



**Meeting Date:** 12/10/12  
**Agenda Item:** #6d

**Mission Statement**  
Delivering quality services in a courteous,  
cost-effective and efficient manner

## VILLAGE BOARD MEETING STAFF REPORT

**REPORT TO:** President Burt McIntyre and Village Board of Trustees  
**REPORT FROM:** Chris Haltom, Executive Director of Administrative Services  
**AGENDA ITEM:** Review and take action on Ordinance 2012-20 Regarding Sanitary Sewer User Charge System Rates for 2013

### **POLICY ISSUE**

Should the Village Board increase sewer rates to enable the utility to absorb the Green Bay Metropolitan Sewerage District (GBMSD) rate increase in 2013?

### **RECOMMENDED ACTION BY VILLAGE BOARD**

Village staff recommends the Village Board approve Ordinance 2012-20. If the board decides to approve the ordinance, the following motion could be made:

*"I move to approve Ordinance 2012-20 regarding sewer rates for 2013."*

### **POLICY ALTERNATIVE(S)**

The Village Board could take the following action:

- Leave rates unchanged by not approving the ordinance.
- Table the item and request additional information.

### **FINANCIAL INFORMATION**

#### **FISCAL IMPACT:**

- |                              |            |
|------------------------------|------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>N/A</u> |
| 3. If Budgeted, Which Line?  | <u>N/A</u> |

#### **FISCAL SYNOPSIS:**

Without a rate increase, the sewer utility will be unable to continue to finance operations and infrastructure improvements in future years.

### **PRIOR ACTION/REVIEW**

December 12, 2011:

Board approved new sewer rates for 2012.

### **BACKGROUND INFORMATION**

Each year, the Village Board adopts new sewer rates for industrial customers to mirror the rates charged to the sewer utility by the GBMSD. Due to the fact the GBMSD is raising sewer rates for all customers for 2012 and 2013, an increase is needed in the sewer rates for all customers, not just

the industrial customers. As a result of this increase, staff is proposing to increase the 2013 sewer rates by \$0.57 per thousand gallons (or 16.9%) to match the GBMSD's proposed increase to flow rates of sewage and allow for sufficient operating income to cover utility costs. The fixed monthly rate would not change for 2013. Staff believes a sewer rate study will be needed in 2013 to determine if the proposed rate increase in this ordinance will be sufficient for 2013. This rate study would be performed after completion of the 2012 audit report, possibly in the spring.

An ordinance change is required to approve changes in sewer rates. The attached ordinance includes the proposed rates for 2013. The rates will become effective 1/1/13 and the first billings under the new rate structure will occur in late January 2013.

**ATTACHED INFORMATION**

- I. Ordinance 2012-20

**ORDINANCE 2012-20**

**AN ORDINANCE REPEALING AND RECREATING SECTION 36-326(2) and  
36-326(3) OF THE MUNICIPAL CODE OF THE VILLAGE OF HOWARD  
FOR USER CHARGE SYSTEM FOR THE SANITARY SEWER UTILITY**

THE VILLAGE BOARD OF THE VILLAGE OF HOWARD, BROWN COUNTY, WISCONSIN,  
HEREBY ORDAINS THAT SECTIONS 36-326(2)(a) and 36-326(3) OF THE MUNICIPAL CODE OF THE  
VILLAGE OF HOWARD, BE REPEALED AND RECREATED TO READ AS FOLLOWS:

**SECTION 1. 36-326(2)(a) POLICY AND USER CHARGE SYSTEM**

2. **a. Category A Sewage:** The term "category A" means normal or domestic strength wastewater having the following:
1. Organic concentrations of biochemical oxygen demand (BOD) no greater than 266 milligrams per liter (mg/l), total suspended solids (TSS) no greater than 266 mg/l, phosphorus (P) no greater than ten mg/l, and total Kjeldahl nitrogen (TKN) no greater than 46 mg/l.
  2. Monthly facilities charge for all customers shall be charged \$2.75 per month.
  3. Volume charge for all customers shall be charged \$3.95 per 1,000 gallons used each month.

**SECTION 2. 36-326 (3) POLICY AND USER CHARGE SYSTEM**

3. **Category B Sewage:**  
(BOD>266 mg/l, TSS>266 mg/l, P>10 mg/l, TKN>46 mg/l):

Monthly Facilities Charge: Same as for Category A customers

Volume Charge: Same as for Category A customers.

<u>Surcharge per lb. over</u>	2012	2013
<u>Domestic Strength Sewage:</u>	<u>Surcharge</u>	<u>Surcharge</u>
BOD (\$/lb.)	\$.26511	\$.30901
TSS (\$/lb.)	\$.29365	\$.34795
P (\$/lb.)	\$.48596	\$.62393
TKN (\$/lb.)	\$.76674	\$.78995

**SECTION 3.** All ordinances or parts of ordinances, in conflict herewith are hereby repealed.

**SECTION 4.** This ordinance shall take effect January 1, 2013 upon its adoption and publication.

Adopted this 10<sup>th</sup> day of December, 2012.

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Burt R. McIntyre, Village President

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Christopher A. Haltom, Village Clerk

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