

WATER AND WASTEWATER CAPACITY CHARGES AND POLICIES

1. CAPACITY CHARGES

Except as provided herein, the following water and wastewater capacity charges shall be collected prior to the Public Works Director's approval to: 1) make a new connection to the City water or wastewater system, 2) commence a discharge into the City wastewater system from a newly permitted dwelling unit, or 3) increase the size of an existing water meter. Such capacity charges shall be in addition to fees assessed under other resolutions for the labor, materials, equipment, and other City costs necessary to construct the actual connection to the water or wastewater system.

Water capacity charges for: 1) non-residential uses, 2) newly created single family residential units, or 3) a multi-family residential dwelling unit served by a meter larger than 5/8", are as follows, per meter*:

Meter Size	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
5/8" meter:	\$10,248	\$10,555	***	***	***
3/4" meter:	\$15,373	\$15,834	***	***	***
1" meter:	\$25,621	\$26,390	***	***	***
1 1/2" meter:	\$51,242	\$52,779	***	***	***
2" meter:	\$81,988	\$84,448	***	***	***
3" meter:	\$153,727	\$158,339	***	***	***
4" meter:	\$256,212	\$263,898	***	***	***
6" meter:	\$512,423	\$527,796	***	***	***
8" meter:	\$819,877	\$844,473	***	***	***
10" meter:	\$1,178,574	\$1,213,931	***	***	***

* For multi-family residential properties in which a City-owned submeter is installed downstream of a City-owned master meter, the capacity charge shall be based on the size of the City submeter instead of the size of the City master meter.

*** See Future Year Charge Calculation subheading, below.

Wastewater capacity charges for: 1) non-residential uses, or 2) newly created single family dwelling units, are as follows**:

Meter Size	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Single Family	\$3,744	\$3,856	***	***	***
Non-Residential					
5/8" meter:	\$3,744	\$3,856	***	***	***

¾" meter:	\$5,616	\$5,784	***	***	***
1" meter:	\$9,361	\$9,642	***	***	***
1 ½" meter:	\$18,721	\$19,283	***	***	***
2" meter:	\$29,954	\$30,853	***	***	***
3" meter:	\$56,164	\$57,849	***	***	***
4" meter:	\$93,607	\$96,415	***	***	***
6" meter:	\$187,214	\$192,830	***	***	***
8" meter:	\$299,542	\$308,528	***	***	***
10" meter:	\$430,592	\$443,510	***	***	***

** Should a multi-family or single family residential property require a meter size larger than 5/8" to primarily serve indoor domestic capacity needs, wastewater capacity charges shall not be capped at the 5/8" meter charge and shall be determined by the Non-Residential meter sizes as reflected in the chart above. The property may be subject to a site inspection by City staff to verify water use.

*** See Future Year Charge Calculation subheading, below.

Capacity Charges for Multi-Family and Accessory Dwelling Unit Projects

Except as provided above, the water and wastewater capacity charges for newly permitted multi-family dwelling units and accessory dwelling units served by a separate and dedicated City water meter shall be calculated by multiplying the total number of newly proposed water supply Fixture Units times the applicable Fixture Unit cost as established in the tables below; provided, however, the wastewater capacity charge per dwelling unit for multi-family and accessory dwelling units shall not exceed the wastewater capacity charge for a 5/8" meter.

Fixture Unit Costs (\$/Fixture Unit)

System	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Water	\$341.60	\$351.85	***	***	***
Wastewater	\$124.81	\$128.59	***	***	***

*** See Future Year Charge Calculation subheading, below

Future Year Charge Calculation

Charges shall be escalated annually based on the change in the March Engineering News Record (ENR) Construction Cost Index (CCI) 20-City Average from the previous year. For example, if the March 2024 ENR CCI is 3% higher than the March 2023 ENR CCI, then capacity charges will increase by 3% in July 2024 (start of FY25).

2. REGULATIONS REGARDING ASSESSMENT OF CAPACITY CHARGES

The following regulations shall apply to the assessment of water and wastewater

capacity charges:

- A. The term “multi-family residential dwelling unit” as used herein shall mean any attached dwelling unit, including attached apartments, condominiums, and secondary dwelling units.
- B. Water and wastewater capacity charges shall not apply to:
 - 1. Water system connections for public fire hydrants, private fire hydrants, and private fire lines; and
 - 2. Common area meters to serve irrigation on multi-family residential properties.
- C. A wastewater capacity charge shall not apply to a water meter that is classified as “Irrigation” in the City billing system.
- D. Water and wastewater capacity charges shall not apply to a connection to the City’s recycled water distribution system to the extent that the connection offsets existing potable water capacity.
- E. In the case of an application for a water connection to serve a parcel where connections already exist, credit shall be given for existing connections such that the water capacity charges shall be based on the net increase in metered capacity. In the case of an application for a Wastewater connection to serve a parcel where connections already exist, capacity charges shall be based on the net increase in meter capacity for non-residential meters, or in the case of residential meters, the net increase in the number of dwelling units. The credit shall only be valid when the existing connections are abandoned within six months of the installation of new services.
- F. There shall be no capacity charge assessed for the installation of a meter to serve a legally existing residential dwelling unit that is already being legally served by another City water meter when such installation is done for the purpose of providing separate metering to such dwelling unit.
- G. There shall be no capacity charge assessed for the installation of a 5/8” irrigation meter to serve existing irrigated landscaping that is already being legally served by another City water meter when such installation is done for the purpose of providing separate metering of indoor uses and irrigation. Water use history for the property must show patterns of irrigation watering for at least two years. The property may be subject to a site inspection by City staff to verify the landscaping is existing and irrigated. Should a customer request an irrigation meter size larger than 5/8”, the capacity charge will be calculated at the applicable fee based on the meter size as provided in Section 1, less the applicable fee for a 5/8” meter. All other applicable fees, charges, and costs shall apply.

