

CENTRAL DAVIS SEWER DISTRICT

COST RECOVERY SYSTEM

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CENTRAL DAVIS SEWER DISTRICT COST RECOVERY SYSTEM

POLICY

It is the Policy of Central Davis Sewer District to charge all wastewater dischargers an equitable fee based on the services received. This fee shall be uniform in determination between residential and commercial/industrial dischargers and shall be in keeping with the revenue requirements of the District. In addition, the District shall charge all new connections a fee that shall be used to offset the costs of centralized facilities and shall be in accordance with the Impact Fee Policy and the Impact fee analysis.

CAPITAL PROJECT FINANCING PROGRAM

Centralized facilities shall be financed through a combination of rates, impact fees and bonding. The exact split of these revenue sources shall be set by the Board and reviewed from time to time.

GENERAL COST RECOVERY STRUCTURE

For purposes of this section the following definitions shall apply:

"District Collection" shall apply to areas within the District where the District operates and maintains the sewer collection system.

District Collection - Out of District Treatment" shall apply to areas within the District where the District operates and maintains the collection system and the wastewater treatment service is provided by another entity.

Basic Service Fee:

Basic service provided to all users shall include operations, maintenance and debt service of a domestic wastewater treatment plant and operation, maintenance and debt service of the major interceptors in the collection system. The fee for performance of this service shall be uniform. For ease of billing, the fee shall be broken down into two categories:

1. Residential Connection
Residential Connections are defined as single-family dwellings, or multiple family dwellings, when water is metered to each unit separately. Residential connections shall be further subdivided into two groups based on who provides wastewater treatment. These shall be called "District Collection," and "District Collection out of District Treatment." Residential connections will probably average

about 8,400 gallons of wastewater per month. Based on the information available, the following fees shall be charged:

District Treatment and Collection
\$39.00 per month

District Collection out of District Treatment
\$39.00 per month or
(\$Total Sewer Fee and Taxes of
Treatment Facility
+ CSDS Collections Rate)
whichever is higher

2. Commercial/Industrial Connection
Commercial/Industrial Connections shall include all connections not covered under the residential definition. In general, the amount of wastewater produced by these connections will vary widely. As a result, commercial/industrial connections will be based on water usage. In order to not include water used for outside irrigation, the monthly fee for commercial/industrial connections shall be based on winter water usage or year-round if a secondary water connection is used for outside water usage. Winter water usage is defined as the average monthly water usage for the period November to March of each year. Water usage shall be based on the average of the respective City water meter readings for those months. This average shall be used to determine the fee for the next twelve-month period beginning July 1 and ending June 30. Commercial/industrial connections, which have seasonal discharges and have no or small discharges during the winter months or connections which have been issued a Pretreatment Permit shall not be billed by their winter water average. These connections shall be billed on an equitable basis determined on a case-by-case analysis and approved by the Board of Trustees for the District. For billing purposes, commercial/industrial connections shall be based on information available, the following fees shall be charged:

District Collection

First 10,000 gallons or part there of	\$ 46.43
Each additional 1,000 gallons	\$ 4.64

This fee structure is for typical domestic wastewater having an average concentration of 400 mg/L of chemical oxygen demand and 250 mg/L of total suspended solids.

Surcharges:

In addition to the Basic Service Fee as defined above, surcharges shall be levied for specific conditions. These are given below:

1. **High Strength Waste:**

High strength wastes shall be defined as any discharge to the system where the chemical oxygen demand (COD) exceeds 400 mg/L and/or the total suspended solids (TSS) exceeds 250 mg/L in concentration. High strength wastes shall also include any discharge of toxic wastes as defined as Priority Pollutants in the Industrial Pretreatment Ordinance. High strength wastes shall be charged a surcharge as specified below:

COD over 400 mg/L	\$0.19	per pound
TSS over 250 mg/L	\$0.39	per pound

Priority Pollutants shall be charged on a case-by-case basis.

