

Sec. 3.02. SEWER SERVICE CHARGE SYSTEM - Revised 10/3/85

Subd. 1. Definitions

1. For the purposes of this ordinance, unless the context specifically indicates otherwise, the words and terms used herein shall have the meanings set forth in Section 3.01 Subd. 1 and as set out below.
2. "City Clerk" means the City Clerk appointed by the City Council of the City of Trimont or his authorized agent or representative.
3. "Debt Service Charge" - a charge levied on all users for the repayment of principal and interest on all outstanding debt attributed to the wastewater facilities.
4. "Extra Strength Waste" means wastewater having a BOD and/or Suspended Solids greater than domestic or sanitary waste as defined in Section 3.01, Subd. 1(12), and not otherwise classified as an incompatible waste.
5. "Incompatible Waste" is waste that either singly or by interaction with other wastes interferes with any waste treatment process, constitutes a hazard to humans or animals, creates a public nuisance, or creates any hazard in the receiving waters of the wastewater treatment facilities.
6. "Operation and Maintenance (O&M)" - those expenditures and costs which are attributable to the normal operations and maintenance of the wastewater facilities. The term "O&M" includes the term "Replacement" as defined in paragraph 7.
7. "Replacement" - expenditures for obtaining and installing equipment, accessories, and appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed. The term "Operation and Maintenance" includes replacement.
8. "Sewer Service Charge" - the total charges levied on all users of the wastewater facilities including user charges, debt service charges, and surcharges.
9. "Surcharge" - a charge levied by the City on any user for the

treatment of extra strength wastes, for the treatment of extraneous flow or a charge levied on any user which has caused an increase in the cost of management of the wastewater facility by the discharge of toxic and/or incompatible wastes.

10. "User" - any person or entity which discharges wastewater to the wastewater facilities.
11. "User Classes"
  - a. "Residential" - a principal family residence or habitation classed as a single-family, multi-family or apartment dwelling, that discharges domestic wastewater into the wastewater facility.
  - b. "Commercial" - retail or wholesale type establishments, i.e. - restaurants, hotels, motels, stores, filling station, commercial laundry, and so forth, that discharge wastewater into the wastewater facility.
  - c. "Institutional/Governmental" - schools, churches, City, County, State or Federal institutional buildings or facilities that discharge wastewater into the wastewater facility.
  - d. "Industrial" -
    - (1). Entities that discharge into the wastewater facility, liquid wastes resulting from the processes employed in industrial or manufacturing processes, or from the development of any natural resource. These are identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented under on of the following divisions:

Division A.	Agriculture, Forestry, Fishing
Division B.	Mining
Division D.	Manufacturing
Division E.	Transportation, Communications, Electric, Gas and Sanitary Sewers
Division I.	Services
    - (2). Any nongovernmental user of the wastewater facility which discharges wastewater to the

treatment facility which contains toxic pollutants or poisonous solids, liquids or gases in sufficient quantity either singly or by interaction with other wastes, to contaminate the sludge of the municipal system, or to injure or to interfere with the sewage treatment process, or which constitutes a hazard to humans or animals, creates a public nuisance, or creates any hazard in or has an adverse effect on the waters receiving the discharge from the treatment facility.

Subd. 2.

SEWER SERVICE CHARGE SYSTEM

1. The City hereby establishes a Sewer Service Charge System whereby all revenues collected from users will be used to offset all expenditures incurred for operation and maintenance, equipment replacement, administrative, and annual debt service requirements of the wastewater facility.
2. The City hereby establishes a Sewer Service Fund as the depository for all revenue collected from users for disbursement into the Operation and Maintenance Fund, the Equipment Replacement Fund and Debt Retirement Fund. For the purpose of cost accounting records, the Sewer Service Fund is designated as an income account.
3. The City hereby establishes an Operation and Maintenance Fund as an expenditure account for the purposes of funding and paying for all expenditures of operating, maintaining, and administrating the wastewater facility owned and operated by the City including costs for treatment of extra strength wastewater. Revenue for this fund will be transferred from the Sewer Service Fund.
4. The City hereby establishes an Equipment Replacement Fund as an expenditure fund in accordance with federal regulations for the purpose of accruing funds and interest to purchase capital equipment for replacement when necessary, as planned and budgeted. The City shall annually transfer the revenue generated for the purpose of replacement from the Sewer Service Fund to the Equipment Replacement Fund.
5. The City hereby establishes a Debt Retirement Fund as an expenditure account for the purpose of providing funds to be used solely for the retirement of outstanding debts attributed to the wastewater facility. The City shall transfer as necessary to meet

debt service requirements, the revenue generated for debt retirement from the Sewer Service Fund, if any.

