



Water System Communication

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Session Overview

- Explore ways that decision-makers communicate with customers
- Discuss how to handle misconceptions about water systems
- Understand opportunities to address challenges



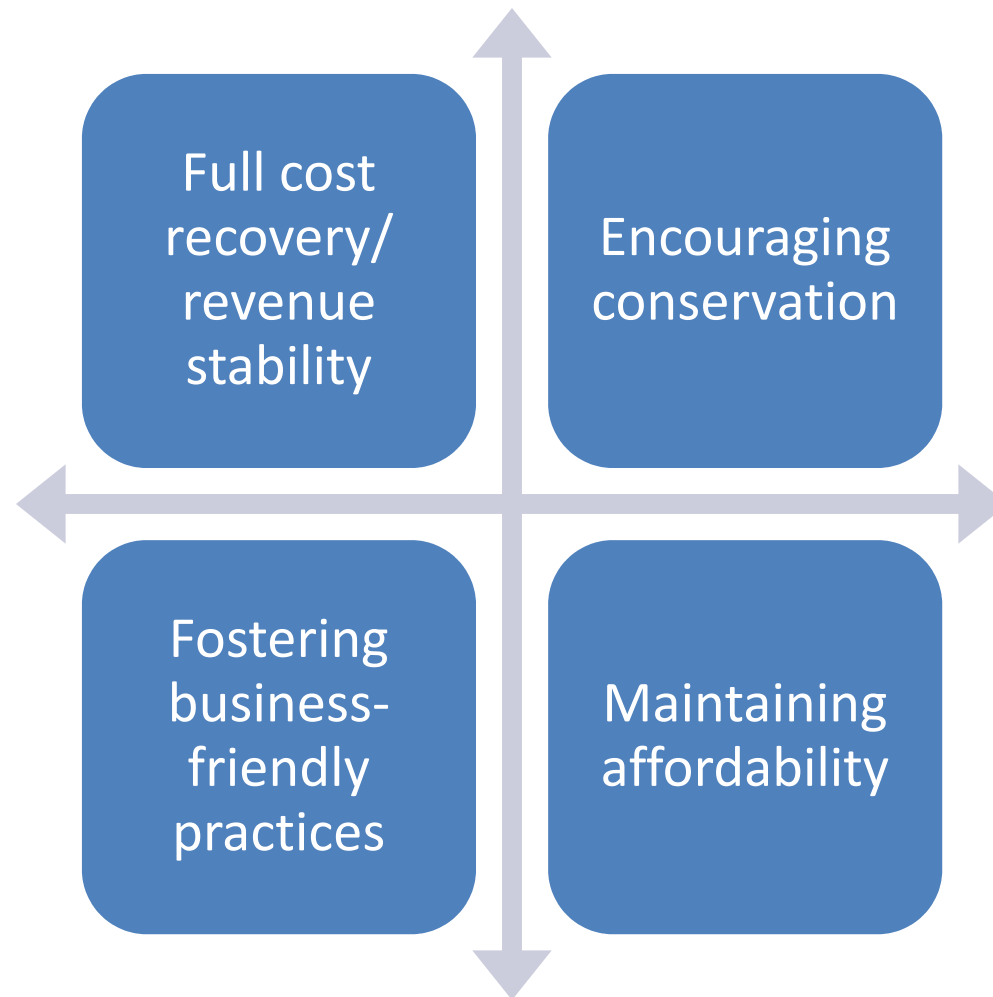
Communicating with Customers



Rates are the primary way that
we as water systems
“communicate” with our
customers



Rate Setting Objectives



Rates in the room today

MONTHLY WATER SERVICE PROVIDED WITHIN CORPORATE LIMITS OF CITY

		<u>EXISTING RATES</u>	<u>NEW RATES EFFECTIVE AS FOLLOWS:</u>			
			<u>3/1/11</u>	<u>7/1/11</u>	<u>7/1/12</u>	<u>7/1/13</u>
First	1,500 gallons per mo.	\$12.94 (Minimum Bill)	<u>\$13.59</u>	<u>14.27</u>	<u>14.70</u>	<u>15.44</u>
Next	3,000 gallons per mo.	5.68 per 1,000 gallons	<u>5.97</u>	<u>6.27</u>	<u>6.46</u>	<u>6.65</u>
Next	5,000 gallons per mo.	4.58 per 1,000 gallons	<u>4.81</u>	<u>5.05</u>	<u>5.21</u>	<u>5.37</u>
All over	9,500 gallons per mo.	3.46 per 1,000 gallons	<u>3.64</u>	<u>3.83</u>	<u>4.03</u>	<u>4.15</u>

(A) Within corporate limits of city.

