

**RESOLUTION NO. 2022-05**

**A RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF BLOOMFIELD, PERRY COUNTY, PENNSYLVANIA, UPDATING THE BOROUGH'S TAPPING FEES IN ACCORDANCE WITH AN ATTACHED RATE STUDY**

**WHEREAS**, Bloomfield Borough ("Borough") owns and operates a municipal sewer system that serves Bloomfield Borough in Perry County; and

**WHEREAS**, Section 34 of the Borough's Code of Ordinances enables the Borough to update its tapping fees, for future users that wish to subsequently connect to the sewer system, from time to time by resolution; and

**WHEREAS**, at the request of the Borough, the Borough's consulting engineer Herbert, Rowland & Grubic, Inc. ("HRG") has prepared an updated calculation of tapping fees; and

**WHEREAS**, the results of the tapping fee calculations were compiled in a report entitled "Wastewater Collection, Conveyance, and Treatment Facilities Capital Charges Study Pursuant to Act 57 of 2003," prepared by HRG and dated August 23, 2022 ("2022 Tapping Fee Study"); and

**WHEREAS**, the 2022 Tapping Fee Study has been presented to and reviewed by Borough Council at its regularly scheduled monthly meeting, held on September 6, 2022; and

**WHEREAS**, after careful review of the 2022 Tapping Fee Study, Borough Council deems it to be in the best interests, health, safety, and general welfare of residents to update its tapping fees for subsequent user connection, as stated below.

**NOW, THEREFORE, BE IT RESOLVED** by the Borough Council of Bloomfield Borough, Perry County, Pennsylvania as follows:

1. Recitals. The above recitals are incorporated herein by reference.

2. Adoption of Study and Setting of Tapping Fee.

A. Borough Council hereby adopts the 2022 Tapping Fee Study, a copy which is attached to this Resolution as Exhibit "A." The 2022 Tapping Fee Study is available for public inspection at the Bloomfield Borough Office, located at 25 E. McClure Street, New Bloomfield, Pennsylvania 17068.

B. Effective September 6, 2022, any property owner desiring to connect to the Borough's sewer system shall pay to the Borough, prior to connecting thereto, a tapping fee per Equivalent Dwelling Unit ("EDU") of \$3,500.00, calculated pursuant to Exhibit "A."

3. Savings. Nothing contained in this Resolution restricts or otherwise limits any other rights or remedies that the Borough may have under applicable law.

4. Effective Date. This Resolution shall become effective September 6, 2022. The tapping fees updated by this Resolution shall remain in effect until later updated or modified by the Borough.

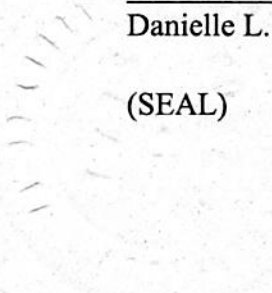
5. Severability. In the event that any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Resolution. It is the intent of the Borough that such remainder shall be in remain in full force and effect.

6. Repealer. All resolutions, or parts of resolutions, of the Borough inconsistent with the above Resolution are expressly repealed.

**RESOLUTION APPROVED** this 6th day of September, 2022.

**ATTEST:**

**BLOOMFIELD BOROUGH**

  
Danielle L. Shope  
Danielle L. Shope, Secretary

By: Malinda C. Anderson  
Malinda C. Anderson, President

(SEAL)

**EXHIBIT "A"**

2022 Tapping Fee Study, prepared by HRG

# HRG

Herbert, Rowland & Grubic, Inc.  
Engineering & Related Services

AN EMPLOYEE-OWNED COMPANY

## WASTEWATER COLLECTION, CONVEYANCE, AND TREATMENT FACILITIES CAPITAL CHARGES STUDY PURSUANT TO ACT 57 OF 2003



### Submitted to:

BLOOMFIELD BOROUGH  
25 East McClure Street  
P.O. Box 144  
New Bloomfield, PA 17068

### Submitted by:

HERBERT, ROWLAND & GRUBIC, INC.  
369 East Park Drive  
Harrisburg, PA 17111  
717.564.1121

R007149.0452

August 23, 2022

# CAPITAL CHARGES STUDY

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## SUMMARY OF CAPITAL CHARGES FEES

Bloomfield Borough, Perry County is the governing body charged with operating and maintaining the sanitary sewer collection and treatment system for the residents of Bloomfield Borough. The collection and conveyance system was originally constructed in 1965 with a pipe replacement project in 1986 and a plant upgrade in 1999. The treatment plant is located at 300 Barnett Woods Road and discharges into an unnamed tributary of Trout Run .

