

## 1.2.4 Connection Fees (BP)

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### **POLICY**

AMWC will charge its shareholders a connection fee for new water services. Connection fee revenue will be segregated and will only be expended for the development of new water resources. The AMWC Board will review connection fees annually. In addition to the connection fee, shareholders will be charged a service installation fee to cover the cost of installing new water services (Refer to related **Policy 1.4.3 - Service Installation Fee**).

### **Acceptance of Fees**

AMWC will only accept payment of connection fees for a property when a water main is available to serve the property; and,

1. The meter will serve an existing residential, commercial, or industrial building on the property; or,
2. The meter will serve a residential, commercial, or industrial building on the property for which the City of Atascadero or County of San Luis Obispo has issued a building permit; or,
3. The meter is dedicated to landscape irrigation purposes for either a common area parcel or area within a public right-of-way.

### **Standard Meter Size**

The standard meter size for all new single-family residential units added to the AMWC system shall be 3/4-inch with an Equivalent Dwelling Unit Factor of 1.00.

### **Basis of Fees**

Connection fees for new water services will be established by dividing the estimated cost to develop of new water resources by the estimated number of single-family residential (SFR) units that can potentially be added to the system as a result the new water resources. The potential number of new SFR units that can be added to the system will be established by dividing the estimated average daily production of the new water resources by the 10-year average annual daily demand of all existing SFR units.

Connection fees for water services larger than 3/4" will vary, depending on the meter size and type, because larger meters have the potential for a greater impact on water resources by allowing higher use. Connection fees for meters larger than 3/4" will be determined by multiplying the connection fee for a 3/4" meter by an EDU factor. The EDU factor will be based on the maximum continuous meter flow rates shown in the American Water Works Association (AWWA) standards for various sizes and types.

**Equivalent Dwelling Units (EDU)** – The EDU factors in the table below shall be used to determine connection fees for the various meter sizes.

| <b>Meter Size<br/>(inches)</b> | <b>EDU</b>   |
|--------------------------------|--------------|
| ¾                              | 1.00         |
| 1                              | 2.50         |
| 1½                             | 5.00         |
| 2                              | 8.00         |
| 2                              | 16.00        |
| 4                              | 30.00        |
| 6                              | case-by-case |

**Standard Meter Type** - The standard meter will be a displacement or compound type meter. If a shareholder requests another type of meter, and AMWC approves it, the connection fee will be adjusted to reflect the potential demand of the meter, based upon AWWA standards for maximum continuous flow. For example, if the flow of a 3" turbine meter were 50% greater than a compound 3" meter, the connection fee would be increased by 50%.

#### **Meters for Commercial Fire Suppression**

AMWC will allow the installation of water services dedicated to fire suppression purposes on commercial, industrial, public, or multi-family residential properties. Shareholders will not be charged connection fees for these dedicated fire services.

#### **Meters for Residential Fire Suppression**

AMWC will not allow the installation of water services dedicated to fire suppression purposes on single-family residential properties.

Shareholders will be allowed to purchase a 1-inch water meter at the same connection fee rate as ¾-inch water meter when the City or County requires the installation of a residential fire-suppression system. The allowance for 1-inch meters is subject to the following conditions:

1. A fire-suppression engineer, chosen by AMWC, must independently evaluate the shareholder's residential fire-suppression system design to verify the need for a 1-inch meter. The shareholder shall pay AMWC a fixed fee for this evaluation, which fee shall be sufficient to recoup costs incurred by AMWC.
2. The fire-suppression engineer hired by AMWC determines that a 1-inch meter is required for the residential fire-suppression system and there are no practical design modifications that will allow the use of a ¾-inch meter.
3. The shareholder may revise the residential fire-suppression system design if the fire-suppression engineer hired by AMWC determines there are practical design modifications that will allow the use of a ¾-inch meter. AMWC will not allow any reduction in connection fees for a 1-inch meter should the shareholder choose not to

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revise the design of the residential fire-suppression system to allow use of a 3/4-inch meter.

4. The use of 1-inch water services issued under this allowance for residential fire-suppression systems will be limited to one single-family residential unit on the property. The shareholder will be required to pay an additional connection fee for each additional dwelling unit constructed on the property.

Shareholders who voluntarily install residential fire-suppression systems may purchase 1-inch meters at the same connection fee rate as 3/4-inch meters. The reduced connection fee for 1-inch meters is subject to the conditions noted above. Shareholders will be required to pay the full connection fee for the 1-inch meter before meter installation.

Staff will verify the installation of the fire suppression system, and the shareholder will be refunded the difference between the connection fee paid and the connection fee for a 3/4-inch meter. To be eligible for a refund, the fire suppression system installation shall be completed within 60 calendar days of the date the shareholder pays the connection fees.

| USE                                                                                                                          | BASIS OF CONNECTION FEE                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Single Family Residential (SFR)                                                                                              | 1.00 EDU based on meter size                                                                                                                                                                                                                                                                                                                                                                                                   |
| Multifamily Residential (MFR) and Mobile Home Parks<br><br>-or-<br><br>High-density SFR Projects (16 units or more per acre) | 0.50 EDU for each dwelling unit, or the connection fee based on meter size, whichever is greater.<br><br>-or-<br><br>If the project is served by a dedicated landscape meter: 0.25 EDU for each dwelling unit, or the connection fee based on meter size, whichever is greater; plus the connection fee for the landscape meter based on meter size (only applies to MFR, trailer parks, and air-space condominium projects) . |
| Mixed Use (residential + commercial)                                                                                         | 0.50 EDU for each dwelling unit, or the connection fee based on meter size, whichever is greater                                                                                                                                                                                                                                                                                                                               |
| Motels/Hotels/RV Parks/ Bed & Breakfasts                                                                                     | 0.25 EDU for each bedroom unit, or the connection fee based on meter size, whichever is greater.                                                                                                                                                                                                                                                                                                                               |

**High-density Single Family Residential Projects** - Single family residential projects having densities of 16 or more units per acre shall be considered multi-family for the purposes of calculating connection fees. Each single-family unit within the project shall have a separate water meter. Project density shall

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be determined by dividing the total number of units in the project by the net project acreage. Net project acreage shall be the gross project acreage less the total area of paved public and private streets within the project. There shall be no reduction in connection fees for landscape meters for high-density single family residential projects.