

## Winston-Salem/Forsyth County Utility Commission Action Request Form

**Date:** December 12, 2022

**To:** Chair and Members of the Utility Commission

**From:** Courtney Driver, Utilities Director

### Commission Action Requested:

Consideration of a Resolution Amending the Water and Sewerage System Policy Resolutions Regarding Schedule of Fees.

**Strategic Plan Goal Area:** Financial Viability  
**Strategy:** Identify and Communicate Financial Needs  
**Key Work Item:** No

### Summary of Information:

Winston-Salem/Forsyth County Utilities completed a Cost-of-Service Study in the spring of 2022. The objective of the study was to evaluate the current fees being assessed for various services provided by the department to determine if the operation is recouping the cost of the services.

The results of the study determined that several fees have not changed over time and would need to be reconciled to consider increases in labor, materials, contractual services, and overhead expenditures.

The fee types with proposed changes are as follows:

- Service Initiation Fee,
- Water Meters- Furnishing/Installation Fee,
- Capacity Analysis/Network Trace Fee, and
- Utility Plan Review Fee.

The Planning and Policy Committee of the Winston-Salem/Forsyth County Utility Commission met October 10, 2022, and is supportive of the proposed fee schedule changes. Proposed revisions are indicated in Attachment A. Additions are highlighted yellow with underline and deletions are shown highlighted in blue with strikethrough. Staff recommends approval of the proposed fee changes effective July 1, 2023.

Submitted By: Courtney Driver  
Name

Utilities Administration  
Department/Division

## **RESOLUTION AMENDING THE WATER AND SEWERAGE SYSTEM POLICY RESOLUTIONS REGARDING SCHEDULE OF FEES**

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**WHEREAS**, Winston-Salem/Forsyth County Utilities conducted a Cost-of-Service study in the spring of 2022; and

**WHEREAS**, a thorough review of the water and sewer fees has been completed to take into account increased costs for labor, materials, contractual services, and overhead expenditures; and

**WHEREAS**, to recoup the cost of providing various services and continue to meet future needs, changes in the schedule of fees are recommended to take effect July 1, 2023; and

**WHEREAS**, the Planning and Policy Committee of the Winston-Salem/Forsyth County Utility Commission met October 10, 2022, and is supportive of the proposed fee schedule changes.

**NOW, THEREFORE, BE IT RESOLVED** by the Winston-Salem/Forsyth County Utility Commission, a joint agency of the City of Winston-Salem and Forsyth County, upon recommendation of the Planning and Policy Committee, that the resolution approving amending the Water and Sewerage Policy Resolutions as indicated in Attachment A is hereby approved effective July 1, 2023.

## **ATTACHMENT A**

### **PART A – WATER SYSTEM POLICY RESOLUTION**

#### **ARTICLE II.- RATES, CERTAIN FEES, AND BILLING**

##### **Sec. 35. - Collection of water charges; penalties for failure to pay; termination of service; suspension of termination of service and penalties.**

