

**TOWN OF RISING SUN
RESOLUTION 2016-13**

**A RESOLUTION MODIFYING UTILITY COLLECTION RATES TO PROVIDE
ADEQUATE CAPACITY & PROVIDE WATER AND SEWER SERVICES TO THE
COMMUNITY**

WHEREAS, the Town, located in Cecil County, Maryland is a municipality organized under the provisions of the Maryland Constitution and governed under the provisions of the Local Government Article of the Annotated Code of Maryland; and

WHEREAS, the Town is proclaimed as a perpetual entity with the right to pass laws; and

WHEREAS, the Town of Rising Sun enacted a sewer and water moratorium in 2005 which resulted in the suspension of any new construction of housing, commercial properties or business expansion in the Town of Rising Sun; and

WHEREAS, this Sewer and Water Moratorium has been in place for 11 years and has essentially stifled and eliminated any new investments in the community during that time; and

WHEREAS, recent financial analysis has indicated that the assessed values of property within the Town of Rising Sun, coupled with inflation, has decreased real estate assessments and property values by 22% over the last 6 years, which is a loss of \$22,000 of home equity for every \$100,000 of assessed home value; and

WHEREAS, it clear that the 11 year sewer and water moratorium has negatively impacted the Town of Rising Sun and caused significant financial harm to the community and will continue to do so if continued investments by the Town are not made to cure the deficiencies; and

WHEREAS, the water moratorium was necessary due to the fact that the Town's current drinking water supplies have insufficient capacity to meet demand during drought conditions and an inability to meet maximum demand should a current Town well be out of service and furthermore do not have adequate drinking water supplies to meet the projected future demand for properties currently within the corporate limits of the Town which are shown to be in the Town's service area in the Town's Water and Sewer Master Plan; and

WHEREAS, the Mayor and Commissioners have developed and enacted a water capacity upgrade plan as described in Resolution 2016 -11 to solve this issue which requires financial resources to pay for these infrastructure upgrades; and

WHEREAS, the Town needs to build adequate reserve funds for both the Water and Sewer systems, to include impending repairs of both the aging sewer and water distribution lines, deactivation of the previous sewage treatment facility and upgrades to the current facility in the future if and when needed; and

WHEREAS, Section 8-302 of the Code of Ordinances of the Town of Rising Sun authorizes the Mayor and Commissioners of the Town of Rising Sun to establish by resolution, both a water consumption charge and sewer usage charge; and

WHEREAS, the Mayor and Commissioners previously passed Resolution 2009-03 which raised sewer and water rates to begin construction of the new wastewater treatment plant, and to begin building financial reserves in anticipation of the cost associated with solving the water capacity issues facing the Town; and

WHEREAS, that rate increase was spread out over a 6 year period in order to minimize the short term financial impacts to the utility customers and included an annual 6% increase of rates from that point forward in anticipation of an eventual resolution to the Town's water capacity issues; and

WHEREAS, after careful study, research and analysis, the Mayor and Commissioners have developed a strategy to increase water capacity to the Town of Rising Sun and to finally be able to move towards rescinding the water and sewer moratoriums and to begin to building reserve funds for future infrastructure management of both water and sewer, and to position the Town to prosper economically and to begin restoring home values for our residents and allow new financial investments to grow our businesses.

WHEREAS, the Mayor and Commissioners wish to spread the financial impact of this plan out over an extended period of time in order to minimize the financial impacts to the user of this system, but more importantly to allow the positive impacts of this new infrastructure to grow the user base and provide other financial resources to offset future cost for this system in the future.

NOW THEREFORE, BE IT FURTHER RESOLVED, in order to provide the financial resources necessary to finally lift the sewer and water moratorium, the Mayor and Commissioners deem it necessary to raise sewer and water rates over a 10 year period starting with February 1st 2017 for usage in January 2017 as described in the attached sewer and water rate table.

THEREFORE, BE IT ENACTED AND RESOLVED that the Mayor and Commissioners introduced this resolution on the 24th day of August 2016 and further adopted such resolution on this 13th day of September, 2016

AYES: Commissioner's Authenreath, Leishear, Shephard and Warnick

NAYES: None

ABSTAIN: None

THE MAYOR AND COMMISSIONERS OF
THE TOWN OF RISING SUN

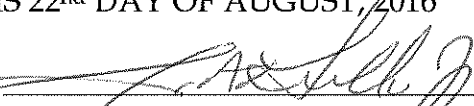
ATTEST:

BY: 
Travis Marion, Mayor



Calvin A Bonenberger Jr
Acting Town Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY
THIS 22nd DAY OF AUGUST, 2016

BY: 
Jack A. Gullo, Jr., - Town Attorney

Water and Sewer Rate Table

Water Rates		Current Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Annual Percentage Increase			6%	16%	16%	14%	14%	5%	5%	5%	5%	5%
Water Usage Rate (Per 1,000 gallons)		\$9.25	\$9.81	\$11.38	\$13.50	\$15.05	\$17.16	\$18.02	\$18.92	\$19.87	\$20.86	\$21.90
Sewage Treatment Rates		Current Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025
Annual Percentage Increase			6%	12%	12%	10%	10%	5%	5%	5%	5%	5%
Sewage Treatment Rate (based upon water consumption)		\$10.38	\$11.00	\$12.32	\$13.80	\$15.18	\$16.70	\$17.53	\$18.41	\$19.33	\$20.29	\$21.31

A. Special charges for Sewer:

1. Properties located within the incorporated limits of the Town of Rising Sun, that receive sewage treatment services by the Town, but do not have a water meter to measure consumption, will be billed based upon a flat usage of 5,000 gallons per month, and will be charged at the in town sewage rate in effect at the time of billing.
2. Properties that are not located within the incorporated limits of the Town of Rising Sun, but receive both water service and sewage treatment from the Town, shall be billed for sewage treatment based upon water consumption readings on the water meter, and will be charged double the sewer rate in effect at the time of billing.
3. Properties that are not located within the incorporated limits of the Town of Rising Sun, but still receive sewage treatment services by the Town, but do not have a water meter to measure consumption, will be billed based upon a flat usage of 5,000 gallons per month, and will be charged double the sewer rate in effect at the time of billing.

B. Special charges for Water:

1. Properties that are not located within the incorporated limits of the Town of Rising Sun, but receive water from the Town will be billed for water usage based upon water consumption readings on the water meter, and will be charged double the water rate in effect at the time of billing.

- C. Other Charges: The Town's base charge of \$4 per month per service shall remain the same; and bay restoration fee charges shall be assessed in accordance to rates set by the Maryland Department of the Environment.