

A report on activities of interest to SUB customers

SUBreports

Volume 15 Issue 3 Fall 2016



IT'S A BREW-HA-HA!

*Bubble bubble, forget
the toil, forget the trouble!*

Every fall, Springfield Utility Board stirs up some fun during our annual Customer Appreciation Week. It's SUB's way of thanking our customer-owners for the support we receive all year long. At around here, that means treating our community to free cocoa, coffee and lattes, and treating our residential rate payers to free energy-efficient lighting.

In fact this year, while supplies last, SUB residential customers can receive **one free LED light bulb** per account when they drop by SUB's Boardroom during Customer Appreciation Week. The fun happens October 10 – 15 from 8:30 am – 1:30 pm during the week, and 9:00 am – noon on Saturday.

SUB's Customer Appreciation Week

October 10 – 15

Monday – Friday, 8:30 am – 1:30 pm

Saturday, 9:00 am – noon

Across from SUB's main office

(250 A Street)

Everyone is welcome to coffee, but LEDs are limited to SUB residential customers with proof of account. (No businesses or landlords please.) Don't know much about the benefits of LEDs? Check out SUB's website at subutil.com for some great information.

SUB's barista for the week is Café Mam, so be sure to pick up your free cup of coffee, espresso drink or cocoa. Their delicious, organic, fair-trade espresso is shade grown and eclipsed only by their friendly service. Come on down and see for yourself.

And as you sip your coffee and admire your new light bulb, you might consider signing up for an online account so you can take advantage of 24-hour access to your account, including past bill statements, email reminders, paperless billing and more.

SUB will have staff on hand to assist you with the process (it's easy and quick!) and by signing up, you'll automatically be entered into a drawing for **one of 16 shopping sprees** at local businesses, including a chance at a **\$250 shopping spree at Jerry's Home Improvement Center**. That'll buy a lot of LEDs!

Join us, and give SUB a chance to say "thanks a latte" for letting us serve you this year.

Winter prep and prevention saves you money!

As temperatures plummet, most customers focus on how to heat up their homes without burning up their wallets. That's one of SUB's favorite topics, too, and, you can read all about saving money on your wintertime electric bill just by visiting subutil.com

Although electricity and heating get a lot of attention during the winter, it pays to keep an eye on the water in your home, too. That's because all that work saving money on your electric bill could be wiped by just one burst pipe. Remember, when a pipe bursts, it likes to do collateral damage – often taking out drywall, ruining carpet, and warping wood floors, too.



A penny of prevention is definitely worth a dollar of cure. Here are some inexpensive fixes and free habits that will keep your pipes in good form this winter:

- Disconnect outside hoses and cover faucets with inexpensive foam insulators available at most home-improvement stores.
 - Insulate all pipes located in unheated areas, such as the garage and garden areas. Special heat tape can be used in particularly vulnerable areas. Ask about it at your local hardware store.
 - Have your yard sprinklers and backflow preventer drained and winterized. Be sure to wrap backflow preventer with insulating material.
 - Cover crawl space vents when temperatures dip below freezing. **Remember to uncover the vents** when the weather warms up.
- If temperatures have dipped into the low twenties, it's time to turn on a small but steady stream of cold water at the inside faucet furthest from the water meter. Also, open cabinet doors below the sink to let warm air circulate around water pipes.

If your pipes freeze, visit SUB's website at www.subutil.com for more on what to do next – including how to shut water off to your house, something you'll want to know how to do **BEFORE** it's needed!

Money Down the Drain

Did you know the city of Springfield calculates your sewer bills based on how much water your household uses from November through April? Plan to save money later by conserving water now!

Note: To save money and to keep Springfielders from receiving separate bills, SUB serves as a billing agent for City of Springfield sewer fees. If you have questions about your sewer bill, please contact the city at 541-726-3696.



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

Measure 97 and your SUB bill

by Jeff Nelson, SUB General Manager

SUB's utility rates are competitive. But whether those rates feel affordable is different based on the situation of individual customers.

To that end, as rates have increased in recent years, SUB customers have delivered a consistent message at public hearings and via written comments: It's difficult to absorb a rate increase when other costs are going up as well – especially when incomes aren't keeping pace.

Many factors combine to determine what SUB must charge in order to deliver safe, reliable utility services (see the spring edition of SUBreports, available at subutil.com, for more on this issue). Certainly, some decisions affecting rates lie squarely within SUB's control. Others lie very far outside our ability to affect them, but lie very much in voter control – either through ballot initiatives or through actions taken by elected officials.

Customers will face one of these pivotal moments at the polls this November when they consider whether to pass Measure 97.

Measure 97 is often known as the “corporate sales tax” bill. If it passes, it will raise the tax rate on companies that are both registered as a C-Corporation (many major corporations are C-Corporations) and have more than \$25 million in sales.

