

# BUILDING A WORLD OF DIFFERENCE

18 November 2014

## SAN ANTONIO WATER SYSTEM (SAWS)

RATE ADVISORY COMMITTEE: MEETING 9

**Richard Campbell**

**Tony Catania**

# SELECTED SPECIAL SERVICE FEES ANALYSIS

## OVERVIEW

## RESULTS

- **FATS, OILS, AND GREASE (FOG)**
- **INDUSTRIAL WASTE PERMIT**
- **INDUSTRIAL DISCHARGE SAMPLING**
- **LIQUID WASTE HAULER**
- **FIRE HYDRANT METER**

# PURPOSE

**“In the utility industry, it is customary to assess a range of fees for special services that are associated for the benefit of a particular customer. These fees are designed to recover costs associated with providing special services and help decrease pressure on system-wide rates, which otherwise subsidize special services provided to limited groups of customers.”**

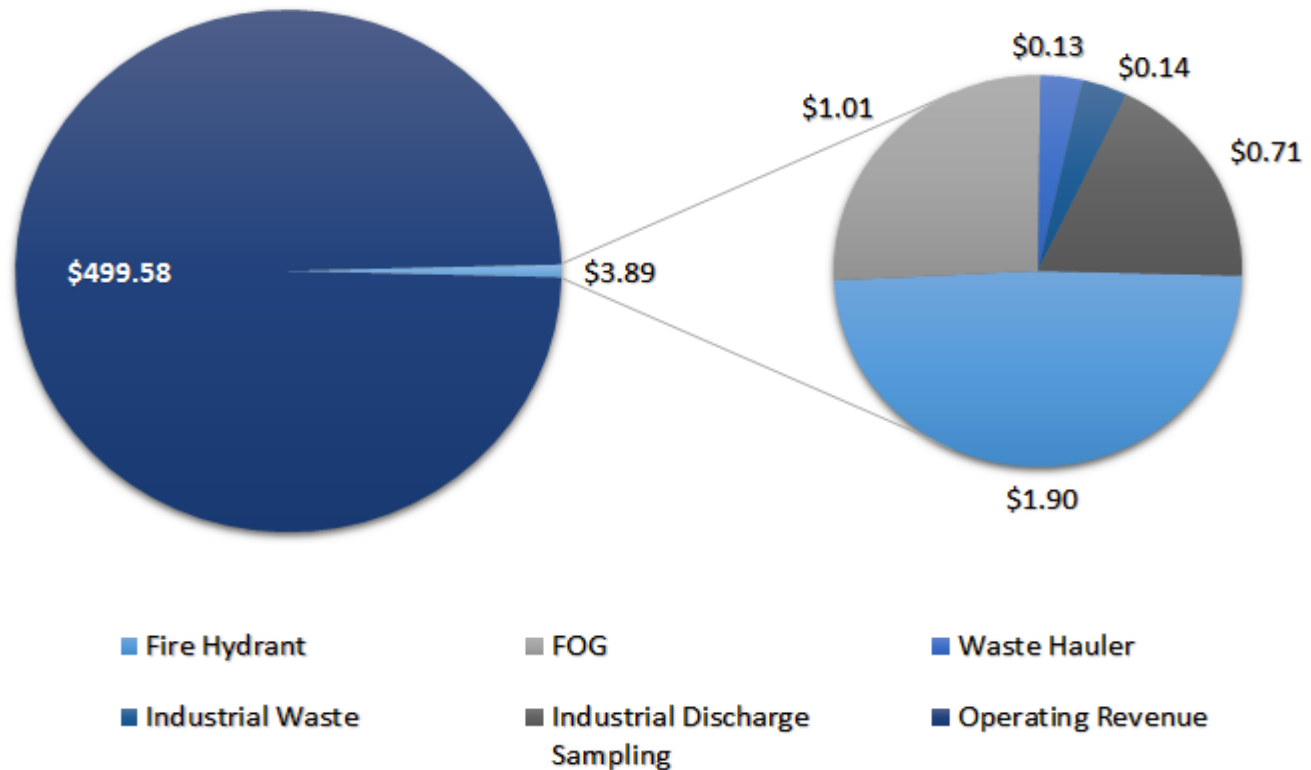
*-SAWS Special Service Fees Web Page*

**The purpose of the presentation is to get your feedback on the design of the special service fees.**

**Recommended fees resulting from the analysis will be provided at a future meeting.**

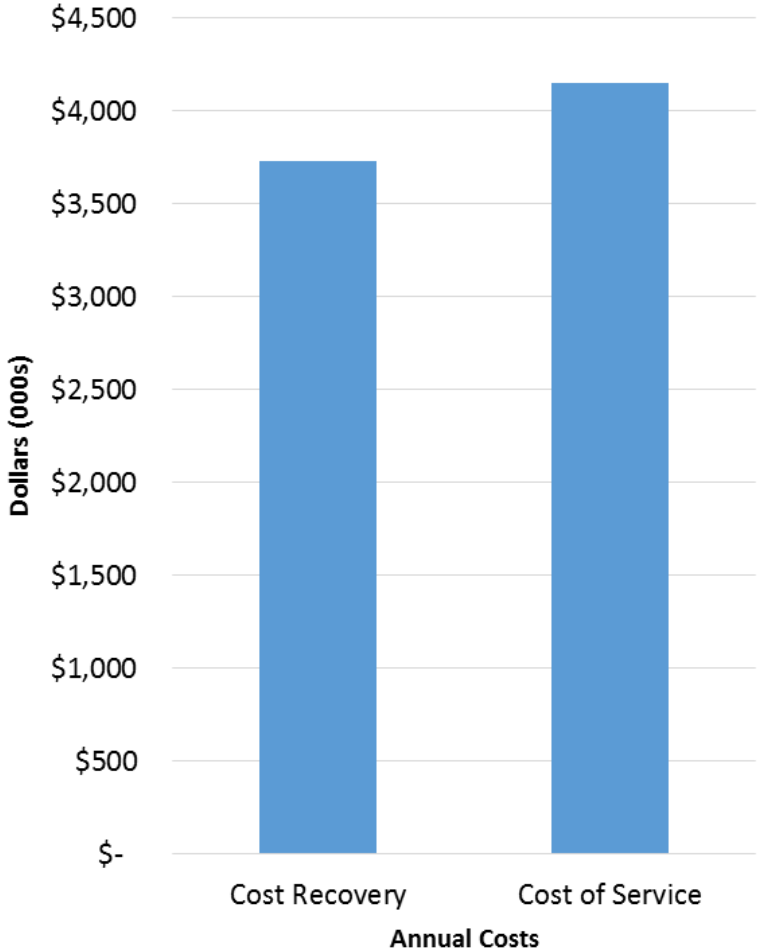
# COST RECOVERY FOR SELECTED SPECIAL SERVICES ACCOUNT < 1% OF SAWS OPERATING REVENUE

Total Operating Revenue and Selected Special Services Breakdown (in millions)

