



# Pinellas County Utilities: User Fees Study

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Senior Manager

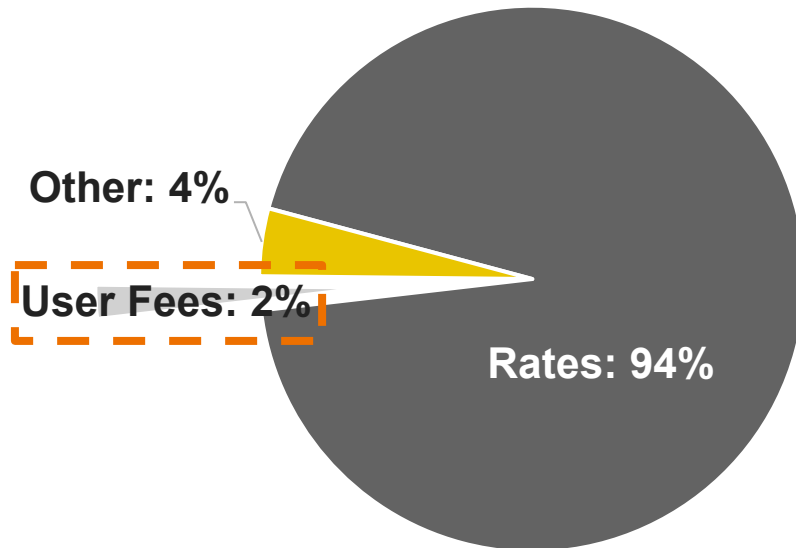
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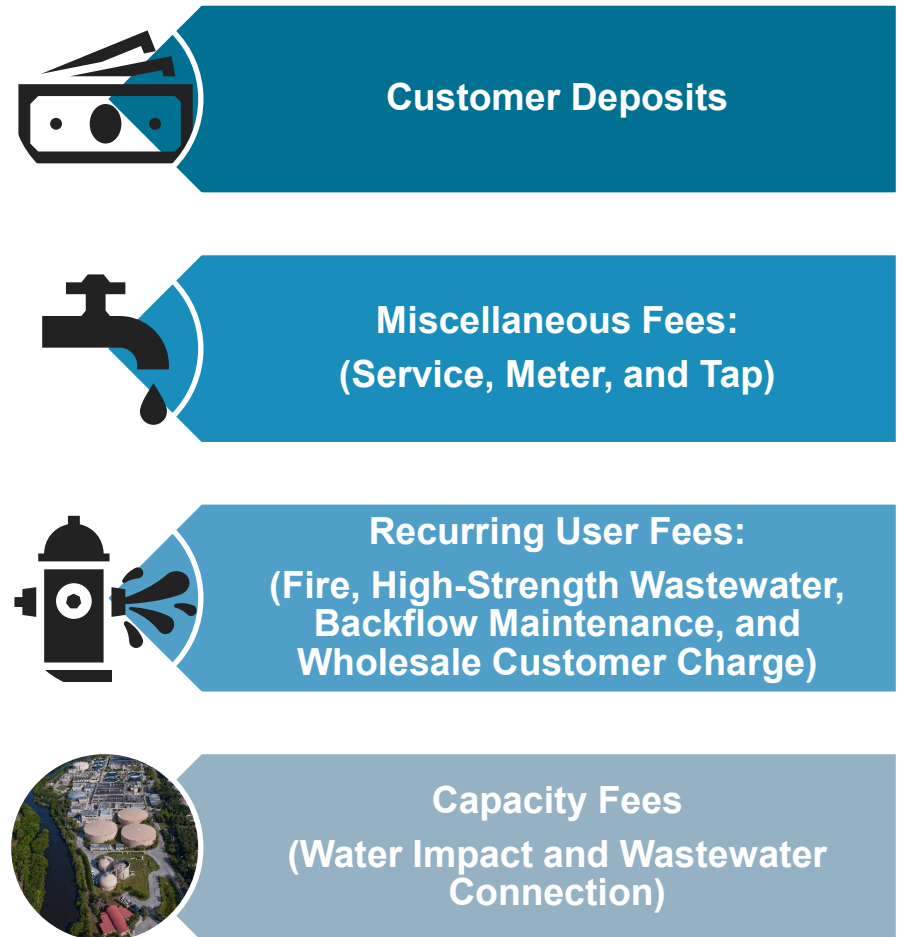


## Background

- Equitably recover costs directly from beneficiaries
- Most fees reviewed in 2010, others 15+ years
- Offsets rates/future increases
- No user fee changes for 70% of residential customers



## Scope: Update User Fees





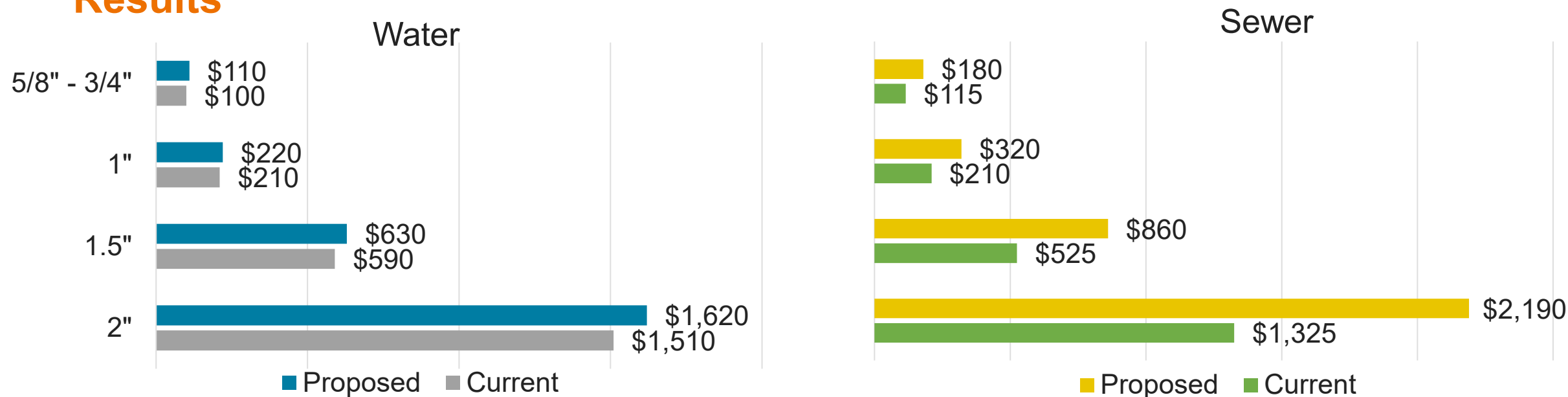
# Customer Deposits

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## Overview

- Deposits for new service – minimizes risks of non-payment
- Last updated in 2010

## Results



- Waived with good payment history or other utility reference
- Refunded: 24-months good standing (res.) or account close (non-res.)



# Existing Miscellaneous Fees

## Description

Updated nearly 100 fees to reflect current processes and costs

| Notable Fees                                               | Current Fee (\$) | Proposed FY 2023 (\$) |
|------------------------------------------------------------|------------------|-----------------------|
| Turn-on Fee (Scheduled)                                    | 16               | 17                    |
| Turn-on Fee (Same Day)                                     | 32               | 42                    |
| Pre-termination Notice                                     | 18               | 7                     |
| Delinquent Turn-off                                        | 21               | 30                    |
| Permit Fee (Food Service Facility with Grease Interceptor) | 140              | 270                   |
| Meter & Meter Box 5/8" (Excludes Tap and Service)          | 660              | 590                   |
| Septage Fee per 1,000 Gallons*                             | 35               | 40                    |

\*Septage fees developed by MGT Consulting in a Study (full cost of \$48.57)

## Results

- Align to PCU's costs and processes and update every 3-5 years

## Description

Staff identified services provided, but not directly charged:

| Fee                                                                                                  | Proposed FY 2023 (\$) |
|------------------------------------------------------------------------------------------------------|-----------------------|
| Electronic Meter Data Logging: Multi-Unit                                                            | 460                   |
| Removal of Meter and Water Service Connection                                                        | 350                   |
| Engineering Plan Review                                                                              | 330                   |
| Private Sewer System Annual Operating Permit Fee (Incl. Inspection)                                  | 300                   |
| Electronic Meter Data Logging: Single-Family                                                         | 155                   |
| Pre-termination notice delivery (Trip Fee)                                                           | 65                    |
| Service/Trip/Truck Charge                                                                            | 43                    |
| Private Sewer System: Non-Residential Single Lateral Connection Annual Permit Fee (Incl. Inspection) | 30                    |
| Notice of Lien Process                                                                               | 23                    |
| Release of Lien Process                                                                              | 11                    |
| Lien Payoff Process                                                                                  | 9                     |
| Title Disclosure                                                                                     | 6                     |

