

ORDINANCE

City of Portland, Tennessee

No. 24 - 42

Second Reading

AN ORDINANCE TO RESCIND IN ITS ENTIRETY ORDINANCE 24-26 AND REPLACE WITH THIS ORDINANCE FOR WATER, SEWER, NATURAL GAS, AND CAPACITY LETTER MAINTENANCE FEES

WHEREAS, the City of Portland deems it necessary to establish a new fee structure for water, sewer and gas; and

WATER & SEWER PLAN REVIEW FEES

Review Fees will only be charged one time per project. If the project is within the Portland City Limits, the review fees will be charged with preliminary plat. If the project is outside of the Portland City Limits, it will be charged with the review of the plat.

Plan Review Fee

(Due when plans are submitted for review. Must be paid prior to Portland Department of Utilities (PDU) approval.)

- \$1,200 for water plans (per phase)
- \$1,200 for sewer plans (per phase)

WATER METER BASE FEES

Rate Class	Monthly Meter Base Fee for Fiscal Years (FY)		
	FY 2024	FY 2025	FY 2026*
Residential	\$4	\$5	\$6
Commercial/Industrial	\$17	\$18	\$19
Fire Meters	\$76	\$77	\$78

*After Fiscal Year 2026, Meter Base Fees shall remain at the fee detailed under FY 2026

Water Meter Base Fees shall be used to test, calibrate, maintain, install, and replace all meters within the distribution system. Fees shall be calculated as shown above.

Residential Fee – Shall apply to all residential meters

Commercial/Industrial Fee – Shall apply to all commercial & industrial domestic and irrigation meters.

Fire Meters – Shall apply to all fire meters

WATER FEE STRUCTURE

WATER CONNECTION FEES

Residential**	\$120
Commercial	\$180
Industrial	\$600

Water Connection Fees apply to all new account setup.

** In cases of natural disaster, including but not limited to tornado, lightning, flood, fire, sink hole, ice storms, and other serious acts of nature, residential water connection fees may be waived by the Business Office Manager, at the sole discretion of the Business Office Manager.

** In the event of a customer's death, service will need to be set up in a new name within 30 days to avoid disconnection and final billing. Residential water connection fees may be waived on active accounts with two or more of the following: death certificate, two proofs of residency showing name and service address and/or Will/ Trust documents. A Letter of Testamentary will be required to change the name to an Estate.

WATER TAP FEES

TAP SIZE	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
3/4"	\$1,500	\$2,400
1"	\$2,100	\$3,120
2"	\$4,500	\$6,000
*3"	\$5,200	\$6,840
*4"	\$6,200	\$8,040
*6"	\$9,200	\$11,640
*8"	\$11,200	\$14,040
*10"	\$15,000	\$19,200
*12"	\$18,000	\$24,000

*Contractor must provide all labor, materials, and meter per PDU specs

The Tap Fees only apply to services. The Tap Fee listed above does not apply to main line extensions or replacements for subdivisions. The developer shall be responsible for the cost of all taps for main line extensions and replacements. The above fees are privilege fees only and will be charged on a per unit basis and are due at the time of setting up service.

WATER IMPROVEMENT FEE

\$1,800 per equivalent residential unit (ERU) on all new development. See "Water Equivalent Residential Units (ERUs)" for ERU calculations.

Commercial and Industrial Improvement fees shall be calculated based upon their estimated domestic flow divided by the ERU. One ERU = 350 gallons per day per 24-hour day. For each unit of domestic flow or part thereof, shall be multiplied by the Water Improvement Fee.

Example: Restaurant with 100 seats
*Estimated Flow: 100 seats * 40 gal per seat = 4,000 gpd*
*4,000 gpd/350 gpd = 11.42 units = 12 units * \$1,800 = \$21,600*

Improvement fees are for the city to make capital improvements to the water system to maintain Level of Service for all rate payers. The City will hold these funds for future projects to improve deficiencies within the water system. The Improvement Fee shall be paid by the developer prior to the signing of the Final Plat. If development requires off-site improvements to the water system, the Water Improvement Fee may be waived for work-in-kind.

Water Equivalent Residential Units (ERUs) are calculated by below:

Self-Storage – Calculated as general commercial services but only for the area with a water demand. If the facility is sprinkled, it will be for the full footprint of the facility.

