

Current Calculation Method

- **Current fee is based on number of Fixture Unit Equivalents (FUE) in each new building.**
- **Staff count fixtures and use unique table to convert to FUE.**
- **Multiply FUE by current rate.**
- **As of July, 2011:**
 - ▶ **Residential \$264.61.**
 - ▶ **Commercial \$529.36.**

Reason for Changing to Water Meter Size

- **FUE method is labor intensive for staff.**
- **Difficult for developers to estimate fee.**
- **Fee calculation becomes an argument over small details.**
- **Water meter size method is an industry standard.**
- **Water meter size method averages out details of fixture unit calculations.**

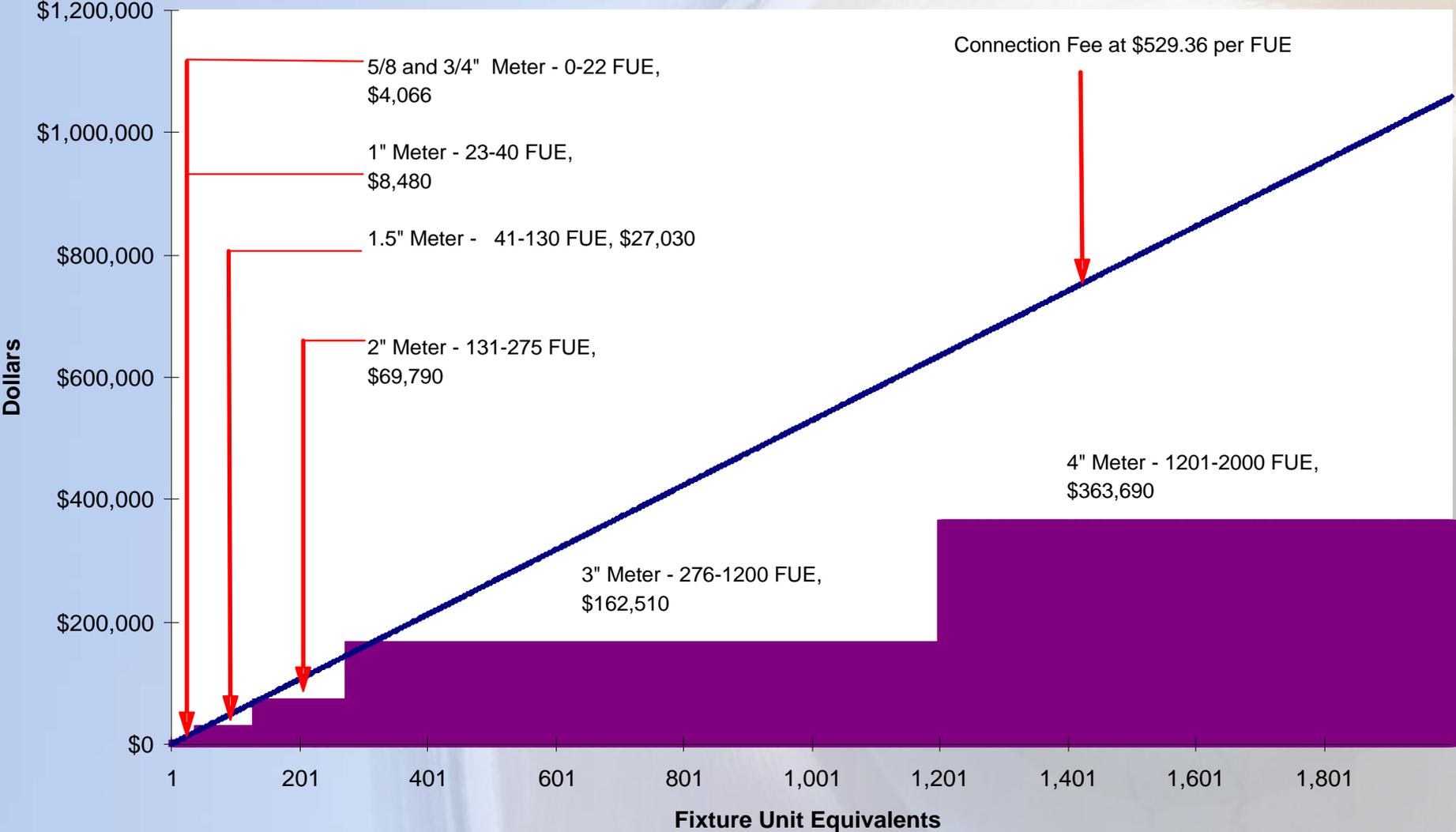
Proposed Water Meter Method

- **Staff look at new development submittal.**
 - ▶ **Estimate water meter size based on:**
 - **Architect/Engineer's FUE.**
 - **Water provider's conversion table (FUE, square footage, etc.).**
- **Fee based on size of installed water meter.**
- **Staff validate meter once installed.**

