



Department Source: City Utilities - Sewer/Stormwater

To: City Council

From: City Manager & Staff

Council Meeting Date: August 21, 2017

Re: Public Hearing – Sewer Rate Structure Changes

Executive Summary

Public Hearing for proposed amendments to Chapters 13 and 22 of the City Code of Ordinances relating to structure changes to the sanitary sewer utility rates, sewer utility connection fees, and increase of the waste hauler disposal service fees.

Discussion

In order to provide adequate funding to meet current operations and maintenance needs of the sewer utility, staff is recommending that Chapters 13 and 22 of the City Code be amended to implement structural rate changes. It is proposed to increase rates by six percent (6%), one percent (1%) in connection with the November 2013 revenue bond package presented to voters for sanitary sewer utility capital improvements and five percent (5%) for operational needs. Included below is a description of the changes to Chapter 13 and Chapter 22.

Chapter 13 proposed changes:

Chapter 13 of the City Code governs the charges paid by liquid waste haulers that discharge material at a designated disposal facility. An overall six percent increase in sewer fees, including disposal services, are proposed for the Fiscal Year 2018 budget year. One percent of the increase is related to coverage of bond indebtedness and five percent is to address increased cost of operation and maintenance.

Included below is a list of sections proposed to be changed and the changes.

Sec. 13-192 (b)(1) – increases the charge for sludge from package wastewater treatment plants and stabilization pond sludge from \$0.045 per gallon to \$0.048 per gallon.

Sec. 13-192 (b)(2) – increases the charge for waste not covered by (b)(1) from \$0.086 per gallon to \$0.091 per gallon and removes grease trap waste from accepted waste at the Columbia Regional Wastewater Treatment Plant.

Sec. 13-192 (b)(3) – increases the charge for treatment service availability from \$11.56 per load to \$12.25 per load.

Sec. 13-192 (d) – changes disposal of grease trap wastes at the Columbia Sanitary Landfill to be in accordance with landfill charges in Section 22-163. This is necessary to recover the



cost of landfill operation for waste disposed at the landfill instead of wastewater treatment plant operational costs.

Chapter 22 proposed changes:

Part of Chapter 22 of the City Code governs the charges paid by customers of the sewer utility. An overall six percent increase in sewer fees are proposed for the Fiscal Year 2017 budget year. One percent of the increase is related to coverage of bond indebtedness and five percent is to address increased cost of operation and maintenance.

The following are each proposed section change with a brief discussion of the proposed change.

Sec. 22-262 (a)(1) – proposed change clarifies residential customer to match historic practice. This change has no impact on rates or current operation.

Sec. 22-263 (b)(1) – proposed change will

1. Increase the residential base fee from \$11.56 per month to \$12.25 per month.
2. Increase the non-residential base fee approximately (given rounding variation) six percent for each of eleven water meter sizes.
3. Increase the volume rate, for all customers, from \$2.38 per CCF to \$2.52 per CCF.

Sec. 22-263 (b)(2) – proposed change will

1. Increase the unit charge for BOD (biochemical oxygen demand) in dollars per pound from \$0.303 to \$0.321.
2. Increase the unit charge for suspended solids in dollars per pound from \$0.208 to \$0.221.

Sec. 22-264 (b) – proposed increases in connection fees. The residential and 5/8 inch meter connection fee is proposed to increase from \$2,000 to \$2,400. This is the fourth year of a proposed four year connection fee increase that brings the residential connection fee to a total of \$2,400 in year four. The connection fees for the other 10 meter sizes will be increased by an amount equivalent to the \$400 increase for the 5/8 meter multiplied by the ratio of the meter capacity to the capacity of a 5/8 inch meter.

Sec. 22-264 (a), (c) and (d) – proposed changes clarify connection fee charges and reductions for users that change their use of the wastewater system due to redevelopment or for other purposes.

Fiscal Impact

Short-Term Impact: Increase revenue by six percent, from fees charged, over Fiscal Year 2017 rate. The connection fee revenue will increase by 20% for each new connection.



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Long-Term Impact: Increase revenue by six percent, from fees charged, over Fiscal Year 2017 rate. The connection fee revenue will increase by 20%, for each new connection due to this proposed increase.

Vision & Strategic Plan Impact

Strategic Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
7/17/2017	R94-17 Public Hearing to consider changes to the sanitary sewer utility rate, sanitary sewer utility connection fees and hauled liquid waste rate
09/19/2016	B196-16 Approved an amended ordinance increasing the sewer connection fee from \$1,600 to \$2,000 for residential and 5/8 inch water meters
09/06/2016	PH29-16 Public Hearing to consider changes to the sanitary sewer utility rate, sanitary sewer utility connection fees and hauled liquid waste rate
07/18/2016	R94-16 Setting a Public Hearing: consider changes to the sanitary sewer utility rate, sanitary sewer utility connection fee and hauled liquid waste rate
09/21/2015	B225-15 Approved an ordinance increasing the sewer connection fee from \$1,200 to \$1,600 for residential and 5/8 inch water meters
09/15/2014	B235-14 Approved an ordinance to increase the sewer connection fee from \$800 to \$1,200 for residential and 5/8 inch water meters
07/07/2014	Burton & Associates presented rate recommendations for the Sanitary Sewer Utility at pre-council meeting
03/04/2014	Agreement with Burton & Associates for Sanitary Sewer Utility Cost of Service and Rate Study
01/21/2014	Ordinance 21965 – Declaring the results of the special election
08/05/2013	Ordinance 21760 – Calling a special election of whether to issue the Sewer System Revenue bonds



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Suggested Council Action

Following public input and Council discussion, Council should approve the proposed changes to sewer rates and waste hauler rates.