



COUNCIL STAFF REPORT

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Sam Owen, Policy Analyst

DATE: October 15, 2019

RE: Amendment to the Consolidated Fee Schedule for the Class 7 Sewer Rate

Item Schedule:

Briefing: 10/15/19

Public Hearing: 11/12/19

Potential Action: 11/19/19

GOAL OF THE BRIEFING

Present the Administration's proposed amendment to the Council-adopted fiscal year 2019-20 rate structure change and rate increase. The amendment would reduce current rates for "class 7" customers of the Sewer Utility.

ISSUE AT-A-GLANCE

The City Council recently adopted recommended changes to both the rate and the rate structure for City sewer service. The Administration is requesting a fee schedule amendment for users of the City sewer service that fall within "class 7." The distinction "class 7" means that customers discharge more into the City's sanitary sewer; higher rates are assessed for this category of service because of the cost to treat what the class 7 customers discharge.

The Council-adopted changes to the fiscal year 2019-20 Consolidated Fee Schedule included rates for three measurements against which class 7 sewer customers are assessed. These measurements are for chemical oxygen demand, biological oxygen demand and total dissolved solids; these measurements have to do with the strength and composition of sewer customers' discharge. The fiscal year 2019-20 Council-adopted changes also included a fee for a volumetric charge based on metered water use during a billing period. The fee schedule had previously noted only that these rates were assessed on the basis of each customer's specific discharge.

The fiscal year 2020 adopted rate structure changes along with the adopted rate increase resulted in a situation where some class 7 sewer customers experienced 90% increases in their monthly sewer bills. Public Utilities is requesting an amendment to the consolidated fee schedule for these customers that implements only an 18% rate increase on the basis of that previous structure.

The department indicates it will work with a consultant to evaluate the previous cost assessment and generate recommendations, working with businesses as needed to mitigate adverse impacts from change.

