

ORDINANCE NO. 3

AN ORDINANCE OF THE ALEXANDRIA LAKE AREA SANITARY DISTRICT ESTABLISHING USER RATES.

The Board of the Alexandria Lake Area Sanitary District (ALASD) does ordain:

PREAMBLE

In 2025, ALASD engaged AE2S Consulting to develop a cost-of-service (COS) rate model to establish equitable user rates among rate classes (i.e., residential, commercial, and industrial) and to account for long-term capital improvements to address aging infrastructure and regulatory requirements. The objectives of the COS rate model include: explanation of future rate changes, future revenue expectations, debt service obligation strategy, and a detailed rate survey evaluation, as provided in the 2025 ALASD Cost of Service Rate Study Technical Memorandum.

To meet the financial obligations of the \$80 million Water Reclamation Facility (WRF) Expansion Project, the Board establishes a WRF Fee of \$7.50 per month per account. This dedicated fee will help support financing, debt service, and long-term operation of the WRF project.

SECTION I. DEFINITIONS AND ABBREVIATIONS

Residential Users are single family dwellings that discharge normal domestic strength wastewater. Structures constructed or modified to serve as multiple family dwellings are not eligible for the residential rate and will be billed as a commercial user.

Commercial Users include multiple family residential, commercial, and industrial facilities. Services are divided into two categories, metered and non-metered. Metered connections are users equipped with a metered water service by ALP Utilities or water meter installation approved by ALASD on a private water supply service. Non-Metered connections are users without metered water service.

Significant Industrial Users (SIU) are industrial users that discharge an average of 25,000 gallons per day or more of process wastewater and whose wastewater exceeds typical domestic loading limits for biological oxygen demand (BOD), total phosphorous (TP), total suspended solids (TSS) or other constituent(s) that has the potential to violate or negatively impact the ALASD wastewater treatment facility permit limits.

Equivalent dwelling unit (EDU) is a base fee rate multiplier. A residential, single-family dwelling is considered one EDU. One (1) EDU is equal to five thousand gallons discharge per month based on average single family dwelling usage. Additional dwelling units such as a guest house will be considered additional EDU. Commercial EDUs are assigned based on the type or size of the facility based on the EDU schedule provided in this ordinance.

SECTION II. REPEAL

This ordinance repeals previous user charge ordinances of the ALASD.

SECTION III. USER RATES

Subdivision 1 – Residential Rates.

The flat-fee user rate of \$47.54 per month applies to both metered and non-metered residential users. If a residential user has more than one unit on their property, additional EDU value will be applied as approved by the Executive Director.

In addition, each residential account shall be charged a WRF Fee of \$7.50 per month.

Examples:

- Single family dwelling, metered or non-metered = 1 EDU (\$47.54)
- Residential RV = 0.65 EDU (\$30.90)
- Single family dwelling with guest house = 2 EDU (\$95.08)
- Single family dwelling with detached garage/shed with sink or bathroom facilities = 1.5 EDU (\$71.31)

Subdivision 2 – Metered Commercial Customers. All users shall be charged a service fee plus the usage rate according to the fee schedule below:

- Service fee (4" to 6" service line) = \$47.54
- Any metered property designated as a vacation rental (e.g. VRBO, Airbnb) will be charged the service fee, usage rate, and WRF Fee.
- Service fee (8" and larger service line) = \$96.06
- Usage Rate per 1,000 gallons = \$9.80

In addition, each commercial account shall be charged a WRF Fee of \$7.50 per month.

Subdivision 3 – Non-Metered Commercial Customers. All users shall be charged a service fee plus the usage rate per EDU according to the fee schedule provided in this Ordinance. EDU/usage rates are independent of service line diameter. The minimum EDU value for any commercial account is 1 EDU.

- Service fee (4" service line) = \$47.54
- Any non-metered property designated as a vacation rental (e.g. VRBO, Airbnb) will be charged an additional 0.5 EDU to the service fee and WRF Fee.
- Service fee (6" and larger service line) = \$103.21
- Usage Rate for each additional EDU = \$49.00

In addition, each commercial account shall be charged a WRF Fee of \$7.50 per month.

Subdivision 4 – Significant Industrial Users. SIUs are charged a service fee plus the usage rate listed in Subdivision 2 for Metered Commercial Customers plus surcharge fees for Biochemical Oxygen Demand (BOD), Total Phosphorous (TP), Total Ammonia, and Total Suspended Solids (TSS) that exceed the typical level of the general domestic wastewater concentrations (typical domestic levels for BOD = 200 mg/L, TSS = 195 mg/L, and TP = 6 mg/L) or as included in the SIU agreement. Additional fees not included in this rate ordinance may be incorporated into the SIU agreement based on specific industrial user wastewater constituents or conditions.

Subdivision 5 – Meter Requirements. All customers served by ALASD without a metered

water supply may be required to install and maintain water meters at no charge to the ALASD. Commercial customers wishing to install a water meter on their private water supply to be eligible for the Metered Commercial Rate, shall comply with ALASD meter installation requirements. The ALASD reserves the right to require annual tests to ensure accurate flow.

Subdivision 6 – Other Costs. Additional fees not covered by this ordinance and not considered as part of the user rates include: The ALASD Wastewater Treatment Expansion Fee (WTEF) for new connection fees applicable to new users or expansions resulting and the LGU ALASD Annual Tax Allocation for debt service payments.

SECTION IV. BILLING AND ADJUSTMENTS

Subdivision 1. Billing shall commence the first billing cycle after connection to sanitary sewer. Billing shall continue until the structure generating wastewater is removed from the property or when unoccupied and water and electrical service has been disconnected or removed. Credits to the user charge shall not be retroactive unless the user can substantiate the time of all the above conditions were met to the satisfaction of the Executive Director. Under no circumstance shall any user be issued a rebate, credit, or back charge more than one year.

Subdivision 2. Metered customers that experience a break in private water service line may receive a credit for unused water if the Executive Director can substantiate the water line break and timely repair. The credit shall be based upon the monthly usage in the 12 months preceding the break.

SECTION V – RESORT AND COMMERCIAL OFF-SEASON RATES

Subdivision 1. Definition: "Resort" is defined as a commercial, seasonal enterprise whose income is solely derived from the rental of housing units and associated goods and equipment including boats motors, supplies and recreational equipment. The units and associated equipment must be available for rent to the public for a minimum of 3 months of each year at reasonable rates as compared to other enterprises of the same character in Douglas County, Minnesota. In any year that the enterprise has no income, it will not be considered a resort. Single family homes or rental homes such as VRBO or Airbnb, or units owned by individuals, corporations, cooperatives, associations, or other multiple-owner groups do not meet the definition of Resort in this Section shall be billed in accordance with Section III of this Ordinance.

Subdivision 2. Upon receiving written notice from the user, followed by a signed contractual agreement between ALASD and the user, EDU values will be reduced during the resort's off-season to the service fee plus an appropriate EDU as determined by the Executive Director for the number of months as specified in the agreement between ALASD and the Resort/user. The minimum EDU value that will be considered is 1 EDU. The remaining months will be billed per the actual EDU value based on the number of dwelling units on the property as approved by the Executive Director. Off-season rates will only be applied for a maximum of 9 months. The minimum EDU value will not apply when the resorts off-season usage exceeds the EDU usage definition. A request for off-season rates must be made annually by the user.

Subdivision 3. Failure to comply with the written agreement shall result in the Resort's ineligibility for a period of one year.

SECTION VI – DEDUCTION METERS

Subdivision 1. If a substantial portion of metered potable water is not discharged to the sewer system (i.e.: lawn irrigation, pool), the volume of such water shall be deducted from the sewer use charge, provided a separate meter is installed to measure such volume. The user must submit an application for the separate meter to the ALASD and upon approval, make full payment for the cost of meter equipment. The user must hire a plumber at their own expense to make complete piping changes and add couplings and so the meter can be installed. The user may purchase the meter directly from the distributor, provided it is approved by ALASD.

SECTION VII – PRIVATE WATER METER FLOW BILLING

Subdivision 1. The private water meter shall be purchased, owned, maintained and if needed, replaced by the commercial account holder.

The account holder must report meter reading monthly to District Office. A 5% service charge will be applied to the billing amount if the reading is not reported to ALASD within specified timeframe. Meter readings are due by either the 1st day of the month or if reading on the 15th of the month, the day closest to the 15th. ALASD will grant a one-day grace period from either the 1st day of the month or the 15th day of the month.

An application for metered flow rates shall be obtained from ALASD and must be completed, signed by the user and approved by the ALASD prior to installation of the meter.

The installer of the water meter and appurtenances shall be a plumber licensed by the State of Minnesota.

SECTION VIII - DELINQUENT ACCOUNTS

Subdivision 1. Delinquent payments incurred by the tenant are the responsibility of the property owner.

Subdivision 2. A delinquent account balance may be levied against the property pursuant to this ordinance by placing a lien against the property certified by the Executive Director to the County Auditor to be collected with property taxes.

Subdivision 3. Delinquent accounts not certifiable to the County Auditor shall be forwarded to a collection agency along with Alexandria Light and Power (ALP) delinquent accounts.

SECTION IX. – PENALTY

Subdivision 1. Any person violating any provisions of this ordinance shall become liable to the ALASD for any expense, loss or damage occasioned by the ALASD by reason of such violation.

SECTION X.– Summary Rate Table

User Class	Service Fee (per month)	Usage Rate	EDU Rate (per EDU)	WRF Fee (per month)
Residential	\$47.54	N/A	\$47.54	\$7.50
Metered Commercial (4"–6" Sewer Line Service)	\$47.54	\$9.80 / 1,000 gal	N/A	\$7.50
Metered Commercial (>8" Sewer Line Service)	\$96.06	\$9.80 / 1,000 gal	N/A	\$7.50
Non-Metered Commercial (4" Sewer Service Line)	\$47.54	N/A	\$47.54	\$7.50
Non-Metered Commercial (>6" Sewer Service Line)	\$96.06	N/A	\$47.54	\$7.50
**Significant Industrial Users (SIU) Based on (Sect. III; Subd. 4)				

SECTION X. – EDU Schedule for Non-Metered Commercial Users

<u>Facility</u>	<u>Parameter</u>	<u>EDU</u>
Arenas	100 seats	1
Automobile Service Center	2 Service Bays	1
Barber Shop	Each	1
Bible Camp	5 campers (persons)	1
Boarding House	5 beds	1
Bowling Alleys	3 alleys	1
Cabins, modern (rental or part of a resort)	Each	0.65
Campground w/ central bath facilities	Each site	0.50
Car Wash	Each	30
Car Wash (self-service)	1 stall	3
Churches	275 seats	1
Club House shower head	Each	1
Cocktail Lounge	25 seats	1
General Office Building	2,400 sq. ft. floor space	1
Hospitals	1 bed	1
Laundromats or laundry rooms	2 machines	1
Motels and Hotels	2 rooms	1
Nursing Home	3 beds	1
Recreation Vehicle camp-ground with individual		
Sewer hookups	Each hook-up	0.5
Resorts(with housekeeping)	Each unit	0.5
Restaurant (drive-in)	9 parking spaces	1
Restaurant (24 hr. service)	12 seats	1
Restaurant (with cocktail lounge)	9 seats	1
Retail Stores	3,000 sq. ft. floor space	1
Rooming houses	7 beds	1
Schools (elementary)	20 students	1
Schools (secondary)	15 students	1
Service Station(gas pumping)	each	1
Service Station (with service center)	Each	1
Swimming Pools	27 swimmers	1
Theater	75 seats	1
Theater (drive-in)	55 parking spaces	1
Trailer Park or campground with central bathhouse	Each site	0.5
Trailer Park or campground with flush toilets and no showers	Each site	0.35
Warehouse	14 employees	1

EDU schedule continued.

