2021 Water Rate Frequently Asked Questions (FAQ)

Updated October 15, 2020

The City of Hillsboro Water Department carefully manages drinking water rates, and strives to ensure equity and affordability for all customers. Water rates are designed so that all customers, including residential, commercial, and industrial users, pay their fair share based on how they use the City’s water system and how much water they use.

General Information about Hillsboro’s Drinking Water

What are Hillsboro’s current and future drinking water sources?

The Hillsboro Water Department proudly serves high-quality drinking water to more than 87,000 customers in the City of Hillsboro (in-town customers) and in rural Washington County (upper-system customers). Every drop of water that runs through customers’ taps comes out of a river, or a dam and reservoir.

Hillsboro’s winter water source is the upper-Tualatin River and its tributaries. The river stretches almost 80 miles from the Tillamook State Forest in Washington County to the Willamette River near West Linn. The Tualatin River has been Hillsboro’s only winter water source for almost 80 years.

In the summer, the river level drops too low for community use, so Hillsboro customers rely upon water stored in two reservoirs to meet demand:

- The Barney Reservoir is located in the Trask River Watershed and holds 20,000 acre-feet of water at capacity, or which 14,886 acre-feet is available for drinking water. (An acre-foot is the amount that covers an acre with a foot of water.) Water is moved from the reservoir to the Tualatin River through a one-mile long pipeline.
- The Scoggins Reservoir — also known as Hagg Lake — is located near Gaston. The reservoir stores approximately 59,950 acre-feet of water when full, of which 13,500-acre feet is available for drinking water.

While the upper-Tualatin River will continue to be Hillsboro’s primary water source, the City of Hillsboro is partnering with TVWD and City of Beaverton to develop the Willamette River at Wilsonville as an additional water supply source. Design and construction of the new Willamette Water Supply System (WWSS) is underway, and includes building:

- A modified water intake on the Willamette River at Wilsonville
- A state-of-the-art water filtration facility east of Sherwood
- Water supply tanks on Cooper Mountain
- More than 30 miles of large-diameter transmission water pipeline traveling north from Wilsonville, through Beaverton, and into Hillsboro

The entire WWSS will be built to modern seismic standards, and designed to withstand the impacts of a large earthquake or other natural disaster. This will help restore service quickly after a catastrophic event.

Does the Hillsboro Water Department serve all of the City of Hillsboro drinking water?

Depending on your location in Hillsboro, the water provider is either the Hillsboro Water Department or the Tualatin Valley Water District (TVWD). Both agencies work closely together to deliver high-value, reliable water service to customers.

The Hillsboro Water Department serves water to:

- In-town customers located west of Cornelius Pass Road and south of Highway 26 (Sunset Highway). In-town customers are served water from the Joint Water Commission (JWC) Water Treatment Plant located in Forest Grove. Learn more at www.Hillsboro-Oregon.gov/HillsboroCCR.
• Upper-system customers in western Washington County along Hillsboro’s original water service line. Upper-system customers are served water from both the JWC Water Treatment Plant, and the Cherry Grove Slow Sand Filter (SSF) Plant, located near the community of Cherry Grove. Learn more at www.Hillsboro-Oregon.gov/CherryGroveCCR.


Within the City of Hillsboro, TVWD serves water to:

• Customers located east of Cornelius Pass Road.
• Butternut Creek neighborhood customers south of SW Tualatin Valley Highway and north of SW Rosedale Road off SE Butternut Creek Parkway. After the City completes pipeline construction in South Hillsboro, Butternut Creek customers will be switched to receive water served by the Hillsboro Water Department.

How is Hillsboro’s water treated?

Depending on your location in Hillsboro, the water provider is either the Hillsboro Water Department or the Tualatin Valley Water District (TVWD). Both agencies work closely together to deliver high-value, reliable water service to customers. Protection of public health is the Hillsboro Water Department’s number one priority. Before reaching your tap, water is filtered, cleaned, and treated in an extensive process that produces some of the highest quality drinking water in the region.

Water served to the Hillsboro Water Department’s in-town customers is drawn out of the upper-Tualatin River for filtration and treatment at the JWC Water Treatment Plant. Learn more about the treatment process.
How often is Hillsboro’s water tested, and where can I find the results?

The Hillsboro Water Department is committed to protecting public health and providing customers with safe drinking water. To ensure your drinking water meets or exceeds state and federal drinking water standards, each month hundreds of water samples are collected and then tested by a state-certified laboratory. Testing results are posted online.

In addition, each year in June the Hillsboro Water Department publishes a Consumer Confidence Report – or CCR - that includes results of water quality testing conducted from January 1 through December 31 the previous year on water served by the Water Department. The reports are available online.

**Current Water Rates: Jan. 1 – Dec. 31, 2020**

What are the current water rates?

On Nov. 12, 2019, the City of Hillsboro Utilities Commission approved separate water rate increases for each customer group effective Jan. 1 to Dec. 31, 2020.

View the detailed 2020 Water Rate Schedule.

The changes were applied specifically to the water portion of the City of Hillsboro utility bill, not the sanitary sewer, surface water, or transportation utility fees.

Those are separately managed by the City and Clean Water Services.

**Proposed Water Rates: Jan. 1 – Dec. 31, 2021**

What are the proposed 2021 water rates?

In 2018, the Hillsboro Water Department completed a Water Rate Study and Cost of Service Analysis. The study reviewed the costs incurred to provide water to each customer group, and recommended future water rate increases for each customer group.

Using the study's recommendations, the Water Department is proposing separate water rate increases for each customer group for 2021.

<table>
<thead>
<tr>
<th>Hillsboro Water Department Customer Group</th>
<th>Proposed 2021 Water Rate % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Residential</td>
<td>8.5%</td>
</tr>
<tr>
<td>Private and Public Fire Protection</td>
<td>10.2%</td>
</tr>
<tr>
<td>Multi-Family Residential</td>
<td>10.3%</td>
</tr>
<tr>
<td>Public Entities</td>
<td>10.4%</td>
</tr>
<tr>
<td>Bulk Water</td>
<td>10.4%</td>
</tr>
<tr>
<td>Commercial</td>
<td>10.4%</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>10.5%</td>
</tr>
<tr>
<td>Industrial</td>
<td>10.5%</td>
</tr>
<tr>
<td>Irrigation</td>
<td>15.2%</td>
</tr>
</tbody>
</table>
Single-family residential customers:
- If the proposed water rate adjustment is approved, the drinking water portion of the utility bill for a typical single-family residential customer in-town using approximately 6,000 gallons of water per month will increase on Jan. 1, 2021, by $3.06, from $36.02 to $39.08, for example.
- For a typical residential customer using 8 ccf/month, the rate adjustment is comprised of a 9.9% rate increase to the volume charge and a 0.0% adjustment to the base rate. 1-1/2" and 2" residential meter base rates were increased in 2019 to align with American Water Works Association (AWWA) standard multipliers.

Multi-family residential customers:
- Duplexes and triplexes served by a single meter was moved in 2019 to the single-family residential customer classification to help moderate rate increases for these customers.
- The multi-family residential customer water volume charge was split in 2019 into a Winter Volume and Usage over Winter Volume Charge, similar to other rate classifications, to provide customers with more control over the water portion of their utility bill.
- The multi-family residential customer percentage increase will vary based on peak usage volume; the percentage shown is for 1.5 peak factor.

Commercial customers:
- The bulk water rate is tied to the Commercial rate.

Industrial customers:
- A large industrial schedule was added in 2019 to this classification with rates and volume charges for 6", 8" and 10" meters where the total water usage at a single site is at least four million gallons per day, to increase the portion of revenue derived from base charges.

How can I provide input on the proposed water rates for 2021?
From Sept. 9 to Oct. 30, 2020, community members are invited to provide input on the proposed water rates for 2021. Additional details are available online.

- Online: Hillsboro-Oregon.gov/WaterRates
- Phone: 503-615-6702
- Email: Water-Department@Hillsboro-Oregon.gov
- Social Media:
  - Twitter
  - Facebook
  - NextDoor
- In-Person/Mail: 150 East Main Street, Third Floor, Hillsboro, Oregon 97123
- Virtual Meetings:
  - Utilities Commission Monthly Meetings: Oct. 13, and Nov. 10
  - Water Rate Community Conversation (English) for general ratepayers: Sept. 30
Water Rate Public Hearing: Oct. 12
Water Rate Community Conversation (Spanish) for general ratepayers: Oct. 15

The Utilities Commission – responsible for setting rates for the use and consumption of water – will review public comment throughout the process, and vote on the proposed water rates for 2021 on Nov. 10, 2020. If approved, new water rates will be applied only to the water portion of customer’s utility bills beginning Jan. 1, 2021.

Why are you not holding in-person meetings during the 2020 water rate setting process?
Per the omnibus House Bill 4212, the Oregon public meeting law was temporarily modified in June 2020 to account for meeting limitations due to COVID-19, and states:

Safe public meetings – Allows local governments and other public bodies to hold virtual meetings so they can continue to provide essential services and make decisions in a public and transparent manner, while preventing the spread of COVID-19 and protecting public health. The language specifies notice, quorum, social distancing, and recording requirements.

To learn more, view the Office of the House Speaker press release from June 26, 2020.

If the proposed water rates for 2021 are approved, how will it impact my City utility bill?
If approved by the Utilities Commission, the water rates for 2021 would:

- Only be applied to the water portion of the City utility bill, not the Sanitary Sewer, Surface Water Management, or Transportation Utility services.
- Be applied to all water rate groups – including single-family residential, multi-family residential, commercial, public entities, non-profit, irrigation, bulk water, fire protection, and industrial customers.

If the proposed water rate adjustment is approved, the drinking water portion of the utility bill for a typical single-family residential customer in-town using approximately 6,000 gallons of water per month will increase on Jan. 1, 2021, by $3.06, from $36.02 to $39.08, for example.

