

RESOLUTION NO. 1744

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND
ADJUSTING THE COMPREHENSIVE CONNECTION CHARGES 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;

WHEREAS, Chapter 13.02.050 requires the Director of Public Works and the Director of Internal Services to provide the City Council an annual recommendation of the proposed charges no later than September 30th of each year; and


WHEREAS, the Director of Public Works and the Director of Internal Services will provide the City Council a recommendation of proposed changes to the fees at the December 22, 2008 City Council meeting; and

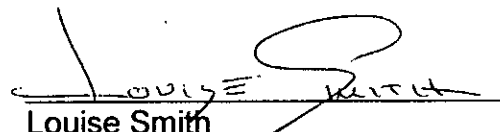
WHEREAS, the Director of Public Works made due diligence efforts to notify as many individuals and organizations as practicable that may be potentially impacted by the fee changes;

NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council approves the attached fee schedule.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on December 22, 2008, and is to become effective immediately upon adoption.

ATTEST:


Brenda J. Colegrove
CITY CLERK


Louise Smith
COUNCIL PRESIDENT

APPROVED this
24th day of December, 2008.


Barrie P. Tilghman
MAYOR

Enclosure 2 Water and Sewer Comprehensive Connection Charges Summary

Purpose. This schedule provides the fees of the Comprehensive Connection Charge which are set on an annual basis by the City Council in accordance with § 13.02.050 of the City Code, and the Construction Inspection Fee.

Effective Date. This Fee Schedule is effective on January 1, 2009 and was approved by the City Council on _____ with Resolution # _____.

1. Capacity Unit Fee. The approved 2008 Capacity Unit Fee is \$6,535 per Equivalent Dwelling Unit (EDU). The recommended proposed 2009 Capacity Unit Fee is \$8,508 per Equivalent Dwelling Unit (EDU) (Reference: § 13.02.070.B). The recommended modifications to the Capacity Unit Fee are detailed in Enclosure 1.

2. Sewer-Connection and Water-Meter/Tap Fee. The current and proposed fees are shown. Only the "In-City" rate is shown for brevity. The Out-of-City rates are approximately 25% higher and are provided in Enclosure 2.

	<u>Current In-City</u>	<u>2008 In-City</u>	<u>Percent Increase</u>
a. Water Tapping Fees.			
3/4" Water Service Connection	\$ 3,425	\$ 3,850	12.4 %
1" Water Service Connection	\$ 3,720	\$ 4,160	11.8 %
1-1/2" Service Connection	\$ 5,285	\$ 5,810	9.9 %
2" Water Service Connection			
- Disc	\$ 5,655	\$ 6,200	9.6 %
- Tru Flo	\$ 6,725	\$ 7,320	8.8 %
b. Water Meter Setting Fees.			
3/4" Meter Setting Only	\$ 365	\$ 400	9.6 %
1" Meter Setting Only	\$ 485	\$ 525	8.2 %
1-1/2" Meter Setting Only	\$ 720	\$ 785	9.0 %
2" Meter Setting Only			
- Disc	\$ 835	\$ 905	8.4 %
- Tru Flo	\$ 1,905	\$ 2,030	6.6 %
c. Sanitary Sewer Fees.			
6" Sanitary Sewer Connection	\$ 2,920	\$ 3,320	13.7 %
8" Sanitary Sewer Connection	\$ 2,980	\$ 3,380	13.4 %
6" or 8" Location/Drawing Fee	\$ 38	\$ 45	18.4 %
d. Other Fees.			
Temporary Water Meter Setting	\$ 35	\$ 40	14.3 %
Fire Pump and Flush Test	\$ 125	\$ 125	0.00 %
Water Meter Test Fee	\$ 35	\$ 40	14.3 %

○ **Last Fee Change:** The Sewer-Connection and Water-Meter/Tap Fee was approved by the City Council through Ordinance # 1918 on December 20, 2004. The specific fees were approved by the City Council through Resolution # 1176 on the same date. The current rates were established by Resolution # 1609 on December 10, 2007.