Subd. 3. USER CLASSIFICATION

1. Users of the City of Trimont Wastewater Facility shall be identified as one of the following classifications:
  - A. Residential
  - B. Commercial
  - C. Institutional/Governmental
  - D. Industrial
2. Residential, Commercial and Institutional/Government users are all non-industrial users.
3. The classification of users for the purpose of assessment of user charges shall be the responsibility and prerogative of the City. Classification of users shall be based in part upon the substantive intent of the definitions of user classes contained herein.

Subd. 4. ASSESSMENT OF USER CHARGES

1. Each user of the City of Trimont Wastewater Facility shall be billed monthly on the basis of wastes contributed which shall be determined according to the following schedule.
2. Residential Users - The Assessment of Sewer User Charge attributable to Residential contributors to the wastewater facility shall be based on the average monthly water consumption of those users during the last two months of the previous year plus the first month of the current year.
3. Commercial Users - The Assessment of Sewer User Charge attributable to Commercial contributors to the wastewater facility shall be based on the actual water consumption of those users during the calendar month for which the user charge is being assessed.
4. Institutional/Governmental Users - The Assessment of Sewer User Charge attributable to Institutional/Governmental contributors to the wastewater facility shall be based on the actual water consumption of those users during the calendar month for which the charge is being assessed.

5. Industrial Users- The Assessment of Sewer User Charge attributable to Industrial contributors to the wastewater facility shall be based upon the actual water consumption of those users and the strength of the wastes contributed during the calendar month for which the user charge is being assessed.

Subd. 5. ANNUAL DETERMINATION OF USER CHARGES

1. The City Clerk shall annually prepare a budget for the wastewater facility, identifying costs to be incurred in operation, maintenance, replacement, debt service and administration. The Clerk shall then calculate the applicable charges to be assessed facility users to support the program.

In accordance with federal and state regulations, the user charge to be assessed against each user shall be based on the user's proportionate share of operation, maintenance, replacement and administration costs in proportion to user's contribution to the total wastewater loading from all users.

2. The base charge for operation, maintenance, replacement and administration shall be calculated by multiplying the cost unit by volume by the flow contributed by that user in accordance with the provisions of Subdivision 4 and the following formula:

$$C_u = C_a + (V_c \times V_u)$$

where  $C_u$  = a user's charge per unit of time

$C_a$  = Administration cost per user per unit of time

$V_c$  = the cost per unit of volume; and

$V_u$  = the volume contribution from a user per unit of time

3. A Surcharge will be added to the base charge for those system users other than residential, which discharge a wastewater with a strength exceeding 390 mg/l BOD5 or 460 mg/l SS based on wastewater discharge. Of the various costs involved in operation of the total utility only those related to the wastewater treatment plant are divisible into fractions for flow, BOD5 and SS. The total budgeted treatment plant operating costs shall be apportioned as 33% flow related, 30% Biological Oxygen Demand related and 37%, suspended solids related. These costs shall be reduced to a weight basis to determine a surcharge based upon BOD5 day and SS/day contributed to the sewer utility, computed as follows:

$$SES = (WB - 390) \times .00834 V \times CB + (WS - 460) \times .00834 V \times CS$$

where SES = surcharge for extra strength  
 WB = BOD strength of waste in mg/l  
 WS = suspended solids strength of waste in mg/l  
 V = water use in thousands of gallons per unit of time  
 CB = cost per pound to treat BOD  
 CS = cost per pound to treat SS

Negative values will not be credited against charges.

