



RESOLUTION NO. 2018-265

A RESOLUTION ADOPTING A CONSUMPTION BASED BILLING POLICY FOR SANITARY SEWER.

RECITALS:

WHEREAS, the City of Carlton desires to bill fair rates for sanitary sewer services; and

WHEREAS, the City of Carlton wishes to adopt the Consumption Based Billing Policy the City will employ in calculating the bills for sanitary sewer service for all properties for which the City employs consumption-based billing.

WHEREAS, although rates have increased to consider rising costs due to system capital improvements, the rate structures for sewer has continued to include flat fees and allowances that are perceived to create inequities by not adequately considering use.

WHEREAS, the rate-setting process conducted for rate modernization includes nationally accepted rate development procedures established by the Water Environment Federation and includes development of annual system revenue requirements and the design of a new rate structure and rates designed to meet the annual revenue target.

WHEREAS, the revenue requirements for the City's sewer system was established through financial and master planning processes. A 20 year Wastewater Facilities Plan Update, a 5-year Capital Improvement Plan and a 10 Financial Plan were developed in 2018. Annual rate increases have been estimated to fund the projected capital costs associated with implementing these plans, along with ongoing system operation and maintenance.

WHEREAS, a new rate structure was developed following wastewater utility standard practices in order to establish an equitable distribution of costs that considered the differences in providing service based on system usage and facility requirements. The preliminary results of this analysis were shared with Council in a rate workshop on March 20, 2018.

WHEREAS, the updated rate structure was designed to balance Council objectives, including:

- Fairness in the apportionment of total costs of service among different ratepayers
- Promotion of efficient and conservation use
- Revenue stability and predictability
- Stability and predictability of the rates from unexpected or adverse changes
- Publicly acceptable
- Easy to understand and administer

Based on these findings,

THE CITY OF CARLTON RESOLVES AS FOLLOWS:

1. The City hereby adopts Exhibit "A" to this Resolution that is the Consumption Based Billing Policy that will be used for calculating FY 2018-2019 billing rates.
2. Staff shall maintain a copy of this Resolution in the City's administrative offices for public reference.
3. This Resolution supersedes Resolution Nos. 2004-001, 2017-249 and any previous resolutions setting forth sewer utility rates and administrative rules.
4. City of Carlton rates and charges are effective for billing cycles starting on or after dates shown below. Rates and charges shall be applied to all accounts on a monthly basis.

Sewer Utility Rate Components	Effective 7/1/2018
Fixed Rate	
Monthly Billing per equivalent dwelling unit*	\$38.87
Volume Rate \$/ccf of water use	\$ 4.48


ADOPTED by the City Council of the City of Carlton, Oregon, on June 5, 2018 by the following votes:

AYES: 6

NAYS: 0

ABSENT: 1 [Rhoads] **ABSTAIN:** 0

APPROVED and signed by the Mayor on June 5, 2018.


Kathie Oriet, Mayor

ATTEST:


Jennifer L. Nelson, City Recorder

City of Carlton

**Consumption Based Sanitary Sewer Service
Sewer Utility Rates and Charges**

Purpose

The purpose of this policy is to describe the policies and procedures the City of Carlton will employ in calculating the bills for sanitary sewer service for all properties for which the City employs consumption-based billing.

Scope

This policy applies to all City customers for which the City provides direct billing services.

Policy and Procedures

Billings for customers include two components: Fixed rate and a volume charge for the amount consumed. The two components are added together to compute an invoice for each customer.

1. Fixed rates are assessed per equivalent dwelling unit or nonresidential account, and include costs associated with customer services, billing, and new debt service, and are designed to maintain revenue stability through the recovery of about 60 percent of total rate revenues.
2. Volume rates are based on every 100 cubic feet (CCF) of water.

*An equivalent dwelling unit is equal to each dwelling unit for multifamily properties, and each commercial and industrial unit served by multi-unit connections

Residential Sewer Accounts – Winter Averaging

Volume will be based on a 3-month winter averaging of water consumption. The winter average period will be defined as the 3-month period starting with the first full billing cycle starting on or after December 1st of each year.

Accounts with an average usage of less than 1 CCF of water consumption are automatically assessed at the 5.50 CCF average.

Customers may request in writing to have the sewer based on actual usage if the property is vacant or consistently averages below 1 CCF per billing cycle over a 12-month period.

The assigned average for water consumption may be appealed to the Finance Director and could be modified pending a review of the account and findings thereof.

Less than three months data availability

In not all cases will three months of indoor winter season water consumption data be available. In these cases, a two-month minimum sample period shall be established between the dates December 1 through February 28, or the water meter reading dates most closely associated with that period of time. The two-month minimum measure of water consumption during the indoor winter season shall be used

as the basis for calculating the consumption portion of the sanitary sewer bill. A two-month period of time during the indoor winter season shall be the minimum acceptable time period on which a sanitary sewer bill can be calculated based upon actual water consumption.

No data availability

In cases where there is no applicable data available as a result of the use changing, the ownership changing, or other factors such as a structure newly connected to the system for which there is no historical water consumption, the City will bill the customer based upon a system-wide average which shall be calculated from an equivalent dwelling unit basis.

