

## **CONNECTION AND TAPPING FEE RESOLUTION**

### **THE MUNICIPAL AUTHORITY OF BUFFALO TOWNSHIP BUTLER COUNTY, PENNSYLVANIA FOR ANY WATER CONNECTIONS TO THE MUNICIPAL AUTHORITY OF BUFFALO TOWNSHIP'S MUNICIPAL WATER SYSTEM**

#### **RESOLUTION NO. 2019-1**

The Municipal Authority of Buffalo Township, Butler County, Pennsylvania, hereinafter referred to in this Resolution as the "Authority", does hereby impose the following Tapping Fee for its municipal water system pursuant to Act 57 of 2003, and the Municipality Authorities Act of 1945, as codified and amended (53 Pa.C.S. §§ 5601 et seq., and specifically 53 Pa.C.S. § 5607(d)(24) and (30)-(32)).

#### **ARTICLE 1: ENABLING LEGISLATION**

A. Act 57 of 2003 as codified in of the Municipality Authorities Act of 1945, as amended, allows the Authority to charge certain enumerated fees to property owners who desire or are required to connect to the Authority's municipal water system.

#### **ARTICLE 2: DEFINITIONS**

- A. **CAPACITY** – The physical limits of a particular facility or system.
- B. **CAPACITY RELATED FACILITIES** – Facilities such as water purification and treatment plants, water storage facilities, water transmission mains, pumping stations and other similar components, the cost of which may be recovered through the capacity part of the tapping fee.
- C. **DISTRIBUTION FACILITIES** – Facilities that are used to deliver water to individual properties and to which water services are typically connected. The cost of these facilities is recovered as part of the distribution part of the tapping fee.
- D. **CONNECTION FEE** – A fee authorized under Act 57 to recover the Authority's actual cost or average cost for facilities installed between the water mains and the or curb stop of the property to be connected to the system.
- E. **CUSTOMER FACILITIES FEE** – A fee authorized under Act 57 to allow the Authority to recover its actual cost for facilities installed between the curb stop and the dwelling or building to be served.
- F. **DESIGN CAPACITY** – For residential customers, the permitted or rated capacity of facilities expressed in million gallons per day. For non-residential customers, design capacity may also be expressed in any other capacity-defining parameter that is separately and

specifically set forth in the permit governing the operation of the system and based upon its original design as modified by those regulatory agencies having jurisdiction over these facilities.

G. SINGLE-FAMILY DWELLING – This is equivalent to one dwelling unit and includes one mobile home or one house trailer whether or not it is situated in a mobile home park.

H. TAPPING FEE – A four-part fee authorized under Act 57 whose total charge is determined by the summation of the component parts known as (1) the Capacity Part; (2) the Distribution Part; (3) the Special Purposes Part; and (4) the Reimbursement Component.

FOR ALL DEFINITIONS, SEE ATTACHED SUMMARY AND DRAWING MARKED “A”.

### ARTICLE 3: IMPOSITION OF FEES

A. CUSTOMER FACILITIES FEE – The Authority shall impose a fee any time the Authority installs any portion of a property owner’s waterline and facilities that run from the curb stop on the property to the proposed dwelling or building to be served. This fee will be the amount equal to the ACTUAL COST to the Authority by constructing any line or facility. This fee is chargeable only in the event that the Authority, and not the property owner, installs the customer facilities.

B. CONNECTION FEE – There is hereby imposed a Connection Fee of \$2,000.00 for a ¾" sized tap and \$4,600.00 for any tap 1" or larger, which is the Authority’s cost to install any portion of the service line leading from the Authority’s water main, to the property line or curb stop of the property to be connected. This fee is based on the average actual cost of previous connections of a similar type and size.

C. TAPPING FEE – There is hereby imposed a total Tapping Fee of \$ 2,400- for each Equivalent Dwelling Unit (“EDU”) based on the summation of the following component parts:

1. CAPACITY PART AND DISTRIBUTION PART: These fees are imposed for the capacity related facilities and the cost of facilities.

a. The Capacity Part is a total of \$ 528- per EDU; and,

b. The Distribution Part is a total of \$ 1,872- per EDU.

