

Report To:
**Winton Water and
Sanitary District**

6951 N. Winton Way
Winton, CA 95388
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Report on

Water and Wastewater Capacity Charge Study

Submitted By:

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FINANCIAL CONSULTING
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MANAGEMENT CONSULTING

April 2024



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April 22, 2024

Ms. Jennifer Caldera
General Manager
Winton Water and Sanitary District
6951 N. Winton Way
Winton, CA 95388

Dear Ms. Caldera:

I am pleased to present this Water and Wastewater Capacity Charge Study (Study) report for the Winton Water and Sanitary District (District). The water and wastewater capacity charges presented in this report have been developed based on industry methods following American Water Works Association (AWWA), Water Environment Federation (WEF), and generally accepted practices.

The recommendations in this report should enable the District to implement cost-based water and wastewater capacity charges that meet the District's growth and financial policy objectives. The District's Budget, financial, and engineering data were used for many of the calculations in this report.

It has been a pleasure to work with District staff during the performance of this study. If there are any questions, please contact me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
Principal Consultant

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Water and Wastewater Capacity Charge Study

WINTON WATER AND SANITARY DISTRICT

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Water and Wastewater Capacity Charge Study

WINTON WATER AND SANITARY DISTRICT

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Executive Summary

The Winton Water and Sanitary District (District) engaged Tuckfield & Associates to conduct a Water and Wastewater Capacity Charge Study (Study) for its water and wastewater enterprise systems. The major objectives of the Study were to develop Equivalent Dwelling Units (EDUs) of current customers and future development, determine the value of existing facilities, allocate existing and future system value between current and future users, and calculate schedules of water and wastewater capacity charges that comply with state legislation.

The purpose of the capacity charges is to recover the cost of current facilities in existence at the time of the Study and the costs of new facilities to be acquired or constructed that are of proportional benefit to new development connecting to the systems. The capacity charges are one-time charges to new customers connecting to the water and wastewater systems, or customers desiring to increase their demand or capacity requirement.

The current water and wastewater charges were last adopted in 2006. The charges were based on existing system value, specific capital improvements benefiting current and future customers, and estimates of water consumption and wastewater flow of an EDU at the time of the 2006 study. The 2006 study did not specifically recommend a provision to increase capacity charges annually following an appropriate cost index. Since the 2006 study, the District has constructed new infrastructure facilities for both the water and wastewater systems and these facilities have now been booked into the District's fixed assets. The District has also developed new water and wastewater capital improvement programs (CIPs), causing both existing and future system facilities costs to change.

This report provides the basis for the District to implement cost-based capacity charges that uses generally accepted engineering and financial methods to establish water and wastewater capacity charges. The District provided financial, budget, and engineering information that was used to calculate the charges including information on fixed assets, customer counts, projected development infrastructure, and CIPs.

Capacity Charge Approach

The capacity charges calculated in this report are based upon the combined approach methodology discussed in the American Water Works Association (AWWA) Manual M1 and the Water Environment Federation (WEF) Manual No. 27. The combined approach includes both the value of existing facilities and the future capital infrastructure needed to accommodate future growth that serves the number of EDUs that is the capacity provided. The combined approach is used where there is available capacity in certain parts of the existing system, and where new or capacity increasing (incremental) facilities are needed to be constructed in other parts of the system to serve new development.

The combination of the cost of the existing facilities serving all customers and the incremental facilities serving future development determines the capacity charge. The calculations should also account for the cost of any financing of capital improvements and capital reserves contributed by current customers.

Water Capacity Charges

The current water capacity charges were adopted in Ordinance 06-66 and were developed by meter size. The capacity ratios used in the calculations are based on the maximum safe operating capacity of the meter sizes from AWWA.

For this Study, residential and non-residential categories have been added to the schedule of water fees to assess the fee more accurately according to development type. Whereas the 2006 report developed charges by meter size, the proposed charges recognize that all new single-family residential development will install 1-inch meters, which is the new standard due to fire code considerations. A non-residential category is created to recognize that there may be non-residential types of use where a smaller meter size may be used. One such use would be commercial landscape irrigation use where only a 5/8-inch meter size could be required. Therefore, the proposed schedule of water capacity charges distinguished between residential and non-residential uses. Table ES-1 below provides the current and proposed District water capacity charges.

