

OLATHE  
KANSAS

# Budget Workshop 2

20  
25

## Water & Sewer Fund

- System Overview
- Budget Overview
- Rates and Fee Changes
- CIP



# Water and Sewer System Accomplishments

- Citizen satisfaction with Water & Sewer Utilities: 91%
- National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award for Cedar Creek WWTP in 2023
- National Association of Clean Water Agencies (NACWA) Excellence in Management Gold Recognition Award in 2023
- Met regulatory water quality standards 100% of time in 2023
- Inventoried 100% of City water service lines to meet Lead and Copper requirements.

# Water and Sewer System Information

- Olathe's Water and Sewer infrastructure is valued at over \$1.3 billion
- 633 miles of water pipe
- 467 miles of sewer pipe
- Over 6,000 hydrants
- 13.3 million gallons of drinking water treated on average per day, totaling 4.9 billion gallons of water in 2023
- 6 million gallons of sewage treated on average per day, totaling 2.2 billion gallons of sewage in 2023

# Budget Highlights

- System Growth
  - Meeting Cedar Creek Sewer Basin needs
- Rehabilitation Needs
  - Balancing rehabilitation and capacity
  - Following asset management principles
- Inflationary Pressures
  - Capital and Operational
  - Waterline bids have increased by 112%
  - Well testing and treatment services have increased by 45%

# Water & Sewer Fund Expenditures

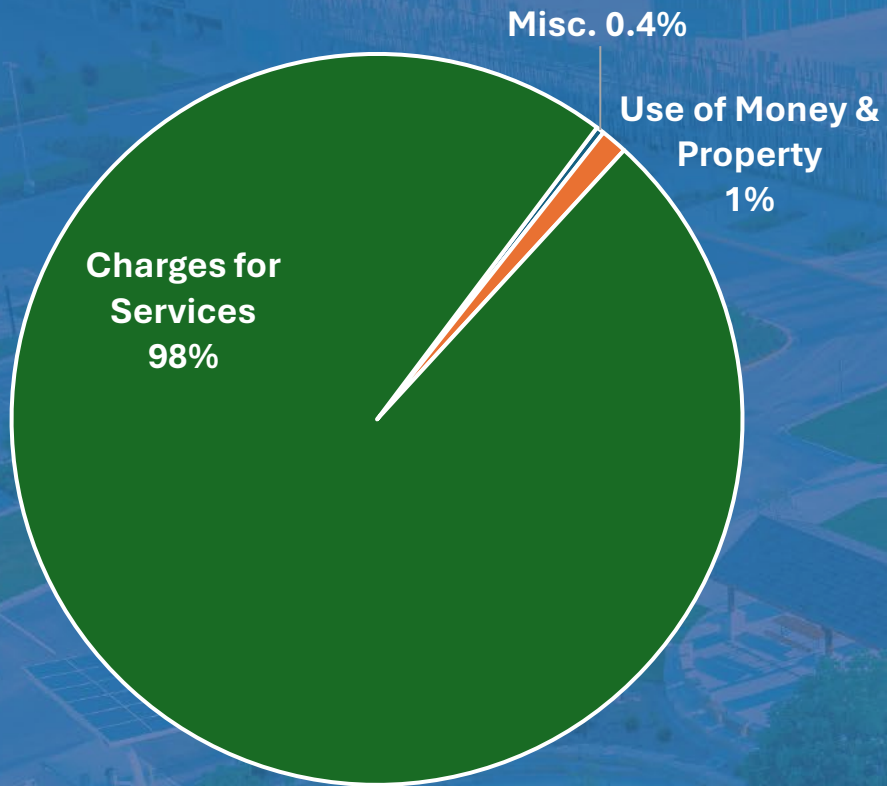
	2023 Actuals	2024 Forecast	2025 Proposed	1-Year Change
<b>Water/Sewer Fund</b>	78,911,706	83,172,334	93,988,495	13.0%
<b>Operating</b>	52,695,194	53,043,589	60,123,899	13.3%
<b>Transfers</b>	2,381,360	2,095,700	17,455,000	732.9%*
<b>Reserve</b>	23,835,152	28,033,045	16,409,596	-41.5%

