

FEBRUARY 7, 2017

KC Water Cost of Service Task Force

Meeting #9



Agenda

- Recommendations Recap
- Affordability
 - American Community Survey data on median household income for KCMO
 - Sewer bill as percent of median household income
 - Other Living Expenses / Utilities
- Financing Considerations – First Southwest
- OCP Scenarios – January Follow-up
 - Impact to Sewer Rates
 - Timing of Projects
 - Inflationary Dollar impact
- Customer Assistance
- Public Comment & Task Force Discussion



Recommendations Re-cap

Recommendations To-Date

Guiding Principles

Change the Rate Structure

The Task Force recommends no modifications to the existing rate structure, currently a declining block with lifeline rate. The lowest block in the tiered rate structure is the “lifeline” rate which is applied to all customers.

Advance Payment

KC Water should institute an Advance Payment policy for new customers before turn-on in order to build greater financial stability.

Recommendations To-Date

Overflow Control Program

*KC Water should pursue a strategy of modifying the Consent Decree with the EPA and potentially **extending the timeframe.***

Upcoming Topics

February

Extend OCP Timeframe

Customer Assistance

March

System Development Charges

Adjusting Rates/Charges To Better Recover Costs

Paying for Stormwater Programs with General Fund

April

Use Some Stormwater Fees to Partially Fund OCP Capital

Levee Maintenance Districts

Sales Tax or Property Tax for Capital

Stormwater Fee Increase

Special Assessment & Taxing Districts

May

Draft Recommendations Presentation

Public Hearing

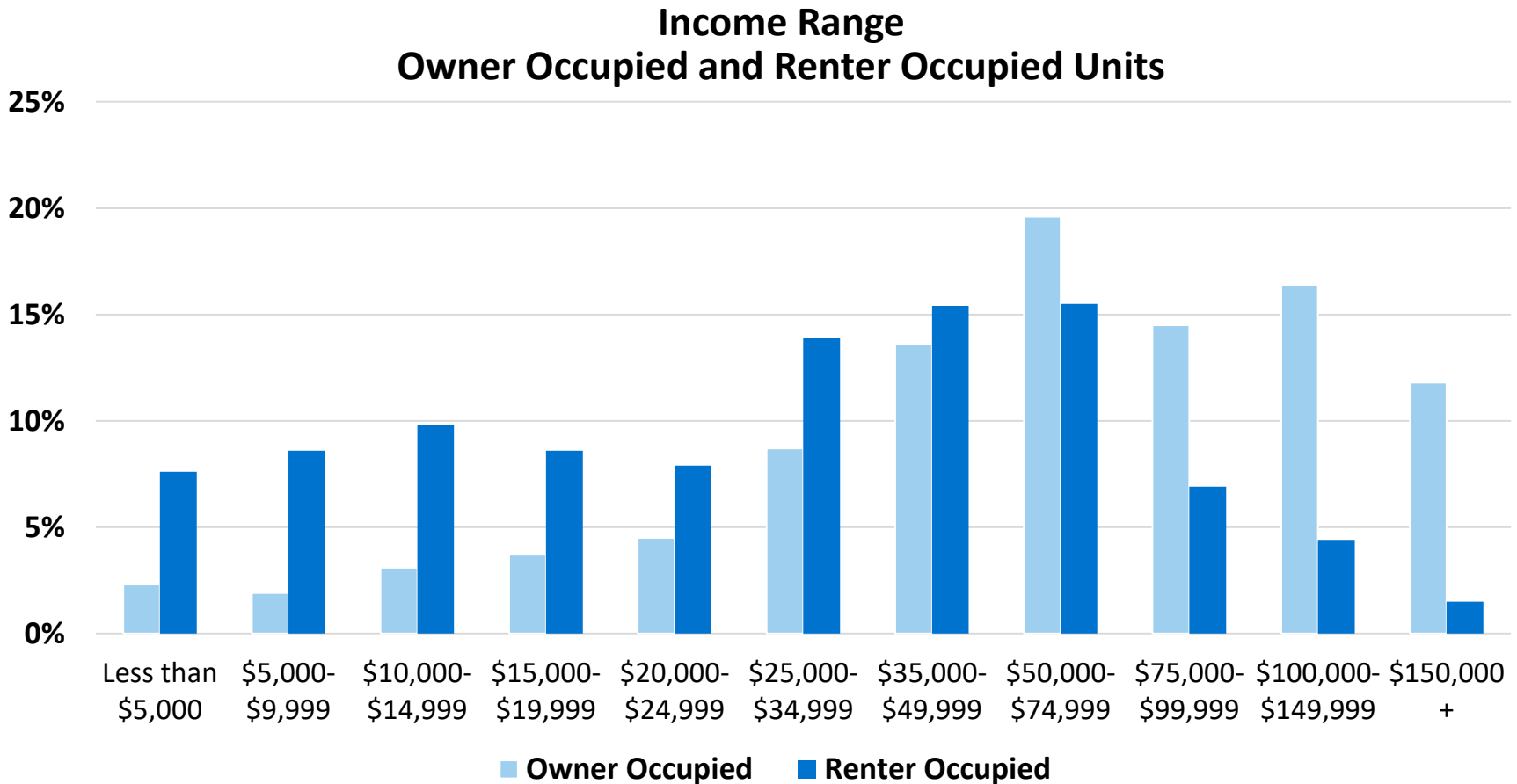
June

Finalize Recommendations



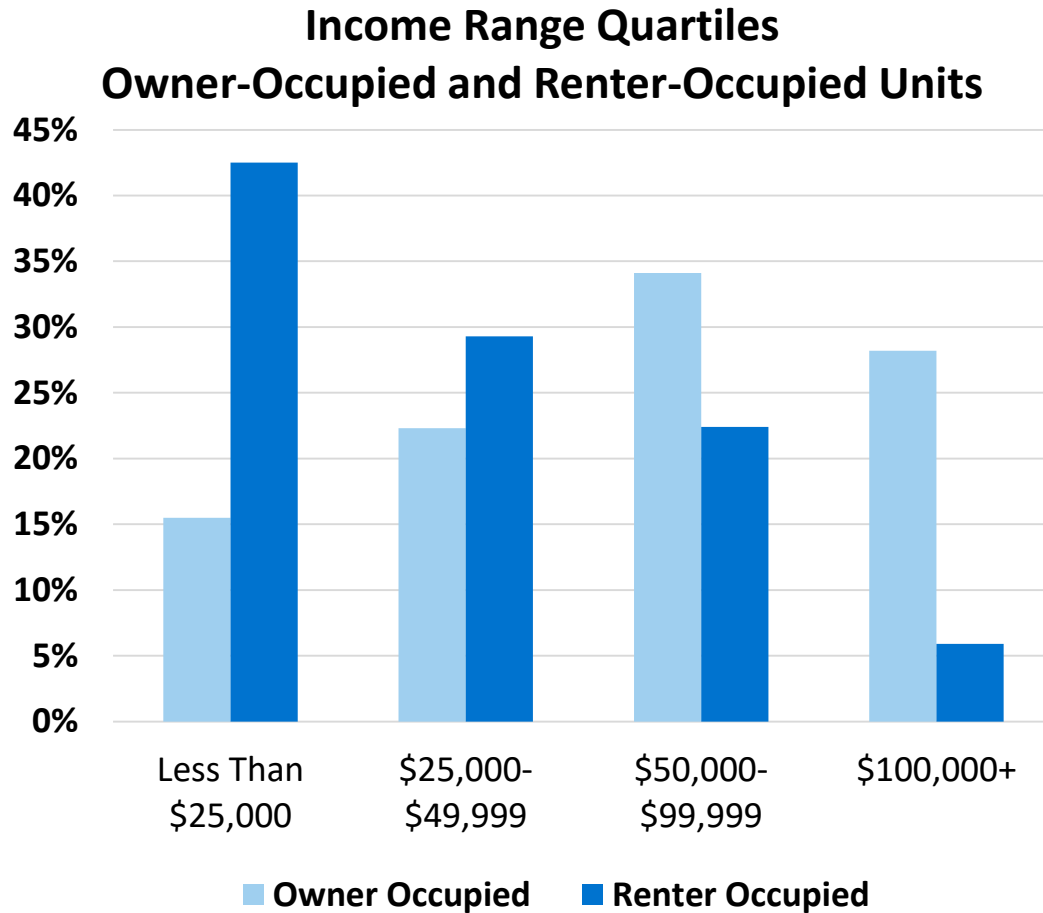
Affordability

Median Household Income Distribution Kansas City, Missouri– 2015



Source: 2015 American Community Survey

Median Household Income Distribution Kansas City, Missouri– 2015



30,510
Renter-Occupied
Median Household Income

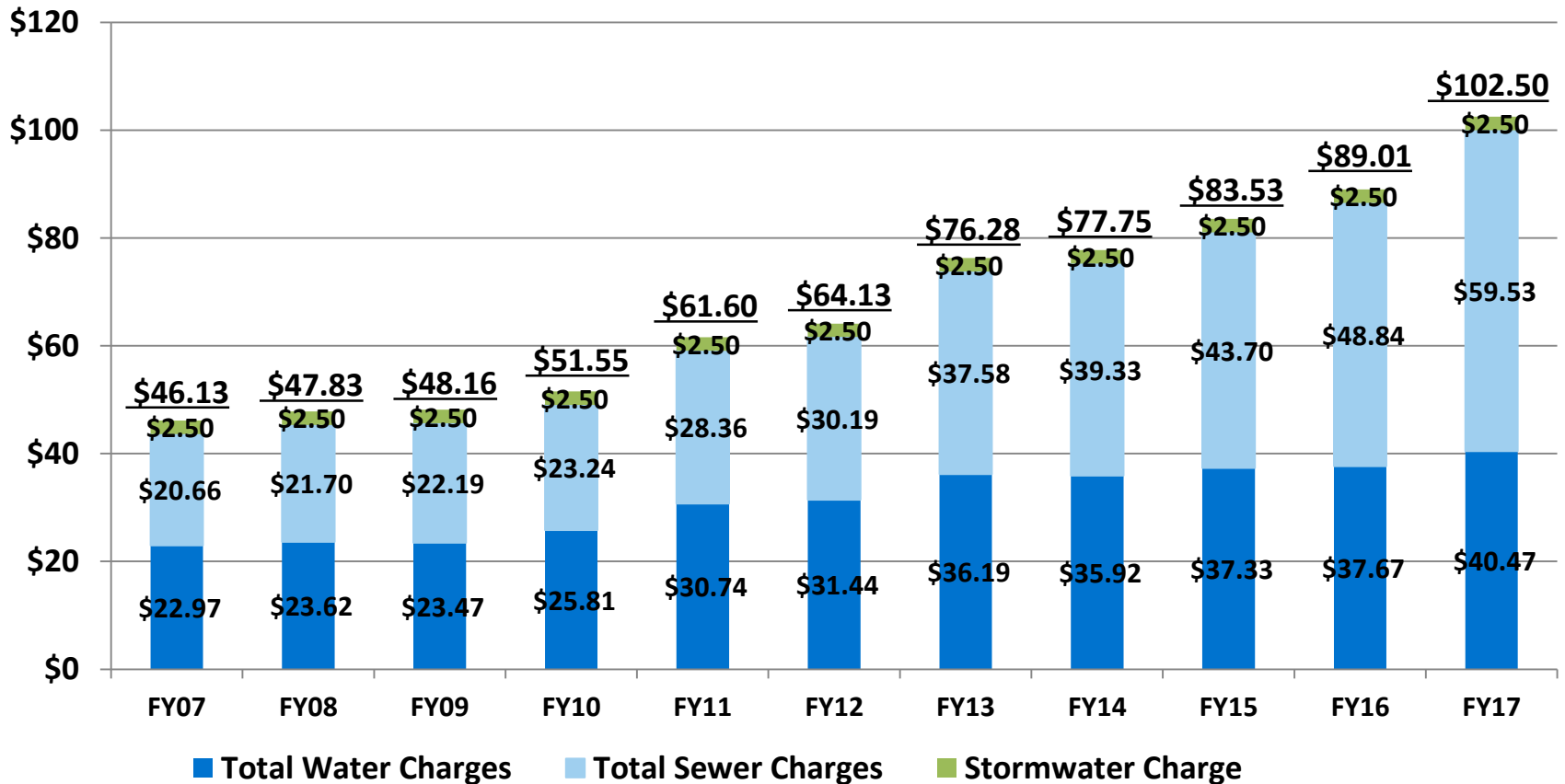
\$64,900
Owner-Occupied
Median Household Income

\$45,821
All Occupied
Median Household Income

Source: 2015 American Community Survey

Residential Bill (Actual Average Usage)

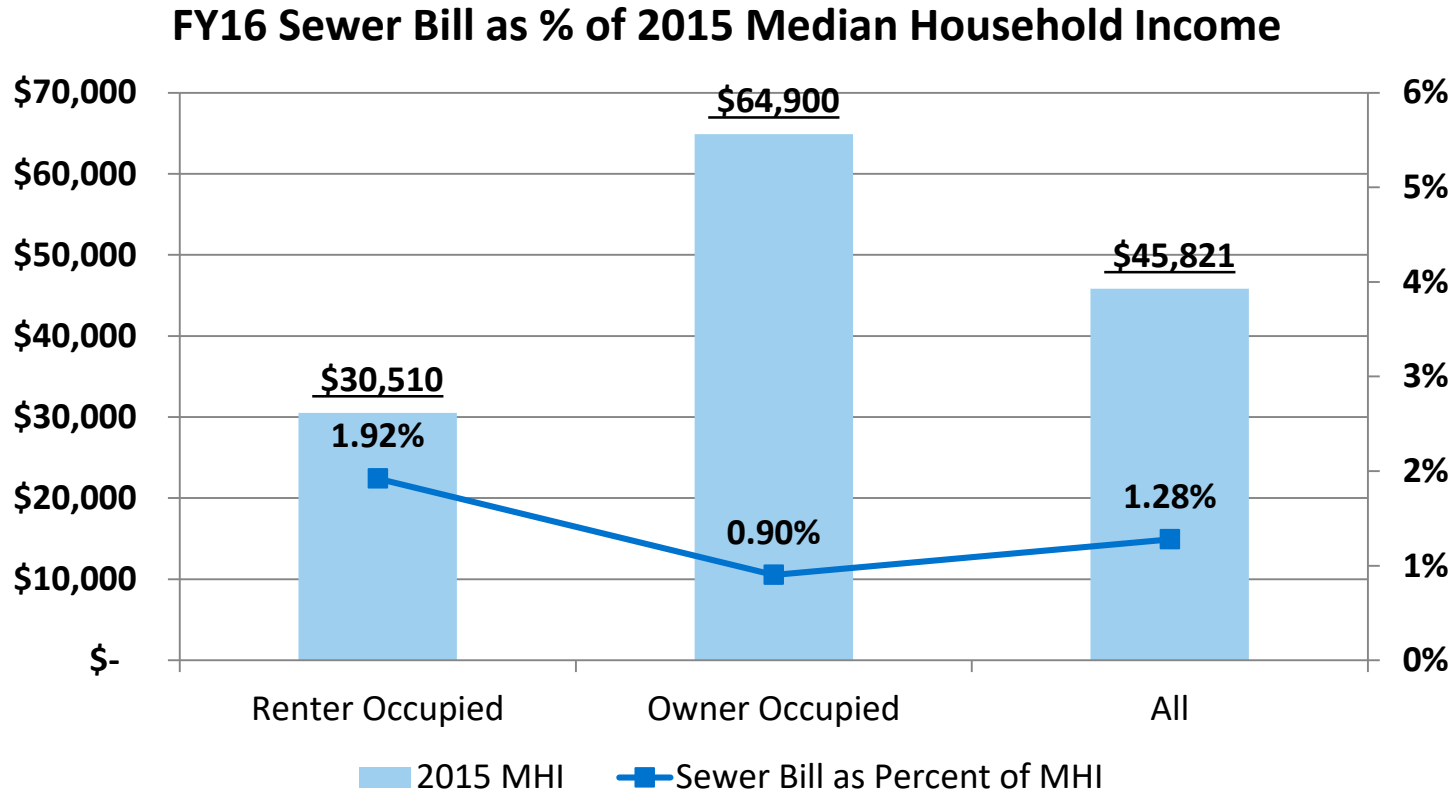
Average Residential Bill (FY2007 - FY2017)



