

ORDINANCE NO. 2014-44

AN ORDINANCE APPROVING THE ANNUAL CONNECTION FEE SCHEDULE ESTABLISHED BY THE CITY OF VINELAND WATER UTILITY FOR THE YEAR 2014 PURSUANT TO ORDINANCE NO. 89-105.

WHEREAS, Ordinance No. 89-105 authorized the establishment of connection fees for all new customers connecting to the City of Vineland Water Utility system, to be calculated at the beginning of each year, in accordance with the provisions of N.J.S.A. 40A:31-11; and

WHEREAS, the City of Vineland Water Utility has prepared the Connection Fee Schedule for the year 2014, pursuant to N.J.S.A. 40A:31-11, copy of said connection fee calculation attached hereto and made a part hereof by reference, said connection fee required by law to be recomputed at the end of each year; and

WHEREAS, said Connection Fee Schedule has been recomputed; and

WHEREAS, it is the desire of the Council of the City of Vineland to approve said annual Connection Fee Schedule of the City of Vineland Water Utility as required by N.J.S.A. 40A:31-11; now, therefore,

BE IT ORDAINED by the Council of the City of Vineland, as follows:

1. THAT the annual Connection Fee Schedule of the City of Vineland Water Utility for the year 2014, as attached hereto and made a part hereof, be and the same is hereby approved and established according to law.

2. THAT a certified copy of this Ordinance be filed with the appropriate Water Utility staff, the Chief Finance Officer and the City Auditor.

Passed first reading:

Passed final reading:

Approved by the Mayor:

President of Council

Mayor

ATTEST:

City Clerk

**City of Vineland
WATER UTILITY**

640 East Wood Street
Vineland, New Jersey 08360
(856) 794-4000 Ext. 4606



MEMORANDUM

To: Joseph A. Isabella, General Manager of Municipal Utilities

From: Yolanda L. Hill, Accountant

Date: August 25, 2014

Subject: Water Utility Connection Fee 2014

We are recommending an increase in the connection fee charges for 2014, from \$1,400.00 to \$1,838.00 per service unit.

Attached, please find all information regarding the Connection Fee calculation for 2014. The calculations conform to statutory requirements.

cc: Denise Monaco
Greg Henderson
John Wagner
Michael Lawler
Roxanne B. Tosto

**CITY OF VINELAND
WATER UTILITY DEPT
CALCULATION OF CONNECTION FEE**

CY 2014 CONNECTION FEE

CAPITAL AND INTEREST EXPENDITURES (GENERAL LEDGER BALANCE CY 2013)

RESERVE FOR AMORTIZATION:		
(A) ADD: INTEREST ON DEBT	\$ 50,143,052.07	(From Detail Sheet)
(B) LESS: ASSESSMENT PROJECT	\$ 16,254,229.91	(From Detail Sheet)
NET EXPENDITURE	\$ (5,144,707.00)	(From Detail Sheet)
	<u>\$ 61,252,574.98</u>	

CONNECTORS

RESIDENTIAL CUSTOMERS	13,354
RESIDENTIAL LAWN SERVICES	12
	<u>13,366</u>

(C) CONSUMER UNITS (EQUIVALENT OF 1 RESIDENTIAL UNIT)	<u>3,187</u>
TOTAL RESIDENTIAL CONNECTOR CALENDAR YEAR 2014	<u>16,553</u>

WATER CONSUMPTION

1.) Residential Gallons Billed (CY 2013-Detail Attached)	1,222,326,504
divided by 365 days	<u>/ 365 days</u>
Gallons Per day	3,348,840
Divided by Number of Connectors	<u>/ 16553 *</u>
Average Residential Usage of Gallons Per Day	<u>202</u>
2.) Total Gallons Billed CY 2013	2,459,610,782
Divided by 365 days	<u>/ 365</u>
Gallons Per Day	6,738,660
Divided by Average Residential Usage Per Day	<u>/ 202</u>
Total Service Units	<u>33,309</u>

CALCULATION :

Net Expenditures	\$ 61,252,574.98
Divided by Total Service Units	<u>33,309</u>
CY 2014 Maximum Residential Connection Fee	<u>\$1,838.94</u>

Notes:

To calculate the connection fee to use take the percentage of increase of the Maximum Residential between prior year and current year and add it to prior years connection fee.

