

## CHAPTER 99

### SEWER USE CHARGE SYSTEM

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99.01 **PURPOSE.** It is determined and declared to be necessary and conducive to the protection of the public health, safety, welfare and convenience of the City to collect charges from all users who contribute wastewater to the City's treatment works. The proceeds of such charges so derived will be used for the purpose of operating, maintaining and retiring the debt for such public wastewater treatment works.

99.02 **DEFINITIONS.** For use in this chapter, the following terms are defined:

1. "Normal domestic wastewater" means wastewater that has a BOD concentration of not more than 250 mg/l and a suspended solids concentration of not more than 50 mg/l.
2. "Operation and maintenance" means all expenditures during the useful life of the wastewater treatment works for materials, labor, utilities and other items which are necessary for the managing and maintaining the treatment works to achieve the capacity and performance for which such works were designed and constructed.
3. "Replacement" means expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the wastewater treatment works to maintain the capacity and performance for which such facilities were designed and constructed. The term "operation and maintenance" includes replacement.
4. "Residential customer" means any customer whose lot, parcel of real estate or building is used for domestic dwelling purposes only.
5. "Treatment works" means the devices and systems used for the storage, treatment, recycling and reclamation of municipal wastewater, domestic wastewater or liquid industrial wastes. These include intercepting sewers, outfall

sewers, sewage collection systems, individual systems, pumping, power and other equipment and their appurtenances; extension, improvement, remodeling, additions and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and any works, including site acquisition of the land, that will be an integral part of the treatment process or used for ultimate disposal of residues resulting from such treatment; or any other method or system for preventing, abating, reducing, storing, treatment, separating or disposing of municipal waste or industrial waste, including waste in combined storm water and sanitary sewer systems.

6. "Useful life" means the estimated period during which the treatment works will be operated.

7. "User charge" means that portion of the total wastewater service charge which is levied in a proportional and adequate manner for the cost of operation, maintenance and replacement of the wastewater treatment works.

8. "Water meter" means a water volume measuring and recording device, furnished and/or installed by the City or furnished and/or installed by a user and approved by the City.

**99.03 USE OF FUNDS.** The user charge system shall generate adequate annual revenues to pay costs of annual operation and maintenance including replacement and costs associated with debt retirement of bonded capital associated with financing the treatment works which the City may by ordinance designate to be paid by the user charge system. That portion of the total user charge which is designated for operation and maintenance including replacement of the treatment works shall be established by this chapter.

**99.04 ACCOUNTS DESIGNATED.** The total user charge collected which is designated for operation and maintenance shall be deposited in a separate non-lapsing fund known as the Sewer Utility Fund. The user charge collected which is designated for replacement purposes of the treatment works shall be deposited in a separate non-lapsing fund known as Wastewater Depreciation Fund.

1. Sewer Utility Fund. An account designated for the specific purpose of defraying operation and maintenance costs (excluding replacement) of the treatment works.

2. Wastewater Depreciation Fund. An account designated for the specific purpose of ensuring replacement needs over the useful life of the treatment works.

**99.05 YEAR-END BALANCES.** Fiscal year-end balances in the Sewer Utility Fund and the Wastewater Depreciation Fund shall be carried over to the same accounts in the subsequent fiscal year, and shall be used for no other purposes than those designated for these accounts. Moneys which have been transferred from other sources to meet temporary shortages in the Sewer Utility Fund and the Wastewater Depreciation Fund shall be returned to their respective accounts upon appropriate adjustment of the user charge rates. The user charge rate shall be adjusted such that the transferred moneys will be returned to their respective accounts within the fiscal year following the fiscal year in which the moneys were borrowed.

**99.06 CHARGES BASED ON USAGE.** Each user shall pay for the services provided by the City based on the use of the treatment works as determined by water meters acceptable to the City.

**99.07 NORMAL MONTHLY CHARGES.** For residential customers, monthly user charges shall be based on monthly water usage. For industrial and commercial customers, user charges shall be based on water used during the current month. If a commercial or industrial customer has a consumptive use of water, or in some other manner uses water which is not returned to the wastewater collection system, the user charge for that customer may be based on a wastewater meter or separate water meter installed and maintained at the customer's expense, and in a manner acceptable to the City.

**99.08 MINIMUM CHARGE.** The sewer rate charge is based on monthly water usage as outlined below effective Aug 1, 2013:

First	2,000 gallons	\$ 11.00 minimum charge
Second	over 2,000 gallons	\$ 5.30 per 1,000 gallons

In addition each customer shall pay a user charge in accordance with Section 99.04 for replacement purposes of the treatment works in the amount of \$ 1.00 per water meter installed that returns wastewater to the wastewater collection system.

