

ORDINANCE NO. 1483

LEXINGTON, NEBRASKA.

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An ordinance providing for industrial cost recovery by the City of Lexington in connection with the Lexington Sanitary Treatment Works Construction project Federal Grant No. C31044401.

Whereas, the City of Lexington did on June 30, 1973, accept an offer of a Grant in Aid from the United States Environmental Protection Agency for 75% reimbursement of the Cost of the Sanitary Treatment Work Construction Project Federal Grant No. C31044401.

Whereas, by accepting the above offer the City of Lexington among other things; agreed to adopt, implement and maintain a system of industrial cost recovery for the project, as approved by the Regional Administrator of the Environmental Protection Agency.

Be it ordained by the Mayor and Council of the City of Lexington, Nebraska, as follows:

Section 1.

All existing and/or future industrial users which contribute process wastes to the treatment system other than segregated domestic waste or wastes shall be charged a fee in proportion to their "process waste" contribution as compared to the design criteria of the waste treatment works project.

A "new" industry is one which connects to a treatment works after such treatment works has been put into service. ICR payments by a new industry shall begin on the date use is initiated and shall continue for the unexpired portion of the ICR period or until the industry ceases use of the facility, whichever occurs first. Total ICR recovered from a new industry shall be the Federal cost of the capacity used multiplied by the ratio of its period of use to the ICR period.

Section 2.

The industrial cost recovery amount shall be based on the Federal Government's share of the Lexington Project cost (with cost parameters based on flow, BOD₅ and suspended solids).

Section 3.

The City of Lexington shall retain fifty percent (50%) of the amounts recovered from industrial users, incident to Section 2. Eighty percent (80%) of these

Section 3 (cont'd)

amounts retained by the City will be deposited annually into a special fund which will be called the Lexington Industrial Cost Recovery Fund 80. The remaining twenty percent (20%) of the funds retained by the City will be deposited annually into another special City fund which will be called Lexington Special Project Fund 20. The remaining fifty percent (50%) of the amounts recovered from industrial users, incident to Section 2, together with an interest earned thereon, shall be returned to the United States Treasury, through the United States Environmental Protection Agency on an annual basis.

Section 4.

Eighty percent (80%) of the amounts retained by the City and which will be deposited into the Lexington Industrial Cost Recovery Fund 80, together with interest earned thereon, shall be used solely for eligible costs of the expansion or reconstruction of treatment works associated with the project and necessary to meet the requirements of the United States Environmental Protection Agency. The City shall obtain the written approval of the Regional Administrator of the United States Environmental Protection Agency prior to commitment of these retained amounts for any expansion and reconstruction.

Section 5.

Pending use, the amounts deposited into the "Lexington Industrial Cost Recovery Fund - 80," will be invested by the City in a local banking institution whose deposits are insured by the Federal Deposit Insurance Corporation (F.D.I.C.).

Section 6.

Twenty percent (20%) of the amounts retained by the City and which will be deposited into "Lexington Special Projects Fund - 20," shall be used for Sanitary Sewer lines maintenance and repairs, however, these funds cannot be used to reduce the sewer use charge to any person or firm.

Section 7.

For the purpose of this ordinance, an industrial user or industrial development is defined as follows:

Any non-governmental user of publicly owned treatment works identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented, under the following divisions:

Section 7 (cont'd)

1. Division A. Agriculture, Forestry and Fishing
2. Division B. Mining
3. Division D. Manufacturing
4. Division E. Transportation, Communications, Electric, Gas and Sanitary Services
5. Division I. Services

A user in the divisions listed may be excluded if it is determined by the City that it will introduce primarily segregated domestic wastes or wastes from sanitary conveniences.

Section 8. Industrial Repayment of the 75% Federal Grant

The Federal guidelines for industrial cost recovery systems allow repayment of the Federal Grant on an "as used basis."

The industrial cost recovery charge to industrial users that introduce process waste or wastes into the treatment system other than segregated domestic waste will be based on an average daily contribution from that user based on flow, BOD and suspended solids.

