

Res # 6

MUNHALL SANITARY SEWER MUNICIPAL AUTHORITY
TAP FEE RESOLUTION of August 26, 2009

A RESOLUTION OF THE MUNHALL SANITARY SEWER MUNICIPAL AUTHORITY PROVIDING FOR THE ESTABLISHMENT OF SEWER SYSTEM CONNECTION AND TAPPING CHARGES FOR SERVICES PROVIDED BY THE AUTHORITY TO NEW CUSTOMERS IN ACCORDANCE WITH ACT 57 OF 2003 AND ACT 203 AMENDING THE MUNICIPALITY AUTHORITIES ACT AND FURTHER PROVIDING FOR THE EFFECTIVE DATE OF SAID CHANGE OF CONNECTION AND TAPPING CHARGES.

WHEREAS, the Munhall Sanitary Sewer Municipal Authority is a body corporate and politic, organized and existing under the Municipality Authorities Act of 1945, as amended, and maintaining its principal place of business at 1809 West Street, Munhall, County of Allegheny, Commonwealth of Pennsylvania; and

WHEREAS, the Municipality Authorities Act of 1945, P.L. 382, May 2, 1945, 53 P.S. paragraph 301 et seq., paragraph 306B(h), authorizes the Munhall Sanitary Sewer Municipal Authority to "Fix, alter, charge, and collect rates and other charges in the area served by its facilities at reasonable and uniform rates to be determined exclusively by it, for the purpose of providing for the payment of the expenses of the Authority, the construction, improvement, repair, maintenance, and operation of its facilities and properties..."; and

WHEREAS, the Munhall Sanitary Sewer Municipal Authority includes in its prevailing schedule of rates and other charges certain connection charges and tapping fees; and

WHEREAS, enactment of Act 203 of 1990 amends subsection B of Section 4 of the Act of May 2, 1945 (P.L. 382, No. 164) known as the Municipality Authorities Act of 1945, amended May 15, 1963 (P.L. 33, No. 30) and amends the subsection by adding new subsections 4B(Y) and (Z), and addresses the structuring of water tapping fees and system extensions; and

WHEREAS, enactment of Act 57 of 2003 further amended Act 203 by redefining the methodology for calculating certain sections of the tapping fee components; and

WHEREAS, said connection and tapping charges are imposed upon applicants for service who connect their plumbing system to the Authority's sewer system; and

WHEREAS, the Municipality Authorities Act as most recently amended, allows the charging of certain enumerated fees to property owners who desire to or are required to connect to the Authority's sewer system; and

WHEREAS, said fees shall be based upon the duly adopted schedule in effect at the time of application for connection; and

WHEREAS, the Authority shall have the right to require that no service or capacity shall be guaranteed for a property owner or owners until such time as the tapping fees enumerated herein have been paid; and

WHEREAS, the fees shall be in addition to any charges assessed against the property related to the construction of a public sewerline by the Authority in accordance with Clauses (R) and (S) of the Act as well as charges imposed pursuant to Clause (H); and

WHEREAS, all fees shall include fee components specified by Act 57 as follows:

1. Connection Fee - Based on the average or actual cost of physical utility connection from the public sewer main to the inspection sight tee for each individual premises (referred to as a "Lateral Connection" in the Authority's Rules and Regulations). In lieu of payment, the Authority may allow the construction and dedication of the lateral connection by the property owner.
2. Customer Facilities Fee - Based on the actual cost of individual facilities serving each premises from and including the inspection sight tee to and including the structure's sewerage plumbing installation (referred to as the "Lateral Extension" in the Authority's Rules and Regulations). None of the lateral extension installation is performed by Authority forces; the lateral extension and plumbing is installed by a private plumber at the expense of property owners in accordance with the Allegheny County Plumbing Code. The Authority will inspect the inspection sight tee for compliance with the Authority's Rules and Regulations.
3. Tapping Fee - Based on parts as follows:
 - 3.1 Capacity Part - Based on the actual or replacement costs of treatment plants, booster pumping facilities, transmission mains, wet weather storage facilities, permitted overflow structures, interconnections, or other general system facilities less any capital contributions, grants, and outstanding debt to be recovered through user charges.

