ORDINANCE NO. 162

An ordinance establishing a user charge system in the City of Basehor, County of Leavenworth, State of Kansas, to provide funds needed to pay all expenses associated with the City's wastewater treatment works.

WHEREAS, the City of Basehor, Kansas, has constructed wastewater treatment works; and

WHEREAS, the City must pay all expenses associated with said treatment works and charge the users of said treatment works accordingly;

NOW, THEREFORE, BE IT ORDAINED BY THE Governing Body, of the City of Basehor, Kansas, that the following user charge system be established.

ARTICLE I

It is determined and declared to be necessary and conducive to the protection of the public health, safety, welfare and convenience of the City to collect charges from all users who contribute wastewater to the City's treatment works. The proceeds of such charges so derived will be used for the purpose of operating, maintaining and retiring the debt for such public wastewater treatment works.

ARTICLE II

Unless the context specifically indicates otherwise, the meaning of terms used in this ordinance shall be as follows:

Section 1: "Operation and Maintenance" shall mean all expenditures during the useful life of the treatment works for materials, labor, utilities, and other items which are necessary for managing and maintaining the sewage works to achieve the capacity and performance for which such works were designed and constructed.

Section 2: "Replacement" shall mean expenditures for obtaining and installing equipment, accessories, or appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed. The term "operation and maintenance" includes replacement.

Section 3: "Residential Contributor" shall mean any contributor to the City's treatment works whose lot, parcel of real estate, or building is used for domestic dwelling purposes only.

Section 4: "Shall" is mandatory; "May" is permissive.

Section 5: "Treatment Works" shall mean any devices and systems for the storage, treatment, recycling, and reclamation of municipal sewage, domestic sewage, or liquid industrial wastes. These include intercepting sewers, outfall sewers, sewage collection systems, individual systems, pumping, power, and other equipment and their appurtenances; and any works, including site acquisition of the land that will be an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment; or any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste or industrial waste.

Section 6: "Useful Life" shall mean the estimated period during which a treatment works will be operated and shall be twenty years.

Section 7: "User Charge" shall mean the total wastewater service charge which is levied in a proportional and adequate manner for the cost of operation, maintenance, and replacement of the wastewater treatment works.

ARTICLE III

Section 1: The user charge system shall generate adequate annual revenues to pay costs of annual operation and maintenance including replacement and costs associated with debt retirement of bonded capital associated with financing the treatment works which the City may by ordinance designate to be paid by the user charge system.

Section 2: That portion of the total user charge collected which is designated for operation and maintenance including replacement purposes as established in Article IV, shall be deposited in a separate non-lapsing fund known as the Operation, Maintenance and Replacement Fund and will be kept in two primary accounts as follows:

APPENDIX 'A' TO USER CHARGE ORDINANCE

This appendix presents the methodology used in calculating user charge rates in arriving at the first year's user charges. The charges extablished in the appendix are based on estimates of expenses and loadings. The actual expenses and loadings that occur may differ from these estimates and will change as time passes. Therefore, the user charges must be reestablished whenever necessary to reflect actual expenses and loadings. Once the system is in use, the expenses and loadings can be determined from operating records and the user charges can be adjusted based on these figures.

1. Expenses; The total annual expenses associated with the treatment works as defined in Article II, Section 5, are estimated as follows:

Item	Annual Expense
Billing, Collection, Delinquent Reserve	$ 2,525.00
Administrative & Insurance	1,850.00
Power	8,289.00
Labor (Including fringes)	3,000.00
Material Costs & Auto Expense	600.00
Replacement Costs	4,417.00
Debt Service (Original System-1971)	9,000.00
Debt Service (System Modifications-1982)	15,067.00
	$ 44,748.00

2. Loadings: The initial hydraulic loading is estimated to be 28.1 Million gallons per year.

3. Unit Cost: The initial unit cost for flow in

$$\$/\text{gallon} = \frac{\text{total annual budget}}{\text{total annual flow}}$$

$$= \frac{\$44,748.00}{28,100,000 \text{ gal.}} = \$\ 0.0015924 \text{ per gallon}$$

4. Establishment of User Class:

User Class	No. of Users	Avg. Monthly Usage (gal.)	Total Annual Usage (gal.)	Cumulative Usage per class (MG
I & IV (a)	52	2200	26,400	1.37
II	316	5600	67,200	21.24
III	5	6500	78,000	0.39
IV (b)	31	5600	67,200	2.08
V	3	5000	60,000	0.18
VI	2	7000	84,000	0.17
VII	9	6200	74,400	0.67
IX	4	36000	432,000	1.73
X	1	22500	270,000	0.27
				28.10

