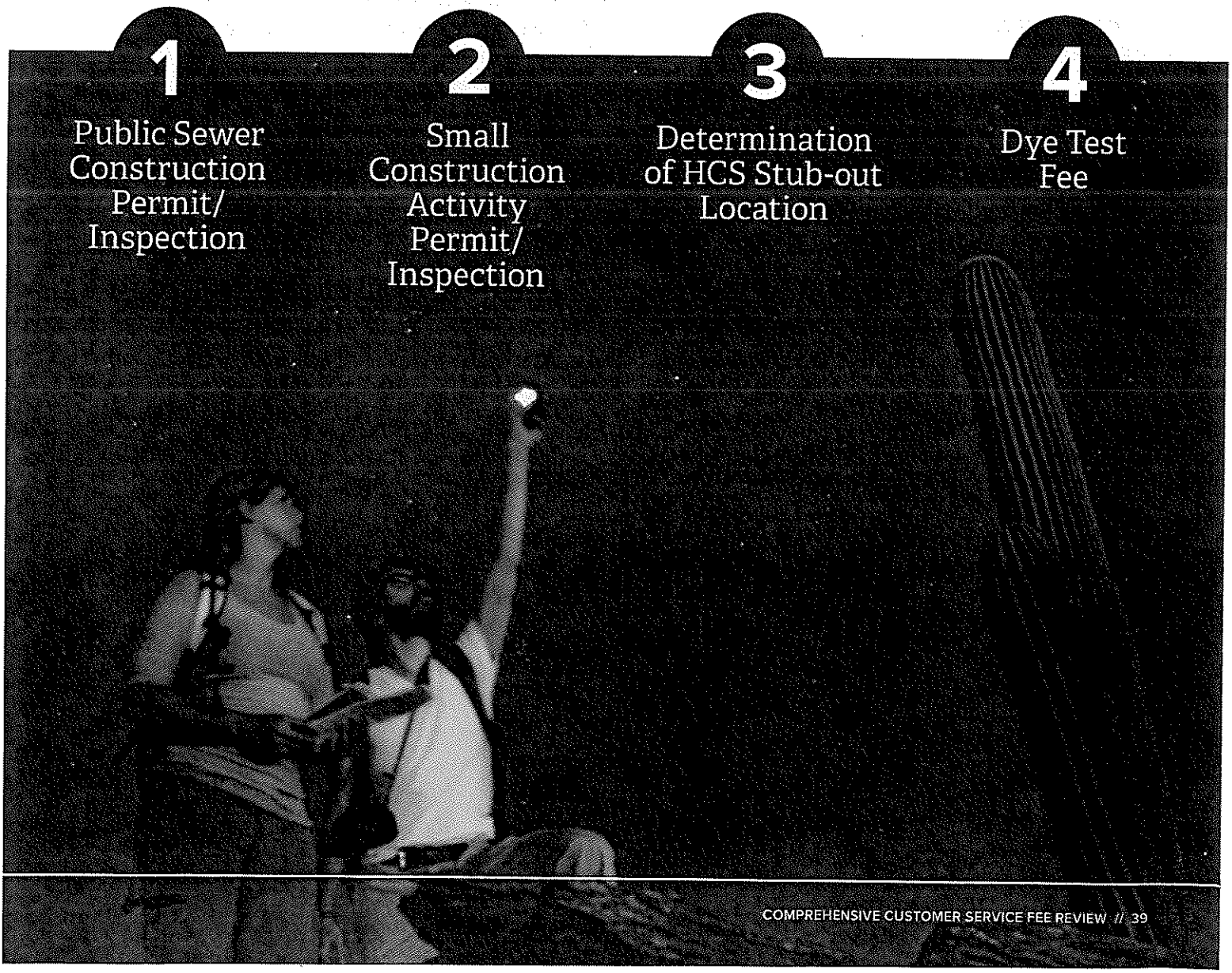
INSPECTION PROCESS FEES

The "Inspection Processes" include services found in PCC Chapters 13.20 and 13.24 that regulate the inspection of new and existing sewerage infrastructure constructed and financed by new development. Specifically, the customer service processes and fees evaluated were:

1. Public Sewer Construction Permit/ Inspection
2. Small Construction Activity Permit/ Inspection
3. Determination of HCS Stub-out Location
4. Dye Test Fee



These fees are explained in greater detail below, including the current and recommended approaches, process of peer utilities, and determination of new or updated fees.

4.1 – PUBLIC SEWER CONSTRUCTION PERMIT

4.1.1 - FEE DEFINITION

PCRWRD provides Administrative and Substantive Review of Public Sewer Construction Permit (Construction Permit) submittals including construction plan set, contractor licensing, calculation of fees for inspection, and issuance of permit. Inspection services include meetings, plan review, on-site inspections, and documentation of inspections. Services also include development of the bill of sale, application to the Arizona Department of Environmental Quality (ADEQ) for discharge authorization, and asset recording.

4.1.2 - ORDINANCE

13.20.030.D.1.f

4.1.3 - EXISTING FEE STRUCTURE

Administrative and Substantive Review charge of $25 and 2.5% of estimated construction costs for sanitary sewer facilities.

4.1.4 - INTERNAL ANALYSIS

The existing fee structure is based on 2.5% of estimated construction cost which is provided by the applicant prior to commencing construction. The documentation of the estimated cost of construction is in the form of a bid sheet. Once construction is complete, the developer must complete an affidavit of cost that provides actual construction costs used by PCRWRD staff to account for the value of the dedicated asset.

In order to assess the cost of service based on the existing fee structure, the internal analysis involved the identification and examination of a representative data set of permit applications occurring between 2011 through 2013. The data sub-set, which was extracted from PCRWRD's Main Permit Log, included 46 permit applications with specific information identifying the estimated construction costs, or contract price, fees assessed, affidavit of costs, and number of inspection hours. For each Construction Permit application in the data sub-set, the number of inspection hours was multiplied by the loaded hourly rate (salary, benefits & overhead) for a Senior Construction Inspector of $43.68.

Additionally, based on input from PCRWRD staff, a typical Construction Permit requires 14 hours of support which includes administrative intake and processing the Construction Permit for ADEQ after construction. The specific hours required include 3 hours for an Engineering Plans Technician for plan review; 2.5 hours for an Administrative Support Specialist to initiate the Application; 1 hour for a Senior Civil Engineering to review deliverables for the inspector; 1 hour for an Administrative Support Specialist to develop the owner completion letter; 2.5 hours for an Administrative Support Specialist to develop ADEQ submittal letter documenting a Notice of Completion; 2 hours for an Administrative Support Specialist to develop the final acceptance letter and release of assurances; 1 hour for an Administrative Support Specialist to record the bill of sale; and 1 hour for an Administrative Support Specialist to finalize and fully execute the bill of sale. The total cost for administration and support was $526, which results in an hourly rate of $37.57 (detail provided in Appendix B).

The final element of the cost build-up was an estimate for vehicle costs. The estimate was based on a two-year average of actual vehicle costs allocated to inspectors divided by the total number of inspections in FY 2011/2012 and FY 2012/2013. The result was an average vehicle cost per inspection of $376.

Exhibit 33 summarizes the calculated inspection costs from the data sub-set. The full detail supporting Exhibit 33 is provided in Appendix B.

Exhibit 34 summarizes and compares the results of the sample data set to the current fee structure for a Construction Permit.

