

SNWA Rate Increase

The Southern Nevada Water Authority (SNWA), a not-for-profit agency, which operates Southern Nevada's two major water treatment facilities and the regional water system, is considering funding recommendations made by the Integrated Resource Planning Advisory Committee. These recommendations address future funding challenges associated with a significant spike in annual debt service payments for completed capital projects constructed to provide Southern Nevada with a safe and reliable water supply.

In early 2012, the SNWA Board of Directors directed staff to undergo an integrated resource planning process to evaluate the issues facing water utility managers including resource management, funding, environmental regulations, water quality, conservation and other issues affecting water utilities. To make recommendations that would guide future planning efforts related to these issues, the SNWA Board also established the Integrated Resource Planning Advisory Committee, comprised of 21 stakeholders representing a broad spectrum of community interests including residents, senior citizens, gaming, development, small business, golf courses and schools. The advisory committee worked alongside a 7-member financial subcommittee for more than one year to tackle funding issues.

The committee's efforts culminated in nine funding recommendations that will be considered by the SNWA Board in late September. Key recommendations include:

- Temporarily reduce the maximum rate in 2014, 2015 and 2016 to provide the community time to adjust to the new rates;
- Increase both the SNWA Infrastructure Charge and the Commodity Charge to meet revenue requirements in 2017. Increasing both helps maintain conservation pricing signals while providing for a stable revenue source;
- Freeze the fire line meter charges at 2013 levels; and
- Develop rates through a transparent and community process.

Formed in 1991, the SNWA treats the community's drinking water, distributes it to local water agencies, secures water resources and helps Southern Nevada manage water use through myriad conservation programs. The SNWA is a capital-intensive organization and is responsible for constructing and operating the facilities needed to deliver a clean and reliable water supply to Southern Nevada.

Below is a chart that depicts how the rate increase would affect the typical single-family homeowner. More specific results based upon meter size and monthly water use can be estimated using the calculator on www.snwa.com.

Bill Estimate for 10,000 Gallons Use (Residential, 5/8-inch meter)

