



San Francisco
**Water
Power
Sewer**

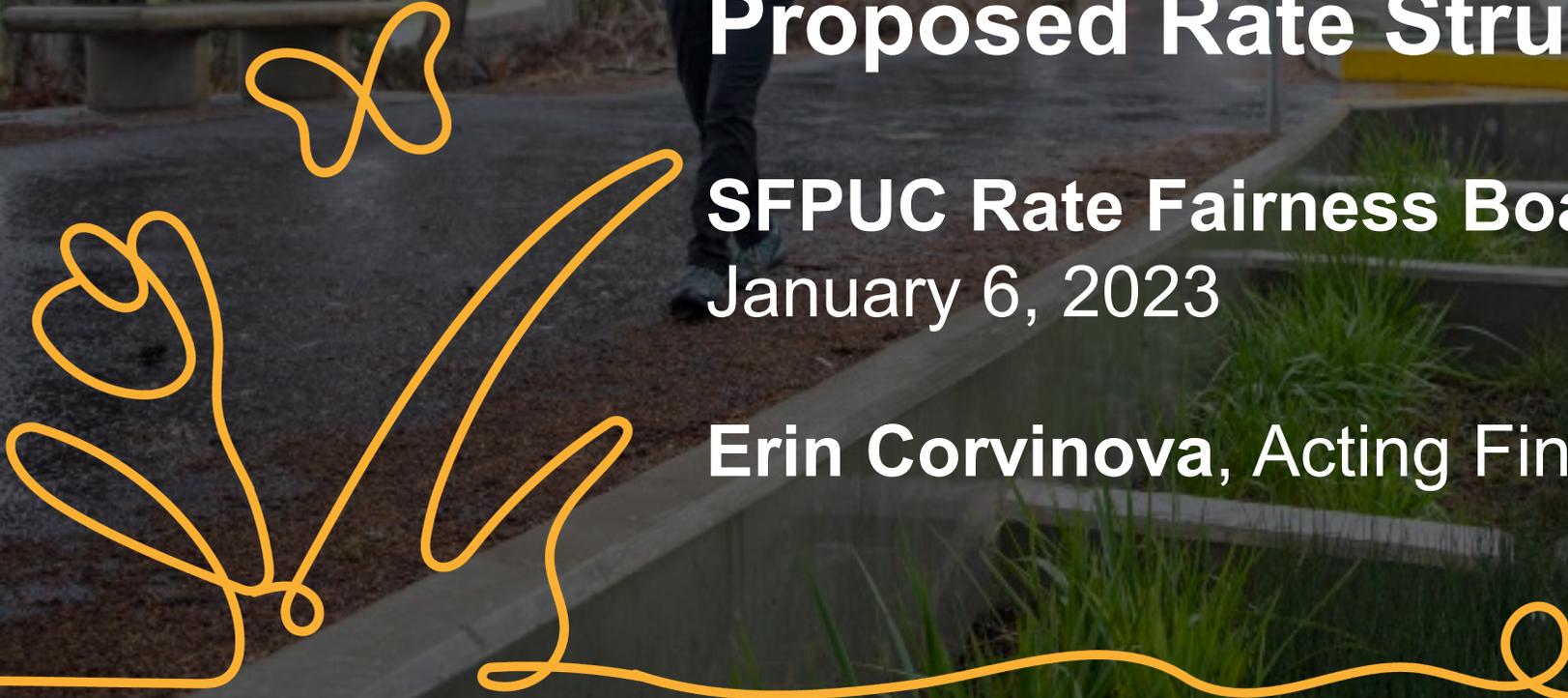
Services of the San Francisco
Public Utilities Commission

**Transform
the Storm**

Stormwater Charge Background and Proposed Rate Structure

SFPUC Rate Fairness Board
January 6, 2023

Erin Corvinova, Acting Financial Planning Director



Agenda

Transform
the Storm

- SFPUC's Combined Sewer System
- Stormwater Runoff Charge Drivers and Background
- Proposed Rate Structure
- Resources for Customers
- Next Steps