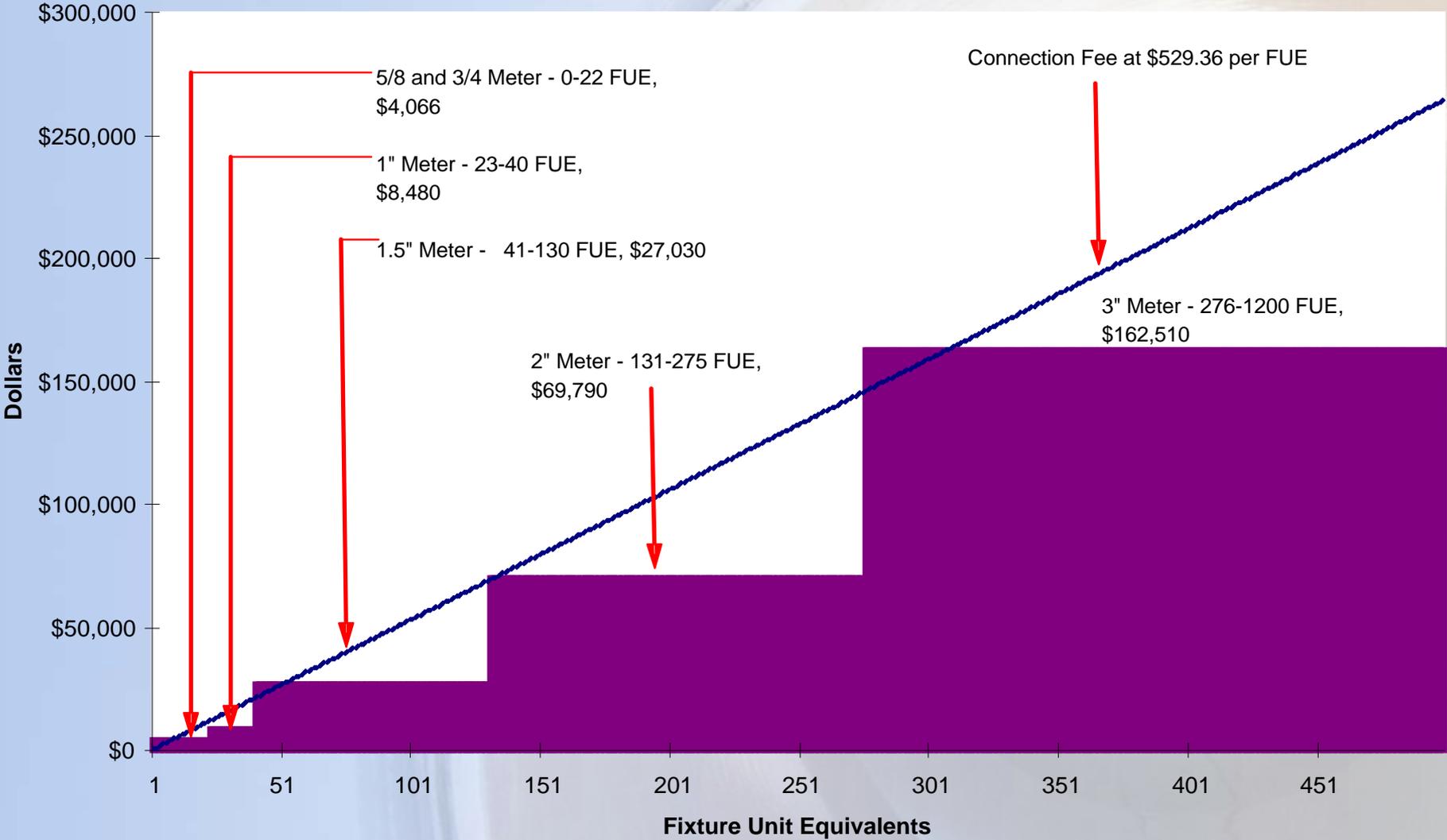
Proposed Approach

- Residential development pays one rate for $\frac{5}{8}$, $\frac{3}{4}$, or 1-inch (due to fire flow).
- Commercial pays same rate for $\frac{5}{8}$ and $\frac{3}{4}$ -inch, and a higher rate for each larger size up through 4-inch meter.
- For 6-inch meter and larger, each project will be evaluated separately to determine flow rate for connection fee.

Non-Residential Connection Fee Comparison



Non-Residential Connection Fee Comparison for meters up to 3-inches

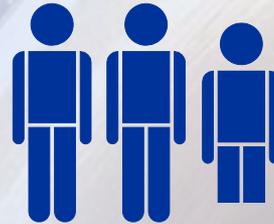


Calculating the new base rate

$$80 \times 2.7 \times 1.175 = 253.8$$



X

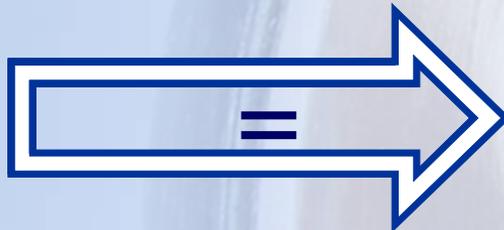


X

17.5%
multiplier
for inflow and
infiltration

80 gallons/person/day

2.7 persons/household



253.8 gallons/house/day

Calculating the new base rate (2)

- The final calculation multiplies 253.8 by \$16.02/gallon to get \$4,066.
- \$16.02 is the current cost of each available gallon of capacity for treatment and larger diameter conveyance.
- The financial analysis looked at the value of existing sewer and treatment assets and at new capital projects providing additional capacity.

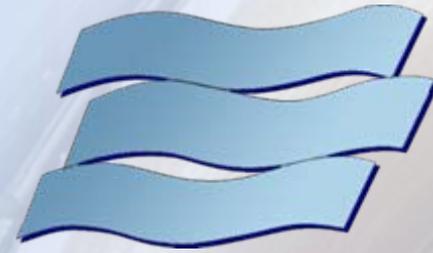
Issues and Comments

- **BOS will need to address remaining 6.5% connection fee increases in July 2012 and July 2013.**
- **Estimate \$0.3M revenue reduction in first year.**
- **Estimate \$2M revenue reduction after first few years.**
- **There are challenges in dealing with the different water providers and their unique methods for establishing water meter sizes.**

Issues and Comments

- Stakeholders have requested consideration of refunds for recent customers.
- Reduction in connection fees should help in stimulating development activity.





Questions