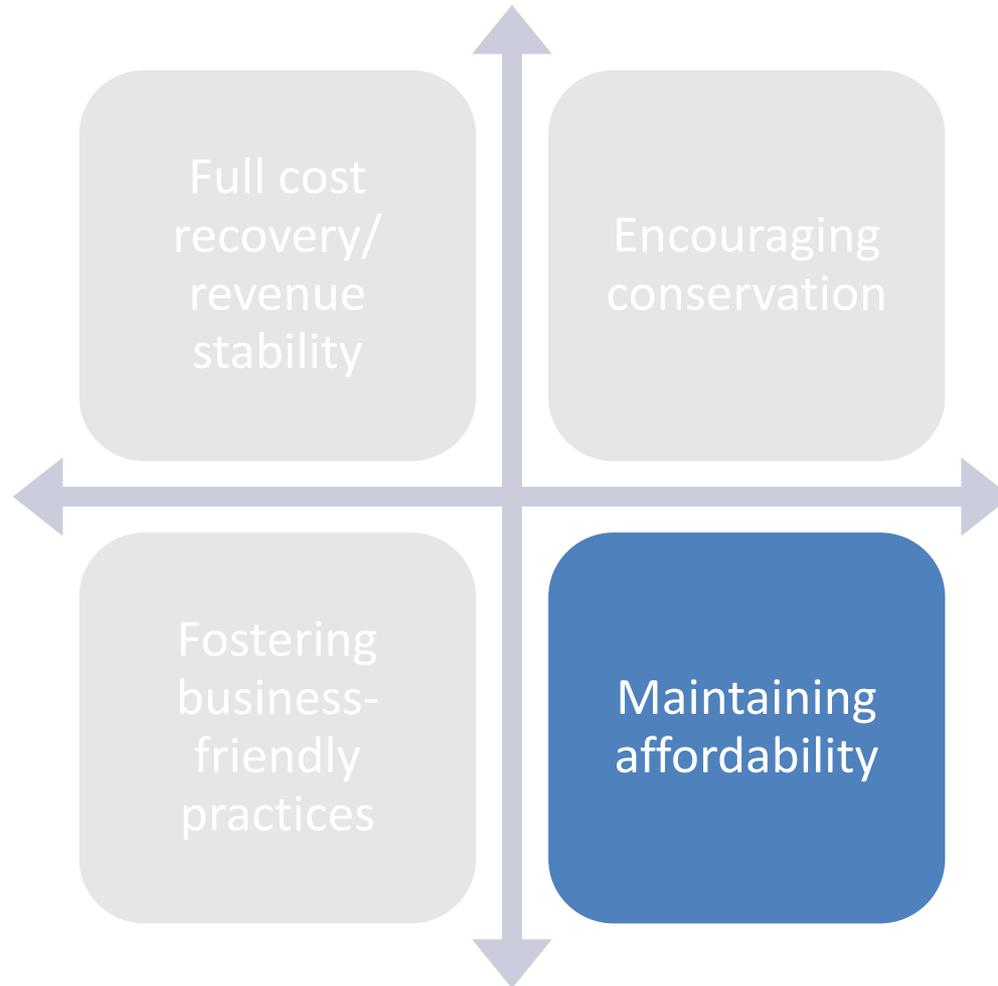




Meeting Affordability Objectives

Maintaining Affordability





System Approach: Cost Reductions

- Reduce immediate capital costs (grants, loans, etc.)
- Reduce costs of service provision (water audit, asset management, energy management, consolidation or contracting services, etc.)
- Reduce amount of water purchased or treated

Caution: Do not allow these approaches to prevent you from spending what you need to ensure safe drinking water service in the short and long-term.

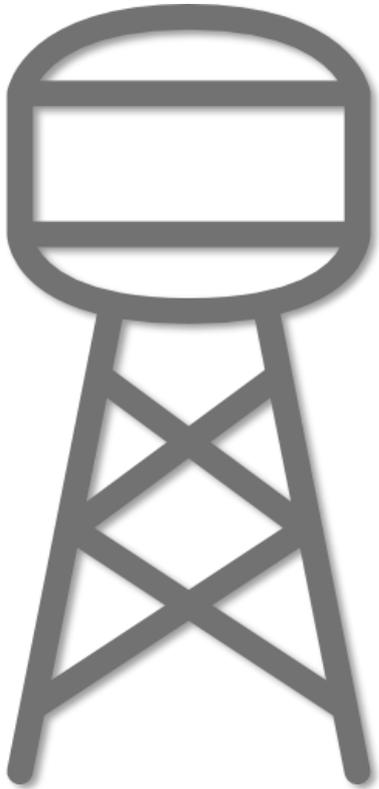
Non Revenue Water



How can we limit the amount of water that leaks out of pipes and the amount for which we don't charge?



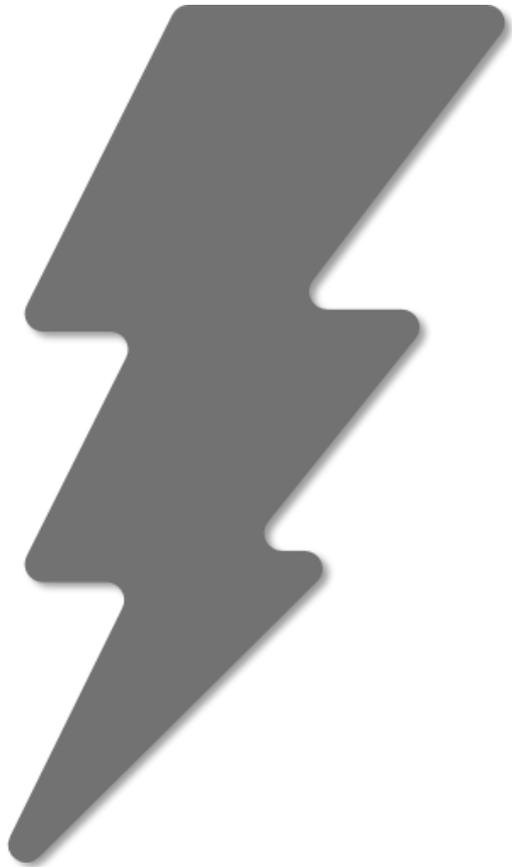
Asset Management



How can we get the longest useful life out of our infrastructure, and will we be ready to replace it when necessary?



