

CITY OF NEVIS, MINNESOTA

AN ORDINANCE ESTABLISHING A SEWER SERVICE CHARGE
SYSTEM FOR THE CITY OF NEVIS, MINNESOTA

An Ordinance providing for Sewer Service Charges to recover costs associated with:

1. The operation, maintenance, and replacement of the City's Wastewater Treatment System.
2. Local capital costs incurred in the construction of the City's Wastewater Treatment System.

ARTICLE I
Definitions

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

- Sec. 1. "Administration" - Those fixed costs attributable to administration of the wastewater treatment works.
- Sec. 2. "City" - The area within the corporate boundaries of the City of Nevis, as presently established or amended by ordinance or other legal actions at a future time.
- Sec. 3. "Township" - The area of Nevis Township affected by the Joint Powers Agreement dated August 9, 1994.
- Sec. 4. "Commercial User" - Any place of business which discharges sanitary waste.
- Sec. 5. "Debt Service Charge" - A charge levied on users of wastewater treatment facilities for the cost of repaying money bonded to construct such facilities.
- Sec. 6. "Equivalent Residential Unit (ERU)" - A unit of average wastewater volume, to be set by the City Council.
- Sec. 7. "Governmental User" - Users which are agencies of Federal, State, or local governments.
- Sec. 8. "Hook-up Charge" - An initial one-time charge of \$200 to connect to the Sanitary Sewer. After January 1, 1997 each user connecting to the Sanitary Sewer will be

charged the initial amount of \$200; and in addition, an amount equal to the monthly Debt Service Charge per ERU for the number of months after January 1, 1997 until connected to the Sanitary Sewer, to a maximum amount of \$1,250.

- Sec. 9. "Incompatible Waste" - Waste that either singly or by interaction with other wastes interferes with any waste treatment process, constitutes a hazard to humans or animals, creates a public nuisance, or creates any hazard in the receiving waters of the wastewater treatment works.
- Sec. 10. "Industrial Users" or "Industries":
- a. Entities that discharge into a publicly owned wastewater treatment works, liquid wastes resulting from the processes employed in industrial or manufacturing processes, or from the development of any natural resources.
 - b. Any nongovernmental user of a publicly owned treatment works which discharges wastewater to the treatment works which contains toxic pollutants or poisonous solids, liquids, or gases in sufficient quantity either singly or by interaction with other wastes, to contaminate the sludge of any municipal system, or to injure or to interfere with any sewage treatment process, or which constitutes a hazard to humans or animals, creates a public adverse effect on the waters receiving and discharge from the treatment works.
- Sec. 11. "Institutional User" - Users other than commercial, governmental, industrial, or residential users (e.g. nonprofit organizations).
- Sec. 12. "Operation and Maintenance" - Activities required to provide for the dependable and economical functioning of the treatment works, throughout the design or useful life, whichever is longer, of the treatment works, and at the level of performance for which the treatment works were constructed. Operation and Maintenance includes replacement.
- Sec. 13. "Operation and Maintenance Costs" - Expenditures for operation and maintenance, including replacement.
- Sec. 14. "Public Wastewater Collection System" - A system of sanitary sewers owned, maintained, operated, and controlled by the City.
- Sec. 15. "Replacement" - Obtaining and installing of 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.

