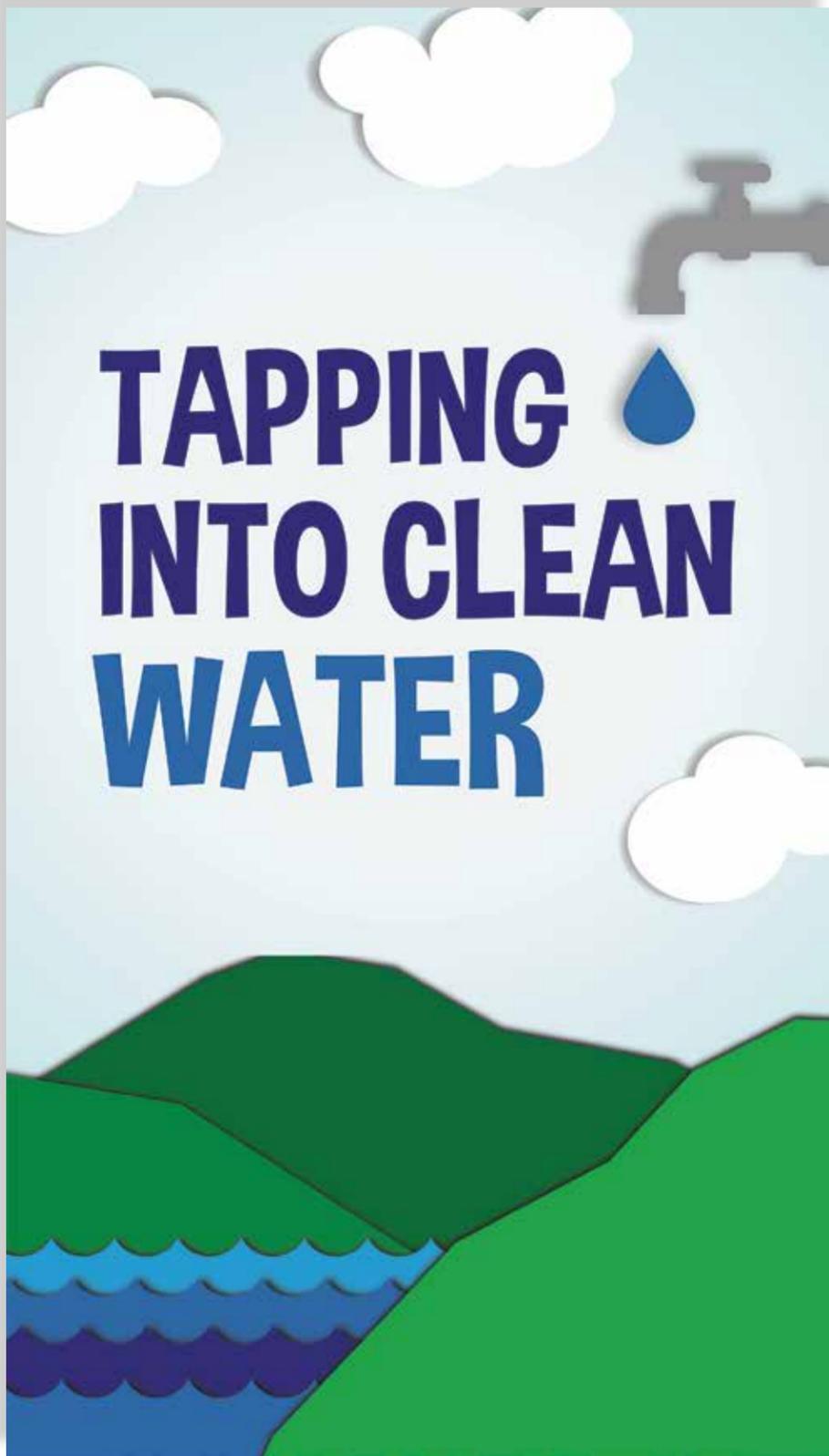


A report on activities of interest to SUB customers

SUBreports

Volume 15 Issue 1 Spring 2016



Plunge into water science! Grab the kids and visit the Science Factory's newest mini exhibit.

T*apping into clean water* explores the path drinking water takes on its journey from its natural source at a river, lake or underground aquifer, to the taps in your home.

