

# The City of Lee's Summit

## Legislation Details (With Text)

Name:

File #: BILL NO. 20-

179

Type: Ordinance Status: Passed

File created: 9/9/2020 In control: City Council - Regular Session

On agenda: 9/22/2020 Final action: 9/22/2020

**Title:** An Ordinance authorizing the execution of an Amendment to a Service Contract for sanitary sewer

treatment by and between the City of Lee's Summit and Little Blue Valley Sewer District for the Middle

Big Creek Subdistrict and authorizing the Mayor to execute same. (PWC 9/16/20)

Sponsors: Water Utilities

Indexes:

**Code sections:** 

Attachments: 1. Ordinance, 2. Amendment, 3. Service Agreement Amendment Letter Aug 2020, 4. Original Contract

Date	Ver.	Action By	Action	Result
9/22/2020	1	City Council - Regular Session	for second reading	Pass
9/22/2020	1	City Council - Regular Session	adopted and numbered	Pass
9/16/2020	1	Public Works Committee	recommended for approval	Pass

..Title

An Ordinance authorizing the execution of an Amendment to a Service Contract for sanitary sewer treatment by and between the City of Lee's Summit and Little Blue Valley Sewer District for the Middle Big Creek Subdistrict and authorizing the Mayor to execute same. (PWC 9/16/20)

### **Key Points:**

The City of Lee's Summit and Middle Big Creek Subdistrict to Little Blue Valley Sewer District have a long-standing service contract for sanitary sewer treatment.

The City of Lee's Summit is a Member City of the Subdistrict with representation on its Board of Trustees.

The Service Contract between Middle Big Creek Subdistrict and its Member Cities may be amended from time to time based on the needs from either party.

Any Change to the Service Contract require unanimous approval by the Member Cities.

The proposed change to the Service Contract is to revise the flow component of the rate structure from 20-quarter linear projection to a 20-quarter rolling average.

### Issue/Request:

An ordinance authorizing the execution of an Amendment to a service contract for sanitary sewer treatment by and between the City of Lee's Summit and Little Blue Valley Sewer District for the Middle Big Creek Subdistrict and authorizing the Mayor to execute same.

File #: BILL NO. 20-179, Version: 1

#### **Proposed City Council Motion:**

FIRST MOTION: I move for a second reading of an Ordinance authorizing the execution of an Amendment to a Service Contract for sanitary sewer treatment by and between the City of Lee's Summit and Little Blue Valley Sewer District for the Middle Big Creek Subdistrict and authorizing the Mayor to execute same.

SECOND MOTION: I move for adoption of an Ordinance authorizing the execution of an Amendment to a Service Contract for sanitary sewer treatment by and between the City of Lee's Summit and Little Blue Valley Sewer District for the Middle Big Creek Subdistrict and authorizing the Mayor to execute same.

#### Background:

The City of Lee's Summit has been a part of the Middle Big Creek Subdistrict (MBC) since 1992. Our service contract with MBC has been updated and amended through the years as changes have been necessary to meet the needs of MBC and its member Cities. Most recently our contract was update in 2002 (see attached).

The proposed current amendment is to change the way the Utilities Budget is allocated and ultimately billed to its customers.

The Current billing method is a 20-quarter linear projection. This method was developed in the early years of MBC when there was a concern that growth could cause costs to be unfairly spread amongst the member communities. By projecting the coming years cost and setting the billing MBC has allowed it member Cities to budget accurately each year for this service. This method has served MBC and its members well but does have drawbacks as it can project flow variances well above or below actual flows for a given year and skew the billing.

In an effort to revisit the billing methods MBC hired a rate consultant to review the current method and recommend if necessary a replacement method that would be more accurate but still provide stable budgeting to MBC and its members. The rate consultant looked at several methods and reviewed data for the last 20 years using those methods and determined the most accurate method which still allows us project an annual budget would be to us a 20-quarter Rolling Average Method. This method will take the last five years broken into quarterly flow readings and apply the average of those to our next four quarters. This method follows more closely to the actual flow data and still allows for annual set budgets for MBC and its members.

Mark Schaufler, Director of Water Utilities

Jeff Shook, Director Little Blue Valley Sewer District

#### Staff recommends approval

#### ..Committee Recommendation

The Public Works Committee voted unanimously to recommend to City Council approval of an Ordinance authorizing the execution of an Amendment to a Service Contract for sanitary sewer treatment by and between the City of Lee's Summit and Little Blue Valley Sewer District for the Middle Big Creek Subdistrict and authorizing the Mayor to execute same.