

Justification for requested Amendments to §189 regarding billing of Sewer-Only accounts  
Submitted by the Department of Public Works  
August 22, 2012

**Background:** There are approximately 7,200 sewer accounts being billed in the City. These accounts serve 10,200 sewer units. Seven hundred seventeen (717) of these accounts are Sewer-Only (about 10% of the total accounts). Sewer-Only accounts are those served by public sewer and private water supplied by either a well or a PUC regulated water system. Of the Sewer-Only accounts, 177 are un-metered (flat rate) and 538 are metered (as of 2-07-2012). The goals of these amendments are to eliminate the meters on private wells and establish flat rate fees that are fair and equitable when compared to the fees paid by the metered sewer & water customers (those having Laconia Water Department's (LWD) metered accounts).

**The Issues:** It has long been recognized by DPW and LWD that the billing of Sewer-Only accounts has been cumbersome and in some cases inequitable. The problem is that we cannot control the quality of water that passes through Sewer-Only meters. These meters commonly lose their accuracy because minerals and elements in the water (i.e. iron, sand, etc) build up and affect the mechanical components in the meter. Without a maintenance program to regularly service and replace these meters, we cannot depend on their accuracy. Checking the status of meters is problematic as some owners refuse access to their property. We also know that some owners take their meters off-line to manipulate the readings. Another issue is that there has been confusion in applying appropriate sewer billing rates to some establishments that operate seasonally. Some customers on the un-metered flat rate have claimed that they are paying a disproportionate share for their sewer compared to LWD metered accounts.

At present, Sewer-Only accounts are given the option of installing a LWD approved water meter on their private water supply piping and being billed the metered sewer rate **or** they can opt to not have a meter and be billed a flat rate. Because of the issues above, we have been phasing out the meters when the old ones have failed and when new accounts are established. For metered Sewer-Only accounts, the billing practice consists of LWD sending a meter reading card each quarter with a request for the owner to record and send back the meter reading for billing. Though sewer and water accounts utilize state of the art radio read meters, the metered Sewer-Only accounts are not on that system.

**Current Sewer Rates:** The current un-metered flat rate is \$132.75 per quarter or \$531 per year. The proposed flat rate of \$85 per quarter (\$340 per year) is recommended by DPW based on the following information. The American Water Works Association estimates the average person consumes approximately 70 gallons per day (gpd). In their annual statewide sewer user charge survey NH DES has been using a typical family home consumption rate of approximately 240 gpd (90,000 gallons or 120 hcf per year or about 110 gallons per day per person). The latter is the consumption rate the City has used for determining our present unmetered rate. LWD has communicated to DPW that they believe this rate is high and does not represent a fair and equitable billing compared to the LWD metered accounts. DPW contacted the NH DES Wastewater Engineering Bureau to track the source for the 240 gpd consumption rate. They communicated that it was based on a US Dept. of Housing and Urban Development (HUD) study in the mid 1980's. They believe it is probably inflated but have used it for ease of comparison with historical surveys. The Bureau confirmed the 70 gpd per person as a good estimate of per capita consumption. At the request of the City Manager, DPW reviewed data from the LWD to estimate an average consumption rate for Laconia households on LWD metered accounts. Five neighborhoods were selected and we found an average consumption rate of 66.5 hcf per unit per year. This translates to an approximate consumption of 62.2 gallons per day per person.

The 2010 census now has the state average household at 2.48 people. Belknap County's average household is 2.35 people and Laconia's is 2.19 people. For flat rate billing, DPW recommends using Laconia's average household of 2.19 persons consuming approximately 62.2 gpd per person. This would

lower the average household consumption used in the formula from 240 to about 136 gallons per day (49,742 gallons or 66.5 hcf per year)  $2.19 \times 62.2 = 136.22 \text{ gpd} \times 365 \text{ days} = 49,719.57 \text{ gallons per year} \div 748 \text{ gallons/hundred cubic feet} = 66.5 \text{ hcf per year} \div 4 = 16.6 \text{ hcf per quarter}$ . Using present metered rates, the quarterly fee would be \$85 per quarter [ $\$30 + (\$3.30 \times 16.6 \text{ hcf}) = 84.78$  or \$ 340 per year.

**Seasonal Use:** Residential homes (even if they are second homes that are not occupied year round) would be billed for the entire year since the City has no control over when and if the private water supply to these units is activated or deactivated. The City recognizes that there may be unique situations where we have confidence that only seasonal use is occurring for commercial/resort uses. In such cases we would use the provisions of §189-44 (B) 3 to set up an agreement. Commercial establishments such as seasonal cottage rentals and seasonal mobile home parks would fall into that category.