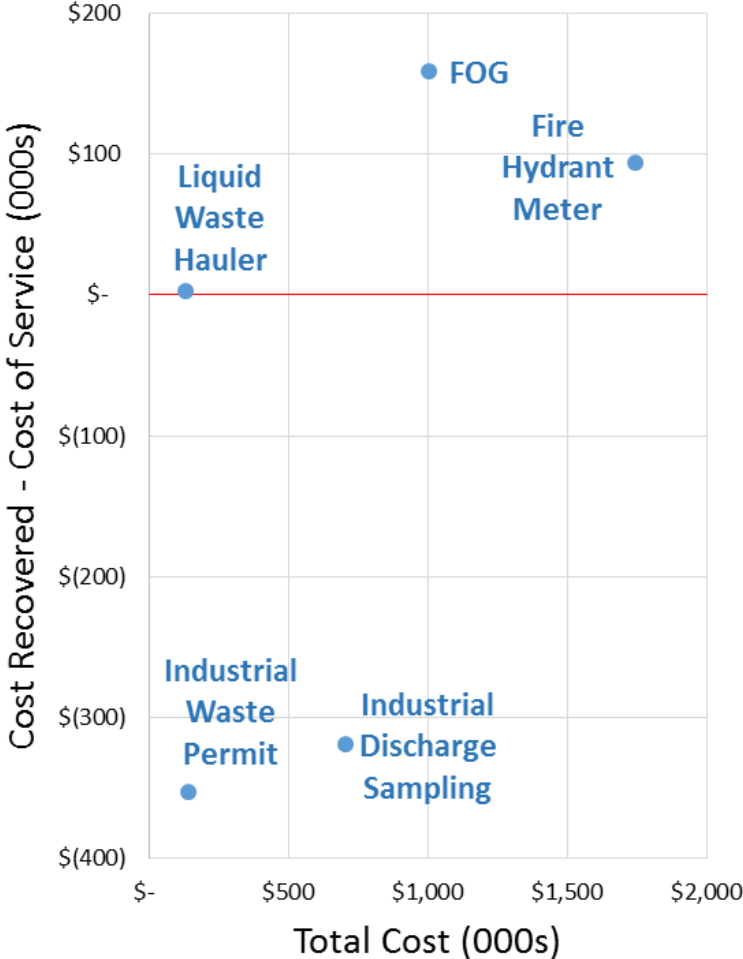


# CURRENT FEES < OVERALL COST OF SERVICE

2014 Selected Services Cost Recovery

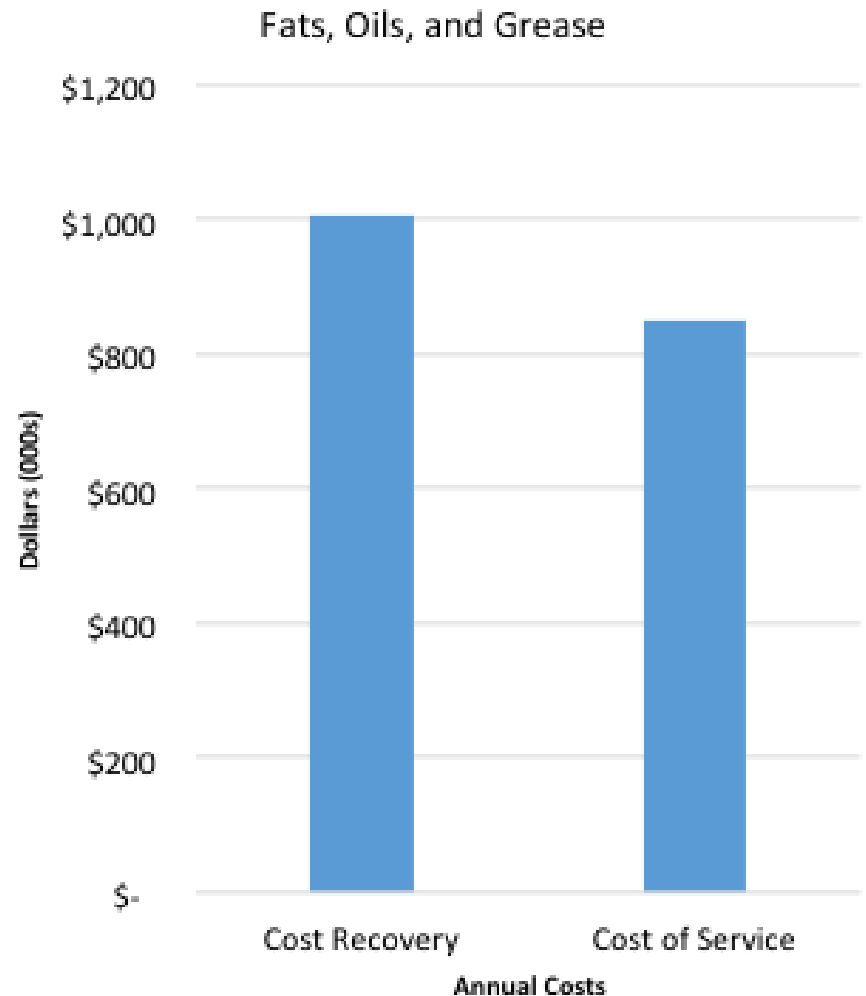


Overview of Special Service Fees



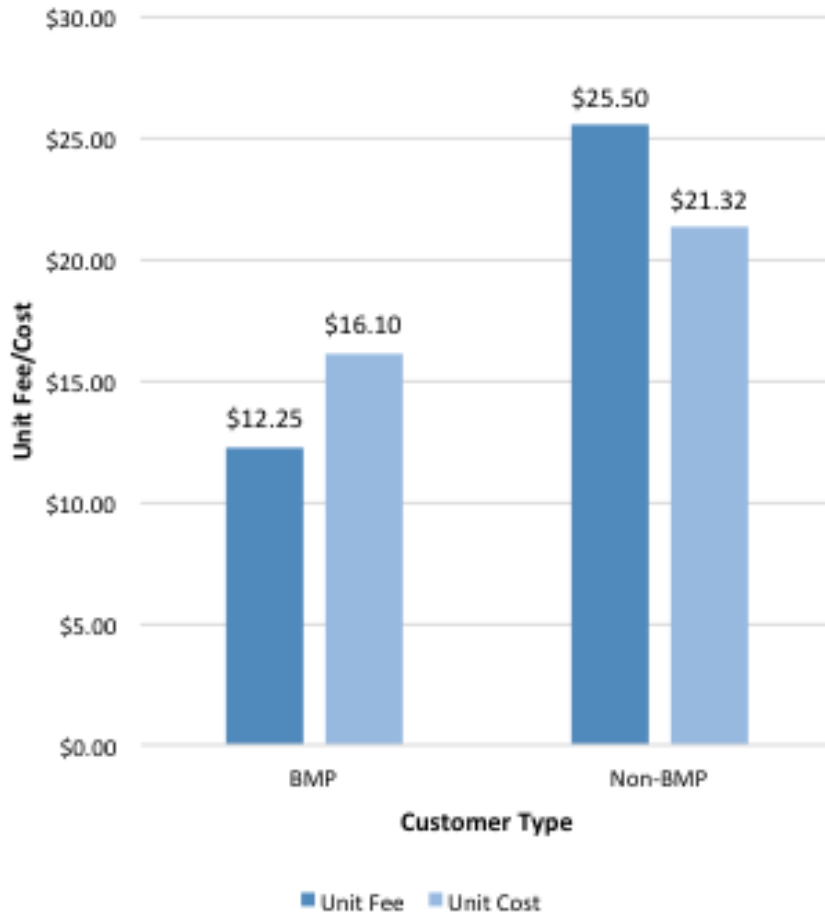
# FATS, OILS, AND GREASE FEE OVERVIEW

- **PURPOSE:** To recover the inspection costs of the FOG program
- **TARGETED CUSTOMERS:** Food service and processing establishments
- **CURRENT FEE (monthly):**
  - Best Management Practice (BMP) Customers: \$12.25
  - Non-BMP Customers: \$25.50