- H. A reduction in meter size may be approved by the Public Works Director in accordance with applicable resolutions; however, there shall be no refund of capacity charges upon such reduction.
- I. When a customer voluntarily downsizes a meter, the original meter capacity will be reserved for the service connection for 12 months. If, before 12 months has elapsed from the time of the smaller meter being installed, the customer requests the original meter size to be re-installed at the same service connection, no capacity charge shall apply. If more than 12 months has elapsed, the customer will be charged the difference in capacity charge between the meter size currently installed and the size of the meter to be installed.
- J. In cases where an applicant asserts that the water or wastewater capacity charge imposed under this Resolution exceeds the reasonable cost of providing the service for which the charge is imposed, or does not reasonably reflect the proportionate benefit of existing public facilities using the methods contained herein, an applicant may appeal the determination of the capacity charge to the Public Works Director, and may subsequently appeal the Public Works Director's Decision to the City Council, for determination of a different capacity charge. Appeals under this section, shall be made as follows:
 - 1. Prior to installation of water meters, the applicant shall submit a written notice of appeal to the Public Works Director. The notice of appeal shall set forth the grounds upon which the appeal is based, a proposed alternate capacity charge calculation, and all relevant issues, facts, information, and analysis necessary to substantiate the appeal.
 - 2. Within 21 days of receiving the written notice of appeal, the Public Works Director shall provide a written decision on the appeal to the applicant.
 - 3. The Public Works Director shall have the authority to continue the determination on the appeal beyond 21 days to request additional information from the applicant, and consider new issues and facts raised by the applicant.
 - 4. The applicant may appeal the decision of the Public Works Director to the City Council by filing a written notice of appeal with the City Clerk within 10 days of the date of the Public Works Director's Decision. The notice of appeal shall set forth in detail the grounds upon which the appeal is based and provide all supplemental documents upon which the applicant intends to reply. The City Clerk shall require payment of a fee for such appeal as is provided by resolution of the City Council for the matter.

Prior to setting the appeal for hearing before the City Council, the Water Commission, at their soonest available meeting after the notice of

appeal is filed with the City Clerk, shall consider the Public Works Director's decision on the appeal and shall make a recommendation to City Council on the appeal. No new information, documents or evidence shall be filed or considered by the Water Commission.

5. Within 21 days of receiving the recommendation from the Water Commission, the City Clerk shall set a date for hearing on the appeal before the City Council.
6. At the time and place of the hearing, the City Council shall hear and receive any relevant information and document regarding the appeal. The City Council may continue the hearing from time to time as may be required, or may grant or deny the appeal, in whole or in part.
7. The decision of the City Council shall be final on the day of the decision.

- K. The Public Works Director is authorized to establish Administrative Guidelines to determine eligibility criteria to pay capacity charges previously established in lieu of capacity charges established herein for development projects that have achieved specific milestones in the development review process.

3. REGULATIONS REGARDING RESERVED CAPACITY CHARGES FOR INACTIVE ACCOUNTS

- A. As system capacity continues to be reserved for inactive accounts even when connections are not in use, accounts that have been inactive for more than 6 months shall be subject to reserved capacity charges before service can be reinstated. Charges shall be determined by the following formulas:

1. WATER

The current monthly service charge multiplied by the number of months that have passed since the expiration of the 6-month grace period.

2. WASTEWATER

For Residential Accounts: The current monthly basic charge per dwelling unit, multiplied by the number of dwelling units on the account, multiplied by the number of months that have passed since the expiration of the 6-month grace period.

For Commercial Class 1-4 Accounts: The minimum monthly service charge based on meter size, multiplied by the number of months that have passed since the expiration of the 6-month grace period.

3. The water monthly service charge and wastewater minimum monthly service charge shall be based on the meter size at the time of account termination.
- B. If the above calculation exceeds the current capacity charge for the meter size in question, the charge is capped at the current capacity charge amount.

Accounts that are inactive due to catastrophic circumstances, such as fire or other natural disasters, may apply for a waiver of reserved capacity charges that have accrued within 5 years of the catastrophic circumstance, subject to approval by the Public Works Director. The Public Works Director may adopt an administrative policy for implementation of this section.