○ **Specific Details:** Enclosure 2

Enclosure 2 Water and Sewer Comprehensive Connection Charges Summary

3. Central System Line Unit Fee.

- **Current Fee:** \$ 61.20 per foot.
- **Proposed Fee:** \$ 64.50 per foot.
- **Last Fee Change:** The Central System Line Unit Fee was established by the City Council on December 20, 2004 by Ordinance # 1918. The Central System Line Unit Fee of \$ 55 per foot was approved by the City Council through Resolution # 1176 on the same date. Resolution # 1609 changed the rate to its current value of \$61.20 per foot on December 10, 2007.
- **Specific Details:** Enclosure 3

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

1. **Purpose.** This attachment provides specific details to justify the City staff recommendation to revise the Capacity Unit Fee.
 2. **Definition.** The Capacity Fee (Reference: § 13.02.070.B) is intended to pay for capacity in the "Central System." The fee shall be charged for each new connection to the City's system, regardless of location, to pay for the systems' growth and expansion projects as outlined in the City's water and sewer CIP. Each new connection purchase will buy a share of the core or Central System capacity under the "value of service concept." This fee will include payment for primarily two types of costs, which are:
 - a. Costs of "recent improvements" where *recent* would be defined by the City and would include debt service on prior improvements not currently being retired in the water/sewer rate structure.
 - b. Costs of planned future improvements in the Central System, such as treatment plant upgrades/expansions, new water storage tanks, new and / or replacement mains, pumping station improvements, etc. These costs are growth projects outlined in the City's ten-year Capital Improvement Plan (CIP).
 3. **Discussion.**
 - The current Capacity Unit Fee is based on the approved 2008 ten-year Water and Sewer Capital Improvement Plan. The recommended modified Capacity Unit Fee is based on the ten-year Capital Improvement Plan that has been modified to be consistent with the approved five-year Capital Improvement Plan. The recommended Capacity Unit Fee revision also includes Fiscal Year 2008 funding for engineering associated with a CIP project that was funded using Enterprise Fund revenues and that has not been reimbursed through the collection of Capacity Fees.
 - The recommended modifications to the current Capacity Unit Fee projects and the justification for the changes are as follows:
 1. Include the cost of interest on a 20 year bond at 5% for the following projects:
 - Paleo Expansion/Upgrade
 - Paleo Well #3
 - Milford Street Water Tower
 - WWTP Water Tower
 - 24" Main in Gordy Rd
 - New Park Well & Raw Water Lines
 - Upgrade of DP&L Lift Station
 - WWTP Upgrade/Expansion
 - Diminutors/Comminutors @ NSPS & SSPS
 - 18" Sewer Main in Northwood Drive
 - 36" Sewer in Isabella St & Church St
 - 42" Sewer in Delaware Ave
- The additional cost of interest to bond these projects needs to be included in the Capacity Fee as a part of the Capital Cost of the project.

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

2. Include the cost of interest on a 20 year MDE Loan at 2.4% interest on the Paleo Water Storage Tank.
3. Included the \$500,000 estimated cost of engineering and contract administration for the Paleo Water Storage Tanks. This amount was bonded in the FY08 General Obligation Bond and did not appear in the FY10 CIP.
4. Included the \$275,000 estimated cost of engineering and contract administration for the upgrade of the DP&L and Parkside Lift Stations. This amount was funded in the FY08 Budget and did not appear in the FY10 CIP.
5. The Paleo Water Treatment Plant Upgrade/Expansion project is broken into a 50/50 split between rates and capacity fees due to the cost of replacing existing equipment, adding currently needed office space, and the economy of scale for the expansion portion of the project.
6. The Water Storage Tanks (Paleo, Milford St, and WWTP locations) are split 50/50 between rates and capacity fees due to the current deficit of water storage for the current system. Based on the current system, the City needs 1.5 Million Gallons of additional water storage. By splitting the cost of 3 Million Gallons of storage, the cost is spread out over a greater number of years, thus decreasing the immediate impact to rate payers.
7. The Water Distribution Mains are split 50/50 between rates and capacity fees due to the necessary replacement of the existing mains due to age and cost of maintenance and the necessity for greater flow to and from the Water Towers that will be built in the system. The lines that will be additional mains and not replacement mains are split due to the need for redundancy in the current water distribution system and the increasing water conveyance capacity that those mains will allow.
8. The Sewer Collection Mains which are split 50/50 between rates and capacity fees, are done so because of the replacement of the existing mains due to age and maintenance costs. These mains are in great need of replacement currently and due to economy of scale, it is cost effective to increase their capacity.
9. The Water Capacity Fee has been reduced by including the 1 MGD that will be provided by the new wells and raw water lines constructed at the Park Water Plant into the # of EDUs provided by the increased production.
10. The Sewer Capacity Fee has been reduced by moving the 30" Sewer in Church Street and the 30" Sewer in Ocean City Road out past the 10 Year CIP.

