

Effective Strategies for Building Consensus with a Rate Advisory Committee

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Conсор

Friday, May 3 | 8:45-9:15 am



American Water Works Association
Pacific Northwest Section

2024 Section Conference
Spokane, WA | May 1-3, 2024

Overview

- Benefits of involving the public in developing an affordability strategy
- History of our Rate Advisory Committee (RAC)
- Highlight successful engagement strategies
- Discuss outcomes & lessons learned
- Q&A



TUALATIN VALLEY
WATER DISTRICT



FCS GROUP
Solutions-Oriented Consulting

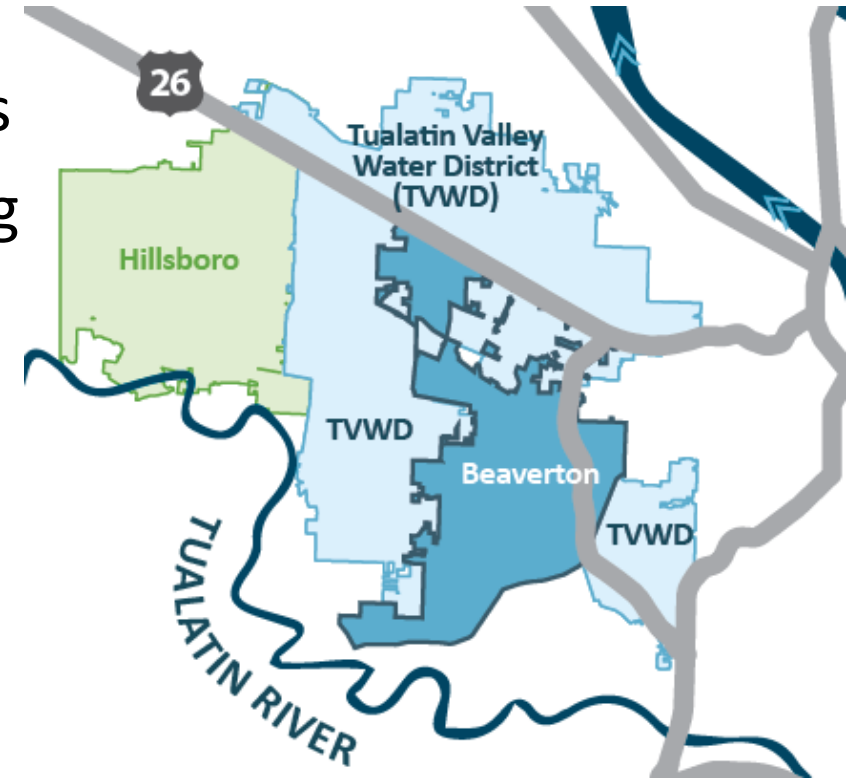


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Tualatin Valley Water District

- Second largest water provider in Oregon
- Serves water to 225,000 people and businesses
- Provides over 7.7 billion gallons of safe drinking
- Maintains 759 miles of water pipes
- Performs 618,410 meter reads per year
- Provides customer service for 71,785 accounts
- Provides fire suppression water through 5,379 hydrants

Note: Estimates as of July 2022.



Cost of Unaffordable Water

Direct and Indirect Costs

- Cost of shutting off customers
- Cost of writing off unpaid bills
- Lower credit ratings resulting in higher interest expense
- Cost of customer assistance programs