2. **Pumped System:**

When a connection is located such that wastewater must be pumped in order for it to flow to the treatment plant, a pumping surcharge will be applied. This surcharge shall be \$1.50 per month per residential connection. Commercial/industrial connections shall be \$3.00 per month for the first 20,000 gallons or part thereof, and \$0.08 for each additional 1,000 gallons or part thereof. This rate shall be adjusted from time to time to account for changes in the cost of electrical power. For Pumping Systems located outside the District, the pumped system surcharge is \$15.00 per residential connection.

3. **Seasonal Discharges:**

Seasonal discharges shall be charged on a demand basis. Seasonal discharges are defined as a connection where the wastewater discharged for three months of the year exceeds the yearly average by 25% or more. Seasonal discharges create a demand on the treatment plant and collection system, which must be present year around in order to service these seasonal demand months. Seasonal discharges shall be billed based on the average of the three peak months and shall be based on a peaking factor of 3:1. If a peaking factor greater than 3:1 exists, the peak flow shall be used to calculate the billing rate. This seasonal billing shall apply for the entire next year. The billing year shall be from July 1 to June 30. The analysis and fee determination for all seasonal dischargers shall be approved by the Board of Trustees of the District.

Excess Cleaning Fees:

Where a commercial/industrial user has been determined by the

District to discharge wastes, including but not limited to oil, grease, and organic grindings, which create the need for additional collection system cleaning, an excess cleaning charge shall be assessed. The fee shall be based on, among other things, the length of line to be cleaned and the estimated costs for District cleaning services. The exact determination of the excess cleaning fee shall be on a case-by-case basis.

4. Pretreatment Equipment Operation and Maintenance Fees:
Should the District agree to operate and maintain pretreatment equipment for commercial/industrial user(s), the actual cost for such operations and maintenance shall be charged to the commercial/industrial user(s). Such equipment would be required as part of the Industrial Pretreatment Program as delegated by EPA and administered by the District.

IMPACT FEES

Impact fees for all new connections to the system shall be charged in order to help offset the cost of new system improvements as identified in the District's Capital Facility Plan and in accordance with the District's Impact Fee Policy.

The residential impact fee shall be \$2,400.00 per dwelling unit for the entire District service area. For "District Collection Out of District treatment connections the impact fee shall be either \$2,400.00 or the amount charged by the outside treatment district, whichever is greater. Commercial/industrial impact fees shall be based on equivalent residential units (ERU) based on wastewater flow and strength. Multi-family dwelling units shall be based on the total number of apartments/dwelling units multiplied by the \$2,400.00 per dwelling unit charge. Commercial ERU's shall be determined by calculating the number of fixture units in the facility as determined using the most recent edition of the International Plumbing Code Table 709.1 as published by the International Code Council, Inc. as a guide. Each 15 fixture units or part thereof shall be charged an impact fee of \$2,400.00. Impact fees for any new industrial/intense water-using commercial connections or increases from an existing intense water-using commercial/industrial connection which discharges process wastewater to the system shall be determined on a case-by-case basis and shall be based on equivalent residential units based on flow and strength. New sources of wastewater provided by add-on or remodeling of an existing structure which activity adds additional water usage, shall be considered a new connection and handled accordingly.

The impact fee shall be adjusted from time to time, in order to account for new information concerning the cost for future upgrades and in accordance with the Impact Fees Program of the District.

CONNECTION FEE SURCHARGE

From time to time, the Board of Trustees may consider the establishment of a local collection area connection fee surcharge. In order to reimburse developers for some of the costs associated with the installation of a sewer line benefiting a local collection area. Reimbursement of the costs would be from the collection of the connection fee surcharge paid by an additional development benefiting from the sewer line installed. All connection fee surcharges will only be collected for a specified period, usually 10 years.

REVIEW OF USER RATES

The District shall review all user charges annually at the time the Budget is reviewed and drawn up for the next year or more often if needed. The purpose of this review will be to ensure that equity exists between charges levied by the District. This review will also ensure that adequate revenue is generated to operate the District in accordance with applicable standards and regulations. Impact fees will be reviewed in accordance with the Impact Fees Act Title 11 Chapter 36a of the Utah State Code.