Exceptions

Exceptions where indoor winter season water consumption data is not available, applicable, and/or usable for the purposes of calculating the appropriate proportion of system operation cost allocable to a user are described as follows:

- a. Variations in usage. In order for the City to consider any water consumption exception, and thus bill recalculation, the exception must be greater than 25% of the historical monthly usage on a one-time event basis.
- b. Water usage not discharged to the sanitary sewer system. For the City to consider any request by a customer for credit against the amount of indoor winter season water consumption as measured through the potable water meter or meters to the property in question, the customer must do the following:
 - 1) Customer must demonstrate to the City's satisfaction that the metered water measured which is in dispute as to whether or not the water was discharged to the sanitary system was not discharged to the sanitary system; and
 - 2) The customer must be able to determine the non-sanitary sewer service discharge accurately; and
 - 3) The City shall only deduct the provable non-sanitary sewer service usage from the winter consumption average.
- c. Recurring seasonal variations. Some commercial and industrial operations result in seasonal variations to such a degree that the majority of their wastewater discharge occurs during periods of time other than the indoor winter season. Cases where such seasonal variation exists may require evaluation and/or application of alternative water consumption measurement periods to determine appropriate data for calculation of a proportionate share of operational costs. In cases where indoor winter season water consumption data is determined to be an inappropriate measure of sanitary sewer discharge, the City, at its discretion, may select another base period on which to calculate the sanitary sewer charge.

d. New usage or change in ownership or usage of a structure mid-year.

- 1) At any time, the usage or ownership of property connected to the sanitary sewer system changes in a manner determined by the City to increase the flow, discharged, the City shall have the right to recalculate the service charge to reflect a proportionate cost allocation.
- 2) The City may, at its discretion, recalculate the indoor winter season average water consumption at the user's request, when the new rate of usage is ongoing and constitutes at least a 25% variation from historical indoor winter season use.
- 3) In any recalculation of charges as contemplated in (1) and (2) above, the City may assign additional units or a reduction in units at any time a customer's usage changes which increases or decreases the estimated volume of water discharged to the sanitary sewer system.

e. Discontinuance of service. A property owner whose property is connected to the sanitary sewer system may request discontinuance of sanitary sewer service for a variety of reasons. In order for the City to process such a request for discontinuance of service and deduct the variable portion of the sanitary sewer service charge associated with consumption-based billing, the following must occur:

- 1) All water meters serving the property must be out of service, be locked, and/or removed; and
- 2) No alternative water supply can be available to the property; and
- 3) No use or occupancy of the property shall occur.

In all such cases where discontinuance is requested, and the structure remains connected to the sanitary sewer system and service is available, the base charge (fixed component) will continue. However, the variable component of the charge shall revert to zero for as long as the above conditions satisfied.

f. Disconnection of service. In all cases where water meters have been locked out from the property in accordance with procedures, rules, and regulations of City of Carlton Water Services, no sanitary sewer service will be billed where no discharge is possible to the sanitary sewer system.

Multi-family, commercial, industrial and other multi-dwelling unit equivalent services

Multi-family, commercial, industrial and other multi-dwelling unit equivalent services within the City of Carlton, do not necessarily have a one-to-one correspondence between the water meter and an individual sanitary sewer user. In such cases the following applies:

- a. Master meter owners are the responsible party for payment of the sanitary sewer bill. Master meter owners may request the City bill tenants. The City may, at its discretion, accept or deny any request submitted by a master meter owner or property owner for which there are multiple tenants linked to a common water meter. Acceptance of any such billing distribution request shall be for a master meter or property owner convenience only and shall not relieve the property owner from ultimate responsibility for payment of all monies owed. In any case where master meter or property owner

requests tenant billing, said request shall include the tenant billing address, number of assigned equivalent dwelling units and tenant water consumption information.

- b. It is the property owner's responsibility to allocate the sanitary sewer service charges among the property owner's tenants. The property owner shall provide the City with an accounting of tenant equivalent dwelling unit assignment as well as water consumption distribution which shall total the values obtained from the master meter.
- c. In cases where a property owner elects to install multiple meters at the same site to distribute the cost of sanitary sewer service charges, the owner shall provide that water meter use information to the City in a timely manner to enable calculation of sanitary sewer service charges.
- d. In cases where a single customer has multiple meters at the same site, the water consumption shall be calculated based upon the aggregated total of water consumed as measured by all of the multiple meters. The City may elect at its option to bill either the property owner or the individual tenants as the City may determine appropriate, convenient, or reasonable.

Customer Claims.

In the event a customer disputes the water consumption data available to the City for any of a variety of reasons, the City shall provide a claims form which shall outline the City's policy for addressing such claims and provide a format for the customer to respond to issues that are critical to the adjudication of the claim. All claims must be made within thirty (30) days of receipt of the water bill from the local water purveyor for which consumption data is being disputed. Claims for water consumption data that does not vary more than 25% from historical usage shall not be processed.

Dormant Sewer Lines

Testing of a dormant existing sewer line connected to an old building or to be reused for a new building will be at the cost of time and materials.