Would the proposed water rates for 2021 affect the Sanitary Sewer, Surface Water Management, or Transportation Utility amounts on my utility bill?
No. If approved by the Utilities Commission, the water rates for 2021 would only be applied to the water portion of the City utility bill.

Times are tough, why is the Hillsboro Water Department still proposing water rate increases?
The Utilities Commission has a difficult decision to make this year regarding rate adjustments. To keep the increase affordable, the proposed impact would be just over $3 per month for a typical single-family residential household using about 6,000 gallons of water per month.

Rates studies are conducted every five years to keep the agency on a sound financial path that ensures customers have a safe and reliable water supply, both now and in the future. The 2018 Water Rate Study and Cost of Service Analysis has recommended rate adjustments for all customer classes in 2021. The Commission made the decision back in 2019 to steadily phase in smaller rate adjustments over a five year period, instead of passing a large rate adjustment in a single year. Customers benefit from a multiyear phase-in because smaller increases are easier to budget for.

Part of increasing reliability for current customers, and planning for future customers, requires Hillsboro and its partners Tualatin Valley Water District and the City of Beaverton to add a second water supply – the Willamette River at
Wilsonville, a decision made back in 2013 after an extensive public participation process. This $1.3 Billion dollar commitment will provide Hillsboro with additional water and a seismically resilient water source for the next 50-100 years. This is important since Hillsboro is located in the Cascadia Subduction Zone. This will allow water service to be restored more quickly after an earthquake, or other natural disaster.

To pay for the program, Hillsboro issued a bond, and also obtained a low-interest, federal loan. The low interest loan will save Hillsboro customers $125 million in interest over the term of the loan compared to other borrowing options. Other cost-saving efforts have included: project partnerships with other agencies, adjustments to project timing to stretch dollars, delaying construction of new facilities, and securing funding sources such as grants and low-interest loans. All of these initiatives have helped to moderate rate impacts. However, the need for additional rate adjustments remains if Hillsboro is to complete the new water supply project and maintain the financial viability of the water system.

Hillsboro’s water rates continue to compare favorably to the rates charged in the Portland region for similar services. Once the five year rate adjustment plan is completed in 2023, Hillsboro’s rates are projected to remain at or below the median average for the region.

The Utilities Commission will consider rate adjustments this year to ensure financial obligations are met, and to keep Hillsboro on-track for completion of its second water source. They have directed staff to find ways to save customers money through conservation incentives, moderating increases to fixed costs for residential customers to give customers more control over their bills, smoothing rate adjustments to avoid sharp increases, and implementing affordability programs for low-income customers. On August 10, an unprecedented Federal program began accepting applications for utility bill assistance to help eligible customers impacted by COVID-19 to pay their utility bill. That program - which is in addition to Hillsboro long-standing water assistance program - is available until December 30, or until funds run out. If approved by the Utilities Commission, the water rates for 2021 would only be applied to the water portion of the City utility bill.

### Water Rate General Information

**What is the history of water rate increases for single-family residential customers?**

The last water rate increase for all customer groups took effect on Jan. 1, 2020.

The approved 2020 water rates for single-family residential customers included a 10.5% increase to the volume charge, and no change to the base charge.

For a typical single-family residential customer with a 3/4 inch connection using about 6,000 gallons of water (or eight hundred Cubic Feet (8 ccfs of water) per month, this resulted in a $1.68 per month increase or about a 10.5% increase. One ccf is equal to one hundred cubic feet of water or 748 gallons.

For comparison, the American Water Works Association (AWWA) surveyed water systems nationwide about their residential water rate increases and found that nationally rate increases are averaging 5.9% annually.

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Water Portion of City Utility Bill for Single-Family Residential customers (based on typical use of 6,000 gallons of water (or eight ccfs))</th>
<th>Adjustment from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$20.69</td>
<td>+ $1.28</td>
</tr>
<tr>
<td>2012</td>
<td>$22.64</td>
<td>+ $1.95</td>
</tr>
<tr>
<td>2013</td>
<td>$24.12</td>
<td>+ $1.48</td>
</tr>
<tr>
<td>2014</td>
<td>$25.60</td>
<td>+ $1.48</td>
</tr>
<tr>
<td>2015</td>
<td>$27.07</td>
<td>+ $1.47</td>
</tr>
<tr>
<td>2016</td>
<td>$29.50</td>
<td>+ $2.43</td>
</tr>
</tbody>
</table>
### How is the Hillsboro Water Department funded?

The Hillsboro Water Department is funded solely by water rates and water System Development Charges (SDC), and does not receive any tax revenue or money from the City of Hillsboro's general funds.

SDCs are one-time charges paid by developers to add new service or increase the meter size on existing service.

### What do water rates fund?

Water rates invest in:

- Ensuring water quality and reliability of service so that drinking water is available when you need it
- Investing in an additional water supply source and seismically resilient pipelines, reservoirs, and a new water treatment plant (Willamette Water Supply System)
- Obtaining and maintaining State water rights to legally draw water from various sources
- Maintaining and increasing water capacity at the Joint Water Commission (JWC) Water Treatment Plant
- Operating and maintaining the water system, including reservoirs, treatment plants, pipelines, and infrastructure
- Providing customer service
- Constructing and replacing water infrastructure
- Complying with regulatory standards, including water testing
- Paying debt service on bonds
- Employing the Hillsboro Water Department workforce

### How many different water rate groups are there?

The Hillsboro Water Department has eight retail water rate groups.

- Single-family residential: 90% of the total customers
- Multi-family residential: 1% of the total customers
- Commercial: 4% of the total customers
- Industrial: 1% of the total customers
- Public entities: 0.5% of the total customers
- Nonprofit: 0.5% of the total customers
- Irrigation: 2% of the total customers
- Fire protection (for fire sprinkler systems): 0.5% of the total customers

Over 90% of the water meters currently in service are for single-family residential customers.
How much water does Hillsboro Water Department deliver each day?
On average, Hillsboro Water delivers about 20 Million Gallons per Day (MGD) of water to customers to meet water demand. Between June 2019 and June 2020, Hillsboro’s industrial and single-family customers had the highest water demand, using 72.9% of the total water delivered to all customers, for example.

How much revenue does Hillsboro Water Department receive each year from water rates?
On average, Hillsboro Water receives about $30 million a year in water rate revenue from customers. Industrial and single-family residential customers – who have the highest water demand – pay the most water revenue.
Does the 2018 Water Rate Study and Cost of Service Analysis recommend water rate increases?

Yes. The 2018 Water Rate Study and Cost of Service Analysis identified the need for a 10.5% overall rate increase each year from 2019 to 2023.

The initial rate increases are different based on the customer group. A study is completed at least every five years. It includes a detailed cost of service analysis to allocate the Hillsboro Water Department’s costs between the customer groups, including residential, commercial, industrial, etc.

All Water Department expenditures are assigned to each customer classification based on their use of resources. The goal is to set water rates to recover only the costs related to that customer group and avoid cross-subsidies.

As a result, residential customers only pay for the parts of the system that benefit them and commercial customers only pay for their share, for example.

Once costs are assigned to each group, then the Water Department calculates how much of a water rate increase is needed to generate sufficient revenue from each customer classification to cover their costs.

This is why in a year when a study is done, water rate increases can be different for each customer classification, while in years between rate studies rate increases are usually uniform for all customer classifications.

Next is a table of the approved 2020 water rates, and the proposed water rate increases by customer group from 2021 to 2023 based on the recommendations of the 2018 Water Rate Study and Cost of Service Analysis. These are overall rate increases. Individual customer bills may change by a different percentage.

The 2021 column provides the rate increases for Utilities Commission approval.

Years 3 through 5 show the forecasted rate increases for information only. Overall, the Water Rate Study recommends 10.5% per year for the next five years.
Summary of Proposed Overall Water Increases and Estimated Projection

<table>
<thead>
<tr>
<th>Hillsboro Water Department Customer Group</th>
<th>Year 1 Effective 02-01-2019</th>
<th>Year 2 Effective 01-01-2020</th>
<th>Year 3 2021 Proposed</th>
<th>Year 4 2022</th>
<th>Year 5 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Residential*</td>
<td>5.0%</td>
<td>4.9%</td>
<td>8.5%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>6.0%</td>
<td>10.4%</td>
<td>10.5%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Industrial</td>
<td>8.5%</td>
<td>10.5%</td>
<td>10.5%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Multi-Family (1.0 peak factor)**</td>
<td>14.7%</td>
<td>7.9%</td>
<td>10.3%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Multi-Family (1.5 peak factor)**</td>
<td>14.7%</td>
<td>11.1%</td>
<td>-</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Commercial***</td>
<td>14.7%</td>
<td>12.9%</td>
<td>10.4%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Sales/Public Authorities</td>
<td>14.7%</td>
<td>14.7%</td>
<td>10.4%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Private/Public Fire Protection</td>
<td>14.7%</td>
<td>11.3%</td>
<td>10.2%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Irrigation</td>
<td>20.0%</td>
<td>20.0%</td>
<td>15.2%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Bulk Water**</td>
<td>91.2%</td>
<td>12.9%</td>
<td>10.4%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

These percentage increases are for typical customers. Individual account increases may be different.

* For a typical residential customer using 8 ccf/month, the adjustment is comprised of a 9.9% rate increase to the volume charge and a 0.0% adjustment to the base rate. 1-1/2" and 2" residential meter base rates were increased to align with AWWA standard multipliers.

** Multi-family residential customers’ percent increase will vary based on peak usage volume, the percentage shown is for 1.5 peak factor.

*** Bulk water rate is now tied to the commercial customers’ rate.

** Does each customer pay the same base fee and use fee?**

No. Water rates for each customer group are set to cover the costs of providing service to the customers in that group. Each group of customers are charged a different monthly base fee and a usage fee.

For example, single-family residential customers currently pay $2.22 per ccf (1 ccf = 748 gallons) of drinking water, while water for irrigation currently costs $4.94 per ccf.

