<b>\$ 36,602,863</b>
<b>Property Taxes</b>	<b>\$ 1,322,290</b>	<b>\$ 1,348,736</b>	<b>\$ 1,375,710</b>	<b>\$ 1,403,225</b>	<b>\$ 1,431,289</b>
<b>Capital Cost Recovery</b>					
Debt Service on New Assets	\$ 170,952,985	\$ 181,751,502	\$ 188,392,213	\$ 201,929,443	\$ 205,568,697
Revenue Credit for BABs Subsidy	\$ (13,436,359)	\$ (13,190,346)	\$ (12,987,437)	\$ (12,627,579)	\$ (12,242,987)
Revenue Funded Capital	\$ 13,626,735	\$ 26,672,093	\$ 45,396,424	\$ 43,320,479	\$ 54,676,423
<b>Total Capital Cost Recovery</b>	<b>\$ 171,143,360</b>	<b>\$ 195,233,248</b>	<b>\$ 220,801,200</b>	<b>\$ 232,622,343</b>	<b>\$ 248,002,134</b>

## Schedule of Projected Water Sales, Wholesale Revenue Requirements, and Wholesale Rates

Schedule N-3

## Reference Section 6.03.A.3

Fiscal Year 2024-25

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
<b>Hetch Hetchy Water &amp; Power</b>					
<b>Operations &amp; Maintenance Expenses</b>	\$ 23,083,793	\$ 24,021,531	\$ 25,028,199	\$ 25,864,280	\$ 26,714,220
<b>Administrative &amp; General Expenses</b>					
Countywide Cost Allocation Plan (COWCAP)	\$ 573,820	\$ 597,130	\$ 622,154	\$ 642,938	\$ 664,065
SFPUC Bureaus	\$ 4,173,960	\$ 4,343,520	\$ 4,525,544	\$ 4,676,722	\$ 4,830,406
Other Administrative & General	\$ 4,525,163	\$ 4,708,990	\$ 4,906,329	\$ 5,070,228	\$ 5,236,843
<b>Total Administrative &amp; General Expenses</b>	\$ 9,272,943	\$ 9,649,640	\$ 10,054,027	\$ 10,389,887	\$ 10,731,314
<b>Property Taxes</b>	\$ 184,367	\$ 188,055	\$ 191,816	\$ 195,652	\$ 199,565
<b>Capital Cost Recovery</b>					
Debt Service on New Assets	\$ 4,698,081	\$ 4,994,842	\$ 5,275,935	\$ 12,626,420	\$ 21,182,017
Revenue Funded Capital	\$ 2,345,582	\$ 5,076,628	\$ 2,430,817	\$ 3,661,133	\$ 2,172,624
<b>Total Capital Cost Recovery</b>	\$ 7,043,663	\$ 10,071,470	\$ 7,706,752	\$ 16,287,553	\$ 23,354,641
<b>Wholesale Revenue Requirement</b>	\$ 333,848,194	\$ 367,253,404	\$ 397,208,091	\$ 423,221,875	\$ 451,374,054
Balancing Account as of June 30 (Beginning of Year)	\$ 28,917,926	\$ 3,063,745	\$ 101,943	\$ 101,957	\$ (249,870)
Balancing Account Deferral	\$ (3,063,745)	\$ (101,943)	\$ (101,957)	\$ 249,870	\$ (69,713)
Interest on Balancing Account and Coverage Reserve	\$ (896,835)	\$ (1,323,192)	\$ (1,133,464)	\$ (1,213,159)	\$ (1,079,298)
Revenue Loss to Contract and Untreated Water Rates	\$ 2,653,812	\$ 2,673,928	\$ 2,774,729	\$ 2,970,175	\$ 3,124,228
Wholesale Debt Service Coverage Reserve	\$ 1,396,465	\$ 3,969,452	\$ 2,493,650	\$ 7,436,651	\$ 4,402,805
<b>Wholesale Revenues Before Rate Change</b>					
Volumetric Charges	\$ (328,809,440)	\$ (369,986,898)	\$ (382,545,483)	\$ (396,550,561)	\$ (427,604,665)
Excess Use Charges / Minimum Purchase	\$ -	\$ -	\$ -	\$ -	\$ -
Service Charges	\$ (5,015,217)	\$ (5,548,495)	\$ (5,978,524)	\$ (6,441,680)	\$ (6,820,463)
<b>Total Wholesale Deficiency or (Credit)</b>	\$ 29,031,160	\$ (0)	\$ 12,818,984	\$ 29,775,127	\$ 23,077,077
<i>Wholesale Deficiency or (Credit) as a Percent of Volumetric Charges</i>	8.8%	0.0%	3.4%	7.5%	5.4%
Projected Water Sales (MGD)	129.3 MGD	133.7 MGD	138.3 MGD	138.3 MGD	139.1 MGD
Projected Water Sales (CCF)	63,111,217	65,253,421	67,468,339	67,670,744	67,873,756
Wholesale Deficiency or Credit (\$/CCF)	\$0.46	\$0.00	\$0.19	\$0.44	\$0.34
<b>Wholesale Rate (\$/CCF)</b>	<b>\$5.67</b>	<b>\$5.67</b>	<b>\$5.86</b>	<b>\$6.30</b>	<b>\$6.64</b>
Projected Service Charge Revenues	\$ 5,015,217	\$ 5,548,495	\$ 5,978,524	\$ 6,441,680	\$ 6,820,463
Projected Volume Charge Revenues	\$ 357,840,600	\$ 369,986,898	\$ 395,364,467	\$ 426,325,688	\$ 450,681,742
<b>Total Wholesale Revenues After Rate Change</b>	\$ 362,855,817	\$ 375,535,393	\$ 401,342,992	\$ 432,767,369	\$ 457,502,206

**Calculation of Untreated Water Discount Rate for Coastside County Water District  
Rate-Setting for Fiscal Year 2024-25**

**Wholesale Share of HTWTP Expenses to be Removed**

Operations & Maintenance	\$	11,828,403
Cash Funded Capital	\$	-
Debt Service	\$	12,793,857
<b>Total HTWTP Expense to be Removed</b>	<b>\$</b>	<b>24,622,260</b>

**Total Wholesale Water Consumption (CCF) 63,111,217**

<b>Untreated Water Rate Discount (\$/CCF)</b>	<b>\$</b>	<b>0.39</b>
<b>Untreated Water Rate Discount (\$/acre foot)</b>	<b>\$</b>	<b>169.88</b>

**Impact on Wholesale and Retail Customers**

Untreated Water Rate Discount (\$/CCF)	\$	(0.39)
Projected Coastside County Water District Annual Consumption (CCF)		791,146
Net Impact of Untreated Water Rate Discount	\$	(308,547)

	<b>Wholesale</b>	<b>Retail</b>
Proportional Annual Use	68.09%	31.91%
Allocation of Untreated Water Rate Discount	\$ (210,089)	\$ (98,458)
Projected Annual Treated Water Usage (CCF)	62,320,071	26,441,601
Average Wholesale Rate Impact (\$/CCF)	\$ (0.0034)	\$ (0.0037)



## **SCHEDULE W-25: Wholesale Use with Long-Term Contract**

For service to municipalities, water districts and others who, under long-term contracts, purchase water for resale:

**First:** A Monthly Service Charge base on the type and size of the meter:

<b>Meter Size</b>	<b>Turbine Meters (C-701, Class II)</b>	<b>Electronic Meters (C-715, Class II)</b>	<b>Displacement Meters (C-700, Class II)</b>
2"	-	-	\$143
3"	\$391	\$314	-
4"	\$674	\$539	-
6"	\$1,438	\$719	-
8"	\$2,517	\$1,798	-
10"	\$3,775	\$2,697	-
12"	-	\$3,596	-
16"	\$7,012	-	-

The service charge for a battery of meters installed on one service in lieu of one meter or for a special type of meter, shall be based on the size of single or multiple standard type meters of equivalent capacity.

**Second:** A charge for water delivered based on one-month's meter readings:

**\$2,469.47 per acre-foot                      or                      \$5.67 per 100 cu. ft.**

**Third:** An Untreated Wholesale Water Rate Discount Factor for Wholesale Customers receiving untreated water, based on one-month's meter readings:

**(\$169.88) per acre-foot                      or                      (\$0.39) per 100 cu. ft.**



January 19, 2024

Mrs. Erin Corvinova, Financial Planning Director  
San Francisco Public Utilities Commission  
525 Golden Gate Avenue, 4th Floor  
San Francisco, CA 94102

**Subject: BAWSCA FY 2024-25 Bond Surcharge Schedule**

Dear Erin:

Pursuant to Section 3.01 (a) of the Prepayment and Collection Agreement between the Bay Area Water Supply and Conservation Agency (BAWSCA) and the City and County of San Francisco (San Francisco), dated January 1, 2013 (Agreement), BAWSCA shall deliver a written schedule to San Francisco at least 45 days prior to the beginning of each fiscal year showing the amount of the surcharge that BAWSCA seeks to impose for such fiscal year.

Attached is BAWSCA's FY 2024-25 annual and monthly bond surcharge for each member agency that was adopted by the BAWSCA Board on January 18, 2024. Pursuant to Section 3.02 (a) of the Agreement, San Francisco shall include the identified monthly surcharge in the first wholesale water bill for the largest amount delivered to BAWSCA's member agencies each month, effective July 1, 2024.

If you have any questions about the billing of BAWSCA's surcharges, please contact me at (650) 349-3000.

Sincerely,

A handwritten signature in black ink that reads "Christina Tang".

Christina Tang  
Finance Manager

Attachment: BAWSCA FY 2024-25 Bond Surcharges

cc: Nancy Hom, SFPUC  
Laura Busch, SFPUC  
Alison Kastama, SFPUC  
Nicole Sandkulla, BAWSCA  
Allison Schutte, BAWSCA Legal Counsel

## Attachment

### BAWSCA FY 2024-25 Bond Surcharges

Agency	Annual Bond Surcharge	Monthly Bond Surcharge	Agency	Annual Bond Surcharge	Monthly Bond Surcharge
Alameda County WD	\$2,298,768	\$191,564	Mid Pen WD	\$427,236	\$35,603
Brisbane Water	\$73,536	\$6,128	Millbrae	\$221,388	\$18,449
Burlingame	\$667,968	\$55,664	Milpitas	\$791,844	\$65,987
Coastside County WD	\$38,772	\$3,231	Mountain View	\$1,209,876	\$100,823
CWS - Bear Gulch	\$1,586,292	\$132,191	North Coast WD	\$327,396	\$27,283
CWS - Mid Peninsula	\$2,045,292	\$170,441	Palo Alto	\$1,601,148	\$133,429
CWS - South SF	\$1,320,708	\$110,059	Purissima Hills WD	\$178,668	\$14,889
Daly City	\$590,628	\$49,219	Redwood City	\$1,279,584	\$106,632
East Palo Alto WD	\$263,640	\$21,970	San Bruno	\$231,384	\$19,282
Estero Municipal ID	\$601,416	\$50,118	San Jose (North)	\$721,008	\$60,084
Guadalupe Valley	\$23,916	\$1,993	Santa Clara	\$531,588	\$44,299
Hayward	\$2,297,412	\$191,451	Stanford University	\$293,916	\$24,493
Hillsborough	\$322,728	\$26,894	Sunnyvale	\$1,415,052	\$117,921
Menlo Park	\$439,428	\$36,619	Westborough WD	\$130,632	\$10,886
<b>Total</b>				<b>\$21,931,224</b>	<b>\$1,827,602</b>



San Francisco  
Water Power Sewer

# FY 2024-25 Wholesale Water Service Charges Final Report

FY 2024-2025

San Francisco Public Utilities Commission

April 12, 2024

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## Executive Summary

### SFPUC Background

The San Francisco Public Utilities Commission owns and operates the Hetch Hetchy Regional Water System, serving 2.7 million residents and thousands of businesses in the City and County of San Francisco, Alameda County, San Mateo County, and Santa Clara County. Services are provided via retail operations in the City of San Francisco and through 27 Wholesale Customers<sup>1</sup> outside of the City. When setting wholesale water rates, adjusting rate structures, and developing regional water supply reliability plans, the SFPUC coordinates with the Bay Area Water Supply and Conservation Agency (BAWSCA) – a regional agency representing 26 of the SFPUC’s Wholesale Customers, all listed below:

Alameda County Water District	City of San Bruno
California Water Service Company	City of San José
City of Brisbane	City of Santa Clara
City of Burlingame	City of Sunnyvale
City of Daly City	Coastside County Water District
City of East Palo Alto	Estero Municipal Improvement District
City of Hayward	Guadalupe Valley Municipal Improvement District
City of Menlo Park	Mid-Peninsula Water District
City of Millbrae	North Coast County Water District
City of Milpitas	Purissima Hills Water District
City of Mountain View	Stanford University
City of Palo Alto	Town of Hillsborough
City of Redwood City	Westborough Water District

The SFPUC establishes wholesale water rates and rate structures in accordance with the terms of the Water Supply Agreement (WSA) between the City and County of San Francisco (CCSF) and the Wholesale Customers, which was approved on April 28, 2009 by Commission Resolution No. 09-0069, and amended and restated on January 26, 2021 by Commission Resolution No. 21-0009, with subsequent approval by the Wholesale Customers.

Section 6.04.B of the WSA sets forth the requirements for any changes to the structure of wholesale rates:

“If the SFPUC intends to recommend that the Commission adopt one or more changes to the structure of wholesale rates (currently set forth in SFPUC Rate Schedule W-25), it shall prepare and distribute to the Wholesale Customers and BAWSCA a report describing the proposed change(s), the purpose(s) for which it/they are being considered, and the estimated financial effect on individual Wholesale Customers or classes of customers. Wholesale Customers may

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<sup>1</sup> Cordilleras Mutual Water Company receives wholesale water and pays the same rates as the other 26 Wholesale Customers, but is not a member of BAWSCA or a signatory to the Water Supply Agreement.

submit comments on the report to the SFPUC for sixty (60) days after receiving the report. The SFPUC will consider these comments and, if it determines to recommend that the Commission adopt the change(s), as described in the report or as modified in response to comments, the SFPUC General Manager shall submit a report to the Commission recommending specific change(s) in the rate structure. Copies of the General Manager's report shall be sent to all Wholesale Customers and BAWSCA at least thirty (30) days prior to the Commission meeting at which the changes will be considered."

Section 6.04.A of the WSA further provides:

"The Agreement is not intended and shall not be construed to limit the Commission's right (a) to adjust the structure of the rate schedule applicable to the Wholesale Customers (i.e., the relationship amount the several charges set out therein) or (b) to add, delete, or change the various charges which make up the rate schedule, provided that neither such charges nor the structure of the rate schedule(s) applicable to the Wholesale Customers shall be arbitrary, unreasonable, or unjustly discriminatory as among said customers. The SFPUC will give careful consideration to proposals for changes in the rate schedule made jointly by the Wholesale Customers but, subject to the limitations set out above, shall retain the sole and exclusive right to determine the structure of the rate schedule."

