

Logistics

At the top right corner of your screen:

Show your control panel to submit questions and see answers

All phones/microphones are muted for the duration of the webinar.

Toggle between full screen/window screen view

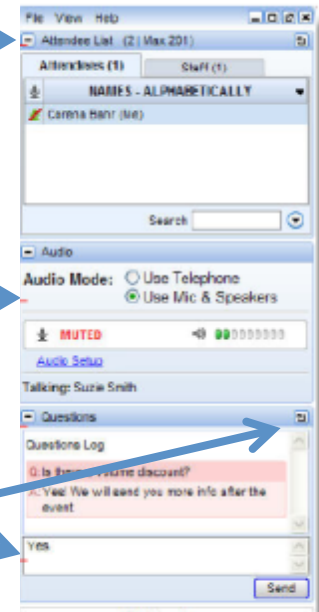


Control Panel:

Attendee List

Audio: please choose between speakers and telephone. If you do not hear audio right now, please check your speaker volume or enter #[audio pin]# if using phone.

Submit questions in the Questions box at any time, and press [Send]. To undock and increase the size of the box, click on top right corner icon.





Board & Staff Communication

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Session Overview

- Understand strategies for getting buy-in for needed rate increases
- Learn about a recent nation-wide survey of current practices

Polling Question 1

What kind of water utility do you represent?

- For-Profit
- Municipality
- Sanitary District
- Other Special District
- Not a Water Utility

Polling Question 2

What size water system does your utility operate (by number of people served)?

- Very Small (500 or fewer people served)
- Small (501 to 3,300 people served)
- Medium (3,301 to 10,000 people served)
- Large or Very Large (10,001+ people served)
- Not a Water Utility

Polling Question 3

Are you a board or staff member?

- Board Member
- Staff Member
- Not a water system



How much money do you need?

Systems Love Low Rates, but...

“Once again, the [City’s] Water Department proved to have some of the lowest water and sewage rates in the state.”

The screenshot shows a city website with a header for 'Government | City Services | About Us'. A navigation menu on the left includes links for Job Openings, Citizen Survey Results, Council Agenda, Comprehensive Planning Information, Community Assessment, and E-News Signup. The main content area features a 'News Flash - All' section with a sub-header 'News Flash - Home' and a title 'Low Water and Sewer Rates' dated January 8, 2007. The text of the news flash states: 'Once again, the City of [redacted] and sewage rates in [redacted] recent s[redacted] providers to evalu[redacted] rates residents p[redacted] City of [redacted] is proud to say, based on [redacted] household, the City has the third lowest water and [redacted] water bill of \$15.38, and sewage bill of \$10.36. As a result, [redacted] proved to have the third lowest combined residential water and sewage rates, of the 63 polled.' The bottom of the screenshot shows the beginning of a paragraph about commercial rates: 'The commercial rates were also compared among the same providers, based on 150,000 gallons per month. [redacted] has the lowest sewage, as well as the lowest combined water and sewage rates of those polled. The average commercial monthly sewage bill is \$222.00, with the combined'.



What about customers?

THE STORIES BUSINESS FAITH TECHNOLOGY REAL NEWS THE BLOG CON

HOT TOPICS: Campaign 2012 Media Matters GBTV

+1 1.9k f L

BUSINESS

RESIDENTS INCREDIBLY HAPPY ABOUT WATER SERVICE: *"I DON'T KNOW HOW THESE FOLKS DO IT – CLEAN WATER WHENEVER I NEED IT FOR ONLY A FEW DOLLARS A DAY!!"*

Posted on December 17, 2011 at 3:20pm by  **Becket Adams**

[Email »](#) [Print](#)

 **Like** 467  **Send**  **+1** 10  **Tweet** 78

[Comments \(3\)](#)

"These people are going to end up rioting about this," says Sheila Tyson, a community activist in Jefferson County, Ala. "If they let this stuff happen they are going to get the biggest riot the South has ever seen . . . I can see it coming."



Are we following the applicable laws?

Will our rates provide sufficient cost recovery?

What exactly does this include?

Will revenues be resilient to changing water demands?

Are we allocating the costs to the right customers?

Do these rates send the right signals to our customers, based on our objectives?



Will our customers understand these rates?

Will our customers be able to pay these rates?

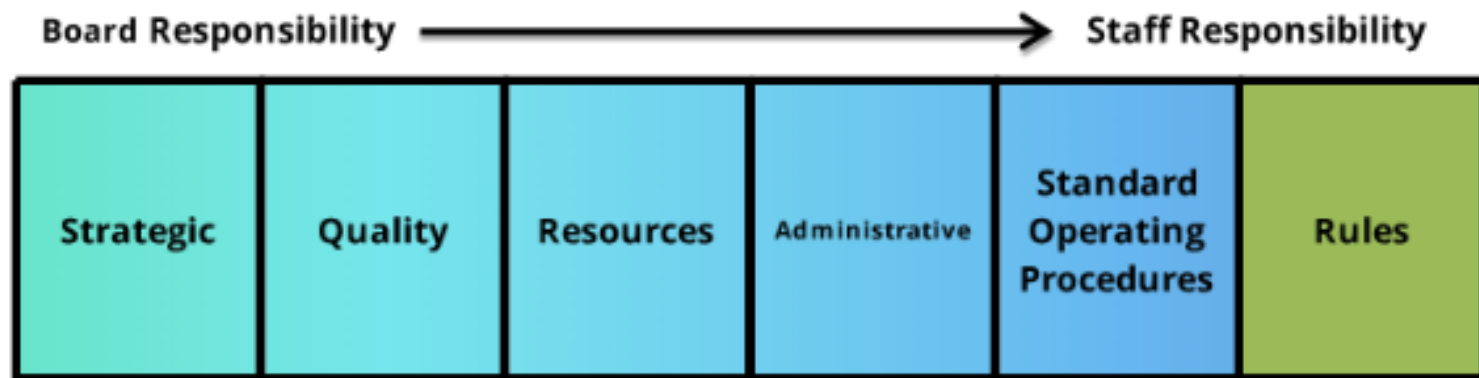


“Full Cost Pricing”

