

# COMMERCIAL RATE OVERVIEW

Currently, the city is not following its own ordinances for how to charge Industrial Users. These users include the hospital, the dump, breweries, fish-processing plants, restaurants, and waste haulers. It's an issue both because it prohibits us from raising cruise line and airline rates and also because of equity reasons: undercharging industrial users means that residential users must pay more to make up the difference.

Fortunately, this presents us with an opportunity to make changes in our point source control that will reduce strain on our system and bring down costs for the city as a whole.

## AMBIGUOUS SEWER ORDINANCES

Current Sewer codes 75.02.130, parts 3 and 4 deal with Industrial users. By the formula spelled out in Part 3, a formula is given for how industrial users should pay, according to their monthly total of BOD and TSS emitted into the system. The intention seems to be to charge industrial users in accordance with the costs their additional loading imposes on the system.

Below that formula, in Part 4, it stipulates a charge of \$13.83 per 1000 gallons. My assumption is that the Ordinance intended for the \$13.83 to be a baseline rate below a certain volume of BOD and TSS, and for the actual charges to be scheduled according to the sliding scale currently used for the cruise lines, calculated on a monthly basis. Currently, though, all industrial users are being charged the baseline rate only.

## CHALLENGES TO IMPLEMENTING THE FORMULA:

There are challenges to bringing charges in line with the formula, including:

- Measuring BOD and TSS levels for all the entities indicated.
- Avoiding business-crushing sewage expenses for affected businesses.
- Balancing increased oversight expenses with increased revenue and lower costs.

As we discuss the issue, we should look for ways to help businesses reduce their sewage fees by cleaning up their waste stream. Solutions will differ for each user group.

## PARTIAL ACTION PLAN

1. Research the average concentration of BOD and TSS in waste disposed of by airplanes on 2 hour flights and perhaps a variety of flight lengths.
2. Research the average concentration of BOD and TSS for restaurants.
3. Research solutions to installing grease traps in restaurants, as well as costing out the collection and disposal of the grease, and possible solutions (like burning it)
4. Devise a plan to systematically monitor Small Industrial Users, at least to get a baseline.
5. Devise a pretreatment plan and rate schedule for each SIU, depending on our ability to monitor their waste.

6. Compile list of money- or energy-saving opportunities in the PW dept. to explore and implement.
7. Devise a long-term public education and solutions program for residential FOG and food waste.

Other things we need:

A copy of any contract or agreement with the cruise lines regarding waste disposal.

A copy of any contract or agreement with waste haulers.

Records of volume and charges for Small Industrial Users, and the same for MIU (restaurants, groceries) This should be both individual and agglomerated by user-group.

Records of volume and charges for waste haulers, broken out into waste streams if possible (airline waste, Gustavus waste, septic tank waste)