



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

March 30, 2022

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TO: ELECTED OFFICIALS AND GENERAL PUBLIC

**RE: PALMDALE WATER DISTRICT CAPITAL IMPACT FEE
STRUCTURE AND POLICIES**

On behalf of the residents and business owners within its boundaries, Palmdale Water District acts to obtain water supplies that it treats and delivers for domestic, irrigation, and fire protection. Both existing and future water infrastructure is needed to make this feasible. Existing customers support the maintenance activities and regulatory improvements for existing facilities through water rates. Future water supply and facilities required to serve new customers are funded by the new customers through the Capital Impact Fee (CIF).

The Capital Impact Fee is reviewed on a 5-year basis and adjusted for current and future needs of infrastructure as well as construction and water supply costs to maintain a high level of service. The “2016 Master Plan Recommended Improvements” shows the facilities funded by the CIF and the construction funds needed. The 2016 Master Plan can be found on the District’s website at www.palmdalewater.org.

The District’s water system is divided into the main zone that benefits all customers within the District and several service zones based on elevation. The CIF in a service zone is based on the costs which include District-wide facilities, facilities in other zones needed to deliver water to that zone, and facilities in that zone. For example, the CIF in a high elevation zone includes facility costs in that zone, a portion of the facility costs in the lower zone(s) that are needed to move water up to it, and a contribution to system-wide projects like the water treatment plant or Littlerock Dam. The costs are then divided among the projected new services in the zone. Capital Impact Fees for new connections are established in relation to the benefits received from the new facilities and the projected growth in each service zone to account for the required water supply to support the new development.

Below is brief explanation of the CIF for each type of development. Fire impact of the CIF is determined by fire flow requirements established by the Los Angeles County Fire Department for all below-mentioned types of development.

Single-Family Residential Developments

CIF for single-family residential developments is determined based on the total number of lots being served multiplied by the total Capital Impact Fees (**Table 1, Enclosure A**) in the subject service zone. The enclosed calculations are shown in **Figure 1, Enclosure B**.

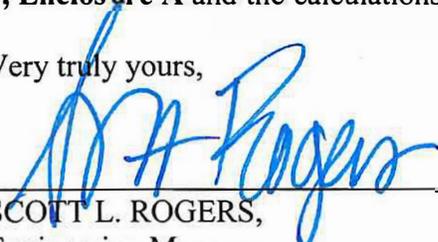
Multifamily Residential Developments

CIF for domestic water demand for multifamily residential developments is established by the greater between one-half the total number of units in a multifamily residential development or the ratio of the requested metered water service connection(s) to a 3/4-inch water service connection, whichever is greater. The enclosed table of fees are shown in **Table 2, Enclosure A**, and the calculations are shown in **Figure 2, Enclosure B**.

Commercial Projects

CIF for commercial/industrial developments for domestic services requires a calculated forecasted demand in AFY, to be determined by the development’s project engineer, then reviewed and approved by the District. CIF for irrigation needs will be determined by the finalized landscaping plans, which identify the quantity and size of the service(s) and the Maximum Applied Water Allowance (MAWA) calculations prepared by a licensed landscape architect. The enclosed table of fees are shown in **Table 3, Enclosure A** and the calculations are shown in **Figure 3, Enclosure B**.

Very truly yours,



SCOTT L. ROGERS,
Engineering Manager

SLR/jv

Enclosures:

A	Table 1 – Single-Family Residential Capital Impact Fees Table 2 - Commercial & Industrial- Domestic and Irrigation Service Fees Table 3 - Domestic and Irrigation Service Fees
B	Figure 1 – Single-Family Residential Capital Impact Fee Calculations Figure 2 – Multifamily Residential Capital Impact Fee Calculations Figure 3 – Commercial Capital Impact Fee Calculations

Enclosure A
Capital Impact Fee Tables
(per Article 10.07C)

Table 1 – Single-Family & Multi-Family, Domestic and Irrigation Service Fees^{1,2}

<i>Service Zone</i>	<i>Infrastructure (X)</i>	<i>Water Supply (Y)</i>	<i>Total CIF (Z)</i>
2800' & 2850'	\$3,880	\$8,907	\$12,787
2950' & 3000'	\$10,756	\$8,981	\$19,737
3200' & 3250'	\$13,180	\$8,604	\$21,784
3400' & 3600'	\$15,687	\$8,604	\$24,291

Notes: (1) Assumes a single ¾ inch service (2) Multi-Family is calculated by half the total apartment units multiplied by the cost per unit above and compared to cost by the size of the service, whichever is higher.