In accordance with Section 6.04B, the SFPUC prepared an initial draft report (Initial Report) with a proposal to change the monthly service charge component of the wholesale water rate and distributed it to all the Wholesale Customers and BAWSCA on February 2, 2024, enabling a 60-day comment period.

This revised Final Report presents the SFPUC's recommended changes to the monthly service charge component of the wholesale water rate for FY 2024-25, after considering the comments received from the Wholesale Customers and BAWSCA by the April 2, 2024 deadline. This report was distributed to the Wholesale Customers and BAWSCA, alongside the FY 2024-25 Annual Rate Notice, 30-days prior to the Commission's wholesale water rate action scheduled to take place on May 14, 2024.

### Process & Timeline

In late summer of 2023, the SFPUC Water Supply and Treatment Division initiated plans to update the Wholesale Customers' meters and equipment in FY 2023-24 and subsequent fiscal years. This update would include the replacement of existing meters, in some cases, with new meter types and sizes that were not accounted for in the existing wholesale monthly service charges (SFPUC Rate Schedule W-25). To address this update, SFPUC staff needed to develop new charges and began a review of the existing wholesale fixed charges. Staff discovered that the monthly service charge had not changed since at least Fiscal Year (FY) 2009-10. Since they had never changed, the percentage of the Wholesale Revenue Requirement (WRR)<sup>2</sup> collected by the monthly service charges had steadily declined from 3.5% in FY

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<sup>2</sup> Wholesale Revenue Requirement, as defined in the Water Supply Agreement, represents the Wholesale Customers' collective share of expenses incurred by the SFPUC in delivering water to them.

2009-10 to 1.5% in FY 2021-22.<sup>3</sup> Furthermore, the current monthly meter charges did not follow a clear methodology, and there was no readily available documentation on how they had been developed.

With a pressing deadline to adopt rates by May 2023, the SFPUC did not have adequate time to conduct and complete a formal study to re-evaluate the wholesale monthly service charge schedule. Instead, SFPUC staff developed a place-holder rate for the one-meter size and technology that was expected to be installed in FY 2023-24 and which did not have an applicable monthly service charge. The FY 2023-24 charge for the 10" Electronic Meter<sup>4</sup> was based on the proportional scale of the existing monthly meter charges for the 8" and 12" meters in the same category. The SFPUC notified the Wholesale Customers and BAWSCA of these changes in the April 6, 2023 FY 2023-24 Annual Rate Notice and noted that the SFPUC planned to revisit the issue in the future following the process in WSA Section 6.04.

In September 2023, SFPUC staff began developing the Initial Report. SFPUC staff reviewed industry manuals on service charges and conducted a preliminary survey of alternative fixed charge structures to inform the agency of the most used and industry-accepted methods. This survey found that many California wholesale water suppliers utilized fixed charges to collect a diverse range of costs and distributed those costs through various mediums, both including meter charges as well as other allocation determinants. However, the SFPUC acknowledged that large structural changes to the rate design must be conducted through a comprehensive rate study, with the engagement and coordination of the Wholesale Customers and BAWSCA representatives. These insights ultimately led the SFPUC to forego any structural changes to the fixed charge's rate design and to propose updated fee amounts which maintained the current structure – based on meter size and type – following methodologies recommended by the American Water Works Association's (AWWA) *M-1 Manual: Principles of Water Rates, Fees, and Charges*.

The Initial Report presented the monthly service charge proposal, defined the purposes for these proposed changes, calculated wholesale customer impact estimates, and included the preliminary research conducted by SFPUC staff as background. The report was distributed to BAWSCA and the Wholesale Customers on February 2, 2024.

During the 60-day comment period, the SFPUC received a total of 14 submitted letters and materials commenting on the initial proposal and Initial Report. BAWSCA and Wholesale Customers' representatives also shared their feedback with SFPUC staff through various meetings and email correspondence. The SFPUC greatly appreciates the comments, edits, and suggestions provided by BAWSCA and the Wholesale Customers, which informed the SFPUC's alternative monthly service charges proposal, and this revised Final Report. On April 12, 2024, the SFPUC issued a response letter to BAWSCA and the Wholesale Customers addressing their submitted comments, alongside the annual rate notice and this revised Final Report. The following sections summarize the SFPUC's revised methodology and proposals.

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<sup>3</sup> At the time the Study began, FY 2021-22 was the most recent year of the WRR calculation.

<sup>4</sup> In the AWWA M6 Manual, these meters are labeled as "Electromagnetic/Ultrasonic Meters." The SFPUC will refer to these types of meters as "Electronic" Meters to capture both categories.



### SFPUC Proposed Wholesale Fixed Charges

The SFPUC is not proposing structural rate design changes to the Wholesale Customers' monthly service charges, as further consideration and research are needed to alter the existing fixed charge structure. However, the SFPUC is proposing to update the existing monthly service charges to an equitable distribution of the costs collected via the monthly service charges across the different meter sizes and technologies.

To limit rate impacts and minimize shifts in cost between Wholesale Customer, the SFPUC is proposing to (1) maintain collecting 1.5% of the FY 2024-25 WRR from the fixed charges and (2) allocate those costs across meter sizes based on American Water Works Association's standardized meter capacities. This proposal does not alter the total WRR collected or deviate from the cost allocation methodology set by Article V of the WSA.

Table 1 summarizes the proposed FY 2024-25 monthly service charges and includes rates for current meters, planned meters, and all potential future meters that the SFPUC has contracts in place to purchase. The Crest Meter category that is currently present in Schedule W-25 has been removed because there are no crest meters in service today or planned to be installed, as have all meter sizes within the remaining technology types which are no longer in use. The SFPUC has also altered the meter type names to clearly label the meter types referenced for their meter capacities.

*Table 1: Proposed FY 2024-25 Monthly Service Charges*

<b>Meter Size</b>	<b>Turbine Meters (C-701, Class II)</b>	<b>Electronic Meters (C-715, Class II)</b>	<b>Displacement Meters (C-700, Class II)</b>
<b>2"</b>	-	-	\$143
<b>3"</b>	\$391	\$314	-
<b>4"</b>	\$674	\$539	-
<b>6"</b>	\$1,438	\$719	-
<b>8"</b>	\$2,517	\$1,798	-
<b>10"</b>	\$3,775	\$2,697	-
<b>12"</b>	-	\$3,596	-
<b>16"</b>	\$7,012	-	-

Generally, these changes cause the monthly service charges to increase for Wholesale Customers with smaller meters and decrease for Wholesale Customers with larger meters (Table 2). The primary reason for this outcome is the SFPUC's use of the latest meter capacity ratios to proportionally allocate costs across each meters type. Figure 1 and Figure 2 below demonstrate how the proposed charges follow a much more predictable and linear escalation across each meter type. The shifts in costs between Wholesale Customers with small versus large meters is, however, less substantial than the shift in costs in the SFPUC's initial proposal due to a simplification of the cost allocation methodology used to solely the AWWA capacities for each meter. For a detailed impact analysis, please refer to the "Wholesale Customer Impacts" Section and the attached Appendix A.

## FY 2024-25 Wholesale Water Service Charges Final Report

Table 2: Proposed FY 2024-25 Wholesale Monthly Service, Change from Current Charges

Type	Size	Current FYE 2024 Charges	Proposed FYE 2025 Charges	\$ Change (Proposed FYE 2025 vs FYE 2024)
Displacement	2"	\$79	\$143	\$64
Electronic	3"	-	\$314	New Rate
Turbine	3"	-	\$391	New Rate
Electronic	4"	-	\$539	New Rate
Turbine	4"	\$577	\$674	\$97
Electronic	6"	-	\$719	New Rate
Turbine	6"	\$1,256	\$1,438	\$182
Electronic	8"	\$2,265	\$1,798	(\$467)
Turbine	8"	\$1,875	\$2,517	\$642
Electronic	10"	\$3,769	\$2,697	(\$1,072)
Electronic	12"	\$5,159	\$3,596	(\$1,563)
Turbine	10"	\$3,391	\$3,775	\$384
Turbine	16"	\$7,215	\$7,012	(\$203)

Figure 1: Current FY 2023-24 Monthly Meter Charge by Meter Capacity

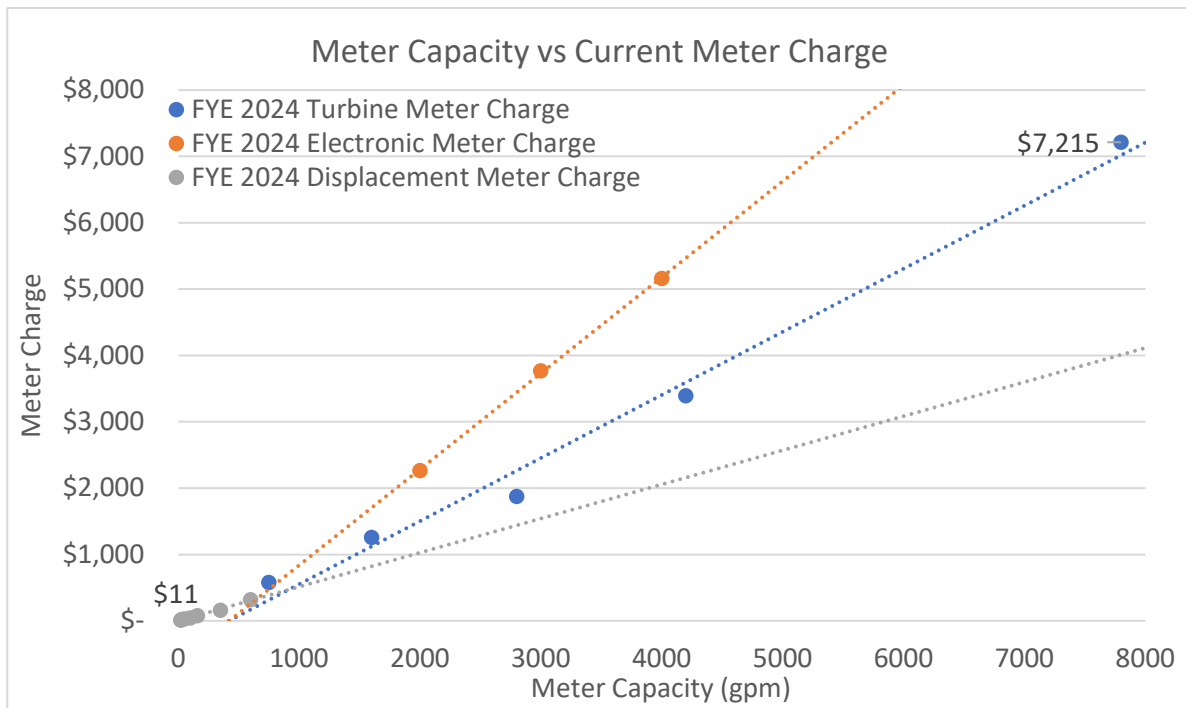
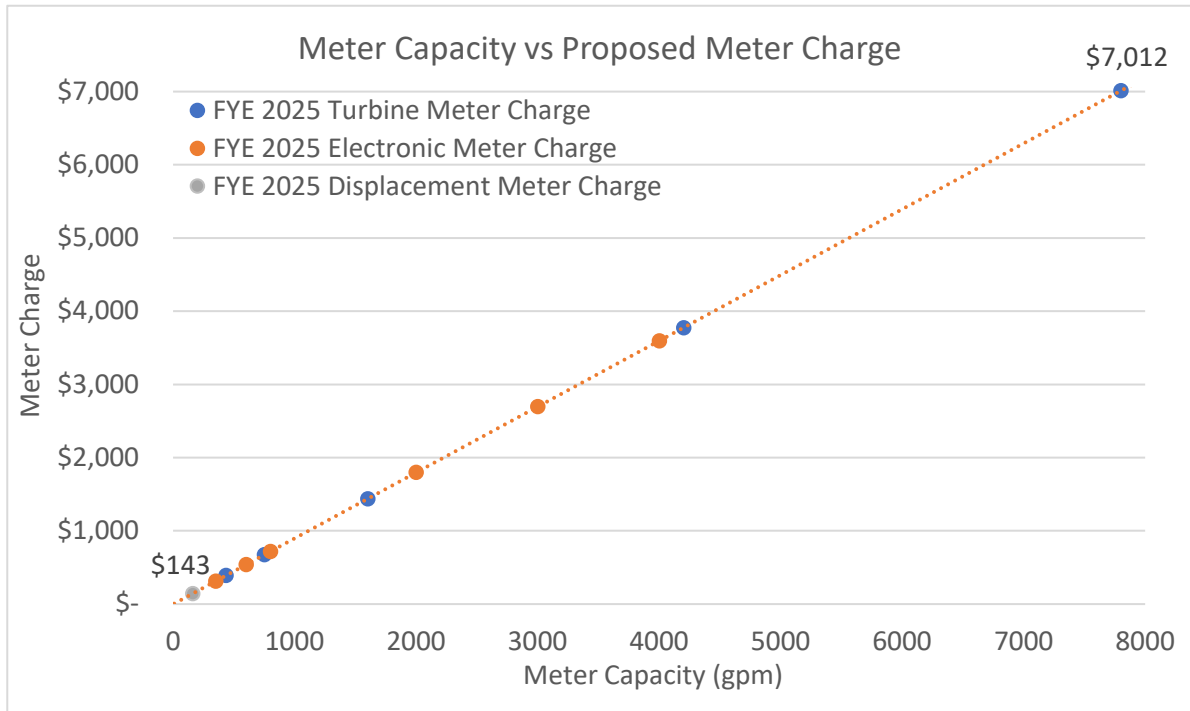


Figure 2: Proposed FY 2024-25 Monthly Meter Charge by Meter Capacity



## Methodology

To develop the proposed rates, staff first determined the total fixed charge revenue collected by distributing 1.5% of the WRR to the monthly service charge and then allocated those costs proportional to each meter's maximum capacity.

### Recover 1.5% of the Wholesale Revenue Requirement

In accordance with the WSA, the SFPUC estimates the annual WRR to update wholesale water rates for the following fiscal year. The WRR is the Wholesale Customers' collective share of expenses incurred by the SFPUC in delivering water to them and is determined each year under the terms of the WSA. In general, the WSA requires the Wholesale Customers to pay operating expenses and capital costs associated with regional assets, which serve both the Wholesale Customers and the Retail Customers of the SFPUC, based on proportional annual water use. The WSA allows the SFPUC to recover a portion of net annual debt service for new regional assets and to recover the wholesale share of revenue-funded regional capital costs. The WSA also authorizes the SFPUC to collect the Wholesale Customers' contribution to meet debt service coverage reserve requirements. Finally, the WSA allows for the wholesale rate to include an appropriate adjustment for the Balancing Account, which is used to adjust the WRR based on revenues recovered and actual operating costs in the previous fiscal year.