San Francisco's Collection System

3 Treatment Facilities
1,000+ Miles of Pipes
40 Billion Gallons Treated/Year
100-Year-Old System



North Point Wet Weather Facility



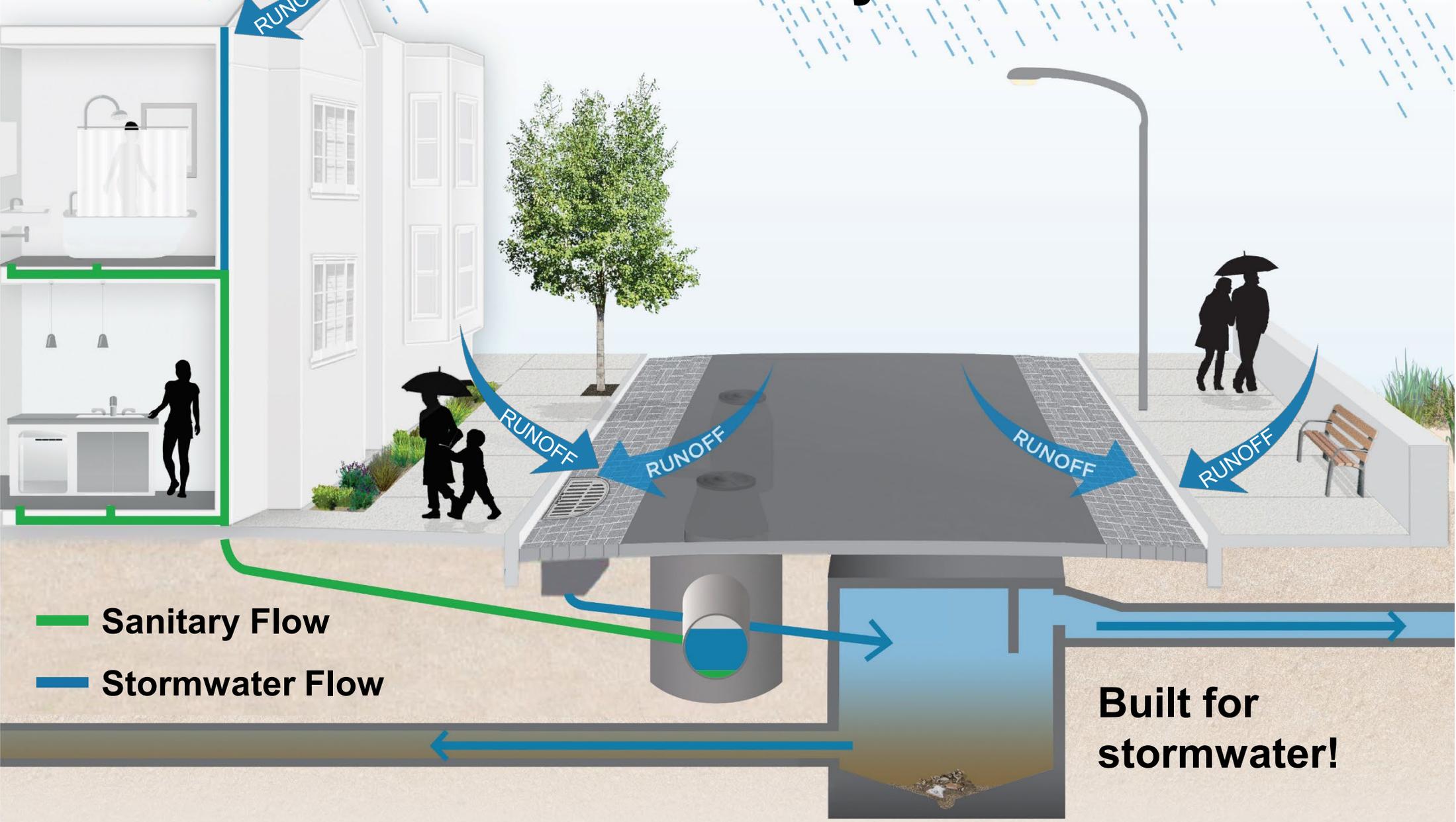
Oceanside Treatment Plant



Southeast Treatment Plant



San Francisco's Collection System





Transform the Storm

Stormwater Runoff Charge Drivers and Background



SFPUC's Existing Sewer Rates

**Transform
the Storm**

- SFPUC customer bills include both drinking water and sewer service charges.
- ~20% of Sewer Service Charges go towards managing stormwater
 - Estimate being updated as part of the rate study
- Currently, the Sewer Service Charge is based on the volume of drinking water used, not the stormwater runoff from each property.



Why Develop a Stormwater Runoff Charge?

Better Aligns Cost and Revenue

Incentivizes Better Stormwater Management Practices

More Effective & Transparent Communication

Provides a Fixed Revenue Source

Recommended by Commission, Local Organizations, Community Stakeholders, Rate Consultants

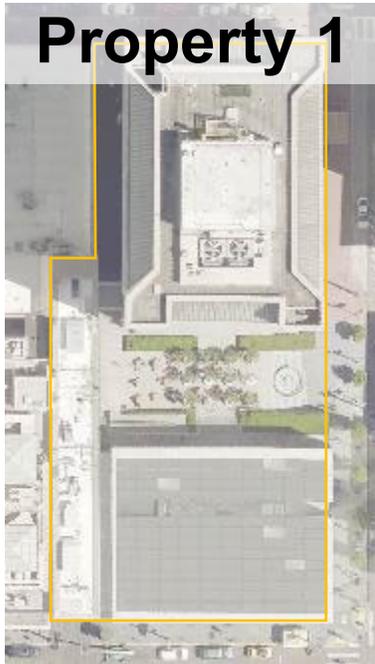
Aligning Charges to Stormwater Runoff Produced



Sanitary Flow



Stormwater Produced



Property 1



Property 2

Aligning Charges to Stormwater Runoff Produced

- The Stormwater Charge reallocates the stormwater portion of the bill from drinking water volume to area
