Water Pricing for Conservation

In a Post-Capistrano World

Johanna Dyer
Water Policy Analyst
Natural Resources Defense Council
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?

- Johanna Dyer
- jdyer@nrdc.org