Effective Aug 1, 2014 the rates shall be as follows:

First	2,000 gallons	\$ 12.00 minimum charge
Second	over 2,000 gallons	\$ 5.30 per 1,000 gallons

In addition each customer shall pay a user charge in accordance with Section 99.04 for replacement purposes of the treatment works in the amount of \$ 1.00 per water meter installed that returns wastewater to the wastewater collection system.

Effective Aug 1, 2015 the rates shall be as follows:

First	2,000 gallons	\$ 12.00 minimum charge
Second	over 2,000 gallons	\$ 5.80 per 1,000 gallons

In addition each customer shall pay a user charge in accordance with Section 99.04 for replacement purposes of the treatment works in the amount of \$ 1.00 per water meter installed that returns wastewater to the wastewater collection system.

**99.09 SPECIAL RATES.** For those customers who contribute wastewater, the strength of which is greater than normal domestic sewage, a surcharge in addition to the normal user charge will be collected. The surcharge for operation and maintenance including replacement is:

\$0.09 per pound BOD

\$0.09 per pound SS

**99.10 RESPONSIBILITY FOR INCREASED COSTS.** Any user which discharges any toxic pollutants which cause an increase in the cost of managing the effluent or the sludge from the City's treatment works or any user which discharges any substance which singly or by interaction with other substances causes identifiable increases in the cost of operation, maintenance or replacement of the treatment works shall pay for such increased costs. The charge to each such user shall be as determined by the responsible plant operating personnel and approved by the Council.

**99.11 APPLICATION.** The user charge rates established in this chapter apply to all users of the City's treatment works, regardless of their location.

**99.12 BILLING FOR SEWER CHARGES.** Sewer user charges shall be billed as part of a combined service account (for water, sewer, solid waste and gas), payable in accordance with the following:

*(Code of Iowa, Section 384.84)*

1. **Bills Issued.** The Clerk shall prepare and issued bills for combined service accounts on or before the first day of each month.
2. **Bills Payable.** Bills for combined service accounts shall be due and payable at the office of the Clerk by the twentieth (20th) day of each month.
3. **Late Payment Penalty.** Bills not paid when due shall be considered delinquent. A late payment penalty of one and one-half percent (1.5%) of the amount due shall be added to each delinquent bill.

**99.13 SERVICE DISCONTINUED.** Water and/or gas service to delinquent customers shall be discontinued in accordance with the laws of the State and procedures established by the Utility Board.

*(Code of Iowa, Sec. 384.84)*

**99.14 LIEN FOR NONPAYMENT.** The owner of the premises served and any lessee or tenant thereof shall be jointly and severally liable for sewer service charges to the premises. Sewer service charges remaining unpaid and delinquent shall constitute a lien upon the premises served and shall be certified to the County Treasurer for collection in the same manner as property taxes.

*(Code of Iowa, Sec. 384.84 [1])*

**99.15 LIEN NOTICE.** A lien for delinquent sewer service charges shall not be certified to the County Treasurer unless prior written notice of intent to certify a lien is given to the customer. If the customer is a tenant and if the owner or landlord of the property has made a written request for notice, the notice shall also be given to the owner or landlord. The notice shall be sent to the appropriate persons by ordinary mail not less than ten (10) days prior to certification of the lien to the County Treasurer.

**99.16 USER CHARGE REVIEW.** The City shall review the user charge system every two (2) years and revise user charge rates as necessary to ensure that the system generates adequate revenues to pay the costs of operation and maintenance including replacement and that the system continues to provide for the proportional distribution of operation and maintenance including replacement costs and debt service among users and user classes.

**99.17 NOTIFICATION OF RATE CHANGE.** The City will notify each user at least annually, in conjunction with a regular bill, of the rate being charged for operation and maintenance including replacement and debt services, of the treatment works.

**99.18 DEPOSIT REQUIRED.** A deposit intended to guarantee payment of bills for service may be required prior to approval of the service application. The deposit is not to exceed one months sewer usage. No service deposit shall be required of an applicant: 1) who has previously established a credit history with the City; 2) whose twelve most recent bills from Guthrie Center Municipal Utility were timely paid. In any case where a deposit has been refunded or is found to be inadequate, a new or additional deposit may be required upon twelve days written notice of the need for such deposit.

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