

**Subject: DES - Water/Sewer Fees Related to Home Renovation, Increasing to 1” Waterline.**

**FY 2019 Proposed Budget  
Budget Work Session Follow-up**

**4/6/2018**

The following information is provided in response to a request made by Erik Gutshall at the work session on 3/9/2018, regarding the following question:

When renovation occurs on a single family home, what are the fees related to water / sewer, and what is the cost recovery philosophy of those fees?

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Water/sewer costs incurred by a residential renovation or new construction typically include some or all of the following:

- Service Connection Charge – typically \$3,200 for a single family home (1” service), which covers the cost for County crews to install a new connection at the main, 1” copper service, meter cock, and ¾” meter assembly. This fee is based on 100% cost recovery, based on labor and materials.
- Service Discontinuation – \$500 to cap and abandon an existing service. This often occurs when a property is being upgraded from a smaller (¾” service) to a larger service connection (1” service). This fee is based on 100% cost recovery, based on labor and materials.
- Service Reactivation – \$25 would only be charged in cases of more extensive renovation (rerouting plumbing or updating piping) where water service to the house is turned off during construction; the fee is applied when the customer has service turned back on.
- Infrastructure Availability Fee – The fee is based upon Drainage Fixture Units (DFUs) that are added to the account. The current cost is \$85 per water DFU and \$115 per sewer DFU for a total of \$200 per DFU for both water and sewer. The DFUs are established by the Plumbing Code, and range from 5 DFUs for a full bathroom to ½ for a drinking fountain. For a renovation or tear-down, full credit is granted for any pre-existing DFUs. The theory behind charging for additional DFUs is that additional fixtures create additional demand on the system. Fees collected through Infrastructure Availability are deposited into the Utilities Capital Projects Fund for water and sewer capital infrastructure renewal. The Infrastructure Availability Fee (IAF) uses the "system buy-in" methodology, where the fees are based on the value of the systems in place and available for use by the new customers as well as considering the recovery of capital costs for providing additional water and sewer service.

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The philosophy on these fees is to ensure that the water/ sewer costs associated with new development are paid for by the developer/builder (e.g., costs to expand capacity, connect the system, etc.). Existing utility customers should not be required to pay the cost associated with new development in addition to the utility rates they already pay that support operating and capital costs.

These fees also have a goal of 100% cost recovery; they will all be reevaluated during the upcoming Cost of Service and Rate Study. The study is currently in the procurement phase and will start after the contract is awarded.

Specific to Mr. Gutshall’s inquiry, any Single Family Home (SFH) exceeding 3 bathrooms requires a minimum 1” water service. Since ¾” services were standard until the 1970’s, many tear-downs or renovations will trigger the requirement to upgrade from a ¾” service to a 1” service. In most instances, the construction would trigger three of the fees identified above, broken out as follows:

\$3,200	Service Connection Fee
500	Service Discontinuation
1,000	Additional Full Bathroom (assuming 5 DFU’s)
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\$4,700	Total Fees