

*UCAN Statement  
On PUD Wastewater Rate Adjustments  
Before the City of San Diego Budget & Government Efficiency Committee  
June 23, 2021*

My name is Wayne Rosenbaum. I am speaking today as the Vice Chair of UCAN. On behalf of the UCAN, I can say that we do not support the current proposed Wastewater Rate Adjustments. Based on information contained in the June 14th, 2021 Staff Report, and based on information presented by Staff to the IEA in February of 2021, the proposed rate increases for industrial and residential wastewater dischargers will disproportionately affect small minority businesses and communities of color by imposing enormous increases within a very short period of time. Moreover, the proposed fee structures appear to be a fixed “one size fits all” vs. the current usage or fee for service rate structure.

Information contained within the Staff Report indicates that the Public Utilities Department is seeking incremental 3%-5% revenue increases spaced over 4-years. In fact, when compared with the current rates for Commercial, Stormwater Transportation, and Trucked Waste, the 4-year proposed rate schedule results in lower overall fees for these land uses. However, this disguises the proposed rates true impacts on home owners and small businesses. Single family residential users would see their rates increase by 48% while multifamily rental property rates would increase by only 6%. What better way could be imagined to discourage home ownership for those families trying to break into the middle class.

The greatest burden of these proposed rate increases will fall on small businesses. 425 Industrial users would see up to a 350% increase per year, for a total of 1400% over the 4-year period. For example, a SIU-complex which currently pays a range from \$500-\$5,280 would see a fixed fee of \$29,903. Meanwhile, Stormwater/Transportation fees are reduced from \$7.68 per hundred cubic feet to \$4.24 per hundred cubic feet for a select group of facilities that are permitted to discharge storm water to the sanitary sewer. At the minimum, these stormwater fees should be imbedded into the proposed fee structure to allow the rest of the industrial community to discharge captured stormwater into the wastewater collection system on the same terms and conditions that have been applied to the select facilities that are currently authorized to do so, thereby augmenting the City’s potable water supply through Project Pure Water.

When fee increases are spaced over time, this allows the small businesses and homeowners to absorb these costs. The City has chosen not to increase some fees over the last 30-years and it appears the City is now seeking to recover the operating budget shortfalls by taxing a select group of schools, government facilities, pharmaceutical businesses, breweries and homeowners. The proposed 4-year recovery period is simply not feasible if the city wishes to retain and attract businesses that not only contribute to the General Fund but also provide living wage jobs for thousands of San Diegans. UCAN recommends a minimum of a 10-year time frame to achieve full cost recovery.

In closing, it appears the proposed rate increases disproportionately affect residential home owners, and small businesses by imposing enormous increases over a compressed time frame, with a “one size fits all” fee schedule rather than an actual fee for service. UCAN requests that the Committee remand the proposed schedule back to staff for reconsideration as to fee allocation and timing. Thank you.