# FATS, OILS, AND GREASE FEE COST RECOVERY > COST OF SERVICE

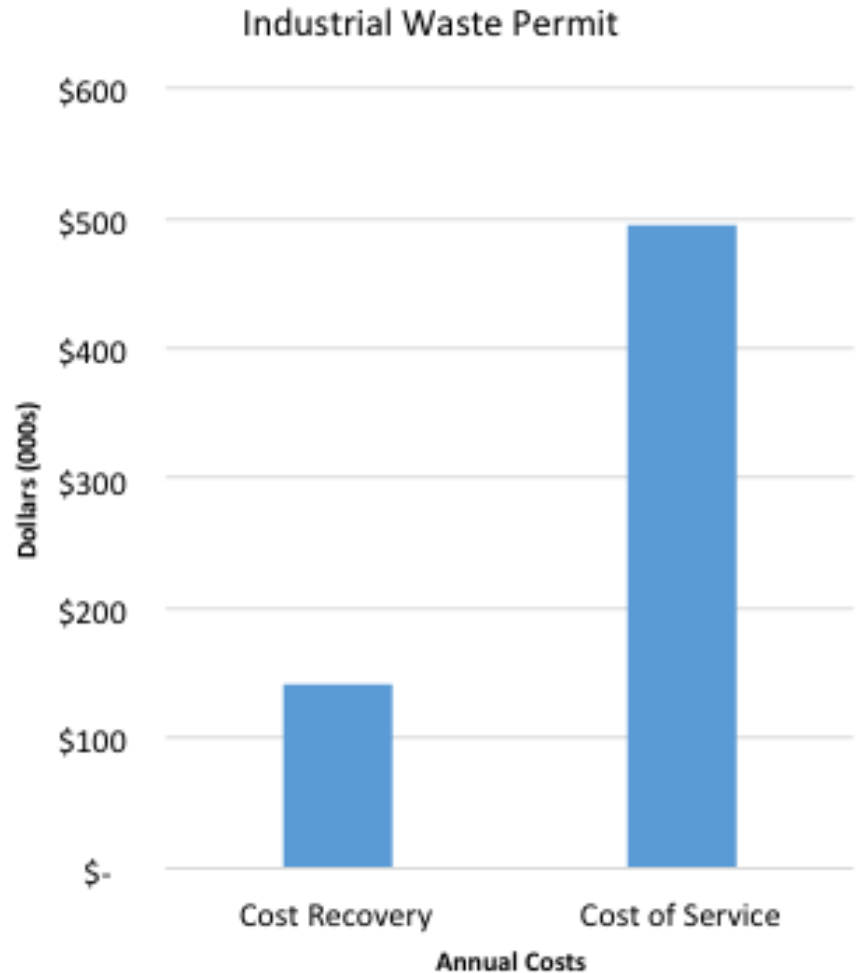
FOG Program Unit Fees and Costs



- **BMP Inspection Costs:**  
Based on 1 full and 1 short inspection per year
- **Non-BMP Inspection Costs:**  
Based on 2 full inspections per year
- **Costs of Service Decreasing:**  
Because of program efficiencies leading to lower costs of full inspections

# INDUSTRIAL WASTE PERMIT FEE OVERVIEW

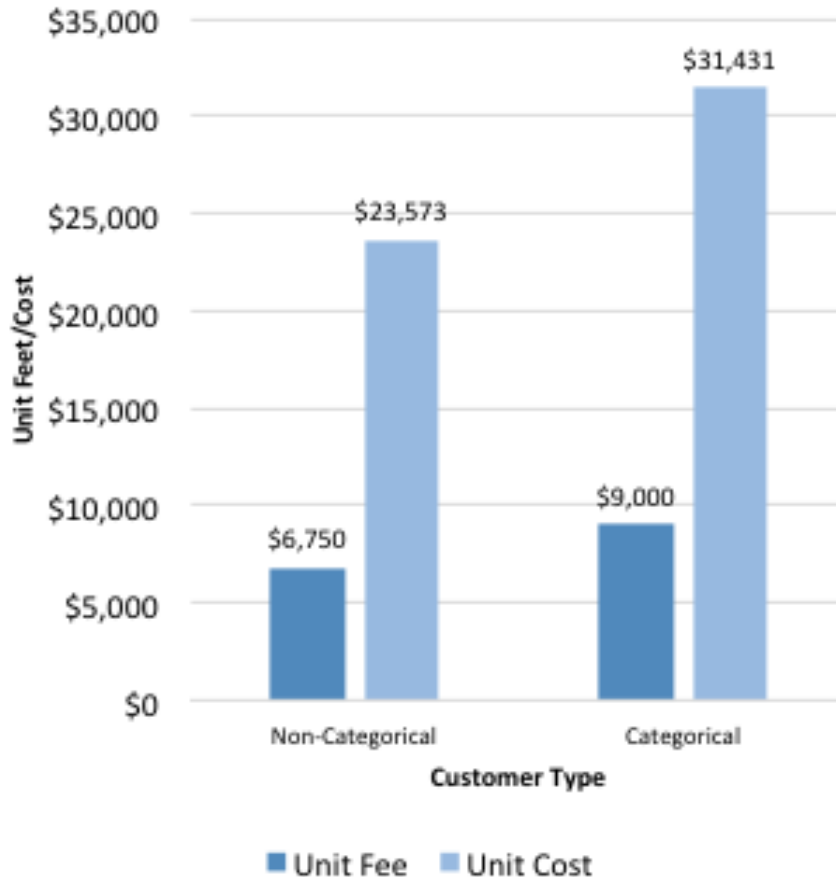
- **PURPOSE:** To recover the costs for the administration of the industrial waste permitting program
- **TARGETED CUSTOMERS:** All industrial waste customers
- **CURRENT FEE (5-year):**
  - **Categorical Customers:** \$9,000
  - **Non-Categorical Customers:** \$6,750
  - **50% fee increase in FY 2012**