Single Family Residence – One (1) Unit
Mobile Home Park – One (1) Unit per dwelling
Hotel/Motel – 130 gpd (gallons per day) per room
General Commercial Services – 130 gpd (gallons per day) per 1,000 S.F. of Floor space
Theaters – 5 gals. Per seat
General Office space – 25 gals. Per person
Restaurant – 40 gals. Per seat
Schools – 16 gals. Per person (Employees and Students)
Retirement Community (per bed) – 250 gpd (gallons per day)
Hospitals (per bed) – 250 gpd (gallons per day)
Assisted Care/Nursing Homes – One Half (½) unit per bed
Church (small) – 3 gals. Per seat (no kitchen)
Church (large) – 5 gals. Per seat (Kitchen)
Industrial (Sanitary Waste Only) * – 25 gals. Per person per day (This will be evaluated after one Year.) *The original fee will be based on the number of employees supplied to the City. Any other classification will be calculated at 250 gpd (gallons per day).
Industrial Processed Water - \$750.00 per 1000 gallons per day
Car wash/truck wash – 2 units per bay
Self-service Laundries – 1 unit per washer
Service stations – 1 unit per pump
Bowling Alley – 1 unit/alley

Multi-Family Unit Development shall follow the Water Improvement Fee schedule below:

Multi-Family Unit Water Improvement Fees

Number of Units	Fee per unit
1-50	\$1,800
51-100	\$1,550
101-150	\$1,300
Greater than 150	\$1,000

PAYING-IN-LIEU OF UPSIZING

When creating or altering a subdivision or new development, Portland Department of Utilities may require the developer to pay-in-lieu of upsizing the water main for the length of water main adjacent to the property if the existing pipe diameter size does not meet the minimum

requirements stated below. The payment shall be calculated using the City's Pay-In-Lieu of Calculator

Minimum Water Main Pipe Diameter

Within City Limits: 8" – (Unless documented in the City's Capital Improvement Plan to be larger)

Outside of City Limits: 6" – (Unless documented in the City's Capital Improvement Plan to be larger)

DEVELOPER'S CONTRIBUTION

The City may also require payment if the utility has been designed and/or constructed that the new Development will be utilizing. This will be calculated as shown below:

Residential & Commercial

\$750 per ERU

Industrial

\$1,000 per 5,000 SF of building footprint

ROAD BORE FEE

The horizontal directional drilling fee shall be a pass-through fee from the contractor and the petitioner shall be financially responsible for payment of said fee.

The road bore fee shall be required for any road bore installed by method of horizontal directional drilling (HDD) performed by the city's sub-contractor. This fee shall be paid when the tap and connection fees are paid. This fee will only be charged when the city cannot install the service by our own method of pneumatic mole piercing.

HYDRANT FLOW TEST FEE

The Hydrant Flow Test Fee shall be \$125 per request.

SEWER FEE STRUCTURE

SEWER TAP FEES AND CAPACITY FEES

<u>Tap Diameter</u>	<u>Inside Tap Fee</u>	<u>Outside (if applicable)</u>
4-6" minimum	\$750.00	\$1,400
Anything over 6"	\$5,000 plus all installation costs	
SR 109 Interchange Sewer	\$10,000*	

- The above fees are privilege fees only and will be charged on a per unit basis.
- They are due at the time of setting up service.
- The specified fee does not include plumber's installation or materials cost.
- If a sewer customer is paying a monthly sewer bill at the time the City begins to collect capacity fees. The customer will not have to pay the capacity fee charge but will have to pay the tap fee if not already paid.

- A change of Use will require a review of capacity fees. Based on the intended use, new capacity fees shall be required.
- Multiple Sewer Capacity Units shall be used to calculate the Capacity Fee if multiple Uses are contained within one structure, i.e. A Convenience Store with gas pumps, restaurant, and a car wash.
- *Any future or current use or expansion of the SR 109 Interchange Sewer System Improvements completed in 2019 shall incur tap fees of \$10,000

<u>Inside Portland City Limits Capacity Fee</u>	<u>Outside Portland City Limits Capacity Fee (Inside Mitchellville and Orlinda Only)</u>
\$1,750	\$2,600

SEWER EQUIVALENT RESIDENTIAL UNITS (ERUs)

For each unit of sewage flow or part thereof (one unit =250 gallons per 24-hour day) there is a capacity fee:

Self-Storage – Calculated as general commercial services but only for the area with a sewer demand.

