



WESTMINSTER

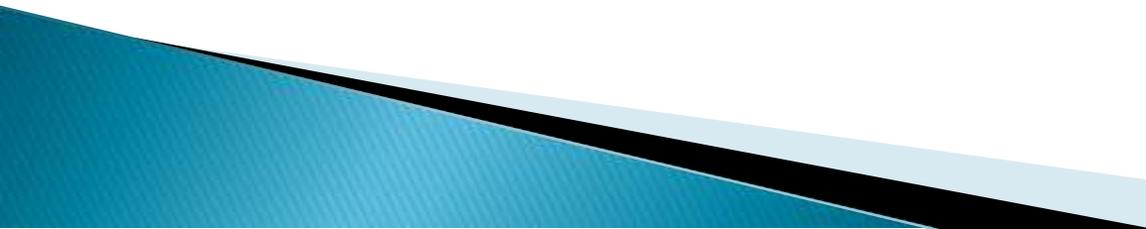
# City of Westminster Tap Fee Program

LULA March 9, 2015  
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# What Are System Development Fees

- ▶ Tap Fees
  - ▶ Water / Sewer
  - ▶ Fund system
    - Infrastructure
    - Water resources
    - Rates cover treatment and maintenance
  - ▶ Current users build the system and new connections pay them back
  - ▶ Paid by Developers or new customers
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# Westminster Tap Fees

- ▶ Use water and infrastructure *service commitments* to keep the City from growing faster than the water supply
  - ▶ Separate component values and sales
    - Water Resources
    - Infrastructure
  - ▶ Based on current resource values
  - ▶ Continuous process including modified and expanding businesses
  - ▶ Growth pays for growth
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# Tap Fee Program Goals

- ▶ Fair and equitable
  - ▶ No harm to current users
  - ▶ Pay for impacts to the water and wastewater system from new or modified connections
  - ▶ New construction and new business in existing building
  - ▶ Long term sustainable water resources and infrastructure
  - ▶ *Provide data for water demand projections and land use decisions*
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# Fair and Equitable: Comparison of Two Commercial Customers Each With 2" Meters



