

CITY COUNCIL

READ FILE COVER SHEET

Subject: **Ordinance 1145 concerning Amending Chapter 196 pertaining to City Water Capital Cost Recovery Charge (Public Hearing)**

Date: **3/5/2024**

Notice: Any comments made after 5:00 p.m. on the Thursday before the Council Meeting will not be seen in the agenda packet.

- Purpose:
- FYI
 - Read and Comment as Needed**
 - Action Required by March 18, 2024**
 - In Confidential File Drawer

Approve:

Johnny Boker Yes No No Comment
Comment: _____

Casi Boyer Yes No No Comment
Comment: _____

Vicki Jones Yes No No Comment
Comment: _____

Jim Ringsaker Yes No No Comment
Comment: _____

Jason Robertson Yes No No Comment
Comment: _____

Tammy Lynn Schneegas Yes No No Comment
Comment: _____

Note: N/A

WATER AND SEWER RATES

196 Attachment 1

City of Havre de Grace

EXHIBIT A

HAVRE DE GRACE WATER AND SEWER COST SCHEDULE

1. WATER SERVICE WITHIN THE CITY. Beginning July 1, 2023, the basic rate for City water service shall be \$6.80 per 1,000 gallons delivered. Beginning July 1, 2024, the basic rate for City water service shall be \$6.80 per 1,000 gallons delivered. Beginning July 1, 2025, the basic rate for City water service shall be \$6.80 per 1,000 gallons delivered. Such users shall pay the basic rates in effect when billed. User charges shall be payable quarterly upon receipt of bill. [Amended 5-18-2009 by Ord. No. 905; 5-17-2010 by Ord. No. 916; 6-6-2011 by Ord. No. 931; 5-21-2012 by Ord. No. 939; 5-20-2013 by Ord. No. 947; 6-2-2014 by Ord. No. 955; 6-1-2015 by Ord. No. 969; 5-16-2016 by Ord. No. 981; 5-15-2017 by Ord. No. 989; 5-21-2018 by Ord. No. 1003; 5-20-2019 by Ord. No. 1017; 5-18-2020 by Ord. No. 1034; 5-17-2021 by Ord. No. 1053; 5-16-2022 by Ord. No. 1077; 5-15-2023 by Ord. No. 1108]
2. BULK WATER PURCHASES. Beginning July 1, 2015, such users shall pay the basic rate for water with a minimum purchase of 2,000 gallons of water. Bulk purchase charges shall be billed monthly with a \$25 administrative charge and a \$10 debt service fee per bill. [Amended 6-1-2015 by Ord. No. 969]
3. CITY SEWER CHARGES WITHIN THE CITY. Beginning July 1, 2023, the basic rate for City sewer service shall be \$10.20 per 1,000 gallons of water delivered. Beginning July 1, 2024, the basic rate for City sewer service shall be \$10.20 per 1,000 gallons delivered. Beginning July 1, 2025, the basic rate for City sewer service shall be \$10.20 per 1,000 gallons delivered. Such users shall pay the basic rate in effect when billed. [Amended 5-18-2009 by Ord. No. 905; 5-17-2010 by Ord. No. 916; 6-6-2011 by Ord. No. 931; 5-21-2012 by Ord. No. 939; 5-20-2013 by Ord. No. 947; 6-2-2014 by Ord. No. 955; 6-1-2015 by Ord. No. 969; 5-16-2016 by Ord. No. 981; 5-15-2017 by Ord. No. 989; 5-21-2018 by Ord. No. 1003; 5-20-2019 by Ord. No. 1017; 5-18-2020 by Ord. No. 1034; 5-17-2021 by Ord. No. 1053; 5-16-2022 by Ord. No. 1077; 5-15-2023 by Ord. No. 1108]
4. WATER OR SEWER USERS OUTSIDE OF THE CITY.
 - A. Current users of City water or sewer service, whose property is located outside of the City limits, and connected prior to July 1, 1999, shall pay 200% of the basic rate in effect when used. All user charges shall be paid quarterly upon receipt of the bill.
 - B. Users whose property is located outside of the City limits and which is connected to the City water or sewer service after July 1, 1999, shall pay the basic rate in effect when used, and in addition, shall be required to enter into a service contract and shall pay a service participation assessment equal to 75% of the City property tax if the

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property were located within the City. All user charges shall be paid quarterly upon receipt of the bill.

