Buffalo Water

Public Hearing
December 4, 2018
5:30-7:00pm

Frank E. Merriweather, Jr. Public Library
1324 Jefferson Avenue, Buffalo New York 14208

Water Rate Restructuring and Affordability
Why the change?

Striking a balance between....

Operational & Capital Costs  
(aging infrastructure & inflation)

&

Affordability & Buffalo’s  
Low-Income Households
Buffalo Water - Capital Improvement Projects
Investing in Buffalo’s Future

Buffalo Water has invested nearly $150 million over the last 10 years – improving our assets and protecting water quality.

Screen House Project

Asbestos Removal & Laboratory Upgrades

Battery & Controls Upgrades
Buffalo Water - Capital Improvement Projects
Investing in Buffalo’s Future

Our investments have included award winning projects, have *lowered energy costs* and have received NYS and Federal funding.
Recent investments have focused on *water quality* and include a *collaborative research* project with the University of Buffalo, the University of Washington and Marc Edwards of Virginia Tech.
Buffalo Water – Operational Efficiency

Despite Buffalo’s *aging infrastructure*, we remain among the water sector’s *top performers* in several key efficiency metrics. We are in the top 25% of all utilities across the US.

![Bar chart showing Buffalo Water’s performance compared to peers in Total Annual O&M Costs($) and Total # of Accounts.](image)

![Bar chart showing Buffalo Water’s performance compared to peers in Daily Production (MG)/Number of Employees.](image)
Proposed Changes & Rate Adjustments

1. Residential Water Affordability

2. Water Consumption Block Changes

3. Capacity Charge Increase & Alignment

4. Miscellaneous Maintenance & Service Fees

5. Consumer Price Index (CPI) Cost Adjustment

6. Pathways to Affordable Water
Proposed Residential Water Affordability
Balancing Needed Investments and Affordability

Typical Residential Customer Quarterly Water Bills Summary

$/Quarter

Note: Numbers based on average approximate residential water usage of 17,500 gallons/quarter (2,312 CF/quarter)

The proposed changes will assist low income customers to offset increases
Proposed Consumption Block Changes

- Eliminate block 2
- Extend block volume
- Minimized discount for new block 2

Existing

- 10,000 CF @ $22.83/1,000 CF
- Above 10,000 CF @ $21.36/1,000 CF
- Above 36,000 CF @ $16.31/1,000 CF

Proposed

- 60,000 CF @ $22.83/1,000 CF
- Above 60,000 CF @ $20.55/1,000 CF

These proposed changes will have no impact to the typical residential customer
Proposed Capacity Charge Changes

- Changed to the water sector’s best practices – equivalent ratios
- Changed to fund operational and capital expenses

These proposed changes will have a $5/month impact to the typical residential customer

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Current $/Quarter</th>
<th>Proposed $/Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 inch</td>
<td>$34.90</td>
<td>$49.90</td>
</tr>
<tr>
<td>3/4 inch</td>
<td>$49.22</td>
<td>$74.85</td>
</tr>
<tr>
<td>1 inch</td>
<td>$87.30</td>
<td>$124.75</td>
</tr>
<tr>
<td>1 1/2 inch</td>
<td>$174.52</td>
<td>$249.50</td>
</tr>
<tr>
<td>2 inch</td>
<td>$279.19</td>
<td>$399.20</td>
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<td>3 inch</td>
<td>$523.47</td>
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<td>4 inch</td>
<td>$872.42</td>
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<tr>
<td>6 inch</td>
<td>$1,744.88</td>
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<tr>
<td>8 inch</td>
<td>$2,829.61</td>
<td>$3,992.00</td>
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<tr>
<td>10 inch</td>
<td>$4,013.26</td>
<td>$10,479.00</td>
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</tbody>
</table>
Proposed Miscellaneous Fee Changes

• Adjust Fees to account for actual service costs (Vehicles/Maintenance/Labor)
• These fees are for services generally provided upon customer request

Examples:

- Plugs and taps
- Hydrant rental rates
- First time connection
- Main line tap
- Meter removal charges

*These proposed changes will have no impact to the typical residential customer*
Buffalo Water’s - Pathways to Affordable Water

Buffalo Water is committed to providing affordable water service and helping its customers maintain active water accounts

- **Proposed** Residential Affordable Water Program
- **Existing** Qualified Senior Citizen Discount
- **Existing** Monthly Payment Plans
- **Existing** Extended Repayment Periods
- **Existing** Interest Charge Suspension
- **Existing** Monthly Billing Option w/ Improved Technology
- **Existing** Leak Abatement Program
- **Existing** Service Line Protection Program
Proposed Residential Affordable Water Program

Two Tiers of Benefits

Low-Income Customers

$60/year Discount

Very Low-Income Customers

$90/year Discount

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Low Income</th>
<th>Very Low Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$41,850</td>
<td>$26,150</td>
</tr>
<tr>
<td>2</td>
<td>$47,800</td>
<td>$29,900</td>
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<tr>
<td>3</td>
<td>$53,800</td>
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<td>$46,350</td>
</tr>
<tr>
<td>8</td>
<td>$78,900</td>
<td>$49,350</td>
</tr>
</tbody>
</table>

*Income Limits based on Federal Guidelines

Eligible residential customers will see no net increase to their bill
## Proposed Residential Water Affordability

Balancing Needed Investments and Affordability

The proposed changes will assist low income customers to offset increases in water bills.

### Typical Residential Customer Quarterly Water Bills Summary

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>$/Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Residential Customer</td>
<td>$88</td>
</tr>
<tr>
<td>2019 Residential Customer</td>
<td>$103</td>
</tr>
<tr>
<td>Low Income RAWP Customer</td>
<td>$88</td>
</tr>
<tr>
<td>Very Low Income RAWP Customer</td>
<td>$80</td>
</tr>
<tr>
<td>Senior Citizen Low Income RAWP Customer</td>
<td>$47</td>
</tr>
<tr>
<td>Senior Citizen Very Low Income RAWP Customer</td>
<td>$39</td>
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</tbody>
</table>

Note: Numbers based on average approximate residential water usage of 17,500 gallons/quarter (2,312 CF/quarter)

**The proposed changes will assist low income customers to offset increases**