Different than the other rate groups, single-family residential customers have a three-tiered rate structure with progressively higher rates as water consumption increases. Thanks to conservation efforts, today over 80% of customers are only using water under the tier one residential rate, which is the lowest residential rate.

Across the different water groups, meter sizes range up to 12 inch connections.

The base fee is fixed, which means it stays the same amount month to month. The typical single-family residential customer currently pays a base fee of $16.58. The usage fee is based on the customer’s water usage registered by the water meter. Currently, over 80% of the Hillsboro Water Department’s single-family residential customers fall into Tier 1 use which has the lowest residential water usage rate.

In comparison, industrial customers with a one-inch meter currently pay a monthly base fee of $79.02, a difference of $62.44 per month compared to single-family residential customers.
How many customers fall into single-family residential Tier 1 usage?

To keep water affordable and to encourage efficiency, the Hillsboro Water Department’s single-family residential customer rate structure includes three tiers based on how much water is used.

- The first tier covers zero through eight ccfs (up to 6,000 gallons) per month, or zero through 16 ccfs (up to 12,000 gallons) per bi-monthly bill.
- The water sold under the first Tier is considered “essential” for basic life needs.
- Analysis completed at the time of the latest rate study found the entire water usage for over 80% of single-family residential customers was covered in Tier 1, which has the lowest residential water usage rate.

Currently, over 80% of the Hillsboro Water Department’s single-family residential customers fall into Tier 1 use which has the lowest residential water usage rate.

Do all customers pay water rate increases?

Yes. All customers – including businesses and corporations operating in the City of Hillsboro – pay water rate increases. The Hillsboro Water Department completes a Water Rate Study and Water Cost of Service analysis every five years. The study reviews the costs incurred to provide water to each customer group and recommends water rate increases for each customer group. This results in each customer group paying for the costs and infrastructure used to provide their water. In this way customers located inside the City of Hillsboro are not paying for pipelines and infrastructure to provide water to upper system customers and vice versa. Single-family residential customers are not paying for costs to provide water to irrigation customers, and vice versa. View the 2018 study and analysis.

Do businesses and industrial customers get more favorable water rate increases or subsidies?

No. City of Hillsboro businesses and industrial customers do not receive favorable water rate increases or subsidies. The Hillsboro Water Department completes a Water Rate Study and Water Cost of Service analysis every five years that identifies the costs incurred by each customer group. In this way, costs related to providing water to commercial customers are funded by the water rates paid by commercial customers to avoid cross subsidies. View the 2018 study and analysis.

Why do small commercial businesses pay as much as large commercial customers? Can there be a small commercial businesses customer category?

Commercial businesses pay a rate based on the size of meter that serves their establishment and the amount of water they consume.

Typically, a small commercial business has a smaller meter so pays less of a base charge for that sized meter. They also would presumably use less water so the usage charge would also be less than a larger customer.

However, occasionally there might be a small commercial customer, like a local coffee shop, that even though it may be smaller in commercial square footage than the commercial clothing store down the street, actually relies on more water for their commercial business. If this is the case, they may actually have a larger meter, or at least use more water, than that larger business that doesn’t rely as heavily on water. Because of the amount of water used, they pay as much or more than the larger business.

Water charges are based on system reliance (base charge) + actual usage (usage charge), not on the actual size of the business itself.

Sometimes commercial business operation may change over time. Business processes may shift over time to reduce water needs, or a previous business may have needed more water than the current business. The Water Department
can install a smaller meter if the customer agrees and the current level of water usage can be safely provided with a smaller meter. This would reduce the monthly base fee. However, if a larger meter is needed in the future, costs related to changing to the larger meter would need to be paid by the customer.

**Why are the proposed increases for single-family and multi-family residential customer different?**

To ensure equitable treatment of all of the customers served by the Hillsboro Water Department, a Water Rate Study and Water Cost of Service analysis is conducted every five years.

The cost of service analysis takes all of the water system costs and allocates costs to each customer classification based on how much it costs to provide water to those customers. The goal is to avoid cross subsidies.

During the **2018 study and analysis**, water usage patterns for each customer group were reviewed, including single-family and multi-family residential customers.

Peak usage is the difference between winter and summer usage. Summer months are the period of high demand for water. During this span of time, it is more expensive for the Water Department to supply higher volumes of water.

The multi-family residential customers’ water volume charge is split into a Winter Volume and Usage over Winter Volume Charge (or summer), similar to other rate classifications. Customer usage during winter months (Nov. 1 through Apr. 30) will be averaged to determine the Winter Volume. When usage exceeds this average, only the usage above the average will be charged at the proposed higher rate.

This will help promote the Utilities Commission’s and the City’s goals of promoting affordability by providing customers with more control over the water portion of their utility bills.

Staff identified that most multi-family residential customers have relatively low peak summer usage. No summer peak usage would result in a 1.0 peaking factor, while using 50% more water in summer months would result in a 1.5 peaking factor. Many multi-family accounts were below 1.5 with some customers very close to 1.0. However, a number of accounts have exhibited very high peaking at 2.0 and higher.

By adding a Winter/Summer split rate schedule, customers with low peaking will see a small increase in their summer water bills, while customers with high peaking factors will see higher summer water bills. This will help to meet the Commission’s goal that each customer should pay for their fair share of costs. This is also helping to moderate the proposed multi-family customer rate increase to about 7.9% which is the proposed increase for a customer with a 1.0 peaking factor. If the split rate were not implemented, then the overall rate increase would be about 14.7%.

In addition, duplexes and triplexes served by a single meter have been moved to the single-family residential classification to help moderate rate increases for these customers.

The cost of service analysis is helping to “true up” water rates to where they need to be. For example, single-family residential customers’ rates were already fairly close to covering the costs in the cost analysis, so their proposed water rate increase is smaller. Since multi-family water customer rates were lower than necessary to cover multi-family residential customer costs, the water rates are proposed to be increased by a larger percentage.

The Water Department plans to continue its reviews. Account histories will be reviewed for outliers with unusual usage patterns to determine if conservation may help. In those cases, Water Department staff will reach out to the staff of the multi-family complex to offer assistance with irrigation best practices and to inform them about irrigation upgrades and potential rebate incentives.

Staff also plan to analyze potential changes to the rate design that might help to meet conservation and affordability goals.
Setting Water Rates

What is the water rate setting process?

Water rates for the Hillsboro Water Department’s service area are established and approved on an annual basis by the Utilities Commission – not the City Council. Their decision occurs after an extensive review of the revenue requirements and costs underlying any rate proposal, and after receiving community input.

The Water Department completes a Water Rate Study and Cost of Service analysis every five years, which is used to develop recommendations for rate adjustments by customer group. In the year’s in-between rate studies, the Water Department generally recommends across-the-board rate increases to all customer groups. View the 2018 study and analysis.

Setting rates is a public process and includes the opportunity for input by all interested individuals and groups, especially customers of all rate groups. The Water Department works with customers throughout the year to discuss water rate challenges and seeks ideas and solutions for managing cost issues.

To better align with the rate setting processes for other City departments, the Water Department started moving in 2019 to a beginning of the year effective date for water rate adjustments.

How does the Hillsboro Water Department calculate water rates?

Water rates are designed so residential, commercial, and industrial users pays their fair share based on how they use the City’s water system and how much water they use.

The Hillsboro Water Department completes a Water Rate Study and Cost of Service analysis every five years to determine the costs being incurred to provide water to each customer group. Then, water rate adjustments are recommended, so that revenue collected from each customer group will be sufficient to cover costs incurred. In years when a Water Rate Study is not completed, the Water Department typically recommends an across-the-board water rate increase as described below. View the 2018 study and analysis.

For recommending an across-the-board rate increase, the Water Department uses water rate modeling software to develop scenarios of possible annual water rate adjustments. As the year progresses, the Water Department obtains increasingly more dependable information on the outlook for the next budget year and the long term forecast. This includes updated capital project cost estimates, usage and revenue trends of the Water Department’s customer base, and an update of how the current budget year may finish regarding revenues and expenditures.

With the updated information, the Water Department develops and enters scenarios into the water rate model. The model then provides suggested water rate increases necessary to meet the financial needs of department, meet required debt service covenants, maintain adequate reserves for unexpected events, and provide for the future needs of the community.

Does the Hillsboro Water Department look at just one water rate option each year?

No. During the budget and rate developing process, the Hillsboro Water Department develops multiple scenarios or options using rate modeling software. The software helps determine the water rate that would meet the financial needs of the Water Department and the community, while also meeting debt service covenants and providing adequate reserves for unexpected events.

Throughout this process, the Water Department analyzes revenue trends and necessity of capital projects and scrutinizes listed operating and maintenance expenditures. Each scenario outcome is discussed in depth internally. This ensures the proposed water rate change both provides the level of service the Water Department customers expect from their water provider, and meets the department’s financial needs.
Who approves water rates?

Water rates for the Hillsboro Water Department’s service area are established and approved by the Utilities Commission. The Commission makes rules for the conduct and management of the water system, sets rates for the use and consumption of water, sets system development charges for new or expanding construction, and also sets charges for other services provided inside or outside of the City of Hillsboro.

How often are water rates adjusted?

Water rates for the Hillsboro Water Department’s service area are established and approved each year through a public hearing process by the Utilities Commission, and go into effect at the beginning of each year.

Will the City of Hillsboro seek a water rate increase next year?

Customers served drinking water by the Hillsboro Water Department can expect water rate increases annually. Each year costs increase for salaries and benefits, as well as supplies and treatment chemicals. New costs arise, for example to respond to new regulatory requirements and emerging issues such as the toxic algae bloom experienced in Salem’s water system.

Another important cost driver is the level of repair and replacement of the existing water system, including pipelines, fixtures, and water quality monitoring systems.

