

The Water Source



SUMMER 2016

PUBLIC WATER SUPPLY DISTRICT NO. 3 OF JOHNSON COUNTY

DD Hwy Wastewater Treatment

Starting 2008, Public Water Supply District No. 3 has been working to secure a reasonable solution to the wastewater system required repairs and upgrades for the Hickory Hills Sub-Division. We have completed extensive work and spent significant money to meet new wastewater treatment requirements set by Environmental Protection Agency (EPA) / Department of Natural Resources (DNR). Over the past 9 year, The PWSD #3 Board of Directors explored every option available and ultimately decided the best plan of action for the long term would be to build a new wastewater treatment facility. Knowing this option would be very costly, PWSD #3 has been working hard to find supplemental financial resources to fund this project. **Public Water Supply District No. 3 is ecstatic to finally announce that we will be breaking ground for the new wastewater treatment plant this summer.**



This institution is an equal opportunity provider.

Radmacher Brothers Excavating Co. Inc. of Pleasant Hill, MO was awarded the contract for the construction of the wastewater treatment facility. The gravity sewer and forcemain contract was awarded to Bowen Construction & Boring LLC of Laclede, MO.

PWSD #3 was very fortunate to receive grants from 3 funding agencies totaling \$2,616,000. We also recently finalized a low interest loan from United State Department of Agriculture (USDA) Rural Development for \$1,123,000.

Over the next few months residents in the Hickory Hills Sub-Division may begin to see the progress we have been working towards. We believe equipment should be on site by July. Construction for the treatment facility will take approximately 18 months. Throughout the construction process and after the treatment plant is fully operational, PWSD #3 will continue to evaluate wastewater rates to determine if we are meeting the 2% median income that we are required to charge by USDA. Our ultimate rate will be the cost to pay the USDA loan and operation cost to maintain the facility.

Wastewater Rates

Our wastewater lagoons have been out of compliance for numerous years. Once a violation occurs, DNR has the authority to penalize a system up to \$10,000 per day.

PWSD #3 has been proactive in trying to help our situation while working towards our long term solution. Fortunately, by taking the following actions DNR has allowed us time to correct our situation.

- In 2006, Spray Com Inc. was contracted to repair and replace several wastewater mains. These infrastructure repairs were necessary to remove blockages and repair failures in the system.
- In 2011, Nutri-Ject Systems, Inc. removed the sludge from the lagoons to improve the effluent water that was leaving our lagoons.
- In 2014, we bid the wastewater treatment facility project. However, construction bids were significantly over our estimated budget. After rejecting all bids we redesigned the treatment facility to keep construction costs within budget.
- After redesigning the wastewater treatment plant, PWSD #3 was awarded an additional \$1,261,000 grant from EPA and Johnson County Economic Development. However, receiving additional funding from another agency required their approval of the treatment facility.
- In 2016, PWSD #3 was finally able to release the project bids and award the construction of the wastewater treatment facility project and the gravity sewer and forcemain project which is where we are today.

We continue to receive notices of violation for exceeding the effluent limitations. By responding to each notice of violation, DNR has thus far been lenient on us. Since 2008 we have received 50 letters of warning.

2008	2009	2010	2011	2012	2013	2014	2015
10	8	7	6	4	4	6	5

Due to the large expenditures PWSD #3 has incurred and the upcoming cost to construct and operate the wastewater treatment facility, we would like to inform you of a rate increase. Projected rates for November 2016 will be \$47.00 for first 1,000 gallons plus \$8.00 for each additional 1,000 gallons. PWSD #3 will try to keep your wastewater rate as affordable as possible.

Gallons	Current Rates	Projected November 2016 Rates
1,000	\$47.00	\$47.00
5,000	\$67.00	\$79.00

Public Water Supply District No. 3 fully understands the financial hardship of the wastewater rates. However, every wastewater entity is or will be faced with this difficult situation. According to the Daily Star Journal and Kansas City Star, several neighboring communities are in the process of spending significant amounts of money on infrastructure improvements to comply with increasing stringent regulation set forth by United States Environmental Protection Agency (EPA) and Missouri Department of Natural Resources (DRN).