Table ES-1
Current and Proposed Water Capacity Charges

Classification/Meter Size	EDU Ratio / Capacity Ratio	Proposed Water Capacity Charges	Current Water Capacity Charges
Residential		EDU Ratio	
Single-family Residential [1]	1.00	\$3,827.69	\$3,600
Multifamily Residential [1] [2]	0.80	\$3,062.15	
Condominium [1]	1.00	\$3,827.69	
RV Space/Mobile Home [1] [2]	0.80	\$3,062.15	
Non-Residential		Capacity Ratio	
5/8"	0.67	\$2,564.55	\$3,600
3/4"	1.00	\$3,827.69	\$3,600
1"	1.67	\$6,392.24	\$4,500
1 1/2"	3.33	\$12,746.21	\$10,000
2"	5.33	\$20,401.59	\$18,000
3"	10.67	\$68,205.20	\$40,500
4"	16.67	\$106,558.64	\$72,000
6"	33.33	\$213,053.36	\$162,000
8"	93.33	\$596,587.76	\$288,000

[1] Per dwelling unit.

[2] Current use/unit indicates that a Multifamily unit uses 0.80 times that of a SFR unit.

Wastewater Capacity Charges

The current wastewater capacity charges were also adopted in Ordinance 06-66 and are developed based on an EDU methodology. Under the current methodology, wastewater strength is not relevant because wastewater treatment is provided by the City of Atwater. The District provides wastewater collection service only. The charge to any customer that connects to the wastewater system is based on their calculated or assigned EDUs by the District at the time of application.

For this Study, the estimated wastewater flow for an EDU is about 200 gpd based on current information. The wastewater capacity charges are designed using a similar EDU methodology whereby residential and non-residential customers are charged per EDU. Wastewater residential capacity charges for other than SFR, the charge is based on the estimated wastewater flow for the group divided by the flow of the SFR classification as shown in Table ES-2. For a Non-Residential customer, the proposed charge is specific to the connection and the new customer’s flow is divided by the SFR estimated average daily flow as shown in the equation at the bottom of Table ES-2.

Table ES-2
Current and Proposed Wastewater Capacity Charges

Classification/Meter Size		EDU Ratio / Capacity Ratio	Proposed Sewer Capacity Charges	Current Sewer Capacity Charges [3]
Residential		EDU Ratio		
1	Single-family Residential	1.00	\$3,677.47	\$2,400
2	Multifamily Residential [1] [2]	0.80	\$2,941.98	\$2,400
3	Condominium [1]	1.00	\$3,677.47	\$2,400
4	RV Space/Mobile Home [1] [2]	0.80	\$2,941.98	\$2,400
5	Accessory Dwelling Unit [4]	0.50	\$1,838.74	\$2,400
Non-Residential				
5	All Uses [5]			

[1] Per dwelling unit.

[2] Current use/unit indicates that a Multifamily unit uses 0.80 times that of a SFR unit.

[3] Current Sewer Charges for 4-inch and greater sewer service size is \$2,400 Average Daily Flow (ADF) ÷ 300 gpd.

[4] Estimated flow of an Accessory Dwelling Unit is 0.50 times that of a SFR unit.

[5] Proposed capacity charge for non-residential uses is equal to the following formula.

$$\text{Non – Residential Capacity Charge} = \frac{\text{Average Daily Flow}}{200} * \$3,677.47$$

Introduction

The Winton Water and Sanitary District (District) engaged Tuckfield & Associates to conduct a Water and Wastewater Capacity Charge Study (Study) for its water and wastewater enterprise systems. The major objectives of the Study were to develop equivalent dwelling units (EDUs) of current customers and future development, determine the value of existing facilities, allocate existing and future system value between current and future users, and calculate schedules of water and wastewater capacity charges that comply with state legislation.

Capacity Charge Definition and Legislation

Capacity charges are governed California Government Code (Code) section 66013 and 66016.6. Section 66013 of the Code defines a “capacity charge” as “a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.” The Code separately distinguishes “capacity charges” from “connection fees” which are defined as fees for the physical facilities necessary to make a water or sewer connection.

The capacity charges developed in this report follow Section 66013 and 66016.6, such that the capacity charges do not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed. Section 66013 and 66016.6 do not detail any specific methodology for calculating capacity charges.

To implement the capacity charges, section 66016.6 of the Code identifies the procedural requirements for adopting or increasing water and wastewater capacity charges. The Code requires evaluation of the capacity charge by the local agency in accordance with Section 66013 and requires a 14-day notice of a public hearing on the capacity charges. Notices only need to be mailed to anyone who has filed a specific request to be notified.

