

Communicating Sewer Rates

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Sewer Rates and the Value of Water

Agenda

- Statewide Sewer Rate Survey
- Setting sewer rates
- The “Value of Water”
- Communicating rate increases





Sewer Rate Survey

Sewer Rate Survey

- New comprehensive data for 2016.
 - Sewer rates- 295 communities
 - Stormwater rates- 116 communities
- Average statewide sewer rate \$57.
- Over 900,000 people are paying more than \$100/month (for 1000cf)
 - 98,300 excluding Seattle and Bellevue



Monthly Rates by Income:



Rates are displayed for 1000 cf (~250 gallons/day)

Teal - Residents will pay this much, regardless of consumption.

Purple - Residents can conserve to lower their bill.

Blue - Residents will pay this much, minimum.

Monthly Rates by Income:



Sewer Rate Survey

- Rates vary widely across the state.
Why?
 - Treatment Needs
 - Size of customer base
 - Differences in User Classes
 - Deferred Maintenance and Deferred Replacement
- Rates on average have gone up since 2006



Get ready for the Needs Survey

- Last year we looked at sewer rates
- The next project is a comprehensive look at needed infrastructure improvements.





Setting Sewer Rates

Setting Sewer Rates

Revenue = Expenses



Strategies to Reduce Expenses

- Choose the best project; not the cheap project
- Value Planning
- Financing options
- Maintain your investments in the ground
- Operational efficiencies



At some point, you will have to increase rates.

- Inflation
- Wear and Tear
- Community Growth
- Regulation





The “Value of Water”

WHAT'S THE VALUE OF WATER?

Without clean water, soccer uniforms would never make it through the season.

Most of us never think about how clean water gets to us or where our dirty water goes. Luckily we don't have to. Pumps, treatment plants, and pipes bring us clean water and carry our wastewater away.

But here's a dirty secret about our water systems: They're aging. They need investment so they can continue to deliver life's most precious resource. All day, every day.

Water—Essential. Reliable. Invaluable.

Learn how water works for you. Visit TheValueofWater.org.

**YOUR LOGO +
WEBSITE**

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WHAT'S THE VALUE OF WATER?

When nature calls, you want open stalls.

Most of us never think about what happens to the water we flush. Luckily, we don't have to. Pumps, treatment plants, and pipes remove and clean wastewater so it can be returned to the environment or safely reused.

Clean water systems are one of the greatest public health achievements in history, but they're aging. They need investment to continue delivering life's most essential resource. All day, every day.

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COALITION

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WHAT'S THE VALUE OF WATER?

Splashing in a pool, tossing a water balloon—water is one of life's great pleasures.

Most of us never think about how water gets to us or where it goes when it swirls down the drain. Luckily, we don't have to. Pumps, treatment plants, and pipes bring us clean water and remove wastewater.

But our water systems are aging. They need investment so they can continue to deliver life's most precious resource. All day, every day.

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WHAT'S THE VALUE OF WATER?

There are nearly 400,000 house fires in the U.S. each year, and water that flows from hydrants is our best defense.

Most of us never think about how water gets to us. Luckily, we don't have to. Pumps, treatment plants, and pipes bring us clean water and carry away wastewater. All day, every day.

But our water systems are aging. They need investment to continue delivering life's most essential resource.

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WHAT'S THE VALUE OF WATER?

Mornings wouldn't be the same without water.

Most of us never think about how water gets to the tap or where it goes after it swirls down the drain. Luckily, we don't have to. Pumps, treatment plants, and pipes bring us clean water.

But our water systems are aging. They need investment to continue delivering life's most essential resource. We need water to make a cup of coffee and most everything we do in life. All day, every day.

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Water/Sewer Provide Value

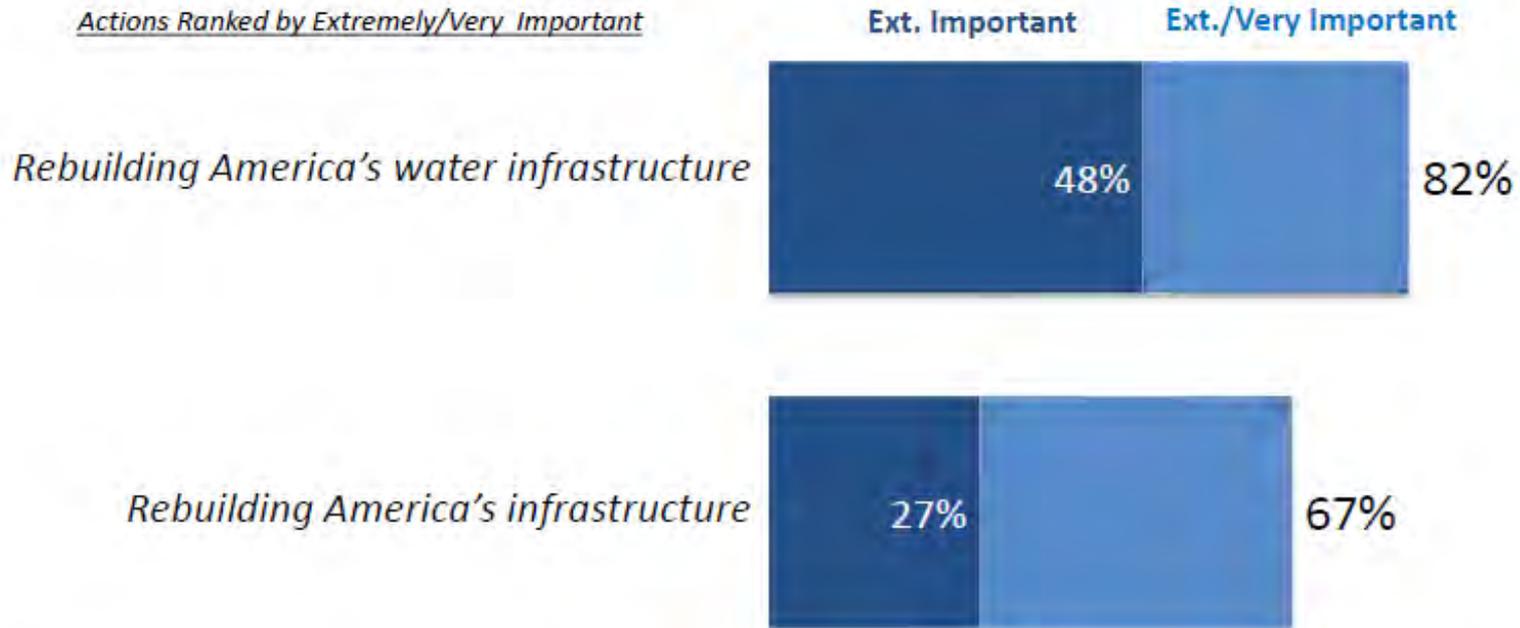
- Essential service 24/7 reliability
- Home Value
- Public Health.
- Tap water is cheap. Why do people buy bottled water?
 - Because water is valuable.