Play a tilt-table game to help Rory the Raindrop navigate its way through the landscape on its way to the water treatment plant, watching out for pollutants and other hidden hazards along the way.

What happens at the treatment plant? Head over to a four-station hands-on exhibit that explores water filtration and treatment. You'll see how environmental impurities are removed from drinking water so it's clean enough to drink.

You can even play build your own community-wide water system by playing a cooperative board game with your friends!

Designed for children 8 and older, *Tapping Into Clean Water* will help you and your family look at this amazing, limited resource in a whole new way.

The exhibit is a local effort funded and created by the water and education professionals at Springfield and Eugene's three local water utilities – SUB, EWEB and Rainbow Water District, as well as the Science Factory. Special thanks also to Café Yumm! for their sponsorship.

"Water flows right past city boundaries," says Amy Chinitz, SUB's drinking water source protection coordinator. "That's why regional coordination is so important. We work cooperatively to make sure our community's water is clean and that our residents know which actions protect it – and which can harm it."

It all starts with education, so bring the kids by and learn more about your water system!

- What:** *Tapping Into Clean Water* exhibit
When: Beginning Sunday, April 24th
Where: Science Factory, 2300 Leo Harris Parkway
(south of Autzen in Alton Baker Park)
Admission: Just \$4 (kids 2 and under free), Seniors 62 and over \$3
And Free admission on April 24th

Join Springfield Utility Board at the Science Factory from 10:00 – 4:00 on Sunday, April 24th and learn how to build your own edible aquifer! This fun – and tasty – activity will teach kids how the earth can naturally purify water for drinking. (*Parental permission required.)

Spring Safety:

SUB's above and below edition

Spring has sprung in Springfield, and with it, a thousand outdoor projects to keep you busy until Fall.

As you dig around in the recesses of the storage shed for ladders and shovels, remember that wielding those tools without some forethought can result in significant safety problems.

Here's how to stay safe as the outdoor project season heats up right along with the weather.

Above the ground

Pruning trees? If the limbs of trees in your yard are running through power lines, call SUB for a free evaluation. Trimming limbs near power lines is very dangerous and requires special safety certification.

Setting up a ladder? Look up before you set it up! Make sure your ladder won't come into contact with power lines, even if they seem insulated. Never work on a windy day – a gust of wind can cause the ladder to shift, or blow a wet branch against the ladder.

Powering up a tool? Double check your cords to make sure they haven't deteriorated during storage. If they have, replace them. Take care not to leave plugged-in tools laying about in the yard, and be sure to keep the cord well away from whatever you are cutting.

Below your feet

Hitting a buried gas or electricity line with a shovel or digger can cause service disruptions – and worse, it can be very dangerous! That's why calling for a utility locate prior to digging more than a foot into the ground is not only a good idea, it's the law.

It's quick, efficient and free – and keeps you safe. Just dial 8-1-1!

Call two business days prior to digging before these kinds of projects:

- Adding a deck
- Planting a tree or shrub
- Installing a mailbox
- Pouring concrete
- Digging a pond
- Erecting a fence



MEET the Board

SUB's water and electric services are provided under the direction of SUB's Board of Directors, five Springfield citizens who are elected to four-year terms, and who serve at-large and without pay. The Board meets on the second Wednesday of each month. The public is invited and encouraged to participate in these meetings, at which SUB policies and procedures are formulated and adopted.



David Willis
Vice-Chair, Position 1
Term exp. 12/31/16



Virginia Lauritsen
Position 2
Term exp. 12/31/18



John DeWenter
Position 3
Term exp. 12/31/18



Ken Boyst
Position 4
Term exp. 12/31/18



Pat Riggs-Henson
Chair, Position 5
Term exp. 12/31/16

What drives electric rate increases?

by Jeff Nelson, SUB General Manager

SUB is proud to offer its customers some of the lowest electric rates around, saving Springfield families \$14 million every year compared to electric bills in households served by other Lane County utilities.

But despite low electric rates, SUB and other Northwest utilities are experiencing increases. While most SUB customers value the low rates they receive here in Springfield, they also express understandable frustration – rates are going up, but many times, incomes are not.

So what's going on?

