

**AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, AND
CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM
OF THE CITY OF BLUEFIELD, WEST VIRGINIA**

WHEREAS, The City of Bluefield, West Virginia, owns and operates a municipal sewerage system;

WHEREAS, said system is operated in the State of West Virginia by the Sanitary Board of the City of Bluefield ("Sanitary Board"), and in the Commonwealth of Virginia by the Bluefield Sanitary Board, Inc.;

WHEREAS, the Net Revenues of the Sanitary Board which are generated pursuant to the tariff in effect since January 1, 2008, are projected by the Board's auditors to be insufficient to meet the rate covenants of the bonded indebtedness of the Sanitary Board, to wit: Sewer Refunding Revenue Bonds Series 1992, 1995, 1998,2000 and 2004;

WHEREAS, the Sanitary Board intends to borrow \$1,554,112 to undertake the Ada Wastewater Treatment Plant upgrade project ("Project");

WHEREAS, the debt service associated with the loan for the Project requires an increase in rates; and

WHEREAS, the Sanitary Board's tariff should be revised to match costs to cost causers by adding charges for commodity service, revising the leak adjustment rate to reflect costs of treatment, providing a tiered tap fee, updating the disconnection and reconnection fees, adding a bill reprint fee, adding an Electronic Funds Transfer ("EFT"), credit card, and drop box payment fee, and adding a charge applicable where surface drains are connected to the Sanitary Board's sanitary sewer system;

WHEREAS, the Sanitary Board's auditors, Griffith & Associates, PLLC, have prepared financial projections recommending the below described tariff as being sufficient to meet the rate covenants of the Sanitary Board's bonded indebtedness; and,

WHEREAS, for the reasons set forth above, the sewer rates, fees and charges of the City of Bluefield must be increased.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD HEREBY ORDAINS: The following schedule of rates, fees, and charges to be charged are hereby fixed and determined as the rates, fees, charges, and delayed payment penalties

to be charged to customers of the sewerage system of the City of Bluefield throughout the entire territory served.

SECTION 1, SCHEDULE OF VOLUMETRIC RATES

A. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER MAY 12, 2012.

First 10,000 gallons used per month \$8.69 per 1,000 gallons

Next 115,000 gallons used per month \$7.98 per 1,000 gallons

Next 375,000 gallons used per month \$7.75 per 1,000 gallons

All over 500,000 gallons used per month \$5.79 per 1,000 gallons

SERVICE TO OTHER SYSTEMS

Available for sanitary sewer service to other systems.

Rate per metered gallons \$3.50 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be \$17.38.

SECTION 2, ADDITIONAL CHARGES AND TERMS

A. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER MAY 12, 2012.

INDUSTRIAL SURCHARGE RATES

Rate applicable to Biological Oxygen Demand (BOD) concentration in excess of 240 mg/1.

Rate applicable to Total Suspended Solids (TSS) concentration in excess of 240 mg/1.

This surcharge will be based on the following formulas applicable to users whose wastewaters are treated at the POTW:

US = (BOD -240) (8.345) (\$0.21) Vu for 1 million gal. and over

US = (SS-240) (8.345) (\$0.26) Vu for 1 million gal. and over

US = (BOD - 240) (8.345) (\$1.00/#BOO) for up to 1 million gal. and over US

= (SS-240) (8.345) (\$1.00/#SS) for up to 1 million gal. and over where

US = User's surcharge per month in dollars
BOD = Average measured BOD value of user's wastewater in mg/1 SS =
Average measured SS value of user's wastewater in mg/1
Vu = Volume of user's monthly wastewater contribution in millions of gallons

* The above formulas reflect the current estimated operation and maintenance costs for treatment per pound of BOD and SS at the POTW. The factors affecting such costs may be reviewed by The Sanitary Board and the above formulas revised to reflect revised operation and maintenance costs as required.

COMMODITY CHARGE

Each hauler shall pay a commodity charge of \$0.10 per gallon based on the volume of the tank whether partially full or full.

