



Steps to Develop a Water Rate Plan



GOAL:

Water rates that
meet the needs of
our tribal community



Maybe something simple...

Base Rate & 1st 1000 Gallons (0-1000 gallons):

\$18.00

Additional Gallons (1001 and up):

\$ 6.00 per thousand gallons
(or \$0.006 per gallon)

Or a little more involved...

Water Rates

(Effective February 2006)

Minimum (Up to 300 Gal)	\$23.00
Commercial Minimum	\$60.00
Next 2,000 Gal	\$2.87 per 1,000 Gal
Next 5,000 Gal	\$3.59 per 1,000 Gal
Next 10,000 Gal	\$4.31 per 1,000 Gal
Next 30,000 Gal	\$5.74 per 1,000 Gal
Next 50,000 Gal	\$7.18 per 1,000 Gal
Anything After	\$8.62 per 1,000 Gal



...Or something complicated

USER FEE SCHEDULE

Meter Size	Residential Flat Rate (monthly)	Small Business (monthly)	Small Commercial (monthly)	Large Commercial (\$/gal)	Public Authority (monthly)	Tap Fee	Dev Fee
Water							
5/8", 3/4"	\$ 15.00	\$ 37.50	\$ 50.00		\$ 15.00	\$ 520.00	\$ 1,899.00
1"						\$ 600.00	\$ 3,166.00
1 1/4"						Cost	\$ 4,748.50
1 1/2"						Cost	\$ 6,331.00
2"				\$ 0.010		Cost	\$ 10,130.00
2 1/2"				\$ 0.015		Cost	\$ 16,144.50
3"				\$ 0.015		Cost	\$ 22,159.00
4"				\$ 0.020		Cost	\$ 37,986.00
6"				\$ 0.020		Cost	\$ 61,000.00



Step #1:

Think about how the water system does serve and can serve the tribal community



Step #2:

Understand what it costs to run
the system



Step #3:

Identify other data that need to be collected to make an informed decision about rates



Step #4:

Communicate the need for rates to decision makers and the people served by the water system



Step #5:

Design rates



Serving the Tribal Community

Glenn Barnes

Environmental Finance Center

The University of North Carolina at Chapel Hill

919-962-2789

glennbarnes@sog.unc.edu



Let's Start With the Basics

- Why do we have a drinking water system?
- What benefit does it bring to your tribe?



Benefits

- Public health
- Serve the members of our community
- Protect the environment
- Manage water resources
- Convenience
- Allow for businesses
- Fire protection
- Something else?



Let's Start with the Basics

- How could the water system serve the community better?
- Let's hear from a tribal water program that took steps to serve its community better...

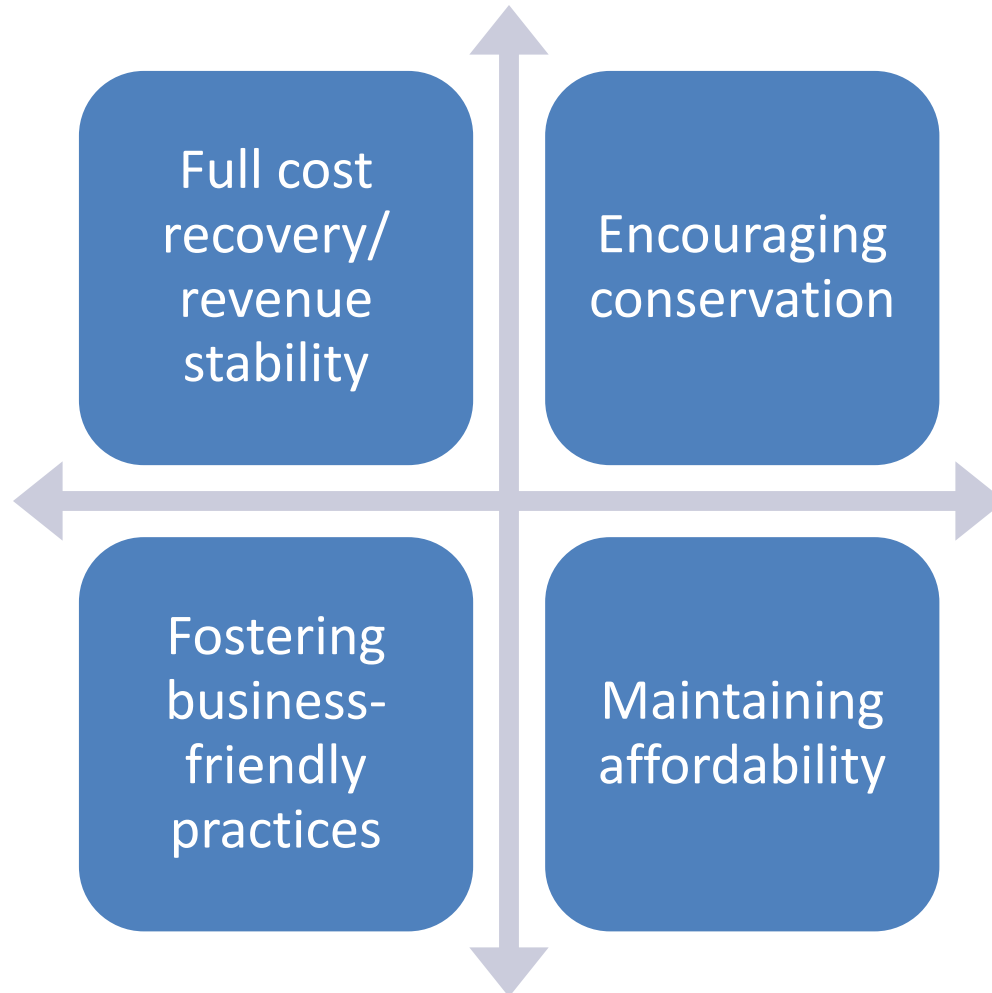


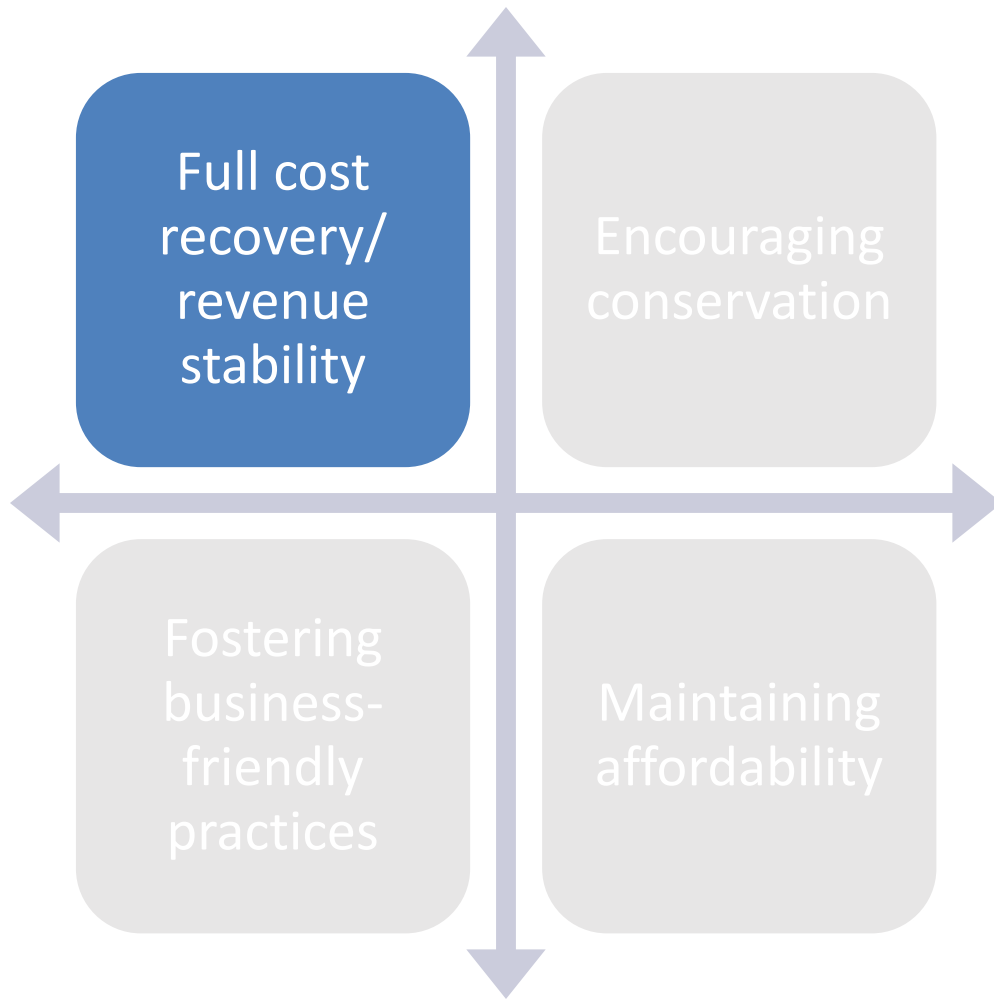
Let's Start with the Basics

- Why are you considering charging for water?



