

**Attachment 1A
MEETING SUMMARY
MEETING OF
DIRECTORS OF UTILITIES COMMITTEE
April 3, 2013
Chesapeake**

1. Summary of the March 6, 2013 Meeting of the Directors of Utilities Committee

There were no comments on, or revisions to the summary of the March 6, 2013 Committee meeting.

ACTION: The summary of the March 6, 2013 meeting of the Directors of Utilities Committee meeting was approved.

2. askHRgreen.org Update

2012 askHRgreen.org Survey Results: HRPDC staff provided an overview of the second wave of askHRgreen.org research. The report compares responses from 2010 and 2012 surveys to measure changes in population behavior and the evolving effectiveness of the askHRgreen campaign. A copy of the presentation is attached. The complete report summary will be made available.

Staff summarized the general highlights of the survey results, noting that perceived knowledge of environmental issues has increased among people that are aware of askHRgreen.org, especially among the demographic targeted for offending behaviors. Staff also briefed the Committee on the survey results for water awareness and fats, oils, and grease (FOG). Results show that, among people aware of askHRgreen.org, more people responded that tap water is a good value and are decreasing the use of bottled water for drinking. Fewer people reported disposal of FOG down the drain or in the yard. There was no change in garbage disposal use, which indicates a need to further highlight disposal messaging.

Discussion items and Committee comments are summarized below:

- **Tap Water:** The Committee asked if the survey provided more detailed information on the respondents who do not regularly drink tap water and their specific concerns. Staff noted the report findings as, of the 18% of respondents who do not regularly drink tap water, 68.4% cited taste and 44.7% cited “health and safety concerns” with additional written comments on chlorine, chemicals, bacteria, untrustworthy pipes, and strange tastes. The only noticeable demographic subgroup expressing these concerns is non-college graduates.
- **Consultant Performance:** The Committee asked for staff’s thoughts on the consultant. Staff noted that they had a positive experience and were pleased with

the consultant's efforts to involve the askHRgreen.org committees with multiple opportunities for review and input for study design. Staff also appreciated the firm's professional advisement and quality of the deliverable.

- **Potential Research:** The Committee asked if the study results indicated specific questions that should be probed further via a focus group. Staff noted that the results showed several opportunities for focus groups, informal surveys, and message testing to better target the campaign. Results particularly highlighted a disconnect in respondents' understanding of impacts to water quality. Tap water "health and safety concerns" was suggested for focus group research.

Green Living Guide: Staff previewed the "Follow the Water Trail" double-page spread to be included in the Green Living Guide, which will be published as an insert in both the Daily Press and Virginian-Pilot on Wednesday, April 17 (digital version available from the Virginian-Pilot at <http://www.bluetoad.com/publication/?i=154851>). The Committee approved the use of a portion of the FY13 Water Quality Advertising budget on February 6, 2013 to provide this expanded content. The askHRgreen.org subcommittees are very pleased with the "Follow the Water Trail" piece, as the poster format provides an eye-catching and entertaining presentation that balances messages on the value of infrastructure and water conservation. An advance PDF copy of the piece will be provided to the Committee.

Staff also previewed the Green Living Guide ads for each askHRgreen.org sub-committee and noted that all editorial space is reserved for askHRgreen.org material. Staff noted that the Virginian-Pilot sold so much ad space in the Green Living Guide that the askHRgreen.org campaign was given additional space for campaign ads and editorial pieces. The content and graphics developed for askHRgreen.org and the Green Living Guide are available to the Committee for future multi-material use (stickers, brochures, posters, electronic ads, and other media).

ACTION: No action.

3. Water and Wastewater Rate Structures Project

The HRPDC staff briefed the Committee on the draft deliverable for task 1 of the water and wastewater rate structures project, which is a short report that characterizes issues related to water and wastewater utility rate structures and revenue gaps. The Committee will review the draft through April 24, 2013 and send comments to HRPDC staff (tsmith@hrpdcva.gov).

A sample report layout was also provided for the Committee's consideration. The Committee found the layout and graphics generally acceptable.

The following questions were provided by staff to assist in the Committee's review:

- How could we make the whitepaper more relevant to Hampton Roads or interesting to the HR media? Could you provide data or anecdote to illustrate the concepts in the whitepaper?
- Are there any sections or concepts that should be moved to the appendix?
- Are we missing any aspects of demand decay or declining revenue that you want discussed?
- Are we missing any potential solutions that you want discussed?
- How can we make it clearer that these issues impact wastewater utilities?

