

TOWNSHIP OF STRASBURG

Lancaster County, Pennsylvania

ORDINANCE NO. 94

AN ORDINANCE OF THE TOWNSHIP OF STRASBURG, LANCASTER COUNTY, PENNSYLVANIA, ESTABLISHING RATES AND CHARGES AND REGULATIONS FOR USE OF THE VILLAGE OF REFTON SEWER SYSTEM.

BE AND IT IS HEREBY ORDAINED AND ENACTED by the Board of Supervisors of the Township of Strasburg, Lancaster County, Pennsylvania, as follows:

ARTICLE 1
GENERAL PROVISIONS

Section 101. Short Title. This Ordinance shall be known and may be cited as the Strasburg Township Refton Sewer System Rates, Rules and Regulations Ordinance.

Section 102. Definitions and Word Usage. The following terms shall have the meanings indicated. The singular shall include the plural, and the masculine shall include the feminine and the neuter.

AUTHORITIES ACT - the Municipality Authorities Act, 53 Pa. C.S. §5601 et seq., as amended and supplemented.

COMMERCIAL ESTABLISHMENT - any structure or any portion thereof intended to be used wholly or in part for the purposes of carrying on a trade, business or profession or for social, amusement, religious, educational, charitable or public uses, and which contains plumbing for kitchens, toilet or washing facilities. Commercial Establishment includes all occupied structures which are not dwelling units or industrial establishments.

CONNECTION FEE - a fee based upon the actual cost of the connection of the Improved Property extending from the Township's main to the property line or curb stop of the Improved Property so connected, including reasonable costs for inspection and restoration. A Connection Fee shall be considered the fee referred to as a "connection fee" in the Authorities Act.

CUSTOMER FACILITIES FEE - a fee imposed under the authority of the Second Class Township Code and the Authorities Act to reimburse the Township for its costs relating to the provision of a grinder pump, low pressure lateral, and inspection of owner-installed service lateral.

DEP - the Pennsylvania Department of Environmental Protection or any agency successor thereto.

DWELLING UNIT - any room, group of rooms, mobile home, building or other enclosure connected, directly or indirectly, to the Sewer System and occupied or intended for occupancy as a separate living quarters by a family or any other group of Persons living together or by a Person or Persons living alone. Each Dwelling Unit shall be considered one EDU.

EDU - an equivalent dwelling unit; the amount of wastewater discharged into the Sewer System by an average dwelling in a day. Nonresidential Units shall be assigned a number of EDUs based upon Chapter 73 of the DEP regulations where water is not metered. If water is metered, the number of EDUs shall be based on water consumption and each 289 gallons of water consumed per day shall be considered one EDU, with such water consumption being calculated using the consecutive 90 day period with the highest consumption.

IMPROVED PROPERTY - any property located within the service area of the Township upon which there is erected a structure intended for continuous or periodic habitation, occupied or used by human beings or animals, and from which structure Sanitary Sewage and/or Industrial Wastes shall be or may be discharged.

INDUSTRIAL ESTABLISHMENT - any structure intended to be used wholly or in part for the manufacturing, fabricating, processing, cleaning, laundering or assembly of any product, commodity or article.

INDUSTRIAL WASTE - any solid, liquid or gaseous substance or waterborne wastes or form of energy rejected or escaping from any industrial manufacturing, trade or business process or from the development, recovery or processing of natural resources, as distinct from Sanitary Sewage.

INFILTRATION – groundwater or stormwater which enters the Sewer System or pipes located on private property and connected to the Sewer System through joints, porous walls, cracks or breaks.

INFLOW – groundwater or stormwater which enters the Sewer System or pipes located on private property and connected to the Sewer System through sources such as roof leaders, cellar drains, yard drains, area drains, foundation drains, sump pumps, and drains from springs and swampy areas.

NONRESIDENTIAL UNIT - an Improved Property containing other than a Dwelling Unit. Nonresidential Units shall include but not be limited to all Improved Properties used for commercial, industrial or institutional purposes. Each separate unit of occupancy on a lot used for nonresidential purposes shall be considered a separate nonresidential unit.

OWNER - any person vested with ownership, legal or equitable, sole or partial, of any Improved Property.

PERSON - any individual, firm, company, association, society, corporation or other group or legally recognized entity.

SANITARY SEWAGE - the normal water-carried household and toilet wastes from Dwelling Units, Commercial Establishments and Industrial Establishments.

SEWER SYSTEM - all temporary and permanent facilities at any time, and from time to time, owned or leased and operated by the Township and used or usable for, or in connection with, the collection of Sanitary Sewage and acceptable Industrial Wastes from Improved Properties within the Village of Refton.

TAPPING FEE - a fee imposed under the authority of the Second Class Township Code and calculated in accordance with the Authorities Act to enable the recovery of the Township's equity in the Sewer System which shall be composed of a capacity part and a collection/conveyance part and may, in the future, if warranted, include for some customers a special purpose part and/or a reimbursement part. A Tapping Fee shall be considered the fee referred to as a "tapping fee" in the Authorities Act.

TOWNSHIP - Strasburg Township, Lancaster County, Pennsylvania.

UNIT OF OCCUPANCY - any space with defined boundaries described in a deed, lease, license or agreement in which a discreet residential unit, commercial establishment, industrial establishment or other nonresidential unit may be maintained.

Technical terminology contained in this Ordinance shall be interpreted by and through, and shall have the meanings set forth in the Standard Methods for the Examination of Water and Wastewater, most current edition, prepared by the American Public Health Association.

