

**Killeen's Residential Water Service Policy (2015 Data)**

<b>Water Service Cost Structure</b>	<b>Belton</b>	<b>Copperas Cove</b>	<b>Harker Heights</b>	<b>Temple</b>	<b>Killeen (present)</b>	<b>Killeen (recommended)</b>
Installer of Water Service	Developer	Developer	Developer	Developer	City Crew	Developer
City's Charge for Installing Water Service	\$0.00	\$0.00	\$0.00	\$0.00	\$350.00	\$0.00
Installer of Water Meter	City Crew	City Crew	City Crew	City Crew	City Crew	City Crew
City's Charge for Installing Water Meter	\$400.00	\$250.00	\$275.00	\$195.00	\$0.00	\$200.00

<b>Cost Analysis Using Present Policy</b>	<b>Unit</b>	<b>Taps/year</b>	<b>Total</b>
Present Material Cost	\$235.00	1000	(\$235,000.00)
Present Labor & Equipment Cost	\$272.00	1000	(\$272,000.00)
Present Administration Cost	\$27.00	1000	(\$27,000.00)
Present Revenue from Tap Fee	\$350.00	1000	\$350,000.00
<b>Revenue from Present Policy</b>			<b>(\$184,000.00)</b>

<b>Cost Analysis Using Recommended Policy</b>	<b>Unit</b>	<b>Taps/year</b>	<b>Total</b>
Recommended Material Cost	\$99.00	1000	(\$99,000.00)
Recommended Labor & Equipment Cost	\$52.00	1000	(\$52,000.00)
Recommended Administration Cost	\$27.00	1000	(\$27,000.00)
Recommended Revenue from Meter Fee	\$200.00	1000	\$200,000.00
<b>Revenue from Recommended Policy</b>			<b>\$ 22,000.00</b>

**Difference Between Present Policy and Recommended Policy** **\$206,000.00**

**Budget Impact using Recommended Policy and Moving Tapping Crew to Fire Hydrant Maintenance and Flushing:**

Revenue Reduction	\$350,000 - \$200,000 =	(\$150,000.00)
Material Cost Reduction	\$235,000 - \$99,000 =	\$136,000.00
Labor & Equipment Cost Reduction	\$272,000 - \$150,000 - \$52,000 =	\$70,000.00
<b>Net Reduction to Budget</b>	<b>\$136,000 + \$70,000 - \$150,000 =</b>	<b>\$56,000.00</b>

Note: \$150,000 labor & equipment cost is for tapping crew who will now be doing fire hydrant maintenance and flushing

**Recommended Policy for New Subdivisions:**

1. Developer installs all new water services per City standards
2. City Public Works inspectors monitor installations
3. City crew installs water meters and meter boxes
4. Builder pays a \$200.00 meter connect fee for each service

**Recommended Policy for Established Subdivisions:**

1. City crew installs water service and meter
2. Owner pays a \$800.00 fee for a long service or a \$500.00 fee for a short service (3/4" meter)

**Intangible Benefits from Recommended Policy:**

1. Tap crew will be freed up to achieve TCEQ mandated monthly flushing of all dead-end mains (TAC 30 Chapter 290.46(l))
2. Tap crew will be freed up to achieve AWWA recommendations for annual fire hydrant maintenance and flow testing (AWWA C502 & M17)
3. High ISO ratings can continue through annual fire hydrant inspection and flow testing
2. If developers install water services prior to laying of curb and asphalt, less likely to have failures behind the curb
3. The cost for the developer to install water services is less than if the City installs them; therefore, cheaper for the home buyer
4. Developers will be responsible when contractors damage services
5. Killeen's water tap policy will mirror neighboring and benchmark cities