

SUBJECT

BOARD RESOLUTION NO. 17-42

Pertaining to revisions to water service base fees and Saint Paul public right-of-way recovery fees.

BACKGROUND INFORMATION

The amendment reduces the water service base fee and right-of-way recovery fee on qualifying single family homes and townhomes that have a 1-inch meter to equal that of similar accounts with meters smaller than 1-inch.

See attached Report and resolution.

RECOMMENDATION

Approval is recommended.

Report

Revisions to water service base fees and Saint Paul public right-of-way recovery fees.

January 10, 2017

Water Service Base Fee

The Board initiated a Water Service Base Fee in 2013 for the purpose of funding certain fixed costs for providing water. At the recommendation of the Board's rate consultant, Springsted Incorporated, the fee structure was based on meter size in order to equitably reflect the cost of providing peak water volume.

A recent review by staff indicated that the adopted Water Service Base Fee rate schedule results in some single family dwelling accounts being charged a disproportionately higher contribution toward fixed costs due to the service having a 1-inch meter. It was found that the most common reason for a single family dwelling having a 1-inch meter was that it is in a low pressure area and the use of a 1-inch meter results in less loss of flow at the meter. The water use at single family dwellings with 1-inch meters in these areas was generally found to be no greater than typical single family accounts with smaller meters. However, the Base Fee for such accounts was \$45.00 per quarter, as opposed to \$18.00 for similar accounts with a smaller meter.

Saint Paul Right-Of-Way Recovery Fee

The Board initiated a Saint Paul Right-Of-Way Recovery Fee in 2013 to provide reimbursement of fees the City of Saint Paul charges the Board for having facilities within the City's street rights of way. Similar to the Water Service Base Fee, this fee structure was also based on meter size, creating the same disparity for single family dwellings with 1-inch meters.

Proposed Revisions to Both Fees

At its December 13, 2016 meeting, the Board supported revising the fee schedules to make the Water Service Base Fee and the Saint Paul Right-Of-Way Recovery Fee for single family dwelling accounts with 1-inch meters the same as those with smaller meters, provided the account meets all of the following eligibility criteria:

1. Property is served through a 1-inch meter
2. Property is served by a dedicated 1-inch or smaller street service connection
3. Property structure is described in County Property Tax Records as either Single Family Dwelling or Townhome.

See proposed fee changes in the schedule below.

WATER SERVICE BASE FEE

A water service base fee shall be charged to all active domestic and commercial water service accounts in the SPRWS service area. The amount of the fee shall be determined by water meter size and shall be applied during established billing cycles, as shown below.

WATER SERVICE BASE FEES

Effective April 1, 2017

<u>Meter Size</u>	<u>Charge to accounts in Saint Paul, Falcon Heights, Lauderdale, Maplewood and West Saint Paul</u>	<u>Charge to accounts in all other cities</u>
Smaller than 1-inch	\$18.00 per Quarter	\$21.60 per Quarter
<u>1-inch (single family dwelling)*</u>	<u>\$18.00 per Quarter</u>	<u>\$21.60 per Quarter</u>
<u>1-inch (other)</u>	\$45.00 per Quarter	\$54.00 per Quarter
1 ½-inch	\$30.00 per Month	\$36.00 per Month
2-inch	\$48.00 per Month	\$57.60 per Month
3-inch	\$96.00 per Month	\$115.20 per Month
4-inch	\$150.00 per Month	\$180.00 per Month
6-inch	\$300.00 per Month	\$360.00 per Month
8-inch	\$480.00 per Month	\$576.00 per Month
10-inch	\$690.00 per Month	\$828.00 per Month

* 1-inch single family dwelling is an account supplied by a dedicated 1-inch or smaller street service connection and for which the property structure is described in County Property Tax Records as either Single Family Dwelling or Townhome.

SAINT PAUL PUBLIC RIGHT-OF-WAY RECOVERY FEE

The City of Saint Paul levies a charge to the Board of Water Commissioners as reimbursement for costs the City incurs as a result of Board water facilities being situated within the City's rights-of-way. A City of Saint Paul right-of-way recovery fee shall be charged to all active domestic and commercial water service accounts excluding seasonal lawn sprinkler accounts in the City of Saint Paul in order to recoup this charge. The amount of the fee shall be determined by water meter size and shall be applied during established billing cycles, as shown below.

SAINT PAUL RIGHT-OF-WAY RECOVERY FEES

Effective April 1, 2017

<u>Meter Size</u>	<u>Charge</u>
Smaller than 1-inch	\$ 4.50 per Quarter
<u>1-inch (single family dwelling)*</u>	<u>\$ 4.50 per Quarter</u>
<u>1-inch (other)</u>	\$ 11.25 per Quarter
1½-inch	\$ 7.58 per Month
2-inch	\$ 12.08 per Month
3-inch	\$ 24.17 per Month
4-inch	\$ 37.75 per Month
6-inch	\$ 75.50 per Month

* 1-inch single family dwelling is an account supplied by a dedicated 1-inch or smaller street service connection and for which the property structure is described in County Property Tax Records as either Single Family Dwelling or Townhome.