- (a) All charges for water supplied by the city shall be made monthly or bimonthly and shall be due on the day following the date the bill is mailed.
- (1) *Service initiation fee.* A non-refundable service fee of twenty dollars (~~\$20.00~~ \$30.00) will be charged to all customers requesting water and sewer service. At the option of the customer, the fee shall be collected upon activating the service or billed on the customer's first bill. This fee will cover the costs associated with account setup and service activation in the field, and will apply to all accounts at the time of activation, including seasonal accounts that are activated on a yearly basis such as irrigation meters.
- (2) *Service deposits.* Upon the initial service request, all customers excluding governmental units and industrial companies may be subject to a credit evaluation to determine if a deposit will be required for service activation. Based on the results of the credit evaluation, a security deposit up to one hundred fifty dollars (\$150.00) may be collected. Any customer whose delinquent balance due shall remain unpaid after the service termination date, may be required to make a penalty deposit. The penalty deposit will be equal to one and one-half (1½) times the average usage billed over the prior six (6) months. If not paid immediately, a deposit will appear as a new charge during the next billing cycle and the customer's service will be subject to termination for failure to pay. In all cases, the deposit amount may be rounded up to the nearest ten dollars (\$10.00). Any deposits made pursuant to this section may be applied to any future charges that become delinquent. The deposit shall be refunded in its entirety if two (2) years pass without any penalties occurring. This refund shall be applied in the form of a credit against the customer's water/sewer account. Otherwise, the deposit shall remain on the account indefinitely, or until the customer requests final termination of service and a final bill is rendered. At this time, the said deposit shall be applied to any final billed amount and any overage shall be refunded to the customer provided the customer owes no delinquent water/sewer bills for any other account.
- (b) Customers shall adhere to the following billing schedule for connections:
- (1) If any charge shall remain unpaid on the twenty-eighth day after the bill date of such charges, a ten (10) percent penalty will be applied to such unpaid balance. Penalties on unpaid charges under this section will not be more than five hundred dollars (\$500.00). The penalty may not be applied if unpaid charges are less than ten dollars (\$10.00).
- (2) If a bill is unpaid thirty-five (35) days after the bill was mailed a notice of termination shall be mailed to the customer. If the thirty-fifth day falls on a weekend or a holiday, the notice shall be mailed on the next business day. This notice shall inform the customer of the earliest possible date of service termination, and shall contain information as required in Section 16(a).
- (3) If a bill is unpaid forty-nine (49) days after the bill was mailed, service shall be cut off by locking or removing the meter. If the forty-ninth day occurs on a weekend or a holiday, said action will be taken on the next business day. The outstanding balance, plus penalties, shall be paid before service is restored. A final penalty of twenty dollars (\$20.00) will be added to the unpaid balance forty-nine (49) days after the original bill date, if payment has not been received by that date.

- (4) Nothing to the contrary in the water system policy resolution withstanding, in the case of an event of force majeure, such as a declaration of a national, state, or local emergency, the director has the authority to temporarily suspend terminations/disconnections of service, the mailing of termination notices, late fees, penalties, and interest due to non-payment for water service, as well as the imposition/charging of reconnection fees for the reinstatement of service.
- (c) All water/sewer bills shall be payable at any city revenue office.
- (Res. of 3-8-99; Res. of 5-13-02(1); Res. of 6-9-03(1); Res. of 5-11-09; Res. of 6-11-18; Res. of 4-13-20)

**Sec. 36. - Plan review fees for water and sewer utilities.**

Plan review fees for water and sewer utilities will be based on the combined total length of water and sewer lines, in linear feet, and charged according to the following fee schedule:

Total length of water and sewer lines in linear feet (lf)	Fee
0—99	\$500.00 (minimum fee)
100—499	\$750.00
500—999	\$1,200.00
1,000—1,999	\$1,400.00
2,000—2,999	\$1,600.00
3,000—3,999	\$1,800.00
4,000—4,999	\$2,000.00
5,000 and greater	\$2,200.00

**ARTICLE III.- WATER CONNECTIONS**

**Sec. 42. - Fees for making connections and installing meters; manner of payment.**

- (a) *Applicant to pay estimated costs in advance; surcharge for additional distance.* A fee, as provided in this section, covering the cost of the work, including materials and labor, shall be paid by the applicant for the water connection, which payment shall be made in advance; provided, that when it becomes necessary to run the line further than the usual location of the meter, then the estimated cost of additional materials and labor, plus fifteen (15) percent, shall be added to the cost of the connection ( $\frac{3}{4}$ —1  $\frac{1}{2}$  inch) indicated in Section 42 (b).
- (b) *Schedule of fees.* Neither the City nor the Commission is obligated to install private water connections. But, if the City or Commission elect to install private water connections, the fees charged for connections, including tapping the water main, making connections and installing meters and meter boxes, both inside and outside the city limits, shall be in accordance with the following schedules:
- (1) Water connections:
- Water Connections Less Meter\**
- $\frac{3}{4}$ -inch connection, less meter \$3,300.00
- 1-inch connection, less meter \$3,400.00
- 1 $\frac{1}{2}$ -inch connection, less meter \$6,000.00
- 2-inch connection, less meter Actual cost plus 15%

*Complete Water Connections\**

¾-inch connection, complete with meter \$3,360.00

1-inch connection, complete with meter \$3,670.00

1½-inch connection, complete with meter \$6,490.00

2-inch connection, complete with meter Actual cost plus 15%

\*The fees for installing (¾—1½ inch) connections include the cost of pavement repair for connections installed in streets under the jurisdiction of the City of Winston-Salem or other jurisdictions with similar policies. In areas where the pavement repair is not under the controlling jurisdiction of the City of Winston-Salem or another jurisdiction with similar policies, the additional cost of pavement repair shall be estimated by staff, added to the fee for connection indicated above, and a deposit shall be required. The actual repair cost will then be tracked and charged back against the deposit, to which a fifteen (15) percent overhead charge will be added.