## Results

- Align to PCU's costs/processes and update every 3-5 years



# Backflow Prevention Devices

## Description

Device maintenance to protect and ensure water quality

## Results

### Benchmarking Range:

At or Above Range

Within Range

At or Below Range

| Description                                            | Customer Count              | Current Fee (\$) | Proposed FY 2023 (\$) |
|--------------------------------------------------------|-----------------------------|------------------|-----------------------|
| Monthly Fee for Device Maintenance:                    |                             |                  |                       |
| Residential >4 Units or Commercial/Small Fireline <=2" | 6,014<br>(5% of accounts)   | 2.41             | 5.83                  |
| Commercial/Multi-Family, Double Check Valve, >=4"      | 1,196<br>(1% of accounts)   | 5.23             | 15.42                 |
| Commercial/Multi-Family, Reduced Pressure Valve, >=4"  | 98<br>(<0.1% of accounts)   | 8.61             | 15.83                 |
| Residential <=3 Units and <=1"                         | 32,615<br>(28% of accounts) | 0.81             | 1.59                  |

+\$0.78 per month = <1% impact to typical customer)

## Description

Standby charges for unmetered private fire protection facilities

## Results

### Benchmarking Range:

At or Above Range

Within Range

At or Below Range

| Description             | Customer Count | Current Fee (\$) | Proposed Fee FY 2023 (\$) | Benchmarking Range (\$) |
|-------------------------|----------------|------------------|---------------------------|-------------------------|
| Annual Standby Charges: |                |                  |                           |                         |
| 6" and smaller          | 536            | 102              | 215                       | 60 – 735                |
| 8"                      | 372            | 174              | 450                       | 108 - 1,323             |
| 10"                     | 3              | 342              | 820                       | 168 - 1,690             |
| 12"                     | 2              | 390              | 1,320                     | 390 - 3,160             |

Increases range from 1-3% for typical customer's total bill



# Wholesale Monthly Meter Service Charges

## Description

Meter maintenance, meter reading, telemetry, billing and accounting for water wholesale customers

## Results

- Update charges to reflect cost
- Scaling based on meter costs and testing
- Minimal impact on total bills

| Meter Size | Wholesale Water Meters | Current Fee (\$) | Proposed Fee FY 2023 (\$) |
|------------|------------------------|------------------|---------------------------|
| 2"         | 1                      | 16               | 10                        |
| 4"         | 1                      | 25               | 50                        |
| 6"         | 4                      | 38               | 90                        |
| 8"         | 5                      | 55               | 95                        |
| 10"        | 9                      | 72               | 100                       |
| 12"        | 3                      | 133              | 105                       |





