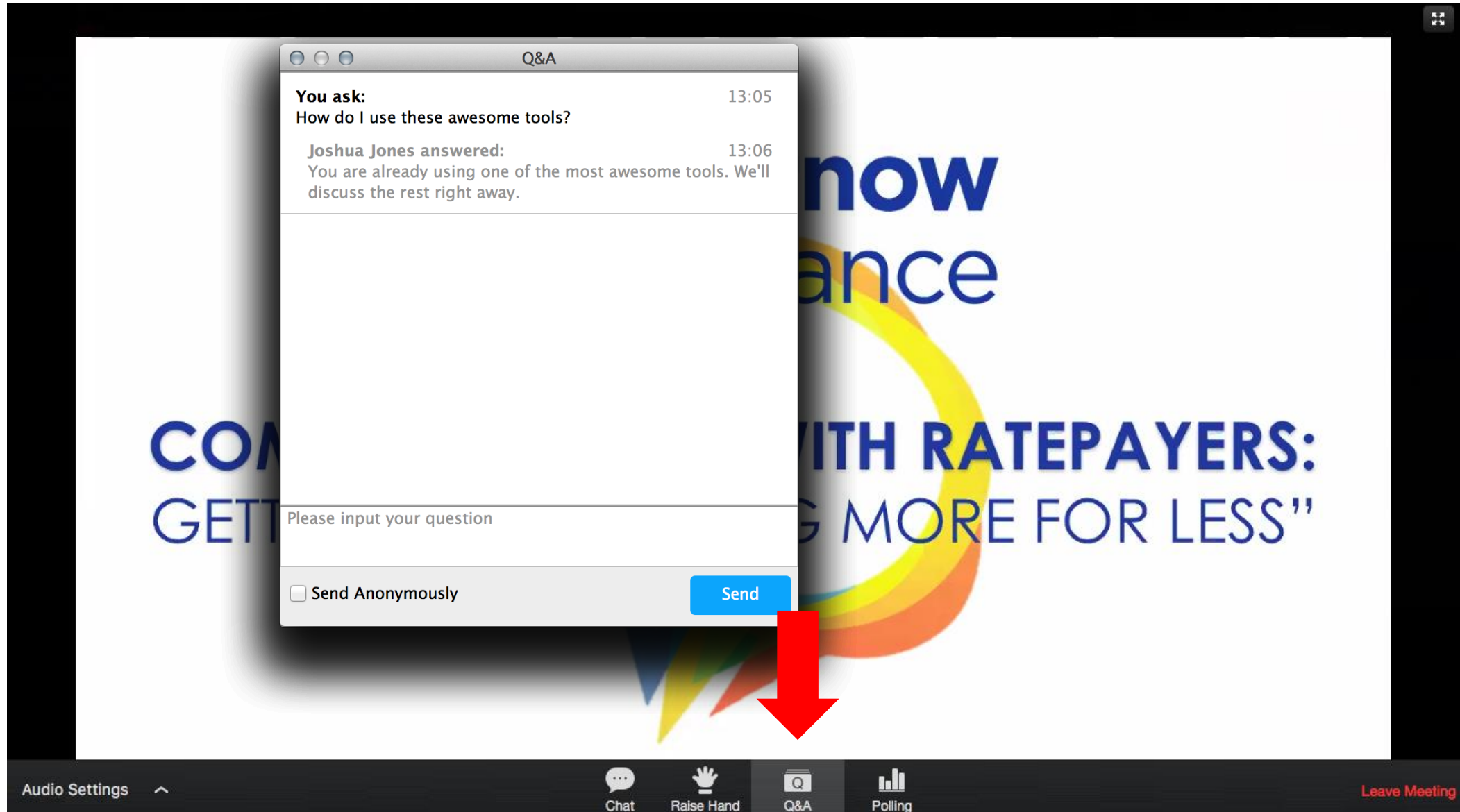




**COMMUNICATING WITH RATEPAYERS:
GETTING PAST “PAYING MORE FOR LESS”**

TIPS FOR USING ZOOM WEBINAR



The image shows a Zoom Webinar interface. A presentation slide in the background features the text "now", "ance", "COM", "GETT", "WITH RATEPAYERS:", and "G MORE FOR LESS" in blue, with a large yellow and orange circular graphic. Overlaid on the slide is a Q&A window titled "Q&A". The window contains the following text:

You ask: 13:05
How do I use these awesome tools?

Joshua Jones answered: 13:06
You are already using one of the most awesome tools. We'll discuss the rest right away.

Below the text is a text input field with the placeholder "Please input your question". At the bottom left of the window is a checkbox labeled "Send Anonymously", and at the bottom right is a blue "Send" button. A large red arrow points from the "Send" button down to the Zoom toolbar at the bottom of the screen.

The Zoom toolbar at the bottom includes the following elements from left to right:

- Audio Settings ^
- Chat (speech bubble icon)
- Raise Hand (hand icon)
- Q&A (question mark icon)
- Polling (bar chart icon)
- Leave Meeting (red text)

TIME FOR A POLL

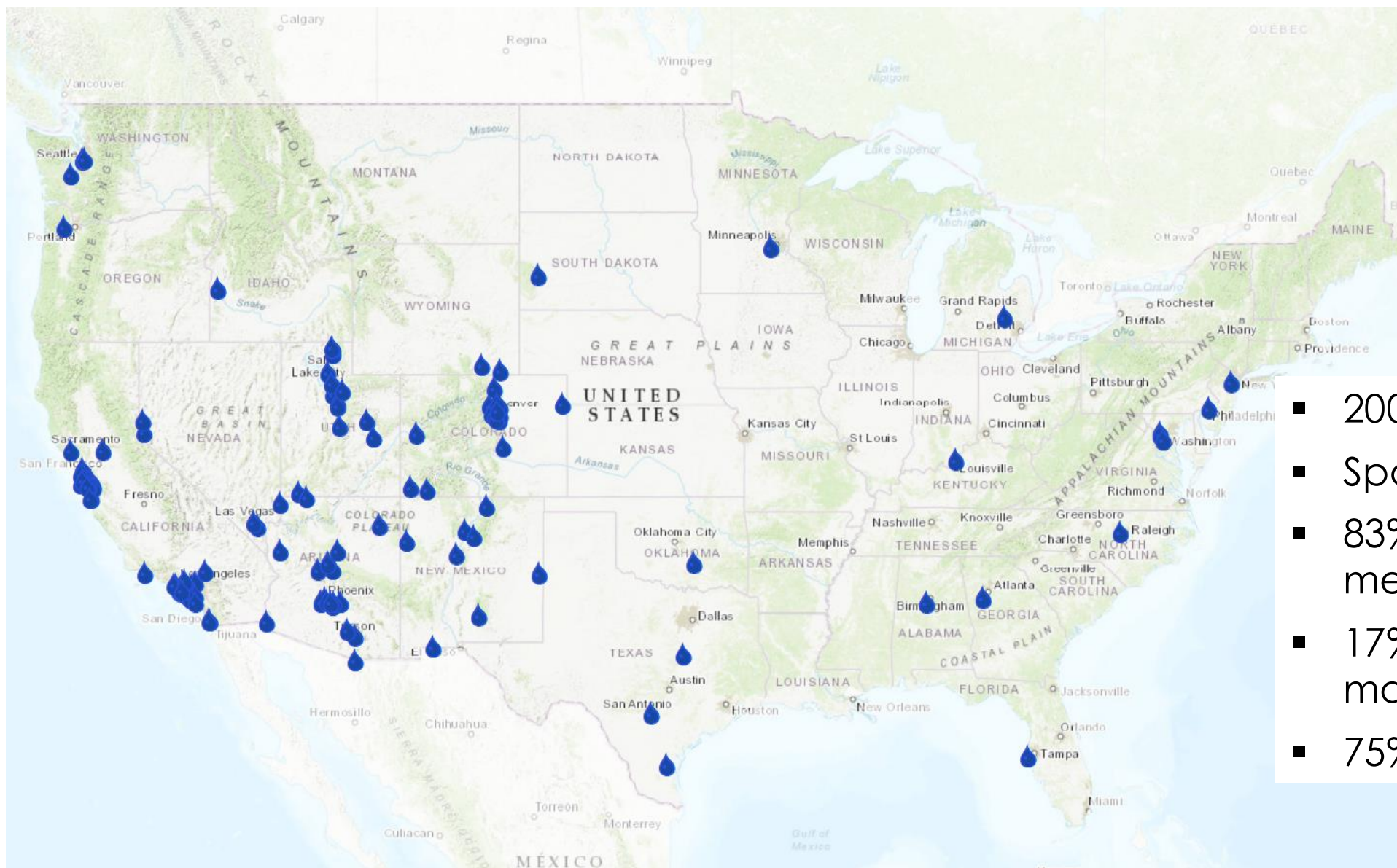


WaterNow Alliance Members



Communicating with Ratepayers

Getting Past “Paying More for Less”



- 200+ members
- Spanning 24 states
- 83% voting board members
- 17% utility senior management
- 75% from CA, CO, AZ



What do we mean by Sustainable?

Methods of providing water to urban areas without using up or destroying water resources, allowing them to remain usable for the future in a healthy condition.

Sustainable Water Solutions

Reuse & Recycling

Source
Water &
Watershed
Protection

Groundwater
Management

Green
Infrastructure

Water Trading:
Market
Mechanisms

Water
Conservation &
Water Use
Efficiency



We hear the same refrain from leaders across the West...

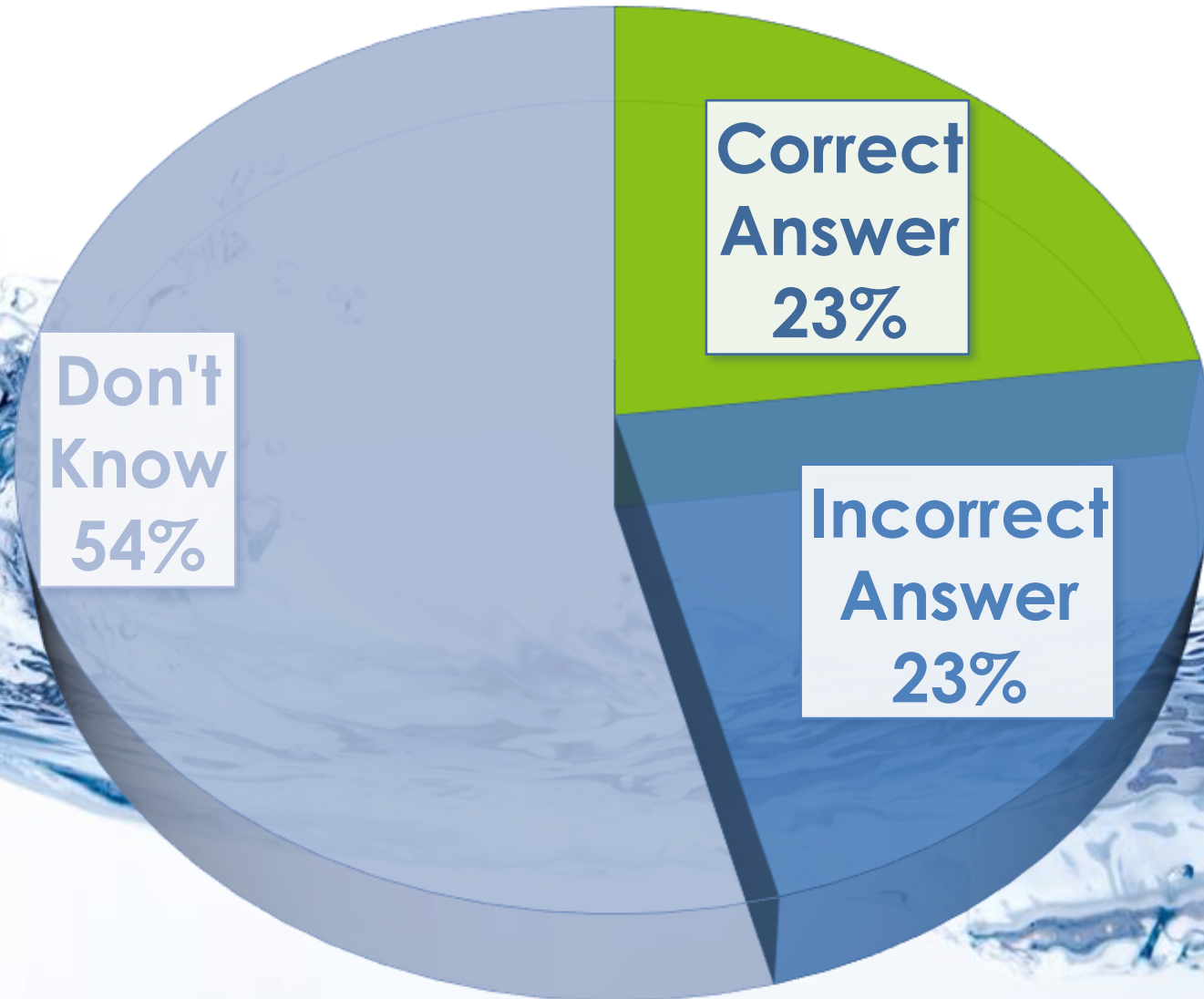


How do we **pay** for these
sustainable options?
*Can we use traditional bond
financing?*



How do we **communicate** to
the public about them?
*ESPECIALLY when it will require
“paying more for less!”*

Where does your water come from?



How are people talking about water across the west?

