City of Westminster Tap Fee Program

Growth and Infrastructure Consortium
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Westminster Tap Fee Development Process

- Developed in 1999 to address the inequity of charging tap fees by meter size.
- Implemented in 2001
- Process
  - Work with consultant to develop alternate structure
    - Easy to understand
    - Fair to all development types
    - Recover system costs
    - Sustainable revenue and resources
  - Educate City Council on needs and potential solutions
  - Road trip to developers
  - 3-year phase in

Westminster Tap Fees

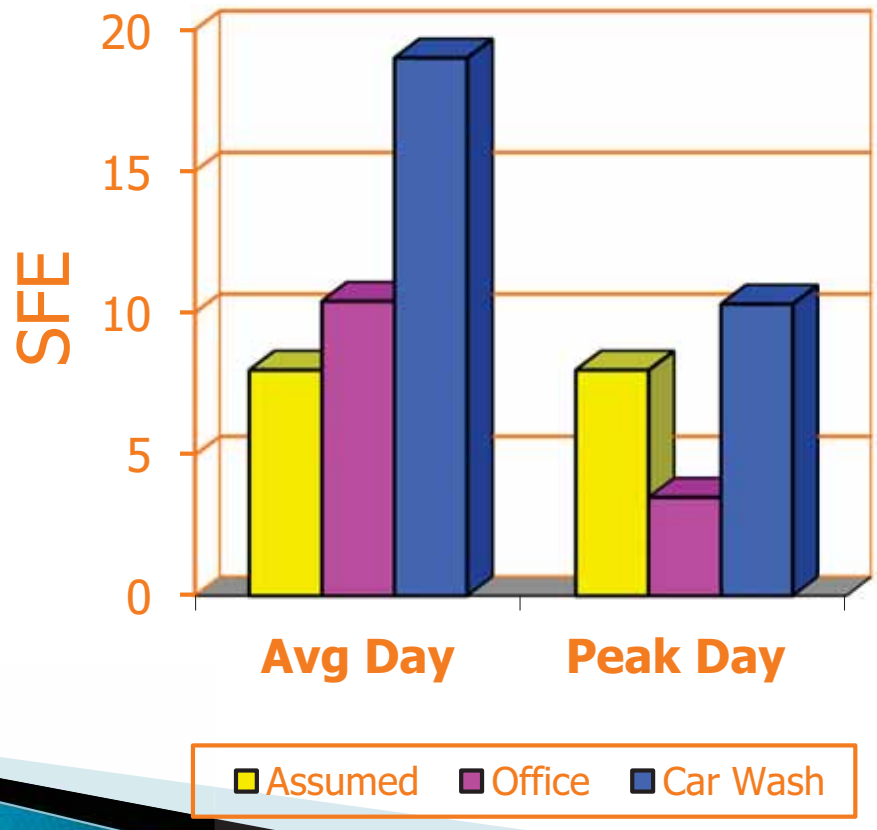
- Sold in increments of:
  - Service commitments
  - Residential equivalents
- Based on current resource values
- Continuous process including changes in use
- Growth pays for growth
- Residential taps standard by unit type
- Commercial taps individually calculated
- Separate component values

