



LITTLE BLUE VALLEY SEWER DISTRICT



ADVANCED AIR EMISSIONS CONTROLS BOND ISSUE

OVERVIEW

The Little Blue Valley Sewer District has always been in the business of protecting public health and the environment. Since 2010, we have made considerable improvements to our existing facilities and processes in order to seek optimization, **greater efficiency**, and **effectiveness**. These evaluations resulted in:

- savings on energy costs
- savings on reheat costs
- savings on labor costs
- reduction of mercury emissions by 50%

Working under a consent order, the Little Blue Valley Sewer District is required to meet new state and federal regulatory requirements that are created by the Environmental Protection Agency (EPA) and enforced by the Missouri Air Pollution Control Program.

Due to a changing regulatory climate, we must continue to invest in our Atherton facility by upgrading our sewage sludge incinerator to include **advanced air emissions controls**.

Under the new air emissions regulations, we are violating the air quality standards for mercury



APPROVE \$20 MILLION IN REVENUE BONDS

*Boost community benefits at the
same cost to the customer*

and nitrogen oxides. While we have reduced our mercury emissions by 50% in recent years, the new regulations call for a further 99% reduction. Operational improvements and source controls will not correct this problem. Our only solution is to install advanced air emissions controls.

Although this significant improvement comes with a price, your **financial impact is essentially zero** due to the various efficiencies and cost savings that were put into place during the Phase II Program.

By approving the issuance of \$20 million additional revenue bonds, **there will be no appreciable change to the current financial forecast**. The bonds will not extend the duration of current service agreements as the 2016 bonds will be retired in 2036, four years before the 2010 bonds are paid off in 2040.

FUND OR LOSE

Unless we achieve air quality standards in a 4-year time frame, we will be required to cease operation of the incinerator. Without a working incinerator, sewage sludge will be hauled to the landfill at an **added cost of \$3 million per year.**

It is fiscally responsible to invest in this essential upgrade rather than spending millions of dollars on hauling costs that lack long-term value to our customers.



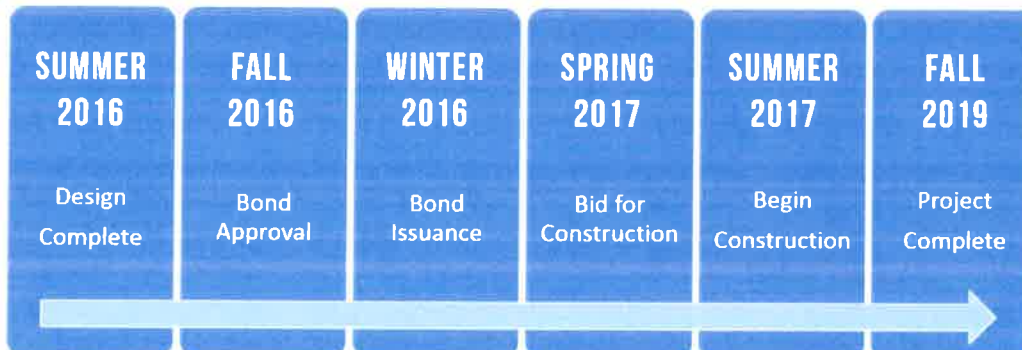
The advanced air emissions controls upgrade is identified within the Phase III Improvements Program at the Atherton Plant. Phase III bonds will be paid off with the same operating budgets approved in 2010 for the Phase II bonds. Unanticipated operational efficiencies offset the \$20 million bond repayment costs!

COMMUNITY BENEFITS

By upgrading our sewage sludge incinerator, we will be able to continue the benefits to the community from Phase II and add benefits from Phase III at the same cost to our customer.

- 1 Improving air quality**
 - Reduced mercury emissions
 - Reduced nitrogen oxide emissions
 - Reduced other pollutants including: lead, cadmium, dioxins and furans, sulfur dioxide
- 2 Using less resources**
 - Reduced electricity use
 - Reduced need for natural gas
 - Reduced need for polymer
- 3 Saving money**
 - Reduced labor costs
 - Increased energy efficiency
 - Reduced operations costs
- 4 Contain Service Costs to 2010 Forecast**
 - No Budgetary Impacts-Financial forecasts for the 2010 Phase II Program are unchanged, as the costs of Phase III are negated by better-than-anticipated cost controls

ADVANCED AIR EMISSIONS CONTROLS SCHEDULE



RESOLUTION NO. 3424

A RESOLUTION AUTHORIZING THE SUBMISSION TO CUSTOMERS A QUESTION IN ACCORDANCE WITH SECTION 204.370 OF THE REVISED MISSOURI STATUTES, OF WHETHER THE LITTLE BLUE VALLEY SEWER DISTRICT SHOULD ISSUE REVENUE BONDS PAYABLE FROM REVENUES TO BE DERIVED FROM THE OPERATION OF THE SYSTEM IN AN AMOUNT NOT TO EXCEED \$20,000,000 FOR THE PURPOSE OF IMPROVING, EXTENDING OR REHABILITATING THE LITTLE BLUE VALLEY SEWER DISTRICT SYSTEM INCLUDING, BUT NOT LIMITED TO ADVANCED AIR EMISSIONS CONTROLS FOR THE ATHERTON WASTEWATER TREATMENT FACILITIES.

