

Well Rate Comparison

Many private well systems cost significantly more than rural water service when customers evaluate their total operational well expenses. These expenses include depreciation expenses, interest costs, maintenance, electricity and more obvious costs such as the water softener, salt, in-home treatment, and water tests. The following information may help you understand more closely the actual expense in operating your current well system.

A typical well in south west Iowa costs approximately \$5,500 - \$9,500. This may or may not include a water well pump (\$750 - \$950), pressure tank (\$150 - \$550) and a water softener (\$550 - \$950). Depreciation after installment may run \$52.00 per month. This coupled with the cost of operation, maintenance, electricity, salt for water softener, in-home conditioning, water testing and interest on the total system plus the monthly cost can easily run more than \$100 per month.

Typical Well System (Example only)

Keep in mind costs will vary based on physical location and individual contractors

*Depreciation - Your private well system is depreciating or reaching the end of its useful life each day.

	<u>Installed Cost</u>	<u>Useful Life (yrs)</u>	<u>Monthly Depreciation</u>
Well	\$7,500	40 yrs.	\$15.00
Well Pump	\$850	5 yrs.	\$14.00
Pressure Tank	\$350	10 yrs.	\$ 3.00
Water Softener	<u>\$750</u>	3 yrs.	<u>\$20.00</u>
Sub-Total	\$9,450		\$52.00/per month

Additional monthly costs:

Electricity	\$8.00 per month
Salt	\$10.00 per month
Interest on total installed cost (\$9,450 @ 5%)	\$39.00 per month

*(*Note: Regardless if you borrowed the money from a lending institution and are paying interest or paid cash and no longer are collecting interest on the money paid, you still have an interest cost.)*

Total Monthly Cost \$109.00 per month

Southern Iowa Rural Water Association – Rural Water Connection

The average SIRWA member currently uses 4,000 to 5,000 gallons of safe, treated, and softened water each month at a cost of ONLY \$42.00 to \$51.00 per month.>(*Depreciation and interest costs are included.)

The convenience of rural water service is immeasurable. System-wide customers can appreciate the dependable service, good pressure and unlimited domestic use. In addition, customers can usually expect constant service even during times of power outages. (SIRWA's system is pressurized by gravity from strategically located water towers.)

Fire protection in rural areas is becoming a greater concern as more individuals are constructing new homes throughout the area. In 2001, the Iowa State Legislature passed legislation identifying rural water supplies as a useful source of water in a fire emergency. Each year, SIRWA meets with each fire department within our service area to address fire suppression through use of SIRWA's water supply. Through this partnership we are establishing a safer living environment.