Energy Management



What are ways that we can limit the energy needed to treat and deliver safe drinking water?

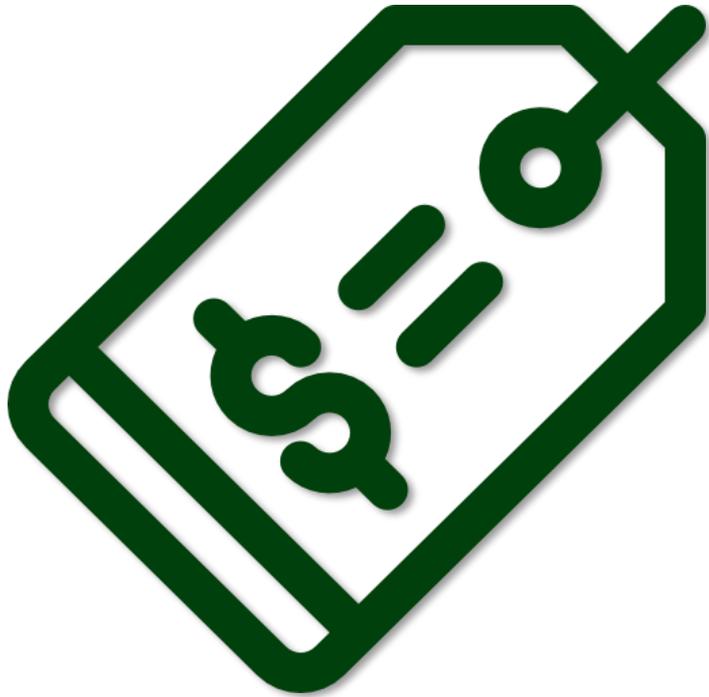


Water System Partnerships



How can water systems work together to save money and improve service?

Customer Approaches



Pricing signals
through your rates



Non-price strategies



Affordability is Best Assessed Locally

- There is no nationally-accepted standard (yet) for affordability of water and wastewater service.
- You know your own community the best. Your board should set the threshold for affordability.

Water and Wastewater Residential Rates Affordability Assessment Tool

Go to

<http://efc.sog.unc.edu>

and search for

“Affordability Assessment Tool”

The screenshot displays the 'Water & Wastewater Residential Rates Affordability Assessment Tool' interface. At the top, it identifies the tool as an interactive spreadsheet tool, version 1.2, dated September 1, 2010. The main heading is 'Water & Wastewater Residential Rates Affordability Assessment Tool' with the subtitle 'Interactive Spreadsheet Tool (Version 1.2/September 1, 2010)'. Below this, there is a brief description of the tool's purpose: to provide a visual overview of residential water and wastewater rates and compare them to state averages. The interface is divided into three main sections: 'Data Input', 'Assessment', and 'Assessment Results'. The 'Data Input' section includes fields for 'City/County' and 'Year' (with a dropdown menu set to 2010). The 'Assessment' section contains a 'Calculate' button. The 'Assessment Results' section displays a bar chart comparing 'Water Rates' and 'Wastewater Rates' for the selected city/county against 'State Average' and 'State Range'. The chart shows that the selected city/county's rates are significantly higher than the state average. Below the chart, there is a table of data and a summary of the assessment results.



Ability vs. Willingness to Pay

- There is a difference between someone who has a legitimate financial issue and someone who doesn't have the best priorities in life
- In other words, some people have an ability to pay problem. Others simply have a *willingness* to pay problem



Why Care About Affordability?

- Altruistic reasons
- Business reasons
- External pressure



What does your system do to maintain affordability?

Non-Price Strategies





Non-Price Strategies to Help Customers with their Bills

- Communication about rates
- Extensions
- Adjustments or waivers
- Options for payments
- Help customers reduce water use
- Customer Assistance Programs



Extensions

Payment Extension Policy

Customers who are unable to pay their bill on time may request an extension. A Payment Extension is provided to temporarily extend the due date of the bill for those situations when a qualifying customer is in need. Only the account holder may request this service, and it must be requested prior to the scheduled cut-off day. Payment extensions can only be made on active accounts.

Customers will be allowed two extensions of five days each per 12 month period. Extensions will not be allowed on an account that has less than three billing cycles, if a final read is scheduled, or if the Town is aware the customer is moving. Customers must provide a reasonable cause or undue hardship requiring the extension. Based on the customer's payment history and the amount due, the Town may not be able to grant an extension in all situations.

This extension does not prevent the payment from being considered late, which will lead to additional charges on the account. Even if a payment extension has been granted, a second notice will be mailed. If payment is not received by the extension date, the payment extension will default and the account will be disconnected.

In addition, all accounts terminated for non-payment twice within six months may be reviewed to ensure the deposit on hand is sufficient. If there is a gap between the deposit on hand and three months' average billing for that account, the deposit may be increased to the required level.

Payment Plans

[Water Quality](#)[Water Information](#)[About Us](#)[News & Community](#)

CUSTOMER ASSISTANCE PROGRAM

Sometimes customers face circumstances that stretch their financial resources. Illinois American Water is here to assist. Our customer service representatives will work with you on a plan to pay the balance of your bill over time. You may also be qualified to receive assistance through our H2O Help to Others Program™.

Payment Arrangements

If you cannot pay your bill by the due date, please contact our customer service center immediately, before the due date. Our customer service representatives are available seven days a week at 800-422-2782. They will work with you on a plan to pay the balance of your bill over time.



Arrearage Forgiveness

HOW OFTEN WILL AN EXEMPTION BE GRANTED?

Residential owner can qualify for a “*once in a lifetime*” exemption. The exemption applies to the individual owner and not the property address or billing number. For example, if an individual owns multiple rental properties, that owner must choose against which property, including his own home, the exemption will apply. Single family homeowners, without rental properties, using Borough Authority water could only apply the exemption against their domicile.

HOW MUCH OF MY BILL WILL BE FORGIVEN?