The 2025 Budget includes a 9.8% increase to the water and sewer fund rates

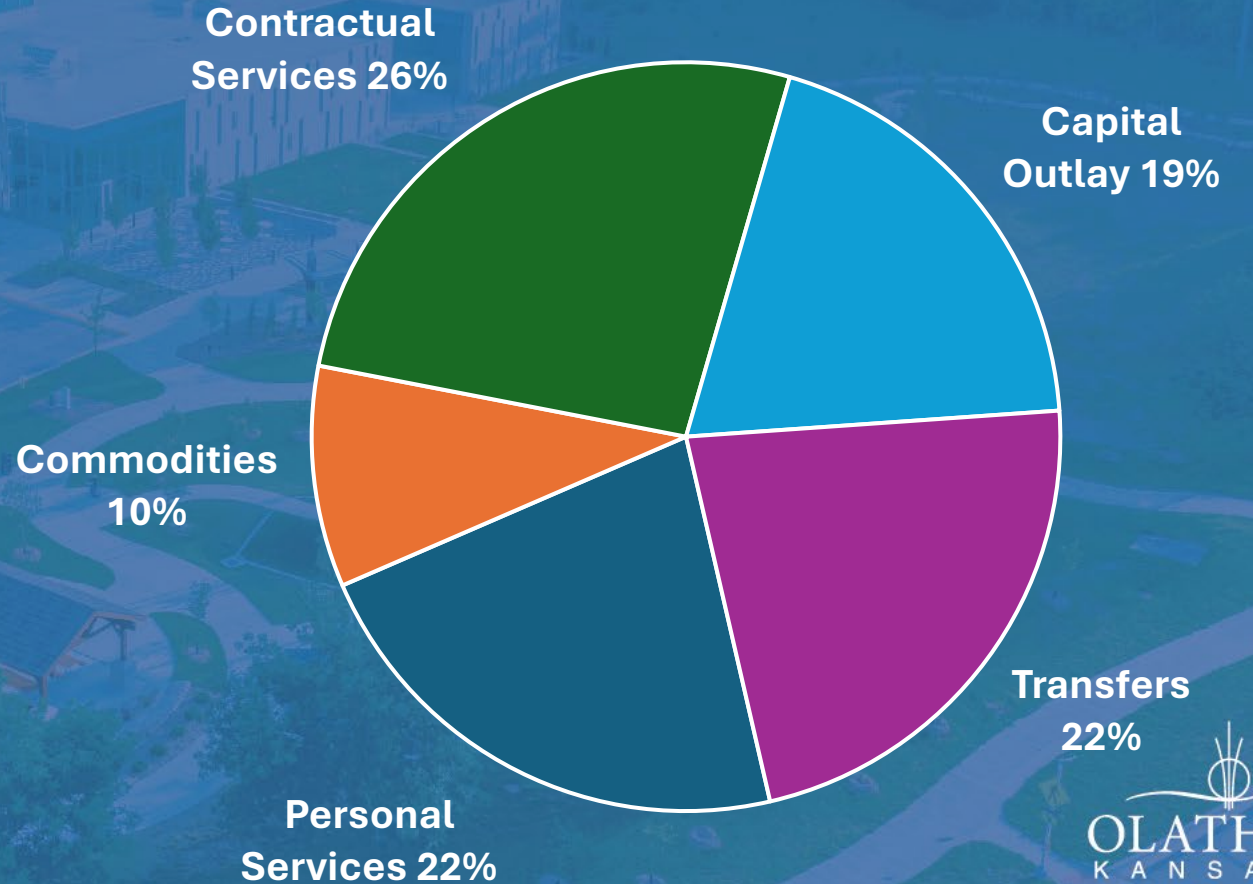
\*Increased cash-funding of projects

# Water & Sewer Fund Revenues and Expenditures

## 2025 Proposed Revenues



## 2025 Proposed Expenditures



# Water & Sewer Fund Budget Additions

Department	Proposed Additions	# FTE	Cost
Infrastructure	Asst. Water/Wastewater Prod. Manager	1	\$141,770
	Lift Station Supervisor Vehicle	-	\$10,487**
	Cedar Creek WWTP Vehicles	-	\$53,157**
Economy	Budget Analyst	1	\$34,279*
Quality of Life	GIS Technician (reclass)	1	\$48,592
Exceptional Services	Billing and Support Specialists	2	\$135,731
<b>Total Additions</b>		<b>5</b>	<b>\$424,016</b>

\*1/3<sup>rd</sup> of total cost (shared with other utility funds)

\*\*Lease Fee Only

# Utility Rate Changes

Utility	2025 Proposed Rate Change	Monthly Impact
Water	9.8% Increase	\$3.44
Sewer	9.8% Increase	\$5.43
Stormwater	3.0% Increase	\$0.19
Solid Waste	5.0% Increase	\$1.03
<b>Total</b>	--	<b>\$10.09</b>

\*Water based on average residential usage of 588 CF/mo.

\*\* Sewer based on average residential usage of 542 CF/mo.



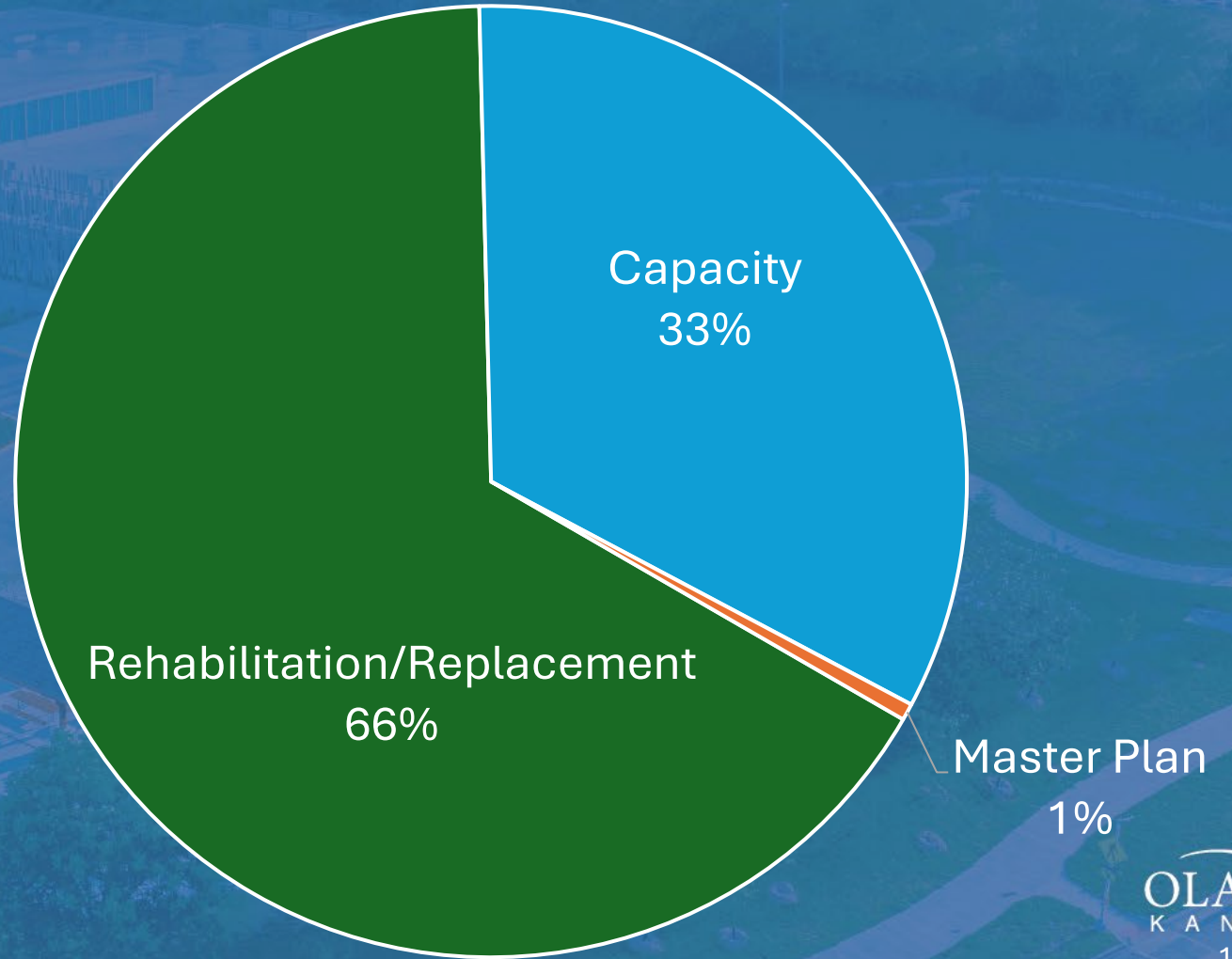
# Fee Changes

- Water and Sewer System Development Fees
  - 5% increase
- Water Service Connection Fees
  - Avg 3% increase for meter sizes 5/8" – 6" recovering material cost
- Secondary Sewer Meter
  - Avg 2.5% increase for meter sizes 5/8"-2" recovering material cost
  - New fee for meter sizes 3", 4", 6" to reflect operations
- Wholesale Water Rates
  - 10% increase unless otherwise contracted with the City
- Water Purchase from Hydrants and Bulk Water Fill
  - 9.8% increase aligning with Commercial Block 3 Water Usage

