Exhibit 9:

Recommendation - Connection to Existing

	Connection to Existing		
	Cost of Service	Frequency	Fee Calculation
Residential			
Simple	$ 29.00	100.0%	$ 29.00
Total		**100%**	**$ 29.00**
Recommended Approval Charge			**$ 30.00**
Commercial			
Simple	$ 29.00	50%	$ 14.50
Moderately Complex	$ 135.00	30%	$ 40.50
Total		**80%**	**$ 55.00**
Recommended Approval Charge			**$ 60.00**

3.3 – SEWER IMPROVEMENT PLAN ACCEPTANCE

3.3.1 - FEE DEFINITION

Fee to recover PCRWRD's cost of providing a Sewer Improvement Plan (SIP) Acceptance.

3.3.2 - ORDINANCE

13.20.030.A.1

3.3.3 - EXISTING FEE STRUCTURE

An Administrative Review fee of $166 plus $50 per sheet for the Substantive Review first submittal. The second submittal is $50 per sheet. Third and subsequent submittals are $39 per sheet.

3.3.4 - INTERNAL ANALYSIS

The internal analysis of the cost of service of SIP Acceptance was based on information available in PCRWRD's Status Database which tracks sewer improvement plan submittals. Specific data used included submittals from FY 2012/2013 and FY 2013/2014 identifying the project name, project number, reviewer, review time, number of pages, and submittal number for the Substantive Reviews. Additional information was provided by PCRWRD staff regarding the labor costs for Administrative Review.

The Substantive Review data set for first submittal sewer improvement plans included 47 reviews in FY 2012/2013 and 43 reviews in FY 2013/2014. The 47 reviews in FY 2012/2013 required an average of 6.25 hours per review with a median page count of 5. Since there were several outliers in the number of pages reviewed per submittal, it was determined that a median provided a better representation of the typical number of pages reviewed rather than a numerical average. In FY 2014, the 43 reviews required an average of 6.75 hours per review with a median page count of 6.5. The cost per review in each year was based on the hourly labor rate for a Civil Engineer, which was then divided by the median page count, to determine the direct labor costs per page. A similar process was used to determine the direct labor costs per page for reviews requiring a second, third, and subsequent submittals. Based on input from PCRWRD staff, it was determined that an additional 2 hours are required for Administrative Review on first submittal SIP and 0.5 hours for second submittal SIPs. Administrative Review is provided by an Engineering Plans Technician.

Exhibit 10 summarizes the calculated Administrative Review costs and Substantive Review direct labor costs per page for SIP Acceptances in FY 2013 and FY 2014.

Exhibit 10:

Cost of Service - Sewer Improvement Plan (Administrative Costs and Direct Labor Costs for Substantive Reviews)

1st Submittal

FY 2014 Data

Number of Reviews	43
Number of Pages	291
Average Time Per Review (hrs.)*	6.75
Median Page per Review	6.5
Admin Cost for Review (2.0 hrs.)***	$ 75.00
Direct Labor Cost for Average Review (6.75 hrs.)**	$ 520.00
Direct Labor Cost per Page (Substantive Review)	$ 80.00

2nd Submittal

FY 2014 Data

Number of Reviews	39
Number of Pages	192
Average Time Per Review (hrs.)*	3.25
Median Page per Review	4
Admin Cost for Review (0.5 hrs.)***	$ 18.00
Direct Labor Cost for Average Review (3.25 hrs.)**	$ 250.00
Direct Labor Cost per Page (Substantive Review)	$ 63.00

FY 2013 Data

Number of Reviews	47
Number of Pages	293
Average Time Per Review (hrs.)*	6.25
Median Page per Review	5
Admin Cost for Review (2.0 hrs.)***	$ 75.00
Direct Labor Cost for Average Review (6.25 hrs.)**	$ 481.00
Direct Labor Cost per Page (Substantive Review)	$ 97.00

FY 2013 Data

Number of Reviews	43
Number of Pages	202
Average Time Per Review (hrs.)*	2
Median Page per Review	2
Admin Cost for Review (0.5 hrs.)***	$ 18.00
Direct Labor Cost for Average Review (2.0 hrs.)**	$ 154.00
Direct Labor Cost per Page (Substantive Review)	$ 77.00

*Rounded up to the nearest quarter hour. Position is a Civil Engineer.

**Based on Civil Engineer at a loaded hourly rate of $76.92. Rounded up to the nearest dollar.

***Based on an Engineering Plans Technician at a loaded hourly rate of $37.09. Rounded up to the nearest dollar.

Exhibit 10 (continued):

Cost of Service - Sewer Improvement Plan
(Administrative Costs and Direct Labor Costs for Substantive Reviews)

3rd Submittal

FY 2014 Data

Number of Reviews	*NA*
Number of Pages	*NA*
Average Time Per Review (hrs.)*	*NA*
Median Page per Review	*NA*
Admin Cost for Review (0.5 hrs.)	
Direct Labor Cost for Average Review (1 hrs.)	
Direct Labor Cost per Page (Substantive Review)	

FY 2013 Data

Number of Reviews	12
Number of Pages	80
Average Time Per Review (hrs.)*	2
Median Page per Review	6
Admin Cost for Review (0.5 hrs.)	
Direct Labor Cost for Average Review (2.0 hrs.)**	$ 154.00
Direct Labor Cost per Page (Substantive Review)	$ 26.00

*Rounded up to the nearest quarter hour. Position is a Civil Engineer.

