



## Legislation Text

File #: 22-0960, Version: 1

**AN ORDINANCE REPEALING AND REPLACING TITLE 33:4, RATES AND CHARGES, CHAPTER 33:4-6, WATER CONNECTION FEE, TO THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, CRITERIA FOR NEW WATER CONNECTIONS AND UPDATES TO THE DEPARTMENT OF WATER AND SEWER UTILITIES BILLING PRACTICES FOR WATER USER CHARGES.**

**WHEREAS**, NW Financial Group, LLC (“NW Financial”) has recommended that the City of Newark amend Chapter 33 of the City of Newark Ordinance entitled Charges: Water Connection Fee, to modify the water connection fee; and

**WHEREAS**, NW Financial, has performed a study of the capital costs and interest on debt service together with the number of equivalent users pursuant to N.J.S.A. 40A:31-11 which requires an annual study capital costs and interest on debt service, and based on such study has recommended a water connection fee as detailed below; and

**WHEREAS**, the water connection fee is authorized by N.J.S.A § 40A:31-11 entitled Municipalities and Counties: Water Connection Fee.

**NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY THAT:**

Deletion indicated by ~~strikethrough~~; Addition indicated by **bold and underline**

Chapter 33:4-6 Water Connection Fee, of the Revised General Ordinances of the City of Newark, New Jersey 2000 as amended and supplemented, is repealing and replacing as follows:

- a. ~~The Director of the Department of Water and Sewer Utilities shall have the authority to impose charges in connection with the installation of new water service connections from the City main to the service valve on the downstream side of the water meter, including, but not limited to, connection fees, tap fees, corporation stop, water service pipe, curb box and stop, water meter, bedding, backfill, pavement restoration, inspection and other costs associated with the installation of water service pipes.~~
- b. ~~The water connection fee shall be assessed based upon the size of the domestic use water meter. There shall be no connection fee for the installation of a fire line or fire meter including a fire line detector-check meter. If the connection is a combined fire and domestic connection, the connection fee is assessed only on the size of the domestic meter. If an active previously installed service line is replaced by a service line of larger size, a connection fee is charged only for the increase in meter size by subtracting the connection fee for the size of the previously installed water meter from the connection fee for the size of~~

the new, larger water meter. If multiple smaller water meters connected in parallel are used to measure the flow of a larger service line, a water connection fee for each of the smaller meters is charged including meters for landscape irrigation. For example, if two four-inch water meters are used for an eight-inch service line, two four-inch water connection fees are charged. No connection fee will be charged for any meter(s) installed by the property owner after the main domestic water meter when said meter was installed for the purpose of billing tenant(s). In accordance with N.J.S.A. 40:14B-22.3, connection fees for public housing authorities and non-profit organizations building affordable housing projects shall be 50% of the rates set forth herein.

Before a building permit is issued for new construction under the Uniform Commercial Code or a permit is requested for a new or enlarged connection to any water main under municipal control, there shall be paid to the Department of Water and Sewer Utilities the following one-time connection fees:

<u>Meter Size (inches)</u>	<u>Rated Meter Ratio Capacity Ratio</u>	<u>Water Connection Fee</u>
5/8	4	\$2,500
1	2.5	\$6,250
1.5	5	\$12,500
2	8	\$20,000
3	16	\$40,000
4	25	\$65,500
6	50	\$125,000

For meters larger than six-inches, the connection fee shall be: eight-inch: \$200,000; ten-inch: \$288,000; twelve-inch or larger: \$363,000.

- c. When an existing water account remains inactive for a period that exceeds 90 consecutive days, whether due to the renovation of a building or because the water service had been turned off either at the request of the property owner or by the City of Newark, then the re-establishment of the account shall require a fee in the amount of \$125.
- d. A new water meter service connection fee shall be required for connection of a new building in any site where the prior building on the site was demolished. The existing water

~~service may not be utilized.~~

e. **Section 1. TITLE XXXIII WATER**

**33:4-6. CHARGES: WATER CONNECTION FEE.**

- 1. The Director of the Department of Water and Sewer Utilities shall have the authority to impose charges in connection with the installation of new water service connections from the City main to the service valve on the downstream side of the water meter, including, but not limited to, connection fees, tap fees, corporation stop, water service pipe, curb box and stop, water meter, bedding, backfill, pavement restoration, inspection and other costs associated with the installation of water service pipes.**