<u>PRIOR WATER RATES</u>	<u>RATES AS OF JULY 1, 2008</u>
First 2,000 gallons — \$14.58 minimum	First 2,000 gallons \$14.45 minimum
Next 8,000 gallons — 4.46 per 1,000 gallons	Next 8,000 gallons 5.58 per 1,000 gallons
Next 5,000 gallons — 3.18 per 1,000 gallons	Next 5,000 gallons 3.98 per 1,000 gallons
Next 5,000 gallons — 2.41 per 1,000 gallons	Next 5,000 gallons 3.01 per 1,000 gallons
Next 5,000 gallons — 1.94 per 1,000 gallons	Next 5,000 gallons 2.38 per 1,000 gallons
Over 25,000 gallons — 1.62 per 1,000 gallons	Next 25,000 gallons 1.90 per 1,000 gallons

§ 51.01 WATER RATES

- (A) The monthly minimum charge for “in-city” customer(s) of water for the city water system shall be \$22.00 flat rate per month for the first 2,000 gallons used. All water consumed in excess of 2,000 gallons shall bear a charge of \$7.00 per 1,000 gallons for the next 5,000 gallons and a charge of \$6.00 per 1,000 gallons for every 1,000 gallons over 7,000 total gallons. In the event that the customer qualifies for the commercial rate provided in paragraph (C) below then the rates set out in paragraph (A) herein shall not apply.

application

B. Rates: Monthly

First 1,500 gallons \$13.00 Minimum Bill

All Over 1,500 gallons \$ 4.90 per 1,000 gallons

(i) Inside city limits:

Gallons	Rate
First 2,000	\$16.55
Next 8,000	\$4.36
Next 10,000	\$4.04
Next 30,000	\$3.85
Next 50,000	\$3.65
Over 100,000	\$3.07

A. MONTHLY RATES*

1. General Service

5/8 x 3/4 Inch Meter

First	2,000 gallons	\$12.60 Minimum bill	-I-
Next	8,000 gallons	4.13 per 1,000 gallons	-I-
Next	90,000 gallons	3.46 per 1,000 gallons	-I-
Next	900,000 gallons	3.01 per 1,000 gallons	-I-
Over	1,000,000 gallons	2.67 per 1,000 gallons	-I-

Water rates per gallon (effective May 2011):

All Customers:

0 to 2,000 gallons.....	\$17.47 minimum
2,001 to 5,000 gallons.....	\$6.86 per thousand gallons
5,001 to 10,000 gallons.....	\$5.81 per thousand gallons
10,001 to 70,000 gallons.....	\$5.31 per thousand gallons
All over 70,000 gallons.....	\$4.86 per thousand gallons



Mission Statements



Do you have a mission statement? Do you know what it is?





What makes a good mission statement?



A Good Mission Statement...

Uses language customers use

Is concise

Sounds good when you say it out loud

Is memorable

Is specific

Is actionable

A Bad Mission Statement...

Uses jargon

Is really long and rambling

Is full of clauses that are hard to say

Is forgettable

Is vague

Cannot be quantified



NASA

- To improve life **here**,
- to extend life to **there**,
- to find life **beyond**.

“ — mission is to organize
the world's information and make it
universally accessible and useful”

– Google



- To refresh the world
- To inspire moments of optimism and happiness
- To create value and make a difference

TED

Ideas worth
spreading



Water Mission Statements



We provide a safe, reliable, high-quality water supply with superior service and value.



Water Mission Statements



The Water Utilities Department will develop and maintain a competent team of professionals who strive continuously to improve the level of service to our customers through accurate utility billing, increased technological enhancements, and a greater emphasis on customer solutions, while planning for future needs of a growing and diverse community.



Water Mission Statements



Albuquerque Bernalillo County
Water Utility Authority

To assure responsive customers service; provide reliable, high quality, affordable and sustainable water supply, wastewater collection and treatment and reuse systems; and support a healthy, environmentally sustainable and economically-viable community.



Do Mission Statements Matter?