Fair and Equitable:
Comparison of Two Commercial Customers Each With 2” Meters

Car Wash Center


Office Building

Comparison of Two Commercial Customers with 2" meters



Water Tap Fee Components

Peak Demand –
Infrastructure Sizing

Annual Water Use –
Water Resources

Peak Water Demand – Infrastructure Impact

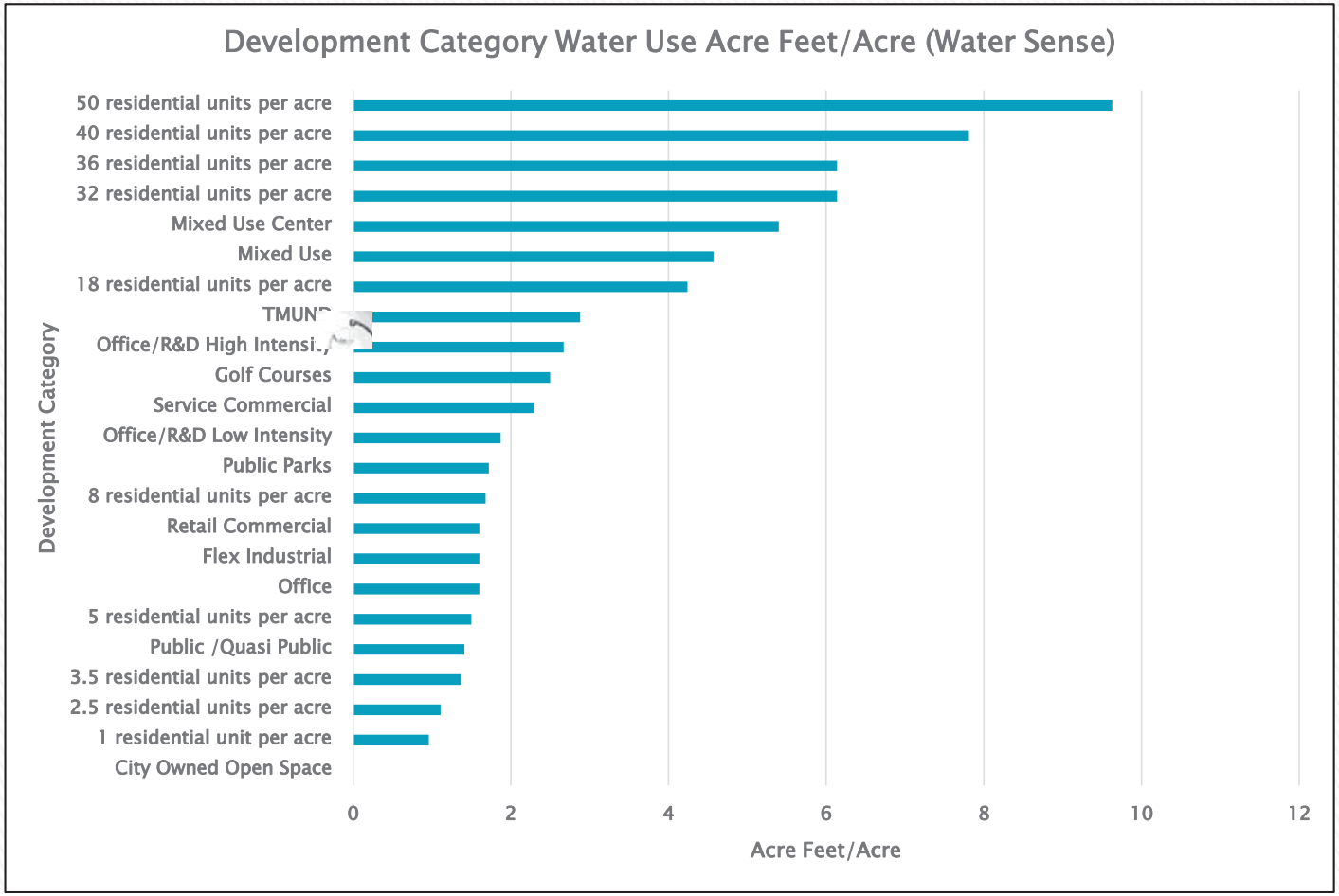
- Calculated using plumbing fixture units
- Hunter Curve
- Based on Meter Size
- Base meter size is single family
- Cost increases proportional

to flow capacity

Meter Size	Connection Charge	Infrastructure Charge 2016
5/8"x 3/4"	$ 339	$ 10,669
3/4"	$ 339	$ 16,002
1"	$ 271	$ 26,671
1-1/2"	$ 271	$ 53,342
2"	$ 339	$ 85,348
3"	$ 408	$ 186,700
4"	$ 476	$ 320,057
6"	$ 543	$ 666,786
8"	$ 613	$ 960,172
10"	*	*
12"	*	*

Tap Fee Costs – Water Resources

- Based on business type
- Charged per "Service Commitment" 140,000 annual gallons
- $11,372 based on $26,500/AF 2016
- $32,200/AF in 2017



