



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

Town Hall Meeting

April 19, 2023

Proposed FYE 2024-2026 Rate Adjustments

Investing in our water and sewer systems to protect public health, safeguard the environment, improve seismic safety, and adapt to climate change.



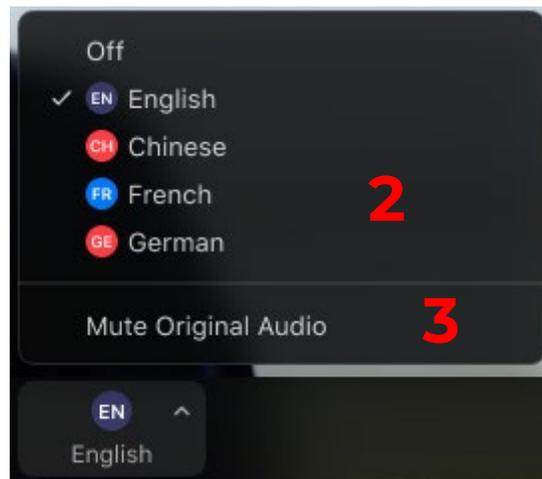
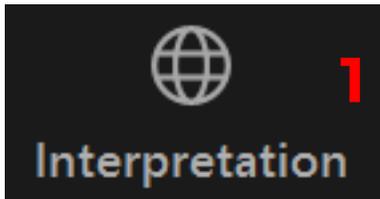
SELECT LANGUAGE CHANNEL



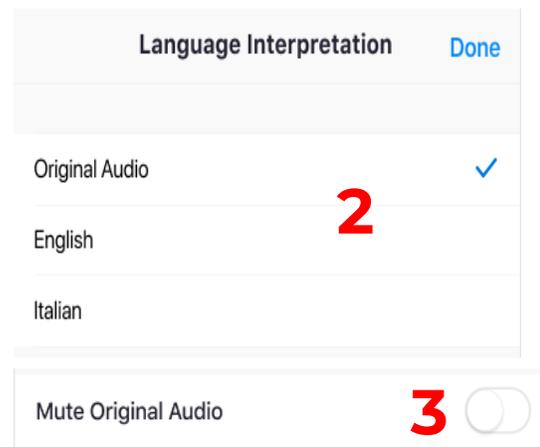
ENGLISH

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SPANISH

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CHINESE

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Today's Agenda:

- Vital Services - Water and Sewer Systems
- Rate Setting Process
- Cost Saving Approaches
- What is Changing
- Customer Bill Impacts
- Resources for Customers
- Public Meetings and Rates Public Hearing
- Q&A



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24/7 Vital Services, Funded by our Ratepayers

