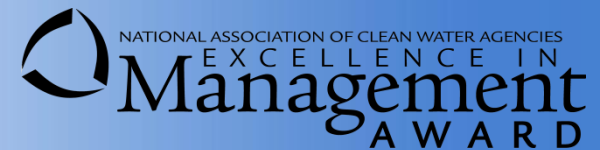


Customer Assistance Program



Public Hearing Agenda

- WHY do we need a Customer Assistance Program?
- WHO is eligible and HOW does it work?
- Rates Resolution
- CAP Plan Implementation Schedules and Timeframes

Why A CAP?

- **Addresses recommendations** from 2016 rate affordability task force and 2018 customer assistance study
- **Helps** low-income senior citizen ratepayers with their sewer bills
- **Aligns** with other rate discount program efforts undertaken by some Ohio sewer and/or water utilities
- Fits within County Commissioners **applicable legal parameters** for rate-setting options under Ohio Revised Code:
 - Age (65+)
 - Homestead Exemption
 - Income

Customer Assistance – Legal Basis

2018 Customer Assistance Program Study Recommendations

Authority (Section 6117.02 (F))

Rate Reduction for age 65 or older, Homestead Exemption (property owner), or low-to-moderate income



Rate Reduction for low-to-moderate income households, below age 65



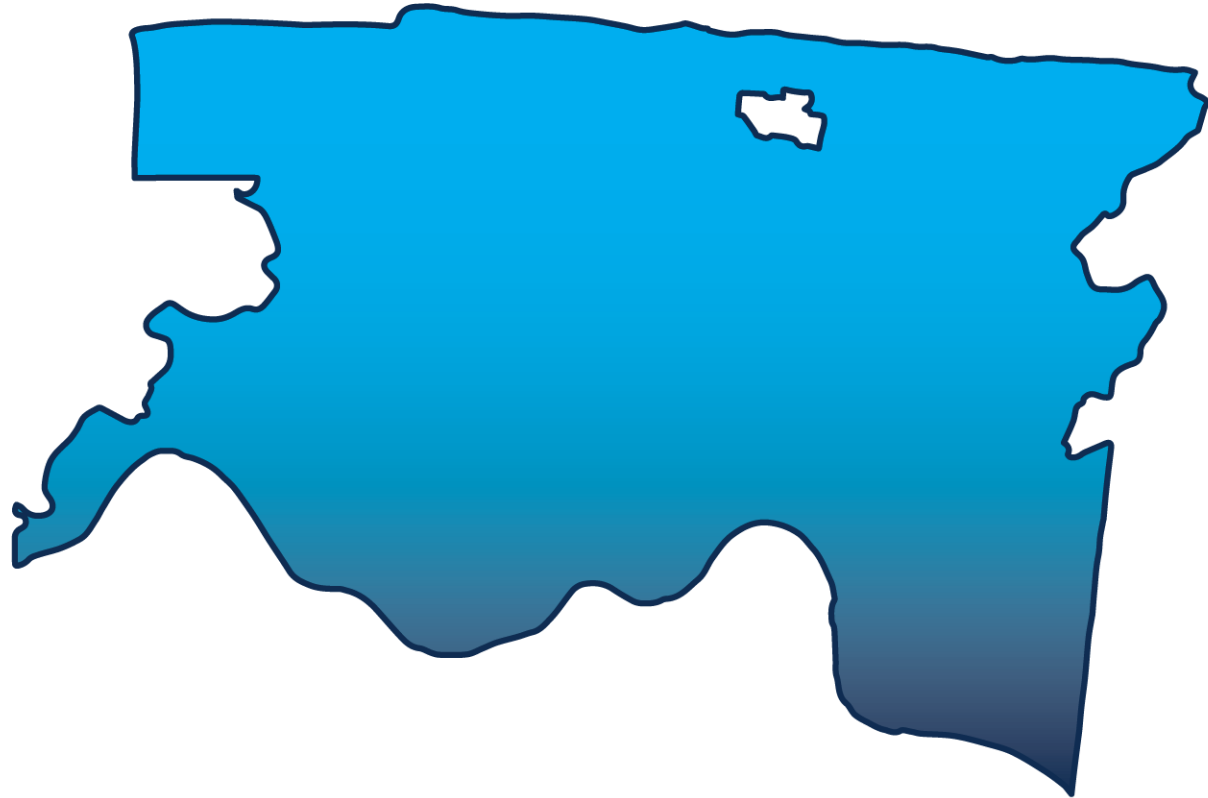
Rate Reduction for low-to-moderate income disabled persons, below age 65



Crisis Assistance sewer bill credit, funded by sewer revenues, any age



Estimated CAP Population



TOTAL POPULATION

MSD Service Area

783,906 people

POTENTIAL POPULATION

CAP Eligible

~19,000 people

Why 20%?

Discount Rate → 20.0% 30.0% 40.0%

Adoption/participation %

Annual Cost



Adoption/participation %	20.0%	30.0%	40.0%
10%	\$178,387	\$267,581	\$356,774
20.0%	\$356,774	\$535,162	\$713,549
30.0%	\$535,162	\$802,742	\$1,070,323
40.0%	\$713,549	\$1,070,323	\$1,427,098
50.0%	\$891,936	\$1,337,904	\$1,783,872
60.0%	\$1,070,323	\$1,605,485	\$2,140,646
70.0%	\$1,248,710	\$1,873,066	\$2,497,421
80.0%	\$1,427,098	\$2,140,646	\$2,854,195
90.0%	\$1,605,485	\$2,408,227	\$3,210,970
100.0%	\$1,783,872	\$2,675,808	\$3,567,744

Assumptions:

19,000 Accounts/Household

Minimum water usage of 3 ccf (\$39.12)

12 Months

Eligibility Requirements

- **AGE (65+)**
- **TOTAL INCOME**
 - \$32,800 for 2019
 - ~200% of federal poverty level
 - Total income is for applicant *and* spouse
- **PROPERTY OWNERSHIP for PRIMARY PLACE OF RESIDENCE**
 - Water/sewer bills tied to property ownership
- **MSD RATEPAYER**
- **ANNUAL ENROLLMENT**

How does the CAP work?

- Customers submit their application for the CAP
- Eligible customers will receive a 20% reduction on their monthly sewer bill
 - Reduced **Minimum** and **Commodity** charges only
 - Will appear on the owner's water bill as a reduced rate
- Customers must re-apply for the CAP every year

Rates Reduction Resolution

- CAP must be implemented through a reduction of rates for eligible ratepayers
- Current rates were adopted in November 2017. Must be completely replaced to include:
 - New CAP rates
 - Continue current rates for high strength waste surcharges and industrial pretreatment charges
- **NO 2019 RATE INCREASE**

CAP Implementation

- Next steps include:
 - BoCC approval of the CAP & Rates Resolution
 - Finalize rate reduction in billing system (GCWW and Other Billing Entities)
 - Initial Communication and Outreach
 - Application & Eligibility Reviews
 - Notice of Approval/Denial; Opportunity to Appeal

Questions



Ann Newsom, CAP Manager

(513) 244-5101

MSD Customer Assistance Program Webpage

www.msdbg.org/cap