

PUBLIC WORKS AND UTILITIES COMMITTEE

10-0464R

RESOLUTION AMENDING RESOLUTION 08-0376 AMENDING RATE CALCULATIONS APPLICABLE TO STEAM DISTRICT NO. 1 TO INCLUDE SANITARY SEWER COSTS, EFFECTIVE IN OCTOBER 2010.

CITY PROPOSAL:

RESOLVED, that calculation of monthly steam customer charges as described in Public Document No. 08-0619-25 approved pursuant to Resolution No. 08-0376 is hereby amended by the rate calculation on file in the office of the city clerk as Public Document No. _____ to authorize charging customers discharging steam condensate to the city's sanitary sewer system for the actual cost to the district thereof, effective for steam provided to customers on and after October 1, 2010.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

PW&U/ATTY REA:dma 8/31/2010

STATEMENT OF PURPOSE: The purpose of this resolution is to modify the rate structure for Steam District No. 1, the Downtown steam utility, to allow the district to pass through to the customers discharging steam system condensate into the city's sanitary sewer system for the actual cost to the district of this method of disposition of condensate water.

Historically neither the District nor the customers have been charged for steam condensate discharge into the sanitary sewer system because sanitary sewer charges have been based on water consumption on the premises and condensate did not enter into those calculations. However, because the condensate going into the sanitary sewer system is treated just like any other discharge into the system, there is a cost associated with it and the city has started charging the district for those costs, there being no effective way for the city to appropriately bill the property owner as the city cannot meter the condensate flow.

Some, but not all, of the district's customers do discharge into the sanitary sewer system. The remainder of their customers discharge into the storm sewer system which does not give rise to any additional costs to the city or to the district.

Under the amended rate schedule, the district would be able to pass along to the customers whose discharge gives rise to the additional costs the amount of those costs; the changes from the prior rate schedule are shown in the public document as double underlined. Those customers who discharge into the storm sewer system would not be charged for any of those costs.