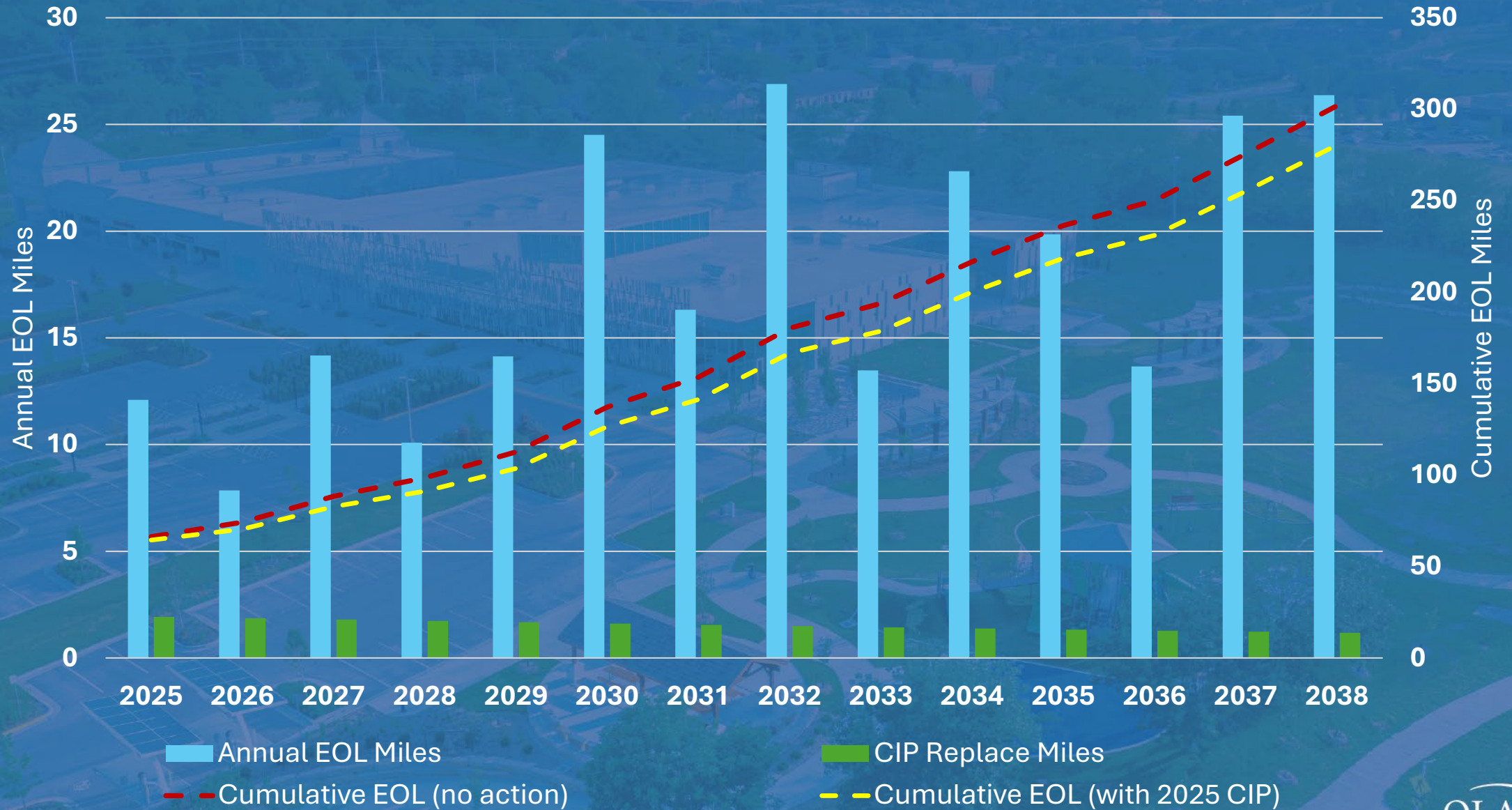
# Water and Sewer Capital Improvement Plan



