



Agenda

Committee of the Whole Meeting

City of Kalamazoo

Tuesday, November 12, 2024

5:00 PM

City Commission Chambers – 241 West South Street

- A. CALL TO ORDER/ROLL CALL**
- B. COMMUNICATIONS**
- C. PUBLIC COMMENTS**
- D. SPECIAL AGENDA ITEMS**
- E. COMMITTEE OF THE WHOLE**
- F. WORK SESSION**
 - 1. Proposed 2025 Water and Wastewater Utility Rates
- G. COMMISSIONER COMMENTS**
- H. ADJOURNMENT**



2025

Proposed Utility Rates

City Commission, Tuesday, November 12, 2024

Agenda

Overview of Utilities

2025 Projects

2025 Water Affordability

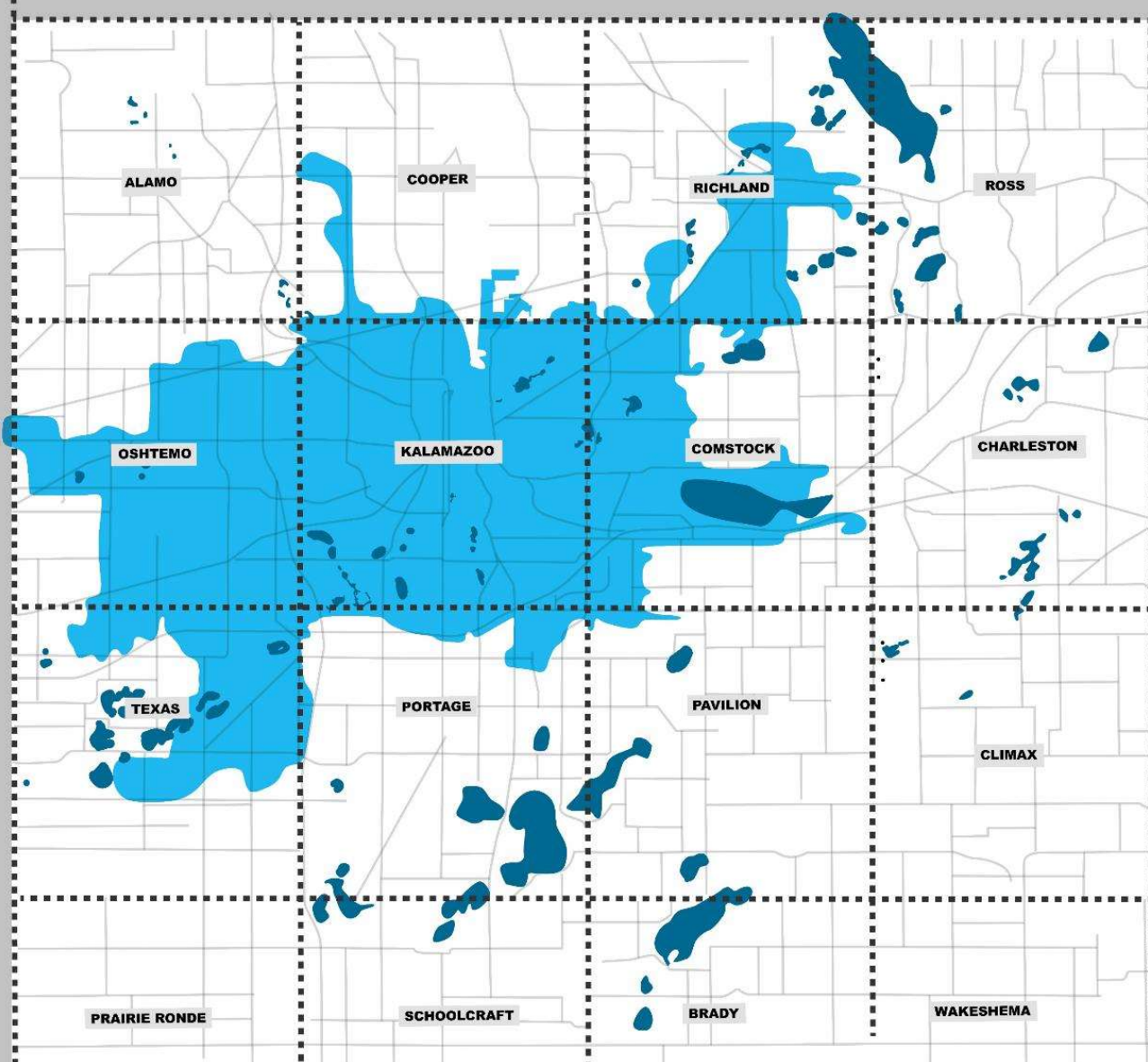
Proposed 2025 Utility Rates



The background image is a composite of two scenes related to water utility systems. The left side shows a close-up of a large, circular industrial water filter or diffuser with water flowing out of its base. The right side shows a wastewater treatment facility with a large, yellow metal truss bridge spanning a body of water. In the foreground of the right scene, there are several circular aeration tanks with green floating covers. The entire image has a blue color overlay.