ERUs are calculated by below:

Single Family Residence – One (1) Unit
 Mobile Home Park – One (1) Unit per dwelling
 Hotel/Motel – 130 gpd (gallons per day) per room
 General Commercial Services – 130 gpd (gallons per day) per 1,000 S.F. of Floor space
 Theaters – 5 gals. Per seat
 General Office space – 25 gals. Per person
 Restaurant – 40 gals. Per seat
 Schools – 16 gals. Per person (Employees and Students)
 Retirement Community (per bed) – 250 gpd (gallons per day)
 Hospitals (per bed) – 250 gpd (gallons per day)
 Assisted Care/Nursing Homes – One Half (½) unit per bed
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 Industrial (Sanitary Waste Only) * – 25 gals. Per person per day (This will be evaluated after one Year.) *The original fee will be based on the number of employees supplied to the City. Any other classification will be calculated at 250 gpd (gallons per day).
 Industrial Processed Water - \$750.00 per 1000 gallons per day
 Car wash/truck wash – 2 units per bay
 Self-service Laundries – 1 unit per washer
 Service stations – 1 unit per pump
 Bowling Alley – 1 unit/alley

Multi-Family Unit Development shall follow the Capacity Fee schedule below:

Multi-Family Unit Sewer Capacity Fees (Fee per Unit)

Number of Units	Inside City Limits	Outside City Limits
1-50	\$1,750	\$2,600
51-100	\$1,485	\$2,400
101-150	\$1,315	\$2,200
Greater than 150	\$1,135	\$2,000

SEWER IMPROVEMENT FEE

\$1,200 per equivalent residential unit (ERU) on all new development. See "Sewer Equivalent Residential Units (ERUs)" for ERU calculations.

Example: Restaurant with 100 seats
*Estimated Flow: 100 seats * 40 gal per seat = 4,000 gpd*
*4,000 gpd/250 gpd = 16 units = 16 units * \$1,200 = \$19,200*

Improvement fees are for the city to make capital improvements to the sewer system to maintain Level of Service for all rate payers. The City will hold these funds for future projects to improve deficiencies within the sewer system. The Improvement fee shall be paid by the developer prior to the signing of the Final Plat. If development requires off-site improvements to the sewer system, the Sewer Improvement Fee may be waived for work-in-kind.

Multi-Family Unit Development shall follow the Sewer Improvement Fee schedule below:

Multi-Family Unit Sewer Improvement Fees

Number of Units	Fee per unit
1-50	\$1,200
51-100	\$1,020
101-150	\$900
Greater than 150	\$750

PAYING-IN-LIEU OF UPSIZING

When creating or altering a subdivision or new development, Portland Department of Utilities may require the developer to pay-in-lieu of upsizing the sewer main for the length of sewer main adjacent to the property if the existing pipe diameter size does not meet the minimum requirements stated below. The payment shall be calculated using the City's Pay-In-Lieu of Calculator.

Minimum Gravity Sewer Main Pipe Diameter: 8"

DEVELOPER'S CONTRIBUTION

The City may also require payment if the utility has been designed and/or constructed that the new Development will be utilizing. This will be calculated as shown below.

Residential & Commercial

\$1,000 per ERU

Industrial

\$750 per 5,000 SF of building footprint

ROAD BORE FEE

The horizontal directional drilling fee shall be a pass-through fee from the contractor and the petitioner shall be financially responsible for payment of said fee.

The road bore fee shall be required for any road bore installed by method of horizontal directional drilling (HDD) performed by the city's sub-contractor. This fee shall be paid when the tap and connection fees are paid. This fee will only be charged when the city cannot install the service by our own method of pneumatic mole piercing.

PRETREATMENT

The City is required by the EPA and TDEC to maintain a Pretreatment Program. The TDEC approved Portland Sewer Use Ordinance governs and set all requirements of the Pretreatment Program.

INDUSTRIAL PRETREATMENT PERMITS

Section 18-206A of the Sewer Use Ordinance gives the City the authority to charge a fee for all permitted users.

Industrial Pretreatment Permit shall have an annual fee of **\$7,500**

The annual fee will be billed at the beginning of every year and the permittee shall remit payment within thirty (30) days of the date of the invoice or the City may disconnect sewer service. Industrial Pretreatment Permit Fee shall become effective January 1, 2025.

FATS, OILS, AND GREASE (FOG) PROGRAM

Section 18-206A of the Sewer Use Ordinance gives the City the authority to charge a fee for the inspection and monitoring of the Grease Management Plan.

