

Capital Facilities Charge

9.0. Capital Facilities Charge: The capital facilities charge is a contribution toward existing or future facilities necessary to meet the service needs of new customers and is intended to provide funds to be used to finance all or part of capital improvements necessary to serve new customers. The capital facilities charge shall be based on the meter size and fire flow requirements for each structure located on the property receiving service.

The capital facilities charge shall be calculated on, but not limited to, research and development; property acquisition; well drilling and development; well and booster pump stations; reservoirs; transmission mains; and operation and maintenance facilities.

9.1. Customer Classifications: The District has identified the following grouping of customers within common water use and fire protection characteristics, and service requirements:

9.1.1. Residential (Single-Family/Duplex): A building intended to serve as a one or two family dwelling.

9.1.2. Nonresidential (Multi-Family/Commercial): Any building other than a one or two family dwelling.

9.1.3. Irrigation: Lawn or agricultural irrigation purposes only.

9.1.4. Wholesale: Intertie with another water purveyor with the intent of supplying, or having the capabilities to supply, domestic water service and/or fire protection.

9.2. Cost Components:

9.2.1. Meter Size: The meter size portion of the capital facilities charge shall be based upon the meter size as listed below for all customer classification.

Meter Size			
Meter Size	2009 Charge	2010 Charge	Adjustment
5/8"	\$3,275.00	\$3,100.00	-5.34%
3/4"	\$4,925.00	\$4,700.00	-4.57%
1"	\$8,200.00	\$7,800.00	-4.88%
1-1/2"	\$16,375.00	\$15,500.00	-5.34%
2"	\$26,175.00	\$24,700.00	-5.64%
3"	\$52,350.00	\$50,000.00	-4.49%
4"	\$81,800.00	\$77,100.00	-5.75%
6"	\$163,600.00	\$154,200.00	-5.75%
8"	\$261,750.00	\$246,700.00	-5.75%

9.2.2. Fire Flow – Residential: The fire flow portion of the capital facilities charge shall be based upon the fire flow requirements as determined by the fire marshal having jurisdiction, with a provision that the fire flow for a residential customer classification shall not be less than 500 gallons per minute for 30 minutes.

Fire Flow - Residential			
Fire Flow (GPM)	2009 Charge	2010 Charge	Adjustment
500	\$675.00	\$700.00	3.70%
750	\$1,050.00	\$1,100.00	4.76%
1,000	\$1,450.00	\$1,500.00	3.45%
1,250	\$1,875.00	\$1,900.00	1.33%
1,500	\$2,350.00	\$2,400.00	2.13%
1,750	\$2,800.00	\$2,800.00	0.00%
2,000	\$3,325.00	\$3,300.00	-0.75%
2,250	\$3,900.00	\$3,900.00	0.00%
2,500	\$4,400.00	\$4,400.00	0.00%

- 9.2.3. Fire Flow – Nonresidential:** The fire flow portion of the capital facilities charge shall be based upon the fire flow requirements as determined by the fire marshal having jurisdiction, with a provision that the fire flow for a nonresidential customer classification shall not be less than 1,500 gallons per minute for 120 minutes.

When a fire suppression system is installed in a structure and the fire marshal having jurisdiction grants a reduction in fire flow requirements, the District shall base the charge on the reduced fire flow requirements, with a provision that fire flow for a nonresidential customer classification shall not exceed a 50 percent reduction and shall not be less than 1,500 gallons per minute for 120 minutes.