ARTICLE 2 SEWER RATES AND CHARGES

Section 201. Imposition of Sewer Rent or Charge. There is hereby imposed upon the Owner of an Improved Property served by or able to be served by the Sewer System and having the use or able to have the use thereof monthly sewer rents or charges payable as hereinafter provided for the use, whether direct or indirect, of the Sewer System. Sewer rates and charges are hereby fixed and imposed, and shall be collected in monthly installments from the owners of each Improved Property connected with or required to be connected to the Sewer System. The Owner of any Improved Property who or which is required to connect to the Sewer System shall pay the applicable monthly charge for each residential unit or each nonresidential unit in the event such Owner fails to connect to the Sewer System. Charges shall accrue from the date the Owner of the Improved Property shall have been required by Township Ordinance to connect to the Sewer System.

A. The monthly rate for each residential unit shall be \$119.00.

B. The monthly rate for each lot containing one or more nonresidential units shall be based on the amount of water consumed in a quarter if the water usage is metered. Each 8,670 gallons per month or fraction thereof shall be \$119.00. In no event shall the monthly

rate be less than \$119.00. It shall be the responsibility of the Owner to provide the Township with the meter reading at the frequency required by the Township and to provide the Township with access to the water meter for readings by Township representatives during normal business hours. If the water meter reading performed by the Township's representatives demonstrates that the water meter reading provided by the Owner has been understated, the Owner shall be required to pay a penalty equal to twice the amount of sewer rates due for the past four quarters calculated in accordance with water meter readings provided by the Owner.

C. The monthly rate for each lot containing one or more nonresidential units where water consumption is not metered shall be based upon the estimated wastewater discharged from the lot using the estimates in Chapter 73 of the DEP regulations. In no event shall the monthly sewer rate for any lot containing one or more nonresidential units be less than \$119.00.

D. Where a lot contains both residential and nonresidential units, the sewer rate for each residential unit shall be calculated in accordance with Subsection A above and the sewer rate for the nonresidential units shall be calculated in accordance with Subsection B or C, as applicable. In no event shall the monthly rate for each residential unit be less than \$119.00 and the monthly rate for the nonresidential units be less than \$119.00.

Section 202. Special Agreements. Notwithstanding any provisions in this Ordinance to the contrary, this Township shall have the right, based upon good reasons and circumstances existing, to enter into special agreements with the Owner of any Improved Property, which Improved Property shall constitute an Industrial Establishment, with respect to terms and conditions upon which Sanitary Sewage and/or Industrial Wastes may be discharged into the Sewer System and with respect to payments to be made to the Township in connection therewith. In such event, such service and payments with respect thereto shall be governed by terms and conditions of such special agreement. The Township reserves the right to require any Industrial Establishment having large variations in rates of waste discharge to install suitable regulating devices for equalizing waste flows to the Sewer System.

Section 203. Time and Methods of Payment. Sewer rentals or charges shall be paid monthly. All bills shall be due and payable on the last day of the month in which the bill is dated.

Section 204. Penalties, Delinquent Sewer Rentals and Liens.

A. Payments made, as evidenced by the United States Post Office mark, on or previous to the end of the period during which the bills are payable at face, will be deemed to be a payment within such period.

B. Charges for sewer service shall be subject to a ten percent (10%) penalty if not paid by the last day of the month in which the bill is dated. The gross bill for sewer charges (which shall include the aforesaid ten percent (10%) penalty and certified and other mailing costs and returned check charges) shall bear interest at the rate of one and one-half percent

(1 ½%) per month or fraction thereof beginning one month after the gross bill becomes due and payable until paid. This is an annual percentage rate of eighteen percent (18%). By way of example, if a bill is dated March 1, the ten (10%) percent penalty is added on March 31, and interest begins to accumulate on May 1.

C. The Township may take all actions necessary or desirable to collect delinquent accounts when the Owner of an Improved Property fails or refuses to pay bills for sewer rates. The Owner shall be responsible for the payment of all fees the Township must pay and costs which the Township incurs in the collection of delinquent accounts including, but not limited to, postage fees for mailing of notices of delinquency (including costs of certified mail); filing fees for collection actions filed with a magisterial district judge; costs to serve a complaint filed with a magisterial district judge; filing fees to file a magisterial district judge judgment with the Prothonotary of Lancaster County; and all costs associated with the preparation and filing of a municipal lien. Any such fee or costs shall be added and become part of the Owner's account.

D. All delinquent sewer rentals and all penalties, interest, charges and fees thereon shall be a lien on the Improved Property served and shall be entered as a lien against such property in the office of the Prothonotary of Lancaster County, Pennsylvania, and shall be collected in the manner provided by law for the filing and collection of such liens.

E. Sewer rental charges shall accrue and be payable for all periods during which an Improved Property is connected to the Sewer System, irrespective of occupancy.

F. All Owners of Improved Property connected to the Sewer System must give the Township their correct address. All notices and bills relating to the Township or its business shall be deemed to have been properly served if left upon the Improved Property, if mailed to the Owner, or served to the Owner at his address as shown on the records of the Township. The Township shall send all such notices and bills to the address given on the application for sewer use until a notice of change, in writing, has been filed with the Township by the Owner. All notices of general character, likely to affect a large number of customers, shall be deemed to have properly given or served if advertised in the newspaper designated by the Township. Failure to receive bills will not be considered an excuse for nor permit an extension of the period during which bills are payable at the face amount.

Section 205. Control of Service. The Township shall not be liable for a deficiency or failure of service when occasioned by an emergency, required repairs, or failure from any cause beyond its control. The Township reserves the right to restrict the use of Sewer System whenever the public welfare so requires. In consideration of the right to connect to the Sewer System, the Township shall not be liable for any damage or expense resulting from leaks, stoppages or defective plumbing or from any other cause occurring to any premises or within any building; and it is hereby expressly agreed by all persons making connection with the Sewer System that no claims shall be made against the Township on account of the breaking or stoppage of, or any damage or expense to, any property where the cause thereof is found to be in the Sewer System.

