

# Annual Fees & Charges Review

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# Why we're here today

- Review annual Fees & Charges recommendations
- System Development Charges (SDC) project update

*No Board action required*

# What are Fees & Charges?

- Standardized way to charge for common new connection construction services such as installation of transformers, meters, wires, etc.
- Annual review of costs performed to keep fees in alignment; follows growth pays for growth philosophy
- Resolution 07-13163 delegated authority to General Manager to adjust or introduce new fees and charges without requiring action from the Board

# Wire Installation Charge Schedule

- Adjustment of existing three-phase fees due to material and labor cost increase
- Addition of a “short” wire length charge for three phase services to provide a consistent and predictable way to charge for shorter installs

Wire Length & Phase	0-75ft	76-150ft	Adjustment
Underground Wire (single phase)	\$350	\$500	No change
Overhead Wire (single phase)	\$200	\$300	No change
Underground Wire (three phase)	\$400 <sup>(new)</sup>	\$700	\$50
Overhead Wire (three phase)	\$425 <sup>(new)</sup>	\$500	\$50

# Other Service Charges Schedule

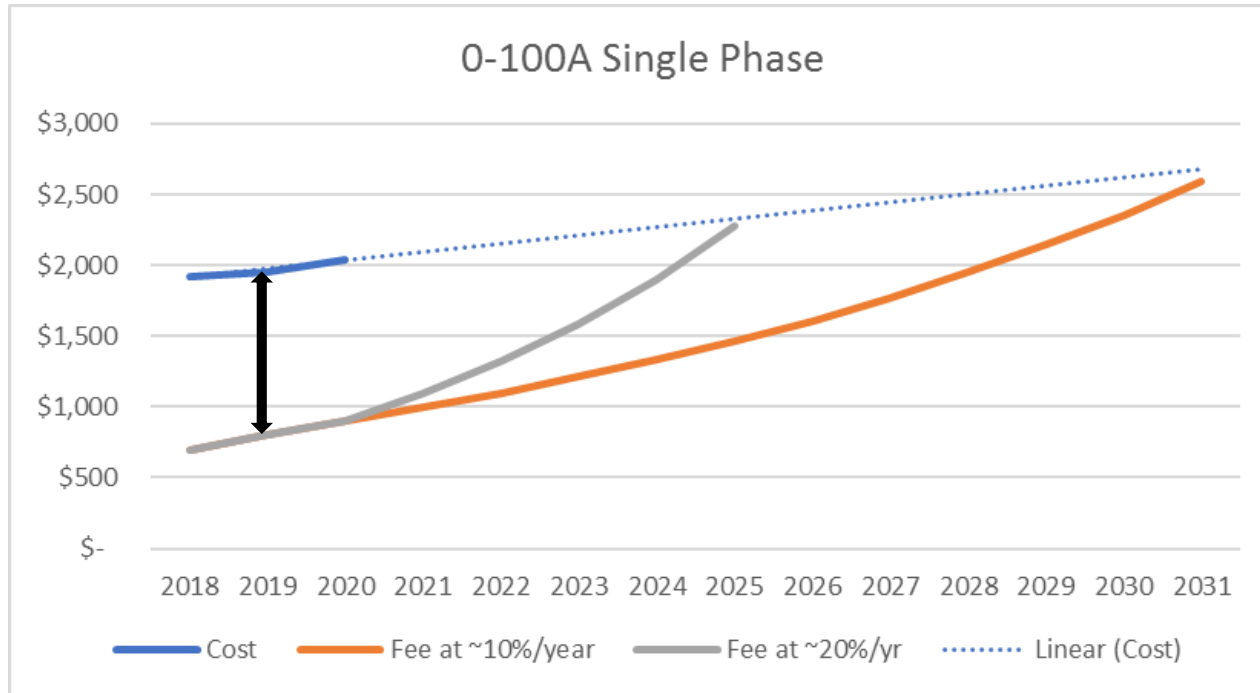
Other Service Charges	Adjustment	Updated Fee
District installed secondary handhole	No change	\$485
District installed secondary handhole (traffic rated)	\$65	\$1,100
Secondary service pole	\$40	\$900
Altered service (misc. changes and upgrades)	No change	\$250
Customer installed secondary handhole	No change	\$275
Customer installed secondary handhole (traffic rated)	\$25	\$850

- Adjustment of some existing fees due to material and labor cost increase

# Electric Service Connection Fees

- Each year since 2018 the business office reviews cost of material and labor associated with connection services provided by the District
  - Review identified that electric service connection fees, last adjusted in 2014, were significantly below cost
- A plan to bring service connection fees closer to cost recovery was implemented with ~10% annual increases in the fee
- Due to concurrent cost growth, this plan is making slow but steady progress

# Electric Service Connection Fees



- Changing the plan for 0-100A single phase services to ~20%/yr (equivalent to about \$200/yr) would accelerate forecasted completion to 2025
- These services are typically limited to recreational vehicle pads and STEP tank pump installations

# Electric Service Connection Fees

Service Rating	Single Phase		Three Phase 208V		Three Phase 480V	
	Adjustment	Updated Fee	Adjustment	Updated Fee	Adjustment	Updated Fee
1-100A	\$200	\$1,100	\$200	\$2,100	\$200	\$2,600
101-200A	\$200	\$1,900	\$400	\$4,100	\$500	\$5,500
201-400A	No change	\$2,800	\$800	\$8,300	No change	\$9,000
401-600A	\$400	\$4,700	No change	\$11,100	No change	\$13,500
601-800A	No change	\$5,700	No change	\$12,200	\$1,600	\$17,800
801-1000A	No change	\$5,900	No change	\$15,300	\$100	\$20,300

*Based on average, estimated cost of transformer, meter and labor to install*



# Next Steps

- Outreach communication to customers and contractors of pending adjustments
- Effective date of April 1 for all adjustments

# Project Update: Potential Electric SDC

- Evaluating potential electric system development charges (SDC) to ensure growth pays for growth while taking pressure off retail rates
  - Beyond existing fees & charges discussed today
- A potential SDC would collect system costs, such as substation construction (similar to Mason PUD No. 3)
- Evaluation results from consultant expected in December

# Project Update: W/WW SDC Evaluation

- Rate planning assumed increase of existing charges as part of the water system financial self-sustainability plan
- Analysis being refined by consultant, staff will return with options
- Developing joint electric/water/wastewater outreach plan