12 polls from CA, AZ, NM and nationwide
300,000 news clips
850,000 tweets

Water in the West
Media and Public Opinion Analysis



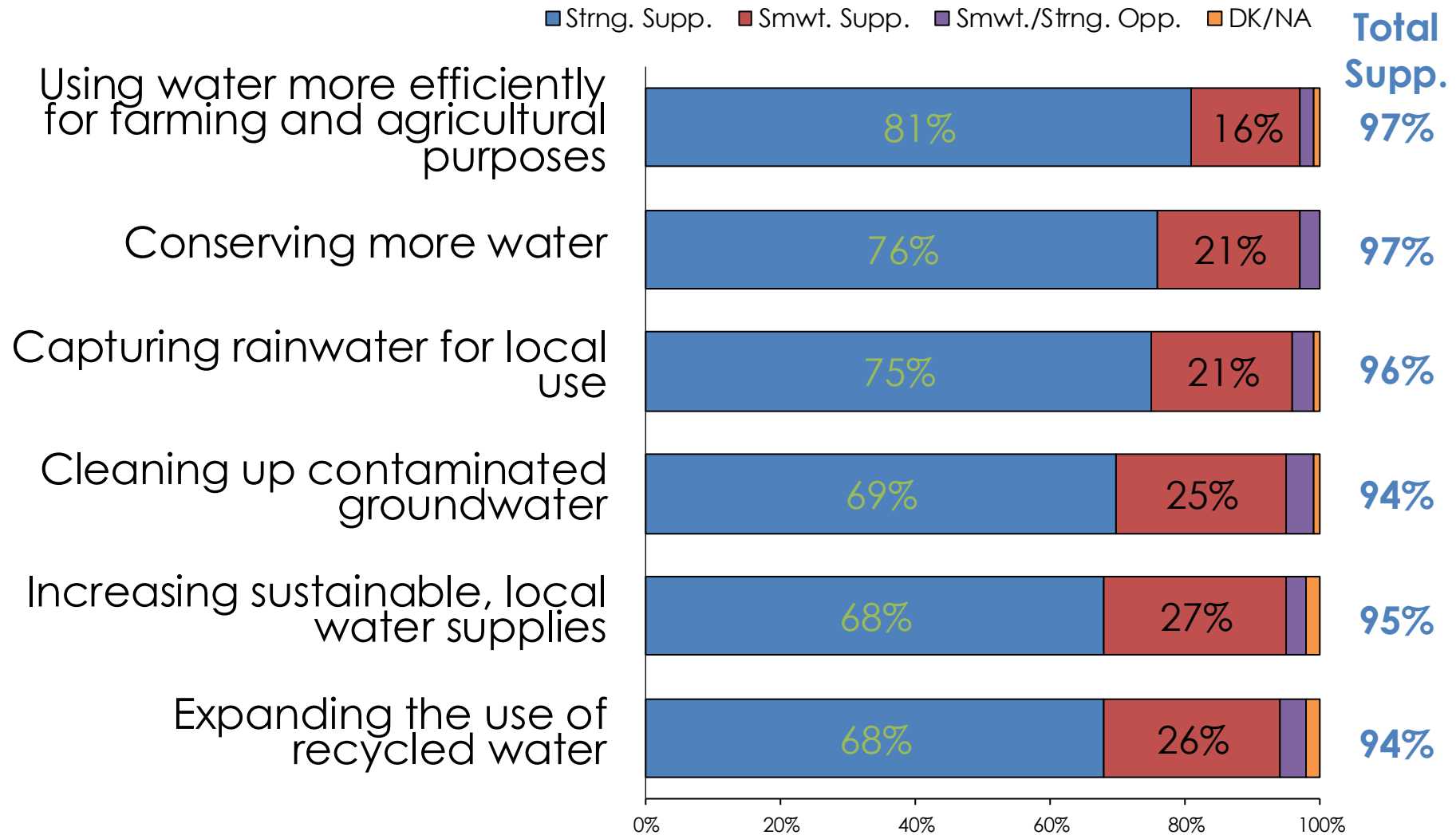
KEY INSIGHTS

*It's becoming increasingly likely the future of the western United States in the 21st century **will be defined not by excess but by a lack of water** and the great lengths governments, residents, businesses and farmers will go to survive.*

– Las Vegas Sun, June 2015



Voters Back Diverse Approaches to Ensuring Sustainable Water



- 2014 California Survey



KEY INSIGHTS

Values like **reliability, health and safety, and water independence** came up repeatedly.



Communicating with Ratepayers
Getting Past “Paying More for Less”

KEY INSIGHTS

Utilities are trusted experts



Context: Efficiency and Rates –What's Happening Out There?



*MADDAUS
WATER
MANAGEMENT
INC.*



Raftelis Water and Wastewater Rate Survey

- Published for over 30 years
- Currently partnering with AWWA
- Survey updated every two years
- Water Utilities
 - 264 responses
 - Serves 24% of US population
- Wastewater Utilities
 - 182 responses
 - Serves 12% of US population





Survey Metrics

OPERATIONS

- Employees
- Capital Needs

SERVICE

- Service Population
- Accounts
- Gallons Sold, Produced, Treated
- W/WW Treatment Capacity

FINANCIAL

- Balance sheet
- Income statement

ADDITIONAL ITEMS

- Tap Fees, System Development Charges
- Outside City Differentials
- Surcharges

W/WW SYSTEM SIZE GROUPINGS

Group A: >75 mgd

Group B: 20-75 mgd

Group C: <20 mgd

REGION GROUPINGS

Northeast: CT, DC, DE, MA, ME, NH, NJ, NY, PA, RI, VT

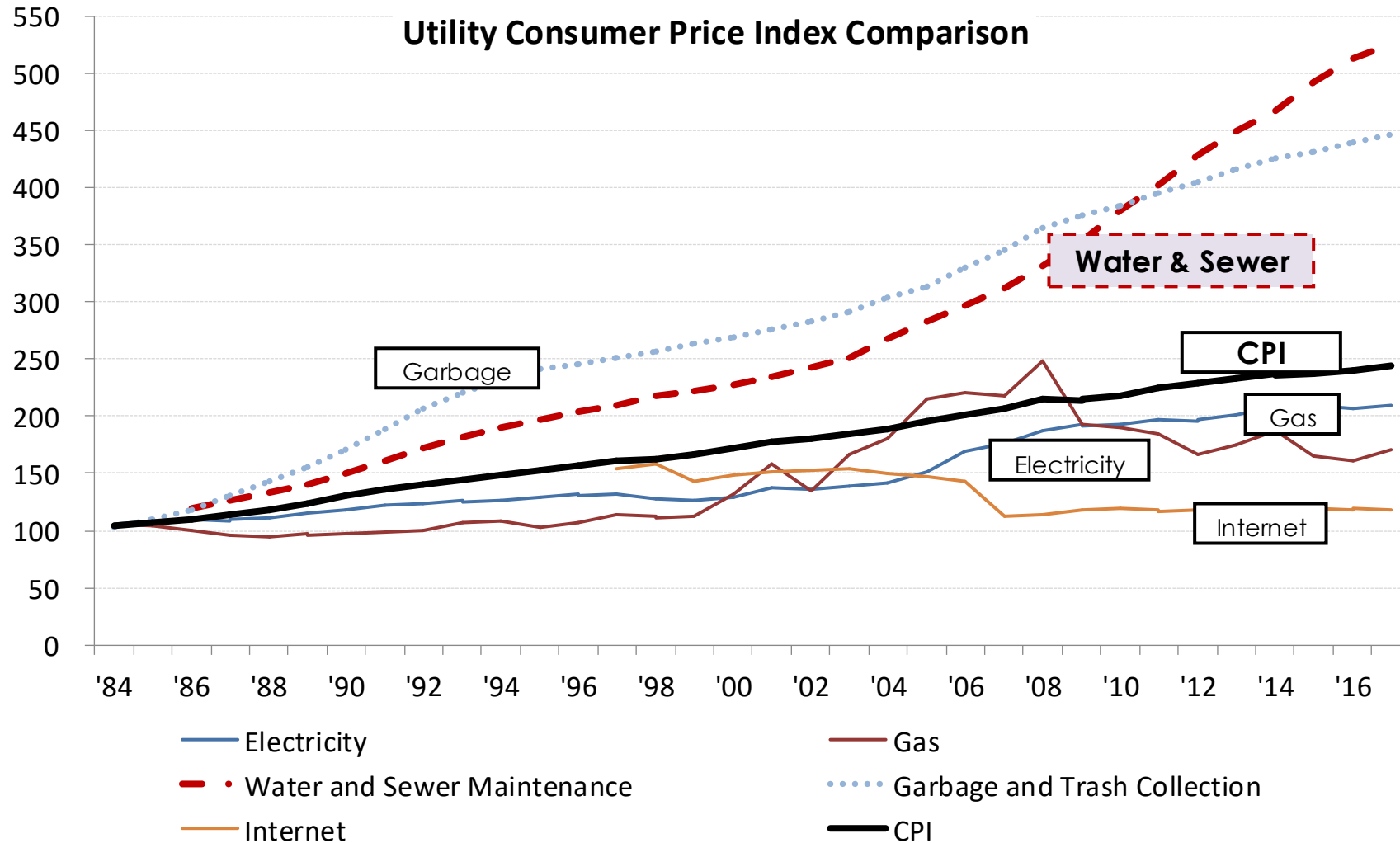
Midwest: IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

South: AL, AK, FL, GA, KY, LA, MD, MI, NC, OK, SC, TN, TX, VA, WV

West: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY



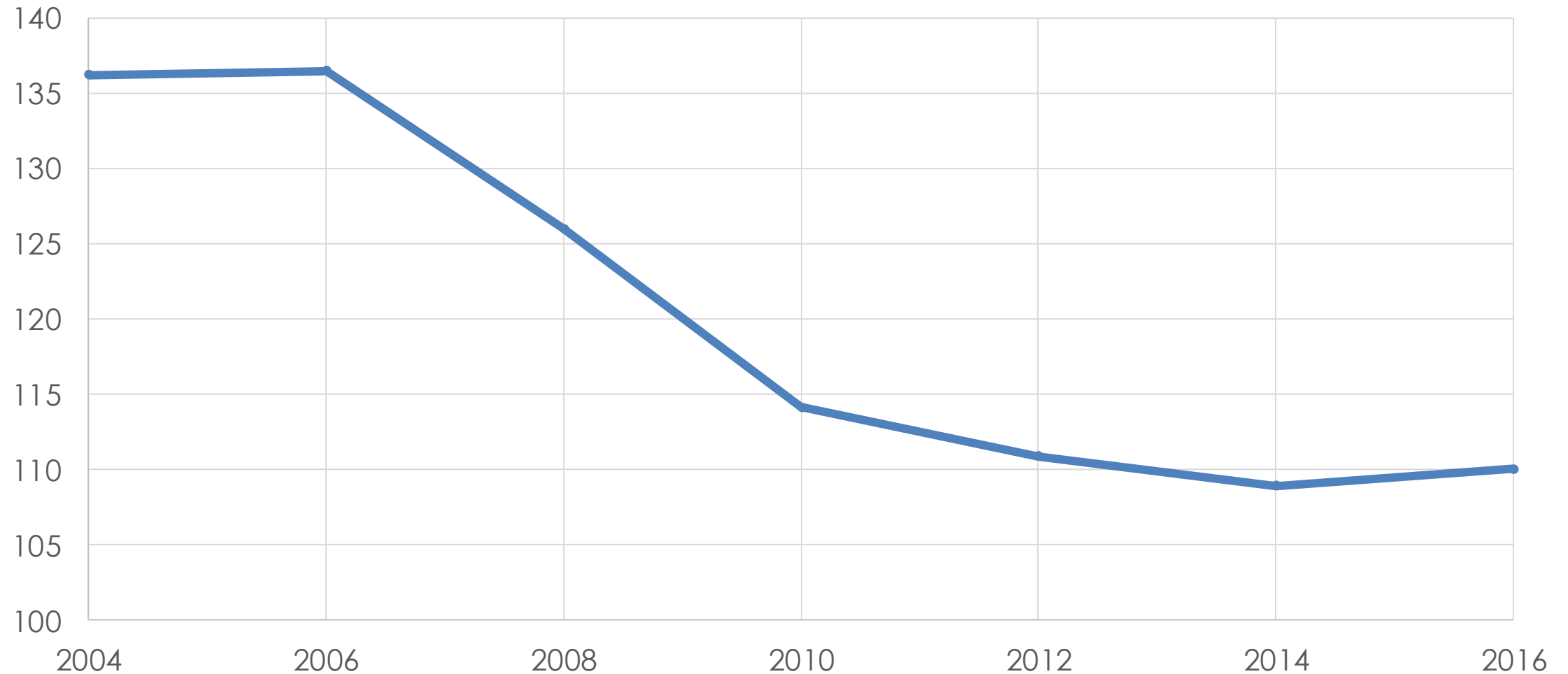
Consumer Water and Wastewater Costs are Increasing