Capacity Charge Method Overview

There may be several methodologies that may be used in the development of capacity charges that can be applied to various urban growth situations. Brief descriptions of each three methods provided by the AWWA are provided below.

System Buy-In - Charges are designed to derive from new customers an amount per connection equal to the "equity" in the system attributable to existing customers. This method employs either original costs or replacement costs in measuring equity.

Incremental Cost - Charges are designed to derive from new customers the incremental, or added, cost of system expansion associated with new customer growth. This method is based on the principle that new connections to

the system should pay for those costs, which they cause to be incurred, resulting from the most recent or next increment of system capacity needed to serve new customers.

Combination of Buy-In and Incremental Cost - In some situations, utilities use a combination of system buy-in and incremental cost methods. This method recognizes capacity in the system that is available now and planned for future development and allocates capital improvement program projects between replacement and growth-related value.

The methodology used for the District is a combination of buy-in and incremental cost methodology. This methodology considers the contribution of both the existing facilities and growth-related facilities to accommodate new development. This methodology is used where the service area has existing facilities that will benefit new users of the system and where new facilities will be of benefit to new development.

System Planning and EDUs

System planning information is used to determine the capacity requirements of current and future EDUs. From water billing information, the number of water meters by size is used along with meter capacity ratios from AWWA to determine equivalent 1-inch meters. The 1-inch meter is the minimum size meter for installation of a new residence in the District service area. Tables 1 provides the estimates of current EDUs of the water system.

Table 1
Current Number of Water Equivalent Dwelling Units

Meter Size	Existing Water Meters [1]	Maximum Flow gpm	Meter Equivalency to 1" Meter	1" Meter Equivalent Units
3/4-inch	2,456	30	0.6	1,474
1-inch	92	50	1.0	92
1 1/2-inch	11	100	2.0	22
2-inch	19	160	3.2	61
3-inch	4	320	6.4	26
4-inch	1	500	10.0	10
6-inch	6	1,000	20.0	120
8-inch		2,800	56.0	-
Total	2,589			1,804

This Study uses about 200 gpd as the average wastewater flow of a single-family residence. This estimate is derived from a flow balance estimate from all users of the wastewater system with the wastewater flow received at the

City of Atwater treatment plant. Table 2 provides the estimates of the current number of EDUs for the wastewater system.

Table 2
Current Number of Wastewater Equivalent Dwelling Units

Classification	Number of Dwelling Units	Number of Business Facilities	Number of Other Services	Wastewater Duty Factor gpd/unit	Annual Wastewater Volume gpd	Number of Wastewater EDU's
Single-family Residential	2,359			201.3	474,867	2,359.0
Multifamily Residential	665			161.0	107,092	532.0
Business Church Inst.		85		463.6	39,403	195.7
Other Services			18	1,010.0	18,180	90.3
Infiltration/Inflow					10,458	
Total	3,024	85	18		650,000	3,177.1

The District’s TCP Water Distribution System Study has provided projections of future residential development in its service area. The new water well is estimated to have 553 gallons per minute (gpm) of well capacity available for growth. With 0.8 gpm required for a SFR dwelling unit, the number of future EDUs equal to 691. This future number for EDUs is used for both water and wastewater because it is a limiting factor for wastewater growth as well. Table 3 provides future EDUs for both the water and wastewater systems.

Table 3
Future Number of Water and Wastewater Equivalent Dwelling Units

Project [1]	Water ADD Duty Factor gpd/unit	Water MDD Duty Factor gpd/unit	Total Water Usage gpd	Number of Equivalent DU's [2]
New Well	489	611	338,021	553
Total			338,021	553

[1] Source: Winton TCP Water Distribution System Study.

[2] Total water use (gpd) divided by 611 gpd (estimated MDD usage for single-family residence).

Table 4 provides a summary of the water and wastewater current and future EDUs from the tables above. Also provided is the number of current and future customers as a percentage of the total number of EDUs for the water and wastewater systems. The percentage allocation between current and future customers is used for existing and future facility asset allocation between current and future users.

