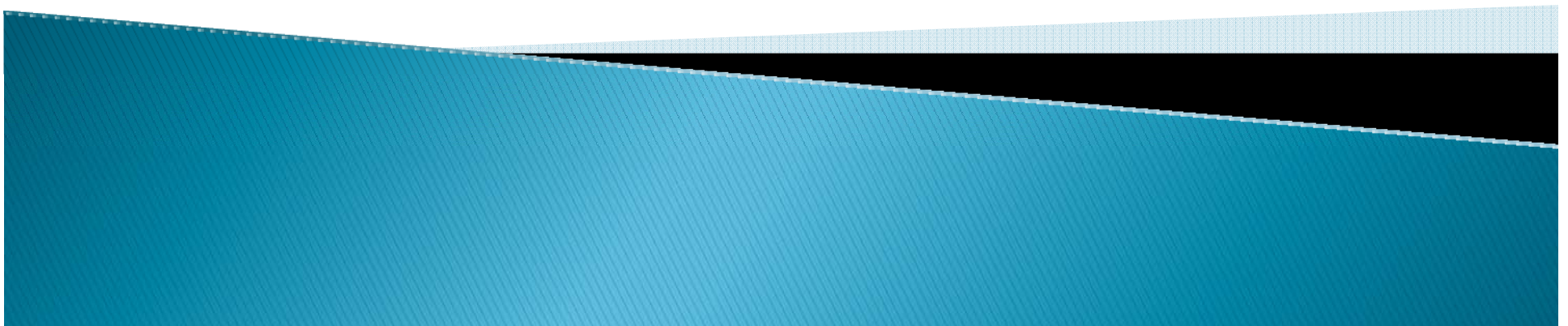


RI's Water Supply: Conservation and Competitiveness March 30, 2009

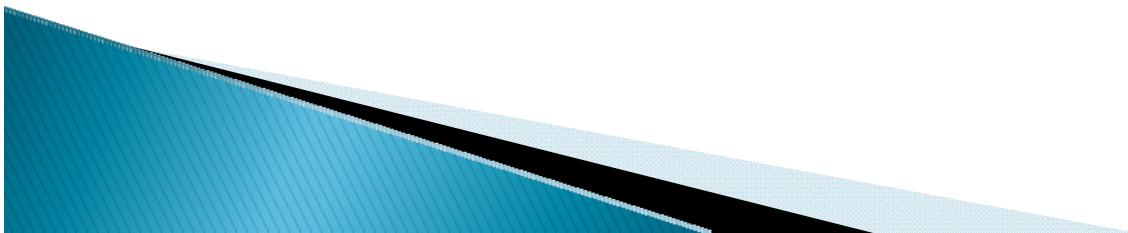
Christopher Woodcock
Woodcock & Associates, Inc.



NEWWA Draft Statement on Sustainability

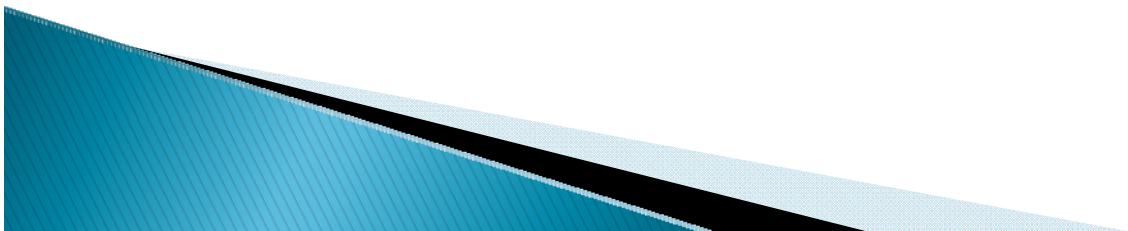
Water is a renewable but limited resource essential to the survival of all living things.

The mission of the water supply profession is to provide a reliable supply of high quality water for the protection of public health, safety, and welfare ; and to ensure a sustainable balance between human and ecological water needs. Environmental stewardship and integrated water resource management, including land conservation, wetlands protection, and protecting the ecological integrity of water resources are core values of the water supply profession and are essential to sustaining this mission.



Enterprise Funds

- ▶ Separate fund from General Fund of Community
- ▶ Expenses clearly identified
 - Direct costs (labor, chemicals, power, etc.)
 - Indirect costs (employee benefits)
 - Overhead and administration
 - Other ??
- ▶ Revenues clearly identified
- ▶ Enables true and full costs of an enterprise (e.g., water supply) to be identified and the means of funding to be made clear.



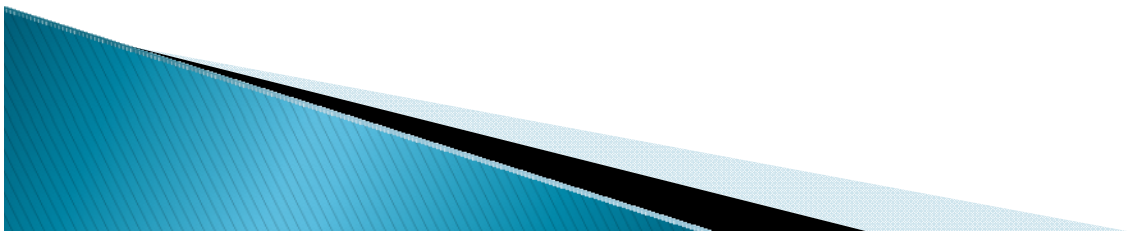
Reserves / Stabilization Funds

▶ Reserves

- Typically a requirement of revenue bonds
- Operating & debt service reserves to protect investor's
- Can be established for specific needs – save for capital projects

