

**RESOLUTION NO. 6711**

A RESOLUTION SETTING RATES FOR WASTEWATER SYSTEM USE AND REPEALING RESOLUTION NO. 6598 (A RESOLUTION FORGOING A SEWER RATE INCREASE FOR FISCAL YEAR 2017-2018 AND REAFFIRMING RATES IN RESOLUTION 6549)

WHEREAS, the Council of the City of Albany has duly adopted prior Ordinances declaring their intent to establish a sewer rate structure that is based on the principle that all users pay their equitable share of sewer system costs, and

WHEREAS, it is necessary that users with relatively homogeneous wastewater loading are grouped together and rates are developed for the average loadings in that group; and

WHEREAS, the rate structure should be designed to generate revenues adequate to properly operate and maintain the water system, to comply with regulatory requirements, to fund water system capital projects, and to meet debt service requirements, and

WHEREAS, prior Resolution No 4920 clarified the definition of “commercial unit” and provides useful context and history should it be necessary to interpret the current resolution, and

WHEREAS, prior Resolution No. 5055 clarified the application of the term, “dwelling unit” to multi-family housing types and provides useful context and history should it be necessary to interpret the current resolution, and

WHEREAS, Chapter 10 06 of the Albany Municipal Code sets forth requirements to manage and recover the costs of an Industrial Pretreatment Program as detailed in Federal Regulations 40 CFR Part 403, and

WHEREAS, the Oregon Department of Environmental Quality (DEQ) currently charges an annual fee for each “significant industrial user” served by the Albany wastewater system, and

WHEREAS, the Council reviews utility rates annually, with this year’s evaluation being completed at the March 12, 2018, Council Work Session, and

WHEREAS, a **3.5 percent** (3 5%) increase in revenue is recommended to cover debt and operating expenses and to meet annual revenue targets for capital projects

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that the rates and charges for sewer service as specifically described in Exhibit “A” (attached hereto) are hereby adopted; and

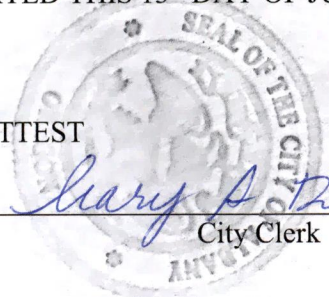
BE IT FURTHER RESOLVED that Resolution No 6598 is hereby repealed; and

BE IT FURTHER RESOLVED that Resolution No 4920 and 5055 are superseded by this resolution only to the extent of a conflict with this resolution in which case, this resolution shall control, and

BE IT FURTHER RESOLVED that the rates established by this resolution and the repeal of Resolution No 6598 shall be effective **July 1, 2018**.

DATED THIS 13<sup>th</sup> DAY OF JUNE 2018.

ATTEST

  
*Mary A. Tibble*  
\_\_\_\_\_  
City Clerk

  
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Mayor

## EXHIBIT A

### RESIDENTIAL

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For each residential customer, the monthly bill for sewer service shall be computed as follows

$$A = (\text{fixed charge} \times B) + (\text{volume rate} \times C)$$

where: A = monthly bill  
B = the number of dwelling units for residential customer  
C = the monthly water consumption expressed in hundreds of cubic feet (Ccf)

and where Fixed charges and volume rates by fiscal year are included in the rate schedule below

<u>RATE SCHEDULE</u>	<u>Fiscal Year</u> <i>(effective July 1)</i>
<b>Customer Class</b>	<b>2018-19</b>
<b><i>Fixed Charge</i></b>	
Residential	<del>\$36,186</del> <b>\$37,453</b>
<b><i>Volume Rate (\$/Ccf)<sup>1</sup></i></b>	
Residential	<del>\$2,551</del> <b>\$ 2,640</b>

<sup>1</sup> Ccf = one hundred cubic feet or approximately 750 gallons

#### **Fixed Charges:**

Residential customers include all single-family and multi-family housing units, including manufactured or mobile home parks. Duplexes and other multi-family units will be charged a monthly fixed charge for each dwelling unit. For purposes of clarifying sewer fixed charges, "dwelling unit," as that term is applied to duplexes, residential parks, and other multi-family units, shall be defined as any place of human habitation designed for occupancy based upon separate leases, rental agreements, or other written instruments. Current rental practices will not be dispositive of the question of how a dwelling is "designed" for occupancy.

