

**DULUTH/NORTH SHORE SANITARY DISTRICT
ORDINANCE NO. 3**

**AN ORDINANCE ESTABLISHING RATES AND CHARGES FOR THE
DULUTH/NORTH SHORE SANITARY DISTRICT**

The Board of Managers (the "Board") of the Duluth/North Shore Sanitary District (the "District") ordains as follows:

Section 1. Findings.

1.01 There are continuing and persistent issues of water quality in the Lake Superior watershed which need to be addressed through the provision of adequate public systems for the collection and treatment of wastewater.

1.02 The District was created for the purpose of promoting the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating and disposing of domestic sewage and garbage and industrial wastes within the District and there is need throughout the territory of the District for the accomplishment of these purposes.

Section 2. Recitals.

2.01 The Board has adopted its Ordinance No. 1 creating a sewer utility (the "Utility"); regulating the use of public and private sewers; establishing methods for a sewer service charge system and a septage service charge system; and providing penalties for violations of the regulations therein defined.

2.02 The Board intends in this ordinance to set forth the actual rates and charges for the use and availability of the Utility, among other services.

2.03 Capitalized terms not otherwise defined in this ordinance have the meanings given in Ordinance No. 1 of the District.

Section 3. Assignment of CAF Units.

3.01 Upon the recommendation of a committee designated by the Board, members of which shall be the Engineer and the Superintendent (the "Operations Committee"), or on its own initiative the Board shall approve the Assigned CAF Units for each Non-residential User. The Assigned CAF Units for each Non-residential User shall be determined based on anticipated volume of Flow when a building is in use. In no event shall Assigned CAF Units be less than 1.0. Assigned CAF Units described in this Section 3.01 will be used for billing purposes.

3.02 A Residential User shall be assigned one CAF Unit.

3.03 CAF Units assigned to a new Non-residential User for purposes of the WLSSD CAF fee and any necessary permit application to WLSSD shall be determined pursuant to Appendix A of the WLSSD CAF Manual. If the use by a new Non-residential User is not included in Appendix A of the CAF Manual, the Operations Committee shall determine the Assigned CAF Units based on

the Plumbing Waste Fixture Unit Values as defined in Appendix B of the CAF Manual. If the valuations in Appendix B are used, 17 Plumbing Waste Fixture Units shall be equivalent to one CAF Unit with no new Non-residential User being assigned less than one CAF Unit. The Operations Committee shall provide to WLSSD a recommendation of CAF Units to be assigned based on the CAF Manual. WLSSD will make the final determination of CAF Units assigned for purposes of paying the WLSSD CAF fee. A new Non-residential User must pay the necessary WLSSD CAF fee as part of its Connection Fee, based on the CAF Unit assignment determined by WLSSD.

3.04 Fractional CAF Units over and above one CAF Unit shall be allowed, rounded to one decimal place.

Section 4. Monthly Charges. The District's Sewer Service Charge will be composed of the following:

A. *Base Charge.* The Board will set a flat fee per CAF Unit payable by each User each month. The amount of the Base Charge will be set each year at the time the budget is approved by the Board and will represent each User's share of the cost of operating and maintaining the District. The Base Charge to be imposed during calendar year 2010 shall be \$60.00. Base charges are payable year-round, for all customers.

B. *Volume Charge.*

(i) An excess volume charge will be payable monthly by any User with metered wastewater in excess of the volume allotted to that User based on the User's CAF assignment. (One (1) CAF is equal to 260 gallons per day multiplied by 365 days, divided by 12 months for a total of 7909 gallons.) The excess volume charge will be equal to the Base Charge divided by 7909 gallons. For calendar year 2010, the excess volume charge will be .0076 per gallon for each gallon in excess of a User's allocation based on the User's CAF assignment.

C. *Extra Strength Charge.* WLSSD charges the Board an Extra Strength Charge as follows:

(i) Flow in excess of 200 mg/L of BOD is subject to an Extra Strength Charge of \$0.2953 per pound of BOD.

(ii) Flow in excess of 200 mg/L of TSS is subject to an Extra Strength Charge of \$0.2861 per pound of TSS.

Such charges will be payable by the Users exceeding the Units for BOD and TSS described above.