- Sec. 16. "Replacement Costs" - Expenditures for replacement.
- Sec. 17. "Residential User" - A user of the treatment facilities whose premises or building is used primarily as a residence for one or more persons, including dwelling units such as detached and semi-detached housing, apartments, and mobile homes.
- Sec. 18. "Sanitary Sewer" - A sewer intended to carry only liquid and water carried wastes from residences, commercial buildings, industrial plants, and institutions, together with minor quantities of ground, storm, and surface waters which are not admitted intentionally.
- Sec. 19. "Sewer Service Charge" - The total of the charges for operation, maintenance, replacement and other sewer related charges that are billed periodically to users of the City's wastewater treatment facilities.
- Sec. 20. "Sewer Service Fund" - A fund into which income for Sewer Service Charges is deposited along with other income, including taxes intended to retire debt incurred through capital expenditure for wastewater treatment. Expenditure of the Sewer Service Fund will be for operation, maintenance, and replacement costs; and to retire debt incurred through capital expenditure for wastewater treatment.
- Sec. 21. "Shall" is mandatory. "May" is permissive.
- Sec. 22. "User Charge" - A charge levied on users of a treatment works for the user's proportionate share of the cost of operation and maintenance, including replacement.
- Sec. 23. "Users" - Those residential, commercial, institutional, and industrial establishments which are connected to the public sewer collection system.
- Sec. 24. "Wastewater" - The spent water of a community, also referred to as sewage. From the standpoint of source it may be a combination of the liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions together with any groundwater, surface water, and storm water that may be present.
- Sec. 25. "Wastewater Treatment Works or Treatment Works" - An arrangement of any devices, facilities, structures, equipment, or processes owned or used by the City for the purpose of the transmission, storage, treatment, recycling, and reclamation of municipal sewage, domestic

sewage or industrial wastewater, or structures necessary to recycle or reuse water including interceptor sewers, outfall sewers, collection sewers, pumping, power, and other equipment and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled water supply such as standby treatment units and clear well facilities; and any works including land which is an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment.

ARTICLE II

Establishment of a Sewer Service Charge System

- Sec. 1. The City of Nevis hereby establishes a Sewer Service Charge System whereby all revenue collected from users of the wastewater treatment facilities will be used to affect all expenditures incurred for annual operation, maintenance, and replacement and for debt service on capital expenditure incurred in constructing the wastewater treatment works.
- Sec. 2. Each user shall pay its proportionate share of operation, maintenance, and replacement costs of the treatment works, based on the users proportionate contribution to the total wastewater loading from all users.
- Sec. 3. Each user shall pay debt service charges as determined by the City Council to retire local capital costs.
- Sec. 4. Sewer Service rates and charges to users of the wastewater treatment facility shall be determined and fixed in a "Sewer Service Charge System" developed according to the provisions of this Ordinance. The Sewer Service Charge System shall be adopted upon enactment of this Ordinance, shall be published in the local newspaper, and shall be effective upon publication. Subsequent changes in Sewer Service rates and charges shall be adopted by Council resolution and shall be published in the local newspaper.
- Sec. 5. Revenues collected for Sewer Service shall be deposited in a separate fund known as "The Sewer Service Fund". Income from revenues collected will be expended to offset the cost of Operation, Maintenance, and Equipment Replacement for the facility and to retire the debt for capital expenditure.
- Sec. 6. Sewer Service Charges and the Sewer Service Fund will be administered in accordance with the provisions of Article V of this Ordinance.

ARTICLE III
Determination of Sewer Service Charges

Sec. 1. Users of the City of Nevis wastewater treatment works shall be identified as belonging to one of the following user classes:

1. Residential
2. Commercial
3. Industrial,
4. Institutional
5. Governmental

The allocation of users to these categories shall be the responsibility of the City Council. Allocation of users to user classes shall be based on the substantive intent of the definitions of these classes contained herein.

Sec. 2. The rates assessed to users shall be determined on average wastewater volume.

Sec. 3. The Sewer Service Charge shall consist of a User Charge for operation, maintenance and replacement costs and an administration fee for recovery of administrative related costs.

Sec. 4. The charges assessed users shall be established proportionally according to average wastewater volume. Billable wastewater volume shall be calculated as follows:

A. Residential Users

Billable wastewater volume for residential users shall be calculated on the basis of a yearly average of metered water usage for all residents, each resident paying an equal share.

B. Non-Residential Users

Billable wastewater volume of non-residential users shall be calculated on the basis of a yearly average of metered water usage, each paying their proportionate share.

C. Non-Metered Users

For those users who do not have existing water meters, wastewater volume will be estimated and calculated on the basis of "Equivalent Residential Units (ERUs)" of the metered users.