**Other options considered:**

1. Place all sewer-only accounts on magnetic meters.

Pros	Cons
<ul style="list-style-type: none"> <li>• Mag. meters have no moving parts.</li> <li>• Not as likely to clog with sediment and minerals.</li> <li>• Can be set up for radio-read data collection.</li> </ul>	<ul style="list-style-type: none"> <li>• High initial cost.</li> <li>• Change-out of existing meters about \$540 per household.</li> <li>• New install about \$820 per household.</li> <li>• Total cost for 715 accounts would be approximately \$435,660.</li> <li>• Trouble shooting and maintenance will be required with unknown costs.</li> <li>• The meters would need to be replaced every 10 to 20 years (manufacturer claims useful life of 20 years. PUC regulated utilities are required to change meters every 10 years).</li> <li>• Access for meter inspection would be challenging.</li> <li>• Some handy homeowners could still take the meter off line.</li> </ul>

2. Place Lakes Region Water Company served households on mag. meters. Of the 715 sewer-only accounts, about 50 are served by Lakes Region Water Company.

Pros	Cons
<ul style="list-style-type: none"> <li>• Sewer charge based on actual water use.</li> </ul>	<ul style="list-style-type: none"> <li>• High initial cost as noted above for few customers.</li> <li>• Would require partnering with a third party.</li> <li>• Some communication difficulties already exist with Lakes Region Water.</li> <li>• Lakes Region Water cannot shut off service for unpaid sewer fees owed to City.</li> <li>• Installation and maintenance costs noted above.</li> </ul>

DPW surveyed a number of towns in order to see how other communities are billing sewer-only accounts. The results are listed in Table 1 below. It is important to remember that the most important attribute of our flat rate must be that it be fair and equitable when compared to the LWD metered accounts in Laconia.

Table 1. Single family home sewer unit flat rates – February 2012

<b>Community</b>	<b>Flat Rate Schedule</b>	<b>Cost per Year</b>
Claremont	\$319/6 months	\$638.00
Concord	\$72/qtr	\$288.00
Conway	No un-metered accts.	
Dover	No un-metered accts.	
Franklin	1-2 bedroom: \$126/qtr 3 bedroom: 152/qtr 4 bedroom: 179/qtr	\$504 \$608 \$716
Gilford	No un-metered accts.	
Goffstown	\$100/qtr	\$400.00
Keene	\$198.07/qtr	\$792.28
Lebanon	\$133.38/qtr	\$533.52
<i>Laconia - current</i>	<i>132.75/qtr</i>	<i>\$531.00</i>
<i>Laconia – proposed</i>	<i>\$85.00/qtr</i>	<i>\$340.00</i>
Manchester	\$111.40/qtr	\$445.60
Merrimack	\$197/yr	\$197.00
Nashua	\$54.57/qtr	\$218.28
Portsmouth	No un-metered accts.	
Rochester	\$195.35/qtr \$97.66/qtr (elderly)	\$781.40

Our specific recommendations for amending the sewer ordinance are on the next page.

Proposed Amendments to Chapter 189  
Sewer Ordinance  
August 2012

The Department of Public Works (DPW) requests the City Council to amend **§189-44** as follows:

- to strike the language in §189-44 B (2) and replace with the following:  
B. (2) Upon premises where there is a private supply of water, consumption will be billed at an un-metered flat rate based on American Water Works Association published consumption data, a sampling of Laconia Water Department's metered accounts, and household census data. The intent is to keep the sewer-only accounts in parity with the Laconia Water Department's metered accounts.

DPW requests **§189-47** be amended as follows:

- to eliminate §189-47 relating to meters on private water supplies.

DPW requests **§189-50** be amended as follows:

- to strike subsection §189 -50 C. in its entirety and replace as follows:

C. Charge based on non-metered flat rate (for Sewer-Only accounts - those accounts that are on public sewer but served by private water by means of either a well or a PUC regulated water system), effective with the billing date on or after December 30, 2012: three hundred forty dollars (\$340.00) per unit/year billed semi-annually (\$170.00/bill) coinciding with the tax year as defined in RSA 76:2. Billing and collection of the flat rate sewer-only accounts will be conducted by the City Tax Collector. Determination of the flat rate is as described in §189-44 B (2).

Commercial and Industrial facilities on Sewer-Only accounts shall be billed semi-annually according to a flat rate equal to the fixed per unit fee in subsection A and the consumption rate of subsection B with the consumption equal to the discharge volume reported on the Industrial and Commercial Wastewater Discharge Permits approved by the Winnepesaukee River Basin Program.

---

Please note that provision for nuanced use and billing situations can be addressed through §189-44 B. (3) which reads *In all other instances where Subsection B (1) and (2) of this section cannot be reasonably applied, an adjustment as to sewer charges may be made by the execution of a contract between the owner and the City of Laconia.*

DPW will soon be requesting an amendment to §189-34 regarding Fats, Oil, and Grease (FOG). We are still working on the draft.