Source: www.bls.gov



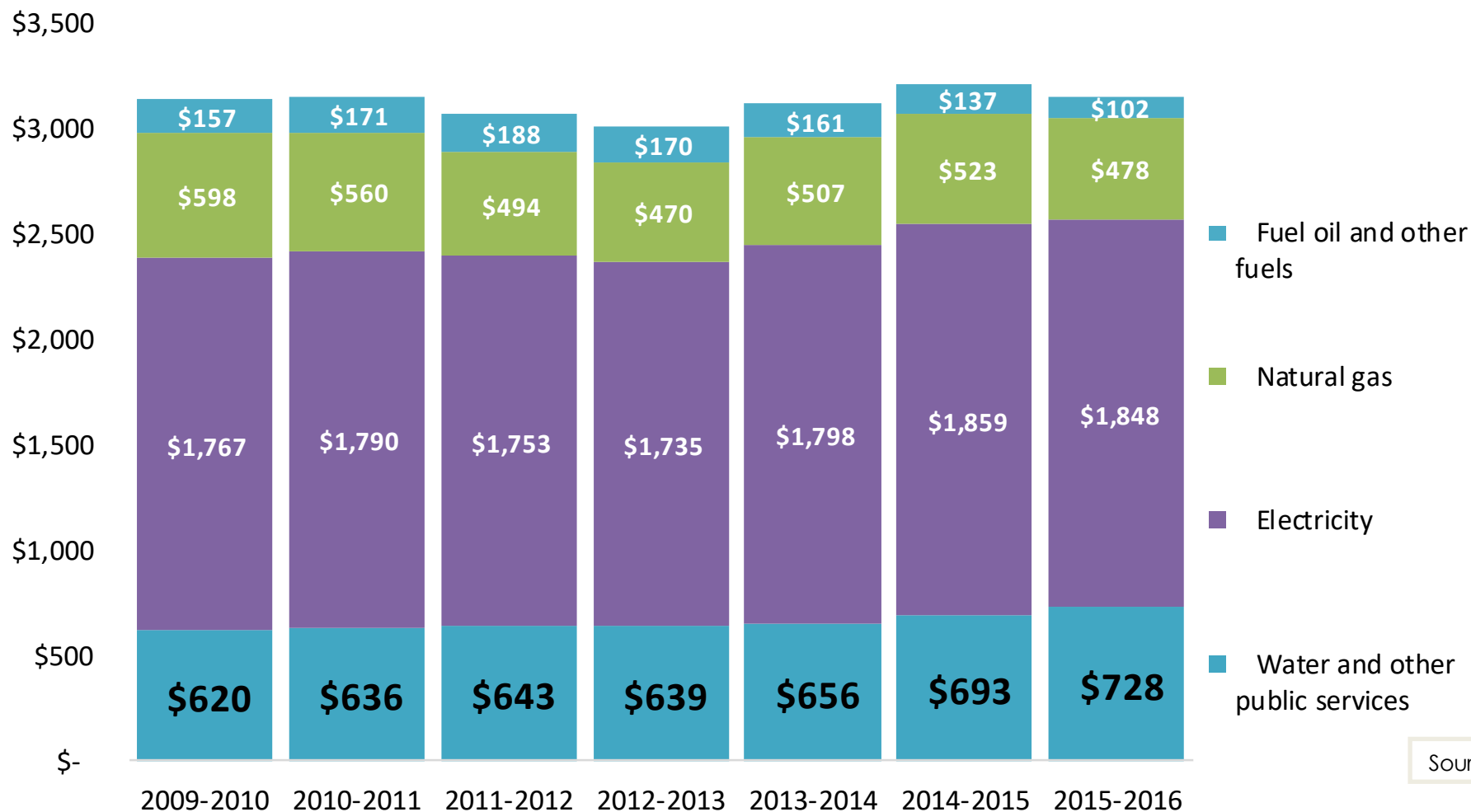
Water Use Per Capita is Declining





Household Water Costs Continue to Increase

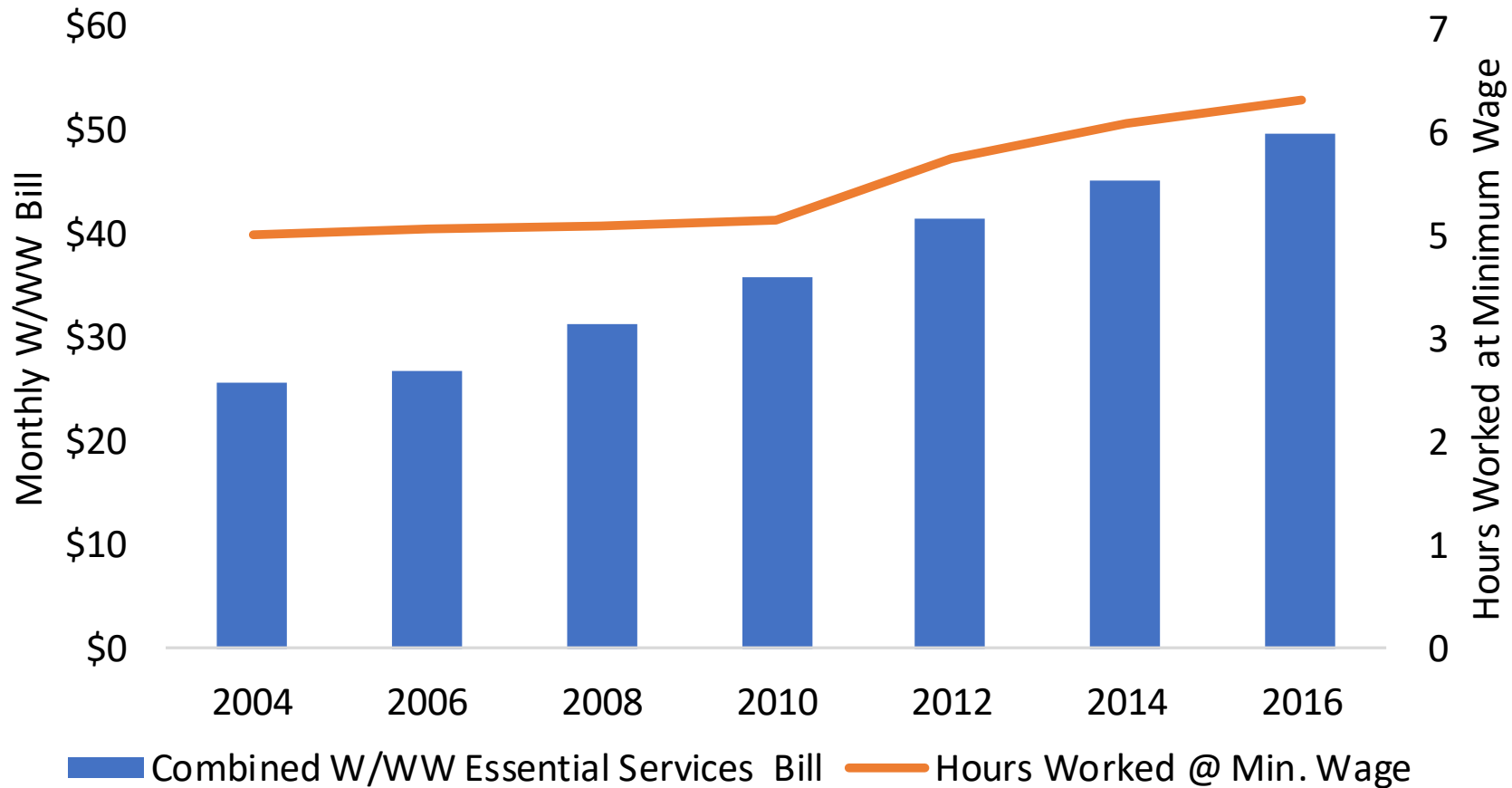
Annual Utility Expenditures for a Four-person Household



Source: www.bls.gov



The Hours Required to Pay an Essential Services W/WW Bill* at Minimum Wage Has Increased by 32%

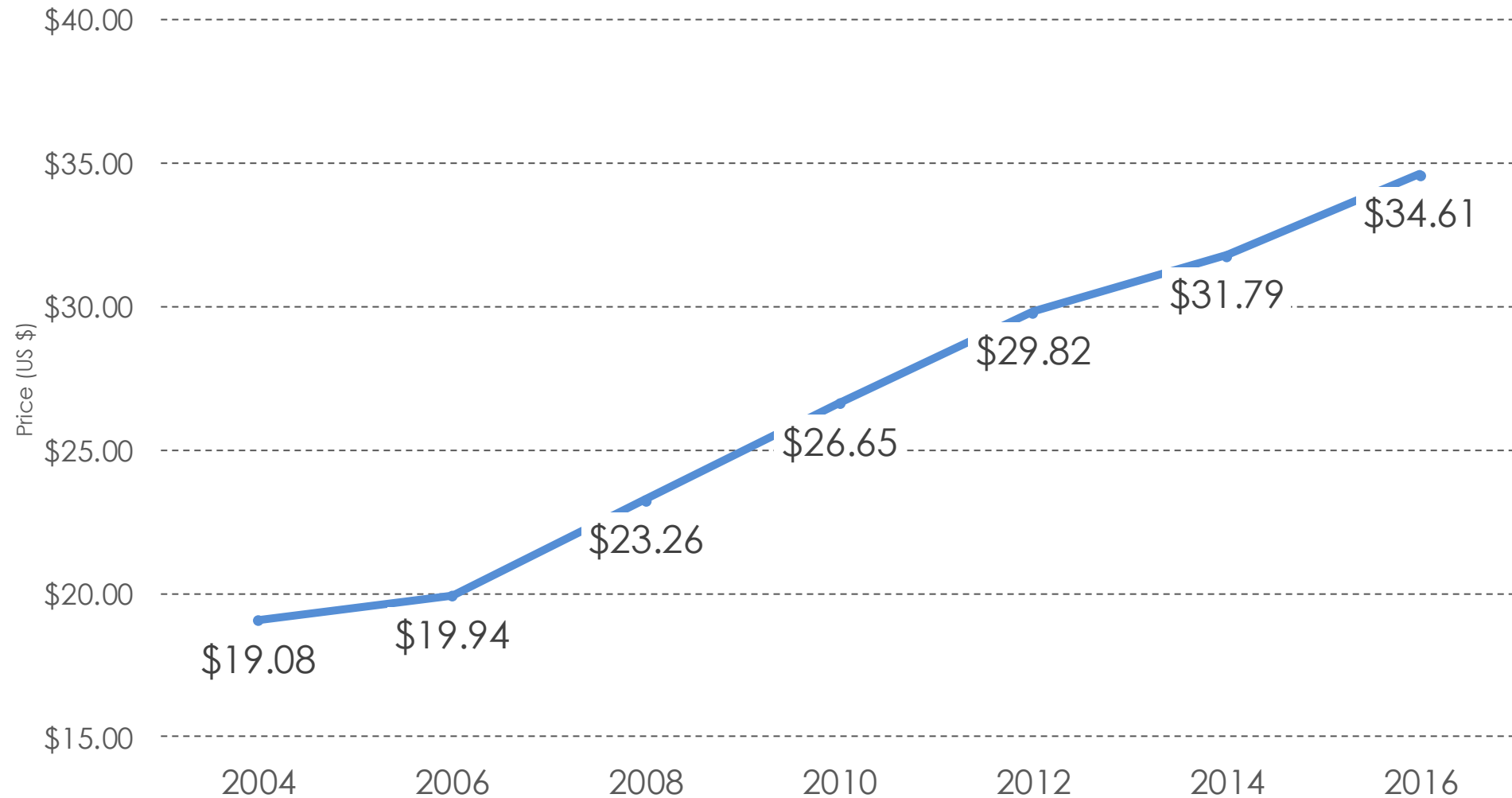


*Essential Services Use = 3,740 gallons per month

*Minimum wage is an average of all 50 states for each year shown above



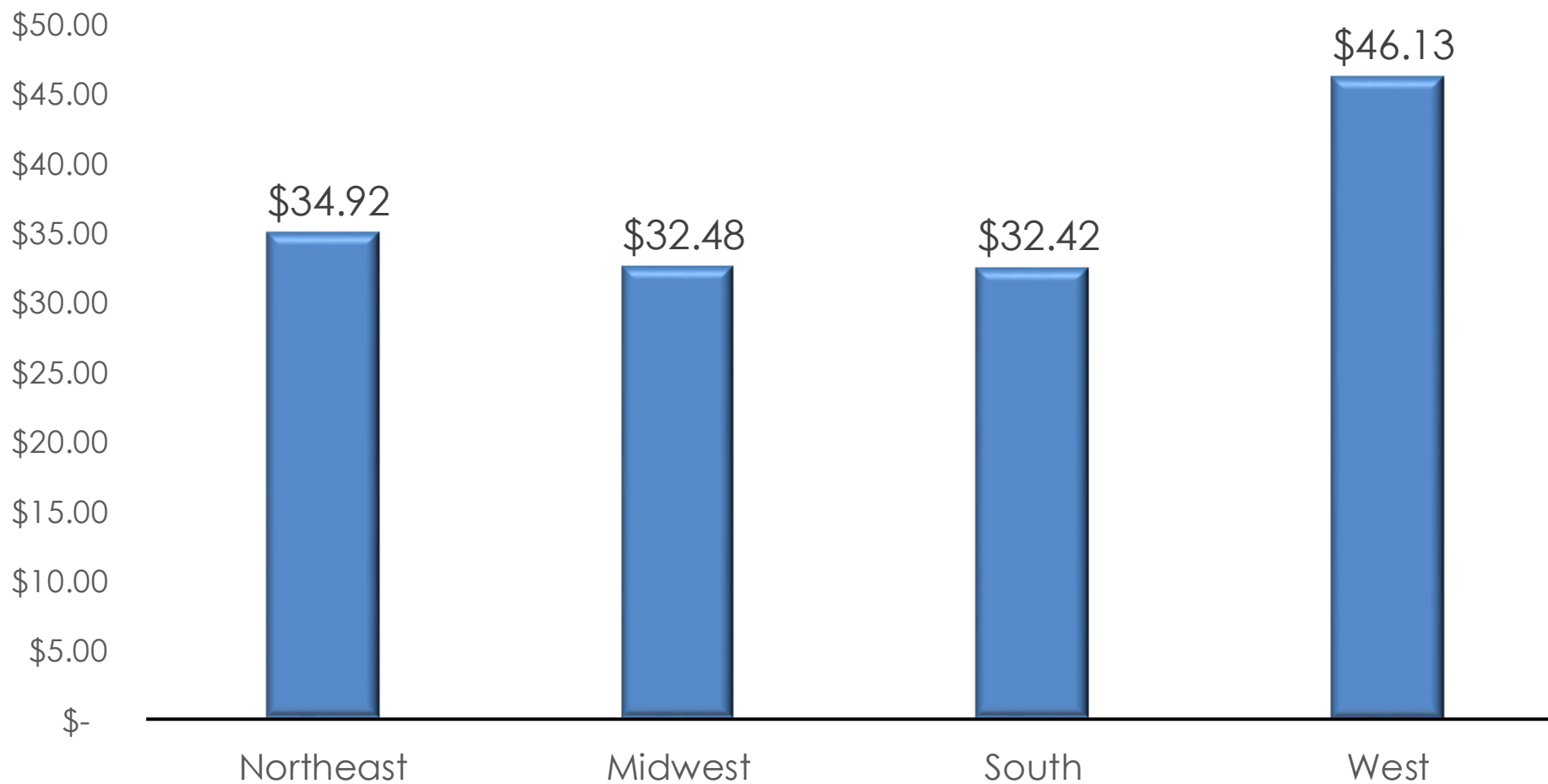
Trend of Median Residential Monthly Bills



*Monthly charge of 5/8-inch meter and 10 Ccf (7,480 gallons)



