

Water Rates and Public Relations

By Randy Hellbusch, Circuit Rider

The NeRWA board and staff recently had the privilege of attending the National Rural Water annual conference in Seattle, Washington. The conference is always an excellent opportunity to learn what issues are affecting water systems around the nation and to see the latest in tools and technology. There are always excellent presenters on a variety of topics from regulations, funding, operations and maintenance. One presenter gave some interesting perspectives on water rates and how they relate to public relations.

One interesting aspect was the result of a recent survey which was conducted nationwide of what people valued most. Quality, abundant drinking water was #1 on 92 percent of the surveys returned. When the question was asked how many would support an increase in their water bill only 26 percent responded yes.

This is a quandary that many small water systems face. There were some interesting suggestions as to why this may be the case. One reason is that many people view water utilities as a monopoly. In comparison if you aren't satisfied with your current TV service provider, cell phone service, natural gas provider, etc., you have the option of changing to a different provider. Many feel that this may be the reason many people are reluctant about rate increases. Secondly, water is an essential service. It isn't something that the consumer has a choice about. Another reason given was that many people view their water bill as a tax. We all know how people feel about taxes. Lastly is the simple fact that the majority of Americans simply undervalue water. They just turn on the tap and there it is. Most do not understand what goes into getting it to that tap.

The presenter then offered some advice as how to best keep on the public's good side when it comes to adjusting rates. Number one on his list was to avoid rate shock. The public is much more acceptable of smaller rate increases at a more frequent interval than a huge jump once every 5-10 yrs. He also suggested that rates be kept as simple and understandable for the public as possible. If a consumer understands why he or she is paying a certain amount and feels that the rate is equitable and they are just paying their fair share they are more apt to be a satisfied consumer.

The last bit of advice that we were left with was above all else make sure that your rates are sufficient. If not you are very likely to end up with the rate shock that was mentioned earlier.