The calculated FY 2024-25 WRR, which includes the Wholesale Customers' proportionate share of operating expenses, debt service on bonds sold to construct or acquire new regional assets, and revenue funding for new cash-funded regional assets, totals to \$334.3 million (Table 3). To minimize impacts on the Wholesale Customers, staff decided to maintain the collection of 1.5% of the WRR through the monthly service charges. To calculate the total revenue collected by the monthly service charges, staff multiplied the calculated FY 2024-25 WRR by 1.5%, amounting to a total of \$5.0 million.

*Table 3: Share of WRR Collected via Monthly Service Charges*

	<i>Actual</i> <b>FY 2021-22</b>	<i>Proposed</i> <b>FY 2024-25</b>
Wholesale Revenue Requirement	\$289,356,105	\$334,347,824
Fixed Service Charges	\$4,313,683	\$5,015,217
% of WRR	1.5%	1.5%

### Meter Equivalent Units of Service

Staff used meter capacity ratios to apportion the combined \$5,015,217 monthly service charge allocation by meter size. The equivalent meters in this study are based on the AWWA-rated safe operating capacities listed in the AWWA's "M1 Principles of Rates, Fees and Charges", 7th Edition and AWWA's 2018 Addendum to "M6 Water Meters – Selection, Installation, Testing, and Maintenance, Fifth Edition." Table 4 shows the meter types and sizes, the total number of meters, and the calculated equivalent meter units of service for existing meters.

Table 4: Wholesale Customer Meter Equivalent Ratios<sup>5</sup>

Wholesale Customer's Meter Equivalent Ratios					
Reference capacity: 1600 gallons per minute (gpm)					
Type (A)	Size (B)	Total Meters (C)	Meter Capacity (D)	Meter Equivalent (E) = D ÷ 1,600 gpm	Total Meter Equivalents (F) = C x E
Displacement	2"	8	160	0.10	0.80
Electronic*	3"	0	350	0.22	0.00
Turbine*	3"	0	435	0.27	0.00
Electronic*	4"	0	600	0.38	0.00
Turbine	4"	40	750	0.47	18.75
Electronic*	6"	0	800	0.50	0.00
Turbine	6"	75	1600	1.00	75.00
Electronic*	8"	0	2000	1.25	0.00
Turbine	8"	37	2800	1.75	64.75
Electronic	10"	1	3000	1.88	1.88
Electronic*	12"	0	4000	2.50	0.00
Turbine	10"	40	4200	2.63	105.00
Turbine	16"	5	7800	4.88	24.38
<b>Total</b>		<b>206</b>			<b>290.55</b>

Staff standardized meter capacity ratios by dividing meter capacity by 1,600 gallons per minute (gpm), which is the safe maximum flow through a Turbine 6-inch meter, the most common meter type and size used for the Wholesale Customers. The meter capacity ratios are then multiplied by the number of water meters at each meter size (Column C x Column E) to determine the total meter equivalent units (Column F).<sup>6</sup>

Using the total meter equivalents unit of service calculated in Table 4, staff allocated the total monthly service charge revenue to each meter type and size (Table 5). To calculate this, the total fixed charge revenue is first divided by the total meter equivalents amongst all the Wholesale Customers to develop a base allocation.

$$\text{Base Allocation} = \frac{\text{Total Monthly Service Charge Revenue}}{\text{Total Meter Equivalents}} = \frac{\$5,015,217}{290.55} = \$17,261$$

<sup>5</sup> For meters marked with \*, while no meters of this size and type are currently installed, they are expected in the next few years as part of the SFPUC's ongoing meter replacement work or are possible meters the SFPUC can purchase. Staff developed proposed fixed charges for these meters to ensure charges will be available if they are installed.

<sup>6</sup> The total meters reported represent the latest information on the Wholesale Customers' active meters. This table is subject to change and reliant on ongoing work in the Meter Recalibration and Replacement Project

Staff multiplied this base allocation by each individual meter and size combination's meter equivalent ratio. To illustrate, the equation below shows the calculation for a 2" Displacement Meter as an example:

$$\text{Total Annual Charge} = \text{Base Allocation} \times \text{Meter Equivalents} = \$17,261 \times 0.1 = \$1,726$$

This meter charge is then annualized into a monthly charge:

$$2'' \text{ Displacement Meter's Monthly Service Charge} = \frac{\$1,726}{12 \text{ months}} = \$143$$

*Table 5: Proposed Monthly Service Charge Calculation for FY 2024-25*

FY 2025 Wholesale Fixed Charge Calculation				
Total Fixed Charge Revenue: \$5,015,217				
\$ Meter Equivalent: \$17,261				
Type	Size	Meter Equivalent	Total Annual Charge	Proposed Monthly Charge
(A)	(B)	(C)	(D) = C x \$17,261	(E) = D ÷ 12
Displacement	2"	0.10	\$1,726.11	\$143
Electronic*	3"	0.22	\$3,775.87	\$314
Turbine*	3"	0.27	\$4,692.87	\$391
Electronic*	4"	0.38	\$6,472.92	\$539
Turbine	4"	0.47	\$8,091.15	\$674
Electronic	6"	0.50	\$8,630.56	\$719
Turbine	6"	1.00	\$17,261.12	\$1,438
Electronic*	8"	1.25	\$21,576.40	\$1,798
Turbine	8"	1.75	\$30,206.95	\$2,517
Electronic	10"	1.88	\$32,364.59	\$2,697
Electronic*	12"	2.50	\$43,152.79	\$3,596
Turbine	10"	2.63	\$45,310.43	\$3,775
Turbine	16"	4.88	\$84,147.94	\$7,012

## Wholesale Customer Impacts

As discussed above, the current monthly service charges have not been updated since at least the effective date of the WSA, at the start of FY 2009-10, and staff does not have sufficient documentation on the source of the existing ratios. Staff recommends aligning the ratios to the industry standard capacity values shown above, which are scaled appropriately for the meters currently installed for the Wholesale Customers. Appendix A of this report specifies the estimated annual financial effect of the proposed monthly service charge update on each Wholesale Customer.

Overall, the estimated proposed monthly service charges result in increased costs for Wholesale Customers with small-capacity meters and decreased costs for Wholesale Customers with large-capacity meters. While some of the percentage increases and decreases shown in Appendix A are large, it is important to note that the monthly service charges continue to represent only a small percentage of the total costs for each Wholesale Customer. In the impact analysis, we have included a column in the table below that roughly estimates the percentage of the impacts of the proposed fixed charges on each customer's total monthly bill, assuming FY 2022-23 total volumetric usage for each customer and the proposed FY 2024-25 wholesale rate of \$5.67/CCF.<sup>7</sup> To review the proposed rate update's impact on each individual Wholesale Customer, refer to the attached Appendix A.

## Conclusion

The proposal presented in this Final Report updates the methodology for calculating the monthly service charge component of the SFPUC's wholesale water rates (W-25) to better reflect current industry cost allocation principles. This proposal is based on more accurate relative meter capacities and continues to keep the total percentage of the WRR collected from the monthly service charge at 1.5%. Staff will continue to review this area of rate design in future fiscal years to determine if additional changes should be made.

In accordance with Section 6.04.B of the WSA, the SFPUC provided this revised Final Report to the Wholesale Customers and BAWSCA on April 12, 2024, alongside the FY 2024-25 Annual Rate Notice. SFPUC staff will submit this report to the Commission and presents its recommendations for consideration and adoption at the May 14, 2024 Commission meeting.

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<sup>7</sup> Because the total Wholesale Revenue Requirement is a set value, which this proposal does not increase, the increased dollars collected via the service charges (to maintain the fixed 1.5% of the WRR) are offset via a reduction in the volumetric rate. The new service charges collect \$687,674 in additional revenue compared to the current charges. This results in a \$0.011/ccf reduction in the wholesale volumetric rate vs. what otherwise would have been effective.

## Appendix A: Proposed FYE 2025 Wholesale Customers' Monthly Bill Impact Estimates

This table calculates each Wholesale Customers' monthly bill impact using the proposed FYE 2025 Monthly Service Charges and Volumetric Charges

The bill calculations assume projected FYE 2025 wholesale water volumes and uses the \$5.21 FYE 2024 volumetric rate and the Proposed FYE 2025 volumetric rate of \$5.67.

Wholesale Customer	Meter Type	Meter Size	Total Meters	FY 2024 Current Fixed Charge	FY 2025 Proposed Fixed Charges	FYE 2024 Current Volumetric Charge	FYE 2025 Proposed Volumetric Charges	Fixed Charge Impact (\$)	Fixed Charge Impact (%)	Total Bill Impact (\$)	Total Bill Impact (%)
<b>Alameda County Water District</b>				\$ 30,605	\$ 34,156	\$ 2,001,182	\$ 2,177,870	\$ 3,551	11.6%	\$ 180,239	8.9%
	Turbine	4"	4	\$ 2,308	\$ 2,696						
	Turbine	6"	3	\$ 3,768	\$ 4,314						
	Turbine	8"	2	\$ 3,750	\$ 5,034						
	Turbine	10"	4	\$ 13,564	\$ 15,100						
	Turbine	16"	1	\$ 7,215	\$ 7,012						
<b>Brisbane</b>				\$ 9,411	\$ 11,145	\$ 93,288	\$ 101,525	\$ 1,734	18.4%	\$ 9,971	9.7%
	Turbine	6"	6	\$ 7,536	\$ 8,628						
	Turbine	8"	1	\$ 1,875	\$ 2,517						
<b>Burlingame</b>				\$ 15,556	\$ 17,078	\$ 697,685	\$ 759,284	\$ 1,522	9.8%	\$ 63,122	8.8%
	Turbine	6"	4	\$ 5,024	\$ 5,752						
	Turbine	8"	3	\$ 3,750	\$ 7,551						
	Turbine	10"	1	\$ 6,782	\$ 3,775						
<b>California Water - Bear Gulch</b>				\$ 17,520	\$ 20,958	\$ 2,279,813	\$ 2,481,102	\$ 3,438	19.6%	\$ 204,727	8.9%
	Disc	2"	2	\$ 158	\$ 286						
	Turbine	4"	4	\$ 2,308	\$ 2,696						
	Turbine	6"	9	\$ 11,304	\$ 12,942						
	Turbine	8"	2	\$ 3,750	\$ 5,034						
<b>California Water - Peninsula</b>				\$ 30,781	\$ 32,449	\$ 2,656,904	\$ 2,891,486	\$ 1,668	5.4%	\$ 236,251	8.8%
	Turbine	4"	2	\$ 1,154	\$ 1,348						
	Turbine	6"	4	\$ 5,024	\$ 5,752						
	Turbine	10"	3	\$ 10,173	\$ 11,325						
	Turbine	16"	2	\$ 14,430	\$ 14,024						
<b>California Water - South San Francisco</b>				\$ 19,652	\$ 23,324	\$ 1,257,626	\$ 1,368,664	\$ 3,672	18.7%	\$ 114,710	9.0%
	Turbine	4"	9	\$ 4,616	\$ 6,066						
	Turbine	6"	5	\$ 7,536	\$ 7,190						
	Turbine	8"	4	\$ 7,500	\$ 10,068						
<b>Coastside County Water District</b>				\$ 7,160	\$ 6,472	\$ 214,874	\$ 233,845	\$ (688)	-9.6%	\$ 18,284	8.2%
	Turbine	10"	1	\$ 3,391	\$ 3,775						
	Mag Meter	10"	1	\$ 3,769	\$ 2,697						
<b>Cordilleras Mutual Water Company</b>				\$ 158	\$ 286	\$ 1,247	\$ 1,357	\$ 128	81.0%	\$ 238	16.9%
	Disc	2"	2	\$ 158	\$ 286						
<b>Daly City</b>				\$ 16,664	\$ 18,503	\$ 789,916	\$ 859,659	\$ 1,839	11.0%	\$ 71,582	8.9%
	Disc	2"	4	\$ 316	\$ 572						
	Turbine	4"	5	\$ 2,308	\$ 3,370						
	Turbine	6"	4	\$ 5,024	\$ 5,752						
	Turbine	8"	2	\$ 5,625	\$ 5,034						
	Turbine	10"	1	\$ 3,391	\$ 3,775						
<b>East Palo Alto</b>				\$ 7,518	\$ 9,348	\$ 305,831	\$ 332,833	\$ 1,830	24.3%	\$ 28,832	9.2%
	Turbine	6"	3	\$ 3,768	\$ 4,314						
	Turbine	8"	2	\$ 3,750	\$ 5,034						
<b>Estero Municipal Improvement District</b>				\$ 6,782	\$ 7,550	\$ 825,475	\$ 898,357	\$ 768	11.3%	\$ 73,651	8.8%
	Turbine	10"	2	\$ 6,782	\$ 7,550						
<b>Hayward</b>				\$ 21,212	\$ 21,574	\$ 2,997,885	\$ 3,262,573	\$ 362	1.7%	\$ 265,051	8.8%
	Turbine	10"	2	\$ 6,782	\$ 7,550						
	Turbine	16"	2	\$ 14,430	\$ 14,024						
<b>Menlo Park</b>				\$ 7,518	\$ 9,348	\$ 550,519	\$ 599,125	\$ 1,830	24.3%	\$ 50,436	9.0%
	Turbine	6"	3	\$ 3,768	\$ 4,314						
	Turbine	8"	2	\$ 3,750	\$ 5,034						
<b>Mid Peninsula Water District</b>				\$ 6,522	\$ 7,730	\$ 516,738	\$ 562,361	\$ 1,208	18.5%	\$ 46,832	8.9%
	Turbine	6"	1	\$ 1,256	\$ 1,438						
	Turbine	8"	1	\$ 1,875	\$ 2,517						
	Turbine	10"	1	\$ 3,391	\$ 3,775						
<b>Millbrae</b>				\$ 10,146	\$ 11,549	\$ 361,199	\$ 393,090	\$ 1,403	13.8%	\$ 33,294	9.0%
	Turbine	4"	3	\$ 1,731	\$ 2,022						
	Turbine	6"	4	\$ 5,024	\$ 5,752						
	Turbine	10"	1	\$ 3,391	\$ 3,775						
<b>Milpitas</b>				\$ 14,022	\$ 17,798	\$ 1,020,099	\$ 1,110,165	\$ 3,776	26.9%	\$ 93,842	9.1%
	Turbine	6"	1	\$ 1,256	\$ 1,438						
	Turbine	8"	5	\$ 9,375	\$ 12,585						
	Turbine	10"	1	\$ 3,391	\$ 3,775						
<b>Mountain View</b>				\$ 16,695	\$ 19,055	\$ 1,574,721	\$ 1,713,756	\$ 2,360	14.1%	\$ 141,395	8.9%
	Turbine	6"	1	\$ 1,256	\$ 1,438						
	Turbine	8"	1	\$ 1,875	\$ 2,517						
	Turbine	10"	4	\$ 13,564	\$ 15,100						
<b>North Coast County Water District</b>				\$ 3,391	\$ 3,775	\$ 476,999	\$ 519,114	\$ 384	11.3%	\$ 42,499	8.8%
	Turbine	10"	1	\$ 3,391	\$ 3,775						
<b>Palo Alto</b>				\$ 23,217	\$ 26,785	\$ 2,059,602	\$ 2,241,448	\$ 3,568	15.4%	\$ 185,414	8.9%
	Turbine	6"	2	\$ 2,512	\$ 2,876						
	Turbine	8"	2	\$ 3,750	\$ 5,034						
	Turbine	10"	5	\$ 16,955	\$ 18,875						