Table 4
Summary of Current and Future Water and Wastewater Equivalent Dwelling Units

Demographic Statistics	Current	Anticipated	Estimated	Current	Future
	Customers	Future	Total	Customers	Customers
	EDUs	Customers [1]	Customers	Customers	Customers
	EDUs	EDUs	EDUs	%	%
Water Equivalent Dwelling Units (EDU's)	1,804.0	553.0	2,357.0	76.5%	23.5%
Wastewater Equivalent Dwelling Units (EDU's)	3,177.1	553.0	3,730.1	85.2%	14.8%

[1] Customer growth is limited by growth in water system. Source: TCP Water Distribution System Study.

Calculation of Capacity Charges

The combination methodology is used for calculating the capacity charges for this study which includes a buy-in component and an incremental cost component. The value of the facilities of each of the water and wastewater systems are offset by certain components while increased by others. Each component of the capacity charge calculations is discussed below.

Buy-in Cost Component

The current facility value (for capacity charge purposes) for both the water and wastewater systems is based on Replacement Cost Less Depreciation (RCLD), derived from information and records provided by the District. Replacement cost refers to valuing the existing facilities at the cost of replacing those facilities with facilities of similar usefulness, not necessarily with the exact equipment that currently exists.

The replacement cost of the water and wastewater existing facilities was determined by increasing each asset's original cost from its acquisition date to January 2024. This was accomplished by multiplying the asset original cost by the ratio of the Engineering News Record (ENR) Construction Cost Index (CCI) for January 2024 to the ENR CCI of its installation date. The replacement cost of the existing assets was then depreciated recognizing the percent that the asset has been depreciated in proportion to its original cost.

Tables 5 and 6 provide the District net investment in water and wastewater system facilities respectively, stated in terms of Replacement Cost Less Depreciation (RCLD). The facility RCLD values are further allocated to growth to be used in the capacity charge calculations. Water and wastewater system RCLD value is allocated to growth based on the percentages from Table 4.

Table 5
Existing Water System Facility Assets Related to Growth

Facility Description	Total RCLD [1]	Percent System-wide	Percent Growth	Existing Value	Growth Value
Wells	\$5,254,660	76.5%	23.5%	\$4,021,811	\$1,232,850
Pumping Plant	118,977	76.5%	23.5%	91,063	27,914
Treatment	-	76.5%	23.5%	-	-
Distribution	346,100	76.5%	23.5%	264,898	81,202
Reservoirs	-	76.5%	23.5%	-	-
Meters and Services	145,623	100.0%	0.0%	145,623	-
Fire Protection	5,138	76.5%	23.5%	3,933	1,206
General Plant	223,998	76.5%	23.5%	171,443	52,554
Total Facility Value	\$6,094,496			\$4,698,770	\$1,395,726

[1] Replacement Cost Less Depreciation.

Table 6
Existing Wastewater System Facility Assets Related to Growth

Facility Description	Total RCLD [1]	Percent System-wide	Percent Growth	Existing Value	Growth Value
Collection	\$825,943	85.2%	14.8%	\$703,493	\$122,450
Lift Stations	5,950,805	85.2%	14.8%	5,068,568	882,237
Treatment	631,067	85.2%	14.8%	537,508	93,559
General Plant	443,529	85.2%	14.8%	377,773	65,755
Land	78,644	85.2%	14.8%	66,985	11,659
Total Facility Value	\$7,929,987			\$6,754,327	\$1,175,661

[1] Replacement Cost Less Depreciation.

Incremental Cost Component

The District has developed a CIP plan that identifies facilities to be constructed to coincide with the growth identified in Table 3. The CIP has a system value that is related to both existing development and future growth. CIP costs that are growth-related are included with the incremental cost of facility value in the calculation. The water and wastewater CIP are provided in Tables A-1 and A-2 respectively in the appendix to this report and shows the allocation of each CIP project to current users and growth. Tables 7 and 8 provide a summary of the water and wastewater CIP value respectively that is allocated to growth and used for capacity charge calculations.

Table 7
Summary of Water Future CIP Facility Assets

Description	System-wide	Growth-Related
Current Capital Improvement Projects (CIP) [1]		
Well 15 Replacements	518,698	159,002
Replace Thin-Walled PVC water lines	329,037	100,863
Replace galvanized water lines	197,545	60,555
Replace Walnut Avenue Water Line (located in backyards)	64,598	19,802
4" valves (replace 30 each)	94,831	29,069
6" valves (replace 150 each)	175,502	53,798
8" valves (replace 50 each)	70,185	21,515
Replace older fire hydrants & valves (replace 66 each)	186,600	57,200
Replace 3/4" meters (replace 1,500 older meters)	585,209	179,391
Replace Backhoe (1/2 cost)	44,392	13,608
New Computers, Server and Software (1/2 cost)	8,878	2,722
Office Improvement & Upgrades (1/2 cost)	20,283	6,217
Furniture (1/2 cost)	2,449	751
Total Water CIP	\$2,298,206	\$704,494

