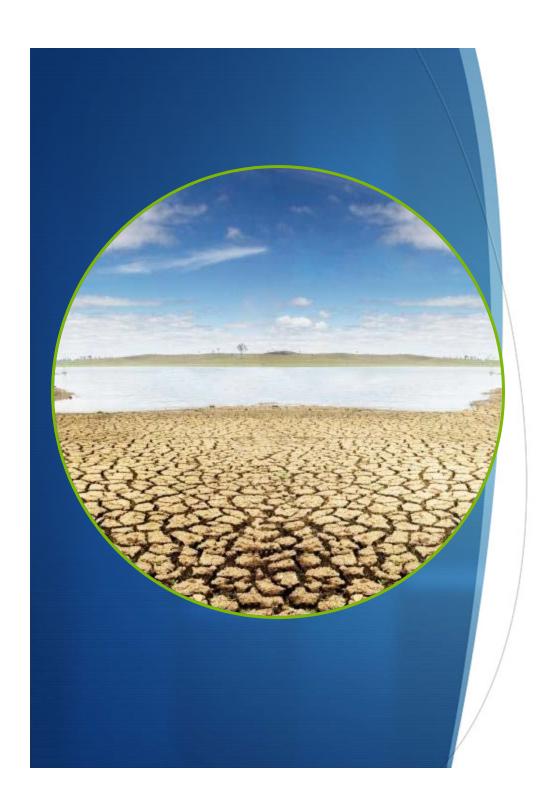
Water Pricing for Conservation

In a Post-Capistrano World

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Addressing the drought

- Environmental community efforts
- Water agency efforts
- Water-use reduction mandates
- The role of rates
- BMP 1.4

Conservation and Tiered Pricing

- Price elasticity of water
- Pricing can have a significant impact on water use
 - ♦ Can result in 10-30% water use reduction
 - Pricing is also frequently more effective than other conservation efforts

Conservation Impacts of Prop 218 and Capistrano

- Water supplier concerns
- Water-budget rates, uniform rates and flat rates?
- Tiered rates are still good although the price signal may be weaker than some agencies would like
- Flat rates for sanitary sewer service are increasingly vulnerable

For now... Current Impacts of Capistrano

- Agency uncertainty
- Be thorough with those rate studies!
- ♦ CUWCC's BMP 1.4

Prop 218 Reform?

- **♦** Legislation
- Ballot initiative
- Courts

Questions?

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