From now until 2026, the Water Department will be making significant investments in the development of the Willamette Water Supply System as Hillsboro’s additional and redundant water supply source to meet our community’s needs today, in the future, and during emergencies. This new system will include a new state-of-the-art water treatment facility and also will be seismically strengthened to better withstand earthquake damage. To help lower the cost increases, the Water Department has partnered with another water provider on the Willamette Water Supply System.

Is the public notified about proposed water rate increases?

Yes. The Hillsboro Water Department notifies the public and provides multiple opportunities to offer input through an annual public hearing process. Notices are sent to local newspapers, and included in the following:

- City utility bill
- City of Hillsboro and Hillsboro Water social media
- City of Hillsboro website
- City publications, including the City Views Newsletter and Happening in Hillsboro e-newsletter

From Sept. 9 to Oct. 30, 2020, community members are invited to provide input on the proposed water rates for 2021. Additional details are available online.

- Online: Hillsboro-Oregon.gov/WaterRates
- Phone: 503-615-6702
- Email: Water-Department@Hillsboro-Oregon.gov
- Social Media:
  - Twitter
  - Facebook
  - NextDoor
- In-Person/Mail: 150 East Main Street, Third Floor, Hillsboro, Oregon 97123
- Virtual Meetings:
  - Utilities Commission Monthly Meetings: Oct. 13, and Nov. 10
  - Water Rate Community Conversation (English) for general ratepayers: Sept. 30
The Utilities Commission – responsible for setting rates for the use and consumption of water – will review public comment throughout the process, and vote on the proposed rates on Nov. 10, 2020. If approved, new water rates will be applied only to the water portion of customer’s utility bills beginning Jan. 1, 2021.

Once the decision is made on any water rate change, the Water Department sends a media release to local newspapers, updates the city website, and includes messaging on social media and in City utility bills and newsletters to notify customers of the new water rates before the change takes effect.

**How can customers provide feedback throughout the year and during the water rate setting process?**

Throughout the year, community members are invited to ask questions, express concerns, and provide feedback on water rates in several ways:

- In person or by mail:  
  150 East Main Street, Third Floor  
  Hillsboro, OR 97123  
- By phone: 503-615-6702  
- Email the Water Department  
- **Monthly Utilities Commission Meetings**: The Utilities Commission attends regular monthly meetings held the second Tuesday of each month at 1:30 pm.  
- Social media:  
  - Twitter  
  - Facebook  
  - NextDoor

During the annual water rate setting process, members of the public are invited to submit feedback in several ways.

For the 2021 water rate setting process, community members can provide feedback from Sept. 9 to Oct. 30, 2020. Additional details are available online.

- Online: [Hillsboro-Oregon.gov/WaterRates](https://www.Hillsboro-Oregon.gov/WaterRates)  
- Phone: 503-615-6702  
- Email: Water-Department@Hillsboro-Oregon.gov  
- Social Media:  
  - Twitter  
  - Facebook  
  - NextDoor  
- In-Person/Mail: 150 East Main Street, Third Floor, Hillsboro, Oregon 97123  
- Virtual Meetings:  
  - [Water Rate Community Conversation (English) for general ratepayers](https://www.Hillsboro-Oregon.gov/WaterRates): Sept. 30  
  - [Water Rate Community Conversation (Spanish) for general ratepayers](https://www.Hillsboro-Oregon.gov/WaterRates): Oct. 15
Water Rate Drivers

What factors determine the Hillsboro Water Department’s water rates?

The most significant factors determining the Hillsboro Water Department’s water rates include:

1. Protection of public health: Supplying customers with safe and reliable drinking water is the Water Department’s highest priority. Through monitoring, testing, and treatment, source protection, risk assessment, and emergency response planning, the Water Department protects the water system and ensures the water delivered to local homes and businesses meets the stringent standards set by the state and federal governments and is safe to drink and use.

2. Additional water supply: The Tualatin Valley Water District and the cities of Hillsboro and Beaverton are partnering to develop the Willamette Water Supply System as an additional water supply source. The large scale, seismically-resilient water infrastructure project is currently under construction, and includes building a new state-of-the-art water treatment plant, reservoirs, and more than 30 miles of large-diameter transmission pipeline from the Willamette River to Hillsboro. This new, reliable water supply, along with Hillsboro’s current water supply — the upper-Tualatin River — will support growth and provide an additional supply for Hillsboro residents and businesses for decades to come.

3. Maintaining essential infrastructure: From treatment plants to reservoirs to pipelines, much of the system that delivers water to and around Hillsboro was built decades ago. The Water Department strategically upgrades, repairs, and in some cases replaces aging parts of the system to deliver safe, reliable drinking water to customers.

What is the percentage of rates invested in each of the rate drivers?

The City’s water rate model doesn’t break out water rates by the rate drivers. However, the additional water supply is the largest driver. Because the City’s water infrastructure is relatively new, the percentage of the capital budget related to replacing end-of-life infrastructure is lower than, for example an older water system in a large east coast city. Annual debt service will increase from about $2.5 million to $14.7 million after the Willamette Water Supply Project is completed. Also, during this period, Water Department cash funding will be used to cover a portion of the construction costs. About 60% of the costs for the Willamette Water Supply Project, including the debt service payments, will be paid from system development charges, and the remaining 40% will be covered from Water rate revenue.

The water capital improvement program summarizes annual capital project budgets broken out as repair and replacement versus new/expansion. This year, about 90% of the $64 million in capital projects budget is centered in new/expansion which is almost all in the Willamette Water Supply Project. Therefore, about 10% of the capital project budget is in maintaining essential infrastructure. Once the new water supply capital project is completed in 2027, the ratio drops to about 54%.

There also is some apparent overlap in the rate drivers. Elements of the new water supply project and repair and replacement projects clearly support protection of public health, for example chlorine treatment systems, UV disinfection, filters, and upgraded water testing instruments contribute to protecting public health.

Does the current water system really need improvements or maintenance?

Yes. Effective operations and maintenance support the City of Hillsboro’s overall water system sustainability and can help extend the life of the system. For example, one upcoming capital project is a “cathodic protection system.” This will place cathodes on large water pipelines to reduce corrosion on the outside of the pipe which will increase the useful life of the pipelines.
By strategically investing in the current water system, the Hillsboro Water Department helps make sure clean, safe, and reliable water is accessible to our customers on demand. It is important to plan ahead for the next 50 years of water service and to develop a second water source — the Willamette Water Supply System — so that Hillsboro does not become overly reliant on a single water source.

**Willamette Water Supply System**

**Does the City of Hillsboro need another water source?**

Yes. While the upper-Tualatin River will remain Hillsboro's primary water source, the City of Hillsboro is partnering with the Tualatin Valley Water District and the City of Beaverton to develop the Willamette River at Wilsonville as an additional water source. This will create an additional water supply source to meet our community's needs today, in the future, and during emergencies.

With two independent water sources (the upper-Tualatin River and the Willamette River at Wilsonville), the Willamette Water Supply System (WWSS) will be better able to respond to a temporary disruption in one water source, for example due to a toxic algae bloom. The projected expanded water usage justifies the use of System Development Fees (SDCs) to fund a fair share of this investment. This is why SDCs are funding about 60% of the WWSS.

The new water system will be one of Oregon’s most seismically resilient water systems. This system will be built to better withstand natural disasters, protect public health, and speed regional economic recovery by restoring critical services more quickly.

Also, quick restoration of water service will be critically important for fighting fires that may occur immediately after a major seismic event. Because a seismically resilient water system will benefit both current and future customers, water rates will fund about 40% of the investment in the new treatment plant and SDCs will pay the other 60%.

In addition to meeting customer water demand, the WWSS will offer existing City of Hillsboro customers additional significant benefits, including excellent finished water quality, ownership and control of the supply, year round reliability, and an alternate water supply in the event of an emergency. This is also why the investment is being split about 60% to SDCs, and about 40% to water rate funding.

**Has construction started on the Willamette Water Supply System?**

Yes. In October 2016, the first pieces of pipe for the Willamette Water Supply System were installed on the Kinsman Road Partnership Project through part of Wilsonville. The entire system will include more than 30 miles of 66-inch diameter water pipeline traveling from Wilsonville to Hillsboro, water storage tanks in Beaverton, an expanded water intake on the Willamette River at Wilsonville, and a state-of-the-art water filtration and treatment plant in Sherwood.

**Did any other water agencies show interest in participating in the Willamette Water Supply System?**

The Tualatin Valley Water District and cities of Hillsboro and Beaverton are partners on this project. Other water agencies are participating in planning and design discussions and may join the Willamette Water Supply System in the near future. Any additional partners will share costs.

**What other water sources were considered?**

While the Utilities Commission designated the Willamette River as the preferred additional water source for Hillsboro residents, several other viable water options were analyzed as potential future water sources. These included a Hagg Lake expansion, Willamette, South Willamette, Northern Well Field, and Bull Run/Columbia South Shore Well Field. Visit the Hillsboro Water Supply website to learn more.
Where and how will Willamette River water be treated?

Water from the Willamette River will be treated at a state-of-the-art treatment plant near Sherwood, before being delivered to Hillsboro customers. The new plant will use multiple innovative treatment steps, making the water even purer than required by current state and federal drinking water standards.

What are the benefits of adding the Willamette River at Wilsonville to the City of Hillsboro's water supply portfolio?

The Willamette Water Supply System will offer Hillsboro customers significant benefits, including:

- Excellent finished water quality
- Ownership and control of the supply
- Year-round reliability
- An additional water source
- Will meet water needs in Hillsboro Water’s service area for the next 50 years

Where is the intake on the Willamette River?

The intake for the Willamette River option is in Wilsonville, miles upstream from Portland and the Willamette Falls. This section of the Willamette River has been tested extensively over the last decade, and results have found it to be a high-quality drinking water source.

The City of Wilsonville has been operating its water treatment plant drawing water for this section of the Willamette River for more than 15 years, and has consistently produced high quality water.
What is the water quality of the Willamette River?