ARTICLE 3
TAPPING AND RELATED FEES

Section 301. Application Required. No Person shall connect any Improved Property with any part of the Sewer System without first making application for and securing a permit, in writing, from the Township and complying with all of the requirements of this Ordinance. An application for a permit shall be made on a form to be provided by the Township. All tapping, connection and customer facilities fees imposed by Ordinance of the Township, together with any permit processing fee imposed by the Township, shall be paid at the time application is made for a permit to connect to the Sewer System.

Section 302. Connection Fee. A Connection Fee as set forth in Section 303 of this Ordinance is imposed upon and shall be collected by the Township from the Owner of each Improved Property who or which shall physically connect such Improved Property to the Sewer System, for the costs of making such connection to the Sewer System, such charge being authorized under Section 5601(d)(24) of the Authorities Act. Notwithstanding the foregoing, no connection fee shall be imposed for work performed as part of the Pennvest financed initial construction of the Sewer System.

Section 303. Calculation of Connection Fee. The amount of the Connection Fee for each individual connection to the Sewer System shall be the actual cost incurred by the Township, including the cost of inspection and restoration of the property. The Owner of the Improved Property shall deposit with the Township the sum of One Thousand Five Hundred (\$1,500.00) Dollars to be placed in escrow in order to insure reimbursement of the Township's actual costs in connecting Owner's Improved Property to the Sewer System. In the event the actual expenses incurred by the Township in connecting the Owner's Improved Property to the Sewer System exceed One Thousand Five Hundred (\$1,500.00) Dollars, the Owner shall pay such excess amount in accordance with the provisions of Section 308 within thirty (30) days of receipt of the Township's invoice for such expenses. In the event that the actual expense incurred by the Township in connecting the Owner's Improved Property to the Sewer System is less than One Thousand Five Hundred (\$1,500.00) Dollars, the Township shall refund such excess amount, without interest, to the Owner.

Section 304. Tapping Fee. A Tapping Fee is imposed upon and shall be collected by the Township from the Owner of each Improved Property who or which shall connect such Improved Property, directly or indirectly, to the Sewer System or who or which has been required to connect such Improved Property to the Sewer System, for the use of the Sewer System, whether such use shall be direct or indirect, such charge being authorized under Section 5601(d)(24) of the Authorities Act. The Tapping Fee charged for connection of each Improved Property during the initial construction of the Sewer System shall be waived. The Tapping Fee charged for new connections to the Sewer System or expansion in use of an Improved Property after completion of the Pennvest financed initial construction of the Sewer System shall be calculated as set forth in Section 305.

Section 305. Calculation of Tapping Fee After Initial Construction of Sewer System. A Tapping Fee for the use of the Sewer System shall be calculated and imposed as follows:

A. Capacity Part. The fee imposed to recover the cost of capacity-related facilities which provide service to Improved Properties shall be Eight Thousand Dollars and Zero Cents (\$8,000.00) per EDU.

B. Collection Part. The fee imposed to recover the cost of collection facilities required to provide service to Improved Properties shall be Zero Dollars and Zero Cents (\$0.00) per EDU.

C. In case of a combination of one or more Dwelling Units or Nonresidential Units and each thereof having use of the Sewer System through one connection, then each such Dwelling Unit and/or Nonresidential Unit shall be charged the fee herein provided as though each Dwelling Unit and Nonresidential Unit had a direct and separate connection to the Sewer System. Each Dwelling Unit in a double house, row or connecting houses, and in a trailer park or mobile home park shall be considered as a separate entity for the purpose of calculating the Tapping Fee. Each separate use or unit of occupancy in an Improved Property which is developed non-residentially shall be considered as a separate entity for the purpose of calculating the Tapping Fee. In the case of apartment buildings, each apartment shall be considered a Dwelling Unit, and one Tapping Fee shall be paid for each Dwelling Unit within the apartment building.

D. The amount of the Tapping Fee for each Improved Property for the use of the Sewer System shall be based upon the number of EDUs attributable to the use based upon estimated wastewater discharge. If necessary, the wastewater discharge shall be estimated by the Township or the Township's consulting engineer using standard engineering data and procedures. In no event shall the Tapping Fee for an Improved Property be less than the Tapping Fee for one EDU.

E. If an applicant for capacity in the Sewer System or an Owner of Improved Property which will expand its use of the Sewer System has submitted or shall submit a planning module for land development to the DEP which sets forth the capacity in the sewer system owned by the Township required by the applicant or the Owner for the Improved Property, the amount of the Tapping Fee shall be based upon the number of EDUs attributable to the use or expansion of the use calculated used the capacity requirement set forth in the planning module for land development. The Tapping Fee shall not be reduced, regardless of actual consumption, unless and until a revision to the planning module for land development is filed with, and approved by, the DEP reducing the projected capacity required.

F. The Tapping Fee shall not be charged for the reoccupancy of vacant buildings where flows have temporarily been reduced or eliminated.