# Water and Sewer 2025-2029 CIP by Category

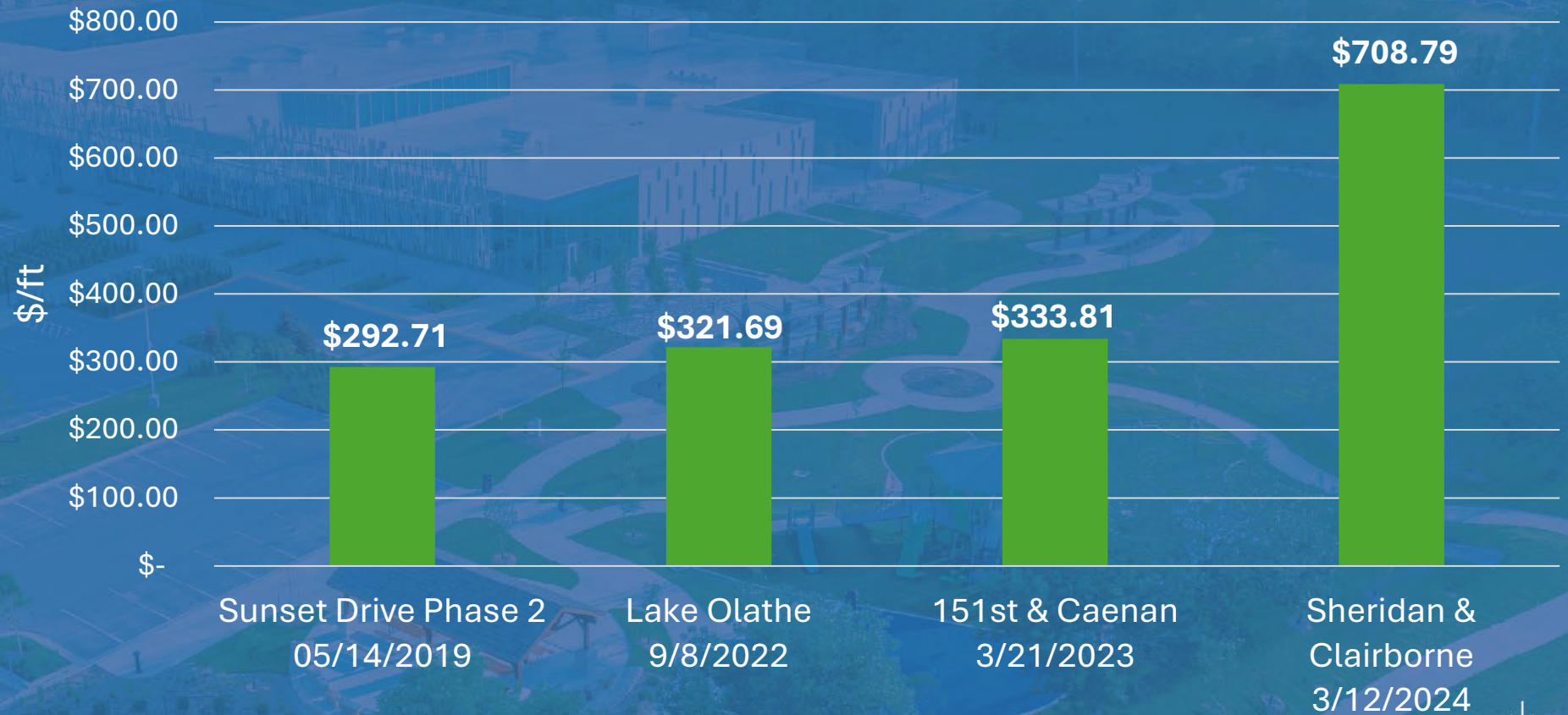


# Waterline Rehabilitation: Planned Replacement of Projected Miles at End of Life



Cost to replace one mile in 2025 = \$3,168,000. Replacement rate of 337 years to rehab the system.

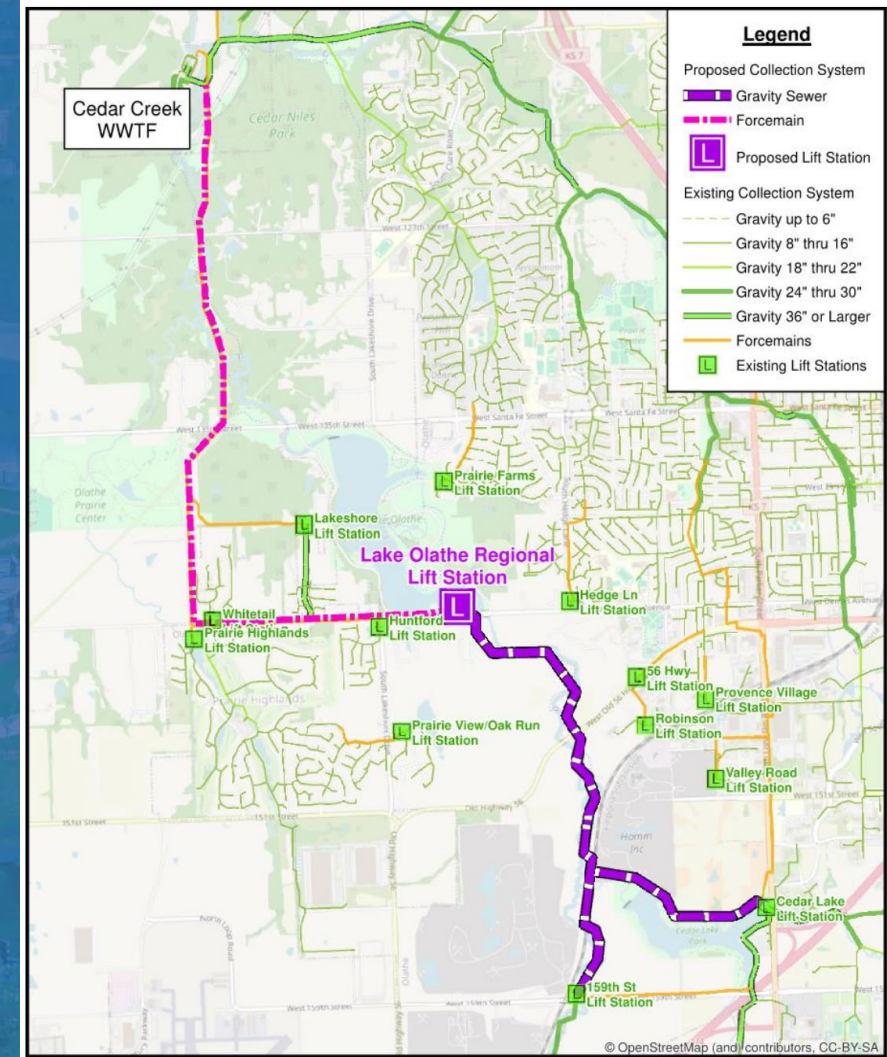
# Waterline Replacement Costs by Job (\$/ft.)



# West Cedar Creek Sewer Interceptor

\$38,633,400

- Capacity project & rehabilitation project
- 2.5 miles of gravity sewer mains, 3 miles of forcemain, and one regional lift station
- Will serve current customers and future development in the South Cedar Creek Sewer Basin
- \$44,442,800 Total Project Cost



