

# 2020 Water and Wastewater Rate Study Public Meeting

June 16, 2020



# Overview



- Rate Study purpose
- Factors affecting costs and cost recovery
- Updates since 2018
- Next steps
- Questions and input

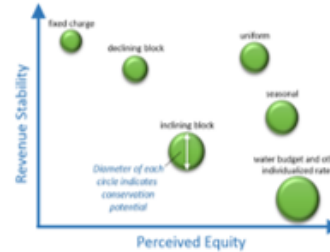


# Rate Study Purpose



- Self-supportive enterprise fund
- Ten-year forecast
- Cost of service analysis
  - Recovery of cost by customer class

# Comprehensive Rate Study Process



## Revenue Requirements

- Operating Costs
- Capital Costs
- Financial Policies
  - Debt Coverage
  - Reserves

## Cost Allocation

- Evaluate Available Data
- Establish Classes
- Identify Methodology
- Compare Results to Current Revenue

## Rate Design

- Evaluate Objectives
- Identify Structures
- Set Parameters
- Customer Impacts

## Communication

- Explain Process/Data
- Adjustment Drivers
- National Trends
- Local Practices

## Active Stakeholder Participation





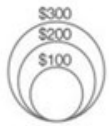
# Water is Increasingly Costly



Seattle and Atlanta have the highest total monthly bills. Each is building costly underground storage facilities and treatment plants to comply with federal requirements to reduce raw sewage that is dumped into lakes and rivers.

Santa Fe has the highest water prices in the survey. The small city of 70,000 recently completed a \$US 187 million pipeline from the Rio Grande.

Baltimore has stormwater fees that are mandated by state law as part of a program to keep polluted runoff from entering the Chesapeake Bay.



**Water** prices pay for treating, pumping, and delivering water, while sewer prices cover the cost of cleansing the water that goes down the drain.



**Sewer** prices are often higher than water prices because more energy and chemicals are required for treatment. Following the Clean Water Act, the federal government gave grants for new treatment plants during the 1970s and 1980s. Over the past three decades, however, new spending has been cut for local sewer infrastructure.



**Stormwater** fees are not included in every city's monthly bill. Some cities use general tax revenues to pay for projects to reduce polluted runoff from streets and parking lots. However, these projects must then compete for funds with other departments like police and schools.

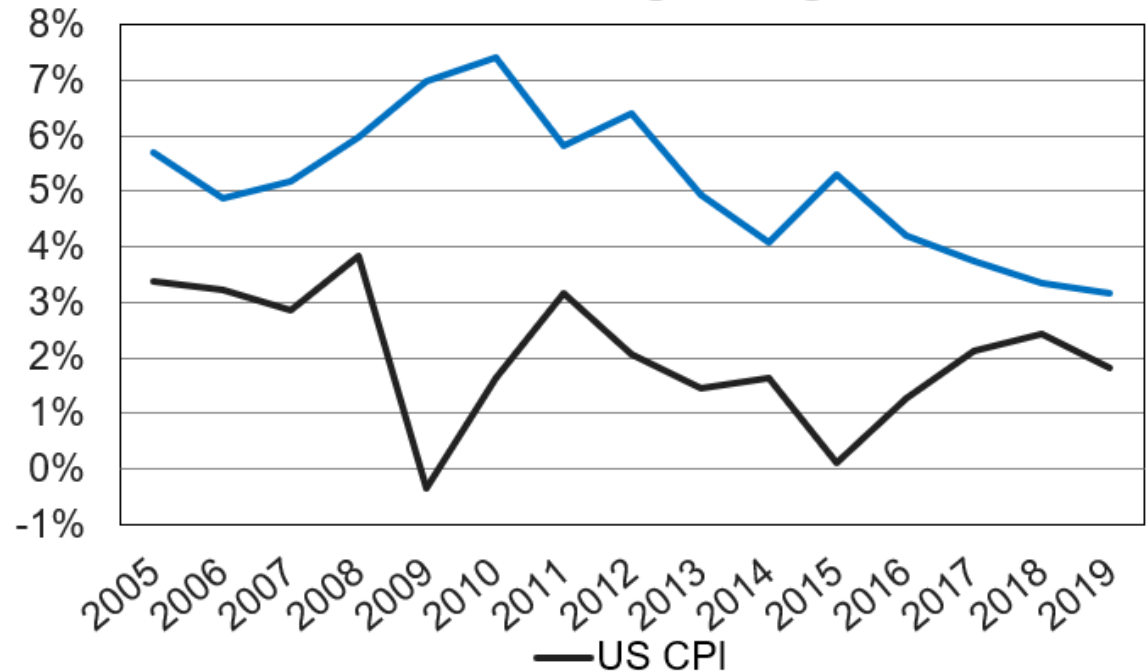
Rates current as of April 1, 2015.  
Monthly bill calculated for a family of four using 100 gallons per person per day.  
Source: Circle of Blue research, based on utility water rates.

