



# FAQ: YOUR WATER RATES AT WORK

MAY 1, 2019 – APRIL 30, 2020 (FISCAL YEAR 2020)

## ARE MY RATES GOING UP THIS YEAR?

Beginning May 1, 2019, the average monthly residential water bill will increase about **81 cents** for water and **\$3.61** for wastewater, with **no increase** for stormwater.

## WHY ARE MY RATES GOING UP?

The new rates, approved by the City Council, will fund the ongoing maintenance and improvement of Kansas City's water infrastructure, including the wastewater investments required by the 25-year, federally mandated Smart Sewer Program.

## HOW MUCH WILL MY BILL BE?

The average residential bill will be **\$106.62** per month, which includes **\$39.82** for water (based on actual average monthly usage of 5.30 CCF, or 3,964 gallons), **\$64.30** for wastewater (based on actual average monthly usage of 4.58 CCF, or 3,426 gallons), and **\$2.50** for stormwater (based on an average of 2,500 square feet of impervious surface area). Your actual bill will vary depending on the number of days of service (typically 29-31 days), the amount of water used, and the amount of impervious surface (the size of structures and paved surfaces that cannot absorb rainwater) at your residence.

## WHAT AM I PAYING FOR EACH MONTH?

Just like other utilities, KC Water charges you for reliable service to receive and use the unlimited high-quality and great-tasting water that comes out of your tap and the water you flush down your toilet or send down your drain. KC Water operates three utilities: Water, which provides safe, reliable drinking water and fire protection; Wastewater, which safely handles and treats the waste you produce; and Stormwater, which works to keep Kansas City safe, through flood prevention, and clean, through the annual spring and fall curbside leaf and brush collection, and the Household Hazardous Waste drop-off facility.

## WHY IS WASTEWATER THE MOST EXPENSIVE CHARGE ON MY BILL?

In order to comply with a Federal Consent Decree, wastewater rates are increasing to pay for the Smart Sewer Program, a \$4.5 billion-\$5.0 billion plan, mandated by the federal government to create a cleaner, healthier environment for our community and to improve the quality of water in area lakes, rivers, and streams. The plan calls for reducing and preventing overflows and other sewer-system incursions over a period of 25 years (2010 through 2035). More information about the Smart Sewer Program can be found at [www.kcmo.gov/smartsewer](http://www.kcmo.gov/smartsewer).

## HOW DOES KC WATER MAKE SURE RATES ARE FAIR FOR EACH CUSTOMER?

A cost of service study is conducted by an outside consultant each year. The study follows the American Water Works Association's M1 Manual, "Principles of Water Rates, Fees, and Charges" and the Water Environment Federation's "Financing and Charges for Wastewater Systems." These industry-standard rate-setting models are consistent throughout the United States and help ensure that the fees charged are directly related to the cost of providing service to our customers.

## ARE RATES HIGHER IN SOME PARTS OF THE CITY THAN IN OTHERS?

No. There is no difference in residential rates based on your location. If you live in the south part of Kansas City, your rate is exactly the same as someone who lives in the north part of Kansas City, and vice versa. While the rates are the same, bills can differ among customers due to the amount of water used, the size of the water meter, and the amount of impervious surface on a property.

## IS MY BILL ADJUSTED FOR DIFFERENT SEASONS OF THE YEAR?

Wastewater charges on your KC Water bill will be different from January-April due to the seasonal adjustment of wastewater bills. KC Water uses water consumption as the basis for wastewater charges, which pay for sewer pipes and sewage treatment. During winter months, when usage typically is lower than summer and fall, wastewater charges are based on the actual amount of water used in the home. In May-December, KC Water charges an average of the winter wastewater charges because residential customers use water that does not enter the sewer system, e.g., watering lawns and gardens, washing cars, or filling swimming pools.

## ARE THE RATES I PAY BEING USED TO INVEST IN KANSAS CITY'S AGING INFRASTRUCTURE?

KC Water is working hard to rebuild Kansas City. We have 48 water and wastewater infrastructure projects, totaling \$211 million, on tap for Fiscal Year 2020. These projects will improve water quality, protect public health, meet regulatory requirements, reduce long-term operational costs, improve overall system efficiency, enhance service reliability, build and maintain utility infrastructure, promote economic development, and serve future generations.

This work is part of our ongoing Capital Improvement Plan. Infrastructure investment means stronger neighborhoods, economic vitality, and jobs. A generation of infrastructure investments in the mid-20th century is now reaching the end of its useful life. KC Water has a strategy for reinvesting in our

system to enhance system reliability. Capital improvement projects are a major part of that strategy to better serve our customers.

