



City of Dublin

**Office of the City Manager**

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# Memo

**To:** Members of the Dublin City Council

**From:** Marsha I. Grigsby, City Manager 

**Date:** October 18, 2012

**Initiated By:** Angel L. Mumma, Deputy City Manager/Director of Finance  
Bryan Thurman, Deputy Finance Director  
Melody Kennedy, Financial Analyst

**Re:** Ordinance No. 64-12 - Amending Chapters 51 and 52 of the City's Codified Ordinances Which Establishes Fees for the Sanitary Sewer and Water Systems

## Background

Attached is Ordinance No. 64-12, amending Chapters 51 and 52 of the City's Codified Ordinances, which establish fees for sanitary sewer and water capacity charges/tap fees. As you may recall, a five percent (5%) modification to the fees was discussed during this year's review of the 2013-2017 Capital Improvements Program.

Although modifications have been made to the user fees (surcharges) for water and sewer service in the past year, the City has not increased its fees for capacity charges/taps for over three years. The ¾" tap size fee was increased by \$100 in 2009. Fees for the 1" tap size to the 6" tap size have not been increased since 1992. Fees for the 8" to 16" tap size were established in 1995 and have not been modified since that time.

During the October 8<sup>th</sup> meeting of the Finance Committee, staff discussed the proposed increases to the water and sewer capacity/tap fees and was requested to complete a market rate comparison between the City of Dublin's water and sanitary sewer capacity charges/tap fees and the fees of other cities in the area. We have attached a market rate study for three municipalities in the Columbus contracted area. These are the City of New Albany, City of Westerville, and the City of Grove City. Like Dublin, these areas also require that the City of Columbus fees be paid in order to tap into the water and/or sanitary sewer system. In reviewing these fees together with the fees of other neighboring municipalities, we found few consistencies. The City of Westerville's fees are closest to Dublin's. We found that the City of New Albany's fees appear to be established at 60% of the Columbus water capacity fee per tap size, and 50% of the Columbus sewer capacity fee per tap size. We have also provided a comparison of capacity/tap fees for the City of Marysville and Union County as they are Dublin's northwest neighbors. Because the City of Marysville operates its own water reclamation facility as well as its own water treatment plant, comparison of their fees to the City of Dublin's requires that the City of Columbus fee be combined with Dublin's fee. Even after combining the two fees, the City of Marysville and Union County capacity fees exceed the fees established for the Dublin water and sewer system.

Typically, residential home taps are ¾". Commercial taps vary in size, depending on the use and type of operations. For reference, we have listed some of the commercial buildings in the City and their water tap sizes:

	<u>Tap Size*</u>	<u>Application Sq. Ft.</u>
The Preserve, Phase II	1.5"	65,000
Jerome High school	4.0"	241,823
Kinetics Noise Control	1.0"	112,746
Glacier Ridge Elementary	3.0"	70,586
Ohio Health Hospital	4.0"	324,214
Lifetime Fitness	3.0"	110,590
Cardinal Health West, Phase II	4.0"	251,665
Holiday Inn Express	4.0"	64,431
Dublin Springs Hospital	4.0"	55,160

\*- water tap size dictates the sewer tap size for fee and permitting purposes.

The 5% proposed increase in the City of Dublin's capacity charges is proposed in an effort to maintain a water and sanitary sewer rate structure, which is adequate to fund the cost of systems operations and maintenance, as well as debt service obligations and necessary capital replacements. The rate of growth, the user fees and the capacity charges will continue to be evaluated to determine the need to adjust rates in the future.

Additionally, the 5% increase in water capacity/tap fees will impact the fireline (suppression) capacity fees. Per Chapter 52.07 of the Codified Ordinances, the fees are established at 20% of the water capacity fees.

### **Recommendation**

Staff recommends approval of Ordinance No. 64-12 at the second reading/public hearing on November 5, 2012.

