

GENERAL

Ordinance Fact Sheet

140172

Ordinance Number

Brief Title

Amending Chapter 60 of the
Code of Ordinances

Approval Deadline

5/1/2014

Reason

Amending Chapter 60 of the Code of Ordinances

Details**Reason for Legislation**

Amending Chapter 60 of the Code of Ordinances of Kansas City, Missouri, entitled Sewers and Sewage Disposal by repealing Sections 60-2, 60-3, 60-7 and 60-191 and enacting in lieu thereof new sections of like number and subject matter which adjust sewer rates; and establishing an effective date.

Discussion

The City of Kansas City annually determines its revenue requirements as part of its budgetary process for the upcoming year. This review includes a cost of service analysis to appropriately allocate and set rates associated with the various customer classes. The recommend revenue increase is necessary in part to meet increased costs due to inflation, capital improvement needs and the overflow control plan. The current estimated capital cost of the overflow control plan is approximately \$4.5 billion including estimated inflation at the end of the 25-year timeframe. In addition, there is expected to be a \$72 million increase in annual expenditures for operation and maintenance.

The subject ordinance will provide for an overall 15% sewer revenue increase. The revenue increase is reflected in the volume charge and the service charge and fees associated with the Wastewater utility. The rates provided for in this ordinance will increase the average residential bill approximately \$7.16/month. The increased rates are proposed to be reflected on billings for usage on or after May 1, 2014. For billings prior to May 1, 2014, the FY13-14 rates shall apply.

The ordinance will also increase the permit fees for the industries requiring a EPA pretreatment permit. These fees need to be increased again to better reflect the cost of this service.

Further this will enable the funding of the renewal and replacement fund, rebuild cash reserves to ensure adequate capital reinvestment in the system which in the long term will lower the overall cost for maintaining the asset and helping to keep rates lower in the future. the average residential sewer bill will increase from \$39.44 to \$46.60 per month, based on average month usage of 6 ccf (4,488

Positions/Recommendations

Sponsor	Water Services Department
Programs, Departments, or Groups Affected	Sewers
Applicants / Proponents	Applicant City Department Water Services Department Other
Opponents	Groups or Individuals None Known Basis of opposition
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass

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Details

Is it good for the children? Yes.

How does this contribute to a sustainable Kansas City?

This rate increase will allow the department to meet the needs of the citizenry by providing a necessary service now and in the future.

This ordinance affects all City Council Districts.

Policy/Program Impact

Policy or Program Change	<input checked="checked" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	
Financial Impact	\$17,000,000
Fund Source (s) and Appropriation Account Codes	

(Use this space for further discussion, if necessary)

Applicable Dates:

Billings for usage prior to 5/1/14, FY13-14 rates shall apply.
Billings for usage on or after 5/1/14, the new rates shall apply.

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Reference Numbers

Chapter 60 Code of Ordinances