



## Legislation Text

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**File #:** 10-0984, **Version:** 1

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### Resolution to Establish the Fixed Charges for the 2011 Water and Sanitary Sewer Improvement Charges

We recommend your approval of the attached resolution which establishes the 2011 water main and sanitary sewer improvement fixed charges as required by Section 1:274 of the City Code. These charges will also be used in construction of applicable special assessment projects.

The following charges are recommended for 2011:

- Water Main Improvement Fixed Charge: \$14,539.00 per residential unit served
- Sanitary Sewer Improvement Fixed Charge: \$22,530.00 per residential unit served

The previously established charges for 2010 were \$14,129.00 for water main and \$21,930.00 for sanitary sewer as established by Council on November 5, 2009 (R-09-0936). Both fixed charges increased by approximately 3% since last year.

The water main improvement fixed charge was determined by an average cost per unit for the ten most recent water main projects constructed by Public Service. The sanitary sewer improvement fixed charge was determined using the same method with the ten most recently constructed sanitary sewer projects.

The actual cost of each water main project was cost forwarded using the most recently available published index number (July 2009) from the Handy-Whitman Index for "Distribution Plant - Mains, Average All Types". The same method was used for determining the Sanitary Sewer Improvement Fixed Charge except that the 2009 average annual index number from the Engineering News Record Construction Cost Index was used to cost forward the project costs.

Also attached for your reference is a table of credits used for the first time connection of vacant City single- and two-family parcels connecting to historic (pre-2004) water and sanitary mains (in accordance with Chapter 13 of the City Code).

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Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, Section 1:274 of Title I of the Code of the City of Ann Arbor requires City Council to annually establish the fixed charges for Water Main Improvement Charge and the Sanitary Sewer Improvement Charge for residential water main and residential sanitary sewer in accordance with prescribed methodology; and

Whereas, The Public Services Area used the ten most recent projects built by the City in each category, cost forwarded, as a baseline to establish the fixed charges for 2011;

RESOLVED, That the City Council establish the 2011 Water Main Improvement Charge Fixed Charge to be \$14,539.00 per residential unit served;

RESOLVED, That the City Council establish the 2011 Sanitary Sewer Improvement Charge Fixed Charge to be \$22,530.00 per residential unit served; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.