Water & Wastewater Utility Systems

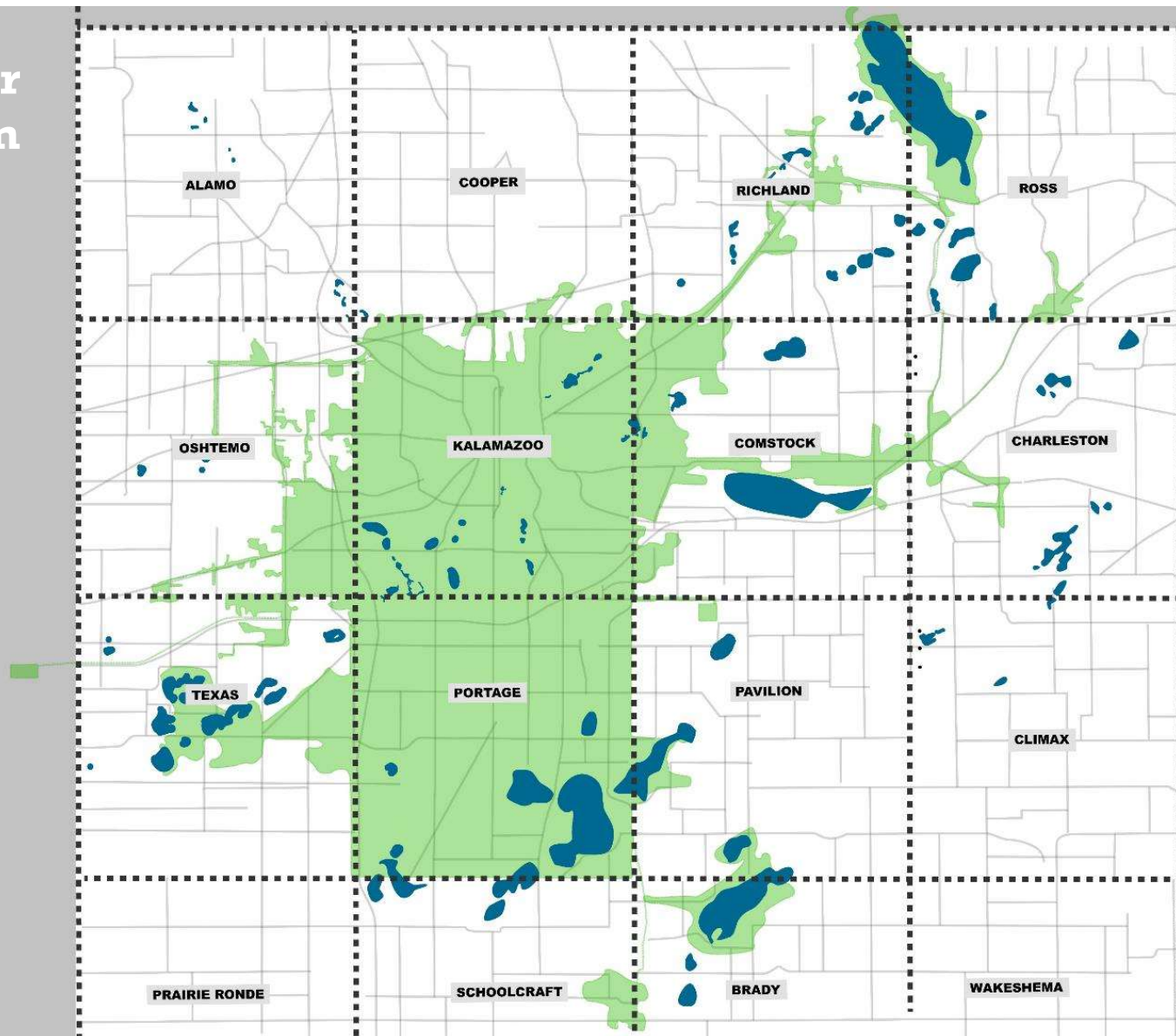
Kalamazoo
Water
system



Michigan's largest groundwater-only water supply

- 41,669 connections
- 839 miles of water main
- 7,000 fire hydrants
- 10 elevated storage facilities
- 20 booster/bleeder stations
- Additional ARV and PRV locations
- 13 point of entry treatment plants
- 90 production wells
- Two dams or surface water managed sites
- 16 US Geological Survey gauge stations
- 38 million gallons per day average max demand
- 46 million gallons per day max demand (1988)
- More than 150 million gallons per day aquifer capacity

Wastewater system



Michigan's only powdered activated carbon treatment plant

- 568 miles of pipes between 6" and 78" diameter
- 892 total system miles
- 54 million gallons per day design average treatment capacity
- 27 million gallons per day average annual treatment
- 77 million gallons per day max headworks pumping capacity
- In service and operational 24/7 since 1955
- Designed and built to treat manufacturing waste streams and support regional economic growth
- 99.5% compliance rating

2025 Capital Projects

Lead service line replacements

Replace cast iron water main

Station, treatment, and process improvements

Odor control

Interceptor Upgrades

Kalamazoo Sustainable Biosolids Alternative



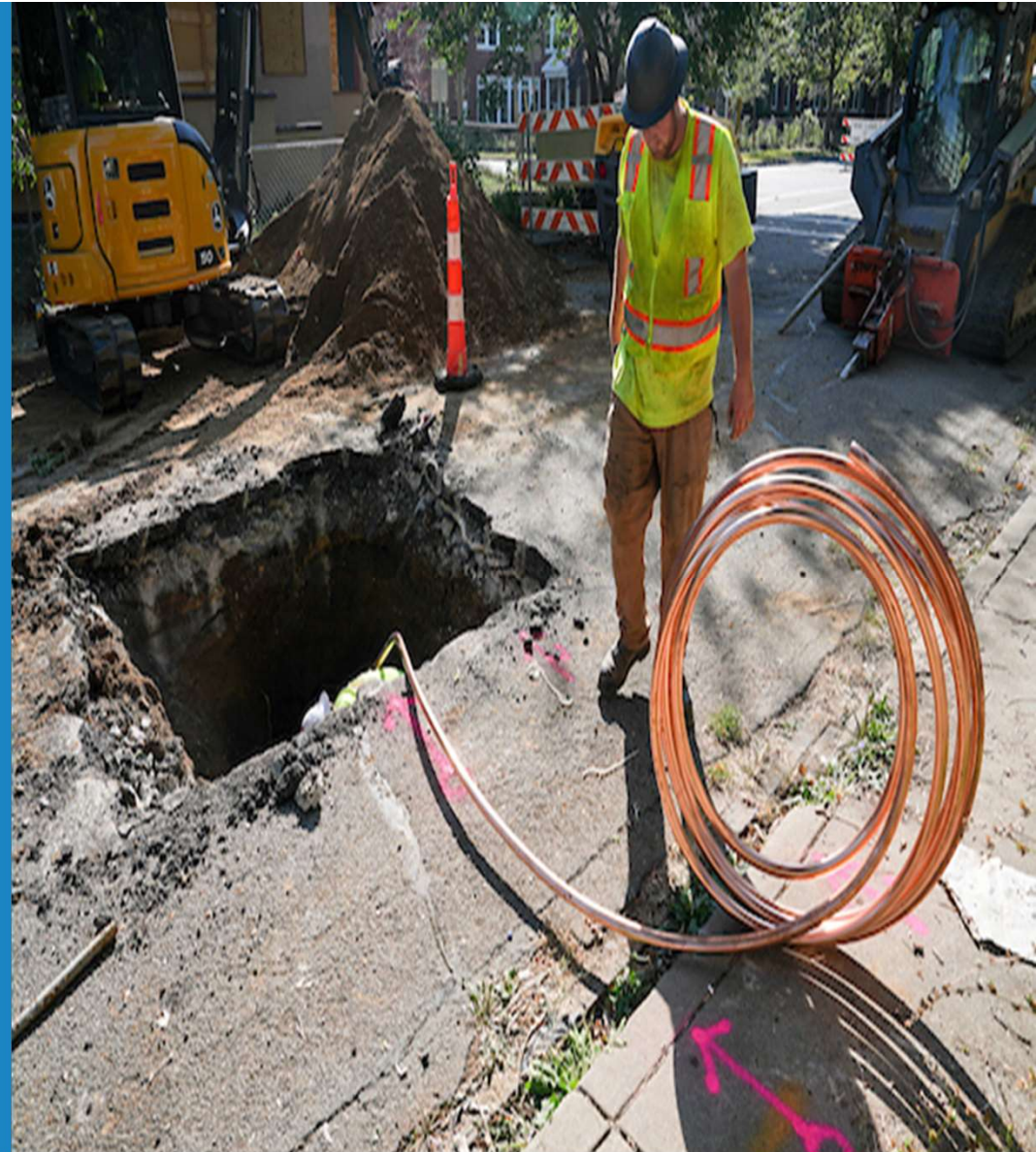
Lead service line replacements (LSLR)