2. SPECIAL PURPOSES PART: This is not charged by the Authority.

3. REIMBURSEMENT PART: This is not charged by the Authority.

ARTICLE 4: MISCELLANEOUS MATTERS

A. MULTI-FAMILY DWELLINGS – The Tapping Fee Component shall be the sum of \$ 2,400- per dwelling unit contained within each building plus the same sum for all other uses within the building other than dwelling units, for each EDU.

B. MULTIPLE EDU’S IN ONE BUILDING – All determinations shall be based on a flow estimate prepared by the Engineer for the Authority or approved by said Engineer. The Tapping Fee shall be the sum of \$ 2,400- multiplied by the number of projected EDU’s.

1. ESTIMATED EDU’S TOO HIGH OR TOO LOW: After one year of the imposition of the estimated tapping fees and regular use by the customer, an actual average calculation can be made of the EDU’s, only after the Authority’s approval upon receiving advice and recommendation of their engineer. If actual use is higher than the estimated use, additional Tapping Fees shall be paid to the Authority; if actual use is lower than the estimate use, Tapping Fees will be refunded by the Authority.

2. CHANGE IN OCCUPANCY USE – If the occupancy of a building changes that was previously connected to the Authority’s water system, a tapping fee will be redetermined in accordance with this Article and from which will be deducted the amount of any tapping fee previously paid for the same building. No reimbursement for less usage will be given.

ARTICLE 5: REIMBURSEMENT OF DISTRIBUTION PART

A. MANDATORY REIMBURSEMENT – When a property owner constructs or causes to be constructed at his expense any extension of the municipal water system which thereafter is dedicated to the Authority, or is under agreement to be dedicated to the Authority, that property owner shall be entitled to be reimbursed a sum equal to the Distribution Part of each Tapping Fee Component collected when the owner of another property not in the development for which the extension was originally constructed connects a service line DIRECTLY to the extension within ten (10) years of the date of the dedication of said extension to the Authority, provided that there shall be deducted from such reimbursement a sum equal to 5% of the Distribution Part, which shall be deemed to represent the appropriate Authority charge for administrative expenses and services rendered in calculating, collecting, monitoring, and disbursing the reimbursement payment to the property owner, and subject to the following:

1. No reimbursement of the Distribution Part shall be permitted for any waterline or lines which have been paid for by the Authority.

2. The right to receive the Distribution Part shall be subject to the provision that the property owner who is entitled to the reimbursement shall have previously entered into a Developer’s Agreement with the Authority.

3. This reimbursement shall also be regulated and subject to all restrictions and regulations found in 53 Pa.C.S. § 5607(d)(31), as may be amended.

ARTICLE 6: TIME OF PAYMENT – The time of payment for the Fees imposed by this Resolution shall be due and payable as follows:

A. NO PLANNING MODULES REQUIRED: All Fees shall be due and payable on or before the time of application for a water connection and inspection permit.

B. PLANNING MODULES REQUIRED: All Fees shall be due and payable for the entire planned development on or before the commencement of any construction of any of the waterline extensions contemplated for the development by the property owner.

ARTICLE 7: OTHER FEES – The fees imposed herein shall be in addition to any charges assessed against the property of the property owner resulting from the construction of any waterlines by the Authority in accordance with Act 57 as well as any user charges imposed by the Authority pursuant to Act 57.

ARTICLE 8: EFFECTIVE DATE

A. PUBLIC MEETING – It is acknowledged that this Resolution is being adopted at a public meeting of the Authority and the Effective Date for all fees shall be January 1, 2020, and the meeting at which the Authority voted by majority vote to impose all fees defined by this Resolution was December 19, 2019.

B. ENGINEERING CALCULATIONS – It is acknowledged that this Resolution is being adopted after review by the Authority of engineering calculations prepared by the Engineer, and the engineers for UAJSA and Harrison Township, concerning these matters as set forth by Act 57, that said engineering calculations shall be made available for public inspection at any time hereafter while any of the fees imposed herein are in effect.

ARTICLE 9: PREVIOUS FEES SUPERCEDED – All connection fees, impact fees, tapping or other fees imposed upon connection to the Authority Municipal Water System heretofore adopted by the Authority shall be superceded by the fees established herein.

ARTICLE 10: ENFORCEABILITY – Any fees due and payable under this Resolution may be enforced by the Authority in accordance with the enforcement provisions otherwise granted to the Authority under applicable state law.