Exhibit 33:

Cost of Service - Construction Permit Data Sub-Set

G NUMBER	INSPECTION COST	ADMINISTRATIVE COST	VEHICLE COST	TOTAL COST
G-2007-085	$3,387.09	$526.00	$375.65	$4,288.74
G-2011-011	$436.76	$526.00	$375.65	$1,338.41
G-2011-010	$1,834.40	$526.00	$375.65	$2,736.05
G-2011-015	$1,517.75	$526.00	$375.65	$2,419.40
G-2011-013	$2,078.55	$526.00	$375.65	$2,980.20
G-2010-055	$2,797.46	$526.00	$375.65	$3,699.11
G-2011-034	$1,014.16	$526.00	$375.65	$1,915.81
G-2011-033	$1,727.40	$526.00	$375.65	$2,629.04
G-2011-021	$1,899.92	$526.00	$375.65	$2,801.56
G-2011-020	$13,519.98	$526.00	$375.65	$14,421.62
G-2011-031	$2,838.96	$526.00	$375.65	$3,740.60
G-2011-064	$2,196.91	$526.00	$375.65	$3,098.56
G-2012-025	$567.79	$526.00	$375.65	$1,469.44
G-2012-017	$1,581.08	$526.00	$375.65	$2,482.73
G-2011-056	$5,765.26	$526.00	$375.65	$6,666.91
G-2012-056	$1,506.83	$526.00	$375.65	$2,408.48
G-2012-062	$3,057.34	$526.00	$375.65	$3,958.98
G-2012-070	$349.41	$526.00	$375.65	$1,251.06
G-2012-025	$2,271.16	$526.00	$375.65	$3,172.81
G-2012-096	$1,856.24	$526.00	$375.65	$2,757.89
G-2012-086	$698.82	$526.00	$375.65	$1,600.47
G-2013-017	$567.79	$526.00	$375.65	$1,469.44
G-2012-012	$676.98	$526.00	$375.65	$1,578.63
G-2011-043	$1,288.45	$526.00	$375.65	$2,190.10
G-2012-081	$786.17	$526.00	$375.65	$1,687.82
G-2012-078	$502.28	$526.00	$375.65	$1,403.92
G-2011-053	$676.98	$526.00	$375.65	$1,578.63
G-2013-024	$589.63	$526.00	$375.65	$1,491.28
G-2013-026	$1,266.61	$526.00	$375.65	$2,168.26
G-2012-090	$873.52	$526.00	$375.65	$1,775.17
G-2012-104	$480.44	$526.00	$375.65	$1,382.09
G-2011-039	$458.60	$526.00	$375.65	$1,360.25
G-2011-018	$2,402.19	$526.00	$375.65	$3,303.84
G-2013-020	$327.57	$526.00	$375.65	$1,229.22
G-2013-006	$1,266.61	$526.00	$375.65	$2,168.26
G-2013-029	$2,205.65	$526.00	$375.65	$3,107.30
G-2012-013	$1,572.34	$526.00	$375.65	$2,473.99
G-2013-034	$611.47	$526.00	$375.65	$1,513.11
G-2012-095	$1,616.02	$526.00	$375.65	$2,517.67
G-2012-072	$808.01	$526.00	$375.65	$1,709.66
G-2013-033	$1,747.05	$526.00	$375.65	$2,648.70
G-2012-091	$1,539.59	$526.00	$375.65	$2,441.23
G-2013-059	$1,375.80	$526.00	$375.65	$2,277.45
G-2013-061	$2,009.11	$526.00	$375.65	$2,910.75
G-2013-066	$1,332.13	$526.00	$375.65	$2,233.77
G-2013-112	$1,179.26	$526.00	$375.65	$2,080.90
Total	$81,063.63	$24,196.00	$17,279.74	$122,539.27

4.1.5 - EXTERNAL ANALYSIS

Exhibit 35 presents the results of the external analysis relating to the issuance of a public sewer construction permit. All utilities surveyed charge for issuing construction permits to recover costs associated with review and inspection of new infrastructure. Once again, the City of San Diego uses the same account deposit approach for this fee structure as it uses for development plan reviews. The developer is expected to deposit a specific amount into an account with the City of which the City will charge, or draw down, as they complete the relevant services. This process is explained in greater detail in Section 3.3.5.

The more common fee structures for inspection fees for public sewer construction permits are based on either the amount of linear foot of pipe installed or the percentage of estimated construction cost. Exhibit 35 shows that of the benchmarking sample, the preference for each type is approximately split. Henderson uses the percent of estimated construction approach but does so on a scale, where the fee is a higher percentage of the construction costs for smaller projects. Specifically, Henderson charges 7.5% of construction costs for projects under $25,000. For projects with construction costs between $25,000 and $100,000, the fee is decreased to 6.5% of the total cost, and any project with a construction cost estimate more than $100,000 is assessed an inspection fee of 4.5%. This structure appears to establish a basis that the level of effort is not directly related to the total cost as the cost of the project rises. Phoenix actually uses a fee structure that encompasses both types of fees (linear feet and a percent of construction cost).

PCRWRD's current approach based on a percent of construction cost is consistent with survey results, but if PCRWRD were to transition to a fee per linear foot, that approach is also consistent with survey results.

4.1.6 - RECOMMENDATION

One of the most significant issues with PCRWRD's current methodology of charging for sewer construction permits is the potential for developers to under-estimate the cost of the project. Although the internal analysis, which is based on a sample set of data, suggests that current fee of 2.5% of estimated construction costs is reasonably related to the cost of service, there are still incentives for developers to under-estimate project costs since no true-up mechanism exists once actual costs are known. Alternatively, a fee based on linear feet, which is a more specific metric, could address this issue, and this type of structure is used by several of the utilities in the external analysis including Tucson Water which serves a similar development community as PCRWRD.

One of the most significant issues with PCRWRD's current methodology of charging for sewer construction permits is the potential for developers to under-estimate the cost of the project.

The construction permit data sub-set identified in Exhibit 33 was expanded to include the amount of liner feet for each project. The median cost was $2.956 per linear foot. If administrative costs were excluded, the median cost was $2.307 per linear foot (see Exhibit 36). It should be noted that due to the use of a median, estimated revenue calculated for this Construction Permit Sample Data Set based on total costs for Administrative and Substantive Review per linear foot and revenue calculated based on Substantive Review only per linear foot plus Administrative costs will not be equal.

Exhibit 34:

Cost of Service - Construction Permit Data Sub-Set

Statistics*

Number of Projects	46
Period of Analysis	2011 - 2013

**Includes only inspections with contract price, affidavit of costs, inspection hours, and total linear feet.*

Current Methodology

	Cost	Fee Assessed	% Difference
Estimated Price (Bid Sheet) - Current Approach @ 2.5%	$ 5,239,863	$ 129,272	
		2.5%	
Cost of Service Build-Up		$ 122,539	-5.2%
		2.3%	

Exhibit 35:

External Analysis –Construction Permit

	Charge for Service?		Methodology
	Yes	No	(if Yes)
PCRWRD	X		Admin fee and % of construction cost
EPWU	X		% of estimated construction cost
Henderson	X		% of estimated construction cost (tiered based on cost)
Peoria	X		Admin fee and % of construction cost
Phoenix	X		Combination of per linear foot and % of cost
San Diego (City of)	X		Deposit account system; billed time and materials
Tempe	X		Per linear foot charge
Tucson Water	X		Per linear foot charge (water)

Exhibit 36:

Recommendation - Construction Permit Sample Data Set

G NUMBER	TOTAL COST	LESS: ADMINISTRATIVE COST	NET COST	TOTAL LINEAR FEET	COST PER LINEAR FOOT	COST PER LINEAR FOOT (LESS ADMIN)
G-2007-085	$4,288.74	($526.00)	$3,762.74	1,190	$ 3.6040	$ 3.1620
G-2011-011	$1,338.41	($526.00)	$812.41	1,306	$ 1.0248	$ 0.6221
G-2011-010	$2,736.05	($526.00)	$2,210.05	549	$ 4.9837	$ 4.0256
G-2011-015	$2,419.40	($526.00)	$1,893.40	125	$ 19.3552	$ 15.1472
G-2011-013	$2,980.20	($526.00)	$2,454.20	89	$ 33.4854	$ 27.5753
G-2010-055	$3,699.11	($526.00)	$3,173.11	2,051	$ 1.8036	$ 1.5471
G-2011-034	$1,915.81	($526.00)	$1,389.81	197	$ 9.7249	$ 7.0549
G-2011-033	$2,629.04	($526.00)	$2,103.04	153	$ 17.1833	$ 13.7454
G-2011-021	$2,801.56	($526.00)	$2,275.56	630	$ 4.4469	$ 3.6120
G-2011-020	$14,421.62	($526.00)	$13,895.62	239	$ 60.3415	$ 58.1407
G-2011-031	$3,740.60	($526.00)	$3,214.60	2,285	$ 1.6370	$ 1.4068
G-2011-064	$3,098.56	($526.00)	$2,572.56	287	$ 10.7964	$ 8.9636
G-2012-025	$1,469.44	($526.00)	$943.44	200	$ 7.3472	$ 4.7172
G-2012-017	$2,482.73	($526.00)	$1,956.73	900	$ 2.7586	$ 2.1741
G-2011-056	$6,666.91	($526.00)	$6,140.91	12,129	$ 0.5497	$ 0.5063
G-2012-056	$2,408.48	($526.00)	$1,882.48	2,477	$ 0.9723	$ 0.7600
G-2012-062	$3,958.98	($526.00)	$3,432.98	5,574	$ 0.7103	$ 0.6159
G-2012-070	$1,251.06	($526.00)	$725.06	1,160	$ 1.0785	$ 0.6250
G-2012-025	$3,172.81	($526.00)	$2,646.81	2,453	$ 1.2934	$ 1.0790
G-2012-096	$2,757.89	($526.00)	$2,231.89	1,161	$ 2.3754	$ 1.9224
G-2012-086	$1,600.47	($526.00)	$1,074.47	220	$ 7.2748	$ 4.8839
G-2013-017	$1,469.44	($526.00)	$943.44	65	$ 22.6067	$ 14.5144
G-2012-012	$1,578.63	($526.00)	$1,052.63	130	$ 12.1433	$ 8.0971
G-2011-043	$2,190.10	($526.00)	$1,664.10	2,268	$ 0.9657	$ 0.7337

Exhibit 36 (continued):

Recommendation - Construction Permit Sample Data Set

G NUMBER	TOTAL COST	LESS: ADMINISTRATIVE COST	NET COST	TOTAL LINEAR FEET	COST PER LINEAR FOOT	COST PER LINEAR FOOT (LESS ADMIN)
G-2012-081	$1,687.82	($526.00)	$1,161.82	2,284	$ 0.7390	$ 0.5087
G-2012-078	$1,403.92	($526.00)	$877.92	591	$ 2.3755	$ 1.4855
G-2011-053	$1,578.63	($526.00)	$1,052.63	120	$ 13.1552	$ 8.7719
G-2013-024	$1,491.28	($526.00)	$965.28	91	$ 16.3876	$ 10.6074
G-2013-026	$2,168.26	($526.00)	$1,642.26	463	$ 4.6831	$ 3.5470
G-2012-090	$1,775.17	($526.00)	$1,249.17	2,166	$ 1.5224	$ 1.0713
G-2012-104	$1,382.09	($526.00)	$856.09	759	$ 1.8209	$ 1.1279
G-2011-039	$1,360.25	($526.00)	$834.25	80	$ 17.0031	$ 10.4281
G-2011-018	$3,303.84	($526.00)	$2,777.84	1,530	$ 2.1594	$ 1.8156
G-2013-020	$1,229.22	($526.00)	$703.22	169	$ 7.2735	$ 4.1611
G-2013-006	$2,168.26	($526.00)	$1,642.26	2,319	$ 0.9350	$ 0.7082
G-2013-029	$3,107.30	($526.00)	$2,581.30	282	$ 11.0188	$ 9.1535
G-2012-013	$2,473.99	($526.00)	$1,947.99	464	$ 5.3319	$ 4.1983
G-2013-034	$1,513.11	($526.00)	$987.11	667	$ 2.2685	$ 1.4799
G-2012-095	$2,517.67	($526.00)	$1,991.67	2,191	$ 1.1491	$ 0.9090
G-2012-072	$1,709.66	($526.00)	$1,183.66	43	$ 39.7595	$ 27.5269
G-2013-033	$2,648.70	($526.00)	$2,122.70	1,954	$ 1.3555	$ 1.0863
G-2012-091	$2,441.23	($526.00)	$1,915.23	477	$ 5.1179	$ 4.0152
G-2013-059	$2,277.45	($526.00)	$1,751.45	1,688	$ 1.3492	$ 1.0376
G-2013-061	$2,910.75	($526.00)	$2,384.75	1,056	$ 2.7564	$ 2.2583
G-2013-066	$2,233.77	($526.00)	$1,707.77	3,140	$ 0.7114	$ 0.5439
G-2013-112	$2,080.90	($526.00)	$1,554.90	660	$ 3.1529	$ 2.3559
Total	$122,539.27			60,032	$ 2.956	$ 2.307

Exhibit 37:

Recommendation –Construction Permit

	Public Sewer Construction Permit
Administrative Review Fee	$ 525
Inspection Fee (per linear ft.)	$ 2.30

It is recommended that PCRWRD assess $525 for Administrative Review and a charge of $2.30 per linear foot for Substantive Review of public sewer construction permits. As noted above, construction permit reviews based on linear feet are consistent with the external analysis and reduce the likelihood of project misrepresentation. A per linear foot charge is also consistent with Tucson Water which serves a similar development community.

Exhibit 37 presents the recommended fee structure for public sewer construction permits.

4.2 – SMALL CONSTRUCTION ACTIVITY PERMIT

4.2.1 - FEE DEFINITION

For Small Construction Activity Permit, PCRWRD provides Administrative Review of the application, verification of the contractor's licensing, and permit issuance and closeout. Inspection services include meetings, plan review, a Substantive on-site inspections and documentation.

4.2.2 - ORDINANCE

13.20.040.B.1.b, c

4.2.3 - EXISTING FEE STRUCTURE

- Flat fee of $100 for House Connection Sewer (HCS) tap or stub-out (smaller than 12-inch)
- Flat fee of $150 for large line tap (larger than 12-inch)
- Flat fee of $150 for existing manhole tap
- Flat fee of $200 for new manhole construction

4.2.4 - INTERNAL ANALYSIS

In order to assess the cost of service based on the existing fee structure, the internal analysis involved the identification and examination of a representative data set of Small Construction Activity Permit issued occurring between 2012 through 2014. The entire data set, which was extracted from PCRWRD's Main Permit Log, included 43 Small Construction Activity Permits with specific information identifying the type of small construction activity and number of inspection hours. It should be noted that there were a limited number of HCS tap or stub outs (small than 12-inch) and large line taps (larger than 12-inch) included in the sample data set. Although a larger sample size for this small construction activity would be preferably, based on discussion with PCRWRD staff, the limited number of examples is due to the infrequency of occurrence.

For each permit application by activity type, the number of inspection hours was multiplied by the loaded hourly rate (salary, benefits & overhead) for a Construction Inspector of $39.29. Additionally, based on input from PCRWRD staff, a typical Small Construction Activity Permit requires 1.5 hours of administrative support. The specific hours required include 0.5 hours for an Engineering Plans Technician for plan review; 0.5 hours for an Administrative Support Specialist to initiate the permit; 0.5 hours for an Administrative Support Specialist to close out the permit. The average hourly rate for administration and support was $36 for a total administrative cost of $54. The final element of the cost build-up was an estimate for vehicle costs, which was based on the number of inspection hours multiplied by the hourly rate for a ½ ton extended cab 4x4 vehicle of $5.63[1].

Exhibit 38 presents the calculated Small Construction Activity Permit costs from the data set. A full description of the data set is provided in Appendix B.