Wholesale Customer	Meter Type	Meter Size	Total Meters	FY 2024 Current Fixed Charge	FY 2025 Proposed Fixed Charges	FYE 2024 Current Volumetric Charge	FYE 2025 Proposed Volumetric Charges	Fixed Charge Impact (\$)	Fixed Charge Impact (%)	Total Bill Impact (\$)	Total Bill Impact (%)
<b>Purissima Hills Water District</b>				\$ 3,029	\$ 3,865	\$ 354,750	\$ 386,071	\$ 836	27.6%	\$ 32,157	9.0%
	Turbine	4"	2	\$ 1,154	\$ 1,348						
	Turbine	8"	1	\$ 1,875	\$ 2,517						
<b>Redwood City</b>				\$ 26,856	\$ 25,795	\$ 1,689,374	\$ 1,838,532	\$ (1,061)	-4.0%	\$ 148,097	8.6%
	Turbine	4"	6	\$ 2,885	\$ 4,044						
	Turbine	6"	9	\$ 10,048	\$ 12,942						
	Turbine	8"	2	\$ 3,750	\$ 5,034						
	Turbine	10"	1	\$ 10,173	\$ 3,775						
<b>San Bruno</b>				\$ 12,760	\$ 14,515	\$ 249,411	\$ 271,431	\$ 1,755	13.8%	\$ 23,776	9.1%
	Turbine	4"	1	\$ 577	\$ 674						
	Turbine	6"	7	\$ 8,792	\$ 10,066						
	Turbine	10"	1	\$ 3,391	\$ 3,775						
<b>San Jose</b>				\$ 10,173	\$ 11,325	\$ 863,800	\$ 940,067	\$ 1,152	11.3%	\$ 77,418	8.9%
	Turbine	10"	3	\$ 10,173	\$ 11,325						
<b>Santa Clara</b>				\$ 6,782	\$ 7,550	\$ 675,549	\$ 735,195	\$ 768	11.3%	\$ 60,413	8.9%
	Turbine	10"	2	\$ 6,782	\$ 7,550						
<b>Stanford University</b>				\$ 9,913	\$ 11,505	\$ 312,372	\$ 339,952	\$ 1,592	16.1%	\$ 29,172	9.1%
	Turbine	6"	1	\$ 1,256	\$ 1,438						
	Turbine	8"	1	\$ 1,875	\$ 2,517						
	Turbine	10"	2	\$ 6,782	\$ 7,550						
<b>Sunnyvale</b>				\$ 22,939	\$ 27,685	\$ 1,896,456	\$ 2,063,897	\$ 4,746	20.7%	\$ 172,187	9.0%
	Turbine	8"	5	\$ 9,375	\$ 12,585						
	Turbine	10"	4	\$ 13,564	\$ 15,100						
<b>Town of Hillsborough</b>				\$ 12,975	\$ 15,279	\$ 506,748	\$ 551,490	\$ 2,304	17.8%	\$ 47,046	9.1%
	Turbine	4"	4	\$ 2,308	\$ 2,696						
	Turbine	6"	7	\$ 8,792	\$ 10,066						
	Turbine	8"	1	\$ 1,875	\$ 2,517						
<b>Westborough Water District</b>				\$ 1,256	\$ 1,438	\$ 133,900	\$ 145,722	\$ 182	14.5%	\$ 12,004	8.9%
	Turbine	6"	1	\$ 1,256	\$ 1,438						
<b>Monthly Total</b>				\$ 371,213	\$ 417,840	\$ 27,363,962	\$ 29,779,974	\$ 46,627	12.6%	\$ 2,462,639	8.9%
<b>Annual Total</b>				\$ 4,454,556	\$ 5,014,080	\$ 328,367,543	\$ 357,359,687	\$ 559,524	12.6%	\$ 29,551,668	8.9%



April 12, 2024

Nicole Sandkulla, CEO/General Manager  
Bay Area Water Supply and Conservation  
155 Bovet Road, Suite 650  
San Mateo, CA 94402

Dear BAWSCA and Wholesale Customers,

On February 2nd, 2024, the San Francisco Public Utilities Commission (SFPUC) distributed the "Wholesale Water Fixed Charge Study" (Initial Report) to the Wholesale Customers and the Bay Area Water Supply and Conservation Agency (BAWSCA), detailing the SFPUC's proposed adjustments to the monthly service charge component of the wholesale water rates in the SFPUC Rate Schedule W-25. In accordance with Section 6.04.B of the Water Supply Agreement (WSA), the Wholesale Customers and BAWSCA had 60 days to submit comments on the SFPUC's proposals.

The SFPUC has prepared this letter and its attachments in response to the 14 submitted letters and materials it received by the April 2, 2024, review period deadline. Most concerns raised by BAWSCA and the Wholesale Customers pertain to (1) the process and timeline of the study, (2) the purpose of a fixed charge, and (3) the proposed monthly service charge's cost allocation methodology. We deeply appreciate the insights shared by the Wholesale Customers and BAWSCA. Your feedback has played a crucial role in developing our revised monthly service charge proposals and associated report, which is distributed alongside this response letter and the FY 2024-25 Annual Wholesale Rate Notice.

Based on your feedback, the SFPUC's revised proposal retains 1.5% of the total Wholesale Revenue Requirement through the monthly service charges, but eliminates the customer service charge component of the cost allocation that was included in the original proposal. If adopted by the Commission, these recommended charges will proportionally distribute costs associated with meters among the Wholesale Customers based solely on meter capacity. This change 1) ensures the proposed monthly service charges for all meter sizes and technologies are based on quantifiable, industry-standard metrics to ensure fair allocations among the Wholesale Customers, while 2) minimizing as much as possible the changes from the current rate structure (Table 2).

**London N. Breed**  
Mayor

**Tim Paulson**  
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Vice President

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Commissioner

**Sophie Maxwell**  
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**Dennis J. Herrera**  
General Manager

Services of the San Francisco Public Utilities Commission

**OUR MISSION:** To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



Table 1: Proposed FYE 2025 Wholesale Monthly Service Charge<sup>1</sup>

Meter Size	Turbine Meters (C-701, Class II)	Electronic Meters (C-715, Class II)	Displacement Meters (C-700, Class II)
2"	-	-	\$143
3"	\$391	\$314	-
4"	\$674	\$539	-
6"	\$1,438	\$719	-
8"	\$2,517	\$1,798	-
10"	\$3,775	\$2,697	-
12"	-	\$3,596	-
16"	\$7,012	-	-

Table 2: Revised Proposed FY 2024-25 Monthly Service Charges<sup>2</sup>

Type	Size	CURRENT FYE 2024 Charges	ORIGINAL Proposed FYE 2025 Charges	REVISED Proposed FYE 2025 Charges	\$ Change (Original FYE 2025 vs Current FYE 2024)	\$ Change (Revised FYE 2025 vs Current FYE 2024)
Displacement	2"	\$79	\$480	\$143	\$401	\$64
Electronic	3"	-	Not Included*	\$314	New Rate	New Rate
Turbine	3"	-	Not Included*	\$391	New Rate	New Rate
Electronic	4"	-	\$789	\$539	New Rate	New Rate
Turbine	4"	\$577	\$894	\$674	\$317	\$97
Electronic	6"	-	\$703	\$719	New Rate	New Rate
Turbine	6"	\$1,256	\$1,490	\$1,438	\$234	\$182
Electronic	8"	\$2,265	\$1,771	\$1,798	(\$494)	(\$467)
Turbine	8"	\$1,875	\$2,333	\$2,517	\$458	\$642
Electronic	10"	\$3,769	\$2,473	\$2,697	(\$1,296)	(\$1,072)
Electronic	12"	\$5,159	Not Included*	\$3,596	N/A	(\$1,563)
Turbine	10"	\$3,391	\$3,317	\$3,775	(\$74)	\$384
Turbine	16"	\$7,215	\$5,843	\$7,012	(\$1,372)	(\$203)

<sup>1</sup> As recommended by the SFPUC Water Supply and Treatment Division, the "Disc/Compound Meters" category will be renamed to "Displacement Meters," as there are no compound meters currently installed, and it is more common to refer to a disc meter as a displacement meter.

The SFPUC has also updated the meter type labels to clearly distinguish the specific AWWA standardized meter and class referenced. Electronic Meters are labeled as "Electromagnetic/Ultrasonic Meters" in the AWWA M6 Manual, but will be referred to as Electronic Meters to capture either category.

<sup>2</sup> \*Additional meter sizes and types added to schedule to account for any future potential meters that are not currently or planned to be installed, but which the SFPUC has contracts to purchase and install if needed.

Furthermore, the SFPUC has simplified the Wholesale Water Fixed Charge Study by removing the survey of other wholesale water suppliers' fixed charge structures and all discussion regarding cost allocation methodologies. To ensure that there is sufficient time for the SFPUC to complete additional research on rate structure design, evaluate policy and equity considerations of further changes to the wholesale rates structure, and for collaborative discussion with the Wholesale Customers, the SFPUC will not initiate any proposals to further alter the rate structure until FY 2025-26 at the earliest. If the SFPUC decides to revisit this topic – especially if we expect more substantive changes to the rate structure – we will both follow the terms of the WSA and seek additional collaboration and engagement from the Wholesale Customers and BAWSCA to ensure sufficient time for input on any proposals.

The following summarizes the SFPUC's response to the main comments it received on the initial proposal and Initial Report. In addition, Appendix A includes an index of all comment letters and materials received, which cross-references to the Main Comment Responses below or contains a direct response to the comments received from individual customers.

### **Main Comment Response 1. The SFPUC's Process and Timeline**

Many comments focused on the process and timeframe of the Initial Report and asked for more time or a delay into the process. BAWSCA and the Wholesale Customers noted that *"the complex methodology used by the SFPUC requires more than 60 days to review"* and have requested that *"the result is collaborative, appropriate and satisfactory to Wholesale Customers, and fully consistent with the intent of the WSA."*

The SFPUC followed the procedural requirements set forth in the WSA for any proposed changes to the rate structure and its various charges. Section 6.04.B of the WSA, specifically, provides that the Wholesale Customers shall have 60 days to submit comments after receiving a report that the SFPUC prepares describing proposed changes to the rate structure or its various charges. Section 6.04.A of the WSA provides that "[t]he SFPUC will give careful consideration to proposals for changes made jointly by the Wholesale Customers but, subject to the limitations set out above, shall retain the sole and exclusive right to determine the structure of the rate schedule."

The SFPUC acknowledges that active engagement and collaboration with BAWSCA and the Wholesale Customers is an essential aspect of setting fair and equitable Wholesale water rates. We want to assure the Wholesale Customers that the SFPUC has actively communicated and collaborated with BAWSCA through various communications and verbal discussions in advance of and following the distribution of the report, as detailed below. The SFPUC has also modified its proposal in response to the helpful feedback it received from BAWSCA and the Wholesale Customers, and it will continue to actively communicate and collaborate with BAWSCA and the Wholesale Customers on its revised proposal and on any future adjustments to the structure of the rate schedule or addition, deletion, or change to the various charges that make up the rate schedule.

- On April 6, 2023, the SFPUC sent its annual written notice of the proposed FYE 2023-24 Wholesale Water Rates to BAWSCA and the Wholesale Customers, in accordance with WSA Section 6.03A. Within this notice, the SFPUC proposed limited updates to the

monthly service charges within Schedule W-25 and notified the Wholesale Customers and BAWSCA that the SFPUC was planning to consider further changes to the structure and amount of the monthly meter charges:

***“Monthly Meter Charges***

*As part of the ongoing wholesale meter calibration and replacement project, new meter technologies and sizes are planned to replace certain wholesale meters. To ensure there are valid monthly service charges for all meters planned to be installed during FY 2023-24, Schedule W-25 has renamed the column “Magnetic Meters” to “Electronic Meters” to capture the broader technology, and added a proportional charge for the 10” electronic meter size based on the relative pricing of the new meters and the existing monthly meter charges for the 8” and 12” meters in the same category.*

*At this time, the SFPUC is not updating the rate structure or changing any of the existing monthly meter charges. However, with changes to meters upcoming, we expect to revisit this issue in the coming years following the process outlined in WSA Section 6.04.B to consider changes to the structure and amounts of the monthly meter charges.”*

***FY 2023-24 Wholesale Rate Notice Letter***

- In accordance with Section 6.04B, the SFPUC prepared the “Wholesale Water Fixed Charge Study Report” to describe the SFPUC’s proposed changes to the monthly service charges, the purpose of its proposed changes, and the impact on individual Wholesale Customers. In September 2023, the SFPUC verbally communicated to BAWSCA representatives that the SFPUC was preparing a “Wholesale Water Fixed Charge Study Report” for FY 2024-25 and offered to meet with BAWSCA to address any preliminary concerns.
- On February 2, 2024, the SFPUC distributed the “Wholesale Water Fixed Charge Study” to the Wholesale Customers and BAWSCA, effectively opening the 60-day review period under WSA Section 6.04B.
- Following issuance, the SFPUC and BAWSCA met to discuss initial concerns and questions about the Initial Report and proposals prior to the SFPUC Annual Wholesale Customer Meeting on February 15, 2024. SFPUC staff explained that the fee proposals did not in any way change or deviate from the Wholesale Revenue Requirement’s (WRR) cost allocation methodology, as set forth in the WSA. SFPUC and BAWSCA staff and counsel met several more times during the month of February to discuss various questions and aspects of the Study.
- On February 15, 2024, the SFPUC gave a presentation to BAWSCA and the Wholesale Customers about the initial proposal and answered Wholesale Customers’ questions at the SFPUC Annual Wholesale Customer Meeting.
- In addition to meetings with BAWSCA, SFPUC staff presented the Initial Report at the March 7, 2024 BAWSCA Water Managers Meeting and addressed Wholesale Customers’ questions. SFPUC staff encouraged submission of edits, comments, and suggestions to the Study for consideration, as well as offered to meet with individual

Wholesale Customers. The SFPUC also provided BAWSCA with copies of the study's calculation models and further details on the methodology on March 8, 2024.

- During the month of March, SFPUC staff met with Purissima Hills Water District, Cordilleras Mutual Company, and BAWSCA to discuss questions and concerns. During meetings with BAWSCA, SFPUC staff reviewed and discussed BAWSCA's alternative charges for 4" electronic meter, 6" electronic meter, and 16" electronic meter, relative to 8" and 10" electronic and turbine meters (The SFPUC's response to this proposal can be found in Appendix A); shared with BAWSCA representatives a revised proposal based on comments and concerns received; and met a second time to further collaborate on the proposed adjusted charges and revised report.
- On April 2, 2024, the 60-day comment period ended; a summary of the letters and materials received during the 60-day review period is contained in Appendix A.
- In advance of the April 4, 2024 BAWSCA Water Managers' Meeting, the SFPUC shared with the Wholesale Customers their draft revised monthly service charge proposals and each wholesale customer's monthly bill estimates using the DRAFT revised fixed charges and a FYE 2024 volumetric rate of \$5.54. SFPUC staff then attended and presented at the April Water Managers' Meeting.