HRPDC staff reviewed the project timeline, which provides for briefing the revised draft report and draft presentation materials at the May 1, 2013 Committee meeting. Final products are scheduled for discussion and approval at the June 5, 2013 Committee meeting.

The Committee discussed the timing for the report issuance and plans for outreach. It was agreed that HRPDC staff would brief the report to the CAOs as a work product on June 20, 2013 in anticipation of a presentation to the HRPDC at the July 18, 2013 Quarterly Meeting. The Committee emphasized that, because the target audience is primarily elected officials, having the HRPDC briefing legitimizes the issue as a regional concern, and the supporting report provides assurance that local utilities are already moving in the right direction. The July HRPDC briefing is timely, as budget processes would be complete and the report would come forward with sufficient time for utilities to generate interest and prepare councils and boards for fall work sessions and more detailed discussions.

The Committee discussion of initial reactions and comments on the draft report is summarized below:

- In general, the report content addresses the issue as requested by the Committee. Appropriate sources and references with recognized expertise on these issues are cited.
- Fifteen pages is a good length for the report, but a brief summary is needed to engage elected officials and city managers and distill key points.
- From the utility perspective, having the report come from the HRPDC is valuable because local government proposals would align with the regional statement. Also, an HRPDC report is likely to be received better than a report prepared by a financial consultant.
- There is the concern that the target audience will not understand that the issues apply to both water and wastewater. The report terminology should be revised – suggest using “water/wastewater utilities” throughout. This will help convey that the underlying business model for wastewater utilities also needs attention.

- An opening discussion should be added to explain how the emphasis on volumetric rates from the 1960s/70s has been carried forward to present rate structures; this section should also explain how multiple bills for service to a given residence are keyed to a single water meter reading.
- The report should emphasize that water/wastewater enterprise funds must be self-sustaining. It is difficult for elected officials to understand the business needs of enterprise funds and how critical it is for water and wastewater utilities to run on sustainable business models. As for the report outreach plan, the message on the sustainable business model may need to be communicated, supported, and reinforced with elected officials in increments over time.

ACTION: Committee review and comment of draft report will continue through April 24, 2013. HRPDC staff will report back to the Committee with revisions on May 1, 2013.

4. Regional Sanitary Sewer System Asset Consolidation Study

Committee members are shared thoughts on recent City Council presentations regarding the Regional Sanitary Sewer System Asset Consolidation Study. Hampton and Newport News City Councils and James City and Gloucester County Boards have received presentations from utilities. Norfolk is anticipating briefing the City Council soon. In general, council and board members are anxious to have answers to questions that cannot not addressed until the study is complete. At the Newport News City Council meeting, it was noted that Newport News Waterworks is an existing example of a regional entity.

The Committee discussed the suggestion of HRPDC developing a short summary when the report is complete to hit key points related to the question of “*why consider consolidation.*” The consultant’s scope includes the development of a summary of conclusions and recommendations. It was suggested that HRPDC issue a summary statement and cite the consultant’s product as a reference.

The Committee discussed the assumptions and structure of the comparative analysis for the capacity assessment, which will contrast the regional and non-regional requirements for capacity enhancements. It was noted that this is an economic analysis that will be incorporated into the Regional Sanitary Sewer System Asset Consolidation Study.

ACTION: No action.

5. Staff Updates

Staff Reports are summarized below:

- **Sanitary Sewer Overflow Reporting System (SSORS) User Training:** A user training session will be held on April 11, 2013 from 1:00 p.m. to 3:00 p.m. in the HRPDC Regional Board Room.

ACTION: No action.

- **June 5, 2013 Joint Meeting with Health Directors and Emergency Managers:** To support preparations for hurricane season, HRPDC staff is developing the June Committee agenda to provide coordination and information sharing between utilities, public health, and emergency management.

ACTION: No action.

6. Other Business

Other Committee business is summarized below:

- HRPDC staff asked Committee members advise of any email problems experienced with HRPDC.