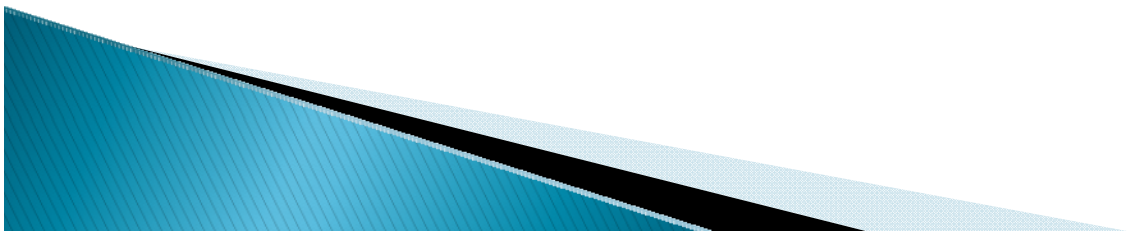
▶ Stabilization Funds

- Needed to provide \$\$ if sales drop – conservation rates
- In RI – PUC – Operating Revenue Allowance



NEWWA Toolbox

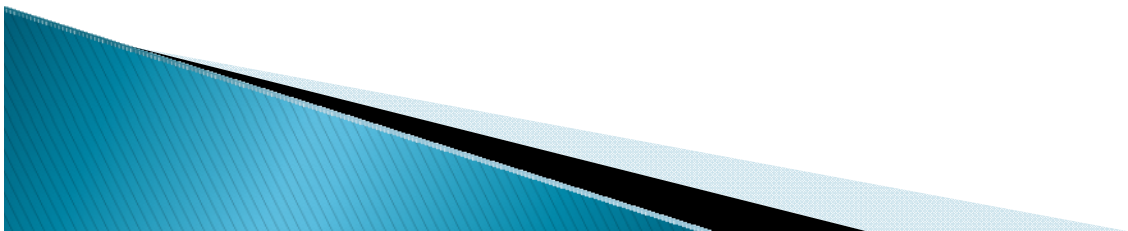
- ▶ Spring of 2008 Committee of NEWWA/MWWA created a Toolbox of Best Management Practices for Water Resource Management
 - Menu of choices or tools a community can use to reduce water withdrawals, to minimize the environmental effects of local water withdrawals, to offset water withdrawals and to educate the public in water efficiency and environmental stewardship
 - Evaluate each situation individually



Toolbox (cont)

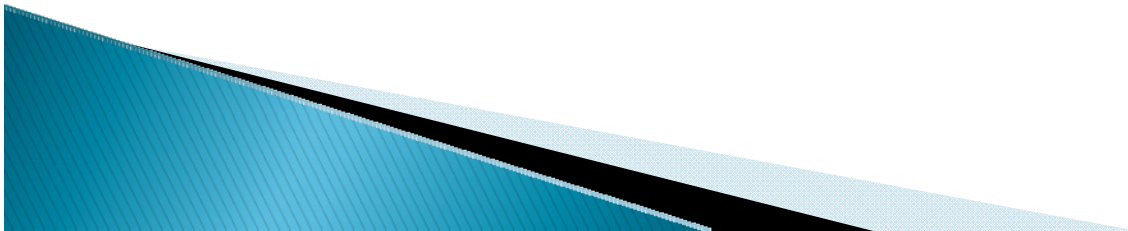
- ▶ Better accounting for water use
- ▶ Reducing water withdrawals *
- ▶ Minimizing Adverse Effects of Local Water Withdrawals
- ▶ Offsetting Water Withdrawals
- ▶ Public Education and Awareness

* Includes rates and billing



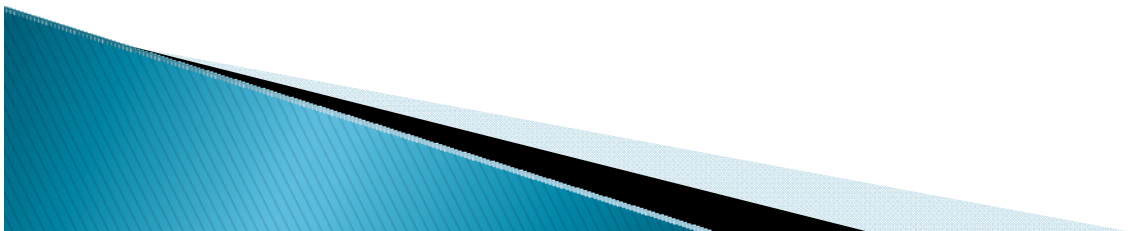
Water Pricing

- ▶ Price vs. Value
- ▶ Bottled Water vs. Tap Water
- ▶ Conservation pricing



Conservation Rates

- ▶ Set prices so discretionary uses are discouraged
- ▶ Almost need individual rates to send the proper message
- ▶ Billing frequency
- ▶ Increasing block rate not necessarily a conservation rate
- ▶ Seasonal rates



TAP Water

- ▶ *T*asty
- ▶ *A*ffordable
- ▶ *P*ure

