



FOR IMMEDIATE RELEASE Monday, Aug. 9, 2021

City of San Diego Sending Customers Notice of Public Hearing on Proposed Water and Wastewater Rate Increases

COMMUNITY FORUMS BEING HELD THROUGHOUT MONTH OF AUGUST; CITY COUNCIL SCHEDULED TO VOTE ON SEPT. 21

SAN DIEGO – San Diegans will have many opportunities to ask questions and provide feedback in the coming weeks regarding proposed water and wastewater rate increases.

This week, all City water and wastewater customers will receive a Proposition 218 notice in the mail offering information about the proposed rate increases and the upcoming public hearing on Tuesday, Sept. 21, 2021. The notice is available in <u>multiple languages online</u>.

Customers are invited to attend public forums happening this month that include a presentation with details about the rate increases, why they're needed, how they will affect customers and how the public can protest the proposal. More information, including how to sign up and participate in the community forums, is available online at <u>www.sandiego.gov/rate-increases</u>.

"It's important for residents to understand why there's a proposal to increase rates and how it may impact them," said Shauna Lorance, Director of the City's Public Utilities Department. "We know that many people are struggling financially. That's why we tried to minimize the impact as much as possible with this plan."

For the first time in 10 years, the Public Utilities Department is looking to increase wastewater rates, by 5%, starting in January 2022. In addition, Public Utilities is proposing to pass through regional water cost increases to its customers. The <u>San Diego City Council</u> is scheduled to vote on the proposals at the public hearing on Sept. 21.

The City recently conducted a cost-of-service study on wastewater (sewer) rates to evaluate future revenue requirements for operating and capital costs. The study found that if the City's sewer rates remain unchanged, there will not be enough revenue to provide necessary wastewater and recycled water services between fiscal years 2022 and 2025. As a result, Public Utilities is proposing a four-year

consecutive rate increase starting with 5% in 2022, up to 4% in fiscal years 2023 and 2024, and up to 3% in fiscal years 2025 and 2026.

The rate increases for sewer services will help the City continue to upgrade core infrastructure by replacing aging pipes and sewer mains; and fund future investments like Pure Water, a landmark water recycling project that will avoid wastewater treatment cost increases and reduce discharges to the ocean.

Public Utilities is one of the nation's largest water and sewer utilities serving more than 2.2 million customers in the region. The department maintains more than 3,400 miles of water pipelines and 3,000 miles of sewer mains, also operating 82 pump stations to keep wastewater flowing out of every community.

The City of San Diego currently imports as much as 90% of its water, the bulk of which is purchased from the San Diego County Water Authority (CWA) which serves 24 cities and water districts throughout the region. While the costs of purchasing water from CWA have risen over the past several years, the City is now for the first time in two years proposing to pass on a rate adjustment of approximately 3% starting in 2022.

Water and sewer rates in San Diego are comprised of base fees and usage charges for various customer classes. For financial assistance and other related information, visit <u>www.sandiego.gov/public-utilities</u>.

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