Section 306. Expansion of Use of Sewer System. Should any Owner of any Improved Property heretofore connected to the Sewer System or hereinafter connected to the Sewer System expand the use of said Improved Property, a Tapping Fee, calculated in the manner set forth herein, is hereby imposed upon the expanded portion of such Improved Property. An expansion of the use of an Improved Property shall include, but not be limited to, the installation of an additional

Dwelling Unit or units in an existing dwelling; the commencement of a home occupation which requires the use of the Sewer System such as beauticians or barbers; or the adding of a third work shift to an industrial processing operation. A change in wastewater discharge or water consumption by an Improved Property of more than 289 gallons per day on the basis of average daily wastewater discharged, or if not separately metered, water consumption over the prior twelve (12) months shall be considered an expansion of the use of the Sewer System regardless of whether the Improved Property has been enlarged or any new use has been instituted. The Township may compare current wastewater discharge or water consumption with wastewater discharge or water consumption previously approved by means of the payment of tapping fees or the approval of a planning module for land development or with the last calendar year average daily wastewater discharge or water consumption based on water meter readings for the entire year to determine whether there has been a change in wastewater discharge or water consumption exceeding 289 gallons per day regardless of whether the Improved Property has been expanded or any new use has been instituted.

Section 307. Customer Facilities Fee. All Owners of Improved Properties shall pay to the Township a Customer Facilities Fee if the Township requires any grinder pumps, meters or similar equipment. The Customer Facilities Fee shall reimburse the Township for its costs relating to the provision of a grinder pump, flowmeter or water meter and the installation of a remote reader and other necessary metering facilities. The Owner shall install the meter provided by the Township (if the Township requires installation of a meter), and such installation shall comply with all of the Township's rules and regulations for installation of meters. After installation of the meter, the Township shall inspect the installation and shall install a remote reader and any other necessary metering facilities. The Customer Facilities Fee shall be the actual cost of the grinder pump, meter and associated facilities paid by the Township, plus the cost for the Township to inspect the installation of the meter and install the remote reader. Notwithstanding the foregoing, the customer facilities fee charged for the installation of a grinder pump and low pressure lateral as part of Pennvest financed initial construction of the Sewer System shall be \$3,500 per Improved Property.

Section 308. Date Fees Required to be Paid. The Customer Facilities Fee, Connection Fee and the Tapping Fee, as applicable, shall be due and payable at the time application is made to the Township to make any such connection to the Sewer System as provided in Section 301; or at the time application is made to the Township for a construction, building zoning permit; or on the date when the Township shall connect any such Improved Property to the Sewer System at the cost and expense of the Owner when the Owner shall have failed to make such connection as required by the Township pursuant to the provisions of any applicable connection ordinance; or whenever the Township furnishes and/or installs a meter, remote reader, and other necessary metering facilities; or when the use of an Improved Property connected to the Sewer System is expanded, whichever shall occur earliest. All Customer Facilities Fees, Connection Fees and Tapping Fees shall be payable to the Treasurer of this Township or to such other officer or representative of this Township as shall be authorized, from time to time, to accept payment thereof.

Section 309. Collection of Fees. Payment of Customer Facilities Fees, Connection Fees and Tapping Fees charged by this Township pursuant to this Ordinance shall be enforced by this Township in any manner appropriate under the laws at the time in effect. Customer Facilities Fees, Connection Fees and Tapping Fees which are not paid in full when due shall bear interest at the rate

of twelve (12%) percent per annum or at the rate of any outstanding debt incurred by the Township, whichever is greater. The Township may commence actions to collect fees which are due and payable under this Ordinance and/or may file a municipal claim for the unpaid fees, plus costs of collection including the reasonable attorneys' fees incurred by the Township, against the Improved Property. Any violations of this Ordinance may be abated by proceeding against the violator in a court of equity for relief.

Section 310. Fees in Addition to Other Rates and Charges. The Customer Facilities Fees, Connection Fees and Tapping Fees imposed hereunder shall be in addition to any fees or charges imposed by the Article 2 of this Ordinance or any other fees or charges fixed or imposed by the Township by reason of the reservation of capacity in the Sewer System or the use, or availability for use, of the Sewer System.

Section 311. Reservation of Rights. This Township reserves the right, from time to time, to adopt modifications of, supplements to, or amendments of this Ordinance. The Township reserves the right to establish, by Ordinance, separate service areas which may have a special purpose part and/or reimbursement part of the Tapping Fee in addition to the capacity part and distribution part imposed throughout the Sewer System. Where an extension of the Sewer System has been made at the expense of a private person, the Township reserves the right to require payment of a reimbursement part of the Tapping Fee.

Section 312. Incorporation of Calculation. A report showing the calculations of the fees as enacted this Ordinance entitled "Wastewater Collection, Conveyance, and Treatment Facilities Capital Charges Study Pursuant to Act 57 of 2003 Strasburg Township, Lancaster County, Pennsylvania" is attached hereto as Exhibit "A" and incorporated herein as required by the Authorities Act.

ARTICLE 4 GENERAL REGULATIONS

Section 401. Access. This Township shall have the right of access at reasonable times to any part of any Improved Property served by the Sewer System as shall be required for purposes of inspection, observation, measurement, sampling and testing, and for performance of other functions relating to service rendered by this Township through the Sewer System.

Section 402. Responsibility of Owners of Improved Property. The Owner of each Improved Property connected to the Sewer System shall be responsible for all acts of tenants or other occupants of such Improved Property insofar as such acts shall be governed by provisions of this Ordinance and any amendments thereto.

Section 403. Maintenance of Privately-Owned Facilities Connected to Sewer System. The Owner of each Improved Property connected to the Sewer System shall be responsible to maintain all privately owned facilities and equipment connected to the Sewer System including, but not limited to, the lateral. Such maintenance shall at a minimum include:

- A. All service laterals and building sewer installations shall be maintained by the

Owner in good order. All leaks in the service lateral or any other pipe or fixture in or on the Improved Property connected to the Sewer System must be repaired immediately by Owner.