Water System Priorities

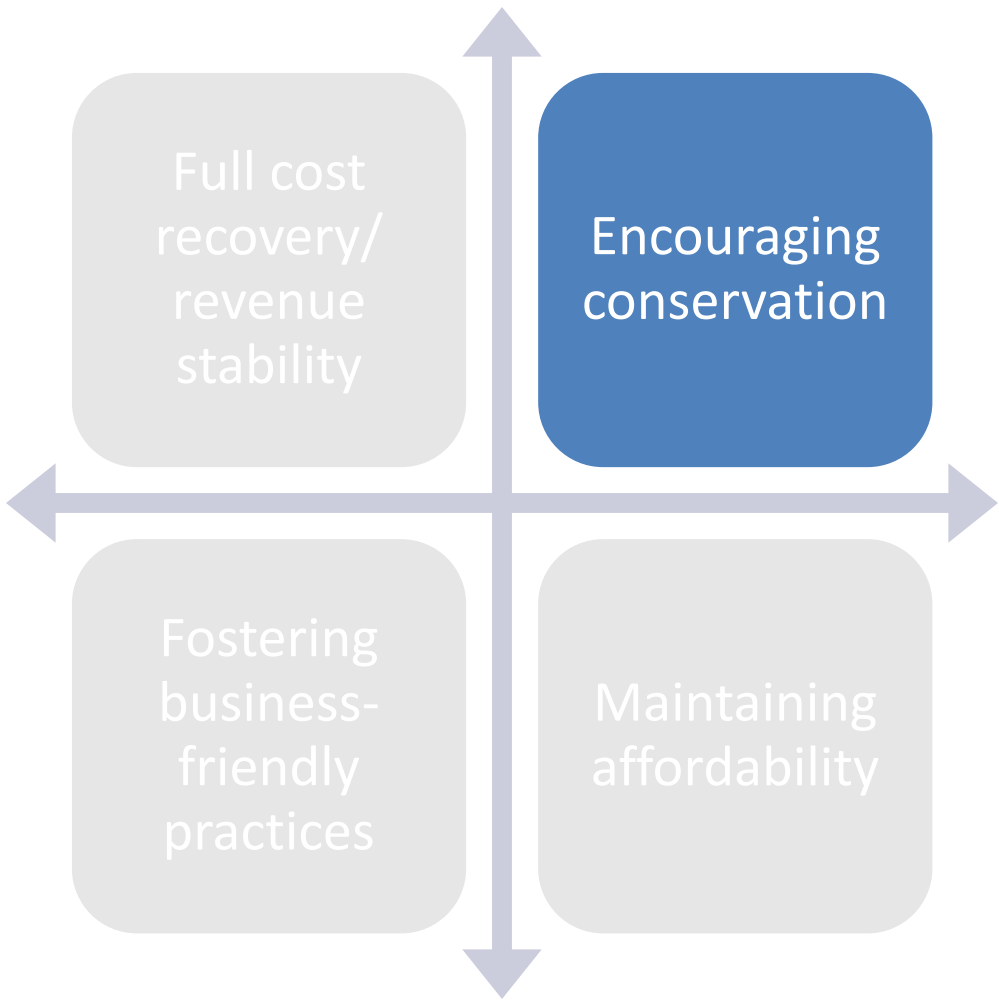




Bring in enough revenue to cover the full cost of running the water system:

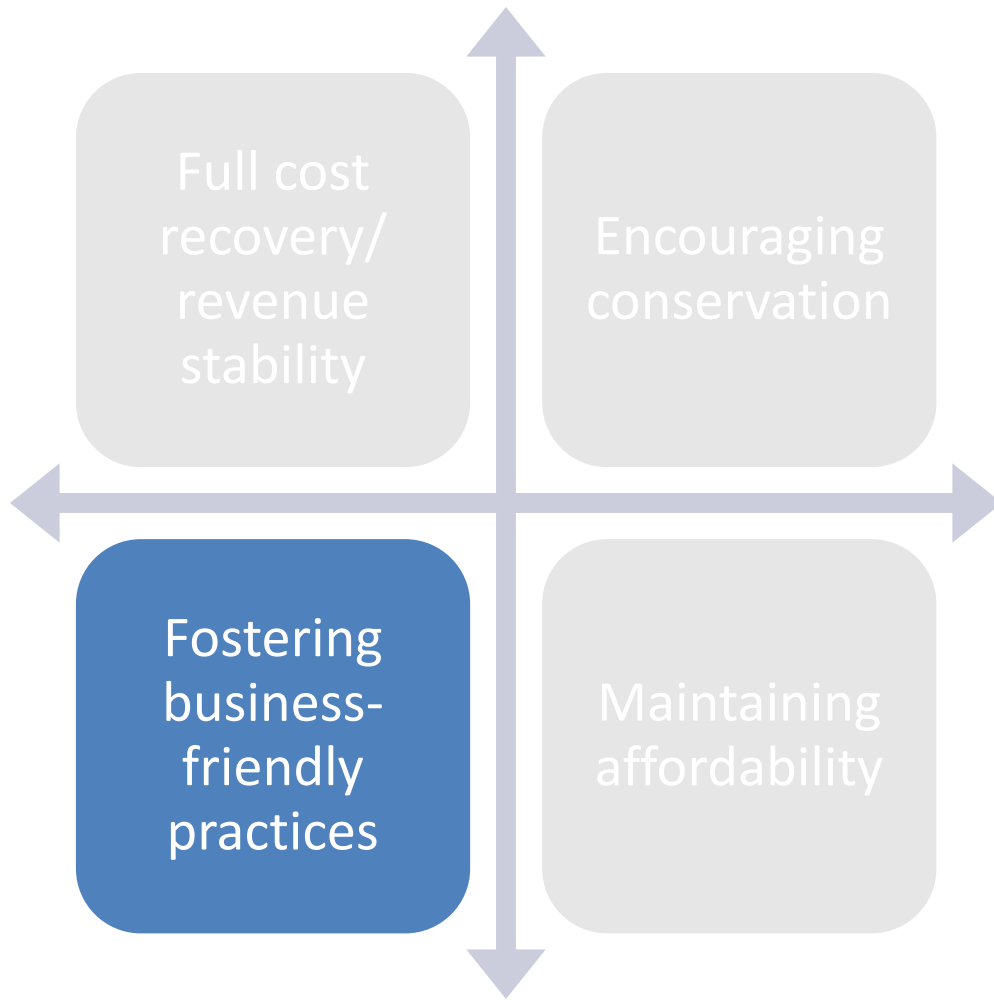
- O&M
- Capital needs
- Debt service

Why do this?



