



DUWA

Non-Residential User Fee

Town Hall

June 17, 2020

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Agenda

- Background
- 2019 rate study
- Costs to be covered by the NRU fee
- Usage subject to the NRU fee
- Mechanics of self-reporting of NRU
- System survey response summary
- Need for consistency in reporting
- Next steps

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Background

- NRU fee is part of IPP program
- Ensure extra strength flow is identified (NRU fee) and treated (IPP fee)
- Source reduction program
- Serves a regulatory purpose
- Required by Clean Water Act

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2019 rate study

- Intent at system transfer was to continue the existing program of charges for 5 years – subsequent changes only after appropriate studies could be done
- Hired TetraTech in early 2019 to address IPP fee components
- Fees addressed:
 - IPP surveillance fee (administration and monitoring for known Significant Industrial Users)
 - IPP surcharge (extra treatment)
- Non-residential User (NRU) fees were not addressed – “it is recommended that DUWA work with the individual communities to establish a uniform procedure to identify non-residential accounts”
- The rate consultant we’ll be hiring will be addressing NRU

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2019 NRU Statistics

	Number of NRUs from survey	Units reported for 2019	% of Revenue
Allen Park	71	0	0
Belleville	96	2,767	.82%
Brownstown	434	23,345	6.9%
Dearborn Heights	702	1,768	.52%
Ecorse	216	0	0
Lincoln Park	500	8,517	2.5%
River Rouge	190	23,764	7.0%
Riverview	200 (some multiple bills to same property)	1,388	.41%
Romulus	649	78,661	23.2%
Southgate	768	21,530	6.35%
Taylor	1390	92,714	27.3%
VanBuren	56	5,442	1.6%
Wyandotte	560	79,175	23.3%
TOTAL	5,632	339,072	
NRU - \$1.53		\$518,780	

Based on \$518,780 divided by number of users, the average NRU is paying less than \$100 per year.

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Costs to be covered by the NRU fee

- Designed to protect the facility and achieve appropriate water quality in the discharge
- Program administration
- Sampling
- Monitoring
- Following up on suspected problems or complaints
- Enforcement
- General overhead allocation

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Usage subject to the NRU fee

- Sewer Use Ordinance states:

A source of discharge to the plant which originates from, but is not limited to, facilities engaged in industry, manufacturing, arts, trade or commerce, including the development, recovery or processing of natural products, whether public or private, commercial or charitable.

Single and multiple family residential dwellings with discharges consistent with Domestic Waste characteristics are specifically excluded."

- The SUO defines residential user as:

"any user whose sanitary sewage emanates from a property primarily used as a domicile, including multiple dwellings and whose sewage characteristics are within the definitions of Domestic Waste."

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Usage subject to the NRU fee

- Self-reporting form:

Any structure that is not residential is subject to the NRU fee. The instructions for the self-reporting form state: "For the purpose of this fee, a residential unit shall be defined as any structure designed and used for year-round habitation where average occupancy by the same person(s) was longer than 2 consecutive months during the previous year. Non-residential units will include any sewer premises that do not meet the above description."

- Consistent with EPA and EGLE regulations.

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Specific situations

Apartment buildings – residential

Mobile homes – residential

Hotels – NRU

Nursing homes – technically NRU – they are a business

Government buildings – excluded – no trade or commerce

Schools – excluded – no trade or commerce

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Mechanics of self-reporting of NRU

- Identify units through coding in community billing system
- Input onto section G of monthly self-reporting form

G	NONRESIDENT USER FEES				
1	Metered Water Consumption		MCF X	\$1.53	\$.
<i>For the purpose of this fee, a residential unit shall be defined as any structure designed and used for year-round habitation where average occupancy by the same person(s) was longer than 2 consecutive months during the previous year. Non-residential units will include any sewer premises that do not meet the above description.</i>					

- NRU units also pay the regular base fee of \$7.82.
- The extra \$1.53 is roughly a 20% surcharge. This percentage has decreased as the base rate has increased.
- Do communities pass this fee along to the actual NRU customer?

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System survey response summary

- All 13 communities responded – thank you!
- Please describe the process to prepare the monthly self-reporting form

12 communities start with the GLWA meter read and appear to be making appropriate adjustments. VanBuren uses the alternate method of starting with individual meter reads. They are in two systems.

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Monthly calculation

GLWA Master Meter reading	10,000
+ Water purchased from other Municipalities	1,000
+ Individual Water Meters Option at 110%	
+ Other Metered Sources	
- Individual Water units to other systems at 110%	-3,000
- Exemptions	-500
TOTAL ADJUSTED WATER CONSUMPTION-Base Flow	7,500
Wastewater Disposal Charges at \$7.82 per unit	\$58,650
Flat Rate Users	
NRU - Metered Water Consumption	1,200
NRU fee at \$1.53 per unit	\$1,836
Total payment to DUWA	\$60,486

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System survey response summary

- If your community's sewage is treated through more than one system, how are you arriving at inputs?

Allen Park, Brownstown, Dearborn Heights, Romulus and VanBuren are in more than one system and appear to be making the proper adjustments.

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System survey response summary

- Do you charge different rates for residential versus commercial?

All communities charge the same base rates for residential and commercial.

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System survey response summary

- Are you compiling the NRU fee section based on assigned categories? Is your system coding consistent with the accepted definition?

Most answered that they were identifying NRUs consistent with the accepted definition. Other survey questions noted inconsistencies.

Allen Park and Ecorse had not been reporting any NRU fees. Both have started to report units of late.

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System survey response summary

- How do you treat mobile homes, apartment buildings, nursing homes and hotels?

Eight communities seem to have inconsistencies in NRU classifications – some communities are not applying NRU fees to government buildings, schools and nursing homes, whereas others are.

Dearborn Heights indicated they were applying NRU to apartments and mobile home parks.

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System survey response summary

- Do you pass along the NRU fee to commercial customers?

Nine communities do pass along a separate fee and four do not.

We don't dictate the billing structure that communities use with their customers.

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Need for consistency in reporting

- Fairness issue
- Need to know total units to apply to costs in order to get to the appropriate rate
- Cannot adjust the rate, which has been the same for a long time, without having accurate units reported

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Next steps

- Perform a review of your billing system coding to ensure consistency with agreed upon definition of NRU
- We will be hiring a rate consultant and NRU will be addressed, so again, we need to have an accurate unit count