



# Financing Sustainable Water Workshop

Colorado  
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# New Choices for Water Rates Management



Full  
Service  
Consulting



**Charging for water  
services is complicated**





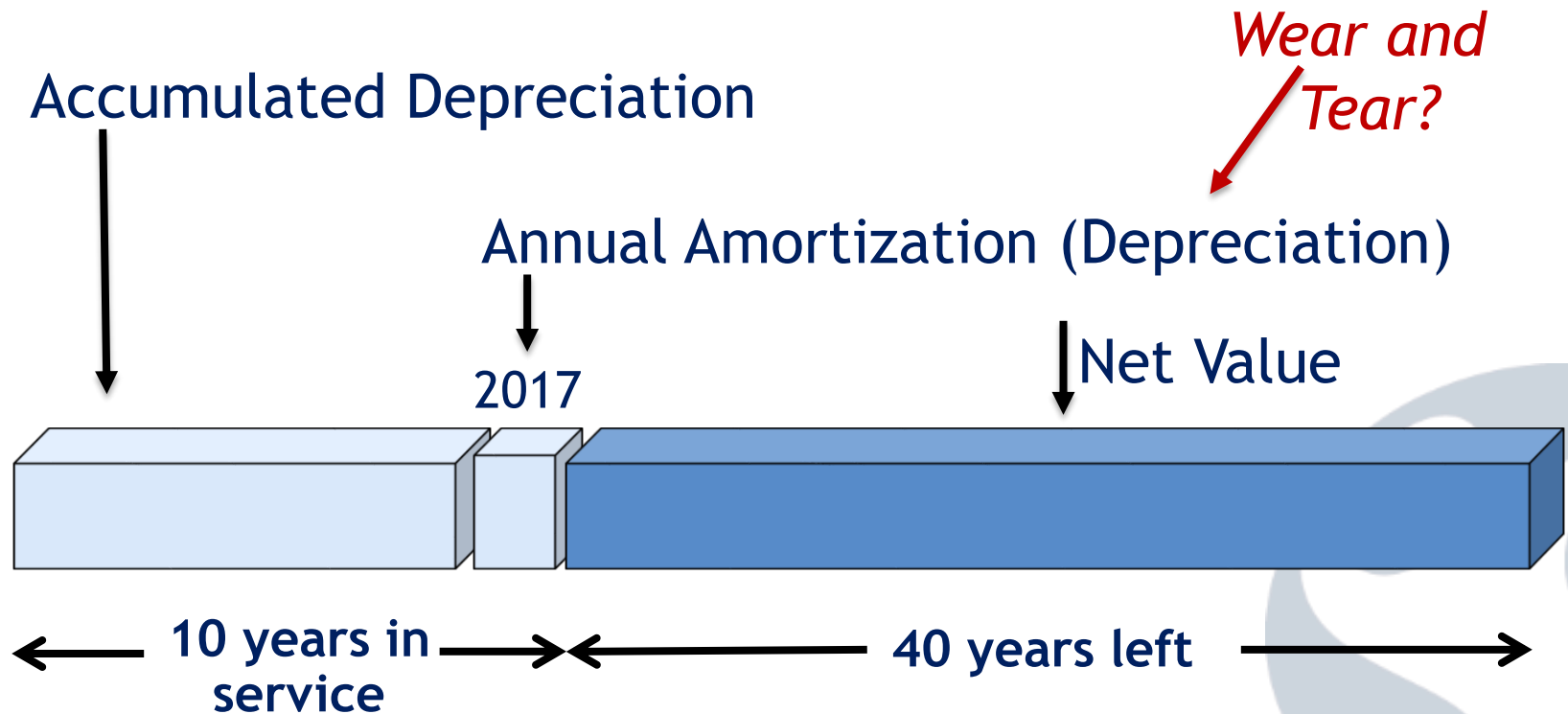
How should you budget for the “wear and tear” on your water infrastructure (aka “asset renewal”)?



