

Understanding Water Costs and Water Rates

Historically, water utility could depend on usage rates that provided revenue for all of the City's costs; including maintenance and repairs, billing, customer service, salaries, and more. Today, as water supplies have dwindled and conservation measures have been implemented, there is more to understanding water utility than before. The following questions and answers have been provided in an effort to address some concerns you may have regarding your water bill.

Q. *What is the source of the City of Fairburn's water?*

A. The city purchases water from the City of Atlanta as a wholesale customer. The water is purified by Atlanta at one of its two water treatment plants according to state and federal clean water regulations, and sent through pipelines to your home.

Q. *How is my water bill calculated?*

A. The usage charges on your water bill not only include the cost of the water that you use, but also the cost of treatment and delivering that water to you. In addition, water rates include costs such as maintenance of water lines, water quality testing and monitoring, and the electricity needed to operate equipment.

Q. *If people use more water, do you make more money?*

A. Increased usage does create high revenue; however, with this develops higher costs. Higher water use requires more pumping and therefore more electricity, as well as more testing, monitoring and system maintenance.

Q. *If people use less water, why don't costs go down?*

A. The water system runs 24 hours a day because people always need water. The ongoing operation and maintenance of the water system infrastructure costs approximately \$800,000 per year, regardless of how much water consumers use.

Q. *Why did the drought make costs go up?*

A. The decrease in usage during the drought caused revenues to decrease below minimum operational levels. In addition, plans for new water supply sources exceeded normal operating cost levels.

Q. *Don't my taxes pay for any of the water system?*

A. Like many municipalities, the Fairburn Water System is funded by what is known as an "enterprise fund," meaning that all of our revenue comes from users when they pay their bills. We don't receive any tax revenues from the city of county for our operations.

Q. *If I use more water now, will my rates go back down?*

A. We are constantly assessing usage, rates and costs to ensure that our revenue is sufficient to maintain reliable water service while providing water to our customers at the most affordable rate possible. As Fairburn pursues other sources of water, it is anticipated that costs can be reduced below Atlanta's wholesale rates. Attached is a letter from Atlanta's Mayor updating the efforts toward complying with an environmental protection enforcement action. This Atlanta program has led to many of the cost increases passed on to Fairburn's retail customers and is one of the reasons we are pursuing other water sources.