City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager MPW

FROM: Randall M. Krauel, Director of Public Works RMK

DATE: June 23, 2021

SUBJECT: Sanitary Sewer Service Charges

A proposed Ordinance has been prepared to codify the June 14 Sanitary Sewer Rate Study discussion/decision. The proposed Ordinance includes a rate schedule that addresses system operation and maintenance, proposed capital expenditures and Significant Industrial User (SIU) rate equity projected over a period of 10 years. The rate schedule in the proposed Ordinance is adapted from the June 14, Alternative 5.10a - Equitable Distribution of Expenses based on Flow Usage – Financed over 10 years. The attached Alternative 5.10a table illustrates the 2031 requirements and the revenue distribution as follows:

Residential Revenue Percentage	92%
Industrial Revenue Percentage	8%

The proposed Ordinance includes the first three years of that projection.

A summary of the proposed rate structure increases on the users is as follows:

User	Current	08-01-21		07-01-22		07-01-23	
	Amount	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.
All Users(1)	$39.32	$39.86	1.4	$40.40	1.4	$40.94	1.3
SIU–1(2,3)	$4,584.86	$5,145.26	12.2	$5,619.86	9.2	$6,235.34	11.0
SIU–2(2,4)	$620.79	$779.14	25.5	$937.24	20.2	$1,082.27	15.5

Notes:
(1) Monthly use = 700 cubic feet.
(2) Based on 2020 Average Flow/Load.
(3) Tax not included.
(4) Does not include sanitary use.

RECOMMENDATION: Mayor and City Council consideration of passage and approval of the Sanitary Sewer Service Charge Ordinance.

RMK:ds

attachment

ALTERNATIVE 5.10a - Equitable Distribution of Expenses based on Flow Usage - Financed over 10 Years

Customer Class	Number of Accounts	Minimum Charged	Total Annual Usage for Class (100 cf)	Average Monthly Usage per User (100 cf)	*2031 Requirements* Rate Per 100 cf/ Unit	Average Account Monthly Bill	Approximate Monthly Revenue	Total Annual Revenue	Total Annual Usage (100 cf)	Total Calculated Annual Revenue	Required Total Revenue in 2031	
Residential/Commercial User												Residential Revenue Percentage
Small End Users (Residential)	4,300	$ 9.71	365,000	7	**$ 5.05**	**$ 45.06**	$ 193,760	$ 2,325,116	**365,000**	**$ 2,325,116**		**92%**
Significant Industrial Users												Industrial Revenue Percentage
Significant Industrial User 1												**8%**
(Sanitary Waste)	1	$ 9.71	2,320	193	**$ 5.05**	$ 974.65	$ 975	$ 11,696				
(Process Waste) *(reported in 1,000 gal)*	1		29,000	2,265	**$ 1.75**	$ 3,964.45	$ 3,964	$ 47,573				
Strength Surcharges			(average lbs)	14,089	**$ 0.650**	$ 9,157.85	$ 9,158	$ 109,894				
Significant Industrial User 2 *(reported in 1,000 gal)*	1	$ 9.71	3,050	140	**$ 1.75**	$ 245.00	$ 245	$ 2,940	**34,370**	**$ 195,259**		
Strength Surcharges (BOD)			(average lbs)	1,525	**$ 0.650**	$ 991.25	$ 991	$ 11,895				
Strength Surcharges (TSS)			(average lbs)	218	**$ 0.650**	$ 141.70	$ 142	$ 1,700				
Strength Surcharges (NH3)			(average lbs)	918	**$ 0.650**	$ 596.70	$ 597	$ 7,160				
(Metals Surcharge)							$ 200	$ 2,400				
								TOTALS	**399,370**	**$ 2,520,375**	**$ 2,525,000**	

Change to Average Monthly Bill for Industrial Users

	New	Old	Increase	Percent Increase
Significant Industrial User 1	**$ 13,122.30**	$ 3,724	$ 9,398.50	252%
Significant Industrial User 2	**$ 1,436.25**	$ 755.00	$ 681.25	90%

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF CARROLL, IOWA, BY AMENDING PROVISIONS PERTAINING TO SANITARY SEWER SERVICE CHARGES.