Sidewalk removal and replacement .....\$500.00

(2) Schedule of fees for furnishing ~~and installing~~ water meters ~~and smartpoints~~ only:

*Water Meters*

¾-inch meter..... ~~\$ 60.00~~ At Department Cost

1-inch meter..... ~~270.00~~ At Department Cost

1½-inch meter..... ~~365.00~~ At Department Cost

2-inch meter..... ~~490.00~~ At Department Cost

~~Smartpoint.....~~ At Department Cost

All meters larger than two (2) inches will be furnished and installed at cost, plus fifteen (15) percent.

- (c) Reserved.
- (d) *Responsibility of user for meters damaged or destroyed through carelessness, moving meter.* Any persons or firms found responsible for extreme damage or total destruction of a water meter through an act of carelessness, ~~as the City of Winston-Salem, in its sole discretion shall determine~~, such as exposure causing freezing and rupture of the meter; building fires at the meter location in an attempt to thaw the frozen meter and piping; or any other act of carelessness; will be charged the actual cost to the city for the purchase of said water meter, plus fifteen (15) percent, plus the charge of twenty dollars (\$20.00) for installing the replacement meter. The city will retain the damaged or destroyed meter, will salvage any reusable parts and will dispose of unusable parts and the meter as scrap metal. Also, if any user shall move a water meter ~~for~~ ~~from~~ the site at which it was originally installed, the city shall confiscate the meter, wherever it is found, and shall charge the user the actual costs to the city to replace said meter, plus fifteen (15) percent, plus the charge of twenty dollars (\$20.00) for installing the replacement meter.
- (e) *System development fee.* Effective July 1, 2019, in addition to the connection fees prescribed above, there shall be a water system development fee for any new water connection. The timing of imposition of the fees will be when a permit for a water meter and/or connection is purchased from the City of Winston-Salem. This is the time when water service is committed by the local government. The fee will be determined by meter size per the following schedule:

*Water System Development Fee*

*Meter Size Fee*

¾-inch..... \$795.00

1-inch..... \$1,987.00

1½-inch..... \$3,974.00  
2-inch..... \$6,358.00  
3-inch..... \$11,921.00  
4-inch..... \$19,868.00  
6-inch..... \$39,737.00  
8-inch..... \$63,579.00  
10-inch..... \$95,368.00  
12-inch..... \$210,604.00

(Res. of 5-11-98; Res. of 1-10-00; Res. of 11-12-01; Res. of 11-8-04; Res. of 7-14-14; Res. of 6-11-18; Res. of 11-13-18; Res. of 1-14-19(1); Res. of 1-14-19(2); Res. of 5-13-19)

## PART B – SEWERAGE SYSTEM POLICY RESOLUTION

### ARTICLE III.- SEWER SERVICE EXTENSIONS

#### Section 42. - Capacity certification/sewer permitting.

##### A. *Capacity certification/sewer permits.*

- a. All new sewer flow to the commission's system must be permitted by the utilities plan review section. The plan review section will evaluate the system's capacity for handling the new flow from the point of connection through the system to the receiving wastewater treatment plant. A certification of capacity and sewer permit will be issued to the applicant by the director if the system is deemed to have available capacity.
- b. Any application for capacity certification/sewer permit that is determined to exceed the capacity of any downstream sewers or lift stations will be denied. The denial of an application for capacity certification/sewer permit shall be made in writing and shall contain each reason for the denial.
- c. If an applicant wishes to make improvements to the sewer collection system that would provide capacity necessary to accommodate applicant's project by upgrade or rehabilitation of existing infrastructure, a request should be submitted to the director in writing. Any recommendations on improvements necessary to the sewer collection system to accommodate new sewer capacity shall be by a professional engineer registered in North Carolina.