- Everyone needs to know where the organization is headed & everyone needs to be on the same page
- Some goals are contradictory; which one matters most?
- Board needs to provide support for the things it cares about



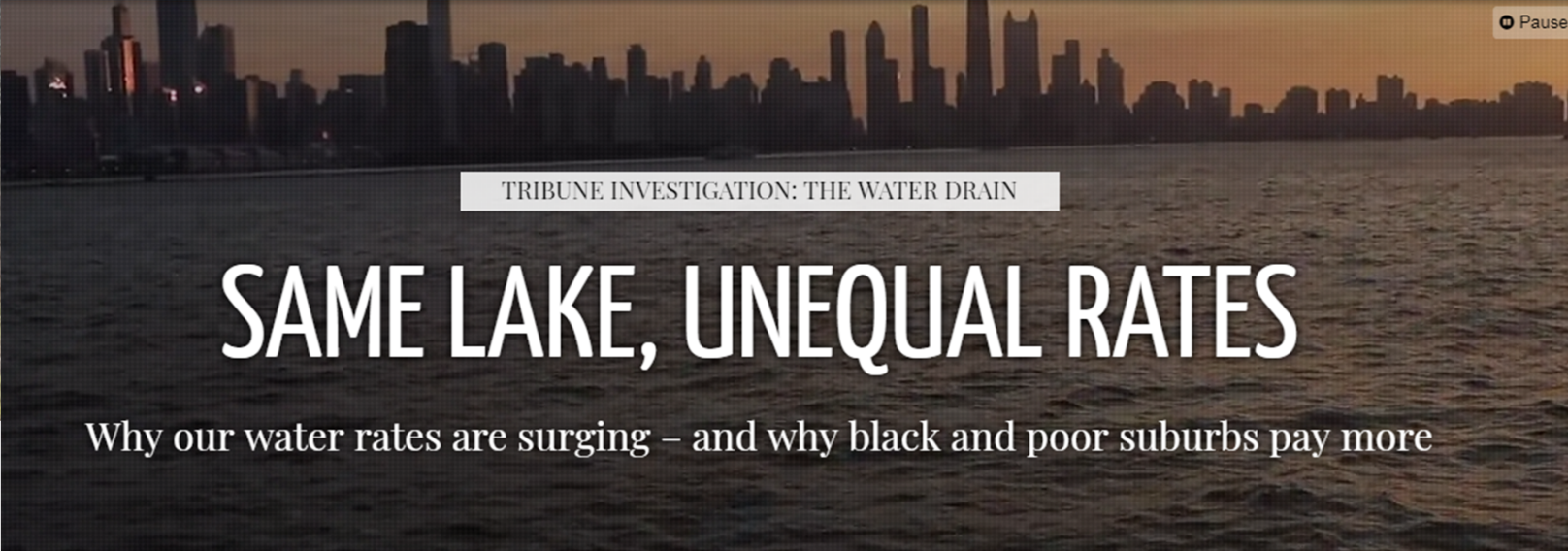
Rates Comparisons



Rates Comparisons

The Daily Tar Heel CAMPUS CITY & COUNTY POLITICS SPORTS CULTURE OPINION

Why are OWASA rates higher than Raleigh and Durham?



