



402 West Broadway, Suite 1000
San Diego, CA 92101-3585
p: 619.544.1300

www.sdchamber.org

August 27, 2015

Mr. Erik Caldwell
Economic Development Division
1200 Third Avenue, 14th Floor
San Diego, CA 92101

RE: Small Business Roundtable Recommendations on Water Reliability, Conservation, and Affordability

Dear Mr. Caldwell,

On behalf of the San Diego Regional Chamber of Commerce's (The Chamber) Legislative and Small Business Advocacy Committee, I am writing to offer the recommendations resulting from our first in a series of Small Business Roundtables.

With approximately 2,500 members representing nearly 400,000 employees, the Chamber is dedicated to growing commerce in the San Diego region and creating a business climate that, in particular, encourages the growth of small businesses. The San Diego Regional Chamber's Legislative and Small Business Advocacy Committee is pleased to partner with you and the City of San Diego Economic Development Department.

The series of Small Business Roundtables is designed to help inform the work of the Chamber and the City's Economic Development Department with our members' experiences running small businesses. The first roundtable discussion focused on how the City could best support small businesses when making decisions with respect to water.

During the roundtable, three themes became evident: reliability, conservation, and affordability. The committee adopted the attached recommendations about how the City of San Diego can keep small businesses in mind with respect to decisions about water. We hope the recommendations help to inform you in your role.

I thank you for your partnership and your willingness to be a voice for business and job creation in San Diego. If you have any questions or concerns, please contact Sean Karafin at (619) 544-1352 or skarafin@sdchamber.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Sanders', written over a horizontal line.

Jerry Sanders
President & CEO
San Diego Regional Chamber of Commerce

Chamber Small Business Roundtable Water Recommendations

Reliability:

Our economy depends on water, and small businesses are no exception. Small businesses across industries rely on water to operate. While we understand that unprecedented fiscal challenges have led to years of underinvestment in our city's infrastructure, the amount of water main breaks have improved, but are too common. It is important for the City of San Diego (City) to commit to investing in the aging infrastructure beneath our streets.

Although investing in distribution infrastructure is costly, there is also an even larger reliability issue that the current drought has underscored. We must invest in locally-controlled water sources to assure small businesses are not endlessly asked to cut back. Desalinization and Pure Water are opportunities the City is advocating for, and we encourage them to further explore new innovative solutions. In some industries, a 16 percent cut in water equates to 16 percent less revenues, and 16 percent fewer jobs if not closing altogether. Many small businesses survive on margins that are slim, with substantial fixed costs such as rent and utilities.

Conservation:

Even with making all of the right investments, there is no guarantee to small businesses that they will continue to have access to water, with the exception of businesses that were able to take advantage of the "Guaranteed Water for Industry Program." This program likely applies to few, if any, small businesses and only applies to businesses that have access to purple-pipe recycled water. Making the program, or some version of it, available to any business that can demonstrate implementation of best management practices would provide water savings to the City, and the guaranteed access that is invaluable to a small business working of thin margins.

Beyond a specific program, it is important to acknowledge that conserving a gallon is more cost-efficient than purchasing one. The City should conserve at every opportunity and continue to educate the businesses and the general population on conservation.

Affordability:

Reliability is expensive. It is, however, important to ensure that ratepayer dollars are being used as efficiently as possible to ensure that our investments result in as much reliability as possible. It is also important to ensure that the planned Capital Improvement Projects, used as the basis for rate increases, are achievable to avoid inflated rates.

Regular significant increases in water rates are anticipated far into the future. The small business community encourages the City to closely monitor Public Utility Capital Improvement Projects and demand cost-effective use of every ratepayer dollar.