Benefits of Involving the Public



Build trust with customers



Increase durability of the decision



Create long-lasting relationships with participants



Support elected officials' role in representing customers



Save money

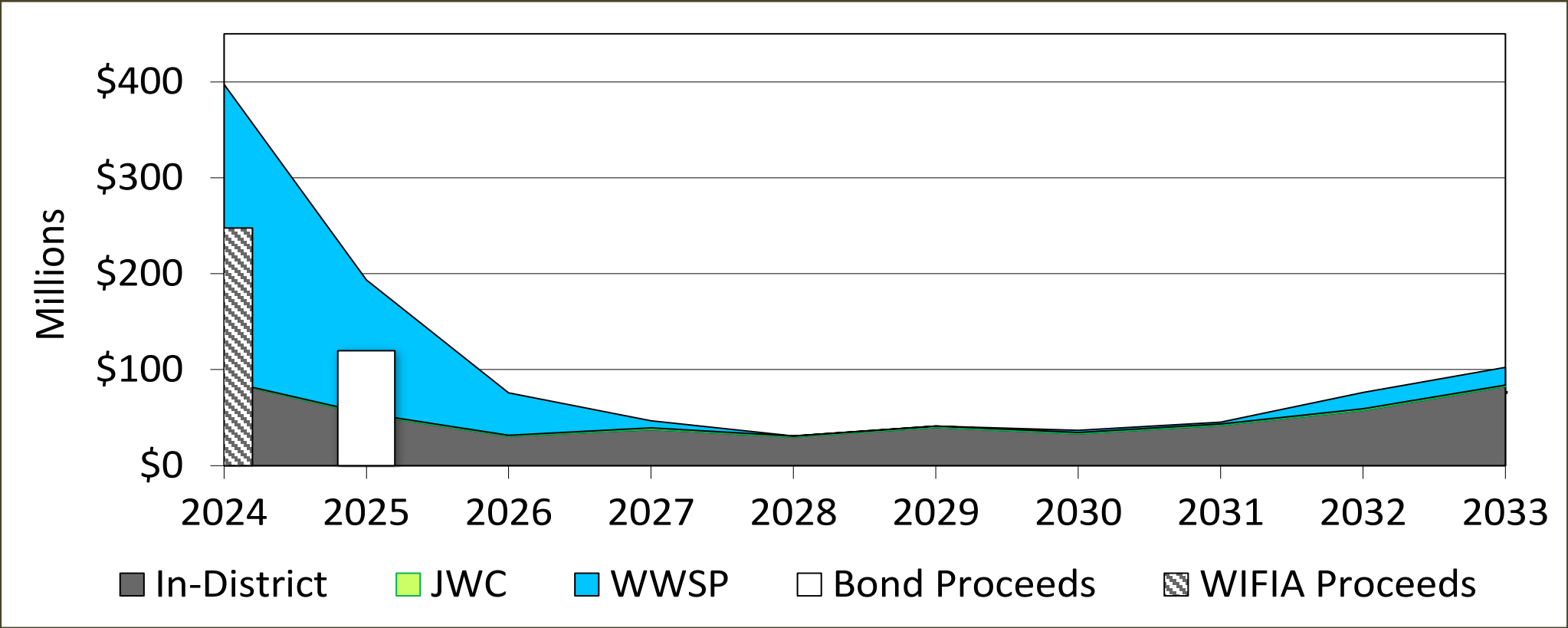
Future Additional Water Supply is a Generational Investment

TVWD is the managing agency for the Willamette Water Supply System and the Willamette Intake Facilities

- Willamette River intake, located in Wilsonville
- New state-of-the-art water treatment plant
- 30 miles of large-diameter transmission pipeline delivered by the WWSP
- Water storage tank

