



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities - Sewer/Stormwater

To: City Council

From: City Manager & Staff

Council Meeting Date: June 7, 2021

Re: Sanitary Sewer Service Report: Blume Annexation Agreement 7750 E Richland Road and Grindstone Creek Watershed Cooperative Agreement

Executive Summary

The Blume Annexation Agreement 7750 E Richland Road (Case #139-2021) was not approved by Council at the May 3, 2021 meeting under B140-21. There was a request of staff to provide additional information regarding the sanitary sewer agreement for this area and the process for reconsideration of the annexation agreement. The purpose of this report is to provide some information on the specific connection agreement that includes this property along with some background on the sewer connection agreements and the City's relationship with the Boone County Regional Sewer District (BCRSD). In addition, this report contains information regarding the process for reconsideration of the agreement if Council has a desire to do so.

Discussion

The connection agreement that directly relates to the property at 7750 E Richland Road is the Grindstone Creek Watershed Cooperative Agreement approved by Ordinance #18430 on March 10, 2005, attached. The connection agreement is between the City and BCRSD. The overall purpose of the agreement was to plan for the extension of sanitary sewer service in the Grindstone Creek watershed, remove existing sewer effluent point source discharges from Grindstone Creek and allocate existing and future customers for the watershed area. The agreement provided for the construction of a trunk sewer from the confluence of the North Fork Grindstone Creek and South Fork Grindstone Creek to the BCRSD Otscow treatment plant that was located on Richland Road. The BCRSD paid for portions of the sewer trunk line and the City, along with some developer contributions, paid for portions of the sewer trunk line, all of which ultimately convey sewage to the City's Wastewater Treatment Plant. Item 11 of the agreement states that in order to recover costs of extending the sewer lines, the City and the BCRSD have allocated all new customers as shown in Exhibit A of the Grindstone Creek Watershed Cooperative Agreement.

The original council memo for the annexation agreement stated that the on-site sewage treatment system for the property at 7750 E Richland Road is failing. The existing sewer system on the property is discharging untreated human sewage effluent directly into the south fork of the Grindstone Creek. The property owner initiated the process to resolve this problem and requires a permit to perform the necessary improvements. Per Boone County Code of Health Regulations 4.5.8.3, the Health Department may deny a permit for an on-site wastewater system because the "building lot upon which it is to be located is within a reasonable distance of a public sanitary sewer to which connection is practicable and is permitted by the governmental agency or utility owning or operating the sanitary sewer."



City of Columbia

701 East Broadway, Columbia, Missouri 65201

The public trunk sewer is located on their property and is a reasonable and practicable connection requiring the owner to enter into an annexation agreement with the City. In Exhibit A of the Grindstone Creek Watershed Cooperative Agreement, the property at 7750 E Richland Road is designated to be a “New BCRSD Customer” that must annex (if contiguous and compact to the City limits) or, enter into an agreement to annex (if not contiguous and compact to the City limits), and develop to City standards. In May 2007, the current owner of 7750 E Richland Road granted a permanent sewer easement to the BCRSD to construct the trunk sewer line on their property. When the Council did not approve the annexation agreement, there is no option remaining other than for the health department to grant a permit for the property owner to continue the on-site sewage treatment system.

The City has a long history of providing sewer service in the Columbia area to protect human health and safety as well as the environment. Since 1986, the City has engaged in more than 35 cooperative agreements for wastewater collection and treatment with Boone County Regional Sewer District (BCRSD). There are and have been sewer collection and treatment systems both inside and outside the City limits, these include lagoons, package wastewater treatment plants, septic systems, etc. In the past, the City and the BCRSD have attempted to negotiate agreements on how best to address growth and sewer service for these areas as they develop. Affordable sewer service is largely based on a gravity system that is bound by topography and not municipal boundaries. By statute, the City cannot provide service outside the corporate limits without the consent of the BCRSD and vice versa. Therefore, it is necessary for the two organizations to work together through agreements between the two parties for existing BCRSD customers to be served by the City sewer treatment works. Agreements for centralized collection and treatment of sewers are essential with regard to protecting public health, safety and the environment of the community.

In 1997, the City Council adopted Policy Resolution #115-97A that established a policy for the orderly extension of City sewer service in areas outside the city limits. The reasons for the policy resolution were to address significant urban growth, encourage annexation and address the City's legitimate interest in how sewage is handled and discharged into streams flowing through the City. The policy guidelines generally state that properties must annex or enter into an annexation agreement to receive City sewer service including transport and treatment.

