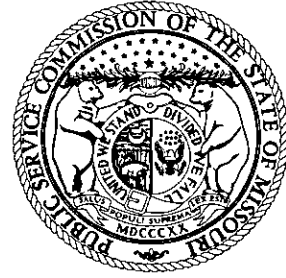


Notice of *Ex Parte* Contact

TO: Records Department: All Parties in Case No. **WR-2000-281**
All Commissioners

FROM: Chair Sheila Lumpe 

DATE: May 25, 2000



On May 25, 2000, I received a letter from Jack N. Golden, Executive Director, Housing Authority of the City of Joplin, regarding Missouri American Water Company. The Commission is currently considering the same issues as to those set out in this document in Case No. **WR-2000-281**. The Commission is bound by the same *ex parte* rule as a court of law.

Pursuant to 4 CSR 240-4.020(4) it is improper for any person to attempt to sway the judgement of the Commission by undertaking, directly or indirectly, outside the hearing process, to bring pressure or influence to bear upon the Commission, or the Regulatory Law Judge assigned to the proceeding.

Whenever such contact might occur 4 CSR 240-4.020(a) states: as *ex parte* communications (either oral or written) may occur inadvertently, any member of the Commission or Regulatory Law Judge who received the communication shall immediately prepare a written report concerning the communication and submit it to the Chair and each member of the Commission. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, out of an abundance of caution, I think it appropriate to submit this notice of *ex parte* contact pursuant to the standards set out in the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel



housing authority of the city of joplin

May 18, 2000

Ms. Sheila Lumpe, Chairperson
Public Service Commission
Truman State Office Building
Room 530
P.O. Box 360
Jefferson City, MO 65102

Members of the Public Service Commission:

The Housing Authority of the City of Joplin was created in 1972 and has provided safe, sanitary decent housing to thousands of low and moderate income persons and families. The Authority also serves as an advocate for the housing needs of the citizens of the Joplin area.

The Authority currently owns 275 dwelling units. The proposed \$8.92 per month increase in water rates combined with the fairly recent \$20.00 per unit service charge to the Authority to turn the water on in vacated units (a utility expense which could be interpreted as an increase in utility costs) to allow the units to be cleaned is estimated to cost the Authority as much as \$25,000-\$30,000 per annum. The Authority dwelling rental income is based upon 30% of the tenant's adjusted household income. This includes the tenant's rent and utility payment. The average rent currently paid by the tenants residing in the properties owned by the Authority is \$138.50 which represents 30% of the tenants household income after allowable deductions. 40% of all new tenants who reside in property owned by the Authority household incomes must be 30% of the median income or lower. Within a few years the Authority will be faced with cutting services and programs for tenants to offset the loss of income. These cuts might include general maintenance, security and possibly tenant activities.

The Authority also administers a rental subsidy program (Section 8 Voucher) which assists 450-475 families units who rent privately owned dwelling units. The rental subsidy program requires:

1. 75% of all new tenants household incomes be below 30% of the areas median income as published by the U.S. Department of HUD.

2. The amount of rent to be paid and the utility allowance cannot exceed Fair Market Rents published by the U.S. Department of HUD.

The published Fair Market Rents severely restrict the number of rental units available to program participants. An increase in the utility allowance decreases the amount of dollars available for payment of rent which will decrease the number of rental units available for participants of the rental subsidy program. An obvious solution to this problem would be to increase the published Fair Market Rent. The responsible administration of the rental subsidy program requires the Authority to consider the effect of rental increases on the entire low-income community. Census tracts 101, 108 and 110 located within the city of Joplin have been defined as being 51% low-moderate income and contain 5400 housing units of which 2530 units are rental units. The tenants of most of the rental units in the census tracts stated above would qualify for rental assistance. An increase in rent to landlords by the Authority for those rental units located in the above census tracts would probably cause an increase in rental cost to many low-income persons not receiving rental assistance not only in the above census tracts, but throughout the City.

A major social economic issue observed and documented by the Authority the Joplin R-8 school district and the CDBG program staff of the city of Joplin is the cause and effect of the mobility of the low income family with children 12 years of age and under residing in Census tract 110 and attending West Central Elementary School. The cause of the mobility is the lack of household income to pay required rent and utilities to allow the family unit to reside in a decent, safe and sanitary living environment. Bills are due, the family is unable to pay and move from neighborhood to neighborhood and from school to school in an effort to sustain themselves. The effect is a turnover in the elementary classroom of 80 – 90% of the students during the school year. The result is youth not achieving academically at the elementary level which in turn is producing an adult population of which 20%+ fail to obtain a high school diploma. The purpose of providing this information is simply to demonstrate that the cost of housing which includes utility costs has a significant effect on the ability of the low income family to achieve.

The Authority totally disagrees with Missouri American Water Company's pricing policy "SINGLE TARIFF PRICING". The customers of Missouri American Water Company in the Joplin area did not approve of nor can they benefit from the improvements to the St. Joseph, Missouri water plant. The Authority further disagrees with Missouri American Water Company's current pricing of water service in the Joplin area and request the rollback of prices to reflect the actual cost of the service of the Missouri American Water Company's Joplin area facilities.

The Housing Authority of the City of Joplin opposes the proposed increase in water rates by the Missouri Water Company for its customers in the Joplin, Missouri area.

Sincerely,



Jack N. Golden
Executive Director