



City Council

Agenda Item

Subject: Approval of Resolution No. 22-48, amending the rate schedule for the Wastewater Utility services for the City of Watertown, and setting an effective date of February 1, 2023.

Meeting: City Council - Nov 21 2022

From: Heath VonEye, Public Works Director

BACKGROUND INFORMATION:

The proposed Resolution establishes the required surcharge rates. The resolution is being brought forward to include the additional Loan that was recently accepted. SRF Loan #14 is for the Various Wastewater Improvements.

SUGGESTED MOTION:

I move to approve Resolution No. 22-48, amending the rate schedule for the Wastewater Utility services for the City of Watertown, and setting an effective date of February 1, 2023.

STAFF REFERENCE(S):

Craig Mitchell, Kristen Bobzien, Mike Boerger

ATTACHMENT(S):

[RES 22-48 Amending the Rate Schedule WW](#)

RESOLUTION NO. 22-48

A Resolution Amending the Rate Schedule for Users of the Wastewater System

WHEREAS, *Chapter 17.02, Sewer Users Charge, of the Revised Ordinances of the City of Watertown* requires the City Council to set the rates to be charged for sewer service by resolution; and,

WHEREAS, the City Council adopted Resolution No. 09-24 on September 8, 2009, Resolution No. 15-08 on April 6, 2015, Resolution No. 20-07 on February 3, 2020, Resolution No. 20-48 on November 2, 2020 and Resolution No. 22-04 on January 18, 2021 which established new rates for sewer service; and

WHEREAS, the sewer rates provided for by Resolution No. 09-24, Resolution No. 15-08, Resolution 20-07, Resolution 20-48 and Resolution No. 22-04 were intended to provide the revenues necessary to pay the normal day-to-day operating costs and other obligations of the wastewater system and, in addition, to establish special surcharges to pay the costs of past replacement and rehabilitation of the sanitary sewer system throughout the city which had been financed by Wastewater Revenue Bonds 2020C & 2020D and SRF Loans #5, #7, #7NPS, and #12 obtained from the South Dakota Conservancy District under the South Dakota State Revolving Fund (SRF) Loan Program established pursuant to *S.D.C.L. § 46A-1-60.1, et seq.*; and

NOW, THEREFORE, BE IT RESOLVED by the City Council, City of Watertown, Codington County, South Dakota, as follows:

Section 1.

From and after the effective date of this Resolution, sewer rates shall consist of eight components: a base rate, a separate surcharge for the benefit of the 2005 Improvements (SRF Loan #5), two separate surcharges for the benefit of the 2007 Improvements (SRF Loan #7 & #7NPS), a separate surcharge for the benefit of the 2009 Improvements to the wastewater utility (Wastewater Revenue Bonds 2020C & 2020D), the 2020 Administration Building (SRF #12), the Primary Clarifier #2 Improvement (SRF #13) and the various improvements to the Wastewater Collection System and Treatment Facilities (SRF #14). The City shall account for the revenues derived from the base rate and the seven surcharges separately, but the surcharges shall not be required to be shown separately on the sewer utility bills to users of the wastewater utility. The costs of the 2005 Improvements, the 2007 Improvements, the 2009 Improvements, the 2020 Administration Building, the 2021 Primary Clarifier #2, and the various improvements to the Wastewater Collection System and Treatment Facilities including the SRF Loans and any other obligations incurred by the City to finance or refinance the 2005 Improvements, the 2007 Improvements, 2009 Improvements, the 2020 Administration Building, the 2021 Primary Clarifier and the 2022 Wastewater improvements, shall be paid solely from the revenues produced by the respective surcharges, and not from the general revenues of the wastewater utility; provided that the City may from time to time advance moneys from the general revenues of the wastewater utility to pay costs of the 2005 Improvements, the 2007 Improvements, 2009 Improvements, the 2020 Administration Building, 2021 Primary Clarifier and the 2022 Wastewater Improvements, or payments on SRF Loans #5, #7, #7NPS, Wastewater Revenue Bonds 2020C & 2020D, #12, #13 or #14 but any moneys so advanced shall be repaid from surcharge collections within one year of the date of each such advance.

Section 2.

The City's sewer rates shall be as follows:

- (a) The regular residential sewer use charge (SE) for each household or living unit shall be \$32.30 per month as delineated in the table below:

Regular Residential Sewer User Charge (SE)

Base Rate	\$ 16.997
SRF Loan #5	\$ 1.206
SRF Loan #7	\$ 0.401
SRF Loan #7NPS	\$ 0.040
Wastewater Revenue Bonds 2020C & 2020D	\$ 5.222
SRF Loan #12	\$ 2.134
SRF Loan #13	\$ 1.300
SRF Loan #14	\$ 5.000
Total Regular Residential Sewer User Charge (SE)	\$ 32.300

- (b) The regular commercial sewer charge (SC), except those customers classified as significant industrial users under City Ordinance, shall be 32.30 per month for up to 300 cubic feet of sewage discharge per month plus an additional charge of \$3.12 per 100 cubic feet of sewage discharge in excess of the first 300 cubic feet per month as delineated in the tables below:

Regular Commercial Sewer Charge (SC)

Base Rate	\$ 16.997
SRF Loan #5	\$ 1.206
SRF Loan #7	\$ 0.401
SRF Loan #7NPS	\$ 0.040
Wastewater Revenue Bonds 2020C & 2020D	\$ 5.222
SRF Loan #12	\$ 2.134
SRF Loan #13	\$ 1.300
SRF Loan #14	\$ 5.000
Total Regular Commercial Sewer Charge (SC)	\$ 32.300