The program provides **ONLY LIMITED FORGIVENESS** of one’s Water bill. Pursuant to the guidelines established by the Authority, **ONLY THAT PORTION** of the bill which is **THREE (3) OVER THE AVERAGE CONSUMPTION WILL BE CONSIDERED FOR EXEMPTION**. Average consumption is derived from an owner’s last four (4) quarters of actual consumption.

Shippensburg, PA



Bill Discounts

City of *Moberly!*
Application

Water/Sewer Discount

EFFECTIVE DATE: _____

RENEW BY: _____

Thank you for applying to the City of Moberly Water/Sewer Discount program. The eligibility requirements for this program are:

- Water/Sewer utilities must be in your name or spouse's name
- Minimum 65 years of age **OR** permanently and totally disabled
- Provide documentation of age (drivers license or other government issued ID)
- Provide documentation of disability, if applicable (Social Security Administration certification)
- Provide documentation of income (Federal form 1040, 1040A, 1040EZ, Social Security Earning Statement, bank statements)
- Meet current income guidelines adopted by the City of Moberly

YOU MUST REAPPLY EACH YEAR TO CONTINUE RECEIVING THE DISCOUNT. IF APPROVED, THE CITY OF MOBERLY WILL DISCOUNT 25% (MAXIMUM \$10.00) FROM YOUR MONTHLY WATER/SEWER BILL FOR ONE YEAR.

CUSTOMER INFORMATION

Account #: _____

Date: _____

Name: _____

Daytime Phone #: _____

Address: _____

Bill Discounts

If approved, eligible residents will:

- Have late fees and door hanger fees waived (as applicable);
- Receive a credit applied to their utility bill based on the table below;
- Be provided with water conservation educational materials.

Family Size	Monthly Income	Potential Credit
1	\$1,792	\$25
2	\$2,344	\$50
3	\$2,895	\$75
4	\$3,446	\$90
5	\$3,998	\$100
6 or more	\$4,549	\$125

Astoria, OR

Levelized Billing



utages
te Map



Quick Links

ation Use Water Wisely Customers Development Construction Vendors How Do I...

[Services](#) » [Billing / Customer Service](#) » [View Bill/Payment Options](#)

LEVEL PAYMENT PLAN

Font Size: [+](#) [-](#) [+](#) Share & Bookmark Feedback Print

The Level Payment Program (LPP) enables customers to pay their Eastern Municipal Water District bills in equal monthly payments. The customer's anticipated bills for the next year are apportioned equally over eleven (11) monthly payments, providing one set amount to be paid each month regardless of the actual charges incurred during that month.

The twelfth month of the LPP cycle is a settlement month. No normal Level Payment is due during that month. At that time, the difference between the LPP amounts paid and the actual bill amounts is resolved by applying a credit to the customer's account or billing the customer the amount of the difference for the year. The LPP cycle then starts again in the following month.

The Level Payment Program is available to any customer who:

- is billed for water and /or sewer directly by EMWD
- has no outstanding arrears due on his/her account when the first bill is issued
- has a record of at least six (6) months water usage within the past year.

Help Customers Save Water and Money

WaterSense

WaterSense Home

About WaterSense

WaterSense Products

WaterSense for Kids

Our Water

Outdoors

Homes

Commercial Buildings

WaterSense Partners

Specifications and
Certifications

Product Search

CONTACT US

SHARE



Rebate Finder



Water Efficiency Can Pay Off!

Many WaterSense partners offer rebates for WaterSense labeled products—such as water-efficient toilets, showerheads, and faucets—as well as water conservation services. Search below to see what money-saving rebates are available in your area.

Note about the WaterSense Rebate Finder



Rebate Type

All Rebates

Partner Name

State/Province

All States

- Rebates to replace toilets, washing machines, dishwashers, irrigation hardware, etc.
- Consultation/water audit
- Turf buyback

Mammoth Community Water Dist.



Mammoth Community Water District   
WATER IS OUR FUTURE

High Efficiency WaterSense® Labeled Toilets (HET): Eligible toilets must be WaterSense labeled and use 1.28 gallons per flush (GPF) or have a high/low flush option (dual flush). Rebates are up to \$200 per toilet for the first two toilets in a unit, additional toilets are eligible for a rebate up to \$100. WaterSense toilets can be found online at: <http://www.epa.gov/WaterSense/products/toilets.html>



High Efficiency Clothes Washer (HECW): Eligible washers must have a water factor (WF) of 4.5 or less. Rebate is up to \$400. Commercial clothes washers are eligible for up to \$600, special terms apply, call MCWD for more information. HECW water factors can be found online at the Consortium for Energy Efficiency website product list: <http://www.cee1.org> New machine installations require permit from Town of Mammoth Lakes.

MCWD Rebates

Save water and money with MCWD's rebate program. We are currently offering rebates on toilets, clothes washers and pressure reducing valves for irrigation systems. Replacing old appliances and fixtures with new water efficient ones is an easy way to incorporate water savings in your daily life. For more information call Kris McDaniel at 760-934-2596 ext. 223, or by [clicking here](#) to send Kris McDaniel an email.

PDF Rebate Downloads

Indoor Residential Rebate [Click Here](#)

Outdoor PRV Rebate [Click Here](#)

[\(W-9 Form](#) - for Rebate(s) exceeding \$599.99)

Product List Links



Blue Lake Springs MWC, CA



BLUE LAKE SPRINGS
MUTUAL WATER COMPANY

[Home](#)

[About](#)

[General Information](#)

[Shareholder Information](#)

[Reports](#)

[Tips](#)

[Contact](#)

[USDA RD Loan](#)



Rebate: If all of the requirements listed below are satisfied, a rebate of \$50.00 per toilet (limit 2 per household) will be applied to the shareholders account. *Important – please read terms and conditions below.*