- *Each customer pays their fair share for the combined sewer system*



History of Stormwater Runoff Charge Project

- SFPUC staff have been preparing to implement the stormwater charge since 2014
- Phased approach to rollout to address unique customers
 - Unmetered properties charge created for vacant lots, parking lots (2018)
 - Launch of Green Infrastructure Grant Program for large, highly impacted parcels (2019)
- Initiated SFPUC stormwater charge working group to implement full scale rollout of charge (2020)



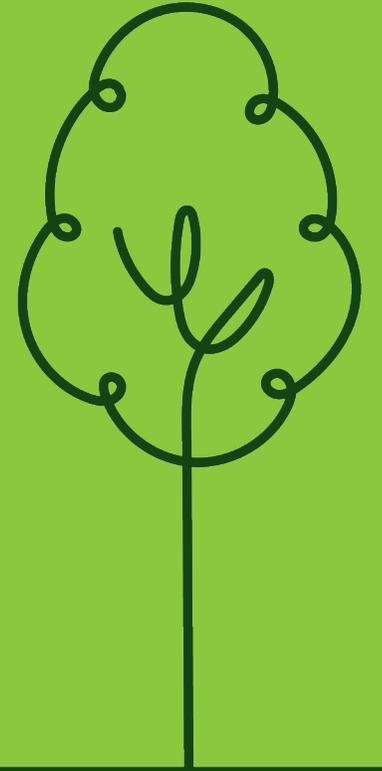


San Francisco
**Water
Power
Sewer**

Services of the San Francisco
Public Utilities Commission

**Transform
the Storm**

Proposed Rate Structure



Stormwater Charge Components

- Proposed rate structure determined based on survey of peer utility rate structures, analysis of San Francisco's properties, and ease of communication/implementation
- Customers will fall into one or two categories for the stormwater runoff charge:

Simplified Residential Rate

Most residential parcels

Tier 1 flat rate

Tier 2 flat rate

Tier 3 flat rate

“Standard” Rate

All other parcels

Cost per area

Standard Rate – Approved Property Eligibility

Eligibility Criteria:

- Properties >6,000 sq. ft. or with a Non-Residential Service Agreement
- Multi-Family Residential, Commercial, Mixed Use, Public Property, etc.

