



# Understanding the Costs of Water Service

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# “Full Cost Pricing”

- Charges for water cover the entire cost of running the water system today and into the future



<https://efcnetwork.org/publication/video-full-cost-pricing-of-water/>



# Three Types of Costs

- Personnel—who works for your water system
- Operating—day to day expenses of running the system
- Capital—your water infrastructure



Exercise:

Costs of water systems

Let's make a list!

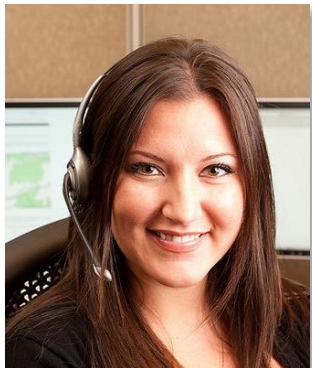


# Who Works in Water

- This is everyone who has a role to play with the water system
- Also include who will need to work with the system if you implement rates



# Who Works in Water





# Who Works in Water

- Salaries
- Benefits
- Potential overtime, if applicable
- What percentage of this person's time will be dedicated to the water system

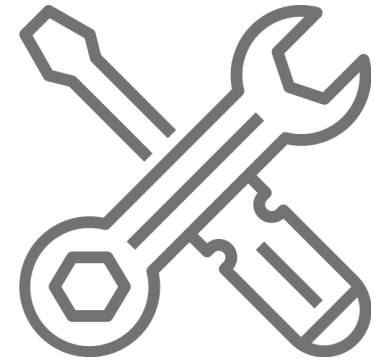
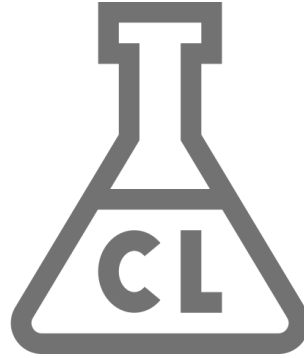
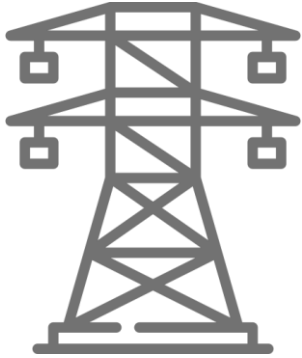




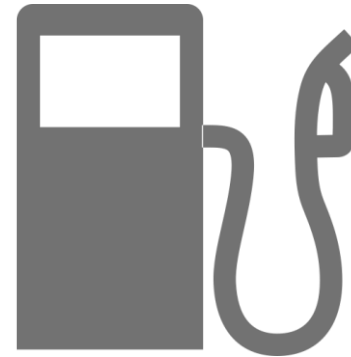
# Day to Day Expenses

- List the types of costs you have to run the water system every day
- Also include any new costs you will have if you implement rates

# Day to Day Expenses



# Day to Day Expenses





# Day to Day Expenses

- Total costs for each of these line items
- Note: Very few of these expenses change based on how much water you treat and sell



# Water Infrastructure

- What assets are needed to run your water system?
- Also include any new infrastructure that you will need if you implement rates



# Water Infrastructure





# Water Infrastructure

Ideally, you want to collect:

- What infrastructure you have
- What condition it is in
- How much useful life is remaining
- Replacement cost



# <http://southwestefc.unm.edu/asset-management-overview/>

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## Asset Management – Overview



Assets are generally the most expensive components that a community can own, operate, maintain and replace. Making the right choice about how to manage a community's assets is key to being able to sustain the assets over time. One of the best tools to help a community manage its assets is called, Asset Management. It helps answer the questions of what should we do, how should we do it, when should we do it, and where is the best place to make an investment in our assets.

Asset Management is a proven method whose techniques have been refined by the international community, particularly in Australia and New Zealand. It has now been practiced overseas for well over 15 years and has been gaining popularity across the US for the

<http://southwestefc.unm.edu/amkan/main.php>

# A.M. KAN WORK!

An Asset Management and Energy Efficiency Manual



Helping Water and Wastewater Utilities Achieve Sustainability  
Through Sound Management Practices

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<http://www.kdheks.gov>

Prepared by:





# Annual Budget

- All of these costs become part of the annual budget for our water system
- That budget can be helpful as we figure out what to charge for water service, so it is important that the budget be both accurate and complete





# Other Data Needs



# Number of Connections Served

- Residential vs. Commercial
- Tribal vs. Non-Tribal
- Elder
- Other special classes



# Number of Connections Served

- Is the number of people you are serving changing over time?
- Changes in business enterprises

# <http://factfinder.census.gov>



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Check out the early preview of our new dissemination platform at [data.census.gov](http://data.census.gov).

## ▼ Community Facts

Find popular facts (population, income, etc.) and frequently requested data about your community.

Enter a state, county, city, town, or zip code:

e.g., Atlanta, GA

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### Popular Tables

#### Population and Housing

- [Annual Population Estimates \(2018 PEP, PEPANNRES\)](#)
- [Demographic and Housing Estimates \(2017 ACS, DP05\)](#)
- [General Housing Characteristics \(2017 ACS, DP04\)](#)
- [General Demographic Characteristics \(2010 Census, DP-1\)](#)

#### Poverty and Income

- [General Economic Characteristics \(2017 ACS, DP03\)](#)

#### Age, Race, Sex and Education

- [Selected Social Characteristics \(2017 ACS, DP02\)](#)
- [Educational Attainment \(2017 ACS, S1501\)](#)

American FactFinder provides access to data about the United States, Puerto Rico and the Island Areas. The data

### News and Notes

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# Water Production & Usage

- How much is pulled in from water sources
- How much is treated
- How much is delivered to neighborhoods or areas of the system
- How much is delivered to individual residences and businesses



# Production & Usage Trends



# Note About Metering





# Water System Funds

- Rates and fees charged for water
- Tribal general fund
- Revenue from business enterprises
- Grants



# Determine the Cost of Water Service

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