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

The Capacity Unit Fee breakdown is:	<u>Current</u>	<u>Recommended</u>
Water Production:	\$ 1,164	\$1,830 per EDU
Water Distribution and Storage:	\$ 1,281	\$ 552 per EDU
Waste Water Collection:	\$ 626	\$1,996 per EDU
Waste Water Treatment:	+ \$ 3,464	\$4,130 per EDU
Total:	\$ 6,535	\$8,508 per EDU

The recommended \$8,508 Capacity Unit Fee represents a 30.2 % increase over the 2008 figure of \$ 6,535.

The capacity fees for other municipalities in the region are as follows:

Municipality	Capacity Fee Charged
Cambridge	\$1,500 water only
Crisfield	\$5,500
Delmar	\$8,000
Dover DE	\$4,183
Easton	\$7,050
Fruitland	\$7,500
Georgetown DE	\$8,400
Milford DE	\$4,363
Ocean City	\$3,300
Pocomoke	\$9,000

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

Waste Water Treatment Plant Capacity Fee Calculation

Phase I Growth Cost Summary:

o Construction:	\$ 10,792,988	← [D]
o BNR:	\$ 9,911,004	← [E]
o Construction Management:	\$ 1,101,510	← [F]
o Engineering:	<u>+ \$ 1,373,493</u>	← [G]
o Phase I Total:	\$ 23,178,981	

Phase II Growth Cost Summary:

o Change Order 1 and 2 Construction:	<u>\$ 3,361,525</u>	← [H]
o Phase II Total:	\$ 3,361,525	

Total Growth Cost Summary:

o Phase I Total:	\$ 23,178,981	
o Phase II Total:	\$ 3,361,525	
o Estimated Interest on 20 Yr. Loan	<u>+ \$ 1,559,000</u>	
o Total:	\$ 28,099,506	
o Cost per Gallon (1.7 million gallons per day):	\$ 16.53	
o Cost per EDU (250 gallons per day):	\$ 4,132.28	

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

Basic Methodology:

- All BNR and ENR grant funding from the State of Maryland and the Federal Government is excluded from the calculations.
- Local Cost Share Match to the State's BNR Grants is included. There are no match requirements for the State's ENR and Federal Government grants.
- Some values, such as change orders, BNR costs, and construction management, were pro-rated by 1/3. The 1/3 value was derived from the ratio of the End State Capacity minus Current Capacity divided by the End State Capacity. Mathematically, the calculation is $[(10.2 \text{ mgd} - 6.8 \text{ mgd}) / 10.2 \text{ mgd}] = 0.333$.

1. **WWTP Construction Contract.** The local cost share for the WWTP construction at the time of construction award on June 15, 2005 was \$ 36,494,744, consisting of:

○ BNR Upgrade:	\$ 26,276,216	→	A
○ Capacity Increase:	\$ 10,218,528	→	B

2. **WWTP Construction Contract Change Orders.** The following construction change orders changed the original construction award. The Phase II Construction Change Orders # 1 and # 2 are included in paragraph 7.