Residential Bill (Actual Average Usage)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Water Service Charge	\$9.00	\$9.00	\$9.00	\$10.35	\$11.40	\$10.85	\$10.85	\$11.90	\$13.09	\$13.50	\$13.90
Average Water Usage	7.99	7.67	6.63	6.42	7.05	6.42	6.81	5.97	5.45	5.25	5.78
Rate per 100 cubic feet on first 600 cubic feet	\$1.70	\$1.86	\$2.16	\$2.39	\$2.70	\$3.18	\$3.67	\$4.02	\$4.45	\$4.60	\$4.60
Rate per 100 cubic feet on next 4,400 cubic feet	\$1.89	\$2.07	\$2.40	\$2.65	\$3.00	\$3.58	\$4.08	\$4.50	\$4.75	\$4.85	\$5.09
Water Volume Charge	\$13.97	\$14.62	\$14.47	\$15.46	\$19.34	\$20.59	\$25.34	\$24.02	\$24.24	\$24.17	\$26.57
<i>Total Water Charges</i>	<i>\$22.97</i>	<i>\$23.62</i>	<i>\$23.47</i>	<i>\$25.81</i>	<i>\$30.74</i>	<i>\$31.44</i>	<i>\$36.19</i>	<i>\$35.92</i>	<i>\$37.33</i>	<i>\$37.67</i>	<i>\$40.47</i>
Sewer Service Charge	\$7.31	\$7.89	\$8.60	\$8.60	\$9.90	\$9.90	\$11.55	\$12.20	\$15.10	\$17.05	\$18.05
Average Sewer Usage	7.99	7.67	6.63	6.42	7.05	6.42	6.81	5.97	5.45	5.25	5.78
Rate per 100 cubic feet	\$1.67	\$1.80	\$2.05	\$2.28	\$2.62	\$3.16	\$3.82	\$4.54	\$5.25	\$6.05	\$7.18
Sewer Volume Charge	\$13.35	\$13.81	\$13.59	\$14.64	\$18.46	\$20.29	\$26.03	\$27.13	\$28.60	\$31.79	\$41.48
<i>Total Sewer Charge</i>	<i>\$20.66</i>	<i>\$21.70</i>	<i>\$22.19</i>	<i>\$23.24</i>	<i>\$28.36</i>	<i>\$30.19</i>	<i>\$37.58</i>	<i>\$39.33</i>	<i>\$43.70</i>	<i>\$48.84</i>	<i>\$59.53</i>
<i>Stormwater Charge</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>	<i>\$2.50</i>
Total Charges	\$46.13	\$47.83	\$48.16	\$51.55	\$61.60	\$64.13	\$76.28	\$77.75	\$83.53	\$89.01	\$102.50

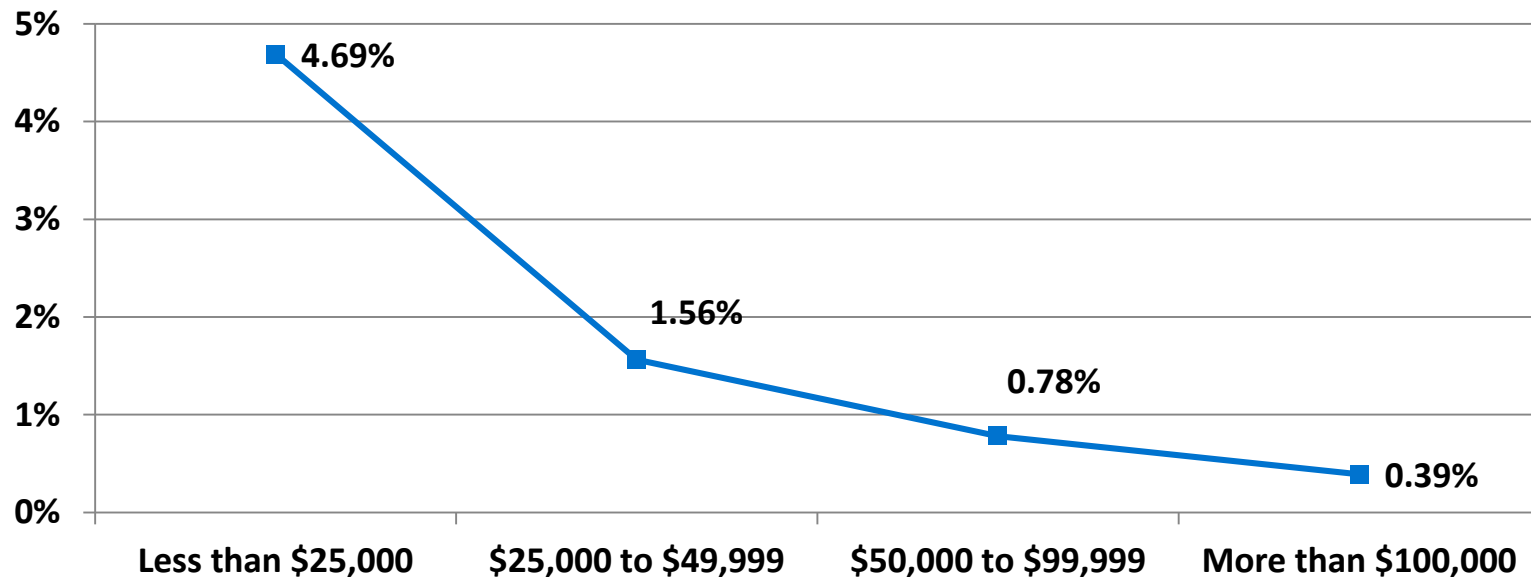
Impact of Sewer Rates as a Percent of Median Household Income



Source: 2015 American Community Survey

Sewer Rates as a Percent of Median Household Income

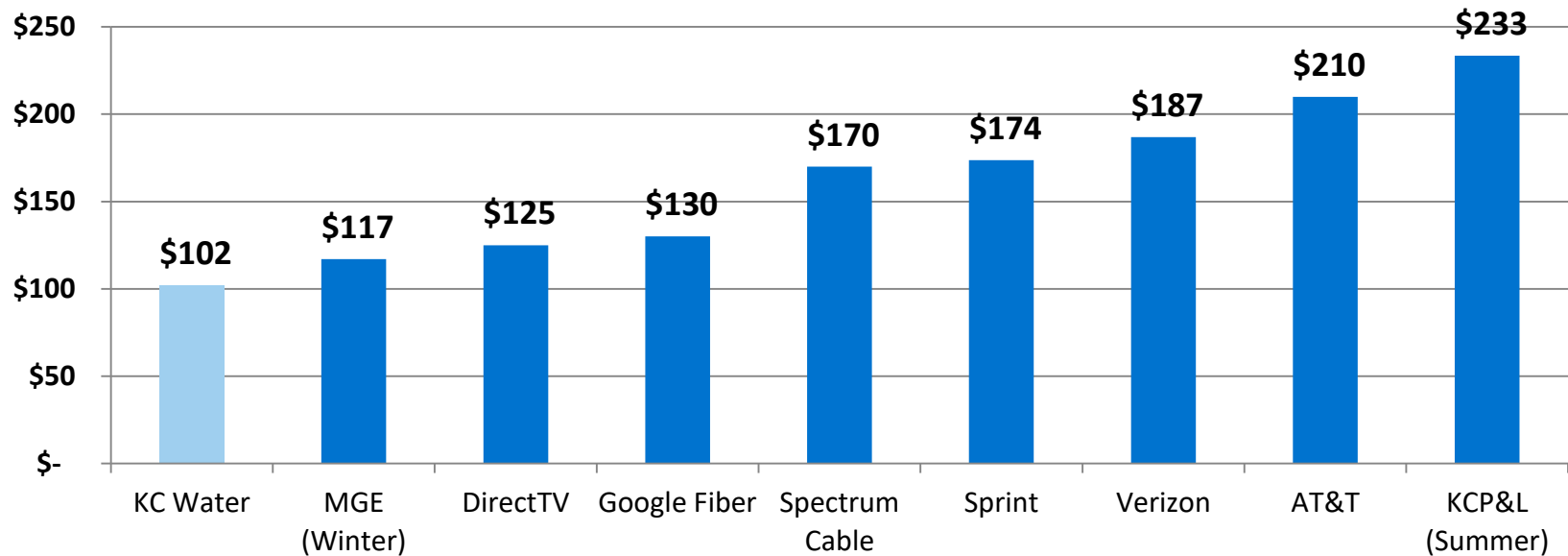
FY2016 KCMO Sewer Bill as % of 2015 Median Household Income



Source: 2015 American Community Survey

Other Utility Comparison – Kansas City, Missouri

Average Monthly Residential Bill in KCMO



Sources:

1. KC Water - April 19, 2016 Task Force Presentation. Includes Water, Wastewater and Stormwater.
2. Missouri Gas Energy - Assumes 150 CCFs per month of usage for winter months (Dec/Jan/Feb). Source: Company Website.
3. DirectTV price is for the Xtra All Included package of 220 TV channels and 4 TVs after introductory 12-month offer. Source: DirectTV website.
4. Google Fiber - Company Website. Price reflects 220 TV channels and up to 1,000 Mbps Internet in KCMO market.
5. Spectrum Cable (Time Warner) package of TV Select (125 Channels) plus Spectrum Internet (up to 100Mbps) in KCMO market. Price is after the introductory 12-month period. Source: Phone call with Spectrum Cable Sales 01/25/2017.
6. For Wireless Carriers, 3Q2016 Earnings Press Releases, Average Revenue per User reported amounts. Assumes 4 devices per wireless account. Just wireless revenue is represented. Source: Company Websites.
7. Kansas City Power & Light - Assumes 2,000 KWh per month of usage for summer months (Jun/Jul/Aug/Sep). Source: Company Website.



