

CITY OF BURLINGTON

Water Resources Division

Ratepayer Engagement Meeting & Open House

October 29th, 2019



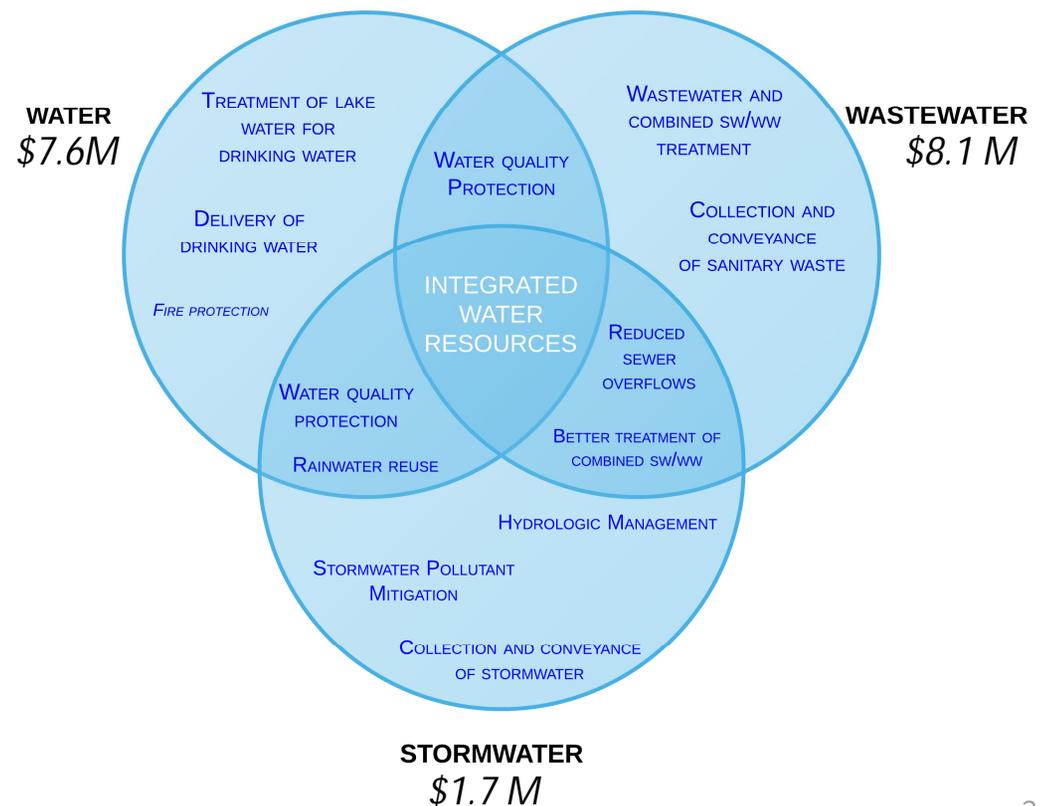
Tonight's Agenda

- **Brief presentation from Water Resources and Raftelis**
 - › Overview of Water Resources operations and capital investments
 - › Impetus for rate study and project tasks
 - › Existing rates and charges
 - › Summary of the catalog of options being considered and analyzed
 - › Remaining project schedule
- **Open House**
 - › Opportunity for attendees to learn more about Water Resources, ask questions, and provide valuable feedback to be used throughout project and beyond



Water Resources Overview

- 3 separate **enterprise funds**
 - › Each fund is independently responsible for the recovery of annual revenue requirements
 - › No reliance on property taxes
- Serve approximately 10,000 connections and 42,000 residents
- 43 full-time staff



Water Enterprise Fund Overview

- Daily treatment and pumping of 4 million gallons from Lake Champlain to Burlington properties and small section of Colchester
- 7 million gallons of storage at Main Street reservoir
- 650,000 gallons of elevated storage at UVM Tank and Redstone tank
- Maintenance, repair and replacement
 - › 110 miles of transmission and distribution mains
 - › 1000s of feet of service lines
 - › 911 fire hydrants
 - › 10,000+ water meters