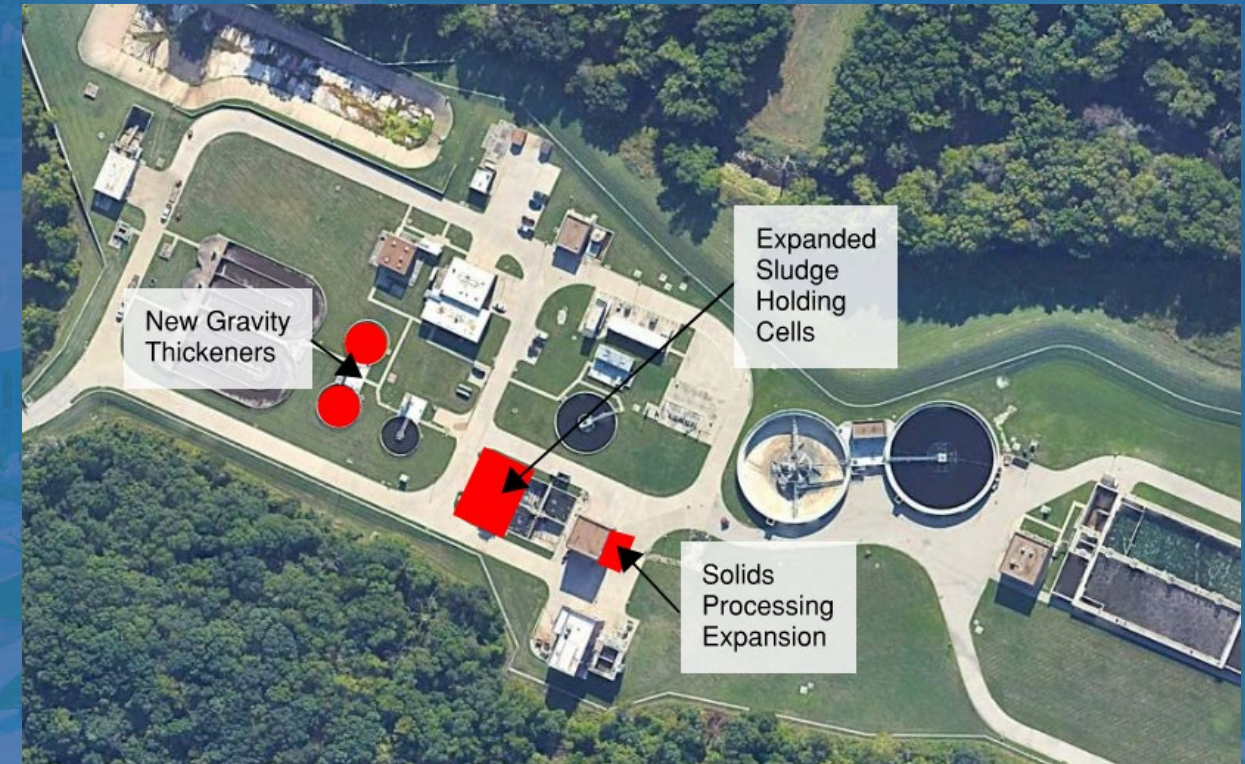
2024-2026

7/16/2024

# Solids Handling Expansion

\$34,920,000

- Ensure continued compliance with future regulatory requirements
- Rehab two 40-year-old gravity thickeners, replace 20-year-old centrifuge
- Addition of sludge holding cells and second centrifuge
- To serve development demands in Cedar Creek Sewer Basin
- In conjunction with BNR, increases capacity at the plant from 5.5 MGD to 11.25 MGD



**2025-2027**

7/16/2024

# Cedar Creek WWTP Expansion Phase II (BNR)

\$35,136,700

- Biological Nutrient Removal (BNR)
- Ensure continued compliance with future regulatory requirements
- Additional treatment capacity is needed to serve development demands in Cedar Creek Sewer Basin
- Addition of BNR + 1 Clarifier
- In conjunction with Solids Handling, increases capacity at the plant from 7.75 MGD to 11.25 MGD



**2025-2027**

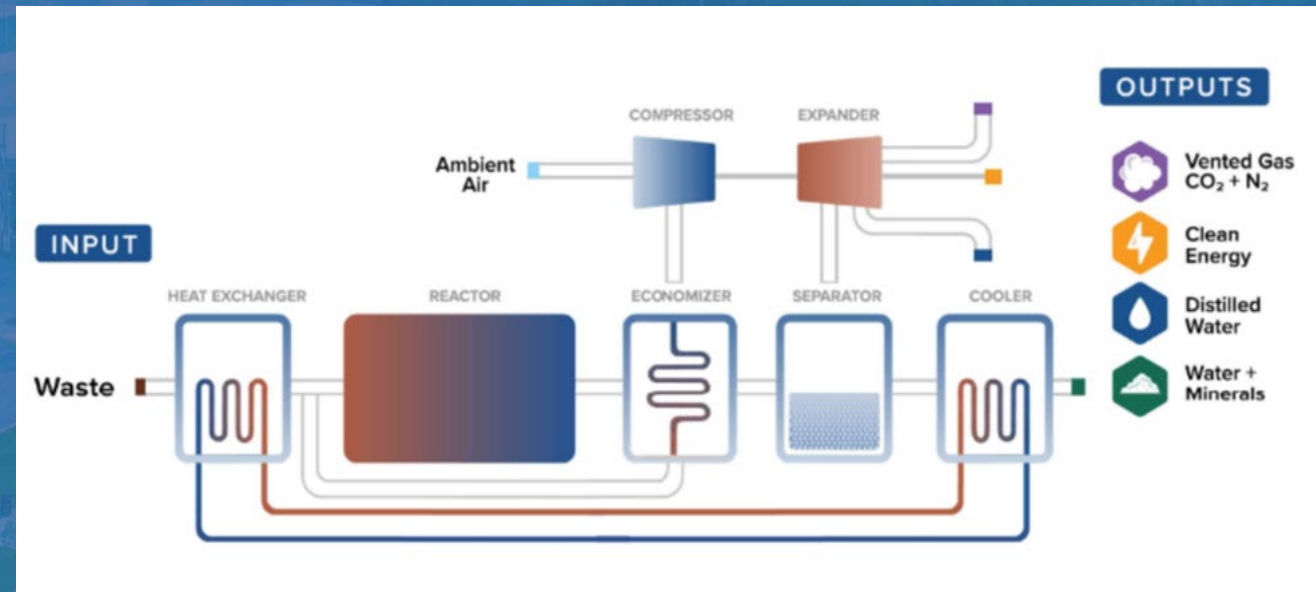
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# Super Critical Water Oxidation Pilot

\$5,658,000

- State Revolving Funds for Emerging Contaminants, PFAS
- Pilot project for Super Critical Water Oxidation (SCWO) unit that will destroy PFAS.
- Future Ready technology to address EPA regulations
- SCWO is one of the proven technologies to destroy PFAS.



2025-2026

7/16/2024

# Harold Street High-Rate Distributor Mechanism

\$480,000

- Ensures regulatory compliance
- Replacement of distributor mechanism extends the life of high-rate trickling filter through 2035.
- High-rate trickling filter is only means of removing ammonia to meet regulatory requirements.