BE IT ENACTED by the City Council of the City of Carroll, Iowa:

SECTION 1. SECTION MODIFIED. Chapter 99, Section 02, of the Code of Ordinances of the City of Carroll, Iowa, is repealed and the following adopted in lieu thereof:

99.02 SANITARY SEWER SERVICE CHARGE RATES. Each customer shall pay sanitary sewer charges in accordance with the following schedule.

ALL USERS

1. Rates for Sanitary Sewer Service Billed After August 1, 2021:

   A. Minimum charge of $8.57 per account per month.
   B. All water used and discharged into the sanitary sewer per month, $4.47 per 100 cubic feet.

2. Rates for Sanitary Sewer Service Billed After July 1, 2022:

   A. Minimum charge of $8.69 per account per month.
   B. All water used and discharged into the sanitary sewer per month, $4.53 per 100 cubic feet.

3. Rates for Sanitary Sewer Service Billed After July 1, 2023:

   A. Minimum charge of $8.81 per account per month.
   B. All water used and discharged into the sanitary sewer per month, $4.59 per 100 cubic feet.

SECTION 2. SECTION MODIFIED. Chapter 99, Section 03, of the Code of Ordinances of the City of Carroll, Iowa, is repealed and the following adopted in lieu thereof:

99.03 OTHER CHARGES

1. Sanitary waste discharges from industrial customers, in amounts approved by the Superintendent, shall be charged at the rates contained in Section 99.02.

2. Industrial and meatpacking process waste discharges shall be metered by waste flow meter maintained by the discharging entity and charged at the following rates:

Rates for process waste discharged after August 1, 2021:

A. Flow = $0.46/1,000 gal.
B. BOD_5 = $0.23/lb.
C. TSS = $0.23/lb.

Rates for process waste discharged after July 1, 2022:

A. Flow = $0.54/1,000 gal.
B. BOD_5 = $0.25/lb.
C. TSS = $0.25/lb.

Rates for process waste discharged after July 1, 2023:

A. Flow = $0.62/1,000 gal.
B. BOD_5 = $0.28/lb.
C. TSS = $0.28/lb.

3. All leachate waste monitoring, testing and reporting of pollutants included in any Treatment Agreement, Attachment B, or Iowa National Pollutant Discharge Elimination System (NPDES) Permit will be performed by or through the City for a monthly fee of $200.00.

4. All leachate waste discharge shall be metered by equipment maintained by the discharging entity and charged at the following rates:

Rates for leachate discharged after August 1, 2021:

A. Flow = $1.08/1,000 gal.
B. BOD_5 = $0.16/lb.
C. TSS = $0.17/lb.
D. NH_3N = $0.16/lb.

Rates for leachate discharged after July 1, 2022:

A. Flow = $1.15/1,000 gal.
B. BOD_5 = $0.22/lb.
C. TSS = $0.22/lb.
D. NH_3N = $0.21/lb.

Rates for leachate discharged after July 1, 2023:

A. Flow = $1.22/1,000 gal.
B. BOD_5 = $0.27/lb.
C. TSS = $0.28/lb.
D. NH_3N = $0.26/lb.

The quantity of the wastewater parameters shall be determined based on sampling, testing and reporting required by any Treatment Agreement or Iowa National Pollutant Discharge Elimination System (NPDES) Permit.

SECTION 3. REPEALER. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 4. SEVERABILITY CLAUSE. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision, or part thereof not adjudged invalid or unconstitutional.

SECTION 5. WHEN EFFECTIVE. This ordinance shall be in effect from and after its final passage, approval, and publication as provided by law.

Passed by the Council the _____ day of _____, 2021 and approved this _____ day of _____, 2021.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

By: _____
Eric P. Jensen, Mayor

ATTEST:

By: _____
Laura A. Schaefer, City Clerk

First Reading: _____

Second Reading: _____

Third Reading: _____

I certify that the foregoing was published as Ordinance No. _____ on the _____ day of _____, 2021.

_____
Laura A. Schaefer, City Clerk