

# 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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