FOG Inspection Fee shall be **\$400** annually per device. An establishment having multiple devices shall be charged per Grease Trap/Interceptor.

The annual fee will be billed at the beginning of every year and the permittee shall remit payment within thirty (30) days of the date of the invoice or the City may disconnect sewer service. Grease Trap/Interceptor Fee shall become effective January 1, 2025.

NATURAL GAS FEE STRUCTURE

GAS CONNECTION FEES

Residential**	\$100
Commercial	\$150
Industrial	\$500

Gas Connection Fees apply to all new account setup.

** In cases of natural disaster, including but not limited to tornado, lightning, flood, fire, sink hole, ice storms, and other serious acts of nature, residential gas connection fees may be waived by the Business Office Manager, at the sole discretion of the Business Office Manager.

** In the event of a customer's death, service will need to be set up in a new name within 30 days to avoid disconnection and final billing. Residential gas connection fees may be waived on active accounts with two or more of the following: death certificate, two proofs of residency showing name and service address and/or Will/ Trust documents. A Letter of Testamentary will be required to change the name to an Estate.

GAS TAP FEES

TAP SIZE	TAP FEES
3/4"	\$400
1"	\$475
2"	\$550

INDUSTRIAL AND COMMERCIAL GAS METER UPSIZE FEE --- Customer shall pay all cost associated with upsizing of new meter to meet BTU demand load.

PAYING-IN-LIEU OF UPSIZING

When creating or altering a subdivision, Portland Department of Utilities may require the developer to pay-in-lieu of upsizing if the utility has been designed and/or constructed that the new Development will be utilizing.

ROAD BORE FEE

The horizontal directional drilling fee shall be a pass-through fee from the contractor and the petitioner shall be financially responsible for payment of said fee.

The road bore fee shall be required for any road bore installed by method of horizontal directional drilling (HDD) performed by the city's sub-contractor. This fee shall be paid when the tap and connection fees are paid. This fee will only be charged when the city cannot install the service by our own method of pneumatic mole piercing.

CAPACITY LETTER MAINTENANCE FEES

Each capacity letter (water, sewer, and gas) will have an administrative fee and a per unit fee that will be required to be paid by the petitioner annually for renewal of Capacity/Availability Letters.

INITIAL CAPACITY LETTER FEES

Initial Capacity Fees shall be collected with the initial approval of a Capacity Letter:

RESIDENTIAL FEE STRUCTURE

- Individual Residential Service Availability Application Administrative Fee: \$100
- Residential Subdivision Availability of Service Request Form
Administrative Fee: \$500

COMMERCIAL FEE STRUCTURE

- Commercial Availability of Service Request Form
Administrative Fee: \$1,000

INDUSTRIAL FEE STRUCTURE

- Industrial Availability of Service Request Form
Administrative Fee: \$2,000

CAPACITY LETTER RENEWAL FEES (ANNUALLY)

Capacity Renewal Fees will apply to all Capacity Letter Renewals:

RESIDENTIAL FEE STRUCTURE

- Individual Residential Service Availability Application Administrative Fee: \$100
- Residential Subdivision Availability of Service Request Form
Administrative Fee: \$500 + option A, B, or C
 - A. Up to 100 units: \$50 per unit
 - B. 101 to 300 units: \$40 per unit
 - C. 301 or more units: \$30 per unit

COMMERCIAL FEE STRUCTURE

- Commercial Availability of Service Request Form
Administrative Fee: \$1,000 + \$500 per unit

INDUSTRIAL FEE STRUCTURE

- Industrial Availability of Service Request Form
Administrative Fee: \$2,000 + \$1,000 per unit

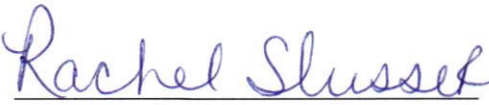
WHEREAS, after careful consideration the City Council recommends the new fee structure for water, sewer, natural gas fees, and Capacity Letter Maintenance Fees as listed above; and

NOW, THEREFORE BE IT ORDAINED by the Mayor and Board of Aldermen of the City of Portland to approve this ordinance for Water, Sewer, and Natural Gas Fee Structure; and

BE IT FURTHER ORDAINED that this Ordinance shall become effective upon its passage, the public welfare requiring it.



Mike Callis, Mayor



Attest: Rachel Slusser, City Recorder

Passed First Reading: June 17, 2024

Passed Second Reading: July 15, 2024