Committee Meeting Sign-In Sheet
April 3, 2013

Attachment 1B

Locality/Agency	Representative	Representative	Representative	Representative
HRSD	Ted Henifin			
Chesapeake	Bill Meyer			
Franklin				
Gloucester	Martin Schlesinger			
Hampton	Tony Reyes	Jason Mitchell		
Isle of Wight				
James City County	Larry Foster			
Newport News	Everett Skipper			
Newport News	Brian Ramaley			
Norfolk	Kristen Lentz			
Poquoson				
Portsmouth				
Smithfield				
Southampton				
Suffolk	Craig Ziesemer			
Surry				
Virginia Beach	Tom Leahy			
Williamsburg				
Windsor	Michael Stallings			
York				
HRPDC	Whitney Katchmark	Katie Cullipher	Lisa Hardy	Tiffany Smith
HRPDC				
New Kent				
DEQ				
EPA				
USGS				
VDH				
VDH				
VDH				
AECOM				
AquaLaw				
Brown & Caldwell	Richard Stahr			
CH2M-Hill				
Christian Barton				
CNA				
HDR				
Hurt & Proffitt, Inc.				
McGuire Woods				
Rice Associates				
REMSA				
Troutman Sanders				
Virginia Fusion Center				
Virginia WARN				
URS				
Watermark Risk Management				
Private citizens				

askHRgreen.org 2012 Survey Results

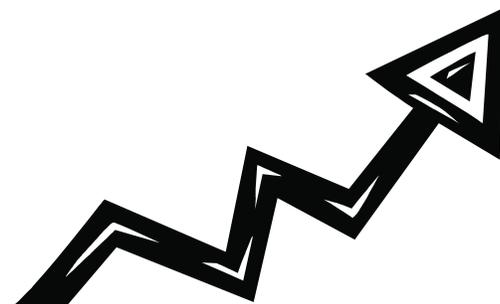
- Fall 2010 – first wave of askHRgreen.org research (pre-askHRgreen.org launch)
- November 2012 - research wave 2
 - Online survey
 - 400 respondents representative of peninsula and southside demographics
 - 95% confidence level (+/-5% sampling error)



1

askHRgreen.org 2012 Survey Results - Highlights

- Overall, progress has been made especially among those who are askHRgreen.org aware
 - 12% of survey respondents were aware of askHRgreen.org
 - 33% of askHRgreen.org-aware respondents have visited the website
 - Perceived knowledge of environmental issues has increased most among **females, <\$75,000 income, singles** and especially those **aware** of askHRgreen



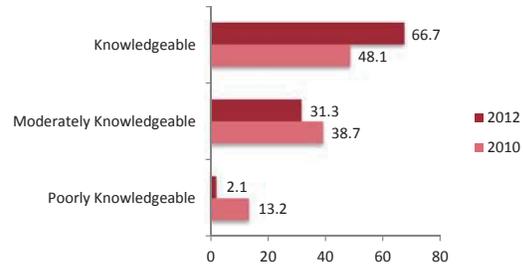
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Knowledge and Learning: Levels of Knowledge

% Knowledgeable About Local Environmental Issues		2010	2012
		38.1%	42.5%
Gender	Male	49.2	47.6
	Female	28.0	38.8
Age	18-34	33.7	29.8
	35-49	33.1	36.6
	50+	43.2	48.5
Education	Not College Grad	29.1	33.5
	College Grad +	44.7	48.7
Income	<\$75K	28.3	38.6
	\$75K - \$100K	41.8	42.3
	> \$100K	49.0	50.8
Marital Status	Married	41.7	44.6
	Not Married	31.0	38.2
Aware of HRgreen	Yes, Aware	48.1	66.7
	No, Not Aware	35.5	39.2

Knowledge of Local Environmental Issues Among Those Aware of askHRgreen



Singles and <\$75K HHI respondents were specifically targeted by the askHRgreen campaign as offenders, which suggests the campaign has made a positive impact on its target audience’s awareness of environmental issues.