**If you  
undercharge,  
water  
services  
eventually  
fail...**



# “Wear And Tear” In Accounting Terms

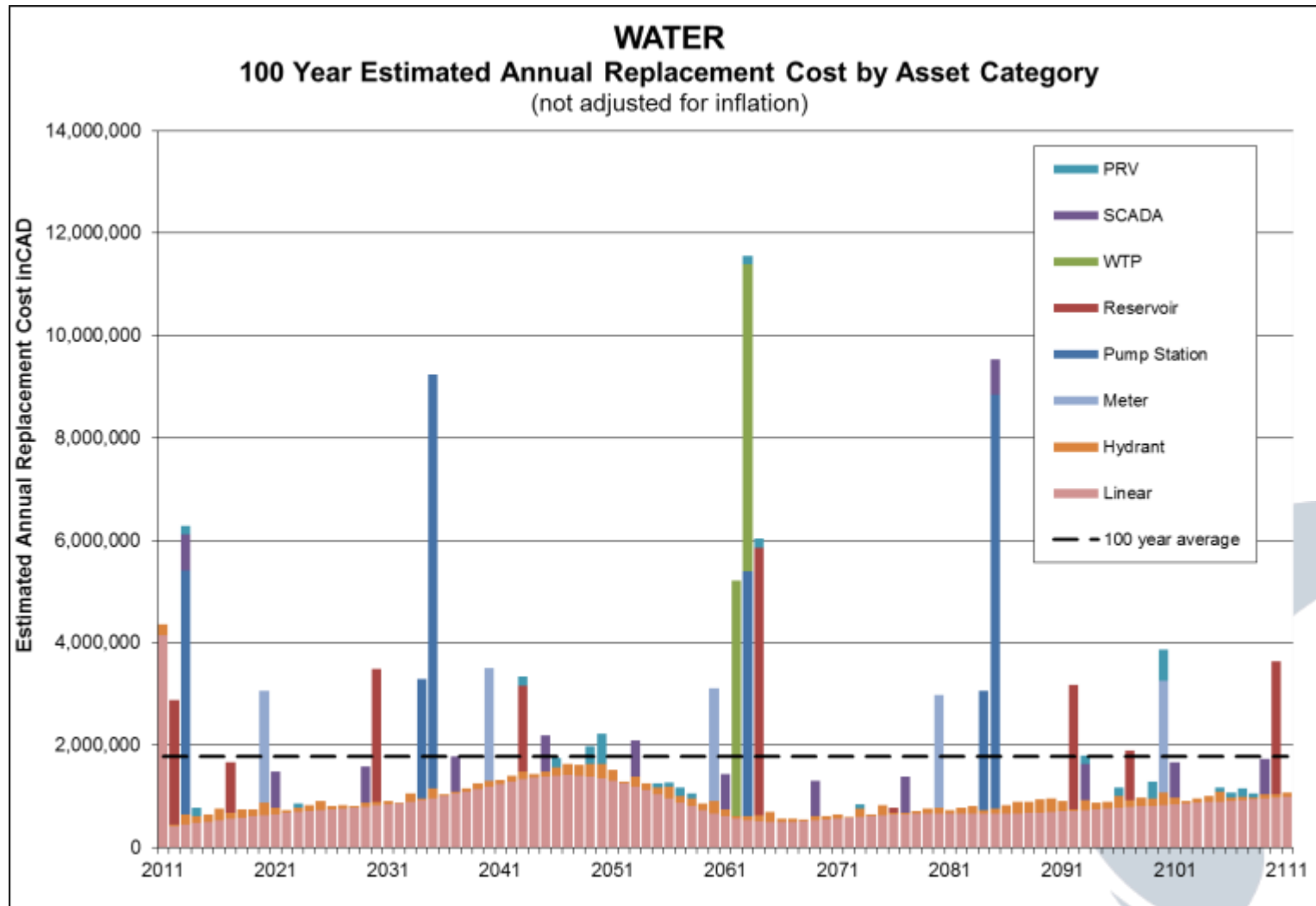




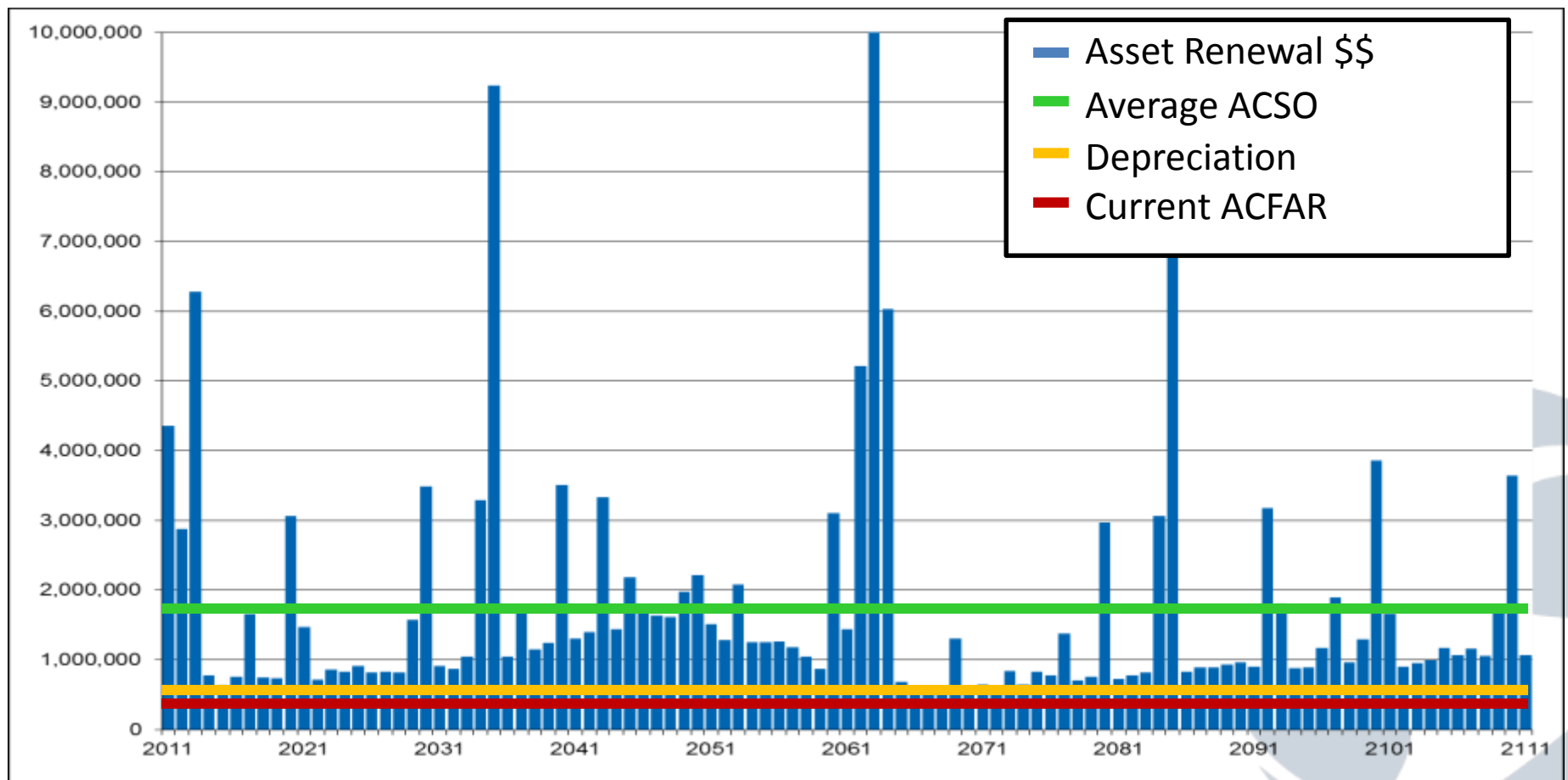
# Annual Cost of Sustainable Ownership (ACSO)



