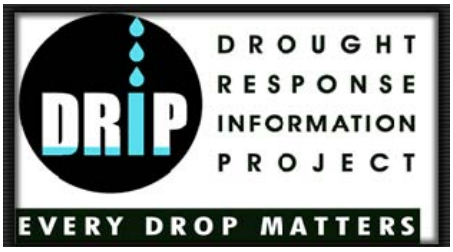

City of Grand Junction
Clifton Water District
CSU Cooperative Extension
Town of Palisade
Ute Water Conservancy District

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Water waste can cause your pocketbook to leak

By DALE TOOKER
Special to the Sentinel

Many people don't realize how much water costs until water rates increase or they have a leaky toilet which makes their bills suddenly spike. In the Grand Valley, most water utilities charge a base rate for a minimum number of gallons used, and the price increases with more water use.

Simply put, the more you use, the more you pay in general. Therefore, it is in customers' best interes ts to conserve as much and use as little water as possible.

When you pay your water bill, it's important to realize that the money goes toward funding the water utility. Since most water utilities are public or governmental organizations, water rates do not have built-in profit margins, unlike private-sector businesses. In general, most water companies charge water rates simply fund the business of treating and delivering water to customers.

While conservation benefits water utilities and customers over the long-run, it also can result in dramatically reduced revenues for a water utility. For example, some water utilities in the Denver area have had to raise water rates to recover revenue lost from less water being sold. To understand this problem, it helps to examine water-rate structures, which are usually built using what is called a " cost-of-service analysis." This method determines exactly how much it costs to take water from the source and deliver it to the customer. Projected water usage and the cost-of-service analysis are also used to develop the rate structure that is designed to cover the cost of each 1,000 gallons delivered to the customer.

Contrary to a common misconception, the goal of a rate structure in a public utility is to fund operations and to break even. Unless specifically designed to do so for a particular condition, water rates are not designed to create a profit center and definitely not designed to operate in deficit.

We live in a semiarid climate where droughts will always be a part of our environment. Water for our future means conserving now. The Drought Response Information Project (DRIP) is a collaboration between the valley's domestic water utilities and CSU Cooperative Extension to provide information and educate the public about drought and the importance of water conservation.