

How Are Rates Set?

The policy of the PAWSD Board and industry standard best practices are that service charges for water and wastewater should cover all costs of maintenance and operation associated with those services. In addition, the service charges should cover any revenue bond debt payments and the portion of capital improvements that can be allocated to existing customers (such as upgrading a water treatment plant to meet more rigorous state and federal water quality standards).

The Board of PAWSD has authority under state statute to set and change rates. Each year, as part of preparing the budget for the following year, the rates are re-evaluated in order to ensure that projected expenditures can be met with as little affect as possible upon reserves.

There were no rate increases in 2009 and no rate increases are projected for 2010.

The current tiered rate structure was established as a result of recommendations from a 2003 rate study of the District by Integrated Utilities Group, Inc. (IUG), a financial consulting firm acquired in 2006 by Malcolm Pirnie, Inc. The study was updated again by IUG in 2004.

Other rates and charges are also established by the Board. These charges, such as the Water Resource Fee, the Capital Investment Fee, Inclusion charges, etc. are based on: 1) the 2020 Financial Plan produced in 2007 by Stan Bernstein and Associates, Inc., 2) infrastructure needs outlined in the 2055 capital plans for water and sewer, and 3) the cost of providing the services for which the fee is being charged (such as connecting service). All rates and charges are reviewed annually.