Also within the system is the Lot 30 Sewage Pump Station, serving the Franker/Watson Lakeside Development. It is a private pump station, owned and operated by the Homeowner's Association. The Lot 30 Pump Station has a capacity of 19,080 gpd and has the capacity to serve a total of 95 EDUs. Since this is a privately owned pump station, it is not included in the calculations associated with this study.

Bloomfield Borough's treatment facilities are permitted to treat wastewater flows based upon its current Water Quality Management (WQM) Permit issued by the Pennsylvania Department of Environmental Protection (DEP). The permit authorizes Bloomfield Borough to treat an average annual total flow of 250,000 gallons per day (MGD). At this time, the Borough does not anticipate any need for increased treatment capacity through any treatment plant improvements.

Act 57 of 2003 provides for the imposition of three (3) separate fees that are designed to allow Municipal Authorities and Municipalities to recover certain, specific costs and equity in the system. Except for assessments, these are the only initial charges that are allowed. However, the Borough may also require financial security including the funding of an escrow account in order to insure payment of review and inspection fees. Sewer rents and other charges that recover operating, maintenance, and debt service costs are largely unaffected by Act 57, except those certain conditions that are applied to the collection and amount of reservation of capacity fees.

The three (3) fees authorized by Act 57 are summarized below.

		Proposed Maximum Amount of Charge per EDU
1	Connection Fee	
	Local Road	Actual Cost
	State Maintained	Actual Cost
	Force Main Connection	Actual Cost
2	Customer Facilities Fee	No Charge at Present
3	Tapping Fee	
	a) Capacity Part	\$4,584.00
	b) Collection Part	\$744.00
	c) Special Purpose Part	As Applicable
	d) Reimbursement Part	As Applicable
<b>Total Residential Tapping Fee</b>		<b>\$5,328.00</b>

The above Residential Tapping Fee is the maximum allowed by Act 57. The maximum tapping fee for a Non-Residential connection is to be based upon the number of gallons per day (hydraulic capacity).

The maximum tapping fee for a Non-Residential connection based upon gallons per day is computed as follows:

Non-Residential Tapping Fee (Hydraulic)	Proposed Maximum Amount of Charge
Capacity Part	\$20.74
Collection Part	\$3.37
<b>Total (per gpd)</b>	<b>\$24.11</b>

The Borough currently charges nonresidential customers for sewer service using an EDU schedule and desires to assign tapping fee charges to nonresidential customers in a similar manner. The method of assigning EDUs to nonresidential customers and associated verification, shall be in accordance with Act 57 of 2003.

Of the resulting fees, the Borough may choose to assess the maximum rate allowed under Act 57, or they may choose to enact a rate less than the maximum to the Non-Residential user. Under certain circumstances, the Borough may elect to charge Non-Residential users a tapping fee based upon other regulated parameters of the Borough's wastewater.

The Act allows for the imposition of a Special Purpose Part, a Reimbursement Part, and a Reservation of Capacity Fee, however, the Borough has chosen not to enact these Fees at this time.

## SCHEDULE A: CALCULATION OF CONNECTION FEE

The Connection Fee covers the cost of the facilities installed between the sewer main and the property line of the property being connected when the sewer main fronts the property. Construction of these facilities is generally the responsibility of the Borough. All costs associated with the installation of these facilities are to be paid by the property owner. If the Authority incurs costs associated with the installation of these facilities, the fee will be calculated using an actual cost method as illustrated below. The illustration provides examples of costs the Authority might incur that are chargeable to the property owner under the definition of this fee but is not all-inclusive.

In lieu of payment of a connection fee, the Borough may require the construction and dedication of these facilities by the property owner. In this case, the Borough's only cost will be for inspection, and the cost of inspection may be charged based on the Borough's rate resolution in effect at the time of connection.