# RECORD OF ORDINANCES

Ordinance No. 64-12

Passed \_\_\_\_\_, 20\_\_\_\_

## AN ORDINANCE AMENDING CHAPTER 51 AND 52 ESTABLISHING CAPACITY CHARGES FOR THE SANITARY SEWER AND WATER SYSTEMS

**WHEREAS**, a financial review of the City's Water and Sewer Funds is conducted annually as part of the Capital Improvements Program update; and

**WHEREAS**, the financial review is completed to evaluate the water and sewer system rate structure and projected fund balance in the Water and Sewer Funds; and

**WHEREAS**, the City's goal is to maintain water and sewer rate structures, which are adequate to ensure the Water and Sewer Funds (Enterprise Funds) are self-supporting, including the costs of operations, maintenance of the systems, debt service obligations and necessary capital replacements; and

**WHEREAS**, based on the financial analysis completed as part of the 2013 – 2017 Capital Improvements Program update, it is necessary to amend the fees for the sanitary sewer and water capacity charges.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Dublin, State of Ohio, \_\_\_\_\_ members of the elected officials concurring:

### **Section 1. Sanitary Sewer Capacity Charges**

Chapter 51.66, Section 2, Sub-part (B) of the Codified Ordinances of the City of Dublin, Ohio is hereby amended.

The fees to be charged for permits to connect to the sewerage system shall be based upon the domestic supply water tap size as follows:

#### **SANITARY SEWER CAPACITY CHARGES**

<b><u>Diameter of Tap (inches)</u></b>	<b><u>Fee per Effective Date of 1/1/13</u></b>
¾"	\$ 2,210
1"	\$ 3,580
1 ½"	\$ 9,180
2"	\$ 15,900
3"	\$ 33,150
4"	\$ 51,740
6"	\$117,600
8"	\$206,980
10"	\$322,560
12"	\$464,580
16"	\$517,660

These fees are in addition to any charges made by any other governmental agency.

### **Section 2. Water Capacity Charges**

Chapter 52.07, Section 2, Sub-part (B) of the Codified Ordinances of the City of Dublin, Ohio is hereby amended.

The following fees shall be charged for permits issued to tap into the water system:

# RECORD OF ORDINANCES

Ordinance No. 64-12

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## **WATER CAPACITY CHARGES**

<b><u>Diameter of Tap (inches)</u></b>	<b><u>Fee per Effective Date of 1/1/13</u></b>
3/4"	\$ 1,890
1"	\$ 3,090
1 1/2"	\$ 7,370
2"	\$ 13,110
3"	\$ 28,070
4"	\$ 44,790
6"	\$ 99,650
8"	\$180,920
10"	\$274,690
12"	\$384,550
16"	\$428,720

These fees are in addition to any charges made by any other governmental agency.

**Section 3.** This Ordinance shall take effect and be in force on the earliest date permitted by law. **The changes in fees are effective on January 1, 2013.**

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2012

\_\_\_\_\_  
Mayor – Presiding Officer

ATTEST:

\_\_\_\_\_  
Clerk of Council

**Market Rate Comparisons - Water Capacity/Tap Fees**

Tap Size	City of Dublin			City of New Albany	City of Westerville	City of Grove City	City of Marysville	Union County
	Current Fee - domestic water	Current Fireline Capacity Fees	proposed 5% increase Capacity/Taps	Current Fee - domestic water				
	(1)		(1)	(1) (A)	(1)	(1)	(3)	(3)
5/8"	N/A	N/A	N/A	N/A	N/A	N/A	\$4,950	\$5,445
3/4"	\$1,800	360.00	\$1,890	\$1,224	\$714	\$1,153	\$7,423	\$8,165
1.0"	\$2,940	588.00	\$3,090	\$2,098	\$1,207	\$1,200	\$12,372	\$13,609
1.5"	\$7,016	1,403.20	\$7,370	\$3,947	\$3,214	\$1,250	\$24,746	\$27,220
2.0"	\$12,485	2,497.00	\$13,110	\$6,096	\$11,257	\$1,300	\$39,592	\$43,551
3.0"	\$26,732	5,346.40	\$28,070	\$11,790	\$26,531	\$1,412	\$74,235	\$81,658
4.0"	\$42,656	8,531.20	\$44,790	\$18,185	\$42,071	\$2,512	\$123,726	\$136,098
6.0"	\$94,908	18,981.60	\$99,650	\$35,821	\$97,789	\$4,973	\$247,451	\$272,196
8.0"	\$172,304	34,460.80	\$180,920	\$56,954	\$152,350	\$8,032	\$395,921	\$435,513
10.0"	\$261,607	52,321.40	\$274,690	\$81,634	\$195,470	\$11,582	N/A	N/A
12.0"	\$366,234	73,246.80	\$384,550	N/A	\$122,367	\$21,646	N/A	N/A
16.0"	\$408,300	81,660.00	\$428,720	N/A	\$337,065	\$25,134	N/A	N/A