Water



**Delivering high-quality
water**

Power



**Generating clean
energy**

Sewer



**Protecting public health
and the environment**

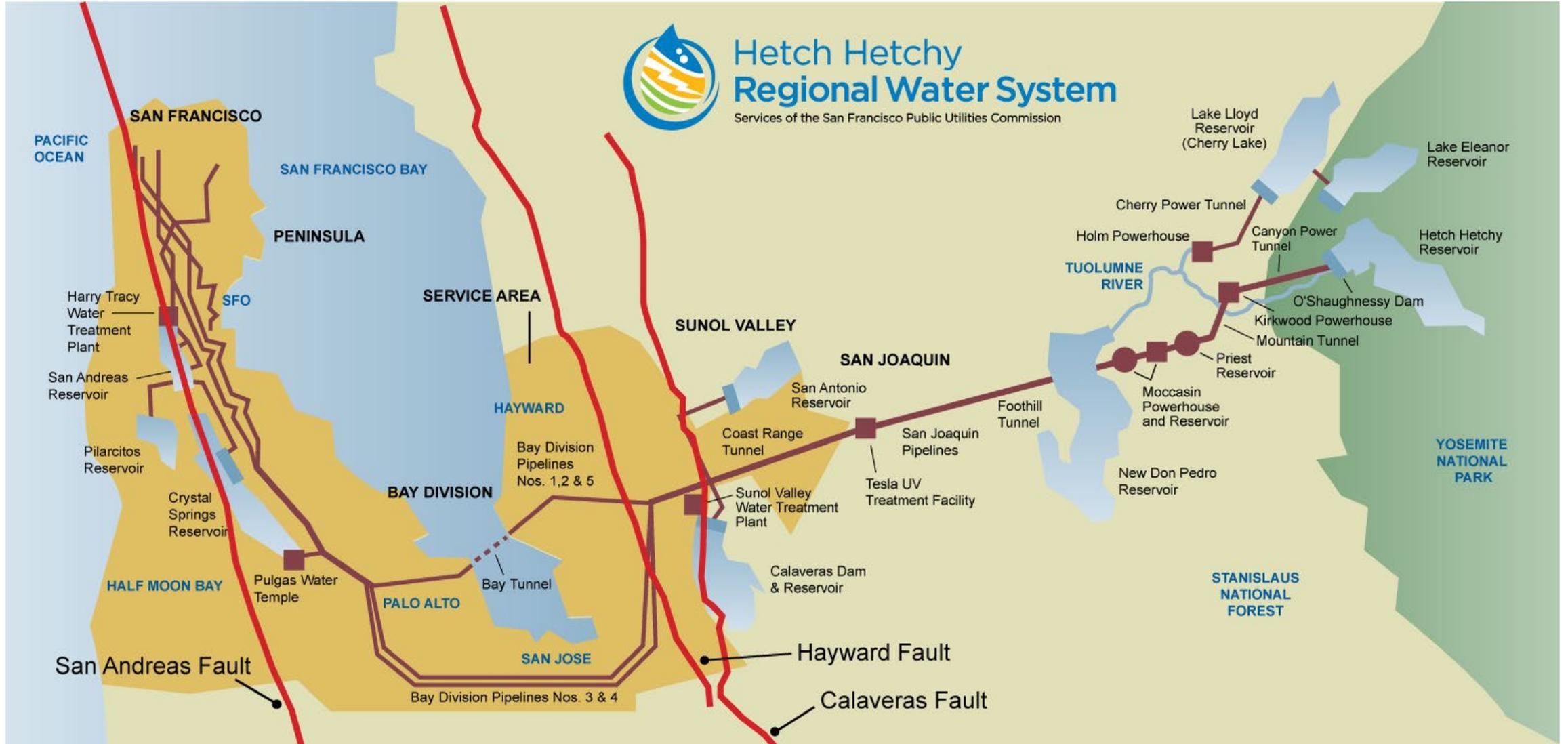


Our Amazing Water System



Hetch Hetchy Regional Water System

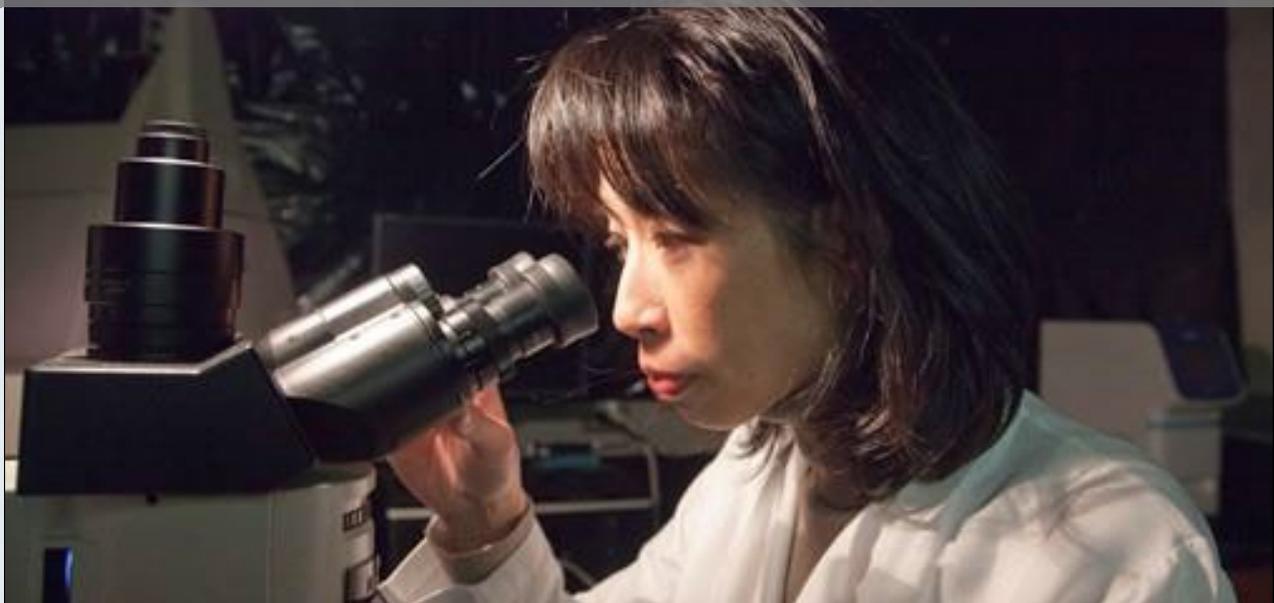
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Dependable High-Quality Tap Water