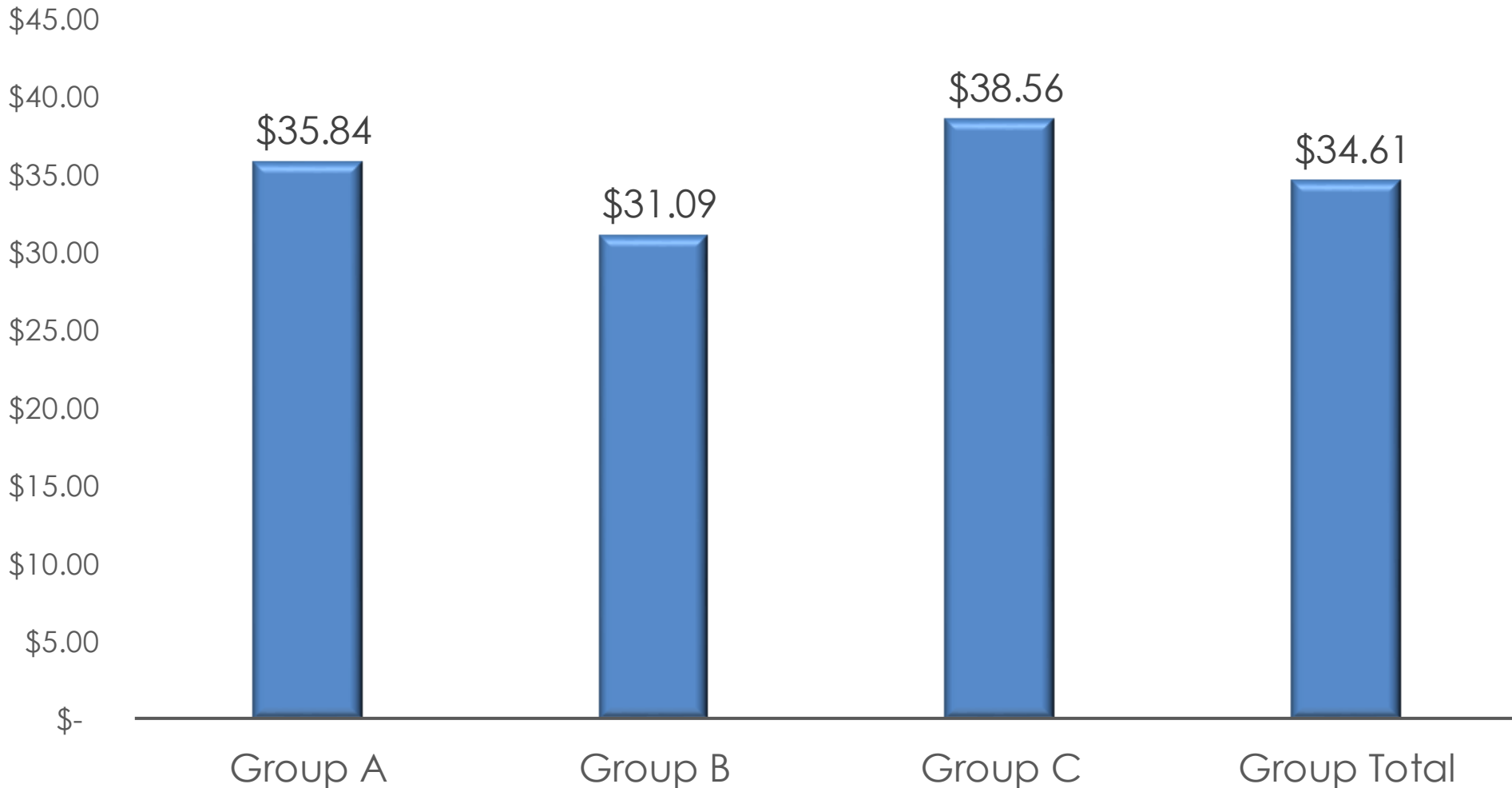
2016 Median Monthly Water Bills by Region



*Monthly charge of 5/8-inch meter and 10 Ccf (7,480 gallons)



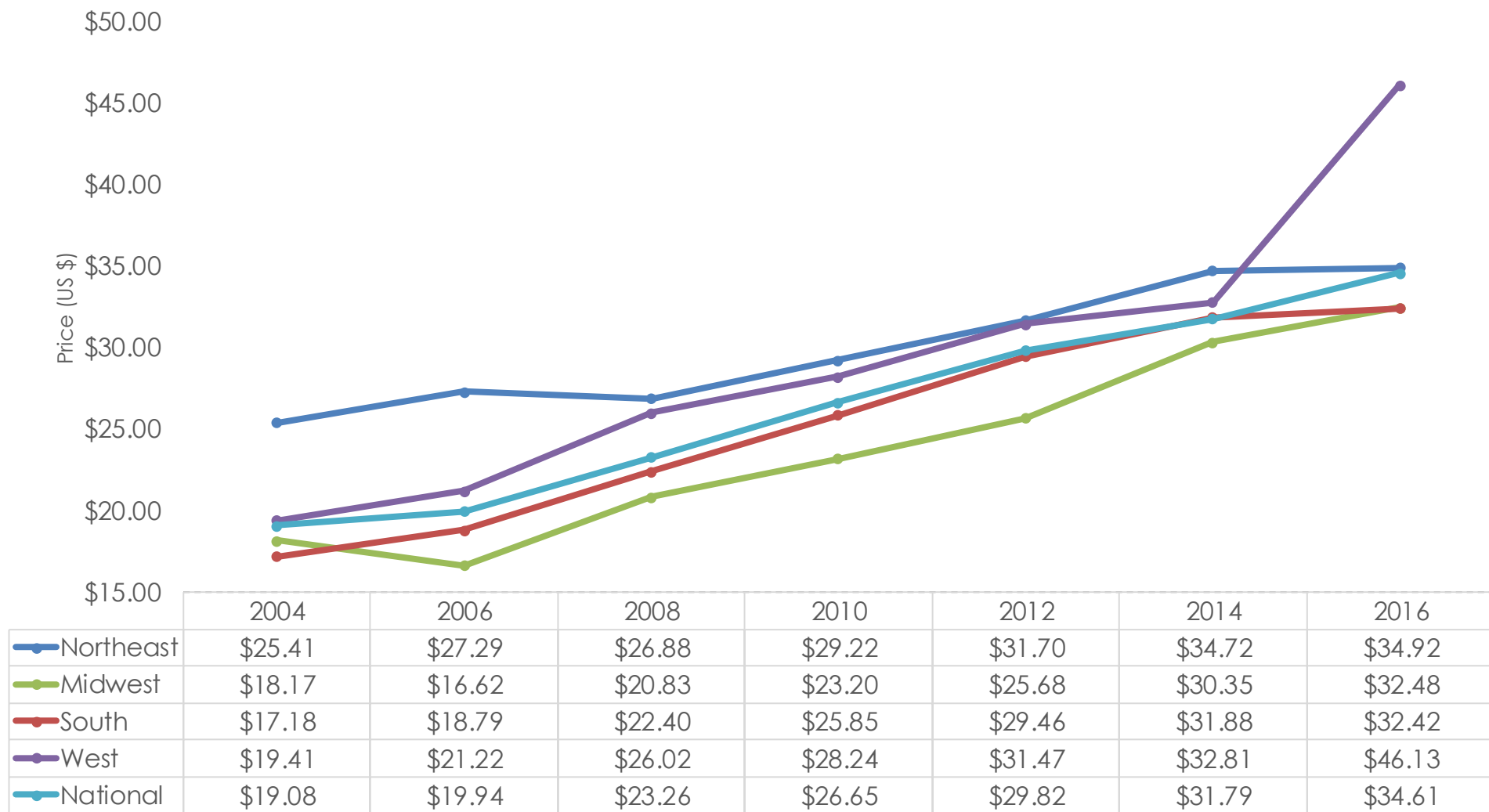
2016 Median Monthly Water Bills by Size



*Monthly charge of 5/8-inch meter and 10 Ccf (7,480 gallons)



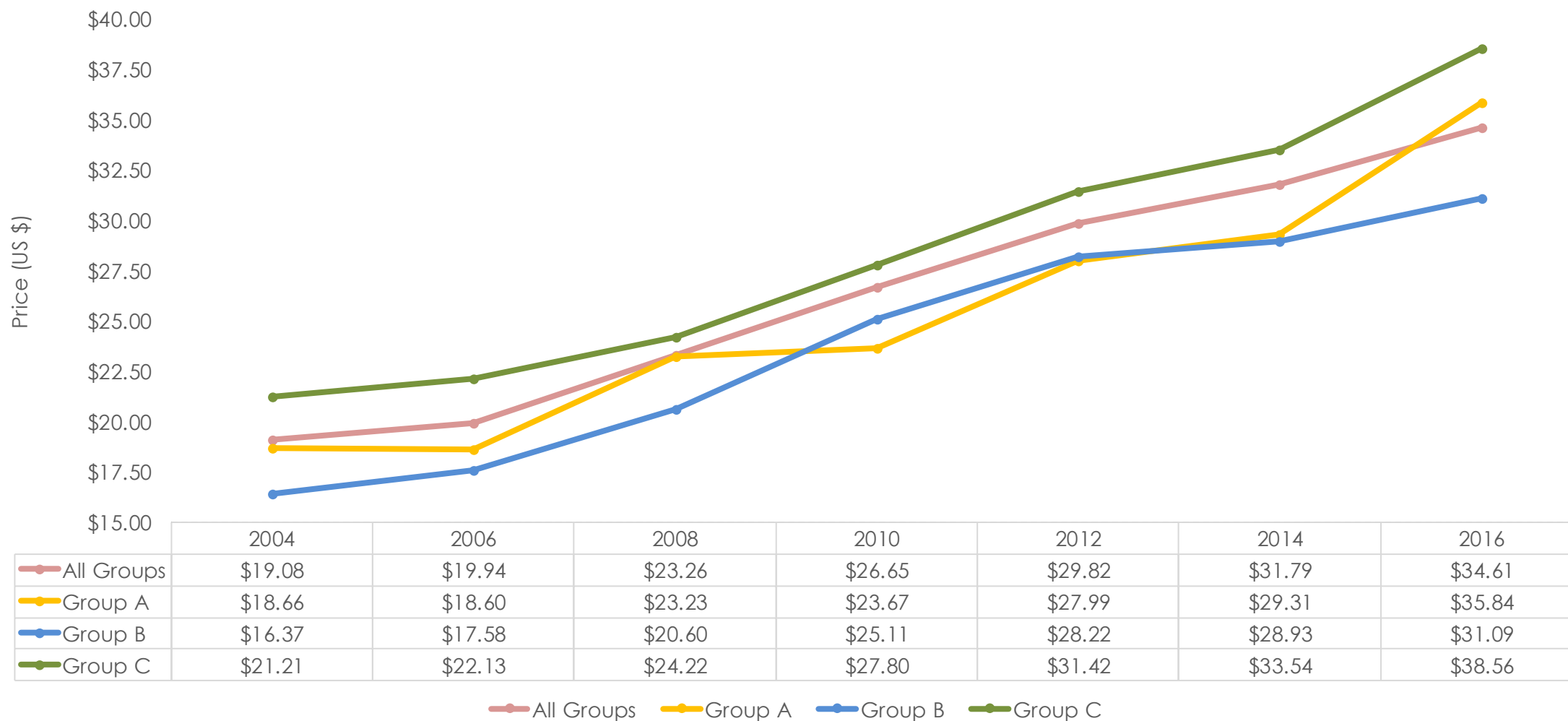
Trend of Median Monthly Water Bills by Region



*Monthly charge of 5/8-inch meter and 10 Ccf (7,480 gallons)



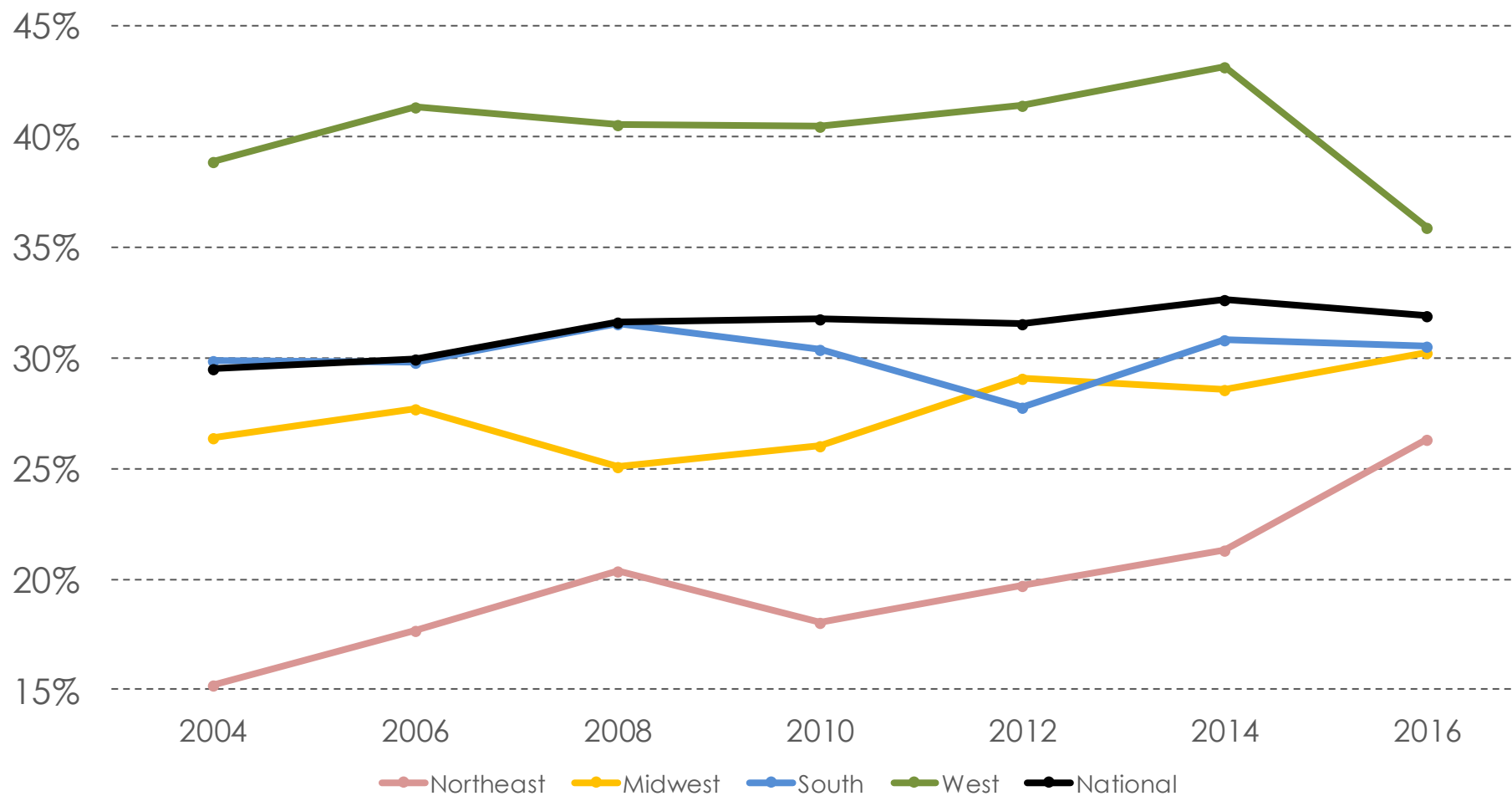
Trend of Median Residential Monthly Bills by Size