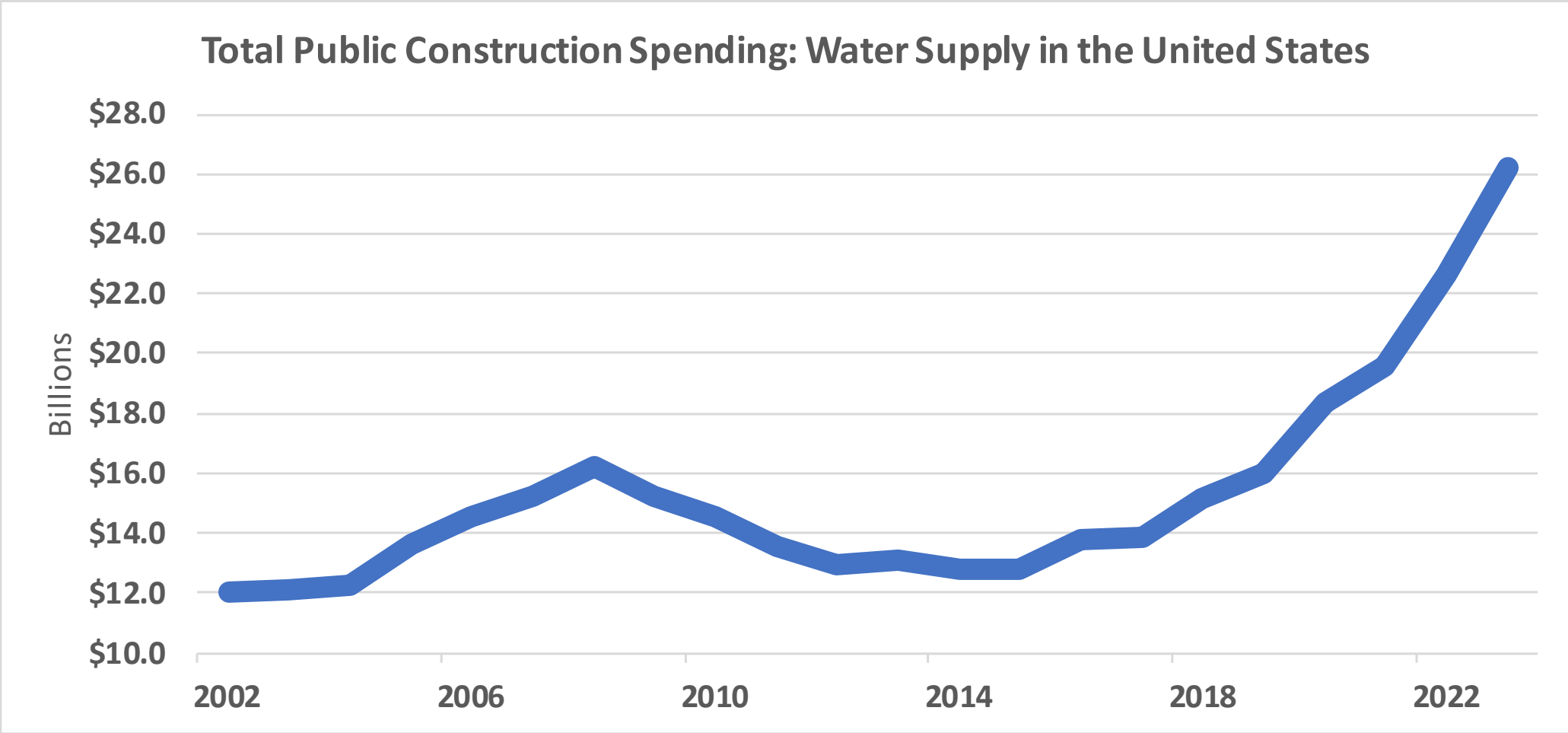


Near-Term Infrastructure Investments

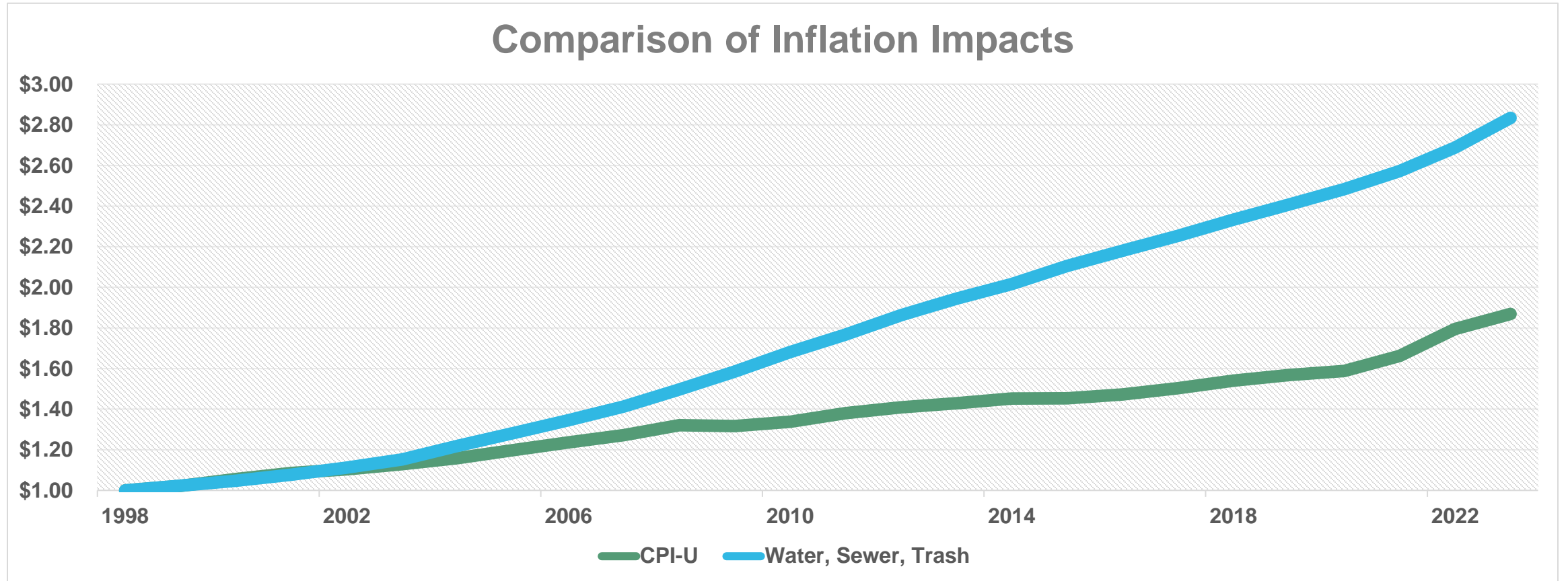


	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Totals
WIFIA	\$144.1	-	-	-	-	-	-	-	-	-	\$144.1
Bonds	-	119.8	-	-	-	-	-	-	-	-	119.8
Totals	\$144.1	\$119.8	-	-	-	-	-	-	-	-	\$263.9