24/7 Water Quality Monitoring



Regular Inspections & Maintenance



Reliable Crews Across the City



Water System Investments

- Mountain Tunnel Improvements Project
- Seismic connection between College Hill Reservoir and SF General
- Replace 10 miles of aging water mains per year
- Major work planned for our dams and in city reservoirs



Diversifying Your Water Supply

Ensuring long-term reliability into the future:

- Conservation
- Recycled water
- Groundwater
- Alternative Water Supply Planning

Our Combined Sewer System Treats Sewage & Stormwater



- 1,900 miles of pipes
- 3 treatment plants

Aging Infrastructure



Seismic Reliability



Outdated Treatment Facilities

Climate Change

Southeast Treatment Plant Upgrades Modernizing Aging Infrastructure



Wawona Area Stormwater Improvement & Vicente Street Water Main Replacement



Green Infrastructure Projects Managing Stormwater



Treasure Island Wastewater Treatment Plant Improvement Project



Upgrading and Modernizing Our Aging Water & Sewer Systems

- Protect public health & our environment
- Improve seismic safety
- Adapt to droughts and storms
- Ensure reliable service

Quiz Time!



Vicente Sewer construction near 38th Ave. That same year William Howard Taft became President.

What year is it?

- a. 1921
- b. 1880
- c. 1909
- d. 1935

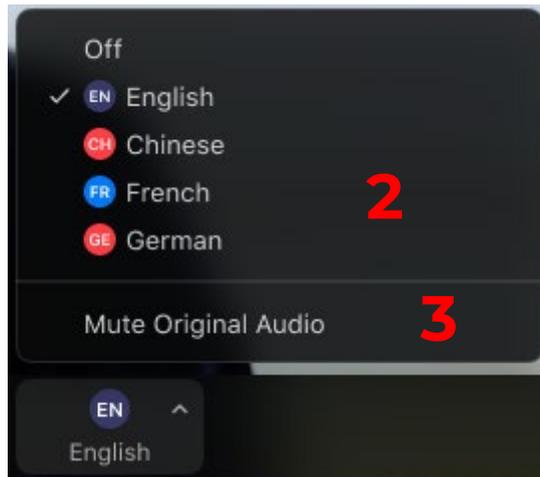
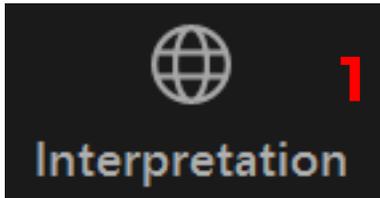
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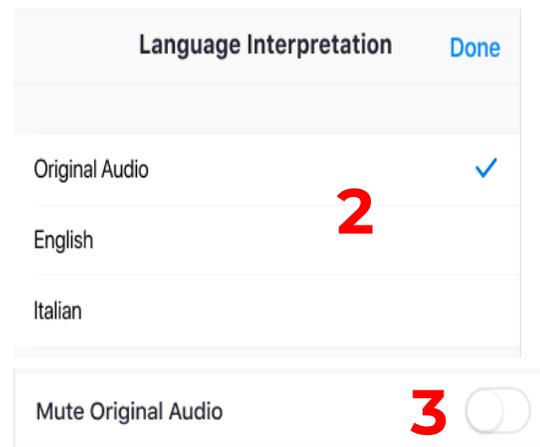
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Water and Sewer Rates