(a) Plant Design Loads; Design Parameters; and Percent of Cost of Each Parameter

<u>Plant Design Loads</u>		<u>Design Parameters</u>	<u>Percent of Cost</u>
Flow (mgd)	1.56	Flow	41.27
BOD ₅ (lbs/day)	3429	BOD ₅	51.11
S.S. (lbs/day)	2880	S.S.	7.62
		Total	100.00

Total estimated cost for each parameter for Phase I and Phase II for the entire project is calculated as follows:

<u>Parameter</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Total Estimated Cost</u>
Flow	663,870	739,400	1,403,270
BOD ₅	822,155	0	822,155
S.S.	122,575	0	122,575

Total Estimated Project Cost 2,348,000

Based on a twenty year recovery period, the annual charge to an industry would be calculated as follows:

$$\text{Flow: } \frac{A}{1.56 \text{ mgd}} \times \frac{1,403,270 \times 75\%}{20} = A \text{ (33,722)}$$

$$\text{BOD}_5: \frac{B}{3429 \text{ lb/day}} \times \frac{822,155 \times 75\%}{20} = B \text{ (8.99)}$$

$$\text{S.S.: } \frac{C}{2880} \times \frac{122,575 \times 75\%}{20} = C \text{ (1.60)}$$

Where A = Annual average industrial flow in million gallons per day

B = Annual average industrial BOD₅ in pounds per day

C = Annual average industrial suspended solids per day

Section 9.

All industrial users subject to industrial cost recovery charge connected to the Lexington sewerage system shall be monitored by the City at least monthly to determine their hydraulic and organic contribution. The results of these tests may be composited and used as the individual industry's average daily flow, BOD and S.S. for the industrial cost recovery computation. However, when monitoring is not feasible, wastewater characteristics may be estimated using historical records, data from similar industrial users, etc.

Section 10.

All industrial users subject to this ordinance will be billed monthly by the Lexington Utilities System. Billings for the first year will be based on the actual or estimated usage of the previous full year prior to the completion and approval of project by the Regional Administrator of the United States Environmental Protection Agency, and adjusted each year in August for the actual total amount to be collected or refunded. This amount will then be used for billing purposes the following year. All industrial users subject to the industrial cost recovery charge will be billed for a period of twenty (20) years under this procedure.

The first payment by the City to the United States Treasury through the Environmental Protection Agency, will be made within one year after the completion of the treatment works project and approval of final costs by the Regional Administrator of the United States Environmental Protection Agency.

Section 11.

The sewer use charge for industrial cost recovery as outlined in Section 8 of this ordinance shall be charged to each user subject to the industrial cost recovery and shall be a lien upon the property served for failure of payment.

Section 12.

Any industrial user subject to ICR shall have the opportunity to be heard regarding the reasonableness of the ICR charge imposed upon them.

An appeal to be heard must be in writing addressed to the City Manager or City Council and shall be scheduled for hearing by the City Council at one of the next two regularly scheduled City Council sessions after the receipt of the appeal.

Section 13.

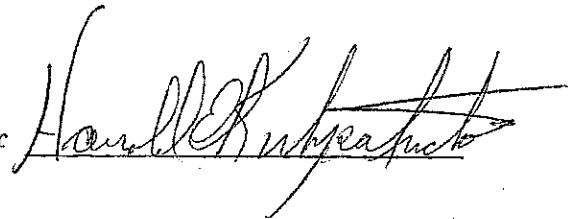
Any change or amendment to this ordinance must have the written approval of the Regional Administrator of the United States Environmental Protection Agency.

Section 14.

This ordinance shall be published in pamphlet form and take effect upon the date of completion of the treatment works project and approval of final costs by the Regional Administrator of the United States Environmental Protection Agency.

Passed and approved this 26th day of April, 1977.

Mayor



Attest:

Jorris L. Warren
City Clerk

(S E A L)