

Assessments

The 1951 and 1995 Agreements outline the process for allocating costs, as follows:

Section

11. The Municipalities are responsible for the annual costs of maintenance, ordinary repairs, and operation of all units of the sewage collection and treatment system incurred by the Sewerage Authority, as well as interest and amortization on capital improvements (“Annual Costs”).
- 11.01 Whereas, the Annual Cost is allocated among the Municipalities each year in equal proportion to the fractional share of the contribution of each of the Municipalities (“Percent Share”) to the (i) total average daily Flow (“Flow”), (ii) Total Suspended Solids (“TSS”), and (iii) Biochemical Oxygen Demand (“BOD”), from all of the Municipalities and certain user municipalities (“Users”) during the prior measuring year (“General Formula”).
- 11.02 Whereas, because of the variable nature of the Flow, TSS and BOD data from one measuring year to the next, the General Formula, prior to 1994 produced assessments which varied widely and unpredictably from one measuring year to the next for one or more of the Municipalities and, in turn, the Users, and the General Formula had the potential for wide and unpredictable fluctuation in the Assessment Percent Share, which in turn raised serious difficulties for the Municipalities and Users in their financial projection and budgeting processes.
- 11.03 Whereas, the equitable nature of the allocation methodology heretofore used is to be retained, while reducing the potential for fluctuation of the Assessment Percent Share for each of the Municipalities and Users from one year to the next.
- 11.04 Whereas, variations in the three separate components utilized to determine the Percent Share, i.e. Flow, TSS and BOD, is to be reduced by using a five year average established over a five (5) year transition period starting in 1994, using data for the measuring year of 1993 and each year thereafter until there is five years of data available to be used.
- 11.1 The Annual Cost to be allocated to each of the Municipalities commencing with Budget Year 1995 by charging each of the Municipalities its Percent Share of the Annual Cost as calculated by the General Formula using data for Flow, TSS and BOD recorded by the Sewerage Authority averaged for the immediately prior two measuring years, i.e. the 1993 measuring year and the 1994 measuring year.
- 11.1.01 The Annual Cost shall be allocated to each of the Municipalities for Budget Year 1996 by charging each of the Municipalities its Percent Share of the Annual Cost as calculated by the General Formula using data for Flow, TSS and BOD recorded by the Sewerage Authority averaged for the immediately prior three measuring years,

i.e. the 1993 measuring year, the 1994 measuring year, and the 1995 measuring year.

- 11.1.02 The Annual Cost shall be allocated to each of the Municipalities for Budget Year 1997 by charging each of the Municipalities its Percent Share of the Annual Cost as calculated by the General Formula using data for Flow, TSS and BOD recorded by the Sewerage Authority averaged for the immediately prior four measuring years, i.e. the 1993 measuring year, the 1994 measuring year, the 1995 measuring year, and the 1996 measuring year.
- 11.01.03 The Annual Cost shall be allocated to each of the Municipalities in Budget Year 1998 and for each Budget Year thereafter by charging each of the Municipalities its Percent Share of the Annual Cost as calculated by the General Formula using data for Flow, TSS and BOD recorded by the Sewerage Authority averaged for the immediately prior five measuring years. In the case of Budget Year 1998, the five prior measuring years are the 1993 measuring year, the 1994 measuring year, the 1995 measuring year, the 1996 measuring year, and the 1997 measuring year.
- 11.2 The allocation for TSS for each Municipality shall be in the same proportion which the suspended solids contributed by such Municipality bears to the sum of the suspended solids contributed by all of the Municipalities as may be determined by proper tests to be made by the Sewerage Authority.
- 11.3 The allocation for BOD for each Municipality shall be in the same proportion which the BOD contributed by such Municipality bears to the sum of the BOD contributed by all of the Municipalities as may be determined by proper tests to be made by the Sewerage Authority.
- 11.4 The allocation for Flow for each Municipality shall be in the same proportion, which its average daily flow bears to the sum of the average daily flows of the Municipalities as may be determined by proper measurements to be made by the Sewerage Authority.
- 11.5 In determining the allocation for each of the Municipalities under Section 11.2, 11.3 and 11.4, there shall first be deducted and not included in the computation the use by Woodbridge to the extent of, but not exceeding 500,000 gallons per day, average daily flow, including not more than 833 lbs. per day of suspended solids for which Woodbridge shall not be obligated to pay.
- 11.6 The cost of the salaries of the members shall be charged to the Municipalities in equal shares.
- 11.7 If it is found that the character of any trade waste is such as to cause an abnormal increase in the cost of operation, then by two-thirds (2/3rds) vote of the entire membership of the Sewerage Authority the Annual Charge shall be adjusted to

provide for such abnormal increase in the cost of operation to the end that the charges shall be just and equitable for all of the Municipalities.

- 11.8 All charges to the municipalities shall be billed annually and shall be due and payable in two (2) equal installments, April 1st and July 1st, and shall be paid to the Treasurer of the Authority. Delinquent payments shall bear interest at the rate of 6% per annum.

The foregoing information and other policies of the Authority are outlined in the 1995 Agreement.

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