

Reviewing Water Rates

By Randy Hellbusch, Circuit Rider

Russ, Jim, and I recently attended our annual in-service training in Albuquerque N.M. We didn't realize it at the time, but it was our early indoctrination into the 100 degree temps that we have recently had to endure back here in Nebraska. We attended sessions on Water/Wastewater project planning, Leak Detection & Water Audits, Energy Conservation among others.

I almost always grab the local paper in the morning when we are away from home. The first morning I picked up the local Albuquerque paper, the front page headline was **WATER RATES TO INCREASE**. This of course grabbed my attention. The reason given for the rate increase was the recent decrease in the amount of gallons sold. I have encountered this in several systems over the past year or two and basically blamed it on the weather pattern.

Then recently, in an online newsletter that I receive, there was an article about the declining residential water usage patterns nationwide. A study by the Water Research Foundation concluded that from 1978 to 2008 the average household use has declined 13%. They cite several possible factors including energy efficient appliances, smaller numbers per household, weather patterns, etc. Water conservation can be a very important and valuable tool especially in metropolitan areas where water quantity is limited. The downside is that many small utilities have **fixed costs** that have to be met regardless of the amount of water sold, i.e., debt service, insurance, administration, etc. Many of these costs continue to increase year to year.

If your system hasn't taken a close look at your rates recently, you may want to check to see that your water revenue isn't actually declining. It may not necessarily mean that you need a rate increase, but you may need to restructure your rates accordingly to make sure the revenue is sufficient to cover all costs today and into the future. If NeRWA can assist you with your rates or any other aspect of your water or wastewater system give us a call.