

E. Exemptions. The following land uses are exempt from storm water drainage fees:

1. Public right-of-way;
2. Vacant, unimproved land with sufficient ground cover so as not to create any significant runoff as determined by the City Engineer; and
3. Land owned by the City.

**Subd. 5. Payment of Charges.**

- A. Statements. Statements for storm water drainage charges shall be computed every month and invoiced as part of the sewer and water utility billing system. Such statements shall be due on or before the 15<sup>th</sup> day of each month stated on the bill. It shall be the responsibility of the owner, lessee, occupant, or all of them, jointly and severally, to pay the charges as set forth within the statement when due.
- B. Recalculation of Charges. If the owner, lessee, occupant or the person responsible for paying the storm water drainage charges questions the correctness of an invoice for such charges, said person may have the determination of the charge recomputed by the City by written request to the Clerk made within 60 days of mailing of the invoice in question.
- C. Penalty for Late Payment. Each monthly billing for storm water drainage charges not paid on or before the 15<sup>th</sup> day of the month stated on the billing statement shall incur a penalty charge of 10% of the amount past due.
- D. Establishment of Tax Lien. Any past due storm water drainage charge levied pursuant to this Section shall be a lien against the subject property. Charges more than 30 days past due, having been properly mailed to the occupant or owner of the premises, shall be certified by the Council to the county auditor, shall specify the amount thereof, the description of the premises, the name of the owner thereof, and the amount so certified shall be extended upon the tax rolls against such premises in the same manner as other taxes, and collected by the county treasurer and paid to the City along with other taxes.

**SECTION 610.01. SEWER SERVICE CHARGES.**

It is the purpose of this Section to recover from users of the City facilities, on an equitable basis, the share of the City facilities' costs attributable to such users, and to provide funds for the operation and maintenance, debt service, replacement and improvements of the City.

**Subd. 1. Charges Levied.** The user charges provided for in this Section are hereby levied and assessed upon each lot, parcel of land, building or premises having any connection with, or discharging either directly or indirectly into the sewer system.

**Subd. 2. Computation and Notice.** The Council shall annually determine and fix the unit cost for flow, BOD, TSS and any other pollutants, based upon the allocation of total Annual Operation, Maintenance and Replacement Costs respectively, for the treatment of such sewage at the City treatment facilities (see Appendix 2). The Council may increase or decrease such unit costs as often and in such amounts as may reasonably be required to accomplish the purposes of this Section. The City shall compute the amount due the City for sewer service charges and render a statement thereof, at monthly intervals, to the owner or occupant of any premises using the City facilities. Notwithstanding any provision of the City Code to the contrary, if any such owner or occupant is vacating any such premises and notifies, in writing, the offices of the Clerk, at least ten days prior to vacating the premises, as to (a) the date that the owner or occupant will vacate the premises and the new address of the person vacating, and (b) the name and move-in date of the new owner or occupant (if any); then the amount due for such charges shall be prorated between the owners or occupants vacating the premises and any owners or occupants moving into the premises. Statements for sewer service charges shall be computed every month and invoiced as part of the sewer and water utility billing system. Such statements shall be due on or before the 15<sup>th</sup> day of each month stated on the billing statement. Failure to pay on or before the 15<sup>th</sup> day of the month stated on the billing statement shall result in a penalty charge at 10% of the amount past due. Each user will be notified annually by the City, in conjunction with a regular bill, of the rate and that portion of the sewer service charges which are attributable to the operation, maintenance and replacement costs. The Clerk shall, in August of each year, provide to the Council an internal report which shall address specific areas of concern including: the need to generate sufficient revenue through “user” charges to cover total O & M costs; the necessity of maintaining a proportionate system of “user” charges; and the need to review the replacement account to determine its proper funding level. Appropriate revisions will be made to the rates to maintain proportionality and to cover total O & M cost, as reflected by the annual audit.

**Subd. 3. Charges a Lien.** Each charge levied pursuant to this Section shall be a lien against the subject property. Charges more than 30 days past due, having been properly mailed to the occupant or owner of the premises, shall be certified by the Council to the county auditor, shall specify the amount thereof, the description of the premises, the name of the owner thereof, and the amount so certified shall be extended upon the tax rolls against such premises in the same manner as other taxes, and collected by the county treasurer and paid to the City along with other taxes.

**Subd. 4. Civil Action.** Any charges levied pursuant to this Section which have been properly sent to the occupant or owner and not paid, may, in addition to all other remedies available to the City, be recovered in a civil action by the City in any court of competent jurisdiction.

