

Water - A very **HOT** topic!

By Linda Garza, HOA President

Looks like it's going to be another summer scorcher, with temperatures reaching into the mid-to-high 90s every day, and very little rain in sight. It's no wonder, when the monthly utility bills arrive, residents brace themselves for bad news. Utility bills just keep going up and up with the outdoor thermometer, but this happens every summer. So why is water such a hot topic?

While attending or reviewing the July Town Hall and Board Meetings, I noted several residents commented on the current water rate structure and overall cost. Two particularly statements stuck out though. The first was something along the lines of, "Why should a resident who doesn't have access to lake water for irrigation, pay more for watering their lawn?" The second comment was, "Water should be a pass through of LUB rates. Tellico Village's Property Owners Association (TVPOA) has no water related expenses."

Tier Levels	Water Consumption (Gallons)	Rate	Per Gallon(s)	Increase over Tier 2
1	First 2,000	\$38.00	2,000 Gallons	
2	Next 13,000	\$13.00	1,000 Gallons	
3	Next 15,000	\$15.00	1,000 Gallons	15.3%
4	Next 30,000	\$20.00	1,000 Gallons	53.8%

Let's take a closer look at the first statement. Obviously, it was in reference to the current tiered water rate structure, where rates increase based on higher consumption.

Although there are numerous ways to analyze a rate structure, the example below provides a quick visual to the cost per 1,000 gallons using the rate structure provided above.

Resident Example	Monthly Consumption (Gallons)	Pre-taxed Monthly Cost (\$38 Base + \$Tier(s))	Cost per 1,000 Gallons
Mark owns a modest retirement home with no irrigation and doesn't water	3,000	\$51.00	\$17.00
Bob owns a large lakefront home with lake water irrigation.	5,000	\$77.00	\$15.40
Joe owns a modest retirement home w/irrigation and waters his lawn 3 days a week	20,000	\$282.00	\$14.10
John has a mid-size home with a backyard pool and irrigates 3 days a week	35,000	\$532.00	\$15.20
Total	63,000	\$942.00	\$15.97

The cost per 1,000 gallons is definitely highest for the resident that consumes the least amount of water. In comparing TVPOA's rate structure to LUB and TASS, I noted the following similarities and differences:

- **LUB Water Rates:**
 - Base rate is higher
 - Base does not include gallons
 - Two-tier rate structure that increases 50% from tier 1 (up to 7,000 gallons) to tier 2 (over 7,000 gallons)
- **TASS Rates** (effective 7/1/2025 - reflects a 2.5% increase over previous rates)
 - Lower base rate
 - Includes 2,000 gallons in base rate
 - Two rates - non-irrigation rates over 2,000; irrigation rate for over 2,000 - 5% higher

Without getting into a rate-to-rate comparison, it appears that increasing water rates based on consumption is a standard practice that all water companies apply to residential rates. Therefore, why shouldn't TVPOA rates do the same? Furthermore, changing from the current tiered rate structure to a flat rate would likely increase cost to those residents that use the least amount of water, essentially requiring all residents to subsidize the high consumption customers. Do Tellico Village residents really want to pay more for water so that their neighbors can fill up their backyard pool and irrigate 3 or more days week?

When it comes to TVPOA's cost to provide water to residents, there's definitely more to it than the expense of purchasing water from LUB. Maybe it would help to consider:

- If a waterline breaks anywhere in the village, whether due to age or outside circumstances, TVPOA water employees are there, regardless of the time of day. Employees arrive in company provided vehicles with equipment and parts needed to make repairs, and notify impacted customers, when necessary.

- When a resident's water consumption increases higher than normal, a TVPOA water employee visits the resident to determine if there is a possible leak and assist the homeowner in identifying the cause. This is not a common practice provided by most utility companies, but Tellico Village residents greatly appreciate this proactive customer service approach by TVPOA employees.
- According to the July PSAC report, TVPOA invested and installed 1,400 new water meters in 2024 and has plans to purchase and install an additional 750 meters in 2025, and 500+/- in 2026. The purpose for this investment is to replace old meters that do not accurately capture the water consumption being used, resulting in "water loss" and loss revenue.
- Beside employee and equipment overhead, there's also cost to address aging infrastructure. More and more utilities companies have begun to address this topic. Just take a look at LUB's current list of water projects noted in their 2025 [June & July Board meeting minutes](#).

No doubt residential water rates have increased over the last few years. But it's important that residents know and understand key factors as to why. This article has identified a few of the more apparent costs associated with TVPOA providing water to Tellico Village residents. Therefore, to say that Tellico Village water rates should be a simple pass through of LUB water rates, one would have to ask, "Who will pay for all of the water related equipment and services mentioned above?"

Tellico Village Residents Association (TVRA) encourages residents to use the  when you have questions. Attending TVPOA Town Hall & Board Meetings is also another great opportunity to learn more about important topics impacting our community.