

E2

RESOLUTION NO. 1973

A RESOLUTION SETTING RATES FOR SEWER CONNECTIONS UNDER PROVISIONS OF SECTION 7.3 OF ORDINANCE NO. 4144.

WHEREAS, connection charges are established to finance the oversizing and expansion of the water treatment plant necessary to serve new users within the City and a detailed study of the annual costs for oversizing and sewage treatment expansion have been carried out, now, therefore,

BE IT RESOLVED, by the Council of the City of Albany, that connection charges under the provisions of Section 7.3 of Ordinance No. 4144 are hereby established as follows:

- Single family residential = \$565
- Multi-family residential = \$565 per dwelling unit

Limited Commercial Use - In a commercial business with occupancy of less than 30 persons as defined by the building code of the City of Albany shall be classified as an equivalent to a single family residential unit and shall be charged the sum of \$565.

- General Commercial = \$1,130

High strength commercial and industrial users should be charged according to the following formula:

$$X = (M) (Y)$$

- where:
- X = connection charge
 - M = \$1,283,500
 - Y = Maximum of $\frac{V_C}{V_D}$, $\frac{BOD_C}{BOD_D}$, or $\frac{SS_C}{SS_D}$

and where:

- V_C = Estimated average daily flow for customer for the two highest weeks in a calendar year.
- V_D = 1 MGD since the cost "M" is calculated on this basis.
- BOD_C = the estimated daily average biochemical oxygen demand in pounds per day of customer for the two highest weeks in a calendar year.
- BOD_D = 4,450 pounds per day since the cost of "M" is based on the fact that plant design of 1 MGD will treat this amount of BOD.
- SS_C = the estimated daily average suspended solids demand in pounds per day of customer for the two highest weeks in a calendar year.

SS_D = 2,350 pounds per day since the cost "M" is based on the fact that the plant design of 1 MGD will treat this amount of SS

These connection charges are based on required revenues, the expected number of new connections, and the average wastewater loadings in each customer class.

The wastewater loading for new high strength commercial and industrial users should be monitored or sampled after normal operating conditions for the user are reached. At that point the connection charge should be recalculated based on the actual loadings and adjusted payments (or refunds) should be made.

BE IT FURTHER RESOLVED that sewer user rates and connection fees be reviewed and updated annually. This updating procedure should, at a minimum, include consideration of changing system costs and prevailing price levels. The following formulas outline a methodology by which city staff can perform this type of annual update:

Demand Charges

$$B_{2i} = (B_{1i}) \left(1 + \frac{a_2 - a_1}{a_1} - \frac{p_{2i} - p_{1i}}{p_{1i}} \right)$$

- Where: B_{2i} = updated demand charge for customer class "i"
 B_{1i} = old demand charge for customer class "i"
 a₂ = total expenditures shown in the Sewer Service Fund of the most recent audit
 a₁ = (same as for a₂ except figures are for one year prior)
 p_{2i} = current number of customers (accounts) in customer class "i"
 p_{1i} = prior year number of customers (accounts) in customer class "i"

(Note: For industrial users, B is equivalent to J in the industrial rate formula.)

Variable Rates (non-industrial)

$$C_{2i} = (C_{1i}) \left(1 + \frac{b_2 - b_1}{b_1} \right)$$

- Where: C_{2i} = updated variable rate for customer class "i"
 C_{1i} = old variable rate for customer class "i"
 b₂ = total expenditures minus capital outlays as shown in the most recent audit report
 b₁ = (same as for b₂ except figures are for one year prior)

Variable Rates (industrial)

$$K_{2i} = K_{1i} \left(1 + \frac{b_2 - b_1}{b_1} \right)$$

$$L_{2i} = L_{1i} \left(1 + \frac{b_2 - b_1}{b_1} \right)$$

$$M_{2i} = M_{1i} \left(1 + \frac{b_2 - b_1}{b_1} \right)$$

Where: K_{2i} = updated SS rate for industry "i"

K_{1i} = old SS rate for industry "i"

L_{2i} = updated BOD rate for industry "i"

L_{1i} = old BOD rate for industry "i"

M_{2i} = updated flow rate for industry "i"

M_{1i} = old flow rate for industry "i"

b_2 = (same as for non-industrial rates)

b_1 = (same as for non-industrial rates)

Connection Charges (all customer classes)

$$D_{2i} = D_{1i} \left(1 + \frac{E_2 - E_1}{E_1} \right)$$

Where: D_{2i} = updated connection charge (or M in the case of the industrial connection charge formula) for customer class "i"

D_{1i} = old connection charge for customer class "i"

E_2 = most recent Engineering News Record construction cost index for the geographic area closest to Albany

E_1 = (same as E_2 except one year prior)

DATED this 28th day of June, 1978.



Mayor

ATTEST:



City Recorder