5. Calculation of Charges in each User Class:

$$\text{Monthly Charge per User in Class} = \frac{(\text{Cumulative Class Usage})(\text{Unit Cost})}{(12)\ (\text{Number users in Class}}$$

CLASS I & IV (a): $\frac{(1.37\ \text{MG}\ (1592.80)}{(12)\ (52)}$ = $ 3.50

CLASS II $\frac{(21.24)\ (1592.80)}{(12)\ (316)}$ = 8.92

CLASS III $\frac{(.39\ )\ (1592.80)}{(12)\ (5)}$ = 10.35

CLASS IV (b) $\frac{(2.08)\ (1592.80)}{(12)\ (31)}$ = 8.92

CLASS V $\frac{(0.18)\ (1592.80)}{(12)\ (3)}$ = 7.96

CLASS VI $\frac{(0.17)\ (1592.80)}{(12)\ (2)}$ = 11.28

CLASS VII $\frac{(0.67)\ (1592.80)}{(12)\ (9)}$ = 9.88

CLASS VIII No Connections - to be calculated individually when connected.

CLASS IX $\frac{(1.73\ (1592.80)}{(12)\ (4)}$ = 57.39

CLASS X $\frac{(0.27)(1592.80)}{(12)\ (1)}$ = 35.83

CLASS XI No Connections.to to be calculated individually when connected.

a. An account designated for the specific purpose of defraying operation and maintenance costs (excluding replacement) of the treatment works (Operation and Maintenance Account).

b. An account designated for the specific purpose of ensuring replacement needs over the useful life of the treatment works (Replacement Account). Deposits in the replacement account shall be made annually, from the operation, maintenance and replacement revenue in the amount of $4,417.00.

Section 3: Fiscal year-end balances in the operation and maintenance account and the replacement account shall be carried over to the same accounts in the subsequent fiscal year, and shall be used for no other purposes than those designated for these accounts. Monies which have been transferred from other sources to meet temporary shortages in the operation, maintenance and replacement fund shall be returned to their respective accounts upon appropriate adjustment of the user charge rates for operation, maintenance and replacement. The user charge rate(s) shall be adjusted such that the transferred monies will be returned to their respective accounts within the fiscal year following the fiscal year in which the monies were borrowed.

ARTICLE IV

Section 1: (Reference is made to Appendix A of this ordinance).

The following classes of users and charges to those users are hereby established: (See attached)

USER CLASS	Operation, Maintenanace & Replacement $/Month	Debt Service Original Treatment Works 1971 Bond Issue $/Month	Debt Service Treatment Works Modifications 1982 Bond Issue $/Month	Total $/Month
CLASS I - Vacant charge or single residence (one person)	1.62	0.70	1.18	3.50
CLASS II - Family residence (2 to 5 persons)	4.13	1.79	3.00	8.92
CLASS III - Family residence (6 persons or more)	4.78	2.08	3.49	10.35
CLASS IV - Apartment Houses & Duplexes per unit				
(a) vacant or 1 person	1.62	0.70	1.18	3.50
(b) up to 5 persons	4.13	1.79	3.00	8.92
(c) 6 persons or more	4.78	2.08	3.49	10.35
CLASS V - Churches per building	3.68	1.60	2.68	7.96
CLASS VI - Commercial (wholesale or retail)	5.21	2.27	3.80	11.28
CLASS VII - Business	4.57	1.99	3.32	9.88
CLASS VIII - Special Commercial	*4.57	*1.99	*3.32	*9.88
CLASS IX - Schools per building	26.53	11.54	19.32	57.39
CLASS X - Nursing Homes per resident	16.56	7.21	12.06	35.83
CLASS XI *Self Service or Automatic Car Wash per bay or stall				*

*Those business which place a special demand on the sewer system and particularly described as laundromats, locker plants, restaurants and vehicle service stations with one wash bay. Charges shown are minimum and may be increased by action of the City Council to accommodate extraordinary volumes or strencths of wastewater. Such increases shall be uniform and proportional and reflect only the prorated increase over the normal and usual volumes or strengths of the wastewater generated by Class VII users.

Section 2: Any user which discharges any toxic pollutants which cause an increase in the cost of managing the effluent or the sludge from the City's treatment works, or any user which discharges any substance which singly or by interaction with other substances causes identifiable increases in the cost of operation, maintenence, or replacement of the treatment works, shall pay for such increased costs. The charge to each such user will be as determined by the Governing Body.

Section 3: The user charge rates established in this article apply to all users, regardless of their location, of the City's treatment works.

ARTICLE V

Section 1: All users shall be billed monthly. Billings for any particular month shall be made within thirty days after the end of that month. Payments are due when the billings are made. Any payment not received within ~~thirty~~ 15 days after the billing is made shall be delinquent.