Since the adoption of the policy resolution in 1997, there are environmental regulatory drivers that continue to reinforce the need for orderly provision of sewer services for the surrounding area. One regulatory driver that is directly impacted by sewage discharges is the Municipal Separate Storm Sewer System (MS4) NPDES permit. The other regulatory driver impacted by sewage discharges is the listing of City creeks on the Environmental Protection Agency 303(d) list for impaired waters. According to the Missouri Department of Natural Resources (MDNR), the following creeks that drain through Columbia are on the 2020 303(d) list for impaired waters due to E. coli: Hominy Creek, Grindstone Creek and upper and lower sections of Hinkson Creek, and Gans Creek. Note that Little Bonne Femme, Bass, Turkey, and Bonne Femme Creeks, mostly in the County, are also listed for E. coli impairments. It will be



City of Columbia

701 East Broadway, Columbia, Missouri 65201

necessary for the City to show efforts towards reducing E. coli in these creeks. E. coli can be present in sewer discharges as well as other urban storm water runoff. Removing sewer effluent discharges to Hinkson Creek has been a significant improvement to the water quality of Hinkson Creek which is currently part of a Collaborative Adaptive Management process.

The Grindstone Creek Watershed Cooperative Agreement was developed to promote orderly growth in the Grindstone Creek watershed, leverage developer contributed funds for construction and remove approximately 500,000 gallons per day of existing sewer point discharges of the BCRSD into the south fork of Grindstone Creek. The scope of the agreement includes:

- (a) Construction, financing and payment for sanitary sewer services
- (b) Allocation of existing and future customers
- (c) Interconnection of city and BCRSD systems and elimination of BCRSD owned treatment systems south of I-70
- (d) Use of treatment systems north of I-70
- (e) Other rights and responsibilities of the City and BCRSD

The City extended two phases of trunk sewer line along the south fork of the Grindstone Creek from US Highway 63 at Grindstone Creek to the southeast corner of the existing El Chaparral county subdivision (Phase 1) and through the to be developed Vineyards and Old Hawthorne subdivisions (Phase 2). The BCRSD paid for 35.5 percent of the sewer extension to El Chaparral (Phase 1). The City paid for the remainder of the Phase 1 and, along with developer contributed engineering plans and easements, paid for Phase 2 sewer trunk extensions. The BCRSD extended the trunk sewer from just east of the now existing Old Hawthorne subdivision to the Sunrise Estates, Trade Winds Park and I-70 Trade Center subdivision areas (Phases 3 and 4) to remove the Otscow wastewater treatment plant. The entire sewer trunk line is designed to serve all reasonable uses for the entire south fork of the Grindstone Creek drainage area.

The BCRSD utilized MDNR State Revolving Funds to assist in funding their portion of the sewer trunk line work. Because of BCRSD's use of State Revolving Funds, the BCRSD must retain ownership of the lines they constructed until they have been fully depreciated. Therefore, the agreement states that the BCRSD owns the portion of the sewer trunk lines they constructed, but the City shall maintain and operate the lines. At such time that sewer trunk lines have been fully depreciated, the BCRSD shall convey ownership to the City.

Item 11 of the agreement states that in order to recover costs of extending the sewer trunk lines, the City and the BCRSD have allocated all new and existing customers as shown in Exhibit A of the attached agreement. Item 15 further states: "Both parties agree to adopt user charge ordinance which will proportionately recover all operation, maintenance and replacement costs for which each party is responsible." In addition to allocating customers, the agreement designates which BCRSD customers are required to annex or enter into an annexation agreement prior to connection. Per the City's 1997 policy resolution, all other properties shown in Exhibit A of the attached agreement will be required to annex or enter



City of Columbia

701 East Broadway, Columbia, Missouri 65201

into an annexation agreement to connect to the public sewer. The agreement specifically states: "the City will impose no connection fees upon District customers connecting to this trunk line." All remaining areas not identified to be BCRSD customers, including every new connection in Old Hawthorne, The Vineyards and The Brooks subdivisions, have paid or will pay a connection fee as City customers.

The agreement also established that treatment fees for BCRSD customers "shall be equivalent to 0.80 times what the customer would pay if the customer were connected to City sewer service within the corporate limits." Item 13 states that both the City and the BCRSD should oppose any MDNR permit application for new or expanded wastewater treatment facility into any part of Grindstone Creek drainage basin.

The Grindstone Creek Cooperative Agreement was enacted prior to the 2008 bond election that funded the expansion of the wastewater treatment plant. Therefore, at the time the agreement was created, all treatment capacity for the Columbia wastewater treatment plant had been funded at a 90% level by the state and federal government in the 1980's. Since that time, the City has invested over \$75,000,000 in upgrades and capacity expansion to the City's Wastewater Treatment Plant. It seems reasonable for all new users of the system to pay connection fees to cover the costs of these capital improvements.

Conclusion and Next Steps

The City and BCRSD have worked together for decades removing smaller sewage treatment facilities, eliminating discharges of insufficiently treated sewage from local creeks and streams in Columbia and the surrounding area. The ratepayers of both the City and the BCRSD have spent millions of dollars for these improvements. Sewer service and sustainable growth and development of Columbia and the surrounding area are related. It is important to have public sewers with centralized collection and treatment to ensure protection of human health and safety and the environment. Rates for both the City and the BCRSD should be evaluated regularly to ensure they are sufficient to recover the costs to provide these services. If public sewers are not provided in these areas, it will not necessarily deter growth, but could result in the installation of discharging lagoons and other alternative on-site sewer systems. Currently, there are no requirements for proper operation or maintenance of these facilities and they have the potential to cause harmful sewer discharges into Grindstone Creek in the future.

Because the City did not approve the annexation agreement which is required to connect to the sanitary sewer system, the Blume property will have the option of obtaining a permit to repair and construct its on-site sewage system. Although the immediate issue can be resolved for this tract, staff believes it is in the long term interest of the community to continue to encourage connection to the sanitary sewer system when possible to ensure the orderly planning and management of sewer collection and treatment. Because the current agreement with the BCRSD does not allow for the City to impose a connection fee on all users, it is also recommended that the City engage in discussions with the BCRSD to determine how best to ensure all new users of the system are responsible for the wastewater



treatment plant upgrade costs. The City is currently conducting a rate study that will provide more guidance as to the base and volume charges to be applied in these situations as well. Staff will bring forward more information on this topic in a future Council work session scheduled for June 21, 2021.

In the event the Council desires to revisit the annexation agreement for 7750 E Richland Road which would allow for connection to the sanitary sewer, Section 2-88 of the City Code prohibits a bill from being introduced on the same subject matter for a period of 90 days unless the member requesting the bill receives permission from Council. The full text of Section 2-88 is as follows:

Sec. 2-88. - Reconsideration of subject matter.

Any council member desiring to introduce a bill in the form of a bill considered and defeated by the council not more than ninety (90) days previously, shall make a motion to reconsider the subject matter of the bill and request leave of council to introduce a new bill on the same subject matter. When such motion for reconsideration of a subject matter is made, the vote upon such motion shall be immediately taken, and if such motion prevails, the bill shall be introduced as in the instance of a new bill and shall be considered and adopted in accordance with the requirements of an original bill on that subject matter.

In order to request reconsideration of the subject matter, a motion and vote is required. Unlike a motion to reconsider a bill during the same council meeting at which a bill is defeated, a motion to reconsider the subject matter at a subsequent meeting is not required to be made by a council member voting on the prevailing side. The content of the motion would need to be something substantially similar to the following: I hereby move to reconsider the annexation agreement for 7750 E. Richland Road and request leave of council to introduce a bill authorizing an annexation agreement for 7750 E. Richland Road at the June 21st City Council meeting. Once made, the motion is non-debatable.

Fiscal Impact

Short-Term Impact: None

Long-Term Impact: None

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Infrastructure, Secondary Impact: Economy, Tertiary Impact: Tertiary

[Comprehensive Plan Impacts:](#)

Primary Impact: Infrastructure, Secondary Impact: Land Use & Growth Management, Tertiary Impact: Environmental Management



Legislative History

Date	Action
05/03/2021	B140-21 Defeated - Authorizing an annexation agreement with The Eric and Nicole Blume Family Revocable Trust for property located on the south side of Richland Road (7750 E. Richland Road) (Case No. 139-2021).
06/17/2019	Ordinance 23900 - Authorizing a connection agreement with the Boone County Regional Sewer District for sewer connection of the proposed Perche Ridge Subdivision located on Gillespie Bridge Road to the City's wastewater collection and treatment system.
09/07/2018	Ordinance 23663 – authorizing a connection agreement with Boone County Regional Sewer District for sewer connection of the proposed Clear Creek Subdivision located on Highway 163 to the City's wastewater collection and treatment system.
02/19/2018	Ordinance 23485 – authorizing Amendment 8 to the general cooperative agreement with the Boone County Regional Sewer District relating to sewer service to property located on State Highway HH...
12/05/2016	Ordinance 23020 - authorizing Amendment No. 7 to the general cooperative agreement with the Boone County Regional Sewer District relating to sewer service to property within Arrowhead Lake Estates – University Estates...
04/04/2016	Ordinance 22779 - authorizing Amendment No. 4 to the general cooperative agreement with the Boone County Regional Sewer District relating to sewer service within Happy Hollow Estates...
08/17/2015	Ordinance 22555 - authorizing Amendment 3 to the general cooperative agreement with the Boone County Regional Sewer District relating to sewer service within the Midway area and financial participation in the construction of the Henderson Branch Sewer Extension project...
05/05/2014	Ordinance 22052 - authorizing Amendment No, 2 to the general cooperative agreement with the Boone County Regional Sewer District relating to sewer service within Abilene Acres Subdivision...
01/22/2013	Resolution 22-13 - authorizing an amendment to the cooperative agreement with Boone County Regional Sewer District relating to sewer construction in the Grindstone Creek Watershed, Upper North Fork, Hominy Branch Watershed and the Little Cedar Creek Watershed.
03/04/2013	Resolution 49-13 - authorizing Amendment No. 1 to the general cooperative agreement with the Boone County Regional Sewer District relating to sewer service within the Water's Edge, Lakeland Acres, Lakewood Estates, Lakewood Villas and Pin Oak



