

exclusively for free. The concept for paying per unit for water use has been well established by water industry as a conservation measure. Cities with no meters, for example, have reduced their consumption by 30% when meters have been installed. I would like to repeat that again. Cities have reduced their consumption by 30% once meters have been installed. I would like to move now to accountability. A very strong emphasis has been placed by some of MUD's board members on the fact that every governmental entity should reflect its true cost of operation and not have hidden "plums" that distort its true operating costs. Now I hope that you will pay attention to this, those that are interested in other subdivisions of government. Douglas County, Sarpy County and the State of Nebraska have for some time paid for the water that they have obtained from the Metropolitan Utilities District. Douglas County, the State of Nebraska and Sarpy County are paying for this water. As a matter of fact the trucks belonging to the state which utilize water in watering the areas on the Interstate are metered so that MUD can bill them for that particular consumption. Ironically at least 17% of the customers using MUD water do not live in the City of Omaha and obviously are not interested in subsidizing the cost of Omaha's city government through their water rates. Now let me give you some idea of what the magnitude of the cost is to these subdivisions.

SPEAKER MARVEL: May we have a little order in the Chamber, please.

SENATOR STONEY: The city's cost due to this policy will be changed by a \$112,000. It is rather an insignificant figure when you consider the contribution is being made by MUD in lieu of taxes. In 1970 the city received \$620,000. Due to spiralling rate increases the estimate for this payment in 1981 exceeds two million dollars. In the case of the schools the greatest impact is \$107,000 on the Omaha Public School District. Now realizing their problem with the lid, under which they are presently faced, the board did attempt to provide them with a little latitude by not effecting the change or charging for the water to the schools until January 1, 1981. There are only two other school districts where a cost differential will result and those are in the low \$20,000. The feeling of the majority of the board members and its directors is that it is more important than ever with inflation and economic problems today to have a true picture of every governmental function cost. I think that is the essence of it, ladies and gentlemen, they have provided this to the cities and to the schools