Community Conversation:
Hillsboro’s Water Rates & Resources

September 30, 2020
6 – 7 pm
Zoom Teleconference
Welcome

From Niki Iverson, Hillsboro Water Department Director

Upper-Tualatin River
Agenda

• Introductions
• Expectations
• Staff Presentation
• Q&A Session
• Next Steps
Zoom Meeting Procedures

• The meeting is being recorded.
• Except for presenters, microphones are muted and videos are off.
• There is the opportunity to interact through Chat.

Meeting control bar
Zoom Meeting Procedures
Zoom Meeting Procedures

Use the chat feature to ask questions or comment
• Click on Chat to type in your questions or make a comment.
• Meeting facilitator will monitor the Chat questions.
• Question/comments will be covered at the end of the presentation, time permitting.
City of Hillsboro Water Department’s Water System

Tacy Steele
City of Hillsboro Water Department
Program Manager
Most of Hillsboro's tap water begins as rainfall in the Tillamook State Forest, about 30 river miles west of Hillsboro.

**TILLAMOOK STATE FOREST**

Rain water is captured in the Barney and Scoggins Reservoirs (Hagg Lake) and supplements the Upper-Tualatin River in summer months.

**BARNEY RESERVOIR**

**SCOGGINS RESERVOIR (HAGG LAKE)**

Hillsboro's current drinking water source is the upper-Tualatin River which begins in the Tillamook State Forest.

**UPPER-TUALATIN RIVER**

**CHERRY GROVE SLOW SAND FILTER PLANT**

Water travels 5.6 river miles before being drawn out of the upper-Tualatin River for filtration and treatment at either the Cherry Grove Slow Sand Filter Plant (SSF) or the Joint Water Commission (JWC) Water Treatment Plant. Both plants operate 365-days a year, 24-hours a day.

**FERNHILL RESERVOIR**

Water is delivered to Hillsboro by 2 large transmission lines.

**Hillsboro’s Reliable Drinking Water Source and System**

**City of Hillsboro**

331 miles of water pipeline ranging in size from 4 to 24 inches deliver water straight to your tap.

Hillsboro Water maintains more than 2,500 hydrants for fire suppression.

3 in-town reservoirs can store up to 30.5 million gallons of finished water.

To address long-term future water need, Hillsboro will add a second water source, the mid-Willamette River, by 2026.
Protecting Your Drinking Water

- Source Protection
- Treatment
- Maintenance
- Testing
- Future Planning
Delivering Clean, Safe Drinking Water

The City of Hillsboro is committed to delivering water to our community 24 hours a day, 7 days a week.

Hillsboro’s water is thoroughly treated before reaching customer’s taps.

Hillsboro’s water continues to be safe to drink and use.
Keeping Water Flowing

Joint Water Commission
Water Treatment Plant
Generators
Customer Categories: Accounts

- Single-Family Residential: 90%
- Commercial: 4%
- Public Entities: 0.5%
- Multi-Family Residential: 1%
- Non-Profit: 0.5%
- Private/Public Fire Protection: 0.5%
- Irrigation: 2%
- Industrial: 1%
Customer Categories: Demand

- Industrial: 49.5% (4,197,451 MGD)
- Single-Family Residential: 23.4% (1,980,246 MGD)
- Irrigation: 3.5% (296,112 MGD)
- Multi-Family Residential: 7.1% (603,674 MGD)
- Commercial: 5% (452,951 MGD)
- Wholesale: 8.2% (693,450 MGD)
- Public Entities: 1.8% (151,053 MGD)
- Non Profit: 0.5% (43,743 MGD)

MGD: Million Gallons per Day
Customer Categories: Revenue

- **Single-Family Residential**: 31.8%
- **Industrial**: 39.7%
- **Multi-Family Residential**: 6.8%
- **Commercial**: 6.8%
- **Public Entities**: 2.8%
- **Non-Profit**: 0.8%
- **Irrigation**: 6.1%
Investing in Hillsboro’s Water System

Water Rates

• Who pays water rates?
• Who sets water rates?
• How are water rates calculated?
• What do water rates fund?

