

*TAP-IN FEES
AMENDMENT*

ORDINANCE NO. 3 of 2004

An Ordinance imposing tap-in fees to be levied against properties connecting to the Shenango Township sewer system.

WHEREAS, the Board of Supervisors of the Township of Shenango, Lawrence County, Pennsylvania, desires to levy tap-in fees against properties benefited, improved or accommodated by the Shenango Township sewer system, as allowed by current law; and

WHEREAS, the Township has reports from a qualified account and engineer certifying the proper tap-in fee according to the Second Class Township Code and the Municipal Authorities Act.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Supervisors of Shenango Township, Lawrence County, Pennsylvania, the following be enacted:

- A. That a tap-in fee of \$1,000.00 be charged for every unit connecting to said sewer system. This is based on a distribution/collection fee of \$1,000.00.
- B. That for the purposes of this Ordinance, a "unit" is equal to the following:
 - 1. a single family residential dwelling;
 - 2. an apartment;
 - 3. each separate residence in a multi-family dwelling.
- C. Non-residential properties shall be charge for tap-in fees under the following formula: anticipated sewage flow per day (in gallons) x \$1,000.

The minimum fee for non-residential properties shall be \$1,000.

- D. All sections of previous ordinances setting tap-in fees are hereby repealed, to the extent that they conflict with this ordinance.

This Ordinance shall become effective on July 9, 2004.

Attest:

Brian D. Tanner
Secretary

July 8, 2004

SHENANGO TOWNSHIP
BOARD OF SUPERVISORS

Larry A. Herman
Larry A. Herman

Sherry Wehr
Sherry Wehr

William A. Albertini
William A. Albertini

Shenango Township Sewer Department
Tap Fee Ordinance of 2004
Tap Fee Analysis of Cost
Ordinance Date: July 9, 2004

Calculation of Tap Fee (Distribution/Collection Part)

- 1a Cost of Main, hydrants, pumping stations allocated based on areas served
Historical Cost Less Grants Less Debt

Historical Cost

Costs of Project (See Calculation on Right)

Net Cost	3621200
Shenango Percentage	0.00%
Shenango Cost	0

Calculation of Present Cost (See Attachment)

Present Shenango Cost	# Customers	Tap Fee	% Cost	Tap Fee
Original Cost	2,996,056			
Present Cost-See Attach	7,238,015			
Less: Present Debt	(810,000)			
Net Present Cost	6,428,015	1,398	\$4,598	23.53%
Tap Fee Based on Present Cost			\$1,082	

-OR-

Total Cost	9,209,700
Less: Grants	(5,588,500)
Net Cost	3,621,200

Share Allocation

New Castle	255,335	7.05%
South NC Borough	369,809	10.21%
Shenango	2,996,056	82.74%
Share Cost	3,621,200	100.00%

Allocation of Original Tap Fee

Sewer Rate Recovery	540,356	18.04%
Assessment (FFA)	1,750,700	58.43%
Tap Fees	705,000	23.53%
Shenango Cost	2,996,056	100.00%

- 1b Facilities initially serving new customer, update historical cost by
increase fee by weighted average interest on debt since last increase (\$600)

Original Tap Fee	600
Weighted Average Rate-See Attach	4.83%
Present Tap Fee Allowed-See Attach	\$1,337

Tap Fee Cost	705,000
Number of Customers	1,175
Tap Fee	600

LIMITATIONS (IF ANY)

1. Design Capacity Limitations (Based on Sewer Facility System)

Tap Fee per unit of design capacity of said facility (new customer) shall not
exceed cost of facility divided by design capacity.