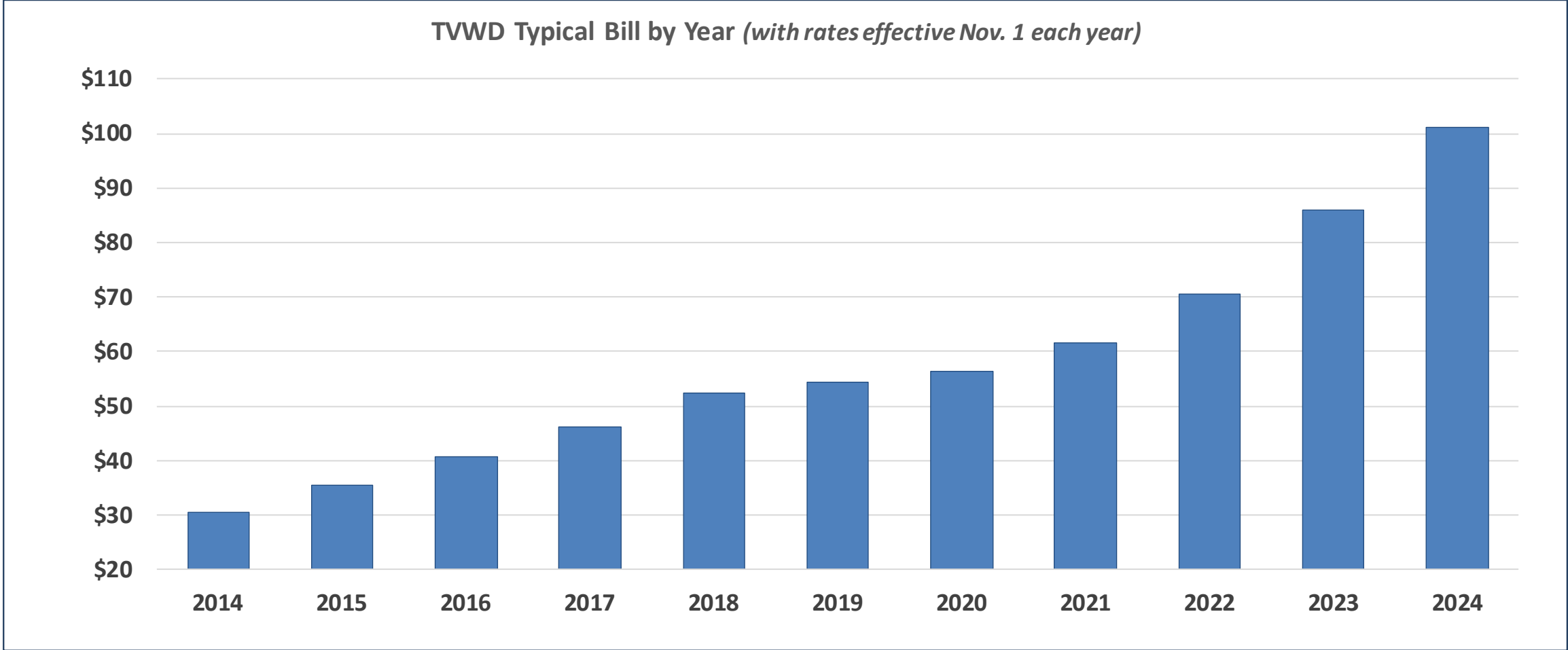
National Trends



Increases in Water, Sewer, Trash Costs vs. Consumer Price Index



Rate Increases Required to Fund Investment



RAC Convened Proactively

1990's: Excess-use per CCF rate created.

- One rate for up to a set amount.
- Another for use exceeding amount.



2004: Monthly threshold lowered to 14 CCF per month.

- Pro conservation.
- Rate blocks adjusted.



2012: Fire protection costs moved to fixed charges.

- Pro revenue stability + equity.
- Block rates + thresholds confirmed.



2016-17: RAC convened

- Focus on affordability.
- Block rates + thresholds confirmed.
- Recommendations generated.



2022-23: RAC convened

- Revisiting affordability.
- Focus on financially vulnerable customers.
- Recommendations generated.

2016-2017 RAC Recommendations

Affordability Recommendations

- Monthly billing
- Levelized billing
- Temporary/emergency assistance
- Penalty forgiveness
- Board consider a future customer assistance program

Types of Assistance Programs Used by Other Utilities

Bill Discounts

- Reduce bills by set % or \$

Flexible Terms

- More time to pay or things like “budget billing”

Rate Structures

- Lower rate schedule

Water Efficiency

- Fixture rebates to reduce usage targeted to low-income customers

Temporary Assistance

- Bill forgiveness or other help in emergencies

TVWD Programs

- ✓ Payment Arrangements
- ✓ Levelized Bills

- ✓ Emergency Assistance Program

Current TVWD Assistance Programs

In place to help customers experiencing difficulties

Emergency Assistance
Program

Direct Financial Assistance

Provides bill forgiveness for up to 28 CCF of usage and fixed charges. May be used one time per year.