Irrigation Tap Fees

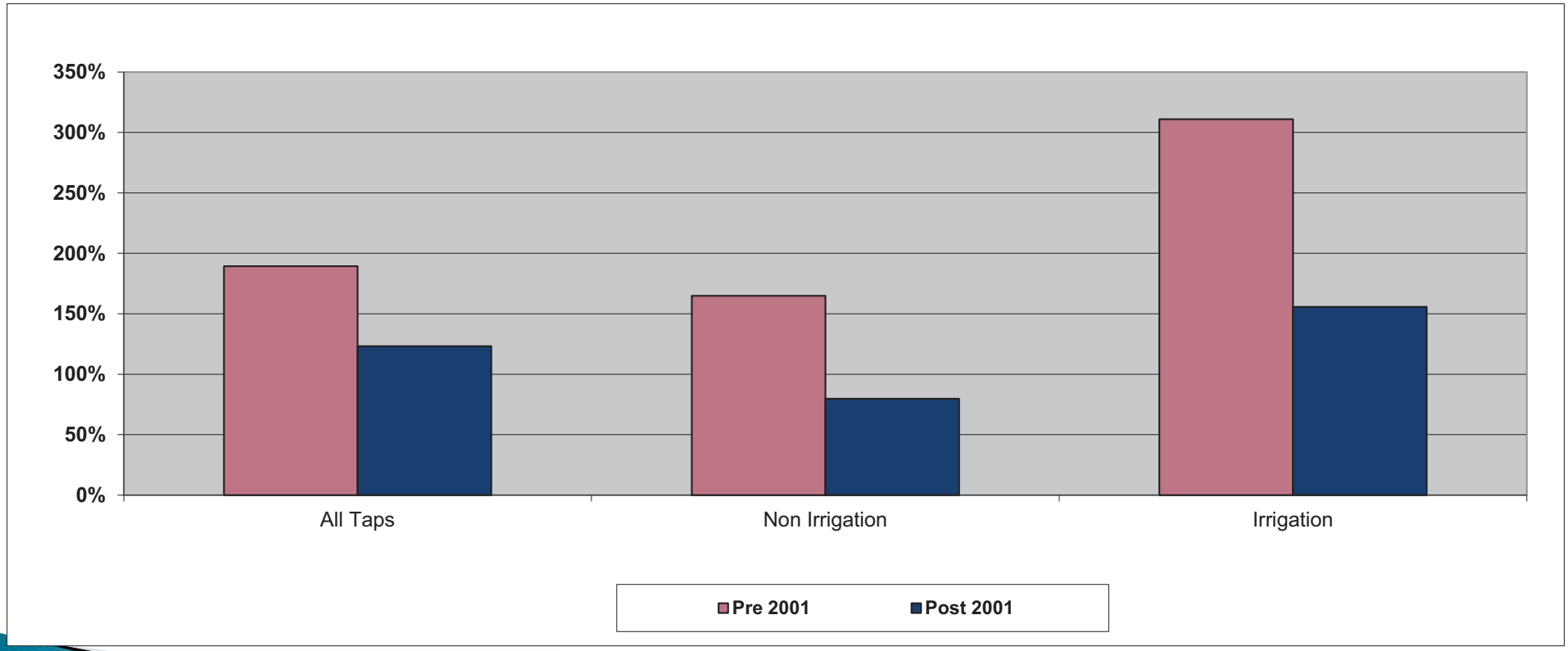
- Based on landscape type – water demand
- Charged per square foot of irrigated area
- Not dependent on meter size

Landscape Type 2016 Tap Fees	Potable	Reclaimed @ 80%
Standard Irrigation Cost per SF	$2.17	$1.74
Medium Water Irrigation Cost per SF	$1.08	$0.86
Low Water Irrigation Cost per SF	$0.54	$0.43
Native Seed – 2 years	$0.00	$0.00

Commercial Water Tap Fees

- Connections that have less impact on the utility should pay lower tap fees
- Actual water use data can be incorporated
- Reviews of existing taps
  - Plumbing permits
  - Additions
  - Landscape changes
- Pre application meetings to explain process

Actual Tap Water Use Compared to Projections Pre Structure vs. Post Structure



Challenges

- There is no “one size fits all”
  - More work
  - Higher staff skillset required Dealing with changes
- New water use on existing tap
  - Expanded water use
  - More fixtures installed
- Collect for overuse in a tap fee rate component
  - Water resources
  - Demand charges
  - Up-front projection accuracy limited
- As costs go up so do tap fees
  - Higher cost to develop
- Businesses that rent may require larger taps and more water
    - Redevelopment
- Refine sizing calculations to provide benefit for low use fixtures

Thank You

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What Are System Development Fees

- Tap Fees
- Water / Wastewater
- Fund system growth
  - Rates cover treatment and maintenance
- Current users build the system and new connections pay them back
- Paid by Developers or new customers

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