##### B. *Flow allocations.*

- a. Capacity certifications will be valid for one (1) year from the date of issuance and shall expire if the connection fee is not paid or a developer has not executed an agreement with the utility commission within twelve (12) months of issuance. Also, if additional flow is requested after the initial analysis, a new application/capacity analysis and any fees necessary will be assessed.
- b. Once the connection fee has been paid or agreement with the commission has been executed, the capacity certifications will be tracked as a flow allocation as required by the North Carolina Division of Water Quality. Flow allocations will be tracked for five (5) years or until the project is considered eighty (80) percent built-out, whichever occurs first.

~~C. —Charges for evaluating capacity for proposed flow. A standard fee of two hundred dollars (\$200.00) shall be charged for all capacity analysis that can be performed by the utilities plans review section. For capacity analysis that require additional costs associated with flow monitoring and analysis and/or that may require the assistance of a consulting engineer, the applicant will be charged the actual cost plus fifteen (15) percent necessary to make the determination. An engineering proposal with fee will be requested by the utilities~~

division and submitted to the applicant once the fees are known before performing any necessary work. Upon payment of the fees by the applicant the capacity analysis will be conducted.

(Res. of 4-13-09)

## ARTICLE XII.- CHARGES AND FEES

### Section 125. - Charges for monitoring.

- A. Industrial/commercial users whose discharge is being periodically monitored by the city shall pay for specific sampling and analytical work performed by the city. If, during the course of normal monitoring by the city, a violation of this resolution is determined, additional monitoring may be imposed on the industrial/commercial user at a frequency defined by the director. The charge for the monitoring will be for only those wastewater parameters or conditions that are in violation of this resolution and monitoring may continue until the violation ceases. The industrial/commercial user will pay for the additional monitoring charges according to Section 128.

Any additional monitoring for surcharge purposes requested by an industrial/commercial user shall be paid for by the industrial user on a per-analysis basis. Rates for monitoring are presented in Section 128.

- B. The schedule of charges and fees adopted by the city may include charges and fees for:
1. Reimbursement of costs of setting up and operating the pretreatment program;
  2. Monitoring, inspections and surveillance procedures;
  3. Reviewing slug control plans, including accidental and/or slug load discharge procedures and construction plans and specifications;
  4. Other fees as the city may deem necessary to carry out the requirements of the pretreatment program.
- C. Permit fees. All users determined to need a permit shall pay a permit development fee, in accordance with the schedule or rates and fees established by the utilities commission, and on file at the city's utilities division administrative office.

(Res. of 6-9-03(2); Res. of 6-11-18)

### Section 128. - Sewer rates and fees.

All charges and fees referred to herein are set forth in the Schedule of Rates and Fees established by the utility commission.

- (a) *Fees for connections installed by city crews.* Neither the city nor the commission is obligated to install private sewer connections. But, if the city or commission elect to install private sewer connections, the fees charged for connections, both inside and outside the city limits, shall be in accordance with the following schedule:

#### *Sewer Connections\**

4-inch sewer connection	\$3,500.00
6-inch sewer connection to manhole in street	Actual cost plus 15%
6-inch sewer connection to manhole on outfall	Actual cost plus 15%
6-inch sewer connection to new manhole	Installed by contractor
Sidewalk removal and replacement	\$500.00

\*The fees for installing connections include the cost of pavement repair for connections installed in streets under the jurisdiction of the City of Winston-Salem or other jurisdictions with similar policies. In areas where the pavement repair is not under the controlling jurisdiction of the City of Winston-Salem or another jurisdiction with similar policies, the additional cost of pavement repair shall be estimated by staff, added to the fee for connection indicated above, and a deposit shall be required. The actual repair cost will then be tracked and charged back against the deposit, to which a fifteen (15) percent overhead charge will be added.

