



Beaumont Cherry- Valley Water District

Miscellaneous Fee Study

November 9th, 2022



Agenda

Background

- Study Objectives
- Prop 26
- Summary of Work

Key Cost Inputs

Proposed Fees & Deposits

Background



Study Objectives

- Build a miscellaneous fee model for District use in the development of fees
- Review the District's cost inputs and clarify costs associated with each fee
- Review the District's calculated fees
- Produce a report for the district outlining the development of the fees and deposits

California Proposition 26

- Miscellaneous fees are governed by California Proposition 26, not Proposition 218
- Proposition 26 requires that a public utility adopt fees by either ordinance or resolution.
- Any fees which exceed the estimated full cost of rendering the related service are considered a tax and not a fee
- The standard fee limitation established in California law for miscellaneous fees is the “estimated, reasonable cost” principle

Summary of Fees Updated

- 68 fees updated in total
 - 11 Customer Fees
 - 3 Customer Deposits
 - 21 Engineering Fees
 - 22 Engineering Deposits
 - 11 Penalty fees

Key Cost Inputs



Summary of Inputs

- Costs are based on FY 2022
 - Direct Labor Costs (Salaries & Benefits)
 - Allocation of Overhead Costs to Direct Labor
 - Labor Hours (Time to complete service)
 - Equipment and Other Services
 - Materials and Supplies

Direct Labor

- Identifies the total cost of all salaries and benefits
- Identifies the average productive hours for staff at each level
- Develops a “Salaries and Benefits Hourly Rate” or SBHR for use in the development of fees

Line	Job Title	Total Salaries & Benefits ⁽¹⁾	Productive Hours	SBHR
1	Finance and Administration Staff			
2	Management Analyst II	\$167,663	1970	\$85.11
3	Senior Management Analyst	\$197,506	1970	\$100.26
4	Customer Service Representative I	\$85,228	1970	\$43.26
5	Customer Service Supervisor	\$153,838	1970	\$78.09
6				
7	Engineering Staff			
8	Director of Engineering	\$270,482	1970	\$137.30
9	Engineering Assistant	\$143,751	1970	\$72.97
10	Development Services Representative	\$105,863	1970	\$53.74
11	Engineering Intern	\$19,163	1000	\$19.16
12				
13	Engineering Average	\$134,815	1970	\$68.43
14				
15	Operations- Transmission and Distribution Staff			
16	Water Utility Superintendent	\$200,941	1970	\$102.00
17	Water Utility Supervisor	\$198,819	1970	\$100.92
18	Water Utility Worker I	\$101,808	1970	\$51.68
19	Water Utility Worker II	\$127,448	1970	\$64.69
20	Senior Water Utility Worker	\$139,783	1970	\$70.96
21				
22	Water Utility Worker I/II/III Average	\$123,013	1970	\$62.44
23				
24	Water Production Operator I	\$95,297	1970	\$48.37
25	Water Production Operator II	\$142,019	1970	\$72.09
26				
27	Water Production Operator I/II Average	\$118,658	1970	\$60.23
Footnotes:				
(1) Based on 2022 Salary Schedule rates and benefits. District reserves the right to adjust SBHR items annually to reflect changing costs.				

Administrative Overhead

- Overhead is calculated based on the labor and materials associated with Finance, Human Resources, and IT whose primary function is to support the Engineering and Operations Department

Line	Description		Notes
1	Total 2022 Central Service Costs	\$3,551,065	
2	Total 2022 Salaries and Benefits	\$7,363,000	
3	Overhead Rate (%)	48%	Line 1/Line 2

Equipment and Service Costs

- Includes supplementary equipment or services that are needed for a related service fee

