

RESOLUTION NO. 13 - 25

RESOLUTION ESTABLISHING RATE POLICY FOR PUBLIC WATER AND SEWER SERVICES PROVIDED BY CONTRACT OUTSIDE A SANITARY SERVICE AREA

WHEREAS, Section PW 5-306 of the Public Works Article of the Code of Public Local Laws of Worcester County, Maryland provides that the County Commissioners of Worcester County, Maryland (County Commissioners) may allow sanitary services to be extended outside the boundaries of a service area to provide service by contract to another sanitary service area, shared sanitary facility, County project or facility (hereinafter collectively referred to as "development"), provided that the recipient of such services fairly compensates the sanitary service area providing the service for maintenance and operation cost and for a proportionate share of the value of the sanitary facilities required to provide the service; and

WHEREAS, it has been the policy of Worcester County to charge development a rate of one hundred fifty percent (150%) of the rate paid by customers of the sanitary service area providing the service to the customers in the sanitary service area receiving the service by contract to compensate for maintenance and operation and a proportionate share of the value of the sanitary facilities; and

WHEREAS, the Existing Ratepayers Financial Protection Policy of the Comprehensive Water and Sewerage Plan for Worcester County, Maryland adopted on January 20, 2004 by Resolution No. 04-3, provides that new development, including such development outside an existing sanitary service area, shall pay a uniform "Equity Contribution" fee to compensate existing ratepayers for an equitable share of the existing system's value and future capital improvements necessary to serve the new development; and

WHEREAS, upon paying the Equity Contribution, the County Commissioners have determined, at their sole discretion, that the development may be considered to have fairly compensated the sanitary service area for its proportionate share of the value of the sanitary facilities required to provide the service, and in such cases shall thereafter compensate the sanitary service area providing the service for maintenance and operation cost at the identical rate (one hundred percent - 100%) paid by customers of the sanitary service area providing the service.

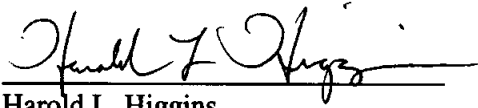
NOW, THEREFORE, BE IT RESOLVED by the County Commissioners of Worcester County, Maryland that:

1. In cases where development has paid or is paying an Equity Contribution to a sanitary service area providing service by contract to the development, and the County Commissioners have determined that the development has fairly compensated the sanitary service area for its proportionate share of the value of the sanitary facilities required to provide the service, the ratepayers shall thereafter compensate the sanitary service area providing the service for maintenance and operation cost at the identical rate (one hundred percent - 100%) paid by customers of the sanitary service area providing the service.
2. The above provision shall apply on and after the effective date of this resolution but shall not apply to any past payments made by development, regardless of whether an Equity Contribution was paid or is in the process of being paid by the development. It being the intent of the County that this is to be applied prospectively.

AND, BE IT FURTHER RESOLVED that this Resolution shall take effect on January 1, 2014.

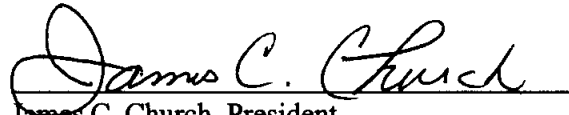
PASSED AND ADOPTED this 19th day of November, 2013.

ATTEST:



Harold L. Higgins
Chief Administrative Officer

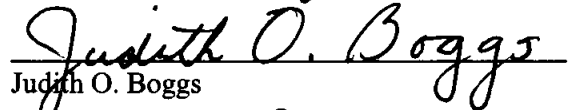
WORCESTER COUNTY COMMISSIONERS



James C. Church, President



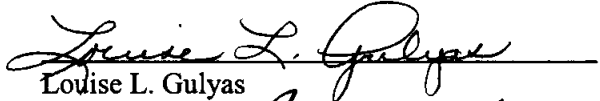
Merrill W. Lockfaw, Jr., Vice President



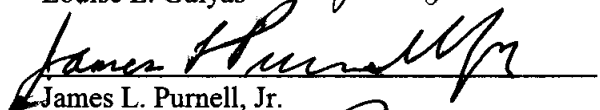
Judith O. Boggs



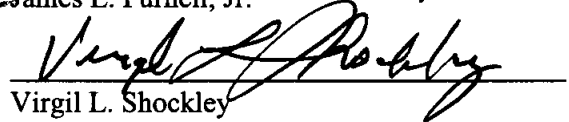
Madison J. Bunting, Jr.



Louise L. Gulyas



James L. Purnell, Jr.



Virgil L. Shockley