

The Mayor and Commissioners of the Town of Elkton

Ordinance 1 - 2007

BY: Mayor and Commissioners

INTRODUCTION: April 4, 2007

ADOPTION: April 18, 2007

AN ORDINANCE CONCERNING

**The Code of the Town of Elkton
Title 13
Chapter 13.04
Section 13.04.290 - Water and Sewer Rates**

FOR THE PURPOSE of amending the Code of the Town of Elkton, Title 13, Chapter 13.04, § 13.04.290., Water and Sewer Rates., increasing the sewer rates for customers of the Town of Elkton, principally to offset the cost of constructing the Elkton Wastewater Treatment Plant *Enhanced Nutrient Removal (ENR)* Upgrade.

WHEREAS, Article XI-E, Constitution of the State of Maryland; Article 23A, Annotated Code of Maryland; and the Charter and Code of the Town of Elkton provide the authority under which the Board of Commissioners may adopt, repeal, and/or amend the ordinances of the Town of Elkton; and

WHEREAS, the State of Maryland regulates the discharge of treated wastewater from the Elkton Wastewater Treatment Plant and pursuant to the Chesapeake Bay Agreement and the federal Clean Water Act developed increasingly more stringent regulations governing said discharge, particularly with respect to nitrogen and phosphorus compounds; and

WHEREAS, the Town of Elkton, the owner of the Elkton Wastewater Treatment Plant, a regulated treatment facility that discharges into the Big Elk Creek, a tributary of the Chesapeake Bay, entered into a consent order with the Maryland Department of the Environment on January 5, 2005, amended on July 31, 2006, wherein the Town agreed to complete the construction of the *Elkton Wastewater Treatment Plant Enhanced Nutrient Removal Upgrade* by June 1, 2008, and by September 1, 2008, complete start-up of the upgraded plant to meet all wastewater discharge permit compliance requirements, including the discharge limitations on nitrogen and phosphorus compounds; and

WHEREAS, the Town of Elkton authorized and funded the design of the BNR/ENR wastewater treatment plant to comply with both the State's *biological nutrient removal (BNR)* and *enhanced nutrient removal (ENR)* treatment goals, coupled with a growth and development projected discharge rate of up to 3.2 million gallons/day; and

WHEREAS, the Town of Elkton, following completion of the BNR/ENR plant's design, bid the construction and selected a contractor whose bid price was \$33,900,000.00 for the construction of the upgraded plant; and

WHEREAS, engineering services, including construction management, inspection and related services during the course of the construction project, were estimated at \$2,985,19000, said services authorized by the Mayor and Commissioners; and

WHEREAS, the Town shall receive a BNR grant in the amount of \$8,842,410.00 and a Bay Restoration Fund (ENR) grant in the amount of \$7,954,912.00 from the Maryland Department of the Environment, along with a grant from the United States Environmental Protection Agency in the amount of \$626,600.00 for the construction of the BNR/ENR treatment plant; and

WHEREAS, the Town, upon application to the Maryland Department of the Environment, Water Quality Financing Administration, received an initial construction loan in the amount of \$15,600,000 under the Water Quality State Revolving Fund (WQSRF) for the Town's share of the construction cost of treatment plant upgrade; and

WHEREAS, the Mayor and Commissioners authorized a *rate study*ⁱ to specifically determine the necessary incremental adjustments to the sewer rate over an initial five-year period, beginning FY 2007, necessary to service debt on the aforementioned loan, as well as to pay for the on-going capital and operating costs associated with the Elkton Wastewater Treatment Plant; and

WHEREAS, the Mayor and Commissioners adopted Ordinance 7- 2006 on July 5, 2006, adjusting the sewer rate for Fiscal Year 2007, and shall hereby adopt adjusted sewer rates set forth hereinafter for Fiscal Year 2008.

