



Legislation Details (With Text)

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**File created:** 10/20/2008      **In control:** City Council  
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**Title:** An Ordinance to Amend Section 2:22b of Chapter 27 (Water Service) and 2:42.4 of Chapter 28 (Connection Charges) of Title II of the Code of the City of Ann Arbor (Ordinance No. ORD-08-36)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance ORD-08-36 Approved, 2. Ord amend connection charges chpt 27 & 28.doc

Date	Ver.	Action By	Action	Result
11/6/2008	1	City Council	Held and Closed	
11/6/2008	1	City Council	Adopted on Second Reading	Pass
10/20/2008	1	City Council	Approved on First Reading	Pass

An Ordinance to Amend Section 2:22b of Chapter 27 (Water Service) and 2:42.4 of Chapter 28 (Connection Charges) of Title II of the Code of the City of Ann Arbor (Ordinance No. ORD-08-36) Your approval is requested to amend Section 2:22b of Chapter 27 and 2:42.4 of Chapter 28 of Title II of the Code of the City of Ann Arbor. This ordinance change will increase connection charges for water and sewer customers.

Connection charges are the customer’s way of “buying in” to the water or sewer system on an equitable basis with current customers. The City follows industry guidelines and AWWA methodology in determining connection charges. The method of assigning buy-in costs to customers is by sharing the depreciated value of the system (plant, mains & appurtenances) based on equivalent tap sizes. On the water side, fire protection and high demand users require larger mains and a larger capacity at the Water Treatment Plant to be able to provide the flow required. Larger mains and a larger capacity at the Water Treatment Plant require larger capital investments therefore the buy-in to the system is also larger. Similar logic follows on return flow of that volume to the sewer system.

Water and sewer connection charges have not been increased since their initial adoption in July of 2003. This ordinance is recommended to take effect ten (10) days after legal publication or on January 1, 2009, whichever is later.

Prepared by: Karen Fletcher, Public Services Area  
Reviewed by: Sue F. McCormick, Public Services Area Administrator  
Approved by: Roger W. Fraser, City Administrator  
ORDINANCE NO. ORD-08-ORD-08-36

First Reading : October 20, 2008

Public Hearing : November 6, 2008  
Approved: November 6, 2008  
Published: November 16, 2008  
Effective: January 1, 2009

## WATER SERVICE AND CONNECTION CHARGES

### ORDINANCE TO AMEND SECTION 2:22b OF CHAPTER 27 AND SECTION 2:42.4 OF CHAPTER 28 OF TITLE II OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor ordains:

Section 1. That Section 2:22b of Chapter 27 of Title II of the Code of the City of Ann Arbor be amended as follows:

#### 2:22b Connection charges; installation costs; improvement charges

In order to ensure that the cost of the city water supply system may be shared fairly among all users, and that each user bears a fair share of the amortized cost of the existing improvements not financed by special assessment or improvement charge, a water connection charge shall be levied against every premises newly connected to the city water supply system based on the size of the connection to the system. Premises on which a larger connection or additional connection(s) are installed shall be considered newly connected to the city water supply system.

In addition to the charges herein provided, for every premises newly connected to the city water supply system, including premises on which a larger connection or additional connection(s) are installed, a sewer permit charge also shall be levied against the premises pursuant to section 2:42.4 of Chapter 28 of Title II of this Code, provided that a sewer permit charge will not be required when there is no sanitary sewer available for the premises to connect to. For fire services, the sewer permit charge shall be reduced by 2 standard sizes from the size of the fire service.

Whenever water tap(s) serving an existing premises are enlarged and/or consolidated, credit of the previous connection charge(s) shall be granted and the difference shall be levied. Whenever water meters serving existing premises are enlarged, and the customer originally paid a water permit charged based on meter size, the original meter size will be converted to tap size (see chart) and the difference between the equivalent tap size and the actual tap size shall be levied.

<i>Original Meter Size</i>	<i>Equivalent Tap Size</i>
5/8"	1"
3/4"	1 1/4"
1"	1 1/2"
1 1/2"	2"
2"	3"
3"	4"
4"	5"
6"	7"

Whenever water taps are reduced in size or removed, no refund for the water connection charge shall be granted.