Chicago Tribune

Pause

PART 1: Same lake, unequal rates

PART 2: Residents pay for billions lost

TRIBUNE INVESTIGATION: THE WATER DRAIN

SAME LAKE, UNEQUAL RATES

Why our water rates are surging – and why black and poor suburbs pay more

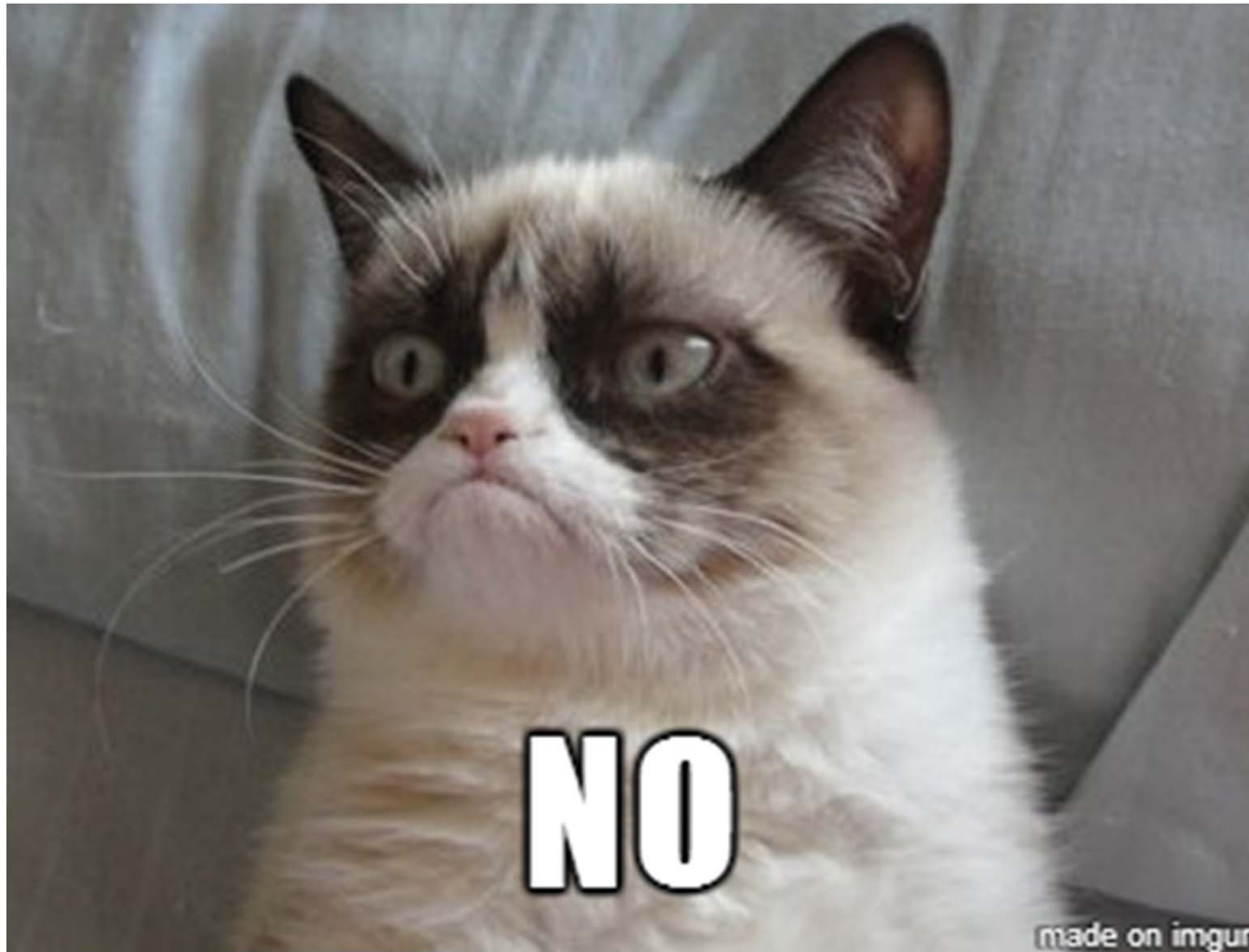


Rates Comparisons



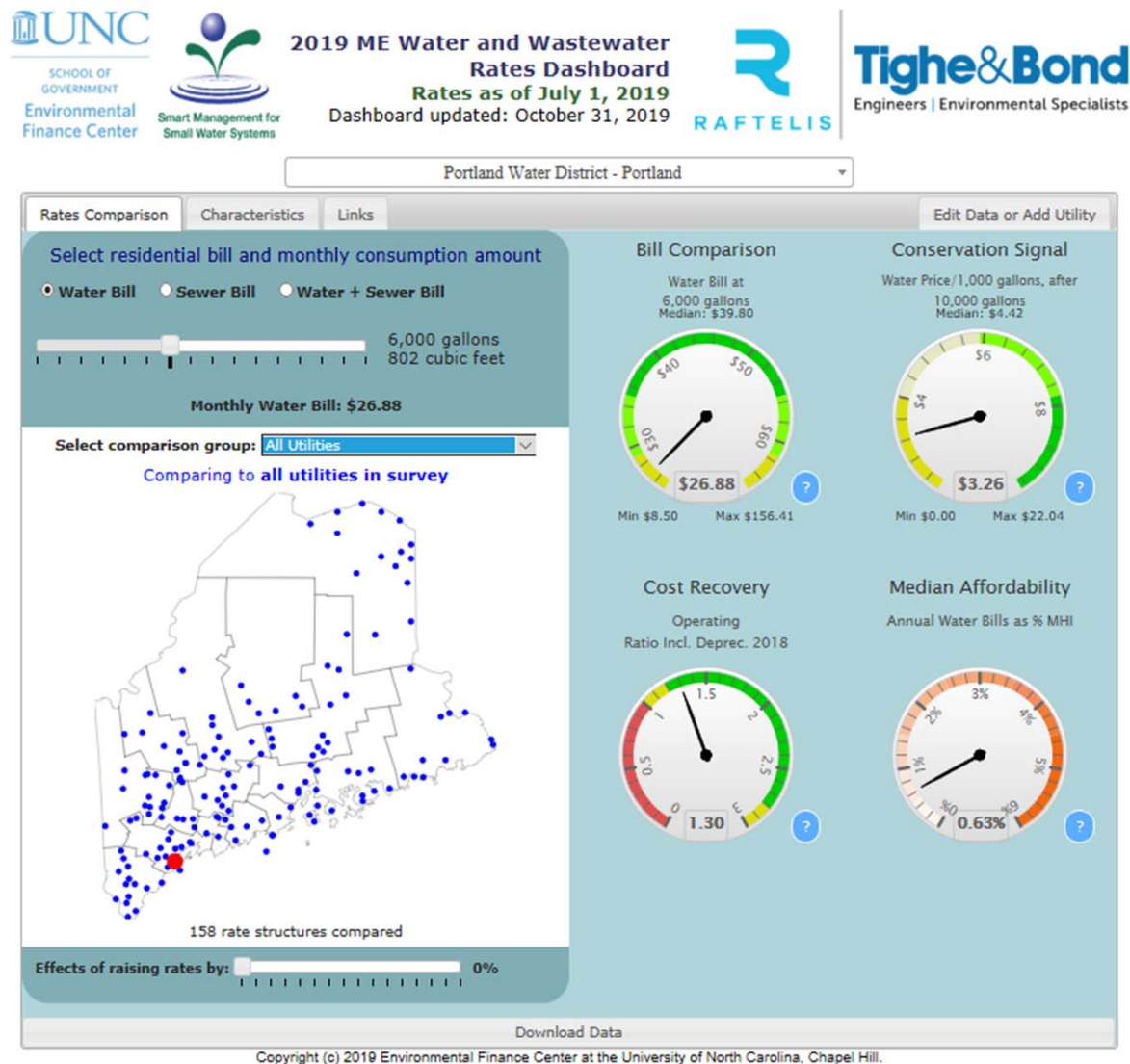


Is he right? Water is water?





So how do we respond?