[1] CIP Source: Winton Water and Sanitary District

Table 8
Summary of Wastewater Future CIP Facility Assets

Description	System-wide	Growth-Related
Current Capital Improvement Projects (CIP) [1]		
Replace Walnut LS Pumps & Control Panel	166,686	29,014
Replace Myrtle LS Pumps & Control Panel	51,105	8,895
Replace Broken VCP Sewer Pipe	91,392	15,908
12" Force Main Rehabilitation (Metal Fittings)	45,739	7,961
Manhole Repair or Replacement	114,049	19,851
Replace Jet Truck	255,523	44,477
Replace Backhoe (1/2 cost)	49,401	8,599
Replace Sewer Truck #5 (Replace with used truck)	25,893	4,507
New Computers, Server and Software (1/2 cost)	9,880	1,720
Office Improvement & Upgrades (1/2 cost)	21,294	3,706
Furniture (1/2 cost)	2,555	445
Total Wastewater CIP	\$833,518	\$145,082

[1] CIP Source: Winton Water and Sanitary District

Other Components

The water and wastewater facility values are adjusted to recognize allowable components of the capacity charges. These adjustments include accounting for the financing of fixed assets and capital reserve contributions from

existing customers. Financing of facilities may occur in several forms. The District may have received or paid for facilities from capital contributions from developers, receipt of grant funds for facilities, and debt financing of facilities.

When new developments are constructed, it is common that the developer or new customer pays for the cost of the local facilities, and then these facilities are donated to the District. These facilities are classified as contributed capital. Since the District received these local facility assets without cost, the existing customer has no equity in those facilities and they are excluded from the valuation of the facilities. From the review and analysis of the District's fixed assets, no contributions were identified and no reductions to facility value were excluded.

In a similar manner as contributions, grant funds received to pay for certain facilities are also excluded from facility value. No grant funding has been identified in the District's fixed assets.

The principal of outstanding debt service payments is deducted from existing facility value to reflect the equity in the existing system, because debt service payments will be made from future water and wastewater rates. The District is repaying a loan for a new water well and the outstanding principal of \$2,511,050 is deducted from water system facility value.

Capital reserve balances are added to facility value because the existing customers have paid into these reserves and future customers should buy-in for a proportionate share of the financial reserves. Since the wastewater fund provided the \$2,511,050 loan to the water fund for the new well, this amount will be included into capital reserves of the wastewater capacity charge calculations. Table 9 provides the water and wastewater capital reserves that are allowed in the calculation of capacity charges.

Table 9
Capital Reserves Component Values

Reserve Type	Water Reserves	Wastewater Reserves
Operating	\$1,046,000	\$2,519,000
Capital	300,000	100,000
Total Reserves	\$1,346,000	\$2,619,000

Capacity Charge Calculation

The calculations used to develop the capacity charge for one EDU of the water and wastewater systems, after component adjustments, are provided in Tables 10 and 11 respectively. The calculations use the facility values of the existing fixed assets related to future users and the future CIP along with the number of EDUs from Table 4 to calculate the capacity charge for one EDU for the water and wastewater systems.

Table 10
Water Capacity Charge per EDU

Description	Water
Existing and Planned CIP Value	
Existing System Facility Assets	\$5,931,996
CIP System-wide Improvements	2,298,206
PV of Remaining Debt Service Related to Existing Facilities	(2,511,047)
Capital Funds Balance	300,000
Total Existing and Planned System-wide Value	\$6,019,154
Existing and Future Single-family Equivalent Dwelling Units	2,357
Existing and Planned Value per EDU	\$2,553.74
Growth-Related Value	
CIP Growth-Related Improvements	\$704,494
Total Growth-Related Value	\$704,494
Future Single-family Equivalent Dwelling Units	553
Growth-Related Value per EDU	\$1,273.95
Capacity Charge per EDU [1]	\$3,827.69

[1] Sum of Existing and Planned and Growth-Related value per EDU.