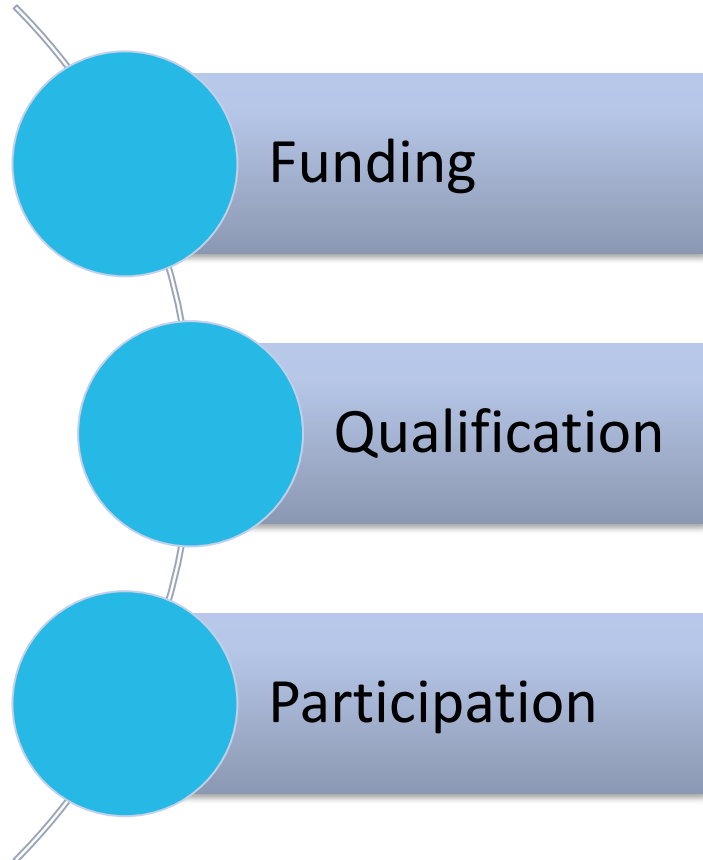
Payment Arrangements

Deferred Payment Plans

Allows customers to repay past-due bills through installment programs over the course of up to 24 months.

Levelized Bills

Key Considerations for Customer Assistance Programs



- **Utilities need to consider how to pay for these programs.**
 - The cost of assistance has to be funded
 - Internal or external resources affect who pays
- **Most assistance programs call for some kind of income qualification.**
 - Utilities rarely have resources to qualify customers
 - Many rely on third-party income verification
- **Participation levels for most assistance programs are low to very low as % of qualified customers.**
 - Customers normally must apply for assistance
 - Many qualifying customers won't apply

2022-2023 RAC Tasks

Does TVWD need an ongoing affordability program?

- Who can qualify?
- What level of assistance should be provided?
- How is the cost of the program funded?



Recruitment Effort Critical to Success

- Twenty-four applications submitted representing customers with diverse backgrounds and expertise.
- 17 RAC members appointed by the Board of Commissioners.
- RAC members also represented a district-wide geographic coverage.

Demographics

Race

- 42% White
- 16% Asian
- 5% Hispanic
- 5% Pacific Islanders
- 32% Unknown

Gender

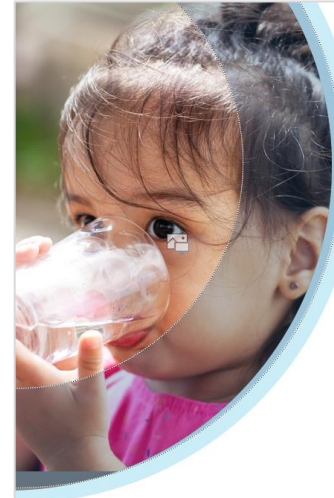
- 44% Female
- 56% Male

2. Develop Topics & Activities to Build Recommendations

Date	Meeting Topic	
October 18, 2022	Meeting #1—Kickoff ✓ RAC Assignments & Schedule ✓ Things to Know About TVWD ✓ Intro to Customer Assistance Programs and Q&A	Learning & Q&A
November 15	Meeting #2—Customer Assistance Program ✓ Dr. Manuel Teodoro: CAP Context and Community Values ✓ TVWD Service Area and Future Projections – What Does it Mean? ✓ Assistance Program Considerations & Discussion	Learning & Begin Assistance Discussion
December 13	Meeting #3—Customer Assistance Program ✓ Customer Assistance Program Options ✓ Roundtable Discussions and Report Back	Options Discussion
January 17, 2023	Meeting #4—Customer Assistance Program & Fixed and Volume Charges ✓ Customer Assistance Program Options Group Discussion and Polling	Initial Option Recommendation
February 21	Meeting #5—Fixed and Volume Charges & Customer Assistance Program ✓ Customer Assistance Program Preview	Preview Option Recommendation
March 21	Meeting #6—Recommendation ✓ Customer Assistance Program Recommendation	Final Recommendation

2. Provide the Right Amount of Information

- Participants need enough information to understand the assignment.
- Expertise is not required to provide valid recommendations.
- Use simple, straightforward language.



