



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM

Date: June 13, 2022

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager  
Robert C. Maleszyk, Chief Financial Office  
Dee Ann Irby, Controller  
Kurt Bovensiepe, Public Works Director

Subject: Fiscal Year 2023 Proposed Water Connection Fees



### History

Chapter 20- Water and Sewer Rates Section 4- Water Connection Fee, of the Troy City Code states;

*A Water Connection Fee will be charged to each premise where the City provides labor, equipment or materials to make a connection to the water main and/or to furnish or install a water meter. Such fees shall not be less than the cost of the materials, installation and overhead attributable to the particular service.*

*The City Council will establish, by resolution, such fees in accordance with the size of service and/or meter to be furnished. The Water Connection Fee shall be paid or the applicant shall make an agreement to pay the Fee prior to issuance of a connection permit by the City.*

The water connection fee was last updated in 2015 to reflect the cost of labor and materials related to the installation and maintenance of water connection services (**RESOLUTION # 2015-09-129**). The resolution included a flat fee basis for services opposed to a time and material type charge. The flat fee basis has proved to be more efficient to the water billing operation and allowed city staff to announce the exact fee before services were performed.

Both labor and material costs have increased, which is causing the Water and Sewer Division to adjust fees to ensure that Chapter 20, Section 4 is satisfied by establishing fees relevant to the current cost of materials and labor.

- The current flat rate charges for service related to water turn off/on, meter install/reinstall, meter removal, Meter Interface Unit (MUI) relocate, repair, replacement, meter testing, and meter re-seal sufficiently covers the labor associated with these tasks and is not proposed to change.
- The Water Tap/Connect Fees is proposed to increase to reflect the increase in material costs associated with these tasks. Materials include copper products, brass products, and cast-iron products.



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- Construction water is charged when a home or building is under construction and water is used without metering the usage. The time for construction has increased since the last evaluation of the fee in 2015. On average, water is used without a meter for 6 months. For this reason, the Construction Water Fee is increase from \$35 to \$210 to ensure the cost of the water being used is accurately charged to the developer or builder.

### **Recommendation**

City Management recommends City Council adopt the listed changes to the Water Connection Fees to ensure fees are not less than the current cost of labor and materials associated with the installation and maintenance of water connection services.



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### 2023 Water Connection Fees

Service Charges	Current
Water Turn off/on - <b>all inclusive</b>	
Regular working hours	<b>\$50.00</b>
After working hours	<b>Flat Rate \$200.00 +parts/materials</b>
Meter Install/reinstall **	<b>\$50.00</b>
Meter Pull **	<b>\$50.00</b>
Meter Interface Unit relocate, fix, rewire	
Meter Interface Unit Replacement	<b>\$50.00 + MIU Cost</b>
Damaged/Frozen Meter	<b>\$50.00 + Meter Cost</b>
Meter Testing - High Consumption	<b>\$50.00</b>
Meter Re-seal	<b>\$50.00</b>

**NOTE:** Replaced meters and any property belonging to the City of Troy in need of repair/replacement is not included in the flat rate service charge. Replaced/repared materials will be an additional cost. All interior valves, including the valves on either side of the meter is the customers responsibility and not maintained by the City.

\*\* Includes sprinkler meters and residential winterizations

Water Tap/Connect Fees	Current	Proposed	Increase	Percent Change
3/4" Service (5/8" MTR) Existing Svc Only	\$293.25	\$324.00	\$30.75	10%
1" Service (3/4" MTR)	\$2,094.52	\$2,525.00	\$430.48	21%
1-1/2" Service (1" MTR)	\$2,444.96	\$2,940.00	\$495.04	20%
2" Service (1-1/2" MTR)	\$3,075.89	\$3,914.00	\$838.11	27%
3" Service (2" MTR) *	\$1,763.42	\$2,229.00	\$465.58	26%
4" Service (3" MTR) *	\$2,600.86	\$3,252.00	\$651.14	25%
6" Service (4" MTR) *	\$3,461.06	\$4,279.00	\$817.94	24%
8" Service (6 MTR) *	\$5,196.63	\$6,914.00	\$1,717.37	33%

\*CONTRACTOR PERFORMS TAP

Water Service/ Connection Size	Labor, Equip, Materials (less Meter)	Meter Install Charge	Construction Water	Inspection Fee	Sub Total
3/4"	Existing SVC Only	\$50.00	\$210.00	\$35.00	\$295.00
1"	\$1,948.00	\$50.00	\$210.00	\$35.00	\$2,243.00
1-1/2"	\$2,604.00	\$50.00	\$210.00	\$35.00	\$2,899.00
2"	\$3,122.00	\$50.00	\$210.00	\$35.00	\$3,417.00
3"	*	\$50.00	\$210.00	\$35.00	\$295.00
4"	*	\$50.00	\$210.00	\$35.00	\$295.00
6"	*	\$50.00	\$210.00	\$35.00	\$295.00
8"	*	\$50.00	\$210.00	\$35.00	\$295.00



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### \* CONTRACTOR PERFORMS TAP

Meter Size	Meter & MIU Cost	Total	Meter Cost
5/8"	\$204.00	\$499.00	<b>\$112.00</b>
3/4"	\$264.00	\$2,507.00	<b>\$143.00</b>
1"	\$337.00	\$2,899.00	<b>\$200.00</b>
1-1/2"	\$672.00	\$3,417.00	<b>\$445.00</b>
2"C	\$2,109.00	\$295.00	<b>\$1,750.00</b>
3"C	\$3,132.00	\$295.00	<b>\$2,425.00</b>
4"C	\$4,159.00	\$295.00	<b>\$3,250.00</b>
6"C	\$6,794.00	\$295.00	<b>\$5,450.00</b>

C = Compound Meter