

# Water & Wastewater Connection Charges for Smaller Homes

Tony Cunningham, P.E., W/WW Officer  
Rick Hutton, P.E., Supervising Engineer

Item #160126  
April 12, 2018



# What are Connection Charges?

- One-time charges paid at time structure is connected to water & WW systems
- Standard practice in Florida & elsewhere
- Recovers capital costs GRU invests to provide capacity for new development
- Rate payers not pay for costs associated with connecting new customers
- Comports with longstanding “growth pays for itself” City Commission policy

# How are they Calculated?

- Generally proportional to expected demands the customer will put on the W and WW systems
  - Commercial customers pay according to type of use & building square footage
  - Multi-family based on number of bedrooms
  - Single family homes pay fixed charge based on historical average use of 280 gpd per home

# 2018 Residential Connection Charge\*

Water meter (3/4" installed)	\$427**	
Water Connection Charge	\$1,123	
<u>Wastewater Connection Charge</u>	<u>\$3,298</u>	
<b>Total Water + WW Connect Chge</b>	<b>\$4,848</b>	<b>(Inside City)</b>
<u>Surcharge Outside City Limits (25%)</u>	<u>\$1,212</u>	
<b>Total Outside City Limits</b>	<b>\$6,060</b>	<b>(Outside City)</b>

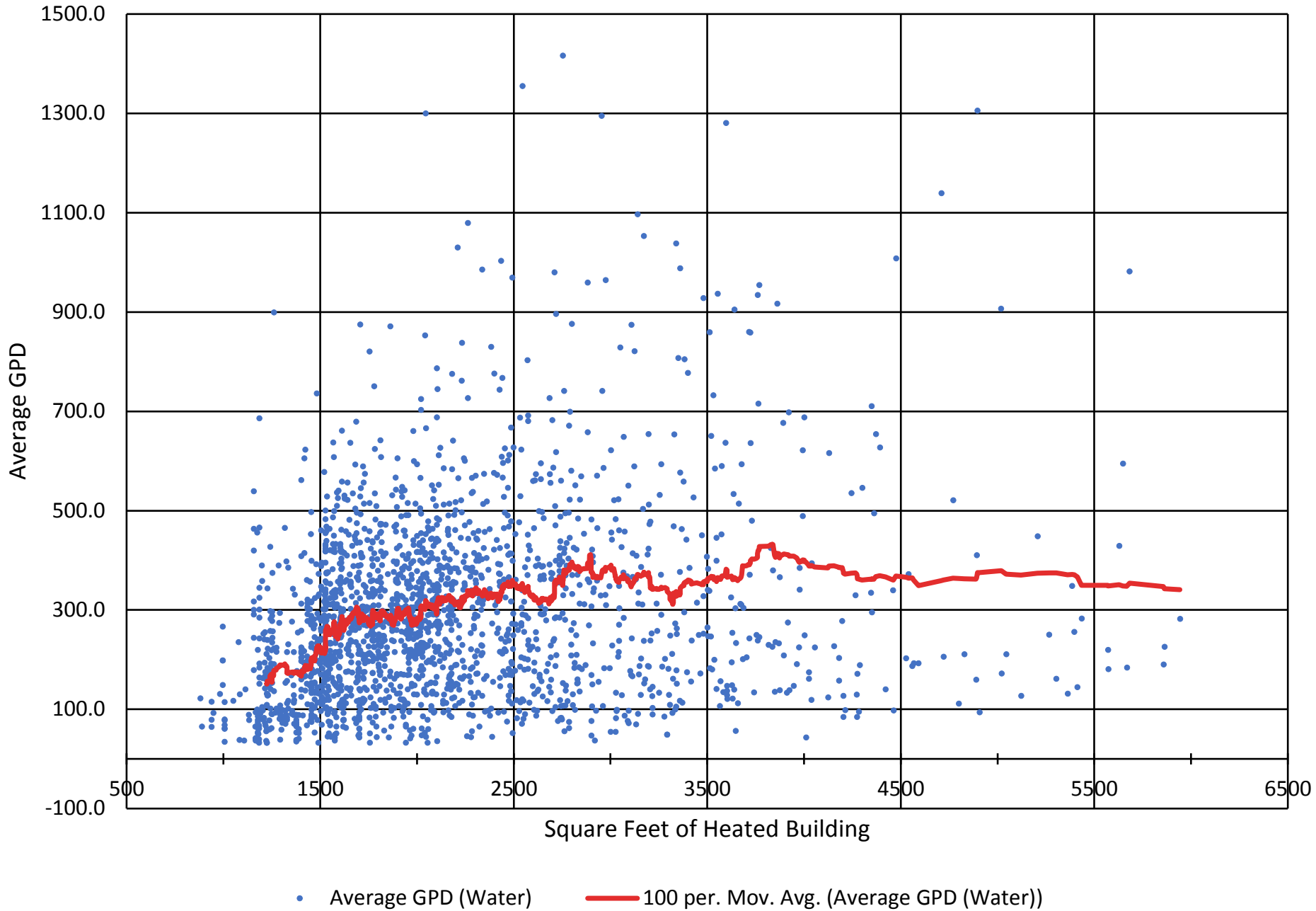
\*Applies to single family residential & to commercial customers using  $\leq 8.5$  kgal/mo (280 gpd)