- C. Anything contained in this Schedule to the contrary notwithstanding, in accordance with the May 18, 2001, Settlement Agreement between Harford County, Maryland, the Mayor and City Council of Havre de Grace, the Maryland Public Service Commission, and certain County property owners (the "PSC Agreement"), the following clarifications are hereby adopted to this Paragraph 4 of Schedule to ensure compliance with the PSC Agreement:
- (i) The seventy-five-percent service participation assessment shall apply only to the parcels of land located in the County which are connected to the City water system after July 1, 1999. Owners of parcels of land in the County connected to the City water supply system prior to July 1, 1999 ("current County customers"), are exempt from the seventy-five-percent service participation assessment; however, such owners shall pay the base service fee and 200% of the basic water rate in effect when used.
 - (ii) The current County customers are also exempt from paying current capital cost recovery charges, past connection charges and past service contract charges. Only County users connected to the City water system after July 1993 are required to pay the user benefit assessment.
 - (iii) The term "user" as it appears in this Schedule A includes a current County customer, and includes the current owner and future owner of the property benefited by the City water system.
 - (iv) Any current County customers who either: (1) subdivide their property to create one new lot or parcel, to which they seek water service; or (2) request a new connection to one already subdivided lot or parcel that was previously not connected to the City water system; or (3) request a new connection to one other building on the property that was previously not connected to the City water system, shall not be assessed the seventy-five-percent service participation assessment. The new connection shall be required to pay all of the other charges, namely: capital cost recovery charges; connection charges; user benefit assessment; base service fee; water meter charges; service contract charges; plus 200% of the basic water rate in effect when used. The City will not "grandfather" parcels that are then subdivided into many parcels with water service provided by the City.
 - (v) The seventy-five-percent service participation assessment shall not apply to County residents who are forced to connect to the City water system by order or requirement of the Harford County Health Department or Maryland Department of the Environment ("MDE"); however, said owner or the MDE, where it so consents, shall be responsible for all other charges, namely: capital cost recovery charges; connection charges; user benefit assessment; base service fee; water meter charges; service contract charges; plus 200% of the basic water rate in effect when used.

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- D. Beginning January 7, 2019, only those addresses that are within the corporate limits of the City of Havre de Grace shall be provided with sewer service. Any addresses outside the corporate limits of Havre de Grace receiving City sewer services prior to January 7, 2019, shall not be affected. **[Added 1-7-2019 by Ord. No. 1010]**
5. **CAPITAL COST RECOVERY CHARGES.** **[Amended 5-18-2009 by Ord. No. 905; 5-17-2010 by Ord. No. 916; 5-2-2011 by Ord. No. 927; 5-20-2013 by Ord. No. 949; 6-1-2015 by Ord. No. 969; 5-15-2017 by Ord. No. 989; 5-21-2018 by Ord. No. 1003; 1-7-2019 by Ord. No. 1010; 5-20-2019 by Ord. No. 1017; 5-18-2020 by Ord. No. 1034; 5-17-2021 by Ord. No. 1053; 5-16-2022 by Ord. No. 1077; 5-15-2023 by Ord. No. 1108]**
- A. Capital cost recovery charges are applicable to any new connections to the system that increase the demand on the water and sewer system. This includes changes in the use of an existing structure which increase the demand on the system as determined by fixture unit calculations. Capital Cost Recovery Charges are not applicable to the replacement of a residence or the redevelopment of a property, provided such replacement or redevelopment occurs within three years from the disconnection from the water and/ or sewer system prior to the issuance of a use and occupancy permit, and the replacement or redevelopment of the property does not increase the demand on the system as determined by fixture unit calculations.
- B. The charges are as follows:
1. Residential units:
 - a. Water: **[\$5,300, July 1, 2023 to] \$10,300.00, March 19, 2024 through June 30, 2024**, per unit.
 - b. Sewer: \$13,200, July 1, 2023 to June 30, 2024, per unit.
 2. Commercial/Industrial units:
 - a. Charge determined by calculation of water use and type of sewer production above and beyond one residential capital cost recovery charge, which is the minimum fee.
 - b. Charge for fire suppression use. Any commercial sprinkler system, stand pipe system, or combination thereof, will be assessed a capital cost recovery charge for water only. Charges will be based upon units of flow and charged at the residential rate per unit. One unit will be equal to a flow rate of 220 gallons per minute (220 gpm) i.e., 1 to 220 gpm will equal 1 unit; 221 to 440 gpm will equal 2 units; 441 to 660 gpm will equal 3 units; 661 to 880 gpm will equal 4 units; and so on). A unit will be calculated using a factor of 10% of the total peak flow of the entire sprinkler system, stand pipe system or a total combination of both systems. All commercial sprinkler systems and stand pipe systems will be supplied by a dedicated line from the street main and shall be equipped

