

BOROUGH OF NORTH EAST

ORDINANCE NO. 899

**AN ORDINANCE AMENDING AND RESTATING ORDINANCE 981,
AND ALL AMENDMENTS THERETO,
ESTABLISHING SEWER RATES AND THE
COLLECTION THEREOF**

WHEREAS, the Borough of North East provides sewer to customers within the Borough and to North East Township;

WHEREAS, on February 5, 2011, the Borough of North East enacted Ordinance No. 981, which amended previous ordinances establishing sewer rates and the collection thereof, which Ordinance 981 has been amended from time to time; and

WHEREAS, the Borough of North East desires to amend and restate Ordinance No. 981, and all its amendments herein.

BE IT ORDAINED AND ENACTED BY the corporate authorities of the Borough of North East, County of Erie, and Commonwealth of the State of Pennsylvania and it is hereby enacted by the authority of the same as follows:

Section 1 -Definitions. In the interpretation of this Section, the present tense includes the future; the singular number includes the plural and the plural includes the singular; and the word person includes natural person, property owner, company, trust, individual, partnership, firm, association, corporation, or entity of any kind. The following terms shall have the definitions assigned:

- 1.1 Borough – Shall mean the Borough of North East, Erie County, Pennsylvania
- 1.2 Township – Shall mean North East Township, Erie County, Pennsylvania
- 1.3 Sewer Rate Customer – A person or legal entity discharging wastewater to the sewage collection system within the Borough
- 1.4 Quarterly- Once within a calendar quarter
- 1.5 BOD- Bio-Chemical Oxygen Demand
- 1.6 TSS- Total Suspended Solids

Section 2 –Sewer Rates

- 2.1 The sewer rate charged to and payable by each sewer rate customers, except the Township, of and from April 1, 2017 shall equal the sum total of the following:

- 2.1.1 Flow Charge: $\$3.21 \times \text{flow (total measured in gallons)} \div 1000$; Plus
- 2.1.2 BOD Charge: $\$0.58 \times \text{BOD (concentration measured in parts per million)} \times \text{flow (measured in million gallons)} \times 8.34$; Plus
- 2.1.3 TSS Charge: $\$0.40 \times \text{TSS (concentration measured in parts per million)} \times \text{flow (measured in million gallons)} \times 8.34$
- 2.2 The sewer rate charged to and payable by the Township of and from April 1, 2017 shall be calculated as set forth in Section 2.1 above and then multiplied by the factor of 1.00.
- 2.3 The following shall be applicable to the computations above set forth.
 - 2.3.1 Flow shall equal the metered wastewater discharge of the sewer customer or the Township where such discharge is actually metered by meters authorized and prior approved by the Borough. Wastewater meters shall be periodically calibrated by a qualified person and frequency approved by the Borough. In the absence of such wastewater meter data, flow shall equal the metered water consumption of the customer or the Township.
 - 2.3.2 BOD concentration shall equal the measured BOD concentration of the wastewater discharge of the sewer rate customer or the Township as determined by tests and sampling requirements authorized and approved by the Borough, or in the absence thereof, by sanitary engineering guidelines as determined by the Borough's Engineer. Residential domestic wastewater BOD concentration shall equal 250 parts per million. The minimum BOD concentration for rate calculation purposes shall be 250 parts per million.
 - 2.3.3 TSS concentration shall equal the measured TSS concentration of the wastewater discharge of the sewer rate customer or the Township as determined by tests and sampling requirements authorized and approved by the Borough, or in the absence thereof, by sanitary engineering guidelines as determined by the Borough's Engineer. Residential domestic wastewater TSS concentration shall equal 200 parts per million. The minimum TSS concentration for rate calculation purposes shall be 200 parts per million.

Section 3 – Billing/Payment Due Date

- 3.1 Sewer rate customers shall be billed and payment shall be due and payable on a quarterly basis based upon periodic water or discharge meter readings. In a quarter when no flow reading is made, the quarterly bill shall be based upon the total flow for the average usage for the previous three quarters. When no BOD or TSS measurements are made, the bill shall be based upon the average BOD and TSS concentration for the preceding calendar year average. In any quarter during which a meter reading has been made, the bill shall be based upon actual measured flow, BOD and TSS since the last billing period less credit for quarterly billings, if any, paid in the interim. The Borough may elect to bill sewer rate customers monthly as needed per this Ordinance.

- 3.2 The Township shall be billed and payments shall be due monthly at the Borough's discretion per this Ordinance.
- 3.3 All residential sewer customers must be the owner of the property by recorded deed in order to open, maintain or close a sewer billing account. Tenants of single or multi-unit dwellings shall not have separate accounts with the Borough but rather must make payments to their landlord for their portion of the quarterly sewer bill.