An Overview of the Proposed Changes to Rates, the Rate Setting Process, and What This Means for Rate Payers



Rate Setting Overview

- We are a not for profit public utility, and rates are set to cover only the operating and capital costs of our utilities
- San Francisco City Charter requires an independent rate study at least every five years
 - Last water/sewer rates study completed in 2018
- Consultant hired in spring 2022
 - Forecasts expenses to determine needed rate increases
 - Develops complex financial models using cost and customer data
 - Recommends rates that comply with utility industry best practices and California law (Proposition 218)
- Rate Fairness Board public meetings presented study results



Existing Rate Structure

WATER

Fixed Monthly Service Charge (\$/Month)

- Higher charges for larger meter size

Usage Charge (\$/CCF)

- Based on metered water usage
- Residential: two tiers, with higher rate for second tier
- Non-Residential: Same rate for all usage

SEWER

Fixed Monthly Service Charge (\$/Month)

- Same for all customers

Usage Charge (\$/CCF)

- Discharge volume estimated from metered water usage
- Residential: Same rate for all discharge
- Non-Residential
 - Charge for volume of wastewater
 - Strength charges based on business type



Cost Savings Approaches

- No rate increases in FY 2022-23 in response to pandemic
- Massive agency-wide effort over last year to prioritize capital plan
 - Reduced 10-year capital plan by **over a billion dollars** compared to prior plan
- Successfully applying for low-interest state and federal loans
 - Results in interest savings vs. issuing our own bonds
 - \$2.1 billion in executed loans and grants, resulting in **\$1.4 billion in savings**
 - \$1.4 billion in additional loan applications pending



What is Changing?

Adjustment to the
Sewer Rate
Structure

Split the Sewer Bill into Two
Components

- Wastewater
- Stormwater
 - *Will have less than 1% annual bill impact for most customers*

Increases to Water
and Sewer Rates

- 3 Years of Increases
- Bill impact depends on your use of the system
 - *6-9% annually for most customers*



Stormwater Charge

- ~20% of your current Sewer Service Charge goes to managing stormwater
- Bill based on the estimated volume of runoff
 - More runoff = higher stormwater charge
- Proposal ensures each customer pays their fair share for the cost of treating stormwater runoff
- New structure will not change the amount of revenue collected by the SFPUC
- Will be gradually phased in over seven years
- Credits and grants available to reduce your bill



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Stormwater Charge: Cost of Service Justification



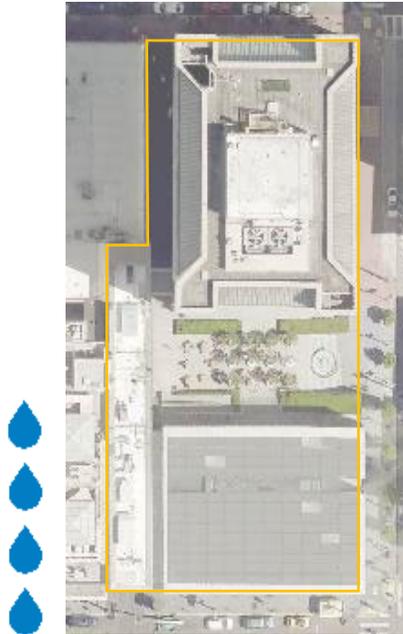
Wastewater Discharge



Stormwater Produced



High Rise
 Apartment



Big Box Store



The new Stormwater Charge will more accurately allocate the cost of treating stormwater runoff from properties.



Stormwater Charge Structure

Standard Charge

- Non-residential, mixed use, vacant, and large residential parcels
- Impermeable areas (roofs, pavement, driveways) cause more runoff, pay more

