ORDINANCE NO. 35 FOR 1977

ORDINANCE NO. 709

AN ORDINANCE PROVIDING FOR INDUSTRIAL WASTE RESTRICTIONS, SETTING USER CHARGES AND INDUSTRIAL COST RECOVERY CHARGES AND REPEALING ORDINANCE NO. 633

Section 1. Industrial Waste Restrictions.

(1) It is unlawful to discharge or permit the discharge of industrial wastes into a public sewer under City control or into a sewer discharging into the City sewer system unless prior approval of the City is obtained.

(2) If any industrial wastes are discharged or are proposed to be discharged to a public sewer which, in the judgment of the City may have a deleterious effect upon the sewage works, processes, equipment or receiving waters, or which otherwise create a hazard to life or create malodors, the City may:

(a) Reject the waste;
(b) Require preliminary treatment to an acceptable condition for discharge to the public sewer; and
(c) Require regulation of the quantities and/or rates of discharge.
(d) Require industry to provide a composite sampler as approved by the City of Sweet Home.
(e) Require industry to provide a flow measuring device as approved by the City of Sweet Home.

(3) Special agreements. No statement contained in this section shall be construed as prohibiting any special agreement or arrangement between the City and any person whereby an industrial waste of unusual strength or character may be admitted to the wastewater treatment works, either before or after preliminary treatment; provided, that there is no impairment of the functioning of the wastewater treatment works by reason of the admission of such wastes, and no extra costs are incurred by the City. That the composition of such wastes complies with State and Federal discharge requirements.

Section 2. Industrial Waste Rate Principles.

(1) General. The Environmental Protection Agency, hereinafter called the EPA, awarded a grant to the City for 75 percent participation in the wastewater treatment plant construction for the City, which construction is now in progress, and the City is required to enact a system of equitable user charges that meet the EPA guidelines to provide for industries discharging into the municipal system to pay their "fair share" of the treatment costs. The EPA guidelines were published in the Federal Register, Vol. 38, No. 161 on August 21, 1973, and EPA continues to make the regulations and the guidelines with which the City is required to comply.

(2) Statement of rate.

(a) The primary objective in setting industrial waste rates is to provide for equitable distribution of the cost of treatment services, based on the quantity and quality of effluent from system users. Three criteria, liquid flow (Q), biochemical oxygen demand (BOD) and suspended solids (SS), form the principal basis of design and resultant cost for treatment works. As such, these three criteria form a logical basis for development of a fair rate structure. The rate structure, then, will be built around these components - Q, BOD and SS.

(b) The rates will be based on the "average cost pricing" concept. That is, all users shall pay at the average unit cost of service. No credit for economy of scale, volume discount or rate reductions based on community impact are included. It is intended that all scale economies shall accrue equally to all users.

(3) Industrial cost recovery and user charge system. As set forth in the EPA guidelines, the system for industrial cost recovery and user charge system must be approved by the EPA and be implemented and maintained by the City in accordance with the regulations published in the Federal Register, Vol. 38, No. 161 on August 21, 1973.

(4) Operation and maintenance cost principles. The operation and maintenance cost principles shall be as set forth in the Cornell, Howland, Hays and Merryfield, Clair A. Hill & Associates report entitled "Industrial Waste Rate Methods," May 1974, a copy of which is attached hereto.

(5) Summary of industrial waste rate methods.

(a) The proposed waste charges shall consist of: (1) an Industrial Cost Recovery (ICR) Charge equal to the EPA portion of the construction costs divided by the project life times the actual industry loadings (for Q, BOD and SS during the past fiscal year) divided by the respective design loadings, and (2) a variable annual user charge to the industry, which is based on the actual loading at the treatment plant, and the actual cost of operation and maintenance, including its share of amortizing the City's bond costs for the project.

(b) The O&M charge to an industry would be by unit charges for flow (Q), BOD and suspended solids (SS). Based on the estimates described herein, the O&M cost formula is: O&M Charge = $104.00 x Q + $0.0557 x BOD + $0.0138 x SS. + sample gathering fee. (75-76 FY factors)

(c) The unit charges for Q, BOD and SS are $104.00 per million gallons Q, $0.0557 per lb. BOD, and $0.0138 per lb. SS. The factors used to develop the user charge (the charge for operation, maintenance and bond retirement) will vary from year to year. As a result, new factors will be calculated based on the previous fiscal year's actual costs and actual City and industry loadings. To recalculate the unit charges when better data on O&M costs and/or plant loadings are available, the total joint O&M cost is divided among Q, BOD and SS in the ratio of 54 percent to Q, 38 percent to BOD and 8 percent to SS. These percentage factors could be changed under conditions described in the Cornell, Howland, Hays & Merryfield, Clair A. Hill & Associates "Industrial Waste Rate Methods" May 1974, but this would not be done routinely.

(d) The ICR charge for an industry will be based on the actual loadings of Q, BOD and SS of that industry as compared to the Total Design Q, BOD and SS of the sewerage facility. The following formula shall be used to determine an industry's ICR Charge.

$$\text{Annual ICR Charge} = \frac{\$855,466}{20}\left[\frac{\text{IndustryQ/annum}}{1277.5\ \text{mg}} \times (0.54) + \frac{\text{Industry BOD}}{715,400\ \text{lbs}}(0.38) + \frac{\text{Industry SS}}{824,900\ \text{lbs}}(0.08)\right]$$

In the above formula charges are based on actual flow (Q) in million gallons per year, actual BOD in lbs/year and actual SS in lbs/year. The City shall calculate the ICR Charge based on the actual industry loadings for the previous fiscal year.

Now industry connecting to a sewerage facility shall pay an ICR Charge based on the anticipated yearly loadings, as determined by testing of that industry's loadings (all testing to be done at industry's cost).

Section 3. Establishing Rates. The City Council shall prescribe the industrial waste user rates in accordance with EPA requirements and guidelines, and in accordance with the principles stated in this ordinance.

The ICR Charge for an industry shall be retroactive to the time that said industry was allowed to use an EPA financed sewerage facility. Payment by an industrial user shall be made no less ofter than annually.

Section 4. Ordinance No. 633 is hereby repealed.

Section 5. Emergency Clause. It is hereby adjudged and declared that existing conditions are such that this ordinance is necessary for the immediate preservation of the public pease, health and safety. Therefore, an emergency is hereby declared to exist; and this ordinance shall take effect and be in full force and effect from and after its passage and approval by the Mayor.

PASSED by the Council and approved by the Mayor this 11 day of October, 1977.

R. Blair Smith
Mayor

ATTEST:

Robert D. Richardson
City Manager, Ex-officio City Recorder