



Gavel & Dorn Engineering, PLLC
6730 Freedom Drive, Charlotte, NC 28214

December 16, 2022

Justin Longino
Town Manager
P.O. Box 1014
Boiling Springs, NC 28017
justin.longino@boilingspringsnc.net

VIA EMAIL

Subject: Proposal to Perform System Development Fee Study

Dear Mr. Longino:

Gavel & Dorn Engineering, PLLC (G&D) is pleased to submit this proposal to perform a system development fee study to calculate and recommend a fee schedule for the water and sewer systems for the Town of Boiling Springs, NC.

G&D proposes three main tasks to complete the review and evaluation. The first of which is to collect and review the Town's data as it relates to the water and sewer systems. The next task is to analyze all water and sewer system data and create an evaluation based on that information. The final task is to create a report with recommendations for development fees. We therefore propose the following scope of services:

Task 1 Data Collection

G&D will meet with the Boiling Springs Utilities Department to collect information on the water and sewer systems to include maps, recent water supply plans, capital improvement plans, and information on any recent expansions, upgrades, or repairs. G&D will also gather data from nearby utilities to determine their system development fee policy and how it is implemented for comparison. G&D will also review any changes in local or state legislation since the last rate adjustment that may affect these practices.

Task 2 Analysis and Evaluation

G&D will review the Town's assets of both the water and sewer systems to include, but not be limited to, age/length/type/size/depth of water and sewer lines as well as pump stations, towers, tanks, treatment facilities, and any other appurtenances. G&D will also consider the capacity of each system and its current and projected demands. G&D will work with the Town's utility personnel to review any existing capital improvement plans (CIP) and plans for future growth. G&D will review any agreements or contracts with outside utilities. G&D will consider a planning horizon of between 10 and 20 years.



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G&D will analyze the data collected and perform an evaluation of the Town's water and sewer systems. Based on principles and practices set by the American Water Works Association (AWWA) "Principles of Water Rates, Fees and Charges", G&D will determine the methodology best suited for the Town of Boiling Springs and use it to provide the Town with a recommendation to administer system development fees that reflect the Town's current water and sewer systems. G&D will consider the buy-in, incremental cost and marginal cost methods of analysis to determine a rate fee schedule. G&D will document its analysis, provide reasoning for selecting the methodology used, and demonstrate the application of the methodology to the facts and data.

G&D will identify all assumptions and limiting conditions affecting the analysis and demonstrate that they do not materially undermine the reliability of the conclusions. The analysis will be supported with calculations and data either included in the body of the report or the report appendices.

Part of the study will be to incorporate a credit calculation for the value of costs of capital improvement that exceed the new development's proportionate share of connecting facilities required to be oversized for use by others outside the new development.

G&D will use the data and analysis to develop a recommended fee schedule. The water and sewer fees will be set based on demand and will be scaled based on the diameter of the water service line. G&D will also work with the Town to consider other fee variations such as alternative fees for taps based on category of use, e.g., irrigation.

Task 3 – Report

G&D will present the results of the analysis in the form of a draft report. G&D will submit this report to the Town for review. G&D will incorporate commentary and finalize the report, which will include recommendations for the implementation of system development fees in accordance with state law (i.e., fee schedule). G&D will present these results to the council, if desired.

Qualifications/Similar Work

G&D has provided engineering and construction phase services for public works and utilities projects throughout North and South Carolina since the firm's inception in 2003. The primary focus of G&D has been water and wastewater planning, engineering, and construction services. G&D has been involved in almost every aspect of the industry including design, construction inspection, testing, cost analysis, cost projection, CIP



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recommendations and planning, emergency repair work, performing system development fee studies and more. Most recently, G&D performed system development fee studies similar to this one for the Town of Stanley and the Town of Ranlo, North Carolina in 2022 and 2020 respectively.

Fee Estimate

G&D will complete the foregoing tasks within a period of one month on an hourly rate basis with an upper limit of \$15,400.00. A breakdown of the fee estimate can be found in the attached Appendix A. Mileage and other expenses will be billed at cost.

G&D is excited to perform this development fee study and provide the Town of Boiling Springs with a development fee schedule that accurately reflects the Town's current water and sewer systems. If you have questions, please do not hesitate to call me at 704-919-1900 x 210.

Sincerely,

Eric Medaugh, P.E.
Partner
Gavel & Dorn Engineering, PLLC

cc: Jason Dorn, Ph.D., P.E.
Kirk Gavel, P.E.

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Appendix A

Fee Estimate

Billing Rate:		\$203	\$167	\$137	\$76		
Task	Description	Project Manager	Project Engineer	Staff Engineer	Senior Admin	Total Hours	Labor Fee
1	Data Collection/Meetings	2	8	16	1	27	\$ 4,000.00
2	Analysis	4	16	24		44	\$ 6,800.00
3	Report	2	8	16	1	27	\$ 4,000.00
TOTAL:		8	32	56	2	98	\$ 14,800.00
Reimbursable Expenses:						4%	\$ 600.00
Grand Total:							\$ 15,400.00