- Operations & maintenance expenditures
- Taxes and accounting costs
- Contingencies for emergencies
- Principal and interest on long-term debt
- Reserves for capital improvement
- Source water protection

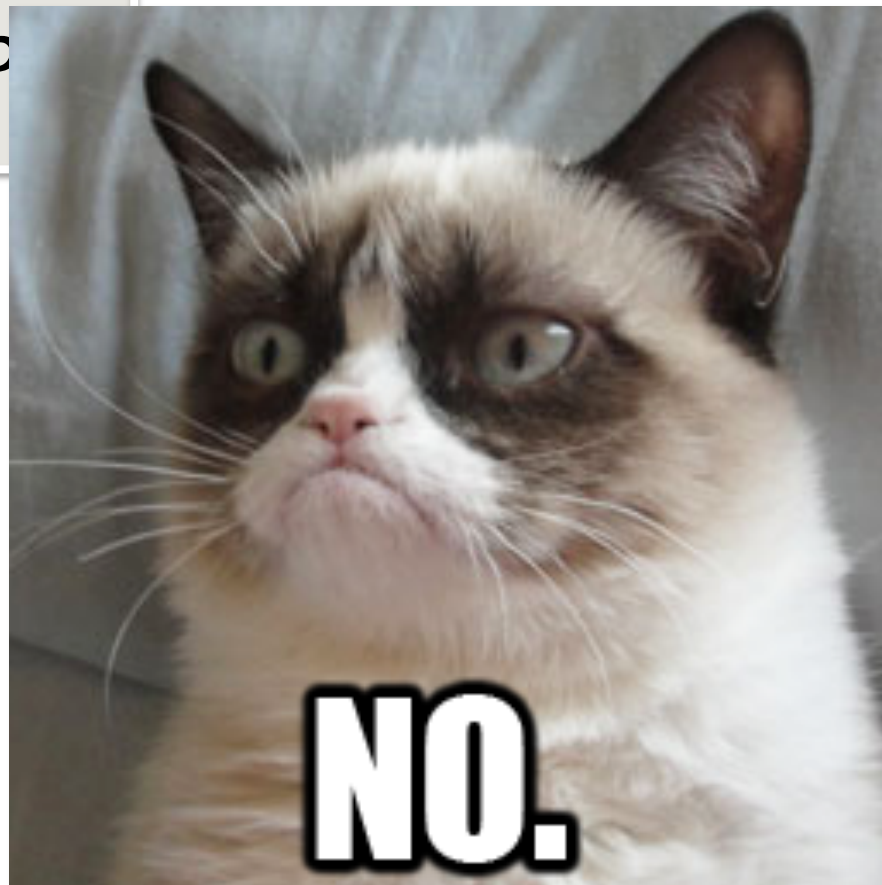
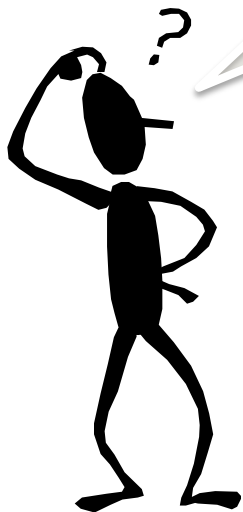