B. The Township shall in no event be responsible for maintaining any portion of the service lateral or building sewer installation owned by Owner or for damage done by sewage escaping therefrom or from lines or fixtures on Owner's Improved Property.

C. Owner shall not tamper or permit tampering with or in any other way cause or permit injury to any property of the Township, including, but not limited to, any grinder pump installed as part of the Pennvest financed initial construction of the Sewer System.

D. Every Owner shall maintain and replace, if necessary, such sewer service lateral connected to the Sewer System and/or such Owner's privately-owned sewer collection system which is connected to the Sewer System in good condition so that the sewer service lateral and/or privately-owned sewer collection system will not permit Infiltration.

E. No Person using the Sewer System shall discharge, cause to be discharged or enable the discharge of any Inflow.

Section 404. Maintenance of Grinder Pumps. The Owner of the Improved Property served by a grinder pump shall be responsible for the proper operation and use of the grinder pump. The Township shall be responsible for installing, repairing, and replacing grinder pumps which have been installed using Pennvest financing where such repair or replacement is the result of normal wear and tear or circumstances not caused by the Owner of the Improved Property. The Owner of the Improved Property shall be responsible for replacement or repair of any grinder pump damaged by the Owner or occupant of the Improved Property. The Owner of the Improved Property shall be responsible for all of the following:

A. The Owner of the Improved Property shall pay for the electricity necessary to operate the grinder pump.

B. The Owner of the Improved Property shall inspect the grinder pump yearly and shall clean any grease buildup. If the Owner discovers any damage to the grinder pump, the Owner of the Improved Property shall promptly notify the Township.

C. No garbage disposal systems may be used if an Improved Property is served by a grinder pump.

D. No oil or grease shall be introduced into the internal plumbing system and grinder pump.

E. If the alarm system on the grinder pump is triggered, the Owner of the Improved Property shall notify the Township.

Section 405. Township Not Liable for Damages. The Township shall endeavor to use all

reasonable and practical measures to notify customers of such discontinuance of service as necessity may arise in case of breakdown, emergency or for any other unavoidable cause. The Township shall have the right to cut off the sewer service temporarily in order to make necessary repairs, connections or modifications. In all events, Township shall not be liable for any damage or inconvenience suffered by a customer or Owner for any claim against it at any time for interruption of service or for any causes beyond its control.

ARTICLE 5
MISCELLANEOUS

Section 501. Severability. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such invalidity, illegality or unconstitutionality shall not affect or impair the remaining provisions, sections, sentences, clauses or parts of this Ordinance, it being the intent of the Board of Supervisors that the remainder of the Ordinance shall be and shall remain in full force and effect.

Section 502. Reservation of Rights.

A. The Township reserves the right to adopt and promulgate, from time to time, additional classifications and sewer rates or charges therefor, or modifications of the schedule of sewer rates or charges as set forth in this Ordinance.

B. The Township reserves the right to adopt, from time to time, such additional rules and regulations as it shall deem necessary and proper in connection with use and operation of the Sewer System, which rules and regulations shall be, shall become and shall be construed as part of the Rates, Rules and Regulations.

Section 503. Effective Date. This Ordinance shall take effect and be in force five (5) days after its enactment by the Board of Supervisors of the Township of Strasburg as provided by law.

DULY ORDAINED AND ENACTED this 5th day of October, 2015, by the Board of Supervisors of the Township of Strasburg, Lancaster County, Pennsylvania, in lawful session duly assembled.

TOWNSHIP OF STRASBURG
Lancaster County, Pennsylvania

Attest: _____
(Assistant) Secretary

By: _____
(Vice) Chairman
Board of Supervisors

[TOWNSHIP SEAL]



Herbert, Rowland & Grubic, Inc.
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August 2015

**WASTEWATER COLLECTION,
CONVEYANCE, AND TREATMENT FACILITIES
CAPITAL CHARGES STUDY
PURSUANT TO ACT 57 OF 2003**

**Strasburg Township
LANCASTER COUNTY, PENNSYLVANIA**

HRG Project No. 1034.0434

STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES

CAPITAL CHARGES STUDY
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**STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES**

**SUMMARY OF CAPITAL CHARGES FEES
AUGUST 2015**

Act 57 of 2003 provides for the imposition of three separate fees that are designed to allow Municipal Authorities and Municipalities to recover certain, specific costs and equity in the system. With the exception of assessments, these are the only initial charges that are allowed. However, a Municipality may also require financial security including the funding of an escrow account in order to insure payment of review and inspection fees. Sewer rates and other charges that recover operating, maintenance, and debt service costs are largely unaffected by Act 57 except that certain conditions are applied to the collection and amount of reservation of capacity fees.

Strasburg Township will own and operate a wastewater collection and treatment system initially serving approximately eighty-one (81) connections in the Village of Refton. Construction of the system is planned to be substantially complete by June 2016 and customer connection is expected to commence in July 2016. Facilities include approximately 10,000 linear feet of small diameter pressure sewer and appurtenances, 86 grinder pumps, and a 9,191 gpd sand filtration treatment facility.

The three fees authorized by Act 57 are summarized below:

| | <u>Schedule Reference</u> | <u>Maximum Amount of Charge</u> |
|--|-------------------------------|-------------------------------------|
| Connection Fee | A | Actual Cost |
| Customer Facilities Fee | | |
| a) Initial Connections | B | \$ 3,500.00 |
| b) Future Connections | B | Actual Cost |
| Tapping Fee | | |
| a) Capacity Part | C | \$39,742.86/EDU |
| b) Collection Part | D | \$ 6,699.19/EDU |
| c) Special Purpose Part * | E | As Applicable |
| d) Reimbursement Part * | F | As Applicable |
| Total Initial Customer Facilities Fee | | \$ 3,500.00 |
| Total Tapping Fee | | \$ 46,442.05/EDU |

*APPLIES ONLY TO CERTAIN SPECIFIC NEW CONNECTIONS.

