

**SMITHVILLE BOARD OF ALDERMAN**  
**WORK SESSION**

January 19, 2021 6:30 p.m.  
City Hall Council Chambers

**Due to the COVID-19 pandemic this meeting was held via teleconference.**

**The meeting was streamed live on the city's FaceBook page.**

**1. Call to Order**

Mayor Boley, present at City Hall, called the meeting to order at 6:30 p.m. A quorum of the Board was present via Zoom meeting: Steve Sarver, Marv Atkins, Dan Ulledahl, Melissa Wilson and Jeff Bloemker. Alderman John Chevalier was absent.

Staff present via Zoom: Cynthia Wagner, Chuck Soules, Stephen Larson and Linda Drummond.

**2. Discussion of Sewer Billing for New Construction**

Stephen Larson, Finance Director, gave an overview of the winter sewer average and the reason for the possibility of changing the City's policy. Staff researched what some comparable cities do for their winter sewer averaging.

Winter sewer averaging is a billing method that accounts for additional water usage during the summer months when we have residents doing activities such as watering their lawns, landscaping and filling swimming pools. When we use winter sewer averaging as a billing method it lowers the bill and it normalizes the charges throughout that part of the year based upon the winter quarter. It normalizes the charges based upon what a resident would typically discharge in a sanitary sewer system, so they are not charged based upon just water usage. Although when residents perform those activities in the summertime, they do have the higher amounts of water than what they would normally use, we know that the water does not place an excessive burden City's sanitary sewer system because it is all absorbed into the ground or it is going into other areas of the lawn. As a result of that the city does not have to offset the expense of the additional water not flowing through the sanitary sewer system.

The City's current Code of Ordinances per Section 705.050, Billing in the City of Smithville, we create our winter sewer average based upon the billing periods of December, January and February. Staff uses the usage from each resident during those three months to calculate an average water usage and that sets their sewer bill during the other nine months of the year, which results in the in the lower bill. At this time our Code of Ordinances states that if a customer has not established a

winter sewer average the customer will elect to either have sewer charges based upon water that is used in the current month which is really just a volume used method and will be charged according to the amount of water that they use or when they go to apply for a utility account with the City, they can provide a utility bill from their previous address. That bill has to be able to provide water usage that can be derived to establish an average. One of the issues that we run into is that we have circumstances in which the residents will move to the City of Smithville, but they cannot furnish a utility bill from a previous address. This can happen to residents who moved from an apartment where they might have a utility bill that just states what their monthly charges are. The way the code is currently written if that bill does not have any usage of gallons indicated, the bill cannot legitimately be used to derive and create a winter sewer average. If that happens it leaves the resident subject to paying for the sewer usage rate based upon volume rather than a winter averaging like other residents enjoy. That is when the rate can be much higher for the resident, especially when they are performing all those activities right after moving in to their help with their sodding, completing landscaping or watering the lawn.

For options staff did some research on some comparable cities:

Raymore, MO: In the City of Raymore, Missouri, new residents have two options for winter sewer averaging. The first option, for new residents that cannot establish a winter sewer average upon moving into a City, is to elect for the existing winter sewer average (mean winter averaging charge) of all other residential customers. Like the City of Smithville, the City of Raymore determines the winter sewer average by averaging usage during the months of December, January, and February. This allows new customers to circumvent higher sewer charges tied to actual consumption during the summer months when watering activities are in full swing. The second option is for a new resident to elect for the volume method which will result in billing the customer each month based upon actual consumption. By selecting this option, residents may incur higher sewer charges if they perform higher water usage activities (as mentioned in the beginning of the report).

Kearney, MO: In the City of Kearney, Missouri, winter sewer averaging is not provided to residents. To circumvent issues associated with a new resident using large quantities of water upon moving into a residence, the City of Kearney offers the option of purchasing a second meter (to serve as a secondary meter for irrigation purposes only) in which the customer is only charged for water usage. The cost of this second water meter (5/8" or 3/4" in sizing) to the customer is a one-time installation cost of \$2,460.

North Kansas City, MO: The City of North Kansas City, MO has modeled their sewer billing option from Raymore, MO. Effective June 2020, the City of North Kansas City began offering residential utility customers options on how they wish to be billed for sewage (i.e., either electing for a winter average or electing for the volume method). To accommodate new customers, the City allows for the option of electing for billing

based upon the average usage of all other residential contributors. This allows new customers to circumvent higher sewer charges tied to actual consumption during the summer months when watering activities are in full swing.

Liberty, MO: The City of Liberty, MO uses a winter sewer average which is calculated using December, January, February, and March consumption for existing customers. Every April, the City calculates a new average for each customer based upon their usage in these 4 months. This average then becomes the basis for billing the other 8 months of the year. This method differs slightly from other Cities (including the City of Smithville) in which the average is based upon the 3 months of December, January, and February and is then billed for the other 9 months of the year. For customers who are new to the City (and may be new to owning a home), the City of Liberty will provide a winter sewer average based upon yearly average consumption. This allows new customers to circumvent higher sewer charges tied to actual consumption during the summer months when watering activities are in full swing.

In summary staff would recommend the Board look at an alternative option to our current policy. For those new residents who cannot derive an average water usage from their previous utility bill, staff would recommend establishing the option to elect for a winter sewer average that would be based upon the average of the City's residential water usage for the winter quarter. This policy would be very close to Raymore, North Kansas City and Liberty as all those jurisdictions provide the option in one form or the other. Also, when the customer completes that winter quarter, and they can establish their own usage, as a utility account holder that billing method is switched over from the City's average to their own average.

Ultimately the goal of implementing this policy would be so new customers who cannot furnish their own previous utility bill could avoid some of those higher costs when they are completing all those activities at their home related to the water such as sodding, landscaping, etc.

Stephen noted that if this is an option the Board is in favor of staff can work with the City attorney and draft revision language for Section 705.050 to build this policy in.

Alderwoman Wilson thanked Stephen for the research done on this. She stated that she had a resident reach out to her because of their high sewer bill. She liked the option presented using the City residential average then once they get it established moving to their own average. She said she would support that.

Mayor Boley agreed.

Alderman Bloemker asked if staff knew what that City average is?

Stephen said that he did not, but if this is an option that is favored, he could go ahead and do the research and see what that City average looks like in terms of gallons.

Mayor Boley noted that it was discussed during the Water Master Plan and how the number was figured for the Dog Park. He believed it was somewhere around the 5,000-gallon range. He stated that the residents that approached the Board about this had sewer bills in the hundreds of dollars.

Alderman Bloemker noted that a lot of our new residents are either singles or young couples.

Stephen stated that the difference between a 20,000 vs 5,000-gallon sewer average which would definitely lower their bill.

Alderman Bloemker said he appreciated all the all the hard work on this.

Cynthia said that with this direction from the Board staff will proceed as Stephen outlined and should be able to present it to the Board for approval at the second meeting in February.

Alderwoman Wilson clarified that we would keep the language that they may provide their previous bill.

Cynthia said we would.

Stephen thanked the Board for their direction and stated that staff will look at that language and policy. He noted that Raymore had a nice setup on their code of ordinances and staff may take a look at that and may use that as a model.

Cynthia thanked Stephen for jumping in on this and noted that he has not worked with utilities previously to this degree and has a really jumped in and learned a lot about the system and has done tremendous research on this and it is appreciated.

### **3. Adjourn**

Alderman Sarver moved to adjourn. Alderwoman Wilson seconded the motion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:44 p.m.



Linda Drummond, City Clerk



Damien Boley, Mayor