Lilly Borough Water Authority

RESOLUTION

Resolution No.: December 2018-2

A Resolution of the Lilly Borough Water Authority Providing for an Increase in the Water Tap Connection Fees

WHEREAS, Section 5607(d) of the Municipality Authorities Act authorizes an authority to impose "a tapping, customer facilities [and] connection fee . . . pursuant to a resolution adopted at a public meeting".; and

WHEREAS, Article V, Section 2 of the Lilly Borough Water Authority By-Laws (the "By-Laws") provides that the Lilly Borough Water Authority ("LBWA") "may . . . charge and collect reasonable rental and other charges for the use of the facilities of, or for the services rendered by the Authority".

NOW THEREFORE, **BE IT RESOLVED** by the LBWA that:

Section 1. There is hereby imposed a fee for all customer connections to the LBWA system in the amount of two thousand eight hundred and fifty dollars ($2,850.00). This fee consists of a connection fee, customer facilities fee and tapping fee. A detailed itemization of all calculations, clearly showing the maximum fees allowable for each part of the tapping fee and the manner in which the fees were determined is attached hereto and incorporated herein.

Section 2. Any Resolutions inconsistent herewith are hereby Repealed.

RESOLVED, this fifth day of December, 2018

LILLY BOROUGH WATER AUTHORITY

By: Paul Sklodowski

Paul C. Sklodowski - *Chairman*

Attest: Claudine M. Falger (Seal)

Claudine M. Falger - *Secretary*

Pursuant to the authorization of the Lilly Borough Water Authority, we have set forth the basis for computing the maximum fees to be charged to new customers of the Lilly Borough Water Authority's water system on the attached tables. The proposed method for cost recovery and maximum charge presented by the legislation are summarized for each component as follows:

Component of Schedule	Proposed Method	Maximum Charge (<150′)	Maximum Charge (>150′)
Connection Fee	Actual Cost	$895*	$895*
Customer Facilities Fee (<150′)	Actual Cost	$350**	
Customer Facilities Fee (>150′)	Actual Cost		$750**
Tapping Fee - Capacity Part	Reproduction Cost	$1,269	$1,269
Tapping Fee - Distribution Part	Reproduction Cost	$1,496	$1,496
Tapping Fee - Special Purpose Part	To be determined, if applicable		
Tapping Fee - Reimbursement Part	To be determined, if applicable		
	TOTAL	$4,010	$4,410

* All costs are based on standard 3/4" service line connections for materials purchased as of October 3, 2018. Larger service line connections (1", 2", 3", 4", 6", or 8") will be calculated to recover the actual cost incurred for the installation.

** All costs are based on standard (5/8" X 3/4") water meter installations and materials purchased as of October 3, 2018. Larger water meters (3/4", 1", 1-1/2", 2", 3", 4", 6", or 8") will be calculated to recover the actual cost incurred for the complete installation.

The maximum chargeable customer fees for the service area were developed in accordance with Pennsylvania Act 57 on the basis on an equivalent dwelling unit (EDU). An EDU shall be defined as the amount of water consumed each year for each residential use or 58,000 gallons of water consumed per year (65 gpcd) or 80,500 gallons of sewage discharged per year (90 gpcd) or estimated to be consumed/discharged per year for nonresidential use. These proposed fees represent the maximum charges allowed and may be reduced at the discretion of the Lilly Borough Water Authority. Based on input from the Lilly Borough Water Authority, the proposed customer fees are presented as follows:

CONNECTION TO AUTHORITY SYSTEM

Table No.	Customer Fee Type	Direct Tap (<150')	Meter Pit (>150')
II	Connection Fee	$500	$500
III	Customer Facilities Fee (<150')	$350	
	Customer Facilities Fee (>150')		$750
IV	Tapping Fee - Capacity Part	$1,000	$1,000
V	Tapping Fee - Distribution Part	$1,000	$1,000
-	Tapping Fee - Special Purpose Part	Established if applicable	
-	Tapping Fee - Reimbursement Part	Established if applicable	
	Total	$2,850	$3,250

CONNECTION TO DEVELOPER SYSTEM

Table No.	Customer Fee Type	Direct Tap (<150')	Meter Pit (>150')
II	Connection Fee	$500	$500
III	Customer Facilities Fee (<150')	$350	
	Customer Facilities Fee (>150')		$750
IV	Tapping Fee - Capacity Part	$1,000	$1,000
V	Tapping Fee - Distribution Part	N/A	N/A
-	Tapping Fee - Special Purpose Part	Established if applicable	
-	Tapping Fee - Reimbursement Part	Established if applicable	
	Total	$1,850	$2,250

Based on the foregoing, the Lilly Borough Water Authority should consider adopting a schedule of customer fees effective October 3, 2018, at their regular public meeting by specific resolution in accordance with the language of Act 57 of 2003.

Should you have any questions regarding this recommendation, please do not hesitate to contact us.