\*\*Assumes developer installs box & yoke

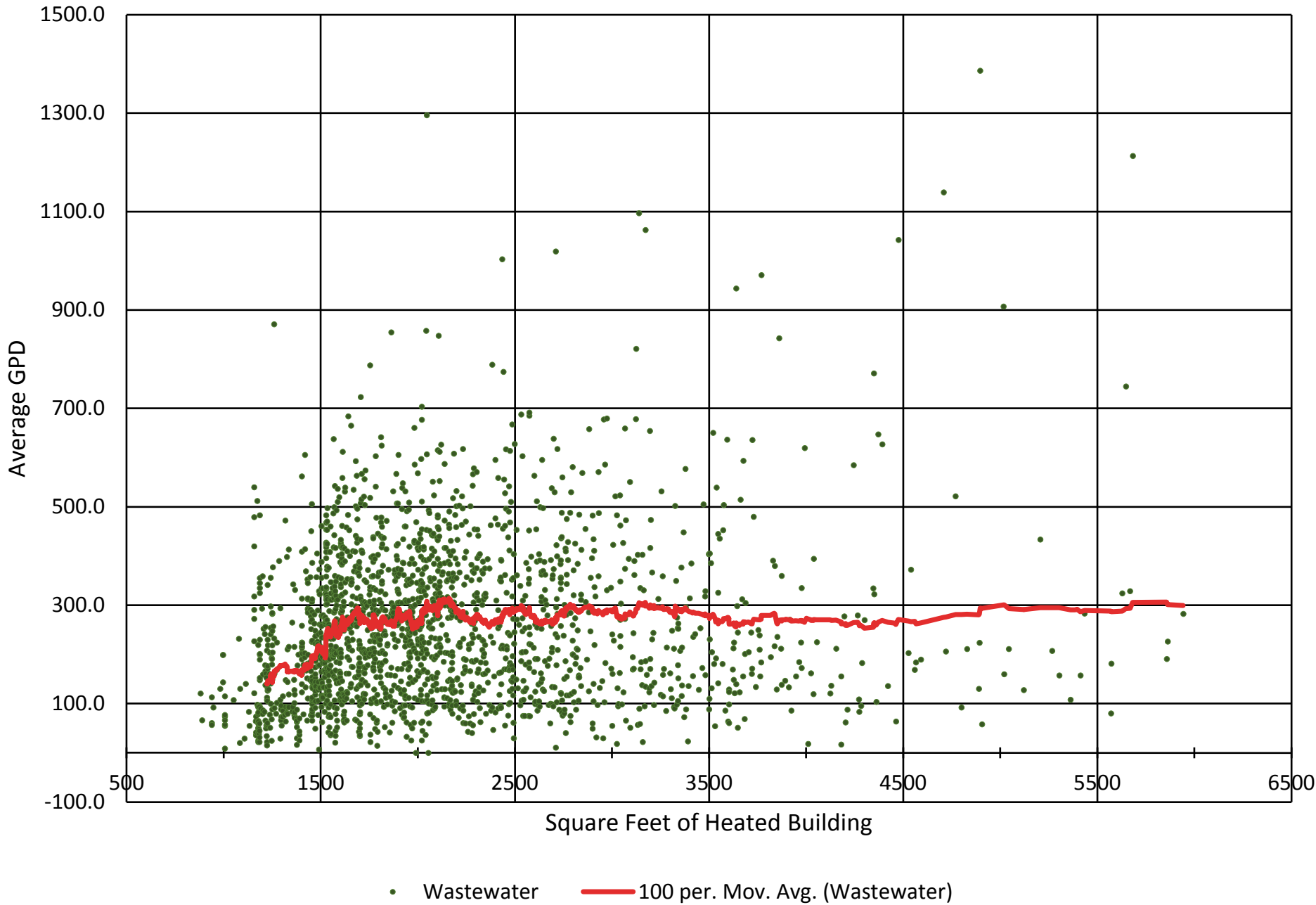
# UAB & City Commission Discussions

- Do smaller affordable homes use less water?
- Is it justifiable to charge a lower connection charge for smaller homes?
- Average water & WW use for single family homes built in the last 10 years compared with heated square footage
  - Based on billing data
  - 2080 homes

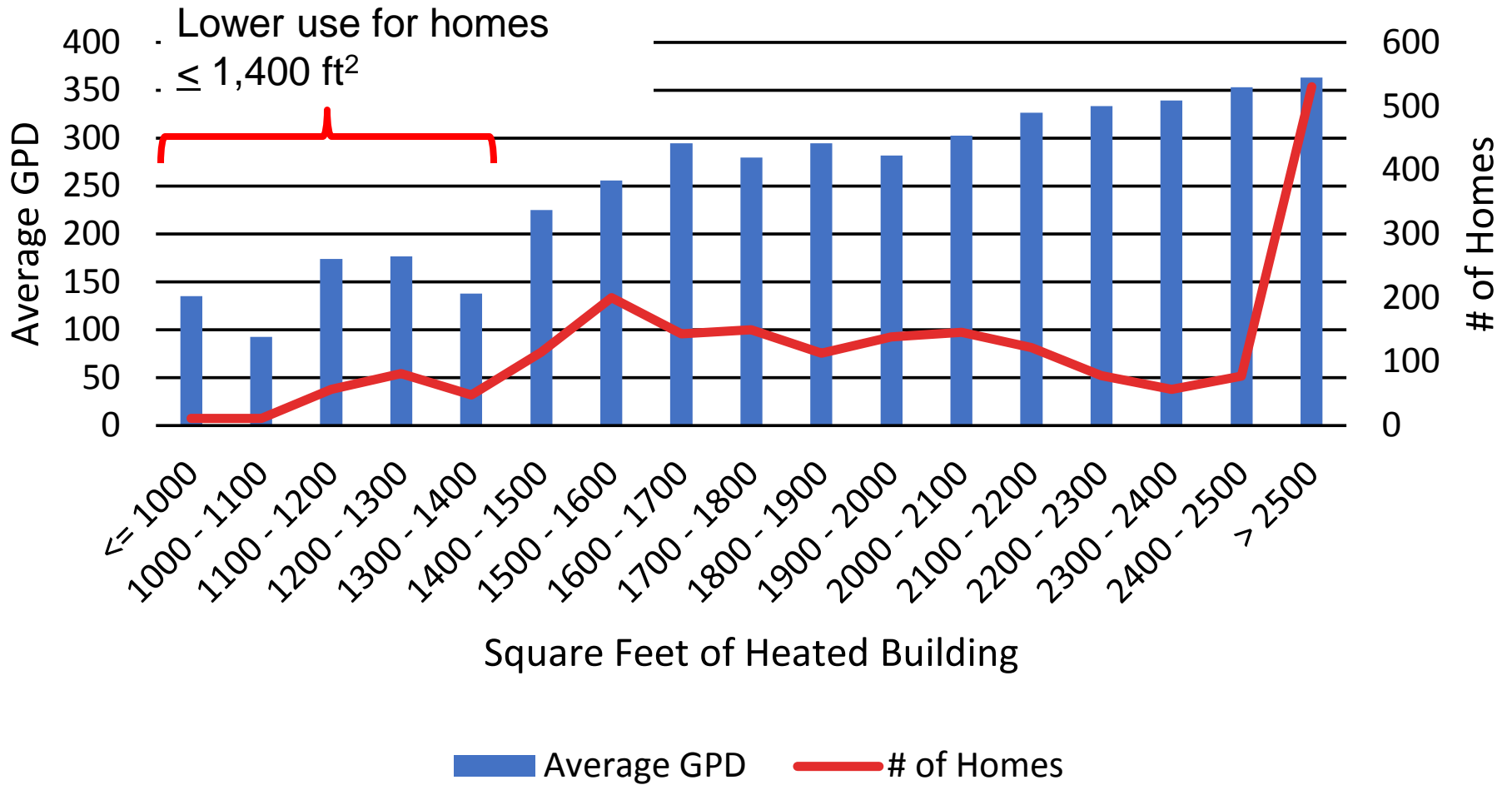
# Water



# Wastewater

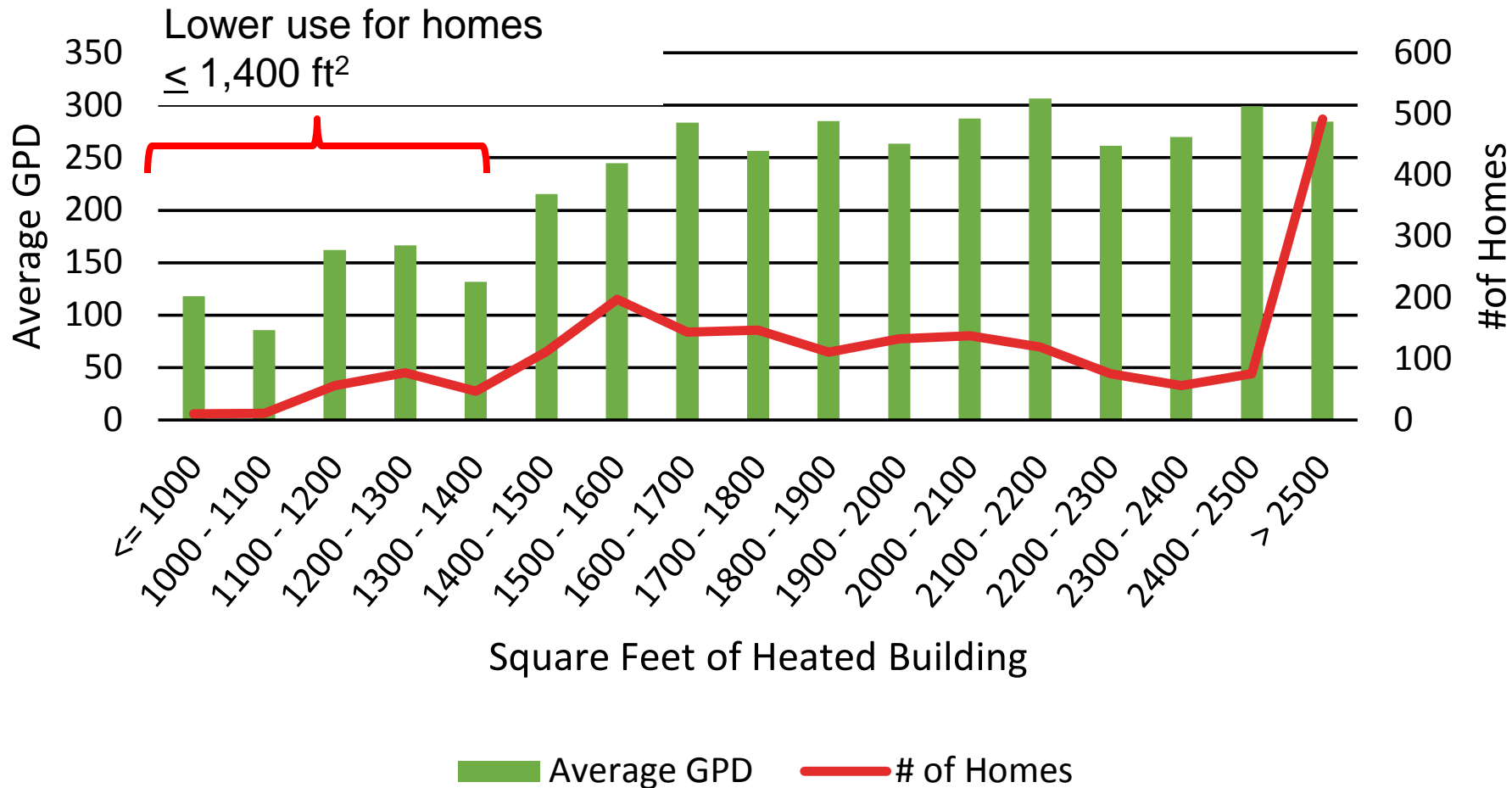


# Water





# Wastewater



# Flow Comparisons

	<u>Water</u>	<u>WW</u>
Current SFH Flow (gpd)	280	235
<u>“Small*” House Avg (gpd)</u>	<u>161</u>	<u>150</u>
Ratio	58%	64%

\*Small  $\leq$  1,400 ft<sup>2</sup> heated and cooled

# Challenges & Uncertainties

- Limited dataset for smaller homes
- Lower water use in smaller homes likely interrelated with home value, customer demographics, & lower tendency to irrigate
- Will future houses below a certain size fit this presumption?
- Implementation

# Proposed Approach

- 35% Discount on water & WW connection charges (excluding meter charge) homes that are  $\leq 1,400$  ft<sup>2</sup> (heated & cooled)

# Proposed 2019 Connection Charges

	<u>Normal Chge</u>	<u>Small</u>
Water meter (3/4" installed)	\$440*	\$440*
Water Connection Charge	\$1,157	\$752
<u>Wastewater Connection Charge</u>	<u>\$3,397</u>	<u>\$2,208</u>
<b>Total Water + WW Connect Chge</b>	<b>\$4,994</b>	<b>\$3,400</b>
	<b>Savings:</b>	<b>\$1,594</b>
<u>Surcharge Outside City Limits (25%)</u>	<u>\$1,248</u>	<u>\$850</u>
<b>Total Outside City Limits</b>	<b>\$6,242</b>	<b>\$4,250</b>
	<b>Savings:</b>	<b>\$1,992</b>

\*Assumes developer installs box & yoke

# Future Considerations

- Evaluate impacts of Alachua County Irrigation ordinance using H<sub>2</sub>OSAV tool
- Consider incentives for Water Star, Florida Green Builders, &/or other efficiency certifications
- Continue collaboration between GRU, GG, Alachua County, water management districts, builders, & others

# Recommendation

- UAB recommend to City Commission that Appendix A of Code of Ordinances be modified to include 35% discount on water/WW connection charge for homes  $\leq 1,400$  ft<sup>2</sup> heated & cooled starting in FY2019