Financing Considerations First Southwest

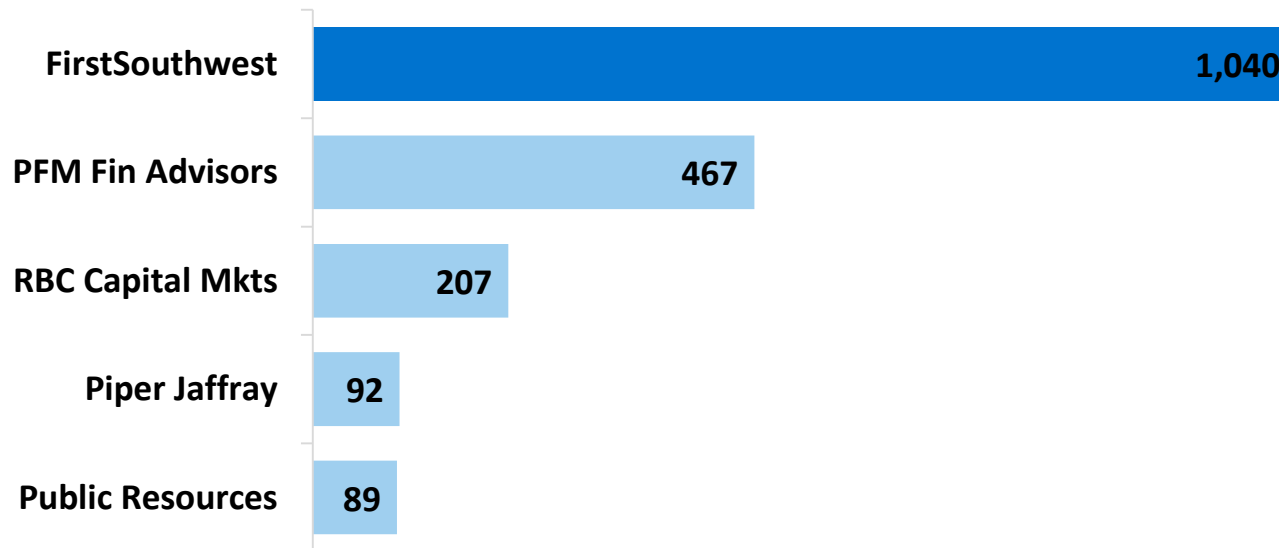
Who is First Southwest, a Division of Hilltop Securities?

- First Southwest is KC Water's Financial Advisor
- Provide services in the debt issuance process and other financial advisory services for the Water and Sewer utilities, including:
 - Overall the entire bond issuance process
 - Understanding buyers of municipal debt
 - Evaluating Rate Structures
 - Recommending target balance of reserve accounts
 - Determining implications of financing capital improvement programs
 - Financial modeling and conducting sensitivity analyses
 - Developing long range financial plans
 - Ensuring projected revenues are adequate
 - Evaluate and monitor for refunding opportunities

Financial Advisory Rankings – Water/Sewer

In the past five years, First Southwest has served on 1,040 water & sewer issues totaling over \$23.9 billion per amount.

National Financial Advisory Rankings
January 1, 2012 to December 31, 2016
Number of Bond and Note Issues *Source: MuniAnalytics*
Water & Sewer Issues



Representative Water/Sewer Clients



El Paso Public
Service Board, TX



Dallas, TX



Seminole County, FL



Atlanta, GA



Charlotte County, FL



Richardson, TX



Maryland Water
Quality Financing
Administration, MD



Trinity River
Authority, TX



Oklahoma Water
Resources Board, OK



Irving, TX



Metro Government of
Nashville & Davidson
County, TN



Fort Worth, TX



Gloucester, MA



North Texas
Municipal Water
District, TX



Canadian River
Municipal Water
Authority, TX



Tarrant Regional
Water District, TX



Texas Water Development
Board, TX



Santa Fe, NM



Port St. Lucie, FL



Plano, TX



Denver, CO



Fort Lauderdale, FL

Recent Credit Rating Agency Reviews

- KC Water is issuing ~\$78 million in water revenue bonds on February 8th for water capital improvement projects.
- After presenting financial history and future projections to S&P and Moody's, the agencies issued their ratings on our water utility debt.

“S&P Global Ratings affirmed its AA+ rating on the city’s existing water revenue-secured debt. The outlook is stable.” – 01/20/2017
(Standard & Poors Global Ratings)

“Moody’s affirms the Aa2 rating on the water utility system’s outstanding parity debt. The outlook is stable.” – 01/20/2017
(Moody’s Investor Service)



Overflow Control Program Scenarios Follow-up from January Meeting

Should the City and EPA seek to modify the Consent Decree to ensure that the long-term approach to meeting Clean Water Act objectives is sustainable and within the City's financial capability, even if the total program costs grow?

Significant dates concerning KC Water & EPA discussions related to the Consent Decree's Schedule and Implementation

- 09/27/2010: The Court orders the Consent Decree
- 01/09/2015: The Court orders the 1st Amendment to the Consent Decree
- 11/14/2016: KC Water submits a request to optimize the schedule for certain control measures.
- 11/21/2016: City provides update to EPA Staff on OCP Progress
- June 2017: City to provide update to EPA on Task Force recommendations

It's a Balancing Act

What is most important?

- Affordability of the plan (including capital, maintenance and operation)
 - 2% of median household income is a data point that has been used since EPA first incorporated it into guidance on this subject matter, but it's not a static point of evaluation.
 - The median household income factor is only one of many considerations that should be evaluated in determining the most appropriate schedule.
 - Affordability necessitates an understanding of a full range of financial indicators as well as municipal specific information.
- Total cost of the Overflow Control Program
- Impact of rates on the customers
- Keeping the right level of control for our citizens, ratepayers, system and our receiving waters.

Overflow Control Program (OCP) Scenarios

1. Current OCP Plan that includes 13% rate increases through FY2022
2. Current OCP Plan without Johnson County (87th St.) Storage Facility in FY2022
3. Current OCP Plan without 87th St. Storage Facility in FY2022 with 9% sewer rate increases through FY2027
4. Extend OCP Plan out 10 years – move projects out every other year (“do nothing years”)
5. Extend OCP Plan out 15 years – move projects out every other year (“do nothing years”)

Scenario Constraints/Assumptions

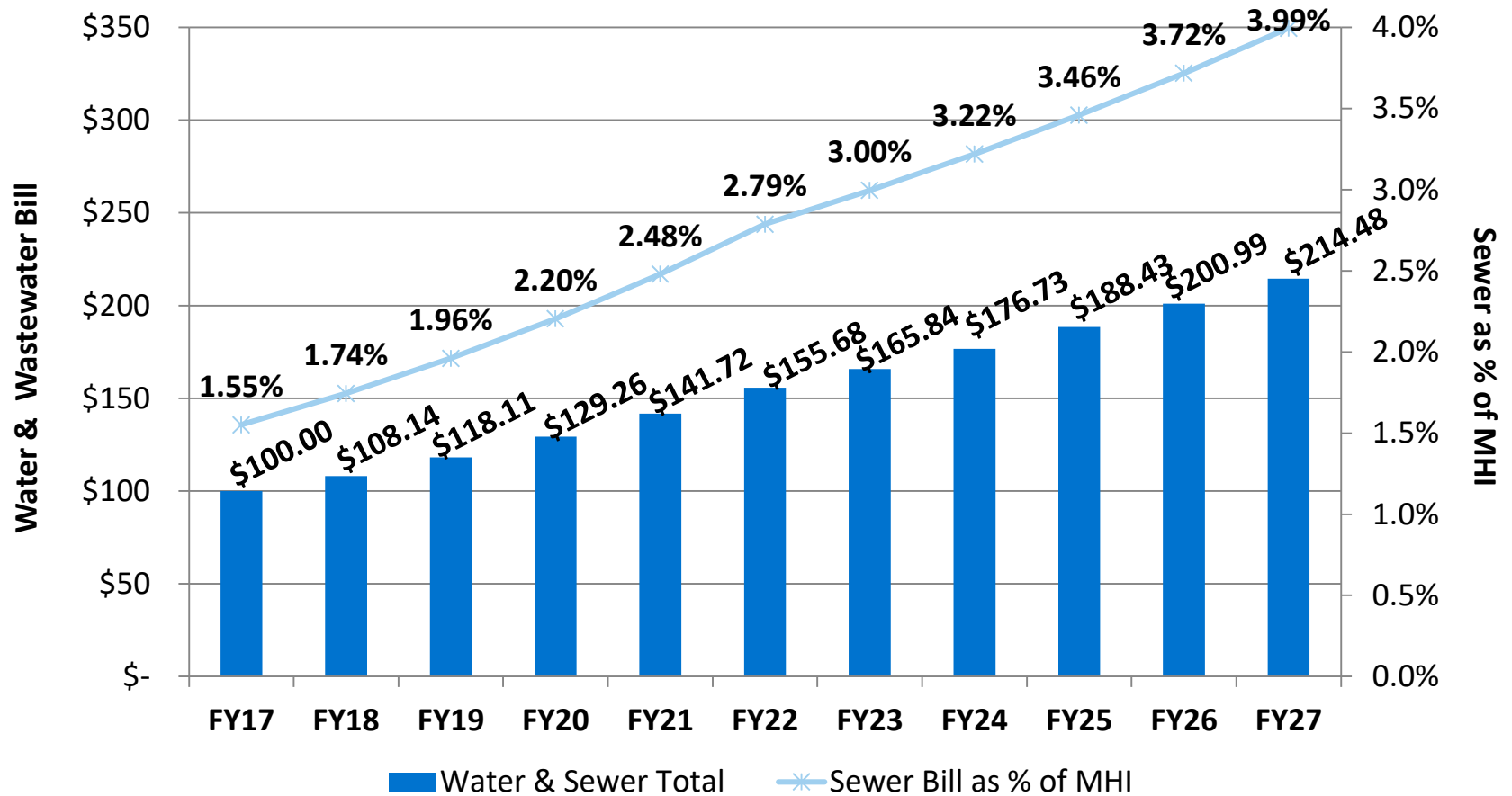
- Remaining (FY2018 to FY2035) OCP spend of \$4.42 billion.
- Only current regulations considered.
- Future construction annual inflation of 2%.
- Median household income growth of 0.5% (based on historical average for KCMO from 2009 to 2015). *Source: American Community Survey*
- Water rate increases of 1% in FY2018 and 3% in all years beyond.
- Maintain debt service coverage ratio of 1.6x. Annual net revenue (after O&M expense) available for payment of annual debt service.
- Minimum 90 days cash on hand (Code of ordinances requires 60 days)