# Asset Replacement Schedule (ARS) – 100 Year Projection

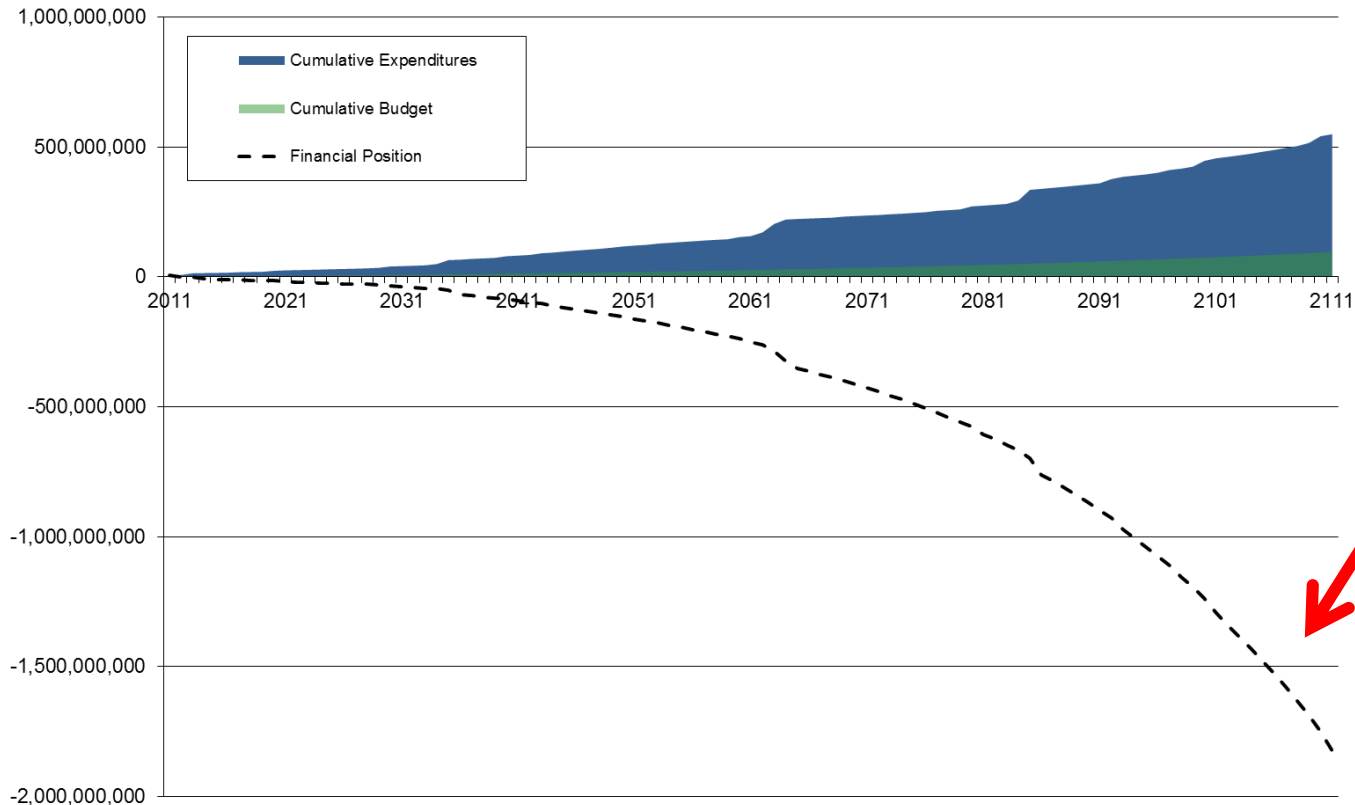


## 100 Year Projection Of Asset Renewal Expenditures (\$)



Say \$300,000 ACFAR increased by 2% annually for 100 years, then...

**WATER**  
**100 Year Estimated Financial Position**



**Growing  
Political  
Problem!**





But...if you are even seen to overcharge, you may face community and political backlash