- (b) *System development fee.* Effective July 1, 2019, in addition to the connection fees prescribed above, there shall be a sewer system development fee for any new sewer connection. The timing of imposition of the fees will be when a permit for a sewer connection is purchased from the City of Winston-Salem or a new connection is installed. This is the time when sewer service is committed by the local government. The fee will be determined by meter size per the following schedule:

*Sewer System Development Fee*

*Meter Size Fee*

¾-inch..... \$2,246.00  
1-inch..... \$5,614.00  
1½-inch..... \$11,229.00  
2-inch..... \$17,966.00  
3-inch..... \$33,686.00  
4-inch..... \$56,143.00  
6-inch..... \$112,286.00  
8-inch..... \$179,657.00  
10-inch..... \$269,486.00  
12-inch..... \$595,114.00

- (c) *Volumetric and readiness-to-serve charges.*

*Inside city and Rural Hall:*

Consumption Charge per CCF.....\$3.815

Meter Size Inches	Readiness-to-Serve Charges									
	¾ or ½	1	1.5	2	3	4	6	8	10	12
Bimonthly	\$15.94	\$22.34	\$33.07	\$45.89	\$80.06	\$118.54	\$225.41	\$353.63	\$503.25	\$930.71
Monthly	\$10.75	\$13.97	\$19.42	\$25.86	\$43.12	\$62.53	\$116.45	\$181.14	\$256.67	\$472.41

*Outside city:*

Consumption charge per CCF.....\$5.216

Meter Size Inches	Readiness-to-Serve Charges									
	¾ or ½	1	1.5	2	3	4	6	8	10	12
Bimonthly	\$19.80	\$27.77	\$41.10	\$57.05	\$99.51	\$147.35	\$280.17	\$439.55	\$625.52	\$1,156.82
Monthly	\$15.36	\$19.34	\$26.13	\$34.11	\$55.58	\$79.70	\$146.72	\$227.10	\$321.00	\$589.17



*Lewisville:*

Consumption charge per CCF.....\$5.723

Meter Size Inches	Readiness-to-Serve Charges									
	¾ or ½	1	1.5	2	3	4	6	8	10	12
Bimonthly	\$23.91	\$33.51	\$49.61	\$68.84	\$120.09	\$177.81	\$338.12	\$530.45	\$754.88	\$1,396.07
Monthly	\$16.13	\$20.96	\$29.13	\$38.79	\$64.68	\$93.80	\$174.68	\$271.71	\$385.01	\$708.62

*Walkertown:*

Consumption charge per CCF.....\$3.815

Meter Size Inches	Readiness-to-Serve Charges									
	¾ or ½	1	1.5	2	3	4	6	8	10	12
Bimonthly	\$15.94	\$22.34	\$33.07	\$45.89	\$80.06	\$118.54	\$225.41	\$353.63	\$503.25	\$930.71
Monthly	\$10.75	\$13.97	\$19.42	\$25.86	\$43.12	\$62.53	\$116.45	\$181.14	\$256.67	\$472.41

*Kernersville:*

Consumption charge per CCF.....\$5.723

Meter Size Inches	Readiness-to-Serve Charges									
	¾ or ½	1	1.5	2	3	4	6	8	10	12
Bimonthly	\$23.91	\$33.51	\$49.61	\$68.84	\$120.09	\$177.81	\$338.12	\$530.45	\$754.88	\$1,396.07
Monthly	\$16.13	\$20.96	\$29.13	\$38.79	\$64.68	\$93.80	\$174.68	\$271.71	\$385.01	\$708.62

*Clemmons:*

Consumption charge per CCF.....\$4.578

Meter Size Inches	Readiness-to-Serve Charges									
	¾ or ½	1	1.5	2	3	4	6	8	10	12
Bimonthly	\$19.13	\$26.81	\$39.68	\$55.07	\$96.07	\$142.25	\$270.49	\$424.36	\$603.90	\$1,116.85
Monthly	\$12.90	\$16.76	\$23.30	\$31.03	\$51.74	\$75.04	\$139.74	\$217.37	\$308.00	\$566.89

*Sewer wholesale:*

Consumption charge per CCF.....\$5.723

Meter Size Inches	Readiness-to-Serve Charges									
	¾ or ½	1	1.5	2	3	4	6	8	10	12
Bimonthly	\$15.94	\$22.34	\$33.07	\$45.89	\$80.06	\$118.54	\$225.41	\$353.63	\$503.25	\$930.71
Monthly	\$10.75	\$13.97	\$19.42	\$25.86	\$43.12	\$62.53	\$116.45	\$181.14	\$256.67	\$472.41