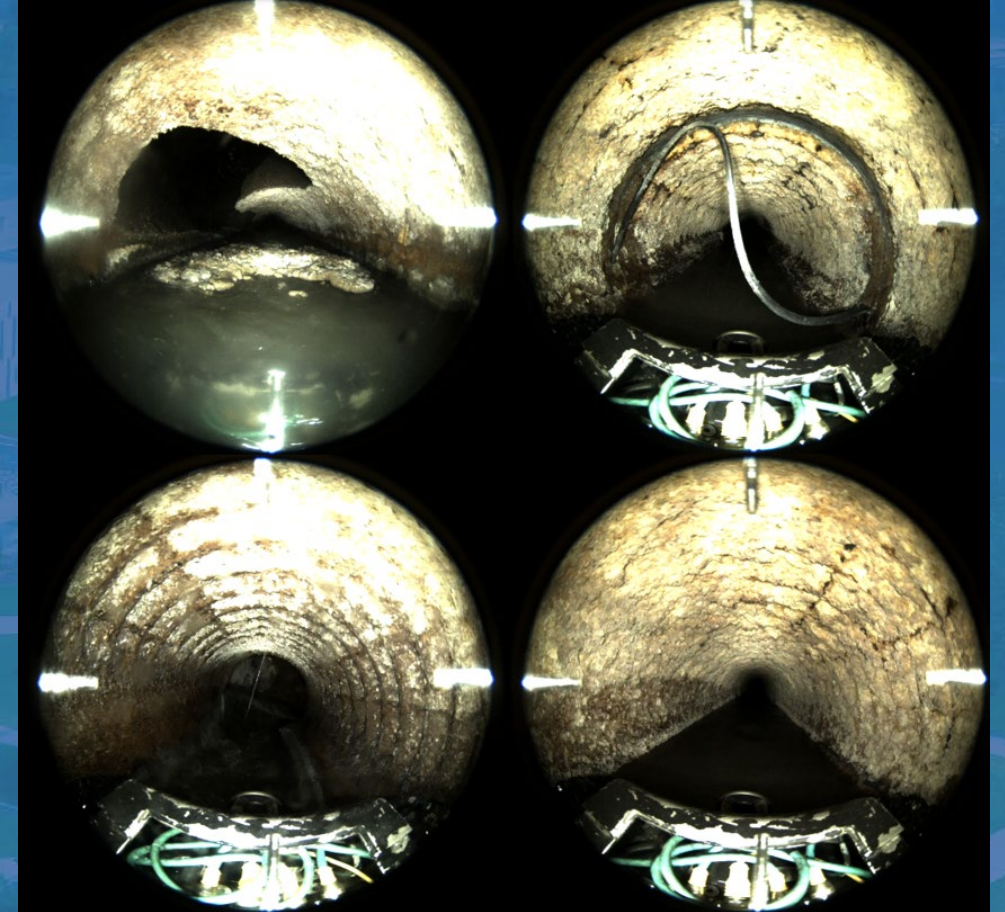


**2025**

7/16/2024

# East Cedar Creek Trunkmains Rehabilitation \$13,381,000

- Discovered during the Cedar Creek CCTV and Cleaning Project
- Emergency repair along Rolling Ridge Trail in summer 2023.
- Rehab 21,000 LF of trunkmains from 18" to 54".
- 2,300 feet of severely spalled concrete pipe downstream that needs rehabbed.

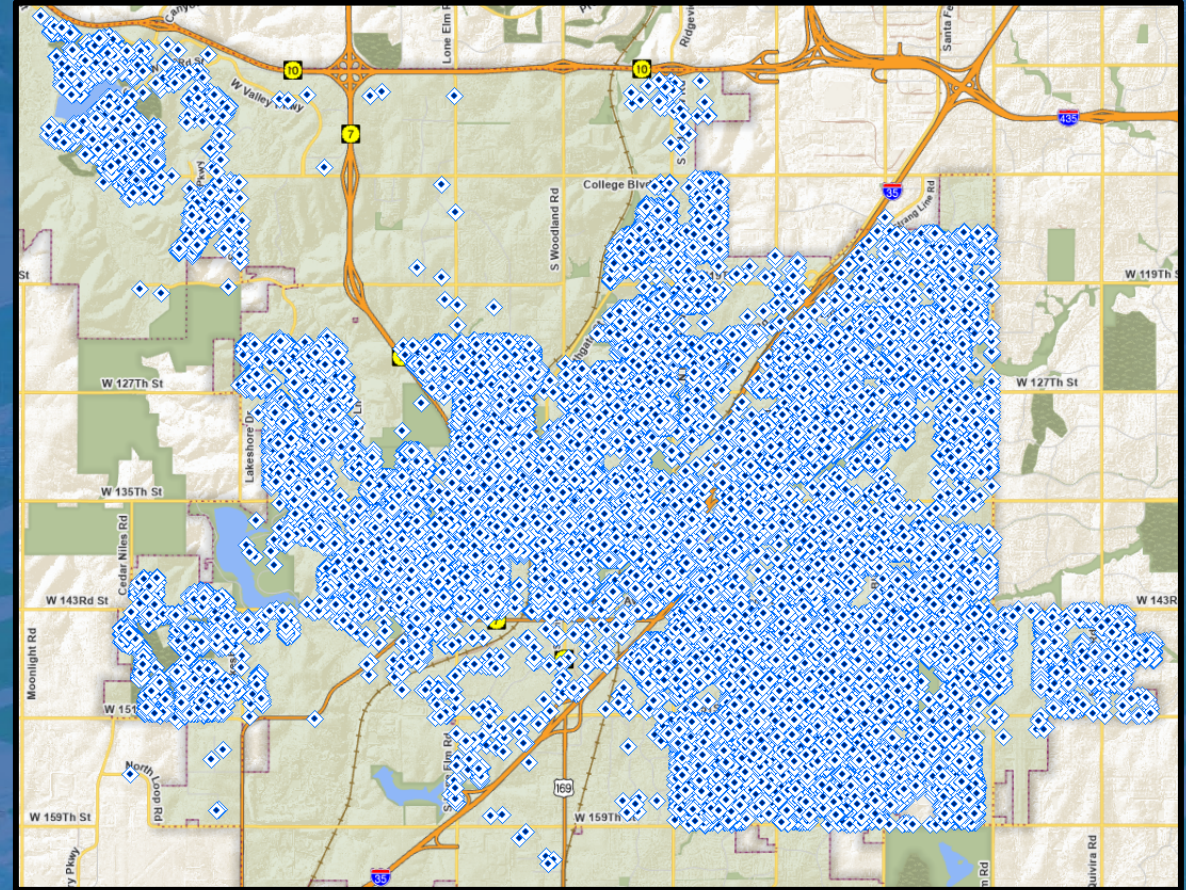


**2028-2030**

7/16/2024

# AMI End Point Replacement \$5,126,297

- In 2010, we installed 35,000 end points in one year.
- By 2030, 33,000+ AMI end points will be at the end of their expected battery life.
- The project will fund the replacement of the AMI batteries.
- Ensuring AMI batteries are working properly will avoid inaccurate utility billings and loss of revenues.



