

General Manager Utilities Item #080860

Proposed Revisions to Service Charges and Temporary Water Meters

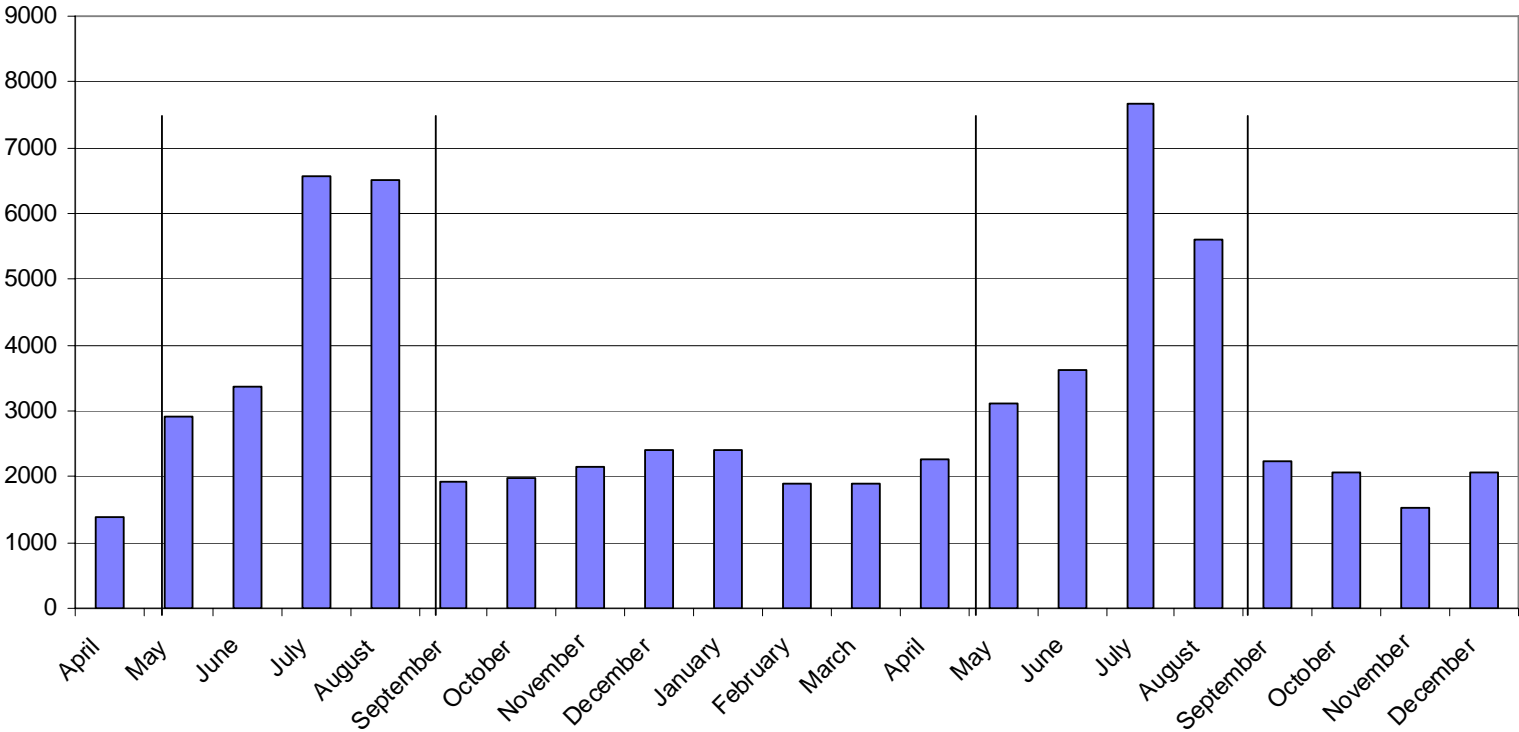
April 2, 2009



Proposed Service Charge Changes

- NOT proposing increase to delinquent fees
- Decrease late fee from 2% to 1.5% of balance
- Increase turn on charges, prevalent in student move-ins
- Based on Cost Study, including labor, overhead, vehicles, number of visits per activity, equipment required, etc.
- Proposing provision for automatic annual escalation of all service charges by CPI so in years where full cost study is not needed

High Summer Activation Counts due to Student Activity



Proposed Service Charges

Effective June 1, 2009

Service Type	Existing Charges	Proposed Charges	Range of Peer Charges
Electric			
Non-Demand	\$ 15.00	\$ 30.00	\$10.00 - \$75.00
Demand	\$ 40.00	\$ 60.00	\$15.00 - \$125.00
Water			
Water Only	\$ 15.00	\$ 30.00	\$10.00 - \$75.00
Gas			
Residential, Gas Only	\$ 25.00	\$ 50.00	\$20.00 - \$40.00
Res Gas With Electric or Water	\$ 20.00	\$ 40.00	
Other retail Gas	\$ 40.00	\$ 100.00	

Fiscal Impact

- Proposed changes will allow for approximately \$1.1 million additional to be paid by the customers using the services.
- The revenue is across three systems
 - electric, water and gas (no meters on wastewater)
- Number of Service activations in 2008 (approximate):
 - Electric 33,000
 - Water 22,000
 - Gas 7,000

Temporary Hydrant Meters

- Temporary meters set for use during construction
- Meant to be removed upon regular water service connection/occupancy
- Historically have had problems with meters being returned in reasonable time or at all
- Meter assembly very expensive (\$1700)

Proposed Temporary Meter Deposit and Charges

	GRU Current Fees	GRU's Costs in 2009	GRU Proposed Fees May 1, 2009
Refundable Deposit	\$75	\$1,556	\$1,000
Set/Remove fee	\$30	\$183	\$80
Total to Install	\$105	\$1,739	\$1,080
Monthly Base Charge	Prevailing Customer Charge		\$60
Meter issuance period	None Mandated		Up to 6 months
Action if meter not returned	Deposit Forfeiture		Reminder, Extension or Removal
Damage/Tamper Fee	\$30		Actual Costs

Recommendation:

The City Commission 1) Receive a presentation on the proposed Service Charges and Temporary Hydrant meter deposits and charges; and 2) Authorize the City Attorney to draft and the Clerk to advertise said changes to Gainesville Code of Ordinances.