- 3.2 Collection Part - Based on the actual or replacement costs of sewer collection mains and manholes, less any capital contributions, grants, and outstanding debt to be recovered through user charges.
- 3.3 Special Purpose Part - Based on the actual or replacement costs of facilities applicable only to a particular group of customers, less any capital contributions, grants, and outstanding debt to be recovered through user charges.
- 3.4 Reimbursement Component - Based the actual amount reimbursed to property owners at whose expense the sewer line extensions or transmission main was constructed. Such reimbursement shall be collected from new premises with service lines connected directly to the sewer main constructed at the expense of private property owners.

WHEREAS, the Capacity Part of the Tapping Fee for existing facilities may be based upon reproduction cost, historical cost trended to current cost, or historical cost plus interest and financing costs paid, all of which must be reduced by grants-in-aid of construction and outstanding debt to be recovered from user fees divided by the design capacity of said facilities and;

WHEREAS, there are no Special Purpose Facilities presently in the Authority system or any fees that currently require a Reimbursement Component, any charges to be recovered in the future for these components of the tapping fee will be determined on a case-by-case basis, and;

WHEREAS, the Authority at a public meeting held on Wednesday, August 26, 2009, discussed Connection Fees, Customer Facilities Fees, as specified by Act 57, the computation shall be based on Actual Costs and the Tapping Fee computation shall be based on the reproduction cost of facilities less outstanding debt based on the recommendations presented by the Consulting Engineer.

NOW THEREFORE, BE IT RESOLVED and the MUNHALL SANITARY SEWER MUNICIPAL AUTHORITY does hereby resolve as follows:

1. The schedule for service connection charges for sewer service shall be adopted in accordance with Act 57 and the following Schedule A and B, which is attached as an integral part of this resolution.
2. All the provisions of the Authority's Rules and Regulations not inconsistent herewith shall remain in full force and effect.
3. THE EFFECTIVE DATE OF THE RESOLUTION SHALL BE August 26, 2009.

RESOLVED, the 26th day of August, 2009.

MUNHALL SANITARY SEWER MUNICIPAL AUTHORITY

Secretary

By: _____
Chairman

MUNHALL SANITARY SEWER MUNICIPAL AUTHORITY

PROPOSED CUSTOMER FEE

SCHEDULE A

| <u>Component</u> | <u>Method of Calculation</u> | <u>Connect to Authority System</u> | <u>Connect to Developer System</u> |
|-----------------------------|------------------------------|------------------------------------|------------------------------------|
| 1. Connection Fee* | Actual Cost | \$ 150 | N/C |
| 2. Customer Facilities Fee* | Actual Cost | \$ 100 | \$ 100 |
| 3. Tapping Fee | | | |
| • Capacity Part** | Reproduction Cost | \$ 3,150 | \$ 3,150 |
| • Collection Part** | Reproduction Cost | \$ 1,000 | N/C |
| • Special Purpose Part | Reproduction Cost | Establish if Applicable | |
| • Reimbursement Part | Construction Cost | Establish if Applicable | |
| Total | | \$ 4,400 | \$ 3,250 |

* Customer facilities and connection fees are determined on a case by case basis to include all costs of installation incurred by the Authority (property owner may choose to have installation completed by a private plumber at his cost) plus any permit fees and costs for inspection conducted by Authority personnel or designated representatives.

** Per EDU, see Schedule B for EDU calculation

MUNHALL SANITARY SEWER MUNICIPAL AUTHORITY

EQUIVALENT RESIDENTIAL DWELLING UNIT CALCUALTION

SCHEDULE B

As the entire service area of the Munhall Sanitary Sewer Municipal Authority is located within the Borough of Munhall, the 2000 Census for average household size in the Borough of 2.25 persons has been used. Therefore, multiplying the 2.25 persons per household by 90 gallons per capita per day (gpcd), an EDU in the Authority's service area has been determined to contribute 203 gallons per EDU (gal/EDU).

1 EDU = 203 gallons