North Kalamazoo project to transition to Edison Neighborhood Area project

Eastwood, Eastside, Parchment, Northside, Fairmount, West Douglas, Stuart, Westside now complete

Edison Neighborhood Area project will include more than 1,300 proposed replacements in 2025 and 1,300 replacements in 2026

5,000th LSLR completed 9-19-2024



Lead testing and filters

If results show elevated lead, property is prioritized for service replacement in addition to scheduled projects

Call 311 or (269) 337-8000 for free lead testing and NSF certified water filter

90th Percentile Lead Sampling Results

January – June 2024

Kalamazoo – 6 ppb

Action level – 15 ppb (Scheduled to drop to 10 ppb 2025 by EPA rule change)





Water main replacement

Replace remaining cast iron water main pipe with ductile iron

Ransom, Whites, Westnedge, Balch, Park (Water to Kalamazoo) 2024

Burdick – Reed to Vine 2025

Porter – Kalamazoo to Ransom 2025

Kalamazoo Ave – Westnedge to Douglas 2025

Westnedge – Kalamazoo Ave to Michigan Ave 2025

PFAS Response Projects

\$110 million to address emerging
contaminants

Consolidate Stations No.5 & No.14
with a new Station No. 5-14 providing
Iron, Manganese and PFAS removal
\$51 million

Extension of public water supply in
Richland and Ross Township \$46
million

Lead service replacement in
Kalamazoo Edison neighborhood \$13
million



Odor control

Carbon scrubber units online in 2021

Centrifuges online in 2022

Hydrogen Peroxide and Copper Pentahydrate treatment of sludge pre-centrifuge feed online in 2023

GPI Effluent Service Realignment, Junction chamber elimination completed 2024

Odor monitoring and tracking through Envirosuite increased scope and functionality, additional monitoring locations

Additional carbon scrubber units on Interceptors 2025



WWR Treatment Improvements

Replace final filtering process with new technology, completed 2024 \$26 million

Improves water entering the Kalamazoo River

Proposed phased improvements of the Final Clarifiers to increase performance, reliability and efficiency



Residual biosolids sustainable alternatives

Request for Information (RFI) issued in April 2023

Over 30 technology responses received

Good Governance team evaluation of technologies in process



**Department of Management Services
Purchasing Division**
241 West South Street
Kalamazoo, MI 49007-4796
Phone: 269.337.8020
Fax: 269.337.8500
www.kalamazoo-city.org
purchasing@kalamazoo-city.org

REQUEST FOR INFORMATION (RFI)

The City of Kalamazoo, Michigan is formally requesting specific information
To identify the best solution for:

Project Name: Residual Biosolids Sustainable Alternative

Reference #: 96871-018.0

RFI ISSUE DATE: April 24, 2023

Number of Copies Required: **One (1) paper original +
One (1) electronic copy (USB thumb / flash drive)**

DUE/OPENING DATE: Tuesday, May 23, 2023 at 3:00 p.m. Local Time
Facsimile Submissions Will Not Be Accepted.

MAILING ADDRESS & INSTRUCTIONS

Mail to:
Purchasing Division
241 W. South Street
Kalamazoo, MI 49007

Questions about this RFI should be directed to:
Department Contact: **Ryan Stoughton, PE,**
Assistant City Engineer at
(269) 337-8736 or stoughtonr@kalamazoo-city.org

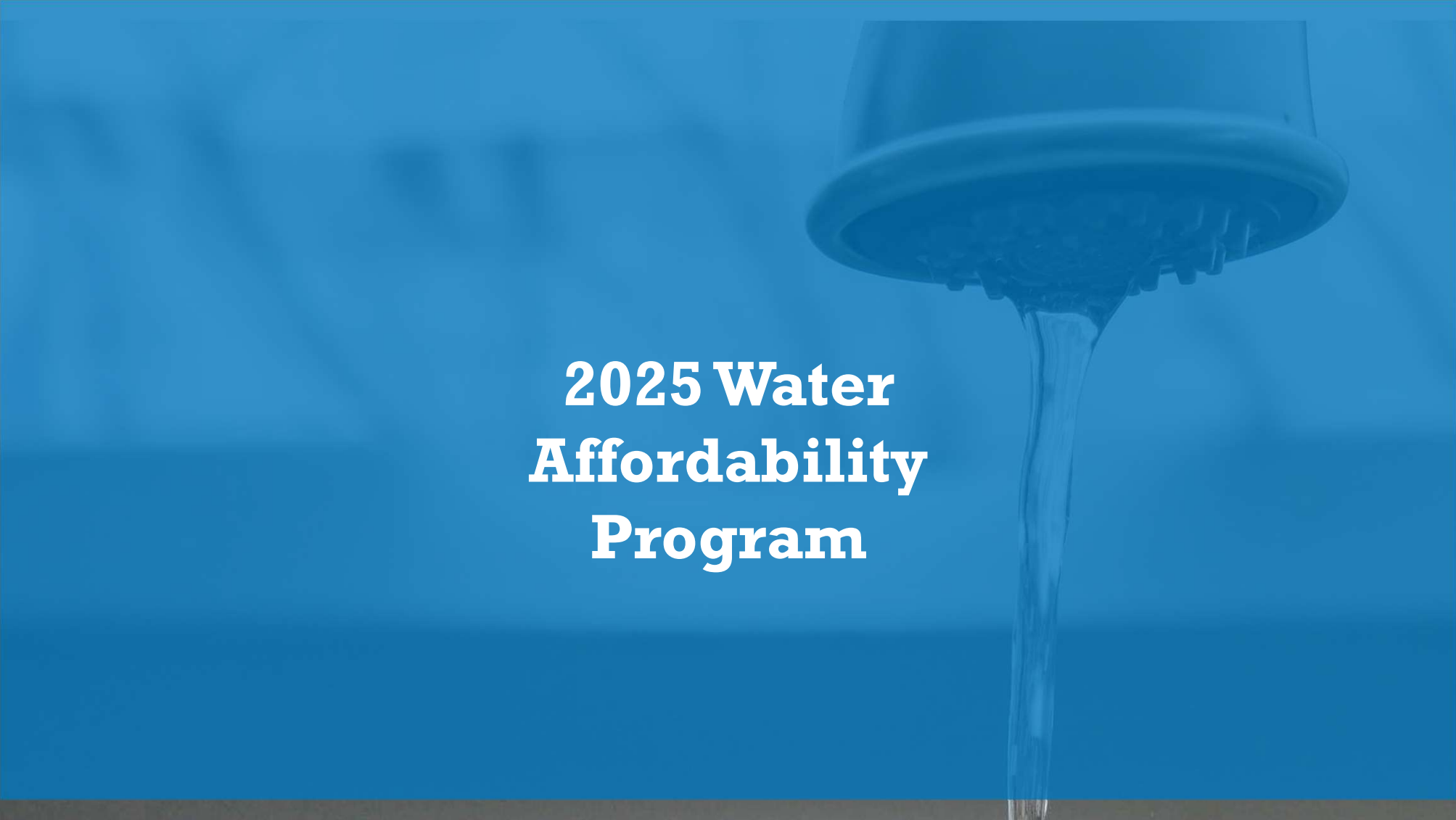
Residual biosolids sustainable alternatives