Very truly yours,

Daniel B. Slagle

Daniel B. Slagle, P.E.
Principal Engineer

DBS/SAM
Enclosure
cc: Michael S. Emerick, Esq. (w/enc.)

LILLY BOROUGH WATER AUTHORITY

Costs

Contract #	Project	Cost	Year Completed /Cost Index #	Tapping Component
1-91	Portage St. WLE	$133,230	June 91 4818	Distribution
10-91	Main St. WLR	$148,186	December 92 5059	Distribution
1-92	Tank, Foundation, and Site Work	$305,985	June 94 5408	Capacity
2-92	Waterline and System Modifications	$293,345	December 93 5310	Capacity
3-92	Well and Plant Modifications	$103,574	February 94 5371	Capacity
5-92	Water Meter Installation	$205,693	July 94 5409	Customer Facilities
1-96	Willow St. WLR	$ 79,493	May 97 5837	Distribution
14-00	Wood St. WLR	$227,926	June 02 6532	Distribution
1-08	Water System Improvement Project	$866,001	July 2010 8858	Distribution
	Emergency Interconnection	$33,094	November 2015 10092	Capacity
	Well #1 Deepening	$42,232	August 2016 10385	Capacity

LILLY BOROUGH WATER AUTHORITY

NET REPRODUCTION COST COMPUTATION

TABLE I

Water Capacity Facilities		Actual Cost*	Cost Index**	Indexed Cost
A. ORIGINAL SYSTEM				
Waterline & System Modifications	$	293,345	11170/5310	$ 617,074
Tank, Foundation, & Site		305,985	11170/5408	631,999
Well & Plant Modifications		103,574	11170/5371	215,402
Total	$	702,904		
Total Reproduction Cost Indexed to September 2018				$1,464,475
B. Outstanding Debt PENNVEST				$ 0
C. Grants				$(115,500)
D. Net Reproduction Cost (A-B-C)				$1,348,975
A. IMPROVEMENT PROJECT				
Emergency Interconnection	$	33,094	11170/10092	$ 36,629
Well #1 Deepening		42,232	11170/10385	45,424
Total	$	75,326		
Total Reproduction Cost Indexed to September 2018				$ 82,053
B. Outstanding Debt PENNVEST (75,326/941,327)*584,546				$ (46,776)
C. Grants (75,326/941,327)*50,000				$ (4,001)
D. Net Reproduction Cost (A-B-C)				$ 31,276
Total Net Reproduction Cost (D+D)				$1,380,251

* Costs are based on the project costs on the date of substantial completion.

** Construction Cost Index is based on published index at date of substantial completion compared to current index for September 2018. Cost index is based on the Engineering News Record Quarterly Cost Report published by McGraw-Hill Inc.

Water Distribution Facilities	Actual Cost*	Cost Index**	Indexed Cost
A. Water Transmission Lines			
Portage Street WLE	$ 133,230	11170/4818	$ 308,879
Main Street WLR	148,186	11170/5059	327,187
Willow Street WLR	79,493	11170/5837	152,122
Wood Street WLR	227,926	11170/6532	389,763
Total	$ 588,835		
Total Reproduction Cost Indexed to September 2018			$1,177,951
B. Outstanding Debt PENNVEST			$ 0
C. Grants			$ (59,500)
D. Net Reproduction Cost (A-B-C)			$1,118,451
A. Water Transmission Lines			
Water System Improvement Project	$ 866,001	11170/8858	$1,092,033
Total	$ 866,001		
Total Reproduction Cost Indexed to September 2018			$1,092,033
B. Outstanding Debt PENNVEST (866,001/941,327)*584,546			$(537,770)
C. Grants (866,001/941,327)*50,000			$ (45,999)
D. Net Reproduction Cost (A-B-C)			$ 508,264
Total Net Reproduction Cost (D+D)			$1,626,715

* Costs are based on the project costs on the date of substantial completion.

** Construction Cost Index is based on published index at date of substantial completion compared to current index for September 2018. Cost index is based on the Engineering News Record Quarterly Cost Report published by McGraw-Hill Inc.

LILLY BOROUGH WATER AUTHORITY

AVERAGE HISTORICAL COST - MAXIMUM CONNECTION FEE

TABLE II

	Typical Short Side Service*		Typical Long Side Service*	
Residential Service Materials*				
Corporation Cock (3/4")	1 -	$ 31	1 -	$ 31
Curb Stop (3/4")	1 -	49	1 -	49
Curb Box & Rod	1 -	40	1 -	40
Copper Tubing (LF-3/4" Type K)	10 -	37	40 -	148
Stone Backfill (Tons)	1.5 -	18	3 -	36
Asphalt Restoration (Tons)	1 -	94	2 -	188
Total Material Cost		$269		$492
Labor & Equipment Costs				
Backhoe Utilization (Hours)	2 -	$120	4 -	$240
Mole Utilization (Hours)	0 -	0	4 -	120
Work Crew (Manhours)**	6 -	150	16 -	400
Total Labor & Equipment Cost		$270		$640
Total Connection Costs		$539		$1,252
AVERAGE HISTORICAL COST***		$895		

* All costs are based on standard 3/4" service line connections for materials purchased as of October 3, 2018. Larger service line connections (1", 2", 3", 4", 6", or 8") will be calculated to recover the actual cost incurred for the installation.