Prior to 2012, SUB hadn't had an electric rate increase since 2006, and before that, 2001, when energy markets were thrown into chaos after the Enron scandal. SUB borrowed funds, used a line of credit, and implemented rate increases to create a glide path to financial stability. Since 2012, SUB has sought electric rate increases to meet its financial obligations and to keep the utility's operations stable.

To fully understand what drives rate increases, it's helpful to know a bit about where SUB gets its electricity and how that electricity is priced. SUB currently buys all its electricity wholesale from Bonneville Power Administration. BPA sells power generated primarily from a network of hydroelectric dams in the Northwest and transmits that power over high voltage transmission lines. BPA is a federal agency, but receives no taxpayer dollars. All its costs are covered from rates paid by electric customers.

But the cost to generate and transmit electricity is only part of what drives the overall price of the electricity BPA sells. The other big factors are fish and wildlife protection, necessary investments in infrastructure, and increasingly, regulatory changes.

For example, ratepayers fund BPA's efforts to protect salmon and other fish from the dams, and those costs in recent years have been responsible for between a quarter to a third of total costs for BPA power. On the legislative side, Oregon has passed standards requiring that a certain percentage of power come from qualifying clean energy sources, which can be more expensive than hydro. Unfortunately, although science supports large hydroelectric generation as a renewable resource, Oregon law does not, and the hydro projects BPA manages don't qualify toward the state standard.

What is SUB doing?

SUB is a fiscally conservative, environmentally conscious organization. We maintain a pay-as-you-go ethic, and we strategically borrow funds only when it makes fiscal sense. For example, electric and water utilities must build and maintain expensive infrastructure, like electric substations and water treatment plants. Those multimillion dollar projects are usually funded by borrowing capital, which is often a fiscally responsible choice, since we'd otherwise need to raise rates to pay for them. Currently, SUB is debt free and has been since 2012. This is important because instead of using money to pay interest on debt, that money goes



into financial reserves, which SUB uses to reduce rate increases.

SUB also has a regionally recognized energy efficiency program. These energy saving strategies have helped customers improve efficiency in their homes and businesses, lowering customer bills and our footprint on the environment.

On the legislative front, we are engaging with local, state, and federal policymakers to educate them on the impact of their proposals. SUB points to real-world impacts associated with theoretical proposals. However, because of the volume of proposals, SUB can use assistance

– and perhaps the best assistance can come from our customer-owners.

Even with these measures, SUB anticipates raising both electric and water rates in each of the next three years. We anticipate annual electric rate increases of 3% and annual water rate increases of 7%, as laid out in our most recent 10-year plan (see below). Plans change and SUB has lowered or eliminated planned rate increases in the past – but the cost pressures are going up.

What can you do?

SUB is committed to providing low rates while maintaining safety standards, delivering reliable utility service, being responsible stewards of the environment, and providing excellent customer service to ratepayers. Here are ways customers can become more involved:

Be prepared – SUB prides itself on transparency. You can visit subutil.com and take a look at SUB's current budget and 10-year plan, which forecasts where we believe water and utility rates will be in future years. This helps SUB and its customers plan ahead. The report is a living document and is updated every year as economic indicators and assumptions change.

Be informed - Legislation can seem like a byzantine process that happens in Salem and only tangentially touches our everyday lives. But laws can fundamentally change the way SUB conducts business. To take some of the mystery out of the process, SUB will be dedicating part of every *SUBreports* to discuss proposed legislation that has the potential to affect utility rates. Our goal is to educate, and to encourage customer involvement in the process.

Be (pro)active – Come to Board meetings, or read the minutes online. Attend SUB's annual budget committee meetings, or read their deliberations on our website. This panel includes SUB's elected, unpaid Board Members and as well as citizen ratepayers. The committee helps SUB prioritize projects in light of current economic conditions.

Know your options – SUB has an excellent Conservation staff. They can help you find low or no cost ways to save on your utility bill. You also could consider SUB's Average Payment Plan (see page 4). It's a great way to smooth out utility payments so that you pay about the same amount every month.

Watts Happening

Now That's Smooth!

When you think of the word smooth, the first thing to come to mind probably isn't your utility bill. After all, utility bills are usually higher in the winter, when cold weather drives electricity use up, and lower in spring and summer, when temperatures are mild.

But did you know you have the power to change that?