Budgeted funds within the 5-year CIP to fund a sustainable alternative

Good Governance team scoring to align technical and regulatory needs with sustainability goals

Good Governance team scheduled to meet 11-13-2024





2025 Water Affordability Program

Mar 2020 – Dec 2023

No Water Shut Offs

COVID era programs, such as CERA provided direct arrears payments to the City

Assistance programs evolved to a point where individual application and eligibility approvals were required

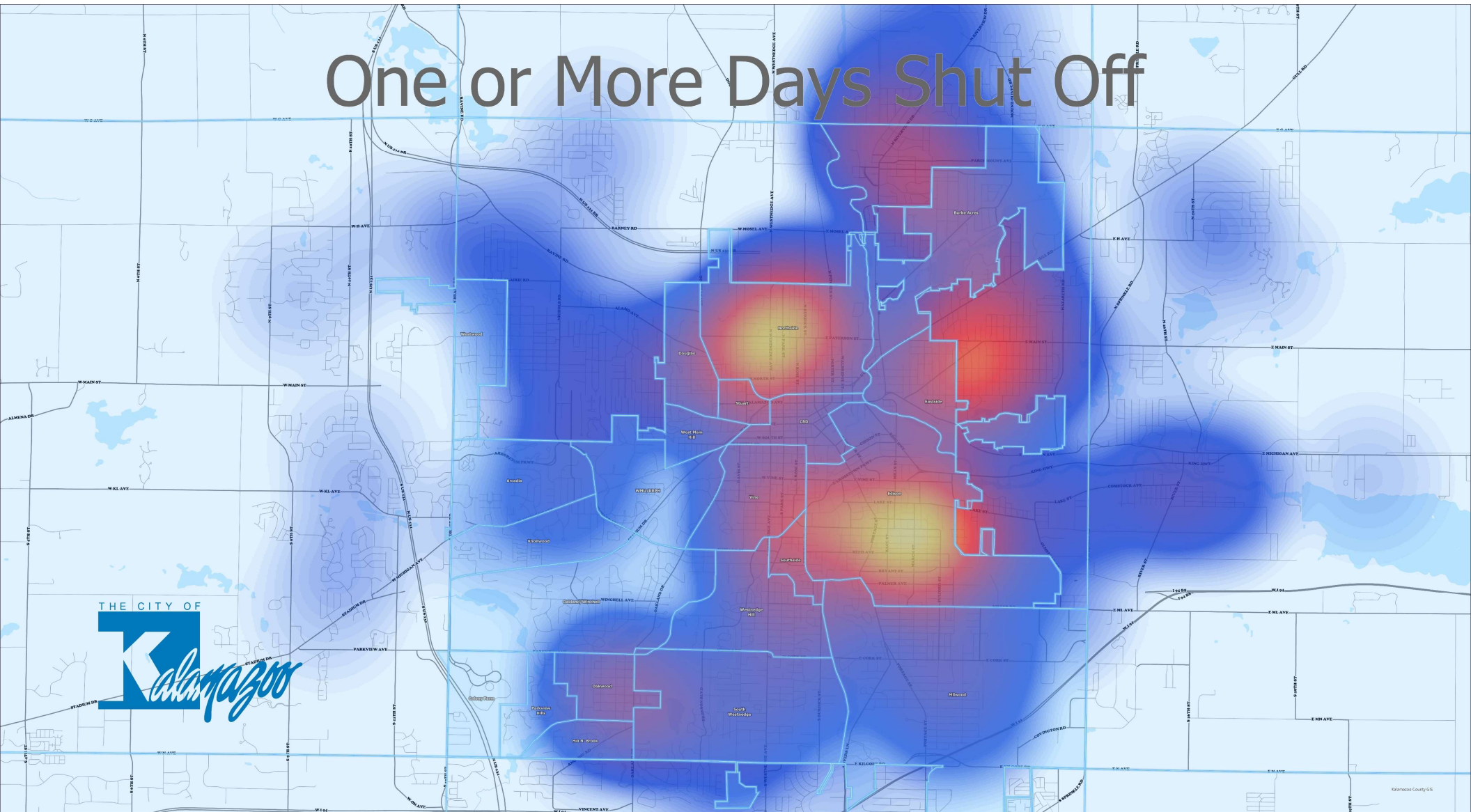
The desire to pay and the ability to pay may not be aligned



Customers Sent a Shutoff Notice



One or More Days Shut Off





If your need help paying your water bill, help is available.

Si necesita ayuda para pagar su factura de agua o alcantarillado, hay ayuda disponible. Para obtener información en español, el llame al 311 o al (269) 337-8000.



City of Kalamazoo
241 W South Street
Kalamazoo, MI 49007

The City of Kalamazoo is making critical investments in our water and wastewater systems. These investments are funded by all of us through the rates that we pay. Rates in Kalamazoo are still low relative to other communities, but we understand rising costs may create a hardship for some households. Financial and other help options are listed below.

Payment Plans & Due Date Extensions are available. Call 311 or (269) 337-8000 for help.

The Community Action Agency of SW Michigan can help low-income households pay overdue bills. Call 211 or 1-877-422-2726 for more information.

Consumers Energy offers a free home analysis that can help customers save money by reducing energy and water usage. Call 1-888-316-8014 for more information.

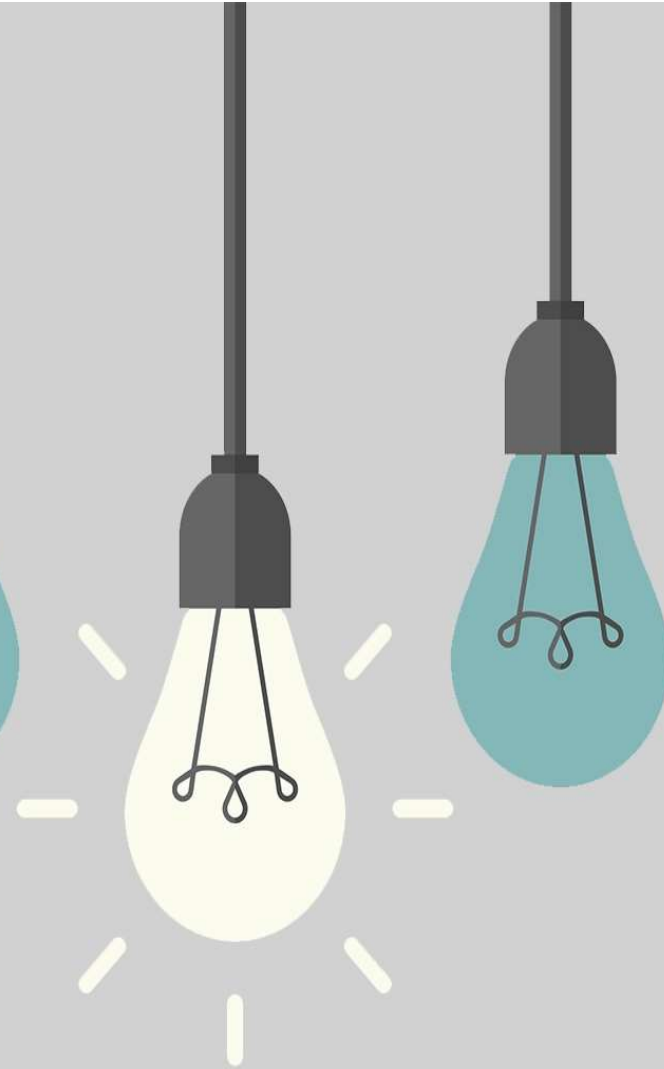
www.kalamazoocity.org/Residents/Water-Sewer-Service/Help-with-Utility-Bills

