

Q: What is the proposed sewer base rate policy change beginning January 1, 2016?

A: Presently, utility account holders pay one sewer base rate regardless of the number of actual living units connected to the public sewer system. In effect, an account holder of a single-family dwelling may be paying the same amount as an account holder of multiple living units. Beginning January 1, 2016, all residential utility account holders will be charged a sewer base for each living unit.

Q: How will this affect me if I own a single-family dwelling?

A: An account holder for a single-family dwelling will not be affected by this policy change. The current sewer base rate of \$9.32 will continue to be charged to your account each month. In the event the sewer base rate changes, you will be billed for that rate.

Q: Why is this change needed?

A: The simple answer is fairness to all users. Paying for the privilege of or ability to discharge to the public sewer system should be charged among all account holders in a fair and equitable manner. This is a necessary step towards that end.

Q: How is sewer charged each month?

A: There are two sewer charges each month: a Sewer Base Rate and a Sewer Production Rate.

Q: What is the Sewer Base Rate?

A: The sewer base rate is the monthly charge for the availability of being connected to a public sewer system. The amount is fixed each month, whether the facilities are utilized or not. The privilege of having the ability to discharge to the public sewer system is the basis for a fixed monthly base rate. Revenues collected from the fee are generally used to maintain, operate, and replace the sewer system. Presently, the sewer base rate is \$9.32 per month.

Q: What is the Sewer Production Rate?

A: Sometimes referred to as the commodity charge, the sewer production rate is associated with conveying and treating discharges to the public sewer system. Each winter, the sewer production for each account holder is measured by using the winter water consumption associated with that account. The amount charged depends on the volume of discharge. Therefore, those who produce more will pay more. Revenues collected from this fee are generally used to operate, maintain, and replace the Orem Water Reclamation Facility. Presently, the rate is \$1.42/1,000 gallons.

Q: How will this affect me if I own a 4-plex?

A: An account holder for a 4-plex will be billed 4 times the base rate. The current sewer base rate of \$9.32 per living unit will result in a \$37.28 monthly charge. In the event the sewer base rate changes, you will be billed for 4 times that rate.

Q: How will my mixed-use sewer base rate charge be affected by this?

A: Accounts that are associated with mixed uses of residential and non-residential will be evaluated on a case-by-case basis. However, each residential living unit will be assessed one sewer base rate and the non-residential portion of the mixed-use development will be assessed according to the minimum required meter size for that development.

Q: How will this affect me if I own a 12-plex?

A: An account holder for a 12-plex will be billed 12 times the base rate. The current sewer base rate of \$9.32 per living unit will result in a \$111.84 monthly charge. In the event the sewer base rate changes, you will be billed for 12 times that rate.

Q: How will this affect me if I have an account with 100 units?

A: An account holder with 100 units will be billed 100 times the base rate. The current sewer base rate of \$9.32 per living unit will result in a \$932.00 monthly charge. In the event the sewer base rate changes, you will be billed for 100 times that rate.

Q: How will my business sewer base rate charge be affected by this?

A: Because non-residential account holders do not have living units, your business will be charged according to American Water Works Association (AWWA) guidelines. Accordingly, a multiplier associated with your meter size will be applied to the sewer base rate according to this schedule.

Meter Size	¾"	1"	1½"	2"	3"	4"	6"	8"	10"
AWWA Multiplier	1.00	1.67	3.33	5.33	10.00	20.00	41.67	53.33	96.67

Q: How do other cities apply sewer base rates?

A: Every city is different but Orem surveyed American Fork, Lindon, Ogden, Pleasant Grove, and Provo. Only Provo currently bills similar to Orem but is very interested in changing their billing structure to what Orem is proposing. (In FY 2016, Provo increased to its rate from \$5.88 to \$7.31).