

WATER AND SANITARY SEWER FEE DISCUSSION

JUNE 12, 2018

DISCUSSION OUTLINE

- EXISTING WATER AND SANITARY SEWER IMPACT FEE STRUCTURE
- PROPOSED WATER AND SANITARY SEWER IMPACT FEE MODIFICATIONS – SHORT TERM ACTION
- DISCUSSION

DESCRIPTION OF IMPACT FEE

- SYSTEM DEVELOPMENT FEE (SDF) – ENTITY MAKING CONNECTION TO THE PUBLIC WATER SYSTEM, WHICH FEE IS MADE FOR THE PURPOSE OF ENABLING THE CITY TO REPAIR AND REPLACE IT'S FACILITIES (WATER AND SANITARY SEWER)
- ACCESS FEE (AF)– FEE PAID TO THE CITY FOR PURPOSE OF PROVIDING FUNDS FOR ADDITIONS, REPLACEMENTS, IMPROVEMENTS, AND EXPANSIONS TO THE CITY'S WATER DISTRIBUTION AND SANITARY SEWER COLLECTION SYSTEMS SUCH IMPROVEMENTS BEING REQUIRED PERIODICALLY FOR GROWTH. (WATER AND SANITARY SEWER)
- $IMPACT\ FEE = SDF + AF$
- EFFLUENT DISPOSAL ASSESSMENT (EDA) FEE - PAID FOR THE PURPOSE OF ENABLING THE CITY TO DISPOSE OF TREATED WASTEWATER TO REPAIR, REPLACE AND EXPAND ITS RECLAIMED WATER FACILITIES, AS NECESSARY, AND TO REDUCE THE IMPACT OF INCREASE POTABLE WATER DEMAND ON THE FRANKLIN WATER SYSTEM; NOT PART OF THE IMPACT FEE DISCUSSION.

EXISTING IMPACT FEE STRUCTURE

- EXISTING STRUCTURE IS COMPLICATED IN TERMS OF APPLICATION AND ACCOUNTING
 - THE DISTINCTION BETWEEN THE TWO CATEGORIES WITHIN EACH UTILITY IS UNNECESSARY
- CURRENT STRUCTURE IS NOT NIMBLE ENOUGH TO RESPOND TO EVOLVING PRIORITIES RELATED TO CAPITAL NEEDS
- LIMITS THE CITY'S ABILITY TO USE AVAILABLE FUNDS BASED ON A SNAPSHOT IN TIME OF CAPITAL INVESTMENT PROJECTS

EXISTING W&S FEE IMPLEMENTATION METHODOLOGY

- BASED ON METER SIZE AND SPECIFIC FUND STRUCTURE (DOES NOT INCLUDE INSTALLATION FEE)
 - CAN LIMIT EQUITABLE ASSESSMENT OF FEES DEPENDING ON DEMANDS – IMPACTS COSTS TO DEVELOPERS AND IMPACT FEE REVENUES FOR THE CITY
 - CREATES A NATURAL INCENTIVE TO DOWNSIZE METERS VERSUS APPROPRIATE METER SIZING
 - DISCOURAGES THE USE OF FIRE SUPPRESSION SYSTEMS
 - UNNECESSARILY COMPLICATED

Meter Upsize (inches)	% Fee Increase
0.75 to 1	300%
1 to 1.5	140%
1.5 to 2	33%
2 to 3	119%
3 to 4	43%
4 to 6	140%
6 to 8	25%

EXISTING W&S FEE IMPLEMENTATION METHODOLOGY

Meter Size	Sanitary Sewer				Water			TOTAL
	Access Fee	SDF	EDA	Sewer - Existing	Access Fee	SDF	Water - Existing	
¾"	\$2,100	\$1,444	\$450	\$3,994	\$1,186	\$903	\$2,089	\$6,083
1"	\$8,400	\$5,775	\$1,800	\$15,975	\$4,746	\$3,612	\$8,358	\$24,333
1.5"	\$20,160	\$13,860	\$4,320	\$38,340	\$11,390	\$8,619	\$20,009	\$58,349
2"	\$26,880	\$18,480	\$5,760	\$51,120	\$15,187	\$11,558	\$26,745	\$77,865
3"	\$58,800	\$40,425	\$12,600	\$111,825	\$33,222	\$25,284	\$58,506	\$170,331
4"	\$84,000	\$57,750	\$18,000	\$159,750	\$47,460	\$36,120	\$83,580	\$243,330
6"	\$201,600	\$138,600	\$43,200	\$383,400	\$113,904	\$86,688	\$200,592	\$583,992
8"	\$252,000	\$173,250	\$54,000	\$479,250	\$142,380	\$108,360	\$250,740	\$729,990

