

NeRWA Rate Survey  
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Nebraska Rural Water has just completed our second attempt at comparing water rates throughout the State. I am sure your water system received a survey to fill out to aid us in this process. We would like to thank everyone who participated. We are going to try to continue this endeavor and hopefully update the survey every two years. If your system participated in the survey and would like a copy contact the NeRWA office and one will be sent to you at no charge.

Systems often ask us what the neighboring towns are charging. It is extremely difficult to compare rates town to town or system to system. There are just too many varying factors to consider. Some examples are: How old is your system compared to the system down the road. What about water quality, are your wells newer or older? Do you or the other system purchase water? Does one of the systems have a newer storage tank and the other a 90 to 100 yr. old standpipe? Are regulations or water quality a concern?

Another factor is that many systems heavily subsidize their water systems with revenue from another source such as an electric utility or tax dollars.

The study shows that rates are increasing throughout the State, but not at the rate I would have expected. In 2003, the average residential metered water rate was \$12.26 per month plus \$1.30 per thousand gallons. In 2005, the average residential water rate is \$12.66 per month plus \$1.42 per thousand gallons. For an average user this would amount to about a 5% increase.

The average flat rate for water in 2003 was \$15.24 per month and in 2005 it is \$17.98. This is an 18% increase.

The average metered sewer rate in 2003 was \$8.60 per month plus \$.99 per thousand gals. based on winter usage. In 2005 the average rate is \$9.20 per month plus \$1.22 per thousand gals. based on winter usage. This is about an 11% increase.

The average flat rate for sewer in 2003 was \$10.49 per month and in 2005 it is \$12.84. An increase of 22.4%.

As I stated above, there are many variables to consider when comparing water or sewer rates. One item that was added to the survey this year was whether or not the water or sewer system had any indebtedness. Although the survey does not state the amount of debt, it does give a little clearer picture of why some systems have higher rates than others. Some systems that have done major improvements pay more in debt payments annually than they spend on Operation & Maintenance. Below is a breakdown of the average rates comparing systems with debt and those without. Keep in mind that the amount of debt is not taken into consideration.

## WATER SYSTEMS

Population under 200:

Without debt= \$13.01 per month + \$1.50 per thousand

With debt= \$14.28 per month + \$1.74 per thousand

Population 200-400:

Without debt= \$14.36 per month + \$1.60 per thousand

With debt= \$17.06 per month + \$1.80 per thousand

Population 400-600:

Without debt= \$14.16 per month + \$1.56 per thousand

With debt= \$15.67 per month + \$1.64 per thousand

Population 600-800:

Without debt= \$13.36 per month + \$1.29 per thousand

With debt= \$16.25 per month + \$1.33 per thousand

Population 800-1000:

Without debt= \$11.02 per month + \$1.40 per thousand

With debt= \$13.29 per month + \$1.75 per thousand

Population 1000-2000:

Without debt= \$13.24 per month + \$1.30 per thousand

With debt= \$16.75 per month + \$1.46 per thousand

## SEWER SYSTEMS

Population under 500:

Without debt= \$9.42 per month + \$.99 per thousand  
With debt= \$12.73 per month + \$1.64 per thousand

Population 500 -1000

Without debt= \$8.49 per month + \$1.07 per thousand  
With debt= \$14.10 per month + \$1.63 per thousand

Population 1000 -2000

Without debt= \$7.97 per month + \$1.25 per thousand  
With debt= \$12.37 per month + \$1.36 per thousand

Population 2000 –10,000

Without debt= \$8.51 per month + .68 per thousand  
With debt= \$11.08 per month + \$1.80 per thousand

Many systems that are undergoing major improvements at this time are seeing higher rates than those shown here. Many of our water and sewer systems are in great need of upgrade and repair; unfortunately these things all come with a huge price tag. If your system is looking at a major project in the near future, give us at NeRWA a call and we would be glad to assist you with what type of rate you may need to repay the costs. It is very important that decision makers, as well as the public be aware of what it takes to pay for a project up front. NeRWA is willing to attend a board meeting or a special public meeting to explain the need for the project and what rates will need to be implemented.