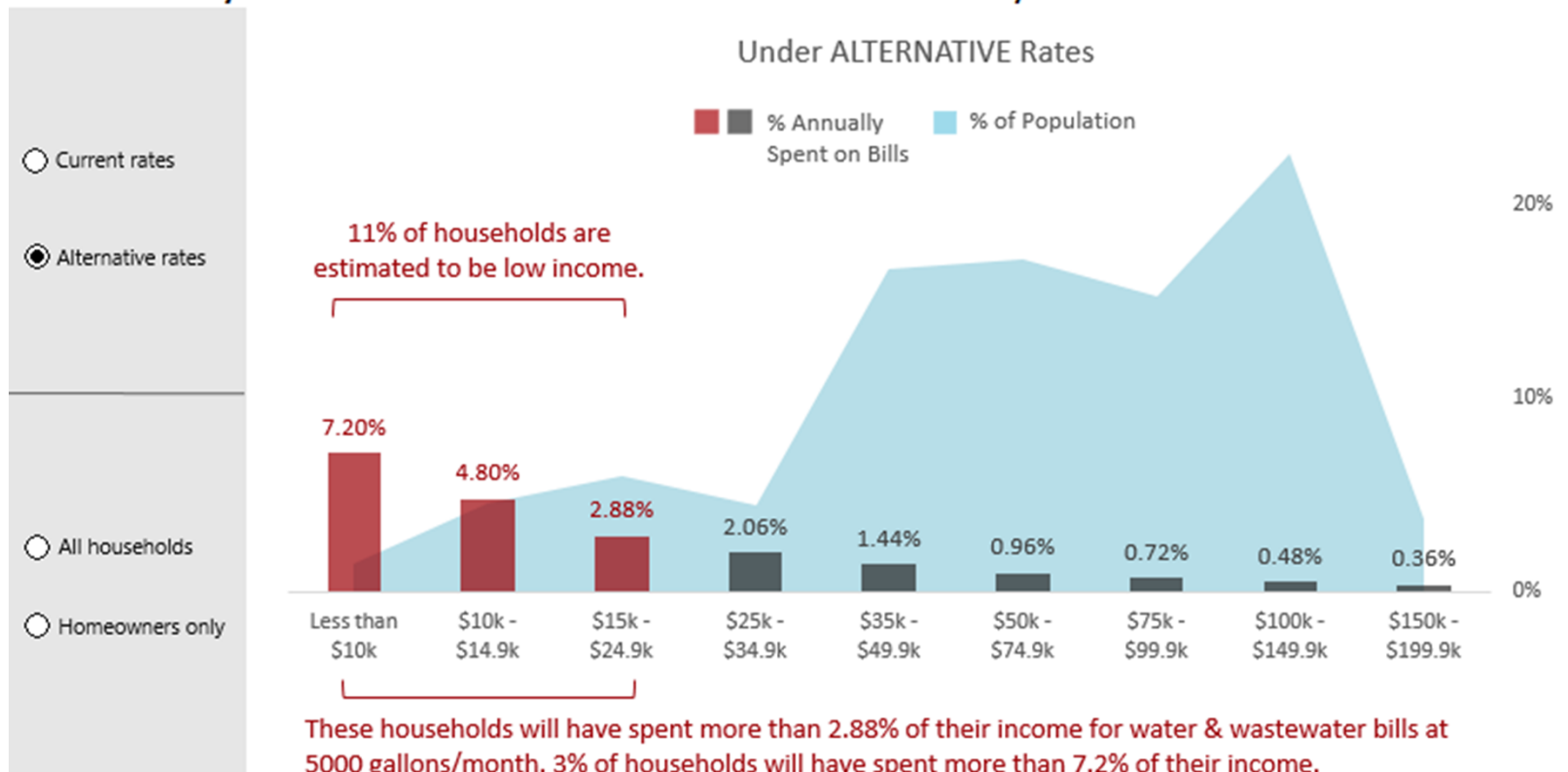


So how do we respond?



Financial Health Checkup FOR WATER UTILITIES

Affordability of Water & Wastewater Rates Assessed at 5000 Gallons/Month and the 2014 Income Levels




Water and Wastewater Rates Analysis Model

<http://efc.sog.unc.edu> or <http://efcnetwork.org>

Find the most up-to-date version in Resources / Tools



Water & Wastewater Rates Analysis Model

Version 2.8.2 (last updated August 4, 2015)



UNC
ENVIRONMENTAL FINANCE CENTER

Developed by the Environmental Finance Center at the University of North Carolina, Chapel Hill
<http://efc.sog.unc.edu>



Funded by the U.S. Environmental Protection Agency and the Public Water Supply Section of the North Carolina Department of Environment and Natural Resources

Get Started

Download a copy of the model populated with data from an example utility

DESCRIPTION

A do-it-yourself, simplified financial model to assist utility managers and private system owners in setting water and wastewater rates.

FEATURES

- Comparisons of annual fund balance projections (for up to 20 years) under proposed new rates vs. staying with existing rates
- Adjust rates for the next 1-5 years
- Up to 12 rate structures
- Uniform or block rates (up to 10 blocks)
- Model changes to accounts and water use
- Customizable list of operating and capital expenses
- Building up reserves through rates
- Compare monthly bills under new rates vs. existing rates
- Assess revenue sufficiency and fund balance
- Error notifications

INSTRUCTIONS

- 1) Navigate using worksheet tabs at bottom of screen or following arrows and clicking on buttons
- 2) In the green "Data Input" worksheets, input data in the dark green cells

View Results

Financial forecast of the next few years under 'Existing' rates versus 'New' rates (graphs of cost recovery and end-of-year fund balance)

How new rates compare to existing rates (graphs of monthly bills)

Year	2015	2016	2017	2018	2019	2020
Debt Service	\$11.50	\$13.00	\$14.50	\$17.00	\$20.00	\$21.00
Other Known Annual Expenses	2,000	2,000	2,000	2,000	2,000	2,000

