

## **BILL NO. 22-108**

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AN ORDINANCE AMENDING CHAPTER 32 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, MISSOURI, SECTION 32-312, PERMIT, CONNECTION CHARGES, AND DIVISION FIVE, SEWER IMPROVEMENT FEES, REGARDING SEWER RATES AND AMENDING THE SCHEDULE OF FEES AND CHARGES TO TAKE EFFECT JULY 1, 2022, FOR THE SAME.

WHEREAS, the Council has the authority under State Statutes and the Municipal Code to set and adjust sewer rates; and

WHEREAS, the City engaged the firm HDR Engineering Inc. to study the current sewer rates in the City and make recommendations, if any, as to the existing rate structure and any necessary changes to the rate structure to ensure the continued financial stability of the sewer systems in the City; and

WHEREAS, based upon the finding from HDR Engineering Inc., it was concluded the current rate structure would need to be adjusted based on the increased demand and continued growth and development within the City; and

WHEREAS, the Water Utilities Strategic Plan identified a goal to effectively assign and administer sewer costs associated with development similar to the water tap fee; and

WHEREAS, The Water Utility Advisory Board, which was created to provide customer input on rates, fees, and other charges as necessary to sustain the Utility, unanimously recommended on March 2, 2022, the approval of the Sewer Tap Fee Study and the methodology to update the sewer tap fee.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. The City Council of the City of Lee's Summit, Missouri ("Council"), hereby finds and declares as follows:

1. A public hearing, after being properly noticed, was conducted by the Council, at which time all those interested were afforded the opportunity to speak and present evidence regarding this issue.
2. Sections 250.010, RSMo, et seq., authorizes cities to acquire, construct, improve or extend and to maintain and operate a sewerage system and to establish, make, and collect charges for sewerage services, including tap-on fees.
3. The City has continued to experience population growth and a corresponding increase in the demand for sewer service.
4. The Lee's Summit Comprehensive Plan, adopted by the City, indicates that growth will continue.
5. The 2022 Wastewater Master Plan, adopted by the City, indicates specific improvements necessary to serve new connections.
6. HDR Engineering Inc. was retained by the City to conduct a Sewer Tap Fee Study ("Study") attached hereto and incorporated here as Exhibit A. Said Study was used by and accepted and admitted by the Council in their consideration and decision of this Ordinance.
7. The Study calculated the existing infrastructure and future capital improvements needed to serve the growth in sewer usage. Utilizing this methodology, a sewer tap

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fee was calculated based on the size and meter capacity. The water meter capacity is directly correlated to the amount of outflow to the sewer system, and thus the service the City is providing to the new sewer customer through the tap fee is set proportional to the service derived by the sewer customer.

8. The sewer tap fee is necessary for the City to maintain the expected demand placed upon the City's sewer system. The fees may not be paid into the City's general fund to defray customary governmental expenditures. In addition, this sewer tap fee is designed so that the user's fee: (1) Is paid upon the approval of designated development applications and not periodically; (2) Is required to be expended for the provision of sewer facilities that directly benefit the connection which has generated the need for such facilities within a reasonable period of time from the date such fee is paid; (3) Is directly proportional in amount to the sewer facilities provided; and (4) Is for a service that has not been historically provided exclusively by monies derived from taxes.
9. The sewer tap fee will help ensure that new and upsized sewer connections bear a proportional share of the service used by sewer customers for sewer services, and said sewer tap fee sets forth a direct connection between the fee paid and the sewer service provided.
10. The Council has considered the matter of financing new sewer service facilities, the need for which is necessitated by new connections from new development. The Council hereby finds and declares that a sewer connection fee or tap fee imposed upon new or upsized connections to finance sewer service facilities, furthers the public health, safety and welfare of Lee's Summit. Therefore, the Council deems it advisable to adopt sewer connection fees.

SECTION 2. Chapter 32, Water and Sewers, Article IV, Regulations and Rates for Sanitary Sewerage Service, Division 4, Rates and Charges, Section 32-312, Permit, connection charges, is hereby amended to read as set forth in Exhibit B, attached and incorporated by reference to this Ordinance, wherein deletions and additions of language are shown.

SECTION 3. Division 5, Sewer Improvement Fees, which include Sections 32-321 - 32-328, is hereby repealed as contained in Chapter 32, Water and Sewers, Article IV, Regulations and Rates for Sanitary Sewerage Service.

SECTION 4. The Schedule of Fees and Charges to be effective July 1, 2022, is hereby amended to read as set forth in Exhibit C, attached and incorporated by reference to this Ordinance, wherein deletions and additions of language are shown.

SECTION 5. That it is the intention of the City Council and is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Lee's Summit, Missouri, and the sections of this Ordinance and the Code of Ordinances of the City of Lee's Summit, Missouri may be renumbered as appropriate to accomplish such intention.

SECTION 6. That all ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

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SECTION 7. All other Sections of the Code of Ordinances of the City of Lee's Summit, Missouri, not specifically referenced in this Ordinance shall remain unmodified and in full force and effect.

SECTION 8. The whereas clauses are hereby specifically incorporated herein by reference.

SECTION 9. Should any section, sentence, or clause of this Ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences, or clauses unless the sewer connection fee or tap fee set in Section 2 of this Ordinance is declared invalid or unconstitutional, then the former Section 32-312 shall become effective in its place.

SECTION 10. This Ordinance shall be in full force and effect from and after July 1, 2022, after its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2022.

ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2022.

ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *Brian W. Head*