



Sweetwater Authority

Water Rate Cost of Service Study

Draft Water Rate Program Considerations

August 26, 2023

Agenda

- Water Bill Subsidy Fund
- Fire Flow Meter Rate for Residential Customers

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Water Bill Subsidy Fund

Water Bill Subsidy Fund

- Option to utilize cell tower lease revenue to create water bill subsidy fund for low-income single family residential customers
- **Financial Impact:** 0.98% reduction in total sources of funds
 - Can be offset by use of reserve funds
- Subsidy Fund Program Options for Consideration:
 - One-time benefit
 - Set maximum benefit (\$ or %), available once per year per account
 - Bimonthly benefit
 - Set benefit (\$ or %) reduction in bimonthly fixed charge
 - Arrearage benefit
 - Set maximum benefit (\$ or %), available once per year per account

Water Bill Subsidy Fund

- Examples of Draft Program Options:

Program	Maximum Benefit (Per Residential Account)	Benefit Period
One Time Benefit	\$100.00	Annual
Bi-Monthly Benefit	\$16.67	Bimonthly
Arrearage Benefit	\$100.00	Maximum Annual

- For average residential customer (5/8-inch meter, 16 HCF), water bill subsidy is a reduction of 13% in bimonthly or annual bill

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Fire Flow Meter Rate for Residential Customers

Fire Flow Meter Rate for Residential Customers

- Consideration of fixed rate for single-family residential customers who must install a 1-inch meter for fire flow
- Fixed rate is set at the same rate as the 5/8-inch fixed meter
- **Financial impact:** Fixed charges for all 5/8-inch customers will increase slightly to offset the reduced fixed charges allocated to 1-inch residential customers

Residential with 5/8-inch meter	Proposed Fixed Charges		
	FY 2023/24	FY 2024/25	FY 2025/26
Proposed Fixed Charges	\$24.88	\$32.43	\$40.94
Proposed Fixed Charges- Fire Meter Alternative	\$25.43	\$33.14	\$41.85
<i>Difference (in \$) Proposed Rates vs. Proposed Rates Fire Meter Alt.</i>	<i>\$0.54</i>	<i>\$0.71</i>	<i>\$0.90</i>
<i>Difference (in %) Proposed Rates vs. Proposed Rates Fire Meter Alt.</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>

Residential with 1-inch meter	Proposed Fixed Charges		
	FY 2023/24	FY 2024/25	FY 2025/26
Proposed Fixed Charges	\$37.78	\$49.22	\$62.15
Proposed Fixed Charges- Fire Meter Alternative	\$25.43	\$33.14	\$41.85
<i>Difference (in \$) Proposed Rates vs. Proposed Rates Fire Meter Alt.</i>	<i>-\$12.35</i>	<i>-\$16.08</i>	<i>-\$20.31</i>
<i>Difference (in %) Proposed Rates vs. Proposed Rates Fire Meter Alt.</i>	<i>-33%</i>	<i>-33%</i>	<i>-33%</i>

*Fixed charges include SWA Fixed Charge and SDCWA Infrastructure Access Charge.
Fixed charges shown above are draft charges and subject to revision.

Questions & Discussion

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