The above Residential Tapping Fee is the maximum allowed by Act 57. The maximum tapping fee

**STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES**

for a Non-Residential connection will be based on the number of gallons per day required by the new connection and computed as follows:

Non-Residential Tapping Fee

| | |
|-----------------|-----------------|
| Capacity Part | \$137.57 |
| Collection Part | \$ 23.19 |
| <hr/> | |
| Total (per gpd) | <u>\$160.76</u> |

Both the Residential and Non-Residential Tapping Fees listed above are calculated based upon hydraulic capacity. Under certain circumstances, the Township may elect to charge Non-Residential users a tapping fee based upon organic capacity or other regulated parameter of the Township's wastewater.

Currently, it is not recommended for the Township to charge a Special Purpose or Reimbursement Part of the tapping fee; however, they may be assessed at a future time as is applicable.

The Act allows for the imposition of a Reservation of Capacity Fee. Assuming user rates are set at \$120/month/EDU, the maximum Reservation of Capacity Fee allowed by the Act is:

| | <u>Schedule Reference</u> | | <u>Maximum Reservation of Capacity Fee</u> |
|------------------------------|---------------------------|----------|--|
| 1 Residential Connection | G | \$864.00 | per year per residential dwelling unit |
| 2 Non-Residential Connection | G | \$2.99 | per year per daily gallon of reserved capacity |

STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES

SCHEDULE A
CALCULATION OF CONNECTION FEE

The connection fee covers the cost of the facilities installed between the sewer main and the property line of the property being connected. Construction of these facilities is generally the responsibility of the property owner with the prior approval of the Township. All costs associated with the installation of these facilities are to be paid by the property owner. If the Township incurs costs associated with the installation of these facilities, the fee will be calculated using an actual cost method as illustrated below. The illustration provides examples of costs the Township might incur that are chargeable to the property owner under the definition of this fee, but is not all-inclusive.

In lieu of payment of a connection fee, the Township may require the construction and dedication of these facilities by the property owner. In this case, the Township's only cost will be for inspection, and the cost of inspection may be charged based on the Township's rate resolution in effect at the time of connection.

| | |
|---|--|
| | Direct Materials Cost |
| + | Direct Subcontract Costs |
| + | Equipment Rental Charges |
| + | Direct Labor Costs |
| + | Fringe Benefits, Employment Taxes, and other Employment Costs |
| + | Cost of Inspection ⁽¹⁾ |
| + | Application and Administrative Costs |
| + | Planning Module Review ⁽²⁾ |
| + | Miscellaneous Engineering |
| + | Miscellaneous Legal Expenses |
| = | <hr/> Total Connection Fee |

(1) Includes the cost of inspection for all facilities installed by property owner or subcontractor hired by the Township.

(2) If required.

STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES

SCHEDULE B
CALCULATION OF CUSTOMER FACILITIES FEE

The customer facilities fee covers the cost of facilities from the property line to the proposed dwelling or building. Strasburg Township has determined that the installation of special facilities is necessary to accommodate flow from properties to the treatment system. In order to serve these properties, the Township has constructed a low pressure grinder pump systems which includes the installation of grinder pumps and low pressure service laterals on properties served by the system. The Township has elected to install these facilities for all initial customers. Costs to install the grinder pump stations, service laterals and associated appurtenances, are chargeable to the property owner as illustrated below:

| | | |
|---|--|--|
| | Direct Materials Cost | |
| + | Direct Subcontract Costs | |
| + | Equipment Rental Charges | |
| + | Direct Labor Costs | |
| + | Fringe Benefits, Employment Taxes, and other Employment Costs | |
| + | Other Direct Costs | |
| = | <hr/> | |
| | Total Customer Facilities Fee | |

The Township received grant funds from PENNVEST to pay for a portion of these costs. The portion of the grinder pump and service lateral costs not funded by grant contributions totals approximately \$283,500.

Initial Customer Facilities Fee

| | | |
|----------------------------------|---|--------------------------------|
| <u>Actual Cost of Facilities</u> | = | Cost per Connection |
| Number of Connections | | |
| <hr/> | | |
| \$283,500.00 | = | \$ 3,500.00/ Connection |
| 81 Connections | | |

In the future, the property owner will generally provide the construction of these facilities. If the Township incurs costs associated with installation, the fee will be calculated using the actual cost method as illustrated above. This illustration provides examples of costs the Township might incur that are chargeable to the users under the definition of this fee, but is not all-inclusive.

STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES

CALCULATION OF TAPPING FEE
SUMMARY

The tapping fee is based on the Township's equity in the system and payment of the tapping fee constitutes the new user's "buy-in" to the system. Facilities funded by grants, or those funded by others and dedicated to the Township, are not included in the computation of this fee. Outstanding debt related to the facilities must be subtracted except when calculating the initial tapping fee for a new system.

The tapping fee is comprised of up to four components, which are separately calculated. In lieu of the payment of a tapping fee, the Township may require the construction and dedication of only such capacity, collection, or other special purpose facilities to supply service to the property owner or owners.

| | |
|--------------------------|----------------------------|
| Capacity Part | \$ 39,742.86 |
| + Collection Part | \$ 6,699.19 |
| + Special Purpose Part * | As Applicable |
| + Reimbursement Part * | As Applicable |
| = Tapping Fee | <u>\$ 46,442.05</u> |

* Only applies to certain specific new connections.

**STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES**

**SCHEDULE C
CALCULATION OF TAPPING FEE
CAPACITY PART**

Capacity Part. This part includes costs associated with the construction of treatment facilities, major interceptors, pumping stations, and sludge treatment and disposal. In the case of Strasburg, costs include the construction of the wastewater treatment facility. Costs related to the collection system and appurtenances are included in the Collection Part.

As outlined by Act 57 of 2003, this study computes the value of the system based on actual costs of the facilities. Pursuant to the requirements of Act 57, the calculation of this fee requires a downward adjustment to reflect funds or facilities contributed by other parties, federal and state grants, and capital contributions from developers to arrive at the net historical cost. While outstanding debt does not need to be subtracted for start-up systems, it does need to be deducted in the future assessment of fees. This methodology is used for the costs associated with all capacity facilities.

The calculation of the Capacity part of the tapping fee is illustrated below. Historical costs are outlined in Exhibit 1.

| | | |
|--|---|---|
| Total Adjusted and Trended Cost of Capacity Facilities - Outstanding Debt | = | Cost per Unit of Design Capacity |
| System Design Capacity (gpd) | | |
| \$1,264,370 - \$0* | = | \$137.57 per gpd |
| 9,191 | | |

* Facilities currently exclusively serve new customers therefore, debt not deducted.

Act 57 establishes the maximum capacity for a residential connection. It is based on 90 gallons per day per capita applied to the average number of persons per household as determined by the most recent United States census. This calculation uses a capacity per residential dwelling unit (EDU) of 288.9 gpd based on the 90 gallons per person per day multiplied by the 2010 Census statistic of 3.21 persons per household in Lancaster County.

The maximum Capacity Part of the Tapping Fee per EDU is calculated as follows:

| | | | | |
|---|---|---|---|---|
| Number of Units of Design Capacity (gpd per EDU) | x | Cost per Unit of Design Capacity | = | Capacity Part of Tapping Fee |
| 288.9 | x | \$137.57 | = | \$39,742.86 per EDU |

**STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES**

**SCHEDULE D
CALCULATION OF TAPPING FEE
COLLECTION PART**

Collection Part. This part includes costs associated with the construction of collection sewers and local pumping stations. In the case of Strasburg, costs include the construction of the low pressure grinder pump system.

As outlined by Act 57 of 2003, this study computes the value of the system based on actual costs of the facilities. The calculation of this fee requires a downward adjustment to reflect funds or facilities contributed by other parties, federal and state grants, and capital contributions from developers to arrive at the net historical cost. While outstanding debt does not need to be subtracted for start-up systems, it does need to be deducted in the future assessment of fees. This methodology is used for the costs associated with all capacity facilities.

The calculation of the Collection part of the tapping fee is illustrated below. Historical costs are outlined in Exhibit 1.

| | | |
|--|---|---|
| Total Adjusted and Trended Cost of Collection Facilities - Outstanding Debt | = | Cost per Unit of Design Capacity |
| System Design Capacity (gpd) | | |
| \$213,126.43 - \$0 * | = | \$ 23.19 per gpd |
| 9,191 | | |

* Facilities currently exclusively serve new customers therefore, debt not deducted.

Act 57 establishes the maximum capacity for a residential connection. It is based on 90 gallons per day per capita applied to the average number of persons per household as determined by the most recent United States census. This calculation uses a capacity per residential dwelling unit (EDU) of 288.9 gpd based on the 90 gallons per person per day multiplied by the 2010 Census statistic of 3.21 persons per household in Lancaster County.

The maximum Collection Part of the Tapping Fee per EDU is calculated as follows:

| | | | | |
|---|---|---|---|---|
| Number of Units of Design Capacity (gpd per EDU) | x | Cost per Unit of Design Capacity | = | Capacity Part of Tapping Fee |
| 288.9 | x | \$ 23.19 | = | \$6,699.19 per EDU |

**STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES**

**SCHEDULE E
CALCULATION OF TAPPING FEE
SPECIAL PURPOSE PART**

The Special Purpose Part is generally applicable only to a particular group of customers. This fee is designed to recover the cost of facilities that serve a special purpose or specific area, such as pump stations. Fees would be separately calculated for each applicable group and applied to new users as appropriate.

All costs associated with the installation of these facilities are to be paid by the users of these facilities through the imposition and collection of a special purpose part. If the Township incurs costs associated with the installation of these facilities, the fee will be calculated using an actual cost method as illustrated below. The illustration provides examples of costs the Township might incur that are chargeable to the users under the definition of this fee, but is not all-inclusive.

| | |
|----|--|
| \$ | Direct Materials Cost |
| + | Direct Subcontract Costs |
| + | Equipment Rental Charges |
| + | Direct Labor Costs |
| + | Fringe Benefits, Employment Taxes, and other Employment Costs |
| + | Cost of Inspection |
| + | Application and Administrative Costs |
| + | Miscellaneous Engineering |
| + | Miscellaneous Legal Expenses |
| = | <hr/> Total Cost of Special Purpose Facilities |

$$\frac{\text{Cost of Special Purpose Facilities}}{\text{Design Capacity of Special Purpose Facilities (gpd)}} = \text{Cost per Unit of Design Capacity}$$

The Township does not currently assess a Special Purpose Part.

STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES

SCHEDULE F
CALCULATION OF TAPPING FEE
REIMBURSEMENT PART

Where appropriate, a reimbursement component may be included in the tapping fee charged for new connections to facilities constructed by others for which a reimbursement is due to the person constructing the facilities. This reimbursement must be defined in a written agreement between the Township and the entity constructing the facilities. Typically, such agreements reimburse the cost of the excess capacity available for use by future connections.

