



# Alternative Water Source Program

Finance Committee Meeting

August 18, 2020

# MEETING AGENDA

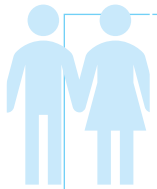


- Affordability Considerations
- Funding Options
- P3 Follow-up

# Affordability Considerations



Defining  
affordability



Characterizing  
customer base



Understanding  
potential impacts



Formulating  
assistance strategies



# What is **Affordability?**

## Common belief:

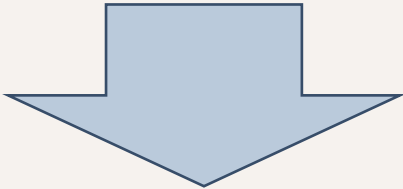
- Water should be accessible and low cost

## Reality:

- True cost of water must be considered/communicated
- Financial burden of water bill will be greater for some households
- Communities are constrained when burden is not fully understood

# Burden Metrics

- Who is burdened?
- How are they impacted?



- What can be done to mitigate impacts?

## USEPA Affordability Metrics\*

### Water

- High Burden = 2.5 % of MHI

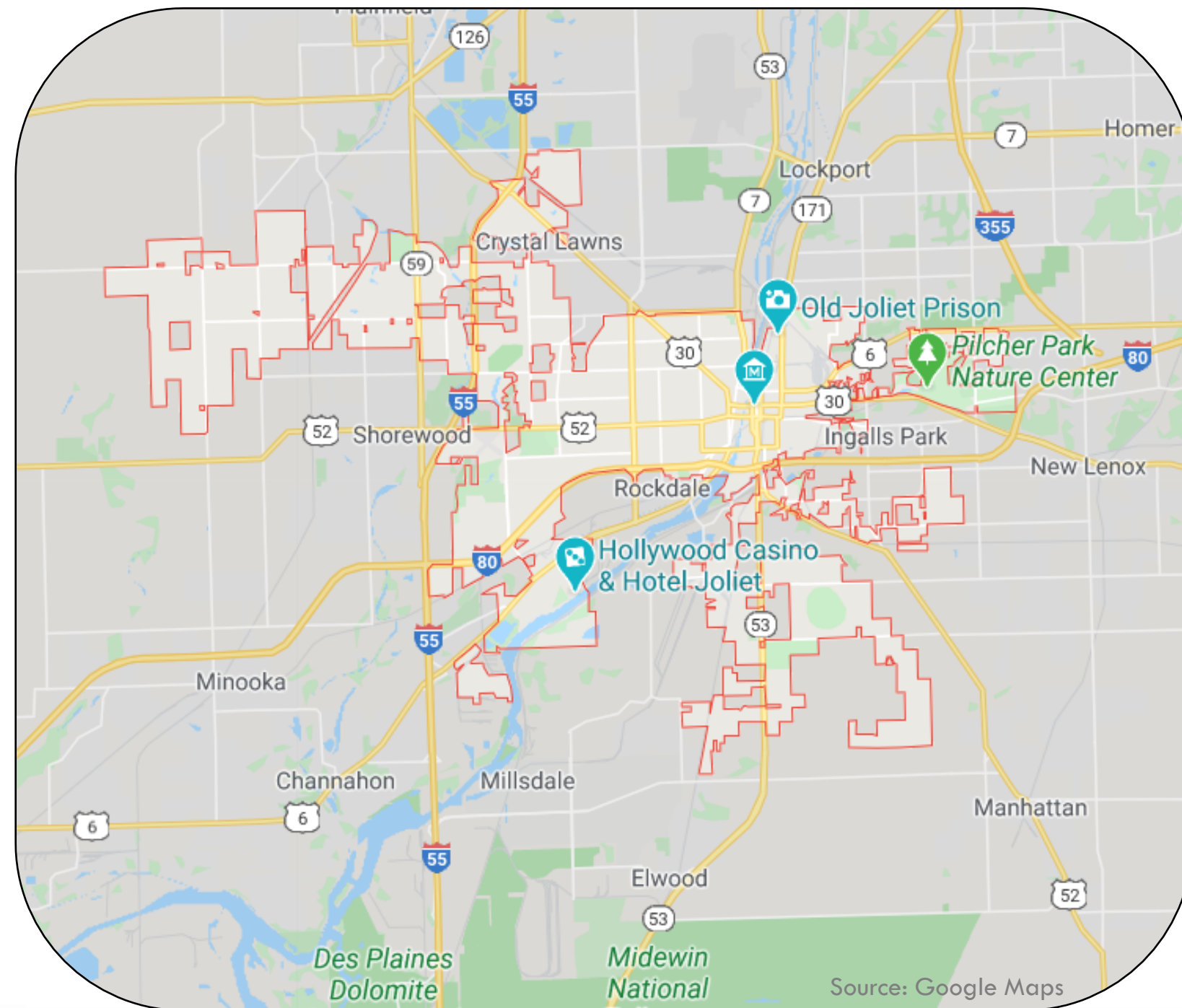
### Wastewater

- High Burden = 2.0 % of MHI

*\* Existing thresholds; Currently under review*



# City of Joliet





Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



# Joliet Water Service Area

- ~49,000 accounts

A map of the Joliet Water Service Area showing numerous green circular markers representing water accounts. The service area is outlined by a dashed black line. A legend in the bottom left corner shows a dashed line icon next to the text 'Service Area Tracts'. The map includes labels for various locations such as Plainfield, Lockport, Mokena, and Manhattan.

