

Full-Cost Water Pricing for Sustainable Community Water Systems

Presented by
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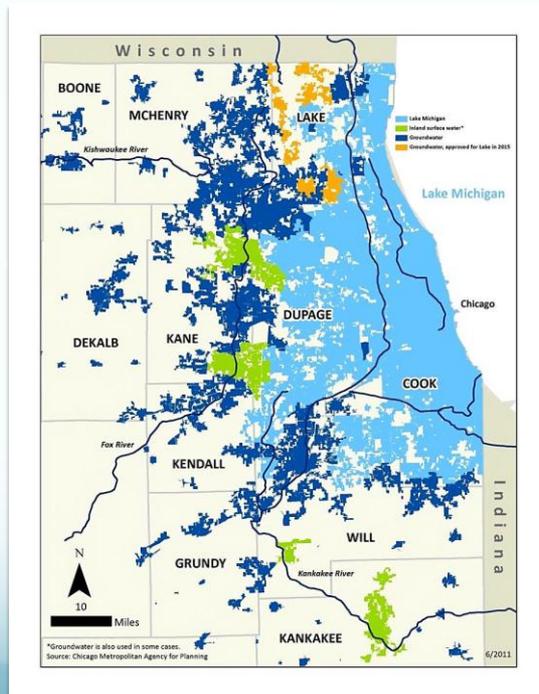
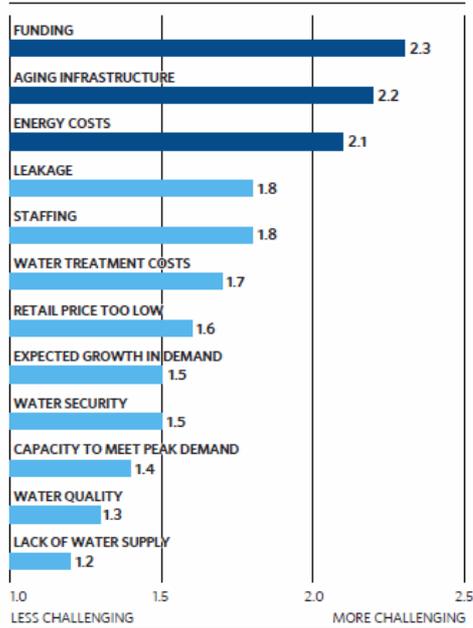


Figure 1. Northeastern Illinois utility challenge ratings

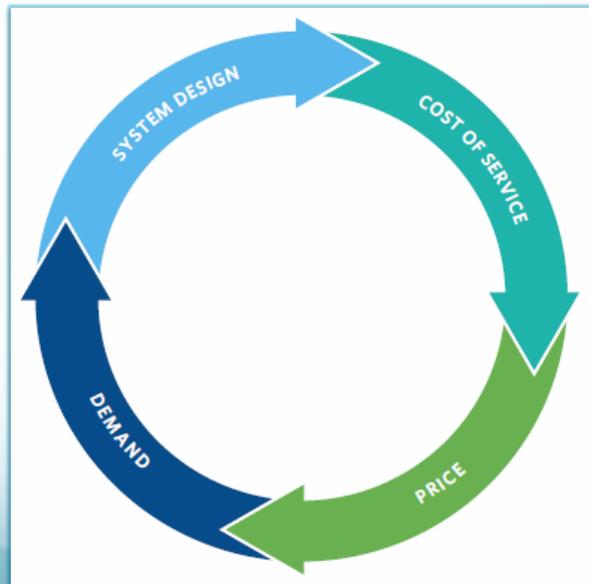


Water Infrastructure

- Illinois water infrastructure = D-plus.
- Cost of addressing over \$21.5 billion.
- High costs on communities
- Economic conditions

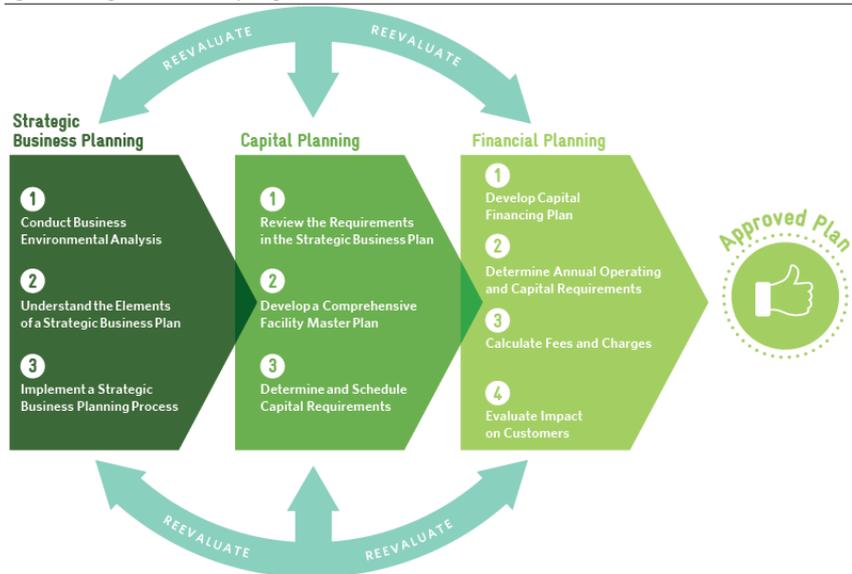


Why Pricing?



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Figure 5. Planning context of full-cost pricing

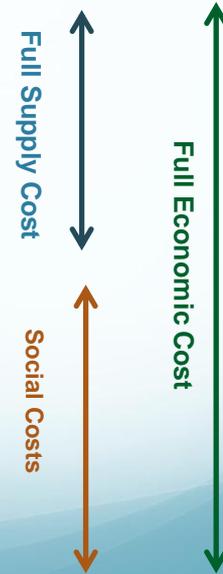


Source: Adapted from Raffelli, George A. Water and Wastewater Finance and Pricing: A Comprehensive Guide, Third Edition 2005.

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Analogy: What is the Full Cost of Driving?

- Gas
- Maintenance
- Operation
- Financing
- Road Construction & Maintenance
- Traffic Congestion
- Emissions Impacts



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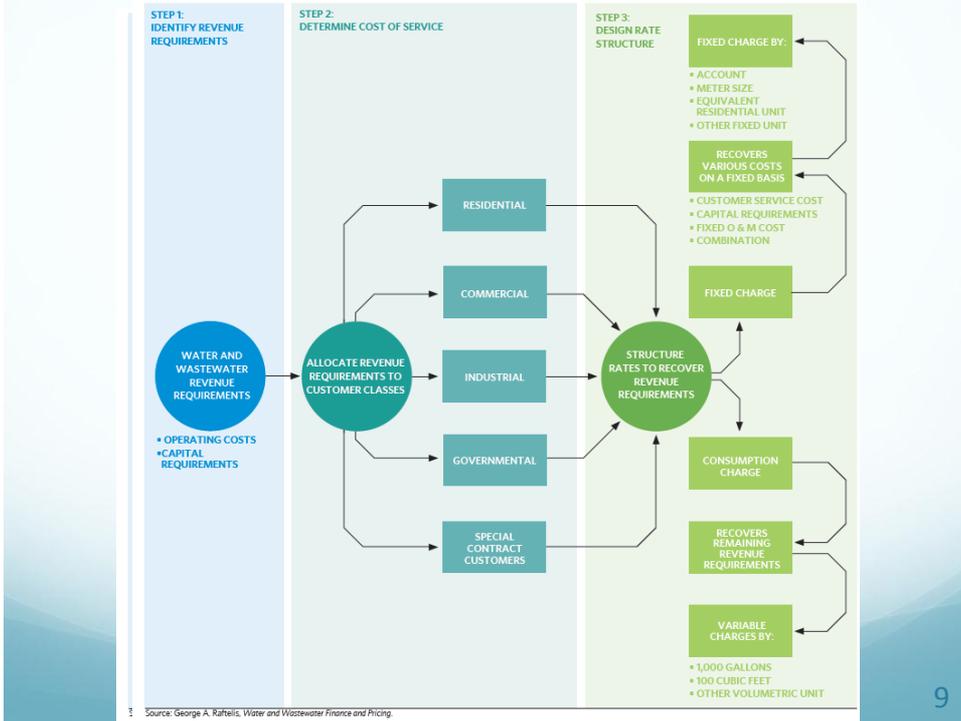
The Pricing Gap

Figure 6. Considering full cost pricing: The pricing gap
Adjusting price towards full supply cost.



Source: Figure adapted from Rogers, P., R. Bhatia, and A. Huber. 1997. Water as a social and economic good: how to put the principle into practice. Paper prepared for the meeting of the Technical Advisory Committee of the Global Water Partnership in Namibia and Marbek Resource Consultants Analysis of Economic Instruments for Water Conservation Final Report to the Canadian Council of Ministers of the Environment: Water Conservation and Economics Risk Group.

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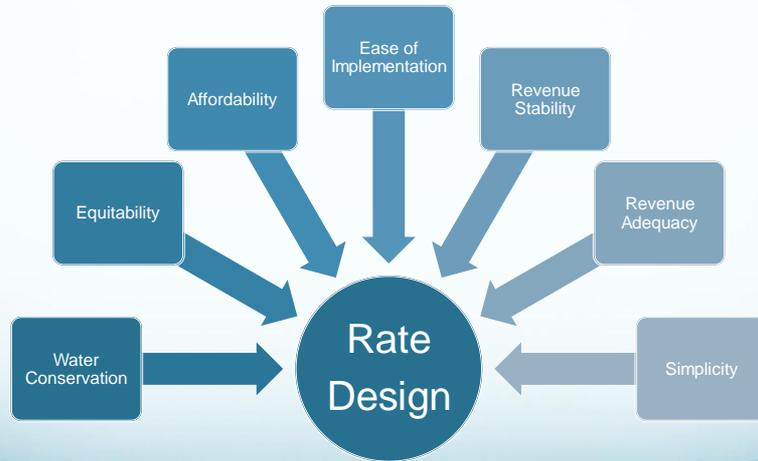
The Value Gap

Figure 11. Considering value of water



Source: Adapted from Rogers, P., R. Bhatia, and A. Huber, 1997. *Water as a Social and Economic Good: How to Put the Principle into Practice*. Paper prepared for the meeting of the Technical Advisory Committee of the Global Water Partnership in Namibia and Marbek Resource Consultants Analysis of Economic Instruments for Water Conservation Final Report to the Canadian Council of Ministers of the Environment: Water Conservation and Economics Risk Group.

Community-specific Rate Design: Art, Politics, Science

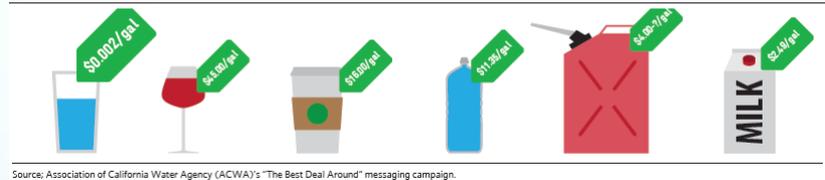


Adapted from Sheard 2009

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Build Community Support

Figure 12. Communicating the value of tap water



Source: Association of California Water Agency (ACWA)'s "The Best Deal Around" messaging campaign.

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Questions?

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