○ Change Order # 1 - 25:	\$ 1,723,553		
○ Capacity Cost Share (1/3):	\$ 574,460	→	C

3. Total Construction Costs

○ Capacity Increase:	\$ 10,218,528	←	B
○ Change Order Capacity Cost Share (1/3):	<u>+ \$ 574,460</u>	←	C
○ Growth Total Construction Costs:	\$ 10,792,988	→	D

4. Total BNR Costs

○ BNR City Share:	\$ 26,896,521	←	A
○ City BNR Pilot Loan:	\$ 2,794,969		
○ City BNR Pilot Budget Funds:	<u>+ \$ 41,526</u>		
○ Total:	\$ 29,733,016		
○ Growth Capacity Cost Share (1/3):	\$ 9,911,004	→	E

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

5. Construction Management.

○ Hill International:	\$ 76,756	
○ Administration/Equipment	\$ 327,533	
○ Construction Dynamics Group:	<u>+ \$ 2,900,241</u>	
○ Total:	\$ 3,304,530	
○ Growth CM Cost Share (1/3):	\$ 1,101,510	→ F

6. Phase I - Engineering.

○ Pilot Engineering: included in paragraph 4.		
○ Design Engineering	\$ 2,431,467	
○ Construction Engineering - Loan # 1	\$ 39,906	
○ Construction Engineering - Loan # 2	\$ 1,638,106	
○ Construction Engineering – City Share	<u>\$ 11,000</u>	
○ Total:	\$ 4,120,479	
○ Engineering Growth Cost Share (1/3):	\$ 1,373,493	→ G

7. Phase II - Engineering and Construction.

○ Design Engineering	\$ 185,396	
○ Construction		
▪ Change Order # 1	\$ 115,000	
▪ Change Order #2	<u>+ \$ 3,246,525</u>	
○ Growth-related Capacity	\$ 3,361,525	→ H

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

Water Growth Related Capital Improvement Projects (FY 2010 - FY2019) unless otherwise noted

Program and System Improvements		Growth %	Estimated Cost	Fiscal Yr. Scheduled	Inflation @ 2.5% per year	Estimated Interest	Total Estimated Cost
Water Production							20 Year Bond
Upgrade/Expand Paleo Production Construction	WP0008	50%	\$15,450,000	FY17	\$18,365,195	\$9,345,000	\$27,710,000
Upgrade/Expand Paleo Production Engineering	WP0008	50%	\$1,700,000	FY15	\$1,923,394	\$1,163,000	\$3,086,000
New Park Wells & Raw Water Lines	WP0033	100%	\$1,100,000	FY11	\$1,127,500	\$569,000	\$1,697,000
Caustic Feed System	WP0036	50%	\$600,000	FY11	\$600,000		\$600,000
Paleo Well No. 3	WP0011	100%	\$3,630,000	FY13	\$3,893,735	\$2,355,000	\$6,249,000
- Total Water Production			\$22,480,000		\$25,909,824	\$13,432,000	\$39,342,000
- 7MGD Increased Capacity			21,538		21,538	21,538	21,538
- Cost per EDU (325 gpd)			\$1,044		\$1,203	\$624	\$1,830
Water Distribution and Storage							
Milford St Water Tower	WP0028	50%	\$2,250,000	FY12	\$2,351,250	\$1,271,000	\$3,622,000
Paleo Water Storage Tank	WP0029	50%	\$1,559,000	FY10	\$1,559,000	\$589,500	\$2,149,000
WWTP Water Tower	WP0030	50%	\$1,500,000	FY14	\$1,596,113	\$814,000	\$2,410,000
12" W in W. College Ave to Riverside Dr	WM0015	50%	\$250,000	FY11	\$256,250		\$256,000
12" W in College Ave to Spring Ave	WM0016	50%	\$200,000	FY12	\$208,935		\$209,000
24" W in Gordy Rd	WM0003	100%	\$1,700,000	FY11	\$1,700,000	\$856,000	\$2,556,000
12" W Naylor Mill (Northwood to Northgate)	WM0006	50%	\$100,000	FY10	\$100,000		\$100,000
24" W Naylor Mill Rd (Paleo to Northwood)	WM0005	50%	\$550,000	FY12	\$577,844		\$578,000
- Total Water Distribution & Storage			\$13,689,000		\$8,349,392	\$3,530,500	\$11,880,000
- 7MGD Increased Capacity			21,538		21,538	21,538	21,538
- Cost per EDU (325 gpd)			\$636		\$388	\$164	\$552
Total Water Capacity Unit Fee			\$1,679		\$1,591	\$788	\$2,380