Design Capacity Limitation

Total Gallons: Consumption Quarter March 2002	179,247
Conversion Factor (x 750)	750
Total Gallon Factor	134,435,250
Gallon Per Day (Divided by 90)	1,493,725
Number of Shenango Customers	1398
Capacity Per Day	1,068

Definition of Design Capacity

Residential Customer Permitted or Rated
Capacity Expressed in Million Gallons Per Day

New Castle Engineer Report 2003

MGD (Million Gallon Day)	17 MGD
Number of Users System	18,997
Design Capacity Unit (Gallons Per Day)	895

Conclusion: Design Capacity Higher (1,068) than Sewer Facility System (895) - NO LIMITATION APPLIES

Shenango Township Sewer Department
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2. Design Capacity Addition Limitation Consideration (Based on Area Census)

Design Capacity (New Customer) used in calculation tap fee shall not exceed Amount by
 Multiplying 65 gallons per capita per day (water capacity) or 90 gallons per capita per day (sewer capacity)
 Times (x) Average Number of Persons Per Household (U.S. Census)

Sewer Capacity Formula:	Sewer Gallons	90
	Avg # Household	2.56
	Total	230
	Capita Shenango	7,633
	Total Gallons Per Day	1,758,643
	Number of Shenango Customers	1,398
	Capacity Per Day	1,258

Conclusion: Design Capacity Additional Limitation Higher (1,258) than Design Capacity (1,068) - NO LIMITATION APPLIES

2a Design Capacity Alternative Limitation Consideration (Based on Average Consumption Formula)

Average Residential Water Consumption per Residential Customers PLUS
 10% Average Residential Water Consumption EQUALS
 Total Consumption DIVIDED Number of Customers
 (Data provided by 12 Mo. Period Within Last 5 Years)

	Consumption Gallons	Conversion Factor	Total Gallon Consumption	Number of Customers	Average Cons. Per Customer
Quarter Ending 9/13/01	189,621	750	142,215,750	1,398	101,728
Quarter Ending 12/13/01	189,641	750	142,230,750	1,398	101,739
Quarter Ending 3/13/02	179,247	750	134,435,250	1,398	96,163
Quarter Ending 6/13/02	172,179	750	129,134,250	1,398	92,371
Quarter Average	98,000			Average	98,000
Daily Average	1,089				
Plus	10.00%				
Revised Daily Average	1,198				

Conclusion: Design Capacity Alternative Limitation Higher (1,198) than Design Capacity (1,068) - NO LIMITATION APPLIES

Summary

Tap Fee Based on Present Cost (See 1a)	\$1,082
Tap Fee Based on Weight Average Rate (See 1b)	\$1,337
Tap Fee Ordinance Adoption Fee	\$1,000

Shenango Township
Attachment to Tap Fee Analysis of Cost

Calculation of Weight Average Rate

Year	Rate	Weight	Weight Rate
1988	5.85%	1	5.85%
1989	5.85%	2	11.70%
1990	5.85%	3	17.55%
1991	8.00%	4	32.00%
1992	8.00%	5	40.00%
1993	8.00%	6	48.00%
1994	8.00%	7	56.00%
1995	3.40%	8	27.20%
1996	3.40%	9	30.60%
1997	3.70%	10	37.00%
1998	4.10%	11	45.10%
1999	4.10%	12	49.20%
2000	4.40%	13	57.20%
2001	4.40%	14	61.60%
2002	4.50%	15	67.50%
2003	4.60%	16	73.60%
2004	4.60%	17	78.20%
Total		153	738.30%
Divisor			153
Weighted Average Rate			4.83%

Present Cost Calculation

Year	Rate	Cost
		2,996,056
1988	5.85%	3,171,325
1989	5.85%	3,356,848
1990	5.85%	3,553,223
1991	8.00%	3,837,481
1992	8.00%	4,144,480
1993	8.00%	4,476,038
1994	8.00%	4,834,121
1995	3.40%	4,998,481
1996	3.40%	5,168,430
1997	3.70%	5,359,662
1998	4.10%	5,579,408
1999	4.10%	5,808,163
2000	4.40%	6,063,723
2001	4.40%	6,330,526
2002	4.50%	6,615,400
2003	4.60%	6,919,709
2004	4.60%	7,238,015

Present Tap Fee Calculation

Year	Rate	Cost
		600
1	4.83%	629
2	4.83%	659
3	4.83%	691
4	4.83%	724
5	4.83%	759
6	4.83%	796
7	4.83%	834
8	4.83%	875
9	4.83%	917
10	4.83%	961
11	4.83%	1,008
12	4.83%	1,056
13	4.83%	1,107
14	4.83%	1,161
15	4.83%	1,217
16	4.83%	1,275
17	4.83%	1,337