

CITY OF OREM
CITY COUNCIL MEETING
JANUARY 12, 2015



REQUEST:	6:00 P.M. PUBLIC HEARING – ORDINANCE – AMENDING THE SEWER BASE RATE FOR MULTI-UNIT RESIDENTIAL BUILDINGS AND FOR NON-RESIDENTIAL BUILDINGS WITH A WATER METER SIZE GREATER THAN ¾”.
APPLICANT:	Chris Tschirki, Director of Public Works
FISCAL IMPACT:	Approximately \$1.1 Million

NOTICES:

- Posted in 2 public places
- Posted on City webpage
- Posted on the State noticing website
- Faxed to newspapers
- E-mailed to newspapers
- Neighborhood Chair

SITE INFORMATION:

- General Plan Designation:
N/A
- Current Zone:
N/A
- Acreage:
N/A
- Neighborhood:
N/A
- Neighborhood Chair:
N/A

PLANNING COMMISSION RECOMMENDATION
Vote:

<p>PREPARED BY: Neal R Winterton Water Resources Division Manager</p>

RECOMMENDATION:

The Director of Public Works recommends that the City Council, by ordinance with an effective date of July 1, 2016, (1) charge a sewer base rate for each residential living unit, and (2) amend the sewer base rate for non-residential buildings having a water meter size greater than ¾”.

BACKGROUND:

The City of Orem presently charges a monthly “sewer base rate” for city sewer services. This charge is the same for all land uses and is charged by the total number of physical sewer connections that service the account, regardless of the number of residential or non-residential units associated with that account. This means, for example, that an account holder with a 12-plex with one sewer connection pays the same sewer base rate as a single-family homeowner. Furthermore, a large commercial business pays the same base rate that a single-family homeowner pays. The sewer base rate is intended to compensate the City for the cost of making sewer service available at a particular connection point, including costs related to infrastructure and maintenance. The “sewer volume charge” is a separate charge that is based on actual sewage flow and is intended to compensate the City for the cost of handling and treating the user’s quantity of sewage flow.

SUMMARY OF PROPOSED AMENDMENTS:

Effective July 1, 2016, the City of Orem sewer base rates will change as follows:

1. Each residential living unit found in a single-family dwelling, multi-family dwelling, apartment complex, condominium complex, etc. will be charged a sewer base rate. In other words, a 12-plex would now be billed for 12 sewer base rates and not 1 sewer base rate.
2. Non-residential accounts will be charged a sewer base rate according to their water meter size and the associated industry standard American Water Works Association (AWWA) equivalent meter information.
3. Mixed-use developments will be charged by combining these two methods—paying for each residential living unit plus the equivalent meter size necessary to service the non-residential portion of the building.

The sewer base rate for single family residences and the sewer volume charge remain unchanged.

The new fees and charges information would read as follows:

Monthly Sewer Rates

Residential Base Rate¹ \$9.32/Residential Living Unit (*unchanged*)
 Non-Residential Base Rate² \$9.32 x AWWA Multiplier
 Mixed-Use Base Rate³ \$9.32/Residential Living Unit + Non-Residential Component
 Volume Charge⁴ \$1.42/1,000 Gallons (*unchanged*)

¹Each residential utility account will be assessed a sewer base rate according to the number of residential living units associated with the account. For example, a single-family dwelling will be billed for 1 sewer base rate, a duplex (including single-family dwellings with an accessory apartment) will be billed for 2 sewer base rates, a 4-plex will be billed for 4 sewer base rates, a 12-plex will be billed for 12 sewer base rates, etc.

² All non-residential utility account holders will be billed using a water meter size multiplier based on American Water Works Association (AWWA) guidelines. (Table 28-2 from American Water Works Association Manual of Water Supply Practices M1 – “Principles of Water Rates, Fees, and Charges” for water meters up to 3-inches in size and Table 2-2 from American Water Works Association Manual of Water Supply Practices M6 – “Water Meters – Selection, Installation, Testing, and Maintenance” for water meters larger than 3-inches in size.) The following table details the AWWA Multiplier for various water meter sizes.

Water 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

³ Mixed-use utility accounts will be assessed according to (1) the number of residential living units and (2) the non-residential component of the mixed-use development. The non-residential component is calculated by determining the equivalent water meter size required to service only the non-residential portion of the mixed-use development using the International Plumbing Code 2012 version, Appendix E201.1 (pressure range over 60) and E103.3(2) . The AWWA multiplier associated with the equivalent water meter size will then be applied to determine the non-residential component of the sewer base rate.

⁴Effective July 1 of each year, the monthly charge shall be based on the average winter water usage for the preceding winter months.

The City Council held a public hearing on this matter on December 8, 2015. After receiving public comment and discussing the matter, the City Council

closed the public hearing and continued this matter to January 12, 2016.