

## SECTION 16

### SEWER USE CHARGES AND THE COLLECTION THEREOF

16.1 Purpose. The purpose of this Regulation is to establish fair and reasonable charges for use of the South Windsor sewerage system and in connection therewith giving consideration to appropriate factors relating to the kind, quality, or extent of use of any property connected to or to be connected to the sewage system. This Regulation is further intended to establish an equitable basis of cost recovery of the industrial share of the local capital and debt service charges.

16.2 An annual sewer use charge shall be imposed on each residential, commercial and industrial building connected into the sewer system and discharging sewerage of any quality, character or quantity into the sewer system. The following methods for calculating rates are hereby prescribed:

- A. Sewer use charges, together with other sources of revenues, shall fund 100 percent of the costs for Pollution Control operation and maintenance (O & M) debt service, capital improvements and operating and replacement reserves, and shall be prorated among the several user categories (residential, commercial, small industrial and major industrial) based upon the quantity of equivalent sanitary wastewater discharged. A user charge shall be computed according to the following general formula:

$$\text{User Charge} = \frac{(C_t - (C_R + R_o)) \times Q_o}{Q_t}$$

Where:

$C_t$  = Total annual cost for operation, debt service, capital projects, contributions to reserves.

$C_R$  = Surcharges for removal of excess Total Suspended Solids (T.S.S.) and Biochemical Oxygen Demand (B.O.D.).

$R_o$  = Other Sources of Revenue

- Septic Dumping Fees
- Permit Fees
- Assessments

- Interest & Lien Fees
- Connection Charges
- Grants/loans
- Transfers from Operating and Replacement Reserves
- Internal Services Transfers
- Investment Interest Earnings

$Q_0$  = Annual individual user discharge (gallons). Assumed discharge for uniform rate users; measured or minimum discharge for other users.

$Q_t$  = Total annual industrial/commercial and residential discharge (gallons). Sum of  $Q_0$  for all users.

#### B. Residential User Charges

1. There shall be a uniform rate for each dwelling unit in single and multifamily residential buildings, and residential condominiums based on a uniform assumed discharge. If an accessory apartment is present, the main dwelling and the accessory apartment are charged as separate dwelling units. Group homes are charged as single family dwellings. In-law apartments within a dwelling are not considered separate dwelling units.
2. A resident subject to a sewer user charge and found to be eligible by the Town of South Windsor Human Services Department for property tax relief under the State of Connecticut Qualifying Income for the Elderly and Totally Disabled Tax Relief Program shall have said user charge reduced by a percentage corresponding to the percentages and income levels for married and unmarried owners as described in the aforesaid Qualifying Income for the Elderly and Totally Disabled Tax Relief Program. The difference between the revenue received from sewer user charges paid by all Qualified Users and such revenue as would have otherwise been received had the full residential rate been applied shall be absorbed by all other sewer user classes, which shall be adjusted accordingly.

#### C. Commercial/Industrial User Charges

1. Discharge into the sewer system is calculated on water usage from January 1 through December 31 billed by the facility's water company-the previous year.

2. The owner may seek approval to install and maintain, at their own expense, a meter measuring sewerage outflow. Said meter shall be installed in a place easily accessible to the Authority or its duly authorized agent for recording purposes. The owner is required to provide to the Town in January of each year a written report of the meter readings for the preceding calendar year; said report must be provided no later than the final business day in January to have the meter's readings used in arriving at the sewer user charge.
3. In the case where the owner is approved to install and maintain, at their own expense, a meter used for the purpose of measuring water not discharged to the sewer system, the owner is required to provide to the Town in January of each year a written report of the meter readings for the preceding calendar year; said report must be provided no later than the final business day in January to receive credit in arriving at the sewer user charge.
4. **Rental apartment developments:** User charges are calculated based on measured water consumption or outflow subject to a minimum per apartment unit. Common areas such as club houses and offices, if present, are charged as a single unit in calculating the minimum.
5. **Institutional residence facilities such as independent living facilities, assisted living facilities and nursing homes:** User charges are calculated based on facility measured water consumption subject to a minimum similar to other commercial/industrial facilities.
6. **All other commercial and industrial users:** User charges are calculated based on measured water consumption or discharge subject to a minimum consumption or discharge.