Car Wash Center

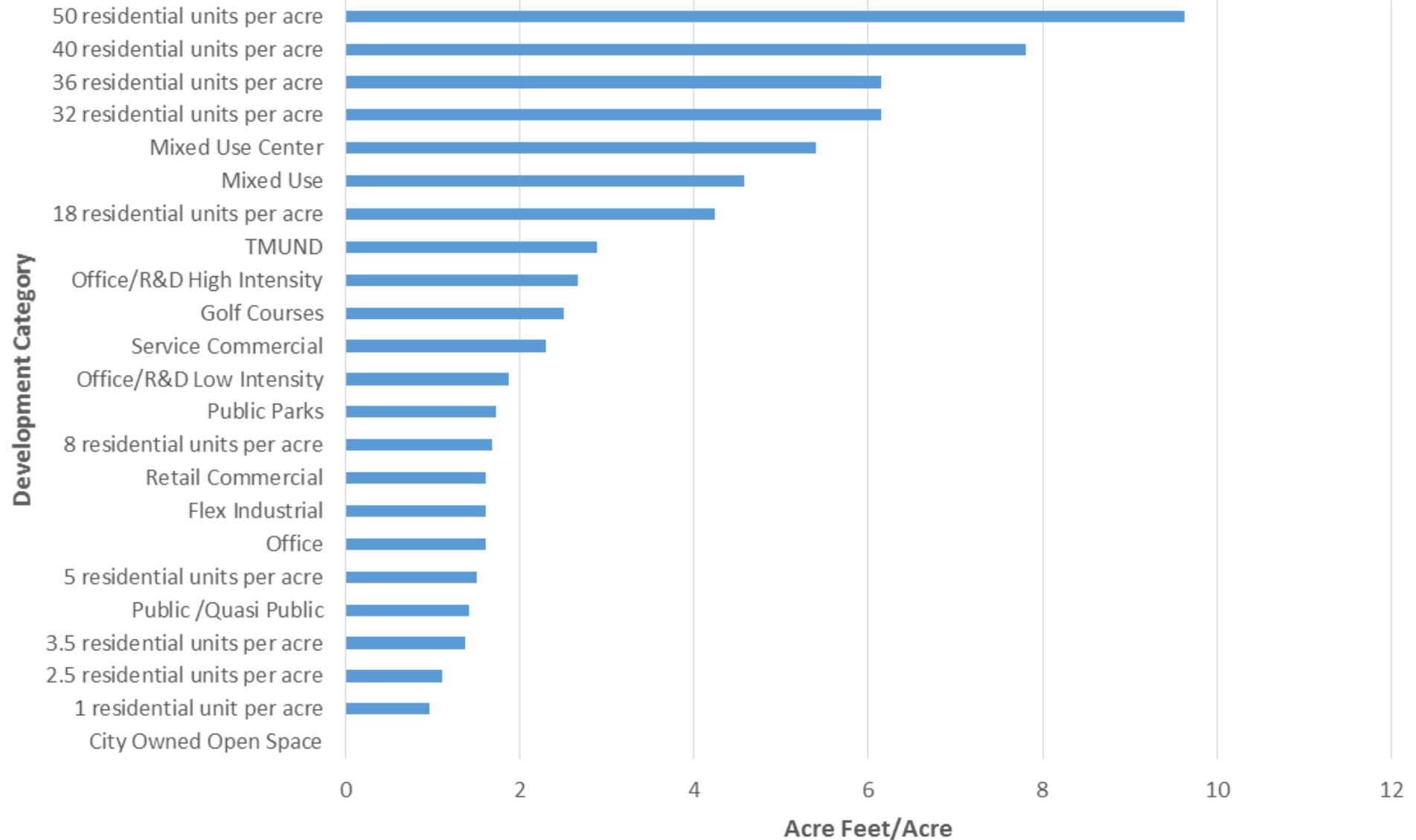


Office Building

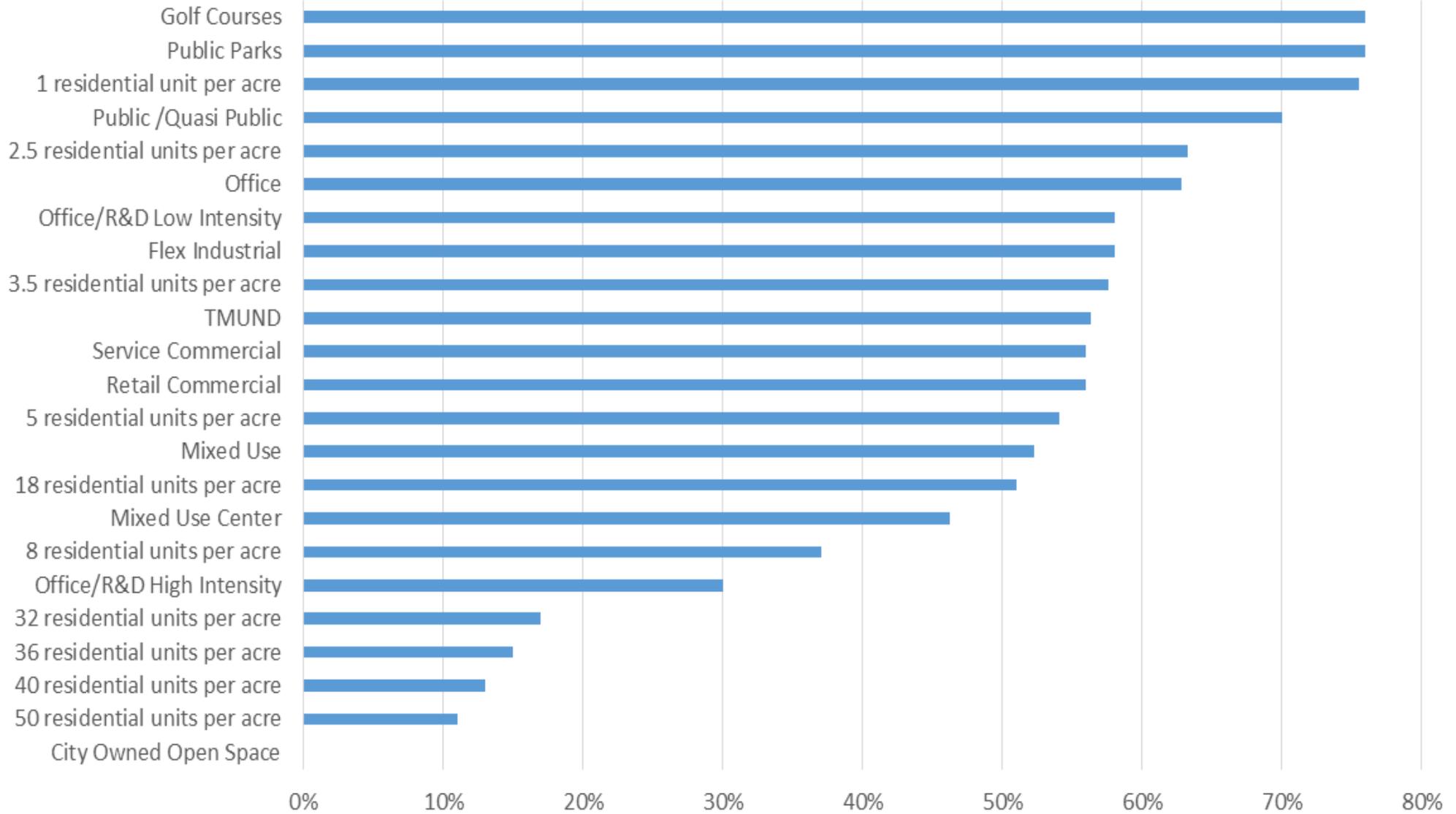
# Tap Fee Costs – Water Resources

- ▶ Based on actual use at existing facilities
  - ▶ Charged per “Service Commitment” 140,000 annual gallons
  - ▶ \$11,372 based on \$26,500/AF
  - ▶ Vanilla data – can use business specific data and Proforma
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## Development Category Water Use Acre Feet/Acre (Water Sense)



## Outdoor Water Use Percentage



# Tap Fee Costs – Infrastructure

- ▶ Total value of the entire infrastructure / Number of service commitments the system can serve
- ▶ Calculated using plumbing fixture units
- ▶ Based on Meter Size and Max GPM

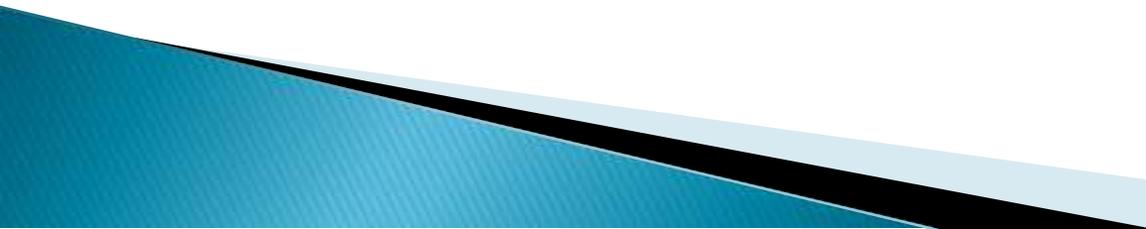
Max GPM	Meter Size	Service Commitments	Infrastructure Charge
<u>20</u>	<u>5/8"x 3/4"</u>	<u>1</u>	<u>\$ 10,669</u>
30	3/4"	1.5	\$ 16,002
50	1"	2.5	\$ 26,671
100	1-1/2"	5	\$ 53,342
160	2"	8	\$ 85,348
350	3"	17.5	\$ 186,700
600	4"	30	\$ 320,057
1250	6"	62.5	\$ 666,786

# Irrigation Tap Fees

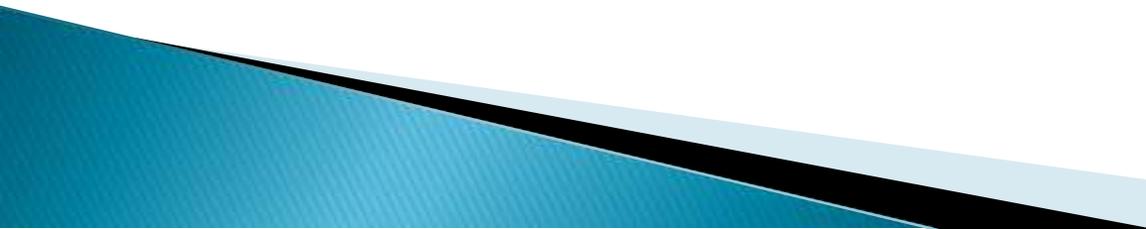
- ▶ Based on landscape type – water demand
- ▶ Charged per square foot of irrigated area
- ▶ Meter size not a major component of irrigation tap fee

Landscape Type	Potable	Reclaimed
Standard Irrigation Cost per SF	\$2.11	\$1.69
Medium Water Irrigation Cost per SF	\$1.05	\$0.84
Low Water Irrigation Cost per SF	\$0.52	\$0.42
Temporary 2-Year Establishment Irrigation	N/C	N/C

# Water Efficiency

- ▶ There is no “one size fits all”
  - ▶ Connections that have less impact on the utility should pay lower tap fees
    - Water use
    - Infrastructure demand
  - ▶ Zoning allows for wide range of water uses at site
    - Current and future
  - ▶ Right sizing taps require more accuracy
    - New ways to assess unknown impacts and changing businesses
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# The Future

- ▶ Smart meters and billing systems will allow for new options
  - ▶ Collect for overuse in a tap fee rate component
    - Water resources
    - Demand charges
    - Up-front projection accuracy limited
  - ▶ What about water intensive businesses we need in our community?
    - Laundromats
    - Local restaurants
    - Businesses that rent and need to move
      - Redevelopment
  - ▶ Refine sizing calculations to provide benefit for low use fixtures
  - ▶ Base single family irrigation on irrigated area
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# Thank You

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