The said water connection charge must be paid prior to the installation of the water meter for such premises and shall be in accordance with the schedule for such water connection charges provided hereinafter.

**SCHEDULE OF CONNECTION CHARGES**

<i>Tap Size</i>	<i>Water Connection Charge</i>
1"	<del>\$2,350.00</del> \$2,620.00
1 1/4"	<del>\$3,675.00</del> \$4,094.00
1 1/2"	<del>\$5,290.00</del> \$5,895.00
2"	<del>\$9,405.00</del> \$ 10,480.00
3"	<del>\$21,155.00</del> \$23,580.00
4"	<del>\$37,610.00</del> \$41,920.00
5"	<del>\$58,765.00</del> \$65,500.00
6"	<del>\$84,625.00</del> \$94,320.00
7"	<del>\$115,180.00</del> \$128,380.00
8"	<del>\$150,440.00</del> \$167,680.00
10"	\$262,000.00
12"	\$377,280.00

Water meters shall be 1 standard size smaller than the water service lines metered or shall be sized according to the rules and regulations of the public services area to serve the premises adequately. Premises newly connected to the city water system shall pay an appropriate meter charge based on meter size. Meter charges shall be fixed by the public services area in accordance with regulations approved by the City Council and shall be not less than the cost of materials, equipment, labor and overhead attributable to such installation. Existing meters improperly sized according to the above regulations shall be replaced by the public services area and the appropriated meter charge shall be levied. Existing fire service lines that do not have a detector check meter installed shall have a detector check meter installed by and remain the property of the city.

The installation costs that are required to be paid for installation of water service stubs shall be fixed by the public services area in accordance with regulations approved by the city council and shall be not less than the cost of materials, equipment, labor and overhead attributable to such installation.

Section 2. That Section 2:42.4 of Chapter 28 of Title II of the Code of the City of Ann Arbor be amended as follows:

2:42.4. Connection costs; connection charges, and improvement charges.

In addition to the sewer fees specified in (SC-2) public services area rules and regulations and in Section 2:42.3 of this chapter, a sewer connection charge shall be levied against every premise

newly connected to the public sewer to provide the premises' fair share of the cost of additions to the sewer system necessary for and resulting from the connections to the sewer system and to bear its fair share of the amortized cost of the existing improvements not financed by special assessment. The sewer connection charge shall also be levied at the time as the demand on the sewage service serving any property is expanded, as well as at the time that the water service is newly connected, as defined in Section 2:22 of Chapter 27 of Title II of the Code. The sewer connection charge shall become payable at the time of installation off the water meter for the property or at the time of sewer connection and shall be based on the size of the water tap in accordance with the schedule for the sewer connection charges provided below. In the event that the premises is served with water by other than the public services area of the City of Ann Arbor, the sewer connection charge shall be based on the water tap size which would be required by the standards of the Ann Arbor Utilities Department pursuant to Chapter 27 of the Ann Arbor City Code.

Whenever a sewer service serving an existing premises is enlarged, and the customer originally paid a sewer permit charge based on meter size, the original meter size will be converted to tap size (see chart) and the difference between the equivalent tap size and the actual tap size shall be levied.

<i>Original Meter Size</i>	<i>Equivalent Tap Size</i>
5/8"	1"
3/4"	1 1/4"
1"	1 1/2"
1 1/2"	2"
2"	3"
3"	4"
4"	5"
6"	7"

**SCHEDULE OF CONNECTION CHARGES**

<i>Tap Size (Inches)</i>	<i>Sewer Connection Charge</i>
1"	\$2,160.00 \$2,235.00
1 1/4"	\$3,375.00 \$3,492.00
1 1/2"	\$4,860.00 \$5,029.00
2"	\$8,635.00 \$8,940.00
3"	\$19,435.00 \$20,115.00
4"	\$34,550.00 \$35,760.00
5"	\$53,980.00 \$55,875.00
6"	\$77,735.00 \$80,460.00
7"	\$105,805.00 \$109,515.00
8"	\$138,190.00 \$143,040.00
10"	\$223,500.00
12"	\$321,840.00

Section 3. This ordinance shall take effect ten (10) days after legal publication or on January 1,

2009, whichever is later.