# Consumer Price Index (CPI)



- Utilities Face Steeper Increases in Costs Than We See in Overall Inflation
- These are annual figures; the cumulative result is an ever widening difference

**US CPI v. Water & Sewer Maintenance Series:  
Annual Percentage Change**



# Updates Since 2018



- Advanced Metering Infrastructure (AMI)
- WaterSmart Customer Portal
- Residential Customer Outreach
- Water Efficiency Certification (WEC) Pilot Program

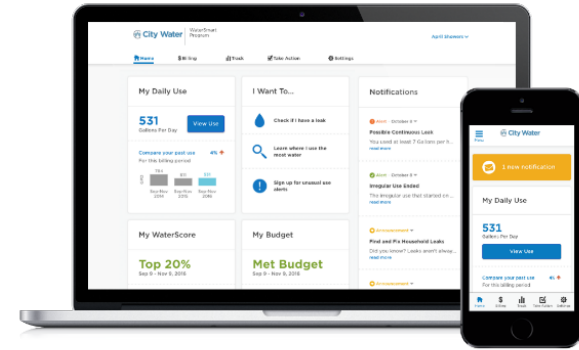




# AMI and WaterSmart



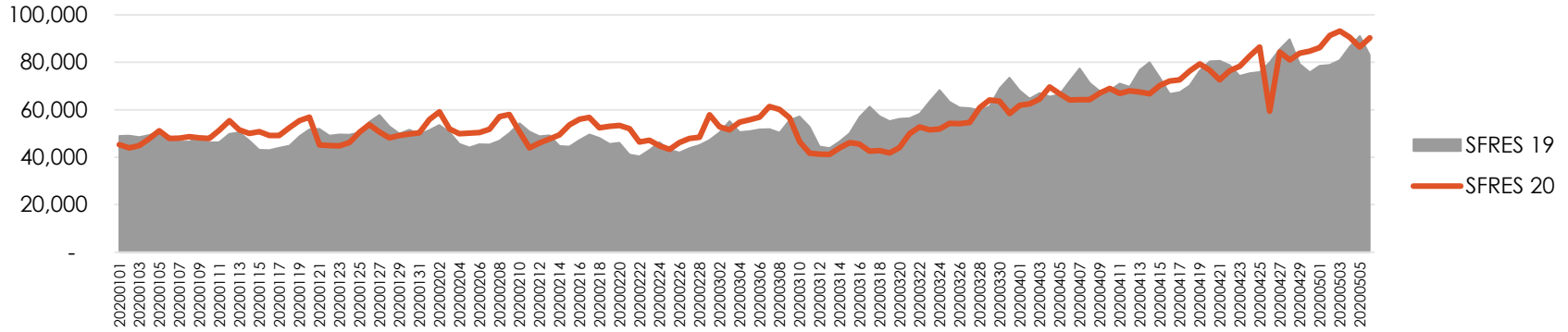
- Interactive water management portal
- Easy way to access and interpret water use
- Conservation recommendations
- Potential leak alerts