# Wastewater High-Strength Surcharge

## Description

Recover treatment costs of excessive concentrated wastewater discharges

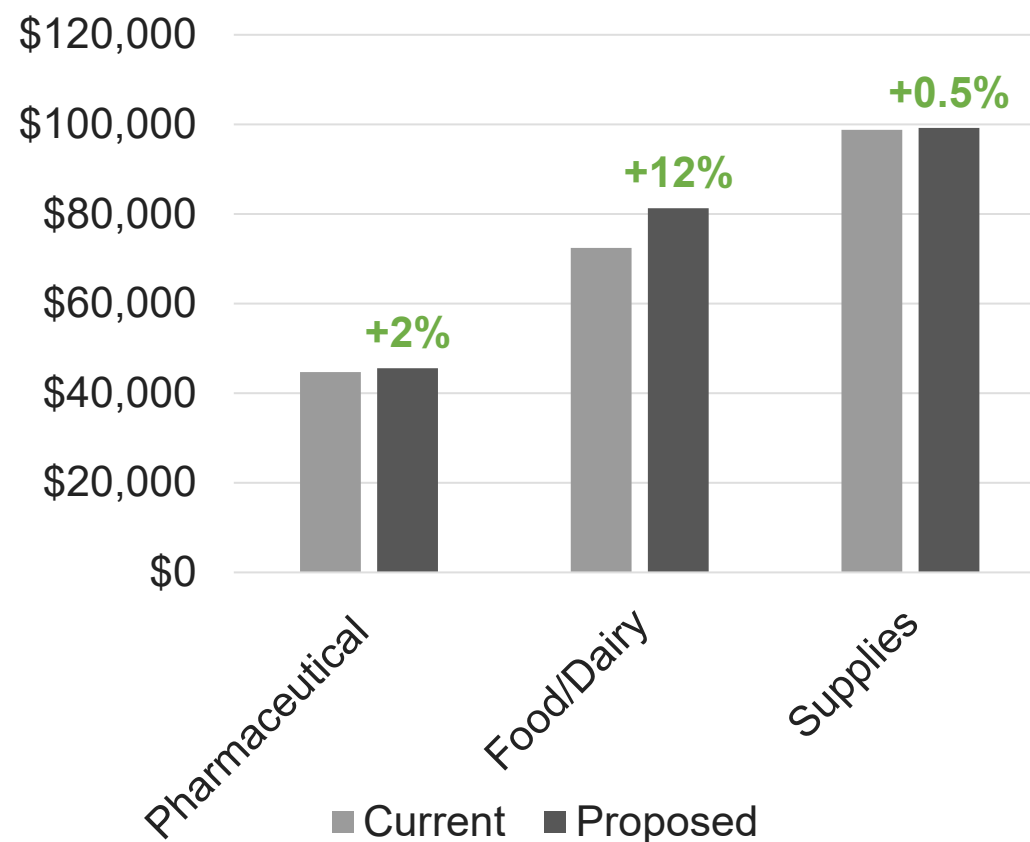
Last reviewed and changed in 2014

## Results

- Adjust methodology to better correlate to costs and industry practice
- Implement at cost

| Parameter                      | Updated Surcharge |
|--------------------------------|-------------------|
| Biological Oxygen Demand (BOD) | \$0.86 per lb.    |
| Total Suspended Solids (TSS)   | \$0.60 per lb.    |

## Annual Customer Impacts





# Capacity Fees: Water (Impact) & Sewer (Connection)

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## Overview

**Different names:** capacity fees, impact fees, capital charges, connection fees, system development charges/fees

**Similar purpose:** one-time fees for capacity costs of new development (“growth pays for growth”)

Fees haven't been updated in decades: (Water 1981) and Sewer (unknown)