Just sign up for **SUB's Average Payment Plan** – a great budgeting tool that lets you smooth out your month-to-month utility payment. Enroll in this great program and you'll pay about the same amount for your water and electricity every month.

Qualifying is easy – if you have lived at your address for 12 continuous months and your account with SUB is current, you're in!

Watch your April bill statement for an enrollment form, or call SUB at 541-746-8451 for details. If you have an online account with SUB, you can also enroll over the internet. **Enrollment ends June 1**, so don't wait!



Enhancements coming to SUB's online customer portal!



If you have an online account with SUB, great! You get the benefit of anytime access to previous bill statements, graphics showing residential water and electric use, and your payment history.

With our new system, which will be coming this summer, accounts will be updated even quicker, so customers can view changes to their accounts in real time.

Head's up! Once the new system is in place, current online account holders will receive a prompt to re-register their account. This is part of the

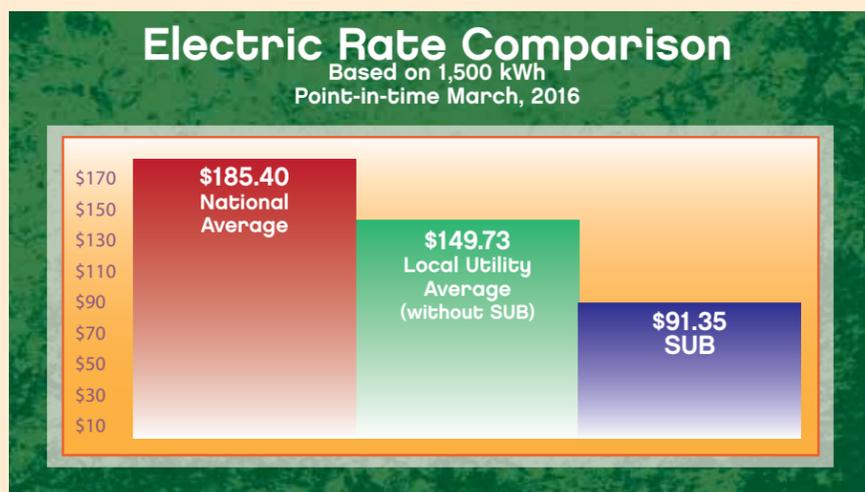
security process, and will take only a minute or so to complete.

You'll just need your SUB account number and the phone number associated with your account. (Can't remember which number you gave us? Give us a buzz at 541-746-8451 and we'll tell you.)

Another head's up! Watch for your summer edition of *SUBreports*, where we'll have a special contest for SUB customers who are registering (or re-registering) an online account!

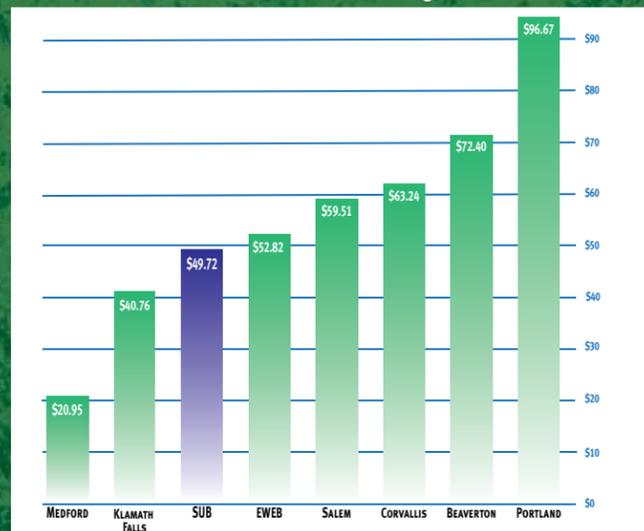
SUB rates are low

Our average residential customer pays nearly \$430 less annually for electricity than other consumer-owned utility customers in Lane County!



Residential Water Rate Comparison

Based on 20 units/month (14,960 gallons)
Point-in-time February, 2016



Independent spirit. Low rates.

The Springfield Utility Board is a customer-owned municipal utility operated independently from the city and responsible only to its ratepayers. We deliver exceptional service, and some of the very lowest utility rates in Oregon!

SUBreports is a regular publication of SUB's Community Relations Department. We welcome your feedback. If you have questions, comments or story ideas, please call 541-744-3794.

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