

Setting the Right Rates for Your Water System

HWWA Conference 2019

Glenn Barnes

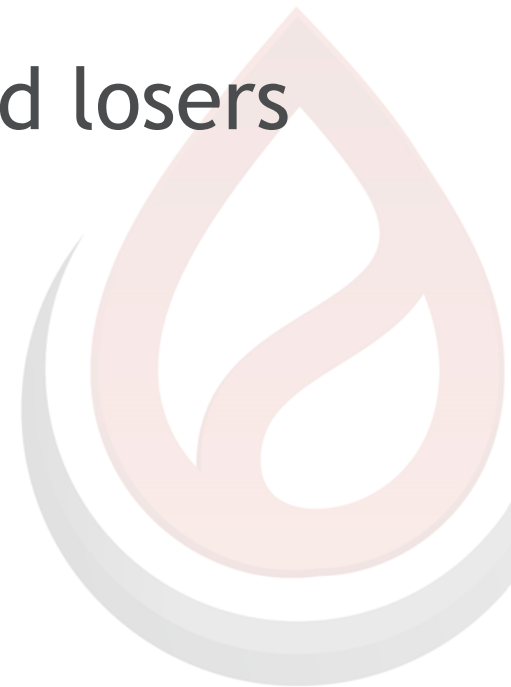


WATER FINANCE
ASSISTANCE

Premise

How you price and structure rates will encourage or discourage certain types of customer behavior

All rate designs have winners and losers



Priorities

What does a water system care about?
How is it best serving the community?



Priorities

- Having appropriate revenue for operations, capital improvements, and reserves
- Efficient customer use of water
- Maximizing bill payments/Affordability
- Promoting economic development



Customers

- Modest residential users
- High residential users
- Agriculture
- Commercial and industrial
- Tourists!



Exercise

- Actual rate structure from a utility similar in size and environment to the county systems
- Note: not from Hawai'i. Bonus points if you can guess where the utility is located



Exercise Utility

- 150,000 people served
- Tourism industry
- Some agriculture, concrete, and food processing
- Military presence
- Geographic isolation



Exercise

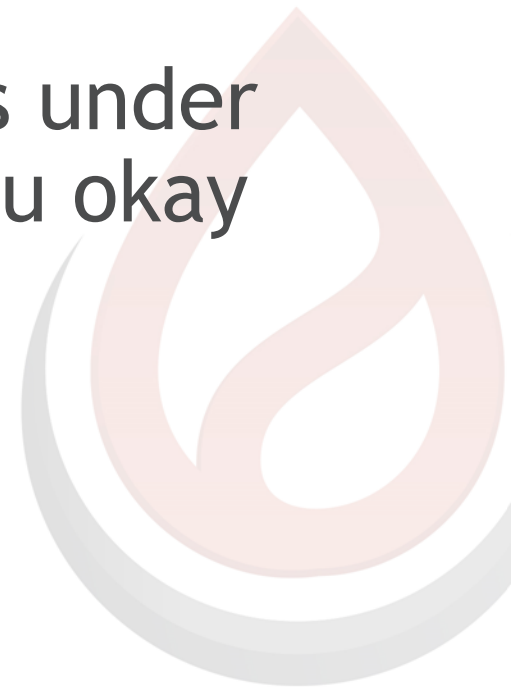
Work with your neighbors to figure out

1. What priorities do you think the utility has? What types of behavior is this utility trying to promote?
2. Who are the winners under this rate structure? Who are the losers?



At Your Utility

- What are your priorities? What behavior are you encouraging with your rate structure? Do they match up?
- Who are the winners and losers under your rate structure, and are you okay with that





How Is Your Money Spent?

Water Quality



Customer Service

- 💧 How to Pay Your Bill
- 💧 How to Read Your Water Bill
- 💧 Water Rates Brochure
- 💧 How to Detect for Leaks
- 💧 Do You Need a Backflow Preventer?
- 💧 FAQs

Setting the Right Rates for Your Water System

Glenn Barnes

Director

Water Finance Assistance



glenn@waterfinanceassistance.com



617-388-4404



[@h2oFinance](https://twitter.com/h2oFinance)



www.waterfinanceassistance.com

