



THE CITY OF SAN DIEGO
PUBLIC UTILITIES

FOR IMMEDIATE RELEASE

August 3, 2015

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Public Utilities Department Proposing Rate Increases
Increased Cost of Imported Water is Main Reason for Raising Rates

SAN DIEGO – Primarily due to an increase in the cost of imported water and 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 water rate recommendations will be presented at the City Council’s Environment Committee on Wednesday, Aug. 5, 2015, at 2 p.m.

Each customer’s exact increase will vary depending on customer classification and amount of water used. The typical single-family customer, using 1,200 cubic feet of water, will see their bill increase approximately \$6.46 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. To reduce dependence on costly imported water, San Diego is developing locally controlled, sustainable and drought proof water supplies, which requires investments. These supplies include the regional Carlsbad desalination plant and the Pure Water program, which will eventually provide one-third of the City’s water supply.
- 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.

In addition to the rate increases for potable water, Public Utilities is proposing the recycled water rate rise from 80 cents per 748 gallons of water to \$1.73 per 748 gallons of water. This would be the first cost increase for recycled water in 15 years.

The Environment Committee will be asked to approve forwarding to the City Council a Notice that would be mailed to all City water customers explaining the proposed rate increases and allowing customers to voice support or opposition to the increases.

The Notice, which is required under Proposition 218, must be mailed at least 45 days prior to the City Council voting on the proposed rates.

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