Behavior and Practices: Offender Profiles

Behavior	General Population?	Greatest Offenders
Discard leaves or liquids in a storm drain	No	Extremely rare behavior: no major offenders
Dispose of cigarette butts or other trash on the ground	No	Young, non-graduate, <\$75,000 income, single
Allow leaking faucets or running toilets	No	Young, non-graduate, <\$75,000 income, single
Pour oils down the drain or in the yard	No	Young, non-graduate, <\$75,000 income, single, male
Feed wildlife	No	Young, non-graduate, <\$75,000 income, female
Flush materials other than toilet paper	Yes	Young, <\$75,000 income, female
Leave pet waste on the ground	Yes	Young, non-graduate, <\$75,000 income, single, female
Over fertilize lawns	Yes	Middle age/older, graduate, high income, married, male
Place recyclable materials in the trash	Yes	Young/middle age, <\$100,000 income, single
Discard plastic shopping bags in the trash	Yes	Young, non-graduate, <\$75,000 income, single
Drink bottled water in your home	Yes	Middle age, non-graduate, <\$75,000 income
Use a garbage disposal	Yes	Older, high income, graduate, married, male
Use store-provided shopping bags for groceries	Yes	Equal among population



askHRgreen.org 2012 Survey Results for Water Awareness

- **Drinking primarily bottled water instead of tap water in the home**
 - Overall – decrease of 11.3% from 2010
 - askHRgreen.org-aware decreased 13% from 2010
 - Frequency of behavior decreased
 - almost never drink bottled water in the home - up
 - frequently drink bottled water in the home - down
 - among askHRgreen.org aware
 - Those who drink bottled water frequently - down 25%
 - Those who drink bottled water occasionally - up 28.1%
 - Perceived harm of drinking bottled water instead of tap water in the home
 - Overall - hardly any change in the perceived harm—64% think it is ok
 - Not making any connection to the consequences even among askHRgreen.org-aware

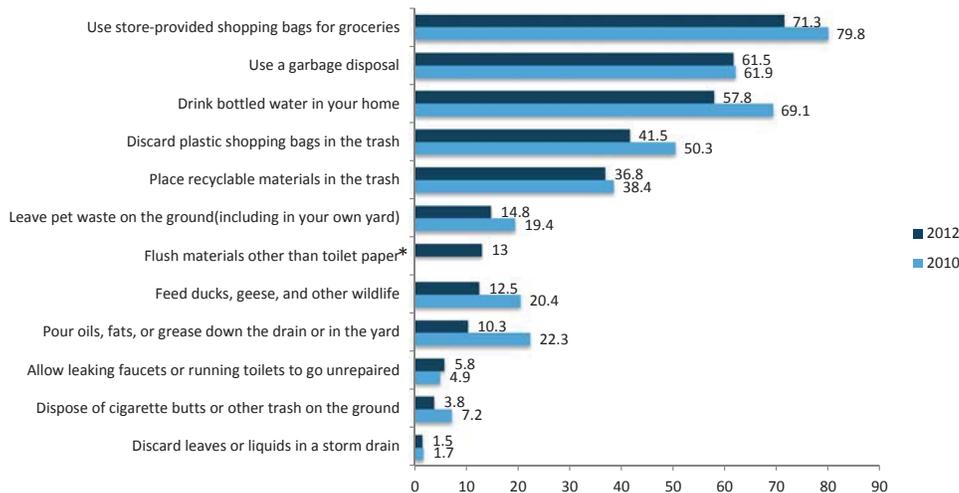
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Behavior and Practices: Offenders

The 2012 population shows consistent improvement in behavior nearly across the board.

% of Respondents Committing Negative Behaviors



Only *garbage disposal use* and *placing recyclable materials in the trash* show no significant change. AskHRgreen-**aware** respondents display a larger reduction in negative behavior than the general population for many behaviors, especially in *use of a garbage disposal* (A5), suggesting campaign effectiveness.