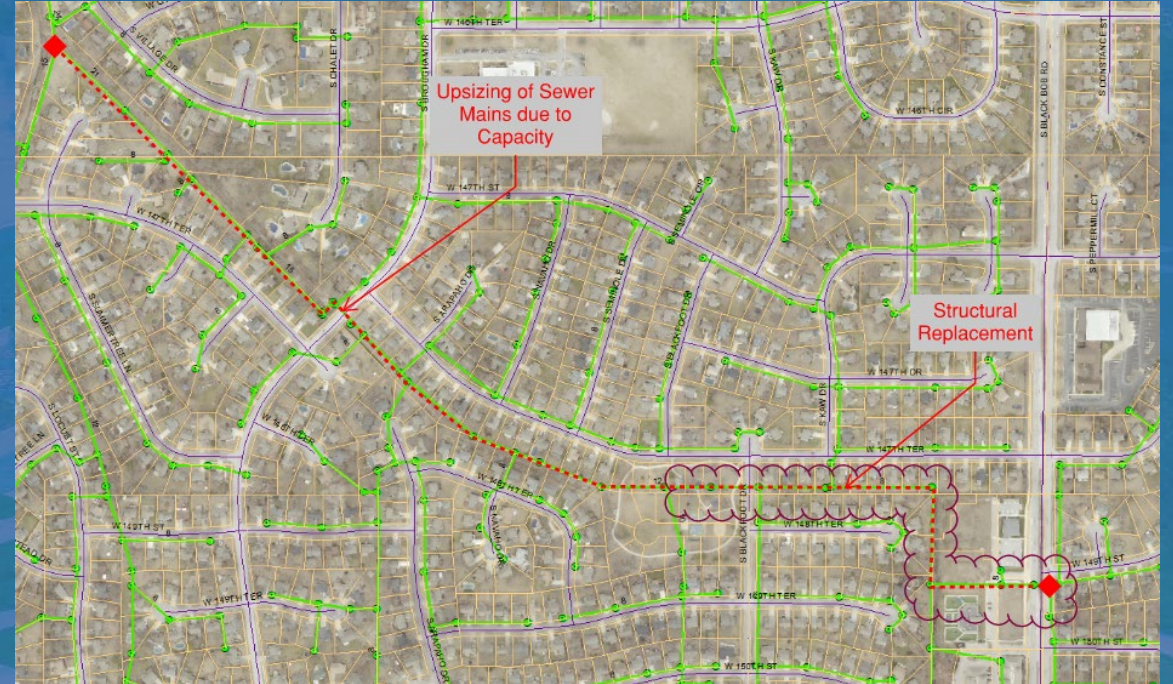
**2028-2029**

7/16/2024

# Haven Park Sewer Replacement

## \$1,882,000

- Full replacement of 2,500 LF of 8" and 10" sanitary sewer mains
- Upsize approximately 4,000 LF of gravity sewer mains ranging from 12"-21"
- Capacity Concerns: Segments are half full during dry-weather conditions and approach crown of pipe during wet weather.



# Water and Sewer CIP – New Projects

	2025	2026	2027	2028	2029	Total
103 <sup>rd</sup> St Lift Station	1,300,000	-	-	-	-	1,300,000
AMI End Point Replacement	-	-	-	1,126,297	4,000,000	5,126,297
East Cedar Creek Trunkmains Rehabilitation	-	-	-	1,320,000	12,061,000	13,381,000
Environmental Services Plant Maintenance Building	-	-	929,000	5,765,000	-	6,694,000
Harold St High-Rate Distributor	480,000	-	-	-	-	480,000
Haven Park Sewer Replacement	-	-	-	-	1,882,000	1,882,000
Indian Creek Trail Basin G22 Sanitary Sewer Improvements	-	-	-	1,570,000	6,007,000	7,577,000
Super Critical Water Oxidation Pilot	4,628,000	1,030,000	-	-	-	5,658,000
<b>Total</b>	<b>6,408,000</b>	<b>1,030,000</b>	<b>929,000</b>	<b>9,781,291</b>	<b>23,950,000</b>	<b>42,098,297</b>

# Water and Sewer CIP – Annual Projects

	2024	2025	2026	2027	2028	2029	5-year Total
Fire Hydrant Replacement	285,000	292,500	302,500	313,000	-	-	908,000
Neighborhood Sanitary Sewer Improvements	1,568,000	1,724,800	2,299,660	3,066,250	4,198,370	5,579,160	16,868,240
Sanitary Sewer Rehabilitation (I&I)	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000	2,750,000	11,250,000
Water Meter Replacement	355,750	355,750	355,750	355,750	355,750	355,750	1,778,750
Waterline Rehabilitation	2,000,000	6,105,000	6,135,000	6,160,000	6,185,000	6,195,000	30,780,000
<b>Total</b>	<b>5,708,750</b>	<b>10,228,050</b>	<b>11,092,910</b>	<b>12,145,000</b>	<b>13,239,120</b>	<b>14,879,910</b>	<b>61,584,990</b>

# Water and Sewer CIP – Previously Included (No Annual)

Project	Years	2025-2029 Amount
Bulk Water Fill Stations	2025-2026	735,000
Cedar Creek WWTP Expansion Phase II	2025-2027	35,136,700
Cedar Creek WWTP Solids Handling Expansion	2025-2027	34,920,000
Harold St Digester Lid	2025	805,000
Hedge Lane Transmission Main, Phase I	2029	2,936,000
Indian Creek Trunkmain Rehabilitation	2025-2027	14,872,400
Lift Station Replacements	2025, 2028, 2029	3,697,400
Mill Creek Sewer Master Plan	2027	603,000
Olathe Pipe Replacement Education Program	2025-2028	2,086,884
Remote Facilities Improvements	2028	1,469,000
Sanitary Sewer Manhole Lining	2025	450,000
Vertical Well Field Improvements	2028	5,219,000
Water Master Plan Update	2029	877,000
Watermain Connectivity Project	2028-2029	1,840,500
West Cedar Creek Sewer Interceptor	2025-2026	38,633,400
WTP2: Chemical Feed Modification	2025	1,665,056
WTP2: Electrical Modification Improvements	2025	7,251,000
WTP2: Membrane Module Replacements	2025-2026	5,360,750
<b>Total</b>		<b>158,558,090</b>