\$	Direct Materials Cost
+	Direct Subcontract Costs
+	Equipment Rental Charges
+	Direct Labor Costs
+	Fringe Benefits, Employment Taxes, and other Employment Costs
+	Cost of Inspection <sup>(1)</sup>
+	Application and Administrative Costs
+	Planning Module Review <sup>(2)</sup>
+	Miscellaneous Engineering
+	Miscellaneous Legal Expenses
= Total Connection Fee	

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(1) Includes the cost of inspection for all facilities installed by property owner or subcontractor hired by the Borough.

(2) If required.

## SCHEDULE B: CALCULATION OF CUSTOMER FACILITIES FEE

The Customer Facilities Fee covers the cost of facilities from the property line to the proposed dwelling or building. The property owner generally provides the construction of these facilities. In most instances, the Borough's only cost will be for inspection, and the cost of inspection may be charged based on the Borough's rate resolution in effect at the time of connection.

In some instances, the Borough may determine that the installation of special facilities is necessary to accommodate flow from a particular property. An example would be the installation of a grinder pump when gravity flow to the sewer main is not possible. The Borough may elect to install such facilities; however, all costs of these facilities are chargeable to the property owner as illustrated below:

\$	Direct Materials Cost
+	Direct Subcontract Costs
+	Equipment Rental Charges
+	Direct Labor Costs
+	Fringe Benefits, Employment Taxes, and other Employment Costs
+	Other Direct Costs
<hr/>	
=	Total Customer Facilities Fee

The Borough has not historically charged a Customer Facilities Fee or an Inspection Fee.

## CALCULATION OF TAPPING FEE: SUMMARY

The tapping fee is based on the Borough's equity in the system and payment of the tapping fee constitutes the new user's "buy-in" to the system. The capital costs associated with the construction of the Borough's facilities are updated to reflect current costs in accordance with one of the methods allowed by the Act. Facilities funded by others and dedicated to the Borough are not included in the computation of this fee. Outstanding debt related to the facilities must be subtracted except when calculating the initial tapping fee for a new system. The estimated cost of future capacity facilities has not been included in this calculation.

The tapping fee is comprised of up to four (4) components, which are separately calculated. In lieu of the payment of a tapping fee, the Borough may require the construction and dedication of only such capacity, collection, or other special purpose facilities to supply service to the property owner or owners.

Capacity Part	\$4,584.00
+ Collection Part	\$ 744.00
+ Special Purpose Part *	As Applicable
+ Reimbursement Part *	As Applicable
= Tapping Fee	<u><u>\$5,328.00</u></u>

\* Applies only to certain specific new connections.

## SCHEDULE C: CALCULATION OF TAPPING FEE CAPACITY PART

**Capacity Part:** This part of the tapping fee includes those costs associated with construction of the wastewater treatment facility, major pump stations, force mains, and interceptors. Collection lines and appurtenances are included in the Collection Part of the Fee.

As outlined by Act 57 of 2003, this study computes the value of the system based on historical costs trended to current values using the generally accepted Engineering News Record (ENR) construction index. Pursuant to the requirements of Act 57, the calculation of this fee requires a downward adjustment to reflect funds or facilities contributed by other parties, federal and state grants, and capital contributions from developers to arrive at the net historical cost. Outstanding debt must also be deducted from the cost of facilities since this is not the initial tapping fee for a system exclusively serving new users. This methodology is used for the costs associated with all capacity facilities.

Values have been established using the actual costs of the facilities and all associated project costs including engineering, legal, financial, and other costs. A breakdown of historical costs and grants is included in Exhibit 1. Since this is not the initial tapping fee for a system exclusively serving new users, outstanding debt has been subtracted. It was noted during the study, that the Borough does have a Series 2010 Bond issue that was noted on their 2020 DCED Audit. It appears that this Bond was a refunding of the bond issue from the 1999 sewer project. This financing was fully used to improve capacity related facilities and the outstanding balance has been included below. Costs associated with the construction of future facilities have not been included in the fee.