What we have Learned

The CAA payment arrears assistance program is being used and is making a positive difference in Kalamazoo

More outreach is needed to connect families to the available programs

More in person appointments and in person walk in services are needed to apply and qualify families for the program



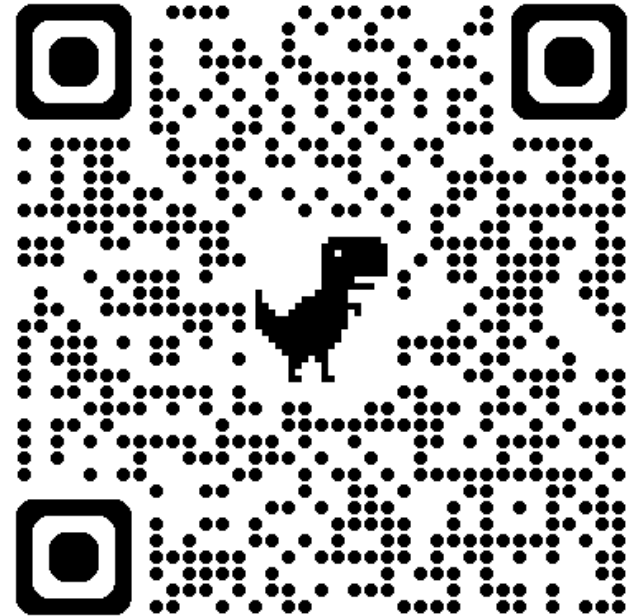
What we are Doing

Working with CAA to establish more appointments and walk in and in person services

Using shut off data to plan walk in and in person services locations for 2025

Increasing marketing to advertise program in every edition of Excelsior mail to all KPS families every month

Utility Payment Assistance information will now be printed on the outside of the envelop for all water bills, past due notices and shut off notices



COMMUNITY ACTION SCM WATER & PLUMBING PROGRAMS

INTRODUCTION TO WATER BILL ASSISTANCE

- Assist eligible residents who
 - Have a financial burden
 - Have accumulated a balance on their water and/or wastewater utility bill.
 - Have had their water service shut off
 - Are at risk of having their water and/or wastewater service shut off.
 - Services are capped at \$3,000 per fiscal year (Cap exceptions available)

WATER BILL ASSISTANCE

- Required Documents
 - Valid ID's for everyone in the home over 18 yrs of age
 - Proof of Social Security Number for everyone in the home
 - Proof of all income in the household for the previous 30days
 - Copy of the Water Bill

WATER BILL ASSISTANCE

- Eligibility Requirements
 - Household income must be below 200% FPL
 - Water Bill must be past due
 - Water bill must be in the applicant's name
 - Applicant must live in or be moving into the home that water services are being provided to.

WATER BILL ASSISTANCE

- Served Clients 10/1/2023-9/30/2024

	Number of Assistance Payments	Total Amount of Assistance Payments	Average Assistance Payment
Total Over 5 Counties	663	\$310,298.45	\$468.02
Kalamazoo County	302	\$138,679.48	\$459.20

CURRENTLY ENROLLED

- Enrolled 10/1/2024-9/30/2025

	Number of Assistance Payments	Total amount of Assistance Payments	Average Assistance Payment
Total over 5 counties	53	\$24,676.90	\$465.60
Kalamazoo County	21	\$8,954.36	\$426.40



Need help with your water bill?

Call us at (877) 422-2726

Required Documents



- ID's for everyone over 18
- Social Security Cards for everyone in the home
- Food Stamp determination letter (if applicable)
- Proof of all household income for the past 30 days
- Copy of Water Bill

Check for walk-in days!



Check Dates Here

INTRODUCTION TO PLUMBING ASSISTANCE

- Assist eligible households with metered water and/or wastewater:
 - Need repairs or improvements to their in-home plumbing
 - Provide water affordability by addressing leaks in plumbing
 - Provide access to water throughout the home
 - Services are capped at \$9,000 (cap exceptions available)

PLUMBING ASSISTANCE

- Required Documents
 - Valid ID's for everyone in the home over 18 yrs of age
 - Proof of Social Security Number for everyone in the home
 - Proof of all income in the household for the previous 30days
 - Copy of the Water Bill
 - Proof of Home Ownership (Deed/Title) & if renter a completed landlord agreement

PLUMBING ASSISTANCE

- Eligibility Requirements
 - Household income must be below 200% FPL
 - Applicant must live in the home that plumbing repairs/improvements are being done at
 - Household must score at least 1 priority point

PLUMBING ASSISTANCE

- Eligibility Requirements Continued

1. Do you have access to running water? [No =1]
2. Are you manually turning your water on and off at the main valve? [Yes=1]
3. Do you have access to hot water? [No=1]
4. Are you using a toilet in your home? [No=1]
5. Are you able to take a shower or bath in your home? [No=1]
6. Are you able to wash your hands in your bathroom sink? [No=1]
7. Can you use your laundry tub? [No=1]
8. Are you able to use your kitchen sink to wash your dishes [No =1]
9. Does wastewater regularly drain from your house? [No=1]
10. Do you have an active leak anywhere in your home? [Yes=1]

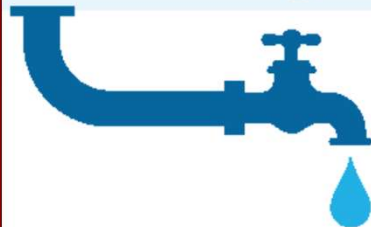
CURRENTLY ENROLLED

- 04/1/2024-Ongoing

	Enrolled in the Program	Jobs Completed	Total Spent	Average Job Cost
All 5 Counties	81	51	\$461,074.60	\$5,692.27
Kalamazoo County	15	7	\$108,105	\$7,207



Plumbing Repair Assistance



Ask Yourself...

Do you have an active leak in your home?

Do you have access to hot water?

Do you have issues with your waste water drainage?