IMPACT FEE FUND STRUCTURE – PROPOSED SOLUTION

- CONSOLIDATE WATER AND WASTEWATER SDF AND ACCESS FEES INTO A WATER IMPACT FEE AND WASTEWATER IMPACT FEE (MOVING FROM 4 FEES TO 2)
- THE PROPOSED CHANGES CONTINUE TO RESTRICT THE USE OF IMPACT FEES FOR CAPITAL NEEDS OF THE SYSTEM WHILE ALLOWING FOR FLEXIBILITY AS CAPITAL PRIORITIES ARE IDENTIFIED
- CONSIDERATION OF ORDINANCE THAT MAKES THESE CHANGES FOR IMPLEMENTATION BY JUNE 30, 2018

EXAMPLES OF OTHER IMPACT FEES

- CITY OF BRENTWOOD, TN
 - SINGLE TAP FEE BASED UPON METER SIZE AND GEOGRAPHICAL ZONES
- METRO WATER SERVICES, TN
 - CAPACITY FEE BASED UPON UNIT OF FLOW (350 GPD)
- SPRING HILL, TN
 - SINGLE IMPACT FEE BASED UPON UNIT OF DEVELOPMENT (HOME, ROOM, ACRE, STUDENT, 1,000 SQ FT, PUMPS ETC.)

SUMMARY OF TITLE 18, CHAPTER 1 REVISIONS

- EDITORIAL CHANGES AND CLARIFICATIONS (TITLE 18, CHAPTER 1)
 - METER TESTS (SEC. 18-112): CUSTOMER REQUESTED METER TESTING DETERMINE METER IS READING LOWER THAN ACTUAL FLOW, CUSTOMER MUST PAY ALL TESTING COSTS.
 - METER INSTALLATION CHARGE (SEC. 18-106): WHEN A SERVICE LINE THAT MAY NOT REQUIRE A METER, AS IN THE CASE OF A DEDICATED FIRE LINE, IS COMPLETED AND ACCEPTED BY THE CITY AS PART OF THE PUBLIC WATER SYSTEM, THE CITY SHALL BE RESPONSIBLE FOR THE MAINTENANCE AND UPKEEP OF SUCH SERVICE LINE FROM THE WATER MAIN TO THE PROPERTY LINE, AND SUCH PORTION OF THE SERVICE LINE SHALL BELONG TO THE CITY. THE REMAINING PORTION OF THE SERVICE LINE BEYOND THE PROPERTY LINE TO THE CUSTOMER'S PREMISES SHALL BELONG TO AND BE THE MAINTENANCE RESPONSIBILITY OF THE CUSTOMER.
- SEC. 18-102 (6), (8) DEFINES IMPACT FEE TO REPLACE BOTH SYSTEM DEVELOPMENT AND ACCESS FEE
- SEC. 18-106 MODIFIES LANGUAGE REGARDING ASSESSMENT AND COLLECTION OF IMPACT FEE
- SEC. 18-107 (10) ELIMINATES ACCESS FEE LANGUAGE NOW COVERED IN SEC. 18-106
- SEC. 18-108 MODIFIES LANGUAGE PROVIDING BROADER AUTHORITY TO BOMA IN TERMS OF REIMBURSEMENTS FOR DEVELOPMENT PROJECTS
- APPENDIX A, COMPREHENSIVE FEES AND PENALTIES REFLECTS THE CONSOLIDATION OF THE SDF AND ACCESS FEES INTO THE IMPACT FOR WATER

SUMMARY OF TITLE 18, CHAPTER 2 REVISIONS

- EDITORIAL CHANGES AND CLARIFICATIONS (TITLE 18, CHAPTER 2)
 - APPROVAL AUTHORITY [SEC. 18-202(3)]: UPDATES REFERENCE TO STATE APPROVAL AUTHORITY.
- SEC. 18-203 (1), (56) DEFINES IMPACT FEE TO REPLACE BOTH SYSTEM DEVELOPMENT AND ACCESS FEE
- SEC. 18-207 MODIFIES LANGUAGE TO REFERENCE IMPACT FEE VERSUS ACCESS FEE
- SEC. 18-208 MODIFIES LANGUAGE PROVIDING BROADER AUTHORITY TO BOMA IN TERMS OF REIMBURSEMENTS FOR DEVELOPMENT PROJECTS
- APPENDIX A, COMPREHENSIVE FEES AND PENALTIES REFLECTS THE CONSOLIDATION OF THE SDF AND ACCESS FEES INTO THE IMPACT FOR WASTEWATER

DISCUSSION