TAXPAYERS ASSOCIATION SUPPORTS PROPOSED CITY OF SAN DIEGO WATER RATE INCREASE

The San Diego County Taxpayers Association’s board of directors has voted to support the city of San Diego’s proposed water rate increase after a thorough analysis of the revenue challenges presented by drought conservation as well as the need to invest in projects that bolster water reliability for San Diego’s future.

In its rate-increase rationale, the city’s Public Utilities Department cited increased costs for purchased water; a significant drop in department revenue because of increased conservation and drought restrictions; and capital investments such as the PureWater potable recycled water program. The department also said additional funding would be needed to maintain bond covenants and credit ratings.

The board found these to be justifiable reasons for a rate increase, while also stressing the need for ongoing efforts to seek efficiencies that could reduce utility departments costs to keep further rate increases in check. In its analysis, the SDCTA noted successful efforts to cut department costs, such as reducing energy costs by $12 million per year through investments in renewable energy.

“The city’s Public Utilities Department has made a solid case for its rate increase, including demonstrating they’re using ratepayer dollars more efficiently,” said Theresa Andrews, interim president and CEO of the SDCTA. “We expect to see the city’s open-data initiative provide more information on project spending, progress, timelines and budgets so that citizens can monitor and understand where their dollars are going.”

The SDCTA also evaluated rate increases for non-potable recycled (“purple pipe”) water, used largely by commercial buildings, hospitals and schools. Citing stagnant rates since 2001, the board supported the city’s proposal to raise the rates immediately, rather than incrementally, as some customers requested. In addition, the board supported a single, citywide rate for recycled water customers, rather than setting rates based on geographic zones.

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