

Sweetwater Authority FY 2025-26 Five-year Financial Plan Assumptions

Assumptions	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Water Supply Acre Feet (AF): (a)	<u>17,100</u>	<u>17,400</u>	<u>17,500</u>	<u>17,600</u>	<u>17,700</u>	<u>17,800</u>
National City Wells (AF) (b)	1,000	1,700	1,900	1,900	1,900	1,900
Reynold Desal Plant (AF) (c)	5,000	6,600	7,000	7,000	8,000	8,000
Sweetwater Reservoir (AF) (d)	9,800	7,750	7,250	6,050	4,500	4,500
Purchased Raw Water (AF) (d)	1,300	1,300	1,300	2,600	3,250	3,350
Purchased Treated Water (AF)	0	50	50	50	50	50
SDCWA Average Raw Water Rate \$/AF	\$1,496	\$1,819	\$1,946	\$2,063	\$2,187	\$2,318
SDCWA Raw Water Rate Increase (e)	7.7%	21.6%	7%	6%	6%	6%
SDCWA/MWD Fixed Charges Increase (e)	22.1%	8.1%	7%	6%	6%	6%
SDCWA/MWD Fixed Charges	\$4,153,560	\$4,286,000	\$4,586,000	\$4,861,000	\$5,153,000	\$5,462,000
Power, Chemicals & Fuel Increase	Budget		2%	2%	2%	2%
Salary Increases-Exempt Employee MOU's (f)	3%		3%	3%	3%	3%
Salary Increases-Non-exempt Employee MOU (f)	4.5%		4.5%	3%	3%	3%
CalPERS Employer Contribution Rate	10.500%		10.2%	10.0%	9.7%	9.5%
CalPERS Employer UAL Payment	\$4,749,579		\$5,072,000	\$5,329,000	\$5,842,000	\$5,982,000
Employee Health Insurance Premium Increase	Budget		3%	3%	3%	3%
General Operating Expenses Increase	Budget		1%	1%	1%	1%

- (a) FY 2025-26 estimates a slight increase in water use due to the new hotel and convention center on the bay front; general water use is expected to rise minimally in future years; and current water use projections remain on track.
- (b) FY 2024-25 includes reduced production for maintenance and construction; normal production resumes in FY 2025-26.
- (c) FY 2024-25 production is reduced to prioritize water production from Sweetwater Reservoir; future projections assume reduced winter rainfall and increased production to compensate for less local water supply, ultimately returning to expected output in FY 2028-29.
- (d) Local water availability from Sweetwater Reservoir allows for minimal SDCWA water purchases; projections assume reduced rainfall and a decline in local water supplies in future years.
- (e) Significant rise is expected but the actual amount is not finalized by SDCWA; fixed charges are anticipated to increase slower due to reduced water allocations to the Authority, stemming from decreased water purchases in recent years.
- (f) All employee group labor agreements are finalized through June 30, 2027, and salary increases are known; future projected increases of 3% are for planning purposes only and do not represent an official commitment.

Sweetwater Authority FY 2024-25 Five-year Financial Plan Assumptions for Comparison

Assumptions	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Total Water Supply Acre Feet (AF):	<u>16,980</u>	<u>17,100</u>	<u>17,400</u>	<u>17,500</u>	<u>17,600</u>	<u>17,700</u>
National City Wells (AF)	1,900	1,000	1,000	1,900	1,900	1,900
Reynold Desal Plant (AF)	6,500	5,000	5,000	6,750	6,850	7,000
Sweetwater Reservoir (AF)	5,847	9,800	10,100	7,500	7,500	6,000
Purchased Raw Water (AF)	2,633	1,300	1,300	1,300	1,300	2,700
Purchased Treated Water (AF)	100	0	0	50	50	100
SDCWA Average Raw Water Rate \$/AF	\$1,258	\$1,389	\$1,556	\$1,665	\$1,764	\$1,870
SDCWA Raw Water Rate Increase	10.4%	20.0%	12%	7%	6%	6%
SDCWA/MWD Fixed Charges Increase	10.4%	7.5%	9.0%	5.3%	4.5%	6.0%
SDCWA/MWD Fixed Charges	\$3,402,100	\$3,402,100	\$3,708,000	\$3,903,000	\$4,079,000	\$4,324,000
Power, Chemicals & Fuel Increase	Budget		2%	2%	2%	2%
Salary Increases-Exempt Employee MOU (a)	6%		3%	3%	3%	3%
Salary Increases-SAEC (CPI-W estimate) (a)	3.6%		3.6%	3.6%	3.6%	3.6%
CalPERS Employer Contribution Rate	10.750%		10.4%	10.1%	9.9%	9.6%
CalPERS Employer UAL Payment	\$4,560,918		\$4,696,000	\$5,000,000	\$5,238,000	\$5,734,000
Employee Health Insurance Premium Increase	Budget		3%	3%	3%	3%
General Operating Expenses Increase	Budget		1%	1%	1%	1%

(a) Future year projected increases are for planning purposes only and do not constitute an official commitment.