



# Replacing Aging Infrastructure, Investing for Today and Tomorrow



Santa Barbara’s water and wastewater systems represent some of the largest public infrastructure investments in our City. Replacing aging pipes and facilities – some dating back to the 1890s – requires significant funds to ensure safe, reliable service 24 hours a day, 365 days a year.

## Ensuring Sufficient Rates to Fund Critical Infrastructure

In order to implement a long-term plan to replace aging infrastructure and to ensure reliable, 24/7 service, the City is proposing annual rate adjustments over the next four years. This recommendation is based on the cost to provide services to guarantee rates are sufficient to:

- Cover costs needed to operate and maintain over 600 miles of pipes, four treatment plants, and other essential facilities.
- Invest in critical improvement projects, including replacing old pipes and infrastructure that have reached the end of their useful lives.
- Recover from inflationary increases that have far outpaced the costs that rates were initially set to recover.

## Water is Essential

Water is a vital resource in our modern life, and still remains one of the least expensive goods we consume.



Average price per gallon (Source: Numbeo)

**The vast majority of costs do not vary based on water availability; infrastructure must be operated and maintained even if reservoirs are full.**

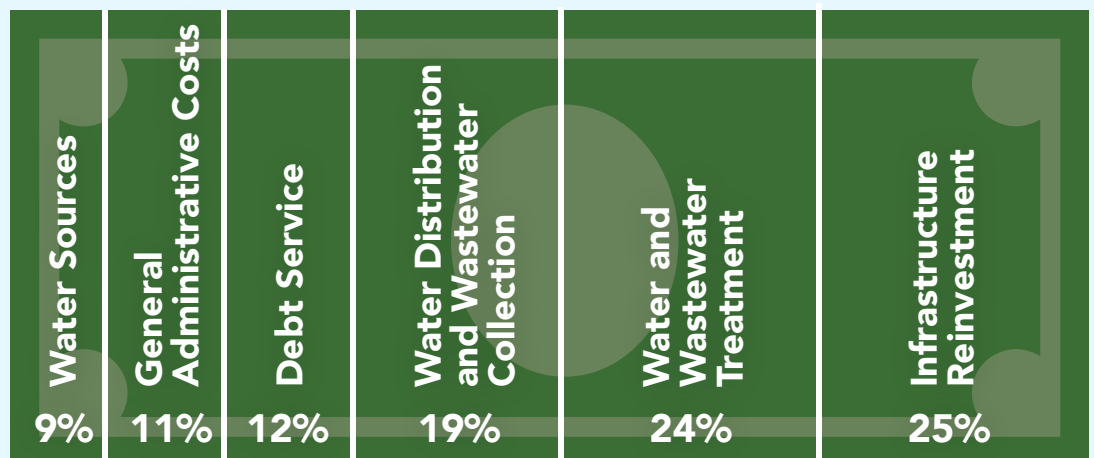
## Proposed Rate Increases

As a public utility, our rates can only include the costs of providing water and wastewater utility services. Revenues from rates are used to run the utilities and do not generate profit or go towards other City programs. Rates also must be proportionally distributed among customer classifications such as residential, commercial and irrigation users.

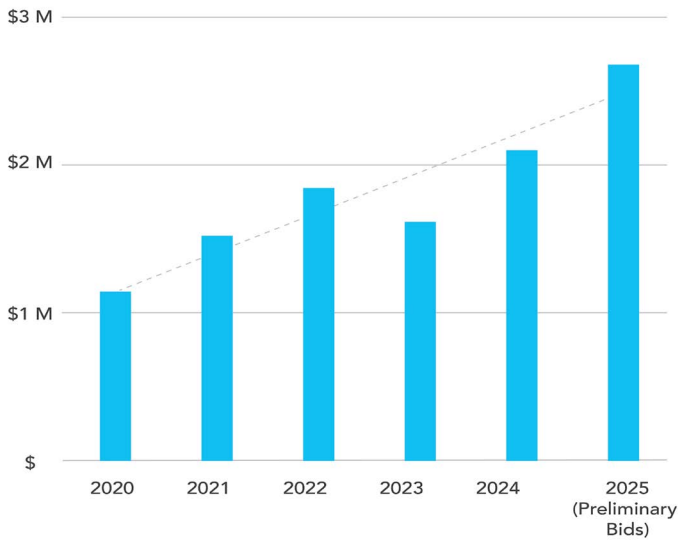
Unfortunately, “do nothing” is not an option for maintaining our critical infrastructure. Delaying important investments will only make it more expensive in the future and could lead to emergencies that will be exponentially more expensive and disruptive than planned maintenance.

## What Your Bill Pays For

Your monthly bill helps ensure we keep our water and wastewater systems maintained and operating around the clock, which is key to protecting public health and the environment.



### Water Main Replacement Costs by Fiscal Year (\$/Mile)



The City replaces an average of six miles of water mains annually. In the last several years, the costs for main replacement performed by contractors has increased by an average of 20% per year.

### We're Seeing Results from Investment

While the impacts of climate change and aging infrastructure are increasing, we're already seeing the benefits of proactive investments in system improvements versus costly reactive repairs. As a result of planned upgrades, treated wastewater from the El Estero Water Resource Center continues to consistently meet state and federal regulations.



Water and sewer mains are some of the City's largest assets and both are priority areas for this rate proposal. The City is currently replacing 2% of water mains and rehabilitating 1% of the sewer mains every year.

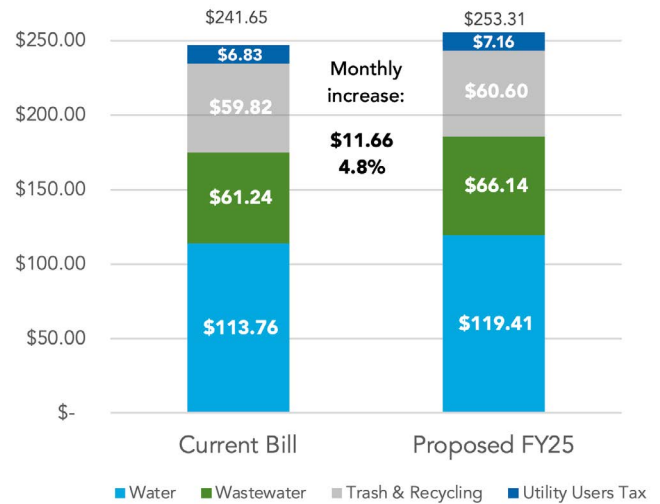
### Customer Resources are Available

The City understands the difficulties we all face from rising costs and is working hard to minimize rate increases while ensuring safe and reliable services that we rely on 24/7.

For water customers, we continue to offer customer assistance programs including payment arrangement plans, a waiver of the Utility Users Tax for qualifying low-income customers, water leak relief, and a mixture of residential and commercial rebates to encourage the efficient use of water. We've recently partnered with the Alliance for Water Efficiency on a Water Rate Affordability Study to evaluate utility rate affordability challenges and potential solutions.

### Total Utility Bill Increase (for a typical customer)

Single Family Residential (8 HCF water usage, 65 gallon trash, greenwaste, recycling, 1x/week)



To learn more, join our informational webinar on Wednesday, May 22 at 6 pm.



Scan this code using the camera on your phone to learn more about the proposed rate changes and webinar registration.

