MU Sanitary Sewer System

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MU Sewer Information

- Public Authority Customer
- MU Sewers – Physical Characteristics
- MU Sanitary Sewer Total Costs
- Summary

Public Authority Customer Characteristics

- Legal instrumentality of State
- Non-profit income tax entity
- Missouri Sales Tax exempt
- Issue revenue bonds for sewer improvements
- Bulk Service quarterly billing
- Joint partner with City on service for MU

MU Sewers – Physical Characteristics

- 12 Month Sewage Volume – 1.2 MGD
- 6.4 miles of mains 8" diameter or larger
- Sewer Maintenance & Repair Crew (2 FTE)

MU Share of City Cost of Service

Type of Cost	Cost
Total Cost of Service	$12,874,407
MU System % (1.2 / 15.8) MGD	0.0760
MU Share – Cost of Service	$978,454
Estimated Monthly Base Charge ($20,550)	$246,600
Estimated Annual Volume Charge	$731,854

Costs to Operate MU System – at City Costs

Type of Cost	Linear Ft	City Cost	Cost
Mains on Campus 8"+	33,792	$48.33	$1,633,280
Annualized (50 yrs, 5%)			0.0547770
Annualized Main Cost			$89,466
Annual M&R	33,792	$0.61	20,613
City Cost on MU System			$110,079

Hypothetical – Cost of Service if City Owned Campus System

Type of Cost	Cost
Total Cost of Service (COS)	$12,874,407
City cost to serve MU Campus	110,079
Total COS including Campus	$12,984,486
MU System % (MGD)	0.0760
Cost to serve MU	$986,821

Total Cost to MU – City & Campus Cost

Type of Cost	Current MU Owns	Hypothetical City Owns	Current - Hypothetical
Total Cost of Service	$978,454	$986,821	($8,367)
Cost to operate MU Sys.	110,079	0	110,079
Total cost to MU	$1,088,533	$986,821	$101,712

Summary

- Large Public Authority Customer
- MU is 7.6% of volume and costs
- MU subsidizes other customers $102-$150k due to ownership of system

Summary

- **Fair and equitable goal**
  - Agree with 12 month actual volume (discontinue winter qtr volume)
  - Agree – with off-Campus locations treated similar to other customers
  - Rate can contain Base monthly charge and Volume charge
- **Easy to administer goal**
  - Simple volume based cost of service
  - One quarterly bulk bill for locations served by MU water supply
- **Cost neutral goal**
  - Based on City Cost of Service

Council Bill R-216.09 (September 8, 2009) provided the following FY 2009 Sanitary Sewer Revenue numbers:

	Yearly Revenue	Percentage of Yearly Revenue
Residential	$5,375,460	62.3%
Comm/Ind	2,426,532	28.1%
University	828,636	9.6%
Total	$8,630,628	100.0%

The city provided the Sewer Task Force with the following FY 2009 Sanitary Sewer Revenue numbers:

	Yearly Revenue	Percentage of Yearly Revenue
Residential	$6,179,704	63.5%
Comm/Ind	2,808,054	28.9%
University	743,166	7.6%
Total	$9,730,926	100.0%