<u>Facility</u>	<u>Parameter</u>	<u>EDU</u>
Animal Clinic (humane societies, animal research, boarding, etc.)		
Animal holding areas	17 fixture units	1
Animal runs (kennels)	34 fixture units	1
Archery (6 feet/lane)	6 lanes	1
Arenas (bleachers 18 inches/person)	110 seats	1
Auditoriums (7 square feet/person)	110 seats	1
Automobile Service		
Fast service (less than 4 hours/car)	2 service bays	1
Major service (more than 4 hours/car)	14 employees	1
Car dealership (charges for office, retail, etc. are separate at 2 service bays 1 established rates)		
Fast service (number of service bays x 30%)	2 service bays	1
Major service (Number of service bays x 70% x 1 employee/bay)	14 employees	1
Ballroom (exclude dance floor)		
Facility without liquor service	825 square feet	1
Facility with liquor service	590 square feet	1
Bank (exclude bank vault)	2400 square feet	1
Banquet Room (15 square feet/person)		
Food catered	2,060 square feet	1
Food catered with dishwashing	1,180 square feet	1
Food catered with liquor	1,028 square feet	1
Food catered with dishwashing and liquor	750 square feet	1
Food preparation and dishwashing	825 square feet	1
Food preparation with dishwashing and liquor	590 square feet	1
Barber	4 chairs	1
Batting Cages (6 feet/lane)	6 lanes	1
Beauty Salon	4 cutting stations	1
Bingo Hall (used only for bingo)	110 seats	1
Boarding House (dorm rooms)	5 beds	1
Body Shop (major service more than 4 hours/car, no vehicle washing)	14 employees	1
Bowling Alleys (does not include bar or dining area)	3 alleys	1
Camps (number of gallons x occupant or site)		
Children's camps (central toilet and bath; overnight, primitive cabins; number of occupants x 50 gallons/occupant)	200 gallons	1
Day camps (no meals served; number of occupants x 10 gallons/occupant)	200 gallons	1
Labor/construction camps (number of occupants x 50 gallons/occupant)	200 gallons	1
Resorts (housekeeping cabins; number of occupants x 60 gallons/occupant)	Each Unit	0.5

EDU schedule continued.

<u>Facility</u>	<u>Parameter</u>	<u>EDU</u>
Travel trailer parks	Each Unit	0.25
With water and sewer hookup (number sites x 100 gallons/site)	200 gallons	1
With central toilet and showers (number of sites x 75	200 gallons	1
gallons/site)		
Sanitary dump (sites without hookup; number of sites x 10	200 gallons	1
gallons/site)		
Car Wash Contact ALASD for Determination		
Catering Contact ALASD for Determination		
Churches	50 seats	1
Cocktail lounge (no food service)	23 seats	1
Coffee Shop (no food service)	23 seats	1
Correction Facility (prison)	2.5 inmates	1
Court Rooms	1,650 square feet	1
Dorm Rooms		
(On and off campus; charge for classrooms is additional)	5 students	1
Daycare		
Number of children for which facility is licensed	14 children	1
Child/adult play area (not licensed)	490 sq.ft.	1
Dry Cleaners (retail)	3,000 sq ft	1
Elder Housing (at 100% of current SAC rate; see formula below to determine the number of residents)		
No washer/dryer in each unit	3 residents	1
Washer/dryer in each unit	2.5 residents	1
Three-bedroom unit with washer/dryer (separate from formula below)		
Calculate the number of residents as follows:		
Number of efficiency units x 1.0 residents/unit		
+ Number of one-bedroom units x 1.5 residents/unit)		
+ Number of two-bedroom units x 2.0 residents/unit)		
+ Number of three-bedroom units x 3.0 residents/unit)		
Total number of residents for SAC calculation		
Exercise Area/Gym (juice bars at no charge; sauna and whirlpool included)	700 sq ft	1
No showers	2,060 sq ft	1
Fire Station (charges for office, meeting rooms, etc., are separate, at established rates)		
Washing (hose tower, truck)	200 gallons	1
Full time, overnight people (75 gallons/person)	200 gallons	1
Volunteer (occasional overnight stays)	14 volunteers	1
Funeral Home (charge for viewing areas only: i.e., chapel)	770 sq ft	1
Apartment	1 apartment	0.8
Game Room (billiards/video/pinball games), With bar	590 sq ft	1
Game Room, Without bar	2,060 sq ft	1

EDU schedule continued.