The watershed that feeds the Willamette River is very large and produces consistent, high volume flows. Every two years, Oregon’s Department of Environmental Quality (DEQ) is required to assess water quality and report to EPA on the condition of Oregon’s waters. DEQ prepares an Integrated Report that meets the requirements of the federal Clean Water Act (CWA) for Section 305(b) and Section 303(d). The Integrated Report includes an assessment of each water body where data are available.

Oregon Water Quality Index Data Summary Water Years 2010-2019 shows the upper and Willamette River water quality is good to excellent. View interactive map created by the DEQ.

Monitoring Location (Water Quality) 2010-2019

The Oregon Water Quality Index (OWQI) scores range from 10 (worst case) to 100 (ideal water quality). The Willamette Supply Intake is located between Canby Ferry (Good water quality - 87) and Wheatland Ferry (Excellent water quality - 90).

- Willamette River @ Canby Ferry: Good water quality (87)
- Willamette R. @ Wheatland Ferry: Excellent water quality (90)
- Willamette R. @ Salem: Good water quality (89)
- Willamette R. @ Albany: Good water quality (89)
- Willamette R. @ Corvallis: Excellent water quality (90)
- Willamette R. @ HWY 99E (Harrisburg): Excellent water quality (92)
- Willamette R. @ HWY 126 (Springfield): Excellent water quality (92)
How will the Willamette Water Supply System affect the City of Hillsboro’s monthly utility bill?

Anticipating the long-term need for new water sources, the City of Hillsboro began years ago to prepare for the necessary investment.

Nevertheless, customers will experience annual water rate increases at least through 2026. While costly in upcoming years, the project eventually will stabilize customers’ water costs and make the City of Hillsboro’s water supplies more secure. Long term public financing will be used to stretch the debt out over time and better match the costs of this project with future water users.

Why should the current community have to pay for a future water system?

Over the past century, the Hillsboro community invested in water infrastructure that continues to serve our community, including:

- Construction and expansion of the Eldon Mills Dam and Barney Reservoir, a raw water storage for western Washington County.
- Building of the largest conventional water treatment plant in Oregon and intake on the Tualatin River south of Forest Grove.
- Partnership in the construction of Scoggins Dam (Hagg Lake).
- Installation of more than 20 miles of large diameter water transmission pipelines to the City of Hillsboro.

Today, Hillsboro is the largest city in Washington County and has a healthy base of industrial, commercial, and residential water users. Hillsboro plans ahead to secure future water supply and also maintains high water quality standards.

System Development Charges, which are one-time fees paid for new development and expansion, will fund about 60% of the investment in the water treatment plant. Also, the plan is to partially fund this investment through low interest public financing that will be repaid over about 30 years. This will better balance project costs across current and future water users and will reduce the need for higher rate increases.

Planning, developing, and funding the Willamette Water Supply System as an additional water supply source for Hillsboro is critical for the present and future. The City remains committed to providing safe, reliable, and high quality water today and for years to come.

Is the construction of the waterline from the Willamette River being built primarily for South Hillsboro?

No. The addition of the Willamette River is not being built only to support future South Hillsboro water demand. As an additional water source for the City of Hillsboro, the Willamette River will be a seismically resilient, redundant system that:

- Brings security to existing customers by reducing dependency on a single source, especially during emergency events such as a toxic algae bloom.
- Provides additional water capacity in drought years. For example, during the severe drought in 2015, the existing water system was barely able to meet water demands, and this was well before South Hillsboro development.
- Provides supplementary water needed to meet long term projected growth in water demands throughout the City of Hillsboro. There are a limited number of water rights issued by the State, so it is important to develop a second water source to meet projected water needs for the next 50 years.
The planning for a new water supply began before South Hillsboro planning began over 10 years ago. In 2010, a water supply study was conducted to identify a water source that could best meet the projected 40-year increase in demands of Hillsboro and neighboring water suppliers, and also adhere closely to the local community’s values and expectations for its high quality, reliable water supply.

In February 2013, after analyzing six different options for a future water source, the Willamette was selected as the preferred source. Learn more on the Hillsboro Water Supply website.

**How much will the project cost?**

The total investment for the Willamette Water Supply System (WWSS) is currently estimated at more than $1.3 billion, split between the three partners with Hillsboro investing about 36%.

**How will the project be paid for?**

The Tualatin Valley Water District and the cities of Hillsboro and Beaverton are committed to keeping rates affordable for customers and are using a combination of methods to fund the project:

- Cash reserves—money that has been saved to pay for the project
- Borrowing money through low interest public financing—repaid by customers over an extended period, so future water customers share the cost
- Current customer rate increases
- System development charges paid for by new development will fund about 60% of Hillsboro’s share
- Potential investments by others if other water systems decide to invest in the new Willamette Water Supply System

In addition, in 2019, the City was awarded a $251 million low-interest federal loan at a 1.98% interest rate from the U.S. Environmental Protection Agency (EPA) to invest in the Willamette Water Supply System (WWSS).

At that time, the Water Infrastructure Finance and Innovation Act (WIFIA) loan was expected to save Hillsboro ratepayers more than $125 million in repayment costs over 35 years, a huge accomplishment!

In mid-2020, the City had the opportunity to adjust the previous $251 million WIFIA loan agreement at a lower interest rate. Similar to refinancing a home loan for a lower interest rate, the City worked with the EPA to secure a new loan agreement and lower the previous rate by more than 30%, from 1.98% to 1.36%.

While a decrease of 0.62% may not seem significant, this will save the City’s water customers an additional $50 million in interest costs. This translates to saving water ratepayers a total of $175 million in repayment costs over the life of the loan.

**Who oversees the funding to build the Willamette Water Supply System?**

The Willamette Water Supply System (WWSS) Commission is responsible to oversee the design, permitting, funding, construction, ownership, operation, management, repair and replacement, and, as reasonable, providing information to the WWSS Partners in support of their procuring financing for the WWSS in order to supply potable water to TVWD, Hillsboro, Beaverton and, potentially, other municipal water providers.

The WWSS Commission is a partnership formed under ORS Chapter 190 between the Tualatin Valley Water District and the cities of Hillsboro and Beaverton. The Commission meets monthly, and the public is welcome to attend.

**Is redundancy important enough for the City to fund their portion of the Willamette Water Supply System?**

Having a redundant water supply will help the Hillsboro Water Department to manage a temporary water supply disruption. For example, during the summer of 2018, the City of Salem’s sole water source was temporarily
compromised by a toxic algae bloom outbreak. This required Salem to issue a “Do Not Drink the Water” notice because there was no redundant or back-up water source. This action was more serious than a “Boil Water” notice. In fact boiling water will not remove algae toxins.

Another benefit of the Willamette Water Supply System is that it is being constructed to better withstand a major earthquake.

**Does growth in the City of Hillsboro affect the water system?**

Yes. The Hillsboro Water Department is informed of when growth will occur by the City of Hillsboro Planning Department, and is obligated by state law to make preparations for that growth to occur.

The Water Department prepares water demand projections for 50 years in the future. Those demand projections are modified informally every year and more formally about once every five years. The Water Department uses land use data for these projections, since projected water demands can vary greatly depending on if the land is slated for residential, commercial, or industrial purposes. The long term water demand forecast is used to update the Water Master Plan every five years. Also, the water demand projection is used to forecast long term revenue trends, for example to qualify Hillsboro Water for low interest public financing.

Because it can take many years to purchase new water rights and to design and construct new or expanded treatment plants, reservoirs and related infrastructure, the Water Department plans for water needs for the next 50 years. By the time the growth happens, the Water Department is ready to serve.

**Can new home owners and businesses take on more of the cost?**

New development does bear a fair share of the burden for new supply and infrastructure capital costs.

Water System Development Charges (SDCs) in the City of Hillsboro are higher than average for the region, reflecting the Utilities Commission’s commitment that new development should pay for expanding infrastructure investments. However, by State law new development water SDCs can only pay for capital expansions, not operating costs. For example, SDC revenue is paying for 60% of the investment in the Willamette Water Supply System, including a new state-of-the-art water treatment plant and new pipelines. All other expenses are supported with water rates, which are paid by new and current customers alike.

**Can the City of Hillsboro’s current infrastructure support the South Hillsboro growth?**

Some, but not all, of the growth can be handled by current water supplies. As customer usage levels grow closer and closer to full system capacity, water supplies are under more strain. The City of Hillsboro will need a new source to meet all needs (especially summer demands when customer needs are greatest) no later than 2026.

City of Hillsboro has already had to supplement its water supplies by leasing water and water treatment plant capacity to meet all customer needs a few times in the past due to emergency situations, e.g. summer drought of 2015. The 2015 summer drought occurred long before South Hillsboro development.

Also, leasing water supplies can be unreliable because other water systems may not have extra capacity to lease. Development of the Willamette Water Supply System – a second reliable water source for Hillsboro – is underway and slated to be finished in less than a decade, which will improve reliability for all customers.

**Where can I find more information about Hillsboro’s additional water supply, the Willamette Water Supply System?**

The Willamette Water Supply Program publishes a Monthly Progress Report that provides an overview of dollars spent, projects completed, etc. All reports can be found at OurReliableWater.org/Monthly-Progress-Reports.

Additional information is available online on the Our Reliable Water website, by contacting 503-941-4570, or sending an email to info@OurReliableWater.org.
Comparables

How does Hillsboro’s water rates compare locally and nationally?

The Hillsboro Water Department’s water rates remain lower than the average of water providers locally and regionally.

For example, if the City of Hillsboro Utilities Commission approves the proposed 2021 water rate increase of 8.5% for single-family residential customers’ in-town, the drinking water portion of the monthly utility bill would increase by $3.06, from $36.02 to $39.08.

In fact, even with the proposed 2021 water rate increase, the Hillsboro Water Department would have some of the lowest water charges per month compared to other local water agencies.

