



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: September 11, 2006

**RE: Amendment of Rules & Regulations – Service Installation Fee
Agenda Item for 9/26/06 Board of Directors Meeting**

Presently, the Agency's Rules & Regulations specify a "Standard Meter-Set Fee" of \$85 and a "Radio-read Meter-Set Fee" of \$240. These apply whenever installation of a service is requested where an existing service line and cradle are ready to receive a meter, as in a new subdivision.

Staff is requesting that a single "Service Installation Fee" be established that covers all costs typically involved with a 5/8" residential meter/backflow installation. This will save a significant amount of accounting effort presently being expended on job costing the backflow portion of these types of installations.

All new installations incorporate a radio-read meter and a backflow prevention device. Radio-read meter sets currently cost \$289, and the average cost to install a backflow device is \$615, including administrative costs associated with tracking and processing applications.

If approved, this single installation fee should also have the annual construction-cost index attached to ensure that the fee continues to reflect actual costs.

Therefore, staff is recommending that the Rules and Regulations be amended as follows:

"I move that Part D of the Rules and Regulations be amended to replace the Standard Meter-Set Fee and the Radio-read Meter-Set Fee with a Service Installation Fee of \$904 that will be charged whenever water service is requested for a parcel with an existing service line and meter set; that said fee will be payment in full for installation of a 5/8" residential radio-read meter and 3/4" backflow prevention device; and, that said fee be increased annually, commencing on January 1, 2008, in accordance with the Engineering News Record's National Construction Cost Index, subject to suspension on a year-by-year basis by the Board of Directors."