# Water and Sewer CIP – Funding Summary

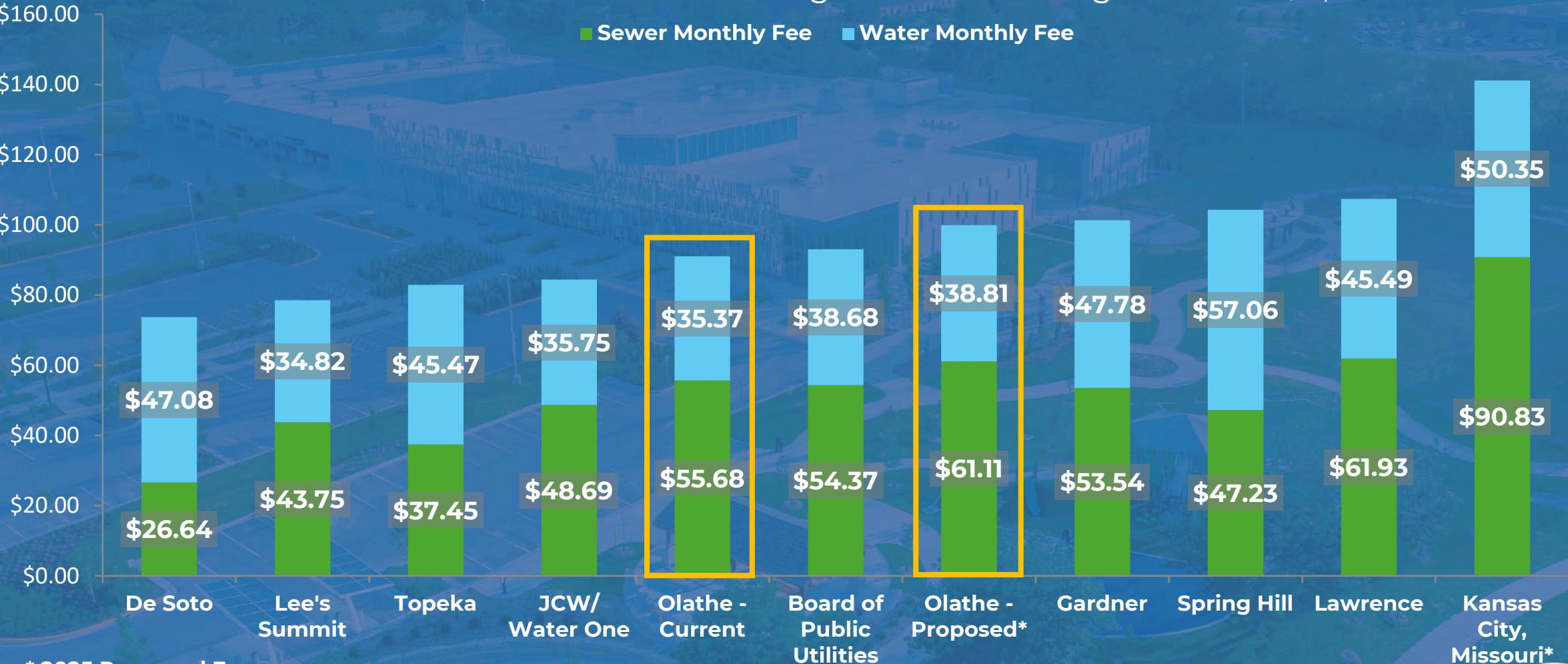
	2025	2026	2027	2028	2029	Total
Revenue Bonds	36,281,656	56,866,410	33,872,200	23,563,267	31,133,160	181,716,693
System Development Fees (SDF)	6,714,300	7,127,000	5,500,000	-	1,822,000	21,163,300
State Revolving Fund	3,071,924	1,516,720	501,120	501,120	-	5,590,884
Water & Sewer Fund	16,359,500	9,417,000	7,680,000	8,361,250	11,952,750	53,770,500
<b>Total</b>	<b>62,427,380</b>	<b>74,927,130</b>	<b>47,553,320</b>	<b>32,425,637</b>	<b>44,907,910</b>	<b>262,241,377</b>

# Water and Sewer Rate Summary



# Municipality Comparison – Water & Sewer

Sewer based on average residential usage of 542 CF/4,054 Gal  
 Water based on 5/8" meter with average residential usage of 588 CF/4,399 Gal



\* 2025 Proposed Fee



# Average Olathe Resident Monthly Utility Bill

	<b>2024</b>	<b>2025</b>	<b>Change</b>	<b>% Change</b>
<b>Water</b>	\$35.37	\$38.81	\$3.44	9.8%
<b>Sewer</b>	\$55.68	\$61.11	\$5.43	9.8%
<b>Stormwater</b>	\$6.25	\$6.44	\$0.19	3.0%
<b>Solid Waste</b>	\$20.63	\$21.66	\$1.03	5.0%
<b>Total</b>	<b>\$117.93</b>	<b>\$128.02</b>	<b>\$10.09</b>	<b>8.6%</b>

Water based on average residential usage of 588 CF/mo.  
Sewer based on average residential usage of 542 CF/mo.

# Budget Calendar

June 25th	Budget Workshop 1– General Fund, Library Fund, Debt Service Fund, and Chamber of Commerce
<b>July 16th</b>	<b><u>Budget Workshop 2 – Vote on Intent to Exceed RNR, Water &amp; Sewer, and CIP</u></b>
July 20th	Notify County Clerk of Intent to Exceed RNR and Proposed Tax Rate
August 6th	<u>Budget Workshop 3</u> – Stormwater, Solid Waste, Rec Fund, Park and SMST Fund, and CIP
August 27th	Public Hearing to Exceed RNR, and Budget Public Hearing
Sept 3rd	Budget Adoption



# Engage in the Budget Process



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Questions about the Water and Sewer  
Fund?

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