



San Diego County Water Authority

And Its 24 Member Agencies

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News Release

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Water Authority Board Approves 2024 Wholesale Rates After Public Hearing

Board also approves budget for fiscal years 2024 and 2025

June 22, 2023 – The San Diego County Water Authority Board of Directors today approved wholesale water rates for 2024 following a public hearing and approved the recommended budget for the next two fiscal years. The budget and rates support continued work on numerous agency priorities, including capital projects critical for maintaining safe and reliable water supplies.

“The Board and staff have worked tirelessly for months to minimize rate increases while supporting the reliability of our water supply,” said Water Authority Board Chair Mel Katz. “Despite cost increases created by extraordinary inflation and depressed water sales, we have a budget that allows the Water Authority to do what it does best – provide the water that sustains our economy and quality of life.”

The Board approved increasing wholesale water costs for its 24 retail member agencies by 9.5%. Actual rate impacts will vary by agency based on their use of the Water Authority’s system and actual water purchases. Water rates paid by residents and businesses will also vary based on factors unique to each retail agency.

The budget and rates package was the most challenging in decades due to extreme inflation over the past year and depressed water sales due to cool and wet weather. Against that backdrop, the Board prioritized immediate ratepayer relief with a planned withdrawal of nearly \$30 million from the Rate Stabilization Fund, which would bring the fund to its lowest level in more than a decade. The Rate Stabilization Fund was created in 1990 to help avoid rate spikes, especially those driven by reduced water sales following abnormally wet weather or mandatory cutbacks.

The Board also approved the staff recommended \$1.85 billion budget for fiscal years 2024 and 2025, an increase of 5% from the current two-year budget due to higher costs for water, treatment and infrastructure maintenance. The budget prioritizes the following initiatives:

- Long-term planning

- Capital projects
- Engaging stakeholders
- System and asset management
- Fiscal responsibility and cost control

Approximately 90% of the Water Authority’s recommended budget is for buying and treating and delivering water, combined with debt service and infrastructure projects to ensure water is available when and where it’s needed. As in past years, the Water Authority’s Operating Departments – including all agency staff and day-to-day work functions – account for about 7% of the budget. The approved budget for fiscal years 2024 and 2025 increases spending by those departments by 1%, or \$1.5 million, compared to the current two-year budget.

Public water agencies do not make a profit; all revenues are invested in protecting and providing safe and reliable water.

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The San Diego County Water Authority sustains a \$268 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 24 retail water providers, including cities, special districts and a military base.