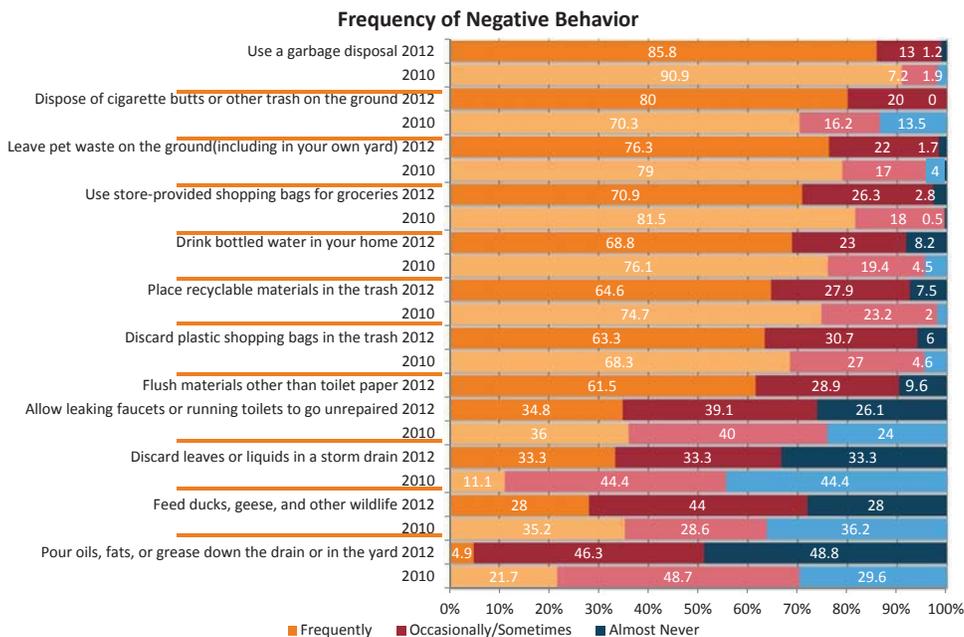
*Flush materials other than toilet paper was not included in the 2010 benchmark survey.

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Behavior and Practices: Frequency

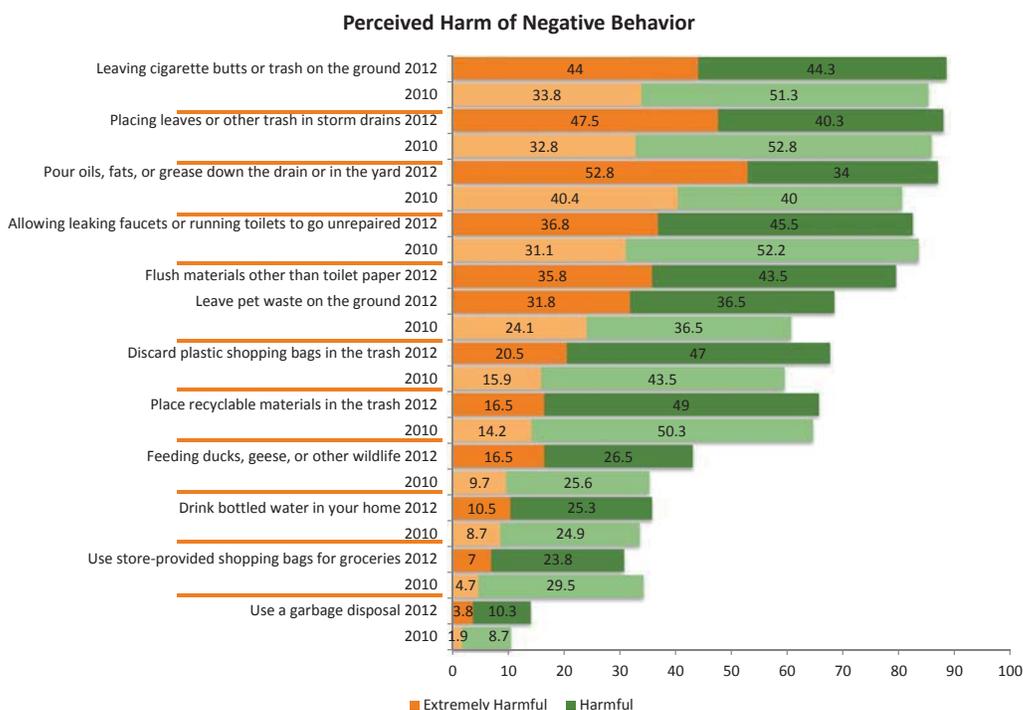


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Behavior and Practices: Perceptions



8



askHRgreen.org 2012 Survey Results for Water Awareness

- **Allow leaking faucets or running toilets to go unrepaired**
 - No change in
 - Behavior – 5.8% in 2012 vs. 4.9% in 2010
 - Perceived harm - 82.3% think it is harmful but 17.7% think it is ok
 - Sample (5.8%) is too small to draw more than general comparisons

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askHRgreen.org 2012 Survey Results for Water Awareness

