

## PRESS RELEASE

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### **Better Water Rate Structures Can Encourage New Mexicans to Conserve** **Report shows how New Mexico cities compare in using water rates** **to protect natural resources**

[Albuquerque]—Since 2002, some New Mexico cities have adopted water rate structures to encourage more efficient water use, but most still have substantial room for improvement.

In a new report, “*Water Rate Structures in New Mexico: How New Mexico Cities Compare Using this Important Water Use Efficiency Tool*,” Western Resource Advocates and Professor Denise Fort of The University of New Mexico, School of Law, take a close look at the wide variety of water rate structures in New Mexico cities, ranging from those that promote efficient water use to those that actually encourage wasteful use. Report findings show that, with some adjustment, new water rate designs in New Mexico cities can better protect water resources while meeting urban water supply demands. The clear conclusion: if designed appropriately, **increasing block rate structures** are most effective at encouraging efficient water use.

“Increasing block rate structures reward efficient water use while requiring that high volume users pay more,” said Taryn Hutchins-Cabibi, a water policy analyst with Western Resource Advocates. “By sending effective price signals to water consumers, these rate structures help municipalities plan for the future, encourage conservation, and protect rivers, streams, and aquifers.”

Along with other conservation and efficiency programs, increasing block rate structures can help stretch existing water supplies farther and avoid much of the cost, delay, and controversy that result from large new water development projects. If designed appropriately, increasing block rates:

- Provide water at low prices for basic and essential needs, so *all* customers can afford it;
- Reward conserving customers with lower unit rates for water;
- Encourage efficient use by sending a strong conservation price signal;
- Fairly assign water supply and development costs proportionately to the customers who place the highest burden on the supply system and the natural supply sources; and
- Do all of the above while still maintaining a stable flow of revenue to the utility.

A few New Mexico municipalities, such as Santa Fe and Alamogordo, have already begun to tap into this savings potential by implementing increasing block rate structures. New Mexico's long history, unique culture, and climate attract an increasing number of residents. Smart management of natural resources will help to ensure that rivers like the Rio Grande, Gila, Pecos, and San Juan are preserved, while continuing to support a high quality of life for generations to come.

“As a member of New Mexico's Water Trust Board, I have been concerned with the need to address the demand for water through water conservation. This report is a roadmap for cities and towns that want to make the best use of taxpayers' money by conserving water,” says Professor Denise Fort of the University of New Mexico. “As the American Water Works Association prepares to meet in Albuquerque, we hope that this report is useful to utilities from all over the region in making greater use of effective water rate structures.”

Western Resource Advocates is a regional conservation organization dedicated to protecting the Interior West's land, air, and water. This report was written in collaboration with Professor Denise Fort at the University of New Mexico School of Law.

Digital copies of the New Mexico water rate report can be downloaded at:

<http://www.westernresourceadvocates.org/water/>

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