Monthly Charge per Area:

Charges based on the measured area of impermeable and permeable surfaces on each property.

Standard Rate Parcels:



Impermeable and Permeable Surfaces

Transform
the Storm

Impermeable = surfaces that allow little or no stormwater infiltration into the ground.

Examples: roadways, sidewalks, roofs

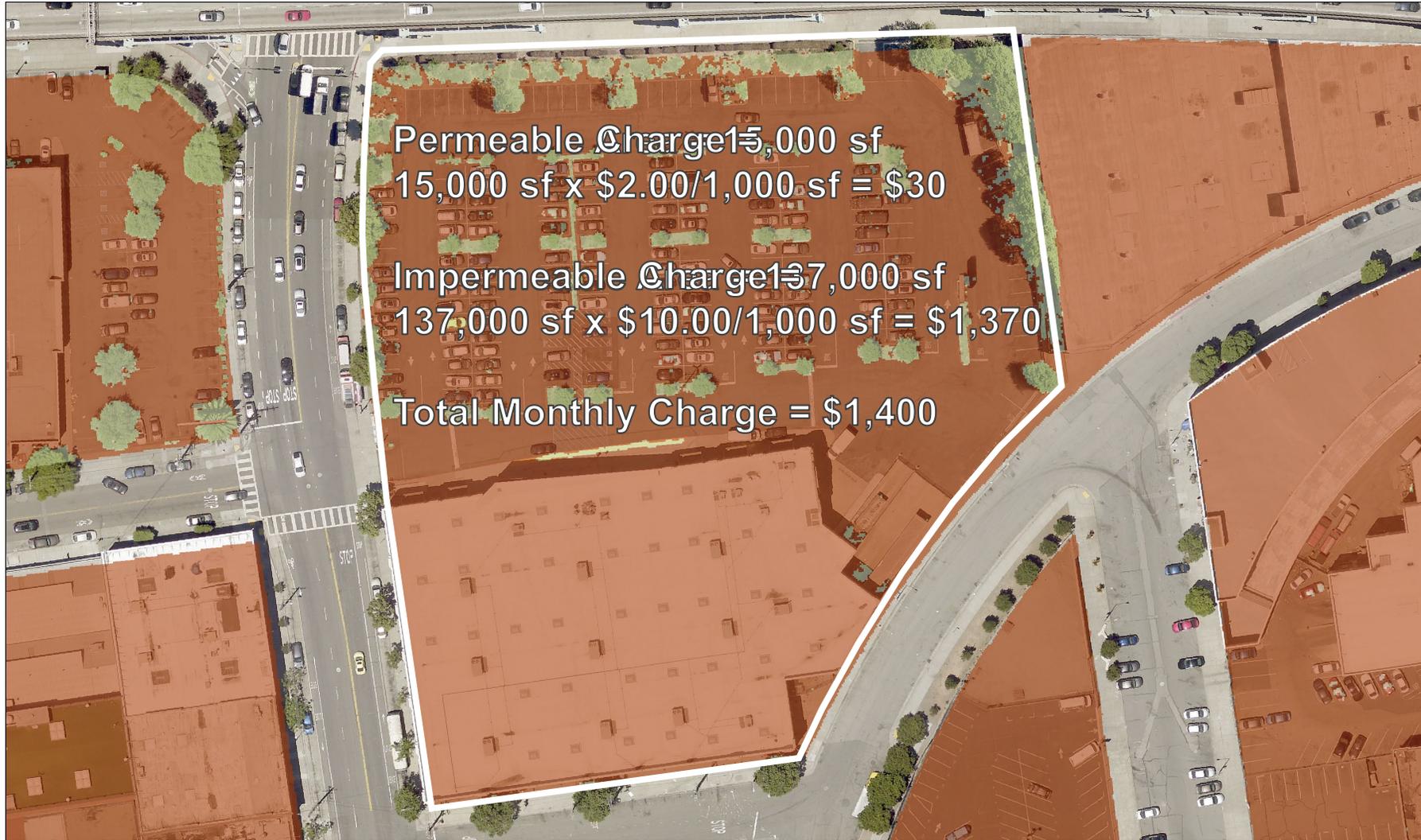
Permeable = surfaces that allow some stormwater to infiltrate into the ground.

