Koiva watershed water management plan

Pricing and cost-recovery assessment

Mariina Hiiob
Võru County Environmental Department
Koiva Watershed – 1330 km²
The beginning - 2001

- collect and complete the existing data
- databases and maps
- local people and the knowledge of water protection
Economic analysis

PURPOSE
- most economic possibilities in order to achieve a good condition of a river basin
- form cost-based price of water services

ATTENTION
- water consumer
  - industrial
  - agricultural
- domestic
- main measures
- water price policy
Water consumer

- very few industrial concerns
- the main water consumer branch of economy is farming – 40 000 m³/year
- in 2002 the used amount of water in Koiva watershed was about 180 000 m³ – 82% was used for domestic purpose
- water companies and local municipalities – water price policy and the amount of investments
The price of the water

- the amount of necessary investments
- social policy aspect
- lack of information > appreciation
- water price and water quality

- water price policy purpose: cost-covering water services
- inform local people: expenses investments
The water price for domestic users

Chart Title

PRICE

SUBSCRIPTION FEE
- water service
- canalisation service
- salaries

CHARGE OF USING THE WATER
- water abstraction tax
- water samples

CHARGE OF DRAINAGE THE SEWAGE
- cleaning the sewage
- pollution tax
- sewage samples
## Water price in Koiva watershed

<table>
<thead>
<tr>
<th></th>
<th>1m³ water EEK</th>
<th>1m³ water EURO</th>
<th>1m³ canalisation EEK</th>
<th>1m³ canalisation EURO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>domestic user</strong></td>
<td>7,03</td>
<td>0,45</td>
<td>5,30</td>
<td>0,34</td>
</tr>
<tr>
<td><strong>enterprise</strong></td>
<td>7,98</td>
<td>0,51</td>
<td>7,20</td>
<td>0,46</td>
</tr>
<tr>
<td><strong>difference</strong></td>
<td>0,95</td>
<td>0,06</td>
<td>1,9</td>
<td>0,12</td>
</tr>
</tbody>
</table>
Current situation

- Residents’ average ability to pay the service was under 3% of family member average monthly disposable income (124 euro)

- Actual price policy « investments in water management and residents social situation

  donation-system
  witch considers all the concerned parties and enables to start implement the cost-covering water service
# Income – 2002

<table>
<thead>
<tr>
<th>COURSE</th>
<th>EEK</th>
<th>EURO</th>
</tr>
</thead>
<tbody>
<tr>
<td>water abstraction taxe</td>
<td>92 969</td>
<td>5 959</td>
</tr>
<tr>
<td>pollution taxe</td>
<td>35 256</td>
<td>2 260</td>
</tr>
<tr>
<td>service</td>
<td>578 583</td>
<td>37 089</td>
</tr>
</tbody>
</table>

All together 45 308 EURO
NOW

- too many small water companies, which
- don’t have ability to invest
- higher all-in costs

offered service more EXPENSIVE

BENEFICIAL

- one water-company
- lower general costs
- increases the business efficiency
- better opportunities to invest

can offer a good service in LOWER PRICES