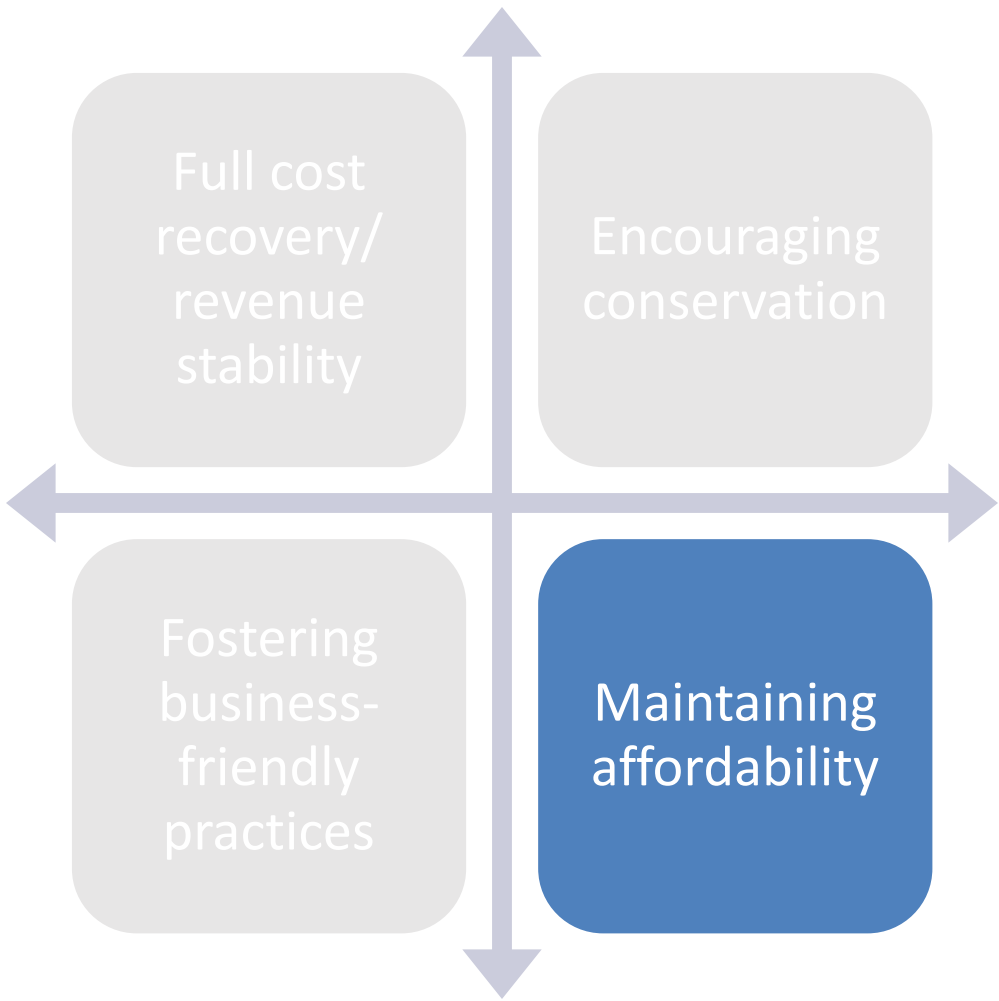
Encouraging the people your water system serves to reduce their water consumption

Why do this?



Encouraging
businesses and
agriculture to
locate to your
community or
stay in your
community

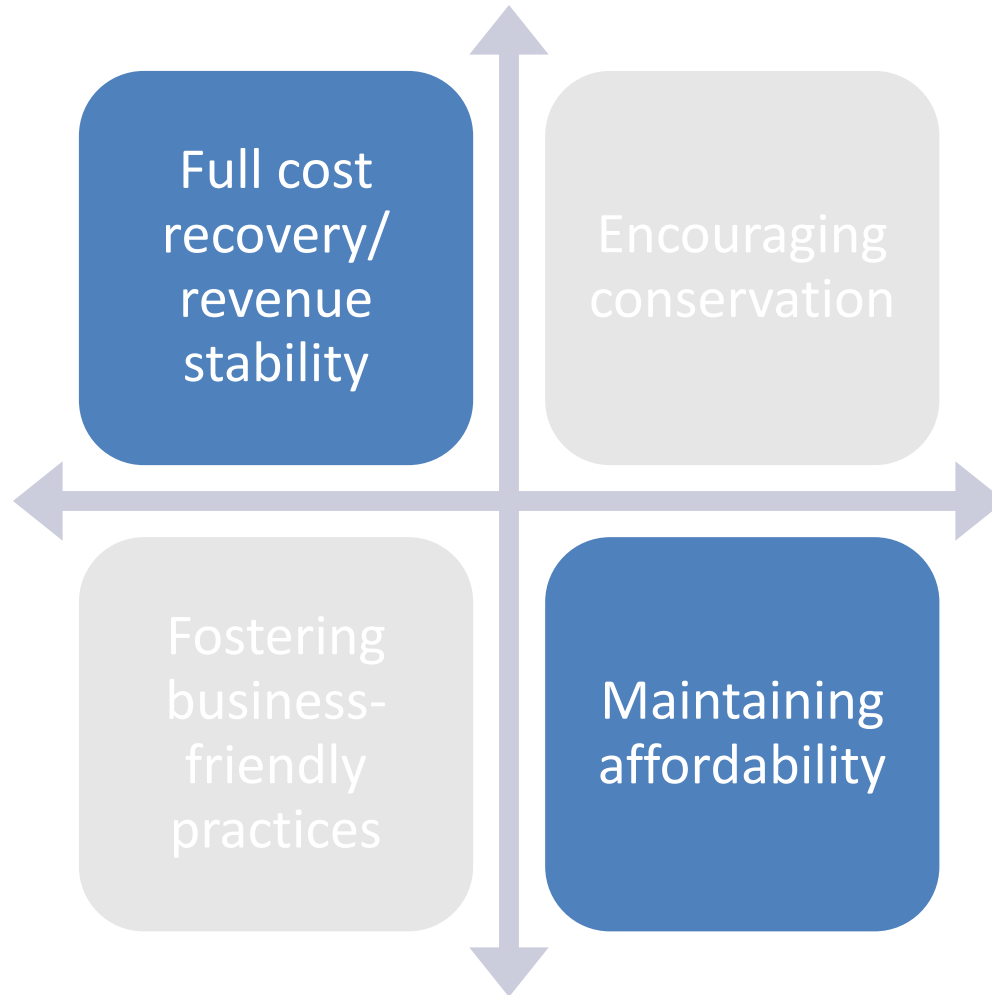
Why do this?



