

The City of San Luis Obispo Utilities Department

RESOURCE

MANAGING COMMUNITY RESOURCES FOR THE FUTURE



Water Resource Spotlight: Recycled Water

Did you know that only 2.6 percent of the Earth's water supply is classified as "fresh water"? The earth's water is constantly recycled and reused through the natural water cycle. Today, it is possible to mimic this natural process by treating wastewater and removing impurities so it is safe to use for irrigation, construction uses, industrial uses, groundwater recharge, and in some locations, as a drinking water source. While California has not yet adopted regulations that allow for drinking highly treated recycled water, in December 2016 the State Water Resources Control Board released a study investigating the potential for direct potable reuse. This was the first step toward a future in which recycled water will likely become approved for use as a potable water supply.

IN THIS ISSUE:

1. RECYCLED WATER
2. RECYCLED WATER CONT.
3. YOUR UTILITY BILL
4. NEW SEWER CAP PERIOD





A Leader in Recycled Water

As an early adopter of recycled water, the City of San Luis Obispo has been delivering recycled water to the community since 2006. By developing partnerships with large irrigation customers and utilizing recycled water for compaction and dust control at construction sites, the use of recycled water has grown to more than 200 acre-feet per year, with several new customers connecting annually.

Just as we all were early adopters of using recycled water for non-potable uses, the community's Water Resource Recovery Facility (WRRF) project is being designed to leverage recycled water for injection into the groundwater basin, or use as a potable water resource once approved by the State. While using recycled water as a potable water source is a few years away from becoming a reality, today's planning for the WRRF project will allow a relatively easy transition when that does occur. Decisions like this are essential for the continued expansion and resiliency of our water supply portfolio and the continued growth and success of the community.

HOW IS USING RECYCLED WATER DIFFERENT?

Although recycled water is treated to a very high degree, it is not currently permitted for consumption. The State requires recycled water used at local parks, the City's golf course, and many businesses and multifamily complexes to have special signage and specially marked sprinkler heads, pipe, and irrigation fixtures to clearly designate it as a non-potable source. A common designation of recycled water fixtures is their purple color and "do not drink" designation.

More than **200** acre-feet per year
of recycled water used

BENEFITS OF RECYCLED WATER

- Drought-proof
- Reduces demand on potable water sources
- Suitable for a variety of uses, such as irrigation, dust control, compaction, and many industrial uses
- Can be used to recharge the groundwater basin
- Contributes to a water portfolio that allows for the growth and prosperity of the community



HOW RECYCLED WATER WAS USED DURING THE DROUGHT

During the recent drought, water use restrictions limited allowable watering days for the City's potable water customers. Due to its exemptions from drought regulations, recycled water was utilized to keep plant life healthy at many highly valued and utilized locations. If you visited the Laguna Lake Golf Course, Damon Garcia, Islay, or French Parks during the drought, you were able to enjoy the healthy playing fields and trails as a result of the community's investment in recycled water.

For more information on the City's WRRF project and for information on future uses of recycled water, please visit slowrrfproject.org.

This Action Will Impact Your Utility Bill



Our community was fortunate that 2017 brought the end of the drought in California, eliminating water restrictions. Like many utilities in

California, the drought led to revenue shortfalls when customers reduced their water use. In the City of San Luis Obispo, the drought surcharge maintained the revenue needs of the water utility, but the wastewater utility did not have a drought surcharge. Its revenues were hard hit as the water use reductions drove the sewer caps down to historic lows.

To better address the challenges experienced during volatile times, the City Council studied its water and wastewater rate structures this past July and August. During the August study session, Council decided its rate structure priorities.

Anticipated rate structure changes will shift a larger portion of the bill to a fixed service charge and be based on customer class (residential, commercial, etc.) and meter size. The current rate structure has the same fixed charge for each connection regardless of meter size. Should the fixed charge increase, the volumetric component will be reduced as costs are shifted to the more stable fixed charge. The recommended rate structures will be presented to the City Council on January 9, 2018. You are welcome and encouraged to attend this meeting and provide feedback on the proposed rate structures.

RATE STRUCTURES AND RATES 101

A rate structure is developed to communicate the community's priorities to water and wastewater system users. This process is a revenue neutral exercise that does not look at revenue required to run the utility but, in essence, sets the foundational priorities and message that the City Council is attempting to communicate to system users through the rate structure. City Council considers the impact of change on system users in its deliberations surrounding a rate structure based on its current, not future, revenue requirements. (For example, if the new rate structure were applied today to the current bill of the person who used the citywide average of five units, what impact does the new structure have on that bill?) This is a complex and nuanced topic, so please don't hesitate to contact the **Utilities Department at 781-7215** to clarify your understanding about rate structures and rate setting. We're happy to spend time with you to explain the rates and rate structures and hear your feedback.

Once the rate structure is determined, future revenues that are needed to accomplish the long-range work programs of the utilities are equitably apportioned into the fixed and volumetric components of the rate structure. City staff performs this work and sends the results (which are new rates) out to the community for inspection and feedback, through the process commonly known as the Proposition 218 process. On **February 6, 2018**, the City Council will participate in a Study Session on the rate setting process, a necessary step in establishing stable, equitable, and cost-based rates. Final consideration of new water and wastewater rates by the City Council will take place in June 2018.

CITY COUNCIL RATE STRUCTURE PRIORITIES

- ✓ Revenue Stability and Predictability
- ✓ Discourage Wasteful Use
- ✓ Rate Stability and Predictability
- ✓ Fair Allocation Service Cost Among Customer Classes
- ✓ Reflect Present and
- ✓ Future Costs

HOW CAN I PARTICIPATE?

WHEN: *City Council Meetings* on January 9 (Rate Structure) and February 6 (Rate Study)

WHERE: *San Luis Obispo City Hall*, 990 Palm Street, City Council Chambers

More information will be available on the City's website at slowater.org



Utilities Department

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Heads Up...New Sewer Cap Period Has Begun

It's that time again! The period for establishing your sewer cap for 2018-19 started on December 4, 2017. Your sewer cap is established annually by averaging the number of units of water your household uses during December, January and February when your outdoor irrigation should be at a minimum. The new sewer cap becomes effective on your August 2018 bill.

For more information, visit slowater.org or call 781-7133.

EMERGENCY NUMBERS

Water & Sewer Problems
8 AM to 5 PM
(805) 781-7215

After Hours & Weekends
(805) 781-7312

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