The City's past practice of charging a separate fixed charge component for each bedroom of a "quad" or "quint" type apartment so long as each such bedroom is designed for occupancy by virtue of a separate lease, rental agreement, or other written instrument is hereby affirmed. The number of fixed charge components of the monthly sewer bill for a "quad" or "quint" apartment shall not exceed the number of toilets available for the discharge of human waste into the City's sanitary sewer system. By way of illustration, a "quad" unit, which has four bedrooms (each of which is designed for occupancy based on a separate lease, rental agreement, or other written instrument) and which has two toilets to be shared among the occupants of the "quad," shall have the fixed charge component of the bill capped at two fixed charge components. If a similar "quad" had four toilets, the fixed charged portion of its bill would be four fixed charge components. If a similar quad had five or more toilets available for occupants use, it would still only be charged four fixed charge components because it contains four habitable bedrooms (each of which is designed for occupancy based on a separate lease, rental agreement, or other written instrument).

#### **Volume Rates:**

The volume rates for residential customers will be calculated using "average" winter water meter readings from City installed or private water meters as approved herein. The monthly average will be calculated using the monthly water meter readings from November, December, January, and February. Each July the residential customer's sewer bill will be adjusted using the monthly average water meter readings from those previous winter months.

For residential customers with no water meter history including new connections, accounts with no recent water meter history, and new homeowners in a home with previous water meter history, six (6) Ccf will be used to calculate the monthly bill until the monthly average using the winter water meter readings can be calculated and applied.

If a customer disagrees with the assigned volume rate, the customer will be required to submit evidence supporting a reduced volume rate for review by the Public Works Director, or his/her designee. The Public Works Director, or his/her designee, may adjust the assigned rate provided that sufficient evidence (as determined by the Director) has been submitted by the customer to justify the adjustment. The decision of the Public Works Director is final.

For residential customers that are not connected to City water and are designated as 'sewer only' customers, eight (8) Ccf will be used to calculate the volume portion of the monthly bill.

**Alternative Volume Rates:**

Current customers, as of the effective date of this resolution, receiving potable water for human consumption from an existing well may apply to install approved metering facilities to measure water use for sewer billing purposes. To be eligible for this option, customers must receive prior written approval from the Public Works Director based upon standards promulgated for determining suitability of such facilities. This option is only available to current customers lawfully served by an existing potable water supply.

The metering facilities (meter type, meter size, piping configuration, etc.) and all other conditions (property and facility access provisions, meter testing, etc.) must be in accordance with standards established by the Public Works Director. All costs associated with this alternative sewer billing option will be borne solely by the customer.

Nothing herein exempts any property, property owner, or sewer customer from any requirement to be connected to the City water system established by any other ordinance or regulation.

**COMMERCIAL**

For each commercial customer, the monthly bill for sewer service shall be computed as follows.

$$A = (\text{fixed charge} \times B) + (\text{volume rate} \times C)$$

- where
- A = monthly bill
  - B = the number of commercial units served by the sewer service
  - C = the monthly water consumption expressed in hundreds of cubic feet (Ccf)

and where: Fixed charge and volume rate for the customer class and fiscal year are included in the rate schedule below

RATE SCHEDULE	Fiscal Year (effective July 1) <b>2018-19</b>
<b>Customer Class</b>	
<b><i>Fixed Charges</i></b>	
Commercial	
Low	\$4,518 <b>\$ 4,676</b>
Medium	\$17,465 <b>\$18,076</b>
High	\$20,183 <b>\$20,889</b>
<b><i>Volume Rates (\$/Ccf)<sup>1</sup></i></b>	
Commercial	
Low	\$7,180 <b>\$ 7,431</b>
Medium	\$9,142 <b>\$ 9,462</b>
High	\$14,948 <b>\$15,471</b>

<sup>1</sup> Ccf = one hundred cubic feet or approximately 750 gallons

**Customer Classification:**

Commercial accounts will be classified according to their strength of wastewater as described in the Commercial Customer Classification List (Appendix A). If a commercial customer cannot be easily categorized, the customer will be asked to submit estimated wastewater flow and strength data with a description of the type of business activities to the Public Works Director. The Public Works Director will make the final determination of customer classification for each commercial customer.

