



Charlotte County Utilities

Updated 9/20/16

REVIEW OF UTILITY FEES FOR NEW CONSTRUCTION

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Review of Utility Fees for New Construction

- Original presentation to BCC on January 26, 2016
- Board adopted gradual “stepped” increase in water distribution and sewer collection line fees

Water System	Sewer System
Connection Fee	Connection Fee
Water Distribution Line Fee	Sewer Collection Line Fee
Water Service Line Fee	Sewer Service Line Fee
Water Meter Fee	LPS Tank (Low Pressure System Only, if Needed)



Water and Sewer Connection Fees

- ❖ Fee charged to new development to recover capital cost of water and sewer system CAPACITY related to supply, treatment and bulk transmission facilities, and carrying costs of such facilities.



Water Distribution and Sewer Collection Line Fees

- ❖ Fee to recover cost of water distribution lines and sewer collection lines that provide a benefit to specific properties. These lines are typically along streets contiguous to the property.



Water and Sewer Service Line Fees

- ❖ Where appropriate, this is a fee to recover the cost of constructing the water and sewer lines (laterals) that connect the customer service location to the distribution/collection system.



Water Meter Fee

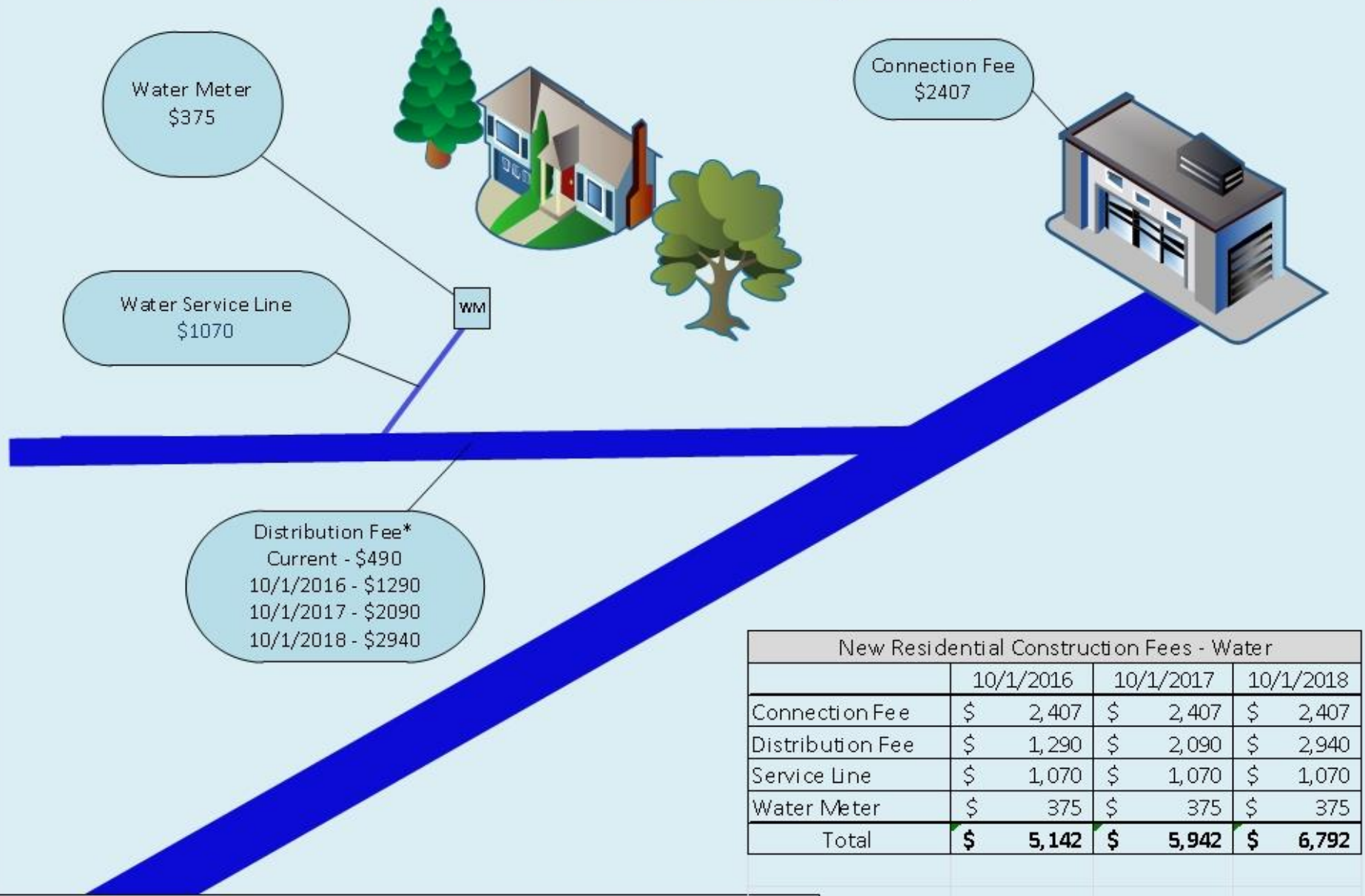
- ❖ Fee to recover the cost of installing a water meter at a new customer location.