[1]*Assumes a mileage rate of $0.7511 multiplied by 7,500 miles per year divided by an estimate of 1,000 hours used per year.*

Exhibit 38:

Cost of Service - Small Construction Activity Permit Data Set

Project Name/Description	Inspection Cost	Administrative Cost	Vehicle Cost	Total Cost
HCS Tap or Stub Out (Smaller Than 12-inch)				
Robins Elem School 4x8 tap. 3939 N Magnetite lane	$ 117.86	$ 54.00	$ 16.90	$ 188.76
			Average	$ 188.76
			Count	1
Large Line Tap (Larger Than 12-inch)				
Steam Pump Ranch Historical Ranch - Oro Valley, AZ	$ 78.57	$ 54.00	$ 11.27	$ 143.84
1 E Broadway - 4in line tap into existing 15" line	$ 491.09	$ 54.00	$ 70.42	$ 615.50
			Average	$ 379.67
			Count	2
Existing Manhole Tap				
Linda Ave MH Adjustment #1799-04	$ 216.08	$ 54.00	$ 30.98	$ 301.06
ADJUST ONE MANHOLE FRAME AND COVER TO GRADE-TOWN OF SAHUARITA SIDEWALK PROJECT	$ 942.89	$ 54.00	$ 135.20	$ 1,132.09
Mission & Ajo Rim Adjustments (no UPC# needed for phase 1 per EW)	$ 278.94	$ 54.00	$ 40.00	$ 372.93
Continental Ranch Parcel 26 - MH Adjustments	$ 39.29	$ 54.00	$ 5.63	$ 98.92
Sanchez Nursery 16725 N. Oracle Rd.	$ 235.72	$ 54.00	$ 33.80	$ 323.52
Houghton Town Center MH Tap - 9044 S Houghton	$ 78.57	$ 54.00	$ 11.27	$ 143.84
Houghton Town Center 8412 S. Rita Rd.	$ 78.57	$ 54.00	$ 11.27	$ 143.84
Oro Valley Aquatic Center Phase 1A	$ 121.79	$ 54.00	$ 17.46	$ 193.25

Exhibit 38 (continued):

Cost of Service - Small Construction Activity Permit Data Set

Project Name/Description	Inspection Cost	Administrative Cost	Vehicle Cost	Total Cost
Salpointe Catholic High School Softball Field Improvements	$ 117.86	$ 54.00	$ 16.90	$ 188.76
Arizona-Stadium North End-Zone Expanxion	$ 176.79	$ 54.00	$ 25.35	$ 256.14
Sewailo Golf Course Comfort Station @ Hole #6	$ 129.65	$ 54.00	$ 18.59	$ 202.24
Sewailo Golf Course Starter Shack	$ 129.65	$ 54.00	$ 18.59	$ 202.24
Borton Primary School - MH Tap	$ 333.94	$ 54.00	$ 47.88	$ 435.82
Sewailo Golf Course Maintenance Facility	$ 117.86	$ 54.00	$ 16.90	$ 188.76
8380 E Old Vail Rd MH Tap #4330-07	$ 176.79	$ 54.00	$ 25.35	$ 256.14
Panda Express new manhole 2800 N Campbell	$ 569.66	$ 54.00	$ 81.68	$ 705.35
Oreilly Auto Parts - MH Tap #8280-08	$ 314.30	$ 54.00	$ 45.07	$ 413.36
Rialto Shell Mh Tap # - 320 E Congress	$ 98.22	$ 54.00	$ 14.08	$ 166.30
Mountain Vail Middle School - 13192 E Mary Ann Cleveland - MH Tap	$ 196.44	$ 54.00	$ 28.17	$ 278.60
Northwest Hospital MH Tap #2868-06	$ 39.29	$ 54.00	$ 5.63	$ 98.92
HANDMAKER ELDER CARE-2221 N ROSEMONT	$ 196.44	$ 54.00	$ 28.17	$ 278.60
Longhorn Steak House MH Tap #8941-04	$ 235.72	$ 54.00	$ 33.80	$ 323.52
Alvord Court Housing 5901 S Park Ave - 1 MH Tap	$ 157.15	$ 54.00	$ 22.53	$ 233.68
LA CIENEGA WARD BUILDING	$ 235.72	$ 54.00	$ 33.80	$ 323.52
CENTRAL TUCSON DES OFFICE-3950 E JUAREZ ST	$ 137.51	$ 54.00	$ 19.72	$ 211.22
FREIGHTLINER-MANHOLE TAP #2996-04	$ 157.15	$ 54.00	$ 22.53	$ 233.68
EL CORREDORE MANHOLE TAP #2729-67 9600 N ORACLE ROAD	$ 117.86	$ 54.00	$ 16.90	$ 188.76
LA Fitness Manhole Tap and Manhole Adjustment	$ 1,080.40	$ 54.00	$ 154.91	$ 1,289.31

Exhibit 38 (continued):

Cost of Service - Small Construction Activity Permit Data Set

Project Name/Description	Inspection Cost	Administrative Cost	Vehicle Cost	Total Cost
Family Dollar 2820 W Los Reales	$ 117.86	$ 54.00	$ 16.90	$ 188.76
			Average	$ 323.21
			Count	29
New Manhole Construction				
William Clement Ctr. Pool Backwash new MH	$ 176.79	$ 54.00	$ 25.35	$ 256.14
WalMart 8640 E. Broadway (Camino Seco) new MH	$ 589.31	$ 54.00	$ 84.50	$ 727.81
Plaza Centro Greyhound New Manhole over Existing Sewer Line	$ 157.15	$ 54.00	$ 22.53	$ 233.68
Angel Charity Reunion House New MH	$ 196.44	$ 54.00	$ 28.17	$ 278.60
3rd Street Development 3830 E 3rd St. - New Manhole	$ 255.37	$ 54.00	$ 36.62	$ 345.98
Encantada at Steam Pump Village New MH	$ 275.01	$ 54.00	$ 39.43	$ 368.44
Kino Pool New MH	$ 235.72	$ 54.00	$ 33.80	$ 323.52
Bella Vista Apts New Manhole	$ 176.79	$ 54.00	$ 25.35	$ 256.14
DC CONCRETE WAREHOUSE, 114 E RILLITO/SAHUARO ST, New MH	$ 157.15	$ 54.00	$ 22.53	$ 233.68
3D7L1A Davis School 2 new MH & 1 MH tap	$ 294.65	$ 54.00	$ 42.25	$ 390.90
U of A Recreation Center {center field}	$ 157.15	$ 54.00	$ 22.53	$ 233.68
			Average	$ 331.69
			Count	11

Exhibit 39:

Cost of Service - Small Construction Activity Permit Sample Data Set (Calculated Fee)

	Current	Calculated	% Difference
HCS Tap or Stub Out (Smaller Than 12-inch)	$ 100	$ 189	*89.0%*
Large Line Tap (Larger Than 12-inch)	$ 150	$ 380	*153.3%*
Existing Manhole Tap	$ 150	$ 324	*116.0%*
New Manhole Construction	$ 200	$ 332	*66.0%*

Exhibit 40:

Weighted Average Cost Recovery – Small Construction Activity Permit

	Current	Calculated	Frequency	Weighted
HCS Tap or Stub Out (Smaller Than 12-inch)	$ 100	$ 189	2.3%	$ 4.40
Large Line Tap (Larger Than 12-inch)	$ 150	$ 380	4.7%	$ 17.67
Existing Manhole Tap	$ 150	$ 324	67.4%	$ 218.51
New Manhole Construction	$ 200	$ 332	25.6%	$ 84.93
Total			100%	$ 325.51

Exhibit 39 summarizes and compares the results of the data set to the current fee structure.

The charges for Small Construction Activity Permits should be consistent with the cost of service. However, the calculations described above for HCS Taps or Stub Outs and Large Line Taps were not deemed reliable due to an insufficient sample size. Additionally, Small Construction Activity Permits are a concentrated effort at one location, and the reviews/inspections are similar regardless of the small construction activity. As a result, it was determined that a weighted average calculation of all Small Construction Activity Permits would represent a reasonable basis for determining the cost of service.