For commercial customers where a single water meter serves a building with multiple commercial uses, the classification for the entire account will normally be based on the single highest classification within the building. For example, if a building contains both offices and restaurants, the entire account bill would be calculated using the rates for a restaurant customer. In addition, for commercial customers where a single water meter serves a building with multiple commercial uses, the monthly fixed charge will be based on the number of commercial units being served by the wastewater service.

For the purpose of clarifying sewer fixed charges “commercial unit” shall be defined as each portion of a commercial use that has plumbing fixtures connected to the sanitary sewer system and which is designated for occupancy based upon a property right. Property right for purposes of this definition includes ownership, a leasehold interest, or any contractually-based right to occupancy of 12 or more hours in any 24-hour period.

**Monthly Water Consumptive Use for Volume Rate:**

- **Average Winter Water Use** The volume rates for most commercial customers will be calculated using “average” winter water meter readings from City installed or private water meters as approved herein. The monthly average will be calculated using the monthly water meter readings from November, December, January, and February. Each July the commercial customer’s sewer bill will be adjusted using the monthly average water meter readings from those previous winter months.

- Actual Water Use. For commercial customers whose water meter readings, from City installed or private water meters as approved herein, vary widely on a monthly basis due to changes in business sales or other non-irrigation factors (including but not limited to: restaurants, grocery stores, mortuaries, motels, industrial launderers, and others as the City may determine), the volume rates will be calculated using the actual water meter reading from the previous month.
- No Water Use History Some commercial customers will have no water meter history including new connections, accounts with no previous water meter history, accounts receiving water service from a well, or a new business in a building with previous water meter history. For those new customers, the City will use the average water meter reading of existing customers in the same commercial classification (e.g., low, medium, high) provided that the existing customer(s) are similar in operation and scale as the new customer. That information will generally be used to calculate the monthly bill until a history for the account can be established. Should no similar existing customer exist, the City will use 8 Ccf for low strength commercial, 20 Ccf for medium strength commercial, and 35 Ccf for high strength commercial customers as the basis for calculating the monthly bill.

It may take as long as a year of water meter history to establish a specific customer's average use of the system if billed using "average" winter water meter readings. It will take only one (1) month of water meter history to establish the specific customer's actual use of the system if billed using actual water meter readings from the previous month.

If a type of customer within the general classification system has a specific "average" winter water use history that differs greatly from the water use history of the classification as a whole, then the specific history may be used until a history for the account can be established. If a commercial customer disagrees with the City's determination regarding their water use for billing purposes, the customer will be required to submit wastewater flow and strength data with a description of the type of business activities to the Public Works Director. The Public Works Director will make the final determination of customer use of the system for each commercial customer.

**Alternative Volume Rates:**

Current customers, as of the effective date of this resolution, receiving potable water for human consumption from an existing well may apply to install approved metering facilities to measure water use for sewer billing purposes. To be eligible for this option, customers must receive prior written approval from the Public Works Director based upon standards promulgated for determining suitability of such facilities. This option is only available to current customers lawfully served by an existing potable water supply.

The metering facilities (meter type, meter size, piping configuration, etc.) and all other conditions (property and facility access provisions, meter testing, etc.) must be in accordance with standards established by the Public Works Director. All costs associated with this alternative sewer billing option will be borne solely by the customer.

Nothing herein exempts any property, property owner, or sewer customer from any requirement to be connected to the City water system established by any other ordinance or regulation.