**Based on Civil Engineer at a loaded hourly rate of $76.92. Rounded up to the nearest dollar.

***Based on an Engineering Plans Technician at a loaded hourly rate of $37.09. Rounded up to the nearest dollar.

Exhibit 11:

Cost Recovery - Sewer Improvement Plan

Sewer Improvement Plan	
Administrative Review	$ 93.00
First Submittal (Per Page)	$ 88.50
Second Submittal (Per Page)	$ 70.00
Third & Subsequent Submittals (Per Page)	$ 26.00

Exhibit 12:

Weighted Average Cost Recovery - Sewer Improvement Plan

Sewer Improvement Plan	
Administrative Review Charge	$ 93.00
Weighted Average Cost (Per Page) Substantive Review	$ 76.97

The costs for intake and administration were combined into the Administrative Review charge. A two-year average was used to determine the cost per sheet. Exhibit 11 presents the cost of service and cost recovery for the SIP Acceptance based on the current fee structure.

In an effort to simplify the charge per page for Substantive Review of SIPs, a uniform charge per page was calculated based on the weighted average of the first, second, third, and subsequent submittals identified above.

Exhibit 12 presents weighted average cost per page.

3.3.5 - EXTERNAL ANALYSIS

Exhibit 13 summarizes the results of the external analysis for a SIP Acceptance. All surveyed utilities charge for reviewing improvement plans, but the results show that only three methods are used by utilities. The approach used by the City of San Diego for sewer improvement review is not very common. The City of San Diego requires the developer to open and deposit funds into an account which are held in escrow. City staff charge time and materials to the account based on whatever services are needed, and the developer is required to keep a particular balance in the account. While this innovative approach consolidates many customer services under one fee structure, it results in many complications, such as time tracking and justification of hours spent.

The more common fee structures are either a fee per sheet or by percentage of estimated construction cost, used by the other utilities in our benchmarking sample. Once again, Phoenix uses their one-size-fits-all charge per sheet. This dramatically streamlines the process, provides for greater efficiency within the development services department, and offers an easy to understand fee structure for customers. It may, however, stray from cost of service for individual services, should there be a discrepancy in the level of effort necessary for each review service. Peoria and Tucson Water also charge by the page for this service.

The cities of Tempe and Henderson, and El Paso Water Utilities charge by percent of project costs. This is also easy to understand for the customers, but the level of effort for SIP Acceptance of the project may not strictly relate to the size and cost of the project.

Although there is a variety of fee approaches, PCRWRD's current approach is a charge per sheet is consistent with the survey results.

Exhibit 13:

External Analysis - Sewer Improvement Plan

	Charge for Service?		Methodology (if Yes)
	Yes	No	
PCRWRD	X		Admin fee and per sheet charge
EPWU	X		% of estimated construction cost
Henderson	X		% of estimated construction cost
Peoria	X		Per sheet charge
Phoenix	X		Per sheet charge
San Diego (City of)	X		Deposit account system; billed time and materials
Tempe	X		% of total project costs; Fees/hr for crews
Tucson Water	X		Per sheet charge

3.3.6 - RECOMMENDATION

It was determined that the charge for SIP Acceptance should be consistent with the current cost of service. The cost for Administrative Review should continue to be assessed as a flat charge but reduced to $100. In order to simplify the Substantive Review per page charge, PCRWRD should move to a single rate per sheet of $75 (rounded down), which is based on the weighted average of first, second, third, and subsequent submittals calculated in the internal analysis. The use of a weighted average ensures that the cost per page for Substantive Review is consistent with the cost of service. The uniform cost per page should foster improved customer understanding and acceptance. Exhibit 14 presents the recommended fee structure for SIP Acceptance.

Exhibit 14:

Recommendation - Sewer Improvement Plan

Sewer Improvement Plan	
Proposed Administrative Review Charge	$ 100.00
Proposed Cost (Per Page) Substantive Review*	$ 75.00

Cost per page is uniform for all submittals

3.4 – PRELIMINARY SEWER LAYOUT ACCEPTANCE

3.4.1 - FEE DEFINITION

Fee to recover PCRWRD's cost of reviewing plans for a Preliminary Sewer Layout (PSL) Acceptance.