*Monthly charge of 5/8-inch meter and 10 Ccf (7,480 gallons)



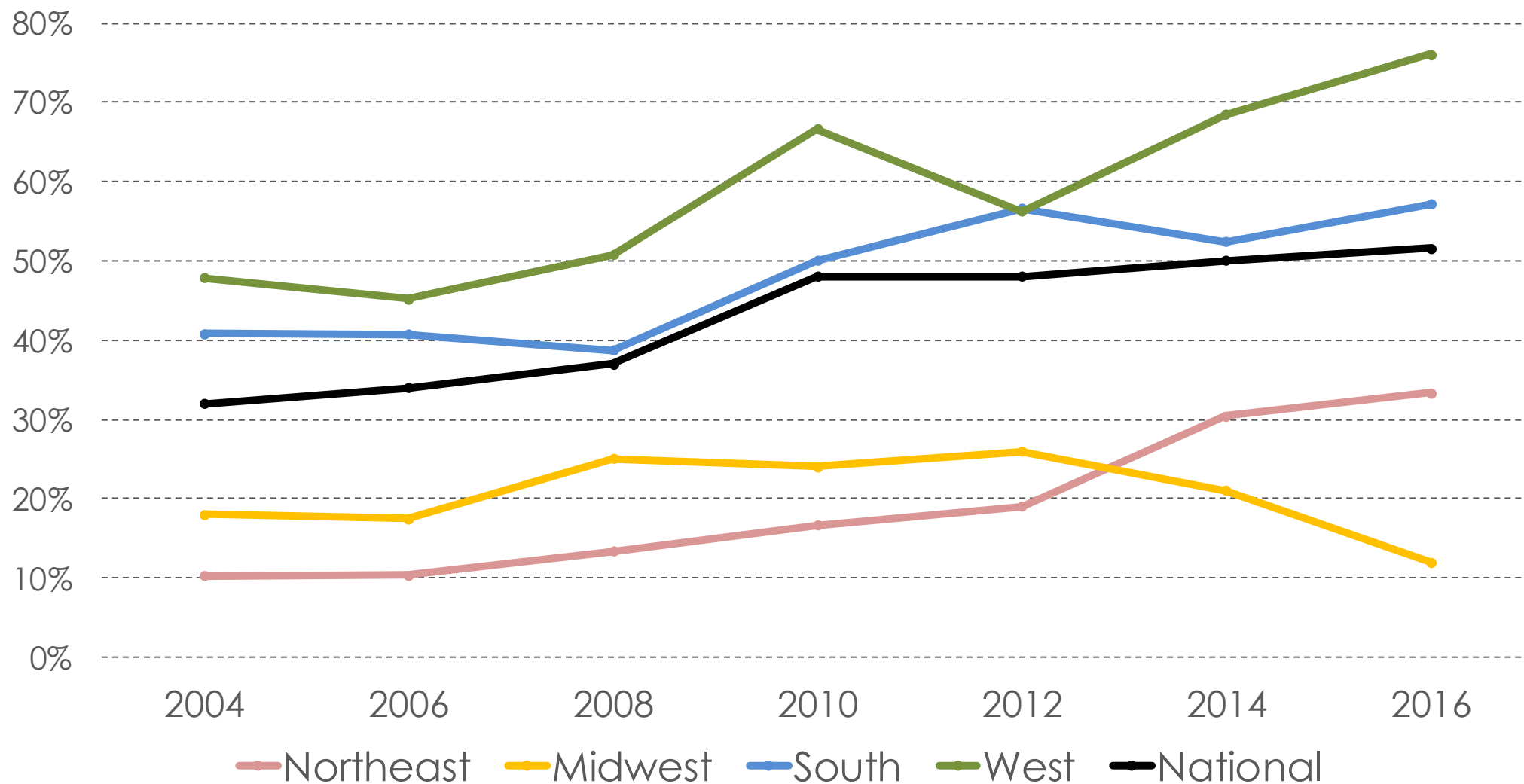
Trend of Fixed Charge as a Percent of Total Monthly Water Bill



*Monthly charge of 5/8-inch meter and 10 Ccf (7,480 gallons)



% of Utilities with Conservation-Oriented Residential Rate Structures





Communicating with Ratepayers
Getting Past “Paying More for Less”

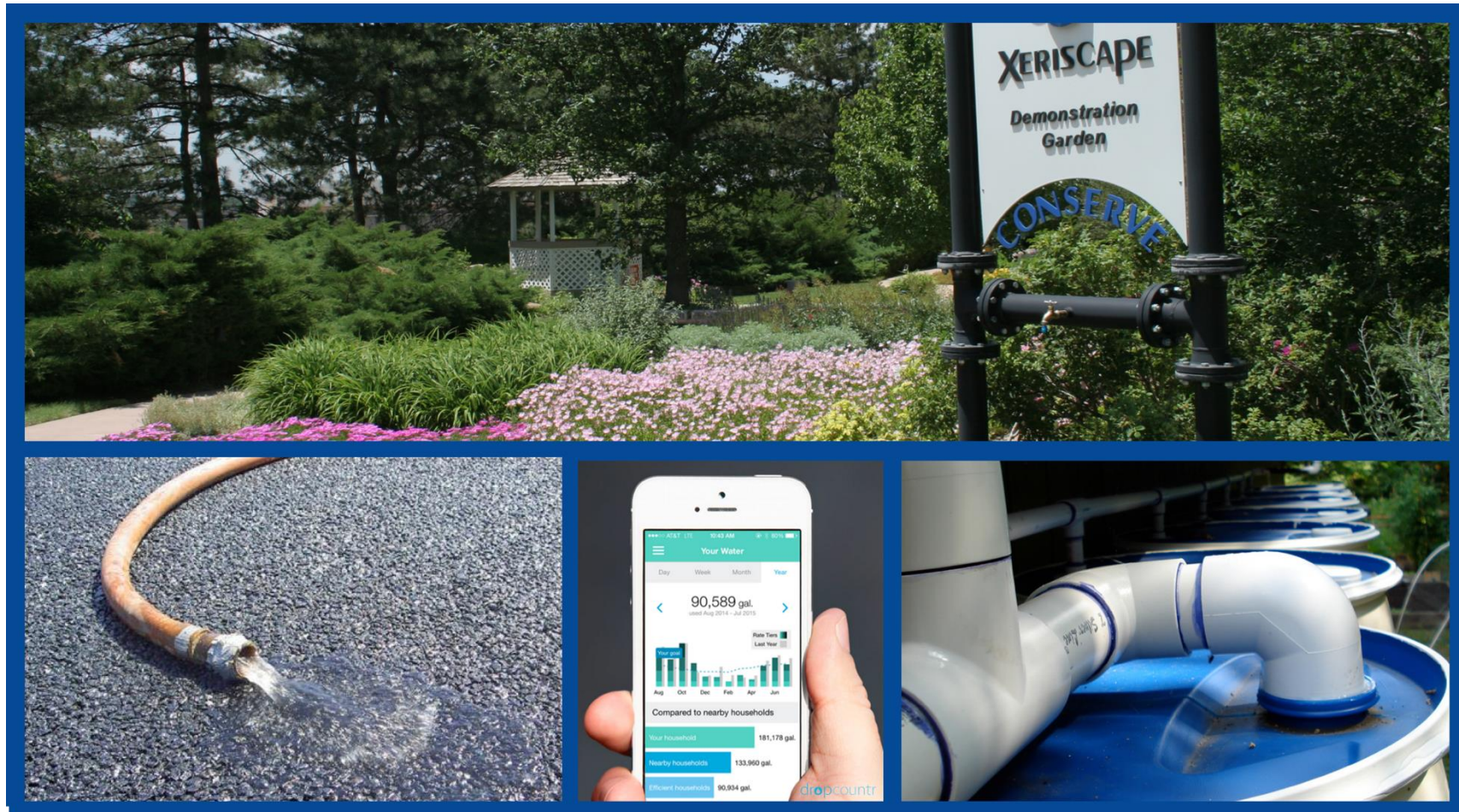
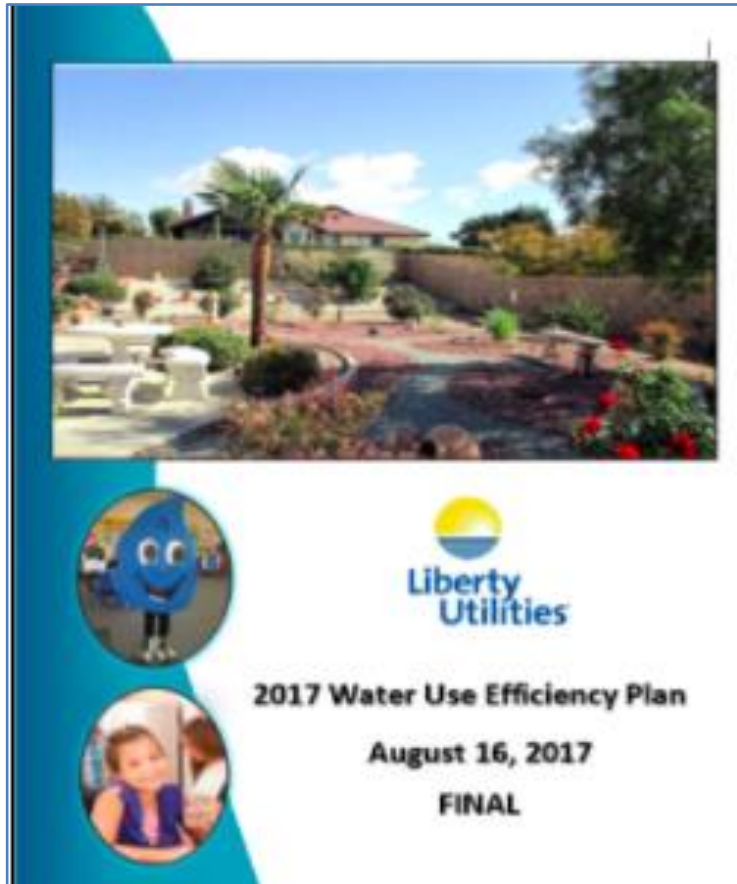


*MADDAUS
WATER
MANAGEMENT
INC.*

Michelle Maddaus, *President*

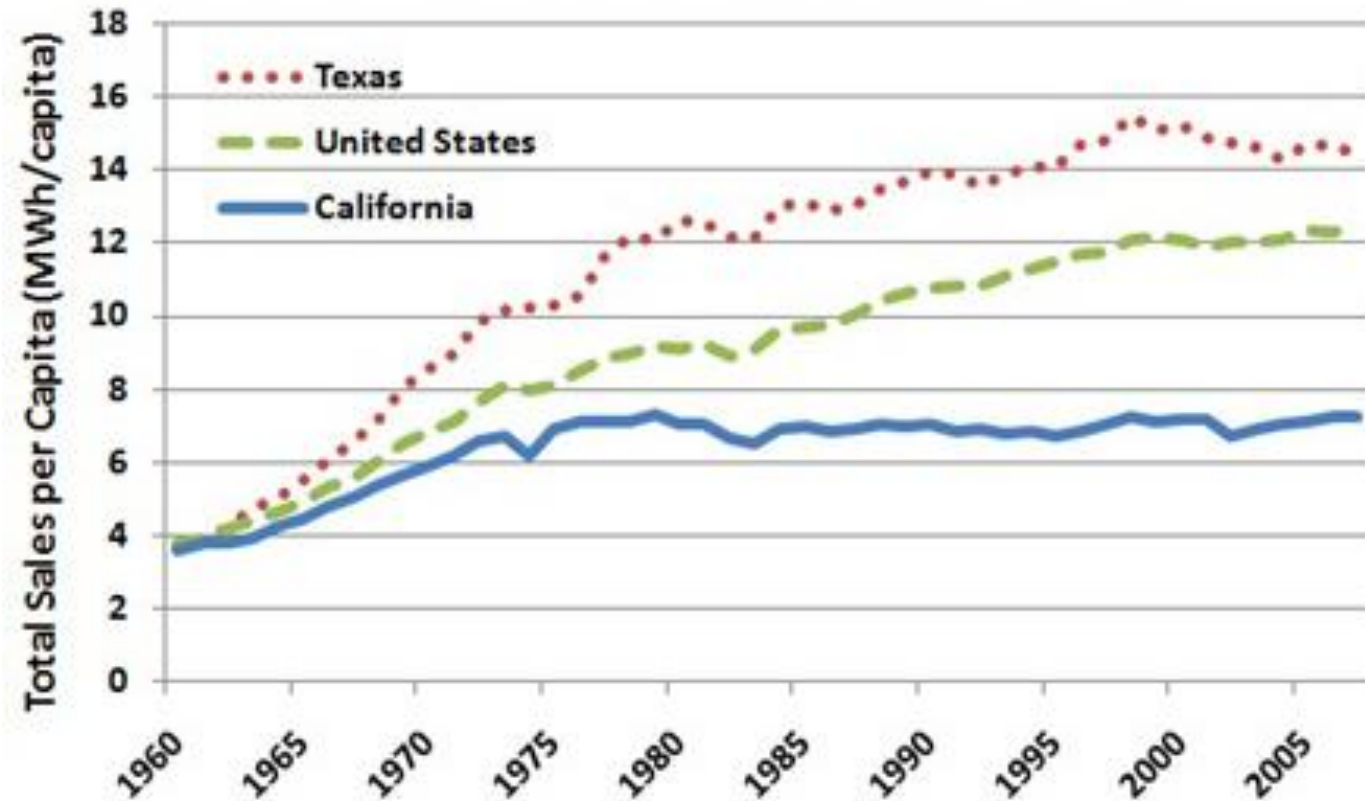


Strategies driving reduced water use:



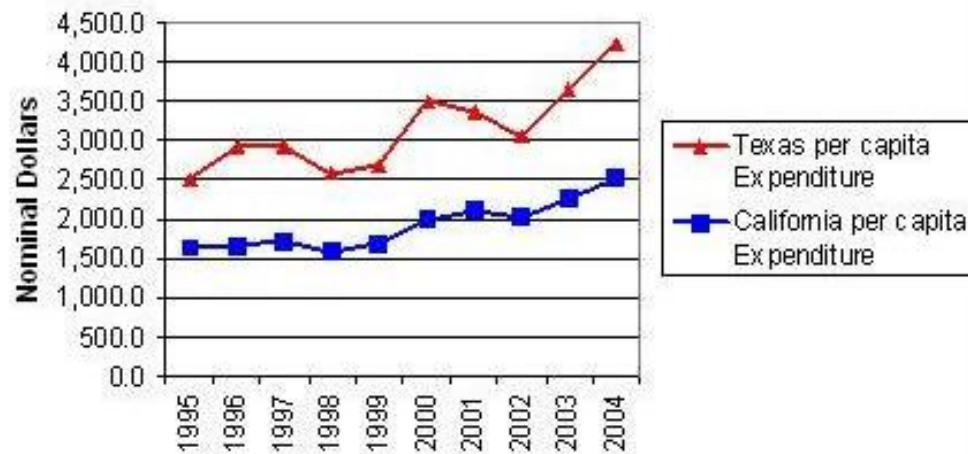
CALIFORNIA VERSUS TEXAS

Electricity Sales Per Capita Per Year from 1960-2007



Source: <https://melissalott.wordpress.com/2010/11/14/1319/>

Per Capita Expenditure



Source: <http://www.pacificviews.org/weblog/archives/018931.php>



Communicating with Ratepayers
Getting Past “Paying More for Less”

The Challenges of Communicating to Ratepayers

The Communications Struggle is Real

Rates are going up

Change is hard

Rate structures/utility finances are innately complex

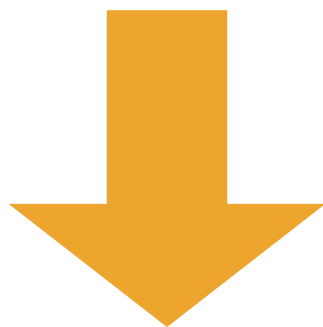
New way of thinking about paying for water as a service, not a commodity.