(d) *Service where Winston-Salem/Forsyth County water utility service not provided:*

	Service Where City Water Not Provided  Code Classification	Bimonthly Rates	
		Inside Corporate Limits	Outside Corporate Limits
A	Single-family, two family residence and mobile home	\$ 45.77	\$ 62.58
B	Multifamily apartment, per unit	\$ 34.02	\$ 46.50
C	Hotel or motel, per unit	\$ 17.70	\$ 24.21
D	Supermarket	\$246.64	\$ 337.22
E	Launderette	\$736.55	\$1,007.04
F	Commercial establishment with restrooms and drinking fountains only	\$ 45.77	\$ 62.58
G	Beauty or barber shop	\$ 45.77	\$ 62.58
H	Professional or commercial office building (including converted residences with maximum of four (4) restrooms)	\$ 45.77	\$ 62.58
I	Professional or commercial office building (including converted residences), each restroom over four (4)	\$ 12.19	\$ 16.67
J	Service station or garage	\$ 45.77	\$ 62.58
K	School	100% of water cost	
L	Drugstore with soda fountain or food service	\$214.05	\$ 292.65
M	Drugstore without soda fountain or food service	\$ 45.77	\$ 62.58
N	Restaurant, café, or grill	\$369.52	\$ 505.22
O	Manufacturing plant, and any other activity for which no rate is specified	At rate agreed upon in writing between city and party served	

(e) *Septage.*

Per gallon of septic tank waste or chemical toilet waste: 2.40¢

(f) *Industrial surcharges.*

Per 1,000 lbs. of BOD: \$211.00

Per 1,000 lbs. of TSS: \$161.00

(g) *Food service establishment surcharges.*<sup>1</sup>

Per ccf of water metered: \$0.340

<sup>1</sup> — Applies to any food service establishment that maintains a grease interceptor.

(h) *Charges for monitoring.*

Description	Unit Price
pH	\$7.00
Biochemical Oxygen Demand	\$25.00
Total Suspended Solids	\$13.00
Ammonia Nitrogen	\$20.00
Total Kjehahl Nitrogen	\$20.00
Total Phosphorus	\$20.00
Oil and Grease, Total (FOG)	\$50.00

Oil and Grease, Hydrocarbon	\$55.00
Oil and Grease, Mineral	\$55.00
Arsenic	\$18.00
Cadmium	\$16.00
Chromium	\$13.00
Copper	\$13.00
Cyanide	\$20.00
Silver	\$16.00
Manganese	\$13.00
Molybdenum	\$13.00
Lead	\$13.00
Mercury	\$25.00
Low-Level Mercury	\$75.00
Nickel	\$13.00
Selenium	\$18.00
Zinc	\$13.00
Fluoride	\$17.00
Flow Monitoring	\$50.00
Sample Collection Days	\$100.00
Toxic Organics (624/625)	\$150.00/\$350.00

- (i) Plan review fees for water and sewer utilities will be based on the combined total length of water and sewer lines, in linear feet, and charged according to the following fee schedule:

Total length of water and sewer lines in linear feet (lf)	Fee
0— <del>499</del> <u>99</u>	\$500.00 (minimum fee)
<u>100—499</u>	<u>\$750.00</u>
500—999	<del>\$600.00</del> <u>\$1,200.00</u>
1,000—1,999	<del>\$700.00</del> <u>\$1,400.00</u>
2,000—2,999	<del>\$800.00</del> <u>\$1,600.00</u>
3,000—3,999	<del>\$900.00</del> <u>\$1,800.00</u>
4,000—4,999	<del>\$1,000.00</del> <u>\$2,000.00</u>
5,000 and greater	<del>\$1,100.00</del> <u>\$2,200.00</u>

(Res. of 6-9-03(2); Res. of 6-11-18; Res. of 11-13-18; Res. of 1-14-19(1); Res. of 1-14-19(2); Res. of 5-13-19; Res. of 5-10-21 ; Res. of 5-9-22 ; Res. of 6 -13-22 )