<table>
<thead>
<tr>
<th>Water Provider</th>
<th>2020 Comparison of Monthly Residential Water Charges at 8 ccf</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Tualatin</td>
<td>$33.23</td>
</tr>
<tr>
<td>Rockwood Public Utility District</td>
<td>$35.14</td>
</tr>
<tr>
<td><strong>City of Hillsboro (current)</strong></td>
<td><strong>$36.02</strong></td>
</tr>
<tr>
<td>City of Forest Grove</td>
<td>$37.27</td>
</tr>
<tr>
<td><strong>City of Hillsboro (proposed)</strong></td>
<td><strong>$39.08</strong></td>
</tr>
<tr>
<td>City of Beaverton</td>
<td>$44.56</td>
</tr>
<tr>
<td>City of Gresham</td>
<td>$47.53</td>
</tr>
<tr>
<td>City of Cornelius</td>
<td>$48.70</td>
</tr>
<tr>
<td>City of Lake Oswego</td>
<td>$51.99</td>
</tr>
<tr>
<td><strong>City of Hillsboro Upper-System (current)</strong></td>
<td><strong>$54.07</strong></td>
</tr>
<tr>
<td>City of Sherwood</td>
<td>$56.80</td>
</tr>
<tr>
<td><strong>City of Hillsboro Upper-System (proposed)</strong></td>
<td><strong>$58.62</strong></td>
</tr>
<tr>
<td>Tualatin Valley Water District (effective Nov. 2020)</td>
<td>$61.95</td>
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<tr>
<td>City of Tigard</td>
<td>$63.24</td>
</tr>
<tr>
<td>City of Portland</td>
<td>$63.83</td>
</tr>
<tr>
<td>City of North Plains</td>
<td>$81.81</td>
</tr>
</tbody>
</table>

The next chart compares water rates in several cities across the United States, and shows that Hillsboro’s water rates remain competitive.
Even with the proposed water rates increases, Hillsboro Water’s tap water would continue to cost less than a penny a gallon, a true bargain considering the resources and expertise it takes to treat and deliver safe and reliable water to customers’ taps 24 hours a day, 365 days a year. When compared to other products used each day – such as milk or coffee – tap water is clearly one of the best deals around.

City of Hillsboro City Utility Bill

Is it a Utility Bill or Water Bill?
The City utility bill – not water bill – includes the following charges:

- Sanitary Sewer Service
- Surface Water Management Service
- Transportation Service
- Drinking Water Service

What are the different charges included on the City utility bill?
The City utility bill reflects charges based on the cost of basic sanitary sewer, surface water, transportation, and water services provided by Clean Water Services (CWS) and the City of Hillsboro.

Sanitary Sewer

Rate/Fees Setting

- CWS sets Sanitary Sewer and Surface Water Management (SWM) rates.
- City of Hillsboro City Council adopts the rates set by CWS with adjustments if applicable.
- City of Hillsboro bills customers for these services.

Charge/Fee

- Base Fee: All customers pay the base fee. This fee is used to pay for the piping required to collect sewage and for the construction and operation of CWS wastewater treatment facilities.
- Usage Fee: For most customers, this portion of the bill is based on the wintertime average (November through April) of water use. This wintertime average is adjusted each July/August to establish the next year’s billing.

Surface Water Management (SWM)

Rate/Fees Setting

- CWS sets Sanitary Sewer and Surface Water Management (SWM) rates.
- City of Hillsboro City Council adopts the rates set by CWS with adjustments if applicable.
- City of Hillsboro bills customers for these services.
Charge/Fee
- This fee pays for drainage and water quality programs including street sweeping, ditch maintenance, storm drain cleaning, emergency flood response, education, and erosion control enforcement.

Sanitary Sewer and Surface Water Management Local Service Fee
Rate/Fees Setting
- City of Hillsboro City Council sets this fee.

Charge/Fee
- This fee funds the repair and replacement of sanitary sewer and surface water management infrastructure systems. Revenue generated from this fee will be invested in specific system improvement projects.

Transportation Utility Fee (TUF)
Rate/Fees Setting
- City of Hillsboro City Council sets this fee.

Charge/Fee
- This fee pays for street maintenance and provides limited funding for pedestrian and bicycle improvement projects. TUF is based on the estimated number of roadway trips generated by a property.

Water
Rate/Fees Setting
- City of Hillsboro Utilities Commission sets this rate.

Charge/Fee
- Base Fee: All retail customers pay a set base fee that funds the general system maintenance, debt service, and service costs.
- Usage Fee: This fee is per ccf or 100 cubic feet of water (1 ccf = 748 gallons), and based on the customer’s water usage registered by the water meter. The use fee can change from bill to bill and adjusts up or down depending on the water use for that billing period. This fee funds the costs associated with water purchased, transmission lines, storage, water treatment and testing for purity, and also pays a portion of the operation and replacement costs of the system.

Will the other charges on the City utility bill be affected by the water rate adjustment?
No. Water rate adjustments do not affect the other charges or fees on the City utility bill, including the sanitary sewer service, surface water management service, and transportation utility fee.

What percentage of a typical residential customer’s utility bill is for drinking water?
The drinking water portion of the utility bill for a typical single-family residential customer is on average one-third (or 34%) of the total bill. Costs for sanitary sewer and stormwater services make up about 58% of the utility bill, and transportation about 8%.

When are charges/fees adjusted?
Fees/rates are adjusted four times each year:
1. Water rates are adjusted annually in January.
2. Fees typically adjusted in February (not always annually) include the Sanitary Sewer Local Service Fee and Surface Water Management (SWM) Local Service Fee.
3. The Transportation Utility Fee (TUF) is adjusted typically each year in April.
4. Fees adjusted typically each year in July include CWS Sanitary Sewer and Surface Water Management (SWM) rates.

How will the proposed 2021 water rates affect the typical single-family resident’s City utility bill?

The proposed 2021 increase applies only to the water portion of the City utility bill. If the proposed water rate increase is approved, the drinking water portion of the utility bill for a typical single-family residential customer in-town using approximately 6,000 gallons of water per month will increase by $3.06, from $36.02 to $39.08, for example.

In the future, will the water portion of the City utility bill be separated and sent as its own bill?

No. To save on costs, the City utility bill will continue to include the four City utility services and fees.

Are all customers billed on a monthly basis?

Yes. As of 2019, all customers have been transitioned to monthly billing.

What are the benefits of monthly billing?

The move to monthly billing was driven by customers’ requests and to align with the monthly billing standard by most other utilities (electric, telephone, natural gas). Customers can benefit from the move in several ways:

- Monthly billing allows customers to align their bill payment with other monthly expenses so customers can budget more efficiently. This will result in a small reduction in past due accounts which will provide some savings to partially offset the increased billing costs.
- Smaller more manageable payments.
- Monthly billing provides the customer with a more timely account of water use which will allow them to adjust their usage quicker and conserve water, especially during the summer months.
- Monthly billing will help identify customer water leaks much sooner, thus reducing high bills associated with those leaks.

Does the Utilities Commission have authority over how landlords divide up the utility bill between tenants?

No. The Utilities Commission does not possess any authority past a water meter on a single-family residential customer’s property, and therefore does not have authority over landlord/tenant billing agreements, or third-party billing companies. Oregon law regulates the manner in which tenants can be billed by their landlord for utility charges.

Who can I contact to discuss the different charges on the City utility bill?

For questions, concerns, or feedback related to the following charges, email Utility Billing, visit the Utility Billing webpage, or call:

City of Hillsboro Public Works Department - 503-681-6146

- Sanitary Sewer
- Surface Water Management
- Transportation Utility Fee

City of Hillsboro Water Department - 503-681-6163

- Water
Utility Billing Assistance & Resources

Are there resources available for Hillsboro Water Department customers living on a fixed income to help with the proposed water rate increase?

Yes. The City of Hillsboro recognizes the unique and diverse needs of our community members, and is committed to helping:

- Utility Bill Assistance: Residents facing financial hardship can stay connected to City utility services through federal COVID-19 utility relief funding, or our new City of Hillsboro Utility Bill Assistance program that offers flexible payment plans and bill relief. To learn more, view the Utility Assistance webpage, call 503-681-681-6163, or visit the Utility Billing office in the Hillsboro Civic Center at 150 East Main Street, 1st Floor, Hillsboro, Oregon 97123.

- Monthly Billing: In 2019, the City of Hillsboro Utility Billing Group successfully switched all customers who have been traditionally billed on a bi-monthly basis to a monthly City utility bill. Monthly billing will provide customers the opportunity to improve budget planning, manage water consumption on a monthly rather than bi-monthly basis, and be alerted to possible leaks in a timelier manner.

- Water Efficiency: Customers can also reduce the water portion of their utility bill by investing in more efficient appliances and fixtures. Hillsboro Water offers rebates as an incentive to upgrade and home water audits to help customers identify usage habits, pinpoint leaks, and can cut water usage by as much as 30% by implementing simple conservation measures.

- Rate Structure: The City also offers a three-tiered residential water rate structure based on water usage. Tier 1 is charged at one rate, the next tier is charged at an increased rate, and so on. Over 80% of Hillsboro Water’s residential customers have usage covered entirely by Tier 1 rates. The tiered structure provides customers with affordable access to water for their essential needs.

How can customers request a payment plan or bill relief from the City of Hillsboro?

Residents facing financial hardship can stay connected to City utility services through the new City of Hillsboro Utility Bill Assistance program that offers flexible payment plans and bill relief. To learn more, view the Utility Assistance webpage, call 503-681-681-6163, or visit the Utility Billing office in the Hillsboro Civic Center at 150 East Main Street, 1st Floor, Hillsboro, Oregon 97123.

I’ve been impacted by COVID-19, and need assistance paying my City utility bill. Is there any federal help available?

Yes. In response to the COVID-19 public health emergency, the Federal government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

City of Hillsboro residential customers impacted by COVID-19 may qualify to receive CARES Act utility assistance for any unpaid balances for water, sewer, and surface water management charges on the City of Hillsboro utility bill for services received from March 1 to December 30, 2020.

Customers may be eligible for CARES Act utility assistance if they meet all of the following criteria:

- You have been impacted by COVID-19 (job loss, reduced work hours, illness, quarantine, etc.).
- You have a residential utility account with the City of Hillsboro.
- You participate in government assistance programs or your household earns at or below 80% area median income for the past 30 days.
Government assistance programs include:

- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Oregon Health Plan/Medicaid (OHP)
- LIHEAP or OEAP Energy Assistance received since October 1st, 2018
- Supplemental Security Income (SSI)
- Women, Infants and Children (WIC)
- Federal Low Income Weatherization Assistance Program (USDOE) since October 1, 2018
- Tribal Temporary Assistance for Needy Families (Tribal TANF)

Household Income

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Funding is limited. Request a CARES Act utility assistance application through Community Action:

- Call Community Action at 503-615-0771.
- Request an application on Community Action’s website from Monday through Thursday between 9 am and 12 pm.

Submit completed applications by:

- Email energy@caowash.org with the subject line: CARES Utility Assistance Application
- Mail: Community Action
  1001 SW Baseline Street
  Hillsboro, OR 97123-3822

Community Action, Washington County, cities in Washington County, and local water, sewer and stormwater utilities are collaborating to distribute CARES Act assistance to the community.

Also, residents facing financial hardship can stay connected to City utility services through the City of Hillsboro Utility Bill Assistance program, which includes flexible payment plans and bill relief. To learn more, view the Utility Assistance webpage, call 503-681-681-6163, or visit the Utility Billing office in the Hillsboro Civic Center at 150 East Main Street, 1st Floor, Hillsboro, Oregon 97123.
Are water services trying to rise to levels that force more people into public assistance for paying utilities that are essential?

Stewardship of ratepayer dollars is treated with the utmost respect and care by the Hillsboro Water Department.

Pricing of water services accurately reflects the true costs of providing high-quality water to customers, maintaining infrastructure, planning for upcoming repairs, and, replacing water infrastructure. At present, the monthly water portion of the utility bill for a typical single-family residence in the City of Hillsboro using eight ccf — 6,000 gallons — of water per month is typically $36, which is often less than some other services such as cell phone plans and cable TV. Over 80% of water customers use eight ccf or 6,000 gallons of water or less per month, and thus qualify for the tier one rates.

Are customers just getting the same level of service for a higher price?

The water utility industry is a capital intensive utility industry. To operate and maintain the Hillsboro Water Department’s extensive water system requires constructing new and replacing aging water infrastructure, and securing and investing in a second water source, the Willamette Water Supply System (WWSS).

The Tualatin Valley Water District and the cities of Hillsboro and Beaverton are partnering to develop the WWSS as an additional water supply source. The large scale, seismically-resilient water infrastructure project is currently under construction, and includes building:

- A new state-of-the-art water treatment plant
- Reservoirs
- More than 30 miles of large-diameter transmission pipeline from the Willamette River to Hillsboro.

This new, reliable water supply, along with Hillsboro’s current water supply — the upper-Tualatin River — will support growth and provide an additional supply for Hillsboro residents and businesses for decades to come.

In addition, having a second water treatment plant served by a different water source will provide Hillsboro customers with a backup if one water source becomes temporarily unusable. For example, the City of Salem has only one water source and was forced to issue a do not drink notice to certain customers due to a toxic algae bloom.

The WWSS will be more seismically resilient and will allow for one source to continue providing water if the other source is temporarily interrupted.

Stricter regulations increase costs for water quality testing. For example, the Salem water system was impacted by a toxic algae bloom. The State of Oregon is preparing to implement more frequent testing requirements as a result. This will result in safer water, but will also increase costs.

Investments in repairing and replacing old pipes and infrastructure help bring drinking water to customers that remains pure and reduces water loss due to leaks. Surveys of Hillsboro customers have shown that they are very concerned about high quality water. These investments will allow Hillsboro customers to continue to enjoy water that is safe and clean.

Is the City looking at offering a rebate for single-family residential customers with low water usage?

To keep water affordable and to encourage efficiency, the Hillsboro Water Department’s single-family residential rate structure currently includes three tiers based on how much water is used. The first tier covers zero through eight ccf (up to 6,000 gallons) per month, or zero through 16 ccf (up to 12,000 gallons) per bi-monthly bill. The water sold under the first Tier is considered “essential” for basic life needs. Analysis completed at the time of the latest rate study found the entire water usage for over 80% of single-family residential customers was covered in Tier 1, which has the lowest residential water usage rate.
Would the City consider adjusting rates for customers that are going frequently, for travel for example?

It is the City’s policy that if a customer has their water meter turned off and locked for a minimum of 30 days, then the City will inactivate the following charges:

- All sewer fees
- The Transportation Utility Fee
- Water use fee

The water base fee and the Surface Water Management fees would still be charged, as Clean Water Services requires that the meter be turned off and locked before sewer base and use can be inactivated. The City’s Transportation Utility Fee ordinance and Sanitary Sewer Local Service Fee follow this same policy.

To learn more, contact the Utility Billing Group at 503-681-6163 or by email.

Is the City of Hillsboro considering a senior citizen discount for the water portion of the utility bill?

Affordability is a major concern for the City of Hillsboro, the Utilities Commission, and the Hillsboro Water Department. The Water Department conducted an affordability program assessment (see page 74) that surveyed the programs offered by other water systems, and reviewed the different types of potential programs. Based on that research, the Water Department is not proposing to establish a senior citizen discount rate at this time. City staff is coordinating its efforts and research with larger citywide initiatives on affordability.

Social Security is not keeping up with cost of living. What can customers do?

Affordability is a major concern for the City of Hillsboro, the Utilities Commission, and the Hillsboro Water Department.

The Water Department conducted an affordability program assessment that surveyed the programs offered by other water systems, and reviewed the different types of potential programs. Based on that research, the Water Department developed the 1st Tier of the Residential Usage with seniors and others on a fixed income in mind. Seniors and other users with minimum consumption have also been the motivation for freezing the fixed rate portion for the last two years, and proposing only a 2.5% adjustment for fixed charges in 2021.

The City of Hillsboro offers several ways that customers can manage their water usage and cost:

- Residents facing financial hardship can stay connected to City utility services through federal COVID-19 utility relief funding, or our new City of Hillsboro Utility Bill Assistance program that offers flexible payment plans and bill relief. To learn more, view the Utility Assistance webpage, call 503-681-681-6163, or visit the Utility Billing office in the Hillsboro Civic Center at 150 East Main Street, 1st Floor, Hillsboro, Oregon 97123.
- City of Hillsboro customers are encouraged to email City of Hillsboro City Utility Billing or call 503-681-6163 to inquire about possible payment arrangements.
- Customers are encouraged to consider the Hillsboro Water Department’s rebate program for purchasing and installing water efficient appliances and fixtures. Besides the rebate, higher efficiency means less water usage every month.
- Customers can manage their total water costs by limiting their water usage. Consider scheduling a free residential home water audit offered by the Water Department to identify usage habits, pinpoint leaks, and can cut water usage by as much as 30% by implementing simple conservation measures.
How can irrigation customers save month and manage costs?

Homeowner Associations and other irrigation customers can use significant amounts of water to maintain and irrigate their surrounding landscape, depending on the size and design of the landscape.

To control and minimize outdoor water use, we offer several resources, including:

- Free landscape irrigation audits beginning in spring 2021
- Winter Service Shut offs for irrigation customers to shut off their service with no extra charge at the end of the season, and then restart the following spring for a $15.00 fee. This allows irrigation customers to avoid paying the base rate during months when the service is not in use.
- Irrigation customers are eligible for funds towards water efficiency upgrades for newly purchased products and design services. City staff will visit the site, work with you to identify problem areas, and review your improvement plan to identify eligible expenses.

How can I lower the water portion of my utility bill and keep my lawn and garden green in the summer?

Between lawn maintenance, gardening, and staying hydrated, water use tends to increase in summer. Keep these 10 water wise tips in mind to help manage costs.

1. Adjust sprinklers so that they're watering the lawn and garden, not the street or sidewalk.
2. Water early in the morning (before 10 am) or later in the evening (after 6 pm) when temperatures are cooler and evaporation is minimized.
3. Water established lawns about 1-inch per week (a bit more during hot, dry weather). Find out how much to water this week with your personalized Weekly Watering Number.
4. Water in several short sessions each day that you water rather than one long session to allow for better absorption and to prevent run-off.
5. Use watering gauges to time how long it takes your sprinkler system to water an inch.
6. Adjust the amount you water each week throughout the irrigation season.
7. Create "watering zones" in your garden by grouping plants with similar watering needs, allowing you to give each plant the appropriate amount of water it requires.
8. Install a rain sensor. A rain sensor will allow your irrigation system to automatically shut-off if rainfall exceeds a certain amount. Afterward, the system will automatically resume its normal schedule.
9. Regularly check your irrigation system for leaks, broken lines, or blocked heads. Even small leaks can waste hundreds to thousands of gallons of water a month.
10. Add a shut-off nozzle to your garden hose and save about five to seven gallons each minute your hose is on.

The Hillsboro Water Department also offers a rebate for purchasing and installing a WaterSense Weather-Based Irrigation Controller. For more information, visit the Water Efficiency Rebates page or call 503-615-6702.

I currently reside in a townhouse/condominium/apartment and don't use water outside.

Why is the water portion of my City utility bill so high?

An unusually high water portion of the utility bill can be caused by a leak, change in water use, or due to the season. Some common causes include:

- A leaking toilet or a toilet continuing to run after being flushed.
- A dripping faucet.
- Increased number of guests for vacations, holidays, etc.
- Water-cooled air conditioners.
• A broken water pipe or obvious leak.
• A leaking water heater.