Communicating with Ratepayers

A solutions-based toolkit

Long term strategy building utility overall brand, trust and basic broad level understanding about the value of water locally



Short term strategy for a specific and local need, in a way that resonates & builds on trusted relationship

WaterNow Alliance's Three Foundational Communications Themes

THE MESSAGE

**THE TIMING AND
FREQUENCY OF
COMMUNICATION**

**THE VEHICLES OF
MESSAGE DELIVERY**

Challenge: Getting the Message Right

**Your message is what you are saying
and how you are saying it.**

Challenge: Timing and Frequency

- Utilities tend to **avoid the discomfort of publicity** - being in public eye
- **Resistance to spending** rate dollars on “PR” or marketing department
- **Fear of public reception** to “bad” news (i.e. rate increases, need for \$ for infrastructure)

Challenge: Vehicles of Message Delivery





Communicating with Ratepayers
Getting Past "Paying More for Less"

Learning from Leaders: Three Case Studies



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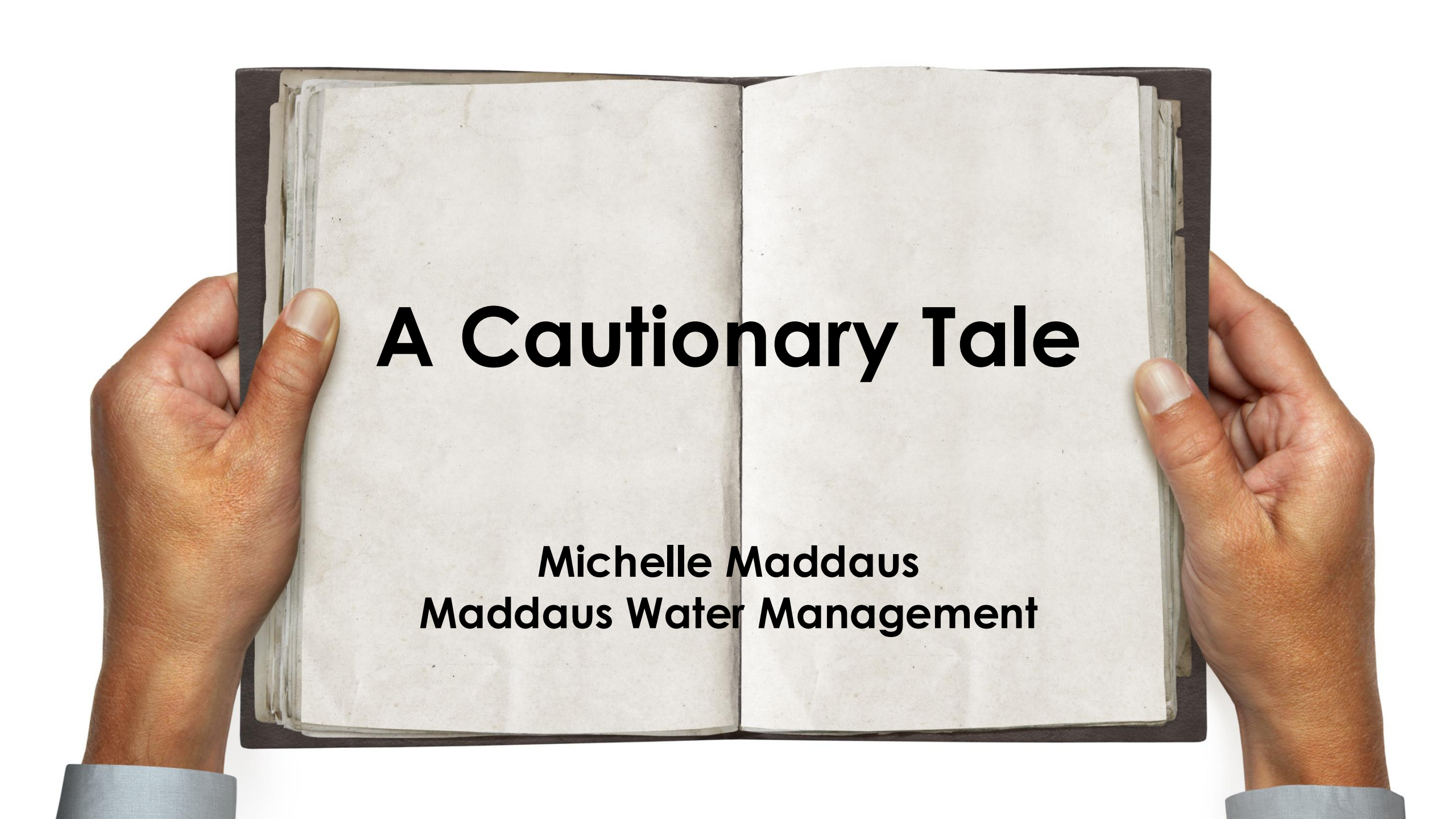


moulton niguel water district



DENVER
WATER





A Cautionary Tale

Michelle Maddaus
Maddaus Water Management

CASE STUDY – Service AREA – 141,000 people

THE MESSAGE

No clear message that connected new rates to WHY the increase was needed

TIMING

No advance notice that rates were changing.

And at the same time installing AMI meters while also going after a NEW Capital project

VEHICLE

Bill inserts only.

Some customers were not even getting these – e.g., if only renting

LONG ISLAND / [NASSAU](#)

Customers air grievances in Glen Head over surging water rates



Agatha Nadel, of Glen Head, questions New York American Water Co. about her high water bills at a civic association meeting at North Shore Middle School on Wednesday, Aug. 9, 2017 in Glen Head. Photo Credit: Howard Schnapp

By Chau Lam

chau.lam@newsday.com

Updated August 9, 2017 11:16 PM

[PRINT](#) [SEE COMMENTS](#) [SHARE](#) 

Angry water customers crowded into a Glen Head middle school Wednesday night, with some demanding a private provider cut their monthly bills and others urging lawmakers to approve a public utility to drive down rates.

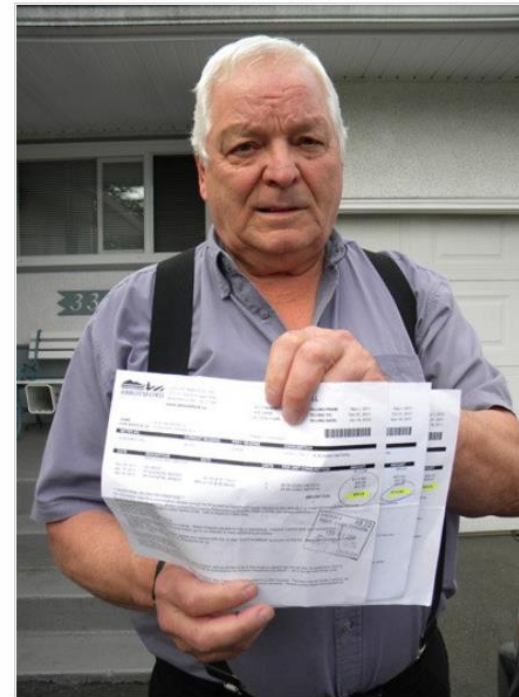
CASE STUDY –



Water-meter billing questioned in Abbotsford

Some homeowners say they are concerned about high fluctuations between billing periods, but the city says the meters are reliable.

KEVIN MILLS / Apr. 17, 2012 9:00 a.m. / NEWS



Are Abbotsford's radio-read water meters reliable?

The city believes so, but some homeowners have been studying their water bills and questioning whether they're accurate. High fluctuations between billing periods have raised doubts.

Gary Lein, a local resident for more than two decades, said his recent water bills have been puzzling.

Gary Lein is skeptical of his new water meter after his bill suddenly doubled.

In July-August, he was charged \$55.40. That shot up to \$112.80 for September-October, then back down to

CASE STUDY –



Tiered water affected thousands

Demise considered good news by large families

Kevin MILLS
Abbotsford News

The cancellation of the tiered water rate system was great news to Bhupinder Singh Bansal.

The Abbotsford resident has been a vocal opponent of the system, calling it unfair to large families who use more water living normal daily lives.

Bansal has spoken to council, asking them to axe the tiered system in favour of a uniform rate.

He was in the audience on Monday when council did just that.

"It's very good. They listened to us," said Bansal.

Coun. John Smith led the charge for change, having argued against tiered rates from the beginning. He called it unfair to force people to pay a higher rate per cubic metre (1,000 litres), based on consumption.

The former tiered system

had users paying \$1.13 per cubic metre in the winter, but those rates would rise in the high use months (May to October). Only the first 60 cubic metres used in a billing cycle (every two months) was charged at \$1.13 per cubic metre. The cost jumped to \$1.43 for 60 to 91 cubic metres and rose again to \$2.26 for every cubic metre over 91.

"People should pay for what they use, but should be charged the same rate for the first 1,000 litres as they are for the last 1,000 litres," said Smith.

Beginning on May 1, the new rate will see users pay \$1.15 for every cubic metre of water used.

There is no cost associated to the city for the change.

Bansal said he and those he's talked to are satisfied.

"The slight change in price is OK, it's fairly minor."

Smith said the change will not affect the city budget, which reflected no rate increase for water.

He said the move is not considered to be an increase because the water budget was created based on achieving an average cost of \$1.15 per cubic metre.

"And to do that a pile of people would pay \$1.13, so we'd pick up the two cent shortfall from those who paid higher rates."

Originally, the tiered system was initiated to promote conservation in the summer months.

However, many large families felt it penalized them.

Owners of homes with secondary suites also felt the system was unfair.

According to Smith, about

7,000 people were affected by the tiered rates and were "paying dearly" for an essential commodity.

He said the city is like a monopoly because residents can't buy their water anywhere else.

He feels bi-monthly billing will still promote conservation.

As part of his motion, Smith also asked staff to investigate a process that would bring the ICI (industrial, commercial and institutional) and agricultural water rates in line with residential. Currently, they pay less.

The ICI/Ag rate is 92 cents per cubic metre for the first 10,000. That rate drops to 85 cents for 10,000 to 100,000 and drops again, to 69 cents for anything over 100,000 cubic metres.

"I want to see if it's possible to change that," said Smith.



BANSAL

What DOESN'T work...

Utility lacks
knowledge of
customer base
+
Customers lack
knowledge of cost of
water

Utility tries to do too
much all at once

Not utilizing the
vast array of
vehicles to get
message out



angry water customers



All

Images

Shopping

Videos

News

More

Settings

Tools

About 22,800,000 results (0.61 seconds)

Customers air grievances in Glen Head over surging water rates ...

<https://www.newsday.com> › Long Island › Nassau ▼

Aug 9, 2017 - **Angry water customers** crowded into a Glen Head middle school Wednesday night, with some demanding a private provider cut their monthly ...

You've visited this page 3 times. Last visit: 11/13/17

Images for angry water customers



→ More images for angry water customers

Report images

Company's Amazing Reply to a Raging Customer Has Fans and ...

www.adweek.com/.../fans-and-orders-pouring-bottle-maker-who-stood-angry-custom... ▼

Dec 13, 2013 - Every once in a while, giving a foul-tempered **customer** a public skewering can be good for business. At least that seems to be the lesson of ...

Skyrocketing water bills mystify, anger residents - CNN.com

www.cnn.com/2011/US/03/01/water.bills.war/index.html ▼

Mar 2, 2011 - Skyrocketing **water** bills mystify, **anger** residents. See show times » ... --Debbi Scarborough, Atlanta residential **water customer**. RELATED ...

TIME FOR A POLL



Communicating with Ratepayers

Getting Past “Paying More for Less”



Building support for rate structure change
Melissa Elliott, Raftelis Financial Consultants, Inc.

Aligning rate expectations

- Lessons learned workshop
- Surveying customers
- Advisory Stakeholder Committee
- Focus Groups to check messaging

Lessons Learned Workshop

- Partnered with Water Research Foundation
- Four water utilities
- Environmental Organizations
- Energy perspective
- Two-day workshop
- More than 70 participants



Customer Survey





Communicating with Ratepayers
Getting Past "Paying More for Less"

Stakeholder Advisory Committee



Focus Groups



Focus Group Findings

- Acknowledgement of need for structure change (revenue, weather influences, growing population)
- Concerns about whether the new rate structure continued to encourage water conservation
- Single family residents and commercial customers were less convinced that they would benefit from the new structure
- Participants stressed a need for transparency in communication, but also not to overwhelm them with data
- Customers were accepting of the terms “AWC” and “service charge”

Measures of success

- This effort drove more information into the decision process by adding more perspectives
- Increased mutual understanding
- Built relationships the utility didn't have before
- Rate structure was implemented on time and is working as expected
- Customer inquiry met expectations
- Customer survey matched reality
- 2017 customer survey showed Denver Water maintained a 92% customer satisfaction rating

Lessons learned from our experience

- Allow time to do your homework, this took two years!
- Customers should hear from you all the time, not just when you want something
- Social media is real, be prepared when customers react
- A broad-based stakeholder committee carries weight
- Set your Board's expectations for customer reaction
- Keep your message simple
- Do your research, don't assume customer reaction
- Build trust by being transparent



moulton niguel water district

Communicating with Ratepayers: *Getting Past “Paying More for Less”*

Matt Collings, Assistant General Manager

Moulton Niguel Water District

Quick Facts:

- Formed in 1960
- Elected 7-Member Board of Directors
- Serve 6 Cities
- 37 Square Miles
- 55,000 Customer Accounts
- 170,000+ Customers
- 139 Brand Ambassadors



moulton niguel water district

Customer Communications Through a Variety of Channels



Leveraging your staff to get the message out!