NOW, THEREFORE, the Board of Commissioners of the Town of Elkton hereby ordains that:

- Section 1. The Code of the Town of Elkton, Title 13, Chapter 1304, § 13.04.290., Water and Sewer Rates., is hereby repealed; and
- Section 2. The Code of the Town of Elkton, Title 13, Chapter 1304, § 13.04.290., Water and Sewer Rates., is hereby re-enacted to read as follows:

**The Code of the Town of Elkton
Title 13
Chapter 13.04**

§13.04.290 Water and sewer rates.

- A. The Town shall bill water accounts on a quarterly basis and shall use water meters to determine the amount of water used by each residential, commercial, industrial or other property and/or portion thereof served by the town water and sewer systems.
- B. **Water and sewer rates established.**

1. The following base water and sewer rates shall be charged:

Water Rate In-Town Minimum (9,000 Gallons/Qtr.)	Water Rate Out-Of-Town Minimum (9,000 Gallons/Qtr.)	Sewer Rate In-Town Minimum (9,000 Gallons/Qtr.)	Sewer Rate Out-Of-Town Minimum (9,000 Gallons/Qtr.)
\$19.35	\$38.70	\$52.92	\$105.84
Rate Exceeding In-Town Minimum/ 1,000 Gal. up to 30,000 gallons	Rate Exceeding Out-Of-Town Minimum / 1,000 Gal. up to 30,000 gallons	Rate Exceeding In-Town Minimum/ 1,000 Gal. up to 30,000 gallons.	Rate exceeding Out-Of-Town Minimum/ 1,000 Gal. up to 30,000 gallons.
\$2.15	\$4.30	\$5.88	\$11.76
from 30,001 gallons to 100,000 gallons	from 30,001 gallons to 100,000 gallons	from 30,001 gallons to 100,000 gallons	from 30,001 gallons to 100,000 gallons
\$2.26	\$4.52	\$6.16	\$12.32
from 100,001 gallons, a 5% additional incremental rate adjustment per 100,000 gallons up to a maximum rate of \$7.00	from 100,001 gallons, a 5% additional incremental rate adjustment per 100,000 gallons up to a maximum rate of \$14.00	from 100,001 gallons, a 5% additional incremental rate adjustment per 100,000 gallons, up to a maximum rate of \$19.10	from 100,001 gallons, a 5% additional incremental rate adjustment per 100,000 gallons, up to a maximum rate of \$38.20

2. The base water and sewer rate for consumers outside the municipal limits of the Town shall be double the town rate.

C. Water meters required; minimum quarterly charge; sewer charge.

1. A residential, commercial, industrial or other property that receives water from the Town shall have a water meter installed thereon to measure all water consumed in any manner upon the property and/or portion thereof, including any water service connection dedicated exclusively for fire suppression and/or related purposes. The Town may require additional water meters for each dwelling unit of a multi-dwelling unit building, for each rental space on a commercial property, or upon other property, as determined by the town, to measure water consumption by the respective property.
2. The owner of property receiving water from the Town shall pay not less than the

minimum quarterly charge for water and sewer service provided to the property or for each portion thereof where water meters are installed.

3. The charge for sewer service shall be determined on water usage.
- D. Unless otherwise provided in the Code, or unless granted by the Mayor and Commissioners, a property owner receiving water and/or sewer service from the Town shall pay for all water and/or sewer service provided to the owner's property.
- E. A property receiving water and/or sewer service from the Town that is not located within the corporate limits of the Town shall be charged double the water and sewer rates.

**** END OF SECTION ****

DATE OF EFFECT

THIS ORDINANCE shall be effective on **8th** day of **May, 2007**

EXECUTION BY THE MAYOR AND COMMISSIONERS

AFFIRMING

Mayor Joseph L. Fisona
Commissioner Charles H. Givens, Sr.
Commissioner Mary Jo Jablonski
Commissioner C. Gary Storke

DISSENTING

Commissioner Earl M. Piner, Sr.

Publish in the Cecil Whig - Legal Section - 04/25/07 and 05/02/07

ⁱ *Town of Elkton Water and Sewer Rate Study Final Report July 2006*, by Municipal & Financial Services Group, 906-A Commerce Road, Annapolis, Maryland 21410