Sec. 5. "Determination of Sewer Service Charges"

The following method will be used to calculate cost for the users of the Nevis city sewer system. This includes residences, businesses and other entities.

$$C = (N) X (ERU) - (M) X (N-1) X (0.5 ERU)$$

Where:

"N" is determined by dividing the yearly water used by the entity by 50,000.. "N" is rounded off by the normal rounding up process.

"ERU" value is determined by the City Council at the first monthly meeting of each year, beginning in 1998.

"M" is determined by the following table.

If N = 1,2,3,4,5, then M = 1

If N = 6, 7, 8, 9, 10, then M = 0.9

If N = 11, 12, 13, 14, 15, then M = 0.8

If N = 16, 17, 18, 19, 20, then M = 0.7

If N = 21,22,23,24,25, then M = 0.6

If N = 26,27,28,29,30, the n M = 0.5

If N = 31,32,33,34,35, then M = 0.4 etc.

The yearly charges for the Nevis Township will be determined by the following:

Cost to Township yearly = (number of hook-ups) X (\$10.50) X (12)
All the monies garnered from the above sources will be put into a fund called the "Sewer Fund".

At the beginning of each calendar year the "Sewer Fund" shall be depleted in the following manner.

1. The debt payment shall be made.
2. The amount \$8,300 shall be put into a "Replacement Fund". It shall be a permanent fund.
3. Of the remainder 90% will be put into the current year "Sewer Fund".
4. The remainder (10%) will go into a permanent fund called the "Sewer Extension Fund".
5. Lease money (\$1,700) from agricultural land at the pond site will go into the "Replacement Fund".

ARTICLE IV Sewer Service Fund

- Sec. 1. The City of Nevis hereby establishes a "Sewer Service Fund" as an income fund to receive all revenues generated by the Sewer Service Charge System, and all other income dedicated to the operation, maintenance, replacement, and construction of the wastewater treatment works, including taxes, special charges, fees, and assessments intended to retire construction debt.

The City also establishes the following account as income and expenditure accounts within the Sewer Service Fund:

1. Operation and Maintenance Account
2. Equipment Replacement Account Debt
3. Service Account

- Sec. 2. All revenue generated by the Sewer Service Charge System, and all other income pertinent to the treatment system, including taxes and special assessments dedicated to retire construction debt, shall be held by the Clerk separate and apart from all other funds of the City. Funds received by the Sewer Service Fund shall be transferred to the "Operation and Maintenance Account", "Equipment Replacement Account", and "Debt Service Account" in accordance with State and Federal regulations and the provisions of this ordinance.
- Sec. 3. Revenue generated by the Sewer Service Charge System sufficient to insure adequate replacement throughout the useful life of the wastewater facility shall be held separate and apart in the "Equipment Replacement Account" and dedicated to affecting replacement costs. Interest income generated by the "Equipment Replacement Account" shall remain in the "Equipment Replacement Account".
- Sec. 4. Revenue generated by the Sewer Service Charge System sufficient for operation and maintenance shall be held separate and apart in the "Operation and Maintenance Account".
- Sec. 5. Revenue generated by the Sewer Service Charge System sufficient to insure debt service payments shall be held separate and apart in the "Debt Service Account" and dedicated to debt service payments. Interest income generated by the "Debt Service Account" shall remain in the "Debt Service Account".

ARTICLE V Administration

The Sewer Service Charge System and Sewer Service Fund shall be

administered according to the following provisions:

- Sec. 1. The City Clerk - Treasurer shall maintain a proper system of accounts suitable for determining the operation and maintenance, equipment replacement, and debt retirement costs of the treatment works, and shall furnish the City Council with a report of such costs annually in the first quarter of the year.

The City Council shall annually determine whether or not sufficient revenue is being generated for the effective operation, maintenance, replacement and management of the treatment works, and whether sufficient revenue is being generated for debt retirement. The Council will also determine whether the user charges are distributed proportionately to each user in accordance with Article II, Section 2 of this Ordinance.