Table 11
Wastewater Capacity Charge per EDU

Description	Wastewater
Existing and Planned CIP Value	
Existing System Facility Assets Value	\$7,405,442
CIP Replacement (System-wide) Improvements	833,518
Capital Reserves Balance [1]	2,611,047
Total Existing and Planned System-wide Value	\$10,850,007
Existing and Planned Single-family Equivalent Dwelling Units	3,177
Existing and Planned Value per EDU	\$3,415.11
	gpd
Growth-Related Value	
CIP Growth-Related Improvements	\$145,082
Total Growth-Related Value	\$145,082
Future Single-family Equivalent Dwelling Units	553
Growth-Related Value per EDU	\$262.36
	gpd
Capacity Charge per EDU [2]	\$3,677.47

[1] Includes capital reserves balance and loan to Water Fund for capital spending.

[2] Sum of Existing and Planned and Growth-Related value per EDU.

Capacity Charge Schedules

Table 12 presents the schedule of proposed water capacity charges for the District. Water system capacity charges for Residential customers are based on an Equivalent Dwelling Unit (EDU) ratio assigned for residential development whereas Non-residential customers are based on the water meter size. The EDU ratios and meter size ratios for the various types of development are methods that conform to industry practice and applicable laws, are easy to understand, and is simple to implement and administrate by the District.

Residential customers have the same charge independent of the meter size for 5/8-inch through 1-inch meters. Multifamily residential and mobile home customers have a capacity charge that is 0.8 times that of the Residential customer which recognizes the lower average consumption of these dwelling units versus Residential customers.

Non-residential customers are charged by the meter size required for water service. Non-residential capacity charges have been designed such that there may be water service requests requiring less than a 1-inch meter. One such use would be commercial landscape irrigation use where only a 5/8-inch meter size could be required. Therefore, the proposed schedule of water capacity charges distinguished between residential and non-residential uses allowing for smaller meter sizes.

Table 12
Proposed Schedule of Water Capacity Charges

Classification/Meter Size	EDU Ratio / Capacity Ratio	Proposed Water Capacity Charges	Current Water Capacity Charges
Residential			
	EDU Ratio		
Single-family Residential [1]	1.00	\$3,827.69	\$3,600
Multifamily Residential [1] [2]	0.80	\$3,062.15	
Condominium [1]	1.00	\$3,827.69	
RV Space/Mobile Home [1] [2]	0.80	\$3,062.15	
Non-Residential			
	Capacity Ratio		
5/8"	0.67	\$2,564.55	\$3,600
3/4"	1.00	\$3,827.69	\$3,600
1"	1.67	\$6,392.24	\$4,500
1 1/2"	3.33	\$12,746.21	\$10,000
2"	5.33	\$20,401.59	\$18,000
3"	10.67	\$68,205.20	\$40,500
4"	16.67	\$106,558.64	\$72,000
6"	33.33	\$213,053.36	\$162,000
8"	93.33	\$596,587.76	\$288,000

[1] Per dwelling unit.

[2] Current use/unit indicates that a Multifamily unit uses 0.80 times that of a SFR unit.

For the wastewater system, capacity charges for Residential and Non-residential customers are designed such that they are charged based on the wastewater flow per connection of the new development applied to the charge for one EDU from Table 9. By doing so, those customers that require a larger use of facilities designed for wastewater flow may be charged accordingly.

Table 13
Proposed Schedule of Wastewater Capacity Charges

Classification/Meter Size		EDU Ratio / Capacity Ratio	Proposed Sewer Capacity Charges	Current Sewer Capacity Charges [3]
Residential		EDU Ratio		
1	Single-family Residential	1.00	\$3,677.47	\$2,400
2	Multifamily Residential [1] [2]	0.80	\$2,941.98	\$2,400
3	Condominium [1]	1.00	\$3,677.47	\$2,400
4	RV Space/Mobile Home [1] [2]	0.80	\$2,941.98	\$2,400
5	Accessory Dwelling Unit [4]	0.50	\$1,838.74	\$2,400
Non-Residential				
5	All Uses [5]			

[1] Per dwelling unit.

[2] Current use/unit indicates that a Multifamily unit uses 0.80 times that of a SFR unit.

[3] Current Sewer Charges for 4-inch and greater sewer service size is \$2,400 Average Daily Flow (ADF) ÷ 300 gpd.

[4] Estimated flow of an Accessory Dwelling Unit is 0.50 times that of a SFR unit.

