



Natural Resources – Water

by Meg Giberson, Chair

Water Costs Rapidly Rising

“Water is a rising-cost industry,” according to Darin Taylor, SCVWD (Santa Clara Valley Water District) CFO. (SCVWD is the large local water wholesaler that sells to our largest local water retailer, San Jose Water [SJW]). SCVWD’s CEO, Norma Camacho, seconded the CFO’s opinion: “Going into the future, water is going to be much more expensive.” In fact, SCVWD projections show steep cost increases over the next 10 years.

Rate increases for the local wholesale and retail water suppliers have not been equal. From 2008-2017, according to the SJW chart below, SJW rates increased by 52.93%, while rates from SCVWD, its wholesale supplier, increased 96.6%.

SJW’s monthly service charge went up about 56% as of January 2019. A typical residential customer’s monthly bill (which includes quantity charges) will—according to SJW—only rise about 5.12%, or about 14 cents/day.

Recent comparisons of specific charges have highlighted cost differences per gallon for a family of two using 50 gallons per person per day (GPCD) in several local areas:

- 1.0 cent/gal—San Jose Water Company (SJW);
- 1.59 cents/gal—East Bay Municipal Utility District (EBMUD);
- 1.9 cents/gal—Alameda County Water District (ACWD).

EBMUD and ACWD are public special districts, like SCVWD. San Jose Water is a private company.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
SJW	3.0%	2.2%	9.2%	3.4%	4.9%	9.8%	5.2%	2.8%	8.6%	3.83%
SCVWD	9.5%	0.0%	0.0%	9.4%	9.3%	9.3%	9.9%	19.7%	19.9%	9.6%

SJW chart comparing its rate increases with SCVWD’s rate increases (2008-2017)

WaterFix Now Only One Tunnel?

The State of the State address by California’s new governor favoring one tunnel under the Delta to convey Northern California water to points south—rather than the two tunnels promoted by the previous two governors—sounds a positive note, especially since SCVWD had declared twin tunnels the riskiest new water source (while nonetheless supporting the twin tunnels). The twin tunnel project was at such an early design stage that cost analyses had not been meaningful. Analysis of the new one-tunnel proposal and costs will have to await development details, which have not been released.

The League of Women Voters of California has opposed the twin tunnels project for some years. Meanwhile,

options that League has long supported—reliable alternatives such as conservation, wastewater reuse, stormwater capture and reuse, recycling, groundwater storage—can proceed and help reduce reliance on the Delta for California’s water. A Pacific Institute study (2016) found that “urban conservation and efficiency measures are less expensive than most new water-supply options, and are thus the most cost-effective ways to meet current and future water needs.” The report continued, “Indeed, many...residential and non-residential measures have a ‘negative cost,’ which means that they save the customer more money over their lifetime than they cost to implement.”