The City shall thereafter, but not later than the end of the first quarter, re-assess, and as necessary revise the Sewer Service Charge System then in use to insure the proportionality of the user charges and to insure the sufficiency of funds to maintain the capacity and performance to which the facilities were constructed, and to retire the construction debt.

- Sec. 2. In accordance with Federal and State requirements each user will be notified annually in conjunction with a regular billing of that portion of the Sewer Service Charge attributable to operation and maintenance, replacement, and debt service.

- Sec. 3. In accordance with Federal and State requirements, the City shall be responsible for maintaining all records necessary to document compliance with the Sewer Service Charge System adopted.

- Sec. 4. Bills for Sewer Service Charges shall be rendered on a monthly basis succeeding the period for which the service was rendered, with bills sent out approximately the tenth of the each month and payable by the first of the following month, after which time a penalty of 10% of the total bill will be charged and a past-due notice will be sent allowing an additional ten (10) days. If after ten (10) days payment is still not received, a final shut-off notice stating the water service will be shut off in seven (7) days will be sent by registered mail.

- Sec. 5. The owner of the premises shall be liable to pay for the service to such premises.

- Sec. 6. Any additional costs caused by discharges to the treatment works of toxics or other incompatible wastes,

including the cost of restoring wastewater treatment services, clean up and restoration of the receiving waters and environs, and sludge disposal, shall be borne by the discharger(s) of said wastes, at no expense to the City.

ARTICLE VI
Administration - Township

- Sec. 1. In accordance with the Joint Powers Agreement dated August 9, 1994, that portion of Nevis Township connected to the Sanitary Sewer will be administered as follows:
- A. Township residents with access to the Sanitary Sewer will be billed on the basis of "Equivalent Residential Units (ERUS)". The City will bill the Township monthly for the total amount due from all Township residents, and the Township will be responsible for billing their own residents.
 - B. The "Determination of Sewer Service Charges" will be calculated as stated in Article III, Section 5.
 - C. "Debt Service Charges" will not be billed from the City. (Nevis Township will assess due to the fact they received their own loan separate from the City.)

ARTICLE VII Penalties

- Sec. 1. Each and every sewer service charge levied by and pursuant to this Ordinance is hereby made a lien upon the lot or premises served, and all such charges which are on January of each year past due and delinquent, shall be certified to the County Auditor as taxes or assessments on the real estate. Nothing in this Ordinance shall be held or construed as in any way stopping or interfering with the right of the City to levy as taxes or assessment against any premises affected any delinquent or past due sewer service charges.
- Sec. 2. As an alternative to levying a lien, the City may, at its discretion, file suit in a civil action to collect such amounts as are delinquent and due against the occupant, owner, or user of the real estate, and shall collect as well all attorney's fees incurred by the City in filing the civil action. Such attorney's fees shall be fixed by order of the court.
- Sec. 3. In addition to all penalties and costs attributable and chargeable to recording notices of the lien or filing a civil action, the owner or user of the real estate being serviced by the treatment works shall be liable for

interest upon all unpaid balances at a rate to be determined by the City Council.

ARTICLE VIII
Severability and Validity

- Sec. 1. If any section or subdivision of this ordinance shall be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance, which shall continue in full force and effect.
- Sec. 2. This Ordinance shall be in full force and take effect from and after its passage and approval and publication as provided by law.
- Sec. 3. Passed by the City Council of the City of Nevis, Minnesota, on the 28th day of May, 1996.

James H. Hukki, Mayor

Attest:

Maureen K. Cirks, City Clerk-Treasurer

Published in the Northwoods Press on June 6, 1996 and June 13, 1996.

ORDINANCE 30 -AMENDMENT
ADDING A SECOND WATER METER TO AN EXISTING RESIDENCE OR BUSINESS IN
THE CITY OF NEVIS

A second water meter for irrigation of resident or business lawns only will be permitted under this ordinance. The meter will be installed downstream from primary meter in the residence/business with a back flow preventer installed between the two meters. All parts will be supplied by the City of Nevis and billed back to the residence/business.