- Run trainings for all staff across departments.
 - Some of the most meaningful interactions happen in the field – keep consistent messaging!
- Coordinate across departments.
 - hold weekly calls with department heads to discuss outreach and communications opportunities



Case Study: Moulton Niguel's Rate Structure

- It's not about using less, it's about *wasting* less
- Water budget-based tiered rate structure
 - Monthly indoor and outdoor water budgets for each customer, based on customized needs
 - Customers who use what they've been allocated get billed at the lowest available rates





Communicating with Ratepayers
Getting Past “Paying More for Less”

The WaterNow Alliance Communications Toolkit



Communicating with Ratepayers

Getting Past “Paying More for Less”

“There’s nothing that peeves customers more than to be told to conserve, and then turn around and say, ‘Good job, now we’re raising rates,’” said Max Gomberg, climate and conservation manager for the water resources control board.

--Washington Post, Feb. 2016





The alternative is paying more for more

Farm water to city taps: It won't be cheap

 Recommend

169

 Tweet

 G+1

0

 Share

6

Print

Email



Respond: [Write a letter to the editor](#) | [Write a guest opinion](#)





Communicating with Ratepayers

Getting Past “Paying More for Less”

A lot more for more...

*A water rate hike expected to kick in Jan. 1 will include money for water from Poseidon’s new \$1 billion desalination plant, even though the city may not take it... “It’s like buying an insurance policy,” Mayor Hall said. **Officials still aren’t sure whether the guaranteed supply will be worth the additional expense.***

--San Diego Union Trib, Dec. 2015





Communicating with Ratepayers

A solutions-based toolkit

**Clear, localized
messages that
speak specifically to
your ratepayers**

**Consistent outreach
and communication
with your ratepayers**

**Diversity of
messengers and
channels of
communication
that fit your
community**



Communicating with Ratepayers

Getting Past “Paying More for Less”



A long-term comms strategy will help you
build a **reservoir of trust** in your community!



Getting Past “Paying More for Less”

Tips & strategies to tackle the challenge

Developing a **specific communication strategy** builds right on top of your long term strategy – think of it as **a mini campaign**.

THE MESSAGE

THE TIMING AND
FREQUENCY OF
COMMUNICATION

THE VEHICLES OF
MESSAGE DELIVERY



Invest in knowing your community

THE MESSAGE



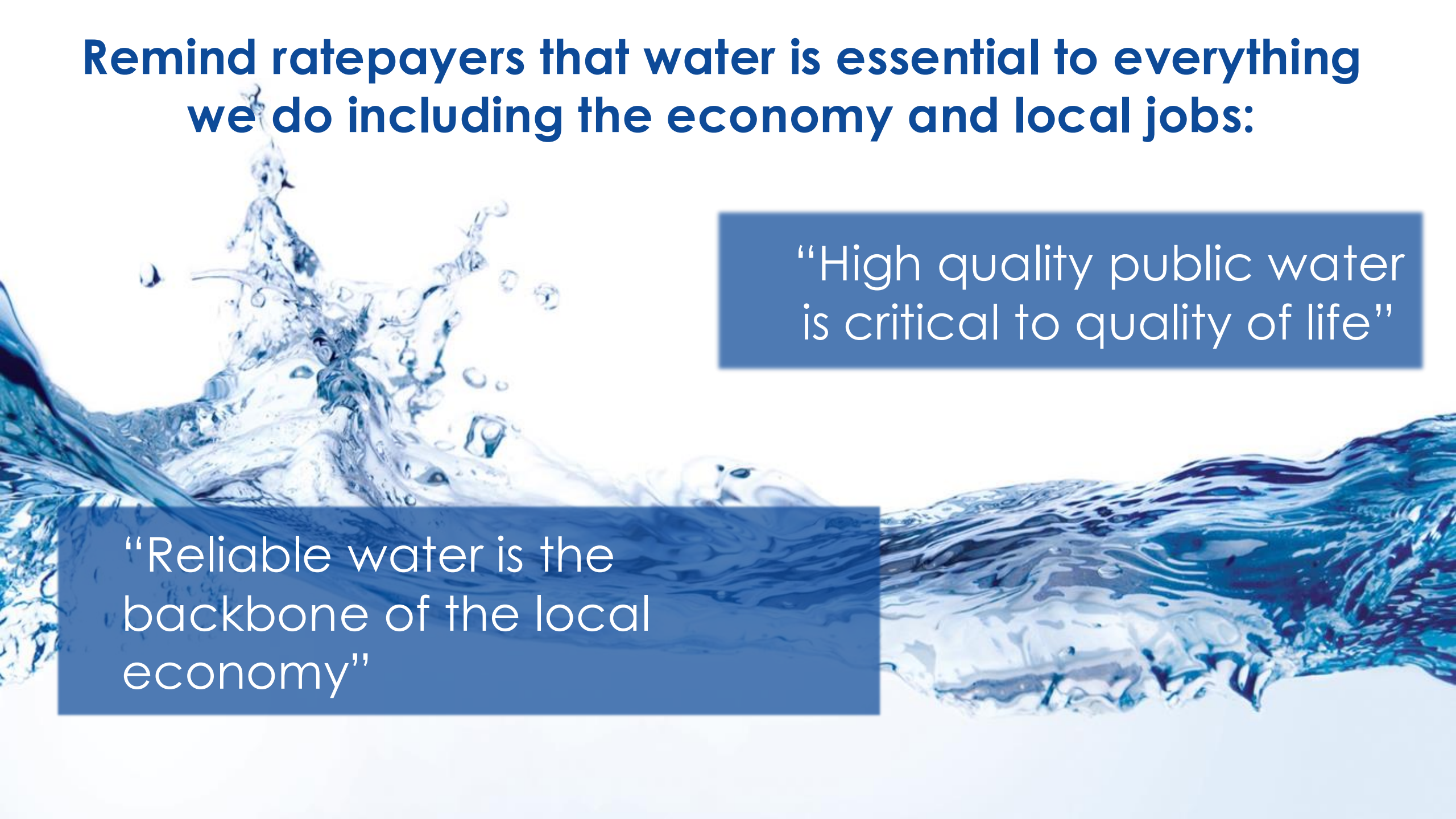


Creating Messages that Resonate

THE MESSAGE



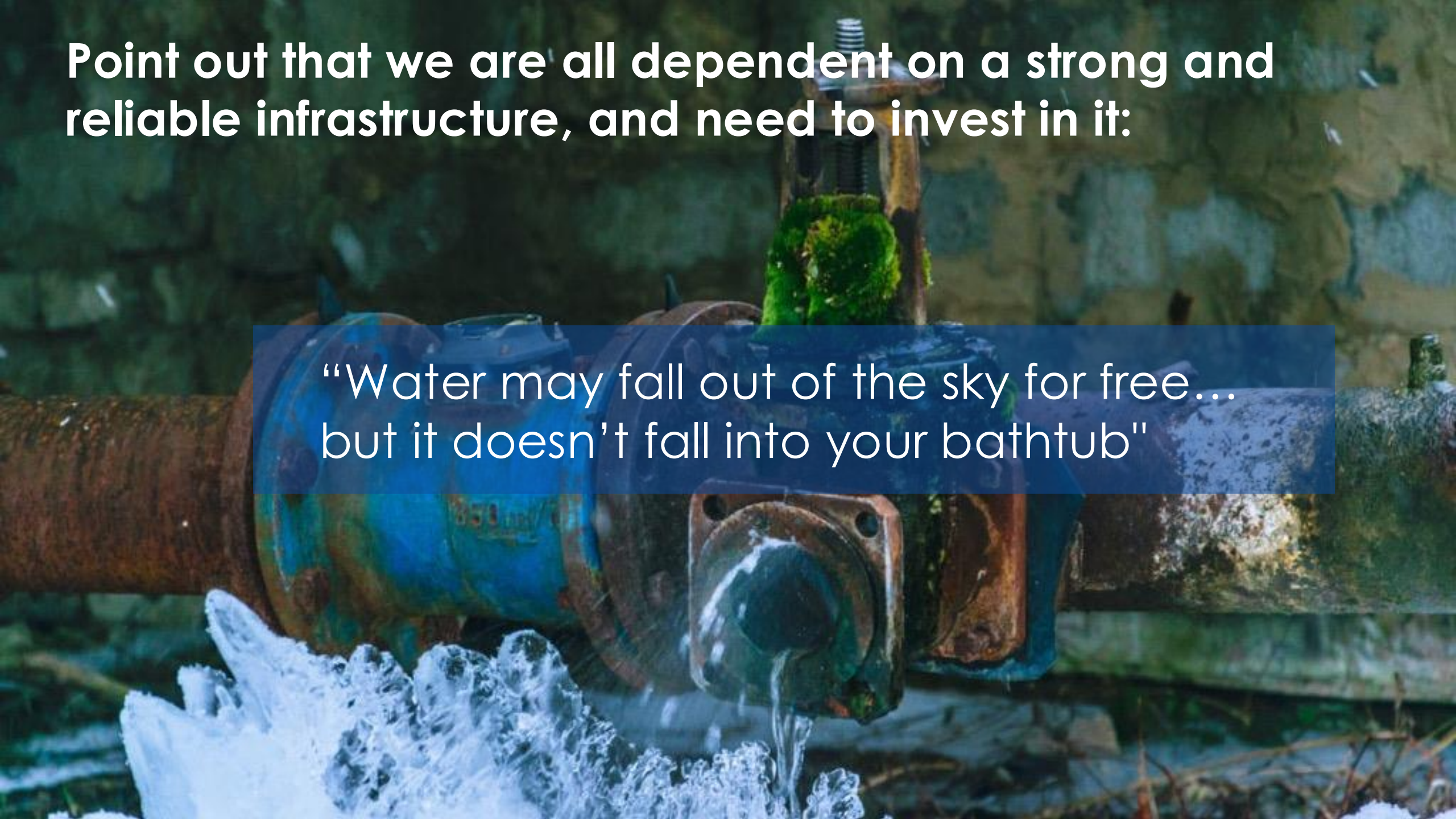
Check out your binder for some of our favorite reports and messaging guides!



Remind ratepayers that water is essential to everything we do including the economy and local jobs:

“High quality public water is critical to quality of life”

“Reliable water is the backbone of the local economy”



Point out that we are all dependent on a strong and reliable infrastructure, and need to invest in it:

“Water may fall out of the sky for free...
but it doesn't fall into your bathtub”

Connect solutions to cost savings

A photograph of a well-maintained garden. In the foreground, there are large, dark grey rocks. Behind them, there are several types of plants: purple flowers (possibly heather or lavender), green shrubs, and tall, thin grasses. In the background, a portion of a house with a white window is visible.

“Water use efficiency keeps rates affordable by limiting the need for expensive new capital costs.”



Developing your specific message

THE MESSAGE

Step 1: Get clear about what you want to do

Step 2: Pick the frames that work for you, and ID frames to avoid.

Step 3: Create 3-5 TOP messages and stick to them!



Step 1: Get clear about what you want to do

THE MESSAGE

So, in this case we are...

Restructuring water rates to ensure fiscal health as the utility shifts to more reliance on efficiency, reuse, or other innovative water strategies.



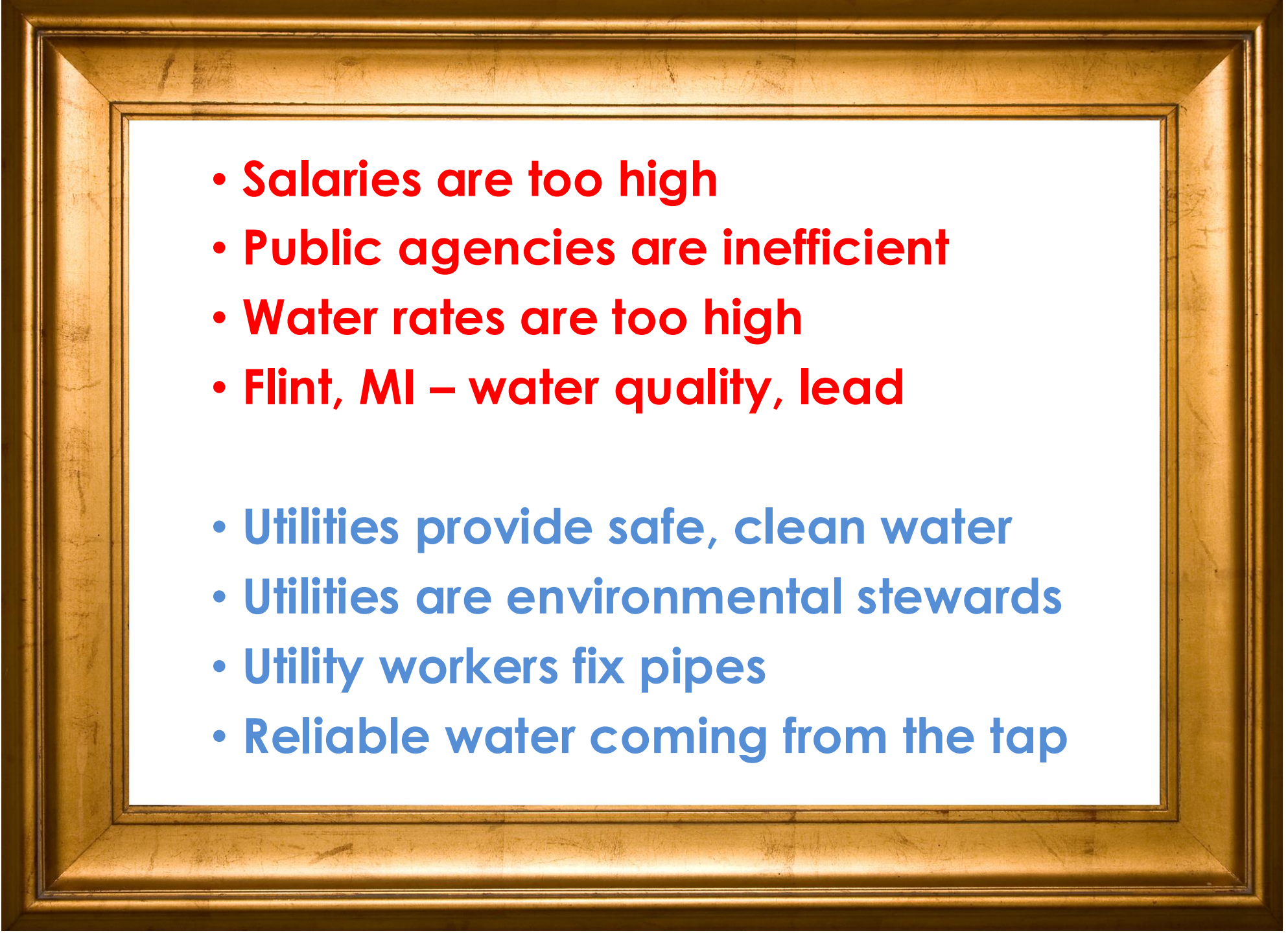
Step 2: Pick helpful frames

THE MESSAGE

Using the right frames to increase your message's impact and avoid opposition

What is a Frame?