City of Columbia

701 East Broadway, Columbia, Missouri 65201

03/07/2011	Subdivision service area. Ordinance 20898 - authorizing a general cooperative agreement with the Boone County Regional Sewer District relating to sewers in the Highway HH service area, Westwood Meadows Subdivision, El Ray Heights Subdivision, Cow Branch Watershed, Little Bonne Femme Pump Station and Jerry Morris Subdivision...
01/19/2010	Ordinance 20538 - authorizing the City Manager to execute a cooperative agreement with Boone County Regional Sewer District relating to sewer construction in the Grindstone Creek Watershed, Upper North Fork, Hominy Branch Watershed and the Little Cedar Creek Watershed...
12/04/2009	Ordinance 20167 – authorizing the City Manager to execute a waste water treatment capacity allocation permit with the Boone County Regional Sewer District...
10/19/2009	Ordinance 20454 - authorizing the City Manager to execute an amendment to the agreement with Boone County Regional Sewer District for construction of the Sunrise Estates Pump Station Interceptor and the North Grindstone Outfall Sewer Phase 1 Projects...
10/19/2009	Ordinance 20455 - authorizing an amendment to the agreement with the Boone County Regional Sewer District relating to sanitary sewer service for property located in Sugar Tree Hills Subdivision, Spring Park Subdivision and Arrowhead Lake Estates/University Estates Subdivisions...
08/18/2008	Ordinance 20018 - authorizing the City Manager to execute an interconnection amendment with Boone County Regional Sewer District for property located in Sunrise Estates Subdivision...
09/17/2007	Ordinance 19660 - authorizing an agreement with the Boone County Regional Sewer District relating to sanitary sewer service for property located in Sugar Tree Hills Subdivision, Spring Park Subdivision and Arrowhead Lake Estates/University Estates Subdivisions...
08/15/2006	Ordinance 19083 – authorizing the City Manager to execute an agreement with Boone County Regional Sewer District relating to sanitary sewer service for property located in Happy Hollow Estates Subdivision, W B Smith Subdivision, Walnut Brook Subdivision, Country Farms Subdivision, Bearfield Valley Subdivision and Persimmon Road...
03/10/2005	Ordinance 18430 - authorizing the City Manager to execute a cooperative agreement with Boone County Regional Sewer District relating to sewer construction in the Grindstone Creek Watershed...
04/03/2004	Ordinance 18065 – authorizing the City Manager to execute a sewer purchase and interconnection agreement with Boone County Regional Sewer District for property located in Boone



City of Columbia

701 East Broadway, Columbia, Missouri 65201

03/22/2002	Industrial Park and Gaslight Acres... Ordinance 17219 - authorizing the City Manager to execute an interconnection agreement with Boone County Regional Sewer District...
01/10/2002	Ordinance 17126 - authorizing the City Manager to execute an interconnection agreement with Boone County Regional Sewer District: waiving the annexation agreement requirement for Walnut Brook, Good-Time Acres, Southbrook and Old Plank Subdivision area...
05/11/2001	Ordinance 16889 - authorizing the City Manager to execute an interconnection agreement with Boone County Regional Sewer District: waiving the annexation agreement requirement for the Leisure Hills Subdivision area...
05/07/2001	Resolution 97-01 – authorizing an agreement with Boone County Regional Sewer District.
02/20/2000	Resolution 25-00 – authorizing an amendment to the agreement with Boone County Regional Sewer District relating to the construction of the C-6 trunk sewer line.
09/07/1999	Ordinance 16145 - authorizing an interconnection agreement with Boone County Regional Sewer District relating to the construction of the C-6 trunk sewer line: waiving the annexation agreement requirement for the Bearfield Subdivision area...
03/16/1999	Ordinance 16947 – accepting a bill of sale for sewer facilities from Boone County Regional Sewer District; accepting assignment of sewer easements...
08/18/1997	PR115-97A Policy Resolution establishing a policy for the extension of City sewer service in areas outside the city limits
	There are an additional 22 agreements dating back to 1986 with the Boone County Regional Sewer District that are no longer necessary and have become obsolete or expired and have been renewed with the agreements listed above.

Suggested Council Action

For informational purposes only.