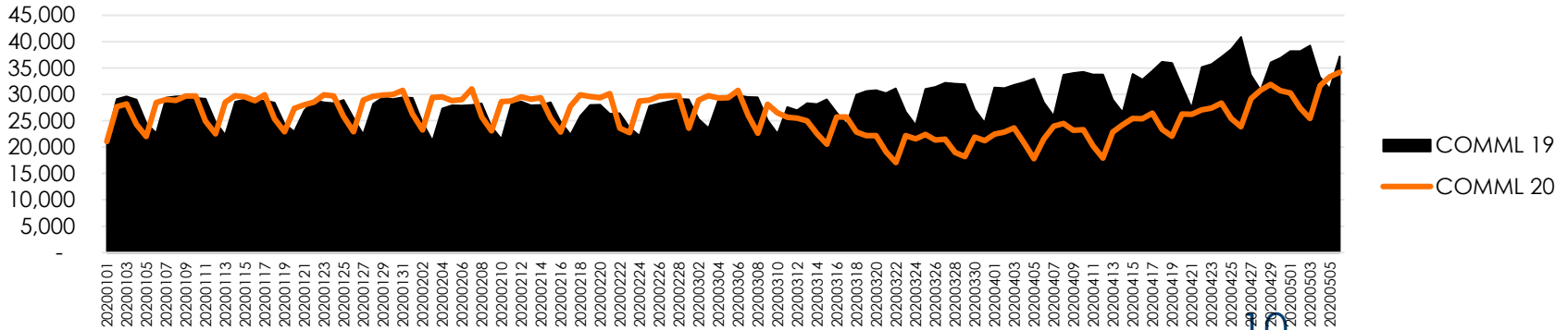
# AMI Customer Data



## Residential Volumes



## Commercial Volumes



# Residential Customer Outreach



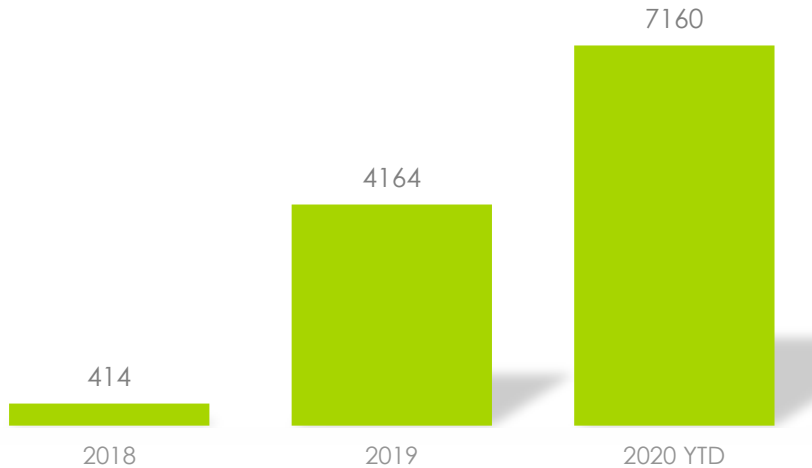
- Conservation programs and customer engagement
  - Neighborhood and event pop-ups
  - Postcards and ads
  - Email blasts
  - Phone calls



