



Buffalo Water

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

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

Water Rate Restructuring and Affordability

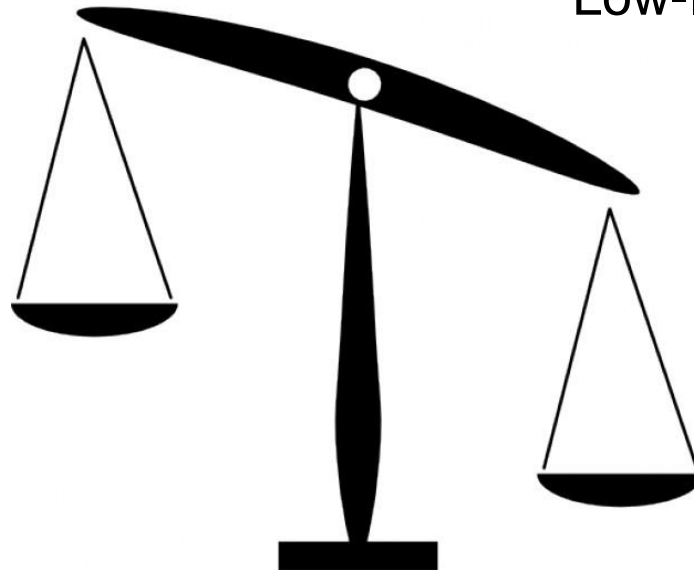
Why the change?

Striking a balance between....

Operational & Capital Costs
(aging infrastructure & inflation)

&

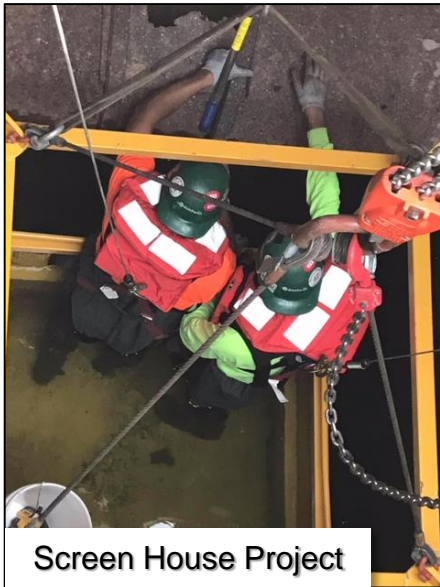
Affordability & Buffalo's
Low-Income Households



Buffalo Water - Capital Improvement Projects

Investing in Buffalo's Future

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



Screen House Project



Screen House Project



Asbestos Removal & Laboratory Upgrades



Battery & Controls Upgrades

Buffalo Water - Capital Improvement Projects

Investing in Buffalo's Future

Our investments have included award winning projects, have *lowered energy costs* and have received NYS and Federal funding.