Fire Flow - Nonresidential			
Fire Flow (GPM)	2009 Charge	2010 Charge	Adjustment
1,500	\$15,250.00	\$14,800.00	-2.95%
1,750	\$19,175.00	\$18,600.00	-3.00%
2,000	\$23,750.00	\$22,900.00	-3.58%
2,250	\$28,775.00	\$27,700.00	-3.74%
2,500	\$33,925.00	\$32,700.00	-3.61%
2,750	\$39,850.00	\$38,300.00	-3.89%
3,000	\$46,200.00	\$44,400.00	-3.90%
3,250	\$52,600.00	\$50,500.00	-3.99%
3,500	\$59,875.00	\$57,400.00	-4.13%
3,750	\$67,575.00	\$64,700.00	-4.25%
4,000	\$82,575.00	\$78,900.00	-4.45%

- 9.2.4. Wholesale:** The capital facilities charge for the level of service requested shall determine wholesale service to another water purveyor and the cost of service shall be based upon each customer of the water purveyor receiving and/or having the capabilities to receive domestic service and/or fire protection.

- 9.3. Change of Use:** In the event the property owner creates or requests a change of use to their property from residential/irrigation to nonresidential, that property owner shall pay the capital facilities charge for the new requirements, less the capital facilities charge for the previous requirements. Additional capital facilities charge and/or requirements are applicable if: the structure(s) located on the property exceeds 3,600 square feet; the local fire marshal having jurisdiction has placed fire flow requirements on the structure(s); and in the event the water

distribution system is unable to meet the fire flow requirements, a construction agreement must be entered into to construct the appropriate facilities to meet the new requirements.

- 9.4. Increased Demand:** Whenever a property owner requests an exchange of a meter of one size for a meter of a larger size, the property owner shall pay the capital facilities charge for the new meter less the capital facilities charge for the existing meter.
- 9.5. Decreased Demand:** Whenever a property owner requests an exchange of a meter of one size for a meter of a lesser size, the property owner shall not be entitled to a refund or credit.
- 9.6. Description of Capital Facilities:** The following is a description of the capital facilities proposed to serve an equivalent of 1,000 residential units.
- 9.6.1. Research and Development:** Preliminary investigations and studies into the feasibility of the facilities needed to be constructed.
- 9.6.2. Property Acquisitions:** Purchase/acquisition of a reservoir site and two well sites.
- 9.6.3. Well Drilling and Development:** Drilling and development of two production wells with a total capacity of at least 675 gallons per minute.
- 9.6.4. Well and Booster Pump Station:** Construction of two well pump stations with a production capacity of at least 675 gallons per minute and a booster pump station with a total capacity of at least 1,000 gallons per minute.
- 9.6.5. Reservoir:** Construction of a 1-million gallon reservoir with at least 0.6-million gallons of usable equalizing, standby, and fire storage.
- 9.6.6. Transmission Main:** Construction of 6,000-lineal feet of 12-inch ductile iron water main.
- 9.6.7. Operations and Maintenance Facilities:** Construction of a facility capable of serving 20,000 equivalent residential units.
- 9.7. Cost of Capital Facilities:** The following is the estimated cost of the capital facilities to serve an equivalent of 1,000 residential units.

Cost of Capital Facilities			
Description	2009 Estimate	2010 Estimate	Adjustment
Research and Development	\$44,244.95	\$40,879.53	-7.61%
Property Acquisition	\$330,475.00	\$310,475.00	-6.05%
Well Drilling and Development	\$575,050.00	\$564,200.00	-1.89%
Well and Booster Pump Station	\$507,000.00	\$486,000.00	-4.14%
Reservoir	\$1,572,500.00	\$1,457,500.00	-7.31%
Transmission Main	\$616,236.66	\$613,661.46	-0.42%
O & M Facilities	\$242,344.99	\$224,614.88	-7.32%
Total	\$3,887,851.60	\$3,697,330.87	-4.90%

- 9.8. **Cost Allocation:** The District has established a system for the capital facilities charge, which appropriately assigns costs to the customers who benefit from or cause those costs to be incurred. Cost allocations will be accomplished by equating the “equalizing and standby storage” for domestic use to the size of the meter supplying the desired level of service, and the “fire flow and storage” for fire protection to the structure.