Line	Description	Cost/Rate
1	Trench Paving Rate (per S/F)	\$8.25
2	Various Credit Card Vendor Processing Cost (UB)	\$2.50
3	Various Credit Card Vendor Processing Cost (Non-UB)	3%
4	Customer Deposit (Medium Non-Payment Risk)	\$150.00
5	Customer Deposit (High Non-Payment Risk)	\$250.00
6	Customer Deposit (Low Non-Payment Risk)	\$0.00
7	Vendor Credit Check Processing Cost (Online Services)	\$3.00
8	Vendor Backflow Statement Processing Cost (Infosend)	\$3.71
9	Bank Return Check/ACH/Credit Card Fee	\$25.00
10	Lien Release	\$20.00
11	GIS System (Nobel) Updates - Commercial/Institutional/Industrial (Per Design Sheet)	\$500.00
12	GIS System (Nobel) Updates - Residential (Per Design Sheet)	\$100.00
13	Meter Test 5/8" to 1" Outside Vendor	\$100.00
14	Meter Test 1.5" to 2" Outside Vendor	\$185.00
15	Utility Truck (24 Hour Rate)	\$1,200.00
16	Dump Truck (24 Hour Rate)	\$1,080.00
17	Compressor (24 Hour Rate)	\$480.00
18	Backhoe/Loader (24 Hour Rate)	\$1,050.00
19	Compactor (24 Hour Rate)	\$330.00
20	Tapper (24 Hour Rate)	\$40.00
21	8" Front Footage Cost Per Linear Foot Per Side	\$29.50
22	12" Front Footage Cost Per Linear Foot Per Side	\$35.10
23	Encroachment Permit Fee (City of Beaumont Non-Moratorium Area)	\$506.12
24	Encroachment Permit (County of Riverside)	\$166.67
25	Encroachment Permit (City of Calimesa)	\$120.00
26	Encroachment Permit (City of Beaumont Moratorium Area)	\$645.56
27	Paver Rental (B-81) (Per occurrence)	\$750.00

Materials and Supplies

- Material costs include estimated office supplies, materials of construction, meters, etc.
- These costs may vary by the size of the meter.

Line	Description	Cost ⁽¹⁾
1	5/8" Meter Materials of Assembly	\$1,018.29
2	5/8" Short Side Service Connection Materials of Assembly	\$1,527.85
3	5/8" Long Side Service Connection Materials of Assembly	\$1,726.49
4	3/4" Meter Materials of Assembly	\$1,046.30
5	3/4" Short Side Service Connection Materials of Assembly	\$1,555.86
6	3/4" Long Side Service Connection Materials of Assembly	\$1,843.26
7	1" Meter Materials of Assembly	\$1,117.42
8	1" Short Side Service Connection Materials of Assembly	\$1,626.98
9	1" Long Side Service Connection Materials of Assembly	\$1,914.37
10	1.5" Meter Materials of Assembly	\$635.36
11	1.5" Short Side Service Connection Materials of Assembly	\$1,850.14
12	1.5" Long Side Service Connection Materials of Assembly of Assembly	\$2,493.04
13	2" Meter Materials	\$878.03
14	2" Short Side Service Connection Materials of Assembly	\$2,092.81
15	2" Long Side Service Connection Materials of Assembly	\$2,735.71
16	1" Hydrant (Construction) Meter	\$495.00
17	3" Hydrant (Construction) Meter	\$2,645.00
18	New Fire Hydrant Materials	\$8,335.05
19	Keyed Padlock (Lock off)	\$7.49
20	4" Fire Service Connection Materials of Assembly	\$8,487.03
21	6" Fire Service Connection Materials of Assembly	\$11,329.91
22	8" Fire Service Connection Materials of Assembly	\$20,253.33
23	10" Fire Service Connection Materials of Assembly	\$31,762.28
24	12" Fire Service Connection Materials of Assembly	\$33,037.18

Footnotes:

(1) Based on 2022 costs of materials. District reserves the right to prorate material item costs annually to reflect cost increases.

Proposed Fees & Deposits



Example Calc: Meter Testing

Line	Fee Calculation	Cost-Based A	Policy-Based B	Total Cost C = A + B	Proposed Fee D
1	Direct Labor	\$248.35	\$0.00	\$248.35	
2	Labor Overhead	\$119.77	\$0.00	\$119.77	
3	Travel	\$0.00	\$0.00	\$0.00	
4	Materials	\$0.00	\$0.00	\$0.00	
5	Equipment/Services	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	
6	Total Fee	\$368.12	\$0.00	\$368.12	\$370.00

Example Calc: After Hours Call-Out Fee

Line	Fee Calculation	Cost-Based A	Policy-Based B	Total Cost C = A + B	Proposed Fee D
1	Direct Labor	\$187.33	\$0.00	\$187.33	
2	Labor Overhead	\$0.00	\$0.00	\$0.00	
3	Travel	\$5.90	\$0.00	\$5.90	
4	Materials	\$0.00	\$0.00	\$0.00	
5	Equipment/Services	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	
6	Total Fee	\$193.23	\$0.00	\$193.23	\$200.00

