



# Memo

**To:** Northampton, Bucks County, Municipal Authority  
**Cc:** Steve Hann, Equire  
**From:** David L. Busch / Barry Thompson  
**Date:** 11/8/2007  
**Re:** Tapping Fees / Assessments for new areas to receive sewer service

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A question has been raised regarding the imposition of a tapping fee vis-à-vis properties that will be assessed for the construction of sanitary sewers in the service area of the Northampton, Bucks County, Municipal Authority ("Authority"). It is my understanding that this issue turns primarily on the financial implications, as compared to the legality, of levying a tapping fee and assessment on the same property.

There are essentially two components of the Authority's tapping fee – collection and capacity. The former covers the collection sewers (in effect pipe with a diameter of 8-inches or less) while the latter involves conveyance sewers, pump stations and force mains. The breakdown of the tapping fee, as calculated in 2005, is as follows:

Collection -	\$2,387.14
Capacity -	<u>482.21</u>
Total -	\$2,869.35

In addition, there is also a pass through charge for all customers that discharge into the Neshaminy Interceptor which is set by Bucks County Water and Sewer Authority.

Assuming that the Authority would consider adjusting the tapping fee in light of the assessments to be paid by the property owners to be served by the new construction, there are two sections of the tapping fee that could address an adjustment and there are two methods of implementing an adjustment. First, the tapping fee consideration could be inserted within the collection component or a special district could be created. My preference would be to make this adjustment a subset of the collection component and avoid the special purpose district. We believe that this is administratively easier and would obviate the possibility of someone requesting a special purpose district in the future for a particular cause, which could lead to others looking for a niche to obtain some type of financial relief.

As for the method for adjusting the tapping fee, we offer two options:

1. Eliminating the collection component completely for any property required to pay an assessment to the Authority for new sewer construction. In essence the Authority would be crediting the property owner for the assessment.
2. Charging the greater of the assessment or the collection component of the tapping fee, assuming there are situations where the assessment would be less than \$2,387.

Personally, we would prefer the first alternative since it is easy to understand and eliminates the need for setting up a separate accounting system to track each property owner.

If you or the Authority Board should have any additional concerns that you would like us to address, please do not hesitate to contact either of us.