

## ***Entrance Charge Program.***

*March 2000*

### ***I. Purpose.***

The Entrance Charge Program was established to create a fund for expansion of existing sanitary sewer facilities made necessary by additional flows resulting from growth. The fund is intended to protect the District's ratepayers from additional costs for additional facilities to serve growth.

### ***II. Authority.***

The Entrance Charge Program is established pursuant to authority granted in the District Charter, Private & Special Law 1947, Chapter 77, as amended. The program was developed with assistance of counsel in compliance with legal and procedural requirements.

### ***III. Process.***

The Entrance Charge Program was developed by a committee appointed by the District's Board of Trustees, using the following series of steps:

- A. a facilities study to provide or determine
  1. an analysis of current flows
  2. the amount of growth likely
  3. resultant additional flows due to growth
  4. new facilities necessary to serve growth
  5. the amount of growth served by these new facilities
- B. an estimate of the cost of new facilities necessary to serve growth
- C. calculation of the cost of these new facilities per unit of growth served
- D. the administrative framework in which the Entrance Charge Program is administered.

**IV. Basis of Calculation.**

The Entrance Charge Program is based on the volume of flow generated by the average dwelling unit, determined historically to be 175 gallons per day. The program uses the flow unit as the basic unit in determining the amount of the charge. As a unit of measurement, the flow unit allows comparison of residential and non-residential uses, so that all categories of projects constructed can be consistently and uniformly assessed their fair portion of the cost of sanitary sewer facilities to serve growth.

**V. Applicability of Charge.**

*A. General.*

The Entrance Charge Program shall apply to all development connecting to District facilities after the effective date of the Program.

This includes development that received planning approval(s) prior to institution of the Entrance Charge Program on 13 October 1993, but which have not yet moved beyond that stage.

Any unit proposed for development that has not made application prior to 13 October 1993 for permit to connect to District facilities is subject to assessment of an entrance charge.

Any development requiring any Town of Brunswick plumbing permit will be reviewed to determine applicability of the Entrance Charge Program to that development.

*B. Vacancy.*

For development or use that has in the past been connected to District facilities, but that has since become vacant for a period of time:

1. if there is no change in use or flow from an existing property previously connected to District facilities, then the entrance charge will not apply, regardless of the length of time the property has been out of use;
2. any significant change in either the nature or quantity of use by a property will subject the property to the Entrance Charge Program, based on the effect of the change.

C. *Change of use.*

For development that has in the past been connected to District facilities, and which is now proposed for a change in occupancy or use, determination of applicability of the entrance charge is made based on a comparison of current use of the property to the proposed change in use:

1. if proposed use is less than or equal to current use, then no entrance charge is assessed;
2. if proposed use is greater than current use, an entrance charge is assessed.

D. *Fractional flows.*

For residential development, the minimum effect of any proposed new development is one flow unit.

For non-residential development:

1. where it involves new construction for a new use (i.e. not previously existing), the minimum effect of any proposed new development is one flow unit;
2. where it involves an existing building proposed for an increase or change in use:
  - a. when proposed additional flow is less than 90 gallons per day, the minimum effect of the proposed development is 0.5 flow unit;
  - b. when proposed additional flow is greater than 90 gallons per day, the minimum effect of the proposed development is calculated as the ratio of {projected average daily increase in flow, when compared with current use averaged over the past three years,} to {175 gallons per day}.

E. *Private systems connecting.*

For development served by private systems, connecting directly or indirectly to District facilities:

1. an entrance charge will be assessed, in accordance with provisions of this program;

2. the private development will be required to install and maintain a wastewater flow-metering device, satisfactory to the District.

## **VI. Calculation of Entrance Charge.**

### *A. General.*

The fundamental consideration in calculating the amount of the entrance charge is the net amount of new flow generated for treatment and disposal.

The amount of the entrance charge will be based on the number of flow units proposed by a developer.

Based on the Facilities Study report of facilities necessary to serve growth and the estimate of cost to construct these facilities, the entrance charge rate has been calculated to be \$ 1,178 per flow unit.

Users of District facilities fall into one of three categories:

1. **individual** residential, commercial, and industrial users connected to the system, all similarly administered;
2. **other municipalities, separately contracting** for treatment and disposal;
3. **other users, not fitting** either of these categories, generally regulated as an entire parcel but composed of smaller and more diverse component units, with the potential for changing use that is privately administered without regulatory oversight, and therefore having the potential for changing quantity and makeup of wastewater flow.

### *B. Residential development.*

For residential development, each living unit will be viewed as a flow unit:

1. a single-family residence will equate to one flow unit;
2. for multiple-family residential development, each living unit will equate to one flow unit.

The amount of the entrance charge will then be calculated by multiplying {the number of flow units to be developed by the proposed project} by {\$ 1,178 per flow unit}.

### *C. Non-residential development.*

Application for permit to connect to District facilities requires that the applicant present engineering design data satisfactory to the District projecting the amount of wastewater flow to be generated by the proposed new development.

The Collection & Pumping System Facilities Study (February 1992) identified the average daily flow per flow unit as 175 gallons per flow unit per day.

The effect of a proposed development is calculated by dividing {projected new flow} by {175 gallons per flow unit per day}; this ratio yields the number of flow units to be provided by the proposed project.

The amount of the entrance charge will then be calculated by multiplying {the number of flow units to be developed by the proposed project} by {\$ 1,178 per flow unit}.

*D. Non - regulated flows.*

In each case, the District will make a determination as to whether the amount and timing of development can reasonably be monitored.

Development for which the amount and timing of development can reasonably be monitored will be administered by the District as either residential or non-residential development, as described elsewhere in this program.

Development for which the amount and timing of development cannot reasonably be monitored will be administered by the District as a separate category, designated Non-regulated:

1. with an established benchmark flow calculated as the most recent three-year average daily flow,
2. at or below which flow no entrance charge is assessed,
3. above which flow an entrance charge is assessed;
4. periodically the average daily flow will be compared with the benchmark flow,
5. and the appropriate entrance charge, if any, will be calculated and assessed;
6. assessment of an entrance charge for flow in excess of the benchmark flow will serve to increase the benchmark flow to

the new flow amount for which the entrance charge is assessed, with which future flows will be compared in determining future assessment of an entrance charge.

Development administered under provisions of this section of the program will provide the District with a means to accurately and reliably monitor and record the amount of flow.

Single wastewater meter flow measurement will be provided by the developer, as a basis for determining if growth has taken place, and if an entrance charge is to be assessed.

**VII. Payment.**

Calculation of the entrance charge amount is made at time of application for permit to connect to the sanitary sewer system, when projected new flow can be estimated.

Payment of the entrance charge amount is deferred until the time of issue of sanitary sewer permit to connect. The entrance charge is due and payable prior to commencing construction, and is a condition of permit issue.

Where appropriate, payment of the entrance charge for a proposed project may be phased to parallel phased construction of that project.

**VIII. Use of Proceeds.**

Proceeds of the Entrance Charge Program are dedicated exclusively to improvements to existing District facilities necessary to serve growth. Proceeds shall not be used for either routine operations and maintenance expenses, routine capital replacement, or extension of sewers into currently unsewered areas.

**IX. Petition for Re-calculation.**

A. *General.*

Preservation of capacity and calculation of the entrance charge amount depend on reasonably accurate projection of the amount of new flow to be generated by a proposed development.

Recognizing the difficulty in accurately projecting the quantity of this new flow for non-residential development, and anticipating that on occasion actual new flow generated by a non-residential development may differ materially from its projection, this provision sets forth criteria for re-calculation of the entrance charge amount for non-residential development.

*B. Criteria.*

1. This provision will apply only to new non-residential development, and specifically excludes all Non-regulated or benchmarked development.
2. Re-calculation of the entrance charge amount may be petitioned once by the non-residential developer or ratepayer, and once by the District.
3. Application for re-calculation will be made to the District Board of Trustees, on a form provided by the District, not later than the termination date stated in the permit to connect.
4. All rights attending to either party under this provision of the Entrance Charge Program terminate after the termination date.
5. Application for re-calculation will be based on recorded consumption data, over any period up to but not exceeding twelve (12) full quarters of use following connection.
6. Entrance charge paid at the time the permit to connect was issued which is in excess of the re-calculated entrance charge amount will be refunded by the District to the petitioner, provided that all other conditions pertaining to this provision are satisfactorily met.
7. Entrance charge re-calculated in an amount greater than the amount of the entrance charge paid at the time the permit to connect was issued will be billed to and payable by the developer or ratepayer, in accordance with terms in effect at the time, provided that all other conditions pertaining to this provision are satisfactorily met.
8. Minimum effects of development cited elsewhere in the program shall apply, irrespective of the consumption record.

9. A minimum variance of ten percent (10 %) shall apply, below which neither party shall have a right of re-calculation.
10. There will be no refund of entrance charge monies paid by a developer if the entrance charge funds paid have been used by the District for expansion of existing facilities to serve flow that was projected to be generated by the new development.
11. Monies refunded by the District to a developer or ratepayer as a consequence of consumption review and entrance charge re-calculation will be limited to the specific amount paid, and no other consideration (e.g. interest earned) will be provided.
12. It is the responsibility of the petitioner for re-calculation to ensure that all conditions for petition, including the stated time limit, are observed.

C. *Right of Waiver.*

The Board reserves the right to waive any requirement listed or to vacate any conclusion indicated under this provision that is, in its sole discretion, materially mitigated by circumstances specific to the case. This decision by the Board shall be final.

**X. Related.**

A. *Inspection.*

The applicant should be aware that inspection of construction in progress by District personnel is absolutely essential. Failure on the part of the developer, the project owner, or the project contractor to notify the District so that inspection as the work proceeds can be scheduled will result in the work having to be re-excavated for inspection, at no cost to the District.

The applicant should be aware that the permit to connect entitles the applicant to a "reasonable" period of inspection of the work by the District. A reasonable period for purposes of the District permitting and inspection program is considered to be up to four (4) hours. Inspection in excess of this amount of time, which may be required due to size and scope of the proposed new project, will occur at the expense of the applicant, in addition to the amount due for the calculated entrance charge.

*B. Extension.*

The applicant should be aware that the Entrance Charge Program does not cover costs to extend sewers into currently unsewered areas, and that the applicant is responsible for costs of any such extensions necessary to serve the applicant's project.

*C. Sanitary sewer service piping.*

The applicant should be aware that the Entrance Charge Program does not cover costs to provide sanitary sewer service piping from mainline sewers into property proposed for development, and that the applicant is responsible for costs of any such service piping necessary to serve the applicant's project.

**XI. Adoption.**

The Entrance Charge Program was adopted by the District Board of Trustees in meeting on 13 October 1993.

**XII. Effective Date.**

The Entrance Charge Program is effective immediately upon adoption, i.e. on 13 October 1993.

**XIII. Amendment.**

First vote: 14 February 2000

Second vote: 13 March 2000