



City of Grand Island

Tuesday, September 24, 2013

Council Session

Item I-8

#2013-331 - Approving Wastewater Cost of Service Based Rates

Staff Contact: John Collins, P.E. - Public Works Director

Council Agenda Memo

From: Marvin Strong PE, Wastewater Plant Engineer

Meeting: September 24, 2013

Subject: Approving Wastewater Cost of Service Based Rates

Item #'s: I-8

Presenter(s): Marvin Strong PE, Wastewater Plant Engineer

Background

The Wastewater Division of the Public Works Department is an enterprise fund with no property tax dollars used to support the division. The entire budget comes from wastewater customers through sanitary sewer bills. The sewer bill for a residential customer is based on usage and standard strength for residential sewage. The sewer bill for commercial and industrial customers is based on usage plus an extra strength component. A cost of service based rate study looks at all costs for the operation and allocates those costs of service to the customer classes according to the costs of providing service. Rates are then designed to equitably cover those costs.

The current sanitary sewer rates are based on Resolution No. 2011-100, which was approved by City Council on April 26, 2011.

The cost of service based rate study, which was performed by Black & Veatch of Kansas City, Missouri, was presented to City Council at the September 17, 2013 study session.

Discussion

The final waste water cost of service based rate study report is now complete and ready for council approval. The final report includes recommended rates for fiscal years 2013 through 2016. It has been recommended that the first year of rate adjustments will come into effect October 1, 2013 with the future increases commencing on October 1 in the following years, and will be considered by the council along with other city rates as part of the normal budget process.

The attached Fee Schedule contains several additions:

1. Miscellaneous Laboratory Fees
2. Sump Pump Waste Disposal
3. Bulk Industrial Waste Discharge (negotiated)

The Wastewater Division conducts assorted laboratory tests for the industrial dischargers and is reimbursed for their efforts. The fee schedule codifies the laboratory testing fees and brings them into alignment with current costs.

The Nebraska Department of Environmental Quality (NDEQ) is enforcing the rules and regulations for disposal of sump pump waste (car/truck washes). This fee covers the cost of disposing of sump pump waste within the NDEQ rules and regulations. The contractors removing the sump pump waste have to provide laboratory test results indicating the waste is non-hazardous.

The Bulk Industrial Waste Discharge (negotiated) is for industrial waste that is hauled to the Grand Island Wastewater Treatment Plant. The rate is based, in part, on laboratory test results. Different Laboratory test results may generate different rates.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve.
2. Refer the issue to a Committee.
3. Postpone the issue to a future date.
4. Take no action on the issue.

Recommendation

City Administration recommends that the Council approve the final wastewater cost of service based rates, including the noted additional charges.

Sample Motion

Move to approve the resolution.

Final Fee Schedule for 2014	2011	2012	2013	2014	2014 Changes
WASTEWATER TREATMENT (as Approved by Ordinance)					
Sewer Tap Permit (See engineering fees)					
Sewer Service Charge per month	8.24	8.24	8.24	8.24	
Monthly sewer bill for customers not hooked to City water	19.84	19.84	19.84	19.84	
TV Inspection of Sanitary Sewer (minimum \$100.00 charge)	0.63	0.68	0.68	0.68	
SEPTIC TANK CHARGES					
Charges for Septic Tank Sludge minimum fee	8.00	8.40	8.40	8.40	
Charges for Septic Tank Sludge per 100 gallons	7.20	7.40	7.40	7.40	
Charges for High Strength Septic Sludge per 1,000 gallons	410.00	420.00	420.00	420.00	
FLOW CHARGES (Changes effective 1-1-2012) *					
Cost per 100 Cubic feet of Flow (customers discharging directly into City's Treatment Plant)	1.20	1.18 *	1.1800	1.1800	
Cost per 100 Cubic feet of Flow (customers using City's collection system)	1.68	1.78 *	2.0800	2.4200	2.52
Cost per 100 Cubic feet of Flow (low strength customers using City's collection system)	0.7770	.78 *	1.0300	1.3900	1.47
INDUSTRIAL WASTE SURCHARGES (Chg effective 1-1-2012) *					
BOD Charge \$/lb over 250 mg/l	0.3042	0.3633 *	0.3844	0.3869	0.3844
SS Charge \$/lb over 250 mg/l	0.2180	0.245 *	0.2533	0.2442	0.2553
Oil & Grease \$/lb over 100 mg/l	0.1465	0.077 *	0.0819	0.0762	0.0832
Total Kjeldahl Nitrogen (TKN) (\$/lb over 30 mg/l)	0.5701	0.5701 *	0.5701 *	0.5701 *	
Ammonia (over 30 mg/l)		0.5701 *	0.5701	0.5701	
Nitrates (over 25 mg/l)					1.8739
LOW STRENGTH INDUSTRIAL SERVICE FOUR-PART CHARGES (Changes effective 1-1-2012) *					
BOD Charge (\$/lb over 0 mg/l)	0.3042	0.3633 *	0.3844	0.3869	0.3844
SS Charge (\$/lb over 0 mg/l)	0.2180	0.245 *	0.2533	0.2442	0.2553
Oil & Grease (\$/lb over 0 mg/l)	0.1465	0.077 *	0.0819	0.0762	0.0832
Total Kjeldahl Nitrogen (TKN) (\$/lb over 30 mg/l)	0.5701	0.5701 *	0.5701	0.5701	
Nitrates (over 25 mg/l)	1.8372	1.8739	1.8739	1.9959	1.8739
BULK INDUSTRIAL WASTE DISCHARGE (per gallon) [negotiated]					0.05
SUMP PUMP WASTE DISPOSAL (per gallon)					0.15
LABORATORY ANALYSIS					
BOD					30.00
CBOD					30.00
Chloride					10.00
Conductivity					7.50
Nitrogen, Ammonia					9.00
Nitrogen, TKN					13.50
Oil and Grease					50.00
pH					5.00
Total Suspended Solids					20.00
Alkalinity					10.00
Chlorine, Free					10.00
COD					45.00
Nitrogen, Nitrite					20.00
Phosphorus, Total					20.00
SAMPLE COLLECTION FEE					30.00
HYDROGEN SULFIDE CHARGES					

RESOLUTION 2013-331

WHEREAS, at the September 17, 2013 City Council Study Session, representatives from the engineering consulting firm Black & Veatch Corporation of Kansas City, Missouri presented tables and allocations for a wastewater cost of services based rate study; and

WHEREAS, the final wastewater cost of service based rate study report has been finalized by Black & Veatch and is now complete; and

Whereas, the Fee Schedule has been revised to include Laboratory Fees, Sump Pump Waste Disposal and Bulk Industrial Waste Discharge (negotiated).

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the final Wastewater Cost Based Rate Study report as prepared by engineering consulting firm Black & Veatch Corporation of Kansas City, Missouri and the additions to the Fee Schedule are hereby approved and adopted.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 24, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
September 20, 2013	☐ City Attorney