CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2020-163 - Agreement for Sewer Service and Sewer Assessment (Ledford Construction & Development Company, LLC)

MEETING DATE
November 16, 2020

ORIGINATING DEPT
Public Works

ATTACHMENTS
CB 2020-163 Ordinance; Agreement for Sewer Service; Location Map

REVIEWED BY
Director of Public Works – David Hertzberg, Director of Finance – Leslie Haase, City Attorney – Peter C. Edwards, City Manager – Nicholas Edwards

SUMMARY
This Council Bill approves an Agreement with Ledford Construction & Development Company L.L.C., for Sewer Service and Sewer Assessment.

BACKGROUND
In 2018 the City was approached by a developer wishing to subdivide a tract of land for residential development consisting of approximately 600 homes. City staff reviewed the potential capacity available in the collection system that would serve the development and found that there was not enough sewerage capacity available for 600 homes. The developer's engineers evaluated the collection system and reached the same conclusion. City staff contracted with Allgeier Martin and Associates to perform a study of the collection system serving this area and to provide options and cost estimates for improving the system to provide more capacity for development. The engineering report was completed in December of 2018 and has been used during discussions between City staff, property owners and developers to incorporate into the agreement. This agreement allows the City to collect a surcharge of 30% on all sewer charges collected from sewer users connecting to the improved collection system within the property described in this agreement. The funds collected will pay for half of the cost, plus interest of the Phase 1 and Phase 2 improvements needed to increase the available sanitary sewer capacity of the sewer collection system. The total cost of Phase 1 is estimated to be $233,750; the total cost of Phase 2 is estimated to be $2,867,370. The total capacity gained from the improvements will be split with half being reserved by the City for industrial or commercial development and the remainder is reserved for residential development. The industrial and commercial developments will also pay the 30% surcharge but the amount to be paid for by the surcharge is half of the total cost, plus interest. Approving this Agreement is consistent with the goal of the sanitary sewer department to provide sanitary sewer service to as many homes and businesses as possible. Ledford's subdivision, Eagles Edge, contains 152 residential lots.

FUNDING SOURCE

Sewer improvement projects will be funded from the sanitary sewer fund with the funds collected from the 30% surcharge paying for half, plus interest.

RECOMMENDATION

Staff recommends adoption of this Council Bill on First Reading and moving it to Second and Third Reading.