

# Your Water & Sewer Rates

## Rate Adjustments Needed to Ensure the next 100 Years of Quality Service to our Customers



We are the San Francisco Public Utilities Commission (SFPUC), the agency providing San Francisco with water and sewer services. Every day we deliver the best tap water in the nation to you. We collect and treat both sewage and stormwater for homes and businesses to protect public health and the environment.

Our aging systems need upgrades to prevent breaks, improve seismic safety, and adapt to storms as the climate changes. We cannot do this without our ratepayers. We are almost exclusively funded by the rates you pay, not by taxes.

The SFPUC is required to periodically undertake rates studies to ensure the rates customers are charged reflect the true cost of providing our services. Adjustments are then proposed to ensure all customers are treated fairly, uninterrupted services are provided, strict environmental regulations can be met, and the financial stability of our assets and systems are maintained long-term. To continue delivering the services that San Franciscans depend on, the SFPUC is proposing water and sewer rate increases, effective July 1, 2023.



Wiggle Neighborhood Green Corridor Rain Gardens - The Wiggle Neighborhood Green Corridor project manages 1.2 million gallons of stormwater each year. Photo location: Fell Street & Broderick Street.

### OUR WATER SYSTEM

- 2.7 Million Customers
- 175 Million Gallons per Day
- 167 Miles Across the State

### OUR COMBINED SEWER SYSTEM

- 3 Treatment Facilities
- 1,900 Miles of Pipes
- 70 Million Gallons Treated per Day in Dry Weather, 575 Million per Day in Wet Weather

- Many parts of our water and sewer systems are about 100 years old.
- Portions of our sewer system date back to the Gold Rush.
- One of our system's most important water tunnels, Mountain Tunnel, was built in 1925, when Calvin Coolidge was president and an average house cost \$6,000.

# The Details

Based on our operating and capital improvement needs, independent rate analysts recommended an average annual rate increase for water and sewer of about \$12.69 per month for the average single-family residential household in San Francisco (about 8.3% per year).

Even with these rate increases, our services are a tremendous value. One gallon of our world-class tap water costs only 2 cents, while a gallon of bottled water costs \$1.79 on average. With our proposed rate 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 San Diego and San Jose.



Below is more information about the proposed rate increases, our rate setting process and where you can learn more.

**Stormwater charges:** As one part of the proposed new water and sewer rates designed to take effect July 1, 2023, the SFPUC plans to change the way the sewer portion of your monthly bill is calculated to better align our rates with the cost of serving our customers.

Currently, the sewer portion of your bill combines the cost to collect and treat sewage that comes out of buildings, like toilet flushing, as well as stormwater runoff from rain that flows off rooftops, parking lots, and driveways. This new structure would split the sewer portion of your bill into two parts: a wastewater charge and a stormwater charge. Each will be calculated separately.

**This new structure would not change the total amount of revenue collected by the SFPUC. It is simply a more scientific and equitable way of allocating the existing costs of managing wastewater.** The wastewater portion of the bill would be based on the estimated volume of wastewater discharged. The stormwater charge would be based on the estimated amount of stormwater that flows off each property. This updated methodology is standard practice among many utilities nationwide.

## Affordability

We are committed to keeping our rates affordable and providing ways for all of our customers to lower their bills.

We understand that making ends meet is a challenge for many San Franciscans. That is why we offer a **Customer Assistance Program** that provides a discount on water

and wastewater bills to help customers in need. If you are a person living on a low income and you pay an SFPUC water and sewer bill, you may be eligible to receive this discount.

Additionally, we offer free resources to save water and money. These include numerous rebates, grants, and other services. They're available to residents, businesses, and organizations. If you want to save money while protecting the environment, click here: [sfpuc.org/2023Rates](https://sfpuc.org/2023Rates).

## Transparency

A rate study, carried out by an independent firm, determines our costs to provide vital water and sewer services to you. The findings provide the basis for our rate proposal, which goes through several approval processes that are open to the public.

The Rate Fairness Board, made up of local citizens, reviews our proposal, holds public meetings, and provides recommendations to ensure our rates are fair, equitable, and compliant with laws and regulations. Additionally, the SFPUC Commission will consider the rate proposal at a public meeting in May 2023.

***We are a not-for-profit utility whose rates reflect the true cost of operating, maintaining, and upgrading our water and sewer systems, nothing more.***