While the majority of the above collaboration exceeds the minimum requirements of the WSA, the SFPUC always endeavors to answer questions and solicit feedback from its customers. We appreciate the willingness of the Wholesale Customers' and BAWSCA's time to assist our agency in meeting our shared obligations in a timely fashion.

## **Main Comment Response 2. The Purpose of a Fixed Charge**

BAWSCA and the Wholesale Customers had two general comments questioning the purpose of a fixed charge in the context of the wholesale water rates. First, they suggested that the SFPUC's proposed monthly service charges deviate from the WSA principle of Proportional Annual Use. Second, they suggested that there should not be a monthly service charge component in the wholesale water rates given the existence of the Balancing Account. The SFPUC's responses to both comments are provided in the sections below.

It's important to note that completely eliminating the fixed charges, as some commenters proposed, would represent an even greater shift from current cost allocations among the Wholesale Customers than the SFPUC's proposal. However, the SFPUC also acknowledges that questions about cost allocation among the wholesale customers are important and complex, and should be addressed during a comprehensive rate study analysis that allows sufficient time for customer input and discussion of impacts and policy priorities. As the scope of this specific project is to update the existing monthly service charges, and feedback received has been clear in the goal of making as little change as possible at this time, the SFPUC will revisit these broader concerns with the Wholesale Customers and BAWSCA if a future rate study is planned.

### **2.1 Comment: The Proposed Monthly Service Charges Deviate from Proportional Annual Use**

Multiple commenters expressed concern that the proposed Monthly Service Charges "*deviate from the key Water Supply Agreement (WSA) principle of allocating costs based on proportional annual use.*" While commenters also recognized that "*the Monthly Service Charges were carried*

*into the existing WSA from previous agreements,”* they nonetheless viewed the SFPUC’s proposal as a deviation from WSA principles requiring greater discussion.

Neither the existing monthly service charges, nor the SFPUC’s initially proposed monthly service charges, deviate from the WSA principle of Proportional Annual Use, as BAWSCA and the Wholesale Customers assert. Proportional Annual Use refers to the shares of deliveries from the Regional Water System used by Retail Customers on the one hand, and the Wholesale Customers collectively on the other hand. It is, accordingly, a principle used to determine how costs incurred by the SFPUC are allocated between Retail Customers on the one hand, and the Wholesale Customers collectively on the other hand. It is not a principle that prescribes how the Wholesale Customers’ collective share of costs is allocated among the individual Wholesale Customers, and the SFPUC’s proposal does not in any way impact the calculation of the WRR under the WSA.

The SFPUC acknowledges the importance of the principle of Proportional Annual Use to the cost allocations of Article 5 of the WSA. However, the principle of Proportional Annual Use does not preclude the use of the existing or initially proposed monthly service charges, or the use of any other fixed charge. First, the existing fixed monthly service charges were in place at the adoption of the WSA, alongside the Article 5.02 principle of Proportional Annual Use. In fact, in FY 2009-10, the first year of the WSA, the SFPUC recovered 3.5% of the WRR through the monthly service charges, more than twice the percentage of the WRR recovered through the monthly service charges today. Fixed charges included in Schedule W-25 for at least the entire life of the WSA do not violate its core principles.

Second, WSA Section 6.04.A states that the SFPUC retains “the sole and exclusive right to determine the structure of the rate schedule,” and that the WSA “is not intended and shall not be construed to limit the Commission’s right (a) to adjust the structure of the rate schedule applicable to the Wholesale Customers (i.e., the relationship among the several charges set out therein) or (b) to add, delete, or change the various charges which make up the rate schedule, provided that neither such charges nor the structure of the rate schedule(s) applicable to the Wholesale Customers shall be arbitrary, unreasonable, or unjustly discriminatory as among said customers.” If the only allowable cost allocation methodology for the wholesale rate structure was a proportional allocation for each customer based on annual CCF water purchases, this section would have no purpose, and there would be a fundamental limitation on the Commission’s rate-setting purview in direct violation of Section 6.04.

The SFPUC assures BAWSCA and the Wholesale Customers that it will not propose for the Commission’s consideration and adoption any charges or adjustments to the rate structure that are “arbitrary, unreasonable or unjustly discriminatory” (WSA Section 6.04.A). The SFPUC has both a contractual and professional interest in ensuring that the rate structure is equitable *amongst* the wholesale customers and reflects industry best practices. As discussed above, the SFPUC is committed to working closely and collaboratively with BAWSCA and the Wholesale Customers, seeking their input on the rate structures and charges that make sense for the Regional Water System to achieve our mutual policy goals. This discussion should take place within the context of a larger review of rate structures.



## 2.2 Comment: The Existence of a Balancing Account Replaces the Need for Fixed Charges

Commenters pointed out that because of the Balancing Account implemented in the WSA, *“the SFPUC always collects 100% of the calculated Wholesale Revenue Requirement from BAWSCA member agencies. Even if the fixed cost portion were zero, the SFPUC would still be assured a full cost recovery through annually adjusted volumetric rates.”*

While we agree that the Balancing Account and fixed charges have some similar features, they do serve different purposes and can work together to achieve policy goals. The Balancing Account only achieves long-run cost recovery. It does not provide the within-year revenue stability that fixed charges do, and it does not provide the certainty in costs and revenues for both the SFPUC and the Wholesale Customers that fixed charges do.

As detailed in WSA Section 6.05, at the close of each fiscal year, a true-up calculation between the WRR and the amount collected from the Wholesale Customers is posted to a Balancing Account. That amount is integrated into the next fiscal year’s wholesale rate setting process as either a positive or negative dollar adjustment to the WRR. This Balancing Account mutually benefits BAWSCA and the SFPUC, as it ensures that the Wholesale Customers are not overcharged the determined Wholesale Revenue Requirement and that the SFPUC does not under-collect it.

The Balancing Account ensures the SFPUC full revenue recovery in the long term; however, it does not protect the SFPUC from revenue volatility caused by fluctuations in volumetric usage in a particular year. This is important because many financial metrics the SFPUC must meet, including Current Debt Service Coverage targets required under its bond indentures and loan requirements, consider only current-year revenues. Fixed charges, like the SFPUC’s monthly service charges that are a component of the wholesale water rate, are a common design in all utility rate structures and serve to provide year by year stability *in addition to* long-term revenue recovery. Furthermore, in recent years, under- and over-collection of revenue has built up large balances in the Balancing Account. Paying these back can lead to large swings in rates or require the SFPUC to under-collect for several years, which puts additional pressure on its overall financial metrics.

The Balancing Account ultimately serves as an adjustment to the following year’s WRR. It is not a part of the rate structure; it is a part of the rate calculation. In other words, the Balancing Account helps answers the question of “what” amount to bill the Wholesale Customers; it does not pertain to questions of “how” to bill Wholesale Customers. There are advantages to all parties from retaining some type of fixed charges, and the SFPUC looks forward to a more substantive discussion on this topic in the future.

## Main Comment Response 3. The Monthly Service Charges’ Cost Allocation Methodology

The SFPUC received multiple comments regarding the methodology that staff used to allocate costs for the proposed monthly service charges, particularly its impacts on Wholesale Customers with smaller meters. BAWSCA and Wholesale Customers were especially concerned about the 1.5% recovery rate and the customer service charge component, stating that *“setting the fixed price revenue requirement at 1.5% of the projected FY 2024/25 Wholesale Revenue Requirement is arbitrary”* and that *“the new recommended rate schedule shifts costs*



*from larger to smaller meters because of a newly introduced flat rate called Customer Charge.”* Some customers questioned whether allocating costs equally across each meter made sense, and instead suggested an allocation of costs per customer.

We acknowledge that the shifts in costs between larger- and smaller-capacity meters are a change from the current rates and that especially Wholesale Customers facing large percentage increases have reasons for concern. Both the original and revised proposals were structured to reduce this impact, while still ensuring the proposed charges follow a consistent and justifiable methodology. First, the SFPUC set the total annual fixed monthly service charges to recover 1.5% of the total WRR, in alignment with the FY 2021-22 recovery rate. Given the strong interest expressed by the Wholesale Customers in reducing changes from the status quo, selecting the same percentage as the most recent completed fiscal is not arbitrary.

Second, the SFPUC’s final proposal revised the proposed monthly service charges by eliminating the customer service charge component and allocating all fixed charge costs to the meter component. With this change, the only factor driving cost distributions is the capacity threshold of the meter. This achieves two goals: 1) it acknowledges the concern that costs which are equal per customer may not be best allocated in an equivalent per-meter charge, and 2) while the monthly service charges for Wholesale Customers with smaller meters will still increase from their current levels, the shifts in costs across smaller and larger meters are less than in the original proposal. Please refer to the “Wholesale Customer Impact” section of the “Final Wholesale Water Fixed Charge Study” and its attached Appendix A to see the updated impact analysis.

Finally, we agree that which specific costs ought to be allocated to the monthly service charges warrants further investigation, and that any changes from the current levels would be best served by a more comprehensive rate study with robust engagement with BAWSCA and the Wholesale Customers. In the meantime, the SFPUC proposes maintaining the current monthly service charges recover at 1.5% of the WRR. To make it clear that consistency with current practices was the driving factor in this decision, rather than identification of specific costs, the final report will omit all discussion pertaining to allocation methodologies.

Sincerely,



Erin Corvinova,  
Financial Planning Director, SFPUC

## Appendix A

Comments submitted regarding the FYE 2024 Proposed Wholesale Fixed Charge Study			
Comment ID	Commenter	Item Submitted	Date Received
1	Mid-Peninsula Water District	Letter	3/18/2024
2	City of Millbrae	Letter	3/21/2024
3	BAWSCA	Letter	3/21/2024
4	BAWSCA	Edits on Report	3/21/2024
5	BAWSCA	Alternative Charges	3/21/2024
6	Westborough Water District	Letter	3/26/2024
7	City of Menlo Park	Letter	3/27/2024
8	Stanford	Letter	3/28/2024
9	Coastside County Water District	Letter	3/29/2024
10	Purissima Hills Water District	Letter	4/1/2034
11	Cordilleras Mutual Water Company	Letter	4/2/2024
12	Cordilleras Mutual Water Company Residents	12 Letters	4/2/2024
13	California Water Service	Letter	4/2/2024
14	City of Palo Alto	Letter	4/4/2024

<b>Comment ID</b>	<b>Commenter</b>	<b>Comment</b>	<b>SFPUC Response</b>
1.1	Mid-Peninsula Water District	The new recommended rate schedule shifts costs from larger to smaller meters because of a newly introduced flat rate called Customer Charge.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
1.2	Mid-Peninsula Water District	The complex methodology used by the SFPUC requires more than 60 days to review. The SFPUC did not meet with the Wholesale Customers to discuss the Study until well into the review period. The Study does not share the SFPUC's complete rate model.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
1.3	Mid-Peninsula Water District	The other agencies surveyed in the Study do not have a balancing account mechanism.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
1.4	Mid-Peninsula Water District	The existing fixed monthly charges are already a variation from the principle of Proportional Annual Use. This proposal further changes the basis on which SFPUC allocates costs to individual wholesale customers.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
1.5	Mid-Peninsula Water District	The Study signals future structural rate changes and will potentially establish a precedent for future rate structure changes.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
1.6	Mid-Peninsula Water District	Request the SFPUC to slow down the process and ensure that the result is collaborative, appropriate and satisfactory to Wholesale Customers, and fully consistent with the intent of the WSA.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline

1.7	Mid-Peninsula Water District	Supports any forthcoming recommendations from BAWSCA on how to identify charges for these limited new meter types/sizes, as a stopgap.	The SFPUC developed revised rates based on incorporated feedback from Wholesale Customers, which can be found summarized in the response letter and in the updated report. Prior to these final proposals, BAWSCA had provided the SFPUC with their initial alternative suggestion. Their proposal does not alter any of the existing fees and adds three "stopgap" rates for the three unaccounted meters. See SFPUC's response to BAWSCA's initial "stopgap" suggestion (Comment ID: 5.1)
2.1	City of Millbrae	The new recommended rate schedule shifts costs from larger to smaller meters because of a newly introduced flat rate called Customer Charge.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
2.2	City of Millbrae	The other agencies surveyed in the Study do not have a balancing account mechanism.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
2.3	City of Millbrae	The existing fixed monthly charges are already a variation from the principle of Proportional Annual Use.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
2.4	City of Millbrae	The Study signals future structural rate changes.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
2.5	City of Millbrae	The complex methodology used by the SFPUC requires more than 60 days to review. The City of Millbrae requests the SFPUC to slow down the process and suspend implementation of the Study to allow for further review and for collaborative engagement between Wholesale Customers, BAWSCA, and the SFPUC	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline

3.1	BAWSCA	Requests the SFPUC Suspend Implementation of Study to allow for further review.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
3.2	BAWSCA	BAWSCA states that they are concerned that the proposed monthly service charges are an explicit deviation from the key Water Supply Agreement principle of allocating costs based on proportional annual use.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
3.3	BAWSCA	Setting the fixed price revenue requirement at 1.5% of the projected FY 2024/25 Wholesale Revenue Requirement is arbitrary.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
3.4	BAWSCA	The proposed changes have caused BAWSCA to question the appropriateness of the existing fixed rate component of the water rates. The SFPUC is assured full revenue requirement recovery through the embedded balancing account treatment within the WSA. The result is that the magnitude and differences between the monthly service charge are much more an issue among the wholesale customers than it is between the SFPUC and Retail Customers.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
3.5	BAWSCA	The new Customer Charge introduced within the rate design is applied to each meter rather than to each Wholesale Customer	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
3.6	BAWSCA	The impact analysis should include an impact analysis of the volumetric charge	Noted. Incorporated into the Wholesale Customer's impact analysis is an estimate of each Wholesale Customer's volumetric portion of the bill using our proposed FYE 2025 Volumetric rate and projected FYE 2025 volumes.