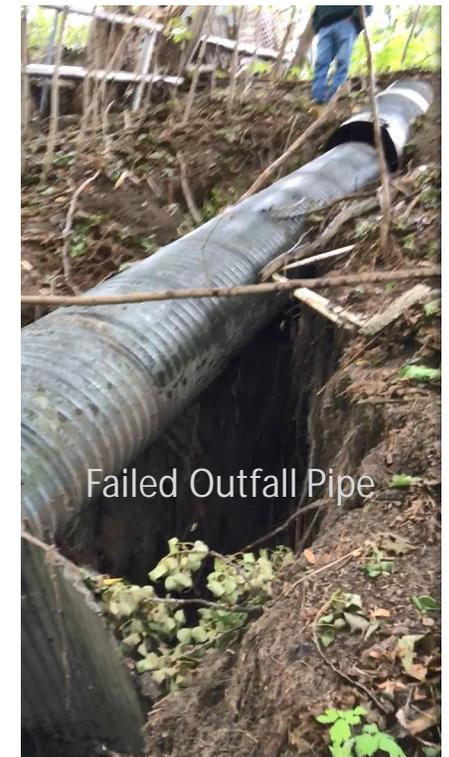
Wastewater Enterprise Fund Overview

- 3 Wastewater Treatment Plants, treating average of 1.8 billion gallons of flow annually
 - › Annual Flow includes stormwater treated by Wastewater Plant
 - › 95% phosphorus removal overall, with 97% P removal at Main Plant
- 25 pump stations
- Manage 10,000 tons of biosolids
- Maintenance, repair and replacement of Wastewater collection system
 - › 49 miles sanitary sewer
 - › 45 miles of combined sewer



