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May 12, 2009

Tom Hinton
Butler RWD 3
591 SE Rosalia Rd.
Rosalia, KS 67132

Dear Tom;

I appreciate the opportunity to assist the district in calculating the cost to deliver water to the City of Cassoday. It was good to see you again and to meet Steve and Bill. Having the necessary information to conduct the cost study was very beneficial, including the amount of water pumped through the station, electrical costs, etc.

In 2008 the district pumped 12,603,000 gallons through the pump station serving Cassoday. The expenses for the north pump station were:

- Utilities = \$2527
- Insurance = \$1628
- Repairs = \$13954
- Salaries = \$11258, only 1/8th of the salaries were used for the calculation
- Administration = \$1600
- Lab fees = \$60
- Total expenses attributed to the north pump station = \$31027

We divided the expenses into the amount of water delivered to determine the cost of water per thousand gallons. $\$31027 / 12,603 = \2.46 per thousand gallons.

The district also has to purchase this water from Public Wholesale District 8 at a cost of \$3.36 per thousand gallons. Adding the two together, the cost to deliver water to the city of Cassoday equates to \$5.82 per thousand gallons. That cost does not allow for any percentage of water loss. As we also discussed, the repairs will vary from year to year. I hope this review is helpful to your discussions with Cassoday.

Thanks to you and Judy also for allowing KRWA Mapping Tech David Gilley and me to use your office for some program updates – and thanks also for the sandwich at lunchtime. That is appreciated.

Please let us know if you have any questions or if KRWA can provide further assistance.

Sincerely

Greg Duryea
Technical Assistant

c: Judy Cope, Bookkeeper