Difference Between Board and Staff Roles and Responsibilities





*Can we get a
rate increase?*





Some ways of getting buy-in



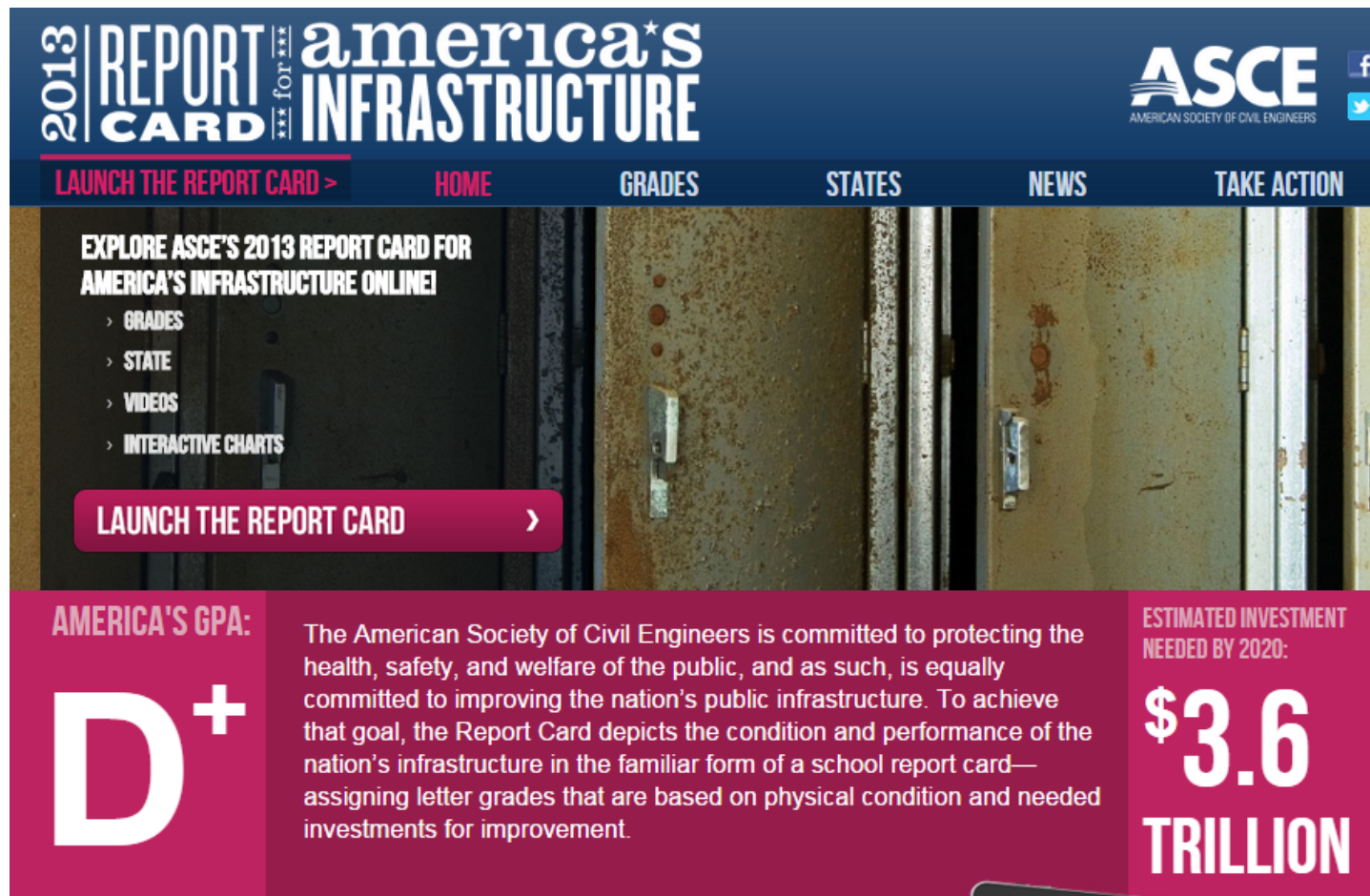
Appeal Based on What's Good



"It's clean, and it's crisp, and it's refreshing, and it's a great product..."



Appeal Based on What's Wrong



2013 REPORT CARD for america's INFRASTRUCTURE

ASCE
AMERICAN SOCIETY OF CIVIL ENGINEERS

LAUNCH THE REPORT CARD > HOME GRADES STATES NEWS TAKE ACTION

EXPLORE ASCE'S 2013 REPORT CARD FOR AMERICA'S INFRASTRUCTURE ONLINE!

- > GRADES
- > STATE
- > VIDEOS
- > INTERACTIVE CHARTS

LAUNCH THE REPORT CARD >

AMERICA'S GPA:

D⁺

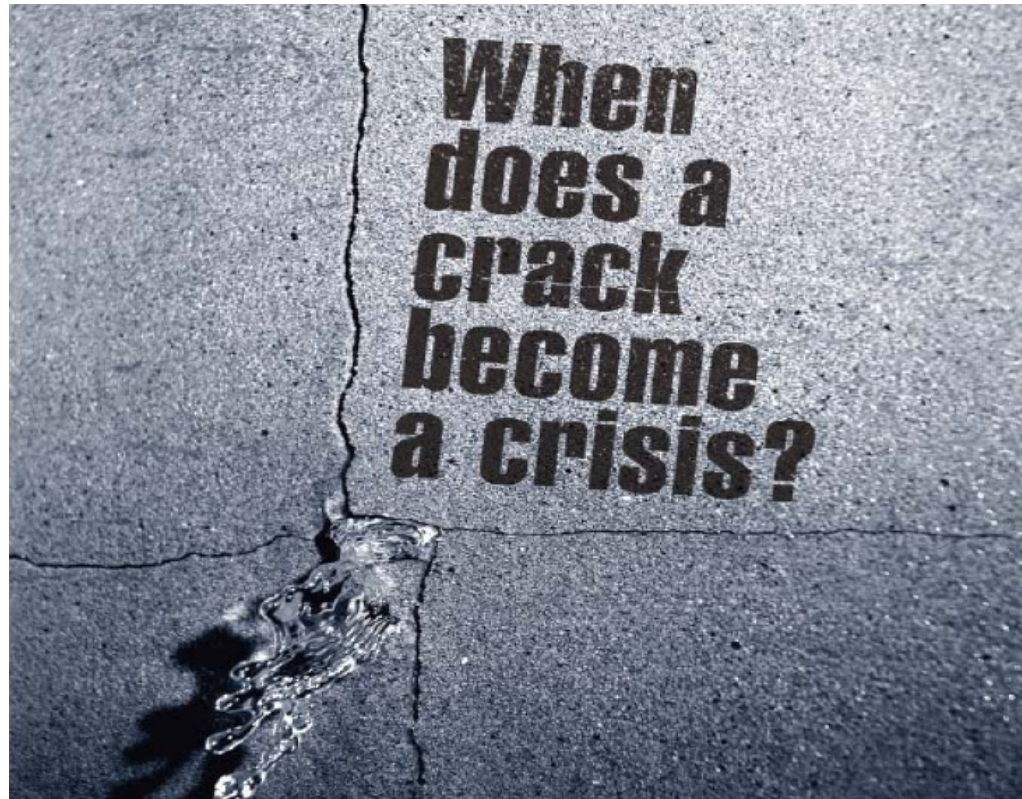
The American Society of Civil Engineers is committed to protecting the health, safety, and welfare of the public, and as such, is equally committed to improving the nation's public infrastructure. To achieve that goal, the Report Card depicts the condition and performance of the nation's infrastructure in the familiar form of a school report card—assigning letter grades that are based on physical condition and needed investments for improvement.