# INDUSTRIAL WASTE PERMIT COST RECOVERY < COST OF SERVICE

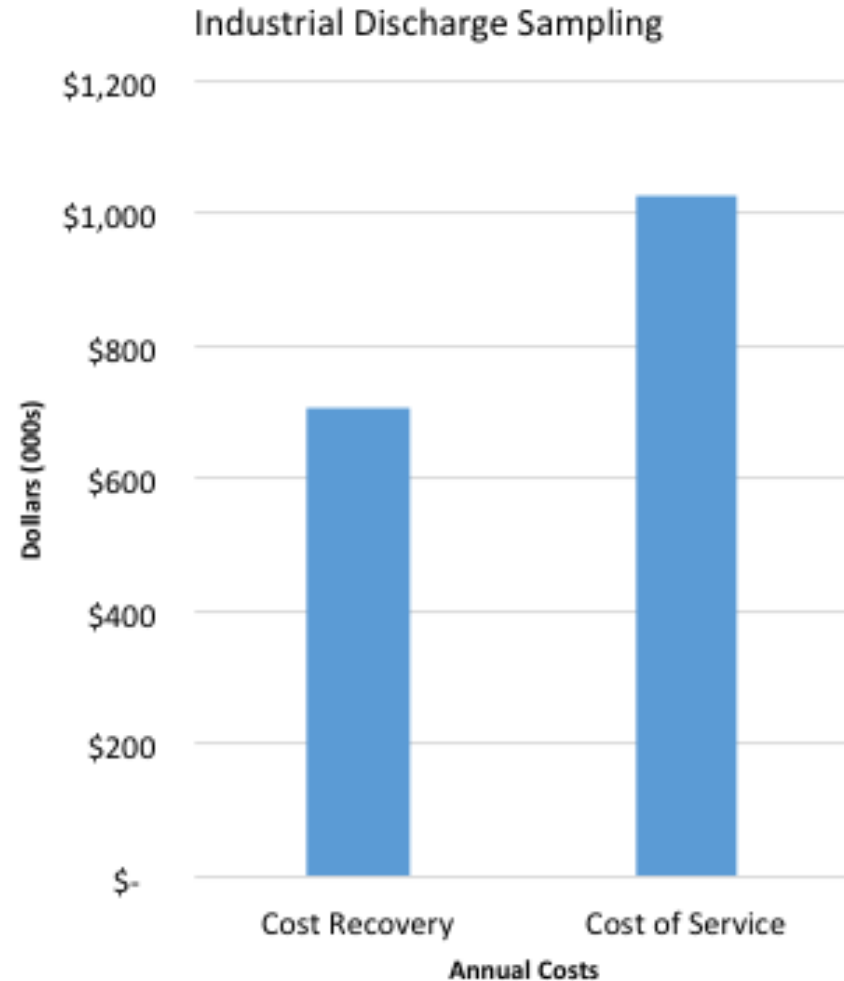
Categorical and Non-Categorical Unit Fee/  
Cost



- Categorical customers are subject to Categorical Pretreatment Standards as defined by the EPA
- Categorical customer inspections are more extensive
- Regulatory requirements drive these costs
- Fee based on the recovery of inspection costs

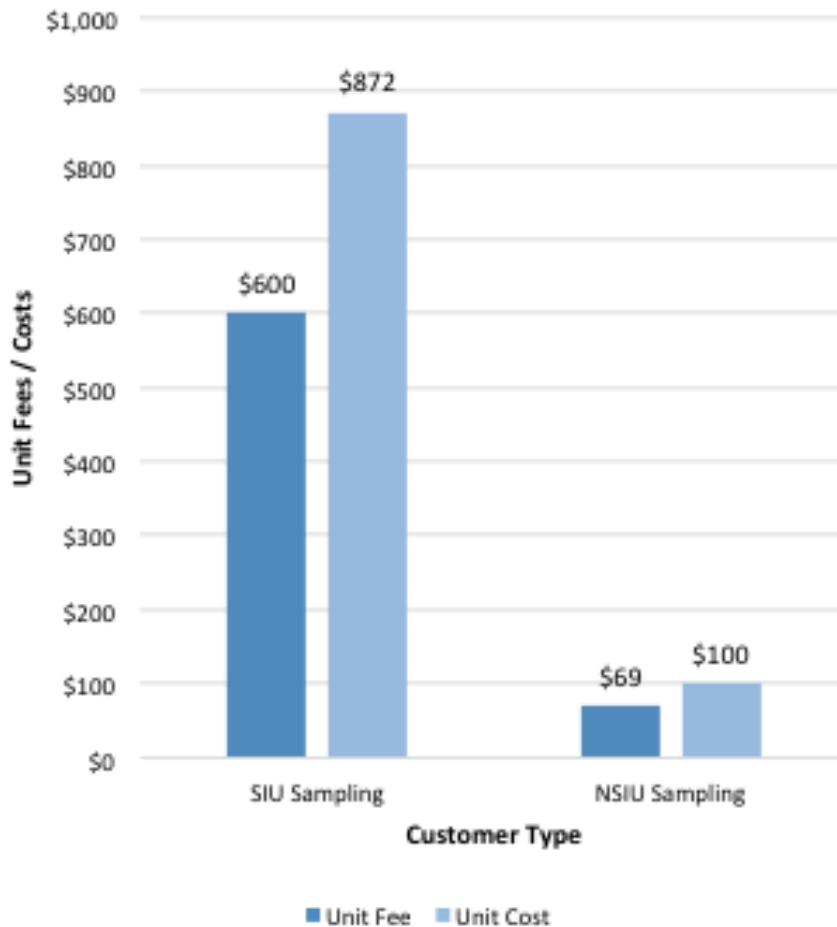
# INDUSTRIAL DISCHARGE SAMPLING FEE OVERVIEW

