

Financial Analysis of TKN Inclusion to Surcharge program

Effluent data from industries was analyzed to assess the financial and regulatory impact of adding TKN to the Sewer Surcharge Program. Of the six industries currently in the program, two would experience the majority of the additional costs if TKN were included, based on 2025 industrial discharge data. The projections outlined in the tables below assume industries maintain current operations without implementing treatment improvements to be compliant and environmentally sustainable. Calculations were based on a surcharge rate of 9.9 cents per m³ or 10.0 cents per m³. The rate of 9.9 cent/m³ was calculated based on the average industrial wastewater loading data from 2012, 2013, and 2014 and a TKN limit of 50 mg/L, with the Municipal Price Index (MPI) applied for each subsequent year. The rate of 10.0 cent/m³ was calculated based on the average industrial wastewater loading data from 2012, 2013, and 2014 and a TKN limit of 100 mg/L, with the Municipal Price Index (MPI) applied for each subsequent year. The financial impact on industries corresponds directly to the recovery of costs associated with treating nitrogen and ammonia at the WWTP. Under Option 1, the City would continue to bear the full cost of TKN treatment through ratepayer funding, as no surcharge revenue would be collected. Implementing Option 2 or 3 would shift a portion of these costs to the industrial users responsible for higher nitrogen loadings, aligning with the polluter-pays principle and improving the financial sustainability of the wastewater operations. Tables below summaries the financial impact of each option.

Description		2026/2027	2028
Option 1 - No Changes to TKN Limit or TKN rate	TKN Limit	100 mg/L	100 mg/L
	TKN Rate (¢/m ³)	0	0
	Forecasted Increase in Surcharge Cost	\$0	\$0
Option 2 - No limit change, Rate Addition in 2028	TKN Limit	100 mg/L	100 mg/L
	TKN Rate (¢/m ³)	0	10.0
	Forecasted Increase in Surcharge Cost	\$0.0	\$72,000
Option 3 - Limit Change and Rate Addition in 2028	TKN Limit	50 mg/L	50 mg/L
	TKN Rate (¢/m ³)	0	9.9
	Forecasted Increase in Surcharge Cost	\$0.0	\$189,000

Discharger	Option 2	Option 3
Rate	10.0 (¢/m ³)	9.9 (¢/m ³)
Company 1	\$ 0	\$ 0
Company 2	\$ 0	\$ 0
Company 3	\$ 11,000	\$ 50,000
Company 4	\$ 0	\$ 6,000
Company 5	\$ 0	\$ 2,000
Company 6	\$ 61,000	\$131,000
Total Annual Revenue	\$72,000	\$189,000