**Subd. 5. Funds from Sewer Service Charges.** The funds received from the collection of the charges authorized by this Section shall be deposited as collected in the City sewer system operating fund and shall be used for the operation, maintenance, debt service, replacement, and improvements of the City sewer system, except that the portion of any such funds which is limited to a particular use by applicable state or Federal rules or regulations shall be used in compliance with such restrictions.

**Subd. 6. Unit Cost Categories.** The cost to be recovered pursuant to this Section and the unit cost to be fixed by the Council shall be determined and allocated in each of the following categories:

A. Category “A” – Debt Service for Wastewater Treatment Facilities:

This shall be the amount of the annual interest and principal cost necessary to retire the bonds issued, debt incurred and other obligations entered into for the purpose of paying the City’s share of all project costs. The City shall retire the debt in the sewer service charge or through the levying of ad-valorem taxes. The Council, will establish a separate account by which that portion of the sewer services charge is attributed to the debt service cost.

B. Category “B” – Operation and Maintenance – City Wastewater Treatment Plant and Sewer System:

This shall be the annual cost of operating and maintaining the City wastewater treatment plant and sewer system facilities, including an amount for replacement costs of facility equipment. The sewer service charge will be segregated into an account for operating and maintenance costs and a separate account for replacement costs.

C. Category “C” – Capital Improvements

The Council shall annually establish a “Unit” Capital Improvement Charge for improvements to the existing wastewater collection system. The Capital Improvement Charge for a given user shall be calculated by multiplying the “Unit” Capital Improvement Charge by the average monthly water usage.

**Subd. 7. Industrial Charges.**

A. The industrial user charges for operation, maintenance and replacement of the City facilities (Category B of Subd. 6 herein) shall be determined as follows:

Unit costs for flow, BOD, TSS shall be calculated by apportioning the annual Category B cost as determined by Council Resolution, to flow, BOD and TSS, then dividing each cost so apportioned by the total Annual Wastewater Flow, BOD and TSS, to be received at the Wastewater Treatment Plant in that year.

$$\text{Unit Cost for Flow/} = \frac{\text{Annual OM \& R Cost for Flow Treatment} \times 1000}{1000 \text{ Gallons} \quad \text{Annual Wastewater Flow}}$$

$$\text{Unit Cost for BOD/} = \frac{\text{Annual OM \& R Cost for BOD Treatment}}{1b. \text{ BOD} \quad \text{Annual BOD to Facility}}$$

$$\text{Unit Cost for TSS} = \frac{\text{Annual OM \& R Cost for TSS Treatment}}{\text{Annual TSS to Facility}}$$

1b. TSS

Industrial Sewer Service Charge shall be the sum of the products obtained by multiplying the unit costs as determined above by the user's actual flow, BOD, TSS during the billing period with general municipal flow strength sewage as a minimum.

- B. In addition to the charges provided for herein, the City may impose a surcharge on any industrial user based on some other pollutant loading factors which require special treatment at the Wastewater Treatment Plant. A surcharge also may be imposed on any industrial user which discharges any substance or pollutants, which may result in an increase in the cost of managing the effluent of the City's treatment works. Surcharges shall be levied on the basis of any additional costs incurred by the City in treatment of these pollutants.
- C. Industrial users shall be billed on a monthly basis. Industrial user charges shall be reviewed and revised quarterly based upon the measurements taken under Subdivision 9 of this Section
- D. The Category B cost factor for the operation and maintenance user charge and the surcharge cost factor shall be itemized in resolution form to accompany this Code. The Category A cost factor, shall be determined in the same manner as for general users. The Category C cost factor shall be determined by the Council and itemized in resolution form to accompany this Code.
- E. When required by the City, each industrial user shall install suitable measuring, sampling and analyzing devices. The City shall not require installation of such devices where the City determines that such industrial user has average concentrations of BOD and TSS no greater than the concentration of such constituents in the general municipal flow and a satisfactory method and access exist for sampling and determining the total daily sewage flow. In such cases, the charges to those industrial users shall be based on the flow rate as determined and on BOD and TSS loads equal to the average load of the general municipal flow.
- F. Each industrial user required by the City to install and maintain sewage monitoring facilities shall submit to the City a monthly report of daily flow, BOD and TSS on a form approved by the City. This report shall be used for billing purposes and shall be submitted prior to the 15<sup>th</sup> day of the subsequent month.
- G. The City shall have the right to periodically or continuously inspect the monitoring facilities, to measure, sample and analyze the user's flow and to analyze the samples obtained by the industrial user. In the event of any discrepancy between the flows or loads determined by the City and the industrial user, the values determined by the City shall be used for billing purposes. A high strength user may appeal this procedure by

presenting information and documentation which provides a more equitable means of determining their cost based upon flow, BOD, TSS, to the satisfaction of the City.