- **PURPOSE:** To recover the costs for the sampling of industrial user discharges
- **TARGETED CUSTOMERS:** All industrial waste customers
- **CURRENT FEE:**
  - Significant Industrial User (SIU) Customers: \$600 per sample (4 samples/year)
  - Non-SIU (NSIU) Customers: \$5.76 per month
  - 50% increase in FY 2012



# INDUSTRIAL DISCHARGE SAMPLING COST RECOVERY < COST OF SERVICE

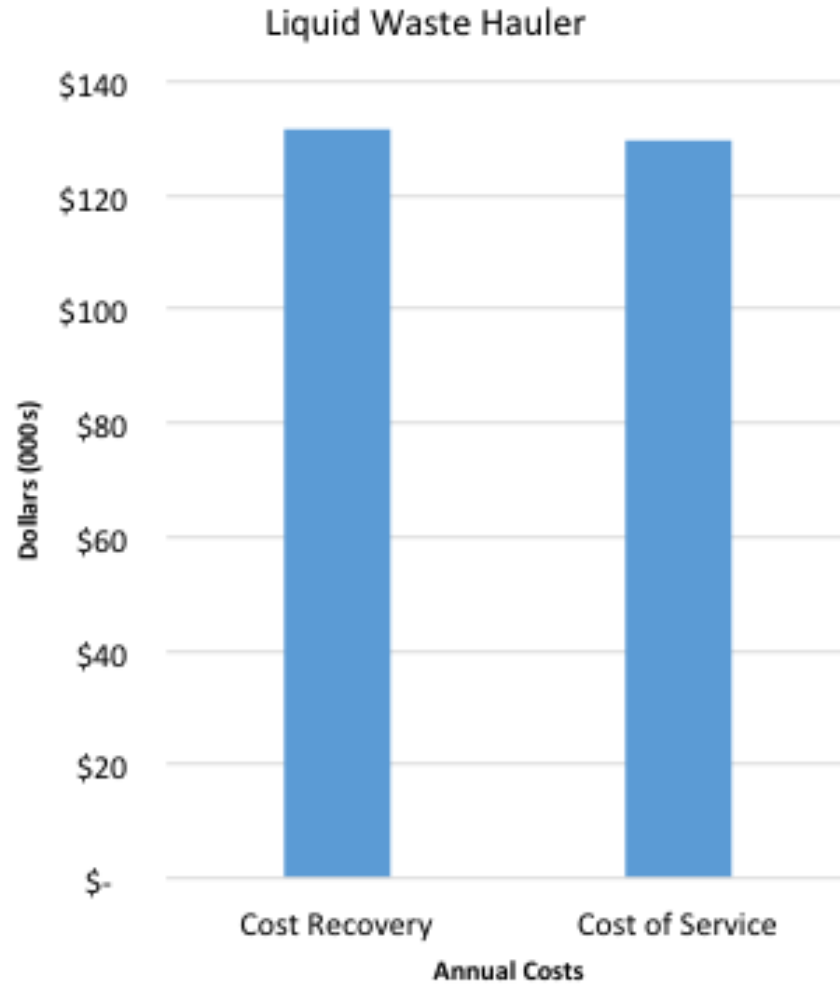
SIU and NSIU Sampling Unit Fee/Cost



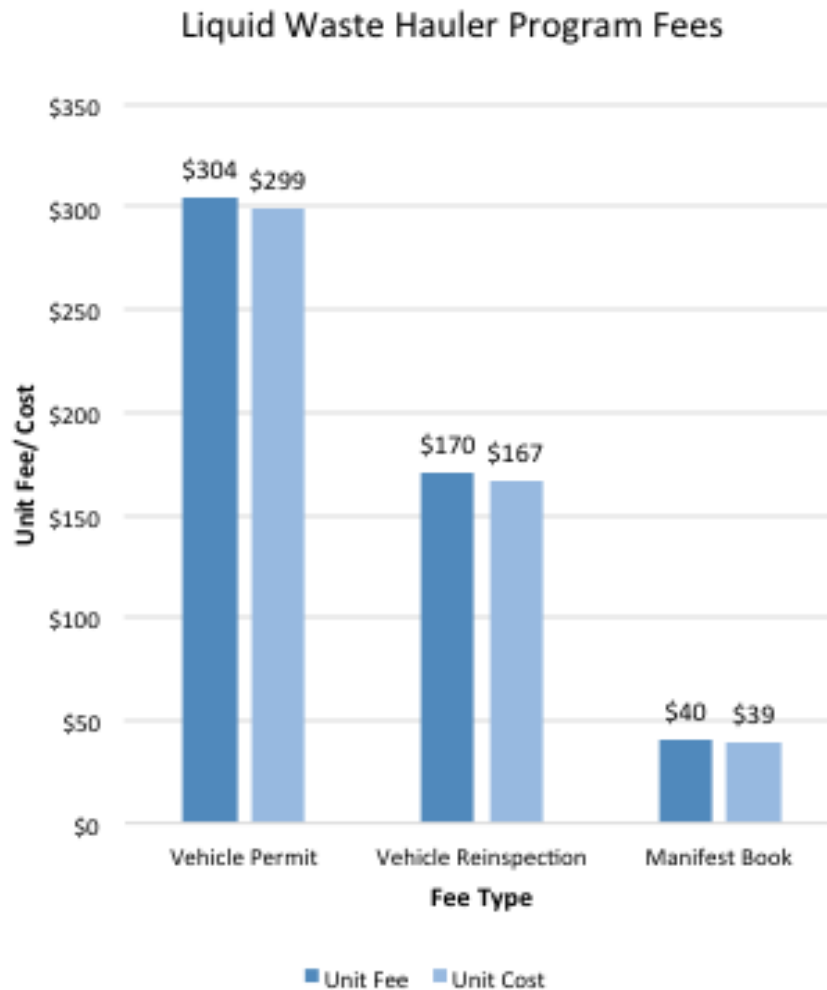
- SIU customers are subject to EPA pretreatment standards and/or discharge a significant amount or industrial wastewater
