Proposed Meter Retrofit of Existing Connections for
Adaptive Business Use of Commercial Properties

Water Resources Department – Policy Change
Pilot Program – Twelve Month Period
January 25, 2011

This pilot program will consider existing commercial properties that have an active water system connection. The pilot policy change under consideration addresses an existing meter that is excessively large for the water needs of the adaptive business. An example would be a business that currently has a 3" meter and the associated monthly Capital Improvement Fee (CIP) but would like to downsize to a smaller meter with a smaller monthly CIP fee.

WHAT: For meter reductions performed by the City, a payment plan will be offered to spread out the payments for up to 12 months (6 billing cycles) to lessen the immediate impact of the retrofit. The amount due is still paid to the Water Resources enterprise, but there is no interest charged for the payment plan. As soon as the meter change out occurs the cost of the meter size reduction is added to the account and the water account is charged the smaller CIP fee.

1) The request for a meter size reduction must come from the owner of the property.
2) Meter size reductions can be performed by the City Water Resources Water Maintenance division or by a private contractor.
3) Because this involves existing commercial connections and an active account, there will be no development fees, water availability fees, connection (service) charge, or technology fee regardless of who performs the work.
4) If the service connection is active but there is not an active account, an account must be established including the service charge and credit approval or refundable deposit.
5) For existing meters that are 2 inches or larger the City's charge for the cost of a meter reduction is based on a cost estimate of the job to include charges for materials, labor, and equipment.
6) For meters that are less than 2 inches there is a $300.00 meter size reduction fee.
7) The advantage of a payment plan is that the savings realized by a smaller CIP fee can help offset the cost of the meter size reduction. Again, there is no interest charge for the payment plan.
8) The payment plan would allow payback over two billing cycles for $300.00 and up to 6 billing cycles (12 months) for higher meter reduction costs. A minimum of $100.00 per month ($200.00 per billing cycle) would be required by the payment plan.

PROS:

Other rate payers will not subsidize the meter reduction cost
The water enterprise fund will recover the actual costs of a meter size reduction.

Capital Improvement Fee Based on Meter Size

Meter (in.)	Monthly Fee
5/8	$3.82
3/4	$4.37
1	$52.42
1 1/2	$87.36
2	$152.88
3	$480.48
4	$840.84
6	$1,081.08
8	$1,321.32
10	$1,561.56