

# WESTERN RESOURCE ADVOCATES UTAH RIVERS COUNCIL

## PRESS RELEASE

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### **Better Water Rate Structures Can Improve Utah's Urban Water Efficiency** **Report shows how Utah cities compare in using water rates to protect natural resources**

[Salt Lake City]—Since 2002, some Utah cities have adopted or adjusted their water rate structures to encourage more efficient water use, but most do not go far enough in encouraging water efficiency. In a new report, "*Water Rate Structures in Utah: How Utah Cities Compare Using this Important Water Use Efficiency Tool*," Western Resource Advocates and Utah Rivers Council take a close look at the wide variety of water rate structures in Utah cities, ranging from those that promote efficient water use to those that actually encourage wasteful use. Report findings show that water rate designs in Utah cities, with some adjustment, 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. Under this rate structure design, the unit price for water increases notably as the volume consumed increases and therefore assigns the most cost to those who place the highest burden on water supplies.

"In semi-arid Utah, where water supplies are finite, water utilities should promote efficient use and discourage waste by adopting effective and fair rate structures," said Don Wojcik, a water policy analyst with Western Resource Advocates. "Increasing block rates help reward efficient water users *and* ultimately protect rivers, streams, and aquifers."

A few Utah municipalities, such as Park City, have already tapped this savings potential by implementing increasing block rate structures that provide distinct price incentives for being efficient. However, this study indicates that many more Utah cities have not yet taken this step towards efficiency, and have rate structures that do not effectively encourage wise use.

Increasing block rates have been proven to yield water savings in other western cities. Rick McLoud, water resources manager of Centennial Water and Sanitation District in the growing Denver suburb of Highlands Ranch, agrees that increasing block rate structures are a critical water efficiency tool for western cities in both wet and dry years. McLoud says, "We implemented a new water rate structure in 2002 and have seen dramatic and continued water savings since, while still supporting a high quality of life."

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Along with other conservation and efficiency programs, increasing block rate structures can help stretch existing water supplies further 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 efficient customers with lower unit rates for water;
- Send a strong conservation-based price signal to high-volume users, encouraging more efficient use;
- 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.

"Droughts will come and go, but Utah will always be a semi-arid state," said Jeffrey Steadman, water conservation coordinator at the Utah Rivers Council. "State population growth and new development doesn't have to mean costly new dams or diversions like the Bear River project. Instead, it means Utahns need to rise to the challenge by using our current water supplies in a smarter, more efficient way. Effective increasing block rate structures are a step in that direction."

Western Resource Advocates is a regional environmental law and policy center with offices in Salt Lake City, Utah and Boulder, Colorado. The Utah Rivers Council is a membership-based nonprofit organization working to protect and restore Utah's clean, free-flowing rivers for wildlife and future generations.

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

[http://www.westernresourceadvocates.org/water/  
www.utahrivers.org/Water\\_Rates.pdf](http://www.westernresourceadvocates.org/water/www.utahrivers.org/Water_Rates.pdf)

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