LPS Tank Fee

- ❖ Applicable only to Low Pressure Systems; Fee to recover cost of installing a low pressure service tank (functional component of service connection).
- ❖ For new construction, the builder or owner installs the LPS system at their cost.

New Residential Construction Water Fees and Charges

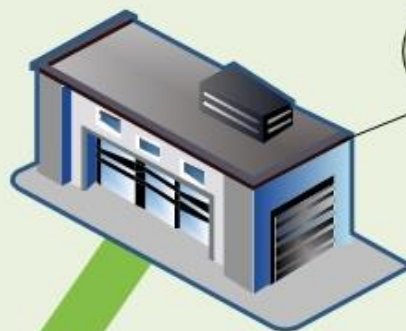


New Residential Construction Fees - Water			
	10/1/2016	10/1/2017	10/1/2018
Connection Fee	\$ 2,407	\$ 2,407	\$ 2,407
Distribution Fee	\$ 1,290	\$ 2,090	\$ 2,940
Service Line	\$ 1,070	\$ 1,070	\$ 1,070
Water Meter	\$ 375	\$ 375	\$ 375
Total	\$ 5,142	\$ 5,942	\$ 6,792

*Distribution Fee in certain MSBU service areas may be waived.

New Residential Construction Sewer Fees**

Gravity, Vacuum & LPS Systems***



Connection Fee
\$2251

Customer Connection
@ Right of Way

Sewer Service Line
\$1240

Sewer Collection Fee*
Current - \$740
10/1/2017 - \$1455
10/1/2018 - \$2910

New Residential Construction Fees - Sewer		
	10/1/2017	10/1/2018
Connection Fee	\$ 2,251	\$ 2,251
Collection Fee	\$ 1,455	\$ 2,910
Service Line	\$ 1,240	\$ 1,240
Total	\$ 4,946	\$ 6,401

*Collection Fee in certain MSBU service areas may be waived.

** Total may change if road restoration costs are involved.

*** On-lot LPS system to be installed by contractor.



Basis for Proposed Water Distribution and Sewer Collection Fees

- ❖ Based on cost of installing distribution/collection lines that provide a benefit to specific properties and do not serve a backbone transmission purpose.
- ❖ Fee, when totally phased-in (2018), is based on the current cost of constructing these water distribution and sewer collection facilities.
- ❖ Treats all new customers connecting to an existing or extended water distribution or sewer collection the same.



Basis for Proposed Water Distribution and Sewer Collection Fees (cont'd.)

- ❖ Undeveloped properties in Utility MSBU areas, such as Spring Lake, already pay their fair share of these costs through annual assessments - whereas undeveloped properties in other parts of the system have had a free ride.
- ❖ The **original cost of existing lines** and subsequent carrying costs such as acquisition-related interest expense, renewal and replacement and maintenance **has been borne by rate payers**; however, all properties benefit from the availability of service. These fees allow the rate payers to recoup the undeveloped properties' share of the original facility investment plus a portion of the accrued carrying costs.



Basis for Proposed Water Distribution and Sewer Collection Fees (cont'd.)

- ❖ Reflects the "value" of service availability.
- ❖ Same concept is used in other former GDU utility systems such as Palm Bay.



Water Distribution Line and Sewer Collection Fee Rate Calculation

- ❖ An analysis of line extensions (distribution/collection) from 2013 to mid-2015 was completed to develop costs associated with each class of service.
- ❖ **Average Cost** based on 34 Line Extension projects affecting 234 lots
 - **Potable Water = \$2,940**
 - **Sewer = \$2,910**



Summary

- ❖ The final rates (2018) reflect average costs to construct the collection/distribution facilities.
- ❖ The apportionment method provides equity to undeveloped parcels AND rate payers
- ❖ BCC adopted rates Jan 2016 , and will go into effect Oct 1, 2016.