

# WATER ACCOUNTABILITY & EQUITY ACT

## ESTIMATED COST OF THE PROGRAM

The Water Accountability & Equity Act establishes a Water for All assistance program for residential customers and tenants whose household income is 200% or less of the federal poverty level. The Act also establishes a dispute and appeals process, an Office of Customer Advocacy, and a Committee for Office Oversight. Full implementation of the Act is to occur by July 13, 2020. The following costs are estimated to be incurred by the water utilities to support, implement, and pay for the Water for All assistance and the Office of Customer Advocacy.

**Revenue lost to the Water for All assistance:                      \$30 million per year**

- Utilizes the American Community Survey data to place City households into income tiers and determines applicable benefits under the Act
- Assumes approximately 28,000 participating customer households at a lost revenue cost of \$12.5 million
- Assumes approximately 29,500 participating non-customer (tenant) households at a cost of \$17.5 million

**Revenue lost to Forgiveness of Pre-Program Arrears:    \$12.5 million, one-time**

- Assumes one-time forgiveness of enrolled residential customers
- Total receivables are approximately \$100 million, half of which are assumed to be residential
- Assumes 25% of the \$50 million residential receivable would relate to program enrollees

**Ongoing Program Administration Costs:                      \$0.8 million per year**

- Assumes 10 dedicated employees to administer the program plus 3 for the Office of Customer Advocacy

**One-Time Program Implementation Costs:                      \$1 million, one-time**

- Assumes budget for program development, modifications to customer information system, accounting, bill print, and staff training

Together, each of these cost categories totals **approximately \$44.3 million in the first year, and \$30.8 million per year after the first year**, though there are significant program risks that could cause these figures to change.