

Water Affordability Coalition

Affordability and Planning Grant

October 28, 2021





Welcome & Introduction Commissioner Nash



Desired Meeting Outcomes

- 🌱 Understand the framework that will create the affordability program
- 🌱 Facilitate a greater understanding of fixed bill charges within water rates
- 🌱 Understand the overall future agenda for the coalition

Meeting Agenda

- High-Level Framework Overview
- Rate Refresher
 - Fixed Costs
- Schedule of Meetings with Expected Topics
- Focus Group Plan Update
- SharePoint Demo

Affordability and Planning Framework Overview



Framework Overview

- I. Continue Infrastructure Improvements
- II. Rethink Revenue
- III. Implement People-First Policies
- IV. Maximize Direct Customer Assistance
- V. Empathy & Education (Raise Awareness)



I. Continue Infrastructure Improvements

- a. Capital Improvements
 - i. Secure State Funding (e.g., ARPA, EGLE)
 - ii. Assure investments for system improvements maximize the level of service and minimize costs
- b. Collaboration
 - i. Collaborate with other service providers for construction work to minimize costs and to avoid redundant work
 - ii. Regional efficiency and value (e.g., NOCWA, CRWRRF)
- c. Climate Planning & Resiliency
 - i. Proactively planning and adapting to climate change with a focus on water management
- d. Community Commitment
 - i. Workforce development
 - ii. Ambassador program for continued community outreach



II. Rethink Revenue

- a. Rate structures
 - i. Lifeline rates
 - ii. Income-based legislative action
- b. Rate Discounts
- c. Non-Rate Revenue
 - i. Late fees
 - ii. Interest income
 - iii. Connection fees
 - iv. Local tax
 - v. Private donations
- d. Long-term Rate Analysis



III. Implement People-First Policies

- a. Service Disconnection
- b. Bill Payment Technology
- c. Billing Policy for Meter Change-outs
- d. Late Fees / Penalty Forgiveness
- e. Payment Arrangements
- f. Bill Adjustments
- g. Tax Certifications
- h. Special Considerations for the Renter Population



IV. Maximize Direct Customer Assistance

a. Affordability Programs

- i. WRAP
- ii. LIHWAP
- iii. Michigan Statewide Water Assistance Program
 - i. State ARPA money to initially fund the program, with utility opt-in for continued program funding
 - ii. Legislation to create the Michigan Low-Income Water Assistance Fund and the Michigan Water Assistance Act, model after and utilizing the existing structure for the Michigan Low-Income Energy Assistance Fund and Michigan Low-Income Energy Assistance Act

a. Crisis Assistance

b. Private Property Leak Detection & Repairs

c. Customer Outreach

V. Empathy & Education (Raise Awareness)

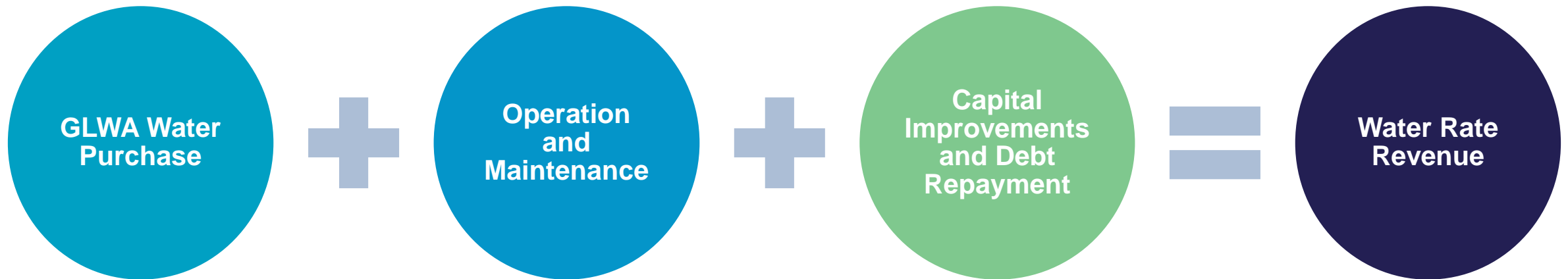
- a. Dispel Stigmas Around Affordability
- b. Understand Community Culture
- c. Education Through Community Members
 - i. Landlord Outreach
 - ii. Schools
 - iii. Community
 - iv. Seek Continuous Feedback
- d. Empower Action
 - i. Social Service Resources
 - ii. Enrollment in Programs
 - iii. Overcome Barriers to Getting Help