Exhibit 40 presents the weighted average cost of service for Small Construction Activity Permits.

4.2.5 - EXTERNAL ANALYSIS

Exhibit 41 presents the results of the external analysis for a Small Construction Activity Permits. PCRWRD uses a flat fee schedule to assess permit fees for small construction activities. This is not inconsistent with the survey results, but given the variety of approaches, there does not appear to be a consistent trend used among these utilities.

Most of the surveyed utilities charge for this service. San Diego continues to employ the deposit account approach. Tempe and Tucson Water use a fee structure for small activity permits that is consistent with their public sewer construction permit, which is based on linear feet. Henderson and Peoria also use the same fee structure as they do for public sewer construction, but instead of linear feet, the two utilities use percent of construction costs. Phoenix employs a similar approach as PCRWRD, but also has a per sheet charge depending on the size of the project.

4.2.6 - RECOMMENDATION

It is recommended that PCRWRD have a uniform flat

Exhibit 41:

External Analysis - Small Construction Activity Permit

	Charge for Service?		Methodology (if Yes)
	Yes	No	
PCRWRD	X		Fee schedule for inspection
EPWU		X	No fee unless EPWU installs lateral
Henderson	X		% of estimated construction cost (tiered based on cost)
Peoria	X		Admin fee and % of construction cost
Phoenix	X		Either per sheet charge or flat fee based on 'activity'
San Diego (City of)	X		Deposit account system; billed time and materials
Tempe	X		Per linear foot charge or flat fee based on 'activity'
Tucson Water	X		Per linear foot charge

Exhibit 42:

Recommendation – Small Construction Activity Permit

	Current	Proposed	% Difference
HCS Tap or Stub Out (Smaller Than 12-inch)	$ 100	$ 325	*225.0%*
Large Line Tap (Larger Than 12-inch)	$ 150	$ 325	*116.7%*
Existing Manhole Tap	$ 150	$ 325	*116.7%*
New Manhole Construction	$ 200	$ 325	*62.5%*

charge of $325 (rounded down) for all Small Construction Activity Permits. The recommendation is based on the weighted average calculated cost for HCS Tap or Stub Outs, Large Line Taps, Existing Manhole Taps, and New Manhole Construction.

Exhibit 42 presents the recommended fee structure for Small Construction Activity Permits.

4.3 – DETERMINATION OF HCS STUB-OUT LOCATION

4.3.1 - FEE DEFINITION

Fee for the process of using closed circuit television (CCTV) to determine the exact location of a sewer connection without street excavation.

4.3.2 - ORDINANCE

13.20.040.F

4.3.3 - EXISTING FEE STRUCTURE

Flat fee of $250.

4.3.4 - INTERNAL ANALYSIS

PCRWRD charges a flat fee of $250 to determine the HCS stub-out location. Based on input from PCRWD staff, the cost of service for this process includes direct labor costs, vehicles, and CCTV equipment. Spe-

Exhibit 43:

Cost of Service - Determination of HCS Stub-out Location

Pima County Regional Wastewater Reclamation Department
Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Determination of Stub-out Location	This process uses Closed Circuit TV (CCTV) to video the sewer to determine the exact location of a connection versus street excavation.

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Travel to site and perform testing	UTILITY MAINT WKR I	1	$36.5853	1.5	$54.8780
Travel to site and perform testing	UTILITY MAINT WKR II	1	$41.2488	1.5	$61.8732
Documentation of video	ENGINEERING PLANS TECH	1	$37.0926	0.5	$18.5463

Vehicles

Task Description	Type of Vehicle	Number of Each	Avg Hourly Rate (2)	Number of Hours	Subtotal By Title
N/A	C40G - Van, 1 T Cargo	1	$11.8875	1.5	$17.8313

Materials/Other Equipment

Task Description	Materials/Equipment	Description	Number of Hours	Subtotal
N/A	CCTV Equipment	CCTV equipment used to determine location	1	$250.0000

Fee Calculation (2)	Determination of Stub-out Location	$404.00

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.

Exhibit 44:

Recommendation – Determination of HCS Stub-Out Location

	Determination of HCS Stub-Out Location	
Calculated	$	404.00
Recommended Fee	$	400.00

cifically, this process requires 1.5 hours for a labor crew consisting of a Utility Maintenance Worker I and Utility Maintenance Worker II and 0.5 hours for an Engineering Plans Technician. Transportation is provided through use of a C4OG Cargo Van loaded with CCTV equipment capability.

Exhibit 43 presents the calculated cost of service for Determination of a HCS Stub-out Location.

4.3.5 - EXTERNAL ANALYSIS

No external analysis was conducted for this type of customer service.

4.3.6 - RECOMMENDATION

It was recommended that the charge for Determination of HCS Stub-out Location should be consistent with the current cost of service. The fee should continue to be assessed as a flat charge.

Exhibit 44 presents the recommended fee structure (rounded down).

4.4 – DYE TEST FEE

4.4.1 - FEE DEFINITION

A dye test is required by the County's Finance Customer Service Group when there is a suspected connection to the system that is not paying user fees.

4.4.2 - ORDINANCE

13.24.090

4.4.3 - EXISTING FEE STRUCTURE

Flat fee of $80.

Exhibit 45:

Cost of Service - Dye Test

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Dye Test	A dye test is originated by the Pima County Finance Customer Service Group (CSG) when there is a suspected connection to the system that is not paying user fees.

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
N/A	ADMIN SUP SPEC	1	$34.7250	2	$69.4500
N/A	UTILITY MAINT WKR I	1	$36.5853	1.5	$54.8780
N/A	UTILITY MAINT WKR II	1	$41.2488	1.5	$61.8732

Vehicles

Task Description	Type of Vehicle	Number of Each	Avg Hourly Rate (2)	Number of Hours	Subtotal By Title
N/A	B50DZB - Truck, Rodder	1	$13.7078	1.5	$20.5616

Fee Calculation	*Dye Test*	*$207.00*

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.

Exhibit 46:

Recommendation – Dye Test

	Dye Test
Calculated Fee	$ 207.00
Recommended Fee	$ 200.00

4.4.4 - INTERNAL ANALYSIS

PCRWRD charges a flat fee of $80 to conduct a dye test to confirm a connection to the sewer system. Based on input from PCRWD and PCF&RMD staff, the cost of service for this process includes intake and administration, direct labor costs, and use of a vehicle. Specifically, this process requires 2 hours for an Administrative Supervisor Specialist, 1.5 hours for a Utility Maintenance Worker I, and 1.5 hours for a Utility Maintenance Worker II. Transportation is provided through use of a B50DZB Rodder Truck.