23 | Rate Advisory Committee Meeting

CURRENT CHALLENGES

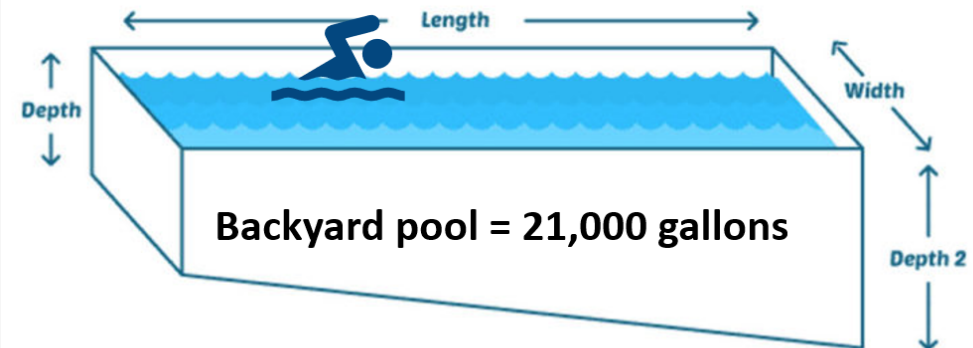
Affordability of Water

- Ensuring a reliable and resilient water system requires investments that have real costs
- Some customers can afford those costs – for others its harder
- The District's existing *Customer Emergency Assistance Program* may not meet future needs



How much water do you get in the “Block 1” rate?

28 CCF or 20,944 gallons



A swimming pool worth of water.

Facilitation Tools Build Consensus



Roundtable Discussion Question 1:

Who should be the focus of our assistance efforts?

Your initial thoughts (3 minutes)

- Only low-income
- Elderly
- Disabled
- Veterans
- Other?

Notes: _____

Share your thoughts with the group (10 minutes)

Notes: _____

As a group, confirm key takeaways of the discussion (5 minutes)

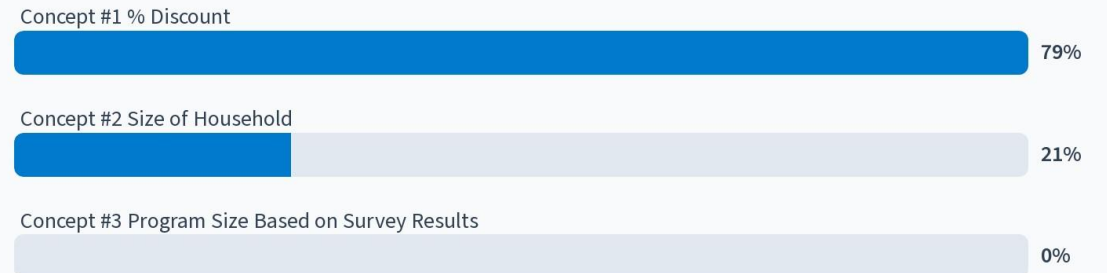
Notes: _____

Report back to the room (2 minutes per table)

Notes: _____

Name: _____

After our discussion, is there one or two concepts (as modified during discussion) you would like to consider for recommendation at our March meeting?



CUSTOMER ASSISTANCE PROGRAM RECOMMENDATION

The RAC unanimously recommended the proposed Customer Assistance Program and keeping the District's current Emergency Program.

Who can qualify?

Single-family residential customers who qualify for the federal Low Income Home Energy Assistance Program (LIHEAP).

How much assistance is available?

