

**AN ORDINANCE REPEALING ORDINANCE 3.846, AND ENACTING A NEW ORDINANCE LEVYING SEWER SERVICE CONNECTION FEES MANDATED BY THE STATE OF MISSOURI, FOR ALL GLADSTONE PROPERTIES WITH CONNECTIONS TO THE CITY SANITARY SEWER SYSTEM.**

**LEGISLATIVE FINDINGS:**

1. The Missouri State Legislature in 2002 enacted Senate Bill 984 amending section 644.052 of the Revised Statutes of Missouri, known as the "Missouri Clean Water Law," mandating the collection of a "sewer service connection fee" by the City for all properties connected to the City sanitary sewer system. Rates established in this bill have been amended effective January 1, 2015, as set forth in 10 CSR 20-6.011, Fees.

2. The fees which the State of Missouri has imposed on all sewer service connections to the Gladstone City sewer system are:

a. For residential customers, an annual fee of seventy-two cents (\$.72) per water service connection;

b. For all customers other than residential, an annual fee of Three Dollars (\$3.00), per water service connection of less than or equal to one inch in diameter; Eleven Dollars (\$11.00) per water service connection of more than one inch but less than or equal to four inches in diameter; and Twenty-Nine Dollars (\$29.00) per water service connection more than four inches in diameter. The measurement of the diameter of the water service connection for purposes of assessing the appropriate fee shall exclude taps for fire suppression and irrigation systems;

3. The sewer service connection fee required under Section 644.052 of the Revised Statutes of Missouri, is to be collected from the customers of the City sanitary sewer system and remitted at least annually to the Missouri Department of Natural Resources;

4. The enactment of this ordinance is necessary to bring the City of Gladstone into compliance with the mandate of the Missouri Legislature to collect and remit to the State the sewer service connection fee provided for under Section 644.052 of the Revised Statutes of Missouri.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, as follows:**

**SECTION 1. Collection of Missouri State Sewer Service Connection Fee.**

The Sewer Service Connection Fee imposed by the State of Missouri on all customers of public sewer systems under Section 644.052 of the Revised Statutes of Missouri, shall be billed and collected monthly as a part of the regular water and sewer service statements, and remitted to the State in accordance with such statutory requirements.

**SECTION 2. Amount of Fees to be Collected.**

The fees to be collected for remittance to the State of Missouri for all sewer service connections to the Gladstone City sewer system are:

a. For residential customers, an annual fee of seventy-two cents (\$.72) per water service connection;

b. For all customers other than residential, an annual fee of Three Dollars (\$3.00), per water service connection of less than or equal to one inch in diameter; Eleven Dollars (\$11.00) per water service connection of more than one inch but less than or equal to four inches in diameter; and Twenty-Nine Dollars (\$29.00) per water service connection more than four inches in diameter. The measurement of the diameter of the water service connection for purposes of assessing the appropriate fee shall exclude taps for fire suppression and irrigation systems.

**SECTION 3. Effective Date.**

This ordinance shall be in full force and effect from and after its date of passage by the City Council.

**PASSED, SIGNED, AND MADE EFFECTIVE BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 27<sup>TH</sup> DAY OF APRIL, 2015.**



Mayor Bill Garnos



Ruth Bocchino, City Clerk

First Reading: April 27, 2015

Second Reading: April 27, 2015



April 17, 2015

**TO:** Kirk Davis, City Manager

**FROM:** Debra Daily, Director of Finance *DD*

**RE:** Revisions to state sewer connection fees

---

Attached is a detailed memo from Beth Saluzzi, Financial Analyst, regarding a recent revision to state imposed sewer connection fees. These changes resulted in a \$.01 per month increase for residential customers, or an increase from \$.60 to \$.72 per year. Commercial customers with small mains will see no increase. Commercial customers with intermediate mains will see an increase of \$1 per year, or \$.08 per month. Large commercial customers will see an increase of \$4 per year, or \$.33 per month

These fee changes will require an amended ordinance which will be presented to City Council for approval consideration on April 27, 2015. Please let me know if you have any questions.



April 17, 2015

**TO:** Debra Daily, Director of Finance *DD*

**FROM:** Beth Saluzzi, Financial Analyst

**RE:** Revisions to state sewer connection fees

---

Gladstone received inquiries from other municipalities concerning changes to the state sewer connection fee that municipalities collect from all customers who have sewer service. They were receiving bills from the Missouri Department of Natural Resources (DNR) with charges that were higher than in the past. We then received our annual invoice, showing rates higher than we had billed our customers. Further research determined that DNR had made this revision to the fees in spring 2014, without sending any notice to the public sewer utilities other than whatever routine notice of hearings that any governmental body is required to issue.

At that time, I exchanged correspondence with Sherry Bell at DNR. She apologized for the confusion, but gave me a detailed listing of the background behind the increase. Her information indicates that it started back in 2011 when the General Assembly reinstated the fee which had lapsed, but with instructions that DNR needed to review the fee structure and report back.

Because we had collected from our customers in 2014 based on the old rates, and because the new rate apparently became effective January 1, 2015, Ms. Bell said that we were to pay based on the old rates and to attach a letter explaining why our payment was at the old rates on the annual March billing for such fees. The City complied, and sent our annual payment to DNR in March.

Once I became aware of the increase, I tried to find in our codes where the fees were enacted but could find no reference to them. Email exchanges with other GFOA members indicated that they were finding the same thing, and that their determination was that since the fees were a pass-through, there was nothing enacted.

Further research on our part revealed Ordinance 3.846 from 2002, where the fees were originally set up for Gladstone. We have implemented the new fees and now need to repeal the original ordinance and replace it with an ordinance that includes the new rates.

The following is a rate table as shown in the Code of State Regulations (10 CSR 20-6.011 Fees):

<b>Sewer Service Connection Fees</b> <i>10 CSR 20-6.011(2)(G)</i>	
Connection to a POTW, > 7,000 but ≤ 20,000 customers, fee per connection	\$ 0.72
Industrial/commercial connection with PWS line ≤ 1-inch	\$ 3.00
Industrial/commercial connection with PWS line > 1-inch but ≤ 4-inches	\$ 11.00
Industrial/commercial connection with PWS line > 4-inches	\$ 29.00

These changes will result in a \$.01 per month increase for residential customers, or an increase from \$.60 to \$.72 per year. Commercial customers with small mains will see no increase. Commercial customers with intermediate mains will see an increase of \$1 per year, or \$.08 per month. Large commercial customers will see an increase of \$4 per year, or \$.33 per month.

I am attaching a draft ordinance repealing 3.846 and replacing it with an ordinance enacting the new fees as listed above.

Please let me know if you have any other questions.