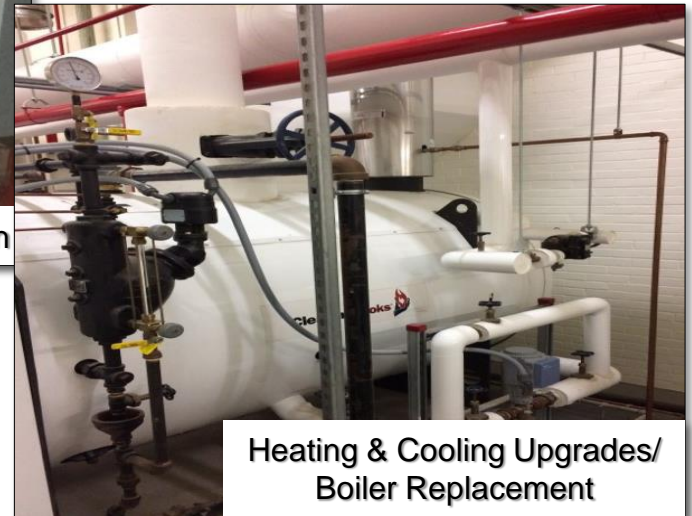
Screen House Project



High Efficiency Pumps Installation



High Efficiency Pumps Installation



Heating & Cooling Upgrades/
Boiler Replacement

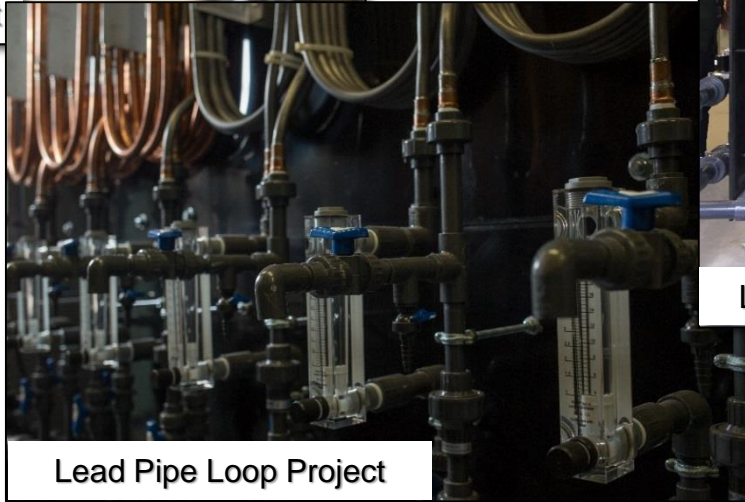
Buffalo Water - Capital Improvement Projects

Investing in Buffalo's Future

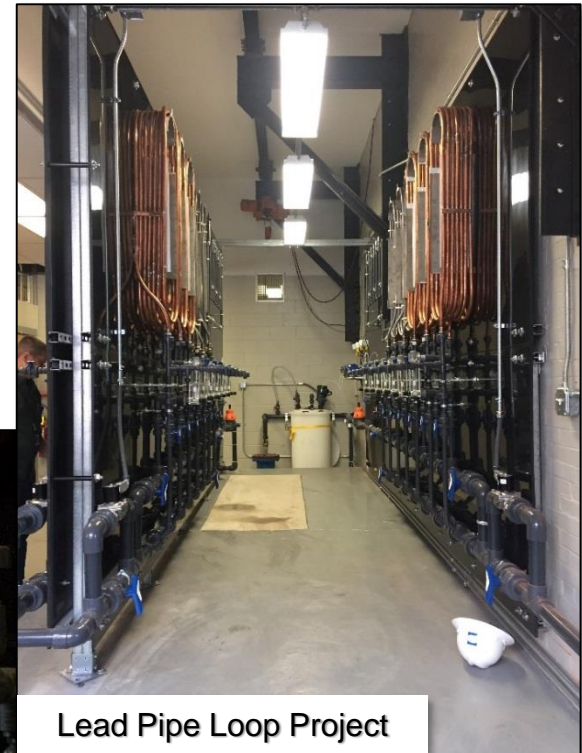
Recent investments have focused on *water quality* and include a *collaborative research* project with the University of Buffalo, the University of Washington and Marc Edwards of Virginia Tech.