Section 4 – Tapping Fees

- 4.1 New sewer rate customers shall, upon connection to the sewer collection system, pay a tapping capacity fee of \$1000.00 per Equivalent Dwelling Unit (EDU) of sewer service as estimated and approved by the Borough Engineer. One (1) E.D.U. shall be equivalent to 85,081 gallons per year of water consumption or metered wastewater flow (if available and meter installation was prior approved by Borough). The minimum tapping capacity fee shall be based on One (1) E.D.U. After one year, the estimate of the water consumption or wastewater flow by the Borough Engineer shall be subject to review based upon sewage service provided for the year following the connection and in the event the actual consumption or metered discharge flow exceeds the original estimate, an additional tapping capacity fee shall thereupon be due and payable based upon service provided. In the event the actual consumption or metered discharge is less than the original estimate, a refund of the overpaid amount but with no interest thereon shall be made by the Borough to the sewer rate customer. New sewer rate customers shall, upon connection to the sewer system, pay a customer facilities fee of \$50.00 per connection and a connection fee equal to the actual costs incurred by the Borough to install the new service connection and line from the sewer main to the property line.
- 4.2 The Township shall monthly pay a tapping fee for each new connection to the Township sewer collection system of \$1,000.00 per E.D.U. of sewer service as estimated and approved by the Borough Engineer. One (1) E.D.U. shall be equivalent to 85,081 gallons per year of water consumption or wastewater flow (if available and meter installation was prior approved by the Borough.) The minimum tapping capacity fee shall be based upon One (1) E.D.U. After one year, the estimate of the water consumption or wastewater flow by the Borough Engineer shall be subject to review based upon sewage service provided for the year following the connection. In the event the actual consumption or metered discharge flow for the new connection exceeds the original estimate, an additional tapping capacity fee shall thereupon be due and payable based upon service provided. In the event the actual consumption or metered discharge flow for said new connection is less than the original estimate, a refund, but with no interest thereon, of the overpaid amount shall be made by the Borough to the Township.

Section 5 – Penalties, Interest and Collection Costs

- 5.1 Sewer rate customers and Township who fail to pay charges within thirty (30) days of the due date, therefore, as set forth in the sewer bill, shall thereafter be subject to:
- 5.1.1 A ten (10%) percent annual penalty or two and one half (2.50%) percent per quarterly billing cycle; and

- 5.1.2 Termination of sewage service pursuant to state law; and
- 5.1.3 All other remedies available to the Borough
- 5.2 Sewer rate customers for whom a lien is filed shall thereafter pay interest at the rate of ten (10%) percent per annum upon the unpaid balance of any such lien from the date of said liens filing.
- 5.3 Quarterly payments for sewer shall be due and payable by the last day of the first month following after the end of the calendar quarter for which the billing is issued. Monthly payments for sewer shall be due and payable by the last day of the month following the month for which the bill is issued.

Section 6 – Termination of Water Service for Failure to Pay Sewer Rate

Sewer rate customers and the Township shall be subject to termination of water service by reason of the failure to pay sewer rates as established by separate ordinance of the Borough in accordance with the laws of the Commonwealth of Pennsylvania.

Section 7 – Consistency

All ordinances or portions of ordinances inconsistent with the provisions herein are hereby amended to conform to the provisions of the within ordinance. All ordinances and portions of ordinances not inconsistent with the within ordinance, are and shall remain in full force and effect including but not limited to any provisions providing for the charging and collection of sewer rates prior to April 1, 2017.

Section 8 – Severability

The provisions of this Ordinance are severable and if any of its provisions shall be held invalid, the same shall not affect or impair the remaining provisions of the Ordinance which would have been enacted had not such invalid provisions been included herein.

Section 9 - Public Sewer System Capital Costs

9.1 Allocation of Public Sewer System Capital Costs. For purposes of establishing sewer rates and billings, the Borough shall allocate the total capital costs (as determined by the Borough, including, without limitation, debt service relating thereto) relating to the Public Sewer System across the below-referenced parameters as follows and each customer shall pay its share thereof in accordance with each customer's actual future loadings (as determined by the Borough in accordance with existing methods and utilizing properly calibrated measuring equipment) as such loadings may vary from time to time

A. New Act 537 Plan Site I Improvement Costs.

The total capital costs relating to the new Act 537 Plan Site I Project (as described more fully in Exhibit A attached hereto and hereby incorporated by reference) shall be allocated across the below-referenced parameters as follows:

<u>Parameter</u>	<u>Cost Allocation</u>
Flow	25%
Bio-Chemical Oxygen Demand ("BOD")	75%
Total Suspended Solids ("TSS")	0%

B. New Act 537 Site II Improvement Costs.

The total capital costs relating to the new Act 537 Plan Site II Project (as described more fully in Exhibit A attached hereto and hereby incorporated by reference) shall be allocated across the below-referenced parameters as follows:

<u>Parameter</u>	<u>Cost Allocation</u>
Flow	100%
BOD	0%
TSS	0%

C. Old/Existing Capital Improvements.

The total existing capital costs relating to the Public Sewer System (excluding the new Act 537 Site I and Site II Projects as referenced on Exhibit A and any other future Capital Improvements as referenced below) shall be allocated across the below-referenced parameters as follows:

<u>Parameter</u>	<u>Cost Allocation</u>
Flow	25%
BOD	65%
TSS	10%

D. Future Capital Improvements.

Regarding any potential future capital improvements relating to the Public Sewer System (excluding the new Act 537 Site I and Site II Projects and the Old/Existing Capital Improvements as set forth above) that may occur, the allocation thereof shall not be effected by the within Ordinance.

E. Example Calculations Worksheet for Wastewater Charges.

A hypothetical example calculations worksheet, showing how the various Public Sewer System costs would be allocated across the Flow, BOD, and TSS parameters, is attached hereto as Exhibit B and hereby incorporated by reference. It is intended for illustrative purposes only, and it is not intended to reflect actual rates and/or assumptions.

9.2 Allocation of Public Sewer O & M Costs. For purposes of its sewer rates and billings, the Borough shall allocate the total Operations and Maintenance ("O&M") costs (as determined by the Borough) relating to the Public Sewage System across the below-referenced parameters as follows, and each customer shall pay their share

thereof in accordance with each customer's future loadings (as determined by the Borough in accordance with each customer's future loadings (as determined by the Borough in accordance with existing methods and utilizing properly calibrated measuring equipment) as such loadings may vary from time to time.

<u>Parameter</u>	<u>Cost Allocation</u>
Flow	25%
BOD	65%
TSS	10%

See the hypothetical example calculations worksheet for wastewater charges attached hereto as Exhibit B and hereby incorporated by reference.

Section 10 - Effective Date: The within Ordinance shall take effect during the fourth (4th) quarter billing cycle of 2018.

ENACTED INTO AN ORDINANCE THIS 2nd DAY OF April 2018.

BOROUGH OF NORTH EAST

David Hall, President of Borough Council

ATTEST:

Patrick J. Gehrlein, Borough Manager

Steven L. Gregory, Mayor

EXHIBIT "A"

DESCRIPTION OF NEW ACT 537 PLAN PROPOSED SITE I AND SITE II IMPROVEMENT PROJECTS

Proposed New Site I Improvements:

- Second aeration lagoon with aeration diffusers and related facilities.
- Building with blowers, pumps, piping and related facilities.
- Wastewater and sludge piping.
- Chemical Building and chemical feed and related facilities.
- Revisions to plant headworks.
- Instrumentation.
- Electrical facilities.

Proposed New Site II Improvements:

- Revisions to plant headworks.
- Expansion of plant from 2.1 to 2.9 MGD through installation of a third treatment train including aeration, settling and aerobic digester.
- Reactor clarifier.
- Chemical Building with chemical feed and related facilities.
- Expansion of chlorine contact tank.
- Building addition for blowers, pumps and related facilities.
- Sludge building and related facilities.
- Instrumentation.
- Electrical facilities.

EXHIBIT "B"

EXAMPLE CALCULATIONS WORKSHEET FOR WASTEWATER CHARGES

Public Sewer System Loading Assumptions:

Assume Annual Billable Flow	=	370,000,000 gallons
Assume Annual Billable BOD	=	2,700,000 pounds
Assume Annual Billable TSS	=	705,000 pounds

I. Operation and Maintenance Costs and Old/Existing Capital Improvements Costs

Assume total required annual revenue for O&M Costs and Old/Existing Capital Improvements Costs = \$2,000,000

Cost Allocation = 25% Flow, 65% BOD, 10% TSS

- A. Flow Charge = $0.25 (\$2,000,000) / 370,000$ thousand gallons
= \$1.35 per 1,000 gallons
- B. BOD Charge = $0.65 (\$2,000,000) / 2,700,000$ pounds
= \$0.48 per pound of BOD
- C. TSS Charge = $0.10 (\$2,000,000) / 705,000$ pounds
= \$0.28 per pound of TSS

II. New Act 537 Plan Site I Improvement Costs

Assume Total New Site I Project Costs = \$4,660,000

Assume Annual Debt Service = \$300,000

Cost Allocation = 25% Flow, 75% BOD, 0% TSS

- A. Flow Charge = $0.25 (\$300,000) / 370,000$ thousand gallons
= \$0.20 per 1,000 gallons
- B. BOD Charge = $0.75 (\$300,000) / 2,700,000$ pounds
= \$0.08 per pound of BOD