**INDUSTRIAL**

Process Wastewater For process wastewater from each industrial customer, the monthly bill for sewer service shall be computed as follows

$$A = (\text{Flow} \times \text{Flow unit charge}) + (\text{BOD} \times \text{BOD unit charge}) + (\text{TSS} \times \text{TSS unit charge})$$

where: A = monthly bill  
 Flow, BOD, & TSS = data collected monthly from the industrial customer's wastestream

and where flow, BOD, & TSS unit charges for the industrial customer class are included in the monthly rate schedule below

RATE SCHEDULE

**Customer Class**

***Industrial Unit Charges***

Flow (\$/Ccf) <sup>1</sup>	<del>\$3.556</del> <b>\$3.680</b>
Biochemical Oxygen Demand (BOD) (\$/lb )	<del>\$0.916</del> <b>\$0.948</b>
Total Suspended Solids (TSS) (\$/lb.)	<del>\$1.225</del> <b>\$1.268</b>

<sup>1</sup> Ccf = one hundred cubic feet or approximately 750 gallons

Non-Process Wastewater. For industrial customers that do not have separate water meter service to supply the non-process portions of their facilities, the monthly bill for domestic (non-process) wastewater service shall be billed at the Commercial-Low Strength rate and the domestic use shall be estimated using the following formula

$$A = (B \times C \times D) / (748 \text{ gallons per Ccf})$$

where A = estimated domestic discharge per month  
 B = average number of full-time employees during the month based on monthly employment data  
 C = the total number of working days in the month  
 D = the average discharge allowance per employee per day, estimated to be 15 gallons per day

Each industrial customer without separate water meter service to supply the non-process portions of their facilities shall submit monthly employment and operating information to the City of Albany. Submitted information shall include the industry's number of full-time equivalent employees that month and the total number of production days that month.

Wastewater Discharge Permit A Wastewater Discharge Permit may be required for any significant industrial user (SIU) as defined by Chapter 10.06 of the Albany Municipal Code. Chapter 10.06 also defines the requirements and conditions that must be addressed by the permittee and provides the authority to establish a permit fee. The permit fee is designed only to recover the direct costs paid to the Oregon Department of Environmental Quality (DEQ) as follows

Wastewater Discharge Permit Fee	
	Annual Fee
Significant Industrial User	<del>\$637</del> <b>\$656</b>

## OTHER

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### Commercial and Contracted Waste Haulers:

For commercial and contracted waste haulers transporting and discharging domestic septic tank waste, waste from chemical toilets, or other waste as may be approved, the monthly bill for sewer service shall be computed as follows

#### Holding Tank and Chemical Toilet Waste

$$A = B \times C$$

where: A = monthly bill  
B = total monthly volume discharged in gallons  
C = ~~(\$0.152)~~ ~~\$0.15~~ **(\$0.157) \$0.16** per gallon

#### Septic Tank Cleanings.

$$A = B \times C$$

where: A = monthly bill  
B = total monthly volume discharged in gallons  
C = ~~(\$0.151)~~ ~~\$0.15~~ **(\$0.156) \$0.16** per gallon

#### Valley Landfill

$$A = B \times C$$

where: A = monthly bill  
B = total monthly volume discharged in gallons  
C = ~~(\$0.050)~~ ~~\$0.05~~ **(\$0.052) \$0.05** per gallon

For commercial or contracted waste haulers without a specific rate specified above, the potential customer shall work with City of Albany staff to develop cost-of-service rates. Rates will be codified if the service agreement becomes a long-term arrangement.

## APPENDIX A

### CITY OF ALBANY COMMERCIAL CUSTOMER CLASSIFICATION COMBINED AVERAGE STRENGTH CATEGORIES & STANDARD INDUSTRIAL CLASSIFICATION

#### Waste Characteristic Allocation:

The City of Albany does not have a monitoring program for all commercial customers and consequently does not have specific monitoring data on all of Albany's commercial customers. However, an extensive project was undertaken by the City of Portland Bureau of Environmental Services (BES) to determine wastewater characteristics by Standard Industry Classification (SIC) codes based upon monitoring data for Portland's customers and using data from other cities.

The City of Portland's wastewater characteristic study data is based on BOD and TSS information from commercial customers in Portland and 28 additional cities, and the customer list is representative of the Albany commercial businesses. The City of Salem is also using the Portland BES data to classify their commercial customers. Albany will continue to refine this database as additional waste characterization data becomes known.