3.7	BAWSCA	Final version of a mutually agreed Fixed Charge Study should include additional explanations.	Noted and incorporated into the Final Wholesale Water Fixed Charge Study (Final Report).
3.8	BAWSCA	BAWSCA supports the SFPUC using extrapolated rates to fill fixed rate gaps for new meters until new comprehensive rates can be mutually agreed upon.	See responses to BAWSCA's alternative rate structure below (Comment ID 5.1) and to the Final Report for the revised monthly service charges based on BAWSCA's feedback
4.1	BAWSCA	Though fixed charges are commonly used for revenue stability with retail rate setting in particular, fixed charges at just 1.5% of revenue do not provide revenue stability. Even so, revenue stability is not needed due to the Balancing Account treatment contained in the WSA. Even if the fixed charges were zero, the SFPUC would still be assured a full cost recovery through annually adjusted volumetric rates. The WSA (Section 6.05.B.) provides the SFPUC flexibility in collecting a balance owed to SF, which could be applied in the immediately ensuring year or prorated over multiple years.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
4.2	BAWSCA	BAWSCA views the SFPUC's proposal as a "structural rate change" because fixed costs are being shifted from larger to smaller meters	"Structural change" is not a WSA-defined term. Structural change, as typically used in describing rate structures, suggests addition or subtraction of line items in the tariff schedule, or basing charges on something other than the size and type of meter or CCF volumes, as are currently used. But this is a semantic difference with no impact.

4.3	BAWSCA	The note below the rate table in Schedule W-25 implies that Customer Service Charge rates can be added based on the rates in the table, if a needed rate is not already included.	This comment pertains to the language in W-25 surrounding a "battery of meters," which is outdated and will be removed from the W-25. Prior to the metering technology that exists today, large diameter services ( 3",4", 6", 8" ) were metered using a battery of 2" meters. For example, a 3" service would have 2-2" meters or a 4" service would have 4-2" meters, and would be billed accordingly. These types of installations are no longer used.
4.4	BAWSCA	However, the comparison wholesalers do not have a Balancing Account treatment, a key difference from the WSA.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
4.5	BAWSCA	BAWSCA agrees with the opportunity to explore for alternative rate structures in the context of the WSA, and would like to enter collaborative discussions with the SFPUC	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
4.6	BAWSCA	BAWSCA would like to explore further the costs that are customer specific vs. costs that are meter specific	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology

4.7	BAWSCA	BAWSCA would like to explore further the appropriate part of the WRR to be assigned to the Total Fixed Charge. This is important because the Total Fixed Charge is the amount that deviates from proportional annual use applied evenly to all customers. It is critically important to BAWSCA that the methodology in this Study is not precedential for other rate structure changes within the WSA, and further for the Total Fixed Cost allocation to be clearly based on customer services and metering costs of service that vary among customers.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
4.8	BAWSCA	Should the distribution of fixed costs across meters be scaled on meter capacity (a demand charge factor), or simply based on the cost of the meter?	It is the SFPUC's recommendation that the fixed costs be distributed based on meter capacity per the AWWA guidelines. The cost of a meter represents the one-time purchase of the meter; it does not comprehensively capture the maintenance costs incurred after purchasing and installing the meter.
4.9	BAWSCA	In Table 6 of the report, the 16" turbine meter equivalent value should be $5,300/1,600 = 3.31$ , instead of 4.88. This will change Total Meter Equivalents marginally.	The maximum water capacity (gpm) for a 16" turbine meter is incorrect in Table 6 of the report. Rather than citing 5,300 gpm, it should reference 7,800 gpm. The meter equivalent ratio is correct. $7,800/1,600 = 4.88$ . The SFPUC addressed this comment with BAWSCA staff at the March 27th meeting and corrected the error in the Final Report.



4.10	BAWSCA	The Total values in Table 7 are not relevant. Suggest a more expanded table similar to the one added at the end of the Study, which shows integration of rates with revenues. BAWSCA provided a revised version of Table 7 to show a full integration of the customer and meter revenue totals, the proposed rates, and the resulting revenue generated by the proposed rates	Agreed. The SFPUC has updated the "Methodology" section and its associated tables in the report to showcase each meter calculation more clearly, as suggested by BAWSCA in their edits on the report.
4.11	BAWSCA	Even though we do not know the basis for the existing rates, it is still evident from the existing cost scaling that the rates follow meter capacity with rates increasing faster as the meter size increases	While meters with larger capacity have larger charges in the current rate schedule, the existing rates do not follow a proportional scale based on meter capacity. Please refer to Figure 1 in the revised report's "SFPUC Proposed Wholesale Fixed Charges" section. Meter capacity may have been one factor in the existing rates, but we do not have an explanation for the remaining differences.
4.12	BAWSCA	To be more complete, Table 8 should also show the benefit of the volumetric rate component being reduced because of the increase of \$456,189 to the fixed rate component.	Noted. Addressed in the revised report.

5.1	BAWSCA	BAWSCA proposed that the SFPUC keep the existing W-25 Monthly Fixed Charges and to add three proportional charges for a 4" electronic meter, a 6" electronic meter, and a 16" electronic meter relative to the 8" and 10" electronic and turbine meter charges. These rates were developed by applying the average difference between 8" electronic and 8" turbine meters and 10" electronic meters and 10" turbine meters to the 4", 6" and 16" charges.	In FYE 2023-24, the SFPUC developed a rate for a 10" Electronic meter based on a similar methodology but acknowledged that this was not an ideal approach and planned to revisit these rates. As such, one of the main drivers for conducting the Wholesale Water Fixed Charge Study is to ensure we have equitable and defensible rates that are based on industry standards. This methodology calculates rates in relation to other meter charges and does not consider the differing meter capacities between meter types and sizes. We do not support this proposal as it retains the same issues the SFPUC identified in FYE 2024 and does not address the equity concerns identified between the charges for the existing meter sizes and types.
6.1	Westborough Water District	The new recommended rate schedule shifts costs.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
6.2	Westborough Water District	The complex methodology used by the SFPUC requires more time to review.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
6.3	Westborough Water District	The other agencies surveyed in the Study do not have a balancing account mechanism.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
6.4	Westborough Water District	The existing fixed monthly charges are already a variation from the principle of Proportional Annual Use.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
6.5	Westborough Water District	The Study signals future structural rate changes. The WWD has major concerns to any changes that are not negotiated via BAWSCA and the WSA.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
6.6	Westborough Water District	Requests to slow down the process and for collaborative engagement between Wholesale Customers, BAWSCA, and the SFPUC	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline

7.1	City of Menlo Park	The new recommended rate schedule shifts costs.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
7.2	City of Menlo Park	The complex methodology used by the SFPUC requires more time to review.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
7.3	City of Menlo Park	The other agencies surveyed in the Study do not have a balancing account mechanism.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
7.4	City of Menlo Park	The existing fixed monthly charges are already a variation from the principle of Proportional Annual Use.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
7.5	City of Menlo Park	The Study signals future structural rate changes.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
7.6	City of Menlo Park	Requests that the SFPUC hires a third part financial firm to analyze rates for Wholesale Customers.	The WSA does not require a third-party consultant to set wholesale rates, but the SFPUC appreciates the importance of having experienced analysts perform this work. The SFPUC's current rate-setting team includes multiple staff with over 5-10 years of experience setting water, power, and sewer rates for utilities throughout California and the US. For the current proposed changes, which have as their explicit goal to remain as consistent as possible with the current rate structure and minimize changes, SFPCU staff are more than qualified to perform the work. For any future rate studies, we will consider whether staff augmentation is appropriate.
7.7	City of Menlo Park	Requests to slow down the process and for collaborative engagement between Wholesale Customers, BAWSCA, and the SFPUC	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline

8.1	Stanford University	In this single update, Stanford believes using 1.5% of the Wholesale Revenue Requirement as the fixed revenue portion, based on recent proportion of fixed revenue under the existing fixed charges may be reasonable for consistency with recent fixed revenue recovery.	Agreed.
8.2	Stanford University	Requests that any further deviation from that method and percentage (utilizing 1.5%) of fixed revenue proportion must undergo a more detailed rate structure study. Requests that this and any future rate design or rate structure study include BAWSCA and the BAWSCA WMR in developing scope reviewing progress, and developing and approving recommended changes	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
9.1	Coastside County Water District	Supports BAWSCA's request to suspend implementation of the study until the BAWSCA team can conduct further analysis on the implications to the existing WSA.	The SFPUC developed revised rates based on incorporated feedback from Wholesale Customers, which can be found summarized in the response letter and in the updated report. Prior to these final proposals, BAWSCA had provided the SFPUC with their initial alternative suggestion. Their proposal does not alter any of the existing fees and adds three "stopgap" rates for the three unaccounted meters. See SFPUC's response to BAWSCA's initial "stopgap" suggestion (Comment ID: 5.1)
9.2	Coastside County Water District	Requests that there be collaborative engagement between SFPUC and BAWSCA and the Wholesale Customers in the development of changes to the rate structure.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline

10.1	Purissima Hills Water District	Request to apply the customer charge component per 26 agency rather than on each meter.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
10.2	Purissima Hills Water District	The optics of a 36% increase for Purissima versus larger agencies with larger meters experiencing decreases in the fixed rate raises concerning optics. These equity issues warrant careful consideration and further analysis	The SFPUC developed revised rates based on incorporated feedback from Wholesale Customers, which can be found summarized in the response letter and in the updated report. With the new proposed revisions, the impact on Purissima's monthly fixed charges decreases from the original proposal's impact of 36% to 27.6%. Notably, while this percentage appears high, it represents only a \$836 increase in Purissima's monthly bill, and because fixed charges remain such a low percentage of total costs, only a 8.9% increase in Purissima's estimated annual charges. See also Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology.
10.3	Purissima Hills Water District	Request to delay the implementation of the study to allow BAWSCA and wholesale agencies more time to conduct a thorough analysis and collaborate with SFPUC	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
11.1	Cordilleras Mutual Water Company	The fundamental issue underlying the SFPUC's proposal is whether the fixed charge is allocated fairly among its customers commensurate with costs such customers impose on the system. The customer service cost component is the most important cause responsible for the increase of the fixed charge.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology

11.2	Cordilleras Mutual Water Company	Given the vast difference in size between its (the SFPUC's) Wholesale Customers, an equitable distribution of costs does not mean that each Wholesale Customer pay the same portion of the total costs of the Water System, but that each Wholesale Customer pays a portion of such costs equivalent to the relative burden it imposes on the Water System.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
11.3	Cordilleras Mutual Water Company	The result of SFPUC's rate change are far from fair. While nearly every Wholesale Customer except for CMWC will experience marginal change in its total monthly bill, ranging from 1.7% increase to a 0.6% price decrease, the total monthly bill of CMWC will climb 54.3% as its Fixed Charge skyrockets five-fold by a whopping 507.6%.	The SFPUC spoke with CMWC and have incorporated concerns into the revised proposal. The new impact on CMWC can be found in more detail in the Final Report's "Wholesale Customer Impact" section, but, generally, CMWC's monthly service charge will now increase from \$79 to \$143 (roughly 81%, translating into a \$64 monthly increase).
11.4	Cordilleras Mutual Water Company	While the Meter Charge is not completely disconnected from allocating based on usage, the Meter Charge ratios should also be revised/determine to more closely reflect usage, rather than utilizing meter capacity ratio that allocate costs driven by large WCs with large meters to small WCs with small meters.	Allocating costs by usage suggests eliminating the fixed charges entirely and using only a \$/ccf monthly charge. This would be an even greater change from the current rates schedule than the SFPUC's revised proposal. Based on feedback received, we have set limiting changes to the rate structure as one of the top priorities for this year, and will revisit alternative proposals at a later time when there is more opportunity for discussion.
11.5	Cordilleras Mutual Water Company	The proposed rate structure also undercuts the stability and fiscal planning of Wholesale Customers within the Water System.	We realize that the large increase in CMWC's bill for next Fiscal Year may be challenging. For any future changes to rate structures, we will endeavor to communicate the potential impact in advance.

11.6	Cordilleras Mutual Water Company	The SFPUC Report incorrectly identifies the size of the CMWC meters. The CMWC system has two 5/8" meters supplying water to its system, rather than the two 2" meters reported. Additionally the meter box itself is just an excavated hole in the ground with the two boards and a sheet of plywood laid on top to act as a cover. It's not complex, nor should this point of connection be considered a cost driver for a fixed charge.	The SFPUC has confirmed that CMWC has two 2" displacement meters. The two 5/8" meters found in this meter box does not service CMWC, but two separate suburban retail houses nearby. The SFPUC has communicated with CMWC to correct this misunderstanding.
11.7	Cordilleras Mutual Water Company	The fixed charge increase proposed for CMWC is in excess of the benefits received and not proportional to the annual use.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
11.8	Cordilleras Mutual Water Company	There is a reason that the increase shown in the Report's table is so dramatic for CMWC. There are no comparable wholesale water companies. Although CMWC has a wholesale water agreement, it's not even a small water company for the purpose of this report. CMWC is a micro water company the scale of a single resident customer with two 5/8" residential water meters.	CMWC's individual water sales contract with SFPUC incorporates by reference the terms of the Water Supply Agreement and does not allow for exclusions from or adjustments to the rates schedules defined under the WSA. The SFPUC will continue to collaborate with CMWC to address unique issues related to their small customer base.

11.9	Cordilleras Mutual Water Company	CMWC requests SFPUC update its rate structure in accordance with the arguments and principles set forth by its public comments and in furtherance of the ostensible goals of fairness and stability as expressed by SFPUC in its Reports. More specifically, the Commission should allocate the Customer Service Charges consistent with the allocation of Meter Charges on a basis closer in proportion to water usage. Moreover, the Meter Capacity Ratios should be revised to more equitably distribute the Fixed Charge so that costs are not inherently redistributed from large to smaller meters.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge and Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
11.10	Cordilleras Mutual Water Company	CMWC would entertain a limited exclusion from the rate structure for its two 5/8" meters to mitigate disproportionate price increase relative to the other meters.	CMWC's individual water sales contract with SFPUC incorporates by reference the terms of the Water Supply Agreement and does not allow for exclusions from or adjustments to the rates schedules defined under the WSA. The SFPUC will continue to collaborate with CMWC to address unique issues related to their small customer base.
12.1	Cordilleras Mutual Water Company Residents	Multiple residents cited that due to their unique position as a very small water district, covering only 18 homes, the proposed rates' impacts are disproportionately unfair to their small neighborhood.	CMWC's individual water sales contract with SFPUC incorporates by reference the terms of the Water Supply Agreement and does not allow for exclusions from or adjustments to the rates schedules defined under the WSA. The SFPUC will continue to collaborate with CMWC to address unique issues related to their small customer base.



12.2	Cordilleras Mutual Water Company Residents	Residents provided personal testimonies on how the original proposed rates create financial hardships for their households.	The SFPUC spoke with CMWC and has incorporated changes to its proposal based on these concerns. The new impact on CMWC can be found in more detail in the revised Final Report's Wholesale Customer Impact section, but generally, CMWC's monthly service charge will now increase from \$79 to \$143 - roughly 81%, translating into a \$64 monthly increase. The percentage change may seem significant, but this update would approximately cost each home (out of 18 homes) an additional \$3.55 monthly or \$43 annually. Furthermore, with these revised monthly service charges and the proposed FYE 2025 volumetric rate, the average CMWC resident's FYE 2025 monthly bill is estimated to be \$91, which is below the amount paid by nearby SFPUC suburban retail customers, which is approximately \$164 per month assuming 13 ccf usage per household.
12.3	Cordilleras Mutual Water Company Residents	Residents requested that the SFPUC delay the implementation of these changes until the SFPUC can evaluate whether these propose rate increases are equitable for a very small, water company.	CMWC's individual water sales contract with SFPUC incorporates by reference the terms of the Water Supply Agreement and does not allow for exclusions from or adjustments to the rates schedules defined under the WSA. The SFPUC will continue to collaborate with CMWC to address unique issues related to their small customer base.

