

CHAPTER 3

WASTEWATER SYSTEM

ARTICLE I. RATES AND CHARGES

9-3-1. Rates and charges.

The following rates and charges are hereby established for the City of Hot Springs Wastewater (Sewer) System, hereinafter termed "System," and this ordinance shall be known as the Hot Springs Wastewater Rate Ordinance.

9-3-1.1. Rates established.

The City hereby establishes as rates to be charged for services furnished by the System, which the Board of Directors finds and declares to be fair, reasonable and necessary, to be charged to all users who contribute wastewater to the System. The proceeds of such charges so derived will be used for the purpose of operating and maintaining the System, including replacement ("OM&R") and debt service as specified hereinafter. (Replacement is defined as expenditures for obtaining and installing equipment, accessories or appurtenances during the useful life of the treatment works necessary to maintain the capacity and performance for which they were designed and constructed.) In order to provide for the cost of service differentials between System customers within the corporate limits of Hot Springs and those outside the corporate limits, a separate rate shall be established for "Inside-City" and "Outside-City" customers. All wastewater users shall be classified by the Board of Directors as residential, commercial or industrial. None of the facilities or services afforded by the System shall be furnished without a charge being made therefore.

9-3-1.2. User charge methodology.

The user charge methodology for operation, maintenance and replacement (OM&R) shall be as follows:

$$\text{Total annual OM\&R cost in \$/1,000 gal.} = \frac{\text{Total annual OM\&R \$}}{\text{(No. of 1,000 gal. sold annually)}}$$

9-3-1.3. Minimum user OM&R volume charge.

The minimum monthly volume charge for operation and maintenance, including replacement, for the first 1,000 gallons or portion thereof of metered water consumption per user of the System shall be:

	<u>Inside City</u>	<u>Outside City</u>
Phase I	\$2.60	\$2.94
Phase II	\$2.67	\$3.38
Phase III	\$2.67	\$3.72

9-3-1.4. Additional OM&R volume charge.

All users of the System shall be charged an additional monthly volume charge for operation and maintenance, including replacement (OM&R), calculated as follows:

- (a) For all metered (either from a City-owned or private-owned water meter) water consumption in excess of 1,000 gallons (minimum), an additional charge (based on 100 gallon increments) calculated on the basis of wastewater discharged into the System as follows:

	<u>Inside City</u>	<u>Outside City</u>	
Phase I	\$2.60	\$2.94	per 1000 gallons or portion thereof
Phase II	\$2.67	\$3.38	per 1000 gallons or portion thereof
Phase III	\$2.67	\$3.72	per 1000 gallons or portion thereof

- (b) It shall be presumed that 88% of a customer=s metered water consumption for the billing period is discharged into the System as wastewater. The volume charge shall be computed on that percentage of water consumption unless the customer establishes that a lower percentage reaches the System. Any customer may apply to the Utilities Director for determination that less than 88% of the customer=s water consumption is discharged into the System. Upon a sufficient showing by the customer, the Utilities Director shall determine the actual percentage that reaches the System and the volume charge shall be computed on the lower percentage.

- (c) In cases of customers not on a metered basis, the Utilities Director shall establish water consumption based on a minimum of 2400 gallons per month (which shall include one occupant), plus 2400 gallons per person per month for each additional occupant. Commercial consumption shall be established by the Utilities Director based on a comparison with similarly sized commercial customers who are on metered service.

9.3.1.5. Debt service charge.

All users of the System shall be charged a flat monthly fee for debt service based on meter size as follows:

<u>Phase I Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 8.55	\$9.66
3/4"	\$ 8.55	\$9.66
1"	\$13.00	\$14.71
1-1/2"	\$17.40	\$19.76
2"	\$29.40	\$33.56
3"	\$119.40	\$136.06
4"	\$152.40	\$173.06
6"	\$232.40	\$262.06
8"	\$322.40	\$362.06

<u>Phase II</u>	<u>Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
	5/8"	\$8.78	\$11.12
	3/4"	\$8.78	\$11.12
	1"	\$13.33	\$17.12
	1-1/2"	\$18.33	\$22.62
	2"	\$30.33	\$38.62
	3"	\$122.33	\$156.62
	4"	\$157.33	\$199.62
	6"	\$237.33	\$301.62
	8"	\$330.33	\$416.62

<u>Phase III</u>	<u>Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
	5/8"	\$8.78	\$12.23
	3/4"	\$8.78	\$12.23
	1"	\$13.33	\$18.78
	1-1/2"	\$18.33	\$25.28
	2"	\$30.33	\$42.28
	3"	\$122.33	\$171.28
	4"	\$157.33	\$221.28
	6"	\$237.33	\$331.28
	8"	\$330.33	\$461.28

9-3-1.6. Total user charge.

The total user monthly charge shall include the OM&R charges and debt service as follows:

Minimum bill per user = OM&R for 1,000 gal. + Debt Service
Example: Phase I, 5/8@ meter, Inside City: \$11.15= \$2.60 + \$8.55

9-3-1.7. Phase effective dates.