2013 Maximum Connection Fee	1,687.99
2014 Maximum Connection Fee	<u>1,838.94</u>
Percentage Increase in Maximum Connection Fee	<u>8.94%</u>
2013 Connection Fee Charged	1,400.00
Increase from prior year	<u>125.20</u>
2014 Connection Fee to be Charged	<u>1,525.20</u>
Round to	<u><u>1,520.00</u></u>
Percentage to use for all other increases	8.57%

CONNECTION FEE CY 2014 - CONITNUED

Connection Fees were established by the New Jersey County and Municipal Water Supply Act, Chapter 109, Title 40a, Chapter 31, 40a:31- On December 26, 1989, the council of the City of Vineland adopted Ordinance No. 89-105 establishing a connection fee for all new customers connecting to the Vineland Water Utility system. The amount to be charged will be recalculated at the beginning of each fiscal year. The calculation will be made in a manner consistent with the formula outlined in the above referenced statute. The connection fee to be charged to each new connector to the Vineland Water Utility system for 2014 has been set at a minimum charge of \$1,400.00 per service unit. One (1) service unit is equal to 223 gallons of water consumption per day. (Rate schedule and calculation worksheets attached) Connection Fees are due and payable in accordance with the terms outlined in the connection fee schedule.

CONNECTION FEE SCHEDULE - CY 2014

<u>TYPE OF PROPERTY</u>	<u>FEE</u>
1.) Residential, private, single family attached or detached	\$1,520.00
2.) Apartment Building, Condominiums, Mobile Homes, Multi-Family dwellings Townhouses, etc. - (Per Service Unit)	Engineers Est. Required
3.) Hotel or Motel - (Per Service Unit)	Engineers Est. Required
4.) Residential Lawn Service	<u>METER SIZE</u>
	Up to 1 inch 1,520.00
	1 1/2 inch 2,280.00
	2 inches 3,040.00
5.) Commercial, Farm, Industrial, Municipal and all others, (Per Service Unit)	Engineers Est. Required
6.) Fire Service, Public and Private	NONE

The Water Utility reserves the right to calculate Connection Fees based upon service units. For 2013 one (1) service unit equal to 241 gallons of consumption per day. In any event, the minimum Connection Fees to be charged are as follows:

Up to 1" Meter	1,520.00
1 1/2" Meter	2,280.00
2" Meter	3,040.00
4" Meter	6,080.00
6" Meter	9,120.00
8" Meter	12,160.00
10" Meter	15,200.00

CONNECTION FEE SCHEDULE CY 2014 - CONTINUED

Payment Arrangements

The Water Utility recognizes that connection fees can have a large impact on the cash flow of new connectors to the system. Therefore, the utility has developed a schedule for the payment of these fees over various periods of time. The time payments are free of any interest charges, however, the connector must meet the following criteria to qualify:

Low Flow Customers

Connection Fee up to \$27,875.00

Due and Payable upon application for service.

Medium Flow Customers

Connection Fee greater than \$27,875
Up to \$277,675.00

50% Due and Payable upon application for service balance payable over one year. (4 equal quarterly installments)

Large Flow Customers

Connection Fee Greater than \$277,675.00

50% Due and Payable upon application for service balance payable over 2 years. (8 equal quarterly installments)

Customers who fail to keep payment arrangements will be subject to disconnection without notice.

Apartments, Duplexes, Multiple dwelling homes.

2441 1 Bedroom Units = Equivalent 1 Residential Unit	814
2333 2 Bedroom Units = Equivalent 1 Residential Unit	1,555
818 3 Bedroom Units = Equivalent 1 Residential Unit	818
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Total Equivalent Residential Units	<u>3,187</u>

Residential Gallons Billed

	REGULAR	RESIDENTIAL LAWN IRRIGATION
January-March 2013	221,672,738	1,575
April-June 2013	305,206,910	1,869,340
July-September 2013	412,643,097	5,360,049
October - December 2013	273,989,639	1,583,156
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	1,213,512,384	8,814,120
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Total Residential Gallons Billed CY 2013		<u>1,222,326,504</u>