3.4.2 - ORDINANCE

13.12.010, 13.20.030.A.1

3.4.3 - EXISTING FEE STRUCTURE

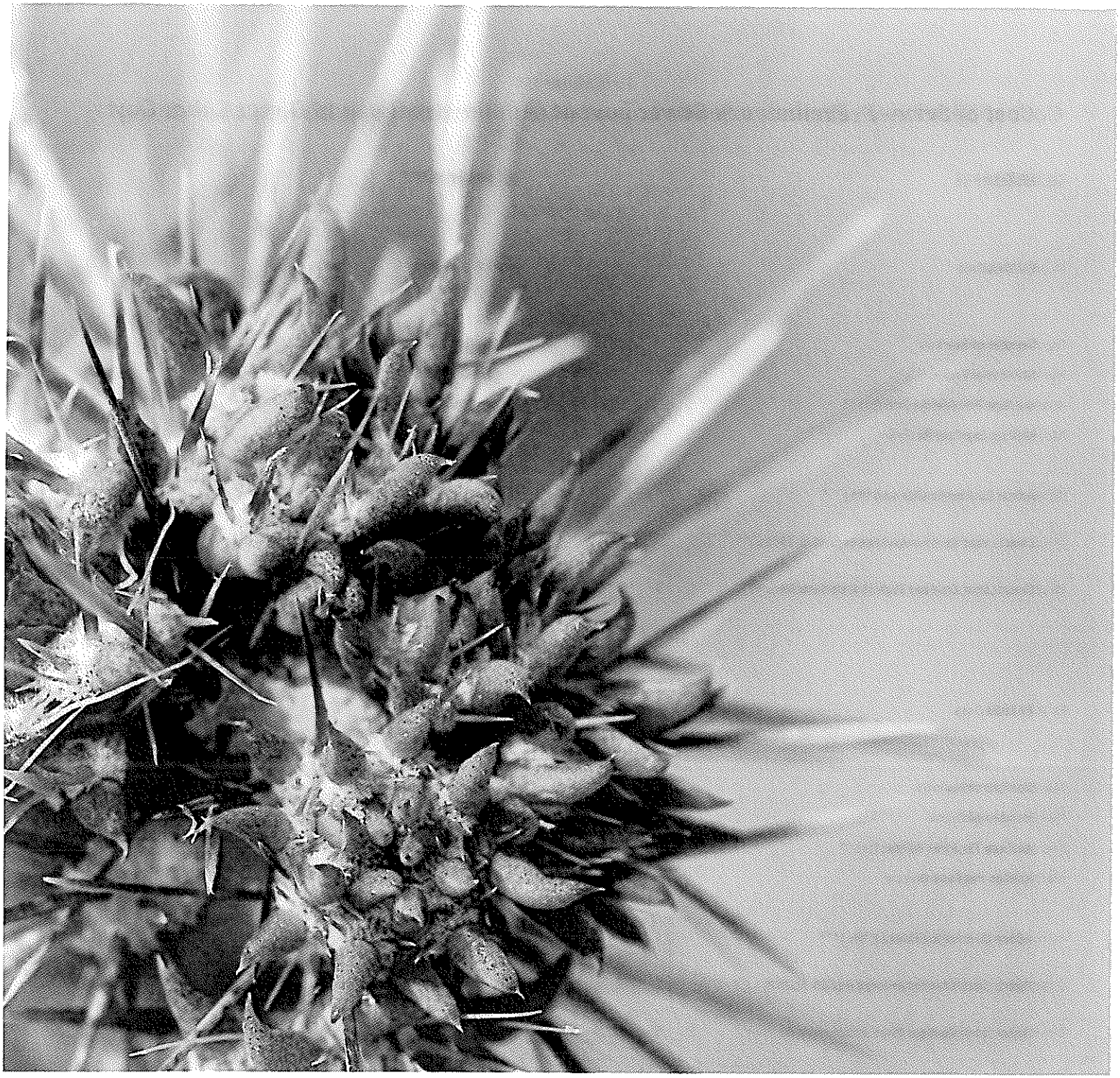
An Administrative Review charge of $166 plus $50 per sheet for the Substantive Review first submittal. The second submittal is $50 per sheet. Third and subsequent submittals are $39 per sheet.

3.4.4 - INTERNAL ANALYSIS

The internal analysis of the cost of service of a PSL Acceptance was based on information available in PCRWRD's Status Database which tracks PSL submittals. Specific data used included submittals from FY 2012/2013 and FY 2013/2014 identifying the project name, project number, reviewer, review time, number of pages, and submittal number. Additional information was provided by PCRWRD staff regarding labor costs for intake and administration.

The Substantive Review data set for first submittal PSL

included 71 reviews in FY 2012/2013 and 40 reviews in FY 2013/2014. The 71 reviews in FY 2012/2013 required an average of 2.25 hours per review with a median page count of 3. Since there were several outliers in the number of page reviewed per submittal, it was determined that a median provided a better representation of the typical number of pages reviewed rather than a numerical average. In FY 2013/2014, the 40 reviews required an average of 2.75 hours per review with a median page count of 4. The cost per review in each year was based on the hourly labor rate for a Senior Civil Engineering Assistant, which was then divided by the median page count, to determine the direct labor costs per page. A similar process was



used to determine the direct labor costs per page for reviews requiring a second, third, and subsequent submittals. Based on input from PCRWRD staff, it was determined that an additional 2 hours are required for Administrative Review on first submittal PSL Acceptance and 0.5 hours for second submittal PSL Acceptance. Administrative Review is provided by an Engineering Plans Technician.