Block End	2015	2016	2017	2018	2019	2020
4,000 gal/mo	\$2.78	\$2.78	\$2.78	\$3.00	\$3.50	\$4.00
7,000 gal/mo	\$4.00	\$4.50	\$5.00	\$5.50		
10,000 gal/mo	\$6.00	\$6.50	\$7.00	\$8.00	\$9.00	\$9.00

Error: missing block rates
Error: missing block size

Watch out for red "Error" messages describing where data entry errors

Created by the Environmental Finance Center at the University of North Carolina, Chapel Hill
Funded by the U.S. E.P.A. and the N.C. Department of Environment and Natural Resources



Earlier we addressed future challenges, we've talked generally about responsibilities and communication...

...but what about the future opportunities?



Engage with Local Resource Agencies!



Funding Sources!



Kentucky Water and Wastewater Funding Sources
Compiled by the Environmental Finance Center Network, June 2019

Organization	Program (key words)	Gov. Entity	Non- Profit	For- Profit	Purpose or Use of Funds	How to Apply	Website	Contact
Kentucky Infrastructure Authority and Kentucky Energy and Environment Cabinet, Department of Environmental	Drinking Water State Revolving Fund (DWSRF) (water)	✓	✓		The DWSRF, also referred to as Fund F, is a 20-year loan program for planning, design and construction of drinking water infrastructure projects. Fund F1, a five-year loan for planning and design, was established to help small communities finance costs prior to construction. If the community applies for a loan for the construction portion under Fund F, the Fund F1 can be rolled over to the Fund F.	If you are interested in receiving funding from either SRF loan program, you must coordinate with your Area Development District Planner to prepare an electronic Project Profile. Information contained in the Project Profile will be used by the Division of Water to score and rank projects based on the published set of criteria. Requests for funding will not be accepted after the Call for Projects period ends.	https://kia.ky.gov/Pages/index.aspx	Donna McNeil donna.mcneil@ky.gov 502-692-3496 100 Airport Road 3rd Floor Frankfort, Kentucky 40601
	Clean Water State Revolving Fund (CWSRF) (wastewater, sewer)	✓	✓		The CWSRF, also referred to as Fund A, is a 20-year loan program for planning, design and construction of wastewater infrastructure projects, stormwater projects and nonpoint source projects. Fund A1 provides assistance to small communities in financing the preliminary costs prior to construction. It is a five-year loan for planning, design and sanitary sewer evaluation study (SSES). If a community applies for a loan for the construction portion of the project under Fund A, the Fund A1 can be rolled over to the Fund A loan.			
U.S. Environmental Protection Agency	Water Infrastructure Finance and Innovation (water, wastewater)	✓	✓	✓	The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. The WIFIA program offers loans with low, fixed interest rates and flexible financial terms. The minimum project size for small communities, population of 25,000 or less, is \$5 million.	The WIFIA application process is two phases. Prospective borrowers must submit a letter of interest for their project to the WIFIA program by the announced annual deadline. For each selected project, the prospective borrower may submit an application, negotiate loan terms, and close its loan. Please check the WIFIA website for more information about program deadlines.	http://www.epa.gov/wifia	Karen Fligger wifia@epa.gov 202-564-2992 1200 Pennsylvania Avenue, Northwest Mailcode 4201T Washington, District of Columbia 20460
	Water Infrastructure Improvements for the Nation Act: Assistance for Small and Disadvantaged Communities Drinking Water Grant (water)	✓			The program supports drinking water projects and activities in small and disadvantaged communities that are unable to finance projects to comply with drinking water regulations under the Safe Drinking Water Act. Projects and activities eligible for assistance can include infrastructure projects; technical, managerial, and financial capacity building activities; and activities necessary for a state to respond to a contaminant.	Communities will apply to their respective state program for assistance. Applications will be available in the upcoming weeks and accepted on a rolling basis until June 2020.	http://www.epa.gov/dwcapi https://www.epa.gov/dwcapi/assistance-small-and-disadvantaged-communities-drinking-water-grant	For state contact information (coming soon), visit: https://www.epa.gov/ground-water-and-drinking-water/drinking-water-grants
Kentucky Infrastructure Authority	Infrastructure Revolving Loan (water, wastewater)	✓	✓		The Infrastructure Revolving Loan, also referred to as Fund B, provides for the construction or acquisition of infrastructure projects (both water and wastewater) through low-interest state funded loans.	Obtain and file application documents with the Kentucky Infrastructure Authority. Applications and other forms can be accessed on the website.	https://kia.ky.gov/Finance/Revolving/Pages/default.aspx	Donna McNeil donna.mcneil@ky.gov 502-692-3496 100 Airport Road 3rd Floor Frankfort, Kentucky 40601








Think outside the box!



