

**AGENDA**

For

**WORK SESSION**

**Tuesday**

**November 6, 2018**

**6:00 PM**

1. Call to Order
2. LORCO Update
3. St. Jude Dream Home Sponsorship Opportunity
4. Affordability
5. Other Items
6. Adjourn



Avon Lake Regional Water  
**MEMORANDUM**

To: **Board of Municipal Utilities**

From: **Todd Danielson & Rob Munro**

Subject: **Agenda Items – November 6, 2018, Work Session**

Date: **November 2, 2018**

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Item: **LORCO Update – TAD**

LORCO Executive Director, Gene Toy, will provide the Board his annual update regarding LORCO growth and prospects.

Item: **St. Jude Dream Home® Giveaway Sponsorship Opportunity – CMA**

The St. Jude Dream Home® Giveaway is a community fundraiser where sponsors donate time and materials to build a home for raffle, with the proceeds going to St. Jude Children's Research Hospital. The program has been in place for 27 years, giving away over 400 homes, including several in the Cleveland area. Last year's home was in Rocky River and past homes have been in Avon and Avon Lake.

Recently, Avon Lake was selected for the Cleveland area 2019 St. Jude Dream Home. The home will be on Mitchell Court in Piccolo Place (off of Walker Road near the Safety Center).

The St. Jude Dream Home Advisory Board approached the City of Avon Lake about sponsoring the home through a waiver of costs associated with building the home. In addition, Avon Lake Regional Water was approached for sponsorship by providing a waiver of connection fees for water and wastewater services.

Staff will present additional information during the work session and requests guidance from the Board if the Board would like to pursue this sponsorship opportunity.

Item: **Affordability – TAD**

Last year, Board members discussed whether there may be a need to consider an affordability program, given recent and future rate increases. Though average water and wastewater bills in Avon Lake are much below the average bills in Ohio, members have expressed concern that the anticipated rate increases during the next several years may be felt more significantly by certain subsets of Avon Lake's population.

The 2016 American Community Survey estimates 3.8% of Avon Lake's population lives at or below the poverty line, and this percentage is elevated (at 7%) among seniors age 65 and older. Community Resource Services (CRS) uses criteria of 200% of the poverty level as the cutoff for whether families may qualify for assistance. There is currently a lot of discussion nationally regarding affordability of water and wastewater bills and what percentage of income they should consume. Sometimes, a target of 2% or less of income is used. For reference, a summary of these data points is presented in the following table:

Number of people	Poverty Guideline	CRS Eligibility Level	2% of Poverty	2% of CRS	Estimated 2018 W+WW Bills
1	\$12,140	\$24,280	\$243	\$486	\$187
2	\$16,460	\$32,920	\$329	\$658	\$341
3	\$20,780	\$41,560	\$416	\$831	\$496
4	\$25,100	\$50,200	\$502	\$1,004	\$650

If the Board desires, the CUE will revisit potential affordability program options. When members last commented, guidance provided indicated that there was an interest for the overall rate structure to include a minimum service charge that may be somewhat offset for the affordability program. Members also indicated that they would prefer not to provide a flat percentage off of the bill but, rather, the concept of assisting with "lifeline needs." The CUE seeks confirmation of these desires and any additional comments by the Board as he develops program options.

