WATER UTILITIES ADVISORY BOARD
Action Letter

Monday, January 12, 2026
1:30 p.m.
Lee's Summit Water Utilities Service Center
1200 SE Hamblen Road
Lee's Summit, MO 64081

1. Call to Order
Mr. Mike Atcheson called the meeting to order at 1:34 pm.

2. Roll Call
Mike Atcheson – Present
Eric Scott – Present
Glen Jones – Present
Kyle Gorrell – Present
Phil Evans – Absent
Bryon Livingston – Present
Rick Poeschl – Present
Bill Frey - Absent

3. Approval of Agenda
A motion by Mr. Bryon Livingston, seconded by Mr. Glen Jones, to approve the agenda. The Board unanimously agreed to the Approval of the Agenda.

4. Election of Officers
A motion by Mr. Kyle Gorrell to nominate Mr. Mike Atcheson as Chair, seconded by Mr. Jones. The board unanimously approved Mr. Mike Atcheson as Chair of the Water Utilities Advisory Board.

A motion by Mr. Rick Poeschl to nominate Mr. Glen Jones as Vice Chair, seconded by Mr. Eric Scott. The board unanimously approved Mr. Glen Jones as Vice Chair of the Water Utilities Advisory Board.

5. Public Comments
No public comments

6. Business
A. 2025-7376 Approval of November 18, 2024, Water Utilities Advisory Board Action Letter
A motion was made by Mr. Poeschl, seconded by Mr. Jones, to approve the Action Letter for November 18, 2024. The board unanimously voted to approve November 18, 2024, Action Letter.

B. 2025-7377 Presentation / Discussion: Strategic Plan Update
Mr. Jeff Thorn provided an update on the Strategic Plan, presenting highlights of short-term accomplishments achieved over the last couple of years and outlined upcoming mid-term priorities.

C. 2025-7378 Presentation / Discussion: Consideration of Water and Sewer Rates
Mr. Brent Boice reviewed the Purpose of Rate and Financial Planning, the Cost of Service Purpose and Steps, Financial Viability goals and Operational Excellence Goals.

Mr. Boice gave an update on the significant cost drivers such as:

- Water Purchases
  - City of Independence – no projected rate increase impact for FY26, future rate increases set at 3%
  - Kansas City Water – rate increase of 5.36% effective 5/1/25, with a projected increase of 5% this year. The model projected 4.5% for the next two years and future rate increases set at 3%

- Sewer Treatment
  - Middle Big Creek – FY26 rates were increased from $47 to $49 per connection, FY27 is projected at $51
  - Little Blue Valley Sewer District – rate increases were expected to be approximately 6% per year to satisfy debt service needs and accommodate growth

- System Renewal/Reinvestment for the 10-period – Water construction is over $132m and sewer construction is nearly $77m

- Personnel – updated the IAM labor agreement (4-year term) – 43% of workforce represented, compensation analysis in progress and healthcare adjusted to market conditions

A motion was made by Mr. Gorrell, seconded by Mr. Jones, to append January 1, 2030, rate schedule with a 4% increase as presented to be included in the City's Schedule of Fees & Charges. The board unanimously agreed.

D. 2025-7379 Presentation / Discussion: Consideration of the Water Connection Fee Recommendation

Mr. Boice stated The Water Tap Fee for FY25 for a residential equivalent unit (EU) which is identified as a 5/8" x ¾" meter was established at $4,080. The methodology provided that fees would be proportional to the size of the water meter and costs of projects with annual review to ensure the proper allocation and cost recovery necessary to serve new development.

The following factors were updated for 2026 Water Tap Fee Model:
In FY25, there were 621 EU consumed through the issuance of building permits. The number remaining EU was reduced to 40,919. The Water Tap Fee fund collected $2,958,588 during FY25. The remaining projects costs in the model were updated based on the Engineering Record Construction Cost Index which was 2.4% for this year through November.

Staff recommends increase the water tap fee for residential equivalent units for the, 5/8" x ¾" water meter, from $4,080 to $4,218 effective July 1, 2026.

A motion was made by Mr. Livingston, seconded by Mr. Poeschl, to recommend to City Council approval to amend water tap fee and fee schedule effective July 1, 2026. The board unanimously agreed.

E: 2026-7412 Presentation / Discussion: Consideration of the Sewer Connection Fee Recommendation

Mr. Boice stated the current Sewer Connection fee was calculated based on a residential equivalent unit (EU) basis like the Water Tap Fee. The EU which utilizes a 5/8" x ¾" meter was established at $2,398. The methodology provided that fees would be proportional to the size of the water meter, costs of projects with annual review to ensure the proper allocation and cost recovery necessary to serve new development.

For the 2026 update of the Sanitary Sewer Connection Fee Model, the following factors were updated. In FY25, there were 562 EU consumed through the issuance of building permits. The number of remaining EU was reduced from 12,286 to 11,724. There were no new projects identified for inclusion into the sewer connection feel model and projects costs in the model were updated based on the Engineering Record Construction Cost Index which was 2.4% for this year through November.

Staff recommends increase sewer connection fee from $2,398 to $2,498 per residential equivalent unit for the, 5/8" x ¾", meter effective July 1, 2026.

A motion was made by Mr. Gorrell, seconded by Mr. Jones, to recommend to City Council approval to amend the sewer connection fee and fee schedule effective July 1, 2026.

7. Roundtable
No roundtable items

8. Adjournment
No further business, Mr. Atcheson adjourned the meeting at 3:02 p.m.