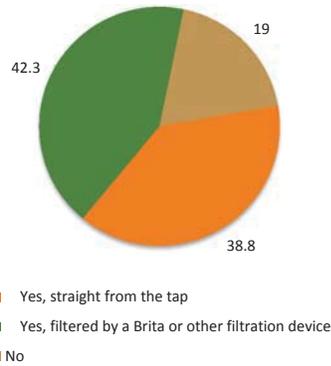
- **Do you regularly drink tap water?**
 - 81.8% drink tap water - slightly up from 2010 which was 77.4%
- **In comparison to other household utility bills, do you think tap water is a good value?**
 - 83.8% consider it is a good value - no change from 2010
 - However, there were significant changes among those aware of askHRgreen.org
 - 50% decrease in those not drinking tap water
 - Value of water rose 13.7 percentage points—those who do not value tap water decreased to 4.2%
- **Of those who do not regularly drink tap water:**
 - 68.4% cite taste as the main reason for not drinking tap water
 - 44.7% cite health and safety concerns
- **Perceptions of tap water flavor have improved**

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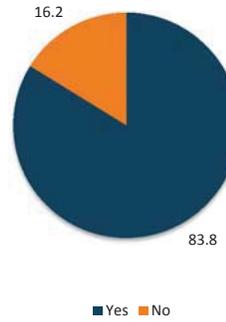


Tap Water: Action and Opinion

Do You Drink Tap Water?



Is Tap Water a Good Value?



The 2012 responses for these two questions are exactly the same as those from the benchmark survey. Most people drink and value their tap water.



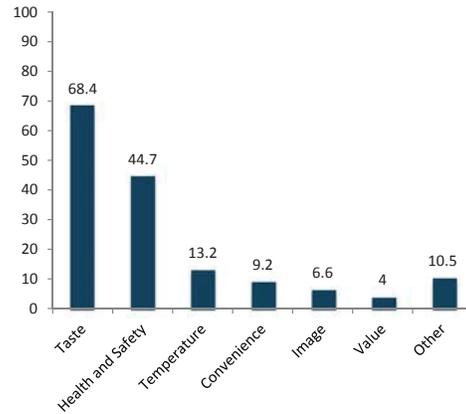
Tap Water: Concerns and Criticism

Respondents who do not drink tap water cite numerous reasons, most of which are based on **taste** and/or **health and safety** concerns.

Those rating **health and safety** as a major influencer explained with a written response. Common mentions include *chlorine, chemicals, bacteria, untrustworthy pipes, and strange tastes*.

The only noticeable demographic subgroup expressing these concerns is **non-college graduates**.

% of Non-Tap Water Drinkers by Reason
(Multiple Selections Allowed)



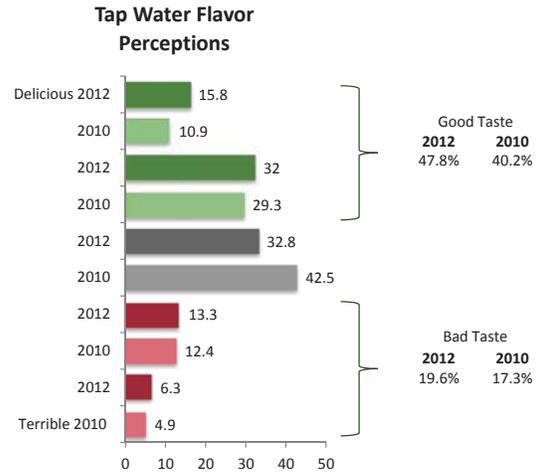
% Non-Tap Water Drinkers Concerned with Health and Safety	
Not College Grad	College Grad +
26.3	18.4



Tap Water: Flavor

Perceptions of tap water flavor have improved since 2010.
 Breaking out perceptions by locality reveals no statistically significant differences, but perceptions of tap water flavor trend lower in Chesapeake.

Those most likely to question their tap water's flavor are **young, single-female non-graduates** with a household income below **\$75,000**.



askHRgreen.org 2012 Survey Results for FOG

- Over all, progress has been made especially among those who are askHRgreen.org aware
- **Pour oils, fats or grease down the drain or in the yard**
 - Down 12%
 - Significant improvement in perceived harm (Extremely harmful up 12.4%)
- **Flush materials other than toilet paper (for example, paper towels, disposable wipes, feminine hygiene products, etc.)**
 - 13% benchmark for flush materials other than toilet paper
- **Use a garbage disposal**
 - No change in behavior
 - *Slight* improvement in the perceived harm by 3.5%



askHRgreen.org 2012 Survey Results for FOG

- **Frequency of negative behaviors revealed improvements**
 - Those who reported using a garbage disposal frequently decreased by about 5%
 - Those who reported pouring FOG down the drain or in the yard frequently decreased by 16.8%

