

Legislation Text

File #: 2022-4764, **Version:** 1

Consideration of the Water Tap Fee and Recommendation

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 review of FY21 performance 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.
 - o There were 591 tap permits issued this past year that equates to 646.67 equivalent units.
- Statement of Water Tap Fee Collections and Disbursements - a summary of the tap fees collected and disbursed.
 - o Water Utilities collected \$ 2,312,348 for FY 2020-21 in tap fee revenues.
 - o Expenditures for the period totaled \$2,795,799, which included costs associated with payments to Kansas City for the acquisition of the additional water supply 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.
 - o 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 City Council approval to amend the residential equivalent unit water tap fee to \$3,730 effective July 1, 2022 and utilizing 470 residential equivalent units 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

- o 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;
- o 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 4,799 units available at FYE 2020-21. The current fee does not provide sufficient revenues to ensure that the fund is self-sustaining without fee adjustment.

Staff recommends a 2.0% increase to be effective July 1, 2022. In keeping with the Board's prior recommendations, an incremental increase of 2.0% per year throughout subsequent years of the tap fee model is recommended to ensure the sustainability of the fund.

Staff does not recommend any modifications to the Water Tap Fee Project list with a total of \$81,307,136 in projects.

The tap fee for a residential equivalent was calculated at \$3,730 with an effective date of July 1, 2022.

Mark Schaufler, Director of Water Utilities

Brent Boice, Assistant Director of Business Services, Water Utilities

Recommendation: Staff recommends approval of Water Tap Fee Report and recommends City Council approval to increase the residential equivalent tap fee by 2.0% for a total amount of \$3,730 to be effective July 1, 2022.