WHEREAS, the Little Blue Valley Sewer District operates a wastewater collection and treatment system (the "System") pursuant to Section 204.250 et seq., Revised Statutes of Missouri ("RSMo") for the primary benefit of the customers within the District (the "Customers"); and,

WHEREAS, all customers have entered into service contracts with the District, providing, among other things, for the conveyance and treatment by the District of wastewater contributed to it by the Customer in consideration of payment of a charge to the District by the Customer; and,

WHEREAS, the District's Phase II Improvements Program included the construction of a new sewage sludge incinerator with the anticipation that such facilities may later require advanced air emissions controls; and,

WHEREAS, more stringent air emissions limits for sewage sludge incinerators have been enacted by the Environmental Protection Agency sooner than expected necessitating the accelerated installation of such advanced air emissions controls since the sewage sludge incinerator was neither designed to nor anticipated to meet such higher standards; and,

WHEREAS, the initial performance testing of the new sewage sludge incinerator has confirmed its inability to meet the more stringent limits prompting the Missouri Air Pollution Control Program and the District to enter an Administrative Order on Consent (APCP-2015-077) requiring compliance within four years; and,

WHEREAS, the District has defined the scope of work, an acceptable completion schedule, a minimal impact financing strategy for the Phase III Improvements Program and an achievable schedule for the required improvements; and,

WHEREAS, District has undertaken a review of the existing wastewater facilities of the System and has approved a Phase III Improvements Program for the improvement, extension and

rehabilitation of the Little Blue Valley Sewer District System, including the provision of Advanced Air Emissions Controls for the Atherton Wastewater Treatment Facilities with an estimated project cost of \$20,000,000; and,

WHEREAS, the Board of Trustees of the District does hereby find and determine that it is in the best interests of the District to finance the Phase III Improvements Program's \$20 million cost through the issuance of revenue bonds payable from the revenues to be derived from the operation of the System; and,

WHEREAS, in accordance with Section 204.370, RSMo, the District hereby authorizes the submission to Customers, as defined in Section 204.370, the question of whether the District shall issue revenue bonds payable from the revenues to be derived from the operation of the System in the amount not to exceed \$20,000,000 for the purpose of improving, extending or rehabilitating the Little Blue Valley Sewer District System including the provision of advanced air emissions controls at the Atherton Wastewater Treatment Facilities.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE DISTRICT:

Section 1. The Chairman, any Vice Chairman, and the Secretary of the Board of Trustees of the District are

authorized to submit a proposition to the Customers of the District as follows:

Shall the Little Blue Valley Sewer District issue its revenue bonds in one or more series, payable from the revenues to be derived from the operation of the System in an amount not to exceed \$20,000,000 for the purpose of improving, extending or rehabilitating the System including, but not limited to, the provision of advanced air emissions controls at the Atherton Wastewater Treatment Facilities?

Section 2. In accordance with Section 204.370, approval of the proposition shall require the written assent of three-quarters of the Customers. Customers are defined as the following:

City of Belton	City of Blue Springs	Fort Osage School District
City of Grandview	City of Independence	County of Jackson
City of Kansas City	City of Lake Tapawingo	City of Lee's Summit
Middle Big Creek Sewer Subdistrict		City of Raymore
City of Raytown	City of Sugar Creek	

Section 3. The Chairman, any Vice Chairman, and Secretary and any other officers of the District, and other officers, agents, consultants or designated employees of the District are hereby authorized and directed to take such further action, and to execute such other documents, certificates and instruments as

may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 4. This Resolution is adopted under the authority of section 204.250 et seq., RSMo.

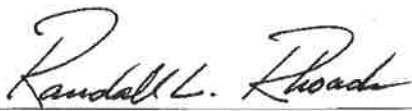
Section 5. This Resolution shall be in full force and effect from and after its adoption by the Board of Trustees of the District.

APPROVED THIS 8th DAY OF JUNE, 2016, BY THE BOARD OF TRUSTEES OF THE LITTLE BLUE VALLEY SEWER DISTRICT.



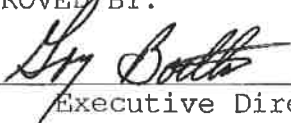
Chair, Board of Trustees

ATTEST:



Secretary

APPROVED BY:



Executive Director