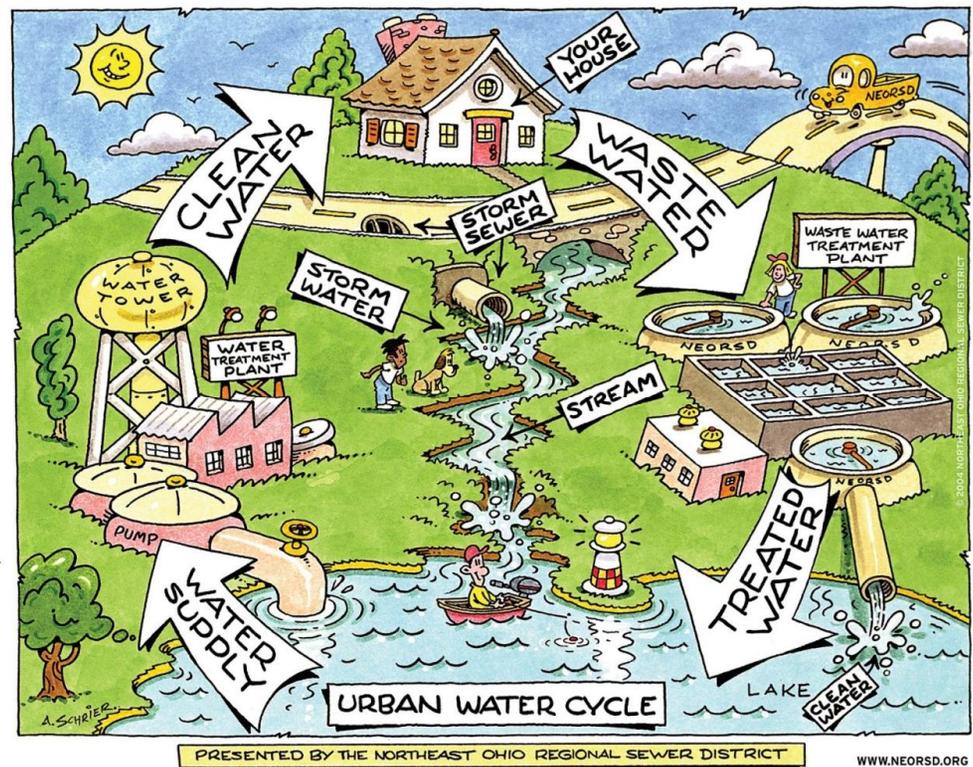
Stormwater Enterprise Fund Overview

- Maintenance, repair, replacement
 - › 37 miles of separate stormwater mains
 - › 3200 storm drains
 - › 102 stormwater outfalls
- Reduce amount of stormwater volume contributing to combined sewer system overflows
- Reduce non-point source pollution from entering waterbodies
 - › Phosphorus
 - › Bacteria
 - › Sediment
 - › Oils & Grease
- Ensure compliance
 - › Erosion prevention and sediment control
 - › Stormwater management



One Water...

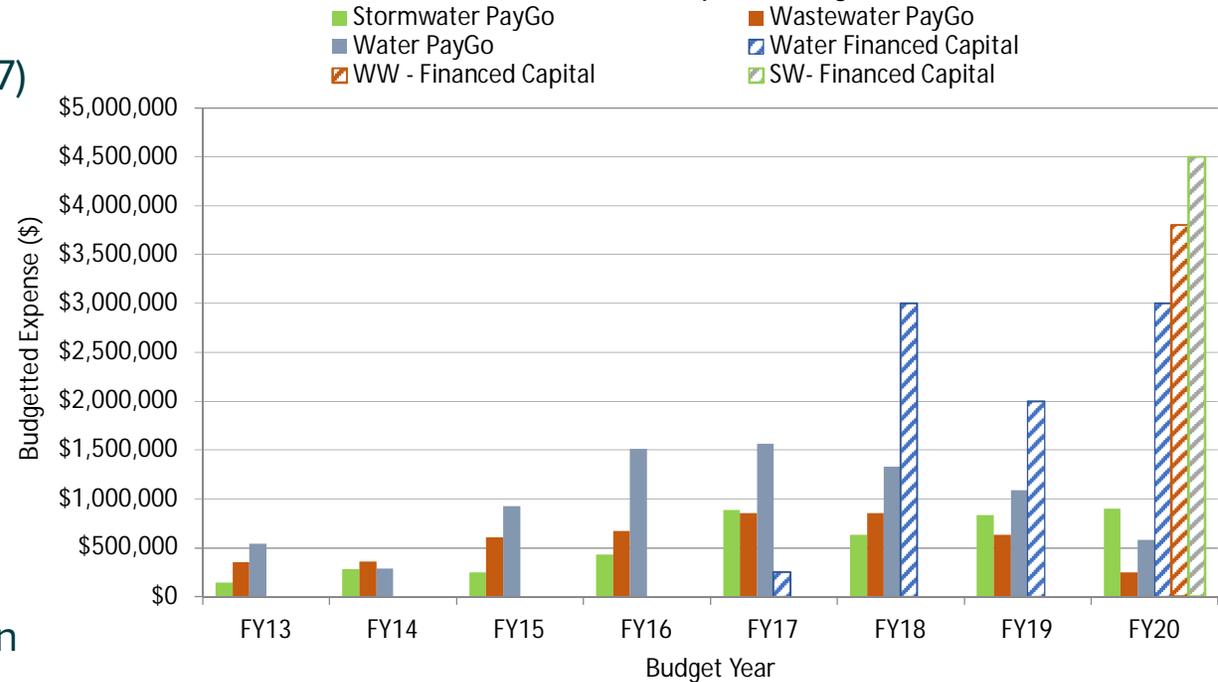
- Integrated functions for:
 - › Administration and oversight
 - › Billing
 - › Planning
 - › Engineering
 - › Project Review
 - › Customer Care
- Results in:
 - › Overall cost savings by sharing resources across funds
 - › Holistic thinking