13.1	California Water Service	The new water fixed charge puts undue charges on specific Retailers compared to all Retailers in disagreement with the principle of proportional annual use as described in the WSA.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
13.2	California Water Service	Meters costs are shifting from larger to smaller meters.	Refer to: Main Comment Response 3. The Fixed Charge's Cost Allocation Methodology
13.3	California Water Service	There is not enough time to properly analyze the direct customer impact of these changes nor is there any real ability to change the existing meter size, as the meters are based on existing infrastructure and current system customer needs.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
13.4	California Water Service	Though the other agencies reference in the Wholesale Water Fixed Charge Study provide valid comparisons for rate structures, none of the Agencies included have a Balancing Account structure similar to what is included in the WSA with the Retailers.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
13.5	California Water Service	The intent of the Balancing Account in the current WSA is to capture unforeseen costs and to provide that 100% of the revenue requirement is collected from the Wholesale Customers in a way that makes the SFPUC whole.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge

13.6	California Water Service	There is also a concern that this change may introduce additional fee structure changes in years to come that will not come with a full rate impact study.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
13.7	California Water Service	Increasing the current fee component with the likelihood of continuous yearly changes to that component does not allow for stable rate forecasting and will likely result in more customer rate fluctuation.	At this time, the SFPUC is not committing to any rate changes for FYE 2026 and onwards. Tentatively, we plan to retain the fixed charges at 1.5% of the forecasted wholesale revenue requirement. This means that they would rise by the same percentage increase as the volumetric charges each year, which should actually allow for more stable expense forecasting than the current methodology where only the volumetric charges rise. That said, we are open to additional comments on this concept during future rate-setting processes.
13.8	California Water Service	Regardless of past knowledge, or methodologies, if a new structure is required, a full rate structure study should be conducted with time to review by the Wholesale Customers to set a new direction going forward.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
13.9	California Water Service	Cal Water proposes that the existing rate structure be maintained consistent with WSA principle of proportional annual use, and that only the costs of the missing meters be added to the meter charge table.	The SFPUC developed revised rates based on incorporated feedback from Wholesale Customers, which can be found summarized in the response letter and in the updated report. Prior to these final proposals, BAWSCA had provided the SFPUC with their initial alternative suggestion. Their proposal did not alter any of the existing fees and adds three "stopgap" rates for three meters. See SFPUC's response to BAWSCA's initial "stopgap" suggestion (Comment ID: 5.1)

13.10	California Water Service	Cal Water also proposed that if the SFPUC feels that the existing rate structure needs to be adjusted, then it is recommended that a full rate impact study be performed that works collaboratively with the Wholesale Customers, and that provides adequate time for review.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
14.1	City of Palo Alto	Palo Alto requests that the SFPUC pause implementation of these fixed charges to allow a transparent and thorough process.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline
14.2	City of Palo Alto	The fixed charges, if they are continued at all, should adhere to the principle of the 2009 WSA; most importantly, the concept of allocating costs based on the wholesale customer's proportional annual use.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
14.3	City of Palo Alto	SFPUC's proposed fixed charges may not be necessary, since the 2009 WSA guarantees that SFPUC will receive its Wholesale Revenue Requirement, regardless of the amount of the fixed charges.	Refer to: Main Comment Response 2. The Purpose of a Fixed Charge
14.4	City of Palo Alto	Palo Alto welcomes the opportunity to collaborate with SFPUC on how best to identify and allocate fixed costs, in a manner that allows sufficient time to engage with all Wholesale Customers and respects the objectives of the parties' 2009 WSA.	Refer to: Main Comment Response 1. The SFPUC's Process and Timeline



City of  
**Mountain View**

# **2023** **HOMELESS** **INITIATIVES** **UPDATE**



## **UPDATE ON INITIATIVES TO ASSIST HOMELESS AND UNSTABLY HOUSED RESIDENTS**





# INTRODUCTION

Homelessness is a significant issue, driven in large part by shortfalls in housing supply and affordable housing throughout the region and the State.

Since 2016, the City has developed programs and policies and dedicated nearly **\$11.9 million** in funding to serve homeless and unstably housed residents. Throughout this time, the City has actively collaborated with the County and community-based organizations (CBO) that have staff expertise and dedicated funding streams for working with homeless and vulnerable populations. In addition, the City is recognized as a regional leader in developing and funding affordable housing, with an investment of nearly \$130 million.

In Fiscal Year 2021-22, the City created the Human Services Division to lead the City's programs, services, and partnerships to meet the needs of Mountain View's most vulnerable residents and improve the quality of life for all residents. The Division works in collaboration with a network of service providers to assist homeless, unstably housed, and other vulnerable residents through housing services, mental health services, and other basic-need human services.

This report provides a comprehensive update and overview on the City's extensive homeless programs and initiatives, including:

- Homeless trends in Mountain View,
- Overview of strategies and actions to address homelessness,
- Key partnerships,
- CBO and interagency partner service highlights,
- The City's investment in homeless solutions, and
- A Glossary for program definitions.

All data in this report is from Fiscal Year 2022-23 unless otherwise stated.

# HOMELESSNESS TRENDS IN MV

The County of Santa Clara completes a comprehensive, biannual, “point-in-time” (PIT) homeless count, which serves as a baseline for understanding homelessness in the region. This count includes those who are unsheltered and unstably housed, enumerating individuals and families sleeping in emergency shelters and transitional housing as well as people sleeping on the streets, in vehicles, abandoned properties, or other places not meant for human habitation

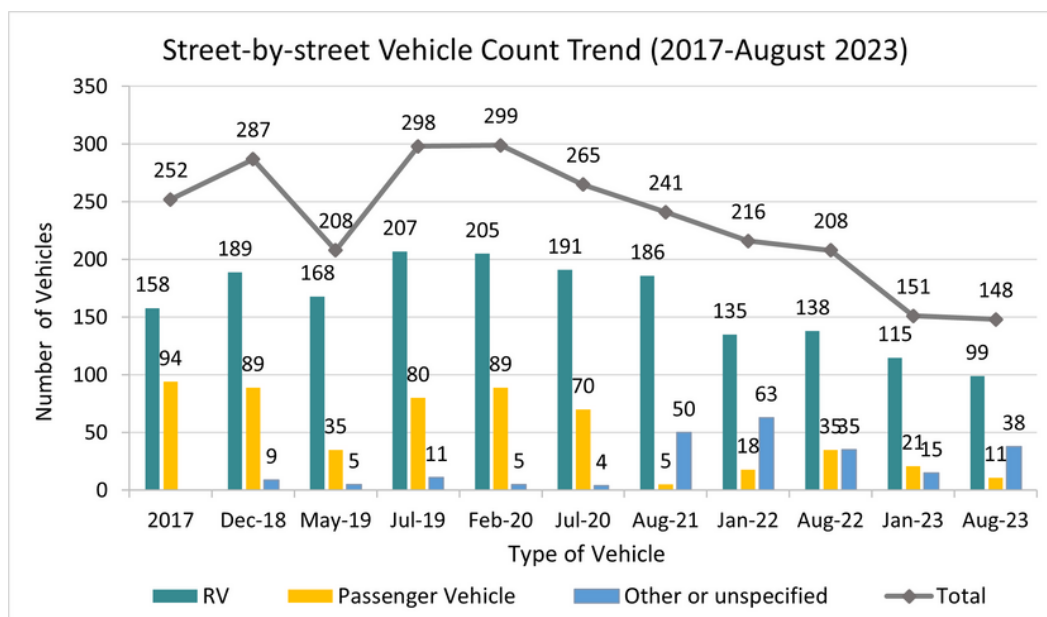
## PIT Count Comparison – City of Mountain View and County of Santa Clara (2015-2023)

The one-year shift for Mountain View in 2022 is mainly attributed by a data collection change. The PIT count contractor has determined that participants in Mountain View’s safe parking program were likely not counted in 2022.

	2015	2017	2019	2022	2023
City of Mountain View	276	416	606	346	562
County of Santa Clara	6,556	7,394	9,706	10,028	9,903

## City Living in Vehicles Count

In addition to the County count, the City also conducts an annual street-by-street count of vehicles that appear to be in use for living purposes. Over the past six years, the count of vehicles in the public right-of-way used for living has ranged from 200 to 300 vehicles, with the recent counts trending downward.

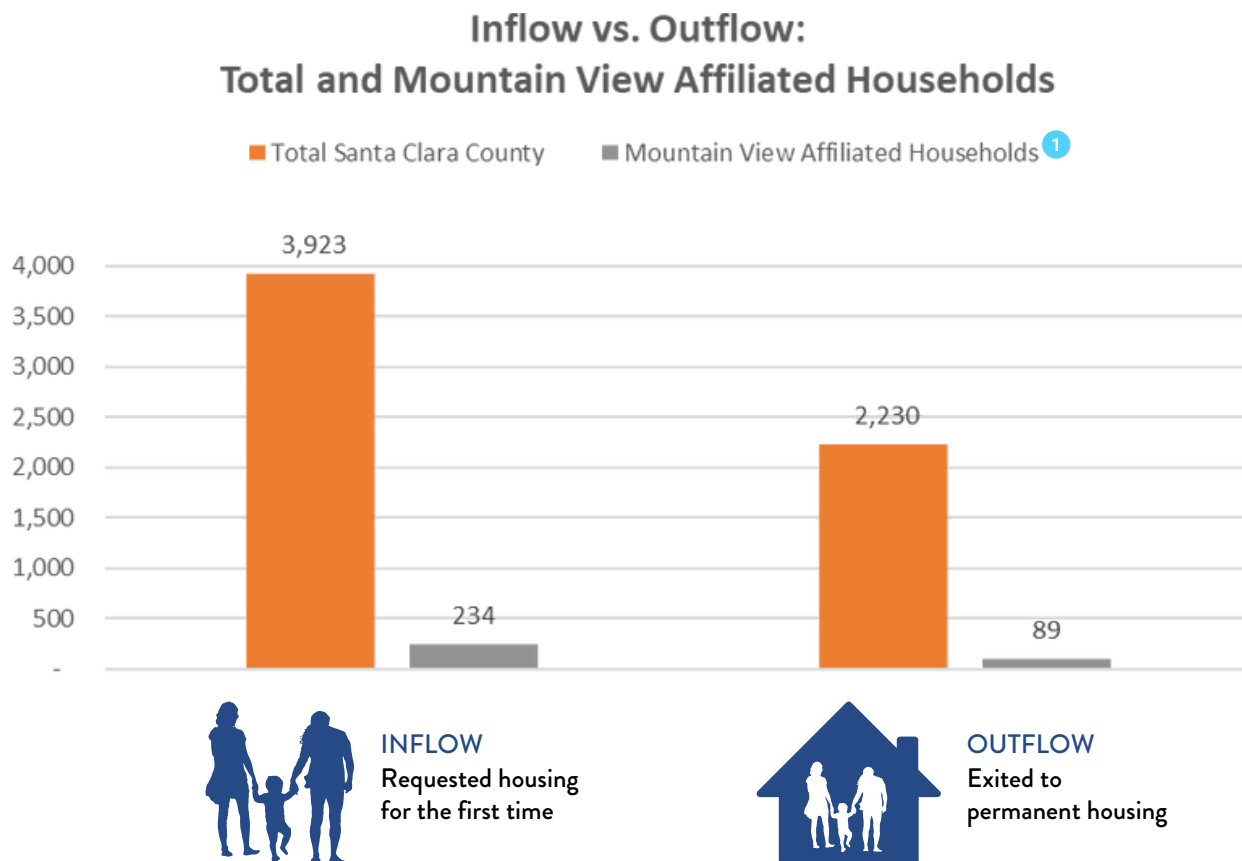


Note: Since February 2020, the data does not include Safe Parking lot vehicles.

# ANNUAL FLOW OF INDIVIDUALS ENTERING AND EXITING HOMELESSNESS

As part of the County's 2020-2025 Community Plan to End Homelessness, the County has a goal to achieve a 30% reduction in annual inflow of people becoming homeless. Inflow is defined as the number of households completing a Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT) for the first time, an indication of a request for housing for the first time. Despite the various programs and strategies to address homelessness, the City had a surplus of 145 individuals who requested housing for the first time but did not exit to a housing program or permanent housing in Fiscal Year 2022-23.

## CITY OF MOUNTAIN VIEW AND COUNTY OF SANTA CLARA (FY 2022-23)





# OVERVIEW OF STRATEGIES AND ACTIONS TO ADDRESS HOMELESSNESS

## Emergency Shelter

65



Emergency Shelter Beds in Conjunction with the County (includes cold-weather shelter)

## Safe Parking

114



Parking Space Capacity Across All Safe Parking Lots

## Interim Housing

LifeMoves Mountain View (Project HomeKey)

100



Interim Housing Units



## Outreach Service

Includes joint City-County funding for CSA outreach, City multilingual outreach strategies and multi-channel communications, MVPD Outreach Team resource flyer distribution to unhoused individuals living in vehicles, and the MVPD Community Services Officer position.



## Community Resources, Access, or Case Management

Includes County funding for CSA Homeless Case Manager for housing referrals and current City full funding for the ongoing program, in addition to funding for case management/ permanent supportive housing units for 20 chronically homeless households in partnership with the County (New Directions—A Program of Peninsula Healthcare Connections).



## Basic Services, Sanitation and Hygiene

Includes City funding for 24/7 use of portable restroom and hand wash stations at CSA & Hope's Corner, Capital funding support for Meals at Hope's Corner, and services provided during COVID-19.

## Core Housing Programs

Includes Homeless Prevention ①, Permanent Supportive Housing ②, Affordable Housing, and Market Rate Housing.



\$5.3 Million

City Rent Relief Program



200 Units

Rapid rehousing /permanent supportive housing funded



20 Households

Assisted through supportive housing contract with County



1,723

Approximately 1,700 deed-restricted affordable units (approximately 1,500 units in 100% affordable projects; approximately 200 below-market-rate units)



1,650

Affordable housing units in the pipeline, which includes nearly 350 below-market-rate units.



14,393

12,717 fully covered rental units and 1,676 partially covered rental units

① The Homeless Prevention Program aims to provide funds to keep individuals in stable housing to prevent homelessness.

② Permanent Supportive Housing provides longer-term rental assistance, case management, and supportive services to the most vulnerable chronically homeless individuals and families in the community.

# ONGOING COLLABORATION

The City has continuously collaborated with the local emergency assistance network, community-based organizations, and government agencies to combine and leverage resources to help as many people in need as possible. The City has convened a standing meeting since March 2020, initially weekly and ultimately moving to monthly in July 2021.