Exhibit 15 summarizes the calculated Administrative Review costs and Substantive Review direct labor costs per page for PSL Acceptance in FY 2012/2013 and FY 2013/2014.

Exhibit 15:

Cost of Service - Preliminary Sewer Layout (Administration and Direct Labor Costs)

1st Submittal

FY 2014 Data

Number of Reviews	40
Number of Pages	256
Average Time Per Review (hrs.)*	2.75
Median Page per Review	4
Admin Cost for Review (2.0 hrs.)***	$ 75.00
Direct Labor Cost for Average Review (2.75 hrs.)**	$ 184.00
Direct Labor Cost per Page (Substantive Review)	$ 46.00

2nd Submittal

FY 2014 Data

Number of Reviews	21
Number of Pages	129
Average Time Per Review (hrs.)*	1.25
Median Page per Review	3
Admin Cost for Review (0.5 hrs.)***	$ 18.00
Direct Labor Cost for Average Review (1.25 hrs.)**	$ 84.00
Direct Labor Cost per Page (Substantive Review)	$ 28.00

FY 2013 Data

Number of Reviews	71
Number of Pages	376
Average Time Per Review (hrs.)*	2.25
Median Page per Review	3
Admin Cost for Review (2.0 hrs.)***	$ 75.00
Direct Labor Cost for Average Review (2.25 hrs.)**	$ 151.00
Direct Labor Cost per Page (Substantive Review)	$ 51.00

FY 2013 Data

Number of Reviews	43
Number of Pages	142
Average Time Per Review (hrs.)*	1.25
Median Page per Review	2
Admin Cost for Review (0.5 hrs.)***	$ 18.00
Direct Labor Cost for Average Review (1.25 hrs.)**	$ 84.00
Direct Labor Cost per Page (Substantive Review)	$ 42.00

*Rounded to the nearest quarter hour. Senior Civil Engineering Asst.

**Based on a Senior Civil Engineering Assistant at a loaded hourly rate of $66.81. Rounded up to the nearest dollar.

***Based on an Engineering Plans Technician at a loaded rate of $37.09. Rounded up to the nearest dollar.

Exhibit 15 (continued):

Cost of Service - Preliminary Sewer Layout (Administration and Direct Labor Costs)

3rd Submittal

FY 2014 Data

Number of Reviews	*NA*
Number of Pages	*NA*
Average Time Per Review (hrs.)*	*NA*
Median Page per Review	*NA*
Direct Labor Cost for Average Review (1 hrs.)	
Direct Labor Cost per Page (Substantive Review)	

FY 2013 Data

Number of Reviews	14
Number of Pages	72
Average Time Per Review (hrs.)*	1.25
Median Page per Review	2
	$ -
Direct Labor Cost for Average Review (1.25 hrs.)**	$ 84.00
Direct Labor Cost per Page (Substantive Review)	$ 42.00

*Rounded to the nearest quarter hour. Senior Civil Engineering Asst.

**Based on a Senior Civil Engineering Assistant at a loaded hourly rate of $66.81. Rounded up to the nearest dollar.

***Based on an Engineering Plans Technician at a loaded rate of $37.09. Rounded up to the nearest dollar.

Exhibit 16:

Cost Recovery - Preliminary Sewer Layout

Preliminary Sewer Layout	
Administrative Review Charge	$ 93.00
First Submittal (Per Page)	$ 48.50
Second Submittal (Per Page)	$ 35.00
Third & Subsequent Submittals (Per Page)	$ -

Exhibit 17:

Weighted Average Cost Recovery – Preliminary Sewer Layout

Preliminary Sewer Layout	
Administrative Review Charge	$ 93.00
Weighted Average Cost (Per Page) Substantive Review	$ 44.67

The costs for intake and administration were combined into the Administrative Review charge. A two-year average was used to determine the cost per sheet. Exhibit 16 presents the cost of service and cost recovery calculated for PSL Acceptance based on the current fee structure.

In an effort to simplify the charge per page for Substantive Review of PSL Acceptance, a uniform charge per page was calculated based on the weighted average of the first, second, third, and subsequent submittals identified above.

Exhibit 17 presents weighted average cost per page.

3.4.5 - EXTERNAL ANALYSIS

Exhibit 18 summarizes the results of the external analysis for the PSL Acceptance. There are several similarities between the SIP and the PSL. Please refer to the Section 3.3.5 for more detailed explanations. To summarize, the results show that the most common approach is a charge per sheet, which is similar to the SIP and consistent with PCRWRD's current methodology. The other responses reveal that City of San Diego implements their Deposit Account System and Henderson charges by percent of construction cost.

3.4.6 - RECOMMENDATION

It was determined that the charge for PSL Acceptance should be consistent with the current cost of service. The cost of Administrative Review should continue to be assessed as a flat charge but reduce to $100. In order to simplify the Substantive Review per page charge, PCRWRD should move to a single rate per sheet of $45 (rounded up), which is based on the weighted average of first, second, third, and subsequent submittals calculated in the internal analysis. The use of a weighted average ensures that the cost per page for Substantive Review is consistent with the cost of service. The uniform cost per page should foster improved customer understanding and acceptance.

