



City of San Diego

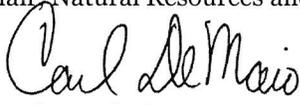
CARL DEMAIO

CITY COUNCILMEMBER – DISTRICT 5

MEMORANDUM

DATE: February 9, 2012

TO: Mayor Jerry Sanders
Councilmember David Alvarez – Chair, Natural Resources and Culture Committee

FROM: Councilmember Carl DeMaio 

RE: Request for Water Cost-of-Service Study Analysis at NR&C Committee

In December 2006 the City was presented with a water cost of service study (COSS) which was approved by the City Council in February 2007. This document has guided Water Department policy for the last five years, during which water rates have increased 65%.

The 2006 COSS laid out a strategy to develop cost of service water rates that would charge customers in proportion to the cost of serving them. Operation and maintenance expenses, needed infrastructure improvements, and other items were taken into consideration as a rate structure was determined.

The Water Department is now moving forward on another COSS and will begin the process by hiring an outside consultant to conduct an additional study in the coming months.

Unfortunately, the Water Department has not provided a final report detailing the results of the 2006 COSS. It is five years later and the public has never been presented with an analysis detailing whether the 2006 rate changes provided the necessary funding to complete the capital improvement schedule included in the study.

Before the City moves forward on a new COSS, I am requesting that the Water Department conduct a full analysis of the 2006 COSS and present a report to the Natural Resources & Culture Committee.

I am also requesting that any future COSS include a provision that a final report be provided to the City Council before another COSS is conducted.

CC: Honorable Members of the City Council