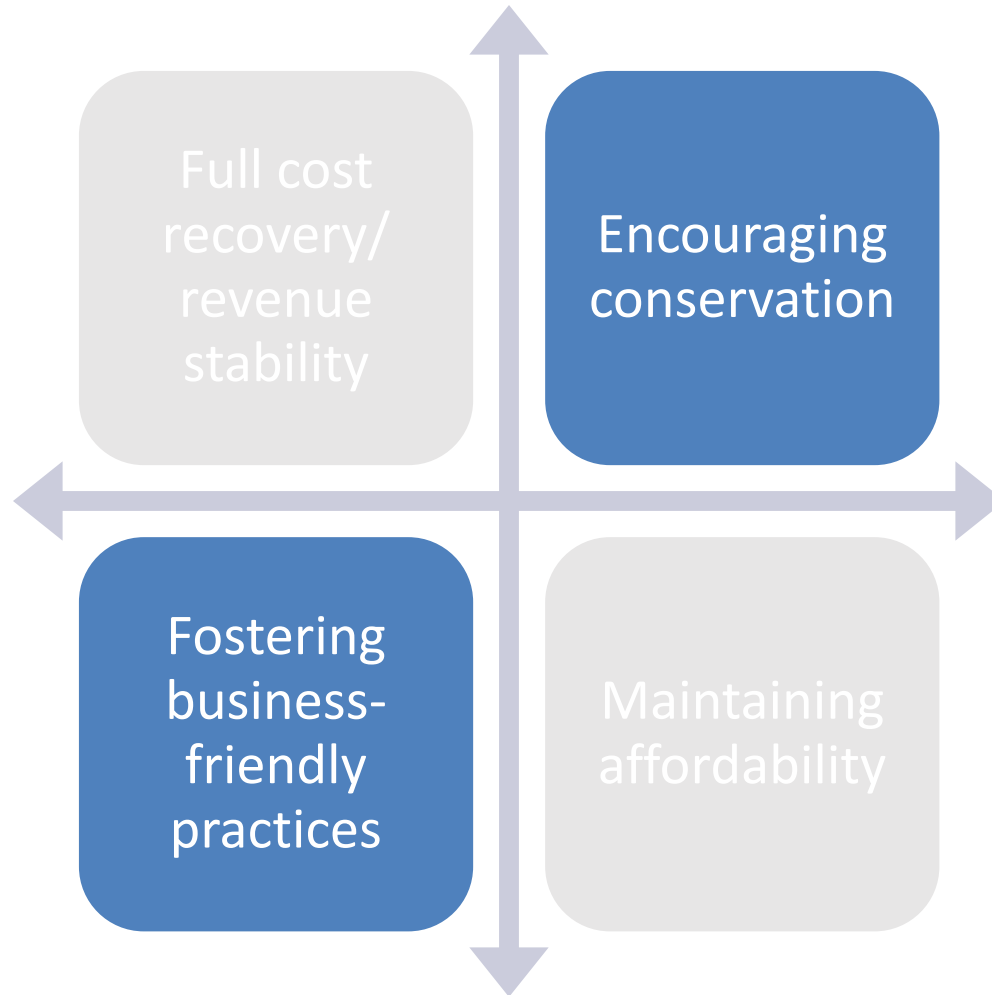
Ensure that all people served your water system are able to afford enough water to live on