Simplified Residential Charge

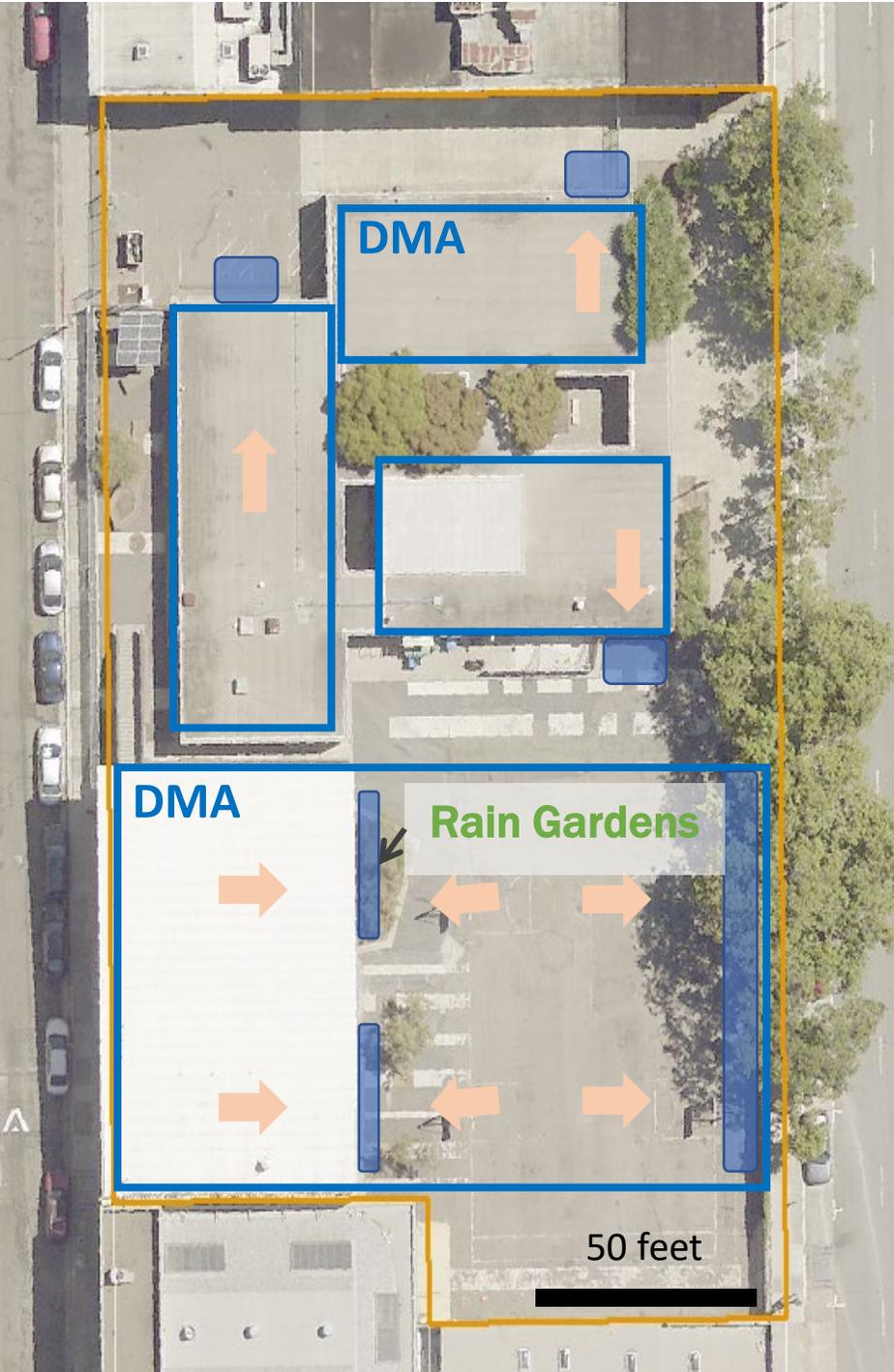
- Residential properties
- 6 or fewer dwelling units
- Parcel Area < 6,000 sq ft

Area	FY 2023-24 Rate
Impermeable Charge	\$1.89 / 1,000 sq ft per month
Permeable Charge	\$0.19 / 1,000 sq ft per month

Tier	Parcel Size Range (sq ft)	FY 2023-24 Rate
1	1 – 1,700	\$2.31 / month
2	1,701 – 3,300	\$3.60 / month
3	3,301 – 6,000	\$5.41 / month