Service Area Tracts





# Median Household Income

□ Joliet, IL	\$67,504
□ USA	\$60,293

Source: US Census Bureau 2018 5-year estimate

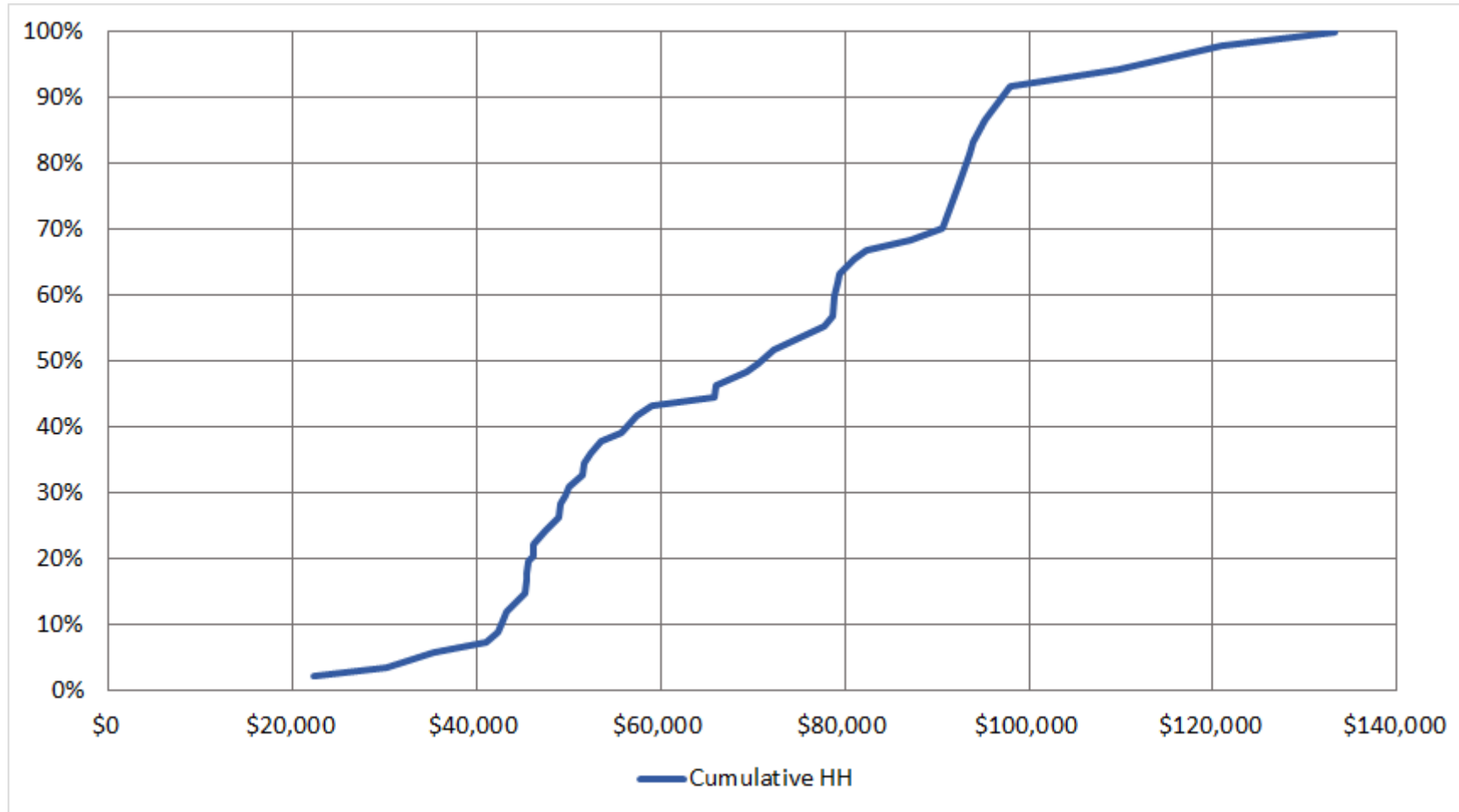
## 2018 Median Household Income

■	< \$30,000
■	\$30,000 - \$40,000
■	\$40,000 - \$50,000
■	\$50,000 - \$65,000
■	\$65,000 - \$80,000
■	\$80,000 - \$100,000
■	> \$100,000

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



# Approximate % of Households in Census Tracts with $MHI < X$



# Family Poverty Rate

\$26,200 for a family of 4

Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, 151st St, GSA, Geoland, FEMA, Intermap and the GIS user community

Plainfield

Lewis  
Airport

Lockport

W 167th St

Crest Hill

New Lenox

W Mound Rd

Rockdale

Minooka

Will

Manhattan

Elwood

Midewin  
National Forest

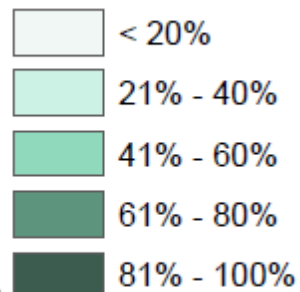
## Tract Poverty Rate

- ≤10%
- 10% - 20%
- 20% - 30%
- 30% - 40%



% of  
Households  
paying  
**>35% of  
income to  
rent**

**Percent of Households  
Paying >35% of Income  
on Rent**



Sources: Esri, HERE, Garmin, Intermap, increment P Corp.,  
GEBCO, USGS, FAO NPS, NRCAN, GeoBase, IGN, Kadaster NL,  
Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c)  
OpenStreetMap contributors, and the GIS User Community



# Strategies to Mitigate Customer Impacts



## *Project Focus*

- Highest Value – Lowest Cost Alternative
- Financing Strategies
  - Favorable terms
  - Flexible terms
  - Partner contributors
- Operating and Maintenance efficiencies



# Strategies to Mitigate Customer Impacts



## *Customer Focus*

- Water Efficiency Support
- Temporary Assistance – tied directly to bill
- Credits/Discounts – monthly bill adjustments
- Flexible Terms - Payment plans
- Lifeline Rate - Low rate for fixed volume
- Crisis Funding - One-time or short-term relief



A large, stylized water droplet is positioned on the right side of the slide, containing several smaller bubbles. The background is a light blue gradient.

