



Proposed FYE 2019-2022 Water and Sewer Rates

Every day, the San Francisco Public Utilities Commission (SFPUC) delivers high-quality water to 2.7 million people in the Bay Area, generates clean energy, and protects public health and the environment by collecting and treating wastewater for residents and businesses of San Francisco.

Our system works 24 hours a day, 7 days a week, and its operation and maintenance are 100% funded by water and sewer rates. To continue delivering the services that we all depend on now and in the future, the SFPUC is proposing water and wastewater service rate increases effective July 1, 2018.

Your Dollars Pay for Critical Water and Sewer Projects

The proposed rate increases will allow the SFPUC to continue and accelerate work to upgrade our water and sewer systems. We are 95% complete with the \$4.8 billion Water System Improvement Program (WSIP), a series of capital improvement projects to strengthen the water lifeline for the San Francisco Bay Area and to ensure that we can provide water within 24 hours of an earthquake. Your ratepayer dollars have funded major seismic improvement projects for local and regional reservoirs, treatment plants, regional water pipelines, and in-city water and sewer pipelines. The rate increase is necessary to complete these major projects and to repay the bonds issued to fund them.

As we complete the WSIP, we are turning our attention to our sewer system, which is on the frontline of protecting public health and the environment. The sewer pipelines and treatment plants are near the end of their useful operating lives and require upgrades now to continue serving us in the future. Our Sewer System Improvement Program (SSIP) will address the needs of our City and ensure continued protection of public health and the environment.

Your Rates Pay For:

- 24/7 Operations
- Routine Maintenance and Emergency Repairs
- Infrastructure Improvements
- Conveyance and Treatment
- Environmental Monitoring
- Watershed and Land Management
- Community Programs

Our Public Rate Setting Process

The SFPUC is committed to a transparent public rate setting process guided by the principles set forth in our Ratepayer Assurance Policy. As required by the San Francisco Charter, an independent rate consultant has completed a cost of service study. The rate study findings provide the basis for our rate proposal, which goes through an extensive public approval process.

The Rate Fairness Board, comprising SFPUC customers and other appointees, is currently reviewing proposed rates, holding public meetings, and providing recommendations to ensure affordability, stability, and fairness. The Commission will consider the FYE 2019-22 rate proposal in spring 2018. Interested customers and other parties can provide comments on the proposed rates at the Rate Fairness Board and Commission hearings.

To learn more about our rates package, rate setting process, and upcoming meetings, visit sfwater.org/rates.

Proposed Rates Schedule

The proposed rate schedule represents an average annual increase of about \$10 per month for the average single-family residential household in San Francisco (about 8-9% per year). The proposed rates include 1) a monthly water service charge based on meter size, 2) a monthly wastewater service charge, 3) water volumetric charges based on metered water usage, and 4) wastewater volumetric charges based on the estimated volume of water discharged into the sewer system. Water usage is measured in units of hundred cubic feet (Ccf), which equal 748 gallons.

The following sections describe these bill components and provide sample bill calculations for residential and non-residential customers. Our website has a bill calculator where you can enter your monthly water usage and customer information for personalized bill estimates. Visit sfwater.org/rates for the bill calculator and other useful information.

Monthly Service Charges

Service charges are the same every month, regardless of water consumption. Water service charges vary by meter size, while wastewater service charges are the same for all wastewater customers.

Water service charges recover fixed costs that do not vary by amount of water used, such as customer service and billing, maintenance of water meters, and public fire protection that benefits all San Franciscans.

Wastewater service charges recover a portion of fixed costs associated with customer service and billing, which are the same for all customers.

Private fire service charges are for properties with a separate meter for private fire protection. These charges are calculated to recover costs for customer service and billing, and maintenance specific to private fire meters.

Volumetric Rates: Residential Customers

Residential water rates have two tiers. The second tier is a higher unit rate to reflect the additional costs needed to reliably serve high-volume users 24/7. For single-family properties, the first four units of water per month are billed the first tier rate, and any additional units are billed the second tier rate. For multi-family residential properties, the first three units of water per dwelling unit per month are billed the first tier rate, while any additional units of water are billed the second tier rate.

Residential wastewater rates are billed based on the estimated volume of water discharged to the sewer system. A "flow factor" is used to estimate of the amount of water that returns to the sewer system for treatment. The default flow factor for single-family residences is 90%; the default flow factor for multi-family residences is 95%. All discharge units of wastewater are billed at the same rate.

Here is an example of an average single-family customer's monthly bill for 5.3 units of water, using proposed FYE 2019 rates:

1. The water service charge for a 5/8" meter is \$12.30
2. The wastewater service charge is \$0.98
3. The first four units of water are billed at \$7.10 per unit, for a total of \$28.40. The next 1.3 units of water are billed at \$9.10 per unit, for a total of \$11.83. The total charge for volumetric water consumption is \$40.23.
4. The water usage of 5.3 units is multiplied by a flow factor of 90% for 4.77 wastewater discharge units. Each discharge unit is billed at a rate of \$13.06, for a total of \$62.30.

