



NEWS RELEASE

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FOR IMMEDIATE RELEASE

SCV Water Board Adopts a Ratepayer Advocate Function as Part of Updated Rate-Setting Process

With a focus on transparency and a desire to reassure customers that water rates will continue to reflect the accurate cost of providing services, the SCV Water Board of Directors recently adopted a rate-setting process that includes an independent ratepayer advocate.

“By integrating water services under one umbrella in the Santa Clarita Valley, we added efficiencies and cost savings in many areas,” said SCV Water Board President, Bill Cooper. “Now the Board and public will benefit from an additional level of review of rate and fee proposals and be provided further confidence in ratemaking decisions.”

The SCV Water establishing legislation (SB 634) required the new board of directors to adopt a rate-setting policy that included a ratepayer advocate function by the end of 2018. The Ratepayer Advocate will provide third-party peer review to the Board of Directors and to the public when future water rates and facility capacity fees are set.

“It was clear to me that ratepayers wanted to have a representative who would stand up for them. It was something I felt really strongly about and wanted to ensure was in the bill,” said Senator Scott Wilk. “Having an independent ratepayer advocate will represent a voice for the little guy.”

Customers of public water agencies already benefit from rate and fee setting procedures, including Proposition 218, which was enacted in 1996. Among other things, Proposition 218 requires notification, a public hearing, and the opportunity to register a protest with the governing Board.

“Adding a ratepayer advocate imparts an additional layer of transparency and objective review for the Board to consider as rates are developed and approved,” said Maria Gutzeit, board vice president. “The person will be available by phone and email to answer ratepayer questions until the rates are finalized.”

Rate-Setting Process

The Board will hire a qualified firm or individual to be the independent Ratepayer Advocate. During the rate design process, the Ratepayer Advocate will assist with the following tasks:

- **Provide input.**
The ratepayer advocate will work with the Finance and Administration Committee and staff during the rate and fee setting processes to analyze underlying assumptions and provide input.

- **Prepare a report/opinion on the final draft rate.**
The ratepayer advocate will independently review and issue a report/opinion on the proposed rates, including comparison to industry best practice and similar agencies. The report will be considered by the full SCV Water Board, prior to any public notice of proposed rate changes.
- **Communicate with customers.**
The ratepayer advocate will assist the public information officer with communicating the information to customers in plain language through frequently asked questions and website including relevant information.
- **Be available to the public.**
The ratepayer advocate will be available at all public meetings on rate changes and will be available by phone and email to answer ratepayer questions until the rates are finalized.

While rates for each retail service division may vary based on a variety of factors, they will be consistent with general rate-making principles. Rates will be designed to be fair and equitable for all customer classes while generating a stable revenue stream sufficient to meet the financial requirements and goals of the Agency. Additionally, rates will be easy to understand by customers, easy to administer by the Agency and encourage efficient use and water conservation.

Next Steps: Ratepayer Advocate Selection

The next step is for the SCV Water Board of Directors to solicit ratepayer advocate services through a request for proposal process, seeking someone with experience and qualifications in the area of public agency rate design, budget preparation and public agency fiscal management.

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About SCV Water:

The Santa Clarita Valley Water Agency (SCV Water) is a full-service regional water agency located in the Santa Clarita Valley. SCV Water provides water service to business and residential customers – half are local groundwater supplies and the other half is imported from the State Water Project and other sources.

SCV Water was formed on January 1, 2018 and combines the former service areas of Castaic Lake Water Agency, Newhall County Water District, Santa Clarita Water Division and Valencia Water Company. Following a multi-year public engagement process, the agency was formed through Senate Bill 634 authored by Senator Scott Wilk and signed by Governor Jerry Brown on October 15, 2017. SCV Water was formed to enhance regional water management and reduce costs for local ratepayers.

More information can be found at www.YourSCVwater.com

For more information, please contact:

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