Scenario #1 – Current OCP Plan

- No incremental spend
- Sewer rate increases of 13% in FY18 to FY22
- Sewer bill exceeds 2% of median household income in FY20
- Average sewer rate increases of 8% in FY23 to FY27
- Drops Coverage Ratio below 1.6x in FY29

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Total Water Charges	\$40.47	\$40.88	\$42.10	\$43.37	\$44.67	\$46.01	\$47.39	\$48.81	\$50.27	\$51.78	\$53.34
Water Portion Increase		1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Sewer Charge	\$59.53	\$67.27	\$76.01	\$85.89	\$97.06	\$109.67	\$118.45	\$127.92	\$138.16	\$149.21	\$161.15
Sewer Portion Increase		13.0%	13.0%	13.0%	13.0%	13.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water & Wastewater Total Charge	\$100.00	\$108.14	\$118.11	\$129.26	\$141.72	\$155.68	\$165.84	\$176.73	\$188.43	\$200.99	\$214.48
Overall Bill Increase		8.1%	9.2%	9.4%	9.6%	9.8%	6.5%	6.6%	6.6%	6.7%	6.7%

Scenario #1 – Current Overflow Control Program Plan



Top 10 Projects Driving Cost of the Overflow Control Program

- Ten projects drive 70% of remaining Overflow Control Program spend.
- Projects highlighted in gray are the next major projects to commence.

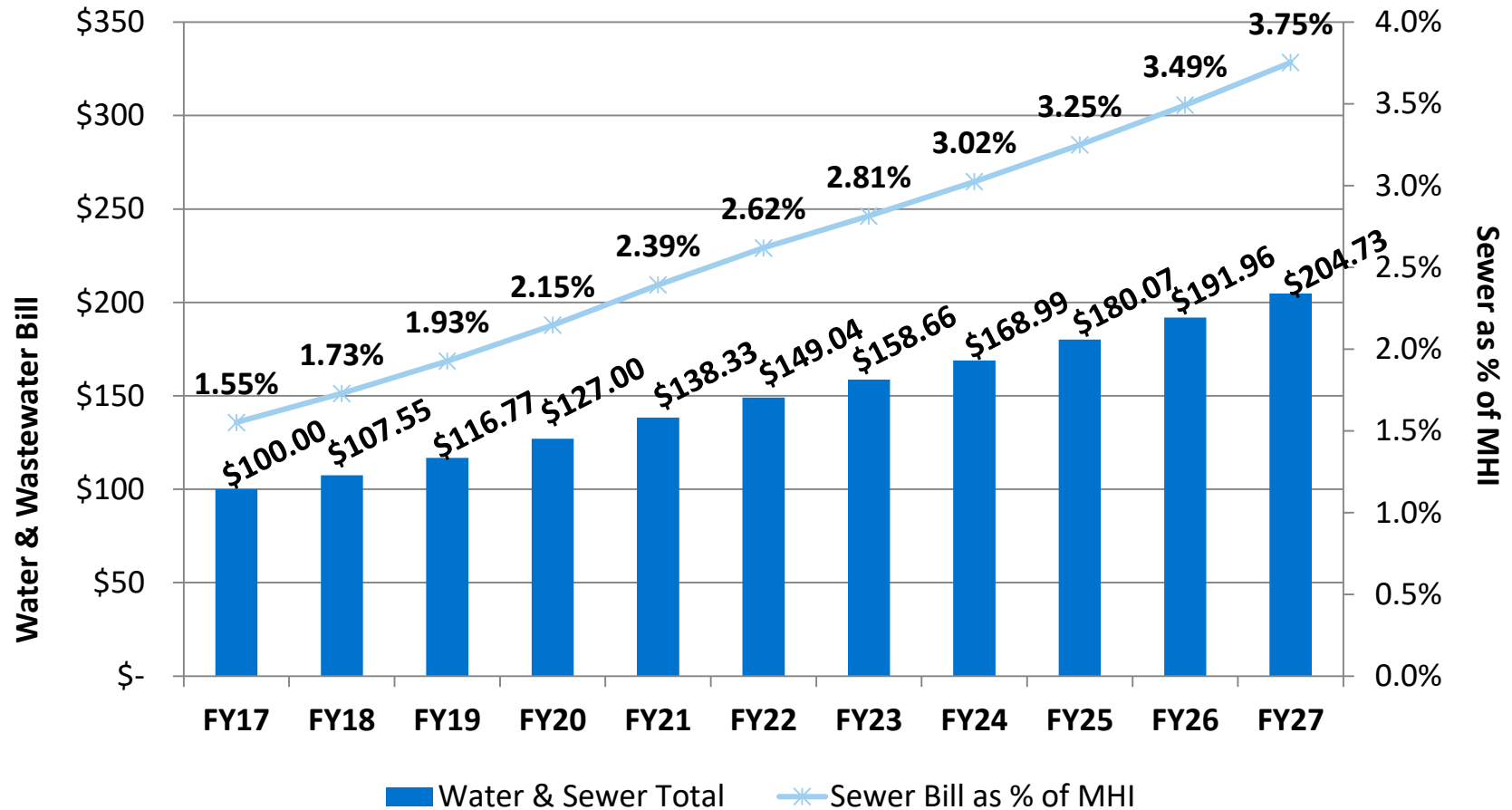
Project Name	Budget	Fiscal Year (Design)	Fiscal Year (Construction)
87th St. Pump Station (Phase 1) Storage Tank	\$339,725,914	FY19	FY22
Deep Tunnel Storage: N. of Missouri River	\$539,337,542	FY21	FY24
Deep Tunnel Pump Station: N. of Missouri River	\$134,284,916	FY24	FY27
Wet Weather Treatment Facility: Brush Creek	\$311,676,945	FY25	FY28
Deep Tunnel Storage: Town Fork Creek	\$270,788,847	FY28	FY30
Deep Tunnel Storage: Brush Creek	\$496,254,192	FY27	FY31
Deep Tunnel Pump Station: Brush Creek	\$160,991,521	FY29	FY32
Deep Tunnel Storage: Turkey Creek/CID	\$327,578,456	FY30	FY33
Deep Tunnel Pump Station: Turkey Creek/CID	\$162,644,109	FY30	FY33
Total	\$3,038,238,532		

Scenario #2 – Current OCP Plan without 87th Street Facility

- Reduce capital expenditures spend by \$0.3 billion – Assumes \$4.12 billion in capital expenditures spend (FY18 to FY35)
- Sewer rate increases of 12% in FY18 to FY22
- Sewer bill exceeds 2% of median household income in FY20
- Average Sewer Rate increases of 8% in FY23 to FY27
- Drops Coverage Ratio below 1.6x in FY29