Smart Management for
Small Water Systems

**Innovations in Water Systems: Barriers and
Case Studies from Appalachia**

June 13th, 2019
www.efcnetwork.org



This program is made possible under a cooperative agreement with the U.S. EPA.

<https://efcnetwork.org/events/webinar-innovations-in-small-water-systems-barriers-and-case-studies-from-appalachia/>



Case Study: KY Water Kiosks

- What does the finished product look like?





Case Study: KY Water Kiosks

- How replicable is the process?
 - Limitations
 - Water isn't provided within the home
 - Partnered with a local stakeholder (red bird mission) that was willing to take on the challenge
 - Still requires people to have cars to get water
 - i.e. might not be accessible to the most at risk customers

Kiosk Water Dispensing





Case Study: KY Water Kiosks

- How do they pay for it?



Clean Water Kiosk:

Safe, clean water filling station provided at a minimal cost of approximately 5 gallons for a quarter. Kiosk is located across from the Community Store.

Clean Water Containers



Partnerships!

McLean County Regional Water Commission Receives 2018 H2O Award

LOUISVILLE, Ky. (August 16, 2018) – The McLean County Regional Water Commission (MCRWC) is the recipient of the 2018 H2O Award for outstanding drinking water project, the Kentucky Infrastructure Authority (KIA) announced on Thursday.

The McLean County Regional Water Commission was founded in 2009 as a partnership between McLean County Fiscal Court, the county's four cities (Calhoun, Island, Livermore and Sacramento) and the North McLean Water District. Previously, the county's 9,500 residents had been served by five independent, aging water systems, some of them 80 years old. MCRWC was created to address the region's drinking water needs and the aging water supply systems.



Partnerships!

US Water Alliance

http://uswateralliance.org/sites/uswateralliance.org/files/publications/Final_Utility_Consolidation_Financial_Impact_Report_022019.pdf





Case Study: Logan Todd Regional Water Commission (Guthrie, KY)

Logan Todd Regional Water Commission

Twelve systems create treatment facility to provide a reliable regional water supply and drive economic development

Background:

- Significant water quality concerns & water shortages
- 1988: Drought and water shortage issues
 - One system lost a bid for a poultry processing plant
 - Due to insufficient water supply
- 1990: Logan Water Advisory group formed
- 1995: LTRWC formed
- 1996: Engineers established that a new raw water intake was needed
- 1999: 12 systems had agreed to purchase water contracts with LTRWC



Case Study: Logan Todd Regional Water Commission (Guthrie, KY)

Logan Todd Regional Water Commission

Twelve systems create treatment facility to provide a reliable regional water supply and drive economic development

- 12 seat Joint Powers Agency, one seat per system
- Central treatment facility for all 12 systems
 - All serve between 390-3330 customers
 - 7/12 systems serve less than 1000 people
- Equalized wholesale rates for all 12 systems, regardless of size or location



Case Study: Logan Todd Regional Water Commission (Guthrie, KY)

Logan Todd Regional Water Commission

Twelve systems create treatment facility to provide a reliable regional water supply and drive economic development

Funding

- \$70 million in construction costs
 - Many different funding sources involved
 - \$49.8 Million loan from USDA
 - \$10.4 million from the KY DWSRF



Case Study: Logan Todd Regional Water Commission (Guthrie, KY)

Logan Todd Regional Water Commission

Twelve systems create treatment facility to provide a reliable regional water supply and drive economic development

Impacts

- Aluminum Industry
 - One currently opened, one slated to open in 2020
 - \$800 Million in economic impact



Guidance Documents





In Short,

- There's a lot behind the scenes in an otherwise hidden industry
- Most of the day-to-day responsibility falls to the utility staff, but...
- There are opportunities for decision-makers to engage, understand the finances, capital needs, regulatory framework, and methods for navigating all of the hurdles.



Thank you!

Please fill out an evaluation form before you go, and feel free to contact me with any questions

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