The Township does not currently assess a Reimbursement Part.

**STRASBURG TOWNSHIP
WASTEWATER COLLECTION AND TREATMENT FACILITIES**

**SCHEDULE G
CALCULATION OF RESERVATION OF CAPACITY FEE**

Act 57 specifically authorizes a municipality to collect a fee for reserving capacity under certain circumstances: "... no reservation of capacity fee or other similar charge shall be imposed or collected from a property owner who has applied for service unless the charge is based on debt and fixed operating expenses. A Reservation of Capacity Fee or other similar charge may not exceed 60% of the average bill for a residential customer in the same service area for the same billing period. Any Municipality opting to collect a reservation of capacity fee or other similar charge may not collect the tapping fee until the time as the building permit fee is due."

Since historical records are not available, fixed operating expenses and debt service, as estimated in the Township's Draft Rate Study, were used for this calculation. Annual fixed operating expenses plus annual debt service is calculated as a percentage of total operating expenses plus annual debt service. If this percentage is less than 60%, then the lower percentage must be used to calculate the maximum reservation of capacity fee. If it is greater than 60%, then 60% is the maximum that may be charged. In this case, 60% was used for the calculation. Residential Rates used in the calculation were estimated at \$1,440 per year, although the Township Rate Ordinance has not yet been adopted and is set to take place in September 2015.

Strasburg Township may impose a Reservation of Capacity Fee in accordance with the limitations and restrictions contained in the Act as follows:

| | |
|---|-------------------|
| Annual Fixed Operating Expenses | \$ 32,900 |
| Annual Debt Service * | \$ 57,799 |
| | <u>\$ 110,499</u> |
| | |
| Total Operating Expenses | \$ 52,700 |
| Annual Debt Service * | \$ 57,799 |
| | <u>\$76,964</u> |
| | |
| % (Fixed Operating + Debt) / (Total Operating + Debt) | 82.02% |
| | |
| Maximum Reservation of Capacity Fee as Percentage of Average Residential Sewer Bill | 60% |
| | |
| Average Yearly Residential Sewer Bill | \$ 1,440.00 |
| Maximum Reservation of Capacity Fee | \$ 864.00 |
| | |
| Gallons Used per Residential Dwelling Unit per Day | 290 |
| | |
| Maximum Reservation of Capacity for Non-Residential Users per Daily Gallon | \$ 2.99 |

*Assumed debt service payment once initial tapping fees are used to reduce principal balance.

Strasburg Township
Exhibit 1- Historical Cost Breakdown for Tapping Fees

CAPACITY PART

| Contract | Description | Total Historical Cost | Grants | Net Cost | ENR Index | Trend Factor | Trended Cost | Capacity Cost |
|---|--------------------------------------|------------------------|--------|-----------------|-----------|--------------|------------------------|------------------------|
| 14-2 | WWTP Construction ¹ | \$ 1,205,795.09 | \$ - | \$ 1,205,795.09 | 10037.4 | 1.00000 | \$ 1,205,795.09 | \$ 1,205,795.09 |
| 14-3 | Electrical Construction ¹ | \$ 58,575.49 | \$ - | \$ 58,575.49 | 10037.4 | 1.00000 | \$ 58,575.49 | \$ 58,575.49 |
| Total Historical & Trended Cost | | \$ 1,264,370.57 | | | | | \$ 1,264,370.57 | \$ 1,264,370.57 |
| Total Capacity Costs | | | | | | | | \$ 1,264,370.57 |
| Less Outstanding Debt Related to Facilities | | | | | | | | NA |
| Total Trended Adjusted Cost | | | | | | | | \$ 1,264,370.57 |

CAPACITY PART

| | |
|--|----------------|
| Capacity (Gallons Per Day) | 9,191 |
| Cost per Gallon | \$ 137.57 |
| Gallons per Residential User Maximum Capacity Part | 90 GPD x 3.21= |
| Maximum Capacity Part | 288.9 |
| | \$ 39,742.86 |

COLLECTION PART

| Contract | Description | Total Historical Cost | Grants ³ | Net Cost | ENR Index | Trend Factor | Trended Cost | Collection Cost |
|---|----------------------------------|------------------------|---------------------|---------------|-----------|--------------|----------------------|----------------------|
| 14-1 | Collection System ^{1,2} | \$ 1,300,597.92 | \$ 1,087,471.50 | \$ 213,126.43 | 10037.4 | 1.00000 | \$ 213,126.43 | \$ 213,126.43 |
| Total Historical & Trended Cost | | \$ 1,300,597.92 | | | | | \$ 213,126.43 | \$ 213,126.43 |
| Total Collection Costs | | | | | | | | \$ 213,126.43 |
| Less Outstanding Debt Related to Facilities | | | | | | | | NA |
| Total Trended Adjusted Cost | | | | | | | | \$ 213,126.43 |

COLLECTION PART

| | |
|--|----------------|
| Capacity (Gallons Per Day) | 9,191 |
| Cost per Gallon | \$ 23.19 |
| Gallons per Residential User Maximum Capacity Part | 90 GPD x 3.21= |
| Maximum Distribution Part | 288.9 |
| | \$ 6,699.19 |

TOTAL MAXIMUM TAPPING FEE - CAPACITY AND COLLECTION PARTS (PER HOUSEHOLD)

\$ 46,442.05

1) Cost includes allocation of engineering, legal, administration and other soft costs associated with the project.
 2) Reflects costs associated with Contract 14-1 less costs attributed to the Customer Facilities Fee.
 3) Total amount of grant financing received for 2015 project is \$1,639,003. Of this amount, \$1,087,471.50 is related to Collection with remainder attributed to the Customer Facilities.