

CITY COUNCIL MEMORANDUM

AGENDA ITEM

ORDINANCE AMENDING CHAPTER 30 PROVIDING FOR REVISIONS TO WATER METER AND TAP FEES

ORIGINATING DEPARTMENT

Public Works - Water and Sewer

BACKGROUND INFORMATION

Currently, a water service tap crew installs all the City's water services and meters at a cost to the builder of \$350 per service. Under this current policy, the City is losing \$184,000 per year. No neighboring or benchmark cities install their own water services. In these cities, the developers install the water services while the water line is being installed, and city employees install the water meters when the builder has paid the water meter fee. If a builder requests a water service and meter on a lot in an established neighborhood, the price in Killeen is also \$350 while in other cities the price ranges from \$600 to \$2400.

DISCUSSION/CONCLUSION

After extensive analysis of the City's current water service policy, staff has concluded that the following revisions to this policy are necessary:

1. Developer installs all new water services per City standards.
2. City Public Works inspectors monitor installations.
3. City water crew installs water meter and meter box.
4. Builder pays a \$200 meter connect fee for each service.
5. In established subdivisions, City water crew installs water service and meter after the builder has paid an \$800 fee for a long service or a \$500 fee for a short service 3/4" meter and increased fees for larger meters

The water service policy revisions will mean the following intangible benefits:

1. City water crew will be freed up to achieve TCEQ-mandated monthly flushing of all dead-end mains (TAC 30 Chapter 290.46(I)).
2. City water crew will be freed up to achieve AWWA recommendations for annual fire hydrant maintenance and flow testing (AWWA C502 & M17).
3. Annual fire hydrant inspection and flow testing will support continued high ISO ratings.
4. If developers install water services prior to laying of curb and asphalt, we are less likely to have failures behind the curb.
5. Developers will be responsible when contractors damage services.
6. The City's water service policy will mirror neighboring and benchmark cities.

FISCAL IMPACT

Water meter fees will be revised to reflect the charges in the attached ordinance amendment. These revisions will result in an approximate annual revenue reduction of \$150,000 but will also reduce annual expenses by \$206,000; therefore, the Water and Sewer budget will benefit by a net of \$56,000 per year and the current water service crew will now concentrate their efforts on the maintenance of the existing water infrastructure.

RECOMMENDATION

Staff recommends that City Council approve the amendment of Chapter 30 of the Code of Ordinances providing for revisions to water meter and tap fees, effective three months after its passage and publication according to law.