

# LA DWP, other utilities to raise water rates because of drought

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Enjoying those lower water bills from 3-minute showers and your new drought-tolerant landscaping? Well, prepare to pay a little more to make up for your conservation.

Throughout California, consumers have conserved during this four-year drought and purchased less water from their utilities, leaving some water agencies operating in the red and drawing down reserves. Officials now say they need to pass some of the costs back to customers.

The Los Angeles Department of Water and Power will hike rates to cover some of its lost revenue, its civilian board [decided Tuesday](#). Most DWP customers will pay 4 percent more for water beginning in January. The average residential monthly bill will increase from \$49.73 to \$51.53, DWP officials said.

“The reality is that rate increases, surcharges and other pricing adjustments are part of the drought story this year,” Association of California Water Agencies spokeswoman Lisa Lien-Mager said.

As revenues drop, utilities still have to cover fixed costs. They have to keep paying employees and maintaining pipes, treatment facilities, aqueducts and reservoirs. Also, they face additional costs during the drought, for public outreach and enforcing water-use restrictions.

“Our customers have done a tremendous job of conserving water,” said DWP budget official Neil Guglielmo, “which is great for the city, but it means there is an impact to our financials.”

Customers paid the DWP \$110.7 million less than the agency expected during fiscal year 2015, which ended June 30, because they used 10 percent less water than forecasted. Based on a city law, the agency is able to recoup \$57 million of the shortfall with Tuesday’s action. The higher rate will last through 2016.

Los Angeles residents and businesses have exceeded the conservation pace set by Mayor Eric Garcetti last year, a DWP official said Tuesday. The mayor [called for](#) a 20 percent decrease by 2017. Gov. Jerry Brown issued mandatory urban water [cutbacks](#) in April, and some state water districts saw steeper drops.

At the Zone 7 Water Agency, a wholesaler that serves 220,000 customers east of the San Francisco Bay Area, the board of directors may approve a “[conservation surcharge](#)” this week

that would amount to 18 percent of its water rate. The agency is projecting a negative cash flow this fiscal year.

The Metropolitan Water District, the massive wholesaler in Southern California, has drawn \$154 million from its rainy day reserve fund, according to spokesman Armando Acuna. While the reserves have temporarily covered lower water sales during the drought, MWD officials may increase rates in the budget due April 2016.

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Meanwhile, Los Angeles city officials are analyzing a broader “base” rate proposal, which would help repair and replace outdated infrastructure. The DWP board is tentatively set to vote on that increase Dec. 15, and it could take effect April 1.

But even with Tuesday’s rate increase, DWP officials say the average household is conserving enough water that on balance residents will be paying less per month than they paid in fiscal year 2014.