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Total Water Charges	\$40.47	\$40.88	\$42.10	\$43.37	\$44.67	\$46.01	\$47.39	\$48.81	\$50.27	\$51.78	\$53.34
Water Portion Increase		1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Sewer Charge	\$59.53	\$66.67	\$74.67	\$83.63	\$93.67	\$103.03	\$111.28	\$120.18	\$129.79	\$140.18	\$151.39
Sewer Portion Increase		12.0%	12.0%	12.0%	12.0%	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water & Wastewater Total Charge	\$100.00	\$107.55	\$116.77	\$127.00	\$138.33	\$149.04	\$158.66	\$168.99	\$180.07	\$191.96	\$204.73
Overall Bill Increase		7.5%	8.6%	8.8%	8.9%	7.7%	6.5%	6.5%	6.6%	6.6%	6.7%

Scenario #2 – Current OCP Plan without 87th Street Facility

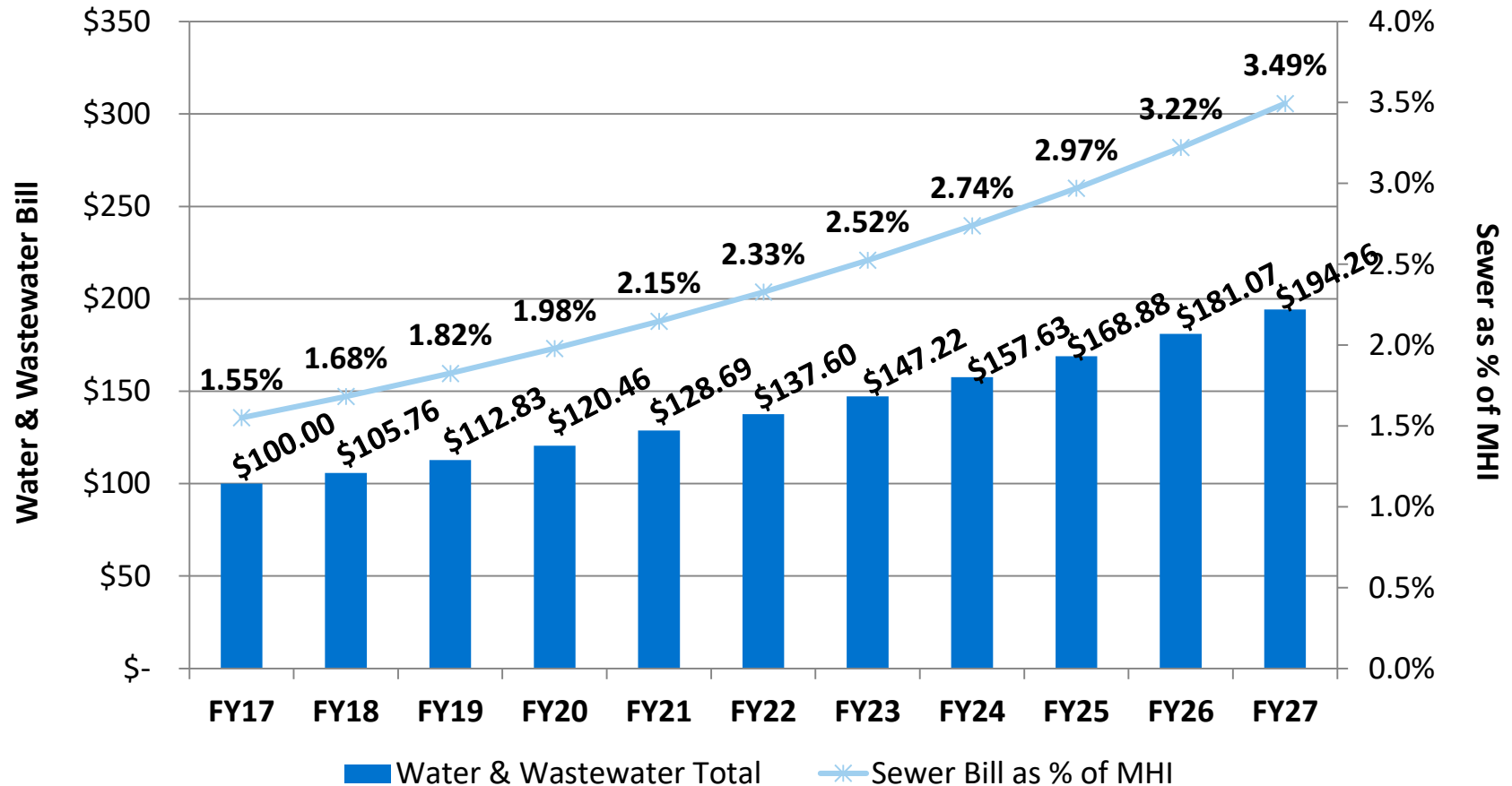


Scenario #3 – Current OCP Plan without 87th Street Facility/ Rates at 9%

- Reduce capital expenditures by \$0.3 billion – assumes \$4.12 billion in capital expenditures spend (FY18 to FY35)
- Sewer rate increases of 9% in FY18 to FY27
- Sewer bill exceeds 2% of median household income in FY21
- Drops Coverage Ratio to 1.6x in FY28

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Total Water Charges	\$40.47	\$40.88	\$42.10	\$43.37	\$44.67	\$46.01	\$47.39	\$48.81	\$50.27	\$51.78	\$53.34
Water Portion Increase		1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Sewer Charge	\$59.53	\$64.88	\$70.72	\$77.09	\$84.03	\$91.59	\$99.83	\$108.82	\$118.61	\$129.29	\$140.92
Sewer Portion Increase		9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Water & Wastewater Total Charge	\$100.00	\$105.76	\$112.83	\$120.46	\$128.69	\$137.60	\$147.22	\$157.63	\$168.88	\$181.07	\$194.26
Overall Bill Increase		5.8%	6.7%	6.8%	6.8%	6.9%	7.0%	7.1%	7.1%	7.2%	7.3%

Scenario #3 – Current OCP Plan without 87th Street Facility/ Rates at 9%

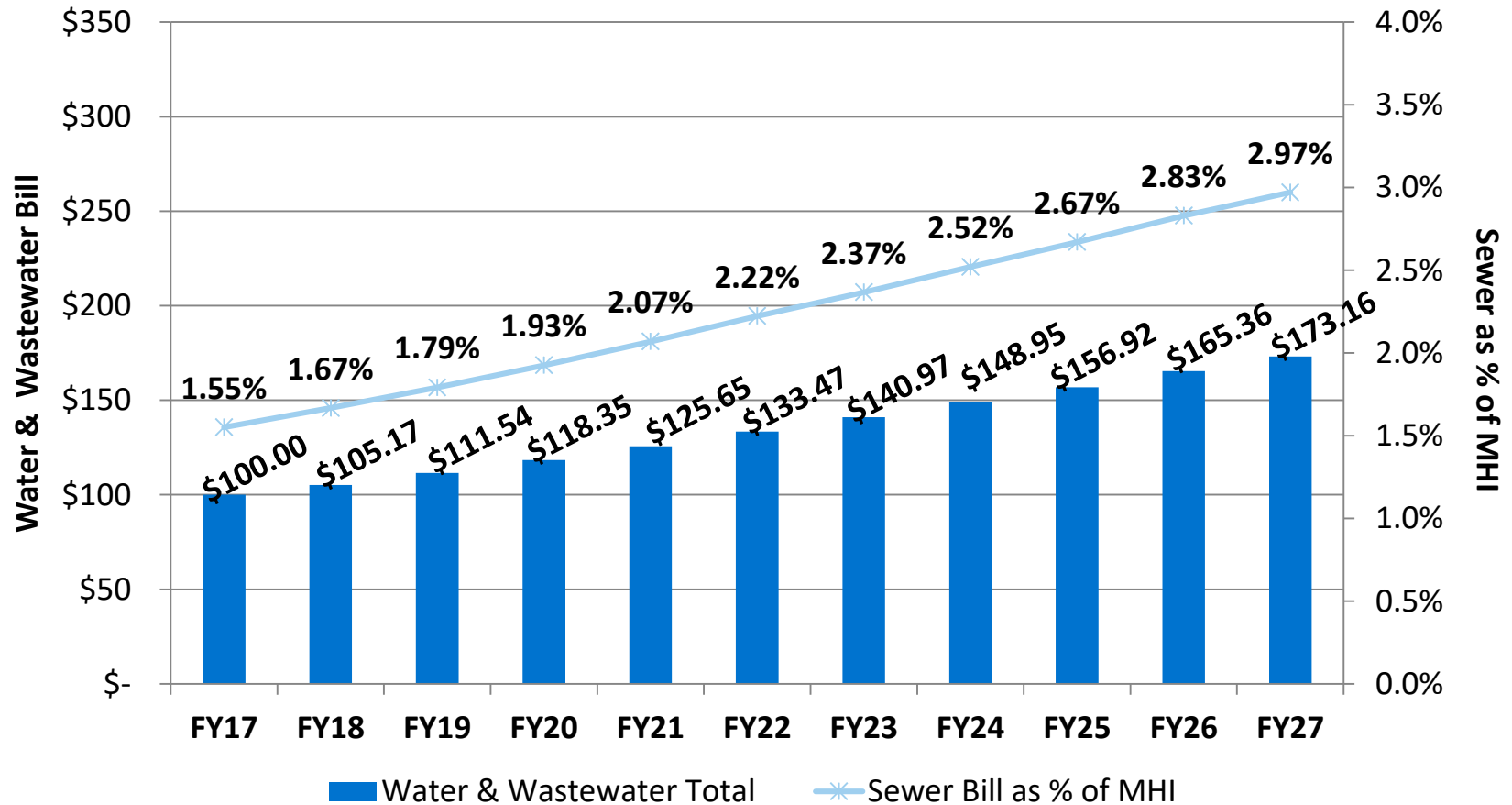


Scenario #4 – Extend Current OCP Plan out 10 years to FY2045

- Increases capital expenditures spend by \$0.73 billion through FY45
- Sewer rate increases of 8% in FY18 to FY22
- Sewer bill exceeds 2% of median household income in FY21
- Average sewer rate increases of 6.7% from FY23 to FY27
- Drops Coverage Ratio below 1.6x in FY42

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
<i>Total Water Charges</i>	\$40.47	\$40.88	\$42.10	\$43.37	\$44.67	\$46.01	\$47.39	\$48.81	\$50.27	\$51.78	\$53.34
<i>Water Portion Increase</i>		1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<i>Total Sewer Charge</i>	\$59.53	\$64.29	\$69.43	\$74.99	\$80.99	\$87.46	\$93.59	\$100.14	\$106.65	\$113.58	\$119.83
<i>Sewer Portion Increase</i>		8.0%	8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	6.5%	6.5%	5.5%
Water & Wastewater Total Charge	\$100.00	\$105.17	\$111.54	\$118.35	\$125.65	\$133.47	\$140.97	\$148.95	\$156.92	\$165.36	\$173.16
Overall Bill Increase		5.2%	6.1%	6.1%	6.2%	6.2%	5.6%	5.7%	5.4%	5.4%	4.7%

Scenario #4 – Extend Current OCP Plan out 10 years to FY2045

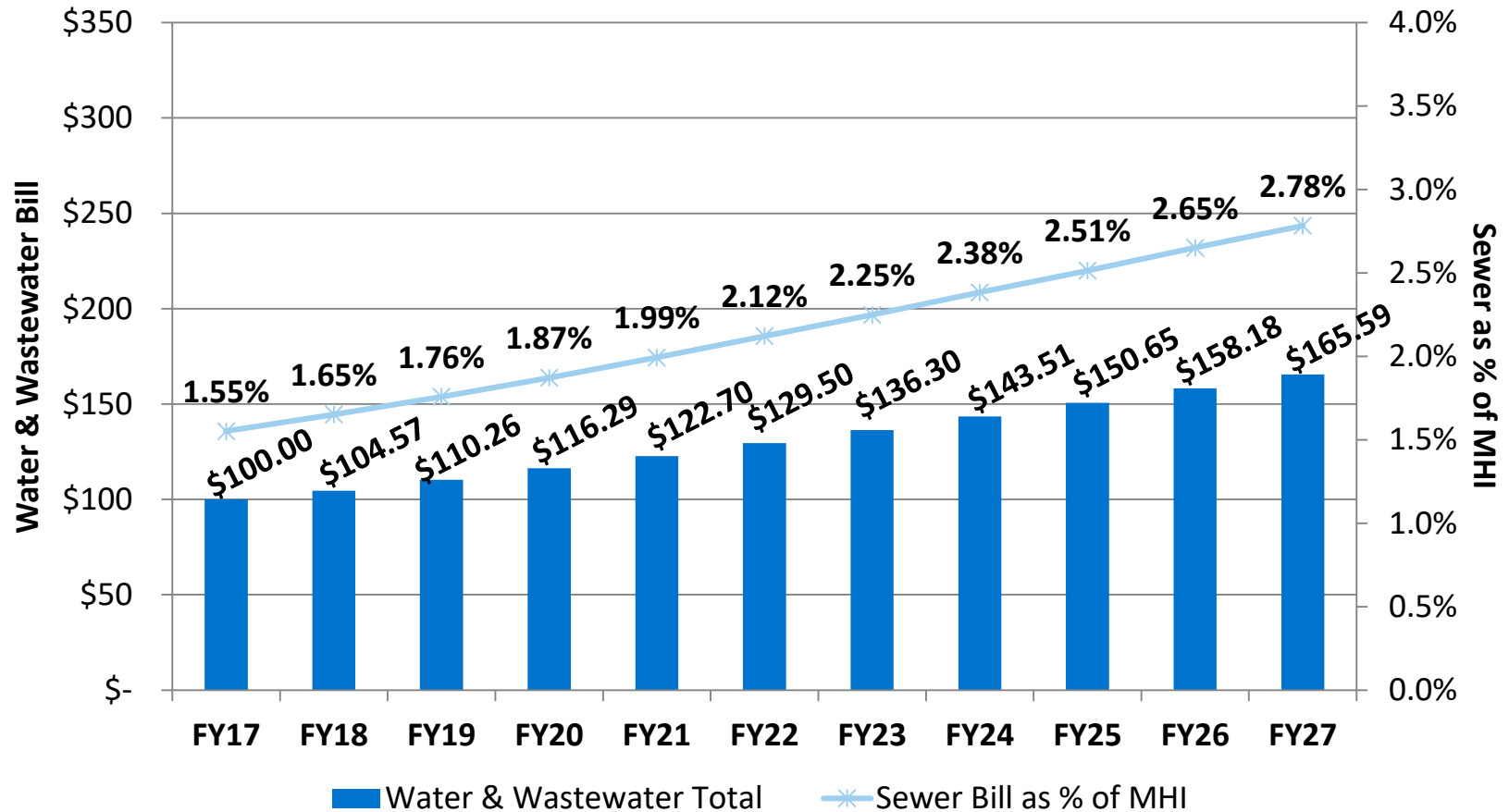


Scenario #5 – Extend Current OCP Plan out 15 years to FY2050

- Increases capital expenditures spend by \$0.89 billion through FY50
- Sewer rate increases of 7% in FY18 to FY22
- Sewer bill exceeds 2% of median household income in FY22
- Average sewer rate increases of 6.1% from FY23 to FY27
- Drop Coverage Ratio below 1.6x in FY39

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Total Water Charges	\$40.47	\$40.88	\$42.10	\$43.37	\$44.67	\$46.01	\$47.39	\$48.81	\$50.27	\$51.78	\$53.34
Water Portion Increase		1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Sewer Charge	\$59.53	\$63.69	\$68.15	\$72.92	\$78.03	\$83.49	\$88.92	\$94.70	\$100.38	\$106.40	\$112.25
Sewer Portion Increase		7.0%	7.0%	7.0%	7.0%	7.0%	6.5%	6.5%	6.0%	6.0%	5.5%
Water & Wastewater Total Charges	\$100.00	\$104.57	\$110.26	\$116.29	\$122.70	\$129.50	\$136.30	\$143.51	\$150.65	\$158.18	\$165.59
Overall Bill Increase		4.6%	5.4%	5.5%	5.5%	5.5%	5.3%	5.3%	5.0%	5.0%	4.7%

Scenario #5 – Extend Current OCP Plan out 15 years to FY2050



Summary of OCP (Consent Decree) Scenarios

- Extending the OCP Plan to a longer time period increases costs significantly but tempers sewer rate increases.
- Best Case Scenario, Sewer Bill crosses 2% of projected median household income in FY22.

