

Tualatin Valley Water District
Delivering The Best Water Service Value


**Rate Advisory
Committee Meeting**
November 2, 2016




Presented by:
HDR Engineering, Inc.



RAC Issue 1: Affordability
Reviewing Assistance Program and Gaining RAC
Feedback/Policy Direction



2



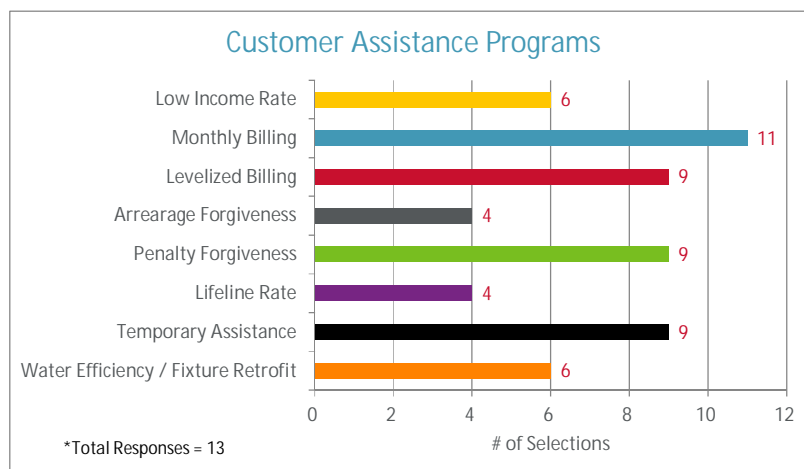
Overview of the Affordability Programs

Program	Program Description
1. Low Income Rate	Establish a separate and distinct rate for qualifying customers
2. Monthly Billing	Bill customers on a monthly basis (as opposed to bi-monthly)
3. Levelized Billing	Create individualized/levelized billing for customers requesting this service.
4. Arrearage Forgiveness	Create a policy criteria and approach for past due payment forgiveness
5. Penalty Forgiveness	Create clearer policy criteria for penalty forgiveness
6. Lifeline Rate	Reduces bill for a set quantity on an on-going basis for essential usage (essential needs)
7. Temporary Assistance	Reduces bill one time or on a short term basis to help customers deal with urgent , unexpected hardship. Provide consistent funding to current program.
8. Water Efficiency – Fixture Retrofit	Provide grants/subsidies for fixture retrofits



3

Summary of the RAC Survey



4

Gaining RAC Policy Direction on Specific Assistance Programs



5



Key Policy Direction – Low Income Rate

Survey was provided at the end of the last meeting

1. Qualification Criteria
2. Administration and Screening
3. Other Qualifying Customers
4. Rate Structure (Separate Rate?)
5. Component of Rate Discounted
6. Level of the Discount (Appropriate Range/Amount)
7. How Are Costs Recovered (i.e., Program Paid For)

6



Survey Question 1 – Qualification Criteria

- What qualification criteria (i.e. proof of income) should TVWD use to qualify a customer for a low-income rate?
 - A: Use an existing qualification criteria (e.g. LIHEAP, OEAP)
 - B: TVWD establish their own criteria

Additional Comments:
1) "Don't believe we should do a low-income rate"

Option	# of Selections
A	9
B	0
No Response	1

7

Question 2 – Administration and Screening

- Administratively, who should screen customers for qualification?
 - A: Use an outside organization, particularly if income levels must be verified
 - B: TVWD screens customers, particularly if TVWD will accept qualifying customer from another organization (e.g. customer qualifies for LIHEAP assistance)

Additional Comments:
1) "Need more data or options for establishing criteria"

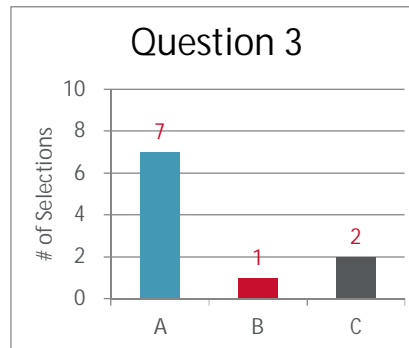
Option	# of Selections
A	5
B	3
No Response	2

8

Question 3 – Other Qualifying Customers

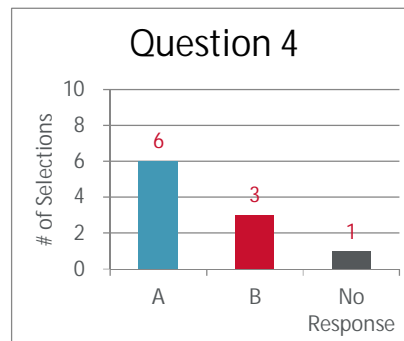
- Which customer should qualify for this rate?
 - A: Low-income customer only
 - B: Low-income and disabled only
 - C: Low-income, disabled, and other _____. (specify, e.g. seniors)

Additional Comments:
 1) "May need to look at net income issues, i.e., high medical cost"



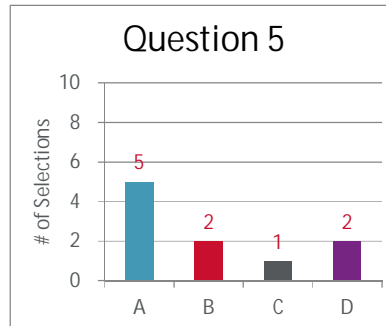
Question 4 – Low Income Rate Structure

- Low-Income Rate Structure (select preferred method)
 - A: Low-income rate is a separate and distinct rate structure
 - B: Use existing structure and provide a discount within the billing process



