



## STAFF REPORT

<b>Date:</b>	October 18, 2022
<b>Prepared By:</b>	Stephen Larson, Finance Director
<b>Subject:</b>	Discussion on Utility Rate Increases
<b>Staff Report:</b>	Public Works (Utilities), Finance

The Board has asserted that it would like to move forward with implementing recommended rate increases from the latest utility rate study, completed by Raftelis Financial Consultants in July 2022, for the November 2022 billing cycle (which would be mailed to utility customers in early December 2022). RSMo requires that a Public Hearing be held prior to increasing sewer rates and requires that notification of the Public Hearing be published in a newspaper of general circulation in Smithville at least 30 days prior to the hearing.

### UTILITY RATE HISTORY

The following charts compare the proposed water and sewer structure and rates with water and sewer structure and rate history dating back to March 1, 2020. The amounts listed are for both residential and commercial customers, except for those marked with an asterisk (\*), where the first amount listed is for residential customers and the second amount listed is for commercial customers.

Water Meter Service Charge	Mar 1, 2020	Mar 1, 2021	Nov 1, 2021	Nov 1, 2022
3/4" Meter	\$10.68	\$11.21	\$11.77	\$12.78
1" Meter	\$10.68 / \$16.80*	\$11.21 / \$17.64*	\$11.77 / \$18.52	\$12.78 / \$20.09*
2" Meter	\$50.45	\$52.97	\$55.62	\$60.35
3" Meter	\$99.00	\$103.95	\$109.15	\$118.43
4" Meter	\$154.45	\$162.18	\$170.29	\$184.77
6" Meter	\$307.41	\$322.78	\$338.92	\$368.82

Water Usage Rate by Volume	Mar 1, 2020	Mar 1, 2021	Nov 1, 2021	Nov 1, 2022
Per 1,000 Gallons	\$7.43	\$7.89	\$8.33	\$9.04

<b>Wastewater Service Charge</b>	<b>Mar 1, 2020</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
3/4" Meter	\$13.00	\$14.56	\$16.02	\$18.43
1" Meter	\$13.00 / \$20.67*	\$14.56 / \$23.15*	\$16.02 / \$25.47*	\$18.43 / \$29.29*
2" Meter	\$62.86	\$70.40	\$77.46	\$89.08
3" Meter	\$133.50	\$149.52	\$164.52	\$189.20
4" Meter	\$193.24	\$216.42	\$238.13	\$273.85
6" Meter	\$384.97	\$431.17	\$474.42	\$545.59

<b>Wastewater Usage Rate by Volume</b>	<b>Mar 1, 2020</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
Per 1,000 Gallons	\$4.85	\$5.84	\$6.68	\$7.69

## **EFFECT ON A TYPICAL RESIDENTIAL UTILITY BILL**

All residential customers have a ¾" or 1" meter servicing the residence. With the monthly service fees identical for both size meters, below is a projected utility bill for a residential customer with a ¾" meter and 5,000 gallons of usage.

<b>Projected Utility Bill for 5,000 Gallon User (Excludes Trash)</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
3/4" Meter - Water Service Charge	\$11.21	\$11.77	\$12.78
Water Usage Charge (5,000 Gallons)	\$39.45	\$41.65	\$45.20
Residential Water Sales Tax (1.000%)	\$0.51	\$0.53	\$0.58
DNR Fee For 3/4" Meter	\$0.31	\$0.31	\$0.50
3/4" Meter Wastewater Service Charge	\$14.56	\$16.02	\$18.43
Wastewater Usage Charge (5,000 Gallons)	\$29.20	\$33.40	\$38.45
<b>Grand Total</b>	<b>\$95.24</b>	<b>\$103.68</b>	<b>\$115.94</b>

## RATE ADJUSTMENT IMPACT ON CONTRACTED USER'S UTILITY BILL

The City has a contract with PWSD #8 to supply water at a special rate (this is the only special contract the City has for water services). That contract was effective November 2<sup>nd</sup>, 2016, and runs through November 2<sup>nd</sup>, 2031. The current rate is **\$4.98** per 1,000 gallons. Section C-3 of that contracts dictates that "any increase in such rates shall not be greater than the same percentage of increase as [the] City charges its own citizen retail customers" and that "any such change in rate shall become effective at the same time as such change becomes effective to [the] City's own citizen retail customers." The proposed percentage increase in water usage charges for citizen retail customers is 8.50%. Therefore, the proposed rate for this contract would increase to **\$5.40** per 1,000 gallons (an increase of 8.43%). A projected bill for PWSD #8 is provided below.

<b>Projected Utility Bill for PWSD #8 (188th Street) Tax Exempt (Water Only)</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
Water Usage Charge (3,376,000 Gallons*)	\$15,934.72	\$16,812.48	\$18,264.16
4" Meter (No Sewer) - DNR Fee	\$3.43	\$3.43	\$8.50
<b>Grand Total</b>	<b>\$15,938.15</b>	<b>\$16,815.91</b>	<b>\$18,272.66</b>

*\*Average Monthly Use*

## RATE ADJUSTMENT IMPACT ON COMMERCIAL USERS' UTILITY BILLS

The City's largest customer is Clay County Parks, who has two accounts with the City. Projected bills for both of Clay County Parks' accounts are provided below. Projected utility bills for several of the City's largest remaining customers are provided after.

<b>Projected Utility Bill for Clay County Parks DD Hwy Tax Exempt (Water Only)</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
Water Usage Charge (656,700 Gallons*)	\$5,181.36	\$5,470.31	\$5,936.57
6" Meter (No Sewer) - DNR Fee	\$6.87	\$6.87	\$16.50
<b>Grand Total</b>	<b>\$5,188.23</b>	<b>\$5,477.18</b>	<b>\$5,953.07</b>

*\*Average Monthly Use*

<b>Projected Utility Bill for Clay County Parks F Hwy Tax Exempt (Water Only)</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
Water Usage Charge (215,200 Gallons*)	\$1,697.93	\$1,792.62	\$1,945.41
4" Meter (No Sewer) - DNR Fee	\$3.43	\$3.43	\$8.50
<b>Grand Total</b>	<b>\$1,701.36</b>	<b>\$1,796.05</b>	<b>\$1,953.91</b>

*\*Average Monthly Use*

<b>Projected Utility Bill for St. Luke's Northland Hospital Tax Exempt</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
4" Meter - Water Service Charge	\$162.18	\$170.29	\$184.77
Water Usage Charge (410,260 Gallons*)	\$3,236.95	\$3,417.47	\$3,708.75
4" Meter - DNR Fee	\$4.26	\$4.26	\$9.41
4" Meter - Wastewater Service Charge	\$216.42	\$238.13	\$273.85
Wastewater Usage Charge (410,260 Gallons*)	\$2,395.92	\$2,740.54	\$3,154.90
<b>Grand Total</b>	<b>\$6,015.73</b>	<b>\$6,570.68</b>	<b>\$7,331.68</b>

*\*Average Monthly Use*

<b>Projected Utility Bill for Pro Car Wash (Located on Park Drive)</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
3" Meter - Water Service Charge	\$103.95	\$109.15	\$118.43
Water Usage Charge (242,820 Gallons*)	\$1,915.85	\$2,022.69	\$2,195.09
Business Water Sales Tax (8.475%)	\$171.18	\$180.67	\$196.07
3" Meter - DNR Fee	\$4.26	\$4.26	\$9.41
3" Meter - Wastewater Service Charge	\$149.52	\$164.52	\$189.20
Wastewater Usage Charge (242,820 Gallons*)	\$1,418.07	\$1,622.04	\$1,867.29
<b>Grand Total</b>	<b>\$3,762.83</b>	<b>\$4,103.33</b>	<b>\$4,575.49</b>

