



Mayor Robert E. Simison
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Sept. 12, 2022

Idaho Building Contractors Association of Southwestern Idaho
ATTN: Lance Synder (President)
6206 N Discovery Way Suite A
Boise ID 83703

Subject: City of Meridian Public Works Updates to Utility Assessment Fees (Hook-Up/Connection Fees)

The City of Meridian has recently completed an analysis of the Utility (Water and Sewer) Assessment Fees that are charged to connect to the utility system. This letter is offered to update you on the proposed changes that Public Works plans to recommend to City Council affecting those fees.

As you know, these fees are intended to recover a proportionate share of the cost of system assets from new customers connecting to the system. This helps promote equity between existing customers and growth, ensuring that new customers bear an equitable share of the cost of system infrastructure.

Meridian's Water and Sewer Assessment Fees were last updated in 2016 and 2017 respectively. The City follows a process that aligns with accepted Idaho law to calculate such fees. That approach limits the cost basis for these fees to the existing system value to which a customer is seeking to connect. Both of the City's utilities have had substantial changes to their infrastructure, capacity, and system value in the six years since our last update. Due to these changes, the proposed Water Assessment Fee will decrease and the proposed Sewer Assessment Fee will increase. Since most customers connect to both utilities, it is useful to observe the overall change with the aggregate impact being an overall increase to the current fee. The table below is a summary of current fees versus proposed new fees for each utility. Please note that, under these proposed fees, a new connection to both utilities would result in a net increase of \$1,068 in total. If adopted, we anticipate implementing the new fees on November 1, 2022.

	Current Assessment Fees	Proposed Assessment Fee Updates (November 1, 2022)	Net Change
Water	\$1,973	\$1,514	-\$459
Sewer	\$3,884	\$5,411	+\$1,527
Total (water+sewer)	\$5,857	\$6,925	+\$1,068

We recognize the Building Contractors Association is an important stakeholder to this topic and that this fee update has an impact on your activities. Further, we appreciate the positive and open relationship we share with your organization. For these reasons, we hope this communication and our presentation to your organization helps address any questions or comments you may have related to these fees. Meridian City Public Works remains committed to providing information around this process. As with any fee change, the City will

also hold a public hearing on Tuesday, October 4, 2022 at 6:00pm at the regularly scheduled Council meeting related to this topic.

Sincerely,

Laurelei McVey
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