PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

W. SCOTT KELLERMAN
Division 1

DON WILSON
Division 2

CYNTHIA SANCHEZ
Division 3

KATHY MAC LAREN-GOMEZ
Division 4

DEBBIE DINO
Division 5

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys

ACWA PROUD MEMBER

October 26, 2026

TO: ELECTED OFFICIALS AND GENERAL PUBLIC

RE: PALMDALE WATER DISTRICT CAPITAL IMPACT FEE STRUCTURE AND POLICIES

Palmdale Water District provides water service for domestic, irrigation, and fire protection purposes throughout the District's service area. Providing reliable water service requires both water supply and infrastructure, including pipelines, reservoirs, booster stations, wells, treatment facilities, and other water system improvements.

Existing customers generally support the operation, maintenance, and improvement of the existing water system through water rates. New development creates additional demands for water supply and system capacity. The District's Capital Improvement Fee (CIF) is intended to recover the applicable costs associated with providing the additional infrastructure and water supply required to serve new development.

The CIF consists of two primary components:

Infrastructure Component – Funds growth-related water system infrastructure, including pipelines, transmission capacity, reservoirs, booster stations, pressure-zone facilities, and other eligible improvements.

Water Supply Component – Funds the additional water supply needed to serve new development, including groundwater rights, wells, Pure Water Antelope Valley facilities, and Palmdale Ditch water supply investments.

The District's water system includes several service zones based primarily on elevation and the infrastructure required to provide service to each zone. Therefore, the Infrastructure Component varies by service zone. A higher-elevation service zone may require capacity in facilities within that zone as well as facilities in lower zones needed to convey water to the higher zone.

The Water Supply Component is based on the forecasted annual water demand associated with new development. For a typical single-family residential connection, the 2026 Water Supply Fee is $14,310 per connection. For commercial and industrial development, the Water Supply Fee is calculated using the project's forecasted annual water demand at $32,400 per acre-foot per year (AFY).

The following summarizes how the CIF is applied to the primary development categories.

Single Family Residential Developments

The CIF for single-family residential development is calculated based on the number of residential lots or connections to be served and the applicable CIF for the service zone in which the development is located. The applicable 2026 fees are provided in **Table 1, Enclosure A.**

Multifamily Residential Developments

The CIF for multifamily residential development is determined based on the anticipated demand and service requirements of the development. The applicable calculation considers the number of dwelling units and the size and number of requested water service connections, as further described in **Enclosure B**.

Commercial Projects

For commercial and industrial development, the Water Supply Component is based on forecasted annual water demand in AFY. The demand estimate shall be prepared by the project's engineer and is subject to review and approval by the District.

Irrigation demand is determined based on the approved landscaping plans, proposed irrigation service requirements, and applicable Maximum Applied Water Allowance (MAWA) calculations prepared for the development.

Very truly yours,

SHADI BADER, P.E., PMP, CCM
Engineering Manager

SB/jv

Enclosures:

A	**Table 1** – Single Family & Multi-Family – Domestic and Irrigation Residential Service Fees by Zone **Table 2** - Commercial & Industrial- Domestic and Irrigation Service Fees by Zone **Table 3** – Domestic and Irrigation Service Connection Fees by Zone
B	**Figure 1** - Single Family Residential Development Capital Impact Fee Calculation **Figure 2** – Multifamily Residential Development Capital Impact Fee Calculation **Figure 3** – Commercial Development Capital Impact Fee Calculation **Figure 4** – Irrigation Capital Impact Fee Calculation

Enclosure A
Capital Impact Fee Tables

Table 1 – Single Family & Multi-Family, Domestic and Irrigation Service Fees[1]

Service Zone	*Infrastructure (X)*	*Water Supply (Y)*	*Total CIF (Z)*
2800' & 2850'	$4,872	$14,310	$19,182
2950' & 3000'	$13,507	$14,310	$27,817
3200' & 3250'	$16,550	$14,310	$30,860
3400' & 3600'	$19,699	$14,310	$34,009

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 greater.

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

Service Zone	*Infrastructure (X)*	*Water Supply (Y)*
2800' & 2850'	$4,872	$32,400 per forecasted AFY
2950' & 3000'	$13,507	$32,400 per forecasted AFY
3200' & 3250'	$16,550	$32,400 per forecasted AFY
3400' & 3600'	$19,699	$32,400 per forecasted AFY

Table 3 – Domestic and Irrigation Service Connection Fees

	Single Family Residential				Multi-Family Residential				
Service Zone	***3/4" Service***	***1" Service***	***1-1/2" Service***	***2" Service***	***3" Service***	***4" Service***	***6" Service***	***8" Service***	***10" Service***
2800' & 2850'	$19,182.00	$34,101.33	$76,728.00	$136,405.33	$306,912.00	$545,621.33	$1,227,648.00	$2,182,485.33	$3,410,133.33
2950' & 3000'	$27,817.00	$49,452.44	$111,268.00	$197,809.78	$445,072.00	$791,239.11	$1,780,288.00	$3,164,956.44	$4,945,244.44
3200' & 3250'	$30,860.00	$54,862.22	$123,440.00	$219,448.89	$493,760.00	$877,795.56	$1,975,040.00	$3,511,182.22	$5,486,222.22
3400' & 3600'	$34,009.00	$60,460.44	$136,036.00	$241,841.78	$544,144.00	$967,367.11	$2,176,576.00	$3,869,468.44	$6,046,044.44

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)**
pffd	=	**Previous Public Fire Flow Demand = (GPM)(HR)**
osffd	=	**Old On-Site Fire Flow Demand = (GPM)(HR)**

Figure 1 – Single-Family Residential Development CIF Calculation:

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

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:

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

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

Notes:

1. *Use the MFEU that is greater from the two calculations above*

Figure 3 - Commercial Development CIF Calculation:

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

Figure 4 - Irrigation CIF Calculation:

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