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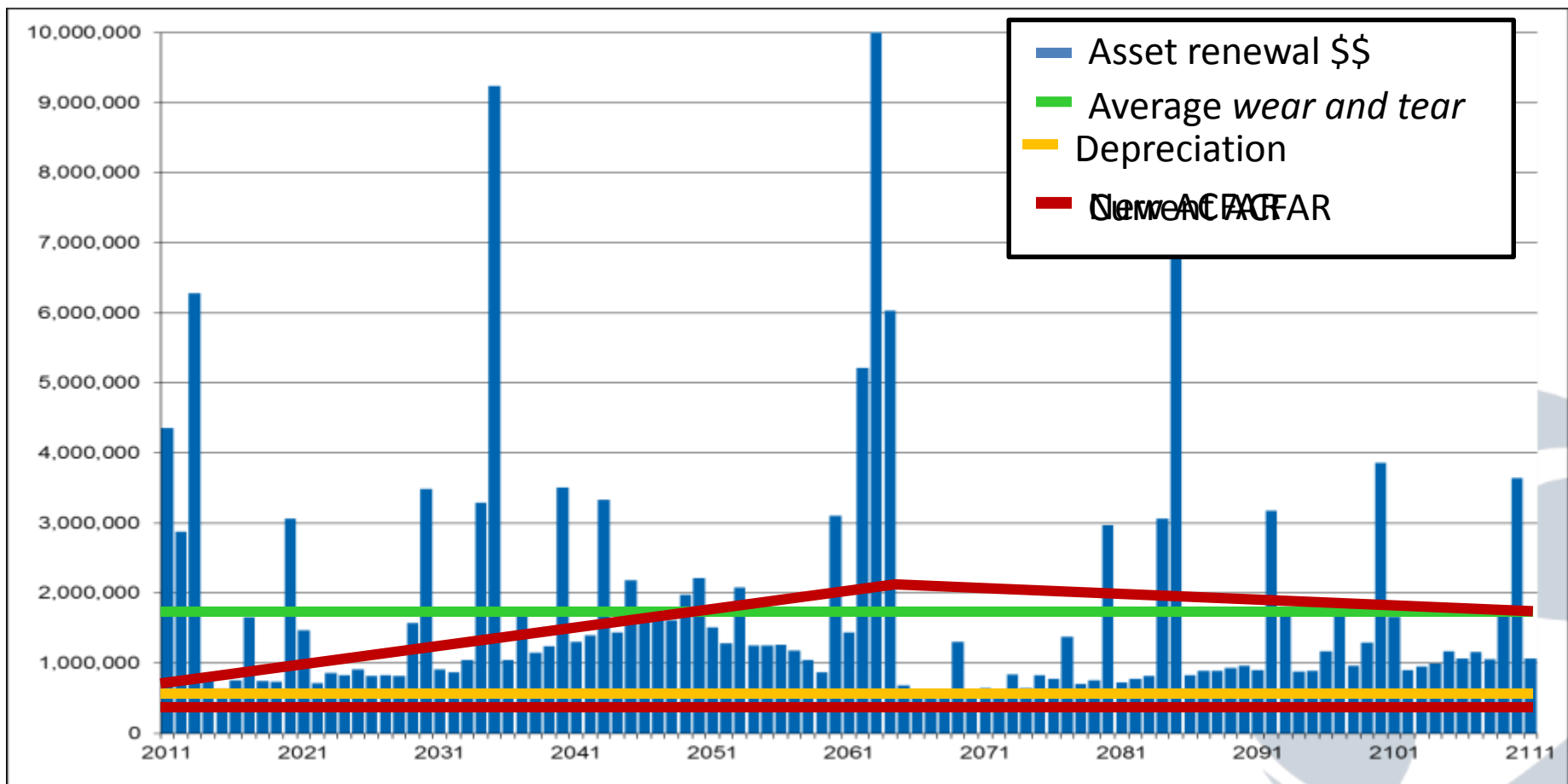
## Public Participation and Support

Utilities must build external support for the rate structure among a diverse group of customer stakeholders — residential, industrial and commercial — elected officials, and community groups, such as ratepayer advocacy groups and environmental groups.

