



Legislation Text

File #: 47058, Version: 1

Fiscal Note

This proposed ordinance is anticipated to result in a net-neutral fiscal impact to the Sewer Utility.

Title

Amending Sections 35.02(1)(d)9., 35.02(4)(c)14.d., 35.02(7)(a) & (c)2., and 35.02(8)(e) and creating Section 35.02(7)(f) of the Madison General Ordinances to establish a Restaurant Class Sanitary Sewer Rate and update other provisions of Chapter 35.

Body

DRAFTER'S ANALYSIS: This ordinance makes numerous changes to the sanitary sewer code. Among those changes is the creation of a restaurant class of sanitary sewer customers that will have higher rates to allow the sewer utility to recover the higher costs attributable to the stronger effluent from these properties. These higher rates directed at the customers who discharge stronger effluent will help protect other sanitary sewer customers from subsidizing these higher cost customers. The restaurant rate class will not go into effect until April 1, 2018 and will have a three-year phase in. This delay will allow restaurants to plan for the increase in rates and take mitigation steps to avoid imposition of the highest rates. Under the tier system being created, customers will be placed into one of three classes based upon the effluent discharged to the public sewer system. Those with ineffective maintenance practices and strong effluent, shall be placed in the highest tier; those with a well maintained facility that minimizes discharges shall be placed in the middle tier; and those with well-maintained facilities that minimize discharges, but who also participate in an approved organics collection and recycling program are placed in the lowest tier. The goal is to incentivize better wastewater practices that reduce the ultimate costs borne by the sewer utility to treat the wastewater. Rates for the restaurant class shall be set by the Board of Public Works and the Common Council, just like standard sewer rates, but the initial rate is being set by the ordinance.

Other changes being made by the ordinance include reapportioning how the system's maintenance and depreciation costs are recovered. Over three-years, the apportionment will shift from a 65/35 ratio of customer service/flow to one that is evenly split between customer service and flow. As a result, more of these costs will be recovered based upon a customers use of the sewer system rather than as a fixed amount per customer. Additionally, permits to plug sewer laterals will now last for up to a year (from 60 days) to allow more time to complete that work. The procedure for customers who elect to have their effluent measured is also being updated to provide for a rolling three-year average of test results to better capture the strength of the effluent. Finally, statutory interest will no longer be paid on overpayments. This will bring the sewer utility's billing practices in line with the water utility's billing practices.

The Common Council of the City of Madison do hereby ordain as follows:
Please see "Body" in Attachments.