The Borough may have performed an upgrade to the wastewater treatment plant between the date of their last tap fee study to current, however, no documentation or information relative to those upgrades was able to be provided for the purpose of this study. Based upon our review of available data, the Borough does not currently have outstanding debt relative to the potential upgrade. Our study is, therefore, conservative in nature and may not include all upgrades to the treatment plant.

The calculation of the Capacity part of the tapping fee is illustrated below. Detailed costs and calculations are included in Exhibit 1.

<b>(Total Adjusted and Trended Cost of Capacity Facilities - Outstanding Debt) / System Design Capacity (gpd)</b>	=	<b>Cost per Unit of Design Capacity</b>
(\$6,406,003.94 - \$1,220,126.21) / 250,000	=	\$20.74 per gpd

Act 57 establishes the maximum capacity for a residential connection. It is based on 90 gallons per day per capita applied to the average number of persons per household as determined by the most recent United States census. This calculation uses a capacity per residential dwelling unit (EDU) of 221 gpd based on the 90 gallons per person per day multiplied by the 2020 Census statistic of 2.46 persons per household in Perry County. (Note: the US Census Bureau does not publish census data specifically related to Bloomfield Borough.)

The maximum Capacity Part of the Tapping Fee per EDU is calculated as follows:

Number of Units of Design Capacity (gpd per EDU)	x	Cost per Unit of Design Capacity	=	Capacity Part of Tapping Fee
221	x	\$20.74	=	\$4,584.00 per EDU

## SCHEDULE D: CALCULATION OF TAPPING FEE COLLECTION PART

**Collection Part:** This part includes costs associated with the construction of the sewage collection system including sewer mains, manholes, small pumping stations, associated force mains and appurtenances.

As outlined by Act 57 of 2003, this study computes the value of the system based on historical costs trended to current values using the generally accepted Engineering News Record (ENR) construction index. Historical cost records were available for all facilities. As a result, estimates of current replacement costs from the Borough's previous study were trended to current value. Pursuant to the requirements of Act 57, the calculation of this fee requires a downward adjustment to reflect funds or facilities contributed by other parties, federal and state grants, and capital contributions from developers to arrive at the net historical cost. Outstanding debt must also be deducted from the cost of facilities since this is not the initial tapping fee for a system exclusively serving new users. This methodology is used for the costs associated with all collection facilities. It was determined that all existing debt associated with the sewer system is related to Capacity facilities.

A breakdown of historical costs is included in Exhibit 1. Costs associated with the construction of future facilities have not been included in the fee.

The calculation of the Collection Facilities Part of the Tapping Fee is illustrated below.

<b>Total Adjusted and Trended Cost of Collection Facilities - Outstanding Debt</b>	=	<b>Cost per Unit of Design Capacity</b>
<b>System Design Capacity (gpd)</b>		
\$843,545 - \$0	=	\$3.37 per gpd
250,000		

Act 57 establishes the maximum capacity for a residential connection. It is based on 90 gallons per day per capita applied to the average number of persons per household as determined by the most recent United States census. This calculation uses a capacity per residential dwelling unit (EDU) of 221 gpd based on the 90 gallons per person per day multiplied by the 2020 Census statistic of 2.46 persons per household in Perry County. (Note: the US Census Bureau does not publish census data specifically related to Bloomfield Borough.)

The maximum Collection Part of the Tapping Fee per EDU is calculated as follows:

Number of Units of Design Capacity (gpd per EDU)	x	Cost per Unit of Design Capacity	=	Capacity Part of Tapping Fee
221	x	\$3.37	=	\$744 per EDU

## SCHEDULE E: CALCULATION OF TAPPING FEE SPECIAL PURPOSE PART

The Special Purpose Part is generally applicable only to a particular group of customers. This fee is designed to recover the cost of facilities that serve a special purpose or specific area, such as pump stations. Fees would be separately calculated for each applicable group and applied to new users as appropriate.

All costs associated with the installation of these facilities are to be paid by the users of these facilities through the imposition and collection of a special purpose part. If the Borough incurs costs associated with the installation of these facilities, the fee will be calculated using an actual cost method as illustrated below. The illustration provides examples of costs the Borough might incur that are chargeable to the users under the definition of this fee but is not all-inclusive.