4. A surcharge will be added to the base charge for those system users which discharge foundation drainage to the sewer collection and treatment facilities by sump pump. The surcharge shall distribute the cost of treating such flow as follows:

$$SEF = \frac{0.60 (COMR)E}{12N}$$

where SEF = surcharge for extra flow, per month

.60 = estimated proportion of extraneous flow attributable to sump pumps

(COMR)E = annual cost of operation, maintenance and replacement attributable to extraneous flow

N = number of sump pump installations discharging to the system.

5. A surcharge may be levied at any time against a user which discharges to the wastewater facility any toxic or incompatible waste which causes an increase in the cost of management of the facility, in an amount equal to such increased costs as determined by the City.
6. The debt service charge to each user, if any, shall be computed by the following formula:

$$DSU = VDS \times Vu$$

where DSU = a user's debt service charge per unit of time

VDS = unit debt cost attributed to collection and treatment of a unit of wastewater

VU = volume contribution from a user per unit of time.

7. The adequacy of the Sewer Service Charge System shall be reviewed annually by the City Council and the Sewer Service Charge shall be revised periodically to reflect any change in debt service, operation and maintenance, replacement and administrative costs. The review shall assure that:
  - a. Sufficient revenue will be generated for the efficient operation of the treatment facilities.
  - b. A proportionate distribution of OM&R cost will be maintained.
  - c. Excess revenue generated from any user class for OM&R shall be applied to that user class for the next year and the user charge shall be adjusted accordingly.
8. There shall be a minimum monthly Sewer Service charge to each user based upon a monthly billable flow of 1500 gallons usage, and that amount shall be applied to rates as determined by the City Council and the provisions of Subd. 5(7).
9. The monthly billable flow determined from the average monthly water consumption during the last two months of the previous year plus the first month of the current year for residential and institutional/ governmental users, shall be applied until such billable flows are re-determined at the end of the first month of the succeeding year.
10. For any commercial user whose contribution to the wastewater facility cannot be equitably equated to the users water consumption due to the nature of the activity, the City Council shall annually determine a billable flow based upon a percentage of water consumption after considering all information and data pertaining thereto which is reasonably obtainable.
11. In the instance where the meter readings of residential users for the period of time used to establish the consumption rate for the year are not indicative of normal use due to the absence of occupants for all or a part of that period, the City Council may use readings from the previous base period for determining the consumption rate to be applied for the ensuing year.

12. When a "new user" utilizes the sewer system, the base period for determining the consumption rate to be applied for the ensuing year shall be based upon the first months meter reading. For purpose of this paragraph, a "new user" shall be a user who is utilizing the sewer system for the first time.

Subd. 6. NOTIFICATION

1. Upon annual adoption of the User Charge Rates, the City Clerk shall, in conjunction with the first billing made thereunder, advise each user of the rates and the portion thereof which applies to operation, maintenance and replacement as distinguished from debt service.

Subd. 7. BILLINGS AND COLLECTION

1. Sewer service charges shall be computed and billed monthly in conjunction with billings for water service. Sewer service charge billings shall be due and payable 20 days after being rendered. If the charge for sewer service is not paid within 60 days of billing, such charges are deemed and are hereby declared to be delinquent, and the City may levy an interest penalty for late payment.
2. On or before October 10 of each year the City Clerk shall prepare a list of delinquent sewer accounts including penalty interest due.

The City Council shall assess the delinquent accounts against the property receiving the use and service of the wastewater facility and shall certify such assessments to the County Auditor as a lien against the affected properties for collection in the same manner as other special assessments. The sum collected, together with interest shall be deposited in the Sewer Service Fund for subsequent transfer to the appropriate expenditure accounts.

Subd. 8. ACCESS TO RECORDS

The U. S. Environmental Protection Agency or the Minnesota Pollution Control Agency or an authorized representative thereof shall have access to any books, documents, papers and records of the City or the users of the City sewer facility which are applicable to the system of user charges for the purpose of making audit, examination, excerpts and transactions thereof to insure compliance with the terms of the Special and General Conditions to any Federal or State Grant.

Subd. 9. CONFLICT

All other ordinances and parts of other ordinances inconsistent or



conflicting with any part of this Ordinance are hereby repealed to the extent of such inconsistency or conflict.