



# City of Mackinac Island

## Department of Public Works

7358 Market Street, PO Box 515, Mackinac Island, MI 49757

Honorable Mayor and Council,

The Board of Public Works recently approved a fee system which replaces the outdated REU system. As this change came outside our regular budgetary fee adjustments, and Council must approve all fee changes, I present this for your consideration and approval.

All impact fees are based on a 5/8" meter being the equivalent of one REU. Nearly all single-family homes use a 5/8" meter. Going up in meter size, the fee increases by a Meter Equivalent scaling factor based on the existing Readiness-to-Serve fees.

These charges will apply to NEW services, and those which require an increase in meter size. No credits will be given for downsizing of meters. There is no restriction of development, or expansion of a building. If the existing meter can supply the building's needs, there is no charge of the impact fee. There is no limit on the amount of services issued each year, as there was with the REU system.

As with the REU system, we are asking the water and wastewater base fees increase annually automatically by the 12 month all items CPI.

For any new connection, the fee formula is:

$(\text{Water base fee} \times \text{Meter Equivalent}) + (\text{Sewer base fee} \times \text{Meter Equivalent})$

A new single-family home on the sewer system using a 5/8" meter would be charged:

$(\$3,328 \times 1) + (\$5,593 \times 1) = \$9,021$

A new service in a larger building which requires a 1" meter and is on sewer would be charged:

$(\$3,428 \times 2.61) + (\$5,593 \times 3.38) = \$27,851.41$

Any service requiring a larger meter will be charged the difference between the current rate for the existing meter, and the rate for the larger meter.

In summary, I ask that the proposed fee structure be accepted, and that base fees increase annually by the all items CPI.

Thank you,

Allen Burt, Director of Public Works



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### Sewer

#### Sewer

Meter Size	Meter Equivalent	Connection Fee	
5/8"	1.00	\$ 5,593.00	Base
3/4	2.11	11,791.22	
1	3.38	18,891.04	
1.5	7.04	39,396.34	
2	12.67	70,836.96	
3	31.66	177,102.18	
4	46.84	262,001.65	
6	113.99	637,561.11	

#### Water

### Water

Meter Size	Meter Equivalent	Connection Fee	
5/8"	1.00	\$ 3,428.00	Base
3/4	1.61	5,530.80	
1	2.61	8,958.98	
1.5	5.99	20,537.89	
2	9.99	34,257.41	
3	25.00	85,715.06	
4	40.00	137,135.06	
6	90.01	308,562.66	