This customer's total monthly bill would be \$115.81. This represents an \$8.14 increase from the same customer's monthly bill under current FYE 2018 rates. Multi-family customers would follow a similar calculation, with two differences. First, the cutoff for the first tier is calculated by multiplying the number of dwelling units by three units of water per dwelling unit. For example, a four-unit building would be billed at the first-tier rate for the first 12 units of water each month (4 dwelling units x 3 units of water = 12), and at the second-tier rate for all units of water greater than 12. Second, the default multi-family flow factor used to calculate wastewater discharge units is 95%.

Proposed Water Rates (1 unit of water = 1 Ccf = 748 gallons)					
	Current	Proposed			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Monthly Service Charge - Water (based on meter size)					
5/8 in	\$11.63	\$12.30	\$13.28	\$14.19	\$15.17
3/4 in	\$14.64	\$15.76	\$17.01	\$18.18	\$19.43
1 in	\$20.66	\$22.67	\$24.47	\$26.15	\$27.95
1-1/2 in	\$35.71	\$39.94	\$43.12	\$46.07	\$49.25
2 in	\$53.78	\$60.67	\$65.50	\$69.98	\$74.81
3 in	\$95.95	\$115.95	\$125.18	\$133.74	\$142.97
4 in	\$156.17	\$178.14	\$192.32	\$205.47	\$219.65
6 in	\$306.76	\$350.89	\$378.82	\$404.72	\$432.65
8 in	\$487.45	\$558.19	\$602.62	\$643.82	\$688.25
10 in	\$698.25	\$869.14	\$938.32	\$1,002.47	\$1,071.65
12 in	\$1,300.55	\$1,491.04	\$1,609.72	\$1,719.77	\$1,838.45
16 in	\$2,264.24	\$2,596.64	\$2,803.32	\$2,994.97	\$3,201.65

Volumetric Rates					
	Current	Proposed			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Single-Family Residential - Water per hundred cubic feet (Ccf)					
First 4 Ccf per month (Tier 1)	\$6.42	\$7.10	\$7.85	\$8.68	\$9.60
All additional Ccf (Tier 2)	\$8.62	\$9.10	\$9.61	\$10.15	\$10.71
Multi-Family Residential - Water per hundred cubic feet (Ccf)					
First 3 Ccf per dwelling unit per month (Tier 1)	\$6.57	\$7.22	\$7.94	\$8.73	\$9.60
All additional Ccf (Tier 2)	\$8.81	\$9.26	\$9.73	\$10.23	\$10.76
Non-Residential - Water per hundred cubic feet (Ccf)					
For all units of water	\$7.64	\$8.43	\$9.14	\$9.81	\$10.55

Proposed Wastewater Rates					
	Current	Proposed			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Monthly Service Charge Wastewater	N/A	\$0.98	\$2.19	\$3.60	\$5.21
Single-Family Residential - Wastewater per hundred cubic feet discharged (Ccf)					
For all discharge units	\$12.40	\$13.06	\$13.88	\$14.89	\$15.97
Multi-Family Residential - Wastewater per hundred cubic feet discharged (Ccf)					
For all discharge units	\$12.40	\$13.06	\$13.88	\$14.89	\$15.97
Non-Residential - Wastewater per hundred cubic feet discharged (Ccf)					
Volume per discharge unit	\$7.66	\$7.84	\$8.29	\$8.86	\$9.46
Chemical Oxygen Demand (COD) per lb.	\$0.548	\$0.519	\$0.555	\$0.599	\$0.647
Total Suspended Solids (TSS) per lb.	\$1.033	\$1.320	\$1.412	\$1.525	\$1.647
Oil and Grease (O/G) per lb.	\$1.082	\$1.331	\$1.424	\$1.538	\$1.661

Proposed Fire Service Rates					
	Current	Proposed			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Monthly Private Fire Service Charge					
1 in	\$10.36	\$7.74	\$8.37	\$8.95	\$9.55
1-1/2 in	\$15.05	\$10.09	\$10.92	\$11.67	\$12.45
2 in	\$20.70	\$12.91	\$13.98	\$14.94	\$15.93
3 in	\$33.86	\$20.43	\$22.14	\$23.66	\$25.21
4 in	\$52.67	\$28.89	\$31.32	\$33.47	\$35.65
6 in	\$99.67	\$52.39	\$56.82	\$60.72	\$64.65
8 in	\$156.09	\$80.59	\$87.42	\$93.42	\$99.45
10 in	\$221.90	\$122.89	\$133.32	\$142.47	\$151.65
12 in	\$409.95	\$207.49	\$225.12	\$240.57	\$256.05

For further information, visit sfwater.org/rates. Reference your most recent bill to obtain your meter size and water use (Ccf per month).

Volumetric Rates: Non-Residential Customers

Non-residential water rates are billed based on metered water usage. There are no tiers for non-residential customers.