Examples: open space, gardens, lawns

Both produce runoff!



Calculating the “Standard Rate”



Transform the Storm

1. Aerial Image
2. Calculate Impermeable and Permeable Areas
3. Assign Areas to Parcel
4. Calculate Monthly Charges Per Account

**Bill estimate based on approved rate structure using 2018 rate study cost data – does not include phase-in or updated rate study outputs*

Simplified Residential Rate

- Residential parcels have relatively similar areas and runoff characteristics
- Most utilities simplify stormwater charges for residential customers
- Reduces administrative burden and simplifies communication

Simplified Residential Rate

Most residential parcels

Tier 1 flat rate

Tier 2 flat rate

Tier 3 flat rate

“Standard” Rate

All other parcels

Cost per area

Simplified Residential Rate – Eligibility & Tiers

Eligibility Criteria:

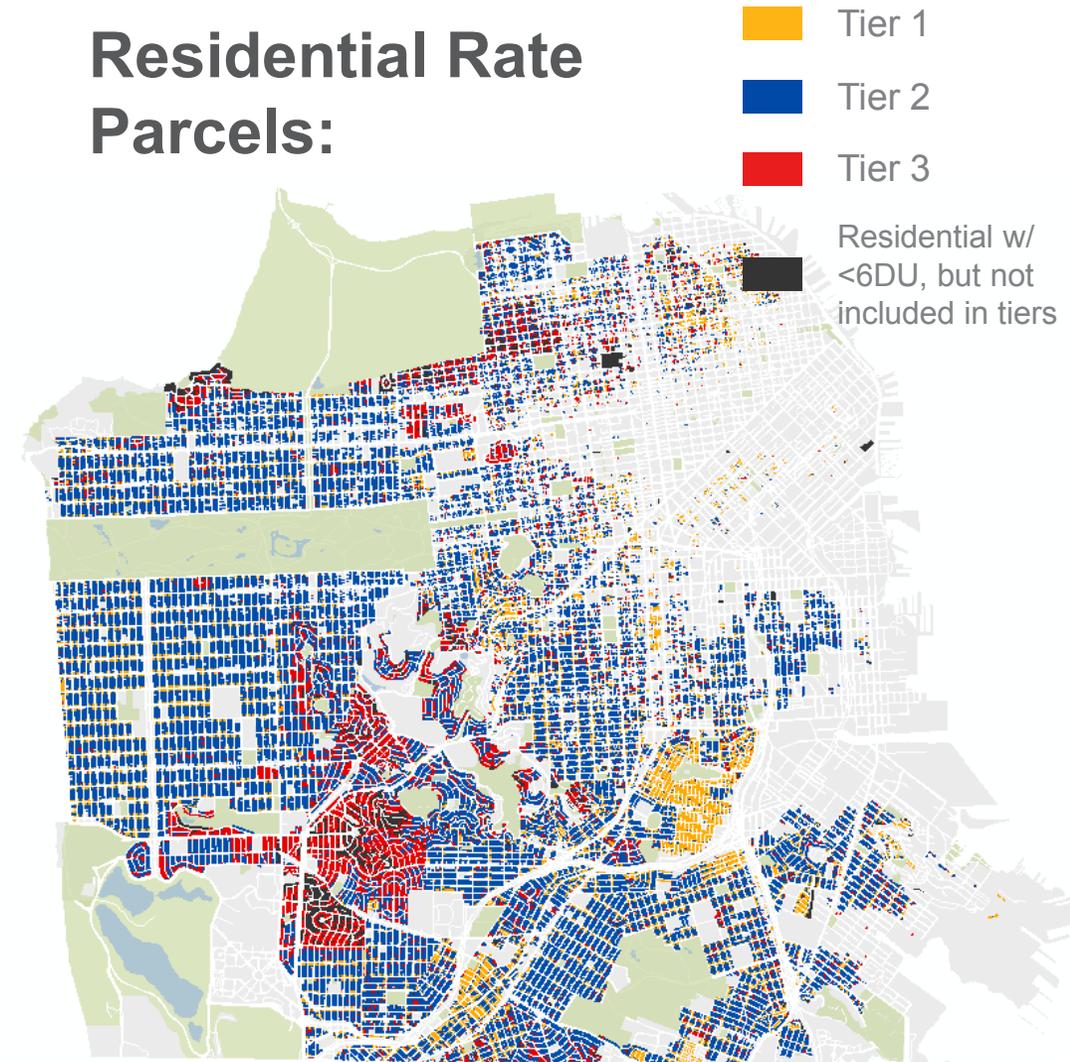
- One or more Residential Service Agreements (SAs)
- No mixed use/presence of non-residential SAs (excludes commercial/mixed use)
- Maximum of 6 Dwelling Units per parcel (excludes large multi-family residential)
- <6,000 sq. ft.