Enclosure 3 Recommended Revised Capacity Unit Fee Justification

Waste Water Growth Related Capital Improvement Projects (FY 2010 - FY2019)

Program and System Improvements	Growth %	Estimated Cost	Fiscal Yr. Scheduled	Inflation @ 2.5% per year	Estimated Interest	Total Estimated Cost
WWTP						20-Year Bond
Expand WWTP to 8.5 MGD Capacity	33%	\$ 26,540,506	FY06		\$1,559,000	\$ 28,100,000
- Total Waste Water Collection being Bonded		\$ 26,540,506		\$ -	1,559,000	\$ 28,100,000
- 1.7 MGD Increase in Capacity		6,800		6,799	6,800	6,800
- Cost per EDU (250 gpd)		\$3,903		\$0	\$229	\$4,130
Sewer Collection						
Upgrade Major Lift Stations SL0008	100%	\$ 275,000	FY08	\$ 275,000		\$ 275,000
Upgrade DP&L Lift Station SL0008	100%	\$ 2,000,000	FY09		\$1,209,700	\$ 3,210,000
Diminutors/Comminutors @ NSPS, SSPS SL0011	100%	\$ 727,000	FY09		\$439,400	\$ 1,166,000
Parkside Lift Station SL0008	100%	\$ 1,138,000	FY12	\$ 1,195,611		\$ 1,196,000
18" S Northwood Dr. SM0010	100%	\$ 1,229,000	FY12	\$ 1,291,218	\$780,864	\$ 2,072,000
30" S in N.Division St to Isabella St SM0004	100%	\$ 1,498,500	FY11	\$ 1,535,963		\$ 1,536,000
42" S Isabella St/Phase II SM0008	50%	\$ 390,000	FY14	\$ 430,487		\$ 430,000
42" S Isabella St/Phase III SM0012	50%	\$ 285,000	FY14	\$ 314,587		\$ 315,000
36" S in Isabella & Church St. SM0005	50%	\$ 509,000	FY14	\$ 561,841	\$339,930	\$ 902,000
42" S Delaware Ave SM0013	50%	\$ 1,169,000	FY13	\$ 1,258,885	\$761,508	\$ 2,020,000
Vac Truck	100%	\$ 330,000	FY14	\$ 330,000		\$ 330,000
Utility Truck - Dump Truck	100%	\$ 120,000	FY13	\$ 120,000		\$ 120,000
- Total Waste Water Collection		\$ 12,196,500		\$ 7,313,591	3,531,402	\$ 13,572,000
- 1.7 MGD Increase in Capacity		6,800		6,800	6,800	6,800
- Cost per EDU (250 gpd)		\$1,794		\$1,076	\$519	\$1,996
Total Sewer Capacity Unit Fee		\$5,697		\$1,076	\$749	\$6,126

Capacity Fee Calculations

□ Water Calculation

- 325 Gallons per day = 1 EDU
- 7 MGD = 21,538 EDU

Paleo Expansion

Total Estimated Cost	Cost Per EDU	Estimated 350 EDU/Yr	Estimated P & I Payment/Year	Difference
\$ 30,796,000	\$ 1,430	\$ 500,446	\$ 2,471,000	\$ (1,970,554)
	# EDUs	Estimated 350 EDU/Yr	Estimated # of Years to Pay	
7 MGD / 325 gpd	21538	350	61.5	

Capacity Fee Calculations

□ Sewer Calculation

- 250 Gallons per day = 1 EDU
- 1.7MGD = 6,800 EDU

DP&L Lift Station

Total Estimated Cost with Interest	Cost Per EDU	Estimated 350 EDU/Yr	P & I Payment/Year	Difference
\$ 3,210,000	\$ 472	\$ 165,221	\$ 160,485	\$ 4,736