A frame is a set of themes that an audience associates with an issue or idea.

- 
- Salaries are too high
 - Public agencies are inefficient
 - Water rates are too high
 - Flint, MI – water quality, lead
-
- Utilities provide safe, clean water
 - Utilities are environmental stewards
 - Utility workers fix pipes
 - Reliable water coming from the tap

Provide clear info about local needs

Tie rate action to providing for a
reliable, healthy, and safe
community





Step 3: Create 3-5 Topline Messages

THE
MESSAGE





Alliance for Water Efficiency

Key Messages

THE MESSAGE



“For decades, we have worked hard to ensure **high-quality drinking water continuously flows to your taps.**”

“To protect our water future, we need to take **a different approach** to the way we share, use and pay for water.”

“Conserving water and using water efficiently **are the right thing to do** for our community, and it **saves you money in the long run.**”

“Your local water continues to be **affordable** and is one of the best values out there.”



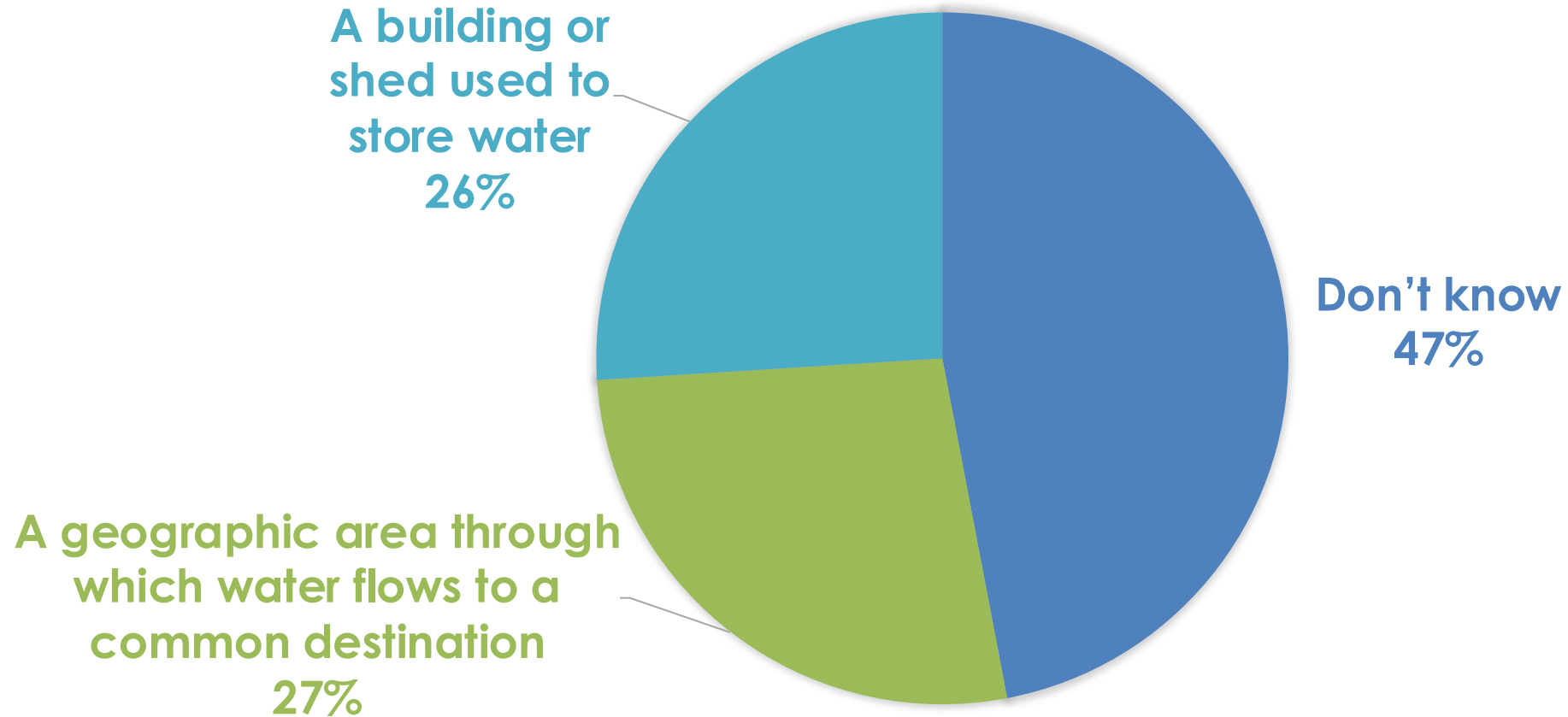
Communicating with Ratepayers

Getting Past “Paying More for Less”





“IN YOUR OWN WORDS, WHAT DOES THE TERM ‘WATERSHED’ MEAN TO YOU?”





Communicating with Ratepayers

Getting Past “Paying More for Less”

Bad Words to Avoid	Good Words to Use
Environment	Land, air and water
Ecosystems	Natural areas
Biodiversity / endangered species	Fish and wildlife
Regulations	Safeguards/protections
Riparian	Lakes, rivers and streams
Aquifer	Groundwater
Watershed	Land around rivers lakes and streams
Environmental groups	Conservation groups/organizations protecting land, air, and water
Agricultural land	Working farms and ranches
Urban sprawl	Poorly planned growth/ development



THE MESSAGE

THE
MESSAGE



U.S.

NASA: CALIFORNIA HAS ONE YEAR OF WATER LEFT

The unprecedented water crisis of 1992

American South

If You

How a California town completely ran out of water

Worse, Wait Until the Aquifers
are Drained

8 states running out of water

Lake Mead sinks to record low, risking water shortage

GOVERNOR BROWN DECLARES DROUGHT STATE OF EMERGENCY



Testing your message: polling & focus groups

THE MESSAGE

Once you’ve developed your message, **test the content** – just because you think you know how to talk with customers about rates, doesn’t mean you do.



TIMING & FREQUENCY





Communicating with Ratepayers

Getting Past “Paying More for Less”

**TIMING &
FREQUENCY**



**KEEPING A STEADY
DRUMBEAT IS CRITICAL**



Getting your message out!

TIMING & FREQUENCY

Building on your long term strategy, follow these tips:

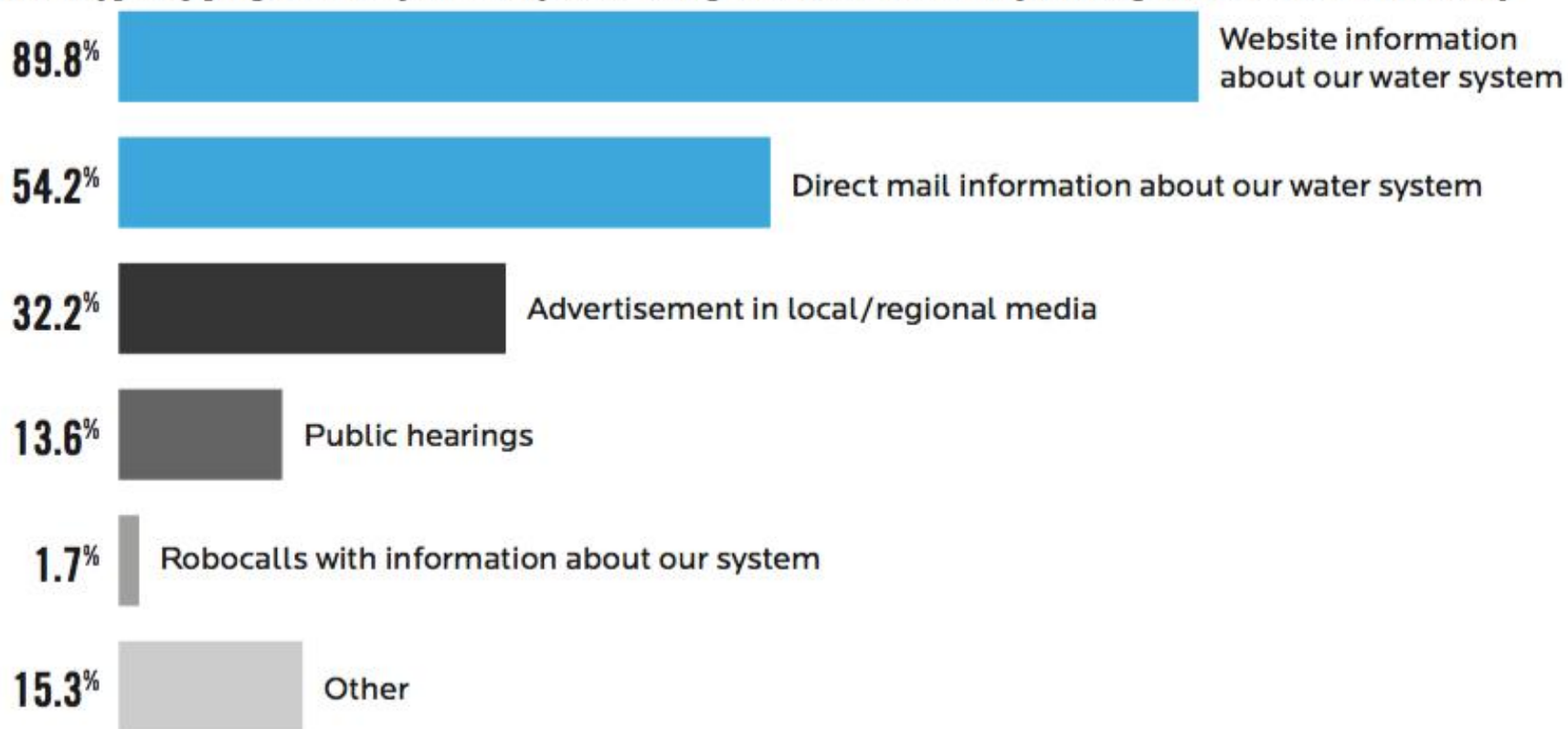
- Find out what else is happening in the community
- Coordinate with other agencies and departments as much as possible.
- Don't try to do too much at once. Make sure that your utility is not currently pursuing other initiatives that might dilute or confuse ratepayers



Common Channels of Communication

Figure 3

What types of programs are your utility considering to raise awareness? [Drinking Water Services Providers]



Source: Black & Veatch



Social Media: A blessing, a curse, or both?

VEHICLES,
CHANNELS
AND
MESSENGERS

Regardless, it's where people are at



TIME FOR A POLL



“Being invisible no longer serves the industry” -Black & Veatch

**VEHICLES,
CHANNELS
AND
MESSENGERS**

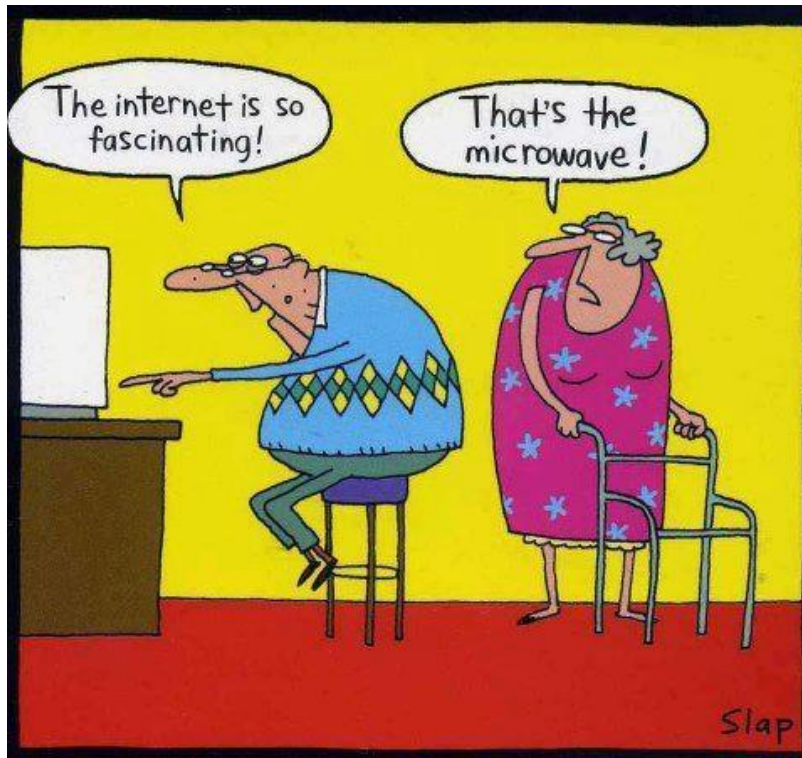
Get out in your community!





Meet your Ratepayers Where they Live

VEHICLES,
CHANNELS
AND
MESSENGERS



Tailor your efforts to make sure you're reaching the most sensitive audiences that will be most impacted by the change.



Partner with Local Leaders

VEHICLES,
CHANNELS
AND
MESSENGERS

Build alliances with trusted community members and groups aligned with your messages - recruit them as outside validators

- Host press conferences with featured validator
- Make short videos for your website
- Write op-eds in the local newspaper
- Attend community events

*Check your binder
for more ideas!*



A long-term comms strategy will help you
build a **reservoir of trust** in your community!

FINAL POLL



Questions?

Join the Alliance



Learn More and Sign Up

www.waternow.org/jointheleaders



THANK YOU!

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