

Memorandum

To: Mayor and City Council Members
Douglas Faseler, City Manager

From: Rick Cortes, Assistant City Manager

Subject: Increase in Industrial User Fees to Recover Cost of Program

Date: July 24, 2014

Staff is recommending an increase in industrial user charges and fees in order to help offset the costs of operating the City of Seguin pre-treatment program. These fees and charges were created to recover the cost of the Public Owned Treatment Works (POTW), however these rates have not been adjusted for over ten years and only 59% of the program's costs are currently being recovered.

Below is the cost of the program for year 2013-2014:

Pretreatment Coordinator Wages plus Benefits	\$58,000
Vehicle/Gas	6,000
Equipment and Supplies	10,000
Training	1,000
Total Program Cost	\$75,000

In an effort to recover the costs of the program, staff is recommending an increase in the industrial fee from \$2 to \$4 per month, and an industrial rate increase from \$.04 to \$.06 for discharge into our POTW that exceeds 200,000 gallons per month. The increase to commercial establishments is projected to be approximately \$24 annually. These fees will increase revenues annually by \$34,000.

Staff further recommends increasing the current three-year industrial wastewater discharge permit fee from \$300 to \$400 and to charge a \$100 administrative processing fee in addition to the standard billed laboratory sample processing fee for all additional compliance sampling and analysis per composite or grab samples performed.

Staff recommends approval and is available to answer any questions.