We're able to make these investments thanks to customers like you and the rates you pay and to voters who have approved the issuance of revenue bonds. That support has allowed KC Water to take advantage of low-cost financing, which results in lower borrowing costs and more dollars for improving our water infrastructure. Thank you for your investment in Kansas City's future.

### DO THE RATES I PAY MAKE A DIFFERENCE?

Yes! Thanks to you, we were able to launch the strategic and data-driven Water Main Replacement (WMR) Program. The program started after 2012 when there were 1,844 water main breaks. Many breaks were because of the drought, but others were due to the advanced age of the pipe. Through the WMR Program, we strive to proactively replace one percent of the system, or 28 miles, of break-prone pipe each year.

Kansas City's first water pipes were installed in 1874. Much of Kansas City's drinking water infrastructure is nearing the end of its useful life. Our pipes are 44 years old, on average. We operate and maintain 2,800 miles of pipe. Lined up, end to end, those pipes would stretch from New York City to Los Angeles.

In 2018, Kansas City experienced 912 main breaks, a 50 percent decrease in seven years. Since the WMR Program began we've replaced 174 miles of water main. We're working hard to rebuild Kansas City. Fewer water main breaks mean increased service reliability and fewer disruptions for our customers.

### I'M HAVING TROUBLE PAYING MY BILL. IS ASSISTANCE AVAILABLE?

Yes! KC Water has partnered with the Mid America Assistance Coalition to help customers who are unable to pay their bills. KC Water has committed \$2.4 million in funds since the program was created in 2009, and we've been able to assist nearly 50,000 customers. KC Water is a national leader in this effort, considering the fact that only about 28 percent of the nation's water utilities offer billing assistance programs to their customers. To learn more, please call 816-474-5112 or 211.

### HOW ARE MY RATES SET AND REGULATED?

KC Water proposes a budget to the City Manager each fiscal year. The City Manager and Mayor then submit the budget to the 13-member elected City Council. The City Council acts as KC Water's governance board and has the final say in KC Water's budget and associated rate structure. Public hearings take place each spring, and new rates take effect May 1, the beginning of the City's fiscal year.

### IS KC WATER AUDITED?

Yes. Each year KC Water's financials are analyzed by an independent external auditing firm in accordance with government auditing standards, and our financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP). KC Water has been nationally recognized for its excellence in financial reporting. Annual audits, as well as KC Water's Comprehensive Annual Financial Report, are available to the public at [www.kcwater.us/about-us/reports](http://www.kcwater.us/about-us/reports).

### WHAT'S BEING DONE TO MAKE SURE RATES ARE FAIR AND EQUITABLE IN THE FUTURE?

The issue of water affordability is not unique to Kansas City. It has become a national conversation. The federal government provides billing assistance programs for other utilities, but not for water and wastewater.

Because water and wastewater rates have significantly increased to pay for unfunded federally mandated programs (costing billions of dollars) and decades of infrastructure neglect, in April 2016, KC Water asked the Mayor to appoint a Task Force to integrate community values into a funding strategy for Kansas City's current and long-term water infrastructure needs (How should Kansas City best pay for water services moving forward?).

The 15-Member Task Force, with representatives from all six Council Districts and different customer classes and interests (residential, commercial, wholesale, low income, etc.), held 13 public meetings over a 14-month period (April 2016 to June 2017). The Task Force's final recommendations, which were submitted to the City Council, can be found at [www.kcwater.us/about-us/reports](http://www.kcwater.us/about-us/reports).

### WHAT IF I HAVE A QUESTION ABOUT MY BILL?

Please log on to [www.kcwater.us/customersupport](http://www.kcwater.us/customersupport). You can check your water usage, start or stop service, and monitor your account, in addition to other features.

You can also visit us in person in our Customer Lobby at 4800 E. 63rd St., Kansas City, MO 64130. The lobby is open from 8 a.m. to 5 p.m., Monday through Friday.

KC Water customer service representatives also are available to assist you from 7 a.m. to 7 p.m., Monday through Friday. Simply call 816-513-1313 or 311 (please select option 1). Additional Customer Service information can be found at [www.kcwater.us](http://www.kcwater.us).

### FOR MORE INFORMATION

To manage your account online, please visit [www.kcwater.us/customer-support](http://www.kcwater.us/customer-support)