

## Legislation Text

---

**File #:** BILL NO. 20-216, **Version:** 1

---

An Ordinance authorizing the Mayor to enter into an Intergovernmental Agreement by and between the City of Lee's Summit and the City of Independence, Missouri, for the provision of up to 7.5 million gallons a day of water supply. (F&BC 11/9/20)

### Issue/Request:

Current contract with the City of Independence was established with a 20-year period which is scheduled to expire on January 4, 2021 for the purchase of 7.5 million gallons a day (MGD). The contract allows for the renewal of the contract for another 20-year period. The City of Lee's Summit has requested to extend/renew the contract for an additional 20-year period. The contract for water supply is essential to meet current and future demands of the community for water supply.

This contract provides for a rate provisions that will treat wholesale customers on a fair and equitable basis, and without favoritism for retail customers within Independence when determining those rates. Any proposed rate increase by Independence shall be made in accordance with the Base-Extra Capacity Method (using the Utility basis), as described in the American Water Works Association M1 Manual.

### Key Issues:

The City of Lee's Summit Water Utilities has purchased water from the City of Independence since 1986 and previously through the Missouri Water Company which the City of Independence acquired. The City purchases water from the City of Independence and the City of Kansas City. Through our two connections with the City of Independence and in accordance with the water purchase contract minimum water purchases are required. Due to the lower water purchase rate, the City purchases the majority of our water through Independence. For FY20, the City purchased approximately 68% of it's water from Independence at an average daily rate of 7.24 MGD.

### City Council Motions:

**FIRST MOTION:** I move for a second reading of an Ordinance authorizing the Mayor to enter into an Intergovernmental Agreement by and between the City of Lee's Summit and the City of Independence, Missouri, for the provision of up to 7.5 million gallons a day of water supply.

**SECOND MOTION:** I move for adoption of an Ordinance authorizing the Mayor to enter into an Intergovernmental Agreement by and between the City of Lee's Summit and the City of Independence, Missouri, for the provision of up to 7.5 million gallons a day of water supply.

### Background:

The City of Independence has used water from wells rather than from the Missouri River. Independence's Courtney Bend Water Plant has 42 wells drawing from the Missouri River Alluvial Aquifer on both the north and south sides of the Missouri river and has the capability of supplying a maximum of 48 million gallons of water per day. City of

Independence water has been earned multiple awards as some of the best testing water in the world through the Berkley Springs International Water Tasting competition.

Mark Schaufler, Director of Lee's Summit Water Utilities (P)

At the November 9, 2020 Finance and Budget Committee, on motion by Councilmember Felker, second by Councilmember Forte, the Committee voted unanimously to recommend to the City Council approval of an Ordinance authorizing the Mayor to enter into an Intergovernmental Agreement by and between the City of Lee's Summit and the City of Independence, Missouri, for the provision of up to 7.5 million gallons a day of water supply.