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with the proper back flow preventers and a meter. Upon installation, the customer will be responsible for all charges associated with the connection to the City water system. Each installed system will have the meter read quarterly and will be billed for the base service charge, as hereinafter defined in Paragraph 10, and any gallons used.

6. CONNECTION CHARGES. [Amended 1-7-2019 by Ord. No. 1010]

A. A connection charge shall be charged and payable upon application for a building permit for all new construction. For previously unconnected units, or, if no building permit is required, the connection charge will be payable prior to the installation or connection. Any costs resulting from any reconstruction requiring the installation of a new line shall be paid by the user, subject to any credits as determined by the Department of Public Works. Installation of new sewer service by the City shall be from the property line, as determined by the City, to the main sewer line, up to 70 feet of new pipe. New water or sewer service includes one initial visit to connect to water or sewer main; return visits caused by customer delays will result in an additional service charge of \$100 per visit.

1. "IN-FILL" CONSTRUCTION: The City's Department of Public Works shall assume all installations of new water and/or sewer services on any "in-fill" construction where a lot (subdivided or not) will create three or less connections or on those "in-fill" lots (subdivided or not) whereby the Director of DPW and Director of Planning agree the City should make the connections from the property line, as determined by the City, to the main water or sewer line. The material and labor costs are as follows:

A) Water - one inch line:

- a. Located less than or equal to four feet in depth: \$3,606.
- b. Located greater than four feet in depth: \$4,123.
- c. Abandoned at the main: \$1,200.

B) Sewer - six inch line:

- a. Located less than or equal to five feet depth: \$2,872.
- b. Located greater than five feet in depth: \$3,446.
- c. Lateral abandoned at main: \$1,200.

2. The connection charge does not include an extension of the existing water or sewer main; it includes ONLY the service connection. New water or sewer service includes one initial visit to connect to water or sewer main; return visits caused by customer delays will result in an additional service charge of \$100 per visit.

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- B. If, after application, a building permit is not issued, the connection charges shall be refunded, minus a one-hundred-dollar administrative charge. In the event that the main to which the required connection is made is located in a roadway maintained by the Maryland State Highway Administration, (SHA) or if the connection is located totally or partially under such a state-maintained roadway, an additional fee may be charged by the City. The additional fee, if necessary shall be determined at the time of the building permit application. NOTE: Acquiring a SHA permit may cause delays in the project.

7. GENERAL SERVICE CHARGES. [Amended 1-7-2019 by Ord. No. 1010]

- A. Water meter charges are payable upon application for a building permit or, if no permit is required, prior to the installation of each new meter. If, after application, a building permit is not issued, the water meter charges shall be refunded, less an administrative charge of \$100.
- B. The service charges listed are not for new infill construction (See Section 6A1 of this schedule.) and are quoted as minimum charges and may be subject to increase based upon the time and materials needed to perform all work necessary for that operation; labor charges are based on a rate of \$50 per hour or portion thereof per person.

