



Public Works Commission Meeting

**Water Supply Fee Update
November 8, 2018**



Background

- In 2016, Water Supply Fee (WSF) was established to pay for the cost of new facilities to provide additional water supplies for:
 - New connections
 - Redevelopment
- To reduce dependence on Metropolitan Water District, the 2015 Water Enterprise Plan recommended:
 - Development of three (3) new groundwater wells in the unadjudicated Central Basin
 - Construction of related transmission mains to convey groundwater to the City's treatment plant
 - Improvements to the Reverse Osmosis Treatment Plant



Background

- As new development/redevelopment occurs, increased demands would produce the need for additional groundwater supplies beyond those anticipated in the Water Enterprise Plan
- The proposed updates to the WSF are in addition to the City's current Water Capacity Charge to fund new facilities not included in the determination of the current Water Capacity Charge
- It is recommended the WSF is periodically updated in order to account for new conservation measures, irrigation ordinances, and anticipated updates to capital improvement projects



Background

- This year's update includes plans to build three wells in the La Brea Subarea
- Estimated production is 1,700 acre feet per year
- Estimated cost of La Brea Production Facilities: \$44,914,599



Background

Cost of La Brea Production Facilities

DESCRIPTION	COST
Preliminary Design Report	\$773,008
Land Acquisition (Land Value)	\$7,500,000
Final Design	\$3,839,231
Well Drilling Contracts	\$3,082,950
Transmission Main Contract	\$9,767,160
Water Treatment Construction	\$6,025,000
Environmental Documentation – CEQA	\$300,000
System Permitting and Testing	\$1,073,890
Construction Management and Inspection	\$3,145,815
Subtotal Project Cost	\$35,931,679
Contingency (25%)	\$8,982,920
Total Project Cost with Land	\$44,914,599
Estimated Production of New Wells (acre-feet per year)	1,700
Cost per Acre-Foot of Water Produced (per acre-foot per year)	\$26,420



Background

WSF Collections January 2017 to June 2018

Irrigation Fees Collected	\$149,594.00
Domestic Fees Collected	\$645,308.00
No Water Meter*	\$47,026.77
Processing Fee	\$175.00
Irrigation Fees Pending Collection	\$167,564.54
Domestic Fees Pending Collection	\$369,585.00
Processing Fees Pending Collection	\$560.00
Total	<hr/> \$1,379,813.31

**WSF charged on account of square footage increase (no actual meter upgrade)*



Existing and Proposed Fees

For a residential or commercial project requiring a new connection, WSFs are:

Meter Size	WSF (Existing)	WSF (Proposed)
5/8 x 3/4"	N/A	\$3,488
3/4"	\$8,800	\$5,231
→ 1"	\$14,666	\$8,719
1.5"	\$29,332	\$17,438
2"	\$46,932	\$27,901
3"	\$87,997	\$55,802
4"	\$146,661	\$87,190
6"	\$293,222	\$174,380
8"	N/A	\$279,008
10"	N/A	\$732,396
12"	N/A	\$924,214



WSF for Redevelopment

WSF for Redevelopment or Expansion

Indoor Use, AFY (50% of Average)	Cost per AFY	Fee
0.33	\$26,420	\$8,719
Average SFR Size (square feet)		5,000
Fee for Redevelopment or Expansion per Square Foot (proposed)		\$1.74
Fee for Redevelopment or Expansion per Square Foot (existing)		\$1.47

The proposed WSF adheres to the existing practice of the City to exempt redevelopment or expansion of less than 1,000 SF of additional space



WSF for Commercial

WSF for Non-Residential Customers – 2016 vs. 2018

Customer Class	Estimated Gallons Per Day	Service Unit	Existing WSF	Proposed WSF
Auditorium or Community Center	4.4	per seat	\$72	\$130
Bank	167	per 1,000 sq. ft.	\$2,744	\$4,943
Gymnasium	278	per 1,000 sq. ft.	\$4,567	\$8,229
Health Spa	667	per 1,000 sq. ft.	\$10,958	\$19,743
Hotel, per room	144	per room	\$2,366	\$4,262
Medical Office	278	per 1,000 sq. ft.	\$4,567	\$8,229
Office Building	167	per 1,000 sq. ft.	\$2,744	\$4,943
Shopping Center	167	per 1,000 sq. ft.	\$2,744	\$4,943
Coffee House	333	per 1,000 sq. ft.	\$5,471	\$9,856
Restaurant–Full Service	33	per seat	\$542	\$977
Retail Store	89	per 1,000 sq. ft.	\$1,462	\$2,634
School – Private	222	per 1,000 sq. ft.	\$3,647	\$6,571
Supermarket	167	per 1,000 sq. ft.	\$2,744	\$4,943



Recommendations

- Approve update to the WSF
- WSF not applied to irrigation meters in the case of existing domestic meter that covers both domestic and irrigation uses
- Provide WSF credits based upon adoption of extraordinary efforts by the developer or owner, such as installation and implementation of:
 - Gray Water Systems
 - Rain Harvesting
 - Other measures above and beyond those already required by City Municipal Code