ARTICLE 11: SEVERABILITY – In the event that any portion of this Resolution is rendered invalid by any Court of Law, the remainder of the Resolution shall remain in effect and undisturbed.

**EXHIBIT 'A'**  
**Municipal Authority of Buffalo Township**  
**ACT 57**  
**TAP FEE CALCULATION (WATER SYSTEM)**  
**October-2019**

Current Municipal Authority of Buffalo Township calculations are based on 200 GPD/EDU.

New State Regulations require that Municipal Authority of Buffalo Township taps be based on current census data @ 65 GPD per EDU. This results in the following calculation

2067 Residents/EDU x 65 GPD/Resident = 173.5 GPD/EDU  
This value will be used for calculation of the tap fees under Act 57

**COMPONENT I** - The cost of installing the service to the customers property line - Recent bids indicate an average cost to be: \$2001.50/Unit

The Authority is permitted a 5% maintenance charge use - \$2100

**COMPONENT II** - is the line to the residence and is not charged in the tap fee

**COMPONENT III** - This calculation includes the capacity charge for distribution and treatment in the system

The previous calculation for Act 203 was based on 200 GPD/EDU. Under Act 57, usage should be based on Census Data and a value of 65 GPD/EDU. Buffalo Township Census Data indicates 2.67 residents/household @ 65 GPD/Resident

The calculation is:  
2.67 Residents/EDU x 65 GPD/Resident = 173.5 GPD/EDU

The existing capacity of the Municipal Authority of Buffalo Township plant is 1,250,000 GPD with present usage of approximately 800,000 GPD, leaving available capacity of 450,000 GPD. Using 173.5 GPD/EDU leaves 2,593 EDU's available for present capacity

The 2018 Financial Statements of the Authority list the water system present fixed assets at \$19,060,667 (2018 Audit), of which the treatment plant value is established at \$7,299,000 (2013 Bond Issue adjusted using the ENR Price Index of (2013 - 201 and 2018 - 222.9) results in an adjusted value of \$8,094,245 for treatment and \$10,966,422 for distribution.

New Taps are not deducted since 1999 since it is assumed that the Audit has incorporated these values into fixed assets

**Distribution Cost**

$$\text{Value} = \$10,966,422 - \text{Debt } (\$1,283,927) = \$9,682,495$$

|  |    |                  |                |
|--|----|------------------|----------------|
| Value  | \$ | <u>9,682,495</u> | \$21.51/Gallon |
| Available Capacity                               |    | 450,000          |                |
| 1 EDU = 173.5 GPD x \$21.57/Gallon = \$3,733/EDU |    |                  |                |

**Treatment Capacity**

$$\text{Value} = \$8,094,245 - (\text{Debt } \$6,723,411) = \$1,370,834$$

|  |    |                  |               |
|--|----|------------------|---------------|
| Value  | \$ | <u>1,370,834</u> | \$3.00/Gallon |
| Available Capacity                             |    | 450,000          |               |
| 1 EDU = 173.5 GPD x \$3.00/Gallon = \$5.28/EDU |    |                  |               |

Components of Tap Fee Are as Follows:

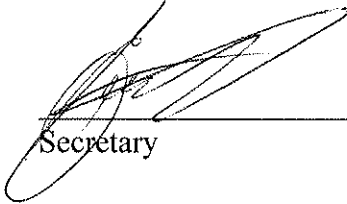
|                      |           |              |
|----------------------|-----------|--------------|
| Component I          | \$        | 2,100        |
| Component II         | \$        | -            |
| Distribution Cost    | \$        | 3,733        |
| Treatment            | \$        | <u>528</u>   |
| <b>Component III</b> | <b>\$</b> | <b>6,361</b> |

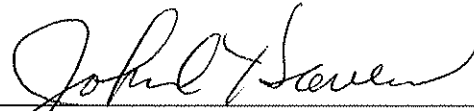
Authority can charge up to \$6,361/EDU

DATED THIS 19<sup>TH</sup> DAY OF DECEMBER 2020.

ATTEST:

MUNICIPAL AUTHORITY OF  
BUFFALO TOWNSHIP, BUTLER  
COUNTY, PENNSYLVANIA

  
\_\_\_\_\_  
Secretary (seal)

  
\_\_\_\_\_  
Chairperson

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