

COUNCIL ACTION FORM

SUBJECT: CORRECTION TO HIGH STRENGTH SURCHARGE RATES

BACKGROUND:

On June 13, 2017 Council approved an annual update to the City's fees and charges contained in the Municipal Code. Included were revisions to Appendix Q, which contains the fees for the Water and Pollution Control Department. The fees included in that resolution inadvertently reverted the High Strength Surcharge program back to the rates enacted in FY 2014/15.

The rates that are currently in effect should be those that were adopted by Council effective with FY 2015/16. There have been no changes to the High Strength Surcharge rates since that time. (Please see the table provided below.)

ALTERNATIVES:

1. Approve by resolution a revision to Appendix Q that restores the previously adopted High Strength Surcharge fees.
2. Take no action to correct the inadvertently adopted High Strength Surcharge fees. This would result in a 5% reduction in these charges.

MANAGER'S RECOMMENDED ACTION:

The resolution adopted by Council on June 13, 2017 that implemented new and revised fees for the entire City organization inadvertently included fees from FY 2014/15 for the High Strength Surcharge program, resulting in a 5% reduction in these fees. Staff did not intend to lower these fees and is recommending that the fees be reinstated to those adopted for FY 2015/16. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

Fortunately, no customers have been billed the incorrect rates and, therefore, no adjustments to any utility bills will be necessary.

Parameter	Incorrect Surcharge Rate Adopted on June 13, 2017	Corrected Surcharge Rate
Oxygen Demand		
CBOD ₅	\$0.41/lb.	\$0.43/lb.
COD	\$0.15/lb.	\$0.16/lb.
Nitrogen		
NH ₃ -N	\$1.44/lb.	\$1.51/lb.
TKN	\$0.93/lb.	\$0.98/lb.
Solids		
TSS	\$0.60/lb.	\$0.63/lb.

RESOLUTION NO. _____

A RESOLUTION CORRECTING FEE DISCREPANCY OF HIGH STRENGTH SURCHARGE RATES WATER AND POLLUTION CONTROL FEES APPENDIX Q AND ADOPTING REVISED FEES FOR THE CITY OF AMES, IOWA

BE IT RESOLVED by the City Council for the City of Ames, Iowa, that the following fees shall be adopted or adjusted to recover the approximate actual costs of city services from those who use and benefit from these services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ames, Iowa, that fees shall be adopted as follows:

SECTION ONE. The following Water and Pollution Control Fees are hereby adopted or adjusted effective July 1, 2017, and codified as Appendix Q:

WATER AND POLLUTION CONTROL FEES & CHARGES

High-Strength Surcharge Rates*

<u>Parameter</u>	<u>Surcharge Rate</u>
Oxygen Demand	
CBOD ₅	\$0.43/lb.
COD	\$0.16/lb.
Nitrogen	
NH ₃ -N	\$1.51/lb.
TKN	\$0.98/lb.
Solids	
TSS	\$0.63/lb.
Fats, Oils, and Grease	
Oil and Grease	\$0.84/lb.

***Monthly High-Strength Surcharge Fees of less than \$5/month will be waived**

Adopted this _____ day of _____, 20____.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor