

San Francisco Public Utility Commission Frequently Asked Questions (FAQs)

Why do you need to raise water and sewer rates?

Many parts of our water system are about 100 years old, and the oldest parts of our sewer system date back to the Gold Rush. They need to be upgraded to prevent breaks, improve seismic safety, and adapt to droughts and storms as the climate changes. Further investment ensures our water and sewer systems continue to protect public health.

Our rates are based upon the actual costs of providing water and sewer service to you, nothing more. This is by law. We raise rates when necessary to cover our operating and capital costs to meet our goal of providing a clean, reliable source of drinking water to our customers and returning thoroughly treated wastewater to the environment.

How do you determine the amount to charge ratepayers?

The SFPUC is required to undertake independent rate studies at least every five years to ensure the rates customers are charged reflect the true cost of providing our services. The last rate study for water and sewer rates was completed in 2018, and a new one was required. The new independent rate study found that rate increases were warranted.

Even with these needed rate increases, our services are a tremendous value. One gallon of our world-class tap water would cost only 2 cents, while a gallon of bottled water costs \$1.79 on average. The proposed new rates are also competitive, even with this increase. The average customer's water and sewer bill in San Francisco would still be less than the current bills in Los Angeles and Santa Clara and just slightly more than in San Diego and San Jose.

We understand that making ends meet is a challenge for many San Franciscans. That is why we offer multiple ways for people to lower their bill, from grants and rebates to a Customer Assistance Program that provides a 25% discount on water and wastewater bills to help customers in need. Learn more at sfpuc.org/savings.

What happens if rates are not raised?

We would need to relook at the pressing needs of our aging systems and prioritize those that are most critical to ensuring public and environmental health. We would be forced to defer major infrastructure projects, which would, in turn, leave our existing systems vulnerable. These investments are needed now. Deferring until later will only guarantee higher costs and possible increased regulatory oversight by permitting agencies.



What are you doing to help people who can't afford rates increases?

We recognize that affordability is an issue for our communities. For our customers with low incomes, we offer a Customer Assistance Program that provides a 25% discount on water and sewer bills for qualified customers. It's quick and easy to apply! sfpuc.org/WaterCAP.

The SFPUC can also help you reduce your bill by using less water. We can assist you with a free personalized water-wise evaluation and rebates on efficient toilets, washing machines, and other fixtures. Customers can also sign up for an online bill paying portal called MyAccount, which shows water usage. Additional resources can be found at specifications-red.

If you are behind on your water/sewer bills, flexible payment plans are available for customers by calling Customer Service at (415) 551-3000, Monday to Friday, 8 am to 5 pm (except holidays).

Other bills are already high; this is just making San Francisco unaffordable!

We are committed to keeping our rates affordable and providing ways for all of our customers to lower their bills. With the proposed rate increases, the average customer's water and sewer bill in San Francisco would still be less than the current bills in Los Angeles and Santa Clara and just slightly more than in San Diego and San Jose.

Our commitment to affordability is reflected in the multiple programs we offer to help customers lower their bill. Our Customer Assistance Program provides a discount on water and wastewater bills to help customers in need. Additionally, we offer free resources to save water and money, including grants to reduce the stormwater portion of your bill. More information can be found at stormwater portion of your bill. More information can be found at stormwater portion of your bill.

No one likes rate increases, but the alternative of not performing these needed upgrades would be far more expensive for our ratepayers in the long run.

What is the stormwater charge?

The SFPUC's combined sewer system treats both wastewater and stormwater runoff. During wet weather, rainwater picks up trash and pollutants as it runs off roofs, sidewalks, driveways and parking lots, and flows into storm drains across San Francisco. The SFPUC removes the trash and pollutants before discharging the water into the Pacific Ocean and San Francisco Bay. The cost of treating stormwater is captured in the stormwater charge. The stormwater charge is part of the sewer portion of your bill. It is determined by the amount of stormwater that flows off a customer's property for treatment in our system. This type of allocation is standard practice among forward-thinking utilities nationwide.



Is the stormwater charge a new way to raise money?

No. Your sewer bill already covers the costs of collecting and treating both sewage and stormwater. The new rate structure would split the sewer portion of bills into two parts: a wastewater component and a stormwater component. This new structure would not change the total amount of revenue that the SFPUC collects, but it would more equitably allocate the existing costs of managing wastewater among ratepayers. This new structure would be gradually phased in over seven years. The new structure also encourages sustainable stormwater management practices. The more stormwater people divert from the sewer system, the lower this portion of their bill will be. Managing storms and reducing flood risk is something for the whole City to tackle together.

How is the stormwater charge calculated?

The stormwater charge is based on the physical characteristics of a property. Impermeable area, like concrete, asphalt, and roofing, does not absorb stormwater. Permeable area, like grass or dirt, lets some stormwater filter into the ground but still produces some runoff. Impermeable area is charged at a higher rate than permeable area. Larger customers are included in the standard rate. Smaller residential customers fall into a simplified residential rate.

Is there anything I can do to reduce my stormwater charge?

Yes. Customers who collect stormwater on their property using green infrastructure help improve the performance of the sewer system. The SFPUC plans to offer bill credits to customers who manage stormwater on their property. The SFPUC also offers grants for managing stormwater, including for large public and private properties to install green infrastructure, with the goal of reducing stormwater runoff while delivering public benefits that enhance the quality of life for all SFPUC rate payers. Find more information at sfpuc.org/programs/grants.

Stay Connected

Learn more about our water and sewer rates at <u>sfpuc.org/2023Rates</u>, including discount, rebate, and incentive programs for customers. For questions about water and sewer rates, email us at <u>ratesinfo@sfwater.org</u> or call (415) 554-3289.