The value of public participation in formulating policies has become increasingly important. Involving customers and other stakeholders in the initial stages of rate revisions conveys the message that customer concerns will be taken seriously. A community that feels responsible for the stewardship of its water resources and has an opportunity to shape the management of those resources is more likely to be receptive to and supportive of difficult decisions that ultimately benefit them. Below are tips for utilities

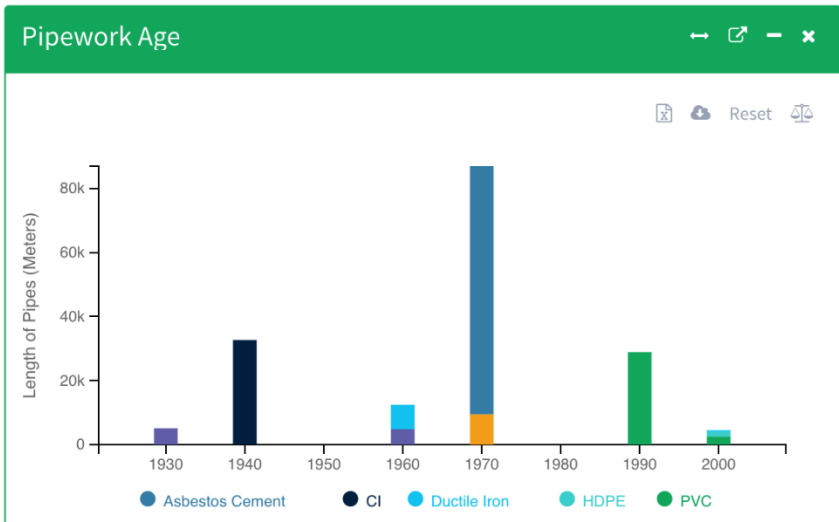
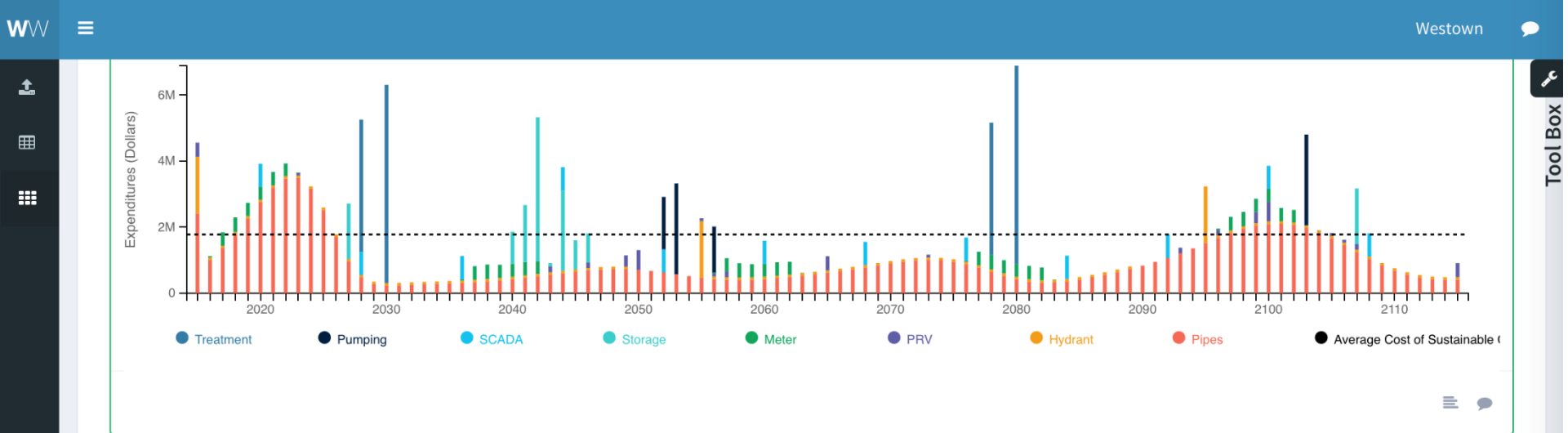
Need greater increases to ACFAR but, ...

Should increase ACFAR gradually to avoid rate shock!



## Lasting Community Support





### Pipe List Table

Search Submit All

Pipe Id	Description	Data Source	Notes	Quantity (m)	Unit Cost	Type
37	Transmis:			1320	495	ST
23				100	299	DI
39	Transmis:			1566	619	HDPE
41	Transmis:			1490	619	PVC
28				5500	311	UNK

## Take-Away Messages

- ◆ Understanding full costs is a key first step in rate design
- ◆ Current accounting methods might not be reflecting full costs
- ◆ There are many tools to help get the community onboard with sustainable service delivery







## Contact Us

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