

# Water Lines

News from the water/wastewater department

## 2004 Rate Proposal

To: Klickitat PUD Water/Wastewater Customers  
 From: Lorraine Reynolds, Manager WWW Department

Klickitat PUD Rate Payers have asked numerous times... "*Why do we have to pay so much for water and wastewater rates?*" The rates charged by KPUD should be sufficient to cover all of the fixed and variable costs of a water or wastewater (sewer) system, including operations and maintenance (O&M), administration, a reserve for emergencies, and a capital fund for system component replacement over time. What other systems may or may not charge is irrelevant, as we must charge enough to keep your systems economically viable and enable KPUD to provide you with sufficient amount of safe drinking water, and clean effluent wastewater discharge. The revenues collected by KPUD for these purposes, can be justified by the costs incurred on each system. Determining the rates charged on other systems may help KPUD decide whether your rates are near where they should be, however, rates from other systems cannot be used to set your rates, due to the varying factors and costs specific to each system.

A proper rate structure should ensure that:

- Klickitat PUD can demonstrate to its federal and state regulators that your rates are sufficient to cover the costs incurred on your system.
- Each system can meet the numerous regulatory requirements of the U.S. Environmental Protection Agency, as well as the Washington State Departments of Ecology and Health.
- Sufficient revenue to cover the full cost involved in:
  - Producing and distributing a sufficient amount of safe drinking water, as required by the Safe Drinking Water Act
  - Cleaning and treating wastewater discharge sufficiently to meet the Clean Water Act regulations.

Unfunded mandates have a substantial financial impact on each system. The U.S. Environmental Protection Agency imposes mandates to ensure water system compliance upon the Washington State Department of Health with the Safe Drinking Water Act. EPA also imposes mandates to ensure wastewater (sewer) system compliance upon the Washington State Department of Ecology via the Clean Water Act. These unfunded mandates have a substantial financial impact on your systems.

The Klickitat PUD Commissioners are very sensitive to these financial impacts, but in turn they must be fiducially responsible for each KPUD water and wastewater system. It is expensive to live in a small community where the costs of water and wastewater services are distributed among very few customers. However, the benefits of small country living are many!

| Meeting   | Purpose   | Date                 | Time                   | Location                                     |
|---|---|----------------------|------------------------|--|
| Water Advisory Council  | School & Comm. Council reps - review <i>Proposed</i> 2004 rate increases. | 03/03/04             | 6:30 p.m.              | KPUD Meeting Room                            |
| <b>Customer Meetings</b>  |   |                      |                        |  |
| Roosevelt   | Proposed Rate Increase  | 03/09/04             | 7:00 p.m.              | School                                       |
| Glenwood  | C. Council Meeting  | 03/16/04             | 7:30 p.m.              | Grange                                       |
| Lyle  | C. Council Meeting  | 03/22/04             | 7:00 p.m.              | Lions Club Center                            |
| Klickitat   | Proposed Rate Increase  | 03/24/04             | 6:30 p.m.              | School                                       |
| Wishram   | Proposed Rate Increase  | 04/05/04             | 7:00 p.m.              | School                                       |
| Rimrock   | Proposed Rate Increase  | 03/11/04<br>03/25/04 | 5:15 p.m.<br>5:15 p.m. | KPUD Commission Room<br>KPUD Commission Room |
| Ponderosa   | Please contact KPUD to schedule   | TBA                  | TBA                    |  |
| <b>Public Rate Hearing</b><br><i>See notice in newspapers<br/>03/30/04 &amp; 04/07/04</i> | Consideration of Proposed 2004 WWWW Rate Increase                         | 04/13/04             | 4:00 p.m.              | KPUD Commission Room                         |