\$	Direct Materials Cost
+	Direct Subcontract Costs
+	Equipment Rental Charges
+	Direct Labor Costs
+	Fringe Benefits, Employment Taxes, and other Employment Costs
+	Cost of Inspection
+	Application and Administrative Costs
+	Planning Module Review
+	Miscellaneous Engineering
+	Miscellaneous Legal Expenses
=	Total Cost of Special Purpose Facilities

$$\frac{\text{Cost of Special Purpose Facilities}}{\text{Design Capacity of Special Purpose Facilities}} = \text{Special Purpose Part of Tapping Fee}$$

The Borough currently does not charge any Special Purpose Fees.

**SCHEDULE F:  
CALCULATION OF TAPPING FEE  
REIMBURSEMENT PART**

Where appropriate, a reimbursement component may be included in the tapping fee charged to new connections for facilities constructed by others for which a reimbursement is due to the person constructing the facilities. This reimbursement must be defined in a written agreement between the Borough and the entity constructing the facilities. Typically, such agreements reimburse the cost of the capacity available for use by future connections.

The Borough does not currently assess a Reimbursement Part.

## SCHEDULE G: CALCULATION OF RESERVATION OF CAPACITY FEE

Act 57 specifically authorizes a municipality to collect a fee for reserving capacity under certain circumstances: "... no reservation of capacity fee or other similar charge shall be imposed or collected from a property owner who has applied for service unless the charge is based on debt and fixed operating expenses. A Reservation of Capacity Fee or other similar charge may not exceed 60% of the average bill for a residential customer in the same service area for the same billing period. Any Borough opting to collect a reservation of capacity fee or other similar charge may not collect the Tapping Fee until the time as the building permit fee is due."

The Borough does not currently have a Reservation of Capacity Fee, however, if they were to decide to enact such a fee, the table below illustrates the maximum charge permissible by law.

Fixed operating expenses and debt service, as obtained from the financial records, were used for this calculation. Annual fixed operating expenses plus annual debt service is calculated as a percentage of total operating expenses plus annual debt service. If this percentage is less than 60%, then the lower percentage must be used to calculate the maximum reservation of capacity fee. If it is greater than 60%, then 60% is the maximum that may be charged. In this case, 60% was used for the calculation.

Annual Fixed Operating Expenses	\$238,257.00
Annual Debt Service	<u>+\$139,141.46</u>
	<u>\$377,398.46</u>
Total Operating Expenses	\$319,507.35
Annual Debt Service	<u>+\$139,141.46</u>
	<u>\$458,648.81</u>
(Fixed Operating + Debt) / (Total Operating + Debt) %	82.28%
Maximum Reservation of Capacity Fee as Percentage of Average Residential Sewer Bill	60%
Average Yearly Residential Sewer Bill	\$456.00
Maximum Reservation of Capacity Fee	\$273.60
Average Gallons Used per EDU per Day	221
Maximum Reservation of Capacity for Non-Residential Users per Gallons per Daily	\$1.24