20% discount to the customer's water bill, to be managed by the Board in the future to maintain the program objectives.

How is the Customer Assistance Program funded?


From all customers recovered proportionately from both fixed and volume charges

RAC Recommendation

What They Liked about Their Recommendation:

- Addresses water affordability needs for the most vulnerable customers
- Accommodates households of different sizes
- Results in a program that is simple to administer
- Provides flexibility to adjust program parameters: funding level, percent discount
- Leverages third party to determine eligibility
 - Increase participation, and
 - Reduce both District and customer effort

Example Brochure








Customer Assistance Programs

Get help paying your water bill

Programas de Asistencia al Cliente

Obtenga ayuda para pagar su factura de agua


One annual application may qualify you for multiple assistance programs.

Visit tvwd.org/help to learn more about the assistance programs available.



Contact Us
(503) 848-3000
CustomerService@TVWD.org
www.tvwd.org

Assistance to Pay Your Bill

To help keep the water on, the District has immediate funding available to assist customers facing financial hardship pay their water bill.

- Emergency Assistance provides customers with a one time credit for life's surprises.
- Our NEW Customer Assistance Program provides a discount on each drinking water bill

Who's Eligible?

Income-qualified single-family residential customers at or below 60% of Oregon medium income per household size.

How Much is Available?

Customer Assistance provides a 20% discount off of each bill and Emergency Assistance receive a credit for up to 28 CCF's of water and fixed charges towards their balance.

How to Apply?

The District works with Community Action to get customers enrolled – visit tvwd.org to learn more or caowash.org to apply.

What you'll need to apply:

- Recent copies of your bill
 - Photo ID and proof of income for anyone 18 years or older
 - Documentation showing income from Social Security, Unemployment Insurance, Pension Funds, or disability, etc.
 - Social security numbers for everyone residing in the house
 - Contact us if you if you need help
- 



Una solicitud anual puede calificarlo para múltiples programas de asistencia.

Visite tvwd.org/help para obtener más información sobre los programas de asistencia disponibles.

Ponerse en contacto
(503) 848-3000
CustomerService@TVWD.org
www.tvwd.org



Asistencia para pagar su factura

Para ayudar a mantener el suministro de agua, el Distrito tiene fondos inmediatos disponibles para ayudar a los clientes que enfrentan dificultades financieras a pagar su factura de agua.

- Emergency Assistance brinda a los clientes un crédito único para las sorpresas de la vida.
- Nuestro NUEVO Programa de Asistencia al Cliente brinda un descuento en cada factura de agua potable

¿Quién es elegible?

Clientes residenciales unifamiliares calificados con ingresos iguales o inferiores al 60 % del ingreso medio de Oregon por tamaño de hogar.

¿Cuánto hay disponible?

Asistencia al cliente ofrece un 20 % de descuento en cada factura y Asistencia de emergencia recibe un crédito de hasta 28 CCF de agua y cargos fijos para su saldo.

¿Cómo aplicar?

El Distrito trabaja con Community Action para inscribir a los clientes: visite tvwd.org para obtener más información o caowash.org para presentar su solicitud.

Lo que necesitará aplicar:

- Copias recientes de su factura
- Identificación con foto y comprobante de ingresos para cualquier persona mayor de 18 años
- Documentación que acredite los ingresos de la Seguridad Social, Seguro de Desempleo, Fondos de Pensiones, invalidez, etc.
- Números de seguro social de todas las personas que residen en la casa
- Contáctenos si necesita ayuda



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Keys to Success

Lessons Learned

- Keep your elected officials involved
- Have a focused charter for the committee
- Use professional facilitation and other outside experts
- Maintain your schedule
- Honor the committee's time
- Provide meaningful information and assignments to the committee
- Using technology (e.g., real-time polling) to spur discussions
- Don't be deterred – it may take more than one effort
- Trust the committee members

Q&A

Thank you!



Our water sustains thriving communities—
every day for everyone.



TUALATIN VALLEY
WATER DISTRICT