- **Among askHRgreen.org aware respondents**
 - Garbage disposal use decreased 15.4%
 - Those who pour FOG down the drain or in the yard decreased 13.5%

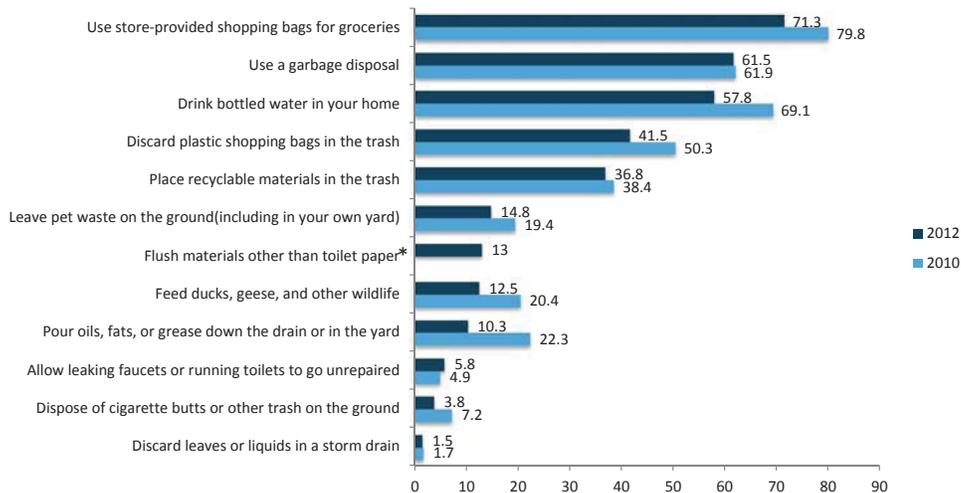
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Behavior and Practices: Offenders



The 2012 population shows consistent improvement in behavior nearly across the board.

% of Respondents Committing Negative Behaviors



Only *garbage disposal use* and *placing recyclable materials in the trash* show no significant change. AskHRgreen-**aware** respondents display a larger reduction in negative behavior than the general population for many behaviors, especially in *use of a garbage disposal* (A5), suggesting campaign effectiveness.

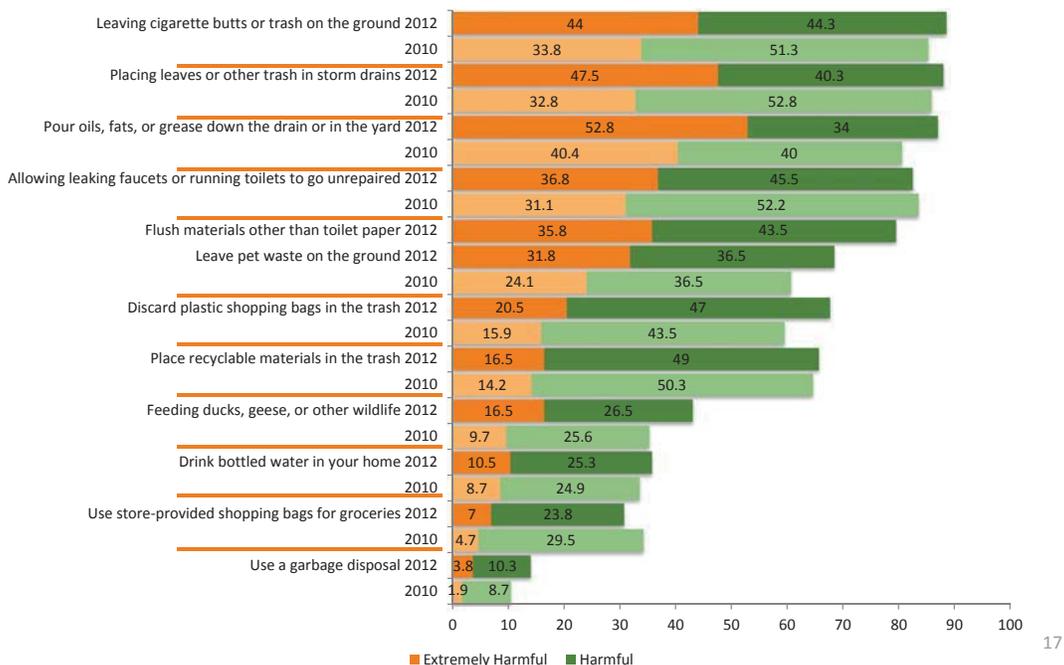
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Behavior and Practices: Perceptions



Perceived Harm of Negative Behavior



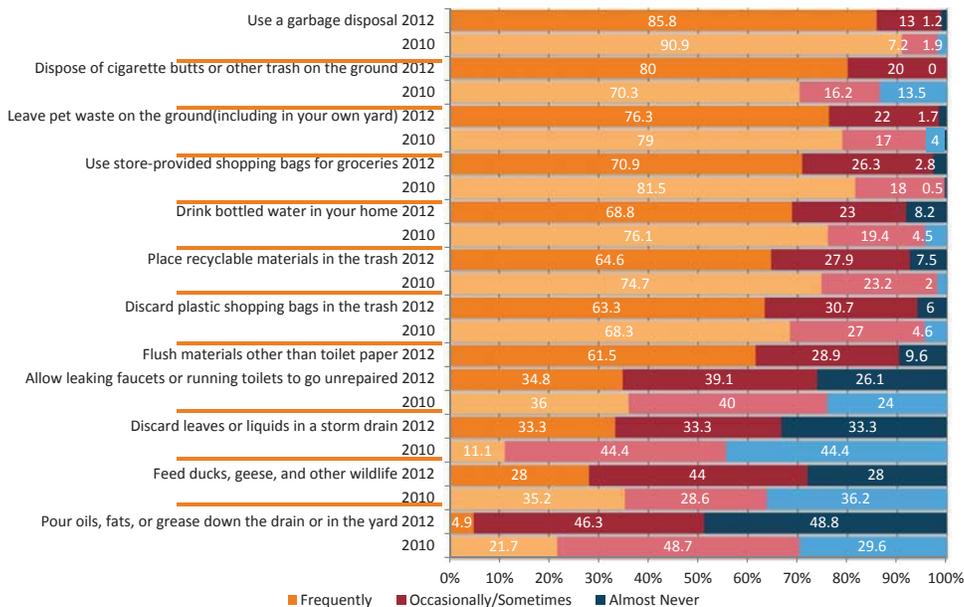
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Behavior and Practices: Frequency



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Frequency of Negative Behavior



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Draft Water and Wastewater Rate Structure Whitepaper

Whitney Katchmark, P.E.
Principal Water Resources Engineer

Directors of Utilities Committee
April 3, 2013

Project Scope of Work

Problem: Utility costs are increasing; revenues are decreasing due to declining consumption. Utility rate structures will have to be changed to provide enough revenue to support customer needs and regulatory requirements.

Tasks:

1. Write a short report explaining the typical rate structure for water and wastewater utilities, identifying fixed and variable costs, and describing factors that have influenced declining demands (plumbing code, conservation ethos) and increased costs (aging infrastructure, regulatory requirements).
2. Provide an appendix to serve as a resource for localities to pull information for future presentations. Example information: existing regional data (rates, water demands), possible rate structures including models from non-water utilities, ways utilities recover costs, examples of revenue problem/solutions from outside the region, national/industry studies on age of infrastructure and impact of plumbing code changes, and challenges tied to operating as an Enterprise fund.
3. Create powerpoint designed for an audience of elected officials that reviews key points of the report and identifies conceptual solutions.

Questions for Review

1. How could we make the whitepaper more relevant to Hampton Roads or interesting to the HR media? Could you provide data or anecdote to illustrate the concepts in the whitepaper?
2. Are there any sections or concepts that should be moved to the appendix?
3. Are we missing any aspects of demand decay or declining revenue that you want discussed?
4. Are we missing any potential solutions that you want discussed?
5. How can we make it clearer that these issues impact wastewater utilities?

Next Steps

April 24, 2013: Comments due to HRPDC staff on whitepaper

May 1, 2013 Utility Directors Meeting

- Revised whitepaper – review conflicting comments, if any
- Review powerpoint and outreach plan for elected officials

June 5, 2013 Utility Directors Meeting

- Final products approval

June 20, 2013 CAO Briefing (tentative)

- Brief issues and outreach plan

July 18, 2013 HRPDC Quarterly Meeting (tentative)

- Roll-out issues and outreach plan for regional support