Lead Pipe Loop Project



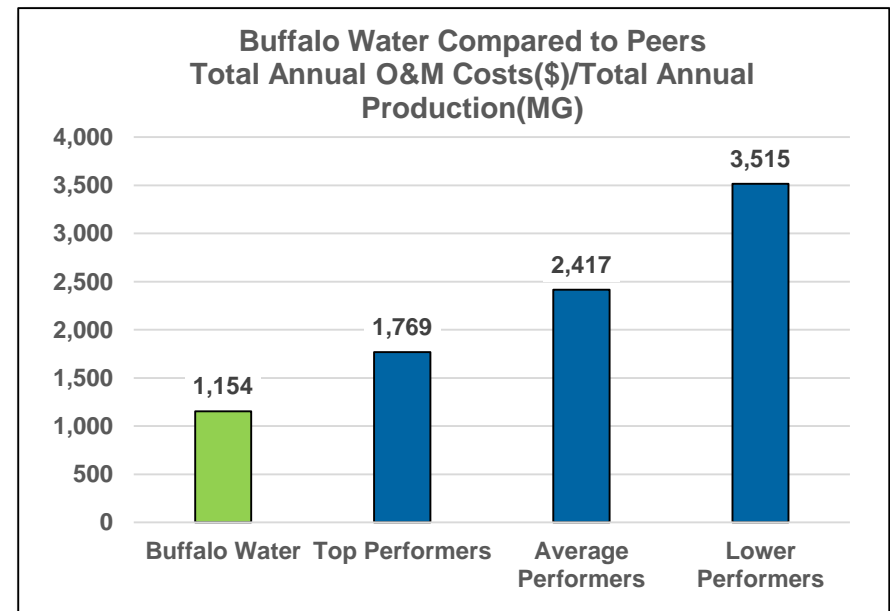
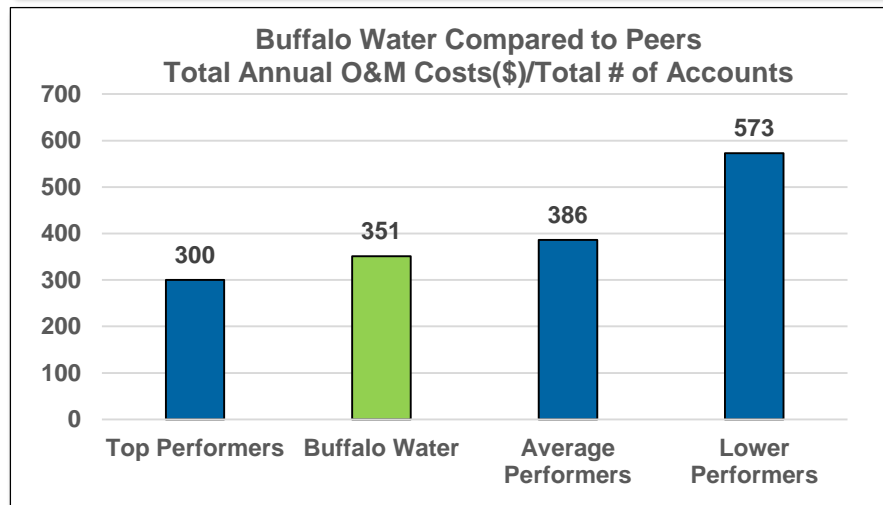
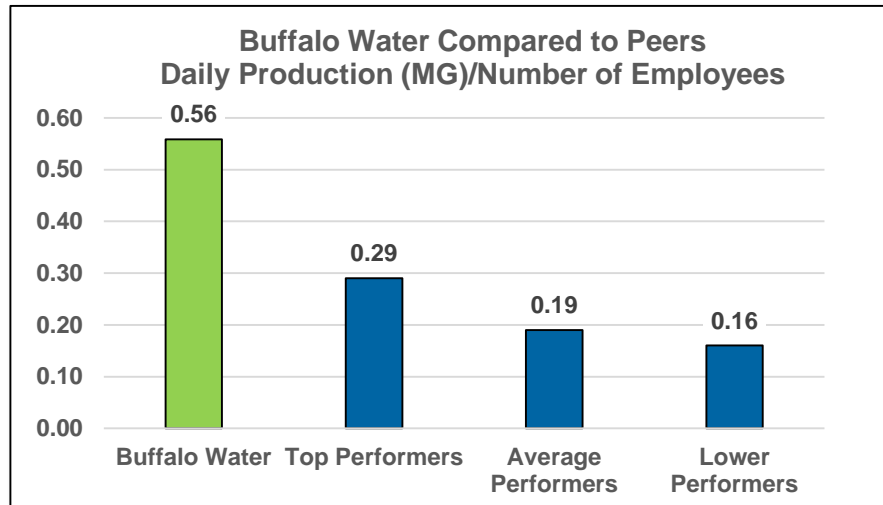
Lead Pipe Loop Project



