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# 2020 Annual Water Tap Fee Report

Water Utilities Advisory Board

December 10, 2020



**WATER UTILITIES**  
**LEE'S SUMMIT**

*Safe and Reliable, Now and for Future Generations*

# FY 2019-20 WATER TAP FEE FINANCIAL STATUS



- Financial Status FY 2019 - 20
  - Total Revenue: \$2,415,822
  - Total Expenditures: 1,204,502
  - Net Gain(Loss): 1,211,320
  - Fund balance: \$12,090,478
- 594.33 equivalent residential units sold (*5,445 remaining, exclusive of 2 mgd reserve*)

# FY 2019-20 WATER TAP FEE PROJECT STATUS



- Ongoing Projects

– KCMO Water Supply Acquisition	\$234,511
– South Terminal Transmission Main	41,322
– Pryor Road upsizing	200,436
– Harris Rd – Herring to Haines	37,876
– Commerce Drive	12,868
– Sampson Road upsizing	<u>24,342</u>
Total	\$551,355

# Proposed Water Tap Fee Project Changes



- Additions
  - US 50 Hwy – Harris to Woodlawn \$ 11,250
- Modifications/Revisions
  - KC Supply – Phase III \$ 9,494,969

# STAFF RECOMMENDATIONS

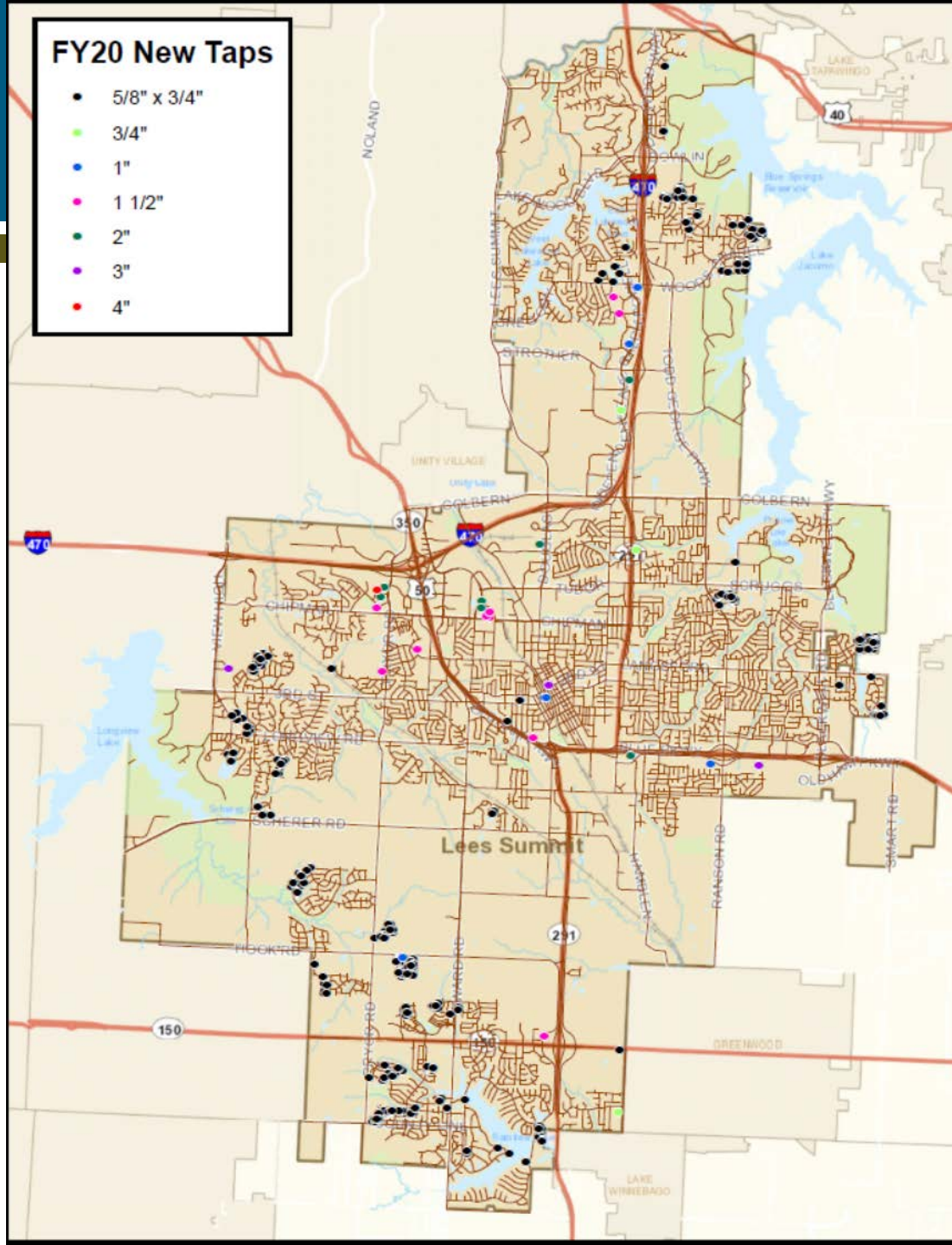


- System Improvements Project Update
  - Water Tap Fee Projects
    - Updated project list total \$83,629,874
- Utilize 444 residential equivalent units for growth for (FY2020-21).
- Increase tap fee by 3.0% for residential equivalent at \$3,655 effective July 1, 2021 for next fiscal year (FY2021-22).

# FY20

## FY20 New Taps

- 5/8" x 3/4"
- 3/4"
- 1"
- 1 1/2"
- 2"
- 3"
- 4"



# Water Tap Fee Model



ASSUMPTIONS		Tap Fee Adjustment Annual After 2026	System Improvement Costs (TC)	Estimated Debt Service Rate (i)	Equivalent Units Served Cap. Project (N)	Estimated Interest Inc. Rate	Construction Estimated Inflation Rate				
		2.00%	\$83,629,874	5.25%	22,601	1.50%	2.00%				
TAP FEE ADJUSTMENT			3.00%	2.00%	2.00%	2.00%	2.00%				
PROJECTED ANNUAL EQUIVALENT UNITS		594	454	444	420	420	445	2,250	1,023	-	
PROJECTED TAP FEE		\$ 3,477	\$ 3,581	\$ 3,655	\$ 3,730	\$ 3,805	\$ 3,885	\$ 4,131	\$ 4,573	\$ 5,063	
Fiscal Year	PRIOR YEARS	2020 ACTUAL	2021	2022	2023	2024	2025	2030	2035	2040	Total