- Centerview—“Property in the city must hook into sewers for the city to be eligible for USDA Rural Development funds to help pay for sewage treatment system improvements, City Clerk Kris Swope said. The minimum sewer bill for use of 5,000 gallons of water per month will be \$51.50, based on the population’s average income reported in the 2010 Census.” Daily Star Journal, May 21, 2016.
- Holden—“Water Superintendent Tony Lerda said Sewer rates will be: \$7.10 monthly customer service charge; \$16.84 for debt service; \$4.45 per 1,000 gallons used.” - Daily Star Journal, May 11, 2015.
- Holden—“Lagoon costs: Construction contract with Radmacher Brother Excavation, Inc. for \$1,280,700; Engineering contract with Shafer, Kline and Warren for \$19,136.75; Lease agreement with Piper Jaffray for \$800,900 (\$780,000 construction, \$20,200 in legal fees); Department of Natural Resources grant worth \$500,000.” - Daily Star Journal, September 2, 2015.
- Knob Noster—“Villages of Whiteman housing development residents are upset with a proposed sewer rate increase that would raise their monthly bills 351%. They would see a \$71.14 per month rate increase, from \$23.48 to \$94.62. Raccoon Creek Utility Operating Company, Inc. President Josiah Cox said the company must comply with more stringent water quality standards enforced by the MoDNR. Traditional lagoons cannot comply with standards requiring ammonia removal and disinfection.” - Daily Star Journal, March 29, 2016.
- Chilhowee—“MECO engineers Scott Vogler and Leland Neher said the estimated monthly rate for the \$1,711,890 proposed project to be \$42.02 per 5,000 gallons used.” - Daily Star Journal, November 17, 2015.
- Kansas City—“The Kansas City Council unanimously approved another 3 percent increase in water charges and a 13 percent increase in sewer charges, effective May 1. With these new rates, the average household residential water/sewer/stormwater bill is expected to rise from about \$102 per month to \$110 per month. That’s up from an average of \$65 per month in 2011-12. KC Water Services director Terry Leeds said that average water bills are still often lower than monthly electric, cable TV and cell phone charges. We have as a society undervalued water. Leeds and other water officials say that after decades of artificially low rates and poor infrastructure maintenance, they are making up for lost time and pouring millions of dollars into new water and sewer pipes. Sewer rates are expected to keep rising by 13 percent annually until 2022” - Kansas City Star, April 7, 2016.

Current Wastewater Rate Comparison (evaluated annually)

100 cubic feet = 748 gallons

5,000 gallons = 668.40 cubic feet

Location	Usage	Base Rate	Volume Rate	5,000 gallon usage
Hickory Hills (population: 166)	0—1,000 gallons	\$47.00	\$5.00 per additional 1,000 gallons $47 + (4 \times 5)$	\$67.00
State Park Village Sewer (population: 160)		\$47.50		\$47.50
City of Warrensburg (population: 19,927)	0—200 cubic feet 200 and over	\$9.00	\$2.70 per 100 cubic feet up to 200 \$4.57 per additional 100 cubic feet after first 200 $9 + (2.70 \times 2) + (4.57 \times 4.684)$	\$35.81
SE Sewer District	0—200 cubic feet 200 and over Bond Charge	\$9.00 \$31.78	\$2.70 per 100 cubic feet up to 200. \$4.57 per additional 100 cubic feet after first 200 $9 + 31.78 + (2.70 \times 2) + (4.57 \times 4.684)$	\$67.59
City of Kansas City, MO (population: 467,007)		\$18.05	\$7.18 per 100 cubic feet $18.05 + (7.18 \times 6.684)$	\$66.04
City of Odessa (population: 5,220)	Inside City Limits Outside City Limits	\$44.49 \$66.74	\$0.655 per 100 gallons $44.49 + (0.655 \times 50)$ \$0.9825 per 100 gallons $66.74 + (.9825 \times 50)$	\$77.24 \$115.87
City of Holden (population: 2,314)	Debt Services Charge	\$7.10 \$16.84	\$4.45 per 1000 gallons $7.10 + 16.84 + (4.45 \times 5)$	\$46.19