

1735 Main Street
P.O. Box 67
Surgoinsville, Tennessee 37873-0067



Office: 423-345-2213
mgentry@surgoinsvilletn.gov

Town of Surgoinsville

Sewer

Description of costs relative to rates, fees, charges, or estimates

Per TCA 65-5-402

Usage charges: A sewer customers' monthly bill has a minimum portion and a volumetric portion.

- **Minimum Bill:** A minimum bill in the amount of Twenty-Five Dollars (\$25.00), for residential, will be charged each month as long as the service(s) is available to the property, regardless of usage; and, an additional amount based upon the volume of water metered at the service address. A minimum bill in the amount of Thirty-Two Dollars (\$32.00), for commercial, will be charged each month as long as the service(s) is available to the property, regardless of usage. The minimum portion of the bill is to recoup the monthly expenses incurred by the utility not related to volumes supplied. This could include insurance, depreciation expense, interest expense, some labor, auditing fees, telephone expense, etc.
- **Volumetric charge:** All users shall pay a single unit charge of \$11.12 per one thousand (1,000) gallons of water used by the customer. This volumetric charge is for expenses incurred in the collection system and treatment/disposal expense for the sewage. This could include power, chemicals, laboratory expenses, some labor, etc.
- A sewer billing statement will be included on the water bill sent by Surgoinsville Utility District on a monthly basis to the billing address.

Accounting Fees:

- There is an accounting fee in the amount of \$50.00 payable with each Application which is not transferrable to another name or service location. This is a one-time fee to service the new account.

Tap Fee:

- There is a tap-on fee in the amount of One Thousand Six Hundred Dollars (\$1,600.00). The "Tap" or "Tap-on" Fee is the one-time initial cost charged to users who desire to receive wastewater service for the first time. Its purpose is recover from new users a portion of the embedded fixed capital investment required to create the sewage capacity needed in the collection and conveyance facilities of the Town. New users are assessed a fee proportional to the equity position of existing users, this is intended to reflect the cost required to provide service as well as recover a portion of the embedded capacity available to provide that service. Pursuant to Section 18-801(1)(a)(vi) of the Code of Ordinances, it is not the cost of physically connecting to the system. The "Tap" or "Tap-on" Fee does not pay for any pipe or other materials that a contractor would need to construct the connection from the user's structure to the sewer main. The individual property owner is responsible for the physical connection to the sewer system. This work is done by their own contractor – following the Town's requirements. In setting the sewer user rate, the combination of the total anticipated monthly user fees plus the total anticipated Tap-on Fees was anticipated to be sufficient to satisfy the cost of the system.