Exhibit 19 presents the recommended fee structure for PSL Acceptance.

3.5 – FINAL PLAT ACCEPTANCE

3.5.1 - FEE DEFINITION

Fee to recover PCRWRD's cost for providing a Final Plat (FP) Acceptance. In Pima County the FP process is overseen by the Development Services Department. PCRWRD uses the submittal of a FP document to verify that the dedication of easements, rights of way, and common areas required by the SIP to provide accessibility for the construction and operation and maintenance of the sewer system have been established.

3.5.2 - ORDINANCE

13.20.030

3.5.3 - EXISTING FEE STRUCTURE

An Administrative Review charge of $166 plus $50 per sheet for the Substantive Review first submittal. The second submittal is $50 per sheet. Third and subsequent submittals are $39 per sheet.

3.5.4 - INTERNAL ANALYSIS

The internal analysis of the cost of service of an FP Acceptance was based on information available in PCRWRD's Status Database which tracks FP submittals. Specific data used included submittals from FY 2012/2013 and FY 2013/2014 identifying the project name, project number, reviewer, review time, number of pages, and submittal number. Additional informa-

Exhibit 18:

External Analysis - Preliminary Sewer Layout

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

Exhibit 19:

Recommendation - Preliminary Sewer Layout

Preliminary Sewer Layout	
Proposed Administrative Review Charge	$ 100.00
Proposed Cost Per (Page) Substantive Review*	$ 45.00

Cost per page is uniform for all submittals

tion was provided by PCRWRD staff regarding labor costs for intake and administration.

The Substantive Review data set for first submittal FP included 20 reviews in FY 2012/2013 and 40 reviews in FY 2013/2014. The 20 reviews in FY 2012/2013 required an average of 2.0 hours per review with a median page count of 4. Since there were several outliers in the number of page reviewed per submittal, it was determined that a median provided a better representation of the typical number of pages reviewed rather than a numerical average. In FY 2013/2014, the 40 reviews required an average of 2.5 hours per review with a median page count of 3. The cost per review in each year was based on the hourly labor rate for a Civil Engineering, which was then divided by the median page count, to determine the direct labor costs per page. A similar process was used to determine the direct labor costs per page for reviews requiring a second, third, and subsequent submittals. Based on input from PCRWRD staff, it was determined that an additional 2 hours are required for Administrative Review on first submittal final plat reviews and 0.5 hours for second submittal final plat reviews. Administrative Review is provided by an Engineering Plans Technician.

Exhibit 20 summarizes the calculated administrative and direct labor costs per page for FP Acceptance in FY 2012/2013 and FY 2013/2014.

Exhibit 20:

Cost of Service - Final Plat (Administration and Direct Labor Costs)

1st Submittal

FY 2014 Data

Number of Reviews	40
Number of Pages	152
Average Time Per Review (hrs.)*	2.5
Median Page per Review	3
Admin Cost for Review (2.0 hrs.)***	$ 75.00
Direct Labor Cost for Average Review (2.5 hrs.)**	$ 193.00
Direct Labor Cost per Page (Substantive Review)	$ 65.00

FY 2013 Data

Number of Reviews	20
Number of Pages	83
Average Time Per Review (hrs.)*	2
Median Page per Review	4
Admin Cost for Review (2.0 hrs.)***	$ 75.00
Direct Labor Cost for Average Review (2.0 hrs.)**	$ 154.00
Direct Labor Cost per Page (Substantive Review)	$ 39.00

2nd Submittal

FY 2014 Data

Number of Reviews	5
Number of Pages	10
Average Time Per Review (hrs.)*	1
Median Page per Review	2
Admin Cost for Review (0.5 hrs.)***	$ 18.00
Direct Labor Cost for Average Review (1.0 hrs.)**	$ 77.00
Direct Labor Cost per Page (Substantive Review)	$ 39.00

FY 2013 Data

Number of Reviews	5
Number of Pages	14
Average Time Per Review (hrs.)*	1.25
Median Page per Review	2
Admin Cost for Review (0.5 hrs.)***	$ 18.00
Direct Labor Cost for Average Review (1.25 hrs.)**	$ 97.00
Direct Labor Cost per Page (Substantive Review)	$ 49.00

*Rounded up to the nearest quarter hour (Civil Engineer).

**Based on a Civil Engineer at a loaded hourly rate of $76.92. Rounded up to the nearest dollar.

***Based on an Engineering Plans Technician at a loaded rate of $37.09. Rounded up to the nearest dollar.

Exhibit 20 (continued):

Cost of Service - Final Plat (Administration and Direct Labor Costs)

3rd Submittal

FY 2014 Data

Number of Reviews	*NA*
Number of Pages	*NA*
Average Time Per Review (hrs.)*	*NA*
Median Page per Review	*NA*
Direct Labor Cost for Average Review (1 hrs.)	
Direct Labor Cost per Page (Substantive Review)	

FY 2013 Data

Number of Reviews	14
Number of Pages	72
Average Time Per Review (hrs.)*	1.25
Median Page per Review	2
Direct Labor Cost for Average Review (1.25 hrs.)	$ -
Direct Labor Cost per Page (Substantive Review)	$ 97.00
	$ 42.00

*Rounded up to the nearest quarter hour (Civil Engineer).