#### D. Industrial Surcharges

Industries shall be assessed a surcharge when suspended solids (s.s.) and biochemical oxygen demand (B.O.D.) concentrations exceed 238 mg/1 and 212 mg/1, respectively. A separate surcharge shall be computed for both suspended solids and B.O.D. In the computation

of suspended and B.O.D. surcharge rates, the annual allocated cost for suspended solids and B.O.D. removal shall be divided by the annual quantity of each parameter removed in the treatment process.

$$\text{Cost per pound s.s. removed} = \frac{\text{Annual Costs for s.s. Removed}}{\text{Pounds of s.s. Removed}}$$

$$\text{Cost per pound B.O.D. removed} = \frac{\text{Annual Costs of B.O.D. Removed}}{\text{Pounds of B.O.D. Removed Annually}}$$

Treatment costs shall be allocated according to flow (Q), B.O.D. and s.s. in the following proportions:

Activity Unit	Allocation %		
	Q	s.s.	B.O.D.
Pretreatment	100	---	---
Primary Treatment	20	25	55
Secondary Treatment	10	60	30
Effluent Disinfection	90	10	---
Sludge Thickening	---	40	60
Sludge Dewatering	---	40	60
Sludge Disposal	---	40	60
Laboratory	10	60	30

### 16.3 Small Industries

- A. The owner is required to submit a sworn statement of water use or discharge into the sewer system from January 1 through December 31; such statement to be supported by any available records or evidence of water use or discharge to which applicable rate shall be applied; or
- B. In the case of disagreement, the owner is required to install and maintain, at his own expense, a meter measuring sewerage outflow. Such measurements to be used in arriving at sewer use charge. Said meter to be installed in a place easily accessible to the Authority or its duly authorized agent for recording purposes.
- C. In the case where the owner is required to install and maintain, at his own expense, a meter used for the purpose of measuring water not discharged to the sewer system, the owner is required to provide to the Town in January of each year a written report on company letterhead of the meter readings for the

preceding calendar year; said report must be provided no later than the final business day in January to receive credit in arriving at the sewer user charge.

#### 16.4 Major Industries

- A. The owner shall install and maintain, at his own expense, a meter measuring waste outflow; such measurements to be used in arriving at sewer use charge. Said meter to be installed in a place easily accessible to the Authority or its duly authorized agent for recording purposes.
- B. A suitable sampling manhole shall be provided at the owner's expense in a place easily accessible to the Authority or its duly authorized agent for monitoring B.O.D. and solids. Location of flow measuring equipment and sampling manhole may be combined upon approval of the Authority.
- C. In the case where the owner is required to install and maintain, at his own expense, a meter used for the purpose of measuring water not discharged to the sewer system, the owner is required to provide to the Town in January of each year a written report on company letterhead of the meter readings for the preceding calendar year; said report must be provided no later than the final business day in January to receive credit in arriving at the sewer use charge.

#### 16.5 Billing Cycle

- A. Residential and Qualified Residential Users – the user fee per fiscal year (July 1<sup>st</sup> through June 30<sup>th</sup>) (annual charge) for each single-family living quarters, due and payable on October 1<sup>st</sup>.
- B. Prorate Charges – a residential user charge shall be paid by the property owner to the Town at the time of connection to the sanitary sewer system. The prorate charge shall be the annual minimum (flat rate) charge prorated for the balance of the fiscal year pursuant to the schedule of prorated charges in effect at the time. The effective date for determination of the prorated charge shall be thirty (30) calendar days from the date of drain layer's permit issuance.

