City of Westminster Tap Fee Program

LULA March 9, 2015
Stu Feinglas
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
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
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
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 Pro forma
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

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

<table>
<thead>
<tr>
<th>Landscape Type</th>
<th>Potable</th>
<th>Reclaimed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Irrigation Cost per SF</td>
<td>$2.11</td>
<td>$1.69</td>
</tr>
<tr>
<td>Medium Water Irrigation Cost per SF</td>
<td>$1.05</td>
<td>$0.84</td>
</tr>
<tr>
<td>Low Water Irrigation Cost per SF</td>
<td>$0.52</td>
<td>$0.42</td>
</tr>
<tr>
<td>Temporary 2-Year Establishment Irrigation</td>
<td>N/C</td>
<td>N/C</td>
</tr>
</tbody>
</table>
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
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
Thank You

Stu Feinglas
City of Westminster
sfeinglas@cityofwestminster.us
303-658-2386