Meter Size			
Meter Size	Meter Capacity	ERU Ratio	Meter Charge
5/8"	20 GPM	1.0	\$3,100.00
3/4"	30 GPM	1.5	\$4,700.00
1"	50 GPM	2.5	\$7,800.00
1-1/2"	100 GPM	5.0	\$15,500.00
2"	160 GPM	8.0	\$24,700.00
3"	320 GPM	16.0	\$50,000.00
4"	500 GPM	25.0	\$77,100.00
6"	1,000 GPM	50.0	\$154,200.00
8"	1,600 GPM	80.0	\$246,700.00

Fire Flow - Residential					
Fire Flow (GPM)	Fire Flow Duration	Fire Storage	Allowable ERU's	Fire Storage Connections	Fire Flow Charge
500	30	15,000	985	1,000	\$700.00
750	30	22,500	975	667	\$1,100.00
1,000	30	30,000	970	500	\$1,500.00
1,250	30	37,500	960	400	\$1,900.00
1,500	30	45,000	950	333	\$2,400.00
1,750	30	52,500	945	286	\$2,800.00
2,000	30	60,000	935	250	\$3,300.00
2,250	30	67,500	925	222	\$3,900.00
2,500	30	75,000	920	200	\$4,400.00

Fire Flow - Nonresidential					
Fire Flow (GPM)	Fire Flow Duration	Fire Storage	Allowable ERU's	Fire Storage Connections	Fire Flow Charge
1,500	120	180,000	800	83	\$14,800.00
1,750	120	210,000	770	71	\$18,600.00
2,000	120	240,000	735	63	\$22,900.00
2,250	120	270,000	700	56	\$27,700.00
2,500	120	300,000	670	50	\$32,700.00
2,750	120	330,000	635	45	\$38,300.00
3,000	120	360,000	600	42	\$44,400.00
3,250	120	390,000	570	38	\$50,500.00
3,500	120	420,000	535	36	\$57,400.00
3,750	120	450,000	500	33	\$64,700.00
4,000	120	480,000	400	31	\$78,900.00

- 9.9. **Allocation Definitions and Formulas:** The following definitions and formulas were used to effectively allocate costs and capital facilities to new customers receiving water service from the District.

- 9.9.1. Equivalent Residential Unit (ERU):** Equating all customer classification usage/demand to the average annual residential usage/demand.
- 9.9.2. Cost Per ERU:** Research and Development + Property Acquisitions + Well Drilling and Development + Well and Booster Pump Station + Reservoir + Operation and Maintenance Facilities ÷ 1,000 ERU's.
- 9.9.3. Meter Size:** Determined by fixture units and/or required demand of water supply.
- 9.9.4. Meter Capacity:** Rated meter capacity by American Water Works Association (AWWA).
- 9.9.5. ERU Ratio:** Meter capacity ÷ 5/8-inch meter capacity.
- 9.9.6. Meter Size Charge:** Cost per ERU x ERU ratio.
- 9.9.7. Fire Flow:** Local fire marshall having jurisdiction, with a provision that the residential fire flow shall not be less than 500 gallons per minute; and nonresidential fire flow shall not be less than 1,500 gallons per minute.
- 9.9.8. Fire Flow Duration:** Local fire marshall having jurisdiction, with a provision that the residential fire flow duration shall not be less than 30 minutes; and the nonresidential fire flow duration shall not be less than 120 minutes.
- 9.9.9. Accumulative Fire Storage:** An accumulation of all fire storage requirements with a threshold of 15-million gallons accumulative prior to setting aside additional fire storage of 15,000 gallons, this is a ratio of 1,000:1, with a provision that the largest fire storage is available.
- 9.9.10. Fire Storage:** Fire flow x fire flow duration.
- 9.9.11. Fire Storage Connections:** Accumulative fire storage ÷ fire storage.
- 9.9.12. Fire Flow Charge:** [Total capital facilities – (cost per ERU x allowable ERU's)] x fire storage ÷ accumulative storage.