Lead Pipe Loop Project

Buffalo Water – Operational Efficiency

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



Proposed Changes & Rate Adjustments

1. Residential Water Affordability



2. Water Consumption Block Changes



3. Capacity Charge Increase & Alignment



4. Miscellaneous Maintenance & Service Fees



5. Consumer Price Index (CPI) Cost Adjustment



6. Pathways to Affordable Water

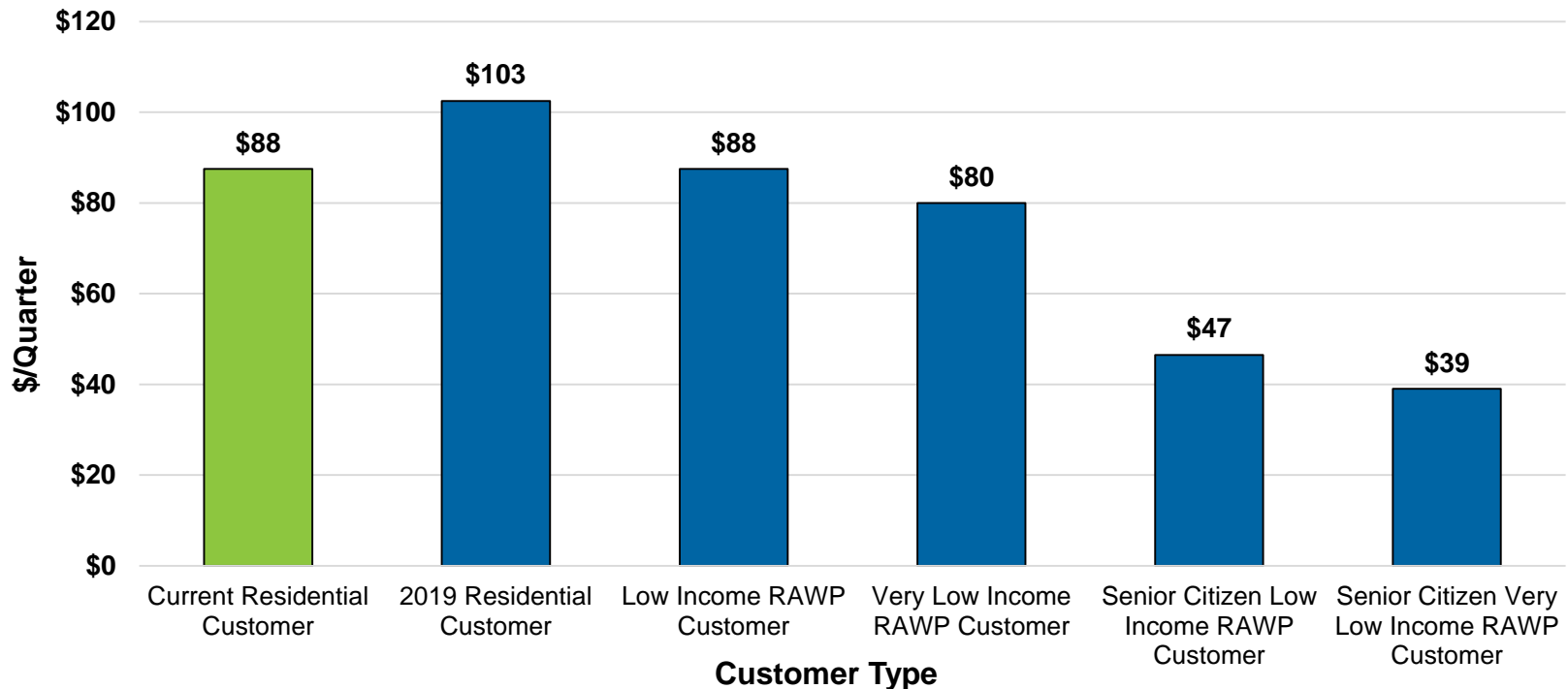


Proposed Residential Water Affordability

Balancing Needed Investments and Affordability



Typical Residential Customer Quarterly Water Bills Summary



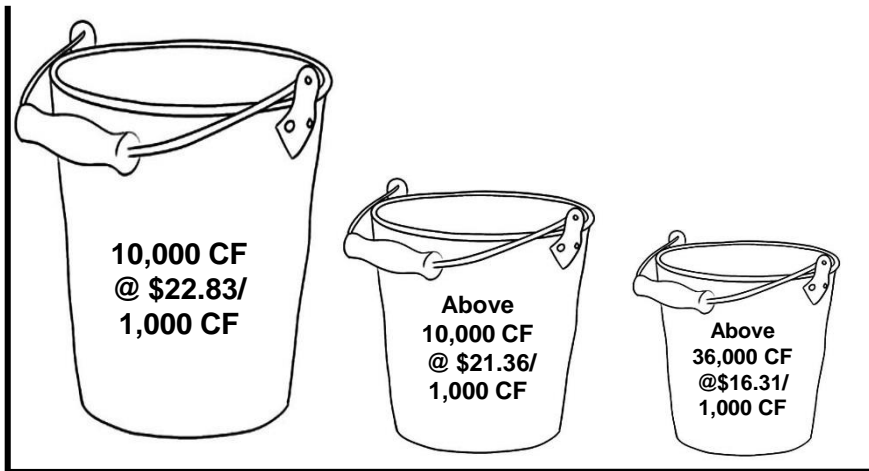
Note: Numbers based on average approximate residential water usage of 17,500 gallons/quarter (2,312 CF/quarter)