## COMMUNITY-BASED ORGANIZATION HIGHLIGHTS

### Cafecito



- 4 mental health workshops
- 10 Spanish-speaking refugees received necessities

### Community Health Awareness Council



- 24 homeless clients received 10 free counseling sessions
- 43 housing insecure families with children utilized Family Resource Center services

### Community Services Agency



- 984 residents assisted with housing, information referral and case management
- Nearly 200 clients were provided financial assistance in the sum of \$279,000
- A total of 3,117 individuals received nutritious groceries
- 594 loads of laundry provided

### Day Worker Center of Mountain View



- 9,923 job placements
- 18,138 meals distributed
- 129 participants in workshops and trainings
- 288 participants in ESL classes

### Hope's Corner



- 19,757 meals and snack bags served
- 1,244 individuals received food
- 1,077 showers provided
- 391 loads of laundry washed

### Reach Silicon Valley



- 43 households in oversized vehicles received solar generators, solar panels and power chargers
- 700+ LifeMoves MV and unhoused individuals received blankets, socks, hygiene kits, beanies and snack bags
- 75 unhoused children received new shoes and school supplies
- 120+ outreach, including resources, food, clothing and meals

### Second Harvest of Silicon Valley



- 5,500 individuals served
- 1.3 million meals served

### STAND4 Inc.



- 1,000 boxes of free groceries served
- 50 unstably housed families received free furniture

### The Hope Hangar



- 457 visits
- 673 individuals served
- 22,850 pounds of food provided
- \$43,872 worth of food

### The United Effort Organization



- 143 individuals served
- 318 benefit applications submitted
- 7 individuals helped to find housing

# INTERAGENCY PARTNER OUTCOMES

## Police Community Outreach



- 32 homeless individuals referred to CBOs <sup>1</sup>
- 104 homeless individuals referred to other housing and shelter services <sup>2</sup>
- 9 encampments removed
- 39 arrests related to vehicle dwellers

## County-Funded Homeless Prevention



- 625 individuals in program and kept in stable housing
- 256 households in program and kept in stable housing

## County-Funded Rapid Rehousing <sup>4</sup> <sup>5</sup>



- 92 individuals housed
- 49 households housed

## Permanent Supportive Housing <sup>6</sup>



### County Funded

- 109 Mountain View individuals housed
- 85 Mountain View households housed <sup>5</sup>

### City Funded

- 34 individuals housed
- 19 households housed

## Santa Clara County Housing Authority



- 404 Mountain View households assisted
- \$800,203 of approximate current assistance amounts per month

## Dignity on Wheels



- 2,685 showers
- 1,349 loads of laundry

## McKinney-Vento Students



- 265 Mountain View Whisman School District students
- 70 Mountain View Los Altos High School District students

## Valley Homeless Healthcare Program



- 588 visits
- 228 patients served

<sup>1</sup> Includes Community Services Agency (CSA), Reach SV, The United Effort Organization, and Mountain View Solidarity Foundation.

<sup>2</sup> Includes LifeMoves Mountain View, Abode Services, HomeFirst, and MOVE Mountain View.

<sup>3</sup> County of Santa Clara program providers define a Homeless Prevention Program client's affiliation with a city based on the most recent Homeless Prevention assessment. City affiliation includes work location, school location, city spent most time in, and ZIP code of address at time of program enrollment. Clients are still housed when they take the Homeless Prevention assessment/enroll in Homelessness Prevention programs.

<sup>4</sup> Participants may be currently processed in multiple programs and data may be overlapping.

<sup>5</sup> County of Santa Clara program providers define a homeless client's city affiliation based on workplace, school, city lived in prior to becoming homeless, and ZIP code of last permanent address at time of program enrollment. This data is taken from the most recent VI-SPDAT assessment.

<sup>6</sup> County of Santa Clara and Community Services Agency (CSA) programs comply with the broad categories of homelessness defined by United States Department of Housing and Urban Development (HUD).

# INTERAGENCY PARTNERS, CONT.

## LifeMoves Mountain View

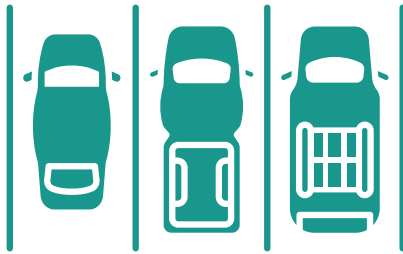


- 299 clients served
- 10 veteran clients
- 160 clients with a disability
- 25 clients on average per month
- 232 households served
- 129.5 days - median length of stay
- 191.3 days - average length of stay
- 86 placements in stable housing <sup>7</sup>
- \$15,000 average cost per door <sup>8</sup>

<sup>7</sup> Stable housing indicates that these households may have reunited with family, signed leases (market rate, below market rate, or with time-limited rent subsidies), or otherwise exited to a place meant for human habitation.

<sup>8</sup> Based on the LifeMoves MV FY 2022-23 funding amount of \$1.5M.

## Safe Parking



- 183 individuals enrolled
- 112 households enrolled
- 3 veteran clients enrolled
- 114 parking space capacity (includes both faith-based lots)
- 106% utilization <sup>9</sup>
- 154 days for average length of stay for 37 clients who exited in FY 2022-23 <sup>10</sup>
- 48% of clients who exited the program went to permanent housing destinations <sup>11</sup>
- \$1,290 average cost per night of service <sup>12</sup>

<sup>9</sup> Utilization is calculated as total days enrolled divided by cumulative capacity.

<sup>10</sup> Average length of stay is calculated by the number of days enrolled in the program. This is based on a client's start and end date with the program.

<sup>11</sup> Includes a rental unit with no ongoing housing subsidy, a tenant or project-based Housing Choice Voucher, Rapid Rehousing or equivalent subsidy, or other ongoing housing subsidy; permanent tenure by staying or living with family; and a unit owned by the client with no ongoing housing subsidy.

<sup>12</sup> Based on MOVE Mountain View's FY 2022-23 service cost.

# INVESTMENT IN HOMELESSNESS SOLUTIONS

Reducing the number of individuals and families without a home requires multi-agency and interdepartmental coordination, regional collaboration, and a long-term focus. The investment by the City and the City's partners to address homelessness is summarized below.

## \$1 Million

The average amount the City of Mountain View has invested every year since 2016. <sup>1</sup>



**\$26.9 Million**

Generated in State grants and philanthropic private donations



**\$16 Million**

Secured through leveraging partnerships with County of Santa Clara



**\$5.1 Million**

Invested in programs related to COVID-19 response



**\$129.8 Million**

Invested in funding affordable housing

<sup>1</sup> The funding is from several sources, including the General Housing Fund, which also includes a portion of a grant from Destination: Home and Limited-Period Funds.

## THANK YOU!

The City of Mountain View would like to acknowledge and thank the following partnerships and agencies that are essential to our success across the homeless services continuum:

- Alta Housing
- Bill Wilson Center
- Cafecito
- Community Health Awareness Council
- Community Services Agency
- COVID-19 Community-Based Organization Team
- Day Worker Center MV
- Destination: Home
- Dignity on Wheels
- HomeFirst
- Hope's Corner
- Human Relations Commission
- LifeMoves MV
- Live Nation
- Los Altos Mountain View School District – McKinney Vento representatives
- Los Atos United Methodist Church
- Momentum for Health TRUST Program
- Mountain View Whisman School District - McKinney Vento representatives
- MOVE MV
- New Directions - A program of Peninsula-Healthcare Connections
- Reach Silicon Valley
- Santa Clara County
  - Housing Authority
  - Office of Supportive Housing
  - Valley Homeless Healthcare Program
- Second Harvest of Silicon Valley
- St. Athanasius food distribution program
- STAND 4 INC.
- The Hope Hangar
- The United Effort Organization
- Trinity United Methodist Church
- YMCA of Silicon Valley El Camino & Sequoia Branch

# GLOSSARY

<b>Emergency Shelter</b>	Programs that respond to the crisis of homelessness, providing immediate shelter from the elements, access to meals, and connections to services and resources.
<b>Homeless Prevention</b>	Programs to stop homelessness before it starts by providing financial assistance and services to prevent families and individuals from losing their housing. Assistance may be one-time or for a short period. Supportive services may be provided in addition to financial assistance, or households might be connected to other resources in the community. (e.g., Rent Relief).
<b>Housing Choice Voucher</b>	A federally-funded rental assistance program that helps eligible individuals and families pay for housing.
<b>Interim Housing</b>	<p>A Short-term, dignified environment where community members can be housed and supported with services and case management. (e.g., LifeMoves MV).</p> <p>The County of Santa Clara also uses the term "Transitional Housing", which are programs that provide temporary housing (usually no more than two years) with attached services focused on helping people prepare to obtain housing upon program exit. Units can be anything from an enclosed cubicle with reserved bed at a shelter facility to an apartment in the community.</p>
<b>McKinney-Vento</b>	The McKinney-Vento Homeless Assistance Act of 1987 (McKinney-Vento) is a federal law created to support the enrollment and education of homeless students. It is intended to provide homeless students the same educational opportunities as housed students by removing as many barriers to learning for homeless students as possible. The Act requires schools to identify and count students experiencing homelessness as defined by the U.S. Department of Education.
<b>Permanent Supportive Housing</b>	<p>Community-based housing without a designated length of stay, and includes both permanent supportive housing and rapid re-housing.*</p> <p>Designed for chronically homeless and other highly vulnerable individuals and families who need long-term support to stay housed.</p>
<b>Rapid Rehousing</b>	Provides short-term financial assistance and support (four to six months, on average) to quickly rehouse homeless households in their own independent permanent housing.
<b>Safe Parking</b>	Provides a temporary, safe location to park for individuals and families living in a vehicle, while providing access to services that will transition them into more stable housing.

Activities	Required by CSFRA/MHRSO; RHC Powers and Duties	Requirement/Activities implied by or support CSFRA/MHRSO	Not Required/ Implied by CSFRA/MHRSO	% Charged to CSFRA/MHRSO Funds
<i>Set rents and determine compliance with CSFRA, such as utility charges/RUBS that relate to rent.</i>	<p>“Set Rents at fair and equitable levels to achieve the purposes of this Article. Notwithstanding any other provision of this Article, the Committee shall have the authority to adopt regulations authorizing Rent increases and/or adjustments required by state or federal law.” Section 1709.d</p> <p>“Rent. All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement concerning the use or occupancy of a Rental Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, Utility Charges, pets, furniture, and/or subletting.” Section 1702.p</p>	While ratio utility billing systems (RUBS) is not directly stated in the CSFRA, utility is defined as a part of rent and is directly related to RHC authority to determine fair rent levels.	Not applicable	100%

Activities	Required by CSFRA/MHRSO; RHC Powers and Duties	Requirement/Activities implied by or support CSFRA/MHRSO	Not Required/ Implied by CSFRA/MHRSO	% Charged to CSFRA/MHRSO Funds
<i>Establish rules/regulations.</i>	“Establish rules and regulations for administration and enforcement of this Article.” Section 1709.d.2			100%
<i>Set annual allowable rent increases (AGA).</i>	“Determine and publicize the Annual General Adjustment pursuant to this Article.” Section 1709.d.3			100%
<i>Administer petitions and hearing process for upward/downward rent adjustments. Define processes and procedures.</i>	<p>“Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment pursuant to this Article.” Section 1709.d.4</p> <p>“Adjudicate Petitions pursuant to Sections 1710 and 1711 herein and issue decisions with orders for appropriate relief pursuant to this Article.” Section 1709.d.5</p> <p>“The Committee shall promulgate regulations regarding procedures for Petitions filed under this Article. Petitions shall be governed by such regulations and by the provisions of this Section.” Section 1710.a</p>			100%



Activities	Required by CSFRA/MHRSO; RHC Powers and Duties	Requirement/Activities implied by or support CSFRA/MHRSO	Not Required/ Implied by CSFRA/MHRSO	% Charged to CSFRA/MHRSO Funds
<i>Establish budgets, hire staff, set fee levels.</i>	“Establish a budget for the reasonable and necessary implementation of the provisions of this Article, including without limitation the hiring of necessary staff, and charge fees as set forth herein in an amount sufficient to support that budget.” Section 1709.d.7			100%
<i>General authority to conduct studies.</i>	“Conduct studies, surveys, investigations, and hearings, and obtain information to further the purposes of this Article.” Section 1709.d.10	Staff is involved with related Housing Element Programs (such as review TRAO/MHRSO) but Housing Element is not specifically identified in the CSFRA/MHRSO		100%
<i>Education/training/outreach to landlords and tenants.</i>	“Publicize through reasonable and appropriate means the provisions of this Article, including without limitation the rights and responsibilities of Landlords and Tenants.” Section 1709.d.12	Education/training/outreach is not specifically identified in CSFRA/MHRSO.		100%
<i>Implement compliance/enforcement mechanisms.</i>	“Establish a schedule of penalties that may be imposed for noncompliance with this Article or with rules and regulations promulgated under this Article.” Section 1709.d.13			100%

Activities	Required by CSFRA/MHRSO; RHC Powers and Duties	Requirement/Activities implied by or support CSFRA/MHRSO	Not Required/ Implied by CSFRA/MHRSO	% Charged to CSFRA/MHRSO Funds
<i>Broad administrative authority.</i>	“Any other duties necessary to administer and enforce this Article.” Section 1709.d.16			100%
<i>TRAO implementation - Work with landlords in the event they wish to withdraw units from the market or wish to move into a CSFRA unit.</i>	“Landlord seeks in good faith to recover possession to withdraw all Rental Units of an entire Property from the rental market. The Landlord first must have filed the requisite documents with the Committee initiating the procedure for withdrawing Rental Units...” Section 1705.a.8  “A landlord seeking to recover possession under Subsections (a)(6)-(9) herein shall provide Relocation Assistance to affected Tenant households...” Section 1705.b.1			100% (less than \$3,500 average per year)
<i>Support RHC meetings as required by State law; perform City Clerk duties (manage/maintain records and meeting minutes)</i>		x		100%

Activities	Required by CSFRA/MHRSO; RHC Powers and Duties	Requirement/Activities implied by or support CSFRA/MHRSO	Not Required/ Implied by CSFRA/MHRSO	% Charged to CSFRA/MHRSO Funds
<i>Retention of legal counsel</i>		x		100%
<i>City overheard/support – FASD, IT, HR, CAO, etc.</i>		x		100%
<i>Funding for CSA case management for CSFRA/MHRSO covered tenants to prevent evictions (CSFRA Section 1701 (q)).</i>		x		100% (\$30,000 per year)
<i>Pro-bono legal services by CLSEPA for covered tenants related to CSFRA/MHRSO concerns</i>		x		0% (covered by City one- time funds through FY 2024-25)
<i>TRAO Implementation – work with developers on demolition projects to meet TRAO requirements</i>			x	0% Fully reimbursed by developer payment
<i>Mountain View Mediation Program oversight</i>			x	0% Long-term City program (50 years); part of City's base budget