

WATER UTILITIES ADVISORY BOARD

Wednesday, December 12, 2018
5:30 p.m.
Lee's Summit Water Utilities Service Center
1200 SE Hamblen Road
Lee's Summit, MO 64081

Maybrook Conference Room

Members Present:

Mike Atcheson (Developer) Chair
Glen Jones (Builder) Vice Chair
Kay Ford (Resident)
Roger Tilling (Outside City Resident)
Margie Zorn (Resident)
Cynda Rader (Resident)
Kyle Gorrell (Large Water User)

Staff Present:

Mark Schaufler, Director of Water Utilities
Brent Boice, Asst. Director
Jeff Thorn, Asst. Director
Dana Arcuri, Administrative Secretary
Dom Bennett, Account Services Manager

1. CALL TO ORDER

Mr. Mike Atcheson called the meeting to order at 5:30 p.m.

2. ROLL CALL

3. APPROVAL OF MINUTES FROM THE NOVEMBER 29, 2017 MEETING

With there being no corrections, the November 29, 2017, Water Utilities Advisory Board minutes were approved on motion by Mr. Glen Jones and seconded by Ms. Kay Ford. The board unanimously voted to approve the November 29, 2017 minutes.

4. SELECTION OF OFFICERS

Mr. Kyle Gorrell made a motion nominating Mr. Mike Atcheson as the Chairperson. Motion was seconded by Mr. Jones. The board unanimously approved Mr. Atcheson to continue as the Chairperson for the board. Mr. Roger Tilling made a motion nominating Mr. Glen Jones as the Vice Chair. The motion was seconded by Ms. Margie Zorn. The board unanimously agreed to continue with Mr. Jones as Vice Chair for the board.

5. BUSINESS

A. 2018-2476 PRESENTATION OF WATER TAP FEE REPORT & RECOMMENDATIONS

Mr. Brent Boice reviewed with Board the statements related to water tap fee performance and the projections within the tap fee model. Mr. Jones made a motion and was seconded by Ms. Cynda Radar to recommend the following:

Update Water System Improvement Project List

Add:	Colbern Road (FY2020).....	\$1,058,000
Reduce:	Upsizing (2017-40).....	(387,782)
Reduce:	System Improvements (2030-40).....	(60,000)

Water Tap Fee Project List updated total of \$78,386,867
Utilize 585 residential equivalent units for growth for (FY2019-20)
Increase Water Tap Fee residential equivalent unit to \$3,477 effective July 1, 2019 for next fiscal year (FY2019-20)

The Board unanimously agreed.

B. 2018-2478 PRESENTATION OF FINANCIAL PLANNING AND RATE RECOMMENDATIONS

The Financial Model (Cost of Service Model) that is utilized to establish the 5 year rate schedule was updated and presented to the Board by Mr. Boice. The Board reviewed the financial plan and determined that the plan was consistent with the financial objectives identified in the Water Utilities Strategic Plan below:

- Revenue to Expense Ratio – equal to or greater than 1:1 to ensure that system revenues are recovering expenses. (Operating Revenues divided by Operating Expenses)
- Working Capital – working capital equal to 90 days of annual operating expenses
- Coverage Ratio – minimum of 1.50:1 to assure that adequate revenues are maintained to satisfy debt obligations. (Net Revenues Available for Debt Service divided by Annual Debt Service Payments)
- Plan effectively for rate and revenue stability
 - Incremental rate adjustments (annual review)
 - Rates are cost-based, equitable and understandable
 - Promote water conservation
 - Adequately fund reinvestment in water and sewer infrastructure

On motion by Mr. Gorrell and seconded by Mr. Jones the Board unanimously agreed to recommend to the City Council that Water and Sewer rates to amend the adopted rate schedule for January 1, 2022 to increase the water and sewer rates from 2% to 3% and to append the rate schedule with a 4% increase to water and sewer rates effective January 1, 2023.

6. ROUNDTABLE

Mr. Mark Schaufler introduced Water Utilities new staff member, Mr. Dom Bennett, Account Service Manager for the department.

7. ADJOURNMENT

With there being no further business the meeting was adjourned at 6:30 p.m.