

May 14, 2003

Angie Carrier
City of Dandridge
P.O. Box 249
Dandridge, Tennessee 37725

Dear Angie,

You have asked if it is legal, and what is a reasonable fee, for the general fund to pay the water fund a "rental fee" for fire hydrants.

I have checked with our Attorney in Knoxville to be sure this practice is legal. It is. In fact, a number of cities do this. I also checked with our Fire Consultant as well as other MTAS consultants. Each are aware of other cities who "rent" fire hydrants from the water fund.

I looked at what some other cities charge for this and talked with other MTAS consultants about the fee. Somewhere in the range of \$4.00-\$5.00 per month, per hydrant is a normal rental charge. There is no formula used to determine this. But based on what other cities are doing this seems to be a valid range.

I hope this helps as you pursue this arrangement. If not, or if I can provide any further assistance, please feel free to call.

Sincerely,

Patrick Hardy
Municipal Management Consultant