Customer Service Fees

Unit Abbreviation	Unit
EO	Each Occurrence
SB	Senate Bill
UB	Utility Billing
SF	Square Foot
LS	Lump Sum
LF	Linear Foot
CII	Commercial/Industrial/Institutional
WM	Water Meter
DS	Design Sheet

Line	Fee Description	Existing Fee	Proposed Fee	Per
1	Customer Account-Related Fees			
2	After-hours Call-out Fee	\$50.00	\$200.00	EO
3	After-hours Call-out (SB 998) Fee	\$0.00	\$100.00	EO
4	Credit Card Processing Fee (UB)	\$1.75	\$2.50	EO
5	Credit Card Processing Fee (Non-UB)		3% of total charge	EO
6	Credit Check Processing Fee	\$5.00	\$10.00	EO
7	Bench Test Credit	\$30.00	\$370.00	EO
8	Backflow Administration Fee	\$40.00	\$50.00	EO
9	Meter Testing Fee - 5/8" to 1" Inside ⁽¹⁾	\$30.00	\$370.00	EO
10	Meter Testing Fee - 5/8" to 1" Outside ⁽²⁾	\$200.00	\$420.00	EO
11	Meter Testing Fee - 1.5" to 2" Inside ⁽¹⁾	\$50.00	\$480.00	EO
12	Meter Testing Fee - 1.5" to 2" Outside ⁽²⁾	\$250.00	\$610.00	EO
13	Customer Account-Related Deposits			
14	Customer Deposit - Medium ⁽³⁾	\$150.00	\$150.00	EO
15	Customer Deposit – High ⁽³⁾	\$250.00	\$250.00	EO
16	Customer Deposit - Low ⁽³⁾	\$0.00	\$0.00	EO

Footnotes:

- (1) Refers to meter testing performed in-house (on site at District facilities) as opposed to by a third-party vendor
- (2) Refers to meter testing performed offsite by a third-party vendor as opposed to in-house
- (3) Refers to a non-payment risk category as determined by a credit check performed by a third-party vendor

Engineering Deposits

Unit Abbreviation	Unit
EO	Each Occurrence
SB	Senate Bill
UB	Utility Billing
SF	Square Foot
LS	Lump Sum
LF	Linear Foot
CII	Commercial/Industrial/Institutional
WM	Water Meter
DS	Design Sheet

Line	Fee Description	Existing Fee	Proposed Fee	Per
1	Engineering-Related Fees			
2	Service Connection Fee - 5/8" Non-Tract, Short Side	\$4,783.00	\$6,680.00	LS
3	Service Connection Fee - 5/8" Non-Tract, Long Side	\$8,213.00	\$12,590.00	LS
4	Service Connection Fee (Meter Assembly only) - 5/8" In-Tract	\$986.00	\$1,120.00	LS
5	Service Connection Fee - 3/4" Non-Tract, Short Side	\$4,845.00	\$6,710.00	LS
6	Service Connection Fee - 3/4" Non-Tract, Long Side	\$8,159.00	\$12,700.00	LS
7	Service Connection Fee (Meter Assembly only) - 3/4" In-Tract	\$1,048.00	\$1,140.00	LS
8	Service Connection Fee - 1.0" Non-Tract, Short Side	\$4,862.00	\$6,780.00	LS
9	Service Connection Fee - 1.0" Non-Tract, Long Side	\$8,292.00	\$12,770.00	LS
10	Service Connection Fee (Meter Assembly only) - 1.0" In-Tract	\$1,082.00	\$1,210.00	LS
11	Service Connection Fee - 1.5" Non-Tract, Short Side	\$5,587.00	\$7,000.00	LS
12	Service Connection Fee - 1.5" Non-Tract, Long Side	\$9,503.00	\$13,350.00	LS
13	Service Connection Fee (Meter Assembly only) - 1.5" In-Tract	\$784.00	\$730.00	LS
14	Service Connection Fee - 2.0" Non-Tract, Short Side	\$5,780.00	\$7,240.00	LS
15	Service Connection Fee - 2.0" Non-Tract, Long Side	\$9,580.00	\$13,600.00	LS
16	Service Connection Fee (Meter Assembly only) - 2.0" In-Tract	\$977.00	\$980.00	LS
17	Encroachment Permit Fee (City of Beaumont Non-Moratorium Area)	\$0.00	\$510.00	EO
18	Encroachment Permit Fee (County of Riverside)	\$0.00	\$170.00	EO
19	Encroachment Permit Fee (City of Calimesa)	\$0.00	\$120.00	EO
20	Encroachment Permit Fee (City of Beaumont Moratorium Area)	\$0.00	\$650.00	EO
21	Residential Service - No Reimbursement Agreement (Front Footage Fee)	\$28.50	\$29.50	LF
22	Commercial Service - No Reimbursement Agreement (Front Footage Fee)	\$35.00	\$35.10	LF