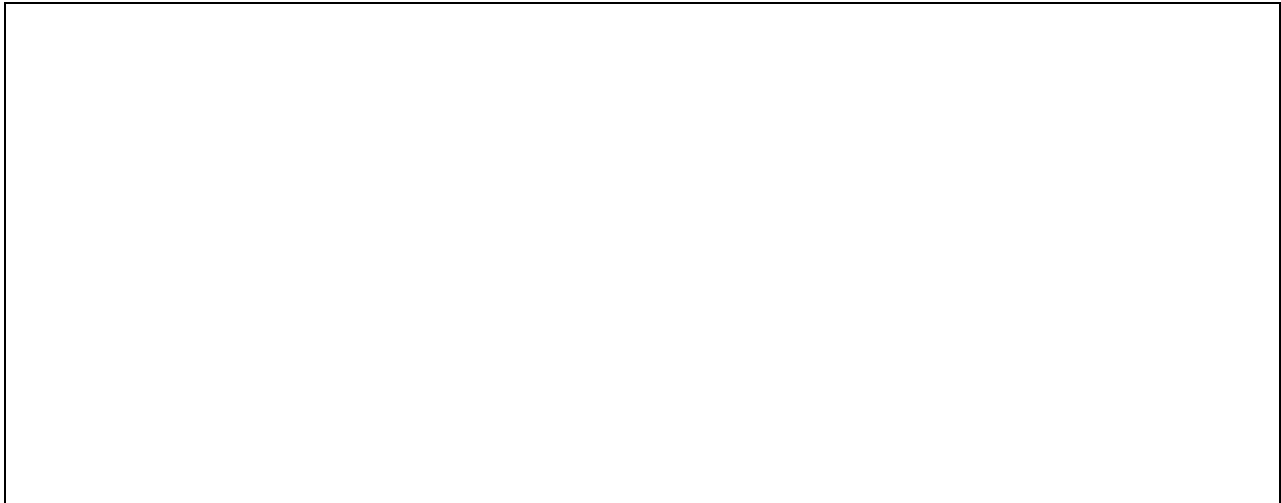
*\*Average Monthly Use*

<b>Projected Utility Bill for Pro Car Wash (Located on W Second Street)</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
2" Meter - Water Service Charge	\$52.97	\$55.62	\$60.35
Water Usage Charge (149,820 Gallons*)	\$1,182.08	\$1,248.00	\$1,354.37
Business Water Sales Tax (8.475%)	\$104.67	\$110.48	\$119.90
2" Meter - DNR Fee	\$0.87	\$0.87	\$2.00
2" Meter - Wastewater Service Charge	\$70.40	\$77.46	\$89.08
Wastewater Usage Charge (149,820 Gallons*)	\$874.95	\$1,000.80	\$1,152.12
<b>Grand Total</b>	<b>\$2,285.94</b>	<b>\$2,493.23</b>	<b>\$2,777.82</b>

*\*Average Monthly Use*

<b>Projected Utility Bill for Smithville Housing Authority - Tax Exempt</b>	<b>Mar 1, 2021</b>	<b>Nov 1, 2021</b>	<b>Nov 1, 2022</b>
2" Meter - Water Service Charge	\$52.97	\$55.62	\$60.35
Water Usage Charge (150,760 Gallons*)	\$1,189.50	\$1,255.83	\$1,362.87
2" Meter - DNR Fee	\$0.87	\$0.87	\$2.00
2" Meter - Wastewater Service Charge	\$70.40	\$77.46	\$89.08
Wastewater Usage Charge (150,760 Gallons*)	\$880.44	\$1,007.08	\$1,159.34
<b>Grand Total</b>	<b>\$2,194.17</b>	<b>\$2,396.86</b>	<b>\$2,673.64</b>

*\*Average Monthly Use*



# AFFIDAVIT OF PUBLICATION

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P.O. : DESC. :BOA Meeting Oct. 18.Sewer Chrg Revisions

JACK HENDRIX  
CITY OF SMITHVILLE  
107 W. MAIN  
SMITHVILLE, MO 64089

County of Clay  
State of Missouri

I, SANDRA RIDINGS, being duly sworn according to law, state that I am the Legal Advertising Coordinator of THE COURIER TRIBUNE, a weekly newspaper of general circulation in the County of Clay County, State of Missouri, where located; which newspaper has been admitted to the Post Office as periodical class matter in the City of Liberty, Missouri, the city publication; which newspaper had been published regularly and consecutively for a period of four years and has a list of bona fide subscribers voluntarily engaged as such who have paid or agree to pay a state price for a subscription for a definite period of time. Affiant further declares that said newspaper is qualified under and has complied with provision of Section 493.050 to 493.090, Missouri Revised Statutes 1949, as amended. The affixed notice appeared in said newspaper on the following consecutive week(s):

(Published in the Courier-Tribune  
Thurs. 9/08/22 & Thurs. 9/15/22)

## NOTICE OF PUBLIC HEARING

Pursuant to Section 250.233 RSMo., a public hearing will be held during the City of Smithville Board of Aldermen meeting beginning at 7:00pm Tuesday, October 18, 2022, at Smithville City Hall, 107 W Main Street, Smithville, Missouri, at which time citizens may be heard on proposed revisions to sewer charges for the City of Smithville.

NOTICE: \*Due to concerns for safety, public meetings and public comment during public meetings require modification. The City of Smithville is committed to transparent public meetings and will continue this commitment. Anyone who wishes to view the meeting may do so in real time as it will be streamed live on the City's YouTube page.

For Public Comment, please email your request to the City Clerk at [ldrummond@smithvillemo.org](mailto:ldrummond@smithvillemo.org) prior to the meeting to be invited via Zoom to access the meeting via internet or phone.

Run Dates: 09/08/22 to 09/15/22  
Appearances: 2  
AD SPACE: 59  
TOTAL COST: \$55.32

(Signed)



Subscribed and sworn before me this

15 day of Sept. 2022  
 Notary Public

JUDY B. MORENO  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Buchanan County  
My Commission Expires: June 23, 2024  
Commission Number: 12544882