

RESOLUTION NO. 4329

A RESOLUTION SETTING RATES FOR SEWER USE AND REPEALING RESOLUTION NO. 4294.

WHEREAS, the Council of the City of Albany has duly adopted Ordinance No. 5405 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, the City of Albany is currently under enforcement proceedings with the Oregon Department of Environmental Quality regarding alleged violations of its wastewater discharge permit, and

WHEREAS, rate increases proposed in this resolution are issued in contemplation of Oregon Department of Environmental Quality mandates to implement improvements to the City of Albany's wastewater treatment and collection system, and

WHEREAS, the City of Albany anticipates entering into a settlement contract with the Oregon Department of Environmental Quality to resolve the alleged violations of its wastewater discharge permit, and

WHEREAS, the Mayor's Wastewater Task Force reviewed the needs of the City's wastewater system and developed a 10-year strategic financial plan to meet wastewater discharge permit requirements and water quality standards, and the Mayor's Wastewater Task Force Report was accepted by the Albany City Council on January 26, 2000; 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, in establishing equities in sewer use rates, the Mayor's Wastewater Task Force Report established customer classes as residential, low-, medium-, and high-strength commercial, industrial, and Millersburg; and

WHEREAS, rate policies should be established for customers with no prior history, customers on wells or otherwise not connected to city water, and unique sewer customers such as commercial waste haulers; and

WHEREAS, an equitable rate structure generally requires a fixed charge for each user plus a volume rate that depends on the use of the system be established; and

WHEREAS, the rate structure should be designed to encourage water conservation and provide customers reasonable control over their bills; and

WHEREAS, the Mayor's Wastewater Task Force Report recommends a five-year, rate transition plan to cost-of-service rates for most customers and an eight-year plan for those customers in the restaurant or grocery store classification on June 30, 2000; and

WHEREAS, the City Council has directed the Utility Billing staff to implement monthly sewer billing service (Resolution 4018) in Albany; and

WHEREAS, the City Council has directed staff to implement fully-fixed, quarterly sewer billing service for Millersburg; and


WHEREAS, staff will annually monitor and report to the Albany City Council actual revenues and expenditures of the sewer system.

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. 4294 is hereby repealed; and

BE IT FURTHER RESOLVED that the ~~monthly~~ rates established by this resolution shall be effective July 1, 2000.

DATED THIS 13TH DAY OF SEPTEMBER 2000.


Mayor

ATTEST:



City Recorder

EXHIBIT "A"

RESIDENTIAL

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 monthly transition rate schedule below.

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Fixed Charges					
Residential	\$12.848	\$13.785	\$14.787	\$15.858	\$17.001
Volume Rates (\$/Ccf)¹					
Residential	\$0.905	\$0.972	\$1.042	\$1.118	\$1.198

¹ Ccf = one hundred cubic feet or approximately 750 gallons

Beginning in the fiscal year 2005-2006 and continuing through fiscal year 2009-2010, the monthly rates for residential customers will be increased nine (9) percent per year effective July 1 each fiscal year.

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2005-06	2006-07	2007-08	2008-09	2009-10
Fixed Charges					
Residential	\$18.531	\$20.199	\$22.017	\$23.999	\$26.159
Volume Rates (\$/Ccf)¹					
Residential	\$1.306	\$1.424	\$1.552	\$1.691	\$1.844

¹ Ccf = one hundred cubic feet or approximately 750 gallons

Residential customers include all single-family and multi-family housing units. Duplexes and other multi-family units will be charged a monthly fixed charge for each dwelling unit.

The volume rates for residential customers will be calculated using "average" winter water meter readings. The monthly average will be calculated using the monthly water meter readings for four winter months (November, December, January, and February). Each July the residential customer's sewer bill will be adjusted using the monthly average water meter readings from the previous winter months.

For residential customers with no water meter history (new connections, accounts with no previous water meter history, accounts with wells, and new homeowners in a home with previous water meter history) the residential average of 8 Ccf will be used to calculate the monthly bill until the monthly average using the winter water meter readings can be calculated and applied.

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 monthly transition rate schedule below.