<u>Facility</u>	<u>Parameter</u>	<u>EDU</u>
Golf Course (if facility has showers, use Locker Room criteria for those areas)		
18 hole		3
9 hole (par 3)		2
Miniature		3
Country club (private)		
Dining room (used only on evenings and weekends)	15 seats	1
Bar and grill (with bar and grill separate)		
Bar only	23 seats	1
Grill	15 seats	1
Golf Dome or Driving Range	6 driving stations	1
Greenhouse		
Area is not open to the public	15,000 sq ft	1
Area open to the public	5,000 sq ft	1
General retail area	3,000 sq ft	1
Group Home		
Secondary treatment (residents leave during the day)	5 beds	1
Primary treatment (residents stay all day)	3 beds	1
Guest Rooms (in an apartment or condominium complex; charge as apartment)		
Washer/dryer		1
No washer/dryer 80% of current rate		0.8
No kitchen 50% of current rate		0.5
Handball and Racquetball Courts	1 court 2	
Hospitals (licensed beds or baby cribs)	1 bed	1
Outpatient clinic	17 fixture units	1
Sterilizers (4 hours x gallons per minute x 60 minutes)	200 gallons	1
X-ray film processors (9 hours continuous operation; 4 hours intermittent operation; operation time (hours) x gallons per minute x 60 minutes)	200 gallons	1
Dental clinic vacuum device (9 hours x gallons per minute x 60 minutes)	200 gallons	1
Ice Arena		
Showers (see Locker Rooms)		
Team Rooms (plumbing fixture units)	17 fixture units	1
Bleachers 110 seats 1		
Ice resurfaces (if discharge goes to the sanitary sewer)		4
Laundromat (required water volume for cycle time x 8 cycles/day)	200 gallons	1
Library (subtract book storage areas, file areas; charge for common plumbing fixture units in public areas)	17 fixture units	1
Meeting rooms, board rooms, reception, book checkout offices	2,400 sq ft	1
Loading Dock	7,000 sq ft	1
Locker Rooms (if showers 20 gallons/locker)	14 lockers	1
Medical Clinic (see Hospitals, Outpatient Clinic)		

EDU schedule continued.

<u>Facility</u>	<u>Parameter</u>	<u>EDU</u>
Meeting Rooms (conference rooms)	1,650 sq ft	1
Mini storage (storage area no charge)		
Living area		1
Public restroom	17 f.u.	1
Mobile Home		1
Motels and Hotels (assume 2 persons/room: no charge for pools, saunas, whirlpools, game rooms, or exercise rooms used exclusively by guests)	2 rooms	1
Breakfast only (complimentary)	45 seats	1
Cocktail hour (complimentary)	55 seats	1
Kitchenettes (number of kitchenettes x 10 gallons/day)	200 gallons	1
Museum	2,400 sq ft	1
Nursing Home	3 beds	1
Office		
General office (deduct mechanical rooms, elevator shafts, stairwells, restroom and storage areas)	2,400 sq ft	1
Dental and Doctors offices, see Hospital, Outpatient Clinic		
Police Station (charge as Office)		
Cells (overnight jail)	3 people	1
Cells (holding area with no overnight stays)	14 people	1
Recording/Film Studios	7,000 sq ft	1
Restaurant		
Drive-in	9 parking	1
Fast food (with disposable plates, drink cups, and table utensils)	22 seats	1
Take-out (no seating)	3,000 sq ft	1
Full service (with washable plates, drink cups, and table utensils)	8 seats	1
Retail Stores (deduct mechanical rooms, elevator shafts, stairwells, escalators, restrooms, and unfinished storage areas)	3,000 sq ft	1
Roller Rink (skating area only)	825 sq ft	1
Rooming Houses (no food service)	7 beds	1
RV Dumping Station (not in association with campgrounds)		1
Schools		
Elementary schools (15 gallons/student; 30 square feet/student)	18 students	1
Colleges/technical/vocational (30 square feet/student)	18 students	1
Lecture halls (15 square feet/student)	18 students	1
Labs (50 square feet/student)	18 students	1
Dorm rooms (on and off campus students)	5 students	1
Nursery schools (number of children for which facility is licensed)	14 students	1
House of worship nurseries (used during worship service only; 30 square feet/child)	55 children	1

