

W/WW Connection Charges & other New Development-Related Fees

City Commission
August 4, 2022



W/WW Connection Charges

Inside

- Connection charges explained
- Proposed 2023 changes based on industry standards
 - 8.24% increase
 - Eliminate installment
 - Change connection charge credit
 - Additional fees

W/WW Connection Charges & other New Development-Related Fees

What are connection charges?

- Fees GRU collects to pay for facilities that make capacity available for new development
 - Water and wastewater plants
 - Water distribution and wastewater collection
 - RCW/effluent reuse
- Standard practice in W/WW industry
- Periodic detail review
- Most years do inflationary increase using ENR Construction Cost Index

New Development Fee Adjustments

What new development fees is GRU proposing to adjust?

- Water and Wastewater Connection Charges
- Water Service and Meter Set
- W/WW Plan Review and Inspection
- Water Main Tapping
- iDistrict IIA Fees
- Temporary (Hydrant) Water Service

Proposed 2023 Charges

How much are fees increasing?

- Increase Connection Charges and most other fees by 8.24% based on Construction Cost Index (CCI) published by Engineering News Record
- Typical Single Family Residential Connection:

	<u>2022</u>	<u>2023</u>
Water	\$1,272	\$1,377
Water Meter	\$766	\$829
<u>Wastewater</u>	<u>\$3,736</u>	<u>\$4,044</u>
TOTAL (City)	\$5,774	\$6,250
TOTAL (Unincorporated)	\$7,217	\$7,812

Eliminate Connection Charge Installment

Why eliminate installments?

- Section 27-103 (1997)
- Owners of existing homes connecting to GRU water and/or wastewater could finance connection charges over 10 years
- No longer needed since ConnectFree pays for connection charges to connect existing homes
- No longer supported by GRU Customer Information System
- Propose to delete from ordinance

Change to Connection Charge Credit

What is the connection charge credit?

- Connection charge credit applies to redevelopment
- If applicable connection charges had been paid for a structure that previously existed on a property, GRU will issue a credit toward connection charges for redevelopment of the property

How does GRU propose changing the connection charge credit?

- Propose clarification that previous structure had to have had GRU water and wastewater accounts within last 10 years
 - Billing system can only go back 10 years
 - Very difficult to track and verify structures that have not existed for more than 10 years
 - Proposed policy is consistent with other utilities

Other Development Fees

<u>Water Meter & Lateral</u>	<u>2022</u>	<u>2023</u>		<u>Water</u>		<u>Wastewater</u>	
				<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
5/8"	\$766	\$829	Comm & MF Connection Charges (\$/gpd)	\$4.54	\$4.92	\$13.34	\$14.44
3/4"	\$766	\$829					
1"	\$1,001	\$1,084	Water Plan Review Fee	\$860	\$930		
1 1/2"	\$2,532	\$2,741	Water Inspection Fee (\$/ft)	\$2.79	\$3.02		
2"	\$2,705	\$2,928					
3"	\$15,464	\$16,739	WW Plan Review Fee	\$1,550	\$1,670		
4"	\$17,189	\$18,606	WW Inspection Fee (\$/ft)	\$6.86	\$7.43		
4" Fire Line Meter	\$21,256	\$23,008					
6"	\$22,655	\$24,522	Fire Hydrant Service	\$13.42	\$14.53		
6" Fire Line Meter	\$26,376	\$28,550					
8"	\$26,700	\$28,901					
8" Fire Line Meter	\$31,816	\$34,439	Idistrict IIA Fees				
				2022	2023	2022	2023
Water Main Tapping Charges			Commercial & Institutional	\$1.14	\$1.24	\$1.16	\$1.25
1"	\$1,130	\$1,220	Hotel &/or Motel	\$455.56	\$493.11	\$463.14	\$501.32
2"	\$1,130	\$1,220	Laboratory (wet)	\$1.37	\$1.48	\$1.40	\$1.51
4"	\$3,410	\$3,690	Multi-family residential	\$318.90	\$345.18	\$324.20	\$350.93
6"	\$4,060	\$4,390	Office & laboratory (dry)	\$0.68	\$0.73	\$0.70	\$0.76
8"	\$4,720	\$5,110	Parking Garage	\$0.68	\$0.73	NA	NA
12"	\$7,600	\$8,230					