Additional Charge per 100 Cubic Feet of Sewage Discharge In Excess of the First 300 Cubic Feet per Month

Base Rate	\$ 1.642
SRF Loan #5	\$ 0.116
SRF Loan #7	\$ 0.039
SRF Loan #7NPS	\$ 0.004
Wastewater Revenue Bonds 2020C & 2020D	\$ 0.504
SRF Loan #12	\$ 0.206
SRF Loan #13	\$ 0.126
SRF Loan #14	\$ 0.483
Total Additional Charge per 100 Cubic Feet of Sewage Discharge In Excess of the First 300 Cubic Feet per Month	\$ 3.120

- (c) The regular charge for commercial sewer customers that are classified as significant industrial users (SI), shall be \$85.30 per month for up to 700 cubic feet of sewage

discharge per month plus an additional charge of \$6.10 per 100 cubic feet of sewage discharge in excess of the first 700 cubic feet per month as delineated in the tables below:

Regular Charge For Commercial Sewer Customers That Are Classified as Significant Industrial Users (SI)

Base Rate	\$ 53.700
SRF Loan #5	\$ 3.382
SRF Loan #7	\$ 1.125
SRF Loan #7NPS	\$ 0.113
Wastewater Revenue Bonds 2020C & 2020D	\$ 17.980
SRF Loan #12	\$ 2.700
SRF Loan #13	\$ 1.300
SRF Loan #14	\$ 5.000
Total Regular Charge For Commercial Sewer Customers That Are Classified as Significant Industrial Users (SI)	\$ 85.300

Additional Charge per 100 Cubic Feet of Sewage Discharge In Excess of the First 700 Cubic Feet per Month

Base Rate	\$ 3.631
SRF Loan #5	\$ 0.227
SRF Loan #7	\$ 0.075
SRF Loan #7NPS	\$ 0.008
Wastewater Revenue Bonds 2020C & 2020D	\$ 1.539
SRF Loan #12	\$ 0.174
SRF Loan #13	\$ 0.088
SRF Loan #14	\$ 0.358
Total Additional Charge per 100 Cubic Feet of Sewage In Excess of the First 700 Cubic Feet per Month Discharge In Excess of the First 300 Cubic Feet per Month	\$ 6.100

- (d) Commercial and industrial sewer customers shall be subject to an additional charge, in addition to the regular charges above based upon the strength of the effluent discharge into the wastewater system to be computed using actual flow monitoring in accordance with the following schedule:

- i. Any excess of 200 mg/l of B.O.D. shall be charged the rate of \$0.35 per pound as delineated in the table below:

Excess of 200 mg/l of B.O.D. per Pound

Base Rate	\$ 0.150
SRF Loan #5	\$ 0.017
SRF Loan #7	\$ 0.006
SRF Loan #7NPS	\$ 0.001
Wastewater Revenue Bonds 2020C & 2020D	\$ 0.115
SRF Loan #12	\$ 0.025
SRF Loan #13	\$ 0.006
SRF Loan #14	\$ 0.030
Total Excess of 200 mg/l of B.O.D. per Pound	\$ 0.350

- ii. Any excess of 250 mg/l of T.S.S shall be charged the rate of \$0.2700 per pound as delineated in the table below:

Excess of 250 mg/l of T.S.S. per Pound

Base Rate	\$ 0.012
SRF Loan #5	\$ 0.014
SRF Loan #7	\$ 0.005
SRF Loan #7NPS	\$ 0.001
Wastewater Revenue Bonds 2020C & 2020D	\$ 0.194
SRF Loan #12	\$ 0.020
SRF Loan #13	\$ 0.004
SRF Loan #14	\$ 0.020
Total Excess of 250 mg/l of T.S.S. per Pound	\$ 0.270

- iii. Any excess of 20 mg/l of Ammonia shall be charged the rate of \$1.30 per pound as delineated in the table below:

Excess of 20 mg/l of Ammonia per Pound

Base Rate	\$ 0.585
SRF Loan #5	\$ 0.061
SRF Loan #7	\$ 0.020
SRF Loan #7NPS	\$ 0.002
Wastewater Revenue Bonds 2020C & 2020D	\$ 0.411
SRF Loan #12	\$ 0.090
SRF Loan #13	\$ 0.021
SRF Loan #14	\$ 0.110
Total Excess of 200 mg/l of B.O.D. per Pound	\$ 1.300

Effective Date: These rates shall be effective with the January 2023 meter readings for the February 1, 2023 billing.

Effective on billings February 1, 2024: A surcharge rate of \$7.55 will become effective for SRF Loan #14.

Section 3.

Any resolutions previously adopted by the City Council that conflict with this resolution are hereby expressly repealed.

Dated at Watertown, South Dakota this 21st day of November, 2022.

The above and foregoing Resolution was moved for adoption by Alderperson _____, seconded by Alderperson _____, and upon roll call all voted aye whereupon the Mayor declared the resolution to be duly passed and adopted.

I hereby certify that Resolution No. 22-48 was published in the Watertown Public Opinion, the official newspaper of said City, on the 26th day of November, 2022.

Attest:

City of Watertown

Kristen Bobzien
Finance Officer

Ried Holien
Mayor