Estimated Cumulative Taps	14,511	17,155	17,609	18,053	18,473	18,893	19,338	2,250	1,023	0	
REVENUES:											
Bond Proceeds	5,510,000							-	-	-	5,510,000
KC Share of South Terminal	4,053,913							-	-	-	4,053,913
KC Financing of Phase I	6,326,065							-	-	-	6,326,065
Interest Income	3,758,735	353,861	181,357	86,747	78,467	99,625	117,869	708,188	1,176,041	965,627	7,858,968
Other Revenue	81,569							-	-	-	1,939,220
Tap Fees	43,419,695	2,061,961	1,624,664	1,622,893	1,566,637	1,598,138	1,728,864	9,294,750	4,553,610	-	70,592,656
Base Charge	3,300,010							-	-	-	3,300,010
TOTAL REVENUE	66,449,986	2,415,822	1,806,021	1,709,640	1,645,104	1,697,764	1,846,733	10,002,938	5,729,651	965,627	99,580,831
EXPENSES:											
Capital Projects	45,756,307	570,898	7,888,547	2,261,679	234,510	481,510	2,015,510	5,454,912	4,038,000	14,928,000	83,629,874
Debt Service	-										
KCMO payment for Phase I	1,090,065							-	-	-	1,090,065
KCMO - Refinance	6,861,103							-	-	-	6,861,103
Other Debt	259,428							-	-	-	259,428
Debt Service 2002/2012 Bonds	6,039,876	653,147	224,808	-	-	-	-	-	-	-	7,988,882
TOTAL EXPENSES	60,006,778	1,224,045	8,113,355	2,261,679	234,510	481,510	2,015,510	5,454,912	4,038,000	14,928,000	99,829,352
Revenues over/(under) Expenses	6,443,208	1,191,778	(6,307,334)	(552,039)	1,410,593	1,216,253	(168,777)	4,548,026	1,691,651	(13,962,373)	(248,521)
Beginning Balance	215,000	10,898,701	12,090,478	5,783,145	5,231,106	6,641,699	7,857,952	7,689,175	12,237,201	13,928,852	215,000
Ending Balance	6,658,208	12,090,478	5,783,145	5,231,106	6,641,699	7,857,952	7,689,175	12,237,201	13,928,852	(33,521)	(33,521)





# **DISCUSSION**

## 2020 Annual Water Tap Fee Report



# Proposed WUAB Motion



I move to recommend to the City Council the revised projects list as indicated on the Summary Statement of Water Projects Report and adjusting the residential equivalent unit tap fee to \$3,655 effective July 1, 2021 utilizing 444 residential equivalent units as the growth projection.