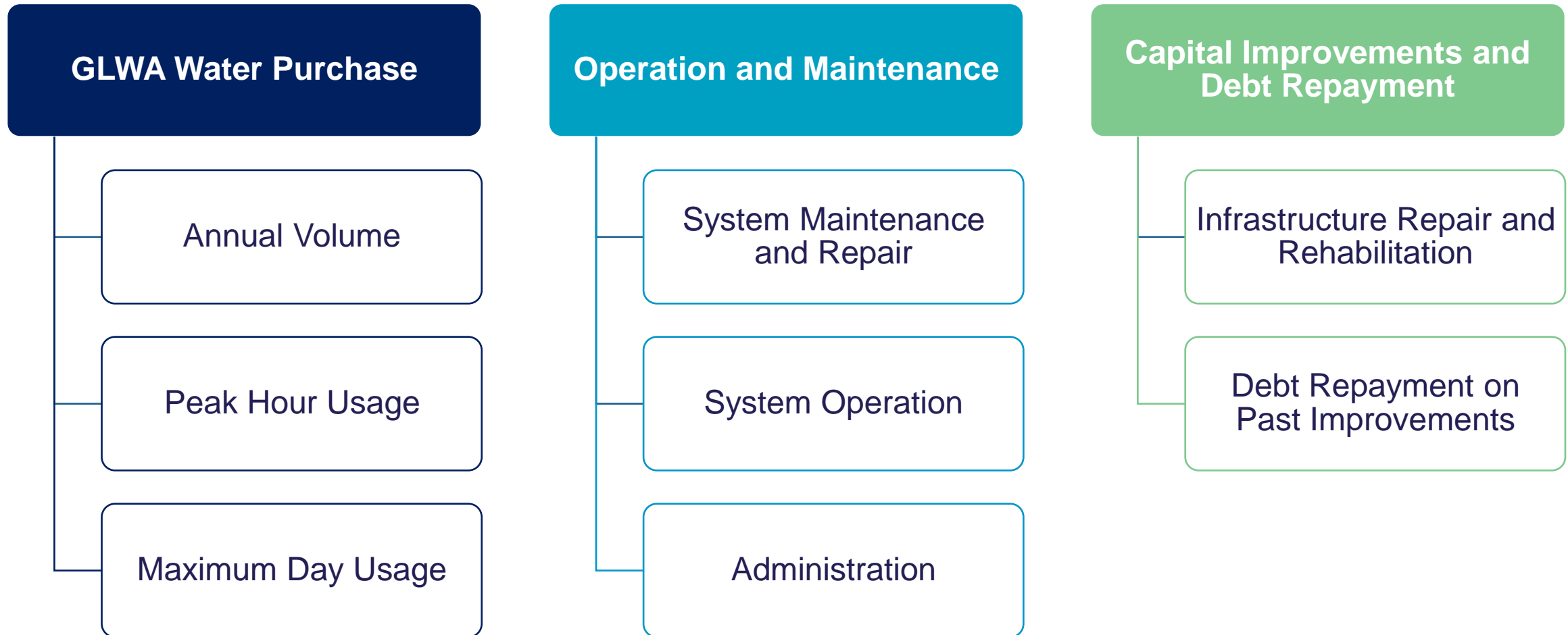
Rate Refresher



Water Rate Revenue Building Blocks



Water Rate Revenue Building Blocks

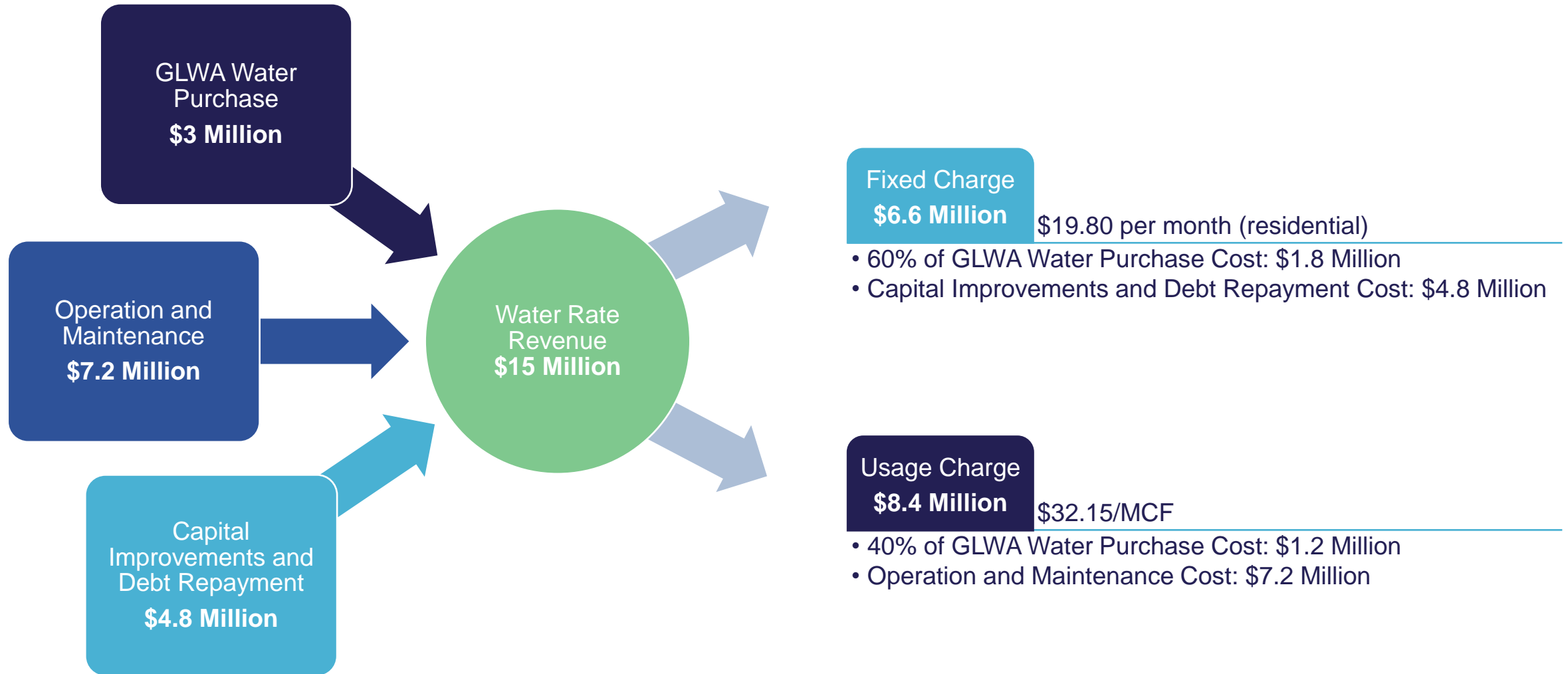


Definitions and Background

- **Water Rate Revenue:** Money generated from customers to pay for the water purchased from GLWA, maintain and operate the system, complete capital improvements, and pay past debts.
- **Water Fixed Charge:** The portion of the water bill that stays the same each month. This charge covers system expenses that do not vary based on water use.
- **Water Usage Charge:** The portion of the water bill that is associated with the amount of water used. It is calculated by multiplying the volume of water used by the water usage rate. This dollar amount could vary on a monthly basis.
 - In certain communities, like Royal Oak Township, the water usage charge includes a minimum volume of water.

A fixed and/or minimum charge is necessary to ensure that enough money is generated to properly operate and maintain the water system.

