



Changes Coming to Your Bill in April 2022

The Bay Area is still in a drought. As a result, the San Francisco Public Utilities Commission (SFPUC) declared a Water Shortage Emergency in November 2021.

- As part of the Declaration, we have asked our retail customers to reduce their water use by 5% compared to water use from July 2019 to June 2020.
- The Water Shortage Emergency Declaration also prompts a 5% drought surcharge that retail customers will see on their bills starting April 1, 2022.
- The less water our customers use, the less they will feel the impact of this drought surcharge. We are here to help you be water wise.
- Tips, resources, and rebates are here: sfpuc.org/SaveWater.

What is a drought surcharge?

It is a temporary, additional charge to our retail customers to cover our operational costs as water usage and revenue decline during a drought.

The cost of operating our systems are fixed regardless of how much water we serve or wastewater we treat. The drought surcharge is sized to make up for the decline in our revenues in order to continue to operate and maintain our systems.

How is it charged?

SFPUC retail customers will see a 5% charge as a line item onto the volumetric portions of their water and wastewater bills. However, the less water a customer uses, the less the impact of the drought surcharge. Learn more at sfpuc.org/SaveWater.

Will Customer Assistance Programs be included?

Customer Assistance Programs (CAP) provides a 25% bill discount for Water and a 25% bill discount for Wastewater for residential customers. The CAP discount applies to the entire customer bill and is also applied to customers' bills when a drought surcharge is in place.

Why is this necessary?

The Declaration of a Water Shortage Emergency is the first step towards working with State regulators and to ensure a sustainable water supply for our customers should this drought continue.

We realize that every dollar a customer pays matters and we take our obligation to keep our rates as low as possible very seriously. The drought surcharge is necessary to cover our costs and maintain responsible reserve levels.

The SFPUC has already spent significant financial reserves over the last few years to help our customers during the COVID-19 pandemic, which resulted with a loss of over \$48 million in revenues in water and wastewater from July 1, 2020 to June 30, 2021.

We have financial policies in place that require us to maintain strong finances, including minimum targets for our reserves. Unfortunately, the impact of the drought is more than we can handle. The drought surcharge is necessary to ensure we can cover our costs and maintain responsible reserve levels.

Why 5%?

The drought surcharge is directly related to the percentage of water conservation requested of our customers. Due to the ongoing drought, the SFPUC is asking our retail customers to use 5% less water, which consequently will reduce our revenue by 5%.

How long will the drought surcharge appear on the bill?

The surcharges remain in place until such time that the water shortage no longer exists. The SFPUC Commission took action to enact the Water Shortage Emergency, which resulted with the drought surcharge. The Emergency and the Surcharge end when the Commission takes action to end them.

Having trouble paying your water/wastewater bill?

You may be eligible for our Customer Assistance Program (CAP) which could provide some relief on your water and wastewater bill, including a discount on the drought surcharge. To learn more, visit sfpuc.org/CAPWater or for questions, please call our Customer Services at (415) 551-3000, Monday to Friday, 8am to 5pm, except on holidays.

Can this be passed on to tenants?

Only a portion of water rate increases can be passed on to tenants based on the rules approved in San Francisco's 2002 Proposition A. For the current fiscal year (July 2021 to June 2022), the pass-through amount is \$3.00/ccf. The 5% surcharge also applies to the pass-through amount, which means that on April 1, 2022, landlords may pass-through the 5% drought surcharge of \$3.15/ccf (centum cubic feet; 1 CCF = 748 gallons of water) to their tenants per month.

Does a change in occupancy make an impact on the 5%?

Yes, which will depend if the usage increases or decreases due to the change in occupancy.

Questions?

Please call our Customer Services at (415) 551-3000, Monday to Friday, 8am to 5pm except on holidays, or email us at customerservice@sfwater.org.

Thank you for being water wise! Together we can make it through this drought.