#### COMMERCIAL LOW-STRENGTH (UP TO 450 MG/L COMBINED BOD/TSS)

##### Offices & Services

- Accounting, Auditing, and Bookkeeping Services (8721)
- Adjustment and Collection Services (7322)
- Amusement & Recreation Services NEC (7999)
- Banks & Credit Unions (6021, 6022, 6141)
- Barber & Beauty Shops (7241, 7231)
- Child Day Care Services (8351)
- Computer and Computer Software Stores (5734)
- Correctional Institutions (9223)
- Employment Agencies (7361)
- Engineering Services (8711)
- Gasoline Service Stations (5541)
- Individual and Family Social Services (8322)
- Insurance Agents, Brokers, and Service (6411)
- Investment Advice (6282)
- Legal Services (8111)
- Libraries (8231)
- Medical & Dental Offices & Clinics (including chiropractors, health practitioners, optometrists)  
(8011, 8021, 8041, 8042, 8049)
- Motels (7011)
- Museums and Art Galleries (8412)
- Nursing Care Facilities (8051)
- Schools (Elementary & Secondary) and Educational Services (8211)
- Taxicabs (4121)
- Title Insurance (6361)
- Trucking - local with storage (4214)

##### General Retail Businesses

- Apparel, Accessory, Jewelry & Shoe Stores (5699, 5641, 5651, 5944, 5661)
- Auto equipment/supplies, new/used - NEC (5599)
- Beer, Ale, & Liquor Stores - wholesale & distribution (5181 & 5921)
- Boat Dealers (5551)
- Book Stores (5942)
- Coin-Operated Laundries (7215)
- Department Stores (5311)



Floor Covering Stores (5713)  
Florists (5992)  
Groceries, wholesale & distribution (5141)  
Hobby, Toy, and Game Shops (5945)  
Home Furnishings & Hardware Stores (5719, 5251)  
Miscellaneous food stores - minimarts without kitchens (5499)  
Musical Instrument Stores (5736)  
Paint, Glass, and Wallpaper Stores (sales but no mixing) (5231)  
Sporting Goods Stores and Bicycle Shops (5941)  
Tobacco Stores and Standards (5993)  
Used Merchandise Stores (5932)  
Video Tape Rental (7841)

**COMMERCIAL MEDIUM-STRENGTH (451 - 1,125 MG/L COMBINED BOD/TSS)**

Automotive/Mechanical repair &/or wash

Airports, Flying Fields, and Airport Terminal Services  
Automotive Repair Shops NEC (7539)  
Carwashes (7542)  
Motor Vehicle Dealers - used cars (5521)

Specialty with medium-strength waste discharge:

Dry Cleaning Facilities (7216)  
Restaurants, Eating Places, Bars, & Taverns (5812)  
Funeral Services and Crematories (7261)  
Hospitals (8060)  
Junior Colleges and Technical Institutes (8222)  
Meat and Fish Markets, Including Freezer Provisioners (5421)  
Paints/Varnishes/Lacquers/Enamels mixing (2851)  
Photofinishing Laboratories (7384)  
Recreational Vehicle Parks (7033)  
Trucking - local with storage (4212)

**COMMERCIAL HIGH-STRENGTH (GREATER THAN 1,126 MG/L COMBINED BOD/TSS)**

Automotive:

Exhaust System Repair (7533), Transmission Repair (7537), Tire Shop (7534), General  
Automotive Repair (7538-see printout), Automotive Services (7549), Armature Rewinding  
Shop (7694)  
Motor Vehicle Dealers - new cars (5511)

Specialty with high-strength waste discharge:

Candy, Nut, and Confectionery Stores (5441)  
Disinfecting and Pest Control Services (7342)  
Fire Protection (9224)  
Grocery Stores with garbage disposals (5412)  
Industrial Launderers (7218)  
Malt Beverage Brewery (2082)  
Pharmaceutical Preparations (2834)  
Retail Bakeries - with kitchen (5461)  
Printing & Stamping on Fabric Articles - silk screening (2396)  
Trucking - long distance, not local (4213)  
Passenger car rental, no drivers for hire (7514)