Proposed Stormwater Charge and Green Infrastructure strategy

DISCUSSION ITEM
What is changing with this new Water/Wastewater rate study?

Increases to Water and Sewer Rates

- 3 Years of Increases
- Bill impact depends on your use of the system
  - 6-9% annually for most customers

Adjustment to the Sewer Rate Structure

Split the Sewer Bill into Two Components
- Wastewater
- Stormwater
Assumes 4.8 CCF of water use per month
San Francisco’s collection system

- SFPUC customer bills include both drinking water and sewer service charges.
- Currently, the Sewer Service Charge is based on the volume of drinking water used, not the stormwater runoff from each property.
Stormwater charge—what is it?

• ~20% of the current Sewer Service Charge goes to managing stormwater
• New structure will not change the amount of revenue collected by the SFPUC
• Bill based on the estimated volume of runoff
  • More runoff = higher stormwater charge
• Will be gradually phased in over seven years
• Credits, grants, and other programs available to reduce customer bills
<table>
<thead>
<tr>
<th>Stormwater charge: policy goals</th>
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<tbody>
<tr>
<td><strong>Fair allocation of stormwater costs to ratepayers</strong></td>
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<td><strong>Incentivizes better stormwater management practices that will reduce flood risk and reduce burden on system</strong></td>
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<td><strong>Alignment with SFPUC’s Green Infrastructure Strategy and San Francisco’s climate change resiliency goals</strong></td>
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<td><strong>More effective &amp; transparent communication with public and private partners</strong></td>
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<td><strong>Industry best practice recommended by Commission, Local Organizations, Community Stakeholders, Rate Consultants</strong></td>
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The new Stormwater Charge will more accurately **allocate the cost of treating stormwater runoff from properties.**
History of Stormwater charge project and outreach

- SFPUC began preparing to implement the stormwater charge in 2014
- Phased rollout to address unique customers
  - Created unmetered property charge for vacant lots, parking lots (2018)
  - Launched Green Infrastructure Grant Program (2019)
- Initiated SFPUC stormwater charge working group to implement rollout of city-wide charge for all parcels (2018-2023)
- Outreach to large parcel owners (Rec & Park, SFUSD)
  - Presentations on grants and credits to agency staff
  - Worked with agency staff to identify opportunities for green infrastructure and align resources and schedules
Impermeable = surfaces that allow little or no stormwater infiltration into the ground. 
Examples: roadways, sidewalks, roofs

Permeable = surfaces that allow some stormwater to infiltrate into the ground. 
Examples: open space, gardens, lawns

Both produce runoff!
Stormwater Runoff Examples

Surface Type:

- Sports Court / Pavement
- Grass / Lawn
- Low Density Landscaping
- High Density Landscaping
Green infrastructure manages stormwater while delivering multiple benefits:

- Reduces burden on combined sewer system (pumping, treatment, chemical cost of managing stormwater)
- Increases capacity to accept more flows
- Increases flood resilience, heat resilience
- Greens neighborhoods & streets
- Contributes to slow streets design
- Restores ecosystem function (groundwater recharge, urban habitat)
- Generates jobs (green infrastructure planning, design, construction, inspection, maintenance)
Green Infrastructure long-term goal

Manage **1 Billion Gallons** of stormwater each year using green infrastructure by **2050**.
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 projects, GI Grant projects, & joint GI capital projects.

- Many City properties will be automatically enrolled in the Credit Program.
Green Infrastructure Grant Program - how to apply

- SFPUC’s 10-year CIP includes $39M for GI grants, which can fund design and construction of green infrastructure
- Must manage half an acre or more of impervious surface and be connected to the combined sewer to apply

UP TO $2M AVAILABLE PER PROJECT
SPRING 2023 CYCLE IS OPEN!
APPLICATIONS DUE JUNE 1ST
TECHNICAL ASSISTANCE PROGRAM AVAILABLE
Example Stormwater Credit

<table>
<thead>
<tr>
<th>Monthly Combined Bill</th>
<th>Current Rates</th>
<th>Proposed Rates FYE 2024</th>
<th>Proposed Rates with Credit</th>
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</thead>
<tbody>
<tr>
<td>$1,200</td>
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Credit Assumptions: 25,300 sq ft DMA, 60% off Stormwater Charge
Joint Capital Projects

- Leland Rain Garden (complete)
- El Camino del Mar (complete)
- Yosemite Creek Daylighting (in design)
- Buchanan St Mall (in design)
Credit Assumptions: 152,500 sq ft DMA, 90% off Stormwater Charge, 100 units water use
Thank You!
Example Municipal Customer

Bessie Charmichael Middle School (No Credits)

- Current Rates: $1,208.14
  - Water Rates: $595.49
  - Wastewater: $612.65

- Proposed Rates FYE 2024: $1,272.55
  - Water Rates: $606.60
  - Wastewater: $617.41

- Proposed Rates FYE 2025: $1,398.01
  - Water Rates: $637.10
  - Wastewater: $655.37

- Proposed Rates FYE 2026: $1,531.42
  - Water Rates: $669.21
  - Wastewater: $689.65

Legend:
- Blue: Water Rates
- Green: Wastewater
- Black: Stormwater
Example Commercial customer

Downtown Office

- Current Rates: $8,872.85
- Proposed Rates FYE 2024: $9,954.94
- Proposed Rates FYE 2025: $9,440.93
- Proposed Rates FYE 2026: $9,950.58

Monthly Combined Bill

- Water Rates
- Wastewater
- Stormwater