**Exhibit 1 - Summary of Historical/Replacement Cost Breakdown  
Bloomfield Capital Charge Study**

Project	Cost	Grants	Net Cost	Original Index	Current Index	Trend Factor	Trended Cost	Capacity Cost	Collection Cost
1965 Treatment Plant	\$ 44,570.00	\$ -	\$ 44,570.00	971	13,167.84	13.6	\$ 604,418.77	\$ 604,418.77	\$ -
1999 Treatment Plant	\$ 2,669,940.00	\$ -	\$ 2,669,940.00	6060	13,167.84	2.17	\$ 5,801,585.16	\$ 5,801,585.16	\$ -
<b>Total Historical &amp; Trended Cost</b>	<b>\$ 2,714,530.00</b>	<b>\$ -</b>	<b>\$ 2,714,530.00</b>				<b>\$ 6,406,003.94</b>	<b>\$ 6,406,003.94</b>	<b>\$ -</b>
1986 Pipe Replacement	\$ 42,400.00	\$ -	\$ 42,400.00	4929	13,167.84	2.67	\$ 113,271.74	\$ -	\$ -
1993 Maple Lane	\$ 15,800.00	\$ -	\$ 15,800.00	5210	13,167.84	2.53	\$ 39,933.18	\$ -	\$ -
1994 Oak and Apple	\$ 70,480.00	\$ -	\$ 70,480.00	5408	13,167.84	2.43	\$ 171,610.46	\$ -	\$ -
1996 N. Carlise	\$ 58,756.00	\$ -	\$ 58,756.00	5622	13,167.84	2.34	\$ 137,618.22	\$ -	\$ -
1997 Oak Road	\$ 67,165.00	\$ -	\$ 67,165.00	5825	13,167.84	2.26	\$ 151,831.41	\$ -	\$ -
2000 S. Carlise	\$ 76,810.00	\$ -	\$ 76,810.00	6221	13,167.84	2.12	\$ 162,581.87	\$ -	\$ -
2010 E. McClure St	\$ 71,844.97	\$ 65,000.00	\$ 6,844.97	8802	13,167.84	1.50	\$ 10,240.11	\$ -	\$ -
2012 W. McClure Street	\$ 39,758.65	\$ -	\$ 39,758.65	9273	13,167.84	1.42	\$ 56,458.05	\$ -	\$ -
<b>Total Capacity Costs (Historical and Replacement)</b>								<b>\$ 6,406,003.94</b>	<b>\$ -</b>
<b>Less Outstanding Debt Related to Facilities</b>								<b>\$ 1,220,126.21</b>	<b>\$ -</b>
<b>Total Trended Adjusted Cost</b>								<b>\$ 5,185,877.73</b>	<b>\$ -</b>

**CAPACITY PART**  
 Capacity (Gallons Per Day) - (Equals capacity of WWTP) 250,000  
 Cost per Gallon \$20.74  
 Gallons per Residential User Maximum Capacity Part 221  
 Maximum Capacity Part \$4,584.00  
 90 GPD x 2.46=

Description	Total Historical Cost	Grants	Net Cost	ENR Index	Trend Factor	Trended Cost	Capacity Cost	Collection Cost
1986 Pipe Replacement	\$ 42,400.00	\$ -	\$ 42,400.00	4929	2.67	\$ 113,271.74	\$ -	\$ 113,271.74
1993 Maple Lane	\$ 15,800.00	\$ -	\$ 15,800.00	5210	2.53	\$ 39,933.18	\$ -	\$ 39,933.18
1994 Oak and Apple	\$ 70,480.00	\$ -	\$ 70,480.00	5408	2.43	\$ 171,610.46	\$ -	\$ 171,610.46
1996 N. Carlise	\$ 58,756.00	\$ -	\$ 58,756.00	5622	2.34	\$ 137,618.22	\$ -	\$ 137,618.22
1997 Oak Road	\$ 67,165.00	\$ -	\$ 67,165.00	5825	2.26	\$ 151,831.41	\$ -	\$ 151,831.41
2000 S. Carlise	\$ 76,810.00	\$ -	\$ 76,810.00	6221	2.12	\$ 162,581.87	\$ -	\$ 162,581.87
2010 E. McClure St	\$ 71,844.97	\$ 65,000.00	\$ 6,844.97	8802	1.50	\$ 10,240.11	\$ -	\$ 10,240.11
2012 W. McClure Street	\$ 39,758.65	\$ -	\$ 39,758.65	9273	1.42	\$ 56,458.05	\$ -	\$ 56,458.05
<b>Total Collection Costs (Historical)</b>								<b>\$ 843,545.04</b>
<b>Less Outstanding Debt Related to Facilities</b>								<b>\$ -</b>
<b>Total Trended Adjusted Cost</b>								<b>\$ 843,545.04</b>

**COLLECTION PART**  
 Capacity (Gallons Per Day) - (Equals capacity of WWTP) 250,000  
 Cost per Gallon \$3.37  
 Gallons per Residential User Maximum Capacity Part 221  
 Maximum Capacity Part \$744.00  
 90 GPD x 2.46=

**TOTAL MAXIMUM TAPPING FEE - CAPACITY AND COLLECTION PARTS, HYDRAULIC CAPACITY (PER HOUSEHOLD)**  
**\$5,328.00**