- SIU customer testing requirements are more extensive
- Regulatory requirements drive these costs
- Fee based on the recovery of sampling costs

# LIQUID WASTE HAULER FEES OVERVIEW

- **PURPOSE:** To recover the cost of the administration of the liquid waste transportation program
- **TARGETED CUSTOMERS:** All liquid waste transporters
- **CURRENT FEES:**
  - Annual Permit: \$304
  - Vehicle Reinspection: \$170
  - Manifest Book: \$40



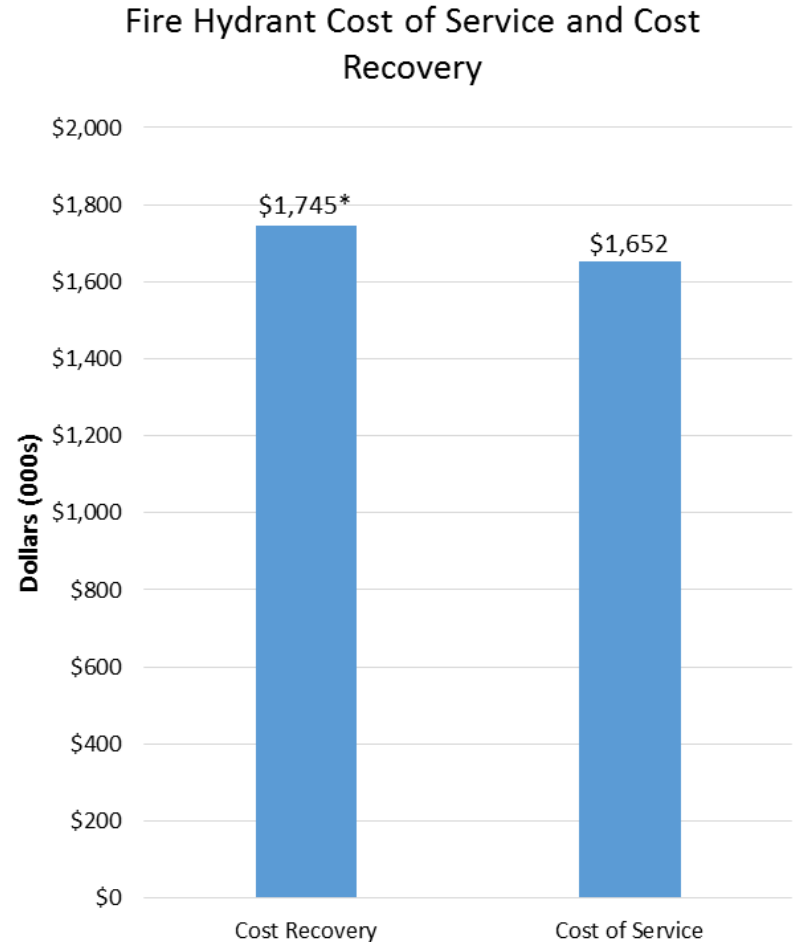
# LIQUID WASTE HAULER COST RECOVERY $\geq$ COST OF SERVICE