Call Us!
(877) 422-2726

Required Documents

- Copy of the deed to home or landlord packet if renting
- ID's for everyone over 18
- Social Security Cards for everyone in the home
- Food Stamp determination letter (if applicable)
- Proof of all household income for the past 30 days

Check for walk-in days!

Scan For Dates!



LEARN MORE: CAASCM.ORG

CATEGORICAL ELIGIBILITY-WATER BILL & PLUMBING

- Eligibility can be done in one of two ways income computation or categorical eligibility. Households are categorically eligible and income computations are not required when the household is currently receiving one of the following:
 - Temporary Assistance for Needy Families
 - Supplemental Security Income
 - State Emergency Relief
 - Food Assistance Program/Supplemental Nutrition Assistance Program
 - Weatherization Assistance Program

APPLICATION PROCESS

- Clients call the main line @ 877-422-2726 to request an appointment or a virtual application.
 - Appointment
 - Clients come in for their appointment day and time with required documents
 - Intake specialist meet with the client and assist with complete necessary applications & forms.
 - Client information is entered into EmpowOR (database) and eligibility is determined.
 - Intake Specialists go over a Client Needs Assessment with clients to determine other programs that may be helpful for the client.
 - Once determined eligible:
 - Water Providers are contacted for Past Due amounts & Commitments
 - Plumbing-The file is transferred to a Housing Coordinator to coordinate quotes & work to be scheduled.

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 208	Page 1 of 1
Community Services Policy Manual	SUBJECT: General Policy POVERTY INCOME GUIDELINES		EFFECTIVE DATE 1/12/2024 ISSUE DATE 1/18/2024

REFERENCES

- [U.S. Department of Health and Human Services Poverty Guidelines](#)
- [WPN 23-3](#)
- Bureau of Community Action and Economic Opportunity (BCAEO) Agreements

PURPOSE

The U.S. Department of Health and Human Services releases federal poverty guidelines annually to assist with determining financial eligibility for certain programs.

POLICY

The Grantee is required to use income guidelines to determine eligibility for BCAEO-funded activities. This chart is an overview of maximum income by poverty level and family size. This is based on the Federal Poverty level chart and does not include any program specific countable and uncountable income or allowable or unallowable deductions. Please refer to program policy for such details.

Family Size	75% of Poverty	100% of Poverty	125% of Poverty	150% of Poverty	200% of Poverty
1	\$11,295	\$15,060	\$18,825	\$22,590	\$30,120
2	\$15,330	\$20,440	\$25,550	\$30,660	\$40,880
3	\$19,365	\$25,820	\$32,275	\$38,730	\$51,640
4	\$23,400	\$31,200	\$39,000	\$46,800	\$62,400
5	\$27,435	\$36,580	\$45,725	\$54,870	\$73,160
6	\$31,470	\$41,960	\$52,450	\$62,940	\$83,920
7	\$35,505	\$47,340	\$59,175	\$71,010	\$94,680
8	\$39,540	\$52,720	\$65,900	\$79,080	\$105,440

Expanding help for Kalamazoo customers

Payment plan options and extensions, call 311 or (269) 337-8000 today

Utility Payment Assistance - Past due payment assistance for income qualified customers, call **877-422-2726** today

All City of Kalamazoo customers qualify Including; City of Kalamazoo, Kalamazoo Township, City of Galesburg, City of Parchment, City of Portage, Comstock Township, Pavilion Township, Richland Township, Richland Village, Cooper Township, Oshtemo Township, Texas Township, GLSWA & South County Communities, Village of Augusta





2025 Proposed Utility Rates

Water rates remain below state average

Proposed rates embrace the **Equalized Water Rates** principle

Proposed water rate increase to “typical” residential customers:

City = approx. \$2.06 / month

Township = approx. \$2.06 / month

(1” meter, 51.3 Cu-Mtr Usage/Qtr)





Wastewater rates remain below state average

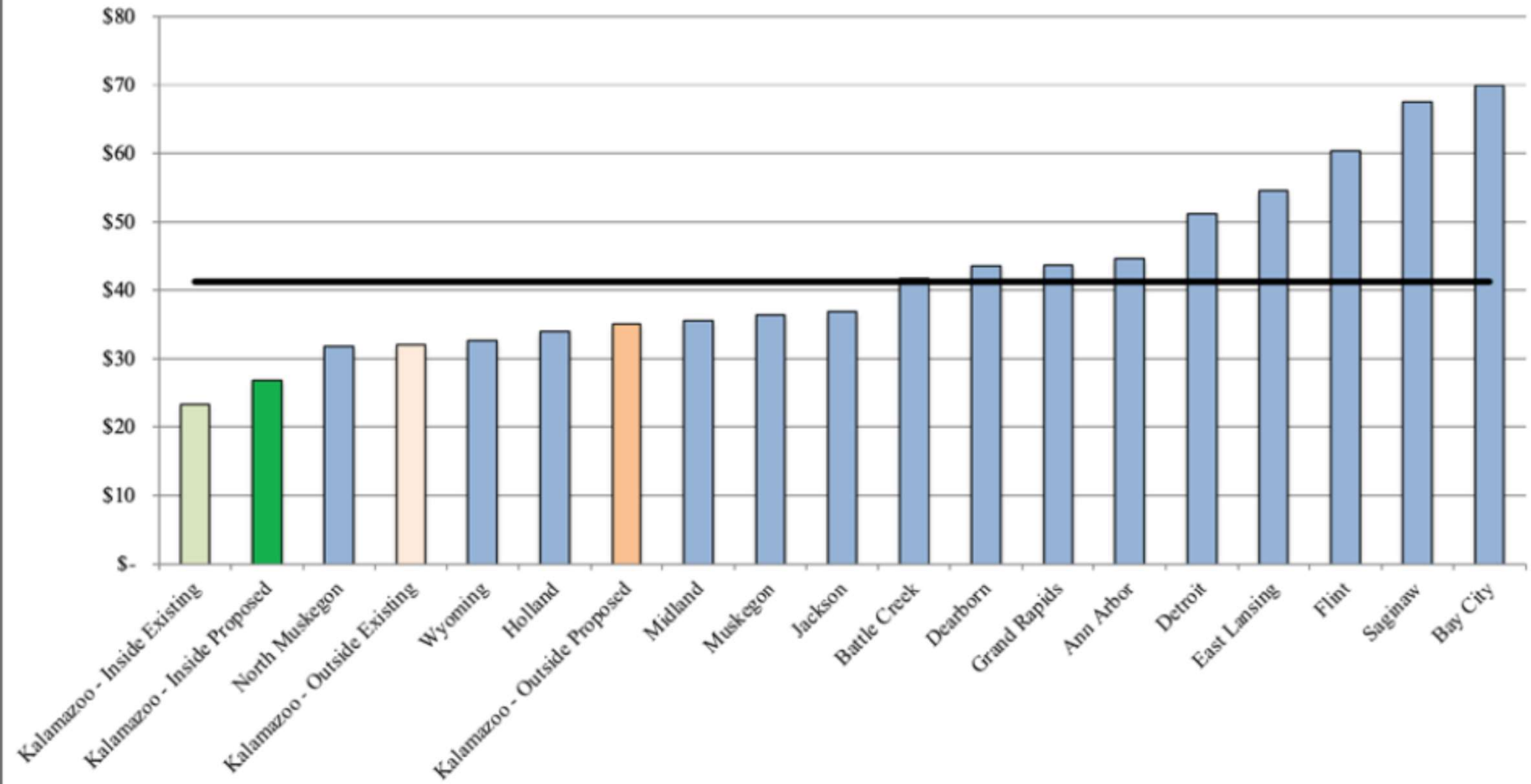
Proposed wastewater rate increase to typical residential customers:

City = approx. \$3.60 / month

Township = approx. \$3.04 / month

Wastewater rates are scheduled to equalize between City and Out City customers by 2030

Typical Residential* Monthly Wastewater Bill



Estimated total impact

City:
approx. \$5.66 / month

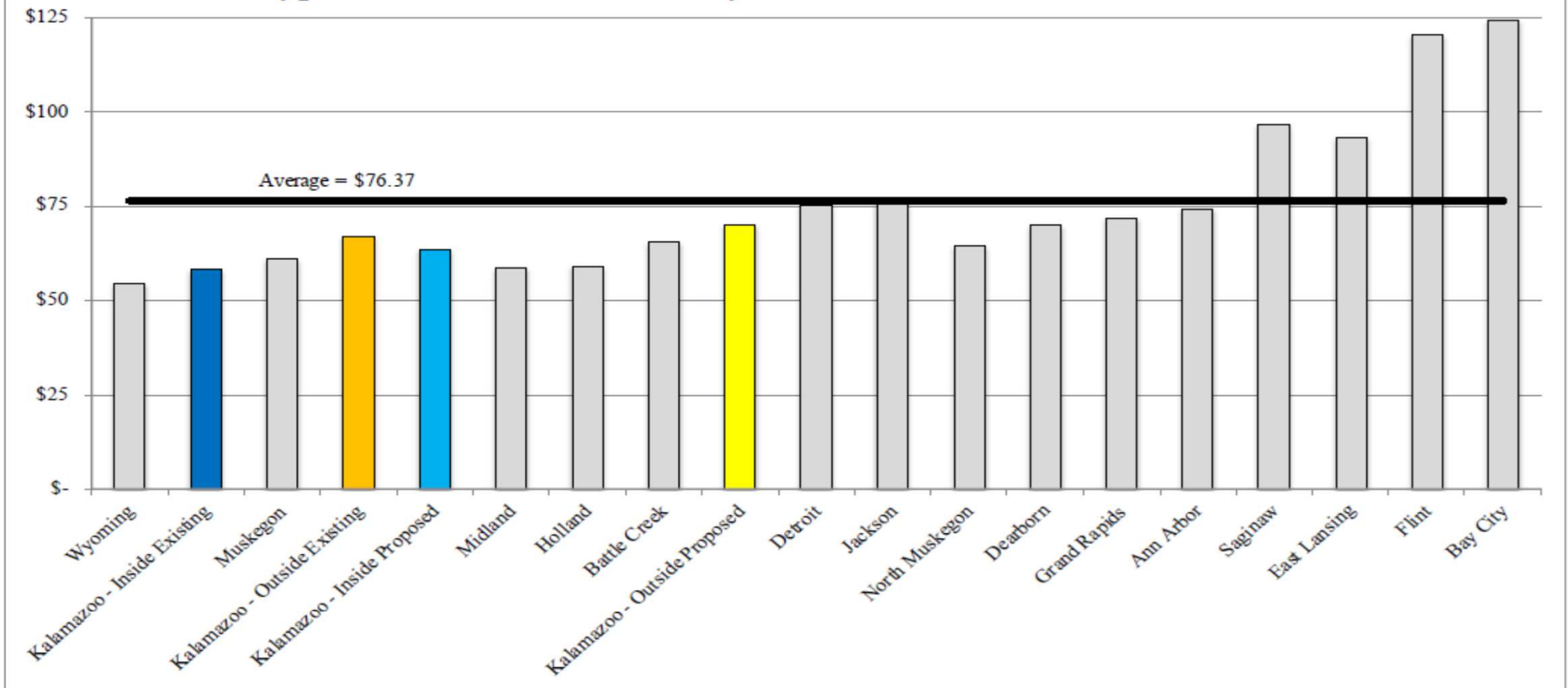
Township:
approx. \$5.10 / month

(1" meter, 51.3 Cu-Mtr
Usage/Qtr)

Average cost remains less than 1.6 cents per gallon for withdrawal, treatment, distribution, storage, sewer collection, interception, treatment and disposal and new infrastructure investment



Typical Residential* Monthly Combined Water and Wastewater Bill



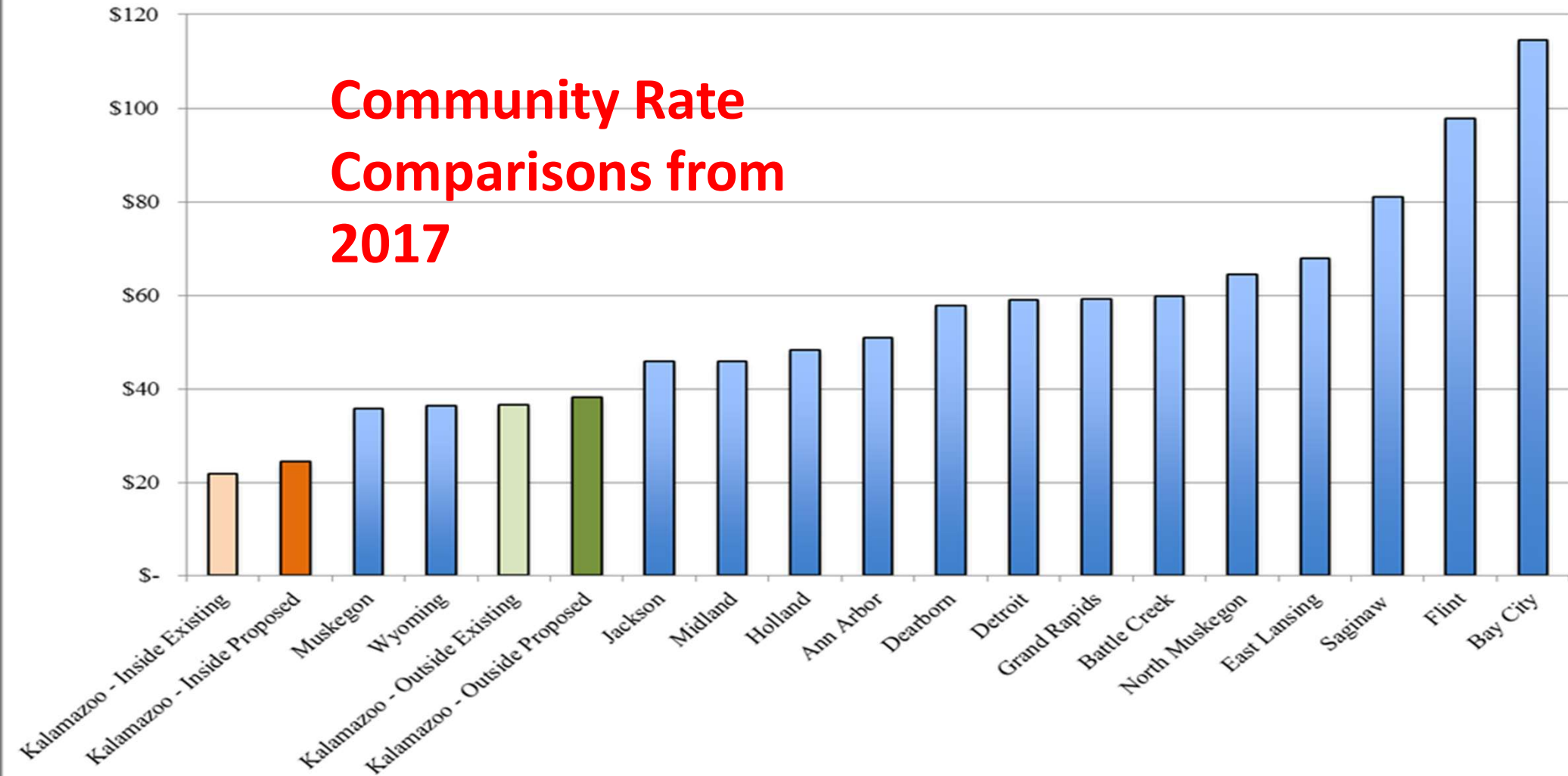
* Based on 4,500 gallons (approximately 17.1 cu mtr) per month, which approximates the current Kalamazoo average residential use.

