



## Legislation Text

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**File #:** 08-0887, **Version:** 1

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### Resolution to Establish the Fixed Charges for the 2009 Water and Sanitary Sewer Improvement Charges

We recommend your approval of the attached resolution which establishes the 2009 water main and sanitary sewer improvement fixed charges as required by Section 1:274 of the City Code. These charges will also be applied to construction of applicable special assessment projects.

The following charges are recommended for 2009:

Water Main Improvement Fixed Charge: \$12,559.00 per residential unit served

Sanitary Sewer Improvement Fixed Charge: \$20,987.00 per residential unit served

The current unit charges are \$11,194.00 for water main improvements and \$17,877.00 for sanitary sewer improvements as established by Council on February 22, 2005 (R-46-2-05).

The proposed water main improvement fixed charge was calculated by averaging the unit cost of the ten most recent water main projects constructed by Public Services. The actual cost of each water main project was adjusted using the most recently available published index number (July 2007) from the Handy-Whitman Index for "Distribution Plant - Mains, Average All Types". The difference between the water main improvement fixed charge for 2005 and 2009 is due to this cost index adjustment.

The proposed sanitary sewer improvement fixed charge was determined by using the same method with the ten most recently constructed sanitary sewer projects. These recent projects have been to extend sanitary service to areas not previously served and often difficult to serve (e.g., long lots, deep excavations, difficult terrain). As a result, the unit costs of the sanitary sewer projects have increased with time. The actual cost of each sanitary sewer project was adjusted using the 2007 average annual index number from the Engineering News Record Construction Cost Index. The difference between the sanitary sewer fixed charge for 2005 and 2009 is due to the increase in project costs and the cost index adjustment.

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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; and

Whereas, The Public Services Area used the ten most recent projects built by the City in each category and adjusted these costs by using appropriate indices as a baseline to establish the fixed charges for 2009;

RESOLVED, That Council establish the 2009 Water Main Improvement Charge Fixed Charge to be \$12,559.00 per residential unit served;

RESOLVED, That Council establish the 2009 Sanitary Sewer Improvement Charge Fixed Charge to be \$20,987.00 per residential unit served; and

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