

Legislation Text

File #: BILL NO. 22-108, **Version:** 1

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.

(Note: First read by Council on May 24, 2022. Passed by unanimous vote.)

Key Issues:

The sewer tap fee was originally established in 1988 and has not been changed since it was adopted. The fee was set at \$30 per drainage unit and limited to a maximum charge of 100 drains or \$3,000, regardless of the impact to the sanitary sewer system.

In 2006 and 2008, the City Council approved sewer improvement fees in the Middle Big Creek and Maybrook watersheds for the construction of sewer system improvements. These impact fees are restricted to improvements within those drainage basins. Like the sewer connection fee, the watershed improvement fees were also limited to the first 100 drains per building.

Per the recent Wastewater Master Plan, the current amount of the sewer connection fee will not adequately fund the sewer system improvements identified as being necessary for the future development of the city.

Additionally, the Wastewater Master Plan report indicated there is an interrelation between the various watersheds and wastewater is conveyed to the Little Blue Valley Sewer District and the Middle Big Creek District through the use of pumping and storage facilities located in several watersheds. With a comprehensive Wastewater Master Plan the need to isolate these costs to the individual watersheds is unwarranted and the development of a system-wide Sewer Connection fee would be more appropriate considering the interrelation between the various watersheds.

The recommended sewer connection fee has been developed to create a city-wide approach to funding the sanitary sewer system. The methodology reviewed existing capacities and projected demands within the sewer system. This methodology is consistent with AWWA M1 Standards and provides a reasonable and rational approach to funding of sanitary sewer improvements.

The recommended Sewer Connection fee is calculated based on a residential equivalent unit basis similar to the water tap fee. HDR Engineering Inc., the City's consultant on this matter, recommends establishing the Sewer Connection fee at \$1,384 for the residential equivalent unit for a 5/8" x 3/4" meter. Additional recommendations include;

- Sewer connection Fees to be proportional to the size of the water meter. The larger the water meter and impact to the sewer system, the greater the cost.
- An Annual review should be conducted of the recommended sewer projects and their projected costs to ensure the proper allocation and cost recovery is being achieved.
- Update the Master Plan documents every 5 years.

- Implement the new connection fee on July 1, 2022.

Background:

The adopted Water Utilities Strategic Plan identified a goal to develop a sewer tap fee policy to effectively assign and administer sewer costs associated with development similar to the water tap fee.

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 the approval of the proposed Sewer Tap Fee Study and the methodology on March 2, 2022 and update the sewer tap fee.

Ordinance 32-312. Established that Sewer Connection fees are \$30 per drain exclusive of the floor drain in 1988. The ordinance limits the maximum number of drains at 100 per permit.

Chapter 32. Article IV. Division 5. Sewer Improvement Fees established two watershed impact fees for Middle Big Creek and Maybrook watersheds.

- Middle Big Creek Watershed Sewer Impact Fee was adopted in September of 2004 and set at \$33.48/drain and limited to 100 drains per permit.
- Maybrook Watershed Sewer Impact Fee was adopted in June of 2006 and set at \$42.61/drain and limited to 100 drains per permit.

Brent Boice, Assistant Director of Business Services, Water Utilities

Jeff Thorn, Deputy Director of Water Utilities

Pat Young, HDR Engineering Inc.

Scott Ison, Chief Counsel of Infrastructure and Recreation

Water Utilities Advisory Board recommended that the sewer tap fee methodology be updated based on the findings of the Wastewater Master Plan and the Sewer Tap Fee study and make changes to the Schedule of Fees and Charges accordingly.