[5] Proposed capacity charge for non-residential uses is equal to the following formula.

$$\text{Non – Residential Capacity Charge} = \frac{\text{Average Daily Flow}}{200} * \$3,677.47$$

Future Capacity Charges

The proposed water and wastewater capacity charges may be increased annually with the change in the ENR CCI to capture future construction cost inflation. The capacity charge adjustment should be made on the change in the index from January 1, 2024. The capacity charges should be updated at least every five years or when there are substantial changes to the CIP or projected demand.

Implementation

Subject to the review and recommendation of the District's legal counsel, it is recommended that the District adopt a resolution to implement the updated capacity charges in this report. The resolution could reference the current ordinance, set the amount of capacity charges, and reference this report to justify the charges. It is also recommended that the District make a finding that this action is consistent with both the ordinance and with California Government Code Section 66013 and 66016.6. The following steps should be taken by the District.

1. At least 14 days prior to adoption, send a notice of public hearing that includes a general explanation of the matter to be considered with a statement that the data required by this section is available is available to any party that has submitted a request for such notice.
2. At least 10 days prior to the public hearing, publish a notice of public hearing on the proposed capacity charges.
3. At least 10 days prior to the public hearing, have this report available for review by the public.
4. Hold the public hearing as part of a regularly scheduled meeting to consider the resolution for the proposed capacity charges.
5. Adopt the resolution establishing the updated capacity charges.

Appendix A

Water and Wastewater System Future Facility Value is provided in Appendix A.

Appendix A-1
Allocation of Future Water Capital Improvements Value

Description	Total	Percent System-wide	Percent Growth Related	System-wide	Growth-Related
Current Capital Improvement Projects (CIP) [1]					
Well 15 Replacements	\$677,700	76.5%	23.5%	518,698	159,002
Replace Thin-Walled PVC water lines	429,900	76.5%	23.5%	329,037	100,863
Replace galvanized water lines	258,100	76.5%	23.5%	197,545	60,555
Replace Walnut Avenue Water Line (located in backyards)	84,400	76.5%	23.5%	64,598	19,802
4" valves (replace 30 each)	123,900	76.5%	23.5%	94,831	29,069
6" valves (replace 150 each)	229,300	76.5%	23.5%	175,502	53,798
8" valves (replace 50 each)	91,700	76.5%	23.5%	70,185	21,515
Replace older fire hydrants & valves (replace 66 each)	243,800	76.5%	23.5%	186,600	57,200
Replace 3/4" meters (replace 1,500 older meters)	764,600	76.5%	23.5%	585,209	179,391
Replace Backhoe (1/2 cost)	58,000	76.5%	23.5%	44,392	13,608
New Computers, Server and Software (1/2 cost)	11,600	76.5%	23.5%	8,878	2,722
Office Improvement & Upgrades (1/2 cost)	26,500	76.5%	23.5%	20,283	6,217
Furniture (1/2 cost)	3,200	76.5%	23.5%	2,449	751
Total Water CIP	\$3,002,700			\$2,298,206	\$704,494

[1] CIP Source: Winton Water and Sanitary District

Appendix A-2
Allocation of Future Wastewater Capital Improvements Value

Description	Total	Percent System-wide	Percent Growth Related	System-wide	Growth- Related
Current Capital Improvement Projects (CIP) [1]					
Replace Walnut LS Pumps & Control Panel	\$195,700	85.2%	14.8%	166,686	29,014
Replace Myrtle LS Pumps & Control Panel	60,000	85.2%	14.8%	51,105	8,895
Replace Broken VCP Sewer Pipe	107,300	85.2%	14.8%	91,392	15,908
12" Force Main Rehabilitation (Metal Fittings)	53,700	85.2%	14.8%	45,739	7,961
Manhole Repair or Replacement	133,900	85.2%	14.8%	114,049	19,851
Replace Jet Truck	300,000	85.2%	14.8%	255,523	44,477
Replace Backhoe (1/2 cost)	58,000	85.2%	14.8%	49,401	8,599
Replace Sewer Truck #5 (Replace with used truck)	30,400	85.2%	14.8%	25,893	4,507
New Computers, Server and Software (1/2 cost)	11,600	85.2%	14.8%	9,880	1,720
Office Improvement & Upgrades (1/2 cost)	25,000	85.2%	14.8%	21,294	3,706
Furniture (1/2 cost)	3,000	85.2%	14.8%	2,555	445
Total Wastewater CIP	\$978,600			\$833,518	\$145,082

[1] CIP Source: Winton Water and Sanitary District