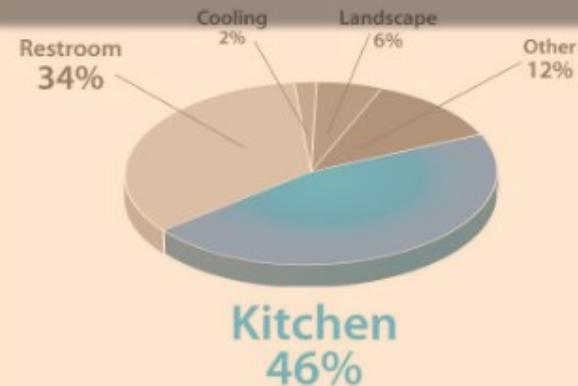
West Basin Muni Water Dist., CA



WEST BASIN MUNICIPAL WATER DISTRICT

Providing a safe and reliable supply of high-quality water to the communities we serve

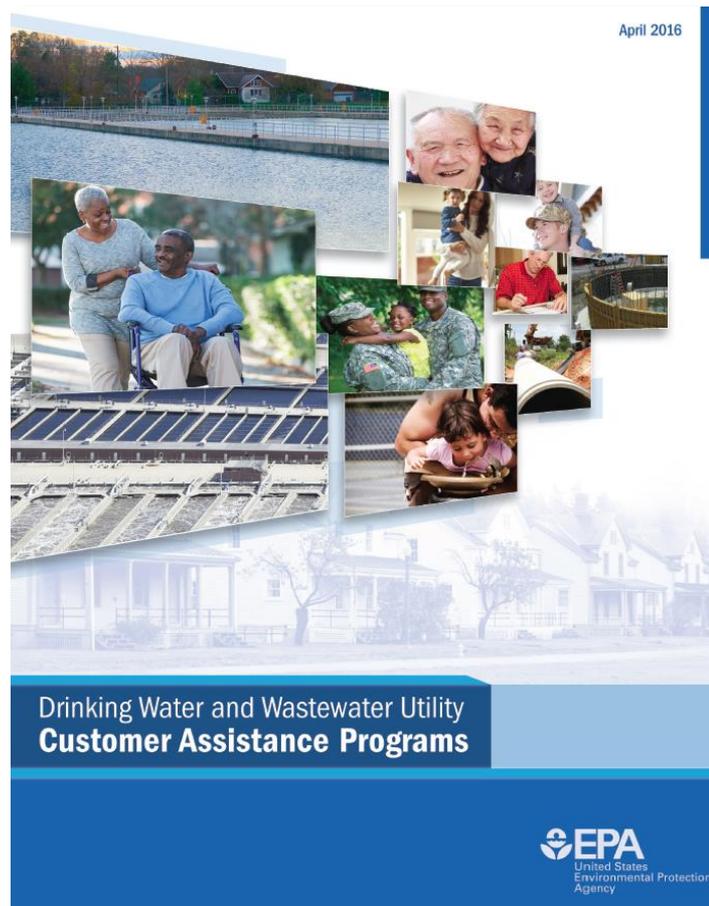
Cash for Kitchens was developed by West Basin Municipal Water District to provide restaurants and other food service facilities such as corporate kitchens, hotels, & schools, with water-use assessments to assist them in their efforts to save water. The assessments provide information on current water usage, strategies on how to conserve water and free materials to assist management in training their employees to be more water-efficient. Some kitchens may also qualify for free water-saving devices, such as a pre-rinse spray valve, faucet aerators, and flow restrictors.



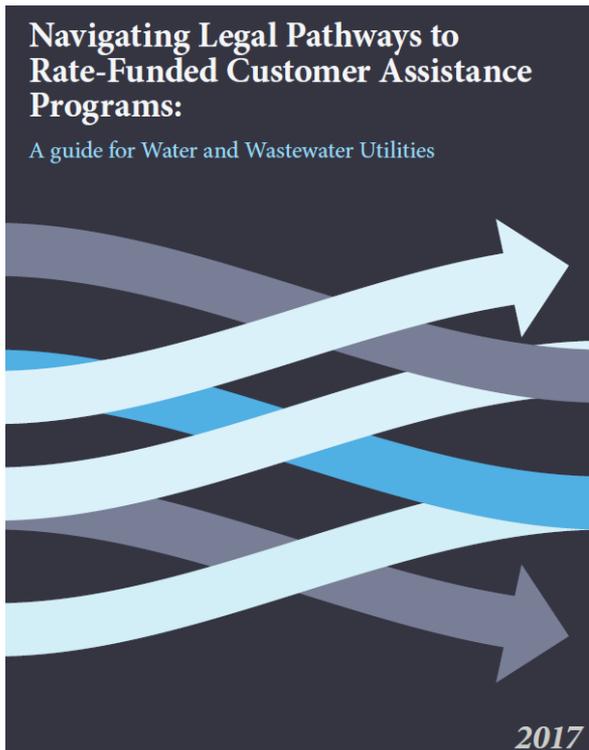
Compendium: Customer Assistance Programs (CAPs)

EPA developed compendium with examples of different types of water and wastewater CAPs across the U.S.

<http://ow.ly/4nvSyO>



Navigating Legal Pathways to Rate-Funded Customer Assistance Programs



Vermont

Water and wastewater utilities in Vermont fall under several rate setting regulatory systems.

Commission-Regulated Utilities

The Vermont Department of Public Service (PSD) and the Public Service Board (PSB) regulate private water companies in Vermont. Both entities gain jurisdiction over such companies from VI. Stat. Ann. tit. 30, § 203(3). The PSD advocates for consumers and the public interest while making recommendations on all private water company petitions filed with the PSB, and the PSB has formal authority to grant, deny, or modify petitions of those companies. Government-owned water and wastewater utilities are exempt from regulation by the PSD or the PSB.

Under VI. Stat. Ann. tit. 30, § 203(3), the PSB and PSD have general supervision over private water companies engaged in the collection, sale, and distribution of water for domestic purposes. Further, VI. Stat. Ann. tit. 30, § 209, grants the PSB jurisdiction to hear, determine, render judgment, and make orders and decrees regarding rates "when unreasonable or in violation of law." Going into more detail regarding the nature of rates, VI. Stat. Ann. tit. 30, § 218 provides that, "[w]hen, after opportunity for hearing, the rates, tolls, charges, or schedules are found unjust, unreasonable, insufficient, or unjustly discriminatory, or are found to be preferential or otherwise in violation of a provision of this chapter," the PSB may order and substitute just and reasonable rates.¹⁰¹ Under the same statutory provision, the PSB is required to set certain telephone utility rates in order to enable the state to participate in the Federal Communications Commission's Lifeline program, which assists low-income customers with telecommunications bills.¹⁰² Additionally, the statute further provides that the PSB, on its own motion or upon petition of any person, may approve a rate schedule that provides reduced rates for low-income electric utility consumers "better to assure affordability."¹⁰³ There is, however, no similar provision in the Vermont

Noncommission-Regulated Utilities

stipulates providing for reduced rates for low-income water or wastewater customers.