Type	Charges
5/8-inch Meter only	\$200
3/4-inch Meter only	\$250
1-inch Meter only	\$330
1 1/2- inch Meter only	\$500
2-inch Meter only	\$680

*Note: The standard sewer cleanout and water meter placement is 18 inches behind the curb.

- A. Service charges note: All service fees listed in this schedule are quoted as minimum charges and may be subject to increase based upon the time and materials needed to perform all work necessary for that operation; labor charges are based on a rate of \$50 per hour or portion thereof per person.

Type	Charges
(**At customer's request)	
**Water turn on/off (includes two trips: one on, one off, or vice versa)	\$25

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Water shutoff due to nonpayment	\$25
Water turn on after nonpayment satisfied	\$25
**Water meter calibration	\$50
**Water leak check	\$25
**Water meter reading	\$25
**After-hours water service	\$50
Waterline disconnect without curb stop	\$1,200
Waterline disconnect with curb stop	\$250
Sewer line disconnects:	
Without cleanout (Labor and Materials additional)	\$500
Abandonment or demolitions	\$1,200

8. INDUSTRIAL PRETREATMENT CHARGES. All significant industrial users and all persons who discharge industrial wastewater containing pollutants in concentrations in excess of that specified in the Havre de Grace Water and Sewers Ordinance (as amended from time to time) shall pay a pretreatment monitoring surcharge of \$0.50 per 1,000 gallons of metered water.

9. BOD SURCHARGES. All significant industrial users who discharge industrial wastewater containing BOD in concentrations in excess of 200 milligrams per liter shall pay a BOD surcharge in the amount of \$0.50 per pound of BOD discharged in excess of 200 milligrams per liter. The BOD surcharge shall be assessed on the average BOD concentration less the permitted concentration of 200 milligrams per liter. The average BOD concentration shall be determined by the Director of Public Works through periodic sampling in a manner and frequency determined by the Director.

10. BASE SERVICE CHARGE AND INFRASTRUCTURE REINVESTMENT PROGRAM CHARGE. [Amended 5-18-2009 by Ord. No. 905; 5-17-2010 by Ord. No. 916; 6-6-2011 by Ord. No. 931; 6-1-2015 by Ord. No. 969; 5-15-2017 by Ord. No. 989; 5-21-2018 by Ord. No. 1003; 5-20-2019 by Ord. No. 1017; 5-18-2020 by Ord. No. 1034; 5-17-2021 by Ord. No. 1053; 5-16-2022 by Ord. No. 1077; 5-15-2023 by Ord. No. 1108]
 - A. A base service charge will be included on each quarterly water and/or sewer bill. The amount of the charge will be based upon the size of the water meter connected to the City water system, and the rates in effect beginning July 1, 2023, are as follows:

Meter Size (inches)	Quarterly Base Service Charge
5/8	\$20
3/4	\$20
1	\$20
1 1/2	\$85
2	\$130
3	\$210
4	\$350
6	\$550
8	\$885

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- B. Any water meter connected to the City water system that is used solely for the purpose of supplying a fire suppression system, regardless of the meter size, shall be charged the base service charge as a one-inch meter.
- C. An infrastructure reinvestment program service charge will be included on each quarterly water and/or sewer bill. The amount of the charge will be based upon the size of the water meter connected to the City water system, and the rates in effect beginning July 1, 2023, are as follows:

Meter Size (inches)	Quarterly IRP Service Charge
5/8	\$30
3/4	\$30
1	\$30
1 1/2	\$100
2	\$200
3	\$300
4	\$400
6	\$1,000
8	\$1,000

- D. Any water meter connected to the City water system that is used solely for the purpose of supplying a fire suppression system, regardless of the meter size, shall not be charged the infrastructure reinvestment program service charge.