2017 Survey

Water infrastructure is viewed as an even more important priority than infrastructure broadly.

Actions Ranked by Extremely/Very Important



Here are some issues that President Trump and leaders in Congress have said they may address this year. Please tell me how important you think it is for them to focus on each issue: extremely important, very important, somewhat important, or not too important?/We mentioned American's infrastructure in the last question. Specifically, how important do you think it is to rebuild our water infrastructure that brings clean drinking water to your home and removes and treats wastewater?



Opposition to Rate Increases

Has anyone ever said “I am against this rate increase because water just isn’t valuable to me.”?

Me Either



What do your customers say?

- “How can it cost that much?”
- “That rate hike is too big”
- “I didn’t vote for that.”
- “Ugh. Another tax increase.”
- “I can’t vote for that. I’d never get reelected.”
- “I can’t afford that, I’m on fixed income.”



What do they mean?

- Lack of understanding
- Fear of something
- Financial distress





Communicating rate
increases

Education

- Show Respect
- Start with Questions
- You need to understand what they don't get.



Education: Pick Your Topics

- Infrastructure
- Process
- Finances
- Regulation
- Planning
- Asset Management





Several student diagrams received for a university survey showed a widespread lack of understanding about water treatment. Many failed to include either a water or wastewater treatment facility, and some depicted untreated wastewater returning directly to the environment. At least one diagram, shown here, regarded the hidden work of water quality professionals as “magic.” Shahzeen Attari/Indiana University

Education: Pick Your Audience

- Ratepayers
- Elected Officials
- General Public



Learning formats

- One on one
- Open houses
- Tours
- Public meetings
- Council workshops



Asset Management

We spend money today to maintain public infrastructure investments so we won't have to ask for more money to completely replace those assets.



Avoid Sticker Shock

- Avoid BIG rate increases
- Phase in over time
- Don't go for years without an increase
- Compare to other towns



Minimize Uncertainty

- Adopt multi year rate structures
- Consider using an inflation index



BIG Government

- Yes, that mean you.
- Remember that fees are not taxes.
- Bring in even smaller government
 - Utility Committee
- Invite the BIGGER government
 - Ask DOH/DOE to present



Utility fees are not Taxes

- Taxes are collected in aggregate
- Fees pay for specific services
- You run a publicly owned utility with a separate enterprise fund.
- Your users are your owners.
- Utility Rates are investments in the reliability and success of the water/sewer system, AND in the community and your local economy.



When they Can't Afford To Pay

- Some folks literally can't afford it.
- Local Assistance Programs
 - (RCW 74.38.070)
 - Decide Eligibility
 - Decide Assistance
 - If you pursue this, keep it simple.
- Voluntary Contribution Programs
- Federal Assistance?



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SENIOR/DISABLED LOW INCOME RATE REDUCTION

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Wenatchee City Code, Section 9.02.010 allows for a 50% rate reduction for qualifying senior/disabled low-income single-family users of water, sewer and/or garbage services. Qualification is based on low-income status for senior citizens (age 62 or over) and individuals receiving SSI, SSDI, total disability from L&I payments, legally blind or Veterans discharged with a disability. Qualifying applicants must also be the responsible party or spouse/partner of the responsible party.

Income Qualifications: All sources of income must be reported and the annual household income cannot exceed \$25,000 for a single person or \$35,000 for a household of 2 or more individuals.

If you have further questions or would like an application, please contact a Utility Billing Clerk at (509) 888-3600.

Sewer Survey

- Local Assistance Programs.
- Out of 295 Utilities surveyed, 116 offer some form of Discount Rates
 - Seniors, low income, disabled.
 - Wide variety of discount methods.



Time for Questions?



Contact Us!

- David.Dunn@ecy.wa.gov
- 360/407-6503

- Water Quality funding program site:
<http://www.ecy.wa.gov/programs/wq/funding/funding.html>

- Grant and Loan listserv:
<http://www.ecy.wa.gov/maillist.html>

