

## Legislation Details (With Text)

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<b>On agenda:</b>	12/11/2019	<b>Final action:</b>	
<b>Title:</b>	Presentation of Water Tap Fee Report and Recommendations		
<b>Sponsors:</b>	Water Utilities		
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. Statement of Application for Service FY19, 2. Statement of Water Tap Fee Collections & Disbursements FY19, 3. Summary Statement of Water Facility Projects FY19, 4. FY20 Tap Fee Report v2.pdf, 5. 2019 WTF Presentation v01.pdf		

Date	Ver.	Action By	Action	Result
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### Presentation of Water Tap Fee Report and Recommendations

#### Key Issues:

In accordance with LSCO Chapter 32, the Water Utilities Department has prepared the required documents for the Water Utilities Advisory Board's review.

For this year's review of the Water Tap Fee calculation, the following statements have been provided in the packet for the Board's review.

- Statement of Applications for Service - a summary of the applications for service.
  - There were 303 tap permits issued this past year that equates to 428.33 equivalent units.
- Statement of Water Tap Fee Collections and Disbursements - a summary of the tap fees collected and disbursed.
  - Water Utilities collected \$ 1,457,090 for FY 2018-19 in tap fee revenues. Includes transfer from Operating Fund to fund the payoff of the Harrisonville agreement.
  - Expenditures for the period totaled \$1,081,216, which included costs associated with the acquisition of the additional water supply through cooperative agreements with Kansas City and Harrisonville and expenditures related to upsizing projects.
- Summary Statement of Water Tap Fee Projects - a summary of the water tap fee projects initiated and completed which are consistent with the adopted project list.
  - Water Tap Fee Projects have been updated to reflect proposed project additions and adjustments to meet future growth.

Staff have recommended modifications to the Water Tap Fee Projects List. These modifications are consistent with the criteria required for Water Tap Fee funding.

#### Proposed Motion:

I move to recommend to City Council approval of the revised projects list as indicated on the Summary

Statement of Water Projects Report and adjusting the residential equivalent unit tap fee to \$3,581 effective July 1, 2020 utilizing 454 residential equivalent units per year as the growth projection.

Background:

The Original Tap Fee Ordinance became effective March 1, 1996

Purpose: To Establish a funding source that provides adequate water capacity to meet the additional demands created by new growth

- Requires an annual report to the City Council.

Statements

- a statement summarizing the applications for service approved during the preceding year;
- a statement summarizing the tap fees collected and disbursed during the preceding year;
- a statement summarizing the facility projects initiated and completed during the preceding year and that the facility projects undertaken with the tap fee funds are consistent with the adopted project list;
- Provide any recommendations to the City Council of revisions to the project list and tap fee calculation, as appropriate.

Impact/Analysis:

Based upon current projects and taps consumed, there were 6,040 units available at FYE 2018-19. The current fee does not provide sufficient revenues to ensure that the fund is self-sustaining without fee adjustment.

Staff recommends a 3.0% increase to be effective July 1, 2020. In keeping with the Board's prior recommendations, an incremental increase of 2.0% per year through 2025 and 1.5% increases subsequent years of the tap fee model is recommended to ensure the sustainability of the fund.

Staff has recommended the following modifications to the Water Tap Fee Project list to meet projected growth:

- Addition - SE Improvements - Hamblen \$2,281,000
- Addition - Pryor Road - Scherer to Longview \$1,889,000
- Addition - Hood Road - Tower to 291 \$4,038,000

The Water Tap Project List total after modifications would be \$82,245,602.

The tap fee for a residential equivalent was calculated at \$3,581 with an effective date of July 1, 2020.

Mark Schaufler, Director of Water Utilities

Brent Boice, Assistant Director of Support Service, Water Utilities

Recommendation: Staff recommends approval of Water Tap Fee Committee Report & Recommendations