



CITY OF WASILLA

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COUNCIL MEMORANDUM NO. 90-34

FROM: Deputy Administrator

DATE: April 27, 1990

RE: Sewer Rate Adjustments for High Volume Customers

During public comment on Ordinance 90-06 Council was requested to consider a rate-break for high volume customers.

The concept of reduced rates for usage in excess of an established volume is fairly common in practice and can be accommodated by our present computer utility billing system. The primary justification for the practice is to avoid an economic disincentive to businesses that are high volume water users, primarily restaurants, produce stores and malls.

The Administration does not have any objections to implementing a two-level fee system except that any eligibility for a rate break should be based on the usage through a particular sewage unit (meter) rather than by customer. The reason is that much of the operating cost of the system is in the maintenance of each septic tank, electrical panels, and pumps. One customer, such as Carr-Gottstein, has several systems. The customer volume may meet the reduced rate volume requirement but the individual systems do not.

We have about six (6) individual systems which regularly exceed 100,000 gallons per month (gpm) and two (2) systems which often exceed 250,000 gpm. To date there has been no significant protests over the sewer rates. Generally, the high volume users also cost the utility more than the low volume users because of additional pumping of solids, grease clogs when owner maintenance is not adequate, and component wear.

Recommend that if Council wishes to begin a high volume rate reduction, that the discount begin at 250,001 gallons. Administration suggests that a discount of \$.50 (15%) per 1,000 gallons (\$2.75 vs. \$3.25) be established.

Robert E. Harris
Deputy Administrator