If, at the end of a fiscal year within which a prorated user charge had been collected, the residential unit remains unconnected to a potable water supply, and therefore, unable to use the sanitary sewer system, the property owner may request a refund of said charge. The property owner must provide evidence by means of arranging for an onsite inspection by a Town official. In the event that a prorated user charge is refunded, the property shall continue to be listed on the Account Master Maintenance

File for the purposes of billing in subsequent years. Future requests for refunds may be granted by the Authority at the end of each fiscal year based upon Town

inspections. In order to be eligible for a refund, the user charge must be paid at the time of billing.

During any fiscal year, refunds of a portion of a paid sewer user charge may be granted by the Authority based upon written evidence provided by the property owner that the residential unit had been connected to a potable water supply.

- C. Commercial and Industrial – user fee per fiscal year (annual charge) for each building connected into the sewer system, due and payable on April 1<sup>st</sup>.

16.6 The Water Pollution Control Authority shall establish special charges when water use is not related to sewer use, or when water is obtained from an unmetered source.

16.7 Reserve Fund Policy

Purpose: The purpose of this Policy is to ensure the proper functioning and continuous operation of South Windsor's sanitary sewage system is essential for public health and safety, economic development, environmental protection, and the quality of life for those living and working in our town. The Water Pollution Control Authority (WPCA) is responsible for this system, and as such must establish prudent fiscal policies to ensure adequate funding for proper maintenance, repair and replacement of the system's many components. Planning for the future needs of this complex and widespread system entails a degree of unavoidable uncertainty, including, among other things, exposure to unforeseen natural events, accidents, revenue fluctuation, and unplanned facility repair, maintenance and improvement needs.

The purpose of the Reserve Fund Policy is to mitigate the economic consequences of current and future risks, to ensure sound fiscal management and stabilization of annual sewer user rates, and to allow for greater flexibility with long term planning.

1. The Reserve Fund shall be made up of restricted funds for specific purposes and shall include the following:
  - a. An Operating Reserve equal to a three (3) month (25%) reserve of the operating budget (Operation & Maintenance and Debt Service) to maintain sufficient cash reserves to offset variations in revenue and expenditures using a three year trend to project the actual amount, and
  - b. A Replacement Reserve equal to two (2) percent of the Pollution Abatement Facility Asset Value , adjusted to reflect replacement costs based upon an industry construction cost index, and

2. The WPCA intends to fully fund the Reserve Fund over a Five Year period for the Operating Reserve and over a Ten Year period for the Replacement Reserve beginning with the adoption of this policy. It is understood, however, that these goals may require modification depending on the actual use of such Reserve Funds, and will be subject to regular review pursuant to Paragraph 5, *infra*.

#### Procedure

1. Until the Restricted Fund targets are met, the WPCA will transfer into the Reserve Fund all revenues exceeding expenditures after payment of debt service and on-going equipment replacement costs.
2. Reserve Fund balances will be maintained pursuant to the standards and procedures found in the Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB).
3. Unrestricted fund balances that are the result of revenues exceeding expenditures in any given fiscal year shall be utilize at the discretion of the WPCA for purposes consistent with the Reserve Fund Policy.
4. For the purpose of rate stabilization, Funds shall be transferred from the Reserve Fund on an "as needed basis" to compensate for unusual operating or other expenses, as, for example, when a future replacement project is expected to significantly increase rates. Such rate stabilization funds will be utilized in conjunction with the distribution of any necessary rate increase over a period of years, in order to avoid an excessive rate increase in any one given year. The amount of rate stabilization funds used and the distribution of rate increases shall be at the discretion of the WPCA.
5. The Reserve Fund Policy may be reviewed and revised at any time by the WPCA upon motion by its members, but will, in any case, be subject to annual review at budget and rate-setting meetings. Such policy review may include, but is not limited to, consideration of changes in reserve fund target balances, the time period for achieving full funding, and the use of reserve funds to offset sewer use rate increases. Such policy review will include due consideration of current sewer system conditions, future needs, current reserve fund balances, and the Town's economic circumstances. The South Windsor Town Council and Town Manager will be advised of such a review to allow for input from these parties.