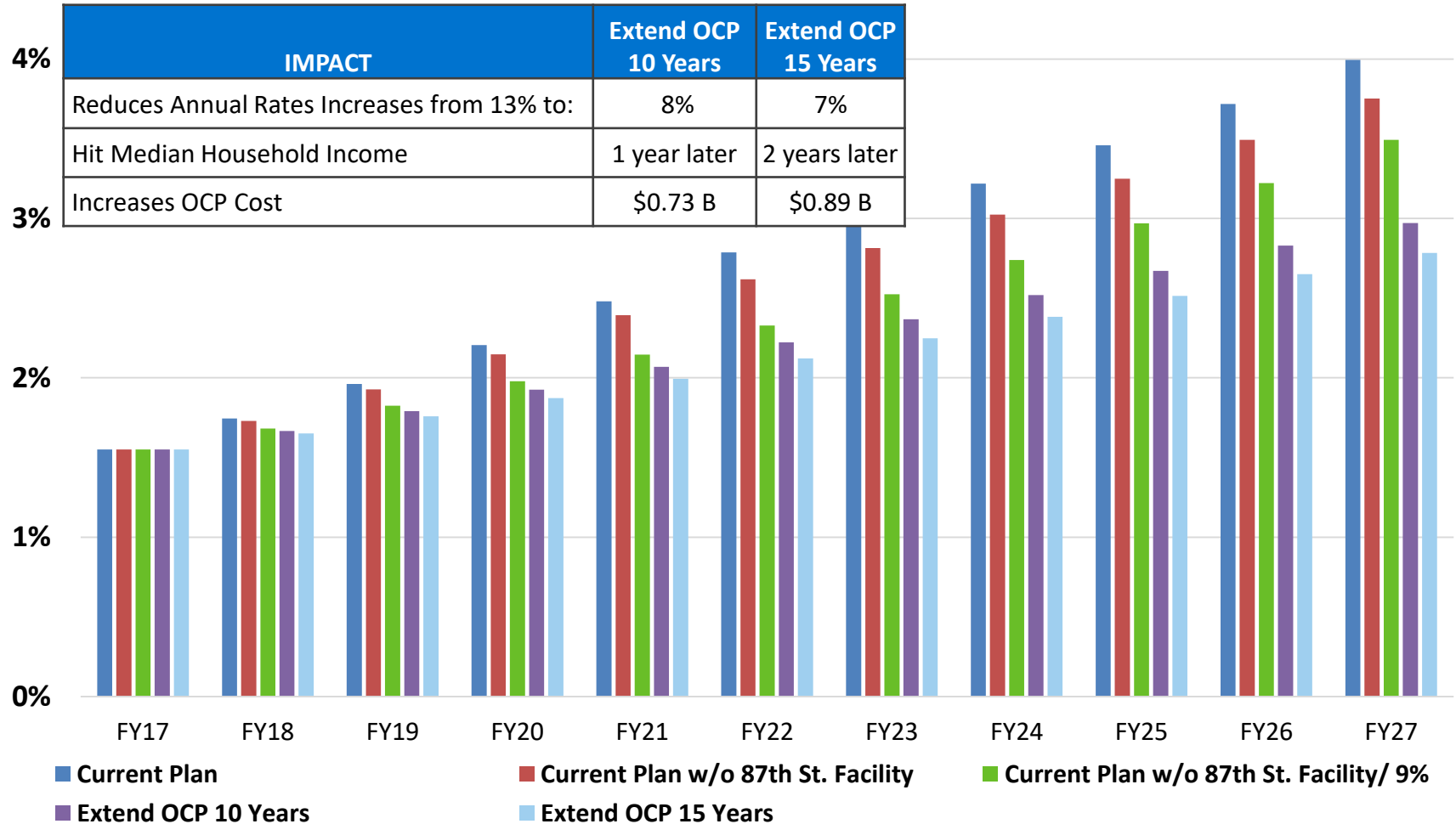
	Current Plan	Current Plan w/o 87 th St.	Current Plan w/o 87 th St./ 9%	Extend OCP 10 Years	Extend OCP 15 Years
Remaining OCP Capital Spend	\$4.42B	\$4.12B	\$4.12B	\$5.15B	\$5.31B
Incremental OCP Capital from Inflation*				\$0.73B	\$0.89B
Sewer Rate Increases FY18 to FY22	13.0%	12.0%	9.0%	8.0%	7.0%
Average Annual Total Bill Rate Increase FY18 to FY22	9.1%	8.1%	6.4%	5.8%	5.2%
Fiscal Year Sewer Bill exceeds 2% of MHI	FY20	FY20	FY21	FY21	FY22
Average Sewer Rate Increases FY2023 to FY27	8.0%	8.0%	9.0%	6.7%	6.1%
Average Annual Total Bill Rate Increase FY23 to FY27	6.5%	6.5%	7.0%	5.0%	5.0%
Average Sewer Rate Increases FY2028 to FY32	5.0%	5.0%	5.0%	4.9%	4.9%

Notes:

*Assumes 2% Annual Inflation.

**Assumes Historical MHI growth of 0.5% (2009 to 2015)

Scenarios Impact Summary: Impact on Sewer Bill as a Percent of MHI



Inflation Impact on OCP Scenarios

- Changing the inflation assumption from 2% annual rate to 3% annual rate can have a dramatic effect on required incremental spending.

<u>Scenario</u>	<u>Total Spend</u>	<u>Incremental Spend from Current Plan</u>	<u>1% Difference in Inflation</u>
Current OCP Spend Remaining	\$4,422,408,301.00		
Extend OCP 10 Years (2% Inflation)	\$5,156,415,199.00	\$734,006,898.00	
Extend OCP 10 Years (3% Inflation)	\$5,568,806,371.00	\$1,146,398,070.00	\$412,391,172.00
Extend OCP 15 Years (2% Inflation)	\$5,314,443,728.00	\$892,035,427.00	
Extend OCP 15 Years (3% Inflation)	\$5,834,165,172.00	\$1,411,756,871.00	\$519,721,444.00

What happens when MHI grows at 3% annually instead of 0.5%?

- For each scenario examined, the table below shows the fiscal year in which the KCMO sewer bill is expected to exceed 2% of median household income if it grows at 3% instead of the historical growth rate of 0.5%.

Scenario	Description	Fiscal Year where Sewer Exceeds 2% of MHI (3% Growth)	Fiscal Year where Sewer Exceeds 2% of MHI (0.5% Growth)
1	Base case (13%)	FY20	FY20
2	Remove Johnson County (13%)	FY21	FY20
3	Remove Johnson County (9%)	FY22	FY21
4	Extend 10 years (8%)	FY24	FY21
5	Extend 15 years (7%)	FY25	FY22

Water and Sewer Bill

- Affordability (4%) – Another way to view the issue is with the combined water and sewer bill.
- Using the “Base Case” (Scenario #1 assumptions), the combined (water and sewer utilities) bill as a percent of projected median household income would be:

	<u>FY2017</u>	<u>In 5 Years</u>	<u>In 10 Years</u>	<u>In 15 Years</u>
Total Monthly Bill	\$100.00	\$155.68	\$214.48	\$267.50
Annual MHI at 0.5%	\$46,050.00	\$47,213.00	\$48,405.00	\$49,627.00
Total Bill as Percent of MHI	2.6%	4.0%	5.3%	6.5%
Annual MHI at 3.0%	\$47,196.00	\$54,713.00	\$63,427.00	\$73,529.00
Total Bill as Percent of MHI	2.5%	3.4%	4.1%	4.4%

Policy Question

- RECOMMENDATION FROM LAST MEETING - KC Water modify the Consent Decree with the EPA, requesting removal/reduction of scope/spend on certain projects
- Should the City ask EPA to extend the compliance timeframe even if the overall total program cost goes up because of inflation?

IMPACT	Extend OCP 10 Years	Extend OCP 15 Years
Reduces Annual Rates Increases from 13% to:	8%	7%
Hit Median Household Income	1 year later	2 years later
Increases OCP Cost	\$0.73 B	\$0.89 B
% of MHI in 2027 (current plan = 4%)	2.97%	2.78%



Customer Assistance

Customer Assistance Program

- Partnership with the Mid America Assistance Coalition
- Helps customers who are unable to pay their water bills
- Committed \$2 million in funds since 2009
 - \$300,000 for FY17
- More than 6,100 customers assisted annually
- Funded by existing customer late fees



*Customer Assistance
Program Information Line:
2-1-1 or 816-474-5112*

KCMO Customer Assistance Criteria

- Income at or below 185% of the U.S. Poverty Guidelines most recently published by the Department of Health and Human Services. Currently \$24,350 for family of 4.
- Active Kansas City, Missouri Water Services Department (KC Water) customer.
- Customer account number must be captured and recorded for the client.
- Resident of Kansas City, Missouri.
- Program assistance is for KC Water water, wastewater and/or storm water bills.
- Eligible applicant can receive a maximum of \$500.00 in program assistance within a rolling 12 month period.
- Program assistance may be used for a current KC Water bill or a payment under a KC Water settlement.
- Applicant must have made a payment from personal funds on the KC Water bill for which applicant is seeking help within 90 days of the date of application.

Customer Assistance

- Should the City increase the amount of non-rate revenue dollars to the existing customer assistance program?
- Should the City explore a program for water efficiency to keep costs down for low-income households?



Public Comment & Task Force Discussion



Meeting Adjourned