

**AGENDA
LEBANON CITY COUNCIL
FEBRUARY 20, 2019**

7. PUBLIC HEARING ITEMS:

**7.A – ORDINANCE #2019-02 TO AMEND CITY CODE CHAPTER 68
TO TEMPORARILY DECREASE SEPTAGE DISPOSAL RATES**

A public hearing for the purpose of receiving public input and taking action to amend City Code Chapter 68, Fees, §68-15, Enumeration of Fees, to temporarily decrease Septage Disposal Rates.

The City Council scheduled this public hearing at their January 16, 2019 regular meeting. The public hearing was properly noticed in the *Valley News* on February 9, 2019 in accordance with City Code and State Law.

BACKGROUND

It has been brought to our attention that a regional septage hauler, currently handling 2+ million gallons per year, does not utilize our treatment plant due to the rates we are charging compared to a facility where they transport their septage more than an hour away.

Based on discussions with the City Manager's Office regarding the fees currently charged to septage haulers vs. the cost to manage the collection and treatment of septage, it has been requested that a pilot study be conducted to determine if our current rates (\$91/1,000 gallons from properties within Lebanon and \$136/1,000 gallons from properties outside of Lebanon) can be reduced while producing additional revenue. In order to complete this pilot study, an amendment is required to Chapter 68, Fees, of the City Code to temporarily reduce septage disposal rates.

ACTION

If the Council decides to move forward with the amendment, the following motion is offered for consideration:

MOVED, that the Lebanon City Council hereby adopts proposed Ordinance #2019-02, to amend City Code Chapter 68, Fees, §68-15, Enumeration of Fees, to temporarily decrease Septage Disposal Rates, with a sunset date of December 31, 2019.

Included in this Section:

1. January 9, 2019 Memo from Jay Cairelli, Assistant Public Works Director re: Pilot Study – Temporary Reduction in Septage Hauler Fees
2. Ordinance #2019-02
3. Notice of Public Hearing as Published in the February 9, 2019 Edition of the *Valley News*

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TO: Honorable Mayor and City Council
Cc: Shaun Mulholland, City Manager
James Donison, Public Works Director
FROM: Jay Cairelli, Assistant Public Works Director
DATE: January 9, 2019
RE: Pilot Study – Temporary Reduction in Septage Hauler Fees

INTRODUCTION:

Based on discussions with the City Manager’s Office regarding the fees currently charged to septage haulers vs. the cost to manage the collection and treatment of septage, it has been requested that a pilot study be conducted to determine if our current rates (\$91/1,000 gallons from properties within Lebanon and \$136/1,000 gallons from properties outside of Lebanon) can be reduced while producing additional revenue.

BACKGROUND:

It has been brought to our attention that a regional septage hauler, currently handling 2+ million gallons per year, does not utilize our treatment plant due to the rates we are charging compared to a facility where they transport their septage more than an hour away.

The direct costs associated with treating septage includes the cost of removing and handling solids combined with the cost to manage Biochemical Oxygen Demand (BOD). Additional septage will obviously increase costs associated with the handling of solids and managing additional BOD, but the additional costs should be more than offset with the receipt of an additional 2.5 million gallons per year. Completing the pilot study will not require additional funding or the utilization of existing funds as everything we need to determine additional costs are available to us at the treatment plant (flow meters, electric meters on all of the equipment, and historical data).

Here is a rough estimate of revenue potential (numbers are rounded for simplicity as we charge two different rates for properties in Lebanon vs. properties outside of Lebanon):

Gallons Treated per year	Cost	Additional Cost	Net Revenue
750000	\$ 0.10	0	\$ 75,000.00
2500000	\$ 0.08	\$50,000.00	\$ 150,000.00

The added cost will be a large variable (to be officially determined), and the actual gallons received is an unknown, but 2.5 million is what we know we can expect with a lowered rate.

RECOMMENDATION/RATIONALE:

Administration is requesting that the Council amend Chapter 68 of the Code to temporarily reduce the rates for septage disposal so that we may study the effects of rate reduction vs. the cost to process and treat a higher volume of septage.

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**CITY OF LEBANON
ORDINANCE #2019-02**

AN ORDINANCE TO AMEND Chapter 68, Fees, of the Code of the City of Lebanon, Section §68-15, Enumeration of Fees.

BE IT ORDAINED, by the City Council of the City of Lebanon as follows:

Section 1.

The Code of the City of Lebanon, Chapter 68, Fees, of the Code of the City of Lebanon, Section §68-15, Enumeration of fees is amended as follows:

§ 68-15. Enumeration of fees

(9) Miscellaneous sewer fees:

(a) Septage disposal rates:

[1] From properties within Lebanon: ~~\$94~~ **\$80** per 1,000 gallons.

[2] From properties outside Lebanon: ~~\$136~~ **\$85** per 1,000 gallons.

Sunset Provision. The rates imposed by this Section shall expire December 31, 2019, or upon repeal or amendment by the Council based on new or additional information, whichever occurs earlier.

Section 2. Severability

The provisions of this ordinance are declared to be severable, and if any section, subsection, sentence, clause or part thereof is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdictions, such decisions shall not affect the validity of any remaining sections, subsections, sentences, clauses or part of this ordinance.

Section 3. Effective Date.

This ordinance shall become effective upon passage.

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February 11, 2019



**LEBANON CITY COUNCIL
NOTICE OF PUBLIC HEARING
Lebanon Middle School
3 Moulton Avenue
Wednesday, February 20, 2019
7:00pm**

The Lebanon City Council will hold a public hearing on February 20, 2019, beginning at 7:00pm at the Lebanon Middle School, 3 Moulton Avenue for the following:

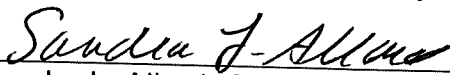
- A. ORDINANCE #2019-02 TO AMEND CITY CODE CHAPTER 68** - Public Hearing for the purpose of receiving public input and taking action to amend City Code Chapter 68, Fees, §68-15, Enumeration of Fees, to temporarily decrease Septage Disposal Rates.

The February 20, 2019 City Council agenda package will be available in City Hall and on the City's website (www.lebanonnh.gov) beginning February 15, 2019. Documents may be reviewed in the office of the City Clerk Monday through Friday from 8:00am to 4:30pm.

Any person with a disability who wishes to attend this public meeting and needs additional accommodations, please contact the ADA coordinator at City Hall by calling 448-4220 at least 72 hours in advance so that the City can make any necessary arrangements.

NE-263907

The foregoing notice was published in the *Valley News*, a newspaper of general circulation in the City of Lebanon, in accordance with the Code of the City of Lebanon on Saturday, February 9, 2019.


Sandra L. Allard, City Clerk

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