City of Pontiac: Water Rate Revenue to Water Charges



City of Pontiac: Calculating Water Volume Example

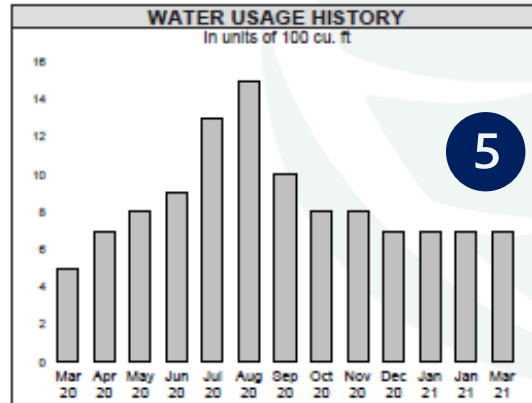
Meter Number	Read Dates		Billing Days	Meter Readings		Code	Multiplier	Usage	Units
	Previous	Present		Previous	Present				
0036536696	01/30/2021	03/01/2021	30	0322	0329	MR	1	7	100 CU.FT.

1

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5

PREVIOUS BALANCE	02/05/2021	184.06
PAYMENT	02/11/2021	-184.06
BALANCE FORWARD		0.00
WATER USAGE CHARGE		22.51
WATER FIXED CHARGE		19.80
SEWER USAGE CHARGE		26.88
SEWER FIXED CHARGE		22.84
CURRENT CHARGES		\$ 92.03
TOTAL AMOUNT DUE		\$ 92.03

Account Type		Bill Date
PONTIAC		03/05/2021
Amount Due	Due Date	Late Payment
\$92.03	04/01/2021	\$101.23



WATER RESOURCES COMMISSIONER
Jim Nash

For Billing Inquiries: [248] 858-1110
Pay Bills Online at: www.oakgov.com/water
Pay in person at: 2636 Dixie Hwy., Waterford, MI

Messages

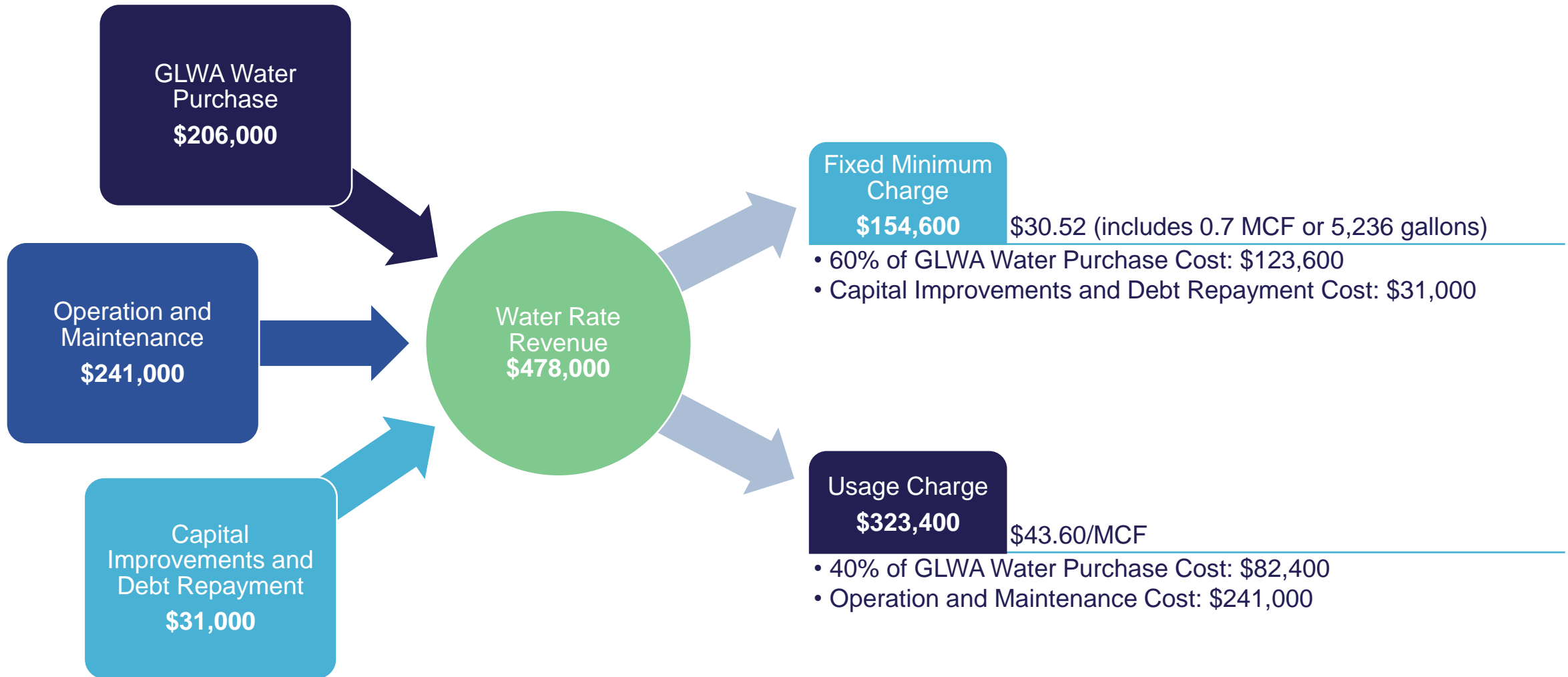
- Meter Readings:** The first four digits reading left to right on your meter.
- Code:** Explained on the reverse side of the bill.
 - MR = Actual meter read
 - ME or CE = The use was estimated because your meter could not be read
- Usage:** The difference between the monthly meter readings for the read dates shown.
- Units:** Meters measure in hundreds of cubic feet.
- Water Usage Charge and Water Fixed Charge (\$32.15/1,000 cu ft.)**