11. USER BENEFIT ASSESSMENTS. A user benefit assessment shall be charged and payable upon application for a building permit for all new construction. If, after application, a building permit is not issued, the user benefit assessment shall be refunded less an administrative charge of \$100. For previously unconnected units, or, if no building permit is required, the user benefit assessment will be payable prior to the installation or connection. In the event of the renovation or replacement of an existing structure, the user benefit assessment shall only apply to the extent changes in use of the completed structure increases the demand on the system as determined by the Department of Public Works based on fixture unit calculations.

A. Prior to April 1, 2004:

- (i) Residential units.
 - (a) Residential water: \$1,750 per unit.
 - (b) Residential sewer: \$1,750 per unit.

An installment payment toward the assessment in the amount of \$70 is due and payable on July 1 of each year following the year of the initial \$70 installment payable at the time of building permit, and shall apply for a period of 24 years beyond the initial payment. At the request of the

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user, the user benefit assessment may be paid in lump sum rather than over a twenty-five-year period and shall be discontinued after full payment.

(ii) Commercial units, payable prior to the issuance of a building permit.

- (a) Water – standard charge: \$140 per unit. Additional charge based on the number of cost recovery units (30 standard fixture units).
- (b) Sewer – standard charge: \$140 per unit. Additional charge based on the number of cost recovery units (30 standard fixture units).

B. On or after April 1, 2004, and prior to January 1, 2007:

(i) Residential units, payable prior to issuance of a building permit.

- (a) Residential water: \$2,500 per unit.
- (b) Residential sewer: \$3,125 per unit.

(ii) Commercial units, payable prior to the issuance of a building permit. Commercial (industrial) assessment determined by calculation of water use and type of sewer production above and beyond one residential capital cost recovery charge which is the minimum assessment.

C. On or after January 1, 2007:

(i) Residential and commercial units shall not be required to pay a separate user benefit assessment as it has been consolidated with a capital cost recovery charge.

12. SERVICE CONTRACT CHARGES. Service contract charges for users that are not City residents who are connected after July 1, 1999, include one-time charges for administrative expenses equal to \$200, attorney's fees of \$250 and any reasonable costs or expenses, including, but not limited to, costs and expenses for acquisition of rights-of-way, engineering, construction or surveying.

13. COLLECTION. A late charge equal to 1.5% per month shall be added to any amount unpaid and outstanding 30 days after billing and monthly thereafter until the outstanding amount is paid in full. The rates and charges set forth in this chapter and schedule are chargeable against all property that is connected to any water or sewer pipe that the City owns or supervises. All charges assessed under this chapter, including principal rates and charges, interest, and collection costs, shall be collected and secured in the same manner as general ad valorem taxes and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency, as is provided for ad valorem taxes. Additionally, all charges assessed under this chapter, including principal rates and charges, interest, and collection costs, shall be subject to the same penalties for overdue taxes, including additional penalties, provided for in Chapter 177, Article III, of the City Code. The responsible party shall pay collection costs, including the City's actual attorney

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fees, should the City engage the services of any attorney to collect an unpaid bill. **[Amended 6-6-2011 by Ord. No. 931]**

14. DISCONNECTION CHARGES; INCENTIVE PROGRAM. After completion of an application, and acceptance of the same by the City Planning Department, other than the demolition permit fee, the City shall not charge the costs and fees for water line or sewer line disconnections where a single-family detached dwelling or a duplex dwelling is demolished and rebuilt and a use and occupancy permit is issued for the rebuilt dwelling on the same lot within four years of the date of the demolition permit. The City shall not charge for meter removal or in kind meter reinstallation on the same conditions noted above. Notwithstanding anything stated hereinabove, the City shall provide a one for one credit for water and sewer capital cost recovery charges for any demolition and rebuild that meets the above requirements. The City shall provide the property owner with a list of all of the charges and fees that were eligible to be waived under this incentive program. Should any use and occupancy permit not be issued within the abovementioned four-year period, the City shall place a lien against the property for all of the City's expenses and fees that otherwise would have been charged. This incentive program shall begin January 1, 2015, and expire on December 31, 2020. **[Added 12-1-2014 by Ord. No. 963]**