ESTIMATED INVESTMENT NEEDED BY 2020:

\$3.6 TRILLION



Warn of Consequences



When it shuts down our water and sewer systems.

Our water and sewer pipes are getting older by the day, putting our community at risk for leaks and breakage. Join us in stopping this problem before it gets worse. Supporting initiatives to invest in water and wastewater infrastructure. For more information call 800-300-3000 or visit www.WaterIsLife.net.



www.WaterIsLife.net



A 'Good' Crisis...





Use Visuals



Photo Source: http://www.wuc.on.ca/information/distribution.our_watermains.cfm



Talk Numbers

Annual Capital Improvement Budget for Water System	Total Value of Water System	Replacement Schedule
\$226,000	\$315,496,000	



Divine Intervention



Pope Francis Lays Hands On Ailing U.S. Infrastructure

NEWS IN BRIEF

September 25, 2015

VOL 51 ISSUE 38

News · Religion · World
Leaders · Pope



NEW YORK—Treating the frail, long-overlooked structures with an unparalleled display of compassion, Pope Francis reportedly inspired a crowd of onlookers Friday by laying his hands upon the ailing United States infrastructure. “My heart just melted when I watched the pope



ONION VIDEO





But how is this happening at water systems today? What is working well, and what is not?



Communicating a Rate Case:

2014 Survey on Water System Rate Communication

ICMA

Leaders at the Core of Better Communities



UNC

ENVIRONMENTAL
FINANCE CENTER



www.efcnetwork.org



UNC
ENVIRONMENTAL FINANCE CENTER



Methodology

	Chief Administrative Officers	Chief Elected Officials
Matched surveys sent	5,750 (4,439 cities; 1,311 counties)	5,750 (4,439 cities; 1,311 counties)
Surveys returned	2,110	781
...from local governments that manage and set rates for water systems	1,408	329
Matched Sets from Same Local Government	202	

Survey was administered by ICMA from May through August 2014



Survey Objective

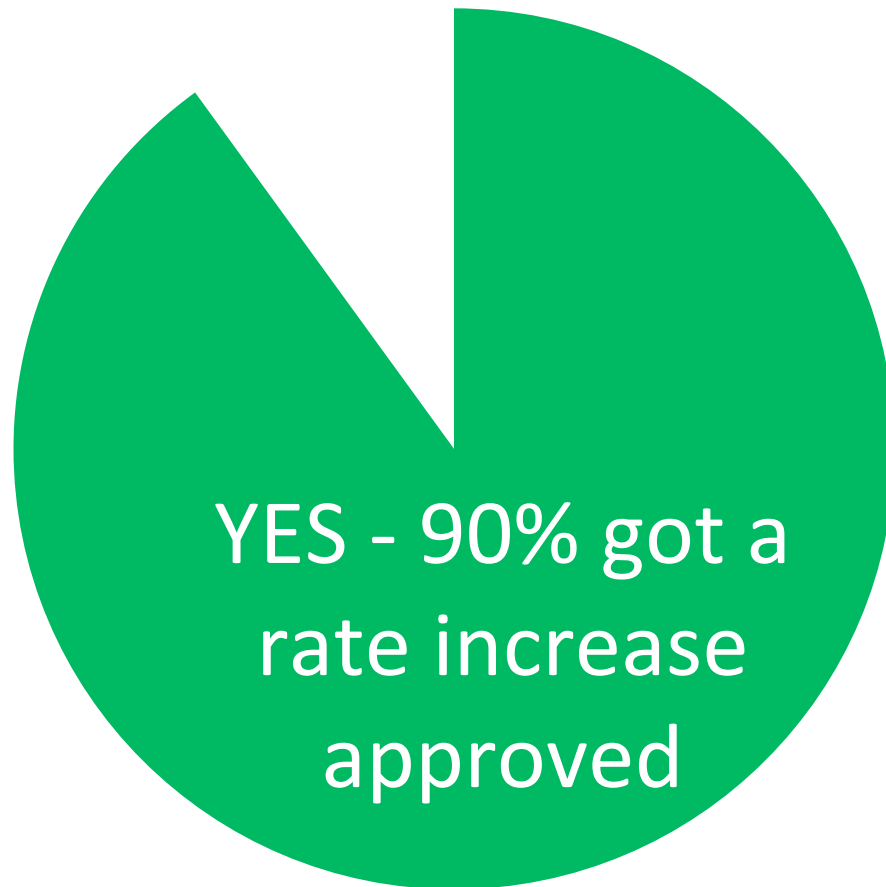
Identify the:

- Most important factors and information shared regarding the most recent rate increase request
- Most effective methods of communicating the need for the rate increase



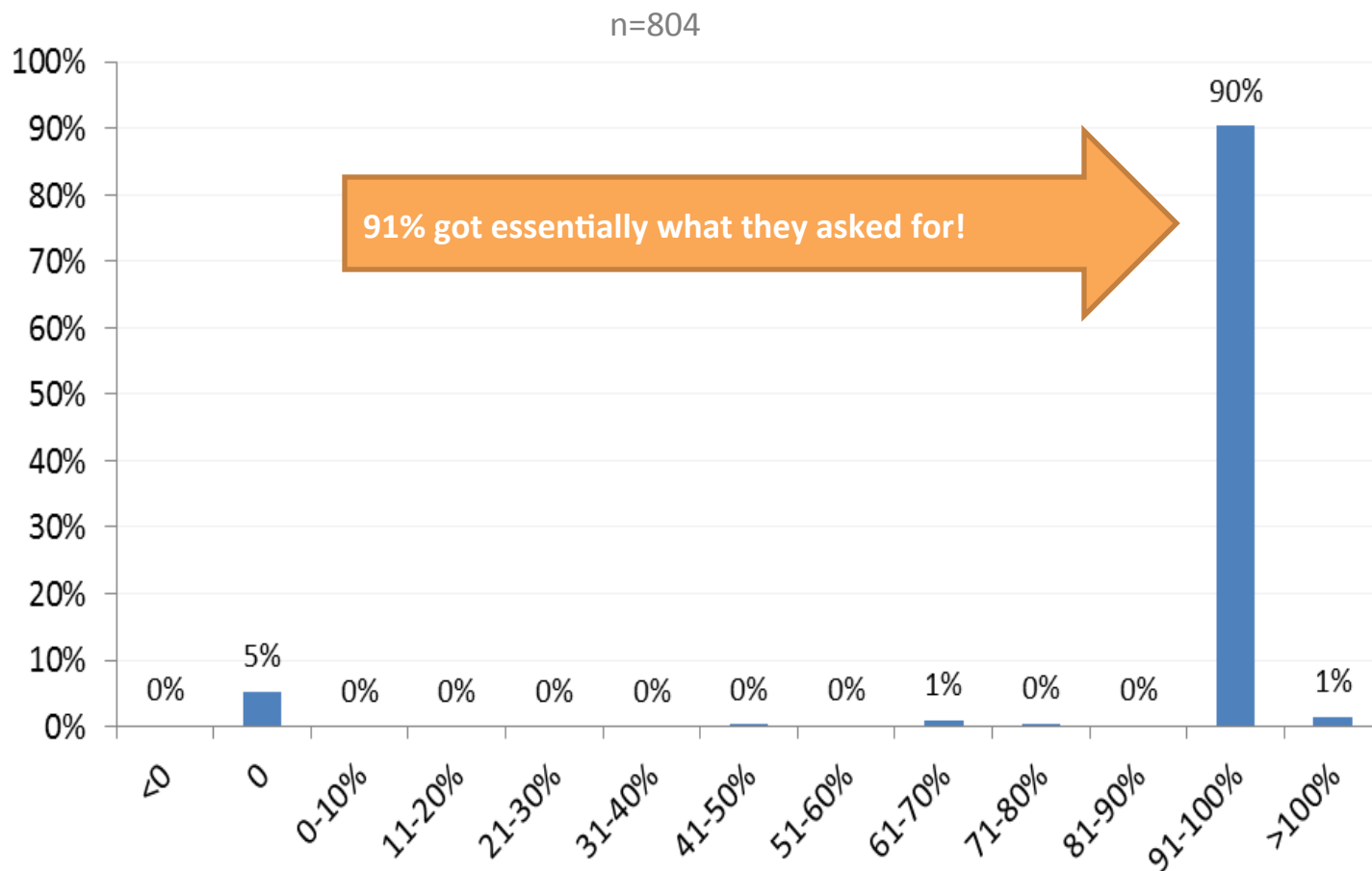
Are rates getting approved?

n=1,330





What was approved vs. what was requested?



When single request was made (n=806)