Thus, for commission-regulated water utilities, any low-income customer assistance program (CASP) funded by rate revenues would need to be approved by the PSB. Additionally, such a program could be subject to legal challenges on the basis that the rates are "discriminatory" or "preferential."

*Municipalities*¹⁰⁴ in Vermont, which are not regulated

Commission-regulated utilities	▲
Noncommission-regulated utilities	▲

State Population (2016): 624,504
 Median Annual Household Income (2015): \$55,176
 Poverty Rate (2015): 11.5%
 Typical Annual Household Water and Wastewater Expenditures: N/R

Vermont has 420 community water systems (CWS), of which 243 are privately owned and 413 serve populations of 10,000 or fewer people.

Vermont has 87 publicly owned treatment works facilities (POTWs), of which 73 treat 1 MGD or less. 66,672 people are served by privately owned CWS, 383,585 are served by government-owned CWS, and 337,148 are served by POTWs.

Estimated Long-Term Water and Wastewater Infrastructure Needs: \$1.7 billion

Sources: U.S. Census Bureau, 2016 Population Estimates; 2014-2017 American Community Survey 5-Year Estimates; 2016 EPC Ratio Survey; U.S. Environmental Protection Agency, 2016 Safe Drinking Water Information System, 2011 Drinking Water Infrastructure Needs Survey, and 2012 Clean Waterbody Needs Survey. See Appendix C for more details.

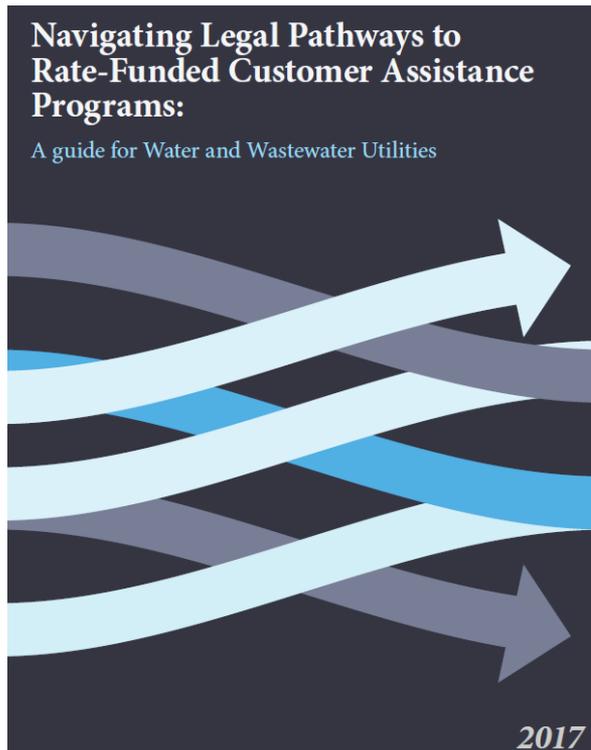
101. See also Division of Public Service, 100 A.S.M.706, 711 (Vt. 1986) (holding that the Public Service Board has the power and duty to prevent unjust discrimination in rates charged by a public utility in this state and to substitute rates found to be just and reasonable for those found to be unjustly discriminatory).

102. VI. Stat. Ann. tit. 30, § 218.

103. VI. Stat. Ann. tit. 30, § 218.

104. VI. Stat. Ann. tit. 30, § 118.

Navigating Legal Pathways to Rate-Funded Customer Assistance Programs



Thus, for commission-regulated water utilities, any low-income customer assistance program (CAP) funded by rate revenues would need to be approved by the PSB. Additionally, such a program could be subject to legal challenges on the basis that the rates are “discriminatory” or “preferential.”

Therefore, for noncommission-regulated water utilities, their jurisdiction to set rates is broad, and their potential to implement low-income CAPs funded by rate revenues would likely be limited only by the requirement that rates must be reasonable, nondiscriminatory, and not arbitrary or capricious. Likewise, for noncommission-regulated wastewater utilities, their ability to implement such CAPs seems to be limited only by the requirement that rates be fair, equitable, and reasonable.

Customer Assistance Programs



Applying for and Receiving Assistance from TAP

Service Authority customers seeking assistance from ACTS and SERVE in order to pay their water and sewer bills must meet the following minimum criteria:

- The applicant must be a residential customer with a documented impending disconnection of service.
- The applicant must be the Service Authority account holder.
- The applicant must meet any additional criteria required by ACTS or SERVE policies.

TAP has the following payment restrictions:

- The maximum assistance that can be provided for any one account at any given time is \$150.
- TAP funds may not be used towards peak charges, penalties, late fees, or other charges.
- TAP funds may only be used to pay towards a specific Service Authority account not more than two

Prince William County, VA



Some Elements of Designing a CAP

- Deciding **who** gets assistance
- Deciding what **types** of assistance to provide
- Planning for program outreach and monitoring
- Determining how much the CAP will cost
- **Devising a plan to fund the CAP**

