

DAUPHIN BOROUGH MUNICIPAL AUTHORITY

RESOLUTION NO. 2022-1

TAPPING FEE RESOLUTION

A RESOLUTION OF THE DAUPHIN BOROUGH MUNICIPAL AUTHORITY CHARGING A TAPPING FEE AGAINST THE OWNER OF EACH PROPERTY WHO CONNECTS SUCH PROPERTY TO DAUPHIN BOROUGH MUNICIPAL AUTHORITY'S SANITARY SEWER SYSTEM; PROVIDING FOR THE MANNER OF PAYMENT OF TAPPING FEES; AND PROVIDING FOR ENFORCEMENT OF PAYMENT OF TAPPING FEES.

BACKGROUND

WHEREAS, Dauphin Borough Municipal Authority ("Authority") is a municipality authority existing under and governed by the Pennsylvania Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented (the "Authorities Act"); and

WHEREAS, this Authority, pursuant to authority vested in it by law and pursuant to the request and consent of Dauphin Borough, has acquired and maintains certain sanitary sewer collection, transportation and treatment facilities (the "Sewer System") required for rendering wastewater treatment service in and for portions of the Dauphin Borough and Middle Paxton Township; and

WHEREAS, this Authority has the power and the authority under the Authorities Act, as amended by Act 57 of 2003, to charge a tapping fee whenever the owner of any property connects such property with the Sewer System; and

WHEREAS, the Authorities Act was amended by the Act of December 30, 2003, P.L. 308, No. 57, §1, 53 Pa.C.S.A. §5607, in order to, *inter alia*, prescribe the method for calculating a tapping fee where such fee is authorized by resolution; and

WHEREAS, it is the decision of this Authority that provision for payment of part of the cost of existing facilities and the cost of additional facilities should be made the responsibility of the persons or entities that benefit from the use of the system facilities and contribute to the necessity for such additional facilities the amount of which shall not exceed the cost of the following fee components as more fully set forth herein:

1. The capacity part for capacity-related general system facilities including, but not limited to, treatment pumping, transmission, trunk, and interceptor mains, and sludge treatment or disposal, to provide existing service and future capacity-related facilities to provide future services as restricted therein.
2. The distribution or collection part for distribution and collection related facilities such as mains and pumping stations required to provide existing services.
3. Special purpose part for special purpose facilities applicable only to a particular group of customers, serving a particular purpose, or serving a specific area, based on the cost of such facilities, including but not limited to those facilities that provide existing services.

4. Reimbursement part, which is applicable to the users of certain specific facilities funded by a land developer, being an amount necessary to recapture the allocable portions of said facilities in order to reimburse the property owner at whose expense such facilities were constructed.

NOW, THEREFORE, be it **RESOLVED** by the Dauphin Borough Municipal Authority, and it is hereby **RESOLVED** as follows:

Section 1. Unless the context specifically and clearly indicates otherwise, the meaning of the terms used in this Resolution shall be as follows:

- A. "Authority" means Dauphin Borough Municipal Authority, Dauphin County, Pennsylvania, a municipality authority existing under and governed by the Pennsylvania Municipality Authorities Act of 1945.
- B. "Commercial" means any room, group of rooms, building, or enclosure used or intended for use in the operation of one or more business enterprises for the sale and distribution of any product, commodity, article or service or use, or intended for use for any social, amusement, religious, education, charitable, or public purpose and containing plumbing facilities for kitchens, toilet or washing facilities.
- C. "Equivalent Dwelling Unit (EDU)" shall mean 225 gallons per day ("gpd") pursuant to the guidelines set forth in Act 57 for calculating residential flow contributions for the purpose of assessing tapping fees for use of the sewer system. All residential uses, including single family residences, detached houses, row houses, duplexes, condominiums, cooperatives, apartment units, and residential trailers shall be considered one EDU for the purposes described herein.
- D. "Improved Property" shall mean any property within any municipality serviced by the Authority upon which there is a structure intended for continuous or periodic habitation, occupancy, or use by human beings or animals and from which structure sewage shall or may be discharged.
- E. "Industrial" means any room, group of rooms, building, or other enclosure used or intended for use in whole or in part, in the operation of one or more business enterprises for manufacturing, fabricating, processing, cleaning, laundering, or assembling from which any waste, as distinct from sanitary sewage, shall be discharged.
- F. "Municipality" refers to Dauphin Borough.
- G. "Owner" means any individual, partnership, company, association, society, trust, corporation, or other group or entity which owns real property within any municipality serviced by this Authority.
- H. "Person" means any natural person, partnership, association, firm, or corporation. The singular shall include the plural, and the masculine shall include the feminine and the neuter.

- I. "Residential Customer" means any person owning or occupying a residential property which is connected to or entitled to connect to the sanitary Sewer System of Dauphin Borough Municipal Authority and shall also include those persons developing property for residential dwellings that require multiple tapping fee permits.

Section 2. No persons shall connect any Improved Property with any part of the Sewer System without first making application for and securing a permit, in writing, from Dauphin Borough. Such application shall be made on a form provided by Dauphin Borough and approved by the Dauphin Borough Municipal Authority.

Section 3. There is hereby and imposed a tapping fee upon the Owner of each Residential, Commercial, or Industrial Property (other than such owner who is subject to contractual or special agreements providing for payment of certain sums or the dedication of certain facilities in lieu of a tapping fee) making any such connection to the Sewer System in the Municipality, regardless of whether such connection is direct or indirect, including changing the type of use of property previously connected or connecting one or more new uses of the types hereinafter referred to through an existing connection, and regardless of whether such property is connected separately or through one or more existing or new lateral or sewer connection or such collection line is owned by the Authority or owned by any Owner other than the Authority. Such tapping fee is based upon the fee scheduled duly adopted herewith. The tapping fee shall be in addition to any charges assessed against the owner in the construction of a sewer main, as well as any other user charge imposed.

Section 4. The 2022 Calculation of Tapping Fee pursuant to Act 57 of 2003 ("Tapping Fee Calculation"), prepared for Dauphin Borough Municipal Authority by Light-Heigel & Associates, Inc., setting forth a detailed itemization of all calculations showing the maximum fee and the manner in which the maximum fee was determined, is hereby approved. A copy of said Tapping Fee Calculation is attached hereto as **Exhibit "A"** and incorporated herein by reference. The Tapping Fee Calculation concludes, in accordance with Act 57, that the maximum allowable tapping fee per residential connection (per EDU) is \$11,013.27.

Section 5. By authority granted under the Authorities Act, and in accordance with Act 57, this Authority hereby establishes and fixes the tapping fee at \$8,000.00 per EDU for all properties in each Municipality required to connect to the Sewer System.

Section 6. Each EDU shall be charged separately even though two or more domestic units are or will be connected to either new or old connection lines through a single connection (a wye or a manhole). For non-residential Owners (Commercial or Industrial) the number of EDUs to be assigned to each Owner shall be determined from the nature of the establishment and estimated and actual loads which may be or are discharged into said collection lines. Whenever actual loads exceed estimates, an additional tapping fee shall be charged.

Section 7. Where any Improved Property connected to said collection line shall be converted, enlarged, or remodeled or additional buildings or dwelling units shall be constructed on a property and connected indirectly into said collection line through an existing lateral, so as to create or establish additional uses as classified in Section 6 hereof, an additional tapping fee determined in accordance with Section 6 hereof for each additional use shall be payable to the Authority by the owner of said property.

Section 8. The tapping fee imposed hereunder shall be in addition to:

- A. Any connection fee, inspection charge, or administrative fee imposed by the Authority or the municipality;
- B. Any customer facilities fee imposed by the Authority or the municipality; and
- C. Any rental or other charges fixed, charged or imposed by the Authority or municipality by reason of the use, or availability of use, of the sewer system by such property.

Section 9. The tapping fee shall be due and payable at the time application is made to the Municipality to make any such connection to the sewer system, as provided in Section 2, or upon a date when the Municipality shall connect any such improved property to the sewer system, at the cost and expense of the Owner, when such Owner shall have failed to make such connection as required by the Municipality pursuant to the provisions of the ordinance then in effect requiring such connection.

Section 10. All tapping fees shall be payable to Dauphin Borough.

Section 11. Payment of tapping fees charged by this Authority pursuant to this Resolution may be enforced by this Authority, or by delegation by Dauphin Borough, in any manner appropriate under laws at the time in effect.

Section 12. The Authority reserves the right, from time to time, to adopt modifications of, supplements to, or amendments of this Resolution, and to reverse and substitute, from time to time, the Tapping Fee Calculation attached hereto as Exhibit "A", which shall be available for public inspection, to reflect appropriate amendments to the cost components, design capacity, or other elements of the required calculations of the tapping fee.


Section 13. This Resolution shall become effective immediately.

Section 14. The provisions of this Resolution shall be severable and if any provision or provisions shall be held to be unconstitutional, invalid or void, such provision or provisions shall not affect the validity of any of the remaining provisions of this Resolution. It is hereby declared that this Resolution would have been adopted if such unconstitutional, invalid or void provision or provisions had not been included herein.

Section 15. All resolutions or parts of resolutions inconsistent herewith expressly are repealed.

9th **RESOLVED AND DULY ADOPTED** by the Dauphin Borough Municipal Authority this November day of 2022.

ATTEST:


 Secretary
 1450784

DAUPHIN BOROUGH MUNICIPAL AUTHORITY


 Chairwoman

EXHIBIT A



Light-Heigel & Associates, Inc.

ENGINEERS • SURVEYORS • BUILDING CODE INSPECTORS
MUNICIPAL SERVICES

October 17, 2022

Dauphin Borough Municipal Authority
C/o Dauphin Borough Council
200 Church St.
Dauphin, PA 17018

RE: 2022 Maximum Allowable Tapping Fee
For New Sewage Connection to the
Dauphin Borough's Existing Sewer System
LHA1 Project 08-0638

Dear Borough Council and Authority Members:

This report presents the latest calculation to determine the maximum allowable Tapping Fee that can be administered in accordance with Pennsylvania Act 57-2003 for the Borough's sanitary sewer system. The tapping fee is the amount that Dauphin Borough Municipal Authority can charge new customers for new connections to the sewer system. The Municipal Authority may adopt/enforce a tapping fee that is less than the maximum tapping fee. Light-Heigel recommends that the Municipal Authority raise the tapping fee above its current amount of \$ 4,000.00 per equivalent dwelling unit (EDU)

The maximum allowed tapping fee has been calculated numerous time over the past 15 years in consideration of the various upgrade and system improvement projects and the refinancing of the debt for the Borough's sewer system and the WWTP. This 2022 calculation considers all the projects and their costs since the construction of the WWTP in 1991-1992.

The Act allows the Municipal Authority to impose three (3) separate fees that are designed to allow for the recovery of certain specific capital costs for the sewer facilities. These fees are the only fees that can be levied against a new connection other than for assessments. The fees may include some of all of the following fee components, which shall be separately set forth in an appropriate resolution adopted by the Authority.

- Connection Fee
- Customer Facilities Fee
- Tapping Fee (four components)
 - Capacity Part
 - Distribution (Collection) Part
 - Special Purpose Part
 - Reimbursement Part

Corporate Office

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BERKS

2921 Walnut Road
Suite 2
Spring Spring, PA 19638
610-678-7500
Fax: 610-678-7886

DAUPHIN

906 North River Rd.
Harrisburg, PA 17032
717-896-6887
Fax: 717-896-9145

LANCASTER

930 Red Rose Court
Suite 103
Lancaster, PA 17601
717-892-7002
Fax: 717-892-7020

LEBANON/ DAUPHIN

430 East Main St.
Palmyra, PA 17078
717-838-1351
Fax: 717-838-3820

NORTHUMBERLAND/ UNION

142 Main St.
P.O. Box 120
Montandon, PA 17050
570-524-7742
Fax: 570-524-7746

SCHUYLKILL

39 Dock St.
Schuylkill Haven, PA 17972
570-385-3439
Fax: 570-385-5788

INSPECTION REQUESTS
888-949-9728

The definition for the various fee components are provided within this report. The specified procedures for calculation tapping fees are set forth in Act 57-2003.

FEE COMPONENTS

The allowable fee components provided in Act 57-2003 include a Connection Fee, a Customer Facilities Fee and a Tapping Fee. Act 57 -2003 does not require that these fees be imposed, rather it establishes specific requirements that must be met if they are imposed. A description of each of the aforementioned fees follows:

A. Connection Fee (Borough Owned Part of the Lateral)

a. Description

The Connection Fee, as defined in Act 57-2003, may be charged based on:

- i. The actual cost of installing the sewer service line and associated appurtenances from the sewer main to the property line of the property connected, or
- ii. The average cost of installing the sewer service line and associated appurtenances from the sewer main to the property line based on installations of similar type and size, or
- iii. The average cost of installing the sewer service line and associated appurtenances from the sewer main to the property line trended to the current cost using published cost indexes.

The Authority may either construct these facilities itself or require that the property owner construct them. If the Authority constructs these facilities, the Connection Fee will be based on the actual cost of the construction of installing the sewer service line and associated appurtenances from the sewer main to the property line of the property connected. If the Authority does not perform the construction the Authority will charge a fee for the inspection of the gravity and/or low pressure sewer system service lines.

Dauphin Borough (DB) has never constructed gravity service lines. DB did construct the service lines for the three low pressure systems Erie St. LPS, Hillside LPS and River Road LPS. The laterals in the LPS system were installed by the Borough within the sewer system project Scope of Work. Dauphin Borough has always inspected the construction of the service lines.

B. Customer Facilities Fee

a. Description

The customer facilities fee, as defined in Act 57-2003, covers the actual cost of installing the sewer service line and associated appurtenances from the property line to the dwelling or building to be served. This fee may be charged only if the Authority installs the customer facilities and is based on the actual cost of the customer facilities installed. If the Authority does not perform the construction, the cost of the inspections may be included as the customer facilities fee.

C. Tapping Fee Description

The tapping fee is based on four (4) components, which must be separately set forth in a resolution adopted by the Authority in order to establish these fees. The four parts of the tapping fee are calculated separately, as follows:

a. Capacity Part

The capacity part of the tapping is based on the costs of such facilities, including, but not limited to, treatment, pumping, transmission, trunk interceptor and outfall mains, storage, sludge treatment or disposal facilities, interconnections or other general system facilities. The cost of capacity – related facilities is described below. The cost of future facilities is also permitted under the capacity part of tapping fee. The cost of future facilities shall not exceed their reasonable estimated cost and may only be taken into consideration if the Authority has taken action to construct or acquire such facilities. The basis for charging the capacity part of the tapping fee is that other users have already paid for or are paying for the capacity that will be used by the new customers. Therefore new customers should pay their fair share of these facilities.

- i. Capacity-Related Facilities: The capacity part cost may not include facilities contributed to the Authority by any person, government, agency, or portions of facilities paid for with contributions or grants other than tapping fees. Outstanding debt related to the facilities shall be subtracted from the cost except when calculating the initial tapping fee imposed for connection to the facilities exclusively service new customers. In regards to tapping fees or components related to facilities initially serving exclusively new customers, the Authority may increase the tapping fee by an amount calculated by multiplying the tapping fee by the weighted average interest rate on the debt related to such facilities applicable for the period since the fee was initially established, or the last increase of the tapping fee. An increase in the tapping fee as previously described may only occur on an annual basis. The existing facilities cost is to be determined by one of three methods described below:
 - Historical Costs Trended To Current Cost – Original costs trended to current costs using published cost indices, such as ENR Construction Cost Index. All grants and contributions must be deducted before trending original costs to current value and then trend the net amount.
 - Historical Costs plus Interest and Other Financing Fees - Original costs plus the interest portion of the annual debt service and other financing fees paid on bonds.
 - Replacement Costs - To the extent that historical cost is not ascertainable, the tapping fee maybe based upon an engineer's reasonable written estimate of current replacement costs. This estimate will include an itemized listing of the components of the actual facilities for which historical cost is not ascertainable.

- ii. **Future Facilities:** The cost of facilities to be constructed or acquired in the future that may increase the system design capacity may be included in the calculation of the capacity part. The cost of such facilities shall not exceed their reasonable estimated cost of construction or acquisition. The facilities must be included in a duly adopted annual budget or a five-year capital improvement plan. In addition, the Authority shall have taken at least two of the following actions showing a commitment towards constructing or acquiring the facilities such as the following:
1. Obtained financing for the facilities.
 2. Entered into a contract obligating the Authority to construct or pay for the cost of construction of the facilities or its portion thereof in the event multiple parties are constructing said facilities.
 3. Obtain a permit for the facilities.
 4. Obtain title to or condemned additional real estate upon which the facilities will be constructed.
 5. Entered into a contract obligating the Authority to purchase or acquire facilities owned by another.
 6. Prepared and engineering feasibility study specifically related to the facilities, which recommends the construction of the facilities within five years.
 7. Entered into a contract for the design or construction of the facilities or adopted a budget which includes the use of in-house resources for the design or construction of the facilities.
- iii. **Grants and Contributions:** Contributions include any capacity facilities constructed and dedicated to the Authority by developers. Grants and capital contributions from other agencies are subtracted before the original costs are trended to current costs.
- iv. **Calculation:** The Capacity part of the tapping fee, per unit of design capacity, shall not exceed the total cost of the facilities divided by the system design capacity of all such facilities. Where the cost of the facilities to be constructed or acquired in the future are included in the calculation of the capacity part, the total cost of the facilities shall be divided by the system design capacity plus the additional capacity to be provided in the future. Nothing shall prevent the Authority from allocating its capacity-related facilities to different sections or districts of its sewer system, nor shall the Authority be prohibited from imposing additional capacity – related tapping fees on specific groups of existing customers such as commercial or industrial customers, in conjunction with additional capacity requirements for such customers.

b. Collection Part

The collection part of the tapping fee is based on the cost of the collection facilities required to provide sewer service, such as mains and pump stations. This fee may only include facilities that provide existing service. The cost, methods and criteria used to calculate the collection part of the tapping fee are the same as those used to calculate the capacity part of the tapping fee. Future facilities are not permitted to be included in the collection part.

Act 57-2003 allows the property owner to construct sewer extensions (collection facilities), unless the Authority can show that it can construct sewer extensions at a lower cost and within the same time period. If the Authority constructs the sewer extension, it can charge the owner for the collection part of the tapping fee that is calculated for the construction of the extension. If the property owner constructs the sewer extension, the Authority can require that the property owner reimburse the Authority for reasonable and necessary expenses incurred as part of the expansion. These costs can include the cost of plan review, construction inspection, administrative fees, legal services and engineering services.

c. Special Purpose Part

The special purpose part of the tapping fee is applicable only to a particular group of customers, serving a particular purpose or serving a specific area based upon the cost of the facilities. The special purpose part of the tapping fee is based on the cost of such facilities, including, but not limited to, sewer mains and pumping stations. This fee may include only those facilities that provide existing service. The same methods and criteria used to calculate the special purpose part of the tapping fee are the same as was used in the determination of the capacity part of the tapping fee. Future facilities are not permitted to be included in the special purpose part. If the Authority chooses to construct special purpose facilities at its own expense, the design capacity may be expressed in terms of the number of equivalent dwelling units (EDUs) to be served by the facilities. The Authority shall discontinue collection of the Special Purpose Part Tapping Fee after the Special Purpose Part fees have been imposed on the total number of design capacity units used in the original calculation. The special purpose part of the tapping fee is calculated separately for each applicable group of users.

d. Reimbursement Part

The reimbursement part of the tapping fee is only applicable to the users of certain specific facilities when a fee required to be collected from such users will be reimbursed to the person at whose expense the facilities were constructed. A written agreement between the Authority and the person at whose expense such facilities were constructed is required in order to obtain reimbursement.

In conclusion LHAI recommends the following:

The Connection Fee shall be "Actual cost of installation and/or repair and inspection".

The Customer Facilities Fee shall be "Actual cost of installation and/or repair and inspection".

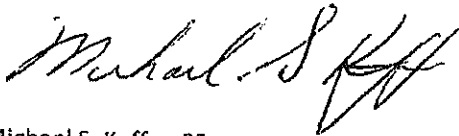
A Special Purpose Fee is not proposed.

No Reimbursement Fee is proposed. Reimbursement will be addressed in an individual Agreement between the Authority and the owner/developer on a case by case basis.

The following three Tables present the tapping fee calculation for the Dauphin Borough system. Collection System Costs are in normal font. **Capacity System Costs are in bold italic font.** The foot notes explain the basis for the calculations.

If you have any questions contact the undersigned or Keith Heigel.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Keffer". The signature is fluid and cursive, with the last name "Keffer" being more prominent and stylized.

Michael S. Keffer, PE

Encl.

Cc Brian Cuddy, Borough Council President w/ Encl.

Michael Cassidy, Solicitor w/Encl.

Jason A. Statler, Solicitor w/Encl.

Keith Heigel, President

TAPPING FEE TABLE 1 - PROJECT COSTS

Construction Costs¹ 2022 Valuation

I. 2005 – 2011 Projects - Infrastructure Improvements

a. 2005 Allegheny St. Bridge Sewer & Erie St. Low Pressure Sewer with the (7) Myers Grinder Pumps & Laterals ² and the \$ 220,000 CDBG Safe Water Grant ³	\$ 443,563.29
b. 2007 Hillside low pressure sewer with (21) E/One grinder pumps and laterals and w/ road resurfacing	\$ 1,521,553.99
c. 2011 River Road low pressure sewer and (10) E/One grinder pumps & laterals in the floodplain w/ road resurfacing	\$ 654,503.79
d. 2007 Market Street sewer replacement and laterals	\$ 226,710.13
e. <i>Canal and Market Street pump station & Force-main pipe including related improvements at the WWTP such as control panels, utility water pump station, effluent pipe chlorine contact tanks, headworks pipe, etc.</i>	\$ 1,304,205.60
f. Mid Penn Bank loan ⁴ / debt ⁴	\$-2,850,530.00

¹ Construction Cost Considerations:

Construction Costs have been computed to 2022 dollars using ENR Construction Cost Index method: The CCI for 1991 = 4,818; for 2007 = 7,900; for 2011= 9,011; for 2022 = 15,574.

Projected Cost for Items Ia., Ib., Ic., Id., Ie., & IIIa. have been developed with historic project costs trended with the ENR CCI Index factor to 2022 dollars. Projected Cost Item I f. is the 2022 value of the remaining debt with Mid Penn Bank. Projected Cost Items IIb. was developed from the Engineer's determination of the replacement value for the Collection System and trended from 2005-2007 to 2022 with the ENR CCI index. See Footnote Number 5 for a description of Items IIa. and IIb.

² The Allegheny St. / Erie St. Low Pressure Sewer System project was the first of numerous projects undertaken by Dauphin Borough to satisfy a Consent Order from PA DEP to eliminate falling on-lot sewage systems.

³ The \$ 220,000 CDBG grant was awarded to Dauphin Borough due to the low income status of the Allegheny St. / Erie St. Project area. The grant amount was deducted from the Project Costs before they were trended to 2022 dollars.

⁴ The outstanding debt due on the loan from Mid Penn Bank has been deducted from the updated 2022 Collection System Part construction costs. The loan is applied to the Collection System Part of the calculation because the Mid Penn Bank loan and the previous USDA RUS loan were associated with the 2005 – 2011 projects that were mandated by the Consent Order.

TAPPING FEE TABLE 1 - PROJECT COSTS (Continued)

II.	<u>2022 - 2032 Infrastructure Improvement Costs⁵</u>	
a.	<i>WWTP Improvements</i>	\$ 1,815,500.00
b.	Sewer Collection System	\$ 1,595,294.00
III.	<u>Previous Eligible Project Costs factored to 2022</u>	
a.	<i>Wastewater Treatment facility⁶</i>	\$ 2,230,398.51
	<i>\$ 150,000 PennVest Grant</i>	
b.	Sewage Collection System and Pump Station ⁷	\$ 3,213,369.62
IV.	<u>Total</u>	\$10,154,568.93

TABLE 2 TAPPING FEE COMPONENTS (2022 DOLLARS)

<u>Description</u>	<u>Capacity Part</u>	<u>Collection Part</u>
(a) Construction Costs	\$ 5,350,104.10	\$ 4,804,464.83
(b) Component Part As % Total of Construction Costs	53%	47%
(c) Allocation of Eligible Project Costs ⁸	\$ 5,350,104.10	\$ 4,804,464.83
(d) Design Capacity	0.200 MGD	0.200 MGD
(e) Cost per GPD	\$ 26.75	\$ 24.02
(f) GPD per EDU	225	225
(g) Cost per EDU	\$ 6,018.75	\$ 5,404.50

⁵ The 2022- 2032 Costs are proposed improvements to reduce I & I into the existing collection system and stabilize/rehabilitate existing systems/equipment in the WWTP in order to allow new connections for the projects in Middle Paxton Township. The 2022- 2032 Costs do not include improvements to the WWTP that may be required to rerate and/or increase the permitted average daily flow to the WWTP. Estimated soft costs have been included. Act 57 allows these future costs to be included with the condition that the respective improvements must be completed within a 7 year period after the adoption of the Resolution to enact the fees. Accounting for fees for future facilities must be separate from general sewer funds. Fees attributed to future costs may need to be refunded to the applicant/new customer.

⁶ The existing WWTP was constructed in 1991. The Base construction cost for the WWTP has been set at \$ 840,000. The \$ 150,000 PennVest grant was associated with the financing for the construction of the WWTP in 1991-1992. The \$ 150,000 PennVest grant has been deducted before trending to the 2022 value for the Act 203 Tap fee calculation = $(15,574/4,818) * (\$ 840,000.00 - \$ 150,000.00) = \$ 2,230,398.51$

⁷ The 2007 valuation for the collections system was \$ 1,630,000.00. Act 203 Tap fee calculation $(15,574/7,900) * \$ 1,630,000 = \$ 3,213,369.62$

⁸ All grants and payment of debt have been deducted in TABLE 1. The CDBG and PennVest grants were deducted before the Construction Costs were trended to 2022 dollars using the ENR CCI index.

TABLE 3 MAXIMUM ALLOWABLE TAPPING FEE

Capacity Cost Per EDU	\$ 6,018.75
Collection Cost Per EDU	<u>\$ 5,404.50</u>
Maximum Tapping Fee	\$11,423.25

2022 Calculation				
Tapping Fee Components				
	Description	Capacity Part	Collection Part	Remarks
a1.	Construction Costs	\$ 5,350,104.10		
a2.	Construction Costs		\$ 4,809,464.82	
b.	Component Part as % Total of Construction Costs	53%	47%	
c.	Allocation of Eligible Project Costs	\$5,130,104.10	\$ 4,659,464.82	
d.	Design Capacity (MGD)	0.200	0.200	
e.	No. of Edu's Connected	406	406	
f.	Cost per GPD	\$ 25.65	\$ 23.33	
g.	GPD per EDU	225.0	225.0	
h.	Cost per EDU	\$ 5,771.37	\$ 5,241.90	
i.	Maximum Fee			\$ 11,013.27