

## **RESOLUTION NO. 2021-12-15-15**

### **A RESOLUTION APPROVING A COMMERCIAL LUE ASSIGNMENT POLICY**

**WHEREAS**, the City of Rollingwood bills commercial customers a two-part rate structure for wastewater services; and

**WHEREAS**, this structure consists of a base rate (also referred to as minimum charge) and a volumetric rate. The base rate is \$91.07 per Living Unit Equivalent (LUE) per month. The volumetric rate is \$7.81 per thousand gallons based upon the metered water consumption for that month; and

**WHEREAS**, an LUE, or Living Unit Equivalent, is defined as the typical wastewater flows that would be produced by a single-family residence; and

**WHEREAS**, lacking a clearly defined methodology for determining LUE assignments, the City undertook a study to identify a manner in which LUE assignments can be made that would result in a fair and equitable means of assigning LUEs to customers; and

**WHEREAS**, at the November 17, 2021 City Council Meeting, the City Council heard a presentation of the results of the Commercial LUE Assignment study and, in accordance with a recommendation from the Rollingwood Utility Commission, the City Council approved a method for calculating LUEs; and

**WHEREAS**, at the December 15, 2021 City Council Meeting, the City Council reviewed a policy for how Commercial LUE Assignments are calculated and applied to commercial wastewater accounts.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROLLINGWOOD, THAT:**

We, the City Council of the City of Rollingwood, do hereby approve the Commercial LUE Assignment Policy.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Rollingwood on this the 15th day of December, 2021.

CITY OF ROLLINGWOOD

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Gavin Massingill, Mayor

ATTEST:

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Ashley Wayman, City Secretary



## Commercial LUE Assignment Policy

### Scope

To set a policy for how Commercial LUE Assignments are calculated and applied to commercial wastewater accounts.

### Definition

An LUE, or Living Unit Equivalent, is defined as the typical wastewater flows that would be produced by a single-family residence.

### Background

The City of Rollingwood bills commercial customers a two-part rate structure for wastewater services. This structure consists of a base rate (also referred to as minimum charge) and a volumetric rate. The base rate is \$91.07 per LUE per month. The volumetric rate is \$7.81 per thousand gallons based upon the metered water consumption for that month.

Lacking a clearly defined methodology for determining LUE assignments, the City undertook a study to identify a manner in which LUE assignments can be made that would result in a fair and equitable means of assigning LUEs to customers. At the November 17, 2021 City Council Meeting, the City Council heard a presentation of the results of the Commercial LUE Assignment study and, in accordance with a recommendation from the Rollingwood Utility Commission, the City Council approved a method for calculating LUEs.

### Policy

Each commercial wastewater customer's LUE assignment shall be determined once per year. That assignment stays with the customer for one year at which point the calculation would be made again, using the most recent year of data.

The City of Rollingwood will assign LUEs as follows:

- Customers with 12 months of acceptable historical usage
  - LUEs will be assigned to a customer based on the historical monthly average use for one year (January-December), divided by 7,500 gallons (which is approximately equal to the use of a single-family residence), and rounded to one decimal place, with a minimum LUE of .5
- New Customers or customers without 12 months of acceptable historical usage
  - LUEs will be calculated using the American Water Works Association (AWWA) rate table based on meter size

### Commercial LUE Assignment Policy Updates

City staff will review this document periodically to ensure that it contains up-to-date information. Any potential changes or updates that materially alter this document will be brought to City Council for approval.