CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2024-151 New Rate Structure for Joplin Sewer Utilities.

MEETING DATE
November 18, 2024

ORIGINATING DEPARTMENT
Public Works - Operations

ATTACHMENTS
CB2024-151, Sewer Rate Study Report the City of Joplin MO Sewer Rate Study 169660

REVIEWED BY
Director of Public Works, Daniel Johnson; Director of Finance, Leslie Haase; City Attorney, Peter C. Edwards; Assistant City Manager, Tony Robyn; City Manager, Nicholas Edwards

SUMMARY
This Council Bill approves a New Rate Structure for all customers inside and outside the city limits for sewer utilities per guidance set by the Sewer Rate Study Report the City of Joplin MO Sewer Rate Study 169660 performed by Burns and McDonnell.

BACKGROUND
The current sewer rates were established by a rate study conducted in 2019 and became effective April 1, 2020. Council Bill 2019-161 authorized the incorporation of the City's current rate structure for the customers of Joplin. Those rates were set for a five-year period that will end March 31, 2025. On March 19, 2024, the City of Joplin hired Burns and McDonnell (Council Bill 2024-111) to convene a rate study analysis to determine what rates are needed to fund the city's wastewater treatment and maintenance programs. That study is the basis for the recommended action. Staff and representatives of Burns and McDonnell presented the council with the proposed new rate structure on August 12, 2024, during a Council work session. One priority of this 5-year rate study is to move the rate structure to recover more costs through the volumetric fees rather than the fixed fees. This rate structure is built on that priority as users with more volume will see a larger increase than those using less volume. During the presentation, Council also sought an improved rate structure for industrial users, which has been incorporated in the final rates included in this Council Bill. While the rate study recommends an overall average increase in sewer rates of 4.0% in each of the five years from 2025 to 2029, it is not an across-the-board 4% increase for all users. Residential users with small volume usage will see increases of 2.7% to 3% each year, while residential users with larger volume usage will see increases of 4.2% to 5.4% as shown on page 1-5 of the final study. Additionally, industrial users will be assessed with a uniform fee designed to help recover costs of operating and administering the industrial pretreatment and monitoring program. This rate structure better matches the revenue generated from the service to the expenses of the system by user class, which is Commercial, Industrial and Residential as shown on Page 3-8 of the final report. As in past years, all customers served that are not within the city limits of Joplin will pay those same rates, with a multiplier of 1.3, which equals a 30% out-of-town surcharge.

After revising the rate structure to meet Council's goals, City staff proceeded with holding a public meeting and preparing the necessary council bill for consideration. Satellite jurisdictions and industries that transport their wastewater to the City of Joplin where it is treated and discharged in accordance with our NPDES permit issued by the State of Missouri were contacted by letter informing them of the proposed new rate structure. City staff and representatives of Burns and McDonnell met with local industries on October 29th, 2024, to discuss proposed changes and the new industrial user fee. On October 30, 2024, staff held an open forum public meeting at City Hall to inform stakeholders of the proposed rate changes and field any questions or comments. Approval of this rate structure will provide the City with the resources to adequately operate and maintain the wastewater collection and treatment system in a manner that will meet our permit requirements.

RECOMMENDATION

Staff recommends adoption of this Council Bill on 1st reading.