

# STPUD cuts sewer connection fee 25%

By Kathryn Reed

By early June anyone building or remodeling in the South Tahoe Public Utility District sewer boundary will see a break on connection fees.

The board this month rolled back the sewer connection fees by 25 percent. This means the fee is now \$3,660 per sewer unit instead of \$4,930.

"The board heard from people in the community and realized it is a significant cost of new construction whether it's a home or business, or business remodel where they are adding sewer capacity. It can be a significant part of the start up," Richard Solbrig, general manager of South Tahoe PUD, told *Lake Tahoe News*.

The vote was 4-0 to make the fee change. Board member Jim Jones was absent, but said he would have voted against the proposal.

The loss to the district is expected to be about \$200,000 a year. Paul Hughes, CFO for the district, said the cutbacks will come from the capital improvement budget.

While the change takes effect June 7, it is likely to have a negligible impact on the current budget that goes through June 30. Hughes said it is too soon to know what exactly on the to-do list will be delayed because of the hit to future budgets.

The connection fee will remain this price until the board takes further action. In 2009, the district produced a report saying how much the sewer connection fees should go up. The board had not increased the fee for the last three years.

The district is hoping the change will help stimulate growth in the area, which means there may be no adverse economic impact if there is more development. This would mean new customers.

For big projects this change in the price structure will be a significant savings. Lake Tahoe Wildlife Care, which is embarking on a state-of-the-art animal rehabilitation facility in South Lake Tahoe, will save about \$40,000 with the new pricing.

The average three-bedroom, two-bath home has three sewer connections. This is because the kitchen is considered a connection. For that type of house it will be a savings of \$1,270.

Commercial structures are calculated differently. It depends what the business is. For instance, a restaurant requires more sewer units than an office building. For restaurants it's based on the number of seats.

Solbrig said the sewer connection was changed because in doing comparisons the district was higher than other agencies, whereas the water connection fee is less than many other areas.