Question 5 – Component of Rate Discounted

- Level of the Discount (Component Discounted) (select preferred method)
 - A: Discounted meter (fixed) charge
 - B: Discounted consumption charge (1st tier only)
 - C: Discounted consumption charge (1st & 2nd tier)
 - D: Discount all components of the rate (i.e., discount entire bill by fixed %)



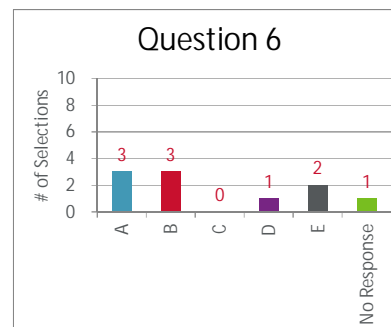
11

Question 6 – Level of the Discount

- Level of the Discount (Amount)
 - A: 50% discount on fixed charge (≈ \$6.15/mo; 15% off bill)
 - B: 100% discount on fixed charge (≈ \$12.29/mo; 30% off bill)
 - C: Discount 1st tier by 20% (≈ \$5.67/mo; 14% off bill)
 - D: Discount 1st tier by 30% (≈ \$8.54/mo; 21% off bill)
 - E: Other

Additional Comments:

- 1) "Scale discount based on need or combine above"
- 2) "Lump sum available once annually"



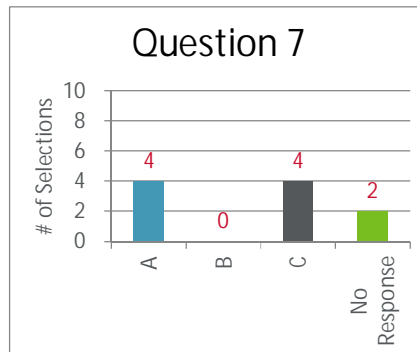
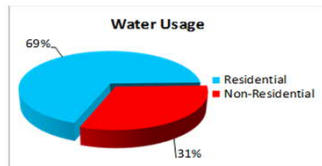
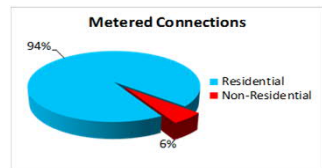
12

Question 7 – Cost Recovery

- How should the costs of this program be recovered?
 - A: Entirely from fixed charges (≈ \$0.30/month)
 - B: Entirely from consumption charge (≈ \$0.02/CCF)
 - C: Across both the fixed and consumption charge

Additional Comments:

1) "2nd block charges"



13

Key Policy Direction – 2. Monthly Billing

- No policy direction needed
- Monthly billing will need to be included as a feature of the District's new billing system

Key Policy Direction – 3. Levelized Billing

- No policy direction needed
- Levelized billing will need to be included as a feature of the District's new billing system



14

Policy Direction – 4. Arrearage Forgiveness

- Eligibility – Residential only, past due bill
- Applicable When – Only to avoid a shut-off situation
- Approval Needed: Recommendation of Customer Service Manager and approval of CFO or other District designated representative
- No doubling of assistance (temporary and arrearage forgiveness)
- Limit per year for forgiveness (e.g. once per calendar year)
- Limit of amount of forgiveness (e.g. no greater than \$100)



15

Policy Direction – 5. Penalty Forgiveness

- Eligibility – Residential only
- Applicable When – Only in shut-off situations
- Approval Needed: Recommendation of Customer Service Manager and approval of CFO or other District designated representative
- No doubling of assistance (temporary and arrearage forgiveness)
- Limit per year for forgiveness (e.g. once per calendar year)
- Limit of amount of forgiveness (i.e., waive turn off and turn-on fee)



16

Policy Direction – 6. Lifeline Rate

- Defining Essential Needs – 5 CCF/Month
- Amount of Discount on First Block – Reviewed a discounted rate of \$1.23 first block
- Cost Recovery – Recover from other rate components?

17



Policy Direction – 7. Temporary Assistance

- Provide a more consistent funding source from the District to provide more assistance – Y/N?
- Level of District funding assistance – RAC discussion assumed \$220,000/year based upon a \$0.30/month increase in fixed meter rates
- Cost Recovery – From fixed meter charge?

18



Policy Direction – 8. Water Efficiency

- Eligibility – Low-Income Household
- Ownership – Low-income customer must be homeowner, not a renter
- Type of Household – Must be individually metered and billed household
- Limitation of benefit – RAC discussion assumed \$600 total benefit (\$100 admin, \$400 in fixtures and \$100 installation)
- Payment of Program - TBD

19



RAC Discussion Issues

1. Affordability
2. Hydrant Fees
3. Multi-Year Rate Adjustments
4. Common Service Consolidation
5. Duplex Billing



20



Overview Of Issue #5 – Duplex Billing

- TVWD currently defines, and bills, duplexes as a single-family customers
 - Fixed block rate structure with 2 blocks (0-28 CCF, > 28 CCF) bi-monthly
- Depending on the customer consumption characteristics, consumption can be billed in the upper block each billing period
- Duplex customer metering set-up can vary between customers
 - 1 meter or individual meters (2 meters)
- **Key question:** Should TVWD consider billing duplex customers as non-residential customers and base the block sizes on the 12-month moving average?



21

Closing and Next Meeting

- Thank you for attending
- Next meeting is Wednesday, December 7th



22