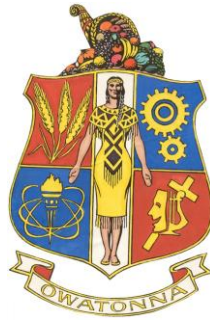


THE CITY OF



OWATONNA

Kyle Skov, Engineer
Public Works Director

540 West Hills Circle
Owatonna, MN 55060-4794
Ph. (507) 444-4350
Email: Kyle.Skov@ci.owatonna.mn.us

TO: Honorable Mayor and City Council
FROM: Kyle Skov, Director of Public Works and City Engineer
DATE: March 4, 2021
SUBJECT: Sanitary Sewer Rates and Sewer Access Charge

Purpose:

City Council to approve the second/final reading of Proposed Ordinance 21-2 to amend the Fee Schedule shown in Appendix A of Chapter 35 of the 2015 Ordinance Code for the City of Owatonna related to Section (C) Sewer Rates, Charges and Fees. Changes are proposed in these four subsections:

- (2) Industrial Sewer Rates and Charges Established
- (3) Domestic Sewer Rates and Charges Established
- (5) Sewer Hook-up Charges
- (6) Industrial Wastewater Discharge Permit Fee

Background:

City Council approved the first reading of this proposed ordinance during the March 2, 2021 meeting; there have been no changes since. The following is a brief summary of the proposed changes:

Rates

- Residential – One classification for residential – no longer based on meter size. Continued use of December, January and February average to determine basis for flow charge
- Commercial and industrial– One classification for commercial, Light Significant Industrial User (SIU) and Heavy SIU – no longer based on meter size. Monthly water bill based on flow.
- Modifications to charges per 1,000 lbs for BOD and TSS

Sewer Access Charge

- Reduction of residential sewer access charge
- Multi family charge at 80% of single family charge
- Commercial based on meter size
- Industrial based on projected daily flow

Budget Impact:

The rates change is necessary to fund the anticipated costs of the Wastewater Treatment Facility for the expansion and future operations. The new rates will become effective June 1, 2021.

Staff Recommendation:

Staff recommends approval of Proposed Ordinance 21-2.

PROPOSED ORDINANCE NO: 21-2

ORDINANCE NO. 1614

AN ORDINANCE AMENDING CHAPTER 35 OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, ENTITLED "SEWER, RATES, CHARGES AND FEES" BY AMENDING CHAPTER 35, APPENDIX A FEE SCHEDULE (C) SEWER RATES CHARGES AND FEES (2) INDUSTRIAL SEWER RATES AND CHARGES ESTABLISHED AND (3) DOMESTIC SEWER RATES AND CHARGES ESTABLISHED AND (5) SEWER HOOK-UP CHARGES AND(6) INDUSTRIAL WASTE WATER DISCHARGE PERMIT FEE"

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. Chapter 35 of the 2015 Ordinance Code of the City of Owatonna, entitled "Sewer, Rates, Charges and Fees", Chapter 35, Appendix A Fee Schedule, (C) Sewer Rates Charges and Fees (3) Domestic Sewer Rates and Charges Established:

(2) *Industrial sewer rates and charges established.*

4. Initial unit cost figures shall be:

- a. f = \$0.322/1,000 gallons.
- b. b = \$425/1,000 pounds of BOD; and
- c. ss = \$260/1,000 pounds of suspended solids.

(Effective 6/01/2021).

(3) *Domestic sewer rates and charges established.*

(a) Rates and charges for domestic wastewater disposal service shall be \$2.12 per 100 cubic feet of the average amount of water billed in the months of December, January, and February and billed starting in March and each subsequent month of the year at that calculated amount for residential customers. Commercial, Light SIU, and Heavy SIU shall be billed on actual water use monthly. To each such statement, each month shall be added a service charge based on the meter size as shown in the following table.

(Effective 06/01/ 2021).

Customer Class	Monthly
Residential	\$14.42
Commercial	\$16.50
Light SIU	\$50.00
Heavy SIU	\$650.00

1. Vacant rental units with individual meters shall be charged only the monthly service charge (Effective 1/1/2016).

2. Single-family residential units that are not being serviced by the city water system shall be charged the equivalent of 7 CCF of wastewater, equaling fourteen dollars and *fifty-six* cents (\$14.84) per month, plus service charge for residential meter. (Effective 6/01/2021).

3. A charge of twelve dollars and forty-eight cents (\$12.72) per month shall be made to new customers and to new residential construction based on 6 CCF commencing on the date of installation of the water meter and continuing until an average can be struck, from use in December, January and February in addition to the service charge based on the meter size. Customers moving within the city will be charged at the rate established at their previous residence until an average can be struck from use in December, January and February for the new residence. (Effective 06/01/2021).

(5) *Sewer hook-up charges.*

Residential	Fee
All Connections	\$1,669.00
Multi-Family*	\$/Unit
All Connections	\$1,335.00
Commercial	Fee
1" or Smaller	\$3,186.00
1-1/2"	\$6,373.00
2"	\$10,197.00
3"	\$19,119.00
4"	\$31,866.00
6"	\$63,725.00
Industrial	\$/100 gallons per day
All connections	\$801.00

* Three or more units in one building. Multi-Family users may be considered Residential or Commercial for regular sewer usage billings depending on how the property is connected and metered. For example, a multi-unit apartment that receives one utility bill should be considered Commercial and a multi-unit condo complex where each unit received a utility bill should be considered Residential. Both situations would be treated as Multi-Family for SACs. (Effective 6/01/2021).

(6) *Industrial wastewater discharge permit fee.* A fee for wastewater discharge permit, as authorized in § [51.07](#) of this code of ordinances, shall be \$1,000.00. (Effective 6/01/2021).

Section 2. Effective date. This Ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this _____ day of ____, 2021, with the following vote:

Aye __; No __; Absent __.

Approved and signed this ___ day of _____, 2021.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk