

SOUTH MIDDLETON TOWNSHIP MUNICIPAL AUTHORITY

RESOLUTION NO 12-08-08-1

A RESOLUTION OF THE BOARD OF THE SOUTH MIDDLETON TOWNSHIP MUNICIPAL AUTHORITY, CUMBERLAND COUNTY, PENNSYLVANIA, IMPOSING A RESERVATION OF CAPACITY FEE PURSUANT TO ACT 57 OF 2003

WHEREAS, South Middleton Township Municipal Authority (“Authority”) is a body corporate organized and existing under the provisions of the Municipal Authorities Act of 1945 (“MAA”), as amended, 53 P.S. §§ 301, et seq.; and

WHEREAS, the MAA was amended by the Act of December 30, 2003, P.L. 404, No. 57, § 1, 53 P.S. § 5607 (“Act 57”), in order to inter alia, prescribe the method for calculating a reservation of capacity fee where such fee is authorized by resolution; and

WHEREAS, Authority owns a sanitary sewage collection, conveyance and disposal system together with a potable water conveyance and distribution system, each having related and necessary appurtenant facilities (the “Sewer System” and the “Water System”, respectively) for providing service in and for certain portions of the Township of South Middleton, Cumberland County, Pennsylvania and certain adjoining townships by inter-municipal agreement; and

WHEREAS, the Authority is authorized by Section 4B(t)(l)(iii) of the MAA, as amended by Act 57 of 2003, to charge a reservation of capacity fee (as defined herein), provided the reservation of capacity fee is based on debt and fixing operating expenses and may not exceed sixty (60%) percent of the average sanitary sewer bill for residential customers within South Middleton Township for the same billing period; and

WHEREAS, Authority now desires, in accordance with Act 57, to fix and impose a reservation of capacity fee applicable to the South Middleton Township Sewer System and Water System.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the South

Middleton Township Municipal Authority as follows:

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

- A. “Authority” means South Middleton Township Municipal Authority, Cumberland County, a Pennsylvania municipal authority.
- B. “Commercial” means any room, group of rooms, building or enclosure used or intended for use in the operation of one business enterprise for the sale and distribution of any product, commodity, article or service or used or intended for use for any social, amusement, religious, education, charitable or public purpose and containing plumbing facilities for kitchens, toilet or washing facilities. “Commercial” includes institutional dormitories.
- C. “Equivalent Dwelling Unit” (abbreviated “EDU”) means with respect to the reservation of capacity with respect to the sanitary sewer system, the unit rate of flow of sewage in multiples of 226 gallons per day, emanating from a use of a structure, building and/or dwelling unit, said amount to be based upon water consumed at said use or structure or upon the actual flow of sewage discharged into the Sewer System and with respect to the reservation of capacity in the water system, the unit rate of flow of water in multiples of 163 gallons per day utilized as a result of the use of a structure, building or dwelling unit, said amount being based upon water consumed at said use or structure or dwelling unit.
- D. “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 business enterprise for manufacturing, fabricating, processing, cleaning, laundering or

assembling from which any waste, as distinct from sanitary sewage, shall be discharged.

- E. "Owner" means any individual, partnership, company, association, society, trust, corporation or other group or entity.
- F. "Person" means any individual, partnership, company, association, society, trust, corporation or other group or entity.
- G. "Reservation of Capacity Fee" means the fee imposed by Authority pursuant to this Resolution when an Owner or Developer has requested Authority to reserve either or both water and/or sanitary sewer capacity for an EDU, or EDU's, in connection with an approved Planning Module, which said fee shall be based on debt and fixed operating expenses in connection with the Sewer System and/or Water System (hereinafter defined).
- H. "Sanitary Sewage" means normal water carried, household and toilet wastes from any improved property, exclusive of Industrial waste.
- I. "Sewer" means any pipe or conduit constituting a part of the Sewer System (hereinafter defined) used or usable for sewage collection purposes.
- J. "Sewer System" means all facilities, as of any particular time, for the collecting, transporting, treatment and disposal of sanitary sewage and industrial waste, including all related and necessary facilities, owned or to be owned by Authority or to which Authority has the right to utilize such facilities for the purpose of providing public sanitary sewer service.
- K. "Township" means South Middleton Township, Cumberland County, Pennsylvania.
- L. "Water System" means all facilities, as of any particular time, for the collection, transporting, treatment and distribution of potable water, including

all related and necessary facilities, owned or to be owned by the Authority or to which the Authority has the right to utilize such facilities for purpose of providing public water service.

Section 2. Reservation of Capacity Fee. Authority hereby fixes and imposes a Reservation of Capacity Fee upon the Owner, and each improved property, which said Reservation of Capacity Fee shall be collected in accordance with the terms of this Resolution.

Section 3. Amount of Reservation of Capacity Fee. Attached to this Resolution, marked Schedule A, and made apart hereof, are the itemizations of the fixed operating expenses and debt associated with the South Middleton Township Sewer System and Water System, and the calculation of the maximum Reservation of Capacity Fee payable with respect to the water and/or sewer capacity reserved by Authority for each EDU, Schedule A indicates that the maximum amount of the quarterly Reservation of Capacity Fee in accordance with Act 57 of 2003, is \$42.29 for Sewer, and \$21.24 for Water, charged in association with the Authority's Systems. The Authority hereby fixes and imposes a Reservation of Capacity Fee in the amount of \$42.29 for Sewer and \$21.24 for Water.

Section 4. Collection of Reservation of Capacity Fee. The Reservation of Capacity fee shall become payable by an Owner to the Authority as of the date that the Planning Module is approved and shall continue to be paid quarterly until such time as the Owner makes payment on all applicable water and/or sewer tapping fees. The Reservation of Capacity Fee shall be payable for each EDU, whether water, sewer or both, as approved in the Planning Module.

Section 5. Reservation Agreement. Owner and Authority shall, prior to the final approval of a Planning Module, enter into a Reservation of Capacity Agreement

(“Reservation Agreement”) which said Reservation Agreement shall set forth the sewer capacity and/or water capacity reserved (expressed as EDUs), the amount of the payment of the Reservation of Capacity Fee, and shall be conditioned upon final approval of the Planning Module. Any sanitary sewer capacity or water capacity reserved by the Authority for an Owner shall be subject to the Owner and Authority executing a Reservation Agreement in accordance with the provisions of this Resolution. Said Reservation Agreement shall be valid for a period of five years. If after five (5) years from the date of execution of said Reservation Agreement the Owner has not paid in full all tapping fees for all of the capacity originally reserved under said Reservation Agreement, the Owner shall make application to the Authority for continued reserve capacity. Said application shall be processed as a new application in accordance with the provisions of this Resolution, as and if amended. Any portion of the capacity reserved under the original Reservation Agreement which has not been used after five (5) years, shall be guaranteed to the Developer provided that the Developer has submitted a completed application for reservation of said capacity at least thirty (30) days before the expiration of five (5) years from the date of execution of the original Reservation Agreement.

Section 6. Existing Approved Planning Module. From the effective date of this Resolution, an Owner shall have ninety (90) days to enter into a Reservation Agreement for each EDU shown on a Planning Module approved prior to the effective date of this Resolution, except for such EDU for which the Owner has paid the tapping fee and made an approved connection to the Water and/or Sewer System. If the Owner does not enter into a Reservation Agreement for any EDU as shown on such approved plan within ninety (90) days of the effective date of this Resolution, the Authority is not obligated to reserve water and/or sewer capacity for the EDUs depicted upon such plan

and the Owner shall be at risk as to whether water and/or sewer capacity will be available at the time the Owner shall make an application for a building permit for an improvement to be constructed as shown on such plan. The Owner shall not be required to pay a Reservation of Capacity Fee for EDUs shown on any Planning Module approved prior to the effective date of this Resolution for a period of one (1) year from the effective date of this Resolution. After a period of one (1) year from the effective date of this Resolution, the Owner shall be required to submit an application to pay a Reservation of Capacity Fee for each EDU shown on such Planning Module, except for such EDU for which the Owner has paid the tapping fee and made an approved connection to the Water and/or Sewer System.

Section 7. Payment of Tapping Fee. In accordance with Act 57, if the Owner has previously paid a tapping fee for an EDU, the Owner shall not be obligated to pay a Reservation of Capacity Fee with respect to such EDU.

Section 8. Modification of Reservation of Capacity Fee. Authority reserves the right, from time to time, in accordance with the Act 57, to increase or decrease the Reservation of Capacity Fee imposed by this Resolution. Such fee shall be changed by subsequent resolution or motion of the Authority Board.

Section 9. Enforcement. Payment of the Reservation of Capacity Fee imposed by Authority pursuant to this Resolution shall be enforced by Authority in any manner appropriate under law at the time then in effect.

Section 10. Severability. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of this Authority that such remainder shall be and shall remain in full force and effect.


Section 11. Assignment. The Reservation of Capacity Fee, designated in this Resolution, shall only apply to tract of land to which it is assigned and it shall not be assignable to another tract of land within the Township.

Section 12. Implementation. The applications and rates contained herein shall be effective as of December 8, 2008.

Section 13. Repeal of Inconsistent Prior Resolutions. Any and all prior resolutions inconsistent with this Resolution are hereby repealed and superseded by the terms and provisions hereof.


DULY ADOPTED, by the Board of the South Middleton Township Municipal Authority in lawful session, duly assembled, this 8 day of December 2008.

SOUTH MIDDLETON TOWNSHIP
MUNICIPAL AUTHORITY



Chairman (SEAL)

ATTEST:



Secretary

**SOUTH MIDDLETON TOWNSHIP MUNICIPAL AUTHORITY
CALCULATION OF RESERVATION OF CAPACITY FEE**

SEWER SYSTEM

BASED ON AUDIT OF YEAR ENDED DECEMBER 31, 2007

FIXED EXPENSES

OPERATION AND MAINTENANCE

Salaries and Wages	\$315,339	
Payroll taxes	\$25,565	
Employee benefits	\$110,328	
Telephone	\$6,188	
Insurance	\$33,119	
Total O&M Fixed Expenses		\$490,539

ADMINISTRATIVE

Office expense	\$10,531	
Data processing	\$7,301	
Audit	\$9,040	
Officers' salaries	\$1,112	
Postal supplies	\$6,602	
Maintenance	\$7,326	
Telephone	\$4,288	
Electric	\$2,427	
Insurance	\$329	
Total Administrative Fixed Expenses		\$48,956

Total Fixed Operating Expenses \$539,495

Total Operating Expenses \$1,269,001

DEBT PAYMENTS \$465,068

TOTAL FIXED OPERATING EXPENSES AND DEBT PAYMENTS \$1,004,563

TOTAL OPERATING EXPENSES AND DEBT PAYMENTS \$1,734,069

% FIXED EXPENSES TO TOTAL EXPENSES 57.9%

AVERAGE QUARTERLY RESIDENTIAL SEWER BILL (PER EDU) \$73.00

MAXIMUM ALLOWABLE RESERVATION OF CAPACITY FEE \$42.29

**SOUTH MIDDLETON TOWNSHIP MUNICIPAL AUTHORITY
CALCULATION OF RESERVATION OF CAPACITY FEE
WATER SYSTEM
BASED ON AUDIT OF YEAR ENDED DECEMBER 31, 2007**

FIXED EXPENSES

OPERATION AND MAINTENANCE

Salaries and Wages	\$220,916	
Payroll taxes	\$17,743	
Employee benefits	\$73,552	
Telephone	\$3,302	
Insurance	\$16,047	
Total O&M Fixed Expenses		\$331,560

ADMINISTRATIVE

Office expense	\$6,565	
Data processing	\$4,867	
Audit	\$6,860	
Officers' salaries	\$1,112	
Postal supplies	\$4,401	
Maintenance	\$7,126	
Telephone	\$3,694	
Electric	\$2,239	
Insurance	\$330	
Total Administrative Fixed Expenses		\$37,194

Total Fixed Operating Expenses **\$368,754**

Total Operating Expenses **\$1,269,001**

DEBT PAYMENTS **\$451,663**

TOTAL FIXED OPERATING EXPENSES AND DEBT PAYMENTS **\$820,417**

TOTAL OPERATING EXPENSES AND DEBT PAYMENTS **\$1,720,664**

% FIXED EXPENSES TO TOTAL EXPENSES **47.7%**

AVERAGE QUARTERLY RESIDENTIAL WATER BILL (PER EDU) **\$44.55**

MAXIMUM ALLOWABLE RESERVATION OF CAPACITY FEE **\$21.24**