- Comprised of the labor and equipment required for inspections
- Basis of the fees are the frequency of activities (number of inspections and manifest books required)
- Unit cost recovery is stable due to program efficiency
- Disposal fee will be addressed as part of the wastewater study (current \$5.74/100 gallons)

# FIRE HYDRANT METER FEES OVERVIEW

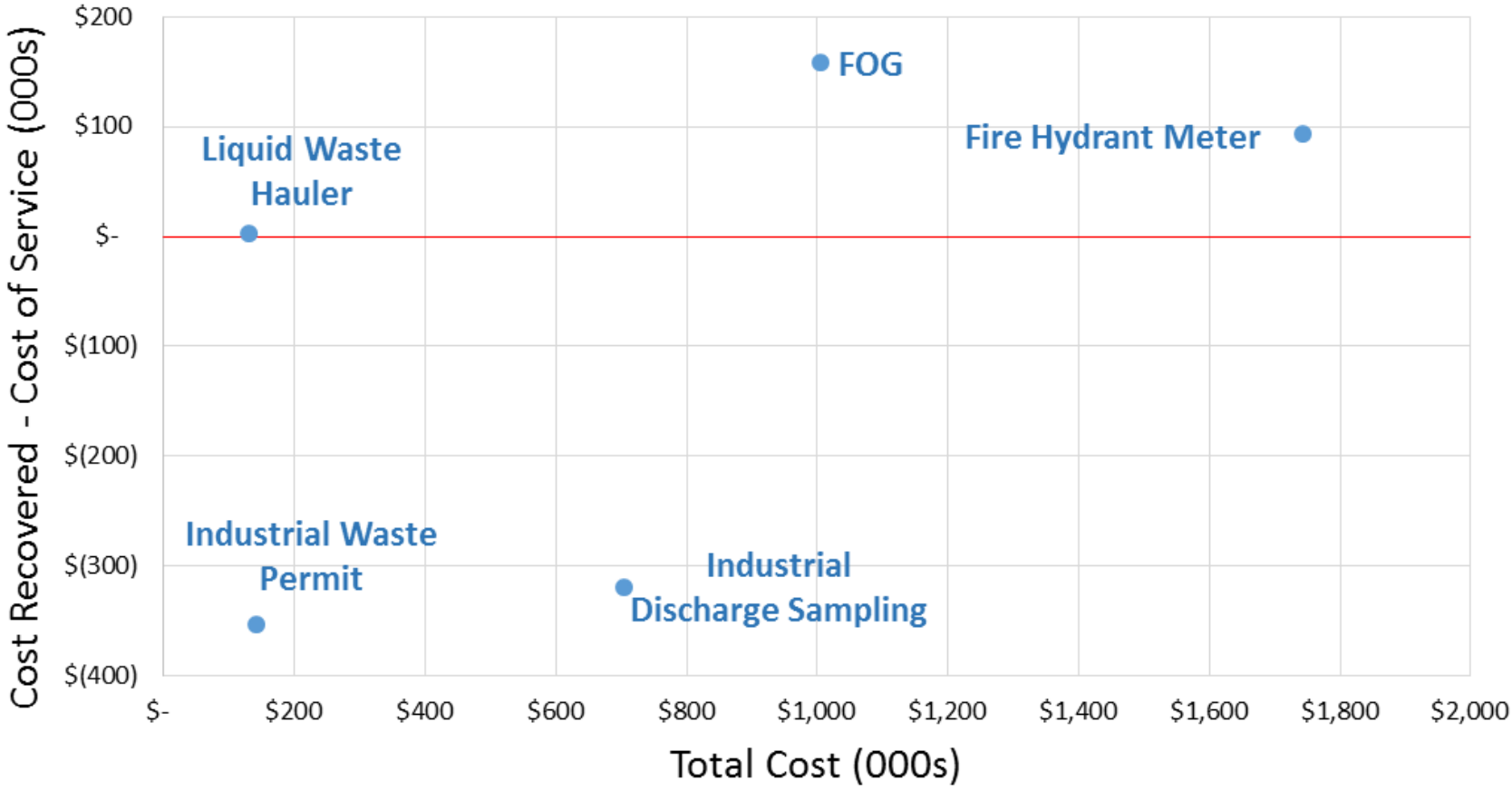
- **PURPOSE:** To recover the costs for administering the meter rental program
- **TARGETED CUSTOMERS:** Construction contractors
- **CURRENT FEES:**
  - Deposit: \$910/\$1,060 (inside/outside Bexar County)
  - Daily Availability Charge: \$6.50
  - Water Use Charges/100 gallons
    - Metered Water Sales: \$0.1529
    - Water Supply Fee: \$0.1880
    - Edwards Aquifer Authority Permit Fee: \$0.03295



\* Reflects written-off accounts

# SPECIAL SERVICE FEE ANALYSIS SUMMARY

Overview of Special Service Fees



# NEXT STEP

- **Provide Special Services Fees Recommendations to the RAC (January 2015)**



# QUESTIONS

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