



**Statement from Nicole Sandkulla, Chief Executive Officer for the Bay Area Water Supply and Conservation Agency (BAWSCA), Regarding the Importance of Necessary Investments to Ensure a Reliable Supply of High-Quality Water at a Fair Price for the Water Customers its Represents**

May 28, 2024

Earlier this month on May 14<sup>th</sup>, the San Francisco Public Utilities Commission (SFPUC) adopted an 8.8% wholesale water rate increase starting July 1. BAWSCA voiced support for the Commission's adoption of the recommended rate increase.

The adopted rate increase is a result of necessary investments by the SFPUC in operating and maintaining its existing San Francisco Regional Hetch Hetchy Water System (System) as well as investments in new capital infrastructure, as identified in the *SFPUC 10-Year Capital Plan*, and long term water supply planning, as presented in the *SFPUC Alternative Water Supply Plan*.

Together, these investments are necessary to ensure that the System can continue to provide a reliable supply of high-quality water at a fair price for the customers that rely on the System. This includes the 1.8 million residents, more than 40,000 businesses, and hundreds of communities in the three counties served by BAWSCA's members and who BAWSCA represents under state law (AB 2058, Papan).

BAWSCA's support for the Commission's action to raise wholesale water rates is not guaranteed, but rather is a result of ongoing work between the SFPUC and BAWSCA. Through state legislation and the Water Supply Agreement between San Francisco and its Wholesale Customers, one of BAWSCA's roles is to ensure that San Francisco meets its contractual and legal obligations to its Wholesale Customers.

BAWSCA regularly meets with the SFPUC to review and provide input on the System's maintenance activities, ongoing and proposed capital improvements, and long-term water supply planning. Moving forward, BAWSCA's engagement with the SFPUC will become increasingly important to ensure that the right maintenance activities are being performed, that the appropriate capital investments are being implemented to address important issues, and that the planning and implementation of efforts for future new water supplies are done appropriately to meet the identified water supply needs of San Francisco and its Wholesale Customers.

As the cost of water continues to increase, BAWSCA's engagement with the SFPUC in the future will become even more important. A reliable high-quality water supply is critical to ensure a thriving community and to meet public health and safety needs and the right level of investment is necessary to ensure that future water supplies continue to be provided at a fair price.

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