# Alternative Water Source Program **Funding Options**



# Example Funding Options

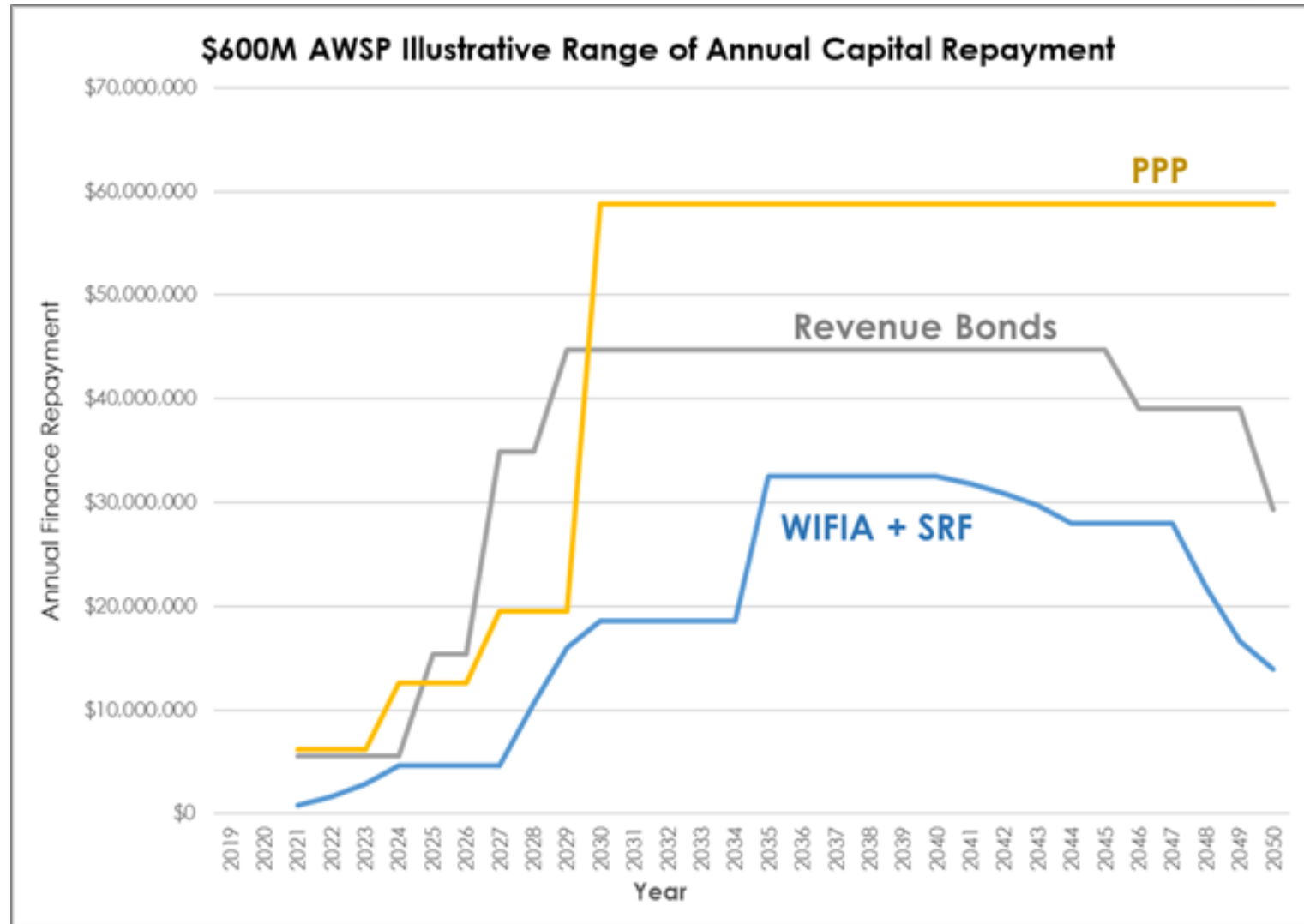
## WIFIA/SRF/Bonds

- WIFIA
  - 49% of total
  - 3% interest over 30 years
  - 1<sup>st</sup> Payment deferred 5 yrs post construction
- SRF
  - Up to \$50 million per year
  - 2.5% interest over 30 years
- Municipal Bonds
  - 4% interest over 20 years

## All Bonds

- Municipal Bonds
  - 4% interest over 20 years

# Funding Strategy Impacts





# Alternative Water Source Program **P3 Follow-up**



# Public-Private Partnership (P3) Follow-up



	Delivery Control	Schedule Control	Delivery Risk Reduction	Stakeholder Support	Recommendation
P3: Full System Delivery/Ownership/Operation	↓	↓	↑	↓	NO
P3: New Intake Supply Delivery/Ownership/Operation	↓	↓	↑	-	Assess
P3: New WTP Operation	↑	↑	-	↓	NO
P3: Alternative Delivery	↑	↑	↑	↑	Assess



Questions?

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