**Based on a Civil Engineer at a loaded hourly rate of $76.92. Rounded up to the nearest dollar.

***Based on an Engineering Plans Technician at a loaded rate of $37.09. Rounded up to the nearest dollar.

Exhibit 21:

Cost Recovery - Final Plat

Final Plat	
Administrative Review Charge	$ 97.00
First Submittal (Per Page)	$ 52.00
Second Submittal (Per Page)	$ 44.00
Third & Subsequent Submittals (Per Page)	$ 42.00

Exhibit 22:

Weighted Average Cost Recovery – Final Plat

Final Plat	
Administrative Review Charge	$ 97.00
Weighted Average Cost (Per Page) Substantive Review	$ 47.07

Exhibit 23:

Flat Fee Cost Recovery – Final Plat

Final Plat	
Uniform Cost (Per Page) Substantive Review	$ 45.00
Average Pages Reviewed	3.7
Flat Fee Substantive Review	$ 170.00

Exhibit 24:

Recommendation - Final Plat

Final Plat	
Proposed Administrative Review Charge	$ 100.00
Proposed Cost Per Sheet for Substantive Review*	$ 45.00
**OR Flat Fee	$ 270.00

**Cost per sheet is uniform for all submittals*

***Includes both Administrative Review Charge and Flat Fee based on average pages reviewed.*

The costs for intake and administration were combined into the Administrative Review charge. A two-year average was used to determine the Substantive Review cost per sheet. Exhibit 21 presents the cost of service and cost recovery for FP Acceptance based on the current fee structure.

In an effort to simplify the charge per page for final plat Substantive Review, a uniform charge per page was calculated based on the weighted average of the first, second, third, and subsequent submittals identified above.

Exhibit 22 presents weighted average cost per page.

Alternatively, since FP Acceptances tend to be more streamline, as PSL Acceptances have already occurred, PCWRD could consider a flat fee instead of a per page charge for the Administrative and Substantive Review. The flat fee of $170 (rounded up) is based on the average number of pages per FP Acceptances in the data set identified in Exhibit 20 (excluding 3rd submittals) multiplied by the uniform cost per page of $45 (rounded down) (see Exhibit 23).

3.5.5 - EXTERNAL ANALYSIS

No external analysis was conducted for this type of customer service since the FP process is directly connected to land development. The submittal is used by PCRWRD for verification of the dedication of easements, rights of way, and common areas for SIP construction, operation and maintenance.

3.5.6 - RECOMMENDATION

It was determined that the charge for FP Acceptance should be consistent with the current cost of service. The cost of Administrative Review should continue to be assessed as a flat charge but reduced to $100. Two alternative fee structures should be considered for implementation. The first alternative, which is similar to the PSL and SIP Acceptance, contemplates a simplified, uniform charge per sheet of $45, which is based on the weighted average of first, second, third, and subsequent submittals calculated in the internal analysis. The use of a weighted average ensures that the cost per page for Substantive Review is consistent with the cost of service. Alternatively, PCRWRD could consider a flat fee of $170 instead of a per sheet charge for Sub-

stantive Review.

Exhibit 24 presents the recommended fee structure for FP Acceptance.

3.6 – SEWERAGE CAPACITY ALLOCATION

3.6.1 - FEE DEFINITION

Fee to recover PCRWRD's cost of determining whether the sewer system has sufficient capacity for a new connection or existing connection requiring additional capacity.

3.6.2 - ORDINANCE

13.20.026

3.6.3 - EXISTING FEE STRUCTURE

No existing fee.

3.6.4 - INTERNAL ANALYSIS

PCWCRD is responsible for reviewing and approving/ denying capacity availability for new connections or existing connections requiring additional Sewerage Capacity Allocation (SCA). The costs associated with this process include direct labor hours for intake, review, research, and input with varying levels of effort depending on the complexity of the capacity request. 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 SCA for connection to the sewer system.

Specifically, PCRWRD staff indicated that a simple SCA requires 0.25 hours for an Administrative Support Specialist for Administrative Review and 2 hours for a Civil Engineering Assistant for evaluation and review. A moderately complex SCA requires 0.25 hours for an Administrative Support Specialist for Administrative Review and 3 hours for a Civil Engineering Assistant for evaluation and review. A complex SCA requires 0.25 hours for an Administrative Support Specialist for Administrative Review; 6 hours for a Civil Engineering Assistant for evaluation and review; 1.5 hours for a Civil Engineer to review the application; 4 hours for a Wastewater Conveyance System Monitor for a site visit; 4 hours for a Wastewater Conveyance System Monitor Senior for a site visit; 4.5 hours for a Wastewater Conveyance System Monitor for meter installation; 4.5 hours for a Wastewater Conveyance System Monitor Senior for meter installation; 4.5 hours for a Wastewater Conveyance System Monitor for data downloading; 4.5 hours for a Wastewater Conveyance System Monitor Senior for data downloading; 4.5 hours for a Wastewater Conveyance System Monitor for un-installation of the meter; 4.5 hours for a Wastewater Conveyance System Monitor Senior for un-installation of the meter; 2 hours for a Civil Engineer for data quality control; and 6 hours for a Civil Engineer for modeling. The cost for 4 hours of usage of a ½ ton crew cab truck is also included.