Lower Bills with Stormwater Credits

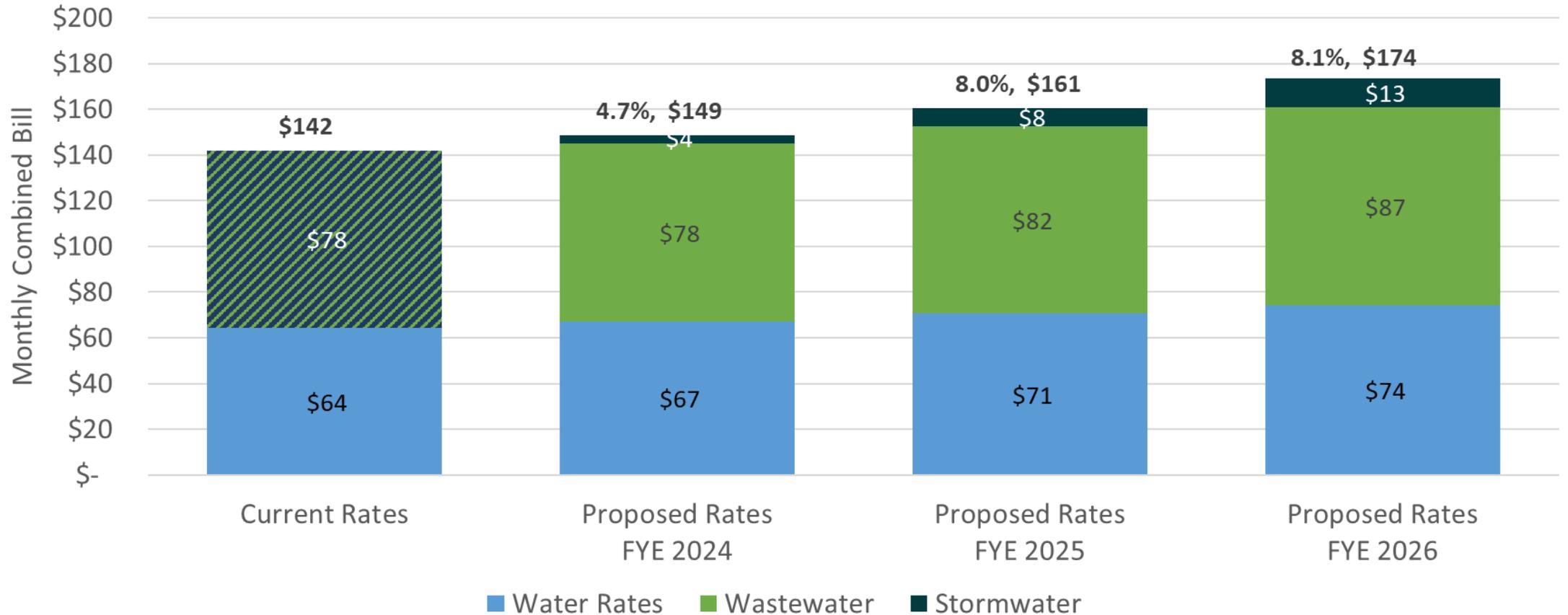
- **Green Infrastructure** collects stormwater runoff from an impervious surface, or **Drainage Management Area**
- Standard Credits will be **based on the total area** draining to the green infrastructure in relation to the total parcel area
- Projects eligible for credits include SMO and GI Grant projects
- Many City properties will be automatically enrolled in the Credit Program