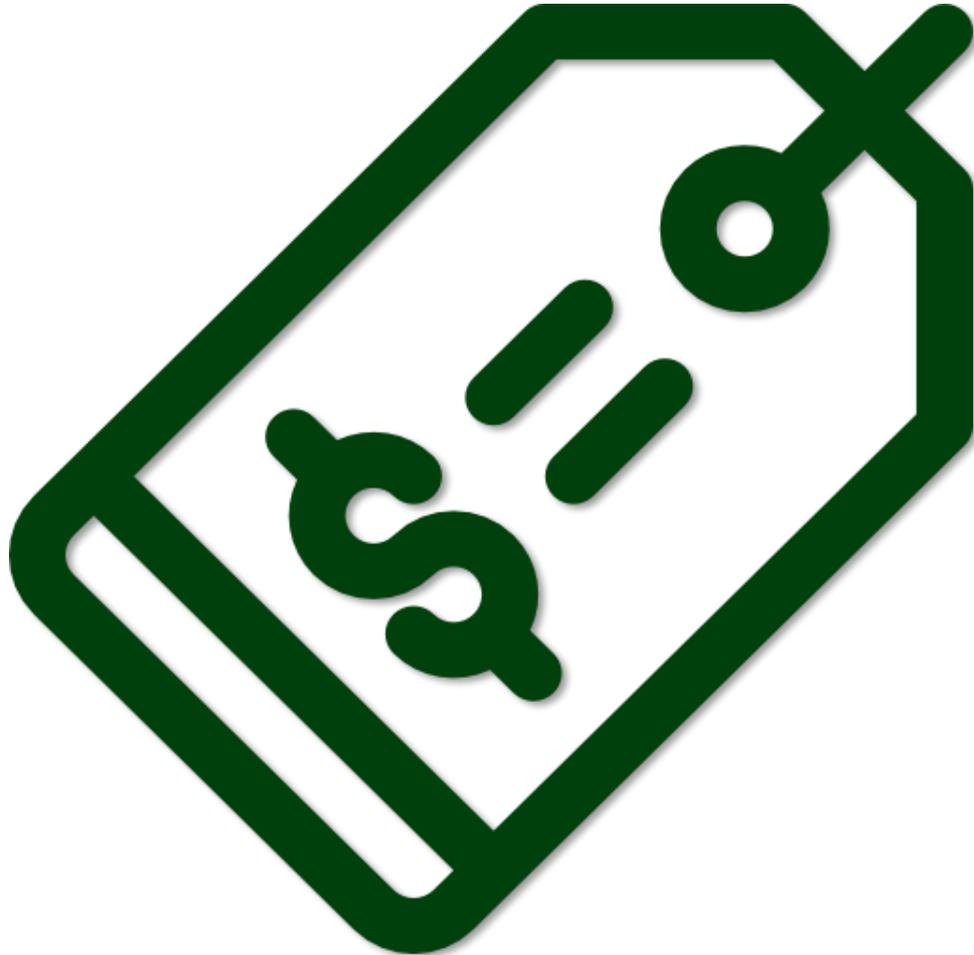


Who Gets Assistance?

Common Practices in Eligibility Verification

- Partnering with another organization that focuses on low-income
- Proof of eligibility in related programs, such as:
 - LIHEAP (Low Income Home Energy Assistance Program)
 - AFDC (Aid to Families with Dependent Children)
 - SSI (Supplemental Social Security Income)
 - Medicaid
 - SNAP (Supplemental Nutrition Assistance Program)
 - Local property tax assistance; and
 - Other utilities (electric, natural gas, telephone, offer discount programs based on income)

Pricing Strategies



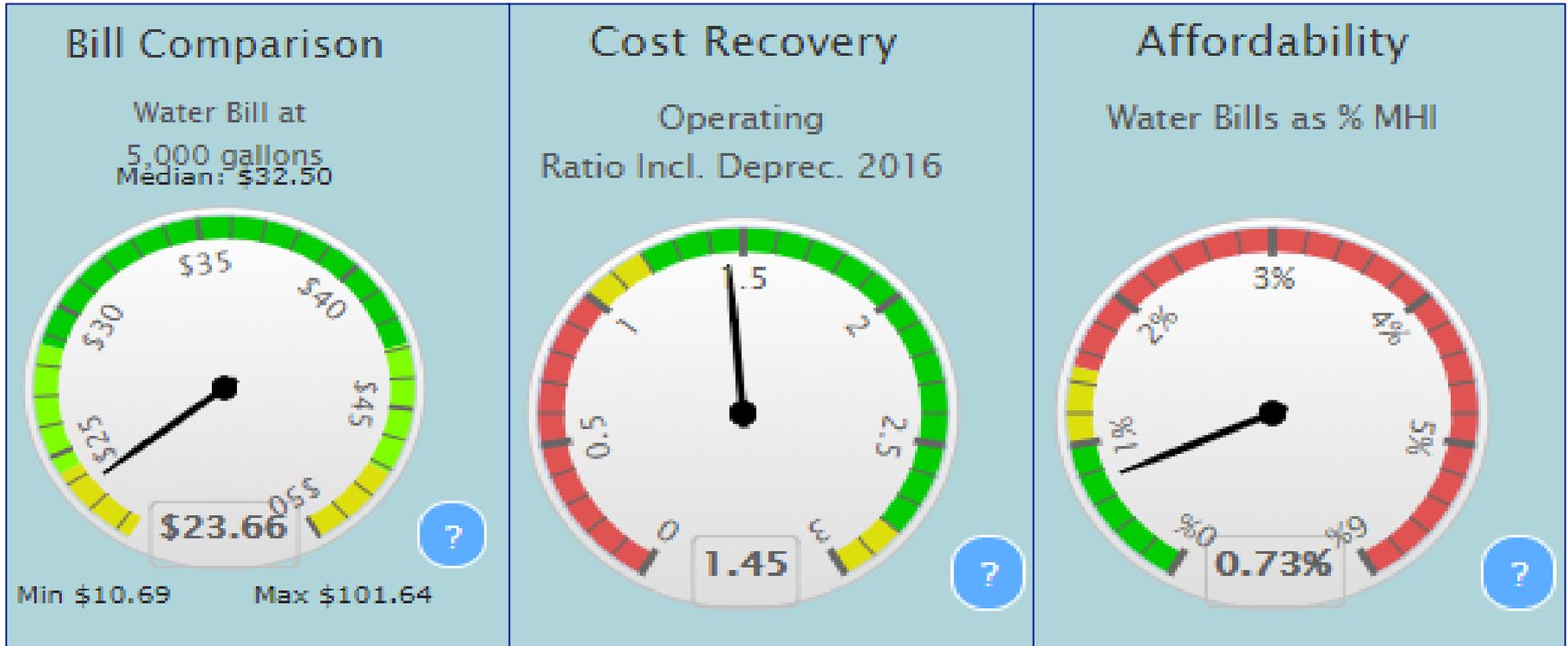


Pricing Strategies

- Low base charge and/or first block rates
- Consumption allowance included if have a high base charge
- Separate rate structure for residential / non-residential customers
- Irrigation water rates
- Alternative price models (individualized base charges)