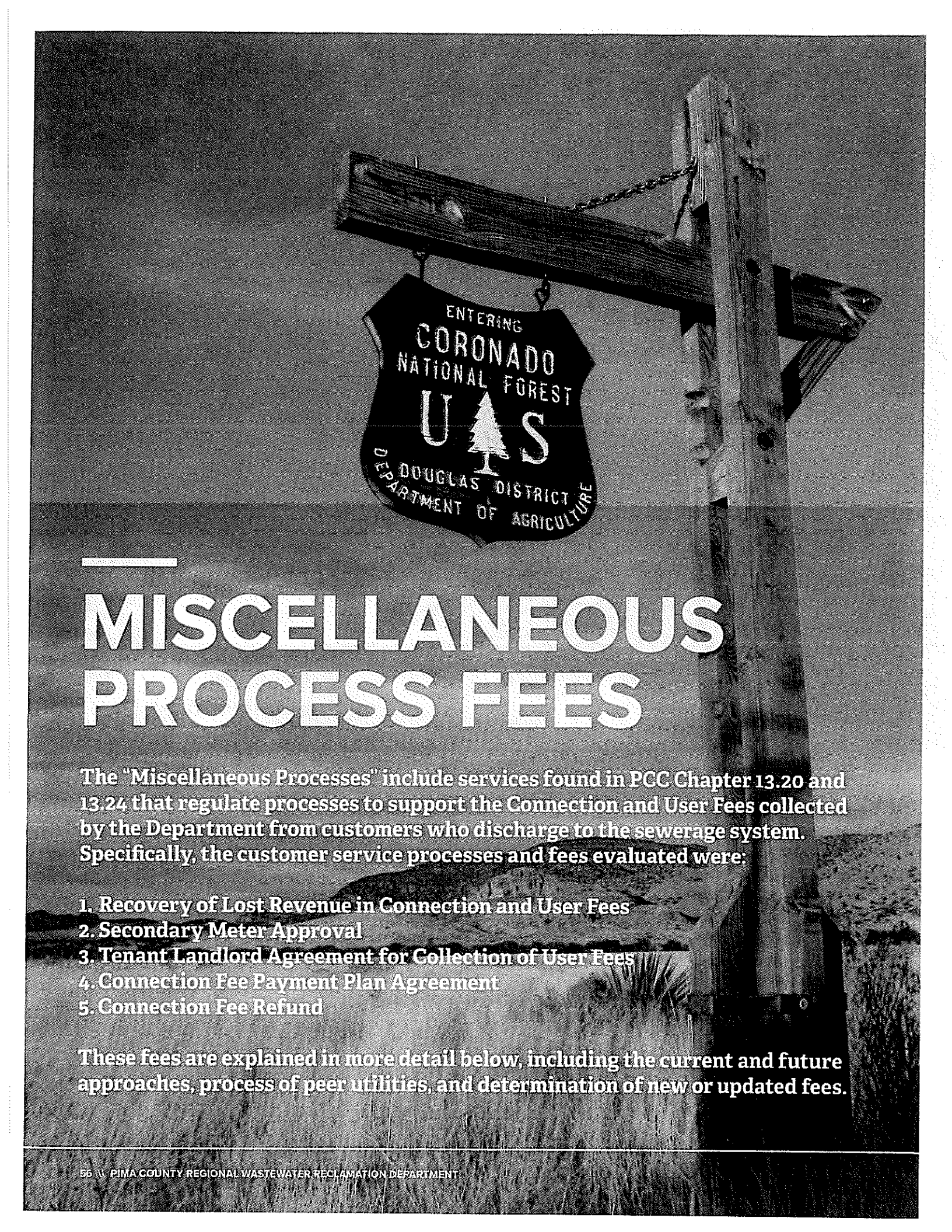
Exhibit 45 presents the calculated cost of service for a dye test.

4.4.5 - EXTERNAL ANALYSIS

No external analysis was conducted for this type of customer service.

4.4.6 - RECOMMENDATION

It is recommended that the charge for a Dye Test should be consistent with the current cost of service. The fee should continue to be assessed as a flat charge. Exhibit 46 presents the recommended fee structure (rounded down).



MISCELLANEOUS PROCESS FEES

The "Miscellaneous Processes" include services found in PCC Chapter 13.20 and 13.24 that regulate processes to support the Connection and User Fees collected by the Department from customers who discharge to the sewerage system. Specifically, the customer service processes and fees evaluated were:

1. **Recovery of Lost Revenue in Connection and User Fees**
2. **Secondary Meter Approval**
3. **Tenant Landlord Agreement for Collection of User Fees**
4. **Connection Fee Payment Plan Agreement**
5. **Connection Fee Refund**

These fees are explained in more detail below, including the current and future approaches, process of peer utilities, and determination of new or updated fees.

5.1 – CONNECTION AND USER FEE RECOVERY

5.1.1 - FEE DEFINITION

Fee to recover PCRWRD's cost associated with the recovery of delinquent user and connection fees through the auditing process.

5.1.2 - ORDINANCE

13.20.045 and 13.24.170

5.1.3 - EXISTING FEE STRUCTURE

No existing fee.

5.1.4 - INTERNAL ANALYSIS

PCWCRD and PCF&RMD are responsible for the internal review and recovery of delinquent connection and user fees, respectively, through the auditing process. The costs associated with this process include support for intake and administration and potentially additional direct labor hours for review, research, and customer outreach with varying levels of effort depending on the complexity of the case. Since there is a direct labor cost associated with this process, and through discussions with PCRWRD staff, it was determined that the amount of labor hours should be differentiated between representative examples of a simple, moderately complex, and complex connection and user fee recoveries.

PCRWRD staff indicated that a simple Connection and User Fee Recovery requires 0.5 hours for an Administrative Support Specialist to receive the customer inquiry information; 1 hour for an Administrative Support Specialist to research fee payment history; 1 hour for an Administrative Support Specialist to confer with PCRWRD or PCF&RMD staff; and 1 hour for an Administrative Support Specialist for customer follow-up regarding the recommended resolution. Additionally, the PCF&RMD Administrative Services Manager spends 1 hour per year reconciling payments for user charges for an average of 2 years.

A moderately complex Connection and User Fee Recovery requires 0.5 hours for and Administrative Support Specialist to receive the customer inquiry information; 1 hour for an Administrative Support Specialist to research fee payment history; 0.5 hours for an Administrative Support Specialist to confer with PCRWRD or Finance Department staff; 0.5 hours for an Administrative Support Specialist Senior to contact the property owner by telephone, letter, and/or email; 1.5 hours for an Administrative Support Specialist Senior to schedule a meeting with the property owner to discuss fee payment arrangements; 1 hour for an Administrative Support Specialist Senior to determine a settlement and/or resolution; 0.5 hours for and Administrative Support Specialist to collect and process fees and issue a receipt; and 0.5 hours for and Administrative Support Specialist to follow-up with the customer regarding the recommended resolution. Additionally, the PCF&RMD Administrative Services Manager spends 1 hour per year reconciling payments for user charges for an average of 5 years.

A complex Connection and User Fee Recovery requires 0.5 hours for and Administrative Support Specialist to receive the customer inquiry information; 1 hour for an Administrative Support Specialist to research fee payment history; 0.5 hours for an Administrative Support Specialist to confer with PCRWRD or Finance Department staff; 0.5 hours for an Administrative Support Specialist Senior to contact the property owner by telephone, letter, and/or email; 2 hours for an Administrative Support Specialist Senior to schedule and conduct a site visit; 3.5 hours for an Administrative Support Specialist Senior for settlement escalation; 1.5 hours for an Administrative Support Specialist Senior for scheduling and meeting with property owner to discuss fee payment arrangements; 0.5 hours for an Administrative Support Specialist Senior for additional contact with the property owner by telephone, letter, and/or email; 1 hour for an Administrative Support Specialist Senior to determine a settlement payment schedule; 0.5 hours for and Administrative Support Specialist to collect and process fees and issue a receipt; and 0.5 hours for and Administrative Support Specialist to follow-up with the customer regarding the recommended resolution. Additionally, the PCF&RMD Administrative Services Manager spends 1 hour per year reconciling payments for user charges for an average of 10 years.

Exhibits 47 through 49 present the calculated cost of service for a simple, moderately complex, and complex Connection and User Fee Recovery, respectively.

Exhibit 47:

Cost of Service - Connection and User Fee Recovery (Simple)

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Connection and User Fee Recovery	Recovery of user and connection fees through the auditing process.
Simple Project Classification	

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Receiving customer inquiry information	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Researching fee payment history	ADMIN SUP SPEC	1	$34.7250	1	$34.7250
Conferring with RWRD or PCF&RMD staff	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Follow-up with customer regarding resolution	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Annual Payment Reconciliation (User Charges, PCF&RMD) (3)	ADMIN SVCS MGR	1	$66.2894	2	$132.5789

Fee Calculation (2)	Connection and User Fee Recovery	$220.00

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.

(3) Admin Services Manager spends 1 hr per year for reconciling payments for User Charges, and assumes an average of 2 years of annual reviews per service.