2. In accordance with N.J.S.A § 40A:31-11 , in addition to rates and rentals, a separate charge in the nature of a connection fee or tapping fee for each connection of any property with the water supply system may be imposed upon the owner or occupant of the property so connected. The connection charges shall be uniform within each class of users and the amount thereof shall not exceed the actual cost of the physical connection plus an amount computed in the following manner to represent a fair payment towards the cost of the system:
  - a. The amount representing all debt service, including but not limited to sinking funds, reserve funds, the principal and interest on bonds, and the amount of any loans and the interest thereon, paid by the local unit or units to defray the capital cost of developing the system as of the end of the immediately preceding budget year shall be added to all capital expenditures made by a local unit or units not funded by a bond ordinance or debt for the development of the system as of the end of the immediately preceding budget year.
  - b. Any gifts, contributions or subsidies to the local unit or units received from, and not reimbursed or reimbursable to the municipal government or agency or any private person, and that portion of amounts paid to the local unit or units by a public entity under a service agreement or service contract which is not repaid to the public entity by the local unit or units, shall then be subtracted.
  - c. The remainder shall be divided by the total number of service units served by the local unit or units at the end of the immediately preceding budget year, and the results shall then be apportioned to each new connector according to the number of service units attributed to that connector. In attributing service units to each connector, the estimated average daily flow of water for the connector shall be divided by the average daily flow of water to the average single family residence in the area served by the local unit or units, to produce the number of service units to be attributed.
  - d. The connection fee shall be recomputed at the end of each budget year, after a public hearing is held. The revised connection fee may be imposed upon those who subsequently connect in that budget year to the system.
  - e. The combination of the connection fee or tapping fee and the aforesaid water service charges shall be such that the revenues of water supply facilities shall be adequate to pay the expenses of operation and maintenance of the water supply facilities, including improvements, extensions, enlargements and replacements to water supply facilities, reserves, insurance, principal and interest on any bonds, and to maintain such reserves or sinking funds therefor as may be required under the bond covenants or any contracts, or as may be deemed necessary or desirable.
3. The water connection fee shall be assessed based upon the number of equivalent dwellings.
  - a. There shall be no connection fee for the installation of a fire line or fire meter including a fire line detector-check meter.
  - b. If the connection is a combined fire and domestic connection, the connection fee is assessed only with respect to the Equivalent Domestic Units (EDU) of the domestic water connection.
  - c. If an active previously installed service line is replaced by a service line of larger size, a connection fee is charged only for the increase in EDUs by subtracting the

connection fee for the previously calculated EDUs from the connection fee for the calculated EDUs.

d. In accordance with N.J.S.A. 40:14B-22.3, connection fees for public housing authorities and non-profit organizations building affordable housing projects shall be fifty (50%) percent of the rates set forth herein.

4. Before a building permit is issued for new construction under the Uniform Commercial Code or a permit is requested for a new or enlarged connection to any water main under municipal control, there shall be paid to the Department of Water and Sewer Utilities the following one-time connection fees:

<u>New Connector by Number of Equivalent Dwelling Units*</u>	<u>Maximum Connection Fee</u>
1	\$5,519.12
3	\$16,557.35
5	\$27,595.58
8	\$44,152.92
16	\$88,305.85
25	\$137,977.88
50	\$275,955.77

\*Based on estimated average daily flow of water for the connector divided by the average daily flow of water for the average single family residence within the City

- 5. When an existing water account remains inactive for a period that exceeds ninety (90) consecutive days, whether due to the renovation of a building or because the water service had been turned off either at the request of the property owner or by the City of Newark, then the re-establishment of the account shall require a fee in the amount of one hundred twenty-five (\$125.00) dollars.
- 6. A new water meter service connection fee shall be required for connection of a new building in any site where the prior building on the site was demolished or disconnected due to vacancy. The existing water service may not be utilized.
- 7. The fees established hereunder shall take effect immediately.

**Section 2: Severability**

If any portion of this ordinance shall be deemed unenforceable by a court of competent jurisdiction, the remainder of the ordinance shall remain in full force and effect.

**Section 3.** This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

**STATEMENT**

This Ordinance repeals and replaces Title 33:4 Rates and Charges, Chapter 33:4-6 Charges: Water

Connection Fee to the Revised General Ordinances of the City of Newark, New Jersey 2000 as Amended and Supplemented, to establish charges and criteria for new water connections and updates the Department of Water and Sewer Utilities billing practices for water user charges.

(R.O. 1966 C.S. § 25:3-6; Ord. 6 S+FH, 5-17-06; Ord. 6 PSF-A(S), 7-13-22)...