Capital Reinvestment Efforts

- Water
 - › Water mains (starting in FY17)
 - › Elevated Tanks FY20-21
- Wastewater
 - › Disinfection System
 - › SCADA/PLC
 - › Pump Station
 - › Collection System
- Stormwater
 - › Collection System
 - › Outfalls
 - › Wet weather runoff reduction (combined sewer)

Water Resources Annual Capital Budget (FY13 - FY20)



Rate Pressures

- **Big Budget Lines**



- › Personnel related costs
- › Debt service from 1990 WW upgrades
- › Indirect fees and PILOT from City
- › Biosolids contract
- › Electricity (pumping and aeration costs)
- › Chemicals
- › Repair & Maintenance

- **Anticipated Budget Pressures**

- › Personnel costs
- › Indirect fees and PILOT from City
- › Biosolids
- › Capital program
 - Replacement of existing aged infrastructure
 - Capital enhancements to meet newer regulations



Impetus for Rate Study

- Recognizing the need for future rate increases, Water Resources was directed by Burlington City Council to evaluate the following options during fiscal year 2020
 - › Alternative revenue sources;
 - › Alternative rate structures, including progressively priced tiers to protect access to “essential” water; and
 - › Affordability frameworks, including discounts for certain qualifying rate payers, water conservation programs and grants and loans for upgrades to service lines
- City Council also directed Water Resources to conduct an initial stakeholder process to educate and solicit input on Water Resources rates and to conduct a follow-up stakeholder process reporting on the proposed solutions

RATE STUDY GOAL

Ensure Burlington's Essential
Access to Clean Water by:

1

Fully recovering
all necessary
costs

2

Equitably
recovering
costs

3

Maintaining
affordable
service

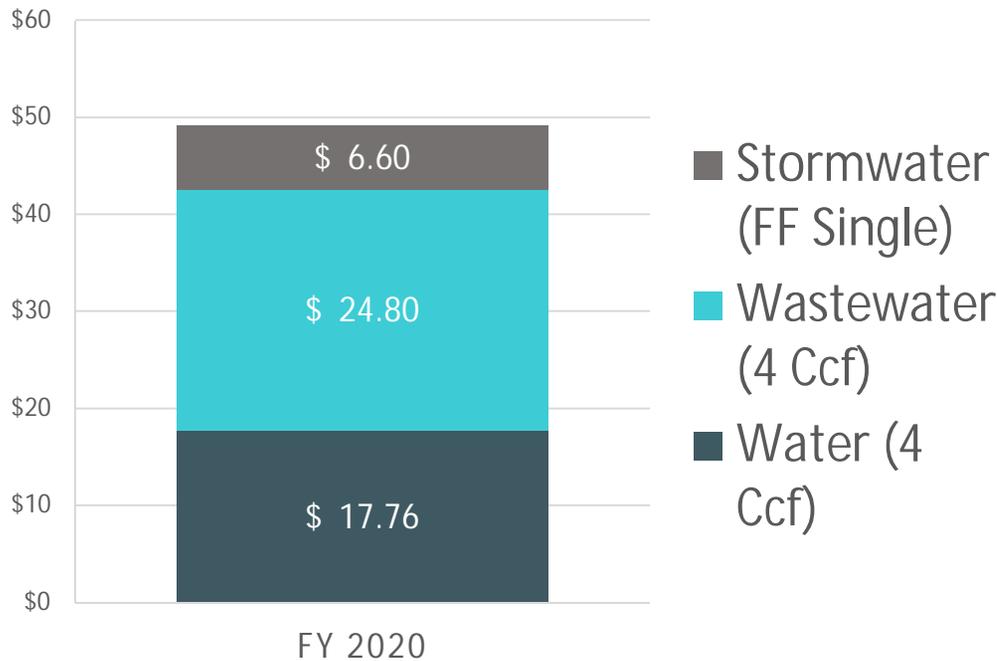


Project Tasks

- Receive feedback and direction from City stakeholders, both internal and external
- Complete financial planning process to ensure Water Resources is collecting adequate revenues for fiscal sustainability and to ensure the public's essential access to water
- Identify potential cost savings through an efficiency analysis
- Perform cost of service study to ensure equitable recovery of all revenues
- Prepare affordability analyses to understand existing and future burden on income-constrained customers, and develop options for customers assistance programs to help mitigate burden
- Analyze customer impacts and develop implementation procedures

Existing Rates & Charges

TYPICAL MONTHLY BILL



- **Water Rate:** \$4.44 per 100 cubic feet (748 gallons)
- **Sewer Rate:** \$6.20 per 100 cubic feet
- **Stormwater Flat Monthly Fees:**
 - › Single-family = \$6.60
 - › Duplex = \$6.56
 - › Triplex = \$7.56
 - › All other customers are assessed \$2.47 per 1,000 sq. ft. of impervious area

Options to be Considered

- Affordability Enhancements
 - › Low-income customer assistance programs
 - › Lifeline volumetric rates
 - › Volumetric rates by ratepayer customer class
- Recover Costs and Stabilize Revenue
 - › Standalone fixed charges by meter size
 - › Connection and capital recovery charges
 - › Fire protection charges
 - › Additional high-strength sewer surcharges
 - › New miscellaneous fees (account set-up, etc.)

Volumetric Rates	Per Ccf
<u>Existing:</u> All Usage	\$ 4.44
<u>Example:</u>	
Tier 1: 0-4 Ccf (lifeline)	\$ 2.78
Tier 2: > 4 Ccf	\$ 5.56

Options for Maintaining Affordable Service

- Identify and pursue operational efficiencies, cost savings, and improved customer service
- Plan for annual modest rate increases vs. infrequent but larger increases
- Implementation of Lifeline Rate
- Stormwater management credits
- Customer Assistance Program
 - › Low-income customer assistance programs
 - › Stormwater credit program for residential properties



Affordability Program Examples



Tools for Addressing Affordability

- Rate Structure Options
 - › Lifeline rates
 - › Alternative rate structures
- Bill Assistance Programs
 - › Bill discounts
 - › Fixed bills
 - › Write-offs
- Water Efficiency Options
 - › Conservation assistance
 - › Leak detection / repair
 - › Education
- Other Measures
 - › Stormwater management credit
 - › Alternative billing practices
 - › Financial counseling
 - › Disconnection moratorium

Project Schedule

- **October 29, 6-8 pm:** Initial Public Engagement Meeting;
- **November 2019:** Visit NPAs, social media campaign, presentation video and survey
- **December 2019 - January 2020:** Develop preliminary analyses
 - › Identify cost savings/operational efficiencies
 - › Estimate customer impacts from new or revised fees; anticipated revenue and rate benefit
 - › Develop customer Assistance Program (CAP) framework
- **February 2020:** Council Work Session with stakeholders invited to inform stakeholders and obtain feedback on initial proposals:
 - › Revenue requirements for next 5 years based on updated financial model
 - › Identified cost efficiency opportunities
 - › New revenue/fee opportunities
 - › Rate options (up to 3 alternatives)
- **March 2020:** Visit NPA and other stakeholder groups with initial analyses
- **April 2020:** Board of Finance/City Council Meeting
 - › Recommend final portfolio of options
 - › Obtain decision to adopt new rate structure, fees, affordability programs etc.
- **June 2020:** Obtain approval for FY 2021 budget

Note: We'll also be meeting with many other stakeholder groups throughout this process!

Come Talk To Us!

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October 29th, 2019

<https://www.burlingtonvt.gov/DPW/Water/AffordabilityProject>