Exhibit 48:

Cost of Service - Connection and User Fee Recovery (Moderately Complex)

Pima County Regional Wastewater Reclamation Department
Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Connection and User Fee Recovery	Recovery of user and connection fees through the auditing process.
Moderately Complex Project Classification	

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Receiving customer inquiry information	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Researching fee payment history	ADMIN SUP SPEC	1	$34.7250	1	$34.7250
Conferring with RWRD and/or PCF&RMD staff	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Property owner contact and discussion (by telephone, letter, and/or email)	ADMIN.SUPP.SPEC.-SR.	1	$38.2115	0.5	$19.1058
Scheduling and meeting with property owner to discuss fee payment arrangements	ADMIN.SUPP.SPEC.-SR.	1	$38.2115	1.5	$57.3173
Settlement and/or resolution	ADMIN.SUPP.SPEC.-SR.	1	$38.2115	1	$38.2115
Fee collection and receipt issuance	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Follow-up with customer regarding resolution	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Annual Payment Reconciliation (User Charges, PCF&RMD) (3)	ADMIN SVCS MGR	1	$66.2894	5	$331.4472

Fee Calculation (2)	Connection and User Fee Recovery	$551.00

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.

(3) Admin Services Manager spends 1 hr per year for reconciling payments for User Charges, and assumes an average of 5 years of annual reviews per service.

Exhibit 49:

Cost of Service - Connection and User Fee Recovery (Complex)

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Connection and User Fee Recovery	Recovery of user and connection fees through the auditing process.
Complex Project Classification	

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Receiving customer inquiry information	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Researching fee payment history	ADMIN SUP SPEC	1	$34.7250	1	$34.7250
Conferring with RWRD and/or PCF&RMD staff	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Property owner contact and discussion (by telephone, letter, and/or email)	ADMIN.SPECIALIS T-SR	1	$48.9007	0.5	$24.4504
Scheduling and conducting site visits	ADMIN.SPECIALIS T-SR	1	$48.9007	2	$97.8015
Settlement escalation	ADMIN.SUPP.SPE C.-SR.	1	$38.2115	3.5	$133.7403
Scheduling and meeting with property owner to discuss fee payment arrangements	ADMIN.SPECIALIS T-SR	1	$48.9007	1.5	$73.3511
Property owner contact and discussion (in person, by telephone, letter, and/or email)	ADMIN.SPECIALIS T-SR	1	$48.9007	0.5	$24.4504
Establish settlement payment schedule	ADMIN.SUPP.SPE C.-SR.	1	$38.2115	1	$38.2115
Fee collection and receipt issuance	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Follow-up with customer regarding resolution	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625
Annual Payment Reconciliation (User Charges, PCF&RMD) (3)	ADMIN SVCS MGR	1	$66.2894	10	$662.8943

Fee Calculation (2)	Connection and User Fee Recovery	$1,165.00

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.

(3) Admin Services Manager spends 1 hr per year for reconciling payments for User Charges, and assumes an average of 10 years of annual reviews per service.

Exhibit 50:

Cost of Service - Connection and User Fee Recovery (Complex)

	Connection Fee and User Fee Recovery		
	Cost of Service	Frequency	Fee Calculation
Simple	$ 220.00	10%	$ 22.00
Moderately Complex	$ 551.00	75%	$ 413.25
Complex	$ 1,165.00	15%	$ 174.75
Total		100%	$ 610.00

Inasmuch as it is not possible to initially assess the level of complexity required to review elements of a Connection and User Fee Recovery, but yet to provide a reasonable representation of the costs incurred in support of this process, it was determined that a weighted average based on estimated number of simple, moderately complex, and complex projects would provide an appropriate calculation of typical costs incurred. As such, PCRWRD and PCF&RMD staff provided additional input identifying the frequency of a simple (10%), moderately complex (75%), and complex (15%) connection and user fee recovery in a typical year.

Exhibit 50 presents the calculated weighted average cost of service for Connection and User Fee Recovery.

5.1.5 - EXTERNAL ANALYSIS

No external analysis was conducted for this type of customer service.

5.1.6 - RECOMMENDATION

It is recommended that PCRWRD should charge a fee to recover the cost of Connection and User Fee Recovery. The service should be assessed as a flat fee of $610 based on the weighted average calculation methodology described in the internal analysis (see Exhibit 51).

Exhibit 51:

Recommendation - Connection and User Fee Recovery

	Connection and User Fee Recovery
Calculated Fee	$ 610.00
Recommended Fee	$ 610.00

5.2 – SECONDARY WATER METER APPROVAL

5.2.1 - FEE DEFINITION

Fee to recover PCRWRD's cost associated with reviewing a request for approval to install a secondary water meter for irrigation.

5.2.2 - ORDINANCE

13.24.120.F.1.b

5.2.3 - EXISTING FEE STRUCTURE

No existing fee.

5.2.4 - INTERNAL ANALYSIS

Section 13.24.120.F.1.b of the Ordinance provides a mechanism for PCRWRD to charge a fee for costs associated with reviewing and approving/denying a request for installation of a secondary meter, which is typically limited to non-residential customers. Based on input from PCRWRD staff, a typical application request requires support for intake and administration and direct hours for review. Specifically, a typical secondary water meter application review requires 0.75

Exhibit 52:

Cost of Service - Secondary Water Meter Approval

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Secondary Water Meters	Request for approval to install secondary water meters.

Estimated Labor

Number of Each	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Phone Call/Meeting with Customer	ADMIN.SUPP.SPEC.-SR.	1	$38.2115	0.75	$28.6586
Application Form	ADMIN.SUPP.SPEC.-SR.	1	$38.2115	1.5	$57.3173
Application Form/Letter Review/Edits	ENV PLNG & COMPLI MGR	1	$91.1803	1	$91.1803
Set up in System (PCF&RMD)	ADMIN SUP SPEC	1	$34.7250	1	$34.7250

Fee Calculation (2)	Secondary Water Meter Approval	$212.00

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.

hours for an Administrative Support Specialist Senior for initial phone call and/or meeting with customers; 1.5 hours for an Administrative Support Specialist Senior to develop the application form; 1 hour for an Environmental Planning and Compliance Manager to review and edit the application form; and 1 hour for an Administrative Support Specialist for system set-up.

Exhibit 52 presents the calculated cost of service for a Secondary Water Meter Approval.

5.2.5 - EXTERNAL ANALYSIS

Exhibit 53 presents the results of the external analysis regarding administrative tasks for setup of a Secondary Water Meter Approval. The benchmarking results did not reveal much with the exception that the majority of surveyed utilities do not have a charge specifically for this customer service. Only Phoenix and San Diego indicated they assess a fee.

Exhibit 53:

External Analysis - Secondary Water Meter Approval

	Charge for Service?		Methodology (if Yes)
	Yes	No	
PCRWRD		X	
EPWU		X	
Henderson		X	
Peoria		X	
Phoenix	X		Part of review process (Per sheet)
San Diego (City of)	X		Fee assessed (no detail on fee structure)
Tempe		X	Separate water development fee, but no additional fees
Tucson Water		X	

5.2.6 - RECOMMENDATION

It is recommended that PCRWRD should charge a fee to recover the cost of reviewing request for Secondary Water Meter Approvals. The service should be assessed as a flat fee based on the internal analysis. Exhibit 54 presents the recommended fee structure (rounded down).

Exhibit 54:

Recommendation - Secondary Water Meter Approval

	Secondary Water Meter Approvals
Calculated Fee	$ 212.00
Recommended Fee	$ 200.00

5.3 – TENANT LANDLORD AGREEMENT

5.3.1 - FEE DEFINITION

For the administrative effort, the landlord pays an activation fee each time the landlord transfers the user fee account over to their name when a tenant vacates, and then another fee is assessed when the account is transferred to the next tenant.

5.3.2 - ORDINANCE

Not available.