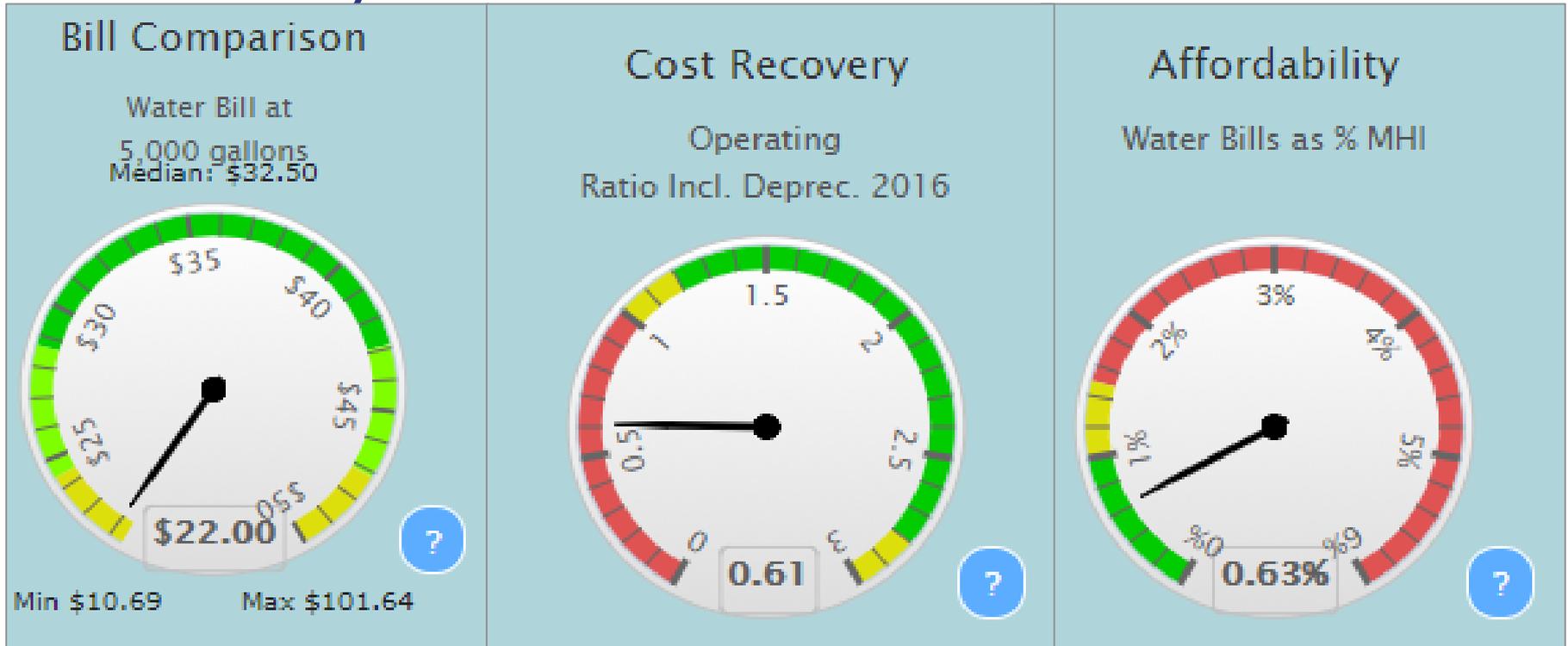
Caution! Don't undercharge all services. Cannot charge lower rates for senior citizens/low-income customers, etc.

Low Prices for All: Rarely Works



Water system serving about 2,000 people with an MHI below the state average

Low Prices for All: Usually Bad for Small Systems



Water system serving about 600 people with an MHI closer to the state average



Low Base Charge

WATER RATES

Residential Inside-Monthly Minimum-1st 3,000 Gallons	\$	6.73 (1.98 per 1000 gallon)
Apartment Inside-Monthly Minimum-1st 3,000 Gallons	\$	6.73 (1.98 per 1000 gallon)
Commercial Inside-Monthly Minimum-1st 3,000 Gallons	\$	16.79 (1.98 per 1000 gallon)

Wilkesboro, NC

Increasing Block with Low 1st Block

Base Water Rates (residential *effective 4/1/2015*)

Line Size	Inside City Limits	Outside City Limits
5/8 – 3/4 inch line	\$ 15.50	\$ 25.20
1 inch line	\$ 15.50	\$ 25.20

Volume Rate (residential *effective 4/1/2015*)

1 st 2,000 gallons	\$ 2.50 per 1,000 gal.	\$ 3.00 per 1,000 gal.
2,001 – 6,999 gallons	\$ 7.20 per 1,000 gal.	\$ 8.00 per 1,000 gal.
7,000 + gallons	\$ 9.00 per 1,000 gal.	\$ 9.00 per 1,000 gal.

Winder, GA

Increasing Block with Low 1st Block

May 2016					
Description	Usage	Water		Sewer	
		Base Rate	Tier Rate	Base Rate	Tier Rate
Residential					
5/8" meter		\$10.05		\$10.73	
Tier 1	1k-3k		\$2.37		\$2.56
Tier 2	4k-7k		\$5.68		\$6.02
Tier 3	8k-20k		\$7.03		\$6.02
Tier 4	>20k		\$8.44		\$6.02

Clayton County, GA

Rates for Special Classes of Customers



2017 QUARTERLY RATES

WATER **\$39.57** **0 – 5,000 Gallons**
\$ 6.60 **Per T/Gallons 5,000 +**

2017 SENIOR RATES

Water **\$ 35.61** **0 – 5,000 Gallons**
\$ 5.94 **Per T/Gallons 5,000 +**

Plymouth Village Water and Sewer, NH

Volumetric Rates Based on Income



Combined Water & Sewer	Quantity Charges CCF / Mo.	
	1st 300 cf	Over 300 cf
RESIDENTIAL WATER		
2017	10.00%	
2017 Regular Residential	1.47	2.46
2017 Low Income Residential	1.33	2.21
(90 % of Regular Residential)		