Data for other communities reflect preliminary results of a study of published rates currently in effect.

TFG

Typical Residential* Monthly Combined Water and Wastewater Bill

**Community Rate
Comparisons from
2017**





Rate increases fund enhanced service

5% system rate increase in water

12% system rate increase in wastewater

Similar increases needed in 2026 and subsequent years to support enhanced service and capital projects

Federal & state resources

DWSRF FY2023 \$10.298 Million ARP Grant and \$4.852 Million Principal Forgiveness

CWSRF FY2023 \$0.45 million ARP Grant

DWSRF FY2024 \$7.545 million Principal Forgiveness

DWSRF FY2025 \$110 million, \$20 million grant, \$90 million 40-year loan @ 2%

\$43.145 Million in Infrastructure Grants Not Rate Funded in 2023 - 2025



Community Engagement

The Utility Policy Committee (UPC) recommended the FY2025 Water CIP and Water Revenue Requirements (Rates) on 10-10-2024

A stakeholder presentation was provided to Contract Municipalities, Townships and Industrial Users on 10-30-2024

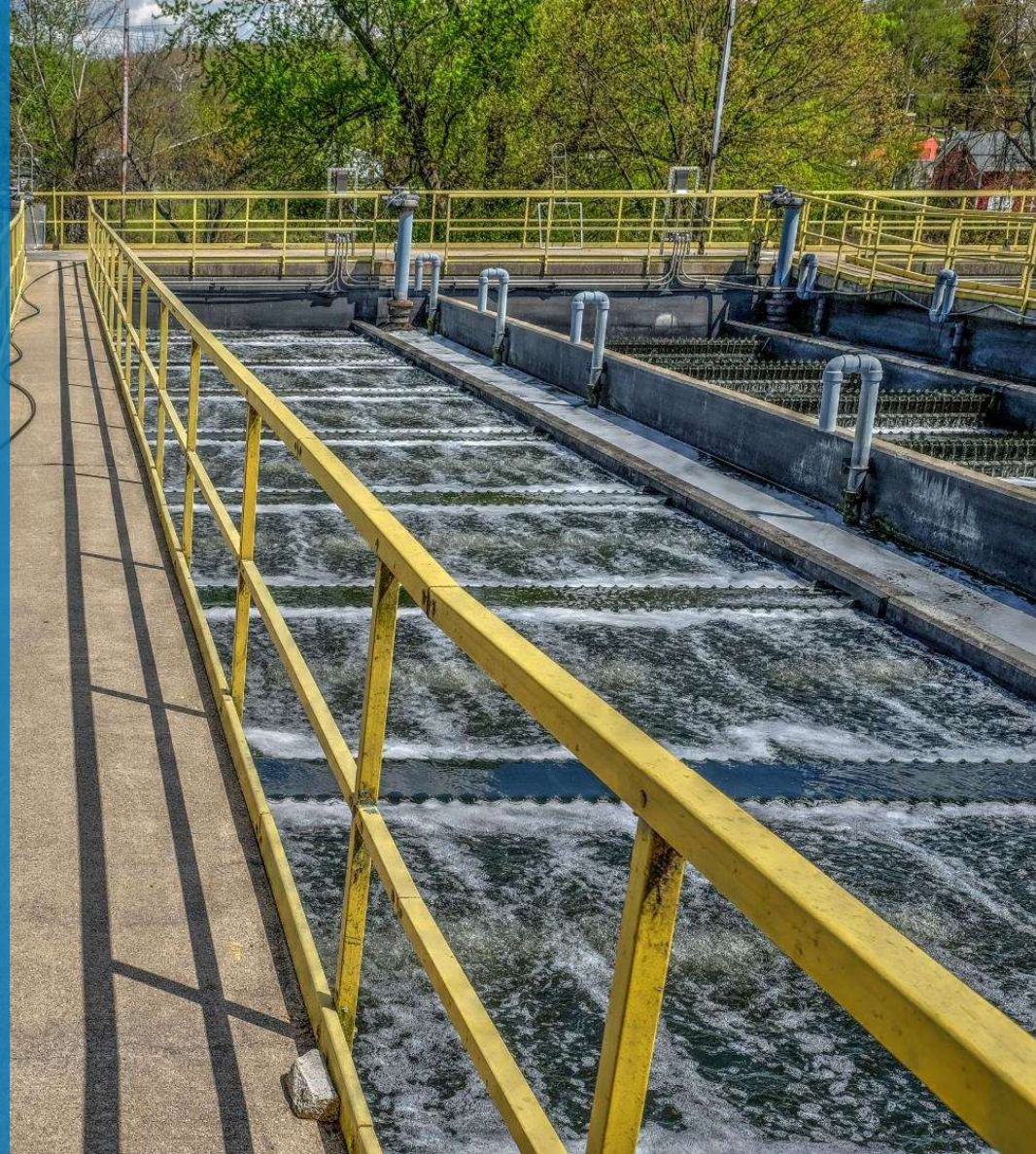


Next steps

First reading of proposed water
and wastewater rate ordinances
Monday, November 18, 2024

City Commission action requested
Monday, December 2, 2024

Proposed rates would go into
effect next year on January 1st



Discussion