

**TOWN OF GRAND LAKE
BIRCH POINT SUBORDINATE SERVICE DISTRICT
ORDINANCE NO. 2**

**ORDINANCE ESTABLISHING RATES AND CHARGES FOR THE BIRCH POINT
SUBORDINATE SERVICE DISTRICT**

The Board of Supervisors (the "Board") of the Town of Grand Lake, St. Louis County, Minnesota (the "Town") ordains as follows:

Section 1. Findings.

1.01 There are continuing and persistent issues of water quality in the Birch Point Subordinate Service District 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 by the Town 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 other 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") within the District; 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. Equivalent Domestic Unit.

3.01 The Board assigns EDUs based on types of Users within classes of Users. A minimum of one (1) EDU per Service Connection will be assigned for all Users.

3.02 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 EDU for each User except Residential Users. The assigned EDU for each User shall be determined based on anticipated volume of Flow when a building is in use. In no event shall an assigned EDU be less than 1.0. Assigned EDUs described in this Section 3.02 will be used for billing purposes.

3.03 A Residential User shall be assigned one EDU.

3.04 The Board reserves the right to adjust the EDU assignments contained in this ordinance at any time by an amendment to this ordinance. The Board further reserves the right to create new classes

of Users at any time at the recommendation of the District's Engineer and to impose User Charges on such Users by resolution, pending an amendment to this ordinance.

Section 4. Sewer Service Charges.

4.01 User Charge. The District's User Charge will be composed of the following:

A. *OM&R Charge.* An OM&R Charge of \$88 per month per EDU is payable by each User. OM&R Charges are payable year round by all Users.

B. *Extra Strength Charge:* The Extra Strength Charge will be payable by Users as follows:

(i) Users with Loads in excess of 250 mg/L of BOD shall be subject to an Extra Strength Charge of \$0.25 per pound of BOD.

(ii) Users with Loads in excess of 250 mg/L of TSS shall be subject to an Extra Strength Charge of \$0.40 per pound of TSS.

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

4.02 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. Each year the debt service amount shall be levied as a property tax on the Users in the District. The Debt Service Charge to be imposed during calendar year 2016 shall be \$672.

4.03 Rights Reserved. The Board will set the Sewer Service Charges annually and reserves the right to adjust the monthly User Charge at any time by resolution, pending an amendment to this ordinance.

Section 5. Sewer Access Charge or Hook-Up Fee. The Sewer Access Charge 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, including a Property Declining Initial Connection. User class and EDU assignments for new Users will be determined by the Board in accordance with the definitions provided in Ordinance No. 1 and this Ordinance. The Sewer Access Charges for each class of User are as follows and will include an annual 5% escalator, rounded up to the next whole dollar, beginning in calendar year 2016:

TABLE IV

<u>Customer Class</u>	<u>Sewer Access Charge [1] [2]</u>
Residential User (per EDU)	\$10,527
Non-Residential Users (per EDU)	\$10,527

[1] Plus the actual installed cost of the service connection and service lateral, and related costs, including but not limited to all necessary materials and equipment, construction,

engineering, legal and inspection costs. Estimated fees are payable prior to installing the service connection and service lateral with adjustments made on the first payment of Sewer Service Charges. Commercial Users expected to exhibit wastewater Load in excess of NDSW will be subject to additional fees to be determined by the District on a case by case basis.

- [2] Based on the cost of system capacity expressed on a per EDU basis. The cost of system capacity is based on construction, engineering, and planning for the District's system. Expected Wastewater in excess of NDSW Loads shall be determined on a case by case basis.

Section 6. Other Fees.

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

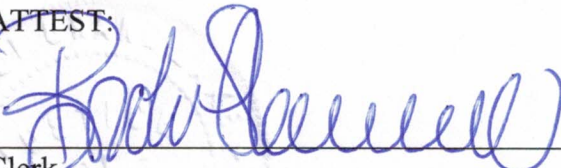
6.02 Permit Fee. The permit fee is a fee payable upon application for connection to the Wastewater Treatment Facilities. Such fee is \$350.00.

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

6.04 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.

6.05 Certification Fee. Each User that has past due Sewer Service Charges 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 ten percent (10%) of past due Sewer Service Charges. The Board reserves the right to consider a request for a variance as to the Certification Fee made pursuant to Article VI of Ordinance No. 1.


Chair

ATTEST:

Clerk