Leaks, whether unseen or unfixed, can waste hundreds and even thousands of gallons of water. It is important to routinely check plumbing and your home for leaky toilets, faucets, water pipes, outside taps and irrigation lines, and water heaters. Find tips to address indoor and outdoor leaks.

To request a leak check, City of Hillsboro customers can contact the Hillsboro Water Department at 503-615-6700. For after-hours water related emergencies, contact 503-615-6775 (pager).

Does the Hillsboro Water Department offer rebates for purchasing and installing water-efficient washing machines, toilets, and irrigation controllers?

Yes. The Hillsboro Water Department offers a comprehensive water conservation and rebate program to help customers use water more efficiently. Customers can request free water audits, leak detection kits, shower heads, and bathroom and kitchen aerators. They can also apply for rebates that promote water-conservation measures, including:

• Washing Machine Rebates: Apply for a $50 rebate when you purchase and install a new Energy Star qualified Washing Machine.
• High-Efficiency Toilet (HET) Rebate: Apply for a $75 per HET rebate when you replace your old water-wasting toilet(s) with an EPA WaterSense labeled 1.28 gpf High-Efficiency Toilet(s) HETs.
• WaterSense Weather-Based Irrigation Controller Rebate: Receive up to a $200 a rebate when you purchase and install a WaterSense, weather-based controller.

For more information, visit the Water Efficiency Rebates page or call 503-615-6702.

I’m interested in learning more about water-wise practices and looking to drive savings on the water portion of my utility bill. Can you help?

Yes. If the water portion of your utility bill is higher than normal and you’re not sure why, it may be time for a residential home water audit. Alternatively, if you’re looking to drive savings, or just curious to learn more about water-wise practices, you can sign up to receive a free water audit offered by the Hillsboro Water Department. Learn more and request an audit online or by calling 503-615-6702.

System Development Charges

What are Water System Development Charges?

Water System Development Charges (SDC) are a one-time charge for new water meter connections, or increased usage for meters three inches or larger. SDCs are not charged to new customers activating service at an existing meter.

What are the current Water System Development Charges?

The current Water System Development Charges are posted online at Hillsboro-Oregon.gov/WaterSDC.

Who sets Water System Development Charges?

Under the City of Hillsboro Charter, the Utilities Commission has been granted final authority to establish Water System Development Charges SDCs, water rates, and other water-related charges.

Following the requirements of Oregon law, the City updates SDCs on a regular basis through a process similar to updating water rates.
Why are Water System Development Charges important?
Water System Development Charges (SDC) – known as impact or “buy-in” to the water system – provide revenue to the Hillsboro Water Department from new user hook ups to recover costs of existing and future capacity enhancing capital improvements. A common objective of SDCs is to have “growth pay for growth.”

What do Water System Development Charges fund?
Revenue from Water System Development Charges (SDC) only funds capital projects that:

- Expand Hillsboro’s current drinking water system to serve new customers.
- Construct new water infrastructure to meet future demand needs.
- Reimburse the City for existing water systems facilities.

Water SDCs are paying for about 60% of the new Willamette Water Supply System treatment plant and pipelines.

How are Water System Development Charges calculated?
Methodology established in 2014 calculated Water System Development Charges (SDC) adopted between 2014 and 2018 as well as those proposed in 2019.

The current methodology:

- Was based on the adopted 2013 Water Master plan’s projected capital improvement expenditures to expand the Joint Water Commission Water Treatment Plant and develop the Willamette Water Supply System (WWSS), which includes a new water treatment plant to expand the water supply available to Hillsboro customers.
- Determined that the Utilities Commission could establish 2015 SDCs of up to $10,236 for standard new single-family residential connections.
- Helped ensure that new development provides an equitable contribution toward the capital cost of investments in WWSS water infrastructure that expanded the capacity of the water supply system.
- Reiterated that SDCs are adjusted annually based on Engineering News Record Construction Cost Index (ENR CCI). This keeps the charges consistent with changes in construction industry pricing.

How do Water System Development Charges benefit current customers?
Water System Development Charges (SDC) assign the costs of new capital improvements — at least in part — to customers who cause an increase in demand rather than to existing customers through higher rates.

SDCs keep water rates lower. For example, SDCs fund about 60% of the new Willamette Water Supply System treatment plant and pipelines. Water rate revenue from existing customers funds the remaining 40%.

What is the history of the City of Hillsboro’s Water System Development Charges?
Each year since 2015, the Utilities Commission has adopted Water System Development Charges (SDC) that are lower than the maximum allowable amount approved in 2014. The SDCs were set at levels that provide 60% of the funding for design and construction of the City’s additional water source system. Water rate revenue from existing customers funds the remaining 40%.

SDCs have been phased in progressively from 60% of the maximum in 2015 to the proposed 95% for 2019.

Do other City departments have System Development Charges?
In addition to Water System Development Charges (SDC), there are SDC charges for the sanitary sewer, surface water management, transportation, parks, and supplemental South Hillsboro fees (if applicable). These charges are collected by the City of Hillsboro to fund future expansion of the systems.
Wholesale Customers

Does the proposed water rate increase apply to wholesale customers?
The Hillsboro Water Department sells water to three wholesale customers: the Cities of Cornelius and Gaston and the LA Water Cooperative. In 2018, the Water Department completed a Water Rate Study and Water Cost of Service analysis which recommended to the Utilities Commission specific rate increases to each water rate customer group, including wholesale customers. The water rate increase recommended for wholesale customers reflect the costs incurred to provide water service.

Why are Hillsboro Water’s wholesale customers paying a different rate?
The Hillsboro Water Department sells water to three wholesale customers in Washington County: the Cities of Cornelius and Gaston and the LA Water Cooperative.

Water is delivered to each wholesale customer through one or more master meters. From there, the three wholesale customers deliver water to their respective customers using their water system.

As with other customer groups, the Water Department updates a Water Rate Study and Water Cost of Service analysis every five years to identify costs incurred to provide water service. Therefore, wholesale customers pay their fair share to purchase their water from the City of Hillsboro. View the 2018 study and analysis.

For example, wholesale customers don’t pay costs to operate and maintain the portions of the City of Hillsboro’s water system that provide service to residential customers, commercial customers, etc. Conversely, residential and commercial customers don’t have to pay for the portions of the system that serve wholesale customers.

COVID-19

Is COVID-19 transmitted through drinking water?
No. Coronavirus (COVID-19) is known to spread from person to person through close contact, similar to how the flu is transmitted. There is currently no evidence to support that Coronavirus is transmitted through drinking water.

The health and well-being of Hillsboro’s community members, employees, businesses, and partners are the City of Hillsboro’s top priority. Water served by the City of Hillsboro Water Department is safe to drink and use.

How does the water treatment process keep drinking water safe from COVID-19?
Protection of public health is Hillsboro Water Department’s number one priority. Before reaching Hillsboro customer’s taps, water is drawn out of the upper Tualatin River, then thoroughly treated at the Joint Water Commission Water Treatment Plant to remove particles, viruses, bacteria, and other organisms from the drinking water, including COVID-19. Learn more about how this water treatment process keeps drinking water safe.

When Hillsboro Water customers turn on their tap, they can count on their water being tested, treated, and monitored to protect health and safety. If fact, the Water Department conducts thousands of water quality tests each year to ensure your water meets rigorous drinking water standards.

I’ve been impacted by COVID-19, and need assistance paying my City utility bill. Is there any federal help available?
Yes. In response to the COVID-19 public health emergency, the Federal government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).
City of Hillsboro residential customers impacted by COVID-19 may qualify to receive CARES Act utility assistance for any unpaid balances for water, sewer, and surface water management charges on the City of Hillsboro utility bill for services received from March 1 to December 30, 2020.

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To learn more, view the Utility Assistance webpage, call 503-681-681-6163, or visit the Utility Billing office in the Hillsboro Civic Center at 150 East Main Street, 1st Floor, Hillsboro, Oregon 97123.

How is the City of Hillsboro helping to keep the water on for customers?

We understand the increasing struggles facing our customers. To help keep our community healthy and continue delivering clean and safe water, the City of Hillsboro paused discontinuing water and utility services for non-payment, and charging late payment fees on past due utility bills beginning in April.

As the COVID-19 pandemic continues to impact our community, the City of Hillsboro is committed to helping customers through this crisis.

If you have recently lost your job or are having trouble paying your utility bill, you may qualify for COVID-19 relief funding, a flexible payment plan, or bill relief through our City or Federal assistance programs.

To learn more, view the Utility Assistance webpage, call 503-681-681-6163, or visit the Utility Billing office in the Hillsboro Civic Center at 150 East Main Street, 1st Floor, Hillsboro, Oregon 97123.

Does the City of Hillsboro offer other COVID-19 resources?

The health and well-being of our community members, employees, businesses, and partners are our top priority.

Visit our COVID-19 Community Resources webpage for information and resources on health care and food access, reporting hate crimes and discrimination, domestic violence crisis support, mental health care, eviction protection, and more.

Does the City of Hillsboro offer small business emergency relief?

The City of Hillsboro values our small businesses and wants to help as many entities as we can during this unprecedented crisis. The City has offered three rounds of Small Business Emergency Grants.

A total of 408 businesses in the City of Hillsboro impacted by the COVID-19 pandemic received assistance during the first two rounds of the grant program. Recipients received emergency funding of up to $3,000, or up to $1,500 for single employee businesses or sole proprietors.

During Round Three, small businesses in the City of Hillsboro could apply to receive up to $3,500 in emergency grant funding. This Federal CARES Act assistance was routed through Washington County to the City of Hillsboro to distribute to businesses in Hillsboro.

Additional financial resources for small businesses – including information on direct loans – are available online.

Water Budget

Where can I locate further information about Hillsboro Water’s current budget?

View the City of Hillsboro Fiscal Year 2020-21 adopted budget spanning July 1, 2020 to June 30, 2021. Specific details on the Water Department’s budget are included in the budget document beginning on page 285.