D. *Meter Reading Charge.* Each metered User shall pay a meter reading charge of \$5.00 per month.

Section 5. Annual Debt Service Charge. An annual Debt Service Charge will be imposed on each User representing each User's share of the annual debt service payments due on the District's outstanding indebtedness. The Debt Service Charge shall be allocated in its entirety to

pay the long-term debt of the District. The Board shall set the annual debt service amount each year at the time the budget is adopted. The Board shall send a separate billing once a year for the Debt Service Charge, which will be due by October 15th of each year. The Debt Service Charge to be imposed during calendar year 2013 shall be \$875.00.

Section 6. Sewer Access Charge or Connection Fee. The Connection Fee addresses the capital cost of that portion of the capacity of the Wastewater Treatment Facilities necessary to accommodate the anticipated Flow and Load from a new User. User class assignments for new Users will be determined by the Superintendent in accordance with the definitions provided in Ordinance No. 1. Connection Fees for each class of User are as follows and will include a 3% annual escalator, rounded up to the next whole dollar, beginning in calendar year 2010 (effective 3/16/2010):

Customer Class	Connection Fee[1]
Residential	\$15,914.00
Non-residential per CAF Unit	\$15,914.00

- [1] - Plus the actual installed cost of the grinder pump station, service lateral, and related costs. Estimated fees are payable prior to installing the grinder pump station and service lateral with adjustments made on the first payment of Sewer Service Charges. Non-residential Users expected to exhibit wastewater Load in excess of NDSW will be subject to additional fees as provided in this Ordinance. The Connection Fee does not include any Capacity Availability Fees or fees and charges for pipeline extensions or other services that are directly payable to WLSSD and/or the MPCA, as those fees and charges are amended from time to time.

Section 7. Other Fees.

7.01 License Fee. The license fee is a one-time fee payable upon application by a qualified contractor to install grinder pump stations, service laterals, or other components of the Wastewater Treatment Facilities. Such fee is \$250.00.

7.02 Application Fee. The application fee is a fee payable upon application for connection to the Wastewater Treatment Facilities. Such fee is \$350.00.

7.03 I & I Fees.

A. I/I Inspection Fee. The I/I Inspection Fee is a fee payable upon completion of the inspection required of each property owner prior to connection to the Wastewater Treatment Facilities. Such fee is \$100.00 per Service Connection.

B. I/I Surcharge Fee. The I/I Surcharge Fee is a fee payable to the District from property owners who refuse to allow for an I/I Inspection conducted by an Authorized Inspector, as provided for in Ordinance No. 1. Such fee is \$50 per month plus a meter reading fee of \$5 month until an I/I inspection is completed.

7.04 Late Payment Fee. Any payment required by this ordinance or Ordinance No. 1 which is made more than 30 days after the date due may, at the discretion of the Board, be subject to a late payment fee of not to exceed 6.00% per annum, or 1/2 of 1% per month.

7.05 Capacity Reservation Fee. A fee payable upon submission of an application for a Capacity Reservation pursuant to Ordinance No. 4 of the District. Such fee is the Base Charge at the time of application times the number of CAF Units for which capacity is reserved times the number of months constituting the time period of the reservation.

7.06 Certification Fee. Each User that has past due User Fees must pay a Certification Fee. The Certification Fee will be certified to the St. Louis County Auditor and appear on the User's property tax statement. Such fee shall be in the amount of \$100 per every \$1,000 of past due User Fees; provided that there shall be a minimum Certification Fee of \$100. The Board reserves the right to consider a request for a variance as to the Certification Fee made pursuant to Article XIII of Ordinance No. 1.

7.07 Assessment Payoff Quote Fee. An Assessment Payoff Quote Fee of up to \$150 shall apply whenever an Assessment Payoff Quote is requested. An Assessment Payoff Quote is a statement provided by the District showing the specified parcel's balances owed to the District on the date the quote is issued. The Board shall approve regulations regarding the timing and manner in which the Assessment Payoff Quote Fee will be imposed and paid.

7.08 Ordinance Violation. Any Person who continues a violation of any of the District's ordinances beyond the time limit provided for in Ordinance No. 1 will be fined an amount not exceeding \$1,000.00 for each violation, or such greater amount as may be permitted by State or federal law.

Adopted by the Board of Managers of the Duluth/North Shore Sanitary District, Saint Louis County, Minnesota on November 2, 2004, and amended on October 12, 2005, October 11, 2006, January 10, 2007, June 19, 2007, April 20, 2010, October 16, 2012 and March 19, 2013.


Chair

ATTEST:

