# Water & Wastewater Connection Charges for Smaller Homes

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

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# 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

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# 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

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# 2018 Residential Connection Charge*

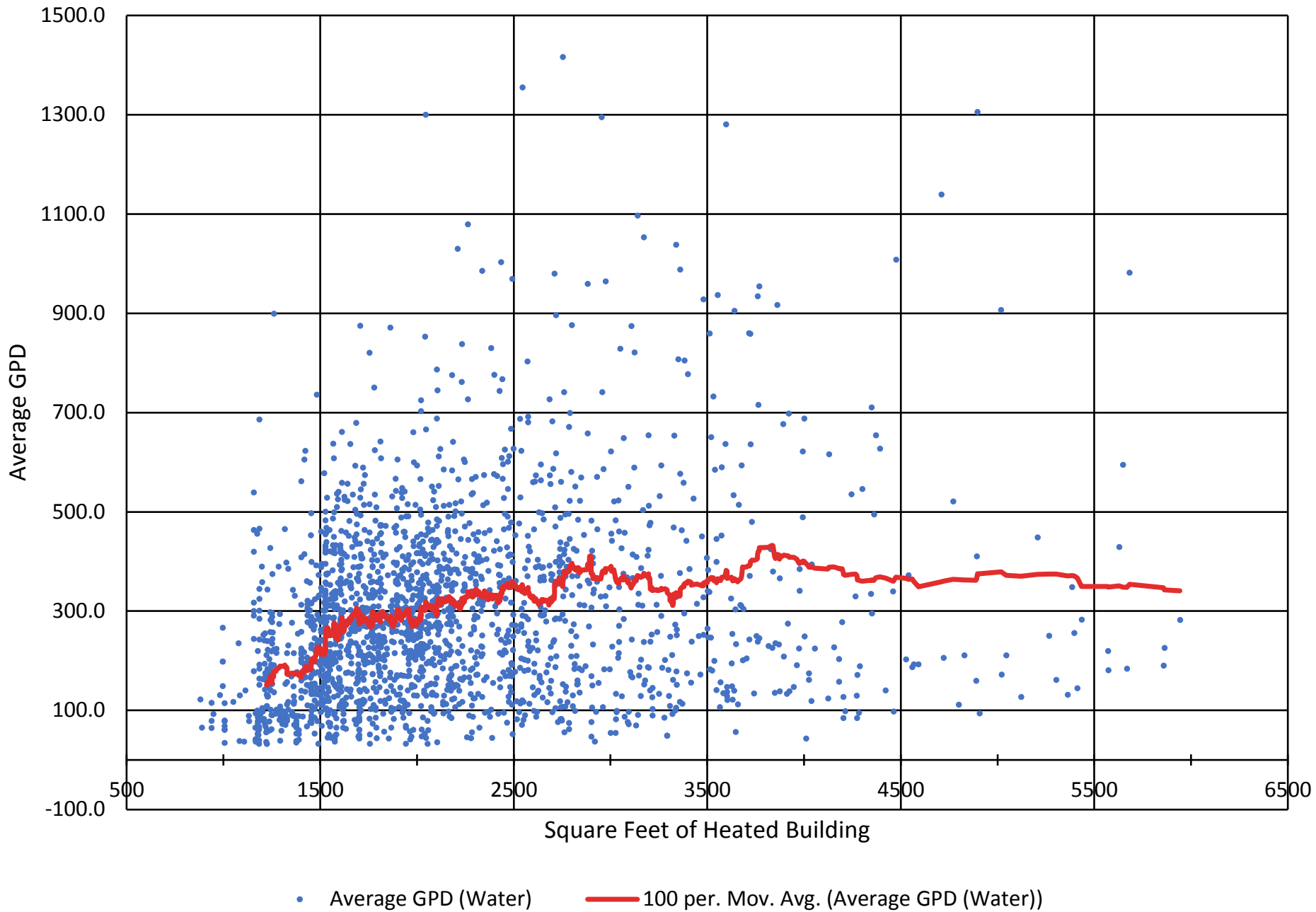| | |
|---|---|
| Water meter (3/4" installed) | $427** |
| Water Connection Charge | $1,123 |
| Wastewater Connection Charge | $3,298 |
| **Total Water + WW Connect Chge** | **$4,848  (Inside City)** |
| | |
| Surcharge Outside City Limits (25%) | $1,212 |
| **Total Outside City Limits** | **$6,060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

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

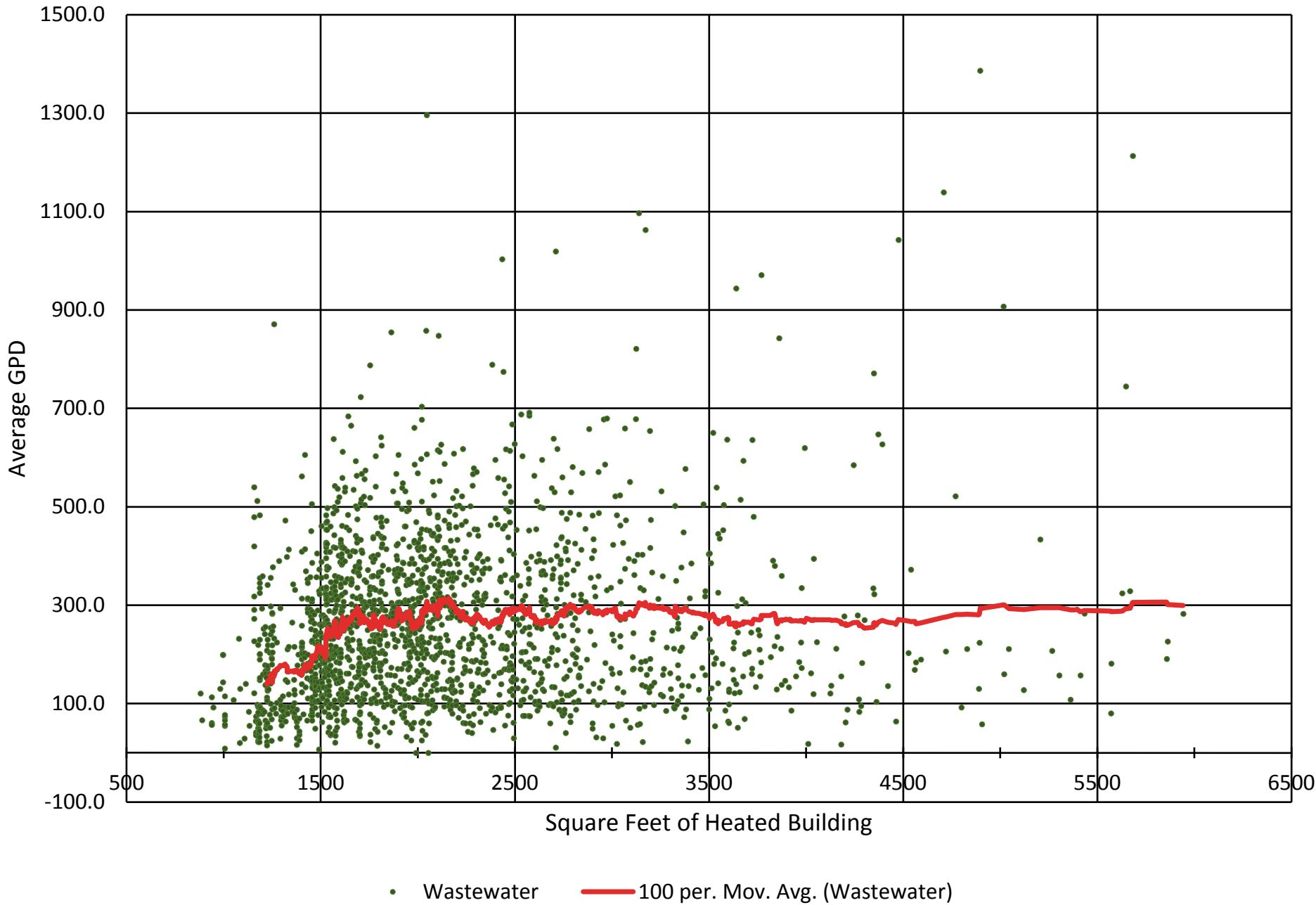**Assumes developer installs box & yoke

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# 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 <u>built in the last 10 years</u> compared with heated square footage
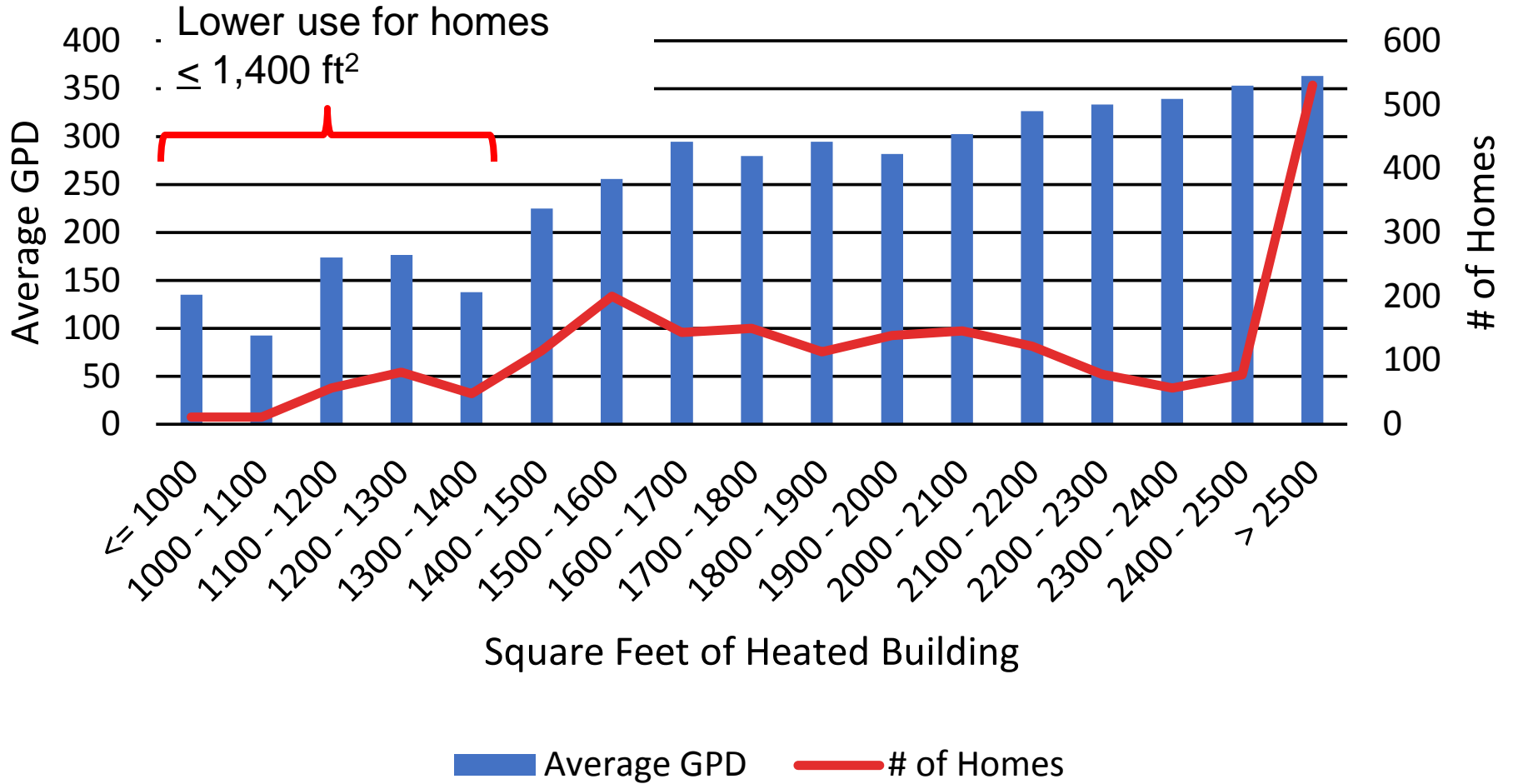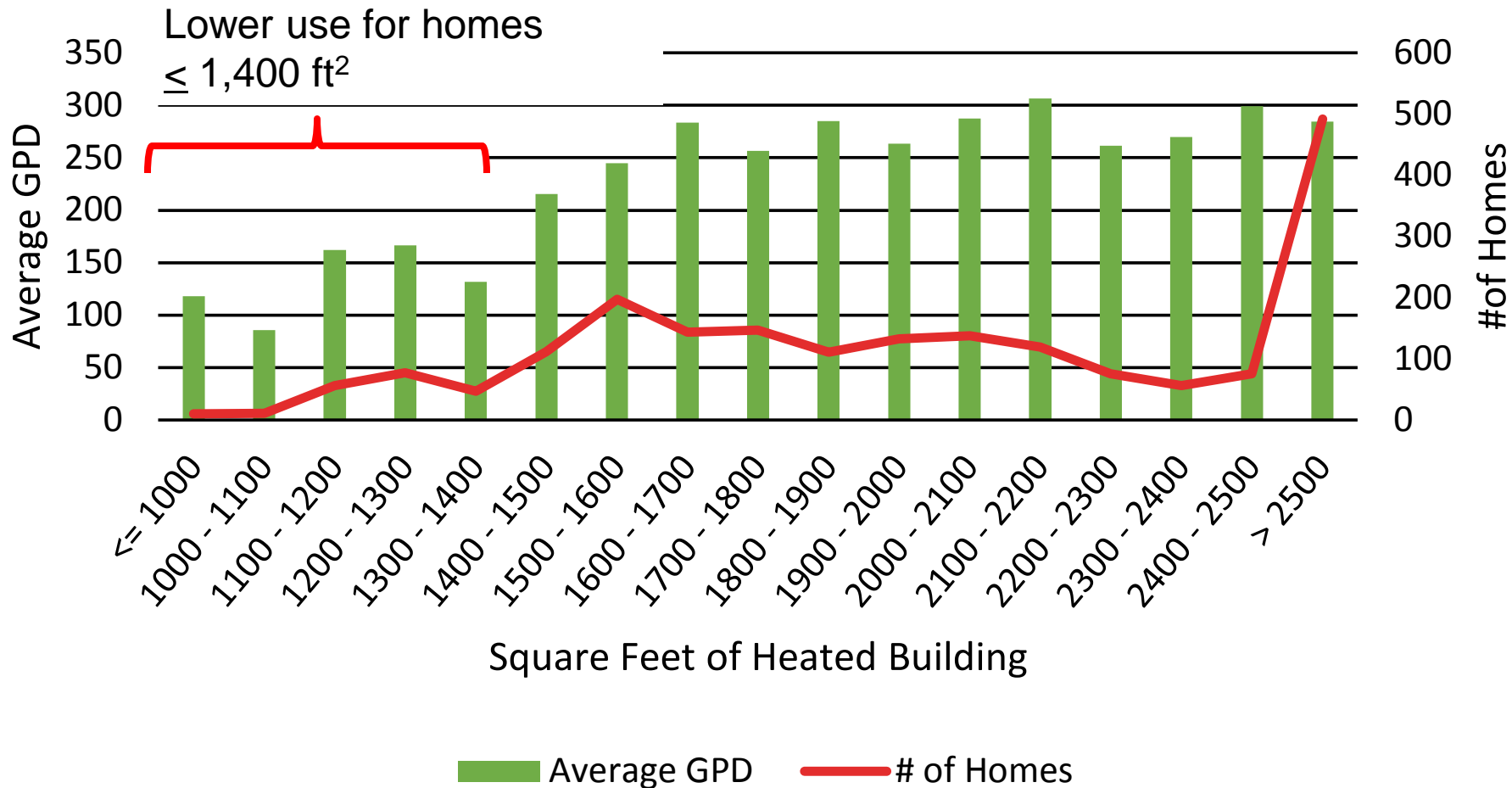  - Based on billing data
  - 2080 homes

Water

# Wastewater

Average GPD vs. Square Feet of Heated Building

- Wastewater
- 100 per. Mov. Avg. (Wastewater)

Water

# Flow Comparisons

|                          | Water | WW  |
|--------------------------|-------|-----|
| Current SFH Flow (gpd)   | 280   | 235 |
| "Small*" House Avg (gpd) | 161   | 150 |
| Ratio                    | 58%   | 64% |

*Small $\leq$ 1,400 ft$^2$ 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$1,400 ft$^2$ (heated & cooled)

# Proposed 2019 Connection Charges

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

*Assumes developer installs box & yoke

# Future Considerations

- Evaluate impacts of Alachua County Irrigation ordinance using $H_2OSAV$ 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

# UAB Meeting - April 12, 2018

- Staff recommended that UAB advise City Commission to modify Appendix A of Code of Ordinances to include 35% discount on water/WW connection charge for homes $\leq$ 1,400 ft$^2$ heated & cooled starting in FY2019

- UAB made additional recommendation that City Commission consider either removing the 25% surcharge on W/WW connection fees on homes $\leq$ 1,400 ft$^2$ in the unincorporated area or rebating it through the Connectfree program

# Recommendation

- Appendix A of Code of Ordinances be modified to include 35% discount on water/WW connection charge for homes $\leq$ 1,400 ft$^2$ heated & cooled starting in FY2019

- City Commission consider either removing the 25% surcharge on W/WW connection fees on homes $\leq$ 1,400 ft$^2$ in the unincorporated area or rebating it through the Connectfree program