Water SDCs

• Who pays water SDCs?
• Who sets water SDCs?
• How are water SDCs calculated?
• What do water SDCs fund?
Factors

1. **PROTECTION OF PUBLIC HEALTH**
   Ensuring water quality and reliability of service through monitoring, testing, treatment, source protection, risk assessment, and emergency response.

2. **MAINTAINING ESSENTIAL INFRASTRUCTURE**
   Upgrading, repairing, and replacing parts of Hillsboro’s current water system.

3. **ADDITIONAL WATER SUPPLY**
   Investing in the mid-Willamette River at Wilsonville as an additional water supply source.
City of Hillsboro Utility Bill

Current Water Rate

<table>
<thead>
<tr>
<th>Description</th>
<th>Use (CCF)</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Service Fixed Charge</td>
<td></td>
<td>$16.58</td>
</tr>
<tr>
<td>Water Use</td>
<td></td>
<td>$19.44</td>
</tr>
<tr>
<td>Water Subtotal</td>
<td>8 (ccf)</td>
<td>$36.02</td>
</tr>
</tbody>
</table>

Proposed Water Rate

<table>
<thead>
<tr>
<th>Description</th>
<th>Use (CCF)</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Service Fixed Charge</td>
<td></td>
<td>$17.00</td>
</tr>
<tr>
<td>Water Use</td>
<td></td>
<td>$22.08</td>
</tr>
<tr>
<td>Water Subtotal</td>
<td>8 (ccf)</td>
<td>$39.08</td>
</tr>
</tbody>
</table>
## Cost of Service Study: Rate Recommendations

<table>
<thead>
<tr>
<th>Customer Category</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%</td>
<td>4.90%</td>
<td>8.5%</td>
<td>8.8%</td>
<td>8.9%</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>Multi-Family Residential</td>
<td>14.7%</td>
<td>11.1%</td>
<td>10.3%</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>Public Entities</td>
<td>14.7%</td>
<td>14.7%</td>
<td>10.4%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>6%</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>Irrigation</td>
<td>20%</td>
<td>20%</td>
<td>15.2%</td>
<td>15%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

These percentage increases are for typical customers. Individual account increases may be different.
#1 Factor Determining Water Rates: Additional Water Source
Keeping Rates within the Five-Year Projection Plan

Decreased ownership in the Willamette Water Supply Terminal Storage Reservoirs

Review Annual Willamette Water Supply System Baseline Budgets

Developed Priority Cost Management Options for the Water Treatment Plant

Deferred Non-Emergency Capital Projects
Reservoir Cost Savings
Monthly Comparables

- Proposed City of Hillsboro Drinking Water Cost: $39.08
- Other City of Hillsboro Utility Costs (Sewer, Surface Water, Transportation): $70.74
- Electricity: $100.91
- Cable TV: $100.00
- Garbage & Recycling: $45.00
- Internet Service: $63.23
- Cell Phone: $65.00
- Natural Gas: $77.16
Local Water Rate Comparison

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

- Seattle: $71
- Hillsboro: $39
- San Francisco: $96
- Las Vegas: $33
- Salt Lake City: $20
- Tucson: $35
- Santa Fe: $55
- Indianapolis: $38
- Philadelphia: $42
- Boston: $43
- Austin: $46
- Atlanta: $43
City of Hillsboro
Water Department’s
Additional Water Supply

Marlys Mock
Willamette Water Supply Program
Communications Supervisor
Willamette Water Supply: Partnership & Benefits

Benefits

- Additional supply
- High quality and safe finished water quality
- Local ownership of the supply
- Year-round reliability
- Value

Mid-Willamette River at Wilsonville
Willamette Water Supply: Resilient Infrastructure

Water Infrastructure

1. Modified intake on the Willamette River at Wilsonville
2. A new state-of-the-art water filtration facility near Sherwood
3. More than 30 miles of earthquake resilient water pipe
4. Water storage tanks that securely hold 30 million gallons of water on Cooper Mountain
Project costs are estimated at $1.3 billion, and shared proportionately by partners.
Willamette Water Supply: Staying on Budget

- Negotiate the best price and quality for services and goods
- Make cost effective engineering design decisions
- Proactively manage risks early
- Partner on construction projects
- Rigorously manage all aspects of the Program
- Accurately forecast cash flow needs so partners can plan ahead
Willamette Water Supply: Partnership Projects

Partnership projects save money and reduce construction impacts.