> *PCRWRD is responsible for reviewing and approving/ denying capacity availability for new connections or existing connections requiring additional Sewerage Capacity Allocation (SCA).*

Exhibits 25 through 27 present the calculated cost of service for a simple, moderately complex, and complex SCA, respectively.

Exhibit 25:

Cost of Service – Sewerage Capacity Allocation (Simple)

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Capacity Allocation	Determining whether the sewer system has sufficient capacity for a new connection or existing connection requesting additional capacity.
Simple Project Classification	

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Intake and Administration	ADMIN SUP SPEC	1	$34.7250	0.25	$8.68
Evaluation and Review	CIVIL ENG ASST	1	$57.1624	2	$114.32

Fee Calculation (2)	Sewerage Capacity Allocation	$124.00

(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 26:

Cost of Service – Sewerage Capacity Allocation (Moderately Complex)

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Capacity Allocation	Determining whether the sewer system has sufficient capacity for a new connection or existing connection requesting additional capacity.
Moderately Complex Project Classification	

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Intake and administration	ADMIN SUP SPEC	1	$34.7250	0.25	$8.68
Evaluation and Review	CIVIL ENG ASST	1	$57.1624	3	$171.49

Fee Calculation (2)	Sewerage Capacity Allocation	$181.00

(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 27:

Cost of Service - Connection to Existing (Complex)

Pima County Regional Wastewater Reclamation Department
Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Sewerage Capacity Allocation	Determining whether the sewer system has sufficient capacity for a new connection or existing connection requesting additional capacity.
Complex Project Classification	

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
Intake and Administration	ADMIN SUP SPEC	1	$34.7250	0.25	$8.68
Evaluation and Review	CIVIL ENG ASST	1	$57.1624	6	$342.97
Review of Application	CIVIL ENGINEER	1	$76.9205	1.5	$115.38
Site Visit	WW CONVEYANCE SYS MONITOR	1	$43.7072	4	$174.83
Site Visit	WW CONV.SYST.MONIT OR-SR	1	$45.9663	4	$183.87
Installation of Meter	WW CONVEYANCE SYS MONITOR	1	$43.7072	4.5	$196.68
Installation of Meter	WW CONV.SYST.MONIT OR-SR	1	$45.9663	4.5	$206.85
Data Downloading	WW CONVEYANCE SYS MONITOR	1	$43.7072	4.5	$196.68
Data Downloading	WW CONV.SYST.MONIT OR-SR	1	$45.9663	4.5	$206.85
Uninstallation of Meter	WW CONVEYANCE SYS MONITOR	1	$43.7072	4.5	$196.68
Uninstallation of Meter	WW CONV.SYST.MONIT OR-SR	1	$45.9663	4.5	$206.85
Data QC	CIVIL ENGINEER	1	$76.9205	2	$153.84
Modeling	CIVIL ENGINEER	1	$76.9205	6	$461.52

Exhibit 27 (continued):

Cost of Service - Connection to Existing (Complex)

Vehicles

Task Description	Type of Vehicle	Number of Each	Avg Hourly Rate (2)	Number of Hours	Subtotal By Title
F150 4X4	B22G2AZ4 - Truck, 1/2 T, Crew Cab, 4x4	1	$7.6350	4	$30.5400
Fee Calculation (2)		Sewerage Capacity Allocation			$2,683.00

(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 28:

Weighted Average Cost Recovery – Sewerage Capacity Allocation

	Capacity Allocation		
	Cost of Service	Frequency	Fee Calculation
Simple	$ 124.00	60%	$ 74.40
Moderately Complex	$ 181.00	30%	$ 54.30
Complex	$ 2,683.00	10%	$ 268.30
Total (1)		**100%**	**$ 397.00**

(1) Rounded up to the nearest dollar.

Inasmuch as it is not possible to initially assess the level of complexity required to review elements of a capacity allocation review, but yet still 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 staff provided additional input identifying the frequency of a simple (60%), moderately complex (30%), and complex (10%) capacity allocation reviews in a typical year.

Exhibit 28 presents the calculated weighted average cost of service for a SCA.

Exhibit 29:

External Analysis - Sewerage Capacity Allocation

	Charge for Service?		Methodology (if Yes)
	Yes	No	
PCRWRD		X	
EPWU		X	
Henderson		X	
Peoria		X	
Phoenix		X	Charge for this service captured under other fee assessment
San Diego (City of)		X	Charge for this service captured under other fee assessment
Tempe		X	Charge for this service captured under other fee assessment
Tucson Water		x	

3.6.5 - EXTERNAL ANALYSIS

Exhibit 29 presents the results of the external analysis regarding a SCA. The surveyed utilities do not designate a charge specifically for this customer service, but some charge for this service under the fee structure for a more general plan review, such as SIP or PSL Acceptances. Therefore, there are no trend results for PCRWRD to take into consideration when contemplating implementation of a SCA fee unless PCRWRD would like to consider including a surcharge or increasing another review fee to account for this service.

