

Tualatin Valley Water District



Delivering the Best Water  Service  Value

Water Rate Advisory Committee Meeting #3; October 5, 2016; 6:00 p.m.

Attendees -

Rate Advisory Committee

- | | |
|---|--|
| <input type="checkbox"/> Al Schmitt | <input checked="" type="checkbox"/> Kim Schoenfelder |
| <input type="checkbox"/> Amy Way | <input checked="" type="checkbox"/> Laura Mitchell |
| <input checked="" type="checkbox"/> Chrissy Erguiza | <input checked="" type="checkbox"/> Mark Poling |
| <input type="checkbox"/> Craig Hopkins | <input checked="" type="checkbox"/> Pam Treece |
| <input checked="" type="checkbox"/> Gary Burns | <input type="checkbox"/> Randy Mifflin |
| <input checked="" type="checkbox"/> Jessica Adams | <input type="checkbox"/> Sandy Galaway |
| <input checked="" type="checkbox"/> Jessica Stanton | <input checked="" type="checkbox"/> Seth Reeser (for Keith Hobson) |
| <input type="checkbox"/> Jordan Luevano | |

TVWD Board of Commissioners

- | | |
|---|--|
| <input checked="" type="checkbox"/> Richard Burke | <input type="checkbox"/> Jim Doane, P.E. |
|---|--|

TVWD Staff

- | | | |
|--|---|--|
| <input type="checkbox"/> Mark Knudson, P.E. | <input checked="" type="checkbox"/> Paul Matthews | <input checked="" type="checkbox"/> Joe Healy |
| <input checked="" type="checkbox"/> Alex Cousins | <input checked="" type="checkbox"/> Tod Burton | <input checked="" type="checkbox"/> Andrew Carlstrom |
| <input checked="" type="checkbox"/> Frank Reed | | |

HDR Engineering

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Tom Gould | <input checked="" type="checkbox"/> Shawn Koorn | <input checked="" type="checkbox"/> Doug Zenn |
|---|---|---|

■ Welcome

Doug Zenn opened meeting #3 of the Tualatin Valley Water District (District) Rate Advisory Committee (RAC). Mr. Zenn welcomed the group, facilitated introductions, and provided an overview of the agenda. RAC members were provided a light supper prior to the start of the meeting.

■ Customer Affordability Observations

Alex Cousins presented an overview of a discussion on affordability that he had with the District's Customer Service representatives. The presentation included examples of the types of calls that Customer Service receives from customers that may have trouble paying their water bills. Customer Service had some suggestions for communicating with customers. Alex also described the District's partnership with Care To Share, the charity organization that screens customers for eligibility in the District's customer emergency assistance program.

RAC questions included:

- Will we talk about TVWD's outreach approach? Answer – Yes, at the next meeting, written documentation and/or a presentation will be provided.
- Are there other agencies that TVWD could work with to provide additional outreach? Answer – There are no formal arrangements at the current time.

RAC comment:

- Jessica Adams administers the LIHEAP and OEAP program daily with Community Action and can help provide input on the program.

■ **Affordability Discussion – Part 2**

Tom Gould led the second part of the affordability discussion. Mr. Gould provided an overview of what was discussed at the last meeting and the key questions for the RAC to address. He then provided a review of the District's current Customer Emergency Assistance Program (CEAP) and funding for the program.

RAC question:

- Are we going to differentiate between the CEAP and other programs? Answer – Yes, that is what we want to discuss tonight.

Next, Mr. Gould discussed the specific alternatives for the RAC to consider, along with the administrative concerns, program costs, targeted group, and other considerations of each alternative.

1. Bill Discount: Low-Income Rate – Discounted rate for a qualifying customer.

Discussion of this alternative identified how the RAC may determine what the discount should be and who the discount would apply to.

RAC comment:

- Jessica Adams described how Community Action qualifies customers.
- The RAC suggested that having a central location or resource for customers to go for all utilities would be beneficial.

RAC questions included:

- Are the program costs both the lost revenue and administrative costs? Answer – Yes, estimated programs costs are a combination of both.

- How can we decide what to do if we don't consider the combined water/sewer bill?
Answer – That is a concern, but we can only control the District's bill and we need to consider the financial aspect for the District.

2. Flexible Terms:

- Monthly billing – This approach helps customers stay current with bills by changing the frequency of billing.

RAC Question: Would this (monthly billing) double the cost of billing? Answer – It may, it is unknown at this time exactly how this would work out with the new billing system.

- Levelized billing – Helps a customer's personal budgeting by establishing a levelized bill.
- Arrearage forgiveness – Forgives all or a portion of past due payments for low-income/qualifying customers.
- Penalty forgiveness – The ability to waive all or a part of penalty fees assessed to a customer.

Discussion of the Flexible Terms alternative included the limitations of the District's current utility billing system. It was also noted that, if implemented, monthly billing and levelized billing would be available to all customers and can work with other affordability approaches. Some RAC members felt that the levelized billing may be an effective approach to help low income and fixed income customers.

- Lifeline Rates** – Reduces bill for a set quantity (block) of water on an ongoing basis. The quantity is generally set to allow for a customer's essential usage.

Considerations for this program include the need to modify the billing system to handle the lifeline rate, defining "essential usage", and the high cost of the subsidy given that the lifeline block would be available to all residential customers.

- Temporary Assistance** – Reduces bill one time or on a short-term basis to help customers deal with urgent, unexpected hardship.

The District's CEAP falls into this category of assistance. Challenges include funding for the program and the screening of customers.

- Water Efficiency** – Reduces bill by directly implementing water saving measures, such as installing updated low-flow fixtures.

This type of program can be a long-term solution for lowering a customer's bills by reducing water consumption.

RAC Comments:

- The District should maintain its current retro fit program.
- Penalty forgiveness should be tied to the qualifications for the CEAP.
- Determining who may be eligible for penalty or arrearage forgiveness may be difficult.
- Some process improvements would be beneficial to help with the penalty or arrearage forgiveness.
- In general, the District should aim to be more preventative and less reactionary.
- The RAC was unsure of which would be more beneficial – a low income rate or the temporary assistance.
- Re-qualification may be an issue.
- Some RAC members are concerned about the level of discount and whether it would impact a customer’s perception of the combined water/wastewater bill.

Mr. Gould then had the RAC participate in an exercise on the low-income rate alternative to gather potential policy directions from the group.

RAC question:

- Who would fund a low income rate, would it be all customers? Answer – Yes, given a single rate schedule it would be from all District customers if included within the rate.

RAC Comment:

- It is confusing on how this will be funded and some thought needs to go into how it is funded.

■ **Introduction of Next Topics**

Shawn Koorn provided a brief overview of the topics to be discussed at the next RAC meeting. These topics include: Hydrant Fees, Multi-Year Rate Adjustments, and Common Service Consolidation.

■ **Closing**

Participants offered final comments on the meeting and process. Overall, the group found the discussion and participation of RAC members to be very beneficial.

Meeting adjourned.