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**
1. In your meeting/webinar controls, click Interpretation.
2. Select the language that you would like to hear: English.

**SPANISH**
1. En los controles de la reunión o el seminario web, haga clic en Interpretación.
2. Haga clic en el idioma que desee escuchar: español (Spanish).
3. (Opcional) Para escuchar solo el idioma interpretado, haga clic en Silenciar audio original.

**CHINESE**
1. 在會議/網路研討會控制項中，按一下口譯。
2. 按一下您想要聽的語言: 中文 (Chinese)
3. (非必要步驟) 若只想聽口譯內容，請按一下關閉原始音頻。

**FILIPINO**
1. Sa inyong mga kontrol para sa meeting/webinar, i-click ang Interpretation.
2. Select the language na gusto ninyong marinig: Filipino
3. (Opsyonal) Kung gusto ninyo na Tagalog interpretation lang ang marinig, mag-click sa Mute original audio.
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
### 24/7 Vital Services, Funded by our Ratepayers

<table>
<thead>
<tr>
<th>Water</th>
<th>Power</th>
<th>Sewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Water Image]</td>
<td>![Power Image]</td>
<td>![Sewer Image]</td>
</tr>
<tr>
<td>Delivering high-quality water</td>
<td>Generating clean energy</td>
<td>Protecting public health and the environment</td>
</tr>
</tbody>
</table>

San Francisco Water Power Sewer
Services of the San Francisco Public Utilities Commission
Our Amazing Water System
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Outdated Treatment Facilities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
1. In your meeting/webinar controls, click Interpretation.
2. Select the language that you would like to hear: English.

ENGLISH

SPANISH

1. En los controles de la reunión o el seminario web, haga clic en Interpretación.
2. Haga clic en el idioma que desee escuchar: español (Spanish).
3. (Opcional) Para escuchar solo el idioma interpretado, haga clic en Silenciar audio original.

CHINESE

1. 在会议/网络研讨会控制项中，按一下口译。
2. 按一下您想要听的语言：中文 (Chinese)
3. (非必要步骤) 若只想听口译内容，请按一下关闭原始音频。

FILIPINO

1. Sa inyong mga kontrol para sa meeting/webinar, i-click ang Interpretation.
2. Select the language na gusto ninyong marinig: Filipino
3. (Opsyonal) Kung gusto ninyong na Tagalog interpretation lang ang marinig, mag-click sa Mute original audio.
Water and Sewer Rates

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

<table>
<thead>
<tr>
<th>Adjustment to the Sewer Rate Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Split the Sewer Bill into Two Components</strong></td>
</tr>
<tr>
<td>• Wastewater</td>
</tr>
<tr>
<td>• Stormwater</td>
</tr>
<tr>
<td>• <em>Will have less than 1% annual bill impact for most customers</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increases to Water and Sewer Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 3 Years of Increases</td>
</tr>
<tr>
<td>• Bill impact depends on your use of the system</td>
</tr>
<tr>
<td>• <em>6-9% annually for most customers</em></td>
</tr>
</tbody>
</table>
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
The new Stormwater Charge will more accurately allocate the cost of treating stormwater runoff from properties.
Standard Charge
- Non-residential, mixed use, vacant, and large residential parcels
- Impermeable areas (roofs, pavement, driveways) cause more runoff, pay more

<table>
<thead>
<tr>
<th>Area</th>
<th>FY 2023-24 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impermeable Charge</td>
<td>$1.89 / 1,000 sq ft per month</td>
</tr>
<tr>
<td>Permeable Charge</td>
<td>$0.19 / 1,000 sq ft per month</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Tier</th>
<th>Parcel Size Range (sq ft)</th>
<th>FY 2023-24 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 – 1,700</td>
<td>$2.31 / month</td>
</tr>
<tr>
<td>2</td>
<td>1,701 – 3,300</td>
<td>$3.60 / month</td>
</tr>
<tr>
<td>3</td>
<td>3,301 – 6,000</td>
<td>$5.41 / month</td>
</tr>
</tbody>
</table>
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.
Assumes 4.8 CCF of water use per month
SFPUC Services are a Great Value

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](http://sfpuc.org/savings)
- Customers Behind on their Bills
- Programs, Rebates and Incentives
- Stormwater Grants and Credits
- Online Bill Calculator
- Website: [sfpuc.org/2023Rates](http://sfpuc.org/2023Rates)
- Designated email for customer questions
  - ratesinfo@sfwater.org
<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Fairness Board Meetings</td>
<td>Jan 6, Feb 7, March 8 and April 11 - completed</td>
</tr>
<tr>
<td></td>
<td>Next: Friday, April 28 at 1:30 p.m.</td>
</tr>
<tr>
<td></td>
<td>Location: SFPUC - 525 Golden Gate Avenue, SF</td>
</tr>
<tr>
<td>Community Virtual Townhalls</td>
<td>April 5 and April 11 - completed</td>
</tr>
<tr>
<td></td>
<td>Today: Tuesday, April 19</td>
</tr>
<tr>
<td>SFPUC Commission Public Hearing on Proposed Rates</td>
<td>Tuesday, May 23 at 1:30 p.m.</td>
</tr>
<tr>
<td></td>
<td>Location: San Francisco City Hall, 1 Dr. Carlton B. Goodlett Place, Room 400</td>
</tr>
<tr>
<td>New Rates Would Be Effective</td>
<td>Saturday, July 1, 2023</td>
</tr>
</tbody>
</table>
Thank You!

For More Information:

Website: www.sfpuc.org/2023Rates
Email: ratesinfo@sfwater.org
Tel: (415) 554-3289