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| FROM | NAME & TITLE | Rudolph S. Chow, P.E., Director | CITY OF BALTIMORE M E M O |  |
| | AGENCY NAME & ADDRESS | Department of Public Works 600 Abel Wolman Municipal Building | | |
| | SUBJECT | DIRECTIVE 17-1 Industrial Surcharge Rates & Miscellaneous Fees | | |

DATE: September 25, 2017

Department Heads
Bureau Heads
Division Chiefs

An evaluation of high strength surcharge rates and fees pertinent to wastewater discharges to the sanitary sewerage conveyance system has resulted in changes to the industrial surcharge rates, the restaurant class surcharge rate, and other miscellaneous rates and fees.

Under Article 25 of the Baltimore City Code as amended, the Department of Public Works is required to surcharge all wastewater customers that discharge Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) in excess of 300 milligrams per liter (mg/l), Total Phosphorus in excess of 12 mg/l and nitrogen measured as Total Kjeldahl Nitrogen (TKN) in excess of 30 mg/l.

In 2012 the City of Baltimore contracted Raftelis Financial Consultants (RFC) to perform a comprehensive study to evaluate the cost of service for removing pollutant loadings from wastewater and appropriately recovering these costs from the identified industrial users. After 2017, which was the final year of phasing in three successive increases of 10.9 percent, rates will be based on the inflation rate for wastewater operations and maintenance costs. This strategy is a new approach for DPW that reduces the volatility of future rate increases.

The City of Baltimore needs to adequately recover these costs through the appropriate customer class to maintain compliance with federal regulations and generate adequate revenue to operate, maintain and upgrade the system.

Industrial Surcharge Rates impose a surcharge on all customers discharging Biochemical Oxygen Demand (BOD) in excess of 300 mg/l; Total Suspended Solids (TSS) in excess of 300 mg/l; Total Phosphorus in excess of 12mg/l; and Nitrogen in excess of 30 mg/l;

Restaurant (Food Service) Class Surcharge Rate is for food service establishments subject to the Sewer Surcharge Program. The class rate is applied for every 100 cubic feet (equal to 748 gallons) of water purchased from the city.

Scavenger Vehicles/Waste Haulers are charged by the gallon to discharge wastewater at the Back River Wastewater Treatment Plant;

Wastewater Discharge Permit Fees are assessed to recover administrative costs of the Pretreatment, FOG (Fats, Oils, and Grease), and Scavenger Vehicle programs.

Beginning January 1, 2018, rates and fees are based on the inflation rate for wastewater operations and maintenance costs of three percent (3%) annually and the following rates are impacted over the next three years:

Rates & Fees Schedule

The proposed schedule of rates and fees is presented here:

Industrial Surcharge Rates

| | BOD | TSS | Total Phosphorus | Total Kjeldahl Nitrogen | Unit |
|-------------------|----------|----------|------------------|-------------------------|---------|
| Current Surcharge | \$0.2564 | \$0.3429 | \$2.7892 | \$0.5393 | \$\$/lb |
| 2018 Surcharge | \$0.2640 | \$0.3531 | \$2.8728 | \$0.5554 | \$\$/lb |
| 2019 Surcharge | \$0.2719 | \$0.3636 | \$2.9589 | \$0.5720 | \$\$/lb |
| 2020 Surcharge | \$0.2800 | \$0.3745 | \$3.0476 | \$0.5891 | \$\$/lb |

| Food Service Class Surcharge Rate | | Unit | Scavenger Vehicle Waste Hauler Rate | | Unit |
|-----------------------------------|----------|---------|-------------------------------------|---------|----------|
| Current Charge | \$1.5145 | per Ccf | 2017 | \$0.059 | \$\$/gal |
| 2018 | \$1.5599 | per Ccf | 2018 | \$0.061 | \$\$/gal |
| 2019 | \$1.6066 | per Ccf | 2019 | \$0.063 | \$\$/gal |
| 2020 | \$1.6547 | per Ccf | 2020 | \$0.065 | \$\$/gal |

Wastewater Discharge Permit Fees


| Type | Category | Current | 2018 | 2019 | 2020 |
|--|----------|----------|----------|----------|----------|
| Discharge Priority Pollutants | 1 | \$688.00 | \$710.00 | \$730.00 | \$750.00 |
| Potential to Discharge Priority Pollutants | 2 | \$366.00 | \$380.00 | \$390.00 | \$400.00 |
| Discharge Prohibited Pollutions | 3 | \$244.00 | \$250.00 | \$260.00 | \$270.00 |
| Potential to Discharge Prohibited Pollutants | 4 | \$155.00 | \$160.00 | \$165.00 | \$170.00 |
| No Discharge/Dry Industry/Warehouse | 5 | - | - | - | - |
| Potential to Discharge Small Quantities of Priority Pollutants | 6 | \$155.00 | \$160.00 | \$165.00 | \$170.00 |
| Scavenger Vehicle Permit Tag - In State | | \$26.00 | \$27.00 | \$28.00 | \$29.00 |
| Scavenger Vehicle Permit Tag - Out of State | | \$30.00 | \$31.00 | \$32.00 | \$33.00 |

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If you have any questions in regard to the impact on your company or need further clarification on this matter, please contact Ms. Patricia Boyle, Pollution Control Program Administrator, at 410.396.9695 or via email at pat.boyle@baltimorecity.gov.



Rudolph S. Chow, P.E.
Director

RSC:PB:pb

Cc: Mayor's Office
Board of Estimates
Comptroller's Office
Department of Law
Department of Finance