5.3.3 - EXISTING FEE STRUCTURE

For a name change on an account, an activation fee of $15 is assessed.

5.3.4 - INTERNAL ANALYSIS

PCRWRD currently assesses a $15 activation fee for transferring an account from a vacating tenant to the landlord, and then another fee for transferring from the landlord to the new tenant. PCRWRD would like to be able to waive the activation fee for the vacating tenant to landlord transfer so that a landlord is not consistently responsible for a fee. The analysis for this fee largely relied on the results of the external analysis below. Specifically, Tucson Water, the primary water provider in Pima County, has an automated process in place where if a tenant is vacating, the account automatically reverts to the landlord at no cost if entered into the billing system. The landlord is not assessed an initial administrative fee for this service. The only fee assessed is to the new tenant when they transfer the account

Exhibit 55:

External Analysis - Tenant Landlord Agreement

	Charge for Service?		Methodology (if Yes)
	Yes	No	
PCRWRD	X		$15 flat fee every time name change to account
EPWU	X		$25 flat fee every time name change to account
Henderson		X	
Peoria		X	No fee to landlord; Fee only to new tenant
Phoenix	X		Flat fee (current level of fee unknown)
San Diego (City of)	X		Flat fee (current level of fee unknown)
Tempe		X	
Tucson Water		X	Fee for tenant initiation; no fee for transfer to landlord

into their name. However, it should be noted if there is a delinquent balance on the prior tenant's account, the landlord is responsible for the outstanding balance prior to service being established for the new tenant.

5.3.5 - EXTERNAL ANALYSIS

Exhibit 55 presents the results of the external analysis related to a Tenant Landlord Agreement. The majority of surveyed utilities charge a fee when a name change is necessary on a customer account. In particular, El Paso Water Utilities, Phoenix, and San Diego, like PCRWRD, charge a fee every time there is a name change to a metered account, and this fee appears to always be in the form of a flat fee for the service.

Tucson Water has an innovative system for handling name changes for rental properties in their system. The utility has a landlord agreement that is automated and does not charge the landlord for a tenant to landlord change. However, a new tenant will always pay the initiation fee for changing the account to their name.

5.3.6 - RECOMMENDATION

Since Tucson Water is PCRWRD's largest billing provider, it reasonable, and likely efficient, to utilize the same automated system that does not charge the landlord for a tenant to landlord change. The new tenant will continue to pay the initiation fee for when the account is changed to their name. The landlord is not charged an initial administrative fee; however, the landlord is responsible for past due balances prior to service being established for the new tenant. PCF&RMD has contacted its other billing provides, and preliminary indications suggest this is a feasible option in their billing systems.

5.4 – CONNECTION FEE PAYMENT PLAN AGREEMENT

5.4.1 - FEE DEFINITION

Fee to recover PCRWRD's costs associated with setting up and tracking Connection Fee Payment Plan Agreements.

5.4.2 - ORDINANCE

13.20.045

5.4.3 - EXISTING FEE STRUCTURE

Flat fee of $500.

5.4.4 - INTERNAL ANALYSIS

Section 13.20.045 of the Ordinance provides a mechanism for PCRWRD to charge a fee for costs associated with system set-up and annual tracking of Connection Fee Payment Plan Agreements. Based on input from PCRWRD and PCF&RMD staff, a connection

Exhibit 56:

Cost of Service - Connection Fee Payment Plan Agreement

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Connection Fee Payment Plan Agreement	Recovers the costs associated with setting up and tracking the agreements.

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Meet with Applicant	ADMIN.SUPP.SPEC .-SR.	1	$38.2115	1	$38.2115
Write Agreement	ADMIN.SUPP.SPEC .-SR.	1	$38.2115	1	$38.2115
Application Form/Letter Review/Edits	ENV PLNG & COMPLI MGR	1	$91.1803	0.5	$45.5901
Notary of Applicant	ADMIN.SUPP.SPEC .-SR.	1	$38.2115	0.5	$19.1058
Set up in System (PCF&RMD)	ADMIN SVCS MGR	1	$66.2894	0.5	$33.1447

Fee Calculation (2)	Connection Fee Payment Plan Agreement	$175.00

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.

Exhibit 57:

Recommendation – Connection Fee Payment Plan Agreement

	Connection Fee Payment Plan Agreement
Calculated Fee	$ 175.00
Recommended Fee	$ 175.00

fee payment plan requires support for intake and administration and direct hours for review. Specifically, a typical connection fee payment plan review requires 1 hour for an Administrative Support Specialist Senior to meet with the applicant; 1 hour for an Administrative Support Specialist Senior to draft the agreement; 0.5 hours for an Environmental Planning and Compliance Manager to review the draft agreement; 0.5 hours for an Administrative Support Specialist Senior for notary of applicant; and 0.5 hours for and Administration Services Manager for system set-up.

Exhibit 56 presents the calculated cost of service for a Connection Fee Payment Plan Agreement.

5.4.5 - EXTERNAL ANALYSIS

No external analysis was conducted for this type of customer service.

5.4.6 - RECOMMENDATION

It is recommended that the charge for setting up and tracking Connection Fee Payment Plan Agreements should be consistent with the current cost of service. The fee should continue to be assessed as a flat charge. Exhibit 57 presents the recommended fee structure.

5.5 – CONNECTION FEE REFUND

5.5.1 - FEE DEFINITION

Fee to recover PCRWRD's costs associated with a customer request for a Connection Fee Refund. A Connection Fee Refund is issued if there is a downsized water meter or if the applicant decides not to build the structure.

5.5.2 - ORDINANCE

13.20.045.J

5.5.3 - EXISTING FEE STRUCTURE

Flat fee of $125.

5.5.4 - INTERNAL ANALYSIS

Section 13.20.045 J of the Ordinance provides a mechanism for PCRWRD to charge a fee for costs associated with issuing a Connection Fee Refund. Based on input from PCRWRD and PCF&RMD staff, a connection fee refund requires support for intake and administration and direct hours for review. Specifically, a typical connection fee refund review requires 10 minutes for an Engineering Plans Technician to assist the applicant with the required form; 40 minutes for an Engineering Plans Technician to research request in the Geographic Information System and Permits Plus; 15 minutes for an Engineering Plans Technician to complete required documentation; 15 minutes for a Civil Engineer for supervisory review; and 0.5 hours for an Administrative Support Specialist for system update and coordination with PCF&RMD staff.

Exhibit 58 presents the calculated cost of service for a Connection Fee Refund.

5.5.5 - EXTERNAL ANALYSIS

Exhibit 59 presents the results of the external analysis regarding charges for the administrative costs of issuing Connection Fee Refunds for developers or customers that ultimately did not connect to the system at the property for which the connection fee was origi-

It is recommended that the charge for setting up and tracking Connection Fee Payment Plan Agreements should be consistent with the current cost of service. The fee should continue to be assessed as a flat charge.

Exhibit 58:

Cost of Service - Connection Fee Refund

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Connection Fee Refund	Internal cost recovery of costs associated with requesting a Connection Fee Refund. Refunds are issued if there is a downsized water meter or if the applicant decides not to build the structure.

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Assist Applicant with Form	ENGINEERING PLANS TECH	1	$37.0926	0.17	$6.1821
Research Request in GIS & PermitsPlus	ENGINEERING PLANS TECH	1	$37.0926	0.67	$24.7284
Fill out Refund Paperwork	ENGINEERING PLANS TECH	1	$37.0926	0.25	$9.2732
Supervisor Review	CIVIL ENGINEER	1	$76.9205	0.25	$19.2301
Set up in System (PCF&RMD)	ADMIN SUP SPEC	1	$34.7250	0.5	$17.3625

Fee Calculation (2)	Connection Fee Refund	$77.00

(1) Average hourly rate is calculated based on the number of existing positions and their respective salaries. Includes adjustment for salary increases, fringe benefits, and overhead.

(2) Rounded up to the nearest dollar.