The proposed changes will assist low income customers to offset increases

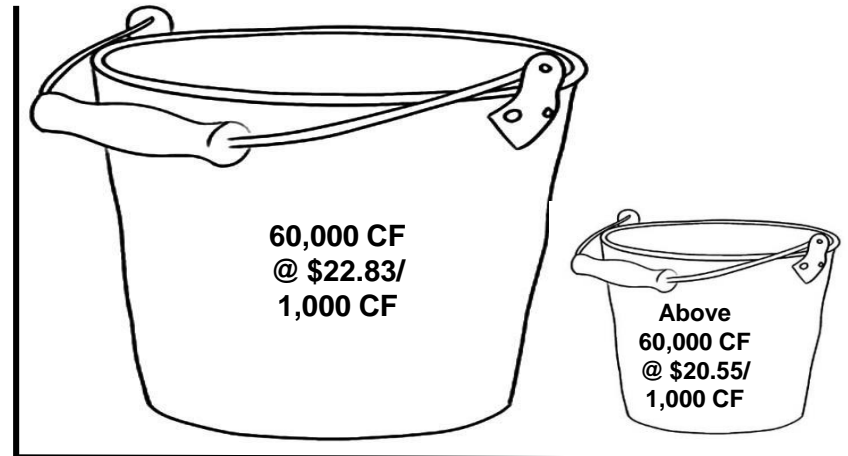
Proposed Consumption Block Changes

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

Existing



Proposed



These proposed changes will have no impact to the typical residential customer

Proposed Capacity Charge Changes



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

Capacity Charge Adjustment		
Meter Size	Current \$/Quarter	Proposed \$/Quarter
5/8 inch	\$34.90	\$49.90
3/4 inch	\$49.22	\$74.85
1 inch	\$87.30	\$124.75
1 1/2 inch	\$174.52	\$249.50
2 inch	\$279.19	\$399.20
3 inch	\$523.47	\$798.40
4 inch	\$872.42	\$1,247.50
6 inch	\$1,744.88	\$2,495.00
8 inch	\$2,829.61	\$3,992.00
10 inch	\$4,013.26	\$10,479.00

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

Proposed Miscellaneous Fee Changes

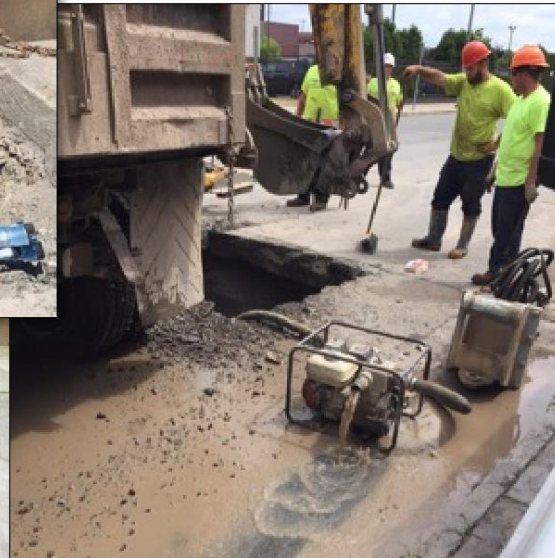


- Adjust Fees to account for actual service costs (Vehicles/Maintenance/Labor)
- These fees are for services generally provided upon customer request



Examples:

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



These proposed changes will have no impact to the typical residential customer

Buffalo Water's - Pathways to Affordable Water

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

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



Proposed Residential Affordable Water Program

Two Tiers of Benefits

Low-Income Customers

\$60/year Discount

Very Low-Income Customers

\$90/year Discount

Residential Affordable Water Program Annual Income Limits		
Family Size	Low Income	Very Low Income
1	\$41,850	\$26,150
2	\$47,800	\$29,900
3	\$53,800	\$33,650
4	\$59,750	\$37,350
5	\$64,550	\$40,350
6	\$69,350	\$43,350
7	\$74,100	\$46,350
8	\$78,900	\$49,350
*Income Limits based on Federal Guidelines		

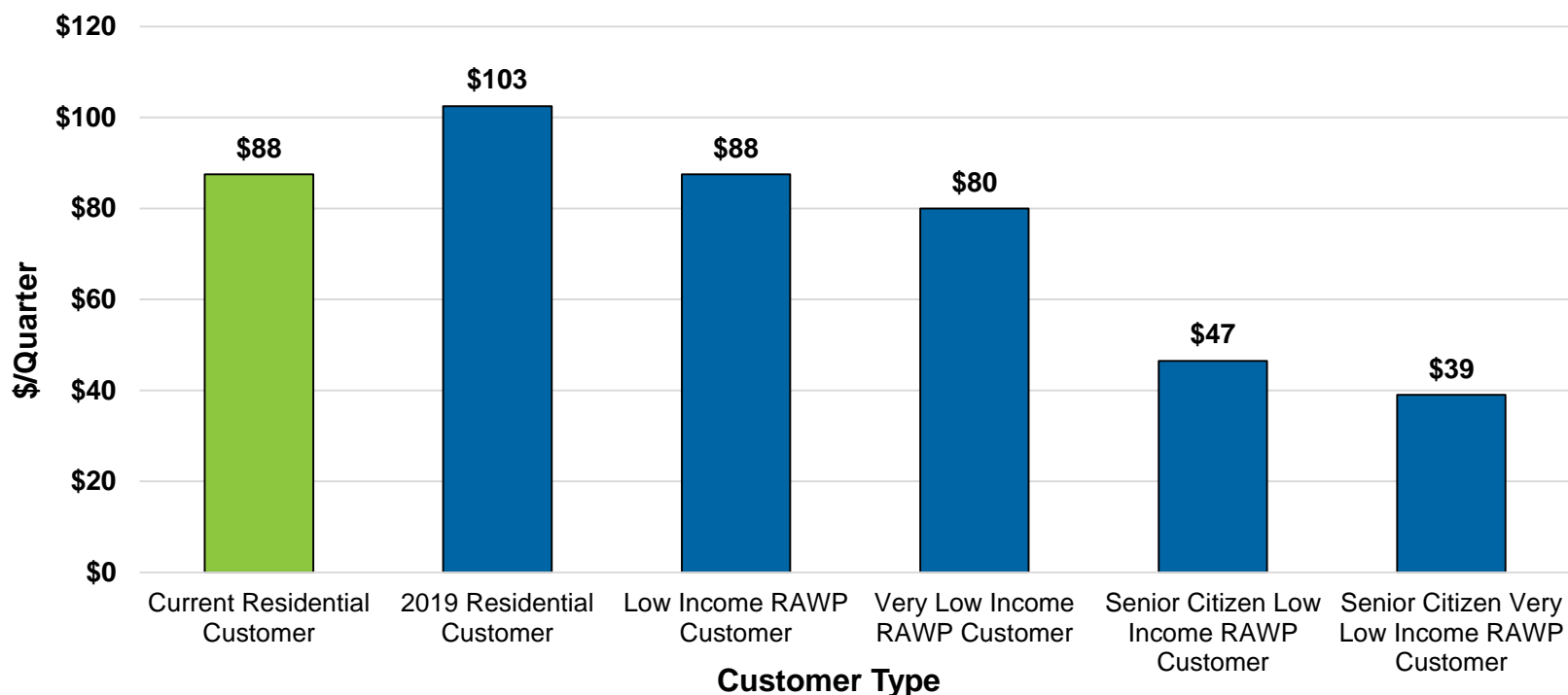
Eligible residential customers will see no net increase to their bill

Proposed Residential Water Affordability

Balancing Needed Investments and Affordability



Typical Residential Customer Quarterly Water Bills Summary



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

The proposed changes will assist low income customers to offset increases