Customer Bill Impacts

Average Single Family



Assumes 4.8 CCF of water use per month

Cost Comparison of Everyday Items



1 Gallon
Treated Wastewater

\$0.03



1 Gallon
Tap Water

\$0.02



1 Gallon
Bottled Water

\$1.79



1 Gallon
Gas

\$4.58

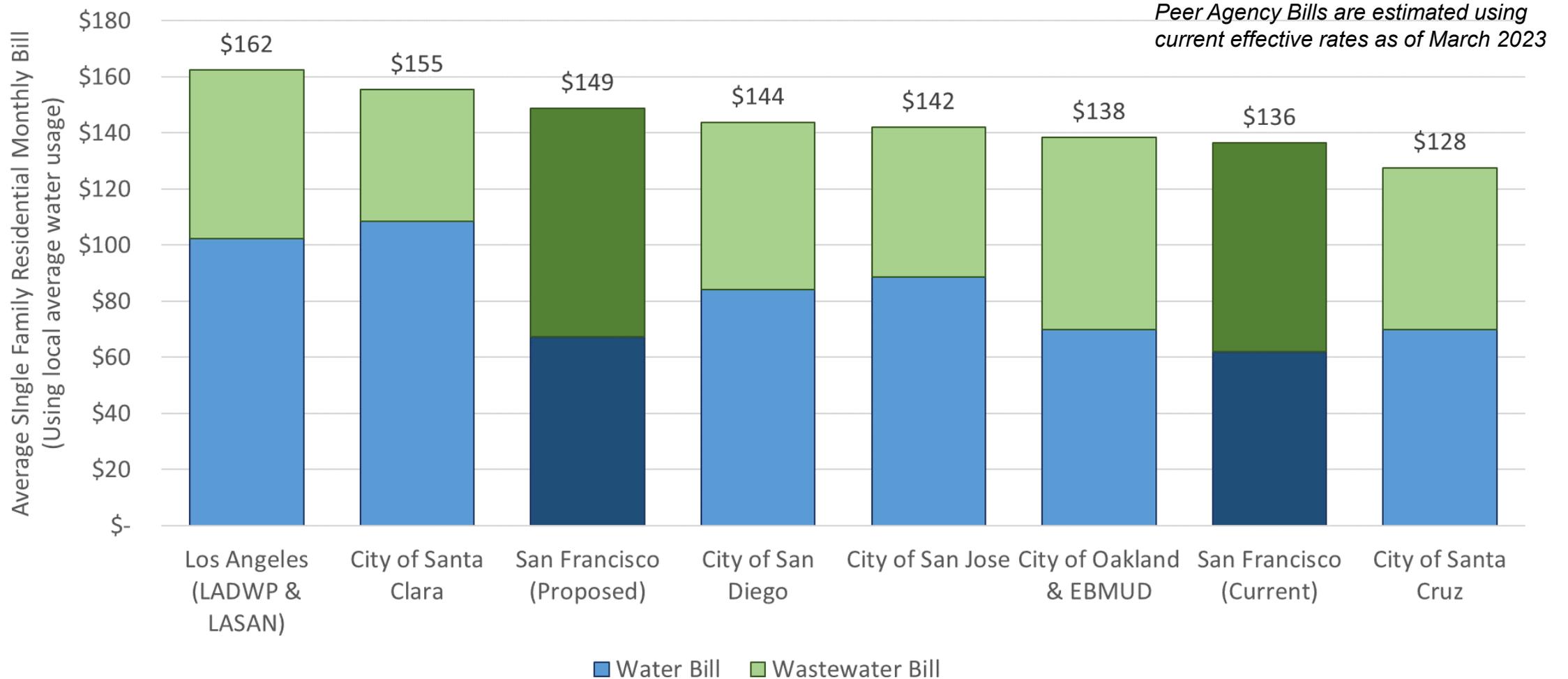


1 Gallon
Milk

\$4.85



How do we stack up to our peers?



Each utility's average water usage is pulled from their online resources and published cost of service studies. If usage was provided per person per day, we calculated the average household size for each city using data from the US Census Bureau and an average of 30.5 days in a month.

Resources for Customers

- Customer Assistance Program
 - Higher discounts starting July 1, 2023
 - Easy to apply
 - sfpuc.org/savings
- Customers Behind on their Bills
- Programs, Rebates and Incentives
- Stormwater Grants and Credits
- Online Bill Calculator
- Website: sfpuc.org/2023Rates
- Designated email for customer questions
 - ratesinfo@sfgwater.org





Public Meetings

Event	Dates
Rate Fairness Board Meetings	Jan 6, Feb 7, March 8 and April 11 - completed Next: Friday, April 28 at 1:30 p.m. Location: SFPUC - 525 Golden Gate Avenue, SF
Community Virtual Townhalls	April 5 and April 11 - completed Today: Tuesday, April 19
SFPUC Commission Public Hearing on Proposed Rates	Tuesday, May 23 at 1:30 p.m. Location: San Francisco City Hall, 1 Dr. Carlton B. Goodlett Place, Room 400
New Rates Would Be Effective	Saturday, July 1, 2023



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Thank You!

For More Information:

Website: www.sfpuc.org/2023Rates

Email: ratesinfo@sfwater.org

Tel: (415) 554-3289