3.6.6 - RECOMMENDATION

Because of the variable complexity of this new fee process, and the low development activity over the past few years, more data on staff level of effort is needed to better establish the customer service cost. Implementing an initial "base" fee at this time allows for both the start of cost recovery for staff labor and the time to accumulate more comprehensive data on the costs to provide this service. This fee will be reviewed again in a few years when more data and better tracking tools will be available through the implementation of the County's Land and Permit Management system. In addition, implementing the new software process and tracking system is anticipated to generate efficiencies in the staff level of effort.

It was determined that PCRWRD should charge a fee to recover the cost of providing this service. The recommended "base" fee for this process is lower than the full cost recovery fee derived for this evaluation. The "base" fee was determined by assuming that 90% of the approvals are either simple or moderately complex in nature. Of this amount, most reviews for residential developments and commercial customers are blended between simple and moderately complex. Although a small number of allocations, which are typically for larger commercial and/or industrial customers, can require considerable time and effort from PCRWRD staff, the infrequency of these occurrences, and the level of costs associated with them, suggested not including complex cases in the weighted average calculation. Thus, it is reasonable to establish a flat fee of $130 for residential developments and commercial connections based on the weighted average of simple and moderately complex allocations. Based on preliminary discussions, it may be appropriate to assess the flat fee for residential developments as part of the PSL Administrative Review charge and commercial connections as part of the Connection to Existing Approval charge.

Exhibit 30 presents the recommended fee structure for a SCA.

3.7 – VARIANCE APPROVAL

3.7.1 - FEE DEFINITION

Fee to recover PCRWRD's cost for review, setup, and tracking of a request for Variance when sewer system

Exhibit 30:

Recommendation – Sewerage Capacity Allocation

	Capacity Allocation		
	Cost of Service	Frequency	Fee Calculation
Residential Developments and Commercial Connections (2)			
Simple	$ 124.00	60%	$ 74.40
Moderately Complex	$ 181.00	30%	$ 54.30
Total (1)		**90%**	**$ 128.70**
Recommended Fee			**$ 130.00**

(1) Rounded up to the nearest dollar.

connection standards cannot be met.

3.7.2 - ORDINANCE

13.16.030

3.7.3 - EXISTING FEE STRUCTURE

No existing fee.

3.7.4 - INTERNAL ANALYSIS

Section 13.16.030 of the Ordinance provides a mechanism for PCRWRD to charge a fee for costs associated with determining whether to allow a request for Variance from Engineering Standards. There were 10 requests for Variance in FY 2011/2012, 8 requests for Variance in FY 2012/2013, and 10 requests for Variance in FY 2013/2014. Although relatively infrequent, a request for a Variance can require a significant amount of review and examination.

In order to assess the typical magnitude of effort, PCRWRD staff provided several representative samples of recent requests for Variance including the amount of time incurred by staffing level. The average amount of time spent in these examples included 0.5 hours for an Administrative Support Specialist Senior for intake and administration, 15 hours for a Civil Engineer for review, and 1 hour for a Sanitary Engineering Manager for oversight.

Exhibit 31 presents the calculated cost of service for a Variance request.

3.7.5 - EXTERNAL ANALYSIS

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

3.7.6 - RECOMMENDATION

The internal analysis suggests a considerable level of effort required to review requests for Variance Approval. However, it was determined that PCRWRD should delay recovering the cost of services for this newly proposed fee to allow for further evaluation before implementation.

Because of the variable complexity of this fee process, and the low development activity over the past few years, more data on staff level of effort is needed to better establish the customer service cost. There are several similar processes within Pima County and other local jurisdictions that can be used for process comparison, such as the Pima County Development Services Requests for Interpretations by the Planning Director, Pima County Department of Transportation Modification of Subdivision Street Standards, and the City of Tucson's Development Review Variance Fees. All of these local variance fees have a wide difference in costs and procedures.

Exhibit 32 presents the recommended fee structure for a Variance request.

Exhibit 31:

Cost of Service - Variance

Pima County Regional Wastewater Reclamation Department

Customer Service Fee Template

Customer Service Fee

Fee Name	Fee Description
Variance Approval	Internal cost recovery for setup and tracking of Variance.

Estimated Labor

Task Description	Position Title	Number of Each	Avg Hourly Rate (1)	Number of Hours	Subtotal By Title
N/A	CIVIL ENGINEER	1	$76.9205	15	$1,153.8076
N/A	SANITARY ENG.MGR	1	$96.9451	1	$96.9451
N/A	ADMIN.SUPP.SPEC.-SR.	1	$38.2115	0.5	$19.1058

Fee Calculation (2)	Variance Approval	$1,270.00

(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 32:

Recommendation – Variance

	Variance
Calculated Fee	$ 1,270.00
Recommended Fee	$ 450.00