** Labor costs do not include inspection costs or permit fees imposed by Lilly Borough Water Authority, Cambria County, or the Pennsylvania Department of Transportation, which shall be added directly to the connection cost if applicable.

*** Average historical cost does not include inspections costs or permit fees imposed by Lilly Borough Water Authority, Cambria County, or the Pennsylvania Department of Transportation, which shall be added directly to the connection cost if applicable.

LILLY BOROUGH WATER AUTHORITY

AVERAGE HISTORICAL COST - MAXIMUM CUSTOMER FACILITIES FEE

TABLE III

Residential Service Component (≤150')*	Component Cost
Inspection of Service Line Extension (1/2 Manhour)**	$ 30
Standard Water Meter & Remote (5/8" X 3/4")	195
Labor for Meter Installation (4 Manhours)	100
Miscellaneous Hardware	25
Total Average Historical Cost Per Service	$350

Residential Service Component (≥150' w/meter pit)*	Component Cost
Inspection of Service Line Extension (1/2 Manhour)**	$ 30
Standard Water Meter & Remote (5/8" X 3/4")	195
Meter Pit	400
Labor for Meter Installation (4 Manhours)	100
Miscellaneous Hardware	25
Total Average Historical Cost Per Service	$750

* All costs are based on standard (5/8" X 3/4") water meter installations and materials purchased as of October 3, 2018. Larger water meters (3/4", 1", 1-1/2", 2", 3", 4", 6", or 8") will be calculated to recover the actual cost incurred for the complete installation.

** Labor costs do not include inspection costs or permit fees imposed by Lilly Borough Water Authority, Cambria County Health Department, or the Pennsylvania Department of Transportation, which shall be added directly to the cost to be recovered, if applicable.

LILLY BOROUGH WATER AUTHORITY

MAXIMUM TAPPING FEE COMPUTATION - CAPACITY PART

TABLE IV

A. Net Reproduction Cost (from Table 1) $1,380,251

B. Design Capacity*

Maximum Well Pumping Rate 120 gpm

$$\frac{120 \text{ gpm} \times 1440 \text{ min/day} \times 365 \text{ days/year}}{58{,}000 \text{ gpy/EDU}} = 1{,}087 \text{ EDUs}$$

C. Maximum Tapping Fee - Capacity Part

$$\frac{\text{Net Reproduction Cost}}{\text{Design Capacity}} = \frac{\$1{,}380{,}251}{1{,}087 \text{ EDUs}} = \$\ 1{,}269$$

LILLY BOROUGH WATER AUTHORITY

MAXIMUM TAPPING FEE COMPUTATION - DISTRIBUTION PART

TABLE V

A. Net Reproduction Cost (from Table 1) $1,626,715

B. Potential Customer Base

1,087 EDUs

C. Maximum Tapping Fee - Capacity Part

$$\frac{\text{Net Reproduction Cost}}{\text{Customer Base}} = \frac{\$1{,}626{,}715}{1{,}087 \text{ EDUs}} = \$\ 1{,}496$$

* Well Allocation Limited to 172,800 gpd as per PaDEP.

LILLY BOROUGH WATER AUTHORITY

WATER SERVICE SYSTEM

SCHEDULE 1

CONNECTION TO AUTHORITY SYSTEM

	Component	Method of Calculation	Direct Tap (<150')	Meter Pit (>150')
1.	Connection Fee	Actual Cost	$ 500*	$ 500*
2.	Customer Facilities Fee (<150')	Actual Cost	$ 350**	
	Customer Facilities Fee (>150')	Actual Cost		$ 750**
3.	Tapping Fee			
	- Capacity Part	Reproduction Cost	$1,000	$1,000
	- Collection Part	Reproduction Cost	$1,000	$1,000
	- Special Purpose Part	Reproduction Cost	Established if applicable	
	- Reimbursement Part	Construction Cost	Established if applicable	
		TOTAL	$2,850	$3,250

CONNECTION TO DEVELOPER SYSTEM

	Component	Method of Calculation	Direct Tap (<150')	Meter Pit (>150')
1.	Connection Fee	Actual Cost	$ 500*	$ 500*
2.	Customer Facilities Fee (<150')	Actual Cost	$ 350**	
	Customer Facilities Fee (>150')	Actual Cost		$ 750**
3.	Tapping Fee			
	- Capacity Part	Reproduction Cost	$1,000	$1,000
	- Collection Part	Reproduction Cost	N/A	N/A
	- Special Purpose Part	Reproduction Cost	Established if applicable	
	- Reimbursement Part	Construction Cost	Established if applicable	
		TOTAL	$1,850	$2,250

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