On this example bill, the customer used 7 units of water which is 700 cubic feet. For perspective, translated to gallons, the amount used is:

$$700 \text{ cu ft.} \times 7.481(\text{gallons/cu ft.}) = 5,236 \text{ gallons}$$



Royal Oak Township: Annual Water Rate Revenue to Water Charges



Royal Oak Township: Calculating Water Volume

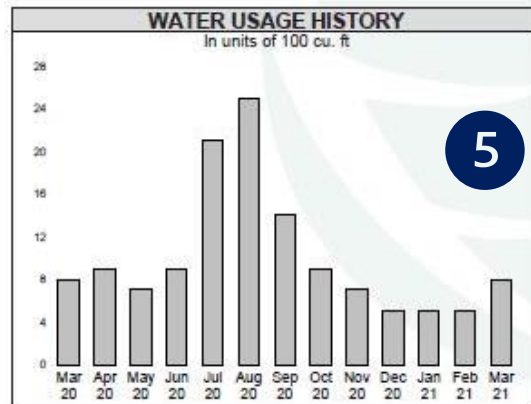
Meter Number	Read Dates		Billing Days	Meter Readings		Code	Multiplier	Usage	Units
	Previous	Present		Previous	Present				
0036965595	02/02/2021	03/02/2021	28	0397	0405	MR	1	8	100 CU.FT.

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PREVIOUS BALANCE	02/08/2021	90.27
PAYMENT	02/24/2021	-90.27
BALANCE FORWARD		0.00
WATER USAGE CHARGE		34.88
SEWER USAGE CHARGE		68.28
CURRENT CHARGES		\$ 103.16
TOTAL AMOUNT DUE		\$ 103.16

Account Type		Bill Date
ROYAL OAK TOWNSHIP		03/08/2021
Amount Due	Due Date	Late Payment
\$103.16	04/02/2021	\$113.48



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Messages

Royal Oak Township exceeded the action level for lead in drinking water. Lead can cause serious health problems. For more information please call WRC at 248-452-9158 or visit www.oakgov.com/RoyalOakTwpWater.