Engineering Deposits

Unit Abbreviation	Unit
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LF	Linear Foot
CII	Commercial/Industrial/Institutional
WM	Water Meter
DS	Design Sheet

Line	Fee Description	Existing Fee	Proposed Fee	Per
1	1" Construction Meter Deposit	\$502.00	\$500.00	EO
2	3" Construction Meter Deposit	\$2,042.00	\$2,650.00	EO
3	Will Serve Deposit	\$500.00	\$500.00	EO
4	Fire Flow Deposit	\$500.00	\$700.00	EO
5	Water Supply Assessment Deposit	\$5,000.00	\$5,000 when prepared by the Developer; \$10,000 when prepared by the District	EO
6	Plan of Service Deposit	\$5,000.00	\$5,000 when prepared by the Developer; \$10,000 when prepared by the District	EO
7	Inspection Deposit (Typical Tract)	\$15,000.00	\$15,000.00	EO
8	Plan Check Deposit Plan Set<5 sheets	\$3,000.00	\$3,000.00	EO
9	Plan Check Deposit Plan Set 5 - 9 sheets	\$5,000.00	\$5,000.00	EO
10	Plan Check Deposit Plan Set>=10 sheets	\$0.00	7,500.00	EO
11	GIS Deposit	\$275	\$0.00	WM
12	GIS Deposit - Commercial/Institutional/Industrial	\$0.00	\$710.00	DS
13	GIS Deposit – Residential	\$0.00	\$210.00	DS
14	Fire Hydrant Deposit (Includes pavement)	\$10,000.00	\$19,150.00	EO
15	4" Fire Service Installation Deposit	\$8,929.19	\$16,010.00	EO
16	6" Fire Service Installation Deposit	\$10,594.38	\$18,860.00	EO
17	8" Fire Service Installation Deposit	\$15,867.10	\$29,070.00	EO
18	10" Fire Service Installation Deposit	\$27,450.87	\$51,710.00	EO
19	12" Fire Service Installation Deposit	\$31,242.75	\$53,250.00	EO
20	City of Beaumont Moratorium Area Additional Paving Deposit (Short Side)	\$0.00	\$6,560.00	EO
21	City of Beaumont Moratorium Area Additional Paving Deposit (Long Side)	\$0.00	\$12,500.00	EO
22	Equipment (For Repairs) (Trucks and Machinery)	\$25.00	\$0.00	EO

Penalties

Unit Abbreviation	Unit
EO	Each Occurrence
SB	Senate Bill
UB	Utility Billing
SF	Square Foot
LS	Lump Sum
LF	Linear Foot
CII	Commercial/Industrial/Institutional
WM	Water Meter
DS	Design Sheet

Line	Penalty Description	Existing Penalty	Proposed Penalty	Per
1	Customer Account-Related Penalty			
2	Second Notice Charge	\$5.00	\$5.00	EO
3	Third Notice Charge	\$5.00	\$15.00	EO
4	Account Reinstatement Charge	\$50.00	\$50.00	EO
5	Lien Processing Fee	\$100.00	\$170.00	EO
6	Returned Payment Charge	\$25.00	\$25.00	EO
7	Resubmit	\$5.00	\$0.00	EO
8	Water Restriction Penalty	Varies based on consumption of the most recent bill	Varies based on consumption of the most recent bill	EO
9	Engineering-Related Penalty			
10	Water Theft Prevention - Illegal Jumper and/or Connection (Unauthorized Connection Charge)	\$1,150.00	\$1,150.00	EO
11	Water Theft Prevention (Broken or Stolen Lock)	\$20.00	\$20.00	EO
12	Lost/Damaged Construction Meter	\$2,042.00	\$2,650.00	EO
13	Hit Fire Hydrant	Per Work Order	Per Work Order	EO