

AS AMENDED ON MAY 28, 2013
ORDINANCE NO. 2248

AN ORDINANCE OF THE CITY OF SALISBURY ADJUSTING THE CAPACITY UNIT FEE IN ACCORDANCE WITH CHAPTER 13.02 OF THE CITY CODE.

WHEREAS, the City established the Comprehensive Connection Charges in Chapter 13.02 of the City Code by passage of Ordinance No. 1918 on December 20, 2004; and

WHEREAS, the Capacity Unit Fee is one of the Comprehensive Connection Charges; and

WHEREAS, Chapter 13.02.050 requires the Director of Public Works and the Director of Internal Services to provide the City Council with an annual recommendation of the proposed charges; and

WHEREAS, the Director of Public Works and the Director of Internal Services provided the City Council with a recommendation of the proposed Capacity Unit Fee adjustment at the 5/28/13, 2013 City Council meeting; and


WHEREAS, the Director of Public Works has made a diligent effort to notify as many individuals and organizations as practicable that may be potentially impacted by the fee change.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that the new Capacity Unit Fee of \$3,533 per EDU, calculated pursuant to the attached memorandum from the Director of Public Works, dated April 24, 2013, and its attachments, is approved as of July 1, 2013, ~~and any amount collected on or after July 1, 2013, in excess of the new rate shall be refunded.~~

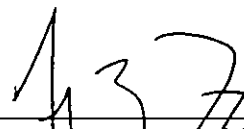
BE IT FURTHER ORDAINED that this ordinance shall take effect from the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 28th day of May, 2013, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the 10th day of June, 2013.

ATTEST



Kimberly R. Nichols, City Clerk



Jacob R. Day, President
Salisbury City Council

Approved by me this 17th day of June, 2013

James Ireton, Jr.
James Ireton, Jr. Mayor

City of Salisbury



MARYLAND



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TERESA GARDNER, P.E.
DIRECTOR OF PUBLIC WORKS

JAMES IRETON, JR.
MAYOR

JOHN R. PICK
CITY ADMINISTRATOR

LORÉ L. CHAMBERS
ASSISTANT CITY ADMINISTRATOR

To: John Pick, City Administrator
From: Teresa Gardner, Director of Public Works *lg*
Date: April 24, 2013
Re: Water and Sewer Capacity Unit Fee Adjustment

Section 13.02.050 of the City code authorizes the City to annually adjust Comprehensive Connection Charges, including Capacity Unit Fees. The Capacity Unit Fees are calculated based on the ten-year Capital Improvement Plan and unpaid balances of currently active or recently completed projects. The out years of the plan represent maintenance projects and CIP capacity projects that get delayed due to fiscal issues or changing priorities. The current Capacity Unit Fee is \$3,392. The recommended FY14 Capacity Unit Fee is \$3,533. A summary of the breakdown is shown below.

| Capacity Unit Fee Summary | FY 2013 (Current) | FY 2014 (Proposed) |
|--|----------------------|-----------------------|
| Wastewater Treatment | \$1,046 | \$999 |
| Wastewater Collection System | \$896 | \$1,021 |
| Water Production and Storage | \$1,369 | \$742 |
| Water Distribution | \$81 | \$771 |
| Total Capacity Unit Fee per EDU | \$3,392 | \$3,533 |

Note: An EDU is an Equivalent Dwelling Unit which is estimated at 250 gallons per day.

The Wastewater Treatment capacity unit fee has been adjusted with the most current WWTP Upgrade and Expansion cost estimates and grant eligibility. The growth allocation for the WWTP was calculated by the Upgraded Capacity minus the Current Capacity divided by the Upgraded Capacity $[(8.5 \text{ MGD} - 6.8 \text{ MGD}) / 8.5 \text{ MGD}] = 20\%$. The Wastewater Collection System capacity unit fee was modified to reflect the remaining debt on the Naylor Mill Road Lift Station and the addition of the

Fitzwater Pump Station upgrade. The North Division Street sewer project cost was increased to reflect the construction of Phase 4, per the Capital Improvements Plan. The growth percentage allocation was modified for wastewater collection system projects to more accurately reflect the growth contribution.

The significant changes to the Water Production and Storage capacity unit fee include updating the remaining debt on the Milford Street Tank construction and engineering. The Water Distribution capacity unit fee was modified to add new Capital Improvements Plan projects including the Westside Transmission Main and a 12-inch water main in Glen Avenue. The overall increase in water system capacity was adjusted to account for the increase due to the distribution system loop as well as the pumping capacity increase at the Paleo Water Treatment Plant that was completed during the Paleo Ground Storage Tank project.

The capacity unit fee calculations and a draft ordinance are attached.

Unless you or the Mayor have further questions, please forward a copy of this memo and related attachments to the City Council.

| Program and System Improvements | | Estimated Project Cost | Growth Percentage | Cost Attributed to Growth |
|---------------------------------|--|------------------------|-------------------|---------------------------|
|---------------------------------|--|------------------------|-------------------|---------------------------|

| Wastewater Treatment | | | | |
|-----------------------------|--|--|--|--|
|-----------------------------|--|--|--|--|

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|--|--------|--------------|--------|-------------|
| WWTP Corrective Action Improvements (Expand from 6.8 MGD to 8.5 MGD) | SP0041 | \$33,980,000 | 20% | \$6,796,000 |
| | | | | |
| Total Wastewater Treatment | | \$33,980,000 | | \$6,796,000 |
| 1.7 MGD Increase in Capacity (250 gpd/EDU) | | | EDUs = | 6,800 |
| Cost per EDU for Wastewater Treatment | | | | \$999 |

| Wastewater Collection System | | | | |
|-------------------------------------|--|--|--|--|
|-------------------------------------|--|--|--|--|

| | | | | |
|--|--------|--------------|--------|-------------|
| Naylor Mill Road Lift Station (Debt Service) | SL0008 | \$1,765,207 | 50% | \$882,604 |
| Parkside Lift Station | SL0008 | \$1,200,000 | 20% | \$240,000 |
| Fitzwater Street Lift Station | SL0050 | \$2,500,000 | 20% | \$500,000 |
| Hampshire Rd Lift Station | SL0051 | \$1,400,000 | 50% | \$700,000 |
| Glen Avenue Lift Station | SL0052 | \$1,320,000 | 20% | \$264,000 |
| 36" S in N. Division St. Phases I, II, III, IV | SM0004 | \$6,210,000 | 50% | \$3,105,000 |
| 42" S in Isabella St Phase II | SM0008 | \$2,200,000 | 50% | \$1,100,000 |
| 8" S in Mt Hermon Road | SM0009 | \$100,000 | 50% | \$50,000 |
| 42" S in Isabella St Phase III | SM0012 | \$200,000 | 50% | \$100,000 |
| | | | | |
| Total Wastewater Collection System | | \$15,130,000 | | \$6,941,604 |
| 1.7 MGD Increase in Capacity (250 gpd/EDU) | | | EDUs = | 6,800 |
| Cost per EDU for Wastewater Collection System | | | | \$1,021 |

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| Total Sewer Capacity Unit Fee | \$2,020 |
|--------------------------------------|----------------|

Program and System Improvements

Estimated
Project Cost

Growth
Percentage

Cost
Attributed to
Growth

| Water Production and Storage | | | | |
|---|--------|-------------|--------|-------------|
| Paleo Well #3 | WP0011 | \$2,850,000 | 50% | \$1,425,000 |
| Paleo and Milford Tank Engr (Debt Service) | WP0028 | \$390,834 | 50% | \$195,417 |
| Milford Street Tank Const (Debt Service) | WP0028 | \$1,631,000 | 50% | \$815,500 |
| Marine Road Elevated Water Tower | WP0030 | \$3,850,000 | 50% | \$1,925,000 |
| New Park Wells and Raw Water Lines | WP0033 | \$180,000 | 50% | \$90,000 |
| | | | | |
| Total Water Production and Storage | | \$8,901,834 | | \$4,450,917 |
| 1.5 MGD Increase in Capacity (250 gpd/EDU) | | | EDUs = | 6,000 |
| Cost per EDU for Water Production and Storage | | | | \$742 |

| Water Distribution | | | | |
|--|--------|-------------|--------|-------------|
| 24" W in Gordy Rd | WM0003 | \$2,280,000 | 50% | \$1,140,000 |
| 24" W in Naylor Mill Rd to Northwood Dr | WM0005 | \$1,250,000 | 50% | \$625,000 |
| 12" W in W. College Ave from Rt 13 to Riverside Dr | WM0015 | \$1,570,000 | 50% | \$785,000 |
| 12" W in College Ave from Rt 13 to Spring Ave | WM0016 | \$550,000 | 50% | \$275,000 |
| Westside Transmission Main Phase I | WM0023 | \$2,200,000 | 50% | \$1,100,000 |
| Westside Transmission Main Phase II | WM0024 | \$1,100,000 | 50% | \$550,000 |
| 12" W Along Glen Ave. from Beaglin Park Drive to Viewfield Drive | WM0025 | \$300,000 | 50% | \$150,000 |
| | | | | |
| Total Water Distribution | | \$9,250,000 | | \$4,625,000 |
| 1.5 MGD Increase in Capacity (250 gpd/EDU) | | | EDUs = | 6,000 |
| Cost per EDU for Water Distribution | | | | \$771 |

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| Total Water Capacity Unit Fee | \$1,513 |
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