**Subd. 8. Charges for General Users – Domestic, Commercial, Institutional and Governmental Users.**

- A. The Category B (User) for general users shall be based on water meter records. The amount of Category B revenues that the City determines is necessary for the annual operation and maintenance of the treatment facilities, less the user fees collected from the other contract users and industrial users, this difference divided by the total annual volume of metered water utilized by the general users and multiplied by 1,000, shall be the cost factor for the general user charge per 1,000 gallons of water used. The cost factor shall take effect at the conclusion of the first quarter and shall remain in effect for one year unless adjusted by Council action on the interim basis. The total annual volume of metered water, utilized by the general users shall be the sum of the first and fourth quarter water meter readings for the previous year, multiplied by two for each residential water user plus the water meter reading during the quarter for commercial, institutional and governmental users for the previous year. The cost factor times the volume as determined by water meter readings in the fourth quarter of the previous year plus the first quarter of the current year and divided by six, shall be the monthly user charge for domestic users for the calendar months of May, June, July, August, September and October. The cost factor times the volume as determined by the water meter readings in the current month shall be the monthly user charge for domestic users for the calendar months of November, December, January, February, March, and April. The cost factor times the volume determined by water meter readings during each quarter and divided by three shall be the monthly user charge for all commercial, industrial, and governmental users for the following quarter. Contract users shall be charged monthly at the rate of 1/12 of the annual rate define in the contract with the City.
- B. If a general user does not have a water meter, the user charge for operation and maintenance shall be determined by the Council. The Council's determination shall be based on the average of the user charges for similar general users. At the Council's discretion, the City may require the general user to install a water meter or wastewater flow meter for the purpose of determining wastewater volume. When so required, such meters shall be of a type approved by the City, equipped with remote registering recorders and located at an accessible site on the owner's property.
- C. The Category B cost factor for the operation and maintenance user charge and the surcharge cost factor shall be itemized in resolution form to accompany this Code. The Category A cost factor is made part of the Sewer Service Charge in accordance with Subd. 6 of this Section and shall be itemized in resolution form to accompany this Code. The methodology for determining the sewer service charges is outlined in the report entitled "Delano, Minnesota, Sewer Service Charge System, Wastewater Treatment Facilities."

D. The rate for new users shall be established by the Council each year by resolution.

#### **SECTION 611.01. CONNECTION FEES AND SEWER AVAILABILITY CHARGES AND CONNECTION DEPOSIT.**

**Subd. 1.** Connection fees shall be determined by the Council each year by resolution. The connection fee shall be assessed to each property owner at the time of application for a connection permit to the sewer system. This fee is also to cover all administrative costs incurred by the City including but not limited to clerical and inspection.

**Subd. 2.** The applicant shall be required to make a connection deposit along with the permit application. The connection deposit shall be refunded to the applicant after the City completes a final on-site inspection of the sewer connection and restoration. The connection deposit shall be established by the Council each year by resolution.

**Subd. 3.** The Sewer Availability Charge (SAC) shall be assessed to the applicant at the time of application for a connection permit to the sewer system. A SAC unit is based upon 274 gallons of flow per day. Single family houses, townhouses, and duplex units each comprise one SAC unit. Apartment buildings shall have a base charge of 0.5 SAC units for each apartment unit, plus 0.25 units for (a) each additional sleeping room beyond the first sleeping room; and (b) any den or study, not to exceed one total SAC unit per apartment unit. The SAC charge for commercial and industrial facilities has been developed. This criteria is based upon the recommendations/standards of the Minnesota Department of Health, the State Building code and the U.S. Department of Health, Education and Welfare. The SAC charge for a multi-purpose room or area in a building, should be determined based upon the use which will generate the greatest discharge. There is a minimum charge of one SAC unit for each new building. The sewer availability charge shall be established by the City Council by resolution. In the event that a current user is approved for a land use change, pursuant to Chapter 51, The Delano Zoning Ordinance, the SAC corresponding to the appropriate facility designation shall be assessed.

#### Standard Sewer Availability Charge (SAC) Units for Various Commercial, Public and Institutional Facilities.

<u>Type of Facility</u>	<u>Parameter</u>	<u>SAC Unit</u>
ARENAS	110 seats	1
AUDITORIUMS	110 seats	1
AUTOMOBILE SERVICE		
(Fast service less than 4 hrs. per car)	2 service bays	1
(Major service more than 4 hrs. per car)	14 employees	1
BALLROOM		
Facility without liquor service	825 sq. ft.	1