Non-residential wastewater rates vary based on the volume of pollutants present in the discharge of various customer types. As a result, the rates shown in the table have four parts: a volumetric charge based on a percentage of water consumption, and three strength charges based on the volume of pollutants in a customer's wastewater discharge.

The discharge units are calculated based on the estimated volume of water discharged to the sewer system. A "flow factor" is used to estimate of the amount of water that returns to the sewer system for treatment. The default flow factor for commercial customers is 90%.

The SFPUC has sampled wastewater discharge from many types of non-residential customers to develop standard assumptions about the pounds of pollutants per unit of wastewater. Customers' rates are calculated based on the SIC code (type of business). Visit our website at sfwater.org/rates to look up the pounds of pollutants per unit of wastewater for your business type.

Here is a sample bill calculation for a restaurant using 32 units of water each month:

1. The water service charge for a 5/8" meter is \$12.30
2. The wastewater service charge is \$0.98
3. 32 units of water are billed at \$8.43 per unit, for a total of \$269.76
4. The water usage of 32 units is multiplied by a flow factor of 90% for 28.8 wastewater discharge units. Restaurants are assumed to discharge 7.20 pounds of COD, 1.89 pounds of TSS, and 1.57 pounds of O/G per discharge unit. Each of these volumes is multiplied by the rate to calculate the charge per pollutant per discharge unit. 7.20 pounds of COD x \$0.519 per pound of COD = \$2.736 per discharge unit. 1.89 pounds of TSS x \$1.320 per pound of TSS = \$2.497 per discharge unit. 1.57 pounds of O/G x \$1.331 per pound of O/G = \$2.086 per discharge unit. The total rate per discharge unit for this business type is \$7.834 + \$3.736 + \$2.497 + \$2.086 = \$16.152 (volume + COD + TSS + O/G). 28.8 wastewater discharge units multiplied by the customer's rate of \$16.152 per discharge unit = \$465.18.

This restaurant's total monthly bill would be \$748.22. This represents a \$52.69 increase from the same customer's monthly bill under current FYE 2018 rates.

Temporary Drought Surcharge

A drought surcharge is new for this rate proposal. This is a temporary charge that would be levied only when the SFPUC Water Shortage Allocation Plan is put into effect by the Commission, and customers are requested to reduce water usage. If implemented, the drought surcharge will increase the volumetric water and wastewater rates for all customer types up to the percentages shown below. These percentages are calculated to recover costs based on reduced billed volumes.

The SFPUC may set the percentage surcharge lower than shown on the table below to ensure that rates do not exceed the costs of providing water and wastewater services to customers.

Water Shortage Allocation Plan Stage	Target Water Usage Reduction	Drought Surcharge on Volumetric Water & Wastewater Rates
Stage 1	5-10%	Up to 10%
Stage 2	11-20%	Up to 20%
Stage 3	Over 20%	Up to 25%

As an example, if a Stage 1 drought is declared by the Commission, and customers are asked to reduce water consumption by 10%, the SFPUC will analyze the forecasted reduced billed volumes and set a water and wastewater drought surcharge of up to 10%. For water, this 10% temporary surcharge would be applied to both tier rates for residential water customers and to the volumetric rate per unit for non-residential customers. For wastewater, this surcharge would be applied to the volumetric rate per unit for residential and nonresidential customers, as well as the rate per pound of pollutants for non-residential customers.

Ways to Save

The SFPUC offers a variety of rebates, programs, and incentives to help customers lower their bill. Learn more at sfwater.org/waystosave or call 415-551-3000.

Notice of Public Hearing on Proposed Water and Wastewater Rates

S.F. Public Utilities Commission Meeting Tuesday, April 10, 2018 San Francisco City Hall, Room 400 1 Dr. Carlton B. Goodlett Place

In accordance with Article XIII D, Section 6, of the California Constitution (also known as Proposition 218), you have the right to submit a written protest against the proposed water and wastewater rates. The proposed rates increase will not take effect if the SFPUC receives written protests from a majority of the affected property owners and customers.

Written protests must be mailed to the SFPUC Commission Secretary at the address below or hand delivered to the Commission Secretary at the April 10 Commission public hearing in order to be counted.

Protests may not be delivered electronically or verbally. Any written protest must: (1) state that the identified property owner or customer is in opposition to the proposed rates increase; (2) provide the location of the identified parcel (by assessor's parcel number, street address, or customer account); (3) include the name and signature of the person submitting the protest. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the SFPUC welcomes input from the community during the public hearing on the proposed water and wastewater rates.

Mail Protests to:
SFPUC Commission Secretary
525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102

We value your input.

If you have feedback to share or would like to request a presentation, please email ratesinfo@sfwater.org.



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Important Information Enclosed Regarding Proposed FYE 2019-2022 Water and Sewer Rates

Para obtener una copia de este aviso en Español, por favor visite sfwater.org/rates o llame al (415) 554-3289.

更多有關本通知的中文資料, 請上網sfwater.org/rates或電 (415)-554-3289.