Kinsman Road Project
Partnership with the City of Wilsonville and Oregon Department of Transportation

124th Avenue Partnership Project
Partnership with Washington County

South Hillsboro Area Pipeline Project
Coordinated with Newland Construction Inc.
Willamette Water Supply: Treatment

Clean Water in Seven Steps
Producing Safe, Good-Tasting Water
These treatment steps make water even purer than required by current state and federal drinking water standards.

1. **INTAKE SCREENS**
   - Protects fish and prevents debris from entering the treatment facility.

2. **ENHANCED SEDIMENTATION**
   - Removes river silt and materials that are small enough to pass through the intake screens.

3. **OZONATION**
   - Destroys contaminants, breaks down organic chemicals and odor-causing compounds.

4. **GRANULAR ACTIVATED CARBON**
   - Removes organic material, dissolved chemicals and odor-causing compounds.

5. **ULTRAVIOLET DISINFECTION**
   - Destroys illness-causing pathogens.

6. **SAND FILTER**
   - Filters any remaining silt or particles.

7. **CHLORINATION**
   - Protects treated water from bacteria as it’s delivered to customer’s tap.

All the way to homes and businesses.
Improving Our Economy
To date, 95% of money spent has gone to local employees, and goods and services.
Utility Assistance & Water Efficiency Resources

Tacy Steele
City of Hillsboro Water Department
Program Manager
Utility Assistance Resources

Federal Utility Bill Relief Funding

- Impacted by COVID-19
- City of Hillsboro residential utility account
- Government assistance programs or household earns at or below 80% area median income for past 30 days
- Limited, ends Dec. 30, 2020

City Utility Bill Assistance Program

- Flexible Payment Plan
- City Bill Relief
- Ongoing

Hillsboro-Oregon.gov.UtilityAssistance
503-681-6163
8 Water Efficiency Resources that Save You $$

1. Low-Flow Showerheads
2. Water Efficiency Rebates
3. Water Educational Materials
4. Toilet Leak Detection Tablets
5. High-Efficiency Aerators
6. Home Water Audits
7. Weekly Watering Number
8. Utility Bill Leak Adjustment

Hillsboro-Oregon.gov/Water
Affordability Measures

Customer Input
- Refinance WIFIA Loan
- Monthly Billing
- Phased Water Rate Increases

New Customer Categories
- City Utility Assistance Program
- Tiered Rate Structure

Adjusted Customer Categories
- Hold Base Rate
- Manage Expenditures & Investments
- Federal Utility Relief
- Peak Pricing
Question & Answer Session
Next Steps & Additional Information

Lindsay Wochnick
City of Hillsboro Water Department
Communications Resources Manager
Next Steps: 2021 Water Rate Setting Process

- **Sept. 30:** Community Conversation (in English)
- **Oct. 12:** Water Rate Public Hearing
- **Nov. 10:** Utilities Commission Vote
- **Jan. 1:** New rates go into effect

- **Sept. 9:** Public Comment Period Opens
- **Oct. 15:** Community Conversation (in Spanish)
- **Oct. 30:** Public Comment Period Ends
- **Nov. 10:** Community Conversation (in Spanish)
Public Feedback and Additional Information

• **Call**: 503-615-6702

• **Online**: [Hillsboro-Oregon.gov/WaterRates](Hillsboro-Oregon.gov/WaterRates)

• **Email**: [Water-Department@Hillsboro-Oregon.gov](Water-Department@Hillsboro-Oregon.gov)

• **In Person or Mail**: 150 East Main Street, Hillsboro, Oregon 97123

• **Social Media**: @HillsboroWater and Facebook.com/HillsboroWater

• **Virtual Zoom Meetings**:
  • Oct. 12: Water Rate Public Hearing
  • Oct. 13 and Nov. 10: Utilities Commission Monthly Meetings
  • Oct. 15: Community Conversation (in Spanish)

[Hillsboro-Oregon.gov/WaterRates](Hillsboro-Oregon.gov/WaterRates)
Thank You for Joining Us

Hillsboro-Oregon.gov/WaterRates