LEAK ADJUSTMENT RATE

\$2.99 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

DELAYED PAYMENT PENALTY

Ten Percent (10%) penalty shall be added to all charges not paid within twenty (20) days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

UNMETERED USERS

In locations where the customer has no water meter, charges for sewer service shall be assessed based upon a reasonable rate or formula to be applied equally to all unmetered users or in the alternative the minimum monthly rate provided for herein shall be charged.

Customers having water uses which result in a substantial portion of the water purchased not being discharged to the sanitary sewer system shall be entitled to an adjusted sewer service charge. Such adjusted charges shall be based as nearly as possible upon the actual volume of waste water discharged to the Bluefield Sanitary Sewer System. This volume of waste water shall be measured by special meters or calculated by reasonable formula.

TAP OR CONNECTION FEE

The following charges are to be made whenever a utility installs a new tap to serve an applicant.

A tap fee of \$100.00 will be charged to customers applying for service before construction on standard or alternate main line extensions or certificate projects. This pre-construction tap fee will be invalid after the completion of construction of the standard or alternate main line extension or certificate project.

A tap fee of the greater of \$350.00 or the actual cost, solely determined by the Utility, will be charged to all customers who apply for service outside of a standard or alternate main line

extension or certificate project.

WATER DISCONNECT-RECONNECT FEES

Whenever water service has been disconnected for nonpayment of sewer bills, a sewer service disconnection fee of \$20.00 shall be charged.

Whenever water service which has been previously disconnected, or otherwise withheld for nonpayment of sewer bill, is reconnected, a reconnection fee of \$20.00 shall be charged.

MUNICIPAL EXCISE TAX SURCHARGE

The municipality listed below, having imposed public utility tax computed on the basis of two percent of revenues from sewer service sales by the sewer utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within said corporate limits.

The sewer utility is required to collect the utility tax pursuant to West Virginia Code Section 8-13-5a.

Customers receiving sewer service within the corporate limits of the specified municipality shall pay the following surcharge rates.

<u>Municipality</u>	<u>Utility Excise Tax, Local Tax Rate</u>	<u>Surcharge rate</u>
Bluefield, WV	2%	2%

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reasons, the bank's charge to the Sanitary Board of Bluefield shall be the charge to the customer, but such charge to the customer shall not exceed \$25.00.

SECURITY DEPOSIT

New customers or customers to a new location must pay the Sanitary Board's security deposit and present a receipt for payment of the security deposit to the water utility serving the new customer before water service can be provided. A security deposit not to exceed two-twelfth (2/12) of the annual estimated charge for the class of customer served shall be charged to new customers and reconnected customers of the sewerage system of the City of Bluefield throughout the entire territory served.

BILL REPRINT FEE

A charge of \$1.00 will be assessed to customers who do not present the bar coded section of the bill provide by the Sanitary Board with payment.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on Electronic Funds Transfer ("EFT"), credit card or drop box payments equal to the actual charges from the financial institution to the Sanitary Board.

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SEWER SYSTEM

Whenever the utility has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the utility in accordance with the Rules of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars

A = The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R = The measured monthly rainfall, in inches .

. 0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

C = The utility's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and

that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

SURCHARGE FORMULA TO BE APPLIED TO A CUSTOMER PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to unusual users per year

V_o = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

V_i = volume of waste water from unusual users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical, Oxygen Demand (BOD), in dollars per pound

B_i = weight of BOD from unusual users, in pounds per year

S_o = average unit costs of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the costs of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the utility should not be introduced into the sewer system need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SECTION 3, SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision, or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders, or parts thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders, or parts thereof, the same shall remain in full force and effect.

SECTION 4, STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Sanitary Board shall publish a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the Bluefield Daily Telegraph and the Princeton Times, stating that this Ordinance has been introduced, and that any person interested may appear before the City Board on the 27th day of March, 2012 at 5:00 p.m., which date is not less than ten (10) days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Board shall take such action as it shall deem proper in the premises.

CERTIFICATE

The undersigned Clerk of the City of Bluefield, West Virginia, does hereby certify that the foregoing is a true copy of an Ordinance duly adopted at a regular meeting of the City Board of the city of Bluefield, West Virginia, on the 27th day of March, 2012.

Given under my hand and seal this 27th day of March, 2012.

Helen L. Mitchell

Helen Mitchell, Clerk of the City of Bluefield

