

EPA Region 4 Finance Forum

Water Rate Setting and Long Term Fiscal Planning for Small Water Systems

Florence, AL
July, 26 2017



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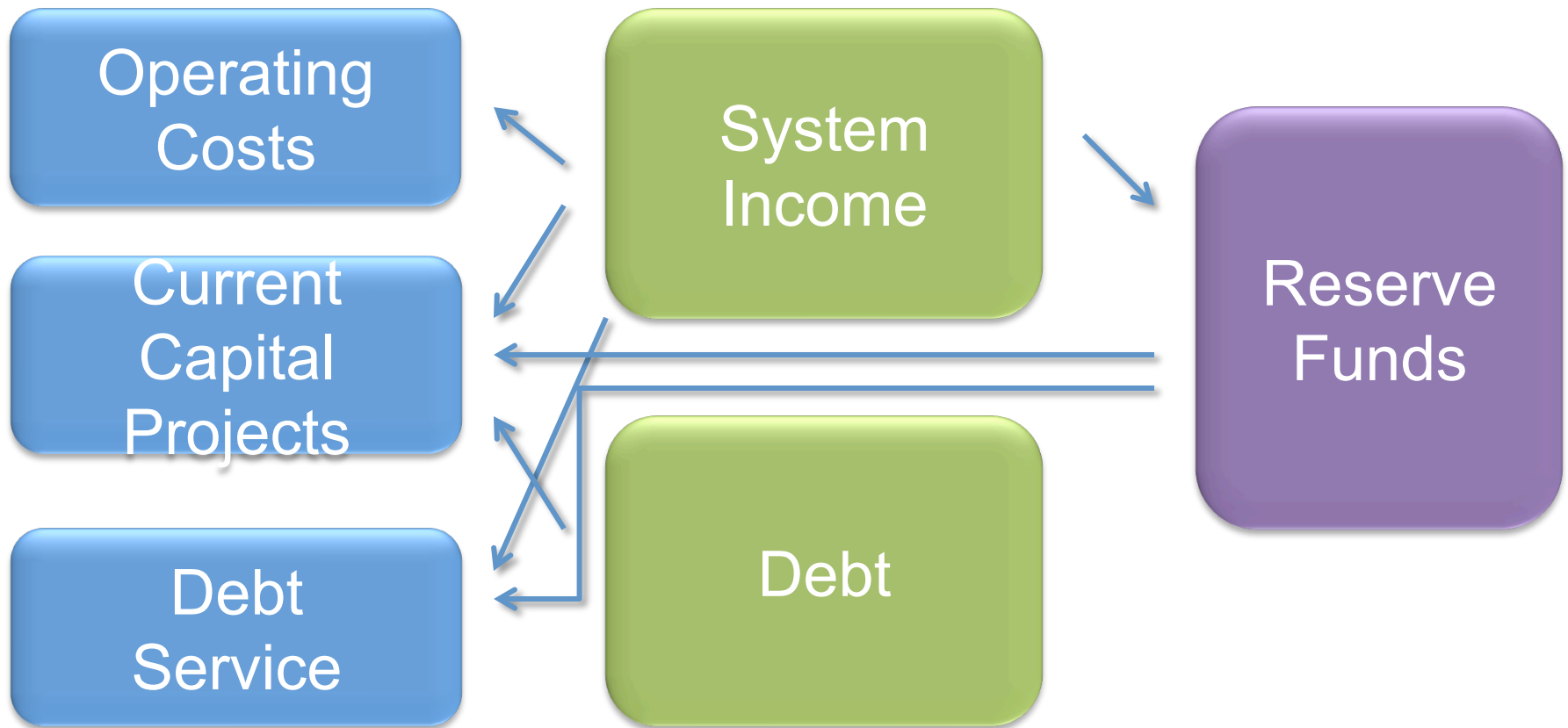
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Water Systems Serve Multiple Purposes

Sometimes Those Purposes Conflict

- 1) System serves an important **environmental and health purpose** -- protecting community's water resources and supplying community with highest quality drinking water.
- 2) System serves an important **public service** – providing community with basic services that everyone in the community can afford.
- 3) System serves as a well managed **public enterprise** – putting into practice forward-thinking sustainable business practices.

Water System Finance Diagram



Why does system size matter?

What's the issue with small systems?

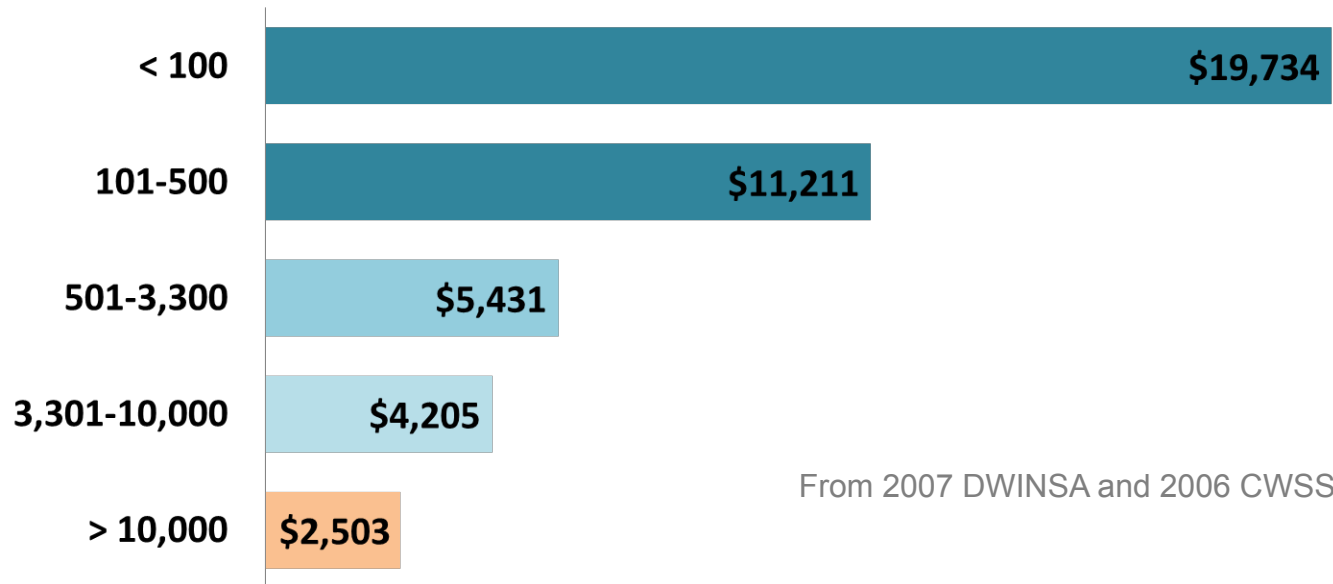


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The Infrastructure Needs Per Residential Connection are Much Greater for Small Systems

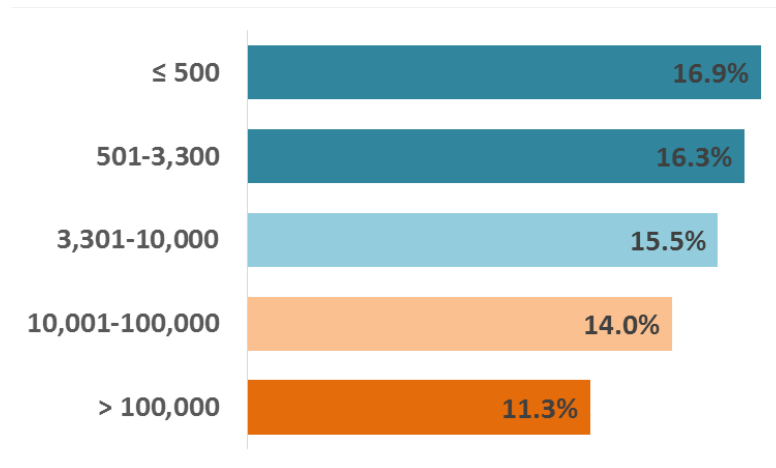


From 2007 DWINSA and 2006 CWSS

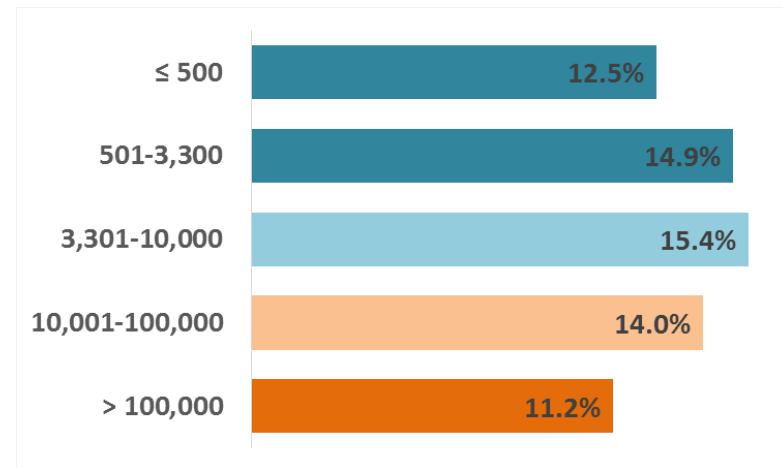


And **Small Systems** have higher numbers of annual health violations

Community Water Systems



All Systems



From SDWIS Data, July 1st 2015- June 30th 2016



In Other Words...

- Water systems require a large amount of very expensive infrastructure and skilled staff
- And that infrastructure, skilled staff, and other fixed costs don't go away when customers use less water individually or collectively