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Fixed Charges					
Commercial					
Low	1.400	1.554	1.725	1.913	2.122
Medium	4.755	5.470	6.277	7.188	8.205
Restaurants ¹	4.755	5.470	6.277	7.188	8.205
High	3.863	4.992	6.290	7.778	9.483
Grocery Stores ¹	3.863	4.992	6.290	7.778	9.483
Volume Rates (\$/Ccf)²					
Commercial					
Low	2.227	2.471	2.742	3.042	3.374
Medium	2.488	2.863	3.285	3.761	4.294
Restaurants ¹	3.037	3.037	3.250	3.500	3.880
High	2.825	3.665	4.634	5.747	7.023
Grocery Stores ¹	4.306	4.306	4.630	5.260	5.800

¹ Eight-year transition for those customers in the restaurant or grocery store classification on June 30, 2000
² Ccf = one hundred cubic feet or approximately 750 gallons

Beginning in the fiscal year 2005-2006 and continuing through fiscal year 2009-2010, the monthly rates for commercial customers will be increased nine (9) percent per year effective July 1 each fiscal year.

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2005-06	2006-07	2007-08	2008-09	2009-10
Fixed Charges					
Commercial					
Low	2.313	2.521	2.748	2.995	3.265
Medium	8.944	9.749	10.626	11.583	12.625
Restaurants ¹	8.944	9.749	N/A		
High	10.336	11.266	12.280	13.385	14.590
Grocery Stores ¹	10.336	11.266	N/A		
Volume Rates (\$/Ccf)²					
Commercial					
Low	3.677	4.008	4.369	4.762	5.191

Medium	4.681	5.102	5.561	6.602	6.608
Restaurants ¹	4.300	4.800	N/A		
High	7.655	8.344	9.095	9.914	10.806
Grocery Stores ¹	6.600	7.700	N/A		

¹ Eight-year transition for those customers in the restaurant or grocery store classification on June 30, 2000

² 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 Work 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 sewer service.

Monthly Water Consumptive Use for Volume Rate

- **Average Winter Use.** The volume rates for most commercial customers will be calculated using "average" winter water meter readings. The monthly average will be calculated using the monthly water meter readings for four winter months (November, December, January, and February). Each July the commercial customer's sewer bill will be adjusted using the monthly average water meter readings from the previous winter months.
- **Actual Use.** For commercial customers whose water meter readings vary widely on a monthly basis due to changes in business sales or other non-irrigation factors (e.g., restaurants, grocery stores, mortuaries, motels, and industrial launderers), the volume rates will be calculated using the actual water meter reading from the previous month.
- **No Use History.** Some commercial customers will have no water meter history including new connections, accounts with no previous water meter history, accounts with wells, or a new business in a building with previous water meter history. For those customers, the average water meter reading of the customers in the same commercial classification (e.g., low, medium, high) will generally be used to calculate the monthly bill until a history for the account can be established.

It may take six (6) months to a year of water meter history to establish the specific customer's average use of the system if typically 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's use cannot be easily determined, 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 Work Director. The Public Works Director will make the final determination of customer use of the system for each commercial customer.

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 and fiscal year are included in the monthly transition rate schedule below.

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Industrial Unit Charges					
Flow (\$/Ccf) ¹	\$0.704	\$0.920	\$1.179	\$1.487	\$1.670
Biochemical Oxygen Demand (BOD) (\$/lb.)	0.381	0.394	0.406	0.418	0.430
Total Suspended Solids (TSS) (\$/lb.)	0.356	0.402	0.454	0.511	0.575

¹ Ccf = one hundred cubic feet or approximately 750 gallons

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2005-06	2006-07	2007-08	2008-09	2009-10
Industrial Unit Charges					
Flow (\$/Ccf) ¹	\$1.820	\$1.984	\$2.163	\$2.357	\$2.570
Biochemical Oxygen Demand (BOD) (\$/lb.)	0.469	0.511	0.557	0.607	0.662
Total Suspended Solids (TSS) (\$/lb.)	0.627	0.683	0.745	0.812	0.885

¹ Ccf = one hundred cubic feet or approximately 750 gallons

Non-Process Wastewater. For industrial customers that do not have separate water meter service to their non-process portions of their facilities, the monthly bill for domestic (non-process) sewer 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 their 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.