Total Estimated Cost w/o Interest	Cost Per EDU	Estimated 350 EDU/Yr	P & I Payment/Year	Difference
\$ 2,000,000	\$ 294	\$ 102,941	\$ 160,485	\$ (57,544)

Enclosure 4 (Sewer-Connection and Water-Meter/Tap Fee) to Memorandum, subject: Proposed City Water and Sewer Fee Changes

1. **Purpose.** This enclosure provides specific details on the City staff recommendation of the rate adjustment for the Sewer-Connection and Water-Meter/Tap Fee.
2. **Definition.** The Sewer-Connection and Water-Meter/Tap Fee is intended to cover the cost of tapping the water and sewer mains and providing the water meter, corporation stop, and stub out for the property owner's water and sewer connections. (Reference: §13.02.080.E).
3. **Discussion.**
 - The Sewer-Connection and Water-Tap/Meter Fee are based on the actual costs for the previous fiscal year.
 - The City Council instructed the staff to eliminate the fee transition during the spring 2006 budget work sessions. The attached schedule reflects that guidance.

TAPPING FEES IN CITY	CURRENT FEES 2008	CURRENT ACTUAL COST	DEFICIT	PROPOSED FEE 2009	% FEE INCREASE 2008 to 2009
3/4" Water Service	\$3,425.00	\$3,849.09	\$424.09	\$3,850.00	12.4%
1" Water Service	\$3,720.00	\$4,158.80	\$438.80	\$4,160.00	11.8%
1-1/2" Water Service	\$5,285.00	\$5,811.14	\$526.14	\$5,810.00	9.9%
2" Water Service, Disc Meter	\$5,655.00	\$6,199.13	\$544.13	\$6,200.00	9.6%
2" Water Service, Tru/Flo Meter	\$6,725.00	\$7,322.11	\$597.11	\$7,320.00	8.8%
METER SETTING FEES IN CITY					
3/4" Meter Setting Fee	\$365.00	\$396.84	\$31.84	\$400.00	9.6%
1" Meter Setting Fee	\$485.00	\$523.63	\$38.63	\$525.00	8.2%
1-1/2" Meter Setting Fee	\$720.00	\$783.58	\$63.58	\$785.00	9.0%
2" Meter Setting Fee, Disc Meter	\$835.00	\$904.33	\$69.33	\$905.00	8.4%
2" Meter Setting Fee, Tru/Flo Meter	\$1,905.00	\$2,027.31	\$122.31	\$2,030.00	6.6%
TAPPING FEES OUT OF CITY					
3/4" Water Service	\$4,280.00	\$4,811.36	\$531.36	\$4,810.00	12.4%
1" Water Service	\$4,650.00	\$5,198.50	\$548.50	\$5,200.00	11.8%
1-1/2" Water Service	\$6,610.00	\$7,263.93	\$653.93	\$7,265.00	9.9%
2" Water Service, Disc Meter	\$7,070.00	\$7,748.91	\$678.91	\$7,750.00	9.6%
2" Water Service, Tru/Flo Meter	\$8,410.00	\$9,152.64	\$742.64	\$9,155.00	8.9%
METER SETTING FEES OUT OF CITY					
3/4" Meter Setting Fee	\$460.00	\$496.05	\$36.05	\$495.00	7.6%
1" Meter Setting Fee	\$610.00	\$654.54	\$44.54	\$655.00	7.4%
1-1/2" Meter Setting Fee	\$900.00	\$979.48	\$79.48	\$980.00	8.9%
2" Meter Setting Fee, Disc Meter	\$1,045.00	\$1,130.41	\$85.41	\$1,130.00	8.1%
2" Meter Setting Fee, Tru/Flo Meter	\$2,385.00	\$2,534.14	\$149.14	\$2,535.00	6.3%

**Enclosure 4 (Sewer-Connection and Water-Meter/Tap Fee) to Memorandum, subject:
Proposed City Water and Sewer Fee Changes**

