

THE OPINION OF THE RGJ EDITORIAL BOARD

Water rate hike is modest plan that deserves public approval

Residents understandably are sensitive when public utilities make the slightest suggestion regarding fee hikes. Such talk is particularly unsettling in this difficult economy.

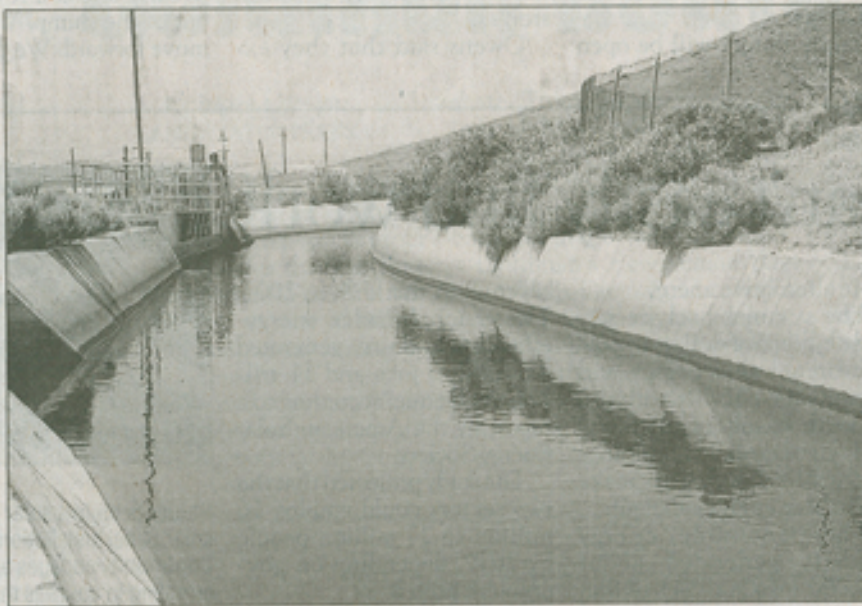
The increases being proposed by the Truckee Meadows Water Authority, however, are small, compared to other economic issues we'll likely face in the near term. The TMWA board must approve the plan, which should be of small concern to ratepayers. The charges would be negligible in terms of what we will get — and have been getting — in return.

At \$1.63 per month, beginning in June, the average increase would amount to about \$20 per year. Flat-rate customers, those who haven't yet been connected to meters, should expect to see higher numbers — up about \$11.60 per month. They have had plenty of warning and would see meter service beginning in January 2010.

TMWA officials cite increased costs and decreased income as does every individual and every agency.

Maintenance and operation costs are up, especially after last year's earthquakes, and on top of customer needs and expectations, the law calls for the utility to meet a standard of repair. System improvements and rehabilitation are among the budget items that can be trimmed only so far if customer service is to continue. Further, the troubled housing market has caused a drop in the number of homes and businesses receiving water service. And the dearth of new home sales has meant fewer new customers.

Meanwhile, investment income has taken a dive, and diminished flows from drought conditions have depressed income from the hydroelectric plants. Managers



RGJ FILE

The Truckee Meadows Water Authority spent \$780,000 for a bypass to the Highland Canal, above, after an April 25, 2008, earthquake that damaged a wooden flume.

SNAPSHOT

TOPIC: TMWA increase

OUR VIEW: Most customers will be able to understand this plan.

have made a point to cut back on capital spending, although they expect to apply approximately \$20 million in stimulus funds to capital improvements. They have reduced staff and frozen salaries. They recognize they will be forced to work with customers who have difficulty paying their bills, which means that customer services must be boosted. Also, recharging groundwater with treated water has been a regular, years-long practice to build up reserves.

TMWA officials have done so much of what anyone could ask as they've worked to balance the budget and meet demands. The rate increase would raise revenues by \$4 million a year. Still, the operation will need about \$80

million additional revenues in 2010 to survive.

In an economic environment where nearly every utilities customer is worried, utilities officials are concerned and officials charged with managing other state and local services are torn, this proposed hike — the first in more than four years — is small. The benefits are greater than the costs.

Customers should understand easily the severity of the need and how little they'll have to pay in order to fulfill it. Once that happens, the board of directors should be able to implement it quickly, following the public hearings on Wednesday and on May 21, so we can concentrate our efforts on other affairs.

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