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For all of San Diego...every day!

# FACT SHEET 2015

## Our Water System: Investing in Our Future

**T**he City of San Diego's Public Utilities Department is dedicated to providing reliable water services in a cost-effective manner while protecting our water resources and the public's health. The Department strives to keep costs as low as possible, however some costs, such as the price of purchasing imported water, are beyond the Department's control.

Primarily due to an increase in the cost of imported water, as well as investments in water reliability, the City of San Diego Public Utilities Department is proposing water rate increases which will also help pay for improvements to the City's aging water infrastructure. The typical single-family customer, using 1,200 cubic feet of water, will see their bill increase approximately \$6.44 per month in January 2016.

Earlier this year, Public Utilities conducted a Cost of Service Study. An independent consultant reviewed the Department's financial requirements for the upcoming five years and identified needed water rate increases through 2019 because of the following reasons:

- **San Diego is at the "end of the pipe," relying on increasingly costly water sources with prices set by agencies outside the City's control. San Diego currently imports approximately 85% of its water from Northern California and the Colorado River and the costs of imported water have more than doubled in the past decade and are predicted to do the same again over the next decade.**

- **To reduce dependence on costly imported water, San Diego is developing locally controlled, sustainable and drought-proof water supplies, which requires investments. New water rates will help to construct and operate the new Carlsbad desalination plant. The plant will open in late 2015 and is anticipated to supply up to 7% of the regional water needs for San Diego County. Also, new water rates will help construct the City of San Diego's Pure Water initiative — a multi-year, phased program that at full build out, will supply the City with one-third of our water supply. Plans currently call for up to 30 million gallons of Pure Water to be online as early as 2021.**
- **The City needs to invest in the replacement of aging water mains, water transmission pipelines and pump stations in order to provide safe and reliable water service to customers.**
- **State-mandated water use restrictions and enforcement requirements have required additional, unplanned expenditures. To help offset increased costs, Public Utilities has eliminated more than 300 staff positions, reduced energy costs and tapped monetary reserves. The Department reviews operating and capital expenses quarterly to ensure efficiency and prudent use of finances.**

The following table shows the overall proposed increases needed from customer rate revenues for the next five fiscal years (FY 2016 through FY 2020). Each customer's bill adjustments will vary depending on customer class, water meter size and water use during each billing period.

FY2016	FY2017	FY2018	FY2019	FY2020
Effective	Effective	Effective	Effective	Effective
January	July	July	July	July
2016	2016	2017	2018	2019
<b>9.8%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>5.0%</b>	<b>7.0%</b>





## PROPOSED WATER BASE FEE ADJUSTMENTS

The following table shows how the proposed water rate recommendations affect the Base Fee (meter charge) for water customers.

Meter Size	METER CHARGE					
	Existing Rates	Proposed Rates				
Effective Date		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
		1/1/16	7/1/16	7/1/17	7/1/18	7/1/19
	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)	(\$/monthly)
5/8", 3/4"	20.31	22.26	24.75	26.05	27.56	29.46
1"	27.51	29.50	32.84	34.61	36.67	39.36
1.5"	43.96	46.04	51.33	54.18	57.49	62.01
2"	64.53	66.72	74.43	78.64	83.52	90.31
3"	112.86	115.32	128.74	136.13	144.70	156.83
4"	181.75	184.59	206.15	218.08	231.90	251.66
6"	352.44	356.23	397.94	421.11	447.97	486.60
8"	558.10	563.03	629.02	665.74	708.28	769.65
10"	798.72	804.98	899.38	951.95	1,012.86	1,100.83
12"	1,483.55	1,493.60	1,668.87	1,766.54	1,879.71	2,043.42
16"	2,580.72	2,596.85	2,901.66	3,071.61	3,268.50	3,553.53

### NOTE:

The figures included in the table at left reflect a monthly bill. The majority of Single Family Residential customers have a 5/8 inch or 3/4 inch meter, and receive a bill every two months.

## PROPOSED WATER COMMODITY FEE ADJUSTMENTS

The following table illustrates how the proposed water rate recommendations affect the Commodity Fee for water customers. Note that one 'hcf' represents approximately 748 gallons of water.

Class	COMMODITY RATE					
	Existing Rates	Proposed Rates				
Effective Date		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
		1/1/16	7/1/16	7/1/17	7/1/18	7/1/19
	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf	\$/hcf
<b>Single Family</b>						
Tier 1 (0-4 HCF)	3.896	4.240	4.443	4.770	5.042	5.385
Tier 2 (5-12 HCF)	4.364	4.754	4.976	5.342	5.647	6.031
Tier 3 (13-18 HCF)	6.234	6.791	7.108	7.632	8.067	8.616
Tier 4 (19+ HCF)	8.766	9.550	9.996	10.732	11.344	12.117
Other Domestics	4.650	5.125	5.365	5.763	6.091	6.515
Non Residential	4.470	5.020	5.243	5.622	5.941	6.333
Construction	4.947	6.023	6.316	6.795	7.183	7.727
Irrigation	4.947	5.666	5.941	6.390	6.755	7.256

### Single-family Bill Example:

The proposed adjustment on January 1, 2016 will effectively raise total water rates for a typical Single Family Residential customer using 12 HCF/month by approximately 9.10% (\$6.44 per month). The exact amount of increase will vary among customers because of varying levels of water consumption.

Typical Bill Calculation @ 12 HCF per Month		
Description	Existing Bill	Proposed 1/1/2016
Single-family with 3/4" Meter	\$70.81	\$77.25
Adjustment		<b>9.10%</b>

**WHAT CAN I DO TO LOWER MY BILL?** You can use water more efficiently, repair leaks and ensure that you have the most efficient plumbing fixtures and toilets, washing machines, dishwashers and shower heads. The Public Utilities Department offers all kinds of tips, hints, programs and rebates to help you save water. Just visit us at [sandiego.gov/water](http://sandiego.gov/water).