Phase I rates shall apply to wastewater bills on or after July 1, 2004, and before January 1, 2005. Phase II rates shall apply to wastewater bills on or after January 1, 2005, and before January 1, 2006. Phase III rates shall apply to wastewater bills on or after January 1, 2006.

9-3-1.8. Excessive strength charges.

For any user, when the BOD exceeds *250 mg/1, the suspended solids exceed 250 mg/1, or when other pollutant concentrations exceed the range of concentrations of these pollutants in normal domestic sewage, a surcharge shall be added to the basic charge. This surcharge shall be calculated by the following formula:

$$C_s = (B_c(B) + S_c(S) + P_c(P)) V_u$$

Symbols and Definitions:

- C_s = A surcharge for wastewater of excessive strength
- B_c = Operation and maintenance ("O&M") cost for treatment of a unit of biochemical oxygen demand ("BOD")
- B = Concentration of BOD from a user above a base level
- S_c = O&M cost for treatment of a unit of suspended solids ("SS")
- S = Concentration of SS from a user above a base level
- P_c = O&M cost for treatment of a unit of any pollutant
- P = Concentration of any pollutant from a user above a base level
- V_u = Volume contribution from a user per unit of time
- * Maximum limit for average domestic waste.

9-3-1.9. Charges for extraneous flows.

The costs of O&M for all flows not directly attributable to users (such as Infiltration/ Inflow) shall be distributed among users on the same basis as operation and maintenance charges.

9-3-1.10. Toxic pollutants charges.

Each user that discharges any toxic pollutants which cause an increase in the cost of managing the effluent or the sludge of the System's treatment works shall pay for such increased costs.

9-3-1.11. Tapping fee.

Each customer who connects to the system shall pay a tapping fee and paving cut fee (if required) in an amount equal to the actual cost to the System for said connection as calculated by the Hot Springs Municipal Utilities Department, plus a service connection permit fee of \$75.

9-3-1.12. Septic tank haulers.

Persons, firms or corporations who haul and dump bulk sewage daily at the wastewater treatment plant shall be charged a dump fee of \$20 per load.

9-3-1.13. Compost fee.

The City Manager and Utilities Director are hereby authorized to establish a policy and fee for distribution and loading of compost material to the general public. Said fee shall be based on the System's loading cost and demand for compost and loading services.

9-3-1.14. Pretreatment permit.

The direct cost of pretreatment program costs incurred by the System on behalf of industrial customers (e.g., lab fees, etc.) shall be paid by the industry requiring such services. Said pretreatment permit fee shall be equal to the direct System costs for providing such services.

9-3-1.15. Lift station surcharge.

Any new customer attaching to the System via grinder pump station or a gravity system serviced by a grinder pump station shall pay an additional tie-on charge of \$500.

9-3-1.16. Management system.

A financial management system shall be established and maintained by the City to document compliance with federal regulations pertaining to the Federal Water Pollution Control Act. Such system will account for all revenues generated and expenditures for OM&R and debt service.

9-3-1.17. Annual review and notification.

(a) The City will continuously monitor the revenues of the System, including specifically the adequacy of its rates and delinquent billings, and will take appropriate steps to remedy any delinquent billings or inadequacy of rates. The City will make a full review annually of the rates and charges of the System.

(b) The City shall at all times fix, charge and collect rates and charges for services furnished by the System, including increasing rates and charges as necessary, which shall provide revenues sufficient to at least: (1) pay the City's annual costs of OM&R; (2) pay annual debt service; and (3) provide the necessary bond coverage.

(c) Each user shall be notified at least annually, in conjunction with the regular bill, of the wastewater use rate and the portion of the user charges which are attributable to wastewater treatment. Costs shall be broken down to show the operation and maintenance costs attributable to that user.

9-3-1.18. Charge review.

(a) Any user who feels his user charge is unjust and inequitable may make written application to the Utilities Director requesting a review of his user charge. Said written request shall, where necessary, show the actual or estimated average flow and/or strength of his wastewater in comparison with the values upon which the charge is based, including how the measurements or estimates were made.

(b) Review of the request shall be made by the Utilities Director; and if substantiated, the user charges for that user shall be recalculated based on the revised flow and/or strength data and the new charges shall be applicable beginning with the next billing cycle/period.

9-3-1.19. Precedence.

The user charge system for the System shall take precedence over any terms or conditions of agreements or contracts between the City and any of the users which are inconsistent with applicable federal regulations regarding such user charge systems.

9-3-1.20. Appeals.

Any customer who is dissatisfied with a determination made by the Utilities Director under this ordinance may appeal to the City Manager. A customer who is dissatisfied with a decision by the City Manager, whether an initial decision or a decision on appeal from a determination by the Utilities Director, may appeal to the Board of Directors. Each appellate authority shall have authority to correct errors in the action appealed from.

9-3-1.21. Billing.

Users will be billed on a monthly basis in accordance with the City's uniform municipal utility billing procedure, the same being Ordinance No. 4549, as amended.

(Ord. No. 5274, ' ' 1, 2, 6-21-04)