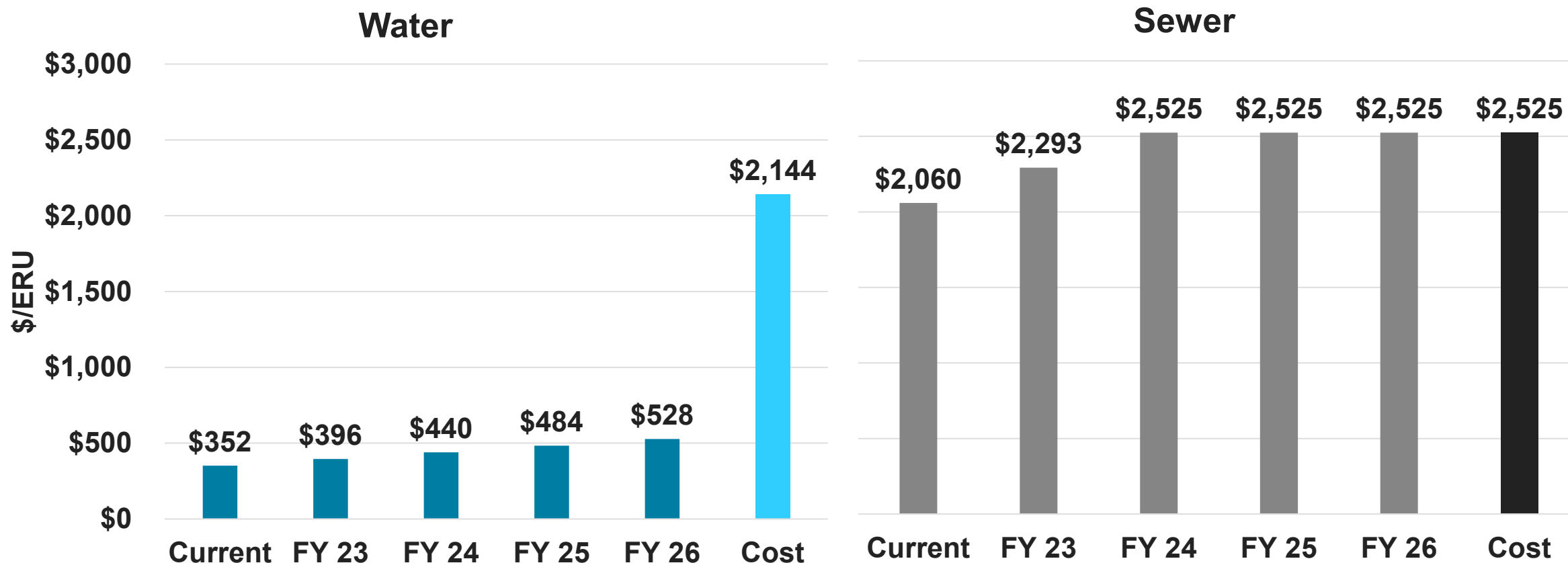




# Capacity Fees: Water (Impact) & Sewer (Connection)

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## Results



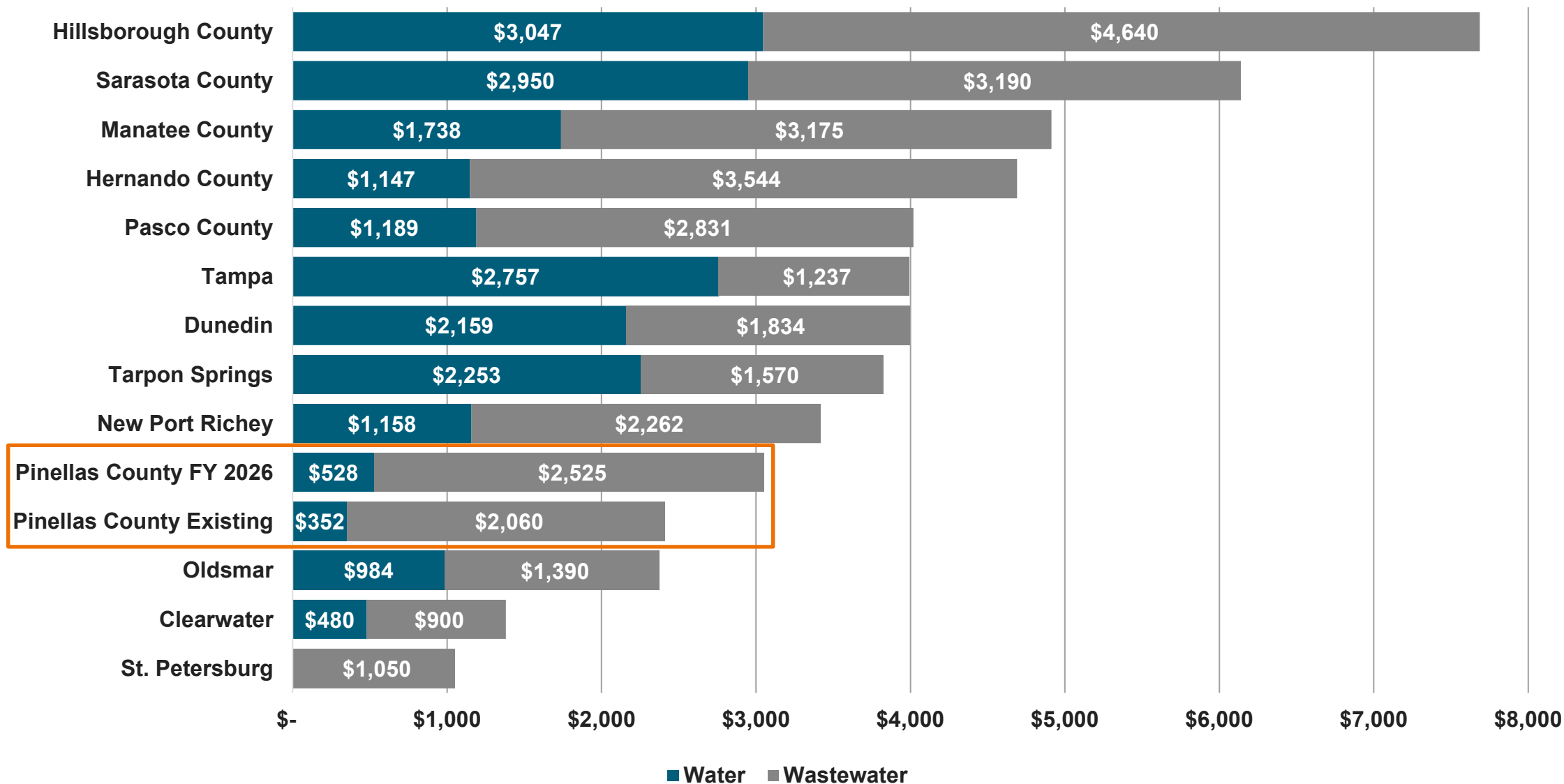
### Florida Impact Fee Act:

- Phasing and increase limitations (Maximum 50% increase)



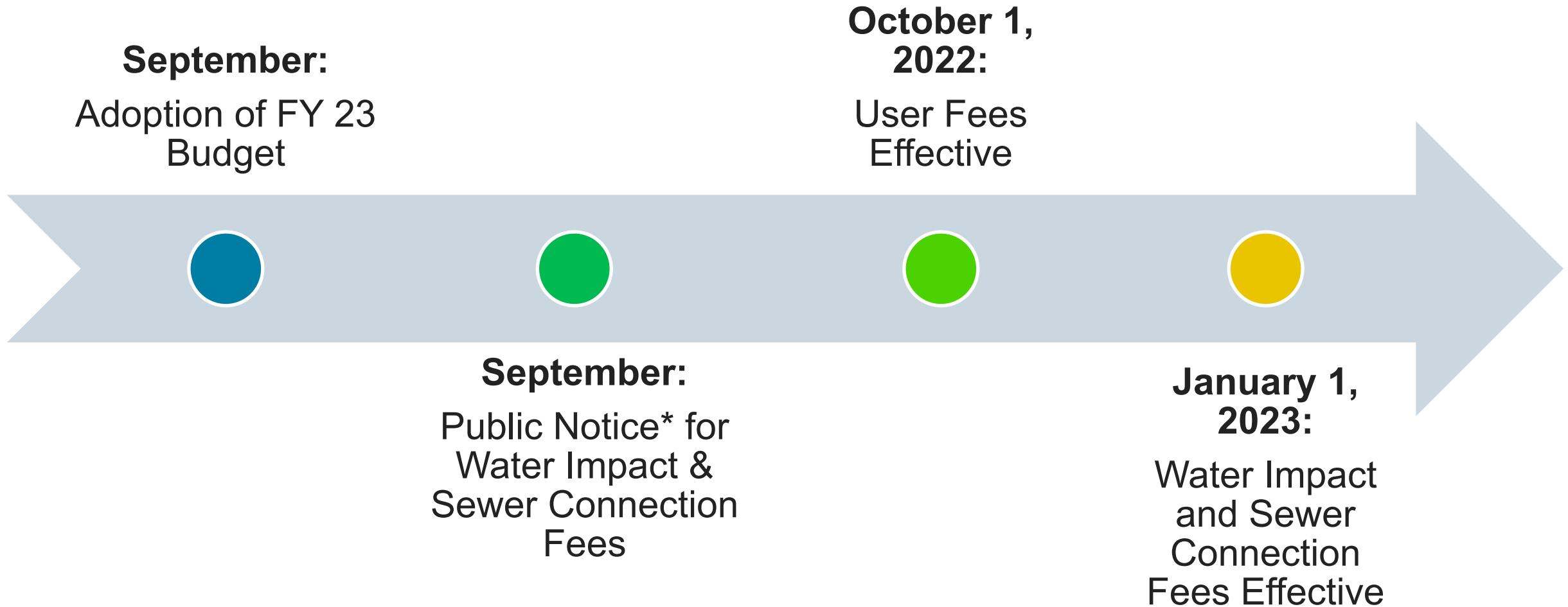
# Benchmarking: Local Combined Capacity Fees

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# Conclusion and Next Steps



\* Florida Impact Fee Act requires a 90-day notice period prior to effective date of increased impact fees