Why do this?

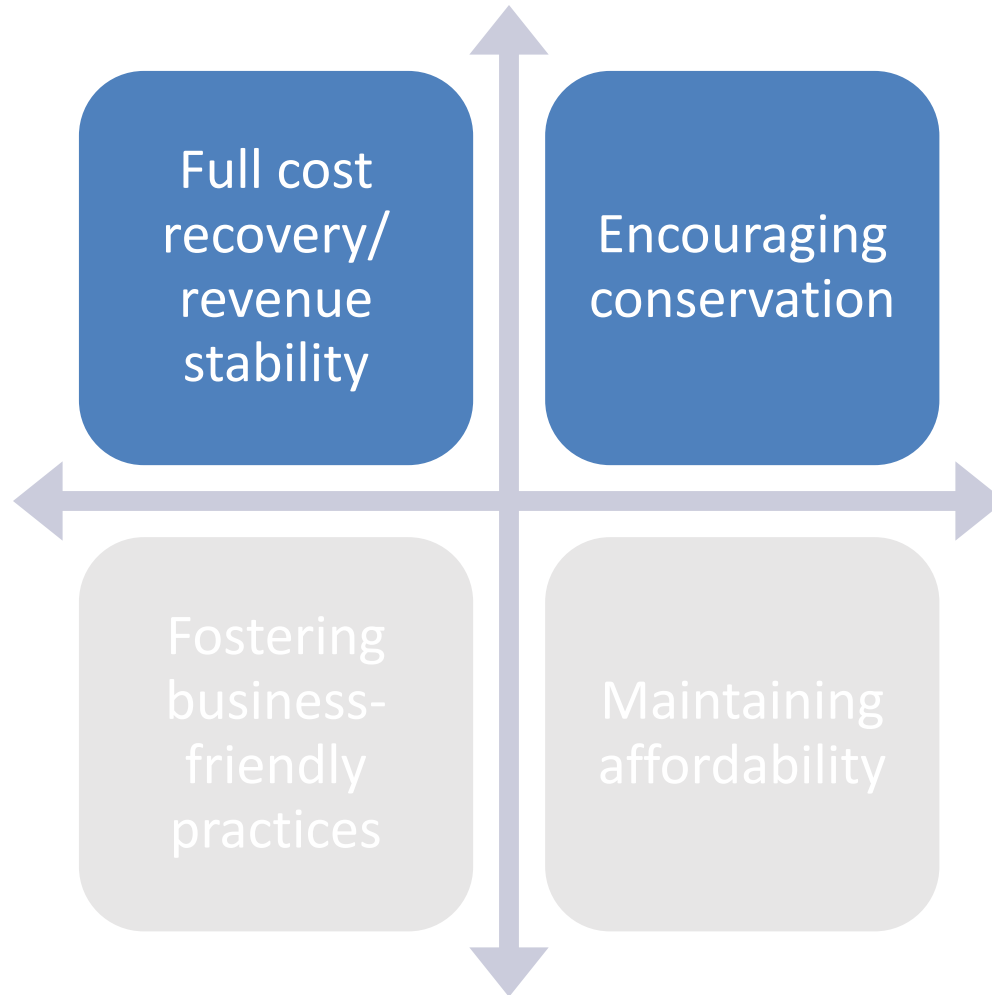
Competing Priorities



Competing Priorities



Competing Priorities





Serving the Tribal Community

Glenn Barnes

Environmental Finance Center

The University of North Carolina at Chapel Hill

919-962-2789

glennbarnes@sog.unc.edu