City of Birmingham
A Walkable Community

MEMORANDUM

Finance Department

DATE: **May 1, 2015**

TO: **Joseph A. Valentine, City Manager**

FROM: **Mark Gerber, Finance Director/Treasurer**

SUBJECT: **Water/Sewer Rate Changes for 2015-2016**

Water Rates
Water rates are recommended to increase $.28 from $3.93 to $4.21, or 7.1%. The increase would raise the annual cost to the average homeowner by $25.20. The increase is the result of a 14% increase in the cost of water.

Sewer Rates
Sewer rates are recommended to decrease $.14 from $9.02 to $8.88, or 1.6%. The decrease would lower the annual cost to the average homeowner by $12.60. The decrease is the result of a decrease in sewage disposal costs and CSO maintenance costs of 1.6% and a decrease in maintenance costs of 2%.

The charges for Industrial Surcharge and Industrial Waste Control Charge are determined by Detroit Water and Sewerage Department (DWSD). These charges are collected by the City and remitted to DWSD. The City does not keep any of the money it collects for these fees. The Industrial Waste Control Charge is scheduled to decrease 39.2%. Currently, there are no Birmingham customers charged an Industrial Surcharge.

The new rates will take affect for all billings where the read date is on or after July 1, 2105.

Below are the recommended fee changes:

FEES, CHARGES, BONDS AND INSURANCE AMENDMENT

DEPARTMENT OF PUBLIC SERVICE

Section	Existing Fee	Proposed Fee	Change Code
Water			
Additional charge for water used:			
For each 1,000 gallons or part thereof	$ 3.93	$ 4.21	B

FINANCE

Section	Existing Fee	Proposed Fee	Change Code
Sewer Service Rates (Chapter 114)			
For each 1,000 gallons or part thereof	$ 9.02	$ 8.88	B
Industrial Surcharge (Chapter 114)			
An industrial surcharge shall be levied against industrial and commercial customers contributing sewage to the system with concentrations of pollutants exceeding the levels described as follows:			
Amounts of Industrial Surcharge - Total Charge per pound of excess pollutants			
Biochemical oxygen demand (BOD), over 275 mg/l	$ 0.502	$ 0.477	C
Total suspended solids (TSS), over 350 mg/l	$ 0.509	$ 0.483	C
Phosphorus (P), over 12 mg/l	$ 7.508	$ 7.129	C
Fats, oils, grease (FOG) over 100 mg/l	$ 0.483	$ 0.459	C
Industrial Waste Control IWC (Chapter 114)			
An industrial waste control charge shall be levied against all non-residential			
properties, in accordance with rates established by resolution.			
Meter Size - Quarterly Charge			
5/8"	$ 27.12	$ 16.50	C
3/4"	$ 40.68	$ 24.75	C
1"	$ 67.80	$ 41.25	C
1 1/2"	$ 149.16	$ 90.75	C
2"	$ 216.96	$ 132.00	C
3"	$ 393.24	$ 239.25	C
4"	$ 542.40	$ 330.00	C
6"	$ 813.60	$ 495.00	C
8"	$1,356.00	$ 825.00	C
10"	$1,898.40	$1,155.00	C
12"	$2,169.60	$1,320.00	C
14"	$2,712.00	$1,650.00	C
16"	$3,254.40	$1,980.00	C
18"	$3,796.80	$2,310.00	C
20"	$4,339.20	$2,640.00	C
24"	$4,881.60	$2,970.00	C
30"	$5,424.00	$3,300.00	C
36"	$5,966.40	$3,630.00	C
48"	$6,508.80	$3,960.00	C

CHANGE CODES

A. Fee has remained the same for many years
B. Proposed fee covers current costs
C. Pass through costs that reflects actual cost of service
D. Fee consistent with neighboring communities
E. New fee
F. Increase to cover normal inflationary increase
G. No longer provide this service
H. Other – Explain

SUGGESTED RESOLUTION:

To amend the Schedule of Fees, Charges, Bonds and Insurance, Water and Sewer Service Sections, for changes in water and sewer rates and changes in industrial surcharges and industrial waste control charges to be effective for bills with read dates on or after July 1, 2015.