

Project Number

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Evaluating Pricing Levels and Structures to Support Reclaimed Water Systems

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Objectives:

The goal of this project is to assist utility providers in the decision process to pursue a reclaimed water program. This project is built around the triple bottom line concepts for sustainability. The project includes a technical reference and a computer model that allows utilities to simulate different reclaimed pricing strategies while quantifying the environmental and social impacts of implementing a reclaimed water program.

Summary of Findings:

- The cost to provide reclaimed water service is typically higher than potable service.
- There are a number of environmental and social benefits that can be realized from a reclaimed water program however, these come at a cost to utility customers. The ability to governing bodies to account for these benefits financially, may result in subsidies from a water or wastewater utility.
- Reclaimed water can provide short-term benefits such as reducing the capacity requirement in a potable water system. In a similar manner, the long-term effects of reclaimed water may defray the need for water capacity expansion.

Recommendations:

This study allows a user to determine the financial, environmental, and social impacts associated with implementing a reclaimed water program. Future studies related to pricing reclaimed water should include:

- Further quantification of the environmental and social benefits based on actual historical data
- Research into how the present value of capacity savings can be incorporated into reclaimed water pricing.
- Funding for updating the financial model that incorporating the changing dynamics of reclaimed water utility dynamics.