

GREENWorks

Ideas for a Cleaner Environment

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The Cost of Water – The Best Deal in Town ...or City **Timothy Fortier, NH Municipal Association**

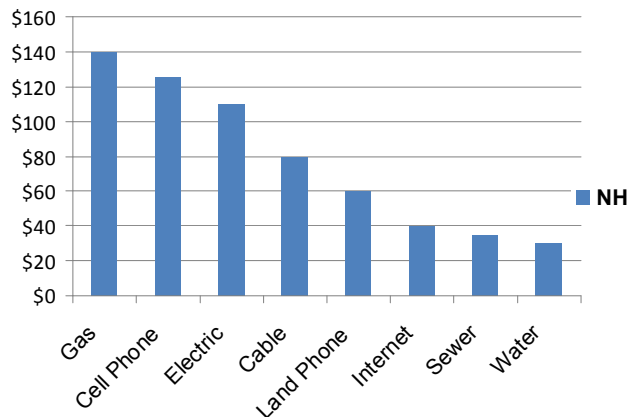
From all estimates the cost of water ranges from one cent per gallon to priceless. Regardless of these extremes, water today is one of the best deals in town or city. We drink it, cook with it, bathe and shower in it, and swim and fish in it. We rely on water for sanitation and public health, for fire protection, and to support our economic well-being and quality of life. Water is something you need every day for almost everything you do. Even so, few people take the time to consider the value of water compared to bottled water and other everyday products.

In New Hampshire, water is priced well below the full cost of providing this critical service, with the statewide average annual cost to a household (\$503), far less than what is typically spent yearly on cable television, Internet services or cell phones. (See chart)

Cities and towns make considerable investments in pipes, treatment plants and pump stations that deliver water seamlessly to your business or residence. The cost of water is the best deal in town when factoring the resources, ongoing maintenance, comprehensive water quality testing and treatment, and highly trained personnel and expertise to treat and deliver safe and reliable water to your home or business day in and day out. It all sounds so simple, but the true cost to deliver this essential service to the public is not cheap. However, these true costs are rarely reflected in rates to consumers.

Typical Monthly Utility and Service Costs for Households in New Hampshire

Environmental Protection Agency - New England, 2010



In the next few years or within the next decade, our water infrastructure is going to need to be replaced or upgraded. Beneficiaries of municipal water service need to understand that in order to address our ailing water infrastructure, the cost of this service will cost more in the future than it does today. If we want to avoid rate shock in the years ahead, cities and towns need to begin moving toward rate structures and financing plans that reflect the true cost of providing this essential service to the public today.

Municipalities should set rates that cover operational, maintenance costs, and the anticipated long-term capital needs of the system. There is no need for local government officials to apologize to rate payers for pricing the service at its true cost.

Water will always be a tremendous value, if not a downright bargain, when you consider the critical needs addressed by water services, namely, public health, fire protection, economic development and quality of life.

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