<u>TAPPING FEES IN CITY</u>	<u>CURRENT FEES 2008</u>	<u>CURRENT ACTUAL COST</u>	<u>DEFICIT</u>	<u>PROPOSED FEE 2009</u>	<u>% FEE INCREASE 2008 to 2009</u>
SEWER TAPPING FEES IN CITY					
6" Sewer connection	\$2,920.00	\$3,320.18	\$400.18	\$3,320.00	13.7%
8" Sewer connection	\$2,980.00	\$3,381.54	\$401.54	\$3,380.00	13.4%
6" & 8" Sewer Location/Drawing Fee	\$38.00	\$47.02	\$9.02	\$45.00	18.4%
SEWER TAPPING FEES OUT OF CITY					
6" Sewer connection	\$3,650.00	\$4,150.23	\$500.22	\$4,150.00	13.7%
8" Sewer connection	\$3,720.00	\$4,226.93	\$506.93	\$4,225.00	13.6%
6" & 8" Sewer Location/Drawing Fee	\$50.00	\$58.78	\$8.78	\$60.00	20.0%
TEMP W/M SETTING IN CITY	\$35.00	\$39.20	\$4.20	\$40.00	14.3%
FIRE & FLUSH TEST IN CITY	\$125.00	\$127.31	\$2.31	\$125.00	0.0%
W/M TESTING FEE IN CITY	\$35.00	\$39.20	\$4.20	\$40.00	14.3%
TEMP W/M SETTING OUT OF CITY	\$45.00	\$49.00	\$4.00	\$50.00	11.1%
FIRE & FLUSH TEST OUT OF CITY	\$160.00	\$159.14	-\$0.86	\$160.00	0.0%
W/M TESTING FEE OUT OF CITY	\$45.00	\$49.00	\$4.00	\$50.00	11.1%

Enclosure 5 (Central System Line Unit Fee) to Memorandum, subject: Proposed City Water and Sewer Fee Changes

- 1. Purpose.** This enclosure provides specific details on the City staff recommendation of the rate adjustment of the Central System Line Unit Fee.
- 2. Definition.** A Line Fee for properties that connect to the City's Central System is called the Central System Line Fee. The Central System Line Fee is the Line Fee for new water and sewer users within the City's Central System where there are existing mains. This fee will be based on the average contract cost for installing eight-inch diameter water and sewer mains for the previous twelve months. (Reference: § 13.02.080, paragraphs B and C).
- 3. Discussion.**
 - The Central System Line Fee applies to new water and sewer users which connect to existing mains within the City's Central System. This Central System Line Unit Fee is based on the average contract cost for installation of eight-inch diameter water and sewer mains in the previous twelve months.
 - There were no substantiated invoices for construction of 8-inch water or sewer mains received by the City within the past twelve months. Therefore the 2007 Central System Line Unit Fee will be adjusted for inflation and applied to 2008.
 - The 2008 Central System Line Unit Fees are \$ 26.52 per linear foot for 8-inch water and \$ 34.68 per linear foot for 8-inch sewer.
 - Applying the CPI-U of 5.4% (August 2007 to August 2008) to the current rate yields:
 - Water 8-inch: \$ 27.95 per foot
 - Sewer 8-inch: \$ 36.55 per foot
 - Total: \$ 64.50 per foot.



December 16, 2008

Memorandum for City Administrator

Subject: Adjustment of Comprehensive Connection Charge Rates.

I request the City Council review and approve the attached resolution adjusting the Comprehensive Connection Charge rates in accordance with Section 13.02.050 of the City Code.

Justification.

- As required by Section 13.02.050, attached are proposed changes to the Comprehensive Connection Charge rates. These proposed rates are based on current costs and the currently proposed 10-year water and sewer Capital Improvements Plan.

Unless you or the Mayor has further questions, please forward this memorandum to the City Council.

Sincerely,

James S. Caldwell, P.E.
Director of Public Works

Enclosures:

- 1 - Resolution
- 2 - Comprehensive Connection Charges Summary
- 3 - Capacity Unit Fee Detail
- 4 - Water-Meter/Tap Fee and Sewer-Connection
- 5 - Central System Unit Line Fee

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