



Upcoming Events

May 27 — 28, 2009

Water Distribution/Leak Detection Workshops

Register/more information:
[Click here](#)

May 29, 2009

Rain Gardens & Bioretention Cells for Managing Stormwater Quality

Register/more information:
[Click here](#)

“Change A Light” program is win-win for utility customers

◆ **Are you interested being part of a statewide energy efficiency program?**

The “Change A Light Change the World” program



helps utilities provide energy efficient compact fluorescent light (CFL) bulbs to customers at reduced cost. By participating in this program, you will help customers save energy and save money.

Watch the *Informer* for more information on how your utility can participate in the Change A Light program.



◆ **Back issues, story Index on the IAMU web site’s *Informer* page.**
[Click here](#)

Near-record payout for IAMU Safety Group program



◆ **The IAMU Safety Group has earned a dividend of \$2,604,462 for the 2008-09 policy year. The dividend is the second largest in the program’s 27 year history.**

The Safety Group originated from a proposal by Bob Jester of Jester Insurance Services in Des Moines. It now provides property, casualty, liability, and workers compensation insurance to nearly 450 of IAMU’s member cities/ utilities. During the life of the Safety Group, Employers Mutual Companies has returned a total of \$34,215,096 in dividends. Dividends will be distributed to participants in January, 2010. A small portion of the dividend is used to support risk management services of the association.

Water rates have an expiration! Time to re-evaluate?



◆ **Municipal water systems: If you have not looked at your rates in the last three years to ensure they are adequate to cover your expenses, “yesterday” was the day to re-evaluate them.** A water system should annually review water rates during budgeting to monitor whether current rates are going to meet expected expenses and fund a reserve account for unplanned emergencies.

When rate setting, never compare or set your rates based on other communities of similar size! Not all systems are created equally, and therefore do not have the same yearly expenses. The only way to effectively set rates is to look at your yearly fixed costs and variable costs, the number of meters you serve, number of billing cycles in a year, and your annual water usage (billed and unbilled water). Fair and equitable rates can be calculated by using the aforementioned information so that all customers are paying for their share of the costs the utility incurs to treat and distribute water.

It’s easier on a water system and its customers to implement smaller increases in rates than one large increase every 10 years. If you are holding back from increasing your rates because you are afraid of the public backlash, consider the following:

A 20 ounce bottle of pop from your local convenience stores can cost around \$1.25. At that price, one gallon of pop would cost \$8.00! For example, if you charged your customers \$5 for every 1,000 gallons of water over your minimum, the price per gallon is \$0.005. One gallon of water at that rate costs half a cent!

Remember, your customers are not paying for the actual drops of water, but the expense associated with pumping it from the system’s source; treatment (including chemical application); monitoring and testing the water’s safety for regulatory compliance; the energy costs to produce, treat and distribute water; licensed personnel to operate and oversee the water utility; and distributing the water to all your customers so that it is conveniently and safely available at their demand.

Need help with rate setting? IAMU has a very simple, user-friendly form to calculate rates. If you would like this form or need assistance with rate setting, please contact Jessica Lillie at jlillie@iamu.org or 515-289-1999.

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