Section 2: A late payment penalty of 10 percent of the user charge bill will be added to each delinquent bill for each thirty days of delinquency. When any bill is sixty days in default, the amounts due shall be certified to the County Clerk for placement on the tax rolls and shall become a lien on the user property. No such certification shall be made until due notice is given and the user is afforded opportunity for hearing before the Governing Body.

ARTICLE VI

Section 1: The City will review the user charge system annually and revise user charge rates as necessary to ensure that the system generates adequate revenues to pay the costs of operation and maintenance, including replacement, and debt service, and that the system continues to provide for the proportional distribution of operation and maintenance including replacement costs among users and user classes.

Section 2: The City will notify each user at least annually, in conjunction with a regular bill, of the rate being charged for operation, maintenance, including replacement and debt service.

ARTICLE VII

This ordinance shall take effect and be in full force and effect from and after its publication in the official City Newspaper, to wit: The Basehor Sentinel.

Passed by the Governing Body of the City of Basehor, Kansas, This 5th day of April, 1982.

Approved by the Mayor this 5th day of April, 1982.

Ernest L. Kuhn
Mayor

ATTEST:
Carol L. Kuhlman
City Clerk

APPENDIX 'B' TO USER CHARGE ORDINANCE

This appendix contains a replacement schedule to determine the amount of revenue needed to fund the Replacement Account. The replacement schedule lists the equipment in the treatment works, the estimated dates when the equipment will have to be replaced, and the estimated cost of replacment (including an allowance for inflation) over the useful life of the treatment works. Also listed is the estimated cash flow that will occur in the Replacement Account. The replacment dates and costs shown are estimates. If the actual replacement expenses differ significantly from those listed in the replacment schedule, the funding of the Replacement Account shall be adjusted accordingly.

Replacement Schedule

Years from Treatment Works in Operation	Replacement Item	Replacement Account Expense	Income	Balance
1	-		$4417 + 0	$ 4,417
2	-		4417 + 375	9,209
3	-		4417 + 783	14,409
4	-		4417 + 1225	20,051
5	Structural Repair-$5600 & Flow Meas.		4417 + 1704	20,572
6	-		4417 + 1749	26,738
7	-		4417 + 2273	33,428
8	-		4417 + 2841	40,686
9	-		4417 + 3458	48,561
10	Aerators, Fence, Struct., Landscape	42,355	4417 + 4128	14,751
11	-		4417 + 1254	20,422
12	-		4417 + 1736	26,575
13	-		4417 + 2259	33,251
14	-		4417 + 2826	40,494
15	Structural, Flow Meas.	11,040	4417 + 3442	37,313
16	-		4417 + 3172	44,902
17	-		4417 + 3817	53,136
18	-		4417 + 4517	62,069
19	-		4417 + 5276	71,762
20	Aerators, Struct.,Landspe.	83,205	4417 + 7000	- 26

Annual Replacement Revenue to be Collected

Present Replacement Cost	5 Year	10 Year	15 Year	20 Year
Aerators	$	$ 17,500	$	$ 17,500
Fence		3,000		
Structural Repairs	1,500	1,500	1,500	1,500
Flow Measurement	2,500		2,500	
Grading & Landscape		2,500		2,500
	$ 4,000	$ 24,500	$ 4,000	$ 21,500

Future Replace Cost (7% Inflation) Present Cost (Inflation Factor)	5 Year (1.40)	10 Year (1.97)	15 Year (2.76)	20 Year (3.87)
$1,500 (5 Yr. Cycle)	$ 2,100	$ 2,955	$ 4,140	$ 5,805
$17,500 (10 Yr. Cycle)		34,475		67,725
$2,500 (10 Yr. Cycle)	3,500		6,900	
$2,500 (10 Yr. Cycle)		4,925		9,675
Future Costs	$ 5,600	$ 42,355	$11,040	$83,205

Annual Funding Requirement	5 Year	10 Year	15 Year	20 Year
Replacement Cost	$ 5,600	$ 42,355	$11,040	$ 83,205
SSF 5 Yrs. @ 8 1/2% (.169) (5600) = $946	-5,600	- 5,600	- 5,600	- 5,600
	-0-	$ 36,755	$ 5,440	$ 77,605
SSF 10 Yrs. @ 8 1/2% (.067) (42,355) = $2838		-36,755	-5,440	-40,359
		-0-	-0-	$ 37,246
SSF 20 Yrs. @ 8 1/2% (0.017) (37,246) = $633				-37,246
				-0-

Total Annual Revenue Requirement = $ 4,417.00