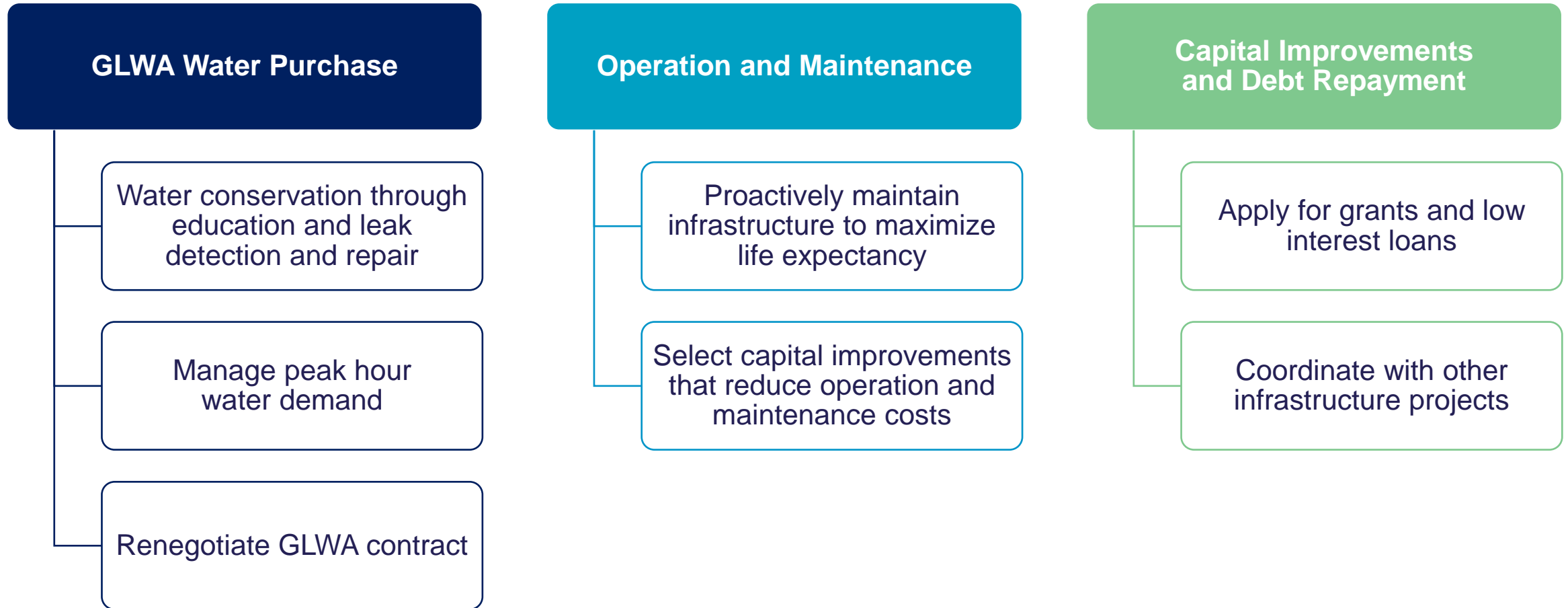
- Meter Readings:** The first four digits reading left to right on your meter.
- Code:** Explained on the reverse side of the bill.
 - MR = Actual meter read
 - ME or CE = The use was estimated because your meter could not be read
- Usage:** The difference between the monthly meter readings for the read dates shown.
- Units:** Meters measure in hundreds of cubic feet.
- Water Usage Charge (\$43.60/1,000 cu ft.)**

On this example bill, the customer used 8 units of water which is 800 cubic feet. For perspective, translated to gallons, the amount used is:

$$800 \text{ cu ft.} \times 7.481(\text{gallons/cu ft.}) = 5,985 \text{ gallons}$$



Water Rate Revenue Reduction Methods



Schedule of Meeting with Expected Topics

Month	Topic
November	No meeting
December	Facilitated discussion on shut-offs
January	Affordability framework update
February	Focus groups in each community
March	Present draft affordability program
April	Receive feedback on draft program
May	Present finalized affordability program