A State of Minnesota licensed plumber must install all plumbing parts. At any time the City may request an inspection of this plumbing and if any cross connections are found the irrigation meter and all parts will be removed at owner's expense for a minimum of one year.

The City of Nevis will approve any other usage for the second water meter.

On December 31 of each year the irrigation meter will be read. This number will be subtracted from total water use in a year and will determine the amount of water that was sent to the sewer system. The amount will be used to determine ERU's for residence and business. The second water meter will not be charged a fee for sewer.

Example:

Total water read through Primary Meter 35,000 gal.
Total water read through irrigation meter 10,000 gal. (subtracted from primary meter)
Total water sent to sewer plant 25,000 gal.

25,000 gallons will be the figure used to determine ERU's.

Rates and charges will be based on Ordinance No. 30.

Ordinance No. 30 is hereby amended on the eighth day of December, 2008.

This amendment becomes effective upon its passage and publication according to law. Upon being put to a vote, the above ordinance was duly passed by the City Council of the City of Nevis this 8th day of December, 2008, by the following vote.

Yays - Melander, Dierkhising, Carson, Romer, Schroeder

Nays - None

Ray Melander, Mayor

Attest:


Carol J. Fridgen, City Administrator

(seal)

ORDINANCE NO. 30
CITY OF NEVIS, MINNESOTA
AN ORDINANCE ESTABLISHING A SEWER SERVICE CHARGE SYSTEM

An Ordinance providing for Sewer Service Charges to recover costs associated with:

1. The operation, maintenance, and replacement of the City's Wastewater Treatment System.
2. Local capital costs incurred in the construction of the City's Wastewater Treatment System.

A complete copy of the ordinance is available at the City Clerk's Office. It consists of 10 pages. Those residents of the City of Nevis who would like a copy of the ordinance may request a copy by stopping at the City Clerk's Office during normal business hours, or by writing a request to:

City Clerk
P. O. Box 108
Nevis, Minnesota 56467

There is no charge for the ordinance.

The ordinance consists of eight (8) separately numbered articles covering the following topics:

- Article I - Definitions
- Article II - Establishment of a Sewer Service Charge System
- Article III - Determination of Sewer Service Charges
- Article IV - Sewer Service Fund
- Article V - Administration
- Article VI - Administration - Township
- Article VII - Penalties
- Article VIII - Severability and Validity

The ordinance was passed at the special council meeting on May 28, 1996, and is effective upon publication.

Adopted this 28th day of May, 1996.

Maureen K. Cirks, City Clerk - Treasurer

ORDINANCE NO. 30

AMENDMENTS

ARTICLE III.

Sec. 5. "Determination of Sewer Service Charges"

The following method will be used to calculate cost for the users of the Nevis city sewer system. This includes residences, businesses and other entities.

$$C = (N) \times (ERU) - (M) \times (N-1) \times (0.5 \text{ ERU})$$

Where:

"N" is determined by dividing the yearly water used by the entity by 50,000. "N" is rounded off by the normal rounding up process.

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5. Lease money (\$1,700) from agricultural land at the pond site will go into the "Replacement Fund".

ARTICLE V.

Sec. 4.

Bills for Sewer Service Charges shall be rendered on a monthly basis succeeding the period for which the service was rendered, with bills sent out approximately the tenth of the each month and payable by the first of the following month, after which time a penalty of 10% of the total bill will be charged and a past-due notice will be sent allowing an additional ten (10) days. If after ten (10) days payment is still not received, a final shut-off notice stating the water service will be shut off in seven (7) days will be sent by registered mail.

ARTICLE VI.

- A. Township residents with access to the Sanitary Sewer will be billed on the basis of "Equivalent Residential Units (ERUs)". The City will bill the Township monthly for the total amount due from all Township residents, and the Township will be responsible for billing their own residents.

Ordinance No. 30 is hereby amended on the eighth day of April, 1997.

Maureen K. Cirks
City Clerk-Treasurer