SUB is not a C-corporation. We are a customer-owned municipal entity formed under the city of Springfield's charter and guided by an independent, elected Board made up of SUB customers. Because we are not a C-Corporation, we are not directly subject to the tax. However, we believe that Measure 97 will cause our rates to rise. This is because SUB buys products and services from C-Corporations that would be subject to the tax.

In particular, the companies we buy from can operate in highly regulated industries (like sand and gravel operators and healthcare companies). As you might expect, far fewer of these companies exist, which obviously reduces competition and limits SUB's ability to shop around should those companies decide to raise their prices. Further, vendors that SUB purchases goods and services from that are not C-Corporations might still be purchasing goods and services from C-Corporations that are

subject to the tax. It is SUB's assessment that the tax will trickle down to the utility through these transactions.

Therefore, one question surrounding Measure 97 is this: if these companies are required to pay more in taxes, will they absorb the cost or will they raise prices to recoup the cost? SUB's review of the analysis leads us to believe they will pass a significant portion of the cost along to their customers, including SUB.



In plain language: SUB's assessment is that the tax structure provided for in Measure 97 would result in an increase in SUB's costs, which will ultimately put upward pressure on the rates we charge to customers.

I want to reiterate that SUB's analysis is strictly limited to what we believe the proposed legislation will do to the utility rates we charge our community. SUB has no position on this or any initiative before voters in the November election. We are providing this information in response to

customer concerns about affordability and because of our continuing commitment to transparency regarding the reasons behind rate increases. Our hope is that Springfield residents will weigh all sides of the issue as they exercise their right to vote.

To learn more about this measure, customers are encouraged to read their voter packets, delivered to every home by the second week in October. The packet will include background information on this and other measures, as well as statements of support and opposition.

“SUB has no position on this or any initiative before voters in the November election... (and) it is SUB's assessment that the tax will trickle down to the utility.”

This is the third in a series of articles devoted to examining legislation and regulations that have consequences for utility operations. The goal is to share SUB's observations on federal, state, or local laws and regulations as they pertain to the utility.

Watts Happening

Be Ready for any Emergency!

September is National Preparedness Month, the perfect time to evaluate your emergency plans. Major events like earthquakes and forest fires can disrupt water and electric service, but so can large storm systems, which typically affect our area in winter. Storing an emergency supply of water – along with food and other life-sustaining items – is a critical component in any household emergency kit.

To help with your planning, SUB is again offering sturdy emergency water storage containers to our community for the discounted price of just \$5. These containers are rugged, BPA-free bottles with handles and threaded caps, ready for filling.



Because we have a limited number of bottles, they will be available to SUB residential customers via a random drawing. (Limit two per household.) To allow for the widest distribution possible, customers who received bottles in last year's drawing are ineligible for the current drawing).

The water bottle distribution program is a joint program made possible thanks to the participation of the American Red Cross and local agencies. For more information on emergency planning, including ideas for a well-stocked emergency kit, visit www.Redcross.org/cascades. Information is available in Spanish as well.

Water Bottle Distribution

If you'd like to be part of the water bottle distribution program, just fill out the entry form and send it to SUB. All entries received on or before October 15, 2016 will be entered. If your name is drawn, we'll send you a letter in early November notifying you of pick up instructions. After you have picked up your bottle(s), SUB will include the \$5/bottle charge on your next scheduled bill.

One dollar of the purchase price will go to the Red Cross to support emergency education.

Yes! Enter me into the drawing for ONE TWO water containers.

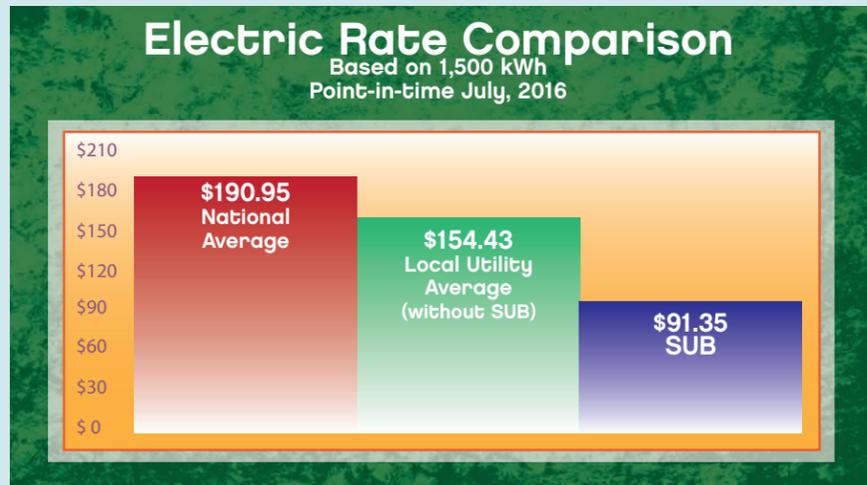
Name: _____

Account number: _____

Phone: _____

SUB rates are low

Our average residential customer pays nearly \$618 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 July, 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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