



IRRIGATION METERING FEE/RATE DISCUSSION

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DISCUSSION OUTLINE

- Existing utility rate structure and irrigation meter impact fee description
- Potential options and impacts
- Examples from other utility districts
- Discussion

UTILITY RATE STRUCTURE AND IRRIGATION METER IMPACT FEE

- Irrigation meter water rates (potable water)
 - Inclining rate structure to capture costs associated with large demands caused by irrigation and other uses
 - Impact fee, similar to domestic water meters, to pay for past and near-term future investments by the City
- Sewer revenues associated with irrigation
 - Declining rate structure - acknowledges that increased water consumption can be associated with irrigation and other uses that may not enter the wastewater stream
- Irrigation meter fee
 - Current Impact fee = \$3,150 (3/4" residential)
 - Actual cost of typical installation is approximately \$1,615 (3/4" residential irrigation)
 - Complete tap installation fee: \$756 however code allows for recovery of full cost
 - Current irrigation impact fee plus installation fee: $\$3,150 + \$756 = \$3,906$

POTENTIAL OPTIONS

- Continue existing practices
- Lower irrigation meter impact fees and evaluate effects on revenues
- Implement a winter pricing model
- Evaluate declining structure for sanitary sewer

EVALUATE IRRIGATION METER IMPACT FEES AND EFFECTS ON REVENUES

- Concept presented in April 2019
 - Lower impact fee to provide for a lower cost of purchase of irrigation meter
 - Recover lost impact fee revenues through the volumetric rates
 - Eliminate declining rate structure in sanitary sewer
 - Irrigation meter impact fee to at least recover cost of installation and materials
- Perform COS analysis to evaluate domestic and irrigation water rates and sanitary sewer rates
- Treats irrigation water as a luxury

EVALUATE IRRIGATION METER IMPACT FEES AND EFFECTS ON REVENUES

From a Utility Management Perspective

Pros	Cons
Continue to treat irrigation water as a luxury	Impact fee is no longer paid up front
Equitable application of fees and rates	May encourages the installation of irrigation systems
Continue to have a better understanding of irrigation water usage patterns	Potential increase in metering infrastructure

From a Customer's Perspective

Pros	Cons
Makes irrigation water more affordable	Cost of acquiring irrigation meter may be cost prohibitive based on irrigation patterns
Mitigates to some extent, impacts on lower income households	Still may have an upfront impact fee
Sewer fee not charged on irrigation meter	

WINTER PRICING MODEL

- Winter pricing model typically averages water usage during a defined winter period to calculate sanitary sewer charges during a defined summer period
- Considerations
 - Eliminate declining rate for sanitary sewer since outdoor usage will be accounted for in this methodology
 - Reevaluate inclining rate in water to encourage consumption within the sfue
 - Perform rate analysis for both water and sanitary sewer one year after implementation to evaluate adequacy of rates
 - Winter months consistent with winter months defined by the City's NPDES permits
 - Consider percentage allocation for increased indoor water usage to provide for variability of usage patterns

WINTER PRICING MODEL

From a Utility Management Perspective

Pros	Cons
Less meter infrastructure requirements	Inaccurate calculation of sewer flow (i.e. leaking toilet in summer)
Mitigates impacts on low income households	Encourages irrigation <ul style="list-style-type: none">• Larger water infrastructure• Larger minimum bill
	Does not promote sustainability (i.e. luxury water)
	Encourages overall usage beyond the SFUE (350 gpd)
	Higher peak demands
	No payment of impacts related to irrigation
	No ability to cut off irrigation meter during periods of drought

From a Customer's Perspective

Pros	Cons
Makes irrigation water more affordable	Eliminates ability to measure outdoor water usage
Mitigates impacts on lower income households	

EXAMPLES FROM OTHER UTILITIES

Utilities with Irrigation Meter Options

Spring Hill, TN	\$730 meter fee
Mallory Valley Utility District	
Milcrofton Utility District	\$4,925
HB & TS	\$500

Utilities with No Provision

Columbia Power & Water	Mt. Pleasant, TN
Johnson City, TN	Knoxville Utilities Board
Chattanooga, TN	

Utilities with Winter Averaging Models

Mt. Juliet, TN	Jan – April average
Metro Water Services	Jan – March average + 30% maximum sewer charges billed
Murfreesboro, TN	Nov- March, capped at 120%
Brentwood, TN	Nov – Feb average
Whitehouse, TN	Nov – March, excluding highest & lowest month



DISCUSSION