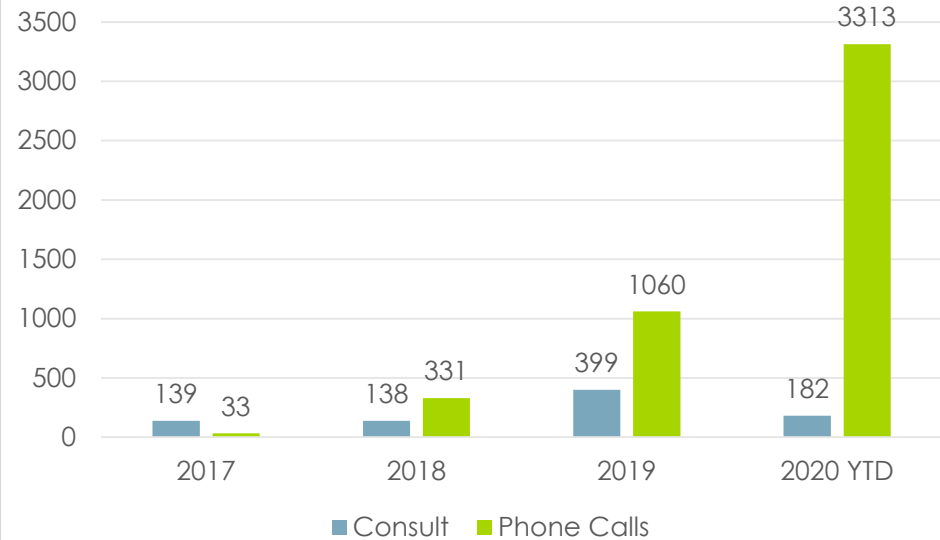
# Saving Money and Water



## WaterSmart Total Registered



## Consultations



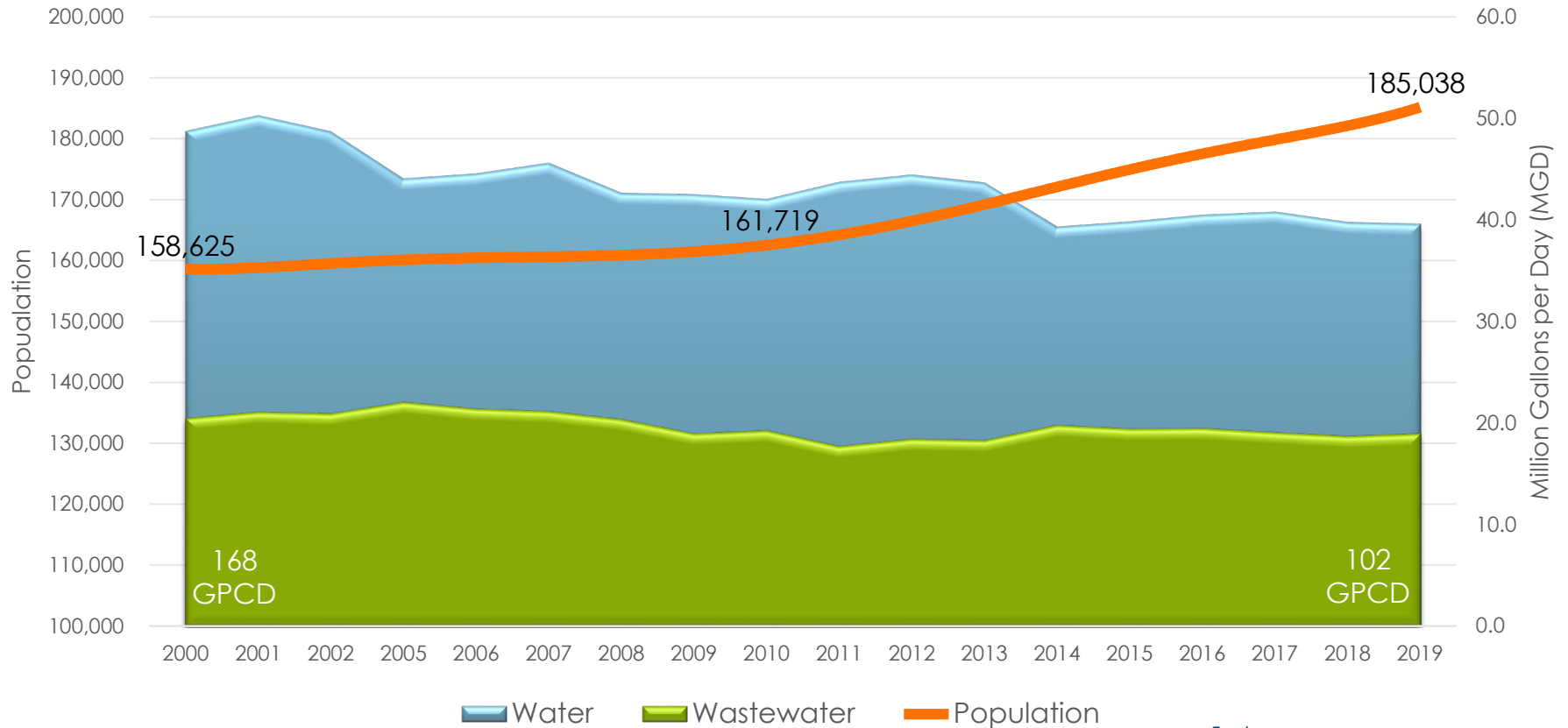
Saved an estimated 20.3 million gallons through 13,877 leak alerts



- Provide a rate incentive for efficiency efforts
- Increase targeted outreach efforts to Tier 5
- 48 residents certified
- Report results after 18-month pilot period



