



**Case Study:
San Francisco, California**

San Francisco's Hetch Hetchy water system transports 85 percent of the area's supply from a reservoir of Sierra Nevada snowmelt in Yosemite National Park more than 160 miles into the Bay Area. It then connects with more than 1,200 miles of water mains — many approaching 100 years old — to deliver water to the area's 2.4 million residents. The system also crosses five active earthquake faults. Studies determined that a 7.0 magnitude earthquake would result in a public health and economic disaster by leaving the City without a water supply.

The city was facing a major capital improvement project, and its residents, had to decide how much they valued the service. In 2002, voters approved a \$4.3 billion bond measure to rebuild the water system, paid through a rate increases that will more than triple their current monthly water bills over 10 years.