Tier	Parcel Size Range (ft ²)	Number of Eligible Parcels
1	1 – 1,700	6,971
2	1,701 – 3,300	94,171
3	3,301 – 6,000	19,233

Monthly Charge per Tier:

Average of the standard rate calculation for all parcels within each tier.

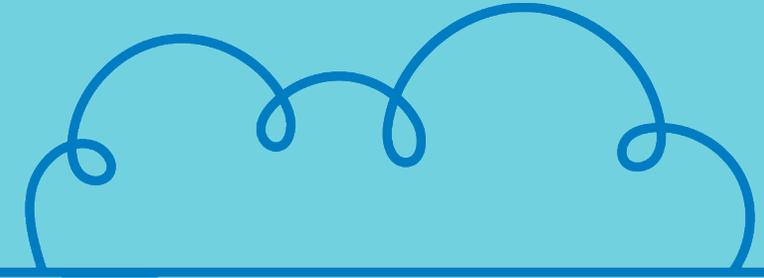
Residential Rate Parcels:





Transform the Storm

Resources for Impacted Customers



How to Reduce Your Stormwater Bill

Transform
the Storm

- Customer bills may increase or decrease with the stormwater charge, depending on their property characteristics and water use
- Full charges will be phased in over several years
- Green stormwater infrastructure = reduced stormwater runoff = bill credits
- Grants available to install green infrastructure