# Metered Usage Compared to Population



# Rate Study Outreach and Next Steps



Spring

- Create stakeholder group
- Public webinar
- Rate Study website

Summer

- Meetings
  - Stakeholder group
  - Sustainability Commission
  - Neighborhood Advisory Commission

Fall

- Council WSS
- Public meetings or webinar

Council Action

- Nov. 2020

# Questions



# Rate Study Process



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- Capital Costs
- Fund Balance



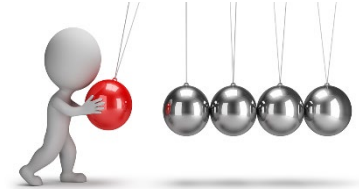
## Cost Allocation

- Customer Classes
- Just and Reasonable



## Rate Design

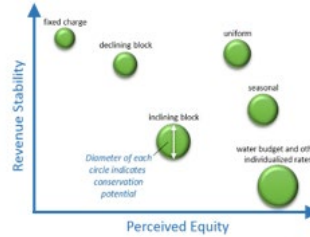
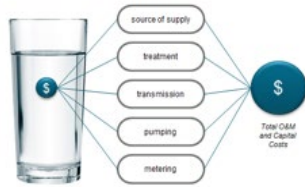
- Reflect Community Values
- Level/Structure of Customer Class



## Analysis of Impact

- Key Customer Impacts
- Issues/Objectives
- Adjustment Drivers

# A Comprehensive Rate Study is A Series of Connected Investigations

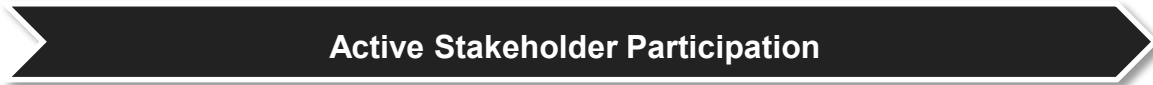


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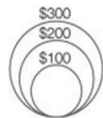
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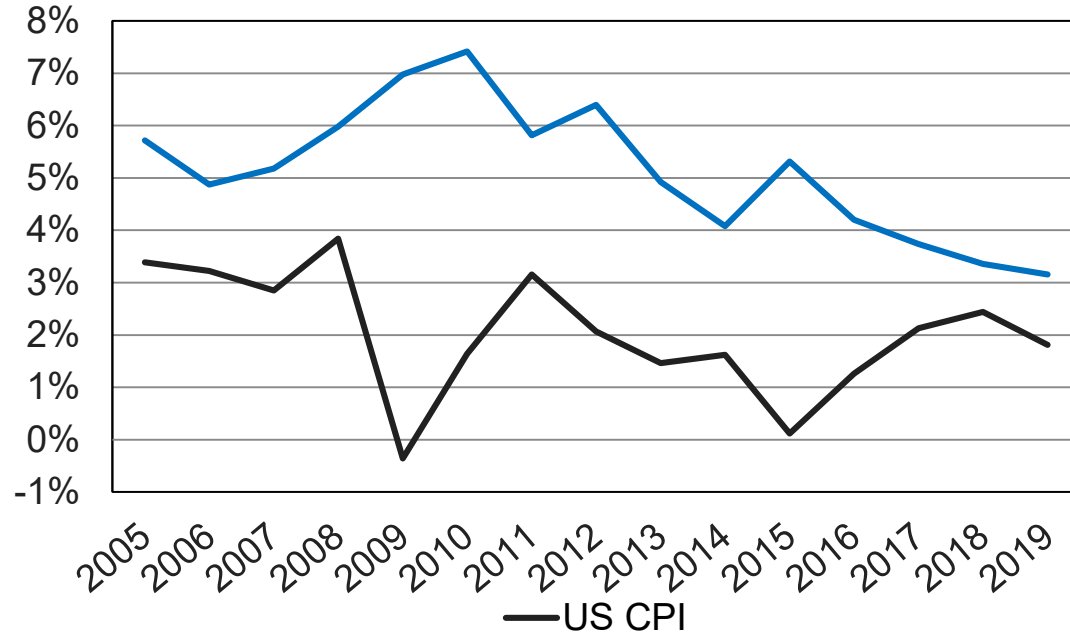


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