

How Much Should We Charge for Water?

As the Klickitat PUD Water/Wastewater Department looks at the issue of raising rates during the next few months, here are some of the questions staff will be considering, with answers by the American Water Works Association.

Rates on the small water systems throughout the county will be raised anywhere from 3 percent up to whatever the actual costs of operation will be, according to Lorraine Reynolds, Water/Wastewater manager.

The Water Advisory Committee met March 3 to discuss the issue, and community meetings will be held during the next few months in all of the affected communities. Community meeting dates will be posted in the local media.

Q What is a fair rate for our small water system to charge for water? What do other small systems around the country charge?

A The rate you charge should be enough to cover all of a system's fixed and variable costs, including operations and maintenance, administration, a reserve for emergencies and a capital fund for system component replacement over time. It does not matter what other systems may charge; you need to charge enough to keep your system viable and able to provide safe and sufficient drinking water to your customers.

If you can prove the revenues you collect are going to these purposes,



Doris Brack is one of three Klickitat County quilters who had a block chosen for the Ruralite 50th Anniversary quilt. The quilt is made up of 50 blocks, and was on display at the Goldendale PUD office in December. Doris' block depicts the petroglyph Tsagiglalal, "She Who Watches," a famous rock carving from the Horsethief Lake area on the Columbia River. The other two quilters were Wanita Gordon, a White Salmon KPUD employee, and Shannon Lackey, a 7-year-old White Salmon resident.

you can justify any rate you charge.

Finding out what other systems' rates are may help you decide if your rates are close to others, but do not use their rates to set your own. Your system could be affected by many factors other than what other systems charge.

A proper rate structure should ensure your operators have the means to do their job. It should encourage wise water use and ensure your utility recovers sufficient revenues to cover the full costs of producing and distributing water.

To meet the U.S. Environmental Protection Agency's new Capacity Assessment Program requirements, www.epa.gov/safewater/dwsrf/capacity.pdf, you must demonstrate to your state regulators that your rates

are sufficient to cover costs.

Gathering Information

For any rate-setting exercise, you need information about your system, including:

- Current number of service connections.
- Average amount of water you plan to sell during the current year, or have sold in prior years.
- Last year's budget.
- Expenses for such things as chemicals, electricity, labor salaries and benefit costs, parts, office supplies, insurance and transportation.
- Customer revenue.

For more information, or to join the Water Advisory Committee, contact Roxie Hunter at (509) 773-7623. ■