Focus Group Plan Update

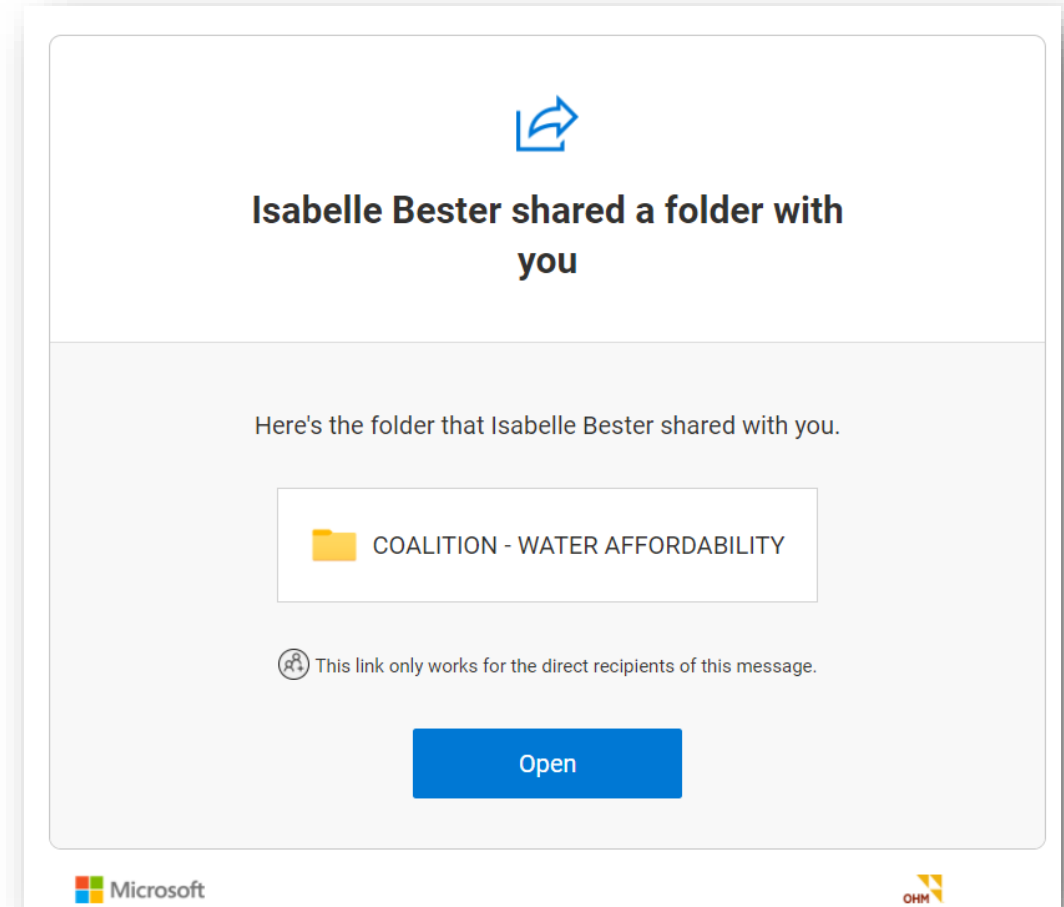


SharePoint Demo



SharePoint Access

- You will receive a link via email to access the SharePoint folder named “COALITION – WATER AFFORDABILITY”
- Check Spam and Junk folders if you do not see email in your primary inbox.
- The link will only work for you. A forwarded link will not allow someone else access.
- Click “Open” and you will be prompted to verify your email with a code.
- Bookmark folder in web browser for easy access in the future.
- Emails will be sent out in the coming week. If you do not receive an email by Oct 1, or prefer to have a different email used, please reach out:
isabelle.bester@ohm-advisors.com



SharePoint Contents

- Past meeting presentations and notes
- Calendar of important events
- Research materials
 - Case studies
 - NGOs
 - Local, State, and Federal programs
- FAQs
- wrcgrant@oakgov.com



SharePoint Contents

- TIP: Files may appear distorted in the online version. Open files in the desktop app to view more clearly.
- You can also download and save copies of files to your computer.
- If you wish to share research or other materials on the site, please email it to wrcgrant@oakgov.com and we will post it to the SharePoint folder.
- FAQs received at this email will also be posted in the Q & A document.
- Please email isabelle.bester@ohm-advisors.com with questions about SharePoint.



Next Meeting


December 2, 2021, at 11 a.m. EST



Thank you!

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