(1) - Columbus fee is separate. Fireline capacity fees are separate as are any front footage fees and meter fees

(3) - Fireline capacity fees are separate as are any front footage fees and meter fees. All properties within a development south of Fladt Road are subject to an additional \$1,950 tap fee or developer driven installation of 36" waterline along Industrial Parkway.

(A) - Established at 60% of the Columbus water capacity fee.

**Market Rate Comparisons - Sanitary Sewer Capacity/Tap Fees**

Tap Size	City of Dublin		City of New Albany	City of Westerville	City of Grove City	City of Marysville	Union County
	Fees	proposed 5% increase Capacity/Taps	Capacity and Tap Fees	Fees	Fees	Fee - sanitary sewer (sewer permit is separate)	Fee - sanitary sewer (sewer permit is separate)
	(2)	(2)	(2) (B)	(2) (C)	(2)		
5/8"	N/A	N/A	N/A	N/A	N/A	\$6,562	\$7,874
3/4"	\$2,100	\$2,210	\$1,652	\$1,550	\$3,288	\$9,842	\$11,810
1.0"	\$3,413	\$3,580	\$2,797	\$3,250	\$3,552	\$16,405	\$19,686
1.5"	\$8,747	\$9,180	\$5,464	\$8,550	\$7,103	\$32,808	\$39,369
2.0"	\$15,147	\$15,900	\$8,638	\$14,100	\$11,365	\$52,493	\$62,991
3.0"	\$31,573	\$33,150	\$16,886	\$29,350	\$22,730	\$98,425	\$118,110
4.0"	\$49,280	\$51,740	\$26,149	\$45,900	\$35,516	\$164,040	\$196,484
6.0"	\$112,000	\$117,600	\$51,648	\$103,500	\$71,033	\$328,080	\$393,696
8.0"	\$197,120	\$206,980	\$82,220	\$175,950	\$113,652	\$524,929	\$629,914
10.0"	\$307,200	\$322,560	\$117,866	\$273,200	\$163,374	N/A	N/A
12.0"	\$442,453	\$464,580	N/A	N/A	\$305,439	N/A	N/A
16.0"	\$493,013	\$517,660	N/A	N/A	\$338,936	N/A	N/A

(2) - Columbus fee is separate. Any front footage fee is separate as is inspection or permit fees.

(B) - Established at 50% of the Columbus sewer capacity fee.

(C) - Tap fees are not included: SFD = \$150; multi-family is \$75 per unit.

Tap Size	City of Columbus	
	Water Capacity Charge (Excludes fire)	Sewer Capacity Charge
5/8"	N/A	N/A
3/4"	\$2,186	\$3,044
1.0"	\$3,643	\$5,074
1.5"	\$7,286	\$10,147
2.0"	\$11,658	\$16,236
3.0"	\$23,314	\$32,472
4.0"	\$36,429	\$50,737
6.0"	\$72,856	\$101,475
8.0"	\$116,570	\$162,360
10.0"	\$167,570	\$233,392
12.0"	\$313,283	\$436,342
16.0"	\$349,085	\$484,194

**Note:** Typical residential home taps are 3/4". Commercial tap sizes vary depending on the use and type of operations.