Table 2 - Commercial & Industrial- Domestic and Irrigation Service Fees

<i>Service Zone</i>	<i>Infrastructure (X)</i>	<i>Water Supply (Y)</i>	<i>Total CIF (Z)</i>
2800' & 2850'	\$3,880	\$13,406	BASED ON EDU'S & AFY
2950' & 3000'	\$10,756	\$13,406	
3200' & 3250'	\$13,180	\$13,406	
3400' & 3600'	\$15,687	\$13,406	

Enclosure A

Capital Impact Fee Tables (per Article 10.07C)

Table 3 – Domestic and Irrigation Service Fees¹

	Single Family Residential			
<i>Service Zone</i>	<i>3/4" Service</i>	<i>1" Service</i>	<i>1-1/2" Service</i>	<i>2" Service</i>
2800' & 2850'	\$12,787.00	\$22,732.44	\$51,148.00	\$90,929.78
2950' & 3000'	\$19,737.00	\$35,088.00	\$78,948.00	\$140,352.00
3200' & 3250'	\$21,784.00	\$38,727.11	\$87,136.00	\$154,908.44
3400' & 3600'	\$24,291.00	\$43,184.00	\$97,164.00	\$172,736.00

	Multi-Family Residential				
<i>Service Zone</i>	<i>3" Service</i>	<i>4" Service</i>	<i>6" Service</i>	<i>8" Service</i>	<i>10" Service</i>
2800' & 2850'	\$204,592.00	\$363,719.11	\$818,368.00	\$1,454,876.44	\$2,273,244.44
2950' & 3000'	\$315,792.00	\$561,408.00	\$1,263,168.00	\$2,245,632.00	\$3,508,800.00
3200' & 3250'	\$348,544.00	\$619,633.78	\$1,394,176.00	\$2,478,535.11	\$3,872,711.11
3400' & 3600'	\$388,656.00	\$690,944.00	\$1,554,624.00	\$2,763,776.00	\$4,318,400.00

Note: (1) If a single-family service is larger than ¾-inch, the cost is determined by the ratio of the larger size service diameter by ¾-inch service diameter.

Note: Subsequent updates to the Capital Impact Fee (CIF) will modify the fees shown in above tables, plus a percentage increase based on the published Construction Cost Index (CCI) from data provided by Engineering-News Record (ENR). The frequency of updates will depend on the growth in water demands in the District service areas, the CIF collected and the need for additional facilities.

Once the modified Capital Infrastructure Fee and Water Supply Fee is in place, the District will segregate the revenues derived from said fees and hold and account for them as specified in Government Code Sections 66001 and 66006. The revenue generated by these CIF fees will only be used on water supply acquisitions and projects associated with new water supply related to new developments.

Enclosure B

Capital Impact Fee Calculations

Definition of Formulae Terms

AFY	=	Acre Feet Per Year
C.I.F.	=	Capital Improvement Fee
DSD	=	Domestic Service Diameter
ISD	=	Irrigation Service Diameter
MFEU	=	Multifamily Equivalent Unit
MFU	=	Multifamily Residential Units
EDU	=	Equivalent Dwelling Units
DOM	=	Domestic Demand in AFY
IRR	=	Irrigation Demand in AFY
X	=	Infrastructure C.I.F. in the Subject Zone
Y	=	Water Supply C.I.F. in the Subject Zone
Z	=	Total C.I.F. in the Subject Zone
PFFD	=	New Public Fire Flow Demand = (GPM)(HR)
OSFFD	=	New On-Site Fire Flow Demand = (GPM)(HR)
pfdd	=	Previous Public Fire Flow Demand = (GPM)(HR)
osffd	=	Old On-Site Fire Flow Demand = (GPM)(HR)

Figure 1 - Single Family Residential Development CIF Calculation:

$$CIF = \left[\left(\frac{(PFDD - pfdd)}{(1250) \times (2)} \right) \times (X) \right] + \left[\left(\frac{DSD^2}{0.75^2} \right) \times (Z) \right]$$

Notes:

- 1) If Fire Flow Requirements are 1,250 gpm for 2 hrs or less for new development, the fire flow CIF is zero

Enclosure B

Capital Impact Fee Calculations

Figure 2 - Multi-Family Residential Development CIF Calculation:

$$CIF = \left[\left(\frac{(PFDD + OSFFD) - (pffd + osffd)}{(1250) \times (2)} \right) \times (X) \right] + [(MFEU) \times (Z)]$$

$$MFEU = \left(\frac{DSD^2}{0.75^2} \right) \quad \text{or} \quad MFEU = \frac{MFU}{2}$$

Notes:

- 1) Use the MFEU that is greater from the two calculations above

Figure 3 - Commercial Development CIF Calculation:

$$CIF = \left[\left(\frac{(PFDD + OSFFD) - (pffd + osffd)}{(1250) \times (2)} + \left(\frac{ISD^2}{0.75^2} \right) + \left(\frac{DSD^2}{0.75^2} \right) \right) \right] \times (X) + [(DOM) + (IRR)] \times (Y)$$

Irrigation CIF Calculation:

$$CIF = \left[\left(\frac{ISD^2}{0.75^2} \right) \times (Z) \right]$$