Great Falls, MT



**A quick look at the
an interactive rates
tool...**



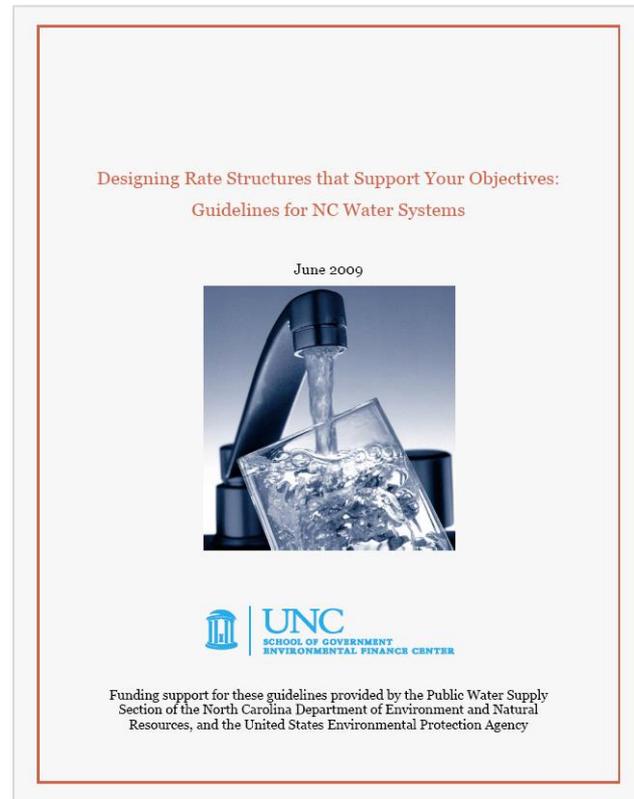
Closing

Designing Rate Structures that Support Your Objectives

Free guide
written for
system
managers

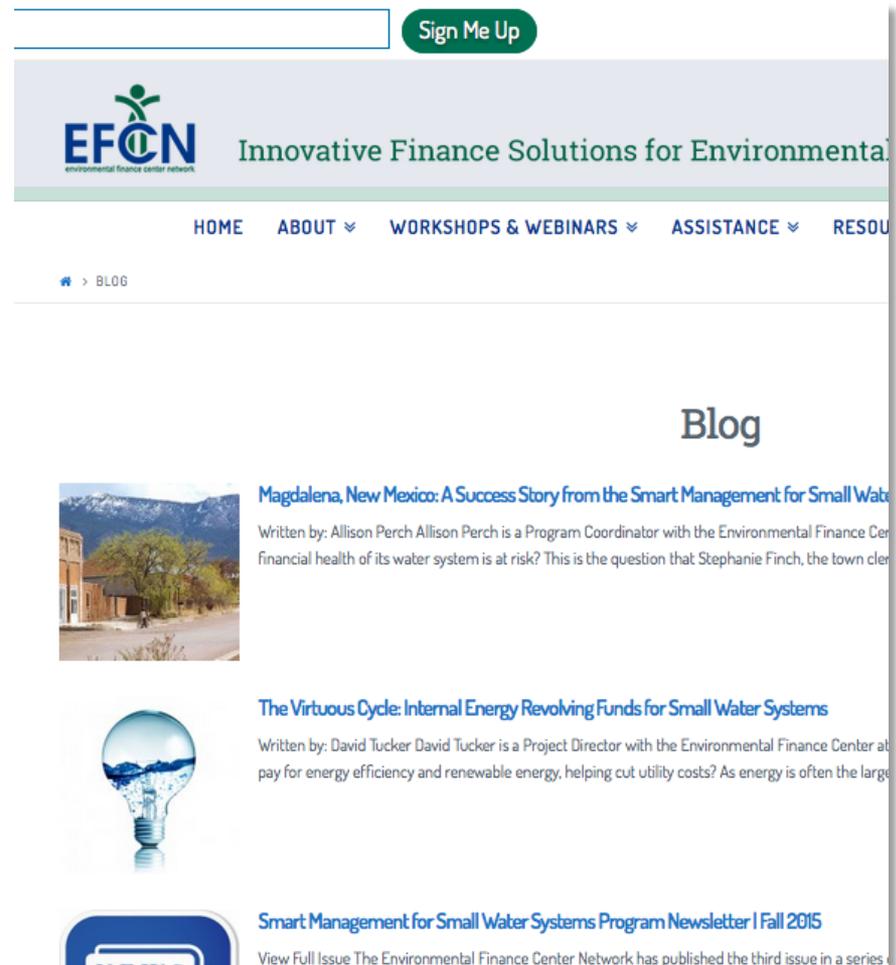
Available at:

<http://efc.sog.unc.edu/>



http://efcnetwork.org/small_systems_blog/

Learn more about water finance and management through our Small Systems Blog! Blog posts feature lessons learned from our training and technical assistance, descriptions of available tools, and small systems “success stories.”



The screenshot shows the EFCN (Environmental Finance Center Network) website. At the top right is a green "Sign Me Up" button. The EFCN logo is on the left, with the tagline "Innovative Finance Solutions for Environmental". The navigation menu includes "HOME", "ABOUT", "WORKSHOPS & WEBINARS", "ASSISTANCE", and "RESOU". Below the menu is a breadcrumb trail: "» BLOG". The main content area is titled "Blog" and features two article previews. The first article is titled "Magdalena, New Mexico: A Success Story from the Smart Management for Small Water" and is written by Allison Perch. The second article is titled "The Virtuous Cycle: Internal Energy Revolving Funds for Small Water Systems" and is written by David Tucker. At the bottom, there is a link to the "Smart Management for Small Water Systems Program Newsletter | Fall 2015" with a "View Full Issue" link.



Thank you and don't be a stranger!

- Please fill out an evaluation form
- Contact us anytime for direct assistance on any finance and management topic

<http://efcnetwork.org>

Austin Thompson

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