MILLERSBURG

For Millersburg, the monthly bill for sewer service shall be computed as follows:

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

where: A = monthly bill
 B = the monthly wastewater flow expressed in hundreds of cubic feet (Cef).

and where: Millersburg's monthly wastewater flow used to calculate the fixed charge and volume rate billings shall be based on actual metered wastewater flow records when available and accurate. Flow records will be obtained from the totalizing flow meter located immediately upstream of Millersburg's connection to the Wastewater Treatment Plant. In absence of reliable metered wastewater flow data, billings shall be based on estimated flow volumes using pump run times at the Wah Chang and Burkhart pump stations.

and where: Fixed charges and volume rates for the fiscal year are included in the monthly transition rate schedule below.

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Fixed Charges					
Millersburg ²	\$11,285	\$12,096	\$12,947	\$13,837	\$14,764
Volume Rates (\$/Cef)¹					
Millersburg ²	\$1.631	\$1.714	\$1.799	\$1.885	\$1.972

¹ Cef = one hundred cubic feet or approximately 750 gallons

² Includes 50% surcharge for outside City limits

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2005-06	2006-07	2007-08	2008-09	2009-10
Fixed Charges					
Millersburg ²	\$16,093	\$17,541	\$19,120	\$20,841	\$22,716
Volume Rates (\$/Cef)¹					
Millersburg ²	\$2.149	\$2.342	\$2.553	\$2.783	\$3.033

¹ Cef = one hundred cubic feet or approximately 750 gallons

² Includes 50% surcharge for outside City limits

MILLERSBURG

For Millersburg, the quarterly bill for sewer service shall be issued in July, October, January, and April of each year and computed as follows:

$$\text{Quarterly bill} = \text{Annual fixed charge} / 4$$

where: the annual fixed charges by fiscal year are included in the transition rate schedule below.

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Annual Fixed Charge					
Millersburg ¹	\$270,800	\$290,300	\$310,700	\$332,100	\$354,300
Projected Annual Flow (MG)	62.1	63.3	64.6	65.9	67.2

TRANSITION RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)				
	2005-06	2006-07	2007-08	2008-09	2009-10
Annual Fixed Charge					
Millersburg ¹	\$386,200	\$421,000	\$458,900	\$500,200	\$545,200
Projected Annual Flow (MG)	68.5	70.0	71.3	72.7	74.2

¹ Includes 50% surcharge for outside City limits

Albany shall perform an annual review of this rate structure to ensure Millersburg's fixed rate is representative of their fair share of wastewater system costs. To address flow variations from those expected in the financial plan, a moving five-year average of total wastewater flows from Millersburg shall be calculated at the conclusion of each calendar year. If the average of the prior five years' sewer flows is greater than 10 percent above or below the annual flow projected in the financial plan, this will trigger a re-evaluation of Millersburg's fixed rate for the following year. The new rate would be calculated and in effect at the beginning of the next fiscal year.

Millersburg's wastewater flow used in the moving five-year average shall be based on actual metered wastewater flow records when available and accurate. Flow records will be obtained from the totalizing flow meter located immediately upstream of Millersburg's connection to the Wastewater Treatment Plant. In absence of reliable metered wastewater flow data, the wastewater flow used in the five-year average calculation shall be based on estimated flow volumes using pump run times at the Wah Chang and Burkhart pump stations.

OTHER

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 = \$0.076 per gallon

Septic Tank Cleanings:

$$A = B \times C$$

where: A = monthly bill
B = total monthly volume discharged in gallons
C = \$0.085 per gallon

Valley Landfill:

$$A = B \times C$$

where: A = monthly bill
B = total monthly volume discharged in gallons
C = \$0.035 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 -see printout)
- 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-see printout)
Carwashes (7542)
Motor Vehicle Dealers - used cars (5521)

Specialty with medium-strength waste discharge:

Dry Cleaning Facilities (7216)
Restaurants, Eating Places, Bars, & Taverns (5812)
 Use RT rates if "RT" before 6/30/00 otherwise use Com-Medium rates
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) (Use GS rates only if "GS" before 6/30/00)
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)