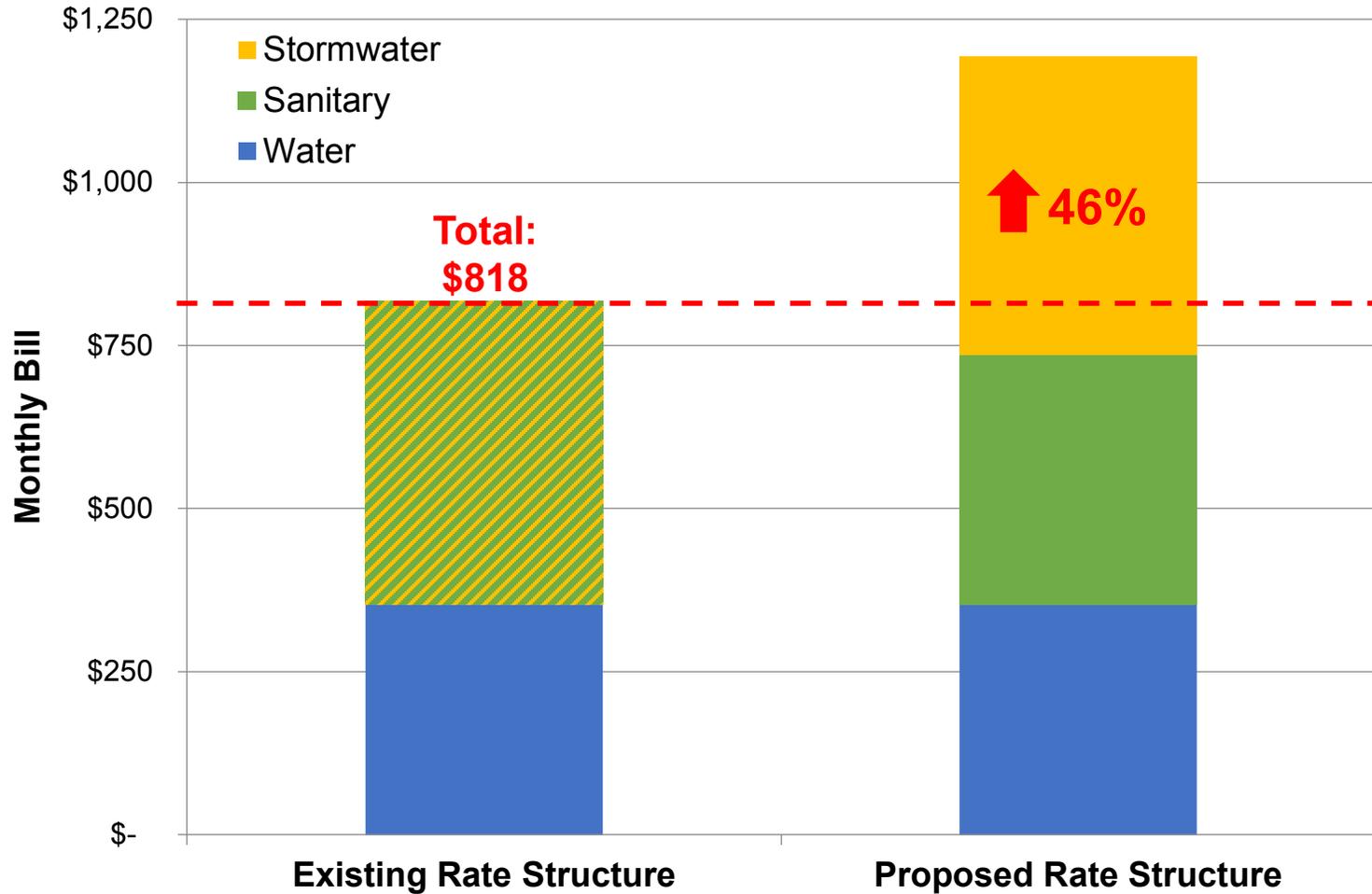


Green Infrastructure Grants

SFPUC grant programs can fund design and building of green infrastructure
Large grant program ongoing, pilot residential grant program in 2023

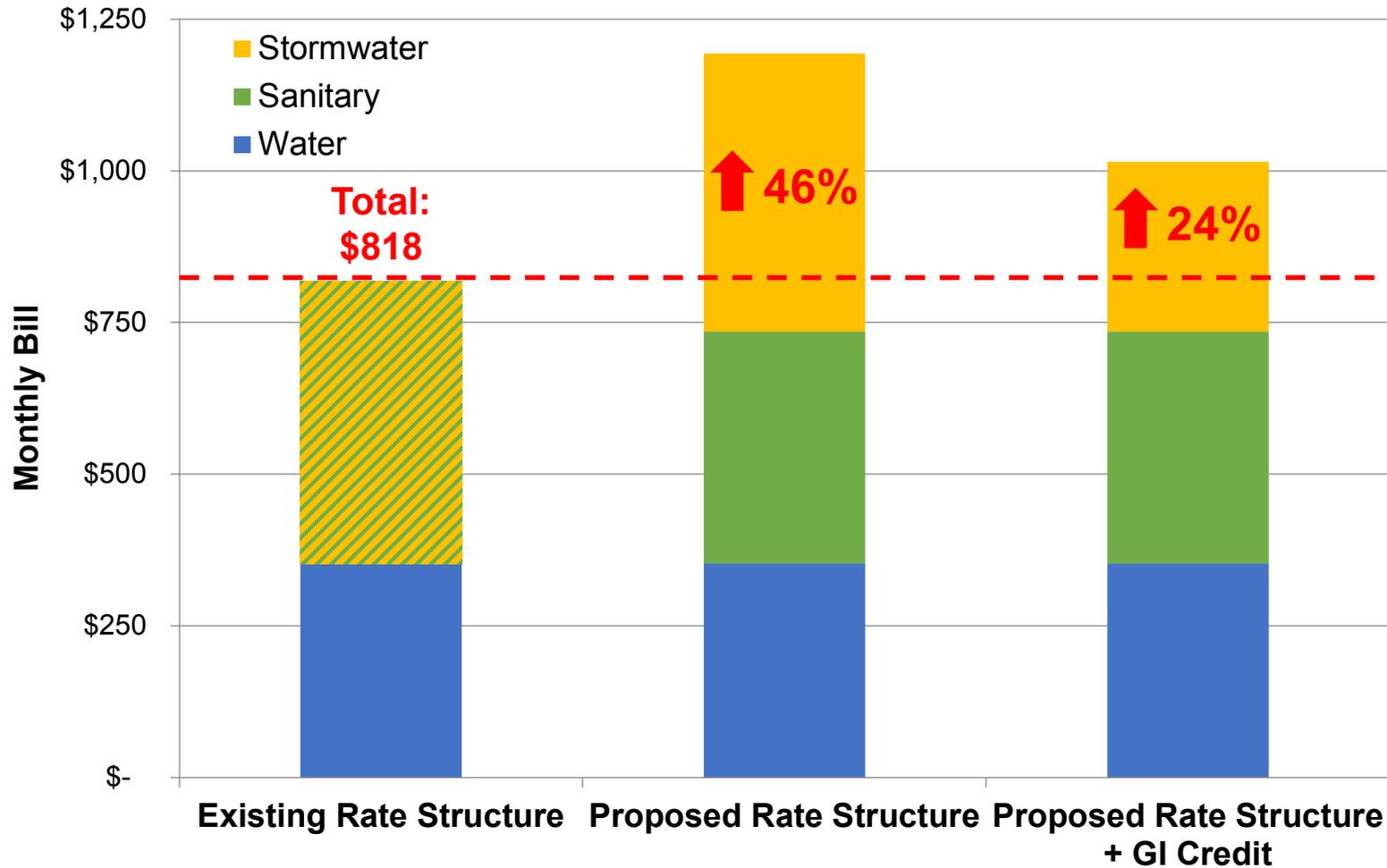


Bill + Credits Example



**Bill estimate based on approved rate structure using 2018 rate study cost data – does not include phase-in, updated rate study outputs, or final credit structure methodology*

Bill + Credits Example



*Bill estimate based on approved rate structure using 2018 rate study cost data – does not include phase-in, updated rate study outputs, or final credit structure methodology

Next Steps

- Update cost of service analysis
- Finalize credit structure
- Launch pilot Residential Green Infrastructure Grant Program
- Outreach to customers
- Adopt rates

Transform
the Storm