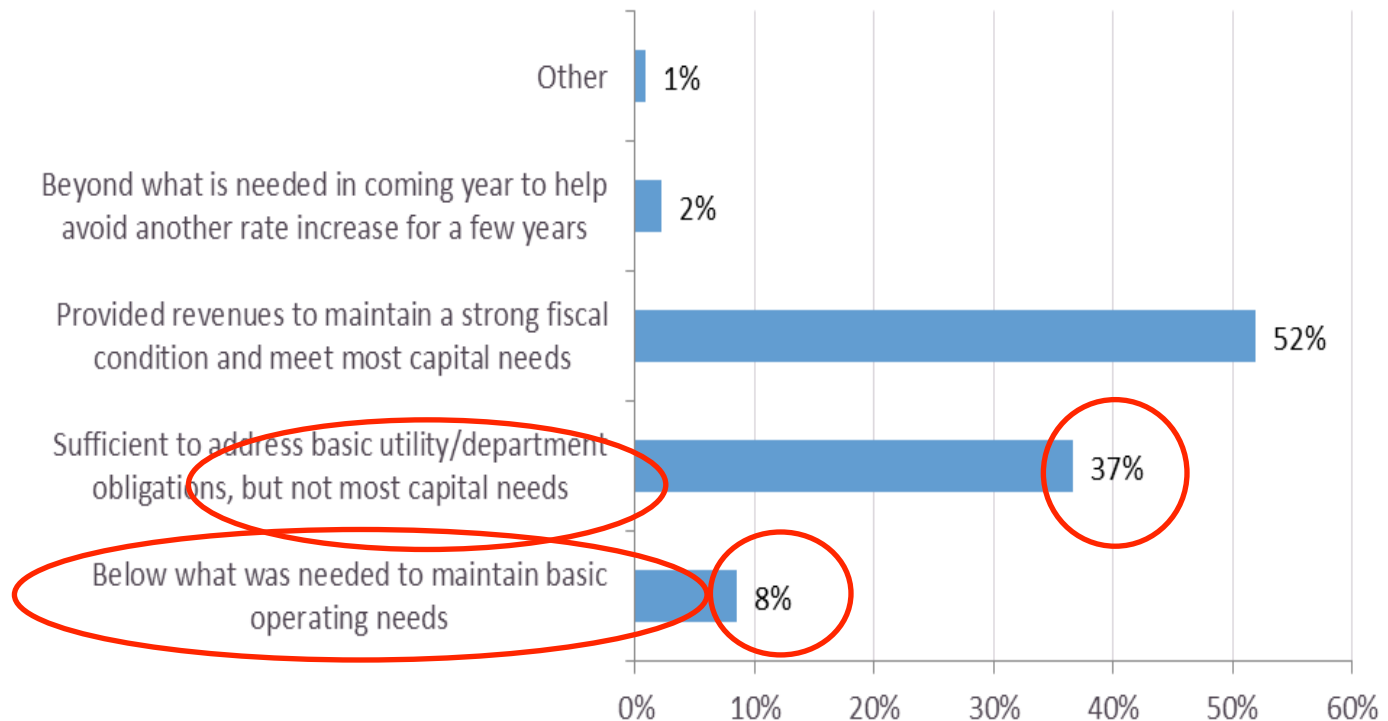
*Summary Statistics



But...did they ask for enough?

In your professional opinion, which statement below best describes the water rate increase that was proposed to the local government governing body for approval?

n=1,349





Some Key Factors

- Trust (Working Relationship)
- Information Conveyed
- Public Involvement



Trust (Working Relationship)

According to administrative officers, the working relationship with the governing body is not related to:

- The size of the governing body
- Whether or not a rate adjustment was approved by the governing body



Trust (Working Relationship)

But...the administrative officers with better working relationships with the governing board were:

- More likely to request higher rate increases
- More likely to request full-cost-recovery rate increases