EDU schedule continued.

<u>Facility</u>	<u>Parameter</u>	<u>EDU</u>
Nursery (health clubs, bowling alleys, etc.)	2,400 sq ft	1
Secondary schools (30 square feet/student, at 20 gallons/student)	14 students	1
Labs (50 square feet/student)	14 students	1
Weekly worship schools (i.e., not daily parochial schools; 30 square feet/student)	55 students	1
Service Station		
Gas pumping		1
Convenience center	3000 sq ft	1
Service bays	2 bays	
1		
Car wash (see Car Wash)		
Shooting Ranges (rifle and handgun ranges, @ 6 feet per lane)	6 lanes	1
Swimming Pools (public, swimming pool area only; no charge for private residential, townhouse, apartments, condominiums, hotels, or motels)	900 sq ft	1
Tanning Rooms	3000 sq ft	1
Tennis Courts (public; shower facilities available)	1 court	2
Theatre	64 seats	1
Drive-in (parking spaces)	55 spaces	1
Vehicle Garage based on employees stationed in garage	14 employees	1
Vehicle drivers (per day)	28 drivers	1
Vehicle washing (number of vehicles per day x gallons per minute x minutes/vehicle)	200 gallons	1
Warehouses		
Assembly areas	7,000 sq ft	1
Office/warehouse		
Minimum 30% office	2,400 sq ft	1
Maximum 70% warehouse	7,000 sq ft	1
Whirlpools, therapy (medical clinic - number of gallons to fill tank x 8 fills/day)	200 gallons	1
Yard Storage Building (i.e., lumber storage; no permanent employees)	15,000 sq ft	1

Plumbing Waste Fixture Units

Note: 17 Fixture Units (f.u.) = 1

Drinking Fountain	1
Floor Drain	
2" waste (only if hose bib included)	2
3" waste (only if hose bib included)	3
4" waste (only if hose bib included)	4
Trench drain: per 6-foot section	2
Sinks	1
Lab in exam room, bathroom	1
Kitchen and others	2
Surgeon	3
Janitor	4
Water closet	6

SECTION XI. - VALIDITY AND EFFECTIVE DATE

Subdivision 1. If any portion of this ordinance is ruled invalid by any court of competent jurisdiction, or by reason of any existing or subsequently enacted legislation, the remaining portions or provisions of this ordinance shall continue to have full force and effect.

Subdivision 2. The effective date of the user rates established by this ordinance shall be the beginning of the first ALP billing cycle in year 2027.

APPROVED first reading on the 14th day of October 2026, by the following vote:

Yes: Thalman, Eldevik, Sternquist, Bowen, Dahlheimer, Diedrich, Lerohl, Nettestad, Niblett, Rentz, Tvrdik, and Waldorf

No:



Roger Thalman, Chairman



Rebecca Sternquist, Secretary

ADOPTED by the Board of the Alexandria Lake Area Sanitary District this th day of November 2026, by the following vote:

Yes: Thalman, Eldevik, Sternquist, Bowen, Dahlheimer, Diedrich, Lerohl, Nettestad, Niblett, Rentz, Tvrdik, and Waldorf

No:

Roger Thalman, Chairman

Rebecca Sternquist, Secretary