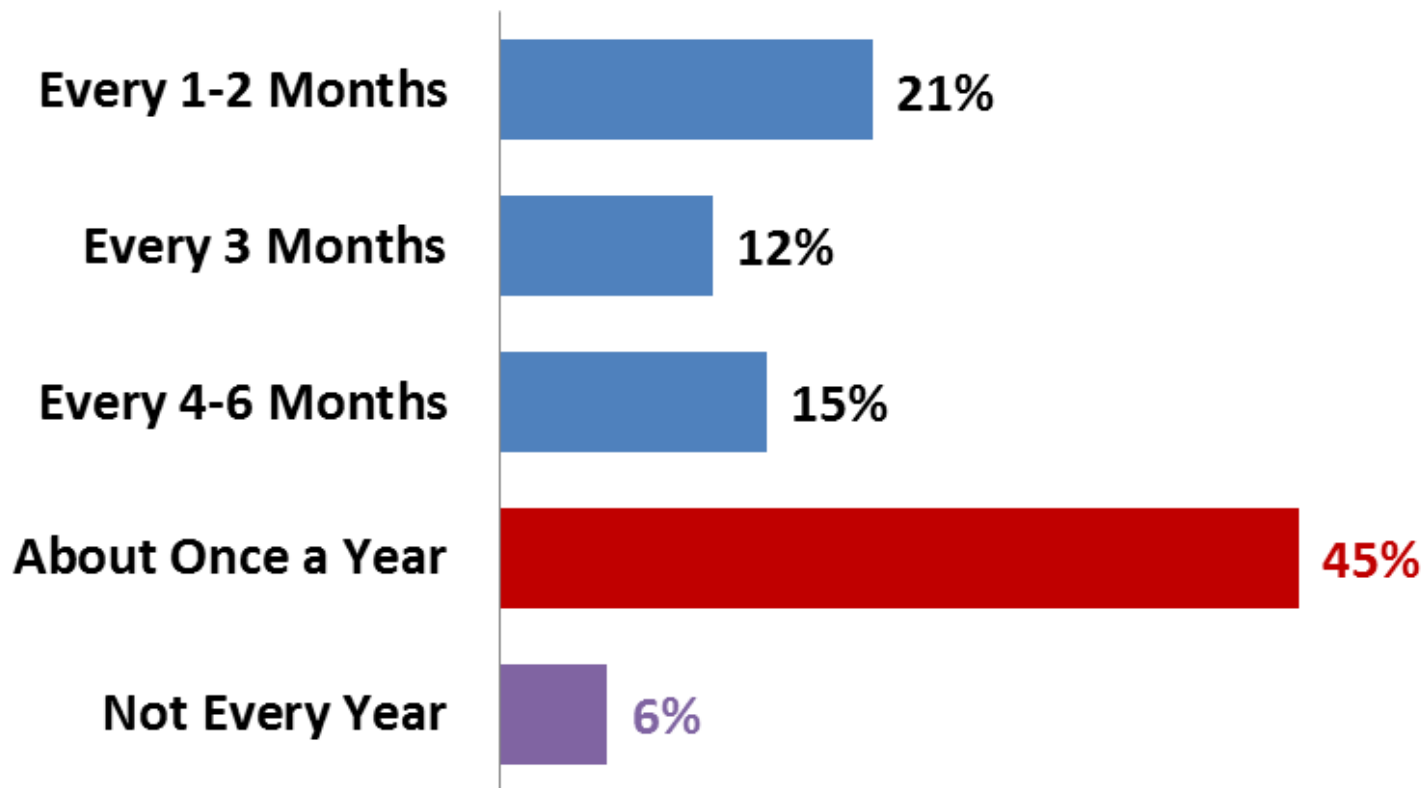


Trust (Working Relationship)

- According to elected officials, **more frequent communication** and **effective communication** are directly related to a good working relationship



The full governing body typically meets with staff **once a year** or less





Information Conveyed to Governing Boards

Description	Utility Interviewed									
	1	2	3	4	5	6	7	8	9	10
1. How much the average bill would change	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. How changing circumstances affects finances	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3. Anticipated capital expenses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. The financial condition of the water utility	✓	✓	✓	✓	✓		✓	✓	✓	✓
5. The physical condition of the water utility	✓				✓			✓	✓	
6. How proposed rates compare to customer incomes	✓							✓		✓
7. Comparisons of rates with other utilities	✓	✓	✓	✓	✓		✓	✓		
8. Bond covenants	✓	✓	✓	✓	✓			✓	✓	
9. Multiple rate scenarios				✓			✓			✓
10. Projected impact of rate adjustments on demand							✓		✓	
11. Previous history of water rate adjustments	✓	✓			✓				✓	
12. Rate adjustments needed in the next few years	✓	✓			✓		✓		✓	✓
13. Comparisons of rate adjustments with other services	✓			✓			✓			
14. Initiatives that improve efficiency				✓			✓	✓	✓	✓
15. Customer satisfaction surveys					✓			✓		✓



Information Conveyed to Governing Boards

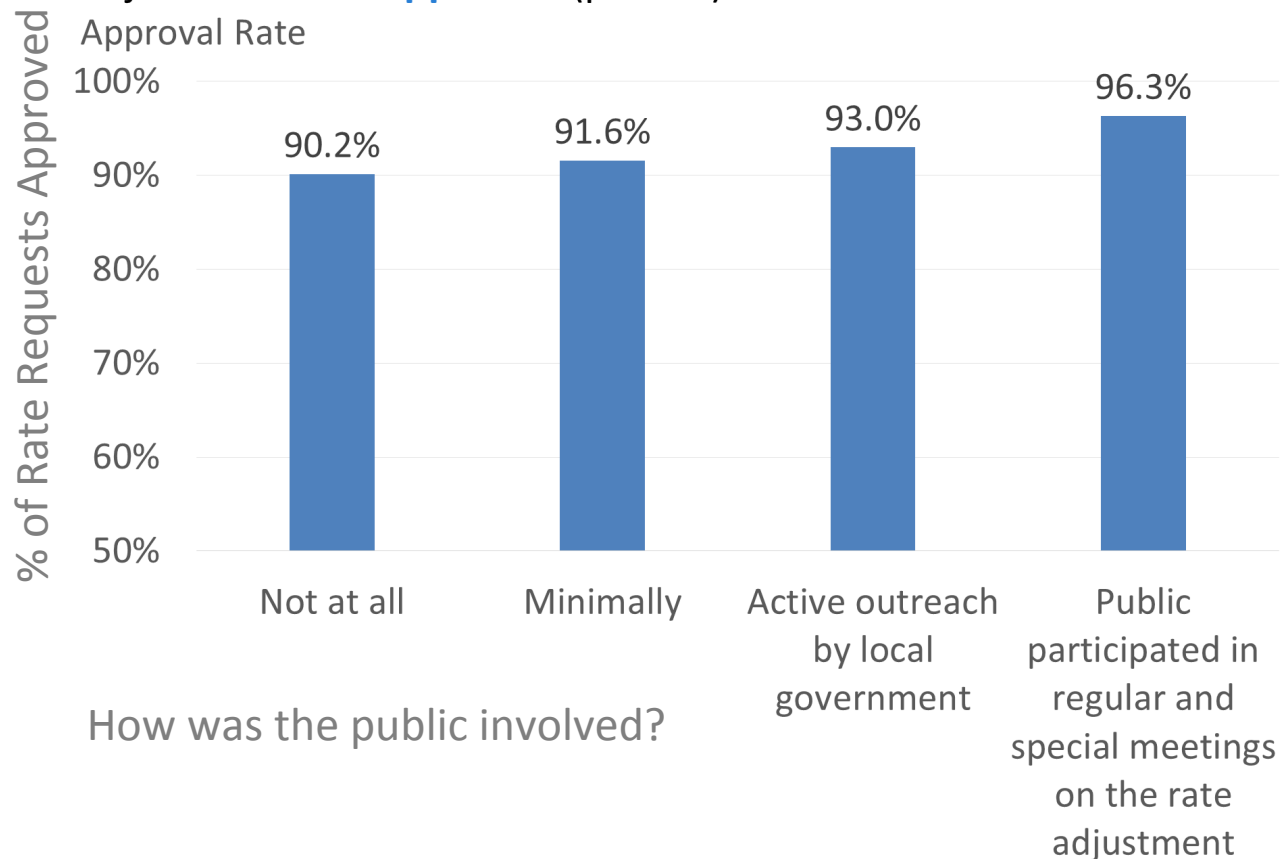
Description	Utility Interviewed									
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1. How much the average bill would change	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. How changing circumstances affects finances	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3. Anticipated capital expenses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. The financial condition of the water utility	✓	✓	✓	✓	✓		✓	✓	✓	✓
5. The physical condition of the water utility	✓				✓			✓	✓	
6. How proposed rates compare to customer incomes	✓							✓		✓
7. Comparisons of rates with other utilities	✓	✓	✓	✓	✓		✓	✓		
8. Bond covenants	✓	✓	✓	✓	✓			✓	✓	
9. Multiple rate scenarios				✓			✓			✓
10. Projected impact of rate adjustments on demand							✓		✓	
11. Previous history of water rate adjustments	✓	✓			✓				✓	
12. Rate adjustments needed in the next few years	✓	✓			✓		✓		✓	✓
13. Comparisons of rate adjustments with other services	✓			✓			✓			
14. Initiatives that improve efficiency				✓			✓	✓	✓	✓
15. Customer satisfaction surveys					✓			✓		✓

Highlighted were reported by Governing Boards as most helpful.



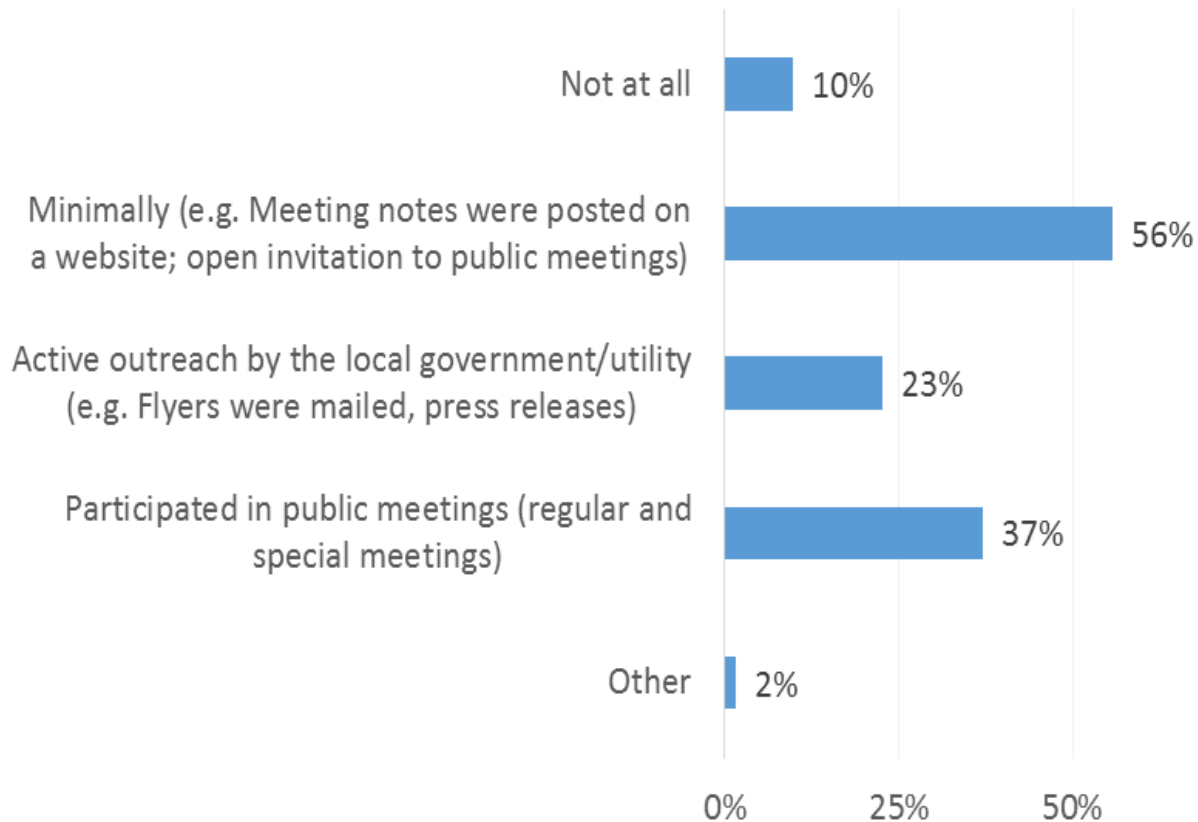
Public Involvement

The **more the public was involved**, the more likely the rate adjustment was **approved** ($p < 0.01$)





Public Involvement



How the public
was involved?
(n=1,364)

When the public was
involved, the system
was 20% more likely
to request a higher
rate increase



The Bottom Line

Water systems are getting rate approvals, but effective and frequent communication about salient issues, along with public involvement, can make the difference in getting the rates systems need to cover capital costs.

Polling Question 4

Would you like to subscribe to the Environmental Finance Center's blog?

- Yes
- No

Polling Question 5

Are you interested in receiving in-depth technical assistance for your small water system?

- Yes
- No
- Would like more information on this



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